COMMERCE

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

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EXTERNAL PAYMENTS CRISIS

INDIA'S foreign exchange reserves fell further in the last week of June 1958 to stand at Rs. 217.70 crores. This brings the total recession in the second quarter of the current year to Rs. 70.66 crores, taking into account the sum of Rs. 21.33 crores received from the British Government by way of advance payment of the instalments due on the sterling pension annuities account. But for this receipt, the external assets would have fallen well below Rs. 200 crores by now. In addition to these external assets, India has gold coin and bullion of the value of Rs. 117.76 crores. Thus, the total external reserves are of the order of Rs. 335.46 crores. country, owever, can afford to reduce its rves to zero. It has generally been accepted both the Reserve Bank and the Government ndia that, as a policy of caution, the gold rves should be kept untouched and that, of foreign currency reserves, at least a mini- n of Rs. 200 crores should be maintained. his informal decision were to be stuck to, balance available for expenditure would be nore than Rs. 18 crores. This is not ade- te to cover the requirements of even one nth which, in the previous quarter, averaged out Rs. 24 crores per month. And yet there e outstanding commitments to the tune of s. 880 crores in respect of capital goods ordered y India under the second Five-year Plan. The tual foreign exchange gap as estimated by the lanning Commission is, however, lower at s. 560 crores, assuming that a minimum of s. 200 crores has to be kept in the form of currencies and that the gold coin and ot to be drawn down. Apparently, ween the two figures, namely, Rs. 560 crores is covered by the foreign aid that has been promised so far. Of the foreign exchange gap of Rs. 560 crores, it is further estimated, half will have to be found before April next and the recent U.S. Export-Import Bank loan of $150 million (roughly Rs. 72 crores) will not be available for this purpose. In other words, India will have to find Rs. 250 crores to Rs. 280 crores of foreign exchange in the coming nine months to pay for the commitments that mature during this period. This figure will go up to Rs. 300 crores, if allowance is made for the repayment of foreign loans that fall due in the fiscal year 1958-59. The amount of such repayment is officially placed at Rs. 23 crores.

The foregoing account gives a brief but a clear, we hope, picture of the magnitude of foreign exchange crisis that confronts India now. A solution for this cannot be delayed for long. This is the immediate aspect of the foreign exchange crisis. The next aspect covers the period from April 1959 to the end of the second Plan. that is, March 1961, a period of two years. The foreign exchange to be found during this period will be a little over Rs. 400 crores, taking also into account the repayment of the old loans that fall due. Then there is the third aspect of the foreign exchange problem; this pertains to the third Plan requirements and the repayments of loans already obtained and falling due during the period of that Plan. On the present reckoning, the latter amount to Rs. 123 crores in 1961-62, Rs. 107 crores in 1962-63, Rs. 48 crores in 1963-64 and Rs. 35 crores in 1964-65, or a total of Rs. 313 crores in the first four years of the third Plan. These amounts may well be more, for it is unlikely that they include the effect of all the deferred payment arrangements that have been concluded in the past one year. Accordingly, it will not be very wide of the mark to say that the third Plan period will commence with a down short-term foreign exchange liability of least Rs. 400 crores, if not more, of which 75 per cent. will have to be found in the first three years. There will in addition be the foreign exchange gap of the third Plan which may be anything between Rs. 1,500 crores and Rs. 2,000 crores, depending upon the type and magnitude of the Plan and on the level of world prices.

It will thus be seen that India is in for a foreign exchange deficit for several years to come, even if its living standards are to be raised by a modest extent in the face of a fast growing population. This fact we dare say is already well known to all those who have paid some thought to the problem of economic development of India. There is, therefore, nothing new t it. Even the present acute foreign exchange problem was anticipated and is well understood. It is not, therefore, correct to say, as Mr. H. V. R. Iengar, Governor of the Reserve Bank, did in his speech under the auspices of the Progressive Group early this week, that, in writing and talking about the foreign exchange crisis, people do so as though it has come upon the country suddenly and surprisingly. If, however, the Press writes about it and people talk about it, the explanation for it is to be found in human nature. Since no successful steps have been taken to arrest the fall in foreign balances and the balances themselves are fast approaching the irreducible minimum, the people concerned in India and abroad are wondering as to what the Government of India will do next. The problem has undoubtedly become hot news.

The authorities in India should have anticipated this development and initiated timely measures to prevent it. They may very well retort by saying that they have all along been seized of the problem and had not slept over it. That is, of course, true, but the proof of it is not convincing. There has been more talk on their part but very little effective action. We have all talked about the urgency of export promotion for nearly two years, if not more. What action has the Government taken in this direction, except to impose punitive taxation on domestic consumption which has proved t be self-defeating? Even the few measure initiated very recently are of a halting, un imaginative and belated nature. Wrong notion about profit margins of manufacturers an exporters and ideological considerations hav blinded it to the realities of the situation. On can pertinently ask the Government as to wh it has not taken concerted action on the recom mendations of the expert committee on expor promotion. There has been no dearth of sounc advice and practical guidance from competen quarters. I' is the Government which has beer very slow in responding to them. No wonder therefore, that people get discouraged, harbou doubts and are inclined to be pessimistic abou the future. Optimism in such matters cannot be engendered merely through pep talk o teasers, or passionate appeals to the patriotism of the people. Nor can it be done by exaggerating statistical truths notorious for their flexibility or by approvingly quoting unproved and untested testimony of some foreigner, however great an expert he may be.

Take, for instance, the statement of Mr Iengar that, in the past decade, the Indian rupee has depreciated to a much smaller extent than the U.S. dollar or the British pound. Will this kind of argument carry much conviction to foreigners who are inclined to invest in this country? Can it be contended that, in the international money markets, the Indian rupee commands more confidence than either the U.S. dollar or the pound sterling? Again, what consolation can the people of India derive from such comparisons? What worries an average Indian is the continuing increase in his cost of living, which, in the past two years alone, has shot up by no less than 15 per cent., as against about 7 per cent. in the U.S. and the U.K. That apart, the adverse effect of a 2 per cent. fall in the purchasing power of the rupee on Indian citizens is far greater than that of a 3 or 4 per cent. fall in the value of the dollar and sterling on the citizens of their respective countries. For an average Indian gets only Rs. 280 per annum, as against about Rs. 4,300 and Rs. 9,750 by his British and U.S. confrere, respectively. Equally unconvincing Mr. Iengar is when he tries to ginger up confidnce in the rupees in this country and abroad by quoting a reported statement of Mr. C. Douglas Dillon, the Deputy Under-Secretary of State for Economic Affairs in the U.S. Government. In a testimony to the U.S. Congress in favour of continued foreign aid to friendly foreign nations, Mr. Dillon is reported to have said that, in his opinion, there was "a very reasonable chance"—mark the words within quotations—that the Indian currency would be a relatively hard currency within 10 to 15 years. That is the cautious guess of Mr. Dillon and we do not know what reasons he advanced in support of it. But it is something hard to believe and difficult to substantiate. If, however, Mr. Dillon hazarded that view, it was with a view to influencing the Congress in favour of his Administration's foreign aid bill. It was a political and not an economic argument. But does it redound to the credit of the Governor of the Reserve Bank to advance that nebulous opinion in favour of the rupee? To do so is tantamount to indulging in overoptimism.

In any case, to speak about the likely status of Indian currency 15 years from now is to engage oneself in an academic exercise of no immediate value. The problem of the moment is one of finding ways and means of filling up at least the first part of the foreign exchange gap described earlier. This can be solved only with the co-operation of countries to which India has to pay. Stimulating exports and reducing imports are, of course, the usual methods of adjusting an imbalance in the external payments account. While we do not minimise the importance of these traditional methods, the gap is

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so large and the time at the country's disposal so short that it is no use depending on this twin solution alone. Some are advocating devaluation as one of the remedies. But this remedy is worse than the disease. India may as well abandon its plan for economic development rather than resort to it. Equally undesirable are such methods as allowing exporters to keep a part of the export proceeds in foreign exchange or conferring on them special quotas for imports of goods that are scarce in this country. These methods do not differ from the much discredited system of multiple exchange rates. The most effective solution is to request countries like Britain, West Germany, Japan and the U.S., with which India has placed its orders for plant and machinery, to fund the short-term liabilities due to them into long-term loans. The Government of India should explore the possibilities of reaching an agreement along this line without any delay. No question of prestige is involved here, for even countries richer than India resorted to this course when they were faced with similar difficulties. In addition to this, urgent efforts must be made to secure a standby credit from the U.S. or a fresh lump-sum cash loan of $400 to $500 million which will go to boost our currency reserves and engender confidence among investors interested in this country. With such a backing from the U.S., it should be possible to raise medium and long-term loans in some of the creditor and capital exporting countries in the world. As a measure of emergency, it should also be possible to get at least $100 million from the International Monetary Fund over and above the $200 million which India obtained early last year.

All these are remedies that can be applied successfully and quickly, given the goodwill of friendly countries. But these alone will not be sufficient. They require to be supplemented by a reorientation of India's economic policies which will strengthen its capacity to produce and export the type of manufactured goods and raw materials needed by the rest of the world and which will enable it to compete effectively for a sizable share in the foreign risk capital seeking profitable opportunities outside its home. Care must also be taken to ensure that the planners in this country do not repeat the costly mistakes they made in the preparation of the second Plan.

CEMENT PRICES

THE Government's decision on the Tariff Commission's inquiry into cement prices has aroused country-wide interest. This is natural, considering that cement is a basic commodity of vital importance to buildings, roads and multi-purpose projects. And cement in this country has had a not uninteresting past. Absolute scarcity of cement prevailed in the early post-war years. But it was also among the few industries which qualified early for decontrol by reaching record production. This, however, proved short-lived. Shortages developed very soon, thanks to the fact that demand outstripped supply under the impact of large development expenditure. An expert committee was deemed necessary to suggest measures of economy in the use of cement. The Government, anxious to make revenue hay while the sun of shortage shines, imposed a stiff excise duty on cement. Not content with this, it proceeded promptly to transfer trading in cement to the State Trading Corporation which, at the expense of the ill-protected consumer, reaped a fortune that would be the envy of the worst of war-time profiteers. It now looks as though cement shortage is a thing of the past, though, in relation to potential, as distinct from actual, demand, there is scope for considerable increase in cement output.

The fact that the industry has, by and large, been able to meet the steadily increasing demand for its product is evident from the successive production records it has established. In 1946, it was able to produce no more than 1.54 million tons. By 1951, the first year of the first Plan, it had reached 3.19 million tons. Five years later, in 1956, production exceeded 4.93 million tons. Last year, it produced 5.55 million tons. By any reckoning, this is an impressive record. At present, the rated capacity of the 28 units in the industry—13 units of the Associated Cement Companies group, two State-Government factories and 13 units owned by different public limited companies—is about 6.33 million tons. Much increase in production is now being planned. Existing producers are expected to set up eight new factories and there will be no less than eighteen new entrants into the field. It is difficult to estimate how many of them will be able to reach firm production in the next few years. But the Tariff Commission has provisionally estimated that the industry's annual capacity will reach about 8.4 million tons by 1958, 10.5 million tons by 1959, 12.0 million tons by 1960, 14.8 million tons by 1961 and 15.1 million tons by 1962.

The question of cement prices is intimately connected with the industry's expansion programmes. After all, the industry should be enabled to raise a reasonable proportion of the finance it needs for expansion and nearly all the finance it would require for replacement and renovation of its existing plant. In fixing the prices of cement in the last enquiry, the basis adopted by the Tariff Commission was a 10 per cent. return on gross block plus an allowance for working capital calculated at 4½ per cent. on an amount equivalent to five months' cost of production. The Government, however, considered an 8 per cent. return on gross block sufficient. This was one of the reasons why it decided that the standard price of cement should be Rs. 67 per ton, as against Rs. 72 recommended by the Commission. Be that as it may, it is noteworthy that the Commission itself has now departed from the gross block formula. It has apparently become wiser and has advanced some very cogent arguments against the method of expressing the return to an industry as a percentage of its gross block. It points out that a return to an industry, expressed as a percentage of gross block, includes profit on the portion of the value of fixed assets which is already covered by depreciation set aside in the past. In the case of old and established industries with plant and machinery which have been written down over a period of years, the percentage is applied to a large part of its original value which has been recovered in cost by way of tax-free depreciation allowances. Again, this formula creates anomalies in an industry which consists of old and new units. "The gross block of old companies," the Commission says, "will continue to increase out of depreciation allowances already granted to them, while new companies grow side by side in which the relation between gross block and capital employed is substantially different."

These considerations have prompted the Commission to adopt "employed capital" as the basis for arriving at a fair return for the cement industry. In this connection, it quotes the accepted definition of employed capital, namely, the "net assets comprising fixed and current assets used in the business, less current liabilities and provisions." The Commission has also had to assess the employed capital for each unit in the context of the latter's future programme of expansion, while working capital has been assessed at five months' cost of production. After thus determining the basis for calculating the return, the Commission has addressed itself to the far more practical problem of fixing the actual quantum of return on employed capital. It recalls that, in the case of the rubber industry, it took the view that 10 per cent. of capital employed would be a fair return for that industry. It recognises that, since 1955 when the case of the rubber industry was examined, the rates of taxation applicable to companies have increased from about 44 per cent. to about 51½ per cent. and the rates of borrowings have also increased by 1½ to 2 per cent. There have also been increases in wages and emoluments to labour and staff. It, therefore, regards 12 per cent. of capital employed as a fair return for the cement industry. This is the quantum of return allowed to the low-cost units, namely, A.C.C., Dalmia Bharat, Dalmia Dadri, Digvijay, Jaipur Udyog, Kalyanpur, Orissa Cement, Rohtas and Sone Valley. The high-cost units, namely, the Andhra Cement, Ashoka, Bagalkot and India Cements will get a return of 10 per cent. The two State-Government-owned factories, namely, the Mysore Iron and the U.P. factory—they do not face income-tax liability—will get a return of 6 per cent. on capital employed. Besides, a rehabilitation allowance at the rate of Rs. 4 per ton—this would yield about Rs. 2 after payment of income-tax—has been permitted. It is gratifying to note that the Government, unlike in the past when it sometimes arbitrarily varied, amended or rejected the Commission's recommendations made after careful investigations, has accepted this basis of cement prices. It has, however, held, for certain administrative reasons, that the revised prices should take effect from 1st July 1958 and not from 1st January 1958, as recommended by the Commission; the revised prices will, however, remain in force till the end of June 1961, thereby not whittling down the duration of the period suggested by the Commission.

The question of cement prices assumes special importance in the light of the admitted need for increased production. It is true that, in the absence of reliable statistical data, no reasonable estimate of the country's requirements of cement can now be presented. Indeed, estimates of future requirements have varied from time to time and often so widely that the lay public has been mystified, rather than illuminated, by discussions on cement targets. Perhaps, the Government, too, is partly to blame for the way in which it has permitted its imagination, rather than prudence, to determine targets for cement. At present, the pruning of the Plan and the shortages in steel and other building materials have adversely affected the demand for cement. But the position will change when these impediments disappear. It must also be recognised that, in the long run, the domestic consumption of cement will grow and that it is also necessary to stimulate such consumption, for few commodities play a more important part in raising living standards than cement. If production exceeds domestic demand, there is, as the Commission points out, the "possibility of developing an export market in cement, especially by those units which are favourably situated near the coastline." But, at present prices, Indian cement is clearly priced out of the export markets where East and West European countries, as well as Japan, are keen competitors. At a time when the industry could have found a market, the Government, fearing shortages in the country, prevented exports, though it is now interested in promoting them. But export markets cannot be made to order. They have to be fought for and nursed.

In any case, so far as internal consumption is concerned, the Commission has recorded that the view was expressed at the time of the enquiry that "one of the main reasons for the slow tempo of demand is that the present consumer price of cement is high." The consumer price, namely, Rs. 117.5 per ton (which has remained unaffected by the increase in prices granted to the producers) is certainly on the high side. Till recently, the heavy margin of profit, amounting to Rs 13 per ton, earned by the S.T.C. was one of the reasons for the high price. But the increase in excise duty, deliberately effected in order to drown the cry of excessive profiteering by the S.T.C., and the rise in railway freights have no doubt reduced this margin sizably. Even so, the S.T.C. has, in the past, exploited the cement consumers to its own advantage. This exploitation continues, albeit in a different form, that is, enhanced excise duty. Further, the surcharge lost all its validity when the S.T.C. could not, or was not allowed to, arrange for imports of cement. The basic question now is not whether the S.T.C.'s margin of profit is high or low but whether it performs any service at all which entitles it to hold the monopoly in cement distribution. Equally basic is the question whether the increase in excise duty, justified on the ground that a shortage in cement exists and that the Government should, in the public interest, leave no room for black marketeers to keep all the jam for themselves, should be continued, now that there is no shortage.

Expansion of the industry, whether such expansion is intended to meet domestic demand or exports, will need large financial resources. According to a conservative estimate, the industry will need some Rs. 75 to 80 crores in order to double the installed capacity from 6 to 12 million tons. It is a moot point whether the profit margin now permitted by the Commission will enable the existing units to expand production to any sizable extent. From the point of view of increased production, the Commission's conclusions from its study of the relevant issues deserve notice. The Commission reiterates the well-known fact that the manufacture of cement is a continuous process which is maintained round the clock except when partial shut-down takes place for repair or overhaul. But it sets forth a conclusion which is not perhaps so well known, namely that only limited economies in costs are possible through increased production (by installation of additional plant). Accordingly, it has stressed: (1) subject to availability of the required quantity of raw materials, the desirable course for an *entrepreneur* would be to install kilns capable of large outputs of clinker in order to ensure that the manufacturing charges and overheads incurred result in achieving the largest volume of production; (2) if raw materials and space are available at a particular site where a plant is in existence, the most profitable way of further developing that site would be to double or treble the plant until the site is fully exploited; the need to go to another site should arise only when the site is completely exploited. Both in the interests of increased production and those of production at economic cost, we commend these very pertinent conclusions of the Commission to the Government and the cement producers alike.

SIGNIFICANCE OF GOVERNMENT'S DECISION ON CEMENT PRICES

SUGAR EXPORT—COMMODITY TREND—WORLD WHEAT

THURSDAY, 5 P.M.

MARKET GOSSIP

THERE have been no outstanding developments in the city markets during the week under review. The bullish fervour in shares continues and, over the week, there have been sizable gains on a wide front. But higher levels are attracting more profit-taking than they did last week. This is only but natural, having regard to the spectacular gains recorded in recent weeks. Those who see a substantial gain in their holdings will do well to remember that book profits are no good, that a gain on any investment is real only when it is realised and that it is easier to sell only in a rising market. On the basis of yield, which is the most important criterion, several of the popular counters appear to be overvalued. At current rates, Tata Steels, for instance, are barely yielding 5 per cent. Apparently, the market seems to be looking too far ahead, a highly risky thing to do. There are, however, several scrips yet, mostly in the cash list, where the yields are sufficiently attractive on the basis of their latest dividends.

In the bullion market, values have suffered a sharp recession due to a fall in demand and a marked rise in arrivals. It is alleged that, during the last few days, there has been a spurt in the smuggling of gold and, to some extent, even in silver. The abolition of the export duty on groundnut oil and castor oil on Monday had a favourable effect in the initial stages not only on oilseeds and oils but even on cotton, as it led to hopes of greater encouragement for the export of this commodity as well. But this improvement has not been fully sustained in both the commodities, because the overseas demand is not very encouraging. Reports of good rains in the interior have also restrained the upward trend in commodity prices, as they have given rise to expectations of better crops. Prices of sugar, too, have declined to some extent, as the quantity of sugar released for export was much less than the earlier expectations.

The money market is dull. The supply of funds with bankers is increasing, while the demand is slack. But this state of affairs has not yet influenced the interest rates to move in a downward direction, because of the expected withdrawal of funds on a sizable scale for subscriptions to the new loans of State Governments. Until these issues are out of the market's way, there is unlikely to be any perceptible change in short-term interest rates.

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The Tariff Commission's recommendations on cement prices and their acceptance by the Government of India without any ado are very interesting. They are examined at some length on the opposite page. From the share market's angle, they are, indeed, significant in one respect. They suggest that the Government is now in a better mood to appreciate the industry's point of view. Indeed, it has agreed to give up, as suggested by the Tariff Commission, even the rebate which it was getting from the cement companies on the cement sold by them to the public sector. It will be recalled that, last time when the Tariff Commission reported on the question of fair prices to the Government, Mr. T. T. Krishnamachari, the then Commerce and Industry Minister, who used to call himself the jailer of the private sector, did not accept the Commission's suggestions; instead, he considerably watered down the margin of profit proposed by the Commission and humiliated the cement manufacturers by placing stringent controls on the reserves to be built out of the special rehabilitation allowance. When one of the cement units, Sone Valley which was then under the management of Martin Burns, Calcutta, refused to submit to his conditions on a point of principle, he arbitrarily declared the Company to be ineligible to that allowance, an action which ultimately led to the transfer of the managing agency of that Company to another group of business men.

In refreshing contrast to this highhandedness by Mr. Krishnamachari which had demoralised not only the industry and those who had invested their savings in it but also the Tariff Commission, Mr. Lal Bahadur Shastri, the present Commerce and Industry Minister, has gracefully recognised the independent character of the Commission and given the respect due to it by accepting its recommendations. By doing so, he has also restored the confidence of investors, to some extent, as witness the continued firmness of cement scrips on the Stock Exchanges. Mr. Shastri has, indeed, acted correctly and that like a gentleman. It is to be hoped that this is a harbinger of a new era of better relations between the Government and investors.

As will be seen from the article on the facing page, the Tariff Commission has adopted a new basis for deciding the retention prices for cement producers. It is an extension of the principle followed by it for determining the fair price for rubber producers. Will this new basis be extended to producers of steel, too, and if so, will it be more favourable than the one now in force? Is the continued firmness of share markets due to expectations of an increase in the retention prices of steel in the near future? Answers to these questions will make interesting reading.

The sugar export policy that has now been finalised by the Government is the result of close co-operation between the Ministry of Food and Agriculture and the sugar industry. But the outcome resembles the mouse that emerged from the mountain of labour. The quantity of sugar which the Government has allowed for export, namely, 50,000 tons, is so small and the foreign exchange that is expected to be earned is so negligible that one wonders whether it was the consideration of saving face that finally led to this decision. The loss of internal revenue arising from this export by way of income-tax, corporation tax, excise duty and cane cess and the reduction in the national income brought about by lower price realisation are disproportionately high as compared with the foreign exchange that the country can get from this export. In the opinion of this journal, the game is not worth the candle. It may be argued that even a small contribution to the foreign exchange resources is valuable, because of their acute scarcity at present. But to try to justify the export of sugar, at a disproportionately heavy cost to the rupee resources available to the Government, which, too, are by no means plentiful, on this argument is simply ridiculous. Perhaps, for a smaller sacrifice on some other easily exportable commodity, as, for instance, tea, a much larger amount of foreign exchange could be earned.

The whole policy governing sugar exports is defective in many respects. It may not be free even from legal flaws. The sugar industry has, however, given an undertaking to the Government that it will not pick holes in the scheme and that it will not challenge the validity of the Sugar Export Promotion Ordinance in a court of law. This is a striking commentary on the spirit of co-operation and discipline displayed by sugar manufacturers. But we suspect that this is due to a fear complex rather than to the conviction that what the Government has asked them to do is the only right solution. For over a year now, many of them have been labouring under the fear of full nationalisation or partial nationalisation through the State Trading Corporation. Evidently, they are hoping that, by co-operating with the Government and carrying out its bidding, they can avoid this danger. Events alone will show whether they are right in this assumption. It must, however, be said to the credit of the Government that it has taken care to eliminate some of the defects noticed in the machinery chosen for export last year. Although the exports are to be channelled again through the Indian Sugar Mills Association, as was done in the previous season, certain safeguards have been provided which in a way neutralises the objections to allowing the trade to be handled by a monopolistic body. It had been expected that a separate company would be appointed for handling this export business but the idea seems to have been given up at the last moment. This only shows how undecided the Government was almost right up to the end.

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There has been a slight improvement in the trend of world commodity prices in recent months. Most of the commodities are now quoted higher than in the earlier part of this year. The recent rise in prices is, no doubt, small, except in two cases, but it is in refreshing contrast to the continuous decline suffered in 1957. The *Financial Times* index number of commodity prices as on 27th June 1958 (the latest date for which data is available) stands at 80.95 (base: 1st July 1952=100), as against 79.65 in the middle of March which was the bottom touched so far. Similarly, *Reuter's* U.K. commodity index of prices shows a rise to 416.5 (base: 18th September 1931=100) from 409.9 on 13th March last. A far more interesting picture of the trend of prices since the beginning of 1956 can be had from the following table of percentage changes in the *Economist* commodity price indicator for seventeen commodities:

	1st quarter	2nd quarter	3rd quarter	4th quarter
1956 ..	+0.34	−5.23	+4.41	+3.70
1957 ..	−3.26	−1.37	−4.16	−4.79
1958 ..	−1.40	+1.07	—	—

The overall improvement in prices would have been much less pronounced but for the sharp rise in copper and cocoa prices. The trend of prices of individual commodities varies according to differing circumstances. As an instance, cocoa has been steeply rising throughout the period of slump, because of the crop failure in West Africa. In most cases, stability of prices has been brought about by deliberate curtailment of production, albeit for a temporary period. Supplies have been held off the market by international agreements, such as in tin, wheat and, to some extent, in sugar and copper and by the U.S. Government's stockpile scheme for copper. Although all these price support and cut in output schemes have not brought about any substantial recovery in prices, they have at least helped to arrest the fall and impart a certain measure of stability to the markets. There are, however, a few exceptions to this, as, for instance, sugar.

The main question that is being discussed in world markets is whether commodities have touched the bottom or a fresh recession in prices will set in or whether the present signs of recovery will gather momentum. The consensus of opinion is that it is too early to give a definite answer. As all students of economics know, much depends on the supply and demand position. So far as supplies are concerned, the production of several commodities, particularly tin and copper, has been curtailed below the present actual consumption needs. In petroleum, the surplus stocks have been nearly worked off by a judicious cut in production and the trend of prices stabilised. As for the demand, there are already indications that buyers are coming in as inventories have been depleted, but whether the demand will gather strength to any significant extent will depend on the trend of industrial activity, particularly in the U.S. This again takes us back to the question whether the recession in the U.S. has flattened out and a gradual recovery in business will set in. Describing the latest position of the U.S. economy, the July 1958 *Monthly Letter* of the Firs. National City Bank of New York observes:

"The economy at mid-year is marking time, with the downturn arrested but no indication as yet of a vigorous recovery. A sufficient number of the basic economic indicators now show moderate gains over the low points reached in late winter or early spring to provide assurance that the expected 'bottoming out' has, in fact, occurred. On a seasonally adjusted basis, small but encouraging increases were registered during May in industrial production, personal income, retail sales, housing starts, and total employment. Preliminary data indicate that these advanced levels were at least maintained in June.

"The temptation to take a rosy view of imminent recovery is strong, but a more likely prospect, as described by Presidential Assistant, Gabriel Gauge, is that the economy 'will mill around in the summer.' The hope aroused by recent favourable developments is moderated by the prospect that seasonal declines will be accentuated in steel, automobiles, and other lines, that liquidation of inventories will continue, and that business men will cut plant and equipment expenditures further."

It is stated that the seasonal fall in U.S. output during summer will be greater than usual. It would not be unusual, the Bank's *Monthly Letter* points out, for industrial production to fall back again after a brief advance from recession lows, as it did happen in a number of previous recessions. In short, it is extremely difficult to say whether the recent recovery in commodity prices will continue. If it does, it cannot but be a slow one.

The trend of commodity prices depends not only on what happens in the U.S. but also on the trend of European economy. In this connection, the latest report of the U.N. Economic Commission for Europe, entitled *Economic Bulletin for Europe*, throws some interesting light. This report says that European industrial output has tended to stagnate or even to decline in certain industrial countries, and that there has been a marked slackening in the flow of incoming orders. The weakening of demand has fairly generally affected the basic materials and textiles industries, whereas developments in the metal-using industries have varied a great deal from country to country and industry to industry. Coal and steel have been the products principally affected by the stagnation or downturn in economic activity. The weaker market for steel, with the principal exception of certain types of rolled products destined mainly for motor vehicles, appears to be associated with the slackening of domestic demand for some products of the metal-using industries. For the first time since the recession of 1953-54, the report adds, the gap between coal production and consumption has been closing and the rapid accumulation of pit-head and other stocks is now tending to affect the course of output which is running below the previous year's level in both Western Germany and the United Kingdom. The accumulation of stocks and the less firm demand than heretofore have presented the industry with a dilemma concerning the maintenance of its labour force. In the market for forest products, signs of weakening demand, particularly indications of reduced building programmes for 1958, have rendered importers of sawn timber more cautious than usual. While the output of the metal-using industries is, on the whole, still well maintained, particularly in the motor vehicles industry, the decline in new orders in many Western European countries is giving rise to concern, especially for shipbuilding, where very few new orders were passed in the first quarter of 1958 and an increasing number of orders has been cancelled. Referring to the consumer goods industries, the E.C.E. report remarks that the declining tendency is clear and widespread in the textiles sector, where output has been falling since the middle of last year after a brief period of expansion, and that such indications as exist do not suggest an improvement in the textile market in the near future, possibly rather the reverse.

Taking all this into account, it appears that the commodities are not yet out of the woods. It is true that the Governments of Britain and West Germany have relaxed their credit restrictions, reduced the interest rates and given fiscal concessions to revive industrial activity and to encourage a higher rate of investment in plant and machinery. Some of the other European Governments are also in a mood to do so. It is, however, rather premature firmly to anticipate the effects of these steps. Commenting on this question, the *Economic Bulletin for Europe* observes:

"The long-term expectations of the Western European business community appear to be optimistic, in part on the basis of the economic expansion expected to follow the creation of the Common Market. In the short run, the deterioration of expectations has probably not gone far enough to render investors unresponsive to a relaxation of restrictions and to other Government actions to stimulate economic activity. The improvement of foreign exchange reserves in some countries, and the somewhat better distribution of those reserves, has removed one of the objections which could

(*Continued on page 43*)

EQUITIES RULE FIRM

PROFIT-TAKING WELL ABSORBED

From Our Own Correspondents

BOMBAY, *3rd July*

FOR yet another week, the share market continued to maintain a cheerful tone and prices forged ahead. There was heavy profit-taking at higher levels, but this was all well absorbed by the market without affecting the morale in the least. In addition to the usual speculators, a large number of outsiders, attracted by the prevailing easy money condition, would appear to have entered the market, with the result that there was demand for many cash scrips which had hitherto been dormant. The market sentiment was sustained by the announcement of an increase in retention prices of cement, which had long been expected, and by reports that the Textile Enquiry Committee might make interim recommendations for reduction of excise duty on cloth. The expectations of a bonus issue by the Indian Iron and Steel Company, which gained further ground this week, also whipped up bullish enthusiasm. The proximity of dividend announcement by the T.I.S.Co. and T.E.L.Co. attracted attention to these shares and they scored handsome gains.

In the steel section, Tata Ordinaries, which were listed *ex*-right on the 1st inst., came up to Rs. 164.75 before closing at Rs. 163.50, as against Rs. 187.50 *cum*-right. The new shares closed at Rs. 161.25 *ex*-right, as compared with Rs. 185.25 *cum*-right a week ago. Indian Irons advanced from Rs. 22.60 to Rs. 23.16 on good support, but profit-taking erased part of the gain and the shares closed at Rs. 23.04.

Textile shares scored smart gains on expectations of interim relief in excise duty. Bombay Dyeings touched a high of Rs. 58.80 and finished at Rs. 58.20, a rise of Re. 1.50 over the week. Century Mills hardened from Rs. 449 to Rs. 461.75, before shading off to Rs. 457 at the close. Kohinoors rallied from Rs. 274 to Rs. 278, but reports of a cut in interim dividend brought the shares back to Rs. 270.50. Edward Textiles recorded a rise of Rs. 5 to Rs. 260 and Elphinstones moved up by Rs. 2.50 to Rs. 44. Finlays gathered Rs. 6 over the week to Rs. 279 and Gokaks Re. 1 to Rs. 153. Indu Ordinaries changed hands 60 nP higher at Rs. 10.32. Indore Malwas were done Re. 1 better at Rs. 111. Khataus advanced by Rs. 5 to Rs. 190 and Morarjee Mills by Rs. 15 to Rs. 245. New Greats were unchanged at Rs. 210, while New City Mills put on Rs. 2 to Rs. 114.50. Podars were done at Rs. 140 *ex-div.* (div. Rs. 6 final), as against Rs. 145 *cum-div.* Shree Niwas Cottons gained Rs. 4 to Rs. 156 while Simplex, after an earlier gain from Rs. 179 to Rs. 181, slipped back to Rs. 177. Standards stood to gain Rs. 2.50 to Rs. 423. Svadeshis changed hands at Rs. 189.50 *ex-div.* (div. Rs. 9), as against Rs. 193.75 *cum-div.* a week ago, and Tata Mills at Rs 41.50 *ex-div.*, as against Rs. 42.25 *cum-div.*

Bank shares also looked up fractionally. Barodas were again a feature with a rise of Re. 1.50 to Rs. 119. Centrals were unchanged at Rs. 53.50, while their new shares shed 50 nP to to Rs. 57.50. Bank of Indias (old and new) gained 50 nP each to Rs. 134 and Rs. 135.50, respectively. Jaipurs were done 25 nP higher at Rs. 37.50. Punjab Nationals shed Re. 1 to Rs. 61, while United Commercials gathered 40 nP to Rs. 61.80.

In the electricity section, Ahmedabad Electrics moved up by 80 nP to Rs. 95.50 and Bombay Suburbans by Re. 1.50 to Rs. 107.50. Surat Electrics also rose by Re. 1.50 to Rs. 112. Tata Hydros were higher by Re. 1 at Rs. 119 and Tata Powers by Rs. 2.50 at Rs. 1,237.50, while Andhra Valleys were marked down by Rs. 3.75 to Rs. 1,140.

Sugar shares advanced in consonance with the general trend of the market. Belapurs appreciated from Rs. 259 to Rs. 263.50, but closed a little lower at Rs. 262. Bhopals put on 24 nP to Rs. 22.48, Changdeo 75 nP to Rs. 27.50 and Phaltans Re. 1 to Rs. 159. Walchandnagars rose by Rs. 3 to Rs. 288. The announcement of an increase in cement prices did not have any notable effect on cement shares, as the news had already been discounted in prices. Associated Cements moved up from Rs. 158 to Rs. 160.50, but receded to Rs. 158.50 at the close. Their new shares were steady at Rs. 152. Digvijays were the only notable feature with a rise of Rs. 7 to Rs. 159.25. India Cements picked up 90 nP to Rs. 28. Ashoka Cements gathered 24 nP to Rs. 10, while Dalmias and Bagalkots were unchanged at Rs. 10.68 and Rs. 9.16, respectively. Jaipur Udyogs picked up 28 nP to Rs. 13.91, while Orissa Cements declined by 28 nP to Rs. 13.40.

Engineering shares were keenly bid and smart rises were recorded in most counters. Tata Locomotives shot up from Rs. 174 to Rs. 180 on expectations of higher dividend. Premier Constructions advanced by Rs. 3.50 to Rs. 205.50 and Larsen and Toubros by 16 nP to Rs. 18. Josts Engineerings were taken Rs. 5.50 higher at Rs. 58. Among mining shares, Srivrajpurs gathered Re. 1 to Rs. 93 and Indian Coppers 30 nP to Rs. 370. B.B. Petrols were done 20 nP higher at Rs. 2.28.

Shipping shares were taken up at slightly higher rates. Scindias moved up from Rs. 18.52 to Rs. 19, but shaded off to Rs. 18.68. Great Easterns also gained over the week 16 nP to Rs. 24.72.

In the miscellaneous group, Bombay Burmahs (old) staged a sharp rally from Rs. 569 to Rs 599.50, before closing at Rs. 592. The Partly-paids put on Rs. 6.25 to Rs. 220. National Rayons, after being dormant for some time, attracted attention and gained from Rs. 232.25 to Rs. 238.75. Gwalior Rayons were steady at Rs. 13.80. Tata Oils were a fraction down at Rs. 41.75; the Company maintained the dividend for the year 1957-58 at Rs. 2.50 per share. Hindustan Levers were unchanged at Rs. 23.60. Chemical shares continued to be well favoured. Tata Chemicals picked up 40 nP to Rs. 16.96. Dhrangadhra Chemicals put on Rs. 3 to Rs. 104. Their new shares rose by Rs. 10 to Rs. 96. Alembic Chemicals moved up further by Rs. 7 to Rs. 165 and Amar Dyes by Rs. 6 to Rs. 123. Killick Industries gained Re. 1.25 to Rs. 145.

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Calcutta Stock Exchange

CALCUTTA, *2nd July*

Following fair interest displayed by buyers, steady conditions prevailed on the Calcutta Stock Exchange during the short week under review. The end of the port workers' strike was hailed with enthusiasm, but it must be noted that the strike as such had hardly affected the market trend. Rumours that the Indian Iron and Steel Company, Ltd., would very shortly capitalise the share premium reserve account in the same manner as the Tata Iron and Steel Company, Ltd., did recently, whipped up bullish fervour, and an all-round improvement was the result. Rumours of imminent devaluation of the rupee continued, although the speech of the Reserve Bank Governor at a Bombay meeting indicated that no devaluation was being contemplated. The announcement of an increase in factory prices of cement was noted with satisfaction, but no spurt in cement share prices was recorded, as the happy news had already been discounted in recent weeks when the possibility was considered certain. The Textile Enquiry Committee's report was keenly awaited, as it was believed that some concessions would be afforded on the recommendation of the Committee. Had it not been for the existing foreign exchange uncertainty, a further acceleration of activity should have been in evidence. If imports of industrial raw materials were reduced—the rumour that no fresh allocation of foreign exchange would be made to the private sector in the three months to December continued to be circulated—working of industrial units would be affected.

Jutes continued to attract interest with buyers showing marked preference for scrips of the rationalised mills. Fair business in hessian with the Argentine, facilitated by the import relaxation by that country, and the gain in prices of jute goods were favourable factors which created enthusiasm. Impressive features included the rise in Ballys to Rs. 170 from Rs. 162, and Birlas to Rs. 17.50 from Rs. 16.94. Anglo-Indias strengthened earlier from Rs. 161 to Rs. 162 before declining yesterday to Rs. 158. Megnas hardened to Rs. 130 from Rs. 126. New Centrals were lifted to Rs. 16.06 from Rs. 15.81. Nationals had business at Rs. 23, as against Rs. 22.50 previously, and Ganges at Rs 58, as against Rs. 54. Northbrooks were fractionally better at Rs. 15.87. However, Indias declined to Rs. 132 from Rs. 134.

Coals were bought at around previous levels, with operators looking forward for the report of the Price Revision Committee. Thus, Burrakurs were unchanged at Rs. 21.25, while Khatras Jherriahs at Rs. 58 were fractionally better, as were New Beerbhooms at Rs. 15.

Sugar shares were steady. Belsunds gained to Rs. 10.66 from Rs. 10.37, and Cawnpores to Rs. 9.25 from Rs. 9.19. The increase in open market sugar prices following the export ordinance led to more interest being shown to this section.

Among minings, Indian Coppers advanced to Rs. 3.50 from Rs. 3.33, and Burma Mines to Rs. 1.68 from Rs. 1.40.

Engineering shares gained on fair support, mostly speculative. Indian Irons reached Rs. 22.95 from Rs. 22.30. Texmacos were on demand at Rs. 19.25, as against Rs. 19 previously. Kumardhubis moved up to Rs. 10.06 from Rs. 9.87 and Jessop & Cos. were better at Rs. 20.25.

Among miscellaneous industrials, Indian Cables recovered to Rs. 27.59 from Rs. 27.00. Metal Boxes were steady, although unchanged, at Rs. 29.12. Sone Valley Cements, on good support, gained to Rs. 5.56 from Rs. 5.44. Titaghur Papers at Rs. 39.12 recorded a rise. National Tobaccos at Rs. 13 registered a further improvement. Indian Oxygens touched Rs. 19. Rohtas Industries were pushed up to Rs. 20.87 from Rs. 20.06.

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Madras Stock Exchange

MADRAS, *1st July*

Cheerful conditions prevailed on the Madras Stock Exchange during the week under review. Operators received with satisfaction the news that the Government of Madras had completely restored, with effect from the 1st inst., the 75 per cent. power cut in the areas served by the hydro-electric systems in the State. The textile section ruled distinctly firm, thanks to rumours of a further reduction in excise duty on mill-made cloth; the textile industry Inquiry Committee was reported to have recommended such a reduction in its interim report submitted to the Government recently. Tea shares evoked keen buying induced by expectations of export incentives for tea such as a cut in export duty. In sympathy with tea shares and on optimism regarding better working results, rubber and coffee shares also met with enlarged buying enquiries. In the miscellaneous section, cement shares provided a bright spot, following the enhancement of the retention price of cement. Chemical shares were in good form, as also certain bank shares. Industrials kept up enquiries at select counters. Sugars and electricity shares were steady.

Tea shares in the planting section encountered brisk buying. Haileyburias rallied 50 nP to Rs. 19.75. Twyfords firmed up by 45 nP to Rs. 14.30. United Nilgiris advanced by 37 nP to Rs. 16.62 and Coorgs by 30 nP to Rs. 11.30. Emerald Valleys rose by 25 nP to Rs. 7.35. Nonsuch gained a like amount to Rs. 22.75. Stanes Amalgamateds found buyers 25 nP higher at Rs. 13.90. Kalasas gathered 18 nP to Rs. 15.60, Devons 15 nP to Rs. 18.25 *cum-div.* and Periakaramalais 12 nP to Rs. 4.45. Chembras and Nilgiris improved by 10 nP each to Rs. 4.00 and Rs. 8.50 *cum-div.*, respectively. Parksides were fully maintained at Rs. 18.25, Peermades at Rs. 19.40, Devasholas at Rs. 18.50 and Woodcotes at Rs. 1.56. Among coffee shares, Kumergodes strengthened by 90 nP to Rs. 10.90. Consolidated Coffees spurted by 62 nP to Rs. 28.12. Ouchterlonys hardened by 40 nP to Rs. 5.35. Rajendras put on a like amount to Rs. 12.00. Amalgamateds increased 25 nP to Rs. 12.50, Kadurs by 15 nP to Rs 3.00 and Sheveroys by 3 nP to Rs. 2.13. Anaparais were firm at Rs. 4.85, as also Bababudins at Rs. 12.35, Badras at Rs. 3.75, Balmadies at Rs. 3.45, Coffee Lands at Rs. 32.25, Cowcoodys at Rs. 7.20 and Mysore Coffees at Rs. 3.45. Sangameswars, Savamalais and Vayitris were done at Rs. 3.00, Rs. 4.95 *cum-div.* and Re. 1.68 respectively, as last week. In the rubber group, Rajagiris firmed up by Re. 1.50 to Rs. 16.25 *ex-div.* Travancore Rubbers improved by 75 nP to Rs. 15.00 *ex-div.* Midlands rallied 35 nP to Rs. 17.00. Malankara by 25 nP to Rs. 17.50. Nilamburs advanced by an equal amount to Rs. 14.00 *cum-div.*

Among textile shares, Metturs rallied Rs. 6 to Rs. 347.00, *cum-div.* Lakshmis advanced by Rs. 4 to Rs. 104.50, *cum-div.* Coimbatore Spinnings, Coimbatore Cottons and Janardanas firmed by Rs. 2 each to Rs. 55.50, Rs. 136.00 and Rs. 80.00 respectively. Maduras hardened by Re. 1.50 to Rs. 36. Buckinghams gained Re. 1 to Rs. 168.00 and Virudunagars put on a like amount to Rs. 31.00. Loyals were better by 75 nP at Rs. 36.25.

In the banking section, Punjab Nationals rallied Rs. 4.50 to Rs. 60.50. Canara Industrial and Banking Syndicates 'A' advanced by a like amount Rs. 170.00. Bank of Mysores firmed up by Rs. 2 to Rs. 255.00 Travancores rose by Re. 1.85 to Rs. 21.35.

In the sugar and brewery group, Mysores advanced by Re. 1 to Rs. 39.50. Andhras gathered 50 nP to Rs. 17.00 E.I.D. were better by 10 nP at Rs. 28.20 and Travancores by 14 nP at Rs. 10.90.

Among miscellaneous industrials, Mysore Electrical Industries advanced by Rs. 3 to Rs. 93.00 *cum-div.* and R.E.M.Cos. by Re. 1 to Rs. 14.00. Travancore Cements rallied Re 1.50 to Rs. 9.90 *ex-div.* Textools firmed up by Re. 1 to Rs. 184. Hindustan Levers put on 92 nP to Rs. 23.84. Mettur Chemicals spurted by 45 nP to Rs. 11.75. Mysore Chemicals and Fertilisers hardened by a like amount to Rs. 7.65. F.A.C.Ts gained 35 nP to Rs. 7.10. Mysore Papers were better by 30 nP at Rs. 17.30, Mysore Tobaccos by 25 nP at Rs. 12.62 and Spencers by 25 nP at Rs. 18.50. Dalmia Cements were firm at Rs. 10.80. Orissa Cements gained 6 nP to Rs. 14.06 *cum-div.* Aspinwalls were steady at Rs. 6.90 *ex-div.* and Rallis at Rs. 33.50.

BANCO DI ROMA

HEAD OFFICE: ROME

ESTABLISHED 1880

PAID-UP CAPITAL AND RESERVE

L. 5,250,000,000

OVER 200 BRANCHES IN ITALY

BRANCHES ABROAD:

TURKEY	ISTANBUL, IZMIR
LEBANON ..	BEIRUT, SAIDA, TRIPOLI
SYRIA	.. ALEPPO, DAMASCUS
ERITREA	.. ASMARA, MASSAUA
LIBYA	.. BENGHAZI, TRIPOLI
SOMALIA ..	MOGADISHU, MERCA

REPRESENTATIVE OFFICES:
LONDON—NEW YORK—BUENOS AIRES
FRANKFORT-ON-MAIN.

FOREIGN AFFILIATED BANKS:
BANCO DI ROMA (France): Paris, Lyons, Monte Carlo.
BANCO DI ROMA PER LA SVIZZERA: Lugano, Chiasso.
BANCO DI ROMA (Belgique): Brussels.
BANCO ITALO-EGIZIANO: Alexandria, Cairo.

CORRESPONDENTS ALL OVER THE WORLD

NEWS IN BRIEF

THE Union Government has decided to remove, with immediate effect, the export duty of Rs. 150 per ton on groundnut oil and of Rs. 100 per ton on castor oil.

The Tariff Commission opened its public enquiry into the question of continuance of protection to the antimony industry at its office in Bombay on 30th June 1958.

The Government of India has fixed the packing charges for cement for the quarter commencing from 1st July 1958 at Rs. 12.71 per ton of cement in new gunny bags.

The Government of India has approved of a scheme for quality control of East India tanned hides and skins as formulated by the Leather Export Promotion Council.

The Mysore Government has decided to constitute a road transport corporation which will cover the whole State. The Corporation is expected to come into being on 1st October 1958.

The U.P. Government proposes to set up a pilot sand washing plant at Shankergarh in Allahabad. It may be noted that the State has a rich deposit of silica sand which is very suitable as raw material for glass industry.

The Mysore State Co-operative Apex Bank Ltd., proposes to borrow from the Reserve Bank a sum of Rs. 6.5 crores for financing seasonal agricultural operations and marketing of crops. The loan is guaranteed by the State Government.

The 75 per cent. power-cut in the areas served by the hydro-electric systems in the Madras State has been completely restored, with effect from the 1st inst., following an improvement in the storage of water in the two main dams.

The U.P. Government has set up a committee under the chairmanship of Mr. S. P. Pandey, Deputy Secretary of the State Labour Department, for ensuring effective implementation of adjudication and arbitration awards, as well as those of the Industrial Tribunal and the Labour Courts.

Employment in factories in India excluding Kerala, Rajasthan and Himachal Pradesh, increased by 44,274 to 2,809,708 during the first half of 1957 as compared with that in the previous half-year. The number of factories working rose from 33,274 to 34,190 during the period under review.

The State Trading Corporation has placed orders for 30,000 tons of solid caustic soda and 12,000 tons of light soda ash with Imperial Chemical Industries and with suppliers in China. Of this, the first consignment of 6,000 tons of solid caustic soda is due to reach Indian ports by the middle of this month.

With the signing of a new agreement recently by the Government of India and the United States Technical Co-operation Mission, which seeks to provide India an additional $3,260,000 (Rs. 1.5 crores) for the purchase of 5,250 tons of DDT, the total U.S. funds granted for India's malaria eradication programme amounts to $11.9 million.

The Government of India is understood to have instructed the customs authorities at the various ports to allow shipments of tea against special export licences under shipping bills presented with complete documents to custom houses on or before 15th July 1958. The Tea Board, Calcutta, has accordingly advised exporters that they might utilise special tea export licences, which is being issued by the Board only up to 30th June, for shipment of their teas up to 15th July 1958.

Work was resumed in the Buckingham and Carnatic Mills, Madras, from the 1st inst., following an amicable settlement between the management and workers on the question of additional bonus for 1954, 1955 and 1956. It will be recalled that the workers had gone on strike on 9th June on this issue and that the management had declared a lockout two days later. The management has agreed to pay Rs. 15 lakhs as arrears of bonus, besides raising the present rate of bonus of about Rs. 20 lakhs to Rs. 25 lakhs.

With effect from 18th May 1958, the Employees' Provident Funds Act, 1952, has been made applicable to establishments owned by Government or a local authority. The Act which initially applied to six scheduled industries, was extended to 32 additional industries during the past two years. The Act covered by the end of March 1958, 6,524 establishments employing 2.956 million workers of whom 2.412 million were receiving the benefit of this social security measure. The contributions towards the monthly provident fund are of the order of Rs. 2.47 crores on an average.

With a view to stepping up local production of steel and giving India a more favourable trade balance, the Tata Iron and Steel Co., Ltd., has purchased six modern General Electric (U.S.A.) diesel electric industrial haulage locomotives for use in its mills. This brings the total number of such locomotives purchased by the T.I.S.Co. to 30. Twenty, including the most recent six, are 80-ton models, two are rated at 115 tons, three at 35 tons, and five at 25 tons. It is learnt that all are 66-inch gauge and fitted with special equipment allowing them to operate in the extreme dust, heat and humidity conditions encountered in the blast furnace area of the mills.

A commodity sales agreement providing funds for lending in India by the Export-Import Bank of Washington, has been completed by the United States and India. Pursuant to Section 104 (E) of the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480), known as the Cooley Amendment, 25 per cent. of the rupees, or the rupee equivalent of 14,200,000 dollars, to be derived from sales under the Commodity Sales Agreement with India will be made available to the Export-Import Bank for loans in India. Under the legislation, the Bank may lend these rupees to subsidiaries, or affiliates for business development and trade expansion in India.

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From Abroad

An oil refinery with an expected capacity of upto three million tons will be built at Nanking. It is also learnt that a number of chemical plants will be set up to make use of its by-products.

A new airliner has been manufactured in Soviet Russia capable of carrying 100 passengers and landing on water. The plane, named the An-10A, is a modification of the An-16, now in service.

Communist China's first atomic reactor is reported to have begun operation on 13th June 1958. Equipped by the Soviet Union, the reactor has an alpha type particle accelerator producing 25 million volts.

Ceylon's external assets fell by Rs. 7.13 crores to Rs. 84.74 crores as at the end of May 1958. This large deficit is attributed to the considerable decline in export receipts. The only time when Ceylon's external assets fell below the present figure since independence was in 1952-54 when they touched as low as Rs. 60.72 crores.

The International Co-operation Administration in the U.S.A. has been charged with incompetency in handling of foreign aid projects, by a Congressional Committee. This Committee is of the view that there has been "sloppy administration" of about ten capital projects, each involving $1 million or more, which the I.C.A. had initiated in the last three years.

The Pakistan Government announced, on 25th June 1958, its import policy for the second half of the year, July to December 1958. Altogether 267 items (as against 206 during the first half of the year) are allowed to be imported, thus signifying no change from the policy followed hitherto. An important feature of the new policy is that 40 per cent. of the allotment is earmarked for industrial requirements.

Crude oil exports from Iraq were restored on the 25th June 1958 to 25 million tons a year, for the first time since November 1956, when the three pumping stations in Syria were destroyed This restoration was made possible by the additional pumping capacity installed at three stations in Iraq, and at T.3 in Syria, and by building loops in the pipeline system across the Syrian desert. The yearly throughput is expected to be raised to 28 million tons early next year, when further loops now under construction will have been completed.

The production of motor cars in the U.K. was at the rate of 21,250 cars a week during the first five months of 1958. The automobile manufacturers expect that, by the end of 1958, the production will exceed the one-million mark. Both home and export sales of cars are running high. Exports, amounting to almost half of the total production, have been steadily increasing, and May shipments registered a new peak. The U.S. is still the largest single overseas market, for British cars, having taken over 27 per cent. of all cars exported.

U.S. manufacturers report that their sales in May aggregated $25,300 million, about one per cent. above the April total. The orders received by manufacturers increased more than usual for the month; they amounted to $24,700 million. An increase of 4 per cent. in orders for durable goods partially offset a decline in non-durable goods orders. The pickup in orders for heavy goods was accounted for by primary metals and electrical machinery.

It is estimated that world production of butter in 1958 will be at least as much as last year when it surpassed 3.5 million metric tons. According to F.A.O. experts, the rigid price support policies and their tendency to isolate domestic markets were largely responsible for surplus production, the contraction of world trade, and the lowering of consumption in the face of artificially high prices.

The authorisation of loans for economic development projects in Pakistan and Ceylon has been announced by the U.S. Development Loan Fund. The loan to Pakistan amounts to $4.2 million and is for private industrial development in the country. It will provide additional foreign exchange for the Pakistan Industrial Credit and Investment Corporation, set up with the help of Pakistani, U.S., Canadian, British and Japanese investors to make loans for private industrial enterprises. The $750,000 loan to Ceylon is for development of the Government railway. Both the loans are repayable in the currency of the countries and are a part of continuing American assistance to Pakistan and Ceylon.

Further preparations are being made in Britain to provide dock facilities for handling oil tankers of up to 120,000 deadweight tons. Close on the recent announcements by the Esso Petroleum Company, Ltd., of a new refinery near Milford Haven, Wales, with a marine terminal capable of handling simultaneously two tankers of up to 100,000 deadweight tons each, and by the Shell Petroleum Company, Ltd., of new floating stages on the Mersey in north-west England, Vickers Ltd. announced last week that it is to construct a new large dry-dock on the Tyne in north-east England. The new dock will accommodate oil tankers of up to 80,000 deadweight tons, the location designed and construction so arranged that extensions can be made, lengthening the dock to 1,000 ft., catering for tankers up to 120,000 deadweight tons. The estimated cost of the new Esso refinery and marine installation is £18,000,000, and it is planned initially to process 4,500,000 tons of crude oil a year. The principal products of the new refinery will be petrol, jet fuels, diesel fuels, and marine and industrial fuels, and it is estimated that the saving to Britain will be more than $40,000,000 a year.

PERSONAL

MR. Shanti Prasad Jain, a leading industrialist, left Bombay for Geneva on the 1st inst.

Mr. Dusan Kveder has been appointed Ambassador Extraordinary and Plenipotentiary of the Federal People's Republic of Yugoslavia to India.

Mr. G. Parthasarathi, India's Ambassador-designate to China, left Madras on 30th June 1958 for Colombo *en route* to Peking.

Shrimati Vijayalakshmi Pandit, High Commissioner for India in the United Kingdom, has been appointed concurrently India's first Ambassador to Spain.

Dr. A. Ramaswami Mudaliar, Chairman of the India Steamship Company, Ltd., returned to Bombay from Geneva on Sunday this week after attending the U.K.-Continental-India Shipping Conference held at Brussels.

Mr. E. F. Morrey, Technical Adviser to Messrs. W. H. Brady & Co., Ltd., sailed from Bombay on the 1st inst. on retirement from India and the Company. Mr. Morrey has been connected with Bradys for about 20 years and was a member of the Committee of the Millowners' Association, Bombay, for the past three years.

Mr. M. N. Chakravarti, until recently General Manager of the Central Railway, has been selected for appointment as Member (Staff), Railway Board, *vice* Mr. K. P. Mushran, who has proceeded on leave preparatory to retirement.

Mr. K. C. Neogy, Member, Planning Commission, who was to have relinquished charge of his office on the 1st inst., has been requested and has agreed to continue till the 15th inst., as Mr. Shriman Narayan, his successor, is not in a position to join the Commission before that date.

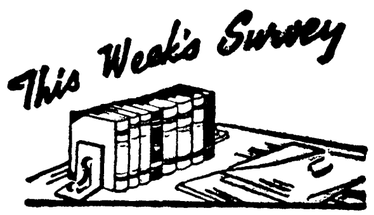
"COMMERCE" 1933

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *8th July*

Coal, Oil and Electricity

"There is now a growing feeling among the millowners of Bombay in favour of the use of coal in place of oil as the price of the former is lower and if the mills revert to the use of coal it will certainly give a fillip to the coal industry of India in general and that of Bombay City in particular"; with this significant observation does Mr. Shiavax C. Cambata conclude his interesting lecture on the coal supplies of Bombay which will be found elsewhere in this issue. The lecture was delivered at the Bombay Rotary Club last month. The important part played by coal in the development and progress of the city of Bombay, which was a mere fishing village about a century ago, and the present bad state of the coal industry, due to the competition of oil and electricity, were lucidly dealt with by Mr. Cambata who is the leading spirit of Messrs. Shiavax C. Cambata & Co. of Bombay who own collieries in the Central Provinces and deal extensively in coal. Not only does Mr. Cambata handle coal business on an extensive scale, but he is also in close touch with the various phases of the trade and commands first-hand authentic information regarding the industry in all its stages of development. He is also an active member of various well-known mercantile associations in and outside of Bombay. Bombay obtains her supplies of coal from the mines in Bengal, Bihar and Orissa, the Central Provinces, Central India, Rajputana, Nizam's territories and the Punjab. Besides these, coal from England and South Africa and to some extent from Australia and Japan is offered in the Bombay market. But the real tussle for trade lies between the Bengal and South African coal, both of which have done their level best to capture the Bombay market. Their success depends mainly upon quality and freight.



TWO NEW EXPERIMENTS

THE State-owned Hindustan Aircraft Ltd. and the Hindustan Machine Tools, both located at Bangalore, have initiated two novel experiments designed to ensure better labour-management co-operation in their working. The former has introduced an annual production bonus for its workers, while the latter has instituted a joint council of management for associating workers in the management. It is noteworthy that the Hindustan Machine Tools, which has a creditable record of cordial labour-management relations, is the first State undertaking to introduce the scheme of workers' participation in management. These measures are expected to be instrumental in opening a new chapter in employer-employee relations in the factories.

The production bonus in H.A.L. climaxes a series of concessions such as increase in dearness allowance, reduction in house rent, and night-shift allowance given to the workers following the strike and lockout in the factory last year. These concessions, together with the production bonus, will cost the management an additional Rs. 20 lakhs annually. About 10,000 out of the 12,000 employees are expected to benefit from the bonus scheme.

The production bonus will be applicable to all employees drawing a salary of up to Rs. 500 a month and will be paid annually with retrospective effect from April 1957. The quantum of bonus will depend upon the rate of production and will be uniform for all eligible workers. Bonus will be payable only if production reaches 70 points or above. According to a formula worked out by the management, Rs. 60 will be paid as bonus per worker if production reaches 70 to 79 points, Rs. 85 if it reaches 80 to 89 points, Rs. 110 if 90 to 99 points and Rs. 144 if production reaches over 100 points. It may be noted that production in the factory had never reached the maximum in the past, but had ranged between 60 and 80 points. In 1957, it was 75 points which would entitle the worker to a production bonus of Rs. 60 per annum.

A scheme which relates bonus to production, as against profits, has many points to commend itself. In so far as it links the quantum of bonus to the work turnover, it provides an inducement to workers to improve their performance. But it may conceivably lead to certain difficulties in future. For instance, should the need to curtail production arise in future on any account, will the workers be prepared to forgo the bonus? Will they not feel aggrieved if their emoluments happen to fall for no fault of theirs? Such a problem, though not likely to arise in the immediate future as long as the need for higher production remains, cannot be ruled out as altogether imaginary.

The scheme for associating workers in management, introduced in the Hindustan Machine Tool Factory, is sound in principle, and theory, but whether it will work smoothly in actual practice will depend on the extent to which the workers' representatives on the board of management are given rights on managerial and entrepreneurial responsibilities. On this aspect of the question, the arrangement under reference is unfortunately silent. Nevertheless, it can be pertinently added that, if the representatives of workers are men having sufficient knowledge of the technique and finances of industry and are willing and capable of taking a responsible view of the various issues facing the undertaking and if they could resist the temptation of importing politics into the functioning of the council, the scheme has a fair chance of success. Its working will, therefore, be watched with interest.

It may be noted here that, although the Hindustan Machine Tools is the first undertaking in the public sector to introduce the scheme for participating workers in management, the experiment is not new to this country. For, already similar schemes are in force in certain enterprises in the private sector, namely, the Tata Iron and Steel Company, Ltd. and the Indian Aluminium Company, Ltd. To what extent the scheme of Hindustan Machine Tools differs from these is not known. And until fuller details as to how and to what extent workers are to be associated with the management of the factory are available, it is not possible to say whether anything unique is being tried.

U.S. INVESTMENTS ABROAD

A notable feature of the recent trends in U.S. economy is the increase in American investments abroad. Between 1956 and 1957, the net outflow of U.S. private capital increased from $2,980 million to $3,035 million, the corresponding figures for the total of Government loans and grants being $2,621 million and $2,568 million. Thus, the net outflow of private capital even exceeded the U.S. Government's disbursements by way of loans and grants. Direct investments in foreign branches and subsidiaries of domestic corporations accounted for two-thirds of the outflow of private capital; the balance represents both credit and new security issues. It must, however, be remembered that about half of the total private investment went to Canada and Venezuela. Underdeveloped countries received only a very small fraction of the total investments. It is being increasingly realised in the U.S. that an increase in investments in these countries would be a welcome supplement to the U.S. foreign economic policy, which, as is well known, is designed to improve the living standards in economically backward areas.

Against this background, it is noteworthy that the U.S. Council of International Chamber of Commerce has stressed the importance of U.S. investment in underdeveloped countries. It says: "It has been virtually universally agreed that the development of the underdeveloped areas in the free world is a vital part of our foreign policy. Yet, so far, little or nothing has been done to give positive encouragement to American private capital to step in and do the job." Accordingly, it has urged the U.S. Government to negotiate bilateral "investment" treaties with underdeveloped Asian, African and Latin American countries. The Council said the investment treaties should seek "through bilateral negotiation with underdeveloped countries to remove or reduce all of the obstacles to American private investment." Such treaties, according to the Council, should include: (1) protection or insurance against nationalisation, (2) protection or insurance against non-convertibility of currencies, (3) protection against restrictions on the withdrawal of capital or earnings, (4) elimination of discriminatory taxation, (5) elimination of other discriminations in the laws of underdeveloped countries or in their administration, (6) elimination of restrictions on imports of raw materials and machinery, (7) guarantees against prohibitive levels of taxation by the underdeveloped country, (8) reciprocal freedom of taxes or lowering of tax rates by the two countries for a period of time, and (9) provision for deducting from U.S. income losses incurred in investing in the underdeveloped country.

Even those in the underdeveloped countries, who are unwilling to pay too high a price for participation of foreign capital in national economic development, will agree that the suggested conditions for inclusion in the investment treaties do not constitute the much-feared "strings." They are no more than ordinary guarantees which a prudent investor would demand before he invested his savings in a country other than his own.

MINERAL OILS

Mineral oils have been subjected to the levy of additional excise duty with effect from 20th May 1958. The levy is imposed by the Government of India in pursuance of the Mineral Oils (Additional Duties of Excise and Customs) Ordinance promulgated by the Union President. The rates of additional duty on different kinds of oils are as follows:

Kerosene	(per imperial gallon)	6 nP.
Motor spirit	(,,)	14 nP.
Refined diesel oil	(,,)	7 nP.
Vaporising oil	(,,)	3 nP.
Diesel oil not otherwise specified	(per ton)	Rs. 11.64
Furnace oil	(,,)	Rs. 13.91

The imposition of the additional excise duty on mineral oils, however, will not affect the current consumer prices, inasmuch as it merely represents the *ad hoc* reduction in prices effected by the major oil companies operating in the country. This reduction in oil prices, it will be recalled, was a sequel to the agreement entered into in May last between the Government of India and the oil companies after protracted negotiations. The additional excise now levied will yield to the Central exchequer a further sum of about Rs. 10 crores per annum. In other words, the entire benefit of price cuts announced by the oil companies will accrue to the Government. The Government's decision not to pass on the benefit of price cuts to the consumer of mineral oils rests on the ground that the price reductions are not of a magnitude which, even if passed on to the consuming public, will lead to any significant decline in consumer prices and that all available resources have to be tapped and mobilised for reaching the Plan targets.

While the diversion of funds accruing from the levy of additional excise duty to projects such as oil exploration and prospecting which in the long run will prove beneficial to the country is to be welcomed, one feels that the consumer also deserves relief, however small it may be. A relief to the tune of Rs. 10 crores is by no means insignificant. Cheaper petrol and diesel oil, as we emphasised sometime ago, will serve to impart a much needed fillip to motor transport, the development of which is as important as prospecting of oil. The vast majority of consumers of kerosene do not belong to the rich class and even a small relief would turn out to be a significant help to them. At any rate, there is the need for passing on, to some extent, the benefit of the cut in furnace oil price to industrial consumers who have been hit hard by mounting cost of production.

Be that as it may, the annual yield of Rs. 10 crores, in the shape of additional excise duty on mineral oils, works out to about 9.5 per cent. of the total c.i.f. value (Rs. 95 crores) of 5.5 million tons of oil and oil products consumed in India. While the landed cost of imports is Rs. 95 crores, the actual cost to the consumer is double the amount, thanks to (a) the heavy rail freight, excise duties and other taxes—these together account every year for Rs. 45 crores—and (b) the distribution charges and profits of companies amounting to about Rs. 50 crores. The rates of additional excise now levied will be in force till the Government of India evolves a new agreed price formula for mineral oils. The Government has already deputed one of its cost accountants to examine the accounts of the various oil marketing companies with a view to ascertaining what actually goes and should go into the prices of the different oil products sold in the country. This examination is expected to be completed in about six months' time.

WORLD POPULATION

Is the Malthusian spectre again casting dark shadows over the world? Have not the spectacular strides made by science and technology since Malthus's time and the immense productive capacity they have placed at the disposal of man, disproved the gloomy predictions of the parson? Has the world yet to learn and science yet to demonstrate, that this nineteenth century clergyman was at fault fundamentally? Maybe, the mathematical formulæ he used to prove his theory and his correlation of population growth to food supplies had no scientific basis. But is his diagnosis of the tendency of population growth to outstrip resources wrong? These queries are inevitably prompted by the disclosures on the demographic future of the world contained in a U.N. report, *The Future Growth of World Population*, published this week. The population of the world, the report points out, is increasing so rapidly that, in 600 years' time, there will be only one square metre for each person to live on; this area includes Arctic wastes, deserts and mountain tops. But this, the report reassures, "can never take place. Something will happen to prevent it." It, however, does not say as to what will happen. It is estimated that world population will rise from its present 2,737 million to 4,000 million by 1980 and reach 6,000 or 7,000 million by the turn of the century. Lest one should think that this is a distant future about which there is no need to worry, the report adds: "The year 2000 is no farther in the future than the year 1914 is in the past."

Commenting upon the growth of world population, the report says that, while it took 200,000 years for the world's human population to reach 2,500 million, it will now take a more 30 years to add another 2,000 million. Less than 100 years ago, there were about 1,250 million people in the world and even that figure was two or three times higher than ever before. Now the total is twice as much with the prospect that it may double or triple by the end of this century. A disturbing feature of the world demographic situation is that a total population of 6,000 million or 7,000 million would be reached within this generation, or in about 40 years. It is estimated that the population of most continents and of the world will quadruple in the course of this century. The exceptions are the European countries, including the Soviet Union.

Even if the present rate of growth should drop but it is still increasing—world population, the report says, will not stop growing until it has reached 10,000-25,000 million. One cannot say, it adds, that such growth is utterly impossible, but the vast changes in human organisation required to sustain it can hardly be conceived at the present time. Because of the declining mortality, population increases will probably be accelerated through the century in Africa, Latin America, and Asia even if it is admitted that, after 1975, fertility may decline. There will thus be a continuous decline in the relative importance of Europe, including Soviet Union, in the total world population. Early this century, there was one European for every two Asians. By the end of the century, this ratio may have become one to four.

Such an alarming rise in population growth, according to the report, has "grave implications" for the planning of the economic and social well-being of the future generations. Not only technical achievement but progress in international co-operation and organisation will have to be more effective than in the past if the expected numbers of mankind are to be organisationally and technologically accommodated to the minimum conditions required for human dignity.

The rapid increase in the world's population poses a problem of the first order. What is the remedy? The report does not suggest any dramatic solutions. It, however, commends the policies aimed at slowing down increases in population recently advocated by India and China as "deserving the closest attention of the rest of the world."

As long as it was a question of increasing the population, the whole of mankind was part of the stream followed by evolution during millions of years. Faced with the problem of checking the growth, it is swimming against the tide. Having discovered how to increase the flood waters, it also possesses the means of arresting them. It now depends on the present generation, as the report avers, whether this awakening of consciousness within the stream of life ends in failure or success.

METRIC SYSTEM

In the present period of transition to the metric system, Tuesday the 1st inst. is a notable day in that it witnessed the inauguration of this system of weights and measures in the jute industry. This will be followed, with effect from 1st October next, by the introduction of the system in all other industries and trades throughout the country, barring the State of Jammu and Kashmir and the Union Territories of Delhi, Himachal Pradesh, Manipur, Tripura, and Andaman and Nicobar Islands. The use of the existing units of weights and measures will continue to be permitted for a period of two years, that is, till 1st July 1960 in the case of the jute industry and 30th September 1960 in respect of others. The whole country will thus be covered by early 1960. The second stage will be to extend the system to areas not covered on 1st October and to introduce length and capacity measures. It will take between five and ten years from the date of enactment of legislation—December 1956—to effect a complete change-over. The change-over, it is estimated, will cost the Central and State Governments about Rs. 10 crores.

The legislation to adopt the metric system entitled the Standards of Weights and Measures Act 1956, lays down standards of length, area, volume, and mass to replace the standards now in use. The present unit of length, the yard, will be replaced by the metre which is equal to 1.09 yard. For measuring distances, the new unit will be the kilometre (1,000 metres) equal to 0.62 mile. The new unit for measuring land area will be hectare (10,000 square metres) equal to 2.47 acres or Are (100 square metres) equal to 0.025 acre. The pound and the *seer* will be replaced by the kilogram equal to 2.2 pounds or 1.07 *seer*. The quintal (100 kilograms) equal to 2.68 pounds will be used for purposes for which the maund is now in use. The unit for smaller quantities will be the gram (1/1000 of a kilogram) equal to 0.086 tola. Precious stones will be weighed in carats (1/5 of a gram) equal to 0.017 tola.

After the Act received the President's assent in December 1956, considerable preparatory work had to be completed before it could be enforced. According to the statement made by Mr. Nityanand Kanungo, Union Minister for Commerce, at a Press Conference in New Delhi last week, the Government of India has joined the International Bureau of Weights and Measures, the custodian of the international kilogram and metre. Arrangements have been made, with the assistance of the Bureau, for purchasing a kilogram and a metre, which will become our national prototypes and will be deposited at the National Physical Laboratory. Standard weights for the use of State Governments and Inspectors of Weights and Measures have been manufactured by the Central Government Mints at Bombay and Calcutta and distributed to the States. A survey of capacity for the manufacture of weights and measures showed that there is a very large capacity in the country. Lists of manufacturers have been drawn up. Approved manufacturers from these lists will be licensed by the State Governments. The manufacturers of weighing machines have made arrangements for the recalibration of weighing machines to metric units. Some of the States have enacted legislation for enforcing weights and measures and others are expected to do so in the next few months.

The foregoing account will indicate that the progress made in the preparatory work is quite notable. Even so, much still remains to be done. The changeover from the present to the metric system of weights and measures is so complicated that, unless proper steps are taken by the authorities, a section of the trade may indulge in anti-social practices. Viewed thus, it is certainly gratifying to be told that the authorities are fully alive to this problem. In order to acquaint the people with the change, advertisements have already been inserted in various newspapers. Posters explaining the change are expected to be widely distributed and simple conversion tables in various languages issued to the people.

(THIS IS AN ANNOUNCEMENT TO THE MEMBERS AND NOT A PROSPECTUS AND NEITHER AN INVITATION TO THE PUBLIC OR ANY SECTION OF THE PUBLIC FOR SUBSCRIPTION OF SHARES)

ORISSA CEMENT LIMITED

(A National Enterprise under the patronage of the Government of Orissa.)

ISSUE OF 5,00,000 ORDINARY SHARES OF RS. 10 EACH AT PAR

(a) AUTHORISED CAPITAL .. .. Rs. 5,00,00,000

Divided into

(i) 1,00,000 shares of Rs. 100/- each termed as Preference shares.

(ii) 40,00,000 shares of Rs. 10/- each termed as Ordinary shares.

(b) SUBSCRIBED AND PAID-UP CAPITAL:

40,000—4½% Cumulative Preference shares of Rs. 100/- each .. Rs. 40,00,000

10,00,000 Ordinary shares of Rs. 10/- each .. .. Rs. 1,00,00,000

Rs. 1,40,00,000

(c) NOW BEING ISSUED:

5,00,000 Ordinary shares of Rs. 10/- each at par. Full value of the shares is payable on application.

2. DIRECTORS.

Name	Address	Occupation
(1) Shri Jaidayal Dalmia.	2, Hardinge Avenue, New Delhi.	Industrialist.
(2) Shri Nihar Chandra Roy.	No. 57-B, Block D, New Alipore, Calcutta.	Service.
(3) Shri Kamalnayan Bajaj.	31-B, Carmichael Road, Bombay-26.	Merchant.
(4) Shri Vishnu Hari Dalmia.	2, Hardinge Avenue, New Delhi.	Industrialist.
(5) Shri Mohanlal Goenka.	P. O. Bankura (W. Bengal).	Industrialist.
(6) Shri B. Venkatraman, I.A.S. (nominated by the Orissa Government).	Cuttack.	Director of Industries, Government of Orissa, Cuttack.
(7) Shri Charan Das Khanna (nominated by the Industrial Finance Corporation of India).	Flat No. 4, 60B, Chowringhee Road, Calcutta-20.	Manager, Industrial Finance Corporation of India, Calcutta.

REGISTERED OFFICE:
Rajgangpur, Sundergarh District, Orissa.

BANKERS:
The Punjab National Bank Ltd.
National Overseas & Grindlays Bank Ltd.

SOLICITORS:
Messrs. Khaitan & Co., 1-B, Old Post Office Street, Calcutta.

AUDITORS:
Messrs. V. Sankar Aiyar & Co., Chartered Accountants, Scindia House, New Delhi.

MANAGING AGENTS:
Dalmia Agencies Private Ltd., Scindia House, New Delhi.

3. ISSUE OF FURTHER CAPITAL.

The Directors have decided to offer for subscription further 5,00,000 Ordinary Shares of Rs. 10/- each at par to the registered holders of Ordinary Shares whose names would appear in the Register of Members on 15th August, 1958, in the proportion of one new Ordinary Share for every two existing Ordinary Shares then held with right of renunciation. THE SHARE TRANSFER REGISTER SHALL REMAIN CLOSED FOR THIS PURPOSE FROM 21ST JULY TO 15TH AUGUST, 1958, BOTH DAYS INCLUSIVE. The shareholders are also given the right to apply for additional shares, the allotment of which will be at the absolute discretion of Directors. A circular explaining full details has been posted to all the shareholders on 24th June, 1958. Those who do not receive the circular latest by end of June, 1958, should make a reference to the Registered Office of the Company.

4. CAPITAL ISSUE CONSENT.

The consent of the Central Government has been obtained to this issue by an Order of which a complete copy is open to public inspection at the Registered Office of the Company at Rajgangpur, Orissa. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE GOVERNMENT OF INDIA DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THEM.

5. COMPANY'S ACTIVITIES.

The Company first installed a 500 ton wet process cement plant at Rajgangpur which went into production in the end of December, 1951. The production at the Cement Works was later expanded by installation of a second unit of 600 ton daily capacity which was commissioned early in 1957. Simultaneously, the Company undertook establishment of a modern Refractory Works having an annual capacity of 80,000 tons of firebricks of various kinds including basic bricks. The firebricks and silica bricks plant went into production early in 1958. Construction of basic bricks plant is in progress and is expected to be completed by the end of current year.

6. WORKING RESULTS.

The Company's working results for the last six years are given below:

Year	Gross Block at cost	Cement Production	Gross Profits earned before providing Depreciation and Managing Agents' Commission.	Depreciation provided	Dividend on Ordinary shares
	Rs.	Tons	Rs.	Rs.	
1952 ..	1,67,77,676	1,82,711	24,93,333	63,87,124	—
1953 ..	1,72,86,819	1,81,278	30,45,423	27,39,259	—
1954 ..	1,75,28,216	2,02,723	59,97,485	21,04,179	7½%
1955 ..	1,83,18,049	1,90,033	60,06,191	9,77,629	12½%
1956 ..	2,09,81,596	1,90,173	47,78,586	8,99,380	12½%
1957 ..	3,25,68,768*	2,86,971	64,99,479	19,45,549	15%†

* The figures of gross block for 1957 do not include expenses on construction in progress amounting to Rs. 1,16,29,248 not yet capitalised.

† Recommended by the Directors to the shareholders.

7. PROSPECTS.

With the expanded output of cement and with the working of the newly established Refractory Works, working results for the year 1958 are expected to be much better.

8. DIVIDEND AND RIGHTS.

The new shares shall also be entitled *pari passu* with existing paid-up capital to participate in dividend for the accounting year 1958 and thereafter.

SUGAR EXPORT ORDINANCE ANALYSED

NO JUSTIFICATION FOR RISE IN DOMESTIC PRICES

From Our Special Correspondent

NEW DELHI, *1st July*

DELHI LETTER

AFTER ten months of tortuous consideration of the question of sugar exports for earning foreign exchange, the Government of India has just enforced on the industry an export promotion scheme through the Sugar Export Promotion Ordinance, 1958. Under this Ordinance, the Indian Sugar Mills' Association has been notified as the export agency. And the Export Agency Division of the I.S.M.A. has also begun to function with its office at 4, Scindia House, Queensway, New Delhi. Information gathered from this Division is covered here.

Some relevant sections of the Ordinance would have to be known in the first instance before the industry's present stand regarding exports can be appreciated. Section 4 is as follows :—

(1) The Central Government may, by notification in the official *Gazette*, fix from time to time the quantity of sugar which may be exported during any period, and, in fixing such quantity, the Central Government shall have regard to—

(*a*) the quantity of sugar available in India,

(*b*) the quantity of sugar which, in its opinion, would be reasonably required for consumption in India,

(*c*) the necessity for exporting sugar with a view to earning foreign exchange in the public interest.

(2) The power conferred by sub-section (1) shall be so exercised as to ensure that the quantity fixed under that sub-section for any year does not exceed in the aggregate 15 per cent. of the quantity of sugar produced in India in the season ending with the month of October falling within that year.

As "year" has been defined as the year beginning on the first day of May, the sugar season falling within the year ending April 1959 is the current one which ends with the month of October 1958.

Under section 5, the export quota for each factory shall be fixed by the Central Government in proportion to the quantity of sugar produced, or likely to be produced, by it during the season referred to in sub-section (2) of section 4. Section 6 lays down the liability of every factory owner to deliver the export quota to the export agency. Section 7 provides for the levy of additional excise duty where a factory fails to deliver fully the export quota fixed for it. Sub-section (1) of this section is: "Where sugar delivered by any owner falls short of the export quota fixed for it by any quantity (hereinafter referred to as the said quantity), there shall be levied and collected on so much of the sugar despatched from the factory for consumption in India as is equal to the said quantity, a duty of excise at the rate of seventeen rupees per maund." And sub-section (2) of the same section says that "the duty of excise referred to in sub-section (1) shall be in addition to the duty of excise chargeable on sugar under any other law for the time being in force."

Section 9 contains provisions in respect of payments to owners for sugar delivered. This section is as under :

(2) From the total sale proceeds in respect of the quantity fixed for export under section 4 for any year, there shall be deducted the total expenditure incurred by the export agency in respect of the sugar, whether by way of administrative expenses or otherwise, and the balance shall be apportioned among the owners in proportion to the quantity of sugar delivered by them respectively during that year.

(3) In making any distribution under this section, the export agency shall make such adjustments as may be necessary having regard to the grade of sugar delivered by any owner, the adjustments being made on the basis of sugar of ISS-E-29 grade and with reference to the price differential schedule for different grades of sugar which the Central Government may, by notification in the official *Gazette*, publish in this behalf.

Section 10 of the Ordinance lays down that "the export agency . . . shall be bound, in the discharge of its functions, under this Ordinance, by such general or special directions as the Central Government may give to it in writing."

The Export Agency Division of the I.S.M.A. is now faced with the problem of how to restrain the upward trend in retail market prices of sugar —a trend which has been in evidence for the last one month or so. This trend set in, according to Mr. J. S. Prabhu of Messrs. Parry & Co. Ltd. (provisionally in charge of the Export Agency Division), some time before the promulgation of the Ordinance on account of the then expectation of a large quota of 200,000 tons or so for export. Taking into consideration the present supply and demand position and the need for keeping down internal prices at a reasonable level, Mr. Prabhu explained, the Government of India have fixed a quota of only 50,000 tons of sugar for export during the current season ending with October 1958. The I.S.M.A. members, continued Mr. Prabhu, have assured the Government that they will sell their released stocks (at the rate of 1.6 lakh tons per month) for domestic consumption quickly and at prices not exceeding the pre-Ordinance level of prices. The industry is absorbing voluntarily, the officer-in-charge emphasised, all the loss that will be sustained in exports and will continue to sell at the previous level of prices so that it can suitably resist any unjustified upward rise in prices brought about by the trade.

The loss that will be borne by the industry is estimated at Rs. 1.40 crore—on the basis of Rs. 280 per ton for 50,000 tons. Even after the refund of excise duty and cane cess on account of this quantity of sugar earmarked for export, there will be that loss of Rs. 280 per ton, inasmuch as the f.o.b. cost of Indian sugar (excluding excise duty and cane cess) will still be Rs. 733 per ton, as against the price (on f.o.b. basis) of Rs. 453 per ton expected to be realised from export. As the Ordinance has specifically laid down that the export agency shall make payment (to the factories) of proportionate export sale proceeds after deduction of all expenses of export, the industry cannot make any attempt to recoup the expected loss of Rs. 1.40 crore by charging higher ex-factory prices for the domestic market.

Under the circumstances there will be absolutely no justification for the reported price increase of one anna per seer or Rs. 2-8 per maund at the retail end to continue. As stocks will be released at the rate of 1.6 lakh tons per month and as the export quota of 50,000 tons will be considerably less than 10 per cent. of the estimated stocks in the remaining part of the current season, any attempt by the wholesale and retail trades to secure a windfall at the expense of the consumer may have temporarily succeeded in the first few days after the issue of the Ordinance but is expected to fail very shortly.

To a question (based on the Government's reported view) whether the increase in the ex-factory price of sugar by a rupee in the past one month or so (from Rs. 35-4 per maund to Rs. 36-4 in the Muzaffarnagar market for I.S.S. E-29 grade prior to the Ordinance) would not wholly cover the expected loss of Rs. 1.40 crore on the 50,000 tons of export sugar, it was claimed on behalf of the industry that this increase, if any, had nothing to do with the then expectation of sugar exports but was due to the shifting of that part of the burden of additional excise duty which the industry had unjustly to bear for some time without including it in its entirety in the ex-factory price. And so, the industry's contention is that it stands to lose Rs. 1.4 crore on export sugar as far as the present quota of 50,000 tons is concerned. The question, therefore, arises, whether the industry will willingly agree to export any further quota of sugar in the next season if conditions in world markets continue to be as unfavourable between November 1958 and April 1959 as they are now. A cautious approach on the part of the sugar industry to further exports is thus indicated—an approach which is no less cautious than that of the Government.

If wholesalers and retailers do not co-operate but put up prices now and then, it is difficult to see how the sugar export drive can be maintained for long. After all, it may be rightly pointed out that, roughly, four-fifths of all sugar consumers belong to low-income groups with monthly incomes of less than Rs. 150 and these four-fifths are responsible for three-fourths of all domestic sugar consumption. Any increase in the retail price of sugar may provoke a marginal shift to *khandsari* on the part of some proportion of low-income consumers. That would be a predicament for the sugar industry—losing a part (however small) of the domestic market while gaining, perhaps, a still smaller part of the foreign market. The views in this the last paragraph are, however, the correspondent's own.

PEP TALK FOR LANCASHIRE

From Our Own Correspondent

LONDON, *28th June*

LONDON LETTER

THE recent visit of the Chancellor of the Exchequer to Manchester has apparently brought a good deal of joy to the cotton traders who have been watching for month after month the closure of local mills. Indeed, the very day that the Chancellor was talking, yet another mill had to close down. And yet it is difficult to see what concrete comfort he brought to the industry telling them that as a whole he could not see it disappearing overnight! His view was that all industries should remain flexible and in their various departments be prepared to expand or contract according to the market. Given due flexibility and competitive power, he saw no reason why the cotton industry should not remain active.

He devoted a good deal of his talk to stressing the Government's determination to maintain a competitive economy with healthy rivalry in business to hold the balance between demand and resources. His phrase about free competitive enterprise was: "we must make very sure of keeping it out of the museum and in the market place." Then he went on to find comfort in the way in which wages and prices were moving towards greater stability. In a recent industrial sample, about a third of the firms had been making price reductions in the past three months and about two-thirds had held prices unchanged. On the wages front, while the Chancellor deplored increases that outran productivity, he thought the evidence was that recent wage claims were more realistic than some in the past and that broadly there was a more realistic approach towards wage claims in general. By "realistic," the Chancellor no doubt meant that the wage claims ought to be related to the income and the productivity of business.

The other phase of Government policy which Mr. Amory stressed was the determination to encourage a high investment economy. He appreciated that the tax concessions given in the last Budget were long-term and designed to make business men think forward. He noted that, whereas six years ago, investment accounted for about 15 per cent. of the national income, it had now risen to 17½ per cent. Whether the encouragement which the Government wished to give to investment would be utilised naturally depended upon the views that business men themselves took about the worthwhileness of that investment. The Chancellor said that the Government would be prepared to use short-term stimuli to the economy in case of need, but, more important, he regarded the corner in the British recession as having been turned and the strength of sterling a good index to the country's internal achievements. The economic climate, in the Chancellor's view, was very different from the natural climate in Manchester where they had been suffering from excessively depressing wet weather. The Chancellor frankly took an optimistic view. Unemployment in this country averaged about 2.1 per cent. which he thought was lower than anywhere else in Europe, and although in parts of the country—and that applied to Lancashire—the unemployment ratios were higher, the credit squeeze was relaxed in those areas and the banks were to be encouraged to be liberal with providing credit for setting up new industries or expanding existing industries.

In short, the Chancellor's theme was that industry should not be afraid to expand and that the minds of those in commerce should turn away from restrictive ideas to expansive ones. The Government was proposing to make grants and loans to firms which were setting up or expanding their businesses in the difficult areas—and that, of course, is just the sort of encouragement that Lancashire needs.—*All Rights Reserved.*

ENFORCEMENT OF ANTI-TRUST LAWS IN UNITED STATES—I

By Victor R. Hansen

ASSISTANT ATTORNEY GENERAL OF THE UNITED STATES

[This is the first of two articles describing the enforcement of the U.S. anti-trust laws against illegal business practices in domestic commerce and international trade. The author of the article is in charge of the Antitrust Division of the U.S. Department of Justice.—ED.]

THE philosophy of our American society is based on the great American principle of limited power. It not only is the cornerstone of our system of government, but is the cornerstone of American business. It not only applies to every segment of American society, but it applies to each and every individual as well. When economic power is concentrated in the hands of the few, our liberty is endangered.

It is the fundamental belief of our country that a dynamic and free democracy rests secure only on the foundation of a free economy. Our country long ago decided that it wants to have and maintain our system of free competitive enterprise a system which a majority of our citizens have judged most likely to insure economic democracy and that economic strength which is essential to political democracy.

Our system of free competitive enterprise means a system which, as nearly as may be, guarantees to every citizen the right to engage in whatever business he chooses, and to conduct his business in the way he desires. It means freedom of access to the market place, freedom for both buyers and sellers to trade in a market which is not controlled or rigged by private groups in their own self-interest.

Competition is the key to the preservation of this type of freedom. Goods must stand the cold test of competition, and the public, acting through the market's impersonal judgment, will allocate the nation's resources and thus direct the course its economic development will take.

The maintenance of a free competitive economy is a worthy objective, but, in the fulfilment of this objective, there are problems that must be faced in trying to achieve a well-balanced general enforcement policy for our anti-trust laws. The basic anti-trust statute is the Sherman Act of 1890. In 1914, this Statute was supplemented by the Federal Trade Commission Act and the Clayton Act.

As a practical matter, the direction which anti-trust enforcement takes is generally determined by a number of interrelated factors, such as the availability of funds and manpower, the volume and nature of complaints received, the level of business activity, legislative exemptions, judicial interpretation of anti-trust questions, and the changing pattern of our industrial economy.

Complaints Increase

At the present time, the number of attorneys available for prosecuting anti-trust cases is 227, while the number of complaints of violations has risen sharply in recent years to a peak of some 1,300 complaints of violation in 1957.

This increase in the volume of complaints received is reflected in the larger number of investigations pending. At the end of fiscal year 1952, there were 221 investigations pending: and by the end of fiscal year 1956 the number of investigations had increased from 221 to more than 280. Currently, the number of investigations pending has reached about 310.

All of this increased activity has contributed to an increase in the number of cases filed with the courts. While some 30 new anti-trust cases were filed in fiscal year 1952, this number increased to 33 in fiscal year 1953. The number of cases filed jumped sharply to 48 in fiscal year 1956, and to 55 in fiscal year 1957.

During the North Korean aggression, our emphasis was directed toward removal of restrictions impeding the defence programme. In recent years, the growth of industrial mergers and the strengthening of section 7 of the Clayton Act has shifted emphasis. Hence, anti-trust enforcement policy from year to year reflects a fluidity adaptable to the needs of our dynamic economy.

Within these broad policy determinants, specific cases are selected on the basis of their economic and legal impact—either within an industry or a particular geographical area, or within the framework of current industry and consumer demands. In all cases, however, attention must be given to the question whether the case under consideration will play its part in furthering the basic objectives of anti-trust enforcement.

The basic objectives of anti-trust enforcement can be simply stated :

First of all, it seeks to insure a plentiful supply of goods and services in the market place. Second, it is aimed at achieving a competitive market where the prices are set freely by buyer and seller under the normal laws regulating the market. Third, it strives to make available to the consumer as many sources of supply as the forces of supply and demand will permit. And, finally, it seeks to provide every consumer with a free choice in the selection of the dealer from whom he wishes to purchase his merchandise.

For an enforcement programme to be effective, we must necessarily direct our efforts in selecting for prosecution those cases which will best serve these objectives.

Collusion

Of paramount importance, of course, is our policy to place special emphasis on attacking collusive price structures which often require purchasers to pay more for goods and services than the market really demands. Hence, many of the actions instituted by the Antitrust Division during the past year have been aimed at conspiracies to fix the selling price of commodities which are of vital importance in the budget of every consumer.

Protection for the consumer, however, is sought not only in the necessities of life, but also in other items which we have come to consider a part of the American standard of living.

In view of the widespread interest in home construction, some emphasis has been placed on taking action against price agreements and other restraints which had the effect of increasing the cost of constructing homes.

The Antitrust Division cannot, of course, devote its total enforcement programme to price-fixing cases alone, for this would leave untouched the equally important objective of insuring that purchasers and consumers will have available alternative sources of supply and opportunity for a free selection among those sources of supply.

In line with this latter objective, we are particularly interested in eliminating from our industrial economy all instances involving boycotts and concerted refusals to sell products to particular dealers. As the Supreme Court has repeatedly held, a boycott is a prime weapon used by industry to deprive consumers of alternative sources of supply.

The reach of our anti-trust laws, of course, is not limited to domestic commerce, but extends to restraints upon the foreign trade of the United States. In the wake of the great expansion of international trade with a consequent increase in the flow of U.S. private investments abroad, the problem of cartels is also receiving our attention.

Our experience indicates that cartels are largely an extension of domestic monopolies into world trade, and an integral part of the monopoly problem at home. As the distinguished Eugene V. Rostow, Dean of Yale University Law School put it :

"Foreign monopolies, cartels and restrictive agreements of comparable effect are costly burdens upon the American economy. They affect certain prices within the United States, either directly or by influencing imports into this country ; and they influence, and often control, American export and investment opportunities in other countries. Some plans even limit the capacity of American firms or subsidiaries of foreign firms doing business in the United States to use certain manufacturing processes in this country. While no estimates are available as to the proportion of world trade affected by cartels, there can be no doubt that they constitute a quantitatively significant influence on both actual and potential movements of goods, services and capital in the economy of the free world."

Our enforcement programme, therefore, seeks to ferret out all such illegal restrictions and obstructions to our foreign trade. During the past year, the Antitrust Division filed six cases in the courts involving foreign trade restraints.

Foreign Cartels

Most of these cartel cases involve patent licensing agreements between competitors, which include territorial limitations and an undertaking to keep the agreement alive by licensing future improvements and exchanging future technology. As a result, it is alleged that the American company is precluded from selling in the territory allocated to the foreign cartel partner, and the foreign producer no longer sells in the United States.

However, due to the trend toward mergers and consolidations, the major anti-trust problem today, more than ever, is monopoly, and that unlawful economic concentration which creates monopoly power. Any antitrust programme that does not include a frontal attack upon this basic evil misses the present main threat to our economic freedom.

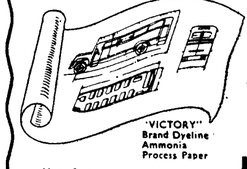
In attacking this monopoly problem, merger cases have continued to occupy a major position in the Antitrust Division's programme. During fiscal year 1957, five merger actions were filed, as compared with six actions filed during the two prior fiscal years. In the current fiscal year, we have thus far filed two additional cases. All of these cases assume special significance because there has not yet been a judicial determination of the recently amended anti-merger law in any Government action.

Thus, we have attempted to use our limited resources in man-power most effectively by concentrating on those areas which seem most significant economically—problems of mergers, cartels, and price fixing and boycott activities.

U.S. PRIVATE INVESTMENTS ABROAD

The Department of Commerce is conducting a survey of American business investments in other countries which the Department hopes will provide information that may "foster the freer flow of sound capital investment among nations." In announcing the survey, with which compliance by investors is mandatory, the Department said that the U.S. private direct foreign investments at the time of the last official survey, in 1950, showed a book value of about $12,000 million, and estimated "that this amount has approximately been doubled" since. "Data to be developed," the announcement said, "will show in detail the way this growth has been distributed among countries and industries, and will provide basic statistics for the compilation and understanding of the balance of payments between the United States and foreign countries. These statistics are essential for programming the foreign operations of the U.S. Government, and provide basic guides for the many firms that now have or are contemplating the establishment of productive facilities abroad."

PLANNING BEGINS WITH BLUE PRINTS



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ATTRACTING HOARDED GOLD

FRANCE REPEATS ITS EXPERIMENT

THE recent assessment of private bullion stocks in India by the Reserve Bank of India, the continued hoarding of bullion even at rising prices and the shortage of foreign exchange have given new life to the oft-repeated suggestion that large quantities of gold should be induced out of hoards and utilised for productive purposes. One of the suggestions for achieving this objective was the issue of interest-bearing gold certificates by the Government to be subscribed by the public in gold. It was estimated by the Reserve Bank that the private stocks of gold would be in the neighbourhood of 105 million ounces, which, at the average price for 1957-58 of Rs. 289 per ounce, would be of the value of Rs. 3,035 crores and, at the international price of $35 per ounce, Rs. 1,750 crores. The stocks of silver in the country were also estimated by it at 4,235 million ounces valued at Rs. 2,075 crores.

The suggestion to bring to the surface hoarded gold through the issue of gold certificates or bonds is not a novel one. For, six years ago (in 1952), M. Pinay, the then Prime Minister of France. floated a gold-*cum*-cash loan which fetched 1,254,400 ounces or 35 tons of gold from the privately-owned hoards, besides attracting cash subscriptions. The total subscriptions to that loan amounted to Frs. 428 milliard (thousand millions) of which about Frs. 200 milliard were in cash representing, in part, liquidation of privately-owned gold amounting to 35 tons in weight. It was only of limited success, because it represented only a fraction of the vast amount of gold held by the French people, reported to be the biggest hoarders in precious metals in the world. Undaunted by this partial success and as part of his efforts to rejuvenate France's financial position, the same M. Pinay, now Finance Minister in the de Gaulle Government, decided three weeks back to repeat his previous experiment.

The New Loan

The new loan, which opened for public subscriptions on 17th June, is for an indeterminate amount and will be kept open for an unspecified period. It carries interest at the rate of 3½ per cent. This rate of interest compares less favourably with the Bank rate of 5 per cent. in France, but it has two other attractive benefits attached to it. In the first instance, the interest is exempt from income-tax and, what is more, the entire capital (principal) is free from estate and transfer duties alike. Secondly, the capital is secured in part against inflation or devaluation by indexing the repayments, which will begin in 1970, to the market price of the god Napoleon. For this purpose, the base value of Napoleon gold coin has been fixed at Frs. 3,660.

Subscriptions are being invited in the form of francs, but it is expected that a substantial part of the subscriptions will come from sales of gold or even foreign currencies. Apparently, this arrangement is based on the theory that most people hoard their savings in gold in order to avoid depreciation in the value of money brought about by inflation and to escape taxes and that, if provision is made to safeguard these objectives, the hoarders will be tempted to convert their wealth from gold, which earns no interest, to Government bonds which promote a modest tax-free return.

Again, in order to encourage repatriation of capital by the French people thus, the law of 1948 which prescribes a fine of 25 per cent. on "reimported" capital is being abrogated. The bonds are redeemable by annuities at par, or should the average price of the Napoleon during the 100 sessions of the Paris gold market preceding 15th May each year rise above a certain level, to an amount equal to 25 times that average. In short, as the *Economist*, London, aptly put it, "the loan represents an appeal to hoarders of gold. They are invited to sell their gold for francs and invest them in the Government's gold loan on terms that, it is claimed, amount to earning interest on the gold instead of paying for its safe-keeping, and yet retain much the hedge against inflation that the possession of actual gold would give."

The terms of the new loan are identical with those of the 1952 loan, with the only noteworthy difference that there is a change in the price levl of the Napoleon serving as a guarantee. This has been necessitated by the 20 per cent. devaluation of the franc last year. The guarantee price of the 1952 loan was 4,000 francs.

In actual practice, however, the gold guarantee remained dormant most of the time, because, shortly after the issue of the first gold loan in 1952, the free market price of gold declined and with that the price of gold Napoleon (20-franc gold piece) too, fell. Thus, it was quoted as low as 2.500 francs in 1955, as against 5,000 francs shortly before the first Pinay loan was issued in 1952. The current quotation for the Napoleon coin is 3,600 francs; it had gone up to a high of 4,000 francs during the height of the recent political crisis. It will also be interesting to note that the first gold loan enjoyed a ready market in France, though its value fluctuated rather widely, the highest and the lowest levels during the past six years being 112 and 91, respectively.

Gold Guarantee

The Government expects that through the latest gold loan it will be able to rope in at least Frs. 200 milliard of fresh money, thus draining off some of the excess purchasing power of the public. The present loan is expected to be more successful than its predecessor, in that the gold guarantee in it is more attractive. Unlike the 1952 loan, the latest one will enjoy the benefit of the gold guarantee if the price of gold in the Paris market goes up above its present level of 3,600 francs. Further, in view of the renewed expectations of an increase in the world price of gold, some people are likely to convert their surplus francs into a tax-free security linked to gold. The second factor which is expected to make the loan more successful is the personal confidence which M. Pinay commands among the middle class. That the expectations about the success of the latest loans have not been misplaced is indicated by the fact that the sales of gold in the Paris market are already twice as large as put through during the eight-week period during which the 1952 loan was kept open.

The success of the loan should be judged not from the total subscriptions to it, but from the quantity of gold and foreign currencies surrendered. The stocks of gold hoarded by the French citizens are estimated at £2,000 million to £4,000 million. If the anticipated subscriptions in the form of gold and foreign currency come in, France will, it is stated, have enough gold and foreign currency in hand to tide over the next four months. This will give M. Pinay sufficient time to set the internal economy in order before taking up the task of adjusting the external value of the franc. Thus, the new loan is regarded in France as the first step to create the proper climate for further measures to improve the domestic economic situation.

WORLD BANK PRESIDENT

It is gratifying to hear that the Executive Directors of the International Bank for Reconstruction and Development has renewed the appointment of Mr. Eugene R. Black as President of their Bank for a further period of five years, the new terminal date being 1st May 1963. They could not have done better, for Mr. Black has proved himself as an astute and understanding international banker. It can be stated without any fear of contradiction that he has sought to do his best to promote the objectives of the U.N.O. in the economic sphere. In him the underdeveloped countries has a good friend and, if only India had heeded his timely advice on the second Five-year Plan, it would not be in the economic mire in which it finds itself today.

As President, Mr. Black is chief of the Bank's operating staff and Chairman ex-officio of the Executive Directors who represent the Bank's member-countries. Mr. Black is also ex-officio Chairman of the Executive Directors of the International Finance Corporation, which is affiliated with the Bank. Mr. Black's first five-year term as Bank President began on 1st July 1949 and was renewed in September 1953. Before that Mr. Black had served for more than two years as United States Executive Director.

The period of Mr. Black's presidency has encompassed nine of the twelve years of the Bank's existence. During that time, the membership of the Bank has risen from 47 to 67. When Mr. Black first took office, the Bank had completed the European reconstruction phase of its lending operations and was just beginning to lend for development. In the nine years which have since elapsed, development, lending has grown from $159 million to more than $3.3 billion, out of total loan commitments of $3.8 billion. In all, 47 member countries or territories have received loans from the Bank to help to lay the foundations of further economic growth.

Throughout his association with the Bank, Mr. Black has taken a close interest in increasing the funds available for its work by establishing and expanding the market for Bank securities in the world's investment centres. As a result, the funded debt of the Bank has grown from $254 million on 30th June 1949 to $1,660 million at the present date. Mr. Black has also fostered the growth of another supplement to Bank resources, the sale of parts of Bank loans to other investors. Since 1948, the Bank has made such sales to a total of over $400 million. The Bank has, therefore, received support for its operations from other investors, mainly in the private sector, to a total of more than $1 billion. Mr. Black has always stressed the need to enlist the support of other investors on the widest possible basis, thereby maintaining the Bank's international character. More than half of the Bank's borrowing has been outside the United States.

The Bank's other activities have also undergone rapid growth under Mr. Black's presidency. A total of 15 countries have enlisted the help of the Bank in carrying out comprehensive surveys of their economic development potentialities. There has been a growing use of the expert services of the Bank in investigating and advising on development programmes and projects of all kinds. And, in recent years, the Bank has increasingly lent its good offices toward the settlement of disputes involving its member-countries. A recent successful example of this activity was the settlement arrived at with Bank assistance of the compensation to be paid by the United Arab Republic for the nationalisation of the Suez Canal.

Mr. Black has continued in the past four years to maintain relationships of full confidence between the Bank and its member-countries. He has travelled all over the world on Bank business and has now visited more than 50 of the Bank's member-countries and territories. He is also a frequent visitor to the financial centres of Europe.

Mr. Black came to the International Bank after more than 25 years spent in private investment banking, including 15 years as an officer of The Chase National Bank of the City of New York. After the First World War, he went to work in the Atlanta office of the investment banking firm of Harris, Forbes & Co., and in 1933 he was appointed a Second Vice-President of The Chase National Bank. In 1937, he became Vice-President in charge of the bond department, and later became a Senior Vice-President. He resigned from The Chase National Bank in March 1947 to accept appointment as United States Executive Director of the World Bank. In May 1949, he was appointed to the presidency of the World Bank, succeeding Mr. John J. McCloy.

W. GERMAN BANK RATE CUT

The West German Bank rate has been reduced from 3½ per cent. to 3 per cent., with effect from the 26th ult. With this cut, the Bank rate has been taken back to the level which prevailed before August 1955. This is the second reduction during the current year; the previous one took place on 17th January, when the rate went down from 4 to 3½ per cent. The decision to reduce the Bank rate was taken by a majority vote of the Board of Members of the Federal Bank. While the Chairman of the Bank was, it is believed, strongly in favour of the move, some of the provincial members were opposed to it. Finally, two factors were reported to have guided the members to make the move, namely, (1) expectations of a glut in the money market after the half-yearly requirements had been met and (2) the recent increase in the flow of foreign currency which resulted in an embarrassingly large foreign exchange surplus.

The following table shows the changes in West German Bank rate in the post-war period:

Date	Rate %	Date	Rate %
27th May 1949 ..	4.50	4th August 1955 ..	3.50
14th July 1949 ..	4.00	7th March 1956 ..	4.50
27th October 1950	6.00	10th May 1956 ..	5.50
20th May 1952 ..	5.00	6th September 1956 ..	6.00
21st August 1952	4.50	11th January 1957 ..	4.50
8th January 1953	4.00	19th September 1957 ..	4.00
11th June 1953 ..	3.50	17th January 1958 ..	3.50
20th May 1954 ..	3.00	26th June 1958 ..	3.0

The latest cut in West German Bank rate followed a series of reductions in a few other countries, notable among which was Britain, which reduced its rate from 5½ to 5 per cent. With the latest cut in West German rate, the gap between the rates in Britain and W. Germany has been restored to 2 per cent. In view of this gap and in view of the fact that the rate of interest prevailing in the London money market is 4½ per cent., it is considered likely that large sums of German short-term funds may be placed in the London money market shortly.

WORLD BANK LOAN TO JAPAN

The World Bank has given a loan equivalent to $25 million to the Japan Development Bank to assist the privately-owned Hokuriku Electric Power Company in the execution of an electric power expansion programme. The funds will help to finance hydro-electric installations on the Joganji River on Honshu Island which will add 261,000 kilowatts to the Company's generating capacity.

The Girard Trust Corn Exchange Bank, Grace National Bank of New York, Brown Brothers Harriman & Co. and the Philadelphia National Bank are participating in the loan, without the World Bank's guarantee, to the extent of $789,000. This represents the first two maturities and part of the third maturity which fall due between 1st August 1961 and 1st August 1962.

The loan will be for a term of 25 years and bear interest of 5½ per cent., including the 1 per cent. commission which is allocated to the Bank's special reserve. Amortisation will begin on 1st August 1961. The loan is guaranteed by the Government of Japan.

The Bank has now made 11 loans in Japan aggregating $152 million; $36 million for the steel industry, $5 million for other industrial projects, $100 million for electric power development and $11 million for agriculture.

STATE BANK OF INDIA TODAY

AN APPRAISAL OF ITS ACHIEVEMENTS AND OUTLOOK

By B. P. Patel, I. C. S.
MANAGING DIRECTOR, STATE BANK OF INDIA

[This article, which is based on the author's talk to the Rotary Club, Bombay East, on 20th June 1958, provides an authentic account of the progress made by the State Bank of India in the fulfilment of tasks assigned to it.—ED.]

THE nationalisation of the Imperial Bank of India into the State Bank of India on 1st July 1955 is an important landmark in the history of Indian banking. This reform was undertaken in pursuance of the recommendation of the Rural Credit Survey Committee, to establish one strong, integrated, State-partnered commercial banking institution with the object of stimulating banking development in the country and following a policy which would be in effective consonance with national policies without departing from the canons of sound business. The State Bank of India Act enjoins on the Bank that, in discharging its functions, it shall act on business principles, regard being had to public interest. Accordingly, the Bank has been playing a twofold role in the Indian economy. As a commercial bank, it has been, on the one hand, providing finance to industry and trade and as a nationalised institution, it has, on the other, undertaken several promotional and developmental activities in such fields as branch expansion, finance to small-scale industries and assistance to co-operative societies. The Bank's policies are thus co-ordinated more and more with those of Government and its manifold activities are assuming greater significance in the overall plan to stimulate the economic development of the country and to achieve the objective of a welfare State.

Capital Structure and Management

The authorised capital of the Bank is Rs. 20 crores divided into 2,000,000 fully paid-up shares of Rs. 100 each and the issued capital is Rs. 5.625 crores divided into 562,500 fully paid-up shares. The (Central Board of the) Bank may increase the issued capital, the Reserve Bank of India always holding not less than 55 per cent. of the issued capital of the Bank. It may be mentioned here that the Bank is not entirely owned by the Government and the Reserve Bank of India, but there are as many as 1,227 private shareholders holding about 8 per cent. of the Bank's issued capital. The State Bank is thus not a State-owned but a State-partnered institution.

The management of the Bank is vested in the Central Board of Directors, consisting of the Chairman, Vice-Chairman, two Managing Directors, eight Directors nominated by the Central Government representing territorial and economic interests; of these eight, one Director is nominated by the Central Government, another by the Reserve Bank of India and six Directors are elected by the shareholders other than the Reserve Bank. Here again, it can be seen that the State Bank is not entirely State-managed, but private shareholders are also represented on the Board of Directors.

The Central Office of the Bank is located in Bombay, which controls the four local head offices situated at Bombay, Calcutta, Madras and New Delhi. Each of these local head offices has a Local Board consisting of all the Directors representing the private shareholders and territorial and economic interests and ordinarily resident in the area concerned, plus such number not exceeding four, to be elected by the shareholders concerned or nominated by the Central Government in consultation with the Reserve Bank, as may be prescribed.

Traditional Business

The Bank's total deposits which amounted to Rs. 186.6 crores on 1st July 1955 rose to Rs. 221.5 crores and Rs. 344.3 crores respectively by the end of the two succeeding years and stood at Rs. 420.5 crores at the end of May this year. There has thus been a continuous increase in the total deposits of the Bank, which today form about 28 per cent. of the total deposits of all the Scheduled banks in India.

The demand for bank credit in India has increased of late and the State Bank has made its own contributon to meet it. The Bank's advances (including bills) in India which amounted to about Rs. 110 crores in June 1955 rose to Rs. 185.4 crores in May 1957 and further to about Rs. 206 crores in March 1958. What is significant is that, contrary to the apprehension entertained in some quarters, the Bank's advances to the private sector have not only not declined but have actually increased from about Rs. 88 crores in 1954 to Rs. 114 crores in 1956 and further to Rs. 148 crores in 1957. The Bank's advances to industry, in particular, have gone up not only absolutely and as a proportion of the Bank's total advances but also as compared to the advances of other Scheduled banks to industry.

Developmental Activities

The State Bank has undertaken during the last three years several new activities with a view to filling in the gaps in the Indian banking system and to meeting the needs of a growing economy. The extension of banking facilities is one of such activities. The Bank has a statutory obligation to open 400 branches within five years of its inception. The first year of the branch expansion programme was essentially a period of preparation and co-ordination of efforts especially with the State Governments, the most formidable difficulty being the want of adequate building accommodation. The progress was rather slow and only 32 branches were opened in that year. The sceptics were none too slow in pointing out that the programme was over-ambitious for fulfilment in practice. The impatient rushed in to attribute the slow progress to inadequacy of effort. The initial difficulties, however, have been overcome and the programme has now gathered momentum. Two hundred and eight branches have already been opened before the close of the third year of the programme. The yearly rate of progress now exceeds 100 and with more than two years still to go, the Bank is quite confident that it will be able to open the balance of 192 branches and discharge the statutory obligation within the prescribed period.

The Bank has today 675 branches and offices spread all over the country and this network of branches/offices has been increasing the supply of efficient and cheap banking facilities in the country. The branch expansion programme has not only been stimulating the development of the banking habit, especially in the rural and semi-urban areas but, together with the other policies adopted by the Bank, it has also been assisting the establishment of a decentralised and balanced economy in the country.

Finance for Small-scale Industries

The provision of finance for small-scale industries is a new and important activity in which the State Bank of India has been making pioneering efforts. Recgnising the special need of these industries for financial assistance, especially in the context of the role assigned to them for stimulating production and employment during the second Five-year Plan period, the State Bank has put into operation a pilot scheme for the provision of co-ordinated finance for small-scale industries, in which co-operative banks, Departments of Industries and Industrial Finance Corporations function as participating agencies. The scheme which was initiated as an experimental measure at nine centres in 1956 has now been operating at 36 centres. The number of advances sanctioned so far by the Bank under the scheme is 366, the limits sanctioned being about Rs. 1.4 crores (as on 31st May 1958).

The Bank has liberalised its lending procedure in favour of small-scale industries. Working capital is provided against almost any commodity so long as the product has an assured market. In selected cases, clean accommodation is also made available and fixed assets are also accepted as security. Additional finance is made available on the guarantee of the Small Industries Corporation and the Bank has also agreed to act at 'pilot centres as the agents of the State Financial Corporations in their dealings with small-scale industries. An evaluation of our pilot scheme has been recently undertaken. We hope to emerge this year from the 'pilot' stage and to extend the scheme progressively to many more centres all over the country.

Financing of agriculture and co-operatives is another crucial sphere, where there is an urgent need and considerable scope for a new approach and new practices. While keeping in mind the problems and difficulties of agricultural finance, the State Bank has adopted a policy of being responsive to the needs of co-operative societies and has accordingly been extending special facilities to co-operative institutions since 1956 in such matters as advances against Government securities, advances against repledge of goods, remittance facilities, purchase and collection of cheques and bills and purchases of and advances against the debentures of land mortgage banks.

Rural Credit

The vast majority of our countrymen live in rural areas, away from the large ports and metropolitan cities which have developed banking facilities and which have all these years been drawing funds from upcountry places. It is in fact the rural areas that are in a more urgent need of larger funds and developed banking facilities. With a view to assisting the movement of funds in this "reverse" direction, the State Bank has been extending special facilities to co-operative banks for remitting funds, free of charge once a week, from their headquarters to upcountry branches.

Towards the close of the last year, the State Bank took another step forward, with a view to making its role more effective in relation to co-operatives. The growing tempo of the activities of the co-operative marketing and processing societies under the Plan programmes has brought to light the inadequacy of the resources of the co-operative banks to finance these activities, while, at the same time, fulfilling their primary obligation to finance agricultural production. The State Bank has, therefore, decided to supplement the co-operative resources by undertaking to finance the co-operative marketing and processing societies.

In furtherance of the Bank's efforts to co-ordinate its policies with those of co-operative banks and credit structure, care has been taken to ensure that while extending these facilities, neither the basic relationship between the co-operative central financing agencies and other co-operative institutions nor the functioning of the "integrated scheme of rural credit" is adversely affected. The Bank has accordingly commenced financing co-operative marketing and processing societies on terms and conditions which, while safeguarding the interests of the Bank, take into account the special needs and mode of operation of these societies. Since January 1957, credit has been sanctioned by the Bank directly to three co-operative sugar societies and a limit of Rs. 2 crores has been granted to a State Co-operative Bank, to enable it to finance sugar co-operatives. Further, the Bank has also been financing the import of machinery, etc., by co-operative processing societies. Agents of the Bank have been asked to keep themselves in close touch with co-operatives and to extend to them all possible help.

Co-operative Warehousing

Warehousing is an essential corollary to the development of agricultural marketing. The second Five-year Plan, therefore, envisages a comprehensive programme for the development of warehousing in the country through the agency of the Central Warehousing Corporation and the State Warehousing Corporations. The State Bank has lent its support to the Central Warehousing Corporation by subscribing to its share capital to the fullest extent indicated in the Agricultural Produce (Development and Warehousing) Corporation Act, 1956, and by nominating its officers to work on the Board of Directors of the various State Warehousing Corporations, set up under the Act. Much of the success of the warehousing scheme, however, hinges on the support of the banking system for the warehouse receipt. The State Bank has evolved an appropriate procedure for the grant of advances against the security of warehouse receipts and the goods deposited in the licensed warehouses. The Bank has already made a few advances against these receipts, which, it is hoped, should give a lead to other banks in the provision of this form of credit.

Foreign Exchange Business

It is common knowledge that Indian banks have only a limited share in the financing of the country's foreign trade. For the development of our foreign trade and commerce on terms beneficial to our people, it is essential that the Indian banks should play their part in the foreign exchange business in all the important

(Continued on page 43)

COTTON TEXTILE INDUSTRY IN JAPAN

EQUIPMENT MODERNISED AND PRODUCTION TECHNIQUES RATIONALISED

IN the context of the great stress now being laid on the need for augmenting export trade in Indian cotton textiles, it will be worthwhile to take note of the recent notable developments that have taken place in the textile industry of Japan, the most formidable competitor in the world textile markets. Japan ranks as the biggest exporter of textiles. During the year 1957, it exported over 1.468 million square yards of cotton cloth, as against 1,262 million square yards in 1956 and 1,139 million square yards in 1955. This quantity represented nearly 30 per cent. of the estimated total exports of 5,100 million square yards for free nations. The continuously upward trend in Japan's exports at a time when the world trade in textiles is showing signs of slackening is certainly creditable. It must be attributed to the marked improvement in the quantity and quality of production. The quantity of cloth that actually came off the looms of Japanese cotton mills in 1957 amounted to 3,705.54 million square yards, which compares favourably with 3,300.52 million square yards in the previous year and 2,814.33 million square yards two years before. The rise in cloth production followed a substantial increase in the output of yarn, from 826.89 million lbs. in 1955 to 1,017.59 million lbs. in 1956 and 1,089.19 million lbs. in 1957.

The steadily rising trend of textile production has been rendered possible by the expansion in the spinning and weaving capacity of the cotton industry of Japan. At the end of 1957, there were 9,018,000 spindles operable, as against 8,992,000 in 1956 and 8,168,000 in 1955. The number of cotton and staple fibre weaving machines was 392,052, that for the previous two years being 390,036 and 389,705, respectively. The expansion in spinning capacity would perhaps have been more appreciable but for the enforcement of the registration system for cotton spinning machinery. The Textile Industry Equipment Temporary Adjustment Law, enacted in 1956 to control the growth of spinning equipment and thereby checking excessive competition among spinners, stipulates that all cotton spinning machinery be registered with the Government. A similar policy has been applied to the weaving sector, which is dominated by small and medium enterprises, since 1955 under the Small and Medium Enterprises Stabilisation Law.

Mills Highly Modernised

The notable progress of the Japanese cotton industry in recent years is due not only to the world-wide prosperity but also to the efforts on the part of spinners to modernise and improve the production processes, according to an interesting review of the recent trends in the Japanese textile industry contained in one of the recent issues of *The Mainichi*. Most of the existing equipment were newly installed after the Second World War. This fact is reflected in the present high production efficiency and high quality of products. Moreover, constant efforts have been made to modernise and rationalise production techniques by introducing the latest production process and adopting automated machinery. As a result of these endeavours, most of the Japanese mills today are comparable to the world's most modernised mills from the technical point of view. This fact has often been endorsed by foreign experts who have inspected the Japanese mills.

Special care has been devoted to the improvement in processing technique. The percentage ratio of cloth finished in fast and washable colour to the total finished cotton cloth during the first six months of 1957 was 74 for dyed cloth, 56 for printed cloth and 62 for dyed yarn cloth, as against 55, 22 and 22, respectively, during the last quarter of 1954. This shows how notable has been the improvement in dyeing durability. Special care has also been devoted to the adoption of new finishing techniques. Such special techniques as mercerising, compressive shrinking and crease-proofing have made remarkable development recently. Sanforizing machines at plants operated by the spinning units belonging to the All-Japan Cotton Spinners' Association increased from 17 sets at the end of 1954 to 23 at the close of the first half of 1957 and silket machines from 16 sets to 28 sets. The quantity of cloth undergoing resin finishing has nearly doubled, the figure for 1957 being 127.54 million square yards, as against 54.73 million square yards in 1956 and 29.44 million square yards in 1955.

The two other directions in which much progress has been made relates to diversification of products and sales promotion campaigns. Efforts to create new designs and styles suitable for cotton products, coupled with the improvement in finishing techniques, have diversified cotton products, increasing the range of their uses. Originally used for underwear, everyday clothes and work clothes, the cotton products are today patronised by women for outdoor wear and fashionable dresses. Under the joint sponsorship with the National Cotton Council of America, the Japan Cotton Spinning Promotion Association has since 1956 conducted cotton goods market research, sales promotion campaigns and various publicity campaigns.

High Wages

In the Japanese cotton spinning industry, young unmarried female workers account for the majority of workers. These and also other workers (male) earn wages higher than the general level of wages in all manufacturing industries. In 1956, the average monthly wage paid by the spinning industry was 32,031 yen (Rs. 423) for male workers and 11,715 yen (Rs. 155) for female workers. They are higher by 38 per cent. and 32 per cent., respectively, as compared with the wages of 3,156 yen and 8.845 yen paid for male and female workers in all the manufacturing industries. Apart from monetary wages, the workers enjoy many other benefits, including dormitories whose facilities are usually far better than those to which workers mostly from farm communities are accustomed at home. The expenses borne by employers for welfare facilities of workers run high, because the cotton industry depends heavily on unmarried female workers for whom dormitories have to be provided. The average amount per worker borne by employers in 1956 was 2,895 yen per month or average monetary wage of 17,313 yen plus 15.8 per cent. of the average wage. Indeed, it is claimed that the good treatment accorded to mill workers "makes it possible for employers to acquire excellent workers upon whom the Japanese cotton spinning industry depends for its everlasting prosperity."

Exports of cotton cloth from Japan during 1957, as already noted, aggregated 1,468 million square yards. The geographical distribution of the export markets covers almost the entire world, with their number well over 100. The Japanese cotton goods are very popular because of superior quality and reasonable prices, thanks to the substantial improvements made in all the phases of the industry in recent years. Incidentally, it may be noted that Japan purchases abroad every year huge quantities of raw cotton. During the cotton year 1956-57, the total imports amounted to 2.96 million bales which were more than the quantity imported by Britain, West Germany and France. Japan accounted for 22 per cent. of the aggregate import of raw cotton by free world countries.

In addition to the contribution to the development of world trade as a medium for raw cotton exporting countries and cotton products importing countries thus, the cotton industry of Japan also plays a significant part in the domestic field. As the mainstay of cotton goods exports and the most important single export item of Japan, cotton textiles have since the war earned substantial amount of foreign currencies that the country badly needs to import foodstuffs and industrial raw materials in order to sustain its economy. In 1957, the exports of cotton cloth, yarn and secondary products ran up to $417 million, accounting for as much as 14.7 per cent. of the total export earnings.

The future development of the Japanese cotton textile industry, it is said, depends on its strenuous and constant efforts to provide consumers at home and abroad with diversified products of good design and excellent quality at reasonable prices. The industry is confident of its success in the future on the basis of its experiences in recent years. It also firmly believes that the industry, through its important role in national and international economies, can contribute to the mutual prosperity of Japan and other countries of the world.

EXPORTS OF COTTON TEXTILES

Several interesting suggestions designed to promote exports of cotton textiles have been put forward by the Africa and Overseas Exporters' Chamber, Bombay, in a memorandum submitted to the Committee of Enquiry (Textile Industry). At the outset, the Chamber has stressed the need for placing cotton yarn and cloth exports under the Open General Licence system with immediate effect. Pending the decision being taken, it wants that the necessity of having challans and paying challan fees should be done away with. The other important suggestions of the Chamber are given below:

Constant watch over the domestic markets, so that the availability of goods for export is regular;

adoption of a more liberal and rationalised procedure for the installation of automatic looms in mills, in order to ensure production of quality textiles at competitive prices;

standardisation of export qualities, supplemented by a compulsory pre-inspection of goods prior to exports on reasonable terms;

removal of unnecessary restrictions on exports of such items as mill-made check lungis;

relaxation of customs, excise and export control regulations;

issue of insurance policies by the Export Risks Insurance Corporation for occasional and individual shipments of cloth as per the requirements of the exporters;

abolition of restrictions on the drawal of samples and reduction in air freight rates for samples sent abroad;

extension of facilities of clearances under bonds to include ready-made garments;

acceptance by mills of small orders from overseas for special qualities (prints, etc.) as is being done in Japan where the textile industry accepts orders even for 2,000 to 5,000 yards;

proper packing of cloth bales by mills;

avoidance of frequent and periodical rise in freight rates; and

relaxation of exchange control regulations, particularly those relating to shipments of "loss transactions."

In addition to the aforesaid suggestions of a general character, the Chamber has urged the provision of four incentives to exporters. First, the exporters of cotton textiles should be allowed to retain a reasonable part of the foreign exchange earned and to convert it in importing the legitimate requirements of consumer goods. Secondly, as is being done in Japan, a certain percentage of the foreign exchange earned from exports must be deducted from the taxable income of the exporter. Thirdly, priority in movements and concessions in freight rates should be allowed in the case of both raw materials and finished goods meant for export. These, it is said, will give impetus to upcountry mills to participate in export trade and also enable the exporter to have a wider selection for the requirements of his overseas buyers. Finally, the procedure for the grant of drawback of duty must be simplified to the maximum extent possible.

TEXTILE IMPORTS INTO U.K.

The view that some arrangement with Pakistan and Hongkong regarding textile imports into Britain "is within our grasp if everyone understands the buyer interests" was expressed by Sir David Eccles, President of the Board of Trade, while speaking at a dinner of the China Association in London the other day. Sir David spoke shortly after the Members of Parliament representing the Lancashire textile producing constituencies had complained in the House of Commons about the harmful effect of "cut-throat" competition from Hongkong producers on the British industry. He stressed that there should be some voluntary arrangement whereby the effect upon the U.K. textile industry would not be catastrophic. "It is," to quote him, "very much in the interest of the long-term future of Hongkong and

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WORSENING SITUATION IN TEXTILE INDUSTRY

MASS DEMONSTRATIONS EXPECTED TO BE STAGED IN COTTON TOWNS

From A Special Correspondent

MANCHESTER, 24*th June*

MANCHESTER LETTER

MASS demonstrations in Lancashire cotton towns may be staged to focus national attention on the worsening situation in the textile industry. Leaders of Lancashire's 230,000 cotton workers revealed in Manchester this week that approaches have been made to owners of more than 1,200 mills to link up in new efforts to secure assistance.

After a meeting of the Legislative Council of the United Textile Factory Workers' Association, Mr. James Milhench, the Secretary, said that the intention was "to lift the issue outside the field of party politics." The Master Spinners' Federation and the Cotton Spinners' and Manufacturers' Association had been invited to joint discussions with the trade unions with a view to deciding what further steps could be taken. In a letter to the millowners, the unions say that one suggestion is for local and regional demonstrations in which civic leaders would be invited to join.

Another Rebuff

Meanwhile, party strife seems likely to break out again in the House of Commons over the future of Lancashire textiles, with particular reference to the vexed problem of overseas cloth imports. Although there is general agreement among members representing constituencies in the area that something should be done to assist the industry, views differ as to the measures to be enforced and the attitude which should be adopted in approaching Eastern producers who are competitors yet still members of the Commonwealth.

Whatever the politicians' opinions, there are no two minds among local millowners and workers as to the situation regarding Hong Kong. The words of the Parliamentary Secretary at the Colonial Office—"The people of Hong Kong are just as much the responsibility of the Government as the people of Lancashire"—came as a slap in the face to hundreds of thousands of those whose livelihood, directly or indirectly, is endangered by the decline of cotton textiles as a provider of employment.

Lancashire M.Ps of both the main parties have drawn up resolutions urging assistance for the cotton trade, but there is a divergence of view on whether the imports from Hong Kong are being produced under sweated labour conditions and should, therefore, be banned under anti-dumping legislation. A debate on the subject is likely to produce another spate of words but little, if any action.

Hollinshead Mill, Blackburn, one of the towns's most up-to-date weaving sheds, containing 437 looms, is closing down, it has been announced. The mill is owned by the Scrim Manufacturing Company, Ltd., of Dudley, Worcestershire, which is going into voluntary liquidation. The Company announced that it was solvent and would honour all purchases and sales contracts. Mr. J. Sanford Smith, Joint Managing Director, said that the mill would be available for disposal in September after weaving out, or earlier by arrangement. "There is plenty labour available and it is an excellent proposition as a replacement for an older mill or as an additional production unit," he added.

The weaving, bleaching and finishing plant at Dudley owned by the Company is being taken over by an associate firm, Sanford Manufacturing Trading Company, Ltd. The paid-up capital of Scrim Manufacturing Company, Ltd., is £50,000 in £1 shares.

Slump in Wool Textiles

Mr. Edgar Isles, Chairman of British Cotton and Wool Dyers' Association, Manchester, described existing conditions in the wool textile industry as a "slump" when he addressed the annual meeting of the Company. He said that the difficult trading conditions began last November and had persisted ever since. But there were signs that confidence was slowly returning and the worst was behind.

Condemning the action of the Canadian Tariff Board in increasing duties on light and medium wool cloth of British origin, with no similar tariff change affecting other countries, Mr. Isles said: "Such discrimination is alarming and disappointing at a time when it is the declared policy of the Canadian Government to increase Anglo-Canadian trade." As part of its policy for diversifying its interests, the group had formed two subsidiary companies during the past year to take over shops as coffee houses. Mr. Isles said that three shops had already been established and a modern bakery was nearing completion to provide confectionery to sell in the shops.

An attempt to increase the final dividend recommended by the Directors of Crosses and Heatons Ltd., the Bolton spinning group, was made at the annual meeting last week. A shareholder moved an amendment to the resolution proposing a final dividend of 2½ per cent., making 5 per cent. for the year. He urged that the final payment should be 7½ per cent., making 10 per cent. for the year. He said that many other shareholders were disappointed at the reduction in the dividend and pointed out that the Company had spent large sums on re-equipment, yet the shareholders had received only limited distributions.

Comparing the results of Crosses and Heatons with the Lancashire Cotton Corporation, the shareholder said that the Corporation had increased its profits and that the shares stood at about 34*s*., whereas Crosses and Heatons were quoted at 10*s*. At one time not long ago, both shares had been obtainable at around 25*s*. Col. B. W. Heaton, the Chairman, replied that the two companies were not comparable, as they produced different types of yarns. Crosses and Heatons used substantial quantities of long-staple cotton grown in the Sudan. Prices of these cottons had fallen, and the group's losses on Sudan cotton during the past year had amounted to £150,000.

Col. Heaton told the shareholder that it was not possible under the firm's Articles of Association to raise any dividend recommended by the Directors. They could only vote to reduce them. In the circumstances, it was agreed to withdraw the amendment, the Chairman saying that the views put forward would be borne in mind by the Board when it came to considering dividend payments in the future.

Narrow Trading

Producers, with their heavy commitments in machinery, labour and stocks to consider, can scarcely be happy about their position in a time of prevailng bad trade. Reports from merchanting centres in the United Kingdom gave no justification for encouragement and the future is certainly obscure. Advices from distributors, as lately indicated by the Cotton and Rayon Merchants' Association, merely add to the depressing scene.

The level of home trading in the first quarter of this year was about 10 per cent. lower than during the same period in 1957, taking all fabrics into account, including those made from cotton, spuns, continuous filament and mixtures. An even more severe reduction in export orders occurred for all types of cloth. As a result, converters have tended to reduce their commitments.

Deliveries of all fabrics to the home trade in the first three months of the year were well in excess of the volume of orders and stocks held by merchants have declined. This trend has been regarded in some quarters as providing the possibility of a revival in demand, but, so far, distributors have shown a marked ability to operate with relatively small supplies, obtaining sudden requirements without a great deal of difficulty.

Dying Industry

Everything considered, there is no alternative except to face the grim reality that this is a picture of a shrinking, dying industry, made all the more tragic by the fact that it has come in the midst of the most dynamic period of economic expansion this nation has ever known. The latter half of this statement is perhaps not entirely appropriate to economic conditions in this country but the earlier comment might well describe the situation in our local textile industry. The comment, in fact, came from the Executive Vice-President of the American Cotton Manufacturers' Institute, speaking recently during a textile convention in the United States. It confirms a widely held belief that Lancashire is by no means the only textile centre to be grappling with phenomenal difficulties.—*All Rights Reserved.*

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SUGAR EXPORT POLICY ANNOUNCED

QUOTA FOR CURRENT SEASON FIXED AT 50,000 TONS

WITH the promulgation of the Sugar Export Promotion Ordinance, 1958, by the Union President on 27th June, the prolonged uncertainty regarding the Government of India's sugar export policy has ended. The Ordinance empowers the Government to release specified quantities of sugar for export as well as to fix quotas for individual mills in proportion to their production. It also empowers the Government to levy in certain circumstances additional excise levy.

In pursuance of the above Ordinance, the Government of India has decided to release 50,000 tons of sugar for export during the current season ending on 31st October next. This quantity, it is said, has been fixed "after taking full note of the trends of production and consumption and the supply position of sugar." It may be noted here that the declared quota represents a little over 2.5 per cent. of the total estimated production of 1,975,000 tons for the season. The export will be channelled through the Indian Sugar Mills Association, Calcutta, which has been appointed the exporting agency. All the sugar factories in the country are required to deliver to the Association their export quotas, the payment for these quantities being at a uniform rate based on the net price realised by the exporting agency from the sale of sugar. Any factory which fails to deliver, in whole or in part, the quota prescribed for it will have to pay an additional excise duty of Rs. 17 per maund on the quantity of sugar in respect of which default occurs before the same is released for sale in the internal market.

"The average loss on the export of the declared quota (that is, 50,000 tons)," says the official Press Note, "may not be more than 50 nP per maund (Rs. 13.61 per ton) on the quantity of sugar now in stock with factories." The stocks of sugar with factories as on 15th June 1958 stood at 1,131,000 tons. On this basis, the total loss on selling 50,000 tons of sugar abroad works out to Rs. 1.54 crore (or Rs. 308 per ton).

The Government of India feels that, as prices of sugar have already risen in the various parts of the country by a rupee or more per maund, there can be no justification for any further rise in prices on account of exports. In fact, the prices, it says, ought to stabilise at a lower level. In this connection, the Government points out that the supply position of sugar is at present satisfactory. According to it, the season started with a carry-over of 430,000 tons. Production during the year will be 1,975,000 tons. Taking into consideration the rise in prices and also the fact that the production of *khandsari* sugar during the season is larger than in the previous season, the Government expects that the year will close with a substantial carry-over. It has clearly warned the trade and industry that, if, nevertheless, there is any undue rise in sugar prices, the Government will not hesitate to take measures to bring down the prices to a reasonable level.

The total loss on the exports of 50,000 tons of sugar, as already noted, is put at Rs. 1.54 crore. This is exclusive of the loss of revenue amounting to Rs. 1.71 crore resulting from the full remission of excise duty (Rs. 291.20 per ton) and cane cess (Rs. 50.90 per ton). The aggregate loss on overseas sugar sales thus works out to Rs. 3.25 crores, as against about Rs. 2.25 crores worth of foreign exchange that will be earned by these exports. These figures are arrived at on the basis of the currently ruling Indian price of Rs. 758 per ton (excluding excise duty and cane cess) and the world price of about Rs. 450 per ton.

The Government's statement that the supply position of sugar is at present satisfactory seems to be justified. The following table gives State-wise figures of stocks, production and despatches of sugar as on 31st May 1958:

(In tons)

	Production	Despatches	Stocks
Uttar Pradesh	942,014	575,742	584,986
Bihar	276,056	157,777	171,906
Bombay	317,917	180,557	196,558
Andhra	151,882	93,096	97,037
Punjab	81,974	43,303	52,624
Mysore	73,104	42,640	31,626
Madras	55,590	32,949	37,318
Madhya Pradesh	35,844	26,082	20,111
Rajasthan	14,095	10,292	9,118
Kerala	8,283	4,603	4,414
West Bengal	5,575	4,923	5,346
Orissa	3,903	2,777	2,368
Total ..	1,963,237	1,174,311	1,212,312

The production of sugar upto 15th June 1958 amounted to 1,967,000 tons, as against 2,002,000 tons in the corresponding period of the previous season. Despatches in the same period aggregated 1,259,000 tons, as against 1,322,000 tons a year before. Stocks with factories as on 15th June 1958 stood at 1,131,000 tons.

Shipment of raw sugar in jute bags is fast becoming obsolete in Cuba, according to Messrs. Olavarria & Co., a leading Cuban sugar exporting firm. Cuba, one of the last to give way to the trend of bulk shipments because of initial opposition by labour in the first half of 1958, will ship nearly one quarter of its sugar exports in bulk. During the six months ended June, about 520,905 tons of raw sugar were exported in bulk out of the total shipment of 2,378,305 tons to the U.S. and other markets. In the corresponding period of 1957, only 157,580 tons (out of a total of 2,489,931 tons) were exported in bulk. It is said that bulk shipment from the other sugar-supplying areas such as Puerto Rico and Hawaii has also advanced much further of late.

A new sugarcane research station is expected to be inaugurated at Chittoor (Andhra Pradesh) before the close of the current year (1958-59). The total non-recurring cost of the station is estimated at Rs. 1.5 lakh. The station, which has been sponsored by the Indian Council of Agricultural Research, will be run by the Government of Andhra.

(Concluded from next column)

than 750,000 tons were exported, besides the 1 million tons supplied to Pakistan, and this earned about Rs. 2.75 crores worth of foreign exchange. On the basis of today's prices, the exports in 1938 at 1,413,000 tons, would have earned Rs. 5.5 crores. "If a policy of encouragement of exports had been maintained," Mr. Macmillan contended, "coal could be making a very useful contribution and there is undoubtedly a case for renewed encouragement being given in the present economic difficulties." He, however, added that, even if the greatest encouragement were to be extended to coal exports today, it would be sometime before the old markets and the old reputation could be regained.

MINING COAL BY WATER POWER

Hydraulic mining trials, in which powerful jets of water will be used in place of drills and explosives to break down coal from the face, are to be started in a Welsh mine at the end of this year. Making this announcement in London, the National Coal Board says that, in this process, coal is extracted by the power of high-velocity water jets directed at the seam from a powerful hose. When the coal is broken down, the water jet is used again to clear the floor of the working place and drive the coal along to the collection points.

There is no explosive danger with water power, and—apart from the pumping plant—the equipment used for getting the coal is quite simple. Experiments in the hydraulic transport of coal are already being carried out at two other British mines—one in Scotland and the other in England. At one, coal is being pumped up a vertical shaft, and at the other lump coal is hauled through a 1,000-ft. long pipe on the surface.

The Board says that the main object of these two experiments is to develop more efficient methods of pumping and transferring coal into the pipeline without losing pressure. The new mining project could be adapted for the hydraulic haulage system to replace the existing conveyors if the trials prove successful.

Hydaulic mining is practised in New Zealand and gives a high rate of output. The equipment is easy to operate and move. Although a considerable amount of power is required to supply high-pressure water, this can be generated on the surface, where the plant is accessible and does not require expensive housing or flameproof electrical equipment.

SUCCESSFUL RESEARCH ON METALLURGICAL COKE

The problem of achieving the maximum lump size and strength of coke, and the most advantageous method of processing powder ores is being studied throughout the world. The production of metallurgical coke is a solution of both problems. Successful tests have been conducted in Czechoslovakia recently in the production of metallurgical coke in a coke oven. These results were obtained from the introduction of certain iron dust pellets into a mixture of coking coal during the coking: the strength of the coke was increased by eight per cent., the total production of coke was raised by about 13 per cent. and the yield of metallurgical coke increased by 3 per cent. The tests showed that the industrial production of metallurgical coke can be expected in the immediate future.

COAL OUTPUT IN INDIA

IMPEDIMENTS TO REACHING TARGET

IN its recent memorandum, entitled "Appraisal and Prospects of the second Five-year Plan," submitted to the National Development Council early last month, the Planning Commission had made a frank and realistic admission that the public sector of the coal industry would be able to contribute only about 8.5 million tons of additional production in the last year of the Plan (as against its target of 12 million tons), while the private sector would be able not only to achieve its target of 10 million tons but to exceed it. It also disclosed that it had been agreed that, as a cushion against possible shortfalls elsewhere, the private sector should be permitted to raise an extra 1.4 million tons in the Central India coalfields. In terms of the existing programmes, the memorandum pointed out that there might be a shortfall of 3 to 4 million tons in coal production against the target of 60 million tons.

This shortfall in target of the public sector seems to have given rise to hopes or speculations that the public sector may revise its target downward and raise that for the private sector to a corresponding extent, so that the overall target of both the sectors can be reached. Though it is nearly two months since the Planning Commission submitted its memorandum, no definite decision seems to have been taken on this question. Such a decision is, however, important from the point of view of the private sector, for it must know where it stands in respect of the responsibility to supply the country's requirements of coal. Though the private sector has, by its past performance, proved that it is capable of undertaking the additional task, it is in the fitness of things that it must be given sufficient time to undertake it. Emphasising this point, Mr. D. F. Macmillan, Chairman of the Bengal Coal Company, Ltd., acknowledged, at the annual meeting of the Company held last week, that some encouragement had been given to the private sector by excluding coal from the "harmful provisions" of the Mines and Minerals (Regulation and Development) Act, 1957, which would have far-reaching effects on existing leases and royalties. Though this is only a temporary relief, the industry appreciates this gesture and is endeavouring to obtain from the Government fair and reasonable amendments of the proposed Mineral Concession Rules, 1958.

Notwithstanding the concessions obtained, the task of attaining the target of output is not an easy one and Mr. Macmillan took the opportunity to sound a note of warning, by drawing attention to the limiting factors. Briefly, these pertain to imported materials and transport. He was, no doubt, conscious of the serious foreign exchange position, as a result of which the industry must do away, if necessary, with certain items of stores, plant and machinery, but there were some items, he added, as, for instance, steel wire ropes, without which coal could not be raised. The second limiting factor is the inadequacy of transport. He said that the wagon offerings for coal movement, which had greatly increased during 1957, had deteriorated since the beginning of 1958 and pit-head stocks were now higher than they had been for some considerable time. The performance of the South Eastern Railway, in particular, he remarked, was disappointing. To quote his figures, "against a guaranteed minimum of 950 wagons daily for coal movement during the past month, daily offerings have been as low as 412 wagons." Commenting on this position, he said: "The best laid plans to meet the country's coal requirements are vitally dependent on the performance of the railways and the railways' task will be greatly increased when the requirements of the expanded steel industry have to be moved."

In the context of the serious foreign exchange crisis confronting the country, Mr. Macmillan's reminder about the possibilities of recapturing markets abroad for Indian coal was both apposite and valuable. He recalled how, with the advent of World War II, the official policy in respect of coal exports was revised, and only low quality coals were allowed to be exported. The result is that Indian coal has lost its reputation abroad and China has recently been gaining a foothold even in India's closest coal markets, namely, Ceylon and Pakistan. Indeed, there was a report in the papers the other day that the railways in West Pakistan were using Russian coal! In 1957, only less

(Continued in previous column)

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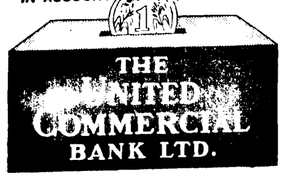

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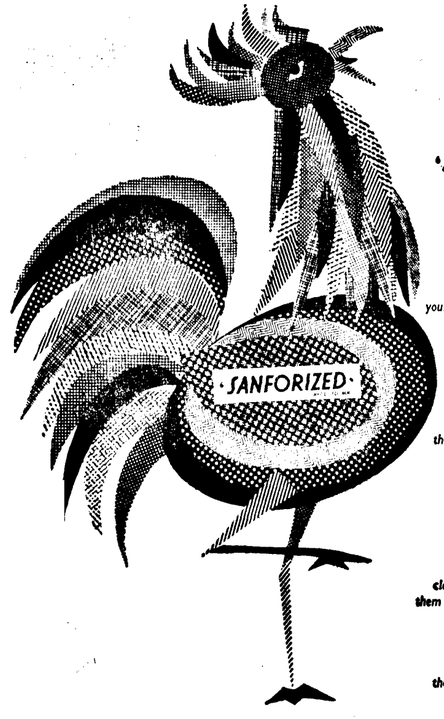

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TEA AUCTIONS IN CALCUTTA RESUMED

EXPORTS NOT VERY ENCOURAGING

TEA trade in Calcutta has heaved a sigh of relief at the decision of dock workers to call off the ten-day old strike with effect from 25th June. The worst fears about the repercussions of the strike on tea exports have thus not materialised. Consequent on the strike, the tea auctions in that city for both exports and internal sales had to be suspended for two weeks, but these have been resumed now. The auctions in Cochin were not, however, affected, because the strike in that port was withdrawn after two days. While the strike has affected India's export trade, in general, involving a sizable loss of foreign exchange, the loss on tea exports has been very little, because the dock strike came in at a time when the arrivals of new season's North Indian tea crop were small and the strike was withdrawn before the stocks could accumulate to any sizable extent in the warehouses. Though the North Indian crop in May was substantially larger than that in the corresponding month of 1957, the arrivals were not large, what with the output in June having been affected by drought conditions.

The withdrawal of the strike at Calcutta docks does not mean that the outlook for Indian tea has become brighter. It depends on so many other factors some of which may be recounted. These are: (1) the resumption of work at London docks, on account of which supplies to consumers and blenders in London have been disrupted in the last few weeks; (2) the world supply of tea this season; and (3) the production of common tea.

Since the beginning of the dock strike in London the quantity of tea put up for each sale in the Mincing Lane has been declining. There will be no sale this week in London. In view of the smaller offerings and the decline in stocks in London—the total stocks in bonded warehouses and afloat aggregated 151.6 million lbs. in the middle of June or 37.4 million lbs. less than last year—blenders are eager to replenish their stocks, particularly of good quality teas, but they are cautious in their purchases in view of the expectations that the world supplies of tea this year would be ample.

The crop figures for the current season so far justify these expectations, as will be seen from the following comparative table:

(In million lbs.)

Countries	Period	1958	1957	1956
N. E. India	Up to May	54.7	46.2	54.8
S.India	,, ,,	69.0	57.7	53.1
Pakistan	,, ,,	6.4	4.5	7.8
Ceylon	,, April	149.6	143.1	134.2
Indonesia	,, March	25.0	25.2	22.9
British East Africa ..	,, ,,	20.0	19.7	N.A.
Total ..		324.7	296.4	272.8

It will thus be seen that world production so far has exceeded last year's figure by 28.3 million lbs., of which India's share alone during the first five months is 19.8 million lbs. The production in North East India during June is stated to have been affected by drought conditions and it is felt amongst a section of the trade that the fall in output during June may offset to a large extent the increase in output in the previous month. It looks as though the South Indian tea production may set a fresh record this year, in which case, as in the previous year, any fall in North Indian output may be more than made good and there may again be a larger Indian output. Production in Pakistan and Ceylon is also running ahead of last year. It is feared that production in British East Africa, which is gradually improving its competitive position in world markets for common tea, may also exceed last year's output. Other producers of tea who have emerged as competitors to India are Japan and China which have in recent years considerably increased their output.

The total world production of free countries in 1957, it may be noted, amounted to 1,422 million lbs., as against 1,384 million lbs. Despite this increase in production, the surplus at the end of the year was only 89 million lbs., as against 103 million lbs. a year before. The fall in surplus is attributed to the increase in consumption from 1,320 million lbs. to 1,436 million lbs. Consumption in producing countries alone rose in 1957 to 450 million lbs., from 432.1 million lbs. Among the consuming countries, the absorption by U.K. rose from 489 million lbs. to 512.2 million lbs. and that in Irish Republic from 13 million lbs. to 27.6 million lbs.

It is not the rising trend of world production alone that is a source of worry to India. It is the quality of production and the competitive prices at which other producers are offering common teas that are troubling it. It is stated that, despite the larger production in May, the quality of North Indian tea was poor on account of heavy rains; in June, too, it suffered, though due to drought conditions. Such vagaries in weather may affect the production of quality teas, which are more and more favoured by buyers.

The trend of exports during the current calendar year is not *very* encouraging. The total exports from North-east India up to the end of May 1958 amounted to 129.43 million lbs., as against 127.99 million lbs. and 162.22 million lbs. in the corresponding period of 1957 and 1956, respectively. The South Indian exports have, however, gone up by 6.35 million lbs. to 35.96 million lbs. during the same period this year. The following comparative table shows the trend of exports from North-east India and South India to the main consuming countries.

(In million lbs.)

	North-east India January-May		South India January-May	
	1958	1957	1958	1957
Britain	68.86	82.10	17.50	14.38
Irish Republic ..	7.14	6.91	..	..
Europe	3.28	2.00	..	..
U.S.S.R.	2.78	4.05	..	..
Canada	5.13	3.52	4.12	3.10
U.S.	6.46	6.57	4.43	3.88
Egypt	11.84	7.46	..	..
Middle East Countries.	10.83	2.72	..	..
Other Countries ..	13.11	12.66	6.42	4.05
Total ..	129.43	127.99	32.48	25.41

The exports from North-east India to Britain, the main consumer of Indian tea, have successively dropped from 115.98 million lbs. in the first five months of 1956 to 63.86 million in the corresponding period of the current year. Prominent among the countries to which exports have looked up are Egypt (from 7.46 million lbs. to 11.84 million lbs.) and other Middle Eastern countries (from 2.72 million lbs. to 10.83 million lbs.)

Apart from the competition which Indian tea has to meet abroad the need for promoting exports by an energetic sales campaign has assumed special significance, on account of the need to earn foreign exchange. While the Government has just announced a scheme to encourage exports of sugar at a cost (of the domestic consumer) much more than what is expected to be earned, it has not taken any special steps to promote export of tea which has better chances of success than sugar.

STANDARD MARK FOR TEA-CHEST

The Indian Standards Institution has granted nine more licences to manufacturers for the use of the I.S.I. Certification Mark, in respect of tea-chest plywood panels conforming to the Indian standard specification for plywood tea-chests (*revised*). The nine manufacturers are: 1. Messrs. Crossley and Towers Private Ltd., Calcutta; 2. Messrs. National Timber Industries, Calcutta; 3. Messrs. Das & Co., Calcutta; 4. National Plywood Industries, Calcutta; 5. Dhubri Plywood Factory, Dhubri; 6. Bando Plywood Works, Calcutta; 7. National Saw and Plywood Works, Tinsukia; 8. Hindustan Timber Industries, Calcutta and 9. Messrs. Surma Match and Industries Private Ltd., Calcutta.

The Standard Mark consists of the monogram of the Indian Standards Institution, and the word "Plywood" is superscribed at the top side, while the number designation of the Indian standard is inscribed in the bottom side. The Standard Mark will be stamped on the plywood panels, under the supervision of the Development Wing, Ministry of Commerce and Industry, Government of India.

The Government of India has fixed the price of tea, for the purpose of determining the export duty at Rs. 3.41 per lb., as against Rs. 3.50 per lb. in force from 1st June 1958. There is no change in the existing rate of duty of naye paise 38 per lb.

(*Concluded from next column*)

tion of jute and paddy, both in respect of cost of production and price, was in favour of paddy. Whereas the cost of cultivation of jute moved up between the two years, that of paddy somewhat declined. The price, on the other hand, advanced for both, but by a larger margin in the case of paddy. Consequently, the cost ratio between jute and paddy increased from 2.08 in 1955-56 to 2.29 in 1956-57, while the price ratio declined from 2.63 to 2.24. Because of these trends, the position of jute growers, both as producers and buyers of paddy, was adversely affected in 1956-57 as compared with 1955-56.

ECONOMICS OF JUTE AND PADDY GROWING

JUTE CROP MORE PROFITABLE

THE annual investigation into the economics of jute growing in five selected centres during the year 1956-57, conducted by the Economic Research Section of the Indian Central Jute Committee, shows that the yield per acre in these centres was lower than that in the previous year and that the cost of production of raw jute recorded a rise. The average selling price per maund was, however, higher than in the previous year by a margin which just more than covered the rise in production cost. Investigation was also made of the important aspects of the costs of production of jute and paddy, in order to study the comparative position of these two major crops in the farmer's economy. Such a study revealed that the farmer found it more profitable to grow jute than rice.

The five centres to which the investigation was confined are: Monoharpur, Belakoba, Purnea, Kendrapara and Nowgong. In all these centres, the uncertainty about the weather affected the yield. In many cases, it is stated, harvesting was done prematurely in apprehension of total loss of crop in the event of any delay. The worst sufferers from the various adversities were the West Bengal centres, namely, Monoharpur and Belakoba. At both these centres, the damage to the jute crop was extremely heavy with the result that the yields were abnormally low. At Kendrapara, too, the damage was quite significant, though not as heavy as in the above two centres. The following comparative table gives the estimates of yield and cost of production, with its average selling prices, for the two years 1956-57 and 1955-56:

Centre	Cost per acre Rs.	Yield per acre Mds.	Cost per maund Rs.	Price per maund Rs.
Monoharpur	229.70	4.21	54.56	25.00
Belakoba	154.58	3.77	41.00	26.59
Purnea	129.96	8.06	16.12	24.47
Kendrapara	117.10	6.33	18.50	29.28
Nowgong	291.08	15.70	18.54	24.26
Average (1956-57) ..	180.29	8.45	21.34	25.39
Average (1955-56) ..	202.06	10.17	19.86	23.71

The decline in average yield for all centres in 1956-57 was due to the miserably low yield in Monoharpur and Belakoba and this in turn raised the average cost by nearly Re. 1.50 per maund. The cost of production per acre was lower not due to any fall in wages of labour (in fact, they were higher in three centres), but because of insufficient weeding on the waterlogged plots, as well as low labour cost of fibre preparation consequent on the very poor output per acre.

The decline in yield occurred, despite a remarkable improvement in the manuring of area under jute. It is stated that, even in the face of rising prices, the quantity of manure used per acre during 1956-57 amounted to about 27.7 maunds, as against only 18.8 maunds in 1955-56. From the point of view of profit, the grower's position was not on the whole worse than in the previous year. For the average selling price of jute, as will be seen from the foregoing table, was higher by Re. 1.68 per maund, which more than covered the rise of Re. 1.48 per maund in the cost of production.

The overall poor output, combined with the smaller contribution made by self labour towards jute cultivation, reduced the total net return per farm. The growers of the two West Bengal centres, however, sustained losses, because of the very poor crop. The poor quality of jute produced in Monoharpur during the year under review made the position worse still, because the average price, contrary to the trend in the other four centres, fell below the 1955-56 level.

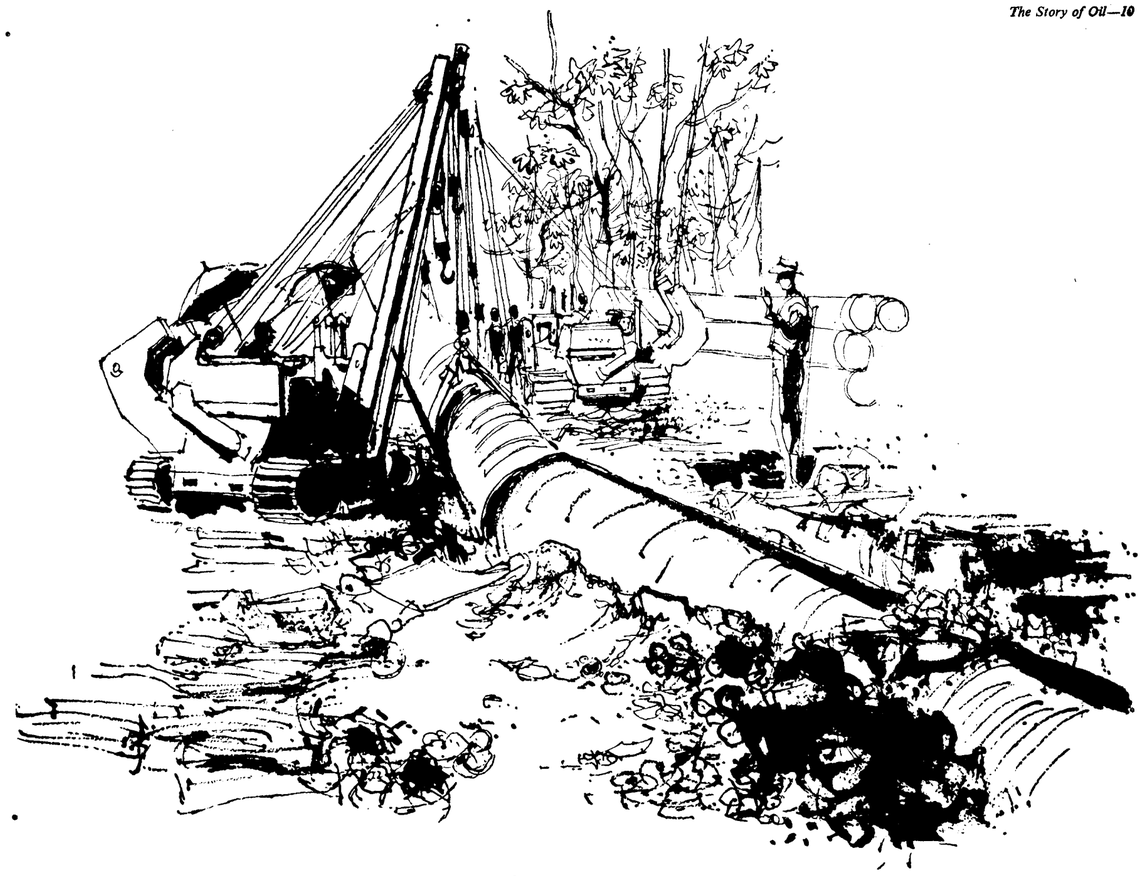
The following table gives a comparative study of the economics of paddy and jute during 1956-57:

	Average for five centres Paddy	Jute
Cost per acre (Rs.)	118.16	180.29
Yield per acre (md.) ...	12.67	8.45
Cost per maund (Rs.) ...	9.33	21.34
Price per maund (Rs.) ...	11.31	25.39
Human labour per acre (man-days	38.75	60.81

It will thus be seen that, as compared with paddy, cost of production of jute per maund was much higher, but the price realised by it was still higher than paddy, so that it was more profitable to grow jute than paddy. As compared with 1955-56, however, the relative posi-

(*Continued in previous column*)

The Story of Oil—10



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YET another instance of the U.S.'s interest in India's economic development is provided by the Indo-U.S. agreement, signed last week, under which India will receive a loan of $20 million at 3½ per cent. interest per annum, repayable in 15½ years, for purposes of financing the iron ore project in Rourkela area; the repayment of the loan will commence three years after its disbursement. The loan has been made out of the U.S. President's Asian Economic Development Fund to meet the foreign exchange component of the project which includes the construction of a new railway line from Sambalpur to Titlagarh and the improvement of port facilities at Visakhapatnam in order to facilitate larger exports of iron ore through this port.

Export of Iron Ore

American assistance for the development of iron ore, it may be recalled, was implied in the negotiations which took place between India and Japan in March last. Following the survey reports submitted by the Japanese preliminary survey mission for development of India's iron ore potential for long-term supply of iron ore to Japan, further discussions took place in March last between the Indian iron ore negotiating committee, led by Mr. M. K. Vellodi, and the Japanese steel mission led by Mr. S. Nagano, President of the Fuji Iron and Steel Mills of Japan. As a result of these discussions, a broad agreement was reached on the sale of two million tons of iron ore annually to Japan from 1964 onwards from the Rourkela area through the port of Visakhapatnam. An understanding was also reached regarding the basis on which the prices of the iron ore are to be determined from year to year. It was then understood that the Government of India would make an application to the U.S. Government for assistance from the U.S. President's Asian Economic Development Fund and that the Government of Japan would support the application. The Japanese Government also undertook to assist the development of iron ore mines by the supply of machinery and equipment on long-term deferred payment basis.

India's agreement with the U.S., covering the $20 million loan, was signed by Mr. Howard S. Huston, Minister-Director, Technical Co-operation Mission, and Mr. N. C. Sen Gupta, Joint Secretary, Ministry of Finance; Mr. Shigemitsu, Counsellor of the Japanese Embassy in New Delhi was also present. Before this agreement was signed, detailed discussions and examination of the feasibility of the railway constructions in the area took place. The agreement reached between India and Japan in March last estimated the cost of the iron ore development project at $65 million. Of this $32.5 million represents the foreign exchange component and $34.5 million local currency requirements. The Government of India has agreed to bear the entire cost of the project in rupees. Japan has agreed to make available a line of credit up to eight million dollars in yen for the purchase of necessary equipment in Japan. The U.S. Government, as stated at the outset, will make available $20 million. Even so, it seems clear that there may be some shortfall in foreign exchange component which will have to be met from India's own foreign exchange resources. This is because out of the total $32.5 million, representing the foreign exchange component of the project, American loan will account for $20 million and Japanese credit for $8 million; thus, the balance, namely, $4.5 million, will have to to be met by India.

Rail Link

The American loan, it is stated, will be used for the acquisition of commodities and services required for the improvement and expansion of railway and port facilities allied with the ore project. A 111-mile rail line between Sambalpur and Titlagarh is expected to be constructed and a rail link of the length of nearly 25 miles will be installed in order to connect the ore site with the South-Eastern Railway. Additional wagons and engines will be provided to permit transport of iron ore from Kiriburu to Visakhapatnam. The port and harbour facilities at Visakhapatnam are also to be expanded. It is stated that it will take another six months before engineering designs and cost estimates for the improvement of the port are prepared.

Finally, it seems necessary to point out that the entire foreign exchange, made available by the U.S. under the agreement, is meant for utilisation by the public sector. This is because not only the development of iron ore mines is a State responsibility under the Industrial Policy Resolution but the export of iron ore is a State monopoly, it being reserved for handling by the State Trading Corporation. It would, however, appear that the U.S. is unwilling to allow its loan to be utilised for developing iron ore mines. Thus, the loan will be utilised only for expanding transport facilities. The responsibility for the actual operation of the mines or for the opening of new mines devolves upon the Government, though it must be said to its credit that it has recently shown some welcome sense of realism by following a more liberal policy in respect of private prospecting and mining of mineral ores. It is to be hoped that the Government which, for no convincing reasons, has virtually taken upon itself the twin responsibility for the development of iron ore mines and export of iron ore, will discharge it in an effective manner.

DRILLING IN ASSAM VALLEY

With the completion to a depth of 10,280 feet of the 33rd well in the Nahorkatiya area and of 11,789 feet in the ninth well in Moran, the total depth of 42 wells drilled by the Assam Oil Company's drillers in the Nahorkatiya and the Moran areas is 459,364 feet or about 87 miles. The exploration of oil in the Nahorkatiya area dates back to 1925 when the first gravity survey for sub-alluvial oil prospects in India was carried out by the Company—long before oilfields had been discovered by such methods anywhere in the world. Some seismic survey was carried out in the area in 1938-39. But drilling could be undertaken only after the end of the Second World War. In 1951, preparations for the first Nahorkatiya well began with the movement to the chosen location of equipment and oilfield stores from depots at Digboi, Calcutta and Masimpur. Most of the materials were transported by rail to an unloading bay specially constructed near the camp, though some of the lighter materials were brought first by road from Tinsukia, and then, across the Burhi Dihing river by ferry. A sizable camp soon grew up around the location, and in early 1952, the construction engineers were joined by skilled drilling crews, many of them experienced in other "outside tests" in Assam such as Tiru Hills (1949), Barsilla (1950) and Nichuguard (1951).

Drilling began in May 1952 and a year later, oil was struck. To find the extent of the discovery drilling of other wells followed. A total of over 200 wells, including a very large number of test wells, all unproductive, were drilled in India before the discovery of oil at Nahorkatiya. Of the 33 wells drilled so far at Nahorkatiya area five produced no oil and two are mainly gas producers. Although the average depth of the wells is about 10,614 feet, the deepest in the area, well No. 12, reached a depth of 13,060 feet. Another feature of drilling in the area is speed: well No. 27, depth 9,405 feet, was completed in 20 days. Wells at Moran are deeper than those at Nahorkatiya; the deepest, well No. 1, is 13,739 feet or more than two and a half miles. Well No. 34 at Nahorkatiya, which was spudded-in on 21st June, reached a depth of 3,310 feet on the third day. Arrangements are also in progress to prepare the site at the location of well No. 35. Well No. 9 at Moran, drilling of which was completed on 17th June, is awaiting the production test. Engineers and rig-builders are busy at the location of well No. 10, which is due to be spudded-in early next month.

DEMAND FOR KEROSENE

World demand for kerosene is rising steadily, according to an article in the July issue of *Oil Progress*, a quarterly Caltex publication, and largely because of increasing industrialisation. "All this," the magazine points out, "is a far cry from the days when the only use for kerosene was as a lamp fuel and when, as a matter of fact, the only thing of known value in crude oil was its kerosene content." Yet, even today, kerosene is still used for cooking, heating and light in 4,000,000 rural homes in the United States alone, certainly one of the most industrialised of nations. In 1957, India alone consumed approximately 450 million imperial gallons of kerosene which is by far higher than the sale of motor spirit (including power alcohol and benzol) in the same year, of 260 million imperial gallons. "Even more important than these traditional functions," the journal continues, "are the new industrial applications in which kerosene is proving itself more valuable than ever. Powering jet engines is one of this versatile product's latest contributions, and it is more than a little startling to think that a screaming jet, crashing through the sonic barrier, uses essentially the same fuel as the humble kerosene lamp that has done yeoman service for so many years." It adds: "There are other new uses, of course, perhaps not so romantic but certainly important. More and more industrial products, such as insecticides, cut-back asphalts, paints, polishes, cleaning and degreasing compounds and gas-absorption oils, include kerosene as an ingredient. A considerable amount is burned in the engines that power tractors and other farm machines. And one of the most amazing growths of the kerosene market in recent years has occurred in the tobacco-raising areas of south-eastern United States, where kerosene heaters have replaced wood-burning stoves for curing tobacco, at such a rate that summer time consumption of the fuel ranges up to 50 times what it was a few years ago." In conclusion, its points out that "at the refineries in the Eastern Hemisphere which Caltex owns or in which it has an interest, more than 34,000 barrels a day, or approximately 12,500,000 barrels a year are produced."

AIR-HEATING EQUIPMENT

The Worthington Corporation announced recently that it will make available overseas a complete line of air heating and cooling equipment manufactured by its Mueller Climatrol Division. The announcement was made by Mr. Harold Rackin, Supervisor of Package Equipment Sales in Worthington's International Air Conditioning and Refrigeration Department. Mr. Rackin said: "We are proud to introduce this equipment to our many customers throughout the world. All of Mueller's products have been in use in the United States for some time now and we felt it imperative to offer them also in the export market." The Mueller line, Mr. Rackin said, includes 15 heating units, both gas and oil fired; three combination heating and cooling-units, and 10 air-conditioning units. Sizes range from 25,000 B.T.U's to 5,000,000 B.T.U's, Globe Press Service reports. The equipment may be installed in homes, offices, stores and industrial buildings for both comfort heating and cooling and for process work. "The process applications of this equipment," Mr. Rackin added, "are limitless" Mueller boilers are frequently used for heating water for swimming pools, providing hot water in apartment buildings and commercial structures, for flotation processes and many other applications along these lines.

BHAKRA-NANGAL PROJECT

The first stage of the Bhakra-Nangal Project, which includes the construction of the world's highest multi-purpose dam at Bhakra, has been completed. Over 400 feet of the dam—out of its total height of 740 feet—have been built up. When completed by June 1960, the dam will irrigate 6.5 million acres of new land in the Punjab and Rajasthan, improve 3.5 million acres already under cultivation and generate over a million kw. of electricity. The dam, which is now only partially completed, is ready for partial use for storing water. Engineers expect that water can be stored from July onwards and that it could be released for use in winter. This year and the next, the dam will store water for irrigating about 500,000 acres. Further, two major power houses below Nangal have already begun to generate 90,000 kw. of electricity, each; when additional generating units are installed, their capacity will be increased by another 50,000 kw. Much progress has been made in the construction of a power house on the left side of the dam. The first power unit (90,000 kw.) is expected to go into production towards the end of next year and the remaining four units of similar capacity will start working at three-month intervals thereafter.

CHEAP HOUSEHOLD GAS

Britain is to build a revolutionary new plant which produces cheap household gas not from conventional coal fuel but by hydrogenation of a by-product of the oil industry. Sited at Bristol, the plant is expected to produce gas at considerably less than the present cost when it comes into operation early in 1960. Instead of coal, the plant uses a by-product of the oil industry which is treated at high pressure in vessels constructed of special steel. Gas from this process is stated to be eminently suitable for public use, as it is pure and completely free of sulphur, has no smell on combustion, and is almost non-toxic. Several valuable by-products are produced by the process itself, including naphthalene, granular carbon, and others valuable to the plastics industry.

The capital cost of the new process is about one-third that of a power station of the same heat output. The process, which was developed at the South-Western Gas Board's own research station, is described as a "pioneering project which will eventually revolutionise the productive aspect of the gas industry."

MEKONG SCHEME

The conclusion of an agreement with the U.S. by Cambodia, Laos, Thailand and Viet-Nam in May last has given further impetus to the U.N.'s Mekong development project in which these countries are directly interested. The agreement envisages a three-year programme of engineering works along the river to be undertaken by an American firm. The programme involves a U.S. contribution of $2 million to the Mekong scheme. Other offers have come from New Zealand, France and the U.N. Technical Assistance Board. A system of hydrologic stations will be established by the American engineering firm along the main river and its tributaries for the collection of hydrological data. A New Zealand contribution of 100,000 U.S. dollars will go to the purchase of four survey launches, while the French offer of 60 million francs will be used to purchase hydrologic equipment.

STAINLESS STEEL

Eight miles of stainless steel a day comes from a new press-button strip mill in the English steel city of Sheffield. The plant has been built to meet the growing demand for stainless-steel sheet for the new atomic power stations, the domestic market and the motor industry. The process is continuous and only 70 men are employed on each of the three daily shifts. Since the new plant went into production, the output of the firm (Firth-Vickers Stainless Steels Ltd.) has risen threefold. Direct exports account for 20 per cent. of the output. The indirect figure is considerably larger.

NEW PRODUCTS AND PROCESSES

Media for Paints

TWO new alkyd resin media have been developed by Imperial Chemical Industries of the U.K. specifically for use in high-quality flat and semi-gloss interior decorative paints and finishes. Both the new media contain the same semi-drying oil modified alkyd resin. In one case, however, that of the medium called Modulac 135W, it is dissolved in ordinary white spirit. The other medium, Modulac 135WO, on the other hand, is dissolved in odourless white spirit. Both media are what are known as thixotropic gels which temporarily become free-flowing liquids when stirred. Heavily-pigmented flat wall paints, based on these new media, are said to have excellent storage properties, and to show complete absence of settling and high resistance to flocculation. The fact that they retain their high viscosity right up to the moment of application ensures freedom from drips and much cleaner working. The paints, it is claimed, also have good "hold-out" (which is inherent in the resin base and not dependent on added fillers), and are said to show excellent build and flow. In the case of whites and tints they have good initial colour and colour retention. Relatively thick films can be applied with moderate brushing, and adequate cover can be obtained in one coat over most surfaces. Paints based on the new media, developed by the Dyestuffs Division of Imperial Chemical Industries, present no unusual difficulties in milling, the only departures from conventional technique being those common to thixotropic paints.

New Process for Purifying Water

A new process developed at Griffin and George of Middlesex, Britain, for using resins to "de-ionise," or purify water is said to enable very pure water to be produced at a cost of 12s. 6d. per thousand gallons of London mains water used. Similar purification of London mains water using conventional "de-ionising" units, with exchangeable cartridges of resins, costs in the region of £25 to £50 per thousand gallons. The operation of the process, which has been developed by Griffin and George, depends on the use of a technique which enables the resins used in the purification units to be mixed and reclassified in columns down to three inches in diameter, thus permitting the resins to be regenerated—or made ready for re-use—in situ. The system, which will remove the electrically charged metal atoms which are left behind by even the most efficient distillation processes, is designed so that the quality of the effluent can be continuously maintained. The equipment is being produced in two sizes and is capable of handling flow rates of between five gallons and 25 gallons of water an hour.

New Chemical "Blanket"

Columbia University research scientists have developed a chemical "blanket" that is proving its effectiveness as an inexpensive method of conserving millions of gallons of water now lost through evaporation. Dr. Victor K. La Mer, Professor of Chemistry, Columbia University, said that in tests over periods of several months, hexadecanol, or cetyl alcohol, has reduced evaporation by 50 to 65 per cent. in reservoirs in south-western U.S. and Australia. The harmless chemical applied to the surface spreads out to seal off the water from the air with a layer only one molecule thick —so thin that one pound of hexadecanol covers ten acres as a monolayer. Dr. La Mer said that if savings such as those realised in tests are gained throughout the areas, such as Texas, in which water is sometimes critically short, savings could amount to many millions of dollars a year. By contrast, hexadecanol costs about 40 cents a pound and something like a pound every month per acre of water surface to be blanketed seems sufficient for average conditions. Widespread use of anti-evaporant monolayers now awaits the solution of practical rather than theoretical problems. These include problems of applying and replenishing the chemical to maintain its film against the action of dirt and wind.

Artificial Porcelain Teeth

A new process for making artificial porcelain teeth from Indian raw materials has been developed at the Central Glass and Ceramic Research Institute, Calcutta. Felspar and china-clay are mixed in proper proportions and ground to a fine powder. After removal of traces of iron the stain is mixed and the powder is made into a dough with an organic binder and water. The teeth are made by pressing the dough in suitable moulds, finished and fired. They are then mounted on plastic bases or cardboard pieces for storage. Porcelain teeth prepared by this technique, compare favourably in all respects with similar imported teeth. These teeth have been tested in the Calcutta Dental College and Hospital and also independently by two eminent dentists of Calcutta who have given favourable reports. The main raw materials like felspar and china-clay are easily available in the country. Colouring stains, palladium anchorages and gold coated nickel pins are the only items that for the time being have to be imported. Except the finishing equipment, which has to be imported from abroad, most items of machinery required are available in India. Parties interested in undertaking the commercial development of the process are invited to contact the Secretary, National Research Development Corporation of India, New Delhi-1.

FOREIGN EXCHANGE CRISIS

PROBLEM OF INADEQUATE TOTAL RESOURCES

By M. S. Parthasarathi

WHAT is the real character of the foreign exchange difficulties India is now facing? Will it be possible to solve them by exporting more to pay for all the imports she needs? These are important questions which must be satisfactorily answered if the planned economic development of the country is to proceed on right lines. At least, in the future Five-year Plan periods, the Government of India should not rely on expedients devised on the spur of the moment whenever the impact of economic development throws the payments position into serious imbalance.

Now, there are two ways in which the foreign exchange gap in a plan for economic development can be estimated. One is to estimate the imports of machinery and other investment goods required for carrying through the plan, thereby arriving at an estimate of total probable imports, and to set off against this figure the total likely exports. This will give an approximation of the gap in the balance of payments that should be anticipated for the period of the plan. This, however, is a very superficial and unreliable method of forecasting the foreign exchange gap, as indeed events have proved. An attempt is, therefore, made in the following paragraphs to sketch a somewhat more reliable procedure for estimating the probable magnitude of the gap.

Certain basic assumptions have to be made for the purpose of our study. It is taken for granted that one of the objectives of planning in India is to raise the national income by about 4.5 per cent. a year, that is, by about 25 per cent. in five years—the target fixed in the second Five-year Plan. The other important objective is to raise the net rate of saving to around 12 per cent. of the national income, since a 12 per cent. net rate of investment is considered by experts to be a self-sustaining and self-accelerating rate of investment capable of ensuring a satisfactory rate of increase in the national income.

It is assumed that balanced development will be the aim of planning. The capital-output ratio is expected to rise gradually from 2.3 : 1 in 1956-57 to 3.0 : 1 in 1970-71 and to 3.5 : 1 in 1980-81. This will give a capital-output ratio of 2.4:1 for the second Plan, 2.65:1 for the third Plan and 2.9 : 1 for the fourth Plan against 2.3, 2.62 and 3.36 assumed by the Planning Commission, since a gradual rise seems much more probable than the abrupt jump anticipated by the Commission. Also, the Planning Commission's ratios were excessively influenced by the bumper harvest of 1953-54 and 1954-55. It is also assumed that the country as a whole will attempt and accomplish a marginal rate of saving of 20 per cent. In view of the expected 1.5 per cent. annual increase in population, this will mean a *per capita* marginal rate of saving of 30 per cent.

TABLE 1

Projection of India's national income, savings and related data

Year	National income (Rs. crores)	Total net savings (Rs. crores)	Savings as percentage of N.I.	*Per capita* income (Rs.)	*Per capita* consumption (Rs.)	*Per capita* saving (Rs.)
1956-57 ..	11,410	800	7.0	294	273	21
1957-58 ..	11,920	900	7.6	303	280	23
1958-59 ..	12,460	1,010	8.1	312	287	25
1959-60 ..	15,020	1,120	8.6	321	293	28
1960-61 ..	13,610	1,240	9.1	330	300	30
1961-62 ..	14,220	1,360	9.6	340	307	33
1962-63 ..	14,860	1,490	10.0	350	315	35
1963-64 ..	15,530	1,620	10.4	361	323	38
1964-65 ..	16,230	1,760	10.9	371	330	41
1965-66 ..	16,960	1,910	11.3	382	338	44
1966-67 ..	17,720	2,060	11.6	393	347	45
1967-68 ..	18,520	2,220	12.0	405	356	49
1968-69 ..	19,350	2,390	12.4	417	365	52
1969-70 ..	20,220	2,580	12.7	430	375	55
1970-71 ..	21,130	2,740	13.0	442	384	58
1971-72 ..	22,080	2,930	13.3	455	394	61
1972-73 ..	23,080	3,130	13.6	469	405	64
1973-74 ..	24,120	3,340	13.8	482	415	67
1974-75 ..	25,200	3,550	14.1	497	427	70
1975-76 ..	26,330	3,780	14.4	511	437	74
1976-77 ..	27,520	4,020	14.6	526	449	77
1977-78 ..	28,760	4,270	14.8	542	462	80
1978-79 ..	30,050	4,530	15.0	558	474	84
1979-80 ..	31,400	4,800	15.3	575	487	88
1980-81 ..	32,820	5,090	15.5	592	500	92
1981-82 ..	34,290	5,370	15.7	609	513	96
1982-83 ..	35,830	5,680	15.9	627	527	100

Table 1 presents a projection of India's national income, savings and related data on the basis of the above assumptions. It will be seen that, even with a 4.5 per cent. annual increase in national income, it will be 16 years before national income doubles and 26 years before it trebles. It will take 25 years for *per capita* income to double and another three years for *per capita* consumption to double. These are modest targets which the Government and the Nation must strive to achieve. If by any mischance population rises by more than 1.5 per cent. a year, it will take much longer for national income, *per capita* income and *per capita* consumption to double.

Table 2 presents the increases in national income planned, the investment required to accomplish those increases, the domestic savings available and the gap between domestic savings and investment needed. For the sake of simplicity it is assumed that the lag between investment and output is only one year. Though the table shows a gap between domestic savings and investment needed even after 1967-68, when the savings rate will rise to 12 per cent. of national income, the gap will very probably disappear soon after; after that year the marginal propensity to consume may tend to fall below the 80 per cent. assumed throughout for the purposes of the table, thereby raising the marginal rate of savings to above 20 per cent. In parenthesis, it may be pointed out that a marginal rate of savings of 20 per cent. is about the minimum required to start with; a 15 per cent. marginal rate will require increasing amounts of foreign assistance year after year to maintain a 4.5 per cent. rate of increase in national income.

TABLE 2

Projection of increases in national income, net investments needed and gap in domestic resources

Year	Increase in N.I. planned for next year (Rs. crores)	Capital-output ratio assumed	Investment needed (Rs. crores)	Savings available (Rs. crores)	Gap in domestic resources (Rs. crores)
1956-57 ..	510	2.30:1	1,170	800	370
1957-58 ..	540	2.35:1	1,270	900	370
1958-59 ..	560	2.40:1	1,340	1,010	330
1959-60 ..	590	2.45:1	1,450	1,120	330
1960-61 ..	610	2.50:1	1,530	1,240	290
1961-62 ..	640	2.55:1	1,630	1,360	270
1962-63 ..	670	2.60:1	1,740	1,490	250
1963-64 ..	700	2.65:1	1,850	1,620	230
1964-65 ..	730	2.70:1	1,960	1,760	200
1965-66 ..	760	2.75:1	2,090	1,910	180
1966-67 ..	800	2.80:1	2,240	2,060	180
1967-68 ..	830	2.85:1	2,370	2,220	150
1968-69 ..	870	2.90:1	2,520	2,390	130
1969-70 ..	910	2.95:1	2,680	2,560	120
1970-71 ..	950	3.00:1	2,850	2,740	110
1971-72 ..	1,000	3.05:1	3,050	2,930	120
1972-73 ..	1,040	3.10:1	3,220	3,130	90
1973-74 ..	1,080	3.15:1	3,400	3,340	60
1974-75 ..	1,130	3.20:1	3,620	3,560	60
1975-76 ..	1,190	3.25:1	3,870	3,780	90
1976-77 ..	1,240	3.30:1	4,090	4,020	70
1977-78 ..	1,290	3.35:1	4,320	4,270	50
1978-79 ..	1,350	3.40:1	4,590	4,530	60
1979-80 ..	1,420	3.45:1	4,890	4,800	90
1980-81 ..	1,470	3.50:1	5,150	5,080	70
1981-82 ..	1,540	3.50:1	5,390	5,370	20
1982-83 ..	1,610	3.50:1	5,640	5,680	..

Table 3 presents a summary picture of the investment needed, the savings available and the gap between domestic savings and investment needed for the various Five-year Plan periods. It shows that, assuming no unutilised capacity in industry, transport and other sectors, and normal monsoons on the average, and on the basis of the capital-output ratios of Table 2, an investment of Rs. 6,760 crores (in 1956-57 prices) will be needed to fulfil the target of approximately 25 per cent. increase in national income. This is pretty close to the Rs. 6,200 crores of investment (in 1952-53 prices) contemplated by the Planning Commission, which will amount to about Rs. 6,520 crores in 1956-57 prices. The Planning Commission, however, foresaw a gap of only Rs. 1,120 crores in the balance of payments for the five-year period, whereas Table 3 shows that at least Rs. 1,690 crores of foreign resources will be needed for implementing the Plan.

TABLE 3

Savings, Investment and the Gap

(In Rs. crores)

	Investment needed	Savings available	Gap
Second Plan (1956-61) ..	6,760	5,070	1,690
Third Plan (1961-66) ..	9,270	8,140	1,130
Fourth Plan (1966-71) ..	12,660	11,970	690
Fifth Plan (1971-76) ..	18,160	17,740	420

This gap cannot be filled except by an inflow of resources from abroad. The reason is simple. India can attempt to bridge the gap by cutting down imports. But only the import of consumer goods can be cut, and even to that there is a limit, as is becoming evident. Further, the gap will very possibly be larger than the total amount of consumer goods which might normally be imported for the five years. India may also attempt to earn more foreign exchange by

(Continued on page 27)

AGREEMENT ON RAYON WOOD PULP FACTORY IN KERALA

NO INFRINGEMENT OF WORKERS' RIGHTS

THE Communist Government of Kerala deserves to be complimented on the commendable sense of realism it has shown in its recent agreement with the Gwalior Rayon Silk Manufacturing and Weaving Company, for the establishment of a rayon wood pulp factory in Malabar, Kerala State. If the attitude and stand taken by that State Government in negotiating the present agreement reflects its policy in respect of attracting industrialists into the State, it augurs well for the future of the State. If Kerala, which stands most in need of new industries and factories for solving its twin problems of poverty and unemployment, really wants to attract private capital, something needs to be seriously done to make the State safe for new investments. The least that the Government can do in this regard is to see that both the existing and new industries or businesses that might be started in the State are allowed to function normally, without fear of intimidation either by the Government or the workers. It would be the height of folly, if, by unwise statement or ill-advised actions prompted by pseudo-scientific ideologies, industrialists are scared away from the State. Such a policy of cutting the nose to spite the face will only harm the interest of the State. The Communist Government appears to be gradually realising the need for creating the proper climate and inducement for attracting new industries to the State. But, if they are to succeed in their attempts they must first correct the industrial anarchy they have created during the last fifteen months and restore discipline and respect for law among the employees.

To return to the agreement with Gwalior Rayon there has been much irresponsible and mischievous criticism of the agreement mainly by the leaders of the Socialist and Praja Socialist parties. One Praja Socialist leader has gone to the extent of calling the agreement a "document of surrender of the Kerala Government to the private sector." He has also alleged that the "major interests of labour" have been sacrificed by the Government through this agreement. That most of these criticisms are politically motivated, and prejudiced is evident from the fact that not one of them points out specifically what clauses make the agreement a bond of slavery. They are invariably no more than vague generalisations and wild accusations, which are not borne out by the terms of the agreement.

Provisions Reasonable

Although full details of the provisions of the agreement are not yet available, Press reports indicate that it contains many reasonable provisions. Thus, it is recognised that it is the right and responsibility of the Company to maintain discipline and efficiency in the plant and to hire labourers and discharge them for any cause which appears just to the Company and relieve the labourers of duty on account of inefficiency or lack of work or other valid reasons, subject only to the provisions contained either in the Statutes in force or in the Standing Orders of the Company. The Company has the right to plan direct and control the operations of the plant, to introduce new or improved production techniques, to extend production facilities and to establish production schedules and quality standards. These rights and responsibilities will be respected in every case, subject only to the Statutes in force. It will also have the right to frame rules and regulations from time to time for keeping discipline, order, safety measures or effective operation of work and labour will be required to accept these rules. Again, the Company, on the basis of a scientific evaluation, will prepare the wage schedule for wages and dearness allowance. The working hours and overtime wages, it is agreed, will be as stipulated in the Factories Act; rules regarding compensation benefits, leave, holidays, and welfare amenities are to be framed by the Company.

The Company will also lay down the procedure for redressing grievances expeditiously. As regards bonus, the agreement provides that bonus will not be related to the Company's profits or earnings but will be paid, if found necessary, on the basis of efficiency and productivity according to schemes to be formulated by the Company. The Government has also agreed to promote cordial labour-management relations. In the case of a dispute involving harassment to the management, or any other illegal act interrupting production, the Government will take timely and positive measures to prevent such occurrencies. It has also been agreed that factory work would be impossible, if the conditions existing at the time of commencement of work are materially altered and new burdens imposed upon the management, subsequently. Labour relations, taxes and levies on the Company will be administered without altering materially the conditions prevailing at the time of commencement of work. In case of disputes between the State Government and the Company, the Secretary to the Ministry of Commerce and Industry, Government of India, will be the arbitrator.

None of the above clauses are unusual or calculated to rob the worker of his legitimate rights. The agreement does not restrict the rights granted to him by labour legislation. But it is true that it contains an express assurance from the State Government that it will not take undue advantage of its powers to extort concessions from the firm later. The demand for such an undertaking is not unjust, considering that the proposed venture is in a state where a party wedded to an extremist economic and political philosophy holds the reins of government. For the State Government, it is not a bad bargain, for what it receives in turn is an industry involving an investment of crores of rupees.

It is, however, well to remember that what matters is not the letter of the agreement but the spirit in which it is entered into and the earnestness with which it is sought to be implemented. It is to be hoped that the Kerala Government will honour its pledges and facilitate the smooth operation of the factory when it is completed.

Meanwhile, it is reported that a new Bill, designed to ensure long-term industrial peace, is being drafted by the Government of Kerala. The Communists claim it to be "unique in India," that it will usher in an era of industrial peace and higher production. The salient features of the Bill, according to reports in the daily Press, are: fixation of minimum wages for labour, formulation of a code of conduct and discipline and formation of works committees. Since the present works committees under the Industrial Disputes Act have not been found adequate, the proposed committees will be given greater powers and be more representative in character. The committee will be the basic unit for maintaining industrial relations in the State. Decisions of works committees will be mandatory, subject to appeal to a higher body. Provision will be made for one negotiating body for one industry, though there may be more than one union. Unions will have to come to an understanding among themselves, or majority unions will be recognised as the negotiating body. In the matter of code of conduct and industrial discipline, when a union violates the provisions of the Bill, its recognition will be withdrawn and, when the management does so, a penalty will be imposed. Some of the provisions of the Bill are compulsory while others are permissive in character. The Bill is expected to be a comprehensive one covering nearly all points that are likely to create a dispute. The time for commenting on these features will be when the Bill is officially made public, but it is interesting to note that the Communists in Kerala are not content with the existing legislation on industrial relations and that they want to strike a new path.

BONUS AWARD UPHELD

A petition filed by the Dhanamal Silk Mills of Surat challenging the bonus award made by Mr. I. G. Thakore, constituting the Industrial Court of Bombay, in favour of the workmen, was dismissed by Mr. Justice Vyas and Mr. Justice Tambe at the Bombay High Court. The petitioner is a partnership firm manufacturing and selling art silk and silk cloth. The case arose out of the notice to the petitioner served by the Surat Silk Textile Labour Union demanding bonus for its workmen for the financial year 1955-56 out of the firm's profits.

It was argued before the Industrial Court on behalf of the firm that, before determining the amount available for distribution as bonus to workers, certain prior charges should be deducted out of gross profits. These prior charges were statutory depreciation, income-tax, a fair return on capital invested, reasonable remuneration to partners and the rehabilitation reserve. After the charges were deducted from the gross profits and if there was any balance left, it was contended, then only it should be utilised for bonus.

The Industrial Court disallowed statutory depreciation but allowed only normal depreciation. It allowed 7 per cent. as fair return on capital invested and a lump sum of Rs. 50,000 as remuneration to the partners. The claim for rehabilitation reserve was rejected. The Court also did not allow any reduction for income-tax on the ground that since the firm was a registered one it was not liable to income-tax, though the partners were individually liable on their shares to pay income-tax. The Court held that, in fixing the remuneration for the partners at Rs. 50,000, it had taken into account the individual partner's liability to income-tax. The Court maintained that there was a surplus available out of which the workers should be paid bonus at the rate of 15 per cent. of their basic annual earnings for the year 1955-56. This award was challenged by the petitioner firm on various grounds. It was urged that the matter should be sent back for re-hearing.

Dismissing the petition, their Lordships held that it was a well-established principle laid down by the Labour Appellate Tribunal that, in the case of a registered firm, no deduction for income-tax should be allowed as a prior charge. It was also well established, their Lordships observed, that only ordinary depreciation should be allowed.

INDUSTRIAL HEALTH

The progress made by the Industrial Health Department of the Tata Services Private Limited, which has completed 11 years of useful existence, is highly commendable. The story of this unique experiment in the field of industrial health is told in the Department's annual report for 1957. From modest beginnings in 1946, with a part-time doctor serving only the Tata Mills, the Department has gradually grown into a full-fledged organ for the promotion of occupational health. The Department started working in November 1946. By 1949, it was serving four textile factories and the Tata Oil Mills, Sewri, with a full-time staff of two doctors at the centre and another 10 doctors and seven safety engineers doing field work. By the end of 1957, six more factories, namely, Tata Chemicals, Mithapur; Tata Oil Mills, Tatapuram; Tata-Fison, Bombay and three Tata-Hydro Electric Companies were brought under the purview of the Department. The staff at present consists of three doctors at the centre and 14 doctors and eight safety engineers doing field work.

In a changing social order, the human problems of workers are particularly important. A good incentive for labour is "intrinsic job satisfaction," which depends mainly on a healthy mental outlook. The way the Industrial Health Department of the Tata Services Private Limited tries to achieve the objective is a five-phased programme of medical aid, environmental hygiene, mental hygiene, research and welfare work. The activities of the Department under these heads are detailed in the report. It is noteworthy that the Department also gives consultative service not only to units within the Tata organisation but also to outside concerns.

MANPOWER REQUIREMENTS

Technical hands required for the third and subsequent Five-year Plans are being assessed on the basis of past manpower studies, trends of economic development and other related factors. States and the Centre, which are adopting, more or less, uniform line of manpower studies, are devising a common formula to determine a pattern of future requirements. Along with their earlier experiences, they are keeping in view the practice of other countries and the methods employed by them for making manpower projections. Such planning is necessitated because of the long time taken in the training of technical personnel. India's past experience as well as experience of every country shows that the demand for trained manpower tends to grow at a rapid rate in a developing economy.

Methods to be adopted for preliminary assessment of manpower requirement for the third Plan period has already been considered in regard to agricultural personnel, including animal husbandry, dairying, co-operation, forestry, etc., and in respect of engineering personnel. Pilot studies have also been conducted of the employment market situation and of employment and unemployment among graduates by the Directorate General of Resettlement and Employment under the Ministry of Labour. Manpower Directorates have been set up in each State and at the Centre to assess the requirement of technical personnel for the Five-year Plans and to arrange for the necessary training.

ENFORCEMENT OF AWARDS

The Union Ministry of Labour has decided to set up a tripartite machinery at the Centre for evaluating the implementation of labour awards. A central evaluation committee, consisting of representatives of central organisations of workers and employers, is being established. The Ministry has asked the Central organisations of workers and employers to report to the Evaluation and Implementation Division of the Ministry any cases of non-implementation of any award or agreement within three months of the enforcement of such awards and agreement. These reports are to be submitted irrespective of the fact whether the disputes fall within the State or Central jurisdiction.

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BENGAL COAL COMPANY LIMITED

MR. D. F. MACMILLAN'S SPEECH AT ANNUAL MEETING

PLEA FOR A DEFINITE DECISION ON PUBLIC SECTOR'S TARGET OF OUTPUT

ADDRESSING the shareholders of the Bengal Coal Company, Ltd., at their Annual General Meeting held in Calcutta on 26th June 1958, Mr. D. F. Macmillan, Chairman of the Company, stressed that a definite decision should be reached as soon as possible, in the best interests of all, on the output target for the public sector, for, if the privately-owned collieries were going to be asked to raise their target further, it should be given as much time as possible to prepare for the further task. He added that the private collieries had, by the results achieved by them so far, proved their ability to reach a higher target than the one allotted to them.

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

"GENTLEMEN,

"The accounts for the year ended 31st October 1957, which have been in your hands for the statutory period, reflect another year of successful operation. Raisings were 2,801,164 tons and compared with 2,509,787 tons in the year 1955 which was the last year of the first Five-year Plan. The raisings of this Company in the first two years of the second Five-year Plan have increased by 11.6 per cent., in spite of the serious handicaps imposed by the delays by Government in defining their policy towards the private sector in the coal industry, to which have been added more recently the restrictions on the imports of essential equipment. Your Company is, therefore, making its full contribution to the economic planning of the country, and this has been made possible by its own far-sighted development plan which started as early as 1945.

"Leaving aside the capital levy of Rs. 3¼ lakhs called wealth tax, which has absorbed the Company's small capital reserve and the surplus built up in past years on realisation of investments, as well as digging into the Company's taxation reserve, the profit for the year after all charges including depreciation and ordinary forms of taxation, is, in fact, lower than the previous year. But your Directors are able to recommend a final dividend which will maintain the annual distribution on the ordinary nominal capital of the Company at Rs. 17.50 per share, which is the equivalent of 5.96 per cent. on the capital employed in the undertaking. Against the drain of Rs. 3¼ lakhs on the equity of the Company by payment of wealth tax, the Board have been able to place Rs. 7 lakhs to general reserve out of taxed profits.

Chinakuri Disaster

"Before dealing more generally with the affairs of the Company and of the coal mining industry during 1957, I wish to refer to the disaster and tragedy which overtook Chinakuri Colliery on 19th February last, when an underground explosion followed by fire resulted in the loss of 176 lives. As soon as it was possible—in fact within three days of this disaster—I issued a statement to all shareholders on the occurrence and there is little more that I can add today. After the evidence of underground rescue parties made it clear that there was no possibility of further survivors, it was decided, in view of the rapidly worsening conditions underground to seal and subsequently to flood the workings in order to bring the fire under control as quickly as possible. Dewatering was begun on 7th March and is still continuing. A Court of Enquiry has now finished taking evidence from the Compay's officials and workers and all other parties who wished to appear before it, and has adjourned until dewatering is completed and detailed examination can be made underground. I would remind you that the Company worked ten years to sink over 2,000 feet to the Dishergarh seam at this colliery, that all the knowledge and experience gained in working this seam had been applied to the planning and equipment of the colliery, with a view to maximum safety and efficiency in working, and that it started raising coal only three years ago. It will be the hope of all of us and of the whole of the mining industry that the evidence as finally accumulated by the Court of Enquiry will enable the actual cause of the explosion to be definitely determined.

"I would now ask the meeting to stand in silence in sympathy and respect for those who lost their lives and for the distress of the wives and families they left behind. . . . On behalf of the bereaved families, I must thank the Governor of West Bengal, Miss Padmaja Naidu, for opening a fund through which the general public could express their sympathy in a practical way. A total of just over Rs. 1 lakh was contributed to this fund and the first distribution was made by the Governor during a personal visit to the colliery on 26th March. The balance of the fund is to be made over to the families concerned in the form of National Savings Certificates. The generous response of the public has thus materially supplemented the compensation and other measures of relief provided by the Company. A very practical way of helping the families has also been the arrangement sponsored through the Indian Mining Association for the employment in the industry of an adult member of each family.

Coal Target

"I have already mentioned the Company's contribution in increasing raisings of coal so urgently required for the second Plan. Whilst the private sector of the industry is more than keeping pace with the rate of increased output required to achieve its target of 45 million tons annually by 1961, one sees reports from time to time which give the impression that there may have to be a further downward revision of the public sector's target. It is in the best interests of all that some definite decision should be reached as soon as possible since, if the privately owned collieries are going to be asked to raise their target further, they should be given as much time as possible to prepare for the further task which, by the results already achieved, they have shown their ability to attain.

"Some encouragement has been given to the private sector by excluding coal from the harmful provisions of the Mines and Minerals (Regulation and Development) Act, 1957, which would have had far-reaching effects on existing leases and royalties. Even though this may only be a temporary relief, it is nevertheless appreciated, and the industry is now endeavouring to obtain from Government fair and reasonable amendments of the proposed Mineral Concession Rules, 1958.

"I have stated above that the private sector is doing everything possible to attain the targets set for it by Government, but here I must sound a note of warning as regards the limiting factors of imported materials and transport.

Imported Materials

"We fully realise the serious foreign exchange position and it is apparent that for some time to come licences will only be given for the very highest priority of imports. In view of this, we must adapt ourselves, if necessary, to doing without certain items of stores, plant and machinery required for the progressive mechanisation and expansion of your collieries. However, there are some items, the most important of which is steel wire ropes, without which coal cannot be raised.

Transport

"As regards transport, although during 1957 the railways were able to make greatly increased wagon offerings for coal movement, the position has deteriorated since the beginning of the current year and pithead stocks are now higher than they have been for some considerable time. The performance of the South Eastern Railway has been particularly disappointing: against a guaranteed minimum of 950 wagons daily for coal movement, during the past month daily offerings have been as low as 412 wagons. It is perhaps superfluous to comment that the best laid plans to meet the country's coal requirements are vitally dependent on the performance of the railways, and the railways' task will be greatly increased when the requirements of the expanded steel industry have to be moved.

Exports

"It has always been a surprise to me and to other speakers from this chair in the past that our Government attaches so little importance to coal as an earner of foreign exchange. In the early 1920's steps were taken to ensure a good reputation amongst overseas customers for Indian coal by the setting up of the Coal Grading Board, whose inspection staff and certificates of quality ensured that the overseas customer got the quality which he had contracted for. Encouragement was also given to the export of Indian coal by allowing a rebate on rail freight on coal shipped to foreign markets. With these encouragements to the overseas customers and to the coal exporter, a good connection with the Far Eastern markets was built up and exports reached a figure of 1,413,000 tons in 1938. The Second World War intervened and when India emerged from it, official policy became obsessed with the need to conserve India's resources, particularly of the higher grades of coal, for future internal requirements. Assistance by way of rail freight rebates disappeared and there was an insistence that exports must mainly comprise the lower qualities of coal. As a result, the reputation of Indian coal in these export markets has been severely prejudiced and China has recently been gaining a foothold in India's closest coal markets of Ceylon and Pakistan. In 1957, less than ¾ million tons were exported—apart from just under 1 million tons supplied to Pakistan—and this earned about Rs. 2¾ crores worth of foreign exchange. The coal exports of 1938 at today's values would have earned Rs. 5½ crores. Today, with India's capacity to earn greater foreign exchange having assumed topmost priority, coal could be making a very useful contribution if a policy of encouragement of exports had been maintained and there is undoubtedly a case for renewed encouragement being given in the present economic difficulties. But, unfortunately, even if the greatest encouragement were to be extended to coal exports today, it would be sometime before the old markets and the old reputation could be regained.

Sandstowing

"We hope shortly to receive the report of the Price Revision Committee constituted by Government to assess a fair price structure for the coal industry. One matter which is, however, outside the purview of this investigation is the burden of sandstowing. You will notice from the accounts that the Company has had to bear a sum of almost Rs. 9 lakhs, being the difference between the cost of sandstowing at our collieries and the quantum of assistance received from the Coal Board. This is the equivalent of about Rs. 1.50 per ton of coal raised from our sandstowed collieries. At a time when Government are making every effort to encourage additional collieries to install arrangements for sandstowing, in the interests of both safety and conservation, it seems wrong that collieries which do undertake stowing should be placed at such a disadvantage by reason of this financial burden.

Labour

"As a result of a tripartite meeting held in New Delhi, the Appellate Tribunal Award, to which I referred in my speech last year, was implemented in July 1957 and labour have received the benefit of this Award made retrospective to 26th May 1956. Since the end of the period under review, in fact, with effect from 1st January 1958, workers throughout the coal industry have been granted an increased D.A. of Rs. 4.87 per month. There is no doubt that workers in the industry have benefited very considerably as a result of these awards and one still looks to labour to give greater productivity in return. Relations between the Company and its employees have generally been satisfactory throughout the year, but it is to be earnestly hoped that the miner will not fall prey to inter-Union rivalry and that he will realise that a full shift's work is his best personal contribution to the national interests.

"I have had an interesting analysis made of what has happened to each rupee received by the Company during the year under review from its customers in return for coal supplied. I will not weary you with the complete breakdown, but you will be interested to know that 42 nP of every rupee earned goes to the labour, 9 nP goes to Government in taxes and cesses, 5 nP is applied to meet depreciation of the Company's buildings and machinery, while you shareholders get 3 nP, and 2 nP have been retained in the business for future development. If anyone suggests to you that you do not deserve your 3 nP, just remind him that without the capital provided by the shareholders through joint-stock enterprise, there would be no undertaking to give employment to twenty-four thousand labourers, each of whom gets 42 nP out of every gross rupee earned by the undertaking.

Welfare

"It has been the Company's policy progressively to provide amenities for employees at collieries, and, in addition to the statutory requirements of pithead baths, creches and canteens, we have a programme for the provision of co-operative stores, playing fields and many other amenities. In addition to the considerable capital cost incurred in providing for the welfare of our employees, the maintenance of these facilities, including the expert medical attention provided, is costing us about Rs. 7 lakhs per annum.

"The provision of housing is one for which we were carrying out a planned programme until two and a half years ago when a new scheme was instituted under the auspices of the Coal Mines Welfare Fund whose resources come from a cess on coal; briefly, this scheme provides for the capital cost of labour quarters to be borne by the Welfare Fund, and thereafter the maintenance charges and a rental of Rs. 2 per month are to be paid by the Company, whilst the Company provides the land together with water-supply, lighting connection and approach roads. Although we are very keen indeed to construct the 848 quarters sanctioned at our collieries for 1958-59, it has been impossible to achieve anything as yet owing to various procedural delays on the part of the authorities concerned. This matter is being followed up and it is our desire to give the fullest possible encouragement for the provision of increased accommodation for our miners.

Staff

"Before concluding, I would like to pay a well merited tribute to Mr. Rosser, your Chief Mining Engineer, and his staff who have worked so magnificently through another year which has produced many and varied problems such as must always be attendant in the technical control of your 17 collieries."

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

Employers Please!

Provident Funds no longer entirely meet modern needs. In western countries particularly a more effective provision has been found in Group Insurance Schemes. With little cost to the employer, these schemes can work wonders in safeguarding thousands of homes and augmenting old age pensions.

In the United States, by the end of 1956, 3.5 crores of certificates had been granted under Group Schemes with a total value in Life Insurance cover of Rs. 55,000 crores. This is truly impressive when one considers that the total extent of Life Insurance written in India, individual and Group, stands at about Rs. 1,200 crores only.

An attempt was made three years ago to introduce Staff Insurance Schemes in India. It was greeted with enthusiasm by employer and employee alike. But certain defects in the implementation of these schemes demanded their withdrawal. The Life Insurance Corporation has now introduced new Group Schemes which do away with the shortcomings of previous attempts.

These Group Schemes are now available to employees of industrial concerns, business houses, commercial establishments and other similar institutions. They apply to a homogeneous group of individuals and are available at lower rates of premium. Ordinarily, no individual medical examination is required. The Group Insurance Schemes broadly afford two distinct benefits:

BENEFITS ON RETIREMENT

This category includes the Superannuation Schemes. These provide for pensions on retirement. Experience has shown that the lump sum Provident Fund is soon frittered away. The employee has often to depend on relatives and others for financial assistance or to seek work. The Superannuation Scheme is designed to solve this predicament.

BENEFITS DURING SERVICE

The plans under this category are called Group Insurance Schemes. They provide the employee with an Insurance umbrella during his working years. Provident Funds, so popular in this country, are inadequate in the event of early death. This contingency is covered with the Group Insurance Schemes; but one can also take these Schemes under the Endowment Plan, thus serving a two-in-one purpose of security during AND after service.

Both these schemes may be instituted in replacement of or in addition to an existing Provident Fund.

There are two ways of looking at these Group Schemes. To the employer they mean greater staff loyalty and an attraction to the best in new personnel. To the employee they are an inducement to stay with the organization and give of his best.

Life

UNION CO-OP. INSURANCE SOCIETY LIMITED

Mr. J. L. MEHTA'S SPEECH

THE Ninth Annual General Meeting of the Union Co-operative Insurance Society Ltd. was held on 25th June 1958 when Mr. J. L. Mehta presided.

In the course of his address Mr. Mehta referred to the policy of both the Central and State Governments in regard to co-operative insurance. He also deplored the fact that co-operative insurance societies are not allowed to take benefit of the development of the co-operative movement, as the insurance business of co-operative societies is not made preserves for co-operative insurance societies. He also referred to the fact that assistance from the Central and/or State Governments should not result in loss of liberties and individuality of co-operative societies. He finally appealed to the various Central and/or State Governments to see that business of co-operative societies is kept for co-operative insurance societies. He also requested the Central and/or State Governments to insure part of their properties with co-operative insurers.

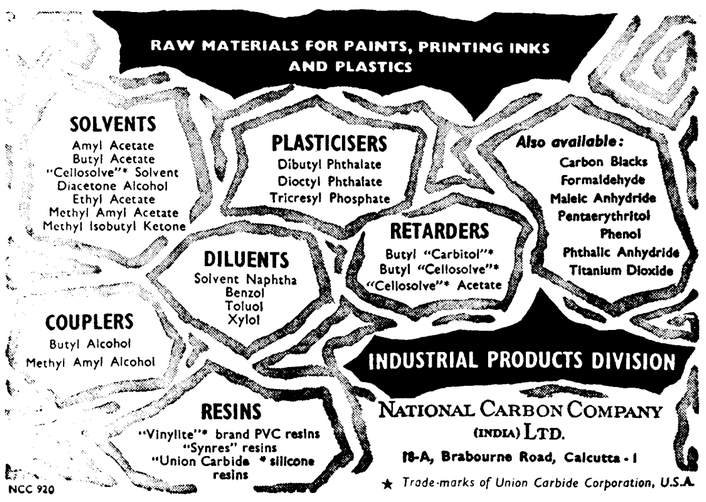
Reduction of Rates

Mr. Mehta then referred to the likely reduction in fire rates and other problems that are being faced by the insurance industry. While referring to the matter he informed that the rate in reduction is being envisaged on the basis of the data available for last one or two years only. He also informed that, though the fire loss ratio is less, it is a fact that the extra profit in the department is being used for subsidising marine and accident departments. He also appealed to the authorities concerned to allow the industry to judge the working of each department not individually but collectively and allow them to trade in their own way. He also expressed his fear that the revision of rates, at this stage, might not only lead to downward trends of profit but might also result in marginal units going out of trade.

Satisfactory Progress

Reviewing the progress of the Society, Mr. Mehta stated that the same was satisfactory. He also informed that, during the year, branches were opened at Calcutta, Delhi, Bangalore and Nagpur and efforts were being made to develop new territories. While referring to the special features, he stated that the premium income had gone up and the reserves had risen considerably. He informed with pleasure that the rate of dividend had been increased to 5½ per cent. and the bonus to policyholders to 12 per cent. In the course of his speech, he also referred to the cordial relations that the Society had with International Co-operative Alliance and co-operative insurers abroad. In conclusion, he thanked co-operative societies, official and non-official co-operators for patronising the Society and sister insurers for giving a fair deal.

The report and audited accounts for the year ended 31st December 1957 were adopted.



SEN - RALEIGH INDUSTRIES LIMITED

MR. S. K. SEN'S SPEECH AT ANNUAL GENERAL MEETING

POSSIBILITIES OF EXPORTING CYCLES BEING EXPLORED

ADDRESSING the Eighth Annual General Meeting of the Sen-Raleigh Industries of India Ltd., held at Calcutta on Friday, 27th June 1958, Mr. S. K. Sen, Chairman of the Company, said:

"It gives me pleasure to welcome you to the eighth annual general meeting of the Company. The Directors' report and the accounts of the Company for the period ended 30th September 1957 have been with you for sometime and, with your approval, I shall take these as read.

"Sales for the year recorded a further expansion of approximately Rs. 30 lakhs and the profit at Rs. 15,91,546.60 compares favourably with Rs. 14,36,292.23 earned in the previous year. This result has allowed your Directors to recommend payment of the same dividend on the preference and ordinary shares of the Company as in the last year. As in the past, your Company has followed a policy of strengthening reserves.

"The improvement in turnover was achieved solely through an expansion in production in the component section of the factory. By the end of the year, this section was supplying components to most of the other bicycle manufacturers in the country, thereby contributing largely in saving foreign exchange. Bicycle production, however, could not be raised as anticipated, owing to the difficulties experienced on more than one occasion in the year in maintaining a continuous supply of imported materials.

New Components Introduced

"The introduction of a large number of new items into our manufacturing programme in order to reduce the imported components used in a cycle to a figure below Rs. 5 by 1958 also had repercussions to some degree on production. Introduction of new components always requires some time for proving and testing, and, whilst, in earlier periods of easier licensing, there had always been sufficient buffers to tide over the transition period, the position in 1957 was often a race between manufacture of new items ahead of schedule against stocks of imported components running out on a given date. The reaction of a section of workers to the rapid introduction of a large number of new components was not always as co-operative as could be expected in such a crisis, and some time was also lost on this account in developing full production of the new components. A power failure in the D.V.C. System, too, was instrumental in affecting production for over a week in the year under review.

"In my last report, I had mentioned that the demand for our products justified the Company's undertaking a major expansion and had outlined the steps taken by the Company to double its turnover and bring the Company nearer self-sufficiency. This demand for our products still persists, and I am glad to be able to inform you that the plant required for the expansion, as well as for manufacturing all such components as had been planned to be made at Kanyapur, has now mostly arrived in India and is in the course of installation. No great progress, however, can be made in expanding production, until and unless the Government can afford to release foreign exchange for raw materials which are not as yet manufactured within the country. Although it is realised that the situation facing the country and its Government in relation to foreign exchange is critical, with restricted licences and diminishing buffers, a state of emergency dominates industry. Emergency measures are necessary to tackle such a situation and only a more dynamic approach on the part of the licensing authorities in dealing with the limited licence applications now reaching them can keep the wheels of industry turning without a break. With marginal stocks with which the light engineering industry is endeavouring to maintain production programmes, long delays in disposal of licence applications may well lead to disruption in production—so costly to the Company and the country.

"Outside suppliers of components in both the large and the small-scale sector have been affected in the same manner as we have by the foreign exchange shortages and, although it is still hoped that supplies from ancillary units mentioned in my last report would still be available within the year, so far it has not been possible for them to deliver any materials. In most cases, however, we are covered for some time on imported components and so, our production would not be affected immediately.

"Supplies of Indian-made tubing have in most cases replaced imported tubing without much difficulty during the change-over. In steel strips, a beginning has also been made in using Indian supplies, but, with quotas in this material running to only 10 per cent. of requirements we have still to go a long way before being independent of imports.

Period of Paradoxes

"The last few months had been a period of paradoxes for the bicycle industry. On the one hand, at the highest level, we have been exhorted to increase capacities to meet Plan targets and have even been asked to consider an upward revision of the targets. On the other hand, we have noted with concern the various pronouncements on the dwindling foreign exchange which has made the difficulties previously experienced in obtaining import licences for components appear as nothing compared to the formidable ones now faced in obtaining import licences for even raw materials at a level of production frozen to past performance.

"From the various pronouncements at ministerial level, the future of the bicycle, along with so many other industries in India, would seem to be linked with the speed of progress in bringing the three steel mills in the public sector into production. Not only would it then be possible for us to obtain our own requirements of steel from within the country, but, by exporting steel, the country would earn exchange that would then allow it to import such other materials as would still not be available within the country. Our future aspirations would, therefore, seem to depend on the success of these projects, for which we bid Godspeed.

Exports

"Some time back, we were approached by the Government of India to explore the possibilities of developing export markets. I am pleased to inform you that our request to Raleigh Industries Limited in this connection was received in a spirit of accommodation and rights of export of Raleigh products to the U.S.S.R., Czechoslovakia, Poland, Rumania, Bulgaria, and the Peoples Republic of China have been vested at present in the Indian Company. Steps have already been taken to explore the possibilities of sales in these markets.

"Negotiations with the Company's recognised Union are now under way for implementing its expansion schemes. The negotiations are based on improved earnings and amenities for workers against higher productivity, and the approach of the Union so far to the schemes drawn up on this base would indicate greater realisation of the problems facing the industry and a more logical approach to planned expansions than previously. It is hoped that these negotiations would be completed without a breakdown of production, so that transitions to higher productions wherever materials are available could take place immediately. This would reaffirm our faith in the possibilities of negotiated agreements and point towards a further advance in the trade union movements in the country.

"Finally, before closing, I would like to thank my collegues, all staff and workers, our foreign associates and dealers without whose unfailing effort these results could not have been achieved."

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

THE
CENTRAL INDIA
INSURANCE COMPANY, LTD.
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CAPITAL—AUTHORISED, ISSUED AND SUBSCRIBED .. .. .. Rs. 5,50,00,000
CAPITAL PAID-UP .. .. Rs. 3,00,00,000
RESERVE FUND .. .. Rs. 3,10,00,000

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BOMBAY — Andheri, Bandra, Bullion Exchange, Colaba, Kalbadevi, Malabar Hill
BHUJ (Kutch)
CALCUTTA — 23-B, Netaji Subhas Road (Main Office), Bara Bazar, Chowringhee Square
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COIMBATORE
DELHI
GANDHIDHAM (Kutch)
HYDERABAD (Deccan)
JAMSHEDPUR
JUNAGADH
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Mr. AMBALAL SARABHAI.
SIR JOSEPH KAY, K.B.E.
Mr. RAMNIWAS RAMNARAIN.
Mr. BHAGVANDAS C. MEHTA.
Mr. KRISHNARAJ M. D. THACKERSEY.
Mr. A. D. SHROFF.
Mr. MADANMOHAN MANGALDAS.
Mr. N. K. PETIGARA.
SIR VITHAL N. CHANDAVARKAR.

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances from Rs. 500 to Rs. 1,00,000 at ½ per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.
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Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.
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Every Description of Banking Business Undertaken.

T. R. LALWANI, *General Manager.*

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(ESTABLISHED 1913)
(Incorporated in Mysore State, Liability of members Limited.)
Bankers to the Government of Mysore

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

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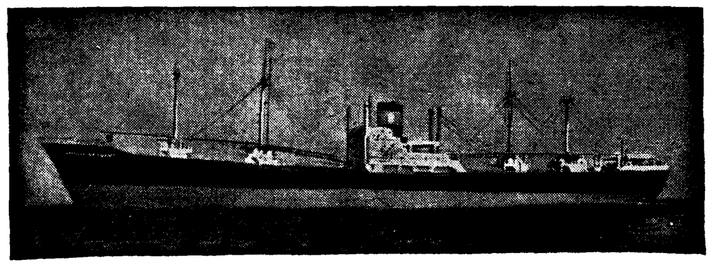

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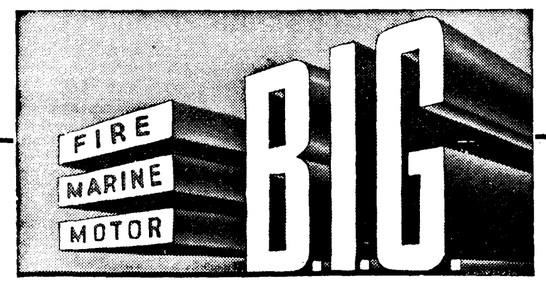

THE BRITISH INDIA GENERAL INSURANCE COMPANY, LIMITED
(INCORPORATED IN INDIA)
HEAD OFFICE:—MEHTA HOUSE, APOLLO STREET, BOMBAY
Chairman: JAL H. MEHTA — *General Manager:* M. S. DASTUR

BHARAT LINE'S RESULTS GRATIFYING

HIGHER RETURN TO SHAREHOLDERS—RESERVES STRENGTHENED FURTHER

THE results of the Bharat Line Ltd. (Managing Agents: Messrs. Dinshaw Private Ltd., Bhavnagar) for the year ended 31st December 1957 are highly gratifying. The gross profit is higher by 75 per cent. and the return to shareholders has been doubled, from 6 per cent. to 12 per cent., by the payment of a bonus of 6 per cent. The reserves, too, have been substantially strengthened. These results are the outcome of an improvement in the efficiency of the Company's operations and a sizable growth in freight earnings.

To present a more detailed picture of the Company's progress during 1957. The freight earnings which had consistently declined from the record level of Rs. 256.64 lakhs in 1954 to Rs. 220.24 lakhs in the previous year advanced during the year under review to Rs. 252.11 lakhs. This expansion reflects partly the benefit of the piece-rate system of wages for stevedore labour introduced in Bombay in March 1956, which led to improved working conditions in the Bombay Port, and partly the increase in freight rates on the basis of the recommendations of the Rail Sea Co-ordination Committee. All this does not mean that the past year was one of smooth sailing for the Company. Far from it. The loss of working time through detentions at ports continued to be heavy and operation and maintenance costs remained high. Accordingly, expenses went up from Rs. 180.37 lakhs to Rs. 183.34 lakhs. The actual increase is Rs. 2.97 lakhs, which, however, is only modest when viewed against the large rise in freight earnings. The gross profit works out to Rs. 70.38 lakhs, an increase of nearly Rs. 30 lakhs over that for 1956. There were no additions to the fleet during 1957 and, therefore, the provision for depreciation remains unchanged at Rs. 27.60 lakhs. As the provision for taxation is no more than Rs. 80,000, it is obvious that the Company is still having the benefit of accelerated depreciation allowances. After all the essential provisions, the net profit amounts to Rs. 36.15 lakhs, which is more than three times the net profit of Rs. 10.49 lakhs for 1956. Although the distribution to shareholders has been doubled from 6 to 12 per cent., absorbing Rs. 12 lakhs, as against Rs. 6 lakhs a year before, this has not been at the expense of the appropriation to reserves. Indeed, the Directors have added a large sum—Rs. 21.38 lakhs to be precise—representing nearly 60 per cent. of the net profit to reserves.

The following table clearly highlights the progress of the Company in 1957 against the background of its achievements in the preceding three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Freight earnings	2,52.11	2,20.24	2,33.71	2,56.64
Charter hire and other income..	1.61	0.92	0.76	6.18
Expenses	1,83.34	1,80.37	2,02.53	2,25.55
Gross profit	70.38	40.50	31.95	37.28
Managing Agents' remuneration	3.98	1.69	1.07	2.03
Provision for—				
Depreciation	27.60	27.67	24.22	30.05
Taxation	0.80*	..	..	..
Gratuity	1.85	0.65	..	..
Net profit	36.15	10.49	6.66	5.20
To reserves	21.38	4.76	1.00	..
„ dividend	12.00 (D. 6% + B. 6%)	6.00 (D. 6%)	5.00 (D. 5%)	5.00 (D. 5%)
Carry forward	4.06	1.29	1.55	0.99

* Provision for excess dividend tax.

Lest the enhancement in the rate of return to shareholders should give rise to the impression that the Directors have suddenly become liberal and less cautious in their appropriation policy, it must be pointed out here that hitherto they had paid only very modest dividends. They had deliberately followed a very conservative policy, stepping up the dividend only gradually from 3 per cent. for 1947 to 6 per cent. for 1956. The shareholders have thus made considerable sacrifices in the past in order to consolidate and strengthen the position of their Company, an objective which has been realised to a considerable extent. The Directors are, therefore, not unjustified in deciding to reward the shareholders for their patience and faith in the future. It would appear that it is the intention of the Directors to maintain the dividend at the higher level in the coming years. With this object in view, they have created a dividend equalisation fund with an initial credit of Rs. 15 lakhs taken from the general reserve. In order to meet the deferred taxation liability, a specific reserve called Deferred Taxation Reserve has also been opened. This account, too, has been credited with Rs. 25 lakhs by making a draft on the general reserve. Nevertheless, there is still a large balance of Rs. 63.90 lakhs in the general reserve account.

As already stated, no addition was made to the Company's fleet during 1957. This was due to the prevalence of abnormally high prices for new and second-hand ships and non-availability of foreign exchange. The Directors say that, since the last quarter of the year, conditions have changed for the better. They, therefore, hope to be able to acquire some suitable units for the Company at favourable opportunities

The Company's ships were regularly employed in the coastal trade and also participated in the India-Burma trade. It also maintained its service in the Persian Gulf trade. One old unit of the Company's fleet was disposed of during the year in a favourable sales market for second-hand ships. Two other units were put through special survey, one at Hong Kong and another at Bombay.

The Company's paid-up capital as at 31st December 1957 remains unchanged at Rs. 1 crore, all in ordinary shares of Rs. 100 each. In the interests of the small investor, the Directors have proposed to sub-divide the Rs. 100 shares into shares of Rs. 10 each. The paid-up capital is supplemented by reserves and surplus aggregating Rs. 131.34 lakhs. An analysis of the Company's reserves shows that the general reserve now stands at Rs. 63.90 lakhs, investment reserve at Rs. 1 lakh, deferred taxation reserve at Rs. 26 lakhs, deferred revenue expenditure reserve at Rs. 21.38 lakhs and dividend equalisation reserve at Rs. 15 lakhs. The current liabilities and provision for taxation aggregate Rs. 166.27 lakhs of which loans taken from the Government of India secured by mortgage of four ships of the Company's fleet account for Rs. 90.71 lakhs. The gross block stands at Rs. 410.97 lakhs, after deducting the cost of one ship (Rs. 10.97 lakhs) sold during the year. As against this, the aggregate amount of depreciation provided so far is Rs. 162.42 lakhs. The current assets (excluding deferred revenue expenditure amounting to Rs. 21.38 lakhs) aggregate Rs. 127.69 lakhs.

The Rs. 100 fully paid-up shares of the Company are nominally quoted at Rs. 80. On this basis and taking the dividend at 12 per cent., the yield works out to 15 per cent. per annum.

(Concluded from next column)

tal expenditure and to replenish the working capital which has been locked up in the fixed assets of the Company, the Directors have decided to float, subject to the consent of the Controller of Capital Issues being obtained in that behalf, a 6½ per cent. first mortgage debenture loan of Rs. 18 lakhs. The balance of the capital expenditure will have to be financed from future earnings or borrowings, if necessary, for the purpose."

The Company's reserves and surplus as on 31st December 1957 amount to Rs. 13.08 lakhs, as against a paid-up capital of Rs. 29.81 lakhs, in shares of Rs. 100 each. The current liabilities aggregate Rs. 100.09 lakhs. The gross block of Rs. 93.11 lakhs stands reduced at Rs. 41.22 lakhs. The current assets aggregate Rs. 101.75 lakhs and are just enough to cover the current liabilities.

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(ESTABLISHED IN 1911)

Chairman: **SHRI RAMANLAL G. SARAIYA, O.B.E.**

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Subscribed by the Shareholders .. .. Rs. 42,08,000
Subscribed by the Government of Bombay .. Rs. 66,00,000 1,08,08,000
RESERVE AND OTHER FUNDS 60,76,000
TOTAL DEPOSITS 11,00,26,000
WORKING CAPITAL 20,50,00,000

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Collection arrangements in all the important cities of the Indian Union. Banking business of every description transacted.

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G. M. LAUD, *Managing Director.*

MINERVA MILL SUFFERS LOSS

DEBENTURE ISSUE CONTEMPLATED

A DECLINE in turnover, accumulation of stocks of cloth and yarn, higher manufacturing and other expenses, followed naturally by a decline in earnings have been the usual features of the working of the cotton textile industry in India during 1957. Readers of this journal are familiar with several instances of this trend. One more striking example of it is provided by the Minerva Mills Ltd. (Managing Agents: Messrs. N. Sirur & Co. Private Ltd., Bombay), the accounts of which for the year ended 31st December 1957 were made public a few days ago. The Company's sale proceeds have declined, stocks as at the end of last year have mounted up, and expenses have increased. Consequently, it has suffered loss, in marked contrast to the encouraging performance noted in the previous year. The shareholders, therefore, get no dividend for the past year.

There is a gross loss of Rs. 5.94 lakhs which compares unfavourably with the gross profit of Rs. 7.13 lakhs earned in 1956 and Rs. 6.80 lakhs in 1955. This loss, it may be noted, is far more pronounced than that (at Rs. 1.55 lakh) suffered in 1954. After providing for Managing Agents' commission, depreciation and gratuity, the net loss has grown to Rs. 7.47 lakhs, as compared with a net profit of Rs. 1.81 lakh in the previous year. A provision of only Rs. 3.931 has been made for depreciation, as against Rs. 3.59 lakhs in the previous year. Thus, the net loss would have been bigger still had depreciation on a scale comparable with that a year ago been provided for. Indeed, the Directors themselves say that, in view of the loss sustained, they have not been able to provide for depreciation amounting to Rs. 3 lakhs on buildings and machinery. A sum of Rs. 1.09 lakh has, however, been set apart as provision for gratuity, as against Rs. 1.12 lakh. In order to wipe out the loss and to make the above provision, the Directors have transferred Rs. 6.70 lakhs from the general reserve and also written back Rs. 76,804, representing excess provision for taxation made in previous years. This leaves a sum of Rs. 19,733 to be carried forward as surplus.

In view of the loss for the year under review, no dividend has been proposed. Some may argue that the Company could have paid at least a small dividend out of the reserves built up in the past. But the Directors have chosen not to do so, because even the declaration of a small dividend for the year under review would make the Company liable to wealth tax estimated at Rs. 22,000.

The following comparative table shows at a glance the progress of the Company during the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Sales of yarn, cloth and waste..	1,30.54	1,30.33	1,31.76	1,26.33
Stocks of yarn, cloth and waste.	49.84	40.96	32.82	32.04
Cotton, stores, etc., consumed.	90.08	97.37	83.51	87.30
Wages and other expenses ..	47.10	43.56	42.94	50.03
Gross profit (+) or loss (—)	—5.94	+7.13	+6.80	—1.55
Managing Agents' commission.	0.40	0.61	0.59	..
Provision for—				
Depreciation	0.04	3.59	3.18	2.41
Taxation	..	..	..	..
Gratuity	1.09	1.12	1.05	..
Net profit (+) or loss (—) ..	—7.47	+1.81	+1.98	—3.96
Transfer from reserves and excess provisions written back.	7.47	..	..	5.45
To provision for bad and doubtful debts	..	..	..	0.04
„ reserves	..	..	0.14	..
Dividend	..	1.77 (6%)	1.77 (6%)	1.48 (5%)
Carry forward	0.20	0.20	0.17	0.09

Commenting on the Company's working during the year under review and its plans to raise additional finance for renovation and modernisation of the mills, the Directors observe thus:

"The Directors very much regret that the working of the Company during the year under report has resulted in a loss due to the very difficult trading conditions which have still not improved. With the raw material ruling at high prices on the one hand, and the very poor demand for yarn and cloth on the other, sales had to be made at heavily losing prices to reduce accumulating stocks. It was generally a very bad year for the textile industry. Working can be made economical only by complete rationalisation which requires the co-operation of labour and by launching on a programme of renovation and modernisation of plant and machinery, which, of course, involves a large capital expenditure. To meet a part of such capi-

(Continued in previous column)

Points From The Chair

Bengal Coal's Rupee

"I HAVE had an interesting analysis made of what has happened to each rupee received by the Company during the year under review from its customers in return for coal supplied. I will not weary you with the complete breakdown, but you will be interested to know that 42 nP of every rupee earned goes to the labour, 9 nP goes to Government in taxes and cesses, 5 nP is applied to meet depreciation of the Company's buildings and machinery, while you shareholders get 3 nP, and 2 nP have been retained in the business for future development. If anyone suggests to you that you do not deserve your 3 nP, just remind him that without the capital provided by the shareholders through joint-stock enterprise, there would be no undertaking to give employment to twenty-four thousand labourers each of whom gets 42 nP out of every gross rupee earned by the undertaking."

D. F. MACMILLAN,
Bengal Coal Company, Ltd.

Importance of Incentives

"I am convinced that the state of the economy would have been very different, if economic policy had been devised with greater consideration for incentives to work, to save and to invest. I think that one reason why so much of our economic planning has gone wrong is that we have failed to make use of what is perhaps the most important of all our national resources. I mean the initiative, drive, energy and enterprise of private business. Instead, the result of Government policy has been to put private enterprise into a straitjacket of regulations and controls, and to regiment it to the point where it is almost stifled."

M. L. JALAN,
Calcutta Gas Co. (Proprietary) Ltd.

Value of Small Industries

"There need be no conflict at all between small and large-scale industries. They should be regarded as complementary. Certain industries by their very nature require large-scale organisation but there is a large field of activity in which the small-scale industry can play a useful role. These remarks have particular relevance to our present economic situation when development is handicapped by lack of foreign capital. Small-scale industries, by and large, have a low import content and for this reason, they require to be developed rapidly. It will be surprising to know that even in advanced countries like U.S.A. and Japan, particularly the latter, small-scale industries have been playing an important role in catering to the needs, of not only consumers, but also large industries themselves."

PURSHOTTAM KANJI,
Bombay State Financial Corporation

Industrialisation of M.P.

"The industrialist of today has to play a very vital role in the planned economic development of our country and I am sure that industrialists in this State would not lag behind. The State of Madhya Pradesh has large potentialities for industrial development. The State abounds in raw materials for various kinds of industries. It has rich mineral resources and forest wealth. All these indicate a very prosperous future for the State when these resources are properly tapped. A demand for location of an aluminium factory in the State has already been impressed upon the State Government on the ground that aluminium quarries are available in the State. It is learnt that a committee headed by Shri S. N. Mehta, Chairman of the Madhya Pradesh Electricity Board, has been set up to prepare the case of the State for the location of the Aluminium Plant. The Central Government's contribution of the Steel Project at Bhilai and Heavy Electricals Project at Bhopal does not weaken the case for the establishment of an aluminium factory in the State. It is also learnt that the State Government is considering the location of a Ferro-Manganese Plant of 20,000 tons annual capacity near Balaghat and is also contemplating the establishment of a Beneficiation Plant to convert low grade manganese ore into the higher grade variety. This would supplement the supply of high grade ore available from the Balaghat group of mines with the low grade iron ore from other mines in the State to meet the requirement of 45,000 tons of ore for the aforesaid plant annually."

D. P. MANDELIA,
Madhya Pradesh Financial Corporation

Prospects for C.P. Manganese

"As regards the prospects for the current year, the position is that at the end of December 1957, the amount of ore at ports was quite satisfactory and railings this year up to the moment have continued to be good. Consequently it would be right to say we have made a good start, but on the other hand we cannot overlook the fact that the steel industry of the United States is passing through a difficult period. How long this will last and how far it may spread, we cannot tell, but there are definite signs that the demand for our ore during the coming months of this year will not be as heavy as usual. Should the position deteriorate no further I trust that the results for 1958 will not be found unsatisfactory. Looking further ahead, 1959 must depend upon the activity of the steel industry generally and competition which may arise from new sources of supply. However, our mines are in good shape, our ore has an excellent reputation, we have a very good and long-standing connection with the principal buyers in the United Kingdom and the United States of America and our relations with the State Trading Corporation of India—with whom we are working in close co-operation—are very good; consequently I feel that we can look to the future without undue apprehension."

MAJOR A. C. HERRING,
Central Provinces Manganese Ore Co., Ltd., London.

COMPANY MEETINGS AND DIVIDENDS

BHARTIA ELECTRIC STEEL CO., LTD. Annual General Meeting, Calcutta, 8th July 1958. Dividend: Re. 1.25 per share. Transfer books remain closed from 25th June to 8th July 1958, both days inclusive.

NEW SAMANBAGH TEA CO., LTD. Annual General Meeting, Calcutta, 9th July 1958. Dividend: Rs. 3.00 per share. Transfer books remain closed from 3rd to 9th July 1958, both days inclusive.

SHAW WALLACE AND CO., LTD. Annual General Meeting, Calcutta, 10th July 1958. Dividend: Re. 1.00 per share or 10 per cent. Transfer books remain closed from 1st to 10th July 1958, both days inclusive.

METTUR INDUSTRIES LTD. Annual General Meeting, Madras, 11th July 1958. Dividend: Rs. 20.00 per share. Transfer books remain closed from 25th June to 11th July 1958, both days inclusive.

INDORE MALWA UNITED MILLS LTD. Annual General Meeting, Bombay, 14th July 1958. Dividend: Rs. 6.00 per share. Transfer books remain closed from 9th June to 5th July 1958, both days inclusive.

CALEDONIAN JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 15th July 1958. Dividend: *Nil*. Transfer books remain closed from 2nd to 15th July 1958, both days inclusive.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 15th July 1958. Dividend: *Nil*. Transfer books remain closed from 20th June to 12th July 1958, both days inclusive.

METAL BOX CO. OF INDIA LTD. Annual General Meeting, Calcutta, 17th July 1958. Dividend: 11¼ per cent. (final) free of income-tax. Transfer books remain closed from 1st to 17th July 1958, both days inclusive.

KUNCHUNPORE TEA CO., LTD. Annual General Meeting, Calcutta, 18th July 1958. Dividend: *Nil*. Transfer books will remain closed from 11th to 18th July 1958, both days inclusive.

POOBONG TEA CO., LTD. Annual General Meeting, Calcutta, 18th July 1958. Dividend: *Nil*. Transfer books will remain closed from 11th to 18th July 1958, both days inclusive.

SIMPLEX MILLS CO., LTD. Annual General Meeting, Bombay, 18th July 1958. Dividend: Rs. 8.50 per share, payable on or after 24th July 1958. Transfer books remain closed from 4th to 17th July 1958, both days inclusive.

BHARAT LINE LTD. Annual General Meeting, Bhavnagar, 26th July 1958. Dividend: Rs. 12.00 per share (includes bonus of Rs. 6.00 per share), payable on and after 2nd August 1958. Transfer books remain closed from 1st to 30th June 1958, both days inclusive.

BOWREAH COTTON MILLS CO., LTD. Annual General Meeting, Calcutta, 29th July 1958. Dividend: *Nil*. Transfer books will remain closed from 21st to 29th July 1958, both days inclusive.

DUNBAR MILLS LTD. Annual General Meeting, Calcutta, 29th July 1958. Dividend: *Nil*. Transfer books will remain closed from 21st to 29th July 1958, both days inclusive.

ORISSA CEMENT LTD. Annual General Meeting, Rajgangpur, Orissa, 16th August 1958. Dividend: Re. 1.50 per share or 15 per cent. Transfer books will remain closed from 21st July to 15th August 1958, both days inclusive.

CANNANORE SPINNING AND WEAVING MILLS LTD. Dividend: 12½ per cent. or Rs. 12.50 per share for the year ended 31st March 1958. Transfer books will remain closed from 18th to 30th July 1958, both days inclusive.

LAKSHMI MILLS CO., LTD. Tax-free dividend of 12 per cent. or Rs. 6.00 per ordinary share and Rs. 3.00 per "A" ordinary share, for the year ended 31st March 1958. Transfer books will remain closed from 19th July to 1st August 1958, both days inclusive.

PALANI ANDAVAR MILLS LTD. Dividend of Rs. 9.00 per "A" ordinary share and Rs. 13.50 per "B" ordinary share, for the year ended 31st December 1957. Transfer books remain closed from 30th June to 14th July 1958, both days inclusive.

COMPANY REGISTRATIONS

INDIA LIFTS PRIVATE LTD. (First Director: Mr. Jethabhai C. Patel.) Business: Lift engineers, construction engineers, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 22, Gowalia Tank Road, Bombay 26.

GHATGE AND PATIL (TRANSPORTS) PRIVATE LTD. (First Director: Mr. Ghatge Vasant Madhav.) Business: Transport of passengers and goods. Authorised capital: Rs. 10,00,000. Private company. Address: Rajaram Road, Kolhapur 2.

GLOBE INDUSTRIES AND COMMERCE PRIVATE LTD. (First Director: Mr. Ratilal Odhavji Zatakia.) Business: Manufacturers, importers and exporters of wool, rayon, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Ali Chambers, Dean Lane, Fort, Bombay.

FOREIGN EXCHANGE CRISIS

(Concluded from page 19)

exporting more, if necessary by discouraging domestic consumption. Here again India can export more only if other countries are willing to increase their imports. Moreover, restraints on domestic consumption for the purpose of releasing goods for export can cause a recession in the industry concerned if exports do not in fact take place. Similar attempts to raise domestic savings by restraining consumption can have precisely the opposite effect; consumption may well be held down, but savings will fall if production has to be curtailed as a result. What is more, the expansive momentum may be rudely brought to a halt. The present crisis in the cotton textile industry illustrates this.

It must be emphasised that the gap in foreign exchange can well be larger than the gap in domestic resources. This will happen if the total of domestically-produced investment goods, the amount of investment goods which can be brought in to fill the gap in total resources, and the amount of investment goods which can be imported against normal exports are not enough for carrying through the Plan, after allowing for depreciation and replacement. Since the amount of investment goods needed for carrying through a given investment programme can be fairly reliably estimated, this gap can also be estimated. If this gap is small in relation to the total imports in a normal year, it can be made up without serious difficulty by selective restrictions on imports.

The conclusions of this study may now be summarised:

(1) The present foreign exchange problem facing India is not just a problem of the scarcity of foreign exchange resources but a projection of the problem of total resources. These two may or may not be coterminous, though the probability is that they will not be.

(2) The foreign exchange problem cannot be solved either by cutting down imports or by expanding exports, because neither policy will be in keeping with our basic assumption and the basic need, of a moderate rise in the standard of living. Any attempt to raise the savings ratio above a marginal rate of 20 per cent. is likely to be self-defeating.

(3) It may be possible to avoid both the foreign exchange and total resources problems if a balanced programme of development is not attempted, but investment is concentrated in those lines where returns in terms of income are high, so that the target of increase in national income will still be achieved.

WORLD BANK LOANS FOR INDIAN PORTS

On 25th June 1958, the World Bank entered into formal agreements to lend $43 million for port improvements at Calcutta and Madras, two of India's largest and most important port cities. One loan of $29 million was made to the Commissioners for the Port of Calcutta and the other loan of $14 million was made to the Trustees of the Port of Madras.

The announcement of the loans was made on 16th April when they were approved by the Bank's Executive Directors. The loan agreements have since been signed in India by representatives of the respective borrowers. The Guarantee Agreements were signed by Mr. H. Dayal, *Charge d'Affaires* of the Embassy of India in Washington, on behalf of the Government of India. The loan and Guarantee Agreements were signed by Mr. Davidson Sommers, Vice-President, on behalf of the World Bank. The Bank of America, The Chase Manhattan Bank and the Irving Trust Company are participating in the two loans, without the World Bank's guarantee, for a total amount of $1,705,000.

Both the loans are for a term of 20 years and bear interest of 5½ per cent., including the 1 per cent. commission which is allocated to the Bank's Special Reserve. Amortisation of the loans will begin in April 1963.

WORLD BANK BORROWS DEUTSCH MARKS

The International Bank for Reconstruction and Development has arranged with the Central Bank of West Germany to make its first borrowing of Deutsch marks. The amount to be borrowed is DM200 million (approximately $48 million) at 3 per cent. The period of the loan is three years and the lender is the Deutsche Dundesbank. This transaction results from the recent visit to West Germany of Eugene R. Black, President of the Bank. The Deutsch marks will be fully convertible, but the needs of the Bank to disburse this currency to its borrowers in the near future make it probable that a substantial part of the proceeds of this loan will be spent in West Germany

Although this is the first borrowing of Deutsch marks, it is the fourth loan the Bank has received from the Bundesbank and brings the total borrowed to the equivalent of $298 million, all in the past 12 months. The previous loans were of United States dollars. They are: 9th July 1957: $100 million, 1, 2 and 3 year 4¼ per cent. notes, (the first $40 million of these notes is due to mature on 11th July 1958. The Bundesbank has agreed to relend this amount in the form of 2½ per cent. notes with a term of three years); 23rd September 1957: $75 million 1, 2 and 3 year 4⅛ per cent. notes; and 14th June 1958: $75 million 1, 2 and 3 year 2½ per cent. notes.

RESULTS OF SHAW WALLACE ENCOURAGING

CALEDONIAN JUTE SUFFERS LOSS

Shaw Wallace and Co., Ltd.

THE directors of the above Company (Chairman: Mr. S. M. Smith, Calcutta) present the audited accounts of the Company for the year ended 31st December 1957.

The Company's profit for the year is Rs. 37,91,964 (Rs. 27,40,855). Taxation amounts to Rs. 18,24,163 (Rs. 13,96,220) leaving a net profit of Rs. 19,67,801 (Rs. 13,44,635). To this should be added amount brought forward from last year of Rs. 3,64,354 (Rs. 3,65,280), making a profit available for appropriation of Rs. 23,32,155 (Rs. 57,09,915 including Rs. 40,00,000 transferred from general reserve). Out of this amount the following appropriations have been made or are recommended by the directors:—

Amount written off goodwill Rs. 2,000 (Rs. 39,63,686), amount written off investments Rs. 5,00,000 (*nil*) and amount transferred to general reserve Rs. 4,00,000 (Rs. 3,00,000 to investment reserve). The interim dividends paid on the cumulative preference shares on the 15th July 1957, 3 per cent. less income-tax absorbed Rs. 1,54,123 (Rs. 1,65,938), and on the 15th January 1958, 3 per cent. less income-tax absorbed Rs. 1,60,607 (Rs. 1,65,937). The directors recommend payment of a dividend of 10 (10) per cent. on the ordinary shares without any deduction of income-tax paid by the Company absorbing Rs. 7,50,000 (Rs. 7,50,000) leaving a credit balance to be carried forward to 1958 of Rs. 3,65,425 (Rs. 3,64,354).

Fertilisers.—The Company holds a leading position in the country in this field of activity and has contributed considerably towards increased agricultural production by use of fertilisers and the supply of various auxiliaries, such as agro-chemicals and spraying equipment. A widespread upcountry organisation has been built up through the years in many States of India, and close personal contact has thus been established with the agricultural community, resulting in a rapid and substantial increase in the tonnages sold.

It is the policy of the Government of India to increase agricultural output by all means available and one of the main methods is by increasing production and offtake of fertilisers. This Company is doing everything it can to assist the forward drive and, amongst other things, is a founder-member of the Fertiliser Association of India, recently formed, which it is hoped will become a powerful influence for the common good. The shortage of foreign exchange has led to a considerable widening of the gap between fertiliser requirements and its relatively low availability in the country, and every effort is being made to increase indigenous production in the future. During the year under review, the total value of fertilisers sold by the Company was Rs. 5.14 crores as compared with Rs. 3.08 crores in 1956. It had nine factories in operation throughout the country.

Superphosphates and Sulphuric Acid.—The new superphosphate factory in Madras, which went into operation in May, got off to a satisfactory start and worked to capacity for the rest of the year, producing sulphuric acid and superphosphate. Production is fully sold 12 months ahead and operations during the year 1958 should be on a satisfactory basis. It will be appreciated that the current year will see 12 months' production as against seven months' in 1957.

A decision has been taken, with the approval of Government, to increase substantially this factory's capacity and ways and means are being investigated now to achieve this, although it is unlikely that such increased capacity will be available until 1959.

Insecticides and Fungicides.—The Company, which has handled the range manufactured by Sandoz Products Private Ltd. for some years, has now also obtained the important distributorship for the greater part of India for the products of Tata-Fison Private Ltd., and a concerted drive to market the products of both manufacturers is now in progress.

Glue.—The Company is the largest manufacturer of industrial glue in the country and a satisfactory standard of production and sales was achieved during the year. Plans are in hand to increase production substantially in the very near future.

Tea.—The recession in world prices of common and medium tea, which set in after the Suez crisis, continued throughout 1957 and our tea interests made a smaller contribution to the income, though it is fortunate that a substantial quantity of the tea produced by the Companies under the Company management ranks as quality tea, which has been relatively much less affected by the decline in the market. It is rather early yet to forecast the likely trend of market conditions in 1958, though any teas with quality are bound to sell well. Companies for which this Company act as agents and managing agents in Northern India produced in 1957 a total crop of 3,02,964 maunds of tea. The area under cultivation totals 24,355 acres. These compares with 3,16,750 maunds and 24,150 acres in 1956.

Tinplate.—Early in the year the Tinplate Company of India Private Ltd., for which this Company is the managing agents, brought into operation an additional Pack Rolling Mill, raising the capacity of the plant in terms of packed tinplate to 84,000 tons, and substantial imports of steel were arranged in an attempt to satisfy the increased rolling capacity. Unfortunately, however, supplies of raw material still fell far short of requirements and since serious labour trouble also supervened, the total output for the year amounted to only 65,000 tons.

General.—It is most desirable that the company's stake in the industrial development of India should be suitably increased, so that it may contribute fully to the country's industrial progress, and projects for expansion and development are under constant examination by the Board; as opportunities arise, they will be seized, provided that the financial resources are available. If the progress visualised is to be achieved, it is of the utmost importance that the financial resources should be built up and it is for this reason that despite the increased profit, the directors have recommended maintaining the ordinary dividend at the usual 10 per cent. per annum, free of tax. The sums placed to reserve are by no means excessive, bearing in mind the commitments that the company has. The wider interests of the country are clearly best served by such a policy voluntarily pursued and the long-term interests of the Company and shareholders are also benefited by such a policy inducive of steady growth, development and progress.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,00,000	Block ...	61,91,605
Reserves ...	21,22,788	Stock-in-trade	95,81,178
Provision for taxation ...	24,00,000	Stores and tools ...	6,91,109
Liabilities ...	3,24,63,371	Debts, deposits and advances ...	1,94,16,623
Profit and loss account	3,65,425	Investments	1,61,45,381
		Cash ...	3,25,688
Rs.	5,23,51,584	Rs.	5,23,51,584

Caledonian Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts, after charging all expenses and providing for sales tax, show a loss of Rs. 50,051 (Rs. 4,35,398). The directors have transferred from general reserve Rs. 1,00,000 (Rs. 4,00,000) and the balance brought forward from last year was Rs. 20,580 (Rs. 6,248). There is a total balance available for distribution of Rs. 70,529 (Rs. 90,580 after taking into account Rs. 78,836 being provision for anticipated loss on raw jute written back and Rs. 40,894 being excess provision for taxation written back). The directors recommend that a dividend of Rs. 7.00 (Rs. 7.00) per share be paid on the preference capital absorbing Rs. 70,000 (Rs. 70,000) leaving to be carried forward Rs. 529 (Rs. 20,580).

Wealth tax for the year is estimated to amount to Rs. 25,000 and this has been provided for by a transfer of this sum from investment realisation surplus.

With a view to having direct contacts with overseas markets, the Board, together with the boards of other jute mill companies under the same group management, resolved to form a company under the style of Budge-Budge and Allied Jute Mills Exports (Private) Ltd. This company, having been registered, commenced business on 31st July 1957. Each of the participating jute mill companies has subscribed equally to the capital, and the Company's share is shown against "investments" in the present balance-sheet. Andrew Yule and Co., Ltd., have no interest in Budge-Budge and Allied Jute Mills Exports (Private) Ltd., but have been appointed its Secretaries or a fee of Rs. 1,000 per annum.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,00,000	Block ...	41,36,201
Reserves ...	25,21,234	Stock of cloth and rags ...	7,63,252
Provision for wealth tax	25,000	Stock of jute	8,12,935
Liabilities ...	16,46,834	Stores ...	7,50,646
Profit and loss account	529	Work-in-progress ...	2,39,206
		Debts and advances ...	2,13,210
		Investments	64,388
		Cash ...	13,759
Rs.	69,93,597	Rs.	69,93,597

Runglee Rungliot Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts disclose a profit of Rs. 31,512 (Rs. 1,00,045). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 46,362 (Rs. 1,04,355) of which the directors have transferred Rs. 1,000 to development reserve. The directors have recommended payment of a dividend of 25 (35) per cent. leaving Rs. 10,362 (Rs. 20,355 after transferring Rs. 15,000 to hail reserve and Rs. 20,000 to revenue reserve) to be carried forward.

Tea crop was 1,56,960 lbs. as compared with 2,10,320 lbs. in 1956. Drought conditions from April to early June coupled with damage by pests and blights account for the lower outturn. The average selling price realised was Rs. 3.49 per lb. as against Rs. 3.06 per lb. in the previous year. Planted area remains at 341 acres.

Estimates for 1958 provide for a crop of 1,76,000 lbs. at an outlay of Rs. 5,47,832, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,40,000	Block ...	2,43,020
Reserves ...	5,01,653	Stock-in-trade	97,327
Provision for taxation ...	1,73,022	Stores ...	41,819
Liabilities ...	1,16,078	Debts, deposits and advances	88,539
Profit and loss account ...	10,362	Investments	3,16,547
		Cash ...	1,53,863
Rs.	9,41,115	Rs.	9,41,115

Phaskowa Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts disclose a loss of Rs. 27,149 (profit of Rs. 54,028). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 15,000 (Rs. 3,200 from provision for taxation) from revenue reserve, there is a balance at credit of the profit and loss account amounting to Rs. 6,220 (credit of Rs. 52,699) of which the directors have transferred Rs. 5,000 (Rs. 25,000) to revenue reserve to development reserve, leaving Rs. 1,220 (Rs. 8,949 after paying a dividend of 7½ per cent. absorbing Rs. 18,750) to be carried forward.

Results for the year are disappointing due to the poor price, common to most Dooars estates, which was received for teas during the past year.

Tea crop was 2,50,404 lbs., as compared with 2,41,653 lbs. in 1956. The average selling price realised was Rs. 1.75 per lb., as against Rs. 2.23 per lb. in the previous year.

Estimates for 1958 provide for a crop of 2,56,000 lbs. at an outlay of Rs. 4,57,770 including inland freight and sale charges. Planted area remains at 347.62 acres.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,50,000	Block ...	3,65,332
Reserves ...	3,74,080	Stock-in-trade	2,50,999
Provision for taxation ...	38,947	Stores ...	29,321
Liabilities ...	79,737	Debts, deposits and advances	63,209
Profit and loss account ...	1,220	Investments ...	100
		Cash ...	35,023
Rs.	7,43,984	Rs.	7,43,984

Ahmadpur-Katwa Railway Co., Ltd.

The directors of the above Company (Secretaries and Treasurers: Messrs. McLeod & Co., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1957.

The gross earnings for the year amounted to Rs. 5,52,308 while the working expenses totalled Rs. 5,20,877 as compared with Rs. 5,94,474 and Rs. 4,94,586 respectively, for the previous year. The net earnings of Rs. 31,431 (Rs. 99,888) have been carried to net revenue account. Under this account, after including share transfer fees and allowing interest payable on the loan from Government and other charges there is a net receipt of Rs. 20,717 (Rs. 89,275) which, not being sufficient to meet the amount required for guaranteed interest at 3½ per cent. per annum on share capital, calls for a total subsidy of Rs. 39,623 (*nil*) in terms of the Agreement with the Government of India. Thus, the net receipt and the Government subsidy make a net profit of Rs. 60,340 (Rs. 89,275), but after providing Rs. 37,382 (Rs. 43,407) for taxation [which includes wealth tax of Rs. 6,307 (*nil*)] a balance of Rs. 22,958 (Rs. 43,407) only is available. The directors therefore recommend payment of a dividend at the rate of Rs. 2.25 (Rs. 3.31) nP per cent. per annum (less income-tax) which will require Rs. 26,571 (Rs. 42,117), the deficit of Rs. 3,613 (*nil*) being met from reserve.

Compared with the previous year the total working expenses show a net increase of Rs. 26,291 which is mainly due to loss on foodstuff.

Coaching.—The receipts under this head amounted to Rs. 4,30,081 for the carriage of 965,598 passengers as compared with Rs. 4,58,454 and 1,029,259 passengers for the previous year.

Goods.—Earnings from this source totalled Rs. 1,01,948 for 842,066 maunds of goods as against Rs. 1,31,870 for 1,158,741 maunds for the previous year. The fall in earnings in both *Coaching* and *Goods* is due to interruption in train service as a result of the unprecedented floods.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,24,000	Block ...	16,35,476
Reserves ...	4,562	Stores ...	2,901
Provision for taxation ...	30,838	Debts, deposits and advances ...	62,058
Liabilities ...	7,89,405	Investments ...	2,13,895
		Cash ...	2,05,221
		Miscellaneous expenditure and losses	4,29,254
Rs.	25,48,805	Rs.	25,48,805

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

FOREIGN EXCHANGE SITUATION IN INDIA

"WORLD OUTSIDE WILL GIVE US THE NEEDED ASSISTANCE," AVERS MR. H. V. R. IENGAR

THE main elements of the difficult foreign exchange situation now confronting India and the measures to be adopted for solving the problem were set out by Mr. H. V. R. Iengar, Governor of the Reserve Bank of India, while addressing a meeting organised by the Progressive Group in Bombay on Monday this week. Mr. Iengar did not make any policy pronouncements but stressed that India had pursued and would continue to follow right monetary and fiscal policies with great firmness, that it did not ask for foreign assistance except under the compulsion of circumstances, that it would utilise assistance to the maximum public advantage and that it was determined to honour its obligations. He sought to distinguish the factors that have accounted for India's difficulties and place them in their proper perspective. In his opinion, "given the determination to pursue correct fiscal and monetary policies and the demonstration by the people, by disciplined endeavours, that they are behind the Government of the country in their determination to see the core of the Plan through, we are entitled to hope that the world outside will give us the needed assistance." The following is the full text of Mr. Iengar's speech:

In the last few weeks, there has been a great deal of public comment about a crisis that is said to have now developed in our foreign exchange situation. These comments have all proceeded from the fact that, according to the weekly statements of the Reserve Bank, the decline in our sterling reserves since April this year has been in the neighbourhood of Rs. 5 crores per week. Earlier this year, the rate was only Rs. 2 crores per week. The comments that were then made were jubilant; and even some business men of experience and men in public life seem to have thought that the country had somehow succeeded in meeting our foreign exchange difficulties. The tenor of recent comments has been such as to suggest that something has happened in recent weeks to introduce unexpected distortions in a situation that had become favourable. Such a view involves a misconception of the fundamentals of our situation, a misconception which leads to unwarranted oscillations of public feeling between optimism and apprehension. The plain fact is that the difficulties through which we have been passing began with the launching of the second Five-year Plan and were known to constitute one of its inherent risks. If the situation today can be described as a crisis, it is one which, whatever the ups and downs shown by weekly statistics (and there are bound to be ups and downs), will last for some time; and the country must make up its mind, both emotionally and in the ordering of its daily life, to adjust itself to it and to live with it courageously and with hope for the future.

There is nothing esoteric about the interrelation between the level of a country's external reserves and the state of its domestic economy; and it seems necessary that the subject should be publicly discussed and well understood. Ignorance leads not merely to irrational reactions but to a failure to appreciate the reasons for perfectly sound Governmental regulations. I do not think there was at any time need to treat the handling of the country's problems in the field of international finance as a 'mystique'; today all arguments point to the need for taking the public into complete confidence.

The Main Elements

I propose to set out this evening what I regard as the main elements of our foreign exchange situation. In doing so, I would like to make it clear that my object is not to make any pronouncement of policy but merely to set out, in their proper perspective, facts which are already known, though dispersed in different statements and documents. But before coming to an exposition of the current situation, it seems necessary to make a few general observations. In particular, I would like to clear a misconception that is surprisingly persistent in spite of the fact that the economic setting which might have given it any possible justification vanished several years ago.

There is a tendency to connect the level of foreign reserves with the strength of the national currency. Such a relationship had a justification during the days of the gold standard or of the gold exchange standard. As the national currency had to be redeemed in gold internally as well as externally, it was the essence of these arrangements that currency must be backed by an adequate holding of gold or foreign securities convertible into gold. Central banking under this system was largely automatic in character and there was little of monetary management. The collapse of the gold standard during the inter-war period and the experience during World War II, when there was a large increase in the monetary volume in most countries coinciding with a depletion of international reserves, led to a radical change in conception. It was increasingly realised, and is now almost universally accepted, that the main purpose of foreign exchange reserves is to enable a country to tide over unfavourable turns in its balance of payments and that the strength of a currency depends on the inherent economic strength of a country and the way it conducts its economic and monetary affairs rather than on the volume of its gold and foreign exchange backing. The general trend of central banking legislation in more recent times has been, therefore, to delink foreign reserves from the note issue and we, ourselves, have done so in an amendment put through about a couple of years ago to the Reserve Bank Act.

Issues Not to be Confused

It is necessary, therefore, in discussing the difficulties in our foreign exchange situation, not to confuse issues and to feel apprehensive about the soundness of our currency. The foundations of our economy are steadily becoming stronger day by day. Although a great deal more requires to be done, food production and the production of commercial crops have shown substantial increase since we began the first Five-year Plan. Great quantities of machinery and metals are pouring into the country; the numbers of technically trained people have been going up; and the range of our production is showing a diversification which augurs well for our becoming, within a reasonably short period, an industrial power of some magnitude. In the meanwhile, in spite of a tremendous pressure of population, the national income and the *per capita* income are both rising. In fiscal and monetary management, the authorities have shown, if I may say so, great firmness; in fact, the feeling in business circles is that fiscal policy has even passed beyond the range of firmness and austerity. In terms of the inherent economic strength of the country, the rupee is as sound as it ever was; and, indeed, all economic indicators show that the overwhelming mass of people are well aware of this. Unfortunately, there are a few people in our country who do not appreciate that our internal economic structure is, in its essential elements, growing stronger every day and, consequently, indulge in unwarranted pessimism. This is particularly surprising at a time when a distinguished member of the American administration, Mr. Douglas Dillon, is reported to have stated that the Indian rupee may within 10 or 15 years become a hard currency.

Fluctuations in Export Trade

When we talk of maintaining reserves for the purpose of meeting an imbalance in foreign trade, we mean imbalance arising out of the normal pattern of trade. Many underdeveloped countries in Latin America and Asia and even some countries like Australia which, though developed, depend upon the export of a few staple primary products, have experienced wide swings in their payments position due, as a general rule, to fluctuations in the volume and price level of their exports. Thus, variations in the volume and price of wool have caused changes in Australian export earnings from that commodity of as much as 33 per cent. in one year; variations in rubber prices have likewise caused changes amounting to 56 and 63 per cent. in the export earnings of Malaya and Indonesia, respectively; and changes in tea prices have led to a fall of over 25 per cent. in Ceylon's export earnings from that commodity. Countries in this position whose economies are predominantly based on exports of primary commodities need to keep a higher level of reserves than countries to whom exports are not of the same paramount importance.

The problem of India is structurally different in that her exports are not liable, as a rule, to variations of great magnitude, though recent developments are pointing to the need for diversification in the composition of her trade. Nevertheless, there is one element of considerable imbalance in the trade pattern, namely, the import of food. Food production in India, despite the several improvements in irrigational and other facilities, is still very much an uncertain element in our national economy. A fall of 5 per cent. in the production of food, such as has occurred in the last agricultural year, would mean a shortfall of about 3 million tons which, in turn, in the absence of special arrangements to finance food imports, means a considerable increase in the import bill. To give a few figures: the import bill in respect of food during 1951-52 was Rs. 228 crores, in 1955-56 it was only Rs. 29 crores, just about Rs. 200 crores less. In 1957-58, it rose again to Rs. 152 crores. The level of food imports is thus a major factor of instability in our balance of payments. In fact, the favourable outturn in the external payments situation in the first Plan period was largely due to the improvement in the food position in the country; and correspondingly, the recent worsening of the food position has imposed a severe strain on our balance of payments during the current Plan.

But if it was just a question of preserving a cushion against fluctuations, however erratic, in the level of food imports or the prices and volume of our exports, we would have had no particularly serious problem, no greater problem, for example, than Australia has because of the wide swings in the international price of wool, or the size of the wool clip. We would have been able to maintain a reasonable level of foreign balances; in some years, they would have come down to pay for heavy food imports or to make up the decline in exports; in other years, we may have been able to augment them. In fact, even the present level of our reserves, depleted as they are, namely, about Rs. 350 crores of gold and sterling, equals 4 months' imports on the average of the last 3 years; it compares not unfavourably with reserves which several other countries maintain and would be adequate for most ordinary situations.

Massive Development Programme

The real problem in India is that in addition to the pressure exercised on them by variations in food supply, our external reserves have been called upon to sustain a massive development programme, meaning nothing less than the rapid introduction of high level industrial technology in the country—the making of steel, of heavy machinery, including heavy electrical equipment, of machine tools, of chemicals and the like. The following figures give some idea of the impact of this programme on our balance of payments:

During 1955-56, our import bill was Rs. 751 crores; in 1956-57, it rose to Rs. 1,077 crores and in 1957-58 to Rs. 1,174 crores. This increase took place in spite of a steady fall in some items as a result of expanded domestic production; thus our raw cotton imports fell from Rs. 58 crores to Rs. 28 crores and our raw jute imports from Rs. 18 to Rs. 6 crores. The very substantial increase that took place, nevertheless, was due, apart from food, to imports of machinery and metals. From Rs. 299 crores in 1955-56, the figure went up to Rs. 442 crores in 1956-57 and to Rs. 534 crores in 1957-58, a total increase in these two years under this item alone of Rs. 378 crores. As a consequence, our sterling reserves have dropped very sharply. At the beginning of 1956-57 when the second Five-year Plan commenced, this amounted to Rs. 748 crores; in the beginning of April 1958, they were down to Rs. 267 crores. They would have dropped much more steeply if we had not had recourse to a drawing of approximately $200 million from the International Monetary Fund, to the postponement of payments for various projects by appropriate credit arrangements, and to the utilisation of U.S. Public Law 480 for the import of considerable quantities of food.

It would have required an enormous accumulation of external reserves to enable us, on our own, to finance a development programme of the magnitude that we have undertaken. Even such reserves as we did accumulate were the result of great rigours and the compulsory cutback in consumption that took place during the war—a period during which, it may be recalled, we had a famine in Bengal and lost a

few million lives by starvation. Given the basic facts of the Indian economy—a low *per capita* income, a very limited margin of saving and the rising pressure of population—there is no escape from the conclusion that large-scale industrial development would require, for some years, a good deal of external assistance—which was also historically the experience of countries which are now highly developed.

Experience of Other Countries

According to competent students of economic history, one of the major influences in the industrial revolution of the United Kingdom was the immigration of foreign settlers who brought both capital and craftsmanship. After the industrial revolution, the United Kingdom exported capital on a large scale; in the 50 years from 1825, half of this went to Continental Europe. In their turn, both France and Germany became exporters of capital, and it is these countries and the United Kingdom which were responsible for a sustained flow of capital to the United States. Japan, too, became a great industrial power with the assistance of a massive inflow of capital, a good part of it from the U.K. It is true that Russia has made gigantic strides in her industrial economy since the Revolution without the assistance of external capital investment, but two points have to be remembered in this connection. First, she inherited some elements of an industrial economy which were established between 1881 and 1913 as a result of a fairly substantial inflow of capital notably from France. Secondly, after the Revolution, the Soviet Union adopted methods for enforcing savings in consumption which would be regarded as wholly unacceptable in our country.

I am mentioning these well-known facts because their significance has not always been fully recognised in our country. There has been some tendency to think that we could achieve progress with our own strength and that it somehow involves some loss of prestige to ask for international assistance for our development programme. In the very remarkable speech which he made recently in the U.S. Senate, Senator John Kennedy said:

"It is clear that the Indian planners were somewhat optimistic about the built-in deficit and the investment necessary for bringing the plan to successful fulfilment. It is also apparent that, in the face of the serious reverses, the Government of India has preferred to lower its target, rather than to appeal to other nations for drastic increases in the levels of essential assistance. This series of cutbacks and compromises has been such as to make it impossible to paint the canvas of Indian requirements with any precision or confidence. We are all aware that India is in a period of economic crisis, but we lack a clear panorama of need."

Two Difficulties

Necessarily, much of the assistance that we can expect from abroad will take the form of loans. It is important in this context to appreciate that our external debt is moderate in relation both to our national income and to external receipts, compared to many other countries. Therefore, the economy can yet bear a considerable addition to our external obligations. But it is necessary to emphasise that these obligations have to be long-term in character. Our difficulties have been greatly aggravated by the fact that we have accumulated an excessive quantum of short-term obligations. In the short-run, our difficulties are twofold:

(*a*) we require further substantial assistance, recently estimated by the Planning Commission at Rs. 500 crores, to enable us to carry out even the core projects. This figure assumes that we shall have a reserve of Rs. 200 crores in sterling;

(*b*) we have heavy liabilities to meet between 1961-62 and 1963-64 and some means must be discovered for dealing with this problem, if a third Five-year Plan is to have a reasonable start.

From the long range point of view, taking into account the character of the development process and the role of international loans in building up a sub-structure of economic development consisting of the basic facilities of transport, irrigation and power which yield very low and slow returns in financial terms, it would be of real assistance to the development of underdeveloped countries, if international loans could be extended for comparatively lengthy periods and at relatively low rates of interest. Taking into account the long-term nature of certain imbalances in international payments, the expedient of loans repayable in local currencies has been recently employed with advantage to relieve the immediate foreign exchange incidence of international loans. While I do not by any means suggest general recourse to this expedient in international lending, it is capable of much wider application consistently with the purposes of different forms of loans from the point of view of the lender as well as the borrower.

In the situation in which we find ourselves, we must ask the question as to what steps the country should take. Theoretically, there are only four possibilities: (*a*) cutting down our development programme, (*b*) cutting down our imports, (*c*) expanding our exports and (*d*) obtaining further assistance from abroad. I am assuming, of course, that irrespective of everything else, we shall be giving the highest priority to food production so as to eliminate a factor of great instability in our import programme.

It is a common point of criticism that the Plan has been too ambitious and ought to have been framed on a more modest scale. There are people, for instance, who think that we should have planned for two steel plants instead of three, that we need not have been in a hurry about the Heavy Electrical Plant and that altogether a plan somewhat less bold would have been wise. There are even people who go so far as to think that a plan only slightly larger than the first Five-year Plan is all that the country could have afforded. At the present stage, such a discussion is purely academic. At the time the Plan was prepared, both Government and the Planning Commission and several competent economists thought that it was of the right dimensions and, indeed, the Federation of Chambers of Commerce consisting of hard-headed business men thought that it was a little too modest. What we have to do now is to assess the situation as it is today. The Plan which is being carried out consists only of the core, namely, the steel projects, the power projects, the coal projects, and the transportation. It is only Government who have detailed information about each project and who can, therefore, take a view as to the extent to which it is possible, on the ground of inadequate resources, to cut it or slow it down. In this context, it has to be remembered that a stage has probably been reached in the execution of several of these projects when to stop them would mean an enormous waste of effort and the resources that have already been put into them.

Curtailment of Imports

The most effective means of dealing immediately with a difficult foreign exchange situation is a curtailment of imports. This, in fact, is what Government have been trying to do. A heavy enough cut, however, is likely to be self-defeating, since the process of development itself may be brought to a grinding halt by a severe reduction in the imports of machinery and capital equipment. Necessarily, therefore, the main brunt of import reduction for the effective financing of the development programme must fall on imports of consumer goods or raw materials for consumer industries within the country. In considering the potentialities of this approach, it would be necessary to guard against the possibility that the maintenance of existing industrial production in the country at a minimum standard of working efficiency is not jeopardised. Moreover, with a development programme generating a large number of small new incomes, the task of restraining consumption at home and increasing the contribution of domestic resources to development is rendered more difficult. I have referred to the critical importance of food in this context. And even if food imports can be financed under special arrangements, there is a point beyond which imports of general consumer articles cannot be reduced without giving rise to further inflationary pressures. We have already witnessed substantial increases in the prices of certain imported articles; and this indicates that the possibilities of this approach have their limits.

The best method of financing an enlarged flow of imports is to maximise exports and thereby the earned receipts of foreign exchange. While, as an enunciation of a general principle, this is universally accepted, the criticism is often made that, in its practical application, we are not always giving it the paramount importance it deserves. In particular, the points are made that we are paying excessive attention to local difficulties such as shortage of domestic supplies and increase of prices for particular commodities and that, in some cases, purely domestic considerations lead to the setting up of a cost structure which make exports difficult in a competitive market. At a time when foreign exchange is the scarcest resource of the economy, encouragement of domestic consumption of articles, which could be important earn-

(*Continued on page 43*)

Notices

HOWRAH MILLS COMPANY, LIMITED

MEMBERS OF THE ABOVE NAMED Company are reminded of the General Meeting to be held at the registered office on the 4th July, 1958, at 3 p.m.

JARDINE HENDERSON, LTD.,
D. FORDWOOD,
Secretary,
Managing Agents.

4 CLIVE ROW,
CALCUTTA-1, *1st July*, 1958.

THE RELIANCE JUTE MILLS COMPANY, LIMITED

MEMBERS OF THE ABOVE NAMED Company are reminded of the General Meeting to be held at the registered office on the 4th July, 1958, at 3-15 p.m.

JARDINE HENDERSON, LTD.,
D. FORDWOOD,
Secretary,
Managing Agents.

4, CLIVE ROW,
CALCUTTA-1, *1st July*, 1958.

KAMARHATTY COMPANY, LIMITED

MEMBERS OF THE ABOVE NAMED Company are reminded of the General Meeting to be held at the registered office on the 4th July, 1958, at 3-30 p.m.

JARDINE HENDERSON, LTD.,
D. FORDWOOD,
Secretary,
Managing Agents.

4 CLIVE ROW,
CALCUTTA-1, *1st July*, 1958.

KANKNARRAH COMPANY, LIMITED

MEMBERS OF THE ABOVE NAMED Company are reminded of the General Meeting to be held at the registered office on the 4th July, 1958, at 3-45 p.m.

JARDINE HENDERSON, LTD.,
D. FORDWOOD,
Secretary,
Managing Agents.

4 CLIVE ROW,
CALCUTTA-1, *1st July*, 1958.

BRIDGE AND ROOF COMPANY (INDIA) LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Annual General Meeting of the Company a dividend of 20 per cent. for the year ended 31st December 1957.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, *25th June*, 1958.

MONEY STILL EASY

(From Our Own Correspondent)

BOMBAY, *2nd July*

The short-term money market continued to rule easy. With the slack season in full swing, the demand for bank credit slowed down considerably, while banks' cash resources improved substantially. Interest rates showed a tendency to decline, though the general pattern of rates was more or less unchanged. In the inter-bank call money section, the common rate among the Exchange banks and big Indian banks was 3 per cent. with leaders over. Some business was reported to have passed at 2¾ per cent. as well. The corresponding rate among the smaller banks was maintained at 3 per cent. House money at call was placed at 4 to 4¼ per cent. and short-term deposits continued to fetch 4¼ to 4¾ per cent. for one to six months.

The Reserve Bank of India's statement for the week ended 27th June 1958 shows a further contraction of Rs. 9.81 crores in notes in circulation, bringing the total fall in the past three weeks to Rs. 31.48 crores. Notes held in the Banking Department are higher by Rs. 70 lakhs. The consequent fall of Rs. 9.10 crores in total notes issued is covered by a drop of Rs. 10 crores in foreign securities and a rise of Rs. 90 lakhs in rupee coin. In the Banking Department, the deposits of the Central Government are better by Rs. 8.79 crores, while those of other Governments show a fall of Rs. 1.07 crores. Deposits of banks have gone up by Rs. 4.85 crores. There has been a slight increase of Rs. 62 lakhs in foreign balances, while loans and advances to Governments show a decline of Rs. 19.97 crores. Other loans and advances are higher by Rs. 5.38 crores, of which advances to Scheduled banks against usance bills account for Rs. 2.46 crores. Investments have gone up by Rs. 25.94 crores.

The Scheduled banks' statement for the week ended 20th June 1958 discloses a fall of Rs. 7.36 crores in demand deposits and a rise of Rs. 6.63 crores in time deposits. Borrowings from banks are also higher by Rs. 5.03 crores, while those from the Reserve Bank have declined by Rs. 2.72 crores. A further fall of Rs. 6.12 crores is noted in advances and of Rs. 2.04 crores in bills purchased and discounted. There has been no change in investments, but cash balances have risen by Rs. 13 crores.

Activity in the Gilt-edged market was dull during the week under review due to scarcity of offerings. However, the undertone remained firm on account of the good demand for short and medium-dated loans. 3 per cent. 1986 Conversion Loan was dull at Rs. 71.10, while 3 per cent. 1970-75 was in request and spurted by 15 nP to Rs. 87.45. 3 per cent. 1966-68 was unchanged at Rs. 93.05. 3 per cent. 1964 and 1963-65 gained 5 nP each to Rs. 95.55 and Rs. 95.60, respectively. 3 per cent. 1959-61 gathered 5 nP to Rs. 99.30. 3½ per cent. 1961 had buyers at Rs. 99.50. 3½ per cent. 1964 changed hands at Rs. 98.55, while 3½ per cent. 1965 was quoted at Rs. 98.40 *ex*-voucher, as against Rs. 98.40 before payment of half-yearly interest. 3½ per cent. 1967 had buyers at Rs. 97.55 and 3½ per cent. 1967 at Rs. 99.65. 3½ per cent. 1968 was on offer at Rs. 99.50, 3½ per cent. 1974 at Rs. 98.30 and 4 per cent. 1972 at Rs. 100.35.

There was a further weakening of the rupee in terms of the U.S. dollar during the week, in consonance with the trend of sterling abroad. Banks' selling rate of U.S. ready dollars rose from Rs. 476.75 to Rs. 478 per $100, before declining to Rs. 477.25 per $100. Likewise, their buying rate moved up from Rs. 473.50 to Rs. 474.50, but it shaded off to Rs. 474 per $100 towards the close. In New York, spot sterling declined from $2.80-11/16-2.80¾ to $2.80.7/32-2.80.9/32, before closing at $2.80¾-2.80.7/16. Three months' forward was marked down over the week from $2.78¾-2.78.13/16 to $2.78.11/32-2.78.13/32 and transferable sterling from 278.85-278.95 cents to 278.30-278.40 cents.

EXPORT SALE OF TEA RESUMED

(From Our Own Correspondent)

CALCUTTA, *1st July*

With the end of the port workers' strike, tea export auctions, suspended for the past two weeks, were resumed during this week. The export sale was held today, as Monday was a holiday. An internal sale is scheduled for tomorrow. Demand was fair in today's sale, and prices of quality teas improved.

Arrivals of tea into warehouses in the last two weeks were slower than usual, and this prevented congestion in warehouses. In view of this encouraging factor, it was believed that supply would not exceed demand and that prices of the best quality teas would continue to move upward. In the meantime, it was noted here that in Colombo auctions demand was strong, pushing up prices.

In 1957, world consumption of common teas totalled 1,436 million lbs. recording an increase of 116 million lbs. As against this, output in 1957 increased only by 38 million lbs. to 1,422 million lbs. During the current year, it is believed that more common teas have been produced so far. This assumption is based on the overall increase in crops. The output in South India during May 1958 was estimated at 18 million lbs., thus bringing the total output for the five months to May to 69 million lbs. representing an increase of 11 million lbs. compared to Jan.-May 1957. In North-East India, it is feared that a shortage for the superior teas might arise, in view of the drought and reduced output in June. In May, although production recorded an increase, quality was affected due to excessive rains.

BULLION DECLINES FURTHER

(From Our Own Correspondent)

BOMBAY, *2nd July*

There was a further setback in bullion prices during the week under review. The slackness in demand for both silver and gold, due to seasonal factors, and larger arrivals were the main bearish factors. The turn of the market in favour of sellers is indicated by the rise in the carry forward charges for silver in their favour from As. 14 to Re. 1 today and the narrowing of the *budli* in gold against them from As. 8 to *nil*. Further, as the closing price of forward gold (current settlement) today stood Rs. 5 below the starting rate for that settlement, sellers were obliged to pay a margin of Rs. 7 per tola.

Forward silver (July settlement) slumped from Rs. 183 to Rs. 181-3 and the August settlement (first delivery) from Rs. 183-13 to Rs. 182-3. The August settlement (second delivery) closed at Rs. 182-13, as against Rs. 184-5 a week ago.

Ready silver was marked down from Rs. 182-13 to Rs. 181-5. The floating stocks of silver are reported to be 500 bars. While the daily average arrivals (including unrefined metal) were of the order of 30 bars, the offtake was less than 7 bars per day on an average.

Gold for forward delivery (July settlement) declined from Rs. 107-7 to Rs. 105-12 and the August settlement from Rs. 106-15 to Rs. 105-12.

Ready gold was done today at the close at Rs. 106-10, as against Rs. 108-3 a week ago, the highest level touched being Rs. 108-8. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were about 4,000 tolas, the offtake was 2,500 tolas on an average.

In New York, the price of silver was unchanged at 88¾c. In London, silver held its ground, the ready metal at 75d. and forward at 74¾d. Gold staged a further rally from 249s. 11¼d. to 250s. 8¼d. but shed a part of the gain at close to 250s. 5¼d.

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

	2-7-58	Highest	Lowest	25-6-58
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	106 10	108 8	106 9	108 3
Forward*	105 12	107 12	105 11	107 7
Sovereign	70 0	70 8	69 12	69 12
SILVER				
Ready (.999 fine Mint) ..	181 5	183 0	181 4	182 13
Forward†	181 3	183 2	181 2	183 0
London Silver Ready ..	75d.	—	—	75d.
London Forward	74¾d.	—	—	74¾d.
London Gold	250s.5¼d.	250s.8¼d.	250s.1¼d.	249s.11¼d.
New York Silver	88¾c.	—	—	88¾c

* 2nd July settlement.
† 3rd July settlement.

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

GOOD DEMAND FOR TEA

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, *26th June*

1,588,572 lbs. were on offer in Sale No. 18, which was held on Tuesday 24th June. With the exception of a few estates which continue to have quality, teas from the highgrown estates were generally disappointing. Lower elevation estates continued to catalogue teas of rush production manufacture. The sale opened to a good demand from exporters and internal buyers. Low mediums and medium brokens were irregular, but were about steady. Similar fannings were slightly dearer. There was a useful enquiry for the good mediums at firm rates. Highgrowns were irregularly easier with the decline in quality and highgrown fannings sold rather better than the equivalent brokens. Plain and fibry sorts were the weakest feature and were neglected. Whole leaf were slightly easier. There was a renewed enquiry for tippy teas. The following are the quotations:—

	1958 Rs.
Plain B.P.	1.45
Low medium	1.45 to 1.55
Medium	1.60 to 1.75
Good medium	1.85 to 2.20
Quality	2.15 to 2.95

The average price realised in Sale No. 18 was Re. 1.90 per lb., as against Re. 1.87 in the previous sale and Re. 1.71 per lb. in the corresponding sale of 1957.

London Market:—No sale due to dock strike.

Colombo Market:—7 million lbs. strong general demand, especially fannings. Best available highgrowns substantially dearer. Others down sharply on quality. All useful liquoring fannings considerably dearer. Medium and lowgrown brokens declined 5 to 10 cents. Gulf types lower.

Export Quota:—Business has been transacted both in special and new quota and the quotation has remained fairly steady throughout the week. The latest quotation in new quota is sellers 13 nP, buyers 11 nP and business has been done at 11 nP. Special buyers 7 nP. No sellers.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:

"*Sale* 19:—1,300,000 lbs. Good demand mainly from internal buyers. Low mediums and mediums 5 to 10 nP easier. Highgrowns irregular but generally easier, following quality. Whole leaf strong demand dearer rates."

COTTON FUTURES RISE AGAIN

(From Our Own Correspondent)

BOMBAY, *2nd July*

The cotton futures market ruled distinctly firm during the week under review. The firmness reflected the optimism of operators that the Government of India would give reljef in excise duty on cloth after the Textile Inquiry Committee submitted its report. A section of traders believed that some export incentive for cotton textiles would also be forthcoming. The recent directive of the Reserve Bank to commercial banks to ease credit terms granted to the textile units was interpreted as indicting the Government's appreciation of the difficulties of the industry. There were also hopes of an export quota for cotton, at least an *ad hoc* one for China. Keen demand was reported of late from this country. It was thought that, in view of the Government's desire to promote exports as much as possible, an export quota will not take long to materialise. These considerations prompted persistent buying by mills. Investors also came forward to support the market with the result that prices staged a smart rally. The firmness of other commodity markets aided the upswing. But for reports of good rain in most of the cotton tracts, indicating the possibility of a good crop next season, and downward trend in consumption, the improvement would have been more marked. Communications from the piecegoods market continued to be discouraging.

The following table indicates the trend of prices of the contract:

(In rupees per candy of 784 lbs.)

25-6-58	*High*	*Low*	18-6-58
I.C.C. Moglai Jarilla			
(August 1958) ...	692.50	693.50	682.50	684

Trading in the spot section was, however, featureless. The volume of business was affected by heavy rains. Activity was mainly confined to staple varieties like CO2, Laxmi, Jaydhar 0394 and Jarilla. In the export section, the brisk activity noted in the past few weeks subsided. Although there were expectations of a quota for cotton, the delay in its announcement led to the demand for exportable styles like Kalyan, Wagad, Kala, etc., dropping off. Their prices, therefore, declined. A section of exporters was inclined to think that until the unutilised quota of Bengal *Deshi* and 23/32" stapling cotton, the shipment period of which had already been extended, was absorbed, further quantities would not be released for export.

In the foreign section, practically no activity was reported. Because of the increasing difficulties experienced by users of foreign cotton due to the restricted imports, importers have urged that the Government should allow the import of adequate quantities of cotton, particularly East African. Some have also suggested the conclusion of barter deals with East Africa and Sudan on the lines of the agreement signed with Egypt.

There were also reports that a part of the funds which were allocated to India under P.L. 480 and which was diverted to import of foodstuffs from the U.S. had been rediverted to cotton. This inspired belief among traders that an announcement concerning the import of American cotton, equivalent to the balance of the funds unutilised, might be made soon. There was, however, apprehension that this might rule out the possibility of importing East African cotton up to the end of August. The latest available spot quotation—in rupees per candy of 784 lbs.—from Sewri are as follows:

Bengal *Deshi* 600; Berar Jarilla 710; Khandesh 800; Oomra *Deshi* 640; Vijay 870; Hubli Laxmi 1,020; Jaydhar 870.

The declining trend noted towards the close of last week in Karachi cotton futures gathered momentum and the market ruled distinctly easy during the week under review. Overseas enquiries were not encouraging and domestic spinner demand weak. The absence of buying support in the wake of persistent pressure of selling order, resulted in a break in values. N.T.R.G. July declined from Rs. 76-4 last week-end to Rs. 74.12 and the January contract dropped, over the week, As. 11-6 to Rs. 77-14. The spot section was also easy.

Easy conditions continued to prevail in Alexandria cotton futures market during the week. Activity was at a low ebb. Prices registered a decline. Barring top qualities of Menoufi, which fetched fancy prices due to scarcity of offers, premiums for other varieties were lower. The medium-staple Ashmouni June contract expired on 30th June at 67.95 tallaris. The following are the latest available quotations—in tallaris per lb.—from Alexandria (the figures in brackets being last week's closing rates):

Karnak: July 75.10 (76.20); January 75.85 (76.95). *Ashmouni*: August 67.40 (68.10).

The Liverpool cotton futures market was steady during the first half of the week under review. The steadiness was due to firm New York advices. The market, however, turned easy on Monday due to heavy liquidation which was only partly absorbed by trade buying. Easier advices from New York, following the downward trend in prices there, also imparted weakness to the market. The Sudan contract, however, continued to be steady. The latest available quotations—in pence per lb.—from Liverpool are as follows:

American Staple One Inch Staple Contract: July-August 25.15; October-November 25.65; December-January 26.00. *American Cotton Mixed Growth Contract*: July-August 25.84; October-November 26.20; December-January 26.47; *Sudan*: July-August 31.30; September-October 31.95; November-December 31.95.

The New York futures market displayed firm conditions during the early part of the week under the influence of Commission House buying and some short-covering based on the expectation that no new farm legislation would materialise during the current session of the Congress. The demand was quickly satisfied. Later, reports of improved weather in cotton belts and the unexpected drop in mid-June parity price, prompted selling in distant position with the result that the earlier gains were erased. Traders were inclined to await further Washington developments and preferred to follow sidelines.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	1-7-58	24-6-58	17-6-58
Spot	36.50	36.35	36.25
July	36.24	36.18	36.02
October	36.48	36.70	36.53
December	36.73	36.95	36.79

STAPLE FIBRE YARN CLIMBS UP

(From Our Own Correspondent)

BOMBAY, *2nd July*

The staple fibre yarn section is in the grip of bulls and prices have registered an impressive rally, notwithstanding the margin of Rs. 100 per bale on the outstanding bull position above 100 bales. The buying spree has been fanned by fears of acute shortage of yarn in the coming months. The fears are based on two considerations. First, the production of yarn by the South Indian units will suffer a setback, thanks to cut in power supply and shortage of indigenous raw staple fibre. Secondly, the Government of India has allowed exports of staple fibre yarn within a ceiling of 1.5 million lbs. (and not 150 million lbs. as was inadvertently mentioned in our last week's report). While the supply position will thus be tight, traders expect that the demand for staple fibre yarn from handlooms and powerlooms would enlarge in future, if the Government were to extend the period of foreign exchange allocations for import of art silk yarn for the current half-year to cover the next three months, that is, October-December 1958.

In sympathy with staple fibre yarn and following reduced arrivals of imported yarn in recent weeks, the art silk yarn section presents a firm trend. The aggregate quantity of yarn actually imported into Bombay port during the month of June was not more than 1,231,843 lbs. as against 2,026,851 lbs. in the previous month. Imports of staple yarn were also lower, being 145,189 lbs., as against 317,181 lbs. Cotton yarns, however, continued to rule dull, despite firmness of raw cotton prices and reports of enlarged exports in the past month. The total shipment of yarn from Bombay port was 497,200 lbs., which compares favourably with 315,595 lbs. in May.

Staple fibre yarn August delivery jumped up from Rs. 675 last week-end to Rs. 711 today. The question of commencing business in the October position will be decided by the Bombay Yarn Merchants Association and Exchange Ltd. at its meeting to be held on the 12th inst. Spot 40 x 2 Citys rallied 41 nP to Rs. 4.19. Kohinoors forged ahead from Rs. 3.84 to Rs. 4.44. Centurys spurted by 43 nP to Rs. 4.19. Among foreign yarns, 80 x 2 Paramounts advanced by 25 nP to Rs. 9.12. Fujis strengthened by 12 nP to Rs. 9.12.

Art silk yarns were well favoured at higher rates. 150 Japan climbed up from Rs. 6.59 to Rs. 6.94. 120 Japan hardened by 12 nP to Rs. 7.12. 150 Italy put on 12 nP to Rs. 6.87. 120 Italy was fully maintained at Rs. 7. Among indigenous yarns, National Rayons 120 bright cones first grade rose by 19 nP to Rs. 6.69. 150 bright cones first grade was firm at Rs. 5.62 today.

Cotton yarns, as already stated, ruled dull. Ten counts were neglected, Moderns being quoted at Rs. 13.50 and Podars at Rs. 12.62. Twenty counts were also dull. Indus were unchanged at Rs. 16.37, as also Moderns at Rs. 16.50 and Gokaks at Rs. 16.75. Thirty counts Hinds were quoted today at Rs. 19.50, same as last week. Forty counts Meenakshis came in for selling and declined by 13 nP to Rs. 25.12. Moderns were quiet at Rs. 24. Sixty counts Moderns were neglected at Rs. 60. Among 80s, Mahendras encountered selling and dropped 50 nP to Rs. 69. Moderns and Finlays were unaltered at Rs. 69.50 and Rs. 76, respectively.

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

	2-7-1958	25-6-1958
	Rs.	Rs.
Art silk yarn **(per case of 200 lbs.)—**		
120 Japan (per lb.)	7.12	7.00
150 Japan (per lb.)	6.94	6.69
120 Italy (per lb.)	7.00	7.00
150 Italy (per lb.)	6.87	6.75
Staple fibre yarn **(per case of 200 lbs.)—**		
40 x 2 August	711.00	675.00
40 x 2 Kohinoor (per lb.)	4.44	3.84
40 x 2 City (per lb.)	4.19	3.78
Cotton yarn **(per bundle of 10 lbs.)—**		
10s Podar	12.62	12.62
20s Modern	16.50	16.50
30s Hind	19.50	19.50
40s Minaxi	25.12	24.25
60s Modern	60.00	60.00
80s Mahendra	69.00	69.50

EXPORT DUTY ON GROUNDNUT AND CASTOR OILS CUT

(From Our Own Correspondent)

BOMBAY, *2nd July*

The expectations of oilseeds traders have proved correct. The Government of India has removed, with effect from the 1st inst., the export duty of Rs. 150 per ton on groundnut oil and of Rs. 100 per ton on castor oil. The decision, though it is welcomed, is considered to be belated. Indeed, a section of traders feels that, despite the abolition of export duty on groundnut oil, no large overseas sales can be effected, barring some business in small quantities with Burma and Middle East countries. This view is based on the wide disparity between the Indian and world prices. The shippers' quotation (exclusive of export duty) for groundnut oil in the local market is around Rs. 19.70 per quarter (c.i.f. U.K. and Continent), as against the currently ruling price of Rs. 16.34 abroad. The latter price is said to be the lowest since 1955 and it would appear that the prospects of a further drop are slender. As regards castor oil, the removal of excise duty has certainly enhanced the competitive capacity of Indian oil in world markets. It is, however, pointed out that, even with the abolition of duty, there may not be any marked increase in export business, what with competition from Brazil, especially in the U.S. The export price of commercial quality castor oil now stands at Rs. 18.67 per quarter (c.i.f. New York), whereas the rate offered by the U.S. traders is not more than Rs. 18.10. Brazil is reported to be selling castor oil at about Rs. 17.70. The U.K., the Continent and the communist countries, however, are expected to make larger purchases of Indian castor oil.

The oilseeds market, which ruled depressed during the major part of the week, sprang to activity yesterday, following the announcement of removal of export duty on groundnut oil and castor oil. There was good buying support in all the sections and prices registered handsome gains. The upward trend gathered further momentum today, although, towards the close, there was some reaction on account of profit-taking. Not only were the previous losses completely made up but today's closing rates were higher than those at the end of last week.

Groundnut August contract ruled depressed during the major part of the week under review. The quotation declined from Rs. 172.75 on the opening day of the week to Rs. 171 on the 30th June. Following the abolition of export duty on groundnut oil announced yesterday, the contract received excellent support and advanced to Rs. 173.75 today. At higher levels, profit-taking set in and the rate declined to Rs. 172.37 at the close. Over the week, Bold ready rallied 62 nP to Rs. 36.62. Coromandel and Khandesh quality, which had declined from Rs. 36.75 to Rs. 36.50 and Rs. 36.62, respectively, on Monday, recovered to Rs. 36.75 today. Groundnut oil ex-mill spurted from Rs. 19 to Rs. 19.25 yesterday, but recovered to Rs. 19.12 today on belief that no large-scale export business was possible, notwithstanding the abolition of export duty. Railway receipt was fully maintained at Rs. 18.87 in the first two sessions and, after declining to Rs. 18.62 on Monday, moved up gradually to touch Rs. 18.87 today.

Castorseed September contract encountered selling in the earlier part of the week, with the rate receding from Rs. 156 to Rs. 153.37 on Monday. The abolition of the export duty on castor oil induced fresh buying support in the contract which was pushed up to Rs. 157.37 today before finishing lower at Rs. 156.25. Ready Madras registered a gain of 90 nP to Rs. 30.25. Kanpur quality, which had gone down from Rs. 29 to Rs. 28.56, recovered to Rs. 29 today. Castor oil B.S.S. was subjected to selling pressure in the earlier part of the week and dropped from Rs. 16.75 to Rs. 16.44 on the 30th June. Thereafter, it picked up strength and moved up to touch Rs. 16.81 today. Commercial quality, after declining from Rs. 15.44 to Rs. 15.19, recovered to Rs. 15.37 yesterday and further to Rs. 15.50 today.

Linseed September contract had good support and rose from Rs. 32.69 to Rs. 32.94 today. Towards the close, however, it was lower at Rs. 32.62. Bold ready picked up 25 nP to Rs. 32.25. Linseed oil, after receding from Rs. 16.69 to Rs. 16.50, received good buying support today, the closing rate being Rs. 16.75.

Cottonseed September contract spurted from Rs. 114.50 to Rs. 115.50 today but wound up a shade easy at Rs. 115.25.

Among other seeds, kardiseed bold ready, which had suffered a setback on selling pressure earlier, evoked enlarged buying enquiries today. The rate which stood at Rs. 20.25 last week-end declined to Rs. 19.25 on the 30th June, but recovered subsequently to Rs. 20.50 today. Nigerseed Madras quality fluctuated between Rs. 29.00 and Rs. 30.50 before finishing at Rs. 30.

The following table shows the closing prices of oilseeds and oils today as compared with those a week and two weeks before:

	2-7-1958	25-6-1958	18-6-1958
	Rs.	Rs.	Rs.
Groundnut—			
August 1958	172.37	171.75	168.75
Bold ready (per cwt.)	36.62	36.00	35.25
Linseed—			
Sept. 1958	32.62	32.69	32.31
Bold ready (per cwt.)	32.25	32.00	31.75
Castorseed—			
Sept. 1958	156.25	156.00	157.62
Madras (per cwt.)	30.25	30.06	30.37
Cottonseed—			
Sept. 1958	115.25	114.50	113.75
Groundnut oil**—			
Ex-mill ready (per quarter)	19.12	19.00	18.75
Castor Oil†—			
Commercial (per quarter)	15.50	15.44	15.87
Linseed oil†—			
Ready	16.75	16.69	16.37

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

SUGAR WEAK

(From Our Own Correspondents)

BOMBAY, *2nd July*

The sugar market, which had ruled distinctly firm last week, has again turned bearish this week. The jobbers are eager to unload the large holdings they had accumulated earlier in the hope of realising higher prices. For they are disappointed at the Government's decision to restrict exports of sugar only to 50,000 tons during the current season. The slackness in movement of sugar to consuming centres on account of rains and the impending normal monthly release for sale in free market have also imparted weakness. The ex-mill quotations for both North Indian and Bombay-Deccan sugars are lower by a rupee per bag. Consequently, sugar prices have suffered a setback.

Arrivals of sugar into the city by rail during the week were larger than those in the previous week; they aggregated 11,800 bags, as against 7,900 bags.

Large grain sugar dropped Rs. 2 to Rs. 110-Rs. 116 per bag. Medium grain fell by a rupee to Rs. 107-Rs. 109. Small grain declined by a like amount to Rs. 105.50.

* * * *

HAPUR, *30th June*

Following the announcement of the much-awaited export policy for sugar towards the week-end by the Government of India, sugar prices which had registered a bullish trend in the last few weeks turned bearish and ex-mill delivery prices recorded a fall of As. 4-As. 6 per maund. The Government of India has decided to release 50,000 tons of sugar for export during the current season ending on 31st October 1958, while the export policy lays down that the quantity exported in any year should not exceed in the aggregate 15 per cent. of the quantity of sugar produced in the country in the season. The exports will be canalised through the Indian Sugar Mills' Association, Calcutta, which has been appointed as the exporting agency. Contrary to speculation, no provision has been made for subsidising, through an increase in excise duty or cess, exports, which, because of world prices, can only be made at a loss.

The hopes of additional levy for promoting sugar export having been belied, the ex-mill delivery prices declined towards the week-end. The earlier expectations that sugar exports would be allowed to the extent of 10 per cent. of the entire production (roughly 2 lakh tons) did not also prove correct This, too, acted as a dampening factor for sugar prices. The latest ex-mill delivery prices in the Muzaffarnagar market were: Meerut (D28) Rs. 36.87; Bijnore (E29) Rs. 36; Mansurpur (C29) Rs. 38.25; Daurala (C29) Rs. 37.75; Shamli (C29) Rs. 37.50; Modinagar (C29) Rs. 37.35; Amroha (D29) Rs. 36.12; Dhampur (B29) Rs. 36.12; Iqbalpur (C29) Rs. 37.75.

Sugar prices at Kanpur showed an immediate change following the Government's announcement of export policy. The latest prices, spot and ex-mill, respectively (per bag and per maund) were: (C29) Basti Rs. 106 and Rs. 37.50; Gola Rs. 103.50 and Rs 36.75; Gola Rs. 102.50 and Rs. 30.50; Waltergunj Rs. 102 and Rs. 36.50; Hargaon Rs. 101.75.

Fairly good demand from consuming centres accounted for an offtake of 5,000 maunds of *gur* during the week, reducing the local stocks to 70,000 maunds. The prices of dry quality improved slightly to be quoted at Rs. 20.75 per maund. *Kotha* dry-wet quality was quoted at Rs. 18.75-Rs. 19.50.

The fairly heavy rains received during the week has proved very beneficial to the standing cane crops.

Demand for *Chaku gur* remained poor during the week in the Muzaffarnagar market and prices were mostly unchanged. Dry quality *gur* was quoted at Rs. 21.50-Rs. 22 per maund. *Shakker dara* gained half a point per maund on good buying enquiry from Punjab and Rajasthan.

Khandsari prices improved by Re. 1 per maund to be quoted at Rs. 32-Rs. 35.50 per maund.

Future *gur* prices which had recorded sharp gains earlier in the week, influenced by revival of early sugar export prospects, declined towards the week-end, following heavy rains and on the announcement of sugar export policy. Fagun delivery opened at Rs. 13.49 on last Monday and touched in successive sessions the highest at Rs. 14.19, but declined to Rs. 13.63 today.

BLACK PEPPER ADVANCES

(Messrs. Parekh and Co.)

BOMBAY, *2nd July*

Following buying at advanced prices by New York, Malabar black pepper showed a rising tendency during the week. New York was reported to have paid $0.25 to $0.26 for early July. Alleppey improved to Rs. 637½, while garbled in ready at Cochin was done at Rs. 110. There were short-covering and bull buying for July and August deliveries at Rs. 114 and Rs. 116, respectively. Calicut was firm at Rs. 700, where exporters were buying Tellicherry pepper. Prices for white and black pepper at Singapore advanced to Str.$129 and Str.$74, respectively, under pressure of short-covering induced by small arrivals from Sarawak.

Spot in New York rose from $0.25½ to $0.27, showing tight position in ready, following some detention.

A section of the trade, which was doubtful as to the veracity of the earlier estimate of new crop

Sarawak at 10,000 tons, seemed to be now veering round the opinion that the crop would be really smaller, as pressure of new arrivals was lacking even at this time of the season.

The future of the market depends upon the buying policy of New York dealers who shall have to follow the advance in India for their requirements of black pepper, if Sarawak crop really turns out to be smaller, since Sarawak is sure to produce more white out of their black because of a high premium of about Str.$55 for white over black.

The forward market at Cochin seems to be now under the control of bulls who are not slow in exploiting even small enquiry from New York. But, if Cochin thus continues to rise above the foreign parity, exports from India will be affected. In future, in case of any reactionary downward trend in other markets, Malabar black would be then more vulnerable, owing to the present speculative long position created by bulls.

In specific delivery, July delivery improved to Rs. 650.

In the A.S.T.A., July and July-Aug-Sept. are nominally quoted at $0.26½, but without business as sellers and buyers are cautious.

Today's nominal quotations are: Ready Rs. 90 per Bengal maund, July Rs. 650-Rs. 660 per candy of 5¾ cwts.

JUTE GOODS IMPROVE

(From Our Own Correspondent)

CALCUTTA, *1st July*

The end of the port workers' strike and the lifting of import restrictions in regard to hessian by the Argentine, followed by sizable purchases by shippers for shipment to that country, boosted up sentiment in the jute goods market during the week under review, and prices of hessian constructions recorded an impressive recovery. Hessian 40" 10 oz. was raised far above the I.J.M.A. floor price, and, in sympathy, heavy goods also advanced, although B. twills had not as yet risen up to the minimum level. Earlier in the week, considerable anxiety prevailed in the market, since it was feared that the relaxation of import restrictions on hessian by the Argentine Government might not be of any utility, if the dock strike continued. This state of affairs caused depression and for a time unnerved even powerful speculators who had bought heavily following the news from Argentina.

This was soon followed by the New York report, which recorded a fall of 4 million yards to 65 million yards in the United States in burlap consumption in May, as compared to April. The average U.S. consumption in the five months to May has been 69 million yards, as against 70 million yards in the corresponding period of 1957. The decline should be attributed to the economic recession in the United States. It was noted that U.S. burlap stocks as at the end of May had declined to 240 from 242 million yards in April. Stocks at the end of May 1957 were as high as 261 million yards.

The market for jute goods opened with a declining tendency on Tuesday last in view of the selling pressure in the *fatka* market. Ready B. twills fell to Rs. 97.75 from Rs. 98.15, and hessian 40" 10 oz. to Rs. 40.65 from Rs. 40.80. Mills were sellers in the forward position, and this factor only accelerated the pace of the falling trend. On Wednesday, a further decline in prices was recorded, but the fall was checked by reports of possibility of resumption of work by port employees. B. twills ready were lower at Rs. 97.55 and hessian 40" 10 oz. at Rs. 40.70. Oct-Dec. B. twills declined to Rs. 99.90, while hessian 40" 10 oz. Oct.-Dec. gained to Rs. 40.70 from Rs. 40.60. The end of the port workers' strike soon followed, and by Friday ready B. twills had advanced to Rs. 98.05 and ready hessian 40" 10 oz. to Rs. 41.25. Fair business was done in hessian with the Argentine, and more business was anticipated. There was no trading on Saturday as well as on Monday, being public holidays, and the reopening today witnessed fully steady conditions.

Mills evinced fair interest in raw jute. In the meantime, more rains fell in jute districts, and although favourable reports of the new crop were received, raw jute prices continued to rise. Local daisee bottoms, June-July, advanced to Rs. 29 from Rs. 28.75. At one time, mills attempted to depress quotations by discounting, but sellers were reserved.

TIN MOVES UP

(From Our Own Correspondent)

CALCUTTA, *1st July*

The impressive feature during the week under review in the metal market was the smart rise in the price of tin, following good demand and limited supply. The end of the strike by port workers was hailed; unloading work was gradually improving.

From Rs. 522, tin spurted to Rs. 575. A fair quantity changed hands. The quotation in Bombay moved up further. There was no change in Singapore, and the upward trend there was attributed to pressure on supplies. Lead advanced from Rs. 63 to Rs. 65, following encouraging advices from the London Metal Exchanges. Electrolytic zinc hardened from Rs. 59 to Rs. 65.50. There was fair demand. In addition to this factor, prices in both London and New York rose, consequently on the stockpiling plan in the U.S.A. In both London and New York, copper rose, and it was reported that the increased consumption prospects in the U.S.A. as well as stockpiling requirement there would push up prices.

LINSEED FIRM

(Messrs. A. Bradley and Co.)

CALCUTTA, *1st July*

A very firm tendency prevails in the linseed market and a further rise has been recorded in all sections. The main causes are shortage of supplies, and firmness in mustard and groundnut markets. Movement of new crop seeds has been very slow in the centres and local offerings are very meagre, whilst ready supplies are negligible. An advance of Re. 1 in the price of seeds has resulted in a disproportionate advance of only As. 8 in the price of oil, further upsetting crushers' parities. Linseed oil overseas has improved slightly to £110, with Indian shippers coming nearer into line now.

The latest available quotations are: Ready Rs. 24 and July-August Rs. 24-4 per maund.

KIPS STEADY

(From Our Own Correspondent)

MADRAS, *30th June*

There has been no change in the kip market nor in the U.K., except that the importers, finding Madras adamant, have improved their prices for lightweight cow hides by a penny per pound. Arrivals are small and shippers who have orders to cover are active and this has lent a steadier tone to the market.

Arrivals of tanned buff hides have been taken up by exporters to the U.S.A. There is good inland demand for low grade tanned hides and calves.

The tanned goat and sheep skins market is steady and E.I. tanners have been operating keenly in the raw centres with the result that prices are ruling firmer.

The dock labour strike has been called off, and shippers heave a sigh of relief, as they have been put to great anxiety, and some to financial troubles.

FOODGRAINS QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, *30th June*

Quietly steady conditions continued in the foodgrain market during the week. The Government of India has taken measures to check the rising trend in prices. It has assumed powers to seize wheat stocks under the Essential Commodities Act in U.P., Rajasthan and Madhya Pradesh. The powers have been extended to cover rice stocks in Bihar and U.P. Besides this, there has been sizable release from the Government stocks. In U.P., the State Government, aided with heavy supplies from the Centre, has increased the number of fair-price shops in the eastern part and also opened them in five big *kasal* towns of the State, as well as in some other important district headquarters. All these measures, together with fairly good rains received during the week which will enable sowings of *kharif* crops and paddy in large-scale, have halted the rising trend of grain prices.

Wheat at Hapur ruled quietly steady during the week to be quoted at Rs. 17.50 per maund for *dara* quality and at Rs. 18.75 for farm produce. Daily arrivals continued to be small at an average of 300 to 400 maunds, but some occasional wheat was also being received from Punjab. The local wheat stock was small at three *khatties* only, the corresponding figure last year being 43 *khatties* and 83 *khatties* in 1956.

Rice recorded a gain of Re. 1 per maund during the week, due to shortage of supplies. The prevailing prices were: *Basmati sela* Rs. 40 to Rs. 42.50; *mainpuri* Rs. 28.75; coarse Rs. 25.50 per maund.

Gram continued to rule steady on firm Punjab advices. Local stocks improved slightly to 48 *khatties*. Barley and *bejhar* moved up, due to poor local stocks, while *jowar* and *guwar* were steady, thanks to heavy demand for seeds. The latest prevailing prices (in rupees per maund) were: Gram 12.94 to 13.06; barley 13; *bejhar* 12.37; *jowar* 14 to 16; *guwar* 17.

Good outside demand mostly in the form of pulses accounted for steady conditions in the prices of peas and *arhar* during the week. Daily arrivals were lower, the average being 400 and 150 maunds, respectively, and local stock was put at 187 *khatties* of peas and 145 *khatties* of *arhar*. *Urd* and *moong* improved, due to poor local stocks. The prevailing week-end prices (in rupees per maund) were: Peas *dara* 11.62; white farm 12.19; peas *dal* 13; *arhar* 14.75; *arhar dal* 19; *urd* 19 to 20.50; *moong* 25; *massoor* 15.75 to 16.50.

After moving both ways in speculative bouts of buying and selling, pulses futures recorded an easy trend on bear pressure influenced by good rain reports. The latest quotations on Monday were: Peas *bhadon* Rs. 11.65; *arhar bhadon* Rs. 14.73; *urd maha* Rs. 17.

Fairly good rains have been received all over the region and prospects of *kharif* crops have brightened.

HIDES FEATURELESS

(From Our Own Correspondent)

KANPUR, *30th June*

During the week under review, the hides and skins market ruled featureless. New arrivals were not plentiful. The purchasers were not inclined to purchase inferior variety. The main transactions were effected by the local tanners.

The latest available quotations are: Wet salted cow, 1st grade Rs. 360, 2nd grade Rs. 240 and 3rd grade Rs. 170 per score; wet salted buff, 1st grade 1 lb. 12 oz. and 2nd grade 1 lb. 10 oz. per rupee: goat, 1st grade Rs. 275 to Rs. 300 and 2nd grade Rs. 265 per 100 pieces; sheep, 1st grade Rs. 275 and 2nd grade Rs. 250 per 100 pieces.

TEXTILES

(Concluded from page 12)

Lancashire that we should come to some sensible arrangement and come to it voluntarily. If it is not voluntary, then very serious consequences can occur throughout the whole of our world." Incidentally, Sir David emphasised that the British business men should buy more from China, so that China would have more sterling with which to buy British goods.

Speaking earlier, Mr. John Keswick, Chairman of the China Association, explained the position of Hongkong textiles. After referring to the controversy over limiting the importation of Hongkong-made textiles, he remarked: "Unfortunately, too many of Hongkong's critics have been using smear tactics." He then made the following points:

Last year's trade figures show that Britain had a surplus of £21 million in its trade with Hongkong. Every new country with a natural desire to attain economic independence immediately set up a textile industry and the efficient mills in Lancashire recognise this and meet it. Most of the imports from Hongkong are finished in the U.K. for re-export. Restricting such imports will simply drive such places as Hongkong into the finishing trade, which it is, indeed, beginning to do. Lancashire has 28 million spindles, while Hongkong has only 300,000. In Manchester, they spin but do not always toil. But, in Hongkong, they both spin and toil. The Chairman added: "I wish the people of Lancashire toiled more."

In the course of his speech, Sir Alexander Grantham, former Governor of Hongkong, stated that the people of Hongkong thought that Lancashire's campaign against them (in regard to textile imports) was entirely unjustified and extremely unfair. The Colony, according to him, has suffered more than anyone else from the U.N. embargo on trade with China on which Hongkong depends so much. Hongkong had accepted the embargoes, but had to turn to its own industrial production, even though it was facing a flood of refugees. Sir Alexander declared that the mother country should be prepared to help the people of Hongkong which is "one of the marvels of the world and is an example to the world of what could be done when a country gets rid of isms and ocracies."

Notice

BURN AND COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting (being the sixty-fourth Ordinary General Meeting) of the Company will be held on Thursday, the 31st July, 1958, at 11 a.m., at the registered office, 12, Mission Row, Calcutta, to transact the following business:

1. To receive and adopt the audited accounts for the year ended 30th April, 1958, and the Directors' and Auditors' Reports thereon.
2. To declare a dividend. (The dividend, if declared, will be paid on or after the 4th August, 1958, to the Shareholders whose names are on the Company's Register on the 31st July, 1958, or to their mandatees.)
3. To appoint a Director in place of the retiring Director. In this connection notice is hereby given that Special Notice as defined in Section 190 of the Companies Act, 1956, has been received by the Company under Section 261 of that Act to move the following resolution as a Special Resolution at the meeting.

   "That Mr. K. L. Ganguly, the retiring Director, who is an associate of the Managing Agents of the Company, be and is hereby appointed a Director of the Company."
4. To appoint Auditors and fix their remuneration.

The Ordinary Share Register of the Company will be closed from the 23rd July, 1958 to the 31st July, 1958, both days inclusive.

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

By Order of the Board,

MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Director,
Managing Agents.

CALCUTTA, *5th July*, 1958.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1955	4½	5
Belgium	31st Mar., 1958	5½	4½
Bolivia	30th Sept., 1950	6	6
Burma	Feb., 1948	3	3
Ceylon	11th June, 1954	3	2½
Chile	May, 1957	5½	6
Colombia	18th July 1922	6	4
Costa Rica	1st April 1954	4	5
Denmark	19th April, 1958	5½	5
Ecuador	13th May, 1945	7	10
Egypt	16th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	12th Aug., 1957	4	5
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	30th Sept., 1957	5	4
Italy	7th June, 1958	4	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1958	2½	3
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1956	4	4½
Spain	22nd July, 1957	4½	5
Sweden	3rd May 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	3	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th June, 1958	5½	5
U.S.S.R.	1st July, 1936	4	4
U.S.A.	18th April, 1958	2½	1½‡
West Germany	27th June, 1958	3½	3

‡ Five Federal Reserve Banks have lowered the rate.

CLEARING HOUSE RETURNS

Centre	Week ended 27th June, 1958		Week ended 20th June, 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,71,545	57,27,53,000	3,02,202	69,54,17,000
Calcutta	1,63,000	56,77,00,000	1,63,000	58,65,00,000
Madras	88,000	9,48,00,000	89,598	8,99,41,206
All Centres—1956-57	..	..	40,003,000	87,23,03,00,000
1957-58	..	..	41,637,000	89,51,12,00,000
Feb., 1958	..	..	3,535,000	7,64,27,00,000
Mar., "	..	..	3,781,000	8,72,29,00,000
Apr., "	..	..	3,828,000	7,90,69,00,000

Reserve Bank of India

Statement of Affairs for the week ended 27th June, 1958

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	20,00,00,000
National Agricultural Credit (Stabilisation) Fund	2,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	58,69,23,000
(2) Other Governments	14,17,17,000
(b) Banks	98,52,05,000
(c) Others	112,70,80,000
Bills Payable	15,94,73,000
Other Liabilities	50,42,42,000
Rupees	457,56,00,000

Assets	Rs.
Notes	39,21,58,000
Rupee Coin	8,57,000
Subsidiary Coin	1,86,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	69,26,000
Balances held abroad*	18,03,54,000
Loans and Advances to Governments	26,65,85,000
Other Loans and Advances	60,51,42,000
Investments	293,09,68,000
Other Assets	19,24,22,000
Rupees	457,56,00,000

* Includes Cash and Short-term Securities.

The item "Other Loans and Advances" includes Rs. 14,21,97,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	39,21,58,000	
Notes in circulation	1577,10,25,000	
Total Notes issued		1616,31,83,000
Total Liabilities		1616,31,83,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	199,67,56,000	
Total of A		317,43,59,000
B. Rupee Coin		181,32,21,000
Government of India Rupee Securities		1167,56,03,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1616,31,83,000

Scheduled Banks*

Statement of Affairs for the week ended 20th June 1958

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	25,86,00,000
(ii) Other demand liabilities	717,38,31,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	30,00,97,000
(ii) Other time liabilities	776,45,81,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	3,45,06,000
(ii) Time liabilities	1,06,00,000
Borrowings in India from the Reserve Bank of India†	12,71,42,000
Cash in India	(11,75,97,000)
Balances with the Reserve Bank in India	88,98,33,000
Balances with other banks in current account in India	90,24,32,000
Money at call and short notice in India	11,88,76,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	56,40,87,000
Advances in India	484,79,90,000
Inland Bills purchased and discounted in India	762,85,96,000
Foreign Bills purchased and discounted in India	102,99,21,000
	38,81,35,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

EXCHANGE RATES

		1st July 1958	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months	s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	s.	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477.50	476.25
Buyers T.T.	Rs.	474.25	473.50
London on New York	$	2.80½-2.80¾	2.80⅛-2.80⅜
London on Paris	Frs.	1.1781	1.1781
London on Berne	Sw. Frs.	12.21¼-12.21¾	12.22⅛-12.22½
New York on London	$	2.80⅛-2.80¾	2.80⅛-2.80⅜

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India†	'56-'57	387.66	..	11,019	284
Pakistan††	'56-'57	83.50	..	2,079	249
Burma	1955	19.48	Kyats 4,067	499	210
Ceylon	1955	8.88	..	475	567
Japan	1956	99.00	Y. 7,437,900	9,295	1,031
Philippines	1955	21.85	Ps. 7,984	1,873	857
New Zealand	1956	2.17	£ (N.Z.) 364	1,178	5,428
Australia	1956	9.40	£ (A.) 4,228	4,623	4,918
U.K.	1956	51.20	£ 16,445	21,915	4,327
U.S.A.	1956	168.00	$ 348,000	163,554	9,731
Canada	1956	16.00	$ 22,710	10,787	6,742
France	1956	43.60	F.Fr. 13,990,000	17,640	4,045
W. Germany	1956	51.50	Dm. 147,900	16,889	3,279
Italy	1956	48.10	Lr. 11,476,000	5,760	1,821
Norway	1956	3.45	Kr. 20,990	1,498	4,358
Sweden	1956	7.30	Kr. 44,500	4,127	5,658
Netherlands	1956	10.80	Grs. 25,400	3,215	2,977
Denmark	1956	4.45	Kr. 24,980	1,690	3,789
Switzerland	1956	5.00	Sw. Fr. 34,700	2,714	5,428

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: *International Financial Statistics*, November 1957.

† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.

†† According to budget-speech of Pakistan Finance Minister.

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	20th June 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1586.91	1604.98	98.69	1559.24
Notes held in Banking Department	35.05	38.51	19.01	26.48	36.41
Foreign Securities	59.80	209.68	209.68	209.68	412.52
Rupee Securities	37.39	1167.56	1167.56	1167.62	989.81
Banking Department					
Deposits of:					
Government of India	14.89	49.90	51.42	76.06	53.45
Other Governments	..	15.25	13.36	16.49	2.90
Balances held abroad	10.08	17.42	23.61	38.40	51.86
SCHEDULED BANKS					
Demand Liabilities	134.36	743.20 (25.86)†	750.85 (26.15)†	740.56 (15.72)†	711.66 (10.17)†
Time Liabilities	103.24	806.47 (30.06)†	794.80 (24.07)†	793.11 (16.49)†	551.04 (4.16)†
Borrowings from Reserve Bank	..	12.71 (11.76)‡	15.44 (14.40)‡	21.16 (20.08)‡	64.40 (62.08)‡
Borrowings from State Bank	6.70	4.50	5.32	5.84	5.70
Cash in India		38.98	38.80	38.56	40.01
Balances with Reserve Bank	25.17	90.24	77.43	60.38	68.06
Excess over statutory limits	15.52	36.90	24.00	16.50	21.46
Balances with other banks in current account in India	..	11.89	12.03	11.68	10.16
Money at call and short notice in India	..	56.41	56.03	56.29	18.41
Investments at book value)	..	484.80	484.85	439.86	332.60
Advances and bills	105.09	904.66	918.82	934.15	920.22
STATE BANK					
Deposits	67.76	417.81	420.74	416.21	307.64
Investments	51.99	206.90	206.77	170.93	105.51
Advances	30.35	186.57	189.99	198.67	183.80
Cash	14.69	33.53	27.78	26.79	31.13

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R = Revised.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	February		Eleven months April to Feb.,	
	1957	1958	1956-57	1957-58
Import Duties:				
Revenue	10.41	10.05	116.08	127.70
Protective	0.99	1.24	11.49	10.23
On surplus disposals	0.07	—	0.11	0.11
Total import duties	11.47	11.29	127.68	138.04
Export Duties	2.67	1.60	28.14	22.40
Land Customs	0.25	0.20	2.27	8.57
Air customs	—	0.10	—	1.94
Miscellaneous	0.09	0.11	1.04	1.40
Gross total customs	14.48	13.30	159.18	167.34
Refunds and drawbacks	0.65	0.49	2.74	4.26
Net Customs	13.83	12.81	156.30	163.18
Gross excise	15.04	25.11	171.14	215.81
Refunds	0.34	0.20	2.09	8.62
Net Excise	15.30	24.91	169.05	242.79
Net total of customs and excise†	29.13	37.72	325.44	405.97

† Net Customs plus net Excise.

* Figures for Air customs prior to August 1957 not available.

State Bank of India

Statement of Affairs for the week ended 27th June 1958

Capital and Liabilities	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		0,62,50,000
Borrowings from Other Banking Companies, Agents, etc.		424,12,43,000
Bills Payable		
Bills for Collection being Bills Receivable as per contra		6,20,14,000
Acceptances, Endorsements and Other Obligations per contra		90,35,000
Other Liabilities (including Inter-Office Adjustments)		6,17,27,000
Total ..	Rs.	450,46,76,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		30,18,28,000
Balances with other Banks		3,21,57,000
Money at Call and Short Notice		1,33,33,000
Investments	Rs.	
Government and other Trustee Securities	106,20,60,000	
Other Authorised Investments	10,63,00,000	
		206,83,60,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	166,69,28,000	
Bills Discounted and Purchased	17,25,43,000	
		183,94,71,000
Bills Receivable being Bills for Collection as per contra		90,35,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		75,57,000
Premises less Depreciation		1,19,74,000
Furniture and Fixtures less Depreciation		89,01,000
Other Assets (including Inter-Office Adjustments)		12,19,67,000
Total ..	Rs.	450,46,76,000

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A	7-Year B	12-Year B	12-Year National Plan Savings Certificates C		Post Office Savings Bank Deposits		10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings H	10-Year Treasury Savings Deposit Certificates 3½% F		4% G		15-Year Annuity Certificates G		Total	
	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Outstandings		Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings M
1955-56	6.83	3.26	84.17	..	..	115.35	32.93	..	—31.07	25.64	..	..	..	..	146.82	311.93
1956-57	5.91	4.26	104.28	..	..	117.37	106.29	..	—34.20	33.11	..	..	..	..	152.71	352.96
1954-55	4.70	4.99	124.64	..	..	134.94	139.36	..	—37.13	37.15	..	..	..	..	177.35	419.29
1955-56	3.76	5.48	144.37	..	..	158.11	167.85	16.38	—37.66	41.25	..	..	55	54	202.52	510.26
1956-57	3.00	6.01	163.66	..	..	176.97	196.50	25.38	—36.82	44.28	..	..	45	1.32	223.88	580.04
1957-58	2.33	4.73	143.59	71.39	71.39	172.40	207.06	28.18	—39.71	43.58	5.88	5.88	63	1.87	256 80	604.33
1957																
July	2.74	5.61	162.26	5.20	5.20	15.03	209.57	26.16	—39.11	44.4	62	1.24	4	1.39	29.72	452.77
August	2.68	5.49	160.35	5.82	13.51	13.84	201.66	25.61	—39.18	44.37	52	1.76	3	1.42	17.91	444.90
September	2.68	5.39	158.23	6.88	20.17	14.86	203.17	25.17	—39.25	44.14	63	2.39	4	1.46	21.84	443.73
October	2.54	5.26	155.82	6.17	26.33	12.51	202.83	24.81	—39.33	44.07	42	2.81	2	1.47	19.12	442.74
November	2.48	5.14	153.49	6.48	32.81	13.25	202.58	24.47	—39.38	43.96	49	3.29	2	1.49	30.24	446.94
December	2.43	5.06	151.07	6.41	39.23	13.60	202.55	24.14	—39.47	43.89	46	3.76	2	1.50	1.90	473.63
1958																
January	2.37	4.94	148.87	7.95	47.18	13.88	202.84	23.77	—39.55	43.80	66	4.44	18	1.58	22.68	479.29
February	2.31	4.85	146.14	10.24	57.42	14.22	203.12	23.45	—39.62	43.69	74	5.18	9	1.75	25.29	487.80
March	2.23	4.78	143.59	13.97	71.39	19.80	207.06	23.18	—39.71	43.58	76	5.88	12	1.87	34.68	504.33
April	..	..	..	..	..	..	..	..	—39.47†	43.47†	77	6.65	11	1.97	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947 F—No sales from June 1, 1957. G—From July, 1954. H—Outstandings in respect of itemsin columns 9 marked 'E' are not included.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week Ended 21st June 1958	14th June 1958	24th May 1958	22nd June 1957
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.8	89.8	89.7	89.4
1. Government of India	89.6	89.5	89.5	89.1
2. State Governments	90.9	90.9	90.9	90.8
3. Municipal Port Trust, etc.	90.0	90.0	89.9	90.4
DEBENTURES OF INDUSTRIAL CONCERNS	97.4	97.4	97.3	98.9
1. Electricity	98.7	98.7	98.7	98.8
2. Jute	92.2	92.2	92.2	97.0
3. Plantations	97.8	97.8	97.8	99.4
4. Sugar	96.4	96.4	96.4	98.5
5. Coal	84.8	84.8	84.8	90.6
6. General Engineering	98.4	98.4	98.4	100.0
7. Shipping	99.9	99.9	99.4	101.8
8. Others	94.2	94.2	94.2	100.2
PREFERENCE SHARES	70.0	69.8	69.9	77.3
1. Electricity	85.7	85.8	85.5	86.0
2. Jute	66.9	67.0	67.0	77.4
3. Plantations	58.3	57.7	57.4	69.7
4. Sugar	73.4	73.4	71.6	81.0
5. Iron and Steel	77.9	78.0	77.9	82.8
6. Sugar	68.0	67.9	68.9	76.6
7. Paper	69.6	69.6	71.6	78.9
8. Plantations	86.3	86.3	86.6	94.4
9. Miscellaneous	65.2	65.1	64.9	70.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	99.6	99.0	97.8	101.8
(a) Financial	98.8	98.4	97.1	91.0
1. Banks	101.6	101.1	99.7	92.8
2. Insurance	94.0	95.1	93.9	85.0
3. Investment Trust	59.1	59.1	59.1	74.1
(b) Public Utilities	105.7	105.3	105.0	105.0
1. Electricity	102.3	103.0	102.7	104.9
2. Shipping and other Transport	121.8	120.9	121.0	113.4
3. Railways	68.9	68.9	67.3	75.3
(c) Manufacturing Industries	103.5	102.7	101.3	106.1
1. Cotton, Woollen and Silk	92.7	92.5	93 3	108.5
2. Jute	55.2	55.2	53 9	51.8
3. Iron and Steel	131.0	131.3	129 5	118 9
4. Paper	236 6	237.3	229 0	219.7
5. Cement	140 5	137.7	134 9	144 1
6. General Engineering	159.9	157.7	156.7	153.5
7. Sugar and Breweries	101.4	99.4	97 3	92 2
8. Chemicals	144.1	139.1	135 8	137.0
(d) Non-Manufacturing Industries	112.0	110.6	109.3	121.9
1. Coal	64.5	64.0	64.0	69.5
2. Mining and Oil	166.2	160.8	156 5	171.3
3. Plantations	118.3	118.0	117.0	132.8
(e) Miscellaneous	69.6	68.8	68.7	78.2
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.2	89.2	89.1	88.7
2. Calcutta	89.8	89.7	89.7	89.2
3. Madras	90.0	90.0	89.9	89.6
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	97.0	97.0	96.7	99.0
2. Calcutta	97.5	97.5	97.5	98.6
3. Madras	97.4	97.4	97.4	99.6
PREFERENCE SHARES:				
1. Bombay	79.5	79.5	79.4	84.1
2. Calcutta	61.3	61.1	61.0	70.1
3. Madras	83.7	83.7	83.8	90.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	116 6	115 2	113 3	113.0
2. Calcutta	85.3	85.4	84.7	89.3
3. Madras	108.0	107.2	106 5	113.4
4. Delhi	121.8	120.4	118.8	111.8

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated‡	Total Units Sold
1954-55	656	7,769.9	6,319.2
1955-56	715	8,205.8	7,185.8
1956-57	769	9,277.8	8,168.1
January 1957	765	868.7	711.7
February "	767	811.0	677.5
March "	769	874.4	716.5
April "	770	901.4	734.5
May "	793	932.2	786.7
June "	799	893.4	752.1
July "	809	928.5	743.9
August "	811	923.0	731.0
September "	814	924.7	739.2
October "	822	917.5	731.5
November "	822	930.2	740.5
December "	822	958.7	779.7
January 1958	825	973.6	788.1
February "	828	910 7	748.2

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.

§ At the end of period. *Source*:—Central Water and Power Commission.

INDEX NUMBERS OF INDUSTRIAL PRODUCTION

(Base: 1951=100)

	1956	1957	Dec., 1957	Jan., 1958	Jan., 1957
General Index	132.6	136.9	142.0	143.5	139.9
Coal	114.9	126.9	139.0	135.4	124.4
Sugar*	166.5	182.8	204.2	161.2	135.6
Tea*	106.0	105.8	107.5	155.9	131.5
Cotton textiles	122.0	127.5	114.2	112.2	122.4
Jute textiles	127.3	120.5	126 0	133.8	123.8
Paper and paperboards	145.6	159 3	176.7	184.5	156 0
Matches	106 6	99 0	101.1	99.7	103.2
Cement	154 2	175 3	216.3	219.0	169.0
Iron and steel	119.4	119 3	131.1	121.4	129.2
Non-ferrous metals	124.7	151.9	161 6	147.7	129.2
Rayon	855 3	459 5	560.1	574.5	572.1

*Adjusted for seasonal fluctuations.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of average number of workers involved	Number of man-days lost
1954	849	477,135	3,372,630
1955	1,166	527,767	3,697,248
1956	1,203	716,130	6,992,040
1956 R	..	..	..
February 1957	124	48 723	269,041
March "	113	40 990	257,650
April "	161	61,200	414,535
May "	163	65,230	455,037
June "	193	100,220	764,308
July "	198	91,749	821,211
August "	226	144,851	842,508
September "	235	144,579	853,206
October "	222	102,884	838,979
November "	175	96,168	812,381
December "	158	82,471	..
January 1958	145	54,207	354,185
February "	148	90,070†	442,754†
March "	148	77,713††	735,167††

† Not known in 5 cases. †† Not known in three cases.

* Provisional. R = Revised.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	14th June 1958	7th June 1958	15th June 1957	April 1958	April 1957	Percentage of Increase (+) or Decrease(—) in April 1958 as compared with April 1957	Financial Year Average 1957-58	Financial Year Average 1956-57
Food Articles	504	111.9	110.1 R	108.9	105.2	106.3	+ 0.9	106.4	102.3R
Cereals	192	105.4	103.4 R	103.6	97.2	100.6	— 3.4	101	96
Pulses	43	89.9	89.2 R	85.1	82.4	83.2	— 1.0	83	81
Fruits and Vegetables	23	110.0	108.1 R	127.5	108.0	119.5	— 9.5	114	112
Milk and Ghee	84	109.7	111.7 R	109.0	105.2	103.0	+ 1.3	106	100
Edible Oils	47	122.3	120.8	128.8	122.8	122.2	+ 0.5	125	125
Fish, Eggs and Meat	17	108.3*	107.3 R	95.2	102.3	92.4	+10.7	98	97
Sugar and Gur	45	123.4*	122.5	110.1	113.5	95.4	+19.0	108	98
Others	50	132.8	131.1 R	126.2	130.7	125.9	+ 3.8	131	123
Liquor and Tobacco	21	91.8	91.8	90.5	93.4	88.0	+ 6.1	94.0	84.3
Tobacco	—	90.0	90.0	88.5	91.7	85.9	+ 6.8	93	83
Fuel, Power, Light and Lubricants	36	116.9	114.9	111.9	114.6	107.7	+ 6.4	114.9	104.2R
Industrial Raw Materials	155	115.0	114.4 R	121.6	114.2 R	107.7	— 2.1	110.5	110.9
Fibres	61	109.6	110.0 R	126.6	112.1	119.5	— 6.2	118	116
Oilseeds	60	122.9	121.0	125.4	118.7	119.3	— 0.5	120	120
Minerals	2	107.3*	107.3*	106.2	107.3	106.2	— 1.0	108	108
Others	32	111.2	110.7* R	105.9	110.0	105.4	+ 3.4	108	109
Manufactures	299	107.6	107.7	108.8	108.1 R	106.8	+ 1.8	108.1	106.3
Intermediate Products	41	109.2	108.6	109.0	102.8	101.3	+ 1.5	103.3	110.3
Finished Products	258	107 4	107.5	108.6	107.9	106.5	+ 1.3	107.2	105.8
Textiles	147	103.8	104 2 R	108.7	105.9	106.9	— 0.9	107	108
Cotton	—	113.6	113.7 R	116.4	115.4	115.4	—	116	116
Jute	—	85.4	86.0	100.0	88.1	94.7	— 7.0	96	95
Woollen	—	104.6	104.6	103.0	103.1	102.3	+ 0.8	103	98
Silk and Rayon	—	90.3*	90.3*	85.8	92.8	87.0	+ 6.7	86	88
Metal Products	12	143.0	143.0	141.0	143.4	130.8	+ 9.6	141	130
Chemicals	20	101.6	101.3	98.0	99.0	97.0	+ 2.1	98	92
Oil cakes	10	126.9	124.3 R	109.7	116.9	106.3	+10.1	115	108
Machinery and Transport Equipment	31	103.9	102.9	101.1	102.8	100.3	+ 2.5	102	99
Others	30	113.5	113.5 R	109.4	112.6	102.4	+10.0	110	101
All Commodities	1,000	110.8	109.8 R	110.5	107 5	106.5	+ 0.9	108.4	105.2R

NOTE:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. — Not available.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

[Base: 1952-53=100]

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures	Non-ferrous Metals
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110	
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	119	101	96	105	119	
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	140	
1957-58*	105	88	114	126	68	164	109	110	107	92	106	133	108	96	128	95	116	142	
1957							

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

CROP FORECASTS

Crop	Fore-cast	(In thousand acres) 1956-57	1955-56	(In thousand tons) 1956-57	1955-56
Cereals—					
Rice	final	79,027†	79,320††	24,821†	28,282††
Wheat	final	32,891	30,386	9,068	8,569
Jowar	final	41,411†	40,367††	8,056†	7,540††
Bajra	final	27,453†	27,384††	3,565†	2,885††
Barley	final	5,594	5,382	2,744	2,749
Maize	final	9,704†	9,197††	3,004†	3,009††
Ragi	final	5,897†	5,851††	1,716†	1,715††
Small millets	final	12,209	12,713	2,019	1,937
Total cereals	final	215,642	214,082	57,251	54,456
Pulses—					
Gram	final	23,990	24,157	5,930	5,331
Tur	final	5,696	5,637	2,047	1,830
Other Kharif pulses§	final	15,832†	16,484††	1,401†	1,515††
Rabi pulses‡	final	11,443	11,703	1,794	2,038
Total pulses	final	57,295	57,064	11,435	10,831
Total foodgrains		272,937	271,146	68,686	65,287
Oilseeds—					
Groundnut	final	14,457†	13,450††	4,271†	4,200††
Castorseed	final	1,325†	1,415††	977	1241†
Sesamum	final	5,268†	5,446††	363†	442††
Rape and Mustard	final	6,211	6,317	1,017	848
Linseed	final	3,753	3,781	349	414
Total oilseeds	final	29,906	29 848	6,032	5.705
Fibres—					
Cotton*	final	19,843	19,978	4,723	4,001
Jute A.	final	1,754†	1,908††	4,088†	4,288††
Mesta A.	final	726†	733††	1,211†	1,478††
Other crops—					
Potato	final	702	691	1,674	1,830
Sugarcane	2nd	4,784†	4,475††	63,501†	58,985††
Ginger (Dry)	final	40	40	15	15
Pepper (Black)	final	234	233	32	32
Chillies (Dry)	final	1,450	1,490	354	355
Tobacco	final	1,022	1,013	806	295

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A. In thousand bales of 400 lbs. each. † Refers to 1957-58.
†† Refers to 1956-57.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
JUTE MANUFACTURES		(In 000 tons)
Production	During May 1958	94.9
	Corresponding month, 1957	87.3
	Eleven months ended May, 1958	973.8
	Corresponding period, 1957	945.1
Stocks	At the end of May, 1958	112.0
	Corresponding month, 1957	109.4
DESPATCHES OF GUNNIES		(In 000 tons)
For Export Purpose	1955-56	857.2
	1956-57	852.9
	April 1957	60.7
	April 1958	65.9
	1955-56	190.9
For Internal Consumption	1956-57	179.0
	April 1957	18.3
	April 1958	18.0
RAW JUTE		(In lakh bales)
Consumption by Mills	May, 1958	5.50
	Corresponding month, 1957	5.06
	Eleven months ended May 1958	56.47
	Corresponding period, 1957	54.84

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March 1956	11,55,900	10,62,100	7,97,800
Do. 31st March, 1957	11,55,500	10,73,600	7,97,500
Do. 31st March, 1958	10,98,300	11,06,800	7,86,900
Mar., 1957	95,100	93,200	73,600
April ,,	92,800	89,300	62,500
May ,,	91,300	86,600	65,100
Mar., 1958	94,800	100,200	71,300
April ,,	95,000	100,300	63,000
May ,,	57,400	52,900	28,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1956	7,06,986	5,31,505	4,50,607
Do. 31st March, 1957	6,95,158	5,32,315	4,41,483
Do. 31st March, 1958	7,33,945	5,07,580	4,10,558
Three months ended Mar., 1957	1,83,857	1,39,830	1,20,578
,, ,, ,, June, 1957	1,72,225	1,29,651	1,06,996
,, ,, ,, Sept., 1957	1,71,397	1,19,172	96,815
,, ,, ,, Dec., 1957	1,90,484	1,25,194	1,02,146
,, ,, ,, Mar. 1958	1,99,839	1,33,563	1,06,501

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	December 1957	December 1956	Jan. to Dec. 1957	Jan. to Dec. 1956
Exports	54,22	55,66	637,74	58,804
Re-exports	37	58	5,11	7,50
Total Exports	54,59	56,24	642,85	595,60
Imports	66,58	69,28	1025,85	813,68
Overall Balance of Trade	—11,99	—13,04	—382,97	—218,08
Exports—				
Tea	10,75	15,57	123,40	139,74
Jute yarns and manufactures	4,72	9,52	59,51	112,52
Cotton yarns and manufactures	4,63	6,09	65,94	62,13
Metallic ores and scrap iron or steel for re-manufacture	4,11	3,33	49,80	23,36
Cotton, raw and waste	1,06	2,13	18,66	25,60
Oils—vegetable, mineral and animal	1,42	1,60	19,31	24,51
Fruits and vegetables	1,45	1,26	18,60	18,03
Tobacco	28	34	12,55	13,30
Mica	73	83	8,67	8,75
Wool—Raw	69	78	11,73	10,64
Gums, resins and lac	59	1,19	8,59	11,10
Spices	77	73	8,43	9,16
Hides and skins, raw	34	86	6,09	6,07
Imports—				
Machinery of all kinds	17,57	9,97	232,97	150,12
Metals, iron and steel and manufactures thereof	7,61	10,40	146,98	122,40
Oils—vegetable, mineral and animal	8,95	16,26	113,38	74,59
Cotton, raw and waste	2,17	3,11	48,62	53,61
Chemicals, drugs and medicines	4,25	3,01	76,77	45,14
Electrical goods and apparatus	5,37	1,52	61,14	20,15
Paper, pasteboard, etc.	83	1,21	15,11	15,99
Vehicles (excluding aircraft, ships and boats)	4,31	5,74	71,35	69,01
Fruits and vegetables	2,26	93	21,27	12,66
Spices	13	68	2,75	8,10
Dyes and colours	78	1,00	13,87	16,37
Woollen and worsted fabrics	8	16	1,31	2,18
Cotton fabrics	8	14	2,37	2,39

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manu-factures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manga-nese Ore
1955-56	12,751	2,763	974	213	111	67	149	29	517	412	41	330	48	148
1956-57	13,586	2,953	1,022	219	108	58	207	24	610	427	30	389	52	180
1957-58	14,335	3,150	1,225	214	104	52	217	25	596	504	39	476	47	194
April 1957	1,245	263	103	22	10	6	16	2	76	39	3	34	2	18
May ,,	2,368	522	210	43	21	13	34	4	129	77	6	69	4	33
June ,,	3,562	756	334	57	30	18	48	5	164	109	9	101	7	48
July ,,	4,663	1,010	438	72	38	23	58	7	183	145	11	138	13	69
August ,,	5,781	1,270	539	84	50	25	67	8	208	183	13	177	19	81
September ,,	6,893	1,542	628	93	42	30	87	10	223	220	15	219	25	101
October ,,	8,056	1,824	736	107	46	34	109	13	241	263	19	261	31	121
November ,,	9,240	2,087	844	129	53	37	137	16	273	309	24	302	37	139
December ,,	10,506	2,351	941	152	64	40	162	18	354	360	28	350	42	149
January 1958	11,814	2,624	1,038	174	80	44	186	21	438	413	32	394	45	162
February ,,	13,011	2,874	1,123	191	93	49	202	23	519	456	36	435	46	171
March ,,	14,335	3,150	1,225	214	104	52	217	25	596	504	39	476	47	194

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.-2 M. G.) and incorporate revision in respect of earlier months.
* Including sugarcane from November, 1955. *Source* :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 26th June, 1958	7,643(J)†
	Corresponding week, 1957	22,305(J)
	1st Sept. to 26th June, 1957-58	1,526,457*
	Corresponding period, 1956-57	1,771,579*
Cotton Exports	Week ended 26th June, 1958	4,597
	Corresponding week, 1957	10,368
	1st Sept. to 26th June, 1957-58	237,384
	Corresponding period, 1956-57	274,698
Mill Consumption (Estimated)	1st Sept. to 26th June 1957-58	1,045,933
	Corresponding period, 1956-57	1,102,951
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 26th June, 1958	773,700
	Corresponding date, 1957	627,268
Cotton Exports from Bombay (by sea)	During May, 1958§	44,597§
	During May, 1957	22,036
	1st Sept., 57 to 31st May, 1958	146,491
	1st Sept., 56 to 31st May, 1957	218,587
Karachi (Pakistan)—		
Receipts	1st Sept., to 19th June, 1957-58	1,087,427
	Corresponding period, 1956-57	1,159,262
Exports	1st Sept., to 19th June, 1957-58	570,373
	Corresponding period, 1956-57	697,081

Particulars	From 1st September to 30th June 1957-58 Bales	From 1st September to 30th June 1956-57 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	9,220	23,492A
Continent	19,651	23,408
Hongkong	8,204	34,878
China	—	3,437
Japan	128,470	157,530
U.S.A.	8,043	2,324
Other Countries	841	1,079
Total to all foreign countries	174,508	246,157A.
Coastal Ports	64,620‡	44,377**
Total	239,137	290,534

Period		Quantity (bale of 400 lbs.)
Consumption of Cotton—		
Indian	April, 1958	348,743
Foreign		42,934
Indian	Eight months ended Apr., 1957-58	2,999,692
Foreign		383,863
Indian	Same Period 1956-57	3,134,012
Foreign		383,294
Stocks (Mills and Elsewhere)—		
Indian	As on 30th April 1958	1,324,811
Foreign		139,817
Indian	As on 30th April 1957	1,329,936
Foreign		206,050
Week ended 20th June 1958		4,326
Corresponding week, 1957		66,790
1st Sept., to 20th June 1957-58		3,071,997
Corresponding period, 1956-57		3,258,707

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ From 1st Sept. to 30th April, 1958. A.—Adjusted. § Includes Zoda and Yellow Pickings, etc
** From 1st Sept., 1956 to 30th June, 1957.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bond	1926-32	63,30,26,000	1960-70	100.80
2½ % Loan	1938-39	116,17,46,000	1963-65	95.60
3 % Loan	1950	30,33,10,000	1964	95.55
3 % Fg. Loan	1948	1,10,11,78,000	1966-68	93.05
3 % Def. Loan	1945	1,15,05,88,000	1970-75	87.45
3 % 2nd V. Loan	1945	1,13,65,54,000	1959-61	99.30
3 % Loan	1951	15,22,84,000	1958	99.80
2½ % Loan	1948	45,63,97,000	1960	98.20
2½ % Loan	1946	57,09,69,000	1961	95.65
2½ % Loan	1946	14,77,48,000	1976	83.10
2½ % Loan	1947	75,86,72,000	1962	95.40
3½ % N.P.Bonds	1953	75,20,00,000	1961	99.50
3½ % N.P. Loan	1954	1,58,17,99,000	1964	95.55
3½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98.40
3½ % Loan	1956	57,27,36,000	1962	98.00
3½ % N.P. Bonds	1956	33,81,83,000	1967	97.55
3½ % Loan	1956	66,63,53,000	1974	98.30
3½ % N.P. Bonds (4th Series)	1957	56,86,08,000	1967	99.65
4 % Loan	1957	49,16,87,000	1972	100.35
3½ % Loan	1958	58,00,00,000	1963	98.90
3½ % Loan	1958	54,34,00,000	1968	99.50
4 % Loan	1958	49,47,00,000	1978	100.05
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34,000	M.	71.25
3% Loan	1946	2,48,91,41,000	K.	71.10
STATE LOANS				
4 % Andhra	1955	5,00,15,000	1st Sept. 1967	97.80
4 % Andhra	1956	5,00,15,000	3rd Sept. 1968	97.75
4 % Bombay	1944	3,04,12,000	15th Aug. 1958	99.90
3 % Bombay	1949	5,49,75,500	1st Aug.1962	94.50
3 % Bombay	1950	2,83,70,500	31st July 1960	97.75
3 % Bombay	1951	2,00,05,200	17th Sept. 1962	98.10
3½ % Bombay	1953	5,25,90,200	15th July 1963	99.65
4 % Bombay	1952	3,45,94,500	1st Aug. 1964	99.40
4 % Bombay	1955	5,87,51,100	1st Sept. 1967	98.40
4 % Bombay	1956	8,07,06,300	3rd Sept. 1970	98.90
4 % Bombay	1957	6,80,00,000	16th Sept. 1969	100.05
4½ % Bombay	1955	1,54,02,000	1st Sept. 1967	97.50
4 % Bihar	1955	2,15,15,000	3rd Sept. 1968	97.60
4 % Bihar	1945	1,00,00,000	16th Dec. 1955-58	98.00
3 % Cochin	1936	70,09,000	1st June 1956-61	97.75
3½ % Cochin				
3½ % Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	97.80
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	97.70
3 % Madras	1939	1,23,06,000	21st June 1958	98.70
3 % Madras	1944	1,07,95,000	15th Aug. 1958	99.00
3 % Madras	1945	2,78,44,000	14th Sept. 1960	97.88
3 % Madras	1946	3,81,77,300	1st Sept. 1960	94.00
2½ % Madras	1950	4,33,25,400	31st July 1960	97.68
3 % Madras	1951	3,01,49,300	17th Sept. 1962	97.70
3½ % Madras	1953	10,33,71,000	15th July, 1963	99.45
4 % Madras	1955	5,61,81,800	1st Aug. 1964	99.42
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.00
4 % Madras	1956	12,33,56,000	3rd Sept. 1968	97.97
3 % Mysore(J)	1933	2,95,85,200	1st Dec. 1953-63	101.25
3 % Mysore(J)	1936	5,99,78,500	30th Apr. 1956-61	99.25
4 % Mysore	1953	3,33,47,000	15th July 1963	99.25
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97.80
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.75
4½ % Mysore	1957	3,00,80,000	16th Sept. 1969	100.00
3 % M.P.	1944	25,50,800	15th Aug. 1958	99.70
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	98.50
3 % M.P.	1950	1,01,45,900	31st July 1960	97.70
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	97.75
4 % M.P.	1953	1,10,18,000	15th July 1963	99.20
4 % M.P.	1955	1,63,12,000	1st Sept., 1967	97.70
4 % M.P.	1956	1,58,48,000	3rd Sept. 1968	97.80
4 % M.P.	1956	3,61,65,500	1st Sept. 1967	98.25
4 % Saurashtra	1955	2,74,84,600	3rd Sept. 1968	98.10
4 % Saurashtra	1956	3,26,61,000	15th July 1963	97.70
4% Trav. Cochin	1953	2,24,73,000	3rd Sept. 1968	96.72
4 % Trav. Cochin	1956			97.00
4 % U.P.Z.A.	1952	41,44,79,000Z		47.00
3 % U.P.	1936	1,56,25,000	15th Sept. 1961-66	90.85
3 % U.P.	1944	2,87,01,000	15th Aug. 1958	99.65
3 % U.P.	1945	2,17,22,000	3rd Sept. 1960	97.80
3 % U.P.	1946	2,16,39,000	1st Sept. 1961	94.50
3½ % U.P.	1951	1,87,98,000	17th Sept. 1962	97.75
4 % U.P.	1952	6,11,45,000	1st Aug. 1964	99.00
4 % U.P.	1955	5,55,16,000	15th July 1963	99.35
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	97.85
4 % U.P.	1956	8,74,72,000	3rd Sept. 1968	97.80
4 % Rajasthan	1956	8,14,19,000	3rd Sept. 1968	97.50
4 % Orissa	1956	3,05,19,000	3rd Sept. 1968	97.40
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97.60

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repay-able	Market quota-tion
Rs.				Rs.
BOMBAY				
36,50,000	4	1904	1964	100.00
25,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	96.10N
40,00,000	4	1909	1969	
50,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
16,55,876	4	1913*	1960	D
80,00,000	4	1913	1974	96.00N
88,15,000	4	1914	1975	96.00N
10,00,000	4	1915*	1950	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,11,000	4	1924*	1950	
18,18,200	3½	1926*	1960	
35,00,000	3½	1939*	1959	D
12,50,000	3½	1940*	1940	
12,50,000	3½	1941*	1961	
13,50,000	3½	1952*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
49,04,000	3½	1938*	1968	
10,00,000	3½	1938*	1948	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97.75
76,00,100	4	1916	1975	97.75
1,50,00,000C	3½†	1921	1981	92.00
68,02,500C	4‡	1921	1981	144.00N
1,49,30,000	5	1938	1958–88	101.00
80,00,000	4‡	1931	1991	95.00
1,00,00,000	3½	1936	1966	87.50
25,00,000	3	1938	1968–68	90.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
90,00,000	2½	1947	1977	79.50
50,00,000C	3	1948	1978	88.75
50,00,000C	3	1949	1979	89.25
50,00,000C	3	1949	1959	98.25
50,00,000C	3	1950	1980	82.00
1,00,00,000	3	1950	1960	97.00
1,00,00,000	3	1950	1960	97.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1951	1961	98.50
50,00,000	4	1953	1983	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1956	1985	97.25
77,00,000C	4	1956	1986	97.25
1,24,00,000	4‡	1957	1987	99.50
STERLING LOANS				
£892,600	5	1928	1953–83	£80.00
£901,000	5	1924	1954–84	£80.25
£835,100	5‡	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
9,88,000†	3	1947	1977	
3,00,000†	3	1949	1979	
45,00,000‡	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repay-able	Market quota-tion
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75
20,00,000	4	1906	1966	N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
25,00,000	4	1916	1976	N
40,00,000	5	1919	1957–79	118.90
66,00,000	5	1920	1955–80	
25,00,000	5	1926	1956–86	115.00N
25,00,000	4	1927	1961–70	98.00N
10,00,000	3	1936	1968	
STERLING LOAN				
£566,600		1909	1968	95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5‡	1929	1959	102.00
50,00,000	4	1934	1964	99.06
35,00,000	3½	1935	1965	94.00
30,00,000	3½	1936	1966	100.00
50,00,000	3	1937	1967	91.00
20,00,000	3	1938	1968–68	90.00
80,00,000	4	1952	1962	99.25
1,00,00,000	4	1956	1968	99.00
50,00,000	4‡	1958	1968	99.75

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,00,000	4	1913–18	1974	97.00
10,00,000	5	1920	1980	118.00
25,00,000	5	1928	1958	101.50
26,21,500	5	1929	1959	101.50
8,25,00,000	3½	1939	1977	84.00
2,50,00,000	3½	1949	1979	84.00
4,00,00,000	3½	1950	1966	92.25
2,50,00,000	4	1951	1966	97.50
1,00,00,000	4	1951	1968	97.00
1,80,00,000	4	1953	1963	97.85
1,00,00,000†	4‡	1954	1968	97.75
2,50,00,000	4	1955	1967	97.25
1,50,00,000	4	1956	1968	97.25
Rs.		**CALCUTTA**		Rs.
36,00,000	5	1928	1958	102.00
25,00,000	5	1929	1958	102.00
10,00,000	5‡	1932	1962	108.00
33,91,000	3½	1925	1965	94.00
60,00,000	3	1938	1966	90.00
47,50,000	3	1938	1963	90.00
17,64,400	3½	1942	1959	96.50
21,10,000	3½	1942	1972	92.00
16,33,300	3½	1951	1961	97.50
66,88,000	3½	1951	1966	97.50
97,36,000	4	1952	1962	99.25
72,50,000	4‡	1954	1979	100.00
2,22,72,000	4	1955	1985	
87,00,00,000	4‡	1958	1970	100.00
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107.00
15,00,000	3½	1952	1962	107.50

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98.10
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.25
4 % W. Bengal	1953	3,60,23,000	15th July 1963	99.40
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	98.25
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	98.10

ABBREVIATIONS.
N—Nominal.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees.
†Bombay Island Transport. †† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. j—Interest-free to first 12 years. t—Interest-free for first 7 years.
Z.—Ex six instalments but inclusive of accrued interest. M—At the option of Government after three month's notice.
K—On September, 1956, or later at option of Government after three month's notices.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6	Mar. Sep.	109.00	100
BREWERIES AND SUGAR						
Bharat Sugar T.R.C.	5,00,000	1931	5	Dec.	70.00	100
Carew & Co. T.F.R.C.	8,00,000	1875	6½	Mar. Sep.	78.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905–24	8	Feb. Aug.	105.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7	July Apr.	5.75	5
‡East India Distilleries T.F.C.	£200,000	1897	7	Jan. July	16 15cd	£1
Gwalior Sugar T.R.O.	6,75,000	1940	7	Dec.	55.00	100
Do. (Non-redeem.)	5,00,000	1940	7	Dec.	55.00	100
Parbhpore Co. T.C.	6,00,000	1922	10	Oct.	13 00	10
Ramnugger Cane T.F.C.	4,00,000	1933–36	6	Aug.	80.00xd	100
Ravalgaon Sugar	20,00,000	1943	6½	Oct. Apr.	70.50	100
South Behar Sugar T.	5,00,000	1936	7	Oct.	20.00	100
Travancore C.T.F.	15,00,000	1946	5	Dec.	7.00	10
Upper Ganges T.F.C.	12,00,000	1932	5	Dec.	90.00N	100
Do. T.C.R.O.	15,00,000	1946	5	Dec.	70.00N	100
COAL						
Bengal-Nagpur T.F.C.	1,12,500	1905	7	Jan. July	87.00	100
Borras T.F.C.	4,00,000	1896–97	6½	Oct. Apr.	85.00	100
Burrakur (1st) T.F.C.	₹2,99,800	1901–19	7	Apr. Oct.	96.00	100
Do. (2nd) T.C.	₹4,50,000	1946	6		6.25	10
Equitable T.F.	4,00,000	1895	6	Mar. Sept.	86.00	100‡
Karanpura Collieries T.O.	9,99,500	1946	5‡		50.00	75p.
††Khas Kajora O.	1,93,000	1931	5	Mar. Sept.	6.94	10
New Beerbhoom T.F.C.	2,00,000	1920	7	Jan. July	10.50	10
Oudal T.F.C.	2,00,000	1898–99	6	Apr. Oct.	88.00	100
**COT

STOCK & SHARE QUOTATIONS

Abbreviations :—D. = Deferred shares. P.O. = Preferred Ordinary shares. Y. = Accounts published yearly. H. = Accounts published half-yearly. P. = Company has Preference shares. T. = Company has Debentures N. = Nominal quotations. x.d. = Ex. Dividend. c.d. = Cum. Dividend. i = Interim Dividend. f = Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciations is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. n.P.	Rs. n.P.	Rs. n.P.	Rs. n.P.		
BOMBAY CITY AND ISLAND																
50,00,000	5,37,500	1,01,25,505	44,08,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.92	2	0.19	0.19	*Nil*		12	Y.
40,80,000	24,00,000	1,40,93,494	78,99,035	17,302	M.	50,596	1,031	B. R. Cotton Mills	20.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T
2,50,98,000	3,42,58,483	7,96,30,951	3,93,39,819	85,708	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,480	3,646	Bombay Dyeing & Mfg. Z	58.10	25	2.50*	2.50	2.50		12	Y.
10,00,000	43,53,860	64,14,209	42,32,976	68,115	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	165.10	50	12.50	20.00	15.00		3	Y.P
1,09,42,800	2,79,59,276	7,45,32,167	2,69,98,324	9,27,648	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg. ..	456.50	100	22.00	22.00	22.00		12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,035	—33,06,097	V. J. Pilani (Chairman and Managing Director)	50,596	698	Colaba Land & Mill ..	30.50	100	*Nil*				12	Y.
26,00,000	18,03,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	36,984	680	Coorla Spg. & Wvg. ..	119.00	100	7.50	12.50*			3	Y.
28,00,000	21,65,515	80,91,069	49,34,966	24,840	Ramnarain Sons Private Ltd.	41,328		Dawn Mills	90.50	50	15.00	—	7.50F		3	Y.
34,00,000	40,06,485	1,13,54,400	62,28,676	2,28,479	Puranmal Bubna Sons ..	46,668	928	Edward Textiles	256.00	200	18.00	15.00			12	Y.
29,98,050	16,71,233	1,20,97,050	78,22,600	95,787	M.	45,996	886	Elphinstone Spg. & Wvg. ..	44.00	50	5.00	15.00			12	Y.P
50,00,000	65,54,875	1,67,34,054	89,06,207	37,155	James Finlay & Co., Ltd. ..	52,528	784	Finlay Mills	280.00	100	20.00	20.00	20.00		12	Y
50,08,000	48,98,022	94,91,910	61,37,387	10,283	James Finlay & Co., Ltd. ..	45,768	1,018	Gold Mohur Mills Ltd. ..	185.00	100	15.00	15.00	15.00		12	Y.
11,84,000	1,31,31,482	1,71,88,061	1,16,49,125	86,061	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills.	4,590.00 992.50	1,000 250	300.00 75.00	325.00 81.25	350.00* 87.50*		3	Y.P.
16,00,000									10.24	0 10D.	0.94	0.92				
2,50,09,800	56,39,672	4,90,61,319	3,54,00,000	1,29,969	Agarwal & Co.	2,44,150	6,278	India United Mills	1.52	0 1D.	0.19	0.18			12	Y.
3,65,000	1,12,51,255	1,60,59,952	1,06,65,993	75,722	M.	56,784	1,152	Indian Mfg.	4,510.00	1,000	300.00	300.00	325.00*		3	Y.P.
25,000										500	150.00	150.00	162.50*			
59,85,000	46,10,421	3,18,61,680	2,25,81,104	78,146	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	190.00	100	12.00	10.00	10.00(e)		6	Y.P.
1,00,00,000	1,13,27,791	3,67,76,376	2,84,94,794	52,791	Killick Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	271.50	100	18.00	18.00	18.00		12	Y.
23,18,800	46,27,870	1,28,83,753	67,99,178	48,271	N. Sirur & Co. Private Ltd. ..	49,000	644	Modern Mills	70.00N	50	8.00*	8.00*	5.00'C'		10	Y.T.
51,75,000	38,44,612	2,64,74,625	1,83,16,328	23,529	Piramal Sons Private Ltd. ..	71,604	1,652	Morarjee Goculdas Spg.& Wvg.	240.00	100	14.00	15.00	14.00(e)		6	Y.P.
1,60,83,400	1,42,58,205	10,55,96,105	3,40,00,000	1,23,937	Chinai & Co. Private Ltd. ..	..	..	National Rayon Corporation ..	235.25	100	12.00	14.00*	14.00		12	Y.P.
24,00,000	25,62,456	82,11,723	48,70,075	1,495	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	114.50	100	10.00	10.00	5.00		12	Y.
30,00,000	11,72,184	101,88,002	63,37,034	....	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	210.00	100	10.00	10.00	*Nil*		12	Y.P.
46,00,000	54,20,707	1,61,26,302	1,02,32,041	4,06,677	Ramnarain Sons Private Ltd.	69,208	1,190	Phoenix Mills	116.50	100	10.00	..	12.50F		3	Y.P.
40,00,000	46,64,554	53,92,841	25,34,581	1,63,546	Podar Sons Private Ltd. ..	32,600	930	Podar Mills	140.00	100	12.00*	12.00*	10.00		12	Y.P.
10,00,000	1,78,222	24,10,104	18,80,788	..	M.	..	..	Sassoon & Alliance Silk Mill	9.88	10	0.50	0.25(e)			12	Y.
37,70,100	1,19,98,715	2,11,34,514	1,36,97,248	12,182	M. G. Investment Corp. Private Ltd	94,884	2,127	Sassoon Spg. & Wvg. ..	47.50	10	2.00	2.00	2.00		12	Y.
80,00,000	44,70,061	1,27,66,700	67,73,552	58,530	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,920	Shree Niwas Cotton Mills ..	156.50	100	12.00	12.00	8.00		3	Y.P.
42,00,000	30,80,478	1,95,86,294	79,84,101	8 089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	180.00	50	10.00	12.00	8.50	8.50	3	Y.
87,50,000	2,50,28,472	2,96,16,751	1,87,99,317	1,55,642	Mafatlal Gagalbhai & Sons ..	97,588	2,409	Standard Mills	426.00	100	20.00	22.50*	22.50*		12	Y.P.
1,00,00,000	95,05,854	2,70,30,400	1,44,86,214	29,124	Tata Industries Private Ltd.	72,236	2,000	Svadeshi Mills	187.00xd	100	12.00	14.00*	9.00		12	Y.P.
36,00,000	65,13,465	1,52,27,488	96,52,715	26,062	James Finlay & Co., Ltd. ..	40,328	549	Swan Mills	374.00	100	25.00	25.00	25.00		12	Y.
65,57,375	53,20,412	2,18,16,640	90,53,601	17,925	Tata Industries Private Ltd.	70,832	1,800	Tata Mills	41.00	25	4.00	8.50*	2.00		12	Y.T.
12,00,000	1,21,85,655	1,45,81,207	95,78,967	93 985	M.	54,186	1,212	Western India Spg. & Mfg. ..	4,525.00	1,000	300.00	300.00	325.00*		3	Y.P.
AHMEDABAD																
46,66,660	31,31,997	1,73,25,924	68,65,244	11,155	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	162.50	100	7.00	12.00	5.00		6	Y.P.T
15,00,000	98,23,188	1,29,00,836	73,32,228	..	P. M. Hutheesing & Co., Ltd. ..	44,220	912	Arvind Mills	590.00	100	80.00	25.00	25.00		12	Y.P.
40,00,000	3,03,12,127	2,17,75,010	1,10,66,997	22,706	M.	66,412	1,216	Arvind Mills	878.00	100	85.00*	30.00*	35.00*		12	Y.P.
22,00,000	47,41,123	1,22,40,943	77,79,729	1,04,815	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg. ..	470.00	200	25.00*	30.00*	*Nil*		12	Y.P.
15,00,000	1,40,46,694	99,92,464	67,28,819	726	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	600.00	100	80.00	30.00	30.00		12	Y.P.
1,37,50,000	3,49,64,519	5,14,99,792	2,56,06,236	1,18,338	Karamchand Premchand Pvt. Ltd.	1,39,120	2,400	Calico	490.50	125	30.00	30.00	30.00		3	Y.P.
23,00,000	28,51,630	1,44,37,907	1,02,61,820	20,315	Tribhuvandas Bhoglal & Co., Ltd.	45,886	866	New Commercial Mills ..	428.00	250	80.00	100.00*	25.00*		12	Y.P.
52,00,000	91,54,187	1,55,49,668	1,07,88,296	92,678	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg. ..	736.00	125	35.00	40.00*	30.00		12	Y.
15,00,000	64,29,775	69,45,065	35,66,652	....	Jagabhai Bhoglal Nanavaty & Co., Ltd.	25,560	572	Nutan Mills	380.00	100	20.00	20.00	20.00		12	Y.P.
29,00,000	1,08,87,132	1,07,38,484	66,60,480	105	Lalbhai Dalpatbhai & Co. ..	32,828	636	Raipur Mfg.	610.00	100	35.00*	35.00*	35.00*		12	Y.P.
48,75,000	28,46,580	1,35,74,914	73,60,111	9 983	M.	35,196	648	Rohit Mills	140.00	100	*Nil*	8.00*	8.00*		12	Y.P.
57,96,350	2,82,14,199	2,17,52,370	1,17,57,977	1,76,451	Harivallabhdas Kalidas & Co.	94,128	1,789	Shri Ambica Mills	557.00	50	27.00*	30.00*	25.00		12	Y.P.
29,25,000	69,60,633	1,00,70,063	78,48,312	18,346	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg. ..	451.25	100	25.00	30.00*	20.00		12	Y.
35,00,000	38,00,929	1,28,90,368	90,20,784	23,300	Haridas Ashratlal & Co., Ltd.	41,056	780	Vijaya Mills	620.00	500	35.00*	50.50*	40.00*		12	Y.P.
WEST BENGAL																
15,00,000	3,05,454	33,27,581	24,06,641	1,14,855	Calcutta Agency Private Ltd ..	13,044	356	Basanti Cotton Mills	6.16	10	0.50	0.60	0.60		12	Y.P.T.
7,11,260 3,60,620	19,08,297	80,04,522	55,58,258	49,225	D. N. Bhattacherjee, Esq. (Mg. Director)	33,336	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	4.00	4.00		3	Y.P.
24,00,000	1,50,000	1,20,71,237	49,68,051	1,17,244	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills	110.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
19,00,000	24,30,708	1,39,78,961	73,14,165	—1,86,242	Kettlewell Bullen & Co., Ltd	42,944	852	Dunbar Mills	114.00	100	2.50	6.00	*Nil*		12	Y.T.
50,00,000	63,900	76,97,325	21,97,305	82,186	Birla Brothers Private Ltd. ..	41,552	806	Jay Shree Textiles Ltd. ..	7.25	10	*Nil*	0.37	0.50		12	Y.P.
1,60,00,000	2,29,91,250	4,00,62,885	1,40,10,478	4,94,772	Birla Brothers Private Ltd. ..	75,040	1,992	Kesoram Cotton Mills	17.16	10	0.87	1.00	0.75		3	Y.P.
19,47,7590 5,00,000D	9,50,000	48,59,254	28,75,466	9,388	Hazaresmal Heeresal ..	23,066	795	Rampooria Cotton Mills ..	15.00N 4.00N	10 1D	1.00 0.34	1.00 0.26	0.75 0.15		6	Y.
SOUTH INDIA AND OTHER CENTRES																
11,98,600	5,57,619	39,87,104	19,12,229	16,018	Setna & Co.	24,800	..	Asher Textiles Ltd.	217.00N	100	12.50	15.00	12.50		6	Y.
72,00,000	17,82,554	1,87,65,112	68,45,582	6,710	C. S. Tyabjee, Esq.	36,136	716	Asam Jahi Mills	52.50	100	3.50(e)	5.00	3.50		9	Y.
1,21,50,000	1,47,74,679	3,67,98,866	2,76,48,045	2,90,471	Binny & Co. (Madras), Ltd. ..	46,250	1,157	Bangalore Woollen, Cotton and Silk Mills	162.00	100	20.00	20.00	10.00'C'		12	Y.P.
35,00,000	99,61,544	1,38,11,187	1,08,74,387	2,64,725	Birla Brothers Private Ltd. ..	39,896	1,068	Birla Cotton Spg. & Wvg., Delhi	27 00N	10	3.00	1.50	1.50		3	Y.
1,78,47,800	2,99,20,000	6,93,67,943	4,19,97,472	1,02,471	Binny & Co. (Madras), Ltd. ..	1,20,288	2,762	Buckingham & Carnatic ..	168.00	100	10.00	10.00	10.00		12	Y.P.T
20,00,000	15,37,885	50,23,440	25,18,048	..	Pelfoy, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	9.40	10	0.50	0.50	0.50(e)		12	Y.P.
15,00,000	5,11,506	53,32,411	27,36,937	1,92 792	K. Damodaran, Esq.	20,600	..	Cannanore Spg. & Wvg. ..	144.50xd	100	12.00	15.00	20.00		3	Y.
30,80,000	32,35,551	70,25,496	56,32,015	45,855	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Text'les	4.25	5	*Nil*	0.25	0.25		3	Y.
9,37,479	5,00,000	55,16,229	31,86,420	96,650	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	12.06	10	0.62	0.75	0.90		3	Y.P.
25,31,262	22,90,767	99,79,009	51,91,699	698	B. Bheema Naidu & Co. ..	30,564	..	Coimbatore Cotton Mills ..	136.00	100	15.00	25.00	9.00'C'		12	Y.
18,15,000	7,28,196	59,16,552	24,29,633	....	T. A. R. Chettiar Sons & Co.	25,840	160	Coimbatore Murugan Mills	110.00	100	20.00	12.00			12	Y.P.
20,00,000	19,20,000	71,42,628	35,30,753	13,814	T. R. N. Naidu & Co. ..	38,226	..	Coimbatore Pioneer Mills	231.00cd	100	20.00	20.00			12	Y.P.
20,76,900	2,06,078	1,24,06,878	88,06,979	10,415	G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	35.00	50	8.00	10.00	*Nil*		12	Y.P.
46,87,500	27,24,715	2,40,10,703	1,32,36,805	..	Tata Industries Private Ltd. ..	97,452	1,638	Cuttack Mills	97.00	100	12.00	*Nil*	*Nil*		6	Y.P.
24,43,911	18,50,008	92,90,552	40,27,014	15,780	R. Hanumanthappa & Son	28,816	300	Davangere Cotton Mills ..	112.00	100	9.00	9.00	9.00		3	Y.
2,28,36,225 1,90,185	3,16,24,836	11,79,99,463	6,78,07,185	2,77,593	B. B. Charat Ram & Co. Private Ltd.	1,41,180	2,352	Delhi Cloth & General Mills	29.60	25 2½	2.50 0.25	2.50 0.25	2.50 0.30		6	Y.P.T.
47,96,296	26,25,000	84,28,224	49,84,067	1 965	M. N. Chettiar & Sons ..	42,212	901	Dhanalakshmi Mills	170 00	100	20.00	25.00	10.00'C'		12	Y.
63,00,000	1,06,56 192	1,69,12,424	1,41,93 839	75,581	Begg, Sutherland & Co. Private Ltd.	48,452	1,196	Elgin Mills	11.75	10	1.00	1.25	1.00		9	Y.
48,81,000	48,56,161	1,86,06,042	77,12,962	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	154.00	100	15.00	12.00	8.00		12	Y.
2,50,00,000	3,25,00,008	4,52,58,745	1,32,00,000	72,17,274	Birla Gwalior Private Ltd. ..	..	..	Gwalior Rayon	13.88	10	*Nil*	*Nil*	*Nil*		3	Y.P.
50,00,000	6,94,589	1,59,76,049	1,21,32,273	—11,77,284	K. L. Sekaaria, Esq. (Chairman)	51,180	1,856	Indore Malwa United	111.00	100	9.00	11.00	8.00		12	Y.
2,90,000	19,66,585	31,40,455	19,97,477	..	G. V. Naidu & Co., Ltd. ..	23,784	..	Janardhana Mills	80.00	50	10.00	10.00	..		12	Y.
18,54,000	15,02,599	57,13,937	33 88,096	7,012	Mr. Bhatrurstan Damani (Managing Director)	29,212	512	Jam Shri Ranjitsinghji	1,450.00	1,000	50.00	60.00	40 00		6	Y.
4,68,65,300	3,24,66,394	4,34,59,294	3,18,54,090	2,48,717	Birla Gwalior Private Ltd. ..	54,576	1,680	Jiyajeerao Cotton	9.60	10	4.00	0.55	0.35		3	Y.P.
42,00,000	19,25,000	1,06,81,847	58,28,076	91,772	Kothari & Sons	41,940	960	Kothari Textiles	9 70	10	1.00	1.00	1.00		6	Y.P.
52,00,000	63,30,457	1,84,50,574	1,25,78,615	2,294	M.	51,096	1,248	Lakshmi Cotton Mfg. ..	401.00	250	42.50	42.50	15.00		12	Y.P.
71,25,300	66,85,966	2,12,83,787	1,17,05,975	4,189	G. K. Naidu & Co.	1,06,600	2,201	Lakshmi Mills	104.50cd 52.00cd	50 25	12.50 6.25	12.50 6.25	10.00'C' 5.00		3	Y.
1,75,02,480	4,24,46,275	5,90,29,121	2,96,10,817	6,92,369	A. & F. Harvey Ltd. ..	4,82,000	..	Madura Mills	36.00	15	3.00	2.62	2.25		12	Y.
15,00,000	3,67,248	29,08,332	18,76,709	213	V. K. Ramji (Chairman) ..	22,592	280	Malabar Spg. & Wvg. ..	47.50	100	*Nil*	*Nil*	*Nil*		12	Y.
60,00,000	66,60,298	66,60,298	47,59,940	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	608	Mettur Industries Ltd. ..	347 00xd	100	35.00	42.50	30.00	20.00	12	Y.
29,30,884	12,88,081	93,11,180	51,89,457	19,733	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	66.50	100	6.00	6.00	*Nil*		12	Y.
94,91,856	21,56,146	1,71,94,799	78,51,523	1,48 006	M.	52,406	952	Model Mills (Nagpur) ..	171.25	250	7.50(e)	7.50			6	Y.P.
26,25,000	48,58,479	1,18,48,711	71,02,478	35,327	N. Sirur & Co. Private Ltd. ..	50,492	800	Mysore Spg. & Mfg. ..	91.00	100	6.00(e)	9.00*	9.00*		3	Y.
13,81,780		29,12,541	17,32,314	3,949	K. Tipperudriah (Chairman)	6,000		Mysore Spun Silk Mills ..	6.25N	10	*Nil*	*Nil*	*Nil*		3	Y.
87,22,200	39,29,981	1,72,32,244	67,86,683	....	M.	37,788	908	Osmanshahi Mills	42.00	100	2.50(e)	5.00(e)	*Nil*		9	Y.
4,00,800A 6,00,000B	18,89,000	68,46,779	25,36,447	8,530	Bhagbyalakshmi & Co. ..	45,600	..	Palani Andavar Mills	180 00cd 190.00cd	50A 75B	12.50 12.50	15.00 22.50			12	Y.P.
15,00,000	....	24,19,570	18,32,554	—8,39,216	C. S. R. Mudaliar & Sons ..	37,960	..	Pankaja Mills Ltd.	45.00	100	4.00(e)	*Nil*			12	Y.
16,51,200A 8,40,000B	22,96,000	1,08,48,562	54,00,050	5,822	A. G. Gurusamy Naidu & Co.	59,264	900	Radhakrishna Mills	130.00 65.50	100A 50B	20.00 10.00	20.00 10.00			12	Y.
16,50,375	30,55,750	76,37,378	32,62,433	....	B. R. Naidu & Sons	37,096	..	Rajalakshmi Mills	75.00cd	50	10.00	7.50	4.50		12	Y.
16,14,300	14,00,000	37,35,923	19,10,995	15,404	Rameo Agencies Private Ltd.	24,996	..	Rajapalayam Mills	129.00	100	19.00	10.00	12.00		3	Y.P.
22,32,850	11,50,000	58 72,976	23 15 802	5,286	Rayalaseema Development Co.	31,200	..	Rayalaseema Mills	106 00	100	10.00	10.00	10.00		12	Y.
18,00,000	1,80,55,917	3,18,49 081	2,05,07,227	—1,05,20,799	Monarka & Co.	96,223	2,223	Shalapoor Spg. & Wvg. ..	675.00	1,000 500	*Nil*	*Nil*			3	Y.P
36,62 700	20,26,288	96,26,665	70,07,094	19 548	H. N. Palsgar, Esq.	30,744	222	Sri Krishnarajendra Mills	72.00	50	5.00	7.00	7.00		3	Y.
15,00,000	8 62,40 700	1,02,21,810	78 33,414	29,29,680	Birla Brothers Private Ltd. ..	34,212	1,344	Sutlej Cotton Mills	70.00N	10	6.00	6.00	6.00		3	Y.
17,50,0000	2,86,28,661	5,18,62,126	1,81,88,224	2,18,216	Jaipuria Brothers	1,12,216	2,096	Swadeshi Cotton (Kanpur)	18.00 11.00	10O. 10F.O.	0.75 1.15	0.75 1.15			12	Y.P.
1,87,50,000P.O	60,00,000	3,86,81,998	1,96,13,492	1,78,216	Emcete & Sons (Travancore) Ltd...			Travancore Rayons	14.80	10	0.75	1.00	1.00		12	Y.P.T.
1,00,00,000	9 45,940	19,58,289	13,60,122	794	Moolji Ramjee & Sons	15,000	..	Trichinopoly Mills	11.75	10	0.50	1.12	0.90		12	Y.
21,00,000	29,86,738	56,30,595	51,76,507	12,000	R. K. Chetty & Brothers ..	44,424	270	Vasanta Mills	227 50	100	20.00	20.00	12.00		12	Y.P.
32,00,000	18 78,770	1,85,96,082	1 17,44,602	—9,55,589	The Bombay Co. (Private) Ltd.	49,660	1,575	Vishnu Cotton	103.00	100	8.00	8.00	*Nil*		12	Y.P.

* Includes bonus. M = Managed by Board of Directors. X.R. = Ex-Right.
Z = Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. (e) Paid out of Reserves. F = For fifteen months ended 31st March, 1956.
§ On old capital. 'C' = On increased Capital.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1954	1955	1956	1957	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. n.P.	Rs. n.P.	Rs. n.P.	Rs. n.P.		
BREWERIES AND DISTILLERIES														
39,84,000	47,43,760	1,15,18,224	62,38,314	1,16,220	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	8.75	5	*Nil*	0.50	0.75	0.85	5	Y.P.
16,20,630	26,75,014	29,38,961	16,23,422	38,736	Mr. K. G. Khanna	Dyer Meakin Breweries	10 12	5	0.50	0.56	0.56	..	3	Y.
4549,950	£1,197,464	£1,387,940	£701,435	£52,719	Parry's Holdings Private Ltd. ..	East India Distilleries and Sugar	28 29	£1	Sh. 3	Sh. 4	Sh. 3	Sh.3	9	Y.P.
9,00,000	9,60,000	24,40,332	22,65,326	6,022	Vital Mallya, Esq. (Chairman) ..	United Breweries	215.00	75	15.00	15.00	15.00	15.00	3	Y.
CEMENT														
72,59,040	13,33,764	1,00,14,799	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd. ..	Andhra Cement Co.	12.25	B. 10	1.00	1.00*	1.00		12	Y.P.
42,14,6000. 14,70,976D.	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	4.05 0.96	O. 10 D. 1	*Nil*	*Nil*			3	Y.P.T.
12,71,80,070 3,07,44,575	9,62,91,082	30,81,74,705	11,29,17,768	2,58,821	Cement Agencies (Private) Ltd.	Associated Cement Companies ..	158.50	100	8.50	10.00	10.00	9.00	7	Y.T.
3,00,00,000o. 5,00,000n.	60,69,469	1,08,99,911	39,54,983	2,84,608	Hari Brothers Private Ltd.	Dalmia Cement (Bharat) ..	10.80 2.75	O. 10 D. 1	1.00 0.10	1.25 0.12	1.25 0.12		12	Y.P.
1,02,09,450 7,50,000	26,00,000	2,09,08,054	61,96,184	1,80,704	Essen Private Ltd.	India Cements Ltd.	27.80 5.35	O. 25 D. 5	1.25 *Nil*	1.87 0.37	2.06 0.41	2.06 0.41	3	Y.P.
1,50,00,000	4,00,000	4,72,60,133	89,99,750	21,36,411	Sahu Jain Ltd.	Jaipur Udyog Ltd.	13 80	10	..	0.75	1.25	*Nil*	3	Y.P.
2,00,00,000	31,40,712	2,43

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1954 Rs.	1955 Rs.	1956 Rs.	1957 Rs.	Accounts Closed	Reference
PAPER														
45,00,000	25,91,841	2,13,33,403	1,36,73,314	4,805	M.	Bengal Paper Mills	91.50	25	3.12	4.69	2.50		12	Y.P.
90,00,000	63,91,253	1,24,92,173	83,76,687	33,544	Andrew Yule & Co., Ltd. ..	India Paper Pulp ‡‡ ..	20.69	10	14.00	1.50 2/6	1.50 2/6	1.40	3	Y.
25,00,000	25,12,500	1,48,27,629	77,57,946	47,693	T. Shamanna, Esq. (Chairman) ..	Mysore Paper Mills	17.50	10	0.75*	0.75*	1.00*	1.00*	3	Y.
1,00,97,000	2,46,75,945	6,04,16,697	1,87,53,042	2,52,477	Birla Brothers Private Ltd. ..	Orient Paper	31.75	10	0.94	1.12	0.62	1.50	3	Y.P.
1,25,49,570	74,23,277	1,85,10,228	1,11,41,034	20,477	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills ..	15.87xd	10	1.50	1.25	1.25	1.25	12	Y.P.
50,00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	71.12	O. 10	0.75	1.25	1.05	0.60	9	Y.P.
'A'10,00,000							71.12	A. 10	0.75	1.25	1.05	0.60		
2,13,85,240	48,43,059	3,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd.	Sirpur Paper Mills	71.48	A. 10	Nil	0.50‡	1.50	0.50	6	Y.P.
56,00,000A.							71.48	B. 10	Nil	0.50‡	1.50	0.50		
50,94,800B.	3,70,50,474	6,78,46,967	3,51,66,938	92,523	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	39.12	A. 10	1.50	2.00*	1.12*	2.37*	3	Y.P.
4,37,5007.O.							39.12	B. 10	1.50	2.00*	1.12*	2.37*		
							4.25	F.O. 2½	0.25	0.25	0.12	0.25		
PRESSING														
3,00,000	2,26,572	13,981	12,858	28,272	Andrew Yule & Co. Ltd.	Calcutta Hydraulic	50.00N	100	4.00	Nil	Nil	3.00	6	Y.
5,00,000	2,47,182	6,48,622	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	82.00N	100	5.00	5.00	0.00	10.00*	6	Y.
SAW MILLS AND TIMBER														
13,99,998	22,88,830	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	1.98	5	Nil	Nil	Nil	Nil	9	Y
50,00,000	3,81,14,271	4,60,47,879	1,83,06,404	1,83,542	Wallace & Co.	Bombay-Burmah Trading Corpn. ..	660.00	Old125	20.00	37.50	40.00	40.00	5	Y.
40,00,000							220.00	New50	5.00	5.00	12.75	16.00		
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	44.50	10	2.75	3.00	3.00	2.75	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,36,486	42,92,220	21,12,674	57,702	M.	Balrampur Sugar	8.12	5	0.75	0.06	Nil	0.25		Y.
8,00,000B.	29,59,260	55,40,831	36,32,425	12,12,000	Marang Bros. & Co. Private Ltd. ..	Basti Sugar	116.00N	A. 100	10.00	10.00	10.00		4	Y.T
19,49,050	8,75,000	33,83,770	25,68,278	74,946	Bangur Bros., Ltd.	Belsund Sugar	210.00	B. 10	1.00	1.00	1.00		3	Y.
13,91,913	13,51,813	19,25,777	13,40,340	7,553	Cotton Agents Private Ltd.	Bharat Sugar	10.50	7½	0.75	0.75	1.00	1.00	9	Y.P.
66,50,496	55,59,266	67,92,766	35,67,382	27,711	Gevan Bros. (Kanpur), Private Ltd...	Buland Sugar	14.00	10	1.50	1.50	1.50	1.50	6	Y.P.
28,00,000	25,22,515	1,45,76,657	98,94,338	—2,23,014	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	14.12	10	1.00	1.50	1.50Q		10	Y.
80,00,000	54,39,509	1,65,80,057	93,62,334	—8,35,700	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	8.31	10	0.75	0.25	Nil	Nil	6	Y.P.
18,00,000	24,56,108	84,72,408	59,12,695	—8,43,163	Begg, Sutherland & Co. Private Ltd.	Champaran Sugar	9.19	10	0.75	0.75	0.75	Nil	10	Y.P.
9,58,252	2,59,762	28,14,185	16,68,282	5,464	K. C. Thapar & Bros. Private Ltd. ..	Deoria Sugar	19.00	10	1.50	1.50	1.00	Nil	6	Y.
80,00,000A.	44,95,000	1,02,71,005	67,56,074	33,123	Rashtraj & Co. Private Ltd.	Hindustan Sugar Mills	10.00N	10	0.75	0.50	0.50		8	Y.T
10,00,000O.							210.00N	A. 100	15.00*	15.00*	15.00		6	Y.P
							100.00	O. 100	15.00*	15.00*	15.00			
13,00,000	12,51,026	79,38,731	49,80,047	1,05,564	Mr. Tulsidas Kilachand (Chairman) ..	Kesar Sugar	55.50	40	Nil	2.25	4.00	7.00	7	Y.P
7,39,106	22,50,258	48,59,619	26,90,926	79,525	Cotton Agents Private Ltd.	New India Sugar Mills	22.25	10	2.50	2.50	2.50	2.50	6	Y.P
11,00,000	4,46,000	47,02,861	28,66,316	4,049	K. C. Thapar & Bros Private Ltd. ..	New Savan	4.19	10	0.25	0.25	0.37	0.37	5	Y.
11,01,100							201.25	100	20.00	20.00	20.00	20.00		
38,275	49,91,707	78,75,775	27,02,362	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	59.00N	25	5.00	5.00	5.00	5.00	7	Y.
77,48,500	64,48,518	2,18,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	130.00	100	11.00	11.00	11.00	12.50	7	Y.P.
12,00,000	12,09,274	21,94,494	21,40,450	24,093	Marang Bros. & Co. Private Ltd. ..	Punjab Sugar	70.00N	100	10.00	6.00	10		10	Y.
9,00,000	19,04,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Partabpore Co.	9.81	10	0.75	0.75	0.75	Nil	10	Y.P.
63,59,480	85,59,866	67,09,765	25,67,382	27,711	Gevan Bros. (Kanpur), Private Ltd...	Rana Sugar	14.15	10	0.75	0.75	1.50Q		10	Y.
9,90,000	6,51,932	22,74,893	23,81,021	2,175	M.	Ryam Sugar	20.00	10	0.50	Nil	1.25	1.50	6	Y.P.
11,99,000	10,52,214	47,23,583	25,13,422	—2,20,953	M.	Samastipur Central Sugar	12.12	10	0.50	Nil	1.75	Nil	6	Y.
99,70,525	22,65,550	1,40,84,561	68,35,007	16,381	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	9.81	10	1.50	1.75	1.00		8	Y.P.
19,02,115	24,669	29,48,606	14,35,401	—8,16,557	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	2.37	10	Nil	Nil	Nil	Nil	6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	11.62	10	1.50*	1.00	1.00	0.50	8	Y.
9,25,000O.							6.50N	Q. 10	Nil	Nil				
4,46,000D.	49,462	29,66,366	11,46,770	—16,87,987	M.	South Behar Sugar	6.50N	D. 2½	Nil	Nil			10	Y.P.
2,00,000	24,74,248	1,27,30,247	80,57,754	9,663	Cotton Agents Private Ltd.	Upper Ganges Sugar	35.00N	10	2.50	2.50	3.00	5.00	6	Y.P.
16,00,000	7,66,589	23,17,959	27,09,205	22,042	M.	United Provinces Sugar	13.44	10	1.25	1.50	0.50		9	Y.
Other Centres														
20,00,000	19,50,060	76,27,620	18,97,501	15,079	Rangoon & Co.	Andhra Sugars Ltd.	17.00	10	Nil	0.50	1.00	1.25	9	Y.
70,49,650	1,15,48,893	1,50,47,792	1,08,77,187	3,90,363	W. H. Brady & Co., Ltd.	Belapur Company	263.00	50	10.00	10.00	10.00	18.00	9	Y.
17,50,000	12,85,285	41,38,701	23,96,315	30,827	A. H. Ithiwandiwalla & Co. (Bombay) Private Ltd.	{Bhopal Sugar Industries Ltd.	22.40	10	1.00	1.50	2.00	2.00	9	Y.P.
21,00,000	37,90,315	53,99,314	24,98,898	33,844		{Shree Chandgee Sugar ..	27.25	12.50	1.00	2.00	2.25	2.25	9	Y.
15,93,900	15,86,419	43,30,767	25,77,714	6,601	Sir J. P. Srivastava & Sons (M.R.) Ltd.	Gwalior Sugar	90.00N	100	Nil	Nil	6.00	10.00	6	Y.P.
62,97,600	11,02,659	78,71,515	18,88,285	46,058	India Sugar Agencies Private Ltd. ..	Hargaon Sugar and Refineries ..	12.25xd	10	1.75	1.40	1.12	1.00	9	Y.P.
22,41,127	15,75,871	94,06,432	12,67,310	6,611	R. S. Ind. Corpn. Private Ltd. ..	Jaypore Sugar	13.30	10	1.00	1.00	0.50	0.50	6	Y.P.
10,58,2400.							120.00	O.100	7.50	7.50	7.50	7.50	6	Y.P.
8,97,190D.	88,00,000	2,48,45,158	41,94,129	28,068	V. Ramakrishna Sons (Private) Ltd...	K. C. P. Ltd.	184.00	D. 10	10.00	10.00	10.00	10.00		
47,50,000	28,21,978	1,22,47,683	57,87,087	26,423	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	915.00	250	..	..	..	100.00*	9	Y.P.
21,79,280	35,24,043	1,84,89,192	89,25,545	2,10,465	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	39.50	10	2.00	2.00	2.00	2.00	9	Y.
56,00,000	54,21,480	1,16,58,154	1,47,229	30,841	Material, Apte and Kanitkal Pvt. Ltd.	Phaltan Sugar	100.00	50	5.00	5.00	9.00	12.00*	3	Y.
16,59,820	40,00,000	59,42,584	33,62,920	2,23,390	Ambalam & Co.	Ramanagar, Cane and Sugar ..	18.00	10	1.50	1.50	2.00	2.00	6	Y.P.T.
30,00,0800.	42,07,214	1,84,79,940	59,30,737	70,575	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	130.25	O. 50	2.50	9.00	12.00	12.00	9	Y.P.T.
4,00,0600.							30.00N	D. 10	Nil	0.07	0.76	2.75		
80,00,000	23,49,000	62,19,329	24,74,579	77,353	Parry Co., Ltd.	Travancore Sugars	10.00	10	Nil	Nil	0.75	1.00	7	Y.P.
1,01,99,000	1,08,46,263	2,28,89,653	99,17,710	75,780	Walchand & Co. Private Ltd. ..	Walchandnagar Industries	288.50	100	16.00	15.00	21.00	21.00	9	Y.P.T.
TRANSPORT														
20,00,000	1,06,69,622	1,24,60,186	18,20,351	1,10,926	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co. ..	90.00	100	7.50	7.50	7.50	7.50	12	Y.P
1,00,00,000	1,27,28,660	4,10,56,541	1,62,42,552	4,07,956	Dhalkar (Private) Ltd.	Bharat Line	80.00N	100	5.00	5.00	6.00	12.00*	12	Y.
90,00,000	1,42,35,965	4,98,84,340	56,21,346	1,52,580	A. H. Ithiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	25.50	10	1.00	Nil	1.00	1.50	6	Y.P.
6615,580	6997,780	85,665,834	23,423,086	—4106,382	Kilburn & Co. Private Ltd. ..	India General Navigation & Rly. Co.	47.60	510	Sh. 10	Sh. 10	Nil		12	Y.P.
2,25,00,000	1,74,74,822	13,73,96,545	3,63,39,751	3,79,984	Lionel Edwards (Private) Ltd. ..	India Steamship Co.	11.54	10	Nil	Nil	Nil	1.00	3	Y.P.
9,49,19,673	10,85,51,342	27,66,48,271	5,78,99,812	5,84,102	M.	Scindia Steam Navigation Co. ..	18.88	20	0.50	0.50	1.00	1.25	3	Y.
5,00,0000.							2.12	O. 1	0.12	0.14	0.14			
2,16,2607.O.	19,26,615	12,00,284	7,86,760	1,66,813	R. E. Alyer, Esq. (Manager) ..	Walford Transport, Ltd.	1.69	F.O. 1	0.11	0.12	0.12		12	Y.
UNCLASSIFIED (Bombay)														
25,00,000	1,00,000	26,18,545‡‡		58,599†	M.	Devkaran Nanji Investment Co. ..	11.32	25	0.75	0.75	0.31	0.31	12	Y.
5,87,00,000	2,01,70,510	4,79,59,318	1,35,62,109	89,94,000	A. J. C. Mackeys-Abrahall (Chairman)	Hindustan Lever	23.68	10	..	..	1.25	1.40	12	Y.
81,87,000	16,38,510	1,99,44,989	67,74,497	14,1886	Birla Brothers Private Ltd. ..	Kesoram Cotton Co.	135.00	100	10.00	10.00	..	20.00	12	Y.P.T.
14,98,340	1,01,566	28,61,364	19,40,783	22,810	Chemical Manilal Private Ltd. ..	Retesh Batteries	39.00	50	2.00	2.00	2.00		3	Y.P.
99,99,350	30,19,147	1,25,61,3955‡‡		1,74,633	Premchand Raychand & Sons ..	Industrial Investment Trust ..	73.00	100	4.50	4.50	5.00	5.50	12	Y.
1,00,00,000	27,68,444	28,86,176	11,35,784	2,766	K. G. Milne, Esq. (Mg. Director)	Killick Industries	145.00	100	11.00	11.00	11.00	11.00	6	Y.
2,20,35,3254.O.	65,14,265	3,48,78,254	1,67,93,078	6,31,127	Jehangir Ratanji Dadabhoy	Premier Automobiles	99.50	100	Nil	Nil	6.00	6.00	6	Y.T.
10,21,290	4,23,147	3,99,102	5,85,508	2,481	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	19.00	20	2.00	2.00	2.00	1.25	12	Y.
2,75,00,000	1,44,15,441	3,87,52,891	1,68,58,348	89,880	Mr. A. Hyanat & Sq. S. Gothburg ..	Western India Match Co., Ltd. ..	184.00	100	11.00*	11.00*	11.00*	11.00*	12	Y.
45,00,000	60,62,390	3,64,935	3,24,956	73,054	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	280.00	150	20.00	20.00	22.50	25.00	12	Y.
Other Centres														
37,50,000	1,99,86,718	3,81,21,462	86,96,821	2,33,759	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	11.04	O. 10	Nil	Nil	0.50	0.90		Y.P.T.
2,50,000							6.25	D. 2½	Nil	Nil	Nil	Nil	3	
40,00,000	22,26,000	68,17,870	28,12,985	66,620	Roshanpore Bros. (Trav.) Pvt. Ltd. ..	Aluminium Industries Ltd.	16.60	10	1.25	1.25*	1.25	1.25	3	Y.
30,00,000	30,50,217	34,87,877	23,60,192	3,61,259	Kanoi Services & Co. Private Ltd. ..	Angelo Bros., Ltd.	18.50	10	1.25	2.00*	2.00*	1.50*	6	Y.
30,00,000	17,14,735	38,54,372	19,56,272	1,83,944	M. A. Hyatari & Mr. S. Gothburn ..	Bihar Caustic Co., Ltd.	14.75	10	1.25*	1.25	1.25*	1.25*	12	Y.
30,00,000	35,94,000	1,05,12,082	39,55,422	3,39,886	Oberoi Hotels (India) Private Ltd. ..	Associated Hotels of India	6.25	10	0.20	0.40	0.20	0.60	3	Y.P.T.
20,91,500	98,81,398	69,53,196	37,92,196	5,02,575	M.	Balmer Lawrie & Co., Ltd.	157.00	100	12.50	12.50	15.00	15.00	12	Y.
31,87,000	17,56,000	1,38,54,377	37,24,743	2,01,787	Balmer Lawrie & Co., Ltd.	Kanoi Power Mills Co., Ltd.	80.00	10	2.50	2.25	2.50	2.50	12	Y.
20,00,000	3,05,715	62,23,4995‡‡		57,612	Lovelock & Lewis	Birds Investment Ltd.	9.15	10	1.25	1.25	1.00		9	Y.P.
46,97,218	24,61,324	1,14,21,998	37,07,455	1,54,685	K. Julius Scott, Esq. (Mg. Director)	Britannia Biscuits	14.00	10	1.00	1.00	1.00	1.00	3	Y.P.T.
2,25,00,000	1,55,56,571	2,66,98,577	2,58,99,131	1,22,881	W. H. J. Chatterjee, Esq. (Mg. Director)	British India Corporation Ltd. ..	3.50	5	0.06	Nil	Nil		12	Y.P.
1,50,00,000	1,17,84,564	2,06,95,9405‡‡		8,14,484	Andrew Yule & Co., Ltd.	Cirro Kow Investment	8.62	10	0.20	0.50	1.25	0.75	3	Y.
3,00,00,000	4,40,20,006	6,56,49,178	2,68,24,548	22,22,643	John Lashmann, Esq. (Mg. Director) ..	Dunlop Rubber Co. (India) Ltd. ..	27.56	10	1.00	1.50	1.50	1.75	12	Y.P.T.
81,80,000	54,81,625	1,84,12,9085‡‡		2,43,272	Bird & Co. Private Ltd.	Eastern Investments Ltd.	108.00	100	9.00	9.00	9.00	12.50	12	Y.P.
14,00,000	9,88,000	24,98,164	19,09,339	94,156	Mahalji & Bamji Ltd.	Gangaa Rayon Co., Ltd.	188.00	100	15.00	15.00	4.00	12.50	3	Y.
45,00,000	54,80,000	1,29,72,433	10,66,858	1,43,896	P. E. G. Woodbine Parish, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	10.62	10	0.75	1.40	1.50	1.00	3	Y.
30,00,000	15,17,854	33,98,321	20,24,065	74,815	B. P. R. Syndicate	Great Eastern Hotel	265.00	250	6.25	6.25	11.25	12.50	3	Y.
4,00,00,700	10,00,000	4,87,26,577	1,61,29,541	7,92,993	Rieu Brothers Private Ltd.	Hindustan Motors	7.88	10	Nil	Nil	Nil	Nil	3	Y.P.
2,24,15,000	1,17,53,580	7,37,45,515	2,57,10,455	1,61,670	K. C. Mahindra, Esq. (Chairman) ..	Mahindra & Mahindra Co., Ltd. ..	14.44	10	Nil	0.90	1.00	0.00	12	Y.P.
1,88,59,220	1,48,00,000	2,30,68,081	86,85,998	41,81,585	B. J. Woodier, Esq. (Mg. Director) ..	Indian Cables	27.50	10	1.00*	1.25*	0.75*	1.50*	3	Y.
5,27,974	6,66,000	16,74,986	9,50,000	62,722	G. S. Moulton & Co. (India) Ltd. ..	Indian Rubber Manufacturers ..	16.05	10	0.50	0.50	0.62		3	Y.P.
15,10,00,000	24,06,01,084	9,85,79,295	1,02,12,990	58,84,159	Mr. G. N. J. Chotu (Chairman) ..	Imperial Tobacco Co. of India Ltd.	12.94	10	0.60	0.80	0.80	0.70	3	Y.
2,50,00,000	76,37,615	39,92,397	13,86,923	4,71,179	J. D. K. Brown, Esq. (Mg. Director)..	Jardine Henderson	58.50	100	7.50	7.50	7.50	2.50	3	Y.P.
40,00,0600.							159.00N	O.100	17.00	22.50	9.00		12	Y.P.
8,00,000D.	82,86,900	48,58,407	10,48,712	2,57,183	M.	McLeod & Co.	—	D.O.10	1.20	1.75	0.80			
1,45,23,500	90,58,581	85,84,484	14,97,332	2,85,812	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26.10	10	1.25	1.25*	2.12*	2.12*	9	Y.P.
1,15,00,000	1,29,00,151	2,84,27,070	1,01,10,457	16,02,798	M. Chiravali Jones, Esq. (Chairman) ..	Metal Box Co. of India, Ltd.	29.12	10	1.00	1.25	1.25	1.75	3	Y.
6,56,250	9,23,500	11,36,066	5,97,852	5,249	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	14.40	10	1.00	1.00	1.00	1.25	3	Y.
10,00,000	3,78,000	16,47,599	10,18,139	43,554	M. Mallesharya, Esq. (Chairman) ..	Mysore Tobacco	12.62	10	1.25	1.00	1.00	1.50	3	Y.
2,00,00,000	55,55,505	2,14,52,470	61,52,952	25,42,424	J. E. Galloway, Esq. (Mg. Director)..	National Carbon Co. (India) Ltd. ..	25.75	10	0.40	0.32	1.50	1.40	12	Y.P.
40,00,000	74,71,472	69,99,914	41,52,961	1,44,448	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co. ..	27.62	10	1.00	1.50*	2.00*		3	Y.P.
40,00,000	15,00,000	93,19,295	21,17,466	75,724	Do.	National Rolling & Steel Rope ..	10.62	10	0.50	0.50	0.50		6	Y.
8,00,000	6,00,000	50,21,760	28,80,528	1,80,302	K. N. Mookerjee (Mg. Director) ..	National Rubber Manufacturers Ltd.	12.50	10	..	..	..	1.00	12	Y.
								5	..	..	..	0.50		
79,97,000	58,12,466	1,30,51,000	61,76,196	9,08,640	B. N. Elias & Co. Private Ltd. ..	National Tobacco Co.	13.12	10	0.50	0.50	0.70	Nil	12	Y.P.T.
2,25,00,000	4,88,496	1,22,26,543	60,06,554	—44,12,982	M. P. A. Pagenti, Esq.	Ralla (India) Ltd.	32.75	100	Nil	Nil	Nil	Nil	3	Y.P.
2,88,75,000	1,97,70,900	10,80,39,311	3,90,23,765	49,492	Sahu Jain Ltd.	Rohtas Industries	20.94	10	1.50	1.50	1.50	1.50	10	Y.P.T.
4,75,000}	51,356	31,11,597	6,29,199	19,196	Bathe Food Inds. (Private) Ltd. ..	Bathe Biscuit and Chocolate Co., Ltd.	100.00N	100	..	..	2.50	2.50	3	Y.P
5,13,400}							50.00N	50	..	..	2.50	2.50		
70,00,000	17,66,816	1,67,21,608	84,47,040	66,321	M.	Sen-Raleigh Industries	14.87	10	0.60	0.60	0.60	0.60	9	Y.P.
48,00,000	88,41,168	1,21,89,272	72,06,599	9,02,978	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	18.50	10	1.50	1.50	1.50	1.50	9	Y.P.
75,00,000	21,22,788	71,93,265	11,63,597	3,65,425	S. M. Smith, Esq. (Mg. Director) ..	Shaw Wallace & Co., Ltd.	11.81	10	1.25	1.00	1.00	1.00	12	Y.P.
9,96,880	19,925	14,85,995	5,18,593	—7,452	Ogale Bros. (Private) Ltd.	Travancore Sugar and Chemicals ..	4.00	10	Nil	Nil	Nil	Nil	12	Y.

M.—Managed by Board of Directors.
† Subject to taxation.
F.—Mixed Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March, 1957. ‡‡ India Paper Pulp—The dividends paid upto 1954 were on shares of Rs. 100 each which subsequently were divided into shares of Rs. 10 each.
§§ Investments at cost. - Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,62,800 which represent share in the firm of Shaw Wallace & Co., Ltd.
Q.—The latest dividend and quotation relates to 'Ram Buland Sugar Co., Ltd.' subsequent to the amalgamation of the Ram and Buland Sugar Companies.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Average under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
ASSAM															
4,45,700	9,69,019	15,95,482	5,76,683	....	McLeod & Co., Ltd.	325	Amluckie	25.00N	10	18.90	4.75	5.00		12	Y.P.
2,76,500	5,71,500	11,19,537	3,89,762	22,129	M.	312	Ananda (Assam) Tea	17.50	10	7.50	1.00	2.00		12	Y.
7,00,000	6,43,250	12,23,233	3,34,393	49,659	Gillanders Arbuthnot & Co., Ltd.	440	Ananda Bag	19.50	10	8.00*	1.00	1.25		12	Y.
5,60,000	13,21,541	18,70,330	7,47,902	42,752	McLeod & Co., Ltd.	573	Baghmari	20.00	10	3.50	1.00	2.50		12	Y.
5,10,000	9,85,000	12,98,911	5,32,782	53,503	Andrew Yule & Co., Ltd.	373	Basmatia	22.00	10	8.00	1.50	2.00		12	Y.
3 30 600	5,10,000	12,75,996	6,03,754	1,30,178	National Tea Corporation	570	Bateli	18.75	5	4.00	2.50	3.00		12	Y.
5,60,000	7,40,000	11,16,644	3,51,828	69,106	Gillanders Arbuthnot & Co., Ltd.	612	Batjan .

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
3,00,000	2,10,000	3,92,505	24,197	15,009	Planting Agencies (Private) Ltd. ..	Baimadies Plantations	3.45	2	0.25	0.30	0.21	0.45	5	Y.P.
26,91,909	24,50,000	52,61,465	5,49,575	71,795	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	4.75	2	0.75	0.45	0.75	0.52	2	Y.P.
18,00,000	31,00,000	39,79,845	3,06,541	1,81,826	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	22.25	10	2.50	1.50	2.50	4.00	6	Y.P.F.
71,55,000	56,13,836	1,25,54,765	6,69,076	1,13,211	R. G. Paterson, Esq. ..	Consolidated Coffee	28.12	10	1.75	2.25	2.00	4.00	6	Y.P.F.
4,00,000	6,15,728	9,11,782	50,961	6,831	M.	Cottanad Plantations	14.75cd	10	1.50	1.75*	1.50	1.75	3	Y.P.
18,00,000	9,98,548	25,36,790	5,81,442	87,145	A. V. Thomas & Co., Ltd. ..	Highland Prodnce	13.40	10	2.50	2.00	2.00		12	Y.P.
4,00,000	10,92,399	16,91,189	2,63,016	15,068	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	24.00	10	2.00	2.75	2.00	2.00	4	Y.*e
15,50,000	5,71,449	19,82,913	2,09,273	6,247	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	17.50	10	2.25	2.25	2.25	2.25	3	Y.
27,00,000	25,79,387	50,92,726	9,49,414	1,45,978	A. V. Thomas & Co., Ltd. ..	Midland Rubber	17.00cR	10	1.75*	2.50	2.00	2.00	3	Y.P.
3,25,000	3,31,000	14,62,886	2,09,732	28,171	A. V. George & Co. Ltd. ..	Nemmeny Rubber	14.25cd	10	1.50	1.50	1.50		12	Y.P.F.
2,00,000	2,90,000	5,40,617	58,795	4,271	Associated Planters Private Ltd. ..	Nilambur Rubber Co.	14.00cd	10	1.00	1.50	1.50		12	Y.P.F.
19,45,980	23,79,615	45,25,852	14,74,565	53,868	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	8.35	2	0.60	0.40	0.20	0.60	10	Y.
15,50,000	5,60,000	45,07,576	3,85,092	12,289	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	16.25xd	10	1.75*	2.00	2.50	2.00	6	Y.P.
3,66,780	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd. ..	Savamala Estates Ltd.	4.06cd	2	0.50	1.00	1.50	0.30	11	Y.
10,00,000	3,01,000	22,44,526	1,59,449	9,940	Kent India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	6.10	10	0.75	0.90	0.90	0.60	3	Y.P.F.
2,50,000	1,40,000	5,58,440	24,741	23,965	A. V. George & Co., Ltd. ..	Thamarapally Rubber	24.00	10	3.00	3.00	3.00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,485	23,927	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1.78	1	0.10	0.12½	0.12½	0.05	9	Y.P.
6,00,000	33,742	7,89,825	1,41,328	1,270	Kepun Thomas, Esq.(Mg. Director)	Travancore Rubber	18.00xd	10	2.00	2.00	2.00	1.50	12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,00,654	Aspinwall & Co.(Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd..	6.65	10	1.50	1.25	0.75	0.40	12	Y.P.
20,00,000	36,000	30,13,628	7,73,086	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	19.50	25	4.00	4.00	3.00	1.00	12	Y.
3,80,010	5,90,669	9,56,500	27,217	872	M.	Vaikundam (Travancore) Rubber ..	26.75	10	2.25	2.50	2.50	3.50J	12	Y.
6,95,000	1,47,259	13,85,336	59,744	10,259	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.05	10	1.50	2.00	1.25	1.00	3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital) *Includes bonus

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	53,26,489	19,786	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	8.50	10	0.62	0.62	0.25	0.25	3	Y.Y.
6,00,000	10,25,000	45,02,958	25,46,693	1,70,290	McLeod & Co., Ltd.	446	Alexandra	105.00	100	7.50	10.00	10.00	Nil	6.12	H.P.F.
30,00,000	5,25,000	1,25,28,740	95,78,001	—5,74,881	McLeod & Co., Ltd.	1,284	Alliance	81.00	100	12.00	6.00	Nil	Nil	5	Y.P.
60,28,700	67,00,000	2,11,92,070	2,05,15,000	1,77,821	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	162.00	100	7.50	8.50	3.50	7.00	3	Y.
60,00,000	30,54,300	1,40,99,935	55,84,726	—9,79,915	Bird & Co. Private Ltd.	810	Auckland	91.00	100	Nil	3.50	Nil	Nil	3.9	Y.P.F.
30,00,000	23,50,912	99,91,618	65,05,004	65,802	Birla Brothers Private Ltd. ..	959	Bally	176.00	100	Nil	3.50	Nil	Nil	3	H.P.
£275,000	£474,297	£1,622,482	....	1,330	Sir John R. Hardie (Chairman) ..	1,589	Baranagore	100.00	45	sh. 15	sh. 15	Nil		3	Y.
28,00,000	26,56,128	94,67,700	51,49,231	1,330	Andrew Yule & Co., Ltd. ..	820	Belvedere	115.00	100	10.00	7.50	Nil		12	Y.
45,00,000	33,45,000	57,98,172	31,98,574	2,65,106	Sourjmull Nagarmull	600	Bengal	10.75	10	1.12	1.12			6	Y.P.F.
45,00,000	2,17,48,288	2,84,10,402	1,46,52,451	4,37,393	Birla Brothers Private Ltd.	1,372	Birla	17.37	10	1.00	1.00	1.00		3	Y.P.
28,00,000	19,36,925	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	95.00	100	9.00	7.50	Nil	Nil	10	Y.P.
7,47,288	8,00,640	42,18,704	21,62,883	—2 81,470	Dayaram & Sons	502	Calcutta Jute Mfg.	7.00	10	0.75	Nil	Nil	Nil	6.12	H.P.F.
18,00,000	25,21,234	87,77,057	46,40,856	529	Andrew Yule & Co., Ltd. ..	616	Caledonian	125.00	100	9.00	6.50	Nil	Nil	11	Y.
30,15,400	76,49,229	2,28,64,626	1,19,60,843	—7,24,643	James Finlay & Co., Ltd. ..	800	Champdany	96.00	100	8.00	10.00	2.00	Nil	3	Y.
15,95,000	21,56,282	85,02,301	58,78,175	5,857	Andrew Yule & Co., Ltd. ..	520	Cheviot	150.00	100	14.00	10.00	2.00	Nil	11	Y.P.
30,15,000	33,75,000	77,94,318	51,54,350	73,099	McLeod & Co., Ltd.	500	Chitavalsah	18.50	10	1.12	1.37	1.21	1.10	7	Y.P.F.
54,00,000	1,48,999	1,48,99,999	1,48,99,999	1,000	Andrew Yule & Co., Ltd. ..	1,000	Clive	20.87	10	Nil	1.25x	0.50		3	Y.P.
12,00,000	1,17,000	42,24,400	25,20,978	....	Maneselli & Barry Ltd.	720	Dalhousie	26.50	10	1.50	1.50	1.50	1.50	12	Y.P.F.
8,00,000	2,50,000	24,57,368	19,66,774	163	Andrew Yule & Co., Ltd. ..	400	Delta	17.00	10	0.50	0.25			3	Y.
3,50,000	3,48,905	14,15,983	7,88,121	1,962	Bird & Co. Private Ltd.	300	Empire	18.00	10	Nil	2.50	2.25	Nil	3	Y.P.
50,00,000	2,81,875	83,57,876	5,71,179	1,93,332	Andrew Yule & Co., Ltd. ..	1,000	Fort Gloster Industries Ltd. ..	94.00	100	Nil	2.50	5.00	Nil	12	Y.
5,00,000	12,90,895	47,68,813	27,70,923	1,35,338	Andrew Yule & Co., Ltd. ..	400	Fort William	88.00	10	4.00	4.50	6.50	6.50	11	Y.
1,35,400	5,72,960	12,85,541	5,72,286	—2,36,236	Birla & Co.	150	Gangar Mfg.	3.00N	10	Nil	Nil			6.12	H.P.
11,00,040	1,96,54 4	19,80,329	10,63,899	19,611	H. V. Low & Co. (Private) Ltd. ..	400	Kanoria	2.75N	10	0.12				3	Y.
30,15,000	33,75,000	77,94,318	51,54 350	73,099	McLeod & Co., Ltd.	500	Kharda	10.50N	10	0.25	0.12			4	Y.
9,00,000	11,11,926	25,55,749	22,26,193	4,798	H. V. Low & Co. (Private) Ltd. ..	150	Khardah	7.00	10	0.50	0.50			12	Y.
7,48,240	2,00,000	13,13,206	9,66,815	4,560	Amritlal Ojha & Co., Ltd. ..	300	New Bansdeopur ..	9.00N	10	1.25				3,9	H.
7,00,000	26,617	11,03,746	5,72,115	4,560	Andrew Yule & Co., Ltd.	250	New Beerbhoom ..	15.00	10	1.12	1.00	0.75		10	Y.P.
17,75,230	19,51,414	1,34,49,315	91,72,491	52,598	Oesterlen Steel & Co., Ltd. ..	1,400	New Manbhoom ..	11.31	10	Nil	Nil	Nil	0.50	3	Y.
6,00,000	75,000	23,35,321	22,38,923	1,46,499	Kettlewell Bullen & Co., Ltd. ..	200	North West	18.75	10	Nil	1.37	1.50		3	Y.
1,15,000	3,47,692	13,06,639	3,96,116	17,616	Andrew Yule & Co., Ltd.	150	Ondal	18.50	7.50	Nil	1.03	1.12			
1,57,500								12.50	10	1.00	1.00	0.75		12	Y.P.
7,50,000	15,69,447	3,97,666	2,77,666	37,244	F. W. Heilgers & Co. Private Ltd.	200	Oriental Coal	7.00N	10	0.50	0.25			12	Y.
10,00,000	1,10,000	41,24,815	19,79,271	25,429	K. C. Thapar & Bros. Private Ltd.	400	Parasea	13.00	10	0.75	1.00	0.50		12	Y.P.F.
3,54,000	20,000	28,49,867	9,36,561	3,080	Deepchand Khaitan& Co.	150	Peach Valley	20.56	10	1.62	1.50	0.70	2.00	3	Y.
15,75,000	16,20,000	35,17,410	19,92,419	49,383	Shaw Wallace & Co., Ltd. ..	400	Ranagunge	12.37	10	0.50	0.62	0.37	0.75	3	H.
23,95,500	25,46,361	1,37,49,021	91,88,582	20,060	B. N. Elias & Co. Private Ltd. ..	1,000	Rawa	15.81	10	1.37	0.87	0.751		6.12	H.
11,00,000	19,45,115	33,59,365	20,71,364	15,614	Shaw Wallace & Co., Ltd.	300	Samia Collieries ..	11.00N	10	0.75	1.00	1.25		12	Y.
30,00,000	37,12,000	85,56,756	52,17,867	9,997	M.	800	Searsole	4.75N	2.50	0.62	0.75			1	Y.
2,50,000	1,95,582	13,78,626	12,21,227	21,976	M.	200	Seebpore	24.50	7	2.00	2.50	2.25		12	Y.P.
2,50,000	9,11,586	39,92,167	19,75,252	52,208	Andrew Yule & Co., Ltd.	200	Sendra	7.25N	10	0.12	0.25	0.25		6.12	H.Y.
3,00,000	5,09,216	52,491	36,967	5,166	F. W. Heilgers & Co. Private Ltd.										
68,31,450	94,56,586	5,19,41,849	2,73,46,629	29,557	Industrial Trust Fund (Government of Andhra Pradesh)		Singareni	11.00	10	0.70	0.75	1.00		12	Y.Y.
					Bird & Co. Private Ltd.		South Karanpura ..	11.19	10	0.12	0.12	0.25		2.6	H.
17,50,000	10,89,692	33,95,664	16,16,434	10,497	F. W. Heilgers & Co. Private Ltd.		Standard	11.00	10	1.00	1.00	1.00		12	Y.
5,00,000	14,01,063	1,69,57,570	27,510	17,411	M.		Talcher	1.75	2.50	Nil	Nil	Nil		9	Y.Y.
10,00,000	....	81,92,894	15,43,502	—5,92,907	Williamson Magor & Co., Ltd. ..		Union	15.25	10	0.75	Nil	Nil		12	Y.
3,50,000	3,35,000	18,97,034	14,54,234	77,106	Hindustan Investment Corpn.,Ltd.		Western Bengal ..	6.12	10	0.37	0.50	0.50	0.50	3	Y.
20,00,000	66,784	45,72,306	24,16,308	11,843	Maneselli & Barry Ltd.		West Jamuria	5.00	10	Nil	Nil	Nil	Nil	12	Y.
7,00,000	....	58,61,405	27,57,069	—8,49,103											

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1954 Rs. nP.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	Accounts closed	Reference
85,50,000	25,26,688	99,26,489	69,86,489	29,730	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	18.25	10	1.81	1.87	0.50	1.25	3	Y.
12,00,000	2,49,990	37,46,675	28,20,182	70,917	Jardine Henderson Ltd.	Bararee Coke	10.87	10	1.46	1.46	1.10	0.37	3.9	H.
1,43,250	1,06,000	9,28,911	5,64,876	90,870	Kalyanji Mavji & Co.	Bengal-Bhaldee	10.25	10	0.87N	0.00	0.75		6.12	Y.P.
1,00,00,000	1,62,13,157	6,38,12,765	4,41,60,343	11,48,060	Andrew Yule & Co., Ltd. ..	Bengal Coal	234.00xd	100	30.00*	35.00*P	17.50	17.50	10	Y.P.
2,18,000	4,12,782	24,82,157	23,43,960	—94,879	H. V. Low & Co. (Private) Ltd...	Bengal-Nagpur	18.00	10	Nil	Nil			9	Y.
15,97,000	4,88,558	49,14,600	24,22,296	3,179	Sahu Jain Ltd.	Bhaigora	6.81	10	Nil	Nil			6	Y.P.F.
40,00,000	10,28,289	1,44,88,927	77,89,407	2,129	M.	Bhanjdih	6.66	10	0.62	Nil	0.62	0.62	3	Y.Y.
7,18,000	10,18,172	49,80,948	34,54,101	—4,92,542	M.	Bhanlanbarasee	9.50N	10	Nil	Nil			12	Y.
7,50,000	10,18,178	49,80,948	37,10,503	19,588	F. W. Heilgers & Co. Private Ltd.	Borrea	18.62	10	2.00	2.00	1.50		6.12	H.Y.
7,50,000	34,16,419	49,87,888	37,10,503	95,339	Bird & Co. Private Ltd.	Burrakur	21.25	10	0.88	0.75	0.62	0.37	6.12	H.Y.Y.
90,93,480	1,70,33,767	4,37,67,223	1,99,68,073	1,48,031	Hindustan Investment Corpn.Ltd.	Central India	7.72	10	0.50	0.25	0.50	0.50	3	Y.
49,97,750	....	46,39,014	12,89,914	2,401	M.	Central Kurkend	10.50N	10	0.25	0.50	0.501		12	Y.
5,00,000	13,35,000	49,13,827	33,05,499	69,000	F. W. Heilgers & Co. Private Ltd.	Charlia	8.25	4	0.12	0.06	0.06		12	Y.
6,00,000	1,48,986	7,80,061(k)	....	4,240	Maneselli & Barry Ltd.	Dhemo Main	7.00	10	Nil	Nil	Nil	Nil	12	Y.
16,00,000	....	54,47,012	31,85,398	—67,535	Jardine Henderson Ltd.	East Indian	20.87	61	2.50	2.00	2.50	1.50	4	Y.
£240,000	£262,575	£1,001,818	£784,950	£26,677	Maneselli & Barry Ltd.	Equitable	26.50	10	1.50	1.50	1.50	1.50	12	Y.P.F.
29,63,760	93,25,027	4,34,54,587	3,12,09,700	59,732	Bhatter's Agency Ltd.	Ghusick and Mualia	17.00	10	0.50	0.25			3	Y.
10,00,000	1,48,999	19,81,344	4,58,557	23,855	Kilburn Industries Ltd.	Hingir-Rampur	20.75	10	Nil	2.25	2.25	Nil	6	Y.P.
12,00,000	1,17,000	42,24,400	25,20,978	....	Maneselli & Barry Ltd.	Hurriladih	14.44	10	1.75	2.50	1.50	Nil	12	Y.
8,00,000	2,50,000	24,57,368	19,66,774	163	Andrew Yule & Co., Ltd.	Kalapahari	14.00N	10	Nil	Nil	Nil		3	Y.
3,50,000	3,48,905	14,15,983	7,88,121	1,962	Bird & Co. Private Ltd.	Karanpura Collieries ..	94.00	100	Nil	2.50	5.00	Nil	3	Y.P.
50,00,000	2,81,875	83,57,876	5,71,179	1,93,332	Andrew Yule & Co., Ltd. ..	Kasras Jherriah	88.00	10	4.00	4.50	6.50	6.50	11	Y.
5,00,000	12,90,895	47,68,813	27,70,923	1,35,338	Andrew Yule & Co., Ltd. ..	Khas Kajora	3.00N	10	Nil	Nil			6.12	H.P.
1,35,400	5,72,960	12,85,541	5,72,286	—2,36,236	Birla & Co.	Kurdi	2.75N	10	0.12				3	Y.
11,00,040	1,96,54 4	19,80,329	10,63,899	19,611	H. V. Low & Co. (Private) Ltd...	Lakurka	10.50N	10	0.25	0.12			4	Y.
9,00,000	11,11,926	25,55,749	22,26,193	4,798	H. V. Low & Co. (Private) Ltd...	Makum	7.00	10	0.50	0.50			12	Y.
7,48,240	2,00,000	13,13,206	9,66,815	4,560	Amritlal Ojha & Co., Ltd. ..	New Bansdeopur ..	9.00N	10	1.25				3,9	H.
7,00,000	26,617	11,03,746	5,72,115	4,560	Andrew Yule & Co., Ltd.	New Beerbhoom ..	15.00	10	1.12	1.00	0.75		10	Y.P.
17,75,230	19,51,414	1,34,49,315	91,72,491	52,598	Oesterlen Steel & Co., Ltd. ..	New Manbhoom ..	11.31	10	Nil	Nil	Nil	0.50	3	Y.
6,00,000	75,000	23,35,321	22,38,923	1,46,499	Kettlewell Bullen & Co., Ltd. ..	North West	18.75	10	Nil	1.37	1.50		3	Y.
1,15,000	3,47,692	13,06,639	3,96,116	17,616	Andrew Yule & Co., Ltd.	Ondal	18.50	7.50	Nil	1.03	1.12			
1,57,500							12.50	10	1.00	1.00	0.75		12	Y.P.
7,50,000	15,69,447	3,97,666	2,77,666	37,244	F. W. Heilgers & Co. Private Ltd.	Oriental Coal	7.00N	10	0.50	0.25			12	Y.
10,00,000	1,10,000	41,24,815	19,79,271	25,429	K. C. Thapar & Bros. Private Ltd.	Parasea	13.00	10	0.75	1.00	0.50		12	Y.P.F.
3,54,000	20,000	28,49,867	9,36,561	3,080	Deepchand Khaitan& Co.	Peach Valley	20.56	10	1.62	1.50	0.70	2.00	3	Y.
15,75,000	16,20,000	35,17,410	19,92,419	49,383	Shaw Wallace & Co., Ltd.	Ranegunge	12.37	10	0.50	0.62	0.37	0.75	3	H.
23,95,500	25,46,361	1,37,49,021	91,88,582	20,060	B. N. Elias & Co. Private Ltd. ..	Rawa	15.81	10	1.37	0.87	0.751		6.12	H.
11,00,000	19,45,115	33,59,365	20,71,364	15,614	Shaw Wallace & Co., Ltd.	Samia Collieries ..	11.00N	10	0.75	1.00	1.25		12	Y.
30,00,000	37,12,000	85,56,756	52,17,867	9,997	M.	Searsole	4.75N	2.50	0.62	0.75			1	Y.
2,50,000	1,95,582	13,78,626	12,21,227	21,976	M.	Seebpore	24.50	7	2.00	2.50	2.25		12	Y.P.
2,50,000	9,11,586	39,92,167	19,75,252	52,208	Andrew Yule & Co., Ltd.	Sendra	7.25N	10	0.12	0.25	0.25		6.12	H.Y.
3,00,000	5,09,216	52,491	36,967	5,166	F. W. Heilgers & Co. Private Ltd.									
68,31,450	94,56,586	5,19,41,849	2,73,46,629	29,557	Industrial Trust Fund (Government of Andhra Pradesh)	Singareni	11.00	10	0.70	0.75	1.00		12	Y.Y.
					Bird & Co. Private Ltd.	South Karanpura ..	11.19	10	0.12	0.12	0.25		2.6	H.
17,50,000	10,89,692	33,95,664	16,16,434	10,497	F. W. Heilgers & Co. Private Ltd.	Standard	11.00	10	1.00	1.00	1.00		12	Y.
5,00,000	14,01,063	1,69,57,570	27,510	17,411	M.	Talcher	1.75	2.50	Nil	Nil	Nil		9	Y.Y.
10,00,000	....	81,92,894	15,43,502	—5,92,907	Williamson Magor & Co., Ltd. ..	Union	15.25	10	0.75	Nil	Nil		12	Y.
3,50,000	3,35,000	18,97,034	14,54,234	77,106	Hindustan Investment Corpn.,Ltd.	Western Bengal ..	6.12	10	0.37	0.50	0.50	0.50	3	Y.
20,00,000	66,784	45,72,306	24,16,308	11,843	Maneselli & Barry Ltd.	West Jamuria	5.00	10	Nil	Nil	Nil	Nil	12	Y.
7,00,000	....	58,61,405	27,57,069	—8,49,103										

M—Managed by the Board of Directors. ‡ Less income tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1956 is on shares of Rs. 10 each. The Alliance and Lothian jute companies have been amalgamated with New Central Jute Co. with effect from 1st December 1954.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1954 is on shares of Rs. 10 each. P.—Bengal Coal Co. Dividend from 1954 to 1956 are on shares of Rs. 200 each.
New 1956 the dividend of Rs. 17-5 includes an interim dividend of Rs. 7-5 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each.

MARKET GOSSIP

(*Concluded from page 3*)

reasonably have been urged against measures to prevent any further slackening of the growth of aggregate demand. However, without the expectation of timely co-operative action to improve international liquidity, Governments may well be reluctant to stimulate any real acceleration of recent rates of growth."

It may be noted, in passing, that Britain has already moved the U.S. on the question of improving international liquidity and the response from the latter has been sympathetic. This question will come up for serious consideration at the forthcoming annual meeting of the I.M.F. and the World Bank in the first week of October at New Delhi.

* * * *

No decision of immediate import to the wheat trade has emerged from the two-day meeting of the International Wheat Council held at London last week-end. This is not surprising, because the meeting was just a routine one. A notable outcome, however, was the Council's decision to request the U.N. Secretary-General to convene a conference early next year to negotiate a possible renewal or replacement of the International Wheat Agreement which is due to expire on 31st July 1959. It also decided to recommend the convening of a preliminary U.N. conference of short duration in the autumn of this year to discuss the main principles and the general form that a new Agreement should take.

The present Agreement, it will be recalled, was signed in 1956 ; it is basically the same as the one drawn up in 1949 and renewed in 1953. The aim of the Agreement is to ensure "fair" prices for wheat and to check extreme fluctuations in the market by fixing the minimum and maximum prices at which the importing and exporting members must be prepared to buy or sell, as the case may be, up to the limits of the quotas established for them. In between these two extremes, no restrictions are put on the operations of members. The maximum price at present is $2 per bushel for Manitoba No. 1 in store Fort William and the minimum is $1.50. The prices of other grades of wheat are worked out on the basis of these quotations. It may be noted here that the currently prevailing market prices for wheat are around $1.70-$1.75 per bushel.

The deliberations of the forthcoming U.N.-sponsored world wheat conference and the future of the Agreement, more especially the attitude of Britain which is expected to be invited to attend the conference, will be watched with much interest. Britain, as readers are aware, refused to rejoin the Wheat Council when the Agreement was last renewed in 1956 on the ground that the Agreement contained no provision for dealing with the wheat surplus. Since Britain is one of the world's major wheat importers, its exclusion from the Council leaves a large gap in the Agreement's coverage ; the total of quotas fixed by the Council accounts for a bare one-third of world trade in wheat.

The world today is once again faced with a huge wheat surplus. Thanks to the surplus, the problems facing the major producing countries, particularly Canada and the U.S., "are, if anything, more extensive than they were." The estimated 1958 wheat output in the U.S. is placed at an all-time record of 1,271 million bushels which represents a rise of as much as 34 per cent. as compared with the previous year's output of 948 million bushels. It is 14 per cent. above the 1947-56 average of 1,116 million bushels. The markedly large output of 1,271 million bushels, together with the substantial carryover of 895 million bushels, brings the total quantity on hand for the current marketing year (beginning on the 1st inst.) to a record of 2,166 million bushels, that is, more than 16 per cent., above the level a year ago. The substantial carryover is the result of an appreciable fall in exports of wheat from the U.S. which, during 1957-58, aggregated no more than 390 million bushels, as against the all-time peak exports of 549 million bushels in 1956-57.

Besides the U.S., the two other major producing countries—Australia and the Argentine—are also expected to have bumper wheat crops. Although the crop outlook in Canada, another major producer, has turned out to be gloomy on account of lack of rain, it is still having huge unsold stocks of wheat. Incidentally, it may be noted that the aggregate stocks in the six major exporting countries of the world on 1st April 1957 amounted to nearly 2,000 million bushels.

Viewed thus and considering reports of the generally favourable new European wheat crops, it looks as though competition in the world wheat markets will be unusually keen throughout the current season. Naturally, wheat farmers in the U.S., Canada and elsewhere view this prospect with concern. If there were to be a slump in world wheat prices, would the Council be in a position to prevent it? The answer to the poser is 'no.' For, under the Agreement as it stands at present, the question of surplus does not come within the orbit of the Council ; it is a matter left entirely to the individual countries to tackle.

* * * *

The U.S. Government's scheme of support for lead and zinc prices, as reported in these columns last week, has since been modified by the Senate Interior Committee. The modified scheme provides for Government subsidies to bridge the g

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
16,00,000	1,06,00,000	13,42,652	Allahabad Bank	360.00	100	18.00‡	18.00	18.00	9.00‡	12	Y.P.
14,50,000				180.00	50	9.00‡	9.00	9.00	4.50‡		
1,81,000	18,04,000*	1,910	Andhra Bank	109.00	100	7.50	6.50	8.00	6.00	6,12	H.
20,75,595				90.00	85	3.75	4.54	5.59	5.10		
1,00,00,000	1,36,00,000	4,10,731	Bank of Baroda	118.00	50	6.00‡	6.00‡	7.00	7.00	12	Y.
50,00,000	25,00,000	7,000	Bank of Bikaner	21 52xd	25	0.75	0.87	1.12	1.25	12	Y.
2,50,00,000	2,18,00,000	16,02,881	Bank of India	134.00	50	7.00	8.00	8.00	8.00	6,12	R.L.Y.
50,00,000 'A'				135.50	50'A'				8.00		
13,98,375	25,00,000	52,270	Bank of Indore	83 90N	25	3.00	3.50	4.00	4.25	12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur	87.50	50	2.00	2.00	2.50	3.00	12	Y.
50,00,000	91,95,613	1,87,085	Bank of Mysore	255.00	100	16.00‡	16.00‡	16.00‡	16.00	12	Y.
15,00,000	42,00,000	44,768	Canara Bank Ltd.	86 00	50	4.50	5.00	5.00	6.00	12	Y.F.
7,50,000	13,50,000	5,670	Canara Banking Corporation Ltd.	80.00	50	5.00	5.50‡	5.00‡	5.00‡	12	Y.F
5,82,980 'A'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	170.00	100'A'	12.50	12.50	15.00	16.00	12	Y.
22,737 'C'				1.71	1'C'	12½%	12½%	15%	15%		
5,82,11,575	4,05,60,821	18,44,046	Central Bank of India Ltd. ..	53.40	25	2.00	2.00	2.50	2.50	12	R.L.Y.
32,42,275				58.00	25	3.00	3.00	3.50	3.50		
50,00,000	40,00,000	2,50,320	Devkaran Nanjee Banking Co. ..	46.50	90	2.00	2.50	3.00	3.00	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	26.37	5	0.81	0.87	1.37	1.06	12	Y.
50,00,000	25,75,000	1,01,946	Hind Bank	54.50	50	1.50	3.00	3.00		12	Y.
1,25,00,000	5,00,000	13,442	Hindustan Commercial Bank ..	9.50	50	Nil	Nil			12	Y.
50,00,000	1,50,000	4,283	Hindustan Mercantile Bank ..	10.00	50	Nil	Nil	Nil	Nil	12	Y.
44,00,000	1,60 00,360	2,04,276	Indian Bank	196.50	100	12.00‡	12.00‡	13.00	15.00‡	6,12	R.L.H.
22,40,000				168.00	80	7.20‡	7.75	9.75	12.00‡		
56,23,250	46,26,800	2,22,067	Indian Overseas Bank	144.50	100	6.00	7.50	10.00	10.00	12	Y.
10,00,000	10,25,000	22,502	Pandyan Bank Ltd.	32.50	25	1.56	1.87	1.87	1.87	12	Y.
1,25,00,000	1,10,00,000	4,51,904	Punjab National Bank	62.00	25	3.00	3.50	4.00	5.00	12	Y.
5,00,00,000	2,17,000	5,822	Travancore Bank	21.35	25	0.75	1.00	1.00	1.25	12	Y.
40,00,000	40,00,000	1,50,232	Union Bank of India	8.24	5	0.24	0.37	0.44	0.44	12	Y.
2,00,00,000	1,54,00,000	49,432	United Commercial Bank	62.00	50	2.50	2.75	2.50	2.75	12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent)					
£4,400,000	£5,700,000	£412,542	Chartered Bank	£2-2-9	£1	15†	15†	15†	15†	12	Y.
H.K. $50,000,000	H.K. $128,000,000	H.K. $2,062,468	Hongkong and Shanghai Banking Corporation	£42½	H.K. $125	5*	5*	5*	$ 12½*	12	Y.
£12,565 276	£13,800,000	£826,712	Lloyds Bank	£2-6-0	£1	15†	12†	12†	15†	12	Y.
£2,940,000	£2,100,000	£321,452	Mercantile Bank Ltd.	£1-11-0	£1	14†	14†	14†	16½†	12	Y.
£2,851,562	£3,104,687	£365,589	National Overseas and Grindlays Bank Ltd.	£1-8-0	sh. 12½	15†	15†	15†	15†	12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R. L.—Reserve Liability on shares. (I) Interim. * 5 per share free of tax. xr—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Garew & Co.	1922	92.00	1st June 1962
4,00,000	5½	1st March and 15th September	Garew & Co. (2nd Mortgage)	1942	90.00	25th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.00N	28th December .. 1962-82
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00N	1st November .. 1959-64
25-00,000	4½	1st May and 1st November	Walchandnagar Industries (New)..	1944	94.00N	1st November .. 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
30,00,000	4½	30th June and 31st December	Barrakur Coal Co.	1947	87.00	30th June .. 1967 (c)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	97.00	14th December .. 1969 (c)‡
COTTON						
2,50,000		30th June and 31st December	Bassatl Cotton Mills Ltd.	1942	85.00	30th April.. .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1907	90.00	15th November .. 1966 (b)
75,00,000	5	1st April and 1st October	Bombaykhana and Carnatic	1952	99.00	1st March .. 1972 (c)
40,00,000	6	1st April and 1st October	Gokak Mills	1907	100.50	1st April .. 1967-72
15,71,600	5½	30th June and 31st December	Jaysinkre Textiles	1949	90.00N	1st January .. 1956-59
99,00,000	5	1st June	Tata Mills	1951	93.50	15th November .. 1967
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co. Ltd. ..	1950	90.00	31st March .. 1965 (c)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co. Ltd. ..	..	97.00	14th June .. 1960
99,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co. ..	1940	93.00	1st October .. 1960
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	96.00	31st December .. 1964 (c)
44,649,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.50	1st January .. 1970 (c)
25,00,000	4	30th June and 31st December	Cawnpore Electric Supply Co., Ltd.	1945	84.00	31st December .. 1970
12,50,000	5	1st January and 1st July	Sfinx (Chemical) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1974 (c)
3,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	95.00	1st April .. 1960-61
1,00,000	6	3rd April and 3rd October	South Madras Electric Supply ..	1940	93.50	30th September .. 1952-66
47,75,000	5	1st April and 1st October	Tata Power	1940	99.00	1st July 1978
2,50,00,000	4	1st April and 1st October	Tata Power	..	85.00	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1960
2,00,000	5½	30th June and 31st December	Bridge & Roof (India), Ltd.	1942	92.00	30th June .. 1962
50,00,000	5½	15th September and 15th March	Indian Hume Pipe (Reserve) ..	1942	97.00	1st July 1967-82
10,00,000	6	31st May and 30th November	Kumarchubi Engineering Works Ltd. ..	1946	80.00	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.00	1st October .. 1966-86
40,00,000	6	31st December	Textile Machinery Corporation Ltd	1950	95.50	31st December .. 1960 (c)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	90.50	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1959
15,00,000	6	31st December and 30th June	Auckland Jute Co. Ltd.	1945	77.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd... ..	1945	90.00	30th June .. 1960
5,00,000	5	31st January and 31st July	Calcutta	1946	88.00	31st July 1959
10,00,000	5	30th June and 31st December	Chhatrabala Jute Mills	1951	88.50	30th June .. 1966
20,42,500	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (c)
2,50,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (c)
20,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1953	94.00	31st March .. 1970
25,00,000	5	30th June and 31st December	Hukumchand Jute Mills Co., Ltd. ..	1949	90.00	31st December .. 1964 (c)
25,00,000	5½	30th June and 31st December	Kelhati	1952	90.00	31st March .. 1967 (c)
4,00,000	4½	14th November and 14th May	Kelhnarain Jute Mills Co., Ltd. ..	1939	88.00	14th May 1959
20,00,000	4	30th June and 31st December	Maneklorack Jute Co., Ltd.	1940	90.00	31st December .. 1964
8,00,000	4	30th June and 31st December	Prashkeury	1945	85.00	30th June .. 1960
25,00,000	5	31st March and 30th September	Rajkumar Jute Mills Co., Ltd. ..	1950	85.00	5th September .. 1965 (c)
12,00,000	5½	30th June and 31st December	Union	1937	90.00	31st March .. 1967
16,00,000	6½	31st January and 31st July	Waverly	1925	80.00	31st July 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£850,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par on every seventh year thereafter
£180,888		1st April and 1st October		1933	£74.10N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Kalakhal-Lalabazar Railway ..	1945	85.00	31st December .. 1969 (c)
£800,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway ..	1905	£64	any time on six months' notice (c)
4,14,12,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	94.50	1st September .. 1968
PLANTING						
11,25,000	6	31st March and 30th September	Nilgiri Tea	..	99.00	1st April 1962-86
1,50,500	6½	31st March and 30th September	Teokey	1944	100.00	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd. ..	1942	92.00	31st December .. 1962
50,50,000	4½	1st January and 1st July	Associated Hotels of India	1946	95.00	31st December .. 1962
2,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	97.25	1st September ..1964-66 (c)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd. ..	1955	97.75	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chewringhee Properties	1915	85.00	1st February .. 1964
19,24,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd. ..	1936	82.00	1st July 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78.00	15th September .. 1966
1,00,00,000	4	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	90.00	 1966
1,50,00,000	5½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	97.25	1st January .. 1971(c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.00N	30th June .. 1969 (c)‡
12,75,000	5	2nd January and 2nd July	Meister Chemical Industries	1940	88.00	 1964
12,07,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes) ..	1946	815.00	30th September .. 1970 (c)
45,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes)..	1947	455.00 (per note)	31st December .. 1972 (c)
75,00,000	6	1st April and 1st October	Macneill and Barry Ltd.	1951	94.00N	1st April 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	98.00	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	90.50	31st March .. 1961 (c)
1,50,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91.00	31st December .. 1966
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1955	97.25	1st May .. .. 1965(c)‡‡

(c) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
§ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-6-1965. ‡ Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Rs. 60 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. ‡‡ Option to repay at par on 6 months' notice, on or after 1st January 1965.

Notices

FORT GLOSTER INDUSTRIES LIMIT

NOTICE IS HEREBY GIVEN THAT T Annual General Meeting of the Comp will be held at the Registered Office, No Strand Road, Calcutta-1, on Tuesday the July, 1958, at 4 p.m., for the follo purposes:—

(1) To receive the Report of the Dire and to pass the Audited Accounts fo year ended 31st March 1958.

(2) To declare Dividends.

(3) To elect a Director in the place o P. D. Bangur who retires by rotation also under Section 261 of the Compa Act, 1956, being an Associate of Me Kettlewell Bullen & Co., Ltd., Managing Agents of the Company to consider and if thought fit, to the following resolution as a Spe Resolution, in respect of which sp notice as required by Section 261 o Companies Act, 1956, has been rece by the Company and the relative planatory Statement is annexed her

"RESOLVED that pursuant to Se 261 of the Companies Act, 1956, P. D. Bangur, an Associate of Me Kettlewell Bullen & Co., Ltd., Managing Agents of the Compan and is hereby re-elected a Direct the Company."

(4) To elect Auditors for the current and to fix their remuneration.

(5) To transact any other ordinary busi of the Annual General Meeting.

The Share Transfer Books of the Comp will be closed from the 21st July to 29th J 1958, both days inclusive.

By Order of the Board
KETTLEWELL BULLEN & CO., LT
Managing Age

CALCUTTA, *26th June*, 1958.

Note:—A member entitled to attend vote is entitled to appoint a proxy to attend vote instead of himself and the proxy need be a member.

Explanatory Statement under Section 173 of Companies Act, 1956, in regard to item No

The Company has received a Special No as required by Section 261 of the Compa Act, 1956, of intention to propose the resol set out under this item as a special resol for the reason that Sri P. D. Bangur, a Dire of the Company, who retires by rotation at Annual General Meeting, is also a Director Member of Messrs. Kettlewell Bullen & Ltd., the Managing Agents of the Company as such 'an associate of the Managing Ag and hence he can only be appointed a direct the Company by a special resolution of Company under the said Section 261 of the Act and that it is in the interest of the Comp that it should continue to avail of the ben of the valuable advice and guidance of the Sri P. D. Bangur by appointing him a Director of the Company.

BRITISH INDIA ELECTRIC CONSTRUCTION COMPANY, LIMIT

THE BOARD OF DIRECTORS HAS DECI to recommend to the forthcoming An General Meeting of the Company a dividend 20 per cent. for the year ended 31st Decem 1957.

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSO
Secretar
Managing Age

21, NETAJI SUBHAS ROAD,
CALCUTTA, *25th June*, 1958.

COMMERCE

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

VOL. XCVII. No. 2469 BOMBAY, 12th JULY 1958 PRICE: Re. 1.50

LANCASHIRE SCORES

AT long last, the Lancashire cotton industry has won what it wanted, namely, protection against unlimited imports of cotton textiles from the Commonwealth countries. The representatives of cotton mills in India and Pakistan have finally agreed to accept a ceiling on shipments of their cloth to the U.K. The arrangement is conditional on the establishment of a similar system of limitation with Hongkong. This, however, is only a question of time, for, with India and Pakistan having yielded ground, this little Colony cannot hold out much longer. No details of the understanding have been made public, but there need be no doubt about the agreement itself. Both the Cotton Board in Manchester and Mr. Kasturbhai Lalbhai, who headed the recent delegation of Indian millowners to Britain in May last, have simultaneously confirmed it. In fact, they have stated that a document embodying the understanding will be signed by them in the near future.

Lancashire's success constitutes one more dent in the twenty-five-year old Imperial Preference system. Ironically enough, this development has taken place just a few weeks before what is described as a momentous Commonwealth Economic Conference scheduled to meet in Montreal, Canada, where the Ottawa Pact was concluded. If the dent appears to be less conspicuous than it actually is, it is because of the voluntary and unofficial character of the agreement between the parties concerned. It reflects the new spirit that animates international relations, namely, "live and let live." In fact, the dent may even prove as a safety valve through which the pressures generated by passage of time against the Imperial Preference system may be allowed to escape, provided, of course, this example is not carried too far.

It is said that perseverance always pays. Lancashire has now proved that even a bad case can be won by perseverance. Both millowners and workers in Lancashire worked hard for well over two years to win the support of their Government against unrestricted imports of cloth from countries protected by the system of Imperial Preference. Similarly, the leaders of both Conservative and Labour parties worked towards the same goal, though the means adopted by them were different. Indeed, they vied with one another in this task. Public meetings were held; processions were organised; boycott of foreign cloth was talked about and even plans were drawn up to implement the threat; not a month went by without some deputation or other from Lancashire waiting upon the British Government; India, Pakistan and Hongkong came in for a virulent attack at the hands of Lancashire trade union leaders, on the ground that they were employing cheap labour; and the Press in Britain was bombarded with letters to the editor, criticising the allegedly unsympathetic attitude of the British Government, and with reports of proceedings of the various protest meetings. This kind of high-powered campaign has gone on for over two years and has yielded a big dividend now.

In distressing contrast to what Lancashire mills did to mould public opinion in their favour and gain the support of the British Government, the Indian millowners, labour leaders and politicians did nothing to expose the unreasonable nature of Lancashire's demands. No interest was at all taken by either trade union leaders or the politicians. The Indian millowners chose to talk with Lancashire in secret, albeit with the full permission of the Government. They would tell nothing even to those sections of the Press which took an interest on this subject. They displayed a defensive, if not defeatist, attitude right from the beginning and spoke of the need for a compromise with their competitors in Britain. They never faced the issues squarely. Instead, they proceeded on the assumption that they could conveniently take shelter under a "no" by Pakistan and Hongkong to Lancashire's demands. They thought that that way they could keep their markets in Britain and yet retain its goodwill. This calculation has failed. Pakistan has agreed to toe the line meekly taken by them and both have weakened the hands of Hongkong. Thus, India, which had a good case, has lost it through mishandling by its millowners and administrators at New Delhi.

This journal has always contended that Lancashire's demand for a restriction on imports of cloth was not justified. It is true that Lancashire was once a great cotton goods producer. But most of its greatness was due to Britain's position as a great colonial power which it is not today. The world has changed a lot since the last war. And Lancashire has lost most of the political props under which it was having a sheltered existence for decades and decades. Other countries, more advantageously situated than Lancashire for making cotton goods, have successfully emerged as producers and exporters. All this is part of evolution of the world. If Britain had suffered any material setback as a result of this evolution, there could at least be a case for accommodation by other countries which have won some minor advantages. But this is not the case. Britain has, instead of suffering a setback, gained considerably. It has a variety of other means of production and sources of employment which have more than offset the shrinkage in the status and size of the Lancashire cotton industry. It has one of the highest living standards in the world. Unemployment in Britain is low, being only a small fraction (less than 2 per cent.) of its total employable labour. A gradual switch over of capital and labour employed in the cotton mill industry to new avenues is not beyond the capacity of the country.

The economic position of India, Pakistan and Hongkong is entirely different. They have more labour, less capital and fewer employment opportunities. The manufacture of cotton textiles is one of the economic activities for which they are better suited than Britain. The availability of savings is limited. Exports have to be kept up in order to earn the external resources needed to finance their development plans. What justification is there for an economically strong country like Britain to cajole and compel such economically weaker countries as India and Pakistan to accept limitations of the type now won by the Lancashire cotton industry? We see none whatever.

There might be a case for Britain placing some restrictions on imports of cloth from Commonwealth countries had there been dumping on the part of the latter. There is no convincing evidence that any one of them is guilty of that charge. So far as India is concerned, we can confidently assert that it has not resorted to dumping. Again, the type of goods which India has been exporting is mostly grey, so that its processing and finishing in Britain have been providing employment for those engaged in these activities. Even now a good part of the cloth thus finished is being re-exported. Further, not all the difficulties of Lancashire are due to the increase in imports of foreign cotton goods into Britain during the last two years. We have good reasons to feel that consumers in Britain are not with the Lancashire interests and, if a poll were taken on their demands, they would not get a favourable verdict. Even in Lancashire, there are many who are extremely critical of their mill industry's demands. It is, however, not for us to plead the cause of British consumers.

Readers may wonder why Indian millowners have agreed to accept a ceiling on their exports to Britain when India's case against it is sufficiently strong. There are several reasons, but the main ones may be briefly stated. The Indian millowners, or at least their leaders, know very well that their industry is not strong enough to retain for a long time the entire gain it has made in the British market. They are aware of the continuous efforts that are being made by the mills in Lancashire to strengthen their competitive capacity. They are also doubtful whether they can hold their own against the increasing competition offered by Hongkong in the British market. Their experience in the first quarter of 1958 goes to confirm this doubt. During this quarter, imports into Britain were higher at 116,541,000 yards, as against 103,064,000 yards and 74,892,000 yards in the first quarter of 1957 and 1956, respectively. But India's share actually declined by 9 million yards to 36.77 million yards. The chief beneficiaries were Hongkong, China and Japan. Knowing the inherent weakness of their industry, for which the Government of India's economic policies are more responsible than the shortcomings of some of the mills, the spokesmen of millowners must have thought that discretion was the better part of valour and agreed to a scheme of limitation which would secure the major part of the ground gained by them in 1956 and 1957. The passive attitude taken by them right from the beginning of the controversy fully bears out this inference.

It can be stated without fear of contradiction that the spokesmen of millowners took no step in this matter without consulting the Government of India. Their understanding with Lancashire millowners has both the approval and the blessings of the Government. Accordingly, they cannot be accused of having sacrificed the larger interests of India in order to safeguard those of their industry. The main reasons why the Government of India decided to let the millowners negotiate with Lancashire interests and reach a "mutual" agreement have yet to be publicly stated. But they are easily

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discernible. First, the British Government had made strong but informal representations to the Government of India to do something in this matter. No less than two British Tory Prime Ministers, Sir Anthony Eden and Mr. Harold Macmillan, had spoken to Mr. Nehru, India's Prime Minister, about this question. Secondly, the British Government had forced Japan and China to accept a ceiling on their exports of cotton cloth to the U.K. Will it be in keeping with the spirit of India's foreign policy to ignore this development and insist upon the privileges of Commonwealth membership? Thirdly, it is not in the very nature of Mr. Nehru's Government to take any aggressive stand on issues of this nature. Mr. Nehru is as much against economic wars as political wars. The policy of his Government is one of international co-operation and friendly relationship with all. And, fourthly, India needs the help of Britain in many respects. The latter is the single largest buyer of quite a few of India's export goods, besides being a supplier of a large proportion of capital goods needed by it for implementing its plan for economic development. Again, right now, India is in need of a large credit to tide over its foreign exchange difficulties. At this juncture, it is certainly not good diplomacy to quarrel with Britain over the market for a few million yards of cloth. Thus, the very foreign exchange difficulties, which suggest that it is foolish for India to surrender a part of its export trade, seem to have turned out to be one of the important causes for the concession shown to Lancashire.

A last point that we should like to make is this. It has often been stated by Lancashire interests—both capital and labour—that the Conservative Government has done little to protect them against continuing imports from the Commonwealth countries. Such a criticism is unwarranted, for, from behind the scenes, that Government has exerted its influence over the Indian Government to the utmost in order to bring about the present settlement. The British Government has, of course, consistently refused to intervene directly and openly by placing restrictions on imports from the Commonwealth as was suggested by its cotton interests. But it knew better than the Lancashire millowners and their spokesmen or the trade unions and their champions as to how to safeguard the interests of Lancashire without jeopardising the larger interests of Britain and its relationship with the Commonwealth. We have no doubt whatever that Mr. Macmillan and his colleagues have played their cards well.

WORLD ECONOMIC TRENDS

MOST observers are now reconciled to a somewhat slower pace of progress for world economy. The recession in the U.S. has already given a major jolt to ideas of uninterrupted progress. It is no doubt recognised everywhere that the built-in stabilisers in the U.S. economy and in the national economies of other countries are sufficiently strong to prevent the repetition of the economic catastrophe of the 'thirties. Even so, the slight decline in business and industrial activity, which began last year both in the U.S. and in several other countries, has induced a not unwholesome sense of realism in economic discussions. No longer does it seem right to speak of higher and higher levels of economic activity, as if each stage must necessarily lead to something higher. On the other hand, it is being increasingly realised that each stage of progress has to be consolidated and some setback, wherever it occurs, fully covered, before further progress can take place. This trend in economic thinking is at variance with that in early post-war years when men were inclined to feel that the economic path was strewn with roses and roses all the way. But the corrective, which had to come anyway, has come now.

In retrospect, the beginning of the present decline in industrial activity in many countries, as the U.N.'s *World Economic Survey 1957* points out, could be said to have rung out the period of economic boom. The *Survey* notes that the general economic expansion following the Korean conflict lost most of its momentum in the course of 1957 and all industrial countries foresee a further slackening in economic activity in 1958, if not actual declines in output. It is held that the slower pace of economic progress in the advanced industrial countries which has become evident now ends the boom phase of the production cycle which commenced in 1954, accelerated in 1955, maintained its advance, although at a slower pace, in 1956, and reached its zenith before the close of 1957.

The important conclusions emerging from the *Survey* are: (1) The slackening in aggregate demand is due to a pronounced decline in the rate of expansion in fixed investment and a slowing down in personal consumption, especially of durables. (2) Idle capacity had been accumulating in some of the industrial countries even prior to the onset of recession. (3) The vulnerability of countries to any reversal in dollar balances of payments may be greater than during previous post-war recessions. (4) Although commodity prices declined markedly in 1957, the worsening of the balance of trade of underdeveloped countries was caused more by expansion in their imports than by a reduction in their export earnings. (5) The output of consumer goods in the centrally planned economies increased more than that of producer goods.

In 1957, there was a decline in national product and, in the second half of the year, there was also a decline in industrial output. The *Survey* attributes the slackening in demand to a decline in fixed investment and a slowing down in personal consumption, especially of durables. Idle capacity tended to accumulate, thereby depressing investment outlays. The *Survey* discloses that there was an increase in idle capacity both in W. Germany and in the U.K. even during 1956 and that this rose further in 1957. Estimates for the U.S. indicate that there was an even more pronounced lag in demand behind productive capacity than in these two countries. Does this mean that the anti-inflationary measures taken last year such as higher bank rates, tightening of credit restrictions and a determined drive to secure budget surpluses were initiated by the Governments of these countries at the wrong time? The *Survey*, in so far as one can make out from its summary, is silent on this question. But it will be interesting to recall that, when these measures were put into effect, some critics did assert that they would soon bring about a recession, which would be found more uncomfortable than the inflation that was sought to be checked by the authorities of these countries. Events have proved these critics to be right to a considerable extent.

Now to return to the trends in the past year. Foreign trade followed the same course as production. By 1957, the foreign trade boom was slackening rapidly and, in the last quarter of the year, there was little or no advance in volume over the corresponding quarter of 1956. During the last quarter of 1956 and the first nine months of 1957, the rest of the world began losing gold and dollar reserves to the U.S. for the first time since 1951. The net inflow of funds into the U.S. was, however, reversed during the last quarter of 1957 when the recession in that nation began to manifest itself. This reversal was in marked contrast to the previous experience of cyclical downturn in the U.S., which had usually been accompanied by a deterioration in the dollar balances of the rest of the world. The explanation for this difference in the U.S.'s experience in balance of payments, it is stated, is to be found in a decline in the share of the recession-sensitive commodities in U.S. imports and in the slackening of economic activity in the rest of the world, with a consequent weakening in the demand for goods from the U.S.

The decline in activity in industrially advanced countries had, of course, its inevitable repercussions on the economies of nations dependent on exports of primary commodities. There was less demand for the export commodities which are, in most cases, vital for sustaining the economies of the primary producers. Export prices fell, and in the context of the rise in prices of manufactured goods which these countries generally import, the balance of payments position suffered a setback. The rise in the import bill of the exporters of primary commodities was, however, due only in part to the higher cost of imported manufactures, for it was largely due to an absolute increase in the volume of imports which reflected an "expansion in demand associated in some countries with internal inflationary conditions and in others with growing expenditures on economic development." This situation was mitigated to some extent by increased inflow of capital from both private and official sources in the U.S. and elsewhere. On the whole, the official gold and foreign exchange resources of the primary producers declined by more than 4 per cent. in 1957, in contrast to an increase of 2 per cent. witnessed in 1956.

Although the balance of payments position of primary producers was unsatisfactory, it is noteworthy that there were notable gains in production except in the agricultural sector. Among the metals, copper output was 2 per cent. higher, lead 5 per cent., zinc 8 per cent., iron ore 16 per cent., coal 6 per cent., petroleum 7 per cent., and electricity 9 per cent. The output of cotton textiles rose by 6 per cent., cement by 9 per cent. and steel by 12 per cent. In the agricultural sector, the wheat crop was barely maintained. But rice output was 3 per cent. lower and cotton about one per cent. less. Production of sugar and wool was larger than in the previous year. There was a fairly general expansion in *gross* domestic product, followed by appreciable increases in *real per capita* incomes. It is gratifying to note that, in a majority of these countries, consumption grew faster than population. And, if in some countries, *per capita* income was not maintained, it was chiefly because of such factors as crop failures, governmental anti-inflationary measures and deterioration in terms of trade. The *Survey* holds out no great hope for the primary produce exporting countries. The outlook for 1958, according to it, is "far from reassuring." This is evident from the fact that many of these countries are stil sugering from inflation and that balance of payments difficulties which have, in fact, compelled them to prune investment programmes. A typical example of this trend is India.

The centrally planned economies have come out rather well in the *Survey*, though it can never be ascertained at what cost their re- of these countries are still suffering from inall these countries, the targets set for industrial production in 1957, it is stated, were exceeded, partly because the targets themselves were modest and partly because improvements were achieved in the supply of raw materials and the utilisation of capacity. The output of consumer goods rose faster than producer goods in some of the minor countries of the group, but not so in the major countries, that is, Russia and China. In the sphere of producer goods, the output of electricity, coal, crude oil and ferrous metals moved up, though at a lower rate than in 1956. It is significant that the plans for the current calendar year envisage a higher rate of increase for producer goods than for consumer goods, though they provide for an overall lower rate of growth of industrial production. Agricultural output increased in some countries, chiefly because of better weather conditions. In the U.S.S.R., the current year's plan calls for a 17 per cent. increase in farm output.

A significant feature of developments in the centrally planned economies is the increase in their foreign trade. The value of their external trade increased by 12 per cent., as compared with a 9 per cent. increase in industrial production and 7 per cent. increase in aggregate output. But the increase in the trade of this group of countries with the rest of the world was not significantly higher than the increase in their total trade. Thus, in 1956, the trade of these countries with the outside world had increased by 20 per cent., as against an increase of 9 per cent. in their total trade, but, in 1957, the respective percentage increases were 15 and 12. They, however, established larger trade connections with certain countries, especially in the underdeveloped areas of Asia, Latin America and North Africa. An important change in the geographical pattern of their trade during 1957 was an increase of 58 per cent. in their trade with the Middle East. On the other hand, their trade with Latin America as a whole fell by 25 per cent. W. Europe's trade with the centrally planned economies rose by only 10 per cent.

Despite the increase in trade and industrial production, there was a general slowing down in investment activities in the centrally planned economies, as was the case with most of the free countries. In the U.S.S.R., the rate of increase in fixed investment fell from 17 per cent. in 1956 to 12 per cent. in 1957, and in China from 62 per cent. to 11 per cent. A decline in such investment was also witnessed in Bulgaria, Hungary and Rumania. Fixed investment, however, rose by 6 per cent., fixed investment was Union. Thus, in 1957, whereas national income rose by 6 per cent., fixed investment was increased by 12 per cent. This suggests, as the *Survey* itself points out, a relative shift in the allocation of resources in favour of accumulation. It should be obvious to those who are familiar with totalitarian economies that such a shift could be more easily enforced in these countries than in the free world.

IS BRITAIN IN A MOOD TO GIVE A BIG LOAN TO INDIA?

INTEREST RATES POLICY—OUTLOOK FOR OILS

THURSDAY, 5 P.M.

THIS has been a week of falling values for the city markets, the only exception being oilseeds. In shares, there has been a slight reaction in almost all counters, their closing rates showing a net loss over the week. The main reason for this setback is profit-taking. Knowledgeable circles, however, say that the basic trend is still bullish, the decline during the week being only a passing phase. The downward trend in bullion continues unchecked for the reasons mentioned in this column last week. Among commodities, cotton is down, but oilseeds are higher all round. The fall in cotton prices, despite the relief given in excise duties on coarse and medium counts, is attributed to the delay in the announcement of further export quotas and favourable weather for raising new crop. The abolition of export duties on all the remaining oil and oilseeds and encouraging overseas demand for linseed oil have given a further fillip to prices in the oil and oilseeds market. It is, however, a moot point whether the present trend can be maintained, as the domestic prices of most of the oils are out of line with world prices.

MARKET GOSSIP

The short-term money market has become a true mirror of the growing slackening economic activity in the country. The volume of floating funds with banks is expanding, while the demand for accommodation from them has fallen. It is stated that deliveries to India of capital goods against orders placed with Western countries have accelerated, but this has so far not had any effect on bankers' commercial advances. Inter-bank call money rate has fallen to 2½-2¾ per cent. The bidding for short-term deposits is less keen and the interest rates have begun to show signs of softening. Active canvassing for State loans is going on by the respective Governments. The lists for these open on Tuesday next. State Ministers have been meeting the bankers in order to ensure their maximum help and co-operation. Apparently, they do not want to take any chances. Several banks have announced their readiness to advance funds on liberal terms to those who wish to take up the new loans. The Reserve Bank, too, has been pulling up the Gilt-edged market by raising its selling rates for some of the Government of India loans. If the present easy money conditions continue, as they are very likely to do, the Reserve Bank may gradually bring down the yields on Government securities. This possibility is quoted in favour of higher prices for equities as well as fixed-yield shares, several of which are still offering a return of 5.75 per cent. to 7½ per cent. tax-free.

India is probably the only country in the world to maintain cheap money conditions when faced with an acute balance of payments problem. It appears that the authorities have not paid adequate thought to the implications of this policy to the level of external reserves. Even today it is more advantageous for one to keep money in Britain and West Germany than bring it to India. With rumours of devaluation persisting in foreign countries, despite their repudiation in no uncertain language by both the Finance Minister and the Prime Minister, the temptation to delay the bringing in into the country of export proceeds and other receipts is only strengthened by the policy of low interest rates. Is it not ironical that the Socialist Government of India should grudge paying a decent rate of interest on the savings of its own citizens but pay with great eagerness anything from 5 to 7 per cent. to the people of foreign countries? In this respect, the bankers and industrialists, too, are not different from the Government. They are willing to pay even up to 10 per cent. to foreigners, as, for instance, in the case of deferred payment arrangements, but strongly agitate for concerted action when deposit rates tend to go up even by a fraction. Some of them forget all their criticisms against controls by the State and plead for a statutory regulation of interest rates. And yet they want the people to save more and expect the monetised sector of the economy to expand fast. Every business man pleads for and aims at a bigger margin of profit. But, if people with some savings want a little more value for their money, it is resented. This is, indeed, a strange country, with contradictory ambitions.

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The foreign exchange crisis confronting India is the subject of talk not only in this country but also abroad. A week ago, the *Financial Times*, London, for instance, highlighted India's difficulties by an editorial comment and a special article from its Calcutta correspondent. In the previous week, the London *Economist* and the *Manchester Guardian* made brief but interesting references to the problem. As usual, these references are highly critical of India's policies, but they are refreshing in one respect. They suggest, some implicitly and others explicitly, that India requires to be helped by Britain to get over its foreign exchange difficulties. After critically analysing the causes for India's present plight in a tone which is by no means complimentary to the authorities of this country, the *Financial Times* ends its article on a note of sympathy for India and with a plea for a large loan by the British Government. The relevant portion of the article reads thus:

"India is now caught in a vicious circle. In order to raise funds for investment and to keep down internal spending, taxation rates are extremely high. This raises the cost structure of industry—and so harms exports—and at the same time frightens away the foreign capital which is essential to the success of the Plan. Import cuts imposed in an effort to reduce the drain on foreign exchange affect the efficiency of industry and postpone the moment of solvency. This dilemma is by no means peculiar to India, but it is intensified by the strongly socialist tone of Indian political life.

"Almost certainly, imports will have to be cut back still further. In addition, further injections of foreign capital will be required—probably to the tune of some £400 million, between now and 1961—if India is not to default on her present debts. And, undoubtedly, the great bulk of this capital will have to come from public rather than private sources. This poses a problem for the U.K. At present, India is a major source of weakness for the sterling area. On the other hand, the political dangers in the West which would arise from a breakdown of the Indian economy—if India were to become a second Indonesia, for example—can hardly be overstated. However, if the U.K. Government were to decide to advance India a loan, there would be a very strong case for ensuring that a substantial part of the proceeds should go to finance imports from the U.K. There is at present a growing amount of excess capacity in the U.K. industry, much of which could be used to meet India's needs —and at lower prices than some of the U.S. goods which India is at present committed to buying under the terms of the recent Export-Import Bank loan."

The *Financial Times* is a journal which can be said to reflect, generally speaking, the views of the British business community. Since it is said that, owing to import restrictions, Britain has already lost about £35 million worth of trade with India in the first four months of this year alone, it is only but natural that the British business community should be in favour of sizable assistance from its Government to India. We have contended on more than one occasion in the past one year that, as this country is the largest customer of Britain, it requires special treatment at the hands of the latter. It is gratifying to find that this view is beginning to be appreciated by business men in the U.K.

This, however, does not necessarily mean that the City of London holds the same view. This writer happened to be in London only a month ago and found the City of London—the hard core of British bankers—more pessimistic about the future of India than a year ago. This does not mean that it is unsympathetic towards India; only, it will require a lot more effort and convincing action on the part of the authorities here to show that they are taking India to its economic goal along right lines. Moreover, the City of London seems to think that Britain has not much surplus to spare for financing economic development of all the underdeveloped parts of the Commonwealth on the scale attempted by India and that, for political reasons, it cannot give any massive assistance to this country and deny it for the other members of the Commonwealth, as, for instance, Pakistan, Malaya and Ghana. The consensus of opinion in the City of London is that the chances of India getting a large loan direct from the British Government are still as remote as they were a year ago. The Bank of England may not refuse an overdraft to the Reserve Bank of India, but an overdraft is essentially a short-term arrangement repayable, say, in six or nine months. Such an extremely short-term loan is not going to solve our problem. It is, however, suggested that India could borrow from the open market in London by floating a medium- or long- term loan, but an important prerequisite for this is the securing of trusteeship status for the loan, an issue over which no agreement could be reached between the two countries, despite prolonged negotiations. India's approach to this question, it seems to us, is by no means in consonance with the status of a borrower. It sounds too idealistic and less practical.

The British Treasury and the Bank of England may question the contention that Britain has a surplus capacity which could be utilised for supplying the goods needed by India on credit. They may also argue that a part of the improvement in the sterling area's dollar reserves is due to postponement of Britain's liabilities to the U.S. and that any big loan to India on top of the measures taken in the past few days to avert a recession in the U.K. will add to the danger of a strong revival of inflation. It now remains to be seen whether the British business community will be successful in altering the conservative views of the City of London in favour of this country.

In any case, while the Indian authorities should not relax their efforts at getting large-scale assistance from Britain, it would be advisable on the part of the public not to entertain optimistic expectations, lest there should be room for disappointment later. The Indian authorities also should not delude themselves by thinking, as some are prone to do—*vide* the speech of Mr. H. V. R. Iengar last week under the auspices of the Progressive Group—that there is great admiration for India in foreign countries for the fiscal and monetary policies pursued by it in the past two or three years and that it is this admiration which is encouraging them to invest in India. The aforesaid quotation from the *Financial Times* itself should dispel any such illusions. If some great countries have helped India and are willing to do so further, it is not on the ground that India has followed wise fiscal and monetary policies—a claim disputed by many international bankers—but because they are anxious to see that democracy in India survives. In fine, it is the cold war that is actually helping India.

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The latest announcement of the immediate abolition of export duty on groundnuts, linseed, nigerseed, kardiseed, sesamum and sesamum oil is one more indication of the Government of India's anxiety to boost exports with a view to augmenting foreign exchange earnings. It was only last week, it will be recalled, that the Government removed the export duty on groundnut oil and castor oil. This concession closely followed the releases of export quotas for H.P.S. groundnut oilcake (30,000 tons), linseed oilcake (5,000 tons) and kardiseed (5,000 tons) a fortnight earlier, and export quotas for groundnut oil (20,000 tons) and H.P.S. groundnuts (10,000 tons) granted on 4th June.

It is difficult to estimate the total foreign exchange that will be earned as a result of the aforesaid measures. This much, however, can be said, and that is that the outlook for export trade in oilseeds and oils today is not so favourable as it was a year ago. The world output of oils and fats in 1958 is expected to remain at the high level attained last year (26.78 million tons, as against 25.87 million tons in 1956). In the case of edible oils, in particular, the production is expected to be actually higher. At the same time, the world demand for all oils has been running at a lower level. Consequently, the world prices of oilseeds and oils have all along been ruling low. In India, however, these commodities, barring linseed oil, have been commanding relatively better prices, so that the disparity between them and the world prices is substantially against this country, the abolition of export duties notwithstanding. To take, for instance, groundnut oil. The shipper's quotation (exclusive of export duty) for this oil in the local market is around Rs. 20 per quarter (c.i.f. U.K. and Continent), as against the currently ruling price of Rs. 16.30 for Nigerian oil and Rs. 16 for Chinese oil. The low level of world prices is due to the abundance of sellers over buyers. It is accordingly felt that no large overseas sales can be effected, barring some business in small quantities with Burma and Middle East countries.

As regards castor oil, although the removal of export duty has enhanced the competitive capacity of Indian oil in world markets, no marked rise in exports is considered likely, since Brazil is reported to be contemplating a downward revision in price. The export price of Indian castor oil commercial quality now stands at Rs. 18.75 per quarter (c.i.f. New York), as against Rs. 17.70 quoted by Brazil. Brazil is reported to have recently made large sales of castor oil to the U.S. and France. Nevertheless, the U.K. and some communist countries are expected to purchase sizable quantities of Indian oil. The prospects for linseed oil exports, however, appear to be somewhat better, thanks to the marked fall in world linseed crop in 1957 and setback to the current year's production in Canada and the U.S., following reduction in acreage and damage caused by unfavourable weather. It is said that the U.K. and Australia are interested in buying Indian linseed oil at about Rs. 1,503 per ton. Business involving about 600 tons has already been put through with Australia. It may be noted here that the aggregate exports of linseed oil during the first six months of 1958 amounted to nearly 13,000 tons and traders feel that the entire balance of the estimated surplus of 60,000 tons will be exported in the current half-year.

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Judging from Press reports, an insidious move seems to be afoot to force the Kerala Government to re-examine its recent agreement with the Gwalior Rayon Silk Manufacturing Company Ltd. for the establishment of a rayon pulp factory in Kerala. The agreement, which we had examined last week and commended as a very sensible and realistic document, appears to have failed to find favour with some of the high priests of India's Communist Party. The Central Secretariat of the Party is reported to have disapproved of the "concessions" granted to the Company on the grounds that they are contrary to the Communist ideology and that they take away, according to it, some of the "legitimate rights" of workers. It appears that the Communist-controlled A.I.T.U.C. is thinking of publicly denouncing the agreement as infringing the rights of workers.

These reports seem to have sparked some re- actions in Cabinet circles at Trivandrum also. The State's Law Minister, Mr. V. R. Krishna Iyer, is reported to have stated at New Delhi before his departure for Stockholm to attend the Peace Conference that, if there were any provisions in the agreement with the Company capable of adverse interpretation, it was a matter for re-examination by the Kerala Government and further discussion with the other party. Is this an indication of a possible change in the attitude of the Kerala Government, which had showed much commendable realism in this particular instance? If so, one can not but feel disappointed that one's worst fear about the Communists are assuming the contour of reality. It is, indeed, unfortunate that, even before the ink has dried, there have been talks of re-examining and changing the provisions of the agreement.

Two provisions to which particular objection seems to have been taken are the ones that lay down that bonus will be related not to the Company's profits or earnings, but to efficiency and productivity and that the Company will have the right to discharge a worker on account of inefficiency or lack of work or other valid reasons. We do not find anything unusual in the provision

(Continued on page 87)

EQUITIES COLOURLESS

TREND ERRATICALLY LOWER

(From Our Own Correspondents)

BOMBAY, 10*th July*

THE sustained buoyancy in the share market noted in the previous weeks failed to be maintained during the week under review. Profit-taking at every rise made the trend somewhat erratically downward in most scrips, though selected counters yet managed to score small gains over the week. The announcement on Thursday evening last of the Government's acceptance of the Textile Enquiry Committee's interim recommendations for rationalisation of excise duties on various varieties of cloth to help the industry dispose of the accumulated cloth failed to have any notable effect on textile shares, as it had generally been expected that the Committee would make some favourable recommendations and had, therefore, been discounted in prices. The result of the Committee's recommendations is that excise duties on coarse and medium varieties stand reduced and those on fine and superfine cloth slightly increased. Though the mills producing coarse and medium varieties of cloth stand to benefit considerably, the shares of the mills belonging to this group did not respond very favourably. Another factor which chilled the enthusiasm of the operators was the rumour that the bonus issue of the Indian Iron and Steel Company, Ltd. might be postponed till next year. Settlement considerations also restricted trading.

In the steel section, Tata Ordinaries moved up early in the week from Rs. 163.50 to Rs. 166.75 and thereafter moved irregularly lower to touch Rs. 163.50 today. At the close again, there was a mild recovery to Rs. 164.25. The new shares gained over the week 75 nP to Rs. 162. Indian Irons advanced from Rs. 23.04 to Rs. 22.60, but profit-taking and rumours about postponement of bonus issue brought the shares down to Rs. 22.96 at the close today.

In the textile section, the proximity of dividend announcement pushed up Bombay Dyeings from Rs. 58.20 to Rs. 58.90, but the shares retreated to Rs. 57.90 on Tuesday. At the lower levels, there was fresh support to lift the shares to Rs. 58.70 at the close. Centurys were erratic early in the week moving between Rs. 460 and Rs. 449.50, but rallied to close at the week's highest level of Rs. 460.25, a gain of Rs. 3.25 over the week. After improving from Rs. 270.50 to Rs. 272.25, reflecting the relief which the mills would derive from the cut in excise duty, Kohinoors failed to sustain the rise and gave way to close at Rs. 268.25. Central Indias provided a feature with a spurt from Rs. 96 to Rs. 111, but retreated to Rs. 100.25. Finlays lost over the week Rs. 4 to Rs. 275 and Gokaks Re. 1.50 to Rs. 151.50. Indu Ordinaries shed 36 nP to Rs. 9.96, while Indore Malwas gained Rs. 2.50 to Rs. 113.50. Minervas declined by Re. 1.50 to Rs. 65, Models by Re. 1.25 to Rs. 170 and Mysore Spinnings 50 nP to Rs. 91. New Greats were marked down by Rs. 2 to Rs. 208, while Podars advanced by Rs. 5 to Rs. 145. Shree Niwas Cottons shed a rupee to Rs. 155. Simplex moved between Rs. 179.50 and Rs. 176.50, but closed at Rs. 179 with a gain of Rs. 2. Standards were also done Rs. 2 higher at Rs. 425. Svadeshis were a shade better at Rs. 190, while Tata Mills were dull at Rs. 41.

Bank shares were steady with small gains in most counters. Barodas continued to be in favour and rose further by Re. 1.50 to Rs. 120.50. Central Indias came in for support and were done Re. 1.50 higher at Rs. 55, while their new shares were unchanged at Rs. 57.50. Bank of Indias were a fraction better at Rs. 134.25 and their new shares at Rs. 136. United Commercials dropped 30 nP to Rs. 61.50.

In the insurance section, New Indias staged a retreat from Rs. 47.50 to Rs. 45.25. British India Generals were done 28 nP higher at Rs. 15.52, while Jupiters changed hands 64 nP lower at Rs. 7.12.

Electricity shares were featureless and activity was restricted. Ahmedabad Electrics, however, gained over the week 30 nP to Rs. 95.80, while Bombay Suburbans were unchanged at Rs. 107.50. Surat Electrics lost Re. 1.50 to Rs. 110.50. Tata Hydros were a shade better at Rs. 119.75, while Tata Powers shed Rs. 10 to Rs. 1,227.50. Andhra Valleys improved by Rs. 5 to Rs. 1,145.

Sugar shares were easy with a sizable drop in prices. Belapurs gave way from Rs. 262 to Rs. 257 and closed at Rs. 258. Phaltans fell by Rs. 2.75 to Rs. 156.25 and Walchandnagars by Rs. 6.75 to Rs. 281.25. Ravalgaon Sugars provided an exception with a rise of Rs. 3.75 to Rs. 134. Notwithstanding the increase in cement prices, cement shares gave way. A.C.Cs. declined from Rs. 158.50 to Rs. 155.25 before closing at Rs. 156. Their new shares dropped Rs. 2.75 to Rs. 149.25. Digvijays were also marked down from Rs. 159.25 to Rs. 157. While Orissa Cements gained 28 nP to Rs. 13.68, Jaipur Udyogs were unchanged at Rs. 13.92 and Ashoka Cements declined by 24 nP to Rs. 9.76.

Engineering shares met with heavy profit-taking, Alcocks dropping over the week Rs. 7.50 to Rs. 258.75. Tata Locomotives slumped from Rs. 180 to Rs. 173. Premier Constructions were dull at Rs. 205. Larsen and Toubros shed 20 nP to Rs. 17.80 and Mahindras 8 nP to Rs. 19.24. Structural Engineerings were marked down by Rs. 7.50 to Rs. 210, while Cooper Engineerings were picked up Rs. 12 higher at Rs. 100 and Brady Engineerings Rs. 3.80 better at Rs. 55. In the mining group, Shivrajpurs were dull at Rs. 92.50. Indian Coppers shed 10 nP to Rs. 3.60 and B.B. Petrols 6 nP to Rs. 2.22.

Scindias were erratic, but gained 16 nP over the week to Rs. 18.84. Great Easterns were unchanged at Rs. 24.72. Premier Automobiles were a rupee lower at Rs. 90, while Hindustan Motors were maintained at Rs. 7.85.

In the miscellaneous group, Bombay Burmahs (old) advanced from Rs. 592 to Rs. 596 early in the week, but slipped back to Rs. 582 today. The closing was, however, better at Rs. 586. The Partly-paids lost Rs. 5 to Rs. 215. National Rayons gave way from Rs. 238.75 to Rs. 232.75 before closing at Rs. 234.25. Gwalior Rayons closed at Rs. 14, with a gain of 20 nP, following the declaration of an interim dividend of As. 8 per share for the year ending 31st March 1959. Tata Oils were steady at Rs. 43.25, while Tata Chemicals were lower by 32 nP at Rs. 16.64. Hindustan Levers were quiet at Rs. 23.52. Wimcos were marked down by Rs. 5 to Rs. 179.

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Calcutta Stock Exchange

CALCUTTA, 9*th July*

Greater buying support based on optimism relating to the country's economic outlook, and the announcement of rationalisation of the excise duties on cotton textiles designed to bring a healthy production pattern and to increasing sales of cloth, were the main factors which resulted in a near-buoyancy on the Calcutta Stock Exchange during the week under review. Activity broadened and prices rose impressively. The hectic nature of activity gave the impression as though the bear phase was over and the bullish trend had firmly set in. Second thoughts, however, compelled many operators from reading too much into the present bullish phase. For the country was going through a difficult foreign exchange position and if the anticipated help from foreign countries did not materialise, the inevitable import cuts would naturally affect the progress of many industries. It was at the same time hoped that the several export promotion steps being taken by Government in respect of consumer goods, small-scale industry, products, and farm produce would be crowned with success and the country enabled to import more raw materials and spare parts. Likewise, the possibility of India succeeding in case she floated a loan in London to finance imports from the U.K. was noted with satisfaction, and for a time operators' attention was diverted from the fall of Rs. 10 crores to Rs. 199.68 crores in the sterling balances in the week ended 27th June. Sentiment in speculative Indian Irons was assisted by continued rumours of an imminent bonus issue of shares, but on Monday received a setback when lower production figures for the second quarter were announced.

More shares changed hands in the cotton textiles section at advancing rates with preference being shown to shares of mills producing more coarse and medium cloth than fine. Elgin Mills scored to Rs. 13.50 from Rs. 12.06 and Cawnpores to Rs. 5.00 from Rs. 4.30. Jayshrees opened at Rs. 7.19 and gained to Rs. 8.12. New Victorias were done at Rs. 1.84, as against Re. 1.44 early in the week.

There were features in the coal section also in view of the advancing output in the private sector collieries and the possibility of Government asking them to make up the shortfall in the public sector collieries in order to achieve the target fixed under the Second Plan. New Beerbhooms were fractionally better at Rs. 15.37 following a good working report and maintenance of dividend at 7.5 per cent. for the year ended October last. Pench Valleys were lifted to Rs. 21 from Rs. 20.50, while Bengals were well held at Rs. 236. At Rs. 18.75, Amalgamateds gained by 50 nP. Western Bengal hardened to Rs. 6.50 from Rs. 6.25.

Jute shares were shown good interest in the belief that, despite the fall in business in heavy goods, the current accounting period would show improved results. Gains of the week were reduced during profit-taking yesterday, although closing levels for the week as a whole were higher on balance. Anglo-Indias, after advancing to Rs. 177 from Rs. 158, closed at Rs. 170. Kinnisons were at one time as high as Rs. 127, as against Rs. 155 previously, but closed at Rs. 126. Indias were better at Rs. 134, as were Ganges at Rs. 56. Alliances moved up to Rs. 85 from Rs. 81, Gourepores to Rs. 273 from Rs. 263, Birlas to Rs. 18.44 from Rs. 17.50, and Kamarhatties to Rs. 105 from Rs. 98.50.

In the engineering section, Indian Irons opened at Rs. 22.84 and by the week-end had advanced to Rs. 23.42. On Monday, the price reacted to Rs. 23.25. The recession was a corrective, but was precipitated by the publication of lower production figures for the second quarter to 30th June. The output of steel ingots amounted to 121,988 tons, as against 133,563 tons, finished steel 75,734 tons (80,124) and saleable steel 25,280 tons (26,287), while pig iron, at 214,469 tons, represented an increase of 14,630 tons. The decline in output was due to interruption of production by expansion plans. Although the rumours of possible capitalisation of the share premium reserve fund were strong yesterday, the price was lower at Rs. 23.25. It was considered in some circles that it was too early to talk of bonus issue and these circles preferred to await the working results before any news of issue of bonus shares.

Miscellaneous industrials were fully steady. Indian Coppers closed higher on balance at Rs. 3.70. India Steamships rose to Rs. 12.06 from Rs. 11.84 on interested support. Titaghur Papers were higher at Rs. 39.50. Indian Aluminiums were a strong feature with a rise to Rs. 15.81 from Rs. 14.31. The upward trend in Indian Oxygens continued unabated and touched a high of Rs. 19.87, the proximity of dividend serving as an additional incentive.

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Madras Stock Exchange

MADRAS, 8*th July*

The Madras Stock Exchange continued to depict a firm trend during the major part of the week under review. Textile shares met with sustained buying support induced by expectations of enlarged demand for yarn from powerlooms and a larger offtake of mill-made cloth following the reduction in excise duty on cloth produced by powerlooms and coarse and medium varieties of mill-made cloth. The statement of Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, that the Government was thinking of providing export incentives in the form of export credits, freight and parcel-post concessions and reduction in export duties and cesses was responsible for the firmness of planting shares. Sugar and cement shares also were favoured. The restoration of the power cut in Madras State and the calling off of the strike in Buckingham and Carnatic Mills favourably influenced trading sentiment. Towards the close of the week, however, a reaction set in in the planting section, following profit-taking in selected planting shares, and some of the earlier gains were wiped out. Certain textile shares also came in for selling.

A notable development of the week was the introduction of trading in ten shares on the forward list with effect from the 4th inst. Fortnightly clearing with facilities for carryover of business and the establishment of a clearing house were the main features of this settlement trading. The facilities now afforded are expected to create a free market in these shares. There was lively trading in all the shares during the inaugural session.

Among tea shares in the planting section, Coonoors firmed up by 50 nP to Rs. 21.00, Cottanads hardened by 25 nP to Rs. 15.00 and Devasholas by a like amount to Rs. 18.75. Kalasas advanced by 20 nP to Rs. 15.80, Chembras improved by 18 nP to Rs. 4.18. Blue Mountains were better by 10 nP at Rs. 3.30 and Talayars by a like amount at Rs. 9.00. Periakaramalais put on 9 nP to Rs. 4.54.

Among coffee shares, Savamalais rallied Re. 1 to Rs. 5.95 *cum-div.* Kumergodes firmed up by 40 nP to Rs. 11.30. Rajendras advanced by 35 nP to Rs. 12.35. Anaparais put on 11 nP to Rs. 4.96. Sheveroys were better by 7 nP at Rs. 2.20. Balmadies gathered 5 nP to Rs. 3.50. Amalgamateds were steady at Rs. 12.25. Bababudins were unchanged at Rs. 12.35. Mysore Coffees were fully steady at Rs. 3.45.

Rubber shares met with good support on expectation that an upward revision of rubber price might be made in the near future. Peninsulars firmed up by 75 nP to Rs. 18.25. Midlands rallied by 60 nP to Rs. 17.60, Rajagiris advanced by 55 nP to Rs. 16.80, Cochin Malabars by 38 nP to Rs. 5.13 and Vaikundams by 37 nP to Rs. 21.12. Kailas were better by 18 nP at Rs. 4.90 *cum-div.* and T.R. & Ts. by 15 nP at Rs. 6.80. Tropicals were unchanged at Rs. 19.50, Thamarapallys at Rs. 24.00. Pullangodes were a shade easy at Rs. 1.75 *cum-div.* The Directors have recommended a final dividend of 4 per cent. on the ordinary shares of the Company.

Textile shares encountered firm support. Coimbatore Pioneers spurted by Rs. 14 to Rs. 245, *cum-div.* Coimbatore Cottons firmed up by Rs. 9 to Rs. 145, Metturs by Rs. 7 to Rs. 354 *cum-div.*, Vasanthas by Rs. 4 to Rs. 231.50 and Dhanalakshmis by a like amount to Rs. 174. Buckinghams improved by Rs. 3 to Rs. 171 and Rajalakshmis by a like amount to Rs. 78, *cum-div.* Radhakrishnas and Bangalore Woollens gathered Rs. 2 each to Rs. 132 and Rs. 164, respectively. K. Rajendras put on Re. 1.50 to Rs. 73.50.

In the miscellaneous section, cement shares provided a bright spot Orissa Cements firmed by 64 nP to Rs. 14.70 *cum-div.* Travancore Cements rallied 30 nP to Rs. 10.20. Dalmia Cements strengthened by 20 nP to Rs. 11 and India Cements by a like amount to Rs. 28, *cum-div.* Andhra Cements were, however, lower by 25 nP at Rs. 12. Ashok Leylands gathered 35 nP to Rs. 5.25 *ex-div.*

INDIAN CABLE'S NEW ISSUE

The Indian Cable Company, Ltd., proposes to issue 828,848 ordinary shares of Rs. 10 each at par. The new shares will be offered to the holders of ordinary and participating preference shares in the proportion of one new ordinary share for every two shares, ordinary or preference, held by them on 11th June. The price of Rs. 10 per share is payable in full on acceptance on or before 26th July 1958. The new ordinary shares will rank *pari passu* with the existing ordinary shares in all respects, except that they will not participate in any dividend for the year ended 31st March 1958.

The proceeds of the new issue will be used to finance the Company's expansion programme. Any shortfall in the amount required for such purpose is expected to be met out of the profits retained in the business and bank borrowings.

NEWS IN BRIEF

THE State Trading Corporation of India has arranged to import virgin metal mercury and supply the same to actual users.

The cheque system was inaugurated in the Savings Bank section of the General Post Office, Hyderabad, on the 2nd inst., with a view to giving a new fillip to the small savings drive.

The U.S. Government has deferred repayment by India of the sum of $3.5 million being the instalment on the 1957 wheat loan, which fell due on the 1st inst. It has done so to help India tide over the foreign exchange crisis.

The Government of Kerala proposes to start a State-owned rubber estate. It has requested the Rubber Board to submit a suitable scheme. A sum of Rs. 1 lakh has already been allotted for the purpose in the current year's budget.

A team of three officials and a non-official representing the flour processing industry in India left for the U.S.A. on the 9th inst. The visit has been sponsored by the Oregon Wheat Growers' League and the Millers' National Federation of the U.S. in co-operation with the U.S. Department of Agriculture.

A delegation, sponsored by the Government of India and led by Sir Jehangir Gandhy, will shortly visit the U.S.A., in order to study management courses conducted by American universities, with a view to incorporating some of the new techniques adopted there in the management courses in India.

As a result of the discussions held between a delegation from the Government of India and the representatives of the Government of Sweden, an agreement has been reached for the avoidance of double taxation between the two countries. The agreement will now have to be ratified by the two countries, after which it will become effective in India for the assessment year 1959-60 in Sweden for the taxes payable for the year 1958.

The Customs Reorganisation Committee (Chairman: Mr. F. C. Badhwar) appointed by the Government of India to conduct a comprehensive enquiry into the procedures and organisation of the Customs Department and to suggest reforms and improvements to meet modern conditions, concluded its three-day session in Bombay on the 5th inst. The Committee held discussions with the representatives of chambers of commerce and trade associations on the difficulties experienced by them in the administration of customs regulations.

Established shippers, mineowner exporters and the State Trading Corporation will be allotted export quotas for manganese ore for the period July 1958 to June 1959. The quotas will be equal to those issued to them in 1957-58. The last date for submitting applications for quota is the 20th inst. The small quota holders will be encouraged to form co-operative societies or limited companies, provided the aggregate of their individual allotments is not less than 25,000 tons. They will be given an additional bonus allotment of 10 per cent. of the total quota.

Messrs. Devidayal Stainless Steel Industries (Private) Limited, a leading factory in Bombay manufacturing stainless steel articles, and many other small factories engaged in the same activity, are still closed due to non-availability of raw material, namely, stainless steel sheets. Devidayals closed their factory on 9th June 1958, resulting in unemployment for more than 500 workers; many other factories have followed suit and as a result of this, thousands of workers have been rendered jobless. The Government has so far neither issued the licences for April-September 1957 nor paid any heed to the request of the Engineering Association of India for freezing the existing and incoming stocks and diverting the same to the actual users to help them keep the factories running for at least a few months. The whole stainless steel trade and industry are eagerly awaiting the announcement of the Government's import policy.

During May 1958, the consumer price index number for working class for Bombay City (base: year ended June 1934=100) decreased by two points to 387, that for Ahmedabad City (base: year ended July 1927=100) advanced by two points to 263, that for Sholapur City (base: year ended January 1928=100) remained stationary at 295, that for Jalgaon City (base: year ended August 1939=100) increased by eight points to 430, that for Nanded (base: year ended July 1944=100) increased by four points to 215 and that for Aurangabad (base: year ended July 1944=100) decreased by three points to 174. The fall in the index number for Bombay was due to a fall in the food and miscellaneous groups, while the rise in the index number for Ahmedabad and Nanded was due to a rise in the food group. The Sholapur index remained stationary, as the effect of the fall in the food group was counterbalanced by the effect of the rise in the miscellaneous group. The rise in the Jalgaon index was due to a rise in the food, clothing and miscellaneous groups, while the fall in the Aurangabad index was due to a fall in the food group.

The National Chemical Laboratory, Poona, has worked out a new process to produce Vitamin 'C' (Ascorbic Acid) in India. Pilot plant work was carried out on a 10-lb. scale and the results obtained in laboratory experiments were found to be reproducible. The yield of Vitamin 'C' from sorbitol was approximately 42-46 per cent. of theory. The final product was found to conform to the specifications of the Indian, British and U.S. Pharmacopoeias. Imported D-sorbitol is the starting material for the synthesis. Pilot plant work on the preparation of sorbitol from glucose which is indigenously available is in progress. The process is based on the original Reichstein procedure which has been modified to improve the conversion yields. During the first 10 months of 1957, India imported 63,133 lbs. of Vitamin 'C'. On this basis annual requirements of Vitamin 'C' may be estimated at about 75,000 lbs.

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From Abroad

The U.S. Government has lent the Indonesian Government $8 million to build new roads in Sumatra.

The Belgian Bank rate was reduced by ½ per cent. to 3½ per cent. with effect from the 3rd inst. This follows the earlier reduction in June when the rate was cut from 4½ per cent. to 4 per cent.

The Pakistan Government is reported to have approved of a Rs. 1-crore plan to develop Karachi's airport, in order to enable it to take in giant jet airliners. The scheme includes construction of a 10,500-feet long runway at the airport.

An agreement which seeks to give the Japanese Arabian Oil Company offshore oilrights in an area between Kuwait and Saudi Arabia was signed by the Company's President Mr. Taro Yamashita and by Kuwait's ruler, Sheikh Amdulla al Salim al Subah, on the 5th inst.

The estimated number of families in Canada's ten provinces increased by nearly 4 per cent. in 1957 to 3,849,000. This was more than 17 per cent. larger than the 1951 total of 3,282,400. The average family size in 1957 was 3.8 persons, unchanged from the preceding year but slightly larger than the 1951 average of 3.7.

A permanent exhibition organised by the British Institute of Packaging was officially opened in London on the 1st inst. The exhibits include aluminium foil and collapsible tubes, moulding powder with special heat-resisting properties, automatic vacuum forming machines for the high speed production of containers, strapping machines and boxes in cardboard and plywood.

The Port of Colombo will be nationalised with effect from 1st August 1958, in accordance with the decision of Parliament. Known as the Government Port Cargo Corporation, the new authority will start functioning on that day. Port facilities will be closed for private operators from the 25th inst., to enable the Corporation to take over charge from them.

Forty trade unions in the shipbuilding and ship repairing industries in Britain have put forward a plea for a substantial increase in wages for 250,000 manual workers. The employers are expected to refer the plea to local associations for consideration. This demand follows a similar claim presented to engineering employers for about three million workers.

Sales in retail stores in the U.S. during May 1958 are estimated at $17,400 million which are slightly above the previous month and about the same as in May of 1957. Sales of durable goods increased by one per cent. A more moderate change was noted in the non-durable goods category. Retailers' inventories at the end of May are estimated at $24,400 million, about the same as a year before. Manufacturing and trade inventories at the end of May are placed at a book value of $87,200 million, about $3,800 million lower than at the close of May 1957.

The Council of the O.E.E.C. has approved of the renewal of the European Payments Union for a further year from 30th June 1958. Accordingly, the creditor countries among the 17 members of the O.E.E.C. will continue to offer facilities for settlement of 25 per cent. of monthly deficits in credit, and the debtor will continue to pay 75 per cent. of monthly deficits in gold. Meanwhile, the Union is understood to have deferred, for the time being, a decision on the renewal of the French special credit facilities and the E.P.U. loan to France.

A new motor accessory announced by a British firm consists of what is virtually a miniature pressure gauge mounted in a valve cap. With this accessory, the motorist can pump his tyres to the correct pressure, then replace his four valve caps with four of the new devices. A red plunger in the cap pops out to indicate that the pressure is correct but, should the pressure fall 3 lbs. or more, the plunger sinks in, indicating at a glance that the pressure is too low. The whole device is no wider than an ordinary valve cap, is less than one inch long, and is no more cumbersome than the ordinary cap. It is made for a variety of pressures to suit all makes of car.

The Steel Corporation of Pakistan, which is expected to commence operations in May 1959, will issue $1,920,000 in the form of ordinary shares and secure $840,000 through short-term bank loans. The German firm which supplies the new mill and technical advisers has agreed to accept partial payment for the equipment by taking shares in the company. The International Finance Corporation, Washington, has decided to invest $630,000 in the Corporation. The I.F.C's investment will be in 7 per cent. 10-year notes maturing on 30th September 1968. The Corporation will also receive additional contingent interest, payable in rupees, depending on earnings, and an option to subscribe at par to ordinary shares of the Steel Corporation to the extent of 50 per cent. of its investment.

Fourteen shipping companies, including Japanese, American, British and Dutch lines, have constituted themselves into a conference for the carriage of cargo from Singapore and Malayan ports to the West Coast of India, Bombay, Karachi, Persian Gulf ports and ports via Bombay. This new conference will offer a 10 per cent. deferred rebate to those shippers who limit their shipments to vessels owned by members of the conference. The members of the new conference are: American President Lines, Blue Funnel Line, British India Steam Navigation, Everett Star Line, Hoegh Line, Japan India-Pakistan Line, Java Pacific Line, Maersk Line, Mitsui Steamship Company, Nippon Yusen Kaisha, Osaka Shoesen Kaisha, Peninsular and Oriental Steam Navigation Company, Royal Interocean Lines and Yamashita Kisen Kaisha.

A new British duplicating machine, capable of reproducing large plans, and described as the first of its kind ever produced, is likely to win big export orders, especially from the clothing industry. Although it will be useful to any manufacturer who has to produce large plans, it is expected to be in particular demand in the clothing industry, where very long, wide, and identical patterns are repeatedly used. The first major export order has come from the Cutting Room Appliance Corp., of New York, which sells to the U.S. and Canadian clothing industries. The machine is known as a continuous duplicator, and the present model takes a copy up to 38 inch wide and of any length. The conventional methods of preproducing plans are by hand tracing, carbon paper, or photographic systems. The new machine is basically a spirit duplicator; mechanically operated, it is simple to use, cheap to run, and can produce about 50 copies of any plan as required.

PERSONAL

MR. Vishnu Sahay, I.C.S., has been appointed Secretary to the Planning Commission, in addition to his duties as Cabinet Secretary.

Mr. Charles S. Thomas has been appointed President and member of the Board of Directors of Trans World Airlines Inc. *vice* Mr. Warren Lee Pierson.

Mr. Harold G. Tufty, a former journalist and American Information Officer in Madras from 1955 to March 1958, has assumed duties as Information Officer of the Office of the U.S.I.S., Bombay, from this week.

Dr. Helmut Wakeham, consultant to the Director of the Ahmedabad Textile Industry's Research Association (A.T.I.R.A.), has left for the United States after completing a two-year assignment under the U.S. Technical Co-operation Mission.

Commodore Lele will succeed Mr. C. R. Reddi as the Managing Director of Hindustan Shipyard, Visakhapatnam. Mr. Reddi is expected to be appointed Port Administrator *vice* Mr. S. Nanjundaiah, whose term has been extended twice and who is likely to retire shortly.

Sir Henry Spurrier, Chairman and Managing Director of Messrs. Leyland Motors Ltd., and Mr. A. E. Pearce, a Director of Qualeart Ltd., Derby, have been appointed part-time members of the British Iron and Steel Board with effect from 1st June 1958. Sir Henry has relinquished the chairmanship of Messrs. Scammel Lorries Ltd. He is succeeded by Mr. Walter West, formerly Vice-Chairman and Deputy Managing Director of the Company.

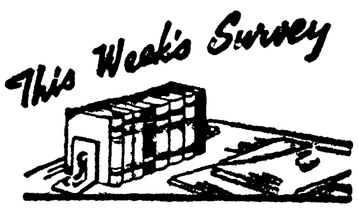
"COMMERCE" 1933

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 15th July

Japanese Competition in India

Japanese competition in India is so keen and extends to so wide a field that the Government of India while perfectly willing to do its best to remove all difficulties should be wary enough not to take any step which might adversely affect the position of any of the Indian industries injured, some of which, it is no exaggeration to say, are threatened with extinction by exceptional external competition. Let us refer to Japanese competition in hosiery. The hosiery manufacturing industry of India, considered today as one of the most progressive branches of the textile industry, involves an investment of about three crores of rupees, finding employment for about 25,000 workmen. The productive capacity of it—roughly 34 lakh dozens per year—has been severely curtailed by the recent dumping of Japanese hosiery brought about by the abnormal depreciation in the rate of exchange. This has hit the industry so hard that 75 per cent. of the machinery has become idle, while Japanese imports of cotton underwear to India has increased by 97 per cent. If Japan realises the essentially protective nature of India's tariff policy and is guided by it in the negotiations at Simla next month, then the visit of the delegation will be beneficial to both countries.



RIHAND DAM

THE verdict on the Rihand dam, given by the U.P. Government's Economy Committee, is disturbing to a degree. Criticising the upward revision of the estimated cost of the scheme by Rs. 11 crores to Rs. 46 crores, the Committee observes that even now the increase in the cost could be reduced by half through suitable regulation of spending. It questions the wisdom of the Irrigation Department's arrangement under which it maintains a large team of officers and supervisors though the work has been entrusted to a "very responsible firm." As an instance of wasteful expenditure, it has cited the maintenance of a fleet of 500 heavy vehicles and 109 cars by the Department. It points out that the estimated annual income of Rs. 2.2 crores from the dam would hardly suffice payment of interest of 2 per cent. on the proposed capital investment even after providing only 3 per cent. thereon by way of depreciation. In order to ward off this eventuality, the Power Department would be compelled to increase the rates for supply of power. It adds: "The outcome will be that our power supply would be very expensive, rather uneconomical, thereby defeating the object of construction of the dam, that is, the supply of cheap power."

All this must be very disconcerting to those who look forward to playing a part in the industrialisation of the Rihand region. It must be remembered that the Rihand project envisages the setting up of five generating sets, each of 50,000 kw. capacity. Large-scale industrial development, including the production of aluminium, paper, textiles, fertilisers and plastics is expected to take place in the region covered by the dam. But industrial enterprises, planned to be set up in the region, cannot possibly work successfully, if the cost of power goes up. This is true particularly of certain industries which are large consumers of power and in which power figures prominently as an element of cost. For instance, aluminium, as is well known, is an industry, the economics of which is determined by the availability of cheap power. It would appear that a leading Indian House has its blueprint ready for the establishment of an aluminium enterprise in the Rihand region. The management's plans are in an advanced stage of execution. One can imagine the plight of a management which, after it has made all arrangements for establishing an enterprise by taking into account the availability of cheap power, finds that power costs are likely to go up. Clearly, if the Rihand project is to fulfil the high hopes of its sponsors and also of those who have looked forward to the utilisation of its facilities for industrialisation of the region, the authorities should ensure that the cost of supply of power is kept at a minimum. Indeed, this applies to all multi-purpose projects, the investment on which would be a national asset only if they made available water and power facilities, the basis of agriculture and industry, at an economic price.

ROLE OF BUSINESS MEN

If Mr. P. N. Talukdar, the retiring President of the Bengal National Chamber of Commerce and Industry, felt constrained to break the traditional reticence of the businessman and do some plain speaking, it was not, as Mr. Morarji Desai had alleged, because business men in this country were congenitally prone to make complaints, but because he felt that the commercial community he represented was more sinned against and the most misunderstood section of the people. He was not indulging in puerile naivete when he observed that, despite all that was said to the contrary, it appeared that the undercurrent of feeling was still there, in both administrative and political circles, that the role assigned to the private sector in the planned frame was not so much an integral part of it, standing on its own merits, as a mere concession, grudgingly made under sheer pressure of exigencies. Business men, from this angle, appear to continue to exist only through mere sufferance. Yet they are expected not only to exist but to push on vigorously towards the realisation of the targets assigned to them. While the political air has been blowing hot and cold upon them, it has also been their experience, at times, to be patted on the back for the fulfilment of their task and even applauded for their role as being an important one. The psychological background of the current atmosphere, as Mr. Talukdar rightly pointed out, is hardly one over which the Indian mercantile community could feel either fully reassured or satisfied. Indeed, Indian business men today have a sore feeling that their status and prestige as responsible citizens of India are being made to suffer, though they have been bearing the greatest strain and shouldering the heaviest burden in the task of promoting economic development of the country. A reorientation of the outlook in respect of the commercial community, based on mutual respect and confidence, as the President pointed out, is overdue if business men are to give their best towards the building up of the country.

Mr. Talukdar also drew the attention of the Government to the necessity of making certain suitable changes in its actions and policies. He thus underlined the need for tackling the economic problems of the country with a restrained enthusiasm and a more realistic appraisal of the situation. He pointed out that the utmost limit of the taxable capacity had already been reached and that there was a strong case for scaling down the existing high rates of taxation, nay, for even abolishing some of the novel Kaldorian experiments in taxation introduced during the last two years.

As the cumulative effect of the Government's fiscal policy based on the elaborate and all-comprehensive tax structure, private industry in India found itself in a very unenviable position. It was constrained to live constantly on aids and loans from Government and semi-Government sources, largely because the internal capital market was now practically under Government control and because possibilities of self-financing had been severely restricted by an unprecedented range of new levies and limitations on corporate enterprise. This policy of the Government, Mr. Talukdar maintained, was at least partly responsible for the inability of corporate enterprises to tap other sources of development finance. He, therefore, felt that the approach of the Government to the problem of development finance called for re-examination. The potentiality of development through taxation appeared to have exhausted itself. The law of diminishing returns, he pointed out, applied as much to the field of taxation as elsewhere and higher and higher rates of taxation could not bring proportionately greater and greater yields. He, therefore, strongly urged that Governmental thinking on Plan finance must of necessity adjust itself to this basic fact.

Emphasising the need for a stable industrial policy, such as would raise Government attitude towards nationalisation above all doubts and misgivings, Mr. Talukdar said that, though the industrial policy statement did much to clear misunderstandings, it still left much in the region of the undefined. Private enterprise could not certainly settle down to constructive work with the necessary zeal and confidence so long as the Damocles' sword of nationalisation hung over its head. The issue recently came to the fore following the discussions on the investment policy of the Life Insurance Corporation. Although the Prime Minister, Mr. Nehru, had given the assurance that the Government had no intention of nationalising industries by "back-stairs," he stated that the L.I.C. had to take into consideration the broad policies of the Government. This, according to Mr. Talukdar, left the position rather vague and over which those engaged in private industry could not but feel concerned. He feared, not without reason, that the Corporation might very well tend to develop into a monitor of private industries with the vast investment resources at its disposal. Such a trend, he rightly emphasised, could hardly be justified at present, as Government had ample powers under the Company Law to regulate joint-stock enterprises. The erstwhile President of the Bengal National Chamber also voiced the misgivings of business men about the expanding activities of the State Trading Corporation. The Corporation, he said, had now gone beyond its original purpose of establishing trade links with communist countries and had been actually displacing long-established channels of trade. Rumours about further extension of the field of activity of the S.T.C. had created a sense of uncertainty and insecurity among the established traders. He, therefore, urged for a clear demarcation of the fields of activity of the Corporation.

Referring to industrial relations, Mr. Talukdar averred that they had deteriorated considerably in recent months, as was evident from the spate of strikes in various industries and even essential services. It has not been proved beyond doubt that industrial unrest was often the result not so much of the conditions of service, the standard of wages and other amenities, but of the anxiety of political parties to gain control over the labour movement. Underlining the need for a stable wage policy, he added that frequent revisions of the wage structure, whether as a result of industrial awards or otherwise, had as much disruptive effect on production as increases in taxation. It must be recognised that increases in wages, if they were to mean real additions to purchasing power in terms of goods and services, must come through increased productivity. Otherwise, if higher wages only meant higher costs, which were passed on to consumers in the form of higher prices, and if such higher prices became the basis for fresh demands for higher wages, one would be only witnessing the spectacle of wages and prices chasing each other in a vicious spiral and nobody would be the better as a result. An industrial truce, as he rightly stressed, is one of the essential stabilisers that the economy needs at the present stage of its development.

CONCESSIONAL RETURN TICKETS

During the period from July 15, 1958 to September 15, 1958 (both days inclusive), concessional return tickets for I, II and III Class Passengers at 1½ single journey fares will be issued both in local and through booking subject to the following conditions :—

Return tickets will be issued between stations over 300 miles apart. In the case of stations situated short of 301 miles, when two single journey fares are more than the return fare for 301 miles, return tickets will be issued charging fares as for 301 miles.

The period of availability of return tickets will be as under and will be reckoned from the midnight of the date of issue :—

301 — 500 miles	.. ..	20 days
501 — 750 „	.. ..	25 „
751 and above	.. ..	30 „

When advance booking is permissible, the period of availability will be calculated from the midnight of the day on which the outward journey is to be commenced. The period of availability will not be extended on any account nor refund of fare on any unused portion of a ticket allowed.

The return tickets will not, however, under any circumstances, be available for completion of return journey after the midnight of September 30, 1958.

No break of journey will be permitted on the return journey, but break of journey will be allowed on the outward journey according to the normal rules as for holders of ordinary single journey tickets.

The return halves of the concessional return tickets should be dated before commencement of the return journey in any of the following ways :—

(a) At the booking window by the booking clerk by dating press.

(b) By the ticket collector at the gate in ink or in indelible pencil.

(c) By the passenger himself in ink or indelible pencil.

Passengers holding return halves without being so dated will be charged as under :—

(1) Difference between two single journey fares for the entire distance and the concessional fare already paid

PLUS

(2) Excess charges equal to the amount due under item (1) above subject to a maximum of Rs. 5 per ticket. Children over 3 years and under 12 years of age will be charged half the concessional fare.

Full particulars can be had from the Station Masters concerned.

CENTRAL AND WESTERN RAILWAYS

TAX BURDEN AND ECONOMIC DEMOCRACY

Few would remain unimpressed by the way in which Mr. K. R. P. Shroff, President of the Stock Exchange, Bombay, surveyed the economic trends in India when he addressed the annual general meeting of the Exchange held on Friday last week. Just as a medical expert correctly diagnoses the nature of a disease, Mr. Shroff very accurately described what exactly was wrong with the body economic. The array of facts and figures which he cited vividly brings out how the shortsighted policy of piling up taxes, duties and imports has made private saving (personal and corporate) well-nigh impossible. Such a decline in the rate of savings, as he rightly declared, has reduced the capital market to a shadow, accelerated the fall in equity prices, and contributed in a large measure to the stagnation of the investment market. How else can one explain the investment slump with its serious repercussions on the long-term capital market?

The all-India average index of variable dividend industrial securities (base: 1949-50=100) for the week ended 28th June 1958 stood at 99.6—it was as low as 95.9 in January 1958—as against the peak of 127.4 in March 1957. The setback in new issue activity is reflected in the marked drop in the capital issues sanctioned from Rs. 230 crores in 1956 to Rs. 153 crores in 1957. During 1957, big flotations were few and far between, and many of these were by existing concerns which issued "right" shares at relatively low premia in order to make the offers attractive to investors.

Mr. Shroff declared that the weight of new taxes had been back-breaking and that, as a result, the margin of savings had narrowed down to the point of extinction—in not a few cases actual dissaving had taken place—the propensity of the individual to save and invest badly damaged, and the capacity of joint-stock enterprise for self-financing through ploughing back of profits adversely affected. The total five-year yield of the tax measures so far adopted by the Central Government is estimated at Rs. 725 crores, as against the maximum limit of additional taxation amounting to Rs. 225 crores originally indicated by the Planning Commission. This is bad enough. But what is worse is that a large part of the tax effort already made, as the Commission itself frankly admits, has been absorbed by defence, non-development expenditure and development expenditure outside the Plan. In fact, over the entire Plan period, the massive taxation measures now in force are expected to make only a negligible contribution of Rs. 45 crores towards covering the original gap of Rs. 400 crores in resources. Drawing attention to this aspect, Mr. Shroff made special mention of the lag in resources and observed:

"The lag in resources has necessitated heavy deficit financing and, notwithstanding curtailment of Plan outlays in certain directions, it is proposed that further measures be taken to raise additional resources. In reality, the cost of the Plan has gone up considerably though the financial ceiling remains at Rs. 4,800 crores. With the foreign exchange reserves on the verge of exhaustion and an extremely tight import policy in operation, no latitude is left for any manœuvring on the foreign exchange front. Admitting that the scope for fresh taxation is strictly limited, the Planning Commission has nevertheless suggested additional taxation in the rest of the second Plan period to the extent of Rs. 100 crores. And so the rake's progress continues. Taxation beyond a point enters directly into costs and prices and, instead of damping inflation, it gives another twist to the spiral, with the result that each fresh bout of taxation widens, instead of narrowing, the uncovered gap. Ultimately, the rise in costs and prices reduces the size of the Plan to the limits of the available resources, but the incidence is spread most unevenly over the different sections of the community, and this is a major cause of dislocation and distress."

No impartial observer will disagree with these observations of Mr. Shroff, as also with his statement that "concentration of economic

(Continued on next page)

4¼ PER CENT
BOMBAY STATE DEVELOPMENT LOAN, 1970
ISSUED AT PAR
AND
4¼ PER CENT
BOMBAY STATE DEVELOPMENT LOAN, 1971
ISSUED AT Rs. 99.75 PER CENT

OPEN ON THE 15TH JULY 1958

The loans will be closed as soon as total amount of approximately Rs. 1000 lakhs has been subscribed, and in any case not later than the close of business on the 19th July 1958.

The applications for the loans will be received at—

(a) the office of the Reserve Bank of India, Bombay, Calcutta, New Delhi, Madras, Nagpur and Bangalore

(b) the branches of the State Bank of India within the State of Bombay except at Bombay and Nagpur and at places mentioned in (c) below

(c) the branches and treasury pay offices of the State Bank of Hyderabad within the State of Bombay

(d) the Government treasuries and sub-treasuries in the State of Bombay at places where there is no branch or treasury pay office of the aforesaid banks

(e) Applications will also be collected by the State Bank of Saurashtra at Bhavnagar and its Branches within the Saurashtra area of Bombay State and forwarded to the nearest receiving office.

FULL PARTICULARS CAN BE OBTAINED AT ANY OF THE RECEIVING OFFICES MENTIONED ABOVE.

DELEGATION OF FINANCIAL POWERS

SIGNIFICANCE OF THE NEW REFORM

From Our Special Correspondent

NEW DELHI, *8th July*

DELHI LETTER

THE actual outlay, it may be recalled, on account of the Central and State Plans together in 1956-57 was Rs. 670 crores, as against the budgeted provision of Rs. 830 crores. In 1957-58, it was Rs. 845 crores, as against the budgeted provision of Rs. 965 crores. The shortfall in Plan expenditures was there in spite of heavy additional taxation which, it was thought, the initial budget provision warranted. It may be felt that this shortfall was a blessing in disguise, for, otherwise, deficit financing by the Centre and the States in the said two years might well have reached the enormous figure of Rs. 1,000 crores. But that is not how the Comptroller and Auditor General would take it to be. In his view—expressed in an appendix to the Audit Report (civil), 1955—"unspent appropriations may result in immobilising resources which could, with advantage, be utilised on projects other than those included in the year's budget estimates, or in accelerating some projects capable of more speedy execution." This view may well be repeated with still greater force as far as the first two years of the second Plan are concerned.

Resources

Such a view would assume that adequate resources were in fact available but that appropriations were allowed, for some reason or other, to lapse. If this assumption is supposed to be valid, how can such lapses of appropriations be brought within reasonable dimensions? The Report of the Public Accounts Committee (1957-58) on Budget Estimates and Financial Control recommended as follows:

"*Ad-hoc* provisions, in the absence of full detailed estimates (for Plan schemes), cannot be encouraged. Left with a choice between *ad-hoc* provision of this nature and no provision at all in the beginning but supplementary demand late in the year, the Committee have suggested the need of making a small provision enough to cover the expenses of survey, preparation of the detailed estimates and preliminary expenses. Government can, in the course of the year, as a result of this preparatory work, come before Parliament for a supplementary grant. This will ensure that no project is taken up for execution unless its details have been worked out fully."

This would be a more straightforward way of doing things and have the effect of eliminating or at least reducing the initial inflation in budget estimates on account of schemes which may not, after all, be actually taken up for execution in the budget year for lack of definite blueprints. The Public Accounts Committee's recommendation, it is gratifying to note, has now been accepted by the Government of India. According to a Press note, just issued by the Department of Expenditure of the Ministry of Finance, no lump-sum provision will be entered in the budget for major schemes for which adequate details are not available. Where a new scheme is definitely to be taken up, for which details enabling budget provision are not available, such budget provision will be limited to the requirements for preliminary expenses and initial outlay such as collection of material, skeleton staff, etc. After further details of the scheme are available, provision will be made in supplementary estimates and administrative Ministries will then be free to sanction expenditure to individual schemes upto a monetary limit of Rs. 50 lakhs. Schemes whose cost exceeds this limit will have to be referred to the Ministry of Finance for sanction.

Appropriations

Quite apart from the practice (now done away with) of asking for *ad-hoc* lump provisions, there has been the practice of asking for large appropriations for big projects included in the Budget on the basis of the mere expectations of the Ministries concerned. The Public Accounts Committee had recommended that, in such cases, the Finance Ministry should be satisfied on the basis of details available that there was reasonable expectation of expenditure materialising to the extent proposed, before sums were provided in the budget estimates. The relevant Government decision, just taken, is that, in the case of very big projects, approval will be accorded in stages for different sections of a project or with reference to changing conditions and administrative Ministries will then be free to sanction expenditure to individual schemes, again subject to a limit of Rs. 50 lakhs. Here, again, schemes over this limit will have to be referred to the Ministry of Finance for sanction.

The Government's decisions, it is claimed, involve delegation to the administrative Ministries of greater financial powers which have so far been exercised by the Ministry of Finance. These decisions, it is further stated, have been taken mainly with a view to facilitating the execution of Plan schemes and removing administrative delays. But the decisions would also mean that, by doing away with the practice of large appropriations or *ad-hoc* lump provisions where full details are not available, they could bring about the abandonment or postponement of some schemes and thus bring the budget estimates in line with the estimated availability of resources and the feasibility of executing approved projects. It would thus appear that the Finance Ministry's hands have been strengthened in so far as budget estimates are concerned, while, at the same time, the hands of the administrative Ministries have also been strengthened through a delegation of financial powers in so far as the actual execution of approved schemes is concerned, although such delegated powers are limited in terms of a monetary ceiling.

Salutary Condition

Even this limited delegation of financial powers is further limited by a salutary condition that, in the case of provisions for pay of officers and establishment, administrative Ministries cannot exceed the budget without the approval of the Finance Ministry. The Finance Ministry's approval cannot, of course, be taken for granted because its Economy Division and the Organisation and Methods Division of the Ministry of Home Affairs would come into the picture.

Two other salutary restrictions form part of the Government's decision. The first restriction is that administrative Ministries will not have the power to reappropriate between subheads under which provision is made for individual schemes and projects without the concurrence of the Finance Ministry. And the second restriction is that the Ministries will not have power to create posts carrying pay above a specified limit, or to revise scales of pay without prior concurrence of the Finance Ministry. The net result of the present reform is that detailed expenditure control, after the budget has been sanctioned, will no longer be a part of the function of the Department of Expenditure of the Ministry of Finance. Otherwise, the powers of this Department have been strengthened and streamlined.

SURVEY

(Concluded from previous page)

power by accumulation of investments whether in the hands of a few statutory monopolies or in the person of the State involves consequences which are no less dangerous in their ultimate significance. The nation's economic progress, as the Stock Exchange President rightly averred, is substantially governed by the productive flow of capital into joint-stock enterprise, the most efficient form of organisation for large-scale production. "Stocks, shares and debentures," to quote Mr. Shroff again, "are titles to joint-stock property and represent the most perfect form of wealth for mobilising and pooling together the savings of the small and the big in a common endeavour." It is needless to say that, the broader the distribution of stocks, shares and debentures, the more broadbased and diversified is the ownership of the means of production. If, therefore, the economic system of India is not to degenerate into State capitalism of one type or another but grow into a genuine economic democracy, the trend must be, as Mr. Shroff very pertinently stressed, for democratic ownership of corporate wealth and widespread ownership of stocks, shares and debentures. It is to be hoped that the powers-that-be will so reorient their economic policies as to ensure such a trend.

INDUSTRIAL VIEWPOINT

RESULTS OF F.B.I. SURVEY

From Our Own Correspondent

LONDON, *5th July*

LONDON LETTER

THE Federation of British Industries has just recently published the results of the replies to a questionnaire it put out to over 500 of its members about their state of business at the end of May. Over 400 firms of every sort and size have replied, and, in the assessment of these replies, one must bear in mind that the small firms and the large firms both count exactly the same. Thus, if a firm with 10,000 employees reports that new orders are down, and another firm with 200 employees reports that they are up, then these two firms will, in the F.B.I's assessment, cancel each other out. Nevertheless, as a broad picture of how industry sees the present state of trade, the survey is quite interesting. Briefly, the position seems to be that, whereas during the winter months industrial activity was going down, in the three months to the end of May it has been marking time. In the earlier period, 45 per cent. of the firms reported that new orders were down and in the later period 41 per cent. so reported. On the other hand, in the earlier period, the highest proportion of firms reported that output was up and, in the later period, the highest proportion reported that there was no change. As regards the balance between home and export trade over the past nine months, there has again been no significant change and the numbers employed in over 50 per cent. of the cases also remains the same. The highest proportion of firms also report that profit margins are down, but more report that in the earlier period than the later one.

Output and Capacity

The F.B.I. also attempted to assess the relation between current industrial output and capacity, but here they hit a difficulty which has existed ever since the early days of the war when Government Departments wished to discover what surplus capacity firms had. The difficulty is that capacity is often related to the number of employees available and the type of worn to be done. A firm can report that it is working at full capacity when its machines are fully occupied but it might find that it can still take on additional orders by working overtime. Moreover, there is an unconscious bias in a progressive firm to assume that it is working below capacity and could always do more. So, when the F.B.I. enquired of its members what their present level of output was in relation to capacity, it wisely decided to leave each firm to make its own definition of those terms. It is not surprising that the general assessment by industry was that it could do more work if more business was available!

But another special question was even more interesting. It asked whether the business felt more or less optimistic about the general economic situation than it did three months ago. Again, the highest number of replies came from the firms that were neither more nor less optimistic than they were three months ago. But a third of the firms were more pessimistic, and only about a fifth were more optimistic. So from this one would conclude that, while firms considered their general level of activity was much the same now as it was three months ago, they were inclined to be rather more pessimistic now. It does not, of course, follow that that is, indeed, the trend of business.

Capital Authorisations

More significant is the fact that about half the firms report that their proposed capital expenditure authorisations are about the same now as earlier in the year, both in respect of building and plant. But it is interesting to notice that a rather higher proportion of firms have got higher capital authorisation and presumably will spend more on investment next year. This does not accord with the general thinking that the outlook is more pessimistic!

Against this one must note that about half the firms found their order books were lower now than they were three months ago, but, since they had also succeeded in reducing their stocks of raw materials and keeping their work in progress down, it meant they had a healthy back-

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AMERICAN LETTER

PRESIDENT UNDER HEAVY STRAIN

MORE CHEERFUL NEWS ON ECONOMIC TRENDS

From Our Special Correspondent

NEW YORK, *1st July*

THE outlook for the United States is not only being debated, but it is debatable. Not that anything serious is going to happen to the U.S. economy. It will run along at a pace which is unsatisfactory to the relatively few unemployed and highly satisfactory to others. The most debatable element in the U.S. picture today is Washington leadership, or rather the lack of it. As intimated in previous despatches, this state of affairs has had economic and political repercussions.

President Eisenhower's luck seems to have run out. Insiders concede that, after his heart attack during the first term of the Chief Executive, he had every intention to go to his farm in Virginia and forget politics. Then, however, the President was at the height of popular adulation. Various powerful groups, including his advisers headed by Mr. Sherman Adams persuaded him to change his mind.

Since that time, the Administration had three bad breaks. The first was Sputnik which undermined confidence in the defence programme, justly or otherwise. The second was the business slump. In this area, no Government official has yet said whether Washington is prepared to fight the recession or to fight the inevitable inflation of the future. The only statement by Cabinet members, in various versions, has been "if we wait long enough, everything will straighten itself out."

The third and the worst blow to the President has been the affair Adams. It is by no means settled. The popular feeling is that, regardless of the facts and/or allegations, Mr. Adams' usefulness has been destroyed and he should have moved out of the White House weeks ago. The President's pathetic explanation is "I need him."

He probably never said a truer word. All his military life, Mr. Eisenhower depended on a chief of staff, or the equivalent thereof. He was picked to head the Allied invasion of Europe for his ability to pick able chiefs of staff in all fields and for his diplomacy and personality, not necessarily for his leadership.

The President probably would be quite helpless without Sherman Adams next to him. The most seasoned observers of the Washington scene assert that no President ever depended so much on any subordinate as Mr. Eisenhower does on Mr. Adams. He needs him and he seems to be unable to cope with the realities of the situation as the public sees them. The charges by Mr. Fox may be absurd lies and falsehoods, but the esteem of Mr. Adams has been destroyed just the same.

The fourth crisis the Eisenhower Administration is facing is the one in Lebanon. The riots may easily turn into open hostilities, if not a major war for which the U.S. would be woefully unprepared at this time. Under such accumulating strain, the President's health may not stand up much longer. Thus, worse rather than better news may be expected so far as official Washington is concerned. As one leading correspondent put it, the U.S. Government "is in disarray."

Economically, the news has been more cheerful. In the first half of the year, the stock market has shown a much better recovery than business, generally. June was the fourth month this year to have shown a gain in stocks, more specifically, stock prices.

Forecasts are still far apart. In the heavy industries, notably steel, no sizable upturn is expected this year, although orders are increasing gradually. There is much caution in the air, though, regarding prices. Although steel wages are going up automatically, effective 1st July, U.S. Steel, the pace setter, is holding back on price increases, but for how long?

The National Association of Purchasing Agents, in its monthly report, does not anticipate any major improvement in business until late this year or early in 1959. More cheerful opinions ventured are that inventories are a lessening problem as well as being an important factor in holding the price line; that employment remains stable in various industries and, through June, production and new orders were better than in any previous month. A poll of reporting agents showed that last month 39 per cent. of them reported increased orders.

There are still many plus signs in the U.S. economy. The nation's food bill this year will amount to a whopping $79,000 million, as compared with $75,000 million in 1957. The supermarkets alone have annual sales of $25,000 million. Although these food outlets are food retailing specialists, they handle also 10 per cent. of non-edible items. This increase is not inflationary. Unit sales, as a matter of fact, are higher, owing to lower selling prices on some items.

Personal incomes in the U.S. stood at the annual rate of $344,300 million in June 1958, as compared with $343,200 million in June, 1957. Construction activity is also expanding. Building permits issued last month in 217 cities aggregated $647.8 million, against $560.6 million in the like 1957 period. About 3 per cent. has to be deducted as an allowance for price increases.

The latest employment figures are slightly over 64 million, as compared with 65.2 million employed a year ago. Unemployment was given at 4.9 million, against 2.7 million 12 months previously. Most of that is in the heavy industries, such as steel, automobiles and appliances.

Farmers in the U.S. are sitting on top of the world because of higher prices. Western ranchers, waxing prosperous on the cattle boom, refer to the recession as "that thing back East." Even in the West, prosperity and gloom live next to each other. The gloom is apparent in the mining regions adjacent to the prosperous mining areas. If one gets away from mines and factories, most farmers are living better than they did practically any time since the last war.

Consumers of whatever walk of life are simply scared, owing to the lack of leadership in Washington and by the recession talk which is widely played by the newspapers and other media of communication. Auto dealers are, of course, still in the dumps. As I said in previous despatches, the industry is largely to blame for this state of affairs. I do believe that automotive management has lost touch with what the public really wants. The average American car is too expensive to buy and too expensive to operate. That is what the public is saying by staying away from the automobile showrooms.

There are no signs that industrial expenditures for plant and equipment will increase materially in the near future. In other words, they will remain substantially below that of previous years. But, in this area, outlays are still quite sizable.

To sum up—the U.S. economy is still quite strong despite distress signs in some directions. The real dangers are political, both domestic and international. It is a psychological rather than a deep-rooted economic crisis, since the basic forward momentum continues, even though it is at a slower pace than in previous years. A full-fledged war over control of Middle Eastern oil without which Europe could hardly exist, could provide a dramatic turning point in world affairs. But will it happen? That is as big an enigma as the situation in the United States.—*All Rights Reserved.*

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TR606

CREDIT RESTRICTIONS RELAXED IN U.K.

SPECIAL DEPOSIT SCHEME TO BE INTRODUCED

CLOSE on the heels of successive cuts in Bank rate and the grant of larger initial allowances to industries, the British Government took last week another step calculated to promote larger investments in industries by relaxing to a limited extent the control on borrowing through banks and capital market. The two main changes are: (1) the abolition of the ceiling on total bank advances by the end of this month and (2) the modification of the capital issues control through an amendment of the Control on Borrowing Order. Announcing these measures in the House of Commons, Mr. Heathcoat Amory, the Chancellor of the Exchequer, emphasised that the Government was determined not to return to inflationary conditions, but said it was now clearly right to encourage such sound development as is within the country's capacity.

While abolishing the ceiling on total bank advances, the Government proposes to exercise control on bank advances through normal monetary measures. If, however, these measures were found insufficient to secure the necessary control over the credit system, they will be reinforced by a new arrangement, under which the Bank of England will restrict the liquidity of the banking system by calling for special deposits. It will be recalled that, in September last the then Chancellor of the Exchequer (Mr. Peter Thorneycroft) found it necessary that the average level of bank advances during the subsequent 12 months should be held at the average level for the preceding 12 months. The banks gave the assurance to comply with the Government's requirement and they have so far stuck to their undertaking. The developments during the last few months have shown that there is a case for gradual relaxation of bank credit control and, accordingly, the present Chancellor has decided to do away with the ceiling on bank credit at the end of this month. He has, however, stressed in his letter to the Governor of the Bank of England, the importance which he attaches, in the present circumstances, "to the provision of credit for export business, whether in the ordinary course of business or through medium-term financing under E.C.G.D. guarantee." He has also reemphasised the hope which he expressed in his Budget statement that "projects for sound development in areas where unemployment is substantially above the average should not be held back by lack of credit or finance."

Temporary Measure

The special deposits scheme, which will be used, if necessary, to reinforce the existing machinery of interest rates and open market operations is, however, only a temporary expedient, pending the recommendations of the Radcliffe Committee. The British Government does not wish to make any permanent changes in the methods of influencing the volume of bank lending till the Committee submits its report. Accordingly, the Chancellor had asked the Governor of the Bank of England (Mr. Cameron Cobbold) to suggest, as a temporary measure, an alternative to the "official requests" frequently made to banks to restrict advances. Recognising the irksome nature of these requests, the Chancellor had stated, in the course of his letter to Mr. Cobbold, as follows:

"Both the Bank of England and the banking organisations have repeatedly impressed upon H.M. Government that the method of 'official requests' made to the banks several times in recent years to restrict total advances, although it has proved efficacious for short periods, hampers the efficient working of the banking system and is thus damaging both to the banks and to the public interest if carried on for too long or too frequently renewed."

The outcome of this request is the special deposits scheme. The broad outline of the scheme contained in Mr. Cobbold's reply to the Chancellor is as follows:

"When it appeared necessary, in support of other monetary measures, to restrict the liquidity of the banking system and thus the ability of the banks to extend credit, the Bank of England would call for special deposits to be made with them by the banks. Such deposits would carry interest based on the current Treasury Bill rate. They would not qualify for inclusion in the banks' liquid assets. There would be provision for partial release by agreement with the Bank of England when justified by special considerations.

"The banks would continue to maintain their usual minimum ratios between liquid assets and total deposits.

"Calls would be made on each group of banks separately, the amount being related to the total gross deposits of each group at a specified date with monthly adjustments to take account of variations in the deposits of each bank. The ratio of a call to total deposits would not necessarily be the same for each group."

Control of Borrowing Order

The second change in the official credit policy is, as stated at the outset, the "adjustments in the scope of the capital issues control" and the consequent amendment by the Treasury of the Control of Borrowing Order. Briefly summarised, the new regulations are:

(1) Control of Borrowing Order is amended to prevent new money being raised outside the control by artificial devices.

(2) Capitalisation issues are exempted from control except those involving issues of redeemable securities.

(3) Exemption limit for borrowing is raised from £10,000 to £50,000.

(4) C.I.C. may now approve investment for production of essential goods and services and exports, and for saving imports and earning foreign exchange even if they are not immediately urgent.

(5) Consent will not be given for borrowing to finance speculative buying of shares, materials and real property.

(6) Approval may be given to applications from investment trusts and unit trusts, with reservations where significant purchases of foreign securities are proposed.

(7) Approval may be given to applications by hire purchase finance companies; to investment in the Commonwealth likely to strengthen the sterling area's balance of payments; and to investment in areas of persistent unemployment in the U.K.

The statement of principles which provided the basic guidance to the Capital Issues Committee was enunciated in September 1951 by Mr. Butler who was the Chancellor of Exchequer then. That guidance has since been modified from time to time by statements and requests by successive Chancellors on specific points reflecting developments in economic and financial policy. While retaining the main principles governing the work of the C.I.C., Mr. Amory, the present Chancellor, has made only one modification, that is in respect of the criterion of urgency. Referring to this, in his letter to the Chairman of the C.I.C., Mr. Amory says:

"I now consider that the Committee can justifiably take a longer view and regard as eligible for consent an application for a purpose which may not be immediately urgent, but which anticipates the future growth of requirements, bearing in mind that a primary objective is to stimulate production of exports, saving of imports and earning of foreign exchange. For the time being I do not consider that the criterion of immediate urgency should be relaxed where one of those elements is not present."

Measures Welcomed

The aforesaid relaxations in credit control were generally anticipated, but the timing of the Chancellor's announcement came as a surprise to the city of London. The relaxation in credit restrictions has been welcomed by industrialists. Commenting on these latest measures, the Federation of British Industries observed that it was encouraged by the Government's view that some expansion was now possible without reviving the dangers of inflation. It was of the view that the particular changes announced were well chosen. The President of the National Union of Manufacturers said that this was excellent news, particularly for the smaller firms which were peculiarly dependent on the banks for their capital and had in many ways borne the main brunt of the credit squeeze.

The members of the House of Commons belonging to all parties also welcomed the relaxation measures, though Mr. Harold Wilson, Opposition member, qualified his reactions by observing that the Government was very slowly responding to the Opposition's pressure to recognise that the problem the Government was facing was not inflation but a recession. Mr. Wilson claimed that the Government had after all conceded the Opposition demand in May 1956 for the introduction of the special deposit scheme. He, however, added that the relaxations had come at a time when industries were working very much below capacity and the removal of the credit restriction was a meaningless gesture. He went on to criticise the Government for not having rescinded two more restrictive measures, namely, the emergency cuts in the nationalised industries' investment programme implemented last September and the abolition of investment allowances.

The relaxation of curbs on bank credit is considered as helpful from the long-term point of view, though no far-reaching changes are expected to take place in the pattern of bank advances in the immediate future. For the demand for bank credit has recorded a marked fall in recent months for two reasons: (1) the high cost of borrowing and (2) the fall in prices which has enabled existing borrowers to manage with smaller loans. To the extent that borrowing had been restricted on account of quantitative controls, the present relaxation may, however, be expected to increase bank lending. Also, the relaxation of qualitative restrictions will enable banks, to a large extent, to choose the type of projects to which they can lend. But barring these, no substantial expansion in bank credit is expected, because the liquidity position of most banks is said to be such that they cannot increase their lendings to any sizable extent without liquidating their gilt-edged investments.

CANADIAN AID ABROAD

Financial assistance made available by Canada to overseas countries from 1945 to 1958 totals more than $4,300 million, according to the Department of External Affairs reports in an addendum to a Reference Paper published in May 1958. More than half of this amount was in outright grants, the remainder in loans which have been partly repaid. Not included in the total to date are contributions for membership assessments in international agencies and programmes. Omitted, for instance, is an amount of $910,000 for Canada's contribution to the United Nations Emergency Force in Egypt for 1957 and 1958. The biggest single amount—$1,567,000,000—represents military aid for Canada's European partners in the North Atlantic Alliance. This figure includes expenditures on military equipment shipped to Europe, the training of European air crew in this country and Canada's share for construction of airfields, communications, oil pipelines and the like in Europe.

The largest single loan, $1,185,000,000, went to the United Kingdom soon after the second World War. Other reconstruction loans were made to Belgium, nationalist China, Czechoslovakia, France, The Netherlands, Indonesia, Norway and Russia. The Soviet Union is among countries which have fully repaid the loans to them.

The most recent reconstruction loan—$1,000,000—was for a Canadian hand in clearance of the Suez Canal after the 1956 military intervention in Egypt by Israel, Britain and France. It was made to the U.N. and has not yet been repaid. Canada has given nearly $200,000,000 to the Colombo Plan for economic development in South and South-East Asia. This does not include $35,000,000 loans for purchase of Canadian wheat and flour by India, Pakistan and Ceylon. Last year, Canada contributed nearly $13,000,000 for transportation and care of Hungarian refugees coming to Canada. The amount in the previous year for this purpose was more than $10,000,000.

CANADA'S GROSS NATIONAL PRODUCT

With a slackening rate of growth in almost all sectors of economic activity, and even a decline in some sectors, Canada's gross national product (G.N.P.) in 1957, at $31.07 billion, was 3.6 per cent. more than in 1956; in both 1955 and 1956, the increase had been 11 per cent. Almost all of the rise in 1957 represented higher income for labour; corporate profits dropped sharply. Farm output declined from $1.5 billion in 1956 to $1.1 billion in 1957, while the value of non-farm production rose by 5 per cent. As final product prices continued to advance—although there was some decline in prices of basic commodities—the total volume of production was unchanged from the previous year.

Private demand for consumer goods and services, especially for non-durables, advanced considerably during the year, but its rate of increase slowed down in the fourth quarter, when the growth of personal income almost ceased, owing to a slight decline in labour income and to lower farm income. The reduced rate of growth in consumer expenditure was more than offset by a marked decline in business spending for machinery and equipment and a reduction of inventories, so that G.N.P. in the fourth quarter was below the third quarter rate. On a year-to-year basis, business expenditures for plant and equipment advanced from $5.2 billion to $5.9 billion, or by 13.5 per cent.; the annual increase in inventories, however, was relatively small.

STERLING AREA RESERVES RISE AGAIN

The gold and dollar reserves of the sterling area rose by $37,000,000 in June and stood at $3,076 million on 30th June, 1958. This was the result after paying $26,500,000 to the European Payments Union (E.P.U.) in respect of May, and $2,500,000 to creditors of the Union in bilateral settlements. On the provisional figures for the month, the United Kingdom had a deficit of £25,000,000 with E.P.U., including £1,900,000 of interest on the accumulated debit balance with the Union. This will fall to be settled in July as to 75 per cent. in gold or dollars, and as to 25 per cent. by increase in the debt to the Union.

It was expected in London that the rise in the reserves in June would not be as great as in previous months, because seasonal pressures were now beginning to move against the pound as a result of the normal increase at this time of year in the Sterling Area's demand for dollars to meet commercial purchases.

ENFORCEMENT OF ANTI-TRUST LAWS IN UNITED STATES—II

By Victor R. Hansen

ASSISTANT ATTORNEY GENERAL OF THE UNITED STATES

[This is the second of two articles describing enforcement of anti-trust laws against illegal business practices in U.S. domestic commerce and international trade. The first article appeared in our last issue, vide page 9—ED.]

ENFORCEMENT of anti-trust laws is a fluid programme that must constantly adapt itself to the requirements of the American economy as it develops and changes. In other words, anti-trust enforcement must keep in tune with the times.

In recent years, the status of our country's scientific research resources has become a matter of deep concern to all Americans. It represents a challenge that will require our best efforts. Therefore, I would like to discuss the role that anti-trust enforcement has played and will continue to play in helping to support our country's research and development resources. Our nation's research and development effort is the product of the combined activities of industry, the universities and the Government. The National Science Foundation estimates that 72 per cent. of our scientific research is performed by industry. Since World War II, industrial research has had an extensive growth. In 1956, total expenditures for industrial research and development reached $6,100 million.

The future promises to bring a rapid acceleration in the growth of America's industrial research. According to the most recent McGraw-Hill survey of business spending plans, industry expects to boost its research and development outlays from the 1957 record of $7,281 million to $8,295 million this year—a 14 per cent. rise—and to $9,850 million by 1961—35 per cent. above the 1957 level. It is expected that at least 12 per cent. of the 1961 sales volume for manufacturing as a whole will be in new products not made in 1957.

Industrial research appears to find its greatest stimulus in the changing nature of competition. The growth of industrial research in the United States has resulted mainly from the growing importance of technological competition to satisfy the needs and wants of the market. Formerly, industries generally competed for markets that seemed clearly limited by consumer's needs, and these needs varied little. Industrial research, therefore, was regarded by industry generally as a luxury which produced occasional innovations. Today, because industrial research has become a deliberate instrument of economic development, industries compete constantly to create new wants and new markets.

A Powerful Competitive Lever

Industrial research has become one of the more important elements in the dynamics of present-day competition. It is becoming increasingly evident that competition, in fact, begins in the laboratory. This kind of competition has been called "the new competition" and "the quiet competition of the laboratory." In the words of an important business executive, it "is no longer like the frosting on a cake but is a critical element in the diet." Industrial research by competitors can challenge the market position of a company by the development of different raw materials and more efficient processes to manufacture the same product, and by the development of different products to perform the same function. Industrial research can also be a powerful competitive lever for growth by producing new products to perform new functions, and by finding new uses for existing products.

Industry's accomplishments in the research and development area have been extensive and varied. But industry could have an even better record of achievement in this area were it not for some restraints imposed upon its growth by companies charged with violations of the anti-trust laws.

In our experience, thus far, we have found very few instances where companies have agreed directly to restrict their research activities. The usual case involves illegal agreements or practices which are designed to bolster the commercial positions of the companies involved in the products which they manufacture and sell. Such agreements or practices, however, may have the effect of eliminating commercial incentives to spend large sums for research or to acquire promising inventions.

If I had to categorise the main areas of anti-trust violations which have disclosed restraints on industrial research, I would list them as patent abuses, division of fields among companies, and monopoly in the manufacture and sale of products. Companies tend to engage in research only in areas which would give them a particular commercial advantage.

Research

There is very little point generally in a firm's doing much in the research area, when, because of illegal agreement or practice, its developments will not be its own, when it cannot fully benefit from the commercialisation of its discoveries, or when it has a monopoly or dominant position in the market. A firm usually cannot benefit from the commercialisation of its research discoveries in a particular area when it has entered into agreements which give to another company the right to exploit its inventions in this area.

The Anti-trust Division has taken definite measures to try to eliminate impediments to technological competition. It is our belief that the removal of such restraints will provide a climate in which our nation's industrial research resources can be expanded. Wherever possible, both in consent decrees and in relief proposals made to the courts, we have sought to strike down the vehicles by which the growth of such research is inhibited. And where illegal monopoly conditions have existed, we have sought to encourage the entry of competitors by positive relief measures in decrees.

These provisions, among other things, have made available to industry the significant patents and worthwhile technology. Again, as a result of anti-trust enforcement in this area, many companies have changed their policies voluntarily with a corresponding beneficial effect on the growth of industrial research. We know from experience that anti-trust enforcement has helped considerably to create an atmosphere which encourages the growth of industrial research and technological competition. We shall continue to devote our enforcement energies toward restraints affecting industrial research. Such an enforcement policy, we hope, will help to protect our research resources, which are fast becoming our most vital national resource.

GOVERNMENT OF UTTAR PRADESH

FINANCE DEPARTMENT

Dated Lucknow, June 24, 1958

PRESS NOTE

4 1/4 per cent Uttar Pradesh State Development Loan, 1970

THE GOVERNMENT OF UTTAR PRADESH are floating a loan of Rs. 7 crores in order to finance their irrigation works, electricity projects and other State development schemes. The main terms of the loan are that the issue price will be Rs. 99.50 for every Rs. 100 of the loan applied for. The loan will have a currency of 12 years from 15th July, 1958 and will be repaid at par on 15th July, 1970, will bear interest at the rate of 4¼ per cent. per annum from 15th July, 1958 payable half-yearly on 15th January and 15th July and is subject to income-tax. Subscriptions for the loan can be made in the form of cash or cheque or of securities of 3 per cent. U.P. Loan, 1958 and will be received at the branches of the State Bank of India in Uttar Pradesh, the Government treasuries and subtreasuries in the State of Uttar Pradesh where there is no branch of the State Bank of India and at the offices of the Reserve Bank of India at Bombay, Calcutta, New Delhi, Madras and Bangalore.

Full details of the terms of the loan are contained in Finance Department Notification No. B-4604/X—88-1958, dated June 24, 1958, copies of which, along with the application form, are obtainable at the receiving offices mentioned above.

2. Financial position of the Government of Uttar Pradesh—

Revenue Position.—The revenue receipts and expenditure and the surpluses for the last fourteen years are as follows:

(Figures are in lakhs of rupees)

	Revenue receipts	Revenue expenditure	Surplus(+)
1944-45	2,747	2,330	+417
1945-46	2,995	2,551	+444
1946-47	3,265	3,061	+204
1947-48	3,876	3,771	+105
1948-49	4,920	4,729	+191
1949-50	5,626	5,626	...
1950-51	5,189	5,184	+5
1951-52	5,556	5,550	+6
1952-53	6,483	6,483	..
1953-54	7,564	7,281	+283
1954-55	7,819	7,713	+106
1955-56	8,553	8,423	+130
1956-57	8,996	8,984	+12
1957-58	10,171	9,751	+420

The major portion of the revenue surpluses was put into various reserve funds. During 1949-50 and 1952-53, revenue expenditure exceeded revenue receipts because of large expenditure on Development schemes and the gap in those years was covered by withdrawals from the Revenue Reserve Fund.

Balances in the Reserve Funds.—The balances at the credit of the various reserve funds at the end of 1957-58 were 116 lakhs in the U.P. Road Fund, 49 lakhs in the Hospital Fund, 102 lakhs in the Famine Relief Fund, 1,144 lakhs in the Revenue Reserve Fund, 9 lakhs in the Sugar Research and Labour Housing Fund, 2,607 lakhs in Zamindari Abolition Fund, 59 lakhs in the Depreciation Reserve Fund—Irrigation, 170 lakhs in the Depreciation Reserve Fund—Government Bus Services, 392 lakhs in the Depreciation Reserve Fund—Electricity, 19 lakhs in the Contingency Reserve Fund—Electricity and 76 lakhs in the Depreciation Reserve Fund—Cement Factory. Some of these are invested in Government of India Securities. The total balance in these Reserve Funds amounts to 4,743 lakhs.

Debt Position.—On March 31, 1958 the debt of Uttar Pradesh Government amounted to 18,821 lakhs consisting of 1,005 lakhs representing the consolidated debt due to the Central Government and 12,863 lakhs taken from that Government for development purposes and 681 lakhs for Relief and Rehabilitation Schemes plus 4,029 lakhs representing the amount of public loans floated by this Government from time to time plus 151 lakhs as Uttar Pradesh Encumbered Estates Act Bonds, 73 lakhs from the Reserve Bank of India and 19 lakhs from the National Co-operative Development and Warehousing Board for expansion of Co-operative Institutions and Marketing Societies. Apart from this, the State Government have also issued Zamindari Abolition Compensation Bonds of the face value of Rs. 4,539 lakhs and Rehabilitation Grant Bonds of the value of Rs. 452 lakhs, the liability on account of which will be met, by annual instalments, from the extra revenue from Zamindari Abolition over a period of 40 years and 25 years respectively. Sinking Funds have been constituted for all the public loans and the balances at the credit of these funds are invested in Government of India Securities.

Assets of the Government.—Against the outstanding debt of 18,821 lakhs there are assets in form of the Ganga, Yamuna and Sarda Canals, various other small canals, and the State Tubewells and Hydro-electric Grid, Electric Supply Undertakings, Cement Factory and Government Bus Services, in which about 16,374 lakhs have been invested. Another asset is the balance due to Uttar Pradesh Government on account of loans and advances amounting to Rs. 4,016 lakhs. Besides these, there are a large number of buildings and roads for which no separate capital accounts are maintained.

FOOT-NOTE.—The accounts for 1957-58 have not yet been closed finally. The figures for 1957-58 mentioned in the Press Note are based on the March (Preliminary) 1958 Accounts.

EXCISE DUTY ON MILL CLOTH REDUCED

FURTHER RELIEF OF RS. 5.5 CRORES GRANTED

SOON after we went to press last week, the Government of India announced modifications in the levy of excise duty on mill-made cotton piecegoods with a view to helping the mills to overcome the crisis facing it due to accumulation of heavy stocks. The modifications are in accordance with the recommendation made by the Committee of Enquiry (Cotton Textiles) in its interim report submitted to the Government recently. The revised rates of excise duty per square yard (excluding the additional excise duty and the handloom cess) which have been enforced with effect from the 4th inst. are as follows:

Coarse cloth: A new basic rate of excise duty on all varieties of cloth at 4 nP *plus* a surcharge of ½ nP, if the cloth is bleached, 3 nP if shrink-proof and 1½ nP if processed in any other way; hitherto, there was only an excise duty of 3 nP on coarse *dhotis* and *saris* and 6 nP on other varieties.

Medium cloth: A basic rate of 5 nP on lower medium cloth (counts between 17 and 25) and 6 nP on higher medium cloth (26-35 counts) *plus* the same surcharges as on coarse cloth for bleached (½ nP), shrink-proof (3 nP) and other processed cloth (1½ nP); the duty so far had been only at 7 nP on *dhotis* and *saris* and 9 nP on other varieties.

Fine cloth: A basic rate of 18.5 nP *plus* the surcharges for processing as in the case of coarse and medium; hitherto, there was only one excise duty of 17 nP.

Superfine cloth: A basic rate of 24½ nP *plus* the surcharges for processing on the same scale as for coarse and medium; this cloth was until recently bearing a levy of 22 nP only.

In the case of all varieties, the surcharge for processing will be at the maximum rate where the cloth has undergone more than one processing, that is, the surcharges will not be levied with cumulative effect. The excise duty on coarse *dhotis* and *saris* lying packed in bales as on the 3rd inst. will be charged at the rate of 3 nP per square yard, if the duty is paid on or before 30th September next.

Quantum of Relief

The aforesaid description will show that the excise duty on coarse and medium cloth has been reduced, while that on fine and superfine cloth enhanced. The revision is expected to ensure a fair and equitable incidence of levy on the different varieties of cloth, bringing it as close as practicable to an *ad valorem* levy by the introduction of differential rates for processed varieties over and above the basic rate. As a result of the revision, there is expected to be a revenue loss of Rs. 5.5 crores to the central exchequer annually. It is calculated that the increase in excise duty on fine and superfine categories of cloth will yield about Rs. 2 crores more per annum, so that the reduction in the incidence of duty on coarse and medium counts comes to Rs. 7.5 crores.

This is the third instalment of relief in excise duties after they had been pushed up sharply in September 1956. The first relief came in December 1957 and the second in March 1958. On the first occasion, the relief was confined only to medium; on the second occasion, all varieties were given relief. With the latest relief, the total revenue surrendered by the Government is of the order of Rs. 20.5 crores, but this still falls short of the new burden imposed on the industry in September 1956 by Rs. 14.5 crores. It is also necessary to add that the whole of the relief so far given will not go to enhance the profit margin of the industry, for a good part of it will have to be passed on to the consumer in order to encourage him to take up more cloth.

While the rationalisation of excise duty on mill cloth thus is to be welcomed, it must be said that even the revised duties are heavier than they were before the steep increases effected on 1st September 1956. On the basis of the production pattern in 1957, the annual revenue proceeds derived by the Central Government by way of excise duty (Rs. 39.20 crores) and handloom cess (Rs. 7.50 crores) are estimated at Rs. 46.70 crores, as against the revenue of Rs. 28.18 crores in 1955-56. The Government of India could have reduced the excise duty on cloth at least to the extent it was increased on 1st September 1956, so that the cotton mill industry could raise its contribution to the national income substantially and compete effectively in the export markets based on the strength of its domestic markets.

The need for reducing the incidence of excise levy on mill-made cloth to the extent indicated above is all the greater, considering that the industry is now in the grip of a cost inflation, thanks to the all-round rise in wages and in the prices of raw materials and stores, not to mention machinery. Moreover, the grounds on which the excise duties were stepped up in September 1956 have ceased to exist since long ago. The Government had then clearly stated that the duties were raised not for revenue considerations but with a view to averting a shortage of cloth in the country and to encouraging the mills to sell for export rather than for domestic consumption. Today, instead of a shortage, there is a glut of cloth and exports are falling not because the domestic market is more attractive than export markets but because of a slackness in world trade in textiles as a whole. The problem is not one of keeping down domestic consumption but one of raising it, so that the offtake can improve.

Cost Inflation Severe

How severe has been the aforesaid cost inflation is well brought out by the Indian Cotton Mills' Federation in its memorandum to the Cotton Textiles Enquiry Committee. According to the Federation, the wages of cotton mill workers have increased from time to time since 1947 without due attention being paid to workloads or productivity. The average basic wage of a worker in a Bombay mill in May 1958 was Rs. 50.14, as against Rs. 49.56 in 1957 and Rs. 34.50 in 1946. Similarly, the average dearness allowance for 26 working days was higher at Rs. 80.40, as against Rs. 74 in 1957 and Rs. 35.37 in 1946. Apart from rise in wages, the mill workers have been granted other benefits such as bonus, employees' provident fund, retrenchment and lay-off compensation, gratuity, State insurance scheme, paid festival holidays and improvement in working conditions. The cumulative burden of these benefits per worker per month is put at Rs. 34.70. The total monthly earnings of a worker in May 1958 thus aggregated Rs. 165.24 which compare favourably even with those in industries such as engineering, petroleum, electrical machinery, manufacturing and basic metal industries which require employment of highly skilled labour. "Wage increases," says the Federation, "have been granted by the mills on a liberal scale in agreement with the unions and also under modifications of awards by Industrial Tribunal. It is unfortunate that the productivity of the worker has not increased and wages are not being related to workloads." Proceeding, the Federation observes:

> "Wage rates in the U.K. and the U.S.A. are very much higher than in India, but their wage costs per yard of cloth or per lb. of yarn are comparable and, in some cases, even less than ours. Our greatest competitors in the export markets are Japan and Hong Kong. As compared to Japan, cost of wages per yard is at least 50 per cent. higher. The cost of wages in Hong Kong is very much lower. The wages of our workers can be maintained at the present level, and even increased, only through an increase in productivity, that is, by rationalisation of labour complement."

In this connection, the Federation has put forward five suggestions. First, the workers' unions must be requested to co-operate with the management in adjusting the workloads on a more rational basis, thus reducing the complement of workers. Secondly, the mills should be allowed not to fill natural vacancies, the retirement age of 55 being considered a natural vacancy. Thirdly, the provisions of the Industrial Disputes Act relating to payment of retrenchment compensation require to be so suitably amended as to provide relief to mills which are in financial difficulties due to accumulation of stocks and, therefore, not in a position to work. Finally, wherever there is gratuity provided for workers either voluntarily or under an award of the court, it should not be compulsory for mills to pay retrenchment compensation as well.

Further, the Federation has drawn attention to the rise in the price of furnace oil. This oil today costs Rs. 146.35 per ton (delivered in mills), as against Rs. 63.00 in June 1949 and Rs. 48.81 in January 1946. The furnace oil consuming mills are at a disadvantage—of as much as Rs. 50 per ton—considering the cost of burning an equivalent quantity of coal. It is, therefore, urged that the Government should pass on to the cotton mills the benefit of the reduction of Rs. 13.91 per ton in the price of furnace oil effected by oil companies.

The Federation has also drawn attention to the additional burden of Rs. 2 crores on mills in Bombay State alone as a result of the withdrawal by the State Government of the concessions in the form of either free of sales tax or at lower rates allowed in respect of raw materials, stores, machinery, etc., following the replacement of sales tax by additional excise duty which has actually increased the total revenue as is shown below:

The sales tax collection of all States, according to the Finance Commission, amounted to Rs. 19.76 crores. This amount was inclusive of sales tax on powerloom cloth at the same rate as mill cloth, and sales tax on handloom cloth, even though this may have been on a lower scale. Now that the handloom cloth has been altogether exempted and powerloom cloth is subjected to comparatively lower rates, the burden on mill cloth would have gone up even if a total collection of the same order as Rs. 19.76 crores was aimed at. But, according to the calculations made by the Federation, the revenue from additional excise duty on a production of the order of 1957 would amount to Rs. 22.27 crores on mill cloth alone.

The Federation has suggested that the State Governments concerned should be persuaded to restore the above-mentioned concessions, as also to charge sales tax only on such percentage of the price of ready-made garments, tents and tarpaulins as represents the addition to the value of cloth in its conversion into its final state.

Millowner's Reaction

To revert to the latest revision in excise duty on cloth. Commenting on the revision, Mr. Naval H. Tata, Chairman of Tata Mills, has made the following remarks:

> "We are grateful to the Government for responding to the mounting appeals from the textile industry to reconsider the crushing impost of excise and its repercussions on this industry. It is true that this is the third dose of concession granted to the industry and it is certainly in the interest of the industry to have it.
>
> "Further reductions are particularly negatived by the extra charge on bleached and processed cloth. Moreover, the benefits will have to be shared with the consumers, if the result is to be quicker offtake and reduction in cloth stocks. If the benefit is not shared with the consumer, then obviously there is no incentive to merchants to buy more cloth. The present reduction, even if entirely retained by the mills, will not enable the losing mills to make up any loss and it is certainly not enough to enable the closed mills to restart work. To such unfortunate mills, it is not merely the question of excise but need for labour rationalisation and relief from various forms of State Government taxation."

There is considerable force in these remarks of Mr. Tata. The industry's need for rehabilitation and modernisation is very great. But the difficulty is one of finance. In its memorandum, the Federation points out that Bombay mills alone have spent over Rs. 33 crores in the period 1947-56 over rehabilitation and, even with expenditure on this scale, the industry's need is about Rs. 150 crores for the next 15-year period, according to the returns from mills submitted to the Bombay Cotton Mill Industry's Rehabilitation Commission which has been appointed to go into this question. The need of mills from other centres would be more or less on the same scale. Surely, the industry cannot undertake a plan of investment on this scale, on the basis of profits which it was making in the last few years. The need to allow the industry to rehabilitate very quickly must not be forgotten by the various authorities and the tribunals who are continuously endeavouring to mop up its "excessive profits" by taxes, levies, and wage increases, and the mills must be allowed to make and retain profits on a much larger scale than what they have been doing so far, so that this premier industry may at least be on par with other established industries in regard to its profits, and may quicken the pace of modernisation.

"BOMBAY COTTON ANNUAL" 1956-57

The latest issue of this well-known annual (published by Mr. C. M. Parikh, Secretary, the East India Cotton Association Ltd., the Cotton Exchange, Marwari Bazar, Bombay 2. Price: Rs. 5) is, as usual, a comprehensive and authoritative compendium of all matters relating to the cotton trade in India. It contains statistical tables of crops, exports, imports, prices, stocks, consumption, Government notifications, etc. This publication should prove of valuable use to all those having anything to do with cotton, raw or manufactured.

FALL IN TEXTILE EXPORTS PERSISTS

NEW THREAT TO COTTON MILLS FROM HONG KONG'S RAYON INDUSTRY

From A Special Correspondent

MANCHESTER, 1st *July*

MANCHESTER LETTER

MONTHLY returns have so far this year indicated only too forcibly the steady decline in export trade in British-made textiles. If proof were needed that this downward trend is still continuing, the May figures were a further reminder. Earnings from cotton yarns and manufactured goods alone over the first five months amounted to £33,679,246, a drop of more than £5,000,000 as compared with the same period last year.

In every section of the trade, overseas shipments show a reduction on the level recorded in 1957. Cotton yarn exports for the five months aggregated 12,624,545 lbs., as against 16,676,699 lbs., the value being £2,000,000 lower at £5,332,000. Cotton cloth shipments to the end of May were 181,753,000 square yards, as against 199,068,000 square yards, the earnings in this case also being £2,000,000 down at £24,023,000. The recession in overseas trade in the man-made fibres section is equally discouraging. For the five months, exports of rayon and synthetic fibre yarns totalled 15,417,238 lbs., as against 19,588,547 lbs. last year. The value of these goods was £500,000 lower at £6,347,000. In piecegoods made from rayon and synthetic fibres, shipments amounted to 43,184,000 square yards, as against 48,618,000 square yards and earnings were again £500,000 lower at £6,612,000.

Losses in cotton yarn exports have been suffered mainly in sales to India, Pakistan, Canada and several European countries, while slight gains have been recorded in trade with Australia and New Zealand. Smaller quantities of man-made fibre yarns have been sent to India, Australia and the Continent. No substantial change has been recorded in shipments of cotton cloth to particular destinations and the variation in sales over the past three years has been comparatively narrow. In the man-made fibre fabric section, however, there has lately been a decline in shipments to South Africa and Cyprus, offset to some extent by improved exports to Rhodesia and Nyasaland.

No Fall in Imports

While exports are steadily shrinking, the quantity of goods imported remains remarkably steady. As compared with a year ago, the figures are almost identical, arrivals of cotton grey cloth being 155,073,000 square yards for the five months, as against 157,989,000 square yards. Finished cotton fabric imports have risen from 19,737,000 square yards to 20,314,000 square yards. Rayon cloth arrivals are a little lower at 24,061,000 square yards, as against 26,644,000 square yards in 1957 and 35,659,000 square yards in the first five months of 1956.

A significant feature of cotton grey cloth imports this year has been the continued rise in arrivals from Hong Kong. To the end of May, these amounted to 40,397,000 square yards at a cost of £3,125,500. In the same period last year, Hong Kong sent only 24,000,000 square yards, valued at less than £2,000,000. Imports from India have declined from 81,814,000 square yards in the first five months of 1957 to 56,119,000 square yards this year. China's emergence as a supplier is also a sharp reminder of Eastern competition, imports so far being 30,723,000 square yards, as against less than 6,500,000 square yards at this stage last year. Although cotton yarn imports in 1958 show practically no change compared with the 1957 level at 5,923,000 lbs., there has been a sharp increase in the quantity of rayon yarn purchased from abroad. To the end of May, these imports amounted to 4,509,000 lbs., as against 1,415,000 lbs. a year ago.

More Import Views

The amount of imported cotton cloth retained for use in this country is now equal to 10 weeks' production a year by Lancashire mills, yet the annual amount saved per head of population by using Asiatic cloth instead of Lancashire-made is less than the cost of 20 cigarettes. This was stated by Mr. Lionel F. Cockcroft at the annual meetinng of the Ticking Group of the Manchester Chamber of Commerce, of which he is Chairman. Retained imports were now running at about 300,000,000 yards, or about 18 to 20 per cent. of home consumption. Spread over a population of 50 millions this represented an annual intake per head of six yards of foreign cloth. "If the price difference is sixpence a yard, the net saving per head per annum is three shillings—less than the cost of 20 cigarettes." Against this had to be weighed the "violent disruption" now being suffered, the anxiety, the cost of unemployment, pay, loss of Exchequer revenue and the wearing away of communal assets in the cotton towns. "The equation does not balance as I see it," said Mr. Cockcroft.

In the past 3½ years, over the industry as a whole, 317 mills had closed. Some were outmoded with probably little future, but some at least were good mills. It seemed clear that substantial areas of the cotton belt and of the cotton industry—perhaps others soon—were being sacrificed on the alter of the "greatest good" theory.

Threat to Rayon

Warning of the likelihood of a new threat to the Lancashire textile industry from Hong Kong was given in Manchester by Mr. Stanley L. Mason, the new Chairman of the Rayon Weaving Association, representing nearly 300 firms. Hong Kong was already turning to spun rayon, he told the annual meeting. Over 1,500,000 yards had been imported for processing and re-export over the last six months at prices which made it only a matter of time before these fabrics were imported for retention in the home market, if nothing was done to stop it. "And we should not forget that the growing production of Japanese synthetic fibres will eventually become available to the Hong Kong manufacturers," he said. "We can no longer, therefore, stand on the sidelines and cheer on our cotton colleagues in their struggle with the Government, as if we were little more than spectators. We are now becoming indirectly involved ourselves and the time has come for direct action complementary to that of the cotton interests."

Mr. Mason said that, although the cotton side of the textile industry had up to now borne the brunt of the unrestricted flow of Asiatic fabrics into this country, firms on the man-made fibres side had also been affected indirectly. Many firms, unable to find an outlet for their cotton production, had turned to rayon and had added to the overproduction of rayon fabrics. Rayon firms had also suffered from the resulting depression of prices.

Another Mill Closes

The latest casualty in the long list of Lancashire cotton mills which have ceased production is the Dove Spinning Company, Ltd., of Deane, Bolton. The directors have decided to close the mill, "owing to the unfavourable state of trade and the uncertain future outlook of the cotton trade." The mill, which dates back to 1904, contained more than 100,000 spindles, of which 95,000 were mule spindles.

Cotton Futures Trading

Doubts whether world trading conditions for raw cotton in the foreseeable future would enable futures markets to resume their traditional function have been expressed by Mr. William T. Winterbottom, Chairman of Fine Spinners and Doublers, Ltd., the £25,000,000 Manchester-based textile combine. In his annual report, Mr. Winterbottom said that the failure of the Liverpool futures market to provide adequate hedging facilities for American type cotton followed from the export policy of the United States.

"When private trading in raw cotton was restored in this country, our company gave the reopened Liverpool futures market all possible support through a futures section of our raw cotton subsidiary, Deltapine Ltd.," Mr. Winterbottom continued. "During the year, the conclusion was reached that the results no longer justified the cost and it was decided to close it down. We retain our membership of the Liverpool Clearing Association and the New York Cotton Exchange so that advantage can promptly be taken of any change in conditions."

Lack of hedging facilities forced a substantial risk on all traders in raw cotton and cotton goods, he added, as it took six weeks or more to secure supplies of some types of cotton from the country of origin. Alternative disadvantages were the inability to secure supplies when demand arose and the carrying of unsaleable goods for an indefinite period. The spinners, Mr. Winterbottom said, being the first link in the chain, with machinery to be kept occupied, were particularly vulnerable. The existence of such hazards emphasised the commercial attractions of man-made fibres where simplicity of trading provided, in contrast to cotton, a most powerful incentive to their use.—*All Rights Reserved.*

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WORLD COTTON SITUATION

OUTLOOK FOR THE NEXT SEASON

A SIGNIFICANT development of the 1956-57 world cotton season was that it witnessed the end of the rapid build-up of cotton surplus. Stocks, in fact, declined during the season by over a million bales. Statistically, the same situation has persisted during the present season, that is, 1957-58, with total disappearance exceeding production by an even wider margin. However, certain adverse factors have also emerged. After several years of continuous expansion, world consumption is now declining and competition from substitute fibres and materials, particularly the newer synthetics, continues to be a very real threat to cotton in many countries. In many producing countries revenues have been materially affected by the reduction in both the volume and value of cotton exports. In contrast with last season, when the improvement in the cotton situation was assisted by the marked increase in consumption, the present reduction in stocks is entirely the result of lower production brought about by control of acreage. An equilibrium under these circumstances, according to the International Cotton Advisory Commitee, Washington, is an "artificial one" and there is still a long way to go to solve the cotton surplus problem.

In its annual review of the world cotton situation in the 1957-58 season, now rapidly drawing to a close, the Committee recalls that the stock position at the beginning of the present season gave cause for some satisfaction. Heavy exports last season has enabled the U.S. to reduce its carryover by over three million bales to 11.3 million bales of 478 lbs. each without causing any undue increase in stocks in other net exporting countries and importing countries had increased their carryover.

Production in 1957-58, though less than in the last season in the U.S., was maintained in the rest of the world. Acreage allotment in the U.S. was virtually unchanged from the 1956-57 level but, with over 3 million acres having entered the Soil Bank, only 13.6 million were finally harvested, as compared with 15.6 million in 1956-57. The only major reduction in acreage in the free world outside the U.S. appears to have been in Brazil, where plantings were probably influenced by the poor yields obtained in the previous two seasons. Acreage was only slightly lower in the Sudan, Peru and in Pakistan. On the other hand, there has been a noticeable increase in cotton acreage in Mexico, Egypt and British East Africa.

The present season was a fairly good one from the point of view of yield. After an early promise of record yields in the U.S., adverse weather caused a reduction in average to 390 lbs. per acre which is less than that in either of the two previous seasons, but still much above average. There was, however, a marked increase in yield in many of the other cotton-growing countries where the average was near an all-time maximum and considerably higher than the pre-war level.

Production

Production in the U.S. this season declined to 10.9 million bales, over 2 million bales less than in the last season and, barring 1950-51, the smallest crop since the end of the war. Production controls in that country was instrumental in achieving a better equilibrium between world supply and demand. Aggregate production in other free world countries, presently estimated at 16.4 million bales, set a new record and was 400,000 bales higher than in 1956-57. The increase was mainly in two countries—Mexico and Egypt.

One of the outstanding features of the post-Korean period has been the steadily rising trend in world cotton consumption, with the less developed countries featuring prominently in the expansion of cotton textile production. In the last five years, world consumption has increased by an average rate of nearly a million and a half bales per year, culminating in a record of 42 million bales last season. In contrast to the general trend, the textile industry in the U.S. has been in a recessionary phase since the spring of 1956 and cotton consumption during the present season in that country, estimated at no more than 8 million bales, will be near the minimum for the post-war period and *per capita* offtake will be less than in the late thirties. In explaining the present downturn, inventory policy seems to have been a major consideration but of longer-term significance is the shift in the pattern of consumer spending. Also, cotton, and cotton's most important competitor, rayon, are meeting strong competition from the newer synthetics and other substitute materials. Primarily as a result of increased imports of textiles, consumption in Canada, it is estimated, will fall to near its lowest level for the post-war period. In most other countries, consumption was unmistakably higher in 1956-57 and, in general, this set the trend for the opening months of the present season. However, there are signs of excess textile production, inventories have been rising, and consumption has moved lower in several countries. The rising trend in consumption has recently been reversed. In view of the uncertain nature of the textile industry any estimate of world consumption at this time is only tentative. The Committee estimates, on the basis of facts available at present, that consumption would decline this season by about half a million bales.

Last season demonstrated the benefits of more realistic cotton prices. World consumption showed a marked increase and importers were induced to augment their depleted stocks which boosted free world exports to a record 14.3 million bales. Recently, however, the pendulum has swung the other way. Consumption has turned downward and importing countries may cover a part of their requirements out of existing stocks. The payments situation in several large importing countries has deteriorated and there is still some degree of uncertainty over the future trend of prices. All this points to a sizable reduction in foreign trade this season. Aggregate free world exports are estimated at roughly 12.5 million bales.

Prospects for Next Season

As regards the prospects for the next season, it is difficult to forecast the trend, more particularly, of the demand for cotton. As far as supply is concerned, the basic fact is that disappearance has continued to exceed production by a wider margin than in 1956-57 and the world carryover on 1st August this season will be the smallest for several years. In the U.S., stocks are expected to fall to under 9 million bales, with no longer any real surplus of the higher grades. Aggregate stocks in other countries will be unchanged at roughly 12 million bales, with any increase in stocks in exporting countries just about offsetting the expected reduction in importers' stocks.

World production next season will be influenced, to a large extent, by what happens in the United States. With approximately 5 million acres in the Soil Bank, production should again decline unless reduced acreage is offset by a noticeable improvement in yield per acre. One thing, according to the Committee, is certain, that there will be a further marked reduction in supply in the U.S. next season. Elsewhere, there is apparently no lack of enthusiasm for cotton growing. Also, the long-term trend is towards higher yields in most countries. Cotton acreage outside the United States will be maintained at a relatively high level and, with a larger carryover, there is a good chance that supply in these countries will be in line with the present season.

Consumption prospects in many countries, at least during the first half of next season, do not seem to be favourable. Production curtailment, which have been going on this season, could eventually spark a recovery in the U.S. textile industry but this depends in no small degree on what happens to the rest of the economy.

The outlook for Asia depends, to a large extent, on Government policy in Japan and the situation, observes the Committee, would have to alter radically for "textile production to go completely unrestricted next season." An improvement in the inventory situation in India should precede any resumption of the long-term upward trend in cotton consumption. The level of world trade in raw cotton next season will be related primarily to consumption needs and in this respect the situation may not be so favourable as in 1956-57.

SUDAN COTTON

The latest estimate of the Sudan cotton crop for the current (1957-58) season indicates a sharp fall in production, as compared with that in the previous season. The current crop is estimated at only about 43 per cent. of last season's crop. The following table gives the estimated variety-wise break up of the current season's crop:

(In bales of 420 lbs.)

	1957-58	1956-57
Sakel seed :		
Gezira	39,360	186,483
Gash	3,687	8,717
Total ..	42,047	195,200
Lambert seed :		
Gezira	65,529	287,602
Gash	14,640	10,209
Ab. Mazhid	10,578	29,780
White Nile		
Private	86,829	179,282
Schemes—Tokar	3,175	15,566
Total ..	180,751	472,489
American seed :		
Zeidab	3,536	4,884
Nuba	59,885	84,770
Equatoria	7,143	5,550
Others	4,869	5,496
Total ..	75,483	80,600
Grand Total ..	299,181	718,289

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THE METAL BOX COMPANY OF INDIA LIMITED

REVIEW BY THE CHAIRMAN—MR. H. CHISWELL JONES, O.B.E.

THE twentyfifth Annual General Meeting of The Metal Box Company of India Limited will be held on Thursday, 17th July, at 59C, Chowringhee Road, Calcutta.

The following is a copy of the Review by the Chairman, Mr. H. Chiswell Jones, O.B.E., which has already been circulated to members:—

Sales

Sales for the year improved by just under half a crore to Rs. 612 lakhs compared with Rs. 567 lakhs last year. The increase is partly due to a rise in the price of tinplate early in the year but principally to our ability to attract to the full extent permitted by raw material availability, the new demand growing within the country.

Particularly noteworthy, in view of the tinplate situation, is our success in selling products not made from this scarce material, e.g., rigid and collapsible tubes for toilet and pharmaceutical packs, Roll Seal pilferproof and other closures for bottles, industrial components, diothene bags, closing machinery and advertising media. Sales of these products increased by 38% and now constitute a significant portion of our total output.

As tinplate has been made freely available for export goods, it has been possible to continue our export promotion efforts. In this context we must comment on the valuable co-operation we have had from the Government of India and the Engineering Export Promotion Council. This should be reflected in our performance in the current year, albeit not spectacularly, since the high cost of tinplate in India prices our products out of the more severely competitive markets of South-East and West Asia.

In the current year, under the stimulus of continuing national investment in development and the shortage of imported goods, consumer demand for indigenous products will increase. Whilst it is certain that raw material scarcity will prevent us meeting market requirements in full, we have been convinced, in the course of the many representations we have made in Delhi, that the Government of India appreciates the importance of maintaining steady supplies of packaging materials, which are a key factor in ensuring the ready supply of consumer goods, so essential for the achievement of price stability.

Raw Materials

The foreign exchange crisis adversely affected not only our principal material tinplate, of which a substantial percentage has to be imported, but also many subsidiary but important materials which, while largely manufactured or processed here, have important basic constituents which are not produced indigenously.

Our stocks of tinplate plus the limited import licences granted enabled us to meet all requirements up to the end of March. Since then there has been a deterioration in the indigenous supply position due to shortage of tinplate bars. As a result our stocks are now well below normal levels and we are passing through a critical phase involving loss of operational efficiency at our factories and affecting our ability to supply all our customers' requirements on time.

We have asked for additional import licences to make good the shortfall in local supplies and we anticipate that the position will be less critical later in the year. So far as indigenous production is concerned it is expected that the tinplate bar position will improve when Tata's expansion programme is completed.

Apart from the increase in the price of tinplate already mentioned, the prices of many other raw materials have substantially increased. Aluminium for the manufacture of Roll Seal pilferproof closures is now being produced in India and we should be able to secure adequate supplies to meet the growing demands for these closures. The price however is substantially higher than the material we have hitherto imported.

Developments

The Government of India have approved the long-term credit offered by our Consultants to cover the supply of plant and machinery required for plastics development and plant, machinery and spares for our metal container manufacturing equipment. Licences have been granted by Government to cover our operations in the plastics field embracing injection moulding and polyethylene extrusion and printing. Additional plant has been ordered and will be installed this year.

The new offices for the Calcutta Branch have been completed and occupied and the new factory is nearing completion. We propose, subject to Government permission, to build a new factory at Faridabad to replace the present Delhi factory which is on a short-term lease and has proved to be too small for our requirements.

Our range of machinery manufacture has been expanded to include double seaming machines for the canning industry which have hitherto been imported.

Board Changes

Since 1942, I have held the combined office of Chairman and Managing Director. I have been feeling for sometime that the increasing complexities of business in a planned economy, the economic problems and the difficulty of raw material shortages demand more and more time and study. A responsibility of this character is incompatible with the day-to-day operations of the Company and, from the 1st April this year, I have resigned the office of Managing Director in order to concentrate my attention on the office of full-time Chairman.

The Board have appointed Mr. R. W. Westbrook as Managing Director and Mr. H. K. S. Lindsay as Deputy Managing Director. Both gentlemen have wide knowledge and experience of the Company's affairs having served the Indian Company for more than 20 years. Mr. Westbrook has been a Director since 1946 and Mr. Lindsay since 1951.

Mr. W. R. Davis, M.B.E., retired in April 1958 after 25 years' service. He served the Company from its inception with enthusiasm, great loyalty and remarkable engineering skill. We owe much to his outstanding work and he will be widely missed.

The Board has been greatly strengthened by two new Directors who have joined us since our last Meeting. Sardar H. S. Malik, C.I.E., O.B.E., has had an outstanding record in the Government, serving over a long period in many countries overseas and, lately, before his recent retirement, as Ambassador to France.

Mr. K. C. Mahindra joined the Board in January this year. As one of India's leading industrialists, he needs little introduction and we are fortunate, indeed, to have secured his services.

Their wide experience and mature judgment will be of the utmost value to the Board.

Employee Relations

Our joint consultation arrangements through our Works' Committees have continued to develop most satisfactorily. We believe that this is of importance in the context of the currently much discussed question of employee participation in management. In certain publicised instances, participation is apparently to be superimposed from the top downwards. We have been building, on a broad base, a real body of knowledge and experience which, it is increasingly evident, is making consideration of the Company's problem by our employees a meaningful, instead of a superficial, matter.

To help our employees to realise the extent of the progress made on the vast Government projects initiated under the second Five-year Plan we arranged, as an experiment, a number of three-day sightseeing tours of Government projects in Eastern and Western India. Those participating were drawn from all sections of our factories and offices and the tours have been most successful not only educationally but in providing the opportunity for executives, staff and workers to get better acquainted.



Staff

The problems involved in the successful operation of an industrial enterprise today are manifold and the task of officers and staff is made more difficult with shortages, controls, the search for and development of substitute materials, the unremitting fight against rising costs, and other factors of a frustrating nature. This has been an arduous year for them all and I thank each one most warmly for their loyal support and the contribution they have made to another successful year.

25th Year

This year marks our 25th anniversary and, on such occasions, it is customary to look back, although, at the present time, with India engaged in a breathtaking struggle to raise the living standards of her vast population, the future holds greater significance than the past.

Nevertheless, I think it is appropriate briefly to review our achievements and the policy which has inspired them since your Company's modest beginning in 1933. Then, such packers of consumer goods as existed, welcomed us warmly for hitherto their products had been at a heavy disadvantage *vis-a-vis* imported goods packed in superior containers. The availability of high class lithographed packages, equal to those available elsewhere in the world, enabled many Indian manufacturers' products to obtain proper recognition for the first time. Our enterprise did more than help the few existing packers, it greatly stimulated demand and made it possible for many new suppliers of consumer goods to compete successfully in a market previously dominated by imported goods. Subsequently, many world-famous manufacturers sent their products to India in bulk for repacking and later, under the stimulus of import restrictions, undertook local manufacture. We can, I feel, claim quite fairly that our enterprise was the instrument which made possible the creation and subsequent growth of a wide range of new industries. Today, we serve more than 1,000 factories employing an estimated 80,000 people and marketing goods to the value of over Rs. 100 crores. Adequately to serve and service this great industry—in the development of which we have played a major part—our own activities have expanded from one small factory employing 35 people to five factories and six ancillary establishments employing over 5,000 people.

In the field of industrial relations, we have sought to provide the finest possible working conditions and have developed a successful system of joint consultation. We have instituted welfare and benevolent schemes and have provided extensive recreational facilities. We are one of the few industrial establishments in India with a scale of pay for every occupation. All operatives participate in our Production Bonus Scheme and all employees share in our annual Prosperity Bonus.

Our personnel policy has been to promote from within the organisation and, through our training schemes in India and abroad, to provide every opportunity for advancement at all levels. We have, as a result, over the years been well served by a loyal and hard-working team of outstanding men, many of whom have risen from modest beginnings to positions of high responsibility.

Our sales policy has been to keep prices low and obtain a satisfactory return on our investment by a high volume of turnover. For the last decade, we have kept constantly before us the need to combat rising costs by increased volume and improved production methods which we have financed principally by retained profits until high taxation rendered this well-nigh impossible.

Thus, we have not only provided facilities to meet growing demand but have played an active part in stimulating that demand. In all this we have been supremely well served by our Consultants. The Metal Box Company Limited, and through them, by our Associates in the container making industry throughout the world. We were very happy in February to receive a visit from Mr. D. Ducat, Managing Director of The Metal Box Company Limited, London, and following a tour of our factories, discuss with

(Continued on page 87)

PLANTATION INDUSTRY IN KERALA

UNAMBIGUOUS EXEMPTION FROM CEILING ON LAND NEEDED

THE plantation industry of Kerala is greatly worried about the possible effects of the Agrarian Relations Bill 1957 which is now on the anvil of the State Legislative Assembly. It is true that the Bill provides for the exemption of land under plantation crops (tea, coffee, rubber and cardamom) from the purview of the ceiling of land holdings. But the value of this exemption is dubious because of other clauses. Indeed, it is feared that the Bill will mean the gradual withering away of the plantation industry, unless sub-section (2) of Clause 62, the principal clause in the Bill, is so amended as to make the exemption provided under it real.

That the fears of the plantation industry are not at all exaggerated will be clearly evident from a perusal of Clause 62 (2) of the Bill. The sub-clause is ambiguously worded. Thus, it says:

"Nothing contained in sub-section (1)—this is the clause that provides for the imposition of a ceiling—shall prevent a person from holding plantations admeasuring more than a ceiling area, provided that he does not hold any other land except the site of his dwelling house and the land required for the convenient enjoyment of the dwelling house (for the purpose of this section, 'person' shall include family)."

Now there arises the question as to who shall be deemed to be the 'person' on company-owned plantations. Sub-clause (2) of Clause 61 defines the term 'plantation' as follows:

"Plantation means any land used immediately before 18th December 1957 principally for growing tea, coffee, rubber or cardamom or such kind of special crops as may be specified by the Government by notification in the *Gazette*."

The explanatory clauses and definitions cover as many as 44 sub-clauses under Chapter II in the Bill and the purpose of defining 'plantation' outside these is not clear. The plantation industry points out that the definition, if accepted as it is, will place an operative limitation on the expansion of the industry. According to it, the replacement and expansion of plantations, a vital need for the healthy maintenance and growth of the industry, will be barred by the definition by taking away the benefit of exemption provided under Clause 62(2). Unless, therefore, the definition is modified, a prospective ceiling on plantations is implicit in Clause 61(2). Surely, any imposition of a ceiling will not only prohibit future planting but also cause deterioration in the existing holdings.

More Disquieting

Such a development is all the more disquieting, considering that the plantation industry is the largest industry of Kerala and its dynamic growth is one of the very few avenues open to the State for augmenting its revenues, increasing employment and utilising beneficially the land on hill ranges. The plantations are established on lands which fall under various categories of ownership or possession. Among these are certain forms of tenancies which, it is said, may well fall within the scope of sub-clauses 3, 5 and 6 of Clause 3. Yet the plantations are specifically denied the exemption given under Chapter II to various forms of tenancies by sub-clause 7 of Clause 3. In other words, this will mean that the plantations will be denied the fixity of tenure offered to other tenants.

It will not be out of place to recall here that, a century ago, the hill ranges backing against the eastern borders of the present Kerala State were malarious jungles and inhospitable weather-beaten ghats. The opening up of these hills to the arts of planters of tea, coffee, rubber and cardamoms was the most consequential economic change that took place in the history of this mountainous State. The planting community really opened up this hitherto unproductive region with immense benefits to the economy of the countryside. Nothing can, therefore, be more destructive than the dismemberment of the plantation industry. Viewed thus, the need for suitably modifying the Agrarian Relations Bill so as to ensure an orderly and healthy growth of plantations can be easily appreciated. In other words, the clauses and sub-clauses of the Bill must be so revised and drafted as to make the exemption of plantations real and not illusory. In making this request to the Kerala Government, the planters are not making any unreasonable demands; they are only suggesting that the exemption from ceiling which has been conceded in principle should be granted both in spirit and in letter. Accordingly, their suggestion is that the Bill should be so modified as to provide for:

"The exemption of land on which plantation crops are raised and such land as form part of or within plantations or reserved for the *bona fide* requirements of plantations for their expansion, communication, fuel clearing, nurseries, wind belts, reserves, labour housing, gardening and raising of foodgrains for their labour; and the fixity of tenure of such holdings."

It is an economic truism that there is a significant relationship between the size of holdings and productivity and that the yield-to-size relationship is almost a law of efficient agricultural production. Take the instance of the coffee industry. The Coffee Board's figures relating to the average size of holdings and production of coffee during the period 1946-51 reveal that the average per-acre yield for holdings between 25 and 50 acres was no more than 1.12 cwt., while the same for holdings over 200 acres was as much as 2.28 cwts. The six-year averages (1945-50) are given below:

Size of holdings (in acres)	Yield per acre (in cwts.)		
	Arabica	Robusta	Total
25-50	1.05	1.38	1.12
50-100	1.15	2.12	1.35
100-150	1.54	2.32	1.66
150-200	1.80	2.38	1.88

Taking the Coffee Board's figures as the basis of study for 1953-54, it will be seen that the holdings of 50 acres and less accounted for 41 per cent. of the total acreage, but their share in the aggregate production was only 23 per cent. The average yield per acre for these holdings was just 152 lbs., which compares very unfavourably with 368 lbs. for holdings of 100 acres and over. In the middle were holdings of between 50 and 100 acres covering 9 per cent. of the coffee acreage, the share in production being only 7 per cent. These averages do not, of course, give an indication of the exception which always exists. But it is worth noting that the largest coffee company produced in 1956-57 over 1,000 lbs. per acre, as against the average of 342 lbs. for the industry as a whole.

What is true of coffee is also true of tea and rubber in the yield differentials between small holdings and large economically viable estates. Apart from the relatively larger per-acre yield, the larger holdings are economically sounder than small holdings. For they can support a more efficient managerial structure and meet the exacting demands of intensive production more efficiently than small holdings. It is common knowledge that the base of a sound agricultural economy is higher production per unit of area and labour. Since the plantation industry is a prominent exemplifier of efficient large-scale production, it should certainly not be discouraged or disrupted by any measure affecting the size of holdings. Besides the owners or shareholders in this industry, there are the interests of workers who ought to get a decent wage and a minimum of amenities. It may be noted here that the plantation industry in Kerala supports about 250,000 steadily employed workers and their dependents.

(*Concluded from next column*)

The need for earning more and more foreign exchange has assumed much importance of late and the merits of rationalisation should be judged from this point of view also. Surely, the trade union leaders must be aware of all this. It is, therefore, to be regretted that they have all joined hands to thwart the attempt of mills to improve their competitive position. If, however, the position of labour is so serious, as is made out to be in the resolution, the labour leaders should have requested the *Ad-hoc* Committee on Jute Industry, on which the workers are represented, to expedite its work.

Consequent on the steady decline in raw jute prices in Pakistan for some time, the prices of jute yarns and cloth have been reduced in Dundee by about £5 per ton with effect from the 5th inst. This reduction affects several medium, heavy and fine rove yarns.

RATIONALISATION OF JUTE MILLS

WORKERS RESIST INDUSTRY'S PROGRAMME

WHILE the problems of the jute industry, with particular reference to rationalisation and closure of mills, are to be discussed at the first meeting of the Industrial Committee on Jute at Calcutta on 1st and 2nd August 1958, the various labour unions with different political affiliations have already joined together to oppose "arbitrary rationalisation" in the industry. At a meeting held on Sunday last, attended by about 300 trade union workers—representing the four Central trade union organisations, namely, the All-India Trade Union Congress, the Indian National Trade Union Congress, the Hind Mazdoor Sabha and the United Trade Union Congress—the labour leaders are said to have supported, in the name of over 200,000 workers employed in 108 jute mills, the demand for stopping "arbitrary rationalisation" till the tripartite committees at the State and all-India levels complete their work.

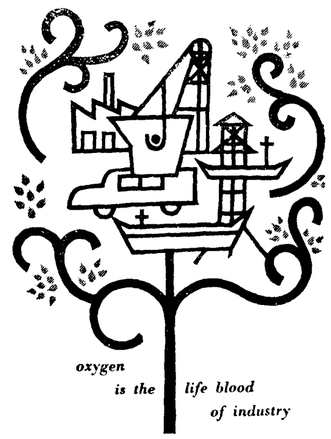
The meeting, in the course of a resolution adopted by it, expressed grave concern over the mass retrenchment of labour and overall reduction in employment potential resulting from the arbitrary rationalisation policy. It was pointed out in the resolution that in recent months 16 jute mills had been closed in West Bengal. It was alleged that this was a deliberate measure of rationalisation aimed at earning maximum profit out of the modernised mills with a reduced complement of labour. It was further alleged that practices, such as compelling workers to resign, arbitrarily declaring them medically unfit, increasing the workload even on existing old machinery, leaving vacant permanent posts unfilled and appointing more and more temporary hands, were followed by mills. One speaker went so far as to say that the rationalisation scheme of the Indian Jute Mills Association was detrimental to the country's interest and aggravated the unemployment problem of the State. Another speaker said that the retrenchment or reduction of employment potential during the last ten years had involved about 100,000 workers. The meeting adopted a resolution demanding that, pending the final recommendations of the *Ad-hoc* Committee of the State Government and of the Industrial Committee for Jute, no further measure of rationalisation should be introduced in any form and the *status quo* should be maintained. It also urged the workers to "resist unitedly any attempt by employers to impose rationalisation measures" in the meantime.

It was felt by the trade union leaders that a revision of wage structure in the jute industry, including the questions of dearness allowance and bonus, was long overdue. Accordingly, a resolution demanding the revision of wages and allowances through a scientific system by setting up a wage board for the industry as early as possible was adopted.

The meeting also suggested some measures to the Government to stabilise the jute industry's position. Among them were: State purchase and warehousing of raw jute, guarantee of fair price to jute growers, diversification of production, taking over of the export trade in jute goods by the State Trading Corporation, and the appointment of a commission to enquire into the managerial and financial sides of the industry. In other words, the trade unions wanted the Government to take over the trading part of the industry, leaving the cultivation of raw jute to the growers and the manufacturing of jute goods to the mills.

Such unanimous demands by the leaders of the workers of the jute industry are surprising, especially when the future of the whole industry and of the workers themselves rests on the success of the modernisation and rationalisation programmes of the mills. As Mr. J. I. Jamieson, Chairman of the Indian Jute Mills Association, pointed out recently, modernisation and rationalisation of the industry were not to be looked upon as an internal development, independent of external influences, but as something without which it was impossible "to maintain our position as the world's leading producer of heavy duty packaging materials." Being an export industry, on which India relies largely for foreign exchange earnings, and encountering, as it is, very severe competition abroad, it cannot hope to survive without re-equipping the mills and streamlining the production techniques, so as to place Indian mills on par with competitors.

(*Continued in previous column*)



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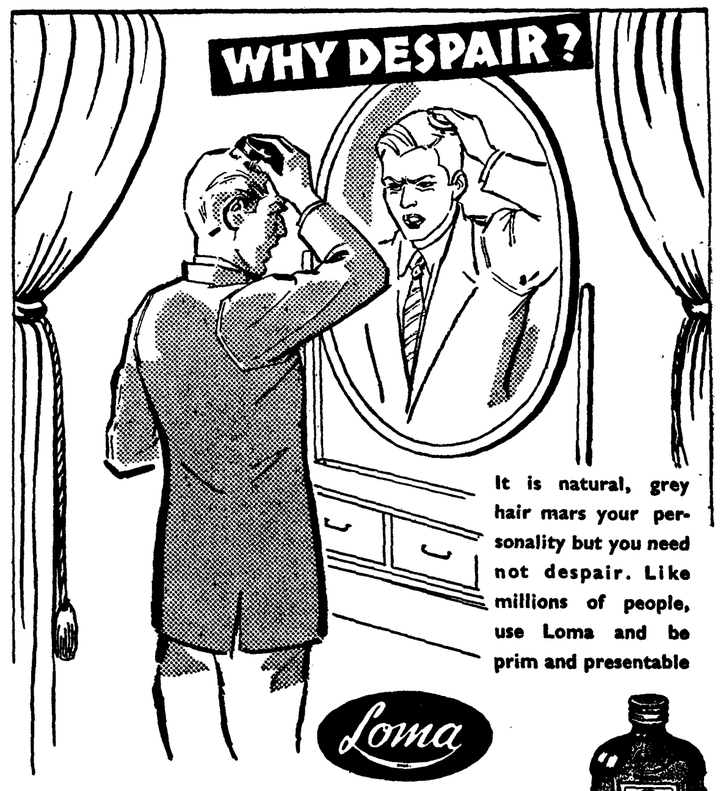

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PROGRESS OF SHIPBUILDING

INDIA'S EFFORTS TO ACQUIRE ADDITIONAL TONNAGE

ESTABLISHED by the far-sighted endeavour of Indian shipowners, the Visakhapatnam Shipyard, now owned by the Government-sponsored Hindustan Shipyard Private Ltd., has played a notable role in the development of Indian shipping. It is true that it has had its share of teething troubles and its costs are on the high side. Nevertheless, it represents India's determined efforts at building ships for its merchant marine. Considering that India, which has virtually lost its ancient maritime traditions, had to commence from scratch the manufacture of modern ships, the progress achieved by the Visakhapatnam Shipyard is indeed commendable. This unit, therefore, deserved the tributes paid to it by the Union Minister for Transport and Communications, Mr. S. K. Patil, when he presided over the celebrations at Visakhapatnam Shipyard, to mark the completion of 100,000 g.r.t. built by this enterprise.

It may be recalled that the foundation-stone of the Shipyard was laid on 21st June 1941 by Dr. Rajendra Prasad. The original design prepared by Sir Alexander Gibb and Partners envisaged the provision of eight slipways on which ships could be built. It will thus be seen that the period of the early growth of the Shipyard synchronised with war years when it was difficult to import essential equipment. The first stage of the construction of the Shipyard was completed only in 1945. The keel for the first ocean-going 8,000-ton steamship was laid in June 1946. By 1952, the Shipyard had built eight ships. The Government took over the Shipyard in March 1952, for which purpose it formed a new Government company, entitled Hindusthan Shipyard Private Ltd., in which the Government holds 78 per cent. of the share capital and the Scindia Company 22 per cent. The Government, after taking over the Shipyard, sanctioned a Rs. 2-crore development programme which constitutes the first phase. The second phase of development is now under the consideration of the Government. The Shipyard is now equipped with four large slipways and adequate workshops and jetty. Except for a few foreign technicians, the Shipyard is manned entirely by Indian personnel. It has so far built a total of 19 ocean-going vessels, besides smaller craft of various kinds. 12 steamships, four diesel ships and one passenger-*cum*-cargo vessel.

Problems Facing Shipyard

A reference to the problems which the Shipyard faced was made by Mr. C. K. Reddi, officiating Managing Director, who welcomed the Minister at the function held to commemorate the completion of 100,000 g.r.t. He said that the two chief difficulties were lack of adequate technical personnel and difficulties in procuring materials in time, many of which had to be imported from abroad. In view of the present acute foreign exchange position, the Shipyard, Mr. Reddi stated, was making concerted efforts at using as much indigenous material as possible. Even so, the problem of foreign exchange would remain unless the main engines which involved substantial foreign exchange at present were manufactured in India. In his address, Mr. Patil recalled the ancient maritime glory of India and how the country was trying to regain it. He paid tributes to the late Mr. Walchand Hirachand and the late Mr. Narottam Morarjee for unremitting efforts—he said these efforts were "almost a saga of perseverance and sacrifice"—at establishing the Scindia Steam Navigation Company, Ltd., and the Visakhapatnam Shipyard.

As regards the proposal for establishing a second shipyard, he said that the report of the Committee, which had been appointed to go into this question, would be received soon. With the establishment of the second shipyard in the West Coast—Cochin, as readers are aware, has been recommended as a suitable site by the British team of experts who examined this issue—Mr. Patil said the costs of construction would go down. It remains to be seen whether the second shipyard would be within the private or public sector. The Government, in its part, has made it clear that it is not averse to ownership and management of the second shipyard by private enterprise. Be that as it may, it is encouraging to note that a welcome assurance was given to private enterprise by the Minister who declared that "it shall be the duty and consideration of Government for all time that so far as Indian shipping is concerned, the Indian Government will go wholeheartedly to support private enterprise, so that it can be free in order that shipping comes up."

Irrespective of whether the development of shipping and shipbuilding takes place in the public or private sector, there is one problem which the country faces today. It is the problem of technical personnel to construct ships and man them. As regards construction, much experience has been gained by the men who have worked in the Visakhapatnam Shipyard. They should provide the nucleus of trained men who will, in their turn, impart the benefit of their knowledge and experience to recruits to the second shipyard. For expansion of shipping services, the country requires a large number of technical men. In this connection, as Mr. Patil pointed out, even today 55 per cent. of ratings to man India's ships come from Pakistan. It is necessary that a large number of ratings should be trained so that they can man the ships that will come into use in the next few years.

Second Plan

Some light on the Government's efforts to procure additional tonnage for Indian shipping was thrown by Mr. Patil at a Press conference held at Visakhapatnam. It may be mentioned here that, at the beginning of the first Plan, India had a tonnage of 390,707 g.r.t. The target under the first Plan was to add 215,000 g.r.t., after allowing for obsolescence to the extent of 60,000 g.r.t., thus increasing the total tonnage to over 600,000. This target, with some time lag, was accomplished, despite the fact that tonnage scrapped was larger than was estimated at the time the Plan was drawn up. Under the second Plan, it is proposed to add about 300,000 g.r.t. after allowing for the obsolescence of 90,000 g.r.t., thereby raising the total tonnage to 900,000. It has been computed that, after taking into account the tonnage for which orders have been placed, India has still to acquire some 128,000 g.r.t. in order to reach the target set under the Plan.

Against this background, it is gratifying to be told by Mr. Patil that the Government is keen on increasing shipping tonnage very rapidly. He said that the present period was the best time for buying more ships inasmuch as prices of ships were at their lowest levels. Because of recession in the West, some two million tons of shipping had been laid off. This had indirectly affected the world price of ships. He did not regard foreign exchange as a hindrance, because India had received various offers of credit for acquiring ships. He said that the Government was negotiating with Japanese shipbuilding interests about utilising their idle capacity. This proposal was to add to India's tonnage over and above the target fixed under the Plan. The Government was also interested in the purchase of cargo ships of 10,000 tons. Mr. Patil revealed that the Government had given up the idea of purchasing American "Liberty" ships, in view of the fact that better or faster ships were available elsewhere. He felt that India could charter ships with the ultimate object of owning them. The Government, according to Mr. Patil, has received two offers from abroad which would enable India to buy 20 ships. It is to be hoped that these efforts will be pursued vigorously so that the total tonnage at the end of the second Plan not only reaches but exceeds the 900,000-ton target fixed under it.

INDO-U.S. SERVICE

Inaugurating the Scindia Steam Navigation Company's direct service between India and the U.S., Mr. S. K. Patil, the Union Minister for Transport and Communications, said, at Calcutta last week, that the Government was pledged to the rapid progress of the country's shipping industry. He stated that the Government had entered the field of shipping not to compete with the private sector, but to assist it. The Chairman of the Company, Mr. Dharamsey M. Khatau, said that the new service marked an important step forward in the history of the Company's achievements. The new vessels, he said, would take 22 days to reach the first port in the U.S. from Cochin. Thanking the American people for the help given to India both in money and material in the past, he said that it was high time that Indians established most cordial relations with them. And shipping, he added, was one of the quickest ways of doing it.

BOMBAY'S ROAD PLAN

GOVERNMENT'S EFFORTS REVIEWED

BEING a premier industrial region, the Bombay State has necessarily to devote considerable attention to expanding and improving its road system. It cannot maintain, much less enhance, its importance as an industrial State unless it has an extensive network of roads within the State and also establishes road-links with other major cities in India. From this point of view, it is noteworthy that the State Government is not unaware of the problem of road construction, though the amount set apart and actual construction of roads are less than what one would expect from a State of Bombay's size and national importance. It must, however, be admitted that much progress in road construction, as Mr. D. S. Desai, Minister for Public Works, pointed out last week, in the course of his comprehensive address on the subject at the Society of Goodwill and Culture, has been made in recent years.

In the Bombay State, the period of the first Plan witnessed the construction or improvement of 1,740 miles of roads, including the cement concreting of 600 miles and the construction of 30 major bridges. Actual expenditure during the period was Rs. 30 crores. At the end of the first Plan period, work was in progress on 2,850 miles of roads. It would, however, appear that the financial provision made for road development under the second Plan will not enable all the works in progress to be completed. During the second Plan period, the Bombay State, as is well known, was enlarged by the addition of new areas. The plans for different regions of the State were integrated into a Rs. 20.8-crore plan for the entire State. The break-up of the plan in terms of expenditure in different areas shows that the old Bombay State areas will receive Rs. 11.15 crores, Saurashtra Rs. 5.50 crores, Vidarbha Rs. 1.89 crore, Marathwada Rs. 1.57 crore and Kutch Rs. 0.57 crore. In addition to this expenditure, a special programme, at a cost of Rs. 2.50 crores, has been drawn up for Vidarbha areas.

Sugar and Cane

The Bombay State is an important producer of sugarcane and sugar. Appropriately enough, the authorities have devoted special attention to communications in sugar factory areas. Mr. Desai said that a large programme costing about Rs. 3.37 crores has been drawn up in consultation with the management of the factories. This programme visualises (i) construction of modernised surfaced road up to the nearest railway station from a factory, (ii) construction of modernised surfaced roads which are passing through a group of factories and (iii) internal roads which will help in bringing the cane produce to feed the factories. In this connection, the Minister said: "Lately, I have come across public demand for concreting lengths of important roads passing through sugarcane areas. This is under active consideration of the Government and wherever possible, this Government would provide concrete surface roads, subject to the limitation of funds." Apart from these schemes, the Government anticipates some funds under the Central Road Fund Scheme. Under this scheme, the Government proposes to take up for construction the missing links on roads, important bridges where commercial traffic is dislocated for six months of the year and such other links as would develop the forest areas and also such through roads as would bring about quicker integration of the component areas.

The three notable schemes of road construction in the State are the Bombay-Konkan-Goa road, the Eastern and Western Express Highways and the Ghodbunder-Manor Section of the National Highway No. 8. The importance of the Bombay-Konkan-Goa road will become clear when it is realised that the road carries heavy traffic, particularly during the monsoon when the sea route is completely suspended for a period of about four months. The total expenditure incurred on the road upto the end of March 1958 is Rs. 78.25 lakhs, as against the estimated outlay of about Rs. 510 lakhs. No less important than the Bombay-Konkan-Goa road is the Express Highways. In order to relieve traffic congestion on the Bombay-Thana Road which, at present, is the only highway leading to and from Bombay, the authorities decided to construct two highways—one running parallel to the Bombay-Thana Road on the east of the Central Railway to be named "Eastern Express Highway" and the other running parallel to the

(Continued on page 67)

NEW PRODUCTS AND PROCESSES

Production of Cellulose By Ultrasonic Irradiation

THE production of entirely defibrated cellulose by means of ultrasonic irradiation has now reached an advanced stage of development where it is ready for commercial application. The operation of the process depends on the use of a special ultrasonic generator unit which has been developed in Switzerland. The special generator employs a series of several hundreds of "sound chambers and swingers." The unit is said to have an exceptionally high efficiency of operation and yet to use far less power than normal ultrasonic generators of equivalent power. The process should enable the defibrination of cellulose to be carried out in only a fraction of a second instead of the relatively long periods of time required if chemical processing is used. At the same time, the use of the development in the viscose and plastics industries is expected in some applications, to confer similar advantages.

Oil-well Logging

A new device that can be used for oil-well logging has been developed by Dutch scientists. The system depends on the use of a device for generating radio-active radiations below ground inside the actual well drilling itself. Its operation depends on the fact that the hydrogen in the oil produces a type of atomic particle known as "slow neutron," when it is bombarded with other neutrons generated by the device. A special comparative technique is used to eliminate the fact that water which may also be present in the oil well contains hydrogen and may emit radioactive radiation. The cost of the new device which will enable the oil-bearing layers of the well to be exactly determined, is expected to be about £5,000. The same device can be adapted, its developers claim, to produce cheap, safe and mobile radiation sources for use in laboratories and industrial plants. The safety of such units compared with radioisotope sources of similar power depends on the fact that they can be switched off when they are not in use, whereas radioactive sources such as radium-barium, or caesium have to be stored in heavily shielded containers. A single small unit about 18 inches high and 2 inches across can, it is claimed, produce radiation equivalent to 50 times that produced by a gram of radium-barium.

New Use for Coal

Investigations into a novel use for coal wastes from mines are currently being carried out. The object of the experiments is to extract commercially usable quantities of alumina at an economic price. Preliminary reports of the experiments suggest that the process used may well prove successful. The operation of the process depends on the use of a leaching technique to extract the iron and aluminium sulphates to produce alumina and iron oxide of a quality and quantity which can be used commercially. The leaching process depends on the use of a high-strength sulphuric acid. The technique is expected to yield cheap aluminium and iron from the normally unusable coal mine wastes. At the same time, the estimated cheapness of the process depends on the fact that a very high proportion of the acid used can be recovered without the use of complex and expensive extraction procedures.

Chlorinated Turpentine

In a search for new and more toxic insecticides, based on cheap and indigenous raw materials, a new insecticide, chlorinated turpentine, has been developed at the Regional Research Laboratory, Hyderabad. The raw materials, chlorine and turpentine oil, required for this product, are abundantly available in India. The process consists in chlorinating the turpentine oil in a reaction vessel at low temperature by bubbling the chlorine gas through the turpentine oil. The absorption of gas is quite fast. A viscous product containing about 68 per cent. chlorine is obtained in this way. A pilot unit set up at the laboratory is working satisfactorily and no difficulty is contemplated in arranging large-scale production. Chlorinated turpentine so obtained is a viscous product, insoluble in water but soluble in common organic solvents including kerosene. It can be easily emulsified with water. Insecticidal formulations can be prepared in the form of solution in kerosene oil, water dispersible pastes and powders. Chlorinated turpentine tested against house flies and mosquitoes at a dosage of 50 mg./sq. ft. showed 80 per cent. mortality during the first two weeks and 75 per cent. during next two. A dosage of 25 mg./sq. ft. on water, tested against mosquito larvae gave 100 per cent. mortality after 24 hours. 6 per cent. chlorinated turpentine in white oil injected into the body cavity of a cockroach at the rate of 1 ml./40 gm. of body weight of the pest produced knock-down effect in 5-7 minutes and cent per cent mortality in 24 hours.

Chlorinated turpentine has also been tested for contact poison action against stored grain pests where a mortality of 76-100 per cent. has been recorded after 24 hours. A composition containing 5 per cent. chlorinated turpentine, 3 per cent. pine oil and 0.001 per cent. pyrethrum in kerosene oil has been tested in various houses against house flies, mosquitoes, cockroaches, bugs, fleas, bettles, lice, cattle ticks and termite and has given high knock-down and mortality in all cases. Chlorinated turpentine compares favourably with D.D.T. when tested under similar conditions and appears to be a promising insecticide. The process of manufacture can be adopted by the existing insecticide manufacturing units. Independent production units can also be set up. Parties desirous of undertaking the commercial development of the process may contact the Secretary, National Research Development Corporation of India, New Delhi.

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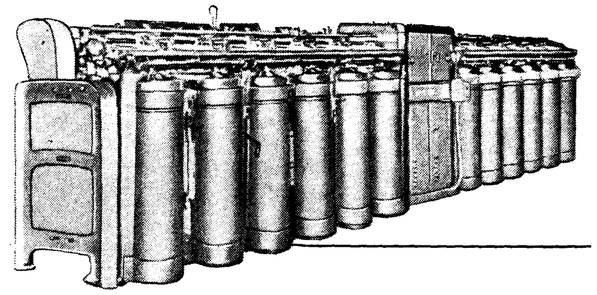

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PROFITS OF NEW INDIA LOWER

DIVIDEND, HOWEVER, MAINTAINED

THE results of working of the New India Assurance Company, Ltd. (Managing Director: Mr. B. K. Shah) during the year ended 31st December 1957 reveal that, although the economic conditions during the year was none too favourable, the Company could achieve a satisfactory increase in premium income. Profits, however, received a setback mainly because of adverse claims experience on foreign reinsurances. The operational results were further affected by the strains and stresses which arose as a result of the nationalisation of life business. The Company's organisation and administration were completely disrupted and disorganised. These strains have been responsible for the increase in the management expenses. Despite the fall in profit, the Company has been able to maintain the dividend at Rs. 3 per share, free of income-tax.

The most notable feature of the working of the Company is the steady and continuous increase in premium income. From a modest figure of Rs. 1.38 crores in 1948, it rose to Rs. 4.97 crores in 1955, crossed the Rs. 5-crore mark in 1956 and rose further to Rs. 6.30 crores in the year under review. The increase in premium in 1957 has been shared by all the three departments. Foreign business brought in the major part of the premium income. Out of the total premium income of Rs. 630 lakhs, foreign business accounted for Rs. 465 lakhs and Indian business Rs. 165 lakhs. The following table brings out the salient features of the working of the Company during the four years ended 31st December 1957:

(In lakhs of rupees)

	1957	1956	1955	1954
Premium Income:				
Fire Department	324.4	289.7	274.1	250.3
Miscellaneous Department ..	164.0	144.1	108.9	85.5
Marine Department	141.9	130.0	114.5	100.7
Total of all Departments ..	630.3	563.8	497.5	436.5
Funds:				
Fire Department	205.0	188.0	181.0	168.0
Miscellaneous Department ..	102.0	92.0	74.0	62.0
Marine Department ..	176.0	165.0	156.0	141.8
Total of all Departments ..	483.0	445.0	411.0	371.8
Free Reserves:				
Capital Reserve	51.6			
General Reserve	100.0	100.0	100.0	85.0
Premium on Shares	36.2	36.2	36.2	36.2
Dividend Equalisation Reserve	22.0	22.0	20.0	20.0
Exchange Reserve	5.0	5.0	5.0	9.9
Investment Reserve ..	22.0	22.0	9.0	9.0
Total ..	236.8	185.2	170.2	160.7

The results of the fire department were adversely affected during the year by a sharp increase in the ratio of claims to the net premium from 37.6 per cent. in 1956 to 43.9 per cent. This was primarily due to adverse claims experience of Fire Treaty Reinsurance from abroad, which in the past had contributed substantially to the profits of the Company's fire department and also because of adverse experience on direct business in certain foreign countries. The claims experience of other departments, however, showed a slight improvement with the percentage in the miscellaneous department going down from 53.00 to 52.1 and in the marine department from 76.7 to 71.5

As regards commission and expense ratio, not much variation was recorded during the year. It was 45.7 per cent. in the fire department, the same as in the previous year, 36.5 per cent. in the miscellaneous department, as against 33.9 per cent., and 25.6 per cent. in the marine department, as compared with 25.4 per cent.

The following table indicates the comparative position of outgo during the years 1956 and 1957:

Department	Percentage of			
	Claims		Commission and expenses of management	
	1956	1957	1956	1957
Fire	37.6	43.9	45.7	45.7
Miscellaneous ..	53.0	52.1	33.9	36.5
Marine	76.7	71.5	25.4	25.6

The reserves for unexpired risks have been maintained at 41.4 per cent. of the premium income in the fire department, 40 per cent. in the miscellaneous department and 100 per cent. in the marine department. Besides these reserves, provision has also been made for additional reserves in all the three departments, to the tune of Rs. 70,81,192 in the fire department, Rs. 36,42,022 in the miscellaneous department and Rs. 34.08,770 in the marine department.

The underwriting profit of the fire department declined from Rs. 46.1 lakhs to Rs. 21.1 lakhs. The miscellaneous department has, however, helped, to some extent, to mitigate the decrease in profits of the fire department. It contributed a surplus of Rs. 12.1 lakhs to the profits of the Company, as against Rs. 4 lakhs last year. The practice of providing 100 per cent. premium reserves for the marine business has resulted in a strain of Rs. 12.0 lakhs which, as in the past, has affected the earnings of the department. Because of a relative reduction in claims and expenses, however, a deficit of only Rs. 0.5 lakh is taken to the profit and loss account, as compared to a deficit of Rs. 5.3 lakhs last year.

Total profits transferred to the profit and loss account amounted to Rs. 32.7 lakhs, Rs. 21.1 lakhs from the fire department and Rs. 12.1 lakhs from the miscellaneous department less a deficit of Rs. 5 lakhs transferred from the marine department. Adding to this amount Rs. 9.9 lakhs being the income received during the year on investments and accounting for other adjustments, there was available a total of Rs. 41.3 lakhs, as against a sum of Rs. 54.4 lakhs last year. Provision for taxation absorbed Rs. 12.0 lakhs and, out of the balance, the Directors have transferred Rs. 1.1 lakh to the reserve for doubtful debts and Rs. 5.5 lakhs to the exchange reserve. The payment of a dividend of Rs. 3 per share on 712,106 shares will absorb Rs. 21.3 lakhs, leaving Rs. 1.4 lakh to be carried forward.

The Company's Rs. 15-paid-up ordinary shares are being currently quoted on the Bombay Stock Exchange at Rs. 47.25 *cum-div.* On an *ex-div.* basis, and on the basis of the dividend of Rs. 3 per share for the year under review, the yield works out to 6.35 per cent. per annum, free of income-tax.

(Concluded from next column)

called upon to base their conclusions on one year's loss experience. The agreement to revise rates over three-year periods, though commendable in its insistence on justice to consumers, was, in Mr. Setalvad's view, likely to prove disastrous to the insurance industry. Downward revisions, based each time on the experience of a couple of years, would, he emphasised, only have the effect of crippling or even destroying small and medium sized units, without doing justice to all types of consumers either. He insisted that experience for a minimum of 10 years should, therefore, be taken into account in revising each item on the tariff.

Proceeding, the Chairman dealt with another feature of tariffs, namely, the large number of specially rated risks appearing in the regional tariffs. Special rates were granted for a variety of reasons, one of which, apparently, was that the risk was better than others of its type. There was nothing wrong in the practice if the risk would not fit into any tariff classification. To grant special rates because the risk was better than others of its type, according to Mr. Setalvad, negatived the very idea of a tariff. The tariff laid down the standard rate for the standard construction and/or occupation and any departure for the better from these latter standards, should not, normally earn any special recognition in the shape of lower rates. To hold otherwise should logically mean that each risk must have a separate rate because it was inconceivable that any two risks should be exactly identical or uniform in every single particulars with the tariff requirements. If this logic were followed, he pointed out, there was no reason why special rates should not be granted for every slight deviation from the tariff. He suggested that, except in special circumstances, the consideration of special rates should be the exception rather than the rule and efforts should be made to apply the tariff rates to all risks which could fit into tariff classifications. Surely, as he himself pointed out, if there were many risks of a standard better than the tariff standard, this fact would be reflected in the experience and the rates would inevitably come down. He, therefore, appealed for the application of the tariffs wherever possible, leaving special rates to be granted only in those cases where exceptional circumstances warranted such a departure.

REVISION OF FIRE TARIFF RATE

GENERAL CUT OPPOSED

THE view that the revision of fire tariff rate, if at all a revision was to be made, should be confined for the time being to those few items in which experience had been favourable over a fairly long period, was expressed by Mr. B. K. Setalvad, Chairman of the Tariff Committee of the General Insurance Council of the Insurance Association of India, in his address to the 7th annual general meeting of the Council held in Bombay on 27th June. Since 1955, when it was agreed that a revision of tariff should be made after three years, the Chairman added, there was a change for the worse in the financial commitments of insurance companies. The last three years, in particular, witnessed a rise in the demands of insurance employees, and a consequent increase in the cost of administration. There was also an all-round increase in prices which had the result of increasing the cost of claims settlement and other expenses. General insurers were, therefore, facing difficulties even without any reduction in rates, particularly as the marine and miscellaneous sections were unremunerative and had, of necessity, to be subsidised by the profits of the fire section.

Mr. Setalvad said that at present the hope of making a reasonable profit in the marine section was illusory. He referred to certain uninformed criticism of the marine rates and the seeming anomalies in the rating structure. The rate and the rating structure, he pointed out, were the inevitable result of the efforts of Indian insurers to meet international competition and to make Indian insurance gradually grow to the stature of other international markets. As an instance, he pointed to the complaint that the marine rates for sendings to overseas countries were considerably lower than those for shipments to Indian coast ports. It was not realised, he said, that the latter rates were based on experience and were by no means unconscionable. The reason why rates for overseas sendings were low was that any sendings overseas might be covered at the other end, where cover was available at lower rates. Insurers in India must, therefore, be prepared either to quote competitive rates or be content to allow all overseas business to depart from the Indian market. Indian insurers, Mr. Setalvad added, could not even arrive at an agreement to charge rates commensurate with the experience with so near a neighbour as Ceylon. Efforts made to evolve a tariff applicable to sending from Ceylon to India and *vice versa* proved infructuous because insurance interests in Ceylon indicated quite clearly that they would not be able to carry the rates suggested. Their reason was that Lloyd's and other overseas insurers were willing to write business at much lower rates. In these circumstances, Mr. Setalvad averred, marine business would continue to run at a loss. Motor insurance, he said, was unprofitable in almost every part of the world and India was no exception. Rates for motor insurance have been substantially increased in practically every market. And with the rising cost of repairs and spare parts, it was futile, according to him, to expect that it would even contribute substantially, or at all, to the overall profits. It was in this context, the Chairman averred, that the question of revision of fire tariff should be considered. In any discussion of the subject, he emphasised, the fact that the profits in the fire section must of necessity subsidise the other two sections should never be lost sight of. It appeared that the authorities desired that Indian insurers should offer all types of cover offered in the international markets, at comparable rates. This would mean little or no profits in the marine section and the authorities must, therefore, be prepared to permit comparatively high profits in the fire section. "It is no use castigating this attitude as profiteering at the cost of the Indian consumer," he pointed out, "if it is desired that the influence of Indian insurance should be felt outside the confines of this country." The revisions in fire tariff rate, Mr. Setalvad maintained, should, therefore, be confined to those items which had shown favourable results over a long period. In other words, there should be no general revision based on the experience of one or two years. As no comprehensive system of collecting statistics existed till 1956, the rating committees in the various regions, which had been asked to recommend revisions, had indulged in mere guesswork. They were practically

(Continued in previous column)

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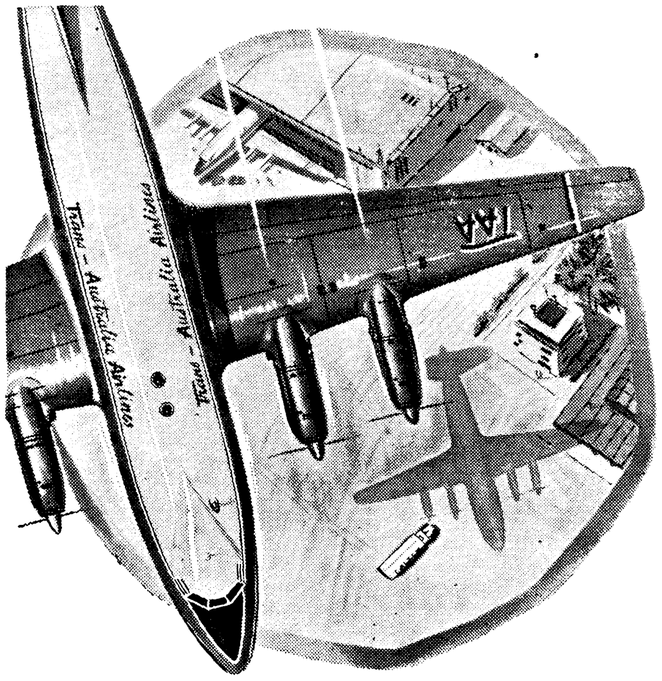

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INTERNATIONAL IMPACT OF U.S. RECESSION

ALL-ROUND FALL IN ECONOMIC ACTIVITY

IT was only last week that we posed the question in our Market Gossip columns whether the present signs of recovery in world commodity prices would gather momentum in the near future. We emphasised then that the trend of prices depended on the economic conditions not only in the U.S. but also in Europe. This aspect has been well brought out by the Research and Planning Division of the United Nations Economic Commission for Europe (E.C.E.) in its interesting study of the international impact of the U.S. recession published in the E.C.E's current *Economic Bulletin*. The study is quite comprehensive, in that it covers a review of the common and differentiating features of the three post-war recessions, an analysis of "the recession behaviour of imports and exports," and assessment of prospects for 1958-59. The chief conclusion of the E.C.E. Secretariat is that, if the West European countries want to play a leading role in a revival of world economic activity, they will need to adopt policy measures designed to equalise the relative strength of the major W. European currencies, effectively pool the gold and dollar holdings of individual countries through payments arrangements, and co-ordinate national policies of expansion.

The E.C.E. review of the three post-war recessions reveals four common features. First, in each of the recessions, a decline in exports appears to have been a contributory factor. Secondly, changes in inventory accumulation have been important elements. Thirdly, all the three recessions conform to the rule that a widespread fall in economic activity does not set in without a preceding restriction on the supply of credit. Finally, a tightening of monetary policy, intended to counteract the inflationary tendencies, seems to have played a role in the early stages of all the three recessions, initiating the reversal of economic expansion.

Various Features

The E.C.E. Secretariat refers to the differentiating features of the recessions. These are summed up as follows:

Whereas in 1948-49 and in the present recession, credit policies were relaxed only after the downturn in activity was a clearly established fact, in 1953-54, credit was gradually eased from May 1953—two months before the decline in industrial production began—though after a drastic rise in interest rates in the preceding month. For that reason, it may be assumed that, if Federal orders and expenditures had not been reduced appreciably in 1953 and in 1954, in consequence of the reduced intensity of operations in Korea and the subsequent armistice, total activity would have declined but little in that period. A number of factors worked together to call forth the 1948-49 downturn. One rather general and important element was presumably that, through the rapid expansion of civilian production since 1946, the post-war backlog of accumulated demand for durable consumers' and producers' goods was gradually being reduced. Thus, market conditions were changing in such a way as to induce expectations of a reversal of the rising trend of prices. This was quite probably an important factor influencing private fixed investment, which started falling in volume well before manufacturing production. Residential construction reached its maximum in the second quarter of 1948 and other private fixed investment declined after the third quarter, the rise in construction contracts awards having stopped by the end of 1947. The changed price expectations may in part have been the product of tighter credit conditions, which may, in addition, directly have restricted investment through the decreased availability of finance.

The 1948-49 recession was in the nature of a brief adjustment to the disappearance of post-war scarcities in major markets possibly provoked and, to some extent, intensified through mildly restrictive credit policies and the 1953-54 recession was largely the product of declining Federal expenditures. The present recession, however, appears to exhibit the main characteristics of a typical business downturn. The downturn followed after a long period of rising investment, during which its composition changed towards shorter-term investment with residential construction declining already from the middle of 1955. The fall in the output of durable manufactures occurred earlier and was much steeper than for non-durable manufactures. Finally, there was a considerable delay between the start of the decline in industrial production and the end of net inventory accumulation.

Like the two earlier recessions, the present one was preceded by a tightening of credit. But, whereas in 1948, as has been mentioned, credit restriction was relatively moderate and in 1953 it was speedily reversed at the first signs of a downturn in activity, the restriction of credit in the present recession was strong and was maintained long after it had become abundantly clear that activity was declining. Indeed, the present recession is another example of a downturn called forth through persistent central bank action. The free reserves of Federal Reserve member banks—that is, excess reserves minus borrowings at the central banks—were reduced drastically from the middle of 1954 and became negative from August 1955. After temporary relief in the last part of 1956, bank liquidity was again reduced and maintained at low levels through the major part of 1957. Only in the last quarter of 1957 was remedial action taken, allowing free reserves to become slightly positive at the beginning of 1958. This development was reflected in both short- and long-term market rates, which rose from the middle of 1954 to the late months of 1957. In the three years 1955 to 1957, Federal Reserve discount rates were raised no less than seven times, the last time in August 1957.

In the opinion of the E.C.E. Secretariat, the slowing down of economic expansion which took place after 1955 was not the necessary result of a scarcity of productive resources. Private fixed capital investment has in the post-war period proceeded at a high rate on which the two earlier recessions had only a small and brief impact. Though unemployment fell from 1954 to 1955, it remained in both 1956 and 1957 well above the levels of 1952 and 1953 and left scope for significant further expansions of employment and output. Thus, both the material and human resources were available for the continuation of economic expansion after 1955, and its slowing down, as well as the later decline in activity, must be judged a consequence primarily of the restrictive policies pursued by the monetary authorities. In spite of the margin available for expansion of output, cost-inflation persisted and was a major factor motivating the monetary policies pursued.

Industrial Investment

But, while the expansion of productive capacity through investment creates the possibility for further growth of output, it does at the same time increase the sensitivity of the economy to depressive factors by tending to depress the profitability of further investment. Assuming that the economy in 1955 operated at close to full capacity levels, the E.C.E. Secretariat estimates that the subsequent additions to capacity and recent declines in activity created idle capacity to the extent of some 20 to 25 per cent. at the beginning of this year. Industrial production changed little from the end of 1955 through the third quarter of 1957, while industrial investment proceeded at a high rate. Thus, even a resumption of production at the previous maximum levels would have hardly sufficed to call forth a renewed expansion of industrial investment to the levels of 1957 in circumstances in which actual sales, especially in manufacturing sectors, fell considerably short of expectations.

The decline in total domestic final expenditures by the end of 1958 is expected to be of the order of at about $10 billion. Such a decline, it is stated, would most probably be accompanied by an inventory disinvestment not in excess of some $5 to 6 billion. And, since inventories have already been reduced by about $3 billion, it is assumed that inventory decumulation will have come to an end by the fourth quarter of 1958. The decline in gross national product from its highest rate would then amount to slightly more than 3 per cent. and its level would not differ significantly from that which obtained in the first quarter of this year. Since, however, it is probable that both the decrease in inventory decumulation and the major part of the rise in Federal expenditures will occur in the second half of the year, it may well be that activity will continue to fall in the coming months, followed by a feeble recovery in the autumn. Such a development would probably imply a level of industrial production about 10 per cent. below that of the first three quarters of last year.

The E.C.E. Secretariat alludes to the restrictive credit policies which have been partly responsible for the present recession, as for its two predecessors. These policies, according to it, were imposed with the aim of counteracting inflationary tendencies. But, whereas in 1948, the main element in such tendencies was demand pressures in commodity markets, in 1952 and even more this time, rising money wages were the main factor. Because the present recession has had a severe impact on the output of steel and automobiles—two industries, the trade unions of which play a dominating role in wage developments—it is expected that the tendency for wages to rise will be very much weakened. The rise in food prices in the United States may be reversed later this year, in consequence of increasing supplies of livestock products, and the markets for industrial materials will presumably remain weak. It is, therefore, considered quite probable that Federal Reserve policies will prove to have been successful in the sense that prices of consumers' goods will be lower by late 1958 than they were twelve months earlier, even though, in the process, economic welfare will have been adversely affected in a large part of the western world.

Prospects for 1958-59

Summing up the prospects for United States imports in late 1958, the E.C.E. Secretariat observes:

"Imports of crude and manufactured foodstuffs may show a certain increase in volume terms, but, largely through the effect of lower coffee prices, there may occur a decline in the value of these imports as compared with 1957. Experience indicates a very high sensitivity of imports of finished manufactures to changes in manufacturing output; and the decline may be put at 10 per cent., due allowance having been made for the expected increase in motor car imports from Europe. The detailed examination made of the prospects for non-food crude and semi-finished materials suggests a reduction in imports of ores and metals by 15 per cent. below the 1957 level, and in value terms probably by more, despite the greater stability of bauxite and iron-ore imports. Imports of crude materials of agricultural origin might fall slightly less in volume terms but, since prices are extremely sensitive to a falling off in demand, the dollar outlays are likely to fall as much as for metals. Experience has shown that the U.S. imports of forestry products are very sensitive to fluctuations in economic activity and, in this sector also, an appreciable reduction in 1958 imports may be expected. Imports of petroleum and products, on the other hand, may fall only moderately.

"The reduction in total U.S. imports below the previous year's level will on these hypotheses reach 10 to 15 per cent. in 1958, the higher figure relating to the value. The reduction in imports may thus become more pronounced, both in volume and in value terms, than in the 1953-54 recession, and in volume terms very much greater than in the 1948-49 recession. Moreover, it should not be forgotten that, already during the second half of 1957, the export proceeds of primary producing countries were tending to fall as a result of declining prices. Since prices of manufactures continued to increase, there occurred a deterioration in the terms of trade of these countries that is expected to continue through 1958. The impact of the decline in imports on the main supplying areas is also likely to exhibit important differences from the situation during the earlier recessions."

Dollar Earnings

According to the E.C.E. Secretariat, both in 1949 and in 1954, the overseas sterling area, particularly Oceania, suffered the greatest losses in dollar earnings and were followed by Western Europe, while imports from the American Continent, including certain non-sterling dependent overseas territories, were better maintained. This time, the value of U.S. imports from the Latin American republics is likely to fall substantially, due mainly to an expected decline in the price of coffee and possibly of sugar (neither being closely related to the fall in the U.S. activity) and to a reduction in imports of most non-ferrous ores and metals. The non-sterling dependent overseas territories in Latin America, on the other hand—exporting bauxite, petroleum products and certain foodstuffs—may have better experience. But Canada is likely to be more affected by the present recession than by the earlier ones. While the U.S. imports of iron ore may be better maintained, there will occur significant reductions in imports of aluminium, nickel and other non-ferrous metals, forestry products and petroleum, several of which had resisted the earlier post-war recessions.

As regards imports from the overseas sterling area, it is said that they increased at a high rate during the second half of 1957. This was, however, largely due to the discontinuation of a diversion of petroleum exports from certain sterling countries to Europe during the Suez crisis and, in general, a postponement of imports due to the shortage of shipping and high freight rates in the first half of 1957. But the cocoa price increase and the accelerated imports of bauxite also boosted the value of imports from sterling countries. The outlook for these imports in 1958 is expected to be relatively more favourable than during the preceding recessions; wool imports fell already in 1957 and, even if there is a further drop, this is not likely to be of the magnitude experienced in the earlier recessions. Similarly, rubber imports may in value terms fall less than in either 1949 or 1954.

The E.C.E. Secretariat is inclined to feel that imports from Western Europe will drop, on account of the reduced imports of manufactures. Also, imports of metals, including steel, and forestry products from Western Europe will be affected. However, the volume of paper and pulp exports to the U.S. could probably be maintained, but only by substantial price concessions.

Thus, it seems likely that the effects of the present downturn in economic activity on U.S. imports will be more evenly spread over both commodities and exporting countries than in either 1949 or 1954. Since during the earlier recessions, Western Europe and the sterling area were the areas most seriously affected, this difference might indicate somewhat better relative prospects for Europe. This relative improvement may, however, prove illusory, since there had already in 1957 been a pressure on dollar reserves in both areas.

U.S. Capital Exports

Past experience yields only inconclusive evidence on which to project the flow of private U.S. capital exports in 1958. Certainly, these exports may have achieved in 1956 and early 1957 levels which would not have been maintained even in the absence of a business downturn. Direct investment formed the bulk of this large flow both in 1956 and in 1957. The E.C.E. Secretariat, therefore, stresses that the prospects for the year ahead must depend, to a large extent (and in contrast with the 1949 and 1954 situation), on what happens to the level of direct investment. On the basis of past experience, one would expect this to fall, and the events of the last half of 1957 lend support to this assumption. The very high level of direct investment in 1956 and 1957 leaves scope for a severe fall.

Proceeding, the E.C.E. Secretariat points out that general business expectations and activity levels in Canada and in Latin America—and hence U.S. investments in those areas—will be closely geared to developments in the U.S. In Western Europe, the short-term outlook has lately deteriorated, though by no means as drastically as in the U.S., and to the economic uncertainties have recently been added political ones. Moreover, though the formation of the European Economic Community will continue to provide scope and inducement for U.S. direct investment in Europe, the fairly long period contemplated for the establishment of the Common Market probably means that these investment plans are not, in general, regarded as overwhelmingly urgent. The effects of the narrowing of markets and financial resources in consequence of an economic setback both in the U.S. and in Western Europe may well, therefore, cause temporary postponement of some planned investments.

The E.C.E. Secretariat estimates that the U.S. imports by the end of this year may well have declined by some $2 billion at an annual rate. While no estimate proper can be made of the decline in private capital exports to be expected, a fall of some $1 billion is well within the realm of probability. With the remaining categories of dollar supply but little affected, the total dollar supply might thus fall by $3 billion or more than 10 per cent.

Foreign Reserves

The rise in total foreign reserves, which had gone on since the middle of 1952, came to a halt towards the end of 1956. During the period both of rise and of subsequent stagnation in reserves, developments differed widely between countries. Western Germany and Venezuela together accounted for about three-quarters of the rise from end-1952 to end-1957 in the reserves of countries other than the U.S. Over the same period, countries other than these three increased their combined reserves by little more than 5 per cent., whereas the value of world trade rose by about 35 per cent. In consequence, the international liquidity position of most countries may be judged to be fairly sensitive to a decline in the supply of dollars from the U.S. In this connection, the Secretariat makes the following observations:

"The fall in international liquidity could have far more serious effects on world activity levels than could be expected in consequence of the mere income effect of the decline in U.S. purchases of goods and services from the rest of the world. In fact, the cut in dollar supplies brought about by the shrinkage of U.S. capital exports is primarily of importance only in its effect on the international liquidity of other countries. Already a number of primary-exporting countries, particularly in Asia and Latin America, have, in the course of 1957, suffered considerable losses of reserves, and as the decline in the outflow of dollars from the U.S. proceeds, more and more countries will come to the point where the decline in liquidity induces policy measures to protect reserves. Only if such measures take the form of direct controls or other special interventions designed specifically to improve the balance of payments with the U.S. will a tendency towards a cumulative contraction in world trade and payments be averted. If —as appears likely to be the case—the policies adopted are either contractionary monetary policies or non-discriminatory controls, contraction will spread through the international economy. This development is already under way."

It is against this background that the Secretariat emphasises that it would serve the interests of the U.S. itself to take part in arrangements designed to alleviate the impact of the recession on international liquidity. In the light of the extent to which the recession has been allowed to progress, such arrangements would be needed even if domestic action were to be taken in the near future to raise demand in the U.S. Failing agreement by the U.S. to steps of this kind, serious consideration should be given to the possibilities and scope for concerted action by the industrialised countries of Western Europe to maintain high levels of output and trade in the international economy outside the U.S. Considered as an economic unit, Western Europe is, the E.C.E. Secretariat declares, in a relatively favourable position for pursuing expansive policies in the face of a U.S. recession. While Western Europe's share of total dollar supplies is about 30 per cent., its share in the relatively stable items, services and payments on government account is much larger. In addition, Western Europe has experienced an appreciable improvement in its terms of trade in consequence of the fall in primary goods prices relative to those of manufactures and thereby obtained a certain margin for economic expansion.

ENGINEERING

(*Concluded from page 62*)

Bandra-Ghodbunder Road west of the Western Railway main line to be named "Western Express Highway." The Eastern Express Highway will be 14.5 miles in length and the Western 20 miles.

The three important National Highways in the State are the Bombay-Poona, the Bombay-Agra and the Bombay-Ahmedabad-Delhi roads. As regards the Bombay-Ahmedabad-Delhi Road, it is proposed to provide a separate direct access via Ghodbunder. The prerequisite for the introduction of the proposed alignment is a direct and all-weather communication from Bombay to Ahmedabad. The proposed direct route reduces the present distance by 22 miles. The present route from Bombay to Ahmedabad is via Thana and this Bombay-Thana section of Bombay-Agra Road is extremely crowded and serves as an outlet from Bombay for four main roads, namely, the Bombay-Agra, the Bombay-Poona, the Bombay-Ahmedabad and the Bombay-Konkan-Goa roads. The proposed alignment of National Highway No. 8 along the Borivli-Ghodbunder-Manor-Ahmedabad road is totally independent of the existing road via Thana-Bhivandi-Manor, giving an extra outlet which can be considered of importance from the strategic point of view also. After completion of the road, it will give a direct approach to fertile areas around Bassein which is the production centre of fruits and vegetables.

Of particular importance to road transport is the creation of facilities for the movement of heavy traffic and truck-trailer combination. In Bombay State, a vehicle with laden weight of 19,000 lbs. can ply on all important roads. It is the intention of the State Government, according to Mr. Desai, to increase the laden weight limit of trucks to 27,000 lbs. But the chief bottleneck in translating this intention into practice is the weakness of the cross drainage works. It would appear that these works are not capable of taking heavy weight. This means that the necessary permission to increase the laden weight limit cannot be given unless the cross drainage works are suitably strengthened. It is, therefore, gratifying to be told that the Government has decided to examine all such works in all important roads and to take measures designed to strengthen them. It is to be hoped that this examination will be completed without delay and the appropriate repairs or reconstruction of the works carried out in the interests of transport of heavy traffic.

PC-438

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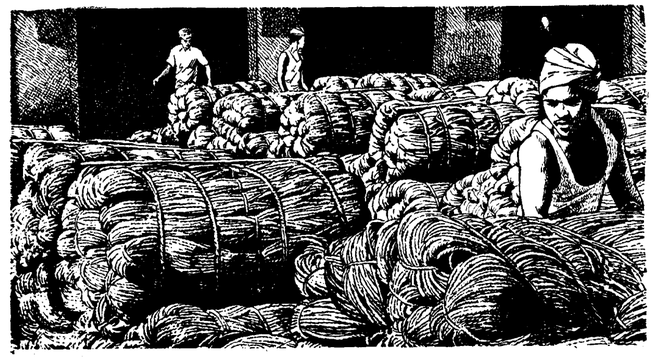

INDIA is the world's chief producer of coir and coir products, her yearly output being around 130,000 tons. More than half this output is exported, earning about ten crores of rupees in foreign exchange. The coir industry, which is exclusively South Indian, is concentrated in Malabar and Travancore-Cochin, and employs over six lakhs of workers.

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PAPER INDUSTRY IN INDIA

TARIFF COMMISSION TO CONSIDER QUESTION OF FAIR PRICE

THE paper industry is again in the news. Apparently, the Government and the industrialists have failed to see eye to eye on the question of fixing a fair price for paper and paperboard. The issue, therefore, is expected to be referred to the Tariff Commission for consideration. This decision is reported to have been taken at a meeting held recently under the auspices of the Ministry of Commerce and Industry at New Delhi, following a series of complaints received by the Government that there has, of late, been a sizable increase in the prices of paper. Presided over by Mr. B. B. Saksena, Joint Secretary of the Ministry, the meeting was attended by the representatives of both the Indian Paper Makers' Association and the Indian Paper Mills' Association.

Pending the reference to the Tariff Commission, the Government has reiterated its plea to individual units not to raise their price of paper beyond 2 nP over and above the rate allowed for Government purchases. There had, however, been a rise in the price of paper even before this meeting to the extent of 3.5 nP per lb. The industry has been informed, we are told, that, in case the decision on the Tariff Commission's recommendations was delayed beyond three months, they would be free to charge an additional 3.5 nP per pound until a final decision was taken by the Government.

The position of retail prices has been worse still. This is attributed to lack of proper control on the part of manufacturers over the prices charged by the dealers but it is difficult to see what they could have done in this matter. However, in order to check this unhealthy trend, a sub-committee was set up at the meeting. This Committee will examine from time to time the complaints received from the public about overcharging by retail dealers. Such cases, after scrutiny by the Committee, would be brought to the notice of the paper mill concerned for necessary action.

At the meeting, the Government held the view that the paper industry could afford to limit its increase to the permitted 2 nP, particularly because of the phenomenal progress in production it has made in the past. It was pointed out to the manufacturers' representatives that the production of paper had gone up by 100 per cent. since 1948 when the Tariff Commission last enquired into the industry's position. Moreover, the mills had been modernised and the manufacturing technique improved. The Government, therefore, maintained that the industry should be able to effect a reduction in production costs. It should be possible for the industry, according to the Government, to pass on the benefit of this reduction to consumers.

The representatives of the industry, however, stressed that an increase in price was inevitable to enable the industry to stand on its own feet. They felt that the difference between the prices at which the paper was sold to the Director-General of Supplies and Disposals and the price for the general public did not provide a reasonable margin of profit. It was pointed out further that conditions in the industry differed from State to State. Accordingly, they are said to have suggested that individual mills should be asked whether they would accept the recommendation that no increase could be made beyond the rise of 2 nP per lb. allowed by the D.G.S. & D.

There is thus a marked divergence of opinion between the Government and the manufacturers of paper over the question of fair price. In this context, it will not be out of place to examine the industry's position, with particular reference to the pattern of consumption, the capacity of the industry and the changes in cost of production. It must be noted at the outset that the demand for paper is moving up by as much as 10 per cent. every year, thanks to the rapid industrial progress, steady increase in literacy and gradual improvement in the general standard of living. The demand for paper is expected to reach 350,000 tons by 1960-61. It is gratifying to note that the industry, despite heavy odds, has been making great strides during recent years. The table below shows the trend of production and installed capacity in the industry during the ten-year period 1947 to 1957:

(In '000 tons)

	Installed capacity (total)	Production				
		Total	Printing and writing	Wrapping	Special varieties	Boards
1947	105.00	93.10	52.78	16.85	5.32	18.16
1948	105.00	97.91	50.38	17.39	12.91	17.23
1949	110.00	103.21	59.48	12.88	11.90	18.94
1950	118.90	108.91	70.15	14.62	5.20	18.95
1951	137.00	131.92	79.26	25.49	3.12	24.05
1952	147.50	137.51	91.43	21.54	2.82	21.72
1953	151.00	139.70	92.03	21.14	3.42	19.51
1954	153.70	155.33	102.88	24.16	4.79	23.51
1955	186.20	184.88	119.50	28.32	5.60	31.46
1956	211.90	193.40	122.99	30.92	5.77	33.72
1957	252.00	210.13	126.52	38.02	7.20	38.40

Production of paper and paperboard touched a peak level of 210,310 tons in 1957. The installed capacity also shot up to a record level of 252,000 tons in 1957. It is expected that construction of two new paper units and expansion of one of the existing units will be completed during the current calendar year. The production of newsprint was firmly established last year; currently it is running at 12,000 tons per annum. It is claimed that, during last year, regular production of moisture-proof heat sealing grade of cellulose film was established for the first time. The quality of the product is said to have been found satisfactory by cigarette manufacturers and it is expected that over 50 per cent. of the industry's needs will be met by local production. Other types of paper manufactured for the first time in the country include the experimental production of grease-proof and cable papers and regular production of cheque paper. Thus, there has been an all-round improvement in quantity as well as variety of paper manufactured in this country.

Despite the steady progress thus registered, all is not well with the industry. To begin with, it is a matter for considerable concern that, while the installed capacity of the industry continued to expand, the actual production was lagging behind. Thus, in 1957, about 16.0 per cent. of the total capacity was lying idle, as against 8.7 per cent. and 0.7 per cent in 1956 and 1955, respectively.

It is unfortunate that there should have been a decline in the extent of utilisation of capacity even while the demand has been steadily moving upwards. This is mainly due, according to paper manufacturers, to the fact that the selling price of paper has been maintained relatively at a steady level while the cost of production has been going up. As was emphasised by Mr. J. F. Brierly, the erstwhile President of the Indian Paper Makers' Association, at the annual meeting of the Association held at Calcutta a few weeks ago, there was a steady rise in prices of fuel and raw materials since paper was decontrolled in 1950. The price of coal, of which about 3½ tons are consumed for the manufacture of each ton of paper, rose by nearly 30 per cent., the price of hosiery cuttings moved up by as much as 80 per cent., rosin by 48 per cent. and china-clay by 60 per cent. Labour costs, too, we are told, increased by 30 per cent. on account of increased wage rates and expenditure on additional amenities. As against these increases, the price of white printing paper was allowed to be raised by only 12 per cent. above the level ruling in 1950. There was, however, an increase of 16 per cent. since March 1955, but this was the result of the imposition of excise duty. Added to this, there were the higher direct taxes. The cumulative impact of these adverse factors led to a substantial rise in the production cost, which, in the absence of a rise in the receipts, impaired the incentive for expansion.

The position of the paper industry is further complicated by the fact that the Government purchases nearly 30 to 40 per cent. of the domestic production. It is said that the price set by the Government for its purchases barely covers the production costs. Another factor that prevents an easy solution of the question of prices seems to be the different degrees of trials and tribulations to which the industry is subjected in the various States. To give an instance, the recent enhancement in the electricity duty payable by mills in West Bengal, it is estimated, would cost the paper industry no less than 1 nP per lb. Again, many State Governments have been indiscriminately raising the royalty on forest produce, which in turn has pushed up the industry's cost of raw material. As a result of such measures the price of paper is bound to differ from State to State. It is to be hoped that a realistic assessment of the relative impact of these forces will be made by the Tariff Commission, when the question comes up for its consideration.

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WORLD RICE EXPORTS

World rice exports in the first quarter of 1958—as indicated by the figures of the main shipping countries—were running at a level below that of a year earlier, according to the Commonwealth Economic Committee's latest issue of its rice supplement published in London. Exports from Burma, in particular, showed a sharp fall, the report adds.

Estimates of world production (excluding China and the Soviet Union) have now been revised downwards to 122 million tons, as against 128.5 million tons in 1956-57. The final estimate of the rice crop in India puts production at 36.50 million tons, which is over 5 million tons less than that of 1956-57. Outturn in Formosa in 1957-58, despite a fall in the area under rice, was at a post-war record level of 2.36 million tons. The report states that in the first quarter of this year shipments from Burma fell from 472,000 to 330,000 tons; those from Thailand from 434,000 to 413,000 tons; and those from the United States from 278,000 to 140,000 tons.

Analysing the Burmese exports during the first quarter of this year, the report notes that, though India was the main outlet, as in 1957, shipments declined from about 168,000 tons to about 117,000 tons. Ceylon remained an important market, though here, too, the shipments were substantially reduced from about 81,000 tons to 54,000 tons. Exports to Pakistan, on the other hand, rose from 6,900 tons in January-March 1957 to over 36,000 tons. Malaya and Singapore were the chief markets for Thailand's exports, though shipments were reduced from about 154,000 tons to some 138,000 tons. Exports to Hong Kong declined from 78,000 tons to 62,000 tons, while those to Ceylon fell from over 33,000 tons to 200 tons. Elsewhere in Asia, the report notes, the substantial shipments to Japan and the Philippines in the previous year were reduced to negligible proportions in January-April 1958, but those to Indonesia rose from over 92,000 tons to 121,000 tons. Deliveries from British Borneo rose from over 11,000 tons to over 21,000 tons. Exports from South Viet-Nam included 28,000 tons to Indonesia, the largest shipment to this outlet for some years. Malaya and Singapore, which took no rice from South Viet-Nam in January-April 1957—and only 5,800 tons during the whole year—accounted for over 30,000 tons. The United States' export figures for the first quarter of 1958 include Pakistan as the main outlet, taking over 65,000 tons, as compared with 21,000 tons in the same period of the previous year.

EXPORTS OF SWEDISH BUTTER TO THE U.K.

Sweden has decided to limit its butter exports to Great Britain to 8,000 tons, i.e., 75 per cent. of its average annual pre-war exports of butter to that country, over the 12-month period ending 20th May 1959. This has been the gist of the reply sent by the Swedish Government to the note submitted by the U.K. on 16th March 1958, on the question of dumping of butter into Britain. The measure has been taken pending joint action to arrive at a better balance on the British butter market. Sweden has rejected the British assertion that Swedish butter exports *per se* have seriously affected the New Zealand dairy industry and strongly opposed any discriminatory measures against its exports. Sweden has, however, expressed its willingness to co-operate positively in any joint action to reach a solution of the present difficulties confronting the international butter market. If, however, the joint action proposed fails to materialise, says the Swedish Government, it will have to reconsider the case of the cut-down in exports. It has added that the question of future Swedish butter exports, like other trade problems, may be brought up for discussion during the forthcoming negotiations for an Anglo-Swedish trade agreement after 31st December 1958.

The 39th Lausanne National Fair is scheduled to be held from 13th to 28th September 1958. It is one of the two most important economic events in Switzerland, the other being the Basle Fair. The fair concentrates within its 1,320,000 square feet of exhibition space the main products of the country's different economic branches. Held each autumn, the Lausanne Fair attracts over 2,300 exhibitors from the various parts of the country. The number of visitors, we are told, averages some 800,000 each year, exclusive of foreign visitors who represented some 68 countries last year.

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TO promote an enterprise and run it successfully for a quarter of a century against many vicissitudes is by no means an easy task. If, along with this, the enterprise serves as an instrument for the creation and subsequent growth of a wide range of new industries, it is certainly a creditable achievement of which the *entrepreneurs* can justifiably feel proud. The Metal Box Company of India, Ltd., provides a notable example of this type. Established in 1933 on a modest scale with one small factory employing 35 people, the Company has expanded itself to possess five factories and six ancillary establishments, all providing employment to over 5,000 people. It also serves today more than 1,000 other factories employing about 80,000 people and marketing a large variety of consumer goods of the value of over Rs. 100 crores, by providing them with first-class, scientifically prepared packaging materials.

Recounting the achievements of the Company and the policy which has inspired them during the last 25 years, Mr. H. Chiswell Jones, O.B.E., Chairman of the Company, says, in his review of the year ended 31st March 1958, appended to the accounts for the year:

"I think it is appropriate briefly to review our achievements and the policy which has inspired them since your Company's modest beginning in 1933. Then, such packers of consumer goods as existed, welcomed us warmly, for hitherto their products had been at a heavy disadvantage *vis-a-vis* imported goods packed in superior containers. The availability of high class lithographed packages, equal to those available elsewhere in the world, enabled many Indian manufacturers' products to obtain proper recognition for the first time. Our enterprise did more than help the few existing packers, it greatly stimulated demand and made it possible for many new suppliers of consumer goods to compete successfully in a market previously dominated by imported goods. Subsequently, many world-famous manufacturers sent their products to India in bulk for repacking and later, under the stimulus of import restrictions, undertook local manufacture. We can, I feel, claim quite fairly that our enterprise was the instrument which made possible the creation and subsequent growth of a wide range of new industries. ... Our sales policy has been to keep prices low and obtain a satisfactory return on our investment by a high volume of turnover. For the last decade we have kept constantly before us the need to combat rising costs by increased volume and improved production methods which we have financed principally by retained profits until high taxation rendered this well-nigh impossible."

As if to crown the efforts of these 25 years, the Company has achieved record results in the twenty-fifth year of its working. Sales reached a peak of Rs. 6.12 crores, representing an increase of Rs. 45 lakhs over the previous year. It is noteworthy that the Company's turnover (as indicated by the sale proceeds) has grown substantially from Rs. 2.72 crores in 1949-50, the year of its conversion into a public limited company, to Rs. 6.12 crores in 1957-58. The gross profit has set up a fresh record of Rs. 88.38 lakhs in the year under review, an increase of Rs. 9 lakhs over 1956-57. It is twice as much as that (of Rs. 43.01 lakhs) earned in 1949-50. After raising the provisions for depreciation and taxation slightly, as the comparative table appearing at the bottom shows, the net profit for the year under review has gone up from Rs. 28.86 lakhs to Rs. 36.34 lakhs. It should be noted here that the actual provision for taxation for the year under review amounts to Rs. 41.50 lakhs, out of which a sum of Rs. 39 lakhs has been set aside from the year's profit and the balance of Rs. 2.50 lakhs has been drawn from the surplus in the taxation reserves built up in the previous years.

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds	6,11.79	5,66.76	4,94.55	3,48.69
Other income	11.62	9.78	8.06	2.95
Stocks of finished goods	6.45	7.43	7.01	8.06
Raw materials consumed	3,41.96	3,27.60	2,76.55	1,91.08
Other expenses	1,91.98	1,70.04	1,48.99	1,17.46
Gross profit	88.38	79.32	75.12	45.66
Provision for—				
Depreciation	18.04	12.46	11.28	9.75
Taxation	39.00	38 00	31 00	13.25
Net profit	36.34	28.86	32.84	22.66
To reserves*	14.22	7.81	11.01	5.64
Dividends—				
6% cum. preference (taxable)	1.24	1.33	1.33	1.33
Ordinary	20.58† (17½%)	20.12 (17½%)	18.99 (16½%)	14.37 (12½%)
Carry forward	16.65	16.34	16.24	14.45

* Include provision for doubtful debts.
† Includes additional dividend of Rs. 46,000 for 1955-56.

It is noteworthy that almost the entire increase in net profit has been utilised to strengthen the reserves. Thus, the transfer to the general reserve has been raised from Rs. 6.50 lakhs to Rs. 10 lakhs. In order to comply with the provisions of the Finance Act 1958, a sum of Rs. 2 lakhs has been set aside to the development rebate reserve; this sum will cover adequately 75 per cent. of the rebate to which the Company will be entitled. The provision for doubtful debts has been stepped up from Rs. 81,478 to Rs. 2.22 lakhs. These appropriations do not permit of an increase in the distribution to ordinary shareholders, except by digging into the previous years' surplus. The dividend has, therefore, been merely maintained for the second year in succession at 17½ per cent., to which level it had been raised in three successive stages from 10 per cent. for 1953-54. In addition, the Directors have recommended the payment of an additional dividend of 4 nP per share for the year 1955-56, in order to escape the penal provisions of section 23A of the Indian Income-tax Act, the actual dividend required to be distributed for such purpose being only 3.53 nP per share. It is stated that it will not be necessary to pay any additional dividend in respect of the years 1956-57 and 1957-58 on this score.

The increase in sales is due partly to a rise, early in the year, in the price of tinplate, the principal material required for the Company's products, but mainly to the Company's "ability to attract, to the full extent permitted by raw material availability, the new demand growing within the country." It is noteworthy that, in view of the acute tinplate situation, brought about by shortage of foreign exchange in the country, the Company has made successful attempts at manufacturing products other than those made from tinplate, namely, rigid and collapsible tubes for toilet and pharmaceutical packs, roll seal pilferproof and other closures for bottles, industrial components, diothene bags, closing machinery and advertising media. The sales of these articles are said to have increased by 38 per cent. and now contribute a significant portion of the Company's total output.

The import restriction on tinplate and other basic components required for many other important materials is reflected in the drop in the Company's purchases of raw materials during the year from Rs. 3.73 crores to Rs. 3.09 crores and in its stocks from Rs. 1.78 crore to Rs. 1.45 crore. The Company's stocks of tinplate on hand, along with the limited import licences granted, enabled it to meet all its requirements up to the end of March 1958. Since then, there has been a deterioration in the supply position.

The Company made additions to its gross bloc during 1957-58 to the value of Rs. 23.22 lakhs, bringing the total gross value of fixed assets at the end of the year to Rs. 284.28 lakhs. The depreciation provided so far is Rs. 101.16 lakhs, so that the net block stands at Rs. 183.11 lakhs. The other assets amount to Rs. 251.14 lakhs, of which the stock-in-trade alone accounts for Rs. 151.67 lakhs. As against these assets, secured loans, current liabilities and provision for taxation aggregates Rs. 143.62 lakhs. The net assets thus amount to Rs. 290.63 lakhs, represented by a paid-up capital of Rs. 145 lakhs and reserves and surplus aggregating Rs. 145.63 lakhs.

The Government of India has approved of the long-term credit offered by the Company's consultants, the Metal Box Company, Ltd., London, to cover the supply of plant and machinery required for plastics development and plant, machinery and spares for the metal container manufacturing equipment. It may be noted here that the Company has been granted a licence to extend its operations to the plastics field embracing injection moulding and polyethylene extrusion and printing. Additional plant has been ordered and will be installed this year. The Company's range of machinery manufacture has been expanded to include double seaming machines for the canning industry; these machines were being imported hitherto.

The outlook for the current year depends on the supply of tinplate and other raw materials and the prices thereof. Referring to these important aspects, the Company's Chairman says:

"There has been a deterioration in the indigenous supply position due to shortage of tin-

(*Continued on page 77*)

INDORE MALWA MILLS

DIVIDEND CURTAILED

THE results shown by the Indore Malwa United Mills Ltd. (Chairman, Board of Directors: Mr. Kudilal G. Seksaria, Bombay) for the year ended 31st December 1957 provide one more instance of the unenviable position in which the cotton textile industry has been placed since September 1956. The general slackness in the demand for cloth and yarn brought about, by heavy taxation on consumption and the consequent decline in price levels, accentuated further by higher manufacturing and other expenses, have told heavily on the Company's profit-earning capacity. To be brief, its working during the year under review has resulted in a loss of Rs. 8.39 lakhs. This is in distressing contrast to the gross profit of Rs. 24.02 lakhs made in 1956 and the still better profit of Rs. 27.93 lakhs earned in 1955. The latter, namely, Rs. 27.93 lakhs, it may be noted, was a new record since 1945. The precipitous decline in the Company's fortunes during the short span of two years bears testimony to the artificial depression in the textile industry created by the Government.

After taking into account the remuneration to the Committee of whole-time Directors and depreciation, there is a net loss of Rs. 14.40 lakhs, as against a net profit of Rs. 8.89 lakhs in the previous year. The provision for depreciation has been lowered from Rs. 6.59 lakhs to Rs. 5.51 lakhs, consequent on the benefit of development rebate amounting to Rs. 44,250. This sum, which represents the development rebate for 1957, has been transferred to development reserve account. Despite the heavy loss incurred, the Directors have proposed a dividend of 6 per cent. for the year under review by transferring a sum of Rs. 3 lakhs from the dividend equalisation reserve. The Company, it may be noted, had paid a dividend of 11 per cent. for the previous year, 9 per cent. for 1955 and 6 per cent. per annum for all the three preceding years. After adjusting the small surplus from the previous year and the sum of Rs. 3 lakhs realised as profit from sale of machinery, the loss that has been carried forward amounts to Rs. 11.77 lakhs.

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

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Sales of cloth, yarn and waste	2,69.20	2,57.26	2,95.22	2,49.18
Closing stocks of cloth, yarn, cotton and waste	92.17	78.89	60.77	84.20
Cotton, stores, etc., consumed	1,65.06	1,56.69	1,84 41	1,58.93
Other expenses	1,14.05	1,05.51	1,02.05	96.68
Gross profit (+) or loss (—)	—8.39	+24.02	+27.93	+6.78
Agents' commission	0.00	1.84	2.62	0.88
Depreciation	5.51	6.59	9.78	3.16
Provision for taxation	..	7.20	8.00	..
Net profit (+) or loss (—)	—14.40	+8.89	+7.53	+2.94
Profit on sale of machinery	3.00	..	..	..
Transfer from bonus provision	..	0.16	..	..
Transfer from dividend equalisation reserve	3.00	..	..	..
To reserves	0.44	3.58	3.00	..
Dividend	3.00 (6%)	5.50 (11%)	4.50 (9%)	3.00 (6%)
Carry forward	—11.77	0.07	0.09	0.06

It will be seen from the above table that, though sale proceeds of cloth, yarn and waste have shown a modest rise of Rs. 1.94 lakhs, the improvement has been more than offset by the sharp rise of Rs. 8.37 lakhs in the cost of cotton, stores, etc., consumed and by the increase of Rs. 8.54 lakhs in other expenses. Of the latter item, wages, salaries, bonus, etc., alone have accounted for a rise of Rs. 5.78 lakhs, that is, from Rs. 68.34 lakhs to Rs. 74.12 lakhs.

The Company's latest balance-sheet as at 31st December 1957 shows its paid-up capital at Rs. 50 lakhs in ordinary shares of Rs. 100 each. Of this amount, as much as Rs. 30 lakhs represent the amount capitalised out of reserves in September 1948. The reserves and surplus are now small and aggregate only Rs. 6.95 lakhs. The current liabilities stand at Rs. 169.91 lakhs and include a provision of Rs. 24.32 lakhs for taxation, in addition to secured loans of Rs. 88.89 lakhs and unsecured loans of Rs. 22.65 lakhs. The gross block of Rs. 159.76 lakhs has been written down to a book value of Rs. 38.44 lakhs. The current assets aggregate Rs. 188.41 lakhs and exceed the current liabilities and provision for taxation by a margin of Rs. 18.50 lakhs.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 110 *cum-div.* On an *ex-div.* basis and on the basis of the latest dividend, the yield works out to 5.77 per cent. per annum, free of income-tax.

KAMANI ENGINEERING CORPORATION LTD.

MR. R. H. KAMANI'S SPEECH

THE Annual General Meeting of the Kamani Engineering Corporation Ltd. was held in Bombay on 30th June 1958. The following is the text of the speech of Mr. R. H. Kamani, Chairman of the Company, delivered on the occasion:

"GENTLEMEN,

"The report and accounts for the year ended 30th September 1957 have been already in your hands and, with your permission, I propose to take them as read.

"I shall first deal with the accounts. The profit of the year under review is Rs. 6,23,599. After deducting therefrom Rs. 3,49,037 for depreciation, Rs. 25,000 for taxation, Rs. 40,000 for gratuity and Rs. 25.000 for doubtful debts, the amount available, together with Rs. 36,664 brought forward from last year. comes to Rs. 2,21,226. Out of this, your Directors have recommended to dispose of Rs. 1.65,000 for payment of dividend on 5½ per cent. (less income-tax) cumulative preference shares due for the years ended 30th September 1956 and 1957 at the rate of Rs. 5.50 nP per share, free of tax, as there would be no assessable income for the year under report. The balance being Rs. 56.226 has been carried over to next year's account.

"Recently certain State Governments and project authorities have issued tenders for supply of transmission line towers, traction structures for railway electrification, communication masts and sub-station structures which are due to come up for consideration. It is understood that consideration for import of finished towers is being shown by the State Ministers and project authorities concerned, as in their opinion the fabricators in India will not be able to fulfil the delivery schedule due to shortage of steel and thus the power programme undertaken by the said authorities will be delayed. In the context of this impression, the Company represented its case to the Government of India directly and through the Association. The attention of the Government has been particularly drawn to the fact that, although this industry has more than adequate capacity available to meet the requirements, it finds itself solely dependent on the timely supply of steel sections in required form over which it has no control. It has been suggested that the situation as arising above can be solved by import of steel by the Government of India rather than by import of towers. The import of steel would not only ensure utilisation of the indigenous capacity but also would result in saving of foreign exchange to the extent of difference between the price of steel and finished materials which may work out to about Rs. 2½ crores, on the tender under consideration as stated above. The total quantity involved in the said tenders is approximately 25,000 to 26.000 tons. I hope the Government of India will take proper steps in this direction and assist the indigenous industries as they did in the past. You must have noticed from the Directors' report that the production of towers during the year under review has been increased by 1,099 tons as compared to the previous year. During the current year the production has been stepped up appreciably.

"The satisfactory progress is being maintained in the construction of transmission and distribution lines. It was necessary to start work of construction at five places simultaneously with a view to executing orders in time.

"As the railways have postponed their development programmes, because of foreign exchange difficulties, they stopped import of wagon parts in the country. The situation thus created has forced the Company to close the wagon assembly plant at Okha. Retrenchment and rehabilitation task of more than 600 workers employed by the Company at Okha Works was completed smoothly.

"With the speeding up of community development programme in the country, it is expected that the demand for road-roller chassis is bound to go up.

"During the year under report the agency business maintained steady progress. The private sectors, which have very little place in the second Five-year Plan for their expansion scheme, have to postpone their requirements of capital goods due to change in the import policy of the Government arising from foreign exchange crisis. Import of the capital goods required for such schemes is allowed by the Government on deferred payment terms stipulated by the Government which has only limited scope. Under the circumstances, it would be rather difficult to push on sale of the Company's agency activities in private sectors. The Company has now to depend upon its agency business coming from the Government and such private sectors which are included under the Government second Five-year Plan.

"Before I conclude, I wish to convey my appreciation to the employees of the Company for their sincere work.

"With these words, I move the following resolution and I commend to you the report and accounts for adoption:

'RESOLVED that the audited profit and loss, account and balance-sheet for the year ended 30th September 1957 and the reports of the Board of Directors and the auditors, now before the meeting, be and are hereby adopted.'"

Points From The Chair

Finance for Tea Industry

"ASSAM'S economy is vitally linked up with the tea industry and no lending institution operating in the State can ignore this aspect altogether. The Indian section of the tea industry in the State is in urgent need of long-term finance for the replacement and renovation of machinery and equipment and also for replantation, to keep pace with the competitive market. World production of tea is steadily increasing and at the same time production costs are mounting. Indian teas are facing keen competition in the international market and the competition will be still harder with the rapid expansion of the tea-growing areas in Africa. The outlook for tea depends to a large extent on the quality tea and if the trade in our country is to flourish, producers must find economic balance between higher yields and the production of quality teas. Our Corporation is anxious to render all possible assistance to the industry, but are unable to do so, first, for the reason that the commercial and co-operative banks, who are financing most of the gardens against crop hypothecation, are reluctant to release the title deeds in favour of the Corporation and, secondly, the Corporation with its limited resources cannot afford to undertake the responsibility of providing long-term finance in abundant measure to the tea industry, unless it is successful in raising additional funds. The only effective means for augmenting the resources of the Corporation is to issue debentures and bonds with the approval of the Reserve Bank of India and the State Government. Although the Act provides that payment of interest on such debentures and bonds would be guaranteed by the State Government, yet in view of the prevailing stringent condition of the money market, the response from the public is expected to be poor and the success of the issue cannot, therefore, be regarded as fully assured without direct support from Governmental institutions. However, the Plantation Enquiry Commission are of opinion that the financial difficulties of the Indian section of the industry can only be removed by the State Bank of India by providing finance in an abundant measure. While the State Bank of India are considering the question of hypothecation finance to the tea gardens, this Corporation will continue to meet the needs for long-term finance, provided its resources permit it to do so."

J. P. CHALIHA,
Assam Financial Corporation.

Magna Carta for Foreign Capital

"We are often asked why we persistently adhere to the principle of financing extensive development projects—particularly abroad—out of our own resources, even when circumstances would permit us to approach the money market. To a certain extent, the question is no doubt justified. However, it does not take into account the fact that our factories abroad are not entirely independent units, but part of a whole. The consequence is that outsiders could only be induced to risk their capital to a limited extent. Even for us the very considerable investments of our Company, which are spread all over the globe, represent a risk which is by no means limited to the funds supplied by Basle. In view of the violence which characterises the political and ideological differences of the present time, there is no need for me to elaborate the nature of these risks. Unfortunately the hazards of new industrial developments are increasing, particularly in the so-called underdeveloped countries, the very territories where increasing Government pressure is being exerted to induce us to establish and expand our industrial activities. Taking the overall view, there can be no doubt that the major industries of the Western world must do their part in the industrial development of these countries. That is being done, and industrialisation is going ahead rapidly with the help of leading international concerns. Realisation of the risks involved for private enterprise has led to a movement to re-establish the principle of the inviolability of private property and to incorporate this principle in an international Magna Carta. At the same time, a valuable effort is being made to establish the principle of equality between national and foreign interests in bilateral agreements."

DR. ROBERT KAPPELI,
Ciba Limited, Basle.

COMPANY MEETINGS AND DIVIDENDS

FORT GLOSTER INDUSTRIES LTD. Annual General Meeting, Calcutta, 29th July 1958. Transfer books will remain closed from 21st to 29th July 1958, both days inclusive.

NELLIMARLA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 30th July 1958. Transfer books will remain closed from 16th to 30th July 1958, both days inclusive.

SHREENIVAS COTTON MILLS LTD. Annual General Meeting, Bombay, 30th July 1958. Dividend: Rs. 8.00 per share, payable on and after 25th July 1958. Transfer books will remain closed from 3rd to 30th July 1958, both days inclusive.

DHARAMSI MORARJEE CHEMICAL CO., LTD. Annual General Meeting, Bombay, 12th August 1958. Dividend: Rs. 5.00 per share, payable on and from 16th August 1958. Transfer books remain closed from 26th June to 21st July 1958, both days inclusive.

BIRLA JUTE MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 13th August 1958. Dividend: Re. 1.00 per share, free of income-tax. Transfer books will remain closed from 21st July to 13th August 1958, both days inclusive.

BALLY JUTE CO., LTD. Annual General Meeting, Calcutta, 13th August 1958. Dividend: Rs. 6.00 per share, free of income-tax. Transfer books will remain closed from 21st July to 13th August 1958, both days inclusive.

BRIDGE AND ROOF CO. (INDIA) LTD. Dividend of 20 per cent. or Rs. 2.00 per share, for the year ended 31st December 1957.

BRITISH INDIA ELECTRIC CONSTRUCTION CO., LTD. Dividend of 20 per cent. or Rs. 2.00 per share, for the year ended 31st December 1957.

CHOONABHUTTI TEA CO., LTD. Dividend of Rs. 20.00 per ordinary share, for the year ended 31st December 1957.

BASMATIA TEA CO., LTD. Dividend of Re. 1.75 per share, for the year ended 31st December 1957.

KAILAS RUBBER CO., LTD. Final dividend of 15 per cent. or Re. 0.30 per share (making a total of 25 per cent. or Re. 0.50 per share) for the year ended 28th February 1958.

NILGIRI TEA ESTATES LTD. Dividend of 6 per cent. or Re. 0.60 per share, for the year ended 31st March 1958.

INDIA CEMENTS LTD. Final dividend of 5 per cent. or Re. 1.25 per share on the ordinary shares (making a total of 9 per cent. or Rs. 2.25 per share) for the half-year ended 31st March 1958. Transfer books will remain closed from 18th July to 6th August 1958, both days inclusive.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD. Final dividend of 4½ per cent. on the ordinary shares (making a total of 8¾ per cent.), for the year ended 31st March 1958. Transfer books will remain closed from 2nd to 27th August 1958, both days inclusive.

COIMBATORE PIONEER MILLS LTD. Dividend of 20 per cent. or Rs. 20.00 per share, for the year ended 31st December 1957. Transfer books will remain closed from 17th to 30th July 1958, both days inclusive.

COTTANAD PLANTATIONS LTD. Dividend of 15 per cent. or Re. 1.50 per share, for the year ended 31st December 1957. Transfer books will remain closed from 21st to 29th July 1958, both days inclusive.

NILAMBUR RUBBER CO., LTD. Dividend of 15 per per cent. or Re. 1.50 per share, for the year ended 31st December 1957. Transfer books will remain closed from 21st to 29th July 1958, both days inclusive.

SAVAMALAI ESTATES LTD. The Annual General Meeting of the Company has been postponed to 30th July 1958.

COORG TEA CO., LTD. Final dividend of 10 per cent. or Re. 0.50 per share (making a total of 20 per cent. or Re. 1.00 per share) for the year ended 31st March 1958. Transfer books will remain closed from 18th August to 1st September 1958, both days inclusive.

MYSORE CHEMICAL MANUFACTURERS LTD. Dividend of 20 per cent. or Rs. 2.00 per ordinary share, for the year ended 31st March 1958. Transfer books remain closed from 12th to 26th July 1958, both days inclusive.

COMPANY REGISTRATIONS

AHMEDABAD CONSTRUCTION AND CEMENT CONCRETE MANUFACTURING CO. PRIVATE LTD. (Managing Director: Kalyanbhai Manilal Shah.) Business: Construction of buildings, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 252, Gashparekh's Pole, Jain Road, Ahmedabad.

HIT AND HITS PRIVATE LTD. (First Director: Mr. K. S. Sukhija.) Business: Producers and exhibitors of cinematographic films, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Flat No. 601-602, 'Sukhasagar,' 6th Floor, Sandhurst Bridge, Bombay 7.

J. H. INDUSTRIES PRIVATE LTD. (First Director: Srimati Jyoti Hariprasad Trivedi.) Business: General traders. Authorised capital: Rs. 5,00,000. Private company. Address: 'Krishna Nivas,' 3rd Floor, Queens Road and Charni Road Junction, Bombay 4.

T. C. G. INDUSTRIES PRIVATE LTD. (First Director: Mr. Lekhraj Gupta.) Iron founders, mechanical and electrical engineers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Registered office of the company will be situated in the State of Bombay.

RESULTS OF BOWREAH AND DUNBAR MILLS DISAPPOINTING

BALANOOR AND DEVON TEA REPEAT DIVIDEND

Bowreah Cotton Mills Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts show, without providing for depreciation, a profit of Rs. 1,16,501 (Rs. 2,25,528) to which has to be added the credit balance brought forward from the last account, viz., Rs. 743 (debit balance of Rs. 23,47,373) making a total of Rs. 1,17,244 (credit of Rs. 743 after transferring Rs. 21,22,415 from reserves and Rs. 173 from reserve for taxation) which, the directors recommend, should be carried forward to the next account.

During the period, the mills have been completely electrified. Looking to the extremely difficult trading conditions in which the Indian cotton textile industry is working, the results for the year under review are not very unsatisfactory.

There is a glut of coarse and medium varieties in the market partly because of high prices. The heavy excise duty on cloth created an excessive stock of manufactured goods within the industry. Although a reduction in the excise duty on cloth has recently been announced, this has not yet been followed by any substantial improvement in the offtake of cloth from the mills. The matter is under the active consideration of the Government and it is hoped that some solution for betterment of the industry might come as envisaged in the Indian Labour Conference held at Naini Tal.

The benefit in the excise duty at the rate of 6 pies per square yard on the excess production ceased from 1st January, 1958. Depreciation for the year as well as in respect of the previous years could not be provided because of inadequacy of profits.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	36,00,000	Block ...	71,03,186
Reserves ...	1,50,000	Stock-in-trade	59,42,363
Liabilities ...	1,29,80,344	Stores and spare parts	16,04,442
Profit and loss account ...	1,17,244	Other assets	890
		Debts, deposits and advances ...	20,13,562
		Investments	52,603
		Cash ...	1,30,542
	Rs. 1,68,47,588		Rs. 1,68,47,588

Dunbar Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts show, without providing for depreciation, a loss of Rs. 5,65,158 (profit of Rs. 3,26,385 after providing Rs. 4,27,508 for depreciation) from which has to be reduced the credit balance brought forward from the last account of Rs. 3,50,335 (credit of Rs. 1,37,950) leaving a debit balance of Rs. 2,14,823 (credit of Rs. 4,64,335). After deducting the amount transferred from reserve for taxation of Rs. 28,581 (*nil*), there is a debit balance of Rs. 1,86,242 (credit balance of Rs. 3,50,335 after paying a dividend on ordinary shares at Rs. 6 per share, absorbing Rs. 1,14,000) to be carried forward to the next account.

After the last year's strike, on the question of bonus issue for the year 1955, the Company has not yet reached its normal working and previous efficiency. Due to extremely difficult trading conditions in which the Indian cotton textile industry is working, the results for the year under review are not satisfactory.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,00,000	Block ...	66,64,796
Debentures	25,00,000	Stock-in-trade	64,49,699
Reserves*	24,30,708	Stores and spare parts	15,60,442
Liabilities ...	1,01,95,479	Other assets	3,150
		Debts, deposits and advances ...	20,27,700
		Investments	55,603
		Cash ...	2,10,572
		Miscellaneous expenditure and losses	54,225
	Rs. 1,70,26,187		Rs. 1,70,26,187

*Reserves are shown after deducting Rs. 1,86,409 being the debit balance in the profit and loss account.

Balanoor Tea and Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Young India Agencies (Private) Ltd., Bangalore) present the audited accounts of the Company for the year ended 31st March 1958.

The Company's working for the year under report resulted in a profit of Rs 3,09,672 (Rs. 3,67,648) to which is added the balance brought forward from last year of Rs. 9,740 (Rs. 48,715), making a total of Rs. 3,19,412 (Rs. 4,16,363). The dividend on preference shares at 7½ per cent. per annum absorbed Rs. 18,750 (Rs. 18,750). Ten per cent. of the net profits due to the managing agents absorb Rs. 30,650 (Rs. 45,550). The directors have transferred to taxation reserve Rs. 70,000 (*nil*). The dividend on ordinary shares at 17½ (17½) per cent. absorbs Rs. 1,92,323 (Rs. 1,92,323). The directors propose to carry forward to next year's account, the balance of Rs. 7,689 (Rs. 9,740).

Crop and estimate.—Tea crop during the year was 4,56,080 lbs. as against the previous year's crop of 4,29,554 lbs. All in cost of production was 139 cts. and the average sale price realised 162 cts. Estimate for the next year is placed at 4,50,000 lbs. Coffee crop during the year was 2,497 cwts. as against the previous year's crop of 1,578 cwts. Estimate for the next year is placed at 3,400 cwts. Rubber crop was 36,387 lbs. as against the previous year's crop of 38,555 lbs. Estimate for the next year is placed at 38,000 lbs.

New planting.—Planting of rubber in the Malabar lands has progressed satisfactorily. One hundred acres were planted with budded rubber and another 100 acres have been made ready for the next season. The Company's estates are well maintained.

General.—The planting industry is being called upon to bear an increasing burden under salaries, wages, bonus, provident fund and welfare and amenities. As between the accounts of last year and this year's the increase under these heads is over Rs. 1,46,000. Even with an increase in the tea crop by over 27,000 lbs., the cost of tea per pound has gone up. Hence the net profits of the Company in spite of larger tea and coffee crops has been lower.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,48,990	Block ...	13,14,011
Reserves ...	5,36,010	Stock-in-trade	4,82,650
Provision for taxation ...	1,52,194	Stores and spare parts	1,09,653
Liabilities ...	4,31,795	Debts, deposits and advances ...	1,98,090
Profit and loss account ...	7,689	Investments	22,249
		Cash ...	3,50,025
	Rs. 24,76,678		Rs. 24,76,678

Devon Tea and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Young India Agencies (Private) Ltd., Bangalore) present the audited accounts of the Company for the year ended 31st March 1958.

The Company's working for the year under report resulted in a profit of Rs. 1,32,574 (Rs. 2,03,391) to which is added the balance brought forward from last year of Rs. 49,406 (Rs. 50,039) making a total of Rs. 1,81,980 (Rs 2,53,430). The dividend on preference shares at 7½ per cent. per annum absorbed Rs. 15,000 (Rs. 15,000). Ten per cent. of the net profits due to the managing agents will absorb Rs. 13,208 (Rs. 20,339). The directors have transferred to taxation reserve Rs. 30,000 (Rs. 90,000). The dividend on ordinary shares at 17½ (17½) per cent. will absorb Rs. 78,685 (Rs. 78,685). The directors propose to carry forward to next year's account the balance of Rs. 45,087 (Rs. 49,406).

Crop and estimate.—Tea crop during the year was 3,02,589 lbs. as against the previous year's crop of 2,78,379 lbs. All in cost of production was 141 cts. and the average sale price realised 167 cts. per lb. Estimate for the next year is placed at 2,75,000 lbs. Coffee crop during the year was 887 cwts. as against the previous year's crop of 598 cwts. Estimate for the next year is placed at 1,600 cwts.

New planting.—Planting of rubber in the Malabar lands has progressed satisfactorily. One hundred acres were planted with budded rubber and another 100 acres have been made ready for the next season. The Company's estates are well maintained.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,49,630	Block ...	7,97,578
Reserves ...	3,55,370	Stock-in-trade	2,49,448
Provision for taxation ...	80,865	Stores and spare parts	70,333
Liabilities ...	2,07,901	Debts, deposits and advances ...	1,13,606
Profit and loss account ...	45,087	Investments	11,440
		Cash ...	96,448
	Rs. 13,38,853		Rs. 13,38,853

Rajalakshmi Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. B. Rangaswamy Naidu and Sons, Uppilipalayam) submit the audited accounts of the Company for the year ended 31st December 1957.

After deducting all working expenses and interest and providing Rs. 3,60,992 (Rs. 3,10,929) for depreciation, the year's working has resulted in a net profit of Rs. 1,88,328 (Rs. 3,91,352). Out of this, Rs. 2,043 (Rs. 3,516) has been expended by way of donations, leaving a balance of Rs. 1,86,285 (Rs. 3,87,836). With Rs. 5,070 (Rs. 11,081), the balance of profit brought forward from last year, there is a sum of Rs. 1,91,355 (Rs. 2,43,070 after paying Rs. 2,45,847 as bonus and including Rs 90,000 transferred from dividend equalisation reserve) to the credit of the profit and loss account and the directors recommend to dispose of this amount as follows:—

To transfer to machinery replacement reserve Rs. 41,914 (*nil*), to pay a tax-free dividend of 6¼ per cent. to the preference shareholders absorbing Rs. 13,000 (Rs. 13,000) and to pay a tax-free dividend of 9 (15) per cent. to the equity shareholders absorbing Rs. 1,36,441 (Rs. 2,25,000).

The sum of Rs. 1,03,836, under provision for taxes has been transferred to machinery replacement reserve as it is presumed that there will not be any liability for income-tax.

The low profit for the year of account is mostly due to the relatively high prices of cotton and the poor margin of profit in the sale of yarn. This feature seems to be common for all textile concerns in respect of the year 1957.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,53,275	Block ...	43,74,945
Reserves ...	30,55,750	Stock-in-trade	13,13,823
Liabilities ...	21,57,684	Stores ...	2,28,030
		Debts, deposits and advances ...	8,97,232
		Investments	35,274
		Cash ...	5,17,404
	Rs. 73,66,709		Rs. 73,66,709

Binod Mills Co., Ltd.

The directors of the above Company (President: Mr. Lalchand B. Sethi, Indore) submitted the audited accounts of the Company for the year ended 31st December 1957.

The year's working after providing Rs. 6,84,352 (Rs. 6,47,968) for normal depreciation and adding a sum of Rs. 1,07,933 (Rs. 1,80,930) brought forward from last year's account shows a profit of Rs. 2,42,676 (Rs. 9,52,933 after providing Rs. 6,00,000 for taxation and Rs. 5,00,000 for arrears of depreciation in the past.) From this Rs. 1,00,000 (Rs. 1,25,000) having been transferred to investment reserve and adding Rs. 3,00,000 (*nil*) from dividend equalisation reserve, the total comes to Rs. 4,42,676 (Rs. 8,27,933) which the directors disposed off as under:—

To payment of a dividend at Rs. 6 (Rs. 12) per share absorbing Rs. 3,60,000 (Rs. 7,20,000) and leaving a balance to be carried forward to next year's account of Rs. 82,676 (Rs. 1,07,933).

The result of the year under report has not been satisfactory as it was an year of stress and strain for the industry. The unfavourable conditions in the cloth market, mention about which was made in the last report, continued throughout the year.

Income-tax assessments have been finalised up to the calendar year 1952. Appeals are pending against some of the completed assessments as reported last year. After transferring Rs. 10 lakhs to general reserve, provision for taxation as at 31st December 1957, stands at Rs. 4,96,338 which in the opinion of the Board is quite adequate.

During the year under report, cloth exports were made of 29,40,869 yards through exporters and 2,93,110 yards direct by the Company which were of the total value of Rs. 15,64,380. The Company is trying to increase the export of cloth and create a demand of its products in the foreign markets but the export demand is also on the decline.

The Central Power House, Indore, started supply of electric power only from January 1958. Out of 900 kw. which was agreed to be supplied, about 750 kw. has been switched on and the balance will be used in the near future. The agreement with the Madhya Pradesh Electricity has been finalised.

Spinning Machinery from Japan.—The spinning machinery ordered from Japan was received during the year under report and most of it has been erected. The local Mazdoor Sangh took out a temporary injunction to stop the erection of the remaining two Simplex Frames. The Industrial Court later on vacated the injunction and permitted the Company to proceed with the erection, but the Labour Union has again applied for review. The attitude of the Labour Union is not helpful and they are trying to create unfavourable atmosphere. The automatic reaching-in machines which have been erected could not be worked as the Union demanded higher wages than paid in Bombay and other centres, and which being unremunerative, machines are lying idle. During the year under report, machinery and equipment worth Rs. 14,86,999 has been received and installed in the Mills.

As reported last year, an application for loan of Rs. 10,00,000 on the security of the fixed assets of the Deepchand Mills Unit and the Power Substations of both Binod and Deepchand Mills was made to the Madhya Pradesh Financial Corporation, Indore, and the same was received. The expenses on new machinery and other capital items during the year under report amounted to about Rs. 26,97,333 resulting in paucity of funds for routine working which was partly met by selling or pledging with banks the securities held by the Company and by raising long and short-term loans. The Company has made an application to the National Industrial Development Corporation, Bombay, for a further loan of Rs. 25,00,000 which is under their consideration.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	60,00,000	Block ...	94,67,301
Reserves ...	42,46,655	Stock-in-trade	91,43,128
Provision for taxation ...	4,96,338	Stores and spare parts, etc. ...	18,46,248
Liabilities ...	1,37,63,557	Debts, deposits and advances ...	26,76,214
Profit and loss account ...	82,676	Investments	12,15,912
		Cash ...	2,40,423
	Rs. 2,45,89,226		Rs. 2,45,89,226

Calcutta Gas Co. (Proprietary) Ltd.

The directors of the above Company (Secretaries: Messrs. Soorajmull Nagarmull, Calcutta) submitted the audited accounts of the Company for the year ended 30th September 1957.

The accounts show a profit of Rs. 8,11,251 (Rs. 8,07,991) which together with a sum of Rs. 33,430 (Rs. 22,189) being the balance brought forward from the last year, leaves a profit of Rs. 8,44,681 (Rs. 8,30,180).

A sum of Rs. 5,87,658 being the dividend pertaining to the Company from the subsidiary Company for the year ending 30th June, 1956 (free of tax) has been taken credit of in the accounts of the Company. It will be observed that a sum of Rs. 3,59,000 (Rs. 2,25,000) has already been provided in the accounts for taxation and Rs. 11,000 (*nil*) has been provided for wealth tax leaving a profit of Rs. 4,74,681 (Rs. 6,05,180) which the directors recommend to be disbursed as follows:—

To payment of a dividend on 30,000 5½ per cent. taxable redeemable preference shares for the year ended 30th September, 1957 (less income-tax) absorbing Rs. 1,13,025 (Rs. 1,21,688), to payment of a dividend at 5 (6) per cent. on 6,50,000 'A' and 'B' ordinary shares for the year ended 30th September, 1957, free of tax, absorbing Rs. 3,25,000 (Rs. 3,90,000) and to carry forward Rs. 36,656 (Rs. 33,430 after writing off Rs. 17,172 being preliminary expenses).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	95,00,000	Block ...	325
Debentures ...	30,00,000	Debts, deposits and advances ...	27,25,509
Reserves ...	1,00,000	Investments	1,16,15,599
Provision for taxation ...	5,96,770	Cash ...	8,53,425
Liabilities ...	20,61,432	Miscellaneous expenditure and losses	1,00,000
Profit and loss account ...	36,656		
	Rs. 1,52,94,858		Rs. 1,52,94,858

Harinagar Sugar Mills Ltd.

The directors of the above Company (Chairman: Shri Narayanlal Bansilal, Bombay) submitted the audited accounts of the Company for the year ended 30th September 1957.

The accounts show a net profit of Rs. 1,77,192 (Rs. 4,53,317) which includes the profits earned by the farms. This together with the carry-over of Rs. 19,236 (Rs. 9,806) makes a total of Rs. 1,96,427 (Rs. 3,69,236 which includes Rs. 1,79,680 being amount transferred from depreciation reserve and excludes Rs. 2,73,567 transferred to development reserve) which the directors have appropriated as under:—

To provision for taxation Rs. 1,00,000 (Rs. 50,000) and to dividend at 7½ (7½) per cent. free of income-tax absorbing Rs. 75,000 (Rs. 75,000) leaving a balance of Rs. 21,427 (Rs. 19,236 after placing Rs. 2,00,000 to investment reserve and Rs. 25,000 to bad and doubtful debts reserve) which is proposed to be carried to next year.

During the 1956-57 season the factory crushed about 45,87,700 (46,33,000) maunds of sugarcane and produced 1,42,740 (1,59,845) bags of sugar. The sugar recovery obtained, viz., 9 (9.49) per cent., was far below expectations. The workers of the factory frequently resorted to illegal slow-down strikes which resulted in very poor working of the factory on the whole, and this has also contributed towards the extremely poor recovery obtained this year, and increased cost of sugar production.

The Harinagar cane farms have earned an income of Rs. 2,00,537 during the year. The cane crop was less than expected due to adverse climatic conditions and attack of cane diseases. The title deeds of farm lands are being transferred in the name of the Company and hence they could not be made available to the auditors.

The Shangrila Food Products Ltd., suffered loss during the year ended 31st March 1957. Looking to the financial position of the Company, the directors have decided to forego the interest due to the Company on the loans advanced to the said subsidiary, for the period 1st October 1956 to 30th September 1957.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	10,08,514
Reserves ...	17,94,926	Stock of sugar ...	29,71,065
Provision for taxation ...	14,45,194	Stores and spare parts	8,66,868
Liabilities ...	1,05,38,215	Debts, deposits and advances ...	41,65,586
Profit and loss account ...	21,427	Net assets of the Harinagar cane farms ...	41,31,518
		Investments	15,60,565
		Cash ...	95,646
	Rs. 1,47,99,762		Rs. 1,47,99,762

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

Notices

NELLIMARLA JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-fifth Annual General Meeting of the Members of NELLIMARLA JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3 Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Wednesday the 30th day of July, 1958, at 3 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the 13 months ended 31st July, 1957, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare Dividends.
3. To appoint a Director in place of Mr. B. L. Bajoria, the Director retiring by rotation at the Meeting.

   And in this connection to consider and, if thought fit, to pass the following resolution which will be proposed as a Special Resolution in conformity with the provisions of Section 261 of the Companies Act 1956:—

   "That Mr. B. L. Bajoria be and is hereby re-appointed a Director of the Company liable to retirement by rotation."

   Special Notice of the intention to propose the foregoing resolution as a Special Resolution in conformity with the provisions of Sections 190 and 261 of the Companies Act, 1956, has been received by the Company wherein it is stated that Mr. B. L. Bajoria is an "Associate" of the Managing Agents within the meaning of the Act and that, therefore, he can only be re-appointed by special resolution as a Director of the Company liable to retirement by rotation.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution:—

   "That Mr. S. K. Mukherjee be and is hereby re-appointed a Director whose period of office is liable to determination by retirement of Directors by rotation."

The Share Transfer Books of the Company will be closed from 16th to 30th July, 1958, both days inclusive.

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

By Order of the Board,

McLEOD & Co., LTD.,

C. HOCKLEY,
Secretary,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *27th June*, 1958.

Note:—Payment of the proposed dividends, if declared, will be made on or after 11th August, 1958, only to those members whose names are registered in the Books of the Company on 30th July, 1958, or to their Mandatees.

Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

EXPLANATORY STATEMENT

Mr. S. K. Mukherjee was appointed by the Board as an Additional Director in August 1957 and vacates office at this Annual General Meeting under Article No. 114 of the Company's Articles of Association and Section 260 of the Companies Act, 1956. The resolution mentioned in Item No. 5 of the above Notice is intended to effect the re-appointment of Mr. Mukherjee as a Director liable to retirement by rotation.

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LIMITED
TIRUCHIRAPALLI

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Eighteenth Annual General Body Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, Tennur, Tiruchirapalli, on Wednesday the 27th August, 1958, at 4 p.m., to transact the usual business and special business as per notice individually posted to shareholders.

The Register of Members and the Transfer Books of the Company will be closed from 2nd August 1958 to 27th August 1958 (both days inclusive).

The Directors at their meeting held on 30th June 1958 have recommended the payment of the following dividends to the members for the year ended 31st March 1958:

4¾ per cent. tax-free final dividend on Ordinary shares, which with the 4½ per cent. interim dividend already paid makes a total dividend of 8¾ per cent. for the year and also the usual tax-free final dividends of 2¾ per cent. on I and II Preference shares. The dividends, if sanctioned at the General Meeting, will be paid on and after 27th August 1958 to those members whose names stand in the Register of Members on 27th August 1958 or to holders of dividend mandates.

Members are requested to intimate change of address, if any.

Members are requested to attend the meeting either in person or by proxy. A member entitled to attend and vote at this Meeting may appoint a proxy to attend and vote instead of himself, a proxy need not be a member of the Company.

By Order of the Board,

SESHASAYEE BROTHERS PRIVATE LIMITED,
Managing Agents and Chief Engineers.

TIRUCHIRAPALLI, *30th June*, 1958.

THE STANDARD COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE STANDARD COAL COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 3.00 p.m. on Monday, the 4th day of August 1958, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1957, and to receive the Directors' and Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from 21st July 1958 to 4th August 1958, both days inclusive.

By Order of the Board,

F. W. HEILGERS & Co. (PRIVATE) LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, *27th June*, 1958.

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

(*b*) The Dividend, if declared will be paid on or after 11th August 1958, to those shareholders so entitled whose names appear in the Company's books on the 4th August 1958, or to their mandatees. No application for Dividend Warrants will be necessary.

HOWRAH MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Thirty-third Annual General Meeting of Members will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, at 3 o'clock in the afternoon on Friday, the 8th August, 1958, for the following purposes:—

(1) To receive and consider the Audited Accounts for the year ended 31st March, 1958, and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.

(2) To declare Dividends on Preference Shares.

(3) To appoint a Director in place of one retiring.

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

The Share Transfer Books of the Company will be closed from the 26th July to the 8th August, 1958, both days inclusive.

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

4, CLIVE ROW,
CALCUTTA-1, *27th June,* 1958.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 8th day of August, 1958, or to their Mandatees.

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

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

THE RELIANCE JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and First Annual General Meeting of Members will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, at 3-30 o'clock in the afternoon on Friday, the 8th August, 1958, for the following purposes:—

(1) To receive and consider the Audited Accounts for the year ended 31st March, 1958, and the Balance Sheet as at that date and the Report of the Board of Directors and the Auditors thereon.

(2) To appoint a Director in place of one retiring and in this connection to consider the following resolution, which will be proposed as a Special Resolution:

"That Mr. J. V. Jardine Paterson, an associate of the Managing Agents of the Company, be and is hereby appointed a Director of the Company whose period of office is liable to determination by retirement of directors by rotation."

(Special notice to move this resolution as a Special Resolution in conformity with the provisions of Sections 190 and 261 of the Companies Act, 1956, indicating that Mr. J. V. Jardine Paterson is an associate of the Managing Agents by reason of his being a Director of the Managing Agents Company, has been received by the Company.)

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

The Share Transfer Books of the Company will be closed from the 2nd to the 8th August, 1958, both days inclusive.

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

4, CLIVE ROW,
CALCUTTA-1, *27th June,* 1958.

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

AMAR DYE-CHEM LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fourth Annual General Meeting of the Company will be held at the Registered Office of the Company at Rang Udyan, Sitladevi Temple Road, Mahim, Bombay-16, on Thursday, the 14th day of August 1958, at 4 p.m. (S.T.), to receive and adopt Directors' Report and the Audited Balance Sheet and Profit and Loss Account of the Company for the year that ended on 31st December 1957, and to transact the ordinary and special business, mentioned in the Notice accompanying the Fourth Annual Report, as forwarded to the members of the Company at their respective registered addresses.

The Explanatory Statement required under Section 173 of the Companies Act in respect of different Resolutions to be placed before the Meeting have also been appended to the Notice accompanying the said Report.

By the Order of the Board of Directors,
For AMAR DYE-CHEM LIMITED,
FOR AMRITLAL & CO. PRIVATE LTD.,
A. K. DOSHI,
Managing Director,
Managing Agents.

BOMBAY, *19th June,* 1958.

N.B.:—(*a*) A member entitled to attend and vote, is entitled to appoint a proxy, and where that is allowed, one or more proxies, to attend and vote instead of himself. The proxy need not be a member.

(*b*) The Transfer Books of the Company will be closed from Thursday the 31st day of July 1958 to Thursday the 14th day of August 1958, both days inclusive.

THE STANDARD COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on 27th June 1958, a Dividend of 10 per cent. per annum was recommended to be paid for the year ended 31st December, 1957, without any deduction for Income-tax payable by the Company.

By Order of the Board,
F. W. HEILGERS & Co. (PRIVATE) LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, *27th June,* 1958.

HERCULES INSURANCE COMPANY LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE TWENTY-THIRD ANNUAL GENERAL MEETING of the Hercules Insurance Company Limited, will be held at the Registered Office, 16, Hare Street, Calcutta, on Friday, the 8th August 1958, at 3-30 p.m., for the purpose of:

1. Considering the Accounts, Balance Sheet and the Reports of the Board of Directors and Auditors for the year ended 31st December, 1957.
2. Declaring a Dividend.
3. Appointing Directors in the place of those retiring.
4. Appointing Auditors and fixing their remuneration.

As Special Business

5. Sanctioning the payment of Rs. 33,800 to the Directors as their fees for services rendered during the year ended 31st December, 1957.

The Share Transfer Books will be closed from the 25th July to the 8th August 1958, inclusive.

By Order of the Board,
P. C. SEKHAR,
Manager and Underwriter.

CALCUTTA, *4th July,* 1958.

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

2. The dividend when declared will be paid only to those shareholders whose names appear on the Company's Register as on the 8th August 1958.

Explanatory Statement regarding item 5.

Under Section 309(1) of the Companies Act, 1956, shareholders' sanction is necessary for payment of fees to the Directors. The sum of Rs. 33,800 is computed on the same scale as in previous years, namely:

	Rs.
At Rs. 200 p.m. per Director for 12 Directors of whom Mr. N. S. Chenoy was up to 16th July, 1957 and thereafter Mr. E. K. Srinivasan for the remaining period	28,800
Extra for the Chairman and Deputy Chairman at Rs. 2,000 each per annum	4,000
Extra for Investment Committee constituted by the Chairman and Deputy Chairman at Rs. 500 each per annum	1,000
Total ...	33,800

THE ASSOCIATED CEMENT COMPANIES LIMITED

NOTICE

***Re:* Issue of 6,35,928 New Shares of Rs. 100 each at a Premium of Rs. 20 per Share**

DELIVERY OF SHARE CERTIFICATES

SHAREHOLDERS ARE HEREBY ADVISED that certificates for the shares of the above issue allotted upto 25th March 1958 are being delivered with the call payment duly endorsed thereon, within fifteen days from the date of presentation to the Company of the undermentioned documents, duly discharged:—

(*a*) Allotment Letters;

(*b*) Bankers' Receipts for Application Deposit;

(*c*) Bankers' Receipts for Advance Call Payment along with the Company's Notices dated 2nd December 1957 intimating appropriation of the advance payment against the First and Final Call (where the call has been paid in advance);

(*d*) Bankers' Receipts for First and Final Call (where the call is not paid in advance); and/or

(*e*) Company's Receipts for Coupons (where any shares have been allotted against Coupons).

Shareholders who have not yet taken delivery of their certificates for the shares of the above issue are hereby requested to do so after presenting the above documents at the Registered Office of the Company between 10.45 a.m. and 1.30 p.m. and 2.30 p.m. and 3.45 p.m. on any working day (except Saturdays) and between 10.45 a.m. and 12.30 p.m. on Saturdays.

Shareholders sending the above documents by post are advised to forward the same by *Registered Post.*

For THE ASSOCIATED CEMENT COS. LTD.,
CEMENT AGENCIES (PRIVATE) LTD.,
Managing Agents,
P. K. MISTRY,
Director.

CEMENT HOUSE,
121, QUEEN'S ROAD, FORT,
BOMBAY, *9th July* 1958.

MONEY RATES DECLINE

(From Our Own Correspondent)

BOMBAY, *9th July*

The short-term money market ruled extremely easy. There was a plethora of funds. The repayment of bank credits gathered further momentum, while the demand for money remained poor. This state of affairs encouraged the banks to offer lower interest rates for inter-bank transactions. Thus, inter-bank call money among larger Indian banks and exchange banks was quoted at 2½ to 2¾ per cent. and among the smaller Indian banks at 2¾ per cent. House money at call was offered 4 to 4¼ per cent., but borrowers were not as keen as they were before. Short-term deposits fetched 4 to 4¼ per cent. for one to six months.

An expansion of Rs. 7.08 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 4th July 1958, in contrast to the successive contraction aggregating Rs. 31.48 crores in the previous three weeks. Notes held in the Banking Department are lower by Rs. 5.77 crores. The resulting rise of Rs. 1.31 crores in total notes issued is covered by an increase of Rs. 2.02 crores in rupee securities and a small fall of Rs. 72 lakhs in rupee coin. While there is no change in foreign securities, balances held abroad (in the Banking Department) have fallen by Rs. 7.01 crores. The National Agricultural Credit (Long-term Operations) Fund which had remained unchanged since 5th July 1957 at Rs. 20 crores has gone up by Rs. 5 crores during the week under review. The National Agricultural Credit (stabilisation) Fund has also risen by Rs. 1 crore to Rs. 3 crores, the first change since 5th July 1957. Deposits of the Central Government have shrunk by Rs. 8.17 crores, while those of other Governments show an increase of Rs. 7 crores. Deposits of banks have declined by Rs. 6.75 crores. Loans and advances to Governments are higher by Rs. 4.34 crores, while other loans and advances have gone down by Rs. 1.74 crores, mainly due to the decline of Rs. 1.94 crores in advances to Scheduled banks against usance bills.

The Scheduled Banks statement for the week ended 27th June 1958 shows a substantial rise of Rs. 10.96 crores in demand deposits and a small decline of Rs. 1.57 crores. Borrowings from banks have gone up by Rs. 1.85 crores and those from the Reserve Bank by Rs. 2.24 crores, while those from the State Bank of India have declined by Rs. 1.06 crores. Advances show an increase of Rs. 5.94 crores, while bills purchased and discounted have declined by Rs. 9.17 crores. Investments have been strengthened by Rs. 2.75 crores. Cash balances have expanded by Rs. 7.57 crores and balances with other banks by Rs. 5.45 crores.

The Gilt-edged market continued to rule steady, with good demand for short and medium dated issues and a rise in prices over a wide front. 3 per cent. 1986 Conversion Loan was dull at Rs. 71.10, while 3 per cent. 1970-75 was in demand and rose by 5 nP to Rs. 87.50. 3 per cent. 1966-68 were unchanged at Rs. 93.05. 3 per cent. 1964 gathered 5 nP to Rs. 95.60, while 3 per cent. 1963-65 was maintained at Rs. 95.60. 3 per cent. 1959-61 was in demand 5 nP higher at Rs. 99.35, as also 3 per cent. 1958 at Rs. 99.85. 2½ per cent. 1961 had buyers 5 nP higher at Rs. 95.70, 2¾ per cent. 1960 at Rs. 98.20 and 2¾ per cent. 1962 at Rs. 95.40. 3½ per cent. 1962 was taken 5 nP higher to Rs. 98.05, as also 3½ per cent. 1961 to Rs. 99.55. 3½ per cent. 1963 staged a marked rise of 15 nP to Rs. 99.05 and 3½ per cent. 1964 gained 5 nP to Rs. 98.70. 3½ per cent. 1965, the sale of which was resumed last week by the Reserve Bank after payment of half-yearly interest at Rs. 98.40, was put up by 5 nP to Rs. 98.45. 3½ per cent. 1967, 3¾ per cent. 1967 and 3¾ per cent. 1968 each gained 5 nP to Rs. 97.60, Rs. 99.70 and Rs. 99.55, respectively. The Reserve Bank raised its selling price for 3¾ per cent. 1968 from Rs. 99.50 to Rs. 99.55. Among the State loans, short-dated securities were in request.

The slight recovery in sterling abroad was reflected in the improvement of rupee in terms of the U.S. dollars. Banks' selling rate declined from Rs. 477.25 to Rs. 476.50 before closing at Rs. 477 per $100. Similarly, their buying rate moved down from Rs. 474 to Rs. 473.25, but rose slightly again to Rs. 473.75 per $100. In New York, spot sterling advanced from $2.80⅞-2.80.7/16 to $2.80.27/32-2.80.29/32, before falling again to $2.80⅛-2.80.9/16. Three months' forward gained over the week from $2.78.11/32-2.78.13/32 to $2.78.11/16-2.78⅜. Transferable sterling looked up from 278.30-278.40 to 278.50-278.60 cents, but dropped to 278.35-278.45 cents.

TRADING IN KIPS PATCHY

(From Our Own Correspondent)

MADRAS, *7th July*

Trading in kips with the U.K. was patchy during the week under review, because importers' buying was selective. Emphasis continued to be on fifths selection in cow hides, fourths in cow calf and thirds in buff calf. As shippers had earlier orders on hand, they were not willing to make further sales. There were a few enquiries for cow hides medium weights also.

Arrivals of kips were restricted and clearance was moderate. Prices ruled firm. Inland demand for lower selections in cow hides and calves was good.

In the tanned goat skins section, prices ruled firm for light and medium weight skins and quiet for heavier average. The tanned sheep market remained unchanged.

Shipments during June were: 1,210 bales tanned cow hides, 97 cow calf, 3 buffs, 189 buff calf, 557 goat, 293 sheep to the U.K.: 2 bales cow, 10 cow calf, 525 goat, 87 sheep to the Continent; 62 bales buffs, 61 buff calf, 71 goat to the U.S.A.; 143 bales sheep to Japan.

BULLION DEPRESSED

(From Our Own Correspondent)

BOMBAY, *9th July*

The bullion market ruled easy for yet another week, with a further break in prices of both the metals. Fresh arrivals of large quantities of unrefined silver in almost all the bullion markets in the country, possibility of large consignments of Tibetan coins in the near future, a marked shrinkage in demand due to seasonal factors and reports of an increase in the smuggling of gold have all combined together to depress bullion prices. Silver was particularly subjected to heavy bear pressure. As the closing rate of forward silver (*Shravan* first settlement) on Monday stood Rs. 7 below the starting rate of Rs. 188-6 for that settlement, sellers had to pay a margin of Rs. 500 per bar on their outstanding sales.

Forward silver (*Ashad* settlement) moved down from Rs. 181-3 to Rs. 180-10 before settlement ran out at Rs. 181-1. The *Shravan* settlement (first delivery) reacted from Rs. 182-3 to Rs. 179-10, but gained ground to close at Rs. 181. The second delivery was marked down from Rs. 182-13 to Rs. 181-7.

Ready silver dipped from Rs. 181-5 to Rs. 178-10, before staging a recovery to Rs. 180. The floating stocks of silver are reported to be 600 bars. The daily average arrivals (including unrefined metal) were 50 bars, while the offtake was less than 10 bars.

Forward gold (*Shravan* first delivery) improved slightly early in the week from Rs. 105-12 to Rs. 106-4, but slumped to Rs. 104-11 yesterday. Today, however, it improved to Rs. 105-1 before finishing at Rs. 104-14.

Ready gold shed over the week Re. 1-4, that is from Rs. 106-10 to Rs. 105-6. The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was 2,500 tolas per day, on an average.

The price of silver was unchanged in New York at 88⅛c and in London at 75*d.* for spot and 74⅛*d.* for forward. Gold, however, relapsed from 250*s.* 5½*d.* to 249*s.* 11½*d.*, thus offsetting the gain recorded in the previous week.

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

	9-7-58	Highest	Lowest	2-7-58
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	105 6	107 0	105 1	106 10
Forward*	104 14	106 4	104 11	105 12
Sovereign	69 12	70 0	69 12	70 0
SILVER				
Ready (.996 fine Mint) ..	180 0	181 4	178 10	181 5
Forward†	181 0	182 2	179 10	182 3
London Silver Ready ..	75*d.*	—	—	75*d.*
London Forward	74⅛*d.*	—	—	74⅛*d.*
London Gold	249*s.* 11½*d.*	250*s.* 4½*d.*	249*s.* 11½*d.*	250*s.* 5½*d.*
New York Silver	88⅛c.	—	—	88⅛c.

* 30th July settlement.
† 31st July settlement.

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

TIN RISES FURTHER

(From Our Own Correspondent)

CALCUTTA, *8th July*

There was a further rise in tin price during the week under review in the metal market. At one time, the price was as high as Rs. 580 before closing at Rs. 573, as against the opening rate of Rs. 565. Consumers did not follow up the rise, as they thought that, with the easing of conditions in port, the price would decline in the near future, especially when the trend on the London Metal Exchange was downward. Electrolytic zinc declined from Rs. 67 to Rs. 66 in anticipation of easy supply position. Lead was unchanged at Rs. 66. An order from Government was anticipated.

LINSEED FIRM

(Messrs. A. Bradley and Co.)

CALCUTTA, *7th July*

The general tone of the linseed market remained firm during the week. The main cause was shortage of supplies from upcountry centres. Crushers were still showing meagre interest, owing to lack of parity with oil prices. Trading was rather dull on the whole. In the oil section, offtake continued to be dull and sellers were hesitant. Shippers were not showing much interest at prevailing rates, as the U.K. markets were still dull.

The latest quotations are: Ready Rs. 24 and July-August Rs. 24-2 per maund.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, *7th July*

During the week under review, the hides and skins market ruled steady. New arrivals were not as considerable as those in the previous week. The main purchasers were the local tanners. The Madras dealers were less active.

The latest available quotations are: Wet salted cow 1st grade Rs. 300 to Rs. 310 and 2nd grade Rs 250 to Rs. 270 per score; wet salted buff 1st grade 1 lb. 6 ozs. and 2nd grade 1 lb. 11 ozs. per rupee: goat 1st grade Rs. 280 and 2nd grade Rs. 250 per 100 pieces; sheep 1st grade Rs. 320 and 2nd grade Rs. 275 per 100 pieces.

COTTON FUTURES EASY

(From Our Own Correspondent)

BOMBAY, *9th July*

Despite the announcement by the Government of India of a cut in excise duty on mill-made cloth, the cotton futures market ruled easy during the week. This was because the reduction, though welcomed, was considered inadequate. It was too early to assess the effect of the reduction in duty on cloth offtake and the demand for raw cotton, but the general feeling was that unless further reliefs or fresh incentives were forthcoming the industry would find it difficult to tide over the present crisis. Another factor which imparted weakness to the market was the statement of Mr. Morarji Desai at Calcutta that exports would be of real help to the country but that no sooner an export quota was granted than speculation raised the prices. Traders noted this statement as significant and interpreted it bearishly. It was construed as meaning, by implication, that, as long as cotton futures prices were high, no export quota would be released. Bulls who had made purchases in anticipation of a quota and had continued to hold on to their commitments, were thus unnerved and became eager to liquidate their holdings. Weather reports also influenced the sentiment of operators. News of beneficial rains in most cotton tracts and satisfactory crop progress prompted heavy selling by spot and upcountry interests. Over the week, prices came down markedly. The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	9-7-58	*High*	*Low*	2-7-58
I.C.C. Moglai Jarilla				
August 1958 ...	684.75	694.50	683.25	692.50

The spot market reported better activity. This was attributed to the expectation of better offtake of piecegoods as a consequence of the reduction in duty. But business continued to be confined to staple styles such as Jaydhar, Khamgaon, Laxmi and Jarilla.

The export section was moderately active. Purchases were made in Kala, Wagad and *Deshi* varieties. Export inquiries were reported from Japan and Germany and China.

In the foreign section, early in the week, some prominent Ahmedabad and Bombay mills made sizable purchases of American cotton, subject to the availability of import licences. Importers were concerned over the delay in the announcement of an import allocation for U.S. cotton. There were also rumours that an import allocation for 30,000 bales of sterling area cotton of stapling 1.3/16" and above would be made soon.

The scheme currently under the consideration of the Government, under which exporters would be permitted to use a percentage of their foreign exchange earnings for importing essential raw materials, if it included cotton also, would, it was thought, be of interest to mills as it would enable them to obtain additional supplies of foreign cotton. Details of this scheme and its exact scope were awaited.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri, the figures in brackets being last week's closing quotations:

Bengal *Deshi* 600 (600); Berar Jarilla 720 (710); Khandesh 810 (800); Vijay 885 (870); Hubli Laxmi 1,030 (1,020); Jaydhar 880 (870).

The Karachi cotton futures market ruled distinctly firm during the week under review. The firmness was aided by brisk demand from abroad and encouraging domestic spinner inquirles. China was reported to be interested in Pakistan cotton. This induced some speculative buying. I.C.T.R.G. July firmed up from Rs. 74-12 to Rs. 77-13 on special support based on tender considerations. The January contract advanced by As. 12 to Rs. 78-10. The spot section also ruled firm. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 62; Punjab *Deshi* 59; 4F Roller 68-3; S.G. 74-3; 289F N.T. Roller 79-11; S.G. 90-11; 289F Punjab Roller 84-11; S.G. 97.3.

Cotton futures values in the Alexandria market recorded modest gains during the week. There was fairly good demand from overseas countries. China and Spain were reported to have purchased sizable quantities of Dendera and Giza 30 whose prices as a result improved. Rates were, however, held in check by reports of favourable weather and satisfactory crop progress in both Upper and Lower Egypt. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week-end rates:

Karnak: July 75.35 (79.10); November 76.10 (75.85). *Ashmouni:* August 67.35 (67.40); November 68.25 (68.15).

Total export sales from the beginning of the season till 15th June aggregated 755,022 bales, comprising 196,748 bales of Karnak, 205,557 bales of Menufi, 68,014 bales of Giza 30, 253,932 bales of Ashmouni and 30,771 bales of others, as compared with 617,645 bales last year made up of 243,152 bales of Karnak, 94,124 bales of Menufi, 105,498 bales of Giza 30, 170,275 bales of Ashmouni and 4,596 bales of other varieties.

Easy conditions prevailed on the Liverpool Cotton Exchange during the week under review. There was a sizable volume of hedge selling and some liquidation which was only partially absorbed by mill fixation. The volume of business was, however, small and trading inactive, with inter-month switchings forming the bulk of the dealings. Traders were awaiting the first U.S. acreage report for the new season. Sudan contracts were neglected. Values tended to look down. The following the the latest available quotations—in pence per lb.—from Liverpool:

American Cotton One Inch Staple Contract: July-August 24.99; October-November 25.10; Decem-

ber-January 25.45. *American Cotton Mixed Growth Contract*: July-August 25.65; October-November 25.65; December-January 25.90. *Sudan*: July-August 31.25; September-October 31.90; November-December 31.90.

The New York cotton futures market ruled fully steady during the week under review. Barring the July contract, which encountered selling, most other positions met with good support from local and New Orleans operators. Traders were awaiting further developments in farm legislation. Towards the end of the week, attention was focussed on the first acreage report for the new season published yesterday. According to the estimate of the Crop Reporting Board of the U.S. Department of Agriculture, the area under cultivation on 1st July was 12,402,000 acres which was 88 per cent. of last year's planted acreage of 14,066,000 and, compared with 14,224,000 acres reported at this time last year. The lower estimate reflects larger entries of acreage into the Soil Bank this year plus allowance for abandonment of planted acreage. The first condition report and production estimate will be issued on 8th August.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	8-7-58	1-7-58	24-6-58
Spot	36.50	36.50	36.35
July	36.14	36.24	36.18
October	36.60	36.48	36.70
December	36.85	36.73	36.95

* * * * *

Following the modifications in the levy of excise duty on mill-made cotton cloth, the rates of compounded duty for powerlooms have been revised. The revised rates per powerloom, per shift, per month are as follows:

	If all powerlooms are employed in the manufacture of medium and/or coarse fabrics	If one or more powerlooms are employed in the manufacture of superfine and/or fine fabrics
	Rs.	Rs.
Where not more than 4 powerlooms are employed	*Nil*	*Nil*
5 to 9 powerlooms.	20	25
10 to 24 ,, ...	25	35
25 to 50 ,, ...	30	80
51 to 100 ,, ...	35	80
101 to 300 ,, ...	40	90

If more than nine powerlooms but not more than 24 are employed by or on behalf of the same person, no duty shall be payable in respect of the first four looms. If more than nine looms but not more than 24 are employed, no duty shall be payable (*a*) in respect of the first four looms and (*b*), in respect of the next five looms, in excess of Rs. 20 per loom, per shift, per month, if employed in the manufacture only of medium and/or coarse fabrics, or Rs. 25 if one or more looms are employed in the manufacture of superfine and/or fine cloth.

The downward revision in excise duty on powerlooms announced in March 1958, it will be recalled, made no distinction between coarse and medium cloth and fine and superfine counts. The distinction has been introduced under the latest system. Hereafter, the rates of compounded duty fixed in March are applicable only to fine and superfine cloth. For coarse and medium varieties, a new schedule of rates has been drawn up and these rates are substantially lower than those falling on powerlooms turning out fine and superfine cloth. The compounded levy system for powerlooms applies only to units with less than 300 looms. Those units which have more than this number are on a par with the mill sector and enjoy no protection relatively to it.

ART SILK YARN IMPORTS LIBERALISED

(From Our Own Correspondent)

BOMBAY, *9th July*

A notable development of the week in so far as the yarn market is concerned relates to the liberalisation of the import policy governing art silk yarn. The licence holders are allowed to utilise their import licences issued for the current half-year for importing 120 and 150 deniers high viscose rayon yarn up to 50 per cent. of the face value of licences and 120 and 150 deniers acetate rayon yarn up to 25 per cent. The customs authorities will accept such licences for clearance and it is not necessary for the licensees to submit the licences to the licensing authority for specific endorsement to this effect.

The aforesaid decision of the Government would appear to have been prompted by the need to alleviate acute shortage of supplies which has led to an appreciable rise in prices. The currently ruling average price of 120 deniers and 150 deniers of rayon yarn is as high as Rs. 6.50 per lb., whereas the ex-mill quotations are Rs. 3.88 and Rs. 3.56, respectively. Some art silk weaving mills are reported to be exploiting the situation arising from scarcity of yarn supplies. It is alleged that these mills prepare invoices of exports of art silk fabrics at a level much higher than the actual value of exports with a view to securing larger import licences for yarn under the special export promotion scheme. The yarn so imported is then sold openly in the market, instead of being consumed within the mills for weaving cloth. It is further said that some units are charging a premium of as much as 25 to 50 per cent. on import licences and, what is worse, even forward contracts have been entered into in respect of prospective licences. All these, it is said, have caused much hardship to the yarn traders. The Bombay Yarn Merchants Association and Exchange Ltd. is meeting the Union Minister for Commerce and Industry during the latter's visit to Bombay on the 19th inst., in order to impress upon him the need for taking corrective measures to stop the unsocial activity indulged in by a section of the industry.

Thanks to the liberalisation of imports, art silk yarn prices suffered a setback during the week under review. National Rayons 120 bright cones first grade went down by 19 nP to Rs. 650. 150 bright cones first grade dropped 12 nP to Rs. 550. Among imported yarns, 150 Japan fell by 25 nP to Rs. 6.69. 150 Italy receded by 12 nP to Rs. 6.75. 120 Japan declined by 6 nP to Rs. 7.06. 120 Italy was dull at Rs. 7.

The staple fibre yarn section ruled bearish during the week under review, in contrast to the bearish trend noted last week. Offtake from consuming centres was at a low ebb and the prices offered were lower. Even reports that the mills spinning staple fibre yarn had sent circulars to dealers that, as the supply of staple fibre from the Nagda Factory had been poor, they would be able to supply yarn only subject to availability of fibre supplies, did not have any effect. It is said that the indigenous manufacturer of staple fibre is not able to supply even 50 per cent. of the total requirement of the spinning mills. "This," to quote a report, "has created considerable disappointment and resentment among the spinners, since absolutely no import licences are granted for staple fibre." 40 x 2 staple fibre yarn August delivery moved down from Rs. 711 last week-end to Rs. 696 today before finishing at Rs. 698. 40 x 2 New Greats dropped 13 nP to Rs. 3.56. Citys and Centurys both fell from Rs. 4.19 to Rs. 4.03. Kohinoors slumped by 35 nP to Rs. 4.09. Foreign yarns met with good buying support and registered a rise in prices. 80 x 2 Paramounts and Fujis both advanced by 13 nP to Rs. 19.25.

Cotton yarns continued to rule dull, thanks to bearish advices from the cotton market and reports of continued poor export business with overseas countries. The downward revision in the excise duty on powerlooms announced by the Central Government this week failed to impart strength to the market. Ten counts Moderns were neglected at Rs. 13.50, as also Podars at Rs. 12.62. Twenty counts Indus were unchanged at Rs. 16.27, Moderns at Rs. 16.50 and Gokaks at Rs. 16.75. Thirty counts Hinds shed 6 nP to Rs. 19.44. Forty counts Meenakshis declined by 6 nP to Rs. 25.06. Moderns were quiet at Rs. 24. Sixty counts Moderns were done at Rs. 60, same as last week, Raghuvamshis at Rs. 57 and Finlays at Rs. 61. Eighty counts Finlays met with special buying support and advanced from Rs. 76 to Rs. 77.50. Mahendras and Moderns were unchanged at Rs. 69 and Rs. 69.50, respectively.

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

	9-7-1958	2-7-1958
Art silk yarn (per case of 200 lbs.)—	Rs.	Rs.
120 Japan (per lb.)	7.06	7.12
150 Japan (per lb.)	6.69	6.94
120 Italy (per lb.)	7.00	7.00
150 Italy (per lb.)	6.75	6.87
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 August	698.00	711.00
40 x 2 Kohinoor (per lb.)	4.09	4.44
40 x 2 City (per lb.)	4.03	4.10
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.62	12.62
20s Modern	16.37	16.50
30s Hind	19.44	19.50
40s Mitraxi	25.06	25.12
60s Modern	60.00	60.00
80s Mahendra	69.00	69.00

HEDGE TRADING IN NEW CROP OILSEEDS CONTRACTS

(From Our Own Correspondent)

BOMBAY, *9th July*

Oilseeds traders are eagerly awaiting the commencement of hedge trading in new crop contracts, barring linseed, with effect from Saturday, the 12th inst. The decision to this effect has already been taken by the Bombay Oilseeds and Oils Exchange Ltd. Business in linseed May will be permitted only after the changes in rules and regulations regarding the contract as proposed by the Exchange are approved by the Forward Markets Commission. Meanwhile, the Commission is reported to be considering the question of modifying the margin policy applicable to groundnut forward delivery. The margin system, it will be recalled, was introduced early this year with the object of preventing any possible shooting up of prices of groundnuts and groundnut oil. It was, however, not until 11th April that the margin—at the rate of Rs. 25 per candy on all purchases of groundnuts above Rs. 165 per candy—was actually enforced. The price fixed for margin, namely, Rs. 165, is considered by the trade as very low. It is not surprising that the actual quotations have all along been ruling higher than the aforesaid level. In view of this and considering that the Central Government has allowed exports of H.P.S. groundnuts and groundnut oil, traders opine that the price for the enforcement of margin in the new crop contract should be fixed higher than Rs. 165 per candy.

Pending the commencement of hedge trading in new crop oilseeds contracts, the market ruled dull during the major part of the week under review. Transactions put through were restricted and values moved narrowly. Yesterday and today, however, the market picked up strength and there was a recovery in values. Groundnut oil prices registered a distinct improvement, following large purchases by two leading *vanaspati* manufacturers. The castorseed section was somewhat active on hopes of export business in castor oil. A section of trade felt that the prospect for exports were slender, excepting some small sales of oil to Burma and Middle East countries. The gap between the currently ruling price abroad and the shipper's quotation is quite wide—as much as Rs. 3 per quarter—and this would widen further if the Brazilian quotation for castor oil were to be revised downward, as is rumoured. Linseed oil was well supported by export houses. Britain was said to have bought about 200 tons at Rs. 1,493 (£112) per ton and it was reported that Australia was interested in Indian linseed oil.

Groundnut August contract, which stood at Rs. 172.37 last week-end, gradually moved up to touch Rs. 174.37 today. At higher levels, profit-taking set in and the contract declined to Rs. 174.12. Bold ready was subjected to selling and fell from Rs. 36.62 to Rs. 35.87 on the opening day. After recovering to Rs. 36.12 on the following day, it eased again to Rs. 36 on the 5th inst. Thereafter, it gradually recovered, today's closing rate being Rs. 36.50. Over the week, Coromandel and Khandesh quality both dropped 13 nP to Rs. 36.62. Groundnut oil ex-mill ruled dull at Rs. 19 in the first four sessions of the week, but spurted on good buying support to touch Rs. 19.25 today. Railway receipt, which was neglected at Rs. 18.81 till the close on Monday, picked up strength and improved to Rs. 19 today.

Castorseed September contract was depressed in the first three sessions of the week, the rate declining from Rs. 156.25 to Rs. 155 on Saturday. After recovering to Rs. 155.75 on Monday, it eased to Rs. 150.37 yesterday. Today, the contract met with enlarged buying enquiries and rose to Rs. 156.25 before finishing at Rs. 155.87. Over the week, ready Madras recorded a gain of 31 nP to Rs. 30.56. Kanpur quality advanced by 37 nP to Rs. 39.37. Castor oil B.S.S. was on request at Rs. 17 today, as against Rs. 16.81 on Wednesday last week. Commercial quality, which had gone down to Rs. 15.50 to Rs. 15.37 on Tuesday, recovered to Rs. 15.56 yesterday, but it wound up the week lower at Rs. 15.50.

Linseed September contract opened the week at Rs. 32.56, as against Rs. 32.62 last week-end. After rising to Rs. 32.81 on the following day, it declined to Rs. 32.62 on the 5th inst. After fluctuating between Rs. 32.87 and Rs. 32.37, it finished at Rs. 32.25 today. Bold ready receded from Rs. 32.25 to Rs. 31.75 on the opening day and, after moving narrowly, picked up considerable strength today, the closing rate being Rs. 32.62. Linseed oil moved down to Rs. 16.50 on the 4th inst. Thereafter, it gradually recovered to touch Rs. 16.87 today.

Cottonseed September contract ruled firm despite weak advices from the cotton market. It opened the week at Rs. 115 and, after declining to Rs. 114.50 on Saturday, it improved to Rs. 116.50 on Monday. It again eased to Rs. 115.50 yesterday, but spurted to Rs. 117.25 today before finishing at Rs. 116.75.

Kardiseed bold ready ruled dull at Rs. 19.50 till yesterday, as against Rs. 20.50 last week-end. Today, it evoked excellent buying support and firmed up to Rs. 30.50. Nigerseed Madras quality was well supported, the value rising from Rs. 30 last week-end to Rs. 30.50 yesterday. There was, however, some reaction today, the closing rate being Rs. 30.25.

The following table shows the closing prices of oilseeds and oils today as compared with those a week and two weeks before:

	9-7-1958	2-7-1958	25-6-1958
Groundnut—	Rs.	Rs.	Rs.
August 1958	174.12	172.37	171.75
Bold ready (per cwt.)	36.50	36.62	36.00
Linseed—			
Sept. 1958	33.25	32.62	32.69
Bold ready (per cwt.)	32.62	32.25	32.00
Castorseed—			
Sept. 1958	155.87	156.25	156.00
Madras (per cwt.)	30.56	30.25	30.06
Cottonseed—			
Sept. 1958	116.75	115.25	114.50
*Groundnut oil**—			
Ex-mill ready (per quarter) ..	19.25	19.12	19.00
Castor oil†—			
Commercial (per quarter) ..	15.50	15.50	15.44
Linseed oil†			
Ready	16.87	16.75	16.69

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

SUGAR STEADY

(From Our Own Correspondents)

BOMBAY, *9th July*

Despite a further drop of Re. 1 per bag in the ex-mill prices of Bombay-Deccan sugar, the sugar market presented a fully steady trend during the week under review. The steadiness was due to the delay in the announcement of the normal monthly release of sugar for sale in free market. Arrivals of sugar by rail were low, being 8,000 bags, as against 11,800 bags in the previous week. Consequently, sugar prices in the Bombay market tended to move up.

Large grain sugar spurted by a rupee to Rs. 110-Rs. 117 per bag. Small grain gained 50 nP to Rs. 106. Medium grain was firm at Rs. 107-Rs. 109.

The ex-mill quotations of sugar in Bombay-Deccan, as already stated, have suffered a further fall of Re. 1 per bag during the week. Traders feel that the bottom has been reached and that the rates will be held around the present levels.

* * * *

HAPUR, *7th July*

Ruling quiet in the earlier part of the week following the announcement of the Union Government's export policy for sugar, the sugar market registered sharp gains in the later sessions, due to good buying support from Punjab and Rajasthan. The production of crystal sugar this year was put at 19.75 lakh tons, besides the carryover of 4.3 lakh tons, and added to this is the increase in production of *khandsari* sugar. The year is expected to close with a substantial carryover. U.P.'s sugar production in 1957-58 is put at 256.18 lakh maunds, as against 294.18 lakh maunds in 1956-57; the fall in production is attributed mainly to poor cane crop.

Sugar prices in the Muzaffarnagar market, after recording a fall of 25 nP to 50 nP per maund in the earlier part of the week following the announcement of export policy, improved by 37 nP to 62 nP per maund towards the week-end. Good outside demand and poor stock position, as the current quota had already been sold out, were the main bullish factors. Traders were anxiously waiting the release of fresh quota. The continuous advance in *khandsari* and *gur* prices also imparted strength. The latest ex-mill delivery prices were:—Rampur (B29) Rs. 38.37; Buland (C29) Rs. 38; Rohana (B29) Rs. 39; Mansurpur (E29) Rs. 37.12; Amroha (D29) Rs. 36.81; Meerut (D28) Rs. 37.50; Bijnore (E29) Rs. 36.56.

Sugar prices in the Kanpur market improved, following good outside demand. The latest prevailing spot and ex-mill delivery prices (per bag and per maund) were:—C29 Basti Rs. 106, Rs. 37.50; Gola Rs. 103.50, Rs. 36.50; Waltergunj Rs. 102, Rs. 36.50; Burhwal Rs. 102, Rs. 36.69.

Brisk demand from consuming areas accounted for a rise of over Re. 1 per maund in the prices of *khandsari* during the week. Quotations were Rs. 34 to Rs. 36.50 per maund according to quality.

Fairly good demand in the wake of fast dwindling stocks here and in other markets accounted for gains in the ready prices of *gur*. Most of the stocks being in one hand also acted as a bullish factor. The local stock was put at 57,000 maunds and prevailing prices are:—Dry quality upto Rs. 21; kotha dry-wet Rs. 19.50 to Rs. 20.37 per maund.

Fairly good rains have been received over this area and the cane crop is progressing satisfactorily.

Gur prices also ruled firm in the Muzaffarnagar market, due to good demand from Punjab and Rajasthan. Sharp rise in future prices also acted as a bullish factor. *Shakker dara* and *masala* advanced by about Re. 1.25 per maund to be quoted at Rs. 24 and Rs. 26.50, respectively.

Future *gur* prices spurted to touch new heights. Fagun delivery opened at Rs. 13.62 on Monday last and was quoted today at the highest of the week at Rs. 14.54. The trend of the market was still bullish.

BLACK PEPPER STEADY

(Messrs. Parekh and Co.)

BOMBAY, *9th July*

Malabar black pepper ruled very steady, with sellers scarce, following rumours that New Delhi was going to introduce in the near future some system of inducement certificate for boosting exports of commodities and manufactured goods.

Alleppey was quoted at Rs. 637½. Ready garbled at Cochin was done at Rs. 108.75, while there were buyers for July and August at Rs. 110.62 and Rs. 112.50, respectively. Tellicherry peppers at Calicut were in demand at round about Rs. 675.

One of the important London operators was reported bidding a sizable quantity at about 210s. (A.S.T.A. terms). New York spot was listed at $0.27¼ with stock position getting tight in view of the smaller shipment of 40 tons during May from India and 975 tons from Singapore. Shipment during June from all origins were reported to be not more than 700 tons. It is now only a question of time when New York will appear as buyer in the producing market for its autumn requirements, as stocks with grinders are reported very small, as they have been buying hand to mouth.

Sarawak in Singapore remained steady at Str. $73. With the dwindling of stock of Lampong together with arrivals from Sarawak lagging behind, Singapore is reported to be very steady with more chances of market going up on the appearance of autumn demand from Europe and the U.S.A.

With bilateral arrangement between India and China for buying Indian cotton, tobacco and pepper to the extent of Rs. 2 crores within the next six months in exchange of chemicals and other industrial raw materials, it will be no wonder if China appears as a buyer for Malabar black in the near future.

In specific delivery, July is quoted at Rs. 630, while A.S.T.A. business is next to nothing. July-Aug.-Sept. is nominally quoted at $0.26½.

Today's nominal quotations are: Ready Rs. 89 per Bengal maund and July Rs. 627-Rs. 637 per candy of 5¼ cwts.

TEA DECLINES

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, *5th July*

There was 1,336,008 lbs. on offer in Sale No. 19, which was held on Tuesday 1st July. Teas from the high grown estates again showed a decline in quality and the appearance of teas from the lower elevation estates was again very disappointing. The sale opened to a good demand which emanated mainly from the internal buyers. Low mediums and mediums were 5 to 10 naye paise easier. High growns were irregular, but were much easier following quality. Whole leaf teas met a good demand and sold at dearer rates. Fannings were again the weakest feature of the sale and many invoices had to be withdrawn. The following are the quotations:—

	1958 Rs.
Plain B.P.	1.45
Low medium	1.45 to 1.55
Medium	1.55 to 1.70
Good medium	1.75 to 2.10
Quality	2.05 to 2.75

The average price realised in Sale No 19 was Re. 1.78 per lb., as against Re. 1.90 per lb. in the previous sale and Re. 1.70 per lb. in the corresponding sale of 1957.

Dust Sale 'N':—There was 1,130,087 lbs. on offer in Dust Sale 'N', which was held on Thursday 3rd July. This large quantity met a strong demand. Fibry and poorer sorts were rather irregular on last week's quotations. However, medium liquoring teas were five to ten naye paise dearer. High growns met with a little competition, and were fully firm.

London Market—Sale of 1st July 1958:—Irregular slightly easier.

Sale of 2nd July 1958:—irregular best steady others two pence down.

Colombo Market—Sale of 30th June 1958:—7 million. Quieter demand. Quality plain highgrowns much lower. Mediums barely steady. Lowgrowns three to five cents lower. Fannings good demand.

Sale of 1st July 1958:—Strong demand firm.

Calcutta Market—Export:—Good general demand. Useful liquoring kinds advanced irregularly. Plainer sorts about steady. C.T.C. strongest feature and considerably dearer.

Internal:—12,000 new seasons dust. Fair demand at prices below valuation. C.T.C. strongest Darjeelings irregular. 7,600 old seasons dust. Very strong. Middle East types 8 nP dearer.

Export Duty:—The Government of India has issued a notification fixing the price of tea for the purpose of determining the export duty at Rs. 3.41 per lb., as against Rs. 3.50 per lb. in force from 1st June 1958. There is no change in the existing rate of duty of 38 nP per lb.

Export Quota:—With the termination of special quota, the market has remained fairly quiet throughout the week, but a certain amount of business has been transacted in new quota at 12½ nP. Today's quotation is sellers 12 nP. Buyers 12 nP.

Forthcoming Auctions:—Sale No. 20 will be held on Tuesday, 8th July 1958.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:

"*Sale 20*:—1,200,000 lbs. Improved general demand. Low medium and medium brokens and fannings irregularly 5 to 10 nP dearer. Highgrowns less demand 10 to 15 nP lower. Better enquiry for fannings grades."

QUALITY TEAS IN DEMAND

(From Our Own Correspondent)

CALCUTTA, *8th July*

Quality teas continued to attract the attention of buyers both during yesterday's export sales and last week's internal auctions. The rise in prices particularly during yesterday was impressive. Such a trend clearly indicated that buyers anticipated tightness in supply of the superior teas—an expectation assisted by the lower crop in Ceylon and North India. As a result, quality teas were keenly bid yesterday with best Assam C.T.C. B.P. rising from Rs. 3 to Rs. 3.50 last week to Rs. 4.00 to Rs. 4.50. Clean black pekoe was quoted at Rs. 2.40 to Rs. 2.50, as against Rs. 2.35 to Rs. 2.45 a week ago, and medium B.P. Rs. 2.20 to Rs. 2.30, as against Rs. 2.10 to Rs. 2.20, while plain B.P. was between Re. 1.84 and Re. 1.87, as against Re. 1.82 to Re. 1.88 a week ago.

It was noted that tea stocks in the United Kingdom in the week to 27th June amounted to only 97¼ million lbs., representing a decline of 8 million lbs. over the previous week. That explained the greater interest shown by British buyers in auctions here. An easier trend, however, prevailed in the last auctions in Mincing Lane when North Indian teas were offered. This was so because the offerings comprised the residue of the old season's crop. The disposal of these had been delayed in view of the London dock workers' strike.

According to an announcement made in New Delhi, there is no change in the existing rate of export duty of 38 nP per lb. for July.

It was expected that the supply of common teas this season would be considerably in excess of demand. Consequently, prices for commons did not rise in the last week's internal auctions held after the resumption of work in the port.

In the said internal auctions, dusts on offer amounted to 19,887 chests including 12,201 of new season's manufacture. The new season's teas met with fair general demand, but valuations were not always reached. The exception to this general trend was provided by C.T.C. Assams which were a strong feature. Some lines of Darjeelings advanced impressively, although most other lots of Darjeelings recorded an irregular trend.

Support was accorded for the old season's teas by Middle East buyers. Exportable teas were a strong feature. The poorer kinds rose by 14 nP and the best by 8 nP. C.T.C. Assams were easier. The quotations were: Best Assam C.T.C. Rs. 3.00 to Rs. 3.30, medium Assam C.T.C. Rs. 2.30 to Rs. 2.60, medium Assam grainy dust Re. 1.80 to Re. 1.90 (nominal), and medium Dooars Re. 1.74 to Re. 1.78.

During yesterday's export sales, offerings aggregated 29,399 chests, of which only 39 chests were of the old season's manufacture. The plainest teas recorded an easier tendency. The market was irregularly easier early in the sale. However, as the sale progressed, demand improved and most teas were raised in strong demand. Keen competition was offered to the whole leaf grades and prices rose with the less attractive teas being steady. Impressive rises were recorded by Orthodox Assams showing an improvement in quality with non-Dooars being a strong feature. C.T.C. grades advanced above valuations. In Darjeelings, the flavoury teas met with strong demand while the poorer types were lower than valuations. Tippy teas were firm. Quotations not included in the first paragraph were: Best Assam C.T.C. fannings Rs. 5.00 to Rs. 5.50, plain fannings Re. 1.94 to Rs. 2.00, and medium fannings Rs. 2.40 to Rs. 2.50, as against Rs. 4.00 to Rs. 5.00, Re. 1.90 to Rs. 2.00, and Rs. 2.30 to Rs 250, respectively, in the previous sale.

FOODGRAINS LOOK UP

(From Our Own Correspondent)

HAPUR, *7th July*

Steady to firm conditions continued to prevail in the foodgrains market during the week under review. In order to counteract shortage of foodgrains and rise in prices in various States, the Government of India is despatching a large quantity of foodgrains, estimated at about 300,000 tons monthly. West Bengal is getting the largest quota of nearly 90,000 tons, while Bihar and Bombay come next with about 50,000 tons each. U.P.'s quota has been stepped up to 40,000 tons, while Assam, Rajasthan and Madhya Pradesh are getting smaller quantities. Punjab is self-sufficient, while South India as a whole is surplus. The Government of India has a comfortable stock position of nearly 1.5 million tons and another 1.2 million tons are expected from abroad.

Wheat at Hapur recorded further fractional gains to touch the peak of Rs. 18.75 per maund for average quality and Rs. 19.50 for farm produce. Daily arrivals from producing areas continued to be small, the average being 200 maunds, which were insufficient to meet the day-to-day requirements of the locality. But, besides this, unauthorised wheat was reaching here occassionally from Punjab via Delhi by road. Local wheat stock continued unchanged at 3 *khatties*, as against 43 *khatties* in the corresponding period last year and 83 *khatties* two years before. The U.P. State Government has increased the number of fair-price shops and about 150 such shops have been opened during the week in west and central U.P. towns.

Rice continued to rule steady during the week, due to shortage of supplies. Sowings of the paddy crop which had received good rains is in full swing. The prevailing prices of rice were:—*Basmati sela* Rs. 40 to Rs. 42.50 and *mainpuri* Rs. 29.

Firm advices from Punjab accounted for further slight gains in gram prices during the week and local stock position continued unchanged. Barley and *bejhar* hardened in sympathy. *Jowar* and *guwar* ruled quiet and demand was reported fairly good for seeds after the rains. The week-end prevailing prices (in rupees per maund) were: Gram 13 to 13.44; barley 13.12; *bejhar* 12.62; *jowar* 13.25; *guwar white* 16.75.

The pulses section also presented a steady trend during the week, although demand from outside destinations was small and loading restricted. The bullish trend of the futures section was the main supporting factor, despite larger local stocks. Daily arrivals of peas aggregated about 300 to 400 maunds, while those of *arhar* averaged about 100 maunds. The latest prevailing prices on Monday were:—Peas *dara* Rs. 11.75; white Rs. 12.75 to Rs. 13.25; *peas dal* Rs. 13.44; *arhar* 14.75; *arhar dal* Rs. 18.75;*urd* Rs. 19.25 to Rs. 21; *moong* Rs. 25.25.

Pulses futures spurted to touch new heights on vigorous bull support. In order to curb the bullish tendency in *arhar bhadon*, the local Chamber has decided to increase the deposit on every fresh buying transaction from Rs. 75 to Rs. 400.

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For the report on the Calcutta jute market, please see page 87.

COMPANY AFFAIRS

(Concluded from page 70)

plate bars. As a result, our stocks are now well below normal levels and we are passing through a critical phase involving loss of operational efficiency at our factories and affecting our ability to supply all our customers' requirements on time.

"We have asked for additional import licences to make good the shortfall in local supplies and we anticipate that the position will be less critical later in the year. So far as indigenous production is concerned it is expected that the tinplate bar position will improve when Tata's expansion programme is completed.

"Apart from the increase in the price of tinplate already mentioned, the prices of many other raw materials have substantially increased.

"Aluminium for the manufacture of roll seal pilferproof closures is now being produced in India and we should be able to secure adequate supplies to meet the growing demands for these closures. The price, however, is substantially higher than the material we have hitherto imported."

The Government of India has, however, freely made available tinplate for export goods. This has enabled the Company to continue its export promotion efforts. This will be reflected in the current year's performance, though not spectacularly, as the high cost of tinplate in India has rendered the products less competitive in South-East and West Asia.

The Company's shares of Rs. 10 each are being currently quoted at Rs. 29.44 *cum-div.* (final 11¼ per cent). On an *ex-div.* basis, the yield on the shares works out to 6.1 per cent. per annum, free of income-tax.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on-	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1955	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	Feb., 1957	4½	6
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	10th April, 1958	5½	5
Equador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	12th Aug., 1957	4	5
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	30th Sept., 1957	5	6
Italy	7th June, 1958	4	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1946	..	7
Turkey	6th June, 1958	4½	5
United Kingdom	20th June, 1958	5½	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	18th April, 1958	2½	1½
West Germany	27th June, 1958	3½	3

CLEARING HOUSE RETURNS

Centre	Week ended 4th July, 1958		Week ended 27th June, 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,51,996	54,01,34,000	2,71,545	57,27,53,000
Calcutta	1,34,000	52,50,00,000	1,63,000	50,77,00,000
Madras	75,287	8,69,10,421	88,000	9,48,00,000
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,66,00,000
Mar., 1958	..	..	3,784,000	8,72,82,00,000
Apr., ,,	..	..	3,331,000	7,91,04,00,000
May, ,,	..	..	3,823,000	7,90,02,00,000

Reserve Bank of India

Statement of Affairs for the week ended 4th July, 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	50,51,72,000
(2) Other Governments	21,17,38,000
(b) Banks	91,77,74,000
(c) Others	142,41,74,000
Bills Payable	15,53,27,000
Other Liabilities	3,33,62,000
Rupees	442,75,47,000

ASSETS	Rs.
Notes	33,44,84,000
Rupee Coin	1,15,000
Subsidiary Coin	2,29,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	81,01,000
Balances held abroad*	11,02,99,000
Loans and Advances to Governments†	31,00,21,000
Other Loans and Advances	58,77,76,000
Investments	292,51,90,000
Other Assets	15,14,22,000
Rupees	442,75,47,000

* Includes Cash and Short-term Securities.
† Includes temporary overdrafts to State Governments. The item " Other Loans and Advances " includes Rs. 12 27,97,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	33,44,84,000	
Notes in circulation	1584,17,89,000	
Total Notes issued		1617,62,73,000
Total Liabilities		1617,62,73,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	199,67,56,000	
Total of A		317,43,59,000
B. Rupee Coin		130,60,61,000
Government of India Rupee Securities		1169,58,53,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1617,62,73,000

Scheduled Banks*

Statement of Affairs for the week ended 27th June 1958

	Rs.
Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank†	24,77,19,000
(ii) Other demand liabilities	728,29,96,000
Time Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank†	32,94,58,000
(ii) Other time liabilities	774,88,68,000
Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities	2,80,12,000
(ii) Time liabilities	1,13,35,000
Borrowings in India from the Reserve Bank of India†	14,93,02,000 (14,21,97,000)
Cash in India	42,31,62,000
Balances with the Reserve Bank in India	94,47,46,000
Balances with other banks in current account in India	17,38,67,000
Money at call and short notice in India	56,26,27,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	437,55,46,000
Advances in India	768,79,30,000
Inland Bills purchased and discounted in India	96,75,84,000
Foreign Bills purchased and discounted in India	35,88,03,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

EXCHANGE RATES

		8th July, 1958	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	s.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	s.	1-6	1-6
Buyers T.T. 10 to 12 months	s.	1-6	1-6
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477.50	477.50
Buyers T.T.	Rs.	473.75	474.25
London on New York	$	2.80⅛-2.80⅜	2.80⅛-2.80⅜
London on Paris	Frcs.	1,178½	1,178½
London on Berne	Sw. Frcs.	12.21¼-12.21½	12.21¼-12.21½
New York on London	$	2.80⅛-2.80⅜	2.80⅛-2.80⅜

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India†	'56-'57	387.68	..		11,019	284
Pakistan††	'56-'57	83.60	..		2,079	249
Burma	1955	19.48	Kyats	4,087	409	210
Ceylon	1955	8.38	..	..	475	567
Japan	1956	90.09	Y.	7,427,000	9,283	1,031
Philippines	1955	21.85	Ps.	7,804	1,873	857
New Zealand	1956	2.17	£ (N.Z.)	884	1,178	5,428
Australia	1956	9.40	£ (A.)	4,238	4,623	4,918
U.K.	1956	51.20	£	16,465	21,053	4,287
U.S.A.	1956	168.09	$	343,600	163,554	9,731
Canada	1956	16.00	$	22,710	10,787	6,742
France	1956	43.60	N.Fr.	13,090,000	17,640	4,046
W. Germany	1956	51.50	Dm.	147,000	16,889	3,279
Italy	1956	48.10	Lr.	11,476,000	8,780	1,821
Norway	1956	3.46	Kr.	20,990	1,408	4,358
Sweden	1956	7.30	Kr.	44,580	4,127	5,653
Netherlands	1956	10.80	Grs.	25,400	3,215	2,977
Denmark	1956	4.46	Kr.	24,950	1,690	3,789
Switzerland	1956	5.00	Sw. Fr.	24,700	2,714	5,428

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source : *International Financial Statistics*, November 1957.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

State Bank of Pakistan

Statement of Affairs for the week ended 27th June, 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	81,71,21,000
(b) Provincial Governments	....
(c) Banks	20,88,73,000
(d) Others	5,07,93,000
Bills Payable	79,63,000
Other Liabilities	11,90,96,000
Rupees	126,38,46,000

ASSETS	Rs.
Notes	9,22,36,000
Rupee Coin	39,000
Subsidiary Coin	33,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	4,02,29,000
Balances held outside Pakistan	19,37,38,000
Loans and Advances to Governments	6,80,00,000
Provincial Governments' Debtor Balances	4,19,85,000
Other Loans and Advances	4,17,90,000
Investments	68,84,32,000
Other Assets	9,70,64,000
Rupees	126,38,46,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,22,36,000	
Notes in circulation	337,32,99,000	
Total Notes issued		346,55,35,000
Total Liabilities		346,55,35,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,47,19,000	
Silver Bullion	....	
Approved Foreign Exchange	62,72,80,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	117,22,29,000
B. Rupee Coin	4,18,59,000	
Government of Pakistan Securities	219,24,41,000	
Internal bills of exchange and other commercial paper	....	223,43,00,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	346,55,35,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 35.44 per cent.

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	27th June, 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1577.10	1586.91	1587.78	1642.17
Notes held in Banking Department	35.05	39.22	38.51	27.87	39.50
Foreign Securities	59.50	199.68	209.68	209.68	412.53
Rupee Securities	37.39	1167.56	1167.56	1157.62	924.81
Banking Department					
Deposits of :					
Government of India	14.89	58.60	49.90	59.12	51.90
Other Governments	..	14.17	15.25	19.98	8.25
Balances held abroad	10.08	18.04	17.42	32.75	40.88
SCHEDULED BANKS					
Demand Liabilities	134.36	753.07 (24.77)†	743.20 (25.86)†	746.41 (17.33)†	724.88 (11.29)†
Time Liabilities	102.24	867.83 (32.95)†	866.47 (30.00)†	793.06 (15.91)†	552.36 (4.12)†
Borrowings from Reserve Bank	..	14.95 (14.22)†	12.71 (11.76)†	16.07 (14.05)†	62.00 (60.21)†
Borrowings from State Bank	..	3.43	4.50	5.97	4.04
Cash in India	6.70	42.32	38.98	39.00	43.75
Balances with Reserve Bank	25.17	94.47	90.24	74.85	78.70
Excess over statutory limits	15.52	40.66	36.96	21.67	31.40
Balances with other banks in current account in India	..	17.34	11.89	12.19	14.72
Money at call and short notice in India	..	56.26	56.41	55.09	16.74
Investments (at book value)	105.09	487.55	484.80	479.16	332.71
Advances and bills		901.43	904.66	922.82	917.80
STATE BANK					
Deposits	87.76	424.12	417.81	420.52	316.07
Investments	51.99	206.84	206.90	206.56	106.51
Advances	30.35	183.95	186.57	194.77	162.74
Cash	14.69	42.40	33.53	29.24	42.21

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R = Revised.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	February		Eleven months, April to Feb.	
	1957	1958	1956-57	1957-58
Import Duties :				
Revenue	10.41	10.05	116.08	127.70
Protective	0.99	1.24	11.49	10.23
On surplus disposals	0.07	..	0.11	0.11
Total import duties	11.47	11.29	127.68	138.04
Export Duties	2.67	1.60	28.14	22.49
Land Customs	0.25	0.20	2.27	3.57
*Air Customs**	..	0.10	—	1.94
Miscellaneous	0.09	0.11	1.04	1.40
Gross Total Customs	14.48	13.30	159.13	167.44
Refunds and Drawbacks	0.65	0.49	2.74	4.28
Net Customs	13.83	12.81	156.39	163.18
Gross Excise	15.64	25.11	171.14	245.81
Refunds	0.34	0.20	2.09	3.02
Net Excise	15.30	24.91	169.05	242.79
Net total of customs and excise†	29.13	37.72	325.44	405.97

† Net Customs plus net Excise.
* Figures for Air customs prior to August 1957 not available.

State Bank of India

Statement of Affairs for the week ended 4th July, 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,62,50,000
Borrowings from Other Banking Companies, Agents, etc.		420,08,20,000
Bills Payable		5,61,08,000
Bills for Collection being Bills Receivable as per contra		90,00,000
Acceptances, Endorsements and Other Obligations per contra		1,16,87,000
Other Liabilities (including Inter-Office Adjustments)		5,76,00,000
Total ..	Rs.	446,71,65,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		27,36,50,000
Balances with other Banks		3,08,62,000
Money at Call and Short Notice		1,80,00,000
INVESTMENTS :	Rs.	
Government and other Trustee Securities	203,58,81,000	
Other Authorised Investments	10,52,98,000	214,11,79,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	166,45,74,000	
Bills Discounted and Purchased	17,47,04,000	183,92,78,000
Bills Receivable being Bills for Collection as per contra		90,00,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,16,87,000
Premises less Depreciation		1,19,75,000
Furniture and Fixtures less Depreciation		91,12,000
Other Assets (including Inter-Office Adjustments)		12,29,74,000
Total ..	Rs.	446,71,65,000

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A		7-Year B		12-Year B		12-Year National Plan Savings Certificates C		Post Office Savings Bank Deposits		10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F		4% G		15-Year Annuity Certificates G		Total	
	Out-standings	Out-standings	Out-standings	Out-standings	Out-standings	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Out-standings		Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings H
1952-53	6,83	3,26	84,17	..	..	..	118,35	32,03	..	..	..	—31,07	25,64	..	..	..	..	..	146,88	211,99
1953-54	5,91	4,26	104,38	..	..	..	117,37	106,29	..	..	..	—34,20	32,11	..	..	..	..	..	152,71	252,96
1954-55	4,70	4,99	124,64	..	..	..	134,94	180,88	7,88	..	..	—36,35	37,15	..	..	..	55	54	177,35	310,29
1955-56	3,76	5,48	144,37	..	..	..	155,11	167,35	16,38	..	..	—37,66	41,25	..	..	..	45	95	205,53	380,04
1956-57	3,00	6,01	163,68	..	..	..	176,97	190,50	25,38	..	..	—38,82	44,28	..	..	..	43	1,32	225,88	440,17
1957-58	2,23	4,73	148,59	71,39	..	71,39	172,40	207,96	23,13	..	..	—39,71	43,58	5,88	5,88	..	63	1,87	256,80	504,38
1957																				
August	2,86	5,49	160,38	5,03	13,31	12,64	201,68	25,61	—39,18	44,27	52	1,76	3	1,42	17,91	456,80				
September	2,60	5,39	158,23	5,86	20,17	14,05	208,17	25,17	—39,26	44,14	68	2,39	4	1,46	21,54	462,72				
October	2,54	5,26	155,82	6,17	26,33	12,51	205,68	24,81	—39,33	44,07	42	2,81	2	1,47	19,12	455,94				
November	2,49	5,14	153,40	6,45	32,32	13,25	207,58	24,47	—39,38	43,96	49	3,29	2	1,49	21,24	459,83				
December	2,43	5,06	151,07	6,41	39,22	13,00	202,55	24,14	—39,47	43,89	46	3,76	2	1,50	19,90	473,65				
1958																				
January	2,37	4,94	148,67	7,95	47,18	13,88	202,54	23,77	—39,55	43,80	68	4,44	13	1,68	22,68	479,29				
February	2,31	4,83	146,14	10,24	57,42	14,22	203,12	23,45	—39,62	43,69	74	5,18	9	1,75	25,29	487,89				
March	2,23	4,78	143,59	13,97	71,39	19,89	207,96	23,13	—39,71	43,58	70	5,88	12	1,87	34,68	504,38				
April	2,16	4,66	141,45	6,56	77,92	15,27	208,29	22,87	—39,80	43,47	77	6,65	11	1,97	28,71	509,45				
May	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities : repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1955. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. fr—No sales from June 1, 1957. G—From July, 1954. H—Outstandings in respect of items in column 9 marked ' E ' are not included.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—R

[1952-53 = 100]

Group and Sub-Group	Week ended 28th June 1958	21st June 1958	31st May 1958	29th June 1957
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES				
1. Total	99.1	99.1	98.9	96.6
2. Government of India	98.9	98.9	98.7	98.3
3. State Government	100.6	100.6	100.6	100.4
4. Municipal, Port Trust, etc.	93.8	93.8	93.8	99.5
DEBENTURES OF JOINT STOCK COMPANIES				
5. Total	99.2	99.1	99.1	101.8
6. Plantations	100.0	100.0	100.0	100.2
7. Coal	99.6	99.6	99.6	100.4
8. Sugar	99.0	99.0	98.9	100.6
9. Cotton Textiles	97.9	97.9	97.9	100.5
10. Jute Textiles	92.9	92.9	92.9	98.1
11. General Engineering	97.8	97.8	97.7	103.8
12. Electricity Generation and Supply	96.5	96.5	96.5	98.8
13. Others	101.1	101.1	101.0	103.3
PREFERENCE SHARES				
14. Total	85.6	85.3	85.4	92.4
15. Plantations	97.3	97.3	97.2	107.7
16. Coal	75.5	75.5	73.8	85.2
17. Sugar	88.8	88.8	90.1	97.7
18. Cotton Textiles	79.4	78.5	78.4	89.4
19. Jute Textiles	70.1	68.9	68.1	78.6
20. Iron and Steel	88.9	88.8	88.4	92.6
21. General Engineering	99.6	99.4	99.3	118.3
22. Basic Industrial Chemicals	84.1	83.6	83.5	86.9
23. Cement	95.2	95.2	97.0	103.9
24. Paper	84.7	84.5	84.5	93.5
25. Electricity Generation and Supply	86.7	86.8	86.6	86.4
26. Trading	74.7	74.2	73.9	80.0
27. Shipping and Other Transport	85.8	85.6	85.6	86.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES				
28. Total	133.2	131.1	127.3	130.4
29. *Agriculture and Allied Activities : Total**	146.4	145.4	142.1	150.4
30. Tea Plantations	141.4	141.0	137.9	148.5
31. Coffee Plantations	203.7	198.1	195.2	178.0
32. Rubber Plantations	142.7	141.9	137.3	150.9
33. *Mining and Quarrying : Total*	132.9	131.1	124.8	132.2
34. Coal	100.7	100.1	98.3	88.8
35. Other Mining	155.0	152.3	142.9	162.4
36. *Processing and Manufacturing : Total*	132.3	130.0	126.0	131.8
37. *Processing and Mfg. (Foodstuffs, Textiles, etc.) : Total**	123.5	121.4	118.3	128.4
38. Sugar	161.9	160.1	154.9	169.6
39. Cotton Textiles	115.9	113.2	111.0	129.8
40. Jute Textiles	68.8	67.5	66.9	83.6
41. Silk and Woollen	408.9	404.0	384.5	357.9
42. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	142.3	139.1	135.9	138.9
43. Iron and Steel	132.4	129.1	126.3	119.8
44. Transport Equipment	197.3	192.1	187.4	182.9
45. Electrical Machinery	133.8	131.4	135.7	189.2
46. Machinery other than Transport and Electrical	156.5	155.3	151.5	156.1
47. Basic Industrial Chemicals	120.0	113.4	107.5	120.7
48. *Processing and Mfg. (Others) : Total**	140.4	139.3	131.1	132.7
49. Cement	133.1	131.4	122.5	129.4
50. Paper	181.5	181.7	172.5	165.3
51. *Other Industries : Total**	108.3	107.3	105.2	105.1
52. Electricity Generation and Supply	90.6	90.5	90.0	91.8
53. Trading	83.0	83.1	81.0	83.7
54. Shipping and Other Transport	129.4	126.5	121.6	118.6
55. Construction	219.1	217.0	204.3	201.3
56. *Financial : Total*	170.7	167.0	163.3	139.9
57. Banks	193.1	189.4	182.8	155.5
58. Insurance	127.4	126.3	127.4	103.3
59. Investment Trusts	75.5	75.3	76.5	87.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES				
REGIONAL				
60. Bombay	136.8	134.3	128.5	128.0
61. Calcutta	123.1	120.5	123.9	125.6
62. Madras	148.6	145.0	142.6	154.2
63. Delhi	157.7	154.3	149.3	157.2

* Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns ‡	Units Generated‡	Total Units Sold
1955-56	715	3,966.8	7,185.0
1956-57	769	9,977.8	8,162.1
February 1957	767	811.0	677.7
March ,,	769	874.6	716.5
January 1958	825	973.6	788.1
February ,,	828	919.7	748.2
March ,,	834	969.3	791.8

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. † Including purchases from non-electric utilities.
‡ At the end of period. *Source:*—Central Water and Power Commission.

INDEX NUMBERS OF INDUSTRIAL PRODUCTION

(Base : 1951=100)

	1956	1957	Dec. 1957	Jan. 1958	Jan. 1957
General Index	128.6	126.6	146.8	143.5	139.8
Coal	114.9	126.9	139.0	135.4	124.4
Sugar*	166.5	182.5	204.2	161.3	135.6
Tea*	106.0	105.8	107.5	156.9	131.5
Cotton textiles	125.0	127.6	114.2	112.2	122.4
Jute textiles	127.3	120.5	126.0	133.6	123.8
Paper and paperboards	146.6	159.3	176.7	184.5	156.0
Matches	106.6	99.0	101.1	99.7	106.2
Cement	154.2	175.3	216.3	219.0	169.9
Iron and steel	119.4	119.5	121.1	121.4	129.5
Non-ferrous metals	134.7	151.5	161.6	147.7	139.2
Rayon	355.5	449.2	560.1	574.5	372.1

* Adjusted for seasonal fluctuations.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of average Number of workers involved	Number of man-days lost
1954	840	477,128	2,372,000
1955	1,166	527,767	5,097,945
1956 R	1,208	715,180	6,992,040
February 1957	124	43,728	269,041
March ,,	113	49 990	237,656
April ,,	161	61,250	414,585
May ,,	162	58,230	455,087
June ,,	153	100,220	734,545
July ,,	191	91,749	764,206
August ,,	205	144,891	821,211
September ,,	221	144,579	842,508
October ,,	222	102,884	833,206
November ,,	175	56,168	385,979
December ,,	155	63,471	512,231
January 1958	145	54,397	354,185
February ,,	148	99,070†	442,764†
March ,,	148	77,718††	733,167††

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	21st June 1958	14th June 1958	22nd June 1957	April 1958	April 1957	Percentage of Increase (+) or Decrease (—) in April 1958 as compared with April 1957	Financial Year Average 1957-58	Financial Year Average 1956-57
Food Articles	504	115.7	111.8 R	103.8	105.2	104.3	+ 0.9	108.4	102.3R
Cereals	192	106 5	105.3 R	103.1	97.2	100.6	— 3.4	101	96
Pulses	43	91.5	90 1 R	86.4	83.2	..	— 1.0	82	81
Fruits and Vegetables	23	112 8	109.9 R	127.1	108.0	119.3	— 9.5	114	113
Milk and Ghee	84	111.1	109.7 R	107.8	105.2	103.9	+ 1.3	105	100
Edible Oils	47	123.8	122.3	128.9	122.8	122.2	+ 0.5	120	125
Fish, Eggs and Meat	17	108.7*	107.5 R	93.5	102.3	92.4	+10.7	98	97
Sugar and Gur	45	129.5*	123.4*	110.5	113.5	95.4	+19.0	106	98
Others	50	161.7	140.2 R	127.8	130.7	125.9	+ 3.8	131	125
Liquor and Tobacco	21	92.2	91.8	90.5	93.4	88.9	+ 5.1	94.9	84.2
Tobacco	—	90.4	90.0	88.5	91.7	85.9	+ 6.8	92	83
Fuel, Power, Light and Lubricants	39	115 6	115 6 R	112.0	114.6	107.7	+ 6.4	113.6	104.2R
Industrial Raw Materials	155	115 8	115 0	121.6	114.2 R	118.7	— 2.1	116.5	110 6
Fibres	61	109.5	109.5 R	120.4	113.1	119.5	— 5.2	115	110
Oilseeds	60	125.6	122.7	134.8	113.7	119.3	— 4.7	120	120
Minerals	2	107.3*	107.3*	111.4	106.2	107.3	— 1.0	108	108
Others	32	110.3*	111.2	110.0	106.4	110.3	+ 3.4	108	109
Manufactures	298	107.7	107.5 R	108.7	108.1 R	108.2	— 1.8	108.2	108.1
Intermediate Products	41	109

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Fore-cast	(In thousand acres) 1956-57	(In thousand acres) 1955-56	(In thousand tons) 1956-57	(In thousand tons) 1955-56
Cereals—					
Rice	final	79.027†	79.320††	24.821†	28.282††
Wheat	final	32.891	30.386	9.068	8.360
Jowar	final	41.411†	40.367††	8.056†	7.240††
Bajra	final	27.453†	27.884††	3.565†	2.885††
Barley	final	8.594	8.382	2.744	2.749
Maize	final	9.762§	9.197††	3.064†	3.099††
Ragi	final	5.897†	5.831††	1.716†	1.715††
Small millets ..	final	12.209	12.713	2.010	1.937
Total cereals ..	final	215.642	214.082	57.251	54.456
Pulses—					
Gram	final	23.990	24.157	5.930	5.331
Tur	final	5.696	5.637	2.047	1.830
Other Kharif pulses§ ..	final	15.832†	16.484††	1.401†	1.515††
Rabi pulses‡ ..	final	11.443	11.703	1.794	2.038
Total pulses ..	final	57.295	57.064	11.435	10.831
Total foodgrains.		272.937	271.146	68.686	65.287
Oilseeds—					
Groundnut ..	final	14.457†	13.450††	4.271†	4.200††
Castorseed ..	final	1.325†	1.415††	97†	124††
Sesamum ..	final	5.268†	5.446††	363†	442††
Rape and Mustard ..	final	6.211	6.317	1.017	848
Linseed	final	3.758	3.781	349	414
Total oilseeds..	final	29.906	29.848	6.032	5.705
Fibres—					
Cotton* ..	final	19.843	19.978	4.723	4.001
Jute A. ..	final	1.754†	1.908††	4.088†	4.288††
Mesta A. ..	final	726†	733††	1.211†	1.478††
Other crops—					
Potato	final	702	691	1.574	1.830
Sugarcane ..	2nd	4.784†	4.475††	63.501†	58.985††
Ginger (Dry) ..	final	40	40	15	15
Pepper (Black)..	final	234	233	32	32
Chillies (Dry) ..	final	1.450	1.490	354	355
Tobacco	final	1 022	1.013	306	295

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A. In thousand bales of 400 lbs. each. † Refers to 1957-58.
†† Refers to 1956-57.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During May 1958 ..	94 9
	Corresponding month, 1957 ..	87.3
	Eleven months ended May, 1958..	973.8
	Corresponding period, 1957 ..	945.1
Stocks	At the end of May, 1958 ..	112.0
	Corresponding month, 1957 ..	109.4
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose ..	1955-56	857.2
	1956-57	859.9
	May 1957	65.9
	May 1958	61.7
For Internal Consumption ..	1955-56	190.0
	1956-57	179.0
	May 1957	16.8
	May 1958	17.8
	RAW JUTE	(In lakh bales)
Consumption by Mills	May, 1958 ..	5.50
	Corresponding month, 1957 ..	5 06
	Eleven months ended May 1958..	56.47
	Corresponding period, 1957 ..	54.84

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1956 ..	11.55.900	10.62.100	7.97.800
Do. 31st March, 1957 ..	11.55 500	10 73.600	7,97,500
Do. 31st March, 1958 ..	10.98 300	11 06,800	7,86,900
April 1957	92,300	89,200	62,500
May	91,300	86,500	58,500
June	84,500	77,300	52,300
April 1958	94,000	100,300	63,000
May	57,400	52,000	28,500
June	84,900	85,700	62,000
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1956 ..	7,06,986	5,31,505	4,50,607
Do. 31st March, 1957 ..	6,95,156	5,32,315	4,41,483
Do. 31st March, 1958 ..	7,33,945	5,57,580	4,10,558
Three months ended Mar., 1957.	1,83,857	1,39,880	1,20,578
" " " June,1957.	1,72,225	1,29,651	1,06,996
" " Sept., 1957.	1,71,897	1,19,172	96,815
" " Dec., 1957 ..	1,90,484	1,25,194	1,02,146
" " Mar., 1958 ..	1,99,839	1,33,563	1,06,501
" " June 1958..	2,14,469	1,21,988	1,01,014

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	December 1957	December 1956	Jan. to Dec. 1957	Jan. to Dec. 1956
Exports	54,22	55,66	637,74	58,804
Re-exports	37	58	5,11	7,56
Total Exports	54,59	56,24	642,85	595,99
Imports	66,58	69,28	1025,85	813,68
Overall Balance of Trade ..	—11,99	—13,04	—382,97	—218,08
Exports—				
Tea	10,75	15,57	123,40	139,74
Jute yarns and manufactures ..	4,72	9,52	59,51	112,52
Cotton yarns and manufactures	4,63	6,09	65,94	62,13
Metallic ores and scrap iron or steel for re-manufacture ..	4,11	3,33	49,80	28,30
Cotton, raw and waste ..	1,06	2,13	18,66	25,09
Oils—vegetable, mineral and animal ..	1,42	1,60	19,31	24,51
Fruits and vegetables ..	1,45	1,26	18 6)	18,03
Tobacco	35	34	12,83	13,30
Mica	73	88	8,67	8,75
Wool—Raw	69	78	11,73	10,64
Gums, resins and lac ..	59	1,19	8,59	11,19
Spices	77	73	8,43	9,16
Hides and skins, raw ..	34	86	6,99	6,07
Imports—				
Machinery of all kinds ..	17,57	9,97	232,97	150,12
Metals, iron and steel and manufactures thereof ..	7,61	10,40	146,98	122,40
Oils—vegetable, mineral and animal	8,95	16,26	113,38	74,69
Cotton raw and waste ..	2,17	3,11	48,62	53,61
Chemicals, drugs and medicines	4,25	3,01	76,77	43,14
Electrical goods and apparatus	5,37	1,52	61,14	20,15
Paper, pasteboard, etc. ..	83	1,21	13,11	15,99
Vehicles (excluding aircraft, ships and boats) ..	4,31	5,74	71,35	69,91
Fruits and vegetables ..	2,26	93	21,27	12,66
Spices	13	68	2,93	8,10
Dyes and colours	78	1,00	13,87	16,37
Woollen and worsted fabrics	8	16	1,31	2,18
Cotton fabrics	8	14	2,37	2,39

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manu-factures	Raw Jute	Jute Manu-factures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manga-nese Ore
1955-56	12,751	2,763	974	213	111	67	149	29	517	412	41	330	48	148
1956-57	13,586	2,953	1,022	219	108	58	207	24	610	427	30	389	52	180
1957-58	14,335	3,150	1,225	214	104	52	247	25	596	504	39	476	47	194
May 1957	2,468	522	219	43	21	13	34	4	129	77	6	69	4	28
June "	3,562	756	334	57	30	18	48	5	164	109	9	101	7	43
July "	4,663	1,010	458	72	35	21	58	7	183	145	11	138	13	63
August "	5,781	1,279	539	84	39	25	67	8	208	183	13	177	19	81
September "	6,893	1,542	628	93	42	30	87	10	223	220	15	210	25	120
October "	8,056	1,824	736	107	46	34	109	13	241	263	19	261	31	134
November "	9,240	2,087	844	129	53	37	137	16	273	309	24	302	37	154
December "	10 506	2,351	941	152	64	40	162	18	354	360	28	350	42	142
January 1958	11,814	2,624	1,038	174	80	44	186	21	438	413	32	394	45	161
February "	13,011	2,874	1,123	191	93	49	202	23	519	456	36	435	46	176
March "	14,335	3,150	1,225	214	104	52	247	25	596	504	39	476	47	194
April "	1,238	283	111	23	9	4	15	2	34	45	2	40	1	15

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.-2 M. G.) and incorporate revision in respect of earlier months. *Source*:—Ministry of Railways.
* Including sugarcane from November, 1955.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st September to 7th July 1957-58 Bales	From 1st September to 7th July 1956-57 Bales
			From Bombay		
Bombay Island—			Cotton Shipments to—		
Cotton Receipts ..	Week ended 3rd July, 1958 ..	6,726(J)†	United Kingdom ..	9,290	23,747
	Corresponding week, 1957 ..	23,000(J)	Continent	19,716	23,512
	1st Sept. to 3rd July, 1957-58 ..	1,540,133*	Hongkong	8,204	36,241
	Corresponding period, 1956-57 ..	1,808,976*	China	—	3,437
			Japan	129,034	163,229
Cotton Exports ..	Week ended 3rd July, 1958 ..	1,753	U.S.A.	8,003	2,374
	Corresponding week, 1957 ..	16,569	Other Countries ..	926	1,079
	1st Sept. to 3rd July, 1957-58 ..	229,337	Total to all foreign countries	175,272	253,619
	Corresponding period, 1956-57 ..	297,933	Coastal Ports ..	74,829‡	44.377**
Mill Consumption (Estimated) ..	1st Sept. to 3rd July, 1957-58 ..	1,068,743	Total	250,101	297,996
	Corresponding period, 1956-57 ..	1,129,416		Period	Quantity (Bale of 400 lbs.)
Stock (with exporters, dealers and mills) in Bombay (Estimated.)	On 3rd July, 1958	750,568	Consumption of Cotton—		
	Corresponding date, 1957 ..	598,000	Indian	April, 1958	348,743
			Foreign		42,934
Cotton Exports from Bombay (by sea)	During May, 1958§	44,597§	Indian	Eight months ended Apr., 1957-58	2,999,093
	During May, 1957	22,636	Foreign		385,868
	1st Sept., 57 to 31st May, 1958 ..	146,491	Indian	Same Period 1956-57	3,134,013
	1st Sept., 56 to 31st May, 1957 ..	215,557	Foreign		385,294
			Stocks (Mills and Elsewhere)—		
Karachi (Pakistan)—			Indian	As on 30th April 1958	1,324,811
Receipts	1st Sept., to 26th June, 1957-58	1,089,044	Foreign		139,817
	Corresponding period, 1956-57 ..	1,160,081	Indian	As on 30th April 1957	1,329,936
			Foreign		206,050
Exports	1st Sept., to 20th June, 1957-58§	578,541	Cotton Pressed in India† (In running bales) ..	Week ended 27th June 1958 ..	44,431
	Corresponding period, 1956-57 ..	701,698		1st Sept., to 27th June 1957-58 ..	3,135,227
				Corresponding period, 1956-57 ..	3,368,974

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ From 1st Sept. to 31st May, 1958. A.—Adjusted. § Includes Zoda and Yellow Pickings, etc
** From 1st Sept., 1956 to 30th June, 1957.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.80
2½ % Loan	1938-39	116,17,46,000	1963-65	95.60
2½ % Loan	1950	30,33,10,000	1964	95.70
2½ % Fg. Loan	1943	1,10,11,78,000	1966-68	93.10
2½ % Def. Loan	1946	1,15,05,83,000	1970-75	87.50
2½ % 2nd V.Loan	1945	1,13,65,64,000	1959-61	99.35
2½ % Loan	1951	15 22,64,000	1958	99.85
2½ % Loan	1946	45,63,07,000	1960	98.20
2½ % Loan	1946	57,00,60,000	1961	95.60
2½ % Loan	1946	14,77,48,000	1976	83.10
2½ % Loan	1947	75,98,72,000	1962	95.40
3½ % N.P. Bonds	1953	75,29,00,000	1961	99.55
3½ % N.P. Loan	1954	1,58,17,90,000	1964	98.70
3½ % N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	98.45
3½ % Loan	1956	57,27,36,000	1962	98.05
3½ % N.P. Bonds	1956	33,81,83,000	1967	97.65
3½ % Loan	1956	66,63,53,000	1974	98.30
3½ % N.P. Bonds (4th Series)	1957	56,86,08,000	1967	99.65
4 % Loan	1957	49,15,87,000	1972	100.85
2½ % Loan	1958	58,00,00,000	1963	99.05
3½ % Loan	1958	34,34,00,000	1968	99.55
4 % Loan	1958	49,47,00,000	1978	100.05
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34,000	M.	71.25
3% Loan	1946	2,48,91,41,000	K.	71.10
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97.80
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.75
3 % Bombay	1944	3,04,12,000	16th Aug. 1958	99.90
3 % Bombay	1949	5,49,75,500	1st Aug. 1962	94.50
3 % Bombay	1950	2,83,70,200	31st July 1960	97.75
3 % Bombay	1951	2,00,05,200	17th Sept. 1962	98.10
3 % Bombay	1953	5,25,90,200	15th July 1963	99.65
3 % Bombay	1954	3,45,94,500	1st Aug. 1964	98.40
3 % Bombay	1955	9,87,51,000	1st Sept. 1967	98.40
3 % Bombay	1956	8,07,06,300	3rd Sept. 1970	98.90
4 % Bombay	1956	6,60,00,000	15th Sept. 1969	100.05
4½ % Bombay	1957	1,54,02,000	1st Sept. 1967	97.60
4 % Bihar	1956	2,13,15,000	3rd Sept. 1968	97.60
4 % Bihar	1945	1,00,00,000	16th Dec. 1955-58	98.60
3½ % Cochin	1936	70,09,000	1st June 1956-61	97.75
3½ % Howrah Bridge (New)	1936-37	1,95,06,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	97.80
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	97.75
3 % Madras	1939	1,23,96,000	21st June 1958	98.70
3 % Madras	1944	1,07,95,950	18th Aug. 1958	99.60
3 % Madras	1945	2,78,44,000	14th Sept. 1959	97.65
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	94.60
3 % Madras	1948	4,38,25,400	31st July 1960	97.75
3 % Madras	1951	3,01,49,300	17th Sept. 1962	97.85
4 % Madras	1953	10,33,71,000	15th July 1963	99.45
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.40
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.60
4 % Madras	1956	12,83,56,000	3rd Sept. 1968	97.70
4 % Mysore(f)	1933	2 06,85,200	1st Dec. 1953-63	101.25
4 % Mysore(f)	1935	2,99,73,000	30th Apr. 1956-61	99.30
4 % Mysore	1953	3,33,47,000	15th July 1963	99.25
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97.80
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.75
4 % Mysore	1957	3,00,00,000	16th Sept. 1969	100.00
3 % M.P.	1944	25,80,800	15th Aug. 1958	99.70
3 % M.P.	1948	2,08,28,800	15th Sept. 1964	93.50
3 % M.P.	1950	1,01,46,000	31st July 1960	97.30
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	97.75
3 % M.P.	1953	1,10,18,000	15th July 1963	99.20
4 % M.P.	1952	1,53,12,000	1st Sept. 1967	97.70
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97.60
4 % Saurashtra	1953	3,61,65,500	1st Sept. 1967	98.25
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	98.10
4½ Trav. Cochin	1953	3,25,61,000	15th July 1963	99.70
4½ Trav. Cochin	1956	2,24,73,000	3rd Sept. 1968	98.72
2½ U.P.Z.A.	1952	41,44,79,000Z		47.00
3 % U.P.	1936	1,56,25,500	15th Sept. 1961-66	90.80
3 % U.P.	1944	2,87,01,000	15th Aug. 1958	99.65
3 % U.P.	1945	2,17,22,000	14th Sept. 1960	97.30
2½ % U.P.	1946	2,16,39,000	1st Sept. 1961	94.50
3 % U.P.	1951	1,87,98,000	17th Sept. 1962	97.75
4 % U.P.	1952	6,11,45,000	1st Aug. 1964	99.00
4 % U.P.	1953	5,65,16,000	15th July 1963	99.35
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	97.85
4 % U.P.	1956	8,74,72,000	3rd Sept. 1968	97.80
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	97.80
4 % Uttara	1956	3,05,09,000	3rd Sept. 1968	97.40
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97.60

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repay-able	Market quota-tion Rs.
BOMBAY				
Rs.				Rs.
56,50,000	4	1904	1964	
95,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	98.10N
50,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	96.00N
58,25,000	4	1914	1975	96.00N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,50,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1938*	1968	
10,90,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	97.75
76,90,100	4	1915	1975	97.75
1,50,00,000	3½†	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
1,49,30,000	5	1928	1958-68	101.00
80,00,000	4½	1931	1991	98.00
80,00,000	3½	1938	1965	97.50
25,00,000	3	1938	1963-68	90.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	3½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	98.25
50,00,000	3	1949	1959	98.25
50,00,000C	3	1950	1980	82.00
1,00,00,000†	4	1952	1964	97.00
1,00,00,000†	4	1954	1966	97.00
2,50,00,000	4	1954	1981	81.75
1,50,00,000	4	1956	1968	97.75
			1958	102.00
35,00,000	5	1928	1968	102.00
25,00,000	5	1928	1968	102.00
10,00,000	5½	1932	1962	108.00
33,91,000	5½	1925	1965	94.00
60,00,000	3	1938	1968	90.00
47,50,000	2	1938	1963	90.00
17,64,400	3½	1942	1959	96.00
21,10,000	3½	1942	1972	92.00
16,33,000	3½	1951	1966	97.00
66,88,000	3½	1951	1966	97.00
97,36,000	4	1952	1962	99.00
92,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	
87,00,00,000	4½	1958	1970	100.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,86,000‡	3	1947	1977	A
1,90,000	3	1949	1979	
45,00,000C	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repay-able	Marks quotation Rs.
Rs.		**BOMBAY**		Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
50,00,000	4	1904	1964	
20,00,000	4	1905	1965	97.00
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
80,00,000	4	1908	1968	
25,00,000	4	1912	1973	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.00
25,00,000	4	1916	1976	N
40,00,000	5	1919	1957-79	118.00
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00
25,00,000	4	1927	1961-70	98.00
10,00,000	3	1936	1966	
STERLING LOAN				
£566,600		1909	1968	95.50
£338,000		1910	1970	£95.50
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	102.00
50,00,000	4	1934	1964	99.00
35,00,000	3½	1935	1965	94.00
30,00,000	3	1936	1966	90.50
50,00,000	3	1937	1967	91.00
20,00,000	3	1938	1963-68	90.00
80,00,000	4	1952	1962	99.50
1,02,00,000	4	1956	1968	99.00
50,00,000	4½	1958	1968	99.75

MUNICIPAL LOANS

Rs.		**BOMBAY**		Rs.
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1920	1980	113.00
25,00,000	5	1928	1958	102.00
26,57,000	5	1929	1959	101.00
8,25,00,000	3½	1947	1977	84.00
2,50,00,000	3½	1949	1979	84.00
4,00,00,000	3½	1950	1980	82.00
2,50 00 000	4	1952	1964	97.00
2,00,00,000	3½	1951	1966	97.00
1,50,00,000	4	1952	1964	97.00
1,00,00,000†	4	1952	1964	97.00
1,00,00,000†	4	1954	1966	97.00
2,50,00,000	4	1954	1981	81.75
1,50,00,000	4	1956	1968	97.75
Rs.		**CALCUTTA**		Rs.
35,00,000	5	1928	1958	102.00
25,00,000	5	1928	1968	102.00
10,00,000	5½	1932	1962	108.00
33,91,000	5½	1925	1965	94.00
60,00,000	3	1938	1968	90.00
47,50,000	2	1938	1963	90.00
17,64,400	3½	1942	1959	96.00
21,10,000	3½	1942	1972	92.00
16,33,000	3½	1951	1966	97.00
66,88,000	3½	1951	1966	97.00
97,36,000	4	1952	1962	99.00
92,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	
87,00,00,000	4½	1958	1970	100.00
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107.00
15,00,000	3½	1952	1962	107.50

STERLING LOANS

£892,600	5	1922	1958-88	£80.00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75 00 000	17th Sept. 1962	98.05
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.30
4 % W. Bengal	1953	3,60,23 0.0	15th July 1963	99.45
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	98.25
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	98.05

ABBREVIATIONS.
A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees.
†Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. †—Interest-free for first 7 years.
Z.—Ex six instalments but inclusive of accrued interest. N—Nominal.
K.—On September, 1986, or later at option of Government after three months notice. M—At the option of Government after three months notice.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6	Mar. Sep.	109.00	100
BREWERIES AND SUGAR						
Bharat Sugar T.R.C.	5,00,000	1931	5	Dec. ..	70.00	100
Carew & Co. T.F.R.C. ..	8,00,000	1875	6½	Mar. Sep.	78.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1906-24	6	Feb. Aug.	105.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1929	7	July Apr.	5.75	5
East India Distilleries T.F.C.	£200,000	1897	7	Jan. July	16 15cd	£1
Gwalior Sugar T.R.C. ..	6,75,000	1940	7	Dec. ..	85.00	100
Do. (Non-redeem.)	5,00,000	1940	7	Dec. ..	55.00	100
Parriabpore Co. T.C.	6,00,000	1922	10	Oct. ..	13 00	10

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures N.=Nominal quotations. x.d.=Ex. Dividend. cd.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciations is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BOMBAY CITY AND ISLAND																
58,08,880	5,37,500	1,01,25,505	44,08,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.92	2	0.19	0.19			12	
40,80,000	24,00,000	1,40,93,494	78,99,035	17,302	M.	50,596	1,031	B. B. Cotton Mills ..	20.48	100	*Nil*	*Nil*	*Nil*		3	Y.P.
2,56,95,000	3,42,88,483	7,95,80,951	3,98,39,819	85,708	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,480	3,646	Bombay Dyeing & Mfg. Co	58.00	25	2.50*	2.50	2.50		12	
10,00,000	43,58,966	54,14,229	42,22,276	62,115	Ramnarain Sons Private Ltd. ..	44,784	850	Bradbury Mills	175.00	50	12.50	20.00	15.00		3	
1,09,42,880	2,79,59,276	7,45,32,167	2,69,98,324	9,27,548	Birla Brothers Private Ltd. ..	1,26,752	2,752	Century Spg. & Mfg. ..	458.00	100	22.00	22.00	22.00		12	
49,80,000	25,42,326	1,19,99,766	65,07,035	—33,06,097	V. J. Pilani (Chairman and Managing Director) ..	50,596	698	Colaba Land & Mill	30.50	100	*Nil*				12	
26,00,000	18,08,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd. ..	30,984	680	Coorla Spg. & Wvg.	119.00	100	7.50	12.50*			3	
28,00,000	21,65,515	80,91,059	49,34,966	24,840	Ramnarain Sons Private Ltd. ..	41,328	..	Dawn Mills	94.50	50	15.00	—	7.50F		12	
24,00,000	40,06,485	1,13,54,400	62,28,676	2,28,479	Puranmal Bubna Sons	46,668	928	Edward Textiles	290.00	100	15.00	15.00			12	
29,96,950	16,71,229	1,20,97,050	78,32,600	98,787	M.	45,996	886	Elphinstone Spg. & Wvg. ..	44.00	50	5.00	15.00			12	
50,00,000	65,54,875	1,67,84,054	89,06,207	87,156	James Finlay & Co., Ltd. ..	52,528	784	Finlay Mills	275.00	100	20.00	20.00	20.00		12	
50,00,000	48,98,022	94,91,910	61,87,387	10,233	James Finlay & Co., Ltd. ..	45,768	1,018	Gold Mohur Mills Ltd. ..	191.25	100	15.00	15.00	15.00		12	
11,24,960 / 16,000	1,31,31,482	1,71,88,061	1,16,49,125	86,061	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills..	4,800.00 / 992.50	1,000 / 250	300.00 / 75.00	325.00 / 81.25	350.00* / 87.50*		3	Y.P.
2,50,00,000	56,39,672	4,90,61,819	3,54,00,000	1,29,969	Agarwal & Co.	2,44,150	6,278	India United Mills	10.04 / 1.34	0 100. / 0 10.	0.94 / 0.19	0.92 / 0.18			12	
3,85,860 / 35,000	1,12,51,255	1,60,59,952	1,06,65,993	75,722	M.	56,784	1,152	Indian Mfg.	4,510.00	1,000	300.00	300.00	325.00*		3	Y.P.
59,85,000	48,10,421	2,18,61,680	2,25,81,104	78,146	Khatau Makanji & Co. (Pvt.) Ltd..	99,844	1,487	Khatau Makanji Spg. & Wvg..	190.00	100	12.50	10.00	10.00(c)		6	Y.P.
1,00,00,000	1,13,27,791	3,67,76,376	2,84,94,794	52,791	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	208.50	100	18.00	18.00	18.00		12	
23,15,800	46,27,870	1,28,83,753	67,99,178	43,271	N. Sirur & Co. Private Ltd. ..	49,000	644	Modern Mills	70.00N	50	8.00*	8.00*	5.00'C'		10	
51,75,000	38,44,612	2,64,74,623	1,88,15,338	23,520	Piramal Sons Private Ltd. ..	71,504	1,552	Morarjee Goculdas Spg. & Wvg..	243.00	100	14.00	15.00	14.00(c)		3	
24,00,000	25,62,456	86,11,722	49,37,022	1,495	Chinai & Co. Private Ltd. ..	..	..	National Rayon Corporation ..	236.25	100	12.00	14.00*	14.00		12	
30,00,000	11,72,134	101,83,002	63,37,034	....	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	117.50	100	10.00	10.00	5.00		12	
40,80,000	54,20,707	1,61,36,302	1,02,82,041	4,06,677	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	208.00	100	10.00	10.00	*Nil*		12	
49,00,000	45,84,584	53,92,841	28,34,581	1,63,546	Ramnarain Sons Private Ltd. ..	29,208	1,190	Phoenix Mills	116.50	100	10.00	....	12.50F		3	
10,00,000	1,78,222	24,10,104	18,30,782	....	Podar Sons Private Ltd.	32,600	930	Podar Spg. & Wvg. Mills ..	145.00	100	12.00*	12.00*	10.00		12	
37,79,180	1,19,98,715	2,11,84,514	1,36,87,249	12,182	M. G. Investment Corp. Private Ltd.	94,884	2,127	Sassoon & Alliance Silk Mill ..	9.88	10	0.50	0.25(c)			12	
80,00,000	44,70,061	1,27,66,700	67,73,552	58,530	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Sassoon Spg. & Wvg.	47.50	10	2.00	2.00	2.00		12	
42,00,000	30,80,473	1,05,36,294	70,84,101	8,069	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Shree Niwas Cotton Mills ..	155.00	100	12.00	12.00	8.00		12	
87,80,000	2 50,26,472	2,96,16,751	1,87,99,817	1,55,642	Mafatlal Gagalbhai & Sons ..	97,588	2,409	Simplex Mills	178.00	50	10.00	12.00	8.50	8.50	3	
1,00,00,000	95,03,854	2,76,30,400	1,44,86,214	29,124	Standard Mills	97,588	2,400	Standard Mills	427.00	100	20.00	22.50*	22.50*		12	
90,00,000	55,13,445	1,52,27,438	99,52,715	26,062	Swadeshi Mills	72,236	2,000	Swadeshi Mills	190.00	100	12.00	14.00*	9.00		12	
65,87,875	53,20,412	2,18,16,540	90,58,601	17,925	Tata Industries Private Ltd. ..	70,832	1,800	Tata Mills	41.75xd	25	4.00	3.50*	2.00		12	
12,60,000	1,21,85,655	1,45,81,207	98,78,967	93,935	M.	54,136	1,212	Western India Spg. & Mfg. ..	4,525.00	1,000	800.00	800.00	325.00*		3	
AHMEDABAD																
40,06,960	31,81,987	1,78,25,924	66,65,244	11,155	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	185.00	100	7.00	12.00	5.00		6	Y.P.
15,00,000	88,23,183	1,29,00,886	73,32,228	....	P. M. Hatheesing & Co., Ltd. ..	44,220	912	Arvna Mills	601.25	100	80.00	25.00	25.00		12	
40,00,000	3,03,12,127	2,17,78,010	1,10,66,897	28,706	M.	66,412	1,216	Arvind Mills	872.00	100	35.00*	35.00*	35.00*		12	
22,00,000	47,41,123	1,22,40,943	77,79,729	1,04,815	Mangaldas & Brother (Pvt.) Ltd. ..	35,906	592	Aryodaya Ginning & Mfg. ..	470.00	200	25.00*	30.00*	*Nil*		12	
12,80,000	1,40,46,694	99,92,464	67,23,819	726	Lalbhai Dalpatbhai & Co. ..	37,356	914	Asoka Mills	645.00	100	30.00	30.00	30.00		12	
1,37,86,000	3,49,84,519	5,14,49,799	2,56,08,236	1,18,339	Karamchand Premchand Pvt. Ltd..	1,39,120	2,400	Calico	458.50	125	*Nil*	30.00	30.00		3	
63,00,000	28,51,630	1,44,37,907	1,02,61,820	20,815	Tribhuvan Bhogilal & Co., Ltd. ..	45,836	866	New Commercial Mills	428.00	250	80.00	100.00*	25.00*		12	
52,00,000	91,54,187	1,55,49,668	99,22,464	92,673	Mafatlal Chandulal & Co., Ltd. ..	61,100	907	New Shorrock Spg. & Wvg. ..	751.00	125	35.00	40.00*	30.00		12	
15,00,000	64,29,775	69,45,065	35,66,552	....	Jagabhai Bhogilal Manavadi & Co., Ltd. ..	25,560	572	Nutan Mills	356.00	100	20.00	20.00	20.00		12	
98,00,800	1,08,87,132	1,07,38,494	66,60,480	105	Lalbhai Dalpatbhai & Co. ..	32,823	636	Raipur Mfg.	645.00	100	35.00*	35.00*	35.00*		12	
48,75,000	28,46,580	1,33,74,914	78,60,111	9,983	M.	35,196	648	Rohit Mills	142.50	50	*Nil*	8.00*	8.00*		12	
57,96,800	2,88,74,198	2,17,82,370	1,17,57,907	1,76,451	Harivallabhdas Kalidas & Co. ..	94,128	1,789	Shri Ambica Mills	602.00	50	27.00*	30.00*	25.00		12	
29,25,000	69,60,633	1,00,70,063	73,48,312	18,846	Mafatlal Chandulal & Co., Ltd. (Ahmedabad), Ltd.	36,648	729	Shorrock Spg. & Mfg.	452.50	100	25.00	30.00*	20.00		12	
35,00,000	38,00,029	1,28,90,368	90,20,784	23,300	Haridas Achratlal & Co., Ltd. ..	41,056	780	Vijaya Mills	620.00	500	35.00*	50.50*	40.00*		12	
WEST BENGAL																
15,00,000	3,05,455	38,27,581	24,03,641	1,14,855	Calcutta Agency Private Ltd. ..	13,044	356	Basanti Cotton Mills	6.16	10	0.50	0.60	0.60		12	Y.P.
7,11,260 / 3,09,580	19,08,297	80,04,522	55,58,259	49,225	D. N. Bhattacherjee, Esq. (Mg. Director)	33,336	935	Bengal Laxmi Cotton Mill	35.00N	40	4.00	4.00	4.00		3	Y.P.
24,00,000	1,50,000	1,20,71,237	49,68,051	1,17,244	Kettlewell Bullen & Co., Ltd. ..	42,960	841	Bowreah Cotton Mills	110.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
19,00,000	24,30,708	1,39,78,961	73,14,165	—1,86,242	Kettlewell Bullen & Co., Ltd ..	42,944	523	Dunbar Mills	115.00	100	2.50	6.00	*Nil*		12	Y.P.
50,08,000	58,968	76,97,325	21,97,345	82,066	Birla Brothers Private Ltd. ..	4,852	206	Jay Shree Textiles Ltd. ..	8.00	10	*Nil*	0.37	0.50		12	
1,00,00,000	2,29,91,250	4,00,62,835	1,40,10,478	4,94,772	Birla Brothers Private Ltd. ..	75,040	1,992	Kesoram Cotton Mills	11.75	10	0.87	1.00	0.75		3	Y.
19,47,750O / 5,00,000D	9,50,000	48,59,254	28,75,466	9,388	Hazaremul, Heeralal	23,036	795	Rampooria Cotton Mills ..	15.00N / 4.00N	10 / 1D	0.75 / 0.34	1.00 / 0.25	0.75 / 0.15		6	Y.
SOUTH INDIA AND OTHER CENTRES																
11,96,600	5,57,619	39,87,104	19,12,220	16,013	Setna & Co.	24,800	..	Asher Textiles Ltd.	217.00N	100	12.50	15.00	12.50		6	Y.
72,00,000	17,82,554	1,87,65,112	68,45,583	6,710	C. S. Tyabjee, Esq.	36,186	716	Azam Jahi Mills	52.70	100	3.50(c)	5.00	3.50		9	Y.
1,21,50,000	1,47,74,679	3,07,98,866	2,76,48,043	2,90,471	Binny & Co. (Madras), Ltd. ..	49,250	1,157	Bangalore Woollen, Cotton and Silk Mills	164.00	100	30.00	30.00	10.00'C'		12	Y.P.
35,00,000	99,61,544	1,33,11,187	1,08,74,387	2,64,725	Birla Brothers Private Ltd. ..	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	127.00N	100	8.00	1.50	1.50		3	Y.P.
1,78,47,800	2,99,20,000	4,09,07,043	4,19,97,472	1,92,471	Binny & Co. (Madras), Ltd. ..	1,20,288	2,762	Buckingham & Carnatic ..	171.00	100	10.00	10.00	10.00		3	
20,00,000	15,87,935	50,23,440	26,18,048	....	Petrea, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	9.45	10	0.50	0.50	0.50(c)		12	
15,00,000	5,11,506	39,52,411	27,36,937	1,92,792	K. Damodaran, Esq.	20,500	..	Cannanore Spg. & Wvg. ..	148.00cd	100	12.00	15.00	20.00		3	
30,80,000	32,35,551	70,35,496	56,32,015	48,855	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Textiles	5.00	5	*Nil*	0.25	0.25		3	
9,37,470	5,00,000	55,16,229	21,85,430	96,559	C. R. Srinivasan, Esq. (Chairman) .	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	11.85	10	0.62	0.75	0.25		3	
25,21,860	22,39,767	69,79,052	31,91,699*	698	R. Bheema Naidu & Co.	29,364	..	Coimbatore Cotton Mills ..	145.00	100	25.00	25.00	9.00'C'		12	
15,15,000	7,25,156	39,55,852	24,29,533	....	T. A. R. Chettiar Sons & Co. ..	25,340	100	Coimbatore Mills	110.00	100	20.00	12.00			12	
20,00,000	19,20,000	71,42,628	35,30,753	18,314	T. R. N. Naidu & Co.	38,226	..	Coimbatore Pioneer Mills ..	215.00cd	100	20.00	12.00			12	
20,75,900	2,56,076	1,54,06,678	83,06,979	10,415	R. G. S. Naidu & Co.	72,188	497	Coimbatore Spg. & Wvg. ..	53.00	50	8.00	10.00	9.00		12	
40,87,800	27,84,783	2,42,15,703	1,54,56,184	....	Tata Industries Private Ltd. ..	57,452	1,629	Central India	103.00	100	8.00	*Nil*	*Nil*		6	
24,43,911	18,50,006	98,90,552	40,27,014	15,780	R. Hanumanthappa & Son ..	28,816	300	Davangere Cotton Mills ..	113.00	100	8.00	9.00	9.00		3	
3,88,36,235 / 1,00,549	3,10,24,830	11,79,09,463	6,78,07,135	2,77,593	B. B. Charat Ram & Co. Private Ltd.	1,41,180	2,352	Delhi Cloth & General Mills ..	31.37	2½ / 2½	2.25 / 0.22	2.50 / 0.25	2.00 / 0.20		3	Y.P.
47,98,296	26,25,000	84,28,224	49,84,057	1,965	M. N. Chettiar & Sons	42,212	201	Dhanalakshmi Mills	174.00	100	30.00	25.00	10.00'C'		12	
65,00,000	1,05,56,192	1,69,12,424	1,41,93,839	75,591	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Elgin Mills	13.50	10	1.00	1.00	1.00		12	
48,81,000	43,55,161	1,36,06,042	77,13,982	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	152.00	100	15.00	18.00	8.00		12	
2,50,00,000	2,35,000	4,53,35,795	1,53,00,000	72,17,274	Birla Gwalior Private Ltd. ..	..	..	Gwalior Rayon	14.00	10	*Nil*	*Nil*	*Nil*		3	
50,00,000	6,94,589	1,59,76,049	1,21,32,273	—11,77,234	K. L. Seksaria, Esq. (Chairman) ..	51,180	1,356	Indore Malwa United	114.00	100	10.00	10.00	6.00		12	
5,90,000	10,65,683	31,40,455	19,97,477	....	G. V. Naidu & Co., Ltd.	23,784	..	Janardhana Mills	77.00	50	10.00	10.00			12	
15,54,000	15,02,599	57,18,937	33,38,095	7,012	Mr. Bhaktvatsan Damani (Managing Director)	20,212	512	Jam Shri Ranjitsinghji	1,450.00	1,000	50.00	60.00	40.00		6	Y.
4,63,55,200	3,24,05,204	4,34,59,284	3,18,54,030	2,48,717	Birla Gwalior Private Ltd.	54,376	1,680	Jiyajeerao Cotton	9.60	10	4.00§	0.55	0.35		6	Y.
42,00,000	19,25,000	1,05,51,567	58,23,076	91,772	Kothari & Sons	40,100	800	Kothari Textiles	10.00	10	1.00	1.00	1.00		12	
32,00,000	1,89,30,474	1,84,37,174	1,01,59,893	3,294	M.	44,400	1,248	Lakshmi Cotton Mfg.	440.00	250	42.50	42.50	15.00		12	Y.P.
71,00,000	66,85,960	2,25,46,381	1,29,09,687	86,370	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	105.50cd / 51.25cd	50 / 25	12.50 / 6.25	12.50 / 6.25	10.00 / 5.00	6.00 / 3.00	3	Y.
1,75,07,486	4,24,40,278	5,90,89,121	3,96,10,817	6,92,268	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	39.75	15	3.00	2.62	2.25		12	Y.
12,00,000	3,67,259	29,03,352	18,76,700	218	V. K. Eradi (Chairman)	22,592	106	Malabar Spg. & Wvg.	89.00	100	*Nil*	8.00	20.00	20.00	12	
60,00,000	69,00,000	66,60,298	47,59,940	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Meetur Industries Ltd. ..	354.00cd	100	35.00	40.00			12	
29,80,884	12,88,081	93,11,180	51,89,457	19,733	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	65.00	100	6.00	6.00	*Nil*		12	
94,91,850	21,56,146	1,71,94,789	78,51,538	1,85,936	M.	52,408	952	Modal Mills (Nagpur)	170.00	100	7.50(c)	7.50			6	
24,88,500	48,52,478	1,18,48,711	71,02,478	85,987	N. Sirur & Co. Private Ltd. ..	50,492	500	Mysore Spg. & Mfg.	91.00	50	6.00(c)	7.00	9.00*		6	
18,61,780	....	29,12,641	17,83,314	3,966	K. Tipperudriah (Chairman) ..	6,000	..	Mysore Spun Silk Mills ..	6	25N	*Nil*	*Nil*	*Nil*		3	
57,23,200	29,29,981	1,78,83,244	67,86,685	....	M.	87,788	902	Osmanshahi Mills	44.00	100	2.50(c)	8.00(c)	*Nil*		9	
4,00,000A / 6,00,000B	18,00,000	65,46,779	25,86,447	8,530	Bhaghyalakshmi & Co.	45,500	..	Palani Andavar Mills	180.00cd / 190.00cd	50A / 75B	12.00 / 18.00	15.00 / 22.50			12	Y.P.
15,00,000	....	34,19,570	18,52,524	—0,89,216	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	44.00	100	4.00(c)	*Nil*			12	Y.
16,51,900A / 5,40,000B	29,05,000	1,00,46,582	54,00,069	3,882	A. G. Gurusamy Naidu & Co. ..	59,264	300	Radhakrishna Mills	182.00 / 65.50	100A / 50B	20.00 / 10.00	20.00 / 10.00			12	Y.
19,53,275	30,55,750	76,37,378	32,62,433	....	B. R. Naidu & Sons	37,096	..	Rajalakshmi Mills	78.00cd	50	10.00	10.00	4.50		12	
16,14,300	14,00,000	37,35,923	19,10,935	15,404	Ramco Agencies Private Ltd. ..	24,996	..	Rajapalayam Mills	129.00	100	10.00	10.00	12.00		3	
22,32,850	11,50,000	78,57,176	22,15,982	5,286	Rayalaseema Development Co. ..	21,500	..	Rayalaseema Mills	11.75	10	1.00	1.00	1.00		12	
15,00,000 / 10,000	1,80,55,917	3,18,49,081	2,05,07,227	—1,05,20,798	Moonrka & Co.	95,232	2,232	Sholapoor Spg. & Wvg. ..	375.00 / —	1,000 / 500	*Nil*	*Nil*			3	Y.P.
86,50,700	20,26,255	96,26,666	70,67,094	19,545	H. N. Pallegar, Esq.	30,744	222	Sri Krishnarajendra Mills ..	73.50	50	5.00	7.00	7.00		3	
15,00,000	3,62,40,700	1,02,21,310	75,35,414	29,29,630	Birla Brothers Private Ltd. ..	36,212	1,244	Sutlej Cotton Mills	70.00N	10	6.00	6.00	6.00		3	
17,50,000O / 1,87,50,000PO	2,36,28,021	5,18,52,120	1,81,88,924	8,35,712	Jaipuria Brothers	1,13,216	2,898	Swadeshi Cotton (Kanpur) ..	10.00 / 11.12	10O. / 10P.O.	0.75 / 1.15	0.75 / 1.15			3	Y.P.
1,00,00,000	60,00,000	3,88,81,393	1,95,18,492	1,78,216	Emcete & Sons (Travancore) Ltd..	....	..	Travancore Rayons	14.40	10	0.75	1.00	1.00		12	Y.P.
15,96,720	9,45,949	19,58,289	15,60,120	794	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11.75	10	0.90	1.12	0.90		12	
81,00,000	39,86,788	86,80,896	51,76,507	12,000	E. K. Chetty & Brothers	44,424	270	Vasanta Mills	231.50	100	20.00	20.00	12.00		12	
82,00,000	18,78,770	1,85,96,063	1,17,44,622	—9,85,589	The Bombay Co. (Private) Ltd. ..	49,660	1,875	Vishnu Cotton	115.00	100	8.00	8.00	*Nil*		12	

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right.
Σ—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1956. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1956
§ On old capital. 'C'—On increased Capital.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1954	1955	1956	1957	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BREWERIES AND DISTILLERIES														
39,84,000	47,43,760	1,15,18,224	62,38,314	1,16,220	Parry & Co., Ltd.	Deccan Sugar & Abkhari	8.00	5	*Nil*	0.50	0.75	0.85	5	Y.P.
16,20,630	26,75,014	29,38,961	16,23,422	38,736	Mr. K. G. Khanna	Dyer Meakin Breweries	11.25	5	0.50	0.56	0.56	0.56	3	Y.
2,49,950	£1,197,464	£1,387,940	£701,435	£52,719	Parry's Holdings Private Ltd. ..	East India Distilleries and Sugar	28.40	£1	Sh. 3	Sh. 4	Sh. 3	Sh. 3	9	Y.P.
6,00,000	9,60,000	24,40,382	22,05,326	6,022	Vital Mallya, Esq. (Chairman) ..	United Breweries	229.00	75	15.00	15.00	15.00	15.00	3	Y.
CEMENT														
72,59,940 / 42,14,600O / 14,70,970D	13,33,764	1,00,14,799	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	12.00 / 4.50 / 1.00	B. 10 / O. 10 / D. 1	1.00	1.00*	1.00		12	Y.P.
15,71,80,070	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement			*Nil*	*Nil*			3	Y.P.T.
3,07,44,575	9,62,91,082	30,81,74,705	11,29,17,763	2,58,821	Cement Agencies (Private) Ltd. ..	Associated Cement Companies ..	156.00	100	8.50	10.00	10.00	9.00	7	Y.T.
1,66,00,000O / 5,00,000D	60,69,469	1,08,99,911	39,54,983	2,84,608	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	11.00 / 2.75	O. 10 / D. 1	1.00	1.25	1.25		12	Y.P.
1,02,08,450 / 7,50,000	26,00,000	2,09,03,054	61,98,184	1,80,704	Essen Private Ltd.	India Cements Ltd.	23.00cd / 5.35	O. 25 / D. 5	1.25	1.87	2.06	2.06	3	Y.P.
1,50,00,000	4,00,000	4,72,50,133	89,99,750	21,38,411	Dalmia Agencies Private Ltd. ..	Orissa Cement Ltd.	13.00cd xa	10	0.75	1.25	1.25	1.50	12	Y.P.
1,00,00,000	31,43,497	3,25,68,768	1,17,79,528	37,35,949	Shree Laxmi Agents Private Ltd. ..	Shree Digvijay Cement	157.00	100	8.50	8.50	9.00	9.00	12	Y.P.
1,24,20,200	49,94,795	3,55,77,865	1,29,10,661	4,287	M.	Sone Valley Portland Cement ..	8.75	5	0.37	0.25	0.30	0.18	7	Y.
75,00,000	17,70,000	2,09,86,577	1,50,04,018	3,24,891	Essel (Private) Ltd.	Travancore Cements Ltd.	10.20	10	0.62	0.62	0.60	0.60	12	Y.
60,00,000	6,00,000	1,04,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1954 Rs.	1955 Rs.	1956 Rs.	1957 Rs.	Accounts Closed	Reference
PAPER														
45,00,000	25,91,841	2,13,25,402	1,56,72,314	4,805	M.	Bengal Paper Mills	91.50	25	3.12	4.69	2.50		12	Y.P.T.
65,00,000	63,91,258	1,34,82,178	58,76,687	23,544	Andrew Yule & Co., Ltd. ..	India Paper Pulp †‡	20.69	10	14.00	1.39 2/5	1.39 2/5	1.40	3	Y.
25,00,000	25,12,500	1,48,27,089	77,57,046	47,695	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17.30	10	0.75*	0.75*	1.00*	1.00*	3	Y.
1,06,82,500	2,46,75,045	6,04,16,697	1,37,58,042	2,63,477	Birla Brothers Private Ltd. ..	Orient Paper	32.00	10	0.94	1.12	0.62	1.50	3	Y.P.T.
1,25,49,570	74,23,277	1,85,10,223	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills ..	16.31	10	1.50	1.25	1.25	1.25	12	Y.P.T.
50,00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	{ 11.31	O. 10	0.75	1.25	1.05	0.60	9	Y.P.
'A' 10,00,000							{ 11.31	A. 10	0.75	1.25	1.05	0.60		
2,15,55,740	48,43,066	2,85,20,949	75,56,180	5,497	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	11.12	10	*Nil*	5.00‡	0.50	0.50	6	Y.P.
55,00,000A.							39.50	A. 10	1.50	2.00*	1.12*	2.37*		
55,01,200B.	3,76,50,474	6,78,46,967	3,51,66,938	92,528	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	39.50	B. 10	1.50	2.00*	1.12*	2.37*	3	Y.P.
4,27,89[illegible]O.							4.25	P.O. 2½	0.25	0.25	0.13	0.25		
PRESSING														
3,00,000	3,26,572	13,951	13,858	28,272	Andrew Yule & Co. Ltd. ..	Calcutta Hydraulic	50.00N	100	4.00	*Nil*	*Nil*	3.00	6	Y.
5,00,000	2,47,132	8,48,622	6,98,409	35,418	Andrew Yule & Co. Ltd. ..	Central Hydraulic	82.00N	100	5.00	5.00	0.00	10.00*	6	Y.
SAW MILLS AND TIMBER														
18,99,998	22,88,389	32,76,480	13,61,671	—4,90,122	Bird & Co. (Private) Ltd. ..	Assam Saw Mills	2.00	2	*Nil*	*Nil*	*Nil*	*Nil*	9	Y
50,00,000	3,81,14,271	4,60,47,870	1,88,08,404	1,83,542	Wallace & Co.	Bombay-Burmah Trading Corpn.	{ 282.50	Old125	20.00	37.50	40.00	40.00	5	Y.
20,00,000	20,43,087	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd. .	Indian Wood Products	{ 213.75	New50	5.00	15.00	13.75	15.00	9	Y.
							44.50	10	2.75	3.00	3.00	2.75		
SUGAR (U.P. and Bihar)														
11,00,000	15,38,486	42,93,220	31,13,974	57,702	M.	Balrampur Sugar	8.37	5	0.75	0.06	*Nil*	0.25		Y.
12,00,000A.	89,80,260	58,40,881	36,33,435	12,12,000	Narang Bros. & Co. Private Ltd. ..	Rauti Sugar	{ 16.00N	A. 100	10.00	10.00	10.00		4	Y.T.
8,00,000B.							{ 11.50N	B. 10	1.00	1.00	1.00			
19,49,500	8,75,000	33,83,270	25,66,270	74,046	Bangur Bros., Ltd.	Belsund Sugar	10.50	7½	0.75	0.75	1.00	1.00	9	Y.
18,00,000	13,51,512	19,28,777	13,40,840	7,668	Cotton Agents Private Ltd. ..	Bharat Sugar	14.00	10	1.50	1.50	1.50	1.50	6	Y.P.
65,50,400	35,89,806	67,92,760	25,67,388	27,711	Govan Bros. (Rampur) Private Ltd.	Buland Sugar	15.75	10	1.00	1.50	1.50Q		9	Y.P.
22,00,000	23,22,515	1,45,76,057	98,94,332	—2,23,014	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8.12	10	0.75	0.25	*Nil*	*Nil*	6	Y.P.T.
30,00,000	54,89,259	1,56,39,057	93,52,334	—2,35,790	Begg, Sutherland & Co. Private Ltd.	Champaran Sugar	12.00	10	0.75	0.75	*Nil*	*Nil*	10	Y.P.
18 00 000	54,56,103	84,72,400	59,12,095	—3,48,163	Begg, Sutherland & Co. Private Ltd.	Champrun Sugar	10.00	10	1.00	1.00	*Nil*		6	Y.
2,25,152	2,59,762	25,14,152	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd. ..	Deoria Sugar	10.00N	10	0.75	0.50	0.50		8	Y.T.
10,00,000A.	44,95,000	1,02,71,005	67,56,074	83,128	Bachhraj & Co. Private Ltd.	Hindustan Sugar Mills	{ 210.00N	A. 100	15.00*	15.00*	15.00		6	Y.P.
50,00,000O.							{ 100.00	O. 100	15.00*	15.00*	15.00			
18,00,000	12,51,626	79,38,731	49,86,047	1,05,664	Mr. Tulsidas Kilachand (Chairman) .	Kesar Sugar	55.50	40	*Nil*	2.25	4.00	7.00	7	Y.P.
7 99,100	22,50,288	43,69,619	26,90,926	79,525	Cotton Agents Private Ltd. ..	New India Sugar Mills	29.00	10	2.50	2.50	2.50	2.50	6	Y.P.
11,00,000	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros Private Ltd. ..	New Savan	4.69	10	0.25	0.25	0.37	0.37	5	Y.
15,21,100	49,91,797	78,75,775	27,02,363	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	{ 201.25	100	20.00	20.00	20.00	20.00	6	Y.
33,275							{ 50.00N	25	5.00	5.00	5.00	5.00		
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Oudh Sugar	130.00	100	11.00	11.00	11.00	12.50	7	Y.P.
12,00,000	13,69,374	31,98,494	21,49,459	24,662	Narang Bros. & Co. Private Ltd. ..	Punjab Sugar	70.00N	100	10.00	10.00	10.00		10	Y.
9 00,000	10,54,146	43,88,090	22,04,223	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	9.81	10	0.75	0.75	0.75	*Nil*	10	Y.P.
63,59,400	85,59,866	67,02,760	25,67,388	27,711	Govan Bros. (Rampur), Private Ltd.	Raza Sugar	13.75	10	0.75	1.50	1.50Q	1.50	6	Y.P.
8 00,000	6,21,932	28,74,893	23,31,231	2,175	M.	Ryam Sugar	10.00	10	0.50	*Nil*	1.75	*Nil*	6	Y.
11,99,960	16,32,214	47,23,583	25,13,422	—2,20,863	M.	Samastipur Central Sugar ..	12.50	10	0.50	*Nil*	1.75	*Nil*	6	Y.
20,79,525	22,58,560	1,40,84,345	88,35,007	16,881	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.87	10	1.50	1.75	1.00	8		Y.P.T.
10,02,115	24,660	29,48,606	14,35,491	—3,16,557	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)									
15,89,000	13,52,481	35,59,550	20,58,359	40,666	M.	Sitalpore Sugar	2.37	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
9,18,0000.	46,462	29,66,366	11,46,770	—16,37,907	M.	Shri Sitaram Sugar	{ 11.62	10	1.50*	1.00	1.00	0.50	8	Y.
4,40,080D.						South Bihar Sugar	{ 6.75N	O. 10	*Nil*	*Nil*				
2,00,000	84,74,348	1,27,30,247	80,57,754	9,663	Cotton Agents Private Ltd.	Upper Ganges Sugar	{ 6.50N	D. 2½	*Nil*	*Nil*			19	Y.P.T.
16,60,000	7,66,530	23,17,959	27,09,205	32,042	M.	United Provinces Sugar	35.00N	10	2.50	2.50	3.00	5.00	6	Y.P.
							14.06	10	1.25	1.50	0.69		9	Y.
Other Centres														
30,00,000	19,50,000	75,27,620	18,97,501	15,079	Rangarao & Co.	Andhra Sugars Ltd	17.00	10	*Nil*	0.60	1.00	1.25	9	Y.
76,49,650	1,19,13,063	1,50,47,792	1,08,77,187	3,00,263	W. H. Brady & Co., Ltd.	Belapur Company	258.50	50	16.00	16.00	16.00	18.00	9	Y.
17,50,000	12,56,284	41,35,701	23,90,315	30,827	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	{ Bhogat Sugar Industries Ltd.	30.25	10	1.00	1.00	1.00	2.00	9	Y.P.
15,00,000	27,88,155	32,89,314	2,24,393	33,344		{ Shree Chandgee Sugar ..	27.50	12.50	1.00	2.00	0.00	2.25	9	Y.
15,03,900	15,86,410	43,30,767	25,77,714	6,691	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	99.00N	100	*Nil*	*Nil*	6.00	10.00	9	Y.P.
62 07 600	11,02,669	76,71,515	19,85,285	46,088	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	12 41	10	1.75	1.40	1.12	1.00	9	Y.P.
22,41,127	16,75,871	94,06,482	12,67,310	6,611	B. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	13 30	10	1.00	1.00	0.00	0.60	9	Y.P.
2,52,2000.	88,00,000	2,48,45,158	41,94 129	28,068	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	{ 120.00	O.100	7.50	7.50	7.50	7.50	6	Y.P.
2,87,1800.							{ 134.00	D. 10	10.00	10.00	10.00	10.00		
67,50,000	33,21,978	1,22,47,683	57,87,087	36,423	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills ..	915.00	250			100.00*	100.00*	9	Y.P.
21,79,280	56,24,943	1,54,89,192	89,25,545	2,10,465	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	40.50	10	2.00	2.00	2.00	2.00	6	Y.
50,00,000	33,21,450	1,16,88,154	67,39,841	1,47,239	Matatilal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	157.00	50	5.00	8.00	9.00	12.00*	9	Y.
16,59,820	40,00,000	59,45,584	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnagar, Cane and Sugar ..	{ 110.00	50	1.50	2.00	2.00	1.50	8	Y.P.T.
20,00,000Q.	42,07,214	1,04,79,940	59,80,787	70,575	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	{ 134.00	O. 50	2.50	9.00	12.00	12.00	9	Y.P.T.
4,00,000D.							{ 80.00N	D. 10	*Nil*	0.07	0.70	8.75		
50,00,000	28,49,000	62,19,329	24,74,579	77,358	Parry Co., Ltd.	Travancore Sugars	10.55	10	*Nil*	0.75	1.00	1.00	7	Y.P.
1,01,00,000	1,16,37,173	2,71,48,027	1,06,46,123	1,72,056	Walchand & Co. Private Ltd. ..	Walchandnagar Industries ..	282.50	100	16.00	18.00	21.00	21.00	9	Y.P.T.
TRANSPORT														
20,00,000	99,30,970	1,22,58,916	19,44,277	36,387	Andrew Yule & Co., Ltd	Bengal-Assam Steamship Co. ..	90.00	100	7.50	7.50	7.50	5.00	10	Y.P
1,00,00,000	1 27,28,000	4,10,96,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd.	Bharat Line	80.00N	100	5.00	5.00	5.00	10.00*	12	Y.
99,00,000	1,43,25,068	4,99,84,846	86,21,345	1,83,536	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	24.36	10	1.00	*Nil*	1.00	1.50	6	Y.P.
5655,580	5997,720	55,585,834	23,428,088	—6106,393	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	56.50	510	Sh. 10	Sh. 10	*Nil*	*Nil*	12	Y.P.
1,25,00,000	1,74,74,232	12,79,96,545	2,63,26,759	2,79,984	Lionel Edwards (Private) Ltd. ..	India Steamship Co.	12.00	10	*Nil*	*Nil*	1.00	1.00	3	Y.P.
3,40,19,975	10,38,51,342	27,56,48,271	5,78,99,812	5,84,102	M.	Scindia Steam Navigation Co.	18.72	20	0.50	0.50	1.00	1.25	6	Y.T.
5,46,2800.							2.25	1	0.12	0.14	*Nil*			
10,200P.O.	18,26,615	12,00,284	7,86,766	1,66,813	R. R. Aiyer, Esq. (Manager) ..	Watford Transport Ltd. ..	{ 1.87	P.O. 1	0.11	0.12	0.12		12	Y.
UNCLASSIFIED (Bombay)														
25,00,000	1,00,000	26,18,54§§†		53,55§†	M.	Devkaran Nanji Investment Co.	11.32	25	0.75	0.75	0.81	0.81	3	Y.
1,87,00,000	2,01,70,510	4,79,59,518	1,35,03,109	89 94,000	S. H. Turner (Chairman)	Hindustan Lever	23.60	10	..	..	1.25	1.40	12	Y.
21,07,000	16,29,510	1,09,45,039	67,14,497	14,286	Birla Brothers Private Ltd. ..	Hind Oyales	188.75	100	10.00	10.00	..	12.50F	3	Y.P.T.
1,05,34,340	3,61,980	70,61,852	19,46,795	23,819	Chemanlal Manilal Private Ltd.	Estrela Industries	39 50	50	3.00	2.00	3.00		3	Y.P.
99,99,250	20,13,147	1,25,01,396§§§		1,74,000	Framjee Jeyrajee & Sons	Industrial Investment Trust ..	78.00	100	4.50	4.50	5.00	5.50	12	Y.
99,99,000	23,66,446	23,85,170	11,25,784	2,758	K. G. Milne, Esq. (Mg. Director)	Killick Industries	145.50	100	11.00	11.00	11.00	11.00	6	Y.
1,25,32[illegible]A.O.	68,14,265	9,43,78,824	1,66,92,076	6,81,752	Asso-Auto Private Ltd.	Premier Automobiles	91.00	100	*Nil*	*Nil*	6.00	6.00	6	Y.T.
1,00,11,200	4,85,147	8,00,105	1,58,506	2,481	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	19.00	20	2.00	2.00	2.00	1.20	12	Y.
1,75,00,000	1,44,13,441	3,87,52,891	1,68,58,848	89,866	Mr. A. Hydari & Mr. S. Gothbert	Western India Match Co., Ltd.	180.00	100	11.00*	11.00*	11.00*	11.00*	12	Y.
45,00,000	60,62,390	8,84,935	5,24,956	75,084	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	280.00	150	20.00	20.00	22.50	25.00	12	Y.
Other Centers														
87,50,000	1,99,56,718	2,81,21,462	86,96,321	2,33,759	J. K. Industries Private[illegible]Ltd. ..	Aluminium Corporation of India Ltd.	{ 11.87	O. 10	*Nil*	*Nil*	0.50	0.90		Y.P.T.
2,50,000							{ 11.87	D. 2½	*Nil*	*Nil*	*Nil*	*Nil*		
46,00,000	22,25,000	68,17,879	28,12,985	66,529	Seshasayee Bros. (Trav.) Pvt. Ltd. ..	Aluminium Industries Ltd. ..	16.20	10	1.25	1.25*	1.25	1.25	3	Y.
20,00,000	36,30,717	34,97,377	13,80,332	3,61,339	Turner Morrison & Co. Private Ltd.	Angalo Bros., Ltd.	18.81	10	1.25	2.00*	2.00*	1.50*	3	Y.
30,00,000	17,14,736	33,84,272	19,56,572	1,85,324	Mr. A. Hydari & Mr. S. Gothbert	Assam Match Co., Ltd.	14.75	10	1.25*	1.25*	1.25*	1.25*	12	Y.
28,00,000	35,94,600	1,05,12,053	39,58,422	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	6.00	10	0.25	0.25	0.25	0.50	12	Y.P.T.
99,61,490	98,61,293	99,82,106	37,92,106	6,98,375	M.	Balmer Lawrie & Co., Ltd. ..	173.00	100	12.50	12.50	15.00	12.50	12	Y.
15,00,000	17,56,000	31,35,745	27,24,745	2,01,797	Balmer Lawrie & Co., Ltd. ..	Rampur Flour Mills Co., Ltd.	80.00	10	2.50	2.25	2.50	2.50	12	Y.
10,00,000	3,85,715	62,23,493§§		27,613	Lovelock & Lewis	Birds Investment Ltd.	9.00	10	1.25	1.25	1.00		3	Y.P.
45,97,920	24,61,514	1,14,51,965	37,97,455	1,84,968	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	14.62	10	1.00	1.00	1.00	1.00	3	Y.P.T.
25,00,000	1,55,55,571	2,06,55,577	2,33,60,131	1,52,551	W. E. J. Chastelo, Esq. (Mg. Director)	British India Corporation Ltd.	3.46	5	0.06	*Nil*	0.10		12	Y.P.
25,00,000	17,54,364	2,99,96,944§§§		3,16,964	Andrew Yule & Co., Ltd.	Clive Revo Investment	8.78	10	0.25	0.25	1.25	0.75	3	Y.
60,00,000	4,40,29,606	6,96,49,175	2,68,24,548	22,22,643	John Lockham, Esq. (Mg. Director) ..	Dunlop Rubber Co. (India) Ltd.	27.44	10	1.50	1.50	1.50	1.62	12	Y.P.T.
51,38,000	54,81,635	1,04,12,908§§		2,43,372	Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	108.00	100	9.00	9.00	9.00	9.00	12	Y.P.
14,00,000	9,55,000	24,95,164		19,09,339	MacNeill & Barry Ltd.	Cargoo Rope Co., Ltd.	138.00	100	15.00	15.00	4.00	12.50	3	Y.
65,00,000	34,20,910	29,25,473	10,66,888	1,68,398	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	10.37	10	0.75	1.40	1.50	1.50	3	Y.
30,00,000	15,17,554	23,95,321	20,54,683	74,215	B. P. E. Syndicate	Great Eastern Hotel	265.00	250	6.25	6.25	15.00	15.00	3	Y.
30,00,000	19,00,000	47,35,577	1,51,53,541	7,26,993	Birla Brothers Private Ltd.	Hindustan Motors	7.92	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
24,58,000	1,17,58,000	7,37,43,013	2,21,77,733	7,20,182	K. G. Malhotra, Esq. (Mg. Director)	Indian Aluminium Co., Ltd. ..	15.31	10	*Nil*	0.00	1.00	0.00	12	Y.P.
52,89,120	1,46,00,000	2,26,56,021	86,35,902	41,81,858	B. J. Woodley, Esq. (Mg. Director).	Indian Cables	29.31	10	*Nil*	1.25*	1.50*	1.50*	3	Y.P.T.
3,37,976	4,02,000	10,74,968	2,50,300	62,722	G. S. Menlies & Co. (India) Ltd. ..	Indian Rubber Manufacturers ..	16.05	10	0.50	0.50	0.62		3	Y.P.
1,10,00,000	24,02,91,894	9,85,79,292	1,02,52,899	25,64,159	Mr. G. H. J. Clarke (Chairman) ..	Imperial Tobacco Co. of India Ltd.	13.50	10	0.60	0.80	0.80	0.70	3	Y.
66,66,666	76,37,615	89,02,397	12,66,932	4,71,170	J. D. K. Brown, Esq. (Mg. Director).	Jardine Henderson	61.00	100	7.50	7.50	7.50	2.50	3	Y.P.
1,00,000O.	82,66,900	48,53,407	10,43,712	2,57,153	M.	McLeod & Co.	{ 200.00N	O.100	17.00	22.50	8.00		11	Y.P.
1,00,000D.								D.O.10	1.20	1.75	0.30			
46,22,500	90,58,531	25,84,484	14,97,332	2,35,312	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26.12	10	1.00	1.00	1.50	2.12*	9	Y.P.
15,00,000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	29.62	10	1.00	1.25	1.62	1.75	3	Y.P.
6 96,384	6,97,540	11,29,836	5,97,362	8,549	Mr. J. L. D'Sa (Chairman) ..	Mysore Lamp Works	14.40	10	1.00	0.75	0.90	1.25	3	Y.P.
10,00,000	3,70,000	19,47,999	10,18,129	48,554	M. Mackenzie, Esq. (Chairman)	Mysore Tobacco	12.62	10	1.25	1.00	1.50	1.50	3	Y.
80,00,000	33,55,506	2,14,82,470	61,33,962	28,42,424	J. R. Galloway, Esq. (Mg. Director).	National Carbon Co. (India) Ltd.	25.62	10	0.50	0.62	1.50	1.40	12	Y.
40,00,000	74,71,172	63,89,914	41,52,961	1,44,443	Associated Industrial Development Co. (Private) Ltd.									
40,00,000	15,00,000	93,19,395	21,17,466	75,725	M.	National Insulated Cable Co. ..	28.12	10	1.00	1.50*	2.00*		3	Y.P.
						National Rolling & Steel Rapes ..	10.62	10	0.00	0.50	0.50		6	Y.T.
8,00,000	6,00,000	50,21,760	28,60,528	1,80,392	K. N. Mookerjee (Mg. Director) ..	National Rubber Manufacturers Ltd.	{ 13.00xd	10	..	..	..	1.00	12	Y.
							{ —	5	..	..	..	0.50		
79,97,000	88,12,466	1,42,51,800	61,75,186	9,02,640	Lt. Col. B. Hira	National Tobacco Co.	15.25	10	0.50	0.50	0.70	0.50	12	Y.P.T.
35,00,000	4,53,498	1,29,22,543	60,06,584	—44,12,988	M. P. A. Pazpatoli, Esq.	Rallis (India) Ltd.	33.62	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
28,80,000	1,27,76,399	19,00,39,211	2,96,22,765	49,462	Bahu Jain Ltd.	Rehtas Industries	22.50	10	1.50	1.50	1.50	1.50	10	Y.P.T.
4,75,200	51,356	21,11,557	6,29,199	19,106	Sathe Food India. (Private) Ltd, ..	Sathe Biscuit and Chocolate Co., Ltd.	{ 100.00N	100	..	..	5.00	6.00	3	Y.P.
5,15,400							{ 50.00N	50	..	..	2.50	3.00		
70,00,000	17,66,818	1,67,21,608	34,47,040	66,821	M.	Sen-Raleigh Industries	14.50xd	10	0.60	0.60	0.60	0.60	9	Y.P.
48,00,000	88,41,163	1,21,89,272	72,06,599	9,02,978	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	18.50	10	1.50	1.50	1.50	1.50	6	Y.P.
75,00,000	21,22,788	71,93,265	11,83,597	3,58,425	S. M. Smith, Esq. (Mg. Director)	Shaw Wallace & Co. Ltd.	13.06	10	1.25	1.00	1.00	1.00	12	Y.P.
9 96,350	19,925	14,88,995	8,18,592	—7,482	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	4.00	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.

M.—Managed by Board of Directors.
† Subject to taxation.
F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March, 1957.
§§ Investments at cost.
‡‡ India Paper Pulp—The dividends paid upto 1954 were on shares of Rs 100 each which subsequently were divided into shares of Rs. 10 each.
* Includes bonus.
‡ On old capital.
Q.—The latest dividend and quotation relates to 'Raza Buland Sugar Co., Ltd.' subsequent to the amalgamation of the Raza and Buland Sugar Companies
§ Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co., Ltd

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
ASSAM															
4,45,700	9,69,019	15,95,482	5,76,588	....	McLeod & Co., Ltd.	325	Amluckie	27.00N	10	18.00	4.75	5.00		12	Y.P.
2,76,500	5,71,590	11,19,537	3,89,703	22,139	M.	212	Ananda (Assam) Tea	17.00	10	7.50	1.00	2.00		12	Y.
7,00,000	6,43,259	12,23,233	3,34,393	49,669	Gillanders Arbuthnot & Co., Ltd.	440	Ananda Bag	20.00	10	8.00*	1.00	1.25		12	Y.
5,12,000	13,21,541	18,70,339	7,47,902	42,752	McLeod & Co., Ltd.	572	Baghmari	19.75	10	3.50	1.00	2.50		12	Y.
5,10,000	9,85,000	12,96,911	5,32,732	53,593	Andrew Yule & Co., Ltd.	378	Baramalia	22.00	10	5.00	1.50	3.00		12	Y.
3 20 500	5,19,000	12,75,906	8,08,524	1,39,178	National Tea Corporation	570	Bateli	18.75	5	4.00	2.50	3.00		12	Y.
4,00,000	7,40,000	11,10,644	3,51,828	69,105	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	23.25	10	10.00*	2.00	2.50		12	Y.
23,00,000	13,33,333	63,88,222	28,40,322

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd...	Balmadies Plantations	3.50	2	0.25	0.30	0.21	0.45	5	Y.P.
26,91,990	24,50,000	52,61,468	5,60,575	71,795	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	5.13	3	0.75	0.45	0.75	0.52	2	Y.P.
18,00,000	31,00,000	39,79,846	3,96,541	1,21,826	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	31.25	10	1.75	2.25	2.00	4.00	6	Y.P.
71,55,000	56,13,036	1,25,54,765	26,09,076	1,12,311	R. C. Patterson, Esq.	Consolidated Coffee	27.50	10	1.50	2.25	2.00	4.00	6	Y.P.
4,00,000	5,87,423	10,43,902	53,995	8,519	Associated Planters Private Ltd.	Cottanad Plantations	15.00cd	10	1.50	1.75*	1.50	1.75	3	Y.P.
18,00,000	9,95,543	25,36,790	5,31,442	37,145	A. V. Thomas & Co., Ltd. ..	Highland Produce	13.30cd	10	2.50	2.00	2.00	2.00	12	Y.P.
4,00,000	10,02,399	18,91,159	2,63,016	18,088	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	24.00	10	2.00	2.75	2.00	2.00	4	Y.
13,50,000	8,71,419	19,82,913	3,09,273	6,347	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	17.50	10	2.25	2.25	3.25	2.25	3	Y.
27,00,000	28,79,387	80,92,726	9,49,414	1,48,976	A. V. Thomas & Co., Ltd. ..	Midland Rubber	17.00cR	10	1.75*	2.50	2.00	2.00	3	Y.P.
3,35,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd. ..	Nenmeny Rubber	13.50xd	10	1.50	1.50	1.50	0.75	12	Y.P.
2,00,000	2,06,500	9,44,297	1,14,785	2,437	Associated Planters Private Ltd.	Nilumbur Rubber Co.	14.00cd	10	1.00	1.50	1.50	1.50	12	Y.P.
19,45,980	23,79,615	45,25,952	14,74,565	53,868	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	5.20	2	0.60	0.40	0.20	0.60	10	Y.
13,50,000	8,60,000	45,07,576	3,95,093	12,299	A. V. Thomas & Co., Ltd. ..	Rajadri Rubber	16.80	10	1.75*	2.00	2.50	2.00	6	Y.P.
3,66,780	4,06,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd. ..	Savanah Estates Ltd.	5.95cdR	2	2.50	1.00	1.50	0.30	11	Y.
10,00,000	2,01,600	22,44,528	1,59,659	9,949	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	6.12	10	0.75	0.90	0.90	0.60	3	Y.P.
2,50,000	2,75,000	5,73,150	38,399	33,647	A. V. George & Co., Ltd. ..	Thamarapally Rubber	24.00	10	3.00	3.00	3.00	3.00	12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,425	23,927	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1.72	1	0.10	0.12½	0.12½	0.05	9	Y.
6,00,000	33,742	7,80,435	1,41,328	1,279	Eapen Thomas, Esq. (Mg. Director)	Travancore Rubber	15.00	10	2.00	2.00	2.00	1.50	12	Y.
41,00,000	12,79,221	81,25,080	14,56,613	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	6.80	10	1.50	1.25	0.75	0.40	12	Y.
20,00,000	36,000	39,13,628	7,75,096	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	19.50	25	5.00	4.00	3.00	1.00	12	Y.
4,80,010	5,99,693	9,56,500	27,217	873	M.	Vaikundam (Travancore) Rubber ..	21.12	10	2.25	2.50	3.50	2.50J	12	Y.
6,95,000	1,47,259	13,83,336	39,744	10,289	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.05	10	1.50	2.00	1.25	1.00	3	Y.P.

J—Final dividend of Rs. 1·50 is on the increased capital. * Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	53,26,489	18,786	B. N. Ellias & Co. Private Ltd.	379	Agarpara	9.56	10	0.62	0.62	0.25	0.25	3	Y.
6,00,000	10,25,000	56,02,953	38,46,893	1,70,290	McLeod & Co., Ltd.	446	Alexandra	118.00	100	7.50	10.00	10.00		6.12	H.P.T.
30,00,000	5,25,000	1,25,25,740	93,78,001	—5,74,381	McLeod & Co., Ltd.	1,264	Alliance	85.00	100	12.00	6.00	Nil	Nil	6	Y.P.
49,20,700	67,00,000	3,11,92,070	2,03,15,090	1,77,821	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	170.00	100	7.50	3.50	3.50	7.00	3	Y.P.
40,00,000	29,54,500	1,49,09,985	55,34,728	—3,79,016	Bird & Co. Private Ltd.	310	Auckland	96.00	100	3.50	10.00	1.00	Nil	3	Y.P.
20,00,000	23,30,913	96,01,435	65,85,094	65,302	Birla Brothers Private Ltd.	959	Bally	165.00	100	Nil	3.50	Nil	Nil	3.9	H.P.
2,75,000	2,74,807	5,62,033,482	29,23,109	....	Sir John H. Burder (Chairman) ..	1,889	Barnagore	103.00	£5	sh. 15	sh. 15	Nil	Nil	3	Y.P.
28,00,000	26,56,123	94,67,700	51,49,231	1,330	Andrew Yule & Co., Ltd.	320	Belvedere	116.00	100	10.00	7.50	Nil		12	Y.P.
45,00,000	38,45,000	57,03,172	31,28,574	2,85,100	Soorajmull Nagarmull	600	Bengal	10.75	10	1.12	1.12			6	Y.P.T.
91,26,000	2,17,48,383	3,34,10,402	1,45,32,651	4,37,393	Birla Brothers Private Ltd.	1,873	Birla	18.37	10	1.00	1.00	1.00		3	Y.P.
36,00,000	19,36,926	1,22,32,479	71,78,857	2,799	Andrew Yule & Co., Ltd.	991	Budge-Budge	102.00	100	9.00	7.50	Nil	Nil	10	Y.P.
7,47,380	3,09,640	42,13,704	31,62,688	—3,31,470	Dayaram & Sons	502	Calcutta Jute Mfg. ..	7.00	10	0.75	Nil			6.12	H.P.T.
18,00,000	25,21,234	87,77,057	46,43,356	529	Andrew Yule & Co., Ltd.	616	Caledonian	133.00	100	9.00	6.50	Nil	Nil	11	Y.P.
59,16,400	76,49,289	2,28,64,628	1,19,60,343	—7,24,043	James Finlay & Co., Ltd.	600	Champdany	96.00	100	3.00	10.00	2.00	Nil	3	Y.
15,95,000	21,56,282	85,02,301	58,78,175	5,857	Andrew Yule & Co., Ltd.	530	Cheviot	162.00	100	14.00	10.00	2.00	Nil	11	Y.
80,15,000	33,75,000	77,94,318	51,54,250	72,099	McLeod & Co., Ltd.	500	Chitnavalah	14.87	10	1.12	1.37	0.621	1.10	7	Y.P.T.
24,00,000	9,00,000	81,05,335	67,13,337	25,935	Shree Krishna Investment Co., Ltd.	969	Clive	12.25	10	Nil	1.25z	0.50		3	Y.P.
31,49,200	44,50,392	1,35,02,698	51,19,167	—8,75,531	Bird & Co. Private Ltd.	766	Dalhousie	72.00	100	2.50	4.00	Nil	Nil	3	Y.P.T.
28,00,000	37,22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd.	770	Delta	130.00	100	12.00	10.00	5.00	Nil	11	Y.P.
15,00,000	35,56,800	92,51,058	63,07,045	4,192	McLeod & Co., Ltd.	500	Empire	15.75	10	1.25	1.25	0.501	0.75	7	Y.P.T.
21,00,000	62,40,685	2,41,58,550	1,69,62,109	2,45,413	Kettlewell Bullen & Co., Ltd. ..	1,098	Fort Gloster Industries Ltd. ..	360.00N	100	5.00	15.00	10.00	10.00	3.9	H.P.T.
21,00,000	14,50,000	1,20,16,348	58,00,792	1,70,922	Bangur Bros., Ltd.	1,014	Fort William	19.00	10	0.50	20.00	0.75K	1.50	3	Y.P.T.
84,32,100	....	2,11,07,224	1,32,88,925	—2,67,452	M.	1,709	Ganges Mfg.	56.00	100	0.50	2.50	Nil		3.9	H.P.
10,80,000	28,68,943	76,08,097	50,72,167	11,510	M.	607	Gondalpara	500.00	300	Nil	Nil	50.00		12	Y.T.
24,00,000	24,50,000	2,22,46,943	1,58,81,985	45,248	Macneill & Barry Ltd.	1,394	Gourepore	273.00	100	10.00	15.00	2.50	2.50	3	Y.P.
40,00,000	40,63,233	1,28,36,127	58,68,839	3,00,038	Bangur Bros., Ltd.	1,078	Hastings	104.00N	100	10.00	11.50	5.00		3	Y.P.
16,30,000	13,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	10.75	10	0.50	1.25	Nil		3	Y.P.
65,62,500	23,68,428	2,34,21,655	1,11,59,561	—24,66,402	Jardine Henderson Ltd.	1,940	Howrah	17.19	10	1.25	0.37	0.25	Nil	3	Y.P.T.
52,50,000	28,37,124	2,93,21,907	1,57,51,907	1,14,396	Ramdutt Ramkissendas	2,272	Hukumchand	21.75	7.50	2.00	2.00	2.00	1.50	3	Y.P.T.
87,00,000 } 30,000 }	17,20,050	1,27,01,698	30,28,070	2,57,287	M.	1,076	India	134.00	O. 125	3.12	4.69	4.69		3	Y.
24,00,000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	105.00	100	3.00	2.50	Nil	Nil	12	Y.P.T.
'B'19,20,000								103.00	'B' 100	3.00	2.50	Nil	Nil		
30,00,000	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kanknarrah	53.00	100	6.50	1.00	Nil	Nil	12	Y.P.T.
'B'24,00,000 }								62.00	'B' 100	6.50	1.00	Nil	Nil		
21,00,000	53,00,000	1,35,45,052	88,77,736	86,701	McLeod & Co., Ltd.	703	Kelvin	188.00	100	20.00	17.50	5.00	9.00	5	Y.P.
54,00,000	23,33,375	1,96,60,992	1,22,03,770	27,027	Anderson Wright Ltd.	1,530	Khardah	128.00	100	12.50	11.00	5.00	3.00	3	Y.P.
43,00,000	31,53,808	2,36,20,709	98,60,479	28,774	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	126.00	100	7.00	18.00	6.00	Nil	3	Y.P.T.
24,43,000	28,41,335	1,28,71,981	53,10,244	—9,08,440	Bird & Co. Private Ltd.	931	Lansdowne	95.00	100	2.00	7.00	Nil	Nil	3	Y.P.T.
28,00,000	45,53,647	1,41,73,948	65,14,075	—7,73,363	Bird & Co. Private Ltd.	840	Lawrence	90.00	100	6.00	6.00	Nil	Nil	3	Y.P.T.
81,65,200	26,36,645	2,64,13,349	1,26,97,309	1,64,942	M.	1,283	Megna	125.00	100	2.50	3.75	3.75		3.9	H.
29,98,995	34,92,566	1,55,75,666	90,70,690	—13,08,719	M.	815	Nalhati	84.00	100	Nil	Nil	Nil	Nil	3	Y.P.T.
20,00,000	15,55,000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd. ..	425	Naskarpara	11.50	10	1.12	1.25			4.10	H.T.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	24.25	10	2.00	1.75	0.75	0.75	10	Y.P.
26,25,000	27,55,572	31,57,861	21,99,942	43,512	Jardine Henderson Ltd.	316	Nellimarla Jute	12.62	10	0.75	1.00		0.60	7	Y.P.T.
35,50,000	2,86,31,171	4,68,32,343	1,06,43,534	3,35,601	Sahu Jain Ltd.	1,765	New Central†	15.62	10	17.00	1.50	1.50		12	Y.P.
16,79,880	46,58,882	1,23,54,122	56,38,490	9,227	Bird & Co. Private Ltd.	567	Northbrook	16.62	10	1.25	1.50	1.50	Nil	3	Y.P.T.
66,79,500	12,74,961	2,24,62,238	1,39,16,557	20,105	Macneill & Barry Ltd.	1,092	Nuddea	43.00	50	0.50	1.00	1.00	Nil	3	Y.P.T.
24,91,000	23,04,049	76,55,438	52,45,690	5,981	Andrew Yule & Co., Ltd.	601	Orient	105.00	100	10.00	9.00	2.00	Nil	11	Y.
25,00,000	7,83,173	86,18,353	67,07,872	7,049	McLeod & Co., Ltd.	400	Presidency	4.50	5	0.31	0.31	0.20	0.30	7	Y.T.
20,00,000	10,325	27,95,784	3,39,130	—8,81,539	Birla Brothers Private Ltd. ..	305	Rameshwara	5.50	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	4,30,552	1,24,75,806	64,70,618	—88,95,290	Peirce, Leslie & Co., Ltd. ..	1,276	Reliance	6.62	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£569,000	£1,093,713	£1,245,244	....	£58,994	Thomas Duff & Co. (India) Ltd...	2,013	Samnaggur	7.31	£1	10%	8%£1			12	Y.P.
30,00,000	13,14,910	1,15,50,877	79,96,145	7,972	Bazaria More & Co., Ltd.	911	Shree Ambica	10·50N	10	1.00	0.50			3.9	H.P.
14,00,000	11,14,980	68,87,540	47,50,479	40,154	Hindustan Investment Corpn. Ltd.	401	Sourah	16.19	10	1.00	1.50	1.50	1.50	12	Y.P.
25,19,000	31,10,501	1,26,68,701	57,29,512	—8,76,083	Bird & Co. Private Ltd.	650	Standard	85.00	100	2.00	1.00	Nil	Nil	3	Y.P.T.
£600,000	£925,119	£1,137,660	....	£83,548	Thomas Duff & Co. (India) Ltd...	1,794	Titaghur	7.31	£1	10%	8%£1			12	Y.P.
35,98,600	68,80,143	2,01,42,357	89,47,895	—13,51,940	Bird & Co. Private Ltd.	1,326	Union	137.00	100	6.00	10.00	1.00	Nil	3	Y.P.T.
£400,000	£889,035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd...	1,331	Victoria	7.31	£1	10%	8%£1			12	Y.P.
2,50,000	6,35,000	41,78,264	27,76,059	—4,15,285	McLeod & Co., Ltd.	457	Waverley	3.50	1	0.50	0.37	Nil	Nil	5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1954 Rs. nP.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	Accounts closed	Reference
28,50,000	25,26,630	99,36,489	69,36,489	29,730	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields.	18.75	10	1.31	1.37	0.50	1.25	3	Y.
12,00,000	3,49,390	27,46,675	35,26,182	70,917	Jardine Henderson Ltd.	Barakee Coke	10.37	10	1.46	1.46	1.10	0.37	3.9	H.
4,40,350	1,95,000	9,55,141	6,54,576	90,870	Kalyanji Mavji & Co.	Bengal-Bhatdee	5.37N	10	0.25	0.62	0.75		6.12	H.
1,00,00,000	1,62,13,157	6,38,12,765	4,41,60,343	11,48,060	Andrew Yule & Co., Ltd.	Bengal Coal	236.00	100	30.00*	35.00*P	17.50	17.50	10	Y.P.
2,25,000	4,13,782	24,88,157	22,43,080	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13.00	10	Nil	Nil	Nil		12	Y.P.
15,97,000	4,88,558	48,14,699	24,22,290	—94,379	H. V. Low & Co. (Private) Ltd. ..	Bhalgora	6.31	10	Nil	Nil			9	Y.
40,00,000	10,28,269	1,44,33,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	6.25	10	0.62	0.62	0.62	0.60	6	Y.P.T.
7,15,000	10,15,172	49,80,946	34,84,101	—4,92,536	M.	Bhulanbararee	8.00	10	Nil	Nil	Nil		12	Y.T.
7,50,000	24,16,419	45,67,883	27,10,503	19,353	H. W. Heilgers & Co. Private Ltd.	Borrea	18.62	10	2.00	2.00	1.50		6.12	H.T.
90,92,480	1,70,35,767	4,87,27,223	1,99,68,073	95,339	Bird & Co. Private Ltd.	Burrakur	21.25	10	0.56	0.62	0.68	0.37	6.12	H.P.T.
49,97,750	....	46,39,014	12,80,014	3,401	Hindustan Investment Crpn. Ltd.	Central India	7.75	10	0.25	0.25	0.50	0.50	3	Y.
3,00,000	13,30,590	49,11,327	33,03,469	69,000	M.	Central Kurkend	10.80N	10	0.25	0.50	0.50		12	Y.
6,00,000	1,43,936	7,30,05(4)	....	4,240	F. W. Heilgers & Co. Private Ltd.	Churia	3.25	4	0.12	0.06	0.06		12	Y.
16,00,000	....	54,47,612	31,85,398	—67,535	Macneill & Barry Ltd.	Dhemo Main	7.87	10	Nil	Nil	Nil	Nil	12	Y.
£240,000	£362,875	£1,001,816	£764,050	£26,677	Jardine Henderson, Ltd.	East Indian	20.55	£1	2.50	3.00	2.50	1.50	4	Y.
29,63,760	93,25,027	4,34,54,587	3,12,09,700	59,732	Macneill & Barry Ltd.	Equitable	25.19xd	10	1.50	1.50	1.50	1.50	12	Y.P.T.
10,00,000	1,40,999	13,81,444	4,28,557	23,353	Bhatter's Agency Ltd.	Ghusick and Musilia	17.00	10	0.50	0.25			3	Y.
12,00,000	1,17,609	42,34,400	25,20,972	....	Killick Industries Ltd.	Hingir-Rampur	30.75	50	Nil	2.25	2.25	Nil	6	Y.P.
8,00,000	2,60,000	24,57,868	19,06,774	163	Macneill & Barry Ltd.	Hurriladih	14.44	10	1.75	2.50	1.50	Nil	12	Y.
3,50,000	2,43,905	14,13,052	7,33,171	....	Andrew Yule & Co., Ltd.	Kalapahari	14.00N	10	Nil	Nil	Nil		2	Y.
20,00,000	2,21,575	33,57,576	5,71,179	1,962	Bird & Co. Private Ltd.	Karanpura Collieries ..	94.00	100	Nil	2.50	5.00	Nil	2	Y.P.
5,00,000	13,90,898	47,65,511	37,70,923	1,38,336	Andrew Yule & Co., Ltd... ..	Katras Jherriah.. ..	57.00	10	4.00	4.50	6.50	6.50	1	H.P.
1,38,400	5,72,960	12,85,941	5,72,960	—2,80,236	Berlawala & Co.	Khas Kajora	8.25	10	Nil	Nil			6,12	H.
11,00,240	84,594	16,80,329	10,68,899	10,611	H. V. Low & Co. (Private) Ltd.	Kurdi	2.75	10	Nil	0.12			6	Y.
9,00,000	11,11,926	28,38,749	22,36,193	4,708	H. V. Low & Co. (Private) Ltd.	Lakurka	10.50N	10	0.25	0.12			4	Y.
7,48,240	2,00,000	13,13,208	9,66,219	81,201	Tantia Brothers Ltd.	Nazira	7.00	10	0.50	0.50			12	Y.
7,00,000	26,817	10,35,740	5,20,295	4,561	Amritlal Ojha & Co., Ltd. ..	New Bhansdeopur ..	9·00N	10	1.25				3.9	H.
17,76,230	19,51,314	1,24,49,315	91,72,491	53,598	Andrew Yule & Co., Ltd.	New Beerbhoom	15.37cd	10	1.12	1.00	0.75		10	Y.P.
6,00,000	75,000	33,35,331	22,38,923	1,43,499	Octavius Steel & Co., Ltd. ..	New Manbhoom	11.50	10	Nil	Nil	Nil	0.50	3	Y.
1,15,000 } 1,57,500 }	3,47,692	13,06,689	8,06,110	17,516	Andrew Yule & Co., Ltd.	North West	18.75	10	Nil	1.37	1.50		3	Y.
							13.50	7.50	Nil	1.03	1.12			
7,50,000	15,69,447	8,97,666	2,77,666	37,244	F. W. Heilgers & Co. Private Ltd.	Ondal	12.50	10	1.00	1.00	0.75		12	Y.P.
10,00,000	1,10,000	41,24,518	19,79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	7.00N	10	0.50	0.25			12	Y.T.
8,34,000	29,000	23,40,367	9,36,591	3,086	Peopchand Kishenlal	Parasea	13.00	10	0.75	1.00	0.50		12	Y.P.T.
15,75,000	16,30,000	55,17,410	39,02,410	46,383	Shaw Wallace & Co., Ltd. ..	Ponch Valley	21.00	10	1.62	1.50	0.70	2.00	3	Y.
23,93,500	25,66,861	1,37,28,021	91,83,862	29,060	B. N. Elias & Co. Private Ltd. ..	Raneegunge	12.50	* 10	0.50	0.62	0.37	0.75	3	Y.
13,50,000	10,46,115	38,59,365	29,71,364	15,614	Shaw Wallace & Co., Ltd. ..	Rewa	15.81	10	1.37	0.87	0.751		6,12	H.
20,00,000	27,12,000	35,55,755	22,17,957	9,297	M.	Samla Collieries	11.00N	10	0.75	1.00	1.25		12	Y.
2,50,000	1,95,802	13,78,480	12,21,237	21,070	M.	Searsole	4.75N	2.50	0.62	0.75			12	Y.
2,50,000	9,11,500	29,92,163	19,75,252	52,200	Andrew Yule & Co., Ltd... ..	Seebpore	24.50	7	2.00	2.50	2.25		6,12	H.T.
3,00,000	5,00,216	....	....	5,162	F. W. Heilgers & Co. Private Ltd.	Sendra	7.25N	10	0.12	0.25	0.25			
63,21,450	94,58,536	5,19,41,849	2,73,46,620	20,557	Industrial Trust Fund (Government of Andhra Pradesh)	Singareni	11.12	10	0.70	0.75	1.00		12	Y.T.
17,50,000						South Karanpura ..	10.87	10	1.12	0.12	0.35		2,8	H.
				10,407	Bird & Co. Private Ltd.	Standard	10.50	10	1.50	1.00	1.00		12	Y.
	10,80,698	86,05,664	16,14,434	17,411	F. W. Heilgers & Co. Private Ltd.	Talcher	1.75	2.50	Nil	Nil	Nil		9	Y.P.
	14,01,053	1,69,57,570	27,510	—5,62,937	M.	Union	15.25	10	0.75	Nil	Nil		12	Y.
8,00,000		31,92,694	15,43,502	77,195	Williamson Magor & Co., Ltd. ..	Western Bengal	6.37	10	0.37	0.50	0.50	0.50	3	Y.
10,00,000	5,85,000	18,97,634	14,54,234	11,543	Hindustan Investment Corpn. Ltd.	West Jamuria	5.00	10	Nil	Nil	Nil	Nil	12	Y.
3,50,000	66,784	65,72,308	24,15,308	—8,49,103	Macneill & Barry Ltd.									
40,98,000	....	58,61,405	27,57,669											
7,00,000	....													

(z) Clive Mills have paid dividend at As. 10½ on bonus-shares, for the year 1955. * Including bonus. (k) Investments.
‡ Less Income-tax.
M—Managed by the Board of Directors. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P.—Bengal Coal Co. Dividend from 1954 to 1955 are on shares of Rs. 10 each.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share.

MARKET GOSSIP

(*Concluded from page 47*)

relating bonus to productivity or efficiency, as against profits. In fact, bonus related to productivity is sounder in principle, because it correlates bonus and work turnover. As regards the Company's right to discharge workers, it is laid down that workers will be dismissed for valid reasons, subject to the provisions contained in the standing orders of the Company, consistent with the Statutes in force. What more is required for workers, it is difficult to understand. If the Company felt it necessary to get certain express assurances from the Government, which might appear unsavoury to certain political sections, it is because the Company is taking no mean risks.

* * * *

It looks as though it will be more difficult to get a motor car than hitherto. This, at any rate, is the impression one gets after perusing the Press reports on the proceedings of the conference of automobile manufacturers with the Special Secretary to the Union Ministry of Commerce and Industry, Mr. L. K. Jha, held at New Delhi on Saturday last. As disclos

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
16,00,000 / 14,50,000 / 1,91,900	1,08,00,000	12,42,652	Allahabad Bank	360.00 / 150.00 / 109.00 / 90.00	100 / 50 / 100 / 85	18.00‡ / 9.00‡ / 7.50 / 3.75	18.00 / 9.00 / 6.50 / 4.54	18.00 / 9.00 / 8.00 / 5.59	9.00 / 4.50 / 6.00 / 5.10	12 / 6.12	Y.P. / H.
3,75,595	18,04,000	1,910	Andhra Bank	120.00	50	6.00‡	6.00‡	7.00	7.00	12	Y.
1,00,00,000	1,28,00,000	4,10,731	Bank of Baroda	21.52xd	25	0.75	0.87	1.12	1.25	12	Y.
56,00,000	25,00,000	7,000	Bank of Bikaner	134.00	50	7.00	8.00	8.00	8.00	6.12	R.L.Y.
2,50,00,000	2,10,00,000	16,02,331	Bank of India	135.50	50'A'	—	—	—	8.00		
50,00,000'A'	25,00,000	52,270	Bank of Indore	83.00N	25	3.00	3.50	4.00	4.25	12	Y.
13,50,375	25,00,000	20,476	Bank of Jaipur	37.50	50	2.00	2.00	2.50	3.00	12	Y.
50,00,000	91,95,613	1,87,085	Bank of Mysore	255.50	100	16.00‡	16.00‡	16.00‡	16.00	12	Y.
15,00,000	40,00,000	44,768	Canara Bank Ltd.	86.00	50	4.50	5.00	5.00	5.00	12	Y.P.
7,50,000	18,85,000	5,679	Canara Banking Corporation Ltd.	80.00	50	5.00	5.50‡	5.00‡	5.00‡	12	Y.P
5,82,930'A' / 22,787'C'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	170.00 / 1.71	100'A' / 1'C	12.50 / 12½%	12.50 / 12½%	15.00 / 15%	15.00 / 15%	12	Y.
2,01,17,375 / 53,45,375	4,03,60,521	18,44,046	Central Bank of India Ltd.	54.30 / 57.70	25	3.00	3.00	3.50	3.50	12	R.L.Y
30,00,000	40,00,000	2,80,320	Devkaran Nanjee Banking Co.	46.50	50	2.00	2.50	3.00	3.00	12	Y.
2,00,00,000	2,00,00,000	16,45,442	Habib Bank (P)	26.37	5	0.81	0.87	1.37	1.06	12	Y.
50,00,000	20,75,000	1,51,946	Hind Bank	54.00	50	1.50	3.00	3.00		12	Y.
1,25,00,000	6,25,000	18,443	Hindustan Commercial Bank	10.25	50	Nil	Nil			12	Y.
50,00,000	1,80,000	4,233	Hindustan Mercantile Bank	13.75	50	Nil	Nil	Nil	Nil	12	Y.
44,00,000 / 22,40,000	1,60 00,360	2,04,376	Indian Bank	150.50 / 168.00	100 / 80	12.00‡ / 7.20‡	12 00‡ / 7.75	13.00 / 9.75	15.00‡ / 12.00‡	6.12	R.L.H.
56,25,350	46,36,300	2,32,067	Indian Overseas Bank	145.50	100	6.00	7.50	10.00	10.00	12	Y.
10,00,000	10,25,000	33,502	Pandyan Bank Ltd.	22.00	25	1.50	1.87	1.87	1.87	12	Y.
1,25,00,000	1,10,00,000	4,51,994	Punjab National Bank	61.50	25	3.00	3.50	4.00	5.00	12	Y.
1,80,00,000	2,17,000	20.50	Travancore Bank	0.75	25	0.75	1.00	1.00	1.25	12	Y.
40,00,000	40,00,000	1,50,332	Union Bank of India	8.40	5	0.24	0.37	0.44	0.44	12	Y.
2,00,00,000	1,34,00,000	49,432	United Commercial Bank	61.50	50	2.50	2.75	3.50	3.75	12	B.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent)

£4,400,000	£5,700,000	£412,542	Chartered Bank	£2-3-0	£1	15†	15†	15†	15†	12	Y.
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,062,463	Hongkong and Shanghai Banking Corporation	£42½	H.K.$125	5*	5*	5*	3 12½* / Z	12	Y.
£18,565 679	£18,000,000	£826,712	Lloyds Bank	£2-7-0	£1	15†	12†	13†	13†	12	Y.
£3,940,000	£3,100,000	£231,452	Mercantile Bank Ltd.	£1-11-3	£1	14†	14†	14†	18‡†	12	Y.
£2,851,563	£3,164,687	£358,589	National Overseas and Grindlays Bank Ltd.	£1-3-0	sh. 12½	15†	15†	15†	15†	12	Y.

† Includes bonus. † Less Tax. (P) Pakistan Currency. R. L.—Reserve liability on shares. (I) Interim. * £ per share free of tax. xr=Ex-Right. Z.—The final dividend of £1-12-6 is on the increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	92.00	1st June .. 1963
4,00,000	6½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	90.00	28th February .. 1959
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.00N	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00N	1st November .. 1959-64
25 00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00N	1st November .. 1959-64
COAL						
30,00,000	4½	20th April and 21st October	Bharat Collieries	1944	90.00	20th June .. 1964
20,00,000	4½	20th June and 21st December	Barrakur Coal Co.	1947	97.00	20th June .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	97.00	14th December .. 1969 (a)‡
COTTON						
2,50,000	6	26th June and 21st December	Basanti Cotton Mills Ltd.	1942	85.00	20th April .. 1964
4,00,000	6	15th May and 15th November	Bengal-Nagpur	1897	89.00	15th November .. 1966 (b)
75,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	90.00	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	100.50	1st April .. 1967-72
13,71,870	5½	20th June and 21st December	Jaychree Textiles	1949	90.00N	1st January .. 1956-59
30,00,000	5	1st June	Tata Mills	1951	93.50	15th November .. 196
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	96.00	31st March .. 1965 (a)
1,25,00,000	4½	14th June and 14th December	Ahmedabad Electric Co., Ltd.		97.00	14th June .. 1960
25,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98.00	1st October .. 1959
12,00,000	4½	20th June and 21st December	Benares Electric Light and Power Co., Ltd.	1949	98.00	21st December .. 1964 (c)
54,04,114	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1958	97.50	1st January .. 1970 (c)
25,00,000	4	20th June and 21st December	Gourepore Electric Supply Co., Ltd.	1945	94.00	21st December .. 1976
12,50,000	5	1st January and 1st July	Siliua (Jhariah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	93 50	30th September .. 1953-63
47,73,000	5	1st April and 1st October	Tata Power	1940	99.00	1st July .. 1976
2,50,00,000	4	1st April and 1st October	Tata Power		85.00	15th September .. 1965-76
ENGINEERING						
5 00,000	5½	20th June and 21st December	Britannia Engineering	1945	94 00	21st December .. 1969
2,60,000	5	20th June and 21st December	Bridge and Roof (India) Ltd.	1923	95 00	20th June .. 1953
20,00,000	5½	15th January and 15th March	Indian Hume Pipe (Assoc.)	1942	97 00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	80.00	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.00	1st October .. 1966-85
40,00,000	6	31st December	Textile Machinery Corporation Ltd	1956	95.50	31st December .. 1966 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	90.50	31st March .. 1969
6,00,000	5	20th June and 21st December	Alexandra	1939	91.00	20th June .. 1969
15,00,000	5½	21st December and 20th June	Auckland Jute Co., Ltd.	1945	77.00	21st December .. 1964
10,00,000	4½	20th June and 21st December	Bengal Jute Mill Co., Ltd.	1945	90.00	20th June .. 1969
9,00,000	5	31st January and 31st July	Calcutta	1949	88.00	31st July .. 1969
10,00,000	5	20th June and 21st December	Chhitarmalah Jute Mills	1951	88.50	20th June .. 1966
20,00,000	5	20th June and 21st December	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
20,00,000	5½	31st March and 30th September	Empire	1951	90.00	15th July .. 1966 (a)
5,00,000	5	15th January and 15th July	Howrah Mills Co., Ltd.	1955	94.00	31st March .. 1970
40,00,000	5½	31st March and 30th September	Hoogly Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5	20th June and 21st December	Kamarhati	1952	90.00	31st March .. 1967 (a)
25,00,000	5½	20th June and 21st December	Kelhati	1938	88.00	14th March .. 1968
5,00,000	4½	14th November and 14th May	Kelhmarla Jute Mills Co., Ltd.	1938	88.00	31st December .. 1964
20,00,000	4	20th June and 21st December	Northbrook Jute Co., Ltd.	1948	90.00	20th June .. 1968
5,00,000	4	20th June and 21st December	Presidency	1948	85.00	20th June .. 1968
20,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	85.00	8th September .. 1965 (a)
15,00,000	5½	20th June and 21st December	Union	1937	90.00	31st March .. 1967
10,00,000	5½	31st January and 31st July	Waverly	1925	80.00	31st July .. 1968
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£650,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363		1st April and 1st October		1923	£74.10N	1st October .. 1974
6,50,000	3½	20th June and 21st December	Katakhal-Lalabazar Railway	1945	85.00	21st December 1969 (a) Any time on six months' notice (a)
£500,000	4½	20th June and 21st December	Shahdara-Delhi-Saharanpur Railway	1905	£64	1st September .. 1968
4,14,12,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	94.50	
PLANTING						
11,25,000	6	31st March and 30th September	Nilgiri Tea		99.00	1st April .. 1963-68
1,56,500	5½	31st March and 30th September	Teokoy	1944	100.00	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1943	92.00	31st December .. 1965
50,50,000	4½	1st January and 1st July	Associated Hotels of India	1943	85.00	31st December .. 1965
5,00,000	5½	1st March and 1st September	Burmah-Shell	1954	97.25	1st September .. 1964-68 (c)%
2,50,00,000	5½	1st April and 1st October	Calcex Oil Refining (India) Ltd.	1955	97.75	1st October .. 1970
2,50,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85.00	1st February .. 1964
21,00,000	5½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1956	82.00	1st July .. 1965
19,24,000	4½	15th March and 15th September	Dalhousie Properties	1944	72 00	15th September .. 1969
20,00,000	4	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	90.00	 1969
1,00,00,000	4	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	97.25	1st January .. 1971(c)††
1,00,00,000	5	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.00N	30th June .. 1969 (c)‡
1,00,00,000	5½	1st January and 1st July	Mettur Chemical Industries	1949	88.00	1964
12,75,000	5	2nd January and 2nd July	Murlia Burn Ltd. (Convertible Notes)	1946	515.00	30th September .. 1976 (c)
12,97,000	4	31st March and 30th September	McLeod & Co., Ltd. (Convertible Notes)	1947	405.00 (per note)	31st December .. 1972 (c)
45,00,000		20th June and 21st December				
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	£4.00N	1st April .. 1971
1,50,00,000	5½	20th June and 21st December	National Rayon	1955	98.00	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	90.50	31st March .. 1961 (a)
1,00,00,000	4	20th June and 21st December	Rohtas Industries Ltd.	1946	91.00	21st December .. 1958
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	97.25	1st May .. .. 1966(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. § Any debenture outstanding on 1-6-1968 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. The Company has option to redeem a debenture at 101 per cent. on 1st May 1968, on six months' notice. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. †† Option to repay at par on 6 months' notice, on or after 1st January 1966.

WEEK'S STOCK EXCHANGE TRENDS

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 10th July, 1958.

	Closing quotations 3-7-1958	High	Low	Closing quotation 10-7-1958
TEXTILES	Rs. nP	Rs. nP	Rs. nP	Rs. nP
Ahm. Adv. (100)	162.50	185.00	165.00	185.00
Apollo (2)	1.92	2.00	1.50	1.90
Bombay Dyeing (25)	58.20	58.90	57.50	58.70
Bradbury (50)	170.00	175.00	170.00	175.00
Central India (100)	96.00	111.00	96.00	100.25
Century Mills (100)	457.00	460.25	449.50	460.25
Colaba (100)	30.50	30.50	30.00	30.00
Edward Textile (200)	260.00	—	—	260.00
Elphinstone (50)	44.00	—	—	44.00
Finlay (100)	279.00	279.00	273.00	275.00
Gokak (100)	153.00	154.50	150.00	151.50
Ind. Untd. Defd. (1)	1.44	1.48	1.32	1.36
Ind. Untd. Ord. (10)	10.32	10.44	9.84	9.96
Indore Malwa (100)	111.00	116.00	111.75	113.50
Khatau (100)	190.00	—	—	190.00
Kohinoor (100)	270.50	272.25	266.00	268.25
Lakshmi (250)	440.00	441.25	440.00	440.00
Minerva Mills (100)	66.50	66.50	65.00	65.00
Model Nagpur (250)	171.25	170.00	163.75	170.00
Morarji (100)	245.00	245.00	238.00	243.00
Mysore (50)	91.50	91.50	91.00	91.00
National Rayons (100)	238.75	240.00	232.75	234.25
New City (100)	114.50	118.00	114.50	118.00
New Great (100)	210.00	208.00	207.00	208.00
Phoenix (100)	116.50	—	—	116.50
Podar Mills (100)	140.00xd	152.00	139.00	145.00
Saccur Silk (10)	9.88	—	—	9.88
Sasoon Spg. (10)	47.50	—	—	47.50
Sholapur (1,000)	375.00	—	—	375.00
Shrinivas (100)	156.80	159.00	155.00	155.00
Simplex (50)	177.00	179.50	175.50	179.00
Standard (100)	423.00	431.00	422.00	425.00
Svadeshi (100)	189.50	192.25	186.00	190.00
Swan (100)	374.00	374.00	365.00	365.00
Tata Mill (25)	41.50	42.50	40.50	41.00
Vishnu (100)	103.00	115.00	105.00	115.00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	134.00	134.25	133.50	134.25
Do. (New) (50)	135.50	136.00	135.50	136.00
Bank of Baroda (50)	119.00	121.00	119.00	120.50
Central (25)	83.50	85.00	83.20	85.00
Central 'A' (25)	57.50	57.80	57.20	57.50
Dena Bank (50)	46.25	46.50	46.00	46.50
Punjab National (25)	61.00	—	—	61.00
Union Bank (5)	8.24	8.48	8.20	8.44
United Com. (50)	61.80	61.70	61.00	61.50
ELECTRIC COS.				
Ahmedabad (100)	95.50	96.80	95.50	95.80
Amalgamated (10)	10.80	10.68	10.64	10.68
Andhra Valley (1,000)	1,140.00	1,149.00	1,141.25	1,146.00
Bom. Sub-El. (100)	107.50	—	—	107.50
Surat (100)	112.00	112.00	110.50	110.50
Tata Hydro (100)	119.00	120.50	119.25	119.75
Tata Power (1,000)	1,237.50	1,238.25	1,225.00	1,227.50
INSURANCE COS.				
British India (10)	15.24	15.52	15.24	15.52
Empire of India (100)	265.00	—	—	265.00
Ind. Mercantile (20)	47.50	—	—	47.50
Jupiter (15)	7.76	7.76	7.12	7.12
New India (15)	47.50	47.50	45.00	45.25
Oriental (200)	4,035.00	—	—	4,035.00
Universal (10)	12.00	—	—	12.00
Vulcan (10)	17.64	—	—	17.64
STEEL COS.				
Ind. Iron (10)	23.04	23.60	22.84	22.96
Tata Steel Ord. (75)	163.50xR	166.75	163.25	164.25
SUGAR COS.				
Belapur (50)	262.00	263.00	257.00	258.00
Bhopal (10)	22 48	—	—	22.48
Phaltan (50)	159 00	160 60	155.75	156.25
Walchand Ind. (100)	288.00	288.00	281.25	281.25
CEMENT COS.				
Associated Cts. (100)	158 50	159.00	155.25	156.00
Digvijay (100)	159 25	159.25	156.00	157.00
MISCELLANEOUS				
Alcock Ashdown (100)	266.25xd	266.25	255.00	258.75
Bom. Burmah (135)	592.00	596.00	582.00	583.00
Do. (New) (50)	220.00	217.50	213.75	215.00
Br. B. Petrol (4 sh.)	2.28	2.36	2.20	2.32
Br. I. Corpn. (5)	3.50	3.52	3.46	3.46
C. P. Iron (100)	59.50	60.00	59.50	60.00
Hindusthan Motors (10)	7.88	8.20	7.76	7.88
Indian Copper (5 sh.)	3.70	3.72	3.56	3.60
Ind. Nav. Ts. (100)	73.30	74.00	73.00	74.00
Kilburn (100)	145.00	145.00	144.00	145.00
Poison (100)	150.00	155.00	150.00	155.00
Pre. Automobiles (100)	91.00	93.00	89.00	90.00
Premier Cars. (20)	205.50	208.50	203.75	205.00
Scindia (20)	18.68	18.92	18.56	18.84
G. I. Shipping (10)	24.72	24.76	24.20	24.72
Shivraipur (10)	98.00	95.00	91.50	92.50
Tata Chemicals (10)	16.96	17.04	16.48	16.64
Tata Locomotive (100)	180.00	180.00	172.25	173.00
Tata Oil (25)	41.75	43.00	41.50	42.25
W. I. Match (100)	184.00	184.00	179.00	179.00

GOVERNMENT SECURITIES	Xd 5-7-1958 Rs. nP	Gross Yield Earlier Redemption	Later Redemption	10-7-1958 Rs. nP
3½% 1961	96.60	—	4.04	96.60
2½% 1960	98.20	—	3.67	98.20
2½% 1962	98.40	—	3.86	98.40
2½% 1964	88.10	—	4.08	88.10
2 % 1958	99.85	—	4.57	99.85
2 % 1960-61	99.80	3.61	3.22	99.95
2 % 1964	95.60	—	3.75	95.70
2 % 1962-65	95.60	3.90	3.88	95.60
2 % 1966-68	92.95	3.99	3.81	93.10
2 % 1970-75	87.45	4.33	4.01	87.50
2 % 1986 Con. Loan	71.10	—	4.22*	71.10
4 % 1960-70	100.80	3.85	3.97	100.80
3½% 1961 N.F. Bonds	99.50	—	3.64	99.55
3½% 1964 N.F. Loan	98.60	—	3.71	98.45
3½% 1965 N.F. Bonds	98.40	—	3.75	98.45
3½% 1962	98.00	—	3.70	98.05
3½% 1967 N.F. Bonds	97.80	—	3.80	97.85
3½% 1974	98.30	—	3.89	98.30
3½% 1967 N.F. Bonds	99.65	—	3.80	99.65
4 % 1973 Loan	100.35	—	3.97	100.35
3½% 1968 N. P. Bonds	99.00	—	3.71	99.05
3½% 1966 N. P. Bonds	99.50	—	3.80	99.55
4 % 1973 Loan	100.05	—	4.00	100.05

BRITISH GOVERNMENT SECURITIES

	Closing quotations 1-7-1958 £			Closing quotation 9-7-1958 £
2½% Brit. Consols	50 ⅛	—	—	50‡
3 % Savings Bonds 1965-75	73 ⅞	—	—	72 ⅛ x
3% War Loan 1955-59	98 ⅛	—	—	98 ⅛
3½% War Loan	66 ⅜	—	—	67 ⅛
4% Victory Bonds 1976	94	—	—	94
4% Funding 1960-90	87 ⅛	—	—	87‡

* Current Income x.d.—Ex-dividend. x.r.—Ex-Right.

COMMERCE

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

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GOVERNMENT'S IDEOLOGY COSTS INDIA RS.200 CRORES OF FOREIGN EXCHANGE

IDEOLOGICAL predilections and official delays have together been responsible for the slow progress of prospecting for, and exploitation of, mineral oil reserves in India. This is the inescapable conclusion to which one comes who cares to read the painstaking analysis of the oil problems which the Estimates Committee has presented in its report on the Department of Mines and Fuel Oil Division. All this is the more regrettable because the failure to exploit oil reserves to the full, or to exploit them promptly enough, has meant much avoidable waste of foreign exchange resources. Thus, for five long years, the Government shilly-shallied and procrastinated, though it was open to it to reach a workable agreement with the Assam Oil Company over the exploitation and transport of oil in Assam. The Estimates Committee points out that it is "unfortunate that, as a result of the delay in reaching an agreement for five years, the country has had to import petroleum products of the value of about Rs. 40-50 crores a year which might have been manufactured with the Nahorkatiya crude," besides losing the royalty and other charges through "non-exploitation of the fields."

Clearly, the country, on the basis of the Estimates Committee's calculations, has lost about Rs. 200 crores in foreign exchange, because the Government could not take an early decision on the issue of collaboration with the foreign Company. And yet, when one comes to think of it, the foreign exchange lost is by no means a small sum, considering that, for only half this amount, the Government is making strenuous efforts to get the help of foreign Governments. It is all a case of inexcusable neglect of what is near in an anxious pursuit of the far away. The folly of overlooking the opportunities in sight for acquiring and conserving foreign exchange has had to be paid for by depleting valuable foreign exchange reserves, leading to incredibly harsh import restrictions.

It looks as though the authorities in New Delhi have not yet realised their costly mistake. An agreement has no doubt been concluded with the Assam Oil Company for mining the crude, but not for refining it. The Government has taken upon itself the task of setting up refineries and finishing the crude oil. This is going to result in further delay in the utilisation of oil that has been discovered in Assam which, in turn, will mean further drain on the already depleted foreign exchange resources. The Government, as is well known, is now negotiating with Rumanian oil interests for the establishment of the first oil refinery in the public sector near Gauhati. The Indian team, now in Bucharest, is believed to be engaged in settling the details of a barter plan with Rumania for exchange of Indian goods for Rumanian oil equipment. It is not clear whether Rumania has all the equipment which India will need. In any case, it must be obvious that the diversion of Indian goods to Rumania will mean reduced export surplus, and, to this extent, reduced earnings from export to other countries. Thus, no great relief on the foreign exchange front can be expected from the deal.

What makes it particularly necessary that the Government's mineral oil policy should be free from ideological bias is that, in terms of money, equipment and men, India has to rely on foreign countries for the exploitation of oil resources. Because the Government is wedded to a policy which implies a great deal of State participation in oil industry, though its own resources in men and material are limited, no great progress has been possible in exploration and exploitation of oil. The total expenditure on operational work, according to the Estimates Committee, "has so far been Rs. 1.8 crore, as against Rs. 8.5 crores recommended by the Soviet oil experts for the two years." The Committee points out that the "progress in regard to the survey and exploration of even the potentially oil-bearing areas in the country has been very tardy and has fallen short of the targets recommended by the Soviet oil experts." Appropriately enough, it suggests that the "co-operation of the private sector may also be obtained in the task of exploration of oil," though it qualifies this suggestion by the remark that such co-operation must be sought within the framework of the Industrial Policy Resolution. If this policy stands in the way of securing the services of the private sector, whether Indian or foreign, it deserves to be suitably modified in the interests of a more rapid exploration of India's oil reserves.

A further consideration which points to the need for a suitable modification of the Government's oil policy is that immense resources with large foreign exchange component will continue to be needed for increasing domestic production of oil to meet the growing demand for it and for making suitable, efficient marketing arrangements. A non-official estimate places the total expenditure required to mobilise indigenous oil resources at Rs. 1,500 crores until 1976. Such an expenditure, as the Committee itself recognises, may "strain" the country's financial capacity. Indeed, it may prove an unbearable burden. It is not as if such expenditure is unnecessary, for it will help save large foreign exchange amounts which will otherwise be spent on importing oil. The Committee has suggested the imposition of a cess on oil, in order to raise a development fund. But even this measure cannot give the Government all the money it would need. Nor can it find the foreign exchange part. Bearing this in mind, the Committee has urged that the "feasibility of obtaining loans from the World Bank or other U.N. agencies or other sources for developing oil resources in the public sector might also be considered." Although such an effort deserves to be made, it is well to remember that the U.N. specialised agencies and the international credit institutions are always chary of granting aid to projects which can normally attract private foreign capital.

It should thus be clear that, without some substantial, if not radical, modification in the official oil policy, it may be extremely difficult for the Government to raise financial resources on a scale the exploration of oil reserves and marketing would demand. Indeed, if the Government had not been deflected by ideological bias, it might have made a better showing on the oil front. More oil areas might have been prospected, more oil located and more refineries set up. In this connection, it is disconcerting to read what the Estimates Committee has to say on the issue of licences for prospecting oil. The Committee understands that applications made by oil concerns for licences or lease have not received attention from the Government for long periods. For the last 3½ years, the Government has adhered to its policy of not granting new licences. It is stated that none of the oil concerns seems to be aware of the Government's policy. It may be pure speculation as to how much oil has been left undiscovered because the Government has consistently set its face against the issue of licences to private prospectors. But there is no doubt that the position would have been far better than it is now. The Committee rightly insists that the question of exploration and prospecting and even mining of oil has to be viewed from "practical considerations and expediency." Emphasising the need for a "liberal" policy, it points out that, at present, the "resources and know-how of the Oil and Natural Gas Commission are limited and not all its personnel are sufficiently experienced." Accordingly, it recommends that "private concerns, to the extent possible, be given licences to undertake exploration work." Surely, what the country needs is oil, and no an ideologically exhilarating "oil" policy. To ignore this consideration is to condemn the country to continued dependence on imported oil and expenditure of foreign exchange, and, in the event of foreign exchange not being available, to oil shortage which must mean reduced industrial production, lower availability of transport and higher prices for consumers.

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proved that there could be serious misdirection of capital in the absence of technical know-how. Appropriately enough, the United Nations' first efforts were directed towards evolving a machinery for effective dissemination of technical knowledge, skill and experience. This is, perhaps, the most significant development in international economic co-operation in recent years. The U.N. Technical Assistance Committee (T.A.C.) has rendered much useful service by directing the energies of the various U.N. specialised agencies to channels where they could be of maximum benefit to countries which receive the necessary assistance. It is gratifying to note that, in 1957, according to the latest annual report of the T.A.C., there was not only an increase in the number of beneficiaries from the U.N. Technical Assistance Programme but also a considerable expansion in the number of projects undertaken under its auspices. It is hardly surprising that more than one delegate at the Committee's meeting, which commenced at Geneva last month, paid tribute to the good work done by the Committee and expressed a keen desire to see further expansion in the assistance rendered by the U.N.'s specialists.

The 1957 programme, according to the report, reached a record level of operations, involving an expenditure of $31.5 million, as against about $30.5 million in 1956; expenditure on direct field operations was $25.8 million, as compared with $25.3 million in the previous year. The number of contributing governments increased from 77 to 84 and of countries and territories which benefited from technical assistance from 103 to 132. A regional break-up of field expenditure indicates that Asia and the Far East accounted for 32.6 per cent., Latin America for 28.0 per cent., Middle East for 19.2 per cent., Africa for 11.3 per cent., Europe for 7.2 per cent., and others for 1.7 per cent. It will thus be seen that Asia and the Far East accounted for the single largest share of the programme. This is in keeping with not only the size and population of the region but also the urgency of their need for economic development. At the aforesaid meeting of the Committee, the view was expressed that Africa received only 11 per cent. of total assistance, as compared with 28 per cent. by Latin America and 32 per cent. by Asia and the Far East. There is no doubt that Africa's claims for assistance are genuine. Even so, technical assistance can go only to territories where it is wanted and where the necessary facilities for its effective utilisation exist. It is to be hoped that African Governments will help create conditions which will induce a larger flow of technical assistance.

An analysis of the type of assistance rendered reveals that the cost of providing experts accounted for 74.2 per cent., of fellowships 15.9 per cent., and of equipment and supplies 9.9 per cent. The number of experts provided increased perceptibly by 167 to 2,513, whereas the number of fellowships declined by 67 to 2,061. At the Geneva meeting of the Technical Assistance Committee, some concern was expressed over the latter, namely, the fall in the number of fellowships. Mr. Keenleyside, Director-General of Technical Assistance Administration, explained that the reason for this decrease was that fewer applications had been received from the governments concerned. Be that as it may, the report reveals that experts have travelled far from their homes to distant countries. Thus, pasture and livestock experts from Australia served in India, Libya, Uruguay, Ecuador, Peru, Chile and Yugoslavia and geologists from Belgium were assigned to Indonesia, Tanganyika and Malaya. The fall in the number of fellowships is attributed to the cut applied to the 1957 programme, though it is more than offset by the awards (scholarships) made by the participating organisations. How wide was the range of equipment made available to recipient countries will become clear when it is remembered that, among others, geological equipment was provided for phosphate production in Jordan, electronics equipment for the Indian Statistical Institute, road-testing equipment for Laos, field equipment for the desert locust control project in Middle and North-east Africa. In this connection, it is noteworthy that private and public agencies have been pressed into service by the Administration. Thus, the Administration, according to Mr. Keenleyside, has entered into contracts with seven agencies—three private firms, two universities and two public services (l'Electricite de France and the U.S. Geological Survey)—which have rendered assistance to several countries, including Indonesia, Malaya and Turkey.

A host of U.N. specialised agencies participate in the Technical Assistance programme, the major share being borne by the U.N. Technical Assistance Administration (22 per cent.), International Labour Organisation (10.7 per cent.), Food and Agricultural Organisation (28.9 per cent.), World Health Organisation (17.6 per cent.) and U.N. Educational, Scientific and Cultural Organisation (14.2 per cent.). It is, of course, difficult to classify the assistance rendered by the Committee. A broad classification made in the report, however, indicates that projects connected with agricultural production accounted for 23.9 per cent. and with industrial production for 9.3 per cent., auxiliary services to industry and agriculture for 8.1 per cent., health services for 16.9 per cent., and assistance rendered to governments in the formulation of development plans for 14.0 per cent. The activities in the agricultural field, it is stated, were designed to increase the production of food and other crops, to make better and more efficient use of land and water resources, and to develop forestry, fisheries, livestock production and agriculture in general, including storage, marketing and distribution of agricultural commodities. The group of projects entitled "industrial production" included the development of large and medium size manufacturing, processing and mining industries, industrial productivity as well as small-scale and cottage industries. No less important than these services was the provision of assistance to governments in the formulation of development plans. This field included all assistance provided to governments in basic economic surveys, surveys of natural resources and manpower and meteorological surveys; in different fields of statistics; in preparation of development plans; and in public administration. The importance of this assistance should become clear from the fact that even relatively well-developed countries are apt to make mistakes in planning which cost the country dear in terms of money or cause considerable disappointment when the overambitious plans cannot be fully implemented.

A notable feature of the report is the description of the results of the Committee's attempt at evaluating its programme of technical assistance. Such evaluation is at all times a difficult task, and, where technical assistance is concerned, it raises intractable issues. After all, the imparting of technical skill to the various countries or of the rendering of technical assistance, as the report itself recognises, often results in intangible gains which are not capable of direct measurement. Further, the aim of the Committee was not so much to evaluate the actual results of individual projects as to evaluate how favourable, or otherwise, have been the conditions for the programme to produce good results. It is thus the evaluation of indirect gains that was aimed at. This has been done through ascertaining the views of the recipient countries themselves. The scheme of evaluation covered 38 countries which together received some 80 per cent. of the total value of the programme. Of the 38 governments consulted, 37 indicated satisfaction with the present procedure for programme planning. They were also appreciative of the annual opportunity to review the programmes in their countries. At the same time, they pointed out some adverse factors which affect programmes, of which the most serious was said to be the "financial stagnation and uncertainty" of the programmes. Clearly, a programme, the continuity of which can be readily taken for granted, has greater chances of success, in that it will evoke the necessary respect and support from both governments and people. Some assurance of continuity is, therefore, vital to the success of the programmes of technical assistance. This is also clear from the fact that 24 countries expressed a general preference for long-term experts. It was generally felt that a minimum of two years for an assignment was essential, while three to five years was considered desirable for long-range projects such as survey of natural resources or training programmes. As regards fellowships, all governments testified that trainees sent abroad for study generally brought back a wider outlook and a knowledge of more efficient methods of doing their jobs. Finally, there was general agreement that a larger volume of equipment and supplies would add to the effectiveness of technical assistance programme.

In evaluating a technical expert's services, it cannot be too strongly emphasised that he renders the best service who makes himself superfluous to the country within a reasonable period. The report quotes a statement to the effect that an expert "is a man whose job is successful only when he is no longer necessary." It adds: "His business is to guide and advise, to train and demonstrate, to hand over and disappear. How effectively he can fulfil this function will depend—apart, of course, from his own ability as an expert—on the quality of the national counterpart assigned to him by the government." A case-by-case analysis of 1,097 experts shows that, for 834 experts, representing three-quarters of the total number, national counterparts were specifically assigned by the governments concerned. The report rightly commends this trend towards increased provision of counterparts to experts. It, however, admits that, in many countries, it is difficult to find counterparts. Although special efforts are needed to remove the basic causes for the absence of suitable counterparts, it should be clear that the whole problem is tied up with wider dissemination of technical education and training in underdeveloped countries.

Meanwhile, there can be no denying the fact that the presence of technical experts in many of the underdeveloped countries is already creating, though only slowly, the conditions for the growth of a consciousness of the need for, and importance of, material improvement. As the report points out, the intensive discussions and exchange of ideas that are constantly going on among the 25,000 individual experts serving under the technical assistance programme and the officials and the public in the underdeveloped countries have been a "potent factor in creating a dynamic outlook in those countries." Nevertheless, the far-reaching improvement in planning and performance which have characterised the development of the programme afford "no excuse for complacency." Obviously, much remains to be done, and what particularly requires to be stressed is that the underdeveloped countries themselves have to do a lot before and after getting external assistance. Such assistance, valuable as it is, cannot solve all problems of development.

FREE WORLD TRADE

WORLD trade is now passing through an admittedly dull period in its career, thanks primarily to the U.S. recession, the fall in commodity prices and the virtual end of the boom in W. European economy. The present period of recession, though difficult, may prove to be a temporary phase. In any case, it should not obscure the fact that, since 1948, free world trade has moved up by 85 per cent. and free world output by 60 per cent. Both the U.S. and the U.K. have done much to keep free world trade moving, though opinions will always differ as to whether they have done as much as they should or could do. There are several immediate problems. The most pressing of them is the building up of foreign exchange reserves. At the end of 1957, total reserves (gold, dollars and sterling) of the world outside the Soviet bloc represented only 32 per cent. of the world trade, as against 69 per cent. in 1938; if the U.S. gold stock and the U.S. trade were excluded, the percentages would be 25 and 42. The sterling area has a particularly difficult role to play in world trade. After all, 40 per cent. of world trade is financed by sterling. From this point of view, it is encouraging to note that the U.K.'s external reserves, which in a way represent the reserves for the sterling area as a whole, climbed to a total of $3,076 million at the end of June last, the highest level in the last seven years.

Nevertheless, it should be obvious that no effort should be spared in the task of raising the level of free world economy. In this connection, the analysis of the problem, presented by Mr. D. Heathcoat Amory, Britain's Chancellor of the Exchequer, in the course of his recent address to the American Chamber of Commerce in London, makes interesting reading. He listed what he thought were the four major economic problems—(1) the risk of an economic setback in one part of the world multiplying itself into a world-wide slump, (2) fluctuations in commodity prices which might threaten the Western world at its most vulnerable points, (3) the need to find international capital for many vast and essential developments, and (4) what to do about various man-made obstacles to free world trade. Clearly, agreed trade and economic policies in the free world can do much to help place its trade on a firmer basis. A common economic strategy, as Mr. Amory pointed out, calls for not only the closest consultation but also the right spirit in which every nation approaches the task of maintaining interdependence. Free world trade, or free world economy for that matter, has to pull together or fall apart.

PEACE OR WAR RESTS WITH RUSSIA

U.K. ECONOMIST ADVOCATES DEVALUATION OF INDIAN RUPEE

THURSDAY, 5 P.M.

THE grave political developments in West Asia—the military *coup d'etat* in Iraq resulting in the overthrow of monarchy which was friendly to the Western world and the landing of U.S. marines in Lebanon to strengthen the pro-Western regime—have shaken the share markets severely and engendered a bullish fervour in commodities as well as bullion. The fall in the leading equities is sizable and modest in others. In most of the counters, the gains made in two weeks have been wiped out in two days. The bulls in shares have become a little nervous, while the bears have been emboldened to challenge them. It seems that this tendency will gain further momentum, if Russia decides to translate into action its threat to the U.S. and the U.K. It is crystal clear that the action taken by the U.S. in Lebanon, with the concurrence of Britain, is designed to check the growing influence of Russia over the highly strategic areas in West Asia. If Russia chooses to retaliate, the Western powers are sure to take up the challenge. The issues are now different from those that followed the sudden nationalisation of the Suez Canal by Egypt. The U.S. and the U.K. will not, therefore, oblige Russia by retracing their steps, until and unless their basic objectives are served. Accordingly, whether the present complications in the oily sands of West Asia will lead to a world war is a question to which the answer is in the hands of Russia.

MARKET GOSSIP

Reading between the lines of statements made by Russian statesmen, it looks as though Russia will not precipitate a war. The Soviet leaders are clever enough to realise that a world conflagration is a gamble in which they may lose more than they can gain and that, in such a situation, discretion is the better part of valour. They also know that, by not retaliating violently and by continuing to pose as the champions of peace and a scrupulous respector of U.N. rules, they can win a further psychological victory in the uncommitted countries of Asia. Apparently, the U.S. Government and its allies must have come to the regrettable conclusion that they would have to face the risk of letting the Soviets have this victory rather than see themselves gradually pushed out from this strategic part of the world through the clever machinations of Russia.

It is, of course, extremely risky to predict the final outcome of the present tense situation in the Arab world. But a world war seems unlikely. It would, therefore, be a waste of our precious space, especially in these days of newsprint scarcity, to speculate on the effects of a world war on Indian economy. Suffice it to say that the reaction of the share and the commodity markets to the Middle East crisis is justified. It is only an action of caution. A war at this juncture will be a real disaster to India, for it will upset its plan for raising the living standards of its people. Even a limited war in the Middle East will isolate India from the rest of the world and put its economy to a severe strain.

* * * *

The results of all State loans are now available. The response to them has been far greater than expected. Total subscriptions, including conversions, amounted to Rs. 62.47 crores, as against Rs. 47.50 crores invited. Of these, cash alone aggregated Rs. 56.23 crores, the share of conversions being Rs. 6.24 crores out of Rs. 8.52 crores outstanding. Given below are the full particulars of the response which each of the ten States has had:

(In crores of rupees)

State	Amount Invited	Amount Subscribed			Allotment %
		Total	Cash	Conversion	
Bombay	10.00	13.95	12.73	1.22	76
Madhya Pradesh ..	2.00	3.10	2.71	0.39	66
Madras	5.00	6.03	5.16	0.87	89
Mysore	5.00	7.11	7.11	—	77
Rajasthan	2.50	2.97	2.97	—	92
Andhra	5.00	6.37	6.37	—	88
Kerala	3.00	4.10	3.49	0.61	75
U.P.	7.00	10.72	7.57	3.15	61
W. Bengal	5.00	5.12	5.12	—	100
Orissa*	3.00	3.00	3.00	—	100
Total ..	47.50	62.47	56.23	6.24	

* Assumed, in the absence of details.

N.B.—All loans carry interest at 4½ per cent. and are repayable in 1970. Only Bombay gave an option by offering a loan repayable in 1971, in addition to the one in 1970. Of these, the preference was for the 1970 loan, which attracted Rs. 8.26 crores, as against Rs. 5.69 crores by the other.

Judging from the allotment, the U.P. loan was the biggest success, followed by Madhya Pradesh, Kerala, Bombay, Mysore, Andhra, Madras and Rajasthan. It is surprising that West Bengal and Orissa should have lagged behind. At least Orissa is understandable, because it is still an underdeveloped State, but not West Bengal which has, in Calcutta, as big a capital market as Bombay.

The success of the State loans reflects, to a considerable degree, the contraction in the investment and trading activities of the private sector. It is because of the slackness in the latter sector that funds available with banks for investment have increased.

The State loans have had only a temporary effect on the short-term money market. For a couple of days, the inter-bank call money fetched a higher rate of 2¾ to 3 per cent., as against 2½ per cent. prior to the opening of the lists. But today money became easier again, with inter-bank rate retreating to 2½ per cent. A part of the unabsorbed amount with the Reserve Bank on account of the State loans has already returned to the market and the balance will be back in the next few days. With no large outlet for the floating funds in the offing, it looks as though money will become easier still. It seems that conditions are propitious for reviving the Central Government's short-term borrowing by Treasury Bills, the issue of which was suspended in April 1956 and could not be resumed all along, owing to continued stringency in the money market.

* * * *

The persistence of rumours regarding the prospect of devaluation of the rupee, despite vigorous official denials, probably reflects a mood of the public in which it is unable to see any other way out of the economic impasse. The foreign exchange situation, it is now increasingly realised, is bad in all conscience. Soft words butter no economic parsnips. And, notwithstanding all the encouraging things which have been said of India's economic future, there is no denying the fact that the present situation contains many intractable issues, particularly on the foreign exchange front. It is this fact which, more than any other, continues to give weight to rumours of devaluation of the rupee. Maybe, devaluation is a counsel of economic despair. At the same time, it is well to recognise that, given the present conditions, nothing short of very substantial foreign aid will help the Government to defend the value of the rupee for long. All the other chief means of such defence have already been adopted. Imports have been cut to the barest minimum. Export incentives are being provided. The law relating to reserve requirements for Indian currency has been so amended as to leave virtually little scope for further amendment. Despite these measures, the drain on foreign exchange continues. Fears have been expressed that, before the end of the current calendar year, they will have been drawn down to dangerously low levels. In any case, no further tinkering with currency reserve requirements will provide any solution for India's foreign exchange problem. Foreign exchange has to be received or earned.

In view of the continuing strain on India's external resources, it is hardly surprising that the issue of devaluation of the rupee continues to be a topic of discussion, especially in the foreign Press. It has, for instance, attracted the attention of the well-known commentator "Lombard" of the London *Financial Times*. He points out that, "with the pressure imposed on reserves by the serious gap in current account payment being accentuated by an extensive flight of capital, it has recently begun to look as though the Indian authorities might soon find themselves compelled to allow the rupee to move down to a lower level through sheer lack of resources for defending the existing parity." He recognises that the efforts India is making to enlist foreign aid may soon bring this country additional resources to enable it to carry on for another year or so without devaluing its currency. But the question before the Indian authorities, after obtaining stop-gap aid, according to "Lombard," is whether "the maintenance of the present parity is going to assist or impede the efforts they will necessarily be making during the next few years to re-establish the country's general payments position on a satisfactory basis." According to him, there would appear to be a distinct possibility that, by lowering the value of the rupee, the authorities would materially reduce the weight of some of the factors that have played a major part in keeping foreign exchange outgoings so far ahead of receipts.

Discussing some of these factors, "Lombard" feels that *one of the main reasons why imports of* capital goods for the development programmes have been running so far ahead of schedule is to be found in the widespread belief within India that the exchange value of the currency will ultimately be cut. *It may*, however, be wondered whether this line of reasoning is altogether correct, considering that the imports of capital goods are strictly governed by the capital issues control and import control regulations. Again, devaluation fears, according to "Lombard," have been to a large extent responsible for the "recent serious flight of capital from India." Even here, it may not be correct to contend that there has been "serious flight" of capital. It is true that capital has not been flowing in. But this is because of the unhelpful economic and fiscal policies of the Government. However, some short-term capital may have gone out or have been prevented from coming in, thanks to the lower level of interest rates in this country. Be that as it may, "Lombard's" contention is that reduction in the value of the rupee would strengthen the balance of payments position. In this connection, he says:

"But, above all, it appears almost certain that a reduction in the value of the rupee would do much to strengthen the current account side of the balance of payments. It is true that, as imports have already been whittled down to exclude everything but bare essentials, raising the rupee cost of goods purchased abroad could not be counted upon to bring new savings in foreign exchange. But it is difficult to believe that sales abroad would not derive a powerful stimulus from the resulting trimming back of export prices. For the upward pressure imposed on costs of production by the inflation of the past few years must be to a considerable extent to blame for the fact that India's exports have given such a poor performance in the 1950's—whereas between 1950 and 1957 the exports of other countries increased in terms of dollars by some 80 per cent. on average, India's expansion was no more than about 20 per cent. A cut in the value of the rupee could, therefore, provide India with relief from her payments troubles in three directions—help that would be to a substantial extent of a lasting kind. Bearing in mind that the exceptionally rapid growth of inflationary pressures in India since the mid-1950's has probably thrown the rupee basically out of alignment with other £ area currencies, it is surely a move that India ought to consider seriously."

Against this background of widespread discussion on the prospect of the devaluation of the rupee, much interest naturally attaches to the efforts which are being made by India to get financial aid from abroad. It would appear that Mr. B. K. Nehru, Secretary, Ministry of Finance, has submitted to the U.K. Government a memorandum giving details of India's foreign exchange needs. This memorandum is reported to be under the consideration of the Government. On the same mission, Mr. Nehru has gone to Washington where he will endeavour to interest the Administration in India's foreign exchange requirements. The Union Minister for Finance, Mr. Morarji Desai, will be in London towards the close of next month on his way to the Commonwealth Conference, at Montreal. He is bound to utilise the opportunity to plead with Britain India's case for aid. It is also not unlikely that the threads of these discussions will be taken up at the forthcoming meeting of the International Monetary Fund and the World Bank in New Delhi. It remains to be seen whether, and if so how far, these efforts will bear fruit in the shape of financial assistance to India.

* * * *

Exports of Indian rayon fabrics have registered a remarkable expansion of late. The aggregate quantity of fabrics actually shipped during the first half of the current calendar year was as much as 3,746,666 yards (valued at Rs. 85.13 lakhs), which compares very favourably with 1,457,346 yards (Rs. 27.44 lakhs) in the corresponding period of 1957 and 2,810,109 yards (Rs. 51.22 lakhs) in the whole of 1957.

The notable improvement in exports of rayon fabrics is all the more creditable, considering the keen competition offered by the other rayon goods manufacturing countries, especially Japan. The improvement must be attributed in no small measure to the special steps taken by the Silk and Rayon Textiles Export Promotion Council. These include rayon fabrics export promotion scheme, appointment of overseas representatives, organisation of exhibitions and showroom displays, and Press and other publicity.

The special export promotion scheme, it will be recalled, was recommended by the Council to the Government of India sometime in 1956 and, after being approved by the latter, was initiated in January 1957. Under the scheme, the exporters of rayon fabrics are given import licences for 100 per cent. of f.o.b. value of goods exported, except in respect of *saris*, where the percentage is lower at 66⅔.

The aforesaid details will reveal that the object of rayon fabrics export promotion scheme is to recover at least a part of the foreign exchange which is spent on imports of rayon yarn. This point was stressed by Mr. D. N. Shroff, Chairman of the Council, at a Press conference held in the city yesterday. The scheme, Mr. Shroff declared, had enabled the rayon industry "to earn as much foreign exchange as possible and necessary through its exports to enable the industry to run itself, depending as it does upon imports for its own raw materials to a considerable extent; there is, therefore, *no net foreign exchange earning expected.*" The scheme would appear to have been quite popular, as is evident from the large value of import licences received against exports of rayon fabrics. The total value up to 10th July amounts to Rs. 207.95 lakhs, of which established exporters account for Rs. 95.36 lakhs (including Rs. 25 lakhs granted against customs clearance only) and prospective exporters for Rs. 111.59 lakhs.

The scheme has thus been serving a double purpose—to boost exports of rayon fabrics and to meet a part of the yarn requirements of the weaving units without any fresh commitment of foreign exchange. Assuming that all the import licences are utilised for yarn and taking the average price of yarn (including nylon yarn) as Rs. 2.75 per lb., the total quantity of yarn imported since the scheme was initiated may be estimated at about 7.56 million lbs. While the success of the scheme is a matter for satisfaction, there are complaints of certain malpractices indulged in by a section of rayon industry and trade such as over-invoicing and export of non-rayon goods. It is alleged, for instance, that some rayon weaving mills prepare invoices of exports of fabrics at a level much higher than the actual value of exports, with a view to securing larger import licences for yarn. The yarn so imported is then sold openly in the market, instead of being consumed within the mills for weaving fabrics. It is further said that some units are actually selling import licences at a premium of 25 to 50 per cent. and, what is worse, even forward contracts are being entered into in respect of prospective licences. All this is very disquieting. Such undesirable practices, if not checked, will prove detrimental to the export trade in rayon goods. It is certainly encouraging to be told by the Council's Chairman that effective counter-measures are being devised and will be put into operation, including, if necessary, a compulsory pre-shipment inspection of goods by the Council.

EQUITIES SLUMP

BEAR PRESSURE ON WAR SCARE

(From Our Own Correspondents)

BOMBAY, 17*th July*

THE dramatic political developments in Iraq leading to the dethronement and assassination of the King on Monday, the subsequent movement of American troops to Lebanon and the march of Soviet troops to the Turkish border today caused a bearish reaction in the share market since yesterday afternoon. Such quick changes in the international political situation took the bulls unawares, who had been dominating the market for some weeks past, and induced a heavy unloading of their holdings. The bears too exploited the situation and hammered down the market. Fears about the outlook for industries, particularly those which depend on foreign countries for raw materials, and adverse repercussions on India's exports in the event of a world war were responsible for the bearish mentality. The net loss in values over the week has wiped out the gains made in the previous two weeks.

Earlier in the week, the trend was erratically upward. Contrary to general expectations, the last day of business for the previous settlement witnessed brisk activity on buying fervour in select scrips and bear covering, with the result that equities touched new high levels. The new account also started on a firm note, with a further advance in prices. At higher levels, the bulls became a little cautious and preferred to book their profit. After an initial spurt yesterday, there was a heavy drop in prices due to mounting tension in West Asia, but, at the close, the bears hastened to cover their sales and consequently equities managed to regain a part of their earlier loss. Today, however, prices staged a fresh retreat.

In the steel section, Tata Ordinaries jumped up from Rs. 164.25 to Rs. 168.50 early in the week, but declined to a low of Rs. 164.75 on Tuesday. After gaining ground to Rs. 168.75 yesterday morning, the shares collapsed to Rs. 159.50 today before closing at Rs. 160.25. The new shares, at Rs. 160, suffered a loss of Rs. 2 over the week. Despite the uncertainty about the issue of bonus shares, Indian Irons were pushed up from Rs. 22.96 to Rs. 23.68, but the bear pressure in the last two days brought them down to Rs. 22.52 today. The closing was done at Rs. 22.64.

In the textile section, Bombay Dyeings moved up from Rs. 58.70 to Rs. 60.10, but gave way to a low of Rs. 56.70, before closing a fraction better at Rs. 56.80. Centurys dropped from the week's peak of Rs. 475.25 to Rs. 448, but the closing rate today, at Rs. 448.50, represented a loss of only Rs. 11.75 over the week. Kohinoors closed at Rs. 269.50, as against Rs. 268.25 a week ago, after touching a high of Rs. 285. Central Indias lost Rs. 7.25 to Rs. 93, while Finlays were unchanged at Rs. 275. Gokaks were lower by Rs. 149 and Indu Ordinaries by 36 nP to Rs. 9.60. Indore Malwas moved down from Rs. 113.50 to Rs. 111.50 and Khataus from Rs. 190 to Rs. 182.50, while New Greats gained Rs. 2 to Rs. 210. Podars were on balance lower by Rs. 6 at Rs. 139 and Shree Niwas Cottons by Rs. 2 at Rs. 153. Simplex advanced from Rs. 179 to Rs. 184, but gave way to close at Rs. 178. A decline of Rs. 5 to Rs. 420 is noted in Standards and of Rs. 10 to Rs. 180 in Svadeshis. Tata Mills shed Re. 1.50 to Rs. 39.50.

Bank shares presented a mixed pattern. Barodas improved from Rs. 120.50 to Rs. 122, before going down to Rs. 121. Centrals lost Re. 1.20 to Rs. 53.80, while their new shares were unchanged at Rs. 57.50. Bank of Indias were a fraction better at Rs. 134.50, while Punjab Nationals declined by Rs. 2.50 to Rs. 58.50. Union Banks were done at Rs. 7.28 *ex*-right, as against Rs. 8.44 *cum*-right last week. United Commercials changed hands 50 nP lower at Rs. 61.

In the electricity section, Ahmedabad Electrics were 20 nP lower at Rs. 95.60 and Bombay Suburbans were done 75 nP lower at Rs. 106.75. Tata Hydros recorded a gain of Re. 1.25 to Rs. 121 and Andhra Valleys Rs. 12.50 to Rs. 1,157.50, while Tata Powers shed Rs. 7.50 to Rs. 1,220.

Sugar shares moved in sympathy with the general trend. Belapurs, which hardened from Rs. 258 to Rs. 264.50, relapsed to Rs. 255 at the close. Phaltans lost Rs. 4.25 over the week to Rs. 152. Walchandnagars dropped Rs. 3.75 to Rs. 277.50. Cement shares provided no exception. Associated Cements crept up from Rs. 156 to Rs. 159 before slumping to Rs. 153. Their new shares were, however, unchanged at Rs. 149.25. Digvijays shed Rs. 2.50 to Rs. 154.50 and Jaipurs 16 nP to Rs. 13.76. In the engineering group, Alcock Ashdowns were hammered down from Rs. 258.75 to Rs. 245. Tata Locomotives closed at Rs. 166 with a loss of Rs. 7 over the week, after touching a high of Rs. 177.25. Larsen and Toubros were a shade quiet at Rs. 17.76. Premier Constructions lost no less than Rs. 12 to Rs. 193. Among minings, Shivrajpurs were fairly steady at Rs. 92. Indian Coppers recorded a gain of 14 nP at Rs. 3.74.

In the shipping group, Scindias rose from Rs. 18.84 to Rs. 19.36, before giving way to Rs. 18.24. Great Easterns suffered a loss of Re. 1.16 to Rs. 23.56. Among automobiles, Premier Automobiles moved down from Rs. 90 to Rs. 88.50 and Hindusthan Motors lost 32 nP to Rs. 7.56.

In the miscellaneous group, Bombay Burmahs (old) were the worst affected. After an initial rise from Rs. 586 to Rs. 607, the shares slumped to Rs. 564.50 at the close today. The partly-paids, however, showed no change at Rs. 215. National Rayons finished at Rs. 224.75, after moving up from Rs. 234.25 to Rs. 238. Gwalior Rayons were done at Rs. 13.76, a loss of 24 nP over the week. Tata Chemicals were marked down by 64 nP to Rs. 16, while Dhrangadhra Chemicals were unchanged at Rs. 110. Their new shares, however, gained Re. 1.50 to Rs. 104 and Hindustan Levers 28 nP to Rs. 23.80. Tata Oils dropped by Rs. 2.25 to Rs. 40 and Voltas by Rs. 3 to Rs. 126.50. Wimcos were a shade lower at Rs. 178.

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Calcutta Stock Exchange

CALCUTTA, 16*th July*

The week under review on the Calcutta Stock Exchange commenced on an easy tone following profit-taking and heavy unloading of speculative Indian Irons. However, buying support came forth soon and, as the week progressed, all-round gains were recorded. An encouraging outlook was taken by operators in the belief that foreign aid would be available in time, and that the import restrictions of raw materials and spare parts might be relaxed. In this connection, the attempts now being made by the All-India Manufacturers' Association to get a steel loan from the U.S. were noted with satisfaction. It should, however, be noted that the week's gains were mainly on account of speculative activity. For it was believed that investment support would gradually be forthcoming. With the rationalisation of the excise duties on textiles, an increase in cement retention prices and expectations of increased prices for coal and of relief to common tea producers, the market would appear to have come to believe that the authorities were fully appreciative of the difficulties facing these industries. The report that the Government was considering the question of reducing export duties and cesses and internal freight rates in respect of manufactured goods for export also contributed its share in improving sentiment. It should be noted that, despite the uncertainty in regard to the issue of bonus shares by Indian Irons and to steel retention prices, there was no selling pressure. However, some anxiety was felt over the increase in prices of essential commodities and employment situation. Added to this was the dramatic political development in the Middle East since Monday.

Coals responded to selective enquiries and prices improved. It was considered certain that private collieries' target for output would be raised. East Indians, on interested support, improved to Rs. 21.25 from Rs. 20.06, and Pench Valleys to Rs. 22.87 from Rs. 21.00. Central Indias shot up to Rs. 8.25 from Rs. 7.81. At Rs. 57.62, Khatras Jherriahs were better, as were Amalgamateds at Rs. 18.81. While Raneegunges were unchanged at Rs. 12.50.

Jutes accounted for some features. Stocks of jute goods with mills had no doubt shown a large increase, but the view that foreign demand would increase in the near future attracted support to jute shares. Alliances picked Re. 1.50 at Rs. 86.50. Northbrooks were supported to rise from Rs. 16.56 to Rs. 17 and Birlas from Rs. 18.12 to Rs. 18.37. At Rs. 98, Aucklands gained two points.

In the mining section, Indian Coppers rose further to Rs. 3.80. A dividend of 18 per cent. or 24 nP per unit of share for 1957, as against 20 per cent. in 1956, has been recommended by the Directors of Indian Copper Corporation Ltd. From Rs. 12.44, Karanpura Developments rose to Rs. 13 and Orissa Minerals to Rs. 25.87.

Earlier, Indian Irons, among engineerings, receded to Rs. 22.90 from Rs. 23.30, but recovered to close at Rs. 23.36. Burn & Cos. had buyers at Rs. 343, as against Rs. 335 previously. Despite a decline in the Company's profit for the year to April last, the dividend has been maintained at 20 per cent. On expectations of higher dividend, Texmacos improved to Rs. 20.50 from Rs. 19.60.

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Madras Stock Exchange

MADRAS, 15*th July*

The Madras Stock Exchange depicted an easy trend during the week under review. Textiles shares lacked support, despite the Government of India's decision to abolish quantitative restrictions on yarn exported by mills during the current licensing period. For, it was felt that the decision might not lead to any marked rise in overseas sales of yarn, on account of severe competition from Japan, China and Pakistan. Plantation shares also lacked support, thanks to the delay in the official announcement of tax relief for tea exports and to the none too encouraging dividend news. Coffee shares, however, were well supported on expectation of better working results. Bank shares, as well as miscellaneous industrials, generally tended to look down.

Among tea shares in the planting section, Twyfords declined by 40 nP to Rs. 13.80. United Nilgiris eased by 12 nP to Rs. 16.50. Emerald Valleys shed 10 nP to Rs. 7.25. Kil Kotagiris lost a like amount to Rs. 5.80. Blue mountains and Chandramalais softened by 5 nP each to Rs. 3.33 and Rs. 3.35 respectively. Peermades were quoted 10 nP lower at Rs. 19.30. Nilgiris were neglected at Rs. 8.50 *cum-div*. Devasholas, however, were better by 25 nP at Rs. 19.00 *cum-div*. The Directors have recommended a final dividend of 10 per cent. (making a total of 17½ per cent. for 1957) for the year ended 31st December 1957, as against 25 per cent. for the previous year.

The announcement of a lower dividend of 10 per cent. on ordinary shares for the year ended February 1958, as against 15 per cent. for the previous year, by the Directors of the Cochin Malabar Estates Ltd. induced selling in rubber shares. The dividend was below market expectations. The shares of this company declined by 8 nP to Rs. 5.05 *cum-div*. Highlands fell by 40 nP to Rs. 12.90 *cum-div*. Mercaras eased by 25 nP to Rs. 7.50. Velimalais were on offer 10 nP lower at Rs. 5.75. Pullangodes shed 5 nP to Rs. 1.70 *cum-div*., Malankaras and Nilamburs, on the other hand, received special buying support and improved by 60 nP and 25 nP to Rs. 18.10 and Rs. 14.25 *cum-div*., respectively. Coffee shares, as already stated, evoked good buying. Anaparas firmed up by 39 nP to Rs. 5.35. Consolidated Coffees gained 30 nP to Rs. 27.70 and Kumergodes a like amount to Rs. 11.60.

Several textile shares came in for selling. Coimbatore Spinnings fell by Re. 1.50 to Rs. 51.50. Anglo-French, Buckinghams and Rajendras eased by a rupee each to Rs. 80.00, Rs. 170.00 and Rs. 72.50, respectively. Ranga Vilas lost a like amount to Rs. 62.00. Lakshmis A and Loyals shed 75 nP each, the former to Rs. 50.50 and the latter to Rs. 34.50. Maduras were quoted 25 nP lower at Rs. 35.50.

In the miscellaneous section, Mettur Chemicals were done 20 nP lower at Rs. 11.40. Travancore Cements declined by a like amount to Rs. 10.00. Mysore Chemicals and Fertilisers were quoted 15 nP lower at Rs. 7.50. Andhra Cements decreased by 10 nP to Rs. 11.90, Dalmia Cement by 5 nP to Rs. 10.95. Hindustan Levers were quiet at Rs. 23.84, as also Mysore Papers at Rs. 17.30 *cum-div*. and Spencers at Rs. 18.50. Textools, however, gained Rs. 2 to Rs. 186.00. Rallis put on 50 nP to Rs. 33.25.

APPEAL TO READERS

Owing to great scarcity and high cost of glazed newsprint on which this journal is printed, we have found it necessary to curtail the number of pages. The choice before us was to cut either our special features or the space devoted to statistics, shares and stock quotations. We have chosen the latter. From this issue onwards and until the newsprint supply position improves, we have decided to publish our list of share and stock quotations only once a fortnight. We greatly regret this inconvenience to our readers and sincerely hope that they will bear with us in these difficult times and continue to extend to us the support they have given us all along.—EDITOR.

THE
CENTRAL BANK OF INDIA
LIMITED

Profits for the half-year ended 30th June, 1958

The Net Profit of the Central Bank of India, Limited, for the half-year ended 30th June, 1958, subject to audit, including the sum of Rs. 18,44,046/05 brought forward from the last year's account, amounts to Rs. 60,49,492/49 which the Directors have resolved to dispose of as follows :

To pay an *ad-interim* dividend at the rate of 12 per cent. per annum free of income-tax (i.e., Rs. 1·50 per share) for the half-year ended 30th June, 1958	Rs. 18,87,255/00
To carry forward to next half-year's account subject to provision for taxation ..	Rs. 41,62,237/49
	Rs. 60,49,492/49

HONGKONG AND SHANGHAI BANKING CORPORATION

The Board of Directors of the Hongkong and Shanghai Banking Corporation has declared an interim dividend of £1-2-6 per share free of Hong Kong Corporation profits tax payable 11th August. Transfer Books will be closed from 25th July to 9th August (both days inclusive).

NEWS IN BRIEF

A LOAN of Rs. 2 crores has been granted by the Centre to the Madhya Pradesh Government for financing a scheme to ensure adequate supply of drinking water in the urban areas of the State.

India has been designated as one of the 13 member-countries of the International Atomic Energy Agency Board of Governors for 1958-59; the other countries are Australia, Belgium, Brazil, Canada, Denmark, France, Japan, Poland, the Union of South Africa, the U.S.S.R., the U.K. and the U.S.

The Union Government has asked the automobile manufacturers to instruct their dealers and sub-dealers to maintain order registers indicating all the orders booked for motor cars, so that the orders may be fulfilled strictly chronologically. This measure is designed to ensure a proper distribution of the available stocks of cars.

A bilateral agreement seeking to renew the trade arrangements between India and Afghanistan for a further period of one year was signed by the Government representatives of the two countries at Kabul last week. Under the agreement, the two Governments have agreed to encourage promotion of mutual trade and achievement of a balance of trade between them.

The exports of *maida*, *suji* and *rawa* from the North to the Southern States of Andhra Pradesh, Madras, Mysore and Kerala have been restricted by the Government of India with a view to arresting the rise in prices in the North. In order to meet the requirements of the Southern Zone. the Central Government is making special arrangements to supply wheat products milled out of imported wheat to the States.

The total output of iron ore during the month of April 1958 was 485,000 tons, as against 510,000 tons in the preceding month. The largest output was reported from Orissa and Bihar, with 195,000 tons and 174,000 tons, respectively. Among the minor producing States, Mysore, Andhra Pradesh and Bombay accounted for 57,000 tons, 15,000 tons and 14,000 tons, respectively. During the month, 284,000 tons of iron ore were despatched to the iron and steel plants and 155,000 tons to the export market.

The latest review of the position regarding the supply of electricity in the Bombay-Poona region has revealed the availability of a small block of electric power for distribution to industrial consumers. The Government of Bombay is accordingly prepared to entertain applications for sanctioning loads to consumers whose requirements fall in high priority categories, preferably from those who have already installed machinery. The applications for new loads may be made to the Assistant Secretary to the Government of Bombay, Industries and Co-operation Department, Old Secretariat Building, Bombay 1, through the supply companies concerned.

A scheme to provide market research assistance to individual small-scale manufacturers has been started by the Small Industries Service Institutes at New Delhi, Calcutta, Bombay and Madras, in addition to their other functions. The scheme is called the "Manufacturers' Distribution Aid Surveys." These surveys, it is said, will help the small-scale manufacturers in determining major distribution centres for their products and establishing contacts with important wholesale and retail dealers. The dealers' and consumers' reactions to the price, technical quality and design of the products will also be obtained and furnished.

The ways and means of developing the village oil industry in Kerala State were discussed at a recent conference of the oil inspectors working under the State *Khadi* and Village Industries Commission held at Trivandrum. The Conference called upon those engaged in village oil industry in the State to form themselves into co-operatives and avail themselves of the financial aid given for the development of the industry in the State. The industry employs 1,000 families at present and it is expected to employ 5,000 families when it is developed. For the year 1958-59, the All-India *Khadi* and Village Industries Commission has allotted to this State Rs. 1.23 lakh as grant and Rs. 3.28 lakhs as loan for the development of the oil industry.

The Development Council for Food Processing Industries set up recently by the Government of India to watch the progress of these industries and recommend measures for their development held its first meeting in New Delhi on Tuesday this week, Mr. A. C. Khanna, Chairman of the Council, presiding. The Council, which has been constituted under the Industries (Development and Regulation) Act, will, among other things, recommend targets of production and co-ordinate production programmes. It will review the progress of the industries from time to time and suggest norms of efficiency, in order to eliminate waste, obtain maximum production, improve quality and reduce cost. Arrangements for better marketing and distribution of the products of these industries will also be recommended by the Council. The other functions include promotion of standardisation of collection and formulation of statistics.

India had an adverse balance of trade to the extent of Rs. 23.87 crores during the month of March 1958, as against Rs. 24.74 crores in the previous month, according to the provisional figures of foreign trade by all routes—sea, air and land—on private and Government accounts. Exports of merchandise (excluding transit trade of Pakistan and other overland foreign countries, namely, Nepal, Tibet, Sikkim and Bhutan) accounted for Rs. 46.26 crores, re-exports for Rs. 0.47 crore and imports for Rs. 70.56 crores. The merchandise import figures are exclusive of the value of certain consignments of Government stores awaiting adjustment. Exports (including re-exports) of currency notes amounted to Rs. 30 lakhs, while those of current coins (excluding gold coins) were negligible. There were no exports of gold. Imports of currency notes aggregated Rs. 2.66 crores, gold Rs. 4 lakhs, and current coins (excluding gold coins) Rs. 0.4 lakh.

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From Abroad

Production of woolclip in Australia during 1958-59 is expected to be lower by 42 million lbs. at 1,386 million lbs. The drop in production is attributed to drought.

The Australian Agricultural Council has agreed to an increase of 4*d*. (Australian) per bushel in the guaranteed price of wheat under a new five-year stabilisation plan.

Production of steel ingots in Canada declined by 11 per cent. to 2,325,229 tons and of pig iron by 17 per cent. to 1,594,249 tons in the first half of 1958, as compared with the corresponding half of 1957.

U.S. exports of merchandise during May 1958 aggregated $1,644 million, representing a rise of 7 per cent. as compared with the previous month. The figure is, however, lower than that for the corresponding period of last year by 9 per cent.

Special $1-silver pieces are being struck by the Royal Canadian Mint in Ottawa to commemorate the gold rush and the centenary of British Columbia as a Crown Colony. The new pieces are struck from an alloy of 800 parts silver and 200 parts copper.

Discussions were held at Karachi last week between two directors of the Krupps steel organisation in West Germany and the Chairman of the Pakistani Industrial Development Corporation on the question of setting up the first steel mill in the country.

The total value of wholesale trade in the U.S. during the month of May 1958 was of the order of $9,400 million, which represents a rise of 2 per cent. over the previous month. It was, however, lower by 7 per cent. as compared with the value of trade in May 1957.

The British Government granted to the Colonial territories a total of £17,308,000 for development projects and £1,250,000 for research schemes during the financial year ended 31st March 1957. This brings the total amount approved by the British Government for development projects and research in the past 12 years to £156,000,000.

The chemical industry in Czechoslovakia is buying machinery and equipment from Austrian manufacturers. Czechoslovakia has embarked on an ambitious programme of expansion of this industry under its new plan covering the period until 1965. Rapid development is also envisaged for such industries as synthetic rubber, plastics and nitrate.

The Chrysler Corporation, Detroit, has completed arrangements for a revolving credit of $150 million with 115 banks throughout the U.S. Under the terms of the credit which expires on 30th September 1961, Chryslers will pay interest at the prime commercial bank rate in effect at the time of any borrowings on the basis of 90-day notes.

The U.S. Securities and Exchange Commission has reported a continuing increase in the net working capital of American corporations in the first quarter of this year. The working capital, which represents the companies' current assets less current liabilities, rose from $113,500 million at the end of last year to $114,800 million at the close of the first quarter of 1958.

The agricultural research workers at Hoytville, Ohio, are using the male sex hormone, testosterone, to hasten growth in cattle. It is said that, when the hormone was put in cattle with a female hormone, stilbœstrol, a growth rate of one-quarter pound per day resulted. Stilbœstrol has been used for several years to speed the growth rate of cattle. Implantation is made in pellet form behind the animal's ear.

Japan is planning a new trade drive in South America to be spearheaded by a floating fair at the end of this year. The new 10,477-ton freighter *Atlas Maru*, which will have all the appearance of an exhibition hall, is expected to carry abroad almost every important Japanese product for export. The Japan Industry Floating Fair will visit 12 South and Central American ports between December 1958 and May 1959.

The five-year social and economic development plan 1958-62 launched by the Government of Mauritius entails a total capital expenditure of £15.75 million. The plan covers a wide range of projects, including irrigation, power supply, food production and tourism. The agricultural programme includes schemes for expansion of food production and development of tea industry. The public works programme calls for a big expansion of irrigation works.

British aviation exports have risen in value by almost 1,000 per cent. since 1946, while aero-engine sales have increased twenty-fivefold. In the past three years, aviation exports have risen by 134 per cent. and aero-engine exports by 116 per cent. The British aircraft industry is thus earning in oversea currency a fraction less than £5 every second, day and night, which amounts to nearly £18,000 every hour, or £1,000,000 every 56 hours. In the first five months of this year, aviation exports achieved a record £64,000,000, an annual rate of £155,000,000.

A United States company distributing sheet and structural steels—the Rolled Steel Corporation of Skokie, Illinois—has developed a method which, it is claimed, will effectively protect shipments of metal from moisture. The method, developed as a result of a moisture condensation study, protects shipments from damage from the time they are received at the warehouse until they are delivered to buyers. The Company's warehouse uses two-forced air space heaters that prevent moisture condensation and create an air flow throughout the entire warehouse storage space. All moisture that may be injurious to stored steel is removed by this dehumidifying system.

A new Zero-energy reactor—"Horace"—is now in operation at the British Atomic Weapons Research Establishment at Aldermaston, Berkshire. It consists of an arrangement of enriched reactor fuel in ordinary water. The reactor is used for investigating different types of reactor core arrangements and the use of different materials as "reflectors," that is, to reflect neutrons, which may otherwise escape back in to the core. A second reactor, which will be used for research with neutrons and for the production of special isotopes, is expected to be ready for operation in the autumn of this year. When the later unit is completed, the U.K. will have 35 reactors, either in operation or under construction for research, testing and power production.

PERSONAL

SIR Percival Griffiths, Adviser, Indian Tea Association, London, has been invited by the Government of India for consultations regarding exports of tea.

Mr. T. Parasuram, Deputy Secretary in the Union Ministry of Transport and Communications, has been appointed General Manager of the Bombay Port Trust to assist the Port Trust Chairman.

Mr. Shriman Narayan, General Secretary of the Indian National Congress and the Chief Editor of the A.I.C.C. *Economic Review* till now, has taken over charge as a Member of the Planning Commission with effect from the 15th inst.

Dr. M. J. Van der Ploeg, Deputy President of K.L.M., has resigned, owing to conflict of views with other high executives. Dr. Van der Ploeg was mainly responsible for the introduction of K.L.M. shares on Wall Street.

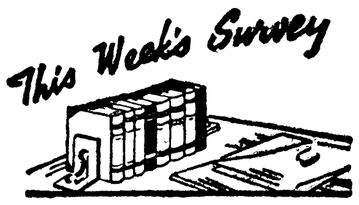
"COMMERCE" 1933

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 22*nd July*

The New Cotton Duties

Since the imposition of the new duties Mr. G. D. Birla has given an interesting interview to the Press, in the course of which he stressed the need for an enquiry into the methods of work in Japan and in other countries so as to bring the Indian industry up to the level of other efficient mills in the world. Mr. Birla has further observed that it would be a great tragedy if Indian mills did not "take advantage of the protection already granted and fortify their position to such an extent as to enable them to supply cloth at as cheap a rate as is done by the Japanese producers." None would be gladder, surely, than the Bombay millowners at an early fulfilment of the sentiments to which Mr. Birla has given expression. There can be no doubt that an investigation into the methods of work carried on in foreign countries, notably in Japan, would be of considerable value to the indigenous industry, especially on the technical side. But Mr. Kajiji sapiently sounds a note of warning that any such investigation should not be made an excuse for delaying certain essential reforms in the internal management of the industry, which have been pointed out from time to time and which can be put into force without any investigation of the kind referred to by Mr. Birla—provided, of course, that there is the will on the part of mill agents to do so. The recent report on economic conditions in Japan prepared by the Commercial Counsellor and the Acting Commercial Secretary to the British Embassy in Tokio bears ample testimony to the unity of purpose and effort among Japan's industrialists. Such unity of purpose and effort is badly needed in the Indian mill industry, especially in Bombay. Although the industry in Bombay has been considering for a long time past the need of a co-operative effort in the direction of grouping of mills for specialisation in particular kinds of cloth, and in joint buying and marketing also, it has been noticed that no substantial progress has so far been made in these matters. The same old methods of buying and selling are still practised.



CONTROL OF L. I. C.'S INVESTMENTS

ELSEWHERE in this issue is published a detailed summary of an article from the latest issue of the *Tata Quarterly*. The article discusses certain basic principles that should govern the investment of life insurance funds and lays down certain policy criteria for the Life Insurance Corporation. Although we find ourselves in agreement with many of the points made therein, we could not concur with the stand taken by the *Quarterly* on the question whether some formula comparable to Section 27A of the Indian Insurance Act should be prescribed by the Government as a means of ensuring that the L.I.C. does adhere to sound principles and act with due caution in its investment. The *Quarterly* maintains that any formula which tends to be rigid and seeks to give a particular, predetermined shape to the investment portfolio carried by the L.I.C. would, on balance, be undesirable. A permanent formula governing the investment pattern would, according to it, be unduly restrictive of the scope which the L.I.C. should have for the exercise of its skill and enterprise as an investor.

Section 27A of the Indian Insurance Act, as amended in 1950, provided that a minimum of 25 per cent. of investments should be in Government securities, another 25 per cent. in Government or other approved securities and that the balance should consist of "approved investments." The principal categories of approved investments were municipal securities, ordinary shares of a company which had paid dividend of not less than 4 per cent. for seven preceding years; preference shares of a company which had paid dividend on its ordinary shares for five preceding years; debentures secured by a first charge on the immovable property or plant of a company, provided the book value or the market value, whichever was less, of such property or plant was more than three times the value of such debentures.

This certainly is a rigid formula and obviously the *Quarterly* does not favour the section being made strictly applicable to the Corporation. According to it, the general guidance which the Government may, through a policy statement, choose to provide need not lay down rigid specific limits for the amounts to be invested in different kinds of scrips and securities. Since the Corporation would, in its own interest, need to build up a diversified portfolio of profitable investment, the *Quarterly* points out, "the purposes of public surveillance may be expected to be reasonably served through publicity and there should be no need for legal control."

We find it difficult to reconcile ourselves to such a view. A policy of leaving the L.I.C. free to work out its own pattern of investments, within the broad framework of the general guidance provided by the Government, would be nothing short of opening the door wide open to the kind of dangers which have been witnessed in the case of the L.I.C.'s investments in Mundhra shares. If one does not want a repetition of such a mistake, Section 27A of the Indian Insurance Act, or some provision comparable to that, should be made applicable to the L.I.C. It is no doubt true that, by this, the L.I.C.'s scope for showing its skill as an investor will be restricted. But it will be safer to do so. Even within the limitations imposed by legislation there will be enough scope for the L.I.C. to show its resourcefulness and business acumen as an investor and to serve the interests of policyholders profitably.

In taking the stand it has, the *Quarterly* seems to have had in its mind the practice obtaining in Britain. It points out in a footnote to the article, that in Britain there are no Government regulations regarding investment by life insurance companies. It also gives a comparative table of the percentage distribution of assets of the life insurance companies in India, the U.K. and the U.S. Conditions in India are, however, different from those obtaining in either Britain or the U.S. and it is not, therefore, feasible nor safe to copy them without substantial or radical modifications. In the U.S., where there is more life assurance in force than in all the rest of the world, about 60 years ago, following scandals regarding investment of life insurance funds, the Legislature intervened and the problem of due control and responsibility for investment was solved legislatively. The system seems to have worked satisfactorily by and large, though even today there are serious complaints of mismanagement of life funds against some insurance companies in that country and, therefore, suggestions for further restrictions on the investments of all insurance companies are being voiced by a section of the public. Britain, however, has been happily free from any such problem and there is minimum legislative control in that country. The principle followed by insurance companies in that country is expressed in the aphorism "do as you like, but show what you do," and this has stood the test of time. In India, where insurance is still in its infancy and where a unique experiment of State management of insurance is being tried, it is essential that adequate safeguards should be provided to protect the policyholders' money. Legislation laying down the pattern of investment for the L.I.C. would be the best safeguard. General guidance by the Government alone is not enough.

To think that publicity regarding investments would be sufficient inducement for the Corporation to pursue constructive policies and sufficient safeguard against improper policies is, in our view, to indulge in wishful thinking. When the question of propriety of a particular investment arises, the Press and other organs of public opinion might speak with many voices. Which of them should be taken as representing the consensus opinion of the people? If, therefore, Parliament, as the real owners of the Corporation, lays down a formula, the L.I.C. can be called into question for any deviation therefrom and the outcome, good or bad, of adherence to it would be the responsibility of Parliament. In our opinion, therefore, there is no reason why Section 27A of the Indian Insurance Act or a modified version of it embodying its spirit, should not be made applicable to the L.I.C. The fact that the L.I.C. is a Government-owned Corporation does not warrant its being given unlimited or extensive freedom in the disposition of funds which are entrusted to it as trust money. Officials, who after all have to manage the affairs of the Corporation, have less stake in the Corporation than the managements of life companies before nationalisation and are not less likely to go wrong than private individuals. Moreover, if the *Quarterly's* suggestion were to be heeded, it would mean giving a blank cheque to a politician (the Finance Minister) or a group of politicians, a dangerous thing to do in a young democracy which has neither established sound traditions of its own nor is prepared to accept the traditions of other mature democracies in the world. Again, any *post-mortem* of the L.I.C.'s investments will be of little value, for the damage will have been already done.

We do agree with the *Quarterly* when it points out that the Corporation should try in some measure to relieve the acute shortage of risk capital for new enterprises. But we do not see eye to eye with it on the question of how this could be done. It points out that the Corporation should be ready to move off the beaten tract and take calculated business risks by supplying the risk capital for new ventures. To us it seems that a better and more prudent policy would be for the Corporation to refrain from such direct participation and to remain content with subscribing to the share capital of institutions such as the I.C.I.C. and I.F.C. which are primarily meant for providing capital for new ventures and thereby help them find the capital for new industries.

ADVERTISING

Much commendable progress has been made in this country in the technique of advertising, thanks to the lead given by some of the large industrial houses and the wealth of knowledge and skill brought to bear on their work by the agency firms. Back in the mind of an average Indian consumer, however, is a vague and uncomfortable suspicion that the money spent on advertising comes from his pocket, and to that extent, is an unjustifiable draft on his slender purse. This erroneous impression needs to be corrected in the interests of both advertiser and consumer. The fallacy in his reasoning lies in the fact that he does not realise that, in India, for one consumer of a product, there are probably ten, hundred, thousand or more "potential" consumers who, if they could be persuaded to buy, would provide the basis for mass market, mass production and reduced costs The lay consumer is, of course, to be pardoned for his ignorance of the economics of advertising. But similar ignorance, which is to be found in the ranks of some of the manufacturers, is inexcusable folly. And yet, the fact remains that many manufacturers are apt to think that advertising is a costly luxury, an item of cost which could be cut without serious consequences to their production and profit. In the interests of national economy, they indeed deserve to be saved from themselves. It is gratifying to note that the Indian Society of Advertisers, according to its new President, Mr. Chinubhai Kilachand, will soon undertake a campaign for bringing home to potential and actual advertisers the importance of advertising. Presiding over the annual meeting of the Society, held this week in Bombay, Mr. Kilachand revealed, in the course of his very admirable survey of advertising problems, that the Society Plans to launch upon an ambitious programme of "Advertising Advertising." We wish this campaign all the success it so richly deserves.

In the West, where the importance of advertising is better understood and appreciated, there is evidence of a renewed interest in advertising techniques. It is now realised that the formation of the European Common Market which, many observers feel, cannot be long delayed, would mean a large and rich market of 250 million consumers, worth competing for by the national manufacturers of different countries both inside and outside the Common Market area. Relatively speaking, India with its 370 million people, is a larger market than even the European Common Market, though it is, of course, less rich than Western Europe. But its value to a manufacturer is not inconsiderable, and, with the passage of time, must increase, rather than diminish. India's economic plans envisage a rising standard of living of the common people. These plans, as Mr. Kilachand pointed out, mean a "higher standard of life, greater personal incomes, greater *per capita* consumption and a thousandfold increase in the production of consumer goods." He added: "Even such minor articles of personal consumption as washing soap or a daily newspaper are today luxuries except for a small percentage of the population. From this, we can well imagine the enormous scope that lies ahead of us for increasing and diversifying production for the greater development of consumer goods."

Advertising has a significant role to play in India's efforts at increasing its export trade, never more vital than now. Whether it is the continued maintenance of trade in traditional exports, many of which face competition from rival producers from other countries, or the exploration of markets for India's new lines of manufactures, such as a wide range of engineering goods, advertising in foreign countries can do a great deal to create and sustain an interest in Indian products. Mr. Chinubhai rightly emphasised that export promotion efforts should be "accompanied by an intensive advertising of Indian products in countries where there is a demand for a potential demand for these." Appropriately enough, he stressed that the time had come to plan an institutional "Buy Indian Goods" advertising campaign in the major potential foreign markets of Indian merchandise. Such a campaign, if supplemented by advertising by individual manufacturers, would go a long way towards building up an expanding foreign market for Indian goods. Indian embassies often report that visitors to Indian stalls in exhibitions and fairs in foreign countries express agreeable surprise over the fact that India does make the goods exhibited there. This means that the scope for advertising and publicity is large, and the reward for effort is bound to be great. It is true that price and quality are important factors in determining export trade. In fact, no advertising is a substitute for superior quality and competitive price. But those factors do not, by themselves, convert a potential market into a real market. They have to be supplemented by effective sales promotion of which advertising is a vital part. This is particularly important in a foreign market where producers from different countries are continuously trying to influence the consumer's choice.

KERALA PLANTATIONS

The latest reports received from the plantation areas in Kerala indicate that, despite persistent official denials, the law and order situation in most plantations is far from satisfactory. In fact, it has not improved to any appreciable extent from what it was a year ago, when, following the ascendancy of the Communists to power in Kerala, the plantations witnessed an orgy of violence. It is true that the police is more frequently present now, after an incident, than was the case formerly and the culprits have been convicted in a few cases, but violent incidents continue to occur. Plantation estates, being far removed from the settled, populous centres and situated in inaccessible areas, miles away from police outposts, are in a very vulnerable position. The authorities in Kerala obviously do not seem to believe in the maxim that prevention is better than cure. Some perfunctory action is, no doubt, taken when an incident occurs but nothing is done to prevent it.

Here are some random samples, gathered from responsible and informed quarters, of the kind of incidents taking place in the plantations. Early in May last, in a tea estate four miles from Vandiperiyar, a field conductor had his arm chopped off. In another estate nearby, a mob attacked a group of newly engaged watchers and two were killed. Another scene of violence was an estate six miles north-east of Pathanamthitta. A mob 300 strong attacked workers' quarters, hurling stones and brickbats. About 14 persons were injured. The eventual arrival of a police party put a stop to further violence. In another estate, about 60 miles north, men of two rival unions clashed and 25 persons were injured.

A matter of serious concern to plantation owners is that the workers are being initiated into a new cult of insubordination and incendiarism. They are prompted to participate in unauthorised meetings and demonstrations and in insulting the management. Long before an assault on a manager or loyal employees takes place, threats are freely made at labour meetings and the actual commission of the offence follows.

Such a state of affairs is hardly conducive to the proper functioning of the plantation industry. The Communist Government of Kerala would be well advised to take positive and immediate measures to ensure that the feeling of insecurity is removed and normalcy restored.

SUEZ FINANCIAL COMPANY

What was known for many decades as the International Suez Canal Company has ceased to exist, its place having been taken by a new-style investment trust, called the Suez Financial Company. This is the result of the deliberations at the former Company's last meeting held in Paris on the 4th inst. Mr. Georges-Picot, Chairman of the Company, presided over the meeting, which was attended by about 1,200 shareholders representing 260,000 shares and the U.K. Government assessor representing the Government's holding. The meeting approved of the compensation agreement with the Government of Egypt, as well as certain juridical modifications to the Company's articles rendered necessary by the agreement.

The terms of compensation were first initiated in Rome in April last and these have since been completed by negotiations in Paris and Cairo. Accordingly, the former Company has abandoned all claims on its assets in Egypt which in turn will have no claims over the Company's assets outside the country. Egypt will not demand the Canal dues of £5 million paid in London during the summer of 1956 and since blocked by the British Government. It will pay a total compensation of £23 million in six annual instalments over the period 1959-64. the payment being made in francs and sterling (not less than 40 per cent. sterling) with a dollar exchange rate guaranteed. It has also agreed to make advance payment of the first two instalments (about £8 million) as soon as the British Government unblocks Egypt's frozen sterling balances.

The total compensation of £23 million obtained by the Company from the Egyptian Government may be less than what the Company had a right to expect, but the only alternative to acceptance was, as Mr. Georges-Picot said, to take the case to international arbitration. Such a step would have greatly delayed any hope of a distribution to shareholders.

The compensation amount of £23 million, together with (1) the payment by Egypt of £5 million in Canal dues blocked in London, (2) the old Company's assets of over £50 million and (3) the sum of £17 million belonging to the investment subsidiary (*Societe D'Investissement Mobilier*) set up two years ago from the profits of working the Canal, brings the combined resources of the new Suez Canal Company to more than £95 million (Rs. 126.7 crores). Of this stock, the French shareholders (mostly very small) account for about 50 per cent. and the British Government for 35 per cent. Now that the Company has become a French investment trust, the question of continuing U.K. Government participation naturally arises. Alluding to this, Mr. Georges-Picot stated that he had no knowledge of that Government's plans, but he hardly thought that it would dispose of its shares in advance of the first compensation payment or of an Anglo-Egyptian financial agreement.

An interesting question that now emerges pertains to the future operations of the Suez Financial Company. The Board of the Company, it may be noted, is authorised to invest assets in any financial, commercial, industrial, mining, real estate or investment undertaking, "particularly with a view to furthering activities of an international nature conducive to an increase in commercial exchanges between nations." Some sizable investments have already been made in Canada and French North Africa. Three considerations, it is said, seem likely to govern the future investment policy of the Company. They are: (1) the spread of investment throughout the world to be related to the location of the Company's shareholders, (2) a preference for long-term growth projects, including Saharan and Canadian oil, and (3) the need for adequate short-term revenue to guarantee the shareholders' interest. The general policy of the Company may, of course, continue to be to spread its investments very roughly in accordance with the structure of shareholding. It may be noted here that, as at the end of last year, 35 per cent. of the assets outside Egypt had been invested in the sterling area, 25 per cent. in the dollar area and 40 per cent. in the franc area (Europe).

QUALITY CONTROL OF LEATHER

A new scheme for quality control of leather, formulated by the Leather Export Promotion Council, Madras, was officially inaugurated by Mr. K. B. Lall, I.C.S., Joint Secretary, Ministry of Commerce and Industry and Director-General of Foreign Trade, Government of India, in Madras on the 17th inst. The scheme is on a voluntary basis under which exporters are required to furnish full details of goods awaiting export regarding marks, tannage, chemical standard of the leather. This measure is expected to ensure that the consignments shipped conform to the quality as understood by the marks under which they are exported, and to help arrest production and export of sub-standard goods. Nevertheless, it is felt that it may not go to the root of eliminating the use of adulterants in tannages in the tanneries or preventing exports of substandard merchandise; nor has it the approval of importers overseas who have their own terms of purchase. In order to augment the resources of the Council for implementing the scheme and for other developmental activities, a contribution of Re. 1 per bale of tanned goat and sheep skins and 50 nP on tanned hides and calves will be made by the exporters, before a shipment.



ECONOMIC RECESSION IN U.S. HALTED

By S. V. Rayan

THE latest reports from the U.S. clearly suggest that the economic recession in that country which began ten months ago has been successfully halted. Convincing evidence of it is provided by the main economic indicators pointing to a distinct improvement in the position. Industrial production, for instance, has been moving forward. After continuously declining from a peak of 146 in June, July and August 1957 to 126 in April 1958, the Federal Reserve Index of industrial production (seasonally adjusted, 1947-49=100) improved by a point to 127 in May 1958. The figure for June may show a further small rise, as almost all industries, including steel and automobiles, the worst sufferers in the recession, were reported to be faring better. Steel mill operations in the past month averaged 20 per cent. above May; they rose to as high as 65 per cent. of the industry's rated capacity by mid-June, as against 55 per cent. in the third week of May and a low of 47.1 per cent. in the week ended 22nd April 1958. This industry, it may be noted in passing, had operated at a record high of 102.6 per cent. of rated capacity, or an annual rate of 131.7 million tons, in the week ended 22nd December 1956. Perceptible gains have been reported in the output of automobiles and trucks. Small but significant rises have taken place in the production of petroleum and electricity, as well as in freightcar loadings. During three out of four weeks in June, they were at the highest for 1958. Housing construction has gathered momentum. Outlays on highways, hospitals, schools, etc., have markedly increased. Reflective of this trend is the report that new construction contracts outstanding at the end of May 1958 stood at a record high level.

Personal incomes in May rose for the third month in succession. At the annual rate of $344.3 billion (a billion=a thousand million), they are down by only 1 per cent. as compared with the peak reached in August last and $2.6 billion above the trough of February 1958. There are signs that a further rise in personal incomes is likely. Consumer spending is running at a high level. Retail sales aggregating $16.6 billion in May 1958 represent a rise of $100 million from April and preliminary reports suggest that June must have seen a further expansion in them. These sales in April itself were 3 per cent. above the lows in February-March. For the first time since August 1957, manufacturers' sales, too, rose in May 1958. Inventories (stock-in-trade) are being rapidly depleted, thereby improving the prospects of the economy sustaining a higher level of production.

Finally, employment is steadily rising. Despite the addition of two million to the labour force during June, when youths complete their studies in schools and colleges and seek a career, the increase in the unemployed was only 533,000. A much larger addition had been feared earlier. It is true that the total number of unemployed at the end of June was the highest in seventeen years, but, when allowance is made for the annual rise in employable people, it is seen that the proportion of labour force out of work to the total is lower for the second month running. There has been an increase of over a million in June in the number of people at work to 64,981,000. It is noteworthy that a part of this addition has occurred in manufacturing industries and most of it is of more than seasonal nature. A major indicator which has not yet moved upward is capital investment. The latest figures are for the first quarter of 1958; they reveal a sharp fall from the final quarter of 1957. But American observers say that, though business spending on plant and equipment will continue to fall this year, the rate of decline will be slower in the coming months. Nevertheless, the continued reaction to the capital spending boom of 1955-57 will be a drag on recovery.

Thus, there are unmistakable signs that a modest upward trend is taking place in the U.S. economy. This, however, does not mean that it is well set for reaching the 1957 peak levels. They still seem to be too distant, though a few observers are optimistic enough to feel that it may happen early next year. Whether a sudden change in the international political situation such as the one in the Middle East this week resulting in a second Korea can bring these levels nearer is a question which is beyond the reckoning of an economic analyst. Barring such fortuitous factors, the chances are that the recovery from recession will be a gradual affair.

It must be remembered that the addition to the labour force in the U.S. is at the rate of two million per annum and there is even now unemployed labour of a little over five million persons. This means that, between now and next July, jobs must be found for at least five million people, if a reasonably full level of employment is to be ensured. Not an easy task by any means, but officials and non-officials in the U.S. are fully seized of the problem. The facts that they have succeeded in preventing the recession from developing into a full-fledged depression and that, basically, the economy is in a sounder position than before, warrant the confident belief that the task is not beyond the capacity and ingenuity of this great democratic country. In fact, during my stay in the U.S. during April and May 1958, I found no pessimism about the long-term problem of finding employment for its growing population.

The foregoing is a brief account of the latest economic situation in the U.S. It is a cheerful picture on the whole. The pessimists, who predicted, towards the close of 1957 and early this year, a repetition of the 1929-30 economic crisis, have fortunately been disproved by the events in the past three months. It is not that they were unaware of the well-known "built-in stabilisers" which make a world of difference between the U.S. of 1929-30 and the U.S. of today. But they were sceptical of the efficacy of these stabilisers. They wondered whether they would be sufficient and strong enough to deter a depression. While it is a little too early to assert categorically that they were utterly wrong about their misgivings, it would seem that they had terribly underrated (*a*) the value of the built-in stabilisers, (*b*) the efficiency of the U.S. Administration in energising them and (*c*) the ability of U.S. business men to push up sales in a buyers' market.

What are the built-in stabilisers? This question may be briefly answered for the benefit of those who are not aware of them. The following are the main built-in stabilisers in the U.S. economy:

1. Social security system, especially unemployment insurance which helps to maintain retail sales.
2. Control over credit and money supply through the Federal Reserve (Bank) system. Federal Reserve monetary policy can be a powerful instrument, against both inflation and deflation.
3. Minimum-wage legislation.
4. Collective bargaining agreements which cover, directly or indirectly, wages and working conditions of the great majority of workers.
5. Insurance of small bank deposits and home mortgages.
6. The farm price support programme, which exerts a stabilising influence by helping to maintain the purchasing power of farmers and discouraging disorderly marketing and price slashing.
7. Control over stock markets and securities transactions.
8. Provision for expansion of public works during a contraction of private economic activities.
9. Readiness of Congress to counteract a decline in economic activities by fiscal measures, including deficit spending.
10. Development of business statistics, dissemination of information on economic changes and outlook in the nation.

These stabilisers can be operated either way, that is, to prevent either a boom or a depression. And it is significant that, in the past twelve months or so, they have been used with considerable effect for both the purposes. It will be recalled that it was only in August 1957 that the Federal Reserve discount rate was pushed up to a high of 3½ per cent., with a view to restraining inflation.

Let us now see how the built-in stabilisers worked against the latest recession which was deeper and more prolonged than the 1948-49 and 1953-54 recessions. Not all the stabilisers, of course, act automatically. Most of them have to be put into force by the Administration. Their effectiveness, therefore, depends upon the economic prescience of the Government and its advisers. The pessimists had thought that the U.S. Government would not act in time and that, even if it did, its actions might not be vigorous enough to prevent a serious slump. Although one can debate endlessly on the question whether the U.S. Administration was overcautious and slow in taking corrective measures during the past twelve months, it seems to me, in retrospect, that it has been impressively successful in bringing the recession under control. Professor James Angell of Columbia University, who predicted, in his testimony to the Senate Finance committee early in April, that the U.S. was headed for "a major depression," admitted two and a half months later that the chances of a depression were "practically zero." Great credit for transforming the situation in such a manner as to convince this distinguished economist thus undoubtedly goes to the U.S. Government and its economic advisers. They made the built-in stabilisers "work heroically."

It was stated earlier that one of the remarkable features of the recession was the high level of personal incomes. It was remarkable because these incomes were running at a level which was only one per cent. below the peak in 1957, despite a marked fall in the key component, namely, wages and salaries, at an annual rate of $8,000 million. The explanation for this is to be found in the increased Government transfer payments—unemployment insurance, social security, veteran benefits, etc., amounting to no less than $5,000 million. These payments are expected to grow further in the coming months because of expanded unemployment insurance and of the increase of $1,500 million in the salaries payable by the Federal Government to post office employees, civil service workers and armed forces with effect from June last.

Unemployment insurance in the U.S. is a State subject. The quantum of compensation payable varies from State to State, from as high as 26 weeks' pay to as low as 6 weeks' pay. The Federal Government, with the consent of the Congress, decided to encourage States to pay unemployment insurance for a 50 per cent. longer period and offered to finance such payments in the form of repayable loans. This meant that workers who were entitled to get unemployment insurance for 26 weeks would receive it for 39 weeks or nine months. It was thought at the time that, as most of the States might be reluctant to get indebted to the Federal Government on this score, this measure might not be of much use. But it is now said that most of them have agreed to extend the unemployment compensation as authorised by the Congress. According to the Secretary of Labour, 30 million of the 43 million workers enjoying security against unemployment live in the States which have agreed to accept Federal help. Three more States have decided to fall in line, but they will foot the bill themselves. About 60 per cent. of the 1,560,000 workers who have exhausted their right to benefit are in the States which had already expressed their consent to co-operate with the Federal Government. About two-fifths of the labour force in the U.S. are, however, not covered by unemployment benefits. They are mostly employed in small firms, farms, or in self-employed occupations such as law, medicine and shopkeeping. They have so far been not adversely affected very much, but, if they happen to suffer, the Congress may enact special legislation to cover them too.

One of the economic sectors which have not suffered from the recession is farming. Farm incomes, thanks to the U.S. Government's policy of feather-bedding farmers, and helped by better livestock prices, have been running higher by a little over $1,000 million.

Among the other measures initiated by the U.S. authorities for checking recession, the following must be mentioned:

Successive reduction in the Federal Reserve discount rate from 3½ to 3 per cent. in November to 2½ per cent. in January, to 2¼ per cent. early in March and finally to 1¾ per cent. in the latter half of April; relaxation in reserve requirements of banks, in two stages, and in stock exchange margins; easier credit for house-building purposes; an increase of nearly $2,000 million in the expenditure on road building and increased defence expenditure which is expected to rise by $1,000 million a quarter until the middle of 1959.

As a result of all these measures, and a sharp fall in tax collections brought about by a reduction in business profits, the U.S. Government's budget for the year beginning from 1st July 1958 is expected to end in a deficit of over $11,000 million, the largest amount of deficit financing since World War II, as against a nominal surplus expected in January last. Indeed, even in the year 1957-58 which has just ended, the U.S. is said to have finished with $3,900 million in red. In other words, the U.S. Government will have incurred a deficit of well over $15,000 million by the end of June 1959, in its efforts to pull up the economy from the trough of recession. Will not such heavy outpouring of money into the pockets of people lead to another bout of inflation? This question has already started worrying the U.S. Treasury officials, the Federal Reserve Bank and the International Monetary Fund. It would, indeed, not be surprising if in another six or nine months the scare of recession were to yield place to a fear of inflation.

NEW WEAPONS FOR OLD

From Our Own Correspondent

LONDON, 11*th July*

LONDON LETTER

ALTHOUGH the banks co-operated loyally in Mr. Heathcote Amory's credit squeeze, they never ceased leaving the Chancellor of the Exchequer in no doubt at all that his chosen technique of restricting advances made no appeal to them whatsoever. Although indeed the banks at no time reached the average figure of the previous 12 months which was their ordained ceiling for advances, they had, of course, to bring continuous pressure on their clients regardless of the merits of the case to avoid any risk of overlending.

The Chancellor was therefore delighted to end the credit squeeze at the beginning of this month—incidentally his statement of policy linked up with a further small rise in the gold and dollar reserves to a new high level of $3,076 million on the 30th June—and to announce that he was making arrangements with the banking system for some different techniques for future use. His letter to the Governor of the Bank of England accepted the view that it was damaging to the efficient working of the banking system to use the method of official requests to restrict total bank advances. He asked the Governor for an alternative scheme pending the report of the Radcliffe Committee which is enquiring into the working of the banking and credit system. By return of post came the Governor's reply that he had, in consultation with the clearing banks, devised an alternative weapon.

Now the idea of an alternative weapon is to supplement the traditional weapons of Bank Rate plus open market operations. The latter, in which the Bank of England buys or sells securities on the stock market, varies the total volume of funds on which the banks base their advances. But it has long been recognised that these traditional weapons have disadvantages if carried beyond a certain point, and require some means of supplement. After the war, the Government devised the system of Treasury Deposits. This was generally regarded as a means whereby the Treasury could make more or less forced loans from the banks in lieu of issuing Treasury Bills. The banks would be required to advance so much money to the Treasury in exchange for which they received a receipt carrying interest around the Treasury Bill rate level. But in fact the system also had the merit of enabling the Treasury and the Bank of England to control the liquidity of the joint-stock banks.

Because it savoured of a forced loan, the system was wound up but the new weapon which is being put into the Bank's armoury is in effect almost identical. This weapon is the power being given to the Bank of England to call for special deposits to be made with it by the banks. Such deposits would carry interest based on the Treasury Bill rate but since they would not rank as "cash at bank" the joint-stock banks could not regard them as part of the liquid assets which would, of course, have been reduced by the amount of the deposit. And such restriction of their liquid assets would force the banks in turn to reduce their deposits, which means, among other things, their advances. But the banks would have a much greater liberty of action than at present over the manner they achieved the desired ratio between their cash and their deposits, a ratio nowadays held at 8 per cent. The practical affect would, of course, be to oblige the banks to restrict advances substantially; but, since they would not be under any direct contract to do so, they would act with the feeling of being their own masters and free to arrange their credit affairs as was most convenient to them, subject only to the overriding need to preserve their cash liquidity ratio.

The system is not new to the world's banking systems and in an amended form has been used in other countries. But it is interesting to note that, in effect, it is a revival of the old Treasury deposit system and that the main criticism which is being made against it is the same that used to be made against that system, namely, that the Government of the day could use this new technique as a means of cheap borrowing while keeping everybody else short!

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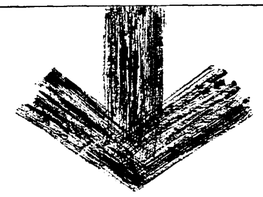

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I.M.F. ON EXCHANGE RESTRICTIONS

FURTHER PROGRESS MADE IN EXTENDING CURRENCY TRANSFERABILITY

MUCH significance attaches to the forthcoming annual meeting of the International Monetary Fund scheduled to be held at New Delhi early in October next. This is so for two reasons. First, it is the first time since its inception that the Fund is holding the annual meeting in an Asian country, and that in India. Secondly, the meeting promises to be a more interesting one than its predecessors, in that it may discuss the adoption of special measures designed to set right the persistent serious disequilibrium in world trade and payments. One of the papers which will form the basis of the discussions will be the Fund's ninth annual report on exchange restrictions made public a few days ago.

It is gratifying to find from the Report that, in the past year (beginning from April 1957), the Governments of the member-countries generally seemed determined to cope with the balance of payments difficulties with a minimum, or only temporary, resort to intensification of restrictions where such retrogression could not be avoided. Many countries, we are told, were able to avoid reimposing restrictions. Indeed, some further progress was made in extending currency transferability, decreasing reliance on bilateral payments arrangements and reducing discrimination. A number of countries continued to consolidate the progress made in earlier years in removing restrictions. If the progress in the sphere of exchange control relaxation has not been more marked, it is because of other unfavourable factors. There was, for instance, the general downward pressure on raw material prices which placed severe strains on the less developed countries. Further, serious balance of payments problems confronted a number of countries, thanks to continued price inflation and excessive imports to meet the needs of heavy development expenditure. What was worse, in the latter part of 1957, the economic boom, which had caused sharp increases in production in world trade, gave way to either a less spectacular rise or—notably in the U.S.—to recession. Superimposed on all these forces was the strong speculative exchange pressure on certain currencies in August 1957. This had to be met by firm actions and statements of policy by the Governments concerned.

Role of I.M.F.

Special mention must be made here of the ways and means in which the I.M.F. has sought to help countries in all areas to avoid increased use of restrictions. Among them, three stand out prominently—(1) provision of technical assistance, (2) changes, with Fund concurrence, in par values and effective exchange rates, and (3) use of Fund's resources. The Fund officials have actively assisted countries requiring advice in connection with their stabilisation programmes and the simplification of their exchange rate structures. This has taken the form of frequent discussions in the field with the governments concerned and provision of Fund officials as technical advisers for periods of six months or more. In the 12 months ended 28th February 1958, drawings on the Fund by 20 countries aggregated $888 million; this followed drawings amounting to $708 million in the preceding three months, December 1956 through February 1957. These figures do not include the $997 million available at the end of February 1958 under stand-by arrangements with nine countries.

External Convertibility

The period since April 1957, particularly the opening months of the current calendar year, witnessed, according to the I.M.F. Report, a significant strengthening of most internationally traded currencies. There was a marked improvement in the rates at which transferable currencies could be exchanged for convertible currencies in free markets, as well as an improvement in other rates against the dollar, especially for the currencies of Western Europe. In fact, the rates in these free markets began to approximate the rates in official markets. In this respect, there was continued progress towards what is commonly called external convertibility. The currencies of Britain and W. Germany have continued to be fully convertible among all non-dollar countries. The other 10 countries participating in the West European multilateral exchange arbitrage arrangement have facilities by which holdings of their currencies by residents of other countries are transferable throughout a substantial part of the non-dollar world. The use of this system has been increased. Nevertheless, the present position, as the Report itself candidly admits, still falls short of formal external convertibility. For some countries have been able to relax restrictions only to a limited extent. This is attributed to two factors. First, the earlier relaxations have left only restrictions of a protective nature. Secondly, the nature of economic trends has tended to become more complex as a result of the aforesaid unfavourable factors.

The progress in the extension of currency transferability as noted above has been accompanied in most cases by reduced reliance on bilateral arrangements. Generally, the substantial progress made in this direction during 1956 continued throughout the world in 1957 and, in the first few months of 1958, particularly in Belgium-Luxembourg, Burma, Italy, Japan, the Netherlands and Yugoslavia. It must be said to the credit of the I.M.F. that it has continued to work with its members to achieve reduced reliance on bilateralism. During 1957, a large number of bilateral payments arrangements were allowed to lapse, payments being placed on a transferable currency basis; this movement is still in progress.

It is, however, unfortunate that, for the world as a whole, there does not appear to have been any marked change in the use of quantitative restrictions on imports or import payments. In most countries, a number of such restrictions are still maintained partly for balance of payments reasons but increasingly for other motives, particularly protection. Summing up the whole position, the I.M.F. Report observes:

"Discrimination in trade and payments against countries in the dollar area is still an important aspect of the restrictive system of many countries, although significant progress in its reduction has been made in recent years; some Western European countries, particularly, made some reductions during the past year. Discrimination has been largely eliminated with respect to industrial raw materials and, to a considerable extent, capital goods, and progress has been made in reducing discrimination on foodstuffs. It remains important, however, for manufactured consumer goods."

India is one of the countries which have reduced exchange allocations for imports, as their balance of payments positions deteriorated and reserves declined considerably. The important changes effected by this country are indicated below:

Abolition of the basic foreign exchange allowance for travel abroad for pleasure or personal convenience;

reduction in import quotas for over 500 items described as relatively less essential to India's economic needs;

business trips permitted only when absolutely necessary, ban on foreign exchange for correspondence courses as well as for courses like academic, legal or language studies, accounting, social sciences, and drawing and painting;

withdrawal of the general permission given to residents in India to acquire sterling shares in the London market;

removal of facilities for remitting sterling and rupees to foreign countries by money orders;

ban on transfer of assets exceeding Rs. 2 lakhs per family by Indian nationals and persons domiciled in India emigrating to a sterling area country; and

discontinuance of the open general licences covering imports from all countries with effect from 1st July 1957.

Multiple Currency Practices

Alluding to multiple currency practices, the I.M.F. Report says that some countries eliminated or simplified them, while others extended their application during the year under review. It will be recalled that, at its meeting held in June 1957, the Executive Board of the I.M.F. reaffirmed as its ultimate objective the unification of the complex multiple rate systems. It is encouraging to be told that, since then, several countries have introduced modifications in their complex systems and these have been approved of by the Fund. During 1957, some systems, although still rather complex, were simplified. The Fund, therefore, did not object to their temporary continuance. It, however, urged the countries concerned to take further steps towards simplification.

The Fund has applied more rigorous standards to other complex multiple rate systems which were not simplified or which were further complicated, and, instead of giving approval to certain changes in multiple rate systems, it has preferred to remain in consultation with the countries concerned, with a view to agreeing on a plan for rate simplification. The Fund has given technical assistance to countries which have undertaken plans of exchange simplification or unification involving programmes in the fiscal and monetary field—for example, Bolivia, Colombia, Indonesia, and Paraguay.

A few countries with less complex multiple rate systems, such as Ecuador and Nicaragua, were able to reduce further the number of their rates, and Finland abolished its deviations from a unitary rate system when it changed its par value in September 1957. Most of the countries which introduced exchange reforms either during the period under review or at an earlier date have pursued policies that have made possible the maintenance of their simplified or unified exchange systems. In most countries where all exchange transactions have been channelled through free markets, such as Chile and Peru, the exchange rates in these markets depreciated over the past year. The extent of the depreciation varied greatly because of different trends in domestic monetary conditions and in the balance of payments.

A number of the multiple rate systems, especially those adopted by countries exporting primary products, have been under strain as a result of a decline in prices for their main export products. The ensuing exchange difficulties have frequently arisen at a time when the domestic monetary situation was not yet stabilised or was still under inflationary pressure because the necessary adjustments in the economy had not been completed. For these reasons, some countries, such as Afghanistan and Argentina, have introduced additional multiple exchange rates.

Advance Deposits

During the year 1957, a number of countries increased sharply the use of regulations requiring advance deposits as a prerequisite for obtaining import and/or exchange licences. Commenting on this feature, the Report says:

"In one country, Chile, the advance deposit requirement reached 1,500 per cent. for the highest category of luxury imports and the deposit is not refundable for 60 days. Nine other countries (Argentina, Colombia, Ecuador, Greece, Indonesia, Nicaragua, Paraguay, the Philippine Republic, and Uruguay) have some advance deposit requirements of 100 per cent. or more. This device can have temporary restrictive effects on the demand for imports, and its premature withdrawal can cause overimportation. In actual practice, the restrictiveness of the device may, however, be negligible because of the easy availability of credit. Its growing use as a means of restraining imports is shown by the fact that, during 1957, at least 11 countries in various parts of the world expanded in one way or another the scope of their advance deposit requirements. This device was, however, abandoned by Finland."

In the opinion of the I.M.F., in contrast to formal external convertibility, there is no assurance under the present arrangements that the free exchange rates for West European currencies will be maintained within the Fund margins. These rates are so close to the official quotations that the problem of broken cross rates in the currencies is considered to be no longer important and it is said that switch trade based on differences in rates has ceased to be profitable.

There are two other developments to which the I.M.F. report has drawn attention. The first one relates to the freedom of capital movements. Generally, this did not materially increase in the period under review, so that the position now is much the same as it was at the beginning of 1957. A notable exception is Western Germany, where, as a result of a series of relaxation measures, residents are now free to export capital in any form, including the purchase of securities anywhere in the world. The second development relates to the significant decrease in discrimination against those countries regarded as being outside the recognised currency groups, namely, convertible (dollar area), transferable and liberal. Originally, it was customary for a residual group to be treated as such and the countries in it to receive special treatment on a case-by-case basis.

The I.M.F. Report concludes the review of recent developments in exchange restrictions with a brief reference to the position obtaining at the time of writing the Report. The world, it says, is faced by pressures associated with falling raw material prices and by concern about a possible delay in economic recovery in the U.S. It no doubt points out that an increased use of restrictions and the further complication of exchange rate systems suggest themselves to some as means of meeting these changed conditions, but, at the same time, asserts that there is a strong built-in resistance against the reintroduction of restrictions abolished in the past. Indeed, the Fund claims that several countries are determined to define their existing levels of relaxation, even under adverse conditions and that "such countries have found the Fund to be a ready ally, willing to provide assistance for the implementation of policies to achieve the maximum possible freedom for world trade and payments." It is to be hoped that this note of optimism will prove correct and the progress towards convertibility of currencies, one of the fundamental objectives of the I.M.F., will be more speedy and solid in the coming years.

BANK PROFITS DECLINE

The effect of credit restrictions on banks since the middle of 1957 and of the high cost of interest-bearing deposits, is fully reflected in the financial results of banks for the first half of the current year. So far four Scheduled banks have made their results public. All of them have suffered a setback in their profits for the half-year ended 30th June 1958, as compared with those for the corresponding six months of 1957. What is more noteworthy is that, in the case of three of the "Big Five," the profits are even lower than those earned in the first six months of 1956, when the level of bank credit and their deposit resources were at a much lower level.

Central Bank of India

The net profit of the Central Bank of India Ltd., for the six months ended 30th June 1958, subject to audit, amounts to Rs. 42.05 lakhs, which shows a drop of Rs. 5.45 lakhs and Rs. 2.30 lakhs from that earned in the corresponding periods of 1957 and 1956, respectively. After bringing in the surplus of Rs. 18.44 lakhs from the previous year (as against Rs. 18.23 lakhs a year ago), the Directors have maintained the interim distribution at Rs. 1.50 per share or 12 per cent. per annum, free of income-tax, for the half-year, absorbing Rs. 18.87 lakhs. This leaves Rs. 41.62 lakhs, subject to taxation, to be carried forward to the next half-year's account, the corresponding figure for 1957 being Rs. 46.86 lakhs.

Bank of India

The working of the Bank of India Ltd. during the six months ended 30th June 1958 has resulted in a profit of Rs. 33.14 lakhs, which does not compare well with that of Rs. 42.34 lakhs in the first half of 1957 and of Rs. 39.66 lakhs in the corresponding period of 1956. The Directors have repeated the dividend at Rs. 3 per share, or 12 per cent. per annum, free of income-tax, which absorbs Rs. 18 lakhs, leaving to be carried forward Rs. 31.16 lakhs (subject to taxation), including Rs. 16.02 lakhs brought in from 1957.

Bank of Baroda

The Bank of Baroda Ltd. has earned a profit (subject to audit) of Rs. 13.39 lakhs in the first half of this year, as against Rs. 15.65 lakhs in the corresponding period of 1957, to which level it had risen from Rs. 14.66 lakhs earned in the six months ended June 1956. The Directors have not announced the interim dividend, as is usual, along with the announcement of the half-yearly profit. It is stated that they are considering the question and that their decision will be announced early next month.

Dena Bank

The profit of the Devkaran Nanjee Banking Company, Ltd., has also declined from Rs. 8.45 lakhs for the half-year ended 30th June 1957 to Rs. 7.61 lakhs in the six months under review. It is, however, Rs. 1.40 lakhs higher than that earned in the first half of 1956. The interim dividend is being maintained at Re. 1.25 per share of Rs. 50 each, free of income-tax. This requires Rs. 1.25 lakhs, leaving a surplus (subject to provision for taxation) of Rs. 9.16 lakhs. This includes the sum of Rs. 2.80 lakhs brought in from 1957.

The Reserve Bank of India had, in terms of Sections 46A and 46B of the Reserve Bank of India Act, established in 1956, two funds, namely, the National Agricultural Credit (Long-term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund. The amounts to their credit as on the 30th June 1958 were Rs. 25 crores and Rs. 3 crores, respectively. During the year 1957-58 a sum of Rs. 603.68 lakhs was sanctioned out of the Long-term Operations Fund to the State Governments for contribution to the share capital of co-operative credit institutions and Rs. 772.00 lakhs to the State Co-operative Banks as medium-term loans, as compared with Rs. 289.70 lakhs and Rs. 330.53 lakhs, respectively, sanctioned up to 30th June 1957. The State Governments have drawn during the year Rs. 583.40 lakhs against the amount sanctioned to them and the total amount outstanding as on 30th June 1958 stood at Rs. 743.85 lakhs. Medium-term loans have been drawn by State Co-operative Banks to the extent of Rs. 279.65 lakhs, the outstandings as on 30th June 1958 being Rs. 338.65 lakhs. No occasion has so far arisen for operating upon the National Agricultural Credit (Stabilisation) Fund.

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HANDLOOMS AND POWERLOOMS

T.N.C.C. IS DOING A DISSERVICE TO WEAVERS AND SOCIETY ALIKE

THE Executive Committee of the Tamil Nad Congress Committee has declared itself not in favour of the India Government's policy of the gradual introduction of powerlooms in the place of handlooms. It is unfortunate that ever since the Kanungo Committee's report was published, the All-India Handloom Board and the organised handloom interests in some of the States have declared their uncompromising opposition to the Committee's proposal for the gradual introduction of powerlooms as a decentralised cottage industry. That Committee, which fully recognised the place of the handlooms in the Indian economy, was anxious to secure for the handloom weavers an increasing share in meeting the country's requirements of cloth and at the same time to evolve a programme by which the earnings of the weavers could be improved. To achieve the former, the Committee suggested a freezing of the mills' output at the level of 5,000 million yards (except for cloth manufactured solely for export), while leaving the field free to the handlooms and the decentralised powerlooms to meet the expanding internal demand for cloth. In regard to the latter, the Committee favoured two measures: first, the handloom weavers should be provided with work for 300 days in the year as against an average of 200 working days at present; second, the Committee favoured the gradual replacement of handlooms by powerlooms, which would immensely raise the productivity of the weaver. The Committee estimated that this process might involve the displacement of about 1.25 lakh workers over six years, but felt that it would not be difficult to absorb about 20,000 workers a year in other occupations. The picture drawn of lakhs of weavers being rendered idle by the introduction of powerlooms is totally unrelated to reality. The Union Minister for Commerce and Industry has made it perfectly clear that the Government does not wish to create any unemployment by introducing powerlooms and that the process will be so gradual as to cause minimum of distress.

The Vital Question

The vital question which the spokesmen of the handloom weavers have to answer is whether they would like to perpetuate handloom weaving as a permanently depressed occupation, depending on heavy subsidies and based on low wages, or they would agree to the gradual switchover to improved methods, which would secure for the weavers higher incomes. A weaver's output on the ordinary handloom is six yards a day, while on a powerloom he can turn out in one eight-hour shift as much as 30 yards. All over the country we have embarked on a programme of rural electrification. The extension of electric power to the countryside offers for the first time the means to raise the productivity of persons working in their cottages by the adoption of improved tools worked by power.

Much is said about the success of Japan's cottage industries but it is not always remembered that most of these industries are based on the use of power at home to work the most modern machinery. An unreasoning opposition to powerlooms out of the fear that each powerloom will render superfluous 20 handlooms proceeds not only on a misreading of the Government's policy but also on a shortsighted miscalculation of the handloom weaver's interests. The advocates of the handloom are too much obsessed with the idea of a fixed unexpanding market. They do not realise that technological progress when applied even to cottage industries, helps to improve efficiency and reduce costs and thereby stimulates demand. In order to discourage weavers from taking advantage of a scheme which enables them to acquire improved tools on very liberal terms is to do them a disservice.

As the Government's plan is to introduce the powerlooms through weavers' co-operatives, it should be possible so to phase the programme that there is no unhealthy competition between powerlooms and handlooms and that the benefit of the increased production by powerlooms is shared not only by those directly working on them but by the members of the co-operatives as a whole. It is the duty of public-spirited leaders of the weavers to explain to them the long-term gains from the adoption of powerlooms and to facilitate a smooth change-over to improved methods of production as the key to a better life.

It was announced from New Delhi that the Government of India had approved, in January 1957, schemes from five States for the installation of 6,055 powerlooms in the financial year 1957-58. It was also stated that schemes from some other States were under scrutiny. It is not known whether the Madras and Andhra Governments submitted any proposals for the introduction of powerlooms, taking advantage of the very liberal financial concessions offered by the Union Government. It is unfortunate that organised handloom interests in both the States have been uncompromisingly opposed to the introduction of powerlooms in any form. As both the Central and State Governments have taken the view that no decision regarding powerlooms should be forced on the handloom weavers, there is a danger of the Andhra and Madras States denying themselves the benefit of the India Government's offer, while other States forge ahead with the help of loans and grants from the Centre.

Grossly Exaggerated

It has been made abundantly clear by the Central Government that there is no likelihood of powerlooms causing unemployment among weavers and that the whole programme will be so phased that full employment for all the existing handlooms is provided. If the handlooms are to be replaced some time or other by powerlooms, which can raise the productivity of the weaver by five times that on an ordinary loom, it is difficult to think of a better scheme for the purpose than the one which the Government of India has evolved. Powerlooms are to be installed only in co-operatives. The Centre will give loans upto 87½ per cent. of the share capital of each weaver and provide loans to meet the cost of powerlooms, electric motors, etc., as well as for working capital. The programme has envisaged installation of 35,000 powerlooms during the years 1956-57 and 1957-58. Spokesmen of the handloom weavers who have expressed a fear that each powerloom will displace 20 handlooms have not only grossly exaggerated the potentialities of the powerloom, but have also underrated the scope for increased consumption of cloth in India. According to official estimates, handlooms in the country will not be able to meet all the 2,500 million yards of cloth that have been reserved for them in the second Plan. Spokesmen for the handlooms have contended, on the other hand, that the handlooms can meet almost the entire cloth needs of the country.

The basic divergence between the two views has been due to the fact that, while the Government has estimated the total number of handlooms at 1.28 million, the weavers' spokesmen have estimated it at 2.8 million. Whatever the precise number—and only an accurate national census can determine it—it is farfetched to argue that the production of the handlooms can be seriously affected by the addition of powerlooms whose total annual output will not exceed 200 million yards. Handloom weavers in Madras and Andhra would be well advised to think afresh and not oppose the controlled installation of powerlooms, which alone will help to increase their earnings and raise their standard of living.

With the Government of India's new textile policy assigning an annual total of 300 million yards to handlooms using ambar charka yarn within the annual increase of 1,700 million yards targeted by the end of the second Plan, handspinning has been raised from an act of faith to a major item of national economic programme. The second Five-year Plan has forced discussion of handlooms in terms of values and costs and the Ambar Charka Enquiry Committee did extremely useful work in giving a detailed cost analysis of the ambar charka programme on the basis of both unit production and total expenditure involved in the Plan budget. The starting point was the target of 300 million yards to be attained in 1961—now modified to 150 million yards—fixed for handlooms using ambar charka yarn out of the increment of 1,700 million yards in the country's textile production. On the basis of an annual output of 720 yards of cloth with yarn produced from each charka, 420,000 charkas will be required to reach the original target of 300 million yards per annum by 1960-61. The training programme for spinners and the annual phasing of charka installation would plan that, in the fifth year, 420,000 installed charkas would yield an annual yarn output of 84 million lbs. and cloth output of 302 million yards, valued at about Rs. 37.80 crores providing employment to 840,000 spinners, 56,000 weavers and 112,000 weavers' assistants from 1960-61 onwards. The wages paid to spinners would amount to Rs. 14.18 crores and to weavers and their assistants Rs. 7.50 crores, while the subsidy paid on sales of cloth would total Rs. 9.45 crores every year.

Returns on Investment

In calculating the returns on investment in the spinning programme, the following estimates would be relevant:—

	Rs. (crores)
(a) Towards installation of 420,000 sets of charkas	5.60
(b) Cost of training 840,000 spinners	9.50
(c) Working capital for production and marketing	30.24
(d) Workshops, finishing centres, organisational overheads, etc.	1.50
Rs.	46.84

The total capital outlay on the spinning programme would thus be of the order of Rs. 47.50 crores to which must be added the recurring expenses towards subsidy of Rs. 21 lakhs on the charkas. On the basis of figures relating to wages for spinning contained in the Enquiry Committee Report, detailed investigations show that, in 1960-61, the annual value added by the process of manufacture under the ambar charka programme would be Rs. 12.24 crores, as against the capital outlay of Rs. 47 crores. This would establish a capital output ratio of 0.28 which is much lower than the output coefficient of 0.45-0.56 prevalent in spinning mills. This brings out the unsuspected feature that, in spite of the prodigious absorption of manpower, ambar charkas operating behind the reservations enforced by national policy would still be capital-intensive, that is, making relatively higher use of capital to obtain specific output.

Economic Evaluation

The debates and discussions regarding ambar spinning can by no means be regarded as having yet established final conclusions. In the economic evaluation of the scheme of ambar spinning, the following points would stand out for emphasis:

(a) Spinning by ambar charka cannot claim the merit of economising capital which, according to contemporary economic thinking, might justify adoption of inferior technique in backward economies suffering from scarcity of capital and persistence of unemployed labour. Being capital-intensive, the ambar charka returns less output per unit of investment and should therefore be considered as wasting scarce capital, which hurts the national economy. The waste of capital combined with unproductivity of labour in our cottage enterprises would render a significant proportion of the nation's investments definitely unwise and uneconomic.

(b) The surplus value created per day by the worker using the ambar charka has been calculated by the Ambar Charka Enquiry Committee at 2 annas 2 pies and subsidising it to even the submarginal wage level of nine annas per day as planned would involve doling out 6 annas 10 pies per day, which would be the deficit per worker. The effect of distributing wages against work not done or output not emerging would be inflationary, as purchasing power would be released in the rural economy, without a corresponding creation or provision of consumer goods.

Huge areas of wild scrubland in the north of New Zealand are now being turned into fertile pastures for the production of wool, meat and dairy products. This is part of a scheme which began after the war, when the Government looked for new farming country for the settlement of returning servicemen. In Northland, it was estimated that more than 600,000 acres of virgin land remained, much of it being suitable for grassland farming. There was plenty of rain—sometimes too much, when heavy sub-tropical downpours eroded the hillsides—and a warm climate in which grass could grow all the year round. Using bull-dozers and what are known as "super-giant" disc to clear the scrub, the Lands Department has been working on a plan to sow 10,000 acres of grass every year and prepare a further 10,000 acres for sowing the following season. It also builds houses, wool-sheds and farm buildings, and arranges for the stocking of the newly-won pastures. With 83,000 sheep and more than 16,000 cattle, the Department is the biggest farmer in Northland. Many settlers have been established, and more will follow.

CLOTH IMPORT CONTROVERSY PERSISTS

SHORT-TIME WORKING IN MILLS BECOMING MORE WIDESPREAD

From A Special Correspondent

MANCHESTER, *8th July*

MANCHESTER LETTER

AFTER a week in which the imported cloth controversy has reached a height of fresh discussion and argument, Lancashire traders are still not much nearer a solution to this problem. Hardly a day has elapsed without the industry making the headlines in the national Press. Beginning with the much-publicised debate in the House of Commons and angry repercussions from trade leaders and organisations, there have been suggestions that a mass demonstration from the mill towns should be held in London, another conference between the Prime Minister and his advisers with the representatives of the Cotton Board has taken place, while the acceptance of a ceiling level of shipments to the United Kingdom by India and Pakistan has raised hopes that some similar "understanding" will be achieved in future negotiations with Hongkong.

Lancashire reactions to the Commons debate on the situation in the cotton industry were a mixture of hope and disappointment. A Cotton Board spokesman said that people, who were discouraged because they had expected some positive form of Government help on the question of cloth imports, should remember that industry-to-industry talks were still going on with Eastern competitors for a voluntary agreement. The Board hoped to be able to make a progress report shortly. But some Lancashire millowners were critical of the Government's refusal to lend any sort of support to the principle of enforcing a limitation on cloth imports. It was argued that this would weaken Lancashire's hand in voluntary negotiations with the Eastern millowners, since they would now be reassured that they need have no fears of an enforced limitation, if the protracted efforts at negotiating a "gentleman's agreement" broke down.

Plan of Campaign

Meanwhile, leaders of the Lancashire and Merseyside Industrial Development Association have discussed their plan of campaign once the Government's Distribution of Industry (Industrial Finance) Bill goes on to the statute book. This is designed to provide assistance for districts with persistently high unemployment which are outside the boundaries of the scheduled Development Areas.

The problem facing the Development Association is that of deciding which parts of Lancashire have the most pressing needs. One of the worst-hit areas, the weaving belt of North-East Lancashire, is already scheduled as a Development Area. The first area recommended by the Industrial Development Association for assistance under the new proposals is likely to be right outside the traditional cotton region—Furness, in North Lancashire. Applications are expected to follow on behalf of other parts of Lancashire.

Widespread Short-time

A statistical review by the Cotton Board underlined the Commons' warnings about the deteriorating situation in the industry. The Board said that short-time working was becoming more widespread and more mills had closed down permanently. In the home market, demand had been slack, with sales of summer garments affected by the poor weather. On the export side, shipments so far this year had been well below last year's level. "There is no reason to expect any improvement in the near future," said the Board.

Yarn output in May was 14 per cent. less than in November last year and cloth output in April was 12 per cent. down on the figures for six months earlier. Imports of cotton piecegoods increased from 105 million square yards in the final quarter of 1957 to 117 million yards in the first three months of 1958. In April and May, another 59 million yards arrived. The review comments: "Imports during the first quarter were, in fact, slightly in excess of exports, but this can be attributed in part to the extremely heavy imports of Chinese cloth which, owing to quota restrictions, will not be repeated."

Employers' Case

An official statement issued by Mr. J. D. Greenwood, Chairman of the Cotton Spinners' and Manufacturers' Association, said: "There will be dismay and resentment throughout the cotton industry at the Government's negative attitude in yesterday's debate. The statement by the President of the Board of Trade was neither helpful or hopeful and empty expressions of concern about the industry without any positive policy to solve its most urgent problem get us nowhere. Whilst everyone hopes for a successful outcome of the recent negotiations with India and Pakistan, the Government cannot evade its direct responsibility towards the masses of operatives and employers in Lancashire whose livelihood depends on cotton and who face great distress in the next few years unless reasonably protected against the unrestricted flooding of the home market by textiles from Eastern countries, including Hongkong. Attempts to substitute other trades could only touch the fringe of the problem and no responsible Government could afford, from a national viewpoint, to permit the disintegration of one of our greatest basic industries.

"The Government now appears to have gone back even on the assurances given by previous Ministers that, when the situation became serious enough, some action would have to be taken. With hundreds of mills already closed and tens of thousands of operatives put out of employment, surely the time has come for definite action."

Support for Hongkong

Shrinking exports and dumping of duty-free Indian cloth, rather than "slave-labour conditions" in Hongkong, were blamed for the plight of the Lancashire textile industry by Mr. Kenneth O. Boardman, Chairman of Boardman Marden, the Manchester spinning and weaving group. Because of its miniature size and standing, Hongkong had been made the "whipping boy" for Lancashire's misfortunes, mainly, according to its critics, because the operatives in the Colony worked longer hours than Lancashire workers, said Mr. Boardman in his annual statement to shareholders. "The facts are, however, that the recent loss of exports and the dumping of duty-free Indian cloth are more important causes of Lancashire's troubles."

During visits to Hongkong, he said, he had found nothing to substantiate the British-made claims that slave-labour conditions existed in the textile mills. On the contrary, most of the Hongkong mills he had visited were more clean, efficient and modern than the majority of Lancashire mills. The operatives were well fed and their housing conditions compared extremely well with any in the East. The average daily wage of a textile worker was 11*s*.—not 2*s*. 6*d*., as a Labour M.P. had recently alleged. Out of this sum, he paid 2*s*. 3*d*. a day for food and received free housing and medical treatment.

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Mr. Boardman said that exports of Lancashire cloth in 1957 were almost 350,000,000 square yards less than in 1953 and practically the whole of the loss could be attributed to the Anglo-Japanese pact of 1954 which opened the way to increased Japanese exports to the Colonies. India was still the largest textile exporter to this country and her subsidised cloth continued to arrive here duty-free in spite of the duty of 33⅓ per cent. imposed by India on Lancashire material. "A limitation of Indian cloth is not sufficient; we should be given the opportunity to export our cloth to India where a healthy market exists for our quality production."

Mr. Boardman said that he was convinced that it had been the Conservative plan considerably to reduce the size of the cotton industry. There might have been some logic in this view five years ago when there were a great number of inefficient units in the trade, but the stage had now been reached where efficient firms were being forced out of business. Orders were desperately needed by a large number of mills which were affected by imports in "a last ditch effort to avoid closing their doors for ever.

"A small adjustment to the Japanese agreement in Lancashire's favour and improved terms of trade with India is all that is needed to enable our industry to regain its equilibrium, an industry which is more efficient than its critics would lead one to believe," he declared.

Average Export Earnings

Statistics gathered from every corner of the globe by the Cotton Board make its quarterly review a mine of information. The latest issue underlines the current phase of inactivity which seems to spread across all continents and affect the cotton and man-made fibre industries in every country.

There are naturally some areas where the depression is less severe than others, but total output averaged about 2 per cent. lower in the first quarter this year as compared with the final three months of 1957 and was 5 per cent. below corresponding production in the first quarter last year. France was the only major producer whose output increased over the comparable period in 1957. Equally so, international trade in cotton goods continued to shrink and, in practically all exporting countries, shipments were below the levels attained in the first three months of 1957. Italy and Switzerland were the only exceptions.

Steady Prices

Although exports of cotton cloth from the United Kingdom have shown a pronounced decline over the past decade, the average price obtained for shipments has remained remarkably steady. In 1951, when the mills in Lancashire were working at a higher rate than at any time since the war, earnings from cloth exports amounted to 36.7d. per square yard. Two years later, the value had dropped to 29.8d., but, subsequently, the average price obtained had remained virtually unaltered at around 30d. per square yard. Last year, the average was 31.6d. and, in the first quarter of 1958, it was 31.4d.

A similar trend occurred in the average value of cotton yarn exported, which reached a peak of 119.3d. per lb. in 1952. In the following four years, the average remained about 100d. per lb., rising in 1957 to 107.2d. The average in the first quarter this year was 102d. per lb.

Rough Guide

A rough guide to the quantity of foreign cloth retained for home distribution can be obtained from the Cotton Board's figures. The complicated position of Commonwealth countries, however, precludes any definite statement being made on this point. Out of the quarterly average arrivals of 104,000,000 square yards of foreign cloth last year, only 23,600,000 yards per quarter were for processing and re-export, plus any supplies from India and Hongkong which were so used.

The ratio appeared to alter substantially in the first quarter of this year, when total imports of cotton cloth amounted to 116,540,000 square yards and only 17,400,000 yards were earmarked for re-export. The Board, however, points out that this figure did not take into account the large amount of Chinese cloth which entered bonded warehouses during the period. It forecast that, on removal, a substantial amount of this fabric would be processed in this country and shipped abroad.—*All Rights Reserved.*

PLIGHT OF COTTON TEXTILE INDUSTRY IN NORTH INDIA

ELEVEN MILLS IN VIDARBHA TO CLOSE DOWN SHORTLY

COMMENTING on the rationalisation of excise duty on mill-made cotton piecegoods, we observed in these columns last week that the revised duties were heavier than they were before the steep increases effected on 1st September 1956. The disquieting effect of such heavy burden of excise is particularly felt by the mills situated in the Vidarbha region. All these mills have put up notices of closure with effect from 11th August next, as a result of which 31,000 workers will be unemployed. This was announced by Mr. R. V. Deshmukh, Chairman of the Vidarbha Textile Mills Association, at a Press conference in Nagpur on the 9th inst.

The Nagpur mills' decision to close down is the result of an acute *malaise* suffered by them which, in turn, is attributed to several factors. They are: steep rise in manufacturing and labour costs; abnormally high and discriminatory excise duties; substantial fall in demand for cloth and poor offtake and the consequent locking up of finances; intensive competition from purely spinning mills in respect of yarn sales; steep fall in cloth and yarn prices, high wage cost, owing to employment of surplus labour and labour resistance to introduction of reasonable rationalisation and other efficient methods of production; high incidence of sporadic strikes; poor labour productivity; high overhead costs due to idle machinery resulting from widely varying absenteeism of workers; increase in prices of raw materials, mill stores, machinery, coal, etc., and in power cost; heavy incidence of sales tax; and working of mills under strained resources and losses. The aggregate loss incurred by the 11 mills during the last five years is estimated at Rs. 3.23 crores, representing more than 76 per cent. of the paid-up capital of Rs. 4.23 crores. The Vidarbha mills produce almost entirely coarse and medium cloth and yarn; the total accumulated stocks at the end of April amounted to 35.03 million yards (23,355 bales) of cloth and 4.50 million lbs. of yarn.

Mills in U.P.

Conditions more or less similar exist in the cotton mill industry of Uttar Pradesh too. In its memorandum submitted to the Cotton Textiles Enquiry Committee, the Employers' Association of Northern India, Kanpur, points out that the legislative, fiscal and operational measures have not only retarded the further expansion of the industry in the U.P. but also placed it in a deplorably sad state of affairs. The Association has given the following statement (culled from the Kanpur Cotton Mills Rationalisation Enquiry Committee) which indicates the additional burdens imposed every year on an average cotton mill in Kanpur as compared with its counterpart in Bombay City:

	Rs.
Additional freight charges on cotton	2,59,000
Higher price paid for cotton from Broach area at Rs. 5 per bale or Rs. 10 per candy on 16,000 bales ...	80,000
Additional charges for carrying larger cotton stocks based on 6,000 bales (interest at 5 per cent. on Rs. 24 lakhs—Rs. 400 per bale)	1,20,000
Commission obtained by local cotton brokers from their principals in Bombay on sales of cotton to local mills at Rs. 5 per bale	1,57,000
Higher electricity charges	6,17,436
Increased overheads based on 295 working days, as compared with 309 days in Bombay	61,800
Loss of profit based on 14 days' production	2,00,000
Higher insurance rates on buildings, machinery and stocks based on value of Rs. 1.10 crore	18,000
Additional railway freight, insurance and octroi duty charges on spare parts, mill stores and machinery ...	1,50,000
Higher profit margin available to Bombay mills on exports based on 22½ per cent. of production at 6 nP per yard	6,39,844
Reduced profit margin on 2½ per cent. of production exported by Kanpur mills at 3 nP per yard.	33,000
Total ...	23,36,080

Proceeding, the Association has drawn attention to the high wage structure in Kanpur mills. The Association alludes next to the handicap of the U.P. mills being compelled to hold considerably large stocks of cloth. The total stocks lying with the mills at the end of April were of the order of 124 million yards, which represent more than 5½ months' average production of cloth in the State. The mounting stocks of cloth have caused untold hardship to mills, especially to the marginal units, inasmuch as the carrying of stocks entail a financial burden, not to speak of the pressure on their storage space. Surely, the financial condition of the industry cannot be expected to be such as to enable the units in it to be operated.

Stress and Strain

How severe have been the stress and strain to which the U.P. mills are subjected has been well brought out by the Association in its memorandum. It is thus stated that, Out of the total number of 29 mills in U.P., as many as 16 mills have already succumbed to the strain of heavy drainage on their limited resources and have been forced to suspend operations. Of a total of 867,784 spindles installed in the textile mills in U.P., 283,816 are reported to be not working. Similarly, of an installed capacity of 13,674 looms in U.P., 3,463 looms are idle. Even in regard to the ten mills of Kanpur, only seven are working, five mills are running at a loss, two mills are shown to have made negligible profits and the profits of the rest have been fast dwindling to extinction during the past three years. With the persistence of this trend any further, there is the likelihood of a few more mills which were once on the top of efficiency also falling on the marginal line of production in U.P. There are also possibilities of a further unit or two closing and another couple of units being able to work only intermittently, should the present state of affairs continue.

The position is said to have been rendered worse by the increase in the working finance required by cotton mills for keeping up their production; the total of the working capital requirements of a unit with 50,000 spindles and 1,000 looms running on two-shift basis is put at Rs. 2 crores. Even if the mills decide to keep on running at a loss without having with them the financial resources available, it is stated, they will not be able to maintain production, because there is no possibility of securing extra finance from any other source in U.P. except through banks. In the case of banks, too, several of them have recently started the application of restrictive policy in respect of financial assistance. In view of all these, the Association has urged that, if the mills are to carry on their operations, the working capital requirements must be fully met on the basis of securities available with mills by allowing, if necessary, up to 100 per cent. advance on floating stocks and extending usance bill facilities of 60 to 90 days.

Fall in Sale Prices

While the production cost of Kanpur mills has been steadily rising, the sale prices of products have been continually falling, so much so that the medium and coarse count mills have not only to pay excise and sales tax over and above the 15 per cent. increase in the price of cotton and wages but also to reduce further the prices of their products at their own cost. The following table clearly shows that the mills, after absorbing the extra rise in various imposts, have been experiencing falling prices since 1956:

	Dhotis Rs.	*Saris* Rs.
September 1956	N.A.	9.31
March 1957	8.67	8.95
September 1957	8.36	8.71
March 1958	7.78	8.16

The foregoing account clearly emphasises the need for providing speedy assistance to the U.P. cotton mills. The Employers' Association of Northern India has put forward several suggestions designed to help rehabilitate the medium and coarse count mills. One of the most important suggestions relates to excise duty and sales tax and this covers the following:

Immediate reduction of the combined excise levy on medium and coarse count cloth to half of its present burden;

assessment of excise duty on *ad-valorem* basis, as it was in force up to 1952-53 on fine and superfine counts, the rate of duty, along with other imposts on medium count cloth being so fixed that no goods falling under this category will bear more than 10 per cent. of duty;

discontinuance of the existing system of excise duty on the basis of square yards;

fixation of *ad-valorem* excise duty on fine and superfine cloth at such a level as would increase sufficiently the gap between the sale price of medium count cloth and coarse varieties, on the one hand, and those of fine and superfine cloth, on the other; and

uniformity in the levy of excise duty and sales tax on handloom and powerloom production.

All the aforesaid suggestions, it must be mentioned here, were made before the latest modifications in the excise duties.

Other Suggestions

The other suggestions relate to import of foreign cotton only against exports of at least 1½ times value of cloth, grant of direct import quotas for dyes, chemicals and stores to mills, cut in railway freight on export sales of textiles by the interior mills to 25 per cent. of the existing rates, and reduction in electric charges of interior mills to the level prevailing in Bombay. The Association has also made four other recommendations. First, working capital requirements of the interior mills should be fully assured by the State Bank on a low margin of 5 to 10 per cent. at Reserve Bank rate of interest, on the security available with the units concerned which will be more than sufficient to ensure full safety to such advances. Still, however, if any loss is suffered, the Government of India should guarantee the same to be made good out of the funds realised from the sales tax collections. Secondly, in the matter of rehabilitation finance, the National Industries Development Corporation should sanction loans by accepting even second charge on the mortgage of block and should advance the full requirements of rehabilitation even in those cases where blocks and other assets have been mortgaged as first charge with bankers. The N.I.D.C. should also make suitable arrangements to guarantee deferred payments. Funds should be earmarked and made available on priority basis first to the medium and coarse counts mills in the interior which have suffered most due to no fault of theirs, so as to enable them to catch up with the economy of fine and superfine count mills. Thirdly, all quality and production control measures should be discontinued forthwith and quota system abolished for prints and *dhotis*. Fourthly, steps must be taken to ensure easy availability, on priority basis, of wagons for supplying raw materials and coal to those mills situated in the interior and for the transportation of finished products from the mills to the consuming centres and to the ports.

We have no doubt that all these suggestions will be carefully considered by the Cotton Textiles Enquiry Committee. It is for this Expert Committee to decide which of them deserve to be accepted and which are to be rejected. Suffice it for us to add that, in the U.P.'s economy, the cotton textile industry is important and, therefore, deserves to be maintained in a healthy and profitable condition.

WOOL MARKETING SEASON 1957-58

During the past season (July 1957—June 1958) wool prices have shared in a widespread decline in world commodity prices over the past year and, although final figures are still awaited, it is already apparent that results to producers will show a considerable reduction on the previous season. Up to recent date, for example, the average price paid for Australian wool this season was 63.39*d.* per lb., as compared with 80.64*d.* in 1956-57, a reduction of 21 per cent.

The reduction in the world price of wool is principally due to the fact that consumption of the commodity in the principal countries where manufacture takes place has shown a marked falling off in the season under review. In the six months from July to December last, wool consumption in the six large manufacturing countries, which together absorb the greater part of the world's exported wool, declined by an average of 12½ per cent., ranging from 10 per cent. in Japan and France to 14 per cent. in the United Kingdom and no less than 24 per cent. in the U.S.A. According to figures issued by the Commonwealth Economic Committee, this was followed in the first quarter of 1958 by a further average fall of 3 per cent., for slight improvements in Britain and the U.S.A. were more than offset by reductions in West Germany, Japan, Italy and Belgium, that for Japan being especially marked.

Against such a background of reduced world consumption, it is gratifying to record that Commonwealth wool clips, which provide the larger part of the world's exportable supply of the commodity, have been substantially cleared from the market, and indications are that held-over supplies will be of not more than average dimensions. Limited quantities of wool have been bought-in under reserve price schemes operated by the wool producers of New Zealand and South Africa, but these are of negligible proportions when measured against the output of these countries. Reliable signs of a general uplift in demand for the products of the industry are still awaited in manufacturing centres, but the season appears to have witnessed a considerable reduction in the working stocks. Wool at today's prices is also a more attractive proposition to importers who know that the 1958-59 Australian clip—the largest clip in the world—is likely to show a reduction in volume as compared with the 1957-58 clip, owing to drought during the growing season.

INDORE MALWA UNITED MILLS LTD.

CHAIRMAN, MR. K. G. SEKSARIA'S REVIEW OF COTTON MILLS' PROBLEMS

CAUTIOUS OPTIMISM IN INDUSTRY'S FUTURE

SPEAKING at the Fifty-first Annual General Meeting of the Indore Malwa United Mills, Limited, held in Bombay on 14th July 1958, Mr. Kudilal Govindram Seksaria, Chairman, felt that the worst was over in the textile industry and struck a note of cautious optimism and faith in the industry's future.

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

'GENTLEMEN,

"I welcome you to the fifty-first annual general meeting of the Company. The Directors' report and the annual accounts of the Company for the year ended 31st December 1957 have been in your hands for some time and, with your permission, I take them as read.

"I share your disappointment at the results of your Company, which are no exception to the general crisis that gripped the industry last year. You will remember that in my speech last year I had already drawn your attention to the increase in excise duty levied on cloth from 1st September 1956 and had expressed my fear that unless the demand and offtake of cloth improved substantially, the burden of excise duty and high prices of raw cotton would tell heavily upon the results of your Company in the year 1957. The situation has, however, deteriorated much more than anticipated with the result that the textile industry, in general, has experienced a serious crisis last year. You are all aware that twenty-six mills have completely closed down and thirty-seven mills have partially closed. The number of casualties—total or partial closure of mills—tells only half the story. Many mills are making serious losses. In Baroda, seven mills are making losses, the average loss being Re. 1-8 per loom shift. The loss sustained by eleven mills in Nagpur area works out to Rs. 2 to Rs. 5 per loom per shift, with the result that recently there has been a very alarming announcement from the Chairman of the Textile Mills' Association, Nagpur, that all the nine textile mills of Vidarbha region and two of Mahakoshal area, Madhya Pradesh, are to close down from 11th August. The average loss in industry of your area was Rs. 4 per loom per shift. Practically all the mills in Saurashtra, Madhya Pradesh, Rajasthan and West Bengal report heavy losses. The position is not happy even in Bombay State. About thirty mills in Bombay and ten mills in Ahmedabad are working in loss.

Rise in Stocks

"The steep increase in excise duty since September 1956 led to complete demoralisation of cloth trade throughout the year, with the result that the accumulation of cloth stocks with the mills reached peak level during November-December 1957. Your mills also had stocks of 9,057 bales in December 1957 as against 7,290 bales in December 1956.

"The consumer's resistance to purchase of cloth is obviously due to his lower purchasing power and high taxation, though, in fact, the cloth prices today are actually lower than those in December 1955. The increase in excise duty, unfortunately, coincided with inflationary tendencies in foodgrains, with the result that the Indian consumer was left in very difficult circumstances. As in all underdeveloped countries, the high food prices inevitably mean reduced offtake of other consumer goods. While the decline in agricultural production in certain regions has meant reduced income in rural population, the rising spiral of living index in cities has also hit hard the urban classes.

"The industry was all along combating a great rise in cost structure. The price of cotton was higher than that in 1956. The cost of stores and accessories also shot up high. Even the fuel and power cost was higher. Cotton and wages alone account for 80 per cent. of the manufacturing charges, and in both these respects the producer had to pay heavily.

"The labour cost also sharply went up due to increase in dearness allowance and other direct or indirect benefits conferred on the workers by law or otherwise. Unfortunately, the textile industry in your area has to pay higher wages than the highest prevailing in any other region and at the same time has to maintain a very high mustral strength, the combined effect of which is that the manufacturing cost in respect of wages in Madhya Pradesh is extremely high. As regards dearness allowance, though the cost of living at Indore is much cheaper, the industry is paying a much higher allowance than what is necessary.

Increase in State and Local Taxes

"Besides the heavy taxation imposed by the Central Government, even the State Governments and local authorities did not lag behind to burden the industry. They increased the existing levies or imposed fresh levies on the industry at a stage when it was passing through a crisis. Following the replacement of sales tax on cloth by additional excise duty, the State Governments, including the Madhya Pradesh Government, have withdrawn the concessions which were available to the industry in regard to purchase of its requirements of machinery, raw materials, stores, etc., free of sales tax. The Madhya Pradesh Electricity Board forced an increase of 5 per cent. in the tariff schedule for power supply to the mills. The State Government also increased additional excise duty on power generated or consumed by the mills. The municipalities too came forward with increase in various octroi and property duties. In the Indore centre particularly, the octroi duty on coal was raised from Re. 1-1 to Re. 1-5-9 per ton. Property tax also has been more than doubled.

"As regards your Company, the manufacturing cost has gone up by Rs. 29½ lakhs, the major increase being Rs. 20 lakhs in cotton, Rs. 5¾ lakhs in wages and Rs. 3 lakhs in stores. This has meant larger finance required by the Company and has resulted into substantial increase in our borrowings. The secured debts have increased by about Rs. 24 lakhs and unsecured debts by about Rs. 8 lakhs. The interest charges, as a result, have gone up by Rs. 2,22,000.

Conditions in Madhya Pradesh

"Talking of the conditions of the textile industry of Madhya Pradesh, in particular, we have to take into account certain other handicaps also, to which I had drawn your attention in my speech last year. The bottleneck of transport continues to pose a serious problem. For this reason your mills are constrained to store larger reserves of cotton and stores, which means larger investment and higher interest and insurance charges. Besides, being an upcountry mill, your mills cannot take an appreciable advantage of exports of cloth also due to additional transport expenses. The benefit can, however, accrue to your mills, if, in this context, the recommendation already submitted to the Government about the special freight rates applicable for exportable cloth is considered.

"Realising the difficulties of the industry, the Government did reduce the rates of excise duty in December 1957 and March 1958. But, as the same were found to be quite inadequate, the Government has further slashed excise duty recently, ten days back, on coarse and medium varieties, with a view to providing immediate relief to the industry. The revised rates, as you are all aware, have been adopted on the basis of the recommendations of the Textile Enquiry Committee which submitted its interim report to the Government only two days before the announcement. The revision is particularly significant in its value of rationalisation, as it ensures a fair and equitable incidence of the levy on the different varieties of cloth, bringing it as close as practicable to *ad-valorem* basis. The medium variety has been split into two categories and you should be happy that your mills will be benefited most on account of the fact that most of their production consists of lower category of the medium count, where the reduction in duty is maximum. It is, however, felt that the third successive reduction in excise duty alone, which brings the total relief given in a period of seven months to around Rs. 20 crores, may not be enough. But other concerted measures, namely, reduction in labour cost, suitable amendment in the provisions of the Industrial Disputes Act relating to the payment of retrenchment compensation, positive assistance to mills in introducing efficiency methods of work, particularly in centres where labour complements are very high, grant of liberal loans to the industry by N.I.D.C. and I.F.C. for rehabilitation and modernisation of mill machinery and easing of credit facilities by banking institutions, etc., etc., are necessary. All these issues and various others have been well elaborated in various memoranda submitted by various States' Millowners' Associations to the Textile Enquiry Committee and particularly in a recent statement made by Mr. Krishnaraj M. D. Thackersey, Vice-Chairman of the Indian Cotton Mills' Federation.

A Silver Lining

"There is, however, a silver lining to the dark cloud and I feel that the worst is over. In the context of the recommendations of the Textile Enquiry Committee, let us hope that the Government is all out to do its best in restoring the lost confidence in the basic and the premier industry of India. I, therefore, feel that a large number of suggestions recommended to the Government are going to be sympathetically considered.

"There is a great task lying ahead of the Government—the task of bettering the standard of living of the masses of our country. In any underdeveloped country it means a great many trials and tribulations. Under such critical circumstances, we are, however, fortunate enough to have Shri Morarji Desai as our Finance Minister who is a person of great integrity and has capacity for drive and energy. I, personally, have great regard and admiration for him for his practical approach to the problems and for his courage to shoulder the burden of bold decisions. Since his assumption of the office of the Finance Minister, you will observe, the Stock Exchange, which is a barometer of the industrial weather, has been quite cheerful and buoyant. It is a positive evidence of the restoration of public confidence, which had been shattered for sometime past and there now seems to be an all-round feeling that, despite all the rough weather created by developmental plans and foreign exchange difficulties, he will steer the ship of Indian economy to the shores of industrial progress. I, therefore, have all the reason to conclude my speech with a firm note of cautious optimism and faith in the future of industry.

"On behalf of the Board of Directors and on my own, I wish to thank all the officers, technicians and employees, both at the head office and in the mills, for the good work they have put in during the year."

TRADE WITH WEST ASIA

Addressing the Advertising Club, Calcutta, after his recent tour of East Africa and West Asia, Mr. S. N. Banerjee, Managing Director, Clarion Advertising Services Private Ltd., said that one came back from these countries deeply impressed by the fact that a more systematic, businesslike and scientific approach to marketing and advertising would give Indian exporters much bigger results than they had been able to achieve so far. Thanks to the peculiar position that most of the oil-bearing regions now occupy in the world economic set-up, the people in West Asia, though comparable to Indians in terms of literacy, were nonetheless better potential buyers. The countries in West Asia were, said Mr. Banerjee, in the throes of great changes. Many of them were receiving aid in the shape of financial assistance, technical help, etc., from other advanced countries. And these advanced manufacturing countries were India's competitors. India might underestimate the competition in the foreign markets only at its peril. Though the peoples in these regions were full of friendliness towards India, they did not as yet know the advance that this country had registered in developing manufacturing industries.

Enlightened manufacturers and exporters in India were, in the opinion of Mr. Banerjee, becoming increasingly aware of the need to study the export market themselves, to choose the right agent, to offer service after sales, to offer competitive commission terms, to ensure that all complaints that jeopardise our export trade were removed. The time had now come, Mr. Banerjee observed, when such efforts must go hand in hand with a more sustained and bolder advertising programme in the export markets.

EXPORT TRADE IN INDIAN SUGAR

PRICES OFFERED BY OVERSEAS BUYERS LOW

THREE weeks have elapsed since the Union President promulgated the Sugar Export Promotion Ordinance, 1958. Empowered by this Ordinance, the Government of India announced the release of 50,000 tons of sugar for export during the current season ending 31st October next. Since then, the Indian Sugar Mills' Association, Calcutta, the agency appointed for effecting exports, has been contacting buyers in overseas countries. It is reported that export business involving about 12,400 tons, or nearly 25 per cent. of the quota, has already been put through and that further sales have been suspended for the present in the hope of realising better prices. Enquiries made in sugar circles reveal that the entire quantity of 50,000 tons could easily be sold by the end of the current season, though actual shipment of some quantity may not be effected in time.

Of the 12,400 tons already sold, the Sudan Government has purchased 9,000 tons of D29 grade at Rs. 426.67 (£32) f.o.b. Bombay; shipment is expected to take place from Bombay and/or Kandla in August-September. The balance of 3,400 tons, has been sold to Malaya. Of this quantity, D29 grade accounts for 2,500 tons, the f.o.b. price being Rs. 433.33 (£32 10s.) and C29 grade for 900 tons, the f.o.b. price being Rs. 44 (£33). Barring about 200 tons which will be shipped from Madras, the whole quantity will be exported through Calcutta.

Price Advantage

The overseas buyers' quotation for D grade sugar is low, being around Rs. 427 (£32) per ton f.o.b. Bombay, as against the average ex-mill price of as much as Rs. 1,060 (including transport charges) in Bombay. On this basis, the loss on exports of sugar will work out to Rs. 633 per ton. Excluding the full remission of excise duty (Rs. 291.20 per ton) and cane cess (Rs. 50.90 per ton), the net loss on the sale of every ton of sugar comes to nearly Rs. 291. In other words, the buyer of Indian sugar in foreign countries enjoys a price advantage of 68 per cent.—the difference between the f.o.b. price and the ex-mill price—*vis-a-vis* the Indian consumer. Allowance must, of course, be made for insurance and freight charges.

Be that as it may, the aggregate export quota of 50,000 tons is distributed among the different mills on the basis of 2½ per cent. of production during 1957-58. Out of the quota, the mills in the State of Uttar Pradesh account for the major portion, their total amounting to about 23,651 tons or 45 per cent. The share of Bombay comes to 8,049 tons or 16 per cent. and of Bihar to 6,928 tons or 14 per cent. The following table gives the estimated production of sugar during 1957-58 and export quotas allotted to mills in the different States:

(In tons)

States	Production	Export quota
Uttar Pradesh	943,974	23,651
Bombay	319,877	8,049
Bihar	275,056	6,928
Andhra	153,842	3,898
Punjab	81,974	2,102
Mysore	76,064	1,930
Madras	57,550	1,491
Madhya Pradesh	33,844	898
Rajasthan	16,055	453
Kerala	8,283	259
West Bengal	5,575	191
Orissa	3,903	150
Total ..	1,974,997	50,000

Prospective Buyers

Owing to its geographical position, India has easy access to a number of sugar-importing countries. These include Burma, Ceylon and countries of East and West Asia, East Africa, and Far East. It will be recalled that, out of the 152,911 tons of sugar exported during the period from 1st January 1957 to 31st March 1958, East Africa accounted for 41,756 tons, East Asia for 34,447 tons, West Asia for 29,972 tons, the Far East for 25,933 tons, Burma and Ceylon for 19,801 tons, and London for 1,002 tons. The destination-wise shipments of sugar from Bombay and Calcutta are shown below:

(In tons)

Countries	Bombay	Calcutta	Total
China	..	33,624	33,624
Nairobi	..	26,909	26,909
Sudan	9,259	5,588	14,847
Penang	..	13,586	13,586
Basrah	13,085	..	13,085
Rangoon	..	11,643	11,643
Colombo	2,754	5,404	8,158
Aden	5,902	2,148	8,050
Sweetenham ..	..	7,251	7,251
Singapore	..	5,096	5,096
Bahrein	2,637	..	2,637
Zanzibar	2,545	..	2,545
Jeddah	1,247	..	1,247
Umsaid	1,169	..	1,169
London	..	1,002	1,002
Dubai	841	..	841
North Vietnam ..	..	823	823
Muscat	398	..	398
Grand Total ..	39,837	113,074	152,911

The aforesaid neighbouring countries are greatly in deficit of sugar supplies. Together, they import every year about 1.2 million tons of sugar. This quantity represents 10 per cent. of the world aggregate exports of approximately 12 million tons. The estimated annual imports—in thousand tons—made by the various neighbouring markets are: Iran: 210; Malaya (including Singapore): 126; Iraq: 126; Mainland China: 100; Sudan: 95; Pakistan: 84; Israel: 77; British East Africa (including Zanzibar): 69; Saudi Arabia and other nearby countries: 63; Thailand: 37; Viet Nam: 32; Ceylon: 32; Afghanistan: 20; Aden: 20; and Burma: 19.

Wide Disparity

The total exports of sugar from India to these countries during the 15 months ended March 1958, as already stated, amounted to 152,911 tons, the foreign exchange earned being Rs. 12 crores. The average export price of sugar thus comes to a little over Rs. 785 per ton, whereas the current foreign buyer's quotation is Rs. 427 (f.o.b. Bombay), or a difference of as much as Rs. 358. This wide difference must be attributed to the world-wide slump in sugar prices. Spot Cuban raw sugar in the New York market is now quoted at 3.40 cents per lb. (f.o.b. Cuba), as against 6.85 cents touched in April 1957. Refined sugar in the London market stands at about £30½, as against £53½ a year before.

The low level of sugar prices is expected to continue throughout the current year. This view is based on the ground that, statistically, sugar will remain in ample supply, while demand is unlikely to improve much, because customers see little point in building up stocks. The estimated total world output of sugar in 1957-58 is placed at 46.02 million tons (raw value) which is 3.04 million tons higher as compared with 42.98 million tons in 1956-57. The rise in production has not been matched by a corresponding improvement in consumption. Taking the average annual increase in consumption as 1.4 million tons, the total world consumption in 1957-58 may be estimated at about 43 million tons. The conclusion naturally follows that, so long as the rate of world production of sugar is maintained higher than that of consumption, the price of this commodity will continue to rule low, unless some countries, especially Cuba, attempt to restrict production or to hold off stocks or the International Sugar Council takes measures for regulating exports from member-nations. Viewed thus, the chances of India selling sugar at profitable rates are very remote.

SUGAR IN ASSAM

Assam will join the ranks of sugar-producing States from 15th November next when the first co-operative sugar mill at Barau Bamungaon in Jorhat will commence crushing of cane. There are at present no sugar factories in Assam and the State has all along been depending on other States for sugar supplies. The co-operative sugar mill is practically completed. The estimated cost of the mill is put at about Rs. 1.16 crore. It is expected to provide employment to 650 workers. The mill has four crushers with an aggregate daily cane-crushing capacity of 911 tons. Assuming the average duration of the season to be 120 days and the recovery 10 per cent., the total production of sugar may be estimated at about 11,000 tons per annum. In order to ensure an adequate supply of sugarcane to the mill, the State Government is reported to be devoting utmost attention to the development of cane cultivation in the Golaghat Sub-division where the soil is said to be suitable for the purpose.

COAL IN THIRD PLAN

TENTATIVE TARGET OF 100 MILLION TONS FIXED

THE Coal Council of India, at its meeting held in New Delhi on the 8th inst. under the chairmanship of Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel and Chairman of the Council, approved of a tentative target of 100 million tons for coal production for the purposes of preparatory planning under the third Five-year Plan. This target represents an additional output of 40 million tons during the third Plan period, as against 22 million tons, or nearly double that fixed for the current Plan period. The basis on which the Council has fixed this tentative target is not known, but it was stated that, in the opinion of the Council, this target was not only within the realm of achievement but was also the minimum, having regard to the estimated view of the country's requirements between now and the end of the next Plan period.

It is a patent fact that, despite the efforts of India to keep pace with other countries in respect of developing other sources of power, coal will continue to be the major source of energy in the country for a long time to come. The Minister, therefore, stressed the need for using the available resources of coal to the best advantage for industrial development and for this purpose, he added, the numerous problems connected with production, conservation, treatment, transport and efficient utilisation of coal should receive very careful attention.

It will be remembered that the need for maintaining coal production at a much higher level during the third Plan period was recognised by the Council at its previous meeting held in December last. Though it did not commit itself at that time to any target figure, it discusssd steps that would have to be taken from then onwards, as part of the requisite forward planning, which included collection of data for providing new coal reserves and meeting the requirements of technical manpower. With a view to enabling the Council to proceed on a planned and comprehensive basis, a number of committees were set up by the Council to go into the various aspects of coal production and conservation. Among them were: a committee on assessment of resources, one on production and preparation, a committee of requirements and utilisation and one on transportation. The Committees have already submitted their reports and recommendations to the Council.

Reviewing the work done by the various committees since its last meeting, the Minister referred in particular to the standard procedures for qualitative and quantitative estimates of coal resources in the country, manpower requirements assessed and a plan for training technicians and subordinate personnel drawn up by these committees.

Order of Priorities

The Council broadly agreed to an order of priorities for geological surveys, mapping and drilling of coal-bearing areas. These priorities are related to those areas which are *prima facie* suitable for development during the third Plan period. Another important matter discussed by the Council was the region-wise break-up of the tentative target of 100 million tons, but the tentative figures of region-wise allocation have not been disclosed. It was, however, recognised by the Council that the Central coalfields would increasingly contribute to the future coal production in the country by way of new development. The final region-wise allocation would, it is stated, depend on such factors as the probable centres of consumption, the overall requirements of these centres, the grades of coal that can be mined and the pattern of rail transport.

The achievement of the target which is, no doubt, tentative, is not an easy one. There are many obstacles in the way. The first is that relating to productivity. The output per man-shift (O.M.S.) in India is as low as 0.41 ton and the Council recognised the need for increasing it considerably. The increase in output was closely linked with the cost of production and manpower requirements and, unless an improvement was effected on this by increased mechanisation on the part of colliery-owners and better efforts on the part of labour, the Coal Council felt, the most economical use of resources would not be achieved.

The second problem is shortage of technical manpower at every stage. The Committee of the Council on production and preparation went into this question and made an assessment of

(*Continued on page* 119)

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STOCKS OF JUTE GOODS MOUNT UP

PRODUCTION, HOWEVER, DECLINES

THE slightly steadier trend in gunny prices witnessed towards the close of last week, after an earlier setback, seems to be inconsistent with the disquieting statistical position of jute mills at the end of June, announced during the week. Thus, on the 12th inst., ready hessian 40"×10 oz. closed at Rs. 40.80 per 100 yards, as against Rs. 40.60 on the 10th inst. and B. twills at Rs. 96.80, a rise of 15 nP in two days, in spite of reports that the stocks with mills at the end of June had risen by no less than 21,900 tons, probably the sharpest monthly increase in recent times. This behaviour of the jute market is attributed to speculative activity and the fair amount of enquiries from overseas. Moreover, the accumulation of stocks with mills had been anticipated and discounted in prices earlier. There are hopes that the stocks of hessian would fall further, following an improvement in shipments to the Argentine and that business activity in the U.S. might pick up, now that the worst of the economic recession in that country is believed to be over.

A disquieting feature of the June-end stocks is that, notwithstanding a drop of 12,500 tons in output during the month, the stocks have gone up by 21,900 tons, as compared with those a month before. Though a rise in stocks was expected, as already pointed out, on account of the dock strike, the official figures of stocks indicate that the position is somewhat disquieting, as it is; more so because it has occurred in the face of lower production. With the aforesaid rise, the stocks with mills have almost consistently maintained an upward trend since November last, when they came down to a low of 71,000 tons, and are at the highest level since July 1956.

The increase in stocks during June is shared by hessian and sacking, the former accounting for 6,000 tons, at 31,000 tons, a record since August 1957. The stocks of sacking constituting about 65.5 per cent. of the total of 87,900 tons represent an increase of 16,100 tons over the month. The stocks of "other manufactures," which had declined from 16,900 tons (at the end of April) to 15,200 tons at the close of May, have further gone down by 200 tons to 15,100 tons, as the following comparative table shows:

Stocks of Jute Goods

(In tons)

	As on 30th June, 1958	As on 31st May, 1958	As on 30th Apr., 1958	As on 30th June, 1957
Hessian	31,000	25,000	20,400	42,400
Sacking	87,900	71,800	60,200	64,800
Others	15,100	15,300	16,900	8,800
Total ..	134,000	112,100	97,500	116,000

Over the year, the stocks at the end of June show a rise of 18,000 tons, shared mainly by sacking and "other manufactures." While hessian stocks have declined by 11,400 tons, sackings are higher by 23,100 tons and "other manufactures" by 6,300 tons. Comparing the jute year-end stocks, the stocks at the close of 1957-58 happen to be the highest since 1946-47, when they stood at 175,900 tons. At the close of 1952-53, no doubt, the stocks (133,800 tons) were near the 1957-58 figures.

It may, however, be noted that the rise in stocks at the end of last month would have been more but for the decline in output to the tune of 12,500 tons. This drop has reversed the upward trend in production noted during the previous two months and has brought the monthly output (82,400 tons) to the lowest level since August 1957. The fall in production was the result of a fall in the number of hours worked from 214.5 (in May 1958) to 195. The following comparative table shows the variety-wise variations in output:

Jute Goods: Production

(In tons)

	June, 1958	May, 1958	April, 1958	June, 1957
Hessian	31,300	34,200	30,900	32,300
Sacking	45,900	53,700	50,600	42,300
Others	5,200	7,000	6,500	5,500
Total ..	82,400	94,900	88,000	80,100

The fall in total output during June has more than offset the expansion in production in the previous month, the decline being shared by all classes of manufactures. Thus, hessian output is lower by 2,900 tons, sacking by 7,800 tons and "other manufactures" by 1,800 tons.

The total output for the jute year 1957-58 (July to June) aggregates 1,056,200 tons, an increase of 31,000 tons over the year, thus partially making good the drop in the previous year. As will be seen from the following comparative table of yearly output, barring the year 1955-56, the output in 1957-58 constitutes the highest since the partition:

(In tons)

Year	Hessian	Sacking	Others	Total
1947-48	481,800	520,400	32,400	1,034,600
1948-49	433,700	576,900	29,000	1,039,600
1949-50	285,400	504,800	34,400	824,600
1950-51	329,700	493,000	35,200	857,900
1951-52	309,500	606,700	28,800	945,000
1952-53	347,000	510,500	33,400	891,500
1953-54	390,400	444,800	30,500	865,700
1954-55	399,200	557,500	38,100	994,800
1955-56	403,000	622,900	69,100	1,095,000
1956-57	428,300	526,800	70,100	1,025,200
1957-58	391,700	596,700	67,800	1,056,200

It will be seen from the table that the rise in production during 1957-58 is mainly accounted for by sacking which has gone up by 69,900 tons, while hessian output is lower by 36,600 tons and "other manufactures" by 2,300 tons.

As stated earlier, the accumulation of stocks during June is due partly to the dock strike and partly to the ban on imports of hessian by the Argentine earlier in the month. This is reflected in the following figures of gross shipments based on shipping bills presented:

(In tons)

	Bags	Cloth	Total
Hessian—			
June 1958	2,081.2	18,331.8	20,413.0
May 1958	2,693.3	28,593.7	31,287.0
June 1957	1,811.0	30,708.8	32,519.8
Sacking—			
June 1958	17,038.7	274.6	17,313.3
May 1958	26,281.3	931.1	27,212.4
June 1957	25,392.0	1,533.1	26,925.1

The shipments of hessian can be expected to increase this month, now that the Argentine has removed the ban. The consumption by the U.S. is also expected to improve, but that depends on the expansion of business activity there.

The large stocks of sacking is causing the mills a lot of worry because their financing will be somewhat difficult, in view of the none too encouraging demand from overseas. Any prospect of expansion in overseas enquiry for sacking has of late been dimmed by the complaints received from Australian consumers about the quality of Indian sacks. Unless, therefore, the I.J.M.A. follows up its circular to mills drawing their attention to the need for improving the quality of their sacking by more vigorous efforts and has the wholehearted co-operation of all its members in such efforts, this heavy packing material is likely to face keener competition from substitutes.

A NEW COMPETITOR FOR JUTE BAGS

A new high-strength paper that stretches to absorb shocks instead of tearing has been developed by the West Virginia Pulp and Paper Company, New York. Called Clupak, the paper is being used in grocery bags that can be dropped more than 20 times without breaking when filled with an average load of groceries.

The new paper is the same as present kraft papers, except for the way in which the fibres of the stretchable paper are inter-twined to provide elasticity. Fibres of ordinary kraft paper are "matted" to form a felt. When the paper is strained, the fibres separate. In Clupak paper the same fibres are twisted and pushed together. Because of this construction, it is claimed that sacks made of the new paper can withstand two to three times more strain and shock than sacks made of regular kraft paper.

Clupak was developed from a process patented by Sanford Cluett, of Cluett, Peabody and Company. It will be licensed to paper manufacturers by Clupak, Inc., a new company organised jointly by West Virginia Pulp and Paper Company and Cluett, Peabody and Company.

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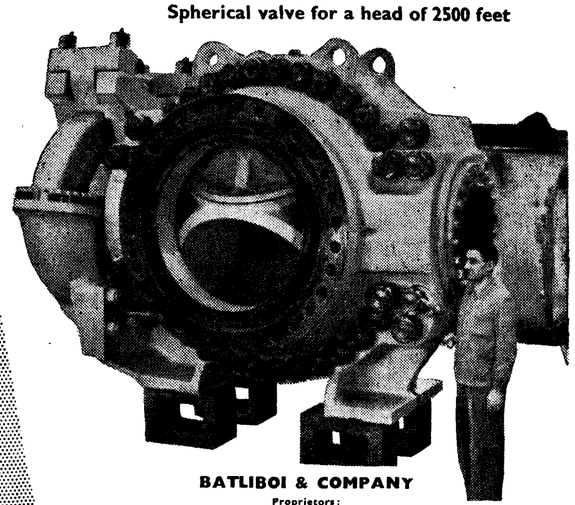
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STRANGE ELEMENTS IN INCOME-TAX LAW–I

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

DURING a week-end holiday, I had a lot of time on my hand. Being at loose ends and having nothing particular to do, I picked up a book on Income-tax—my pet hobby—and began to analyse its basic constituent parts. Probing deep and reading behind and between lines, I found that it had all the elements and frailties of human nature, its failings and foibles—I never knew it could blend within its narrow compass of 67 sections so many 'elements.' Let me take you through my discovery.

If you read the Income-tax Law, not as a lawyer does it—splitting hairs over construction: not as an accountant does it, trying to assess the tax liability in figures—not as a taxpayer understands it: "Providence giveth and the tax collector taketh away," but read it, as a cynic would, between lines, you will behold the following 'elements' which constitute the Income-tax Law. You will then understand the present unpopularity of the law and the popularity of experts who will show the way of tax avoidance.

Vague Element

The charging section taxes income. What is income? The Law nowhere defines it, with the result that 'income,' the subject matter of taxation, is left as vague as space or as spacious as an ocean. Within its ambit it can swallow not only income, but capital, if needs be.

Fiction Element

Not being satisfied with such a large amount of vagueness about the subject matter of the tax, the law has armed itself with another weapon—namely, creating various fictions of law. The Indian Income-tax Act abounds in such fictions—so much so that at times one feels one is moving in the ghost-land of fiction rather than walking on the *terra firma* of realities.

A thing is deemed to be what in fact it is not. Tax is thus levied, not on "what it is" but on "what it is not." To point out a few instances of such fictions, let me give the following:

If it is not income, it is deemed to be income.

If income does not accrue, it is deemed to accrue.

If it does not accrue in India, it is deemed to accrue in India.

If it is not received, it is deemed to be received.

If it is not income, but capital, it is deemed nonetheless to be income.

If it is not yours, it is deemed to be yours.

If it is not an income of the year, it is still deemed to be income of the year.

There is thus fiction as regards income, as regards capital, as regards ownership, as regards time, as regards place, as regards receipt. The only fiction that the Legislature conveniently forgot to enact was the fiction of payment. If they had enacted this fiction, it would have been the best of possible worlds to live in and die—a real tax-free existence. So far as payment is concerned you cannot pay your taxes with a smile; no, the blokes want *hard cash*!

Vicarious Element

There is a vicarious element also in the Act.

If you have an income and you are a non-resident, you cannot be taxed on your foreign income. But does that deter the Government? No. "If I can't tax you," says the Government, "I will tax your wife on what you send here for her maintenance! It shall be deemed to be the income of the wife." Can you beat this element of vicarious liability on a wife for the sins of the husband earning income abroad and keeping his wife inland?

When a tax is assessed on a registered firm and one of the partners happens to be a non-resident, the assessment is levied on the firm as if it was the non-resident partner.

Where there is a succession and the predecessor cannot be found, the tax on the predecessor may be recovered from the successor.

You have thus vicarious liabilities imposed on you, not because you have an income, but because somebody related to you or allied to you in business has it or had it.

Arbitrary Element

There is an arbitrary element too! If you do not submit a return, or if you submit a return, but fail to respond to any requisitions the Income-tax Officer might choose to issue, he can estimate your income. He need have no materials, except a pure guess—a leap in the dark. Section 23(4) is a powerful weapon that can be wielded arbitrarily.

Opinion Element

There is also an opinion element embodied in the Act.

If, in the opinion of the Income-tax officer, the accounts do not show true profits, he can compute the profits according to his own opinion and ideas of what true profits in a business should be. Again, if in his opinion, certain remuneration is excessive, he can disallow the excess and allow only such as he thinks reasonable.

Although an allowance is admissible under Section 10(2), yet if it be an allowance or perquisite to a director or a person having 20 per cent. controlling interest, the I.T.O. can, under Section 10(4A), disallow such payments as he may in his opinion deem excessive.

You may well ask: is an officer sitting in his chair competent to adjudicate on the reasonableness or otherwise of business needs? Who else can be a better judge of this than the person who earns the income? Well, that may be true but the law recognises only the opinion of its own officers as valid, for is not the Government a sleeping, but dominant, partner in your earnings? It is a dictating partner, too, for it tells you what profit you ought to have made to determine its share in taxes.

Iniquitous Element

This element can only be supported on the oft-repeated plea that equity and income-tax are strangers. I would, after reading the tax laws recently enacted, say, they are positive enemies.

Take an instance where an asset is transferred by an individual to his minor child or wife without adequate consideration. This transfer may be held to be inadequate for tax purposes, for the husband retains, it is argued, the overlordship over these assets, although transferred. Similarly, if the minor or wife is taken as a partner in a firm where husband is a partner, the share of the minor or the wife is added to the income of the father or the husband as the case may be. These are instances where the husband gives a share to the wife. But should the theory still hold where the wife gives a share to her husband in the partnership that has devolved on her by inheritance from her father? It is the wife's business as of right—not the husband's. Here, the husband is a mere invitee, not an owner—yet the consequences are exactly the same as if the husband was the host and the wife the invitee. It is a very iniquitous element to require the wife's own share to be aggregated with her husband for tax purposes. But that exactly is the result of Section 16(3).

Uncertain Element

The uncertain element peeps out prominently in Section 23A of the Act. A company under this Act is required to distribute 45 or 60 per cent. of the assessable income depending upon the nature of its business, if it is one in which the public are not interested to the extent of 50 per cent. of the capital of the company. What it is required to distribute is not the profits made but assessable profits less taxes. Now assessable profits depend upon the adjudication of the income-tax officer. He may disallow a number of admissible expenditure items—he may disallow remuneration paid as excessive—he may disallow bad debts. You can never pre-determine his mind, yet the law wants you to determine this and distribute 60 per cent. of this uncertain amount. Once the assessable income outstrips the factual profit, and it does so invariably in practice—the distribution of 60 per cent. of the factual profit will not suffice. It will have fallen short of the requisite statutory percentage, with the result that you are in for a penal tax, namely, eight annas in a rupee on undistributed profits. This tax has to be paid for the non-ability to gauge the uncertain element, namely, how the Income-tax Officer's mind is going to react as regards the disallowables in your profit and loss account. This element is as uncertain as a toss of the coin—heads or tails.

Fanciful Element

There is a fanciful element, too, namely, a distinction—an artificial one—between a registered firm and unregistered firm. It is a distinction drawn without a difference. If it is a firm and it applies for registration to the Income-tax Officer and he is satisfied about the genuineness, he will register it—with the result that partnership is taxed not at an aggregate rate of the total income of the firm as an entity but the partner pays tax on his share in the firm at his own individual rate. Genuineness alone is not the criterion—a legal defect in the deed may result in non-registration or acts outside the terms of the deed, e.g., interest charged at a rate higher than the one provided for in the deed, or only a part of the profits is distributed among the partners, the balance being carried to reserve account. Non-registration would result in the shares being lumped up and taxed at the rate applicable to the total income of the firm—a pure fiction and a fancy.

On the other hand, if the firm does not offer itself for registration, it will not always be allowed to do so and get away with the benefit of non-registration. If the Income-tax Officer finds that, by non-registration, the parters individually and in the aggregate derive a benefit, the Income-tax Officer will yet treat the firm as registered and proceed to tax the partner's share at individual rates. This is highly fanciful distinction in law which can only be justified on the ground of expediency—not equity.

Bad Logic

Logic is not always the strong point of law. Take for illustration the case of a registered firm's tax. It is a tax levied on the firm for the privilege it enjoys of being taxed on its profits, not at an aggregate rate applicable to a firm, but at the individual rate of partners on their share in the firm.

A registered firm and an unregistered firm are both primarily a firm and their computation of income is made on similar basis. Therefore, where income is the measure, not a subject of a tax, the two incomes must not differ. Yet, when you come to taxing a registered firm, you find that, whereas in the case of an unregistered firm you determine the profit after taking the last year's carry forward of loss into account, in the case of a registered firm you ignore it, on the specious ground that the same has been allocated among the partners. Herein you have a case of bad logic.

One more flagrant instance of bad logic may be given. Take a registered firm. It has made a default for which a penalty is to be levied. A penalty is levied for concealment at one and a half times the tax sought to be avoided. This presupposes that it has income and such income is liable to be taxed. But a registered firm is an entity, it is liable to be charged, but tax is to be recovered from partners. There being no tax payable, there can be no element of evading tax. To get over the loophole, the law enacts that such a firm in default should be treated as an unregistered firm and tax computed on that basis and recovered proportionately from each partner. Now first, the tax sought to be avoided is the tax on a registered firm's profit at partner's individual rates and not at the integrated rate of partnership. Yet the logic, the rationale and the reasoning are brushed aside and you are punished for what you are not as if you are what you are not. Strange reasoning. Illogicality *in excelsis*!

Bias Element

The irrationality of the Act does not stop there. It has invaded more fields. Let us take the right of appeal. Normally, it is understood that, in an appeal to the Appellate Assistant Commissioner, he gives his decision on the grounds raised in an appeal. Either he accepts or rejects—mostly he does the latter! But the trend of recent decisions and case law as laid down is that, when you go in an appeal in one year, the Appellate Assistant Commissioner is not estopped from giving a finding not germane to the grounds of appeal raised, but may travel outside it. On such a finding, the Income-tax Officer can proceed against the self-same assessments for these earlier years irrespective of time limitation. He can even proceed against someone who was not a party to any proceeding on the basis of such finding—also without regard to time limitation!

The right of appeal is hedged in with serious repercussions and consequences which make the right of appeal almost a mockery. The consequence of old and closed assessment being opened up makes a right of appeal an illusory and ill-logical one. An assessee goes to get justice on an issue in one year, not to get his old time-barred assessment reopened. But that exactly is the scope of the section—says authoritative legal opinion. And it might happen that you are one of the unlucky ones and the Appellate Assistant Commissioner's lynx eyes might espy something he can lay his fingers upon as escaped income or under-assessed income. The Appellate Assistant Commissioner has also been given the right of enhancement. This is another deterrent. But has he been given the right to give relief if he feels the assessee has been wrongly assessed and he richly deserves a relief—a relief he has overlooked? No—this is beyond him. The scales of justice are thus weighed and tipped against the assessee—not the Income-tax Department. Does this not manifest a bias element?

Impossible Element

Under the Act, you may be deemed to be an agent of a non-resident, if you are an employee, agent, or person through whom the non-resident is in the receipt of income. Under Section 18A, every assessee having an income over Rs. 6,000 has to pay an advance tax or estimate his income. How can a *mere agent* estimate his principal's income? Yet, if he doesn't, he is penalised as if he could. Which non-resident principal will tell his employee or agent what his income is and, if he does not, how is the agent at this end to make a payment. And payment out of what? He may have no funds of the non-resident under his control. Well, suppose he pays his tax, how is he to recover? The law provides an indemnity—against non-resident claiming funds spent as tax, but what if he has no funds and pays out of his own which he must? Does the Government reimburse him if he fails to recover from the non-resident? No. This is how this section may act—an impossible position for the agent, yet he has to grin and bear, for there is no alternative.

Best of Two Worlds' Elements

Of the two worlds of alternative, the law provides a device of selecting one—not one which is better—but which is worse. It is Hobson's choice that the law offers to the assessee.

Life insurance assessment proceeds on double-barrel basis—not which is less of the two but greater of the two. It says life insurance assessment will proceed on either gross income less quantified expenses or adjusted surplus whichever is more every year.

Even the quantum under two heads is to be determined arbitrarily under a formula, namely, interest and other income less quantified expenses—not actual, mind you! Incomings are actual, while outgoings will be quantified according to a certain formula—not real. If fictional is deducted from the factual, the resultant cannot be factual; it will be only fictional. This is one alternative. Take the other adjusted surplus. This adjusted surplus is to be reduced by 80 per cent., for it is believed that, in the surplus, the element of taxable income may not be more than 20 per cent. Hence the deduction. These two are to be compared and whichever is greater is taken as the income for taxation.

Normally, one must have thought that it is the "net income" that is charged to tax, not gross income under the Charging Section. Here one is charged not on the gross income—it is true—but neither on net income—but a hybrid third which is neither fish nor flesh nor good red herring. This is an element which can truly be termed from the tax gatherers' point of view—the best of both worlds' element.

(To be continued)

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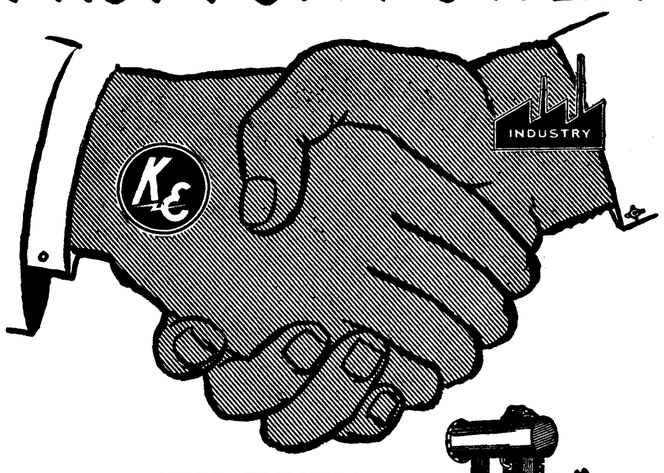

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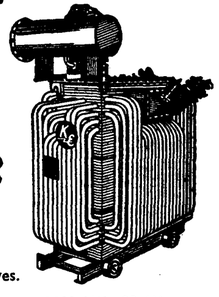

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CONTINUING INCREASE IN WORLD OUTPUT OF AUTOMOBILES

EUROPE GAINS MARKET FOR SMALL VEHICLES IN THE UNITED STATES

[The total number of motor vehicles in all countries has risen by about 5 per cent. annually, compound, since before World War II, reaching 107 million early this year, and the growth continues. The boom now being enjoyed by European makers contrasts with the slump in the motor industry in the U.S.A., which surprisingly is now a major importer of small European cars. For the first time, the U.S.A. this year will account for less than half the world's output of motor vehicles. In Europe the economics of the trade will be fundamentally affected by the proposed formation of the European Common Market and the Free Trade Area, while another development is the growth of new production facilities in several countries. Motor vehicles account for one-third of the volume of the oil industry's sales, and more research is needed into the many factors influencing the growth in numbers and use.]

THE motor vehicle, like each of the other major forms of transportation, makes its own peculiar impact upon society. It brings a new degree of mobility, new economic and social possibilities and new opportunities for better living. It is inevitable, therefore, that its production and use should assume an increasingly important economic significance in our modern world. Indeed, everywhere, motor transport shows every sign of continuing the spectacular growth which has been one of the decisive economic influences of the past half-century. And the industries associated with it and especially the suppliers of fuel and lubricants have every reason to reckon with an expanding market. Within the motor industry, however, there are various factors making for gradual change, not least in the geographical pattern of the industry, hitherto characterised by the great predominance of the U.S.A., with Western Europe accounting for most of the balance of output. In contrast to the present sharp recession in the U.S. motor trade, the motor industries of the U.K., Western Germany, France and Italy are experiencing boom conditions, and new vehicle production capacity is being created in other countries. While U.S. motor vehicle production in 1958 is expected to fall below the combined production of the other manufacturing countries for the first time, the small economy car of European origin is enjoying record sales in the U.S. The proposed formation of the European Common Market and Free Trade Area will affect the economics of European motor manufacture in future years, as well as stimulating the vehicle market considerably.

The development of motor transport in the main areas of the world is shown by the figures in Table I, derived from the annual surveys of *The American Automobile*. The total number of passenger cars has more than doubled, from 36.2 million at the beginning of World War II to 82.3 million early this year, with the number of commercial vehicles rising at an even sharper rate over this period, from 8.4 to 24.9 million. Taking all vehicles together, the average annual rate of increase has been about 5 per cent., compound, during 1940-58, with last year's increase 5.6 per cent. In the past five years the number of vehicles increased by 28 per cent. in North America—where there is a high degree of saturation—and by 74 per cent. in the remainder of the free world, and if these trends should continue, the free world's total will rise from 103 million early in 1958 to 146 million early in 1963 and 212 million by 1968.

United States' Position

In addition to cars, lorries and buses, *The American Automobile* estimates that there were, early this year, some 19 million motor cycles, scooters and powered bicycles and 9.3 million farm tractors. So altogether, there was a grand total of 135.5 million non-stationary motors in use on land in the world as a whole. An outstanding feature is that over 66 million motor vehicles, or 62 per cent. of the world total, are in the U.S.A., where there is now more than one vehicle for every three persons. More and more car-owning families in the U.S.A.—17 per cent. of the total in 1957 against 11 per cent. in 1950—possess more than one car, and the growing tendency for teenagers to have their own car (in Texas a driving licence can be obtained at the age of 15), together with population increases and general economic growth, normally ensure a continued increase in motor vehicle sales or use. The present recession will delay the purchase of new cars and have other effects. But the attractions of car ownership are such that everywhere the market for motor vehicles, though changing in some respects, is certain to expand.

In the free world outside the U.S.A. there were, early this year, about 36.5 million vehicles, or about 10 per cent. more than a year previously (33.2 million), and nearly three times as many as early in 1940 (13.3 million). Most of these vehicles are concentrated in a few highly industrialised areas, notably in Western Europe (20.2 million), Canada (4.4 million), Australia/New Zealand (over 3 million), Japan (1.2 million) and South Africa (880,000). In Canada, Australia and New Zealand, the number of vehicles per head of the population approaches U.S. standards, but most other countries, including those of Europe, have a much lower motor density. India is a foremost example of an underdeveloped country, having an estimated 357,000 vehicles and a population of nearly 400 million, or less than one vehicle for every 1,000 people.

The figures shown for Communist countries are in the nature of estimates. Motor transport in general, and motor passenger transport in particular, has not so far figured prominently in the plans for development. Thus, in the whole of the U.S.S.R., out of an estimated total of 3.3 million motor vehicles early this year, there were only 415,000 private cars and 35,000 buses. However, car-ownership is becoming a symbol of social status and increasingly evident among the better-paid strata of society; and its attractions are the greater since cars are relatively cheap in comparison with other consumers' goods.

The output of motor vehicles in the world has fluctuated in recent years around 12 million units annually, as compared with pre-war records of about 6.3 million in 1929 and again in 1937. Last year's production of 12.4 million units (see Table II) was the second largest so far, being some 800,000 higher than in the preceding year but over 1 million below the record of 13.5 million achieved in 1955. However, owing to the recession in the U.S.A., world production went down in the early months of this year to a rate of rather less than 12 million annually. Of last year's production, about 5.7 million, or 46 per cent., represented additions to the number of vehicles on the roads, while most of the balance (6.6 million, or 54 per cent.) took the place of scrapped vehicles.

Production in the U.S.A. last year aggregated 7.2 million vehicles, as compared with 6.9 million in 1956 and with 9.2 million in the record year of 1955. In the U.S.A., the purchase of a new motor vehicle is usually postponable, while there is an oversupplied second-hand market to meet the need of a new owner. In view of the unexpectedly low demand at home, production fell in January-March 1958 to about 1,460,000. Output in the second quarter will probably be somewhat higher and there are hopes for a more marked recovery after the 1959 models appear in the autumn. Even so, it would be surprising if this year's total production would reach much more than 6 million units, including some 5 million cars. The share of the U.S.A. in world production, which was of the order of 80 per cent. before and immediately after World War II, went down to 68 per cent. in 1955, 60 per cent. in 1956 and 58 per cent. in 1957, and in the face of the rising trend elsewhere is rather less than 50 per cent. during the present recession.

TABLE I

World: Motor Vehicle Registrations

(Thousand units: beginning of year)

	1940	1956	1957	1958	*1958: Index* (1940 = 100)	*1958: Index* (1957 = 100)	*1958 Percentage of World Total*
U.S.A.	30,294	62,040	64,495	66,671	220	103	62.2
Canada	1,421	3,831	4,175	4,444	312	106	4.1
Other Western Hemisphere	888	2,980	3,219	3,512	249	108	3.3
W. Europe (a)	8,452	16,284	18,354	20,268	240	110	18.9
U.S.S.R. (b)	800	2,875	3,130	3,300	413	105	3.1
Other E. Europe (b)	184	567	588	656	232 (c)	111	0.6
Oceania	1,201	2,734	3,003	3,278	272	109	3.0
Asia	696	2,268	2,559	2,989	430	117	2.8
Africa	693	1,888	2,003	2,125	307	106	2.0
	44,629	95,467	101,526	107,243	240	106	100.0
Of which:							
Cars	36,200	73,117	78,048	82,328	227	106	76.8
Lorries and buses	8,429	22,304	23,464	24,908	295	106	23.2
Unspecified vehicles	..	46	14	7			

(a) O.E.E.C. countries except Turkey (all Germany in 1940), Spain, Yugoslavia and Finland. (b) Estimated. (c) Index refers to E. Europe excluding E. Germany. Source: *The American Automobile.*

TABLE II

World: Motor Vehicle Production (a)

(Thousand units)

	Passenger Cars		Lorries and Buses		Total		*Percentage Change*
	1956	1957	1956	1957	1956	1957	
U.S.A.	5,807	6,108	1,108	1,098	6,915	7,206	+ 4.2
W. Germany	845	959	228	253	1,073	1,212	+12.9
U.K.	707	861	299	290	1,006	1,151	+14.4
France	663	738	164	190	827	928	+12.2
Canada	374	340	99	71	473	411	—13.1
Italy	280	326	37	26	317	352	+11.0
Japan (b)	24	43	183	250	207	293	+41.5
Australia (c)	52	75	18	20	70	95	+45.6
Sweden	38	56	19	20	57	76	+33.1
Brazil (c)	..	7	..	8	..	15	..
Argentina	..	..	..	11	..	11	..
Yugoslavia	2	2	3	4	5	6	+20.0
Total Free World	8,792	9,515	2,158	2,241	10,950	11,756	+ 7.4
U.S.S.R.	98	100	367	380	465	480	+ 3.2
Czechoslovakia	22	32	18	14	40	46	+15.0
E. Germany	18	30	14	15	32	45	+47.0
Poland	6	10	16	15	22	25	+13.7
China	..	..	..	7	..	7	..
Hungary/Rumania	6	3	2	2	8	5	—37.5
Total Communist Countries	150	175	417	433	567	608	+ 7.2
World Total	8,942	9,690	2,575	2,674	11,517	12,364	+ 7.4

(a) Excluding assembly operations; also excluding some minor producing countries. (b) 1957 figures partly estimated; commercial vehicles including three-wheeled units. (c) For 1957, the sub-division into cars and commercial vehicles is estimated. Source: Mainly *The American Automobile.*

TABLE III

Free World: Motor Vehicle Exports (a)

(Thousand units)

	Passenger Cars		Lorries and Buses		Total		*Percentage Change*	*1957 Total as Percentage of Production*
	1956	1957	1956	1957	1956	1957		
U.S.A.	175	141	198	194	373	335	—10.2	4.6
W. Germany	421	516	79	96	500	612	+22.4	50.6
U.K.	318	426	146	123	464	549	+18.3	47.7
France	151	219	25	33	176	252	+43.2	27.2
Canada	14	16	5	4	19	20	+ 5.3	4.9
Italy	78	111	9	8	87	119	+36.8	33.9
Sweden	8	18	5	6	13	24	+84.5	31.6
Total	1,165	1,447	467	464	1,632	1,911	+17.1	16.3

(a) Excluding small exports from her countries of the free world. Source: S.M.M.T., London.

Foreign Trade

A subsidiary factor influencing the recent course of production in the U.S.A. is the unfavourable development of the country's foreign trade in motor cars. Exports of cars from the U.S.A. have dwindled in recent years, partly because of the dollar shortage in importing countries, and partly because of the high cost of the large and luxurious models produced to please the American motorist. Last year, only 141,000 cars were exported, or 2.3 per cent. of the output, the U.S.A. accounting for less than one-tenth of the car exports from all countries (see Table III). Moreover, small cars, which are not locally produced on any large scale, have found favour among a section of the motoring public of the U.S.A. for reasons of economy and because they are easy to park but partly also by new fashions in car ownership. There has been a steep increase in the import of such cars to over 200,000 units in 1957. Though still representing a small share of the total market, this number is substantially more than the country's car exports. Sales of small foreign cars continue to rise and are expected to reach this year between 250,000 and 300,000 units, notwithstanding the unfavourable state of the U.S. car market, new and second-hand, in general.

The U.S.A. is, however, still the world's largest exporter of commercial vehicles, selling abroad last year 194,000 units, equivalent to 17.7 per cent. of the country's production and to 42 per cent. of the world trade in lorries and buses. It should also be kept in mind that the subsidiaries of major U.S. motor companies in Canada, the U.K. and Germany play an important part in these countries' production and exports of all types of motor vehicles.

Though the impact of the U.S. recession is now being felt to a larger or smaller degree in most industries all over Europe, the motor industries have not so far been affected. Motor vehicle production in Germany, the U.K., France and Italy increased last year by between 11 and 14 per cent. while that of the relatively small Swedish industry expanded by 35 per cent.; and the growth still continues. In each country, the boom is due partly to the continued large demand at home and partly to rising exports to other European and non-European countries, including the U.S.A. Export sales accounted last year for about half the production in Western Germany and the U.K., for about one-third of the production in Italy and Sweden, and for about a quarter of the production in France.

Owing to the relative smallness and high competitiveness of the market within each European country and to high tariff barriers, the development of vehicle production in Europe has hitherto been somewhat restricted. However, all trade barriers between the countries of the European Economic Community, i.e., France, Western Germany, Italy and Benelux, will be abolished over a transitional period of 12-15 years starting on 1st January last, and a common tariff will be established against imports from the outside world. If agreement is reached on the Free Trade Area, tariffs will gradually be abolished over a wider European area including, in particular, the U.K., Scandinavia, Switzerland and Austria. The potential significance of these changes is indicated by the fact that there are at present *ad valorem* import duties on motor vehicles ranging from 30 per cent. upwards in the U.K., France and Italy, and amounting to 17-21 per cent. in Western Germany (varying according to type) and to 15 per cent. in Sweden. Most of the non-producing countries, too have high duties (Benelux 24 per cent.) from which, however, knocked-down vehicles for local assembly are usually excluded. There are also various other forms of protection, such as high internal duties on imported vehicles, notably in France. The purchase tax in the U.K. also operates as a protection since it is charged in respect of imported vehicles on the c.i.f. price plus duty.

The new policy towards lowering tariffs will, of course, take effect only gradually. At present, neither the full geographical range nor the exact timing of tariff reductions has been decided upon. However, as the new all-Euro-

(*Continued on page 128*)

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EXPLOITATION OF INDIA'S MINERAL OIL RESOURCES

ESTIMATES COMMITTEE'S SUGGESTIONS ANALYSED

THE continuing rise in the consumption of mineral oils, nearly all of which has to be imported from abroad, must mean a serious drain on India's foreign exchange resources. India hardly produces about 8 per cent. of its oil requirements, estimated at 5 million tons, though, by 1960, full exploitation of Naharkotiya oilfields will add another 2.5 million tons of crude oil, thereby meeting 40 per cent. of the requirements of 6.6 million tons in that year. It is thus clear that large imports will continue to be necessary for meeting India's oil requirements. Imports of oil and oil products were valued at Rs. 81 crores in 1956, Rs. 90 crores in 1957; they are expected to rise to Rs. 108 crores in 1958, Rs. 118 crores in 1959, Rs. 130 crores in 1960 and Rs. 142 crores in 1961. In the context of the foreign exchange shortage which, on present indications, is not likely to be relieved in the next few years, it is of the utmost importance that efforts should be made to prospect and develop the potential oil-bearing areas in the country. From this point of view, the Estimates Committee, in the course of its comprehensive review of the oil supply position in India (contained in its report on the Department of Mines and Fuel Oil Division) has rightly stressed that "the magnitude of the imports of oil required in the economic expansion of the country as well as of the foreign exchange required for the purpose would clearly indicate the importance and urgency of making determined efforts to find oil and gas in the country as sources of energy, since the alternative is to slow down the proposed rate of progress."

History of Oil

Tracing the history of the progress of oil exploration in India, the Committee reveals that the first attempts to explore oil were made by the Government of India in 1865. The Assam Oil Company started work on the Digboi wells in 1883, struck oil in 1892, and now it has about 500 oil wells which supply about 8 per cent. of India's oil requirements. To this Company also goes the credit of installing the first oil refinery 36 years ago. In 1945, the Government created the post of a petroleum geologist in the Geological Survey of India, whose staff carried out some reconnaissance and mapping in the Punjab. Ten years later, the Directorate of Natural Gas and Oil was set up. In the following year, the Oil and Natural Gas Commission (O.N.G.C.) was established with the Minister for Mines and Oil as Chairman and two other members. The functions of the Commission are:

(i) Advising the Central Government on matters relating to exploration, exploitation and refining of mineral oil and natural gas resources, (ii) undertaking geological and geophysical surveys, drilling and other prospecting operations for exploitation of mineral oil and natural gas, (iii) proving and estimating workable reserves of oil and natural gas deposits by conducting drilling and other prospecting operations independently or in conjunction with other Government or private organisations, (iv) establishing production of oil including preliminary processing and storage, (v) administering and implementing agreements with oil companies, inspecting oilfields held by private oil concerns to ensure that there is no wastage and introducing improved methods of recovery, (vi) setting up and organising geological and chemical laboratories and geophysical and engineering workshops in connection with the exploration, production or refining of oil, (vii) compiling and publication of statistics of the oil and natural gas in India and maintaining information regarding world production, trade, mining rules and other related matters and (viii) publication of journals and bulletins on matters relating to oil and gas.

Standing Committee

The O.N.G.C. which is at present a subordinate office of the Ministry of Steel, Mines and Fuel, is assisted by a Standing Committee of officials to advise the parent body on certain technical matters. The Estimates Committee feels that to be an effective advisory body the Standing Committee should be consulted on all important matters relating to the oil industry in India, such as exploration, oil and petroleum laws, exploitation, production, refining, collaboration with private concerns, agreements, prices, transport, etc. Its advice should be available to the O.N.G.C., besides the Ministry, particularly after the former is given independent status as recommended by the Committee. The Committee further suggests that the Standing Committee on Oil should be reconstituted and made broadbased so as to give representation on it not only to the various official interests concerned but also the State Governments likely to be interested and non-official members of legislatures who have studied the subject, mining interests, etc. This broadbased committee might then form sub-committees to deal with groups of allied subjects so as to make for speedy and businesslike discharge of work.

Besides the above Standing Committee, it might be desirable to form a consumers' council to protect the consumer interests of various petroleum products. The Committee, therefore, recommends that this question should be expeditiously examined. It feels that pursuant to the provisions of the Industrial Policy Resolution of 30th April 1956, which envisaged, *inter alia*, that workers and technicians should, wherever possible, be associated progressively in management, enterprises in the public sector should set an example in this respect; the Oil and Natural Gas Commission might set up a workers' council.

Intensive Programme

The suggestion that the O.N.G.C. should draw up and implement a larger and more intensive programme of oil exploration has been made by the Estimates Committee. During the period of the first Five-year Plan, the Government signed an agreement with the Stanvac for joint exploration in the West Bengal basin, with 25 per cent. Government participation in the expenditure upto a limit of Rs. 2¼ crores. The Government's share in the expenditure upto 1957-58 is estimated at Rs. 1.18 crore. In the second Five-year Plan, the programme for oil exploration in the public sector was allotted Rs. 11.5 crores which was later revised to Rs. 30.54 crores; actual expenditure incurred in the first two years of the second Plan was only Rs. 3 crores. Oil exploration involves expenditure of large financial resources. In this connection, the Committee notes that it has been estimated by a non-official that the total expenditure required to mobilise the indigenous oil resources may be of the order of Rs. 1,500 crores until 1976 on exploration and production at the rate of Rs. 40 crores per annum until 1966, rising to Rs. 85 crores and Rs. 150 crores per annum during the subsequent Plan periods.

These are very large amounts and it may strain the country's capacity to bear such expenditure. However, as against this expenditure, the expenditure incurred by the country on imports of oil has to be considered. Imports are likely to rise further to over Rs. 100 crores in the next few years though they might slightly diminish when the Nahokatiya crude starts flowing out. Considering the magnitude of imports, the country has to strive hard in order to leave no stone unturned in its attempts to explore every possible source for oil in the country. One of the main difficulties in doing so is likely to be how to find the finance required for the purpose. This is likely to be so even after giving a corporate status to the Oil and Natural Gas Commission, since it would have no source of revenue. The Committee would suggest in this connection that the feasibility of setting up an Oil Development Fund by levying a cess on petroleum products or converting a part of an existing excise duty into a cess and of assigning it to the Commission might be considered. The feasibility of obtaining loans from the World Bank or other U.N. agencies or other sources for developing the oil resources in the public sector might also be considered.

Risk Involved

There is, as is well known, considerable risk in oil exploration. In the U.S. it has been found that only one drill hole in ten holes drilled may yield oil. The Committee draws attention to the fact that success in exploration is particularly difficult to achieve in India in view of the fact that underground conditions over vast areas have not been adequately investigated. The Soviet oil experts, while emphasising the importance of geological investigations, pointed out that no country had postponed oil and gas exploration till definite results of preliminary investigations were available. Apart from the Assam and West Bengal areas where the A.O.C. and the S.V.O.C. are operating, the areas which the Soviet experts thought deserved attention from the point of view of oil exploration are: (1) the Punjab with Himachal Pradesh and Jammu and Kashmir, (2) Rajasthan, (3) Cambay-Cutch, (4) Ganga Valley, (5) South-West Bengal, (6) Andhra Coast, (7) Travancore Coast, (8) Tripura, and (9) Andamans. The O.N.G.C. has now concentrated in the Punjab the major portion of its efforts in exploration work. Actual work has, however, fallen short of the targets envisaged by the Soviet experts. The Committee has advocated more intensive work in the Punjab and also in the Cambay area. The progress of exploration in Jaisalmer (Rajasthan) is also stated to be below targets. The Committee calls attention to the view of an eminent geologist that the Ganga Valley area is "potentially oil-bearing and that, if oil is found in this area, it would be in quantities which would be commercially profitable."

Summing up its survey of exploration work carried out so far, the Committee observes that the progress of such work even in the potentially oil-bearing areas in the country has been "very tardy and has fallen far short of the targets recommended by the Soviet oil experts." Accordingly, it recommends that the O.N.G.C. should give special attention towards preparing and executing a "dynamic" programme for the surveys, mapping and exploration of oil-bearing areas in the country in as short a period as possible. It also recommends that the co-operation of the private sector may also be obtained in the task of the exploration of oil within the framework of the Industrial Policy Resolution of 30th April 1956 under which the expansion of the existing privately-owned units or the possibility of the State securing the co-operation of private enterprise in the establishment of new units when the national interests so require it is not excluded and the State has to ensure in such cases either through majority participation in the capital or otherwise, that it has requisite powers to guide the policy and control the operation of the undertakings.

Liberal Policy

A notable recommendation made by the Committee is that the policy governing the grant of licences for exploration of oil should be liberalised in the interests of more intensive exploitation of potential oil-bearing areas. These licences are issued under the Mines and Minerals (Regulation and Development) Act, 1948 and the Petroleum Concession Rules 1949. The Committee understands that applications made by oil concerns for licences or lease have not received attention from the Government for long periods and that several applications for licences are even now pending. It would appear

(*Continued on page 122*)

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NEW PRODUCTS AND PROCESSES

Textile Finishes

A NEW non-ionic silicone emulsion designed for softening thermo-setting textile finishes is being introduced in the United States. In addition to providing established advantages of durable softeners, such as high tear strength, abrasion resistance, and enhancement of sewing properties, the new emulsion is said to have increased durability toward repeated dry cleaning and washing, unusual resistance to scorching, yellowing, and water spotting, and complete resistance to chlorine damage. Two important features not available in other durable softeners are also claimed—outstanding resistance to wet soiling (redeposition of soil) and improved release of soil during laundering. Other uses foreseen for the new emulsion include yarn lubrication, non-woven fabric softening, latex release and warp sizing. The emulsion is *not* a textile water repellent. Actually, the developers claim, water repellency has been eliminated deliberately because tests have indicated that such repellency is accompanied by re-soiling during washing and that durability and fast drying can be obtained in the absence of repellency.

Drip-dry Process for Dry Cleaners

A low-cost resin treatment for use by dry-cleaning establishments in imparting a crease-holding, wrinkle-resistant finish to cotton garments is being developed jointly by the National Cotton Council, the Department of Agriculture, the National Institute of Drycleaning, and several resin manufacturers in the U.S. Although cotton wash-wear garments have been available, a drawback has been the application of the finish to the cotton before it is made up into clothing, causing difficulty in sewing flat seams and pockets because of resistance to creasing. The new process, which dry cleaners may be able to use with present equipment, consists of wetting a conventional cotton garment in a solution containing a thermosetting resin, thermoplastic resin, silicone emulsion, two catalysts, and surface-active agent. The wetting is followed by shaping, pressing, drying, and curing the resin finish in a single operation, and by after-curing in a hot-air cabinet. Finally, washing and tumble-drying ready the garment for the owner. Satisfactory results are reported in tests with print cloth, denim, sateen, cord, broadcloth, gingham, corduroy, and suiting materials. The finish does not last the life of a garment but cost studies are said to show that the process can be inexpensive enough to justify periodical renewal. Once treated, a garment can be sent to a dry cleaner or can be washed readily at home.

New Oil Spray for Banana Plant Disease

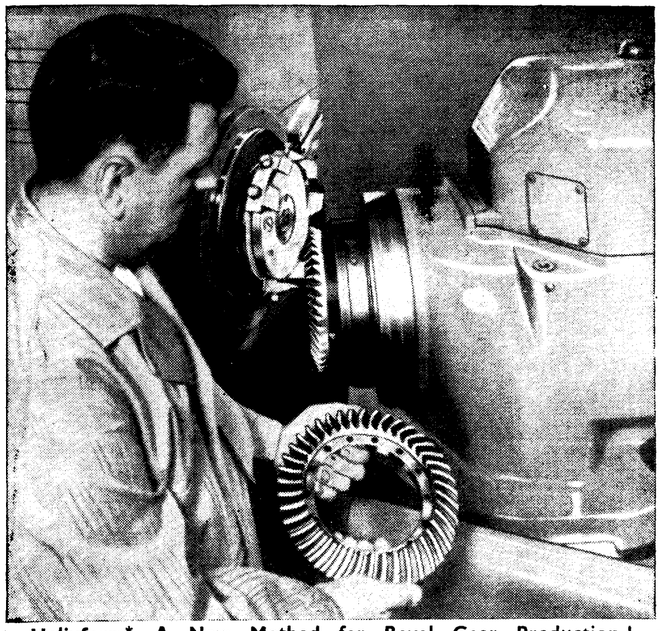
The world-wide and very destructive banana disease, sigatoka, can now be effectively controlled by a new and inexpensive method. Research scientists at the Esso Standard Oil Company of New Jersey, U.S.A., recently announced that they have developed an oil spray that stops the destructive effects of this fungus disease which attacks the leaves of banana plants. Sigatoka causes the leaves to spot, then to wither and die. The diseased plants produce smaller and fewer bananas and the fruit ripens prematurely. In extensive field tests conducted on the Caribbean Island of Jamaica, the new oil fungicide reduced the infection rate from 83 per cent. to less than 5 per cent. after two and a half months of bi-weekly spraying. Subsequent sprayings assure continued control, with no danger of the disease suddenly spreading. Less than two gallons of this oil spray per acre are needed to effectively control sigatoka, which is applied to the banana plants as fine low-volume mist, either by helicopters and airplanes, or by men on foot using a simple portable sprayer.

Wet Ground Mica

The Central Glass and Ceramic Research Institute, Calcutta, has successfully developed the know-how for obtaining from scrap mica, wet ground mica comparable in properties and performance to the imported material. In this know-how scrap mica is washed free from clay and other adhering impurities, if present, and then ground in a specially designed wood-lined edge runner type mill in the presence of water for 8-12 hours. The ground material is subjected to water-flotation and allowed to settle. The shiny flakes of mica are finally screened to different mesh sizes. The mica powder possesses all the original shine and lustre of mica. Chemical analysis and other properties are comparable with those of imported material and are within the limits laid down in A.S.T.M. and U.S. Navy specifications. The Indian paint and rubber industries have extensively tested the mica powder and found it conveniently suited to their needs.

Electronic Road

In the near future, drivers in the United States may be able to nap, read a newspaper or watch television while motoring on electronic highways in the United States, according to highway authorities now concerned with developing controlled, automatic roads to reduce accidents and tedium. When all the difficulties are solved, a driver will be able to travel to an electronic highway, push an "automatic pilot-type" button and relax and forget about travel problems as his driving at prescribed safety speeds will be handled by electronics. The electronic roads, according to technicians, will function from buried cables and strands of wire in or alongside the highway which radiate signals that can be received by tiny transistorised receivers within the car. There will be three different frequencies, one controlling the steering mechanism, another warning of obstacles ahead, while the third will announce exits from the highway to nearby cities. Once the driver leaves the controlled highway, he switches off his electronic drive and reverts to regular motoring.



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INVESTMENT POLICY OF L.I.C.

BASIC ISSUES AND IMPLICATIONS

THE Chagla Commission's inquiry into the Life Insurance Corporation's investment in the shares of some of the Mundhra concerns had sparked in the public mind a keen interest in the investment policy of the Corporation. It had also touched off some lively discussion of the correct policy the Corporation should pursue in investing its funds. Nevertheless, the considerations which should govern the L.I.C.'s investments are still a matter for speculation and debate. No clear-cut policy statement has so far been issued by the Government on this subject. It is understood that, in the light of the findings of the Commission and taking into account some of its recommendations, the Government of India has formulated a new long-term investment policy for the L.I.C. The details of this policy are said to be under discussion between the Union Finance Ministry and the Corporation. Contrary to the earlier expectation that the new policy would be published through a Government notification, it now appears that the Government favours the course of placing it before Parliament and seeking its prior approval. In view of the topical importance of the issue, the *Tata Quarterly*, published by the Department of Economics and Statistics of the Tata Industries Private, Ltd., has done well to bring out a brief, but scientific, study of the basic principles that should govern investment of life insurance funds as a contribution to the thinking on the subject.

The study emphasises, at the outset, that the L.I.C. should have complete functional autonomy. The Corporation was set up to discharge one specific function, namely, the management and development of life insurance. Inasmuch as the Government nationalised life insurance on the plea of unsatisfactory management of certain companies, it would be entitled to advise the L.I.C. in broad terms as to what satisfactory management or expansion of insurance implies. It would be the L.I.C.'s function to work towards such objectives in the insurance business as the Government may choose to specify. But once that is done, it is pointed out, the principle of functional autonomy requires that the L.I.C should have all the freedom that is essential to discharge its functions effectively. Any further Governmental interference in the working of the L.I.C., the study emphasises, should be restricted to an area in which the L.I.C. can act without damage to its own functional interests.

Three Kinds

As regards investment to be made by the L.I.C., the Government's responsibilities would be of three kinds:

(1) Prepare a general policy statement which serves to provide general guidance to the L.I.C: Amendments to the basic policy, if made at all, should come only after due deliberation in Parliament and consultation with the L.I.C. itself.

(2) Issue special directives, in writing, relating to *ad hoc* actions which the Government wants the L.I.C. to take in certain specific cases. Such special directives should not, however, be issued frequently. The L.I.C. should not, however, be required to do anything which conflicts with its own functional interest or runs counter to the spirit of the insurance business.

(3) Review periodically the L.I.C.'s activities and express opinions. But the L.I.C. must decide for itself if any changes in its policy are called for.

What general guidance should the Government, when it draws up a policy, give to the L.I.C.? The foremost consideration, the study points out, is that the L.I.C. should operate as a business unit. An attempt must be made, it is suggested, to define both the sphere in which the L.I.C. ought to function strictly as a business unit and the scope it may have for promoting wider social purposes. As a business concern, according to the study, the L.I.C. must try to add as much as it can to its revenue without making insurance more expensive to the consumer. It can do this by (1) improving the operational efficiency and (2) securing a higher yield from its investments. For the L.I.C., therefore, working on business principle should be equated to attempting to maximise revenue and the success it attains in this should be measured by the extent to which it reduces administrative costs, on the one hand, and invests its funds profitably on the other. The policyholders' chances of getting better insurance service at cheaper costs are directly dependent on the success which the L.I.C. achieves as a business concern. In fact, the L.I.C. working on sound business principles may be alternatively defined as working with a view to safeguarding and promoting the policyholders' interests.

As far as the investment policy is concerned, working on business principle would imply an attempt to obtain maximum yield from the investments consistent with considerations of safety of the capital invested. The principal funds of the L.I.C. could be divided into the following categories: (1) Working capital, (2) investment required as reasonable cover for liabilities to policyholders, (3) the balance, being the surplus.

If any investments are to be made out of working capital, which are earmarked for current financial requirements, they need to be in easily realisable short-term investments, the test being liquidity rather than yield. The second category of funds account for the bulk of the long-term investments which the L.I.C. makes. Although it is not possible to define precisely what amount would be adequate cover for the future commitments to policyholders, conceptually, this sort of calculation, though rough, is important because all investments falling in this category must be investments which are made strictly from the business point of view.

Business Investments

These investments, representing productive assets which, in the normal business course, the L.I.C. has to build up and conserve as a reasonable set-off against the contingent liabilities, may be called "business investments" and the policy in this sphere must be governed exclusively by the policyholder's interest. This means that, in this sphere, there will be no room for investments which, however justifiable they are from the wider social point of view, are not the best available propositions from the business point of view. The principle of functional autonomy would then require that, in this sphere, the Corporation should have freedom to work out its investment programmes for itself in the light of the prevailing financial and economic conditions.

After making adequate provision for working capital and the liabilities to policyholders, the L.I.C. would find itself in possession of funds which may be considered as a surplus. Under Section 28 of the L.I.C. Act, 95 per cent. of such surplus is allocated to, or reserved for, the policyholders. The other 5 per cent. is to be utilised in such manner as the Central Government may determine. The Corporation's capacity to comply with any special directives in writing it may receive from the Government should, therefore, be considered to be limited to this 5 per cent. of the surplus. Apart from any directives which may have been received, in making investments out of this fraction of the surplus, the business viewpoint need not be uppermost; the Corporation may in this sphere allow itself to be influenced by wider social considerations. On these investments the return may be poor; to that extent the policyholders' interests may be said to have been subordinated. Even these investments must not, however, run counter to the spirit of insurance; they must not represent money thrown away.

Since the bulk of the investment constitutes "business investments," the question arises as to whether some formula comparable to the old section 27-A of the Indian Insurance Act should be prescribed by the Government as a means of ensuring that the L.I.C. does adhere to sound principles in making the investments. Any formula, according to the study, which tends to be rigid and gives a particular, predetermined shape to the L.I.C.'s investment portfolio would, on balance, be undesirable. Government control should not be required merely to enforce minimum degree of security for the funds vested in the L.I.C. Long before any extraordinary and unforeseen threat to the security of the funds occurs, the Government should be able to detect it and take necessary action on an *ad hoc* basis. On the other hand, a permanent formula governing the investment pattern would be unduly restrictive of the scope which the L.I.C. should have for the exercise of its skill and enterprise as an investor. The general guidance which the Government may, through a policy statement, choose to provide need not, therefore, lay down rigid, specific limits for the amounts to be invested in different kinds of scrips and securities.

As a business concern, the L.I.C. should work towards securing a good spread and dispersal of investments. It should try to build up a portfolio which is well distributed over (1) Government securities and industrial scrips, (2) long-term and medium-term securities, (3) fixed interest-bearing shares and debentures and variable dividend scrips. Since the Corporation, in its own interest, needs to build up a diversified portfolio of profitable investment, the purposes of public surveillance, according to the study, may be expected to be reasonably served through publicity. In other words, there is, in the opinion of the *Quarterly*, no need for legal control. The Corporation, however, should be required to give in its annual report full details, of par values, cost values and market values of different kinds of securities it holds.

Diversified Portfolio

A diversified portfolio is essential if the Corporation, in receipt of a substantial and continuous flow of new investible funds, is to find avenues of investment which satisfy the test of profitability and security. Government bonds of varying maturity periods, industrial debentures and preference shares and equities—all these have obviously separate merits of their own, and the Corporation has to combine them in a manner which, while keeping the risk of capital depreciation to the minimum, gives the best possible results in terms of the current yield on the cost. One factor, besides the size of the resources at its command, which is conducive to the Corporation's strong financial position, is its capacity to hold on to the investments it has purchased. The Corporation would rarely need to sell investments. Depreciation of investments caused by a temporary slump in market prices would not, therefore, be, for the Corporation, the concern it is for, say, banks.

This position of strength should enable the Corporation to build up a portfolio comprising investments which are safe and sound in the long run, despite temporary setbacks to their market value and also yield as good a return as is available on that class of investments. Whatever the composition of the portfolio which results, the object of the investments, when they are made, must be the yield, consistent with security in the long run. No other consideration should be brought into play in the sphere of business investments. For instance, it is pointed out, that it would not be appropriate for the Corporation to allow its choice of investments to be influenced by a conscious consideration of whether the funds are going into the public sector or the private sector. Likewise, there should be no occasion for the Corporation to make a deliberate distinction between industries included in the Five-Year Plan and those not included in it. In so far as industries covered by the Plan have, on that account, better prospects of profitable working and expansion, the Corporation would naturally find it advantageous to "prefer" investment in such industries to investment in other industries. Such "preference" would, however, arise not because the Corporation has a functional responsibility in the matter of implementing the Plan but because, consistently with its function as an investor, the Corporation would like to invest in industries with good prospects rather than in industries whose prospects are uncertain or bleak.

Profitability and Security

When investing its funds in private industry, the Corporation will have to take into consideration both profitability and security of the investments. Security should be distinguished from marketability of the scrips bought. The Corporation's strong financial position may enable it to overlook changes in conditions which affect marketability at satisfactory prices. Nonetheless, the highest importance should be given to safety in the sense that the real or intrinsic worth of the scrips must be fully equal to the price paid for them. A very important element in the security of capital is the management of the enterprises in which funds are invested. For, against threats to security of capital coming from mismanagement, the L.I.C. would be defenceless—however great be its "staying power" which enables it to overlook temporary setbacks to the fortunes of a whole industry.

While the L.I.C. must act with caution, backed by careful study of profitability of investment based on past dividend records and future prospects by a competent research staff,

(*Continued on page 128*)

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RECENT ECONOMIC TRENDS IN WEST ASIA

RAPID DEVELOPMENT LEADS TO INFLATION

DESPITE continued political unrest in some country or other, the tempo of economic development in the countries of West Asia (the Middle East) as a whole is slowly but steadily gathering momentum. Fighting against heavy economic and political odds, these countries have accomplished notable advances in production and income during the past few years. The pace of industrial progress in the region has been at a more rapid rate than that in the agricultural sector, which has oscillated considerably owing to the vagaries of nature and unsettled conditions. Thanks to the intense desire of peoples and Governments for rapid economic development, there has been a rapid increase in national expenditures throughout the region in such fields as irrigation, flood control, transportation and public utilities. Public investment has admittedly moved ahead of private investment. This increasing level of expenditure has generated inflationary pressures of varying degrees in the domestic economies in this region. A detailed account of the economic trends in recent years is provided by the United Nations' Secretariat in its report, *Economic Development in the Middle East* 1956-57. Included in the report are eight countries, namely, Egypt,* Iran, Iraq, Israel, Jordan, Lebanon, Syria* and Turkey.

Referring to the impact of rising investment in these countries on their respective economies, the report observes that public expenditure outstripped ordinary sources of revenues, resulting in public deficits in most countries. The expanding national expenditures, both public and private, exceeded far above the limited domestic resources, and the consequent import surpluses were financed by different measures by the various countries. These pressures on the domestic resources arose not only as a result of collective efforts for economic and social development and for defence, but also because of a rapid population growth in practically all the countries of the region. The wholesale price indices shown below are suggestive of the economic forces working in these countries:

(1953=100)

	1954	1955	1956	1957
Egypt	97	99	110	119*
Iraq	96	97	104	108†
Iran	111	107	115	112‡
Israel	118	124	131	151§
Jordan	88	97	94	101
Lebanon	98	93	98	102†
Syria	96	97	102	99°
Turkey	111	119	142	164¶

* January to June.
† September.
‡ August.
§ October.
° January to October.
¶ May.

Against this general background, the report furnishes a succinct survey of developments in the individual countries of the region.

Egypt

Taking Egypt first, the report says that a substantial proportion of excess demand generated in the economy, in the wake of mounting developmental expenditure, was met from imports. As a result, the large sterling balances, which accrued during the war, continued to dwindle; successive drawings brought down these balances from over 400 million Egyptian pounds in 1945 to about 66 million Egyptian pounds by the end of August 1957. The report warns against a continued dependence on imports to mop up excess demand, as "sooner or later the flow of imports will have to be curtailed." A basic adjustment, however, was made, according to the report, in 1957, when exports were increased by some 4.5 million Egyptian pounds in the first half of the year, as compared with 1956, and imports were drastically reduced by 16 million Egyptian pounds. The policy of reducing imports was facilitated greatly by a reduction in deficit spending. This has led to a sharp reduction in the development expenditure from 45.9 million Egyptian pounds in 1956 to 28.3 million Egyptian pounds budgeted for 1957. The report further says that the depletion of sterling balances would have hit the economy hard but for the fresh source of outside finance in the form of dues from Suez Canal and the sanction of a large loan by the Soviet Union.

Iran

In refreshing contrast to Egypt, Iran experienced relatively stable conditions. The instability that hit the economy in the wake of nationalisation of petroleum production in 1951, had been overcome during the period of 1954-57, following the satisfactory settlement of the nationalisation dispute with Britain. Large grants from the U.S. and the steady flow of oil revenue at a rising pace enabled the country to find its feet again and settle down to the great task of raising the living standards of its people. Deficit spending was greatly reduced, despite the large increase in investment resulting from the new seven-year development programme. Foreign exchange proceeds multiplied, facilitating the import of large quantities of investment and consumer goods. The domestic production also expanded. Both these factors had a stabilising effect on price levels. Referring to the immediate future, the report says that there is a possibility of a moderate rise in prices as investments are expected to increase in both the private and public sectors. Further, there has been a gradual fall in foreign aid and there is no guarantee that it will continue even at the current low level. As against this, however, there are the rising income from petroleum and the large investments in industries which in turn will add to the supply of domestic goods.

Iraq

The chief disinflationary force in Iraq, according to the report, was a large and growing import surplus. This was made possible by rising oil revenue receivable in foreign exchange. While the imports continued to expand from 57 million Iraqi dinars in 1953 to 88 million Iraqi dinars in 1956, exports registered a downfall which were 11 million Iraqi dinars in 1956 as against 17 million Iraqi dinars in 1953. There was also a moderate increase in domestic industrial production. The report adds that this was brought about without excessive rise in costs because of transfer of labour from agriculture to industry. The U.N. report has drawn attention to the fact that the development allocations for the Six-year (1955-60) Plan are expected to rise sharply from 61 million Iraqi dinars in 1955-56 to an annual average of more than 90 million Iraqi dinars in the later years of the Plan. It warns that Iraq will be faced with a serious problem of inflation when it moves into higher stages of economic development. This warning is based on the ground that, though large sums of foreign exchange may be available, imports alone may not suffice to satisfy all the requirements of a growing economic activity.

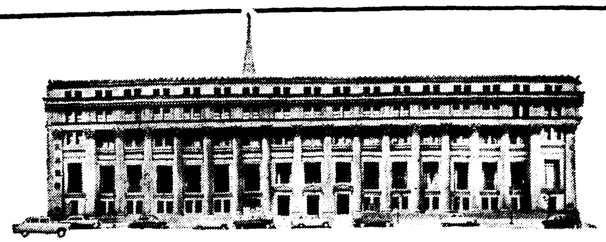
Israel and Jordan

Israel is one of the worst sufferers of inflation, for it has been trying to carry out a stupendous task of economic development, besides a mounting volume of defence expenditure. The U.N. report recalls that Israel, since its establishment, has been confronted with the major tasks of building up its production facilities, maintaining a relatively high standard of living for a rapidly increasing population, and meeting the large requirements for current Government outlays for defence and settlement of immigrants. The country's substantial efforts to perform these tasks against a background of very limited natural resources have inevitably brought about strong inflationary pressures, despite the heavy reliance of the economy upon foreign resource, largely unrequited, and upon imports.

The inflationary process characterising the Israeli economy, the report points out, makes it increasingly difficult for the country to achieve a level of consumption which is properly related to the income produced in the country itself. The reckoning of import prices on the official rate of exchange, which is considerably lower than the market rate, amounts to a subsidy on imported consumer goods and on exports comprising imported raw materials and this tends to distort the relationship of cost, wages and prices. Without further external financial aid, the report adds, it is doubtful whether the progress so far achieved could even be maintained, especially in the face of a further possibly substantial inflow of immigrants.

The problem confronting Jordan is one of finding employment opportunities for its large surplus labour force and of preventing a fall in the standard of living. These twin objectives are largely conditioned by the level of agricultural production and the amount of foreign aid and loans which it can muster. Hitherto large financial assistance received from foreign countries has enabled it to import the goods needed by it. Imports, it may be noted, amounted to more than one-third of the national income, on an average. The import price levels therefore influence the domestic price levels to a considerable extent. There has no doubt been some expansion in the domestic production, particularly in industry, without any marked cost increases because of the existence of a large pool of unemployed labour. The report, however, adds that vigorous measures for liquidating unemployment on a large scale may give rise to serious inflationary pressures, unless it is possible to rely on external sources for financing substantial import surpluses. Whether, and to what extent, the new federation with Iraq will contribute to the solution of this problem, it is too early to determine at this stage.

*Wherever the terms Syria and Egypt are used, reference is to the northern and southern regions of the United Arab Republic. The latter was not established until after the period covered by the report.



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In Lebanon also, the large proportion of imports to national income, amounting to about one-third, acted as a brake on price increases beyond the world price level. The import surpluses, financed to a considerable extent by a continuous flow of private capital, increased by about 65 per cent. in the four-year period 1953-56. Together with fiscal surpluses, they enabled the country to meet the rapidly rising demand without appreciable pressure on the price structure. A good part of the capital that entered the country came from the large number of Lebanese *emigres* spread all over the world; many of them regularly remit funds for the support of their families at home. Large amounts of capital also came from neighbouring countries for the purpose of investment in real estate or commercial and financial activities, or simply to await favourable opportunities.

Lebanon and Syria

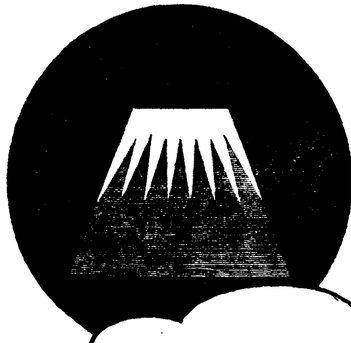
Budget surpluses have been a feature of Lebanon for several years but these surpluses have been reducing in absolute amount as well as in proportion to the receipts during 1956 and 1957. In 1955, the excess of fiscal income over expenditure was 46.62 million Lebanese pounds or 26 per cent. of receipts, and dwindled to 29.65 million Lebanese pounds in 1956 or 15.4 per cent. of receipts. In 1957, it stood at 29 million Lebanese pounds or 12.5 per cent. of receipts. The report points out that the amount of development commitments so far incurred by the Government for the next few years is approaching the limit of whatever surpluses might still form in the future without tapping new sources of revenue. More commitments over the level already reached might thus cause inflationary pressures.

A contrast, however, was provided by Syria, where the excess demand generated by large outlays on development, education and defence was counterbalanced to a considerable extent by a rapid expansion in domestic production. This is attributed primarily to an increase in the cultivated area, to generally good harvests and to high prices fetched by cotton and wheat exports. The domestic supply of goods, however, was supplemented by imports, made possible by expanding exports, private capital inflow and oil transit royalties. The speculative scare that accompanied the Suez crisis in 1956 was set at rest in 1957. Agricultural production shot up in 1957 while other sectors of the economy either remained stable or fell slightly. Full data for 1957 are not yet available, but from what the report says, it looks as though the revenue from oil must have fallen, due to the partial interruption of the flow through the pipelines. The capital inflow also must have suffered a setback, owing to disturbed political conditions.

Turkey

Turkey figures last in the U.N. report under reference. It recalls that, in addition to the mounting public expenditure on development and defence, private consumption and private investment increased at a rapid rate from 1953 to 1956. Pressures on the price level were aggravated by the easing of credit restrictions in general, substantial budget deficits and the methods of financing guaranteed prices for agricultural products. The rise in prices, however, was tempered to a great extent by substantial import surplus in the form of foreign loans and grants. The report reveals that there has been a decline in exports, resulting in an adverse balance of payments situation. Consequently, there was a tightening of imports. This further aggravated the upward pressure on domestic prices. The Turkish authorities, according to the report, are desirous of taking effective measures to remedy the situation, such as control of the volume and direction of credit, restriction of banking operations in real estate and inventory building, and contraction of investment expenditure of all State enterprises. While the U.N. Secretariat considers that many of these measures will help in the promotion of growth at a more stable price level, it feels that the Turkish Government is facing the problem of having to complete a number of projects which are still under construction and which require a further considerable amount of investment resources.

It will be seen from the foregoing account that almost every one of the West Asian countries is either facing serious balance of payments and inflationary problems or is about to face them, as all of them have been trying to expand the tempo and pace of economic growth beyond the readily available real resources. The political instability in this region, it is clear, is only making matters worse.



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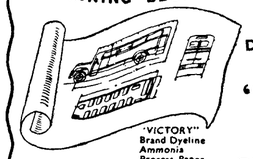

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TATA OIL MILLS MAINTAINS PROFIT

HIGHER COST OF PRODUCTION AFFECTS PROFIT MARGIN

THE recommendation of the Directors of the Tata Oil Mills Company, Ltd. (Managing Agents: Tata Industries Private Ltd., Bombay), to maintain the dividend on the ordinary shares of the Company at 10 per cent., or Rs. 2.50 per share of Rs. 25 each, for the year ended 31st March 1958, is fully justified by the results of the Company for the year under review. For the gross profit, at Rs. 35.25 lakhs, is only a fraction higher, as against Rs. 34.50 lakhs for 1956-57, to which level it had declined from Rs. 47.32 lakhs for 1955-56, while the net profit, after providing for managing agents' commission, depreciation, taxation and employees' gratuity, has actually dropped from Rs. 10.89 lakhs to Rs. 8.95 lakhs. It is noteworthy that the fall in net profit is much less than that (from Rs. 15.18 lakhs to Rs. 10.89 lakhs) noted in the previous year.

The Directors, however, point out in their latest report that the net profits for the past two years are not strictly comparable, because in the previous year a part of the provision for taxation, amounting to Rs. 2.15 lakhs, was charged to the appropriation account as reserve for taxation. This was due to the fact that the new income-tax and wealth-tax proposals had not been passed by Parliament at the time of the publication of the report and accounts for 1956-57. If, therefore, the aforesaid reserve for taxation (Rs. 2.15 lakhs) had been charged to the profit and loss account, the net profit for 1956-57 would have been Rs. 8.74 lakhs, as against Rs. 8.95 lakhs for the year under review. Even so, there is no case for even a partial restoration of the cut in dividend made last year from 12 per cent. to 10 per cent.

The salient features of the profit and loss and appropriation accounts of the Company for the last four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds	6,16.70	6,62.64	5,63.10	4,58.39
Other income	16.48	10.88	10.63	9.40
Stocks of finished products	51.83	72.61	66.62	44.51
Materials and stores consumed	3,42.69	4,18.04	3,30.83	2,66.33
Expenses	2,42.77	2,03.98	1,90.07	1,72.48
Gross profit	35.25	34.50	47.32	21.15
Managing Agents' commission	2.68	2.71	4.03	1.48
Provision for—				
Depreciation	10.80	10.30	11.75	9.70
Taxation	11.62	9.10	14.86	3.28
Employees' gratuity	1.20	1.50	1.50	0.50
Net profit	8.95	10.89	15.18	6.21
Excess provision written back	..	..	0.20	0.77
To reserves	1.07	2.90	6.00	..
Dividends—				
4½ per cent. preference	0.92	0.99	0.99	1.34
Ordinary	7.01	7.01	8.41	5.61
	(10%)	(10%)	(12%)	(8%)
Carry forward	0.05	0.10	0.11	0.13

The decline in sale proceeds for 1957-58 shown in the table is not due to any fall in sales of the Company's own products. On the contrary, the sales of the Company's products had gone up from Rs. 5.48 crores to Rs. 6.11 crores which to some extent was due to increase in selling prices of laundry soap and toilet products. The shrinkage in total sales is, therefore, accounted for by imported chemicals which have declined from Rs. 114.29 lakhs to Rs. 5.40 lakhs. Till 1956-57, the Company was importing the bulk of soda ash and caustic soda and selling them on its own account, while in the year under review, these chemicals were imported by the State Trading Corporation and sold by the Company on an agency basis. Such a change in sales procedure in respect of the above two chemicals and the expansion in the sales of Tata Chemicals' products are cumulatively responsible for the sharp rise in sales agency commission from Rs. 5.94 lakhs to Rs. 10.97 lakhs (included in "other income"). The absence of imports of chemicals by the Company is also reflected in the decline in materials (raw and in process) and stores consumed.

The results of the Company would have been much better but for the rise in cost of production and a reduction in profit margin on account of the increase in prices of vegetable oils (the prices of coconut, mowra and groundnut oils were on an average 8 per cent. higher than in the previous year), the upward revision in excise duty on these oils, the higher wage bill and interest charges. The rise in the last three items of expenses is reflected in the increase of nearly Rs. 39 lakhs in expenses. The rise in manufacturing costs was only partially offset by an increase in the selling prices of laundry soap and toilet products.

Supplies of copra, mowra and groundnut seeds were adequate for crushing at the Company's Bombay factory, while at Tatapuram, crushing was affected partly because of the scarcity of seeds and partly because it was more economical, as in the previous year, to buy groundnut oil from the producing centres. Production of both laundry and toilet soaps was more or less maintained at the previous year's levels, while sales showed a modest improvement, despite keen competition. Sales of glycerine were slightly higher than in 1956-57. While the output of vanaspati showed a substantial rise, prices were on the whole unremunerative. Realisations, however, covered all costs and a part of the general overheads. Sales of toilet products and industrial perfumes were about 10 per cent. higher.

There has been no notable change in the overall financial position of the Company. The share capital is unchanged at Rs. 99.96 lakhs. With the addition of Rs. 1.07 lakhs to the development reserve from the year's profit and the transfer of Rs. 2.15 lakhs from reserve for taxation to provision for taxation, the reserves and surplus stand at Rs. 35.94 lakhs (including the sum of Rs. 14.94 lakhs in share premium account). Loans and deposits are lower at Rs. 167.15 lakhs, as against Rs. 174.40 lakhs, while the current liabilities are almost unchanged at Rs. 91.83 lakhs. Provision for taxation has risen from Rs. 27.93 lakhs to Rs. 41.05 lakhs. There has been an increase of Rs. 15.46 lakhs in gross block (including Rs. 2.77 lakhs on unerected machinery), as against Rs. 23.31 lakhs in 1956-57. No major project was undertaken, but, the expenditure was spread over a large number of relatively minor items, consisting mainly of replacements and renewals. With this addition, the gross block as at the end of the year stands at Rs. 225.05 lakhs, on which the total depreciation provided so far amounts to Rs. 137.40 lakhs. The other assets aggregate Rs. 348.29 lakhs, of which stock-in-trade and stores alone account for Rs. 221.35 lakhs.

The Rs. 25 paid-up ordinary shares of the Company are being currently quoted at Rs. 42.25 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 6.3 per cent. per annum, free of income-tax.

LARSEN AND TOUBRO STEPS UP DIVIDEND AGAIN

The Directors' report and audited accounts of Messrs. Larsen and Toubro Ltd. (Managing Agents: L. & T. (Management) Private Ltd., Bombay) for the year ended 31st March 1958 indicate that the Company has had another year of successful trading, with the sales turnover and gross profit establishing fresh record levels, thanks to the further expansion in the Company's manufacturing facilities at its factory in Powal, Bombay. The turnover has jumped up from Rs. 3.27 crores to Rs. 3.93 crores and the gross profit from Rs. 21.76 lakhs to Rs. 28.43 lakhs. With this rise, the gross profit has maintained its upward trend almost unbroken since 1948-49.

Consequent on the sizable rise in profit, the Managing Agents' commission has gone up from Rs. 1.89 lakhs to Rs. 2.42 lakhs and provision for taxation has been raised from Rs. 9.40 lakhs to Rs. 12 lakhs of which Rs. 40,000 is accounted for by wealth tax. The provision for depreciation, too, has been raised from Rs. 2.58 lakhs to Rs. 3.73 lakhs. After setting aside Rs. 45,000 for staff gratuity, as against Rs. 1.90 lakhs in the previous year, the net profit amounts to Rs. 9.83 lakhs, which represents an increase of Rs. 3.84 lakhs over that for 1956-57. The net profit has been supplemented by a sum of Rs. 2.20 lakhs, made up of Rs. 1.90 lakhs being the amount set aside last year for gratuity reserve now written back and Rs. 30,000 from the provision for taxes. After writing off Rs. 1.83 lakhs towards expenses relating to previous years, the Directors have transferred Rs. 1 lakh to dividend equalisation reserve (same as in the previous year) and Rs. 2 lakhs (as against *nil* a year ago) to the general reserve. A sum of Rs. 68,511 has also been set aside as development rebate.

These allocations still leave sufficient amount at the disposal of the Directors to step up the dividend on the ordinary capital from 10 per cent. to 12.5 per cent. and that, too, on a higher capital. The Directors have recommended a dividend of Re. 1.25 per share, free of income-tax, on 450,000 shares raised in January 1957 by a fresh issue of 50,000 shares and a *pro rata* dividend at Re. 1.25 per share per annum on a further 50,000 shares issued in January 1958.

The following comparative table shows the progress of the Company's working during the last three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sales, services, etc.	3,93.29	3,27.14	2,70.96	2,09.44
Other income	12.81	13.45	11.63	11.30
Expenses	2,80.10	4,02.83	3,15.64	2,04.73
Gross profit	28.43	21.76	18.48	16.01
Managing Agents' commission	2.42	1.89	1.62	1.34
Provision for—				
Depreciation	3.73	2.58	2.25	2.57
Taxation	12.00	9.40	6.63	5.00
Retiring gratuity	0.45	1.90	..	..
Net profit	9.83	5.99	7.98	7.09
Excess provision written back	2.20	1.12	1.50	..
Expenses of previous years written off	1.83	0.67	1.07	..
To reserves	3.68	1.58	4.00	2.75
Dividends—				
5 per cent. preference	0.75	0.75	0.75	0.75
Ordinary	5.78	4.12	3.62	3.50
	(12.5%)	(10%)	(10%)	(10%)
Carry forward	0.26	0.27	0.29	0.25

Of the rise in the Company's turnover, sales accounted for Rs. 52.51 lakhs, servicing and service fees for Rs. 2.49 lakhs and contracting charges for Rs. 11.15 lakhs. The expansion in sales has been achieved, despite the sharp decline in purchases of trading goods from Rs. 3.23 crores to Rs. 2.01 crores, evidently due to import restrictions. This has, however, been made good by running down the stocks (including work-in-progress) from Rs. 2.01 crores to Rs. 1.13 crore. While expenses on purchases have sharply fallen, other expenses have gone up from Rs. 75.55 lakhs to Rs. 85.72 lakhs.

As already indicated, the paid-up capital of the Company has been raised during the year by the issue of 50,000 ordinary shares, bringing the total paid-up capital to Rs. 65 lakhs. As against this, the reserves and surplus aggregate Rs. 15.27 lakhs. Loans and current liabilities and provisions aggregate Rs. 179.16 lakhs. There has been an addition of Rs. 12.10 lakhs to the gross block bringing the total value at the end of the year to Rs. 44.29 lakhs. This stands written down to Rs. 24.20 lakhs. The current assets aggregating Rs. 233.06 lakhs exceed the current liabilities and provisions by a large margin of Rs. 53.90 lakhs.

During the year under review, the Company further developed its manufacturing facilities at Powai; the construction of an additional workshop capable of handling heavy equipment was commenced and further workshop machinery and tools were acquired. With the increased manufacturing facilities now available, the Directors hope to maintain the turnover, in spite of reduced imports, and view the future with confidence.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 17.76 *cum-div.* On an *ex-div.* basis, the latest dividend provides an attractive yield of 7.57 per cent. per annum, free of income-tax.



SIMPLEX MILLS

In consonance with the general trend of cotton mill earnings during the past year, the profit of Simplex Mills Company, Ltd. (Agents: Messrs. Forbes, Forbes Campbell and Co. Private Ltd., Bombay) for the year ended 31st March 1958 has suffered a setback, though the extent of decline is much less than that in the case of many other mills. Compared to the steep fall suffered by the Company itself in 1956-57, the decline in the year under review is negligible. Thus, the gross profit has dropped from Rs. 13.30 lakhs in 1956-57 to Rs. 11.80 lakhs; the decline in the previous year was no less than Rs. 16.47 lakhs (from Rs. 29.77 lakhs). The net profit is, however, a shade better at Rs. 5.96 lakhs, as against Rs. 5.16 lakhs earned in the previous year, mainly due to the cut in the provision for taxation from Rs. 4.31 lakhs to Rs. 1.58 lakhs. The provision for depreciation has been raised from Rs. 2.78 lakhs to Rs. 3.43 lakhs.

The entire net profit for the year under review has been transferred to the reserves. Of this, a sum of Rs. 3.26 lakhs, being the portion of the profit which it is estimated is not taxable, has been credited to general reserve No. 2, a new account, as separate from the existing general reserve (general reserve No. 1). The Directors have also created a development reserve by setting aside Rs. 2.70 lakhs. Consequent on the depletion of profit entirely, the Directors have not withheld the distribution to the shareholders; they have, on the contrary, maintained the dividend at 17 per cent., to which level it had been pruned from 24 per cent. a year ago. The entire sum required for this purpose, namely, Rs. 7.14 lakhs, is proposed to be drawn from the general reserve No. 1, while in the previous year only a sum of Rs. 1.10 lakhs had to be drawn from the dividend equalisation fund to supplement the profit available for payment of a 17 per cent. dividend.

It may not be out of place to mention a point of interest to the shareholders of the Company. While creating a separate general reserve No. 2, the Directors have segregated in the general reserve No. 1 all profits which had already been taxed and kept in various reserves. Thus, they have transferred to general reserve No. 1, the outstanding balance of Rs. 1.20 lakhs in the reserve fund, the entire sum of Rs. 26.88 lakhs kept in the machinery renewal and reserve account and of Rs. 3.90 lakhs from the dividend equalisation fund, aggregating in all Rs. 31.98 lakhs. These taxed profits are thus available, if required, for payment of non-taxable dividends in future.

The following comparative table shows the progress of the Company in recent years:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds (gross)	2,86.76	2,96.24	2,88.14	2,54.14
Other income	6.81	5.01	3.94	0.48
Consumption of cotton, staple fibre, etc.	1,54.75	1,56.23	1,16.58	1,33.06
Other expenses	1,46.88	1,42.21	1,24.05	1,21.42
Gross profit	11.80	13.30	29.77	12.09
Agents' commission	0.83	1.05	5.39	1.90
Provision for—				
Depreciation	3.43	2.78	5.43	2.85
Taxation	1.58	4.31	7.07	2.00
Net profit	5.96	5.16	10.88	5.34
Transfer from reserves	7.14	1.10	..	3.00
To reserves	5.96	..	10.08	8.40
Dividend	7.14	7.14	(24%)	(20%)
	(17%)	(17%)	0.96	0.16
Carry forward	0.08	0.08		

With the transfers made from and to the profit and loss account mentioned above, the reserves and surplus of the Company stand at Rs. 30.59 lakhs, as against a paid-up capital of Rs. 42 lakhs. Loans from banks and current liabilities amount to Rs. 111.51 lakhs and Rs. 37.06 lakhs, respectively. The provision for taxation stands at Rs. 3.36 lakhs. The gross block of the value of Rs. 195.86 lakhs, including additions to the tune of Rs. 75.25 lakhs made during the year, has been written down to Rs. 116.02 lakhs. The other assets aggregate Rs. 112.26 lakhs, the bulk of which (Rs. 69.84 lakhs) is accounted for by stock-in-trade, do not cover the liabilities adequately.

Notwithstanding the many difficulties, the Company is said to have made satisfactory progress in its programme of rehabilitation and expansion.

The Company's Rs. 50 paid-up shares are being currently quoted at Rs. 179 *cum-div.* On an *ex-div.* basis, the latest dividend on the shares provides a yield of just 5 per cent. per annum, free of income-tax.

STERLING GENERAL INSURANCE CO., LTD.

A notable feature of the working of the Sterling General Insurance Company Ltd. (General Manager: M. N. Seth) during the year ended 31st December 1957 is that the Company's net premium crossed the Rs. 50-lakh mark and stood at Rs. 55.01 lakhs, as compared with Rs. 47.64 lakhs in 1957. The gross premium, at Rs. 1.04 crore, was Rs. 16.14 lakhs higher than the previous year's figure of Rs. 88.22 lakhs. The total underwriting profit aggregated Rs. 3.08 lakhs, made up of Rs. 3.03 lakhs in the fire department and Rs. 5,288 in the marine department. The miscellaneous section, however, worked at a loss of Rs. 2.60 lakhs. The Directors have recommended a dividend of 5 per cent., as against 4 per cent. paid in 1956. Along with the rise in premium income, the claims and expense ratios also have gone up, the former from 44.6 per cent. to 55.1 per cent. and the latter from 26.7 per cent. to 31.1 per cent. Higher claims ratio was due mainly to the heavy incidence of losses in the motor accident department, wherein the general experience of other insurers has also not been favourable of late. As a result of the taking over of life insurance business by the Life Insurance Corporation, the entire load of overriding expenses has fallen on the general department of the company, the full impact of which has been borne for the first time during the year under report. This accounts for the rise in expense ratio.

The net premium income in the fire department increased from Rs. 11.10 lakhs to Rs. 12.71 lakhs. Claims paid and outstanding amounted to Rs. 3.83 lakhs, and expenses of management to Rs. 4.14 lakhs. After providing Rs. 5.08 lakhs (40 per cent. of the net premium income) as reserves for unexpired risks and Rs. 64,000 as additional reserves, a sum of Rs. 3.03 lakhs has been transferred to the profit and loss account.

The net premium in the marine department aggregated Rs. 4.60 lakhs, as compared with Rs. 4.32 lakhs in the previous year. Claims paid and outstanding accounted for Rs. 2.80 lakhs and expenses of management for Rs. 1.82 lakhs. After providing Rs. 1,83,980 (40 per cent. of net premium) as reserves for unexpired risks and Rs. 1,60,000 as additional reserves, there was an underwriting profit of Rs. 5,288.

In the miscellaneous department, gross premium booked aggregated Rs. 67.91 lakhs (Rs. 57.51 lakhs in 1956), yielding a net premium income of Rs. 37.7 lakhs (Rs. 32.22 lakhs in 1956). Claims paid and outstanding amounted to Rs. 23.70 lakhs. Expenses of management aggregated Rs. 11.12 lakhs. After earmarking Rs. 15.08 lakhs (40 per cent. of net premium income) as reserves for unexpired risks and Rs. 80,000 as additional reserves, a deficit of Rs. 2.60 lakhs has been transferred to the profit and loss account.

The underwriting profit from the fire and marine account, together with income from other sources, made in all Rs. 4.26 lakhs. After adjusting Rs. 2.60 lakhs, being loss transferred from the miscellaneous account, and providing for other adjustments, a sum of Rs. 1,20,620 has been transferred to the profit and loss appropriation account. This, together with Rs. 1,589 brought forward from last year, made available Rs. 1,22,209. Provision for taxation absorbs Rs. 56,000. The payment of a dividend of 5 per cent. will absorb Rs. 62,113, leaving Rs. 4,096 to be carried over to next year.

The satisfactory financial position of the Company is reflected in its capital and reserves. Apart from a capital of Rs. 13.44 lakhs, the Company has departmental reserves aggregating Rs. 25.04 lakhs, made up of fire fund Rs. 5.73 lakhs, marine fund Rs. 3.44 lakhs and miscellaneous fund Rs. 15.87 lakhs. Besides, the Company has an investment reserve of Rs. 59,179 and reserve for bad and doubtful debts of Rs. 52,098.

COAL

(*Concluded from page 104*)

manpower requirements for the investigation, the planning and the development stage. The Committee's assessment was generally accepted by the Council. It was realised that the requirements of holders of mining degrees and diplomas and of subordinate ranks of technical personnel would be of a very large order. This requirement could not be met, unless the existing facilities in schools and colleges were expanded and, in addition, the enrolment for the evening mining classes run in the coalfields of the State Governments was made on a much higher scale than at present. As regards training for subordinate categories of technical personnel, it was felt that an integrated approach was necessary, so that the needs of not only the coal industry but other mining industries as well would be covered.

The Council emphasised that the training schemes should cater to the needs of both the private and public sectors and that the practical field training should be integrated with theoretical instruction. Among the other steps suggested in order to increase the output of these technicians were: (1) increase in the number of stipends and (2) provision of more hostel facilities. In view of the urgency of this problem and the extent of forward planning necessary, a small committee of officers was set up by the Council to go into the question.

(*Concluded from next column*)

raw sugar output was exported, the figures for 1957, being approximately 57 per cent. for export and 43 per cent. for Australian consumption. The British Commonwealth Sugar Agreement has again been extended for another year; and it will therefore continue in operation to the end of 1965. The present International Sugar Agreement expires at the end of 1958. It is expected that the United Nations Organisation will convene a conference about September to consider the extension of the Agreement for a further period."

SIR DENYS LOWSON,
Australian Estates Co., Ltd., London.

Points From The Chair

Re-appraisal of Economic Problems

"WE have reached a stage in the affairs of the world where a re-appraisal of political and economic problems is being forced on those responsible for shaping national policies. The surge of re-building of commodity stocks, factories, power plants and houses has largely expended itself. Those countries whose welfare is largely dependent upon the export of primary products have suffered a reduction of income causing them to review their industrial and social development programmes. The renewal and expansion of industrial plant and equipment together with housing in Europe and other areas affected by the Second World War has mainly been completed. In North America and to a lesser extent in the U.K., the reorientation of defence programmes from 'conventional' to nuclear arms has freed industrial capacity for other uses at the same time as the need for, or the ability to buy, capital equipment and consumer durable goods has declined. These changing circumstances have led to a slowing down of manufacturing activity and the appearance of pockets of unemployment in industrialised centres. Government has hesitated to apply the recognised economic correctives to such conditions for fear of stimulating inflation further. For some years, full to overfull employment in various centres has enabled trade unions to exact wage increases without comparable production increases. In some countries there has been an annual round of increases; in others, like the U.S.A., guaranteed wage increases have been granted extending over two or three years. Such agreements have contributed to the continuing price inflation at a time of declining industrial activity. Trade union leaders throughout the world are having to re-appraise their conduct no less than the politicians."

H. J. VENNILS,
Indian and General Investment Trust Ltd., London

The Textile Crisis

"You will remember that in my speech last year I had already drawn your attention to the increase in excise duty levied on cloth from 1st September 1956 and had expressed my fear that, unless the demand and offtake of cloth improved substantially, the burden of excise duty and high prices of raw cotton would tell heavily upon the results of your Company in the year 1957. The situation has, however, deteriorated much more than anticipated with the result that the textile industry, in general, has experienced a serious crisis last year. You are all aware that 26 mills have completely closed down and 37 mills have partially closed. The number of casualties—total or partial closure of mills—tells only half the story. Many mills are making serious losses. In Baroda, seven mills are making losses, the average loss being Re. 1-8 per loom shift. The loss sustained by 11 mills in Nagpur area works out to Rs. 2 to Rs. 5 per loom per shift, with the result that recently there has been a very alarming announcement from the Chairman of the Textile Mills Association, Nagpur, that all the nine textile mills of Vidarbha region and two of Mahakoshal area, Madhya Pradesh, are to close down from 11th August. The average loss in industry of your area was Rs. 4 per loom per shift. Practically all the mills in Saurashtra, Madhya Pradesh, Rajasthan and West Bengal report heavy losses. The position is not happy even in Bombay State. About 30 mills in Bombay and 10 mills in Ahmedabad are working in loss."

K. G. SEKSARIA,
Indore Malwa United Mills Ltd.

European Trade

"Last year reference was made to the increasing competition which will arise as a result of the closer integration of the six major countries of Western Europe in a common market. We must not overlook that this common market is now in being, having come into existence on 1st January this year. So far as the Dunlop Group is concerned, we have large factories in both France and Germany and selling companies and branches in the other participating countries. We are confident, therefore, that we shall be able to obtain a reasonable share of the benefits which should accrue from this new conception of European trade. The outcome of the negotiations to associate Britain and other members of the Organisation for European Economic Co-operation with these six countries through a Free Trade Area remains in doubt, and at this stage it is not possible to forecast whether, or on what terms, this association will eventually take place. The present uncertainty thus makes it impossible as yet, to forecast the impact of these developments on the fortunes of the Dunlop Group, as a whole, but studies on the many different and complex aspects which are likely to be involved have been and are continuing to be carried out energetically. We are making our own examination of these problems and have also taken advantage of the facilities in market and economic research available on this subject."

G. E. BEHARRELL,
Dunlop Rubber Co., Ltd., London.

Sugar in Australia

"Raw sugar produced in Australia in 1957 rose by about 62,000 tons to 1,290,000 tons, the second highest output on record, being exceeded only by the 1954 season's outturn. Queensland production was 1,254,000 tons compared with 1,184,000 tons in 1956. Southern Queensland suffered a prolonged drought right through 1957; but the poor crops in this area were more than balanced by the good season and high sugar content of cane in the remaining sugar areas where our two mills are situated. A somewhat higher proportion of the

(*Continued in previous column*)

FORT GLOSTER DOUBLES DIVIDEND

PROFIT OF NEW BEERBHOOM COAL HIGHER

Fort Gloster Industries Ltd.

THE directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The accounts show a profit of Rs. 23,12,670 (Rs. 11,47,910) to which has to be added the balance brought forward from the previous account, namely, Rs. 2,45,413 (Rs. 1,80,415) giving a total of Rs. 25,58,083 (Rs. 13,28,325). From this has to be deducted the following:—Provision for depreciation Rs. 7,48,816 (Rs. 5,67,912), transfer to debentures sinking fund Rs. 1,75,000 (Rs. 1,75,000), development rebate reserve fund Rs. 2,69,917 (*nil*) and Wealth Tax for Assessment Years 1957-58 and 1958-59 Rs. 1,07,687 (*nil*) leaving for disposal Rs. 12,56,663 (Rs. 5,88,413). On 31st January 1958 the following interim dividends were declared:—Dividend on 7 per cent. cumulative first preference shares at Rs. 3.50 nP per share without any deduction for income-tax payable by the Company Rs. 49,000 (Rs. 49,000) and dividend on 5 per cent. cumulative second preference shares at 2.50 nP per share without any deduction for income-tax payable by the Company Rs. 17,500 (Rs. 17,500). From the balance of Rs. 11,90,163 (Rs. 5,21,913) the directors recommend the following appropriations:—

To transfer to general reserve Rs. 4,50,000 (*nil*), to paying the final dividend on 7 per cent. cumulative first preference shares at Rs. 3.50 nP per share without any deduction for income-tax payable by the Company Rs. 49,000 (Rs. 49,000), to paying the final dividend on 5 per cent. cumulative second preference shares at Rs. 2.50 nP per share without any deduction for income-tax payable by the Company Rs. 17,500 (Rs. 17,500), to paying the dividend on 21,000 ordinary shares at Rs. 20 (Rs. 10) per share without any deduction for income-tax payable by the Company Rs. 4,20,000 (Rs. 2,10,000) and to carry forward Rs. 2,53,663 (Rs. 2,45,413).

In compliance with the working time agreement of the Indian Jute Mills Association, the Mills continued working for 48 hours per week throughout the year under review with the 12½ per cent. of the total looms sealed.

The electrification of the Mills was completed and the modernisation scheme was partially carried out. The Company has benefited by both these schemes.

The jute industry, being one of the predominant Export Industries, has to work on very competitive lines. This has indeed attracted the attention of the Government whose timely help in the shape of loans for modernisation has enabled the industry to improve its working. As such, the industry, it seems, will slowly be in a position to stand competition in the world markets.

That the country is now in a position to grow within her borders and supply a major portion of the jute crop is an additional advantage for the competitiveness of the Industry. Nevertheless, it is hoped that efforts will continue by all concerned for the regular supply of jute which alone will eventually ensure a stable and well-founded Industry.

Trading conditions continued to be difficult but it is encouraging that the country's trade delegations going abroad from time to time are taking a special interest in exploring the possibilities of new markets for Indian goods. Such being the case, the directors look forward to a fillip to the sales of the Industry's products which, however, is to be watched.

Being one of the largest foreign-exchange earners for the country, it is hoped that the Government will continue to take care that the cost of production will not be allowed to increase so that the Industry will be able to compete effectively in the world markets.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	42,00,000	Block ...	1,09,57,351
Debentures	16,16,000	Stock-in-trade	84,93,502
Reserves ...	71,39,758	Store, spare parts etc.	17,95,990
Provision for wealth tax	56,000	Debts, deposits and advances ...	24,50,556
Liabilities ...	1,09,66,051	Investments	2,11,774
Profit and loss account ...	2,53,663	Cash ...	3,04,272
		Miscellaneous expenditure and losses	18,027
Rs.	2,42,31,472	Rs.	2,42,31,472

New Beerbhoom Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st October 1957.

The accounts show a profit, after charging all expenses, of Rs. 5,03,195 (Rs. 2,22,544). Out of this amount taxation provision requires Rs. 2,90,000 (Rs. 1,17,000). [*Less*: excess provision for taxation in previous years, now written back Rs. 50,000 (*nil*)] of Rs. 2,40,000 (Rs. 1,17,000) leaving a balance of Rs. 2,63,195 (Rs. 1,05,544). The balance brought forward from last year was Rs. 53,598 (Rs. 94,383) making a total available for appropriation of Rs. 3,16,793 (Rs. 1,99,927). The directors have transferred to capital reserve Rs. 36,209 (*nil*) and to reserve for bad and doubtful debts Rs. 50,051 (*nil*) leaving a balance of Rs. 2,30,533 (Rs. 1,99,927). The following interim dividends were paid on 19th November, 1957 3½ per cent. on preference shares absorbing Rs. 7,000 (Rs. 7,000) and 37 nP (As. 6) per ordinary share absorbing Rs. 65,721 (Rs. 66,609). The directors now recommend payment of final dividends on preference shares at 3½ per cent. absorbing Rs. 7,000 (Rs. 7,000) and on ordinary shares at 38 (37) nP per share absorbing Rs. 67,496 (Rs. 65,720) leaving a balance to be carried forward of Rs. 83,316 (Rs. 53,598). Wealth tax in respect of the years ended 31st October, 1956 and 31st October, 1957 is estimated to amount to Rs. 44,000 and this has been provided for by transfer from capital reserve.

Raisings for the year ended 31st October, 1957, totalled 5,30,672 tons compared with 4,48,242 tons in the previous year and 4,79,087 tons in the year ended 31st October, 1955. Despatches, which included purchased coal, totalled 5,29,938 tons compared with 4,55,573 tons and 4,81,599 tons in the two previous years respectively.

The award of the Labour Appellate Tribunal was implemented as from July, 1957, when a compensatory increase in the statutory selling price was put into effect, although the resultant increased payments to employees had to be made retrospective to 26th May, 1956.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,76,230	Block ...	35,12,886
Reserves ...	19,58,049	Stock of coal	1,95,663
Provision for taxation ...	4,82,645	Stores and spare parts	12,26,637
Provision for wealth tax	44,000	Debts, deposits and advances ...	22,73,434
Liabilities ...	28,59,648	Investments	4,447
Profit and loss account ...	83,316	Cash ...	1,90,821
Rs.	74,03,888	Rs.	74,03,888

Amar Dye-Chem Ltd.

The directors of the above Company (Managing Agents: Messrs. Amritlal and Co., Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1957.

The profit and loss account discloses that after providing for the usual working expenses, there remains a net profit, subject to depreciation on fixed assets, as under:—The net profit for 1957 amounts to Rs. 86,945 (Rs. 2,890) to which is added the amount brought forward from last year's account of Rs. 54,539 (Rs. 88,525) and royalty written back Rs. 9,627 (*nil*) making a total of Rs. 1,51,111 (Rs. 91,415). The directors recommend that this amount of Rs. 1,51,111 (Rs. 54,539 after providing Rs. 36,876 as taxation for the previous year) be carried forward to the next year.

The Directors presume that the results of the year shall be considered satisfactory, in view of the fact, that the Company had to disburse an enormous amount of Rs. 12,87,000 on customs duty alone during the year under review, on imports of the raw materials of the C.I.F. value of Rs. 35,85,000. Whilst there is some exemption on duty for certain items of raw materials, most of those that the Company has to utilise for production have not yet been so favoured. It will be noticed that the gains and profits of the Company as against those of the Government work out in the ratio of 1 : 15.

During the year, the directors developed serious differences with the Technical Collaborators Messrs. Hilton-Davis Chemical Company. The Collaborators have, however, thought it fit to sell their interests to Messrs. A.C.N.A.—A Division of Montecatini of Italy and demanded a release of all their obligations, which has been passed subject to the approval of the Government. The above incident has created a saving in the actual amount of Rs. 9,627.84 for royalty for 1956 and much bigger amount for 1957.

The directors have decided to appoint Messrs. A.C.N.A. who have bought over the stock of Hilton-Davis for financial participation, as technical advisers and the negotiations therefor are almost completed. Government approval is now awaited. A.C.N.A. shall also undertake to furnish technical assistance and know-how for the Company's future expansion programmes. As A.C.N.A. are one of the big and experienced manufacturers of dyestuffs in Europe, and quite familiar with the conditions existing in this country, the company will have the benefit of sound and economical technical guidance in future at comparatively much lower cost.

The Directors inform that notwithstanding serious handicaps, the Company has been able to extend its range of manufacture of dyes from five types of Amarthols in the beginning of the year to eleven types at the end thereof and from one or two types of Fast Bases to eleven types thereof. Appreciable progress is also made in the range of manufacture of Stabilised Azoics for printing and in that of the Optical Whitener.

The sales of the Company during the last year have not been quite satisfactory due to heavy stocks in the market of imported materials and hence the production had also to be curtailed. Besides large stocks of imported raw materials ordered out in expectation to meet the anticipated demand, remained unutilised and thus burdened the Company in its infant state with interest and insurance expenses. But this situation has changed considerably now with stricter import restrictions and depleting stocks of importers and the Company expects to expand its sales considerably this year and consequently show better results.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	79,97,750	Block ...	67,15,920
Liabilities ...	64,93,887	Stock of finished goods ...	26,53,914
Profit and loss account ...	1,51,111	Stock of raw materials ...	31,28,912
		Stores etc. ...	6,33,076
		Work-in-progress ...	1,10,894
		Debts, deposits and advances ...	10,86,985
		Cash ...	1,62,406
		Miscellaneous expenditure and losses	1,50,641
Rs.	1,46,42,748	Rs.	1,46,42,748

Bengal Assam Steamship Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st October 1957.

After charging all expenses the accounts show a profit of Rs. 47,367 (Rs. 5,25,194). The balance brought forward from last year was Rs. 1,10,020 (Rs. 55,826) making a total available for appropriation of Rs. 1,57,387 (Rs. 5,81,020). The directors recommend payment of dividends on preference shares at 7 per cent. per annum absorbing Rs. 21,000 (Rs. 21,000) and on ordinary shares at Rs. 5 (Rs. 7.50) per share absorbing Rs. 1,00,000 (Rs. 1,50,000) leaving a balance to be carried forward of Rs. 36,387 (Rs. 1,10,020 after providing Rs. 3,00,000 for taxation).

The amount of jute exported to India from Pakistan again decreased and, in spite of increases in freight rates, the Company's earnings from the carriage of jute were considerably less than in previous years. During the year 70,908 tons of coal were carried from Calcutta to East Pakistan stations as compared with 61,913 tons carried in 1956.

As was forecast in the directors' report last year, the possibility of extending the Company's service elsewhere has been examined, as a result of which it has been decided to operate between Calcutta and inland ports of Assam, and the first flotilla is now loading cargo for Gauhati. Assam traffic will at first occupy a small part of the fleet only, but it is hoped that in time it will be possible for more craft to be transferred to this route. In the meantime the arrangements under which coal is carried in the Company's vessels from Calcutta to East Pakistan will continue and space will be offered for such jute as is required to be carried from Pakistan to India.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,01,000	Block ...	1,03,14,639
Reserves ...	99,30,970	Stores ...	12,501
Provision for taxation ...	10,65,904	Debts, deposits and advances ...	18,12,549
Liabilities ...	12,29,977	Investments	2,55,000
Profit and loss account ...	36,387	Cash ...	21,69,549
Rs.	1,45,64,238	Rs.	1,45,64,238

Dharamsi Morarji Chemical Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Dharamsi Morarji and Co., Bombay) present the audited accounts of the company for the year ended 31st December 1957.

The profit for the year after providing for bonus to employees, managing agents' remuneration and depreciation for the current year and arrears of depreciation of the previous years and taxation amounted to Rs. 3,44,919 (Rs. 86,895). Adding thereto the balance brought forward from the previous year's accounts of Rs. 5,474 (Rs. 728) the amount available for disposal is Rs. 3,50,393 (Rs. 87,623). From this amount, the directors propose the following appropriations:—

To reserve for plant rehabilitation Rs. 30,000 (*nil*), to gratuity reserve Rs. 28,000 (*nil*) and to general reserve Rs. 1,50,000 (*nil*) leaving a balance of Rs. 1,42,393 (Rs. 87,623). The directors recommend payment of a dividend at the rate of Rs. 5 (Rs. 3) per share on 27,383 shares of the Company which will absorb Rs. 1,36,915 (Rs. 82,149) leaving to be carried forward Rs. 5,478 (Rs. 5,474).

As a result of favourable trading conditions, the sales and profit for the year 1957 shows a substantial increase from that achieved during the previous years.

The directors have thought it fit, this year, to set apart a sum of Rs. 30,000 towards reserve for plant rehabilitation. This sum is by no means sufficient to take care of the enormous increase in the cost of plant and machinery required for replacement and modernisation, but a valuable start will have been made. As the shareholders are aware, no surplus was available in the past years to create a reserve of this nature.

Expansion and Modernisation.—The directors have decided to put up a *Continuous Superphosphate Plant*, which will enable the Company to increase its rated capacity for production of *Superphosphate* by 1,200 tons per month to 3,600 tons a month. They have also decided to scrap the existing 35-ton *Chamber Plant* and the 10-ton *Contact Plant* and erect in their place one *Contact Plant* of 50 tons daily rated capacity, for the manufacture of *Sulphuric Acid*. The approval of the Government of India, under the Industries (Development and Regulations) Act, 1951, to both these schemes has been obtained; since the close of the year, the import licences required for the import of the essential component parts of these plants have also been received.

A major portion of both the plants will be got fabricated indigenously. The directors are confident that by this action considerable saving of foreign exchange to the benefit of the country and economies in total capital outlay to the benefit of the Company, would be effected. The schemes of expansion and modernisation are expected to be completed by the middle of 1959.

Bonus to Employees.—A provision for payment of bonus equivalent to three months' basic wages or salaries to the employees of the Company for the year 1957 has been made in the accounts of the year. The Board of directors wish to take this opportunity to express their appreciation of the hard and loyal services rendered by one and all employees during the year under review.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,69,150	Block ...	16,45,966
Reserves ...	4,50,000	Stock-in-trade	9,03,207
Provision for taxation ...	1,10,604	Stores, loose tools, etc.	6,43,421
Provision for contingencies and claim	2,04,559	Debts, deposits and advances ...	8,49,784
Liabilities ...	21,20,166	Investments	15,243
Profit and loss account ...	5,478	Cash ...	7,880
		Miscellaneous expenditure and losses	1,94,456
Rs.	42,59,957	Rs.	42,59,957

Port Shipping Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts show a profit, after charging all expenses, of Rs. 1,49,954 (Rs. 5,54,496) of which the provision for taxation requires Rs. 74,000 (Rs. 2,65,000). The balance brought forward from last year was Rs. 62,822 (Rs. 43,305). The directors have transferred from reserve for repairs Rs. 50,000 (*nil*) making a total amount available for distribution of Rs. 1,88,776 (Rs. 3,32,801). An interim dividend of 60 (75) nP per share was paid on 16th December, 1957 absorbing Rs. 84,493 (Rs. 1,05,617) and the directors now recommend that a final dividend of 60 (75) nP per share be paid absorbing Rs. 84,493 (Rs. 1,05,617), leaving a balance to be carried forward of Rs. 19,790 (Rs. 62,822 after transferring Rs. 58,745 to fleet depreciation and insurance reserve). The sum of Rs. 1,971 has been transferred from investment realisation surplus to meet a small loss on the sale of investments. Rs. 25,551 being the profit on the sale of block assets, has been transferred to capital reserve.

Freight earned was satisfactory but expenses, particularly on repairs, showed a considerable increase compared with the previous year. With the current import restrictions, it is not considered likely that freight earnings in the immediate future will again reach the level of 1957. As a result of these restrictions, there is keen competition for the available lighterage business in the port; for this reason, in addition to the four new lighters referred to in last year's report as being particularly suitable for import cargo, orders for a further four similar craft were placed during the year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,08,220	Block ...	35,61,083
Reserves ...	24,92,283	Stores ...	1,27,447
Provision for taxation ...	61,379	Debts, deposits and advances ...	7,93,982
Liabilities ...	9,32,871	Investments	1,50,000
Profit and loss account ...	19,790	Cash ...	2,82,031
Rs.	49,14,543	Rs.	49,14,543

Okayti Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1957.

The accounts disclose a profit of Rs. 1,930 (Rs. 1,269). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 11,973 (Rs. 13,844), of which the directors have transferred Rs. 10,000 (*nil*) to revenue reserve, leaving Rs. 1,973 (Rs. 10,344 after paying a dividend of 1 per cent. on the preference shares absorbing Rs. 3,500) to be carried forward.

Crop weighed out at 1,49,376 lbs. as compared with 1,76,000 lbs. estimated and 1,83,154 lbs. in 1956. The shortfall in crop is attributed to unfavourable climatic conditions, hail damage and the ravages of pests and blights which are estimated to have resulted in the loss of 16,000 lbs., 18,400 lbs., and 6,800 lbs. made tea respectively. The average selling price was Rs. 3.90 per lb. as against Rs. 3.06 per lb. in the previous year.

Estimates for 1958 provide for a crop of 1,80,000 lbs. at an outlay of Rs. 5,71,000, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,000	Block ...	2,19,630
Reserves ...	1,07,647	Stock-in-trade	73,680
Provision for taxation ...	3,126	Stores and supplies	44,958
Liabilities ...	1,45,127	Debts, deposits and advances ...	65,298
Profit and loss account ...	1,973	Cash ...	4,307
Rs.	4,07,873	Rs.	4,07,873

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

COMPANY MEETINGS AND DIVIDENDS

NEW BEERBHOOM COAL CO., LTD. Annual General Meeting, Calcutta, 24th July 1958. Dividend: Re. 0.75 per share. Transfer books remain closed from 11th to 24th July 1958, both days inclusive.

BENGAL ASSAM STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 24th July 1958. Dividend: Rs. 5.00 per share. Transfer books remain closed from 16th to 24th July 1958, both days inclusive.

FORT GLOSTER INDUSTRIES LTD. Annual General Meeting, Calcutta, 29th July 1958. Dividend: Rs. 20.00 per share. Transfer books will remain closed from 21st to 29th July 1958, both days inclusive.

WALFORD TRANSPORT LTD. Annual General Meeting, Calcutta, 30th July 1958. Dividend: 12 per cent. on preferred ordinary shares and 14 per cent. on ordinary shares. Transfer books remain closed from 17th to 30th July 1958, both days inclusive.

NELLIMARLA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 30th July 1958. Dividend: Re. 0.90 per share, for the period—13 months ended 31st July 1957. Transfer books remain closed from 16th to 30th July 1958, both days inclusive.

PORT SHIPPING CO., LTD. Annual General Meeting, Calcutta, 30th July 1958. Dividend: Re. 1.20 per share (includes interim dividend of Re. 0.60 per share). Transfer books remain closed from 17th to 30th July 1958, both days inclusive.

TATA OIL MILLS CO., LTD. Annual General Meeting, Bombay, 30th July 1958. Dividend: Rs. 2.50 per share, payable on or after 31st July 1958. Transfer books remain closed from 23rd June to 21st July 1958, both days inclusive.

SEEBPORE COAL CO., LTD. Annual General Meeting, Calcutta, 31st July 1958. Dividend: Re. 1.75 per share (includes interim dividend of Re. 0.75 per share). Transfer books remain closed from 18th to 31st July 1958, both days inclusive.

BENGAL-NAGPUR COAL CO., LTD. Annual General Meeting, Calcutta, 31st July 1958. Dividend: *Nil*. Transfer books will remain closed from 25th to 31st July 1958, both days inclusive.

BURN & CO., LTD. Annual General Meeting, Calcutta, 31st July 1958. Dividend: Rs. 20.00 per share, payable on or after 4th August 1958. Transfer books will remain closed from 23rd to 31st July 1958, both days inclusive.

POONA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 31st July 1958. Dividend: Rs. 3.50 per share (final), payable on 4th August 1958. Transfer books remain closed from 14th to 31st July 1958, both days inclusive.

BROACH ELECTRIC SUPPLY AND DEVELOPMENT CORPORATION LTD. Annual General Meeting, Bombay, 31st July 1958. Dividend: Re. 0.50 per share, payable on 4th August 1958. Transfer books remain closed from 14th to 31st July 1958, both days inclusive.

INDIAN CEMENT CO. (1937) LTD. Annual General Meeting, Bombay, 4th August 1958. Dividend: Rs. 2.50 per share, payable on and after 5th August 1958. Transfer books were closed from 20th June to 4th July 1958, both days inclusive.

STANDARD COAL CO., LTD. Annual General Meeting, Calcutta, 4th August 1958. Dividend: 10 per cent. or Re. 1.00 per share. Transfer books will remain closed from 21st July to 4th August 1958, both days inclusive.

BAREILLY ELECTRICITY SUPPLY CO., LTD. Annual General Meeting, Calcutta, 6th August 1958. Dividend: Re. 1.00 per share. Transfer books will remain closed from 31st July 1958 to 6th August 1958, both days inclusive.

LARSEN AND TOUBRO LTD. Annual General Meeting, Bombay, 6th August 1958. Dividend: Re. 1.25 per share, free of income-tax, payable on or after 14th August 1958. Transfer books remain closed from 7th to 26th July 1958, both days inclusive.

HOWRAH MILLS CO., LTD. Annual General Meeting, Calcutta, 8th August 1958. Dividend: *Nil* (ordinary shares). Transfer books will remain closed from 26th July to 8th August 1958, both days inclusive.

RELIANCE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 8th August 1958. Dividend: *Nil*. Transfer books will remain closed from 2nd to 8th August 1958, both days inclusive.

BAGALKOT CEMENT CO., LTD. Annual General Meeting, Bombay, 11th August 1958. Dividend: Re. 0.60 per share without deduction of income-tax, payable on or after 15th September 1958. Transfer books will remain closed from 25th July to 11th August 1958, both days inclusive.

AMAR-DYE CHEM LTD. Annual General Meeting, Bombay, 14th August 1958. Dividend: *Nil*. Transfer books will remain closed from 31st July to 14th August 1958, both days inclusive.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Tennur, Tiruchirapalli, 27th August 1958. Final dividend of 4½ per cent. on the ordinary shares (making a total of 8½ per cent.), for the year ended 31st March 1958. Transfer books will remain closed from 2nd to 27th August 1958, both days inclusive.

INDIAN COPPER CORPORATION LTD. Annual General Meeting, Calcutta, 24th September 1958. Dividend: 18 per cent. free of income-tax (4.32d. per unit of stock), payable on 6th October 1958. Transfer books will remain closed from 7th to 23rd August 1958, both days inclusive.

CONCORD OF INDIA INSURANCE CO., LTD. First and final dividend of 20 per cent. or Re. 1.00 per share, on the paid-up capital, for the year ended 31st December 1957, without deduction of income-tax paid by the Company.

Notice

THE MYSORE PAPER MILLS LIMITED

BANGALORE 9

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-third Ordinary General Meeting of the Company will be held on WEDNESDAY the 3rd September 1958 at the Mysore Chamber of Commerce Buildings, Kempegowda Road, Bangalore City, at 3 p.m., to transact the following business:

1. To receive and adopt the Audited Accounts and Balance Sheet for the year ended 31st March 1958 and the reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors:
   (i) Capt. Rao Bahadur A. Thangavelu Mudaliar, one of the Directors, who retires by rotation under Article 109 of the Articles of Association of the Company and is eligible for re-election will be 71 years of age at his next birthday in 6th October 1958 and a resolution that the age limit prescribed in Section 280 of the Companies Act of 1956 shall not apply to him is necessary.

   Special Notice of the following resolution for exempting him from the age limit as required by Section 281 is hereby given:

   "RESOLVED that Capt. Rao Bahadur A. Thangavelu Mudaliar who has completed 70 years of age be and is hereby re-elected a Director and that the age limit prescribed under Section 280 of the Indian Companies Act 1956 shall not apply to him."

   Explanatory statement is annexed to the Notice posted to the Shareholders separately.

   Note: Special Notice signifying intention to move the above resolution has been received from a shareholder.

   (ii) To appoint a Director in place of Sri V. T. Padmanabhan who retires under Article 109 of the Articles of Association of the Company and being eligible offers himself for re-election.

   (iii) To appoint a Director in place of Sri K. Subbarao Ramaswamy who retires under Article 109 of the Articles of Association of the Company and being eligible offers himself for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

The Share Transfer Books of the Company will be closed from 14th August to 3rd September 1958 (both days inclusive).

Note.—A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and a *Proxy need not be a member of the Company.*

By Order of the Board,
C. V. RAMACHANDRA RAO,
Secretary.

ASIATIC BUILDINGS,
KEMPEGOWDA ROAD,
P. B. No. 570,
GANDHI NAGAR P. O.,
BANGALORE 9, *4th July*, 1958.

N.B.—The Board of Directors have recommended payment of dividend at 10 per cent. or Re. 1 on every share of Rs. 10 for the year.

The Dividend when declared will be made payable at the Bank of Mysore, Ltd., Bangalore, or its Branches on and after the 13th September 1958.

The Dividend Warrants will be posted to those shareholders whose names stand on the Register on 14th August 1958.

BOMBAY FIRE AND GENERAL'S BUSINESS EXPANDS

OVERALL WORKING, HOWEVER, SHOWS LOSS

THE audited accounts of the Bombay Fire and General Insurance Company, Ltd. (General Manager: Mr. K. K. Dastur, Bombay) for the year ended 31st December 1957 indicate that the Company has had another year of expanding business in all its three departments, fire, marine and miscellaneous. The combined net premium income for the year amounts to Rs. 18.82 lakhs, which compares favourably with Rs. 15.47 lakhs for the preceding year. The increase over the year is as much as Rs. 3.35 lakhs or 21.4 per cent. This is the second year in succession when the total premium income has recorded an increase, the rise in the previous year having been of the order of Rs. 3.10 lakhs.

Along with the expansion in business, claims, commission and expenses of management have also increased and that too to a larger extent than the rise in premium income, resulting in a small loss of Rs. 30,197. Nevertheless, the distribution to shareholders has been maintained at Rs. 3 per share on the Rs. 40 paid-up shares and at 75 nP per share on the Rs. 10 paid-up shares. This is being done by drawing on the previous year's surplus.

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

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Fire				
Net premium	10.82	9.52	8.38	8.81
Claims	4.10	2.77	1.68	1.83
Commission, expenses and foreign taxes	6.11	5.18	4.63	4.64
Fire fund	5.57	4.92	4.35	4.50
Marine				
Net premium	4.46	3.42	2.16	2.57
Claims	2.33	1.75	1.25	1.26
Commission, expenses and foreign taxes	1.65	1.51	1.13	0.98
Marine fund	4.46	3.42	2.16	2.57
Miscellaneous				
Net premium	3.54	2.52	1.83	1.85
Claims	1.80	1.14	0.72	0.69
Commission, expenses and foreign taxes	1.60	1.30	0.94	0.96
Miscellaneous fund	1.78	1.27	0.93	0.94

The net premium income of the fire department shows a rise of Rs. 1.30 lakh to Rs. 10.82 lakhs, but this has been more than offset by the increase of Rs. 1.33 lakh in claims (to Rs. 4.10 lakhs) and of Rs. 0.93 lakh in commission, expenses of management (to Rs. 6.11 lakhs). The claims loss represents 37.88 per cent. of the premium income, as against only 29.12 per cent. in 1956. The ratio of commission, expenses, etc. has also gone up from 54.40 per cent. to 56.46 per cent. After setting aside Rs. 5.57 lakhs, that is, over 50 per cent. of the premium income to the fire fund, the working of the department shows a profit of no more than Rs. 10,178, as against Rs. 1.10 lakh in the previous year.

A similar trend is disclosed in the marine and miscellaneous departments and both of them continue to show losses, though the loss in marine insurance has been considerably reduced. The net premium income from marine business has gone up from Rs. 3.42 lakhs to Rs. 4.46 lakhs and claims losses from Rs. 1.75 lakh (51.46 per cent.) to Rs. 2.33 lakhs (52.16 per cent.). Expenses of management, together with commission and foreign taxes, aggregate Rs. 1.65 lakh or 37.13 per cent., having gone up from Rs. 1.51 lakh or 37.6 per cent. After setting aside Rs. 4.46 lakhs or 100 per cent. of the premium income for marine fund, the accounts show a loss of Rs. 44,879, the deficit having declined from Rs. 1.05 lakh.

The net premium income of the miscellaneous department, at Rs. 3.54 lakhs, is higher by Rs. 1.02 lakh. At the same time, claims loss also has risen from Rs. 1.14 lakh (45.40 per cent.) to Rs. 1.80 lakh (51.02 per cent.). Expenses, commission, etc., show a slight rise from Rs. 1.51 lakh to Rs. 1.60 lakh, but, in terms of the premium income, the expense ratio has gone up sharply from 37.60 per cent to 45.32 per cent. The miscellaneous reserve is maintained at 50 per cent. of the premium income, but this has been done by drawing Rs. 33,834 from the profit and loss account, as against Rs. 25,653 in the previous year.

After closing the departmental accounts, the profit and loss account shows a debit balance of Rs. 30,197 which compares favourably with a surplus of Rs. 14,186 for 1956. Deducting this loss from the previous year's surplus of Rs. 2.38 lakhs brought in, the disposable sum amounts to Rs. 2.08 lakhs. No provision for taxation has been made, while a sum of Rs. 83,924 was set aside a year ago for this purpose. The dividend distribution absorbs Rs. 31,467, leaving a surplus of Rs. 1.76 lakh to be carried forward.

As a result of the year's operations, the Company's total funds have increased by Rs. 1.58 lakh. While the paid-up capital is unchanged at Rs. 4.20 lakhs, the reserve for unexpired risks has been strengthened from Rs. 9.45 lakhs to Rs. 11.64 lakhs. Additional reserve and general contingency reserve are unchanged at Rs. 17,500 and Rs. 5.50 lakhs, respectively.

ENGINEERING

(*Concluded from page* 112)

that the Government is now engaged in revising the relevant Rules. In this connection, the Committee regrets to observe that the Petroleum Concession Rules have not still been finalised. The policy not to grant licences has been in force for nearly 3½ years and, what is more, none of the oil concerns seems to be aware of it. The Committee feels that the question of exploration and prospecting and even mining of oil has to be viewed from "practical considerations and expediency."

Refineries

Reviewing the refining capacity in the country, the Committee notes that the oldest oil refinery situated at Digboi, with a crude oil intake of 0.35 million ton a year, produces a number of oil products including kerosene and diesel oil. The refineries owned by Standard-Vacuum, Burmah-Shell and Caltex went into production in 1954, 1955 and 1957 respectively, their aggregate capacity being 4.37 million tons. India's current requirements are just over 5 million tons. As a result of the discovery of oil at Nahorkatiya, two refineries are likely to be set up shortly; their estimated capacity would be about 2 million tons. The demand for petroleum products, it is stated, is increasing at the rate of 10 per cent. annually. It is thus evident that the problem of meeting the demand (besides that of finding the crude) is "urgent and has to be continuously faced." Referring to the formation of Oil India Private Ltd. to exploit oil reserves in Assam—the Government's agreement with the Assam Oil Co., Ltd., provides for one-third investment by the Government and two-thirds investment by the A.O.C. in the Company—the Committee considers it "unfortunate that, as a result of the delay in reaching an agreement for five years, the country has had to import petroleum products of the value of Rs. 40-50 crores a year which might have been manufactured with the Nahorkatiya crude"; besides, it has lost the royalty and other charges as a result of non-exploitation of the fields.

The Committee understands that two proposals were received from Indian *entrepreneurs* one from Madras and the other from Bhavnagar for establishing refineries in India. Of these, the former proposal was rejected by the Government since it had "several drawbacks." As regards the proposal for setting up a refinery at Bhavnagar with a capacity of 1.2 million tons at a cost of Rs. 12 crores, the then Government of Saurashtra had agreed to extend all possible facilities to the sponsors who, in their turn, had obtained promises of technical and financial aid from a French firm and also promised to use Indian crude oil if it became available. The refinery was intended to be kerosene-intensive. Its working would have meant an annual saving of foreign exchange to the extent of Rs. 6 crores. In the light of these facts, the Committee has suggested that "the consideration of the proposal to set up a refinery in the private sector may be expedited, keeping in view the provisions of the Industrial Policy Resolution."

Notices

INDIAN COPPER CORPORATION LIMITED

(Incorporated in England)

DIVIDEND NO. 32

NOTICE IS HEREBY GIVEN THAT AT THE Thirty-fourth Annual General Meeting to be held at the Royal Exchange Hall, Royal Exchange, Calcutta, on Wednesday, the 24th September, 1958 at 11-30 a.m., the Directors will recommend payment of a Dividend (No. 32) for the year ended 31st December, 1957 of 18 per cent. (4.32 pence, i.e., 24 Naye Paise per unit of stock) free of Income-tax payable by the Company in respect of the Issued Capital of £1,371,300. Subject to confirmation of members, the dividend will be paid on the 6th October, 1958, to all members registered in the books of the Company at the close of business on the 6th August, 1958.

The Registers of Members will be closed from the 7th August to the 23rd August, 1958, both days inclusive.

The nett profit for the year ended 31st December, 1957 was £252,215 (against £272,157 for previous year), after providing £175,000 for depreciation (£175,000 last year), £522,534 for Taxation (against £885,027), £175,000 for General Reserve (against £175,000). With £114,980 brought in from 1956, there is an available balance of £367,195 (against £389,240). After providing £246,834 for proposed Dividend of 18 per cent. free of Income-tax payable by the Company (Dividends No. 30 (Int.) of 6⅝ per cent. and No. 31 (Final) of 13⅛ per cent. free of tax last year—£274,260) the balance carried forward is £120,361 (against £114,980 brought in from previous year).

By Order of the Board,
G. A. CARVER,
Secretary.

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA-1, *9th July*, 1958.

CHITAVALSAH JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of the above Company has sanctioned payment of Interim Dividends in respect of the year ending 31st July, 1958, at the rate of Rs. 3.50 nP (Rupees Three and Naye Paise Fifty only) on each Preference Share and 50 nP (Naye Paise Fifty only) on each Ordinary Share payable on or after 14th August, 1958, to those persons (or their Mandatees) whose names appear in the Company's Register of Members on 14th August, 1958, as the registered holders of such shares.

The Share Transfer Registers of the Company will be closed from 31st July, 1958 to 14th August, 1958, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
C. HOCKLEY,
Secretary,
Managing Agents.

McLEOD HOUSE,
3, NETAJI SUBHAS ROAD,
CALCUTTA-1, *9th July*, 1958.

THE EMPIRE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of the above Company has sanctioned payment of Interim Dividends in respect of the year ending 31st July, 1958, at the rate of Rs. 3.50 nP (Rupees Three and Naye Paise Fifty only) on each Preference Share and 30 nP (Naye Paise Thirty only) on each Ordinary Share payable on or after 14th August, 1958, to those persons (or their Mandatees) whose names appear in the Company's Register of Members on 14th August, 1958, as the registered holders of such shares.

The Share Transfer Registers of the Company will be closed from 31st July, 1958 to 14th August, 1958, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
C. HOCKLEY,
Secretary,
Managing Agents.

McLEOD HOUSE,
3, NETAJI SUBHAS ROAD,
CALCUTTA-1, *9th July*, 1958.

GOOD RESPONSE TO STATE LOANS

(From Our Own Correspondent)

BOMBAY, *16th July*

Barring a slight pull during the last two days due to subscriptions to various State loans which opened their lists yesterday, the short-term money market continued to rule easy. The lists for all the State loans, except that of Orissa, were closed during the course of yesterday and today, with some of them being heavily oversubscribed. The effect of this was, however, felt in the inter-bank call money section, where the interest rate recorded a sudden jump.

Earlier in the week under review, inter-bank call money was done among Exchange banks and big Indian banks at 2½ per cent., some small transactions were done even at 2¼ per cent. In the last two days, however, the rate hardened to 2¾-3 per cent. House money at call was unchanged at 4 to 4¼ per cent. with very little business reported even at these rates. Short-term deposits were quoted at 4 to 4¼ per cent. for one to six months.

As the Reserve Bank of India statement for the week ended 11th July 1958 has not been received up to the time of writing, we are unable to include in this report our customary analysis of the trends in note issue, external assets, etc.

The Scheduled banks' statement for the week ended 4th July 1958 shows a sharp fall of Rs. 6.83 crores in demand deposits and a rise of Rs. 1.79 crores in time deposits. Inter-bank borrowings have also recorded a sizable increase of Rs. 5.99 crores, while borrowings from the Reserve Bank are lower by Rs. 1.54 crores. For the second week in succession, advances have gone up, but the extent of rise—Rs. 1.41 crore—is much less than that in the previous week. Bills purchased and discounted are lower by Rs. 90 lakhs. An increase of Rs. 12.13 crores is noted in investments; this is on top of an addition to the tune of Rs. 2.75 crores in the previous week. Cash balances, including balances with other banks, have shrunk by Rs. 8.04 crores.

The borrowing programme of the States has proved to be a success, all the loans, except that of Orissa, having been closed, as stated above, in the course of yesterday and today. Of the nine loans which have been closed so far, Madras, Andhra Pradesh and West Bengal loans have been "fully subscribed," while those of Bombay, U.P., Kerala, Madhya Pradesh, Mysore and Rajasthan have been "oversubscribed." At the time of writing this report, the approximate amount of subscriptions and the allotments pertaining to only five State loans have been published. They are as follows (the figures in brackets being the amounts called for):

(*In crores of rupees*)

4¼ per cent. Bombay 1970	8.26	(10.00)
4¼ per cent. Bombay 1971	5.69	
4½ per cent. Madhya Pradesh 1970	3.10	(2.00)
4½ per cent. Madras 1970	6.03	(5.00)
4½ per cent. Mysore 1970	7.11	(5.00)
4½ per cent. Rajasthan 1970	2.97	(2.50)

Applications for conversions to Bombay, Madhya Pradesh and Madras loans amounted to Rs. 1.22 crores, Rs. 39 lakhs and Rs. 87 lakhs, respectively.

All conversion applications for Bombay, Madhya Pradesh and Madras loans and cash applications up to and including Rs. 10,000 for all the above loans will receive full allotment. Subscribers in cash for amounts over Rs. 10,000 will receive allotment approximately as follows, subject to a minimum allotment of Rs. 10,000:—

Bombay	76 per cent.
Madhya Pradesh	66 per cent.
Madras	89 per cent.
Mysore	77 per cent.
Rajasthan	92 per cent.

The Gilt-edged market continued to rule firm, with a further rise in prices, on good demand for short and medium-dated loans. Turnover, however, remained restricted owing to scarcity of stocks. 3 per cent. 1986 Conversion Loan was neglected at Rs. 71.10. 3 per cent. 1970-75 continued to be in demand and gained a further 10 nP to Rs. 87.60. 3 per cent. 1966-68 gathered 5 nP to Rs. 93.10, as also 3 per cent. 1964 to Rs. 95.65. 3 per cent. 1963-65 picked up 5 nP to Rs. 95.65, but it attracted sellers at that level. 3 per cent. 1959-61 had buyers 5 nP higher at Rs. 99.40. 2¾ per cent. 1960 shot up by 15 nP to Rs. 98.35, due to half-yearly payment of interest. 3½ per cent. 1961 gathered 10 nP to Rs. 99.65 and 3½ per cent. 1963 5 nP to Rs. 99.10. 3½ per cent. 1964 rose by 15 nP to Rs. 98.85. 3½ per cent. 1965 also gained 5 nP to Rs. 98.50, following the rise in Reserve Bank's selling price.

The rupee developed fresh weakness in terms of the U.S. dollar, following the setback in sterling. Banks' selling rate of ready dollars rose from Rs. 477 to Rs. 477.75 per $100 and their buying rate from Rs. 473.75 to Rs. 474.50 per $100. In New York, spot sterling dropped from $2.80½-2.80.9/16 to $2.80.1/16-2.80¼ and three months' forward from $2.78.11/16-2.78¾ to $2.78¼-2.78.9/32. Transferable sterling weakened from 278.50-278.60 cents to 277.70-277.80 cents.

METALS EASY

(From Our Own Correspondent)

CALCUTTA, *15th July*

Easier conditions prevailed in the metal market during the week under review, following expectations of increased availability of materials. There were also hopes that more imports might be permitted. It was thought that the various export promotion schemes and measures would result in more imports of essential industrial raw materials such as non-ferrous metals. In this connection, note was taken of the approach which the All-India Manufacturers' Association had made to get private loans from the National Association of Manufacturers in the United States for importing steel in order to relieve shortages up to 1961. Tin opened at Rs. 571, sagged to Rs. 555 and recovered to close at Rs. 561. There was fair demand, and supplies here also attracted attention from upcountry buyers on account of the Bombay quotation being higher than here. The lower trend in copper on the London Metal Exchange was noted here. In New York also, the trend was downward in copper. Locally, lead closed at Rs. 66, after being lower at Rs. 65. Excepting for some Government demand, there was hardly anything else to note. Electrolytic zinc opened at Rs. 67 and gave way to Rs. 63 before closing at Rs. 65.00. Demand was dull.

SPURT IN BULLION

(From Our Own Correspondent)

BOMBAY, *16th July*

The bullion market staged a smart recovery during the latter part of the week under review. The dramatic political developments in the Middle East, namely, the military coup in Iraq, overthrowing the monarchy, and the landing of U.S. Marines in Lebanon, revived the bullish trend, as it was felt that one result of these developments would be a sharp fall in the quantum of gold available for smuggling into India. The demand for ready gold also picked up in the last two days. Silver, too, gained ground in sympathy, despite the poor offtake and persistent reports about prospect of fresh arrivals of Tibetan coins.

Early in the week, gold slumped to the lowest level in the past 15 months on nervous selling, following reports of large offerings by a former princely State. Silver also relapsed in sympathy. Thereafter, the market ruled fairly steady, but the fluctuations were confined to a narrow range. The sudden deterioration in political conditions in the Middle East, however, gave a fresh stimulus towards the close, as stated earlier.

Silver for forward delivery (*Shravan* First delivery) gave way from Rs. 181 to Rs. 179-8 on Thursday last. After an improvement to Rs. 180-13, it retreated to Rs. 179-14, but gathered fresh strength to touch a high of Rs. 183-4 today. The closing was, however, a fraction lower at Rs. 182-8. The *Shravan* Second delivery closed at Rs. 183-2, as against Rs. 181-8 a week ago.

Ready silver first slumped from Rs. 180 to Rs. 178-8, and then moved up to Rs. 182-4. The closing was done at Rs. 181-8. The floating stocks of silver have increased from 600 bars to 700 bars. The daily average arrivals were 45 bars (including unrefined metal), while the offtake was on an average 10 bars per day.

Forward gold (*Shravan* First delivery) gave way from Rs. 104-14 to Rs. 103-12 earlier in the week, but slowly moved forward to touch Rs. 104-11 on Monday. The recovery gathered considerable momentum both yesterday and today, with forward gold closing at a high of Rs. 106-13. *Shravan* Second delivery improved over the week from Rs. 105 to Rs. 106-10.

Ready gold finished at a high of Rs. 107-7, after having reacted from Rs. 105-6 to Rs. 104-9. The floating stocks of gold are estimated at 35,000 tolas. The daily average arrivals were 3,500 tolas and the offtake was also of the same order.

In New York silver continued to be quoted at 88½c. There was no change in London prices either, spot silver being quoted at 75*d.* and forward at 74¾*d.* Gold, on the other hand, staged a spurt from 249*s.* 11½*d.* to 250*s.* 7¾*d.*

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

	10-7-58	Highest	Lowest	9-7-58
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	107 7	107 8	104 9	105 6
Forward*	106 13	106 14	103 12	104 14
Sovereign	72 0	72 0	69 12	69 12
SILVER				
Ready (.999 fine Mint)	181 8	182 4	178 8	180 0
Forward†	182 8	183 4	179 8	181 0
London Silver Ready	75*d.*	—	—	75*d.*
London Forward	74¾*d.*	—	—	74¾*d.*
London Gold	250*s.* 7¾*d.*	250*s.* 7¾*d.*	250*s.* 2½*d.*	249*s.* 11½*d.*
New York Silver	88½c.	—	—	88½c.

* 30th July settlement.
† 31st July settlement.

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

LINSEED CLIMBS UP

(Messrs. A. Bradley & Co.)

CALCUTTA, *14th July*

There was a considerable advance in the price of linseed and linseed oils during the week, following removal of export duties on linseed, groundnut and other edible seeds and oils. Prices locally advanced by a rupee per maund. There was quite a sharp rise in the price of linseed oilcake from Rs. 13 per maund last week to Rs. 14 today.

At present, immediate prospects of export are poor, as the current advance in prices has put Indian values out of parity in relation to values from other linseed-producing countries. Some business, however, has been put through by Calcutta shippers to Australia at around £120 per ton for bulk shipment. Local crushers are very active and there has been an appreciable increase in the volume of business with a daily turnover averaging 150-200 tons. Business in the oil market, however, is less brisk with neither shippers nor local consumers following the present rise.

The latest quotations are: Ready Rs. 25-2 and July-August Rs. 25-4 per maund.

TRADING IN NEW CROP COTTON FUTURES

(From Our Own Correspondent)

BOMBAY, *16th July*

New crop business in cotton futures commenced in Bombay on Monday, permission for trading having been obtained from the Forward Markets Commission. The basis of the new contract, I.C.C. March 1959, remains unchanged, namely M. G. Moglai Jarilla 25/32". But for minor changes in By-Law 55, the contract is practically the same as the current one. The new contract began its career at Rs. 671.25, and, after moving in a narrow range between Rs. 674 and Rs. 671, closed at Rs. 671.50 the same day. Trading was featureless and turnover very limited. The contract, however, picked up strength yesterday. This was due to heavy bull buying following renewed export quota rumours and optimism regarding the forthcoming visit of Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, to the City to discuss with representatives of the mill industry further measures to meet the textile crisis. The news of the disquieting developments in West Asia had a bullish influence on the market. The firmness of other commodity markets was another helpful factor. Influenced by these, the contract made further gains today, though it eased towards the close.

The maturing August contract, after having ruled easy during the earlier part of the week, encountered good support yesterday. The earlier easiness was due to heavy selling, especially by Ahmedabad and Akola operators. This was attributed to the prolonged delay in the announcement of export quota, and the mounting volume of cloth stocks with mills as a result of slow offtake of cloth. Reports that a number of mills in Vidarbha was about to close down and that, consequently, demand for raw cotton would be further affected and favourable weather news, indicating the possibility of a better crop in the new season, adversely affected sentiment. However, renewed export quota rumours and other bullish factors mentioned above induced a recovery yesterday which persisted today also. The closing was a shade lower.

I.C.C. Moglai Jarilla (August 1958) commenced the week at Rs. 685.50 and after declining to Rs. 678 on Monday improved to Rs. 687.50 today. It, however, closed lower at Rs. 683.50.

I.C.C. Moglai Jarilla (March 1959) opened on Monday at Rs. 671.25 and firmed up to Rs. 680 yesterday. After commencing at Rs. 688 today, the contract declined to Rs. 682, but closed slightly higher at Rs. 683.25. The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	16-7-58	*High*	*Low*	9-7-58
I.C.C. Moglai Jarilla (August 1958)	683.50	687.50	678	684.75
I.C.C. Moglai Jarilla (March 1959)	683.25	688	671	671.25*

*On 14th July 1958.

Weather reports in general are satisfactory. Broach and Surat report general rainfall all over the districts; sowings have been completed and germination is satisfactory. In Berar, Khandesh and M.P. there have been small rains and some more would be welcome; sowings are near completion in most places. In the Punjab, the crop is making satisfactory progress with regular supply of canal water at most places; immediate rainfall, however, is said to be necessary for proper nourishment, especially in the unirrigated areas.

In the spot section, activity was fairly well maintained. Fearing a scarcity of good quality cotton, should the Government further delay the import quota announcement, mills made substantial purchases to meet their immediate requirements. Nearly all the popular varieties attracted attention. Popular varieties such as Vijay, Laxmi, Surat, Khamgaon, Jarilla, Kalyan were in demand.

In the export section, shippers showed keen interest in C.P., *Deshi* and its price hardened due to shortage of stocks.

In the foreign section, interest was noted for U.S. styles. Early in the week, about three to four thousand bales of American cotton Good Middling 1-5/32" were purchased by Bombay and Ahmedabad mills at prices ranging from Rs. 1,425 to Rs. 1,445, subject to the availability of import licences. Total business already done, subject to the availability of import licences, is placed at 40,000 bales.

There is much disappointment that the import allocation for the remaining 30,000 bales of sterling area cotton has not so far been released. Mills manufacturing fine and superfine cloth consequently fear that they will have to face acute scarcity of raw materials.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Bengal *Deshi* 600; Berar Jarilla 725; Khandesh 790; Vijay 885; Hubli Laxmi 1,040.

The Karachi cotton futures market depicted a divergent trend during the week under review. While the maturing July contract was a shade easy, the distant January contract ruled firm. The firmness of the latter was due to speculative support prompted by good export inquiries, mainly from China. Switchover of purchases from the expiring contract to the distant January contract and selling on tender consideration were responsible for the easiness of the former. Towards the close of the week, however, the contract encountered support and the earlier losses were made up. The closing rate was a shade higher than last week, at Rs. 77-13. The January contract firmed up from Rs. 78-10 last week to Rs. 79-8 yesterday.

The spot section was active and prices improved. Sind *Deshi* and Punjab was quoted Rs. 2 and As. 8 higher at Rs. 64 and Rs. 59-8 respectively. Exports from the commencement of the sea-

son till 26th June aggregated 578,541 bales as compared with 701,698 bales during the same period last season. The following are the latest available quotations—in rupees per 82 lbs.—for a few other popular varieties of Pakistan cotton prevailing at Karachi:

4 F. Roller 69-3; S.G. 75-3; Punjab Roller 73-3; S.G. 79-11; 289 F.N.T. Roller 80-11; S.G. 91-11; 289 F Punjab Roller 85-11; S.G. 98-3.

Easy conditions prevailed in the Alexandria cotton futures market during the week under review. Brisk enquiries from China and Spain, evident in the past few weeks, subsided. Reports of favourable weather and satisfactory crop progress induced selling with the result that prices suffered a break. Export sales from the commencement of the season till the 15th June were of the order of 755,022 bales. Actual shipments till the 11th inst. amounted to 557,849 bales, leaving a balance of 197,173 bales to be shipped.

The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week-end rates:

Karnak: July 75.10 (75.35); November 76.15 (76.10). *Ashmouni*: August 67.25 (67.35); November 68.10 (68.25).

A mixed trend was witnessed on the Liverpool Cotton Exchange during the week. While the near deliveries of both the American and American type contracts ruled fully steady the more distant positions were easy. The steadiness of the former was due to mill fixation and speculative support prompted by strong New York advices. Hedge selling and liquidation, based on the expectation of a possible higher subsidy rates for cotton exports from the U.S., was responsible for the weakness of the latter. Trading in Sudan contract was inactive and prices remained unchanged. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closings:

American cotton one inch staple contract: July-August 25.00 (24.99); October-November 25.20 (25.10); December-January 25.40 (25.45); March-April 25.60 (25.75). *American cotton mixed growth contract*: July-August 25.70 (25.65); October-November 25.75 (25.65); December-January 25.95 (25.9). *Sudan*: July-August 31.25 (31.25); September-October 31.90 (31.90); November-December 31.90 (31.90).

Cotton futures values in New York scored handsome gains during the week on improved trade and commission house buying influenced by news of unwanted showers in certain cotton belts and heavier boll weevil infestation in the southern gulf coast areas. The first official acreage report, published on the 8th inst., failed to produce any immediate influence on prices as it was more or less in line with trade expectations. Traders were awaiting further Washington developments on new cotton legislation.

The price support for current crop extra long staple cotton has been cut by U.S. Department of Agriculture to an average of 53.95 cents per lb. which is 65 per cent. of parity, as against 59.70 cents or 75 per cent. of parity previously.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	15-7-58	8-7-58	1-7-58
Spot	36.50	36.50	36.50
July	—	36.14	36.24
October	36.84	36.60	36.48
December	37.01	36.85	36.73

ART SILK YARN ADVANCES

(From Our Own Correspondent)

BOMBAY, 16*th July*

The bearish trend noted in the rayon yarn section last week-end gathered considerable momentum during the week under review, and values suffered a further marked fall. There was selling pressure induced by fears of enlarged supplies of yarn in the market. The fears were based on the decision of the Government of India, announced last week, to allow licence holders to utilise their import licences issued for the current half year for importing 120 and 150 deniers high viscose rayon yarn upto 50 per cent. of the face value of licences and 120 and 150 deniers acetate rayon yarn up to 25 per cent. The Government was also reported to have recently issued import licences to the extent of Rs. 3 crores (including Rs. 1.25 crore worth of licence to units in Bombay), to actual users for the current licensing period. The quantity of yarn imported against these licences was expected to start arriving early in September next. In addition to these imports, traders expect that there would be large imports against licences granted under the special Export Promotion Scheme. In contrast to art silk yarn, staple fibre yarn ruled strong, thanks to depleting floating stocks. There would have been an appreciable drop in prices but for rumours of the Government allowing imports of raw staple fibre in moderate quantities to actual consumers in India.

A development of import to the cotton yarn trade is the Government of India's decision to discontinue the existing system of allocating their export quotas for cotton yarn to mills on the basis of their production. Accordingly, the mills are now allowed to export as much yarn as they can freely do so without quantitative restrictions during the current licensing period, that is, July to December 1958. It will be open to the mills to get an advance export licence themselves or to nominate exporters for specific quantities. In the latter case, the names of such nominees and the quantities for which they are nominated are required to be reported to the office of the export trade control authority concerned. This decision, however, did not have any effect on the market, because it was felt that it might not lead to any significant rise in export business with overseas countries, owing to keen competition from countries like Japan, China and Pakistan.

Imported art silk yarns encountered selling pressure and suffered a setback to prices. 120 Japan climbed down from Rs. 7.06 last week-end to Rs. 6.50 today. 150 Japan dropped 44 nP to Rs. 6.25. 120 Italy fell by 50 nP to Rs. 6.50. 150 Italy shed a like amount to Rs. 6.25. Indigenous yarns also came in for selling. National Rayons 150 bright cones first grade receded by 44 nP to Rs. 5.06. 120 bright cones first grade declined by 13 nP to Rs. 6.37.

In the staple fibre yarn section, 40×2 August delivery met with good buying support and advanced by Rs. 9 to Rs. 707. Among spot yarns (40×2), New Greats were well supported, its rate improving from Rs. 3.56 to Rs. 3.81. Citys were done at Rs. 4, Centurys at Rs. 4.09 and Kohinoors at Rs. 4.02. Foreign yarns (80×2), however, were subjected to selling, Paramounts and Fujis both shedding 13 nP to Rs. 9.12.

Among cotton yarns, ten counts Moderns were dull at Rs. 13.50, as also Podars at Rs. 12.62. Twenty counts Indus were done at Rs. 16.37, same as last week. Similarly, Moderns were unchanged at Rs. 16.50 and Gokaks at Rs. 16.75. Thirty counts Hinds were subjected to selling and eased by 7 nP to Rs. 19.37. Forty counts Meenakshis, however, were well supported and the price moved up from Rs. 25.06 to Rs. 25.37. Among sixty counts, Raghuvamshis shed 15 nP to Rs. 56.50. Finlays were dull at Rs. 61. Eighty counts were well supported, Moderns and Finlays rising by 50 nP to Rs. 70 and Rs. 77, respectively. Mahendras were firm at Rs. 69.

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

	16-7-1958	9-7-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	6.50	7.06
150 Japan (per lb.)	6.25	6.69
120 Italy (per lb.)	6.50	7.00
150 Italy (per lb.)	6.25	6.75
Staple fibre yarn (per case of 200 lbs.)—		
40×2 August	707.00	698.00
40×2 Kohinoor (per lb.)	4.09	4.09
40×2 City (per lb.)	4.00	4.03
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.62	12.62
20s Modern	16.50	16.50
30s Hind	19.37	19.44
40s Minaxi	25.37	25.06
60s Finlay	61.00	61.00
80s Mahendra	69.00	69.00

OILSEEDS FORGE AHEAD

(From Our Own Correspondent)

BOMBAY, 16*th July*

Hedge trading in new crop oilseeds contracts barring linseed commenced on Saturday this week. Groundnut February 1959 delivery is subjected to a special margin system. The margin payable is fixed at Rs. 15 per candy, if the closing price exceeds Rs. 165 per candy—the marginal rate—and at Rs. 25 when the rate is higher than Rs. 175; hitherto, there was only one uniform rate of margin, namely, Rs. 25 per candy on all purchases above Rs. 165. The margin must be paid by every member on the total of the net long position of his own account and that of every client of his. If, at any time more than one hedge contract are running, the margin shall be payable when the closing price of either of such contracts is above the marginal line and, for the purpose of payment, the total of the long position will be determined after allowing set off of his or each of his client's short position in one contract against such member's or each of his client's long position in the other contract. The provision of By-law 296A in respect of payment of ordinary margin shall not apply in respect of groundnut whenever the price of the February contract rules above the marginal line.

Despite the operation of margins, the groundnut section ruled distinctly firm. The firmness was aided by the abolition of excise duty on groundnuts early this week. There were reports that a leading *vanaspati* manufacturer had purchased a large quantity of groundnut oil. This factor, together with reports that the Government of Burma had invited tenders for groundnut oil supplies before the 23rd inst., induced good support to groundnuts and groundnut oil. As a consequence, prices registered an impressive rally. In sympathy with groundnuts, and following encouraging overseas demand for linseed oil, the linseed section also ruled buoyant and there was a marked increase in prices. Export business involving a sizable quantity of linseed oil was put through with U.K. at £115 10*s.* per ton. There were reports that Australia continued to show interest in buying Indian linseed oil. Demand from other countries was also expected to broaden, what with unfavourable crop conditions in Canada and somewhat obscure position in Argentina. The castorseed section also presented a very firm trend, despite the Government's continued refusal to allow export of castorseed. The chief inspiring factor was the expectation of enlarged demand for Indian castor oil from foreign countries, thanks to lower Brazilian crop and deterioration in international political situation. There were unconfirmed rumours of export business having been put through with Russia. Cottonseed met with good buying support. Kardiseed and nigerseed were firm on buying enquiries encouraged by removal of export duty.

Groundnut August 1958 contract which stood at Rs. 174.12 last week-end evoked excellent buying orders and moved up to touch the highest level of Rs. 187.75 today. At this level, profit-taking set in and the contract finished lower at Rs. 185. Business in new crop groundnut February 1959 contract commenced at Rs. 165.25 on Saturday. The contract was somewhat subdued on the opening day, as also on Monday. Subsequently, however, it recovered and firmed up to touch Rs. 169 today before closing at Rs. 168. Over the week, bold ready registered a gain of Rs. 1.37 to Rs. 37.87. Coromandel and Khandesh quality both spurted from Rs. 36.62 to Rs. 38.75. Groundnut oil ex-mill picked up Re. 1.25 to Rs. 20.50. Railway receipt put on a rupee to Rs. 20.

Castorseed September 1958 contract attracted good attention of operators and forged ahead from Rs. 155.87 to Rs. 165.50 today. Towards the close, however, it was subjected to nervous unloading by bulls and dropped to Rs. 162.50. Castorseed May 1959 delivery commenced at Rs. 149.25 and moved up gradually to Rs. 164.75 today before closing lower at Rs. 162.50. Ready Madras strengthened from Rs. 30.56 last week-end to Rs. 32.75 today and Kanpur quality from Rs. 29.37 to Rs. 31. Castor oil B.S.S. moved up 75 nP to Rs. 17.75. Commercial quality rallied 87 nP to Rs. 16.37.

Linseed September 1958 contract had many buyers, its closing rate today being Rs. 35.19 as against Rs. 33.44 on Wednesday last. Business in linseed May 1959 contract will be permitted, as already reported last week, only after the changes in rules and regulations regarding the contract as proposed by the Bombay Oilseeds and Oils Exchange Ltd. are approved by the Forward Markets Commission. Bold ready was well supported, the quotation spurting from Rs. 33.25 to Rs. 34.87. Linseed oil ready elicited excellent support from shippers and climbed up from Rs. 16.87 last week-end to Rs. 18.25 today.

Cottonseed September 1958 contract strengthened from Rs. 116.75 to Rs. 122.50 today before finishing lower at Rs. 120.25. February 1959 delivery commenced at Rs. 108.50. After declining to Rs. 104.50 the same day, on account of selling pressure, the contract recovered gradually to touch a high of Rs. 109 today. At the close, however, it receded to Rs. 107.50, owing to profit-taking.

Kardiseed reacted bullishly to the Government's abolition of export duty. It was done at Rs. 22 today, as against Rs. 20.50 last week-end. Similarly, nigerseed Madras' quality met with good buying support, the quotation advancing from Rs. 30.25 to Rs. 32.25 on the 14th inst. It was, however, lower at Rs. 32 yesterday. This rate was maintained today also.

The following table shows the closing prices of oilseeds and oils today as compared with those a week and two weeks before:

	16-7-1958	9-7-1958	2-7-1958
	Rs.	Rs.	Rs.
Groundnut—			
August 1958	185.00	174.12	172.37
Feb. 1959	168.00	165.25§	—
Bold ready (per cwt.) ..	37.87	36.50	36.62
Linseed—			
Sept. 1958	35.19	33.25	32.62
Bold ready (per cwt.) ..	34.87	32.62	32.25
Castorseed—			
Sept. 1958	162.50	155.87	156.25
May 1959	162.50	149.25§	—
Madras (per cwt.)	37.75	30.56	30.25
Cottonseed—			
Sept. 1958	120.25	116.75	115.25
Sept. 1958	107.50	108.50§	—
*Groundnut oil**—			
Ex-mill ready (per quarter) ..	20.50	19.25	19.12
Castor oil†—			
Commercial (per quarter) ..	16.87	15.50	15.50
Linseed oil‡			
Ready	18.25	16.87	16.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
‡ Rates at which business commenced on the 12th inst.

MONTHLY SUGAR RELEASE

(From Our Own Correspondents)

BOMBAY, 16*th July*

Despite the normal monthly release of 170,000 tons of sugar announced this week, the sugar market ruled fully steady. For actual arrivals of sugar into the market were negligible, thanks to dislocation of rail traffic due to heavy rains; the arrivals aggregated just 1,400 bags, as against 8,000 bags in the previous week and 11,800 bags in the week before that. Consequently, sugar prices were held steady.

Small grain sugar rose by 50 nP to Rs. 106.50 per bag. Medium grain hardened by a like amount to Rs. 107.50-Rs. 109. Large grain was done at Rs. 110-Rs. 116.

The Indian Sugar Mills Association, Calcutta, has sold for export about 12,400 tons of sugar, the bulk of which, amounting to 9,000 tons, is accounted for by Sudan, the balance being the quantity sold to Malaya. The Association has suspended further sales in expectation of realising better prices.

An unprecedented event took place in the sugarcane district of the Bombay-Deccan. It is reported that several traders in the bulk *gur* producing areas like Muzaffarnagar recently came down to Ahmednagar district and purchased *gur*. The *gur* so purchased has been transported to Muzaffarnagar either for local sales there or for using it to manufacture *khandsari* sugar.

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HAPUR, 14*th July*

Sugar prices displayed a steady trend during the week, thanks to delay in the release of fresh quota for sale in free market. The supply position, however, was reported to be easy. Current quota of almost all the factories had been sold out and it was reported that, since the Government was considering fixation of prices for all grades according to the specification of the Development Council, the next quota might be delayed for some days more.

Good support from Punjab and Rajasthan accounted for gains of about 19 nP-37 nP per maund during the week under review in the crystal sugar prices in the Muzaffarnagar market. Small grain prices improved considerably as compared to holder crystal. The latest ex-mill delivery prices there are: Rampur (B29) Rs. 38.37; Buland (C29) Rs. 38; Rohana (B29) Rs. 39.25; Mansurpur (C29) Rs. 38.62; Daurala (C29) Rs. 38.37; Amroha (D29) Rs. 37.12; Meerut (D28) Rs. 37.75; Simbhauli (E29) Rs. 37.56.

Prices of sugar in Kanpur stayed steady, due to good demand in the face of poor stocks.

Khandsari prices recorded further gains during the week, on account of good demand and in line with the firm trend of crystal sugar prices. The prevailing prices were Rs. 34 to Rs. 37 per maund according to quality.

Good demand and fully bullish trend in the futures section induced good support for *gur*, the prices of which registered a rise. Dry quality was quoted upto Rs. 23 per maund, and Kotha dry-wet quality at Rs. 21. Local stock was put at 55,000 maunds. Fairly good rains here have proved beneficial to the standing cane crop, but, in most parts of the State of U.P., cane crop has suffered due to deficient rains.

Gur and *shakker* stocks ran down further in the Muzaffarnagar market where it was put at 28,000 maunds. *Shakker* was much in request from Rajasthan and Madyha Pradesh and prices, therefore, improved by Re. 1 per maund. *Khandsari* prices were higher by about Re. 1 per maund, due to good demand from Madhya Pradesh and Gujerat. The latest prices were: *Chakku* dry-wet Rs. 22.50; dry Rs. 23.50 per maund; *khandsari* Rs. 35 and Rs. 37.

In the futures section, Fagun delivery opened at Rs. 14.54 on Monday last and touched the highest in mid-session at Rs. 15.28 when the local chamber fixed the ceiling at Rs. 15.27. Thereafter, prices reacted and touched the lowest at Rs. 14.46, but again improved and was today quoted at Rs. 14.96

BLACK PEPPER MOVES UP

(Messrs. Parekh and Co.)

BOMBAY, 16*th July*

Following deterioration in political situation in the Middle East, Malabar black pepper firmed up with sellers reserved. Sarawak in Singapore improved to Str.$77 for black and Str.$136 for white.

New York spot was listed at $0.28, while improvement in London was more pronounced, white and black pepper quoting at 31d. and 19d., respectively.

Cochin, after see-sawing between Rs. 625 and Rs. 637½, rallied to Rs. 650. Garbled in ready at Cochin was quoted lowest at Rs. 108 and highest at Rs. 110½. August delivery ruled strong at Rs. 116¼. Calicut, after dipping to Rs. 650, improved to Rs. 685.

The future of the market now depends upon the political situation in the Middle East. Pepper, which was experiencing narrow fluctuations for many months past, is now likely to be more speculative showing wide fluctuations, as dealers in New York and Europe who were waiting for lower price will be forced to cover their short sales, as well as autumn requirements, since pipelines of grinders and spice mills are running down.

In specific delivery, July, after touching Rs. 625, improved to Rs. 645. In the A.S.T.A., July-Aug-Sept. was quoted nominally at $0.27, with small business passing.

Today's nominal quotations are: Ready Rs. 92 per Bengal maund; July Rs. 640-Rs. 650 and September Rs. 656-Rs. 666 per candy of 5¼ cwts.

TEA DEARER

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 11*th July*

1,205,440 lbs. were offered in sale No. 20 which was held on Tuesday, 8th July. Although the quality of the teas was generally inferior, there were still some usefull descriptions on offer. The appearance of the teas was generally satisfactory for the time of year. The sale opened to an improved general demand. Low medium and medium brokens and fannings came to a better market, and these were irregularly 5 to 10 nP dearer. Good medium teas received some competition and these types were also dearer. The high grown teas met with less demand, and were 10 to 15 nP lower. A feature of the sale was the useful demand for all fannings grades. Whole leaf types were generally easier. The following are the quotations:—

	1958 Rs.
Plain B.P.	1.45
Low medium	1.50 to 1.65
Medium	1.65 to 1.80
Good medium	1.85 to 2.25
Quality	2.10 to 2.70

London Markets:—Best steady others weaker.

Colombo Market:—*Sale of 7th July* 1958:—Strong demand. Limited selection high and medium brokens and fannings. Others generally easier.

Sale of 8th July 1958:—Stalky sorts lower; others good demand firm.

Export Quota:—A fair amount of business has been transacted over the week with business going through, at 12½ nP and 12 nP. Today's quotations are sellers 12 nP and buyers at 11 nP. Probable business at 11½ nP.

Forthcoming Auctions:—Sale No. 21 will be held on Tuesday, 15th July and Dust Sale 'O' will be held on Thursday, 17th July 1958.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:

"*Sale* 21:—1,100,000 lbs. Slightly improved quality. Low mediums and mediums 5 to 15 nP dearer, following quality. Poorer, high-growns about steady. Others dearer. Whole leaf strong."

QUALITY TEAS RISE

(From Our Own Correspondent)

CALCUTTA, 15*th July*

A further rise in prices was recorded in quality teas, excepting C.T.C., in the export auction held yesterday. There was no internal sales last week. There were reports that Dooars teas received keen attention in Mincing Lane's auctions last week when catalogues included the first of new season's teas.

Offerings during the export sales held here yesterday aggregated 23,380 packages. There was a good general demand, and non-Dooars being in short supply, were dearer. Bright liquoring Assams and orthodox fanning grades were the strongest features. C.T.C. Assams met with less demand and eased. Clear plains, although stalky, were steady. "Teas for price" hardened. Keen competition was offered to stylish whole leaf grades. Darjeelings were irregular, but tippy teas were steady. The following are the quotations with those of a week ago in brackets:

Best Assam C.T.C. Fannings Rs. 4.80 to 5.00 (Rs. 5.00 to 5.50); Best Assams C.T.C. B.P. Rs. 4.40 to 4.80 (Rs. 4.50 to 5.00); Clear Black Pekoe Rs. 2.40 to 2.50 (same); Medium Fannings Rs. 2.50 to 2.70 (Rs. 2.40 to 2.50); Medium B.P. Rs. 2.30 to 2.50 (Rs. 2.20 to 2.30); Plain B.P. Rs. 1.84 to Rs. 1.88 (same); Plain Fannings Rs. 2.00 to 2.10 (Rs. 1.94 to 2.00).

A tea sale was held in Chittagong on 9th July. Offerings were 2,294 chests of dust and 88 chests in supplement and 9,162 chests of leaf grades. Leaf, which showed a considerable improvement in quality, was in strong demand. Keen competition was offered to the best liquoring varieties and tippy teas, prices of which improved impressively. As the sales progressed, however, demand weakened, and prices closed at As. 1½ to 2 above last rates. Polished green teas realised Rs. 3-3 to Rs. 3-6-6. Fair prices were realised by unpolished teas too.

Dusts improved by As. 2, plain Sylhet dust being quoted at Rs. 2-6 per lb.

23rd July has been fixed as the date for the next sale

JUTE GOODS MOVE NARROWLY

(From Our Own Correspondent)

CALCUTTA, 15*th July*

In the absence of fair genuine business, prices of both jute goods and raw jute moved within narrow limits during the week under review. The publication of lower shipment figures for the month of June and higher stock figures as at the end of the month naturally depressed sentiment for jute goods. B. twills were throughout quoted much below the I.J.M.A. floor, and the closure was lower on balance. On the other hand, hessian 40" 10 oz. was above the floor, although the tendency for the price was to move down. As a result of the dock workers' strike last month several consignments had been held up. Reflecting this position, sacking shipped aggregated only 17,000 tons, as against 27,000 tons in May, and gunny 20,000 tons, as against 31,000 tons. After the strike, several delayed shipments have been cleared and Argentina has purchased a fair quantity of hessian. Stocks at the end of June were higher at 134,000 tons, as against 112,100 tons as at the end of May. Sacking alone increased by 16,100 tons, and hessian by 6,000 tons, while there was a small reduction of 200 tons in miscellaneous construction.

Since consignments to Argentina have so far amounted to only a fair quantity, it is expected that in this month hessian stock would record a reduction; but that the entire increase of 6,000 tons could not be erased without more American interest. As regards heavy goods the outlook is yet uncertain, and the Australian complaints regarding deterioration of quality have no doubt affected sentiment. It is to be hoped that mills would take prompt action on these complaints. Overall stocks represented about six weeks' production.

On Tuesday last, prices of both heavy goods and hessian construction sagged, following publication of high stock figures. Had it not been for the port workers' strike, there should not have been any increase in hessian stocks, and, although heavy goods were not doing well even in the first half of June, overall stocks would have got balanced. The increase in stocks had been expected, however, the announcement of such a large increase as 21,900 tons affected sentiment in market. Also, in view of good purchases by buyers on behalf of Argentina towards the end of the month, such an increase as 6,000 tons in hessian stocks was no doubt a disagreeable surprise. Hessian 40"×10 oz. gave way to Rs. 40.90 from Rs. 41.00 on Monday and ready B. twills to Rs. 97.75 from Rs. 97.00. The decline would have been felt more had it not been for some support accorded by speculative elements. On Wednesday, prices for the above two representative constructions declined to Rs. 40.80 and Rs. 97.70, respectively, in the absence of substantial interest being displayed by foreign buyers. On the next day, there was selling pressure, and ready hessian 40"×10 oz. weakened to Rs. 40.60 and B. twills to Rs. 96.65. At these lower levels, some covering business was done, and on Friday hessian 40"×10 oz. improved to Rs. 40.95 and B. twills to Rs. 97.15. Over the week-end, however, there was again selling pressure, and prices at Rs. 40.80 and Rs 96.80 were depressed. At this stage, business was done with overseas buyers, and, as a result, hessian 40"×10 oz. rose to Rs. 41.25 yesterday and ready B. twills to Rs. 97.30.

Easiness in goods was reflected in raw jute, although the decline in raw jute prices was only nominal. Thus, Assam Northern Bottoms closed at Rs. 26.00 (August-Sept.), as against Rs. 26.25 early in the week. From Rs. 28.50, local Daissee Bottoms gave way to Rs. 28.25. The monsoon is still unkind to this part of the country, and the intermittent showers have been far from adequate to filling up dried tanks and streams. Early delivery new crop commanded a premium, and if adequate rains did not fall in the near future it is feared raw jute prices will be raised to levels uneconomic to mills. The latest quotations of raw jute are:

	Middles Rs.	Bottoms Rs.	Delivery
Pakistani:			
District ...	31.00	28.00	Aug to Sept.
Northern ...	31.00	28.00	,,
Indian:			
Northern ...	28.50	26.00	,,
Assam ...	28.50	26.00	,,
Desal ...	27.50	25.00	,,
Murshidabad	26.25	23.75	,,
Jungli ...	25.50	23.00	,,
Daissee ...	31.00	28.50	Sept. to Oct
Uttar Pradesh	25.50	23.00	Aug. to Sept
Daissee mesta ...	26.25	23.75	Sept. to Oct.
Bimli f.a.q.	Rs. 22.00		Oct. to Nov.

Pucca bales 1st marks Rs. 160.00 ready per bale.

SELECTIVE BUYING IN HIDES

(From Our Own Correspondent)

MADRAS, 14*th July*

Arrivals of tanned cow hides were restricted and of calf skins poor. Shipment business was difficult, as Madras prices were out of line with U.K. importers' ideas, and buying was selective and for items which were in short supply. Demand persisted for 5-5½ lbs. average cow hides fourths, fifths and inferior selections and 8-8½ lbs. and 10-12 lbs. fifths, as well as lower ends of buff calf and cow calf. There was good call for lower grade cow hides for inland trade and shippers were not able to meet U.K. demand on account of price disparity. Buff hides were taken up mostly for export to the U.S.A.

In the tanned skins section, prices ruled steady. There were more enquiries for light weight goat skins than for other weights, as well as for fifths selection in medium sheep skins.

HIDES SUPPLIES SHORT

(From Our Own Correspondent)

KANPUR, 14*th July*

The hides and skins market rules steady. There is a shortage of supply due to the hot season. It is expected that, with the expected advent of the rains, the position will be eased. The main purchasers are the local tanners. The Madras dealers and the country tanners were lukewarm.

The latest available quotations are: Wet salted cow 1st grade Rs. 350 and 2nd grade Rs. 250 per score; wet salted buff 1st grade 1 lb. 6 oz. and 2nd grade 1 lb. 11 ozs. per rupee; goat 1st grade Rs. 300 to Rs. 275 and 2nd grade Rs. 200 to Rs. 260 per 100 pieces; sheep 1st grade Rs. 325 and 2nd grade Rs. 275 per 100 pieces.

FOODGRAINS FIRM

(From Our Own Correspondent)

HAPUR, 14*th July*

The foodgrains market continued firm during the week under review also. The Government of India, in order to check the rise in prices of wheat in the North, has restricted the export of wheat products—*maida*, *suji* and *rawa*—from North to Andhra Pradesh, Madras, Mysore and Kerala. The three wheat northern zones could till now export these commodities freely to the south. The Union Food Minister has toured the eastern U.P.'s scarcity areas and has assured the State Government that the Centre would meet their foodgrain requirements.

Wheat at Hapur touched a new high of Rs. 21 per maund for average quality and upto Rs. 21.50 per maund for farm produce. Local wheat stock ran down by two *khatties* during the week and was put at one *khatti* only. Daily arrivals were small, the average being 200 maunds. Stricter vigilance on the border accounted for a fall in wheat arrivals from Punjab side. Rains in west U.P. have been scattered and the *kharif* crop prospects are still uncertain.

Rice registered further gains during the week, due to shortage of supplies and in line with the bullish trend of all grain prices. The State Food Minister has warned hoarders that, if wheat stocks are not unloaded at reasonable prices, the Government will take stricter measures.

Gram recorded an appreciable advance during the week on firm Punjab advices and fractional gains were also recorded in the prices of other coarse grains. The week-end prices on Monday were: Rice *basmati* Rs. 41 to Rs. 44; gram Rs. 14.50; barley Rs. 14.25; *bejhar* Rs. 13.50; *jowar* Rs. 14; *guwar* white Rs. 16.75.

Pulses touched new heights mostly influenced by continued bullish trend of futures prices. Ready *arhar* was much in request and stocks were running down. Arrivals of peas were at an average of 100 maunds daily, while those of *arhar* were nominal. *Urd* and *moong* were also steady in sympathy. The prevailing prices (in rupees per maund) were: Peas *dara* 12.75; farm quality 13.75 to 14.50; peas *dal* 14.75; *arhar* 16.50; *arhar dal* 21; *urd* 19.50 to 21; *moong* 25.50; *massoor* 17.

In order to curb the bullish trend of pulses futures, the local Chamber fixed the ceiling prices of peas *bhadon* at Rs. 12.73 and *arhar bhadon* at Rs. 16.61.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 11th July, 1958

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		25,00,00,000
National Agricultural Credit (Stabilisation) Fund		3,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		53,26,31,000
(2) Other Governments		12,84,26,000
(b) Banks		98,99,30,000
(c) Others		142,17,80,000
Bills Payable		11,67,17,000
Other Liabilities		8,24,91,000
	Rupees	440,19,75,000

ASSETS	Rs.
Notes	31,04,93,000
Rupee Coin	2,84,000
Subsidiary Coin	2,54,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,10,20,000
Balances held abroad*	14,20,97,000
Loans and Advances to Governments†	30,11,70,000
Other Loans and Advances	57,14,44,000
Investments	291,50,61,000
Other Assets	15,01,62,000
Rupees	440,19,75,000

* Includes Cash and Short-term Securities.
† Includes temporary overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 10,86,37,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	31,04,93,000	
Notes in circulation	1577,43,97,000	
Total Notes issued		1608,48,90,000
Total Liabilities		1608,48,90,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	189,67,66,000	
Total of A		307,43,69,000
B. Rupee Coin		131,46,78,000
Government of India Rupee Securities		1169,58,53,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1608,48,90,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	4th July, 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1584.18	1577.10	1608.59	1551.49
Notes held in Banking Department	85.05	88.45	89.22	15.11	29.27
Foreign Securities	59.50	199.68	199.68	209.68	412.52
Rupee Securities	87.39	1169.59	1167.56	1167.56	924.81
Banking Department					
Deposits of :					
Government of India	14.89	50.52	58.69	50.36	53.18
Other Governments	..	21.17	14.17	13.91	4.47
Balances held abroad	10.66	11.02	18.04	29.91	37.41
SCHEDULED BANKS					
Demand Liabilities	184.36	749.27 (27.80)†	753.07 (24.77)†	748.49 (21.34)†	717.25 (14.49)†
Time Liabilities	102.24	815.69 (35.91)†	807.85 (32.95)†	792.17 (22.44)†	558.73 (4.12)†
Borrowings from Reserve Bank	..	13.41 (12.28)‡	14.95 (14.22)‡	17.29 (16.16)‡	55.76 (46.70)‡
Borrowings from State Bank	..	3.81	3.48	5.58	4.55
Cash in India	6.70	42.70	42.32	39.28	40.64
Balances with Reserve Bank	25.17	88.24	94.47	74.44	73.33
Excess over statutory limits	15.52	34.83	40.66	20.18	26.30
Balances with other banks in current account in India	..	15.15	17.34	11.63	10.19
Money at call and short notice in India	..	55.50	56.26	54.10	23.18
Investments (at book value)	..	499.68	487.55	483.78	382.74
Advances and bills	105.09	901.94	901.43	920.44	914.95
STATE BANK					
Deposits	87.76	420.03	424.12	419.39	313.04
Investments	51.99	214.12	206.84	206.57	105.53
Advances	33.93	193.93	188.95	192.97	135.07
Cash	14.69	30.40	42.40	25.32	36.27

† Borrowings from Banks excluding the Reserve Bank and the State Bank. ‡ Figures are provisional. R = Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1955	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1958	3	2½
Chile	Feb., 1957	4½	6
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	10th April, 1958	5½	5
Equador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	12th Aug., 1957	6	5
Greece	May, 1957	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	30th Sept., 1957	5	6
Italy	7th June, 1958	4	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	18th Nov., 1957	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th June, 1958	5½	6
U.S.S.R.	1st July, 1938	8	4
U.S.A.	18th April, 1958	2½	1½
West Germany	27th June, 1958	3½	3

State Bank of India

Statement of Affairs for the week ended 11th July, 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		420,77,01,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		5,57,90,000
Bills for Collection being Bills Receivable as per contra		95,37,000
Acceptances, Endorsements and Other Obligations per contra		1,16,63,000
Other Liabilities (including Inter-Office Adjustments)		6,83,31,000
Total	Rs.	447,55,22,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		28,88,32,000
Balances with other Banks		3,19,92,000
Money at Call and Short Notice		2,06,67,000
INVESTMENTS :	Rs.	
Government and other Trustee Securities	203,59,45,000	
Other Authorised Investments	10,52,98,000	
		214,12,43,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	164,98,04,000	
Bills Discounted and Purchased	17,02,19,000	
		182,00,23,000
Bills Receivable being Bills for Collection as per contra		95,37,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,16,63,000
Premises less Depreciation		1,20,67,000
Furniture and Fixtures less Depreciation		90,70,000
Other Assets (including Inter-Office Adjustments)		13,04,28,000
Total	Rs.	447,55,22,000

Scheduled Banks*

Statement of Affairs for the week ended 4th July, 1958

	Rs.	Rs.
Demand Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		27,80,06,000
(ii) Other demand liabilities		721,47,28,000
Time Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		35,91,09,000
(ii) Other time liabilities		776,67,56,000
Borrowings in India from the State Bank and/or a notified bank :		
(i) Demand liabilities		3,06,12,000
(ii) Time liabilities		73,35,000
Borrowings in India from the Reserve Bank of India‡		13,40,83,000 (12,27,97,000)
Cash in India		42,70,16,000
Balances with the Reserve Bank in India		88,23,54,000
Balances with other banks in current account in India		15,14,83,000
Money at call and short notice in India		55,49,63,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		499,68,38,000
Advances in India		770,20,13,000
Inland Bills purchased and discounted in India		96,81,94,000
Foreign Bills purchased and discounted in India		34,92,09,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	February		Eleven months, April to Feb.	
	1957	1958	1956-57	1957-58
Import Duties :				
Revenue	10.41	10.05	116.08	127.70
Protective	0.99	1.24	11.49	10.23
On surplus disposals	0.07	—	0.11	0.11
Total import duties	11.47	11.29	127.68	138.04
Export Duties	2.67	1.60	28.14	22.49
Land Customs	0.25	0.20	2.27	3.57
*Air Customs**	—	0.10	....	1.04
Miscellaneous	0.09	0.11	1.04	1.40
Gross Total Customs	14.48	13.30	159.13	167.44
Refunds and Drawbacks	0.85	0.49	2.74	4.26
Net Customs	13.63	12.81	156.39	163.18
Gross Excise	15.64	25.11	171.14	245.81
Refunds	0.34	0.20	2.09	3.02
Net Excise	15.30	24.91	169.05	242.79
Net total of customs and excise†	29.13	37.72	325.44	405.97

† Net Customs plus net Excise.
* Figures for Air customs prior to August 1957 not available.

State Bank of Pakistan

Statement of Affairs for the week ended 4th July, 1958

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits :—		
(a) Central Government		66,38,70,000
(b) Provincial Governments		....
(c) Banks		23,19,26,000
(d) Others		5,01,10,000
Bills Payable		45,53,000
Other Liabilities		10,57,26,000
Rupees		111,61,85,000

ASSETS	Rs.	Rs.
Notes		8,89,62,000
Rupee Coin		40,000
Subsidiary Coin		34,000
Bills Purchased and Discounted :—		
(a) Internal		....
(b) External		4,01,40,000
(c) Government Treasury Bills		18,31,52,000
Balances held outside Pakistan		6,86,00,000
Loans and Advances to Governments		4,06,38,000
Provincial Governments' Debtor Balances		3,98,75,000
Other Loans and Advances		56,02,82,000
Investments		9,47,62,000
Other Assets		....
Rupees		111,61,85,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,89,62,000	
Notes in circulation	337,52,64,000	
Total Notes issued		346,42,26,000
Total Liabilities		346,42,26,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,47,19,000	
Silver Bullion	....	
Approved Foreign Exchange	61,30,55,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,80,000	
		115,80,04,000
B. Rupee Coin	4,05,49,000	
Government of Pakistan Rupee Securities	220,66,67,000	
Internal bills of exchange and other commercial paper	....	
		224,72,16,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	346,42,26,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 35.05 per cent.

EXCHANGE RATES

		16th July, 1958	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	s.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	s.	1-6⅛	1-6⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477.00	477.00
Buyers T.T.	Rs.	474.50	475.75
London on New York	$	2.80⅛-2.80⅛	2.80⅛-2.80⅛
London on Paris	Fcs.	1,178‡	1,178‡
London on Berne	Sw. Fcs.	12.21⅛-12.21⅛	12.21⅛-12.21⅛
New York on London	$	2.80⅛-2.80⅛	2.80⅛-2.80⅛

CLEARING HOUSE RETURNS

Centre	Week ended 11th July, 1958		Week ended 4th July, 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,66,880	68,13,97,000	2,51,206	54,01,84,000
Calcutta	1,60,000	57,80,00,000	1,34,000	52,50,00,000
Madras	93,647	9,13,81,653	75,287	8,69,10,421
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,66,00,000
Mar., 1958	..	..	3,784,000	8,72,62,00,000
Apr., ,,	..	..	3,331,000	7,91,04,00,000
May, ,,	..	..	3,823,000	7,00,02,00,000

INDEX NUMBERS OF WHOLESALE PRICES (Base : 1956-57=100)

Particulars	Weight	28th June 1958	21st June 1958	29th June 1957	May 1958	May 1957	Percentage of Increase(+) or Decrease(−) in May 1958 as compared with May 1957	Financial Year Average 1957-58	Financial Year Average 1956-57
Food Articles	364	116.5	115.8 R	109.6	107.2	107.0	+ 0.2	106.4	102.2R
Cereals	121	106.3	106.3 R	103.0	99.4	103.3	− 3.8	101	99
Pulses	43	93.5	91.5	86.4	82.4	85.5	− 1.3	85	81
Fruits and Vegetables	23	111.4	112.4 R	127.7	112 3	121.1	− 7.3	114	112
Milk and Ghee	84	114.0	113.9 R	107.7	107.4	108.9	− 1.4	105	100
Edible Oils	21	126.6	123.3	123.7	120.7	126.7	− 4.7	126	125
Fish, Eggs and Meat	17	106 6*	104.0 R	97.0	105 4	90.4	+16.6	98	97
Sugar and *Gur*	48	127.2	129.5*	109.5*	116 8	102.0	+14.5	108	98
Others	50	144.9*	150.7 R	136.2	133 3	123.4	+ 8.5	131	128
Liquor and Tobacco	21	82.6	82.2	84.3	80 0	80.6	− 1.5	84.0	84.2
Tobacco	—	90.0	90.4	92.6	90 2	88.7	+ 1.7	93	83
Fuel, Power, Light and Lubricants	39	115.5	115.7 R	111.8	114 2 R	110 2	+ 3.6	113.6	106.2R
Industrial Raw Materials	155	118.3	118.4	121.2	113 5	120.4	− 5.7	116.5	116.0
Fibres	61	110.2	109.5	124.7	110 6	124.0	−10.8	116	116
Oilseeds	60	125.9	125.2 R	126.1	118.5	124.8	− 5.0	120	120
Minerals	2	107.3	107.3*	111.4*	106 9	108.5	− 1.5	108	102
Others	32	109.9*	110.2 *R	106.0	110 1	105.8	+ 4.1	108	109
Manufactures	290	108.2	108.1 R	108.5	107 7	107.6	+ 0.1	108.1	106.3
Intermediate Products	41	110.9	110 8R	108.5	108 9	108.3	+ 1.3	107.3	110.9
Finished Products	249	107.8	107 7 R	108.5	107 6	107.3	+ 0.3	108.2	105 6
Textiles	147	103.6	103.5	108.4	104 6	107.9	− 3.1	107	108
Cotton	—	112.6	112.9	116.4	113 5	115.8	− 2.0	116	116
Jute	—	96.5	95.7	99.0	88.0	98.3	−10.5	96	98
Woollen	—	104.6	104.6	103.0	104 4	103.0	+ 1.4	103	98
Silk and Rayon	—	91.1*	91.1*	85.8*	92 2*	86.6*	+ 6.5	86	88
Metal Products	12	143.0	143.0	141.0	143 0	135.5	+ 5.5	141	99
Chemicals	20	104.6	104.2 R	97.8	99 5	97.3	+ 2.3	98	93
Oil cakes	10	131.4	131.4	112.5	120 1	110.8	+ 8.9	115	108
Machinery and Transport Equipment	31	102.9	103.0	101.1	102 8	100.5	+ 2.3	102	99
Others	30	113.5	113.4 R	109.4	114.4 R	106.0	+ 7.9	110	101
All Commodities	1,000	113.5	113.4 R	110.3	108.2	109.0	— 0.7	108.4	105.2R

NOTE:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53=100]

Group and Sub-Group	Week ended 5th July 1958	28th June 1958	7th June 1958	6th July 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.1	99.1	99.0	98.5
2. Government of India	98.9	98.9	98.8	98.2
3. State Government	100.8	100.6	100.0	100.4
4. Municipal, Port Trust, etc.	98.8	98.8	98.8	99.4
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.2	99.2	99.1	101.5
6. Plantations	100.0	100 0	100.0	100 2
7. Coal	99.6	99 6	99.6	100.4
8. Sugar	99.0	99 0	99.0	100.6
9. Cotton Textiles	97.9	97.9	97.9	100.5
10. Jute Textiles	92.9	92.9	92.9	98.1
11. General Engineering	97.8	97.8	97.7	101 2
12. Electricity Generation and Supply	96.5	96.5	96.5	98.8
13. Others	101.2	101.1	101.1	103.1
PREFERENCE SHARES—ALL INDIA.				
14. Total	85.6	85.6	85.3	91 9
15. Plantations	95 2	97 3	97 2	105 5
16. *Mining & Quarrying: Total@*	84.8	85.5	85 7	93 1
17. Coal	75 1	75 5	75 7	85.2
18. *Processing and Mfg.: Total**	85 4	85 2	84 9	92 5
19. Sugar	88.7	88.8	88 7	97.7
20. Cotton Textiles	78.7	79 4	78.3	89.3
21. Jute Textiles	70.8	70 1	69.3	78.1
22. Iron and Steel	89.8	88 9	88 8	91 8
23. General Engineering	98.5	99.6	99 3	117 7
24. Basic Industrial Chemicals	84 3	84 1	83 5	87 3
25. Cement	95.2	95 2	97 9	102 8
26. Paper	84 0	84 7	84 5	93 5
27. *Other Industries : Total**	83.7	83.8	83.5	85.1
28. Electricity Generation and Supply	86.8	86.7	86.6	86.5
29. Trading	74.1	74.7	74.1	79 4
30. Shipping and Other Transport	85.2	85.8	85.6	86.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	135.9	133.2	128.5	133.3
32. *Agriculture and Allied Activities : Total**	148.1	146.4	143.6	160.7
33. Tea Plantations	142.0	141.4	134.4	176.3
34. Coffee Plantations	209.5	203.7	196 6	182.5
35. Rubber Plantations	146.2	142.7	138.6	151 6
36. *Mining and Quarrying : Total*	136.2	132 9	125.1	135.4
37. Coal	101.2	100.7	96.3	91.8
38. Other Mining	164.3	155.0	143.5	165.6
39. *Processing and Manufacturing : Total*	135.3	132.8	127.3	134.4
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.) : Total*†*	126.0	123.5	118.8	130 6
41. Sugar	162.6	161.9	154.7	171.1
42. Cotton Textiles	118.9	118.9	110.4	131.4
43. Jute Textiles	71.0	68.8	67.0	66.2
44. Silk and Woollen	413.0	406.9	400.2	372.9
45. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	146.0	142.3	137.4	140.3
46. Iron and Steel	..	132.4	127 7	122 4
47. Transport Equipment	137.5	197.3	190 3	194 5
48. Electrical Machinery	203.8	133.8	136.8	202.0
49. Machinery other than Transport and Electrical	141.7	156.5	153.1	159.1
50. Basic Industrial Chemicals	156.6	120.0	108.0	123.0
51. *Processing and Mfg. (Others) : Total**	123 4	..	..	..
52. Cement	138.6	133.1	124 0	132 3
53. Paper	181.6	181.5	180.5	163 3
54. *Other Industries : Total**	109.3	108.3	106.1	108.8
55. Electricity Generation and Supply	91.0	90.6	90.1	92.2
56. Trading	85.3	83.0	82.1	83 9
57. Shipping and Other Transport	131.6	129.4	123.9	123.5
58. Construction	222.3	219.1	208.3	205.5
59. *Financial : Total*	172.9	170.7	164.5	149.4
60. Banks	194.8	193.1	184.6	156.2
61. Insurance	127.0	127.4	127.3	102.7
62. Investment Trusts	76.6	75.5	75.3	88.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	140.3	136.8	130.3	130.6
64. Calcutta	129.8	128.1	124.9	128 9
65. Madras	152.0	148.6	142.7	156 6
66. Delhi	162.5	157.7	150.0	158.5

Excluding 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
@ Including other mining.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of average Number of workers involved	Number of man-days lost
1954	840	477,128	2,372,626
1955	1,166	527,767	1,997,343
1956 R	1,328	715,130	6,992,049
February 1957	124	43 733	269,041
March	113	40 899	287,456
April	161	61,260	414,538
May	163	68,230	455,087
June	153	100,232	734,545
July	198	91,749	764,308
August	205	144,851	821,211
September	232	144,579	843,508
October	233	102,884	533,206
November	175	56,168	335,979
December	155	52,471	512,331
January 1958	145	54,397	354,185
February	148	99,070†	442,754†
March	148	77,713†‡	735,167†‡

† Not known in 5 cases. †† Not known in three cases.
‡ In progress during the month. R = Revised.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'56-'57	387.68	..	11,010	284
Pakistan††	'56-'57	83.50	..	2,079	249
Burma	1955	19.48	Kyats 4,087	409	210
Ceylon	1955	8.38	..	475	567
Japan	1955	90.500	Y. 7,427,000	9,283	1,031
Philippines	1955	21.85	Ps. 7,804	1,873	857
New Zealand	1956	2.17	£ (N.Z.) 884	1,178	5,428
Australia	1956	9.40	£ (A.) 4,238	4,023	4,918
U.K.	1956	51.20	£ 16,465	21,953	4,287
U.S.A.	1956	168 09	$ 343,600	163,554	9,731
Canada	1956	16.00	$ 22,710	10,787	6,742
France	1956	43.50	N.Fr. 13,990,000	17,940	4,046
W. Germany	1956	51.50	Dm. 147,000	16,889	3,279
Italy	1956	48.10	Lr. 11,476,000	8,760	1,821
Norway	1956	3.46	Kr. 20,900	1,408	4,358
Sweden	1956	7.30	Kr. 44,580	4,127	5,653
Netherlands	1956	10.80	Grs. 25,400	3,215	2,977
Denmark	1956	4.46	Kr. 24,950	1,990	3,789
Switzerland	1956	5.00	Sw. Fr. 24,700	2,714	5,423

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source : *International Financial Statistics*, November 1957.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 10th July, 1958	11,970(J)†
	Corresponding week, 1957	30,760(J)
	1st Sept. to 10th July, 1957-58	1,576,472*
	Corresponding period, 1956-57	1,842,236*
Cotton Exports	Week ended 10th July, 1958	10,049
	Corresponding week, 1957	4,192
	1st Sept. to 10th July, 1957-58	259,586
	Corresponding period, 1956-57	302,125
Mill Consumption (Estimated)	1st Sept. to 10th July, 1957-58	1,095,402 A
	Corresponding period, 1956-57	1,156,016
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 10th July, 1958	730,925
	Corresponding date, 1957	587,122
Consumption of Cotton—		
Indian	April, 1958	348,743
Foreign		42,934
Indian	Eight months ending April 1957-58	2,99,692
Foreign		383,863
Indian	Same Period 1956-57	3,134,012
Foreign		385,294
Stocks (Mills and Elsewhere)—		
Indian	As on 30th April 1958	1,324,811
Foreign		139,817
Indian	As on 30th April 1957	1,329,936
Foreign		206,050

Particulars	Details of Period	From 1st September to 14th July 1957-58 Bales	From 1st September to 14th July 1956-57 Bales
From Bombay Cotton Shipments to—			
United Kingdom		9,799	24,330
Continent		19,716	23,787
Hongkong		11,032	37,061
China			3,437
Japan		135,691	166,141
U.S.A.		8,093	2,374
Other Countries		926	1,079
Total to all foreign countries		185,257	258,209
Coastal Ports		74,829‡	44,377**
Total		260,086	302,586
Cotton Exports from Bombay (by sea)	During May, 1958§		44,597
	During May, 1957		22,636
	1st Sept., 57 to 31st May, 1958		146,491
	1st Sept., 56 to 31st May, 1957		215,557
Cotton Pressed in India† (in running bales)	Week ended 4th July 1958		6,257
	Corresponding week, 1957		36,181
	1st Sept., to 4th July 1957-58		3,232,537
	Corresponding period, 1956-57		3,403,955
Karachi (Pakistan)—			
Receipts	1st Sept., to 3rd July 1957-58		1,091,715
	Corresponding period, 1956-57		1,160,544
Exports	1st Sept., to 3rd July 1957-58		585,007
	Corresponding period, 1956-57		702,873

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ From 1st Sept. to 31st May, 1958. A.—Adjusted. § Includes Zoda and Yellow Pickings, e
** From 1st Sept., 1956 to 30th June, 1957.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	106	106	111	113	99
1953 ,,	106	363	275	323	95	106	364	104	102	112	106	118	102
1954 ,,	101	359	244	294	95	99	357	106	91	95	102	98	98
1955 ,,	98	338	217	246	78	96	321	99	83	87	98	93	97
1956 ,,	105	353	244	316	89	106	347	111	100	95	96	100	100
1957 ,,	111	340	259	339	94	112	364	116	114	99	106	115	107
January 1957

WORLD OUTPUT OF AUTOMOBILES

(*Concluded from page 111*)

pean market emerges, production will no doubt be concentrated in fewer, larger and more economic units and there will be less room for uneconomic assembly operations. *The American Automobile* forecasts that, if the Free Trade Area materialises, an output of 500,000 cars per year may become the economic minimum for a European manufacturer; at present, only one European manufacturer—*Volkswagen*—has an out approaching this size. Production in Europe may then enjoy similar economies of scale as are now usual in the U.S.A. Allowing for lower labour costs in Europe, and for the absence of the dollar handicap in the export markets, the competitiveness of Europe's motor industry will be enhanced.

These trends have a special significance for the future investment of the motor industry in general. The main U.S. manufacturers, aware of the potential competitive strength of production in Europe, are likely to enlarge their European holdings while one or other of the "Big Three"—General Motors, Ford and Chrysler—may consider producing a small economy car in their own country; the production of the "Rambler" by American Motors has led the way. To be competitive with imports, such production would have to be on a substantial scale and see a big local market ahead which is not yet in sight. If successful, it would rob European producers of some of their present valuable market in North America and might create new competition for them in other markets. But notwithstanding the rising imports of small European cars and criticisms about the increasing extravagances and consequent high cost of the U.S. automobile, American motorists in general still want a big car, with families choosing a small car for their additional cars. For their U.S. plants in 1959, the "Big Three" will, of course, continue production on traditional U.S. lines—there is talk of even bigger cars than hitherto.

A noteworthy development is the creation, or expansion, of the production of motor vehicles in importing countries. Sweden has now become a producer and exporter of some significance; Japan has now virtually reached self-sufficiency and Australia is moving in the same direction. Motor vehicle production was established last year for the first time in Brazil, Argentina and China, and all these industries are designed to expand.

The U.S.S.R. is the world's second largest producer of motor vehicles (after the U.S.A.) though a relatively small producer of cars. Last year, production in the U.S.S.R. increased by 3 per cent. and in the whole Communist world by 6 per cent. There are small exports of Russian and Czech cars to a few European countries and, of course, to China. But very few find their way to other countries and given the absence of servicing organisations, motor vehicles are unlikely to play any part in the Communist trade offensive in the underdeveloped countries.

Motor vehicles consume more than one-third of the free world's demand for petroleum products, and any significant changes in engine type, or size, has varying but possibly far-reaching effects upon the oil industry. No less important are changes of habits by motor vehicle users. For example, there is little doubt that the growing tendency in the U.S.A. to use aircraft for medium and long-distance journeys within the country and to hire a car for use at destination reduces the total consumption of gasoline, while the increasing tendency to spend holidays abroad has the same local effect but possibly a contrary effect elsewhere. Also, the tendency in the U.S. to have a small car as a second car may mean that in total a family's consumption of gasoline may be less than if only one big car was in use. On the other hand, a third car in a family (and there are an increasing number) is usually a second-hand car for use by teenagers, and consumption of that vehicle will be high. The erection of new shopping centres outside the main crowded cities in the U.S.A. and the decline in passenger railway travel are but two other developments whose net effects upon the consumption of motor fuels it is difficult to measure. Indeed, in the U.S.A. and elsewhere there is a need for much more research into the effect of the many technical social and fiscal factors that influence the growth in numbers and the use of the motor vehicle which, without doubt, is one of the most potent manifestations of our machine age.—*By arrangement with "Petroleum Press Service."*

INSURANCE

(*Concluded from page 114*)

it should also have opportunities to show enterprise and reasonable boldness. As the Corporation has large funds at its disposal for its business investments, about Rs. 50 lakhs a week, the average net yield on such a large portfolio would be lower than it could be on a portfolio of a smaller size. Under such conditions of diminishing returns, the Corporation would have to make special effort and exhibit initiative in order to discover new avenues of investment which, consistent with security, offer the prospects of capital appreciation, even though the immediate yield may not be attractive. It would be desirable if the Corporation earmarks a portion of its funds for investment in new companies. The radical socio-economic changes of recent times have aggravated the paucity of risk capital and the Corporation, it is suggested, should try, in some measure, to fill the void. In other words, subject to the condition that the schemes drawn up are sound and that there is reasonable assurance that funds will not be improperly used, the Corporation should be ready to move off the beaten track and take calculated business risk.

As regards the question of the L.I.C.'s relations with the share market, it is pointed out that the L.I.C. is interested in the share market in the sense that it will be advantageous to the Corporation if purchases are made when prices are low. On the other hand, conditions in the market would themselves be affected by large-scale purchases or sales by the Corporation. There is no reason for the Corporation to seek to influence the course of prices in the market; its transactions should be governed solely with reference to what it wants to carry in its portfolio. It had been suggested, at the time of the Chagla Commission inquiry, that, inasmuch as market stability was a desirable thing for the Corporation as an investor, it would be justified in seeking to promote stability through its own operations in the market. This, the study points out, might sound plausible, but is faulty reasoning, for market stability is an advantage to an investor if he finds it; it ceases to be an advantage if he has to put down his own money to bring it about. It would be a losing proposition and most unbusinesslike for the Corporation to operate with the notion that it is, in some way, responsible for maintaining stability, howsoever it is defined, in the investment market.

Another important principle which the Corporation should observe is to avoid getting involved in the operation and management of an industrial concern. Section 27-A of the Indian Insurance Act had debarred any private insurance company from acquiring more than 10 per cent. of the subscribed capital of any one concern. This principle, the study emphasises, is as important to the L.I.C. as it was to private insurers, as it must maintain its position as a wholly financial institution and must not take on responsibilities which are not germane to its function. All advantages of having a specialised functional body are compromised if additional functions are thrust upon it. From this it follows that the L.I.C. must scrupulously avoid "cornering" any shares even at the Government's bidding. It would be a travesty of functional autonomy, the *Quarterly* points out, for the L.I.C. to be asked to purchase a company's share in that number and with that objective.

Notice

PRESIDENCY JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of the above Company has sanctioned the payment of an Interim Dividend in respect of the year ending 31st July, 1958, at the rate of 15 nP (Naye Paise Fifteen only) on each Ordinary Share payable on or after 14th August, 1958, to those persons (or their Mandatees) whose names appear in the Company's Register of Members on 14th August, 1958, as the registered holders of such shares.

The Share Transfer Registers of the Company will be closed from 31st July, 1958 to 14th August, 1958, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
C. HOCKLEY,
Secretary,
Managing Agents.

McLEOD HOUSE,
3, NETAJI SUBHAS ROAD,
CALCUTTA-1, *9th July*, 1958.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 17th July, 1958.

	Closing quotations 10-7-1958	High	Low	Closing quotations 17-7-1958
TEXTILES	Rs. nP	Rs. nP	Rs. nP	Rs. nP
Ahm. Adv. (100)	185.00	185.00	181.25	181.25
Apollo (2)	1.90	1.90	1.90	1.90
Bombay Dyeing (25)	58.70	60.10	56.70	56.80
Bradbury (50)	175.00	176.25	175.00	175.00
Central India (100)	100.25	101.50	92.00	93.00
Century Mills (100)	460.25	475.25	448.00	448.50
Colaba (100)	30.00	30.00	28.00	30.00
Edward Textile (200)	260.00	—	—	260.00
Elphinstone (50)	44.00	—	—	44.00
Finlay (100)	275.00	285.00	275.00	275.00
Gokak (100)	151.50	154.00	148.00	149.00
Ind. Untd. Defd. (1)	1.36	1.44	1.30	1.30
Ind. Untd. Ord. (10)	9.96	10.16	9.48	9.60
Indore Malwa (100)	113.50	116.00	111.50	111.50
Khatau (100)	190.00	192.50	182.50	182.50
Kohinoor (100)	268.25	285.00	268.00	269.50
Lakshmi (250)	440.00	—	—	440.00
Minerva Mills (100)	65.00	—	—	65.00
Model Nagpur (250)	170.00	170.00	167.50	170.00
Morarji (100)	243.00	245.00	238.00	240.00
Mysore (50)	91.00	—	—	93.00
National Rayons (100)	234.25	238.00	224.00	224.75
New City (100)	118.00	—	—	118.00
New Great (100)	208.00	225.00	208.00	210.00
Phoenix (100)	116.50	118.75	116.50	118.75
Podar Mills (100)	145.00	145.00	138.00	139.00
Sassoon Silk (10)	9.88	—	—	9.88
Sassoon Spg. (10)	47.50	—	—	47.50
Sholapur (1,000)	375.00	—	—	375.00
Shrinivas (100)	155.00	158.00	153.00	153.00
Simplex (50)	179.00	184.00	175.00	178.00
Standard (100)	425.00	434.50	420.00	420.00
Swadeshi (100)	190.00	196.00	179.00	180.00
Swan (100)	365.00	—	—	365.00
Tata Mill (25)	41.00	42.00	39.50	39.50
Vishnu (100)	115.00	—	—	115.00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	134.25	135.00	134.00	134.50
Do. (New) (50)	136.00	136.50	136.00	136.25
Bank of Baroda (50)	120.50	122.00	120.00	121.00
Central (25)	55.00	56.00	53.50	53.80
Central 'A' (25)	57.50	58.00	57.50	57.50
Dena Bank (50)	46.50	—	—	46.50
Punjab National (25)	61.00	61.00	58.50	58.50
Union Bank (5)	8.44	8.48	7.90XR	7.28XR
United Com. (50)	61.50	61.50	61.00	61.00
ELECTRIC COS.				
Ahmedabad (100)	95.80	95.50	95.50	95.45
Amalgamated (10)	10.68	—	—	10.68
Andhra Valley (1,000)	1,145.00	1,162.50	1,145.00	1,152.50
Bom. Sub-El. (100)	107.50	107.00	106.00	106.75
Surat (100)	110.50	110.50	110.00	110.50
Tata Hydro (100)	119.75	122.25	119.50	121.00
Tata Power (1,000)	1,227.50	1,230.25	1,220.00	1,220.00
INSURANCE COS.				
British India (10)	15.52	15.84	15.40	15.84
Empire of India (100)	265.00	—	—	266.00
Ind. Mercantile (20)	47.50	—	—	47.50
Jupiter (15)	7.12	—	—	7.12
New India (15)	45.25	46.25	45.25	46.25
Oriental (500)	4,035.00	—	—	4,035.00
Universal (10)	12.00	—	—	12.00
Vulcan (10)	17.64	—	—	17.64
STEEL COS.				
Ind. Iron (10)	22.96	23.68	22.52	22.64
Tata Steel Ord. (75)	164.25	168.75	159.50	160.25
SUGAR COS.				
Belapur (50)	258.00	264.50	254.00	255.00
Bhopal (10)	22.48	22.60	22.48	22.60
Phaltan (50)	156.25	158.50	152.00	152.00
Walchand Ind. (100)	281.25	282.50	277.50	277.50
CEMENT COS.				
Associated Cts. (100)	156.00	159.00	152.00	153.00
Digvijay (100)	157.00	157.50	154.50	154.50
MISCELLANEOUS				
Alcock Ashdown (100)	258.75	263.75	242.50	245.00
Bom. Burmah (12½)	683.00	697.00	681.50	684.50
Do. (New) (50)	215.00	220.00	215.00	215.00
Br. B. Petrol (4 sh.)	2.22	2.36	2.18	2.18
Br. I. Corpn. (5)	3.40	3.50	3.40	3.50
C. P. Rly. (100)	60.00	—	—	60.00
Hindusthan Motors (10)	7.88	8.20	7.56	7.56
Indian Copper (2 sh.)	3.60	3.90	3.60	3.74
Ind. Iay. Tr. (100)	74.00	74.70	74.00	74.70
Killicks (100)	145.00	145.25	144.00	145.25
Poison (100)	155.00	160.00	155.00	160.00
Pre. Automobiles (100)	90.00	94.50	88.00	88.50
Premier Con. (50)	205.00	208.00	192.00	193.00
Scindia (20)	18.84	19.36	18.16	18.24
G. N. Shipping (10)	24.72	25.30	23.56	23.56
Shivrajpur (10)	92.50	94.00	91.50	92.00
Tata Chemicals (10)	16.64	16.88	16.00	16.00
Tata Locomotive (100)	173.00	177.25	165.00	166.00
Tata Oil (25)	42.25	43.00	40.00	40.00
W. I Match (100)	179.00	180.00	178.00	178.00

GOVERNMENT SECURITIES	10-7-1958	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	17-7-1958
	Rs. nP			Rs. nP
2½% 1961	95.60	—	4.04	95.60
2½% 1960	98.20	—	3.67	98.20
2½% 1962	95.40	—	3.88	95.40
2½% 1976	88.10	—	4.03	88.10
3% 1958	99.85	—	4.75	99.85
3% 1959–61	99.35	3.62	3.22	99.35
3% 1964	95.70	—	3.75	95.60
3% 1963–65	95.60	3.90	3.67	95.65
3% 1966–68	93.10	3.98	3.81	93.10
3% 1970–75	87.50	4.32	4.01	87.60
3% 1986 Con. Loan	71.10	—	4.22*	71.10
4% 1960–70	100.30	3.85	3.97	100.30
2½% 1961 N.P. Bonds	99.55	—	3.61	99.05
2½% 1964 N.P. Loan	98.75	—	3.71	98.65
2½% 1965 N.P. Bonds	98.45	—	3.75	98.50
2½% 1962	98.05	—	3.70	98.05
2½% 1967 N.P. Bonds	97.65	—	3.80	97.65
2½% 1974	98.30	—	3.89	98.30
2½% 1967 N.P. Bonds	99.65	—	3.80	99.65
4% 1972 Loan	100.35	—	3.97	100.35
2½% 1968 N. P. Bonds	99.05	—	3.68	99.15
2½% 1968 N. P. Bonds	99.55	—	3.80	99.55
4% 1973 Loan	100.05	—	4.00	100.05

BRITISH GOVERNMENT SECURITIES

	Closing quotations 9-7-1958 £			Closing quotations 16-7-1958 £
2½% Brit. Consols	50⅞	—	—	50⅛
3% Savings Bonds 1965-75	72⅝ xd	—	—	72
3% War Loan 1955-59	98⅛	—	—	98⅛
2½% War Loan	65⅛	—	—	66⅛
4% Victory Bonds 1976	94	—	—	93½
4% Funding 1960-90	87¼	—	—	87⅛

* Current Income x.d.—Ex-dividend.
x.r.—Ex-Right.

COMMERCE

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

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HOW TO AVERT DEVALUATION

WITH India's foreign exchange reserves declining fast and with the gap in the external reserves remaining wide, the authorities at New Delhi are considering all available possibilities of solving the problem. The one solution which they have decided not to adopt is devaluation of the rupee. They are, however, not averse to following the system of compensatory transactions, that is, export of goods at a sacrifice, the loss involved being compensated by a profit on imports of goods that are scarce in the country. One may say that, in actual practice, this amounts to a partial or selective devaluation of the rupee. The force of this argument cannot be denied and, if the system of compensatory transactions is applied to a large variety of goods, it might *ultimately* force the hands of the authorities to an outright devaluation of the rupee. In their anxiety to push up exports, the authorities should not overlook this danger.

There is, however, one merit in this new system. It is that imports of capital goods and defence equipment, as also food and certain essential raw materials, can be insured against the disadvantages of devaluation, namely, high capital cost. The assumption here is, of course, that the authorities will be successful in holding the cost of living and the prices of domestic raw materials at least at the present levels. But the system of compensatory transactions or something similar to that adopted in the case of sugar and cotton textile exports will, however, tend to make this task more difficult than it already is. In drawing attention to this fact, we are not suggesting that a devaluation of the rupee is the right remedy. We are only making the point that the extent to which a high cost producer like this country can resort to artificial means for stimulating exports is strictly limited and will prove self-defeating if carried too far.

No country can avoid devaluation by talking against it but only by resolute action which will (1) bring down costs and prices and (2) contain expenditure within the available resources. Such an action will naturally be politically unpopular. If our politicians do not have the courage to initiate right policies and the influence to evoke the necessary co-operation from the public, especially the working class, for implementing these policies, the outcome will be what everyone would like to avoid, namely, devaluation. There are as yet no convincing signs that the authorities are willing to go the whole hog in this direction. The efforts that are being made to get foreign loans are commendable and necessary, but they, by themselves, cannot sustain the rupee for long. The loans, if given, have to be repaid with interest. The export potential of the country has, therefore, to be developed and strengthened on sound lines. This requires realistic policies in regard to replacement and renewal of industrial equipment, with first priority to export industries, higher productivity per worker, and larger output of food and raw materials. The fiscal policy of the Government has to be changed with a definite bias for investors and *entrepreneurs*. Encouragement to foreign private capital is required. The industrial policy has to be suitably modified. Introduction of automatic and other more efficient modern machinery should be liberally allowed and the policies which stand in the way at present must be set aside. Workers, too, require incentive; only, their remuneration should bear a better relation to their output than at present.

In the sphere of agriculture, irrigation facilities should be fully utilised, instead of allowing a part of them go waste as is the case at present. Expropriatory land reforms such as ceiling on holdings, uneconomic compulsory rentals for owners and one-sided, unconditional fixity of tenures should yield place to measures that will attract capital for agriculture from individuals. This does not mean that reasonable safeguards to protect the interests of tenants and to check usury are not necessary. What is sought to be done now is based on ideological considerations and goes far beyond this necessity. The result is conflict in rural areas and fall in production. Some think that it is the delay in the implementation of these ideological measures that has been responsible for the decline in agricultural output. This is a false argument designed to cover the inefficiency of the Administration in providing the basic services needed by agriculture such as water, fertiliser, credit at reasonable rates of interest, roads, transport, storage accommodation, stable prices and marketing facilities. There has been a lot of empty talk, pious resolutions, unutilised research but no vigorous action.

India's creditworthiness in foreign countries is judged not by its declarations alone nor by the volume of external debt which it has now. Its economic policies and the efficiency of its administration not only at the Centre but also in all the States are also taken into account. That all is not well with India in these respects is common knowledge. There is urgent need for heart-searching and fresh thinking on the part of the powers-that-be. In this connection, we would like to commend to their attention the following observations of one of India's ex-Finance Ministers and eminent economists, Dr. John Matthai. In an article to the *Hindustan Times*, New Delhi, early this week, he says:

> "..... The intellectual frustration and loss of enthusiasm which prevail in this country in such marked contrast with the spirit of 10 years ago is a result partly of the unrealistic character of our policy in many fields. Ministers make fighting speeches in defence of the second Five-year Plan, but the facts constitute intractable proof of the growing gulf between resources and targets. When ministers are afraid of telling the truth which the facts proclaim every day, they do a disservice to the country and demoralise the people.
>
> "The lack of realism which characterises our economic policy is also illustrated by the compromises we are compelled to make with the devices of an old-world economy, out of respect not for economic realities but for the slogans of a period now past and beyond recall. The alleged success of handspinning and prohibition in the light of actual experience will hardly bear analysis; but we dare not say so. The weight of the dead hand still lies heavily upon us.
>
> "The spirit of individual initiative and enterprise which, in the final analysis, determines the progress of an economy, by whatever label it is called, is kept in check by ill-conceived fiscal and executive measures. There is little room for self-reliance and the forward-looking spirit, when enterprise throughout the economy is pushed down to the dead level of a bureaucracy not distinguished for energy and foresight.
>
> "We are a newly independent people. A newly-independent nation, like a newly rich individual, is apt to show certain traits of exhibitionism in what it attempts to do. It is a temptation to a nation which has attained independence for the first time to make the world believe that it is as good as its older and more advanced neighbours. A little heart-searching will enable us to see that, in parts of our developmental programme, our motives are a good deal mixed. Desire for real progress and desire for mere prestige are often inextricably lumped together. The effect in a time of scarce resources and baffled hopes is to spread a spirit of disillusionment and disbelief in the Government's intentions. This is fundamentally a time for fresh thinking and for exploring new ways of dealing with the country's problems. But a stale leadership and an irremovable Government will not help us to achieve it."

We can say without fear of contradiction that many thoughtful people in seats of power in foreign countries from which India is seeking both men and money are holding similar views. We are, of course, having in mind here the democratic countries. But opinion even in Soviet Russia and its friendly neighbours does not appear to be different. It will be recalled that Mr. Khrushchev, when he was in India in the company of Marshal Bulganin about three years ago, made it clear that he was by no means an admirer of India's policy of prohibition or that pertaining to handlooms and other cottage industries. The powers-that-be in this country may think that all this is wrong and quote in favour of their view the large-scale assistance which India has already received from the U.S. and other foreign countries, including Russia, and the speeches made by some foreign politicians and economists eulogising the Government of India on its achievements during the past 10 years. But they will be just deluding themselves by hugging that view, for the fundamental factor that has induced other countries to help India is political and not admiration for the economic policies pursued by them. It is necessary to stress this point, because some of our leaders honestly seem to believe that there is nothing wrong with our economic policies and that the rupee is one of the soundest currencies in the world. The proof of the pudding is in the eating. If the rupee is that strong, why should the Government resort to artificial methods for stimulating exports?

If, therefore, devaluation of the rupee is to be averted, if talks of devaluation are to be silenced, and if Mr. Morarji Desai's forthcoming mission to Britain and America is to yield real success (in the form of long-term loans, inste-

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of short-term overdrafts as is forecast at present), the Government of India must demonstrate to the public in this country and abroad that it has done fresh thinking and that its leadership is not stale, but vigorous and dynamic. One way of doing so would be to introduce an interim budget at the forthcoming session of Parliament, embodying changes in fiscal and economic policies on the lines indicated above. The time when the Government can attract capital and effort from within the country and abroad by making speeches and fervent appeals has gone. What is required is action. Surely, we are not asking for the impossible.

STATES AND SECOND PLAN

ADMINISTRATIVE shortcomings and increase in non-development expenditure continue by and large to dog the efforts of the State Governments in playing the role allotted to them under the second Five-year Plan. This conclusion emerges from the somewhat brief, though statistically satisfying, document entitled *State Development Plans—Review of Progress*, issued by the Planning Commission. If this verdict is not flattering to the State Governments, nobody is to blame but they themselves. Surely, it is in their power to avoid the pitfalls to which their attention has been drawn from time to time both by the Centre and by many impartial observers. Now that the country is in the third year of the second Plan period, one would expect that the States would have fulfilled about 60 per cent. of the Plan targets. Actually, in many States, actual performance has been well below 50 per cent. Even if one allows that the "percentage" method of assessing the progress is an unsatisfactory standard—in many sectors of planning, end-results are often more telling than what earlier years can show—it seems undeniable that the States have to speed up the rate of fulfilment of targets if they are not to be accused of having played the truant.

A State-wise analysis of the cumulative totals of the Plan outlay during the first three years of the Plan shows that Madras tops the list with 60 per cent. of the total Plan outlay. Punjab has fulfilled 56 per cent., West Bengal 53 per cent., and Bombay 50 per cent. The total outlay (Rs. in crores) during the first three years ending 1958-59 with the total contemplated outlay under the second Plan in brackets for different States are: Andhra 89.57 (174.77); Assam 31.48 (57.94); Bihar 83 (190.22); Bombay 175.00 (350.22); Kerala 40.00 (87.00); Madhya Pradesh 76.16 (190.89); Madras 90.85 (152.26); Mysore 55.00 (145.13); Orissa 51.53 (99.97); Punjab 92.00 (162.68); Rajasthan 52.19 (105.27); U.P. 133.00 (253.10); W. Bengal 83.66 (157.67); Jammu and Kashmir 14.79 (33.92). The Commission feels that Madras, Orissa, Punjab and Rajasthan should have no difficulty in reaching the target of expenditure under the second Plan, while Bombay should be able to reach 95 per cent. of the target and Mysore 75 per cent. But doubts have been expressed about Andhra's ability to reach the target. A similar view has been expressed in regard to Kerala and Bihar. Strenuous efforts must be made by these States in order to raise and spend the resources for purposes of implementing the Plan. Nor should it be forgotten that expenditure is not the same as physical achievement and what really ought to matter is the fulfilment of physical targets, rather than mere spending.

In nearly all the States, there is a gap between the Plan outlay and their resources. This gap varies from State to State. The gap (Rs. in crores) in different States is: Andhra 12.13; Assam 40.6; Bihar 113; Bombay 143; Kerala 39.4; Madhya Pradesh 143; Madras 73.3; Mysore 95; Orissa 89; Punjab 116; Rajasthan 77.9; U.P. 139; and W. Bengal 86. What is necessary is that not only should some contribution be made to fill this gap but additional resources found for bridging the overall gap of Rs. 400 crores in domestic resources assumed in the total outlay on the Plan. But the actual position is that only a few States have made fiscal efforts which are likely to bring in additional revenue in keeping with the targets assigned to them. For instance, the fresh taxes so far imposed in Bihar are likely to yield an additional revenue of Rs. 12.8 crores over the five-year period, as against the target of Rs. 28.3 crores set for it. The U.P., too, has apparently failed to make substantial efforts, considering that its new taxes will yield only an additional Rs. 31 crores, as compared with the target of Rs. 46 crores. At the other end of the scale are States like Andhra and Kerala, which have imposed taxes that are likely to bring in additional revenue in excess of the targets set for them. Thus, Andhra and Kerala will realise Rs. 17.2 crores and Rs. 12 crores over the five-year period, as compared with the targets of Rs. 11.3 crores and Rs. 8.6 crores, respectively. Similarly, Madras has imposed fresh taxes of the order of Rs. 16 crores for the five-year period, as against a target of Rs. 12.6 crores; the corresponding figures for Mysore are Rs. 11.4 crores and Rs. 9 crores. Rajasthan, too, has done so, the corresponding figures being Rs. 10.4 crores and Rs. 9 crores. The performance of Orissa is also similar, the new taxes imposed being Rs. 11.3 crores, as against a target of Rs. 8 crores. For other States, the revenue anticipated over the five-year period from their new taxes and the targets set for them within brackets (Rs. in crores) are: Bombay 21 (23); Madhya Pradesh 11.2 (23.0); and the Punjab 15.6 (23).

How vital it is that the States should make special efforts for mobilising resources was brought out by the Planning Commission in its report on the appraisal of the Plan published in May last. During the first three years, the outlay on the Plan by the Centre and the States has been of the order of Rs. 1,424 crores and Rs. 1,032 crores, respectively. The revised allocations of outlay on the Plan for the Centre and the States are Rs. 2,593 crores and Rs. 2,207 crores, respectively, making in all a total of Rs. 4,800 crores. The aggregate yield from the measures of additional taxation adopted so far by the Centre is estimated at Rs. 725 crores over the five-year period, representing an increase of about Rs. 500 crores over the target of Rs. 225 crores set under the Plan. So far as the States are concerned, a similar target, namely, Rs. 225 crores, was set for them. But additional taxation measures over the five-year period are expected to yield only Rs. 173 crores or Rs. 52 crores below the target. Thus, while the Centre has exceeded the target by a very wide margin, the States collectively have lagged far behind the target.

Be that as it may, the five-year yield of the additional tax measures adopted in these three years by the Centre and the States is placed at Rs. 900 crores which, in itself, meets more than fully the target of Rs. 450 crores in the Plan plus the uncovered gap of Rs. 400 crores. Only, all this tax effort, massive as it has been, has availed the Plan nothing. This is because the revenue raised by new tax measures has been absorbed by defence, non-development expenditure and some development expenditure outside the Plan. The result is that the original gap of Rs. 400 crores in resources remains more or less uncovered. This means that fresh efforts have to be made to raise additional revenue. The Centre cannot, however, do much in the matter of new taxation. For, as the Commission itself admitted, the "scope for additional taxation at the Centre is, if anything, very limited." It added: "The effort already undertaken has been large and the current rates of direct as well as indirect taxation are high. The problem for the immediate future is to see how the various changes in tax structure which have been adopted with a view to enlarging the tax base and reducing the scope for tax evasion work out in practice, and to adapt and improve upon the system in a way that ensures a fair share to the public exchequer without impairing the incentive on the part of the taxpayer to work and to save." This consideration suggests that it is the States, not the Centre, which should make additional efforts at raising new revenue.

It is true that the sources of taxation available to the States, although they are not small in number, are not capable of yielding large revenue. Even so, the fact remains that they have not fully exploited the sources open to them. Thus, the estimated yield from general sales tax and tax on motor spirit and diesel oil over the five-year period is only Rs. 90.2 crores (general sales tax Rs. 83.2 crores and tax on motor spirit and diesel oil Rs. 7 crores), as against the target of Rs. 112 crores from this source. A good part of this shortfall may be due to failure on the part of State Governments effectively to enforce sales tax. Again, land revenue, betterment levy and irrigation rates, it was originally computed, would yield an additional Rs. 64 crores. But they are now expected to bring in only Rs. 11.8 crores. Similarly, the yield from agricultural income-tax will yield only Rs. 7.5 crores, as compared with the target of Rs. 12.0 crores. From all this, it should be clear that the States have to concentrate on increasing their income through increased exploitation of such sources as land revenue, irrigation rates and betterment levy. This implies that they should create the necessary agricultural and irrigational facilities and also induce the farmers to utilise them so that agricultural income moves up through increased production.

Nor can the States overlook the imperative need for keeping non-development expenditure to a minimum. From this point of view, It is somewhat disturbing to note that the Commission's report on State Development Plans leaves no doubt that unproductive expenditure has increased in several States. An increase in non-Plan expenditure is indicated by the Commission's review of Kerala's performance under the Plan. This is also true of Madhya Pradesh and Mysore. Referring to W. Bengal's finances, the Commission is constrained to point out that the "increase in revenue resources due to taxation has not been made available for the Plan expenditure and, unless measures are taken either by reducing expenditure outside the Plan and/or by raising further resources through taxation, the State's contribution on revenue account will lag far behind the target agreed to under the Plan." Economy in expenditure is a vital consideration as much for the States as for the Centre. Within the obvious limitations imposed by such obstacles as the need for meeting the demands of their relatively low-paid employees, the States should endeavour to keep within bounds their expenditure on non-development schemes.

Much leeway has to be made up in nearly all States in the matter of raising agricultural production. Food output lags far behind the targets set for it in individual States. Achievement in additional food production (in lakh tons) in the first two years of the Plan with the cumulative five-year target in such production for different States are: Andhra 3.65 (14.86); Assam 1.21 (3.78); Bihar 3.69 (15.0); Kerala 0.34 (2.76); Madhya Pradesh 2.30 (14.61); Madras 5.98 (13.7); Mysore 1.49 (5.91); Orissa 1.23 (9.39); Punjab 2.84 (14.4); Rajasthan 1.27 (8.07); U.P. 5.35 (24.0); W. Bengal 2.11 (9.32). The failure of agricultural output to move up in accordance with the schedule of targets should be attributed partly to unfavourable weather conditions and partly to the fact that seed farms and necessary facilities for the utilisation of irrigation water were not created promptly enough. Thus, in Andhra, because of heavy rainfall and breaches in channels and tributaries, actual irrigation under the Tungabhadra project was only 24,300 acres, although water was available for 116,000 acres. In Bombay, as against the created irrigation potential for 64,000 acres, the actual area irrigated in 1957-58 was only 2,000 acres. This was because the "water stated to be ready for irrigation was often not usable owing to lack of adequate channels or other defects in the canal system." Explaining the shortfall in food output (in relation to the target) in Madhya Pradesh, the Commission points out that there was "(1) delay in the setting up of seed farms, (2) delay in the creation as well as non-utilisation of irrigation potential already created, (3) lack of adequate attention to the implementation of the programme of green manure, and (4) absence of a scheme for the development of local manurial resources." The second Plan target for additional irrigation in Rajasthan was 963,000 acres; actual irrigation in 1956-57 was 22,000 acres and, in 1957-58, it is expected to be 94,000 acres. The delay in the utilisation of benefits of irrigation is attributed to such factors as the "delay in completion of construction work on the tanks or the canals, in the construction of railway crossings and in rock cutting in the canal system, and in construction of field channels." Actual irrigation in the U.P. in 1957-58 is 10.81 lakh acres, as against the total irrigation potential of 25.44 lakh acres, the reasons for the shortfall being "absence of field channels, lack of realisation on the part of the farmers about the benefits of the use of water and lack of proper crop pattern."

It is a pity that the State Governments have failed to realise the importance of ensuring prompt utilisation of irrigation potential which has been created at such heavy sacrifice on the part of the taxpayer. Any failure to benefit from irrigation potential, so created, is a national waste of capital resources. Such failure could be traced to inadequate planning of details and lack of coordination between the different departments such as agriculture and public works. Agricultural departments in the States deserve to be toned up and put in charge of the best administrators available to them. Without such reorganisation, and the necessary drive and planning, all schemes for stepping up food and farm output are bound to remain vague and pious aspirations.

FEAR OF WAR HAS RECEDED

TREASURY BILLS—STATE LOANS—COMMODITY TRENDS—POUND STERLING

THURSDAY, 5 P.M.

MARKET GOSSIP

HAPPILY, the much-feared war in West Asia has not materialised. Shortly after we went to press last week came the news of British troop landings in Jordan in response to the request of the king of Jordan. So, the Americans and the British have acted swiftly and prevented the revolt in Iraq from spreading to the rest of the Arab world. There would have been far more serious complications in West Asia but for their timely action. As was anticipated in these columns last week, the Russians have had the good sense not to go beyond their verbal protests and threats. Consequently, the dark war clouds that had darkened the blue skies of West Asia have been scattered, though not completely blown over. All the big powers have now agreed to talk the matter over under the auspices of the U.N. Security Council. With the war scare thus over, the share markets have resumed their upward trend. Most of the popular counters have come up to very near the peak levels established just before the Iraqi army staged a revolt; quite a few of them have actually crossed those levels. Among the other markets, bullion is less buoyant. Commodities, though still bullish, are now quoted well below the highest levels touched earlier this week, as will be shown presently.

• • • •

The short-term money market is very easy. The surfeit of funds with banks is heavy. The inter-bank call money rate is 2½ per cent. and the rate for House money repayable on demand has fallen well below 4 per cent. The big banks are unwilling to pay more than 3½ per cent. for this money, though some of the banks in the medium range are still taking it at 4½ per cent. The latter are probably a little short of funds, having financed State loans rather heavily. Once a part of these advances is repaid, they too may not be anxious to give the rate now offered by them. All banks, however, are keen to take definite term deposits from one to six months at 3½ to 4 per cent.

The Government of India has done well to revive the issue of Treasury Bills of 91 days' usance. This will provide an opportunity to banks to invest a portion of their surplus funds at rates equivalent to inter-bank call money rate, instead of keeping them with the Reserve Bank free of interest. The scheduled banks' balances with the Reserve Bank are now well over Rs. 95 crores, a sum far above the statutory requirements. The amount invited is only a modest sum of Rs. 1 crore. Apparently, the authorities first want to test the market before increasing the size of the tender.

It will be conducive to a healthy capital market, if banks keep a part of their funds always invested in short-term Government obligations. In recent years, the banks have not had a real short-term liquid asset. Next to cash, their second line of defence has been Government securities. And whenever they wanted more cash to meet the demand for money from trade, they had to liquidate a part of their Gilt-edged holdings which in turn disturbed the Gilt-edged market or led to a sharp increase in the Reserve Bank's holdings of Government securities. This is by no means an ideal arrangement.

Now that the money market is favourable again for reintroducing Treasury Bills after a break of two years and four months, efforts must be made to ensure that they do not happen to be a short-lived affair. This will be possible only if there is understanding between the banks and the Reserve Bank of India. The latter should not try to drive too hard a bargain when money is cheap and force the yield on Treasury Bills to so low a level as to make them very unattractive to banks. Or, that is, the banks, on their part, must be willing to earning a little less on Treasury Bills than on Government securities or comparable investments when money is in good demand; instead, they must regularly carry some Bills in their portfolio during good and bad times as a second line of defence. Until the Treasury Bill system is soundly re-established, the Government, too, need not be in a hurry to drain the market of the surplus funds by making a fresh issue of long-term loans.

Although short-term interest rates have tended to fall, there has not yet been a reduction in the banks' interest rates for commercial loans and advances. Some of the big Indian banks, however, have lowered their rate of interest for demand loans against Government securities from 5½ per cent. to 4½ per cent. This action has been taken presumably to encourage the dealers in Government securities to borrow and raise their turnover in the Gilt-edged market. The former rate was so high that it was not worthwhile for the dealers to indulge in this business. But, now with prospects of a steady rise in the value of Government securities, the reduction in bank interest offers the dealers a good incentive to carry larger blocks of securities in the hope of earning at least some profit, as against nothing until very recently. The result will be a livelier Gilt-edged market which in turn is good for the Reserve Bank and the Governments, both Central and States.

The Gilt-edged market has been fairly brisk during the past few days. The new State loans have not depressed the market. On the contrary, some of them are quoting at a slight premium. Only the loans of Andhra, Uttar Pradesh, Orissa and, to some extent, Mysore are quoted at a discount. Of these four, the discount was heavier in the case of Andhra and U.P. loans at one time. In the initial days, the discount on the Andhra loan was as heavy as twelve annas and on the Uttar Pradesh even a rupee. Apparently, there must have been heavy canvassing for them by their respective State Governments. It is said that a few big banks—only one of them, according to some—enabled the investors harassed by the State officials to apply for these new loans on a slender margin of 2 or 2½ per cent. and that the banks later disposed of the loans in the open market at a discount of about 1 per cent., keeping for itself a clear profit of 1 to 1½ per cent. Barring these two instances, there does not seem to have been any excessive canvassing for the other State loans.

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The bullish fervour in commodities, which was engendered last week by grave political developments in West Asia, continues unabated, with prices moving up further. The rise in prices has been shared practically by all commodities—foodgrains, sugar, oils and oilseeds, metals, chemicals, and spices. The general feeling among traders is that the West Asian situation, though it may not immediately lead to a world conflagration, will stimulate foreign demand for Indian goods, on the one hand, and delay imports from abroad, on the other. Thanks to this feeling and to the increasing emphasis on export promotion laid by several Central Government Ministers in their speeches recently, the speculative interests have naturally become more active in the commodity markets and been pushing up values since the *coup d'etat* in Iraq on Monday, the 14th inst., as will be seen from the table on this page.

It will be noted that the latest rates are somewhat below the highest levels recorded earlier. This is due to profit-taking induced by fears of official intervention. The authorities have already taken some measures to prevent the markets from getting into the grip of speculators who are always prone to exploit war-scare and push up prices. The steps taken by them include imposition of ban on forward trading in coarse grains, pulses, *khandsari* (brown sugar) and *gur*, raising of the margin on Scheduled bank advances to traders against sugar (from 35 per cent. to 45 per cent.) and a stern warning to market men against enhancing prices by the Union Food Minister. The Central Government is credited with the idea of stopping futures trading in *gur* and banning purchases of wheat by flour mills in the open market. Meanwhile, the Forward Markets Commission has issued a warning against illegal trading in non-transferable specific delivery contracts in sugar and *khandsari* and threatened to take more stringent steps of regulation, if such activities are not stopped. The Commission is said to have warned the traders in oilseeds also against speculative transactions; some feel that the Commission may intervene and take such measures as tightening of margin rules in groundnuts and even suspend forward trading in oilseeds, if need be.

While the steps taken by the authorities to prevent unbridled speculation in essential commodities are quite welcome, there is no gainsaying the fact that they will not be effective, if the firmness of commodity prices abroad gathers further momentum. To take, for instance, linseed oil. It is stated that the U.K., which was not prepared to pay more than Rs. 1,510 per ton for Indian oil a fortnight ago, is now interested in buying at Rs. 1,600; some bids have been reported even at Rs. 1,656. Similarly, the U.K. quotation for Indian castor oil has advanced from Rs. 1,427 before the West Asian developments to about Rs. 1,507 at the time of writing. With regard to sugar, world prices have tended to move up, though they are still very much below the domestic *ex*-mill prices. Spot Cuban raw sugar in the New York market is now quoted at 3.85 cents per lb. (f.o.b. Cuba), as against 3.40 cents a fortnight ago. Refined sugar in the London market stands at about £34½ per ton, as against £30½. Following this recovery in world prices, the disparity between them and the Indian price (after allowing for the full remission of excise duty and cane cess) has narrowed down to some extent.

The trend of commodity prices in India in future will depend on the state of the world markets. The trend of these markets, in turn, will be influenced more by political developments rather than by the natural forces of supply and demand. If the political situation continues to remain unsettled and if a shooting war were to develop, the economy of the world is bound to be put under increasing pressure of military expenditure and stockpiling by Governments and industries. Such a pressure will give a fresh boost to commodity prices the world over. The advance in prices so far has been of a precautionary, or psychological, nature, without any substantial upswing in trade demand. Stressing this point, the London *Financial Times* observes:

"In recent weeks, with the slack summer season here and the uncertain industrial outlook in Europe and the U.S., manufacturers have wisely continued with their policy of working on small stocks. They are obviously reluctant to change their attitude and, like everyone else, are waiting until the situation in the Middle East becomes clearer. This would seem to be the right thing to do. The fact that stocks are now so low, however, makes the present position particularly precarious, for it could lead to some sharp rises in prices, if the threat to shipping increased."

Barring the effect on commodity prices, the political tension in West Asia has not had, and probably will not have, any repercussion on the world oil front. The new regime in Iraq has clearly stated that it will maintain the oil supply without interference. The new Government of Iraq has already told the Western countries that it has no intention of nationalising the oil companies in Iraq. Its spokesmen have told the West: "You get your oil, we get our pounds." This attitude is only as it should be, considering that oil forms the main basis of Iraq's economy and the only source of finance for the country's economic development. Even if there were to be any dislocation in supply, it would by itself not have much impact on the world oil supplies. The U.S. Government is already taking steps to give effect to the emergency oil plans without delay should the need arise. The Government and oil company officials are inclined to believe that Venezuelan oil supplies can be readily increased in an emergency.

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The £ sterling has not escaped the influences of the turn of political events in the Middle East, or what may be described in short, the Iraq crisis. The initial reaction of the £ sterling was bearish in terms of the U.S. dollar and many other Continental currencies. The selling, which started on Monday last week (the 14th inst.) in the foreign exchange market immediately after news of the *coup d'etat* in Iraq was received, caused a setback to the £ in terms of the U.S. dollar from $2.80.9/16-2.80.11/16 on the eve of the crisis to a low of $2.79.15/16-2.80.1/16 at the close of Wednesday, the 16th inst. The price would have fallen well below the parity level but for the intervention, as is usually the case on such occasions, of the Exchange Equalisation Account to support the £ sterling. A similar setback was witnessed in terms of several other Continental currencies, though the extent of decline varied from currency to currency. After the initial flare-up, the political situation calmed down and has remained so during the last few days. Consequently, not only has the selling in £ sterling subsided but there has actually been a recovery, though, till yesterday, the initial loss has not been fully recovered—in some cases, there has been no recovery at all—as will be observed from the comparative table of spot rates of sterling in terms of U.S. dollar and a few Continental currencies:

Currency	Closing on 12-7-1958	Lowest	Closing on 23-7-1958
U.S.	2.80 5/16–80 7/16	2.79 15/16–80 1/16	2.80 1/16–80 3/16
French Fr.	1,174½–75	1,172½–72½	1,173½–74
Swiss	12.21½–21½	12.17–17½	12.19–19
Belgium	139.52½–27½	138.97½–139–02½	139.05–139.10
Dutch Gldr.	10.56½–57	10.56¼–56½	10.56¼–56½
W. German DM.	11.67½–68½	11.67½–67½	11.67½–67½

It may be interesting to note here that the fall in £ sterling in terms of other currencies was not so great as was witnessed during the Suez crisis. There are two reasons for this: (1) the present tension in the Middle East, which has now eased a bit, cannot be compared with the Suez crisis; and (2) the £ sterling had already gone down in terms of other currencies in the weeks preceding the Iraq crisis due to seasonal stresses. The effect of last week's selling was only to bring down the rates in some cases very close to the official support levels. As compared with the heavy pressure to which the £ was subjected during the Suez crisis, last week's recession was very mild and, to that extent, it reflected the confidence reposed in the £ sterling. This is further indicated by the recovery which started in the middle of last week.

To a large extent, the initial bearish reaction of the £ sterling to the Iraq crisis, or in other words, the hardening of other currencies in terms of the £, was due to speculative activity. In recent months, it would appear, the various currency markets on the Continent had taken an optimistic view of the long-term outlook for sterling, in view of the substantial additions made to the reserves of the sterling area. This confidence had encouraged the foreign exchange dealers in London and abroad to buy sterling and go short in certain Continental countries when sterling became cheaper due to seasonal factors; their idea was to make a good profit over a short period. But the Iraq crisis took them unawares and upset their apple-cart. They did not want to take further risks. Consequently, they preferred to adjust their positions. What is, however, noteworthy is that the initial reaction of the currency markets to the Iraq crisis did not lead to any heavy liquidation of sterling by anybody other than the aforesaid speculators. But, after their operations were over, the £ sterling recovered again.

COMMODITY PRICES AT A GLANCE

	Unit	12-7-58	Highest touched	Latest available
		Rs.	Rs.	Rs.
Wheat	Per maund	20.50	21.00	20.50
Rice (*Samati*)	"	42.50	44.00	41.00
Gram	"	14.25	14.75	14.65
Barley	"	14.00	14.00	14.00
Gur (*Paneera*)	"	23.00	24.00	22.00
Khandsari	"	36.00	37.25	36.50
Sugar (medium grain)	Per bag	108.00	111.00	109.50
Linseed oil	Per qrt.	17.37	18.75	18.25
Castor oil (commercial)	"	16.56	17.25	16.87
Groundnut oil (ex-mill)	"	19.62	21.50	21.25
Tin	"	146.00	148.00	148.00
Lead	Per cwt.	68.00	71.00	71.00
Zinc	"	70.00	72.00	71.00
Copper scrap	"	196.00	205.00	205.00
Cotton (I.C.C. August)	Per candy	680.50	687.25	668.00

LONDON MARKET

	Unit	11-7-58	17-7-58	Latest available
Copper	£ per ton	104½	204	208½
Lead	"	69½	73½	73
Zinc	"	62½	65½	64½
Barley	"	20s	20s	20s
Rubber	d. per lb.	22½	23½	23½
Wool Tops	"	98	108½	111

SHARE MARKET BULLISH

SMART RISE IN CENTURYS

(From Our Own Correspondents)

BOMBAY, *24th July*

THE setback in share prices noted last week, following the Iraq crisis, proved to be a short-lived affair. In the absence of any further adverse developments in the Middle East, equities staged a smart recovery during the week under review. The recovery was helped by the fact that the market was in a well-liquidated position after the panicky selling by bulls last week. As confidence returned, speculative buying also enlarged and many "bears," who had hammered down the market only a few days before, were caught unawares and were forced to cover. Activity was particularly more brisk today and share prices flared up under the leadership of Centurys, which announced a right issue at par in the ratio of one share for every eight shares held by the existing shareholders as on 15th September 1958.

The favourable turn of events in the Middle East, at least in bringing about a feeling that an outbreak of war was not imminent, revived hopes in the market of more foreign aid to implement India's development plan by way of further advance payments of pension commitments from Britain and of overdraft facilities by the same country. The extremely easy condition in the money market was also a bullish factor. The gains over the week were marked and widespread which very nearly wiped out the loss since the Iraq crisis.

In the steel section, Tata Ordinaries rallied from Rs. 160.25 to Rs. 165.50 and after a slight recession to Rs. 164, revived to Rs. 169. The closing was done at Rs. 167.50. The new shares gained over the week Rs 5.25 to Rs. 165.25. Indian Irons advanced from Rs. 22.64 to Rs. 23.40, but reacted to Rs. 23.08, yesterday. Subsequently, the shares staged a smart recovery to Rs. 23.64 and closed at Rs. 23.60.

In the textile section, Century shares were in the limelight, with a sharp jump from Rs. 448.50 to Rs. 470.00 on Monday last. After a decline to Rs. 463, the shares boomed to a high of Rs. 480 today on the announcement of a one-to-eight scrip issue. The closing was a shade lower at Rs. 478. Bombay Dyeings scored over the week a gain of Rs. 2.90 at Rs. 59.70. Kohinoors attracted good support and shot up from Rs. 269.50 to Rs. 285. Central Indias gained Rs. 4 over the week to Rs. 97. Finlays rose by Rs. 10 to Rs. 285, Gokaks by Rs. 3 to Rs. 152 and Indu Ordinaries by 52 nP to Rs. 10.12. Indore Malwas were higher by Rs. 2.50 at Rs. 114 and Khataus by Rs. 6.25 at Rs. 188.75. New Greats changed hands Rs. 5 higher at Rs. 215. A rise of Rs. 4 to Rs. 157 was recorded in Shree Niwas Cottons and of Rs. 7 to Rs. 185 in Simplex. Standards hardened by Rs. 8.30 to Rs. 432.50 and Svadeshis by Rs. 12.50 to Rs. 192.50. Swans were dearer by Rs. 5 at Rs. 370.

Bank shares were steady. Barodas were taken up Rs. 2 higher at Rs. 123. Centrals gained Re. 1 to Rs. 54.80 and their new shares 50 nP to Rs. 58. Bank of Indias were a fraction better at Rs. 135, as also their new shares at Rs. 136.50. Punjab Nationals put on 50 nP to Rs. 59 and United Commercials gained a like amount to Rs. 61.50.

In the insurance section, New Indias were done a shade higher at Rs. 46.50. New Greats had business at Rs. 19.76 and Industrial and Prudentials at Rs. 30. Indian Mercantiles dropped a rupee to Rs. 47, while Vulcan Insurances hardened by 60 nP to Rs. 18.24.

Some gains were recorded in the electricity section also. Ahmedabad Electrics put on a fraction to Rs. 95.70 and Bombay Suburbans 50 nP to Rs. 107.25, as also Tata Hydros to Rs. 121.50. Andhra Valleys moved up by Rs. 22.50 to Rs. 1,180 and Tata Powers by Rs. 6 to Rs. 1,225.

Sugar shares also participated in the general rise, Belapurs gathering strength from Rs. 255 to Rs. 263.50. Phaltans moved up by Rs. 2.75 to Rs. 154.75 and Walchandnagars by Rs. 3.75 to Rs. 281.25. Cement shares proved no exception. Associated Cements rallied from Rs. 153 to Rs. 156.50, while their new shares were unchanged at Rs. 149.25. Digvijays were maintained at Rs. 154.50. Orissa Cements gained 16 nP to Rs. 13.88, Dalmia Cements a like amount, to Rs. 11.16 and Jaipur Udyogs 40 nP to Rs. 14.16. Among engineerings, Alcock Ashdowns scored a smart gain of Rs. 11.25 to Rs. 256.25. Tata Locomotives gained ground from Rs. 166 to Rs. 173.25. Larsen and Toubros were better by 28 nP at Rs. 18.04 and Premier Constructions by Rs. 9.25 at Rs. 202.25. In the mining group, Shivrajpurs were higher by Re. 1.50 at Rs. 93.50. Indian Coppers put on 24 nP to Rs. 3.98 and B.B. Petrols 10 nP to Rs. 2.28.

Shipping shares were well supported and scored smart gains, Scindias moving up from Rs. 18.24 to Rs. 19.56 before closing at Rs. 19.48. Great Easterns rose over the week Re. 1.16 to Rs. 24.72. In the automobile group, Hindustan Motors were better by 32 nP at Rs. 7.88 and Premier Automobiles by Rs. 3.70 at Rs. 92.20.

In the miscellaneous group, Bombay Burmahs (old) rallied from Rs. 564.50 to Rs. 585.50, but closed a shade lower at Rs. 582.50. The partly paid-ups rose by no more than Re. 1.50 to Rs. 216.50. National Rayons were taken up at Rs. 233.75, as against Rs. 224.75 a week ago. Gwalior Rayons also gained from Rs. 13.76 to Rs. 14. Tata Chemicals were picked up 56 nP higher at Rs. 16.56, while Dhrangadhra Chemicals were a rupee lower at Rs. 109 and Hindustan Levers were unchanged at Rs. 23.80. Amar Dyes were steady at Rs. 120. Greaves Cottons (new) were done at Rs. 98.50. Tata Oils advanced by Re. 1.75 to Rs. 41.75. Killick Industries were a shade quiet at Rs. 145 and Wimcos dropped Re. 1.50 to Rs. 176.50.

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Calcutta Stock Exchange

CALCUTTA, *23rd July*

The week under review on the Calcutta Stock Exchange commenced on a depressing note, in view of the uncertain political situation in the Middle East. The fear that, if a world war resulted, India's economic progress, as well as prospects of further foreign aid, would be affected, was predominant in operators' minds. However, on second thoughts, it was realised that the U.S.S.R. was exercising great diplomacy and that a world conflagration was not to its interest. Following this line of thought, a recovery set in on Monday to react again yesterday. Since the recent uptrend on the Stock Exchange was mainly speculative, it was not surprising that weak holders became anxious and began selling in an attempt to lessen commitments. The absence of any official decision so far on measures to boost up exports caused doubts in the market as to whether incentives would after all be provided. It was realised that without incentive exports could hardly be increased. It was hoped, however, that, as a result of the Finance Minister's forthcoming visit to the U.S.A. and the U.K., the foreign exchange problem would partially be solved.

In contrast to the general trend, jute shares were keenly sought for throughout the week, and several scrips recorded smart gains. Fair buying of hessian on U.S. account, prospects of more buying by Argentine and sizable gains in prices of jute goods attracted buying in this section. The good working results of some mills published this week, it was thought, reflected the general improvement in the position of the industry as a whole. Howrah Jute Mills Co., Ltd., for instance, had at the end of March 1956 a debit balance of Rs. 24,66,402. By the end of March last, this large deficit was not only wiped out but a small surplus of Rs. 32,775 was carried forward after paying all arrears of dividend on preference shares. The ordinary dividend has been passed over. The shares of the Company naturally received more attention this week and were supported to rise to Rs. 18.50 from Rs. 16.56. Fort Glosters added 11 points to Rs. 371, following a satisfactory working report for the year ended March last. The dividend has been doubled to 20 per cent. The profit was high at Rs. 10.11 lakhs, as against Rs. 4.08 lakhs. The Directors reported good progress on the modernisation scheme. Belvederes advanced to Rs. 117 from Rs. 110 on keen buying. Megnas improved by Rs. 9 to Rs. 130. Alliances were marked up to Rs. 90, as were Deltas to Rs. 127. Kelvins were fully steady at Rs. 202. Birlas touched a high of Rs. 19.44.

Among cotton textiles, Elgin Mills were unchanged at Rs. 13.50, while Kesorams receded to Rs. 11 from Rs. 11.75.

Coal shares accounted for a decline in the volume of business. Support was selective, and yesterday a reaction set in. Pench Valleys closed at Rs. 22, as against Rs. 22.87 earlier. Burrakurs receded to Rs. 21.00 from Rs. 21.50, but Raneegunges were fractionally better at Rs. 13. New Beerbhooms were maintained at Rs. 16.25.

Engineering shares gave way earlier, but subsequently recovered. Indian Irons fell to Rs. 22.80 from Rs. 23.60 to recover to Rs. 23.50 on Monday, but since then lost to Rs. 23.26. Guest Keens were unchanged at Rs. 30.62, but Texmacos gained to Rs. 20.95 from Rs. 20.30.

Among minings, Indian Coppers, after changing hands at Rs. 3.79, lost to Rs. 3.57. In the sugar section, Balrampores moved down to Rs. 8.25 from Rs. 8.31, while Darbhangas were better at Rs. 16.69.

Orient Papers were a strong feature and hardened to Rs. 33.10 from Rs. 32.30, while Titaghurs receded to Rs. 39.87 from Rs. 40.19 on profit-taking. Sirpurs were firm at Rs. 12.00.

Generally, miscellaneous shares were quiet, in view of fears of import cuts of raw materials. Rohtas Industries lost to Rs. 21.87 before recovering to Rs. 22.62. Indian Aluminiums were lower at Rs. 15. Indian Oxygens, on the other hand, hardened to Rs. 20.25.

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Madras Stock Exchange

MADRAS, *22nd July*

Easy conditions prevailed on the Madras Stock Exchange during the major part of the week under review, thanks to tense West Asian situation and apprehensions of the second Plan being jeopardised. Tea and coffee shares encountered selling on fears that exports might be adversely affected. The announcement of lower dividend by the Emerald Valley Estates was another unhelpful factor. Rubber shares, however, ruled strong on hopes of an upward revision in rubber prices and firm advices from the Singapore rubber market. In the absence of encouraging news from yarn and cloth markets, textile shares were subdued. The sugar and electric sections presented a quiet trend. The miscellaneous section was active with good investment support in several scrips.

Tea shares came in for selling and suffered a decline in prices. Stanes Amalgamateds dropped 30 nP to Rs. 13.50. Haileyburias fell by 25 nP to Rs. 19.50 and Emerald Valleys by 20 nP to Rs. 7.05 *cum-div.* The Directors of the Company have recommended a dividend of 6 per cent. for the year ended 31st December 1957, as against 10 per cent. for the previous year. Nonsuch softened by 15 nP to Rs. 22.60. Periakaramalais shed 10 nP to Rs. 4.37. Chembras were lower by 9 nP at Rs. 4.16 and Blue Mountains by 6 nP at Rs. 3.27. Devasholas, however, received special support and improved by 50 nP to Rs. 19.50 *cum-div.* Devons gathered 12 nP to Rs. 16.62. Among coffee shares, Coffee Lands were marked down by 45 nP to Rs. 30.80. Consolidated Coffees receded by 20 nP to Rs. 27.50. Sangameshwars lost 20 nP to Rs. 2.65 *cum-div.*, Savamalais 10 nP to Rs. 5.85 *cum-div.* Bababudins softened 5 nP to Rs. 12.20. Anaparas, however, gained 5 nP to Rs. 5.40 and Ouchterlonys 2 nP to Rs. 5.15. Rubber shares, as already stated, ruled strong. Malankaras firmed up by 52 nP to Rs. 18.62. Midlands rallied 25 nP to Rs. 12.00. Travancores advanced by a like amount to Rs. 15.25. Tropicals hardened by 27 nP at Rs. 19.87. Nilamburs were quoted 25 nP higher at Rs. 14.50, *cum-div.* Cochin-Malabars picked up 18 nP to Rs. 5.23 *cum-div.*

In the textile section, Bangalore Woollens dropped Rs. 5 to Rs. 160. Vijaymohinis slipped down by Rs. 2 to Rs. 79.00. Metturs were on offer a rupee lower at Rs. 333 *ex-div.* Pankajas shed a like amount to Rs. 43.00. Maduras eased by 50 nP to Rs. 35.00 and Travanore Rayons by 15 nP to Rs. 14.20. Cambodias were quoted 10 nP lower at Rs. 9. Coimbatore Cottons were dull at Rs. 145, as also Kotharis at Rs. 10.50 and Rajapalayams at Rs. 129.00. Buckinghams, however, gathered Rs. 2 to Rs. 172. Ranga Vilas and Virudnagars gained a rupee each to Rs. 63 and Rs. 30.75, respectively. Loyals put on 50 nP to Rs. 35.

E.I.Ds, among sugar shares, lost ground and eased by 15 nP to Rs. 28.20. Travancores were quoted 10 nP lower at Rs. 10.30. Deccans were quiet at Rs. 8.62 and United Breweries at Rs. 221.00. But Kirlampudies rose by 50 nP at Rs. 42.50 on special support.

In the miscellaneous section, Textools advanced by Rs. 5 to Rs. 191.00. Rallis firmed up by Rs. 3.25 to Rs. 36.50. India Steam Rollings were absorbed 50 nP higher at Rs. 12.50. Mysore Stonewares were done higher at Rs. 12.50 as against Rs. 12. India Cements (Rs. 25 paid-up) gained 35 nP to Rs. 28.60 *cum-div.* Mysore Papers rose by 20 nP to Rs. 17.50 *cum-div.* Mettur Chemicals, however, encountered selling and were marked down by 30 nP to Rs. 11.10 *cum-div.* Aluminium Industries declined by 20 nP to Rs. 16.20, Travancore Cements by 15 nP to Rs. 9.85 and F.A.C.Ts by 10 nP to Rs. 6.35. Andhra Cements softened by 5 nP to Rs. 11.85. Hindustan Levers were unchanged at Rs. 23.84 as also Mysore Tobaccos at Rs. 12.62.

Notice

THE PUNJAB NATIONAL BANK LIMITED
'Shree Niwas'
8, UNDERHILL ROAD, CIVIL LINES, DELHI

NOTICE OF INTERIM DIVIDEND

THE DIRECTORS OF THE PUNJAB National Bank Limited, Delhi, have decided to pay an Interim Dividend for the current year at the rate of Rs. 2.50 per share, free of income-tax. The dividend will be payable at the Registered Office of the Bank at Delhi on or after 1st September, 1958 to the shareholders whose names stand on the Register of Members of the Bank as on 26th August, 1958.

The Transfer Books and Register of Members of the Company will remain closed from 21st August, 1958 to 26th August, 1958 (both days inclusive).

By Order of the General Board of Directors,
A. M. WALKER,
General Manager.

Dated: 19th *July*, 1958.

Note: The shareholders are requested to intimate change of addresses, if any, to the Bank immediately.

NEWS IN BRIEF

THE Scindia Steam Navigation Company has placed an order with Japan for a ship of 12,500 deadweight tons with a speed of 17 knots, under the Indo-Japanese Yen Agreement.

Quota licences for the import of X-ray films will be granted to established importers by the Government of India during the current half-year April-September 1958, on the basis of a quota of 75 per cent. general and 75 per cent. soft.

The Government of India has banned futures trading in *khandsari* sugar. This decision is a sequel to the need for checking the upward trend in prices. The outstanding contracts entered into on or before the 18th inst., are required to be cleared at the rates prevailing at the close of business on the 18th inst.

A New Delhi firm will set up shortly a new factory to manufacture 60,000 electric meters and 30,000 switchgears per year. The firm has already secured the collaboration of a Czechoslovakian concern which has agreed to supply the requisite machinery on a deferred payment basis.

The Punjab Government has decided to complete the work of consolidation of holdings by 1960-61, instead of extending it to the third Plan as originally decided. The Government is expected to recruit 4,000 additional revenue staff for this purpose, subject to the approval of the Planning Commission.

The Government of India has announced grant of full excise duty rebate of Rs. 112 per ton on castorseed oil exported from India, as against 11/14ths of duty hitherto admissible. Full rebate of excise duty, it may be noted, is already admissible on exports of linseed oil and tobacco-seed oil.

The Union Government has banned forward contracts and non-transferable specific delivery contracts for the sale and purchase of *Jowar, bajra*, maize, *ragi*, small millets, *tur* (*arhar*), *urad*, or *mash, mung, moth, masur, kulthi*, peas and *lakh* or *khesari*. The present measure is designed to check the upward trend in prices.

The U.P. Cabinet is reported to have rejected the suggestion for reintroduction of food rationing in the State on the ground that rationing even on a restricted scale in the urban areas will take at least four to six months to be implemented successfully and as such will not solve the present problem of scarcity of food.

The Indian Agricultural Research Institute has undertaken a soil conservation survey in the catchment areas of six river valley projects, namely. Bhakra Nangal, Hirakud, Machkund, Kosi, Damodar Valley and Chambal. The total area covered is 78,000 square miles. Surveys have also been plannned for the non-watershed areas of Burdwan, Nasik and Shimoga (Mysore).

The trade agreement between India and Indonesia, initially signed in 1953 and extended from time to time, has been further extended upto 31st December 1958. It may be noted that, during the year 1957, India exported to Indonesia goods worth Rs. 5.7 crores, while imports from that country aggregated Rs. 3.8 crores. Exports from India generally include cotton textiles and yarn, jute goods, tobacco, linseed oil, sports goods, rubber tyres and tubes, diesel engines, textile machinery and electrical equipments. Notable among the imports from Indonesia are copra and coconut oil, essential oils, spices, betelnuts, timber, tin, rubber, hides and skins and tanning materials.

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From Abroad

The U.K. Government has agreed to lend British Guiana a sum of £5.5 million upto the end of 1959 for financing its 1956-60 development programme.

The aggregate exports of wheat from Canada in the current crop year ending 31st July is estimated at a little over 300 million bushels, as against 261.8 million bushels in 1956-57.

The United States has paid its full contribution to the regular United Nations budget for 1958 with a cheque for $16,562,250. The U.S. contribution this year is 32.51 per cent. of the U.N. budget.

The Government of Ghana will shortly establish an international broadcasting system. The project involves a capital outlay of approximately £1,098,400. French and English will be the first two languages used in foreign broadcasts. The system will ultimately have four transmitters.

An Anglo-Portuguese atomic energy agreement was signed at London last week. It provides for co-operation in the study and development of the peaceful uses of atomic energy. The U.K. has concluded similar agreements with Sweden and Germany.

The aggregate value of goods and services in the U.S. during the second quarter of 1958 remained steady at the first quarter's level of $425.800 million. This represents a fall of nearly 4½ per cent. from the peak annual rate of $445,600 million in the third quarter of 1957.

The Studebaker-Packard Corporation of the U.S. has decided to concentrate next year on the production of smaller cars with less chrome, reduced horse-power and lower top speeds. The Corporation is expected to turn out 100,000 smaller cars which will resemble American Motors' Rambler.

The U.S. Development Loan Fund has granted a loan of $40 million to the Persian Seven-year Plan Organisation. The loan will be repaid in 12 instalments and bears interest at 3.5 per cent. per annum. Persia has asked for another loan of $45 million from the World Bank. A decision to this effect will be taken after an on-the-spot survey by the Bank's experts.

West Germany proposes to construct, under a seven-year roads plan, over 1,000 miles of superhighways at a cost of £300 million, which will be met by the Bank for Public Works. The programme is expected to ease internal West German transport difficulties at certain key points and also established new links for inter-European traffic.

A preliminary agreement has been reached between two New York concerns, namely, Corn Products Refining Company, and Best Foods, for their merger into a new Corporation. One share in this new Company will be exchanged for each share of the Corn Products Common and 1 and 6/10 share of the new stock will be exchanged for each share of Best Foods stock.

A new device to move a ship sideways, backward or forward has been invented by Vickers-Armstrongs (Shipbuilders), U.K. The equipment is so conceived as to improve manoeuvrability of the vessel in confined waters and thus minimise the danger of damage under such conditions. The system, in essence, consists of circular steel castings arranged across and through the vessel at the bow and stem at an approximate depth below the water-line. Propeller assemblies are fitted within the castings.

Austria has under consideration a plan to enter the U.S. bond market in October or early in November next. The issue will be for $30 million which will be spent chiefly for the implementation of electric power projects. Meanwhile, it is learnt that six New York commercial banks have agreed to grant a medium-term credit of $12 million to a syndicate of Austrian banks at 5½ per cent. interest for meeting a part of the outlay on the Salzburg-Vienna super-highway now under construction.

A $16-million passenger reservation system, believed to be the largest interconnecting electronic data processing system ever built for one industry, has been ordered by the United Airlines, one of America's major airlines. It will be installed by the Tele-Register Corporation of Stamford, Connecticut, by 1960. As a result of the system, more than 2,500 ticket agents in 208 offices throughout the United States will be able to get almost instantaneous information on all flights. The system will permit making 80 per cent. of all reservations in less than a second. The new system uses inexpensive telephone lines over which digital data will be sent at a rate of more than 1,300 words a minute. This is 15 times faster than the prevailing system.

Participants from 56 countries, including India, have registered for the ninth International Congress on Home Economics to be held at the University of Maryland, near Washington, from the 28th inst., to 2nd August. More than half of the 1,000 expected registrants are expected to go from outside the U.S. Among the other countries to be represented at the Congress are Ghana, Iran, Iraq, Israel, Jordan, Nepal, Nigeria, Pakistan and Turkey. The participants will study problems the families face under present-day economic and social conditions. They will try to determine which of these problems can be alleviated by education in home economics and how home economics education and services can be developed for special conditions in each country.

A five-point programme is being advocated by the leading U.S. aluminium producers, with a view to dealing with long-range trade and supply problems of aluminium companies in the free world. This programme, it is claimed, will go a long way towards combating Russian selling in world markets. The programme proposes the channelling of surplus aluminium to areas where it is most needed, collaboration between producers in allied nations to solve common problems, limits on imports of metal into the U.S. in times of surplus, a study of the possibility of anti-dumping legislation, and collaboration between Government and industry in combating the Soviet economic offensive.

PERSONAL

MR. C. R. Pattabhiraman, M.P., has been appointed a Director of the Neiveli Lignite Corporation (Private) Limited.

Mr. Sankalchand G. Shah has been elected President of the Bombay Yarn Merchants' Association and Exchange Ltd. for the year 1958-59.

Mr. W. R. Crocker, till recently Australian High Commissioner in Canada, has been appointed High Commissioner for Australia in India, *vice* Mr. P. R. Heydon.

Mr. Lyuben Popov has been appointed Envoy Extraordinary and Minister Plenipotentiary of the People's Republic of Bulgaria to India, *vice* Mr. Ivan Petro Daskalov.

Mr. Ratilal M. Gandhi, Mr. Shivakumar Bhuwalka and Mr. A. B. Argo have been elected President, Chairman and Vice-Chairman, respectively, of the Indian Oil and Produce Exporters' Association for the ensuing year.

Mr. J. C. Ryan, Chief Officer, Agricultural Credit Department, Reserve Bank of India, left Bombay for Port Moresby, New Guinea, to attend a technical meeting on co-operatives, organised by the F.A.O. in association with the South Pacific Commission.

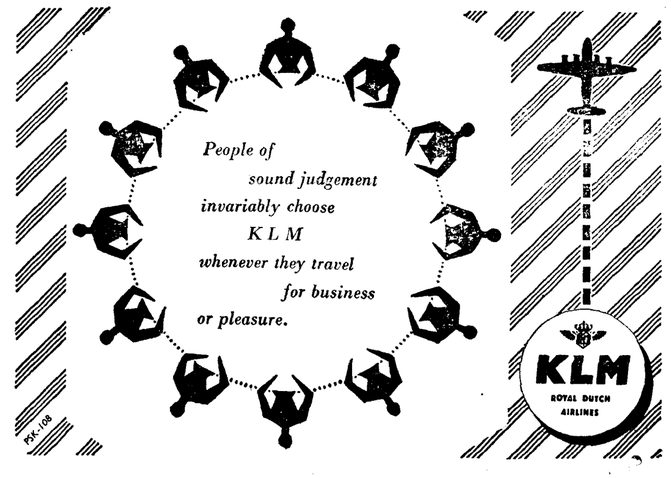
"COMMERCE" 1933

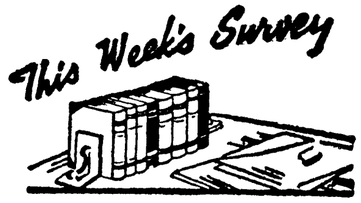
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *29th July*

Indian Coffee Statistics

The Department of Commercial Intelligence and Statistics has issued a phamphlet dealing with Indian coffee. The coffee industry of India is confined to Southern India, comprising the Madras Presidency, Coorg, and the States of Mysore, Travancore and Cochin. The statistics dealt with in this publication are based on data furnished by coffee planters, which are received in this Department through the Director of Industries, Madras, the Director of Land Records and Agriculture, Coorg, the Mysore Darbar and the Agent to the Governor-General, Madras States. Hitherto returns relating to estates or plantations of an area smaller than 10 acres were excluded from these statistics. The number of reporting plantations in the year under review was 8,191, covering a total area of 307,219 acres, as against 3,401 plantations with an area of 284,041 acres reported in 1930-31. But the area actually under coffee in the reporting plantations in the year under review was 173,224 acres, as compared with 160,261 acres reported for plantations having an area of 10 acres and over in the preceding year. New land planted with coffee during the year amounted to 4,497 acres, while the area of old cultivation abandoned was 5,976 acres. Of the total area under coffee during 1931-32, Mysore accounted for 52 per cent., Madras 24 per cent., Coorg 22 per cent. and Cochin and Travancore together 2 per cent. The total reported production of cured coffee during the year 1931-32 was 33,734,486 lbs. as compared with 32,972,967 lbs. reported in the preceding year. The daily average number of persons employed in the plantations was returned at 103,766, of whom 59,423 were permanently employed (namely, garden labour 43,077 and outside labour 16,346) and 44,343 temporarily employed (outside labour).





QUALITY CONTROL FOR LEATHER

WITH the introduction of the scheme of quality control for leather, a major step has been taken to put India's export trade in this important foreign exchange earner on firm foundations. The scheme, which was inaugurated at Madras on the 17th inst. by Mr. K B. Lall, Joint Secretary, Ministry of Commerce and Industry, Government of India, and Director-General of Foreign Trade, was formulated by the Leather Export Promotion Council with the approval of the Government and the active support of large sections of tanners and exporters of leather. It is a voluntary scheme, in that there is no legal sanction behind it, exporters being free to decide whether or not they should be bound by this self-imposed discipline.

The main object of the scheme is to ensure that the consignments of tanned leathers tendered for export contain the quality of goods as indicated by the marks under which they are exported and as per the declaration of the exporters. It also enables the importers to know the chemical standards of the goods actually bought by them. Only vegetable tanned leathers known the world over as East Indian tanned leather come under the purview of the scheme.

The three essential elements of the scheme are registration, declaration, and sampling and analysis. Exporters who have registered themselves with the Council for the purpose of quality control bind themselves to declare the quality of the goods sent by them and the chemical content of it and allow samples to be drawn from each and every consignment for analysis by the Council so as to verify that the quality of the goods is in conformity with the declaration made by the exporter. A set of samples will be retained for further tests, if there is any dispute with regard to the quality. The exporter will have to furnish full details of the marks, the class of tannage, etc. Chemical standards of each mark will have to be given by the exporter himself. The Council will arrange due publicity for the marks and the chemical standards of leather substances in importing countries through the Indian Trade Commissioners and organisation connected with leather trade. If the goods are below the declared standard and if such lapses are repeated, the Council will cancel the registration of the marks and instruct its overseas connections to notify such cancellation to importers and blacklist them.

The scheme is obviously simple, but it has far-reaching importance. It standardises the product, thereby establishing beyond doubt the integrity of the trade. This is conducive to commanding the confidence of the importer in the quality of the goods supplied. Since leather is essentially an export item, the internal demand being small, the reputation of the products in foreign market is of the utmost importance. India's annual exports include 14 million goat skins, 15 million sheep skins, 7 million hides, kips and calf skins. Exports of tanned leathers are valued at Rs. 22 crores per year. Raw skins worth about Rs. 6 to Rs. 7 crores are also exported. Although certain grades and marks of leather have earned world-wide reputation, the lack of well-defined standards for the products has given rise to many complaints from importers. With the introduction of the quality control scheme, it should now be possible to give importers a definite idea of what they are buying under a particular mark. It is noteworthy that the foreign exporting houses, which handle a large portion of the leather exports from this country, have welcomed the scheme.

As the scheme is a voluntary undertaking, it cannot cover the exporter who has not registered himself and cannot, therefore, stand by him against any complaints regarding the quality of goods he exports. Nor can an importer have the advantage of the services offered by the scheme if he chooses to deal with an unregistered exporter. The success of the scheme obviously depends largely on the extent to which both importers and exporters co-operate with the Council in making it a success.

While quality control will certainly help enhance the reputation of the Indian product and thereby promote its exports, there is still much to be done in the field of export promotion. The Council should undertake market surveys and also station its representatives in key trade centres abroad. Trade delegations should also be sent to foreign countries for intensive study of the markets and for negotiations. The almost exclusive dependence on London auctions for the sale of Indian leather constitutes an element of instability in the industry. For instance, there was recently a near-crisis in the London market which has adversely affected the industry and its exports, though the position has improved lately, thanks to the emergence of seasonal demand. The Council should explore alternative markets elsewhere. Wider markets will also enable the realisation of better prices. Encouragement to internal uses of leather, though not attractive from the point of view of augmenting foreign exchange earnings, is a factor that will contribute to the stability of the industry in the long run.

TEXTILE INDUSTRY

The Cotton Textiles Enquiry Committee (Chairman: Mr. D. S. Joshi, I.C.S., Textile Commissioner) has submitted its final report to the Government of India. This was disclosed by Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, in his speech at a meeting of the Cotton Textiles Fund Committee held in Bombay on Friday last week. The Minister did not indicate the nature of the recommendations made by the Committee. Only, he disclosed that the report was unanimous. Meanwhile, a Press report from New Delhi avers that the Government is studying the report and an official summary of the report will be published shortly.

While one has to await the publication of the report and the Government's decisions thereon, it must be stressed that the mill industry has several facets and, unless these are tackled in an integrated manner, the industry cannot be expected to come out of its present malaise. Caught between a decline in both demand and prices of cloth, on the one hand, and higher cost of manufacture, on the other, the industry is passing through one of the worst periods in its history. Exports of textiles, for instance, have suffered a distinct setback, the actual shipment during the first half of 1958 being at an annual rate of 630 million yards, as against 840 million yards in 1957. But much more disquieting than the setback in exports is the poor offtake of cloth for domestic consumption. These trends are clearly reflected in the high level of stocks of cloth with mills which are now of the order of as much as 887.85 million yards, of which unsold cloth account for 522.15 million yards and cloth sold but not lifted for 365.70 million yards. If the position in respect of stocks has not been worse, it is because of the downward trend in production. The mill output of cloth is currently ruling at an annual rate of 4,800 million yards, which compares unfavourably with the actual production of over 5,317 million yards in 1957. In physical terms, the output is down by 500 million yards per annum. If this fall had not occurred, the stocks would have exceeded 1,100 million yards.

Such heavy stocks have caused untold hardship to mills, especially to the marginal units, inasmuch as they entail a significant financial burden, not to speak of the pressure on their storage space. Mr. Lal Bahadur Shastri no doubt admitted that the unsatisfactory offtake of cloth even for the internal market was a matter for concern. He said that the Government had given relief in excise to the extent of Rs. 20 crores and would consider steps for rehabilitating the industry in the light of the recommendations made by the Enquiry Committee. He, however, declared that he did not appreciate the dissatisfaction expressed by millowners over the recent revision in excise duties and categorically assured that there was no question whatever of any further cut in excise duties.

The Minister is, of course, welcome to his views. It is, however, necessary to add that economic laws operate irrespective of official fiats. The cotton textile industry consists of a large number of units of varying strength. If production is to be maintained at the optimum rate, the burden of taxation must be so designed as to enable the marginal units also to function profitably. Our submission is that, if this criterion is followed, it will be seen that there is need for further relief to the industry. Even the revised duties are considerably heavier than they were before the steep increases effected on 1st September 1956. The least the Government can do, therefore, is to restore the excise duties to the levels that existed before T.T.K.'s attack on the industry. Considerations of revenue to the Government are no doubt important these days, but are not considerations of employment and an equitable return to shareholders equally important? Moreover, it is an illusion to think that a high level of revenue can be sustained for ever on the basis of a tax burden that sets in motion the law of diminishing returns. If what has happened during the last 20 months or so in the cotton mill industry has not exposed this illusion to the authorities at New Delhi, there is, we are afraid, little hope for this industry.

It is, no doubt, wrong to contend, as Mr. Shastri rightly observed, that "excise duty alone holds the key to the problems" of the textile industry. But there is no gainsaying the fact that, in the present context of a steep rise in food prices and the fall in the purchasing power of the rupee in terms of essentials of life, the high level of excise duty acts as a drag on the propensity to consume more cloth. The propensity can be enhanced only if the price of cloth is brought down to a reasonable level and energetic steps taken to raise the competitive ability of the mill industry. If the Government is unwilling to forgo its share of revenue from the industry, it must, in fairness to investors and employees, show a way out. The industry, as is well known, is suffering from compulsory cost inflation, due, among others, to the low efficiency of equipment, most of which is old and outmoded, as well as direct and indirect labour costs. When such is the state of affairs, how can the industry be expected to augment production and reduce prices? At no time in the history of the Indian mill industry was there so urgent a need for modernising equipment and rationalising the methods of production as it is today. The Enquiry Committee is understood to have put forward special suggestions bearing on this question and it is gratifying to be told by Mr. Shastri that these suggestions would receive the prompt attention of the Government.

Both Mr. Lal Bahadur Shastri and Mr. Morarji Desai have been contending that several cotton mills have been mismanaged in various ways and that the Government cannot be expected to go to their rescue. This is a very pertinent contention. Such mills ought to be allowed to go to the wall if they cannot be salvaged in the usual way, without asking the taxpayer to foot the bill. But this is a question of separating sheep from goats, for which the Government has ample powers. Surely, not all the mills which are in difficulties today are badly managed or equipped.

In the course of his speech, the Minister for Commerce and Industry commended the work of the Cotton Textiles Fund Committee for the development of the industry, particularly in regard to exports and technological research. The capital outlay on the industry is Rs. 110 crores, which produces goods worth Rs. 440 crores per annum and provides employment to over 900,000 persons direct and many others indirectly. Surely, the importance of sustaining such a vital industry by technological research aims at improving the quality and reducing the cost of production is, as Mr. Shastri pertinently remarked, evident and assumes special significance in the context of India's export trade. The Committee has taken over under its ægis the Ahmedabad Textile Industries Research Association and has also set up two textile research association—one at Bombay and the other at Coimbatore. There is a proposal for establishing a similar institute somewhere in the North and Kanpur is mentioned as a venue for the same.

The Committee has also done good work in the field of export promotion. The setting up of an Inspectorate to inspect textiles going abroad is a right step. The industry is working this scheme voluntarily and in an increasing manner. The total quantity of cloth inspected during 1957 is believed to be about 5.4 million yards, as against 2.5 million yards in 1956. Expressing appreciation of the progress of the scheme, Mr. Shastri did well to emphasise the need for devoting "a great deal of attention" to market research both inside and outside the country. To quote him:

"... our exports can increase only if we are able to offer to other countries what is required by them. In fact, we have to endeavour to anticipate such requirements and to cater to them. In this field, therefore, constant vigilance and intimate contact with the conditions abroad are essential."

There is considerable force in these observations and it must be said to the credit of the Cotton Textiles Fund Committee that it is giving consideration to this matter. It cannot be too strongly stressed here that whatever the Committee does for the development of the textile industry will not be of any avail unless the Government adopts a more constructive policy in regard to modernisation of equipment and rationalisation of production.

CEYLON'S TAXES

If imitation is the sincerest form of flattery, Ceylon apparently holds India in high fiscal esteem, considering that it has now introduced nearly all the new tax measures which India has adopted in recent years. Without even waiting to see how the new taxes work in actual practice in India, Ceylon's Finance Minister, Mr. Stanley de Zoysa, has proposed the introduction of taxes on wealth, expenditure and gifts. Obviously, Kaldorian inspiration lies at the root of Ceylon's fiscal experimentation. But it may be wondered whether a country of Ceylon's size and relative economic backwardness should tread a fiscal path from which the more powerful countries in the West have so far turned their faces. After all, only a few countries have expenditure tax on their tax statute and fewer still have combined it with gift and wealth taxes. What makes all this departure by Ceylon from its own traditions in public finance particularly deplorable is that the new taxes are expected to bring in a revenue of only Rs. 20 million, which makes only a very modest contribution in bridging the Rs. 484-million gap between revenue and expenditure. The new fiscal game is not worth the revenue candle.

Ceylon's revenue and expenditure for the year commencing 1st October next are placed respectively at Rs. 1,310.7 million and Rs. 1,795.3 million (inclusive of capital expenditure of Rs. 432.3 million), the deficit thus being Rs. 484.6 million. The Finance Minister expects that customary foreign aid will bring in Rs. 50 million and aid from the Soviet Union and China another Rs. 50 million. Domestic borrowings are expected to yield Rs. 160 million and the new taxes Rs. 20 million. All this makes a total of Rs. 280 million which will still leave a gap of about Rs. 200 million. The Finance Minister would not disclose how he proposed to cover the deficit. But he indicated that he had already commenced "negotiations for finance from certain other sources" and "certain arrangements" had already been arrived at. It would appear from talks in the lobby that financial aid or assistance was expected from the U.S. and Canada which the Finance Minister visited recently for purposes of negotiating substantial loans.

The taxation proposals involve revision of income-tax, introduction of tax on wealth, expenditure and gifts and readjustment of duties designed to reduce import of expensive cars, jewellery, carpets, racehorses and dogs. In the field of business taxation, the present dual system of income-tax and profits tax will be replaced by a uniform tax on company profits. On individual income, free allowance given ranges from Rs. 2,000 per adult to Rs. 8,000 for a family unit of six persons. The slab rate in excess of this allowance rises from 5 per cent. for the first slab of Rs. 1,500 to 60 per cent. in the highest margin. The wealth tax scheme exempts from tax the first slab of Rs. 1 lakh of income from properties, subjecting the next Rs. 5 lakhs to ½ per cent., the next Rs. 5 lakhs to 1 per cent. and the balance to 2 per cent. The scheme of expenditure tax contemplates a tax-free allowance of Rs. 8,000 in addition to a basic allowance of Rs. 3,000 per family, the maximum possible allowance being Rs. 35,000. Expenditure above this allowance will be taxed on a slab system at rates ranging from 20 per cent. to 240 per cent. Exemptions include business expenses, investment outlays, medical facilities and expenses connected with marriage, birth and funeral. Unlike in India, there seems to be no limit to the allowable amount of expenditure under these heads. Gifts aggregating Rs. 2,000 a year are exempt from tax but others are taxed on a slab system ranging from 5 to 100 per cent.

In the context of the need for conserving foreign exchange, the Finance Minister has rightly proposed measures which are designed to discourage imports of luxury articles. The duty on imitation jewellery, fruit produce and certain other luxury goods has been raised. The changes include increase in the duty on fancy dogs from Rs. 12.50 to Rs. 50, on racehorses to Rs. 5,000 per horse, on carpets from 40 per cent. preferential and 50 per cent. general to 100 per cent. preferential and 110 per cent. general. He proposed to raise the duty on luxury cars with landed cost above Rs. 10,000 to a "prohibitive" level in the expectation that their importation would cease altogether. The duty on petrol has been raised by 10 cents a gallon. The export duties on tea and rubber remain unchanged. But the Finance Minister announced that the recent reliefs granted to industries were purely temporary and detailed proposals would be placed before the House shortly.

DIFFICULTIES OF INDUSTRIALISTS

In the course of a constructive speech which Mr. B. D. Garware, President, Maharashtra Chamber of Commerce, made at the dinner meeting held in honour of Mr. Lal Bahadur Shastri in Bombay the other day, he put forward some valuable suggestions for removing the handicaps confronting the business community. One such suggestion relates to the creation of a suitable machinery to enable the private sector to set up industries without much difficulty and loss of time. Instances are not wanting to prove the hardships caused to parties venturing to establish new industries as a result of bureaucratic delay and lethargy. The time lag between the preparation of a scheme for starting an industry and the actual commencement of operations is very wide. Mr. Garware did well to urge that, once a scheme was approved, the Central and State Governments should accord priority for all facilities such as licences for construction, raw materials, electric power supply, telephone and various other essential services.

Mr. Garware made a pointed reference to the difficulty experienced by several industries in getting adequate supplies of raw materials and requested Mr. Shastri to liberalise imports. Among the specific items he mentioned were gum-arabic, acid salicylic, citronella oil, carbon black powder, cocoa beans, oil and heat-resistant types of rubber such as neoprene or acrylonitrile, essential raw materials used by the plastics and dyestuff industries, and steel strip for the manufacture of razor blades. Most of the items mentioned are not being produced in India and, if the industries depending on these are not assured of adequate and regular supplies of the same, they will not be able to maintain a high level of output the importance of which can be scarcely overemphasised in the present context of unemployment and inflationary trends in the economy. It is gratifying to note that, in his reply, Mr. Shastri assured the Chamber that the Government would sympathetically examine the question and try to allocate as much foreign exchange as possible to raw materials.

Another notable suggestion made by Mr. Garware relates to the abolition of the exemption of excise duty on the production and delivery of the first 75-125 tons of vegetable non-essential oils per year. This suggestion is quite pertinent. Although the Oilseeds Crushing Enquiry Committee (1956) opposed the setting up of new power-driven small expellers, a large number of them have been established in the last two years, thanks to the benefit of exemption from payment of excise duty on the first slab of production and delivery of oil. Since these power-driven baby expellers do not come under the purview of the Factories Act, they enjoy a distinct advantage *vis-a-vis* the more efficient bigger units. This is certainly an anomaly which must be set right, as, otherwise, there will be unfair and unhealthy competition in the oilseeds crushing industry.

THE U.N. SPECIAL FUND

A continuing paradox in the world of today is the co-existence of poverty with prosperity. Much is, however, being done in the underdeveloped countries to raise the living standards of their people. It is also undeniable that the advanced countries have lent finance and technical assistance in the task of improving the economies of the backward regions. In this connection, a significant proposal was the one made some time ago for the establishment of a Special United Nations Fund for Economic Development (S.U.N.F.E.D.). Admittedly ambitious in its conception, it was designed to secure at least $250 million per annum to be channelised for the purpose of financing part of the developmental programmes in the economically less developed countries. Although there was universal approbation for such a scheme, it fell through primarily because the advanced countries could not halt the flow of resources towards their defence programmes. It was argued that disarmament alone would release sufficient resources for implementing the S.U.N.F.E.D. scheme. Clearly, the scheme is receding into the background, if it has not already disappeared. It is, however, heartening to note that the U.N. Economic and Social Council has given general approval to a fresh proposal last week for setting up a special U.N. fund in 1959, with an initial contribution of $100 million from all member-countries. The Fund seeks to provide systematic and sustained assistance to the integrated, technical, economic and social development of the underdeveloped countries. It is not meant to supplant the S.U.N.F.E.D. but to supplement it.

It may be recalled that, at the last meeting of the U.N. General Assembly, a preparatory commission was set up under the chairmanship of Mr. M. M. Khan of Pakistan to report on the nature and scope of a special fund. The report of this Commission came up for discussion at the plenary session of the U.N. Economic and Social Council last week. Presenting the report to the Council, Mr. Khan gave an illuminating account of the functions and the broad framework of the proposed scheme. Referring to the criteria for the allocation of resources, the Commission has recommended assistance to major projects in the less developed countries, so that this limited fund would not spread its resources over a large number of relatively small undertakings. It has emphasised that the largest possible freedom of choice be left to the Fund in the matter of assisting individual projects.

With a view to ensuring judicious execution of the scheme, the Commission has recommended the establishment of an Administrative Council, consisting of well developed countries, the representation being based on the contribution they make to the Fund, and all underdeveloped countries of the U.N., due regard being paid to reasonable geographic distribution. There will also be a Director-General appointed by the Secretary-General in consultation with the Administrative Council. Besides, there will be a committee of experts which will consist of the Secretary-General, the Executive Chairman of the Technical Assistance Board and the President of the World Bank or their appointed representatives. This Committee is expected to assist and advise the Director-General in evaluating requests for aid.

In subsequent discussion at the Council, Mr. J. M. A. H. Luns of the Netherlands paid a tribute to the Government of the United States for requesting Congressional authorisation to contribute 38,000,000 dollars towards the Special Fund and the Expanded Technical Assistance Programme. Mr. Luns said that, if the total resources of these two bodies reached 100 million dollars, 40 million dollars could be used for the normal technical assistance operations and 60 million dollars for the Special Fund. He added that the Fund should preserve its identity and should be considered a first step towards future ideal. Mr. A. Pelt, Secretary-General of the World Federation of United Nations Associations proposed that small investors all over the world be given a chance to participate in the development of underdeveloped countries. He believed that very important sums would be put together for investment, if the channels were open to small investors to put in their money against reasonable equity percentage. He suggested that the Secretary-General, President of the World Bank and President of the International Monetary Fund together should designate experts to explore this idea. The other participants also spoke highly of the proposed Fund and approved of the recommendations of the Committee.

While the major part of the contribution to the Special Fund will come from the developed countries, the underdeveloped member-countries of the U.N. have also to make a contribution to it. In view of the acute foreign exchange difficulty experienced by most of the latter group of nations, it was suggested, appropriately in our view, by the Indian representative who attended the meeting of the Council that these nations should be allowed to pay their subscriptions in local currency. The Russian delegate suggested that the Fund's help should not be confined only to the member-countries but also to non-member-countries, for he contended that, if some nations were not members of the U.N., it was no fault of theirs. Apparently, he had in mind Communist China. The reaction of the Council to these suggestions is not known. All that we are told is that the report of the Preparatory Commission has been referred to the Social Council's Economic Committee for a detailed review.

FOOD PROCESSING INDUSTRIES

EXTENSIVE IDLE CAPACITY

From Our Special Correspondent

NEW DELHI, *22nd July*

DELHI LETTER

THE progress and problems of the more important food processing industries were reviewed last week by Mr. Manubhai Shah, Minister for Industry, at the first meeting of their Development Council last week. Of these industries, fruit preservation accounted, in 1957, for a total production of Rs. 3.2 crores in value terms. The biscuit industry with 39 units accounted for Rs. 5.5 crores' worth of output, the confectionary industry with 42 units for Rs. 4.0 crores; the flour milling industry with 62 units for Rs. 35.0 crores; the aerated waters industry with 41 units for Rs. 2.5 crores; and the other food industries (chocolate, cocoa powder, liquid glucose, dextrose powder and milk powder) with 12 units in all for Rs. 1.0 crore.

In quantity terms, the output of the biscuit industry was just 17.3 thousand tons, as against its annual installed capacity of 30.3 thousand tons; that of the confectionery industry was 11 thousand tons, as against its capacity of 50 thousand tons; that of the flour milling industry 7.3 lakh tons against its capacity of 18.6 lakh tons; that of the liquid glucose industry 3.4 thousand tons against its capacity of 12.4 thousand tons; that of the dextrose powder industry a mere 542 tons against its capacity of 6,200 tons; and that of the aerated waters industry 9.1 lakh gross bottles as against its installed capacity of 24.6 lakh gross bottles. It was the same story in the case of chocolate, cocoa powder and milk powder industries which produced in the year 321 tons, 172 tons and 495 tons, respectively, as against their installed capacities of 1,362 tons, 438 tons and 1,500 tons respectively. The progress of these industries in terms of actual production was thus highly unsatisfactory and was an index of the misdirection of capital resources into lines not warranted by consumption habits in the country.

This problem of idle capacities in some food industries could conceivably be solved by producing more and exporting it if possible. It is here that Mr. Manubhai Shah's reference to export promotion is pertinent. In the case of biscuit industry (which now has export possibilities, thanks to the recent improvement in quality of Indian biscuits), a scheme has been finalised by Government for drawback of excise duty on sugar and *vanaspati* used in the manufacture of biscuits meant for export. In the same way, a scheme for the drawback of excise duty on sugar used in the manufacture of confectionery meant for export has been finalised. The confectionery manufacturers would also be permitted to import raw materials to the extent of 25 per cent. of f.o.b. value of the exports of four different types of confectionery and they would also have the benefit of a scheme for the replenishment of tinplate used in the export of confectionery and biscuits.

From Mr. Manubhai Shah's review, it is also found that the progress of fruit and vegetable preservation industry has been particularly disappointing in terms of export by which much store was laid in the second Plan. The 1957 export by this industry was just 1,763 tons (valued at Rs. 31 lakhs), as against the 1960 target of 11,000 tons of annual export. It would thus appear that even an industry specifically earmarked for export promotion has failed to come up to expectations. And so a subsidy scheme on tinplate has just been brought into operation. This is in addition to the reductions of Rs. 100 per ton in the price of cans just given effect to by the Metal Box Company of India Ltd. Both the subsidy and the price reduction would bring down the price of open top cans by Rs. 87 per thousand cans. A rebate of excise duty on sugar contained in the fruit products meant for export is also now given. A drawback of Rs. 60 per ton of tinplate used in the exported canned fruit products and a replenishment quota of 133⅓ per cent. on the quantity of tinplate so consumed are also being sanctioned.

It cannot be said that these incentives for export promotion of food products can be a substitute for any lack of quality in the estimation of foreign consumers. In the matter of eating, it may be supposed that the first consideration with foreign consumers would be the quality of canned products and not the price thereof. Mr. Manubhai Shah has, therefore, appropriately urged on the industry to adhere most carefully to standards of quality and timely delivery. The Minister's other reference to the need for a small rise in internal prices in order to subsidise exports and for diversion of a part of the indigenous production to foreign markets may be in line with the present policies governing export promotion in general. But it looks as though such an approach would be still less applicable to export of food products than to export of sugar, for example. For one thing, food processing industries are working far below capacity because they are unable to expand the domestic market for their products. A rise in their prices may only reduce that market without probably leading to any substantial increase in exports. It is difficult to see how the foreign consumer would relish what the Indian consumer does not do to any significant extent in so far as quality is concerned.

AUTOMOBILE TYRE INDUSTRY

The four expansion schemes of the automobile tyre manufacturing industry now being implemented together envisage the creation of an additional annual capacity of 859,200 tyres, as against the present capacity of 1,050,000 tyres. Of this addition, a capacity of 559,200 tyres is expected to be reached by the end of the second Plan period and the balance after 1961. The bulk of the projected additional capacity—amounting to 594,400 tyres—is accounted for by the setting up of two new factories, one in Bombay and the other in Madras. The remaining part of the capacity, that is, 274,800 tyres, represents the expansion of the existing units at Shahganj, near Calcutta, and Bombay. In addition to the four schemes, the Government of India has approved of two other schemes with a total capacity of 420,000 tyres. As a result of the implementation of all these schemes, the aggregate capacity of the automobile tyre industry will come to two million tyres, as against the estimated domestic requirement of 1.8 million (1960-61).

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AMERICAN LETTER

U.S.-CANADA RAPPROCHEMENT

MR. ROCKEFELLER IN THE LIMELIGHT

From Our Special Correspondent

NEW YORK, *15th July*

PRESIDENT Eisenhower's luck has not yet returned. The fantastic story of Bernard Goldfine, the gift-giving millionaire from Boston, continued to unfold in Congressional hearings. The story becomes more complicated every day. It does not make any sense whatever for a man to carry three-quarters of a million dollars in uncashed cheques, implicating various recipients, including Sherman Adams, assistant to President Eisenhower.

It is an almost unbelievable yarn. The chief investigator of the Congressional Committee is accused of wiretapping Mr. Goldfine's hotel suite, documents are missing and nobody knows where they are, and Mr. Goldfine refuses to answer questions about some $776,000 in cheques drawn by his various companies, never cashed and dating, in some instances, back to 1941.

In the midst of all this confusion, President Eisenhower and Secretary of State Dulles visited Ottawa. Mr. Sherman Adams was scheduled to go, too, but was finally left behind. The hottest point of dispute was U.S. policy in foreign trade. In the first place, Canada has long objected to the U.S. method of exporting agricultural surpluses under a Government subsidy programme. Secondly, it was obnoxious to Canadians, as it is to many Americans, that Washington ordained to the effect that foreign subsidiaries of American companies may not do business with Red China at all. This has long been considered an imperialistic infringement on the sovereignty of the countries in which U.S. companies operate. So far as Canada is concerned, this dictum has been changed following the President's visit.

Another tangible result of the President's visit was the establishment of a joint Canada-United States Committee on Joint Defence. It is another Committee, to be sure, but Alaska's admission to Statehood and its adjacency to Canada, would seem to make this committee rather useful as a practical matter.

The Congress is about to wind up its current session. The lawmakers have their eyes on the home front in preparation for the Congressional elections this fall. General expectations are that the Democrats will be gaining and the Republicans will be losing. A good friend of India is very much in the limelight these days—Nelson A. Rockefeller.

Either by prearrangement, or otherwise, Paul W. Williams resigned last week his post as United States Attorney. He announced he would seek the Republican nomination for Governor of New York. Forty-eight hours later he issued a statement, relinquishing the eighty-one New York County votes. An immediate result of this action was to strengthen the hand of Mr. Rockefeller who is also in the gubernatorial race. His only declared opponent is Leonard W. Hall, former Chairman of the Republican National Committee.

So far, Mr. Rockefeller is out in front and he might win over Mr. Averill Harriman, present Governor of New York, a post which has frequently opened the gates to the White House, in due course. Mr. Harriman is slowly approaching 70 years of age and his record is not particularly brilliant, even though he has avoided many pitfalls of others who are less richly endowed with worldly possessions.

It may be ironical that the political race for the governorship of New York would be fought between two very rich families, the Harrimans and the Rockefellers. This time, Mr. Rockefeller's chances may be better, unless there is a country-wide anti-Republican swing, just for the sake of emotion and disregarding personalities and records.

On the economic scene, more Americans were out of work during the month of June than at any time since August 1941. But the unemployed percentage of the total labour force dropped for the second month in a row. Thus, some economists felt the recession was on the wane. Federal Reserve people who were quite pessimistic just a few weeks ago, have also adopted a more hopeful attitude. The active monetary ease has been abandoned in favour of keeping bank reserves at an even keel, for the time being. The official line still includes the "fight against inflation." As economic conditions improve, this means, inevitably, a return to tighter money.

A major reason for the remarkable stability in these months of economic recession was the set of stabilisers in the form of Federal and State unemployment insurance benefits. It kept personal incomes at a high level despite wholesale layoffs in the automotive and other industries. In fact, personal income today is about $1,000 million higher, at an annual rate, than it was 12 months ago.

Farm prices are also on the sunny side of the economic picture. They dropped a bit recently, but they are still about 10 per cent. higher than they were a year ago.

Tourism is also flourishing. Travel agencies cannot find enough space for all the pleasure and leisure seekers who desire travelling in this country and abroad.

One of the phenomena of this recession has been rising living costs and increasing stock prices. In the first half of July, the New York Stock Exchange registered continually new highs for the year which are approaching the previous all-time highs. Since the stock market is supposed to appraise future economic development in its price structure, there is considerable optimism that the bottom of the recession has been passed. By the same token, another cycle of inflation may be approaching.

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INTERNATIONAL FLOW OF PRIVATE CAPITAL

PETROLEUM INDUSTRY ACCOUNTS FOR LARGEST INVESTMENT

A SURVEY of the international flow of private capital during 1957 conducted by the United Nations Organisation reveals that the export of capital continued to run at a post-war record level, though the trend suffered slight setback in the second half of the year. The data obtained from the principal capital-exporting countries show that the upward trend in capital exports, which began in 1956, continued in 1957 also, reaching a post-war peak in the second quarter of the year. Subsequently, the exports of capital began to decline and, in the second half of the year, they dropped below the 1956 volume. Despite this setback, they were higher than those in the pre-1956 period. The summary of the United Nations' report, released by the United Nations' Information Centre, New Delhi, does not, however, give the figure of total international exports of capital for the past year.

One of the main features of the capital exports during 1957 from the main creditor nations was that, while there was a larger flow of capital from the U.S., the U.K., the Netherlands and West Germany, the outflow from Switzerland and Canada declined, but this did not offset the increases from the former four countries. A break-up of export figures shows that the U.S. continued to maintain its position as the world's largest exporter of long-term capital, with a total of $2,700 million, an increase of $300 million over the preceding year. The U.K. ranked second, supplying the equivalent of about $900 million. The other important suppliers of private long-term capital were Belgium-Luxembourg (5,900 million B. francs in the first six months of 1957 or $118 million), Federal Republic of Germany ($188 million in the whole of 1957) and the Netherlands ($128 million). As stated above, the outflow of capital from Switzerland and Canada, two other main exporting countries, declined to $99 million (one-third of the 1956 volume) and $76 million (about three-fifths of the previous year's exports), respectively.

Investment in Petroleum Industry

The United Nations' survey shows that direct investments, undoubtedly, continued to provide the bulk of private capital exports and that the bulk of these investments went into the petroleum industry. As in previous years, about 50 per cent. of the U.S. direct foreign investments in 1957 were made in the petroleum industry in various countries, thus showing the exceptional importance of the petroleum industry as a source of foreign investments. This is also confirmed by the statistics of the capital receiving countries, which include Canada, Venezuela, and India, and from data relating to Australia, Southern Italy and other countries.

No figures are available of the direct investments of foreign capital in manufacturing industries during 1957, but the U.N. report points out that there can be little doubt that, as in the previous years, the bulk of these investments went to developed and semi-developed countries. There are indications, the U.N. report adds, that direct investments in some underdeveloped countries increased, particularly in Latin America.

South and East Asia Neglected

Considerable investments were made in the Belgian Congo and British East Africa, but these were in consumer goods industries. Brazil, India and Mexico were, however, able to attract foreign investments in heavy industries. Canada continued to be the largest importer of private long-term capital. The main importers of long-term capital among the underdeveloped countries, according to the U.N. report, were Venezuela, Brazil, Mexico and Cuba in the Western hemisphere, Rhodesia and Nyasaland and the Colonial territories in the British Commonwealth, and Italy and Greece in Southern Europe. It is somewhat discouraging to find that very little private capital went to the South and East Asian countries; in some cases, the U.N. report points out, there was even a net outflow of capital from these areas. Though the summary of the U.N. report does not give any reason for this slackness in foreign capital flow into these areas or for the outflow of capital, it must obviously be due to the political uncertainties in these countries and the unwise economic policies followed by several of them.

Among the developed countries, the Federal Republic of Germany (W. Germany) increased substantially its inflow of private long-term capital for investment in private industries during 1957. Despite this, West Germany turned out to be a net exporter of capital, as against a net importer in the previous year. A substantial increase of capital imports took place in France also, while the inflow of private long-term capital into the U.S. declined considerably.

I.F.C.'S INVESTMENT IN BRAZIL

The International Finance Corporation, the American Overseas Finance Company and the Chase International Investment Corporation, have signed an agreement to invest in the aggregate a sum of $3.50 million in the expansion project of the Willys-Overland do Brazil, S.A., Brazilian manufacturer of jeep vehicles, including Willys station wagons. The majority ownership of the Company is now held by more than 15,000 Brazilian stockholders, while a large minority interest is owned by Willys Motors Inc. of Toledo, Ohio (a subsidiary of Kaiser Industries Corporation).

The Company's expansion programme will cost $22 million, which is financed by many sources, both Brazilian and Foreign. The I.F.C.'s share of the new investment amounts to $2.45 million and will be in 7 per cent. notes, repayable from 1962 to 1965. The A.O.F.C. and the Chase International Investment Corporation will take $1.05 million in similar notes maturing in 1961 and 1962. These investments, aggregating $3.5 million, also carry a share in the Company's profits, payable either in cruzeiros or in 8 per cent. participating preferred stock.

About 70 per cent. of all freight in Brazil is transported by road and many parts of the interior of the country have no other means of communication or transportation.

WORLD BANK LOAN TO CEYLON

The World Bank has approved of a loan equivalent to $7.4 million to Ceylon. The funds will help to finance a thermal power project to increase the supplies of power in south-western Ceylon, which is the centre of economic activity and contains nearly half the country's population. Manufacturers Trust Company and the Bank of America will participate in the loan, without the World Bank's guarantee, to the extent of $717,000, representing the first five maturities which fall due between 1st November 1961 and 1st November 1963.

The project for which the Bank's loan is being made forms part of an integrated electric power system which is operated by the Department of Government Electric Undertakings (D.G.E.U.). It consists of the construction of a 25,000 kilowatt thermal electric plant at Grandpass, a district of the city of Colombo, the capital. The transmission system will also be extended and distribution facilities in Colombo will be expanded.

The estimated cost of the Grandpass thermal project is $11.1 million. The Bank's loan will pay for imported equipment and services. The purchase of all major items of imported equipment and materials and the award of all major construction contracts will be on the basis of international competitive bidding. The power plant should be in operation by the beginning of 1962.

The Bank loan will be for a term of 20 years and bear interest of 5¾ per cent., including the 1 per cent. commission which is allocated to the Bank's Special Reserve. Amortisation will begin 1st November 1961.



MORE BANK PROFITS SHOW A FALL

The results of working of a few more banks during the half-year ended 30th June 1958, released this week, confirm the general downward pattern of earnings disclosed by the leading big banks.

Punjab National Bank

The net profit (subject to audit) of the Punjab National Bank Ltd., one of the "Big Five," for the half-year under review, after providing Rs. 3.35 lakhs for payment of gratuity and making necessary provision for contingencies, amounted to Rs. 41.67 lakhs, as compared with Rs. 56.72 lakhs earned in the corresponding period of 1957 and Rs. 46.88 lakhs in the first six months of 1956. The Directors have declared an ad-interim dividend of Rs. 2.50 per share of Rs. 25 each, free of income-tax, same as that paid for the corresponding six months of 1957.

The Bank's deposits as on 30th June 1958 exceeded Rs. 131 crores, as against Rs. 124 crores at the end of December last and Rs. 177 crores on 30th June 1957. The Bank has 356 offices in India, Burma and Pakistan.

Indian Overseas Bank

The net profit of the Indian Overseas Bank Ltd. (subject to audit) amounted to Rs. 14.02 lakhs, which does not compare well with that of Rs. 15.78 lakhs for the corresponding six months of 1957 and of Rs. 14.93 lakhs for January-June 1956.

Andhra Bank Ltd.

The Andhra Bank Ltd. has earned a net profit (subject to audit) of Rs. 5.10 lakhs, which represents a fall of Rs. 1 lakh from that earned in the first half of 1957. It also shows a slight decline from Rs. 5.79 lakhs for the half-year ended June 1956. After bringing in the surplus of Rs. 1,910 from the previous year, the profit available for appropriation is Rs. 5.12 lakhs. The Directors have pruned the interim dividend from 8 per cent. per annum to 5 per cent. per annum, free of income-tax.

Pandyan Bank Ltd.

The Pandyan Bank Ltd., Madurai, has earned a profit of Rs. 2.01 lakhs during the half-year ended 30th June 1958, as compared with Rs. 1.70 lakh in the corresponding six months of 1957. This small increase is in refreshing contrast to the experience of many other banks, the earnings of which have declined.

The total resources of the Bank as on 30th June show an expansion from Rs. 3.28 crores (at the end of December 1957) to Rs. 3.69 crores. Deposits have maintained their upward trend, with a further rise from Rs. 2.74 crores to Rs. 2.97 crores. Advances stand at Rs. 2.05 crores, as against Rs. 1.72 crore at the end of 1957, Investments at Rs. 67 lakhs (Rs. 69 lakhs) and cash balances at over Rs. 60 lakhs (Rs. 53 lakhs).

TWO-ANNA COINS TO BE WITHDRAWN

The Union Government will call in all pie coins, half-pice coins and yellow nickel-brass two-anna coins with effect from 1st January 1959. From that date, the three coins will cease to be legal tender. They will, however, be accepted from the public till 30th June 1959, at all offices of the Reserve Bank of India, all agency banks of the Reserve Bank of India conducting Government business and all Government treasuries and sub-treasuries. Moreover, until further notice, these three coins will be accepted at the Issue Department of the Reserve Bank of India at Bombay, Calcutta, Madras, Kanpur, New Delhi, Bangalore and Nagpur.

A notification to this effect has been published in a *Gazette of India Extraordinary*.

While there is no great hurry, the public will be well advised to part with these three varieties of coins they may have in their possession as early as possible, well before the end of the calendar year 1958. Afterwards, there will still be facilities for exchange, but only at the places mentioned above.

Very few pie and half-pice coins are in active circulation. The demonetisation of these two coins is only a *de jure* recognition of a *de facto* position. The yellow nickel-brass two-anna coins have been subject to counterfeiting in certain parts of the country. Their demonetisation should end the confusion the public experiences in choosing the genuine from the bad coins.

Other coins, i.e., the grey cupro-nickel two-anna, the anna, the half-anna and the pice pieces are not being affected. Nor are the higher coins, i.e., the rupee, the half-rupee and the quarter-rupee being affected.

SIDELIGHTS ON U.S. ECONOMIC RECESSION—I

By S. V. Rayan

IN our last issue, the latest economic trends in the U.S. were discussed. The view was expressed that the recession had come to an end and that a gradual recovery had set in. In this article I propose to look back at the effects of the recession on certain sectors of the U.S. economy. Before doing so, I should like to discredit the view held by a few that last week's mild armed intervention in West Asia by the U.S. is an indirect result of the economic recession. The meaning implied here is that the U.S. Government has embarked on this adventure in order to stave off a serious slump which was in the offing. Nothing can be further from the truth than this mischievous insinuation which even the Soviet propagandists have not advanced. It is utter foolishness to think that, in this nuclear age, there are in the U.S. policymakers who will not hesitate to engineer a war or carry the world to the brink of war in order to reverse a downward trend in their domestic economy.

The U.S. is a nation of hard-working, practical-minded people. They are thorough and efficient. They do not sleep over a problem, nor indulge in only tall talk; they act swiftly, once they get to know the bearings. The way in which that nation has acted during the past six months to stem the recession is a tribute to the versatility of a modern free economy, not the type which Karl Marx criticised but one in which the Government and the people's representatives take an active interest and give a helping hand in times of emergency. It is not suggested that there was no talk but only action. Indeed, if there was one topic which was more talked about than the weather during the first half of 1958, it was recession. There were endless debates in the Press and on platforms, not to mention radio and television, on whether it was only a recession or a deep-seated slump, whether taxes should be cut and if so which, and whether wages, prices and profits should be controlled. The debates were of a high order, providing as they did a rich fare for students of economics. The differences of opinion on the nature of recession and the types of remedies to be followed were sharp. For those in the U.S. who have a taste for economics, there could not have been a dull moment during the past six or seven months.

The public discussions on falling economic activity were both deep and widespread. They had a tremendous impact on politicians and administrators. A notable feature was the fact that Congressmen moved faster than the Administration in proposing measures aimed at bringing an early end to the recession. Not only did the Congress vote quickly on the proposals put forward by the Administration but, on several occasions, went beyond those proposals. In the first five months of 1958, the Congress increased the public debt ceiling to $280 billion, voted $1.8 billion extra for the highway programme, urged the Administration to speed up spending on public works, rushed through a $1.8 billion housing Bill, stepped up the defence expenditure by nearly $2 billion, sanctioned an increase in postal rates, favoured a rise in the pay of postal workers and military personnel, authorised $1.5 billion for expanding inland water transport and harbour facilities, voted a freeze on farm price supports, sanctioned larger loan-money for local public works and bigger benefit payments to the unemployed, and quietly acceded to the President's plea for extending the Reciprocal Trade Agreement Act, after considerable opposition in the initial stages. Indeed, the Congress in its anxiety to lift business out of the doldrums was so enthusiastic of speeding up expenditure on public works that President Eisenhower had to veto some of them for fear of aggravating the risk of inflation again. Thus, he refused to allow the expenditure for expanding river and harbour facilities and vetoed the proposal for freezing farm price supports.

Many prominent economists and business men favoured a reduction in both direct and indirect taxation. Dr. Arthur F. Burns, a former Chairman of the Council of Economic Advisers and a highly respected economist, was strongly of the opinion, as early as in March, that taxes should be lowered at once by $5 billion a year. He gave top priority to this remedy among the cures for the recession. He said: "There is nothing wrong (in our economy) that could not be corrected in large part by vigorous business enterprise." And he thought that a reduction in tax burden would be the surest way of stimulating enterprise among business men. He was strongly supported by the noted British economist, Colin Clark, who contended that excessive taxation in the U.S. was the root cause of the persistent fall in the value of the dollar.

The Administration, however, stuck to its position. While not denying the need for tax reform, it consistently maintained that the time was not opportune for taking that step. The Secretary for Treasury, Mr. Anderson, was all along stoutly opposed to tax reduction and he finally succeeded in his attempts at convincing the Congress and at least a section of business men that a tax cut, on top of the various Government spendings estimated to result in a budget deficit of $11 billion, would constitute a big inflationary risk which the U.S. could not and need not take, and that the measures already initiated would turn the recession into recovery.

There are, however, many still in the U.S. who feel that a stimulus to the economy through tax remission is a better solution, than Government pouring billions of dollars into the nation's spending stream. The *Guaranty Survey*, published by the Guaranty Trust Company of New York, for instance, argues in its latest issue thus:

"Unfortunately, the general tone of current comment affords little encouragement for the hope that public opinion as a whole has awakened from the dream of perpetual boom under governmental auspices. The immediate need for tax cuts, more Treasury spending, easier money, higher farm price supports, and other forms of political intervention may have diminished. Yet the underlying faith in the ability and duty of Government to manœuvre four million business concerns and 170 million individual consumers into forms of behaviour that will add up to continuous full employment seems as strong as ever."

Proceeding, the *Survey* adds:

"If business is now on the high road to re-

(*Continued on page 171*)

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TECHNOLOGICAL RESEARCH

POWER HOUSE OF A NEW CAPITALISM

By Sumner H. Slichter

LAMONT PROFESSOR OF ECONOMICS, HARVARD UNIVERSITY

[Modern economic theory must take fuller account of technological research, which has introduced fundamental changes into the operation of the industrial economy. The contribution of technological research in negating stagnation and in counteracting diminishing demand has only recently been fully recognised. The article on this page is an excerpt from a paper prepared for the conference on research and development and its impact on the economy, held under the auspices of the national Science Foundation in Washington, D.C.—ED.]

WITHIN the last 30 years, technological research in the United States has become a large activity that introduces fundamental changes into the operation of the economy. Measured in terms of the number of scientists and engineers devoting full time to technological research, this activity is more than five times large as it was in 1930, and measured by the ratio of research expenditures to the gross national product, it is about 13 times as large. In 1956, the annual budget of technological research, according to estimates of the National Science Foundation, was about $9,000 million a year. Research is growing through the current recession (as it grew steadily during the much deeper depression of the 1930s), and, in 1958, research outlays will undoubtedly be well above $10,000 million.

Technological research has three characteristics that give it far-reaching economic significance. The first of these characteristics is that it greatly increases the capacity of the economy to raise the demand for goods. It is obvious that technological research increases the capacity of the economy to raise productivity. Less obvious, and indeed generally overlooked, is the fact that research gives the economy the capacity to bring about planned increases in the demand for goods—both by creating new demands for consumption goods and by creating new investment opportunities.

A second characteristic that gives technological research far-reaching significance is the fact that much of it is a profitable activity as well as a useful activity. There are, of course, research areas of the greatest usefulness that cannot be carried on for profit and that must be done either by non-profit institutions or by the Government or by private industry under Government contract.

Within the last half century, however, the fund of technological understanding has become sufficient, so that many projects, particularly at the development level, can be pursued for gain. This means that many research programmes can be determined by the economic calculus—by the balancing of expected gains against expected losses. The importance of this fact is that it draws into research far greater resources than would otherwise be available for it.

Industry of Discovery

The part of technological research that can be carried on for profit should be regarded as an industry—the industry of discovery. Its product is knowledge. Slightly more than half of the research and development work now being conducted in U.S. private laboratories is financed by private funds for the purpose of making a profit. Thus, the National Science Foundation estimates that, in 1956, $3400 million of the $6,500 million research budget of private laboratories was financed by industry's own funds and $3,100 million by the Federal Government.

A third significant characteristic of research is the fact that an increase in its output does not tend to reduce the marginal value of its product; on the contrary, it tends to increase the marginal value. Hence, the greater the output of research, the stronger tends to be the demand for still more output.

This peculiarity of research is a result of the fact that its output is knowledge. One may think of knowledge as consisting of a body of tested propositions. When two things are known, there is a possibility of seeing significant relationships between them which will yield practical applications. The larger the number of tested propositions, the more numerous are the cases in which the addition of a new tested proposition to old propositions will yield new useful applications and, in addition, will suggest hypotheses useful in adding still more tested propositions to the body of knowledge.

Thus, the greater the body of existing knowledge, the greater is likely to be the value of the new discoveries. All of this is particularly important for that part of research that is pursued for profit—the industry of discovery. Unlike other industries, the industry of discovery produces against a rising schedule of marginal utility, not a diminishing schedule. The most important effects of technological research upon the capacity of the economy to grow stem from its effects upon the demand for goods, not from its effects upon the capacity of the economy to produce goods, though the latter effects are obviously of great importance.

Technological research affects both the demand for consumer goods and the demand for capital goods. It affects *the demand for consumer goods* by developing new kinds and varieties of consumer goods that people desire to incorporate into their standard of consumption. People acquire these additional goods by going into debt, by drawing on accumulated savings, or simply by saving a smaller proportion out of any given income.

Keynes Not Borne Out

As a result, rising *per capita* incomes in the United States have not produced a drop in the ratio of incomes that has been saved. In the American economy, personal consumption expenditures have always been an important income-determining influence—in contrast with the theory of Lord Maynard Keynes, who held that consumption expenditures are a stable function of real *per capita* national income. If the view of Keynes were correct, consumption expenditures would be merely income-determined; not income-determining. It would, of course, be a mistake to ascribe dynamic standards of consumption solely to the attractive products made possible by technological research—though, in recent years, this source of dynamic consumption standards has been growing rapidly. But specialised technological research, as I have pointed out, had very limited importance until about 25 years ago, and consumers have been a dynamic influence in the United States since time immemorial.

Most of the American population has been motivated by strong desires to get ahead, and this ambition has made all aspects of life in the United States, including consumption, strongly competitive. Various features of the American environment have stimulated ambition and competition—the absence of tradition and social stratification, the rapid growth of population (especially until the end of the nineteenth century), and the abundance of economic opportunities created by the immense resources awaiting development. But, as the rate of population growth has dropped and as natural resources have become more fully developed, technological change has become a more important source of opportunity, keeping vigorous the strong, ambitious and competitive spirit of early days.

A little more than half a century ago, there was widespread belief that, with the filling up of the Continent and with the passing of the frontier, the United States would become like Europe with a stratified society in which a class struggle would emerge. But this has not happened, largely because of the accelerating rate of technological change beginning about the middle of the nineteenth century.

More Efficient

Of course, the accelerating rate of technological change did not depend to a large extent upon full-time specialised research workers until about the second quarter of the twentieth century. In the earlier days, much important research was done by brilliant self-trained men ("inventors") and more important work was done by technically trained men but they were, for the most part, operating men interested in research problems rather than full-time research men. The recent development of full-time specialised research must be regarded simply as a far more efficient method of doing what industry had previously been doing on a fairly substantial scale.

Between 1929 and 1956, the proportion of disposable income spent by Americans on user-operated transportation, household appliances, boats, pleasure craft, sporting equipment, radio and television receivers, and radio and television repairs increased from 9.13 per cent. to 12.7 per cent. Much of the success of these parts of industry in getting a large share of incomes after taxes must be explained by the development of products and services for which specialised technological research is responsible. Thus, technological development has helped to hold down savings in the face of raising *per capita* incomes.

Technological research affects *the demand for capital goods* in two ways—partly by developing new consumer goods that require new plants and equipment for their manufacture, and partly by the development of new processes and new equipment that represent investment opportunities. The capacity of technological research to create investment opportunities reminds us of how unsatisfactory have been the economists' theories of investment.

Economists have pretty much taken the volume of investment opportunities as given and have had little to say about the determinants of the volume of investment opportunities. There have been a few observations about the effects of undeveloped natural resources and the growth of population upon the supply of investment opportunities. It did not occur to Keynes, any more than it has occurred to most other econo-

(Continued on page 171)

THE STERLING GENERAL
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NEW DELHI

Another year of remarkable progress

The fourteenth Annual General Meeting of the Sterling General Insurance Company Limited was held on the 18th July, 1958, when the Accounts of the Company for the year ended 31st December, 1957, were passed. The following is an extract from the Directors' Report.

Rapid Increase in Gross and Net Premiums

The gross premium booked during the year amounted to Rs. 1,04,36,280 (Rs. 88,22,136 in 1956) and the net premium amounted to Rs. 55,01,062 (Rs. 47,64,124 in 1956) registering an increase of about 18.3 per cent. and 15.5 per cent. respectively.

Reserves Exceed Rs. 25 Lakhs

The reserve for unexpired risks at the end of the year amounted to Rs. 25,04,427 showing an increase of about 16.6 per cent. over the figures at the end of the previous year, namely Rs. 21,47,916.

Increase in Profit and Dividend

After increasing the various reserves, the working of the year resulted in a net profit of Rs. 1,20,620. Adding to this Rs. 1,589 brought forward from the previous year the total profit came to Rs. 1,22,209 which has been appropriated as follows: Rs. 56,000 as provision for income-tax and Rs. 62,113 as provision for dividend to shareholders. The balance of Rs. 4,096 has been carried forward to next year.

All-round Progress

The working of the Company during the year under report resulted in all-round progress in business development and financial strength of the Company. The gross premium increased by over Rs. 16 lakhs and the net premium by over Rs. 7 lakhs over the figures of the previous year. The Reserve have increased by over Rs. 3½ lakhs and the Company has been able to declare a dividend to the shareholders at 5 per cent. free of income-tax.

Assets Exceed Rs. 83 Lakhs

The total assets of the Company amounted to Rs. 83,39,640 at the end of the year.

RECESSION IN COTTON INDUSTRY GATHERS MOMENTUM

MANPOWER SHRINKS FURTHER

From A Special Correspondent

MANCHESTER, 15*th July*

IT becomes increasingly difficult to pick up any report dealing with textile affairs and the prospects for the industry in the U.K. without reading a chronicle of threatening doom and disaster. Not only are the accounts of conditions in Lancashire gloomy in the extreme but those from textile centres abroad are all impregnated with the same apprehensive tone. Comments from individual traders with a half-century or more in textiles range from the frequent "I never remember business being so bad" to the frankly incredulous disbelief that such conditions could continue for any length of time.

MANCHESTER LETTER

One firm of Manchester stockbrokers, which as always maintained a keen interest in the industry, has described current conditions in its latest review. "The point has now been reached at which orders are coming forward at a significantly lower rate than even the reduced volume of output," this document observes, and, in the light of the stock position, there appears to be no reason to expect any significant upturn in activity before the autumn buying, due to commence in September or October."

There is, however, on this occasion a factor which has already been at work and will undoubtedly hamper the possibility of any expansion in buying later in the year. The hearing of the case against the Yarn Spinners' Association in the Restrictive Practices Court is due to commence in October. "It is possible distributors will defer purchases to the greatest possible extent in the hope of securing supplies at more advantageous prices, should the Spinners' Agreement be declared illegal," adds the survey.

Extremely Probable

On the proposed agreement between Eastern textile interests and Lancashire over the import of cloth arrivals into the United Kingdom, the opinion is ventured that any limit acceptable to Eastern producers would almost certainly be fixed at a high level. Moreover, as the report points out, it is extremely probable that such a pact would be confined to cotton piecegoods, specifically excluding either man-made fibre piecegoods or made-up goods. Such an agreement would mainly result in changing the emphasis of current competition without markedly reducing it.

Summing up the prospects facing British textile producers over the next few months, the review asserts that this is the worst recession known in the industry for many years. "That there has not been a much sharper decline in textile share prices can be ascribed to the fact that they stood at depressed levels even before the onset of the current recession and that investors consider present yields already fully discount anything which could possibly happen to dividends."

The month of May, like April, contained a holiday period which curtailed production. Both in yarn and cloth, the average weekly output was virtually identical, spinning production being rather more than 2,000,000 lbs. per week lower than during the first three months of the year. Cloth output was some 4,000,000 yards weekly below the initial quarterly average.

Far more revealing in illustrating the intensity of the current recession are the manpower totals provided by the Cotton Board, although they are more than a month in arrears. The drift away from the mills is now quite unmistakable. One of the features of 1957 was the way in which the labour force was retained by management, there being a fall of little more than 2,000 during the year.

Manpower Shrinks

Already, in five months of 1958, the situation has changed sharply for the worse. Since the end of February three months have seen nearly 12,000 workers in spinning and weaving leave the industry and manpower has now shrunk to 227,660, the lowest total since immediately after the war. When June figures are released, showing the impact of the early summer holidays, they will almost certainly bring a further marked drop in the number of available operatives.

Whereas spinning manpower actually finished 1957 at a higher level than twelve months previously, while weaving lost 3,000 workers, the fall this year has affected both the two main sections. The labour force in spinning at the end of May was 92,820, as against the peak of 99,220 at the end of January. In the same period, those available for weaving fell from 113,760 to 109,210. Manpower in doubling has dropped 2,000 so far this year—a substantial fall in ratio—but, in waste spinning, the loss has been barely 100.

Exactly twelve months have elapsed since the wage advance of 5 per cent. conceded to spinning and weaving operatives brought an expansion in business which was of substantial proportions and carried Lancashire mills into full production for several months ahead. In fact, at this time last year, the wave of buying had already been set in motion by the application for higher earnings, and the general belief that a settlement would be reached involving an increase in prices.

The repercussions from that event were highly satisfactory to producers in the early stages and the industry as a whole was well pleased with the state of order books at a time of the year when business is traditionally in the doldrums. The first signs of disappointment came when the anticipated autumn purchasing did not materialise. The lack of seasonal demand, which should have sprung up at least by October, became the straw in the wind which heralded the subsequent phase of inactivity and the later slide to depression.

Dwindling export trade has accentuated the need for a steady and profitable domestic business to be undertaken from year to year. Seasonal buying can make or break the efforts of producers to keep machinery steadily at work and provide employment for their workpeople. The lack of interest shown by distributors at the end of 1957 has culminated in empty order books and stopped machinery in the summer of 1958.

Future Buying Trends

To suggest that the future well-being of the cotton industry rests, to a large extent, on the vagaries of the British weather is not entirely an exaggeration. Pressure for supplies in the wholesale and retail houses must, in turn, bring the need for replacements and upon such a slender basis a great deal of Lancashire's future prosperity seems to depend.

At the same time, the needs of other industries which are regular users of cotton goods in a multitude of ways must be fulfilled. The business done in this connection in recent years has broadened considerably and provided specialised producers with a steady and important outlet for their goods. Variations in activity in other industries play their part in affecting the mood of the moment in the textile market, but the changes in atmosphere are not so pronounced as in the demand for apparel fabrics.

Another aspect of distributive power which has received due recognition in the past decade has been the growth of the business done in cotton and allied textiles by the larger chain stores. Purchasing by such concerns has a direct and influential bearing on the state of the industry and their operations govern a substantial proportion of productive capacity. As a result, the level of machine activity and the scope of employment in the mill towns is very much in their hands. The extent of mill combines and the power wielded by these distributors may put ideas into the heads of political leaders who are looking for means to acquire control over basic industries.

Leather Imports

Mr. H. Haygarth Jackson, Chairman of the North-West Regional Board for Industry, announced at the monthly meeting of the Board that, in his capacity as President of the United Tanners' Federation, he would be leading a deputation to Conservative Members of Parliament this week to urge that action should be taken to curb duty-free imports of leather into the United Kingdom. He pointed out that the effect of these imports was "infinitely worse" in the leather industry than similar arrivals of duty-free goods on the cotton industry.

Commenting on current unemployment returns, Mr. Jackson said that the figure in the North-West was 2.6 per cent., as against the national average of around 2 per cent., but the figure for greater Manchester was only 1.7 per cent. Although the average in the greater Manchester district gave the Board cause for satisfaction, it was disturbed at the growing unemployment in spinning and weaving in the textile industry.—*All Rights Reserved.*

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WORLD COTTON STOCKS

SHRINKAGE APPRECIABLE

THE 1957-58 cotton season ending on the 31st inst., has witnessed a further decline in world cotton stocks. Unlike in the previous season when a rise in consumption led to a running down of the stocks, the fall this season has been the result not of increased consumption, but of lower production. The current season started with an aggregate carryover of about 23.1 million bales, which was 1.2 million bales of 478 lbs. each lower than at the start of the previous season. Besides lower stocks, there were also significant changes in the distribution of stocks. As a result of the exceptionally heavy exports in 1956-57, stocks in the United States at the beginning of the present season had fallen to 11.3 million bales, from 14.5 million bales a year earlier.

In contrast, however, aggregate stocks in other free world countries at the beginning of the season had increased from 7.6 million bales to 9.2 million bales. Stocks in the net exporting countries other than the U.S. rose only moderately and were still below the average of recent years. Also, the increase was predominantly in Egyptian-type cotton, in the Sudan and Egypt. Of the countries producing American-type cottons, only Pakistan was affected to any extent and even here the increase was comparatively modest. On balance, therefore, as the International Cotton Advisory Committee points out, the U.S. special export programme had no serious repercussions on the volume of cotton exports from most other countries last season, though it is true that reduced prices adversely affected foreign exchange earnings.

In the net importing countries which had been operating on minimum stocks for some considerable time, stocks showed the greatest increase, to 6.2 million bales, including cotton afloat, from 5.0 million bales a year earlier. The factors behind the change in stock policy are lower and, possibly, more stable cotton prices and an upsurge in consumption in the previous season. The more comfortable stock position in net importing countries is one of the factors which explain the expected fall in trade this season.

Stocks in the communist countries at the beginning of the season were higher. They were estimated at 2.6 million, as compared with 2.2 million bales a year earlier. Higher stocks were the result of larger imports and significantly bigger crop in the U.S.S.R.

The following table indicates the world cotton stock position.

(In million bales of 478 lbs. each)

Country	1956	1957	1958
Net exporting countries :			
United States	14.5	11.3	8.8
Others	2.6	3.0	3.5
Total ..	17.1	14.3	12.3
Net importing countries :			
United Kingdom	0.4	0.6	0.5
Western Europe	1.6	2.1	1.8
Japan	0.5	0.6	0.4
India	2.0	1.9	1.9
Others	0.3	0.4	0.5
Afloat	0.2	0.6	0.6
Total ..	5.0	6.2	5.7
Free World Total	22.1	20.5	18.0
Communist Countries	2.2	2.6	2.7
World Total ..	24.3	23.1	20.7

Disappearance has continued to exceed production during this season also but by a wider margin than in 1956-57. Consequently, world carryover stocks on 1st August 1958, estimated to aggregate 20.7 million, will be the smallest for several years, representing about six months, supply at the present annual rate of global consumption of about 41 million bales. In the United States, stocks are estimated to fall to under nine million bales divided almost equally between the Commodity Credit Corporation and private parties. Thus, in the two seasons, namely, 1956-57 and 1957-58, the U.S. has been able to liquidate about 6 million bales of surplus cotton, and stocks on 1st August will be at their lowest level since 1953. In fact, there is probably no longer any real surplus of the better qualities in the U.S.

Aggregate stocks in the net importing countries are expected to decline to about 5.7 million bales. With the textile situation generally less favourable and several of the major countries experiencing balance of payments difficulties, imports in most instances have been running under a year ago. Importers are inclined to wait until a clearer indication of the trend of consumption and prices next season emerges. In communist countries, in line with an expanding textile industry, aggregate stocks are expected to be at least equal to last season's level of 2.6 million bales or may be slightly higher at 2.7 million bales.

ALL-INDIA FINAL ESTIMATE OF COTTON

The all-India final estimate of cotton for 1957-58, issued by the Directorate of Economics and Statistics, Ministry of Food and Agriculture, puts the area under the crop at 20,158,000 acres, as against the partially revised estimate of 19,893,600 acres for 1956-57. Production is estimated at 4,753,000 bales (of 392 lbs. each), as against 4,735,000 bales in 1956-57. There is thus an increase of 265,000 acres or 1.3 per cent. in area and 18,000 bales or 0.4 per cent. in production.

The increase in acreage has been most marked in Bombay, Punjab and Madhya Pradesh and is attributed generally to favourable weather conditions at the time of sowing. Against this increase, acreage fell mainly in Mysore and Andhra Pradesh.

Rajasthan, Madras and Punjab were chiefly responsible for the increase in production, due largely to better seasonal conditions during the growing period of the crop. This, however, was offset to a substantial extent by decreases mainly in Madhya Pradesh and Bombay.

Among different varieties of cotton, Bengals and Jarillas showed increased production, while declines were recorded in the case of Americans, Oomras and Hyderabad Gaorani. Short-staple cotton was mainly responsible for the rise in production.

Production of cottonseed in 1957-58 is estimated at 1,664,000 tons, as against the partially revised estimate of 1,657,000 tons in 1956-57. This represents an increase of 7,000 tons or 0.4 per cent.

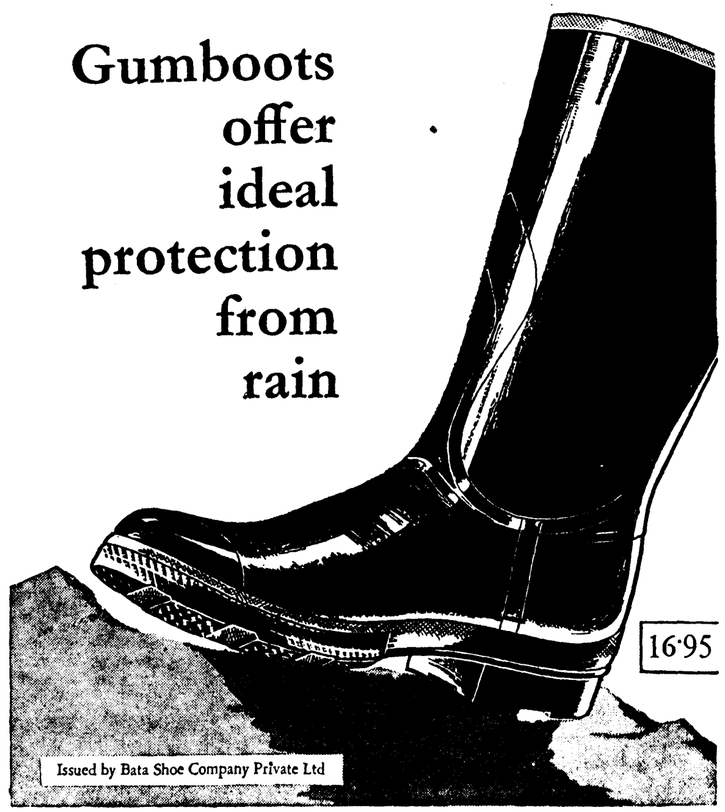
Official estimates of production, as is well known, are generally lower than the estimates made by the Indian Central Cotton Committee on the basis of data relating to actual utilisation of the crop. According to the relationship based on previous data between the official final estimates and the Indian Central Cotton Committee's estimates, this year's final estimate of 47.53 lakh bales would correspond to 51.68 lakh bales of the Committee's estimate. The corresponding revised estimates for 1956-57 were 47.35 lakh bales and 51.51 lakh bales, respectively.

The largest increases in area were recorded by Bombay, 10,988,000 acres in 1957-58, as against 10,333,000 acres in 1956-57; Madhya Pradesh 1,982,000 acres, as against 1,898,000 acres: Punjab 1,522,000 acres, as against 1,415,600 acres. Punjab showed the highest increase, of as much as 107,000 acres. Among the States that showed decreases were: Andhra Pradesh, from 1,014,000 acres in 1956-57 to 939,000 in 1957-58 and Mysore from 2,803,000 to 2,684,000.

In Rajasthan, production was 215,000 bales in 1957-58, as against 168,000 bales in 1956-57. In Punjab, there was an increase of 25,000 bales to 825,000 as against 800,000 in 1956-57. In Madras, production was 392,000 bales, as against 359,000 in 1956-57 and in Mysore 512,000 bales as against 451,000.

Madhya Pradesh registered a fall in production from 569,000 bales in 1956-57 to 464,000 bales in the year under report. In Bombay, production fell from 2,176,000 bales in 1956-57 to 2,130,060 bales in 1957-58.





ECONOMIC DEVELOPMENT IN INDIA

AN ESSAY BY INDIAN ECONOMIST IN THE I.M.F.

"THE technical and administrative tasks have been, by and large, faced competently, and major projects in steel, irrigation and electricity, fertilisers, locomotives, and various other fields are shaping up well. When a large development programme is under way and every section in the community is called upon to make sacrifices, economy and efficiency in administration—not only in ordinary general Government, but also in executing the development projects themselves—evoke greater response from the people in shouldering the burdens; if the community is impressed that waste in public expenditures is avoided at each stage and that beneficial schemes of development are being completed with a high degree of efficiency, additional tax burdens become acceptable as the main source of finance for the development schemes. This is adequately recognised in India, and special efforts are being made to secure economy and efficiency. There has evolved over the years a well-tried administrative system; the personnel are, by and large, competent, and, especially at the higher levels, they are comparable to those in any of the advanced countries. No less important is the thinking and response of the people; awareness of economic change itself is affecting, albeit slowly, the traditional social attitudes which have inhibited progress, and the process of development itself is in turn facilitated. The inert weight of local prejudice and tradition is gradually giving way, partly under the impact of community development schemes. The response of the people is also fostered by the approach and techniques of planning adopted; while necessarily the Plan is largely centralised, there is scope for local initiative and participation, and there is no attempt at compulsory conditioning of the people. The second Five-year Plan is crucial in the sense that, attending primarily as it does to essential requirements, such as the creation of the basic economic and social overheads and meeting such urgent needs of the people as food and clothing, it is modest in comparison with urgent requirements; but in relation to resources, it is somewhat ambitious. If the difficulties in mobilising the necessary resources for the Plan are met, in part with external assistance, and the Plan succeeds substantially, it would set the tone for the longer-term perspective and would render further growth less uncertain."

This is the final summing up in an objective analysis of economic development in India made by Dr. N. A. Sarma, Chief of the South Asia Division of the International Monetary Fund, and published in the latest *Staff Papers*, namely, that for April 1958. This contribution on India's economic development in a publication enjoying wide circulation in academic circles in the Western world is very topical, now that the United States of America and other countries are considering substantial assistance to India for the implementation of the programme of development and more so as it comes from one connected with an institution known for its independent views. The analysis covers the progress and achievements of the first Five-year Plan, the objectives underlying the second Five-year Plan, the difficulties experienced in the implementation of this latter plan and the final picture as it now exists.

As a background to the first and second Plans, the author, who has a clear grasp of economic conditions and trends in India, having been in the Research Section of the Reserve Bank of India since 1948, the Taxation Enquiry Commission (1953-54) and the Finance Commission of India (1952), provides an interesting picture of the basic features of India's economy, such as the natural resources, trend of industrialisation, national income and savings, deffence needs, foreign trade, population, employment, availability of trained personnel, land reform, community development, role of private enterprise, economic controls, and monetary and price trends. His review of these features of our economy is mostly factual, but, where he has tended to be commentative, he is inclined to be extremely cautious and rather appreciative of what the authorities have done. The value of this painstaking survey lies in the fact that one can find in one place almost all the basic data about India, and its two Plans.

Discussing the progress of the second Plan, the author has sought to explain as to why it has got into difficulties. There is nothing new in what he says. It is only a summary of the reasons given by the authorities in this country from time to time. In his comments on the fresh taxation imposed in the past two years as a part of the major reorientation of the tax structure, Dr. Sarma is diplomatic. Thus, he says:

"When taxation is thus decisively stepped up, and the tax net is widened to cover sectors which hitherto have not been reached or have been only lightly affected, and when new levies related to the valuation of assets on a current basis and scrutiny of savings in all forms are introduced, administration becomes the crux of the effectiveness of the tax system, especially as the personnel resources of the machinery for assessing and collecting taxes are already under strain. While there are administrative and other problems both in operating the new taxes and in effectively enforcing the old taxes whose incidence has been substantially increased, this major tax effort reflects the determination of the Indian authorities to subdue the emerging inflationary pressures in the economy and to raise resources for the Plan."

On the much discussed subject of foreign exchange, the author is not pessimistic. He says:

"The foreign exchange prospect for the Five-year period does not appear bleak, but it is sufficiently difficult to require from the Indian authorities the utmost caution and effort in husbanding foreign exchange resources and using them to maximum advantage. More than internal finance, the availability of foreign exchange is the determinant of the scale of the Plan."

A note of caution is struck by Dr. Sarma on the question of deficit financing. Taking a pragmatic view, he observes:

"In the circumstances prevailing in India, as development proceeds apace and the bounds of the money economy are gradually extended, it would not be a stable, but a somewhat rising, ratio of money to income that would have to be maintained as incomes rose, provided that money was still held mainly for transaction purposes. Any substantial degree of inflation is, however, the very negation of planning in finance: its most damaging effect is on the poorest and the most vulnerable sections of the community. It is likely to distort seriously the allocation of resources and, by misdirecting them into speculative and unproductive channels, to frustrate the programme of development itself.

"There is no way of precisely estimating beforehand the amount of deficit financing which might be deemed useful and which would not result in serious inflation; this is, within limits, a matter of broad judgment. Basically, as long as real resources are available and additional Government expenditure is conducive to an increase in productive activity and raises real incomes, deficit financing is useful. But there is a limit beyond which deficit financing begins to impair the economy. The extent to which this limit can be pushed depends on the degree of technical, managerial, and administrative co-ordination and efficiency that is attained and the measure of popular co-operation and willingness to submit to austerity and discipline that is forthcoming, with a view to maximising the resources available for investment. The limit is real and has to be kept in view, especially when the process of planning is essentially democratic."

Dr. Sarma has viewed the first two Five-year Plans as part of a longer term development programme. He attaches great importance to the institutional changes already set in motion through land reform, community development, growth of the co-operative movement and other policies, as they will, in his view, have significant effect on productivity in the various sectors of Indian economy. As will have been noted from the rather long quotation at the beginning of this review, the author seems to be confident of India's ability to attain its modest objectives.



WORLD SUGAR IN THE PAST TWO DECADES

CONSUMPTION RISES FASTER THAN POPULATION

A STRIKING feature of the world sugar economy in the past two decades has been the continuously expanding trend of consumption. Indeed, sugar consumption has increased at a much faster rate than the rise in population. Thus, during the period 1937-38 to 1954-55, the total quantity of sugar consumed throughout the world has gone up by as much as 37 per cent. (from 28.5 million tons to about 39.0 million tons), while the population has risen by about 22 per cent. (from 2,212 million to 2,700 million), according to the latest *Commodity Survey*, 1957, prepared by the U.S. Commission on International Commodity Trade and priced at $2.50 per copy. As in the case of most other foodstuffs, income elasticity of demand for sugar is the highest at lower levels of living and, over the aforesaid period, the increase in sugar consumption was about 80 per cent. in the less developed countries, as compared with 23 per cent. in the industrial countries.

The upward trend in world sugar consumption has, however, been lagging behind that in production. Sugar records the highest rate of production growth among the primary foodstuffs. The aggregate world production of centrifugal sugar, after remaining fairly steady during the war, rose rapidly in the post-war period, the average for the years 1953-55 (35.56 million tons) being 53 per cent. above the 1934-35 level (23.20 million tons), thereby re-establishing the annual rate of expansion of 2.4 per cent. that had characterised the year between 1900-03 and 1934-38. The increase is almost twice the average rate of population growth, but it probably overstates, as the *Survey* points out, the rate of increase in total sugar consumption, partly because of a rise in stocks and partly because of a *per capita* decline in the use of the various indigenous (non-centrifugal) forms of sugar, the output of which in 1953-55 was only about 15 per cent. above the pre-war level.

Restrictive Practices

In the opinion of the *Survey*, the rate of increase in the production of centrifugal sugar would perhaps have been even more rapid had it not been held back by various schemes of restrictive practices designed to maintain price. In the U.S., for example, controls were imposed on the acreages devoted to sugarcane cultivation during the years 1954 and 1955. Export quotas fixed under the International Sugar Agreement of 1953 also had the effect of curbing output—within the limits set for each exporting country by domestic consumption plus the allotted quota and a maximum stock equal to 20 per cent. of annual production. Even before that, Cuba had severely curtailed its sugarcane acreage in 1952, as prices fell in the post-Korean commodity slump.

The following table indicates the changes in the trend of sugar production in the different regions since the Second World War:

(Base: Pre-war = 100)

	1946-48	1953-55
North America	102	126
Western Europe	82	160
Latin America	160	184
Africa	118	183
Middle East	191	277
South and South-Eastern Asia	..	105
Oceania	87	194

It will be seen from the above table that sugar production in Western Europe and South-East Asia was seriously disrupted by the war. This decline in output was, however, offset in the early post-war years by expansion in other areas, especially Latin America. By 1953-55, the production of sugar in the industrial, centrally planned and primary exporting countries had been restored more or less to 1934-38 averages. By the same token, the proportion of beet sugar in the aggregate centrifugal output, which had declined below one-third in the early post-war years, recovered to the pre-war average of 41 per cent. There was, however, a serious lag in the South and South-East Asian region which reduced the share of this region in the world production from one-sixth to one-eighth. Within the primary exporting group, the decline was offset by relative advances in several other regions, notably South America where there was a major expansion in Brazil—a trebling of 1934-38 output—and on a smaller scale in Colombia where 1953-55 production was almost six times as great as the pre-war average. After 1951, with restrictions placed on cane acreage in Cuba, the share of the Central American-Caribbean region declined from almost a third of world output in the early post-war years to nearer the one-fifth of the total it had produced in 1934-38.

The *Survey* has given an interesting account of the trends in world sugar trade. According to it, the extensive network of marketing arrangements and agreements—with its system of quotas and preferences—has probably been an important factor tending to restore and stabilise the global pattern of production and trade. As a proportion of world imports, the share of North America and Western Europe was much the same in 1952-54 as in 1934-38—42 per cent. and 29 per cent. respectively—and a slight reduction in the Asian share was distributed among the other primary exporting countries. By 1952-54, exports from South and South-East Asia had recovered to little more than half the pre-war figure. Only the Philippines had regained the 1934-38 average. Exports from Indonesia were hardly significant, though they had accounted for about a tenth of the world total before the war. This lag, together with the expansion of consumption in many net exporting countries and the policy of encouraging—by subsidy and other means—the production of sugar, especially beet sugar, in many net importing countries, caused total imports to increase less rapidly than production. The ratio of world trade to world production, which exceeded 46 per cent. in 1934-38, was less than 40 per cent. in 1953-55. Only a part of the increment in production was consumed. However, there was a marked rise in stocks during this period, so that the decline in the ratio of trade to consumption was of minor dimensions.

Regional Analysis of Exports

The only regions in which exports of sugar expanded to a greater extent than output were Western Europe and Central America-Caribbean. In Western Europe, there were particularly large increases in exports from the U.K., the Netherlands and, on a smaller scale, Denmark. In Central America, the largest relative increases were in Mexico, Jamaica and Barbados, but it was the massive expansion (almost a doubling) in Cuba that did most to raise the region's share of world exports from one-third in 1934-38 to one-half in the post-war period. In other regions, notable increases in exports were registered in Brazil, Reunion and Mauritius.

Apart from South and South-East Asia, exports of sugar were well below pre-war levels in a number of countries of differing economic status. In Egypt and Japan, for example, exports were negligible in the first post-war decade, they declined markedly in the U.S. and Czechoslovakia and failed to regain the pre-war average in South Africa and Mozambique. These six countries accounted for 8 per cent. of world exports in 1934-38 but only 3 per cent. in 1952-54.

It may be noted here that the aggregate world exports of sugar during 1956 amounted to 12 million metric tons (raw value). The bulk of this quantity—5.39 million tons—was exported by Cuba. The other important countries exporting sugar were the Philippines (959,000 tons), Taiwan (733,000 tons), Dominican Republic (693,000 tons), Australia (685,000 tons) and Mauritius (530,000 tons). The biggest importer of sugar is the U.S. This country imported as much as 3.9 million tons in 1956, or nearly a third of the total world imports. The other chief importers of sugar were the U.K. (1.74 million tons), Japan (1.16 million tons), Canada (651,000 tons), Morocco (300,000 tons) and Iran (269,000 tons).

(Concluded from next column)

clearance of which was a necessary first operation. According to it, civil construction is coming up quickly in these areas. Recruitment of technical staff is rapidly being made. The four schools for training junior personnel such as operators, mechanics and supervisors under the Corporation have completed their first year. These schools are expected to turn out about 500 trained persons every year from the third year onwards. Stores and workshops are being built up. A great deal of the machinery needed is at the sites and further machinery is on order. The proposals for opening up more mines are in the last stages of examination and work will be started in the next few months. The railway facilities required for the projects selected for operation have been taken up and are under various stages of completion.

COAL CORPORATION'S ACTIVITIES

GOOD PROGRESS REPORTED

IT is rather difficult to share the note of confidence expressed by the National Coal Development Corporation (N.C.D.C.) in a report issued to the Press that "there is every reason to expect that the target of production for the N.C.D.C. (fixed in the second Five-year Plan) will be reached." Nearly two years have elapsed since the Corporation was set up—on 5th September 1956, to be precise—but the progress so far made in the fulfilment of the allocated target of additional coal production (12 million tons, including 1.5 million tons from Singareni) has been none too encouraging. The additional output of coal actually raised in the public sector during the first two years of the Plan was very much less than a million tons. The progress has thus been so halting that the Planning Commission clearly remarked in its *Appraisal and Prospects of the Second Five-year Plan* (May 1958) that, on the basis of present approved programmes, "the public sector will contribute about 8.5 million tons of additional production in the last year of the Plan." When it is doubtful whether even this figure will be hit, the Coal Corporation has come out with the claim that it will succeed in reaching the target of production (12 million tons). It has not put forward any points to justify its claim. All that it says is that, "by special and determined efforts for which there is considerable evidence, the usual period (five to eight years) estimated for bringing a new coal mine to the production stage could be reached." Note the qualification in parenthesis, the flexibility in the period meant for reaching the target. The Plan is for five years, but the qualification is that the achievement could be upto eight years.

The Corporation, we are told, has brought to a stage of commercial production and despatch several new mines in the virgin coal areas of Bihar and Madhya Pradesh. These include Kathara in the east Bokaro coalfields, Bachra, Gidi and Saunda in the Karanpura coalfields (Bihar), and Korba in the Korba coalfields (Madhya Pradesh). Incidentally, it may be noted that the new mines, most of which are virgin areas, together account for the bulk of the allocated production target (12 million tons), amounting to 10 million tons, the balance of 2 million tons representing the expansion of the existing collieries.

New Areas Opened

Of the new areas opened out for exploitation, the possession of the coal-bearing areas of Kathara was obtained in December 1957, of Gidi on 25th January 1958, of Saunda on 28th January and of Bachra on 28th February. The progress achieved by the Corporation in Kathara deserves special mention. During the six months since the possession of the coal-bearing areas, over one million tons of coal have been exposed and despatch actually commenced. The production target for Kathara is 1.5 million tons per annum. Regular and full-scale despatches from this area is expected to be ensured after the railway siding is completed in December next. Meanwhile, other work connected with the mine is in progress.

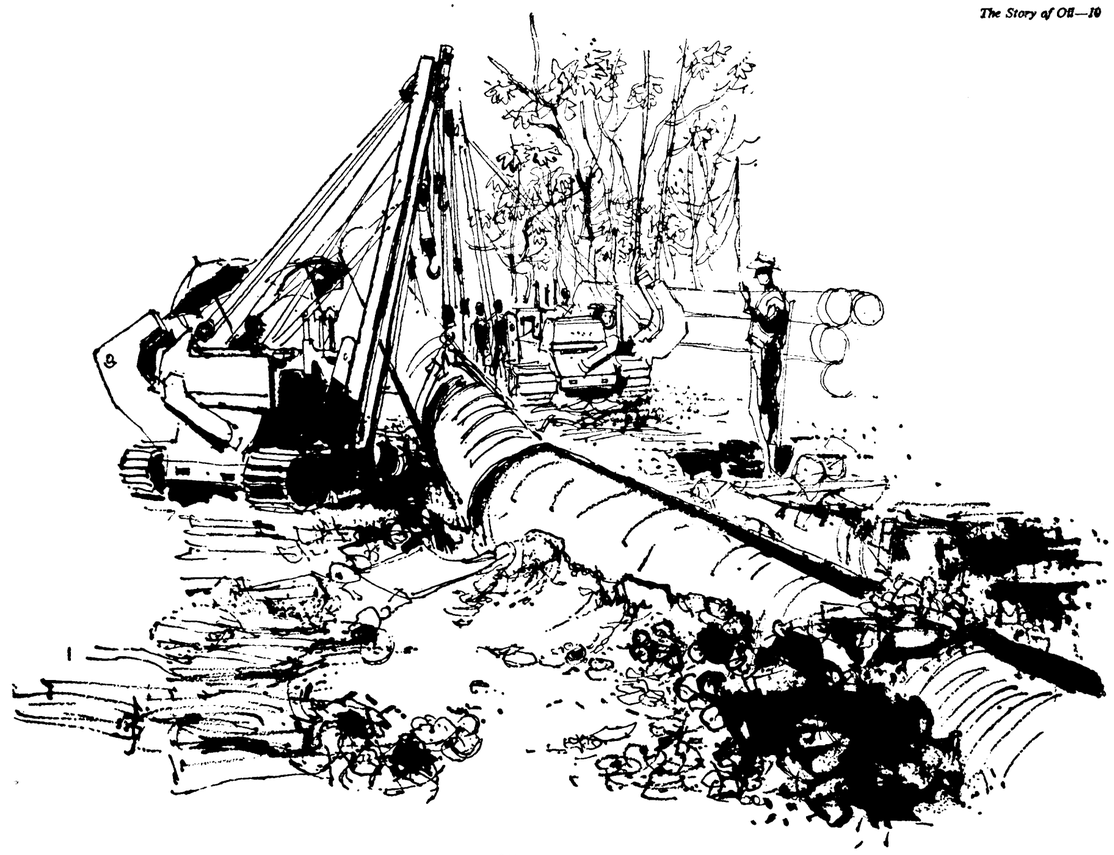
The aggregate production target fixed for the coal mines of Gidi, Saunda and Bachra is 3.5 million tons. In this area, where underground mines have to be opened, about 17 inclines have been driven, besides the commencement of an open cast mine in Saunda. Extraction of coal has already started in Saunda and is expected to start at Bachra in two months. The major project of Gidi with the annual production target of 1.5 million tons, will, however, reach the stage of full-scale despatch only after the construction of a bridge across the river Damodar. In Madhya Pradesh, the Korba open cast mine has already commenced production, but the full-scale despatch from this thick seam depends on the completion of the power house that is being installed in Korba by the State Electricity Board. Four inclines are being driven into the thin seam.

In addition to the opening of virgin areas, the Coal Corporation has opened up two new mines in the existing collieries under its ownership—at Kurasia in Madhya Pradesh and Bhurkunda (Karanpura) in Bihar. Actual production in both these mines is expected next month.

The Corporation points out that, until a few months ago, most of the new areas mentioned above were covered with jungle or forest the

(Continued in previous column)

The Story of Oil—10



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INTERNAL CONSUMPTION OF COFFEE RISES

EXPORTS SHADE HIGHER—WORLD OUTLOOK STILL UNCERTAIN

THE internal consumption of coffee is maintaining its upward trend, but the pace of increase has slowed down a bit during the first half of the year 1958. In June 1958, the quantity of coffee released for internal sales was 2,615 tons, made up of 1,180 tons of Plantation, 538 tons of Arabica Cherry and 1,097 tons of Robusta, as compared with 2,415 tons (1,155 tons Plantation, 289 tons Arabica Cherry and 971 tons Robusta) in the previous month and 1,938 tons in the corresponding month of 1957. This brings the total releases during the first half of 1958 to 13,233 tons, as against 12,462 tons in the first six months of last year and 11,433 tons in the corresponding period of 1956.

At its half-yearly meeting held on 30th May, the Coffee Board estimated the current year's domestic consumption at about 29,000 tons. If this anticipated consumption in the current year materialises, it will represent an increase of 2,800 tons over 1957, thus maintaining the upward trend from 1953 onwards, when the quantity released for internal consumption amounted to 15,100 tons.

On the export front, the allotment out of the 1957-58 crop was raised last month from 11,684 tons to 12,930 tons, following larger receipts into the Pool. Out of this quantity, the actual export sales up to the end of June amounted to 8,130 tons, as against 7,980 tons in the corresponding period of last year out of the 1956-57 crop. The total exports out of the 1956-57 crop, it may be noted, aggregated 15,228 tons, as against an official allotment of 15,155 tons. This was a record for the last two decades.

In addition to the above export sales, a quantity of 90 tons of Plantation coffee, in lots of 10 tons, was shipped recently to London for testing market reaction. Out of this, 59 tons are reported to have been sold in auction up to the end of June. The prices fetched in April ranged from 468*s.* to 504*s.* per cwt. and in May between 460*s.* and 488*s.* per cwt. Tenders have been invited for the sale of 1,833 tons (1,071 tons Plantation, 635 tons Arabica Cherry and 127 tons Robusta Parchment) during the current month. This leaves a balance for export of 2,887 tons, including 696 tons of Arabica Cherry retained for monsooning and release in October-November. The Coffee Board is negotiating for a trial sale of 10 tons of Plantation Triage and 25 tons each of Plantation A and B in Japan.

The larger internal sales and exports during the first half of the current year were facilitated by the increase in receipts of coffee into the Pool, which received up to the end of June 1958 42,980 tons (made up of 21,137 tons of Plantation, 7,883 tons of Arabica Cherry and 13,960 tons of Robusta) of the 1957-58 crop, the comparable receipts for the previous year being 41,053 tons (the variety-wise break-up figures were 21,792 tons of Plantation, 7,077 tons of Arabica Cherry and 12,184 tons of Robusta). The receipts for a similar period a decade ago (in 1948) were 15,103 tons only, that is, a little more than a third of the current figure.

The latest revised estimate of the 1957-58 crop is 42,930 tons, made up of 29,020 tons of Arabica and 13,910 tons of Robusta, according to the Coffee Board's last monthly *News Letter*. There has been no subsequent revision of the estimate. The blossom estimates for the 1958-59 season's crop are placed at 44,235 tons, made up of 27,650 tons of Arabica and 16,585 tons of Robusta. A clearer picture of the crop can be got only in September, but the indications are, as the Coffee Board Chairman pointed out recently, that it will be over 45,000 tons and possibly nearer 50,000 tons.

If this bumper crop is achieved, India will have a much larger export surplus. With the sharp rise in the cost of living during the last few months, it is doubtful whether domestic consumption will go on increasing, and Indian coffee has to depend, to a large extent, on its internal market. As for exports, the outlook continues to be uncertain on account of the threat of overproduction in the 1958-59 season also. There is already a glut of coffee in the world and dealers are doubtful of the present price levels being maintained without a world agreement among producers to keep up the market. In spite of the efforts of the producers in the Western Hemisphere to evolve an international support scheme, the prospect of reaching an international agreement is not very bright. However, the recently formed International Coffee Study Group, enjoying great support from producers and consumers alike, can be expected to do something more far-reaching. The object of the Study Group is to see what can be done to bring some stability to coffee production, consumption and prices. In the meantime, the Western Hemisphere producers have drawn up a scheme for some sort of international control on coffee exports, with an export quota for each producing country. The U.S., the main consumer of coffee in the world, is said to be in favour of fixing an export quota, as a temporary measure. The economy of the coffee-producing countries in the Western Hemisphere depends on coffee and any scheme which seeks to stabilise it can be expected to have the support of the U.S. and many other consuming countries. But even with the support of the U.S. the scheme will not be successful, unless the co-operation of African producers is forthcoming. Hitherto, the latter have been hostile to the Western Hemisphere producers' scheme, evidently because of its restrictive nature.

WORLD RUBBER STATISTICS

World production and consumption of natural rubber showed a decline in May 1958. The preliminary figures released by the International Rubber Study Group show a drop from 130,000 tons to 127,500 tons in May and consumption from 165,000 tons to 150,000 tons. The fall in consumption is mainly due to the sharp decline in Russian imports from 22,500 tons in April to 16,500 tons and in Chinese imports from 13,000 tons to 5,750 tons.

The total production in the first five months of 1958 was 667,500 tons, a decline of 60,000 tons from the output in the corresponding period of 1957. The world consumption also dropped from 805,000 tons to 782,500 tons, the fall being attributed to the lower consumption in many countries. The U.S. consumed 50,000 tons less, evidently due to the business recession. China's consumption was lower by 4,000 tons, while Russia used 50,000 tons more.

Rubber output in India during May this year amounted to 2,503 tons, as against 1,590 tons in the previous month and 1,645 tons in May 1957. This brings the total production in the five-month period January-May 1958 to 9,049 tons, an increase of 757 tons over that (8,292 tons) in the corresponding period of 1957. Consumption by manufacturers also increased from 2,684 tons in April to 2,822 tons in May; the corresponding figure for May 1957 was 2,573 tons. The total consumption during the first five months of the year amounted to 14,052 tons, as against 12,338 tons during January-May 1957. The stocks at the end of the month aggregated 8,963 tons, having gone up from 5,274 tons a year before.

TEA OUTPUT IN INDIA

The provisional figures of tea production in South India during June 1958 show a sharp decline to 13.3 million lbs. from 15.2 million lbs. in the corresponding month of 1957. This brings the total production in the first half of the current year to 85.0 million lbs., as against 72.6 million lbs. in January-June 1957, the excess production having dwindled from 14.2 million lbs. to 12.4 million lbs. The production in North-east India up to the end of June was 107.9 million lbs., as against 111.4 million lbs. in the corresponding six months of 1957. The total Indian tea crop up to the end of June thus amounted to 192.9 million lbs., an increase of 8.9 million lbs. over the year.

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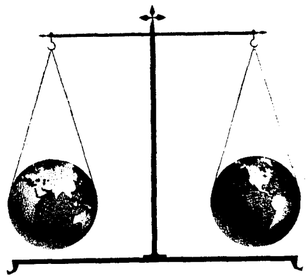

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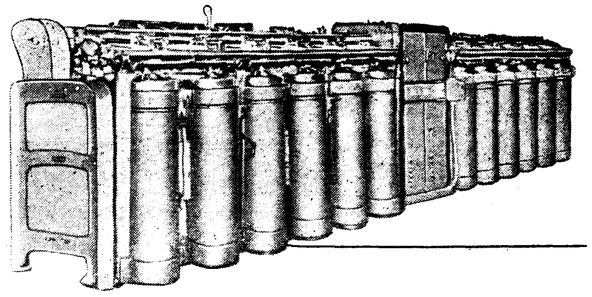

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IRAQ'S OIL INDUSTRY

EXTENT OF ITS IMPORTANCE ANALYSED

A SUSTAINING factor in world economy is the production of oil. Uninterrupted supply of oil is, as is well known, vital to the continued maintenance of economic activity all over the world. From this point of view, the contribution made by West Asia, which accounts for some 30 per cent. of the world oil production, is by no means a small one. How far is Iraq, the political revolution in which has hit the headlines in the press, indispensable to oil economy? A review of the position of the Iraqian oil industry reveals that it is far more important to Iraqian economy than to world oil supply. Out of the current monthly average production of 55 million tons of oil in the world, the Middle East accounts for 16.9 million tons, of which Iraq's share is 2.6 million tons. It should thus be clear that Iraq's share is by no means so large that its loss, should it occur, could not be made up by increased production from other areas. Indeed, if Iraq's oil supply were cut off, it would be possible to increase production of oil from other oil-producing countries, some of which are working below capacity. It is, however, noteworthy that such a contingency has not arisen now, for the new Government in Iraq has not so far placed any obstacle in the flow of oil. The consequences to world oil economy could, however, be serious if the entire Middle East were involved in a crisis, thereby adversely affecting oil production in the whole region.

At present, there is a surplus of oil in the world. In fact, some producers are stated to be restricting their output in order to get the surplus under control. Until last year, world consumption of oil, according to the Oil Correspondent of the London *Financial Times*, had been increasing by 6 to 7 per cent. a year. Last year, the increase was only 2 per cent. Although a recovery is expected this year, the rise in sales is likely to be 4 per cent. As a result of this slowing down in the rate of increase, oil markets until recently were weak and the output in the main producing countries had to be limited and in some even reduced. Reviewing the position of oil in Iraq, the correspondent observes that the Kirkuk field in Northern Iraq now supplies about two-thirds of the oil output in that country, as against four-fifths formerly. The output, it is stated, has been held back by the lack of pipeline capacity. This is attributed to the sabotage of pipelines in 1956. The capacity of the pipeline was, however, restored last month to the pre-Suez level of 25 million tons a year. The output from Kirkuk is accordingly scheduled to increase. Further expansion is envisaged because the Iraq Petroleum Company has undertaken to double production from its three oilfields by 1960 and to continue to increase it after that date. The output from the other major oilfield in Iraq, at Basrah in the south, has increased considerably, as oil from this field does not go through the pipelines to the Mediterranean but is shipped from Fao on the Persian Gulf. If the entire oil supply from Iraq were stopped completely, it would mean that between 2.5 million and 3 million tons per month would have to be obtained from other sources. This would represent less than 4 per cent. of the world's oil supplies and only about one-sixth of Middle East production. It seems probable, according to the correspondent, that much of the loss could easily be made up from other Middle East countries. "The principal threat to the economies of the West, therefore, lies," he says, "not in any cessation of oil production in Iraq alone but in the possibility of the conflagration spreading to the whole of the Persian Gulf." It is of the utmost importance, therefore, to world economic progress, that the crisis in Iraq should not be allowed to spread to other parts of the Middle East.

In Iraq itself, normal conditions should be restored, because if the crisis affected adversely oil production, it would mean considerable damage to that country's economy. The oil industry accounts for some 27 per cent. of Iraq's national product valued at 292 million dinars, followed by agriculture (24 per cent.), services (17 per cent.), manufacturing (12 per cent.) and wholesale and retail trade (11 per cent.). Iraq's population is increasing steadily; it moved up from 4.8 million in 1947 to 6.5 million last year. In order to support this increasing population and to raise their living standards, the Government has embarked upon a development programme which calls for an investment of some 500 million dinars over the period 1955-60. Iraq, it may be noted, has been devoting nearly 70 per cent. of its oil revenue to its development programme. Direct revenue from oil reached a total of I.D.68.8 million in 1956; it had been expected to reach I.D.80 million in 1957 but dwindled to I.D.48.9 million because of the Suez crisis and the temporary cessation of oil flow through the pipelines to the Mediterranean terminals.

The success of Iraq's development programme depends on maintenance of oil exports. Not only does the industry bring in large revenue to the State but its exports furnish the country with the much-needed foreign exchange. Indeed, foreign exchange reserves have continued to increase from year to year, though they received some setback in 1956 and 1957 because of the interruption in oil supplies. At the end of 1957, they were 120.9 million dinars, as against 138.9 million dinars at the end of 1956, 127.0 million dinars at the end of 1955 and 107.0 million dinars at the end of 1954. By far the most notable benefit from the oil industry to Iraq's national economy is the fact that it has served to keep under check inflationary pressures which, in the other countries of West Asia, have resulted from the implementation of development programmes. This has been rendered possible through the abundance of foreign currency, permitting a high level of import of consumer goods as well as of capital equipment for development projects.

MINOR IRRIGATION

Although it cannot be gainsaid that the multi-purpose projects have a significant role to play in India's agricultural economy—they promote large-scale irrigation, power generation and flood control—minor projects deserve much better attention than they have received. Minor irrigation schemes entail a comparatively small outlay, yield quick results and can be executed with local resources. These schemes are also labour-intensive. They, however, give protection only to a limited area, required periodical surveys and are subject to the vagaries of the monsoon. But given constant care, they can make an effective contribution to agricultural production. Clearly, an integrated and judicious planning is necessary for implementing and ensuring regular upkeep of these projects.

These and other related problems came up for discussion at the Regional Minor Irrigation Conference, held at Hyderabad recently. The Conference, which was attended by Ministers and officials from the States of Bombay, Madras, Mysore, Kerala and Andhra Pradesh, was presided over by Mr. A. P. Jain, Union Minister for Food and Agriculture. Mr. Jain, in the course of his speech, particularly stressed the problem of maintenance of small irrigation projects in the region. He rightly called upon the participant States to renovate within a period of five years the 25,000 odd tanks which had gone out of use in Madras, Andhra, Mysore and Kerala. It would appear that about 1,200 to 1,500 tanks are being repaired every year. Mr. Jain rightly pointed out that, at this rate, it would take about 15 years to renovate the tanks. Surely, the country cannot wait for so long a period, in order to develop its minor water resources.

The Union Minister, therefore, urged them to renovate the tanks within a period of five years. Expenditure involved in repairing the tanks is relatively small. The States should, therefore, be able to find the resources needed for implementing a more rapid programme of tank renovation. It should be remembered that India has spent about Rs. 1,200 crores on food imports in the last 10 years. A fraction of this sum would be sufficient to develop many important minor irrigation sources in the country.

Emphasising the importance of providing irrigation facilities to agriculturists, Mr. Jain stated that nearly 80 per cent. of the land was not served by reliable irrigation sources. Before the first Plan period, India was utilising only 6 per cent. of water resources; the proportion had now gone up to 10 per cent. This meant that 90 per cent. of the water resources went down to the sea. Further, many of the large irrigation works, which had been constructed, had not been fully utilised. Thus, the first Plan provided irrigation facilities which could feed 8.7 million acres but they had actually benefited only four million acres. In this context, there is an imperative need to develop minor irrigation works in which there is little time lag between the creation of irrigation facilities and their utilisation. Mr. Jain revealed that with a view to developing minor irrigation in the country, it was proposed to waive the compulsory contribution by local people for construction of minor irrigation works in the Community Development blocks and also to extend the facility of subsidy given for schemes under the Grow More Food programme to minor irrigation works in these blocks.

After a survey of the minor irrigation programmes in participating States, the Conference recommended that special efforts should be made to maintain the works already completed, to make an assessment of irrigation facilities created through these works and to take steps to accelerate the tempo of works in the current year as well as in future years. The Conference held the view that State Governments should provide for an organisation for periodical surveys of the small irrigation projects; for keeping accurate record of the works completed; and for ensuring that no individual wells fell into disuse. One, however, fails to understand whether such an elaborate organisation is worth the additional expenditure it involves. It was also proposed that a fund could be raised by the levy of special maintenance cess from beneficiaries and, if possible, from revenue budgets of the States.

The Conference felt that the maintenance of minor irrigation works could be entrusted to *panchayats* or co-operatives if they were capable of looking after them. It recommended that correct assessment of irrigation potential developed under various minor irrigation schemes and its utilisation should be made from time to time in order to ensure fulfilment of targets under various schemes. A random sample survey, it was felt, might be undertaken on an all-India basis with a view to evaluating results actually achieved. Financial requirements for works, which could be undertaken during the current year, were reviewed along with funds already provided in State budgets for Community Development and National Extension Blocks. The additional amount needed for the current year was of the order of Rs. 3 crores. The Conference recommended that the Government of India should consider allocation of funds so that progress on minor irrigation programmes for these States could be accelerated.

NEW PRODUCTS AND PROCESSES

Sun-powered Hearing Aid.

ZENITH Radio Corporation of the United States has developed a new sun-powered hearing aid, which operates through the use of solar energy stored in silicon cells. Designed for use in eyeglasses, power for the new hearing aid is supplemented by a tiny nickel-cadmium storage battery. Ordinarily, the amount of sunlight received on a slightly overcast day is enough to operate the new device. But when light is insufficient, the battery automatically cuts in to operate the instrument. A standard mercury battery may be substituted for the nickel-cadmium battery. The suggested retail price for the instrument is $250. Called the solaris, the new hearing aid is housed in a temple bar designed to fit almost all eyeglasses fronts.

Protective Paper

A range of backing and inter-leaving papers coated with special silicone and plastic finishes to provide any required degree of resistance to adhesives is being produced in Great Britain for what is said to be the first time. Available at almost a quarter the cost of conventional cloth backings, these adhesive or adhesion-resistant papers are being marketed under the name "Striplac," and are designed for the protection of all types of adhesive-coated or "sticky" commodities. The "Striplac" range can be supplied in various strengths and types of paper, printed in up to six colours with designs incorporating the product's brand name, instructions for use, or other advertising matter. It is stated that the papers can be used for the protection of sheet plastics or uncured rubber during storage and inter-factory transit, as well as of various types of asbestos and resin-impregnated products which are sticky at certain stages of manufacture. In the retail field, the papers are understood to be suitable as backings for a wide range of adhesive-coated lines including surgical dressings, tyre patches, display cards and transfers, plastic tiling and table surfacings, stick-on shoe-soles and draught-excluding strip.

New Aluminium Alloy

An aluminium alloy that is said to have a considerably better resistance to hot water than other aluminium alloys previously commercially available has been developed in Britain. The new alloy also has the advantage that it will give a satisfactory performance—from the nuclear physics point of view—when it is used inside a nuclear power-producing reactor furnace as a uranium fuel canning agent. The alloy, which is said to be easy to handle, is also very cheap to produce and should therefore offer the potentiality of widespread industrial application. At the same time, when it is used in the atomic power field it offers a number of the advantages of zirconium alloys without their high cost and handling difficulties. The alloy is based, oddly enough, on a readily available aluminium alloy containing small quantities of iron to which small amounts of nickel have been added.

New Blood Centrifuge

A new centrifuge developed by two Swedish inventors, Dr. Harry Danielsson and Mr. Folke Lundmark, and intended for simplifying blood-test investigations, has aroused great interest in medical centres all over the world. It is in use in Sweden and the U.S. Large-scale export is now planned by the Swedish industrialist Dr. Axel Wenner-Gren, who has taken over the rights of exploitation. Dr. Wenner-Gren aims to export the apparatus especially to countries with underdeveloped technical facilities. Among the advantages of the centrifuge is that it is simple in use and performs the necessary work without attendance. It is also very easy to take the readings from the machine. Oil producers believe that it will become useful as a gauge of the contents of fats in oil, and it may also find use in measuring the albumen content in milk.

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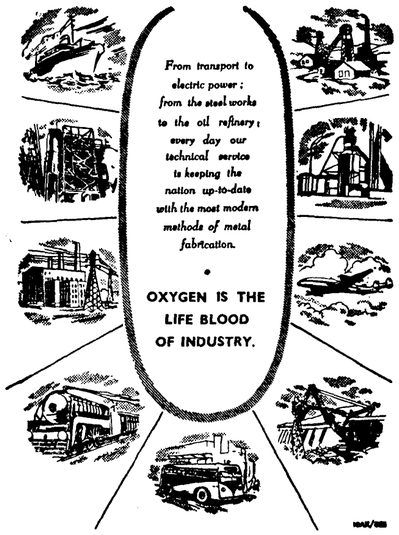

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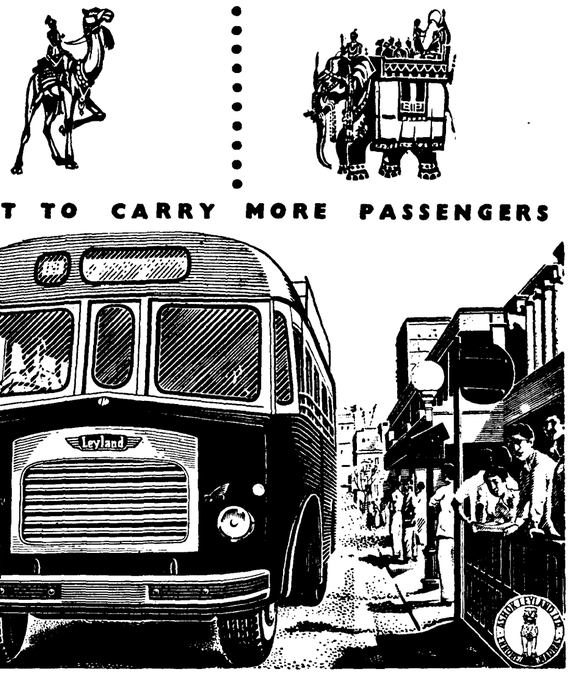

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OPERATIONAL ACTIVITIES OF I.L.O.

SPECIAL STANDARDS FOR BACKWARD COUNTRIES URGED

THE radical changes that have come over the world economic and social scene in recent years have imposed additional burdens and responsibilities on the International Labour Organisation pledged to the cause of promoting social justice throughout the world. With more and more countries joining the Organisation as members—80 countries are at present members—the field of its operation and the number and complexity of the problems it has to face have increased considerably. The changed character of the membership of the I.L.O. has necessitated a shift of emphasis in its programmes. In order to help the underdeveloped countries, for instance, it has been found necessary to assume, in addition to its traditional job of standard-setting, new activities such as technical assistance. The latter is becoming important as the gap in the levels of living standards between peoples in developed and underdeveloped countries is becoming wider and wider.

An indication of the new challenge facing the countries and the role of the I.L.O. in helping them is provided by the annual report of the Director-General presented to the 42nd session of the International Labour Conference held recently in Geneva. The report reflects a definite and conscious shift of emphasis in the I.L.O.'s activities. This, obviously, is in response to the general feeling in the underdeveloped countries that the operational activities of the I.L.O. should be further expanded and that technical assistance should be regarded as important as the standard-setting work.

New Emphasis

This feeling was voiced by Mr. R. Venkataraman, Minister for Industries and Labour in the Madras State and Government delegate, in his address to the Conference. Mr. Venkataraman put forward a vigorous plea for a new emphasis in the I.L.O.'s programme of activity. He felt that there was need for expanding the operational activities of the I.L.O., if necessary by readjusting its other programmes. The gap between the levels of living in Asia and Africa and those in more industrialised countries was widening, despite the determined efforts made by the peoples and Governments of this region to accelerate the pace of economic development. The constitution of the I.L.O. recognised that the failure of any nation to adopt humane conditions of work was an obstacle in the way of other nations which desire to improve the conditions in their own countries. When such failure arose out of sheer economic incapacity, there was a clear case, according to him, for the I.L.O. to step in with an assurance of assistance. The operational activities of the I.L.O., especially the technical assistance programme, have been very helpful to underdeveloped countries. For instance, India received assistance in organising the activities of the national employment services, in formulating the social security system, in carrying out the programme of productivity studies, in setting up a training-within-industry centre and in many other matters. From the experience of India, it was evident, Mr. Venkataraman pointed out, that apart from the need for transmission of techniques there was an equal, if not greater, need for the supply of equipment on a more liberal scale. He, therefore suggested that the supply of equipment in connection with technical assistance projects should be liberalised and made free of the current restrictions.

Standard-setting

Even in the traditional field of standard-setting, as Mr. Venkataraman pointed out, there is need for a new approach. The standards evolved by the I.L.O., particularly during the earlier years, reflect more directly the conditions prevailing in the industrialised countries and are far removed from the economic realities of the less developed regions. In other words, industrialised countries were formerly preponderant in determining the direction of I.L.O. activities. As a result, what has been adopted as international standards has often looked like the codification of the experiences of these countries. The picture, however, is very much changed today. Other less developed countries of the world have appeared on the scene and continue to appear in larger numbers. They are assuming, as the Director-General put it, a greater place in international preoccupations. If adherence to international standards is to be real, such standards should also come within the reach of the social and economic realities of these countries. To take, for instance, working hours. There is, as readers are aware, a persistent demand in some of the developed countries that the working hours be reduced from 48 to 40 or 36, a demand which underdeveloped countries like India cannot afford to concede.

The purpose of the aforesaid standards is to bring about uniformity in labour practices or at least to induce a forward direction towards such uniformity. But, when conditions are widely different in different countries, it is exceedingly difficult to formulate uniform standards. Although they might be suitable to the conditions in advanced countries, they would obviously be too high for the less developed areas. On the other hand, standards fit for the latter countries would be far too low for the former. The I.L.O. is no doubt seeking to meet this dilemma by introducing an increasing element of flexibility in the formulation of standards. But there is a limit beyond which this process cannot go without sacrificing even the semblance of uniformity. The issue should be faced more squarely and frankly. Mr. Venkataraman, therefore, suggested that earnest consideration should be given to the possibility of formulating standards on a different basis, regional or other.

A notable event of the Conference was that two new international instruments, a Convention and a Recommendation, setting new standards for employment conditions for plantation workers were adopted. The Convention, described as a plantation workers' charter, has 14 parts, several of which must be complied with by ratifying countries, others being optional. The Convention comes into force six months after the ratifications have been registered by two of a list of 35 countries selected on the basis of the importance of their plantations.

The Conference took preliminary action with a view to final discussion next year on four other instruments; three proposed draft Conventions on (1) minimum age for admission of fishermen to employment, (2) medical examination of fishermen, and (3) fishermen's articles of agreement and a Recommendation on the organisation of health services in places of employment.

It held a general discussion on hours of work, and adopted a resolution inviting the Governing Body to place the question of the reduction of hours of work on the agenda of an early session of the Conference with a view to the adoption of an international instrument.

The Conference also adopted various resolutions, among others, on occupational diseases, publication of labour laws, human rights, industrial health and safety campaigns, manpower aspects of economic development, management development, measures to promote employment and action against unemployment, expansion of international trade, labour-management relations, and increased technical assistance for the integration of indigenous populations into the economic, social and cultural life of their countries.

EARNINGS OF FACTORY WORKERS

An idea of the average annual earnings of factory workers in the leading industries in India can be had from the statistics published in the March 1958 issue of the *Monthly Abstract of Statistics* of the Central Statistical Organisation. The table reproduced below shows the average annual earnings during the two years 1955 and 1956:

Industry	Average annual earnings (in rupees) All States	
	1955	1956
Textiles	1,101.3	1,244.5
Footwear, other wearing apparel, etc.	1,101.3	1,098.1
Wood and cork except furniture	670.0	762.2
Furniture and fixtures	681.0	716.0
Paper and paper products	1,062.5	1,036.4
Printing, publishing and allied industries	1,162.1	1,188.6
Leather and leather products	836.6	756.6
Rubber and rubber products	1,368.4	1,501.7
Chemicals and chemical products	957.2	980.9
Products of petroleum and coal	1,492.9	1,686.2
Non-metallic mineral products	781.5	838.3
Basic metals	1,673.4	1,487.9
Metal products (except machinery and transport equipment	1,048.2	1,119.5
Machinery (except electrical machinery)	1,100.4	1,136.2
Electrical machinery, apparatus, etc.	1,340.0	1,314.4
Transport and transport equipment	1,429.6	1,540.1
Miscellaneous	1,209.8	1,169.9
Electricity, gas and steam	1,371.7	1,465.1
Water and sanitary services	1,041.4	1,115.9
Recreation services	1,037.0	1,227.4
Personal services	362.8	465.2
All Industries	1,178.5	1,212.7

It will be seen from the above table that the average annual earnings in 1956 were the highest in petroleum products and coal industries. Transport and transport equipment industries ranked second and rubber and rubber products third. Earnings were lowest in personal services, being only Rs. 465.20 per annum.

SAFETY AND HEALTH IN DOCK WORK

The I.L.O. has just published a code of practice relating to safety and health in dock work. (*Safety and Health in Dock Work*, I.L.O. Geneva. Price: Rs. 4. Pages: 125.) The code has been formulated with the help of a team of international experts. It is conceived not as a set of regulations, but as a guide consisting of a body of concise recommendations for the use of persons or organisations having responsibilities in the promotion of occupational safety and health in dock work. Although the code has no binding force, its value lies in the fact that it is the work of experts and embodies the knowledge and experience of many countries. It should be of value to all countries, particularly to the rapidly industrialising countries whose experience in the safety and health problems of dock work is still insufficient.

The Central Board of Trustees of the Employees' Provident Fund which consists of representatives of the Central and State Governments and employees' and workers' organisations, has decided to recommend to Government that interest at 3¼ per cent. per annum be credited to subscribers' accounts for 1958-59. The total amount of provident fund contributions for 1958-59, on which the rate of interest had to be declared, was estimated as over Rs. 46.46 crores and the net amount available as interest was Rs. 1.76 crores.



STRANGE ELEMENTS IN INCOME-TAX LAW—II

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

HERE is an illustration of heads I win and tails you lose element.

You give a loan to a constituent in course of business. You take the loan from him, similarly on reciprocal basis. Interest earned on such loan is duly accounted for on accrued basis. Unfortunately, the loan proves bad and both the principal and interest are written off. When you claim the amount as bad debt, the Department argues that such bad debts are inadmissible, for moneylending is not your business. Interest accrued and adjusted in the accounts forms part of a loan and, therefore, it is equally inadmissible. You submit that at least the interest part of the loan should be allowed, for it has already been taxed as income and income without receivability is no income; the interest income on accrued basis has created a debt which has become bad and should be allowed. The reply is: Under what section? Where is the section like Section 10 (2A) under which if a deduction is allowed on accrued basis in one year and the creditor gives a remission and you do not pay, the Act contains a specific section to tax the waiver on remission as income. So here the law provides that the State shall not lose its tax—but, if the taxpayer loses, the relief equitably due—well, never mind! The State cannot legislate for such unfortunate beings.

Fantastic Element

Let me not forget to tell you about a fantastic element something which will tickle your fancy if you are a tax-gatherer, something which will scare you out of your wits if you are the taxpayer.

Section 2(6A) which deals with artificial definition of a dividend was amended in 1955 to catch loans given to shareholders in a company governed by Section 23A. It is provided that, if a shareholder is given a loan when the company possesses accumulated profits, then notwithstanding the fact that it is a loan, it shall be regarded as if the whole loan was a distribution of dividend in his hand. The shareholder may hold only a few shares, not the whole capital, yet the whole loan will be taken as if the accumulated profits were released in his favour by the company as dividend. This is fantasy number one.

Although this profit is fictionally distributed, yet in subsequent years when this is again distributed factually to the shareholders it will again be taxed in the hands of the shareholders other than the shareholder whose loan was taxed as dividend. To illustrate this fantasy let me give figures. A company's accumulated profits, say, were Rs. 5 lakhs. Loan given to 'A', a shareholder holding one-fifth capital, is Rs. 5 lakhs. Next year, Rs. 5 lakhs are factually distributed. Rs. 4 lakhs will again be taxed in the hands of the recipient shareholders. Rs. 1 lakh will be set off against the loan of the shareholder if it is still outstanding. The fantasy is that, for taxation purposes the Department has collected tax on a distribution of Rs. 9 lakhs. So, by a magic wand, a company has been regarded to have distributed 9 lakhs when its divisible profits are only Rs. 5 lakhs. This is fantasy number two.

The shareholder who has taken the loan gets a set off against the factual dividend of the tax paid on Rs. 5 lakhs loan treated as dividend, provided the loan is still outstanding. If the loan is paid off before the declaration of next dividend, there is no loan outstanding for a set off, therefore, it legally can be taxed again. So that 'A' will be taxed on Rs. 5 lakhs fictional dividend and Rs. 1 lakh factual. This is fantasy number three.

There is yet another fantasy. Section 12(1B) provides that, on coming into operation of the Amendment Act in 1955, any loan outstanding in favour of a shareholder of a Section 23A Company will be regarded, suddenly as on 1st April 1956, as dividend in his hand, if the company then possesses accumulated undistributed profits to that extent. The loan may be an outstanding of several years—so may be the undistributed profits accumulating over several years. By a stroke of the pen—or is it a legislative genius!—the loan has become a dividend, a capital has been suddenly converted itself into an income. You can well say with Byron who wrote: "I woke up one morning and suddenly found myself to be famous"—the taxpayer can well imitate and say: "I slept a solvent overnight, woke up next morning insolvent"—not by what I had done, but what the law has done to me. This is fantasy number four.

Absurd Element

Here is a flagrant departure not only from reason but also common sense. The absurd element in the much discussed Section 23A is this.

When there is concealment, you attract penalty of 150 per cent. of the tax sought to be avoided by such *modus operandi*. Penalty certainly must be imposed for offence committed, namely, for the amount of non-disclosure. But look at the provision of Section 28(1) (c). It arms the Income-tax Officer to inflict penalty not at 150 per cent. of tax sought to be avoided on undisclosed income but 150 per cent. of the tax on the difference between the tax on income returned and income assessed. Income assessed, as will be readily realised, is made up of large number of innocent add-backs. Even 150 per cent. of the tax on these items will come to be penalised once you are attacked under Section 28(1) (c). This is absurd—why should innocent add-backs be mulcted in a fine of 150 per cent.? There is no excuse for this cussedness, except the lack of proper logical perspective in our legislators.

Under old Section 23A—a section that bristles with problems like the bristles of the porcupine—if a company has not distributed 45 or 60 per cent. of its assessable income, depending upon the nature of its business, the Income-tax Officer can deem the whole of the undistributed profit to have been distributed. This is fair but within what time? There is no time limit for passing such orders. The Income-tax Officer, like Rip Van Winkle, may wake up after 20 years and pass an order holding the then shareholders liable to pay super-tax on such dividend though such shareholders may long have ceased to be in the land of the living and their holding may be held by their great grandchildren. This is absurd you will say. But alas! it is true—at least it was too true until the Amendment Act of 1955 made substantial changes in it—changes almost beyond the recognition of the old brazen face of Section 23A.

This is not the only absurdity. Take a company registered under Section 25 of the Companies Act. This is a non-profit-making company and as such is prohibited from declaring dividends. Yet if such company falls within the definition of Section 23A of the Income-tax Act, it must distribute 60 per cent. And, if it does not, it is still penalised by levying additional tax on undistributed amounts. Such a company will also lose rebate as it declared no dividend in India and made no prescribed arrangement for deduction of tax. Similarly, electricity companies can declare dividend only out of a reasonable return prescribed after making due provisions, as required by the Electricity Act; yet, if it is a Section 23A company, it will still be penalised for not distributing 60 per cent. of the assessable income—notwithstanding that the law prohibits a certain part of such income from being distributed. Can absurdity go further?

Vindictive Element

A firm is genuine; it is registered under the Income-tax Act; assessment proceeds and, for some default in not complying with the Income-tax Officer's requisition, you invite assessment under Section 23(4), that is, a best judgment assessment. This best judgment is a misnomer. It is "no-judgment" assessment and you are first punished by estimating your profits at a figure which hardly has a resemblance with facts. This is penalty number one. For not complying with requisition, a penalty may be levied also under Section 28. This is penalty number two. As if these were not sufficient deterrents, yet another penalty could be levied, namely, cancellation of registration and assessment of a firm at an unregistered firm's rate of tax. Can vindictiveness go further—punish the assessee thrice for the same offence; yet it is there for those who can read the law between the lines. Indeed, when I come to think of it further, I find that even a fourth penalty is possible, this time under Section 18A.

Partiality Element

There is partiality element also in the Act. Under Section 4A, so far as the residence of the firm is concerned, the law provides that the firm was normally deemed to be a resident, unless the control and management of its affairs are situated wholly outside India. On the other hand, the Company is resident if the control and management of its affairs is situated wholly in India. It will be seen that, so far as the firm is concerned, the presumption is normally resident, unless it is wholly controlled outside India, whereas, in the case of a company, it is presumed to be non-resident unless the control is wholly situated in India.

Unjust Element

Where the income of an assessee is taxed both in India and elsewhere in a country with which there is reciprocal arrangement for relief, the laws provide that the assessee shall make an application for double income-tax relief within a year from the date of his being taxed in India. It may be that no action is taken in the other country to tax it and so he makes no application for a relief unless the income gets doubly taxed. But when he is actually taxed in the other country, he finds that the period of limitation to claim relief has expired. The income has been taxed in India and his application has been held time-barred for double-tax relief.

Atrocious Element

Let me conclude with an instance of atrocious element provided in the Act. Where there is an element of 'speculation' in a transaction, then speculation profit will enhance your total income—but a loss in speculation will not reduce the same. So, though you have an overall loss, yet isolating speculation loss, there is a profit, the loss will be ignored and the profit taxed. Thus, there is a tax not only on income, on capital, but also on loss. Next year, you make profit in speculation, will the last year's loss be set off against this year's speculation profit? Oh no! If there is a profit in speculation and a loss in other business and under other heads, the loss will first absorb the profit under Section 24(1). And if after this, there is yet a profit, it will be graciously allowed to be set off against the last year's carry forward of loss in speculation. It is an "atrocious element" of perverse logic. Why? The reply is that there is a widespread practice of buying losses and that the authorities cannot detect the real from the spurious. Therefore, why not regard the honest as well as the dishonest alike and herd them together for harsh treatment. The principle of the law of the Penal Code is let nine criminals escape, but let not one innocent man be convicted of an offence he has not committed. But here under the Income-tax Law the principle is inverted. Let all the ten be committed to jail since the authorities cannot say who is criminal and who is not—an instance of poetic justice indeed, if it can bear such a high-sounding denomination.

Conclusion

Faced with such elements as we have seen, no wonder the Income-tax Officer is always in his best element when he assesses a person by exercising his opinion element and by invoking vicarious, uncertain, irrational and inequitous elements to make what he says a 'fair' assessment and the poor assessee is out of his 'element,' for the remedies provided in the Act are worse than the disease. To call such assessments 'fair' is a misuse of words, to put it softly. When salt has lost its flavour, wherewith shall it be salted?

(Concluded)



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CHEMICALS AND ALLIED INDUSTRIES

EXPORT TARGET OF RS. 70 CRORES SUGGESTED

WITH the inauguration of the Chemicals and Allied Products Export Promotion Council at Bombay on the 16th inst., by Mr. Manubhai Shah, Union Minister for Industry, one more link has been added to the chain of such councils recently constituted for stepping up exports. Faced with the mounting crisis on the foreign exchange front, India has become acutely conscious, though a little belatedly, of the need for, and the importance of, boosting exports to pay for what it buys from abroad on a fairly large scale. Viewed against this background, the exhortation made by Mr. Manubhai Shah, while inaugurating the Council, that these groups of industries should be expanded and helped to find export markets adequate enough to meet the foreign exchange required for their own needs in future, sounds pertinent in theory at least. Whether it will be practicable is a question for which the answer will depend upon the ability of the indigenous industry to compete effectively in the world markets. He suggested that the Council should set for itself an immediate target of an annual export of goods worth Rs. 70 crores to be reached in five years from now. This sounds a tall order, considering that exports of goods falling within the Council's purview are not even one-tenth of the suggested target. There is, however, tremendous scope for exporting chemicals and allied products, having regard to the geographical advantage which India has in regard to the markets in West and East Asia, as well as in Africa.

One reason why exports of chemicals and allied products have not been significant so far is, as Lala Charat Ram (Chairman of the Council) pointed out, that the emphasis hitherto has been on catering to domestic demand. But as the industries concerned have to depend on imports for their raw materials, etc., and as there is an urgent need for diversifying India's exports, the time has now come when they have to find a part of their needs of foreign exchange, by exporting a part of their production. As already stated, India is exporting at present a few crores worth in all of pharmaceuticals, fine chemicals, glass and glassware, rubber, salt, etc. Some idea of these exports can be had from the following figures, which refer to shipments made in the first 10 months of 1957:

(Value in rupees)

Pharmaceuticals and fine chemicals: Vitamins and vitamin preparations: 7,13,742; bacteriological products, sera and vaccines: 2,25,023; antibiotics: 5,55,713; opium alkaloids; cocaine, caffeine, other alkaloids and their derivatives: 7,40,446; absorbent cotton sterile: 18,48,558; botanical dry derivatives: 4,10,282; liquid extracts of liver: 1,53,598; and rauwolfia serpentina: 1,88,525.

Acids and fertilisers: sulphuric acid: 1,52,475 and crude fertilisers: 27,41,844.

Alkalis: chlorine: 84,083 and hydrogen peroxide: 57,357.

Miscellaneous chemicals: Glycerine 33,11,105; creosote oil: 1,11,619; D.D.T.: 27,378; and glucose liquid: 62,107.

Dyestuffs and intermediates: coal tar dyestuffs: 2,01,887 and metanil yellow: 20,834.

Glass and glassware: bottles, flasks, etc.: 10,26,752; glass bangles: 4,16,401; and glass mirrors: 3,56,234.

Ceramics and enamels: Chrome bricks and shapes: 2,44,991; fireclay bricks and shapes: 1,83,4[illegible]; and insulating bricks: 44,738.

Rubber: Crepe rubber sheets: 99,273; synthetic rubber and rubber substitutes: 17,400; footwear rubber solid: 64,65,103; and rubber footwear: 3,68,880.

Soaps and toileteries: Hair oil: 9,04,885; toilet powder: 3,13,078; cosmetics and toilet requisites: 1,99,120; and soaps and cleaning preparations: 8,41,113.

Paints: Ready mixed stiff and other paints: 2,08,536; varnishes: 1,53,463; enamels all sorts: 16,906; and dry pigments: 26,657.

Salt: Common salt: 58,03,160 and other kinds: 2,14,950.

Alcohols: Ethyl alcohol: 7,01,033 and others: 6,07,983.

The countries to which exports were made in 1957 include the U.K., the U.S.A., West Germany, Ceylon, Burma, Nepal, Pakistan, East African countries, Egypt, and the Far Eastern countries like Indonesia, Malaya and Thailand.

Although the chemical industry in India is comparatively young, it has shown signs of sustained growth. It has already achieved self-sufficiency, according to Mr. Manubhai Shah, in such items as hydrogen peroxide, bichromates, sulphur black, sheet glass, cement, cellulose acetate yarn, staple fibre, tyres and tubes, paints and varnishes, and inks. On the basis of the progress made hitherto and plans under implementation, self-sufficiency is expected to be attained by 1961 for soda ash, caustic soda, hydrosulphite of soda, chlorine, bleaching powder, calcium carbide, antibiotics, several pharmaceuticals and drugs, plastics such as polythene, and all types of paper, excluding newsprint. The table on this page shows the progress of production and the fall in imports of a few of the products since 1951. As will be seen from the table, the value of imports of the items which amounted to Rs. 32.18 crores in 1951 has fallen to Rs. 14.87 crores at present and is expected to come down further to Rs. 5.85 crores by 1961. This in a large measure reflects the rapid expansion taking place in the industry.

Investments

It may be noted here that the programmes of development envisaged for the chemical and pharmaceutical industries alone in the second Plan cover a capital expenditure of Rs. 132 crores, as against Rs. 26 crores in the first Plan, an increase of 500 per cent. Substantial investments are planned in the other allied industries, too. All this does not mean that India will become self-sufficient in chemicals and allied industries by the close of the second Plan period. The industries are dependent upon imported raw materials. For the manufacture of dyes, for instance, basic raw materials such as benzene, toluene and naphthalene have to be imported until the intermediates are made here. Mr. Manubhai Shah was quite aware of this position. In fact, it is this awareness that made him suggest an export target of Rs. 70 crores for the industry per annum to be hit in 1963. He pointed out, in this connection, that, although the industry depended to a great extent on indigenous raw materials, nearly 20 per cent. of its total production represented import content. The total production of these industries is running at an annual rate of Rs. 350 crores at present. Imports of part of the raw materials, accessory chemicals, spare parts and maintenance stores were of the order of Rs. 70 crores or 20 per cent. of the value of production of the industries under reference. If the target mentioned by him can be reached, the industry will be self-financing so far as foreign exchange is concerned.

What are the prospects of India attaining this target? Addressing himself to this question, Mr. Shah gave his answer in two parts. He did concede that some Indian chemical and allied products were not favourably placed in the matter of quality, price and capacity to deliver the goods. But there were a few other products in which India was in a better position than its competitors. Every effort should be made to stimulate exports of these. Elucidating this point, Mr. Shah observed:

"..... I wish to invite your attention to consider the possibilities of export of those items where our prices are lower than elsewhere and sometimes lowest in the world. For example, alcohol obtained by fermentation of molasses from the sugar industry is available in India in considerable surplus and its cost of production ex-distillery or price f.o.b. ports is very low in comparison to that even in Europe or the U.S.A. In its report, the Alcohol Committee has recommended that expansion of this industry should be organised in such a way that a target of production of 46.8 million gallons in 1961 should be reached, as against the present production of about 16 million gallons of alcohol in all forms. The Alcohol Committee's report also states that, after providing for alcohol as a raw material for various industries whose establishment is envisaged by 1961 and after meeting the needs of power alcohol to the extent of 10 million gallons for those new industries which are already taking shape, there will still be a surplus available for export of the order of 10 million gallons. If some of the plans for utilising alcohol as a raw material for chemical industries do not materialise by 1961, as they might, due to our difficult foreign exchange position, then the available surplus would be even greater. It is, therefore, of the utmost importance that steps should be taken to organise the export of as much alcohol as possible in the immediate future. A necessary requirement for this purpose is storage facility at ports for 2 million gallons of so, so that a ship can be loaded on arrival in the shortest possible time. Discussions have already taken place between our Ministry, the All-India Distillers' Association and other concerned organisations with a view to achieve this objective."

Another item of export suggested by Mr. Shah was plywood. Considering that Ceylon, Pakistan and Indonesia are close at hand, India could profitably consider the prospects of raising its production of tea-chests in order to meet the needs of these countries in competition with others. Fortunately, the Indian tea-chest making units are situated on the coast and this should facilitate their task of finding export markets. Chlorine is another product which, in the opinion of Mr. Shah, can easily become a foreign exchange earner. He gave the assurance that the Government would give refund of import duty on cylinders used in the export chlorine. Other chemicals in which successful attempts can be made are hydrogen peroxide, bichromates, glassware, alum, soap and cosmetics. But success in these products will be possible only if the highest standards of quality are developed and consistently maintained.

Cost of Production

Mr. Shah then referred to items the exports of which are handicapped by the high cost of their production and suggested the following solution:

"One way of overcoming this difficulty is to export a small percentage of total production at bare cost and less, because, incidentally, the higher quantum of production would itself help to reduce the average cost of production of a factory. In this way, it should be possible for most factories to export about 5 per cent. to 10 per cent. of their production. The Government has also come forward readily in recent months to give assistance for encouraging exports in several ways. The Council should suggest other measures also and I can assure you of our best and prompt consideration."

From what Mr. Shah said it looks as though the Government will not be averse to granting a rebate of the full amount of duty paid on imported raw materials or accessory chemicals that are required for the production of materials which are exported. In conclusion, he advised the Council to fix six-monthly targets for exports of different commodities in a realistic manner and to revise them every six months in the light of experience.

Mr. Charat Ram, Chairman of the Council, felt that there were vast potentialities for export of products covered by the Council. He pointed out that, though industrially India was still in the process of development, it had great natural resources and unique geographical location. He particularly stressed that there was considerable scope for expanding markets of these products in some of the neighbouring countries. He held the view that, because of India's proximity to these countries, merchants in the latter would naturally be able to save on the volume of stocks carried, the cost of transport, etc., by purchasing their needs from this country rather than from distant countries. He added that, as the requirements of a rapidly industrialising India were varied, it was not a mere prospect but almost a certainty that overseas countries that purchase from India would be able to pay for these by their own exports

Production and Imports of Chemicals

Item	Unit	1951		1955		1958 (estimated)		1961 (estimated)	
		Production	Import	Production	Import	Production	Import	Production	Import
1. Soda Ash	Tons	47,500 (1.4)	52,101 (1.62)	77,270 (2.37)	65,009 (1.67)	100,000 (3.00)	75,000 (1.5)	230,000 (6.9)	Nil
2. Caustic Soda	"	14,720 (0.73)	37,003 (2.14)	34,250 (1.73)	54,131 (3.2)	50,000 (2.50)	75,000 (2.25)	135,000 (4.05)	30,000 (1.35)
3. Bleaching Powder	"	3,588 (0.21)	10,073 (0.45)	2,700 (0.16)	4,593 (0.8)	5,000 (0.3)	2,000 (0.12)	15,000 (0.90)	Nil
4. Calcium Carbide	"	Nil	10,115 (0.67)	3,110 (0.25)	7,070 (0.38)	3,000 (0.24)	8,000 (0.4)	25,000 (2.00)	Nil
5. Paper excluding Newsprint	"	131,920 (13.1)	36,000 (7.76)	193,400 (19.8)	147,938 (15.3)	250,000 (25.00)	20,000 (2.0)	350,000 (35.00)	25,000 (2.5)
6. Polythene	"	Nil	Nil	Nil	640 (0.21)	Nil	1,500 (0.5)	8,000 (1.2)	Nil
7. Finished Dyes	Mill. lbs.	Nil	15.34 (14.27)	4.03 (4.03)	13.01 (13.7)	10.9 (10.9)	5.0 (5.0)	15.0 (15.0)	2.0 (2.0)
8. *Antibiotics*: (a) Penicillin	Mill. M.U.	Nil	12.6 (1.6)	6.0 (0.8)	Rs. 2.85	24.0 (3.2)	(Rs. 3)	40 (4.2)	Nil
(b) Others, Streptomycin, Chloramphenicol, Etra-cyclins	Thousand Mill. Kg.	Nil	11.6 (8.0)	1.7 (0.3)		5.8 (1.0)		70 (12.0)	Nil
Total Value .. (Rs. crores)		15.44	32.18	29.44	37.11	46.14	14.87	81.25	5.85

The figures shown in brackets indicate value in rupees calculated on the basis of present c.i.f. prices.

MAINTAINING INDUSTRIAL PRODUCTION

LARGER IMPORTS OF RAW MATERIALS NEEDED

IN view of the continuing drain on India's foreign reserves, it is feared that imports of raw materials and intermediate goods for indigenous industries may not be maintained at about the same level as in 1957. The view in some business circles is that such imports might have to be increased rather than decreased if industrial production should be maintained at the 1957 level. There are obviously three alternatives before the Government: to restrict drastically all imports of industrial raw materials for three or six months; to seek foreign credits for financing such imports; or, to combine both these expedients by restricting imports in some lines and getting medium-term foreign credits for the purpose. Whatever be the current speculations, a clear picture may be expected to emerge only in September next on the eve of the October-December licensing period.

As the level of industrial production and the level of imports of raw materials are vaguely connected in current discussions, some specific instances would have to be considered for obtaining a concrete picture. Figures of imports of principal industrial raw materials other than steel and petroleum in two comparable periods —January-October 1956 and January-October 1957—are given below:

(In Rs. crores)

Raw materials	Jan.-Oct., 1956	Jan.-Oct., 1957	Net Change
Non-ferrous metals	29.6	38.4	+8.8
Raw cotton	46.8	45.4	—1.4
Raw jute	11.9	5.3	—6.6
Art silk yarn	15.0	12.7	—2.3
Chemical elements and compounds	20.0	27.3	+7.3
Dyeing, tanning and colouring materials	14.8	12.7	—2.1
Copra	6.4	10.8	+4.4
Wool tops	7.8	9.3	+1.5

These figures of raw material imports would have to be considered in juxtaposition with the levels of production in the respective industries using them in roughly the same comparable periods—1956 and 1957. To take non-ferrous metals first. In the metallurgical industries, outputs of non-ferrous virgin metals, semi-manufactures and alloys have, in most cases, registered increases over 1956. This is verifiable from Appendix I in the *Annual Report of the Commerce and Industry Ministry for* 1957-58. In this case, there is thus a *prima facie* correspondence between the increase in imports of non-ferrous metals and ores and the increase in outputs of industries using such imports.

Imports of Chemicals

In the case of imports of chemical elements and compounds also, there was an increase over 1956. If it is assumed that such imports were *largely* used in chemical, pharmaceutical and dyestuff industries, it is seen that, in a vast range of products, output increases have been registered over 1956 in most cases. Here, again, there is a *prima facie* correspondence between the increase in imports of chemical elements and compounds and the increase in output of industries using them.

The increase in the imports of copra, on the other hand, has not been reflected in any substantial increase in the production of soap, for example. In 1956, soap production amounted to 110.3 thousand tons, while in 1957 it was 111.6 thousand tons. In this case, therefore, it is not possible to establish a *prima facie* correspondence between the import of the raw material concerned and the output of an industry which largely uses that raw material in the sense of an increase in import leading to an increase in indigenous production. But it is possible that, as against an increase in imports of coconut oil, there might have been a fall in the availability of domestic oils for the soap industry.

Wool

In the case of wool tops, their increased imports in 1957 have resulted in increased domestic production of woollen yarn at a monthly average of 2,316 thousand lbs. in 1957 as against 2,133 thousand lbs. in 1956. But the production of woollen fabrics has slightly declined from a monthly average of 1,362 thousand yards in 1956 to 1,316 thousand yards in 1957.

In the case of raw cotton, a slight decrease in its imports in 1957 has, however, not involved any fall in the production of either cotton yarn or cotton cloth. If anyting, there has been an increase in 1957 over 1956, the respective monthly production averages being 148,341 thousand lbs. and 139,267 thousand lbs. in the case of yarn and 443,118 thousand yards and 442,215 thousand yards in the case of cloth in the respective years. On the other hand, in the case of raw jute, a fall in its imports has been accompanied by a fall in production of jute manufactures from a monthly average of 91.1 thousand tons in 1956 to 85.8 thousand tons in 1957.

On the whole, while imports of industrial raw materials have increased, in value terms, by just Rs. 10 crores in 1957 over 1956, the index of production (base 1951=100) in manufacturing industries shows an increase from 133 points in 1956 to 137 points in 1957. As compared to the index of 123 in 1955, the rate of increase in industrial production in 1957 over 1956 has been comparatively low probably because imports of industrial raw materials have not generally increased to any substantial extent. Even that increase in indigenous production must have been due to some increase in the availability of domestic supplies of raw materials.

As for spare parts and semi-manufactured intermediate goods, how far their imports have come to be substituted by domestic sources of supply is not also clear. As the industrial schemes approved in 1957 for new undertakings and for substantial expansion of old ones for manufacturing a variety of products may be expected to have come to fruition by now, domestic supplies of some spare parts and intermediate goods may have probably increased. Only the Government is in a position to examine the possibilities of ensuring adequate domestic supplies of such goods in each case. This is what appears to be taking place now and it is, therefore, not likely that any general drastic cut in imports of essential raw materials and other goods needed by Indian industries would be made. But the probability of selective cuts appears to be there.

COCOA POWDER AND CHOCOLATE INDUSTRY

The Tariff Commission is currently examining the question of continuing protection to the cocoa powder and chocolate industry beyond 31st December 1958; a public enquiry in this connection was held in Bombay on the 11th inst., Mr. C. Ramasubban, Chairman of the Commission, presiding. The industry has pleaded for protection on the ground that it depends exclusively on imports for its requirements of principal raw material, namely, cocoa beans and that, although there is no import duty, the manufacturers are not obtaining adequate foreign exchange allocation for the import of beans.

The cocoa and chocolate industry, it may be recalled, has been enjoying tariff protection since March 1947. The Commission held its last enquiry in 1956 and it recommended continuance of protection upto 31st December 1958 by levying a protective duty of 31¼ per cent. *ad valorem* on cocoa powder and 50 per cent. *ad valorem* or Re. 1 per lb., whichever was higher, on covering chocolate. The Government of India accepted this recommendation. Subsequently, the duty on cocoa powder was raised to 35 per cent. *ad valorem*.

The total domestic demand for both cocoa powder and covering chocolate was placed at 300 tons by the Tariff Commission in 1956. For the present enquiry, the Commission has received estimates of current demand ranging from 300 tons to 700 tons per annum. The Development Wing estimates the current demand at 550 tons, while the estimates of producers vary from 300 to 700 tons. The quantity available for consumption on the basis of production and imports, which declined from 488 tons in 1953 to 350 tons in 1954 and to 133 tons in 1955, rose to 236 tons in 1956 and 519 tons in 1957.

There are at present two units producing cocoa powder and chocolate, one in Bombay and the other in Poona. Besides, there is another unit in Bombay which produces only covering chocolate. The rated capacity of the two units for the production of cocoa powder was 275 tons in 1956. Since then, one of the units, namely, Cadbury Fry (India) Ltd., has reported an increase in its rated capacity. The total capacity of the two units for the manufacture of covering chocolate of the three units is 1,082 tons, as against 803.6 tons in 1956. Both the Bombay units have reported a higher capacity this time. The total production of cocoa powder was 33 tons in 1956, 159.62 tons in 1957 and 42.45 tons during January-April 1958. The production of covering chocolate has increased from 73.70 tons in 1956 to 322.72 tons in 1957. The production during January-April 1958 was 102.03 tons.

Imports of cocoa powder and covering chocolate have been banned since 1st January 1957. The imports of 36.45 tons valued at Rs. 1.59 lakh recorded in 1957 (as against 128.85 tons worth Rs. 7.8 lakhs in 1956) were apparently under licences granted during 1956.

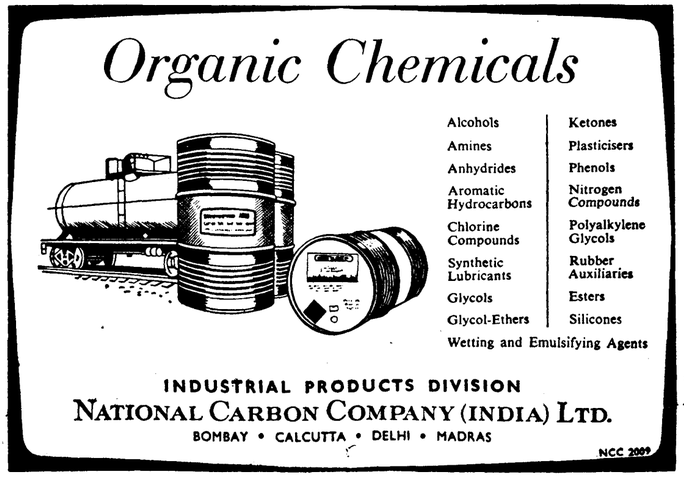
FOREIGN TRADE OF INDIA IN APRIL 1958

India had an adverse balance of trade to the extent of Rs. 18.31 crores during the month of April 1958, as against Rs. 23.87 crores in the previous month, according to the provisional figures of foreign trade by all routes—sea, air and land—on private and Government accounts. Exports of merchandise (excluding transit trade of Pakistan and other overland foreign countries namely, Nepal, Tibet, Sikkim, and Bhutan) during the month accounted for Rs. 41.42 crores, re-exports for Rs. 0.31 crores, imports for Rs. 60 crores. The total trade thus aggregated Rs. 101.73 crores. The merchandise import figures are exclusive of the value of certain consignments of Government stores awaiting adjustment. Exports (including re-exports) of currency notes amounted to Rs. 16 lakhs and current coins (excluding gold coins) Rs. 2 lakhs. There were no exports of gold. Imports of currency notes aggregated Rs. 2.92 crores and gold Rs. 4 lakhs, while there were no imports of current coins (excluding gold coins).

KERALA AGRARIAN RELATIONS BILL

The Committee appointed by the Coffee Board to examine and report on the Kerala Agrarian Relations Bill, 1957 in so far as it relates to the coffee plantations, met in Bangalore on the 16th inst. While gratefully acknowledging the avowed object of the Kerala Government to exempt plantations from the purview of ceilings proposed in the Bill, the Committee expressed the view that this needs to be made clear beyond doubt and any ambiguity by making suitable amendments to relevant clauses in the Bill. The Committee has suggested that the term "plantation" may be defined as under:

"'Plantation' means any land planted with or reserved for being planted with tea, coffee, rubber, cardamom or other special crops, and includes all land within or contiguous to the plantations and which is used or reserved (a) for the sustenance of the employers and employees on the plantations, (b) for the maintenance of roads, buildings, factories, pastures, (c) or for timber, fuel trees, (d) or for any other purpose that is incidental or ancillary to the business and undertaking of planting, and (e) water sources necessary for the plantation."



DIGVIJAY CEMENT'S GOOD PERFORMANCE

PRODUCTION AND PROFIT AT RECORD LEVELS

THE year ended 31st December 1957 has proved to be one of good progress for the Shree Digvijay Cement Company, Ltd. (Managing Agents: Shree Laxmi Agents Private Ltd., Sikka, Bombay State). Its production, sales and profit have all shown a sharp rise, in refreshing contrast to the performance in 1956 when production showed only a small rise, with sales and profit actually suffering a decline. In the year under review, the output rose to 109,681 tons. Sale proceeds of cement went up by no less than Rs. 53.57 lakhs or 27.7 per cent. and so also gross profit by Rs. 9.26 lakhs or 22.7 per cent. With this increase, the gross profit of the Company has established a fresh record of Rs. 49.91 lakhs. The net profit has, however, declined by Rs. 3.52 lakhs to Rs. 17.40 lakhs, thus maintaining the downward trend for the second year in succession. The fall in net profit during the year under review is due to larger provision of Rs. 26.85 lakhs for depreciation, as against Rs. 17.03 lakhs set aside last year, as also to the provision of Rs. 3.25 lakhs for taxation for which purpose no allocation had been made a year ago.

Consequent on the shrinkage in net profit, the Directors have rather sharply cut the allocation to the general reserve from Rs. 10 lakhs to Rs. 3 lakhs. The dividend is unchanged at 9 per cent., to which level it had been raised last year from 8.5 per cent. Moreover, the latest dividend is on a high capital raised by the issue during 1956 of 45,000 ordinary shares of Rs. 100 each at a premium of Rs. 17.50 per share. In the previous year, the new shares, which were partly paid-up to the extent of Rs. 50 per share then, received *pro rata* dividend for the month of December 1956 only. Besides the ordinary shares, the Company had also offered 40,000 5 per cent. cumulative preference shares of Rs. 100 each at par (in addition to the then existing 39,940 cumulative preference shares of Rs. 100 each) and on these shares, the dividend for the year under review is in proportion to the amount paid thereon from time to time at Rs. 3.706 per share, free of income-tax.

The following comparative table shows the Company's progress during the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Sale proceeds (gross)	2,46.47	1,92.90	2,10.48	1,76.90*
Closing stocks	9.72	5.03	2.81	4.48
Raw materials, stores, power, etc., consumed	1,55.64	1,01.48	90.98	96.13
Other expenses	47.35	55.95	72.47	25.88
Gross profit	49.91	40.65	47.22	45.32
Managing Agency commission ..	2.41	2.71	3.66	3.99
Provision for—				
Depreciation	26.85	17.03	18.00	18.00
Taxation	3.25	..	..	..
Net profit	17.40	20.92	25.56	23.71
Excess provision written back ..	0.04	..	..	..
To reserves	3.00	10.00	16.00	15.00
Dividends—				
5 per cent. preference ..	3.48	2.08	1.99	1.99
Ordinary	12.10	8.24	7.55	5.08
	(9%)	(9%)	(8.5%)	(8.5%)
Carry forward	2.24	3.37	2.78	2.77

* Net sales.

The Company's output of cement in 1957 jumped up from 247,174 tons to a peak of 356,855 tons. This is the sharpest rise in production during any year since the inception of the Company. The expansion in output is fully reflected in the rise of Rs. 53.57 lakhs in sale proceeds and of Rs. 54.16 lakhs in consumption of raw materials, packing materials, stores, power, etc. The other expenses, however, were brought down further and this was the real factor that contributed to the increase in profit.

There was no change in the Company's statutory selling price of cement, after its reduction by Rs. 4.50 to Rs. 53.50 per ton in September 1956. The enquiry into the fixation of fair price of cement was undertaken by the Tariff Commission and its recommendations for higher price and the acceptance thereof by the Government were published only a few weeks ago. As per the Tariff Commission's recommendation, the Company gets Rs. 56.50 per ton as the *ex*-works price with effect from 1st July 1958, which, however, is less than what the Company was getting (Rs. 58 per ton) prior to 22nd September 1956, when the cut in price was effected following the taking over of sales by the State Trading Corporation from 1st July 1956. In addition, the Company along with other units, gets the benefit from the abolition of the system of rebates allowed by cement producers in the price of cement sold to the Central and State Governments. The Company has not sold any cement to the Government since June 1956 (at least up to the end of September 1957, as seen from the Tariff Commission's report). It is not known whether it made any sales to any Government thereafter. The question of getting any extra benefit from the abolition of rebate system does not, therefore, arise in the case of this Company. With the increase in cement price (which is to remain in force till the end of June 1961) as compared with that in 1957 and with the efforts of the Company to bring its production to the full rated capacity, namely, 400,000 tons per annum, the Company can be expected to do better in the coming years, provided other things remain the same.

The Company's latest balance-sheet reflects the effects of its rapid growth. Its paid-up capition stands at Rs. 222.03 lakhs, as against Rs. 163.88 lakhs a year earlier. Its reserves and surpluses aggregate Rs. 51.19 lakhs. Besides the additional finances raised by the issue of capital, the Company's secured borrowings have gone up from Rs. 99.15 lakhs to Rs. 116.15 lakhs, though the unsecured loans have declined slightly from Rs. 7.66 lakhs to Rs. 4.60 lakhs. The other current liabilities and the provision for taxation together aggregate Rs. 51.37 lakhs. There has been an addition of Rs. 37.88 lakhs to the gross block during the year, bringing its total value to Rs. 355.78 lakhs. The depreciation allowed so far on this is Rs. 129.17 lakhs. Buildings, plant and machinery under erection amount to Rs. 27.85 lakhs. The trade investments in subsidiaries aggregate Rs. 52.34 lakhs and other current assets Rs. 138.54 lakhs.

The Company's Rs. 100 paid-up shares are being quoted at Rs. 154.50 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 6.2 per cent. per annum.

(*Concluded from next column*)

works reconstruction and expansion reserve, Rs. 35 lakhs in tax contingency reserve, Rs. 17 lakhs in general reserve, Rs. 38 lakhs in the reserve for Salem project and Rs. 20 lakhs in Niwar project reserve. The outstanding secured loans from banks amounting to Rs. 19.03 lakhs as on 30th April 1957 have been completely repaid. Current liabilities and provisions (including provision for taxation amounting to Rs. 125.16 lakhs) aggregate Rs. 723.60 lakhs, having gone up from Rs. 695.51 lakhs a year ago. The gross block of the value of Rs. 442.87 lakhs (including additions during the year to the extent of Rs. 36 lakhs) stands written down to Rs. 171.19 lakhs. Besides, the expenditure on uncompleted work amounts to Rs. 18.13 lakhs. The other assets amounting to Rs. 847.03 lakhs exceed the current liabilities and provisions by Rs. 123.43 lakhs.

As regards the Company's expansion programme, the Directors have some encouraging news to convey to the investors. The setting up of a silica brick works at Niwar in Madhya Pradesh is now being actively pursued. The Government of Madras has agreed to allow the Manganese Syndicate Ltd. of the U.K. to transfer its mining leases at Salem to the Company and the legal formalities are in process of finalisation to conclude the purchase of the Syndicate's interests in India. The implementation of the proposal to establish a magnesite works at Salem adjacent to the source of raw material is accordingly being actively pursued.

The Company's Rs. 100 paid-up shares are being quoted at Rs. 357 *cum-div.* On an *ex-div.* basis, the shares give a yield of 5.93 per cent. per annum, free of income-tax.

COMPANY REGISTRATIONS

HIND RECTIFIERS PRIVATE LTD. (First Director: Mr. Rameshwarprasad Nevatia.) Business: Assembling and manufacture of rectifiers apparatus, etc. Authorised capital: Rs. 30,00,000. Private Company. Address: Kamani Chambers, 1st Floor, Nicol Road, Ballard Estate, Bombay.

PETROLEUM MARKETING CORPORATION OF INDIA PRIVATE LTD. (First Director: Mr. Jal H. Mehta.) Business: Extraction, refining and dealing in petroleum, diesel oil, etc. Authorised capital: Rs. 50,00,000. Private company. Registered office of the Company will be situated in the State of Bombay.

VIKING SHIPPING SERVICES (INDIA) PRIVATE LTD. (First Director: Mr. A. T. Johannessen.) Business: Shipping, railway, forwarding and transporting agents. Authorised capital: Rs. 5,00,000. Private company. Registered office of the Company will be situated in the State of Bombay.

BURN AND COMPANY'S PROFIT DECLINES

NIWAR AND SALEM PROJECTS TO BE PURSUED

A SETBACK of Rs. 10.56 lakhs to Rs. 141.28 lakhs in the gross profit of Messrs. Burn & Co., Ltd. (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) is disclosed by the audited accounts of the Company for the year ended 30th April 1958. This fall reverses the unbroken upward trend noted in the Company's profit since 1950-51, during which period it had gone up from Rs. 41.81 lakhs to a peak of Rs. 151.84 lakhs in 1956-57. It may, however, be noted that the profit for 1957-58 is higher than that for any of the years preceding 1956-57. The net profit, after providing for managing agency commission, depreciation and taxation, has declined for the second year in succession, albeit by a small extent, from Rs. 53.79 lakhs (for 1956-57) to Rs. 52.09 lakhs notwithstanding the large cut in the provision for taxation.

The provision for depreciation has been raised from Rs. 13.34 lakhs to Rs. 17.36 lakhs, evidently due to the large additions made to fixed capital expenditure, while the provision for taxation has been pruned from Rs. 70.65 lakhs to Rs. 59 lakhs. A sum of Rs. 33.27 lakhs has been added to the various reserves, as against Rs. 35.21 lakhs set aside out of the previous year's profit. The allocation to the reserves needs some explanation. A sum of Rs. 2.15 lakhs has been transferred to taxation contingency reserve (as against Rs. 9.68 lakhs last year) representing the net amount of tax payment deferred on account of double depreciation allowance. A new reserve, styled development rebate statutory reserve, has been created with an initial allocation of Rs. 68,447, representing 75 per cent. of the development rebate allowable on plant and machinery installed after 31st December 1957. Consequent on this, no addition has been made to the old development rebate reserve being the previous tax savings. The tax saving on development rebate allowable on plant and machinery installed during the first eight months of the year under review (that is, prior to 31st December 1957), amounting to Rs. 1.19 lakhs, has been added to the general development reserve, with which the old development rebate reserve has also been merged. A sum of Rs. 3.25 lakhs has been added to the reserve for works reconstruction and expansion, the allocation having been cut from Rs. 10.50 lakhs provided out of the 1956-57 profit. The reserve for Salem project created two years ago has been strengthened (after a lapse of a year) by Rs. 20 lakhs, while the transfer to the reserve for Niwar project has been reduced from Rs. 14 lakhs to Rs. 6 lakhs.

The distribution to ordinary shareholders is unchanged for the third year in succession at 20 per cent. per annum.

The following comparative table shows the Company's progress in recent years:

(In lakhs of rupees)

	For the year ended 30th April			
	1958	1957	1956	1955
Sale proceeds	9,55.68	8,49.81	8,32.01	6,82.07
Other income	84.96	76.76	76.38	14.28
Closing stocks of finished goods and work-in-progress ..	4,31.41	4,37.24	3,29.46	2,02.23
Raw materials and stores consumed	5,50.04	5,77.58	5,35.97	3,78.03*
Expenses	3,46.56	3,04.92	2,88.67	2,11.44
Gross profit	1,41.28	1,01.84	1,20.89	61.88
Managing Agents' commission ..	12.88	14.06	13.46	6.02
Provision for—				
Depreciation	17.36	13.34	12.34	12.32
Taxation	59.00	70.65	40.00	16.76
Net profit	52.09	53.79	55.09	27.78
To reserves	33.27	35.21	30.31	18.50
Dividends—				
Preference	1.81	1.81	1.81	1.81
Ordinary	16.80	16.80	16.80	12.60
	(20%)	(20%)	(20%)	(15%)
Carried forward	1.30	1.10	1.13	0.06

* Approximate only.

The upward trend in the Company's turnover was not only maintained but the pace of increase gathered momentum during the year under review. The sharp rise in other income is accounted for by departmental orders and items used in works, which have gone up from Rs. 51.68 lakhs to Rs. 67.85 lakhs. The fall in raw materials and stores consumed is mainly due to the decline in purchases of raw and other materials. Of the rise of Rs. 41.64 lakhs in other expenses, salaries, wages and bonus alone account for Rs. 34.60 lakhs.

The Company's paid-up capital is unchanged at Rs. 112 lakhs as on 30th April 1958. The reserves and surplus aggregate no less than Rs. 200.35 lakhs, which include Rs. 81 lakhs in

(*Continued in previous column*)

SHREE NIWAS COTTON PRUNES DIVIDEND

SHARP FALL IN PROFIT

A NOTABLE example of the uneconomic working of cotton textile mills during 1957, particularly those producing medium varieties of cloth, thanks to the heavy accumulation of goods and the incidence of heavy excise duties, is provided by the Shree Niwas Cotton Mills Ltd. (Managing Agents: The Marwar Textiles (Agency) Private Ltd., Bombay). The working of the Company during the year ended 31st December 1957 has resulted in a gross profit of Rs. 11.76 lakhs, representing a drop of as much as Rs. 20.20 lakhs from that for the previous year. This is also the lowest profit earned by the Company for many years. With this fall, the managing agency remuneration has also declined from Rs. 2.73 lakhs to Rs. 50,000 and the provision for taxation from Rs. 6 lakhs to Rs. 50,000. There has been a slight increase in the provision for depreciation from Rs. 8.01 lakhs to Rs. 8.87 lakhs. After these allocations, the net profit shows a marked shrinkage from Rs. 15.22 lakhs to Rs. 1.89 lakh.

There is, however, a large sum of Rs. 6.91 lakhs brought forward from the previous year, but a substantial part of this—Rs. 5.12 lakhs to be precise—has been utilised to provide for bonus for workers for 1956. The Directors have transferred Rs. 3 lakhs from the special depreciation fund and Rs. 50,000 from the staff gratuity reserve, as, in their opinion, there is no necessity for keeping these two funds. With these transfers, the Directors have been able to recommend a dividend of 8 per cent. per annum, free of income-tax, as against 12 per cent. paid for the previous two years on the present capital, raised in 1955 by the capitalisation of Rs. 20 lakhs from the reserve fund.

The Company's performances during the last four years are compared in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Sale proceeds of cloth, yarn and waste	3,79.06	3,64.07	3,90.75	3,59.69*
Stocks	1,08.40	89.12	49.55	91.11*
Other income	5.99	6.07	4.14	5.58
Expenses	3,92.58	3,78.42	3,38.82	3,43.91†
Gross profit	11.76	31.96	84.22	30.83
Managing Agents' remuneration	0.50	2.73	4.25	3.19
Provision for—				
Depreciation	8.87	8.01	6.24	6.34
Taxation	0.50	6.00	14.00	7.00
Net profit	1.89	15.22	9.73	13.81
Transfer from reserves ..	3.50	..	..	2.00
To reserves	..	..	..	..
bonus	5.12	..	..	..
Dividends—				
4 per cent. preference ..	0.19	0.19	0.19	0.19
Ordinary	6.40	9.60	9.60	8.40
	(8%)	(12%)	(12%)	(14%)
Carry forward	0.59	6.91	1.47	1.54

* Include cotton. † Approximate only.

The Company's sales of cloth, yarn and waste rose by Rs. 15 lakhs, but this was more than offset by a rise of Rs. 19.28 lakhs in stocks of finished goods and goods in process. On the expenditure side, the consumption of raw materials and stores went up by Rs. 5.94 lakhs to Rs. 213.41 lakhs and salaries, wages, gratuities, provident fund, etc., by Rs. 3.04 lakhs to Rs. 137.57 lakhs. The figure for 1957 does not, however, include bonus payments.

The Company's paid-up capital, at Rs. 84.90 lakhs, is made up of Rs. 80 lakhs in ordinary shares and of Rs. 4.80 lakhs in 4 per cent. preference shares. Of these, as much as Rs. 56 lakhs of ordinary capital and the entire preference capital represent capitalisation of reserves. The reserves and surplus amount to Rs. 45.29 lakhs. The Company's borrowings (secured and unsecured) show a sharp rise from Rs. 96.52 lakhs to Rs. 151.49 lakhs. Of these, loans secured by stock-in-trade alone have gone up by Rs. 18.08 lakhs, reflecting the financial strain to which the Company has been subjected on account of the accumulation of cloth. The other current liabilities and provisions amount to Rs. 44.78 lakhs. The Company spent during the year Rs. 18.93 lakhs on additions to its fixed assets, bringing the total value of gross block to Rs. 127.67 lakhs at the end of the year, on which the depreciation provided so far comes to Rs. 67.74 lakhs. The other assets amount to Rs. 266.43 lakhs, of which investments in subsidiaries account for Rs. 61.69 lakhs and stock-in-trade for Rs. 137.44 lakhs.

The Rs. 100 paid-up shares of the Company are being quoted at Rs. 153.50 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 5.5 per cent. per annum, free of income-tax.

COMPANY MEETINGS AND DIVIDENDS

BURN & CO., LTD. Annual General Meeting, Calcutta, 31st July 1958. Dividend: Rs. 20.00 per share, payable on or after 4th August 1958. Transfer books remain closed from 23rd to 31st July 1958, both days inclusive.

POONA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 31st July 1958. Dividend: Rs. 3.50 per share (final), payable on 4th August 1958. Transfer books remain closed from 14th to 31st July 1958, both days inclusive.

BROACH ELECTRIC SUPPLY AND DEVELOPMENT CORPORATION LTD. Annual General Meeting, Bombay, 31st July 1958. Dividend: Re. 0.50 per share, payable on 4th August 1958. Transfer books remain closed from 14th to 31st July 1958, both days inclusive.

HOOGHLY DOCKING AND ENGINEERING CO., LTD. Annual General Meeting, Calcutta, 4th August 1958. Dividend: Rs. 5.00 per share. Transfer books remain closed from 26th July to 4th August 1958, both days inclusive.

JUBBULPORE ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 6th August 1958. Dividend: Re. 0.92 per share. Transfer books will remain closed from 31st July to 6th August 1958, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 7th August 1958. Dividend: Rs. 2.50 per share. Transfer books remain closed from 24th July to 7th August 1958, both days inclusive.

HOWRAH MILLS CO., LTD. Annual General Meeting, Calcutta, 8th August 1958. Dividend: *Nil*. Transfer books remain closed from 26th July to 8th August 1958, both days inclusive.

RELIANCE MILLS CO., LTD. Annual General Meeting, Calcutta, 8th August 1958. Dividend: *Nil*. Transfer books remain closed from 26th July to 8th August 1958, both days inclusive.

RAMESHWARA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 13th August 1958. Dividend: *Nil*. Transfer books remain closed from 21st July to 13th August 1958, both days inclusive.

TATA POWER CO., LTD. Annual General Meeting, Bombay, 18th August 1958. Dividend: Rs. 80.00 per share (includes a bonus of Rs. 5.00 per share and the interim dividend of Rs. 30.00 per share). Transfer books were closed from 23rd *May* to 7th June 1958, both days inclusive.

ANDHRA VALLEY POWER SUPPLY CO., LTD. Annual General Meeting, Bombay, 19th August, 1958. Dividend: Rs. 80.00 per share (includes a bonus of Rs. 5.00 per share and the interim dividend of Rs. 30.00 per share). Transfer books were closed from 23rd May to 7th June 1958, both days inclusive.

TATA HYDRO-ELECTRIC POWER SUPPLY CO., LTD. Annual General Meeting, Bombay, 20th August 1958. Dividend: Rs. 8.00 per share (includes a bonus of Re. 0.50 per share and the interim dividend of Rs. 3.00 per share). Transfer books were closed from 23rd May to 7th June 1958, both days inclusive.

HINDOOSTAN SPINNING AND WEAVING MILLS CO., LTD. Annual General Meeting, Bombay, 26th August 1958. Dividend: Rs. 275.00 per whole ordinary share (final) and Rs. 68.75 per quarter ordinary share (final), for 1957-58, payable on and after 27th August 1958. Transfer books will remain closed from 30th July to 26th August 1958, both days inclusive.

INDIAN MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 26th August 1958. Dividend: Rs. 250.00 per share (final), for 1957-58, payable on and after 27th August 1958. Transfer books will remain closed from 30th July to 26th August 1958, both days inclusive.

WESTERN INDIA SPINNING AND MANUFACTURING COMPANY, LTD. Annual General Meeting, Bombay, 26th August 1958. Dividend: Rs. 250.00 per share (final), for 1957-58, payable on and after 27th August 1958. Transfer books will remain closed from 30th July to 26th August 1958, both days inclusive.

TEXTILE MACHINERY CORPORATION LTD. Annual General Meeting, Belgharia, 24-Parganas, West Bengal, 28th August 1958. Dividend: Re. 1.50 per share. Transfer books will remain closed from 18th to 28th August 1958, both days inclusive.

MYSORE PAPER MILLS LTD. Annual General Meeting, Bangalore City, 3rd September 1958. Dividend: Re. 1.00 per share, payable on and after 13th September 1958. Transfer books will remain closed from 14th August to 3rd September 1958, both days inclusive.

COCHIN MALABAR ESTATES LTD. Dividend of 10 per cent. on the ordinary shares for the year ended 28th February 1958.

DEVASHOLA (NILGIRI) TEA ESTATES CO., LTD. Final dividend of Re. 1.00 per share (making a total of 17½ per cent. or Re. 1.75 for 1957), for the year ended 31st December 1957. Transfer books will remain closed from 28th August to 8th September 1958, both days inclusive.

INDIAN STEEL ROLLING MILLS LTD. Dividend of 10 per cent. or Re. 1.00 per share, for the year ended 31st December 1957. Transfer books will remain closed from 29th July to 12th August 1958, both days inclusive.

RADHA KRISHNA MILLS LTD. Dividend of 12 per cent. on the shares, for the year ended 31st December 1957. Transfer books will remain closed from 14th to 28th August 1958, both days inclusive.

UDAYAGIRI RUBBER CO., LTD. Dividend of 6 per cent. or Re. 0.60 per ordinary share, for the year ended 31st December 1957. Transfer books will remain closed from 22nd to 30th August 1958, both days inclusive.

Notices

BALLY JUTE COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 27th June, 1958, the following Dividends were recommended to be paid for the year ended 31st March, 1958:

On Preference Shares at 7 per cent. free of Income-tax.

On Ordinary Shares at Rs. 6 per share free of Income-tax.

BIRLA BROTHERS PRIVATE LTD.,
Managing Agents.

CALCUTTA, 16*th July*, 1958.

THE BIRLA JUTE MANUFACTURING COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 27th June, 1958, the following Dividends were recommended to be paid for year ended 31st March, 1958:

On Preference Shares at 7½ per cent. less Income-tax.

On Second Preference Shares at 5½ per cent. free of Income-tax.

On Ordinary Shares at Re. 1 per share free of Income-tax.

BIRLA BROTHERS PRIVATE LTD.,
Managing Agents.

CALCUTTA, 16*th July*, 1958.

THE SOUTH KARANPURA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on 14th July, 1958, a Dividend of 7½ per cent. per annum was recommended to be paid for the year ended 31st August, 1957, without any deduction for Income-tax payable by the Company.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, 14*th July*, 1958.

Bengal-Nagpur Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts show a loss, after charging all expenses, of Rs. 30,045 (Rs. 1,012). The debit balance brought forward from the previous year was Rs. 1,08,996 (Rs. 1,07,984) making a total debit of Rs. 1,39,041 (Rs. 1,08,996). The directors have transferred from the general reserve Rs. 7,031 (Rs. 7,875) and an interim preference dividend of Rs. 6.25 (total of Rs. 7.00) per share was declared on 22nd November, 1957 absorbing Rs. 7,031 (Rs. 7,875) leaving a debit balance to be carried forward of Rs. 1,39,041 (Rs. 1,08,996).

In the directors' last report they referred to the Court's order confirming the reduction of the capital of the Company. In accordance with this order, the repayment of the preference share capital commenced on 7th December, 1957. A sum of Rs. 97,600 had not been claimed as on 31st December, 1957, and this has been shown separately in the accounts.

As a result of a further survey of the proposed 14 seam quarry area it has been decided to abandon this proposition. The project for the 15 seam quarry has however materialised satisfactorily and it was possible to start raisings at the end of the year. The scheme to work No. 10 seam with stowing has been finalised and the necessary plant has been ordered.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	2,25,000	Block ...	2,32,995
Reserves* ...	3,76,706	Debts, deposits and advances ...	39,144
Provision for taxation and cesses	3,229	Investments ...	3,56,273
Liabilities ...	1,88,417	Cash ...	67,340
		Preference share capital repayable account	97,600
Rs.	7,93,352	Rs.	7,93,352

*Reserves are shown after deducting Rs. 1,39,041 being the debit balance in the profit and loss account.

HOOGHLY DOCKING PRUNES DIVIDEND

RESULTS OF TATA HYDRO-ELECTRIC COMPANIES

Hooghly Docking and Engineering Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1957.

The value of work billed during the year amounted to Rs. 1,44,20,328 against Rs. 1,24,94,195 in the previous year, an increase of about Rs. 19.26 lakhs. The gross profit, however, dropped from Rs. 11,16,507 in the previous year to Rs. 8,64,560 in the year under review, a decline, in terms of the ratio of gross profit to turnover, from 8.9 per cent. to 6.0 per cent. The net profit for the year was Rs. 1,66,847 against Rs. 2,68,176 for the previous year. The work-in-progress at the end of the year was Rs. 46,14,416 which was about Rs. 51 lakhs less than what it was at the beginning of the year. The entire property of the Company has been maintained in good order and repair throughout the period.

After charging all expenses including depreciation the profit for the year amounted to Rs. 4,60,028 (Rs. 4,98,176) to which has been added the balance brought forward from the previous year of Rs. 13,963 (Rs. 2,037) making a total of Rs. 4,73,991 (Rs. 5,00,213). Out of this there has been provided for income-tax Rs. 2,55,000 (Rs. 2,30,000) and for wealth tax Rs. 38,181 (*nil*) leaving a balance available for distribution of Rs. 1,80,810 (Rs. 2,70,213). The directors recommend that this balance be disposed of as follows:

To payment of a dividend of 10 (12½) per cent. free of tax absorbing Rs. 1,25,000 (Rs. 1,56,250), to transfer to development reserve Rs. 50,000 (Rs. 1,00,000) and carry forward the balance of Rs. 5,810 (Rs. 13,963).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,50,000	Block ...	21,76,237
Reserves ...	23,50,000	Stores and spare parts	10,55,492
Provision for taxation ...	4,60,918	Work-in-progress ...	24,90,641
Provision for sales tax	4,74,936	Debts, deposits and advances ...	38,83,885
Liabilities ...	51,01,281	Cash ...	26,690
Profit and loss account ...	5,810		
Rs.	96,42,945	Rs.	96,42,945

Andhra Valley Power Supply Co., Ltd.

The directors of the above Company (Managing Agents: Tata Hydro-Electric Agencies Private Ltd., Bombay) present the audited accounts of the Company for the year ended 31st March 1958.

The previous period of accounts which ended on 31st March 1957 covered only nine months; care must, therefore, be taken in comparing figures of the previous nine-month period with the full 12-month year under report.

The profits, after providing for depreciation, managing agents' remuneration and taxation, amounted to Rs. 44,25,094 (Rs. 34,74,685 for nine months ended 31st March 1957). After adding amount brought forward from last year's accounts, income-tax recovered from dividend on preference shares, additional revenue of previous years and excess debits in previous year (less adjustments of Rs. 1,07,873 in respect of thermal power purchased, provision for bonus, managing agents' remuneration and licence commission in respect of previous years) of Rs. 4,79,934 (debit of Rs. 28,173), there is a total of Rs. 49,05,028 (Rs. 34,46,512). Adding to this the amount transferred from general reserve (from previous years' taxed profits) towards payment of proposed dividend on ordinary shares Rs. 9,50,000 (*nil*) the amount available for disposal is Rs. 58,55,028 (Rs. 34,46,512). The directors have made the following appropriations:—

To *ad-interim* dividend on preference shares at 7 per cent. per annum for the half-year ended 30th September 1957 Rs. 1,72,690 (*nil*), on ordinary shares at Rs. 30.00 per share Rs. 9,08,310 (*nil*), to contingencies reserve Rs. 4,57,091 (Rs. 1,81,771), to arrears of depreciation Rs. 1,26,346 (Rs. 94,873), to write-off of intangible assets Rs. 35,033 (Rs. 1,633), to reserve for additional taxes *nil* (Rs. 5,92,000), to general reserve Rs. 8,74,951 (Rs. 6,00,000), to gratuities reserve Rs. 2,06,588 (Rs. 2,43,073), to development reserve Rs. 13,55,374 (*nil*) and to proposed dividends Rs. 7,36,540 (Rs. 16,92,116). The proposed addition to dividend on ordinary shares from amount transferred from general reserve (from previous years' taxed profits) is Rs. 9,50,000 (*nil*). Thus there is a balance to be carried forward of Rs. 32,105 (Rs. 41,046).

The directors recommend the following final dividends and bonus for the year ended 31st March 1958, to be paid, if declared at the annual general meeting:—

A dividend at 7 per cent. per annum on preference shares for the half-year ended 31st March 1958 absorbing Rs. 1,72,690 (Rs. 2,59,035), a dividend of Rs. 45.00 per share on ordinary shares absorbing Rs. 13,62,465 (Rs. 14,33,081 excluding interest of Rs. 2,70,000 paid on new ordinary shares) and a bonus of Rs. 5.00 per share on ordinary shares absorbing Rs. 1,51,385 (*nil*).

Generation and Sales.—The total generation from both hydro and thermal sources for the three hydro Companies during the year was 1,631 million units, as compared with 1,419 million units for the previous 12 months. Thermal generation from Trombay was 354 million units during the year. 212 million units were purchased from Chola. Were it not for certain equipment failures, which put one of the two units at Trombay out of action for some time, Trombay would have produced considerably more energy, and purchases from Chola would have been correspondingly reduced.

The total energy sales of the three Companies were 1,626 million units, as against 1,512 million units for the previous 12 months. The energy sales of this Company during the year of report were 474 million units.

Total Revenues and Expenses.—The profit and loss account shows the following results of operations during the year under review as compared wih those of the previous nine-month period:

	1957-58 Rs.	(9 months) 1956-57 Rs.
Revenue from sales of energy ...	1,69,74,808	1,02,84,470
Revenue from other sources ...	5,86,305	4,92,175
Total gross revenue ...	1,75,61,113	1,07,76,645
Total expenses—exclusive of taxes ...	1,29,12,019	69,41,960
Balance ...	46,49,094	38,34,685
Provision for tax ...	2,24,000*	3,60,000
Net profit ...	44,25,094	34,74,685

* Wealth tax.

The coming into effect from 1st April 1957 of the amended Electricity (Supply) Act brought about two important changes: whereas previously the standard rate at which the reasonable return was calculated, used to be fixed at 5 per cent., the new formula applicable for calculating the standard rate is the Reserve Bank rate ruling at the beginning of the year plus 2, which worked out to 5½ per cent. for 1957-58. For the financial year commencing 1st April 1958, this rate will be 6 per cent.

The other change is the statutory obligation on the Company to create a development reserve by appropriation from clear profits, in respect of each accounting year a sum equal to the saving of income-tax and Corporation tax on the development rebate allowed for income-tax purposes. The Act, however, permits a licensee to project the appropriation over a period of five years. This reserve has to be deducted from the capital base but the Company is permitted to earn ½ per cent. on the appropriation to development reserve. The development reserve created for the year under report is Rs. 13,55,374.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,52,10,250	Block ...	6,67,25,686
Debentures ...	98,23,000	Capital work-in-progress ...	46,61,367
Reserves ...	76,70,609	Stores, tools, etc. ...	30,40,056
Provision for taxation ...	3,47,013	Debts, deposits and advances ...	55,12,823
Liabilities ...	3,05,11,544	Investments ...	19,88,715
Profit and loss account ...	32,105	Cash ...	10,98,365
		Miscellaneous expenditure ...	5,72,511
Rs.	8,35,99,521	Rs.	8,35,99,521

Tata Power Co., Ltd.

The directors of the above Company (Managing Agents: Tata Hydro-Electric Agencies Private Ltd., Bombay) present the audited accounts of the Company for the year ended 31st March 1958.

The previous period of accounts which ended on 31st March 1957 covered only nine months; care must, therefore, be taken in comparing figures of the previous nine-month period with the full 12-month year under report.

The profits, after providing for depreciation, managing agents' remuneration and taxation, amounted to Rs. 77,03,893 (Rs. 61,86,434 for nine months ended 31st March 1957). After adding amount brought forward from last year's accounts, income-tax recovered from dividend on preference shares, additional revenue of previous years and excess debits in previous year of Rs. 9,91,653 (Rs. 1,42,207), there is a total of Rs. 86,95,546 (Rs. 63,28,641). And deducting by way of adjustments in the cost of thermal power purchased, provision for bonus and managing agents' remuneration in respect of previous year amounting to Rs. 75,074 (Rs. 53,275) the amount available for disposal is Rs. 86,20,472 (Rs. 62 75,366). The directors have made therefrom the following appropriations: An *ad-interim* dividend on preference shares at 7½ per cent. per annum for the half-year ended 30th September 1957 absorbing Rs. 3,26,138 (*nil*) and on ordinary shares at Rs. 30.00 per share Rs. 15,46,080 (*nil*). Transferred to contingencies reserve Rs. 8,12,136 (Rs. 3,33,258), to arrears of depreciation Rs. 9,516 (Rs. 7,137), to write-off of intangible assets Rs. 72,821 (Rs. 27,334), to reserve for additional taxes *nil* (Rs. 7,48,000), to deferred tax reserve *nil* (Rs. 1,50,000), to general reserve Rs. 1,38,676 (Rs. 5,00,000) to gratuities reserve Rs. 3,07,767 (Rs. 3,41,353), to reserve for special repairs *nil* (Rs. 12,00,000), to development reserve Rs. 24,74,700 (*nil*) and to proposed dividends Rs. 29,02,937 (Rs. 29,38,106) leaving Rs. 29,701 (Rs. 30,178) to be carried forward. The directors recommend the following final dividends and bonus for the year ended 31st March 1958, to be paid, if declared at the annual general meeting: A dividend at 7½ per cent. per annum on preference shares for the half-year ended 31st March 1958 absorbing Rs. 3,26,137 (Rs. 4,89,206), a dividend of Rs. 45.00 per share on ordinary shares absorbing Rs. 23,19,120 (Rs. 24,48,900 excluding interest of Rs. 4,50,000 paid on new ordinary shares) and a bonus of Rs. 5.00 per share on ordinary shares absorbing Rs. 2,57,680 (*nil*).

Total Revenues and Expenses.—The profit and loss account shows the following results of operations during the year under review as compared with those of the previous nine-month period:

	1957-58 Rs.	(9 months) 1956-57 Rs.
Revenue from sales of energy ...	2,95,51,250	1,79,58,574
Revenue from other sources ...	3,06,081	2,30,001
Total gross revenue ...	2,98,57,331	1,81,88,575
Total expenses—exclusive of taxes ...	2,17,20,438	1,17,82,141
Balance ...	81,27,893	64,06,434
Provision for tax ...	4,24,000*	2,20,000
Net profit ...	77,03,893	61,86,434

* Wealth tax.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,02,32,750	Block ...	13,00,52,822
Debentures ...	2,97,73,000	Capital works under erection ...	65,65,266
Reserves ...	2,13,05,278	Stores, etc. ...	1,02,31,378
Provision for taxation ...	9,88,436	Debts, deposits and advances ...	64,39,840
Liabilities ...	4,82,62,773	Investments ...	34,97,369
Profit and loss account ...	29,701	Cash ...	27,10,133
		Miscellaneous expenditure ...	10,95,130
Rs.	16,05,91,938	Rs.	16,05,91,938

Tata Hydro-Electric Power Supply Co., Ltd.

The directors of the above Company (Managing Agents: Tata Hydro-Electric Agencies Private Ltd., Bombay) present the audited accounts of the Company for the year ended 31st March 1958.

The previous period of accounts which ended on 31st March 1957 covered only nine months; care must, therefore, be taken in comparing figures of the previous nine-month period with the full 12-month year under report.

The profits, after providing for depreciation, managing agents' remuneration and taxation, amounted to Rs. 34,47,884 (Rs. 27,93,645 for nine months ended 31st March 1957). After adding amount brought forward from last year's accounts, amount transferred from general reserve, income-tax recovered from dividend on preference shares, additional revenue of previous years and excess debits in previous year of Rs. 5,39,333 (Rs. 1,05,859) there is a total of Rs. 39,87,217 (Rs. 28,99,504). And deducting by way of adjustments in the cost of thermal power purchased, provision for bonus and managing agents' remuneration in respect of previous year, amounting to Rs. 16,463 (Rs. 26,414) the amount available for disposal is Rs. 39,70,754 (Rs. 28,73,090). The directors have made therefrom the following appropriations to: To *ad-interim* dividend on preference shares at 7 per cent. per annum for the half-year ended 30th September 1955 absorbing Rs. 3,12,480 (*nil*) and on ordinary shares at Rs. 3.00 per share absorbing Rs. 7,20,000 (*nil*). Transferred to contingencies reserve Rs. 3,33,721 (Rs. 1,36,727), to arrears of depreciation Rs. 37,259 (Rs. 27,945), to write-off of intangible assets Rs. 82,304 (Rs. 2,591), to reserve for additional taxes *nil* (Rs. 4,43,000), to deferred tax reserve *nil* (Rs. 1,00,000), to general reserve *nil* (Rs. 3,25,000), to gratuities reserve Rs. 1,41,627 (Rs. 1,63,895), to development reserve Rs. 8,01,932 (*nil*) and to proposed dividends Rs. 15,12,480 (Rs. 16,37,520) leaving Rs. 28,951 (Rs. 36,412) to be carried forward. The directors recommend the following final dividends and bonus for the year ended 31st March 1958, to be paid, if declared at the annual general meeting: A dividend at 7 per cent. per annum on preference shares for the half-year ended 31st March 1958, absorbing Rs. 3,12,480 (Rs. 4,68,720), a dividend of Rs. 4.50 per share on ordinary shares absorbing Rs. 10,80,000 (Rs. 11,68,800 excluding interest of Rs. 1,80,000 paid on new ordinary shares) and a bonus of Re. 0.50 per share on ordinary shares absorbing Rs. 1,20,000 (*nil*).

Total Revenues and Expenses.—The profit and loss account shows the following results of operations during the year under review as compared with those of the previous nine-month period:

	1957-58 Rs.	(9 months) 1956-57 Rs.
Revenue from sales of energy ...	1,16,88,541	70,05,347
Revenue from other sources ...	8,73,956	6,99,074
Total gross revenue ...	1,25,57,497	77,04,421
Total expenses—exclusive of taxes ...	89,12,613	47,00,776
Balance ...	36,44,884	30,03,645
Provision for tax ...	1,97,000*	3,00,000
Net profit ...	34,47,884	27,03,645

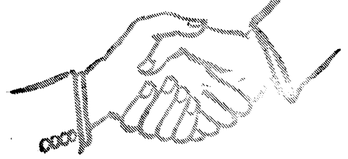
* Wealth tax.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,29,27,575	Block ...	5,02,92,551
Reserves ...	74,19,097	Capital work under erection ...	25,93,118
Provision for taxation ...	3,12,481	Stores, etc. ...	37,67,789
Liabilities ...	2,50,16,774	Debts, deposits and advances ...	28,97,049
Profit and loss account ...	28,951	Investments ...	41,52,811
		Cash ...	6,60,368
		Miscellaneous expenditure ...	13,51,192
Rs.	6,57,04,878	Rs.	6,57,04,878

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

A friend indeed ...



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Chairman G. D. BIRLA
General Manager S. T. SADASIVAN

Manager, Bombay Branch : S. J. UTAMSING

UCO-11/58

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(Liability of Stockholders Limited)
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Liverpool Branch : 28, Derby House, Exchange Buildings, Liverpool, 2.
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New York Agency : 65, Broadway, New York, 6.
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G. DODDS, *Manager.*

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Saraswat Bank Building
Girgaum, BOMBAY 4.
Telephone 27094
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Share Capital .. Rs. 7,97,840
Reserve Funds .. Rs. 8,34,700
Deposits .. Rs. 1,79,00,000
Working Capital .. Rs. 1,99,69,000
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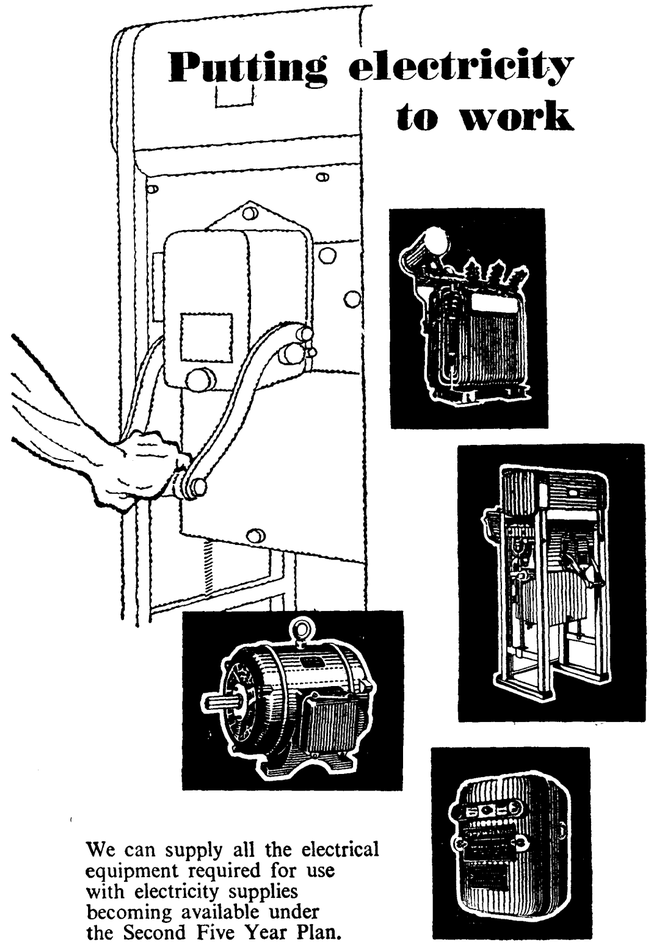

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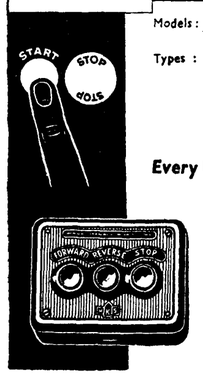

Models : Surface Mounting, Flush Mounting Pendant, Building-In.
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INDIAN INSURANCE COMPANIES' ASSOCIATION

OUTLOOK FOR GENERAL INSURANCE BUSINESS

THE importance of exploring new avenues of increasing the premium income, of training insurance personnel and of making people insurance-minded was stressed by Mr. P. U. Patel, Chairman of the Indian Insurance Companies' Association, while presiding over the 30th annual general meeting of the Association, held at Bombay on Thursday, 24th July, 1958. Earlier, Mr. Patel dealt at some length with the general political and economic developments, which have a direct bearing on insurance business. The future of the world political situation, he said, looked very much like an interrogation mark. Nearer home, in a reference to India's efforts at economic planning, he thought that the wisdom of the old adage that one must cut one's coat according to the size of one's cloth could never be overemphasised. He said: "Trying to run at a pace faster than your feet can carry you is a physical feat which is best avoided."

Code of Conduct

Reviewing the problems of general insurance business in the past 12 months, Mr. Patel said that the one single achievement of the revised Code of Conduct for general insurers, which came into force on 1st January 1957, had been the payment of premium in advance before assumption of risk. Apart from this achievement, it was his regret that the Code had failed to bring them any nearer their cherished goal. Mr. Patel traced the trouble to the institution of 'inspectors.' He emphasised that, if they had to build up Indian insurance on sound foundations, they must have a pattern of organisation suited to the climate of the country and the genius of the people. Indian insurance had been fortunate in having a fairly large number of highly experienced whole-time agents, known formerly as 'brokers' and now as 'inspectors,' for reasons of expediency. From this nucleus of workers, it might not be difficult to evolve a new pattern of organisation which might broadly represent a happy compromise between the British Inspectorate system and the American General Agency system. Further, Mr. Patel submitted that the entire procedure for implementing the Code must be immediately overhauled. The onus of cleaning up the trade must be thrown on the trade itself; the members selected for the job should enjoy the confidence of the Department of Insurance as well as the trade. A two-year period might be allowed for the cleaning up process to be completed. He observed: "What we need is not the adoption of the methods of a policeman but a really human approach, motivated by feelings no other than those of creating a healthy atmosphere all round."

Indian Market

As regards competition in the ranks of insurers, Mr. Patel thought it was not that the number of insurers was too large. The trouble was that there was not enough business to go round. The gross annual premium income, at Rs. 23 crores, was absurdly small, as compared with the volume of premium income even in countries smaller than India. The scramble for business led, not unnaturally, to unhealthy competition, though, with the progress of industrialisation, it was not too much to expect that the volume of business would increase. It was, however, essential that Indian insurance must explore new avenues of increasing the premium income and start issuing wider and more specialised covers for various types of risks in the future. Mr. Patel felt that there was any amount of scope for building up a very sizable premium income in departments other than fire, marine and motor and expressed the hope that this subject would receive the attention of the insurance underwriter.

The exploration of new avenues of insurance, Mr. Patel said, depended upon an adequate supply of trained personnel at all levels. It was incumbent on the trade to co-operate with the Federation of Insurance Institutes in its efforts at turning out technically qualified people in large numbers. Further, in order to strengthen the hands of trained personnel, it might be desirable to launch a concerted publicity drive, with a view to making the public more insurance-minded; for their common benefit, Indian and non-Indian insurers could join together in such a venture.

Reiterating the plea, made by his predecessors, for some relaxation in the taxation of reserves, Mr. Patel said that Indian insurance was prepared—nay, eager—to play its rightful role in the development of national economy. The relief in taxation, which insurers asked for, might involve an annual loss of only a few lakhs of rupees to the Government. But the long-term gain resulting therefrom would far outweigh the temporary loss, in that it would increase the capacity of Indian insurers to retain business on their own account and also enable them to operate more successfully in overseas territories. This would reduce the strain on, and also bring in, valuable foreign exchange.

Motor Premium Rates

In the sphere of motor insurance, where the tariff rates had been revised upwards since January last, Mr. Patel thought that their troubles were not over. Faster and bigger vehicles, congested traffic and greater claims consciousness on the part of the insuring public militated against an improvement in the position. "Unless we receive greater co-operation from the insured and the pedestrian develops a better road-sense," he said, "we cannot achieve much." The position was further complicated by the latitude which had been shown to non-tariff insurers. The Government, in disregard of the assurances given in 1950, the representation against any further extension made by the Tariff Committee in 1957 and the customary practice of giving only six-month extension, had given a twelve-month extension to non-tariff insurers, which was due to expire in December next. He hoped that, in the larger interests of Indian insurance, no further extension would be granted.

Fire Rates

Continuing, Mr. Patel referred to the proposal for a further reduction in fire premium rates, which had been reduced by about 10 per cent. in 1955. He felt that the period of two years, during which the new rates had been in force, was too short to furnish a safe guide for arriving at a decision on the proposal. Further, fire insurance followed a definite cycle in which bad years followed a good period into relentless regularity. While theoretically it might be possible to argue that every department was independent and one department should not subsidise another, it would be absolutely wrong to ignore the small size of the Indian market and to keep on reducing rates because of a modest profit most insurers were making in the fire department.

Acceptance of Policies by Banks

During the year, Mr. Patel recalled how, as a result of the interview he and two other members of the Committee of the Association had with the Chairman of the Indian Banks Association, the latter had issued a circular to member-banks recommending the acceptance, without insisting on deposits of policies by insurers who satisfied the solvency test under the Code of Conduct. While Mr. Patel was grateful to the Chairman, Mr. Bhabha, for this gesture, he could not help mentioning that, in spite of the circular, some banks had failed to appreciate insurers' difficulties. He appealed to the banks to adopt a more realistic attitude. Referring to a similar interview which the representatives of the Association had with the Managing Director of the State Bank of India, regarding exemption of Indian insurers from deposit requirements, he expressed the hope that the authorities would try to see their point of view and help Indian insurers in widening their sphere of activities.

Limitation of Expenses

In conclusion, Mr. Patel pointed out that the feeling was widely prevalent that the formula relating to limitation of expenses, prescribed under Insurance Rule 17E, was neither fair nor equitable. He said: "Making direct gross premium income as the sole criterion for judging whether a particular unit is economically run or otherwise is, in my opinion, contrary to all accepted canons." Unfortunately, the Sub-Committee of the Executive Committee of the General Insurance Council, which had been appointed to go into this question, had not submitted its report. The Sub-Committee of the Committee of the Association, which examined this subject, also failed to produce an agreed solution, and it was now left to the incoming Committee to pursue this important matter. Mr. Patel admitted that the limitation of expenses was a very healthy feature of the Insurance Act, 1950. But he submitted that there was nothing sacrosanct about a formula, which was evolved in the light of conditions obtaining then. Not even the most fervent protagonist of the present formula would claim that it was something perfect. He, therefore, considered that there was a "clear case" for re-examination of the issues, and that too without any further delay.

Notices

THE SOUTH KARANPURA COAL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the abovenamed Company that an Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, on Tuesday, the 12th August, 1958, at 11 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st August, 1957, and to receive the Directors' and Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from the 29th July to the 12th August, 1958, both days inclusive.

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

CALCUTTA, *14th July*, 1958.

Note.—(*a*) A member entitled to attend and vote at this Meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(*b*) The dividend, if declared, will be paid on or after 19th August, 1958, to those Shareholders so entitled whose names appear in the Company's books on 12th August 1958, or to their mandatees. No application for Dividend Warrants will be necessary.

THE DHUNSERI TEA COMPANY, LTD.

NOTICE IS HEREBY GIVEN THAT THE Forty-Second Annual General Meeting of THE DHUNSERI TEA COMPANY, LIMITED, will be held at the Registered Office of the Company, No. 2, Dalhousie Square East, Calcutta, on Monday the 1st September, 1958, at 3-30 p.m. for the following purposes:—

(1) To receive and pass the Directors' Report and Audited Accounts for the year ended 31st December, 1957.

(2) To declare dividend on Ordinary Shares.

(3) To elect Director in place of the retiring Director.

(4) To appoint Auditors and fix their remuneration.

(5) To transact such other competent business as may be brought forward.

The Ordinary Share Transfer Books of the Company will be closed from 21st August, 1958, to 1st September, 1958, both days inclusive.

N.B.—(1) Dividend Warrants will be issued and posted to Registered Shareholders only. Persons holding shares on blank transfer are advised to effect registration of scrip in their names before 21st August, 1958.

(2) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote for him, and a proxy need not be a member of the Company. The proxy must be lodged at the Registered Office of the Company, at least 48 hours before the meeting.

By Order of the Board,
S. L. DHANUKA,
Managing Director.

CALCUTTA, 21st *July*, 1958.

MONEY EASY—GILT-EDGED FIRM

(From Our Own Correspondent)

BOMBAY, 23rd *July*

With the exit of the States from the market after their loans were oversubscribed in the aggregate, the short-term money market once again became very easy during the week under review. The fall in demand and the return of funds from the Reserve Bank after allotment of State loans led to a surfeit of funds which were unlendable even at lower rates of interest. There was, therefore, a perceptible fall in interest rates. Inter-bank call money had lenders at 2½ per cent., but there were no borrowers. The rate among the small Indian banks was 2¾ per cent. There was, however, no uniform rate for house money at call and short-term deposits, the rates varying from bank to bank. Some of the banks were unwilling to pay more than 3¼ per cent., while business was reported even at 4 per cent. The rates for deposits varied from 3¾ to 4¼ per cent.

Availing of the present conditions in the short-term money market, the Reserve Bank of India has revived, after a lapse of more than two years, the system of short-term borrowing by the issue of Treasury Bills. The issue of such bills was suspended in April 1956, following the growing stringency in the money market. As pointed out in our last issue (*vide* page 91), the condition in the money market this season is propitious for this type of short-term borrowing by the Government.

The Reserve Bank of India has invited tenders for Rs. 1 crore of 91-days' Government of India Treasury Bills. Tenders will be received at the offices of the Reserve Bank at Bangalore, Bombay, Calcutta, Kanpur, Madras, Nagpur and New Delhi up to 11 a.m. on 29th July 1958. Successful tenderers should make payment at Bombay on 2nd August, and at other centres on 1st August. In view of the introduction of decimal coinage, the price offered for Treasury Bills should, it is stated, be expressed on the basis of 100, with not more than three decimals.

The Reserve Bank of India statement for the week ended 18th July 1958 discloses a contraction of Rs. 19.78 crores in notes in circulation, which together with the decline of Rs. 6.74 crores in the previous week, brings the total fall in two weeks to Rs. 26.52 crores. Notes held in the Banking Department have also dropped by Rs. 3.33 crores, so that the decline in total notes issued is of the order of Rs. 23.11 crores. This is covered by a decline of Rs. 25 crores in rupee securities and a rise of Rs. 1.89 crores in rupee coin. After the previous week's drop of Rs. 10 crores, foreign securities are unchanged but the drain of Rs. 3.70 crores in foreign balances (in the Banking Department) has more than offset the increase of Rs. 3.19 crores in the previous week. There has been a decline of Rs. 2.19 crores in Central Government's deposits, while other Governments' deposits are higher by Rs. 28.95 crores, due to the subscriptions to State loans. Deposits of banks are lower by Rs. 4.53 crores. Loans and advances to Governments have declined by Rs. 10.87 crores, while other loans and advances have risen by Rs. 4.54 crores, of which advances to Scheduled banks against usance bills account for Rs. 1.77 crores. Investments show a sharp rise of Rs. 71.65 crores, part of which may be due to the Reserve Bank's own subscriptions to State loans.

A small rise of Rs. 1.27 crores in demand deposits and of Rs. 90 lakhs in time deposits is disclosed by the Scheduled banks' statement for the week ended 11th July 1958. Inter-bank borrowings have gone up by Rs. 5.37 crores, while borrowings from the Reserve Bank are lower by Rs. 1.76 crores. After a lapse of two weeks, advances have again declined by Rs. 4.40 crores and bills purchased and discounted by Rs. 3.58 crores. There has been an addition of Rs. 3.37 crores to investments. Cash balances and money at call have risen by Rs. 4.25 crores and Rs. 2.93 crores, respectively; balances with other banks are lower by Rs. 1.61 crores.

Of the ten States which were in the market last week, nine closed their lists by Wednesday, as pointed out in our last report. Orissa was the last to close its list on Thursday last. The total subscriptions for all the loans aggregated Rs. 62.67 crores, as against Rs. 47.50 crores invited. Of these, conversion accounted for Rs. 5.24 crores. The allotment to subscribers in cash over Rs. 10,000 varied from 61 per cent. to 92 per cent., except in the case of West Bengal and Orissa loans for which the allotment was full.

The Gilt-edged market ruled firm. Activity was also brisk. There was good demand for short-dated and some medium-dated issues. This, coupled with the scarcity of stocks, pushed up values all round; in some cases, the rise was rather marked. The Reserve Bank of India put up its selling prices for 3½ per cent. 1965 by 10 nP to Rs. 98.60 and of 3½ per cent. 1968 by 5 nP to Rs. 99.60.

3 per cent. 1986 Conversion Loan was on offer and shed 5 nP to Rs. 71.05. 2½ per cent. 1961 was keenly bid and jumped up by 20 nP to Rs. 95.90. 2½ per cent. 1962 rose sharply by 25 nP to Rs. 95.65 3 per cent. 1958 gained 5 nP to Rs. 99.90, also 3 per cent. 1959-61 to Rs. 99.45. 3 per cent. 1963-65 and 3 per cent. 1964 had buyers at Rs. 95.65. 3 per cent. 1966-68 was unchanged at Rs. 93.10; while 3 per cent. 1970-75 put on 15 nP to Rs. 87.75. 3½ per cent. 1962 was in demand 5 nP higher at Rs. 98.10. 3½ per cent. 1961 moved up by 5 nP to Rs. 99.70. 3½ per cent. 1963 by 15 nP to Rs. 99.25 and 3½ per cent. 1964 by 10 nP to Rs. 98.95. 3½ per cent. 1967 advanced by 20 nP to Rs. 97.80, while 3½ per cent. 1967 was unchanged at Rs. 99.70.

Among the State loans, 4½ per cent. Bombay issues were in good demand. 4½ per cent. 1969 rose by 15 nP to Rs. 100.15. Both the new loans came to command a premium over their issue prices, to command a premium over their issue prices, 4½ per cent. 1970 20 nP at Rs. 100.20 and 1971 15 nP at Rs. 99.90. Madhya Pradesh 4½ per cent. 1970 also was quoted at a premium of 10 nP at Rs. 99.10, while Andhra 4½ per cent. 1970 was placed at a discount of 50 nP at Rs. 99.

The revival of sterling abroad gave strength to the rupee also. Banks' selling rate of ready dollars dropped from Rs. 477.75 to Rs. 477.25 and their buying rate from Rs. 474.50 to Rs. 473.75 per $100. In New York, spot sterling improved from $2.80.1/16-2.80⅛ to $2.80⅛-2.80.7/16 and three months' forward from $2.78⅛-2.78.9/32 to $2.78.7/16-2.78¼. Transferable sterling closed at 277.65-277.75 cents after a decline from 277.70-277.80 cents to 276.80-276.90 cents.

WIDE MOVEMENTS IN BULLION

(From Our Own Correspondent)

BOMBAY, 23rd *July*

Trading in the bullion market continued to be mainly influenced by the political developments in West Asia during the week under review and fluctuations in prices were wide. Despite the seasonal factors which restricted the demand for both the metals, there was a flare-up in bullion prices, in continuation of the upward trend noted in the previous week, following reports that British troops had landed at Jordon and that Russian forces had moved to the Turkish border. As a result, forward gold touched a high of Rs. 108-6 on the 17th inst., having gone up from a low of Rs. 103-2 reached only a week earlier. Silver also moved in sympathy to Rs. 184-6, as against Rs. 179-8 touched a week before. Subsequently, there was a setback, in the absence of any further deterioration in the international situation. The "bulls" hastened to book their profits. Weaker advices from Calcutta and rumours to the effect that import duty on large quantity of Tibetan coins had been paid brought about a setback in prices. Today, however, there was again a recovery on short-covering; both gold and silver closed well above the week's lowest levels.

Forward silver (*Shravan* first delivery) spurted from Rs. 182-8 to Rs. 184-6 before the recession set in which took the price to a low of Rs. 181-10 yesterday. Today, however, it gained ground to Rs. 183-2 and closed at Rs. 182-12. The *Shravan* second delivery rallied from Rs. 183-2 to Rs. 185-2, but gave way to touch Rs. 182-8. The closing today was done at Rs. 183-10.

Ready silver closed the week As. 12 higher at Rs. 182-4, the highest and the lowest levels touched being Rs. 183-6 and Rs. 181-2. The floating stocks of silver are reported to be 900 bars. The daily average arrivals (including unrefined metal) were 35 bars, while the offtake was less than 10 bars.

Gold for forward delivery (*Shravan* first delivery) hardened from Rs. 106-13 to Rs. 108-6, but later receded to Rs. 105-11. In the recovery which took place today, forward gold improved to close at Rs. 106-6. The *Shravan* second delivery finished today at Rs. 106-9, after having touched a high of Rs. 108-4 and a low of Rs. 105-13. The carry-forward charges between the two deliveries, which were in favour of bulls at As. 2 week ago, turned against them and stood today at As. 3.

Ready gold was marked down over the week from Rs. 107-7 to Rs. 106-14, the highest level touched being Rs. 109. The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals were 3,000 tolas, and the offtake was also of the same order.

In New York, silver was unchanged at 88⅝c for yet another week. London prices, too, were maintained at 75d. for spot and at 74¾d. for forward. Gold advanced from 250s. 7½d. to 250s. 11d., but fell to 250s. 6½d. following the improvement in the value of sterling.

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

	23-7-58	Highest	Lowest	16-7-58
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	106 14	109 0	106 7	107 7
Forward*	106 6	108 6	105 11	106 13
Sovereign	70 8	71 0	70 0	72 0
SILVER				
Ready (.996 fine Mint) ..	182 4	183 6	181 2	181 8
Forward†	182 12	184 6	181 10	182 8
London Silver Ready ..	75d.	—	—	75d.
London Forward	74⅞d.	—	—	74¾d.
London Gold	250s.6½d.	250s.11d.	250s.6½d.	250s. 7½d.
New York Silver	88⅛c.	—	—	88⅛c.

* 30th July settlement.
† 31st July settlement.

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

LINSEED FIRM

(*Messrs. A. Bradley and Co.*)

CALCUTTA, 21st *July*

The linseed market ruled bullish during the week, thanks to war rumours. Prices of seed advanced steadily from Rs. 25-2 to Rs. 27-4 per maund. Attracted by spectacular rises every day sellers offered a much larger volume of supplies for July-August delivery and, with crushers keenly interested, turnover averaged 350-400 tons daily. Oilcake prices also registered a notable rise, from Rs. 14 to Rs. 15 per maund. There was renewed firmness in the oil section, greatly influenced by the recent rise in overseas prices, which has brought Indian oil into parity. Local prices advanced from Rs. 55 to Rs. 58 before reacting to Rs. 57-8, whilst bids from the U.K. commenced at £116 and rose to £122, at which price some business was transacted.

The latest available quotations were: Ready-July Rs. 26-10 and August Rs. 26-12 per maund.

COTTON FUTURES FIRM AT CLOSE

(From Our Own Correspondent)

BOMBAY, 23rd *July*

The cotton futures market depicted an easy trend during the first three days of the week under review. It however, picked up strength on Monday which gained further momentum subsequently. The earlier easiness was due to heavy liquidation of long positions in the maturing August contract. Bulls, who had made large-scale purchases earlier, in anticipation of an export quota, and were holding on to their commitments, were inclined to liquidate their holdings in view of the approaching settlement date. Operators were also inclined to switch over their purchases to the new crop contract, namely, Jarilla March, 1959 which consequently commanded a premium over the August contract. The failure of the expected export quota to materialise, reports of favourable weather and the absence of encouraging news from the piecegoods market imparted further weakness to the market. A recovery set in on Monday following brisk buying influenced by firm spot advices and the strength of other commodity markets. The trend was maintained yesterday on renewed export quota rumours and the continued firmness of spot section. The market showed further improvement today. The August contract, in particular was in the limelight.

I.C.C. Moglai Jarilla (August 1958) opened the week at Rs. 683.50 and, after declining to Rs. 672.50 on Saturday, improved to Rs. 682.50 yesterday. Commencing today at Rs. 682.50, the contract improved to Rs. 689 before closing lower at Rs. 682.75.

I.C.C. Moglai Jarilla (March 1959) opened the week at Rs. 683 and, after falling to Rs. 675 improved to Rs. 684.75 yesterday. Commencing today's session at Rs. 685, the contract gathered Re. 1.50 before finishing at Rs. 683.75.

The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	23-7-58	*High*	*Low*	16-7-58
I.C.C. Moglai Jarilla (August 1958)	687.75	689	672.50	683.50
I.C.C. Moglai Jarilla (March 1959)	683.75	686	675	683.25

Weather continues to be satisfactory in general and the crop is making good progress. Punjab and Rajasthan have recorded good rains which have benefited the standing crop to a large extent. A few more showers are said to be necessary in the Kalyan area in Bombay State, Ujjain area in Madhya Pradesh and parts of Rajasthan. Bright, clear weather for some time in other areas would considerably assist the growth

There was sustained mill demand in the spot market. Prices consequently hardened. Prominent mill groups, which were hitherto keeping off the market, came forward to make substantial purchases of staple varieties. The fact that new crop cotton would be available only by December and the fears of scarcity of raw cotton in view of the delay in making the import allocations, prompted mills to go in for good qualities of indigenous cottons. A number of mills renewed their purchases of staple varieties like Vijay, 197/3, Co. 2, Laxmi, Jaydhar, Rajapalayam etc.

In the export section, due to the absence of any quota announcement, activity was subdued. Certain exportable varieties received enquiries. Prices were more or less maintained.

Brisk mill demand was noted for foreign qualities, especially American cottons. A sizable volume of business was reported in U.S. styles for August-September and October-November shipments, subject to the availability of import licence. Spinners also showed interest in Egyptian and Sudan cottons. Importers were eagerly awaiting a quota announcement for U.S. and sterling area cotton.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week's closing quotations:

Bengal Deshi 600 (600); Berar Jarilla 735 (725); Khandesh 800 (790); Vijay 890 (885); Hubli Laxmi, 1,045 (1,040).

The Karachi cotton futures market, after having ruled firm during the first half of the week under review, turned easy towards the close. The earlier firmness was due to brisk buying on export account and encouraging demand from domestic mills. Later, due to the fear that the West Asian situation might adversely affect cotton exports from Pakistan, the erstwhile buyers turned sellers. Profit-taking and slackening of mill demand accelerated the downward trend. Nevertheless, the closing rates were still higher than last week-end quotations. N.T.R.G. July, which had closed at Rs. 77-14 last week, improved to Rs. 78-13 on the 18th inst. It, however, closed lower at Rs. 78-4 yesterday. The January contract firmed up to Rs. 80-13 before declining to Rs. 79-14 yesterday.

Quiet conditions prevailed in the Alexandria cotton futures market during the week. The volume of business was limited and price tended to look down. Export inquiries were few. The uncertain situation in West Asia, favourable weather reports and the fact that the crops were early this season adversely affected trading sentiment. Towards the close of the week, however demand for the medium-staple Ashmouni improved and its quotations moved up. The following are the latest available quotations—in tallaris per lb.—from Alexandria.

Karnak: July 74.95; November 75.80.

Ashmouni: August 67.45; October 68.25.

In spite of the serious West Asian situation and the uncertainties regarding the U.S. export subsidy, cotton futures values in Liverpool scored handsome gains. Persistent local shortcovering and fresh buying in new crop positions of both the American and American type contracts led to a hardening of values. The upswing was aided by the firm tone in the basis of shipment offers of the U.S. and Mexican cotton. Sudan contracts were, however,

quiet and values unchanged. The latest available quotations—in pence per lb. from Liverpool—are as under:

American cotton 1" staple contract: July-August 25.10 (25.00); October-November 25.55 (25.20); December-January 25.70 (25.40); March-April 25.90 (25.60). *American cotton mixed growth contract*: July-August 25.95 (25.70); October-November 25.95 (25.75); December-January 26.25 (26.00); March-April 26.35 (26.05). Sudan: July-August 31.25 (31.25); September-October 31.90 (31.90); November-December 31.90 (31.90).

New York cotton futures market ruled easy during the week on increased hedge-selling and more profit-taking. This was attributed to slight easing of the tension in West Asia, favourable weather news and the belief in some quarters that, notwithstanding the delay, new legislation permitting high acreage and larger production would be enacted by the Congress during the current session. A further fall in prices was, however, prevented by occasional mill buying against sales of cotton piecegoods.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	23-7-58	15-7-58	8-7-58
Spot	36.50	36 50	36.50
October	36.65	36.84	36.60
December	36.87	37.01	36.85
March	37.24	—	—

YARNS IMPROVE

(From Our Own Correspondent)

BOMBAY, 23*rd July*

The yarn market presented a distinctly firm trend during the week under review and there was an all-round improvement in prices. Rayon yarns evoked good buying support induced by expectations of better demand from consuming centres. Staple fibre yarns continued to be well supported, thanks to depleting floating stocks and lack of confirmation of rumours regarding the Government allowing actual consumers to import some quantities of raw staple fibre. Cotton yarns ruled strong on hopes of better offtake by handlooms and powerlooms in the coming weeks, as well as larger export business with nearby countries. The finer count yarns were particularly sought after. It was reported that there was scarcity in supplies on account of reduction in output following the continued shortage of foreign cotton.

The Board of the Yarn Merchants' Association and Exchange Ltd. met the Union Minister for Commerce and Industry on the 19th inst. and placed before him the difficulties experienced by the yarn traders as a result of the restrictive import policy. It also brought to the Minister's notice the undesirable practices indulged in by a section of rayon industry and trade. The Board urged the Minister to consider the question sympathetically and asked the Association to submit to the Government details of the scheme contemplated by the Association for distributing imported yarn.

Both indigenous and foreign yarns recorded a rise in values. Among the former, National Rayons 150 bright cones 1st grade spurted by 31 nP to Rs. 5.37 per lb. 120 bright cones 1st grade rallied 19 nP to Rs. 6.56. Among foreign yarns, 120 Italy firmed up by 25 nP to Rs. 6.50. 150 Italy and 120 Japan both gained 12 nP to Rs. 6.62. 150 Japan hardened by a like amount to Rs. 6.37.

Staple fibre yarn (40×2) August delivery advanced by Rs. 5 to Rs. 712 per case of 200 lbs. The question of commencing business in October delivery will be decided by the Association at its meeting to be held on Monday next. In the spot section 40×2 New Greats picked up 16 nP to Rs. 3.97 per lb. Citys strengthened by 9 nP to Rs. 4.09 and Kohinoors by 6 nP to Rs. 4.15. Centurys were fully maintained at Rs. 4. Foreign yarns also moved up, 80×2 Paramounts and Fujis both rising by 13 nP to Rs. 9.25.

Finer counts cotton yarns, as already stated, met with good demand. Sixty counts Raghuvamshis climbed up by Rs. 2.50 to Rs. 59. Finlays improved by a rupee to Rs. 62. Eighty counts Moderns advanced by Rs. 2 to Rs. 72, Mahendras by Re. 1 to Rs. 70 and Finlays by 50 nP to Rs. 77.50. Among 40 counts, Minaxis hardened by 38 nP to Rs. 25.75. Moderns were done at Rs. 26 today. Thirty counts Indus rose by 38 nP to Rs. 19.75. Among 20s, Moderns gathered 25 nP to Rs. 16.75. Indus were fully maintained at Rs. 16.37, as also Gokaks at Rs. 16.75. Deals in ten counts Podars were put through higher at Rs. 12.75, as against Rs. 12.62. Moderns were firm at Rs. 13.50.

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

	23-7-1958	16-7-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	6 62	6 50
150 Japan (per lb.)	6 37	6.25
120 Italy (per lb.)	6 62	6 50
150 Italy (per lb.)	6 50	6.25
Staple fibre yarn (per case of 200 lbs.)—		
40×2 August	712.00	707.00
40×2 Kohinoor (per lb.)	4 15	4.09
40×2 City (per lb.)	4.09	4.00
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12 75	12 62
20s Modern	16 75	16 50
30s Hind	19 75	19 37
40s Minaxi	25.75	25 37
60s Finlay	62 00	61 00
80s Mahendra	70.00	69.00

OILSEEDS BUOYANT

(From Our Own Correspondent)

BOMBAY, 23*rd July*

The oilseeds market is in the grip of bulls and prices have scaled the highest peak since the current calendar year began. The buying spree has been fanned by hopes of excellent export business in oils and oilseeds. The hopes are based on two consideration. First, there is the expectation that overseas demand for Indian oils will broaden considerably in the coming weeks, as a result of the stockpiling operations in several countries following grave political developments the world over. Secondly, the Government of India is determined to boost exports by giving all possible encouragement and assistance. The Government has announced the grant of the full excise duty rebate of Rs. 112 per ton on castor oil exported out of India, as against 11/14 of duty hitherto admissible; full rebate of duty had already been granted on exports of linseed oil and tobacco-seed oil. These factors have imparted considerable strength to the oilseeds market and prices have, as already stated, registered an impressive rise. If a more spectacular rise has not occurred, it is because of fears that the Forward Markets Commission may intervene and take such measures as tightening of margin rules in groundnuts and even closure of forward trading in order to check the rising tendency in prices. It is believed that the Commission has already given a warning against speculative transactions in oilseeds and oils.

The castorseed section ruled buoyant during the week. The bulls were persistently making large purchases, while the shorts were nervously covering their positions. With the grant of full rebate of excise duty, the gap between the prices of Indian castor oil and world prices has narrowed down. The export price of commercial quality oil now stands at Rs. 1,507 per ton at which rate the U.K. is reported to be interested in buying, until recently, the U.K. was not prepared to pay even Rs. 1,427. The groundnut section also ruled buoyant, thanks to good buying support, especially by *vanaspati* manufacturers, scarce offerings on account of tight supply position and enlarged overseas enquiries for groundnut oilcake. Linseed firmed up on bull support based on oil export prospects. It was stated that the U.K. was willing to pay for Indian linseed oil up to Rs. 1,640 per ton, as against Rs. 1,532 a few days ago. In sympathy with the general trend, cottonseed, kardiseed and nigerseed registered handsome gains.

Groundnut August 1958 contract forged ahead from Rs. 185 last week-end to Rs. 197 today. At higher level, profit-taking set in and the contract declined to Rs. 195. The net gain over the week was Rs. 10. February 1959 contract which stood at Rs. 168 last week-end climbed up to Rs. 172 yesterday, but fell to Rs. 169 today. Bold ready rallied Rs. 2.88 to Rs. 40.75. Coromandel and Khandesh quality both spurted by Rs. 2.75 to Rs. 41.50. Groundnut oil ex-mill strengthened by a rupee to Rs. 21.50. Railway receipt gained a like amount to Rs. 21.

Castorseeds September 1958 contract advanced from Rs. 162.50 to Rs. 170.25 before finishing at Rs. 168. May 1959 position rose from Rs. 162.50 to Rs. 167 today; towards the close, however, it was lower at Rs. 165. Ready Madras put on 75 nP to Rs. 33.50. Kanpur quality increased by Re. 1.25 to Rs. 32.25. Castor oil B.S.S. registered a rise of 75 nP to Rs. 18.50. Commercial quality gathered 88 nP to Rs. 17.75.

Linseed September 1958 contract moved up from Rs. 35.19 to Rs. 35.69 yesterday, but declined to Rs. 35.31 today. Bold ready which stood at Rs. 34.87 last week-end, advanced to Rs. 35.25, on Monday. Thereafter, it receded, today's closing rate being Rs. 34.87. Linseed oil ready was well supported, the quotation today standing at Rs. 18.75, as against Rs. 18.25 last week-end.

Cottonseed September 1958 contract met with good buying support and advanced from Rs. 120.25 to Rs. 125 today before finishing lower at Rs. 122.50. February 1959 contract improved from Rs. 107.50 to Rs. 109.75 today; towards the close, however, it eased to Rs. 107.75.

Among other oilseeds, kardiseed bold really spurted from Rs. 22 to Rs. 23.25 yesterday, but today, it reacted to Rs. 22.25. Nigerseed Madras quality, after rising from Rs. 32 to Rs. 33.25, finished easy at Rs. 32.75.

The following table shows the closing prices of oilseeds and oils today as compared with those a week and two weeks before:

	23-7-1958	16-7-1958	9-7-1958
	Rs.	Rs.	Rs.
Groundnut—			
August 1958	195.00	185.00	174.12
Feb. 1959	169.00	168.00	165.25‡
Bold ready (per cwt.)	40.75	37.87	36.50
Linseed—			
Sept. 1958	35.31	35.19	33.25
Bold ready (per cwt.)	34.87	34.87	32.62
Castorseed—			
Sept. 1958	168.00	162.50	155.87
May 1959	165.00	162.50	149.25‡
Madras (per cwt.)	33.50	32.75	30.56
Cottonseed—			
Sept. 1958	122.50	120.25	116.75
Sept. 1959	107.75	107.50	108.50
*Groundnut oil**—			
Ex-mill ready (per quarter) ..	21.50	20.50	19.25
Castor oil†—			
Commercial (per quarter) ..	17.25	16.37	15.50
Linseed oil†			
Ready	18.75	18.25	16.87

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
‡ Rates at which business commenced on the 12th inst.

SUGAR RALLIES

(From Our Own Correspondents)

BOMBAY, 23*rd July*

There has been a sharp rally in sugar prices during the week under review, notwithstanding a drop of about Rs. 3 per bag in the ex-mill quotations for North Indian sugar and the Reserve Bank's directive to the scheduled banks to put up margin on advances against sugar stocks. For the market is experiencing an acute shortage of medium and large grain sugar, thanks to the continued dislocation of rail traffic and difficulty in obtaining enough trucks in the Bombay-Deccan areas to transport sugar. The total arrivals by rail during the week amounted to a bare 1,800 bags which were only a shade higher than in the previous week but very much shorter than the demand.

Large grain sugar has spurted by Rs. 2 to Rs. 112-Rs. 116 per bag. Medium grain has gone up from Rs. 107.50-Rs. 109 to Rs. 109-Rs. 111. Small grain is quoted at Rs. 107, as against Rs. 106.50 a week ago.

The ex-mill quotations of North Indian sugar, as already stated, have toppled down by about Rs. 3 per bag. This is due to the stern warning against rising prices issued by the Union Food Ministry officials to the sugar trade associations of Kanpur, Meerut and Muzaffarnagar.

Sugar production during the month of June 1958 was 3,600 tons, bringing the total production upto 30th June 1958 to 1,967,000 tons. The corresponding figures for the 1956-57 season were 39,000 tons and 2,014,000 tons, respectively. The offtake of sugar from factories during June was 156,000 tons, as against 202,000 tons (including despatches for exports) in the corresponding month last season. This brings the total despatches from factories upto 30th June 1958 to 1,350,000 tons, as against 1,427,000 tons (including despatches for exports) a year before. The total closing stock of sugar with factories as on 30th June 1958 was 1,040,000 tons, as against 1,106,000 tons on the same date last season.

The advances which banks give against the security of sugar are now subjected to a higher margin of 45 per cent. on the value of stocks, as against 35 per cent. hitherto. A directive to this effect was issued to the banks by the Reserve Bank on Friday last week. The enhanced margin is applicable only to parties other than those manufacturing sugar and to parties manufacturing sugar in respect of such stocks as are left in the factory or mills' premises and on which excise duty has been paid. Explaining the upward revision in the margin on sugar advances, the Reserve Bank said:

"The prices of sugar have shown a rising trend during the past few months, despite the fairly comfortable supply position. In the prevailing situation, the increase in prices may have been covered by a tendency on the part of the trade and industry to withhold stocks. It is, therefore, necessary for banks to exercise caution in the grant of credit against stocks of sugar."

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HAPUR, 21*st July*

Steady to firm conditions prevailed in the sugar market during the week under review. Despite the release of a fresh quota of 170,000 tons for sale in the free market, the market showed an upward tendency and prices in ex-mill delivery section advanced by about 37 nP to Re. 1 per maund. Stockists were reported to be reluctant to sell stocks, expecting better prices in the near future. The report that the Indian Sugar Mills' Association had booked about 15,000 tons of sugar for export to East and West Asian countries also acted as a bullish factor.

Heavy demand from Punjab and Delhi and business in bulk quantity being done on that account resulted in an appreciable advance in sugar prices in the Muzaffarnagar market. The prices touched new heights. The latest prevailing ex-mill delivery prices were: Meerut (D28) Rs. 38.50; Khatauli (C29) Rs. 38.50; Deoband (C29) Rs. 38.50; Mansurpur (C29) Rs. 39; Daurala (C29) Rs. 38.81; Amroha (D29) Rs. 37.94; Bijnore (C29) Rs. 37.81; Dhampur (D29) Rs. 38.

Sugar prices in the Kanpur market improved due to renewed buying enquiry. The latest prices spot and ex-mill delivery, respectively, per bag and per maund were: (C29) Basti Rs. 107 and Rs. 38; (D29), Gola Rs. 103.50 and Rs. 36.37; Burnwal Rs. 104 and Rs. 37.06; Lakhimpur and Hargaon Rs. 102.50 and Rs. 36.81.

Good demand from consuming areas accounted for steady conditions in *khandsari* prices during the week. The Government of India have banned forward trading in *khandsari* sugar, in order to check the upward trend in prices. The latest prices were Rs. 35 to Rs. 37.25 per maund according to quality.

Slack demand due to monsoonish conditions accounted for quiet conditions in ready *gur* prices. Local stock was put at 50,000 maunds and prevailing prices were: dry Rs. 22 and *kotha* dry-wet Rs. 20.75 per maund.

Heavy rains aggregating over seven inches in the last two days have proved very beneficial to the standing cane crops in this area.

There was no demand for ready *gur* in the Muzaffarnagar market in the past week and prices were mostly unchanged. *Shakker dara* was also attracting little demand and week-end prices were Rs. 23 to Rs. 25 per maund. *Desi khandsari* prices, however, improved further on good outside support and the latest prices were Rs. 35.50 to Rs. 37.50 per maund according to quality.

Future *gur* prices turned bearish in the later part of the week on bear pressure influenced by good rains and the ban imposed by the Government of India on forward trading in coarse grains and pulses. Opening at Rs. 14.96, fagun delivery touched the highest on the same day at Rs. 15.19, but quoted today at the lowest level of the week at Rs. 14.30.

BLACK PEPPER QUIET AT CLOSE

(Messrs. Parekh & Co.)

BOMBAY, 23*rd June*

Malabar black pepper rallied further during the earlier part of the week, following news that British troops had landed in Jordan. In the later part, however, war psychosis having been cooled down, the market turned quiet and irregular, influenced by day-to-day reports from the Middle East.

Garbled ready at Cochin was done at Rs. 115 to come down to Rs. 111. The highest and the lowest for August delivery were quoted at Rs. 119.37 and Rs. 115, respectively, while October quotations were at Rs. 121.87 and Rs. 117.50. Calicut touched Rs. 720 to recede to Rs. 700, with buyers reserved.

New York spot, after touching $0.30, came down to $0.29 with lack of buying interest by grinders, in view of less tension in the Middle East. A sizable purchase of about 500 tons of Malabar black was reported by New York during the week at prices ranging from $0.26½ to $0.28, with equal quantity, if not more, from Singapore. The highest touched for black and white in London was 20d. and 33½*d.*, respectively. Singapore, after touching Str.$80 for black and Str.$139 for white under pressure of buying by New York and Continent combined with local short-covering, came down to Str.$75 and Str.$135, respectively, when buyers withdrew.

At the moment, the tendency of the market appears uncertain. Barring developments in the Middle East, prices are likely to go down, as dealers in New York and the Continent have covered their immediate requirements and are not likely to come out unless new developments take place. Short positions in all the markets stand almost covered. In some cases, they are overbought. The adjustment will take some time and, in the meantime, if the seasonal pressure from Sarawak and Lampong appears, the prices may dip further.

In specific delivery, July, after touching the highest at Rs. 662, came down to Rs. 625 under pressure of liquidation by weak bulls and accumulation of tenderable stock.

In A.S.T.A., July-Aug-Sept., after touching $0.28, came down to $0.27¼, with little interest.

In short, the future will depend upon the development in the Middle East, which, according to the Press, is not likely to flare up into a shooting war as was feared earlier.

Today's nominal quotations are: Ready Rs. 91 per Bengal maund, July Rs. 625-Rs. 635 and September Rs. 645-Rs. 655 per candy of 5¼ cwts.

TEA PRICES IMPROVE

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 18*th July*

Offerings comprised just under 1,100,000 lbs. in sale No. 21 which was held on Tuesday, the 15th inst. The quality of all teas showed a slight improvement, particularly low medium and medium teas. The sale opened to a good general demand. Low medium and medium teas met with good competition and were 5 nP to 15 nP dearer according to quality. The poorer high grown were about steady, but the improved teas were dearer. In particular, high grown fannings were sometimes 30 nP above valuation. Whole leaf teas met a strong demand and were dearer.

The quotations were:—

	Rs.
Plain B.P.	1.50
Low medium	1.55 to 1.75
Medium	1.70 to 1.95
Good medium	1.95 to 2.20
Quality	2.00 to 2.95

There were 1,083,210 lbs. on offer in Dust Sale 'O' which was held on Thursday, the 17th inst. The large and useful selection of teas met with very strong and excited demand. All descriptions received strong competition and prices advanced by 10 nP to 15 nP for every thing. High grown teas did not meet with the same competition as the other descriptions, but were steady on last weeks rates.

London Market—Sale of 14th July 1958.—New seasons Dooars were very firm, while the remainder was irregular.

Sale of 15th July 1958.—Market ruled irregular.

Colombo Market—Sale of 14th July 1958.—Very strong demand. Dimbula Dickoya brokens much dearer. Improved Uvas dearer. Medium brokens up 10 cents. Low-growns firmer. All leaf grades lower.

Sale of 15th July 1958.—Useful liquoring sorts were dearer while others were lower.

Calcutta Market—Export.—Continued good general demand. Orthodox fannings and bright liquoring Assams strongest. Best C.T.Cs slightly easier. Plain teas about steady. Whole leaf strong. Darjeelings fair but irregular demand. Tippy teas well supported. *Internal.*—Fair but irregular demand eased towards close. Grainy exportable C.T.Cs strongest. Other C.T.Cs up to 25 nP easier. Orthodox 6 nP to 10 nP easier. Flavoury Darjeelings well supported.

Export Quota.—The week opened with business being transacted at 11¼ nP., but, although the market eased, business was done at both 11 nP and 10¾ nP. There was a further strengthening in the market and business was transacted at 11½ nP.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire as follows:

"Sale No. 22 was held on Tuesday, the 22nd inst., with offerings amounting to 1.5 million lbs. There was good general demand. Low mediums and mediums were fully firm and dearer. Improved quality good mediums were easier. High-growns recorded a rise of 10 nP to 15 nP."

TEA RECEDES

(From Our Own Correspondent)

CALCUTTA, 22*nd July*

Although demand was fair during yesterday's auctions, tea prices were notably lower. However, with the publication of June production figure, the statistical position of quality tea has improved. Up to the end of June, output in North-East India amounted to 107.9 million lbs., registering a decline of 3.5 million lbs. over last year.

Taking the production trends in other producing countries also into consideration, it was becoming clear that there would not be any excess in quality teas. The apprehension of shortage is coming more and more to the forefront. World consumption in 1957 was estimated at 1,400 million lbs. which was almost the same as absorption at 1,436 million lbs. Market circles believed that, providing for the increase in population and taking into consideration the improving standard of living in several underdeveloped countries, consumption in 1958 should exceed the figure for last year.

While North India's output so far has registered a decline, output in Ceylon, British East Africa, Pakistan and Indonesia has shown small increases. Ceylon's production up to end of May was, however, lower by 1.2 million lbs. at 194.5 million lbs. The largest increase was shown in South India, as, up to the end of May, output aggregated 71.7 million lbs., as against 57.5 million lbs. Market circles believed that the increase in some producing countries would be more or less equivalent to the decrease in crop in others. It was, therefore, expected that the world crop in the year would be about last year's. This analysis underlines the apprehension of shortage of quality teas during the year.

In the internal sales held last week, dusts on offer amounted to 18,190 chests, including 623 chests of old manufacture. Prices eased, although, at opening, there was good demand. Some improvement was in evidence in quality. Orthodox teas eased by 4 to 6 nP even while at opening and, towards closing, the loss had risen to 10 nP. C.T.C. Assams were irregular. Grainy traders suitable for export, however, were taken up to higher rates. Other kinds eased and a few lines were quoting 25 nP below valuations. Darjeelings received fair support, with the flavoury lots hardening. The quotations were: Best Assam C.T.C.: Rs. 2.90 to Rs. 3.20; medium Assam C.T.C.: Rs. 2.20 to Rs. 2.50; medium Assam grainy Re. 1.74 to Re. 1.80; and medium Dooars Re. 1.66 to Rs. 1.70.

Leaf offerings aggregated 192 chests, of which the new season's teas were only 51 chests.

The strongest feature of yesterday's export sales when offerings amounted to 40,711 packages, was bright liquoring Assams of orthodox manufacture, the price of which was firm to dearer. There was good general demand for other varieties also, but prices were lower. C.T.C. teas gave way by 50 nP, commons by 6 to 8 nP and non-wither leggy-cut Dooars by 10 to 15 nP. Darjeelings were fully firm, but whole leaf grades failed to attract as much attention as last week. Tippy teas were firm.

The quotations in rupees with those of a week ago in brackets were: Best Assam C.T.C. fannings: 4.40 to 4.80 (4.80 to 5.30); clean black pekoe 2.30 to 2.40 (2.40 to 2.50); best Assam C.T.C. B.P.: 4.00 to 4.40 (4.30 to 4.80); medium fannings: 2.35 to 2.50 (2.50 to 2.70); plain B.P.: 1.78 to 1.82 (1.84 to 1.88); medium B.P.: 2.20 to 2.30 (2.30 to 2.50); plain fannings 1.94 to 1.98 (2.00 to 2.10).

B. TWILLS CROSS I.J.M.A. FLOOR LEVEL

(From Our Own Correspondent)

CALCUTTA, 22*nd July*

Conditions akin to near-buoyancy were in evidence in the jute markets during the week under review. Prices of both raw jute and jute goods gained impressively. For the first time since the last several weeks, B. twills, not only reached the I.J.M.A. floor but crossed it too. The troubled Middle East situation, following the coup in Iraq, released a good amount of buying support, both speculative and genuine. Hitherto, only small business had been done on account of the United States, but, during the week, American buyers showed lively interest and took fair quantities. Such support was evidently due to fears of a world war and the need to increase stocks. In fact, it was reported earlier in the week that American consumption of burlap in the last month was only 60.4 million yards, thereby registering a decline of 4.6 million yards as compared with May. Fair support was accorded for heavy goods by Continental and other buyers. Internal buyers were also active. About 4,000 bales of sacking were bought on Government account for delivery in October.

For obvious reasons, much business was done for forward delivery. Encouraging note was taken of the grant of further licences by Argentina for import of hessian. The report from the burlap market in New York was encouraging and offtake was increasing. Only about a week back, bag manufacturers in the U.S. were hesitating to enter into commitments in the absence of any change in consumption. The month has begun well in regard to shipments. During the first ten days in July sacking shipped amounted to 11,400 tons and hessian to 20,300 tons, showing increases of 5,000 and 12,000 tons, respectively. The higher trend was expected to be maintained in the rest of the month also and the market began to take into consideration the respective welcome decline in stocks.

On Tuesday last, ready hessian 40" 10 oz. rose to as high a rate as Rs. 42.05 from Rs. 41.25 the previous day, following fair buying on Argentina account. Speculators were on their feet, as they began to purchase even earlier when they heard that more letters of credit had been opened in Argentine account. Forward quotations, however, were lower, in view of expectations of a fall in prices of the new jute. Hessian 40" 10 oz. were quoting Rs. 41.60 only. In sympathy with the upward trend in ready hessian, B. twills ready moved up to Rs. 98.15 on Tuesday last from Rs. 97.30, while, in contrast with hessian, forward rates were high, with the September goods quoting Rs. 99.40. On Wednesday, the news of revolution in Iraq imparted keen speculative interest. But for profit-taking towards the end of the day, the closing quotation for 40" 10 oz. hessian would have been even higher than Rs. 42.65 and that for B. twills than Rs. 99.30. The mills were keen sellers at the rise, and this naturally arrested the rise. The tendency of forward quotations being higher for B twills and lower for hessian ready goods continued on Wednesday also.

On Thursday, the report of steady conditions in the New York burlap market was received and, following further news on the Middle East political situation, there was excited trading in the market. Speculators were in good form and did not lose time in accepting offers, as they anticipated more addition to prices. The mills continue to unload heavy quantities in the market, and there was fair buying on overseas account too. Ready B. twills soon passed over the I.J.M.A. floor and steadied around Rs. 100.10. Ready hessian 40" x 10 oz. touched Rs. 43.35. On Friday, further business followed from overseas markets and B. twills moved up to Rs. 100.20 and hessian 40" x 10 oz. to Rs. 43.85. American and Continental buyers began to increase their activities at this stage. Towards the week-end, good business was done with the U.S.A. in hessian, the 40" x 10 oz. of which hardened further to Rs. 44.60, and October-December to Rs. 42.65. Ready B. twill rose to Rs. 101.10, with the October-December goods strengthening to Rs. 103.20. These were the highest levels for the week. Yesterday, speculators brought to bear selling pressure and, although covering for near goods continued, B. twills ready sagged to Rs. 99.85 and ready 40" 10 oz. hessian to Rs. 44.30. The speculators thought that, with various moves to settle the Middle East situation, the chances of an international conflict were receding.

The upward trend in goods led to a rise in raw jute prices. The mills accorded support. Returns of raw jute consumption by mills for the season ended last month showed that consumption aggregated 6,256,000 bales, showing an increase of 278,400 bales over the previous season. This also contributed to the gain in prices. The latest quotations for the new crop are:

	Middles	Bottom	Delivery
	Rs.	Rs.	
Pakistan:			
District	32.50	29.50	Aug.-Sept.
Northern	32.50	29.50	"
Indian:			
Northern	30.50	28.00	"
Assam	30.50	28.00	"
Orissa	32.50	30.00	"
Desal	29.75	27.25	"
Murshidabad	28.00	25.50	"
Jungli	27.50	25.00	"
Daisee	33.00	30.50	Sept.-Oct.
Uttar Pradesh	27.50	25.00	Aug.-Sept.
Daisee Mesta	28.25	25.75	Sept.-Oct.
Bimli F.A.Q.	Rs. 24.50		Oct.-Nov.

Pucca bales 1st Marks .. Rs. 174.50 a bale Ready.

METALS FORGE AHEAD

(From Our Own Correspondent)

CALCUTTA, 22*nd July*

The Iraqi coup, the American landings in Lebanon, the British in Jordan, and the Russian manœuvres near Iran and Turkey pushed up demand as well as prices in the metal market during the week under review. Shrewd observers, however, refused to believe that the troubled Middle East situation would lead to a world conflagration. All the same, market sentiment was boosted. A smart rise in prices was also recorded in foreign markets and this also contributed to the upward trend.

Tin opened at Rs. 562 and spurted to Rs. 595. In addition to fair commercial demand, some enquiries were also received on Government account. Electrolytic zinc closed at Rs. 73, as against Rs. 66.00 earlier. An additional factor for the rise in New York was production cutback by a U.S. firm. Virgin lead hardened from Rs. 66.50 to Rs. 71. If uncertainties in the Middle East continued, it was realised here that imports would be affected. In view of recent import cuts, the country's stock is poor.

TANNERS CURTAIL OUTPUT

(From Our Own Correspondent)

MADRAS, 21*st July*

The Madras E.I. tanned skins and hides market was greatly excited, due to the serious political situation in the Middle East. Importers, however, were maintaining a cautious attitude and were resisting advance in prices demanded at origin.

Owing to labour trouble in the Ranipet area, several kip tanners have reduced their output further and are reported to be holding back their stocks for better prices.

Arrivals of kips were small and demand exceeded supplies. Madras prices ruled 2d. over U.K.

(Continued on page 171)

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 18th July, 1958

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		25,00,00,000
National Agricultural Credit (Stabilisation) Fund		3,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		51,06,99,000
(2) Other Governments		41,79,31,000
(b) Banks		94,45,99,000
(c) Others		147,29,29,000
Bills Payable		12,15,65,000
Other Liabilities		8,77,47,000
	Rupees	465,51,61,000

ASSETS	Rs.	Rs.
Notes		27,71,72,000
Rupee Coin		1,95,000
Subsidiary Coin		2,56,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		2,33,0,0,000
Balances held abroad*		10,50,97,000
Loans and Advances to Governments†		19,24,71,000
Other Loans and Advances		61,65,19,000
Investments		366,15,42,000
Other Assets		13,22,99,000
	Rupees	498,51,61,000

* Includes Cash and Short-term Securities.
† Includes temporary overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 12,63,17,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	27,71,72,000	
Notes in circulation	1557,66,03,000	
Total Notes issued		1585,37,75,000
Total Liabilities		1585,37,75,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	189,67,56,000	
Total of A		307,43,59,000
B. Rupee Coin		133,35,63,000
Government of India Rupee Securities		1144,58,53,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1585,37,75,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	11th July, 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1577.44	1584.18	1604.98	1542.92
Notes held in Banking Department	35.05	31.05	33.45	19.01	38.40
Foreign Securities	59.50	189.68	199.68	209.68	412.52
Rupee Securities	87.39	1169.59	1169.59	1107.56	924.81
Banking Department					
Deposits of :					
Government of India	14.89	53.26	50.52	51.42	53.45
Other Governments	..	12.84	21.17	13.86	1.41
Balances held abroad	10.08	14.21	11.02	23.61	28.55
SCHEDULED BANKS					
Demand Liabilities	134.36	754.46 (31.72)†	749.27 (27.80)†	750.85 (26.15)†	715.51 (13.12)†
Time Liabilities	102.24	814.03 (37.36)†	812.59 (35.91)†	794.80 (24.97)†	599.01 (4.10)†
Borrowings from Reserve Bank	..	11.64 (10.86)‡	13.41 (12.28)‡	15.44 (14.46)‡	51.30 (45.30)‡
Borrowings from State Bank	..	4.18	3.81	5.32	3.53
Cash in India	6.70	39.52	42.70	38.80	41.43
Balances with Reserve Bank	25.17	95.67	88.24	77.43	74.82
Excess over statutory limits	15.52	41.65	34.58	24.00	27.84
Balances with other banks in current account in India	..	13.54	15.15	12.08	10.17
Money at call and short notice in India	..	58.43	55.50	50.03	22.24
Investments (at book value)	..	503.05	499.68	484.85	332.21
Advances and bills	105.09	893.96	901.94	912.82	903.94
STATE BANK					
Deposits	87.76	420.77	420.08	420.74	311.18
Investments	51.99	214.12	214.12	206.77	105.63
Advances	30.85	182.00	183.93	189.99	177.19
Cash	14.69	32.08	30.40	27.78	41.08

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

State Bank of India

Statement of Affairs for the week ended 18th July, 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		421,02,51,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		5,78,61,000
Bills for Collection being Bills Receivable as per contra		95,02,000
Acceptances, Endorsements and Other Obligations per contra		1,16,43,000
Other Liabilities (including Inter-Office Adjustments)		19,46,02,000
Total	Rs.	451,63,59,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		31,82,19,000
Balances with other Banks		3,30,60,000
Money at Call and Short Notice		2,00,00,000
INVESTMENTS :	Rs.	
Government and other Trustee Securities	203,98,22,000	
Other Authorised Investments	11,09,00,000	215,07,22,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	171,10,50,000	
Bills Discounted and Purchased	11,61,86,000	182,72,08,000
Bills Receivable being Bills for Collection as per contra		95,02,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,16,43,000
Premises less Depreciation		1,20,68,000
Furniture and Fixtures less Depreciation		91,58,000
Other Assets (including Inter-Office Adjustments).		9,47,79,000
Total	Rs.	451,63,59,000

Scheduled Banks*

Statement of Affairs for the week ended 11th July 1958

	Rs.	Rs.
Demand Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		31,71,54,000
(ii) Other demand liabilities		722,74,79,000
Time Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		37,36,30,000
(ii) Other time liabilities		777,57,16,000
Borrowings in India from the State Bank and/or a notified bank :		
(i) Demand liabilities		2,09,68,000
(ii) Time liabilities		1,18,19,000
Borrowings in India from the Reserve Bank of India‡		11,64,28,000 (10,86,37,000)
Cash in India		39,52,20,000
Balances with the Reserve Bank in India		95,67,05,000
Balances with other banks in current account in India		13,53,58,000
Money at call and short notice in India		58,43,20,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		503,05,43,000
Advances in India		765,79,66,000
Inland Bills purchased and discounted in India		92,03,73,000
Foreign Bills purchased and discounted in India		85,22,27,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	February		Eleven months, April to Feb.	
	1957	1958	1956-57	1957-58
Import Duties :				
Revenue	10.41	10.05	116.08	127.70
Protective	0.99	1.24	11.49	10.23
On surplus disposals	0.07	—	0.11	0.11
Total import duties	11.47	11.29	127.68	138.04
Export Duties	2.67	1.60	28.14	22.49
Land Customs	0.25	0.20	2.27	3.57
Air Customs	—	0.10	—	1.94
Miscellaneous	0.09	0.11	1.04	1.46
Gross Total Customs	14.48	13.30	159.13	167.44
Refunds and Drawbacks	0.65	0.49	2.74	4.26
Net Customs	13.83	12.81	156.39	163.18
Gross Excise	15.64	25.11	171.14	245.81
Refunds	0.34	0.20	2.09	3.02
Net Excise	15.30	24.91	169.05	242.79
Net total of customs and excise†	29.13	37.72	325.44	405.97

† Net Customs plus net Excise.
* Figures for Air customs prior to August 1957 not available.

State Bank of Pakistan

Statement of Affairs for the week ended 4th July, 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :	
(a) Central Government	66,38,70,000
(b) Provincial Governments	23,10,26,000
(c) Banks	5,01,10,000
(d) Others	45,53,000
Bills Payable	10,57,26,000
Other Liabilities	
Rupees	111,61,85,000

ASSETS	Rs.
Notes	8,89,62,000
Rupee Coin	40,000
Subsidiary Coin	84,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	4,01,40,000
(c) Government Treasury Bills	18,31,82,000
Balances held outside Pakistan	6,86,00,000
Loans and Advances to Governments	4,06,38,000
Provincial Governments' Debtor Balances	3,95,75,000
Other Loans and Advances	56,92,82,000
Investments	9,47,62,000
Other Assets	
Rupees	111,61,85,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,89,62,000	
Notes in circulation	337,52,64,000	
Total Notes issued	....	346,42,26,000
Total Liabilities	....	346,42,26,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,47,19,000	
Silver Bullion	....	
Approved Foreign Exchange	61,30,55,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	115,80,04,000
B. Rupee Coin	4,05,49,000	
Government of Pakistan Securities	220,66,67,000	
Internal bills of exchange and other commercial paper	....	224,72,16,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,68,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	346,42,26,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 35.05 per cent.

EXCHANGE RATES

	23rd July, 1958	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6	1-6
Buyers T.T. 10 to 12 months	1-6	1-6
Bombay on New York—		
Sellers T.T. D.D.	478·25	477·00
Buyers T.T.	475·75	474·50
London on New York	2·80¼–2·80	2·80⅛–2·80⅜
London on Paris	1·1784	1·1784
London on Berne	12·10–12·10½	12·21¼–12·21⅝
New York on London	2·80½–2·80	2·80⅛–2·80⅜

CLEARING HOUSE RETURNS

Centre	Week ended 18th July, 1958		Week ended 11th July, 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,92,764	36,83,35,000	3,06,360	38,15,97,000
Calcutta	1,69,000	27,21,09,000	1,69,000	27,80,99,000
Madras	90,752	10,34,62,420	93,647	9,18,81,653
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,66,00,000
Mar., 1958	..	..	3,784,000	8,72,62,00,000
Apr., "	..	..	3,881,000	7,91,04,00,000
May, "	..	..	3,823,000	7,90,02,00,000

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1955	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	—	3
Ceylon	11th June, 1954	3	2½
Chile	Feb., 1957	4½	6
Colombia	18th July, 1938	5	4
Costa Rica	1st April, 1954	4	5
Denmark	19th April, 1958	5½	5
Equador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	5½
France	12th Aug., 1957	4	5
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	30th Sept., 1957	5	6
Italy	7th June, 1958	4	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1958	2½	3½
Pakistan	1st July, 1948	—	3
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	3	3½
South Africa	29th Sept., 1955	4	4½
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1958	3	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1956	—	7
Turkey	6th June, 1958	4½	6
United Kingdom	20th June, 1958	5	5
U.S.S.R.	1st July 1936	3	4
U.S.A.	18th April, 1958	2½	1½
West Germany	27th June, 1958	3½	3

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	5th July 1958	28th June 1958	6th July 1957	May 1958	May 1957	Percentage of Increase (+) or Decrease(—) in May 1958 as compared with May 1957	Financial Year Average 1957-58	1956-57
Food Articles	504	116.1	116.1R	111.1	107.2	107.0	+ 0.2	109.4	102.3R
Cereals	192	108.0	106.8	104.4	99.4	103.3	— 3.8	101	96
Pulses	48	94.4	98.9R	86.4	88.2	91.3	— 1.3	83	81
Fruits and Vegetables	53	116.7	114.7R	110.4	112.3	121.1	— 7.8	114	112
Milk and Ghee	84	111.6	111.5R	109.9	107.4	106.9	— 1.4	106	100
Edible Oils	47	124.1	124.6	130.9	120.7	125.7	— 4.7	125	125
Fish, Eggs and Meat	17	107.9	105.1R*	95.8	95.4	90.4	+16.6	96	97
Sugar and Gur	46	123.8	125.7R	109.7*	116.8	102.0	+14.5	106	98
Others	50	156.2	164.9*	143.4	133 9	123.4	+ 8.5	131	123
Liquor and Tobacco	21	92.4	92.6	84.3	90.2	90.5	— 0.3	84.6	84.2
Tobacco	—	90.6	90.8	90.0	90.2	88.7	+ 1.7	88	88
Fuel, Power, Light and Lubricants	39	115.8	115.5	113.8	114.2R	112.8	+ 4.2	113.4	104.2R
Industrial Raw Materials	185	116.1	116.2	121.8	113.5	122.4	— 6.7	116.5	110.9
Fibres	61	119.3	119.3R	125.0	110.6	134.0	—10.8	118	116
Oilseeds	66	126.0	125.9	126.7	118.5	124.8	— 5.0	120	120
Minerals	2	101.0	107.8	111.4*	106.9	108.5	— 1.5	106	102
Others	55	109.7	109 8*R	106.2	110.1	105.8	+ 4.1	106	109
Manufactures	290	106.8	106.1	104.8	107.7	107.6	+ 0.1	106.1	106.3
Intermediate Products	61	111.0	110.9	108.1	106.0	109.3	— 1.2	107.3	110.9
Finished Products	229	103.1	107.8	103.7	107.8	107.3	+ 0.3	105.2	103.6
Textiles	147	104.0	102.0	106.5	104.6	107.9	— 3.1	107	106
Cotton	—	112.9	113.6	116.6	113.5	115.8	— 2.0	116	116
Jute	—	86.5	86.8	98.8	88.0	98.3	—10.5	96	96
Woollen	—	104.6	104.9	108.0	104.4	108.2	— 1.4	105	98
Silk and Rayon	—	93.9*	91.1*	85.6*	92.2*	86.6*	+ 6.5	86	98
Metal Products	12	148.0	148.0	141.5	148.0	135.5	+ 5.5	141	99
Chemicals	20	104.4	104.6	98.0	99.5	97.3	+ 2.3	98	92
Oil cakes	10	122.3	121.4	114.0	120.1	110.3	+ 8.9	113	99
Machinery and Transport Equipment	81	109.5	109.9	101.5	103.8	100.5	+ 3.3	103	99
Others	80	113.5	113.5	109.7	114.4 R	106.0	+ 7.9	110	101
All Commodities	1,000	113.4	113.3R	111.7	108.2	108.0	— 0.7	108.4	105.2R

Note:—Weights have been assigned to the sub-groups under each of the groups and these assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1956-57	(In thousand acres) 1955-56	(In thousand tons) 1956-57	(In thousand tons) 1955-56
Cereals—					
Rice	final	79,027†	79,320††	24,821†	28,282††
Wheat	final	32,891	30,386	9,068	8,569
Jowar	final	41 411†	40,367††	8,056†	7,249††
Bajra	final	27,453†	27,884††	3,565†	2,885††
Barley	final	8,594	8,382	2,744	2,749
Maize	final	9,762†	9,197††	3,064†	3,009††
Ragi	final	5,897†	5,831††	1,716†	1,715††
Small millets	final	12,209	12,713	2,010	1,937
Total cereals	final	215,642	214,082	57,251	54,456
Pulses—					
Gram	final	23,990	24,157	5,930	5,331
Tur	final	5 696	5,637	2,047	1,830
Other Kharif pulses‡	final	15,832†	16,484††	1,401†	1,515††
Rabi pulses‡	final	11,443	11.703	1,794	2 038
Total pulses	final	57,295	57,064	11 435	10,831
Total foodgrains		272 937	271,146	68,686	65,287
Oilseeds—					
Groundnut	final	14,457†	13,450††	4,271†	4,200††
Castorseed	final	1,325†	1,415††	971†	1,241††
Sesamum	final	5,268†	5,440††	363†	442††
Rape and Mustard	final	6,211	6,317	1,017	848
Linseed	final	3,758	3,781	349	414
Total oilseeds	final	29,906	29.848	6,032	5 705
Fibres—					
Cotton*	final	19,843	19,978	4 723	4,001
Jute A.	final	1,751†	1,908††	4,988†	4,238††
Mesta A.	final	726†	733††	1,211†	1,478††
Other crops—					
Potato	final	702	691	1,674	1,830
Sugarcane	2nd	4,784†	4,475††	63,501†	58,985††
Ginger (Dry)	final	40	40	15	15
Pepper (Black)	final	234	233	32	32
Chillies (Dry)	final	1,450	1,420	354	355
Tobacco	final	1,022	1,013	306	295

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A. In thousand bales of 400 lbs. each. † Refers to 1957-58.
†† Refers to 1956-57.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	Jan. to Dec. 1956	Jan. to Feb. 1958	Jan. to Feb. 1957
Exports	637,74	58,804	94,60	110,04
Re-exports	5,11	7,56	2,09	97
Total Exports	642,85	595,60	96,69	110,71
Imports	1025,85	813,68	132,26	156,80
Overall Balance of Trade	—382,97	—218,08	—35,57	—45,59
Exports—				
Tea	123,40	139,74	19,36	28,42
Jute yarns and manufactures	59,51	112,52	9,08	8,29
Cotton yarns and manufactures	65,94	62,13	10,03	13,93
Metallic ores and scrap iron or steel for re-manufacture	49,80	23,86	6,85	2,40
Cotton, raw and waste	18,66	28,09	2,37	4,29
Oils—Vegetable, mineral and animal	19,31	24,51	3,38	2,65
Fruits and vegetables	18,60	18,03	2,78	2,06
Tobacco	12,83	13,80	1,12	56
Misc.	8,67	8,73	1,35	1,43
Wool—Raw	11,73	10,64	1,38	1,57
Gums, resins and lac	8,59	11,19	1,48	30
Spices	8,43	9,16	1,34	2,19
Hides and skins, raw	5,99	6,07	90	1,21
Imports—				
Machinery of all kinds	232,97	180,12	37,88	30,50
Metals, iron and steel and manufactures thereof	146,98	122,40	18,42	22,98
Oils—vegetable, mineral and animal	113,38	74,69	9,88	12,49
Cotton, raw and waste	48,62	53,61	5,89	11,10
Chemicals, drugs and medicines	76,77	48,14	10,12	9,39
Electrical goods and apparatus	61,14	20,15	9,27	8,05
Paper, pasteboard, etc.	18,11	15,99	1,33	2,07
Vehicles (excluding aircraft, ships and boats)	71,35	69,91	6,70	5,31
Fruits and vegetables	21,37	12,66	4,11	3,87
Spices	2,98	8,10	37	52
Dyes and colours	13,37	16,37	1 12,	2,55
Woollen and worsted fabrics	1,31	2,18	8	18
Cotton fabrics	2,37	2,39	21	50

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During June, 1958	82.4
	Corresponding month, 1957	80.1
	Twelve months ended June, 1958	1,056.2
	Corresponding period, 1957	1,025.2
Stocks	At the end of June, 1958	134.0
	Corresponding month, 1957	116.0
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1955-56	857.2
	1956-57	852.5
	May 1957	65.9
	May 1958	61.7
For Internal Consumption	1955-56	190.0
	1956-57	179.0
	May 1957	16.8
	May 1958	17.8
	RAW JUTE	(In lakh bales)
Consumption by Mills	June, 1958	4.78
	Corresponding month, 1957	4.65
	Twelve months ended June 1958	61.26
	Corresponding period, 1957	59.46

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Centres §	Units Generated‡	Total Units Sold
1955-56	715	8,266.8	7,126.8
1956-57	769	8,977.8	8,106.1
February 1957	747	811.9	677.7
March " "	769	874.6	716.5
January 1958	825	973.9	788.1
February " "	828	919.7	748.2
March " "	834	969.3	791.8

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. †Including purchases from non-electricity utilities.
‡ At the end of period. *Source*:—Central Water and Power Commission.

INDEX NUMBERS OF INDUSTRIAL PRODUCTION

(Base : 1951=100)

	1956	1957	Jan., 1958	Feb., 1958	Feb., 1957
General Index	132.6	138.9	143.5	143.4	142.7
Coal	114.9	126.9	135.4	141.0	133.6
Sugar*	166.5	182.8	181.3	148.0	128.0
Tea*	186.0	185.8	155.9	152.1	139.3
Cotton textiles	122.0	127.5	112.2	112.1	122.7
Jute textiles	127.3	120.5	133.8	128.8	133.5
Paper and paperboards	146.6	159.3	184.5	180.0	157.7
Matches	106.6	99.9	100.3	103.2	101.6
Cement	154.2	175.3	219.0	201.9	174.4
Iron and steel	119.4	119.3	131.4	128.6	121.2
Miscellaneous metals	124.7	151.3	130.3	171.3	149.2
Rayon	355.8	459.3	574.5	592.0	434.3
Rubber products	..	..	198.3	180.2	172.7
Chemicals products	..	..	195.6	197.3	186.8
Automobiles	..	..	139.3	130.4	184.4
Bicycles	..	..	831.8	927.0	743.9

*Adjusted for seasonal fluctuations.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March 1956	11,55,900	10,62,100	7,97,800
Do. 31st March, 1957	11,55,500	10,73,600	7,97,500
Do. 31st March, 1958	10,98,300	11,06,800	7,99,900
April 1957	92,300	89,500	62,500
May "	91,300	86,800	65,100
June "	84,500	77,900	52,300
April 1958	95,000	100,300	63,000
May "	57,400	52,000	28,500
June "	84,900	85,700	62,000
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1956	7,06,986	5,31,505	4,50,607
Do. 31st March, 1957	6,95,156	5,32,316	4,41,483
Do. 31st March, 1958	7,33,945	5,07,580	4,10,558
Three months ended Mar., 1957	1,83,857	1,39,820	1,20,578
" " " June, 1957	1,72,225	1,29,651	1,05,006
" " " Sept., 1957	1,71,397	1,18,172	96,815
" " " Dec., 1957	1,90,484	1,25,194	1,02,145
" " " Mar., 1958	1,99,839	1,33,563	1,06,501
" " " June 1958	2,14,469	1,21,988	1,01,014

INDUSTRIAL PRODUCTION

Industries.		1956	1957	January, 1958*	February, 1958*	March 1958	March 1957
Major Industries—							
Coal	million tons	39.42	43.54	3.95	3.71	3.70	3.65
Steel (Ingots and Metal for castings)	thousand tons	1,738	1,715	165	146	—	150
Yarn	million lbs.	1,671	1,780	149	133	138	150
Cloth	million yds.	5,307	5,317	437	391	406	453
Cement	million tons	4.93	5.50	0.59	0.50	0.58	0.49
Jute	thousand tons	1,093	1,038	98	85	85	85
Paper and paper boards	tons	193,494	210,132	20,680	18,227	—	17,290
Matches	cases	615,000	575,400	49,000	45,800	—	52,000
Sugar	thousand tons	1,951	2,068	430	412	376	376
Engineering and Electric Industries—							
Machine tools	Value in lakhs of Rs.	120.23	250.59	39.64	35.32	—	16.90
Electric lamps	millions	30.73	33.15	2.61	2.95	2.47	2.88
Dry cells	millions	131.44	160.56	13.18	12.96	10.65	14.16
Power transformers	k.v.a.	819,200	1,219,200	101,300	97,100	—	111,700
Electric motors	h.p.	358,860	489,200	45,000	45,100	—	33,000
Electric fans	Nos.	335,490	524,400	51,100	50,700	50,200	43,800
Radio receivers	Nos.	168,900	190,272	16,188	14,653	15,508	14,702
Storage batteries	Nos.	314,400	324,000	23,900	27,800	28,000	27,600
Dry batteries	Nos.	19,260	8,556	594	538	—	950
Copper conductors	tons	....	1,020	106	110	—	76
Winding wires	tons	735	1,026	103.26	7.83	—	9 02
Rubber and plastic ins. cables and flexibles	million yds.	105.56	103.26	10.33	9.80	—	4,100
Transformers	Nos.	62,400	186,000	55,700	29,800	—	0.41
Insulators—H.T.	million Nos.	4.72	4.59	0.48	0.31	—	587
Insulators—L.T.	Nos.	3,384	3,336	241	293	406	1,119
Diesel engines—Vehicular	Nos.	12,012	16,548	2,055	1,956	—	....
Do —Stationery	Nos.	....	....	....	....	....	....
Chemical industries—							
Salt	million mds.	86.35	98.70	3.56	6.69	11.39	8.70
Caustic soda	tons	39,420	42,708	4,082	30,732	3,587	3,826
Soda ash	tons	84,240	91,920	8,651	7,981	8,564	8,541
Chlorine liquid	tons	15,072	15,900	1,295	1,275	1,337	1,446
Bleaching powder	tons	4,046	5,340	519	505	570	440
Bleaching powder	tons	3,264	3,672	239	304	—	323
Sulphuric acid	tons	166,216	191,868	16,987	17,919	—	15,475
Superphosphate	tons	81,166	141,

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53 = 100]

Group and Sub-Group	Week ended 12th July 1958	5th July 1958	14th June 1958	13th July 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.1	99.1	99.1	98.4
2. Government of India	98.9	98.9	98.9	98.1
3. State Government	100.6	100.6	100.6	100.3
4. Municipal, Port Trust, etc.	98.8	98.8	98.8	99.4
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.2	99.2	99.1	101.3
6. Plantations	100.0	100.0	100.0	100.2
7. Coal	99.6	99.6	99.6	100.4
8. Sugar	99.0	99.0	99.0	100.6
9. Cotton Textiles	97.5	97.9	97.9	100.3
10. Jute Textiles	92.9	92.9	92.9	98.1
11. General Engineering	97.8	97.8	97.8	99.9
12. Electricity Generation and Supply	96.5	96.5	96.5	98.8
13. Others	101.1	101.2	101.0	102.9
PREFERENCE SHARES—ALL INDIA.				
14. Total	85.8	85.6	85.3	81.8
15. Plantations	95.2	95.2	97.2	100.5
16. *Mining & Quarrying: Total@*	84.2	84.8	85.7	83.1
17. Coal	74.2	75.1	75.5	85.2
18. *Processing and Mfg.: Total*	85.7	85.4	84.9	92.3
19. Sugar	88.7	88.7	88.7	97.9
20. Cotton Textiles	80.0	78.7	78.5	89.8
21. Jute Textiles	71.3	70.8	68.6	77.7
22. Iron and Steel	89.9	89.8	88.8	91.8
23. General Engineering	98.5	98.5	99.3	117.1
24. Basic Industrial Chemicals	84.6	84.3	83.5	87.1
25. Cement	95.3	95.2	96.3	102.8
26. Paper	83.8	84.0	84.5	93.5
27. *Other Industries: Total*	83.8	83.7	83.7	85.1
28. Electricity Generation and Supply	86.8	86.8	86.9	86.5
29. Trading	74.3	74.1	74.1	79.2
30. Shipping and Other Transport	85.2	85.2	85.6	86.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	136.6	135.9	129.8	133.4
32. *Agriculture and Allied Activities: Total**	150.9	148.1	145.0	164.4
33. Tea Plantations	145.8	142.0	141.0	165.4
34. Coffee Plantations	208.1	209.5	197.7	183.3
35. Rubber Plantations	148.5	146.2	140.7	157.0
36. *Mining and Quarrying: Total.*	138.9	138.2	127.3	136.5
37. Coal	100.4	100.2	98.2	91.2
38. Other Mining	163.8	164.3	147.2	165.9
39. *Processing and Manufacturing: Total*	136.0	135.3	128.7	133.9
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	126.7	126.0	119.8	130.6
41. Sugar	161.3	162.8	156.4	170.0
42. Cotton Textiles	119.9	118.9	111.3	131.6
43. Jute Textiles	72.9	71.0	67.4	68.1
44. Silk and Woollen	413.4	413.0	404.0	367.0
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	146.6	146.0	138.1	139.1
46. Iron and Steel	137.9	137.5	128.0	120.9
47. Transport Equipment	206.0	203.8	191.0	190.3
48. Electrical Machinery	143.9	141.7	137.7	157.8
49. Machinery other than Transport and Electrical	157.0	156.6	154.7	157.7
50. Basic Industrial Chemicals	125.3	123.4	108.6	123.1
51. *Processing and Mfg. (Others): Total**	144.7	144.0	137.8	134.6
52. Cement	139.0	138.6	128.6	132.1
53. Paper	182.9	181.6	182.9	165.5
54. *Other Industries: Total**	110.0	109.3	106.4	106.7
55. Electricity Generation and Supply	91.3	91.0	90.3	92.0
56. Trading	88.0	85.3	82.3	83.1
57. Shipping and Other Transport	132.4	131.6	125.4	123.3
58. Construction	221.1	222.8	211.9	205.7
59. *Financial: Total*	171.2	172.6	165.7	141.0
60. Banks	194.1	194.8	189.4	156.6
61. Insurance	125.1	126.2	127.0	105.9
62. Investment Trusts	77.1	76.6	75.1	88.8

*Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
@ Including other mining.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of average Number of workers involved	Number of man-days lost
1954	840	477,188	2,272,690
1955	1,166	527,767	3,007,345
1956 R	1,326	715,190	4,962,048
February 1957	124	45,723	260,041
March "	113	49,990	287,824
April "	161	61,260	414,588
May "	162	68,320	454,987
June "	152	100,220	784,545
July "	198	61,750	421,211
August "	206	144,551	842,506
September "	222	144,579	843,506
October "	222	102,884	583,296
November "	175	66,168	385,979
December "	155	83,471	512,881
January 1958 ..	145	54,297	354,135
February "	140	99,070†	442,754†
March "	148	77,713†‡	735,167††

† Not known in 6 cases. †† Not known in three cases.
‡ In progress during the month. R = Revised.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India† ..	'56-'57	387.68	..	11,010	284
Pakistan†† ..	'56-'57	83.50	..	2,079	249
Burma	1955	19.48	Kyats 4,087	409	210
Ceylon	1955	8.88	..	475	567
Japan	1956	90.90	Y. 7,427,000	9,288	1,021
Philippines	1955	21.85	Ps. 7,804	1,878	857
New Zealand	1956	2.17	£(N.Z.) 884	1,178	5,428
Australia	1956	9.40	£(A.) 4,238	4,423	4,918
U.K.	1956	51.20	£ 16,465	21,953	4,287
U.S.A.	1956	168.09	$ 843,600	163,554	9,731
Canada	1956	16.00	$ 22,710	10,787	6,742
France	1956	45.60	Fr.Fr. 13,990,000	17,140	3,046
W. Germany	1956	51.50	Dm. 147,000	16,889	3,279
Italy	1956	48.10	Lr. 11,476,000	8,760	1,821
Norway	1956	3.46	Kr. 20,990	1,466	4,358
Sweden	1956	7.30	Kr. 44,580	4,127	5,653
Netherlands	1956	10.80	Grs. 25,400	3,215	2,977
Denmark	1956	4.46	Kr. 24,950	1,690	3,789
Switzerland	1956	5.00	Sw. Fr. 24,700	2,714	5,428

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: *International Financial Statistics*, November 1957.

† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central tatistical Organisation.

†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur
	(1949=100)	Base June (1954=100)	Base July (1927=100)	Base January (1928=100)	Base (1949=100)	Base (1949=100)	Base August (1939=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)
1952 Average	93	337	259	319	92	101	351	102	106	106	111	112	99
1953 "	100	362	275	323	95	103	348	100	106	104	102	112	100
1954 "	101	359	244	294	85	99	327	106	105	91	98	106	98
1955 "	96	334	217	246	78	96	321	99	99	82	87	96	96
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	106
1957 "	111	369	259	329	94	112	364	116	114	99	106	115	107
January 1957	107	355	251	321	91	109	354	115	113	99	101	104	103
February "	107	357	253	311	92	109	350	114	114	100	100	107	105
March "	107	356	254	320	91	110	348	114	114	99	99	107	105
April "	108	356	256	325	89	110	345	114	112	95	102	110	107
May "	110	363	257	337	92	111	352	115	114	96	104	113	108
June "	112	370	259	339	93	112	371	115	115	98	103	113	111
January 1958	111	382	254	329	91	115	368	120	109	96	106	120	107
February "	110	388	245	297	89	115	364	120	106	95	108	118	106
March "	110	381	253	293	89	115	368	119	108	96	102	119	105
April "	111	389	261	295	91	116	368	119	107	96	100	118	106
May "	112	387	263	295					108	97	101	119	107

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A	National Savings Certificates 7-Year B	National Savings Certificates 12-Year B	12-Year National Plan Savings Certificates C	Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F	10-Year Treasury Savings Deposit Certificates 4% G	15-Year Annuity Certificates G	Total	
	Outstandings	Outstandings	Outstandings	Receipts	Receipts	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings H
1952-53	6,83	3,26	84,17	..	113,35	32,03	—31,07	25,64	..	..	146,83	211,05
1953-54	5,91	4,26	104,38	..	117,37	106,29	—34,29	32,11	..	..	152,71	252,98
1954-55	4,70	4,99	124,64	..	134,94	130,88	—36,35	37,16	..	55	177,35	310,29
1955-56	3,76	5,48	144,37	..	158,11	167,88	—37,68	41,25	..	45	203,53	380,04
1956-57	3,00	6,01	163,88	..	176,97	196,50	—38,82	44,28	..	43	225,88	440,17
1957-58	2,23	4,73	143,59	71,39	172,40	207,96	—39,71	43,58	5,88	5,88	63	1,87	256,80	504,33
1957														
August	2,68	5,49	160,38	5,03	13,31	12,64	201,68	25,61	—39,18	44,27	52	1,76	3	1,42	17,91	456,60
September	2,60	5,39	158,23	6,86	20,17	14,05	203,17	25,17	—39,26	44,14	63	2,39	4	1,46	21,54	462,72
October	2,54	5,26	155,82	6,17	26,33	12,51	202,83	24,87	—39,33	44,07	54	2,81	2	1,47	19,12	465,94
November	2,48	5,14	153,40	6,48	32,82	13,25	202,58	24,47	—39,38	43,96	49	3,29	2	1,49	20,24	469,65
December	2,43	5,06	151,07	6,41	39,23	13,00	202,55	24,14	—39,47	43,89	46	3,76	2	1,50	19,90	473,63
1958														
January	2,37	4,94	148,57	7,95	47,18	13,88	202,54	23,77	—39,55	43,80	68	4,44	18	1,68	22,68	479,29
February	2,31	4,83	146,14	10,24	57,42	14,22	203,12	23,45	—39,62	43,69	74	5,18	9	1,75	25,29	487,89
March	2,23	4,73	143,59	13,97	71,39	19,89	207,96	23,13	—39,71	43,58	70	5,88	12	1,87	34,68	504,33
April	2,16	4,65	141,45	6,56	77,92	15,27	208,29	22,87	—39,80	43,47	77	6,65	11	1,97	22,71	509,43
May	..	..	..	..	..	..	..	..	..	43,37	57	7,22	5	2,01	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947 From June 1, 1957. G—From July, 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included.

† Provisional.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-32	68,30,26,000	1960-70	100 30
3 % Loan	1935-39	116,17,46,000	1965-65	95 65
3 % Loan	1950	20,38,10,000	1964	95 70
3 % Fg. Loan	1943	1,10,11,78,000	1956-68	93 10
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	87 60
3 % 2nd V Loan	1945	1,13,65,64,000	1959-61	99 40
2½ % Loan	1951	16 09,64,000	1958	99 85
2½ % Loan	1946	45,63,07,000	1960	99 25
2½ % Loan	1946	57,00,69,000	1961	95 60
2½ % Loan	1946	14,77,48,000	1976	85 10
2½ % Loan	1947	78,85,72,000	1962	94 60
2½ % N. P. Bonds	1953	75,29,00,000	1961	99 65
2½ % N. P. Loan	1954	1,58,17,90,000	1964	98 95
2½ % N. P. Bonds (2nd Series)	1955	1,08,67,92,000	1965	98 60
3 % Loan	1956	87,27,36,000	1962	98 10
3½ % N. P. Bonds	1956	33,81,83,000	1967	97 30
3¼ % Loan	1956	66,63,53,000	1974	98 30
3½ % N. P. Bonds (4th Series)	1957	56,99,15,000	1967	99 65
4 % Loan	1957	49,16,87,000	1972	100 35
3½ % Loan	1958	56,00,00,000	1963	99 20
3¼ % Loan	1958	34,84,00,000	1968	99 60
4 % Loan	1958	49,47,00,000	1973	100 05
NON-TERMINABLE LOANS				
2½ % Loan	1896-97	5,03,24,000	M.	71 25
3% Loan	1946	2 48,91,37,000	K.	71 10
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97 80
4 % Andhra	1956	6,58,15,000	3rd Sept. 1968	97 70
4½ % Andhra	1958	5,00,00,000	15th July 1970	99 00
3 % Bombay	1944	3,04,12,000	15th Aug. 1958	99 90
3 % Bombay	1949	5,45,75,000	1st Aug. 1962	94 50
3 % Bombay	1950	2,83,70,200	31st July 1960	97 75
3 % Bombay	1951	2,90,05,000	17th Sept. 1962	98 10
3½ % Bombay	1953	5,25,90,208	15th July 1963	99 60
4 % Bombay	1952	3,45,54,500	1st Aug. 1964	99 40
4 % Bombay	1955	9,87,51,000	1st Sept. 1967	98 40
4 % Bombay	1956	8,07,06,800	3rd Sept. 1970	98 90
4½ % Bombay	1957	6,60,00,000	16th Sept. 1969	100 25
4½ % Bombay	1958	5,00,00,000	15th July 1970	100 25
4 % Bombay	1958	5,00,00,000	15th July 1971	99 90
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97 60
4 % Bihar	1956	3,13,15,000	3rd Sept. 1968	97 50
3½ % Gujarat	1948	1,00,00,208	16th Dec. 1955-58	98 00
3½ % Gujarat	1956	78,09,000	1st June 1956-61	97 75
3½ % Hyderabad	1956-57	1,77,08,700	1956-66	94 15
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	97 80
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	97 75
3 % Madras	1949	1,25,96,000	21st June 1959	98 70
3 % Madras	1947	1,97,95,000	15th Aug. 1958	99 60
3 % Madras	1945	2,78,44,000	14th Sept. 1960	97 70
3 % Madras	1946	2,81,77,300	1st Sept. 1961	94 60
3 % Madras	1950	4,38,35,400	31st July 1960	97 75
3½ % Madras	1951	3,01,49,308	17th Sept. 1962	97 85
4 % Madras	1958	40,88,71,000	15th July 1963	99 45
4 % Madras	1952	5,34,81,800	1st Aug. 1964	99 45
4 % Madras	1953	10,67,17,000	1st Sept. 1967	97 90
4 % Madras	1956	12,83,56,000	3rd Sept. 1968	97 85
4½ % Madras	1958	5,00,00,000	15th July 1970	99 50
4 % Mysore(j)	1933	2,95,85,280	1st Dec. 1953-63	101 25
4 % Mysore(j)	1936	5,99,78,000	30th Apr. 1956-61	99 30
4 % Mysore	1938	3,38,47,000	15th July 1962	99 30
4 % Mysore	1954	3,54,94,000	1st Sept. 1967	97 60
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97 65
4½ % Mysore	1957	3,00,00,000	16th Sept. 1969	100 00
4½ % Mysore	1958	5 00,00,000	15th July 1970	99 50
3 % M.P.	1944	1,52,00,000	15th Aug. 1958	99 70
3 % M.P.	1948	2,08,28,800	15th Sept. 1964	98 50
3 % M.P.	1950	1,01,45,000	31st July 1960	97 80
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	97 70
3½ % M.P.	1953	1,10,18,000	15th July 1963	99 20
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97 70
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97 60
4½ % M.P.	1958	2,00,00,000	15th July 1970	99 10
4 % Saurashtra	1956	2,61,85,500	1st Sept. 1967	98 25
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	98 10
4% Trav. Cochin	1956	2,26,61,000	15th July 1963	98 70
4% Trav. Cochin	1956	2,20,14,000	3rd Sept. 1968	98 75
4½ % U.P.Z.A.	1952	41,44,79,000Z	..	47 25
3 % U.P.	1936	1,56,25,800	18th Sept. 1961-66	90 85
3 % U.P.	1943	2,87,21,000	15th Aug. 1958	99 90
3 % U.P.	1945	2,17,22,000	14th Sept. 1960	97 40
3 % U.P.	1946	2,16,39,000	1st Sept. 1961	94 80
3 % U.P.	1951	1,87,98,000	17th Sept. 1962	97 75
4 % U.P.	1952	5,11,45,000	1st Aug. 1964	99 00
4 % U.P.	1953	5,65,16,000	15th July 1963	99 35
4 % U.P.	1955	9,52,54,000	1st Sept. 1967	97 85
4 % U.P.	1956	8,74,72,000	3rd Sept. 1968	97 80
4 % U.P.	1958	7,00,00,000	15th July1970	99 50
4 % Rajasthan	1954	8,14,19,000	3rd Sept. 1968	97 50
4½ % Rajasthan	1954	2,50,00,000	15th July 1970	99 50
4 % Orissa	1956	8,06,99,000	3rd Sept. 1968	97 45
4½ % Orissa	1958	3,00,00,000	15th July 1970	99 00

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
26,50,000	4	1904	1944	
55,00,000	4	1905	1945	
15,00,000	4	1906	1947	
44,00,000	4	1907	1948	96.10N
40,00,000	4	1908	1948	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
1,10,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1912*	1940	D
86,00,000	4	1913	1974	96.00N
85,35,000	4	1914	1975	96.00N
16,00,000	4	1915*	1960	
85,00,000	4	1915*	1975	
61,61,000	4	1916*	1960	
11,51,000	4	1924*	1960	
15,25,000	3½	1926*	1960	
85,00,000	3½	1926*	1960	D
13,80,000	3½	1926*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,50,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,80,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
99,24,880	4	1914	1974	97.75
75,00,100	4	1915	1975	97.75
1,50,00,0000	3††	1921	1931	82.00
68,92,8000	6‡	1921	1931	144.00N
1,49,30,000	5	1938	1958-68	101.00
80,00,000	3½	1931	1961	90.00
80,80,000	3½	1935	1965	97.50
25,00,000	3	1938	1968-68	90.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	3	1947	1977	84.00
1,00,00,000	3	1948	1978	83.75
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	98.25
1,00,00,000	3	1949	1959	98.25
50,00,000	3	1950	1960	82.00
1,00,00,000	3	1950	1960	97.90
1,00,00,000	3	1950	1960	97.90
50,00,000	3	1951	1961	81.75
1,50,00,000	3½	1951	1961	98.50
50,00,000	3	1952	1962	100.00
50,00,000	3	1953	1963	97.50
50,00,000	4	1953	1983	97.25
90,00,000	4	1954	1984	97.25
77,00,0000	4	1954	1988	97.25
78,00,0000	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
STERLING LOANS				
£892,600	5	1923	1983-83	£50.00
£901,008	5	1924	1984-84	£50.25
£355,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000†	3	1947	1977	A
1,00,00,000	3	1949	1979	
45,80,0001	4½	1954	1984	

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97.80
3½ % W. Bengal	1951	1,76,00 000	17th Sept. 1962	98.10
4 % W. Bengal	1952	2,60,00,000	1st Aug. 1964	99.25
4 % W. Bengal	1953	3,50,23,000	15th July 1963	99.40
4 % W. Bengal	1955	5,88,30,800	1st Sept. 1967	98.25
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	98.05
4½ % W. Bengal	1958	5,00,00,000	15th July 1970	99.50
4½ % Kerala	1958	3,00,00,000	15th July 1970	99.00

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75
20,00,000	4	1906	1966	W
25,00,000	4	1912	1972	
15,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
25,00,000	4	1916	1976	N
40,00,000	5	1919	1957-79	118.00
66,00,000	5	1920	1955-80	
28,00,000	5	1926	1956-86	115.00N
40,00,000	5	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOAN				
£566,600		1909	1968	95.50N
£338,000		1919	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	102.00
50,00,000	4	1934	1964	99.00
35,00,000	3½	1935	1964	90.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1962	91.00
20,00,000	3	1938	1968-68	90.00
50,00,000	3	1945	1965	90.25
1,00,00,000	4	1956	1968	99.00
50,00,000	4½	1958	1968	99.75

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,00,000	4	1919-18	1974	97.00
10,00,000	4	1920	1960	101.00
25,00,000	5	1922	1958	101.50
26,21 500	5	1929	1959	101.50
8,25,00,000	3½	1947	1977	84.00
2,50,00,000	3½	1948	1978	84.00
4,00,00,000	3½	1950	1965	92.25
2,50,00,000	4	1952	1964	97.85
2,00,00,000	3½	1951	1965	92.25
1,50,00,000	4	1952	1968	97.85
1,00,00,000†	4	1952	1964	97.85
1,00,00,000†	4	1954	1966	97.75
2,50,00,000	4	1955	1967	97.25
1,50,00,000	4	1956	1968	97.25
Rs.				Rs.
CALCUTTA				
36,00,000	5	1928	1958	102.00
25,00,000	5	1929	1958	102.00
10,00,000	5½	1932	1962	103.00
33,91,000	3½	1925	1965	94.00
66,00,000	3	1936	1966	90.00
47,50,000	3	1938	1968	90.00
17 54,400	3½	1949	1959	96.50
21,10,000	3½	1942	1972	92.00
16,23,000	3½	1951	1961	97.50
66,35,000	3½	1948	1978	84.00
97,86,000	4	1952	1962	99.25
72,50,000	4½	1954	1978	100.00
2,22,72,000	4	1955	1985	
87,00,000,000	4½	1958	1970	100.00
Rs.				Rs.
MADRAS				
15,00,000	3½	1951	1961	107.00
15,00,000	3½	1952	1962	107.50

ABBREVIATIONS.

A—Held by Government of India. B.—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees.
†Bombay State Transport. †† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1958. ‖—Interest-free for 15 years. ¶—Interest-free for first 7years.
½—Sixty instalments but inclusive of accrued interest. M—At the option of Government after three month's Not
K—On September, 1966, or later at option

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciations is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BOMBAY CITY AND ISLAND																
50,00,000	5,37,500	1,01,25,506	44,06,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1·90	2	0·19	0·19	*Nil*		12	Y.
40,40,000	24,00,000	1,40,03,494	78,99,035	17,802	M.	50,596	1,031	B. R. Cotton Mills	20·80	100	*Nil*	*Nil*	*Nil*		3	Y.P.T
2,50,00,000	3,42,58,483	7,96,50,951	3,93,39,819	35,708	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,484	3,646	Bombay Dyeing & Mfg. Co.	58·80	25	2·50	2·50	2·50		12	Y.
10,00,000	42,53,860	64,14,209	42,32,976	63,115	Ramnarain Sons Private Ltd.	44,764	860	Bradbury Mills	175·00	50	12·50	20·00	15·00		3	Y.P
1,09,42,860	2,79,59,276	7,45,32,167	2,69,08,324	9,27,648	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg. ..	467·00	100	22·00	23·00	22·00		12	Y.
40,00,000	25,42,326	1,19,99,766	65,07,035	—83,08,097	V. J. Pitani (Chairman and Managing Director)	50,596	698	Colaba Land & Mill ..	29·50	100	*Nil*	*Nil*	*Nil*		12	Y.
25,00,000	19,03,880	90,15,907	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	30,984	680	Coorla Spg. & Wvg. ..	119·00	100	7·50	12·50*			3	Y.
25,00,000	21,66,515	80,91,069	49,34,966	24,340	Ramnarain Sons Private Ltd.	41,338	..	Dawn Mills	95·00	50	15·00	—	7·50F		3	Y.
34,00,000	40,06,488	1,13,54,400	62,28,676	2,28,479	Purannmal Bubna Sons ..	46,668	928	Edward Textiles ..	260·00	200	18·00	15·00			12	Y.
29,98,050	16,71,233	1,29,97,050	78,22,600	95,787	M.	45,996	886	Elphinstone Spg. & Wvg.	44·00	50	5·00	15·00			12	Y.P
50,00,000	65,54,875	1,67,34,054	89,06,207	37,155	James Finlay & Co., Ltd. ..	52,528	784	Finlay Mills	282·00	100	20·00	20·00	20·00		12	Y.
50,00,000	48,98,022	94,91,910	61,37,387	10,233	James Finlay & Co., Ltd. ..	45,768	1,018	Gold Mohur Mills Ltd. ..	191·25	100	15·00	15·00	15·00		12	Y.
11,84,000 / 16,000	1,31,31,482	1,71,88,061	1,16,49,125	88,061	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills.	4,800·00 / 992·50 / 10·08 / 1·46 / 4,510·00	1,000 / 200 / 0 100. / 0 10. / 1,000	300·00 / 75·00 / 0·94 / 0·19 / 300·00	325·00 / 81·25 / 0·92 / 0·18 / 325·00*	380·00* / 87·50* / / / 325·00*		3 / 12 / 3	Y.P. / Y. / Y.P.
2,50,00,000	56,39,672	4,90,61,319	3,54,00,000	1,29,989	Agarwal & Co.	2,44,150	6,278	India United Mills ..	—	500	150·00	150·00	162·50*		12	Y.
5,65,000 / 35,000	1,12,51,255	1,60,59,952	1,06,65,993	75,722	M.	36,781	1,152	Indian Mfg.	4,510·00	1,000	300·00	325·00*	325·00*		3	Y.P.
50,55,000	46,10,421	2,18,61,680	2,25,81,104	78,146	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	188·75	100	12·00	10·00	10 00(e)		6	Y.P.
1,00,00,000	1,13,27,791	3,67,76,376	2,84,94,794	52,791	Killick Industries Ltd.	1,20,304	1,846	Kohinoor Mills	280·00	100	18·00	18·00	18 00		12	Y.
33,18,800	46,27,870	1,28,88,753	87,99,178	43,271	N. Sirur & Co. Private Ltd.	49,000	644	Modern Mills	70 00N	50	8 00*	8 00*	5 00*(f)		10	Y.T.
51,75,000	38,44,813	2,84,74,625	1,48,16,328	23,520	Piramal Sons Private Ltd.	71,604	1,552	Morarjee Goculdas Spg. & Wvg.	238·00	100	14·00	15·00	14 00(e)		6	Y.P.
1,50,48,400	1,42,58,205	10,55,96,105	2,40,00,000	1,23,937	Chinai & Co. Private Ltd. ..			National Rayon Corporation	231·50	100	12·00	14 00*	14 00		12	Y.P.
24,00,000	25,62,456	82,11,723	48,70,075	1,495	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg.	117·50	100	10·00	10·00	5 00		12	Y.
30,00,000	11,72,134	101,83,002	63,37,034		W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg.	215·00	100	10·00	10·00	*Nil*		12	Y.P.
40,00,000	54,30,707	1,61,36,802	1,02,32,041	4,06,677	Ramnarain Sons Private Ltd.	69,208	1,190	Phoenix Mills	120·00	100	10·00		12 50F		3	Y.
40,00,000	48,64,554	53,92,841	25 34,581	1,63,546	Podar Sons Private Ltd. ..	32,500	930	Podar Mills	139·25	100	12·00*	12·00*	10.00		12	Y.P.
10,00,000	1,78,282	24,10,104	18,80,788		M.			Sassoon & Alliance Silk Mill	49·88	10	0·50	0·25(e)			12	Y.
37,70,198	1,19,96,715	2,11,84,514	1,36,87,248	12,182	M. G. Investment Corp. Private Ltd	94,884	2,127	Sassoon Spg. & Wvg. ..	47·50	10	2·00	2·00	2.00		12	Y.
80,00,000	44,70,081	1,27,66,700	67,72,552	58,580	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	154·50	100	12·00	12·00	8.00		12	Y.P.
42,00,000	30,80,473	1,95,86,294	79,54,101	8,089	Forbes F. Campbell & Co. Pvt. Ltd.	49,340	1,274	Simplex Mills	181·00	50	10·00	12·00	8.50	6.50	3	Y.
57,30,000	2,50,29,472	2,96,16,751	1,87,99,317	1,55,642	Mafatlal Gagalbhai & Sons ..	97,586	2,409	Standard Mills	480·00	100	20·00	25·00*	25.00*		12	Y.P.
1,00,00,000	95,08,854	2,70,80,490	1,44,86,214	29,124	Tata Industries Private Ltd.	72,286	2,000	Svadeshi Mills	192·50	100	15·00	16·00*	9.00		12	Y.P.
66,00,000	65,13,465	1,52,27,488	98,52,715	26,062	James Finlay & Co., Ltd. ..	40,828	549	Swan Mills	350·00	100	25·00	25·00	25.00		12	Y.
65,57,875	53,20,412	2,18,16,540	90,53,601	17,925	Tata Industries Private Ltd.	70,932	1,500	Tata Mills	39·25	25	4.00	3.50*	2.00		12	Y.T.
12,00,000	1,31,85,855	1,45,81,907	95,78,967	93 935	M.	54,136	1,212	Western India Spg. & Mfg.	4,625·00	1,000	300·00	300·00	325.00*		3	Y.P.
AHMEDABAD																
11,98,600	5,57,619	29,87,104	19,12,229	16,013	Setna & Co.	24,800	..	Asher Textiles Ltd. ..	217 00N	100	12·50	15.00	12.50		6	Y.
72,00,000	17,82,554	1,87,55,117	69,45,582	6,710	C. S. Trasjee, Esq.	36,136	716	Asam Jahi Mills	52·50	100	3·50(e)	5.00	3.50		9	Y.
1,21,50,000	1,47,74,679	3,07,96,866	2,76,48,043	2,96,471	Binny & Co. (Madras), Ltd.	46,250	1,157	Bangalore Woollen, Cotton and Silk Mills ..	160·00	100	20.00	20.00	10.00*(f)		12	Y.P.
35,00,000	99,61,544	1,33,11,187	1,09,74,387	2,64,725	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	27 00N	10	3.00	1.50	1.50		3	Y.
1,78,47,800	2,99,20,000	6,93,67,945	4,19,97,472	1,20,288	Binny & Co. (Madras), Ltd.	1,20,288	2,762	Buckingham & Carnatic ..	172·00	100	10·00	10.00	10.00		12	Y.P.T
20,00,000	15,37,925	60,23,440	26,18,043	37,555	Carbon Mills	47,000	4	Cannanore Spg. & Wvg. ..	49·00	10	0·50	0.50	0.50(e)		12	Y.P.
15,00,000	5,11,502	53,35,411	27,36,987	1,92,792	K. Damodaran, Esq. ..	20,600	..	Cannanore Spg. & Wvg. ..	148 00cd	100	12.00	15.00	20 00		12	Y.
30,00,000	23,35,451	70,25,496	55,22,015	43,555	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawapore Textiles	4·94	5	*Nil*	0.25	0 25		3	Y.
9,37,479	5,00,000	35,16,226	21,35,426	96,459	C. R. Srinivasan, Esq. (Chairman)	31 200	..	Cauvery Spg. & Wvg. Mills Ltd.	11·75	10	0·62	0.75	0.90		3	Y.P.
52,21,352	22,09,767	99,79,009	51,91,209	696	R. Bheema Naick & Co.	40,564	..	Coimbatore Spg. Co. Ltd.	14·00	10	25 00	25.00	9.00*C		12	Y.P.
12,13,800	7,24,196	34,79,683	24,39,033		T. A. R. Chettiar Sons & Co.	25 340	160	Coimbatore Murugan Mills	110·00	100	20.00	12.00			12	Y.P.
20,00,000	19,30,000	71,42,528	25,80,753	12,814	T. R. N. Naidu & Co. ..	38,226	..	Coimbatore Pioneer Mills	245 00cd	100	20.00	20.00			12	Y.P.
20,76,900	3,06,076	1,24,06,676	38,06,979	10,415	T. G. S. Naidu & Co. ..	72,185	407	Coimbatore Spg. & Wvg. ..	51·50	50	8.00	10.00			12	Y.
46,87,500	27,94,782	2,42,10,708	1,54,86,544		Tata Industries Private Ltd.	67,452	1,620	Central India	98·00	100	*Nil*	*Nil*	*Nil*		6	Y.P.
24,45,911	15,50,000	62,90,553	40,27,014	15,780	R. Hanmanthappa & Son	28,816	300	Davangere Cotton Mills ..	112·00	100	9·00	9.00	9 00		3	Y.
3,30,35,325 / 1,00,540	8,16,34,880	11,79,99,463	6,78,07,185	2,77,598	B. B. Churat Ram & Co. Private Ltd.	1,41,180	2,252	Delhi Cloth & General Mills ..	81·37	25 / 25	2·25 / 2·25	2.50 / 2.50	3 00 / 3 00		6	Y.P.
47,98,296	26,25,000	84,28,224	49,84,057	1,965	M. N. Chettiar & Sons	42,212	201	Dhanalakshmi Mills ..	174 00	100	30.00	35.00	10.00*C		12	
62,00,000	1,05,56,192	1,69,12,424	1,41,98,339	75,581	Begg, Sutherland & Co. Private Ltd.	48,452	1,196	Elgin Mills	13·25	10	1.00	1.25	1.00		9	
45,81,000	43,34,161	1,86,06,042	77,13,932	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,256	..	Gwalior Rayon	149·00	100	15.00	18.00	8.00		12	
2,50,00,000	2,35,000	4,53,33,784	1,32,00,006	72,17,274	Birla Gwalior Private Ltd. ..			Gwalior Rayon	12·81	10	*Nil*	*Nil*	*Nil*		3	Y.P.
50,00,000	6,94,589	1,59,76,049	1,21,32,273	—11,77,284	K. L. Saksaria, Esq. (Chairman)	51,180	1,256	Indore Malwa United ..	113·00	100	9.00	11.00	6.00		12	Y.
8,90,000	10,66,683	31,40,485	19,97,477		G. V. Naidu & Co., Ltd.	23,784	..	Janardhana Mills	76·00	50	10.00	10.00			12	Y.
18,54,000	15,02,599	57,13,987	33 88,005	7,612	Mr. Bhairavaram Ramani (Managing Director)	20,212	512	Jam Shri Ranjitsinghji	1,450·00	1,000	50.00	60.00	40 00		6	Y.
4,62,65,200	3,24,05,204	4,24,50,284	3,18,54,080	2,48,717	Birla Gwalior Private Ltd. ..	54,876	1,680	Jiyajeerao Cotton ..	9·50	10	4.00	0.55	0.25		6	Y.P.
42,00,000	19,25,000	1,06,51,547	35,25,076	91,772	Kothari & Sons	41,040	1,040	Kothari Textiles	10·50	10	1.00	1.00	1.00		6	Y.P.
82,00,000	63,20,487	1,94,10,574	1,25,75,618	5,294	M.	51,098	1,243	Lakhamni Cotton Mfg. ..	440·00	250	45.00	45.00	15.00		12	Y.P.
71,00,000	66,85,960	2,25,45,381	1,29,69,687	86,370	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	104·00 / 51·00cd	50 / 25	12.50 / 6.25	12.50 / 6.25	10.00 / 5.00	6.00 / 3.00	3	Y.
1,75,28,486	4,34,40,278	5,80,89,121	3,96,10,817	6,92,868	A. & F. Harvey Ltd. ..	4,53 000	..	Madura Mills	35·00	15	3.00	3.50	2.25		12	Y.
12,00,000	3,67,362	29,03,353	19,76,700	213	V. K. Eradi (Chairman) ..	22,592	109	Malabar Spg. & Wvg. ..	89·00N	200	*Nil*	8.00			12	Y.
60,00,000	69,00,000	66,60,296	47,59,940	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd. ..	333·00cd	100	35.00	45.50	20.00	20.00	3	Y.
22,80,384	12,88,081	93,11,180	51,89,457	19,733	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	66·00	100	8.00	6.00	*Nil*		12	Y.
94,91,250	31,56,148	1,71,94,769	79,81,528	1,58,926	M.	52,408	968	Model Mills (Nagpur) ..	170·00	100	7.50(e)	7.50			6	Y.
24,82,500	48,53,478	1,18,48,711	71,02,473	85,987	N. Sirur & Co. Private Ltd. ..	50,492	500	Mysore Spg. & Mfg. ..	92·50	50	6.00(e)	9.00*	9.00*		3	Y.P.
18,61,780	....	29,13,641	17,83,514	3,866	K. Tipperdrihah (Chairman)	6,000	..	Mysore Spun Silk Mills ..	6·25N	10	*Nil*	*Nil*	*Nil*		9	Y.
27,52,500	39,29,981	1,79,25,344	67,86,983	....	M.	43.50	902	Omanakhali Mills	43.50	100	5.50(e)	5.00(e)	*Nil*		9	Y.
4,00,800A / 6,00,000B	13,68,000	69,46,778	23,30,447	8,530	Bhaghyalakshmi & Co.	45,500	..	Palani Andavar Mills ..	(121·00xd / 176·50xd	50A / 75B	15.00 / 18.00	15.00 / 22.50			12	Y.P.
15,00,000	....	54,19,570	16,82,524	—9,80,216	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills	48·00	100	4.00(e)	*Nil*			12	Y.
16,21,800A / 6,46,000B	29,95,009	1,06,49,582	54,00,056	3,982	A. G. Gurusamy Naidu & Co.	59,264	300	Radhakrishna Mills ..	(122·00xd / 65·50cd	100A / 50B	20.00 / 10.00	20.00 / 10.00			12	Y.
19,52,276	20,55,750	76,37,378	32,62,433	....	B. R. Naidu & Sons ..	27,096	..	Rajalakshmi Mills ..	78·00cd	50	10.00	7.50	4.50		12	Y.P.
16,14,900	14,00,000	37,35,023	19,10,995	15,404	Ramco Agencies Private Ltd.	24,992	574	Rajapalayam Mills	190·00	100	10.00	10.00	12.00		12	Y.
22,22,850	12,50,000	63,75,976	23,18,982	5,286	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	106 00	100	10.00	10.00	10.00		12	Y.
18,90,000 / 1,00,55,317	1,00,55,317	2,12,46,683	2,05,07,327	—1,65,20,788	Mcrarka & Co.	96,222	2,323	Sholapoor Spg. & Wvg. ..	875·00 / 500	1,000 / 500	*Nil*	*Nil*	*Nil*		3	Y.P
10,000									75·50	50	5.00	7.00	7.00		3	Y.
20,20,700	20,20,282	66,36,648	32,07,284	19,843	H. N. Pallegar, Esq. ..	30,744	292	Sri Krishnarajendra Mills	70·00N	10	6.00	6.00	6.00		3	Y.
15,00,000	3,03,40,700	1,05,21,310	75,38,414	29,20,630	Birla Brothers Private Ltd. ..	56,212	1,544	Sutlej Cotton Mills ..	10·00	100	0.75	0.75			12	
17,50,0000 / 17,50,0000	2,96,25,861	5,13,86,198	1,81,83,924	8,35,712	Jaipuria Brothers	1,12,216	2,696	Swadeshi Cotton (Kanpur)	10·00 / 10·75	100 / 100A	1.15 / 1.15	1.15 / 1.15			12	Y.P.
1,00,00,000	60,00,000	3,86,81,208	1,96,18,492	1,78,216	Emcote & Sons (Travancore) Ltd.	..	..	Travancore Rayons ..	14·50	10	0.75	1.00	1.00		12	Y.P.T.
10,00,000	9,45,842	19,35,329	13,50,139	794	Mocgli Ramjee & Sons ..	16,000	..	Trichinopoly Mills ..	11·75	10	0.90	1.12	0 90		12	Y.
18,92,730	20,35,755	60,20,206	31,76,507	12,000	R. K. Chetty & Brothers ..	44,454	370	Vasanta Mills	231·50	100	20.00	20.00	12.00		12	Y.P.
21,00,000	19,75,779	1,55,96,083	1,17,44,993	—9,55,569	The Bombay Co. (Private) Ltd.	49,660	1,275	Vishnu Cotton	115·00	100	8.00	8.00	*Nil*		12	Y.P.

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (e) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.
‡—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. § On old capital. 'C'=On increased Capital.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BREWERIES AND DISTILLERIES														
39,54,000	47,43,760	1,15,13,224	62,38,314	1,16,220	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	8.62	5	0.50	0.75	0.85		3	Y.P.
16,50,630	26,75,014	29,38,961	16,23,422	33,736	Mr. K. G. Khanna	Dyer Meakin Breweries ..	11.00	5	0.56	0.56			3	Y.
£549 950	£1,19,464	£1,887,940	£101,435	£52,719	Parry's Holdings Private Ltd.	East India Distilleries and Sugar	28.20	51	Sh. 4	Sh. 3	Sh.3		9	Y.P.
6,00,000	9,50,000	24,40,332	22,55,226	6,022	Vital Mallya, Esq. (Chairman) ..	United Breweries	221.00	75	15.00	15.00	15.00		3	Y.
CEMENT														
72,59,940	13,33,764	1,00,14,799	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	11.35	B. 10	1.00*	1.00			12	Y.P.
48,14,6000. / 14,70,976D.	13,13,132	1,44,65,792	53,48,079	4,59,343	Eastern Corporation Ltd. ..	Assam Bengal Cement	4.50 / 1.00	O. 10 / D. 1	*Nil*				3	Y.P.T.
12,71,30,070 / 3,07,44,575	9,62,91,082	30,81,74,705	11,29,17,763	2,58,821	Cement Agencies (Private) Ltd.	Associated Cement Companies ..	154.75	100	10.00	10.00	9.00		7	Y.T.
88,02,587	....	1,23,58,448	16,77,717	779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd. ..	8 88	10	0.30	0.60	0.60		12	Y
1,86,00,0000. / 5,00,0000.	60,59,469	1,08,99,911	39,54,983	2,84,606	Hari Brothers Private Ltd. ..	Dalmia Cement (Bharat) ..	11.20 / 2.75	O. 10 / D. 1	1.25	1.25			12	Y.P.
1,06,09,450 / 7,50,000	26,00,000	2,09,03,054	61,98,184	1,80,704	Essen Private Ltd.	India Cements Ltd.	28 60cd / 5 60cd	O. 25 / D. 5	1.87	2.06	2.06		3	Y.P.
1,50,00,000	4,00,000	4,72,60,133	89,99,750	21,35,411	Sahu Jain Ltd.	Jaipur Udyog Ltd.	13 94	10	0.75	1.25	*Nil*		3	Y.P.
1,00,00,000	31,48,497	3,25,65,768	1,17,79,528	87,55,949	Dalmia Agencies Private Ltd. ..	Orissa Cement Ltd.	14.00cd XR	10	1.25	1.25	1.50		12	Y.P.
1,84,20,200	48,94,785	3,55,77,555	1,29,16,661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	154.50	100	8.50	9.00	9.00		12	Y.P.
75,00,000	17,70,000	2,09,35,577	1,50,94,018	4,287	M.	Sone Valley Portland Cement ..	6.12	5	0.25	0.30	0.15		7	Y.
50,00,000	6,00,000	1,04,84,565	48,33,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd. ..	9.85	10	0.62	0.60	0.60		12	Y.
CERAMIC; MINING AND QUARRYING														
81,70,855	2,85,000	68,15,308	33,02,663	12,631	Bharat Ram Bhagat & Co. ..	Bengal Potteries	3.53	2½	0.25				12	Y.
10,00,000	30,51,407	62,21,712	36,31,132	18,440	Birla Stone Lime Co.	Bisra Stone Lime Co.	26.62	10	1.75	0.87	1.75		3	Y.
£1,271,800	£17,78,967	£2,278,091	£1,429,795	£1,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation ..	8.90	Sh. 2	10.84.*	4.84.			12	Y.
6,15,00,000 / 7,50,00,000	24,08,876	44,47,198	13,07,726	5,496	Bird & Co. Private Ltd.	Karanpura Development	13.75	10	1.00 / *Nil*	*Nil*	*Nil*		6, 12	Nil.
70,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12 50	10	3.00	*Nil*			3	Y.
20,00,000	26,50,291	49,10,494	27 97,482	1,15,708	Bird & Co. Private Ltd.	Orissa Minerals	25.25	10	2.00*	1.00	2.00		6	Y.
7 00,000	71,05,000	74,84,868	29,53,814	52,522	Killick Industries Ltd.	Shivrajpur Syndicate	92.50	10	8.00*	8.00*	8.00*		11	Y.
CHEMICAL														
35,00,000	39,75,972	93,38,468	45,30,994	97,834	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co. ..	145.75xr	100	8.00	10.00			12	Y.P.
62,00,000 / 1,85,42,455A / 1,80,27,800	1,02,92,519	2,75,52,962	60,65,069	1,20,250	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	14.62	10 / 10New	0.80	0.80	0.80		9	Y.P.
45,63,700	11,05,700	2,96,61,485	67,85,495	58,686	Lalbhai Sons & Co.	Atul Products Ltd.	210.50	100	5.25	6.00	8.00		12	Y.
21,50,000	45,29,426	1,85,74,286	55,25,010	11,71,234	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar. ..	88.00	100	6.00	6.00			4	Y.P.
21,50,000	68,74,746	1,44,12,264	47,49,845	58,684	Sahu Bros. (Saurashtra) Private Ltd.	Dhranagadhra Chemicals	109.00 / 105.00	100 / 100New	12.00	9.00	7.50 / 4.50		3	Y.P.
3,46,06,075	1,53,540	4,28,94,738	2,19,06,042	—22,43,676	Seshasayee Bros. (Trav.) Private Ltd.	E. A. C. T.	6.35	10	*Nil*	*Nil*	*Nil*		12	Y.
12,00,000	6,20,038	25,16,435	12,87,296	15,313	S. V. S. Iyer (General Manager)	Kemp & Co.	187.00	200	12.00	15.00	15.00		3	Y.
60,50,855	13,83,286	1,02,50,970	54,73,387	1,11,981	Seshasayee Brothers Private Ltd.	Madras Chemicals	11.10cd	10	0.70	0.75	0.75		3	Y.P.T.
24,81,220	6,70,000	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	7.50	10	0.50	0.50	0.50		3	Y.
6,00,000	4,00,000	7,87,855	4,44,856	1,93,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	20.75cd	10	2.00	2.00	2.00		3	Y.
10,00,000	12,00,954	19,34,902	14,27,276	87,345	C. A. Burton	Smith Stanistreet & Co. ..	11 25N	5	0.50	1.00	1.00		6	Y.
39,95,990	16,19,888	4,04,56,916	1,56,94,318	9,567	Tata Industries Private Ltd. ..	Tata Chemicals	16.56	10	*Nil*	0.75	0.80		3	Y.P.
ELECTRIC (Bombay State)														
8,74,78,370	74,93,934	13,58,72,825	2,70,05,844	1,153	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	95.60

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
PAPER														
45,00,000	25,91,841	2,12,35,402	1,56,73,314	4,805	M.	Bengal Paper Mills	82.00	25	4.00	2.50			12	
62,50,000	43,91,355	1,24,92,178	83,76,627	33,544	Andrew Yule & Co., Ltd.	India Paper Pulp	20.75	10	1.25 2/5	1.25 2/5	1.40		3	
25,00,000	25,12,500	1,48,27,589	77,57,946	47,698	T. Shamanna Esq. (Chairman)	Mysore Paper Mills	17.50cd	10	0.75*	1.00*	1.00*		3	
1,45,82,500	2,46,78,045	6,04,16,697	1,37,58,942	2,03,477	Birla Brothers Private Ltd. ..	Orient Paper	33.00	10	1.12	0.62	1.50		3	
1,25,49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills	16 25	10	1.25	1.25	1.25		12	
50,00,000														
'A' 10,00,000	7,29,123	71,03,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	11.50	O. 10	1.25	1.05	0.60		9	
2,15,55,240	48,48,066	3,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	11.60	A. 10	2.00*	1.12*	2.37*		6	
50,00,000A.							40.37	A. 10	2.00*	1.12*	2.37*			
56,94,800B.	3,76,50,474	6,78,46,967	3,51,66,933	92,528	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	40.37	B. 10	2.00*	1.12*	2.37*		3	
4,37,500F.O.							4.25	F.O. 2½	0.25	0.12	0.25			
PRESSING														
3,00,000	2,26,572	13,961	13,953	28,272	Andrew Yule & Co. Ltd.	Calcutta Hydraulic	42.00N	100	*Nil*	*Nil*	3.00		6	
5,00,000	2,47,182	8,43,622	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	82.00N	100	5.00	0.00	10.00*		6	
SAW MILLS AND TIMBER														
13,99,998	22,88,889	32,79,480	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	1.91	2	*Nil*	*Nil*	*Nil*		9	
80,00,000	3,81,14,271	4,60,47,879	1,88,08,404	1,83,542	Wallace & Co.	Bombay-Burmah Trading Corpn.	578.50	Old 125	37.50	40.00	40.00		5	
42,00,000							216.50	New 50	15.00	12.75	16.00			
20,00,000	20,48,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	44.37	10	3.00	2.00	2.75		9	
SUGAR (U.P. and Bihar)														
11,80,000	15,38,486	42,93,229	31,13,974	57,702	M.	Balrampur Sugar	8.25	5	0.66	*Nil*	0.25			
12,60,000A.	29,80,366	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	116 00N	A. 100	10.00	10.00			4	
3,00,000B.							11 50N	B. 10	1.00	1.00				
19,49,850	8,75,000	33,88,770	25,66,278	74,946	Bangur Bros., Ltd.	Belsund Sugar	19.87	7½	1.50	1.00	1.00		9	
15,00,000	13,51,513	19,28,777	13,40,940	7,853	Cotton Agents Private Ltd.	Bharat Sugar	16 00	10	1.50	1.50	1.50		6	
63,59,400	85,59,866	67,92,760	25,67,388	27,711	Gwynn Bros. (Kampur), Private Ltd...	Buland Sugar	16 25	10	1.50	1.50Q	*Nil*		6	
32,00,000	23,23,515	1,45,76,657	98,94,338	—2,23,014	Gladstone Lyall & Co., Ltd.	Carew & Co.	8.25	10	0.75	0.75	*Nil*		10	
30,00,000	54,39,509	1,55,39,057	93,52,834	—8,35,700	Begg, Sutherland & Co. Private Ltd.	Crawpore Sugar	12 50	10	1.50	1.50	*Nil*		6	
18 00 000	34,56,103	84,72,400	59,12,595	—3,43,163	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	18.50	10	1.50	1.00	*Nil*		8	
9,58,252	2,59,762	25,14,152	16,93,333	5,464	K. C. Thapar & Bros. Private Ltd. ..	Deoria Sugar	10 00N	10	0.50	0.50				
10,00,000A.	44,95,000	1,02,71,065	67,56,974	33,123	Bashiraj & Co. Private Ltd.	Hindustan Sugar Mills	210 00N	A. 100	15.00*	15.00			6	
50,00,000O.							100.00	O. 100	15.00*	15.00				
18,00,000	12,51,026	79,38,731	49,84,047	1,05,564	Mr. Talukdas Killadhand (Chairman) ..	Kesar Sugar	58.00	40	2.25	4.00	7.00		7	
7,89,100	22,50,288	43,59,619	26,90,926	79,525	Cotton Agents Private Ltd.	New India Sugar Mills	20 00	10	2.50	2.50	2.50		6	
11,00,000	4,45,000	47,92,961	28,56,316	4,549	K. C. Thapar & Bros Private Ltd. ..	New Swadeshi Sugar Mills ..	4 50	10	0.25	0.37	0.37		5	
18,21,100	49,91,797	73,75,775	27,07,363	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill ..	240 00N	100	20.00	20.00	20.00		6	
88,275							50 00N	25	5.00	5.00	5.00			
77,48,500	64,48,618	2,15,99,028	1,18,25,000	85,816	Cotton Agents Private Ltd.	Oudh Sugar	140 00	100	11.00	11.00	12.50		7	
12,00,000	12,89,874	31,98,494	21,49,459	24,662	Narang Bros. & Co. Private Ltd.	Punjab Sugar	80 00N	100	6.00				10	
9,00,000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd...	Rana Sugar	9 81	10	0.75	0.75	*Nil*		10	
63,59,400	85,59,866	67,92,760	25,67,388	27,711	Gwynn Bros. (Kampur), Private Ltd...	Ryam Sugar	16 25	10	1.50	1.50Q				
8 00,000	6,21 932	25,74,393	23,31,931	2,175	M.	Samastipur Central Sugar ..	10.50	10	*Nil*	1.75	1.50		6	
11,99 000	16,33,214	47,23,583	25,18,422	—2,20,853	M.	Shree Krishna Gyanoday Sugar	12 75	10	*Nil*	1.75	*Nil*		6	
39,79,525	22,68,550	1,40,84,561	68,35,997	16,581	Sahu Jain Ltd.		12 44	10	1.75	1.00			8	
10,02,115	24,000	29,48,608	14,58,481	—3,16,557	K. K. Ghosh, Esq., and R. N. Datta Esq. (Managing Directors)	Shahpore Sugar	2.37	10	*Nil*	*Nil*	*Nil*		6	
15,89,000	13,52,481	35,59,550	20,56,359	40,666	M.	Shri Sitaram Sugar	11.62	10	1.00	1.00	0.50		8	
9,15,0000.	46,462	29,66,360	11,46,770	—16,27,907	M.	South Bihar Sugar	6.75N	O. 10	*Nil*				10	
4,40,000D.							0.50N	D. 2½	*Nil*					
8,00,000	34,74,848	1,27,80,247	80,57,754	9,663	Cotton Agents Private Ltd.	Upper Ganges Sugar	25.00N	10	2.50	3.00	5.00		6	
16,00,000	7,55,589	33,17,959	27,09,206	52,042	M.	United Provinces Sugar	14.00	10	1.50	0.62			9	
Other Centres														
30,00,000	19,50,000	76,27,620	18,97,501	15,979	Rangaroo & Co.	Andhra Sugars Ltd	17.00	10	0.62	1.00	1.25		9	
70,49,550	1,18,48,608	1,56,47,792	1,09,77,187	3,00,249	W. H. Brady & Co., Ltd.	Belapur Company	202.00	50	15.00	16.00	18.00		9	
17,50,000	15,58,235	41,45,701	23,96,213	30,3271	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	22.52	10	1.00	1.50	2.00		9	
15,00,000	37,00,165	93,89,214	2,94,393	33,844		Shree Changdee Sugar ..	27.50	12.50	2.00	5.00	2.25		9	
15,93,900	15,86,419	48,30,767	25,77,714	6,691	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00xdN	*Nil*	4.00	10.00	10.00		6	
63,97,500	11,02,669	78,71,618	18,58,285	45,085	India Sugar Agencies Private Ltd.	Indian Sugar and Refineries	14.37	10	1.40	1.12	1.00		9	
26,41,127	16,75,871	94,06,425	15,67,910	6,611	E. S. Ind. Corps. Private Ltd.	Jeypore Sugar	18 30	10	1.00	0.62	0.50		6	
10,52,2990.	88,00,000	2,48,45,158	41,94,139	28,068	V. Ramakrishna Sons (Private) Ltd...	K. C. P. Ltd.	120.00	O.100	7.50	7.50	7.50		6	
3,97,190D.							134.00	D. 10	10.00	10.00	10.00			
97,50,000	33,21,978	1,23,47,683	57,87,867	36,422	M. L. Dahanukar & Co. Pvt. Ltd. ..	Maharashtra Sugar Mills ..	915.00	250		100.00*	100.00*		9	
21,79,250	59,24,043	1,54,59,192	89,35,545	2,10,465	B. M. Krishnan, Esq. (Mg. Director).	Mysore Sugar	41.50	10	2.00	2.00	2.00		6	
50,00,000	58,21,430	1,16,88,154	67,30,841	1,47,239	Mahalal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	83.00	50	8.00	9.00	12.00*		8	
16,59,820	40,00,000	59,42,584	33,02,920	2,25,300	Andrew Wrightl Ltd.	Ramnagar, Cane and Sugar ..	19.75	10	2.00	2.00	1.50		6	
24,00,0900.	42,07,214	1 04,79,940	59,80,787	70,575	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	132.00	O. 50	9.00	12.00	12.00		9	
4,00,000D.							80.00N	D. 10	6.00	8.00	8.75			
80,00,000	28,49,009	68,19,329	24,74,879	77,258	Parry Co., Ltd.	Travancore Sugars	10.30	10	0.75	1.00	1.00		7	
1,01,00,000	1,16,37,178	2,71,48,027	1,06,46,123	1,72,956	Walchand & Co. Private Ltd. ..	Walchandnagar Industries ..	279.50	100	15.00	21.00	21.00		9	
TRANSPORT														
20,00,000	99,30,970	1,22,58,916	19,44,277	35,387	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co. ..	90.00	100	7.50	7.50	5.00		10	
1,00,00,000	1,27,26,000	4,10,06,541	1,62,42,552	4,06,086	Dimbhaw (Private) Ltd.	Bharat Line	80.00N	100	5.00	6.00	12.00*		12	
90,00,000	1,42,35,068	4,90,84,846	66,21,845	1,88,580	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	24.60	10	*Nil*	1.00	1.50		6	
4655,550	5997,730	65,665,334	53,478,068	—4106,393	Gillanders Arbuthnot & Co., Ltd.	India General Navigation & Rly. Co.	55.50	510	Sh. 10	*Nil*			12	
2,25,00,000	1,74,74,323	13,78,90,545	3,63,28,750	2,70,954	Lionel Edwards (Private) Ltd. ..	India Steamship Co.	12.06	10	*Nil*	1.00	1.00		3	
9,40,19,875	10,85,51,342	27,66,48,271	5,73,99,612	5,84,102	M.	Scindia Steam Navigation Co.	19.20	20	0.50	1.00	1.25		6	
6,46,560O.							2.06	O. 1	0.14	0.14				
2,10,560P.O.	18,26,615	12,00,284	7,86,760	1,66,618	R. R. Alyar, Esq. (Manager)	Walford Transport Ltd.	1.87	P.O. 1	0.12	0.12			12	
UNCLASSIFIED (Bombay)														
25,00,000	1,00,000	26,18,548§§		58,5897	M.	Devkaran Nanji Investment Co.	11.02	25	0.75	0.81	0.81		3	
5,57,00,000	2,01,70,510	4,79,59,518	1,35,62,109	89 94,000	S. H. Turner (Chairman)	Hindustan Lever	23.80	10	..	1.25	1.40		12	
21,57,000	16,39,510	1,99,48,389	87,14,497	14,984	Birla Brothers Private Ltd. ..	Hind Cycles	135.50	100	10.00	..	12.50F.		3	
14,08,540	3,01,580	25,01,884	19,40,786	22,010	Chemical Manilal Private Ltd.	Kotrela Batteries	39.50	50	2.00	2.00			3	
99,99,250	20,18,147	1,25,51,396§§		1,74,685	Premchand Roychand & Sons ..	Industrial Investment Trust ..	74.75	100	4.50	5.00	5.50		12	
1,00,00,000	25,26,000	4,78,55,179	11,55,784	4,73,845	K. G. Mitra, Esq. (Mg. Director)	Killick Industries	145.00	100	11.00	11.00	11.00		6	
1,20,52,325A.O.	63,14,265	3,43,78,824	1,80,98,078	9,31,752	Asso-Auto Private Ltd.	Premier Automobiles	92.00	100	*Nil*	6.00	6.00		6	
10,21,200	4,83,147	8,09,102	5,55,506	2,481	Sir Joseph Kay (Chairman)	United Motors (India) Ltd. ..	19.00	20	2.00	1.50	1.20		12	
2,75,80,000	1,44,13,441	3,87,52,891	1,65,58,543	90,566	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	176.50	100	11.00*	11.00*	11.00*		12	
45,00,000	60,58,396	8,64,936	5,24,956	75,054	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	280.00	100	20.00	22.50	25.00		12	
Other Centers														
57,50,000	1,99,56,718	3,81,21,462	84,96,221	2,33,759	J. K. Industries Private[Ltd. ..	Aluminium Corporation of India Ltd.	11.62	O. 10	*Nil*	0.50	0.00			
2,50,000							5.00	D. 2½	*Nil*	*Nil*	*Nil*			
46,00,000	82,25,000	68,17,878	28,13,985	66,589	Seshasayee Bros. (Tmv.) Pvt. Ltd. ..	Aluminium Industries Ltd. ..	16 20	10	1 25*	1.25	1.25		8	
30,00,000	36,20,717	34,97,377	23,80,382	3,61,280	Turner Morrison & Co. Private Ltd...	Angelo Bros., Ltd.	20 25	10	2.00*	2.00*	1.80*		8	
20,00,000	17,14,736	38,54,872	19,66,372	1,83,944	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	15.00	10	1.25*	1.25*	1.25*		12	
29,80,800	35,94,000	1,06,12,083	39,58,422	3,59,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	28.50N	10	0.48	1.20	0.60		3	
86,01,400	93,81,292	69,52,196	37,02,196	8,98,376	M.	Balmer Lawrie & Co., Ltd. ..	174.00	100	12.50	15.00			12	
12,00,000	17,36,000	34,85,743	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	29.00	10	2.25	2.50	2.50		12	
20,00,000	3,95,715	62,28,492§§		37,612	Lovelock & Lewis	Birds Investment Ltd.	9.50	10	1.25	1.00			3	
45,97,020	84,61,314	1,14,81,995	37,97,485	1,24,488	K. Jellan Scott, Esq. (Mg. Director)	Britannia Biscuits	14.62	10	1.00	1.00	1.00		12	
2,25,50,000	1,55,55,577	3,00,98,577	2,33,80,131	1,33,831	W. H. J. Christie, Esq. (Mg. Director)	British India Corporation Ltd.	8.50	5	*Nil*	0.10			12	
1,35,80,000	17,34,264	2,98,95,949§§		9,16,584	Andrew Yule & Co., Ltd.	Clive Raw Investment	8.94	10	0.50	1.25	0.75		3	
3,00,00,000	4,40,29,006	6,50,49,175	2,05,24,543	22,22,643	John Lankham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	27.12	10	1.50	1.50	1.03		12	
51,26,000	54,81,525	1,54,12,906§§		3,42,272	Bird & Co. Private Ltd.	Eastern Investments Ltd.	112.00	100	9.00	9.00	9.00		12	
14,00,000	9,85,000	34,97,164	19,09,339	24,554	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	133.00	100	15.00	4.00	12 50		3	
65,00,000	84,20,910	29,25,473	10,66,888	1,68,996	F. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	10.62	10	1.40	1.00	1.00		3	
30,00,000	15,17,354	83,06,821	34,14,683	74,315	R. P. E. Syndicate	Great Eastern Hotel	266.00	250	6.25	15.00	15.00		3	
4,98,85,700	19,00,000	4,37,26,570	1,01,77,581	7,92,903	Birla Brothers Private Ltd. ..	Hindustan Motors	7.76	10	*Nil*	*Nil*	*Nil*		3	
3,84,25,000	1,17,58,300	7,37,48,613	2,21,77,728	7,20,188	K. G. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd. ..	15.00	10	0.90	1.00	0.60		12	
1,52,89,220	1,46,00,000	2,26,86,051	86,55,092	61,31,852	B. J. Woodley, Esq. (Mg. Director).	Indian Cables	19.00	10	1.25*	1.50*	1.50*		3	
8,37,978	6,03,000	15,74,988	9,50,306	62,722	G. S. Maulies & Co. (India) Ltd.	Indian Rubber Manufacturers	16.05	10	0.50	0.62			3	
15,18,90,000	24,02,01,604	9,85,79,293	1,62,23,899	25,84,159	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	12.50	10	0.50	0.50	0.70		3	
2,00,00,000	76,27,615	39,02,397	12,06,932	4,71,170	J. D. K. Brown, Esq. (Mg. Director).	Jardine Henderson	63.00	100	7.50	7.50	2.50		3	
46,06,0000.	82,56,900	48,53,407	10,43,712	2,87,163	M.	McLeod & Co.	205.00N	O.100	22.50	8.00			12	
5,00,0000D.							—	D.O.10	1.75	0.30				
14,23,500	90,58,581	25,54,484	14,97,332	2,85,812	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26.19	10	1.81*	2.12*	2.12*		9	
1,15,00,000	1,29,00,151	2,84,27,676	1,01,16,467	16,62,708	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	28.62cd	10	1.25	1.25	1.75	1 75	9	
6 56,250	6,93,500	11,39,563	5,97,382	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	14.70	10	0.75	0.88	1.25		3	
10,00,000	3,70,696	15,97,569	10,18,129	43,554	M. Mallesahyya, Esq. (Chairman)	Mysore Tobacco	12.62	10	1.00	1.50	1.50		3	
2,99,90,000	53,55,505	2,14,82,470	61,33,962	28,42,424	J. E. Galloway, Esq. (Mg. Director).	National Carbon Co. (India) Ltd.	25.37	10	0.62	1.50	1.40		12	
40,00,000	74,71,172	63,80,914	41,52,961	1,44,445	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co. ..	28.62	10	1.50*	2.00*			3	
40,00,000	15,00,000	98,19,895	21,17,403	75,726	De.	National Rolling & Steel Ropes	10.37	10	0.50	0.50			6	
8,00,000	6,00,000	50,51,760	28,50,528	1,80,392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	13.75	10	..	..	1.00		12	
							5		..	..	0.50			
79,97,900	28,12,466	1,28,51,999	61,75,196	9,02,649	B. N. Elias & Co. Private Ltd. ..	National Tobacco Co.	18.37	10	0.50	0.75			12	
2,25,00,000	4,52,996	1,32,25,543	60,08,584	—44,12,988	M. P. A. Pasputti, Esq.	Rallis (India) Ltd.	28.25	100	*Nil*	*Nil*	*Nil*		8	
3,29,06,000	1,87,70,399	10,66,39,311	3,96,22,765	49,402	Sahu Jain Ltd.	Rohtas Industries	22.87	10	1.50	1.50			10	
4,75,200	51,336	31,11,687	6,29,199	19,106	Sathe Food Inds. (Private) Ltd. ..	Sathe Biscuit and Chocolate Co., Ltd.	100.00N	100		5.00	6.00			
5,15,400							50.00N	50		2.50	3.00		9	
70,00,000	17,66,318	1,67,21,608	34,47,040	66,321	M.	Sen-Raleigh Industries	14.50cd	10	0.00	0.50	0.50		9	
40,00,000	55,41,163	1,21,39,272	72,05,590	9,02,975	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	18.50	10	1.50	1.50	1.50		6	
75,00,000	21,22,788	71,93,265	11,63,597	3,65,425	S. M. Smith, Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	11.37	10	1.00	1.00	1.00		12	
9,96,880	19,925	14,52,996	8,18,593	—7,482	Ogale Bros. (Private) Ltd.	Travancore Ogale Glues	4.10	10	*Nil*	*Nil*	*Nil*		12	

* Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,800 which represent share in the firm of Shaw Wallace & Co., Ltd

M.—Managed by Board of Directors. §§ Investments at cost. ‡ Excluding Rs. 1,49,02,800 which represent share in the firm of Shaw Wallace & Co., Ltd

† Subject to taxation. F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March, 1957.

Q.—The latest dividend and quotation relates to 'Rana Buland Sugar Co., Ltd.' subsequent to the amalgamation of the Rana and Buland Sugar Companies

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
ASSAM															
45,700	9,89,019	15,95,482	5,76,088	....	McLeod & Co., Ltd.	325	Amluekie	28.00N	10	18.00	4.75	5.00		12	Y.P.
76,500	5,71,890	11,19,537	3,89,762	22,129	M.	315	Ananda (Assam) Tea	17.50	10	7.50	1.00	2.50		12	Y.
90,000	6,43,250	12,23,253	3,34,393	42,569	Gillanders Arbuthnot & Co., Ltd...	440	Ananda Hag	22.50	10	8.00*	1.00	1.25		12	Y.
50,000	13,21,541	18,70,839	7,47,902	42,752	McLeod & Co., Ltd.	573	Baghmari	23.50	10	3.50	1.00	2.50		12	Y.
10,000	9,85,000	12,90,911	5,33,732	53,593	Andrew Yule & Co., Ltd.	378	Baramula	26.12	10	8.00	1.50	2.00		12	Y.
30 600	5,10,000	12,75,996	8,08,534	1,39,178	National Tea Corporation	579	Bateli	19.00	5	4.00	2.50	2.00		12	Y.
40,000	7,40,000	11,10,544	3,51,828	69,185	Gillanders Arbuthnot & Co., Ltd...	612	Betjan	24.50	10	10 00*	2.00	2.50		12	Y.
60,000	15,33,333	63,88,222	28,40,322	3,16,326	Williamson Magor & Co., Ltd.	2,967	Bishnauth	21.00	10	5.50	2.00	3.00		12	Y.
90,000	2,50,000	11,47,111	2,50,837	38,931	Octavius Steel & Co., Ltd... ..	4,455	Bokakhat	12.00	10	1.00	*Nil*	0.50		12	Y.
80,000	7,37,526	10,55,753	3,34,701	35,628	McLeod & Co., Ltd.	450	Borrmah Jan Tea	16.94	10	3.50	2.00	1.50		12	Y.
00,000	15,33,325	81,87,373	29,08,381	5,44,490	M.	2,324	Brooke Bond	19.00	10	1.25	4.75	1.25	1.75	6	Y.
20,000	5,75,426	6,80,982	2,19,926	33,446	McLeod & Co., Ltd.	282	Dejoo Valley	71.50	10	8.00	2.00	3.00		12	Y.
40,000	8,22,250	30,50,515	18,19,274	43,739	Jardine Henderson Ltd.	1,134	Desai & Parbutlia	195.00	100	40.00	10.00	10.00		12	Y.
52,440	9,57,962	24,59,777	5,10,559	1,08,253	James Warren & Co., Ltd.	2661	Dhalakhat	23.56	10	2.50	2.50	0.50		12	Y.P.
68,970	3,95,900	11,95,643	4,32,726	1,436	M.	446	Dhunseri	15.25	10	1.00	1.00	1.25		12	Y.
50,000	8,76,000	11,31,219	2,70,254	53,396	McLeod & Co., Ltd.	1,458	Dibrugarh	27.25	10	4.00	2.00	3.00		12	Y.P.
73,400	5,10,000	13,07,580	6,83,280	1,17,081	Williamson Magor & Co., Ltd.	617	Dimakuai	27.25	10	6.00	2.00	3.00		12	Y.P.
00,620	10,50,000	21,34,945	12,32,745	2,21,346

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
3,60,000	2,10,000	3,02,505	34,197	15,099	Planting Agencies (Private) Ltd....	Balmadies Plantations	3 65	2	0 30	0 21	0 45		5	Y.P.
25,91,000	24,50,000	52,61,468	5,60,575	71,795	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	5 23cd	3	0 45	0 75	0 52		2	Y.P.
18,00,000	31,00,000	39,79,846	3,06,541	1,21,826	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	30 80	10	1 80	2 50	4 00		6	Y.P.T.
71,55,000	56,13,036	1,25,54,765	26,69,076	1,13,211	R. C. Paterson, Esq.	Consolidated Coffee	27 50	10	2 25	2 00	4 00		6	Y.P.T.
4,00,000	5,87,423	10,43,962	63,995	8,519	Associated Planters Private Ltd..	Cotland Plantations	15 30cd	10	1 75*	1 50	1 75		3	Y.P.
18,00,000	2,05,543	25,36,790	5,31,442	37,145	A. V. Thomas & Co. Ltd. ..	Highland Produce	12 75cd	10	2 00	2 00			12	Y.P.
4,00,000	10,92,399	18,91,159	2,63,016	18,068	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	24 00	10	2 75	2 00	2 00		4	Y.
18,50,000	8,71,449	19,82,913	3,08,273	6,347	K. T. Thomas Kaithamar, Esq. ..	Malankara Rubber	17 50	10	2 25	3 25	2 25		3	Y.P.
27,00,000	28,79,387	80,92,726	9,49,414	1,48,976	A. V. Thomas & Co., Ltd. ..	Midland Rubber	18 62	10	2 50	2 00	2 00		12	Y.P.T.
3,35,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd. ..	Neumeny Rubber	12 00xR	10	1 50	1 50	0 75		12	Y.P.T.
2,00,000	2,06,500	9,44,297	1,14,755	2,457	Associated Planters Private Ltd..	Nilambur Rubber Co.	14 50cd	10	1 50	1 50	1 50		10	Y.
19,45,380	23,70,615	45,25,892	14,74,565	53,868	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	5 15	2	0 40	0 20	0 60		6	Y.P.
13,50,000	8,60,000	45,07,576	3,95,093	12,299	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	16 87	10	2 00	2 50	2 00		11	Y.
3,66,780	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd. ..	Savamala Estates Ltd.	5 85cdcR	2	1 00	1 50	0 80		3	Y.P.T.
10,00,000	3,01,600	22,44,523	1,59,659	9,949	East India Agencies Private Ltd.	Tevkoy Rubber (India) Ltd. ..	6 00	10	0 90	0 90	0 60		12	Y.P.
2,50,000	2,75,000	5,73,150	88,399	33,647	A. V. George & Co., Ltd. ..	Thamarapally Rubber	24 00	10	3 00	3 00	3 00		9	Y.T.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1 73	1	0 12½	0 12½	0 05		12	Y.
6,00,000	53,742	7,80,835	1,41,328	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	15 25	10	3 00	2 00	1 50		12	Y.P.
41,00,000	12,79,221	84,25,040	14,56,643	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	9 88	10	1 25	0 75	0 40		12	Y.P.
20,00,000	36,000	30,13,628	7,73,086	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	19 87	25	4 00	3 00	1 00		12	Y.
8,80,010	5,90,669	9,56,500	27,217	872	M.	Vaikundam (Travancore) Rubber ..	21 25	10	2 00	1 25	1 00		8	Y.P.T.
6,95,000	1,47,259	13,88,336	39,744	10,289	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8 10	10	2 00					

J—Final dividend of Re. 1.50 is on the increased capital. * Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	53,26,489	18,786	B. N. Elias & Co. Private Ltd..	379	Asanpara	9 25	10	0 62	0 25	0 25		3	Y.
6,00,000	10,25,000	56,02,953	38,46,893	1,70,290	McLeod & Co., Ltd. ..	445	Alexandra	118 00	100	10 00	10 00			6,12	H.P.T.
30,00,000	5,25,000	1,25,28,740	95,78,601	—5,74,381	McLeod & Co., Ltd. ..	1,264	Alliance	176 00	100	3 50	3 50	Nil 7 00		5	Y.P.
40,20,780	67,90,000	3,11,92,070	2,03,15,000	1,77,821	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	98 00	100	10 00	1 00	Nil		8	Y.P.T.
40,00,000	29,54,500	1,49,09,965	55,34,758	—3,79,016	Bird & Co. Private Ltd. ..	910	Auckland	176 00	100	8 50	Nil			8,9	H.P.
20,00,000	23,30,313	96,91,416	65,65,094	65,302	Birla Brothers Private Ltd.	969	Bally	100 00	85	sh. 15	Nil	Nil		3	Y.P.
£2,50,000	£474,307	£1,628,482	£9,23,169	....	Sir John H. Burder (Chairman) .	1,880	Barnagore	118 00	100	7 50	Nil	2 50		12	Y.P.
28,00,000	20,37,123	97,66,495	53,19,415	6,111	Andrew Yule & Co., Ltd. ..	820	Belvedere	11 00	10	1 12				6	Y.P.T.
45,00,000	38,42,000	57,03,172	31,28,574	2,65,100	Soorajmull Nagarmull	900	Bengal	19 12	10	1 00	1 00			3	Y.P.
91,26,000	2,17,48,383	3,34,10,402	1,45,32,651	4,37,393	Birla Brothers Private Ltd.	1,872	Birla	102 00	100	7 50	Nil	Nil		10	Y.P.
86,00,000	19,36,926	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd. ..	902	Bhadur-Budge	7 00	10	Nil	Nil	Nil		6,12	H.P.T.
7,47,380	3,09,640	42,13,704	31,62,663	—3,31,470	Dayaram & Sons	502	Calcutta Jute Mfg. ..	133 00xd	100	6 50	Nil	Nil		11	Y.P.
18,00,000	25,21,234	87,77,057	46,40,656	529	Andrew Yule & Co., Ltd. ..	616	Caledonian	99 00	100	10 00	2 00	Nil		3	Y.
59,16,400	76,49,289	2,28,64,628	1,19,60,343	—7,24,043	James Finlay & Co., Ltd. ..	990	Champdany	158 00	100	10 00	2 00	Nil		11	Y.P.
15,95,000	21,56,282	85,02,301	58,78,175	5,857	Andrew Yule & Co., Ltd. ..	580	Cheviot	15 19	10	1 37	0 621	1 10		7	Y.P.T.
30,15,000	33,75,000	77,94,318	51,54,350	73,099	McLeod & Co., Ltd. ..	600	Chitavalsah	13 12	10	1 25z	0 50			3	Y.P.
24,00,000	9,00,000	81,05,335	67,13,337	25,935	Shree Krishna Investment Co., Ltd	969	Olive	68 00	100	4 00	Nil	Nil		3	Y.P.T.
31,49,200	44,50,392	1,35,02,698	51,10,167	—6,75,531	Bird & Co. Private Ltd. ..	779	Dalhousie	127 00	100	10 00	5 00	Nil		11	Y.P.
28,00,000	27,22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd. ..	800	Delta	19 12	10	1 25	0 50	0 75		7	Y.P.T.
15,00,000	35,56,600	92,51,558	63,07,045	4,192	McLeod & Co., Ltd. ..	1,096	Empire								
21,00,000	71,39,758	2,76,16,574	1,65,59,223	2,53,663	Kettlewell Bullen & Co., Ltd. ..		Fort Gloster Industries Ltd.	871 00N	100	15 00	10 00	10 00	20 00	3	Y.P.T.
							Fort William	20 25	10	20 00	0 75x	1 50		8,9	H.P.
21,00,000	14,50,000	1,20,16,348	58,00,792	1,70,922	Bangur Bros., Ltd.	1,014	Ganges Mfg.	55 00	100	2 50	Nil			12	Y.T.
84,32,100	....	2,11,07,224	1,32,58,855	—2,67,452	M.	1,700	Gondalpara	600 00	300	Nil	50 00			3	Y.P.
10 80,000	28,68,943	76,08,097	50,72,167	11,510	M.	507	Gourepore	265 00	100	15 00	2 50	2 50		3	Y.P.
24,00,000	24,50,000	2,22,46,943	1,58,81,965	45,248	Macneill & Barry Ltd.	1,394	Hastings	104 00N	100	11 50	5 00			3	Y.P.
40,00,000	60,63,233	1,28,36,377	58,98,639	2,00,056	Bangur Bros., Ltd.	1,078	Hoogbly	11 50	10	1 25	Nil	Nil		3	Y.P.T.
16,30,000	13,61,969	66,47,731	47,79,916	—2,96,253	Baijnath Bajoria	728	Howrah	18 31	10	0 87	0 25			3	Y.P.T.
65,62,500	23,68,428	2,34,21,655	1,11,59,561	—24,66,402	Jardine Henderson Ltd. ..	1,940	Hukumchand	2 00	2 00	2 00	1 50			3	Y.P.T.
50,50,000	28,37,124	2,93,21,907	1,57,51,907	1,14,896	Ramdutt Ramkissendas	2,272		28 50	7 50						
87,00,000						1,076	India	132 00	O. 125	4 69	4 69			2	Y.
30,000	17,20,850	1,27,01,698	30,28,070	2,57,257	M.										
24,60,000						1,797	Jardine Henderson Ltd.	{103 00	100	2 50	Nil	Nil		12	Y.P.T.
'B'12,30,000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.			{103 00	'B' 100	2 50	Nil	Nil			
30,00,000								53 00	100	1 00	Nil	Nil		12	Y.P.T.
30,00,000	9,78,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kankinarrah	{52 00	'B' 100	1 00	Nil	Nil			
'B'24,00,000								197 00	100	17 50	5 00	0 00		5	Y.P.
21,00,000	53,00,000	1,35,45,052	68,77,736	86,701	McLeod & Co., Ltd.	708	Kelvin	129 00	100	11 00	5 00	3 00		3	Y.P.
54,00,000	23,33,375	2,36,20,709	1,22,03,770	27,027	F. W. Heilgers & Co. Private Ltd.	1,580	Khardah	128 00	100	7 00	Nil	Nil		3	Y.P.T.
43,00,000	31,53,808	2,36,20,709	98,60,479	28,774	Bird & Co. Private Ltd.	1,280	Kinnison	98 00	100	7 00	Nil	Nil		3	Y.P.T.
24,43,000	23,41,335	1,29,11,335	53,10,244	—9,06,440	Bird & Co. Private Ltd.	931	Lansdowne	101 50	100	6 00	Nil	Nil		3	Y.P.T.
28,00,000	45,53,647	1,41,73,943	65,14,075	—7,72,262	M.	840	Lawrence	126 00	100	3 75	3 75			8,9	H.
81,65,200	26,36,645	2,64,13,349	1,26,97,309	1,84,942	M.	1,288	Megna	81 00	100	Nil	Nil	Nil		3	Y.P.T.
29,98,200	34,62,195	1,56,70,565	96,70,590	—18,05,719	Howrah Trading Co., Ltd. ..	815	Nalhati	12 50	10	1 25				4,10	H.T.
20,00,000	10,55,000	29,01,563	18,21,709	17,816	Andrew Yule & Co., Ltd. ..	425	Naihatisarpara	12 50	10	1 75	0 75	0 75		10	Y.P.
35,00,000	39,61,326	48,49,737	12,31,373	19,504	McLeod & Co., Ltd. ..	852	National	12 50	10	1 00	....	0 00		7	Y.P.T.
26,25,000	27,55,572	31,27,861	21,92,342	45,512	Sahu Jain Ltd.	316	Nellimarla Jute	12 50	10	1 50	1 50			12	Y.P.
35,50,000	2,86,31,171	4,68,37,743	1,06,43,534	9,227	Bird & Co. Private Ltd.	1,795	New Central	16 56	10	1 50	1 50	Nil		3	Y.P.T.
16,79,880	40,58,882	1,23,54,122	56,38,490	20,195	Macneill & Barry Ltd.	587	Northbrook	17 25	10	1 50	1 50	Nil		3	Y.P.T.
66,79,500	12,74,961	2,24,62,238	1,39,15,557	5,981	Andrew Yule & Co., Ltd. ..	1,092	Nuddea	42 00	50	1 00	Nil	Nil		11	Y.
24,91,000	23,04,049	76,55,488	52,46,600	7,049	McLeod & Co., Ltd.	601	Orient	112 00	100	9 00	2 00	Nil		7	Y.T.
25,00,000	7,83,178	86,18,353	67,97,872	—8,51,589	Birla Brothers Private Ltd.	400	Presidency	5 06	5	0 31	0 20	0 30		3	Y.P.
20,00,000	10,826	27,95,784	5,39,180	—83,96,290	Jardine Henderson Ltd.	305	Rameshwara	6 00	10	Nil	Nil	Nil		3	Y.P.T.
49,50,000	4,30,552	1,24,75,806	64,70,816	458,994	Thomas Duff & Co. (India) Ltd..	2,013	Reliance	7 50	10	Nil	Nil	Nil		12	Y.P.
2,60,000	51,093,778	41,245,244	7,972	9,949	East India Agencies Private Ltd.	911	Ramnagar	8 87	£1	8%21				3,9	H.P.
30,00,000	13,14,910	1,15,50,877	47,50,476	40,154	Hindustan Investment Corpn. Ltd.	401	Shree Ambica	10 50N	10	0 50				12	Y.P.
14,00,000	11,14,986	68,87,540	57,29,513	—8,76,068	Bird & Co. Private Ltd.	650	Soorah	17 81	10	1 50	1 50	1 50		3	Y.P.T.
25,19,600	31,10,501	1,39,85,701	....	458,543	Thomas Duff & Co. (India) Ltd..	1,794	Standard	85 00	100	1 00	Nil	Nil		12	Y.P.
£500,000	£925,119	£1,137,660	....	—15,61,940	Bird & Co. Private Ltd.	1,826	Titaghur	142 00	100	10 00	1 00	Nil		12	Y.P.
35,98,600	69,80,143	2,01,42,357	89,47,895	480,501	Thomas Duff & Co. (India) Ltd..	1,381	Victoria	8 25	£1	8%21				5	Y.P.T.
£400,000	£688,035	£1,124,819	....	—4,15,285	McLeod & Co., Ltd.	457	Waverley	3 37	1	0 37½	Nil	Nil			
2,50,000	6,35,000	41,78,264	27,76,069												

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1954 Rs. nP.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	Accounts closed	Reference
25,80,000	25,26,680	99,36,489	69,36,489	29,780	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	10 31	10	1 31	1 37	0 50	1 25	3	Y.
12,00,000	3,49,800	27,49,475	25,26,182	70,917	Jardine Henderson Ltd.	Bararee Coke	13 25	10	1 46	1 46	1 10	0 87	3,9	H.
4,49,850	1,02,13,187	9,35,102	5,69,530	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	5 87N	10	0 25	0 62	0 75		12	Y.
1,00,00,000	4,13,782	6,38,12,705	4,41,60,343	11,48,060	Andrew Yule & Co., Ltd. ..	Bengal Coal	236 00	100	30 00*	35 00*P	17 50	17 50	10	Y.P.
2,25,000	6,98,558	48,14,900	22,43,290	—94,379	B. V. Low & Co. (Private) Ltd..	Bengal-Nagpur	12 00	10	Nil	Nil	Nil		12	Y.P.
15,97,000	10,28,699	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bhalgora	6 00	10	0 62	0 62	0 60		3	Y.P.
40,00,000	10,15,172	49,80,946	24,84,101	—4 92,536	M.	Bharat Collieries	6 53	10	Nil	Nil	Nil		12	Y.P.
7,15,000	24,16,419	45,97,583	27,10,503	19 553	F. W. Heilgers & Co. Private Ltd.	Bhindbararee	8 38	10	Nil	Nil	Nil		6,12	H.P.T.
7,50,000	4,70,83,767	4,87,67,223	1,99,66,073	95,389	Bird & Co. Private Ltd.	Borree	21 50	10	2 00	2 00	1 50	0 37	6,12	H.P.T.
60,02,480	....	46,39,014	12 80,014	8,401	Hindustan Investment Crpn. Ltd.	Burrakur	21 00	10	0 56	0 62	0 50	0 50	3	Y.
49,97,750	....	49,56,445	33,71,353	23,320	M.	Central India	9 00	10	0 25	0 25	0 50		12	Y.
3,00,000	12,99,590	7,30,05,140	....	4,240	F. W. Heilgers & Co. Private Ltd.	Central Kurkand	10 50N	10	0 25	0 50	0 50		12	Y.
6,00,000	1,43,936	64,47,612	31,89,398	—67,535	Macneill & Barry Ltd.	Churlia	8 25	4	0 12	0 06			12	Y.
10,00,000	....	£962,878	£1,001,816	£764,050	£26,677	Jardine Henderson Ltd.	Dhemo Main	7 75	10	Nil	Nil	Nil	Nil	12	Y.
£240,000	£962,878	£1,001,816	£764,050	£26,677	Jardine Henderson Ltd.	East Indian	20 75	£1	2 50	3 00	2 50	1 50	4	Y.
29,63,750	98,25,027	4,34,84,587	3,12,99,700	58,782	Macneill & Barry Ltd.	Equitable	25 00	10	1 50	1 50	1 50	1 50	12	Y.T.
10 00,000	1,40,469	14,24,422	4,83,296	45,389	Bhatter's Agency Ltd.	Ghusick and Mualia	15 50N	10	1 50	0 25	0 25		3	Y.
32,00,000	3,17,609	42,34,409	25,20,972	....	Kilpuk Industries Ltd.	Hingir-Rampur	20 75	50	Nil	2 25	2 25	Nil	6	Y.P.
32,00,000	2,50,000	24,57,868	19,86,774	163	Macneill & Barry Ltd.	Hurriadih	14 75	10	1 75	2 50	1 50	Nil	12	Y.
8,00,000	2,45,000	14,13,068	7,33,171	....	Andrew Yule & Co., Ltd. ..	Kalapahari	14 00N	10	Nil	Nil	Nil		2	Y.
3,50,000	3,21,575	33,57,576	5,71,179	1,962	Bird & Co. Private Ltd.	Karanpura Collieries ..	98 00	100	Nil	2 50	5 00	Nil	2	Y.P.
20,00,000	13,90,898	47,65,511	37,70,922	1,36,336	Andrew Yule & Co., Ltd. ..	Katras Jherriah	58 00	10	4 00	4 50	6 50	6 50	1	Y.
5,00,000	5,72,980	12,85,941	5,72,980	—2,60,236	Bertwala & Co.	Khas Kajora	8 25N	10	Nil	Nil			6,12	H.P.
1,38,400	5,72,980	13,13,296	10,94,162	13,871	H. V. Low & Co. (Private) Ltd.	Kurdi	8 75N	10	Nil	0 12	0 12	0 12	6	Y.
11,00,240	68,556	16,86,967	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	10 50N	10	0 25	0 12			4	Y.
9,00,000	10,22,762	28,39,712	9,95,219	31,201	Tantia Bros. Ltd.	Madras	7 00	10	0 50	0 50			12	Y.
7,48,240	2,00,000	13 13,296	5,20,295	4,560	Amritlal Ojha & Co., Ltd. ..	New Bhanadeopur ..	9 00N	10	1 25				8,9	H.
7,00,000	10,33,740	16,00,835	5,20,295	53,598	Andrew Yule & Co., Ltd. ..	New Beerbhoom ..	1 25	10	1 00	1 00	0 75		10	Y.P.
17,78,230	19 51 314	1,24,49,815	91 72,491	53,598	Detavius Steel & Co., Ltd. ..	New Manbhoom ..	11 75	10	Nil	Nil	0 50		3	Y.
6,00,000	75,000	83,85,381	22,38,923	1,45,499			18 75N	10	Nil	1 87	1 50		3	Y.
1,15,000	3,47,692	13,06,689	8,06,110	17,516	Andrew Yule & Co., Ltd. ..	North West	18 50N	7.50	Nil	1 00	1 12		12	Y.P.
1,57,500							12 50N	10	1 00	1 00	0 75		12	Y.T.
2,50,000	15,69,447	8,97,666	2,77,666	37,244	P. W. Heilgers & Co. Private Ltd.	Ondal	7 00N	10	0 50	0 25			12	Y.T.
1,00,000	1,10,000	41 24,518	19,79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	18 00	10	0 75	1 00	0 50		12	Y.P.T.
3,00,000	20,000	23,49,367	9,86,501	5,060	Deepchand Kishandal	Parasea	22 50	10	1 62	1 50	0 70	2 00	3	Y.
8,34,000	16,80,000	55,17,410	39,02,410	46,888	Shaw Wallace & Co., Ltd. ..	Pench Valley	13 00	10	0 50	0 62	0 37	0 75	3	Y.
15,75,000	25,66,861	1,37,28,021	91 88,862	29,060	B. N. Elias & Co. Private Ltd. ..	Ramagunga	14 81	10	1 37	2 07	1 50	1 00	12	Y.
22,99,500	6,88,385	42,17,417	32,31,916	24,849	Shaw Wallace & Co., Ltd. ..	Rewa	11 00N	10	0 75	1 00	1 25		12	Y.
13,50,000	37,12,000	35,56,738	22,17,867	9,597	M.	Samla Collieries	4 75N	2.50	0 25	0 62			1	Y.
20,00,000	2,66,000	18 78,480	12,21,237	21,070	M.	Searsole	25 50	7	2 00	2 50	2 25	1 75	12	Y.P.
2,50,000	9,25,000	39,24,442	19,99,221	48,188	Andrew Yule & Co., Ltd. ..	Seebpore	7 25N	10	0 12	0 25	0 25		6,12	H.T.
2,00,000	5,00,216	52,421	28,857	5,166	F. W. Heilgers & Co. Private Ltd.	Sendra								
3,00,000	94,58,536	3 19,41,949	2,73,46,950	20,857	Industrial Trust Fund (Government of Andhra Pradesh)	Singareni	11 00	10	0 70	0 75	1 00		12	Y.T.
						South Karanpura	11 75	10	0 12	0 12	0 85	0 75	8	Y.
17,50,000	10,37,541	39,01,896	17,00,994	6,780	Bird & Co. Private Ltd.	Standard	12 87	10	1 50	1 00	1 00	1 00	12	Y.
8,00,000	13,76,745	1 66,570	28,510	9 790	F. W. Heilgers & Co. Private Ltd.	Talcher	1 75	2.50	Nil	Nil	Nil		9	Y.T.
10,00,000		21,92,704	15,42,862	—5 02,907	M.	Union	15 25	10	0 75	Nil	Nil		12	Y.
1,50,000	2,95,000	15 97,234	14,54,284	77,105	Williamson Magor & Co., Ltd. ..	Western Bengal	6 75	10	0 37	0 50	0 50	0 50	8	Y.
5,00,000	66,784	65 72,926	24,12,806	11,443	Hindustan Investment Corpn. Ltd.	West Jamuria	5 00	10	Nil	Nil	Nil	Nil	12	Y.
7,00,000	....	58,61,406	37,57,599	—8,49 108	Macneill & Barry Ltd.									

‡ Less income-tax. (z) Clive Mills have paid dividend at Rs. 10) on bonus shares, for the year 1955. * Including bonus. (k) Investments.

f—Managed by the Board of Directors. (New Central) Jute Mills.—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. P.—Bengal Coal Co. Dividend from 1944 to 1956 are on shares of Rs. 200 each.
†—Port William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each.
for 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each.

SIDELIGHTS ON U.S. ECONOMIC RECESSION—I

(*Concluded from page 139*)

covery, as the optimists hope, there is obviously no need for politically administered stimulants. If the rise proves to be less rapid than might be desired, the temptation to intervene will continue and may become irresistible. Yet, in the long run, the economy will be healthier and more prosperous if the temptation is resisted and business is given time to recover under its own steam. Spontaneous recovery is the only true recovery."

The U.S. Administration is surely not opposed to the view that economic development is brought about better through the efforts of private enterprise. Nor has it ruled out the possibility of having to reduce taxation, in case its hopes do not materialise. The present Republican Administration is quite conscious of the fact that the big depression of the 'thirties took place when it was in power and that, if it were to allow a prolonged slump to take place, its chances of coming back to power would be next to nothing. It might not, therefore, hesitate to reduce taxes, if the measures already taken by it are found insufficient. It is, however, confident that business would pick up even without a reduction in taxation. Events so far show that its confidence has not been misplaced.

The Administration's point of view on this subject was admirably explained by the President's Budget Director, Mr. Maurice H. Stans, thus:

"The proper relation of Government to the growth and vigour of such an economy must necessarily be to stimulate private production and employment, not to substitute public spending for private spending, nor to extend public domination over private activity.

"So let us not overemphasise the role of the Government in bringing about economic recovery. And let us remember that, if we overdo the expenditure of money by the Government, we may find ourselves back fighting inflation again, as we were a short time ago.

"In my personal opinion, if—and I underline this word—conditions reach the point where a large-scale shot in the arm seems needed, a selective tax cut ought to come first. It could give more spending power to individuals and businesses quickly. This spending power would lead to more employment than slow public works programmes. But we should take a long, careful, calm look at conditions and give the economy a chance to show its strength before we embark on tax cutting."

The U.S. Government was so keen to prevent any further increase in the budget deficit that it even persuaded the Congress to extend for one year more the Korean-war high corporate tax rate and excise

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000	1,06,00,000	10,41,547	Allahabad Bank	360.00	100	18.00	18.00	18.00†		12	Y.P.
14,30,000				180.00	50	9.00	9.00	9.00†			
1,01,000	18,04,000	1,910	Andhra Bank	109.00	100	6.50	8.00	6.00		6,12	H.
39,75,150				90.00	25	4.54	5.59	5.18			
1,00,00,000	1,38,00,000	4,10,731	Bank of Baroda	122.50	50	6.00†	7.00	7.00		12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner	21.52xd	25	0.87	1.12	1.25		12	Y.
2,50,00,000				135.00	50	8.00	8.00	8.00			
50,00,000 'A'	3,10,00,000	16,02,381	Bank of India	136.25	50 'A'			8.00		6,12	R.L.Y.
15,00,375	28,00,000	52,270	Bank of Indore	42.00N	25	2.50	4.00	4.25		12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur	37.50	50	2.00	2.50	3.00		12	Y.
50,00,000	91,95,613	1,87,085	Bank of Mysore	255.50	100	16.00†	16.00†	16.00		12	Y.
15,00,000	40,00,000	44,788	Canara Bank Ltd.	86.00	50	5.00	5.00	5.00		12	Y.P.
7,50,000	15,55,000	5,679	Canara Banking Corporation Ltd.	80.00	50	5.50†	5.00†	5.00†		12	Y.P.
5,62,500 'A'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	180.00	100 'A'	12.50	15.00	15.00		12	Y.
62,787 'C'				1.71	1'C'	12½%	15%	15%			
2,05,11,375	4,03,50,821	18,44,046	Central Bank of India Ltd.	54.50	25	3.00	3.50	3.50	1.50	12	R.L.Y.
56,42,375				57.80	25	2.00	2.50	2.50	1.50†		
50,00,000	46,00,000	2,50,320	Devkaran Nanjee Banking Co.	46.25xd	50	2.50	3.00	3.00	1.25†	12	Y.
2,00,00,000	2,00,00,000	10,48,442	Habib Bank (P)	36.37	5	0.87	1.37	1.06		12	Y.
50,00,000	29,75,000	1,61,946	Hind Bank	54.00	50	2.00	3.06			12	Y.
1,25,00,000	6,93,000	21,046	Hindustan Commercial Bank	10.25	50	Nil	Nil			12	Y.
50,00,000	1,80,000	4,233	Hindustan Mercantile Bank	13.00	50	Nil	Nil	Nil		12	Y.
44,00,000				27.00	100	12.00†	13.00	15.00†			
22,40,000	1,00,00,350	2,04,376	Indian Bank	175.00	50	7.75	9.75	13.00†		6,12	R.L.H.
56,33,250				145.50	100	7.50	10.00	10.00		12	Y.
10,00,000	46,50,000	2,32,067	Indian Overseas Bank	32.00	25	1.87	1.87	1.87		12	Y.
1,25,00,000	10,25,000	25,502	Pandyan Bank Ltd.	58.50	25	3.50	4.00	5.00	2.50†	12	Y.
1,00,00,000	1,10,00,000	4,51,904	Punjab National Bank	19.87	25	1.00	1.00	1.25		12	Y.
5,00,00,000	29,17,000	5,528	Travancore Bank	40.00	50	2.00	2.00	2.00		12	Y.
40,00,000	40,00,000	1,50,332	Union Bank of India	7.20xr	5	0.87	0.44	0.44		12	Y.
2,00,00,000	1,24,00,000	49,482	United Commercial Bank	61.00	50	2.75	3.50	3.75		12	H.
PRINCIPAL EXCHANGE BANKS						**Dividend (per cent)**					
£4,400,000	£5,700,000	£412,342	Chartered Bank	£2-6-0	£1	15†	15†	15†		12	Y.
H.K. $50,000,000	H.K. $123,000,000	H.K. $2,062,468	Hongkong and Shanghai Banking Corporation	£40½	H.K. $125	5*	5*	$ 12½*		12	Y.
£18,565,979	£18,000,000	£626,712	Lloyds Bank	£2-5-3	£1	12†	12†	12†		12	Y.
£3,940,000	£2,100,000	£231,452	Mercantile Bank Ltd.	£1-14-6	£1	14†	14†	16‡†		12	Y.
£3,851,562	£3,104,687	£385,589	National Overseas and Grindlays Bank Ltd.	£1-2-6	sh. 12½	15†	15†	15†		12	Y.

† Includes bonus. † Less Tax. (F) Pakistan Currency. R. L.—Reserve liability on shares. (I) Interim. * 2 per share free of tax. xr—Ex-Right. Z.—The final dividend of £1-12-6 is on the increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1926	92.00	1st June 1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	90.00	25th February 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.00N	27th December 1962-63
15,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	67.00N	1st November 1958-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November 1958-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June 1964
20,00,000	4½	30th June and 31st December	Barrakar Coal Co.	1947	97.00	30th June 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	97.00	14th December 1969 (a)‡
COTTON						
8,50,000		30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April 1964
4,00,000	6	10th May and 10th November	Bombay-Nagpur	1897	89.00	15th November 1964 (b)
75,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99.00	1st March 1973 (a)
40,90,800	6	1st April and 1st October	Gokak Mills	1947	100.25	1st April 1967-72
15,71,600	5½	30th June and 31st December	Jaykaur Textiles	1949	99.00†	1st January 1958-59
30,00,000	5	1st June	Tata Mills	1951	93.50	15th November 1964
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co. Ltd.	1950	90.00	31st March 1965 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co. Ltd.		97.00	14th June 1960
90,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98.00	1st October 1959
12,00,000	4½	30th June and 31st December	Canara Electric Light and Power Co. Ltd.	1940	99.00	31st December 1964 (a)
54,643,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1952	97.25	1st January 1967 (a)
25,00,000	4	30th June and 31st December	Coonoor Electric Supply Co., Ltd.	1945	84.00	31st December 1970
12,80,000	5	1st January and 1st July	Ilfra (Dhariah) Electric Supply Co., Ltd.	1951	91.00	30th June 1976 (a)
5,50,000	5½	31st March and 30th September	South Madras Electric Supply	1939	93.00	1st April 1958-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September 1958-62
47,75,000	5	1st April and 1st October	Tata Power	1940	100.00	1st July 1970
3,50,00,000	4	1st April and 1st October	Tata Power		84.75	15th September 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December 1960
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1922	93.00	30th June 1958
20,00,000	5½	15th September and 15th March	Indian Rimex Pipe (Denser)	1951	97.00N	1st July 1967-92
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	80.00	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.50	1st October 1966-85
40,00,000	6	31st December	Textile Machinery Corporation Ltd	1950	100.00N	31st December 1960 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Aparpara	1939	90.50	31st March 1960
6,00,000	5½	30th June and 31st December	Bhikaidin	1939	91.00	30th June 1960
15,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	77.00	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90.00	30th June 1964
9,00,000	5	31st January and 31st July	Calcutta	1949	98.00	31st July 1969
10,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June 1966
20,43,000	5½	31st March and 30th September	Dalhousie Jute Co.	1951	90.00	31st March 1966
8,95,000	5	15th January and 15th July	Empire	1951	90.00	15th July 1966 (a)
20,00,000	5½	31st March and 30th September	Howrah Mills Co. Ltd.	1955	94.00	31st March 1970
25,00,000	5	30th June and 31st December	Khardaha Jute Mills Co., Ltd.	1949	90.00	31st December 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1951	90.00	31st December 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	88.00	14th May 1959
20,00,000	5	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	90.00	31st December 1964
5,00,000	4	30th June and 31st December	Presidency	1945	80.00	30th June 1965
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1956	85.00	5th September 1965 (a)
15,00,000	5½	30th June and 31st December	Union	1927	90.00	31st March 1967
10,00,000	5½	31st January and 31st July	Waverly	1925	80.00	31st July 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	466.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£150,343		1st April and 1st October		1923	474.10N	1st October 1974
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December 1969 (a)
£300,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
4,54,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	94.75	1st September 1968
PLANTING						
11,25,000	6	31st March and 30th September	Khiriri Tea		99.00	1st April 1958-63
1,50,500	5½	31st March and 30th September	Tookay	1944	100.00	31st March 1949-50†
MISCELLANEOUS						
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1943	92.00	31st December 1965
23,60,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December 1963
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	97.35	1st September 1964-69 (c)‡
1,00,00,000	5½	1st April and 1st October	Calbex Oil Refining (India) Ltd.	1956	97.50	1st October 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85.00	1st February 1964
19,34,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1926	82.00	1st July 1966
30,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78.00	15th September 1966
1,50,00,000	4	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	90.00	1st April 1966
1,00,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1946	98.00	1st January 1971(c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1944	98.00N	30th June 1969 (c)‡
12,75,000	5	2nd January and 2nd July	Meyer Chemical Industries	1946	83.00	1966
12,67,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	520.00	30th September 1976 (c)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	465.00	31st December 1972 (c)
						(per note)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	84.00N	1st April 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	92.25	30th June 1968-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	90.50	31st March 1961 (c)
1,00,00,000	5½	30th June and 31st December	Rohtas Industries Ltd.	1946	91.00	31st December 1968
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	97.25	1st May 1968(a)†‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-8-1963. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-8-1964. ‡‡ Rs. 50 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1968.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 24th July, 1958.

	Closing quotations 17-7-1958	High	Low	Closing quotations 24-7-1958
TEXTILES	Rs. nP	Rs. nP	Rs. nP	Rs. nP
Ahm. Adv. (100)	181.25	175.00	172.50	175.00
Apollo (2)	1.90	1.92	1.86	1.92
Bombay Dyeing (25)	56.80	59.80	57.70	59.70
Bradbury (50)	175.00	—	—	175.00
Central India (100)	93.00	97.50	94.00	97.00
Century Mills (100)	448.50	480.00	458.00	478.00
Colaba (100)	30.00	29.75	29.25	29.50
Edward Textile (200)	200.00	—	—	200.00
Elphinstone (50)	44.00	44.00	41.00	41.00
Finlay (100)	275.00	285.00	275.00	285.00
Gokak (100)	149.00	153.00	140.00	152.00
Ind. Untd. Defd. (1)	1.30	1.52	1.30	1.50
Ind. Untd. Ord. (10)	9.60	10.20	9.76	10.12
Indore Malwa (100)	111.50	114.50	112.50	114.00
Khatau (100)	182.50	188.75	182.50	188.75
Kohinoor (100)	269.50	285.00	274.00	285.00
Lakshmi (250)	440.00	442.50	440.00	442.50
Minerva Mills (100)	66.00	—	—	65.00
Modal Nagpur (250)	170.00	170.00	161.25	170.00
Morarji (100)	240.00	240.00	238.00	238.00
Mysore (50)	93.00	93.00	92.50	92.50
National Rayons (100)	224.75	234.50	229.00	233.75
New City (100)	118.00	—	—	118.00
New Great (100)	210.00	215.00	210.00	215.00 §
Phenix (100)	118.75	—	—	120.00
Podar Mills (100)	139.00	139.80	138.50	139.25
Sassoon Silk (10)	9.88	—	—	9.88
Sassoon Spg. (10)	47.50	—	—	47.50
Shahpur (1,000)	275.00	—	—	275.00
Shrinivas (100)	158.00	167.00	158.00	157.00
Simplex (50)	178.00	185.00	178.00	185.00
Standard (100)	430.00	432.50	425.00	432.50
Svadeshi (100)	180.00	194.25	182.00	192.50
Swan (100)	365.00	370.00	362.50	370.00
Tata Mill (25)	39.50	40.25	39.00	39.75
Vishnu (100)	115.00	—	—	115.00
Western India (1,000)	4,625.00	—	—	4,625.00
BANKS				
Bank of India (50)	134.50	135.00	134.00	135.00
Do. (New) (50)	136.25	136.50	136.00	136.50
Bank of Baroda (50)	121.00	123.00	121.00	123.00
Central (25)	53.80	55.00	53.00	54.80
Central 'A' (25)	57.50	58.00	57.50	58.00
Dena Bank (50)	46.50	46.50	45.00xd	45.00xd
Punjab National (25)	58.50	59.00	58.00	59.00
Union Bank (5)	7.28XR	7.28	7.12	7.12
United Com. (50)	61.00	61.00	61.00	61.50
ELECTRIC COS.				
Ahmedabad (100)	95.60	96.80	95.50	95.70
Amalgamated (10)	10.68	10.76	10.68	10.72
Andhra Valley (1,000)	1,157.50	1,180.00	1,157.50	1,180.00
Bom. Sub-El. (100)	106.75	107.25	106.50	107.25
Surat (100)	110.50	110.50	110.00	110.00
Tata Hydro (100)	121.00	122.00	121.25	122.00
Tata Power (1,000)	1,220.00	1,235.00	1,217.50	1,225.00
INSURANCE COS.				
British India (10)	15.84	—	—	15.84
Empire of India (100)	265.00	—	—	265.00
Ind. Mercantile (20)	47.50	47.00	46.75	47.00
Jupiter (15)	7.12	—	—	7.12
New India (15)	46.25	46.75	46.25	46.50
Oriental (200)	4,085.00	—	—	4,085.00
Universal (10)	12.00	—	—	12.00
Vulcan (10)	17.64	18.24	17.64	18.24
STEEL COS.				
Ind. Iron (10)	22.64	23.64	23.08	23.60
Tata Steel Ord. (75)	160.25	168.00	163.50	167.50
SUGAR COS.				
Belapur (50)	255.00	263.50	257.00	263.50
Bhopal (10)	22.60	22.64	22.24	22.64
Phalton (50)	152.00	158.00	153.00	154.75
Walchand Ind. (100)	277.50	282.50	276.25	281.25
CEMENT COS.				
Associated Cts. (100)	158.00	156.75	153.75	156.50
Digvijay (100)	154.50	155.00	154.00	154.50
MISCELLANEOUS				
Alcock Ashdown (100)	245.00	258.75	250.00	256.25
Bom. Burmah (125)	564.50	585.50	578.50	582.50
Do. (New) (50)	215.00	217.50	215.00	216.50
Br. B. Petrol (4 sh.)	2.18	2.30	2.16	2.28
Br. I. Corpn. (5)	3.50	—	—	3.50
C. F. Mly. (100)	60.00	—	—	60.00
Hindustan Motors (10)	7.56	7.88	7.72	7.88
Indian Copper (1 sh.)	3.74	4.02	3.88	3.98
Ind. Inv. Tr. (100)	74.70	—	—	74.70
Killicks (100)	145.25	145.25	144.50	145.00†
Polson (100)	160.00	163.00	160.00	163.00
Pre. Automobiles (100)	88.50	92.50	89.50	92.50
Premier Con. (50)	193.00	203.50	196.00	202.25
Scindia (50)	18.24	19.56	18.52	19.48
G. I. Shipping (10)	23.56	24.80	23.56	24.72
Shivrajpur (10)	92.00	94.00	92.00	93.50
Tata Chemicals (10)	16.00	16.60	16.12	16.56
Tata Locomotive (100)	169.00	172.75	169.50	171.25
Tata Oil (25)	40.00	41.75	40.00	41.75
W. I. Match (100)	178.00	187.00	176.50	176.50

GOVERNMENT SECURITIES	17-7-1958 Rs. nP	Gross Yield Earlier Redemption	Gross Yield Later Redemption	24-7-1958 Rs. nP
2½% 1961	98.60	—	4.04	98.70
2½% 1956	98.20	—	3.63	98.30
2½% 1962	95.60	—	3.88	95.60
2½% 1963	88.10	—	4.02	88.10
2 ½% 1948	99.85	—	4.00	99.85
2 ½% 1949-51	99.40	3.57	3.58	99.50
3 ½% 1964	95.70	—	3.75	95.70
3 ½% 1963-65	95.65	3.89	3.67	95.65
3 ½% 1966-68	93.10	3.98	3.81	93.15
3 ½% 1970-75	87.60	4.31	4.00	87.60
3 ½% 1988 Con. Loan	71.10	—	4.22*	71.05
4 % 1960-70	100.30	3.85	3.97	100.30
2½% 1961 N.P. Bonds	99.65	—	3.60	99.70
2½% 1964 N.P. Loan	98.85	—	3.68	99.00
2½% 1966 N.P. Bonds	98.50	—	3.74	98.60
2½% 1965	98.05	—	3.74	98.20
2½% 1967 N.P. Bonds	97.65	—	3.70	97.80
2½% 1974	98.30	—	3.89	98.30
2½% 1967 N.P. Bonds	99.65	—	3.80	99.65
4 % 1972 Loan	100.35	—	3.97	100.35
2½% 1968 N. P. Bonds	99.15	—	3.67	99.20
2½% 1968 N. P. Bonds	99.55	—	3.79	99.60
4 % 1973 Loan	100.05	—	4.00	100.05

BRITISH GOVERNMENT SECURITIES

	Closing quotations 16-7-1958 £	High	Low	Closing quotations 23-7-1958 £
2½% Brit. Consols	50½	—	—	50½
3 % Savings Bonds 1965-75	72	—	—	71½
3% War Loan 1955-59	98	—	—	98½
3½% War Loan	66	—	—	66
4% Victory Bonds 1976	93½	—	—	93½
4% Funding 1960-90	87½	—	—	88½

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right

UNDER SECRETARY TO GOVERNMENT 4 AUG 1958 PUBLIC DEPARTMENT

COMMERCE

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

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ANOTHER REPORT ON COTTON TEXTILE INDUSTRY

OUR first reactions to the report of the Textile Inquiry Committee (Chairman: D. S. Joshi, I.C.S.) are mixed. The Committee has no doubt done its job quickly but not thoroughly. We cannot blame the Committee for it, because it was given very wide terms of reference but too short a period for investigation, contemplation and judgment. Six weeks were surely not sufficient for a comprehensive study of the type expected of it. The Committee was, of course, unwise in undertaking such a big job to be carried out within so short a period. There was, indeed, no need for it. The crucial issue to be decided was only one, that relating to the burden of excise duty. The Committee could have wound up its labours after tackling this problem. Or it could have asked for more time in order to tackle the other problems, which, in any case, have been examined by many other committees, big and small, in the past. Nothing would have been lost if it had taken a couple of months more to examine them carefully, instead of apologetically repeating, as it has done in several places, that it did not have sufficient time, or suggesting appointment of another committee to consider some of the problems.

The Committee's findings confirm some of our observations on the effects of the steep increases in excise duties in September 1956. The present imbalance in the industry is due to a large extent, to the wrong fiscal policy of the Union Government. The sharp rise in the production of coarse varieties from 572,469,000 yards in 1955 to 1,163,713,000 yards in 1957 was chiefly the outcome of the defective structure of excise duties under which better varieties were subjected to an excessive burden on the false notion that they were used only by the rich people, while the coarse varieties were treated favourably on the plea that they were the poor man's cloth. Another factor responsible for the jump in the production of coarse cloth was the labour law that made it difficult for the mills to retrench labour and reorganise production through modernisation or addition of new equipment. To keep production going somehow rather than send away workers by paying them heavy retrenchment compensation and gratuity has been the lesser of the two evils. Even assuming, for argument's sake, that labour was willing to co-operate with the management in regard to rationalisation of production, it could not have been an easy task to switch over, overnight as it were, to production of varieties which commanded better sales. In the first place, the equipment required might not have been available at a moment's notice and, secondly, not all the mills might have had the funds required for that purpose. It seems to us that the Committee has not paid adequate attention to this point while discussing the reasons for the heavier production of coarse goods.

Not only did the Government impose absurdly high rates of excise duties but went further and gave a rebate of 3.125 nP per square yard as an incentive for stepping up production above the monthly average for the first eight months of 1956. This action, we then feared, would encourage a reduction in the quality of cloth by lowering the picks, so that more yardage could be shown. The Committee's findings confirm our worst fears, for they reveal that the bulk of the rise in production in the last two years was achieved at the expense of quality. The consumer has thus paid higher prices for less durable cloth; he has been penalised both ways.

The defects in the structure of excise duties have now been corrected to a considerable extent. For this, the Committee has to be thanked by both the consumers and the manufacturers. It seems to us that the Committee deserves to be seems to us that the Committee deserves to be rationalised the excise duties in such a way as to ensure that the pattern of production will broadly conform to the demand. The Government has done well in accepting the Committee's recommendations in this regard and implementing them without any delay. Contrary to reports published in a section of the Press, the Government has actually favoured the industry by placing the basic rate of excise duty on fine and superfine goods at 18½ nP and 24½ nP, instead of at 19 nP and 25 nP, respectively, as recommended by the Committee.

Although the rearrangement of excise duties by the Committee is commendable and the reasons for doing so are convincingly set out, no explanation whatever is given as to why and how the Committee arrived at the rates of duties decided by it. This is a serious lacuna, for, in the absence of proper rationale, one gets the impression that the Committee has been arbitrary in its conclusions. The fine and superfine manufacturers are nursing a grievance that they have been unduly penalised for no fault of theirs. As they are in a minority and as most of the units are relatively better managed as compared with some units manufacturing coarse and medium counts, the Committee's decision—and the Government's action thereon—is open to the criticism that it is a case of tyranny by the majority over the minority and of placing a premium on inefficiency, imprudence and indifference. It is generally true to say that, while not all the producers of coarse and medium counts are inefficient or bad, most of the ill-managed units in the cotton mill industry are producers of coarse and medium counts. In fairness to all, therefore, the Committee ought to have explained, as the Tariff Commission, for instance, always does, its reasons for fixing the duties as it has done. The Committee was by no means an arbitrator whose award is binding on the parties to the dispute. It was only an advisory body. It would be interesting to know how the Government accepted a set of recommendations unexplained by any line of reasoning whatever.

All sections of industry and trade, as well as many impartial observers, have been suggesting that, the grounds on which the excise duties were practically doubled in September 1956 having disappeared, the incidence of these duties should revert to the pre-September (1956) level. It is surprising that the Committee has not said a word on this subject. Silence on such a vital issue by so responsible a Committee does not redound to the credit of its members. It is, indeed, regrettable to find that the Committee has not even properly recounted the explanations given by the Government's spokesmen for enhancing the excise duties nearly two years ago.

The Committee has, however, argued well the case for not altering the excise duties frequently. There will be general agreement with its suggestion that the practice of making changes in the excise duties in the middle of the financial year should normally be avoided, as it upsets the smooth functioning of the trade channel and compels mills to carry excessively large stocks of cloth. But it has failed to add that the result would be the same if the excise duties were fixed at unduly high levels even though only once at the commencement of the fiscal year. For, when an unbearably high burden is imposed, there is bound to be a continuous clamour for a reduction in such burden until it is brought down to a reasonable level. The unsettling effect of the increases in excise duties in September 1956 was due more to the drastic nature of the increases than to their occurrence in the middle of the financial year. It is needless to add that, when a clamour for a reduction in tax burden takes place, the trade will be disinclined to carry more stocks than absolutely necessary and the pipeline will continue to remain dry.

There can be no two opinions on the Committee's finding that the industry, in general, barring a few notable exceptions, has done little to study consumer preference and that this has been responsible, to a significant extent, for accumulation of stocks. Its suggestions for marketing research, as well as for improvement in the quality of cloth from the point of view of both durability and appeal, will, therefore, be widely endorsed. Equally sound are the Committee's recommendations for the abolition of those production controls which have become obsolete. But its solicitude for the consumer fails to impress us, because on the major policy issues it has given prominence to considerations of employment and relegated the interests of domestic consumers to the back. The Committee argues that faultless, good quality cloth is produced better and cheaper on automatic looms. And yet it comes to the irrational conclusion that the benefits of automatic looms are to be reserved exclusively for export markets and that, if any manufacturer were to decide to sell a part of the cloth woven on automatic looms to domestic consumers, he should levy a penalty on the latter. In other words, people in India should pay more for their cloth than is done by people in foreign countries. At the same time, their labour and production are expected to be competitive in world markets.

Several notable suggestions have been made by the Committee for tackling marginal units and badly managed concerns, for stimulating exports, and for improving the industry's competitive capacity, in general. All these bear the imprint of careful thought and constructive approach. But this does not necessarily mean that all of them are sound in theory and practice. Their pros and cons have, therefore, to be carefully examined, before venturing to express one's categorical views on them.

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CEILING ON LAND IN ANDHRA

AMONG the many ill-conceived socialist measures which have been adopted in recent years, the imposition of a ceiling on land is perhaps the most disturbing. It is essentially an offshoot of the "socialist pattern" resolution by which the Congress leaders caught the country unawares at their Avadi session. Neither the State Legislatures nor the Provincial Congress Committees had given any thought to what "socialist pattern" meant. But this did not deter the leaders from getting the representatives at the Avadi session to accept it. The result is that a political philosophy which was no more than a vague aspiration has now been accepted as a policy. Since the Congress Governments in the States have now to toe the party line, they face the unpleasant prospect of having to carry out what many of them know to be impracticable measures. The "ceiling on land" legislation belongs precisely to the group of ideologically inspired reforms. It is also a measure which is imposed from above, not a reform, the demand for which has come from below. Now, Andhra is among the States which have decided to clamp down a ceiling on land-holdings.

It is hardly surprising that the Andhra Pradesh Ceiling on Holdings Bill, in an effort to simplify an admittedly complex task, has only succeeded in making it more difficult for landholders to make an effective contribution to agricultural production, besides inflicting a blow to the deep-rooted sense of attachment to land and property in the rural areas. A feature of the Bill is the departure from the recent trends towards fixation of ceilings in terms of area. What is now proposed is a direct ceiling on income from land. One thought that the much-talked-about ceiling on income, which was effectively scotched by the Prime Minister, Mr. Nehru, was dead. But it has been resurrected by the Andhra Government which has now decided to fix a definite, rigid ceiling on income from land and thereby indirectly impose a ceiling on land which one can hold. If it is wrong to impose a ceiling on income from other sources, it ought to be equally wrong to impose a ceiling on agricultural income. It has been contended that, since income from non-agricultural sources is subject to different kinds of taxes, there could be no objection to imposing a ceiling on such income. If this is so, there is a case for similar treatment of agricultural income, and not for imposition of a ceiling thereon.

Despite these considerations, the Andhra Pradesh Ceiling on Holdings Bill prescribes for a family of five members a ceiling on existing holdings which is equivalent to the area of land yielding a net annual income of Rs. 5,400. Net income, it is stated, will be treated as 50 per cent. of the gross income which would be ascertained on the basis of the average of the prices during the last 10 years. For a family of more than five members, there will be an additional allowance of Rs. 1,200 for each such member. In addition to this area, grazing lands upto one-third of the ceiling area will be allowed. The ceiling will apply to all persons including Hindu joint families, companies and firms but not to Government land or co-operative farming societies. It will include all lands used for agricultural and horticultural purposes but not land used for non-agricultural purposes. It is not clear why a distinction has been made in respect of future acquisition of land for which the ceiling has been fixed at two-thirds of the existing holdings. This is an arbitrary distinction. Apart from this, there are many disadvantages in trying to fix a ceiling on land-holdings on the basis of a specified income. Three of these at least may be mentioned here. First, it will mean placing a premium on inefficient farming. If there is to be ceiling of only Rs. 5,400 on income, why should a farmer work hard and bother to obtain higher production? Secondly, it might adversely affect the crop pattern. And, thirdly, how is a farmer to guard against a fall in the purchasing power of the rupee? Five years from now, the sum of Rs. 5,400 may not buy as much as it does now, in which case how is the farmer to maintain his standard of living?

It is noteworthy that the ceiling on land will not apply to a sugar factory which has in its ownership since 10th June 1950 (the date on which the Hyderabad Tenancy and Agricultural Lands Act came into force) land for the cultivation of sugarcane for its own use. This concession is welcome in so far as sugarcane farms established by sugar factories before 1950 are concerned. It is not known how many new sugar factories have been established in recent years. In any case, this provision will adversely affect the future of sugar industry in the Andhra region. Those who know anything about the economics of sugar production will agree that the sugar factories with large and efficient sugarcane farms of their own can produce sugar at a most economical price. Indeed, if an inquiry were made into the operation of the present sugar export scheme, it would be found that the factories which are able to export sugar with minimum loss to themselves and the country are those which own extensive and modern sugarcane farms. The Bill, by seeking to remove the scope for the establishment of new sugar factories with cane farms of their own, is thus denying the citizens of Andhra a fruitful source of gainful employment and profitable investment. This is particularly deplorable because the Andhra State, unlike U.P. or Bihar, enjoys certain natural advantages for the establishment of sugar factories on modern lines. It is true that co-operative societies are to be exempted from the ceiling on lands and that sugar factories can be established on co-operative lines. But we have our own doubts whether sugar co-operatives will be successful and as highly efficient as joint-stock companies. Besides, there is a great risk of these co-operatives ending in some form of State capitalism. There is also the danger of co-operative farming deteriorating into collective farming, thereby paving the way for the spread of communism.

Excess land—that is, land above the prescribed ceiling—will have to be surrendered to the Government. The Bill provides for payment of compensation in cash or in bonds or in both. Briefly, the compensation for excess land yielding Rs. 5,400 net income will be ten times the net income; for the next Rs. 5,400, it will be eight times the net income; for the balance of the net income, it will be five times the net income. In the case of lands surrendered by a usufructuary mortgage, the possession of the land would revert to the mortgagor who would be required to discharge the mortgage debt. In the case of land surrendered by a tenant, the possession of the land will revert to the owner who will be required to pay one year's net income to the tenant as compensation.

With refreshing candour, Mr. Kala Venkata Rao, Andhra's Revenue Minister, admitted, in the course of his recent Press conference at Hyderabad, that the problem of the land hunger of the people could not be solved by this reform. He added: "I do not think that, even by expropriating all lands in India, land hunger can be satisfied on the basis of the present-day population." What then is the use of this reform? Mr. Kala Venkata Rao felt that, if the reform was intended to get surplus land for distribution, the results would not be appreciable. But the idea of land reform was "not only the distribution of land but the abolition of disparities of income in the rural sector and the building up of a rural economy which would improve the methods and efficiency of agricultural production." If the objective is to reduce disparity in incomes, it could be better achieved through taxation. The imposition of a ceiling on income is hardly calculated to inspire confidence in rural areas where the reform is bound to be contrasted with the relative freedom which people with non-agricultural sources of income enjoy. It is thus bound to bring to the fore all the ancient conflict between "town and country."

As regards improvement in the methods of cultivation, it is well known that a large area lends itself more readily to modern agricultural practices. Thus, the Programme Evaluation Organisation of the Planning Commission, in its fifth evaluation report on the working of Community Development and N.E.S. Blocks, observes: "Our enquiry shows that quite a proportion of the cultivating households seem to have no knowledge of improved seeds; that the cultivators have taken to the use of improved seeds much more in the case of cotton and sugarcane than of wheat, paddy, potato and *jowar*; and that, among those adopting cultivators, those with larger holdings predominate." It should thus be clear that the cultivators of large land-holdings have a greater incentive for the adoption of superior agricultural practices. The report, entitled *Agricultural Legislation in India*, published by the Union Ministry of Food and Agriculture, avers that one of the greatest impediments to the introduction of technological reforms is the "defective layout and excessive fragmentation of our holdings." What Indian agriculture needs is not further fragmentation through imposition of a ceiling on land but a steady encouragement to the movement of consolidation of holdings. In this connection, it must be remembered that any ceiling on land-ownership will release large bits of land of widely assorted sizes which would make the task of consolidation more difficult than it is. The Hyderabad Land Commission on Consolidation of Holdings found that only about one-third of the owners held their land in one plot, and that, at the other extreme, about 14 per cent. of the holders held theirs in more than 10 plots each. The Commission, after a visit to other States, recorded that, "in the East Punjab and the Chattisgarh Division of Madhya Pradesh, it was not uncommon to come across a holding of 10-12 acres scattered in 30 to 40 plots." Commenting on these findings, the Union Agriculture Ministry's report observes: "Certainly, such an intensity of fragmentation cannot but impede the adoption of improved practices of agriculture. As a matter of fact, it is bound to sap the very morale of cultivators by condemning them to an uneconomic routine of life." And yet, it is precisely the much-abhored fragmentation of holdings that the ceiling on land will intensify.

The Andhra Bill has, therefore, little to commend itself to those who have the good of agriculture at heart. It is bound to interfere with increased agricultural production, to discourage the flow of capital and intelligent effort into rural areas where they are most needed, to inflict serious damage on the pattern of agricultural credit (now only insufficiently dispensed by institutional agencies), and to disrupt rural economy. Besides, it will prevent private effort in the reclamation of waste land—a sphere in which Governmental effort has always been costly and uneconomic. Above all, the Government, in trying to discharge its responsibility for the distribution of surplus land, cannot possibly avoid politically-inspired bitter criticism of gross favouritism. For every doubtful friend it gains, it will create ten certain enemies. The Government which is determined to sow the wind of dubious, ill-thought-out land reform would be well advised to know that it must be prepared to reap a whirlwind of discontent and jealousy which will undermine the very basis of democratic structure.

PLANTATION LABOUR IN KERALA

IT is hard to understand what strange logic prompted the Communist Government of Kerala not to give representation to the Association of Planters of Kerala on the State's Industrial Relations Board set up in September last year. The denial of the opportunity to the Association, the principal body of the plantation industry, which is also the largest industry in the State, to nominate representatives to state its case makes a mockery of the laudable objective of the Board, namely, promotion of healthy labour-management relations in the State. After having thus disregarded the Association's legitimate rights, unilateral decisions are sought to be taken by the Board on such vital questions as minimum wage.

The State Government also wants the Association to be bound by these decisions. What is more surprising is the Government's intention to by-pass the authority of the special Wage Revision Committee, set up by it in August last. This Committee was constituted with a view to evolving a wage structure and a formula for the payment of bonus for plantation workers. The Association was represented on this committee by three members. It is working on the subject and will examine shortly the answers to a voluminous questionnaire which it had sent to employers and trade unions. Another committee was appointed meanwhile by the State Labour Minister in December last to formulate an agreement regarding an interim increase in wages. This committee, which also contained representatives of the Association, decided upon an interim increase in wages, subject to any decisions that might be taken by a tripartite conference to be called by the Government after the receipt of the report of the Wage Revision Committee or subject to the findings of any wage board appointed by the Government of India.

Thus, when the wage question is still under consideration by the Wage Revision Committee, the Industrial Relations Board proposes to take up the question of minimum wages. The Association, according to Mr. K. L. Kershaw, its President, had protested to the Government against its intention to flout the authority of its own special committee and to prejudice its decision by a series of *fait accompli* arrived at by the Board. The Government has so far remained silent on the issue. In these circumstances, the Association, as Mr. Kershaw pointed out, is not bound by any decisions taken by the Board. Clearly, the Government's attitude is partisan in character and strikes at the root of the "tripartite" method of resolving labour problems.

SUGAR HEADING FOR TOTAL CONTROL?

COMMODITIES RETREAT—WEST EUROPE WORRIED ABOUT RECESSION

THURSDAY, 5 P.M.

SUGAR is very much in the news again and, if the logic of events is any guidance, it will not be surprising if it becomes a commodity subject to full-fledged control, from the producer to the consumer. The Government of India has now statutorily fixed the ex-factory price of sugar at Rs. 36 per maund for U.P. and North Bihar mills and at Rs. 36.50 for mills in the Punjab. These prices, according to a Press note issued by the Union Food Ministry yesterday, apply to I.S.S. D29 grade sugar, with prescribed price differentials for other grades. The controlled prices are applicable to all stocks lying with mills and no unit will be allowed to sell its released stocks at prices higher than those now fixed. The Government has also announced its decision to requisition and distribute sugar at stipulated prices on ex-factory basis, as well as to despatch sugar to outstation centres on freight-to-pay basis. Allotments will, however, be made at fixed f.o.r. destination prices to four important centres—Bombay (Rs. 39.00 per maund), Calcutta (Rs. 38.00), Kanpur (Rs. 36.75) and Delhi (Rs. 36.50). Explaining these decisions, the Food Ministry's Press note observes:

MARKET GOSSIP

"When the sugar export policy was announced on 27th June 1958, the sugar prices had already risen in expectation of a large export quota. To ensure that the prices did not go up further, the industry had assured the Government that the mills would offer to sell their released stocks freely at prices prevailing immediately before the export policy was announced. There has, however, been a general rise in prices during the last four weeks, and this rise has been particularly marked in Northern India. The Government has, therefore, decided to control the ex-factory price of sugar in the Punjab, U.P. and North Bihar."

It will be evident from the foregoing quotation that the latest move of the Government has been prompted by the need to check the rising tendency in sugar prices. The following table gives the trend of ex-mill delivery prices of a few North Indian mills:

(Rs. per maund)

	28th July 1958	23rd June, 1958 (before export policy was announced)	13th Jan. 1958
Amroha (D29)	37.50	36.06	34.50
Bijnore (C29)	37.12	36.50	34.69
Daurala (C29)	38.56	37.56	37.00
Meerut (D28)	38.15	36.87	35.00
Mansurpur (C29)	38.37	38.25	36.50
Simbhaull (E29)	38.24	36.50	35.75

It is true that the ex-mill delivery prices of sugar in North India have gone up in the last four weeks. But the extent of the rise has not been much, being of the order of 4 to 5 per cent. only. Should such a rise cause undue concern and lead to a clamping down of controls? By posing this question, we are not suggesting that the increase in sugar prices is quite justified. What we wish to emphasise is only that, when the free market forces of supply and demand operate, an advance of 4 to 5 per cent. in prices must be considered to be a natural phenomenon. This aspect would be appreciated if one were to look at the trend of other commodity prices. Although there has been a reaction in the past week, the currently ruling prices of many commodities are higher than those prevailing a few weeks ago. How then can sugar prices alone be expected to remain unchanged without being influenced by the general trend of prices?

That apart, we wonder whether the leaders of the sugar industry were wise in giving an undertaking that they would see to it that no further rise in the price of their commodity took place. Did they expect the prices to come down? Did they not know that, in a free market, prices were liable to move both ways? Having given such an undertaking, what steps did they take to see that their rank and file would honour their commitment to the Government?

It was, of course, unbusinesslike on their part to assure the Government on the lines they did. If they were wise, they would have at least made a qualification which would have safeguarded them against a modest fluctuation in prices.

How did the wise sugar magnates make this mistake? Thereby hangs a tale. It was a section of the sugar industry that wanted sugar to be exported. This section was afraid that, in case the production of sugar were to reach a total of 2.2 million tons, as was generally expected in the initial months of the season, the surplus over consumption would be so large as to depress the domestic price of sugar. In other words, it wanted to safeguard its high margin of profit and never bothered about the interests of consumers. India's urgent need for foreign exchange came in quite handy as an argument for sending out of the country 200,000 to 400,000 tons of sugar even at a heavy sacrifice. Support was sought from all sections of the industry on the plea that its export scheme was less expensive than the loss in the selling price of sugar which would take place if no sugar were exported.

But this section's calculation went wrong. Sugar production in the current season actually turned out to be a little less than in the previous season, being no more than 2,000,000 tons. At the same time, consumption has gone up, what with an addition of 5 million new mouths over the year. Meanwhile, the country's foreign exchange position deteriorated and the Government insisted that at least 50,000 tons of sugar be exported, even though the statistical position of the commodity, coupled with the uncertainty of the next season's production, did not warrant it. If the sugar industry had the interests of consumers genuinely at heart, it should have called off the scheme for exporting sugar as early as in January last, if not earlier, and advised the Government against insisting on export of sugar. Or, alternatively, it should have advocated complete control, so that the necessary surplus for export could have been found without resulting in a big rise in the price of sugar which has been going on almost right from the beginning of this year. The whole situation seems to have been badly handled right from the beginning. And the blame for it has to be borne by both the industry and the Government. Both have cared little for the domestic consumer.

To revert to the Government's latest action. Even with the fixation of controlled ex-factory prices of North Indian sugar, what guarantee is there that the consumer of sugar will be assured of adequate supplies at a reasonable price? For the wholesalers and retailers may exploit the situation by putting up their selling rates disproportionately to the prices fixed by the Government, unless the Government takes special measures to prevent such a tendency. Under the directions from the Reserve Bank, the Scheduled banks have, of course, raised the margin from 35 per cent. to 45 per cent. on their advances to traders against sugar stocks. But this step may not by itself prove adequate and effective. For the Reserve Bank is wrong in thinking that only the traders hoard and not the manufacturers. It is well known that both can collude and take advantage of any artificial scarcity for their mutual benefit. No harm would have taken place had the credit control been extended to manufacturers also, for the crushing season is already over. It is said that, of the releases made so far, as much as 320,000 tons, if not more, all still with the factories. Why are these stocks so high? Which are the factories that are still keeping such a large portion of released stocks?

Instead of jumping in for controlling the ex-mill delivery prices for North Indian sugar and taking over the work of distributing this sugar direct, the Government should have first extended the bank credit curb to include the sugar factories also, compelled the mills to exhaust their release orders within one month instead of two months, increased the quantum of releases, and ensured adequate facilities for transporting sugar from mills to consuming centres.

Both the Government and the industry want to avoid detailed controls. In fact, none wants them, excepting a few theorists. The consumer is the last who wants rationing. The traders simply hate controls. But, if such physical controls are to be avoided, there is no point in resorting to partial physical controls, for they will ultimately push the authorities to go the whole hog. It is to be hoped that better wisdom will dawn on them soon.

* * * *

The reaction in prices noted in commodity markets towards the close of last week has since gathered further momentum. In fact, the markets are currently ruling distinctly easy. The bulls who had made large purchases immediately after the West Asian crisis hit the headlines are now busy reducing their commitments. Such an attitude must be attributed partly to some of the measures taken by the Government to prevent unbridled speculation in essential commodities and partly to the recession in commodity markets abroad, following the absence of any deterioration in the political situation in West Asia.

Last week, we referred in these columns to (1) the ban on forward trading in coarse grains, pulses, *khandsari* and *gur*, (2) the raising of the margin on Scheduled bank advances to traders against sugar, and (3) the stern warning to market men by the Union Food Minister. To this list have been added three more measures. They are: (1) ban on purchases of wheat in the open market by roller flour mills in Uttar Pradesh, Madhya Pradesh, Rajasthan and Bombay; (2) ban on forward contracts and transferable specific delivery contracts for sale or purchase of barley; and (3) fixation of controlled ex-factory prices for sugar produced in U.P., North Bihar and the Punjab. The series of official measures would not have proved effective but for the downward trend in prices abroad. Latest reports from London aver that the prices of most commodities are now back to where they were before the British and American troop landings in West Asia, though the prices of some items continue to retain a part of their crisis upswing.

COMMODITY PRICES AT A GLANCE

	Unit	Latest available	A week ago	Highest* touched
		Rs.	Rs.	Rs.
Wheat	Per maund	20.37	20.50	21.00
Rice (*Basmati*)	,,	41.00	41.00	44.00
Gram	,,	14.43	14.65	14.75
Barley	,,	14.00	14.00	14.00
Gur (*Ponsera*)	,,	21.50	22.00	24.00
Khandsari	,,	36.00	36.50	37.25
Sugar (medium grain) ..	Per bag	110.50	109.50	111.00
Linseed oil	Per qrt.	17.62	18.25	18.75
Castor oil (commercial) ..	,,	16.37	16.87	17.25
Groundnut oil (ex-mill) ..	,,	20.87	21.25	21.50
Tin	,,	148.00	148.00	148.00
Lead	Per cwt.	69.00	71.00	71.00
Zinc	,,	68.50	71.00	72.00
Copper scrap	,,	200.00	205.00	205.00
Cotton (I.C.C. August) ..	Per candy	664.50	683.00	687.25

* These are the highest levels touched after the West Asian crisis commenced.

LONDON MARKET

	Unit	Latest available	A week ago	17-7-58
Copper	£ per ton	203½	203½	204
Lead	,,	70½	73	78½
Zinc	,,	63½	64½	65½
Barley	,,	20½	20½	20½
Rubber	*d.* per lb.	22½	23½	23½
Wool Tops	,,	110	111	103½

Considerable significance attaches to the two-day meeting of the Ministerial Council of the Organisation for European Economic Co-operation which opened in Paris on Monday last. For the decisions taken there will have a direct bearing on the course of the European economy this winter. The object of the meeting was to discuss certain aspects of the European economic situation and, in particular, the repercussions on Europe of the U.S. recession. Although full information is not available at the time of writing as to what transpired at the meeting, reports are that the Council reviewed the West European economic situation in the light of the changed circumstances and considered measures to stave off any possible economic recession in Western Europe. So far, European gold and dollar reserves have benefited from the U.S. recession. The slackening of industrial activity in Britain and the Benelux countries, though perceptible, has not assumed alarming proportions. But there have of late been indications of some anxiety about prospects for the immediate future. Even in France, where unemployment continues to be negligible and the trend of industrial production has been upward, there is a general feeling that the winter will witness a marked flattening off of the curve.

Sir David Eccles, President of the British Board of Trade, opening the discussion, warned that the U.S. recession was likely to hit Europe in the near future. He appealed to the member-countries of the O.E.E.C. to follow concerted expansionist policies, including relaxation of internal credit controls, long-term "untied" external lending on the lines of Commonwealth countries' drawing on the sterling balances and relaxations in the rules governing export credits. Sir David Eccles also drew attention to the problems of primary producers. He told the Council that the U.K. had never gone in for restrictive external policies and had assisted sterling area primary producers to the tune of £300 million in one year from the sterling balances. He urged members not to extend restrictive trade policies nor to try to protect their own position.

The Council is understood to have considered, as was generally expected, new methods of co-operation to stimulate industrial activity. Before the commencement of the meeting, there were conjectures as to whether a new high level committee would be set up. There were also talks that the West German Economic Minister would be urged to put the huge German gold reserves to good account. However, there was scepticism in some quarters if the meeting would go beyond "meaningless expression of goodwill." Whether it actually did must remain an unanswered question until the receipt of further information.

Paris was the venue of yet another meeting. This was the two-day session of the Ministerial Committee on Free Trade Area (Maudling Committee) which ended on 25th July. The meeting, in the words of Mr. Reginald Maudling, Paymaster-General of Britain, was "most successful." Not that anything of real substance was achieved at the meeting. Far from it. For the prospect of putting into force even a standby arrangement is still slender. But, as Mr. Maudling pointed out, what mattered was the signs of what was said to be "genuine constructiveness" displayed by France towards the idea of Free Trade Area.

The discussions at the meeting were provisional and the threads will be picked up at another meeting expected to take place some time in October. Mr. Maudling expects that substantial agreement will be reached at this meeting. The Committee will by then have received reports from its expert bodies on agriculture, and on the position of backward countries which will also indicate ways of avoiding deflation of trade in the Free Trade Area, a possibility very much feared by France and Italy.

EQUITIES FEATURELESS

NARROW MOVEMENTS IN PRICES

(From Our Own Correspondents)

BOMBAY, *31st July*

TRADING on the Stock Exchange was featureless during the week under review and prices displayed a slightly erratic trend after last week's sudden spurt in prices. All the favourable factors having been anticipated and discounted in prices, the "longs" preferred to toe a cautious line. The bullish trend was, therefore, not only halted but a mild corrective reaction set in this week on profit-taking. There was, however, no selling pressure and the lower levels met with resistance. End-of-account considerations and the week-end holidays this week, on the 1st and 2nd August, were also responsible for the cautious tone in the market.

The most important development of the week is the submission of the Cotton Textile Inquiry Committee's report for the Government's consideration. The Committee has recommended the specialisation of production in the mill sector, the grant of more liberal bank credit to the industry and the trade, a long-term policy for export of yarn, the stoppage of further installation of spindles (even those already licensed) after examining the merits of each case, the avoidance of sudden changes in excise duty and other fiscal measures in the middle of the financial year, and the setting up of a subcommittee for the industry as a whole for considering and laying down policies and principles governing rationalisation from time to time. The Government's decision on the recommendations of the Committee are now awaited. If, however, textile shares did not react favourably to these recommendations, it was because, in the first instance, one is not sure whether the Government would accept the Committee's recommendations. Secondly, the mills have not yet been relieved of the burden of accumulated stocks.

In the steel section, Tata Ordinaries moved up from the previous week's closing of Rs. 167.50 to Rs. 169 on Tuesday this week, but receded again to Rs. 166.50 yesterday. Today, however, they recovered to close at Rs. 168.25. The new shares were a shade better over the week at Rs. 166. Indian Irons rallied from Rs. 23.60 to Rs. 23.98. Profit-taking set in at this level and the shares receded to Rs. 23.68. Towards the close, they improved to Rs. 24.08.

Despite the publication of the report of the Textile Inquiry Committee, cotton mill shares failed to attract support. Bombay Dyeings moved down from Rs. 59.70 to Rs. 59.30 before hardening to Rs. 59.90 on Tuesday. Subsequently, there was again a setback to Rs. 59. Today, however, they rose to Rs. 59.40. Centurys were listed ex-right on Tuesday and the shares finished at Rs. 450.50 *ex*-right, as against Rs. 478 *cum*-right a week ago. Kohinoors receded from Rs. 285 to Rs. 279, before closing higher at Rs. 281. Central Indias were marked down by Rs. 2.50 to Rs. 94.50. Finlays shed a rupee to Rs. 284 and Gokaks Rs. 2 to Rs. 150. Indu Ordinaries ruled steady and closed a fraction higher at Rs. 10.20. Indore Malwas shed Rs. 6 to Rs. 108. Khataus were featureless at Rs. 189 and Models at Rs. 168.75. Morarjee Mills picked up Rs. 3 to Rs. 241. Podars were a fraction better at Rs. 140. Shree Niwas Cottons changed hands Rs. 5 better at Rs. 162. Simplex closed at Rs. 175 *ex-div.* (div. Rs. 8.50), as against Rs. 185 *cum-div.* Standards were steady at Rs. 433, while Svadeshis declined by Rs. 3 to Rs. 189.50 and Swans by Rs. 5 to Rs. 365. Tata Mills were lower by 75 nP at Rs. 39. Ahmedabad Advances gained Rs. 3.75 to Rs. 178.75.

Barring a smart rise of Rs. 1.90 to Rs. 56.70 in Centrals, bank shares were featureless. Barodas were done Re. 1 lower at Rs. 122. Bank of Indias were a fraction down at Rs. 134.75 and their new shares at Rs. 136. Punjab Nationals lost a rupee to Rs. 58 and United Commercials 50 nP to Rs. 61.

Very little activity was noted in the insurance section. New Indias were done a fraction lower at Rs. 46.25. Industrial and Prudentials changed hands at Rs. 29, as against Rs. 30 a week ago. Vulcans had business at Rs. 18.16 and British India Generals at Rs. 15.84. All-India Generals were marked down by 26 nP to Rs. 3.24.

Electricity shares were picked up at higher rates. Ahmedabad Electrics improved by 30 nP to Rs. 96, Bombay Suburbans by Re. 1 to Rs. 108.25 and Surat Electrics by 50 nP to Rs. 110.50. Tata Hydros moved up by Rs. 3 to Rs. 125. Tata Powers gathered Rs. 13.75 to Rs. 1,238.75 and Andhra Valleys Rs. 5 to Rs. 1,185.

In the sugar group, Belapurs suffered a setback from Rs. 263.50 to Rs. 260. Phaltans too lost Re. 1.75 to Rs. 153 and Changdeo 25 nP to Rs. 27.50. Bhopals were a shade better at Rs. 22.76, and Walchandnagars looked up by Re. 1.25 to Rs. 282.50. Associated Cements, among cement shares, moved narrowly between Rs. 157 and Rs. 154.75 before closing at Rs. 156.25. Their new shares were steady at Rs. 149.50. Digvijays were a fractional lower at Rs. 154.25 and Orissas at Rs. 13.96. Jaipur Udyogs provided a feature with a rise of 48 nP to Rs. 14.64.

In the engineering and mining group, Alcock Ashdowns were placed Rs. 2.50 lower at Rs. 253.75 and Premier Constructions shed Rs. 5 to Rs. 197.25. Tata Locomotives declined from Rs. 173.25 to Rs. 170, but shot up to close at Rs. 174.50. Larsen and Toubros were unchanged at Rs. 18.04, while Texmacos gained 80 nP to Rs. 21.80. Shivrajpur ruled quiet and dropped Re. 1.50 to Rs. 92, while Indian Coppers were unchanged at Rs. 3.95.

In the shipping group, Scindias gained ground from Rs. 19.48 to Rs. 19.72 and after a setback to Rs. 19.52 recovered to Rs. 19.72. Great Eastern Shippings rose by 12 nP to Rs. 24.84. Among automobiles, Premier Automobiles were steady at Rs. 92.50, while Hindustan Motors shed 12 nP to Rs. 7.76.

In the miscellaneous group, Bombay Burmahs (old) reacted from Rs. 582.50 to Rs. 571 before closing at Rs. 575. The Partly-paids were marked down by Rs. 2.75 to Rs. 215.75. National Rayons lost over the week Rs. 3.25 to Rs. 230.50. Gwalior Rayons were a fraction lower at Rs. 15.84. Tata Chemicals were lower by 24 nP at Rs. 16.52, while Dharangadhra Chemicals were steady at Rs. 109.50, as also Hindustan Levers at Rs. 23.84. Amar Dyes were a rupee lower at Rs. 119. Killick Industries had business at Rs. 144.25 and W. H. Bradys at Rs. 280. Wimcos lost Re. 1.50 to Rs. 175.

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Calcutta Stock Exchange

CALCUTTA, *30th July*

The main feature of trading on the Calcutta Stock Exchange during the week under review was the strong support which jute shares and other speculative issues elicited. These recorded attractive gains over the week. The reasons for the revival of enthusiasm in jute shares were the better prospects for jute goods and the declining trend in raw jute prices following a bumper crop. The rains have so far been moderate, and it was thought that this year floods would not occur and reduce the crop. The support extended to speculative issues was consequent upon the belief that some understanding relating to West Asia would be reached among the Big Powers, thus staving off another world war, at any rate, for the time being. Generally speaking, it should be said that investment support was lagging behind in view of the economic uncertainties facing the country. Although it is generally believed that the U.S. would give more aid to India, market circles were disappointed at the speech of Mr. Morarji Desai in Nagpur at the annual meeting of the Nag-Vidarbha Chamber of Commerce, in the course of which he said that the attempts of private industry for getting tax relief were unreasonable. He also said that rationalisation and modernisation of the textile industry could have received more funds had only large dividends not been paid to shareholders. The market wondered what Mr. Desai had up his sleeves. Was it that he was preparing the investors for further control over distribution of dividends?

Coals, after remaining quiet for a time, firmed up. Prospect of an increase in output target for private collieries continued to boost up sentiment. South Karanpuras invited good support on the publication of good working results, and rose to Rs. 12.12 from Rs. 11.87. The dividend for the year ended August last amounts to 7½ per cent., as against 3½ per cent. for the previous year. Pench Valleys encountered support to recover to Rs. 22.94 from Rs. 22.00. Amalgamateds, after being lower at Rs. 19.12, put on strength and changed hands at Rs. 19.37. Burrakurs realised Rs. 21.12, as against Rs. 20.75 earlier, and Central Indias Rs. 9.25, as against Rs. 8.03.

Jute shares were the cynosure of all eyes. More corporate results announced this week, confirmed the market's view that the jute industry was passing on to better times. For the year ended March last, the dividend of the Bally Jute Co., Ltd., has been raised to 6 per cent. from 2 per cent. paid for the previous year, following the handsome increase in profits by Rs. 9.64 lakhs to Rs. 11.40 lakhs. For the year ended March last, the profit of the Birla Jute Manufacturing Company, Ltd., amounted to Rs. 27.95 lakhs, a rise of Rs. 11.17 lakhs. The dividend is unchanged at 10 per cent. The scrip changed hands at Rs. 19.75, as against Rs. 17.69. The Directors have announced a programme of modernisation up to 12 spinning stage. The following table shows the gains recorded by some of the important scrips:

	Opening Rs.	*Closing* Rs.	*Gain* Rs.
Budge Budge ...	101.00	109.00	8.00
Caledonian ...	131.00	152.00	21.00
Cheviot ...	162.00	176.00	14.00
India ...	134.50	140.00	5.50
Delta ...	127.00	134.00	7.00
Megna ...	131.00	136.00	5.00
Anglo-India ...	176.00	180.00	4.00
Kennison ...	128.00	131.00	3.00
Gourepore ...	273.00	276.00	3.00
Lawrence ...	96.00	103.00	7.00
Northbrook ...	17.25	17.75	0.50
Alliance ...	89.00	90.00	1.00
Naihatti ...	61.00	70.00	9.00

Led by speculative Indian Irons, engineering shares were fully steady. Indian Irons opened at Rs. 23.22 and by Friday had risen to Rs. 23.90. The market was closed on Monday being a public holiday. Yesterday, the shares finished lower at Rs. 23.68. Texmacos touched a high of Rs. 21.10 before lagging to Rs. 20.90. At Rs. 97, Indian Standard Wagons were higher by Re. 1, and Guest, Keen Williams recorded a smart rise to Rs. 31. Kumardhubis were, however, unchanged at Rs. 9.50.

Only limited interest was shown to tea shares. Brook Bonds hardened to Rs. 18.89 from Rs. 18.75, and Batelis to Rs. 19 from Rs. 18.69. New Dooars were unchanged at Rs. 291.

A wide range of miscellaneous industrials changed hands at advancing rates. Subsequent profit-taking, however, reduced gains. India Steamships closed at Rs. 12.19 after improving earlier to Rs. 12.31 from Rs. 12.06. Dunlop Rubbers at Rs. 28 were marked higher. Orient Papers at Rs. 34.35 recorded an impressive increase of Re. 1.35. Angelo Bros. picked up strength to quote higher at Rs. 20.12.

Among minings, Indian Coppers, after improving to Rs. 3.78 from Rs. 3.67, receded to Rs. 3.66. Karampura Developments provided an impressive feature with a steady rise to Rs. 16.37 from Rs. 13.87. They, however, gave way subsequently to Rs. 15.

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Madras Stock Exchange

MADRAS, *29th July*

The Madras Stock Exchange presented a steady trend during the week under review. Planting shares met with a fair measure of support, thanks to rumours of a possible reduction in export duty on tea, expectations of better working results of coffee estates, and hopes of an upward revision in rubber prices. Trading in the textiles section was marked by buying enquiry in a few selected scrips. The report of the Cotton Textile Inquiry Committee failed to have any significant effect, as it was felt that the report did not contain any concrete proposals designed to help South Indian mills liquidate the huge yarn stocks estimated at 40,000 bales. Selected bank shares were well favoured, as also certain sugar shares.

Among tea shares in the planting section, Kalasas rallied 25 nP to Rs. 16.25. Devaholas advanced by a like amount to Rs. 19.75 *cum-div.* and Kil Kotagiris by 20 nP to Rs. 6.00. Blue Mountains were better by 8 nP at Rs. 3.35. Coorgs gained 10 nP at Rs. 11.30. Haileyburias were fully maintained at Rs. 19.50, despite the announcement of lower dividend of 15 per cent. for the year ended 31st December 1957, as compared with 25 per cent. in the previous year. Lucky Valleys were steady at Rs. 9.50 and Nilgiris at Rs. 8.50 *cum-div.* Emerald Valleys, however, declined by 25 nP to Rs. 6.80. Nonsuch softened by 15 nP to Rs. 22.45. Periakaramalais declined by 7 nP to Rs. 4.30 on fears of lower dividend.

Coffee shares were well maintained. Coffee Lands spurted by 30 nP to Rs. 31.10. Manars rose by 20 nP to Rs. 2.80. Ouchterloneys found buyers 15 nP higher at Rs. 5.30. Mysore Coffees strengthened by 12 nP to Rs. 3.62. Rajendras, Sangameshwars and Shavamalais were quoted at Rs. 12.35, Rs. 2.65 *cum-div.* and Rs. 5.85 *cum-div.* respectively, same as last week. Anaparas were steady at Rs. 5.40, Bababudins at Rs. 12.20 and Consolidated Coffees at Rs. 27.50.

Rubber shares met with support. Kalpettas rallied 75 nP to Rs. 24.75. Midlands firmed up by 30 nP to Rs. 12.30. Nilamburs hardened by 25 nP to Rs. 14.75, *cum-div.* Travancore Rubbers improved by a like amount to Rs. 15.50. Pullangodes were better by 11 nP at Re. 1.81 *cum-div.* and T.R. & Ts by 7 nP at Rs. 6.95. Malankaras were steady at Rs. 18.62 and Nenmenys at Rs. 13.50. Highlands, however, came in for selling and declined by 25 nP to Rs. 12.50 *cum-div.*

In the textile section, Metturs advanced by Rs. 3 to Rs. 336. Buckinghams and Lakshmis (Rs. 50 paid-up) gathered Rs. 2 each to Rs. 174 and Rs. 106, *cum-div.* respectively. Coimbatore Spinnings put on Re. 1.50 to Rs. 53. Bangalore Woollens increased by a rupee to Rs. 161. Coimbatore Cottons were unchanged at Rs. 145, Coimbatore Kamalas at Rs. 102, Dhanalakshmis at Rs. 174, Janardanas at Rs. 76 and Rangavilas at Rs. 63.

Among miscellaneous industrials, Textools rallied Rs. 4 to Rs. 195. Rallis spurted by Rs. 2.50 to Rs. 39. Indian Steel Rollings firmed up by 90 nP to Rs. 13.40, India Cements by 85 nP to Rs. 29.45 *cum-div.* and T. Stanes by 75 nP to Rs. 23.25. Dalmia Cements rose by 40 nP to Rs. 11.60. Orissa Cements were 30 nP higher at Rs. 15.50 *cum-div.* F.A.C.Ts. strengthened by 20 nP to Rs. 6.55. Mysore Tobaccos gathered 13 nP to Rs. 12.75 and Mysore Papers 12 nP to Rs. 17.52 *cum-div.* Aluminium Industries, Andhra Cements, and Ashok Leylands gained 10 nP each to Rs. 16.30, Rs. 11.95 and Rs. 5.25 respectively. Hindustan Levers were steady at Rs. 23.84.

INDIAN AND FOREIGN BANKS CO-OPERATE

The Indian Banks Association and the Exchange Banks' Associations have formed a new association called "Foreign Exchange Dealers' Association of India" to regulate the conduct of foreign exchange business within the framework of the exchange control regulations. Until now, foreign exchange business has been regulated by the Exchange Banks' Associations in India (at Bombay, Calcutta, Delhi, Madras and Amritsar), whose membership consists entirely of foreign banks. In view of the active participation of Indian banks in financing the country's foreign trade and the considerable expansion of their foreign exchange business, it was considered desirable to form a composite association of all authorised dealers in foreign exchange.

The new Association has applied to the Reserve Bank of India for recognition and will start functioning as soon as approval is received, and, in the meantime, all authorised dealers are being invited to join. The headquarters of the Association will be in Bombay, and local offices will be established in Calcutta, Delhi and Madras.

NEWS IN BRIEF

THE total investment in bullock-carts in India is estimated at as much as Rs. 800 crores, which is Rs. 100 crores less as compared with investment in railways.

A further quota of 5,000 tons each of nigerseed and kardiseed has been released for exports upto the period ending September 1958 and October 1958, respectively, or till the ceiling is reached, whichever is earlier.

The Central Wage Board for cement industry has, in response to a number of requests, extended the time limit for replying to the questionnaire issued by the Board, up to the 16th inst.

The Government of India is considering the question of deleting the word "private" from the nomenclature of all State-owned undertakings registered as limited companies, in order to distinguish them clearly from privately owned companies with limited liability.

Scientists from most countries of the world are expected to attend a symposium on the nature of coal scheduled to be held at Jeolgora from 9th to 11th February 1959. The symposium has been jointly sponsored by the Central Fuel Research Institute, the Institute of Fuel (India branch) and the Institution of Chemists, India.

A conference on shipbuilding and shipping will be held in Kharagpur in November 1958 under the auspices of the Naval Architecture and Marine Engineering Society, Indian Institute of Technology, Kharagpur. The problems of shipbuilding and shipping will be discussed at the conference which is the first of its kind to be held in India.

The State Bank of India has, under the provisions of Section 35 of the State Bank of India Act, 1955, obtained the sanction of the Government of India to acquire the business of the Manipur State Bank Ltd. The accounts now maintained by the Manipur State Bank Ltd. will be taken over by the State Bank of India soon after the acquisition of its business.

The Scindia Steamship Navigation Company has decided to purchase from Japan a motor vessel of 12,000 tons deadweight. Mr. T. M. Goculdas, Deputy Manager of the firm, has already gone to Japan to negotiate and finalise the order for the construction of the vessel. He is also expected to investigate the possibilities of construction of suitable ships for his company at Hong Kong.

A Rs. 7-crore scheme for setting up a national dairy farm in the Banni region of Kutch has been drawn up by the Government of Bombay. The scheme is also expected to cover some subsidiary industries such as preparation of bone manures and leather tanning. The dairy experts of the Government of India recently visited Kutch for a detailed survey for this purpose.

In order to provide training facilities regarding the methods of family planning, the Government of Bombay has sanctioned the establishment of seven family planning clinics, one each at the Grant Medical College, Bombay, B. J. Medical College, Poona, B. J. Medical College, Ahmedabad, Medical College, Baroda, Medical College, Aurangabad. Medical College, Nagpur and M. P. Shah Medical College, Jamnagar.

The Government of India has decided to locate the proposed optical glass factory at Naini, near Allahabad. The factory will be set up in collaboration with the U.S.S.R. It is expected to manufacture highly specialised glasses like lenses for cameras, telescopes and microscopes for which India is exclusively dependent on imports at present. It may be recalled that a Russian team of experts visited India six months ago to select the site for locating the factory. The team chose Naini or Durgapur as places suitable for the purpose.

The Union Government has imposed a ban on the purchase of wheat from the open market by the roller flour mills in U.P., Madhya Pradesh, Rajasthan and Bombay. The large-scale purchase by these mills, it is said, has been responsible for reducing the availability of wheat and pushing up prices. The Government will henceforth supply imported wheat to these mills on the basis of the average monthly grinding during the first six months of 1958. The allotments will be subject to the condition that the mills should sell *maida* at Rs. 20 per maund, wholemeal *atta* at Rs. 15-4 and resultant *atta* at Rs. 14.

The Indian Institute of Technology was inaugurated in Bombay on the 25th ult. by Mr. Humayun Kabir, Union Minister for Scientific Research and Cultural Affairs. This is the second in the chain of four such institutes planned by the Central Government; the first one was set up at Kharagpur in 1951. The third and fourth institutes will be established in Madras and Kanpur, in the next two or three years. The special feature of the institute at Bombay is that the services of U.N.E.S.C.O. experts from the Soviet Union have been made available for running it. The Soviet Union is also supplying equipment for the specialised laboratories at the Institute.

An annual gold medal for the advancement of advertising has been instituted by The Indian Society of Advertisers which it is claimed, represents 75 per cent. of the national advertising budget in India. The award, which will be known as the Isa-Khatau Gold Medal, was announced by Mr. Dharamsey M. Khatau, well-known industrialist and a past Chairman of the Society, at a farewell dinner held recently in his honour by Mr. Chinubhai Kilachand, the present Chairman. The award is designed to recognise and honour persons connected with the Press, advertising agency business or an advertiser, for his outstanding services to or major accomplishments in advertising during the past year.

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From Abroad

It is reported that Russia launched, on 24th July, a radio sounding apparatus which will measure changes in solar radiation.

West Germany has decided to grant Turkey a credit of 200 million marks (about Rs. 22.1 crores) from its balance lying with the Organisation for European Economic Co-operation.

The Dutch Government has been urged by the Social Economic Council, a national organisation, not to reduce the 48-hour week to 45-hour week for the next three to five years.

A West German automobile manufacturer, Vidal und Sohn of Hamburg, proposes to establish a unit in New South Wales, Australia, for producing commercial vehicles. Beginning as an assembler, the Company proposes to manufacture vehicles progressively.

Britain and Hungary have entered into a bilateral trade agreement under which Britain will export to Hungary chemicals, textile yarns and raw materials, vehicles, machinery, non-ferrous metals and rubber in exchange for aluminium and aluminimum products, cotton cloth, shoes, drugs and other goods.

Operations in Iraqi oilfields are proceeding undisturbed, irrespective of the political developments there. The flow of oil through the pipeline to the Mediterranean terminals, which regained the pre-Suez crisis level of 25 million tons a year only a few weeks ago, has not been interrupted.

The Government of Pakistan has decided to authorise the Commerce Ministry to arrange for barter trade with India involving sale of jute cuttings against purchase of mustard oil and coconut oil. It has also decided to allow exporters of *desi* cotton to import machinery to the extent of 10 per cent. earnings of their exports.

A campaign asking the public to boycott cheap textiles imported from the Far East has been planned in Rochdale, U.K. Protest meetings are also proposed to be held against the Government's refusal to restrict duty-free imports. A desperate situation is reported to be developing in Rochdale with its 4,000 cotton operatives working short time.

A pool for insuring of atomic risks has been established at Rotterdam. Participating in this pool are about 150 Dutch and foreign insurance companies with offices in Holland. The capacity of the pool is placed at Fls. 9.5 million for material damage and nearly Fls. 6 million for third party risks. The pool will co-operate closely with similar West European organisations.

With effect from the beginning of this month, Aluminium Limited, the major Canadian producer, has curtailed output at its Canadian smelters by 10 per cent. As a result, actual output will be of the order of 560,000 tons per annum, as against the annual rate of 620,000 tons hitherto. This quantity represents about 72 per cent. of the installed smelter capacity of 770,000 tons.

A floating exhibition of Swedish export products is to be arranged on board the Swedish Transatlantic Line *s.m.s Elgaren*, which is due to leave for South Africa early in October this year. Some 140 leading Swedish industries have announced their intention to participate in this show, which will be organised by the Gothenburg Shipping Company in collaboration with the General Export Association of Sweden.

With a view to restoring export trade and checking the current recession, the Japanese Ministry of Trade has formulated a plan designed to create additional demand through fiscal expenditures. The new plan, it is claimed, represented a change in its traditional policy of strictly adhering to balanced budget and tight money. It calls for increased fiscal investment of 80,000 million yen by April 1959 and expediting of expenditure already approved.

Exports of British radio equipment of all kinds for the first six months of 1958, provisionally valued at £21,790,000, are more than £250,000 higher than those for the same period last year. For the whole of 1957, exports reached a record level of over £43,000,000. The National Radio and Television Exhibition, to be held in London from 27th August to 6th September 1958, will further promote oversea sales of British equipment. Buyers from at least 120 countries are expected at the exhibition.

At the request of the member-nations of the General Agreement on Tariffs and Trade (G.A.T.T.), a panel of five economic experts is currently making at Geneva a study of international trade problems. Among the problems to be reviewed are the tendency for trade between the non-industrial and the industrial countries to develop more slowly than trade between the industrial countries themselves, the effects of wide fluctuations in world market prices of primary products and, consequently, on the export earnings of primary producing countries, and the effects of agricultural protectionism on the development of international trade. The report of the panel is expected to be ready for consideration at the next session of the G.A.T.T. to be held in October next.

The Joint Hull Committee of the Institute of London Underwriters and underwriters interested in hull insurance have agreed on a revised formula for "increases and decreases in value." The only change in the formula relates to decreases in value. On renewal of hull insurance, an allowance off the bulk premium may be granted which is worked out at 100 per cent. of the market total loss rate on the amount of the reduction in value. This allowance may be deducted prior to the adjustment made necessary by the application of the Hull Understandings. During the currency of the insurance policy also an allowance may be allowed for by a return of premium on the amount of reduction in value worked out at 100 per cent. of the market total loss rate. The current depression in the world shipping trades, it is said, has led to many shipowners asking for a reduction in the insured value of their vessels, with a corresponding decline in premium income for underwriters.

PERSONAL

MR. Harish C. Jain has been elected Chairman of the Board of Directors of the National Advertising Service Private Ltd.

Mr. Chunilal B. Mehta and Mr. Premchand Kedia have been elected President and Vice-President, respectively, of the Bombay Bullion Association for 1958-59.

Mr. Sohanlal Singhania and Mr. Ram Ratan Gupta have been elected Chairman and Deputy Chairman, respectively, of the Employers' Association of Northern India, Kanpur.

Mr. B. K. Nehru, Secretary for Economic Affairs, Ministry of Finance, Government of India, returned to India early this week from his visits to London and Washington on a mission for getting additional financial aid.

Mr. Robert L. Garner has been appointed President of the International Finance Corporation for a further period extending upto 15th October 1961. Mr. Garner has been the President of the Corporation since its establishment on 24th July 1958.

Mr. J. C. Kapur has been elected President of the All-India Council of the Refrigeration and Air Conditioning Trades Association. Mr. Y. F. Fazelbhoy and Mr. A. N. Ahuja have been elected Vice-Presidents and Mr. B. S. Dua, Honorary Secretary and Treasurer.

Mr. S. K. Somaiya of Godavari Sugar Mills Ltd. and Mr. F. Edwards of Belapur Company, Ltd., were elected President and Vice-President, respectively, of the Deccan Sugar Factories Association for the year 1958-59, in the nineteenth annual general meeting of the Association held in Bombay on Monday, 21st July 1958.

Mr. M. S. Dastur has been elected Chairman and Mr. B. R. Mody, Vice-Chairman of the Committee of the Indian Insurance Companies' Association, Bombay, for the year 1958. The other members of the Committee are Messrs. K. C. Desai, R. S. Mehta, K. G. Merchant, M. G. Mody, Mohanlal Velji, E. J. Poncha, T. M. Telang, P. U. Patel and Jayant S. Dalal.

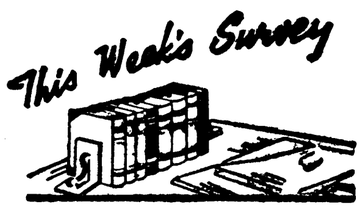
"COMMERCE" 1933

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *5th August*

First Quarter's Trade

The trade returns of British India for the month of June last, published elsewhere, enables us to review the trade of the first three months of the current fiscal year. The value of the imports, during the first quarter, decreased, as compared with the corresponding period of last year, by nine crores of rupees, or twenty-four per cent., and amounted to Rs. 28 crores. The total exports including re-exports, rose during the period by four crores of rupees, or fourteen per cent., to Rs. 34 crores. The exports of Indian merchandise during the three months records an increase of four crores of rupees, or fourteen per cent., but the re-exports remained near about the same level as in the preceding year, namely, Rs. 74 lakhs. The grand total of imports, exports and re-exports amounted to Rs. 62 crores as against Rs. 67 crores in the previous year—a decrease of five crores of rupees, or seven per cent. Imports of treasure during the three months under review—both on private and Government account—decreased by Rs. 35 lakhs to Rs. 50 lakhs. Gold bullion increased by Rs. 2 lakhs to Rs. 22 lakhs; sovereigns and other British gold coins by Rs. 38,000 to Rs. 7½ lakhs, but other coined gold dropped by Rs. 10,000 to Rs. 61,000. The value of silver imported declined by Rs. 36 lakhs to Rs. 19 lakhs and of currency notes by a lakh of rupees to the same amount. Exports of treasure increased by Rs. 5,08 lakhs to Rs. 17,88 lakhs. exports of gold alone amounting to Rs. 15,40 lakhs as against Rs. 12,41 lakhs last year.



BLACKMAIL ON SUGAR CONSUMERS

A TYPICAL instance of blackmailing consumers of sugar by politicians was provided on Friday last week when the Uttar Pradesh Vidhan Sabha adopted a Communist-sponsored non-official resolution urging the State Government to move the Centre to enhance the minimum price of sugarcane from Re. 1-7 to Re. 1-12 per maund. Coming as it does a few months after a similar resolution was passed by the Bihar Legislative Assembly, this action has imparted a fresh lease of support to the old political game that has gone on for several years in both Uttar Pradesh and Bihar. It is deplorable that the question of sugarcane price continues to be a convenient lever which the politicians of the two States have all along been using for getting elected to the State Legislatures and Parliament. Since the cane growers in these States constitute a large number and, therefore, command vast voting power, the politicians naturally find it easy to secure their votes by agitating for higher cane prices in the name of welfare of the poor peasant.

The aforesaid attitude of U.P. and Bihar politicians is highly regrettable and, if it were to gain recognition at the hands of the Central Government, it would mean that consumers all over India would have to pay more for their sugar, the price of which is already high in all conscience. Indeed, any further increase in cane price, which accounts for more than half of the production cost of sugar, will amount to holding consumers to ransom. Inasmuch as the States of U.P. and Bihar together account for well over 66 per cent. of the total production of sugar in the country, the pressure exerted by the politicians of the two States for getting higher prices for cane tantamounts to the imposition of the will of monopoly interests on nearly 70 per cent. of the sugar-consuming population. It must be remembered that higher prices for cane aggravate the inflationary forces in two ways—higher cost of living and a fall in foodgrains production consequent upon more land being diverted to sugarcane.

The plea for an upward revision in cane prices is most ill-timed, especially as the country is now trying to build up an export trade in sugar. The price of Indian sugar is twice as high as the world market price, so that what is now necessary is to enhance the competitive capacity of Indian sugar by a suitable reduction in manufacturing costs. Such a reduction can be brought about only if the heavy incidence of cane price is reduced through the adoption of the more rational system of fixing the price of cane based on both weight and quality, instead of on weight alone as at present.

It is surprising that none of the U.P. Vidhan Sabha members who participated in the debate made a reference to this aspect. The State's Agriculture Minister, Mr. Mohan Lal Gautam, no doubt vigorously opposed the resolution on the ground that the entire agricultural economy of the State would be hard hit if cane prices were enhanced, as the acreage under food crops would be affected. But his opposition was of no avail. For, when the resolution was put to vote, the Congress members remained silent. Such an attitude is certainly scandalous. The Congress legislators of Uttar Pradesh would have served the cause of cane growers better if they had voted down the resolution.

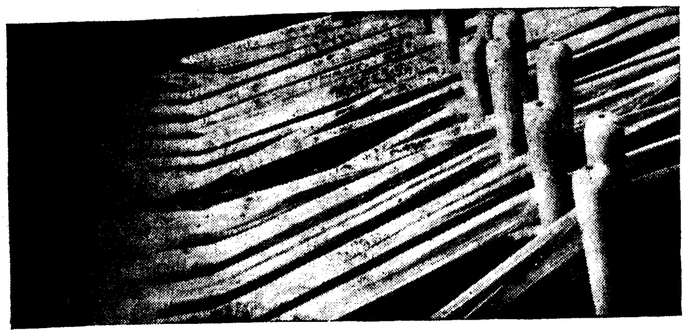
SALES TAX AND STATES' STORES POLICY

The importance of a simpler legislation for sales tax and uniform stores purchase policy by the State Governments was stressed by Mr. N. D. Sahukar, Chairman of the All-India Manufacturers Organisation, at the quarterly meeting of the Organisation, held at Bombay last week. There is no doubt whatever that, by and large, business men and industrialists find sales tax more irksome than almost any other impost. Indeed, there is hardly any business man, whether big or small, who does not regard sales tax as his most vexatious problem. This is so chiefly because of the fact that few business men understand the complex piece of sales tax legislation. Even legal advisers, as Mr. Sahukar pointed out, in effect, are often bewildered by the sales tax law. What is perhaps less widely known is that sales tax officers too are compelled to plead ignorance. Mr. Sahukar revealed that the officers "have always admitted to us in private that they are not able to understand the Sales Tax Act which they are supposed to administer." We believe that, in the interests of fiscal justice and of encouragement to the law-abiding citizen, it is necessary to simplify the whole law and procedure of sales tax. It is time that someone, like the child in the well-known fable about the king's non-existent apparel, told the truth about sales tax and exposed its meaningless complexity, thereby paving the way for a simpler law. It is not so much the burden of sales tax—heavy as it is—as the uncertainty of the burden and the ambiguity of the law that make the tax a continuous source of annoyance to the business man. It is to be hoped that the Sales Tax Enquiry Committee, appointed by the Government of Bombay, will go into this question thoroughly and suggest measures designed to simplify the law. It is heartening to note that Mr. Y. B. Chavan, the Chief Minister of Bombay, who was the chief guest at the meeting, promised to throw his weight "on the side of simple and straightforward legislation which will minimise the problems and difficulties of all concerned with sales tax in one capacity or another." This assurance augurs well for the future of the tax in this premier commercial and industrial State.

A fundamental issue pertaining to the official stores purchase policy was raised by Mr. Sahukar when he averred that some States in India were giving a 15 per cent. price preference to the products manufactured in their own States, regardless of quality; the preference shown in some cases works out to more than 50 per cent. He rightly insisted that such preference was discriminatory. It would appear that some States give this kind of preference to industries to which they have given financial assistance because it would enable them to get "some returns from their bad investment." The whole issue revolves round the question whether a State is entitled to use its stores purchase policy in a way which resembles the grant of a subsidy to the manufacturer in its domain, thereby discriminating against manufacturers from other States. If each State in India were to adopt such a policy, it would distort the production pattern in the country, if it does not also tend towards its economic Balkanisation. After all, industries gravitate to centres where they could operate with advantage. To oppose this natural trend by a costly system of preferential treatment at the State level is unwise to a degree. It is to be hoped that regional loyalties will not be allowed to interfere with the harmonious development of national economy and inter-State trade.

IDET-10

The Powerful New Detergent and Wetting Agent for All Textile Processes



In the Textile Industry, IDET-10 with its uniform efficacy and neutral character, can be used for all wet processes. It is indispensable in scouring, bleaching, dyeing and soaping processes.

IDET-10 is a synthetic organic surface-active agent, possessing powerful wetting action and detergency. It can be used in all processes which require wetting out, dispersing, emulsification, penetrating and cleaning. It is equally effective in hard water, alkaline or acid solutions.

In other industries, IDET-10 can be used for degreasing, tanning, wetting back and dyeing of leather, in the paper industry: for cooking of rag-stock, de-inking of waste-paper, washing and conditioning of felts. Also for various operations of metal processing such as corrosion inhibition, electroplating and emulsion-cutting.

Manufactured in India by Swastik Oil Mills Ltd., Bombay

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PROBLEMS OF GENERAL INSURANCE

The thoughtful speech delivered by Mr. P. U. Patel, Chairman of the Indian Insurance Companies' Association, at its 30th annual general meeting, held in Bombay on 26th July, should stimulate fresh thinking on some of the main problems confronting general insurers in this country. Mr. Patel's observations and suggestions deserve to be commended to the consideration of not only the Government and insurers but also to the general public interested in the development of insurance on sound lines.

The Chairman's comment on the Code of Conduct for insurers is significant. He regretted that, apart from payment of premium in advance of the assumption of risk, the Code had failed to achieve any of its objectives. The primary reason for this, according to him, was the perpetuation of the institution of inspectors even under the revised Code. He strongly felt that this exotic institution, transplanted to this country from Britain, was not suited to conditions here. He made an interesting suggestion in this connection. According to him, from the nucleus of the fairly large number of highly experienced whole-time agents formerly called brokers and now designated inspectors, whom Indian insurance is fortunate in having, a new pattern of organisation broadly representing a happy compromise between the British inspectorate system and the American general agency system should be evolved. He also urged an immediate and thorough overhaul of the procedure for implementing the Code.

Most of the questionable dealing and unhealthy competition to prevent which the Code of Conduct was conceived, can be traced to the smallness of the insurance market in this country. For instance, the total direct gross annual premium of all insurers in the general department is roughly Rs. 23 crores. This amount is incredibly small in comparison with the premium income in countries much smaller than India. The scramble for business leads, not unnaturally, to unhealthy competition. In the absence of sufficient business to go round, the temptation to adopt methods which may not be in keeping with the spirit of the Code is not easily resisted.

The volume of business available is directly dependent on the degree of industrialisation and as the country gets industrialised the quantum of business is also likely to grow apace. But it is also essential, as Mr. Patel emphasised, to explore new avenues of increasing premium income. Insurance companies should start issuing wider and more specialised covers for various types of risks. There is wide scope for doing business in fields other than fire, motor and marine insurance. With the increasing tempo of industrial development there will be a growing demand for machinery insurance and breakdown insurance and other types of miscellaneous insurance which are sold as a matter of course in other countries. Loss of profits insurance, which has considerably advanced in recent years in the U.K., the U.S.A. and other industrialised countries, offers another profitable avenue of business for insurance companies. Two essential conditions for the expansion of insurance business are the supply of trained personnel and the existence of an awareness in the public mind of the value of insurance. While institutions such as the Federation of Insurance Institutes could, with the active support of the trade, turn out technically qualified people in sufficient numbers, planned and concerted publicity drive could do much to induce insurance-consciousness in the public. Mr. Patel rightly suggested that Indian and non-Indian insurers should join together in such a venture.

Again, his plea for a relaxation in the taxation of reserves needs to be given careful consideration. Increased percentage reserves strengthens the financial stability of the companies and enables them to retain and expand their business here and operate more successfully abroad. The temporary loss to the exchequer resulting from the tax relief will certainly be more than compensated in the long run. The Chairman strongly disapproved of granting further extension beyond 31st December 1958 to non-tariff insurers. Nor did he consider it advisable to reduce the fire tariff rates, on the basis of a very limited experience of two years, namely, 1956 and 1957, which happened to be favourable years.

Mr. Patel maintained that the formula prescribed under Insurance Rule 17E, under which the percentage of expenses permissible to companies is determined in relation to the gross premium income written direct in India, is neither fair nor equitable to the trade as a whole. In his opinion, making the direct gross premium income the sole criterion for judging whether a particular unit is economically run or otherwise is contrary to all accepted canons. The formula, he said, has caused unnecessary hardships to several insurers. To assume that a company which complies with Rule 17E is definitely better and more economically managed than another unit which fails to comply with this provision is not, Mr. Patel averred, a proposition so obvious as it looks at first sight. He called attention to the fact that there was no country which treated direct gross premium income as an index of the efficiency and economic running of an institution. Limitation of expenses, he admitted, was a healthy feature incorporated in the Insurance (Amendment) Act, 1950 and has had, on the whole, a beneficent effect. But there was, according to him, nothing sacrosanct in a formula which was evolved in the light of conditions obtaining then. If individual insurers are to be judged, and condemned, in the light of a given formula, then that formula, as Mr. Patel himself suggested, must be as fair and equitable as possible.

INDUSTRIAL PRODUCTION

Despite heavy odds, Indian industries in general continued to maintain the tempo of progress at a high pitch during the first four months of the current calendar year. There was a steady expansion of output in many industries during this period, particularly in engineering goods, metal products, machinery, electrical appliances, and apparatus and transport equipment. No less spectacular were the great strides made by industries like cement, glass and textiles (other than cotton). The index of industrial production stood at 141.7 (Base: 1951=100) for the first quarter of 1958, which compares favourably with the annual index of 122.1 in 1955, 132.6 in 1956 and 137.2 in 1957. This pace of progress might well be interpreted as a reflection of the country's rapidly strengthening industrial base. Nevertheless, the achievements were but modest in relation to the heavy responsibilities cast on the sector under the industries-oriented second Plan. In fact during the first quarter there were a few industries which suffered a setback in production. The output of automobiles, for instance, declined, presumably as a result of restricted import of components. Labour unrest only made the situation worse. The other industries which reported a decline were cotton textiles, wood screws, twist drills, grinding wheels, hurricane lanterns, etc. This is attributed to restricted demand. These adverse trends in some of the industries is traceable to the impact of the unrealistic policies pursued by the powers-that-be, the acute crisis on the foreign exchange front and the unhelpful attitude of labour resulting in the loss of no less than 1,240,000 man-days in the manufacturing sector alone for the four months in 1958. It is, however, heartening to note that, on the whole, the various industries were equal to the occasion and managed to hold their own.

Among individual industries, steel output rose from 408,630 ingot tons in the first four months of 1957 to 428,763 ingot tons in the corresponding period of the current year. The production of cement aggregated slightly over 2.2 million tons during January-April of the current year, representing an annual rate of about 6.6 million tons, as against the total production of 5.5 million tons in 1957. The installed capacity of the industry during the period under review reached an annual rate of 6.70 million tons, as against 6.63 million tons in 1957. Similarly, the output of diesel engines also made rapid strides during these four months, the total number of engines turned out being 7,530 or an annual rate of 22,590 as compared with the annual total of 16,548 in 1957. The upward trend in production was noted in electric fans as well, which was 209,000 for the first four months in 1958 or at an annual rate of 627,000, whereas it was no more than 524,400 in the previous year. Bicycles output also moved ahead to 320,000, in other words, it was running at an

(*Continued on page 208*)

BOMBAY MUNICIPAL CORPORATION
LOAN NOTIFICATION

Bombay, Dated the 25th July 1958.

4½ PER CENT LOANS 1958
REPAYABLE ON 11th AUGUST 1970.

Rs. 210 LAKHS BOMBAY MUNICIPAL LOAN OF 1958 FOR FINANCING CAPITAL WORKS PERTAINING TO BUDGET 'A'.

Rs. 100 LAKHS BOMBAY MUNICIPAL LOAN OF 1958 FOR FINANCING CAPITAL WORKS PERTAINING TO BUDGET 'C'.

Rs. 60 LAKHS BOMBAY MUNICIPAL LOAN OF 1958 FOR FINANCING CAPITAL WORKS PERTAINING TO BUDGET 'D'.

And

Rs. 30 LAKHS BOMBAY MUNICIPAL LOAN OF 1958 FOR FINANCING CAPITAL WORKS PERTAINING TO BUDGET 'E'.

1. Issue price Rs. 99.25 per cent.
2. Each Loan will bear interest at the rate of 4½ per cent per annum from 11th August 1958. Interest will be payable half-yearly on 11th February and 11th August and will be subject to Income-tax.
3. Subscriptions will be received from 10-30 a.m. on the 11th August 1958 and the lists will be closed on the 14th August 1958 or earlier as soon as it appears that the requisite amounts have been received either by private negotiations or through public applications.
4. Sinking Fund will be set aside annually and invested in such manner as may be authorised by the Government from time to time.
5. Interest will be paid in Bombay at the Head Office of the State Bank of India, Bombay, or such other Agent or Agents as may be approved by the Corporation from time to time in that behalf.
6. The Loans are raised on the security of the general revenues of the Bombay Municipal Corporation pertaining to Budgets A, C, D, and E respectively, subject in each case to any prior charges in respect of the balances of the previous loans not yet fully paid off.
7. The Loans will be issued in the form of debentures.
8. Applications for the Loans must be for Rs. 500 or for a multiple of that sum and will be received at the office of the Chief Accountant, Bombay Municipal Corporation, Municipal Head Office Building, Fort, Bombay 1.
9. Copies of the Notification and application Form may be had at the office of the Chief Accountant, Bombay Municipal Corporation, Bombay 1.

Municipal Commissioner's Office,
Bombay, 25th July 1958.

V. L. GIDWANI,
Municipal Commissioner for Greater Bombay.

MONETARY POLICY IN A RECESSION

STEPS TAKEN IN U.S. ELUCIDATED

By Alfred Hayes

PRESIDENT, FEDERAL RESERVE BANK OF NEW YORK

[This article has been adapted from an address delivered by the author to the Fifty-fifth Annual Convention of the New Jersey Bankers' Association on 22nd May 1958, a copy of which has just been received. Herein, Mr. Hayes provides a lucid exposition of the steps taken by the Federal Reserve System to arrest the economic recession and promote recovery in the U.S., as also an assessment of the results achieved. The article is of considerable interest to a wider audience than in the U.S., because the author has sought to indicate the extent to which a modern, free enterprise economy could be influenced through monetary policy, and also to bring out the necessity for the U.S. following a policy of steady economic growth, with reasonable price stability as a contribution to world prosperity. The remarks of Mr. Hayes on this subject are reassuring and show that the monetary authorities in the U.S. are quite alive to their national and international responsibilities alike.—ED.]

ABOUT seven months have passed, since the Federal Reserve System, in recognition of a fundamental change in underlying business conditions, began to substitute a policy of credit ease for one of restraint. It would seem appropriate now to take stock briefly of what monetary policy has accomplished in this period—of what it is supposed to do to combat recession and promote recovery, and of what it cannot be expected to do. Parenthetically, I am not unaware of various comments to the effect that we did not turn soon enough—that we erred in holding on too long to a policy of restraint, fighting inflation when recession was already in evidence and constituted the greater danger. Whether the timing was exactly right I shall not try to argue, but I think the important thing is that the pattern of recession had already been set by imbalances which had grown up in the preceding two or three years—imbalances in costs, prices and incomes, in the expansion of capacity in relation to current demand, in our foreign trade, and perhaps in the debt structure—and which together made a period of adjustment inevitable.

Now, let us consider what monetary policy has done to cope with this state of affairs. As you know, our influence is exercised largely through affecting the availability and cost of credit through actions affecting the supply and cost of bank reserves. Oddly enough, for a number of weeks after our policy changed, it was the fashion to say "Yes, it is true that interest rates have dropped sharply because of expectations of future developments in business conditions and Reserve policy, but *really* the Federal has done very little." Actually, open market operations were then doing their job of easing the banks' reserve position by more than offsetting the seasonal strains of the year end, and by doing much less than in other years to offset the seasonal additions to reserves early in the new year. Subsequently, these operations have been powerfully supplemented by a series of reductions in required reserve ratios (which released nearly 1.5 billion of reserves) and by three further reductions in Reserve Bank discount rates.

Adequacy

Have we gone far enough to get the desirable degree of credit ease? Well, the member banks throughout the country, instead of having net borrowed reserves of about half a billion dollars, as they did during much of last year, have had free reserves of half a billion dollars or more in the last few months—a swing of about a billion in the figure which is perhaps most frequently used as a measure of pressure, or lack of it, in the banking system. As you all know, this statistical measure represents the difference between member bank borrowings and excess reserves. With excess reserves a relatively stable quantity, the swing has been due largely to a drop in borrowings at the "discount windows" of the Reserve Banks from around $1 billion to a little over $100 million.

Perhaps, it would be well to note in passing that the total of member bank borrowings has responded as it should, in "classic" fashion, to the "Fed's" activities. At first glance, it might be thought that, with four cuts in discount rates since November, we would expect to have stimulated greater, not less, use of the "discount window," but that is not the way discounting works. Banks borrow from us mainly to cover temporary deficiencies in their reserves, and their needs for borrowing are much less frequent when bank reserves generally are not under pressure. The discount rate reductions represented support and confirmation of the open market operations and the cuts in reserve requirements which have made reserves available and have made borrowing at the "Fed" virtually unnecessary.

The most significant indication of the effectiveness of the change in Federal Reserve policy is the fact that, over and above the tremendous swing from net borrowed to free reserves, member banks had enough additional reserves to be able to expand their earning assets and their deposit liabilities by several billion dollars. In this way, the banks have used several hundred million dollars of the reserves released by the lowering of percentage reserve requirements. Thus, the fact that member bank reserves are now lower than a year ago does not mean that there has been a corresponding contraction in the money supply. On the contrary, the money supply in the form of demand deposits, seasonally adjusted, has been increasing at the rate of nearly $1 billion a month since January.

Statistics on changes in bank loans and investments since October also throw light on the profound alteration which has occurred in the banks' position. Total loans and investments have risen by $7 billion, as compared with less than $2½ billion in the corresponding period of 1956-57 and $1 billion in 1955-56. With demand for business loans shrinking, the greater part of the increase has been in investments, chiefly in United States Government securities, but with a substantial increase also in other securities and in loans to carry dealers' increased holdings of securities. Accordingly, we have witnessed a very considerable improvement in the liquidity of the banks, and along with it has come a gain in liquidity for others than banks as they have received cash directly or indirectly from the banks' security purchases. The loan-deposit ratios of banks, often looked upon as a rough measure of bank liquidity, have dropped since October from 66 per cent. to 61 per cent. in the case of the New York City banks, and from 55 per cent. to 52 per cent. in the case of banks outside New York. Granted that these loan-deposit ratios are still far above those of 1954, we have clearly made headway in restoring a good deal of the liquidity that was lost during the period of restraint—and I hope, and believe, that the banks are much better disposed now than six months ago to seek aggressively to meet all sound demands for credit.

Interest Rates

Another major result of the change in Federal Reserve policy has been its effect on interest rates and the consequent stimulus to the capital markets. As is usual in any cyclical swing in rates, short-term rates have fallen much more sharply than long-term, although even in the latter the decline has been very substantial. Undoubtedly, an important factor preventing a steeper drop in long-term rates has been the very large volume of new corporate and municipal securities that have been brought out in response to the more favourable market conditions. Of course this has been a very healthy development which we have welcomed, as the corporate financing has helped to improve business liquidity and the municipal issues have contributed to the financing of expenditures which have provided a partial offset to recessionary tendencies. Long-term interest rates, having started down from a much higher level than was reached in 1953, are still considerably above the levels reached in 1954 in spite of the sizable drop since last autumn. The significance of any particular rate level is not always the same in all circumstances, however. The important consideration in present conditions is that money and capital should be readily available; that no sound economic project should be deferred or dropped because funds are not available on reasonable terms. The necessary condition is that rates be satisfactory to borrowers and, at the same time, acceptable to investors. It is that broader complex, and not just rates as such, which we try to keep in view in the development of credit policy.

Funding of Treasury debt earlier this year probably tended, at least in some degree, to slow the rate of decline in long-term rates and, with another large refunding in immediate prospect, the Treasury now faces the difficult problem of whether to include a long-term issue. The dilemma faced by the Treasury at times like this is how best to reconcile the need for improving the maturity structure of the debt with the desire to avoid serious interference with other desirable financing.

It seems to me that the developments of recent months refute pretty effectively the old allegation that monetary policy, effective though it may be in checking a boom, is helpless to combat recession. The fact is that the banks do largely use any reserves which are made available to them to make additional loans or investments, and in so doing contribute substantially to the supply of investable funds, with marked effect on the strength of the capital markets. Naturally, I am not claiming that monetary policy alone can create eager borrowers nor that it can provide all the stimulus needed to pull the country out of a recession—but it can be of tremendous help and is, in fact, an indispensable element for resumption of economic growth.

No Electronic Computer

I would like to emphasise that there is no electronic computer to tell us exactly how far we should go in this process of easing credit conditions. After all the obtainable statistics are accumulated and studied, it is still largely judgment which the central banker must use in deciding how far or fast to move. We must at all times be mindful of the "feel" of the money and capital markets, and the geographical distribution of reserves, so that there is not undue tightness in either the money centres or in other parts of the country. Incidentally, the action of the Board of Governors in reducing central reserve city bank reserve requirements more sharply than those of reserve city bank requirements, and the latter more sharply than country bank requirements, has not only helped to reduce an inequitably wide spread between requirements, but has also tended, along with other measures, to prevent the appearance of a degree of tightness in the larger cities which would have been inconsistent with our general policy of monetary ease.

Narrow and Difficult Path

As has often been said more eloquently than I can, monetary policy must always seek to tread a narrow and at times difficult path between the objective of steady economic growth and the objective of price stability. The replies a month or two ago by the Reserve Bank Presidents to the questionnaire sent to them by Senator Byrd set forth in considerable detail reasons why we believe that these two objectives are consistent in the long run. But we also recognised that there may arise substantial inconsistencies in the short run. We have been criticised for easing money too much by some observers who believe in fighting inflation at all costs, and we have been criticised for being tardy or niggardly by those who believe we should be more mindful of the growing supply of unused human and material resources in the country.

The first group have tended to point to the continuing increase in some price indices, notably in the consumer price index, as calling for continued restraint. Yet I am quite clear in my own mind that, during recent months, the immediate dangers of recession had come to outweigh very clearly the immediate dangers of inflation, and they still outweigh them. Granted that we may again be faced with a problem of fighting inflation after we emerge from the current recession, I think it would have been inexcusable to let this consideration prevent our doing all that we could reasonably do to combat the recession and to provide an atmosphere of money and credit ease conducive to recovery. Even though there are some signs that the bottom of the recession may be near, we cannot look with equanimity on current levels of unemployment or on the possibility of an increasing spread between actual output and the country's growing resources of labour and capital equipment. Naturally I hope and expect that we in the Federal Reserve System, and the country in general, will have the sense and courage to recognise the need for a change of monetary policy when it comes.

Consumer Price Index

One serious problem is the adequacy of our statistical tools, on the basis of which important national policies must, to a considerable extent, be decided. An example is the consumer price index, which is one of the principal measures used in connection with our objective of attaining price stability. In spite of all the skill and care used in preparing this index, the question still remains whether it gives us an accurate reading as to the true cost of living for the average American family. Without attempting to go into all aspects of this subject, I might merely point out that, in the view of many economists, the index may not take sufficient account of improvements in quality; it represents a fixed "market basket" and cannot give recognition to the consumer's ability to make substitutions when certain prices rise; and it probably fails to give adequate weight to all the discounts or price reductions actually available at the retail level under present conditions. Similarly, many of our other statistical series are subject to substantial reservations.

Closely related to this matter of the adequacy of our statistical tools is another question which is often raised. Why cannot the monetary authorities forecast more effectively and anticipate needs for policy changes, instead of waiting until a business trend has become fairly obvious? The answer, I think, lies in the absence of conclusive statistical measurements even of present conditions, let alone of future conditions. Many of our statistical data tell us only what has happened some weeks previously, not what is happening now nor what will happen tomorrow. There are some so-called "lead" series which may give a clue to the future of other series, but I would stress that it is only a clue; that the statistical history of business cycles is full of false starts, both upward and downward. So there must always be an element of tentativeness in our approach. We can never go "all out" at the first suspicion of a trend, but must patiently watch and probe and reappraise, intensifying our efforts or pulling back as additional evidence becomes available.

Minimum Interference

Another problem has to do with the instruments of credit control at our disposal. By and large, the Federal Reserve System has relied on very general credit controls—control of the total money supply and aggregate bank credit—with a minimum of interference with the market's allocation of credit and resources to the various segments of the economy. This is as it should be in an economy which relies for its motivation primarily on market forces and freedom of enterprise. In keeping with this philosophy, the System has applied restraint only when the aggregate of demand was tending to exceed available supply at stable prices, and when aggregate credit demands were running ahead of savings. Yet there have been occasions when imbalances have developed in particular sectors which may have contributed strongly to ultimate imbalance of the whole economy. Such specific imbalances might involve the proportion of output going into investment as against consumption, or the proportion going into some major industry or industries, under the stimulus of unusually rapid expansion of particular types of credit. Conceivably, monetary policy might have done better to supplement its general credit controls with some more selective controls, especially in the area of consumer credit, designed to check particular distortions before they had gone too far. There exists no bureaucratic urge in the Federal Reserve System to administer such controls—quite the contrary. But it is quite possible that the supplemental use of some selective controls (over and above margin requirement regulations, which constitute the only selective control currently exercised by the System) may prove useful at times in helping to achieve our goal of steady economic growth.

I hope I have made it clear that I believe there is a great deal which monetary policy can and should do to combat recession. But, while I think our record in the past few months in this regard is pretty creditable, I have some misgivings over the tendency of the nation to place too great a burden on monetary policy—to expect too much of it. There were times during the 1955-57 boom when fiscal policy could have contributed more strongly than it did to the checking of inflationary forces. More recently, serious questions have been raised as to the extent to which fiscal policy might help in the efforts to combat recession and to promote recovery. Moreover, the actions of labour and management in the area of wages and prices can be at least as important to ultimate recovery as anything that may be done through monetary or fiscal policy.

U.S. Responsibility to the World

So far I have spoken of our economic problems as if the United States were living in an isolated world of its own. We all know how far this is from reality and how important our relationships with the rest of the world are. As a matter of fact, the rest of the world is not hesitant to accuse us, from time to time, of giving too little thought to the international effects of our internal policies. Perhaps, an extreme example of this is the advice we sometimes receive to let "a little inflation" occur in this country, so that foreign countries, with somewhat shaky exchange rates and more sharply rising unit costs, may escape a major exchange crisis. I can see no justification for such a plea. We in the Federal Reserve System are determined to do all we can to resist inflation, either slow or rapid, in this country. On the other hand, it is clear that we must do our best to avoid exporting recession to other countries. This is merely another way of saying, as has been said so often, that the most useful contribution we can make to world prosperity is to see to it that steady economic growth, with reasonable price stability, is achieved in our own country. I believe our responsibility in this regard is greater, perhaps, than it was in the last recession of 1953-54, for, at that time, Europe and other areas were surging ahead so strongly that a minor dip in our own activities was hardly felt. That momentum has recently diminished, in most foreign countries, so that they may be more sensitive than they have been in several years to economic tendencies in the United States. Fortunately, there is ground for hope that we shall not let matters go so far in this country as to constitute a serious threat to the economies of our friends abroad.

It seems to me that all of us who are interested in the development of ever stronger economic ties between the major trading nations of the world can derive a good deal of satisfaction from events of the last few months. For one thing, sterling, which was subjected to such a powerful though misguided speculative attack last summer, has made a remarkable recovery, primarily because of the United Kingdom's demonstrated determination to take such internal measures as were called for to preserve its strength as a leading international currency. I am thinking also of the tendency in recent months for the total monetary reserves of foreign countries—gold and dollars—to increase again, after a pause in their growth during 1957. Although this pause in growth reflected in part the unusual demands for American products growing out of the Suez crisis and foreign crop difficulties, a large part was simply due to excessive internal demand in many foreign countries brought about by failure to check domestic inflation. The recent tendency for foreign monetary reserves to increase is attributable, at least partly, to a more effective control of inflation in a number of major foreign countries, which we may rightly applaud.

Gold Movements

To some extent the growth of reserves abroad has taken the form of purchases of gold from the United States. These purchases have been quite heavy in the last few months, and the total so far this year has been of about the same order of magnitude as the sales of gold to the United States in all of 1957. Similar large gold movements have occurred from time to time since the war, and to me they are a decidedly healthy sign, showing that the international gold standard (a gold bullion standard, supplemented by a dollar exchange standard to the extent that dollars have been used as a reserve currency) is working as it should work. Gold and dollars are, and I am sure will continue to be, interchangeable at the present fixed price—subject only to minor handling charges in this country and the very limited swings in the London gold market. Even after the recent gold movement, the United States still holds almost $22 billion worth of gold, or 56 per cent. of the free world's monetary gold stock. It would not be in the interest of world financial stability if this country were always to gain gold at the expense of the rest of the world. We make a crucial contribution toward the effective operation of the international financial and monetary system by standing ready to sell our gold at the same price at which we bought it, and by thus keeping stable the key relation between gold and the dollar.

The strengthening of this international gold standard must always be of tremendous interest to the Federal Reserve Bank of New York, acting as we do as the principal arm of the System in holding dollar deposits, investments and gold for the central banks and international financial institutions of the world. But I believe it is of virtually equal interest to the entire System and indeed to the entire country; for there is no escaping the fact that internal stability and external stability are inextricably intertwined in every country of the free world, including the United States. I trust that we in this country will always have in mind the need for keeping our own house in order, and for pursuing policies with respect to foreign trade and investment, as well as with respect to money and credit, which will contribute to the healthy and growing world economy we all seek.

NEW INDIA ASSURANCE CO., LIMITED, BOMBAY

SUMMARY OF CHAIRMAN'S SPEECH

ADDRESSING the shareholders of the New India Assurance Company, Limited, at their Thirty-ninth Annual General Meeting held at Bombay on 31st July, 1958, Mr. A. D. Shroff, Chairman, deprecated the treatment of world peace by major powers as if it were a commodity on the bargaining counter and exhorted world statesmanship to cut itself adrift from the cult of violence and destruction.

In an analysis of world economic trends, Mr. Shroff advocated the setting up of an International Guarantee Insurance Fund on the lines of the I.M.F. or the World Bank to eliminate major political risks in lending to underdeveloped countries.

The Urgent Problem

Reviewing the trends in the Indian economy, Mr. Shroff opined that the economic crisis facing the country was, indeed, a serious one, but, under courageous and realistic leadership, it was not yet too late to meet it in an effective manner. According to him, the immediate and urgent problem was to arrange for adequate foreign aid on a long-term basis to enable India to maintain its fine record of honouring all its international obligations on due dates. For this, Mr. Shroff called for the abandonment of doctrinaire or ideological approach to the economic problems, scaling down of unrealistic planned targets and pruning down of immediate requirements to the minimum. He further added that the so-called pattern of integrated taxation had resulted in disintegrating the healthy forces, which induced savings and capital formation, and expressed the fear that, unless the structure of taxation was radically revised, private initiative and enterprise would be severely discouraged and sources of new savings and capital formation would dry up.

Turning to general insurance, Mr. Shroff stated that 1957 had been a difficult year for most insurance companies, the world over. He welcomed the strengthening of the Code of Conduct for general insurers in India and remarked that it would have salutary and far-reaching effects on the Indian market. According to him, the present administrative machinery was, however, inadequate. After a brief review of the problems facing the industry, Mr. Shroff referred to the reported directives of the Central and State Governments to institutions under their control to patronise Government-owned insurance units and the pressure said to be exercised in this regard by Government institutions or corporations as and when financial assistance was provided. He stated that Government, charged as they were with the responsibility of promoting the progress and strength of all insurance units, should not discriminate against units in the private sector. Mr. Shroff cited as a case in point the arbitrary distribution of the insurances of Government handled by the Pool of Indian insurance companies and said it would be more appropriate for Government to define on a long-term basis certain equitable standards for the distribution of "pool" business.

Working Results

Reviewing the results of the New India's operations during 1957, Mr. Shroff observed that the total premium income for the year amounted to Rs. 6.30 crores, as against Rs. 5.64 crores in 1956. He stated that profits transferred to the profit and loss account had declined from Rs. 44.8 lakhs in 1956 to Rs. 32.7 lakhs in 1957 due mostly to reasons beyond the control of the Company. He expressed the hope that, by the end of 1958, the extraordinary difficulties faced by the Company after the nationalisation of life business would be surmounted and that the Company's working would be fully integrated and stabilised. Mr. Shroff added that, as a result of the year's operations, the Company's total funds increased by Rs. 89.6 lakhs to Rs. 8.49 crores which included Rs. 51.6 lakhs received by way of compensation for the loss of life business and right of management.

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(This does not purport to be a record of the proceedings of the Annual General Meeting.)

RESERVE BANK ON ECONOMIC TRENDS

PACE OF RISE IN MONEY SUPPLY SMALLER

THE rising trend of prices and the deterioration in the balance of payments position during the last few months have provided fresh black spots in the economy of the country and have caused a setback in what appeared to be an improvement in the situation. The Government of India has, no doubt, taken steps to arrest this trend by banning forward deals in commodities, enforcing restrictions on bank credit against them and by giving incentives to stimulate exports. Drawing the public attention to this changed situation, the Reserve Bank of India, in its *Report on Currency and Finance* for 1957-58, emphasises the urgent need for (1) expanding the output of foodgrains, (2) further stimulating exports, (3) mobilising adequate resources, both internal and external, and (4) continuing fiscal and monetary policies geared to the twin objectives of restraining inflationary pressures and maintaining a climate for a continued high rate of savings and investment to correct the situation.

The year 1957-58 as a whole, according to the Report, witnessed "an accentuation of some of the conspicuous stresses and strains to which the Indian economy has been subjected in recent years on account of the high tempo of activity in pursuance of the Five-year Plans." The Report adds that this was particularly so in the first half of the year, during which the price situation, as well as the balance of payments position, recorded further setbacks. In the latter part of the year, however, there was some easing of the strain, thanks to the various corrective measures taken earlier on the fiscal, monetary and foreign exchange fronts. "In fact, during this period," the Report points out, "symptoms of some slackness developed in the economy." This "favourable development" proved to be a short-lived affair and there was again a deterioration in recent months, as pointed out earlier.

Price Situation

The price situation, which had caused much concern during the years 1955-56 and 1956-57, the Report points out, showed some signs of improvement during 1957-58, though the "outlook at the close of the year was again one of some uncertainty and even anxiety." The general index number of wholesale prices rose more or less continuously till early August 1957, after which there was a steady decline till about the close of the year. Over the year 1957-58, the Economic Adviser's Weekly General Index of Wholesale Prices (base 1942-53=100) showed a slight rise of 1 per cent. to 106.1, as against an increase of 5.9 per cent. during 1956-57. "In the context of a substantial rise in Plan outlay and budgetary deficit and drastic import cuts," the Report adds, "the trend of prices during the year should be regarded as not unsatisfactory." The decline in prices from August 1957 onwards is attributed mainly to the operation of such factors as the substantial increase in agricultural output during 1956-57, disinflationary fiscal and credit measures, the marked slowing down of the growth of industrial output, larger imports of foodgrains, the adoption of food control measures, the recessionary trends abroad and the general belief in the inevitability of a cut in the Plan outlay. Prices, however, began to move up since February 1958, reflecting the shortfall in food production during 1957-58 as well as a more optimistic outlook regarding Plan outlay.

The agricultural production during 1956-57 (the latest year for which firm data are available) showed a rise of 6 per cent. The output in 1957-58, according to preliminary estimates, does not appear to be encouraging. The stocks of foodgrains with the Government are said to be currently at a much higher level than a year ago, but with the balance of payments situation continuing to be critical, the Report points out, the augmentation of food stocks through imports can be done only under special financing arrangements like those in terms of U.S.P.L. 480. In view of this, it suggests that the problem of expanding the domestic output of foodgrains is most urgent.

On the industrial front, the production in 1957 continued to rise, but the rate of increase slowed down, the rise in the average index of industrial production (base: 1951=100), at 137.2, being only 3.5 per cent., as compared with 8.6 per cent. in 1956 and 8.1 per cent. in 1955. The slowing down in the tempo of industrial production as a whole was due to a number of factors, among which were: (1) shortage of raw materials following the drastic cut in imports and (2) slackening of demand in certain sectors of industry, particularly textiles.

The monetary and banking trends were markedly different from those of 1956-57; the acute stringency which characterised the year 1956-57 gave way to easy money conditions. This radical change was the result of several measures adopted in the foreign exchange, fiscal and monetary credit spheres to alleviate the strains on the economy, as also of the phenomenal increase in the resources of banks. The slowing down of investment activity in the private sector, a flagging off in the rate of expansion in industrial production, the declining trend of commodity prices over the greater part of the year, as well as severe import restrictions, all led to a marked slowing down in the demand for credit and in the expansion of money supply.

Money Supply

There was an increase of only Rs. 75 crores in money supply with the public during 1957-58, as compared with Rs. 129 crores in 1956-57 and Rs. 264 crores in 1955-56. As in the previous year, the chief expansionist factor was the budgetary deficit in the public sector, but its effect on money supply was substantially neutralised not only by the continuing balance of payments deficit but also by a phenomenal rise in time deposits of banks. Besides, credit extension to private sector by banks slowed down this year. Scheduled bank credit recorded a rise of Rs. 63 crores, as compared with an increase of Rs. 139 crores in 1956-57. The increase in deposit resources of the Scheduled banks was as much as Rs. 276 crores, a part of which was due to a special factor, namely, accumulation of counterpart funds of imports from the U.S. under P.L.480, and partly by a shift in deposits from demand to time deposits, in view of the higher interest rates on savings and time deposits. The increase in deposit resources was utilised by banks mainly to reduce their borrowings from the Reserve Bank, by Rs. 62 crores to be precise, and to augment their holdings of gilt-edged securities (by Rs. 93 crores) and cash balances (by Rs. 47 crores).

Referring to monetary and credit policies, the Report says, the Reserve Bank continued to pursue the twin objectives of ensuring increased flow of credit to industrial and other developmental activities and of restraining undue extension of credit for speculation and non-essential purposes. The restraint on credit was sought to be achieved by raising the discount rate from 3½ to 4 per cent., by enforcing selective credit controls which were made somewhat more rigorous than before and through moral suasion. Even in the matter of use of Reserve Bank credit, the emphasis of policy was in the direction of restraint.

In the field of public finance, the Report avers, severe strains were experienced during the year under review, owing to a marked increase in expenditure, on the one hand, and a shortfall in resources, on the other. In the result, the magnitude of budgetary deficit of the Centre and the States together, at about Rs. 500 crores, was twice as large as in 1956-57. The rise in expenditure was mainly due to higher Plan outlay estimated at Rs. 861 crores (as against Rs. 635 crores in 1956-57) and to a marked rise in non-developmental expenditure, particularly defence expenditure. Borrowings from the market and small savings recorded a substantial decline from Rs. 200 crores in 1956-57 to Rs. 127 crores in 1957-58. The shortfall was mainly due to the non-entry of State Governments (with the exception of two) into the market for loans. These State Governments were to concentrate on small savings, which, however, did not bring in materially larger receipts than in the previous year. The performance of small savings in the latter part of the year is said to have been encouraging.

The balance of payments continued to show a deficit in 1957-58 and in a larger measure too than in the previous year. Even after taking into account the borrowings from the I.M.F., the deficit, as measured by the decline in foreign exchange reserves, amounted to Rs. 259.9 crores (preliminary figure), as against Rs. 221.3 crores (revised) in 1956-57. Payments for imports rose from Rs. 1,095.6 crores to Rs. 1,174.8 crores (mainly on Government account), while exports dropped from Rs. 635.1 crores to Rs. 594.5 crores. These, together with a decline in invisible receipts, raised the current account deficit from Rs. 306.8 crores to Rs. 451.1 crores.

External Assistance

External assistance has played a vital role in facilitating India's development programmes. The extent of such assistance received at the end of the first Plan amounted to Rs. 378 crores (Rs. 156 crores as grants and Rs. 222 crores as loans), of which Rs. 130 crores remained unutilised at the end of the first Plan. During the first two years of the second Plan, the amount of foreign assistance received and promised aggregated Rs. 812 crores. The estimated utilisation during 1956-57 and 1957-58 was of the order of Rs. 402 crores, leaving a balance of Rs. 540 crores for utilisation during the rest of the second Plan period.

Emphasising the fact that the main task before the country continues to be one of mobilising adequate resources, both internal and external, the Report says that the budgeted outlay on the Plan during 1958-59 is Rs. 960 crores, representing a rise of Rs. 100 crores over the year 1957-58. The budgetary deficit is, however, estimated to be smaller at Rs. 215 crores, as compared with Rs. 503 crores in the previous year. Larger credit has been taken under loans (including small savings) as well as miscellaneous receipts. Credit has also been taken for a substantially higher amount of external assistance at Rs. 300 crores, as compared with Rs. 100 crores in 1957-58. "While the expansionary effects of the budgetary operations on money supply are, therefore, likely to be of a smaller magnitude than in 1957-58," the Report observes, "the neutralising effect of the balance of payments deficit would also be smaller. That is to say, the economy would still have to be guarded against inflationary pressures." It is in this context that the Report suggests, as already said, that the fiscal and monetary policies would have to continue to be geared to the twin objectives of restraining inflationary forces and maintaining a climate for a continued high rate of savings and investment.

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CORRESPONDENTS ALL OVER THE WORLD

The loan from the World Bank is expected to cover most of the foreign exchange requirements. The construction of both the power projects is already under way and is scheduled for completion by 1960.

In this connection, the following extract from the Press note issued by the World Bank indicating the importance of the D.V.C. to the Indian economy will be read with great interest:

"The Damodar Valley Corporation (D.V.C.) is a semi-autonomous organisation established in 1948 to execute a scheme for the unified development of the Damodar Valley lying north-west of Calcutta in the States of Bihar and West Bengal. D.V.C.'s activities include the provision of electric power, flood control, irrigation and drainage, land conservation and afforestation, and promotion of the health and and general welfare of the inhabitants of the Valley. Capital requirements of the D.V.C. are provided by the Central Government and by the Governments of Bihar and Bengal.

"The Damodar Valley, because of its rich mineral resources, has become the most highly industrialised region in India. In the Valley area are most of India's iron ore and about three-quarters of its coal, mica and chromite. It is the site of the two largest iron and steel mills, and a third is now being built at Durgapur. The supply of coal, iron and steel has been the basis for the establishment of a wide variety of industries in the Valley—steel fabricating plants, locomotive works, foundries, plants for the manufacture of wire, cable, pipes and machine tools, and many others. It also has aluminium and cement plants and a large fertiliser plant. The main railways running through the Valley furnish direct transportation for the raw materials and products of the rest of India; and the nearby port of Calcutta is the outlet for its foreign trade.

"Since its inception 10 years ago, the D.V.C. has embarked on a number of projects within its field of operation and Bank loans totalling $27 million, made in 1950 and 1953, have helped to finance some of them. The most significant undertakings of D.V.C. thus far have been the building of four large multipurpose dams for the storage of flood waters, electric power generation and irrigation; a 150,000-kilowatt thermal power plant at Bokaro—the largest thermal plant in South Asia; a power transmission and distribution system; an irrigation barrage at Durgapur and a canal system to irrigate about one million acres of land in the lower Valley. Some of these projects have been completed and all will be finished by the end of 1959.

"Power from the D.V.C. system is transmitted over a 1,000-mile network throughout an area extending 125 miles on each side of the Damodar River. Its chief customers are four large utilities, two State agencies which supply power for urban and rural electrification in Bihar and Bengal, two railways, and a number of large industries including the Tata Iron and Steel Company, Indian Iron and Steel Company and Chittaranjan Locomotive Works. A recent survey shows that the D.V.C. must more than triple its generating capacity—to about 700,000 kilowatts—by 1962 if it is to meet the expected demand of this rapidly growing industrial area. The projects for which the latest loan were made will partially meet this need by increasing the capacity of the D.V.C.'s system to 480,000 kilowatts; plans for more large thermal installations have already been made."

ANOTHER WORLD BANK LOAN TO INDIA

A 20-year loan for $25 million to India has been sanctioned by the World Bank for financing projects aimed at increasing the supply of electric power in the Damodar Valley. This is the third loan by the World Bank for the Damodar Valley Corporation (D.V.C.). It carries interest at 5½ per cent., including the usual 1 per cent. commission for augmenting the Bank's special reserve. The amortisation of this loan will begin on 1st August 1961.

This third loan is specifically intended to finance (a) the installation of an additional 75,000 kilowatts of generating capacity at the Bokaro thermal plant, (b) a new 150,000-kilowatt thermal power station near the Durgapur steel plant now under construction, and (c) additional transmission and distribution facilities. It is stated that the waste products from the steel mill will be used as fuel for the Durgapur power plant, thus effecting important economies for both the steel mill and the power plant. The total cost of the aforesaid projects is placed at the equivalent of $56 million.

U.S. PROVIDES RS. 26 CRORES FOR REFINANCE CORPORATION

A sum of Rs. 26 crores will be made available for loans to medium-sized industries in the private sector under an agreement signed in New Delhi on the 29th ultimo by the Governments of India and the United States. The agreement makes this new source of rupee finance available to the Indian Refinance Corporation for loans to medium-sized industries for periods of three to seven years. These loans will be for the purpose of providing increased industrial production within the private sector and will be extended primarily to those industrial concerns within the second Five-year Plan.

The U.S. contribution of Rs. 26 crores is part of the P.L. 480 proceeds from the sale of U.S. agricultural commodities. The agricultural commodities agreement between the Governments of India and the United States, signed in August 1956, provided for the rupee equivalent of $55 million (Rs. 26 crores) to be reserved for relending to private enterprise through established banking facilities under procedures agreed upon by the two Governments.

For this purpose the Refinance Corporation, a new private limited company with an issued capital of Rs. 12.5 crores, was established in June 1958. The subscriptions were made up by the Reserve Bank of India, State Bank of India, Life Insurance Corporation of India, and the larger Schedule banks of India. The purpose of the Corporation is to encourage banks to extend lending facilities for medium-term loans to medium-sized industries. Loans are to be made to industries whose total resources shall not exceed Rs. 2.5 crores, so that the maximum amount of loans under this procedure to any one industrial concern shall not exceed Rs. 50 lakhs. The total resources available to the Corporation amount to Rs. 38.5 crores comprised of U.S. contribution of Rs. 26 crores and the initial issued capital of Rs. 12.5 crores.

The agreement was signed by Mr. N. C. Sen Gupta, Joint Secretary, Ministry of Finance, and Mr. Howard E. Houston, Director of the U.S. Technical Co-operation Mission.

The Refinance Corporation will supplement, but not duplicate, the activities of the Industrial Credit and Investment Corporation of India, the Industrial Finance Corporation, and other Indian financial organisations.

Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

Condensed Statement of Condition June 30, 1958

(Figures of Overseas Branches are as of June 24, 1958)

RESOURCES

Cash and Due from Banks	$ 1,631,183,927.79
United States Government Securities and Securities Guaranteed by the Government	2,260,498,347.35
Federal Agency Securities	151,107,046.98
State, County, and Municipal Securities	754,724,106.65
Other Securities	161,901,216.09
Loans Guaranteed or Insured by the United States Government or its Agencies	1,315,150,219.95
Other Loans and Discounts	4,147,829,437.70
Bank Premises, Fixtures, etc.	123,001,199.63
Customers' Liability for Acceptances	167,143,137.67
Accrued Interest and Other Resources	67,308,169.16
TOTAL RESOURCES	**$10,779,846,808.97**

LIABILITIES

Capital	$ 160,000,000.00	
Surplus	290,000,000.00	
Undivided Profits and Reserves	145,652,781.06	
TOTAL CAPITAL FUNDS		$ 595,652,781.06
Reserve for Possible Loan Losses		95,485,915.95
DEPOSITS Demand	$4,450,084,439.60	
Savings and Time	$5,362,327,095.99	9,812,411,535.59
Liability on Acceptances		169,534,573.64
Reserve for Interest, Taxes, etc.		106,762,002.73
TOTAL LIABILITIES		**$10,779,846,808.97**

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RESOURCES

Cash and Due from Banks	$195,838,327.42
United States Government Obligations	2,125,000.00
Other Securities	19,541,637.29
Loans and Discounts	134,808,809.45
Customers' Liability for Acceptances	36,193,143.14
Accrued Interest and Other Resources	3,393,373.39
TOTAL RESOURCES	**$391,900,290.69**

LIABILITIES

Capital	$ 34,000,000.00
Surplus	6,800,000.00
Undivided Profits	2,117,760.56
TOTAL CAPITAL FUNDS	$ 42,917,760.56
Reserve for Possible Loan Losses	2,128,116.49
Deposits	307,184,085.22
Liability on Acceptances	37,146,910.78
Reserve for Interest, Taxes, etc.	2,523,417.64
TOTAL LIABILITIES	**$391,900,290.69**



FINANCING CAPITAL GOODS IMPORTS FROM WESTERN EUROPE

SOME NEW SUGGESTIONS FOR ASIA

By Franz Stolp, Munchen (West Germany)

[It seems that the problem of industrialisation of India and Asia has only just begun to receive the attention of the general public in Europe. It would have received better attention had Asian countries done a certain amount of public relations work through the Press and the platform in that part of the world. Even now it is not too late to make a beginning in this direction. Evidence of the gradual interest now being taken by the public in Europe is the article on this page. The author of this article is a bank clerk who has specialised in foreign trade, particularly in the financing of exports of capital goods. He is apparently a keen observer of economic development in underdeveloped countries. He feels that his suggestions will help India, in particular, in finding a solution for its foreign exchange problem. We publish his article for two reasons, first, to mark our appreciation of the trouble he has taken to study the problem and think out a solution, and, secondly, to provoke further thought and debate in this country and other parts of Asia on his suggestions.—ED.]

FROM the outset of the presently prevailing world-wide price slump of raw materials, it has become increasingly evident that (*a*) Asia's newly developing countries will have to adjust their imports of capital goods from industrial countries to the reasonably estimated absorbing capacity of the latter for Asian raw materials, and that (*b*) industrial countries are confronted with the alternative whether they should fit their capital-goods exports to Asia to their raw-material imports from Asia, or whether they should devise entirely new methods for increasing their raw-material imports from Asia. During this recession, furthermore, it has become quite obvious that settlement of debts, for industrial supplies and services obtained, by Asian debtor countries could no longer be expected to be effected from sales proceeds of Asian raw-material exports to *any* foreign country whatsoever, but chiefly—if not only—from receipts of such exports directed into the respective industrial *creditor* countries themselves. A barter-trade pattern has thereby taken shape in Asian-European trade relations gradually. This pattern was not new to Central European countries, such as Germany, which had boasted of rich experience in this field from the 'thirties. These time-worn operational procedures, however, are not applicable entirely today, chiefly because (*a*) multilateral-type payments, instead of bilateral-type, prevail today, and (*b*) countries with a free economy cannot afford to pay "contractually fixed" prices for raw materials today, sometimes far above the current free-market prices, as Germany did during the 'thirties.

The only realistic chance for the improvement of the present barter-trade procedures could be a joint endeavour by Asian and Western industrial countries to reach agreements, whereby the latter would purchase yearly fixed *quantities* of Asian raw materials, leaving wisely open the question of the respective prices. All schemes, ventilated particularly in Great Britain, about some kind of an "International Pool" for the long-term stockpiling of Asian raw materials, also for price-stabilisation purposes, appear entirely unrealistic in a free economy, also because of the inscrutable and unfathomable competition moves of the Soviet bloc.

First Task: International Industrial Syndicates

If the Western industrial countries, which have been engaged in capital-goods exports to Asia, should continue to carry on their trade with Asia separately, they might eventually tend adopting the proverb: "Cut the coat according to cloth," whereby—of course—Asia's industrialisation progress might be unduly thwarted. In order to by-pass this risk, which has become more critical during these months, three types of "load distribution" among Western industrial nations appear mandatory, namely:

(*a*) Wide distribution of the financial burden in connection with the grants of long-term credits to Asian countries;

(*b*) fairly uniform and standardised financial and fiscal measures for the promotion of bulk purchases of Asian raw materials, by private importers, for long-term stockpiling storage; and

(*c*) a fairly standardised procedure for the cession, by one industrial country to another, of certain portions of the active balances in Asian countries, whenever the industrial creditor country concerned cannot expect to utilise portions of these balances for imports of Asian raw materials for its own purposes.

Let us examine here the first task:

From a West German viewpoint, it appears perfectly clear that certain major industrial projects in Asia could be dealt with single-handedly by a few major W. German industrial enterprises, as far as technical and manufacturing problems are concerned, but not—and this is the crux—so far as financing problems are involved. It is in the financial field where we find the fetters which restrain some otherwise super-efficient and ambitious W. German industrial concerns from "rapturously soaring high into the skies" of gigantic industrial endeavours in Asia. First, the W. German capital market is being very efficiently exploited by many national corporations, public and private, and, secondly, W. Germany's importing capacity and absorbing power for Asian products cannot be stretched beyond a certain limit, not even with all the fine arts of the new-fangled "consumption channelling policy."

Pooling of Efforts

What applies for W. Germany, does apply—with various degrees—to other industrial countries too. The first measure of redressal of the existing inconveniences should be, the pooling of the efforts of the—interested or engaged—industrial countries in handling industrialisation projects in Asia. Various ideas have been ventilated in W. Europe about this issue during these critical months of recession. Certain particularly constructive concepts may be briefly summarised in the following terms:

(1) Under the auspices of the Organisation for European Economic Co-operation (O.E.E.C.) in Paris, and with the assistance of the Council of European Industrial Federations, a central secretariat of the several W. European national unions of manufacturers should be established in Paris. This secretariat should be charged with the promotion, on an entirely voluntary agreement basis, of the formation of *ad-hoc* international industrial syndicates, for the joint treatment basis, of the formation of *ad-hoc* international project in Asia.

(2) The respective national unions of manufacturers, associated with the said secretariat, should be charged with the task of soliciting and securing the voluntary adhesion of the greatest possible number of competent national manufacturers for each major industrial project which should have been approved, in principle, by other industrial enterprises, national or foreign.

(3) The said secretariat should furthermore attempt to make a fairly approximate estimate of the quantities of Asian raw materials which might be imported by each W. European industrial country which should engage itself in an Asian industrial project.

The main purpose of these pre-concerted efforts would be the clarification about the following problems:

(*a*) That the share of any W. European industrial country in a major Asian industrial project should be adjusted fairly well to the financial load-bearing capacity, for long-term loans, of the capital market of the respective industrial country, and

(*b*) that each of the industrial countries concerned should be materially in a position to import fairly *definite* quantities of raw materials from the Asian debtor countries every year.

An Important Ally: Japan

As already hinted before, the "absorbing capacity" of W. European industrial countries for Asian raw materials cannot be "developed" beyond a certain limit, because, for example, no "marketing efforts" in Western Europe might succeed in displacing the consumption of Brazilian coffee in favour of Indian tea, just for the purpose of improving Indian-W. European balance-of-payments relation. Also, in view of this reason, it is imperative that Japan's continuous and systematised industrial co-operation with W. European industrial countries in Asia be secured institutionally.

My main reason for most emphatically advocating this co-operation lies in the recognition of the hard fact that Japan is one of the few rare countries which are able to accept, almost exclusively, raw materials from a debtor country in settlement of industrial supplies. This remarkable situation is due chiefly to (*a*) Japan's teeming population, which guarantees a practically "unlimited absorption" to a great variety of Asian raw materials, and (*b*) Japan's limited resources of foreign currency, whereby Japan's choices for buying the needed raw materials are practically tied to its debtor countries.

In two related manners could Japan be utilised by W. European industrial countries (*a*) as a regular member of all international industrial syndicates in Asia, and (*b*) as a sub-contractor of W. European industrial firms engaged in Asia.

Second Task: Reform of the Asian Raw Material Imports

For several W. European industrial countries, the chances for increasing imports of Asian raw materials are less promising than for Japan. In view of the aforementioned concepts, the attainment of a goal appears feasible, whereby the O.E.E.C. industrial countries might agree to adopt the following uniform regulations:

(*a*) Directives should be issued, by the respective national banks of the industrial countries to the commercial banks, whereby national importers should be authorised grants of long-term credits, on the basis of fairly sizable credit limits, and at reasonably low rates of interest, appositely for bulk purchases of raw materials from Asian debtor countries, however, at the exclusive risks of the private importers concerned. These importers should be also authorised and encouraged to utilise bonds issued by Asian countries in payment of their relevant purchases, in order to simplify the amortisation of these bonds.

(*b*) Directives should be given, to the respective national revenue offices, whereby the aforesaid importers be granted deferral of payment of customs duties and all taxes on the aforesaid raw materials, until the date of sale on the inland market.

The purpose of these uniform regulations should be (*a*) the promotion of a standardised practice of continuous bulk purchases of Asian raw materials, and (*b*) the encouragement of the long-term, stockpiling storage of these materials, also with the intention of a moderate degree of relevant price-stabilisation.

Third Task: Cession of W. European Credits Against Asia

In view of the fact that certain W. European industrial countries are unable to import Asian raw materials for amounts which should fairly approach, or perhaps even match their active balances in the respective Asian countries, the re-introduction of a procedure, widely applied during the 'thirties in W. Europe, ought to be taken into consideration. This may be defined generally as a "Triangular Credit Agreement," for which I wish to give here a purely hypothetical example:

(a) W. Germany might grant to Italy a medium-term commercial credit (12-24 months) in India, to the debit of W. German rupee accounts, appositely for the purchase of Indian goods by Italy for its own consumption. The credit could be granted by means of documentary letters of credit at Indian banks.

(*b*) In this case, Italy would repay the aforesaid debt to W. Germany, by instalments, through the European Payments Union (E.P.U.). Italy's relevant debt would be bonded in a stable currency, namely, in the E.P.U. "scrip dollar," which is nominally equal to the U.S. dollar. The pertinent advantage for W. Germany would consist in the avoidance of the risk of a partial loss of the rupee's purchasing value, thanks to the purposefully anticipated utilisation of a part of W. German rupee accounts.

(*c*) Within the framework of a "Triangular Credit Agreement," Italy might engage itself (1) not to re-export the Indian goods imported on this basis, and (2) not to re-sell the said goods in Italy below the usual market prices. The pertinent advantage for Italy would consist in the saving of foreign currency (rupees) for the purchase of needed Indian goods, and in the enjoyment of a medium-term credit facility from W. Germany.

For India, the pertinent advantage would consist in the reduction of the foreign currency transfer obligation to W. Germany, and in the supplementary increase of exports to a third country (Italy).

Because of the creeping inflation practically everywhere in the world, bonds are less pre-

(Continued on page 208)

COTTON MILLS SWITCHING OVER TO OTHER BUSINESSES

PROTECTION FOR HOME INDUSTRY URGED

From A Special Correspondent

MANCHESTER, *22nd July*

MANCHESTER LETTER

WORLD events, no less than trade affairs, seem to conspire at the moment to hinder any possible expansion in trading in Lancashire cotton textiles. The developments in the Middle East provide customers with yet another quite legitimate reason for withholding purchases in view of the uncertain outlook, although the pessimists amongst traders might well see the need for securing supplies in case of dire emergency.

Threats of hostilities, whether localised or of wider significance, have on several occasions in the recent past provided a stimulus to buying and there is generally some wisdom in keeping reasonably well covered in the event of shortages arising from sudden and unexpected demand. Nobody would wish the present crisis in cotton trade affairs to be resolved by a clash of conflicting interests and warlike manœuvres, but such an eventuality cannot be ruled out. This is a factor which has been constantly stressed by succeeding deputations to Government departments when discussing the sharp reduction in productive capacity which has taken place in spinning and weaving mills over the past five years or so.

Although a certain amount of this machinery has been scrapped, there are still quantities lying idle, both through lack of labour and lack of orders. Should any real emergency arise, it is very doubtful whether the labour force could be regained. Many workers have left the industry, others have drifted into retirement or have merely taken up household tasks instead of going out to work. The manpower in spinning and weaving is now a little short of 100,000 below the post-war peak at the end of 1951.

Widening the Field

Not very long ago the advice offered to British cotton firms was "specialisation" as a means of remedying the many ills which beset them. Now the watchword has changed and "diversification" is all the rage.

The owners of any business of whatever type are frequently on the look-out for opportunities of widening their interests in order to avoid the accusation of "having too many eggs in one basket," but never more so than at present. Lancashire, as an industrialised county, has often been charged with its preoccupation with the cotton trade and true it is that many towns have suffered in the past and are still plagued by their concentration on textiles.

Over the years, however, some far-sighted managements have quietly branched out in other directions, and while still retaining an overwhelming dependence on textile fibres as a means of livelihood, the new subsidiaries have evened out the seemingly inevitable variations in the fortunes of the cotton trade. Lately the trend has become far more pronounced and, among the bigger groups in particular, the tendency to take control over other companies engaged in activities far removed from textiles has occasionally caused some surprise.

One case in point has been the absorption of the Accrington Brick and Tile Company by the Lancashire Cotton Corporation, a development which cut right away from this group's recent purchases. Not quite so far removed from their basic business is the Directors' decision to bid for the capital of the Yorkshire woollen firm of Smith and Calverley Ltd.

Another big textile combine which has made a practice of diversifying its interests is the Bleachers' Association, whose subsidiaries include dry cleaning firms and the manufacture and distribution of plastic goods. Mr. Philip Wright, the Chairman, may have complained at the annual meeting that weather conditions can adversely affect both textiles and plastics, a wet summer playing havoc with clearances of cotton goods and a dry spell cutting the sales of plastic rainwear, but equally so, both can gain from the other's losses, and the group thereby effects an insurance against undue dependence on either.

Hoping for the Best

An optimistic forecast of textile trading despite current slump conditions has been given in Manchester by Mr. W. T. Winterbottom, Chairman of the £25,000,000 combine, Fine Spinners and Doublers Ltd.

He told the annual meeting that, though at present trade was bad, one of the principal causes of the recession had been the severe restrictions on credit imposed last autumn. "The recent relaxation should help to stimulate buying," he declared. "Nothing spectacular in the way of an upswing can be expected but there should be a significant improvement in trade as confidence returns."

Mr. Winterbottom was also hopeful of a settlement being reached in the discussions concerning imports of cloth from Commonwealth countries which, he said, "had dragged on wearily for several years without any solid progress being made." There were now good grounds for believing that some measure of agreement had been reached and the fact that the current slump in Lancashire had affected the sales of Hong Kong cloth might have a bearing on further negotiations.

During the past year, Mr. Winterbottom added, much publicity had been given to the overseas interests of the Fine Spinners group, in particular the Delta and Pine Land Company on the Mississippi Delta, the cotton-growing and agricultural organisation. He assured stockholders that considerable land development was taking place but warned that the advantages should not be assumed to be short-term. "I am confident that, in time, these advantages will prove to be very considerable," he declared. "Rumours about the discovery of oil on the plantation are quite untrue and in any case stockholders would be informed if any important mineral deposits are found. The company owns the mineral rights on the land and is fully aware of their value if discoveries are made."

Plea Against Imports

Further reference to the "disastrous results" which the free importation of cotton goods into the United Kingdom from low wage countries must inevitably have on the Lancashire cotton trade was made by Mr. George Waddington, Chairman of James Rothwell Ltd., the Rawtenstall textile manufacturing firm, at the annual meeting in Manchester.

Expressing the "deep concern" of the Board at the attitude of the Government in permitting this situation to continue, Mr. Waddington pointed out that overseas markets protected their local industries quantitatively or by import duties, while other industries in the United Kingdom had protective duties. The British cotton industry was the only one to be faced with the importation of cloth and made-up goods without any protection whatever.

"We do not fear fair competition," he added, "but this is not fair competition. We can only hope that by representations to the Government, Ministers will realise before more loss and damage to the industry is caused, the misery which the Government's present policy must inflict on this important industrial county of Lancashire."

Weavers' Chief

Mr. J. H. Michael Grey, of Burnley, has been appointed Chairman of the Cotton Spinners' and Manufacturers' Association, succeeding Mr. John D. Greenwood who retired for health reasons. The organisation represents owners of some 1,000 Lancashire weaving mills.

Mr. Greenwood was appointed Vice-President of the Association. The appointment of Mr. Grey continues a link between his family and the Association, as his father, Sir John H. Grey, was Chairman for 17 years from 1931 to 1948 and is now President of the Association.—*All Rights Reserved.*

COTTON REDUNDANCY PLAN REJECTED

A proposal by the Lancashire cotton unions for a system of compensation payment to mill workers who become redundant when mills close or production methods change has been rejected by the millowners. The millowners indicated their unwillingness to participate in a scheme of this sort at a joint meeting with union leaders held at Manchester the other day and said that the responsibility of providing for the workers was that of the State. On the other hand, they pointed out, there was nothing to prevent individual mills paying compensation should they wish.

The eight cotton unions had submitted a detailed scheme to the employers. It asked them to contribute £200,000 a year—equal to a quarter of one per cent. of the industry's outlay in wages—to a central fund from which redundancy pay could be drawn. It quoted 13 weeks' pay for redundant operatives with more than five and less than six years in the industry, with an extra week's wage for every additional year of service up to a maximum of 50 weeks' pay.

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TEXTILE INQUIRY COMMITTEE'S REPORT

MEASURES TO SOLVE INDUSTRY'S PROBLEMS

THE Cotton Textile Inquiry Committee (Chairman: Mr. D. S. Joshi), in its report published last week, has recommended an integrated programme for meeting the present textile crisis and revitalising the industry. The Committee, it may be recalled, was set up by a resolution issued by the Government of India on 29th May 1958. Under its terms of reference the Committee was required, among other things, to examine the structure of the industry, with special reference to production. management, finance, modernisation and allied problems. It was also asked to make a rapid study of the problems facing the industry and to explore and suggest remedial measures. The Committee attributes the crisis in the industry to the decline in purchasing power of the consumer, increase in the cost structure of the industry, high taxation and a significant overproduction of coarse varieties of cloth especially at a time when definite swing in consumer preference in favour of finer varieties had taken place. The "deep-rooted" reasons for the closure of mills and the distress experienced by certain sections of the industry are said to be the absence of rationalisation and modernisation of machinery and equipment, poor maintenance and repair of plants, inefficient management and low labour productivity.

As remedy, the Committee has recommended specialisation of production in the units of the mill sector, greater bank financing of both the industry and the trade in cotton textiles, avoidance of unexpected imposition of taxes and rationalisation. It has also suggested the constitution of an advisory committee representing all interests and production centres to advise the Textile Commissioner on the long-term problems of the industry. The setting up of an autonomous corporation, enjoying no discriminatory advantage, to manage units which might be taken over by the Government under the Industries (Development and Regulation) Act, is also suggested. The Committee's recommendations in respect of excise duties have already been accepted by the Government and given effect to. As regards the question of wages and dearness allowance in the industry, the Committee has left it to the consideration of the Wage Board for the Cotton Textile Industry which is now examining the question.

Although the terms of reference of the Committee extended to the entire range of the cotton textile industry, it has dealt mainly with the mill sector consisting of both composite and spinning mills. It did examine prominent representatives of the handloom industry but was not able to extend the inquiry to the "very important" powerloom sector. These two sections of the industry have, therefore, not been examined except on some issues of immediate importance having direct bearing on mill industry.

Excise Duty

The present structure of duties, according to the Committee, weighs more heavily on plain cloth and unprocessed cloth compared to the processed cloth of various descriptions. While, on the one hand, the demand for processed varieties is on the increase, the weight of excise duties on the other falls more heavily proportionately on unprocessed cloth. This has increased the difficulties of mills, mostly located in the interior equipped with processing equipment. Both on the grounds of equity and on the grounds of fairness to the mills without processing equipment, it is essential that the pattern of excise duties is changed to provide for a closer approximation to *ad-valorem* duties.

The following principles are suggested for determining the structure of cloth excise duty:—(1) The distinction between *dhotis* and *saris* and other varieties should be abolished. (2) The difference in the levels of duty on coarse and medium cloth—particularly lower medium cloth—should be small. (3) Medium cloth should be divided into two categories—medium 'A' up to an average count of 25s and medium 'B' above an average count of 25s and up to 35s. (4) Surcharges should be levied for the processes of (a) bleaching, (b) dyeing, printing, mercerising or any other chemical processes, (c) shrink-resisting processing and organdie processing.

Apart from suggesting changes in the level of excise duty, the Committee has recommended other measures to achieve a more rational diversification of production as between the different varieties. It is of the view that specialisation should be encouraged and processing facilities should be permitted to those mills lacking them at present so that they could produce better quality goods. Certain relaxations in production control such as the restrictions relating to the manufacture of ready-made garments is advocated.

On the larger question of the production capacity of the industry, the Committee feels that the *per capita* consumption at the end of the Plan is unlikely to exceed 17.5 yards, as against the original target of 18.5 yards. Since the bulk of the additional cloth production under the Plan was allocated to the handloom sector, the Committee believes that this allocation may have to be pruned down to only 2,100 million yards. On this basis, the rated capacity of the mill industry can be fixed at 5,200 million yards.

On the basis of a *per capita* consumption of 17.5 yards, according to the Committee, the three sectors of the textile industry, namely, the mill, the handloom and powerloom, will have to supply for internal consumption 7,000 million yards only by the end of the Second Five-year Plan. This will mean that the earlier allocation to the handloom sector which was to produce the entire additional requirement of cloth during the Second Plan period may have to be pruned down correspondingly.

Yarn Production

As regards yarn production, the Committee says that, at the beginning of the current calendar year, there were 13.03 million spindles in the country. This number will increase when all the outstanding licensed spindles of 1.5 million are installed.

In the context of the present conditions in the cloth trade including the handloom cloth trade, the offtake of yarn by the handlooms, the Committee maintains, may not increase at as rapid a pace as was visualised at the time of the formulation of the Second Plan. At any rate, the installation of spindles has proceeded at a faster pace than the consumption of yarn by the handlooms. This has resulted in a sizable surplus of yarn available for export without injury to the handloom industry. The representatives of the handloom industry have also agreed that the surplus yarn may be exported. The Committee considers that such export will be a healthy expedient to uninterrupted production of yarn and, therefore, strongly recommends a long-term policy for export of yarn.

It suggests that further installation of spindles even already licensed should be stopped after examining each case of outstanding licence to find out that commitments already made did not result in any handicap to an individual unit because of the cancellation.

In order to prevent overproduction of yarn in the country, the Committee feels that starting of an additional third shift by spinning mills should be avoided. It recommends that the Textile Commissioner's powers should include refusal of permission to the running of any further third shifts in existing mills or third shifts in new mills.

The Committee says that it has been represented to it with great force that cloth exports cannot be maintained even at the existing level and will continue to fall steeply unless India exports cloth produced on automatic looms. This is because overseas markets prefer flawless cloth which can be produced only on automatic looms, and other countries, including Japan and China, have equipped themselves extensively with such looms.

Additional Automatic Looms

The Committee recommends, as an experimental measure, installation of additional automatic looms up to 3,000 (a year) on condition that the entire production of such looms is exported. There should be no condition regarding guaranteed exports in relation to past performances of such mills.

The Committee recommends the following measures for dealing with the problem of closures: (1) Mills which have outmoded and obsolete machinery and are, therefore, intrinsically incapable of going into production should be scrapped and a new licence issued for starting a new mill in or near the same locality. (2) Mills which for *bona fide* reasons are in financial difficulties should be helped by financial assistance through proper channels. (3) Mills temporarily closed due to working losses should be examined one by one and given proper advice and relief. (4) Mills which suffered from mismanagement should be investigated and appropriate action taken to avoid recurrence of mismanagement and to ensure proper management by arrangements suited to each case. (5) Mills of intrisically uneconomic size, of which there are nine out of the 28 mills remaining closed, should be made economic by proper balancing or by amalgamation with some other concerns which can afford to purchase its machinery and plant.

Mills, the management of which do not respond to corrective action suggested by the advisory committee, should be taken over by an autonomous Government corporation under the Industries Act. For managing the mills taken over by the Government under the Industries Act, the Committee has suggested the setting up of an autonomous corporation with adequate capital as it feels it will not be advisable for the Government either to manage or own and manage such mills as a department of Government. The board of management of the Corporation must be so constituted as to attract experienced and public-spirited millowners, responsible labour leaders, technicians and expert managers. The Committee feels that mills managed by the Corporation must be run on model lines so that they may be in a position to offer constructive guidance. As the management of the Corporation must be efficient in normal conditions, the Committee is firmly of the opinion that it should not enjoy any discriminatory advantages compared with well run mills under private management. The treatment of labour in such mills should also be on lines approved for the rest of the industry.

In order to save marginal units from disaster, the Committee has suggested amendment of the Industries (Development and Regulation) Act to enable the Government to take over the management of any mills independently of any winding-up petition already filed in a court. The Committee has also suggested that necessary provisions should be made in relevant Acts to hasten liquidation proceedings against any mill as, otherwise, there is every risk of protraction rendering the productive capacity of the mill idle and workers unemployed.

Export Promotion

The Committee has offered a number of suggestions for export promotion. Among these is the licensing of an additional 3,000 automatic looms on the condition that their entire output is exported. Automatisation and rationalisation are considered vital if costs are to be lowered to competitive levels. Others are: (1) Five per cent. of the foreign exchange earnings of each mill may be made available to that unit for importing plant, dyes and chemicals. This concession should be allowed for a period of five years. (2) Rail freight rates should be revised to facilitate export of cloth from textile mills situated in the upcountry areas to port towns. (3) Processing concerns should be placed on par with composite mills. (4) Mills may be allowed to produce varieties like *lungis* and handkerchiefs for export to those countries where the import of handlooms are banned. (5) Ceilings for the export of particular varieties of cloth such as pull-through cloth and mesh cloth should be removed. (6) Income-tax concessions may be given to mills exporting cloth on lines similar to concessions granted in other countries. (7) Procedural formalities should be simplified and lightened to the absolute minimum. (8) There should be compulsory inspection of all cloth for export and this should be achieved within a period not exceeding three years.

The Committee considers that it is high time that a uniform or standard costing system should be introduced in the textile industry with variations as may be considered necessary in particular areas or centres so that a somewhat uniform yardstick for ensuring the relative efficiency of mills be devised. Such a costing system will enable the Government to give timely warning to those units which were run uneconomically. The Committee has asked the Government to provide the adequate personnel and organisation under the Textile Commissioner for advising the industry generally on the methods of cost analysis

TREND OF SUGAR CONSUMPTION IN INDIA

ALTHOUGH "PER CAPITA" FIGURE HAS RISEN, IT IS STILL DEPLORABLY LOW

JUDGED by even the minimum nutritional standards, the rate at which sugar and the two other sweetening agents (*gur* and *khandsari*) are being consumed in India is deplorably low. Nutritional experts regard 2 ozs. per day or nearly 47 lbs. per annum as the average desirable minimum a person should have. As against this, the *per capita* consumption of sugar (including *gur* and *khandsari*) is of the order of not more than 29 lbs. per annum. Indeed, the *per capital* consumption in India is the lowest as compared with the other industrially advanced countries in the world. It is, for instance, as high as 128 lbs. in Denmark, 122 lbs. in the Netherlands and Australia, 110 lbs. in the U.K., 106 lbs. in New Zealand, 104 lbs. in the U.S., 102 lbs. in Canada, 96 lbs. in Switzerland and 69 lbs. in Germany. The figures stands very high even in countries like Cuba (96 lbs.), South Africa (95 lbs.) and Ireland (119 lbs.). It must, of course, be pointed out that a part of this high consumption in other countries is accounted for by industrial consumption.

With the higher standard of living on account of a rising national income, the consumption of sugar in India is bound to increase in the coming years. That there is no exaggeration whatever in this statement will be evident from a review of the trend of sugar consumption during the last five to six years. The *per capita* consumption of sugar (including *gur* and *khandsari*) which stood at 27.66 lbs. in 1950-51 (the base year of the first Five-year Plan) rose to 29.10 lbs. in 1956-57 (first year of the second Plan). In other words, this means that the total quantity of sugar consumed has increased at a much faster rate than the rise in population. Thus, while the population of India has risen by 7.4 per cent.—from 361 million in 1950-51 to 387.68 million in 1956-57—the aggregate consumption of sugar has advanced by as much as 15.3 per cent.—from 4.56 million tons to 5.14 million tons.

The table at the bottom gives the trend of population and sugar consumption during the seven years ended 1956-57, as also the estimates of the same for the last year of the second Plan, that is, 1960-61. It will be seen from the table that the increase in the *per capita* consumption of sugar since 1950-51 is accounted for entirely by white sugar, the quantity of which actually consumed rising from 6.70 lbs. in 1950-51 to 12.20 lbs. in 1956-57. The consumption of *gur*, on the other hand, has gone down, from 20.96 lbs. to 16.90 lbs. The percentage proportion of white sugar in the total sugar consumption during 1956-57 was higher at 41.2, as against 23.9 six years before, while that of *gur* was lower at 56.8, as against 72.9. What better proof is needed to show that consumer preference has been more and more in favour of white sugar rather than *gur*?

Scope Limited

The scope for any appreciable expansion in the present level of consumption of *gur* and *khandsari* is very limited. For, with the improvement in the living standards of the masses in the coming years, the enlarged consumer demand for sweetening agents is bound to be in favour of white sugar rather than either *gur* or *khandsari*. In fact, a rise in the purchasing power of the people will, as the Planning Commission has rightly pointed out, almost certainly be accompanied by a continuous shift in demand from *gur* and *khandsari* to white sugar. The shift during the second Plan period is expected to be of the order of 185,000 tons. On this basis, the total estimated requirements of *gur* and *khandsari* in 1960-61 may be placed at 3.63 million tons, or 60 per cent. of all the three sweetening agents; the balance of 2.42 million tons represents the consumption of white sugar.

It may be noted here that the agricultural plan aims at a production of 71 million tons of sugarcane (7.1 million tons in terms of *gur*) by 1960-61 which would, if achieved, yield about 6 million tons of *gur*, *khandsari* and sugar, after deducting 15-16 per cent. for chewing and planting purposes. A total consumption of this quantity will mean a consumption by every adult of about 1.68 oz. per day. Even this, as the Commission rightly says, is not a high level—nutritional experts regard 2 ozs. per day as the desirable minimum—nor does it represent any very great advance over present consumption.

The relatively larger rate of increase in the consumption of white sugar *vis-a-vis gur* noted in recent years would have been more marked but for the continuously rising trend of prices, particularly in those of white sugar. The average wholesale price of sugar (excluding sales tax at six pies in the rupee and town duty at nine pies per maund) in Bombay, for instance, now stands at about Rs. 41, as against Rs. 33 in 1950-51. Such a marked rise in prices must be attributed in large measure to the steep upward revision in Union excise duty. Every maund of sugar is now subjected to a duty of Rs. 8.25 (excluding the additional Central excise of Rs. 2.43 in lieu of sales taxes), as against Rs. 2.75 in 1950-51. It is this heavy incidence of taxation that has been having an inhibiting effect on sugar consumption. If, therefore, the consumption of sugar is to increase in proportion to the improvement in the purchasing power of the community, it is imperative that the tax burden must be reduced. Equally imperative is the need for lowering the cost of sugarcane which accounts for as much as 60 per cent. of the cost of sugar production.

SUGARCANE IN U.P.

The intensive sugarcane development scheme launched by the U.P. Government about two years ago is said to have registered much progress. The claim seems to be justified to some extent. The aggregate production of sugarcane in the U.P. during 1957-58, amounting to 3.30 million tons (in terms of raw sugar), shows a rise of over 16 per cent. as compared with 1955-56 when output was 3.48 million tons. As against this, the area devoted to cane has gone up by 13.1 per cent., that is, from 2.62 million acres in 1955-56 to 2.92 million acres. Consequently, the per-acre yield of raw sugar has recorded a small rise, the figure for 1957-58 being 1.11 ton, as against 1.08 ton two years before. Nevertheless, the present yield is still very much lower than the all-India average of 1.34 ton. In fact, it is practically nothing as compared with a little over 5 tons of white sugar per acre produced by most of the sugarcane plantations in the Deccan.

Thanks to the improvement in cane production, the sugar factories, especially in the eastern districts, which generally close their crushing operations by the end of March, continued crushing for a considerably longer time during the current season. It is stated that the top-dressing drive introduced by the Cane Development Department about a few years back is stated to have been very beneficial to the cane crop. The cultivators who were hesitant now appear to have been convinced of the superiority of cultural operations, so much so that the Department has this year fixed a target of top-dressing 1,115,000 acres of cane crop in the State. The ratoon crop has also been targetted to be top-dressed at the rate of two maunds per acre with ammonium sulphate and efforts are being made by the Department that at least one-third of the total area of ratoon should also be top-dressed this year.

Population and Sugar Consumption

Year	Population (millions)	Consumption (lakh tons)				*Per capita* consumption, *gur* and sugar (lbs.)		
		White sugar	*Khandsari*	*Gur*	Total	White sugar	*Gur*	Total
1950-51	361	10.79	1.25	32.54	44.58	6.70	20.96	27.66
1951-52	366	11.74	1.00	32.40	45.14	7.18	20.45	27.63
1952-53	371	16.63	0.91	28.77	46.30	10.04	17.91	27.95
1953-54	375	18.22	1.00	29.00	48.22	10.92	17.88	28.80
1954-55	380	18.50	1.00	28.50	48.00	10.90	16.00	26.00
1955-56	383	19.00	1.00	29.00	50.00	11.40	16.89	28.29
1956-57	388	21.20	1.00	29.20	51.40	12.20	16.90	29.10

PRODUCTIVITY IN COAL MINES

SLIGHTLY BETTER, BUT STILL VERY POOR

THE productivity of workers employed in coal mines has registered a slight improvement during the last two years. The output per man-shift for all workers employed above and underground during 1957 was 0.41 ton, as against 0.38 ton in 1956 and 0.37 ton in 1955. While the improvement is welcome, the fact remains that the level of productivity in India is negligible as compared with that in Western countries. The overall output per man-shift is as high as 6.66 tons in the U.S., 1.21 ton in the U.K., 1.11 ton in Germany, 0.90 ton in France and 0.74 ton in Belgium.

The rise in productivity of coal workers noted in the past two years has not been proportionate to the increase in wages and emoluments given in accordance with the Industrial Tribunal. In the Jharia coal mines, for example, the average weekly earning of underground miners and loaders in the month of January 1958 was as high as Rs. 21.09, which compares favourably with the average of Rs. 20.46 in 1957, Rs. 17.37 in 1956 and Rs. 14.20 in 1955. Similarly, in the Raniganj mines, the weekly earning was Rs. 20.25; the corresponding figures for the above-mentioned years were Rs. 19.33, Rs. 15.73 and Rs. 14.91, respectively. It may be noted here that the average daily number of workers employed in the coal mines during January 1958 was 366,342, as against 348,056 in the corresponding month of 1957. The increase is accounted for by all categories of workers except surface workers.

Employment and Man-shifts

The following table shows the employment in coal mines and the total number of man-shifts worked during January 1958, as compared with January 1957 and the whole of the past six years:

	Underground	Open workings	Surface	Total
Average daily number of workers employed				
1952	183,353	28,148	129,237	341,738
1953	181,973	28,866	126,957	337,796
1954	181,280	28,457	122,583	332,320
1955	187,593	30,161	122,861	340,615
1956	187,068	29,823	116,499	333,390
1957	200,192	33,880	115,804	349,676
January 1957 ..	197,505	34,006	116,545	348,056
January 1958 ..	209,383	41,846	115,113	366,342
Total number of man-shifts worked				
1952	4,495,347	721,057	3,167,940	8,384,344
1953	4,487,810	715,464	3,132,308	8,335,582
1954	4,544,272	710,991	3,702,085	8,333,348
1955	4,676,441	755,674	3,062,497	8,494,612
1956	4,805,901	766,569	2,990,136	8,562,606
1957	5,108,006	884,725	2,950,657	8,923,388
January 1957 ..	5,153,904	880,958	3,039,380	9,074,242
January 1958 ..	5,490,986	1,091,287	3,016,077	9,598,350

To revert to productivity of workers. The low level of productivity must be attributed partly to the general lack of interest among miners and partly to inadequate mechanisation, adoption of bad and old mining methods. Alluding to this subject, Mr. M. K. Bose, the erstwhile President of the Indian Mine Managers' Association, declared, in the course of his speech at the annual meeting of the Association held at Jharia recently, that all the efficiency of organisation, economy in materials, ingenuity of machinery designers, and improvement in layouts could not compensate for the general lack of interest among workers. Mr. Bose emphasised, and rightly so, that "however hard a score of staff men may plan and strive, the ultimate result must be far short of the best, so long as the attitude of the labour force remains one of indifference." Surely, productivity cannot be augmented even through the introduction of the most up-to-date machinery and scientific mining methods and techniques unless the workers eschew their attitude of indifference and take sufficient interest in the work entrusted to them. The problem to be studied and solved, therefore, pertains to the question as to why workers are indifferent, and why they do not put forth their best. It is the duty of employers to solve this human problem. They will do well to appoint a team of experts who can trace the causes and suggest remedies.

INTERNATIONAL TEA STATISTICS

WORLD SUPPLY IN 1957 SLIGHTLY BELOW ABSORPTION

FOR the first time in the past four years, world absorption of tea exceeded the supply during 1957, according to the International Tea Committee's *Bulletin of Statistics*, June 1958, the twelfth post-war issue of the *Bulletin*. The total supply amounted to a record level of 1,422 million lbs., exceeding the previous year's figure of 1,384 million lbs. by 38 million lbs. With this rise, the upward trend in supply has been maintained for the fifth year in succession, during which period, the supply has expanded by no less than 255 million lbs. The total absorption during 1957 was of the order of 1,436 million lbs., an increase of 116 million lbs. over the year, in distinct contrast to the fall of 26 million lbs. noted in the previous year. The result was a shortfall of 14 million lbs. in supply, in contrast to the excess of 64 million lbs. in 1956. Taking the post-war period as a whole, while the world supply of this beverage shows a rise of 489 million lbs., the absorption has gone up 498 million lbs.

The comprehensive picture of world supply and absorption for the periods 1922 to 1939 and 1946 to 1957 is the most notable addition to the *Bulletin*. The figure of world supply is not equivalent to world production; it excludes production for local consumption in China, Japan and certain other countries (for most of which adequate statistics are not available) and takes into account only exports from these countries. "Absorption," excludes consumption of locally-produced tea in China, Japan, etc., and takes into account only imports into these countries.

Main Producers

The total output of tea in the four main producing and exporting countries, namely, India, Pakistan, Ceylon and Indonesia aggregated 1,223 million lbs., an increase of 17 million lbs. over that in 1956. Production in African countries amounted to 54 million lbs., same as in the previous year. Exports from other countries rose from 124 million lbs. to 145 million lbs. As is well known, the bulk of the world supply of tea is absorbed by countries other than the major producing countries. Thus, the total absorption by importing countries aggregated 1,108 million lbs. in 1957, having risen from 1,053 million lbs. in the previous year, and that by exporting countries 328 million lbs., as compared with 267 million lbs. Among the exporting countries, India, Pakistan, Ceylon and Indonesia accounted for a (domestic) consumption of 316 million lbs., as against 255 million lbs. in 1956. The shortfall of supply below consumption was thus 14 million lbs., as against an excess of 64 million lbs. in 1956 and a high of 68 million lbs. in 1954. The following comparative table shows the changes in the supply and absorption of tea during the last four years, as compared with the position in 1946:

World Supply and Absorption of Tea
(In million lbs.)

	1946	1954	1955	1956	1957
SUPPLY					
Total Production:					
India, Pakistan, Ceylon, Indonesia	875	1,176	1,208	1,206	1,223
Kenya, Uganda, Tanganyika, Nyasaland	30	45	48	54	54
Exports only:					
China	15	35	55	58	60
Rest of Eastern Asia	9	73	52	49	54
Rest of Africa	2	13	14	17	18
Other Countries	1	13	1	2	13
Total Supply	933	1,355	1,378	1,384	1,422
ABSORPTION					
Importing Countries:					
United Kingdom	415	507	478	507	512
U.S.S.R.	3	..	..	10	20
Rest of Europe	42	79	77	76	88
America	131	168	158	160	162
Asia	89	85	111	95	104
Africa	48	137	143	136	145
Oceania	62	77	66	69	80
Total	739	1,053	1,035	1,053	1,108
Exporting Countries:					
India, Pakistan, Ceylon, Indonesia	194	223	299	255	316
Kenya, Uganda, Tanganyika, Nyasaland	5	8	9	9	8
Others (imports only)	..	2	3	2	4
Total	199	233	311	267	328
Total Absorption	938	1,286	1,346	1,320	1,436
Balance:					
Excess of Supply over Absorption (in year)	—5	+68	+33	+64	—14

A country-wise analysis of the output of tea shows that Indian production was lower at 675.70 million lbs., as compared with that of 680.61 million lbs. in the previous year, thus reversing the upward trend noted since 1952. Output in Pakistan, which had risen sharply in 1956 from 52.48 million lbs. to 55.04 million lbs., also dropped to 46.11 million lbs., while Ceylon raised its output from 375.58 million lbs. to 397.77 million lbs. and Indonesia from 94.65 million lbs. to 103.04 million lbs. Among the East African countries, Kenya raised its output from 21.27 million lbs. to 22.02 million lbs., Uganda from 6.8 million lbs. to 8.02 million lbs. and Tanganyika from 5.45 million lbs. to 18.09 million lbs. In another important producing country in East Africa, namely, Mozambique, the output, however, was lower at 12.96 million lbs., as against 14.53 million lbs. in 1956.

Exports Fall

Total exports of tea from the producing countries in 1957 aggregated 1,093 million lbs., representing a decline of 48 million lbs. from the peak of 1,141 million lbs. touched in 1956. The fall is mainly due to the decline of 82.4 million lbs. to 437.4 million lbs. in the exports from India and of 14 million lbs. to 7.8 million lbs. from Pakistan. Ceylon increased its exports by 20 million lbs. to a high of 368.1 million lbs and Indonesia by 5.1 million lbs. to 85.6 million lbs. Almost every other producing country raised its exports; the most notable among them were China, the exports of which rose from 56 million lbs. to 60 million lbs. Formosa's exports of tea advanced from 23.5 million lbs. to 26.4 million lbs., Japan's from 21.8 million lbs. to 23.6 million lbs. and Kenya's from 16.7 million lbs. to 18.1 million lbs.

Consumption Higher

The total quantity of tea imported for consumption by various countries aggregated a peak of 1,158.4 million lbs., as compared with 1,036.7 million lbs. in 1956, as will be seen from the following country-wise analysis for the last four years:

Tea Imports for Consumption
(In thousand lbs.)

Countries	1954	1955	1956	1957
U.K. and Ireland	529,445	489,705	501,990	585,841
U.S.S.R.	..	..	10,200	20,300
Rest of Europe	53,500	51,100	62,800	61,000
North America and West Indies	160,420	148,200	147,700	149,100
Latin America	7,500	10,300	12,600	13,000
Asia	80,900	107,200	91,600	100,600
Africa	134,300	143,600	137,700	144,300
Oceania	77,000	67,900	69,100	79,500
Major Producing Countries	2,085	3,700	3,200	4,800
Grand Total	1,049,100	1,021,700	1,036,700	1,158,400

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G. DODDS, *Manager.*

As usual, U.K. and Ireland top the list of consuming countries, accounting for 50.6 per cent. of the total imports in 1957.

Separate figures of domestic consumption during 1957 for a number of producing countries are not available, notable among which are India and Pakistan. In 1956, for which data are available, India consumed 193.6 million lbs. and Pakistan 30.6 million lbs. Ceylon raised its internal consumption from 14.6 million lbs. in 1956 to 23.8 million lbs. in 1957.

The average price realised in London auctions for tea of all countries during 1957 was 4*s*. 5.22*d*. per lb., having successively declined from 5*s*. 3.29*d*. per lb. fetched in 1954. The average price realised for North Indian tea was 4*s*. 8.57*d*. per lb., as against 5*s*. 1.05*d*. per lb. in 1956 and 5*s*. 4.03*d*. per lb. in 1954. The average price of South India tea was 3*s*. 9.07*d*. per lb., as against 4*s*. 3.11*d*. per lb. in 1956 and 5*s*. 2.43*d*. per lb. in 1954. Ceylonese tea, which always fetches a higher price than Indian tea because of its better quality, realised in 1957 an average price of 4*s*. 10.18*d*. per lb., but it represents a sharp fall from that of 5*s*. 6.22*d*. obtained in the previous year.

LEAVE SALARY TO PLANTATION WORKERS

The Government of India is reported to have decided to amend the Plantation Act 1951, with a view to overcoming the difficulty experienced in the calculation of leave salary payable to workers and bringing the provisions relating to this in line with those of the Factories Act of 1948. The Act, as it is, does not specify the period over which the average daily wage should be calculated, thus causing difficulty in calculating wages for the leave period, whereas Section 80 of the Factories Act provides for the calculation of the average daily wage on the basis of earnings of workers during the month immediately preceding the leave.

A proposal to amend the Plantation Labour Act, with a view to bringing its provisions in conformity with those of the Factories Act, was discussed by the Industrial Committee on Plantations a few months ago, but no decision was arrived at due to sharp differences of opinion between the representatives of employers and workers. The representatives of employers suggested that leave wages should be paid on a flat-rate basis, as calculation of the average wage in individual cases would cause needless complications. It was contended by the workers' representatives that this system would cause hardship to piece-rate workers. They pointed out that the I.L.O. Convention provided for payment of wages during the leave period at a rate not less than the workers' remuneration or such remuneration as might be prescribed by national laws or regulations, collective agreement or arbitration award, etc.

The Government, it is stated, proposes to amend the Act to provide payment of leave salary to workers other than those paid on piece rates at a flat-rate of minimum daily wage and to the piece-rate workers at the average daily wage calculated over the preceding one month.

OUTLOOK FOR NATURAL RUBBER

Natural rubber production during the next five years will probably range between 1,900,000 tons and 1,960,000 tons during the period 1958-62, according to Mr. H. C. Bugbee, President, Natural Rubber Bureau, U.S. Since World War II Malayan estates have pursued an active replanting policy and the replanted areas coming into bearing during the next five years will be reflected in higher production figures. At the end of 1956, Malaya had 415,000 acres of immature, untapped trees which will have the effect of increasing its present production rate of 630,000 tons per annum to some 740,000 tons by 1962.

The chaotic political situation in Indonesia will probably cause a decline in Indonesian production which could partially offset the increase in Malaya and hence the conservative estimates of total natural production through 1962. Of course, if even a measure of stability could be restored, Indonesian production might be maintained at its current rate for some years to come.

In Malaya, the average per acre per annum yields for all estates is some 500 lbs., but large-scale field trials made by the Malayan Rubber Research Institute have provided mean annual yields of 1,500 lbs. to 2,000 lbs. per acre from selected clones over a period of 10 years of continuous alternate day tapping. More recent plantings with newer clones indicate that a 2,500-lb. yield is attainable.

Just as many tappers are required to tap a fixed number of low yielding trees as are required for the same number of high yielders. General charges including depreciation, management and office salaries, rents, welfare benefits, etc. on a low yielding estates are pretty much the same as on a high yielding unit of comparable area. It is evident, therefore, that costs per pound on the low yield estate may amount to as much as twice that on a high yield property, despite the fact that substantial costs are involved for the high yield estate in replanting and, of course, a six-year wait while the new trees reach maturity.

In this connection the head of one of the large American plantation groups recently came up with a prediction that if Malaya continued with its present programme of replanting it will have doubled its current production rate by 1980.

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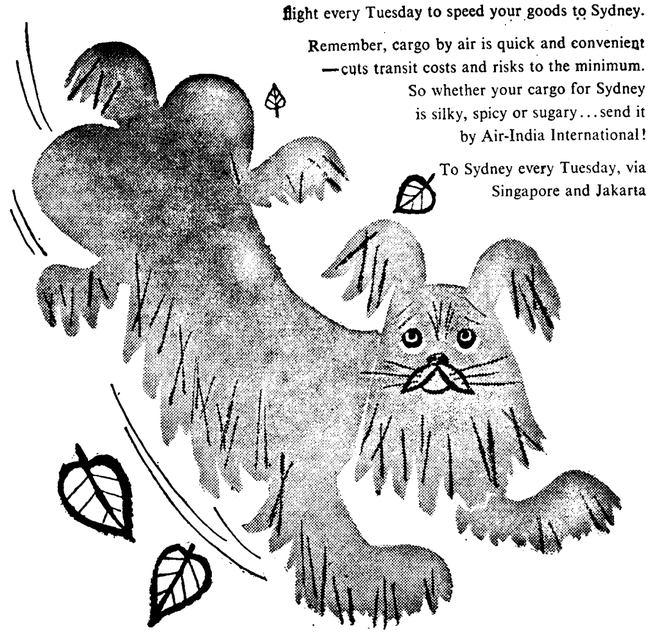
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SECTION 20 OF THE INCOME-TAX ACT

SOME IDIOSYNCRASIES OF THE DIVIDEND CERTIFICATE

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

SECTION 20 of the Income-tax Act requires every company to furnish the shareholder receiving dividends a certificate to the effect that the company has paid or will pay income-tax on the profits which are distributed, besides specifying such other particulars as may be prescribed.

Rule 14 of the Income-tax Act prescribes the particulars. But before coming to that, let me refer to the purpose for which a certificate is necessary. The certificate is required to enable the shareholder to get a refund of income-tax paid by the company which is deemed to have been paid on his behalf, if his tax on total income is less than the credit given under Section 18(5) by grossing up dividend under Section 16(2). It may also be necessary to get credit against the tax payable by an assessee on his dividends.

Section 18(5) briefly provides for treating any payment of tax deducted or deemed to be deducted at source as payment made by such person and credit shall be given to him in the following year in his assessment.

Section 16(2) provides that, for purpose of inclusion in the total income of an assessee, dividend shall be increased to such an amount as would, if income-tax were deducted therefrom, be equal to the amount of dividend.

These are the following three exceptions:—

(i) any profits and gains of the company not included in its total income;

(ii) any income of the company on which it has not to pay tax;

(iii) any amount attributable to allowance made in computing profits.

Such amounts forming part of dividend will not be eligible for grossing up, for the simple reason that they have not borne any tax.

The reason why this grossing up of dividend is provided under Section 16(2) is the theory that, when a company pays income-tax, it is regarded as equivalent to payment made by it on behalf of the shareholders.

This is the underlying scheme of the Act which necessitates a production of a certificate to warrant grossing up of dividends. If the company, therefore, distributes profits which have borne tax, there is the process of grossing up of dividend and giving the shareholder credit for the tax paid by the company. If the company does not pay tax on profits, for example, if the profits are agricultural and as such exempted from payment of income-tax, naturally the Government cannot gross up such part of the dividend as have been declared out of the agricultural income of the company. There may be profits; yet the profits, though not exempted, are profits on which no tax is payable, e.g., profits exempted under Section 15C, etc. It may also be that profits have neither been exempted nor have they borne tax by being made not taxable, but may be profits which under specific allowance like depreciation, development rebate, etc., have been allowed in excess of what the company has provided in the accounts. The result is that, to the extent of such excess, profits have been utilised for distribution as dividend and have not borne tax. Such proportion must not, therefore, be eligible for grossing up.

With this preliminary explanation, let us proceed to study the form prescribed under Rule 14 referred to above. There are two forms—Form I and Form II—of the certificate which has to be furnished by the principal officer of a company under Section 20, the form to be used depending upon the character of dividend. I propose to confine myself to the latter part of Form II, as the controversies are only over that part. For the purpose of ready reference, I reproduce below the relevant portion of the second form:

"I/We certify—

"1. that the total amount of dividends declared at the aforesaid meeting was Rs.

"2. that the details of the profits and gains of the company for the aforesaid year are as under:—

(a) amount not liable to be included in the total income of the company for income-tax purposes is—

(i) representing allowances due in the computation of income under the Income-tax Act in excess of the provision, if any, made in the company's accounts (footnote†);

(ii) amount assessable to agricultural income-tax by any State Government;

(iii) other amounts exempt from income-tax;

(b) amount liable to be included in total income for income-tax purposes but on which income-tax is not payable, viz.,

(i) amount on which income-tax or agricultural income-tax was paid or is payable in Pakistan;

(ii) other amounts exempt from income-tax;

(c) amount liable to be included in total income on which income-tax is payable:

(d) total profits and gains;

(e) percentage of taxable profits to total profits (percentage of entry (c) to entry (d));

(f) percentage of agricultural profits to total profits (percentage of entry 2(a)(ii) to entry (d));

"3. that the percentage stated in paragraph 2(e) therefore represents the percentage of the said dividend which has come out of taxable profits;

"4. that income-tax on the profits and gains of the company chargeable to income-tax (item (c)) of paragraph (2) has been/will be paid by me/us to the Government of India;

"5. that agricultural income-tax (including super-tax) chargeable at the rate or rates of..... on agricultural profits (item (a)(ii)) of paragraph (2) has been/will be paid by me/us to the State Government."

Rule 14 falls into two parts:

(1) cases where dividends declared in respect of a year of account have been paid wholly out of profits of the year;

(2) cases where the dividends declared in respect of a year of account have been paid partly out of profits of that year and partly out of accumulated profits or reserves of earlier years or wholly out of such accumulated profits or reserves.

Where profits have wholly borne tax, the dividend will be grossed up 100 per cent. But where part of the dividend is traceable to profits or allowances which have not borne tax, percentage of the difference between the taxable profits and non-taxable profits embedded in the dividend is required to be given, in order to enable proper grossing up under Section 16(2).

The certificate under Form I requires a company to give details of its profit and loss as under:—

(a) Amounts not liable to be included in the total income of the company, namely, (i) amount representing allowances due in computation of income under the Income-tax Act in excess of the provision, if any, made in company's accounts. These allowances, the footnote explains, are allowances of depreciation, development rebate, etc., in excess of amount, if any, provided by the company in its accounts; (ii) amount assessable to agricultural income-tax by State Government; and (iii) other amounts exempt from income-tax. The footnote requires here to state capital gains (if any) made during 1st April 1948 to 31st March 1956.

(b) Amounts liable to be included in total income for income-tax purposes but on which income-tax is not payable, namely, (i) amount on which income-tax or agricultural income-tax was paid or is payable in Pakistan; (ii) other amounts exempt from income-tax; the footnote states that, under this head, should be shown income exempted under Section 15C; tax-free interest on securities.

(c) Amount liable to be included in total income on which income-tax is payable.

(d) Total profits and gains.

(e) Percentage of taxable profits to total profits (percentage of entry (c) to entry (d)). And

(f) percentage of agricultural profits to total profits (percentage of entry 2(a)(iii) to entry (d)).

The percentage stated in clause (e) therefore represents the percentage of the said dividend which has come out of taxable profits.

These are the requirements of the certificate to be given under Section 20 as read with Rule 14.

Now let me examine the controversy that is raging over the scope of each one of the requirements.

†Here must be entered the allowances due or received in the income-tax assessment for the relevant years such as depreciation allowance, development rebate, etc., in excess of amount, if any, provided therefor in the company's accounts for relevant year.

The first is that, in determining excess, must you compare the depreciation allowance for the year and the provision made in the account for that one year or must you take the cumulative figures for both? Since under Section 10(2)(vi) depreciation carried forward on account of there being no profits or insufficient profits, becomes for Section 10 a deduction for one year, it is clear that depreciation allowance is not depreciation allowance of one year, but past years also, if they have not been absorbed by profits and carried forward. If this be right, then it follows that provisions to be compared, in accordance with the principle of comparing the like with the like, must necessarily be cumulative provisions hitherto made. Where there is an excess, the same should enter the computation of the percentage, for such excess has not borne tax but is utilised as profits available for dividend. This will be clear from the following illustration:

A company's profit is, say, Rs. 100 and depreciation provided is Rs. 5 as adopted in the books. Therefore, the net profit as shown in the account will be Rs. 95. If the Department allowed Rs. 5 under the Act, there would be no difficulty, for Rs. 95 will be wholly taxable. But suppose the Department allows under the Act Rs. 7. Then, the assessable profit will be Rs. 93 and actual distributable profit will be Rs. 95, made up of Rs. 93 taxable and, Rs. 2 not taxable. Therefore, when Rs. 95 is distributed, grossing up will be only on Rs. 93 not on Rs. 2, that is to say, it will not be 100 per cent., though from the shareholder's point of view the whole profit, namely Rs. 95, has been distributed.

Another view that is canvassed is whether the shareholder is entitled to 100 per cent. grossing up if the dividend is equal or less than the assessable income of the company less the tax thereon. The Department in such a case will have recovered the tax from the company on a sum greater than the tax on sums distributed as dividend and therefore grossing up 100 per cent. of such dividend will not be wrong. The idea is not only plausible but also catching; but its very simplicity is deceptive for it hides some fallacies. Let us examine it. A company, again let us assume, makes a profit of Rs. 100. The depreciation allowed is Rs. 7, whereas what is charged is only Rs. 5. Further, let us assume that Rs. 8 represent disallowables, i.e., inadmissible expenses. The assessable income is, therefore, Rs. 95+5+8=108−7=101. When Rs. 101 is the assessable income and the income as per account is Rs. 95 and supposing Rs. 95 is distributed, is grossing up at 100 per cent. correct? According to the aforesaid view, since Rs. 95 are less than Rs. 101, the assessable income, 100 per cent. grossing up is justified. Let us test its validity. Credit is to be given for profits that have been distributed, not on profits which are not and cannot be distributed. Distributable profits are factual, assessable profits are only statutory, not real. Therefore the fact that tax is levied on a profit is no justification for grossing up. Justification can come only if it be and is distributed. Therefore Rs. 8, representing inadmissible expenditure, cannot and must not be treated as eligible for grossing up, for Rs. 8 are not profit and cannot be distributed, for they represent profits already disbursed as expenses but which are inadmissible. The Government is not entitled to give the shareholder a credit for such taxes on amounts paid out and as such they do not and cannot be reflected in dividends.

Next, there remains the assessable income which is Rs. 101. Deduct from it Rs. 8 for inadmissible expenses. There is a balance of Rs. 93. And if you distribute Rs. 95, you will be distributing Rs. 93 profits which have borne tax and Rs. 2 that has not borne tax. Since in the factual distribution, there is Rs. 2 distributed out of non-taxable profit, there should be no grossing up on Rs. 2. In other words, the percentage of grossing up will not be 100 per cent. but 97.8 per cent. only. Therefore, the view that 100 per cent. grossing up is justified is clearly wrong.

Another controversy pertains to the scope of interpretation of Clauses (c) and (d). Some say that, under Clause (c), a company has to show the total income as will be computed for income-tax purposes and under Clause (d) total profits and gains. The proper view seems to be that Clause (d) requires statement of total profits and gains of the company as per books. Clause (c), on the other hand, requires to show the amount liable to be included in the total income on which income-tax is payable, which, in other words, means, excluding any items like agricultural income, etc., on which no tax is payable. Let us, again, illustrate it thus: say profit is Rs. 95 (Rs. 100−5 for depreciation). Suppose out of it, 10 per cent. is agricultural income, the disclosure under Clause (c) will be Rs. 85.50 and under Clause (d) it will be Rs. 95, thereby clearly showing that, of the 100 per cent. of profit shown under Clause (d), only 90 per cent. is taxable. Therefore the grossing up will be based on 90 per cent., and not on 100 per cent.

There is yet another controversy as regards Part II of the certificate and it is this: where the dividend declared is higher than the assessable profits, must it be presumed that the excess dividend comes out from reserves or accumulated profits of one or more preceding year or years? The controversy here is as regards the presumption under the rule. Is it, therefore, statutorily enforceable, irrespective of the resolution of the company or is it a presumption, where the company's resolution is silent, as to the year out of which the dividend is declared? A company under Company Law can declare a dividend out of current year's profit. It can declare dividend partly out of current year and partly out of reserves built from the past years' profits. It can also declare a dividend entirely out of a particular year's profit credited to reserves and carry forward the current year's balance either unappropriated or appropriated to reserve account. A company has no mind. One cannot, therefore, enter into the question of its motive. Its mind is reflected in the language of its resolution, which is not only binding on the shareholders, but also on the Income-tax Department. When, therefore a company expressly says in its resolution that a dividend of so and so be declared out of reserves created out of past profits and, if such a resolution is passed, the dividend must be regarded to have been declared out of the profit of the specified year, notwithstanding the fact that the company had made a profit in the year under reference which it has resolved not to distribute but carry forward.

Another view that is canvassed is this: a company by its resolution may expressly state that the dividend it declares is a dividend out of the taxable profits of the company only, in which event the opinion states that the shareholders are entitled to 100 per cent. grossing up, notwithstanding the fact that its divisible profit fund consists partly of taxable and partly of non-taxable profits. This view seems to be based on two recognised principles of law: one that the company's resolution that it declares dividend out of its taxable profits only is binding not only upon the company, but also on the Income-tax Department; and the other, that where there is a mixed fund, capital and revenue, the assessee is deemed to have drawn upon the fund which is most advantageous to him from the taxation point of view. While, therefore, the adumbrated view seems plausible and attractive, it does not appear to fit in with the statutory requirement of the form of prescribed certificate, nor does it seem free from difficulties of adoption.

The profit as shown by the profit and loss account of a company is a profit made up both of taxable and non-taxable profits. Isolating taxable profits is possible by carrying non-taxable profits to a separate and identifiable fund. Where this is done, it is possible for the company to pass a resolution declaring dividend out of the taxable fund only. But, where the funds are mixed up, a mere resolution that the company has drawn upon taxable fund only and not the non-taxable one, does not seem to suffice. Because one reaction of such a resolution will be to examine whether the company has in fact acted upon its resolution as such, namely, tapped only the fund made up of taxed profits and left the untaxed profits intact and whole. If the resolution is not in conformity or consonance with the accounts, the Income-tax Department may well say that the resolution has not been given effect to. Apart from this, this manner of treatment must entail constant recomputation of the percentage of taxable to non-taxable profits carried forward, for every time the profit fund is drawn upon the percentage of taxed to untaxed profits would change. If this were permissible, there should be a distinct provision in the certificate relating to earlier profits used for the purpose of declaring current dividend and thereby altering the previous computed percentage. There is no such provision found in the certificate required to be given where past profits are drawn upon for dividend.

It is to be hoped that this article will throw light on the controversy that is raging between the taxpayers and tax-gatherers. The Central Board of Revenue, however, is sitting 'mum' over the whole affair, perhaps enjoying the sport.

The fact that there is room for too much diversity of opinions itself suggests that the form is not happily worded and, secondly, that the Central Board of Revenue should issue, at an early date, clear and explicit instructions as to the true implications of the controversial clauses in the certificate or to amend the form itself, if it is found deficient in carrying out the true intention of its framers.

INDUSTRIAL CONGESTION IN BOMBAY CITY

A Study Group of Experts has been constituted by the Government of Bombay to examine and propose specific measures for solving a number of problems arising, mainly, out of industrial congestion in Bombay City and its suburbs. The Group consists of five panels, one each for housing finance, building materials, land and open space and other community requirements, industrial location and communication and traffic. The Group has already invited suggestions from among associations, industrialists and others interested in these problems. The Group will submit a report to the Government after a detailed study of the various suggestions. In the course of an "at home" arranged by the Group recently, with Mr. Y. B. Chavan, Chief Minister, as guest of honour, Mr. S. G. Barve, Secretary, Public Works Department and Chairman of the Study Group, dwelt at length on the scope and progress of the work assigned to the Group.

According to Mr. Barve, the problems that have arisen as the result of over-concentration of industry in the city and its suburban areas relate to overcrowding, shortage of housing accommodation, lack of open spaces and congestion of traffic. While the city's population has increased in recent years beyond all previous anticipation, the recommendations contained in the Master Plan for Greater Bombay, published over a decade ago, were not acted upon in the meantime. Further, contrary to the recommendation of the Master Plan, a large number of industrial units have expanded and even fresh units established. As for the housing problem, the total number of tenements being construted through the agency of both the public and private sectors is far short of the needs of the city's growing population. While there is need for construction of 300,000 tenements so as to meet the housing needs of the city's population, only 55,000 tenements were constructed during the last six to seven years. A large number of houses in the city are in a dilapidated condition and are due to be demolished in the course of the next 10 years and that has further aggravated the housing problem. The other problems are traffic congestion and very negligible area of open space available in the city.

U.K.'S STEEL EXPORTS

Although deliveries of steel to both the export and the home trade continue at a lower level than a year ago, as has just been announced by the Iron and Steel Board in London, the United Kingdom has maintained its share in a declining world market. The main decline in exports in the first five months of this year has been in sheet, tinplate and light sections, but exports of some forms of tube have been higher. Imports of scrap and pig iron and steel, excepting sheet and strip steel, have been heavily reduced, so that the margin between the value of imports and exports of steel and steel-making materials is wider now than it was a year ago. Whereas in the first five months of last year the margin—representing excess of exports over imports—was £15,500,000, in the same period this year it was £19,500,000. To get a true picture of a "balance of trade" for the industry, it is thus necessary to offset the reduction in imports against the fall in exports. Over the post-war period as a whole, the value of steel exports has been approximately equal to the value of steel imports together with imports of steel-making raw materials. But to complete the picture, it would be necessary to take account of indirect steel exports, in the form of articles made from steel. If these are included, a large export surplus is shown.

The decline in international trade during the first quarter of 1958 was specially marked in tinplate and in steel sections, but the United Kingdom improved its share of trade in these products somewhat, and also in tubes and pipes. British exports of iron and steel products in the first five months of this year—at a monthly average rate of 247,900 tons—were almost evenly divided between Commonwealth and other destinations, and the main Commonwealth recipients (monthly averages in thousand tons) were Canada 16.2, New Zealand 15.7, India 11.9 and South Africa 9.8.

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MILITARY ENGINEER SERVICES

SCOPE FOR IMPROVEMENT INDICATED

BESIDES being an important limb of India's national defence, the Military Engineer Services (M.E.S.), one of the oldest services in the country, has had a very distinguished past which justifies the hope that it will continue to play an important role in economic reconstruction. The M.E.S. has made a very significant contribution to national economy through the many construction works which it has executed either directly or indirectly through contractors. It is true that many of these works were undertaken for strategic considerations. Even so, they have conferred much benefit on the civil population. Some of the lines on which the M.E.S. can increase its usefulness to the community as well as the defence which it is meant to aid have been indicated in the comprehensive report on the M.E.S. by the Estimates Committee.

The functions of the M.E.S. are varied and many. It is responsible for all capital works services for the Army, the Navy and the Air Force and Ordnance factories and defence works, including such services as roads, electrical and mechanical installations and water-supply. It procures and holds stores for all engineering works. It also renders assistance to civil authorities in the maintenance of essential services in the event of an internal emergency. The budget for the M.E.S. varies from year to year, depending upon the works which it undertakes. In 1956-57, its budget aggregated Rs. 27.8 crores, though actual expenditure was only Rs. 25.3 crores. In previous years too, expenditure fell short of the budgeted amount. The Estimates Committee has viewed with concern "such recurring overbudgeting which is contrary to sound finance." According to the Committee, there has been a "lack of proper planning and an inadequate appreciation of the various preliminaries to the execution of works on the part of the authorities concerned."

Establishment

A point to which the Committee has drawn special attention is the increase in establishment charges. It points out that, in 1955-56, such charges constituted 13.03 per cent. of the workload, as against 12.09 per cent. in 1954-55 and 11.59 per cent. in 1953-54. In the Central Public Works Department and in the Railways, the relevant percentages in 1955-56 were lower at 9.50 and 5.0, respectively. The higher percentage in the M.E.S. is attributed to the fact that establishment is sanctioned on the basis of anticipated work-load which does not always materialise. In this connection, the Committee recommends that a "systematic and scientific assessment of the staff position with reference to their achievements and future programme should be carried out periodically, and efforts be made to achieve the maximum economies that could be effected in all directions even to the extent of suitably reorganising the structure of the organisation." While we have no doubt that this recommendation should be implemented, it is, perhaps, necessary to observe that the "percentage" yardstick should be applied with a certain discrimination to the M.E.S. which has frequently to undertake engineering works out of strategic considerations which can brook no delay and in which costs, however important, cannot be the sole determining factor. In the strategic engineering sphere in which the M.E.S. functions, there ought to be a reasonable degree of freedom for sacrificing cost considerations in the interests of expeditious completion of works.

Charges

Discussing the question of departmental charges levied by the M.E.S., the Committee points out that these charges are levied at the rate of 14 per cent. for works done for the Air Force, the Navy, the Ordnance factories and at the rate of 24½ per cent. for works done for other bodies like the C.P.W.D., the State Governments and the cantonment Boards. The Committee learns that the C.P.W.D. levies departmental charges on a slab system ranging from 9¾ per cent. for works costing Rs. 5 lakhs and above to 17¼ per cent. for works costing Rs. 40,000 and below, and that the railways levy 12½ per cent. on the total cost of the work (wage and materials) including the cost of land, except where a rate higher than 12½ per cent. is charged to Government departments on a reciprocal basis. The Committee was informed that in the case of the Navy, the Air Force and the Ordnance factories, the charges consisted of 11 per cent. establishment charges, 1½ per cent. audit and 1½ per cent. T. & P. charges and were adjusted by a block transfer made at the end of the year, and were revised in the case of wide fluctuations in the actual establishment charges. As regards the higher charges levied for works done for other bodies, the representatives of the Ministry agreed that it was a high percentage and stated that the charges were being reduced to 15 per cent. The Committee does not appreciate the need for the levy of departmental charges by the M.E.S. on works executed for any of the Defence Services. Even as regards the levy of departmental charges, among the works services of the Government of India and the States, the Committee suggests that the feasibility of doing away with the system should be considered. If, however, it is not possible to abolish this system altogether it should at least be kept at a uniform and minimum basis.

Contractors

At present, most of the M.E.S. works are executed through contractors and a smaller proportion through departmentally employed labour. Departmental execution is resorted to only in cases like routine maintenance of a petty nature, urgent maintenance where contracts are not available at competitive and reasonable rates and where there are special difficulties in giving the work to contractors. About 8 per cent. of the "original" work and 32 per cent. of the "maintenance" work have been carried out departmentally and the rest through contractors. The Committee has suggested increased departmental execution of works, in order to eliminate the "middleman's profit." It admits that departmental execution is costlier at present. But it argues that there is no reason why "it should continue to be so." It adds:

"If the contractor adheres to the specifications and yet could complete the work at a lower cost and earn a good percentage of profit, there do not seem to be insuperable difficulties in reducing the present high cost of departmental execution. If, on the other hand, the quality of contractual work is not up to the required standards, it would mean that Government is not getting the value for the money spent. As regards the argument that departmental officers will not be able to extract as much work from labour as contractors, it would seem that the suggestion is either that labour is exploited by the contractors or that the efficiency of the Department is not up to the mark. In either case, the position is unsatisfactory. Therefore, while agreeing that much would depend on labour leadership, the extent of development of civic sense and the willingness to give a full measure of outturn, the Committee would recommend that opportunities must be taken every now and then to undertake departmental execution of works in suitable cases and standards must be set not only of quality of work, but also of efficiency of organisation, economy and fair deal to labour."

But one wonders whether, in the long run, departmental execution will not impose too heavy a burden on the taxpayer. Private contractors turn out work at lower cost. Indeed, many of them could do the work at still lower cost if prompt payment of their bills could be ensured. Perhaps, the chief reason why the quality of the work of contractors is not always up to the mark is that private contractors who have a reputation to maintain are not always employed. From this point of view, there is a great deal to be said in favour of wider publicity for tender notices which the Committee has rightly advocated. The M.E.S. Review Committee, appointed in 1955 for reviewing the work of the M.E.S., recommended that, in cases of work of Rs. 1 lakh and over, the advertisement of invitations to tender should appear at least once in one local language paper and twice in English papers and if the value of the work exceeded Rs. 10 lakhs, it should be advertised in other larger towns also. While agreeing generally with this view, the Committee recommends that, in order to create keener competition, Indian language paper should be used to a greater extent as a medium of publicity in all cases of contracts big or small; in cases of works of more than Rs. 10 lakhs in value, advertisements should be made in the important language papers of other regions also. The authorities, we would like to add, will also do well to consider whether they should not advertise the tenders in financial and commercial journals which command a circulation among the leading engineering firms and contractors.

Research

An important suggestion made by the Committee is that the problems requiring research should be sent up for study to such institutions as the Central Building Research Institute, Roorkee, the College of Military Engineering, Kirkee, and the Central Road Research Institute. The establishment of a close liaison between the M.E.S. and the research organisations will be to their mutual advantage. Further, since the M.E.S.'s activities are spread over a wide area, the study of the problems which it encounters might conceivably lead to important results of great benefit to the entire country.

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METALLIC MINERALS

During 1957, India produced, according to the Indian Bureau of Mines, metallic minerals valued at Rs. 28.5 crores, as against Rs. 28 crores in 1956. Of the total value, ferrous group of minerals accounted for Rs. 18.5 crores while the minerals of the non-ferrous group accounted for Rs. 10 crores.

The output of chromite was higher by nearly 26,000 tons. Almost the entire increase in the production of chromite was from Cuttack and Keonjhar districts of Orissa State. The higher production was the result of the higher demand and the improved shipment facilities made available to the principal producers during the year.

The production of iron-ore maintained a steady upward trend and reached a peak figure of 5.1 million tons, representing an increase of nearly 160,000 tons over the production during the preceding year. The significant improvement in the internal as well as external demand for iron-ore was reflected in higher production of iron-ore during the year. The output of manganese ore during 1957 was 1.57 million tons, showing a fall of 119,000 tons compared to the previous year. The fall in production was reported mainly in the States of Andhra Pradesh and Madhya Pradesh. Andhra Pradesh produces mostly low grade ore and it was reported that, due to the accumulation of stocks, mining operations were suspended during the latter half of 1957 by some principal producing units. Much of the fall in production in the State of Madhya Pradesh was due to the inadequacy of transport facilities. The mine-owners generally adjusted their production in relation to the export allotments and supply of wagons.

The value of output of minerals of non-ferrous group was lower by Rs. 90 lakhs in 1957, as compared to the previous year. This was the result of lower production of gold and ilmenite and the lower price of copper-ore mined. The output of gold during 1957 was 30,000 fine ozs. less compared to the previous year. The main reason for the fall in production of gold was the fall in the average grade of ore mined during 1957.

The higher production of copper-ore was due to the development programme carried out by the Indian Copper Corporation Limited in respect of their mines. In view of the increased demand for non-ferrous metals in India, development work at Zawar Mines and mills was taken by the Metal Corporation of India Limited. As a result of this, higher quantity of lead and zinc ores was produced and milled during the year 1957 and there was also an increase in the smelter production of silver.

GHANA LAUNCHES OWN AIRLINE

The independent State of Ghana has launched its own airline. To be known as the Ghana Airways, it will operate domestic, regional and international services for the transport of passengers, mail and freight. Incorporated at Accra with a nominal capital of £400,000, sixty per cent. of the capital has been provided by the Government of Ghana and 40 per cent. by the B.O.A.C.

The new company has entered into a seven years' agreement with the B.O.A.C. for the operation of "pooled" services between Ghana and the U.K. with aircraft on charter from the B.O.A.C. bearing the Ghana livery. Initially, beginning 16th July, the Ghana Airways will operate a once-weekly Stratocruiser service between Accra and London. As traffic increases, it is planned to raise the number of Ghana Airways services until parity of frequency is reached with the B.O.A.C. which operates four services a week between the two capitals at present. In due course, Britannias will be used both in the B.O.A.C. and the Ghana Airways liveries. The Ghana Airways will also take over all of the existing domestic and some of the regional services from West African Airways Corporation on or about 1st October. The aircraft on charter to the Ghana Airways will be operated by the B.O.A.C. flying and cabin staff. The training of Ghanian nationals to take over the management, administration, flying and engineering sides of the airline will be undertaken by the B.O.A.C. In the first place, however, a number of Europeans employed by the B.O.A.C. will be seconded to Ghana Airways.

ROADS IN THE REVISED PLAN

PROVISION INADEQUATE

By B. V. Vagh

EXECUTIVE VICE-PRESIDENT, I.R.T.D.A.

THE revised allocations in the public sector in the second Plan in comparison with those in the original Plan are as follows:

(In crores of rupees)

Item	Original Plan	Revised Plan
Agricultural and community development	568	510
Irrigation and power	913	820
Village and small industries	200	160
Industries and minerals	690	790
Transport and communications	1,385	1,340
Social service	945	810
Miscellaneous	99	70
Total	4,800	4,500

These allocations show two facts, (i) an increase of Rs. 100 crores for industries and minerals, and (ii) a small cut, in comparison with the cuts in other items, for transport and communications. Both these facts show the importance attached, rightly of course, by the Planning Commission to these two items, since our current needs are to develop industries and to provide sufficient transport for them.

What is necessary to see is whether the provision for transport is commensurate with the provision for industries. *Prima facie* this is not so, since for an *increase* of about 14.5 per cent. in the allotment for industries from Rs. 690 to Rs. 790 crores the allotment for transport and communications has been *decreased* by about 3.25 per cent. from Rs. 1,385 to Rs. 1,340 crores. The implications of this will be obvious when it is remembered that the original allotment for transport was considered and is even today considered inadequate by many.

Excluding a sum of Rs. 225 crores to be made available to the railways from their depreciation fund and a sum of about Rs. 25 crores to be made available to roads from the Central Road Fund, the break-down of the allocation for transport and communications is as follows:

(In crores of rupees)

Item	Original Plan	Revised Plan
Railways	900	896
Shipping, ports and harbours	92	104
Roads and road transport	262	229
Civil aviation, posts and telegraphs, broadcasting, etc.	131	111
Total	1,385	1,340

It will be seen that, on the transport side, the railway allotment is practically the same as before, being Rs. 896 crores as against Rs. 900 crores, the allotment for shipping, ports and harbours has been raised by Rs. 12 crores from Rs. 92 to Rs. 104 crores, while that for roads and road transport has been reduced by Rs. 33 crores from Rs. 262 to Rs. 229 crores! In other words, while rail and water transport have been provided for to the extent possible, roads and road transport have been cut. This must make strange reading, in the face of official announcements during the past two years to the effect that, next to the railways, road transport has to be developed for the implementation of the second Plan.

It has been estimated that the gap in the long-distance transport capacity of the country to be made good by road transport is about 40 million tons per annum by the year 1960-61. To meet this, the country will need at least about 60,000 more trucks than are likely to be available and about 15,000 trailers. Besides, through communication will have to be provided either by making diversions or by providing ferries at about 56 points on our National Highways where bridges are missing.

There should be no difficulty about trailers which are manufactured locally. All they need is an incentive by Government by issuing permits for them freely on important routes. There should also be no difficulty about providing diversions and ferries on National Highways since it has been estimated that about Rs. 12 crores can be spared for roads by the year 1960-61 from the surplus in the cement account of the State Trading Corporation and this amount is likely to be sufficient for this work. The main difficulty will be about the foreign exchange required to produce about 60,000 more trucks. Here, the least the Government can do is to examine the possibility of diverting to road transport either in part or full the anticipated saving of about Rs. 48 crores in the railway's original requirements of about Rs. 425 crores of foreign exchange.—*All Rights Reserved.*

NEW PRODUCTS AND PROCESSES

New Technique in Heart-Valve Surgery

THE U.S. Public Health Service has announced the development of a technique that permits precise evaluation of results of heart-valve surgery while the operation is in progress. The method, it is said, can be used on various heart valves whose openings have been clogged by congenital defects or rheumatic fever. The technique was developed by a team of surgeons at the National Heart Institute in Washington. It gives the surgeon a better idea of how well the valve's function has been restored and whether to enlarge the valve opening during the operation.

X-Ray Microscope

A new X-ray microscope has been perfected in the United States which will enable scientists to study the interior structure of opaque objects and materials and quickly identify their chemical composition. It can penetrate dense materials that cannot be studied with standard light microscopes or even with electron miscroscopes. The manufacturer says that it should be especially useful in the metallurgical, paper, textile, plastic and food industries, and in the medical-biological field. It will be effective, for example, in showing the interiors of biological specimens such as lung tissues, when a pathologist wishes to identify silicon and observe its distribution in the study of silicosis.

Non-Sinkable Boats

A new blend of rubber and plastic developed in the United States may become an important material for small boat construction. It is claimed that it makes a practically unsinkable boat hull. Developed by the United States Rubber Company and called Royalite, the material is of a five-ply construction built around a cellular or honeycombed centre. In recent tests a motor boat made of the material was repeatedly run into a floating oil drum at high speed without sustaining damage of any kind. A boat made of the material cannot sink even when swamped, it is claimed, since the cellular construction provides great reserve buoyancy. The United States Rubber Company will not manufacture boats made of Royalite, but will fabricate hulls, decks and other parts to the specifications of boat manufacturers.

Electronic History Book

An electronic history book has been made by the International Business Machines Corporation of the United States. It is an electronic computer that can answer historical questions in 10 languages. Thousands of the major events of the world's history dating from the fourth century B.C. down to the present are recorded in the computer's "memory" in 10 languages. When a card bearing the date of a certain year is inserted in the machine, it tells the major historical events of that year. The answers are given in less than two-thirds of a second and are typed out by an electric typewriter. The machine answers questions on historical dates in English, French, Italian, Dutch, Spanish, Swedish, Portuguese, German, Russian and Interlingua, a universal language that can readily be understood by many people, regardless of their own national language.

Automatic Postal Clerk

A new electronic machine that reads typewritten addresses on envelopes and then automatically sorts them according to the city and state to which they are to be sent has been developed in the U.S. The machine, still in the experimental stage but already tested in a post office, was developed by the Intelligent Machines Research Corporation of Alexandria, Virginia. In a fraction of a second the machine reads the bottom, or city and state line of an address by sensing the length and location of letter strokes. This enables it to analyse the writing and identify the letters of which it is composed. The machine can read various sizes of types by means of a so-called "comparator circuit," which adjusts itself for each envelope, according to the height of the first letter of the first word in the address. At present the machine cannot read handwritten addresses. Eventually, however, it is believed that it will be developed to the point where it will be able to read a "significant" number of such addresses.

Ultra-sound Technique for Eye Diseases

A new technique for more accurate diagnosis of certain eye diseases was demonstrated recently at the American Medical Association meeting in San Francisco. The technique involves the use of an instrument producing high frequency sound waves which can "see" through totally opaque eye tissue. Dr. Gilbert Baum of Port Chester, New York, showed pictures illustrating diseases within eyes that cannot be seen by the light of X-rays. These included a tumour obscured by a cataract, foreign bodies invisible to X-rays, and a detached retina obscured by a hemorrhage in the back of the eye. In the past, there were no instruments for examining the areas behind the eye to surmise what diseases might be present. With the new ultra-sound instrument the correct diagnosis may be obtained and proper treatment given. The device operates like this: a burst of high-frequency sound is transmitted, which, when it strikes an object in its path, sets up a return echo. This ultrasonic echo is picked up by a special microphone which converts the sound into electrical energy. The electrical energy then is converted into light similar to the way a television receiver works. To obtain an overall view of the eye, the transmitter and receiver are moved in a sweeping motion over the eye. As the echoes come back from different portions of the eye, they are sent into a radar receiver, which then displays the eye's interior.

Notices

DUNCAN BROTHERS & COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-ninth Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, No. 31, Netaji Subhas Road, Calcutta, on Friday, 22nd August, 1958, at 11-00 a.m., for the following purposes:—

1. To receive and adopt the Directors' Report, and to pass the Audited Accounts for the year ended 31st December, 1957.
2. To confirm the interim dividend paid on the Preference shares and to declare a dividend on the Ordinary shares and a final dividend on the Preference shares.
3. To elect a Director.
4. To appoint Auditors for the current year and to fix their remuneration.

AS SPECIAL BUSINESS

As Ordinary Resolutions

5. "That the consent of the Central Government having been received, with effect from 1st October, 1958, Mr. J. A. Duncan, a Managing Director of the Company, be and is hereby authorised to receive remuneration for his services as such in accordance with the terms specified in the Agreement dated 16th September 1957 made between the Company of the one part and Mr. Duncan of the other part as purported to be modified and amended by a Supplemental Agreement to be entered into between the Company and Mr. Duncan, a draft whereof has been submitted to this Meeting and for the purposes of identification signed by the Chairman thereof and that accordingly the Directors be and are hereby authorised to enter into the Supplemental Agreement with Mr. Duncan in terms of the said draft."
6. "That Mr. L. T. Carmichael be and is hereby appointed a Director of the Company with effect from 1st October 1958."

The Share Transfer books of the Company will be closed from 14th to 22nd August, 1958, both days inclusive.

Warrants for dividends, when declared, will be forwarded in accordance with registered instructions, or, if no such instructions have been received, to the registered addresses of all shareholders whose names appear on the Company's Register at the date of declaration. No application for payment is necessary and holders on blank transfer are therefore recommended to submit their shares for registration immediately.

By Order of the Board,

DUNCAN BROTHERS & CO., LTD.,
S. H. DAVIES,
Director.

CALCUTTA, *24th July*, 1958.

Note.—A member of the Company who is entitled to attend and vote at the above Meeting may appoint one or more proxies to attend and vote instead of himself. A proxy need not be a member of the Company.

A blank form of proxy is enclosed which should reach the Company not later than 19th August, 1958.

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NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5½ per cent. Debentures 1965-69 will be closed for transfers from 16th August 1958 to 31st August 1958, both days inclusive.

P. A. ENGINEER,
Secretary and Treasurer,
State Bank of India,
Agents for Burmah-Shell Refineries Ltd., for the management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, *1st August*, 1958.

INVESTMENT OF LIFE FUNDS IN THE U.K.

INSURANCE COMPANIES HAVE NO DOMINANT CONTROL OVER INDUSTRY

DESPITE the creditable performance of British insurers in the management and expansion of business as well as the investment of funds, they too have not been free from criticisms of a sort, often politically-motivated. Proposals have been made, in certain quarters, for the political control of insurance companies and their investments on the ground that they do exercise a dominant influence on industry. That this *contention has no basis* in facts and that the extent of control over industry exercised by insurance companies is less than what is made out to be, was convincingly brought out by Mr. L. Ginsburg, Investment Manager of the Legal and General Assurance Society, in the course of a lecture delivered recently in London. Marshalling an array of facts and figures, Mr. Ginsburg argued that not only did insurance companies exert no great influence on industry at present but that the relative importance of insurance investment in ordinary shares of companies, though increasing, was unlikely to become dominant for a very long time to come.

In 1957, Mr. Ginsburg observed, the U.K. funds of British life insurance offices increased by rather less than £300 million. Personal savings as a whole increased by £1,620 millions. Broadly, therefore, personal savings through the medium of life insurance represented 20 per cent. of the total in this category. Of the total national savings, including company savings, and the savings of the Government, of £4,000 million, the £300 million of life insurance represented about 7.5 per cent.

During the decade or so since the end of the war, the world-wide investment assets of British insurance companies increased from £2,500 million to £4,800 million. On 31st December 1956, the balance-sheet values of the investment assets of all companies established in the U.K. aggregated £4,790 million. This figure also includes the overseas investments, a very considerable part of which is required to be held in connection with overseas business, mainly non-life. The major categories into which the investments fall are made up of £1,225 million in British Government securities, £1,024 million in debentures and preference shares and £770 million in ordinary shares. It is mainly on account of the investment in ordinary shares—and the steady increase in the amount so invested—that the opinion is expressed that British insurance is playing a dominant part in providing industry with risk capital. The total value, on 31st December 1956, of all ordinary shares quoted on the London Stock Exchange has been estimated at £9,110 million. Thus life insurance companies' holdings of £770 million, while significant, could not be regarded as dominant. It represents only 8½ per cent. of the total. Life insurance companies' investments in preference shares aggregated £300 million, against the aggregate nominal value of preference shares quoted on the London Stock Exchange of £1,250 million. This is a much more significant portion; but it should be borne in mind that the preference shareholder has, in general, only a very limited voice in the control of industry.

Control of Industry

Independent confirmation of the extent or otherwise of insurance investment control is available from the results of an investigation carried out by Messrs. Clayton and Osborn of Liverpool University. They examined the share registers of a number of the largest companies whose shares are quoted on the London Stock Exchange. Their sample represented more than 50 per cent. of the aggregate asset worth of all companies so quoted. The investigation disclosed that, on the average, some 6 per cent. of the ordinary share capital was held by insurance companies and 13 per cent. of the preference capital. Of the 71 largest companies—those with net asset values exceeding £15 million, in only three cases did the insurance companies' holdings of ordinary shares exceed 15 per cent. Of these three, two were steel companies' shares recently underwritten and re-issued on denationalisation and which could be regarded as special cases.

These facts lead to the conclusion that the voice of the insurance companies in British industry is by no means dominant at present. Judging from the current trend of investment in ordinary shares, it is unlikely, according to Mr. Ginsburg, for it to become dominant in future. About ten years ago the amount invested in ordinary shares was £270 million and this represented only 4 per cent. of the aggregate value of all ordinary shares quoted on the London Stock Exchange. Now it is near about 8½ per cent. The average annual amount invested by the life insurance companies in ordinary shares during the period 1954 to 1956 was about £90 million; during the period 1951 to 1953 it was only £40 million (1954 13.6 per cent.; 1955 14.6 per cent.; 1956 15.4 per cent.) The relative importance of insurance investment in ordinary shares is thus increasing although in absolute terms it is by no means dominant.

No Uniform Standards

The investment policy followed by various companies in Britain does not conform to any set standards. In other words, there is no uniformity, the spread of investment within different categories of investments varying widely between different companies. There is an essential difference in the investment of funds by life and non-life departments. In the former, the liabilities are predominantly of a long-term nature, the funds have grown steadily for many years. It follows, therefore, that massive liquidity is not an important feature of the life department assets. On the other hand, so far as the non-life (or general) funds are concerned, both the nature of the contract and the nature of the risks make it essential to hold substantial funds readily available or convertible into cash. The principle of long-term accumulation of premiums is an essential aspect of the life fund and the maintenance of an adequate rate of interests on the fund becomes of the highest importance. In the general fund, accumulation proceeds at a very much slower rate, and interest earnings are no more than incidental to underwriting profits.

These differences in principle are reflected in the respective investment portfolios. Roughly, the life funds represent in the aggregate some 80 per cent. of the total assets of British insurance companies. The following table shows how the spread of life assets in the different categories of investments varies among 42 of the leading companies which together represent some 90 per cent. of the total business.

Percentage of total Life Assets 1956	Number of companies					
	British Government Securities	Debentures	Preference	Ordinary	Mortgages and loans	Property
0–5 ..	..	2	9	1	1	18
5–10 ..	1	12	19	3	6	13
10–15 ..	10	9	12	10	9	8
15–20 ..	7	11	2	11	8	2
20–25 ..	5	6	..	11	7	..
25–30 ..	6	..	..	3	5	1
30–35 ..	7	1	..	1	3	..
Over 35 ..	6	1	..	2	3	..
Total ..	42	42	42	42	42	42

It will be seen from the above table that the percentages in the various categories vary widely and that there is no discernible pattern which might be taken to represent a common standard of investment policy.

A closer look at the table shows that, so far as British Government securities are concerned, ten companies hold between them 10 per cent. and 15 per cent. of their assets in this category, while 13 hold over 30 per cent. Fourteen companies have less than 10 per cent. in debentures whereas six have between them 20 per cent. and 25 per cent.; one company has actually more than 35 per cent. in this group. Preference shares are a relatively small group and here there is some degree of uniformity. All the offices except two have less than 15 per cent. of their assets invested in preference shares.

As regards the ordinary shares, there is a vaguely discernible degree of uniformity. In the 10-15 per cent. group, there are 10 companies, in the 15-20 per cent. group there are 11 and a further 11 companies hold between 20 per cent. and 25 per cent. in this category. There are two offices with over 35 per cent. of their funds in ordinary shares while one office has less than 5 per cent.

As regards mortgages and loans on policies, the extent of the inconsistency is quite striking. There is no evidence whatsoever of a common pattern. There is, in fact, an exact balance between those offices which regard mortgages as eminently suitable for the investment of their funds and those which regard them as eminently unsuitable. This of course makes for what is called healthy market. Property investment is a highly specialised field and only a very few companies invest a significant portion of their funds in this category.

Freedom of Investment

There is, thus, sufficient manifestation of freedom of investment for insurance companies. There is no statutory interference. The principle followed is freedom with publicity. Publicity, however, is by no means normal. All companies are required to make annual returns to the Board of Trade in standard form showing details of the business transacted. On the occasion of a valuation of the life department liabilities, very considerable detail is required to be given, sufficient in fact to enable any one unconnected with the company in question to make an independent estimate of life liabilities. These returns and the audited accounts of the company are scrutinised by the national and financial press and are subjected to much comment. This publicity is designed to provide an adequate measure of protection to the insuring public.

The freedom would, however, be unreal if the companies interpreted it to mean freedom to eliminate competition. The competition nevertheless is intense in all fields and so far as investments are concerned, as noted above, there is little or no uniformity with any common standard. It is held that if investment policy conformed to a uniformly accepted pattern, it would contain within itself the seeds of its own destruction. If any one type of investment were regarded as unquestionably the only suitable medium for investing life insurance funds, the effect of continuing demand on limited supply would soon become evident. The imbalance between demand and supply would correct itself when the excess demand forced yields to a level unattractive as compared with other avenues of investment. Freedom of investment, therefore, has what might be called built-in correctors. These would come into operation whenever the pattern of investment policy appears to be moving in one direction only.

Although in arriving at their investment decision, the insurance offices act in complete independence of each other there does exist an organisation called the Investment Protection Committee of the British Insurance Association on which representatives of the companies meet from time to time to discuss matters of common interest in regard to existing investments. But the discussion of the investment merits of particular securities or of new issues is expressly excluded at the meetings of the Investment Protection Committee. The I.P.C.'s attitude towards any problem which comes to it for consideration is not determined by its own sectional advantage. Where there is apparently a conflict of interest between different classes of investors, regard is had only to the equity of any proposed arrangement. The I.P.C. is not interested in seeking a solution to any problem which merely gives the maximum advantage to the greatest number of insurance investors.



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WORLD COMMODITY PROBLEMS

INSTABILITY IN PRICES—UNDERDEVELOPED COUNTRIES HARD HIT

THE erratic character of the movement of commodity prices has been a major stumbling block in the smooth flow of international trade. Instability in commodity prices has naturally been causing serious concern to the producing as well as the consuming countries of the world. At any rate, the advanced countries, with their broad-based economic structure, have been in a position to withstand the effects of changing fortunes of a few commodities. The problem, however, is vital to the underdeveloped countries, for, they depend for the bulk of their earnings of foreign exchange on the export of one or two commodities; all the eggs are put in one basket, as it were. What is more, as has been highlighted by the *U.N. Commodity Survey* 1957, despite the notable degree of post-war economic development, the dependence of underdeveloped countries on a few key commodities has not been lessened in recent years. It is as great as it was two decades ago. In more than half of the 36 countries covered by the *Survey*, the leading export commodity accounted for over 50 per cent. of aggregate export proceeds in 1936-38 and 1953-55, and three main exports for over 75 per cent. in 1936-38 and over 80 per cent. in 1953-55.

The commodity markets continued to experience wide fluctuations in 1956 and 1957. The declining trend manifested itself in the first half of 1956, though interrupted by the Suez crisis which brought in its train hectic inventory buying, resumed early in 1957; by the end of 1957, the price index of primary commodities in international trade had declined to the lowest level since the outbreak of hostilities in Korea. The price index of manufactured goods, on the contrary, was gradually climbing up. Consequently, the terms of exchange between primary commodities and manufactured goods became progressively less favourable to the former and by the end of 1957 had declined to the lowest level of the pre-war period. Thus, although in 1957 the aggregate exports of primary producing countries were still about 3 per cent. higher than a year earlier, the number of countries that failed to maintain export earnings rose from 30 per cent. of the total in 1956—accounting for a fifth of all exports—to 36 per cent. in 1957—accounting for a third of all exports. The average rate of export earnings declined further in the first quarter of 1958 which was 5 per cent. below the total for the year 1957. This declining trend in the export earnings of primary products, in the face of mounting expenditure on imports of manufactured goods and capital goods, has thrown the economies of the underdeveloped countries out of gear.

Problem of Instability

Viewed against this background, the concern expressed by many countries in the course of the plenary session of the Economic and Social Council which met at Geneva recently, regarding the problem of commodity instability and its inevitable impact on the underdeveloped countries, is understandable. Mr. Philippe De Seynes, the Under-Secretary for Economic and Social Affairs, in his statement on international commodity problems, pertinently pointed out the hazards to which an underdeveloped country is subjected in the face of fluctuations in commodity prices. He observed that the commodity question fell into two major parts, one relating to the internal structure of production in underdeveloped countries, and the other to the instability of external markets. According to him, the first aspect is concerned with the lack of diversification in the economies of underdeveloped countries. He pointed out that a developed economy with a diversified structure of production, not only spread the risks of any adverse factor but it tended to "reduce the likelihood of any snowballing effect from unfavourable influences." He felt that one of the most important built-in stabilisers inherent in any highly developed economy was the extensive diversification of its national output.

Mr. De Seynes contrasted this with the picture of an underdeveloped country. The underdeveloped economy, he averred, was so highly specialised in the production of a few key commodities as to provide almost no opportunity for spreading of risks or checking the cumulative force of any adverse influence upon the economy as a whole. He observed:

"Relatively small changes in world markets might spell the difference in underdeveloped countries between prosperity and depression, between inflation and deflation, between adequate foreign exchange reserves and the need to resort to trade and exchange restrictions. Even relatively moderate changes in commodity prices might mean the difference between a rising and a falling capacity to import, between balanced budgets and Government deficits between rising and falling levels of consumption and investment."

It is obvious that the problem of internal instability can be solved only by ensuring diversification of the economy. Mr. De Seynes made it clear that the remedy, therefore, was bound to be of a long-term character and relatively slow in making itself felt.

As regards the second aspect of the commodity problem, namely, instability of external markets, Mr. De Seynes emphasised the need for rectifying instability in commodity prices. He particularly highlighted the poor plight of the less advanced countries in this respect. Proceeding, he observed:

"First, there seems to be a peculiar and unhealthy asymmetry in the world's attitude towards the problems of stability as between developed and underdeveloped countries. We have long since come to recognise that large-scale unemployment is not an acceptable price for keeping an industrial economy in balance, but we still seem to attach only secondary importance to commodity instability for the economies of underdeveloped countries. Second, the world seems not to have realised that economic stability in the highly developed countries is by no means a sufficient condition for stability in the demand for primary products. As the post-war experience has abundantly shown, even small shifts in demand for final products in industrial countries, or small changes in investment in inventories can have profound effects upon the export earnings and incomes of many primary producing countries."

Need for International Action

Can this problem of commodity instability be cured at a national level? It cannot be gainsaid that the advanced countries in the course of the war and post-war periods, evolved a number of built-in-stabilisers to put a check on the declining rate of economic activity during a recession. Both the developed and underdeveloped countries also instituted measures designed to compensate primary producers for falling sales. But Mr. De Seynes rightly asserted that it was not within the easy means of underdeveloped countries to give sustained assistance of this sort; and that, no such national programmes could compensate countries for the loss in foreign exchange earnings and reserves during a recession. He felt that, as suggested by the Secretary General in the course of his statement on the world economic situation, the individual countries had a responsibility to husband their reserves in periods of rising earnings to tide them over when conditions became less favourable. He felt, however, that the underdeveloped economies were too poor to undertake such measures. He stressed that the problem of commodity stability could not be left entirely to the primary producing countries to shoulder; and that it must be recognised not only as a national but also as an international problem of first importance.

The question naturally arises whether an international body like the U.N. Commission on International Commodity Trade would be capable of delivering the goods. The answer can by no means be in the negative; for the U.N., confronted as it has been with ever so many problems, made significant progress, though moderate, in the field commodity stabilisation. As. Mr. De Seynes said, a fairly active programme was under way. Three international commodity programmes—on wheat, sugar and tin—are in operation; and a fourth, on olive oil, was awaiting ratification. He disclosed in this context, the current activities of the U.N. in this regard. To quote him:

(*a*) The present International Sugar Agreement, which has been in operation for a period of almost five years, expires at the end of this year. Acting in accordance with the procedures laid down by this Council, the Secretary-General is convening in Geneva on 22nd September a United Nations conference to negotiate the terms of a new agreement in the light of the experience gained during the period of the present arrangement.

(*b*) The present International Wheat Agreement expires in July 1959 and the Governments principally concerned are considering whether a new form of agreement could be developed which would cover a larger proportion of the world trade in wheat and also take into account the surpluses which now exist. The International Wheat Council has recently asked the United Nations to convene a conference on a wide basis to consider the principles that might be formulated and adopted as a basis for such a new agreement.

(*c*) After negotiations extending over a long period, and agreement acceptable to the principal countries concerned with olive oil has been formulated. At present, the agreement lacks the adherence of sufficient importing countries. When this has been received, arrangements will be made, in conjunction with F.A.O., for a meeting to set up an Olive Oil Council to deal with international trade in this commodity.

(*d*) At the request of the I.C.C.I.C.A., the Secretary-General at the end of last year consulted the major importing and exporting countries of certain non-ferrous metals. On the basis of these "soundings" it has now been decided to proceed with certain exploratory meetings which will afford an opportunity for inter-Governmental consideration as to whether further action is desirable. I am happy to announce that, thanks to the collaboration of the Government of the United Kingdom and Northern Ireland, the Secretary-General is convening in London on 8th September an inter-governmental meeting on copper and on 11th September, another to consider problems arising in international trade in lead and zinc."

Organisational Aspects

Proceeding, Mr. De Seynes conceded that it took a decade to negotiate only four commodity agreements; in the meantime, however, commodity markets proved to be extremely vulnerable to small changes in supply and demand conditions. He admitted, however, the time was ripe for evolving ways and means to strengthen its commodity stabilisation programmes. He rightly focussed his attention in this connection on the organisational aspect of the Commission, with a view to widening its scope and enabling it to function successfully. In this connection, he observed:

"I venture now to offer certain comments, therefore, in the hope that they may stimulate a fresh approach. The Commission on International Commodity Trade has been in existence for only a few years. It has not achieved, and perhaps cannot achieve, all that some may have hoped from its establishment. At present its effectiveness is also limited by the absence of two major trading countries. Yet it has weathered some of its early difficulties and has provided a forum to which Governments have brought various problems arising in the commodity field. It has also regularly provided the Council with a concise review of the current commodity situation so that the Council can tie international trade problems to other international problems with which it is concerned. Moreover, I might add, in this connection, that the commodity-by-commodity approach, while it has produced some practical results, needs perhaps to be supplemented by opportunities for general discussion of principles."

Further, Mr. De Seynes urged that the Commission should work in close collaboration with other inter-governmental bodies working in the commodity field and particularly with the F.A.O. He asked for adequate resources for the work of the Commission. Another significant point to which he referred was the necessity for the various Governments to send expert delegations to participate in the deliberations of the Commission. Finally, he emphasised the significance of active participation and support of the countries of major importance in international trade.

In subsequent discussion at the plenary session, the U.K. and the U.S. expressed the hope that the terms of reference of the Commission would be so modified as to enable the two countries to participate in its work. Several other speakers emphasised the vital importance to the underdeveloped countries of stable and adequate prices for their primary exports and called for measures towards that end. Mr. D. Scott Fox of the U.K. said that the problems were so diverse that no one single solution could be the remedy. The U.K. expressed its readiness to examine within a competent organisation, such as G.A.T.T. (General Agreement for Tariffs and Trade) or special international meetings, the measures to be taken but believed that one could proceed product by product and keep an account of consumers' interests as well as that of producers. He further declared that all major producers must co-operate, notably the Soviet Union. Mr. C. H. Philips of the U.S. declared that the only possible long-term solution was the diversification of products exported by the underdeveloped countries. The U.S. believed in freest possible economy but recognised the need for certain control measures. These should principally be meant to eliminate excessive short-term fluctuations of prices and should not tamper with the general market tendencies. Mr. Arnaldo Vasconcellos of Brazil said that every unfavourable development in world coffee prices gravely affected Brazilian efforts in the sphere of industrialisation. He called not only for remedial international agreements but also for special financing, particularly by the International Monetary Fund.

Mr. M. C. S. Chen of China commented on the complexity of the problem involving disposal

(*Continued on page* 208)

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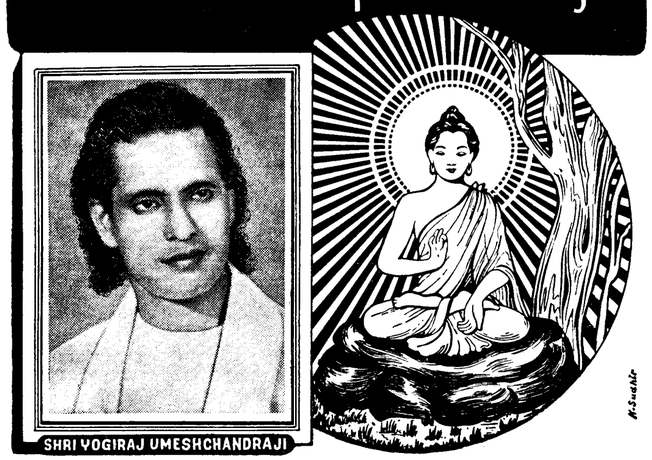

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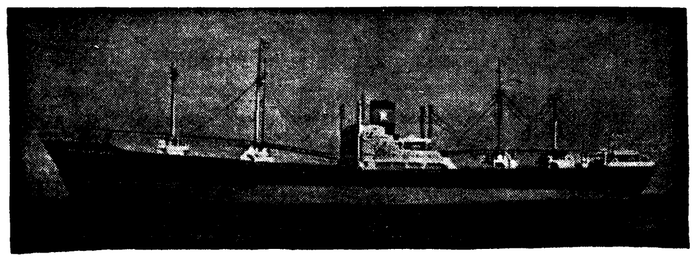

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Chairman: JAL H. MEHTA — *General Manager*: M. S. DASTUR

RESULTS OF TWO JARDINE HENDERSON JUTE MILLS BETTER

HOWRAH EARNS A PROFIT—RELIANCE REDUCES LOSS

THE jute industry as a whole has had a more favourable period during 1957 than in the previous year, with the result that many units were able to show better working results. The good progress made in the rationalisation and modernisation (which of late is being opposed by labour) and the more stable market situation in respect of raw jute were the main factors responsible for the improvement in the working of mills, despite a setback in the production of the industry as a whole. This does not mean that the mills were out of the woods. Many a unit were running at a loss and had to reduce their losses by selling its loom-hours in part or whole to other units. Two typical instances of such improved working, either by converting the previous year's loss into a profit or by reducing the deficit, are provided by the accounts (for the year ended 31st March 1958) of the Howrah Mills Company, Ltd. and the Reliance Jute Mills Company, Ltd., both under the management of Messrs. Jardine Henderson Ltd., Calcutta

The Howrah Mills has earned a gross profit of Rs. 23.61 lakhs for the year under review, as against a loss of Rs. 13.83 lakhs for the previous year. It also compares well with a meagre profit of Rs. 1.04 lakh earned in the 12 months ended March 1956. The provision for depreciation has been raised from Rs. 10.33 lakhs to Rs. 14.10 lakhs, due to the large additions made in recent years, and the Directors say that the depreciation charge is bound to remain a substantial one for a few years more. After setting aside a small sum of Rs. 60,385 for wealth tax, the net profit amounts to Rs. 8.41 lakhs, as compared with the loss of Rs. 24.66 lakhs for 1956-57.

The net profit of Rs. 8.41 lakhs of the Howrah is supplemented by a sum of Rs. 34.50 lakhs, being the balance standing to the credit of the machinery renewal reserve account on the completion of modernisation programme which was embarked upon in 1952. After wiping out the deficit of Rs. 24.66 lakhs brought forward from 1956-57, the Directors have strengthened the general reserve of the Company by an addition of Rs. 14.24 lakhs. They have also felt justified, having regard to the continuance of reasonably satisfactory working of the Company, in recommending the payment of the dividends on the preference shares for the two years ended 31st March 1958. The payment of preference dividends has not left any surplus to resume payment of dividend on ordinary shares, which has had to be suspended for the second year in succession, after distributing a modest dividend of 5 per cent. per annum for the year ended March 1956, to which level it was reduced from 12½ per cent. paid for the preceding two years.

The Reliance Jute continues to suffer a loss, though its loss for the year under review has been reduced substantially to Rs. 4.78 lakhs from Rs. 21.51 lakhs, to which level it had gone up in 1956-57 from Rs. 10.62 lakhs earned in 1955-56. The provision for depreciation has been cut from Rs. 5.22 lakhs to Rs. 2.03 lakhs, so that the net loss is of the order of Rs. 7.31 lakhs, as against Rs. 27.23 lakhs. With this, the accumulated loss carried forward amounts to Rs. 46.27 lakhs, all within the last three years, as will be seen from the table at the foot of the page. Consequently, the preference dividend is being held over for the third year in succession, let alone the ordinary dividend which has not been paid since September 1953.

In addition to the general factors, the change in the fortunes of the Howrah Mills is due to other favourable factors also, namely, (1) the steady supply of good class white jute, Daisee-Tossa and Mesta from Assam, North and West Bengal, Orissa and the best local areas, following the setting up of jute buying agencies, resulting in a reduction in wastage percentage in the mills and an improvement in efficiency, and (2) the reorganisation of the system of working on a triple-shift basis, following the purchase, with effect from 9th September 1957, of 12,960 loom-hours per week from the Reliance Jute Mills. The original purchase covered a period of six months and a further purchase has been effected for a period of six months to 8th September 1958 at the rate of 50 nP per loom hour.

As stated in the previous year's report, the Reliance Jute Mills had to cease production on 4th September 1957, as the Company was unable at any time to work its full permissible complement of looms. The cessation of production effectively stopped the losses incurred by the Company up to date of sale of its loom-hours. Despite the incidence of compensation payments to workers whose employment could not be continued, the Company was earning profits by the end of the year under review from the sale of loom-hours to other companies under the same management. The profit and loss account of the Company for the year under review shows that the income from sale of loom-hours alone amounts to Rs. 8.55 lakhs, which has gone to reduce the year's loss considerably.

An idea of the financial positions of the two companies can be had from the following synopses of their latest balance-sheets:

	Howrah	Reliance
	Rs.	Rs.
Capital	91,87,500	69,50,000
Reserves and surplus	28,32,775	4,67,720
Loans and debentures	1,18,56,172	45,06,941
Provision for taxation	3,41,899	37,078
Other liabilities	28,14,685	6,50,388
Gross block	2,34,85,488	1,24,61,131
Less—Depreciation	1,24,24,441	66,68,109
Net block	1,10,61,047	57,98,022
Assets in course of installation	5,600	..
Share in jute agency	16,56,878	..
Stock-in-trade and stores	1,14,34,477	11,39,175
Debts, deposits and advances	16,92,604	7,50,081
Investments	4,45,326	1,94,447
Cash	2,87,099	66,581
Debit balance	..	46,26,698
	Rs. 2,65,33,031	1,25,74,999

The Directors of the Howrah Mills are cautiously optimistic about the outlook for the industry, in general, and the Company, in particular, during the current year. Thus, they observe in their latest report:

"Increased availability of raw jute and the realisation by the market that the current year's crop would prove comparatively plentiful has resulted in raw jute prices being maintained at a level at which it has generally been possible in recent months to buy jute and simultaneously sell goods at a profit. While this is a welcome change from the situation which has confronted this Company for some time past, it will be appreciated that the industry, being largely dependent, as it is, on the export of its products for its prosperity and indeed for its survival, is particularly vulnerable to any general recession in the volume of foreign trade throughout the world. Although the overall hessian stock position is sound, the gradual rise in stocks of sacking goods which has been taking place for some months in consequence of increased production of these qualities points to a measure of present overproduction and the necessity of finding new outlets for these goods. Stocks of sacking qualities are higher than they were a year ago, but they do not appear as yet to have approached a level at which they are likely to constitute a danger to the price structure of the market.

"A favourable factor in this connection is the setting up of a recognised futures market under the ægis of the East India Jute and Hessian Exchange, Ltd., which is recognised by the Government of India under the Forward Contracts (Regulation) Act, 1952... Reference has already been made to the industry's vulnerability to a general recession in world trade, but against this can be set the undoubtedly favourable effects of the increased availability within India of raw jute of adequate quality and, provided the fibre is available during the coming season in the quantity and of the quality presaged by the satisfactory crop reports received up to the date of this report, there seems no reason why the mills should not continue to operate on a reasonably profitable basis."

Commenting on the present financial position of the Reliance Jute Mills, and the efforts being made by the management to resume work, the Directors state:

"The Company's indebtedness to its bankers has been repaid with the liquidation of stocks of raw jute, finished goods and material in process and it is meanwhile being financed by the Managing Agents, to whom the Company's indebtedness amounted as at 31st March last to Rs. 19,95,000 exclusive of accrued interest. While this indebtedness has meanwhile been slightly reduced by repayments out of subsequent profits, it will be clear that some considerable time must elapse before the Company's finances are sufficiently restored to justify the submission to shareholders of any scheme for reconstruction of the Company's capital as adumbrated in the report of the Directors for the year ended 31st March 1957.

"Your Directors continue to keep before them the feasibility of a resumption of work in the Company's own mill, but it will be appreciated that the financial position presents a formidable impediment unless the manufacturing profits are likely to be substantial."

The Directors add that since this is not the case on the basis of the present prices and potential working costs, it seems probable that further sales of loom-hours must be contemplated, unless market conditions improve substantially in the near future, which seems an "unlikely contingency." They have taken the necessary steps to protect the Company's property, plant and stores, while the mill is closed.

MAHINDRA AND MAHINDRA'S NEW ISSUE

The Directors of Mahindra and Mahindra Ltd. have decided to increase the paid-up capital of the Company from Rs. 80 lakhs to Rs. 1.87 crore by the issue of 770,000 ordinary shares of the face value of Rs. 10 each and 30,000 redeemable cumulative preference shares of Rs. 100 each. The preference shares, which will carry a dividend of 6½ per cent. per annum, without deduction of income-tax, are redeemable after the year 1968 but before 1973 at Rs. 100 each in such instalments as the Company may declare from 1st June 1968.

The new 770,000 ordinary shares and 30,000 preference shares to be issued will qualify proportionately for dividends for the year ending 31st October 1958, and in all other respects, rank *pari passu* with the existing ordinary and preference shares, respectively, of the Company.

The present paid-up capital of the Company is made up of 550,000 ordinary shares of Rs. 10 each fully paid-up and 25,000 6 per cent. tax-free redeemable preference shares of Rs. 100 each.

The additional capital to be raised by the Company, for which the consent of the Controller of Capital Issue has been obtained, is for the purpose of financing the Company's programme of increasing the production of jeeps and integrated development.

REFUND OF CURRENT DEPOSITS

The procedure for obtaining refund of balance of deposits made by Companies, following the suspension of the current profits deposit scheme from 1st April 1958, has been explained by the Government of India in the course of a Press note issued by the Ministry of Finance. The Press note says:

"A company will apply for refund to the particular office of the Reserve Bank of India or its agency in which the deposit was originally made. It will furnish full particulars regarding date of deposit, amount deposited, refund due, etc., along with the latest memorandum of deposit obtained from the Bank. In cases of non-availability of the memorandum of deposit due to loss, etc., a duplicate memorandum must be obtained.

"On receipt of the application, the Bank will verify that the securities and/or cash deposits claimed by a company are actually held in Government account. On being satisfied, the Bank will allow the refund due with interest up to the date of refund. The securities will we returned in physical form duly endorsed in favour of the companies.

"If a company has made a deposit under section 10(2b) of the Income-tax Act in any bank, treasury, or sub-treasury in contravention of the provisions of rule 2(3) of the Income-tax Allowances (Current Profits Deposit) Rules, 1957, such a company should take steps to get the amount transferred to the nearest branch or agency of the Reserve Bank of India, from where alone a refund would be obtainable on production of a memorandum of deposit."

(In lakhs of rupees)

	Howrah, For the year ended 31st March				Reliance, For the year ended 31st March			
	1958	1957	1956	1955	1958	1957	1956	1955
Sale proceeds	4,02.12	3,65.22	3,71.67	3,60.41	90.48	1,81.21	2,11.00	2,04.76
Other income	4.36	4.37	2.09	1.66	10.19	0.54	0.25	0.13
Closing stocks	91.93	1,05.39	82.86	47.83	..	49.27	51.62	19.75
Manufacturing and other expenses	3,82.86	3,68.42	3,72.72	3,47.03	1,05.45	2,00.16	2,21.86	2,02.46
Gross profit (+) or loss (—)	+23.61	—13.83	+1.04	+36.25	— 4.78	—21.51	—10.62	+ 6.75
Managing Agency commission	0.50	0.50	0.86	3.73	0.50	0.50	..	1.02
Provision for—								
Depreciation	14.10	10.33	7.25	4.50	2.03	5.22	0.75	1.50
Taxation	0.60	..	..	4.25	..	..	..	0.55
Net profit (+) or loss (—)	+ 8.41	—24.66	— 6.57	+18.77	— 7.31	—27.23	—11.37	+ 3.67
Transfer from reserves and provisions	34.50	..	12.43	2.50	..	..	0.08	..
To reserves	14.24	..	1.09	7.00	..	..	0.89	..
Dividends—								
7 per cent. preference	3.67	..	1.84	1.84	..	..	..	2.10
Ordinary	..	..	3.28	8.20	..	..	..	..
	..	..	(5%)	(12½%)	..	..	..	..
Carry forward	0.33	—24.66	0.67	0.92	—46.27	—38.95	—11.72	+ 0.46

ORISSA CEMENT EARNS RECORD PROFIT

NEW PROJECTS MAKING GOOD PROGRESS

A SUBSTANTIAL expansion in production of cement and higher sale realisation thereof, without any increase in statutory selling price, mainly contributed to the sharp rise in the profit of the Orissa Cement Ltd. (Managing Agents: Dalmia Agencies Private Ltd., Orissa) for the year ended 31st December 1957. The output of cement has risen from 190,173 tons to a record high of 286,971 tons and the gross profit has moved up from Rs. 47.73 lakhs to Rs. 65 lakhs, the highest level touched so far in the history of the Company. This increase in profit is in refreshing contrast to the setback suffered in the previous year from Rs. 60.67 lakhs. With this rise in gross profit, the Managing Agents' commission, too, is higher at Rs. 6.06 lakhs, as against Rs. 3.75 lakhs for the previous year. In view of the sizable increase in capital expenditure made during the year, the provision for depreciation has been more than doubled from Rs. 8.99 lakhs to Rs. 19.49 lakhs. This has also meant a large initial saving in tax, the provision for which has been cut from Rs. 15.50 lakhs to Rs. 6 lakhs. The net profit, after providing for gratuity, thus amounts to Rs. 33.13 lakhs, a rise of Rs. 13.84 lakhs over the year.

The net profit for the year under review is supplemented by a sum of Rs. 11.20 lakhs, being the excess provision made in previous years for electric energy now written back. No additions have been made to the reserves, despite the large sum of Rs. 55.35 lakhs (including the surplus of Rs. 11.02 lakhs brought in from the previous year) available for appropriation, except for a sum of Rs. 1 lakh for bad and doubtful reserve. The dividend on ordinary shares is proposed to be raised from 12½ per cent. to 15 per cent., which still leaves a large surplus of Rs. 37.56 lakhs to be carried forward.

The following comparative table shows the progress of the Company in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Sale proceeds (including internal consumption)	202.82	188.85	185.54	138.58
Closing stocks	21.80	8.69	5.57	2.62
Raw materials, stores and power consumed	94.78	68.20	54.30	69.88
Other expenses	58.11	33.67	25.25	
Gross profit	65.00	47.73	60.67	59.97
Managing Agency commission	6.06	3.75	5.03	3.84
Depreciation	19.49	8.99	9.78	21.04
Taxation	6.00	15.50	15.50	..
Gratuity	0.32	0.20	0.80	..
Net profit	33.13	19.29	29.76	35.09
Excess provision written back	11.20	..	..	..
Dividends—				
4½ per cent. preference	1.80	1.80	1.80	7.49
Ordinary	15.00 (15%)	12.50 (12½%)	8.48 (12½%)	5.09 (7½%)
Carry forward	37.56	11.02	6.08	—18.45

The Company's balance-sheet as on 31st December 1957 shows that its paid-up capital is unchanged at Rs. 1.40 crores. The reserves and surplus aggregate Rs. 69 lakhs, which are made up of an initial depreciation reserve of Rs. 31.41 lakhs, a small reserve of about Rs. 3,000 for bad and doubtful debts and the surplus of Rs. 37.56 lakhs transferred from the profit and loss account. There is thus practically no reserve belonging to the shareholders and the Company has not so far set aside anything to the shareholders' reserves. Its borrowings (secured and unsecured) have enlarged considerably from Rs. 71.54 lakhs to Rs. 164.07 lakhs. Of these, secured loan from bank amounts to Rs. 43.05 lakhs (as against Rs. 4.30 lakhs) and that from the Industrial Finance Corporation of India accounts for Rs. 1 crore, having risen from Rs. 65 lakhs a year before. The small outstanding balance of Rs. 2.24 lakhs due to the Orissa Government has been repaid. The unsecured loans amounting to Rs. 21.01 lakhs are from the Managing Agents and from Dalmia Cement (Bharat) Ltd. The current liabilities and provisions aggregate Rs. 100.80 lakhs, of which provision for taxation accounts for Rs. 24.97 lakhs. The gross block as on 31st December last stands at Rs. 3.26 crores, including Rs. 1.17 crore expended during the year. In addition, expenses on construction in progress, in connection with the refractory plant and extension to the cement plant and other constructions, and payments for machinery in transit amount to Rs. 1.16 crore and these have not been capitalised. The total capital expenditure up to the end of the year thus amounts to Rs. 4.42 crores. The depreciation provided on the capitalised expenditure aggregates Rs. 1.18 crore. The Company's investments (at cost) stand at Rs. 30.33 lakhs (including Rs. 14.40 lakhs in the partnership of the Magnesite Corporation of India Ltd., Dalmia Cement Ltd. and Orissa Cement Ltd., a reference to which is made below). The other current assets aggregate Rs. 120.44 lakhs.

In addition to the amount of Rs. 1.17 crore spent during 1957 and of Rs. 1.16 crore on works-in-progress, the Company is likely to spend a further sum of Rs. 1 crore during the current year on its refractory works. In order to meet a part of the finances required for the purpose, the Company had, a few weeks ago, made a right issue of Rs. 50 lakhs in ordinary shares to the existing shareholders in the ratio of one share for every two ordinary shares held. The balance of the funds required is expected to be met out of borrowings.

The Company's expansion programme, to which a reference was made by the Chairman in his speech at the last annual general meeting, has a considerable bearing on the outlook for the Company. Referring to this programme, which is said to have made good progress, the Directors observe:

"The extended cement plant was put into operation early in 1957, as indicated in the last report of the Directors. The usual teething troubles are being gradually overcome. The working of the plant has appreciably improved and the production now is satisfactory. As expected, the fireclay and silica bricks section of the newly established refractory works has been put into commission in April 1958. The construction of the basic bricks plant is in progress. It is expected to go into production by the end of this year... The refractory works of your Company is at present the only one of its kind in India to serve the requirement of refractories for various industries, particularly the steel works, which used to be imported so far. This is expected to save foreign exchange to the tune of about Rs. 2 crores every year. The works is already booked with a good deal of orders from different consumers.

"To ensure continued supply of dead burnt magnesite which will be required in appreciable quantities for manufacture of refractories, your Company has entered into a partnership with Dalmia Cement Limited and the Magnesite Corporation of India Ltd. The partnership firm, named Dalmia Magnesite Corporation, is setting up a plant near Salem (Madras State) for the manufacture of dead burnt magnesite. Considerable progress has been made in the establshment of this plant and it is expected to go into production before the end of the current year. There is considerable demand for dead burnt magnesite both inside the country and also in export markets.

"A reference was made in the Chairman's speech last year to Dalmia Iron and Steel Limited, sponsored by your Company jointly with Dalmia Cement (Bharat) Limited. The plant for manufacture of steel castings set up by Dalmia Iron and Steel Limited has gone into production, while the manufacture of spun cast iron pipes is expected to commence before the end of the year. Your Company is now assured of regular and timely supply of steel castings and grinding media which would be greatly helpful in the efficient and smooth working of both the Cement and Refractory Works at Rajgangpur."

The Directors' report was signed before the announcement of the higher cement prices on the recommendation of the Tariff Commission. The Directors, therefore, observe that the industry expects a reasonable increase in the retention prices of cement to compensate the increased cost of production. "The improved production and increased retention price for cement and earning from refractory works," they add, "all indicate good prospects and future for your Company." The Government of India has since then announced an increase of Re. 1 to Rs. 55.50 per ton in the *ex*-factory price of cement produced by this Company.

THE BANK OF INDORE LIMITED

(Incorporated in Indore 1920)

Authorised Capital	.. ..	Rs. 50,00,000
Subscribed Capital	.. ..	„ 30,60,750
Paid-up Capital	.. ..	„ 15,30,375
Reserve Fund	.. ..	„ 29,00,000

Head Offices:

I, Prince Yeshwant Road, Indore City

***Bombay Offices:* 44, Hamam Street, Fort and Jal Hind Estate, Bhuleshwar.**

***Branch Offices:* Cloth Market, Siyaganj and Sanyogitaganj (Indore City).**

***Branches:* Anjad, Bhopal, Dhar, Khargone, Mhow, Ratlam, Sanawad, Shujalpur Mandi, Tarana and Ujjain.**

***Pay Offices:* Jaora and Sandhwa (Madhya Pradesh)**

Safe Deposit Lockers are available at

Head Offices, Siyaganj and Cloth Market Indore; Branches at Mhow, Ujjain, Ratlam, Sanawad, Tarana, Dhar and Pay Offices at Jaora and Sandhwa on favourable terms.

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED

N. D. JOSHI, *Manager.*

COMPANY MEETINGS AND DIVIDENDS

ENGO TEA CO., LTD. Annual General Meeting, Calcutta, 8th August 1958. Dividend: *Nil*. Transfer books remain closed from 2nd to 8th August 1958, both days inclusive.

HOWRAH MILLS CO., LTD. Annual General Meeting, Calcutta, 8th August 1958. Dividend: *Nil*. Transfer books remain closed from 26th July to 8th August 1958, both days inclusive.

RELIANCE MILLS CO., LTD. Annual General Meeting, Calcutta, 8th August 1958. Dividend: *Nil*. Transfer books remain closed from 26th July to 8th August 1958, both days inclusive.

SOUTH KARANPURA COAL CO., LTD. Annual General Meeting, Calcutta, 12th August 1958. Dividend: Re. 0.75 per share. Transfer books remain closed from 29th July to 12th August 1958, both days inclusive.

NAGAISUREE TEA CO., LTD. Annual General Meeting, Calcutta, 13th August 1958. Dividend: Rs. 7.50 per share. Transfer books will remain closed from 4th to 13th August 1958, both days inclusive.

BALLY JUTE CO., LTD. Annual General Meeting, Calcutta, 13th August 1958. Dividend: Rs. 6.00 per share, free of income-tax. Transfer books remain closed from 21st July to 13th August 1958, both days inclusive.

RAMESHWARA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 13th August 1958. Dividend: *Nil*. Transfer books remain closed from 21st July to 13th August 1958, both days inclusive.

MOGUL LINE LTD. Annual General Meeting, Bombay, 14th August 1958. Transfer books were closed from 17th to 31st July 1958, both days inclusive.

A. V. THOMAS & CO., LTD. Annual General Meeting, Alleppey, 16th August 1958. Dividend: Re. 1.50 per share or 15 per cent. Transfer books will remain closed from 10th to 16th August 1958, both days inclusive.

CAUVERY SPINNING AND WEAVING MILLS LTD. Annual General Meeting, Madras, 19th August 1958. Transfer books will remain closed from 4th to 19th August 1958, both days inclusive.

POLYCHEM LTD. Second Annual General Meeting, Bombay, 20th August 1958. Dividend: *Nil*. Transfer books remain closed from 29th July to 20th August 1958, both days inclusive.

INVESTA MACHINE TOOLS AND ENGINEERING CO., LTD. Annual General Meeting, Bombay, 20th August 1958. Transfer books will remain closed from 6th to 20th August 1958, both days inclusive.

METTUR CHEMICAL AND INDUSTRIAL CORPORATION LTD. Annual General Meeting, Mettur Dam R.S., 30th August 1958. Dividend: Re. 0.25 per share (final) or 5 per cent. Transfer books will remain closed from 20th to 30th August 1958, both days inclusive.

HINDOOSTAN SPINNING AND WEAVING MILLS CO., LTD. Annual General Meeting, Bombay, 26th August 1958. Dividend: Rs. 275.00 per whole ordinary share (final) and Rs. 68.75 per quarter ordinary share (final), for 1957-58, payable on and after 27th August 1958. Transfer books remain closed from 30th July to 26th August 1958, both days inclusive.

INDIAN MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 26th August 1958. Dividend: Rs. 250.00 per share (final), for 1957-58, payable on and after 27th August 1958. Transfer books remain closed from 30th July to 26th August 1958, both days inclusive.

WESTERN INDIA SPINNING AND MANUFACTURING COMPANY, LTD. Annual General Meeting, Bombay, 26th August 1958. Dividend: Rs. 250.00 per share (final), for 1957-58, payable on and after 27th August 1958. Transfer books remain closed from 30th July to 26th August 1958, both days inclusive.

TEXTILE MACHINERY CORPORATION LTD. Annual General Meeting, Belgharia, 24-Parganas, West Bengal, 28th August 1958. Dividend: Re. 1.50 per share. Transfer books remain closed from 18th to 28th August 1958, both days inclusive.

DHUNSERI TEA CO., LTD. Annual General Meeting, Calcutta, 1st September 1958. Transfer books will remain closed from 21st August to 1st September 1958, both days inclusive.

MYSORE PAPER MILLS LTD. Annual General Meeting, Bangalore City, 3rd September 1958. Dividend: Re. 1.00 per share, payable on and after 13th September 1958. Transfer books will remain closed from 14th August to 3rd September 1958, both days inclusive.

TEEN ALI TEA CO., LTD. Dividend of Rs. 2.50 per share or 25 per cent. for the year ended 31st December 1957.

HOOGRAJULI (ASSAM) TEA CO., LTD. Dividend of Re. 1.00 per share for the year ended 31st December 1957.

SRI KRISHNARAJENDRA MILLS LTD. Dividend of Rs. 4.50 per share or 9 per cent. for the year ended 31st March 1958. Transfer books will remain closed from 23rd to 30th August 1958, both days inclusive.

EMERALD VALLEY ESTATES LTD. Dividend of Re. 0.30 per share or 6 per cent. for the year ended 31st December 1957.

SANGAMESHWAR COFFEE ESTATES LTD. Dividend of 9 per cent. on the ordinary shares, for the year ended 31st March 1958. Transfer books remain closed from 29th July to 5th August 1958, both days inclusive.

STANDARD COAL MAINTAINS DIVIDEND

ADVERSE CONDITIONS AFFECT RAMESHWARA JUTE

Standard Coal Co., Ltd.

THE directors of the above Company (Secretaries: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The profit and loss account after providing for all charges and making provision of Rs. 33,505 (Rs. 30,029) for taxation and Rs. 1,000 (Rs. 1,000) for depreciation shows a profit of Rs. 47,379 (Rs. 40,064). To which is added the balance brought forward from the previous year of Rs. 17,411 (Rs. 17,347) and the amount transferred from general reserve of Rs. 25.000 (Rs. 70,000 being excess provision for taxation) making a total available of Rs. 89,790 (Rs. 1,27,411). The directors propose to dispose of this amount as follows:—

By payment of a dividend at the rate of 10 (10) per cent. per annum, without any deduction for income-tax payable by the Company Rs. 80,000 (Rs. 80,000) and by carrying forward Rs. 9,790. (Rs. 17,411 after placing Rs. 30,000 to general reserve)

The dividends on investments in the accounts are the total actually received during the year. The additional purchases made during the year have not yielded income in some cases until the current year. Expenditure of non-recurring nature amounting to Rs. 15,447 (being cost of share transfer stamps Rs. 13,114 on shares purchased during the year and Rs. 2,333 being brokerage on sale of investments) are included in these accounts.

Due to the smallness of profit for the year under review, Messrs. F. W. Heilgers & Co., Private) Limited have not charged expenses for rent and establishment for the period from 1st February to 31st December 1957, incurred on behalf of this Company.

Investments.—The Company's portfolio is representative of investments which are quoted on the Calcutta Stock Exchange with the exception of certain shares costing Rs. 1,50,000 for which no quotation is available. The totol of the market value of the investments as at 31st December, 1957, for which quotations are available together with unquoted investments as valued by the directors amounts to Rs. 17,80,649.

General.—As reported earlier, the Company has changed its business to that of an investment Company and the managing agents resigned with effect from 31st January, 1957. In pursuance of the Special Resolution passed at the General Meeting of the Company held on 25th April, 1958, Messrs. F. W. Heilgers & Co. (Private) Limited were appointed secretaries of the Company with effect from 1st May, 1958, at a remuneration of Rs. 500 per mensem.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	1,41,060
Reserves ...	13,76,745	Debts, deposits and advances ...	17,743
Provision for taxation ...	35,548	Investments ...	20,29,429
Provision for wealth tax	7,505	Cash ...	3,05,312
Liabilities ...	2,63,956		
Profit and loss account ...	9,790		
Rs.	24,93,544	Rs.	24,93,544

Rameshwara Jute Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers Private Ltd., Muktapur, P.O. Samastipur, Darbhanga) submit the audited accounts of the Company for the year ended 31st March 1958.

The accounts show a profit of Rs. 2,59,557. After providing Rs. 85,575 for depreciation, a net profit of Rs. 1,73,982 is left in the profit and loss account which has been adjusted against the loss of Rs. 8,81,539 brought forward from the previous year. Thus, a net debit balance of Rs. 7,07,557 is being carried forward to the next year.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills worked 165 looms on double shift basis throughout the year under review.

The total number of working hours to be recovered as on 31st March 1958 under the working time agreement is 878, the small increase, as compared with the figure of last year, being *inter-alia* due to hours lost on account of short mill closure.

In spite of the agreement reached with the workers last year, their attitude was far from satisfactory and, therefore, relations with them remained strained throughout the year. Indiscipline was prevalent amongst the workers, the extreme of which was observed when the Spinning-incharge and a Sardar were assaulted immediately after the re-opening of the mills last year. The workers also resorted to an illegal strike which resulted in the mills losing 13 working days. In view of these conditions, a memorandum was submitted to the Labour Department of the State Government in which it has been made clear that the mills cannot function efficiently under such conditions. It is, therefore, hoped that the State Government would intervene and settle the numerous outstanding disputes between the management and the labour and thereby create favourable conditions for the smooth working of the mills.

On account of this unsatisfactory attitude of the labour, the profit for the year is comparatively poor. The directors have again to point out the unsatisfactory condition of the mill machinery and the great deal of expenditure, which is required to keep it in operation, has also adversely affected the profits.

After providing depreciation as above, there still remains a sum of approximately Rs. 12,00,000 as unabsorbed depreciation till 31st March 1958. There is also a further contingent liability of Rs. 3,15,000 in respect of arrears of cumulative preference dividend upto 31st March 1958.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	27,00,000	Block ...	20,56,234
Reserves ...	10,324	Stock-in-trade	17,44,365
Liabilities ...	24,29,649	Stores, spare parts, etc.	4,24,512
		Debts, deposits and advances ...	93,680
		Investments	72,369
		Cash ...	41,256
		Profit and loss account ...	7,07,557
Rs.	51,39,973	Rs.	51,39,973

Jubbulpore Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the consolidated audited accounts of the Company) for the year ended 31st March 1958.

On account of the satisfactory working results of the Undertaking for the year under review, and in accordance with the provisions of the Electricity (Supply) Act, 1948, it is necessary to make a reduction in the charges for electricity and in this connection, it is proposed to reduce the light and fan rate from 4 annas 9 pies per unit to 4 annas 3 pies per unit, with retrospective effect from the 1st April 1958.

A comparative schedule of sales and revenue for the past three years is as hereunder:—

Year Ended	*Units Sold*	*Revenue* Rs.
31st March 1956	24,320,543	28,18,837
31st March 1957	28,096,180	28,68,845
31st March 1958	32,108,866	35,87,927

The net revenue for the year ended 31st March 1958, after providing for taxation, depreciation and all other charges amounts to Rs. 7,33,146 (Rs. 5,88,020). From this has been deducted a sum of Rs. 4,24,169 (Rs. 20,385) in respect of the following reserve allocations in accordance with the provisions of the Electricity (Supply) Act, 1948:—To contingencies reserve Rs. 51,495 (Rs. 20,385), to development reserve Rs. 2,89,700 (*nil*), to tariffs and dividends control reserve Rs. 41,487 (*nil*) and to rebate to consumers Rs. 41,487 (*nil*). There remains a balance of profits amounting to Rs. 3,08,977 (Rs. 5,27,635) to which is added Rs. 27,407 (Rs. 27,581) brought forward from the previous year making a total of Rs. 3,36,384 (Rs. 5,55,216). After setting aside Rs. 1,00,000 (Rs. 1,15,850) to general reserve there is left a sum of Rs. 2,36,384 (Rs. 4,39,366) which the directors recommend should be dealt with as follows:—

Payment of a dividend at the rate of 8 (8) per cent. per annum without deduction of tax Rs. 1,79,964 (Rs. 1,79,964) and an additional payment of Re. 0.12 (Re. 0.12) per share without deduction of tax Rs. 26,995 (Rs. 26,995) leaving to be carried forward to next year Rs. 29,425 (Rs. 27,407 after paying Rs. 1,80,000 as bonus in respect of previous year and also provision for taxation of Rs. 25,000 for previous year).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,49,700	Block ...	62,47,678
Reserves ...	25,37,546	Capital work-in-progress	1,27,334
Provision for taxation ...	1,08,172	Stores, spare parts and loose tools	8,90,186
Liabilities ...	39,67,243	Debts, deposits and advances ...	13,09,542
Profit and loss account ...	29,425	Investments	1,72,507
		Cash ...	1,44,839
Rs.	88,92,086	Rs.	88,92,086

Bareilly Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts for the year ended 31st March 1958.

Although it is likely that negotiations for a limited bulk supply with the State Government will shortly be concluded, load development is such that it is necessary to consider installing additional generating plant at a cost of approximately Rs. 37 lakhs, but as negotiations are proceeding with the State and Central Governments in regard to essential amendments to the Electricity (Supply) Act, 1948, to facilitate the raising of capital, no action can be taken in regard to ordering plant at the present time.

Normal progress has been maintained as indicated in the following schedule:—

Year Ended	*Units Sold*	*Revenue* Rs.
31st December 1954 ...	8,372,646	15,55,000
31st December 1955 ...	9,503,786	17,74,998
31st March 1957 (15 months)	13,482,476	24,20,037
31st March 1958 ...	12,786,688	21,42,376

The net revenue for the year ended 31st March 1958 after providing for all charges amounts to Rs. 2,90,798 (Rs. 4,24,228). From this has been deducted a sum of Rs. 1,57,022 (Rs. 27,985) in respect of the following reserve allocations in accordance with the provisions of the Electricity (Supply) Act, 1948:—To contingencies reserve Rs. 30,114 (Rs. 27,985), to development reserve Rs. 93,680 (*nil*), to tariffs and dividends control reserve Rs. 16,614 (*nil*) and to rebate to consumers Rs. 16,614 (*nil*). There remains a balance of profits amounting to Rs. 1,33,775 (Rs. 3,96,243) to which is added Rs. 17,368 (Rs. 19,748) brought forward from the previous year making a total of Rs. 1,51,143 (Rs. 4,15,991). After setting aside Rs. 34,332 (Rs. 38,623) to reserve for redemption of debentures and Rs. 20,000 (Rs. 1,90,000) to general reserve, there is left a sum of Rs. 96,811 (Rs. 1,87,368) which the directors recommend should be dealt with as follows:—

To payment of a dividend at the rate of 10 (12½) per cent. per annum without deduction of tax Rs. 80,000 (Rs. 1,00,000) and carrying forward to next year Rs. 16,811 (Rs. 17,368 after paying Rs. 70,000 as bonus in respect of the previous year).

Accounts in brief are as under:—

Liabilities	Rs	Assets	Rs
Capital ...	8,00,000	Block ...	32,25,478
Debentures	5,00,000	Stores, spare parts and loose tools	6,11,724
Reserves ...	14,59,897		
Liabilities ...	20,56,203	Debts, deposits and advances ...	2,43,884
Profit and loss account ...	16,811	Investments ...	1,99,055
		Cash ...	5,34,771
		Miscellaneous expenditure and losses	17,999
Rs.	48,32,911	Rs.	48,32,911

Bagalkot Cement Co., Ltd.

The directors of the above Company (Managing Agents: Tendulkar Industries Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1957.

After meeting all expenses of operation and management, and after providing for depreciation and payment of wealth tax and bonus to employees, the working of the Company shows a profit of Rs. 6,43,211 (Rs. 6,77,649) which, by adding Rs. 10,568 (Rs. 488) being amount brought forward from last year's account, comes to Rs. 6,53,779 Rs. 6,92,759 including Rs. 14,622 being amount transferred from reserve for rehabilitation and expansion. The directors recommend that the following appropriations be made:—

To provision for proposed dividend at 6 (6) per cent. without deduction of income-tax on the paid-up capital of the Company as at 31st December 1957, [no dividend shall be paid on new shares allotted and paid for in the year 1958] Rs. 5,03,000 (Rs. 4,38,000), to provision for part repayment of guaranteed dividend account to the Government of Bombay Rs. 1,50,000 (Rs. 1,43,168) and balance to be carried forward to next year Rs. 779 (Rs. 10,568 after paying income-tax of Rs. 1,01,023 in respect of previous year).

Production and despatches.—Production of clinker and cement during the year was upto the rated capacity of the plant, namely, 1,00,027 tons of clinker and 1,04,530 tons of cement. The despatch of cement amounted to 1,05,129 tons.

Expansion.—The Company was granted in September 1957, by the Government of India, through the T.C.M. Aid Programme, foreign exchange facilities for purchase of machinery from abroad for expansion of the Company's Cement Plant at Bagalkot by an additional manufacturing capacity of 100.000 tons of cement a year. Early this year, the Company placed firm orders for supply of the required cement plant and electrical equipment, with Messrs. Krupps and Messrs. Siemens, in Western Germany, who had supplied the original plant and equipment to the Company. The machinery is scheduled to be delivered before the end of October 1958.

Tariff Commission.—The Government of India referred to the Tariff Commission in the year 1957, the case of the Cement industry in India for a revision of prices. The Commission, thereupon, instituted an exhaustive enquiry into the operational costs of individual factories, through their own Cost Accountants. The manufacturers were given an opportunity to present their case in person before the Commission in January 1958. The Tariff Commission has since submitted its recommendations to the Government of India and the decision of the Government in respect of revision of prices allowed to the producers is shortly expected.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	83,92,587	Block ...	1,06,80,731
Provision for wealth tax	76.783	Stock-in-trade	3,63,417
Liabilities	59,71,023	Stores, spares and loose tools ...	15,50.373
Profit and loss account ...	779	Debts, deposits and advances ...	11,77,374
		Investments	9,225
		Cash ...	98,668
		Miscellaneous expenditure and losses	5,62,384
Rs.	1,44,41.172	Rs.	1,44,41.172

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

THE BHARAT LINE LIMITED

CHAIRMAN, MR. C. R. SRINIVASAN'S SPEECH

THE Twelfth Ordinary General Meeting of the shareholders of the Bharat Line Ltd., was held on 26th July 1958 at Kundan Kunj, Bhavnagar. The following is the speech of Mr. C. R. Srinivasan, Chairman, read in his absence by Mr. Bhogilal M. Shah, one of the Directors of the Company:

"GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to the twelfth ordinary general meeting of the Company. The Directors' report and the audited balance-sheet and profit and loss account have been in your hands for some time now. I trust, I have your permission to take them as read.

"The results achieved during the year under report reflect great credit on the management; not merely have they achieved economy without sacrifice of efficiency but, with a smaller tonnage afloat, the freight earnings have been larger. In part, no doubt, this is due to the remunerative rates conceded by the Government after a long spell of sustained agitation. It cannot be claimed yet that economic rates are now prevailing; but still they are better than what they were previously and we may be thankful for small mercies.

"There has been a catastrophic fall in freight rates the world over, brought about by mounting slump in trade. I am not sure we have passed the peak of this depression yet. The American recession has now begun to flatten out and its impact is registering in different degrees in different parts of the world. But, luckily for the Company, with its emphasis on coastal trade, this new force has found no play in a protected market and the needs of our expanding economy have given us strength and stamina to withstand its backwash.

Reaching Tonnage Target

"Indeed, our problem today is how to reach the tonnage target we have set for the second Five-year Plan. Now is the time to pick up bargains in the second-hand market and your Company, which kept itself free of any commitments when costs were high, is now well placed to take advantage of the tide. Frankly, we are on the look-out for good pickings and I believe we shall get them. Government have been ready and willing to help us over finance and in the past we have availed ourselves of the offer as and when need or occasion arose. But, obviously, there is a limit to borrowing and a hard core of equity capital must be maintained to stagger our expansion programme.

"It is here, I regret to say, a climate of confidence is still missing in the investment market. You are aware that taxation was stepped up on a wide front last year and its results have not been of a heartening character. Indeed, I would go so far as to say that such short-term gain, as might have accrued, is on a long view difficult to justify if one takes note of the continued depressing and disturbing conditions in the money market. The success of the second Five-year Plan can only be assured if it carries the willing and wholehearted co-operation of the people. I wonder, if people are not tried too high and their patience giving out.

Dividend Policy

"Shareholders are aware that this Company has throughout pursued a cautious and conservative policy in the distribution of dividends from profits earned. A modest dividend is all that has been vouchsafed so far to the shareholder, in the hope that his interests are better served by the build-up of sizable reserves. In due course, he would have had the advantage of these reserves transmitted to him in terms of bonus issue which, incidentally, would have reinforced the capital structure of the Company.

"Unfortunately, we found ourselves seriously handicapped, when we took up this matter for examination, by the levy of penal taxes on bonus issues which it is difficult to justify on any rational grounds. Surely, a 30 per cent. tax on bonus issues from accumulated reserves already subjected to tax, is not the best way to induce companies to add to their reserves, nor resist the pressure from shareholders for higher dividends. A dividend tax has also been levied on rates beyond prescribed levels; surely, this would not have been necessary if companies were allowed freedom to function in their enlightened self-interest.

"Your Directors, after giving anxious thought to all implications, have now come to the conclusion that it is necessary and urgent to recover the goodwill and confidence of the shareholders, especially in the present context, when we are setting our hands to more ambitious programmes of expansion. To this end, it has been decided to step up the dividend from last year's level of six per cent. and give not merely the same six per cent. but also add to the dividend a further six per cent. by way of bonus. The Company can afford to pay this on current earnings and maintain it also on our present assessment of future profits. The transfer of Rs. 15 lakhs to the dividend equalisation reserve is a measure of abundant caution to serve the same purpose.

"I believe this step should relieve the anxiety of our shareholders and protect the mobile value of their investments. To this end again, as you will see from the notice and agenda of the general meeting, shares are being sub-divided into ten-rupee shares and articles of association amended to conform to the regulations prescribed by the Bombay Stock Exchange. Both these steps are being taken entirely in the interests of shareholders and I hope will meet with their ready approval.

Shipping Bill

"There is one other matter that I should like to refer to before I close. An Indian Shipping Bill has been introduced in Parliament which naturally has provoked interest in shipping circles at the moment, and will in due course engage the attention of the public also as its implications are understood. No doubt, a consolidation measure in respect of shipping was necessary and desirable to ensure future progress; but the Bill that has been tabled goes counter to the policy Government had deliberately set out ten years back—a policy which had public sanction not merely on sentimental grounds but on national interest also.

"In a country with its own and adjacent coastline of nearly 4,000 miles, the merchant navy has an important role to play in times of emergency and it is not merely a question of tonnage but trained personnel. Difficulties of foreign exchange are perhaps sought to be covered by broadening the definition of an Indian ship. I am afraid this is really asking for trouble both in times of peace and war, and in the result we shall probably lose more than we gain. If there is shortage of funds at the moment, this is not the way to cover it. Better go slow and build firm than move fast and repent at leisure.

Government Can Do More

"It is not as though Indian shipowners are allergic to suggestions of expansion. They have shown themselves ready and willing to do their best within the limits of their opportunities and resources. If Government want them to cover by forced marches the neglect of centuries, it is for the Government to find ways and means to stimulate and sustain them. I am free to confess that Government have done much, and in the matter of depreciation allowances and exemption from particular taxes, shown themselves alive to their responsibilities; but I maintain that they can do much more. It is not as though we are suggesting something Governments in other countries have hesitated to do either.

"A special committee of the Indian National Steamship Owners' Association has submitted a memorandum on the new Bill covering many points of interest and importance which I hope and trust will register in the right quarters. As a vital issue of fundamental and far-reaching importance is involved, I hope shipping interests will continue to take suitable and sufficient steps to educate the public also in this matter.

"And now I shall conclude with recording my appreciation of the co-operation I have received from my colleagues on the Board as well as from the management. May I also bear testimony to the good work of the staff both ashore and afloat.

"I now formally move that the Directors' report and the audited balance-sheet and profit and loss account for the year ended 31st December 1957, already duly sent to the shareholders, be and are hereby adopted."



SWISS CHEMICAL INDUSTRY

CONSEQUENCES OF EUROPEAN INTEGRATION

By the Correspondent of Swiss Bank Corporation Bulletin

A GRAPHIC portrayal of the vastness and complexity of the problems of structural transformation the European integration project has already forced the Swiss chemical industry to tackle in dead earnest, was given by Dr. Robert Käppeli and Dr. Arthur Wilhelm, Chairman and Vice-Chairman respectively of Ciba Limited, Basle, in addressing the general meeting of shareholders of the concern in April.

Precisely the same kind of problems will confront other staple Swiss export industries, indeed all the great industries of all the leading countries of Europe outside the Common Market of Six.

Since the discovery of synthetic dyes about one hundred years ago, the Swiss chemical industry, by systematic high-grade specialisation, has established markets all over the world for the sale of its products, of which between 80 per cent. and 90 per cent. are exported. The chemical industry now accounts for about 17 per cent. of the total value of all exports from Switzerland. In 1956, the value of exports per worker in the Swiss chemical industry was Sw.fcs. 37.700 as against fcs. 22.000 in the watch industry, fcs. 13.700 in the textile industry and fcs. 9500 in the machine industry. In 1956, the total number of persons employed in the Swiss chemical industry was about 28,000.

By far the major part of all these industries is destined for sale abroad. Moreover, the most important export markets of the Swiss chemical industry in 1956 were the countries of the Common Market of Six: Germany with fcs. 107 millions, Italy with fcs. 88 millions, France with fcs. 85 millions accounting for altogether 27.7 per cent. of the total exports of the Swiss chemical industry while Great Britain with fcs. 61 millions accounted for 6 per cent. and the U.S.A. with fcs. 45 millions for only 4.4 per cent. of the whole.

Should access to the Common Market of Six be seriously impeded—as would be the case if the Free Trade Area of Seventeen were not to come into being—not only the whole Swiss chemical industry and the other staple export industries of Switzerland but also those of the other O.E.E.C. countries would suffer grave dislocation.

For cogent reasons, the major part of the total production of the Swiss chemical industry is accounted for by four great concerns, all headquartered in Basle. All have specialised consistently to an ever-increasing degree. Traditionally, each of the four has devoted its main activities in research to different fields of investigation. In the pharmaceutical field, Ciba specialises on the treatment of ailments of the heart, blood vessels and organs of circulation and on the making of hormones, J. R. Geigy AG on making preparations for dealing with bacterial infections, rheumatism, and arthritis and in making anticoagulates. F. Hoffmann-La Roche & Co. AG makes vitamine preparations and Sandoz AG chiefly conducts research on vegetable remedies for cardiac and circulatory disorders and for derangements of the nervous system. On the production side jointly-owned manufacturing facilities have been established in certain important territories.

All of the raw materials processed by the Swiss chemical industry have to be imported. Between 80 per cent. and 90 per cent. of the resulting products must be marketed outside Switzerland. So that, in reality, the Swiss chemical industry is engaged in exporting the achievement of its scientific research and the skill of its workers. To hold markets in other countries, the Swiss chemical industry must offer not only many products not yet obtainable from other countries—that is, must consistently achieve success in research faster than its competitors—but must also offer many staple products such as dyestuffs at competitive prices.

All this implies: (1) continuous expenditure of huge sums on research and (2) ready access to all export markets without the handicap of prohibitive customs duties or serious quantitative import restrictions.

Estimates show that the total amount spent on research at home and abroad by the Swiss chemical industry is altogether not less than fcs. 100 millions a year. Expenditure on research by the entire chemical industry of North America in 1957 has been estimated at $127 millions. According to these figures, the expenditure on research by the pharmaceutical industry of the U.S.A. amounted to about 7.3 per cent. of sales. In Switzerland, only Ciba publishes figures on both sales and expenditure on pharmaceutical research. These show that in 1957, the ratio was 7.2 per cent., i.e., practically the same as in the pharmaceutical industry of the U.S.A. Total expenditure on research by Ciba increased from fcs. 21.5 millions in 1949 (of which fcs. 13.3 millions was for research on pharmaceuticals) to fcs. 52.5 millions in 1957 of which fcs. 34.0 millions was on pharmaceuticals. In the same period the cost of research on plastics increased from fcs. 2.5 millions to fcs. 9.2 millions.

As the result of the policy pursued, the total sales of Ciba in all countries of the world rose from fcs. 509 millions in 1948 to fcs. 891 millions in 1957. If the present rate of increase were to continue, Ciba sales would exceed fcs. 1,000 millions in 1959, which would be an increase of 100 per cent. over those of 1949. "Since the war, the market for scientifically-developed medicines has experienced a degree of expansion that can only be described as enormous," declared Dr. Käppeli. The export of pharmaceuticals from Switzerland rose from fcs. 194 millions in 1947 to fcs. 527 millions in 1957. "As yet there is no foreseeable end to this development."

All branches of the Ciba concern, at home and abroad, shared in the increase as here shown:

(In millions of Swiss fr. nos)

Years	World sales	Dyes	Pharmaceuticals and cosmetics	Plastics	Sales of the Basle parent house
1949 ..	500	261	204	35	207
1951 ..	599	306	234	59	261
1953 ..	660	292	283	75	236
1955 ..	783	295	378	110	295
1957 ..	891	323	421	147	342

Net profits increased from fcs. 22.5 millions in 1956 to fcs. 23.5 millions in 1957. These figures are indicative of the trend of development of all the leading Swiss firms and show that, up till now, the Swiss chemical industry has stood on a firm foundation.

To assure the perpetuity of markets, however, the Swiss chemical industry has had to export capital on a considerable scale for the establishment of affiliates and participations in countries where there was always a inherent risk of markets being lost through the sudden rise of customs duties to prohibitive levels. Measured by value, Europe is the chief market of the chemical industry. Next in order of importance is North America. Ciba has affiliates in Great Britain, France, Germany, Italy, Spain, the U.S.A., Argentina, Australia, Brazil, India, Japan and Pakistan. Where the advantages of collaboration were substantial, two or more of the Basle concerns have gone into partnership abroad to build up their manufacturing organisations abroad, the selling, however, being done independently by each company. For example, at the new works at Toms River in New Jersey, whose chief task is the marking of vat dyes, Ciba has contributed the major share of the funds necessary to finance this project, that is about 50 per cent. of the total investment, Geigy 25.5 per cent. and Sandoz 24.8 per cent.

Among the chief advantages of this worldwide spread in manufacturing and marketing are:

1. In countries where manufacturing affiliates have been established, an increase of customs duties does not put Swiss firms at the disadvantage, because manufacturing is carried on inside the market.

2. Research can be kept concentrated chiefly in Basle.

3. A setback in trade in one market is usually offset by an upswing of trade elsewhere.

4. Overseas markets can be supplied from countries manufacturing most advantageously.

Explaining the significance of Ciba's investments at home and abroad, Dr. Käppeli said: "The reports of our resources and earnings are based exclusively on the accounts of the parent company. Participations and affiliates figure in the balance-sheet only as far as their capital and their liabilities towards Basle are concerned. Their earnings appear only in so far as they are transmitted to the parent company.

"By applying uniform accounting principles to all the companies that make up Ciba organisation, we obtain a consolidated balance-sheet. By applying uniform standards of valuation, we arrive at a total of Ciba assets at the end of 1957 exceeding 1000 million francs by a considerable margin. This amount, which should not in any circumstances be identified with the total assets in the sense of an ordinary balance-sheet, has increased by fcs. 437 millions or 45 per cent. since 1951."

Ciba, although the largest, is but one of the four great concerns of the chemical industry of Basle.

Obviously the great manufacturing and merchandising organisations built up by the Swiss chemical industry all over the world is bound to be adversely affected by the creation of the Common Market of Six, to which the major part of its exports are sold, unless the O.E.E.C. countries succeed in forming the Free Trade Area of Seventeen. Because, from 1-1-59, the countries of the Common Market of Six will lower their customs duties among one another by 10 per cent. and continue lowering them by stages, while after 1961 the group will have a new common tariff, in most cases higher than before, to all outside countries, unless the Free Trade Area of Seventeen comes into being.

If the Free Trade Area of Seventeen were not ultimately formed, the resulting loss of a great part of the European market would be very serious. To build up an equivalent market overseas would take many years.

Exactly the same prospect faces the leading industries of all eleven O.E.E.C. countries, unless a Free Trade Area of Seventeen can be formed.

Even if the economic integration of all Europe is achieved, the problems arising from the formation of a Free Trade Area of Seventeen would still be immense, because of the enormous amount of investment capital required to carry through the economic transformation involved. No exact figure for the all-European needs can be given. But the Swiss chemical industry is already at grips with that problem. "Under the conditions existing today," declared Dr. Käppeli, "we have to finance our investment programme out of our own resources. Of course it would be possible to raise additional funds by increasing our share capital, a measure that might sooner or later recommend itself for other reasons. . . Our consolidated statements however show that the increase by 437 million francs since 1951 in the total of funds invested in the Ciba organisation—representing the growth of our assets—contains only 11 per cent. of outside money. . ." The question is whether the vast costs of transformation could be provided fast enough by self-financing.

This explains the policy of Ciba towards its shareholders in the last few years. Despite the immense gains in current trading, the dividend to be declared for 1957 is the same as in 1956, namely, fcs. 90 per share, that is, 18 per cent. of the nominal value of Ciba common stock, but representing a yield to the investor of only 1.62 per cent. at the present market price of the shares.

Ciba at all events is conserving its strength in order that the huge demands for investment capital integration is certain to make will, as far as feasible, be provided by self-financing.—*Swiss Bank Corporation Bulletin.*

THE
CENTRAL INDIA
INSURANCE COMPANY, LTD.
Head Office: INDORE

FIRE • MOTOR
MISCELLANEOUS

Branches
BOMBAY MADRAS CALCUTTA
AHMEDABAD KANPUR HYDERABAD
AJMER AMRAOTI JALGAON

MONEY EASY

(From Our Own Correspondent)

BOMBAY, 30*th July*

There has been nothing new in the short-term money market. The trend is easy again. Funds with inter-banks are growing while demand for them is slack. In other words, the traditional slack season is in full swing. In the inter-bank call money section, lenders were over. In the absence of any borrowers, inter-bank call money was nominally quoted at 2½ per cent. among the Exchange banks and large Indian banks. The rate among the smaller Indian banks was 2¾ per cent. House money at call and short-term deposits for one to six months were both quoted at 3½ to 4 per cent.

The easier conditions in the money market are fully reflected in the stepping up of the Treasury Bill borrowing from Rs. 1 crore to Rs. 2 crores for next week. The response to the tenders for the 91-day Treasury Bills for Rs. 1 crore invited this week was not as good as is warranted by the present market conditions. The total amount offered was only Rs. 1.60 crore. Tenders at Rs. 99.484 and above were accepted in full and those at Rs. 99.275 allotted approximately 80 per cent. Lower tenders were rejected. Total amount accepted was 1 crore, the average rate of accepted tenders being Rs. 2.726 per cent. per annum. As already stated, tenders for Rs. 2 crores have been invited for next week. They will be received up to the close of business on Monday, 4th August. Successful tenderers should make payment on Friday, 8th August.

The Bombay Municipal Corporation has announced its borrowing programme. The total sum to be borrowed is Rs. 4 crores, carrying interest at 4½ per cent. and is repayable in August 1970. The issue price is Rs. 99.25 per cent. The lists for public subscriptions will open on 11th August and will be closed on or before 14th August.

A further contraction of Rs. 15.83 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 25th July 1958. This brings the aggregate fall in active notes in the past three weeks to Rs. 42.35 crores. Notes held in the Banking Department are also lower by Rs. 2.38 crores, so that the decline in total notes issued is Rs. 18.21 crores. As against this, there has been a fall of Rs. 5 crores in foreign securities and of Rs. 15 crores in rupee securities. Rupee coin is higher by Rs. 1.79 crore. In the Banking Department, the Central Government's deposits have been augmented by Rs. 19.07 crores, while those of other Governments have shrunk by Rs. 13.13 crores. Deposits of banks have gone up by Rs. 13.39 crores. The decline of Rs. 5 crores in foreign securities (in the Issue Department) has been offset to some extent by a rise of Rs. 2.02 crores in balances held abroad. Loans and advances to Government are lower by Rs. 4.49 crores and other loans and advances by Rs. 6.62 crores, of which advances to Scheduled banks against usance bills account for Rs. 4.83 crores.

The Scheduled banks' statement for the week ended 18th July 1958 reflect the effect of banks' subscriptions to the various State loans. Their cash balances have shrunk by Rs. 14.20 crores and money at call and short notice by Rs. 3.82 crores. At the same time, investments have gone up by Rs. 11.46 crores and advances by Rs. 6.32 crores. Bills purchased and discounted are, however, lower by Rs. 4.04 crores. Banks' demand deposits have declined by Rs. 1.65 crore, while their time deposits have risen by Rs. 3.34 crores. Borrowings from banks have fallen by Rs. 3.04 crores, while borrowings from the Reserve Bank are higher by Rs. 3.70 crores and those from the State Bank by Rs. 1.01 crore.

The Gilt-edged market continued to rule firm, with a further hardening of prices. There was keen demand from institutional investors for short and medium-dated issues. 3 per cent. 1986 Conversion Loan hardened by 5 nP to Rs. 71.10. 3 per cent. 1970-75 gathered 5 nP to Rs. 87.80 and 3 per cent. 1966-68 by 10 nP to Rs. 93.20. 3 per cent. 1964 firmed up by 10 nP to Rs. 95.75 and 3 per cent. 1963-65 gained no less than 15 nP to Rs. 95.80. 3 per cent. 1959-61 was marked up by 5 nP to Rs. 99.50. 3½ per cent. 1962 picked up 10 nP to Rs. 98.20, 3½ per cent. 1963 by 5 nP to Rs. 99.30 and 3½ per cent. 1965 hardened by 5 nP to Rs. 98.65, after the Reserve Bank went off the market for this issue during the week. 3½ per cent. 1967, of which the Reserve Bank is a seller, was put up by 5 nP to Rs. 97.85. Among the State loans, short-dated issues, as well as the 4½ per cent. new loans, were in demand. Good business was done in Bombay loans, 4½ per cent. 1969 and 1970 gaining 15 nP each to Rs. 100.30 and Rs. 100.35, respectively. 4½ per cent. 1971 gained 5 nP to Rs. 99.95. West Bengal 4 per cent. 1963 gathered 10 nP to Rs. 99.50 and 3 per cent. 1959 a like amount to Rs. 98.80. 3 per cent. 1960 shot up by 60 nP to Rs. 98.20 and 4 per cent. 1963 by 10 nP to Rs. 99.55. Andhra 4½ per cent. 1970 was placed 30 nP higher at Rs. 99.30. U.P. 4 per cent. 1963 and 1964 put on 15 nP each to Rs. 99.50 and Rs. 99.30, respectively.

In the foreign exchange market, the rupee held its ground over the week, in consonance with the steady trend displayed by sterling abroad. Banks' selling rate of U.S. ready dollars was unchanged at Rs. 477.25 and their buying rate at Rs. 473.75 per $100. In New York, spot sterling gained from $2.80⅝-2.80.7/16 to $2.80½-2.80.9/16 before closing at $2.80.7/16-2.80⅝. Three months' forward picked up from $2.78.7/16-2.78½ to $2.78.9/16-2.78⅝ and transferable sterling from 277.65-277.75 cents to 277.90-278 cents.

BULLION WEAK

(From Our Own Correspondent)

BOMBAY, 30*th July*

Bullion prices suffered a fresh setback during the week under review, thus carrying further the downward trend noted during the previous week. The war jitters having come to an end for the time being at least, bears managed to gain the upper hand, particularly in silver. The fall in demand in the ready section, the large arrivals of Tibetan coins in up-country centres (the bulk of which are said to be smuggled coins) and the increase in floating stocks were all factors which induced the "bulls" to liquidate their positions. Gold also ruled quiet in sympathy, with no appreciable expansion in demand.

As the closing price for silver forward (*Shravan* First delivery) on Monday stood at more than Rs. 7 below the official starting rate of Rs. 188-6 for that settlement, the bears had to pay a margin of Rs. 500 per bar on their outstanding sales.

Forward silver (*Shravan* First delivery) gave way from Rs. 182-12 to Rs. 180-1 before recovering at the close to Rs. 180-11. The second delivery was marked down from Rs. 183-10 to Rs. 181, but closed a shade better at Rs. 181-12.

Ready silver finished with a loss of Re. 1-8 over the week at Rs. 180-12. The floating stocks of silver are estimated at 1,000 bars. The daily average arrivals were 30 bars including unrefined metal, while the offtake was less than 10 bars per day on an average.

Gold for forward delivery (*Shravan* First delivery) declined from Rs. 106-6 to Rs. 105-1, but closed at Rs. 105-4. The second delivery shed Re. 1-2 over the week to Rs. 105-7. The carry forward charges which were As. 3 against bulls at the close of the previous week, turned in their favour for a day. But again they stood against buyers at the close of the week.

Ready gold declined from Rs. 106-14 to Rs. 105-15 over the week. The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was slightly lower at 2,500 tolas per day.

In New York, silver remained unchanged at 88.5/8c., as also in London at 75*d.* for spot and 74⅛*d.* for forward. Gold improved early in the week from 250*s.* 6½*d.* to 250*s.* 7½*d.*, but dropped to 250*s.* 3*d.* yesterday.

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

	30-7-58	Highest	Lowest	23-7-58
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	105 15	107 0	105 12	106 14
Forward*	105 4	106 5	105 1	106 6
Sovereign	70 4	70 8	70 0	70 8
SILVER				
Ready (.996 fine)Mint) ..	180 12	182 11	180 2	182 4
Forward†	180 12	182 13	180 1	182 12
London Silver Ready ..	75*d.*	—	—	75*d.*
London Forward	74⅛*d.*	—	—	74⅛*d.*
London Gold	250*s.* 3*d.*	250*s.* 7½*d.*	250*s.* 3*d.*	250*s.* 6½*d.*
New York Silver	88½*c.*	—	—	88½*c.*

* 30th July settlement.
† 31st July settlement.

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

BASE METALS RECEDE

(From Our Own Correspondent)

CALCUTTA, 29*th July*

A reaction in prices of base metals was witnessed during the week under review. Such a trend followed lessening of apprehensions of a possible world war. Overseas advices, on the other hand, were firm. Unlike Calcutta and Bombay, the upward trend in New York and London following the recent dramatic developments in Iraq was slow and cautious.

Tin opened at Rs. 590 and receded to Rs. 574.00. The recent rise was mainly speculative and hence such an abrupt recession. The rate in Bombay was higher than in Calcutta. Government demand for a good tonnage was not without difficulty. Advices from London indicated that sellers were keeping back some quantity or reserve, in view of the uncertainty caused by the Middle East situation. Electrolytic zinc closed quiet at Rs. 68.00, after opening at Rs. 71.50. There was fair demand, as consumers desired to cover as much as possible, in view of the uncertain import policy, which, it was feared, might reflect the acute foreign exchange shortage. At Rs. 70.50, lead was lower by 50 nP. Great anxiety was entertained in the market over the present low level of copper stocks. It was felt that the Middle East situation was responsible for the suspension of issue of permits for copper by the Controller of Non-ferrous Metals.

LINSEED DECLINES

(Messrs. A. Bradley and Co.)

CALCUTTA, 29*th July*

The excitement of the previous week has been followed by a reaction in linseed prices during the week under review. Trading has been somewhat dull and stagnant. The price of seeds has dropped by about Re. 1 per maund. At the prevailing level, sellers are reserved and daily turnover is small. Oilcake prices have also declined to the extent of about Re. 1 per maund. In the oil market, although prices have suffered a setback trading has been very limited with shippers practically out of the market. Overseas markets are quiet at around £115.

The latest quotations are: Ready-July and August Rs. 25-12 per maund.

COTTON FUTURES REACT

(From Our Own Correspondent)

BOMBAY, 30*th July*

The cotton futures market ruled distinctly easy during the week under review. It started on a weak note due to fears that the tendering differences in respect of the maturing August contract would be fixed higher in view of the firmness of spot prices. The rates fixed on Thursday by the Special Committee constituted under By-law 55 of the E.I.C.A. was, however, lower than expected. The bullish interpretation of the rates prompted fresh support and the contract strengthened. But this proved short-lived as selling emerged on Saturday. A section of the trade which was dissatisfied with the rates appealed against the decision of the Committee. They held that the rates were in favour of bulls. Since they were much lower than those prevailing in the spot market and also in view of the firmness of the spot market, the tendering of cotton would be discouraged. Certain jobbers and some traders refrained from doing business for a couple of hours on Friday as a protest against the decision of the Committee. About 10 appeals were lodged with the Board of the E.I.C.A. At a special meeting yesterday, the E.I.C.A. decided upon an upward revision of rates of all descriptions tenderable against the maturing contract. This touched off fresh liquidation today with the result that prices suffered a sharp break. The new crop contract, namely, I.C.C. March 1959, also reacted sharply. The weakness of the latter, reports of favourable weather and satisfactory crop progress and the improved statistical position of cotton were responsible for its easiness. The market also failed to derive any inspiration from the recommendations of the Textile Inquiry Committee published on Saturday.

I.C.C. Moglai Jarilla August 1958 opened the week lower at Rs. 686.50 and, after having risen to Rs. 688.50 the next day, declined to Rs. 679.50 yesterday. Commencing today's session at Rs. 673, the contract gathered one rupee before reacting to Rs. 670.80. The closing was, however, a shade higher at Rs. 673.50. The net loss over the week was Rs. 14.25.

I.C.C. Moglai Jarilla March 1959 began the week's trading at Rs. 683. It declined on persistent selling to Rs. 676.50 yesterday. Opening lower at Rs. 675 today, the contract improved by Rs. 2.50 before declining to Rs. 674.50. It, however, finished a rupee higher at Rs. 675.50. The net loss over the week was Rs. 8.25.

The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	30-7-58	*High*	*Low*	23-7-58
I.C.C. Moglai Jarilla (August 1958) ...	673.50	688.50	670.80	687.75
I.C.C. Moglai Jarilla (March 1959) ...	675.50	682	674.50	683.75

Weather reports in general are satisfactory. The Punjab had partly cloudy and partly clear weather which helped the plants to progress well. Rains so far have been satisfactory and at intervals they will be very helpful. Khandesh, Berar, parts of Madhya Bharat and the Gaorani tract of Moglai require bright clear weather for some time. The crop condition in general is satisfactory. Saurashtra requires immediate good rains; the crop, however, has been making good progress. Hubli area in the Mysore State had an initial good spell of rains and an immediate break in the weather is essential. Bellary, however, requires good soaking rains.

In the spot section, staple varieties continued to receive attention of mills. Prices ruled firm early in the week although, towards the close, there was a slight decline, influenced mainly by the weakness of the futures section. Varieties which received the attention of spinners were Vijay, Laxmi, Surti, Co2 197/3, etc.

In the export section, shippers did not show much interest in exportable styles, because of the delay in the announcement of an export quota. Attention was mainly centred around C.P. *Deshi*, Zoda and pickings.

In the foreign section, there was good demand for all foreign varieties. This was attributed to the fear of mills that in case the Government delayed further the import allocation, there would be acute scarcity of cotton. Importers were eagerly awaiting permission for importing U.S. and East African cotton.

The E.I.C.A. has given permission for trading in the delivery contracts on "on call" basis. Trading has also been permitted in 320F and 216F varieties for December delivery on the basis of Fine 27/32" and Fine 13/16", respectively.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week-end rates:

Bengal *Deshi*: 600 (600); Berar Jarilla 725 (735); Khandesh 790 (800); Vijay 875 (890); Hubli Laxmi 1,025 (1,045).

In spite of the reported decision of the Pakistan Government to provide export incentive to cotton, Karachi cotton futures market ruled easy during the week under review. This was due to weak New York advices and slack export demand. Domestic mill demand was also not encouraging. News of good rains and progress of crop imparted additional weakness to the market. N.T.R.G. January declined from Rs. 79-14 to Rs. 79-8. The July contract went off the board on 24th at Rs. 79. The spot market was quiet. Prices tended to decline.

Exports of cotton from the commencement of the season, namely, 1st September 1958, till 17th

of July, aggregated 598,944 bales, as compared with 725,769 bales in the same period last season.

Fully steady conditions prevailed in the Alexandria cotton futures market during the week. The steadiness was influenced by better export enquiries. Traders were, however, not inclined to take a bullish view of the future in view of the favourable weather and satisfactory crop progress. Higher levels, therefore, met with resistance and prices tended to remain steady. Karnak July contract expired on the 26th inst. at 75.70 tallaris. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: November 76.10; January 76.35. *Ashmouni*: August 67.15; October 68.30.

The Liverpool cotton futures market depicted an easy trend during the week under review. The easiness was due to lower New York advices and speculative selling in anticipation of new cotton legislation in the United States providing for larger cotton acreage and lower support prices. Although there was occasional mill fixation, it was not sufficient to absorb the offerings. Both the American and American type contracts declined. Sudan contracts, however, ruled steady. The following are the latest available quotations—in pence per lb.—from Liverpool:

American Cotton One Inch Staple Contract: July-August 24.70; October-November 25.10. *Sudan*: July-August 31.25.

Cotton futures values on the New York Cotton Exchange drifted downwards during the week. Heavy selling by New Orleans interest and scattered hedging and commission house liquidation met with only limited support. The selling was due mainly to the impression in certain trade quarters that the Farm Bill might be approved by the Senate without much modification. A part of the selling was attributed to reports of favourable weather over most cotton tracts.

The U.S. Department of Agriculture has announced that there would be no increase in the subsidy rate of cotton for the present. Meanwhile entries into the 1957 cotton loan during the week ended 18th July were only eight bales, making the season's total 3,658,504 bales. Repossessions during the week were 73,711 bales, the season's total being 970,788 bales. The net loan stocks thus work out to 2,687,716 bales. The Department of Agriculture has announced its sixth export sale under the 1958-59 disposal programme involving 16,560 bales of Government cotton at 28.48 cents per lb. for basis middling 1" cotton. Export should take effect from 1st August. Total sales under this programme aggregate 690,264 bales.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	29-7-58	22-7-58	15-7-58
Spot	36.45	36.50	36.50
October	36.27	36.65	36.84
December	36.53	36.87	37.01
March	36.90	37.24	—

STAPLE FIBRE YARN RALLIES

(From Our Own Correspondent)

BOMBAY, 30*th July*

The yarn market ruled irregular during the week under review. Thus, staple fibre yarn continued to rule firm, while rayon yarn was depressed and cotton yarn quiet. The firmness of staple fibre yarn was aided by shortages of supply and enlarged offtake from consuming centres which reported improvement in local and overseas demand in fabrics. Rayon yarns encountered selling, thanks to poor enquiries from handloom and powerloom weaving interests. Cotton yarns were quiet; transactions put through were limited and prices moved narrowly.

An event of the week was the commencement of business in October delivery staple fibre yarn (40 x 2) yesterday. The Board of the Yarn Merchants' Association and Exchange Ltd. has fixed Rs. 800 per bale of 200 lbs. as the ceiling above which deals are prohibited. It has also imposed a margin of Rs. 50 per bale on the net outstanding purchases or sales of yarns exceeding 100 bales of any trader on each day. If any person fails to give delivery when the contract expires, he will have to pay a penalty of Rs. 10 per bale.

Staple fibre yarn 40 x 2 August delivery met with good buying support and advanced by Rs. 15 to Rs. 727. October delivery was firm at Rs. 752 today. Business in this contract commenced yesterday at Rs. 751. In the spot section, 40 x 2 Centurys rallied 12 nP to Rs. 4.12. Citys and Kohinoors rose by 10 nP each to Rs. 4.19 and Rs. 4.25 respectively. New Greats were done today at Rs. 3.94. Prices of imported yarns were fully maintained at last week's levels, 80 x 2 Paramounts and Fujis both being quoted at Rs. 9.25. The rayon yarn section, as already stated, ruled depressed. 120 Japan dropped 18 nP to Rs. 6.44. 150 Japan receded by 13 nP to Rs. 6.50. 120 Italy fell by 12 nP to Rs. 6.50. 150 Italy was neglected at Rs. 6.50, same as last week. Indigenous yarns suffered a fall in prices. National Rayons 120 bright cones first grade moved down from Rs. 6.56 to Rs. 6.12. 150 bright cones first grade decreased by 31 nP to Rs. 5.06.

In the cotton yarn section, 10 counts were dull, Moderns being quoted at Rs. 13.50 and Podars at Rs. 12.75. Twenty counts Indus were unchanged at Rs. 16.37, as also Moderns and Gokaks at Rs. 16.75. Thirty counts Hinds were done at Rs. 19.75, same as last week. Among forty counts, Moderns declined by 25 nP to Rs. 25.75. Minaxis were quiet at Rs. 25.75. Sixty counts Raghuvanshis and Finlays were dull, the former at Rs. 59 and the latter at Rs. 62. Eighty counts, however, met with good buying support. Mahendras rallied Rs. 2 to Rs. 72. Moderns gained 50 nP to Rs. 72.50.

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

	30-7-1958	23-7-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	6.44	6.62
150 Japan (per lb.)	6.50	6.37
120 Italy (per lb.)	6.50	6.62
150 Italy (per lb.)	6.50	6.50
Staple fibre yarn (per case of 200 lbs.)—		
40 × 2 August	727.00	712.00
40 × 2 October	752.00	751.00*
40 × 2 Kohinoor (per lb.)	4.25	4.15
40 × 2 City (per lb.)	4.19	4.09
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.75	12.75
20s Modern	16.75	16.75
30s Hind	19.75	19.75
40s Minaxi	25.75	25.75
60s Finlay	62.00	62.00
80s Mahendra	72.00	70.00

* Rate at which business commenced yesterday.

OILSEEDS DEPRESSED

(From Our Own Correspondent)

BOMBAY, 30*th July*

The firm trend noted in the oilseeds market last week abated during the week under review. In fact, the market put on a distinctly easy appearance. The easiness was due to the reduction in international political tension and fears of official intervention to check the rising tendency in prices. There were rumours that the Forward Markets Commission might direct the Board of the Oilseeds Exchange to impose the margin in castorseeds and raise the margin in groundnuts. These rumours, together with lower advices from overseas markets, made the bull operators diffident. Further, the technical considerations following the recent spectacular rise in prices of oils and oilseeds evoked profit-taking. There was also hedge selling in new crop contracts.

The groundnut section ruled weak, thanks to continued profit-taking operations and offering of new crop groundnuts from Saurashtra and Hyderabad. The castorseed section was depressed, as there was heavy long liquidation; new crop contracts were particularly weak. Trading in the linseed section was marked by predominance of sellers. Operators were generally inclined to reduce their commitments on fears of slackness in overseas demand for Indian linseed oil; these fears were based on reports of beneficial weather conditions in Argentina and lower cables from London. The U.K.'s quotation of linseed oil was around Rs. 1,533 per ton, as against Rs. 1,655 a few days ago. Even the grant of additional export quota of 10,000 tons of linseed oilcake announced on Friday did not have any effect. In sympathy with the general trend and following drop in cotton prices, cottonseeds encountered selling and prices suffered a setback. Kardiseed and nigerseed lacked support, notwithstanding the grant of further export quotas of 5,000 tons each.

The Board of the Bombay Oilseeds and Oils Exchange Ltd. has addressed a communication to the Chief Controller of Exports regarding the procedure governing exports of groundnut oil and H.P.S. groundnuts. Referring to the validity for shipment up to the end of September 1958, the Board points out that it is not possible to combine business in H.P.S. kernels owing to end of season and monsoon in India. It has also drawn attention to fears expressed by foreign buyers over the contamination of weevils in H.P.S. kernels during transit. As regards groundnut oil, it is felt that export business is not immediately possible on account of end-of-season and lower foreign prices. The Board has, therefore, urged the Government to extend shipping period for groundnut oil until the end of December 1958 and for H.P.S. for U.K. until the end of February 1959.

Groundnut August 1958 contract, which stood at Rs. 195 at the close of last week, was subjected to selling pressure and declined to Rs. 190.75 on Friday. After recovering to Rs. 196 yesterday, it dropped to Rs. 193 today. The net loss over the week was thus Rs. 2. February 1959 contract fell from Rs. 169 to Rs. 165.50. Bold ready receded by 50 nP to Rs. 40.25. Khandesh quality declined by a like amount to Rs. 41. Coromandel slipped down by 75 nP to Rs. 40.75. Groundnut oil ex-mill fell by 63 nP to Rs. 20.87. Railway receipt lost 25 nP to Rs. 20.75.

Castorseed September 1958 contract was marked down from Rs. 168 last week-end to Rs. 160.25; towards the close, it was a shade higher at Rs. 160.75. May 1959 contract was freely on offer at Rs. 159 today, as against Rs. 165 on Wednesday last. Ready Madras dropped Re. 1.25 to Rs. 32.25. Kanpur quality shed a similar amount of Rs. 31. Castor oil B.S.S. moved down from Rs. 18.50 to Rs. 17.81 and Commercial quality from Rs. 17.25 to Rs. 16.37.

Linseed September 1958 contract encountered selling and declined from Rs. 35.31 last week-end to Rs. 34.50 today. Bold ready receded by 87 nP to Rs. 34. Linseed oil eased by a rupee to Rs. 17.75.

Cottonseed September 1958 contract evoked some support in the earlier sessions and improved from Rs. 122.50 to Rs. 123.50, but gave way subsequently, today's closing rate being Rs. 121. February 1959 contract was subjected to selling pressure, the quotation moving down from Rs. 107.75 to Rs. 103.50.

Among other oilseeds, kardiseed bold ready which stood distinctly firm at Rs. 23 on the opening day, as against Rs. 22.25 last week-end, came in for selling and receded to Rs. 22.50 yesterday. Today, however, it was well supported at Rs. 23. Nigerseed Madras quality improved from Rs. 32.75 to Rs. 33.75 on 26th inst. and, after declining to Rs. 33.37 yesterday, it finished higher at Rs. 33.50 today.

The following table shows the closing prices of oilseeds and oils today as compared with those a week and two weeks before:

	30-7-1958	23-7-1958	16-7-1958
	Rs.	Rs.	Rs.
Groundnut—			
August 1958	193.00	195.00	185.00
Feb. 1959	165.50	169.00	168.00
Bold ready (per cwt.)	40.25	40.75	37.87
Linseed—			
Sept. 1958	34.50	35.31	35.19
Bold ready (per cwt.)	34.00	34.87	34.87
Castorseed—			
Sept. 1958	160.75	168.00	162.50
May 1959	159.00	165.00	162.50
Madras (per cwt.)	32.25	33.50	32.75
Cottonseed—			
Sept. 1958	121.00	122.50	129.25
Sept. 1959	103.50	107.75	107.50
*Groundnut oil**—			
Ex-mill ready (per quarter) ..	20.87	21.50	20.50
Castor oil—			
Commercial (per quarter) ..	16.37	17.25	16.37
Linseed oil†			
Ready	17.75	18.75	18.25

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

SUGAR MOVES DOWN

(From Our Own Correspondents)

BOMBAY, 30*th July*

The stern warning against rising sugar prices issued by the Union Food Ministry would appear to have had the desired effect. Not only has the rising tendency been checked but the prices have actually tended to move down. The ex-mill quotations for Bombay-Deccan and North Indian sugars have declined by a rupee per bag on an average. Some sugar traders are inclined to feel that the speculative holding and buying of sugar has been halted and that conditions are becoming quite normal. It is believed that, as the ex-mill quotations in the whole of South India have reached the bottom, they will not go down still further, especially with the appearance of the normal post-monsoon demand in sight.

Arrivals of sugar by rail into the market was quite considerable; they aggregated about 23,000 bags, as against 1,800 bags in the previous week.

Large grain sugar receded by Rs. 2 to Rs. 110-Rs. 115.50 per bag. Medium grain declined from Rs. 109-Rs. 111 to Rs. 107.50-Rs. 109. Small grain was lower at Rs. 106, as against Rs. 106.50.

The production and despatches of indigenous sugar up to 15th July 1958 amounted to 1,967,000 tons and 1,425,000 tons, respectively, as against 2,018,000 tons and 1,493,000 tons, respectively, in the corresponding period of last year. The stocks with the factories on 15th July 1958 stood at 966,000 tons.

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The Bombay Sugar Merchants' Association has protested against the recent directive of the Reserve Bank to the scheduled banks to enhance the margin on advances given against security of sugar from 35 per cent. of the value of stocks to 45 per cent. In a communication addressed to the Reserve Bank Governor and the Union Ministers for Food and Finance, the Association points out that the credit curb is unjustified, since it applies only to stocks held by merchants and not by manufacturers who, it alleges, hold sugar. "The mills," to quote it, "being sure of disposing of their sugar, raise the selling prices progressively, while the merchants are compelled to pay higher rates demanded by them." According to the Association, as a result of the rise in margin, the merchants will not be able to hold sufficient stocks at consuming centres, and this, in turn, will lead to scarcity conditions in these centres. The Association's suggestion for checking the rising tendency in prices is compulsion on sugar mills to sell and despatch their allotted quotas of sugar within four weeks. It has also urged adequate supply of wagons for moving sugar promptly.

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HAPUR, 28*th July*

The ex-mill delivery prices of sugar ruled quietly easy during the week, following the directive issued by the President of the Indian Sugar Mills Association to sugar factories to honour the pledge by selling sugar at the average price from 23rd to 27th June. Prices of some varieties declined by 19 nP to 62 nP per maund. Demand from Punjab and Delhi was reported to be brisk and business in bulk quantity was done with these destinations. Although the supply position is easy, the Government's decision to export 50,000 tons of sugar has been exploited by some interests to push up prices.

While some of the factories in the Muzaffarnagar market are selling sugar at the average price agreed with the Government, other factories are not co-operating with the Association and have stopped their sales. Business in heavy quantity of Jagadhri, Iqbalpur, Deoband, Khatauli and Seohara factories was done with Punjab and Delhi side, while business done with other destinations in Saurashtra, Rajasthan and Gujerat was moderate. Following were the latest ex-mill delivery rates: Khatauli (B29) Rs. 38.75; Deoband (C29) Rs. 37.87; Iqbalpur (A29) Rs. 39.50; Rampur (B29) Rs. 38.37; Mansurpur (D29) Rs. 38.37; Daurala (C29) Rs. 38.56; Amroha (D29) Rs. 37.50; Bijnore (E29) Rs. 37.12; Meerut (D29) Rs. 38.15; Simbhauli (B29) Rs. 38.24; Bulandshar (E29) Rs. 38.12.

Sugar prices eased fractionally in the Kanpur market, following the directive by the Indian Mills Sugar Association to honour their commitments to the Government. Despatches from factories showed an improvement, particularly to metre-gauge railway destinations. The following are the latest prevailing spot and ex-mill rates respectively (per bag and per maund) C29-Basti Rs. 107 and Rs. 38; Gola Rs. 104.25 and Rs. 37.25; Waltergunj Rs. 103.50 and Rs. 36.75; Burhwal Rs. 103.75 and Rs. 37; Hargaon and Lakhimpur Rs. 103.75 and Rs. 36.87.

Khandsari prices continued steady, due to good demand. The prevailing prices were Rs. 35.50 to Rs. 37.50 per maund.

Ready *gur* prices suffered minor losses during the week. Dry quality was quoted at Rs. 22 and dry-*kotha* wet at Rs. 20.25. Despatches during the week were small at 2,000 maunds, due to rains, and local stock was put at 48,000 maunds. Heavy rains during the week has proved beneficial to the standing cane crops. In the State Vidhan Sabha, a non-official resolution has been passed recommending to the Centre to increase cane price to Re. 1.75 per maund.

Ready *gur* prices ruled quiet in the Muzaffarnagar market where stocks were put at 15,000 maunds only. There was good enquiry for *shakker dara* from Rajasthan and revival of demand from Northern areas accounted for steady conditions in *khandsari* prices.

Future *gur* prices ruled quietly both ways. *Fagun* opened at Rs. 14.17 on last Monday and after touching the highest and lowest at Rs. 14.40 and Rs. 14.08, was today quoted at Rs. 14.16.

BLACK PEPPER QUIET

(Messrs. Parekh and Co.)

BOMBAY, 30*th July*

Following improvement in political situation in the Middle East, Malabar black pepper ruled quiet during the week, with foreign enquiries almost absent. New York reduced its indication to about $0.26½.

Prices for ungarbled at Alleppey and Cochin were hovering round Rs. 650, with sellers more anxious to meet buyers. Calicut was also reported to be quiet at Rs. 690.

In the hedge market at Cochin, August delivery moved between Rs. 115 and Rs. 115.62, while October delivery from Rs. 117.50 to Rs. 118.12.

Singapore was quiet with black and white quoting Str. $76 and Str. $132, respectively.

In specific delivery, September moved down from Rs. 665 to Rs. 640, with undertone quiet, in view of the accumulation of tenderable stock and local demand not so encouraging.

Barring any new development in the Middle East, the future of the market appears to be uncertain, tending more towards lower prices, if foreign buying does not show improvement in the coming month. The supply picture from Sarawak and Lampong is very hazy, and that is a supporting factor.

New business in A.S.T.A. is conspicuous by its absence, and whatever done is by way of short-covering only. August-September is nominally quoted at $0.27.

Today's nominal quotations are: Ready Rs. 91 per Bengal maund and July Rs. 620.30 and September Rs. 640.50 per candy of 5¼ cwts.

DEMAND FOR TEA IMPROVES

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, 24*th July*

The offerings aggregated 1,058,636 lbs. in sale No. 22 which was held on Tuesday, 22nd July. The quality of all teas showed a further improvement. Both exporters and internal buyers competed for the improved teas. The sale opened to a good general demand. Low medium and medium types met with some competition and were fully firm and dearer with the improved quality. Good mediums met with less support and were easier to purchase. High grown teas sold well and were 10 to 15 nP dearer. Whole leaf teas were irregular, but at times dearer on last rates.

The following are the quotations:—

	Rs.
Plain B.P.	1.55
Low medium	1.60 to 1.75
Medium	1.75 to 1.95
Good medium	1.95 to 2.15
Quality	2.10 to 3.20

London Market: *Sale of 21st July* 1958.—Good demand, following quality.

Sale of 22nd July 1958.—About steady.

Colombo Market: *Sale of 21st July* 1958.—6.5 million lbs. Coloury mediums dearer. Fannings steady; other sorts lower. Lowgrowns speculative demand 50c. decline.

Sale of 22nd July 1958.—Good demand. Stalky broken mixeds and powdery dusts lower. All other sorts firm.

Calcutta Market: *Export.*—Less demand owing to unsettled Middle East conditions. Market, except for few bright liquoring orthodox invoices, declined irregularly. C.T.Cs weakest feature and were up to 50 nP easier.

Internal.—17,600 chests only. Fair demand at again easier rates. Orthodox 6 to 10 nP easier. C.T.C. irregular, but generally 20 nP easier with considerable withdrawals.

Export Quota.—The market remained steady throughout the week, and a fair volume of business was transacted at 11¼ nP.

Forthcoming Auctions.—Sale No. 23 will be held on Tuesday, 29th July and Dust Sale "P" will be held on Thursday, 31st July 1958.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire as follows:

"Sale No. 23 was held on Tuesday, the 29th inst., when 1.25 million lbs. were offered. There was fair general demand but at easier rates. Low mediums and mediums were lower by 5 to 10 nP. Good mediums evoked little demand and declined by 10 to 15 nP. Highgrowns were steady."

TEA EASIER

(From Our Own Correspondent)

CALCUTTA, 29*th July*

An easier trend was in evidence during last week's tea sales for domestic consumption. Such a trend clearly indicated the view among buyers that, as the supply of common teas in this year would be far in excess of last year's, there would be no difficulty in meeting requirements at any time. Such a view has also been confirmed by the trend in export auctions.

Market circles suggested producers' fears of excess supply in common teas as being common to all producing countries. For the world output has so far aggregated 451.5 million lbs., registering an increase of 14.5 million lbs. as compared with the corresponding period of last year. They, therefore, considered that it would be a nice idea, if the proposal for an international agreement limiting exports and acreage could be revived.

Present developments did not indicate that there would be any fall in tea exports to the Middle East countries.

Dusts on offer during last week's sales for internal consumption amounted to 17,353 chests, the quality of which was quite useful. C.T.C. Assams recorded an irregular tendency. The price at opening was lower by 20 nP. A subsequent firmer tendency was short-lived and the price, when closed, was lower by 35 nP. As a result, withdrawals were heavy. Orthodox teas eased by 6 to 10 nP. On keen competition, the better liquoring blackish grades showed the least decline, while non-withered Doars fell by 10 nP. The quotations were: Best Assam C.T.C. Rs. 2.70 to Rs. 3.00; medium Assam C.T.C. Rs. 2.20 to Rs. 2.40; medium Dooars Rs. 1.64 to Rs. 1.66; and Medium Assam grainy dust Re. 1.68 to Re. 1.72.

Leaf offerings aggregated 325 chests. Quality was generally of a residue description.

Export quota changed hands at 11½ nP, but, towards the close, sellers demanded 12 nP.

JUTE GOODS MARKED DOWN

(From Our Own Correspondent)

CALCUTTA, 29*th July*

Perceptibly owing to the lessening of world political tension, bulls elected to take profit and, as a result, prices of jute goods were marked down during the week under review. While hessian 40"×10 oz. was always above the I.J.M.A. floor, B. twills declined to much below the minimum price. Moreover, there was selling pressure in the *fatka* and, as is always the case in such a situation, weak holders unloaded as much as possible in a hurry to take profits before the declining trend took prices to levels lower than those at which they had purchased. Overseas buying was also poor, although it was anticipated that Americans would show more interest. For it was noted that U.S. burlap stocks at the end of June were lower at 232.4 million yards, as against 252.1 million yards a year ago and 240.4 million yards at the end of May 1958. The economic recession in the United States has been abated, and it was thought that burlap manufacturers there could no longer afford buying burlap on a hand-to-mouth basis. After the Middle East crisis, the U.S.A. bought a good quantity which pushed up the prices of hessian for some time in the last week. Latest reports from the New York burlap market indicated profit-taking following earlier active short-covering.

In the meantime, buyers on behalf of Argentina continued to accord fair support, but overseas buying as a whole was not by such a measure as to sustain prices. There was no doubt that this month's shipments would be substantially higher than last month's, thereby facilitating a welcome decline in stocks, discounting for which should be said to have been completed. Up to 15th July, hessian shipments amounted to 25,000 tons and sacking 15,000 tons, as against 10,000 and 9,000 tons, respectively, in the previous month. Note was taken of the rejection of a Communist-sponsored resolution in the West Bengal Assembly recommending the Centre to take over the foreign trade in tea and jute goods. It was good that the proposal was nipped in the bud, suggesting that the Assembly members possessed full knowledge of the delicateness of the foreign trade in these two commodities.

The market opened on a quiet tendency on Tuesday last and, following speculative unloading and selling in the *fatka*, prices were marked down. Some interest in hessian was shown on behalf of the United States. Hessian 40"×10 oz. ready fell to Rs. 43.55 from Rs. 44.30, and ready B. twills to Rs. 98.60 from Rs. 99.85. More selling followed in the *fatka* and, although some business was done in both hessian and heavy goods, prices declined on the next day too. Hessian 40"×10 oz. was priced at Rs. 43.40 and B. twills at Rs. 98.30. On Thursday, any good effect that might have developed on prices following some sales in both hessian and sacking on overseas account and some covering demand was nullified by profit-taking by bulls. This pushed down the price of hessian 40"×10 oz. to Rs. 42.80 and that of B. twills to Rs. 97.80 on Friday. Although speculators continued to sell and this continued to depress prices, mills met some demand for both hessian and sacking for forward delivery. This arrested the pace of the downward trend and, in fact, pushed up ready hessian 40"×10 oz. to Rs. 43.00 and ready B. twills to Rs. 98.50. Subsequently, the recovery continued and the prices for the above two representative constructions gained further to Rs. 43.05 and Rs. 98.75, respectively.

Since the last report, more rains have fallen in several jute districts and the difficulty felt recently in view of paucity of steeping water is gradually disappearing. This has enabled commencement of harvesting operations in the districts where harvesting had been delayed. The quality of the crop is expected to be excellent and the crop higher. In the next week or two, raw jute will commence reaching marketing centres and mills' areas in greater quantities. The expectations in this regard and the weaker advices from the jute goods market pushed down raw jute prices. Assam Northern bottoms declined from Rs. 27.25 to Rs. 26.50 August-Sept. and local daissee bottoms from Rs. 29.75 to Rs. 29.25 Sept.-Oct. The undertone was quiet, with buyers pushing down prices and sellers not keen in discounting.

BUYERS OF HIDES RESERVED

(From Our Own Correspondent)

MADRAS, 28*th July*

There has been no notable change in the Madras market. Sellers were quoting firm prices, but importers did not seem excited or show their anxiety to buy at sellers' levels. There were a few sales at last week's prices, but the quantities were small.

Arrivals of kips were moderate, clearances good at unchanged prices. Demand for lower grades for local consumption was good.

There was more demand for top grades in lightweight goat than for lower grades. As sellers had plenty of contracts to execute, they were quoting 3*d.* to 6*d.* more which the importers ignored. There were a few orders for 8/9 and 11/12 lbs. average also. Demand for common tannages goat and sheep was poor, and for semi-prime sheep fifths exceeding good.

HIDES FIRM

(From Our Own Correspondent)

KANPUR, 28*th July*

During the week under review, the hides and skins market was firm. Supplies were less ample, thanks to rainy season and transport bottleneck. The main purchasers were the local tanners and the Madras dealers.

The latest available quotations are: Wet salted cow 1st grade Rs. 360, 2nd grade Rs. 250, and 3rd grade Rs. 150 per score; wet salted buff 1st grade 1 lb. 60 ozs. and 2nd grade 1 lb. 11 ozs. per rupee; goat 1st grade Rs. 300 to Rs. 280 and 2nd grade Rs. 270 to Rs. 250 per 100 pieces; sheep 1st grade Rs. 325 and 2nd grade Rs. 275 per 100 pieces.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 28*th July*

Quiet conditions prevailed in the foodgrains market during the week under review, due mainly to the recent measures taken by the Government to check the upward trend in prices. Banning forward deals in coarse grains and pulses resulted in a break in the prices of these cereals, while the latest order banning purchase of wheat by roller flour mills in U.P., Madhya Pradesh, Rajasthan and Bombay is calculated to help easing wheat prices as the millers were by far the biggest purchasers in the open market. The mills in these areas will be supplied wheat directly by the Government from imported stocks, as is the case in the eastern and southern regions.

Wheat prices at Hapur ruled quiet during the week at almost unchanged level of Rs. 20 per maund for average quality and Rs. 21 for farm produce. Daily arrivals during the week were small at an average of 100 to 150 maunds and local stock is unchanged at one *khatti*. Wheat prices also showed a downward trend in other areas of U.P., thanks to heavy stocks moved by the Centre for sale through fair-price shops. The State Government has also seized heavy stocks with flour mills as an anti-hoarding measure. Heavy rains during the week are now followed by clear weather and the condition of the *kharif* crop is satisfactory. Rice prices also ruled quiet, thanks to better supply position and the recent heavy rains which have proved beneficial to standing paddy crop and enabled large-scale sowings of *munji* crop. Prevailing prices were: *Basmati sela* Rs. 40 to Rs. 42.50, mainpuri Rs. 29 and coarse quality Rs. 25.50 per maund.

Gram prices also eased slightly towards the week-end and gram is now being sent to east U.P. on State Government account, while some arrivals here were also reported from Punjab and local stock ran down by one *khatti* to 45 *khatties*. Barley and *bejhar* prices ruled quietly steady due to good consumer demand as the early maize crop is not expected before a month. *Jowar* and *guwar* prices were quoted slightly lower and week-end prices (in rupees per maund) were: Gram Punjabi 14.50, barley 14, *bejhar* 13.25, *jowar* 13.25, *guwar* white 16; stocks: Gram 45, *bejhar* 10, barley 2, *bajra* 2, and *jowar* 7 *khatties*.

Good buying enquiry for peas from east U.P. and *arhar* and its *dal* from Madras side accounted for quietly steady conditions in the prices of these pulses, although prices recorded a sagging tendency following the ban imposed on forward trading in pulses on 17th July by the Government of India. Local stocks ran down by 8 *khatties* of peas and 3 *khatties* of *arhar* during the week to 171 and 121 *khatties*, respectively. Prevailing prices were: Peas *dara* Rs. 12.50, *khatti* Rs. 12.50, peas white Rs. 13.25, peas *dal* Rs. 14.12, *arhar* Rs. 16.50, *arhar dal* Rs. 21, *urd* Rs. 18.75 to Rs. 20, *moong* Rs. 25, *massoor* small Rs. 16.25 per maund.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 25th July, 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	70,14,29,000
(2) Other Governments	28,66,29,000
(b) Banks	167,84,98,000
(c) Others	143,20,46,000
Bills Payable	14,71,20,000
Other Liabilities	8,24,79,000
Rupees	485,81,99,000

ASSETS	Rs.
Notes	25,33,58,000
Rupee Coin	2,03,000
Subsidiary Coin	2,98,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,33,14,000
Balances held abroad*	12,52,74,000
Loans and Advances to Governments†	14,76,11,000
Other Loans and Advances	55,05,93,000
Investments	363,17,90,000
Other Assets	12,53,45,000
Rupees	485,81,99,000

* Includes Cash and Short-term Securities.
† Includes temporary overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 7,79,97,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	25,33,58,000	
Notes in circulation	1541,83,37,000	
Total Notes issued		1567,16,95,000
Total Liabilities		1567,16,95,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	184,67,56,000	
Total of A		302,43,59,000
B. Rupee Coin		135,14,83,000
Government of India Rupee Securities		1129,58,53,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1567,16,95,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	18th July, 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1557.66	1577.44	1586.91	1517.90
Notes held in Banking Department	85.05	27.72	31.05	38.51	35.25
Foreign Securities	59.50	189.68	189.68	209.68	400.52
Rupee Securities	87.39	1144.59	1169.59	1167.56	906.81
Banking Department					
Deposits of :					
Government of India	14.89	51.07	53.26	49.90	54.02
Other Governments	..	41.79	12.84	15.25	3.09
Balances held abroad	10.08	10.51	14.21	17.42	31.19
SCHEDULED BANKS					
Demand Liabilities	184.86	750.48	754.46	743.20	724.80
		(29.38)†	(31.72)†	(25.86)†	(17.62)†
Time Liabilities	102.24	815.23	814.93	806.47	563.55
		(34.32)†	(37.36)†	(30.00)†	(4.38)†
Borrowings from Reserve Bank	..	15.84	11.64	12.71	39.51
		(12.63)‡	(10.86)‡	(11.76)‡	(37.26)‡
Borrowings from State Bank	..	5.19	4.18	4.50	3.35
Cash in India	6.70	38.36	39.52	38.98	39.00
Balances with Reserve Bank	25.17	84.19	95.67	90.24	83.36
Excess over statutory limits	15.52	80.86	61.65	36.96	35.85
Balances with other banks in current account in India	..	11.98	13.54	11.89	9.88
Money at call and short notice in India	..	54.61	58.43	56.41	25.82
Investments (at book value)	..	514.51	503.05	484.80	332.25
Advances and bills	105.09	890.23	893.96	904.66	891.64
STATE BANK					
Deposits	87.76	421.03	420.77	417.81	312.25
Investments	51.99	215.07	214.73	206.90	108.44
Advances	30.35	182.72	182.00	185.57	174.57
Cash	14.69	38.13	32.08	33.53	46.53

† Borrowings from Banks excluding the Reserve Bank and the State Bank. ‡ Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1955	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	Feb., 1957	4½	6
Colombia	18th July, 1958	5	4
Costa Rica	1st April, 1954	4	5
Denmark	12th April, 1950	5½	5
Equador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	12th Aug., 1957	4	5
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	30th Sept., 1957	5	6
Italy	7th June, 1958	4	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	3
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	5
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1956	5	4½
Switzerland	15th May, 1957	1½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1958	5½	6
United Kingdom	20th June, 1958	5	4
U.S.S.R.	1st July, 1936	3	4
U.S.A.	18th April, 1958	2½	1½
West Germany	27th June, 1958	3½	3

State Bank of India

Statement of Affairs for the week ended 25th July, 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,62,50,000
Borrowings from Other Banking Companies, Agents, etc.		445,72,55,000
Bills Payable		5,66,19,000
Bills for Collection being Bills Receivable as per contra		1,00,83,000
Acceptances, Endorsements and Other Obligations per contra		1,16,43,000
Other Liabilities (including Inter-Office Adjustments)		7,60,45,000
Total .. Rs.		478,41,45,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		46,95,92,000
Balances with other Banks		3,39,96,000
Money at Call and Short Notice		2,06,67,000
INVESTMENTS : Government and other Trustee Securities	214,61,87,000	
Other Authorised Investments	11,09,00,000	
		225,70,87,000
ADVANCES : Loans, Cash Credits, Overdrafts, etc.	164,82,75,000	
Bills Discounted and Purchased	12,50,77,000	
		177,33,52,000
Bills Receivable being Bills for Collection as per contra		1,00,83,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,16,43,000
Premises less Depreciation		1,20,88,000
Furniture and Fixtures less Depreciation		91,83,000
Other Assets (including Inter-Office Adjustments)		13,65,64,000
Total .. Rs.		478,41,45,000

Scheduled Banks*

Statement of Affairs for the week ended 18th July 1958

	Rs.	Rs.
Demand Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		29,38,06,000
(ii) Other demand liabilities		721,09,84,000
Time Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		34,32,37,000
(ii) Other time liabilities		780,90,80,000
Borrowings in India from the State Bank and/or a notified bank :		
(i) Demand liabilities		4,35,73,000
(ii) Time liabilities		33,35,000
Borrowings in India from the Reserve Bank of India‡		15,34,27,000 (12,63,37,000)
Cash in India		38,36,24,000
Balances with the Reserve Bank in India		84,18,85,000
Balances with other banks in current account in India		11,97,69,000
Money at call and short notice in India		54,61,35,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		514,51,30,000
Advances in India		772,11,32,000
Inland Bills purchased and discounted in India		87,01,67,000
Foreign Bills purchased and discounted in India		37,10,07,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	February		Eleven months, April to Feb.	
	1957	1958	1956-57	1957-58
Import Duties :				
Revenue	10.41	10.05	116.08	127.70
Protective	0.99	1.24	11.49	10.23
On surplus disposals	0.07	—	0.11	0.11
Total Import duties	11.47	11.29	127.68	138.04
Export Duties	2.67	1.60	28.14	22.49
Land Customs	0.25	0.20	2.27	3.57
*Air Customs**	—	0.19	—	1.94
Miscellaneous	0.09	0.11	1.04	1.49
Gross Total Customs	14.48	13.80	159.13	167.44
Refunds and Drawbacks	0.65	0.49	2.74	4.26
Net Customs	13.83	12.81	156.39	163.18
Gross Excise	15.64	25.11	171.14	245.81
Refunds	0.34	0.20	2.09	3.02
Net Excise	15.30	24.91	169.05	242.79
Net total of customs and excise†	29.13	37.72	325.44	405.97

† Net Customs plus net Excise
* Figures for Air customs prior to August 1957 not available.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	12th July 1958	5th July 1958	13th July 1957	May 1958	May 1957	Percentage of Increase (+) or Decrease(—) in May 1958 as compared with May 1957	Financial Year Average 1957-58	1956-57
Food Articles	504	117.9	118.1	110.7	107.2	107.0	+ 0.2	106.4	102.3R
Cereals	192	109.1	107.9R	104.0	99.4	103.3	— 3.8	101	96
Pulses	43	97.8	94.4	85.8	82.4	83.5	— 1.3	83	81
Fruits and Vegetables	23	118.9	116.5R	123.2	112.3	121.1	— 7.3	114	112
Milk and Ghee	84	112.9	111.6	106.7	107.4	108.9	— 1.4	105	100
Edible Oils	47	124.3	124.1	132.5	120.7	126.7	— 4.7	126	125
Fish Eggs and Meat	17	111.6	107.9	96.5	108.4	90.4	+16.6	98	97
Sugar and Gur	48	131.3	125.2	109.7	110.8	102.5	+14.5	96	98
Others	50	160.1	156.2	144.5	133.9	123.4	+ 8.5	131	125
Liquor and Tobacco	21	92.4	92.4	94.3	90.6	90.6	+ 0.0	94.9	94.3
Tobacco	—	90.6	90.6	92.6	90.2	89.7	+ 0.5	93	92.6
Fuel, Power, Light and Lubricants	30	119.7	119.6	114.7	114.2R	111.2	+ 2.2	113.6	104.2R
Industrial Raw Materials	155	118.5	118.1	121.0	113.5	129.4	— 5.7	116.5	116.6
Fibres	61	110.0	110.3	122.2	110.6	124.0	—10.8	118	116
Oilseeds	60	129.9	129.6	127.9	116.5	124.8	— 6.6	120	120
Minerals	2	101.0	101.0	111.1*	106.9	108.5	— 1.5	108	102
Others	32	109.9*	109.8*R	106.1	110.1	105.8	+ 4.1	108	109
Manufactures	290	102.6	102.5	103.8	107.7	107.5	+ 0.1	109.1	106.3
Intermediate Products	41	113.7	111.6	108.4	108.7	109.3	— 1.2	107.3	110.9
Finished Products	249	101.2	101.1	103.7	107.6	107.3	+ 0.3	108.2	105.6
Textiles	147	104.2	104.0	108.2	104.6	107.9	— 3.1	107	106
Cotton	—	112.0	112.0	116.6	113.5	115.5	— 1.7	116	116
Jute	—	87.1	86.5	97.8	88.0	98.3	—10.5	95	95
Woollen	—	104.6	104.6	108.0	104.4	103.0	+ 1.4	103	98
Silk and Rayon	—	93.9*	93.9*	86.0*	92.2*	86.0*	+ 6.5	86	88
Mineral Products	13	143.9	143.9	142.3	143.0	135.5	+ 5.5	141	80
Chemicals	19	105.0	104.9R	98.0	99.5	97.3	+ 2.3	98	93
Oil cakes	10	133.1	132.3	114.3	120.1	110.3	+ 8.9	115	109
Machinery and Transport Equipment	31	103.4	103.5	101.8	102.8	100.5	+ 2.3	102	99
Others	30	113.5	113.5	110.3	114.4R	106.0	+ 7.9	110	101
All Commodities	1,000	114.4	113.4	111.5	108.2	109.0	— 0.7	109.4	106.3R

Note :—Variations in sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

State Bank of Pakistan

Statement of Affairs for the week ended 18th July, 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	70,26,05,000
(b) Provincial Governments	50,17,000
(c) Banks	26,69,49,000
(d) Others	5,10,60,000
Bills Payable	24,73,000
Other Liabilities	10,99,50,000
Rupees	119,80,54,000

ASSETS	Rs.
Notes	12,09,30,000
Rupee Coin	41,000
Subsidiary Coin	37,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	8,91,99,000
Balances held outside Pakistan	19,33,46,000
Loans and Advances to Governments	4,58,00,000
Provincial Governments' Debtor Balances	1,82,64,000
Other Loans and Advances	3,79,05,000
Investments	66,10,07,000
Other Assets	9,15,25,000
Rupees	119,80,54,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,09,30,000	
Notes in circulation	326,91,20,000	
Total Notes issued	....	339,00,50,000
Total Liabilities	....	339,00,50,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,47,19,000	
Silver Bullion	....	
Approved Foreign Exchange	57,37,80,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,80,000	
		111,87,29,000
B. Rupee Coin	4,63,73,000	
Government of Pakistan Securities	216,59,42,000	
Internal bills of exchange and other commercial paper	....	
		221,23,15,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,83,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	339,00,50,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 34.65 per cent.

EXCHANGE RATES

		30th July, 1958	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months	s.	1-5⅝	1-5⅝
Buyers T.T. spot to nine months	s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	s.	1-6⅛	1-6⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477.50	478.25
Buyers T.T.	Rs.	473.75	473.75
London on New York	$	2.80⅛-2.80¼	2.80⅛-2.80⅜
London on Paris	Fcs.	1,178⅛	1,178⅛
London on Berne	Sw. Fcs.	12.19⅝-12.20	12.19-12.19½
New York on London	$	2.80¼-2.80⅜	2.80⅛-2.80⅜

CLEARING HOUSE RETURNS

Centre	Week ended 25th July, 1958		Week ended 18th July, 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,43,874	57,21,64,000	2,92,764	66,88,35,000
Calcutta	1,86,000	66,16,00,000	1,69,000	57,21,00,000
Madras	85,058	9,81,05,956	90,752	10,34,62,420
All Centres—				
1956-57	..	..	40,008,000	37,24,35,00,000
1957-58	..	..	41,571,000	39,54,56,00,000
May, 1958	..	..	3,784,000	3,72,02,00,000
Apr., „	..	..	3,831,000	7,91,04,00,000
May, „	..	..	3,823,000	7,90,02,00,000

† Not known in 5 cases.
(b) Not known in 3 cases.
†† Not known in 4 cases.
‡ In progress during the month

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of	per capita income (Rs.)
India†	'56-'57	387.68	..	11,010	284
Pakistan††	'56-'57	83.50	..	2,079	249
Burma	1956	19 88	Kyats 4,336	955	285
Ceylon	1956	8 38	..	475	567
Japan	1956	90 00	Y. 7,427,000	9,288	1,031
Phillippines	1956	22.20	Ps. 8,335	1,965	894
New Zealand	1956	2 17	£ (N.Z.) 984	1,178	5,428
U.K.	1956	51 20	£ (A.) 4,599	4,893	5,096
U.S.A.	1956	168 09	$ 16,465	21,982	4,287
Canada	1956	16 00	$ 343,600	163,554	9,781
France	1956	43 60	$ 22,710	10,787	6,742
W. Germany	1957	51.40	Fr. 13,990,000	17,640	4,046
Italy	1956	48 10	Dm. 158,000	18,057	3,513
Norway	1956	3 46	Lr. 11,476,000	3,760	1,821
Sweden	1956	7 30	Kr. 20,990	1,408	4,358
Netherlands	1956	10 80	Kr. 44,580	4,127	5,653
Denmark	1956	4 46	Grs. 25,490	3,215	7,977
Switzerland	1956	5.00	Kr. 24,660	1,690	3,789
			Sw. Fr. 25,630	2,807	5,614

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source : *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53=100]

Group and Sub-Group	Week ended 19th July 1958	12th July 1958	21st June 1958	20th July 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.2	99.1	99.1	98.4
2. Government of India	99.0	98.9	98.9	98.1
3. State Government	100.6	100.6	100.6	100.2
4. Municipal, Port Trust, etc.	98.8	98.8	98.8	99.4
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.2	99.2	99.1	101.2
6. Plantations	99.9	100.0	100.0	100.2
7. Coal	99.6	99.6	99.6	100.4
8. Sugar	99.0	99.0	99.0	100.6
9. Cotton Textiles	97.5	97.5	97.9	100.3
10. Jute Textiles	92.9	92.9	92.9	98.1
11. General Engineering	97.8	97.8	97.8	99.9
12. Electricity Generation and Supply	96.5	96.5	96 5	98.8
13. Others	101.1	101.1	101.1	102.9
PREFERENCE SHARES—ALL INDIA.				
14. Total	86.0	85.8	85.3	91.7
15. Plantations	95.2	95.2	97.3	105.5
16. *Mining & Quarrying: Total@*	84.7	84.2	85.6	93.1
17. Coal	74 5	74.2	75 5	85.2
18. *Processing and Mfg. : Total**	85.8	85.7	84.8	92.2
19. Sugar	88 3	88 7	88.8	97 4
20. Cotton Textiles	80 2	80.0	78 5	89.8
21. Jute Textiles	71.9	71.3	68 9	77.7
22. Iron and Steel	89 9	88 8	91 6	91 5
23. General Engineering	98 5	98.5	99.4	116 7
24. Basic Industrial Chemicals	85 0	84 6	83 6	87 0
25. Cement	96 5	95 3	95.2	102.8
26. Paper	83 8	83 8	84 0	93 5
27. *Other Industries : Total**	84.4	83.8	83.7	85.0
28. Electricity Generation and Supply	87.5	86 8	86 8	86 6
29. Trading	75.0	74.3	74.2	78 8
30. Shipping and Other Transport	85.2	85.2	85.6	86.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	136.8	136 6	131.1	133.8
32. *Agriculture and Allied Activities : Total**	155.3	150.9	145.4	164.6
33. Tea Plantations	151.7	145 8	141.0	164 8
34. Coffee Plantations	209.6	208 1	198.1	187 4
35. Rubber Plantations	149.0	148 5	141.9	158 2
36. *Mining and Quarrying : Total.*	140.8	138.0	131 1	135.2
37. Coal	103.0	100 4	100 1	91.8
38. Other Mining	166.7	163.8	152 3	164 9
39. *Processing and Manufacturing : Total*	135.8	136.0	130.0	134.4
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.) : Total**	128.6	126.7	121.4	131.1
41. Sugar	155 3	150 9	145 4	164 6
42. Cotton Textiles	119 6	119 9	113 2	132 2
43. Jute Textiles	73 1	72.9	67 5	67.9
44. Silk and Woollen	408.2	413.4	404.0	367.0
45. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	148.3	146.8	139 1	138.9
46. Iron and Steel	137.7	137 9	129 1	121 6
47. Transport Equipment	205 3	206.0	192 1	191 1
48. Electrical Machinery	144.5	143.9	131 4	195.3
49. Machinery other than Transport and Electrical	156 3	157.0	155 3	156 6
50. Basic Industrial Chemicals	125 9	125 3	113.4	123.1
51. *Processing and Mfg. (Others)*	144 6	144.7	139.3	135.9
52. Cement	139 3	139.0	131 4	133 2
53. Paper	182 3	182.9	181 7	167 2
54. *Other Industries : Total**	109.8	110.1	107.3	106 9
55. Electricity Generation and Supply	91 3	91.3	90 5	91 8
56. Trading	89 2	88 0	83 1	83 3
57. Shipping and Other Transport	132 3	132.4	126.5	124 2
58. Construction	218 5	221 1	217.0	204 4
59. *Financial : Total*	170 7	171 2	167 9	142 4
60. Banks	192.7	194 1	188 4	158 4
61. Insurance	127.8	125 1	126 3	104 6
62. Investment Trusts	77.8	77.1	75.3	88.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	139.9	140 4	134.3	130.5
64. Calcutta	132.1	131 2	126.5	129.3
65. Madras	150.7	151 2	145.0	159.1
66. Delhi	167.0	164.6	154.3	159.5

*Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
@ Including other mining.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of average Number of workers involved	Number of man-days lost
1954	840	477,138	3,372,630
1955	1,166	527,757	5,697,348
1956	1,203	715,130	6,992,040
1957	1,630	889,871	6,429,819
April 1957	161	62,804	416,079
May „	163	60,774	466,297
June „	153	100,626	737,423
July „	198	92,160	770,064
August „	206	145,721	883,088
September „	231	144,793	842,223
October „	224	103,150	554,827
November „	175	58,444	348,575
December „	162	85,490	518,744
January 1958	147	56,492†	371,125†
February „	152	99,482††	447,586††
March „	167	85,462††	818,824††
April „	153	58,411(b)	496,816(b)

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

		All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)
1952 Average	.. ..	103	337	259	310	92	101	351	102	106	106	111	113	99
1953 „	.. ..	106	363	275	323	95	103	349	109	106	104	102	113	100
1954 „	.. ..	101	359	244	304	85	99	327	106	106	91	98	102	96
1955 „	.. ..	96	338	217	240	76	96	321	99	99	83	87	98	86
1956 „	.. ..	105	353	244	316	89	105	347	111	109	95	96	104	100
1957 „	.. ..	111	360	259	339	94	112	364	116	114	99	106	115	107
February 1957	.. ..	107	357	253	341	92	109	350	114	114	100	100	107	105
March „	.. ..	107	356	254	330	91	110	348	114	114	99	99	107	105
April „	.. ..	108	356	256	333	89	110	345	114	112	95	102	110	107
May „	.. ..	110	363	257	337	92	111	352	114	114	96	104	113	108
June „	.. ..	112	370	259	339	93	112	371	115	115	98	103	113	111
January 1958	.. ..	111	382	254	320	91	115	368	120	109	96	103	120	107
February „	.. ..	110	380	248	297	89	115	364	120	108	95	103	118	105
March „	.. ..	110	381	253	293	89	115	368	119	108	96	102	119	105
April „	.. ..	111	388	261	295	91	116	368	119	107	96	100	118	106
May „	.. ..	112	387	263	295	..	..	..	..	107	96	101	119	107
June „	.. ..		395	273	307	..	..	..	..	..	..	..	..	..

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A		7-Year B		12-Year B		12-Year National Plan Savings Certificates G		Post Office Savings Bank Deposits		10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F		4% C		15-Year Annuity Certificates G		Total	
	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings		Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts
1952-53	6,83	3,26	84,17	..	..		113,35	32,03	..	—31,07	25,54	..	..	..	..	..	146,83		211,03	
1953-54	5,91	4,26	104,38	..	..		117,37	106,29	..	—34,20	32,11	..	..	..	..	..	152,71		252,96	
1954-55	4,70	4,99	124,64	..	..		135,88	..	..	—36,35	37,15	..	55	54	..	..	177,35		310,29	
1955-56	3,76	5,48	144,37	..	..		158,11	167,85	16,38	—37,68	41,25	..	..	45	95		203,53		380,04	
1956-57	3,00	6,

SURVEY

(*Concluded from page 179*)

annual rate of 960,000 or 170,000 above the level reached in 1957. The production of bicycles in 1958 might thus be expected to exceed the original target of 8,95,000 laid down in the second Plan; the target, however, was recently raised to 1,350,000.

More or less the same trend was maintained in many of the other modern industries. Machine tools, for instance, continued to step up its production during the four months under review, and accounted for Rs. 1.36 crore or an annual rate of Rs. 4.08 crores, as against the total value of Rs. 2.5 crores in 1957. There was a marked increase in the turnover of power-driven pumps which was of the order of 25,400 for the first four months of 1958, as against 63,600 in the whole of 1957. The output of electric motors was 191,400 h.p., the figure for 1957 being 469,200 h.p. About 64,000 radio receivers were produced during the period under review, the aggregate output last year being 190,000. The number of sewing machines manufactured was 64,900, as against 166,600 in the whole of 1957.

Considerable progress has been recorded in many of the important chemical and allied industries like caustic soda, soda ash, paper and paper board, power alcohol and sulphuric acid. Production of coal has been running at an annual rate of 45.6 million tons during the four months ended April this year, as against 43.5 million tons for 1957. Among metal industries, aluminium has shown a rise, production being 2,755 tons for the four months under review or 8,265 tons per annum, as against 7,771 tons in 1957.

FINANCING CAPITAL GOODS IMPORTS

(*Concluded from page 184*)

ferred by foreign creditors than shares of stock which, being "property quotas," increase in value parallel to the gradual augmentation of the real property market values which they represent. (Take this example for a long-term debt settled by bonds: In W. Germany, the yearly "devaluation coefficient" of the DM., or, the yearly loss of the currency is about 3 per cent. This means that 100 DM., loaned today, for repayment in 40 years, might be worth only 1 (one) DM. in purchasing value after 33 years.)

Of course, bonds cannot be avoided entirely in Asian-W. European economic relations, and therefore two principal precautionary considerations are under study in W. Europe, namely, (*a*) A "gold clause" should be inserted in Asian bonds, whereby the amount of money bonded in each single Asian debenture shall be expressed also in a definite quantity of pure gold, indicated in grammes. The Asian debtor will have to pay, at the maturity of the bond, the counter-value, at the free market price, of the quantity of gold indicated on the respective bond. Another idea, mentioned before, would be (*b*) to obligate W. European importers of Asian raw material to utilise preferably Asian debentures for the payment of their imports.

Recommendation for Joint Asian Action

The most urgent task not only for India, but also for all Asian countries associated with the Colombo Plan, S.E.A.T.O., and E.C.A.F.E., and including Japan, should be the establishment of a permanent institutional contact with the O.E.E.C. in Paris. A special delegation of Asian countries should strenuously endeavour to strive there for the adoption, by the O.E.E.C. industrial countries, of the aforementioned principles for the "distribution of the load" in their export—and import—transactions with Asia. The United States and Canada have been associated with the O.E.E.C. right from its inception.

Two very strong arguments could be used by Asian delegates at the O.E.E.C.:

(*a*) "Asia is an immeasurably great reservoir of industrial *orders* for W. European industrial countries which should desire to maintain a long-term full-employment in the heavy industry, and with that, secure safer chances for the "pursuit of happiness."

(*b*) "It is assuredly in the common interest of the entire O.E.E.C. Community of Nations that none of the industrial member countries shall overburden itself financially in connection with any Asian industrialisation project, lest its ability to assist other countries might be impaired. Therefore, all O.E.E.C. industrial countries should see to it, that their shares of engagement be fairly equitable both in (1) Asian industrialisation projects, and (2) in the correlated bulk purchases of Asian raw materials."

The old argument about the "moral obligation of the rich countries to help the poor ones" does not seem effective enough to me in view of the prevailing materialistic outlook on life in W. Europe.

The present recession, which has begun already to "pinch" certain sections of W. European heavy industry, usually engaged in exports of capital goods, seems to me as the psychologically most fitting and appropriate moment for Asian diplomats and economic experts to broach these issues at the O.E.E.C. in Paris *jointly* and immediately. Resistance against a "joint *démarche*" of Asian delegations at the O.E.E.C. in Paris would be extremely difficult. Finally, I would recommend that the said Asian delegations at the O.E.E.C. submit a proposal for an "Asian Industrialisation Conference," to be arranged and held in Paris within the O.E.E.C., *in this autumn*, in order *to outline*, at least, the aforesaid general concepts and related ideas, and to attempt to lay down the general concepts for a future course of action; leaving wisely to the future the elaboration of the various technical details, and their gradual implementation. To put it more bluntly: the free nations of Asia should exact the fullest recognition of their sovereignty from all W. European countries, including the "former colonial powers," by discussing and debating the aforementioned issues with these countries on a footing of *real*—and not only of apparent—equality.

COMMERCE AND INDUSTRY

(*Concluded from page 196*)

of surpluses, introduction of synthetic products, overproduction, etc. He complained of Soviet competition, saying that the Soviet Union, which was not a party to international accords, disposed of vast stocks, e.g., of wheat, and disrupted the traditional market patterns. The representative of the Food and Agriculture Organisation pointed to such difficulties as directly opposing interests which caused consumers to seek guarantees against increase in prices while producers sought guarantees of exactly the opposite. Mr. Gordon Williams of the International Monetary Fund declared that the commodity problem was frequently at the base of balance of payment difficulties. The Fund attempted to remedy this through credits and technical aid. This was not granted automatically but after a close examination of the requesting countries' fiscal policies. He, however, called for suggestions for improvements of the Fund's operations. The I.M.F. cannot, of course, waive its right to examine each case on its merits. What is necessary is that such examination should be carried out expeditiously before the necessary assistance is given.

Notice

THE BENGAL PAPER MILL CO. LTD.

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting (being the One hundred and thirty-fourth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Wednesday, the 20th August 1958, at 12 noon, to consider the Profit and Loss Account for the year ended 31st December, 1957, and the Balance Sheet as at that date, the Report of the Auditors thereon, the Report of the Board of Directors, to declare dividends and to transact other ordinary general business of the Company.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 6th August to 20th August, 1958, both days inclusive.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, 21*st July*, 1958.

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 31st July 1958.

	Closing quotations 24-7-1958	High	Low	Closing quotations 31-7-1958
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	175.00	178.75	173.75	178.75
Apollo (2)	1.92	1.92	1.82	1.82
Bombay Dyeing (25)	59.70	59.90	59.00	59.40
Bradbury (50)	175.00	—	—	175.00
Central India (100)	97.00	97.00	94.50	94.50
Century Mills (100)	478.00	477.50	447.00XR	450.50XR
Colaba (100)	29.50	29.50	29.00	29.00
Edward Textile (200)	260.00	—	—	260.00
Elphinstone (50)	41.00	41.50	41.00	41.50
Finlay (100)	285.00	286.50	283.00	284.00
Gokak (100)	152.00	152.50	150.00	150.00
Ind. Unid. Defd. (1)	1.50	1.58	1.50	1.52
Ind. Unid. Ord. (10)	10.12	10.28	10.08	10.20
Indore Malwa (100)	114.00	114.00	107.50	108.00xd
Khatau (100)	188.75	189.50	187.50	189.00
Kohinoor (100)	285.00	284.00	279.00	281.00
Lakshmi (250)	442.50	—	—	442.50
Minerva Mills (100)	65.00	—	—	65.00
Model Nagpur (250)	170.00	172.50	166.25	168.75
Morarji (100)	238.00	241.00	238.00	241.00
Mysore (50)	92.50	—	—	92.50
National Rayons (100)	233.75	234.00	229.50	229.50
New City (100)	118.00	—	—	118.00
New Great (100)	215.00	220.00	219.00	220.00
Phoenix (100)	120.00	—	—	120.00
Podar Mills (100)	139.25	140.00	139.25	140.00
Sassoon Silk (10)	9.88	—	—	9.88
Sassoon Spg. (10)	47.50	—	—	47.50
Solapur (1,000)	375.00	—	—	375.00
Shrihya (100)	157.00	162.00	157.00	162.00
Simplex (50)	185.00	188.00	175.00	175.00xd
Standard (100)	432.50	436.00	431.00	433.00
Sradadi (100)	192.50	192.50	188.50	189.50
Swan (100)	370.00	370.00	365.00	365.00
Tata Mill (25)	39.75	40.00	38.50	39.00
Vikram (100)	115.00	115.00	110.00	110.00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	135.00	134.75	134.25	134.75
Do. (New) (50)	136.50	136.50	135.50	136.00
Bank of Baroda (50)	123.00	123.00	122.00	122.00
Central (25)	54.80	56.70	55.00	56.70
Central 'A' (25)	58.00	58.50	58.00	58.00
Dena Bank (50)	45.00xd	—	—	45.00
Punjab National (25)	59.00	59.00	58.00	60.00
Union Bank (5)	7.12	7.20	7.12	7.20
United Com. (50)	61.50	61.50	61.00	61.00
ELECTRIC COS.				
Ahmedabad (100)	95.70	96.00	95.00	96.00
Amalgamated (10)	10.72	10.80	10.68	10.68
Andhra Valley (1,000)	1,180.00	1,187.50	1,185.00	1,185.00
Bom. Sub-El. (100)	107.25	108.25	107.25	108.25
Surat (100)	110.00	110.50	109.50	110.50
Tata Hydro (100)	122.00	122.50	122.00	125.00
Tata Power (1,000)	1,225.00	1,242.50	1,223.75	1,238.75
INSURANCE COS.				
British India (10)	15.84	—	—	15.84
Empire of India (100)	265.00	—	—	265.00
Ind. Mercantile (20)	47.00	—	—	47.00
Jupiter (15)	7.12	—	—	7.12
New India (15)	46.50	46.50	46.00	46.50
Oriental (200)	4,095.00	—	—	4,095.00
Universal (10)	12.00	—	—	12.00
Vulcan (10)	18.24	18.24	18.16	18.16
STEEL COS.				
Ind. Iron (10)	23.60	24.12	23.60	24.08
Tata Steel Ord. (75)	167.50	169.00	166.50	168.25
SUGAR COS.				
Belapur (50)	263.50	263.00	259.50	260.00
Bhopal (10)	22.64	22.76	22.64	22.76
Phaltan (50)	154.75	154.50	152.50	153.00
Walchand Ind. (100)	281.25	282.50	281.25	282.50
CEMENT COS.				
Associated Cts. (100)	156.50	157.00	154.75	156.25
Digvijay (100)	154.50	154.50	154.25	154.25
MISCELLANEOUS				
Alcock Ashdown (100)	256.25	257.50	252.50	253.75
Bom. Burmah (125)	582.50	581.50	571.00	575.00
Do. (New) (50)	216.50	218.75	213.75	213.75
Br. B. Petrol (4 sh.)	2.28	2.30	2.20	2.24
Br. I. Corpn. (5)	3.50	3.76	3.50	3.76
C. P. Ely. (100)	60.00	—	—	60.00
Hindusthan Motors (10)	7.88	7.96	7.75	7.76
Indian Copper (2 sh.)	3.96	4.00	3.88	3.96
Ind. Iny. Tr. (100)	74.70	—	—	74.70
Killicks (100)	145.00	145.00	143.75	144.25
Poison (100)	163.00	—	—	163.00
Pre. Automobiles (100)	92.50	94.50	91.50	92.50
Premier Con. (50)	202.25	204.50	196.50	197.25
Scindia (20)	19.48	19.76	19.36	19.72
G. I. Shipping (10)	24.72	24.84	24.68	24.84
Shivrajpur (10)	93.50	93.50	92.00	92.00
Tata Chemicals (10)	16.56	16.60	16.16	16.32
Tata Locomotive (100)	178.25	175.00	170.00	174.50
Tata Oil (25)	41.75	41.75	40.25	41.50
W. I. Match (100)	176.50	177.00	175.00	175.00

GOVERNMENT SECURITIES	24-7-1958 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	31-7-1958 Rs.
2½% 1961	95.70	—	4.00	95.80
2½% 1960	98.80	—	3.63	98.30
2½% 1962	95.65	—	3.87	95.65
2½% 1975	83.10	—	4.08	83.10
3% 1958	99.85	—	—	99.85
3% 1959–61	99.50	3.47	3.16	99.55
3% 1964	95.70	—	3.71	96.00
3% 1965–65	95.65	3.89	3.66	95.85
3% 1966–68	93.15	3.98	3.81	93.15
3% 1970–75	87.50	4.31	4.00	87.75
3% 1986 Con. Loan	71.05	—	4.22*	71.05
4% 1960–70	100.35	3.81	3.97	100.35
2½% 1961 N.P. Bonds	99.70	—	3.59	99.75
2½% 1964 N.P. Loan	99.00	—	3.66	99.15
2½% 1965 N.P. Bonds	98.60	—	3.70	98.75
2½% 1962	98.20	—	3.72	98.25
2½% 1967 N.P. Bonds	97.80	—	3.78	97.90
2½% 1974	98.30	—	3.89	98.30
2½% 1967 N.P. Bonds	99.65	—	3.77	99.85
4% 1972 Loan	100.35	—	3.97	100.35
2½% 1965 N. P. Bonds	99.50	—	3.64	99.35
2½% 1968 N. P. Bonds	99.60	—	3.79	99.60
4% 1973 Loan	100.05	—	4.00	100.05

BRITISH GOVERNMENT SECURITIES

	Closing quotations 23-7-1958 £			Closing quotations 30-7-1958 £
2½% Brit. Consols	50½	—	—	50½
3% Savings Bonds 1965-75	71½	—	—	72½
3% War Loan 1955-59	98½	—	—	98½
3½% War Loan	66½	—	—	67½
4% Victory Bonds 1976	93½	—	—	92½
4% Funding 1960-90	86½	—	—	86½

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

COMMERCE

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

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11 AUG 1958 PUBLIC DEPARTMENT

FRESH THINKING ON FOOD NEEDED

ALL is not quiet on the food front. Prices of food articles are creeping up. A partial, if not a complete, explanation for the recent labour unrest in the country is the increase in food prices. The index number of wholesale prices of food articles (Base: 1952-53=100) was 117.9 for the week ended 12th July 1958, as against 110.7 a year ago, the corresponding index numbers for cereals being 109.1 and 104.0. Food prices have risen faster than "all commodities" which shows how the former are out of step with the general trend in prices. The index number of all commodities has moved up over the relevant period by a little over six points to 114.4. What makes the rise in food prices particularly disturbing is that it has occurred, despite the fact that arrangements for large imports of foodgrains have been successfully completed and measures restricting bank credit to foodgrain trade have been consistently followed. Imports aggregated 3.5 million tons in 1957, as against 1.6 million tons in 1956. There is a two-million-ton import programme for this year. Not long ago, buffer stocks were estimated at 1.5 million tons. All this has not prevented food prices from rising.

A modest rise in food prices is not necessarily a matter for alarm. But the increase that has now taken place is certainly not modest, especially considering that nearly all of it has been compressed into a period of two months. Further, it has occurred on top of a 10 per cent. rise that had taken place in the twelve months ended 14th July 1957. Thus, over a period of two years, the cost of food has gone up by 16 to 17 per cent. The situation deserves to be watched, in order that it may not deteriorate further. An appropriate measure has been the banning of forward trading in coarse grains in that important market, Hapur. At the same time, it must be remembered that no tinkering with the forward market mechanism can help bring down prices. After all, prices in the forward market reflect, but do not create, conditions of availability of supplies, pressure of demand and future prospects. A permanent solution must be sought through augmenting supplies which, in the context of the continuing foreign exchange shortage, could only mean increased reliance on improving domestic output of foodgrains.

It is here that the Government's policy has failed to carry conviction to the people. The official agricultural policy has often come under fire of Press and Parliamentary criticism. And, despite all the expert attention it has received, it still remains an endless round of conferences and expert committees and eloquent talk. If proof of the policy is a progressive rise in production, it is yet to be proved. It has been infinitely easier to revise targets than to reach them. The original target of 10 million tons by way of additional production over the 1955-56 level of 65 million tons of foodgrains was revised to 15.5 million tons to be reached by the end of the second Plan. This would mean a production target of 80.5 million tons to be reached by stages in 1960-61. Some planners felt hurt when the Asoka Mehta Committee said that it would be possible to reach only a lower target, namely, 77.5 million tons, as against the estimated demand for 79 million tons by 1960-61. In the absence of resolute measures to improve agricultural production, even the modest target contemplated by the Asoka Mehta Committee might become unattainable. It may be noted here that the output of foodgrains in 1957-58 is expected to be much lower than even in 1956-57 when it aggregated 68.7 million tons.

Against this background, it is gratifying to note that the Union Ministry of Agriculture is working out a scheme for mobilising the services of technical personnel in the Central and State Governments in the cause of increased agricultural production in the next *rabi* season. While this is a step in the right direction, it may be wondered whether it will yield significant results. One's experience hitherto does not warrant the acceptance of this programme at its face value. That apart, there are not enough technical men to go round. Even the Community Development areas have complained of paucity of trained personnel for leadership and guidance. Further, what these men can achieve is strictly limited in the absence of other facilities. The problem of raising agricultural production is essentially one of implementing an integrated programme in which provision of irrigation facilities, fertilisers and improved seeds all play a determining role. For instance, the failure to provide field channels promptly enough has meant considerable loss in output in areas which are otherwise well supplied with irrigation potential. In this connection, Mr. V. T. Krishnamachari, Deputy Chairman of the Planning Commission, quoted recently some telling statistics. He pointed out how, by the end of the second Five-year Plan, Rs. 788 crores would have been spent on irrigation. He added: "It is obvious that, if utilisation is to proceed according to the old ideas—that is, if it is left to the people entirely and is spread over 10 to 15 years—the nation will be losing Rs. 30 to 40 crores a year in interest alone and three to four times that amount in output." All instances of unutilised irrigation potential—and there are many such—are a national waste which is bound to give a further fillip to inflationary pressure. The State Governments should, therefore, lose no time in taking effective measures designed to ensure that all the irrigation potential which has been created is fully utilised.

Further, special attention deserves to be devoted towards making fertilisers and organic manure available in larger quantities in rural areas. In this connection, we commend to the State Governments and local authorities the scheme for producing organic manures, outlined by Mr. M. S. Sivaraman, Adviser, Programme Administration, Planning Commission. Mr. Sivaraman, who, besides possessing practical experience as an administrator, is a painstaking student of Indian agriculture, has pointed out that one of the main reasons for the general low level of agricultural production in India is the widespread deficiency of soil nitrogen; of all the commonly available sources of nitrogen, green manure and rural composts have great possibilities of rapid development. His scheme involves the distribution of green manure seeds and cultivation of green manure plants without sacrificing any crop. Nitrogenous fertilisers are no doubt useful, but the country's capacity to produce them on the scale needed by it is not there and will take a long time to be created. The present supply of chemical fertilisers is hardly sufficient for one-fourth of the irrigated area of about 60 million acres. In distinct contrast to this, green manure is easily raised and, when applied, could increase yields by 20 to 40 per cent. The chief reason for the slow progress in the development of green manuring is inadequate supply of green manure seeds. Mr. Sivaraman advocates concentration of effort on the production of extra plant materials which are quick growing and adaptable to varied conditions of soil and climate. He has himself found such plants as will answer this description.

While there are thus many details of agricultural programme which deserve notice and implementation, the main thing is to place agricultural production, in general, and food production, in particular, on a war footing. The Central and State Governments have unfortunately given the impression that they lack a sense of urgency in their task. Peasants too lack enthusiasm. Ideological land reforms, which force the rich landlords out of the villages and prevent the inflow of capital and intelligent interest into them, have been largely responsible for the apathy to agricultural production now afflicting the rural areas. Be that as it may, Indian agriculture, as Mr. C. D. Deshmukh rightly pointed out a few days ago, needs thorough reorientation. He has suggested the setting up of a National Food Production Council, fixation of production targets at the basic village level and the creation of necessary organisation to reach the targets. These are not the stray thoughts of an arm-chair politician—in fact, he has stressed the need for a non-political approach—but of a man who combines in himself a sense of detachment with intimate knowledge of men and affairs. It is, however, well to remember that no agricultural policy can succeed without the active co-operation of the millions of peasant-proprietors in the country. But this cannot be secured through mere well-intentioned appeals. It would require a price policy which, even if did not bring in a good return to the farmer, would at least ensure fair minimum prices for his produce. Reasonable stability in farm prices and some assurance of minimum security of return on the effort and capital put in are the *sine qua non* of a wise agricultural policy.

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VALUE OF TOURISM

ALTHOUGH travel has for long been regarded as part of liberal education, tourism as an industry catering to the needs of travellers is of recent origin. It is now recognised all the world over that tourism is an industry with rich potentialities for invisible exports. Nor is its human appeal less important, considering that it widens international contacts and understanding. The rapid growth of communications and the development of fast-moving modes of transport have given a fillip to tourism which it never received in the less hectic past. Gone are the days when, even in a romance, it took eighty days to travel round the world; in less than as many hours, a globe-trotter goes around the world about his business. The progress in means of communication has been pressed into service in all countries for promoting tourist industry which has stimulated numerous ancillary services such as hoteliering, publication of tourist literature and manufacture of souvenirs, an essentially small-scale industry.

India, however, arrived late in the general race for attracting tourist traffic, the first con-

scious effort at promoting tourism having been made by the Sargent Committee in 1945. Since then, many measures have been taken, all designed to develop tourist industry, including the setting up of a tourist division as part of the Ministry of Transport and Communications and of tourist offices in India and abroad. The goal of the Government's tourist policy is to attract foreign tourists and promote internal tourism. By and large, it has paid rich enough dividends, especially considering that India's efforts in the field are of recent nature. The number of foreign tourists who visited India has quadrupled in six years, from 20,000 in 1951 to 80,000 in 1957. In 1951, the foreign exchange earned from tourism was no more than Rs. 7.7 crores. By 1955, it had risen to Rs. 10.1 crores and by 1956 to Rs. 15.45 crores; last year, it improved still further to Rs. 16 crores. It has thus exceeded the target of Rs. 11.57 crores set for 1958 under the second Plan. In fact, it is already higher than the target of Rs. 15.31 crores set for 1960.

Nevertheless, India's income through tourism is far less than what it could be. It does not form even 3 per cent. of its export earnings. There is wide scope for increasing the income, thanks to the large number of places of scenic beauty and historical interest India possesses. Appropriately enough, the Union Minister for Transport and Communications, Mr. S. K. Patil, inaugurating the first meeting of the Tourist Development Council, held at Srinagar last week, emphasised that our objective should be to make this country "attractive and magnetic, in fact a tourist paradise." Clearly, a great deal depends upon provision of comforts for tourists, external publicity and guidance to visitors. The tourist organisation of the Union Ministry of Transport and Communications now consists of four secretariat sections and one research unit in the tourist traffic division, 15 well-established tourist offices in India and seven tourist offices abroad. Tourist material, published by the Government, includes books, pamphlets, folders, maps and posters in several European and Indian languages. There are now about 25 recognised travel agents, four excursion agents and 12 *shikar* agents. The system of guide training course, according to the Ministry's annual report, has proved "very effective." If this is so, there is no reason why short-term courses should not be given to certain selected members of the staff on the railways, airlines and large motor transport organisations, so that they could provide additional guidance to foreign tourists.

To revert to the meeting of the Tourist Development Council. The Council recommended a fair deal, for both home and foreign tourists, more concentrated effort on developing selected tourist spots as against spending available resources too thinly over a large number of places, block reservation in regional rest houses for tourists, greater procedural and functional facilities for *shikar* parties to be decided by a conference to be convened shortly, and drawing up of a calendar of events with fixed time festivals marked on it for the information of tourists. The Council also discussed the salient recommendations of the Hotel Standards and Rate Structure Committee regarding classification of hotels, rate control and funds for giving loans to hotel industry. It is noteworthy that the Council suggested relaxation of prohibition rules, provision of Indian cultural and entertainment shows in hotels in place of Western floor shows, organisation of more youth hostels and popularisation of certain colourful festivals, such as the "Dussara" in Mysore and "Almond Blossom" festival in Kashmir. These suggestions, if implemented, will certainly make India more attractive to foreign tourists.

There are two specific issues which deserve to be kept under constant scrutiny, namely, customs formalities for foreign tourists and cost of internal tours. Customs formalities have a way of multiplying themselves into an interminable round of inconvenient form-filling and irksome interrogation. It is, however, gratifying to note that the Government has been prompt in implementing the recommendations of the Special Committee which examined the question of simplification of entry formalities for tourists. It would appear that, in pursuance of the recommendations of this Committee, the baggage rules for tourists have been further liberalised with effect from 1st January last. This aspect of tourism should be examined from time to time, in order to ensure that the tourist does not encounter unusual difficulties on his entry into this country. If they are to be effective, the customs formalities should compare favourably with Western countries with which India has to compete. As regards the cost of tours, it is well to remember that India is a vast country so that sightseeing involves not only travelling over long distances but frequent halts. The railway fares in India are fortunately low, as compared with those in many foreign countries. But the cost of boarding and lodging in many centres is disproportionately high. An all-India sample survey, conducted three years ago, revealed that the average expenditure per tourist per day was approximately Rs. 61.9, of which boarding and lodging accounted for Rs. 34. It should be possible to reduce the item of cost represented by boarding and lodging. And, if this were done, it might perhaps induce more tourists to come with their families. What is necessary is to ensure maximum comfort at minimum cost, or alternatively, to provide two or three classes of boarding and lodging to suit the purse of the different income-groups of foreign tourists. It is also essential that, in standards of cleanliness and hygiene, lodging, boarding and means of travel should be high and pleasant. In this respect, not all places of tourist interest in India compare favourably with those in Europe or America.

Finally, it cannot be too strongly emphasised that internal tourism has a great role to play in the development of tourist industry. For one thing, internal tourism is a unifying force in a country of India's continental size and divergent regional culture-patterns. It has thus a national significance, in that it will make for that "emotional integration" the absence of which is mainly responsible for excessive regional loyalty and fissiparous tendencies. As the Estimates Committee, in its report on "Passenger Amenities," rightly said: "In order that the people living in different areas may capture the spirit of the common culture and see clearly the unity behind this outward diversity, frequent intermingling of the people of different areas is very necessary. Travel thus becomes a part of the national education and a great binding force amongst the people living in different areas and speaking different languages. Unless a man sees for himself the snow-clad Himalayas in the North and the confluence of three oceans at Kanya Kumari, unless he has visited all the important places of religious and historical interest, which are interspersed throughout the length and breadth of the country and has observed the modes of living of the people in different areas, he cannot be truly said to have imbibed fully the spirit of the cultural heritage of this great country." Secondly, it has an economic significance which is derived from the fact that it will enable the tourist industry to help supplement its income from foreign tourists which will necessarily be small till India is able to attract a larger number of visitors from abroad. It is comomn knowledge that export markets of an industry are well sustained if that industry has a good, strong domestic market. This criterion is true of the tourist industry, too. Appropriately enough, internal tourism has been left to the States which can be trusted to publicise their respective centres of tourist interest. Even so, there is some need for all-India co-ordination of their efforts.

ROAD TRANSPORT

A COMMENDABLE feature of the Government's transport policy is the increasing attention the authorities are giving to road transport. Although a great deal remains to be done, particularly in the matter of providing relief in taxation of motor vehicles, there is no doubt that, by and large, the Government's policy has been redesigned to give a fillip to motor transport. The amendment to the Motor Vehicles Act removing restrictions on road transport, the amendment of the State Bank Act permitting advances for purposes of hire-purchase of vehicles and the appointment of the Inter-State Transport Commission are among the constructive measures adopted by the Government. The setting up of the Road Transport Reorganisation Committee (Chairman: Mr. M. R. Masani) which is now engaged in collecting evidence and memoranda from various industrial and trade organisations and individuals interested in road transport, also reflects the Government's keen desire to ensure that the organisation of road transport receives the benefit of expert probe.

Meanwhile, it is gratifying to note that, in the interest of proper and planned development of transport and to ensure co-ordination between the various modes of transport, on the one hand, and the Central and State transport policies, on the other, the Government has decided to set up three new transport bodies. They are the Transport Development Council, the Road and Inland Water Transport Advisory Committee, and the Central Transport Co-ordination Committee. The Council, of which the Union Minister of Transport and Communications will be the Chairman, is a high-level body which will advise the Government of India on all matters of policy relating to roads and road and water transport. The membership of the Council will be restricted to the Transport Ministers of the States, the heads of the Union territories, the Union Ministers of Transport and Communications, Railways, Commerce and Industry and certain other Union Ministers. The Road and Inland Water Transport Advisory Committee, with the Minister of State in the Ministry of Transport and Communications as its Chairman and other official and non-official members, will discuss problems relating to roads and road and inland transport and make recommendations to the Council. The Central Transport Co-ordination Committee, which takes the place of the existing Standing Committee of the Central Board of Transport, will deal with the day-to-day transport problems. The new set-up, it is to be hoped, will be a prelude to a dynamic transport policy.

It is now widely recognised that no transport policy which does not include a bold programme of development of road transport will be of any avail to the country. The demand for goods transport, short-distance as well as long-distance, is increasing at a fast pace and available transport facilities are limited. It is difficult to estimate precisely the magnitude of the demand for transport in the next few years. At one time, it was believed that the demand could be placed at about 200 million tons at the end of the second Plan period. Since then, the estimate has been revised upwards. In this connection, Mr. L. P. Misra, General Manager, Hindusthan Motors Ltd., has estimated that, even if the second Plan were not fully implemented, the total annual lift would expand to about 270 million tons. Mr. Misra, in the course of a memorandum submitted to the Road Transport Reorganisation Committee, has estimated that the railways might carry 180 million tons at the end of the second Plan or even 200 million tons through increased efficiency. He adds: "The road, coastal and inland water transport carry at present only about 30 million tons, leaving a gap according to my calculations of at least 50 million tons which can be handled only on roads."

Mr. Misra's notable suggestions for the improvement of road transport include the setting up of a Ministry for Transport in each State and the appointment of a representative of State Transport Commissioner for each district. Permits for public carriers should be of two types, one available for the whole State and the other for inter-State operations; the duration for each permit should be at least eight years. There should be no restriction on the issue of "private permits," for no private party "will think of wasting Rs. 25,000 to Rs. 30,000 over a vehicle if he cannot find remunerative work for it." No undue emphasis should be placed on the "viability" of public carriers; the owner-drivers or owners of only two or three vehicles should not be debarred from allotment of permits. This is because it is easier for a person to acquire one vehicle and operate it than to arrange for large finance for 20 vehicles. A large viable unit of 20 vehicles would need Rs. 7 to Rs. 8 lakhs. It would not be easy to secure this sum. Even if it were possible for a unit to secure the necessary finance, it would be subject to many taxes, including wealth tax, from which the owner-driver would be relatively free.

Road transport is an industry which, if it is given the necessary facilities and the right treatment, could grow very fast. The Central and State Governments will do well to take note of the suggestions made by Mr. Misra. They will also do well to examine the constructive suggestions made by the Madras State Lorry Owners' Association, at its last annual meeting. The Association pleaded for the abolition of double taxation on inter-State transport and for the publication of motor transport regulations in regional languages. It also stressed the need for provision of weighbridges in important towns and district borders, so that lorry drivers can have the loaded vehicles weighed before commencing their journey. The Association deplored that the owners were "under the thumb of the brokers for getting the load for their lorries" and that the latter were charging heavy commission. It called for urgent action in regulating the licensing of booking and forwarding agents for which there is provision in the Motor Vehicles Amendment Act. Since the lorry-owners know where the tyre pinches, their grievances should be removed in the interests of rapid development of road transport.

MOBILISING PEOPLE'S GOLD RESERVES

RAW COTTON—TIN—COPPER

MARKET GOSSIP

THURSDAY, 5 P.M.

THE subject of mobilising the hoarded wealth of Indian people in gold and silver for the purpose of economic development has been talked about for a long time. It was a favourite theme with the academicians and a section of politicians before World War II, when India was exporting large quantities of gold following Britain's departure from the gold standard. The "prosperity" during the war and post-war years had led the people almost to forget it. Then came the plans for economic development, disclosing a large gap between the resources required and the resources readily available. This steadily dragged the subject to the forefront again. In recent years, some of the bullion dealers, notably Mr. Shantilal Sonavala, belonging to the well-known firm of Messrs. Motilal Vijbhucandas, have seriously canvassed the idea of issuing a "gold loan." The central feature of their suggestion is that the Government must borrow from the people the gold held by them and use it for importing capital goods and essential raw materials from abroad. For a long time, no one paid any serious attention to this suggestion, as it was rather woolly and sounded almost impracticable. But in the past one year, some began to take notice of it. Prime Minister Nehru himself at one time was reported to have said that there was nothing wrong with the proposal, provided some practical method could be found for implementing it.

During the past two months, there has been far more discussion of the subject than at any time during the past two decades. Three factors have been responsible for the tremendous interest shown in it.

The first is the acute shortage of foreign exchange. The fact that, in the next seven months, India will have to find some Rs. 200 crores of foreign exchange and as much as Rs. 550 crores before the close of the second Plan period, has made it worthwhile to consider even the most nebulous proposition. "Something is better than nothing." This is the spirit that has imparted great value to an idea which none of any importance bothered to consider two years ago.

The second factor is an estimate made by the Reserve Bank of India three months ago of gold and silver held by the people of this country. In the absence of any reliable estimate of these hoards, it was perfectly understandable if not much importance was attached in the past by responsible sections of public opinion to the proposal for issuing a gold loan. Incidentally, it seems reasonable to infer that the foreign exchange difficulties themselves must have spurred the Reserve Bank to make an estimate of the hoarded wealth. Its study is only a rough effort. The Bank itself does not claim perfection. Nevertheless, it has gone about the task in a systematic manner and its conclusions are fairly convincing.

The Reserve Bank's study has confirmed the general impression that savings in the form of gold and silver are vast. According to this estimate, published in the April (1958) issue of the Bank's monthly *Bulletin*, private stocks of gold must be in the neighbourhood of 105 million ounces which at the average price for 1957-58 of Rs. 289 per ounce in India would be equivalent to Rs. 3,035 crores. And at the present international price of gold (Rs. 167 per ounce), it would be equal to Rs. 1,750 crores or $3,500 million. Now, a general argument is that, even if 10 or 15 per cent. of this estimated hoard were to be mobilised, it would bring foreign exchange of the order of Rs. 175 crores or Rs. 265 crores. Stated thus, the proposition sounds attractive in the context of the present foreign exchange shortage. It is no wonder, therefore, that several responsible people have publicly extended their support to it.

The Reserve Bank's study places the stocks of silver held by the Government and the public at 4,235 million ounces, valued (on the basis of the 1957-58 average price of Rs. 4.9 per ounce) at Rs. 2,075 crores. By far the entire amount of these stocks is believed to be in private hands. Notwithstanding this sizable amount, none has so far proposed that the white metal too should be stimulated to move out of the hoards into productive channels. This is probably because it is not easy to sell silver abroad and the need of the hour is foreign exchange.

The third factor responsible for creating great interest in the idea of attracting gold out of the hoards is the example set by France, considered to be the biggest gold-hoarding nation in the world. As readers are aware, for the second time in the current decade, France has issued a gold loan. The first attempt was made in 1952 which yielded 1.25 million ounces, or 35 tons, of gold. Although this was not considered a success, the experiment was repeated in the second half of June this year (*vide* page 10 of *Commerce* dated 5th July 1958).

The second attempt of France is said to have been a considerable success. The list for gold loan closed on 12th July 1958. It is reported to have fetched gold of the value of at least $200 million, a sum sufficient to avert external bankruptcy. Although the gold collected is said to be only about 2 per cent. of the stocks believed to be held by the people in France, it is nearly four times as much as the gold collected in 1952. Besides gold tendered against this loan, cash subscriptions were of the order of $420 million.

There is some similarity between France and India. Both are hoarders of gold; both are short of foreign exchange; and both are suffering from inflation. There are no doubt some differences in regard to the causes of these developments in the two countries. But the end results are considered as sufficient ground for trying the French recipe. If France could try this solution, why not India? So runs the argument.

So far, the suggestion for a gold loan has been publicly supported by the following prominent persons:

(1) Dr. P. S. Lokanathan, Director-General of the National Council of Applied Economic Research, New Delhi. This eminent economist has only endorsed the idea, but has not put forward, so far as we are aware, any concrete scheme for implementing it.

(2) Mr. Chunilal Bhaichand Mehta, President of the Bombay Bullion Association Ltd. Mr. Mehta voiced his views at the annual meeting of the Association held three weeks ago. The main features of his suggestions are: the gold loan should contain a definite promise to repay in gold; in order to convince the ignorant people and make the loan definitely attractive, a gold coin, called gold mohur, weighing one tola, with 99.5 fineness, should be minted and displayed prominently in all the centres where the State Bank has an office; interest at the rate of 3 per cent. per annum, free of income-tax, should be given; no questions should be asked of the persons tendering gold against this loan as to wherefrom and how they got this wealth; and all investments in gold should be exempt from all forms of taxation, including wealth tax.

(3) Mr. A. D. Shroff, a prominent economist-*cum*-business man, who is acknowledged as an able adviser on financial matters. Mr. Shroff does not seem to have done any detailed thinking on the method of mobilising gold. In a speech at the Rotary Club, Bombay, last week, he, however, favoured the issue of gold certificates, free of all taxes and with a definite assurance that the value of the certificates at the time of repayment would be proportionate to the price of gold in relation to the prevailing price of commodities.

(4) Mr. H. T. Parekh, an economist, investment specialist and currently Deputy General Manager of the Industrial Credit and Investment Corporation. In an article to the recent Special Number of our contemporary, *Economic Weekly*, Mr. Parekh has advocated issue of Gold Deposit Certificates as a scheme for attracting small savings in gold. His idea is not to attract the gold which represents hidden wealth but that gold which constitutes the genuine savings of the upper and the lower middle class people. He, too, wants the gold certificates to be free from all taxes and strongly advocates that the certificates should be easily transferable and marketable. But he favours a limit being placed on the quantum of gold certificates which one can hold in the same manner as in the case of existing schemes of small savings.

Besides the aforesaid four that we know of, the latest issue of the *Economic Weekly* carries an article on the subject of mobilising hoarded gold by one who has chosen to remain anonymous. The main theme of his suggestion is to permit exports of gold by merchants at prices that can be realised in the world market, the exporter in India being allowed to use the foreign exchange proceeds for importing essential goods which are now scarce and can fetch a price that will not only compensate his loss on gold exports but also leave a sizable margin of profits. He feels that at a price people in India will disgorge gold as they did between 1932 and 1939. A feature of this suggestion is that the Government does not come into the picture, except to the extent of specifying the goods that can be imported against gold exports. There is no question of issuing a gold loan and, therefore, no repayment in gold later on. Since only essential imports are to be allowed under his scheme, he contends that it will help keep up production and employment and thereby serve the ends which the second Plan has in view.

None of the above persons has made any estimate of the gold that could be obtained by the steps advocated by them. Not even a guess has been made by them.

There are some pessimists who feel that the chances of success for a gold loan are very limited. Their grounds for holding this view are as follows:

Unlike in France, gold in India is bought more for purposes of jewellery and ornament than as store of value, though it undoubtedly serves that function, too. With the vast majority of people in India, gold has a religious function also, which is not the case in France. Consequently, a gold loan designed to be a hedge against inflation may not have the same attraction in India as it has had in France.

Again, the percentage of private gold stocks in India representing black market, or tax-evaded, money is not as large as many people believe. Even if there is a sizable amount on this score, that gold may not prefer to come to the surface for lack of confidence in official promises. There is a serious misgiving that, in a socialist State, the undertakings given by the present Government may not be honoured by its successors. The talk of ceilings on income and wealth, coupled with the imposition of confiscatory taxation, has already undermined the confidence of investors. Further, with the steady growth in the influence of the Communist Party in India, such assurances have less value than would be the case otherwise. It must be remembered that the relatively better success of the latest gold loan in France is most probably due to the fact that it was issued by a pronouncedly rightist Government and that at a time when the leftist forces in that country had become extremely weak.

In France, gold hoards are believed to be held chiefly in the form of bullion, while in India the yellow metal is mostly in the form of jewellery, ornaments, utensils, images of gods and goddesses, etc. Held in this manner, gold exercises greater sentimental attachment over a person than when it is kept in the form of bars. Another difference as compared with France is that gold holdings are thinly distributed over a larger number of people. Yet another difference is that gold in India is mostly with women who will be more reluctant than men when it comes to the question of parting with it. Moreover, women in India prefer to keep in their possession a part of their family savings in gold as a hedge against the vagaries and vices of their menfolk. Against this background, if even in France only 2 per cent. of gold hoards could be attracted, what chances are there of getting any sizable amount from the gold hoards in this country? Even 2 per cent. would bring only about Rs. 35 crores (in terms of world price), on the basis of the aforesaid estimate of the Reserve Bank.

There is an impression among some persons who claim to know the mind of the people better than the officials or the politicians that the Government should not issue a gold loan, as it would seriously undermine public confidence. Their argument is that such an action might be interpreted by the common people to mean that the Government of India has become bankrupt. They further contend that it might even produce the reverse of the results expected by the advocates of gold loan, in that the people, instead of exchanging their solid gold holdings for paper bonds, might start buying more gold. While it is hard to tell how far this assessment of the people's mind is correct, it seems to us that the apprehension could be easily exaggerated. The Indian people today are not that backward. It may be mentioned here that similar fears, expressed at the time when nickel replaced silver in the coinage system, as well as when one-rupee paper currency notes were issued instead of the silver rupee coin, did not materialise. Some politicians and critics of the Government may try to make political capital out of it, as was done by them (they are mostly in power today) in the past, but, when the novelty wears off, people will get accustomed to gold certificates. This fear need not, therefore, stand in the way of the Government trying the experiment.

The real point that deserves to be considered is whether the Government should saddle posterity with the responsibility of finding gold—a distinctly scarce commodity—to repay a gold loan that may be issued now. No wise Government will undertake a commitment the fulfilment of which is extremely difficult, if not impossible. If the gold collected from the people is merely kept with the Reserve Bank of India and included in its published reserves without being spent, it will, of course, be easy to meet the obligation. But that is only one of the objectives. The other, but the most important, objective is to use the mobilised gold outside the country for payment of imports.

Two arguments are mentioned against the aforesaid contention. One is that at no time will all the gold certificates be cashed. The Government can, therefore, manage even with a small gold reserve. The risk here is too great to be taken with a sense of equanimity by a country the external reserves of which are next to nothing. The second argument is that, in 15 years' time, India will have overcome its balance of payments problem and actually enjoy a surplus on external trade account which can be used for importing gold in order to retire the gold certificates. In its long history, India has been both an exporter and importer of gold. There is no reason to believe that this history will not repeat itself. This argument sounds more like an astrological prediction than one based on solid grounds. It is too nebulous a ground to enable any responsible Government to incur a definite commitment.

If, therefore, a gold loan is to be issued, the Government will be well advised to follow the French example. It must not commit itself to repay the loan only in gold, but retain an option to retire the loan in the cash equivalent of the gold to be determined on the basis of commodity price index. If it is felt that a gold loan on this basis will not appeal to the people, it may be made a little more attractive by providing for the payment of interest on the loan in gold or its rupee equivalent on a predetermined basis. If a loan on this basis does not succeed, there is no alternative to it.

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The long-awaited export quota for cotton has at last been announced. The Government of India notified last night its decision to release for export 30,000 bales of Bengal *Deshi* cotton and 20,000 bales of old crop cotton of the 1956-57 and earlier seasons having a stapling length of not more than 25/32" on a first-come-first-served basis. The atmosphere of suspense and anxiety that has so long prevailed on the import front has also been cleared with the simultaneous announcement of an import quota for 30,000 bales of cotton stapling 1.3/16" and above and 40,000 bales of cotton stapling 1.1/16" and above, both from soft currency areas.

The export quota has been greatly welcomed by the trade. The market was quick to react to the news. Bengal *Deshi* prices firmed up by Rs. 15 per candy from Rs. 605 to Rs. 620. There is, however, some disappointment in certain quarters because the quantity of Bengal *Deshi* allowed has fallen short of expectations. This disappointment was reflected in the forward market today where the Jarilla March 1959 contract came down by Rs. 4.50, as compared with yesterday's closing. The trade was expecting a larger quantity, in view of the

(*Continued on page* 251)

EQUITIES QUIET

TATA LOCOS STAGE A SPURT

(From Our Own Correspondents)

BOMBAY, *7th August*

THE share market was in an indecisive mood for yet another week. This is interpreted to mean that the bullish forces which had pushed up the market for sometime past have exhausted themselves in the absence of any sustained encouragement, while the bears are unable to turn the market in their favour. Equities were, no doubt, subjected to alternate bouts of buying and selling during the week under review, but prices did not show a definite trend. On balance, there was a minor loss over a wide front. The market is anxiously awaiting the announcement of the dividends of the Tata Iron and Steel Company and the Indian Iron and Steel Company, for which the former had already closed its books and the latter will close them from 18th to 27th inst. Textile shares were subdued in the absence of any encouraging reports from cloth markets.

Tata Steel Ordinaries were marked down from Rs. 168.25 to Rs. 166, but they soon gained ground to touch Rs. 167.50. Today, however, heavy selling brought the shares down to Rs. 165, only to recover to Rs. 167 at the close. The new shares lost over the week Re. 1.50 to Rs. 164.50. Indian Irons moved between Rs. 24.28 and Rs. 23.72 before closing at Rs. 23.92 with a loss of 16 nP over the week.

In the textile section, Bombay Dyeings declined from Rs. 59.40 to Rs. 58.30 on Tuesday. Thereafter, they fluctuated between Rs. 58.80 and Rs. 58.30 and closed at Rs. 58.70. Centurys receded from Rs. 450.50 to Rs. 441.50 before finishing at Rs. 445. Kohinoors lost over the week Rs. 3 to Rs. 278. Central Indias provided an exception to the general trend with a sharp rise of Rs. 6.50 to Rs. 101. Finlays also gained a rupee to Rs. 285. Indu Ordinaries were a shade quiet at Rs. 10.12. While Indore Malwas were unchanged at Rs. 108, New Greats dropped Rs. 5 to Rs. 215. Shree Niwas Cottons were lower by a rupee at Rs. 101. Simplex were stagnant at Rs. 175, while Standards shed Rs. 5 to Rs. 428. Svadeshis declined by Re. 1.75 to Rs. 187.75 and Swans by Rs. 5 to Rs. 360, but Tata Mills were unchanged at Rs. 39.

Minor variations were noted in bank shares. Barodas were a shade better at Rs. 122.50 and Centrals at Rs. 57. Bank of Indias were done at Rs. 131 *ex-div.* (div. Rs. 3), as against Rs. 134.75 *cum-div.* and their new shares at Rs. 134 *ex-div.*, as against Rs. 136 *cum-div.* United Commercials were done 50 nP higher at Rs. 61.50.

In the insurance section, New Indias staged a spurt from Rs. 46.25 *cum-div.* to Rs. 45 *ex-div.* which represents an increase of Re. 1.75 on a *cum-div.* basis. Vulcans changed hands 44 nP higher at Rs. 18.60.

Electricity shares ruled quiet. Ahmedabad Electrics dropping 30 nP to Rs. 95.70. Bombay Suburbans were unchanged at Rs. 100.25, while Surat Electrics were down by 75 nP to Rs. 109.75. Tata Hydros shed a rupee to Rs. 124 and Tata Powers Rs. 6.25 to Rs. 1,232.50. Andhra Valleys gained a fraction to Rs. 1,188.75.

Sugar shares ruled steady. Belapurs moved up from Rs. 260 to Rs. 262.50, but closed at Rs. 262. Phaltans gained over the week Re. 1 to Rs. 154 and Walchandnagars were a fraction better at Rs. 283. Cement shares were featureless and the undertone was quiet. Associated Cements were brought down from Rs. 156.25 to Rs. 154, but picked up to close at Rs. 155.25. Their new shares were a fraction lower at Rs. 148.75. Digvijays were unchanged at Rs. 154.25, while Orissa Cements gained 20 nP to Rs. 14.16. Jaipur Udyogs lost 16 nP to Rs. 14.48, while India Cements were done at Rs. 30, as against Rs. 28.50 previously.

In the engineering and mining group, Alcock Ashdowns lost Rs. 6.25 to Rs. 247.50. Tata Locomotives provided the highlight of the week with a rise of Rs. 7 to Rs. 181.50 on keen support in anticipation of a higher dividend. Premier Constructions were done Re. 1.75 lower at Rs. 195.50. Larsen and Toubros had business 28 nP lower at Rs. 17.76. Shivrajpurs showed no change at Rs. 92, while Indian Coppers gained 10 nP to Rs. 4.08. In the shipping group, Great Easterns were prominent with a sharp jump from Rs. 24.84 to Rs. 26.30, while Scindias shed on balance 12 nP to Rs. 19.60.

Bombay Burmahs (old), among miscellaneous industrials, gave way from Rs. 575 to Rs. 560, but closed a shade better at Rs. 565. National Rayons declined from Rs. 230.50 to Rs. 227.25 and finished at Rs. 229. Tata Chemicals lost 24 nP to Rs. 16.08, but Tata Oils were maintained at Rs. 41.50. Hindustan Levers were listless at Rs. 23.76 and Killicks at Rs. 144.50. Wimcos were done Re. 1.50 lower at Rs. 173.50.

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Calcutta Stock Exchange

CALCUTTA, *6th August*

Slightly buoyant conditions prevailed on the Calcutta Stock Exchange during the week under review on speculative support and keen buying in Indian Irons. The main premise on which bulls extended their support to Indian Irons was the expectation that a dividend of 10 per cent. on the shares would soon be announced and that this dividend would also apply to the increased capital. This expectation followed the decision of the Directors of the Company to close the ordinary share register and transfer books from 18th to 28th August. The Directors also stated that an announcement relating to the dividend for the year ended 31st March 1958, as well as to the date of the annual meeting of shareholders, would be made subsequently. Also, the recent rumour with regard to the possibility of capitalising the share premium reserve for a bonus issue was revived. An announcement from New Delhi regarding the new retention prices was considered imminent. The proximity of the T.I.S.Co. dividend also contributed to keen speculation, although there were reports from Jamshedpur about labour fomenting fresh trouble there. The enthusiasm spread to other prominent counters.

After an early slackness in demand, trading in jute shares gathered momentum and the more prominent counters added modest gains. Alliances were taken to as high as Rs. 101 from Rs. 88.50. Barnagores elicited support to move to Rs. 109 from Rs. 105.50. At Rs. 60, Ganges gained Rs. 3, and on interested buying, Chitavalsahs picked up to Rs. 16.87 from Rs. 15.31. Budge Budges were fully steady after having risen to Rs. 116 from Rs. 105, while Kamarhatties sagged to close at Rs. 117 after having earlier improved to Rs. 120 from Rs. 108. Cheviots changed hands at Rs. 180, against Rs. 173 earlier. Unions firmed up to Rs. 153.80 from Rs. 144 and Kanknarrahs were marked up to Rs. 70 from Rs. 58.

Coals continued to advance. Bengals were in keen demand, and put on six points to Rs. 243. From Rs. 16, New Beerbhooms advanced to Rs. 17.12. Pench Valleys were equally a strong feature and, on active trading, met with buyers even at Rs. 24.06, as against Rs. 22.94 earlier. Dhemo Mains hardened to Rs. 8.12 from Rs. 7.62 before closing at Rs. 7.75. Central Indias were better at Rs. 8.31.

Under the leadership of Indian Irons, engineering shares were fully steady. Indian Irons opened at Rs. 23.73, and by Monday reached a high of Rs. 24.61. Subsequently, a reaction set in, and the rate sagged slightly to Rs. 24.32. Texmacos, after changing hands at Rs. 21.30, were done on an *ex-div.* basis at Rs. 20.70. Braithwaite & Cos. were fractionally better at Rs. 28.25. Jessop & Cos. improved to Rs. 20.31 from Rs. 20.00, and Hooghly Dockings to Rs. 107 from Rs. 104.00.

Several counters in the miscellaneous industrial section changed hands at advancing rates. Shares of paper mills were keenly sought. Orients reached a high of Rs. 35.50 before closing at Rs. 35.00. Sirpurs were pushed up to Rs. 13.31 from Rs. 11.37. Titaghurs were higher at Rs. 40. Indian Coppers, on reports of a spurt in copper prices on the London Metal Exchange, rose to Rs. 3.82 from Rs. 3.74. Rohtas Industries were pushed up to Rs. 24.06 from Rs. 22.69. From Rs. 12.25, India Steamships rose to Rs. 12.40. At Rs. 68, Jardine Hendersons gained Rs. 2. National Rollings moved up to Rs. 11.62 from the previous rate of Rs. 10.62. Indian Cables were at one time as high as Rs. 30.75 but closed at Rs. 29.62.

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Madras Stock Exchange

MADRAS, *5th August*

Dull conditions prevailed on the Madras Stock Exchange during the week under review. In the absence of any new development, operators did not evince much interest in entering into fresh commitments. Consequently, transactions put through were limited and values moved narrowly. Despite discouraging dividend news, some planting shares met with good buying support induced by expectations of the Government announcing some special incentive measures to boost export trade in tea and coffee. In the textile section, buying was selective. Several miscellaneous industrials attracted good investment enquiry and prices hardened. Sugar and breweries and electrics were quiet.

Among tea shares in the planting section, Nonsuch advanced by 30 nP to Rs. 22.75. Parksides rallied 25 nP to Rs. 18.50. Peermades gained 18 nP to Rs. 19.60. Devasholas put on 12 nP to Rs. 19.87 *cum-div.* Nilgiris hardened by 7 nP to Rs. 8.57 *cum-div.* Haileyburias were dull at Rs. 19.50 *cum-div.* Periakaramalais encountered selling and dropped 25 nP to Rs. 4.05 *cum-div.*, reflecting the traders' disappointment over the cut in dividend to 10 per cent. for the year ended 31st March 1958, as against 35 per cent. in the previous year. Chembras also declined by 27 nP to Rs. 3.55 *cum-div.* on the announcement of lower dividend of only 10 per cent. for the year ended 31st March 1958, as against 20 per cent. last year. In the coffee group, Coffee Lands firmed up by 65 nP to Rs. 31.75. Consolidated Coffees were absorbed 40 nP higher at Rs. 27.90. Mysore Coffees rose by 11 nP to Rs. 3.73 and Ouchterlonys by 16 nP to Rs. 5.46. Among rubber shares, Kalpettas advanced by 65 nP to Rs. 25.40. Malankaras were steady at Rs. 18.62 and Nenmenys at Rs. 13.50. Nilamburs were neglected at Rs. 14.75 *cum-div.* as also Be Bes at Rs. 3.35.

In the textile section, Radhakrishnas firmed up by Rs. 8 to Rs. 140.00 *cum-div.* Bangalore Woollens rallied Rs. 3 to Rs. 164.00. Mecturs strengthened by Rs. 2 to Rs. 338. Radhakrishnas 'B' gained a like amount to Rs. 67.00 *cum-div.* Premiers and Buckinghams put on Re. 1 each to Rs. 141.00 *cum-div.* and Rs. 175.00 respectively. Loyals were quoted 75 nP higher at Rs. 35.65. Virdhunagars gathered 25 nP to Rs. 31.25. Anglo-French, however, fell by Rs. 2 to Rs. 78. Dhanalakshmis shed a like amount to Rs. 172. Coimbatore Cottons were quiet at Rs. 145 and Coimbatore Kamalas (Rs. 100 paid-up) at Rs. 102.

Among miscellaneous industrials, Mysore Electrical Industries spurted by Rs. 9 to Rs. 112 *cum-div.* following the announcement of a higher dividend of 11 per cent. for the year ended 31st March 1958, as against 8 per cent. in the previous year. Textools advanced by Rs. 2.50 to Rs. 197.50. W.I. Plywoods hardened by Rs. 7 to Rs. 125.00. India Cements (Rs. 25 paid-up) put on 30 nP to Rs. 29.75 *cum-div.* and India Cements (Rs. 5 paid-up) 25 nP to Rs. 6 *cum-div.* Indian Steel Rollings gathered 15 nP to Rs. 13.55 *cum-div.* Mysore Papers were better by 20 nP at Rs. 17.72. F.A.C.Ts, however, were dull at Rs. 6.55, as also Aspinwalls at Rs. 6.90 and Spencers at Rs. 18.25. Travancore Cements declined by 50 nP to Rs. 9.35. Mysore Tobaccos eased by 25 nP to Rs. 12.95. Aluminium Industries softened 5 nP to Rs. 16.25

T.I.S.CO. DIVIDEND

All speculations about the dividend on the ordinary shares of the Tata Iron and Steel Company, Ltd., for the year ended 31st March 1958 have been set at rest by the announcement by the Board of Directors of the Company on Thursday evening of their dividend recommendations. They have recommended a dividend of Rs. 8.25 per share on the old ordinary shares of the Company, as against Rs. 9.50 per share paid for the previous year, and a distribution of Rs. 7.56 per share on the new shares, the corresponding distribution on these shares for 1956-57 being Rs. 3.34 per share. The increase in the rate of distribution on new shares for 1957-58 is evidently due to the enhanced content of the paid-up value of these shares. It is made up of a dividend of Rs. 4.81 per share and interest of Rs. 2.75 per share out of capital, as against Rs. 2.54 and 80 nP per share, respectively, for 1956-57. The dividend part of the distribution on the new shares, as in the case of the old shares, is tax-free, while the interest, which is worked out at 4 per cent. per annum, is taxable. The aforesaid dividend is a little more than the general market expectations, which placed the dividend on old shares at Rs. 8 per share. At their current market value and on the basis of a dividend of Rs. 8.25 per share, the yield on them works out to 5 per cent.

The Company's profit for the year 1957-58 is said to have been more or less maintained at the previous year's level. The gross profit for 1956-57, it may be noted, amounted to over Rs. 12.87 crores and the net profit, after providing for Managing Agents' remuneration, depreciation, taxation and bonus to employees, stood at Rs. 6.26 crores. The Company's production of steel ingots during the year under review had gone up from 1.07 million tons to 1.10 million tons, while that of saleable steel had declined from 799,500 tons to 786,600 tons.

NEW GREAT INSURANCE

The New Great Insurance Company of India Ltd. has earned a profit of Rs. 3,75,719 for the year 1957, as compared to Rs. 3,03,678 in the previous year. The profit of the fire department is Rs. 3,67,298, as against Rs. 4,35,426 in 1956, and that of the marine department Rs. 34,043, as against a loss of Rs. 1,16,242. The miscellaneous department has made a profit of Rs. 8,569, as against a loss of Rs. 1,96,272. The Directors have decided to recommend the payment of a dividend of Rs. 2 per share, free of income-tax, raising it from Re. 1.50 per share paid for each of the previous two years.

Notice

BRIDGE & ROOF CO. (INDIA) LTD.

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting (being the Seventy-fourth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Thursday, the 28th August 1958, at 12 noon, to consider the Profit and Loss Account for the year ended 31st December 1957, and the Balance Sheet as at that date, the Report of the Auditors thereon, the Report of the Board of Directors, to declare a dividend and to transact other ordinary general business of the Company.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 14th August to 28th August 1958, both days inclusive.

By Order of the Board,

BALMER LAWRIE & CO., LTD.,

D. MANSON.
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *23rd July, 1958.*

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

NEWS IN BRIEF

THE Government of Mysore has directed all departmental officials to acknowledge receipt of all letters and petitions received by them within 24 hours.

A campaign to utilise the services of 250,000 non-official workers for propagating methods of better food production during the *rabi* season has been launched in the State of Uttar Pradesh.

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The Indian oil delegation, which went to Rumania in June last to negotiate the setting up of an oil refinery in Assam with Rumanian help, has returned and is expected to submit its report to the Government shortly.

The Import Advisory Council will meet at New Delhi on the 30th inst. to discuss the import policy for the October-March licensing period. The Export Advisory Council will meet on the following day.

The Government of India has fixed the price of tea for determining export duty at Rs. 2.88 per pound, as against Rs. 3.41 in force from 1st July 1958. There is, however, no change in the existing rate of duty of 38 nP per pound.

The Bihar Government proposes to establish an engineering college at Dhanbad at a non-recurring cost of Rs. 33.12 lakhs spread over a period of three years. The Government is expected to receive financial assistance from the Centre.

A four-man delegation of the Cotton Textile Export Promotion Council, led by Mr. C. C. Jhaveri, is expected to visit the East African countries next month with a view to exploring the possibilities of increasing exports of Indian cotton piecegoods to this region.

The Union Government has decided to discontinue protection granted to the bichromates industry with effect from 1st January 1959, on the recommendations made by the Tariff Commission. The Government has, however, stated that it will take suitable measures of assistance to the industry as suggested by the Commission.

A socio-economic sample survey of hut-dwellers in Hyderabad has recently been started under the auspices of the Indian Institute of Economics. Of the 11,000 hutments in the city, nearly 500 samples have been chosen at random for the purpose of survey, which is expected to be completed by the end of this year.

The Government of Bombay has decided to set up 284 taluka seed farms throughout the State during the current financial year at a total cost of Rs. 81.5 lakhs. The farms will have an area of 25 acres each and be equipped with necessary implements, livestock and irrigation facilities. They will undertake multiplication of improved seeds for distribution to cultivators.

The jute crop in West Bengal is reported to have been hit hard by drought. Apart from affecting the growth of jute plants, it has led to widespread pest invasion. Some preventive measures have already been taken by the Agricultural Department such as dusting and spraying of jute crop with chemicals in an area of over 100,000 acres. As a result of these measures, the situation is reported to be improving.

An eleven-member advisory committee consisting of officials and non-officials has been constituted by the Mysore Government under Section 3 of the Madras Sugar Factories Control Act, 1949, now in force in the Bellary district. The Committee will advise the Government on all matters on which consultation with the Committee was obligatory under the Act and the rules thereon as well as on matters referred to it by the Government.

The delegations of the Governments of India and Italy signed on the 2nd inst. at New Delhi a civil air transport agreement governing the operation of air services between the two countries and points beyond. The two delegations will now submit the initialled agreement to their respective Governments. The designated airlines of the two countries will have fair and equal opportunity for the operation of air services on the routes specified in the agreement.

The U.S. Department of Agriculture has announced authorisation of the purchase of some $39,136,300 worth of American foodgrains by India. The grain will be paid for in Indian rupees. The foodgrains include 467,000 metric tons of wheat or wheat flour valued at $30,136,500; 100,000 metric tons of yellow corn valued at $5 million and 100,000 metric tons of yellow grain sorghums valued at $4 million. The commodities will be delivered to India over a year beginning from 18th July 1958.

The lock-out in the Dunlop Department of the Madura Mills (Madurai, Madras) was lifted on the 1st inst. The lock-out had been declared on the previous day following a stay-in strike staged by about 1,800 workers of the Department as a protest against the decision of the management to cut eight days' wages of a few workers who were alleged to have indulged in illegal strike. The present compromise was reached as a result of the intervention of the Government Labour Officer, Madurai, who suggested restoration of the *status quo* by both the parties in view of the conciliation proceedings already started.

The Indian railways have made good progress in building up their rolling stock. Since the second Five-year Plan began, the railways have received over 1,150 locomotives, 2,500 ordinary passenger coaches, 170 electric multiple coaches and 62,000 goods wagons. The Railway Board has already approved of the purchase of rolling stock worth Rs. 370 crores, as against the total Plan allocation of Rs. 380 crores. The bulk of the purchases will be made from manufacturers in India. It is stated that the Chittaranjan Locomotive Factory has touched a new record in recent months by turning out one complete locomotive every alternate day.

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From Abroad

The British Government has decided to relax many restrictions on trade with the Soviet bloc and China with effect from the 15th inst.

The International Monetary Fund has announced a stand-by credit which permits Paraguay to draw up to $1.5 million from the Fund during the next twelve months.

A French expert, Mr. G. Y. Roualt, has been sent by the International Labour Organisation to Viet-Nam to study the possibilities of vocational training, with special reference to the physically handicapped.

The U.N. Economic and Social Council has approved of a change in the terms of reference of the Economic Commission for Asia and the Far East (E.C.A.F.E.) enabling Iran to become a member of the Commission.

For the first time since the war, the number of employed in West Germany has gone up above 20 million. The total actually employed as on 30th June 1958 was 20,059,343, while the figure for the unemployed was no more than 481,151.

The U.K. has accepted the invitation of the United Nations to attend two conferences on copper, zinc and lead to be held in London in September. The conferences will review the trend of world trade in these commodities and consider whether any action should be taken.

The Government of Malaya has approved of a Bill which seeks to provide a 3- to 5-year tax holiday to pioneer industries in the country. The concession is expected to go a long way towards attracting foreign capital, besides giving a fresh impetus to investment of indigenous capital, especially in secondary industries.

France will spend as much as £155 million on oil prospecting during the current year. Of this sum, private sources will contribute £109 million. The crude oil output is expected to rise from 1.7 million metric tons to 2 million tons per annum. The production of natural gas is also expected to go up by one quarter to 550 million cubic meters.

The Soviet Union is expected to have a record sugar beet harvest in 1958, thanks to favourable weather conditions. The total area devoted to cultivation of sugar beet is put at 6.2 million acres, which represents an increase of one million acres as compared with last year. The total production for the current year is forecast at 44 to 45 million tons of beet.

The Japanese Government is drafting a legislation to stop copying of foreign designs by Japanese exporters. Under the proposed legislation, the Japanese Ministry of Trade will be authorised to name goods liable to be pirated. The manufacturers will then have to organise a design centre which would check designs of export goods on behalf of the Government.

The United States Steel Corporation, America's largest producer, has raised the prices of selected products with effect from the 31st ultimo, following the lead given by the other major companies like Republic Steel and Armco Steel. The average increase in price effected by the United States Steel is $4.25 per ton as against the increase of $4.50 effected by Armcos. Following the upward revision in steel prices, the automotive and appliances industries are contemplating to raise the prices of their own products suitably.

All the existing controls on prices and distribution of iron and steel scrap in the U.K. will be withdrawn from 1st November 1958. In the meantime, some freedom has been extended to exports of scrap with effect from the 5th inst. Licences will be granted by the Board of Trade for limited quantities to all destinations outside the Sino-Soviet bloc for those exporters who secure firm orders abroad. It is learnt that such exporters were making enquiries about the possible export markets; but the chances do not seem to be bright, in view of the plentiful supplies of scraps in the Western Europe and the U.S.

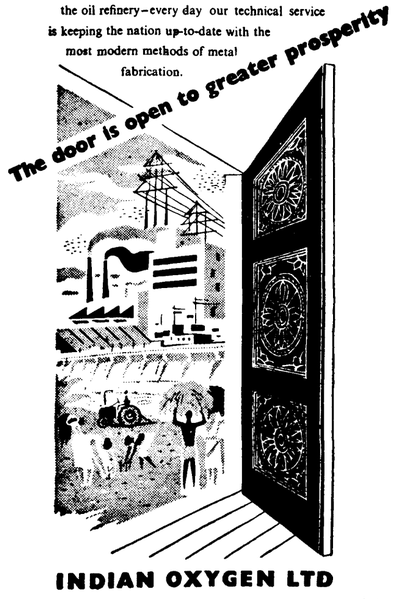
Output of crude oil in the free world declined by 2½ per cent. to about 372 million metric tons during the first half of the current calendar year, as against 381 million metric tons during the corresponding half of last year, according to *Petroleum Press Service*. Although there was an increase in the contribution of the Soviet bloc, it did not materially compensate the fall of 10 million tons in the free world supplies. Production in the U.S., Venezuela and Canada was lower by 36 million tons, but that in the Middle East rose by 24 million tons. The total world production in the first half of 1958 is placed at 433 million metric tons.

Establishment of a new multi-agency Travel Policy Committee to promote the development of international travel has been announced by the U.S. Commerce Department. Top-level representatives from the State and Commerce Departments, the Export-Import Bank, the International Cooperation Administration and six other U.S. departments and agencies comprise the new travel-promotion unit. Activities of the group will be in such fields as elimination and simplification of entry and sojourn requirements for travellers, stimulation of low cost and group travel, development of travel statistics for market research, and, in co-operation with private industry, exploration of measures to expand travel to and from the United States.

Restrictions on trade between the free world and the countries of the Communist bloc are to be relaxed. In a written reply to a House of Commons question on 30th July 1958, the Parliamentary Under-Secretary for Foreign Affairs, Mr. Ian Harvey, said that the conclusions reached by the consultative group on strategic controls on trade, which met in Paris on 18th and 19th July, had since been reported to the member Governments. "I am glad to be able to tell the House," he added, "that agreement was reached on a substantial relaxation of the embargo list." Mr. Harvey stated that, while the list was not yet available in final form, it was already clear that the British Government's objective of confining the list to items of real strategic significance had been substantially achieved. The new list would be published on 15th August and would be effective from that date.

INDIAN OXYGEN is playing a vital role in building a more powerful and self-sufficient India in the Second Five-Year Plan.

From transport to electric power, from the steel works to the oil refinery—every day our technical service is keeping the nation up-to-date with the most modern methods of metal fabrication.



INDIAN OXYGEN LTD

PERSONAL

MR. Ambalal Kilachand, a leading industrialist of Bombay, has left on a business tour of the Far Eastern countries.

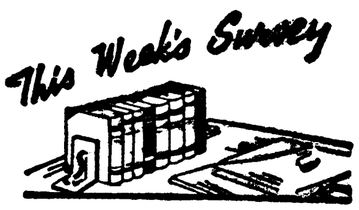
Mr. Lyuben Popov, Minister-designate of Bulgaria, presented his credentials to the President of India on the 1st inst.

Mr. Justice Kailasnath Wanchoo, Chief Justice of the Rajasthan High Court, has been appointed a Judge of the Supreme Court.

Mr. A. B. Rao, Joint Director, Railway Board, has been appointed Chief Commercial Superintendent, Southern Railway, *vice* Mr. S. K. Mukherjee.

Mr. G. D. Birla has left for Europe on a six-week business tour. At one time, it was thought that he would be visiting the U.S. also, but he has, it seems, given up the idea for the present.

Mr. B. N. Subba Rao of the Tata Institute of Fundamental Research, Bombay, has been selected for research in experimental nuclear spectroscopy in Sweden for the session 1958-59, under the Swedish Government Scholarships 1958-59.



LEATHER INDUSTRY

THE Government of India's decision, disclosed by Mr. Syed Hussain, Development Commissioner, Small-scale Industries, Ministry of Commerce and Industry, Government of India, to set up a development panel for the leather and leather goods industry, is to be greatly welcomed. The panel, when established, could develop into a central body to study the problems of this important industry. The industry, despite the fact that it is predominantly a small-scale industry, occupies a premier position in the country's economy. It has considerable scope for expansion because of the vast potential market for leather goods within the country and the wide market outside. The production of footwear of all types in 1957 is estimated at about 93.95 million pairs, which works out to only one pair per annum per every four persons. The internal demand is bound to go up as people's purchasing power increases and they become more and more conscious of the value of footwear as a necessary health safeguard.

The chief use of leather in India, as in other countries, is for the production of footwear, in the manufacture of which about two-thirds of the entire quantity of leather produced in the country is utilised. It is also required for a variety of other purposes such as the manufacture of belting, picking bands and pickers, in addition to consumer goods. The domestic demand for leather belting alone is estimated at about 350 tons a year, of which only 50 to 60 tons are produced inside the country. About 300 tons of belting, valued at about Rs. 55 to Rs. 60 lakhs, are imported annually.

The development of the leather industry has taken place in both the large-scale and small-scale sectors. The scope for efficient small-scale units is wide, considering that there are at present only 12 large-scale units manufacturing about 6.65 million pairs of footwear per annum. The balance is manufactured by small-scale units.

The industry, however, faces many problems. These problems were discussed at a seminar on leather goods industry held recently at Hyderabad. The seminar, organised by the Small Scale Industries Organisation of the Government of India, was the first of a series to be conducted subsequently. The main problems that were highlighted were: (1) Inadequate supply of raw materials, (2) lack of proper quality standards for the products, (3) inadequate facilities for training and research, (4) absence of proper marketing organisation and (5) instability of prices. It is, indeed, a strange paradox that, with the enormous cattle stock that the country possesses, there should be shortage of raw hides and skins of good quality. It is estimated that there are in the country 139.6 million cows and oxen, 41.5 million buffaloes, 47.3 million goats, 38.8 million sheep and over three million other animals. Though the total head of cattle thus number over 270 million, the annual production of raw hides and skins is of the order of only 64.5 million.

Marketing is one of the principal problems of small-scale industries, more so for the footwear industry, because the units of production are widely dispersed. In this connection, Mr. A Bhagavantha Rao, Minister for Small Industries, Andhra Pradesh, who inaugurated the Conference, suggested that the possibility of opening chain stores for the products of the industry in each district should be examined. Improved marketing methods will also help step up sales abroad.

Enforcement of proper quality standards has an important bearing on the export trade. For the standardised products would not only remove doubts about quality but would also help build up good reputation for the Indian product. Some State Governments and the National Small Industries Corporation have already taken steps for standardising production. Standard specifications for three grades of footwear for men, women and children have been drawn up. Another noteworthy measure is the scheme of quality control for leather recently adopted by the manufacturers and traders of leather. Instability in prices is largely the result of the almost exclusive dependence of the leather industry on foreign markets. Changes in fashions and economic conditions overseas rather than the quality of the product and supply determine the fortunes of the industry. For stabilising the industry, it is, therefore, necessary that the export markets should be widened and internal demand stimulated.

E. I. kips are at present exported to the U.K. and other countries for further processing. If steps are taken to process them properly within the country, it would fetch additional foreign exchange to the country in the form of higher price for the processed goods and also provide employment to many.

BALANCE-SHEET OF A STRIKE

When the illegal strike, inspired by the Communist-dominated Jamshedpur Mazdoor Union, hit the Tata Iron and Steel Company, Ltd., Jamshedpur, last May, completely paralysing the industrial heart of India for over a fortnight, it shocked the conscience of the nation. For many were surprised and not a few pained at this sad turn of events in an industrial unit traditionally responsive to the needs of its employees' needs. During the last two years, for instance, the Company had paid Rs. 67 lakhs more per year to labour without any corresponding increase in either production or profits. This concession was granted by the Company when its financial resources were strained and it had borrowed heavily for the implementation of the 2-million-ton expansion programme. That this tragic episode should have occurred in T.I.S.Co., having an enviable reputation for cordial labour-management relations and which had enjoyed three decades of uninterrupted industrial peace, was intriguing to many. But to those who had closely watched the activities of the Communists in Jamshedpur, it was perhaps not a bolt from the blue. For the Communists were of late making an all-out effort to penetrate the labour ranks in Jamshedpur and to dislodge the Tata Workers' Union which, by dint of constructive and devoted service, had earned the trust of the workers. Noting the danger signals, Mr. J. R. D. Tata, Chairman of the T.I.S.Co., in his address to the fiftieth annual general meeting of the Company held on 27th August 1957, had observed: "The Communist activities at Jamshedpur are part of a predetermined plan. Jamshedpur is one of their obvious and principal targets. For control of the growing steel and heavy engineering industries there would provide them with a strangle-hold on one of the most vital and sensitive sectors of the economy." Although the portents were there, the dramatic suddenness with which the Communist plot was put into effect was a surprise.

What gains did the strike bring to workers? The Communist leaders and the Jamshedpur Mazdoor Union who engineered the strike have obviously not calculated the gains, for there was none at all. Nor do they seem to have counted the losses suffered by the workers, the Company and the nation. Why should they? Political gain for themselves, rather than economic gain for the workers, has long been their motto.

But the Company, in a booklet entitled *Story of a Strike*, has drawn up a "balance-sheet" of the strike, a balance-sheet the credit and debit sides of which can never balance. To take the debit side, that is, losses sustained as a result of the strike. Four lives were lost. Over 114 persons were injured. The number of man-days lost was 335,000, wages lost was of the order of Rs. 24.23 lakhs, production lost was about 45,000 tons, valued at Rs. 2.7 crores. The colossal loss sustained by the Company is not the full measure of the loss. If steel has to be imported to make good the loss, the cost to the country would be much greater because of the higher import prices. On the credit side, however, no gains are listed, because there was none to workers or to the Company, not to speak of the country. But, if the lessons of this misdirected adventure prove to be a sufficient deterrent to its repetition in future, that could be taken as a chief item of asset in the country's balance-sheet.

SODA ASH INDUSTRY

The attention of both producers and consumers of soda ash is now focussed on the Tariff Commission which has taken up for consideration the question of continuing protection to the industry beyond 31st December next. A public enquiry into the question was held in Bombay on 29th July; Mr. C. Ramasubban, Chairman of the Commission, presided. The industry has asked for a five-year extension of the period of protection, as well as assistance in the form of reduction in freight rates, improvement of roads and harbour facilities, and abolition of cess on salt. As regards the quantum of protection, one of the two manufacturing units has urged for an upward revision in the existing rate of protective duty (30 per cent. *ad valorem* preferential and 40 per cent. *ad valorem* standard, keeping the tariff value at Rs. 13.50 per cwt.), while the other says that the rate may be left unchanged.

The soda ash industry, it will be recalled, has been enjoying tariff protection since 1949. During this period, the industry has registered quite a notable progress—quantitative and qualitative. The aggregate installed capacity of the industry has expanded markedly, from 61,200 tons in 1949 to as much as 115,200 tons at present. Following the expansion in capacity, actual production has also gone up. The quantity actually produced in 1957 was 92,764 tons, as against a bare 17,916 tons in 1949. Production in the first six months of 1958 was 45,899 tons. Alongside the rise in output, the quality of soda ash has also recorded an improvement. Indeed, the progress in this direction, according to Mr. C. Ramasubban, has been considerable. There are, we are told, fewer complaints now than at the time of the Tariff Commission's last enquiry (1955). The few complaints that the Commission has received relate to high moisture content, traces of insoluble matter and low alkali content.

From the foregoing brief review, it will be seen that the soda ash industry has given a good account of itself. Nevertheless, the industry is still not in a position to meet the rapidly increasing domestic demand. Thus, as against the current annual production rate of about 91,000 tons the total demand is estimated at 163,000 tons and this is expected to rise to 192,000 tons in 1959 and 236,000 tons in 1960. In view of the wide gap, the country continues to import large quantities of soda ash; the imports aggregated 84,711 tons in 1957 and 90,996 tons in 1956. Since soda ash is a basic raw material, the demand for it is, as Mr. Ramasubban rightly emphasised, bound to increase with rapid industrialisation and it is, therefore, necessary to plan ahead with a view to meeting the entire demand at a reasonable cost. To the extent indigenous production is augmented, the requirements of industries will be met and much precious foreign exchange saved.

Viewed thus and considering that the prices of imported soda ash continue to be lower than those of the indigenous product, as also the fact that the industry has undertaken an expansion programme, the plea of the industry for extention of the protection period seems to be quite justified. Of the two existing soda ash manufacturing units, the Tata Chemicals Company has plans to double its capacity by 1960-61 in stages. When it completes its programme, the Company will produce heavy ash also at the rate of 80 tons per day, the entire current production is of the light variety. The Dhrangadhra Chemicals Ltd. is raising its capacity of 30 tons a day and it expects to complete its programme by October next. Two new units are being set up, one at Porbandar in the Bombay State and the other at Mughalsarai in Uttar Pradesh. These units are expected to go into production in 1959-60. A third unit has also been licensed in Bombay.

CAPITAL ISSUES

The Reserve Bank of India deserves to be complimented for having furnished, in its latest *Report on Currency and Finance*, covering the year 1957-58, a more comprehensive account of capital raised by the corporate sector than the meagre and misleading data hitherto being published by the Government of India. Despite all the statistical data relating to capital market, the task of assessing the extent of capital formation in India during a given period has not been by any means easy. For the figures issued by the Controller of Capital Issues indicate only the consents granted for flotation of new companies and expansion of existing units. They do not give any idea of the amounts actually raised. Attention to this lacuna has been drawn time and again by many. Mr. A. D. Shroff, who was on the Finance Ministry Committee for the Control of Capital Issues for three years in the past, did so again. Addressing the second general body meeting of the Forum of Free Enterprise held in Bombay recently, Mr. Shroff reiterated his complaint that the official data relating to new capital issues were absolutely misleading, as they gave an exaggerated

picture of the actual position. Explaining his point, he said:

"Some of these applications (made by various people for starting new firms) are rejected. In some cases where applications are accepted, companies are never floated. And in some cases where companies are floated and a part of the capital is gathered, that company never gets into operation. And what I suggested to the Government in those days (about five years ago) and recently I repeated them is that the public would be interested in knowing not those exaggerated figures of capital issue but how many companies actually came into force, what was the actual amount of money subscribed by the new issues, and for the last twelve months how many companies have actually gone into production. But the Government still insists in publishing those misleading figures."

In refreshing contrast to the deplorable inaction by the Controller of Capital Issues, the Reserve Bank has made an attempt to give the right type of information for judging the progress made by the private sector in raising new capital. The information given by it is, however, incomplete, inasmuch as it does not take into account capital raised by companies about which no reports were received. Nor does it contain comparative figures for the previous year. Even so, the data made available clearly show that new issue activity during 1957 was at a somewhat lower level than in 1956. The decline was associated with a marked drop in share prices and is attributed principally to new tax measures, import curbs and disinflationary credit policy. It is, however, felt that there has been some improvement since the beginning of 1958, thanks to easy money conditions, absence of any major tax change in the 1958-59 budget and brighter prospects of foreign aid.

The aggregate capital raised by the Corporate sector during the calendar year 1957 amounted to Rs. 71 crores, excluding bonus issues of Rs. 7.51 crores and miscellaneous (for example, loans)' of Rs. 10.47 crores. The bulk of this sum—Rs. 42 crores or 59 per cent. of the total—was accounted for by companies in the private sector which raised capital with the consent of the Controller of Capital Issues. The balance of Rs. 29 crores was shared by Government companies accounting for Rs. 19 crores or 67 per cent. and by issues for which the consent of the Controller was not required, amounting to Rs. 10 crores or 14 per cent. Of the paid-up capital of Government companies, Rs. 14.34 crores represented new issues and Rs. 5.14 crores represented further issues of existing companies.

Out of the Rs. 42 crores raised by the private sector companies, Rs. 36.73 crores (or 87 per cent.) were in respect of public limited companies and the balance represented the share of private limited companies. In the case of the former, ordinary shares accounted for Rs. 27.90 crores (76 per cent.), preference shares for Rs. 4.37 crores (12 per cent.) and debentures for Rs. 4.46 crores (12 per cent.) Of the total sum of Rs. 37.39 crores raised by both public and private non-Governmental companies as share capital, issues by new companies aggregated no more than Rs. 9.69 crores, or just 26 per cent. of the total, while further issues by existing companies accounted for as much as Rs. 27.70 crores (74 per cent.). What better evidence is required to prove that capital formation in the country is at a low ebb, that savings for industrial and commercial activities are declining and that enterprise is being discouraged—all due to the pursuit of unwise economic policies by the powers-that-be?

The year 1957 witnessed a sizable decline in respect of the amount asked for and correspondingly in the amount sanctioned, after the substantial increase noted in 1956. The former amounted to Rs. 110 crores (excluding bonus and miscellaneous issues), as against Rs. 187 crores in the previous year, and the latter to Rs. 91 crores, as against Rs. 168 crores. In other words, the decline in the amount sanctioned was steeper than that in the amount asked for, so that the ratio of amount sanctioned to amount asked for fell from 89 per cent. in 1956 to 83 per cent. in 1957. Over half of the decline was in respect of Government companies. The sanctions for initial issues (that is, new companies) during the year under review aggregated Rs. 43 crores, which compare unfavourably with Rs. 80 crores in 1956. The fall was entirely on account of the public sector, so that, if such issues are excluded, initial issues by the private sector recorded, in fact, a moderate rise of Rs. 8 crores to Rs. 36 crores. But the amount actually raised was smaller, being, as already stated, only Rs. 9.69 crores.

As in the case of domestic issues so in that of foreign participation, the amount sanctioned in 1957 was lower at Rs. 45 crores, as against Rs. 49 crores in 1956. The decline was accounted for entirely by consents for World Bank loans which aggregated Rs. 32 crores, the comparable figure for the previous year being Rs. 36 crores. If these are excluded, other consents for foreign participation were virtually at the 1956 level of slightly over Rs. 13 crores.

PENCIL INDUSTRY

The pencil industry has been making steady progress for some time past, thanks chiefly to the increase in literacy and intensification of economic activities in the various spheres. Thus, production of pencils rose to 715,200 gross in 1957 from 580,800 gross in 1956 and 172,800 gross in 1952. The installed capacity also moved up from 1.12 million gross in 1954 to 1.45 million gross in 1957. Although there was thus a sizable increase in production, the major problem continues to be one of large idle capacity. This was as high as 50 per cent. in 1957, though not as large as 85 per cent. in 1952. At present, there are 18 fully developed and organised units engaged in the manufacture of pencils; new units are also coming into existence. Clearly, such expansion in its installed capacity is hardly warranted by the demand for the products. Even if the demand for pencils were to go up by 10 per cent. every year, the aggregate demand is estimated to be of the order of 900,000 gross by the end of the second Plan. This again falls short of even the present capacity of industry.

Viewed thus, the plea made by Mr. V. E. Chetti, President of the Indian Pencil Manufacturers' Association, in the course of his speech at the fourth annual general meeting of the Association, held at Madras on the 26th ultimo, for adequately regulating the pace of development in the industry on the basis of indigenous requirements and existing capacity, deserves to be given urgent consideration. He appealed to

(*Continued on page 251*)



MANAGEMENT OF STATE-OWNED COMMERCIAL UNDERTAKINGS

VIEWS OF THE FEDERATION

From Our Special Correspondent

NEW DELHI, *5th August*

DELHI LETTER

THE Committee of the Federation of Indian Chambers of Commerce and Industry has just submitted a memorandum to the Congress Parliamentary Party Committee on State Enterprises, headed by Mr. V. K. Krishna Menon. The memorandum deals in particular with the problem of accountability of State enterprises to Parliament and emphasises at the outset that, inasmuch as almost all such enterprises have exclusively the taxpayers' money as capital, they cannot but be fully accountable to Parliament. Accountability, however, is not the same thing as inviting interference in the day-to-day activities of the enterprises.

There has been some discussion, the memorandum continues, as to whether the degree of accountability should have any relationship with the type of enterprise, i.e., whether it is a corporation, a limited company or departmentally managed. In the opinion of the Committee of the Federation, it is not so much the type of the organisation as the composition of the Board of Directors or of the Chief Executive Body which, if at all, should determine the degree of accountability within, of course, the overall inherent right of Parliament to scrutinise and sit in judgment on the performance of the enterprises. For example, if the Board of Directors consists of purely official elements and the Chairman is also the Secretary or any other high official of the Government, then the degree of Ministerial interference is likely to be greater, and, to that extent, accountability to Parliament. But if, on the other hand, the Board of the Corporation or the Company is chairmanned by an eminent public man or business man and the Board also consists of a fairly large number of non-officials, then it stands to reason that the Minister and the Ministry concerned will have to eschew their normal desire to interfere in the working of such a corporation.

The Federation's memorandum next deals with the inter-linked character of accountability of State enterprises to Parliament and the capital structure of these enterprises. If the capital is entirely subscribed by the taxpayers' money, Parliament, as the representative of taxpayers, has to exercise the necessary controls and checks on the activities of the enterprises. A question has been raised as to whether Parliament should not function in the same manner as a body of shareholders does in companies in the private sector. The analogy is not on all fours, because shareholders are the taxpayers and Parliament, if at all, resembles a middle tier between the shareholders and the Board of Directors with proportionately greater responsibility than the body of shareholders and somewhat less than that of the Board of Directors. If, on the other hand, the share capital of these enterprises is thrown open to the public and proportionate representation on the Board is given to the subscribing shareholders, correspondingly larger responsibility will then devolve on the Board of Directors to a proportionate attenuation of the responsibilities of Parliament. It is in this light that the Committee of the Federation strongly endorses the suggestion made by the Estimates Committee that at least 25 per cent. of the share capital of State enterprises should be thrown open for public subscription.

The memorandum continues that not much attention has been devoted to the paramount necessity of preparing proper estimates of capital involved in the launching of various State enterprise projects; neither has serious note been taken of the way the estimates have gone on changing till the figure has gone much beyond that originally worked out. The original estimates for the three steel plants, for example, were made at Rs. 345 crores. This figure is already estimated to reach the sum of Rs. 600 crores by the time the plants go into commission. This type of capital budgeting completely undermines Parliamentary control, accountability and economic working of the undertakings.

The Committee is also of the opinion that all State undertakings, whatever their nature, should be in a position to make a reasonable amount of profit on the invested capital and such profit should be subject to the tax laws of the country. There is no reason whatsoever as to why commercial undertakings run by Government as State enterprises should not earn a reasonable margin of profit. In case, on account of some reasons of policy, Government choose to step in and control the price structure of the products in such a way that no margin of profit is left, then the State should subsidise that enterprise to that extent, so that the results of the economic working of the enterprise concerned may be seen by the public and Parliament in proper light. This will, however, apply only to cases, where the goods produced are of a purely public utility nature and which are not being produced by some undertakings in the private sector. In the latter case, prices will have to be determined by the inter-play of competitive forces and the State enterprise should be able to stand in competition with other units.

The Federation's memorandum next draws pointed attention to the following shortcomings of some of the State enterprises:

(*a*) It has been brought to the notice of the Federation that, in the constructional stage, the State enterprises suffer on account of an undue emphasis on construction of buildings. In fact, it is common knowledge that, in many undertakings, the buildings constructed remain idle for years.

(*b*) Either on account of lack of planning or co-ordination, some of the undertakings, though they have been in existence for quite a number of years, have not been able to utilise their full capacity. In fact, some of them are working as much as 40 per cent. below capacity.

(*c*) Maintenance of good industrial relations in public enterprises is of great importance for the success of the undertaking and for the fulfilment of the aspirations of labour. It is, therefore, necessary that any attempt on the part of the management of State enterprises to avoid the responsibility of an employer should be discouraged. In other words, the employees in the public sector should, on the whole, be at least on par with their counterpart in private employment.

On the subject of publication of annual reports and statements of accounts by State enterprises, the Federation's memorandum complaints rightly that, in many cases, the annual reports come to the hands of the public and Parliament only after two or three years. The memorandum, therefore, urges that these reports and accounts should give the fullest information possible on the activities and financial transactions of State undertakings and be published within not more than six months of the close of the year. In this connection, the memorandum objects to the power retained by the Central Government under section 620 of the Companies Act to exempt Government companies, i.e., companies in which not less than 51 per cent. of the share capital is held by the Central and/or State Governments from any of the sections of the Indian Companies Act which they notify. Surely, continues the memorandum, Government companies registered as private limited companies under the Companies Act should not be more "private" than the companies in the so-called private sector.

Wage for Working Journalists

An All-India Newspaper Publishers' Conference held its first session here last week. A resolution passed at the conference recorded its protest against the Working Journalists (Fixation of Rates of Wages) Ordinance and the appointment of a purely official committee under the ordinance. The conference urged upon the Government "the view that, in the interest of contentment in the industry, the Government should order a *de novo* enquiry at a State and regional level into the conditions of service of all categories of newspaper employees, including

(*Continued on page 251*)

STRENGTH THROUGH WEAKNESS

From Our Own Correspondent

LONDON, *1st August*

LONDON LETTER

BRITISH Members of Parliament are doubtful about going away at this traditional holiday time because of the Middle East political situation but this is the only problem they have on their minds—that is, if they are Government supporters. For the political pendulum has swung the Government's way again as much as anything because the air of crisis and anti-inflationary measures has died away to be replaced by the warming breezes of reflation. Indeed, on the economic front, everything looks fine and the Government are congratulating themselves on the success of their former deflationary measures whose harvest they may be pardoned for thinking they are now reaping.

But an examination of the facts of Britain's external trade shows that a very different explanation must be looked for. In the second quarter of 1957, the total imports c.i.f. were £1.048 million. The same period this year they dropped to £919 million and under 2 per cent. of that drop represents a fall in volume. The rest is entirely due to the great drop in world commodity prices. So on import account alone, without losing any significant quantity of goods, this country saved in the second quarter of this year £129 million in foreign currency.

What about the boosted exports? Exports if anything have fallen slightly in volume in the second quarter of this year but they have fallen much more in value. In April-June of 1957 they totalled £851 million plus a further £30 million of re-exports. In the same period this year, they totalled only £777 million plus £34 million in re-exports, a drop for the quarter alone of no less than £70 million. But, since imports fell by £129 million, the balance of payments improved to the tune of nearly £60 million. Indeed, in the second quarter, if allowance is made for the freight element in imports, our exports, even at their reduced level, practically equated with our imports, leaving the whole of the United Kingdom's invisible income as a net gain in the balance of payments.

World recession has, therefore, in its first stage left the United Kingdom a beneficiary through the much heavier drop in the import bill than in the export bill, but some of Britain's customers are now beginning inevitably to reduce their orders and the second half of this year may not see such a satisfactory picture. While of course when the turn comes the import bill will tend to rise faster than the export bill. However, for the time being, it is sufficient to note that Britain's improved position has been due to nothing more than world recession.

Yet that improvement can be held if European recession comes to an end quickly and the principal danger is that European countries may pursue deflationary policies too long. The British Chancellor of the Exchequer has just returned from Paris where he was Chairman of the Organisation for European Economic Co-operation Council of Ministers which considered the economic situation. The Council commented on the deflationary policies in fiscal and monetary fields which their members had firmly followed (firm in this connection means deflationary). They noted that the rise in the volume of production had slackened in most countries and that in some output had declined—not in the United Kingdom. They noted that this was an undesirable development, particularly in the repercussions on the overseas raw material producing countries. The Council then issued a recommendation that "Member Governments should now pursue policies encouraging *sustainable* economic growth: in so doing they should guard against any renewal of inflationary pressures and avoid endangering the balance of payments." The recommendation continued that "while each Government must be the judge of the methods to be employed and their timing, they should bear in mind the effect of their actions on others, and the advantages of acting in concert. The stronger O.E.E.C. countries have a special responsibility." Behind the second part of this recommendation lies the warning against deflation and the hint that countries such as Germany should have liberal importing policies.—*All Rights Reserved.*

AMERICAN LETTER

WORLD POLITICAL CRISIS ECLIPSES ECONOMIC DEVELOPMENTS

DANGER OF INFLATION REAL

From Our Special Correspondent

NEW YORK, *30th July*

THE Middle Eastern crisis has turned into a world-wide crisis. As seen from the seat of the United Nations, the world is on the brink of another war. That assumption seems to cause the universal demand for a so-called "summit" meeting which is likely to accomplish nothing, except name-calling. No meeting among top leaders of the world was ever held with so little thought and preparation.

It fits into Nikita Krushchev's self-designed pattern. He has never concealed from the United States correspondents his desire to visit New York and Washington, because he believes that his personality is such that he and the United Soviet Socialist Republics cannot lose. Some correspondents, who are known to me personally as impartial observers and who have been exposed to Mr. Krushchev, do not quarrel with his judgment.

There is no visible basis for agreement between the East and the West so far as the present crisis is concerned. It is clearly in Moscow's favour that world popular reaction was unfavourable to the presence of U.S. marines in Lebanon. It raised again the spectre of imperialism. The reasoning of the White House in proposing and accepting a U.N. summit meeting was based on the conclusion that the world-wide disadvantages not to meet with Mr. Krushchev would be greater than the disadvantages of the meeting.

Subconsciously, or otherwise, this reasoning may go back to a speech Sir Winston Churchill made in May, 1953—two months after Stalin died and while the Korean war dragged on. During a foreign policy debate in the House of Commons, he suggested "at the worst, the participants in the meeting would have established more intimate contact, and, at best, we might have a generation of peace."

It is agreed here, generally, that it will be a good thing to have at the meeting, Prime Minister Nehru, who is no stranger to the United States, and also President Nasser. The latter may discover that the U.S. and U.N. do not and will not stand in the way of goals of Arab unity, peacefully arrived at.

It may be interesting to note that the decision to land U.S. marines in Lebanon was made by President Eisenhower with support of the Joint Chiefs of Staff, while the State Department could not make up its collective mind. The episode directs a good deal of renewed criticism to the Dulles brothers, John Foster in the State Department and Allen in the Central Intelligence Agency. The travelling Secretary of State could not make up his mind and his brother and his agency knew nothing of the impending coup in Iraq, although it had been planned, apparently for several months.

One of the most respected senior commentators in the U.S., Walter Lippmann, sees this unprepared, hasty summit meeting as "a ghastly spectacle almost certain to poison the air still further." So much for that. History will tell.

In the midst of the crisis, Sherman Adams, the assistant to President Eisenhower, has gone off the front page headlines, but the case has not been forgotten. The story is now that Mr. Adams will depart "with dignity" in due course. He has become too much of a liability. In his testimony before Congressional investigators, he forgot many details of favours received from the textile magnate Goldfine of Boston, intentionally or unintentionally. The longer Mr. Adams' resignation is postponed, the greater will be the setback for the Republicans in the November elections. It is a hard decision to make for President Eisenhower who must remember the time when Adams spent nights outside the fearfully ill President's hospital door.

The stock market is turning in an unbelievable performance. In recent days and weeks, it has posted many 1958 highs. In my opinion, stocks prices reflect three major considerations. The recession is levelling out. According to preliminary estimates of the President's Council of Economic Advisors, the gross national product rose to an annual rate of $428,000 million in the second quarter of 1958 from $425,800 million in the first three months. The peak in 1957 was $445,600 million in the third quarter.

The second major consideration is inflation and the third is the possibility of war. But, war or no war, inflation seems inevitable. Congress is presently appropriating more money for defence than has been asked for by the Executive branch of the Government. Fear of unpreparedness is widespread. It takes far greater precedence over fears of inflation which is quite prevalent among professional economists and among Government officials.

The report of the President's economic advisers seemed to indicate that, in their opinion, the low point of the recession had been reached in the first quarter. It also noted that liquidation of inventories had not accelerated. Both Government and personal spending showed an upturn, it was observed.

The Department of Commerce reported "economic developments in June supplied additional evidence of firmer business conditions." Corporate earnings, with some notable exceptions, are also better than expected. The automobile industry is still a "sick giant," as was said so aptly by Walther Reuther, President of the United Automobile Workers of America. In this connection, it may be interesting to note that the largest investment company in the U.S., Massachusetts Investors Trust with total assets of more than $1,000 million, reported that it sold all of its holdings in Chrysler Corporation—130,000 shares—and had disposed of 55,000 shares of Ford Motors.

Three other significant developments must be recorded. Steel production, against all expectations, has improved and orders for machine tools in June rose to the second highest this year. Also, the wet weather presages a bumper crop which is good for farmers, but may result in surplus headaches for the country.

Until a week or so ago, rising stock prices were offset by weak bond markets—a normal development. Finally, the Federal Reserve system, which had an unwritten agreement with the U.S. Treasury that its open market operations would only concern short-term Government securities, found it necessary to abandon that policy. It bought long and intermediate issues as well. Thus, it helped stabilise prices. This move also helped popular psychology which had reacted adversely when it was announced at Washington the Federal deficit for the fiscal year ended 30th June 1958, would be $2,813,388,661, instead of the previously estimated surplus, or a small deficit of just a few hundred millions.

Both receipts and expenditures were less than estimated in the Budget Message of the President, delivered in January. Current projections are the deficit for the 1959 fiscal year may run as high as $11,500 million. All this would mean deficit financing and inflation, obviously.

Meanwhile, the rise in the cost of living has been arrested, more or less. The Government index in mid-June was only 2.9 per cent. above a year ago levels, but 23.7 per cent. higher than the 1947-49 average. This is a frightening increase for a ten-year period and justifies inflation fears of the experts.

All favourable economic developments are overshadowed, however, by the world crisis and by the planned summit meeting here in New York or elsewhere. The auspices are by no means favourable and some observers already describe the gathering as a "Middle East Munich," reminiscent of Prime Minister Chamberlain's futile attempt to secure "peace in our generation" with Adolf Hitler.—*All Rights Reserved.*

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TRENDS IN BANK DEPOSITS

PERSONAL ACCOUNTS FORM THE BULK

THERE has been a general expansion in the economy of the country since 1951 consequent on the implementation of the first and second Five-year Plans. This is reflected in the increase in national output, particularly in industrial and business activity, and higher employment. These developments have also resulted in an expansion in the money supply and a widening of the monetised sector. One aspect of this progress in the monetary sector is the growth in the deposits and credits of banks. The expansionary trend in deposits has been particularly phonomenal, the rise over the last six years (1951-57) being nearly double that in the advances of banks. A good part of this rise occurred in the last two years, more particularly in 1957-58. It will, therefore, be interesting to make a study of the main trends in deposit growth and analyse the factors behind the ownership pattern and composition during the last six years. Such a study just completed by the Reserve Bank of India and published in July issue of the Bank's monthly *Bulletin* shows that (*a*) total deposits with Scheduled banks has risen by Rs. 526 crores over the six-year period, (*b*) there has been a continuous increase in the number of accounts, reflecting a rise in the banking habit, and (*c*) there has been a sharp change-over from demand to time deposits in 1956 and 1957. An analysis of the ownership of deposits reveals that personal deposits have recorded the largest rise (Rs. 177 crores) followed by Government and quasi-Government deposits (for which the data are available from 1952 only) with an increase of Rs. 163 crores and business deposits by Rs. 89 crores.

Trend of Deposit Growth

Before making a detailed study of the ownership pattern, it is worthwhile analysing the main trend of deposit growth. For purposes of convenience, the period is sub-divided into two phases. In the first phase, which lasted till about the end of 1953, there was a contraction in deposits, consequent on large imports, inventory accumulation of the Korean war period and the subsequent sharp recession in prices early in 1952. The total deposits of Scheduled banks shrunk from Rs. 821.62 crores at the end of 1951 to Rs. 814.36 crores a year later. At the end of 1953, they stood at Rs. 823.07 crores. The second phase was one of expansion. The expansion began even by the end of 1953 and is still continuing at a strident rate. The deposits touched a high of Rs. 1,347.61 crores at the end of 1957 and are currently standing at Rs. 1,527.82 crores. This period also witnessed a change in the composition of deposits, with time deposits coming to occupy an increasing share in the total deposits. The change became more marked during 1956 and 1957 and there are no signs of any change in this distinguishing feature at the time of writing. The annual rate of rise in deposits since 1953 was steady around Rs. 80 crores till 1956, but was very sharp in 1957, being of the order of Rs. 273 crores, which is more than the increase in the previous four years taken together. In the first six months of the current year, the expansion was of the order of Rs. 180 crores, or an annual rate of Rs. 360 crores.

The main factor responsible for the growth in deposits over the six-year period has been the expansionary effect of deficit financing. Up to 1956, the volume of deficit financing was either comparatively small or its expansionary effect was neutralised to some extent by a deficit in the balance of payments on private account. In 1957, while the expansionary effect of Government transactions was considerably larger than before, the neutralising influence of deficit on balance of payments on private account was somewhat smaller, owing to severe import restrictions, resulting in a larger accretion to deposits. The exceptional rise in deposits during 1957 was attributed to two other factors, namely, the accrual of the rupee counterpart funds in respect of goods supplied to India by the U.S. under P.L. 480 and, to a very small extent, to the inclusion of two banks in the second schedule to the Reserve Bank of India. Even after allowing for these two special factors, the increase in deposits during 1957 was the largest for any year.

The factors described above were in full swing in the first half of 1958 also and account for the continued growth in deposits during this period. A class-wise analysis of deposits shows that demand deposits declined in the first two years from Rs. 456.31 crores to Rs. 417.57 crores, but thereafter swelled by Rs. 148.68 crores during the rest of the period. Both savings and time deposits recorded a continuous increase throughout the period under review, the rise being Rs. 67 crores and Rs. 349 crores, respectively. It is interesting to note that about 60 per cent. (namely, Rs. 210.43 crores) of the rise in time deposits occurred in 1957 alone. Besides the large deposits held by the U.S. authorities with the State Bank of India, the rise in time deposits of business was to the tune of Rs. 45 crores. The latter amount may be attributed to the switch-over of funds from current accounts to time deposits, in order to take advantage of higher interest offered on such deposits. As a result of the aforesaid changes, the share of demand deposits to the total declined from 55.5 per cent. in 1951 to 42 per cent. in 1957, while that of time deposits rose from 26 per cent. to 43 per cent. Savings deposits were more or less unchanged at 16 to 17 per cent. till 1956, but declined a little to 15 per cent. in 1957.

Ownership of Deposits

An analysis of the ownership pattern of deposits shows, as already stated, that business deposits with Scheduled banks rose over the six-year period (1951-57) by Rs. 88.74 crores to Rs. 390.77 crores. The trend was not, however, continuously upwards. The deposits dropped by Rs. 15 crores, during the first two years, that is from Rs. 302.03 crores at the end of 1951 to Rs. 287.45 crores at the close of 1953, but rose to Rs. 352.85 crores at the end of 1955. After a decline to Rs. 338.02 crores a year later, they increased to Rs. 390.77 crores in 1957. A part of the fall in business deposits in 1956 was due to a change in the classification of deposits of insurance companies from business to Government and quasi-Government bodies consequent on the nationalisation of life insurance companies. An analysis of business deposits shows that, during the six-year period under review, while demand deposits fluctuated from year to year and rose by only Rs. 28.21 crores to Rs. 264 crores, time deposits recorded an almost continuous rise, enlarging from Rs. 64.59 crores to Rs. 126.77 crores. The rise in 1957 (by Rs. 44.69 crores) was very sharp and may be attributed to shifting of their surplus funds from current accounts to call and short-term deposits carrying higher interest rates. While consideration of higher interest rates must have been an important factor for this change-over, it could not have been the sole reason. The diminishing prospect of re-utilisation of funds in business, owing to import restrictions, slackening of activity in the private sector and similar causes, must have also contributed to the change in the character of deposits.

Personal Deposits

Personal deposits at the end of 1957 amounted to Rs. 544.02 crores, having risen continuously from Rs. 377.35 crores six years before. These deposits, as will be seen from the following table, are mainly held in savings and time deposit accounts:

(In crores of rupees)

End of	Demand	Savings	Time	Total
1951 ..	123·92 (32·8)	130·46 (34·6)	122·97 (32·6)	377·35
1952 ..	116·09 (30·3)	131·47 (34·4)	135·02 (35·3)	382·58
1953 ..	112·96 (29·2)	133·31 (34·4)	141·07 (36·4)	387·34
1954 ..	114·87 (28·0)	140·40 (34·3)	153·97 (37·7)	409·04
1955 ..	125·87 (28·5)	140·79 (32·0)	174·27 (39·5)	440·63
1956 ..	127·70 (26·2)	158·40 (32·5)	201·90 (41·3)	488·00
1957 ..	130·08 (23·5)	173·00 (31·2)	250·94 (45·3)	554·02

Note:—Figures in brackets are percentages to the total.

The steady growth in personal deposits reflects the rise in money incomes of salaried personnel and rural population, following the implementation of large development programmes. Two factors are mentioned in support of this contention. First, the rise in personal deposits was mainly in savings and time deposits, the former having gone up from Rs. 130.46 crores to Rs. 173 crores and the latter from Rs. 122.97 crores to Rs. 250.94 crores, while personal demand deposits showed only an insignificant rise of Rs. 6 crores to Rs. 130.08 crores.

Two more reasons for this trend occur to us but are not mentioned in the Reserve Bank's survey. One is the sizable liquidation of investments in equities which followed the drastic increases in the burden of taxation. Several investors must have converted their equity holdings into fixed deposits with banks. The second reason is the diversion of middle-class savings from agriculture to the haven of banks, brought about by land reforms, *kisan* troubles in the various parts of India and one-sided legislation favouring debtors in rural areas. In other words, a part of the rise in personal deposits reflects the drying up of capital and credit for agriculture.

The deposits of Government and quasi-Government bodies (for which data are available only from 1952) rose steadily from Rs. 61.77 crores to Rs. 224.94 crores, the rise in 1957 alone being Rs. 113.44 crores. This rise may partly be due to the increase in the number of statutory bodies during the last few years and partly to larger amounts of loans and grants-in-aid received from the Government under the Plan allotments, but which could not be spent. A part of the increase in 1956 was due to the inclusion of deposits of life insurance companies under this head after their nationalisation and the bulk of the rise in 1957 arose from transactions under P.L. 480.

Rise in Bank Accounts

The number of accounts with Scheduled banks increased from 3.23 million to 4.39 million, the bulk of the rise being accounted for by savings accounts which went up from 1.91 million to 2.74 million, indicating that the new accounts were opened by persons with relatively small means, as a result presumably of higher incomes, and of the extension of banking facilities in smaller places. Classification of the deposit accounts by types of deposits showed that savings bank accounts predominated over time and demand deposit accounts and accounted for over three-fifths of total number of accounts at the end of 1957. Demand deposit accounts formed 24 per cent. and time deposits over 13 per cent. of the total. It was also observed that the increase in the number of accounts had taken place under savings deposits (826,000) and time deposits (282,000) while the number of accounts under demand deposits remained at the 1951 level of over 1 million.

The average size per account under all the three types of deposits shows an increase. The average size of demand deposits, after declining from Rs. 4,486 in 1951 to Rs. 4,193 in 1953, rose to Rs. 5,332 by 1957. The size of savings bank deposits fluctuated, but, on balance, stood slightly higher at Rs. 737 in 1957, as compared with Rs. 708 in 1951. The average amount per account held in time deposits increased from Rs. 7,540 in 1951 to Rs. 9,887 in 1957.

Size-wise classification of demand deposits reveals very little change so far as business deposits are concerned. Large size accounts continued to constitute more than 50 per cent. of business deposits and medium size accounts slightly over 33 per cent. In the case of personal deposits, the bulk of them were held in small- and medium-size accounts. The deposits in medium-size accounts declined from Rs. 57.69 crores to Rs. 56.36 crores, despite the increase in the number of accounts from 25,968 to 26,860. Small accounts up to Rs. 10,000 including those below Rs. 500 increased by less than 1 per cent., while their deposit amount rose by 12 per cent. Classification of time deposits by size of accounts shows that small account holders dominated both under business and personal heads. Medium-size accounts both under personal and business deposits, however, showed a tendency to grow, particularly under the business category. Thus, the proportion of medium-size accounts to total personal and business deposit accounts rose from 17.2 per cent. to 17.7 per cent. and from 21.7 per cent. to 34.5 per cent., respectively. Large size and small size business accounts formed 7.3 per cent. and 58.1 per cent. to the total business accounts at the end of 1957, as against 9.2 per cent. and 69.2 per cent., respectively, in 1951. In the case of personal deposits also these categories of accounts showed fractional declines over the six years.

BRITAIN HELPS TURKEY

The British Government has undertaken to provide aid in sterling, to the value of $10 million, as part of a programme of economic aid to Turkey by member-countries of the Organisation for European Economic Co-operation (O.E.E.C.) and by the United States. The Turkish Government had approached the O.E.E.C. in April with a request for help in settling immediate and long-term economic difficulties.

HINDUSTHAN-PILKINGTON GLASS WORKS LTD.

SATISFACTORY PROGRESS: MAIDEN DIVIDEND DECLARED

RAILWAY FREIGHT AND TRANSPORT A SERIOUS HANDICAP: DR. N. N. LAW'S REVIEW

THE following is the speech delivered by Dr. N. N. Law, M.A., Ph.D., Chairman, Hindusthan-Pilkington Glass Works Ltd., to the shareholders at the Sixth Annual General Meeting of the Company held at Calcutta on 30th July 1958:

"GENTLEMEN,

"I have great pleasure in welcoming you to the sixth annual general meeting of the Company.

"The Directors' report and accounts for the year ended 31st October 1957, have been in your hands for some time and with your consent I take them as read.

"I cannot help prefacing my address with a brief reference to the present international situation which is causing the profoundest apprehensions in our mind. As you are aware, the recent happenings in the Middle East have created a situation which is fraught with ominous consequences and we are living through one of the most serious crises in the history of mankind, when a single unwise step may lead to a major catastrophe in the world. Such an explosive situation can at any moment be touched off by a spark, and an armed conflict in any area may easily be turned into a world conflagration. At this moment of peril, we can only look to the saner counsels of the world, their wisdom and calmness in the present confusion, for the maintenance of peace which is so essential for all of us.

Production Rising

"Turning to matters of immediate interest to us, it is satisfactory to note that both production of sheet glass and demand for it have been increasing steadily until now, and it can be confidently expected that the industry will not only fulfil its targets of production under the second Five-year Plan of 60 million sq. ft. by 1960-61, but will also exceed the target. The rather uncertain factor in the situation, however, is the growth of demand which cannot be predicted with equal assurance. The future of sheet glass is linked up with programmes of building constructions which in their turn are to no small extent dependent on industries producing other building materials such as steel, cement, timber, etc., and ultimately it depends on the growth of national income. Not supply, but the demand position will, therefore, be the crucial factor in determining the future of the industry in years to come. Though the production of sheet glass started before the Second World War, in its present form the industry may be regarded as the product of the post-war period, as the bulk of the capacity of the industry was created during this period. Although at present there happens to be a fair balance between actual production and demand, one cannot feel too sure how long such a state of affairs may continue. For one thing, if there is yet no accumulation of stocks, that is because not all the factories are yet in full production. Secondly, the virtual elimination of imports as the result of the recent drastic reduction of import quotas cannot be expected to continue indefinitely, and although the industry has at present the 70 per cent. *ad valorem* protective duty on imports, the fact that there is in some quarters a consumer preference for imported varieties has to be reckoned with. There has been a steady improvement in the quality of the Indian product recently, and the sheet glass manufactured by your Company has been acclaimed as of very high quality. It is as good as, if not better than, the imported variety, and is being used even by mirror-manufacturers.

High Rail Freights

"While, however, efforts at improving efficiency still further must continue basically, there are some extraneous factors operating on costs which the manufacturers themselves cannot control, although such factors affect them vitally. One of them is the high railway freight payable on the transport of both raw materials and finished products. The incidence of railway freight on sheet glass production is so high that unless it is put on a more realistic and reasonable basis, the industry can never hope to find its moorings, and may have to depend indefinitely on the crutch of a high protective tariff. The crucial role that railway freight plays in the cost of production of sheet glass can be readily appreciated when it is borne in mind that both the sources of raw materials for the production of sheet glass and the principal consuming centres are widely dispersed in this country, so that railway freight can indeed make or mar the industry. While factories in the U.K. obtain all their principal raw materials from within a distance of 5 to 50 miles, our factory at Asansol receives sand from a distance of 450 miles, limestone from a distance of 500 miles, and salt cakes from 1,000 miles. Imported materials like soda ash have to travel a minimum distance of 135 miles to reach the production point. Indeed, railway freight sometimes amounts to 100 per cent. or even more of the f.o.r. cost of the raw material. In the next place, the supply of railway wagons which is fitful and irregular, has proved another major headache for the industry, and also an important factor affecting the cost of production.

Special Problems

"The industry has been all along urging upon the Government and the railway authorities for recognition of its special problems and position in Indian economy and for charging more realistic rates which it can bear such as special station-to-station rates, and for the grant of an appropriate priority in the allocation of wagons, a rebate of customs duty on imported soda ash, and some other concessions. Unfortunately, although the Railway Freight Structure Committee has recently recommended some minor reliefs they have provided no immediate and effective solution for the major transport problems of the industry. On the contrary, as the Committee has recommended a general increase in freight rates, costs both on account of raw materials and marketing of finished products are calculated to go up, not only for this industry but for all industries. Furthermore, labour and material costs have been rising continually. These problems, in one form or the other, are common to all manufacturing industries in India and unless these are properly tackled, a rise in prices will be inevitable to the prejudice of the industry attaining the optimum efficiency.

"One important way of putting the industry on a rational and a more stable basis is to diversify its production. This is engaging the constant attention of your Directors and your factory has indeed opened a new chapter in the history of sheet glass production in this country by manufacturing sheet glass of both extra thin (10 to 12 oz.) and extra thick (3/16" and 7/32") varieties. Recently it has also started production of 'obscured glass.' Although the market for these varieties is still limited, the outlook is promising.

Results Satisfactory

"Turning now to the working of the Company for the year under review, you will have observed that the results were satisfactory, which enables the Company to declare a tax-free dividend of 6 per cent. It is indeed a matter of great satisfaction to your Directors that they have been able to recommend a dividend within three years of commencement of production which, by all standards, is a creditable achievement.

"Despite the fact that the production had to be suspended for about eight weeks during the year on account of periodical cold repairs to the furnace which fell due during the year, the output was 23.10 million sq. ft. against 21.50 million of the previous year. The sale proceeds have also marked slight increase and your Company's products have established a higher and more widespread reputation with the customers. In fact, the demand for our products has been more than your factory could possibly meet and our backlog of orders has been growing in volume despite the fact that the factory has by excellent performance increased its output to more than the originally estimated capacity. I am indeed very happy to inform you that recently in appreciation of this the Government of India has formally recognised your Company as having an annual installed capacity of 30 million sq. ft.

Technological Improvement

"Before I conclude I would like to convey our warmest thanks to our Technical Consultants, Messrs. Pilkington Brothers Ltd., of England, and the Managing Agents of the Company. The year under review along with the two preceding years marked an important phase of the developmental stage not only of the factory of your Company but indeed of the sheet glass industry in India. During this period numerous problems cropped up both in the production side and also in allied matters of administration *inter alia* connected with timely procurement of various raw materials of requisite quality and standard and also proper and timely despatches of the finished products for catering to the needs of markets spread over the whole country. While the problems on the technological side engaged constant attention of our Technical Consultants and all necessary steps were taken for the maintenance of the quality standard as also for the diversification of the products, the other problems on the administration side were looked after by the Managing Agents with the same promptitude to resolve them to whatever extent possible within the limitations of prevailing scarcity of materials, transport bottlenecks, etc. The combined efforts of the two have ultimately yielded the satisfactory results for which they deserve the appreciation of the Company. I would particularly like to convey our special thanks to Sir Harry Pilkington and Mr. D. V. Phelps of Messrs. Pilkington Brothers Ltd. for their personal help and guidance which has been of such invaluable assistance to us. I would also pay a special compliment to the executives and all the employees of the Company in achieving such satisfactory results within such a short time."

NOTE:—*This does not purport to be a record of the proceedings of the Annual General Meeting.*

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AUGMENTING EXPORTS OF TEXTILES

EQUIPMENT AND PRODUCTION METHODS MUST BE MODERNISED

JUDGING from the actual performance during the first six months, the current calendar year will witness a marked setback in India's exports of cotton textiles. The total quantity of mill-made piecegoods shipped abroad in the aforesaid six-month period was no more than 291 million yards, which compares very unfavourably with 475 million yards in the corresponding period of 1957. On this basis, the aggregate exports for the whole of 1958 will come to about 582 million yards, a quantity which is very much below the Buxton target of 1,000 million yards. The poor performance on the export front is clearly illustrative of the Indian mills' inability to face successfully the acute competition in world textile markets. This competition is due to a number of factors. A lucid account of what these factors are and how they should be counteracted by adoption of a correct policy governing export trade was given by Mr. Neville N. Wadia, Chairman of the Cotton Textiles Export Promotion Council, when he addressed the fourth annual general meeting of the Council held in Bombay on Thursday the 31st ultimo.

At the outset, Mr. Wadia pointed out that the drop in exports of cloth was due to the slackening of the tempo of high world trade which immediately followed the political and economic repercussions of the Suez crisis and the return to normal purchases and stocks throughout the world. The other causes responsible for the setback as listed by him may be summed up thus: removal of piecegoods from open general licence in Sudan; heavy increase in import duties in East Africa; serious effect of lower copper prices in Rhodesia; introduction of severe quota restrictions in New Zealand and Burma; low level of purchases by Australia and Canada pending the outcome of tariff inquiries; and political disturbances in Indonesia and Ceylon. On top of these, every exporting country has been trying to get as big a share as possible. Hence the stiff competition from Hong Kong, Japan, China and Russia. The last mentioned country, it is reported, has achieved considerable success in exporting more cloth to Iran by offering very liberal credit terms. Referring, in particular, to competition offered by China, Mr. Wadia said:

"So severe was the onslaught from China in price, quantity and quality that even the Japanese, who have the largest share of international trade, have been hard put to compete. While the price of our exports have fallen by 10 to 15 per cent. in the last year, China is now underquoting us by as much as another 15 per cent., making it impossible for us to sell in open competition against them. Though it may be true that a State-owned industry can sell at any price it likes both internally and for export, this should not blind us to the most serious situation which is facing our own industry."

Poorly Equipped

It is common knowledge that, in comparison with the highly modernised textile industries of Japan, China, Europe and the U.S., a large section of the Indian cotton mill industry is generally very poorly equipped. Mr. Wadia did well to stress this aspect forcefully. According to him, the methods and equipment of the Indian industry are on an average 30 to 40 years behind the times, and what the industry has is not always operated in the most efficient manner. Elucidating this aspect, Mr. Wadia made the following observations:

"Modern mills today in Europe are employing less than two operatives per 1,000 spindles from blow-room to spinning point, as compared to 12 to 15 in the average mill in India. It is no use saying that these workloads cannot be matched by our operatives, for there is already a mill built in South India recently, which employs four operatives per 1,000 spindles—proving what can be done. Even more serious is the position in weaving. In Japan, Europe and America, and I also believe in China, there is hardly a mill which is not fully equipped with automatic looms. In India, 90 per cent. of our looms are still of the Lancashire type. Whereas a weaver looks after 60 to 70 automatic looms in the advanced countries, we are still discussing whether four looms to a weaver should be universally adopted. Vast improvements can equally be made in this direction, for there are mills in India working between 30 and 40 automatic looms per operative. Prejudice against automatic looms is slowly breaking down, for there have been corresponding improvements in pay and conditions where these machines have been installed. There is no point in attempting to apportion the blame for the situation in which we find ourselves—what is vital is the ready acceptance by the industry, labour and Government that the industry must be modernised with the minimum delay, if we are to retain anything like our previous share of world markets.

"Modern machinery is not only required for reducing the cost of production but is essential for meeting the high standard of quality demanded in markets such as Europe and America. It is my personal experience that Continental buyers refuse even to discuss the purchase of any cloth not manufactured on automatic looms. No wonder our trade with European countries is negligible. For this reason alone, a vast market is cut off from us, and our trade with the U.S.A. and Canada could be multiplied many times, if we were able to offer fault-free cloth."

Re-equipment Urgent

This is, indeed, a correct assessment of the position. Unless energetic steps are taken to re-equip the machinery and equipment in mills, earnings from cotton textiles cannot but continue to decline and a time may come when they will be completely priced out of world markets. It must be said to the credit of the Textile Enquiry Committee that it has recognised this aspect and recommended that 5 per cent. of the foreign exchange earnings of each mill either by direct export or through exporters may be made available to that mill for being utilised to import plant and equipment, as well as dyes and chemicals; the concession should be allowed for a period of five years. The Committee would have done better if it had conceded the Export Promotion Council's plea for 10 per cent. allocation. Explaining the reasons which prompted the Council to put forward this suggestion, Mr. Wadia eloquently argued thus:

"Your Council recently had an opportunity of expressing its opinions and offering suggestions in this connection before the authorities, and the greatest emphasis was placed on finding a way to solve this problem in spite of the difficult foreign exchange position. We made it quite clear in our representation that it would be unrealistic to expect anything but a decline in our earnings from cotton textiles until the industry had been able to re-quip itself. Our first suggestion, therefore, which I repeat with all the emphasis at my command, is that, in order to re-equip the industry, those mills which manufacture for export should be allowed to retain 10 per cent. of the foreign exchange thus earned for the purchase of plant and machinery from abroad. The licence should be issued for machines which are not made in either sufficient quantity or quality within the country. Very important also was the recommendation that this policy should be adopted and declared effective for at least five years. This would enable mills willing to take advantage of this opportunity, to make arrangements for the immediate supply of their requirements of machinery with terms of payment spread over the years in which they earn the necessary foreign exchange. Mills which thus commit themselves would be obliged to continue to export in even greater volume, in order to make sure of living up to their contractual obligations with the machinery makers abroad.

"Neither the Government nor labour need have any misgivings about this proposal. Our total earnings of foreign exchange have been on the average Rs. 60 crores, therefore, 10 per cent. would mean only Rs. 6 crores of imported machinery. However, if our exports increased, Government would get 90 lakhs out of every crore extra earned by the industry. As it is, textile machinery imports have been on an average Rs. 9 crores and, therefore, the amount now recommended can be deemed to be most reasonable.

"As far as labour is concerned, if the entire sum of Rs. 6 crores is used for importing automatic looms at the most nine to ten thousand automatic looms could be imported per annum. The total number of workers displaced would be roughly 8-10,000 at the most, which is far less than those who have been thrown out of work by the weaker mills closing down. On the other hand, those retained to work the new looms will be earning much better wages than before."

Despite these convincing arguments, the Textile Enquiry Committee has not given any explanation as to why it has recommended a foreign rebate of only 5 per cent.

Automatic Looms

On the question of modernising equipment in cotton mills, special emphasis must be laid on the installation of automatic looms. It may be noted here that the progress of the present scheme for installation of these looms has been none too encouraging, thanks to the rigorous conditions imposed on the mills, namely, that the entire production of looms be exported and that at least 87½ per cent. of exports during any of the three years 1953, 1954 and 1955 at the choice of the mill concerned be maintained. The Textile Enquiry Committee has urged that, in the context of the present downward trend in world demand, on the one hand, and the superior position of other competing countries, on the other, efforts must be intensified by all concerned towards smoothening the process of introducing automatic looms in the country. The Committee has observed:

"We are quite clear that, for some time at any rate, the introduction of automatic looms should be related strictly to the export sector. The entire production of any such automatic looms should, therefore, be required to be exported. Some effective sanction will have to be devised for enforcing the condition in respect of mills which would not wholeheartedly co-operate in the working of the scheme.

"One approach to the introduction of automatic looms which would have a larger support from labour is that the automatic looms to be introduced for the purpose of export trade should be additional to the existing number. Such installation should be freed from the stipulation requiring at least 87½ per cent. of the past exports from the production of existing looms to be maintained. Consequently, if automatic looms are added to the existing number of looms and since there will be no guarantee of exports of the cloth produced by other looms, the condition that the product of the new automatic looms shall be entirely exported will mean that there would be some reduction in the exports of cloth produced from the existing looms. This again will mean that, to a considerable proportion, the volume of production of the newly installed automatic looms will be indirectly added to the cloth available for internal consumption. In the context of our analysis regarding the anticipated internal demand of cloth, there would be a great risk under this type of introduction of additional automatic looms of introducing great instability in internal market which should naturally be avoided."

In the opinion of the Committee, as an experimental measure, up to 3,000 additional automatic looms should be allowed to be installed on condition that the entire production of such looms is exported. There should be no condition, avers the Committee, regarding the guaranteed exports in relation to past performance of such mills.

Export Promotion

While the modernisation of the cotton mills equipment will lead to larger production of better quality cloth at a reduced price, the benefit of such production in so far as export trade is concerned will be neutralised if active measures are not taken to promote exports. Having this point in mind, the Textile Enquiry Committee has made several recommendations. They are:

Rail freight rates should be revised to facilitate export of cloth from textile mills situated in upcountry areas to port towns and transport priority afforded. The processing concerns must be placed on a par with the composite mills. The mills may be allowed to produce varieties like *lungis* and handkerchiefs for export to those countries where the import of handloom *lungis*, handkerchiefs, etc., are banned. The ceiling for exports of particular varieties of cloth, such as pull-through cloth and mesh cloth, must be removed. Income-tax concessions may be given to mills exporting cloth on lines similar to concessions granted in other countries. Procedural formalities governing preparation of independent challans for shipping of cotton textiles, refund of excise duty, drawing in duty-free samples and the like must be simplified and lightened to the absolute minimum. Compulsory inspection of all cloth for export must be achieved within a period not exceeding three years. The suggestion of the Export Promotion Council in regard to the levy of income-tax for buyers of Indian origin in places like Singapore and Mombasa requires to be examined by the appropriate authorities. Larger funds should be made available to the Export Promotion Council to open offices in other countries, so that the demand in those countries can be properly assessed and stimulated.

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WORLD COTTON INDUSTRY MEETING

The annual meeting of the International Federation of Cotton and Allied Textile Industries will be held at Stockholm, Sweden, from 25th to 30th inst., at the invitation of the Swedish Cotton Textile Industry Federation. The meetings will be presided over by Mr. W. T. Winterbottom (United Kingdom), President of the International Cotton Federation. It is expected that approximately 100 delegates from West European countries, Japan, the United Arab Republic and the United States will attend.

The agenda for the meeting includes a discussion of the current cotton price and export policy of the United States Government. The Federation's Committee for European Affairs will study the practical implications of the European Economic Community (Common Market) for the cotton and allied textile industries and discuss the latest developments regarding the proposed Free Trade Area.

Various matters regarding raw cotton supplies and quality maintenance will be discussed by the Raw Cotton Merchants' Committee, including the newly proposed rules of arbitration on the basis of Micronaire readings. Trends in shipping freight rates for cotton will also be reviewed. A special technical sub-committee will report on the introduction of Tex, the new universal yarn counting system and other aspects of standardisation and fibre testing. The relationship between the producers and users of man-made fibres will also be discussed.

The Federation will continue its work on the establishment of an international model sales contract for cotton yarn and cloth and will investigate the possibilities of patenting textile designs. Progress made in the practical application of a newly devised method for measuring labour productivity in cotton spinning mills, too, will be reviewed.

On the administrative side, the Federation will consider various recommendations regarding the improvement and expansion of its statistical and administrative services.

FRENCH COTTON INDUSTRY

The French cotton industry is faced with a serious threat of recession, according to Mr. Pierre de Calan, Chairman of the French Cotton Industry Federation. Recession, he observed recently in Paris, might be prompted by the downward trend of sales or by bottlenecks in raw cotton supplies. It was not certain whether the recent decline in orders booked by the industry reflected a new trend or whether it was due to exceptional factors caused by the recent political events in France and the unfavourable weather conditions. As regards the outlook for raw cotton supplies in 1958-59, the President of the Federation said that, though no import programme had so far been drafted, the industry had received assurances from the Government that its needs would be met. He, however, felt that this would depend upon the development of France's balance of payments position.

The French cotton industry, according to him, had to face three major problems: (1) foreign exchange shortage which will affect raw cotton supplies, (2) unfavourable marketing prospects in French Union Territories and (3) increased competition through the European Common Market and Free Trade Area. The industry, the President said, was entirely opposed to the Free Trade Area Projects. He listed three reasons for this: (1) trade would be deflected to Far Eastern countries, (2) there would be no solidarity between the countries participating in the project, and (3) the Free Trade Area would mean the death of the Common Market.

MORE NIGHT SHIFTS IN LANCASHIRE MILLS

The Cardroom Workers' Amalgamation, one of the "big three" Lancashire cotton unions, is prepared to consider applications from mills for night-shift working by men on a partial basis. The decision, made at a representative meeting, opens the way to the introduction of more night-shift working in Lancashire spinning mills.

The 50,000-strong union, however, lays down certain conditions. These include the standard and cost of re-equipment in the mill, agreement on hours of work, a wage premium, and trade union membership among the night workers. According to Sir Alfred Robers, General Secretary, the decision will allow mills to introduce a night shift when it is more convenient than a day shift. For example, it will help mills which find it difficult to run two day shifts because of a shortage of women workers. They will now be able to run a day shift with women workers and night shift with men. It "will mean less rigidity and is one of the things which can help a little in meeting foreign competition."

"BUY BRITISH" CALL

As a move to focus more attention on the plight of the Lancashire textile industry and so emphasise the need for Government and public aid, the cotton trade unions of Britain have set up a special committee to decide on the best methods of publicity. The decision was taken in Manchester last week by the Legislative Council of the United Textile Factory Workers' Association. Aldermar. Harold Chorlton, President, said afterwards: "We shall consider the question from every angle."

One course which the unions are expected to persue is try to develop the campaigns started in a number of cotton towns, including Oldham, Rochdale and Bolton, to persuade housewives to buy only cotton goods which have been spun, woven and finished in Lancashire. Support for the local campaigns already started, it is claimed, has been encouraging.

The Legislative Council heard "with acclaim" the reply from Mr. Morgan Phillips, Secretary of the Labour Party, to the cotton trade unions' policy document for the future of the industry, *Plan for Cotton*. In his reply, Mr. Phillips said that the executive believed the document provided a sound basis of policy on which proposals for helping the industry could be built, but, at this stage, the executive could not commit the party or the next Labour Government to the implementation of the plan in detail.

EAST AFRICAN COTTON EXPORTS

Figures relating to shipment of East African cotton to various overseas destinations from 1st January to 5th July 1958 indicate that India was the largest buyer of East African cotton. Of a total shipment of 243,431 bales during the period, India's share amounted to 76,755 bales. This is significant, especially in view of the fact that import of this type of cotton in the current season has been very much restricted. West Germany is the second largest buyer, its offtake amounting to 74,242 bales. India and West Germany together accounted for more than 50 per cent. of the cotton exports from East Africa. The following table gives the destination-wise break-down of the shipment:

Destination—	(In bales of 400 lbs.)
Australia	120
Belgium	2,741
Ceylon	1,010
France	3,836
Holland	6,897
Hongkong	15,804
India	76,755
Italy	7,931
Japan	25,764
Newfoundland	100
Portugal	1,105
Singapore	305
South Africa	161
Switzerland	165
U.K.	17,505
W. Germany	74,242
Total	234,431

SUDAN COTTON

Exports of cotton from Sudan during the first five months of 1958 are estimated to have aggregated 217,684 bales. If this trend of exports is maintained, Sudan, it is expected, would end the current season with very low carry-over stocks. The table below indicates the stocks position of Sudan cotton as on 8th July 1958:

(In bales of 420 lbs.)

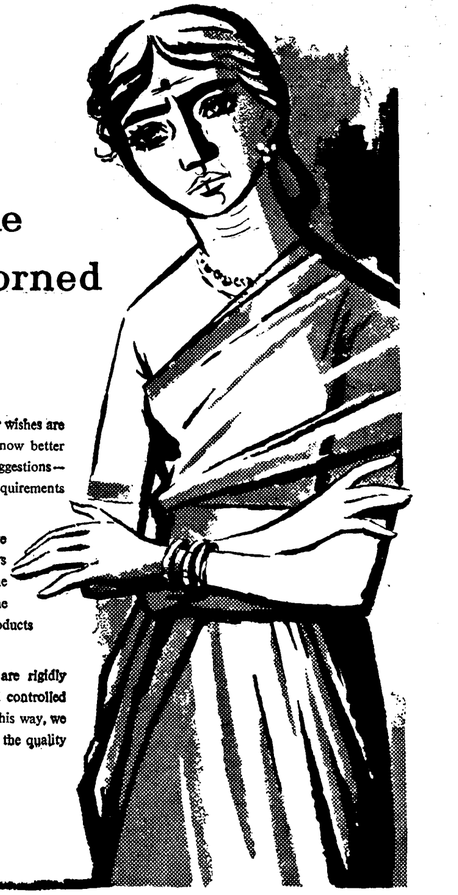
	Unsold 1957 crop	Unsold 1958 crop	Total
S.C.B. Sakels	51,295	23,713	75,008
S.G.B. Sakels Gash	2,995	3,300*	6,295
	54,290	27,013	81,303
S.G.B. Lambert	63,971	46,571	110,542
S.G.B. Lambert Gash	1,901	12,000*	13,901
AL/WL Lambert	14,342	7,200*	21,542
Private estates (estimate)	..	50,000	50,000
	80,214	115,771	195,985
Grand total	134,504	142,784	277,288

* Estimate.

The stocks held by exporters are estimated at around 70,000 bales. This would bring the total available to 347,288 bales.

COTTON CROP IN MADHYA PRADESH

Cotton crop in Madhya Pradesh in the 1957-58 season has registered a decrease of 27.4 per cent. as compared with that of the last year. The total production in the State for 1957-58 aggregated 450,500 bales, as against 620,500 bales in the previous season. It is, however, greater than the corresponding quinquennial average by 3.2 per cent. The decrease in output has been partly attributed to fall in the acreage under the crop and partly due to prolonged drought in the State in September and October last year. There has also been a decrease of 11.7 per cent. in the total area under cotton crop this year in the State. The estimated area under cotton was 1,953,800 acres as compared with 2,212,100 acres last year.



SIGNS OF SOME HEDGING IN OFFICIAL POLICY TOWARDS COTTON TRADE

WORKERS' CLAIM REJECTED

From A Special Correspondent

MANCHESTER, 29*th July*

MANCHESTER LETTER

EVIDENCE of the sharp decline in international trade in cotton goods is duly illustrated in the very disappointing figures relating to exports and imports during the second quarter of the year. Rarely, if ever, have shipments abroad been at such a low level, even during the exigencies of war-time trading. Once again, in June, imports of cloth exceeded local shipments. Just 12 months ago, this phenomenon was first noted and brought widespread comment and publicity for the industry's ills. Now the situation seems largely taken for granted and a mood of resignation at such an unhappy state of affairs predominates.

Over the first half of the year, earnings from exports of cotton yarns and manufactured goods fell from £47,047,856 to £38,681,316. Shipments of cotton cloth were nearly 30,000,000 yards lower in 1958 than 12 months ago at 207,591,000 square yards and the volume of yarn exported dropped from over 20,000,000 lbs. to 14,548,000 lbs., as the following table shows:

(Cloth in 000 sq. yds.; Yarn in 000 lbs.)

	Exports		Imports
	Cloth	Yarn	Cloth
1956			
1st quarter	120,194	9,969	74,892
2nd ,, ...	116,780	8,670	84,980
3rd ,, ...	111,510	7,500	74,190
4th ,, ...	125,660	9,650	72,320
1957			
1st quarter	120,185	10,050	108,064
2nd ,, ...	117,080	9,960	114,720
3rd ,, ...	109,580	9,200	93,510
4th ,, ...	109,020	8,430	105,000
1958			
1st quarter	116,250	8,045	116,541
2nd ,, ...	91,343	6,503	85,197

No significant change has occurred in the destinations of cotton cloth this year as compared with last. The chief falls have been recorded for the West African areas of Sierra Leone and Ghana, while both India and Pakistan have taken smaller quantities of fabric. Australia remains the chief customer with 35,944,000 sq. yards, followed by South Africa 31,327,000 sq. yards, New Zealand 16,900,000 sq. yards and Nigeria 14,044,000 sq. yards. In cotton yarn, Australia and New Zealand proved the exceptions to the rule in taking larger supplies this year, having absorbed 4,418,557 lbs. and 1,284,158 lbs., respectively.

Imports

At the end of the first quarter of the year, imports of foreign cloth were almost identical with the quantity of cotton goods shipped abroad. In the following three months, this trend did not continue and, over the half-year, the amount of grey cloth reaching Britain had declined from 195,092,000 sq. yards to 178,065,000 sq. yards. Imports of finished cotton cloth were 1,000,000 yards higher at 23,673,000 sq. yards.

Although India remains the major supplier, her shipments have fallen substantially, from 104,075,000 sq. yards to 62,927,000 sq. yards, in the first half of this year. Conversely, Hong Kong has sent practically 50,000,000 sq. yards against less than 30,000,000 sq. yards, while China has provided 31,000,000 sq. yards against less than 8,000,000 sq. yards.

Tomorrow's Action?

It is easy enough for the leaders of a political party while out of office to promise all manner of aid to groups of individuals as well as whole industries, should they be re-elected in the future. When at the helm, however, decisions become harder to take and measures which appeared effective in the past assume a more questionable aspect.

Such may well be the case when the Labour Party has the opportunity to deal with the problems of the cotton industry of the day. Already there are signs of some hedging in the official policy towards the trade, as outlined in the reply to the United Textile Factory Workers' Association on the much-discussed *Plan for Cotton* drawn up by Mr. Harold Wilson.

Although the Labour Party is said to be "fully alive to the great problems of your industry" and a future Labour Government promises to "do all in its power to halt the disastrous decline in the fortunes of the Lancashire cotton industry," few practical moves are proposed. Mr. Wilson's plan, which has the backing of the trade unions, is clearly not regarded as entirely suitable. "In view of the rapidly changing situation and the complex problems involved, the executive cannot at this stage commit the party or the next Labour Government to the implementation of 'Plan for Cotton' in detail," is the official comment.

The document itself covered numerous aspects of the present phase and the possible remedies. The chief suggestions were the establishment of Government-sponsored Commissions, one reviving control over the importation of raw cotton and its distribution, and the other regulating purchases of foreign cloth. Such proposals in themselves are sufficient to cause a radical split in the opinions held by traders. Experience of the re-established Liverpool futures market for raw cotton has been disappointing even to its most fervid admirers, and there are known to be spinners who would now be no longer averse to a return to the Raw Cotton Commission, so long as they were provided with cover—at the taxpayer's expense. There are equally those who believe that limitation of foreign cloth imports could be achieved effectively by the establishment of a trading commission, but such methods are open to controversy. The opponents of the Wilson plan are not being idle during the lifetime of the present Government and should there be a change of administration, they will be armed and ready with their counter-proposals.

No Final Pay-out

Few people other than the trade union representatives involved were surprised at the outright rejection by the cotton employers of the claim for compensation to be paid to operatives displaced by the closing of mills. To commit every firm contemplating closure to provide a "going-away gift" on the scale mentioned would merely tend to make the wavering millowners hang on a little longer to the detriment of all.

The addition of a fixed sum to the weekly wage bill, as was suggested, to provide a compensation fund, would in itself create another rise in the cost of production, making Lancashire goods less competitive than ever. In any case, as Mr. Michael Grey, Chairman of the Cotton Manufacturers' Association, said, there is nothing to prevent individual firms from distributing a bonus to their workpeople when deciding to close down. Even a general recommendation was felt to be impinging on the rights of each company to make their own decisions in such important matters.

Meanwhile, the rate of stoppages in Lancashire and surrounding countries continues unabated. The attitude of these firms towards their operatives has, in general, been to give as much notice as possible to enable alternative employment to be sought. When the mills have belonged to a group jobs have been offered in branches staying open.

Cotton From Middle East

The crisis surrounding the various countries of the Middle East, not by any means yet resolved, has focussed attention once more on an area which was at one time regarded as a possible region for trade expansion. Only a few years ago Lancashire firms were surveying the prospects for increased business with the Middle East with some degree of enthusiasm. That this trade might be two-way in scope was also a favourable factor, in view of the efforts being made throughout that part of the world to encourage cotton growing. According to the latest figures quoted by the International Cotton Advisory Committee, the total crop from the 10 leading producing countries in this area during the season now ending will be more than 3,500,000 bales.

The major supplier, Egypt, is still on Britain's "black list," while the crop failure in the Sudan has complicated the immediate situation. Recent Turkish crops have averaged about 600,000 bales, and in Syria nearly 500,000 bales have been harvested, compared with barely 150,000 bales seven years ago. In the same period, production in Iran has doubled at 280,000 bales, while, in countries such as Aden, Israel, Algeria and Morocco, crops of up to 25,000 bales have been grown. Lancashire, however, has not taken large quantities of cotton from these sources, outside the Sudan. In fact, if all these countries stopped sending supplies, the Sudan again excepted, only about 100,000 bales would have to be found elsewhere.—*All Rights Reserved.*

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AUDITORS:—MESSRS. S. B. BILLIMORIA & CO.

REGISTERED OFFICE OF THE COMPANY:
KAMANI CHAMBERS, 32, NICOL ROAD, BALLARD ESTATE, BOMBAY.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1957.

1956 Rs.		Rs.	Rs.	1956 Rs.		Rs.
	To Stock on 1st January, 1957—			1,79,72,704	By Sale Proceeds of Cloth, Yarn and Waste	1,78,12,920
35,89,925	Cloth	46,00,809		33,043	,, Process Work done for Outside Parties	17,008
2,21,042	Yarn	3,01,040		3,767	,, Interest	16,361
72,264	Waste	54,005		12,572	,, Rent	12,217
6,96,428	Process Stock	5,94,601		1,324	,, Transfer and Split Fees	832
45,79,659			55,50,455		,, Miscellaneous Income (Including Rs. 64,159/- rebate on excise duty and Rs. 82,000/- (1956—Rs. 15,000/-) compensation for Breach of contracts)	1,33,199
	,, Raw Materials (Cotton and Yarn)—	Rs. Rs.		18,679		
13,77,452	Stock on 1st January, 1957	17,20,673			,, Excess Provisions and unadjusted credit balances of past years now written back	1,58,325
96,34,745	Purchases	92,97,302		....		
1,10,12,197		1,10,17,975			,, Stock on 31st December, 1957—	Rs.
2,40,142	LESS—Sales	1,00,110			Cloth	57,30,822
17,20,673	Stock on 31st December, 1957	10,00,944			Yarn	11,79,049
		11,01,054			Waste	87,572
19,60,815			99,16,921		Process Stock	7,24,574
90,51,382			21,95,916	46,00,809		
15,87,823	,, Consumption of Stores and Spare Parts		6,46,635	3,01,040		
5,67,321	,, Power and Fuel		1,04,164	54,005		
72,767	,, Other Manufacturing Expenses			5,94,601		
	,, Repairs—	Rs.		55,50,455		76,72,017
1,02,100	Building	86,202				
1,22,561	Machinery	1,23,386				
2,24,661			2,10,088		,, Balance, being Loss carried down	1,48,262
	,, Payments to and Provision for Employees—					
51,49,871	Salaries and Wages	52,77,009				
2,55,868	Contribution to Provident Fund	2,96,192				
95,223	Welfare Expenses	1,05,821				
55,00,962			56,79,022			
31,624	,, Rent		39,004			
53,569	,, Rates and Taxes		63,863			
1,37,967	,, Insurance		1,25,318			
2,39,821	,, Miscellaneous Expenses (Includes Donations Rs. 26,593) (1956—Rs. 8,225)		2,73,369			
92,094	,, Commission on Cloth and Yarn		1,15,035			
80,672	,, Excise Duty on Cloth		21,745			
1,000	,, Directors' Fees		3,100			
92,908	,, Interest		2,23,181			
1,88,376	,, Depreciation		2,98,335			
5,50,000	,, Provision for Taxation		....			
5,39,238	,, Balance, being Profit carried down		....			
2,35,92,544		Total .. Rs.	2,54,71,141	2,35,92,544		Total .. Rs. 2,54,71,141

1956 Rs.		Rs.	1956 Rs.		Rs.
....	To Balance, being Loss for the year brought down	1,48,262	1,31,354	By Balance Brought Forward from 1956	95,787
	,, Liability for Wealth Tax for 1956	46,614			
1,00,000	,, Development Reserve	....	5,39,238	,, Balance from Profit and Loss Account	....
	,, Provision for Proposed Dividends—		....	,, Balance carried to Balance Sheet	99,089
	25,000 7 per cent. Cumulative Preference Shares of Rs. 100 each (subject to Income-tax)	....			
1,75,000		....			
2,99,805	59,961 Ordinary Shares of Rs. 50 each (free of Income-tax)	....			
95,787	,, Balance carried to Balance Sheet	....			
6,70,592		Total .. Rs. 1,94,876	6,70,592		Total .. Rs. 1,94,876

BALANCE SHEET AS AT 31st DECEMBER, 1957.

1956 Rs.	LIABILITIES	Rs.	Rs.	1956 Rs.	ASSETS	Rs.	Rs.
	Share Capital—				Fixed Assets—		
	AUTHORISED—			42,74,450	As per schedule attached to and forming part of this Balance Sheet		51,94,266
	25,000 7 per cent. Cumulative Preference Shares of Rs. 100 each	25,00,000					
25,00,000					Investments—		
30,00,000	60,000 Ordinary Shares of Rs. 50 each	30,00,000			In Government Securities at cost (lodged as Deposit with Central Excise—Market Value Rs. 7,100)	9,845	
45,00,000	90,000 Unclassified Shares of Rs. 50 each	45,00,000		9,845	TRADE INVESTMENT AT COST (unquoted)—		
1,00,00,000			1,00,00,000		400 Ordinary Shares of National Machinery Manufacturers Ltd. at par	40,000	
	SUBSCRIBED—			40,000			49,845
25,00,000	25,000 7 per cent. Cumulative Preference Shares of Rs. 100 each		25,00,000	29,98,050	INTEREST ACCRUED ON INVESTMENTS		60
29,98,050	59,961 Ordinary Shares of Rs. 50 each fully paid up		29,98,050	49,845			
	Of the above Shares—			64	Current Assets—		
	(1) 25,000 Preference and 30,000 Ordinary Shares allotted as fully paid up pursuant to contracts without payments being received in cash.				STORES AND SPARE PARTS—		
	(2) 9,961 Ordinary Shares allotted as fully paid up by way of Bonus Shares.			12,18,733	As per Inventories valued and certified by an Official of the Company	11,17,834	
	(3) 20,000 Ordinary Shares allotted as fully paid up in cash.				STOCK-IN-TRADE—		
	ADD—CAPITAL SUSPENSE—			17,20,673	Raw Materials Rs. 10,00,944		
	39 Ordinary Shares of Rs. 50 each which remain to be allotted against 195 fractional certificates issued but not yet submitted for conversion			49,55,854	Finished Goods Rs. 69,47,443		
1,950			1,950	5,94,601	Process Stock Rs. 7,24,574		
55,00,000			55,00,000	72,71,128		86,72,961	
	Reserves and Surplus—				(As per inventories valued and certified by an official of the Company; Raw Materials (cotton and yarn purchased) at cost or Market rate whichever is lower; cloth and yarn sold at contract rate, unsold at cost or market rate whichever is lower; Waste saleable at contract rate, mixable at cost; Process stock at or below cost).		
	GENERAL RESERVE—						1,03,97,699
10,00,000	As per last Balance Sheet	10,00,000					
....	LESS—Deficit as per Profit and Loss Account	99,089					
10,00,000			9,00,911				
1,31,233	SURPLUS REALISED ON ACQUISITION OF LAND		1,31,233				
5,40,000	DEVELOPMENT RESERVE		5,40,000	3,28,630	SUNDRY DEBTORS (Unsecured, considered good)	6,06,904	
95,787	PROFIT AND LOSS ACCOUNT		....				
17,67,020			15,72,144	88,18,491			
	Secured Loans—				Loans and Advances (Unsecured, considered good)—		
	Cash Credit from State Bank of India by hypothecation of the whole of the Company's Stock-in-Trade, Stores and Spare Parts and guaranteed by 2 Directors to the extent of Rs. 65,00,000/-			6,04,652	ADVANCE AGAINST COTTON, MACHINERY, STORES AND SPARE PARTS	1,00,131	
26,38,931			60,54,816		PREPAID RATES, TAXES, SUBSCRIPTIONS, INSURANCE PREMIA, ETC.	37,920	
				3,11,094	ADVANCE PAYMENT OF INCOME-TAX	5,17,813	
	Unsecured Loans—			23,014	DEPOSITS WITH PUBLIC BODIES AND OTHERS	12,578	
6,730	TRADE DEPOSITS	7,428		1,32,549	DEBTS MORE THAN 6 MONTHS	1,06,553	
8,400	SUNDRY DEPOSITS	8,400					
15,130			15,828	11,10,835			
	Current Liabilities and Provisions—				OTHER ADVANCES (including Rs. 34,720 for purchase of land from Bombay Municipality)	2,97,583	
11,15,527	SUNDRY CREDITORS	15,19,187		4,35,563			11,22,588
....	INTEREST ACCRUED ON SECURED LOANS	2,166					
503	INTEREST ACCRUED ON UNSECURED LOANS	687		15,46,398			
19,51,427	PROVISION FOR TAXATION	12,60,255			Maximum amount due by an officer at any time during the year and for 1956 is Rs. 600.		
5,18,802	PROVISION FOR GRATUITY TO EMPLOYEES	4,19,747					
4,74,805	PROVISION FOR PROPOSED DIVIDENDS	....					
1,37,101	UNCLAIMED DIVIDENDS	1,44,573					
6,06,510	OTHER LIABILITIES	3,56,750					
48,24,765			37,03,364	45,282	CASH AND BANK BALANCES— WITH BANKS ON CURRENT ACCOUNTS	45,717	
	Contingent Liability not provided for—			11,316	CASH IN HAND	25,977	
	(1) Under the proposed Town Planning Scheme, Bombay City, No. IV (Mahim Area) the Company is called upon to pay a sum of about Rs. 6,00,000 in respect of the alleged notional appreciation in the value of the Company's properties as a result of the implementation of the said scheme. The said claim was disputed by the Company and referred to Arbitration. The Award is awaited.			56,598			71,694
	(2) Claim against the Company by an Agent in Hyderabad for Rs. 1,525/- in respect of supply of goods and services not acknowledged as debt.						
	(3) Dividend on Cumulative Preference Shares for the year 1957 Rs. 1,75,000/-.						
1,47,45,846	Total .. Rs.		1,68,46,152	1,47,45,846	Total .. Rs.		1,68,46,152

AUDITORS' REPORT.

We have audited the attached Balance Sheet as at 31st December, 1957, of the Elphinstone Spinning and Weaving Mills Co., Ltd., and the Profit and Loss Account of the Company annexed thereto, for the year ended on that date and report as under:

(1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
(2) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
(3) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
(4) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view—
(i) in the case of Balance Sheet of the state of the Company's affairs as on 31st December, 1957, and
(ii) in the case of the Profit and Loss Account of the Loss for the year ended 31st December, 1957.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

BOMBAY, 21st July, 1958.

The above Balance Sheet to the best of our belief contains a true account of the Capital and Liabilities and of the Property and Assets of the Company.

B. L. JALAN,
N. K. JALAN,
KAILASHPAT SINGHANIA,
MULRAJ KERSONDAS,
SANWALRAM MORE,
SATYANARAYAN SEKSARIA.
} Directors.

C. N. SHAH,
Secretary.

BOMBAY, 21st July, 1958.

DEVELOPMENT OF PALM "GUR" INDUSTRY

ADEQUATE ATTENTION NOT PAID

THE claims of the palm *gur* industry for the fostering care and sympathetic treatment of the State Governments have so far been receiving inadequate attention, while the strength of these claims has been heightened by prohibition. While the number of palm trees in existence in the country is legion, the number commercially exploited is a mere fraction of it. The States mostly affected by the policy of letting the palm trees run to waste are those where they are in abundance, namely, Andhra, Madras and Kerala, and West Bengal. Prohibition, which was first introduced in the South, was, so far as the tappers who form a part of the rural population of these States were concerned, an unmitigated evil, in that it opened out, in the absence of encouragement and assistance to turn to palm *gur* production, only prospects of unemployment. Though efforts have been made by the State Governments to give relief to the tappers by organising co-operatives for the commercial production of palm gur, the efforts have not been on a scale to ensure complete success.

The potentialities of palm *gur* production to stabilise the rural economy of these States from the viewpoint of income as well as employment are great. The distinguishing feature of palm *gur* production is that it requires little capital investment on the part of the tapper. Financial considerations are thus no bar to the full exploitation of the palm trees existing in the country. Further, they enjoy an advantage over sugarcane, in that their source is perennial and, unlike sugarcane, is in no need of yearly replanting. This suggests that a profitable exploitation of the existing palm trees of various kinds, such as palmyra palm, date palm, coconut palm and sago palm, by way of *gur* production will release a part of the fertile areas now under sugarcane for the production of other crops. The matter is one which must receive the serious consideration of the Central and State Governments.

Jaggery Manufacture

In South India, the chief centres of palmyra industries are Tirunelvely, West Godavari, Coimbatore, Malabar, etc. Fibre extraction and other industries connected with palmyra are now receiving attention.

The manufacture of *jaggery* is carried on mainly by a community known as *Nadars* in Tirunelvely, by *Kalais* in West Godavari, by *Sanars* in Coimbatore and by *Tiyyas* in Malabar. Smooth trees of over ten years growth generally give sweet toddy. In Tirunelvely and West Godavari districts, tapping usually begins in February and lasts till June and in Coimbatore and Malabar from November to May. Each tapper working for about ten hours will be able to tap about 60 trees a day. For preparing *jaggery*, the sweet juice obtained from the trees is boiled down in open earthen pots over a smoky wood fire. The *jaggery* is sold to sugar refineries who send round their agents to these areas for collecting it. The outturn in West Godavari district alone is worth something like Rs. 10 lakhs. The production in the Tirunelvely and Coimbatore districts is also considerable.

Better Collection Methods

In this industry, there is a number of middlemen and brokers who come in for a good share of the profits of the industry. And it would be desirable for firms like Messrs. Parry and Co., Ltd., Madras, to devise, in their own interest, better methods of collection of *jaggery*. At present, the workers are entirely in the clutches of the brokers and private capitalists who take an unusually big share of their legitimate income.

The industry is on the whole in a fairly flourishing condition. Co-operative societies among the makers could, besides ensuring larger profits, also be helpful in arranging for supplies of fuel, lime, pans, etc. If such societies could be started in all the more important centres, the refineries would probably be prepared to have direct dealings with such societies in regard to arrangements for the supply of *jaggery*.

Malabar contains extensive coconut plantations and toddy is drawn and used for drinking while a good quantity of sweet toddy which is extracted free of any tax is converted into *jaggery* and used in the place of sugar in tea and coffee by the lower classes of people who use these beverages to a much greater extent than people of the same classes in any other district.

Coconut-palm *jaggery* is manufactured and used largely in the coastal tracts as a substitute for sugar. For tapping coconut for sweet toddy, a sum of four annas per tree per month is charged by the owner. Coconut palms are found everywhere in the district and the manufacture of *jaggery* on some scale or other exists almost in every place. Since coconut-palm tapping is likely to affect the yield of fruits, the trees are allowed to be tapped only once in three or four years. Generally, coconut palms are fit for tapping after the tenth year but the trees on the riverside become suitable earlier, that is, in the fifth or sixth year. At times, trees which do not yield nuts at the proper age are allowed to be tapped and they are found to yield better thereafter. The whole quantity manufactured is consumed locally.

Palghat and the surrounding country have extensive growth of palmyras and the *Izhuvas* extract sweet toddy from them and manufacture *jaggery*. The production in this area is so large that the firms of Messrs. Parry & Co. and Sri Ram Sugar Works of Podanur are able to draw large supplies of *jaggery* for their sugar works. The average production of *jaggery* in a year exceeds 10,000 bags.

Development Schemes

Due to the introduction of total prohibition, the palm-*gur* industry has become the only source of employment to most of the ex-tappers. In order to make the industry sufficiently remunerative to the ex-tapper members of co-operative societies, schemes costing Rs. 21.02 lakhs have been drawn up, under the second Plan of the Madras State. Subsidies are proposed to be given to the co-operative societies for running *neera* parlours, for purchasing confectionery machines, *gur*-making sets, etc. Among the schemes proposed for 1957-58 are the subsidising of two co-operative societies in Tirunelvely and Ramanathapuram districts to run two *neera* parlours by payment of Rs. 200 each for purchase of utensils, the payment of Rs. 500 each to two more societies in Chingleput and North Arcot districts for purchasing confectionery machines for manufacturing palatable products, besides continuing the two palm leaf instructors, the supply of 1,000 copies of *Tad Gud Samachar* to co-operative societies at half cost and the supply of 900 *gur*-making sets at half the cost. An expenditure of Rs. 3.93 lakhs is programmed for the year.

There is large scope for developing the palm-*gur* manufacture into a thriving cottage industry in South India for the following reasons:

1. Palmyra grows wild on waste lands in many parts;

2. it does not require manuring, or protection and can flourish on rain water;

3. skilled labour for tapping the trees is available in abundance;

4. the industry can be started with a small capital of Rs. 50 and

5. it does not require elaborate machinery the working of which will be beyond the reach of the ordinary villager. From the nutritional point of view, palm-*gur* is also superior to white sugar and contains mineral salts like potassium, calcium and phosphorus, etc., which can be easily absorbed by the human system. It has also medicinal properties.

Measures for Improvement

The Palm *Gur* Adviser to the Ministry of Agriculture, Madras, has suggested the following steps for the promotion of the industry:

(a) It is essential that the tree rent should be controlled under the Grow More Food regulation and through social propaganda by the Rural Development Board.

(b) Immediate reform of juice sharing system in the South.

(c) Compulsory utilisation of palms for *gur* production by the owners or leasing their trees for *gur* production.

(d) Prevention of cutting palms without permit.

(e) State-owned trees, lakhs of them owned by the Government, should be made available for such production without any tree rent or any other State charges.

A survey of the palmyra resources in the whole of India will be of considerable economic significance. It would help not only in the development of many new industries, but also enable the State concerned to become self-supporting in the matter of sugar supply without affecting the acreage under paddy as at present. It may even release some of the land now under sugarcane for paddy.

At the rate of one tapper per 25 trees, the full exploitation of all the palm trees in the Madras State alone would give gainful employment to 200,000 to 300,000 people for tapping the juice, in addition to an equal number of women for boiling the juice and an equal number of boys to assist. This will not only solve the problem of the ex-tappers, now out of employment by State-wide prohibition, but also increase the welfare of the agricultural community.

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VSK/IB/51

FINANCE FOR SINGARENI COAL MINES

CENTRE MODIFIES ITS STAND

AT long last, the Government of India has wisely modified its stand and conceded the viewpoint of Andhra Pradesh over the question of participation in the share capital of the Singareni Collieries as a condition for advancing funds to the latter for expansion. In a Press interview at Hyderabad the other day, Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel, disclosed that the Central Government had agreed to give financial assistance to the collieries without insisting on majority of shares and controlling interest for it. The quantum of assistance, he said, would be sufficient to enable the collieries to attain the production target of 3.0 million tons at the end of the second Five-year Plan period (1960-61), as against the current annual output rate of 2.0 million tons. The exact amount involved is not known; that will probably depend on the cost of development. A part of the assistance will be in the form of equity capital, the balance being advanced by way of loan. The Central Government thus gets a share in the capital of the Company, though not the majority interest as it wanted once.

The above decision of the Central Government is a good compromise and reflects a welcome spirit of tolerance and understanding. It was many months ago, it will be recalled, that the Andhra Government requested the Centre to give a loan of Rs. 4 crores for meeting a portion of the capital outlay of Rs. 9 crores on the Collieries' expansion programme. The Centre expressed its unwillingness to lend the amount unless it was allowed by the State to hold two-thirds of the equity capital of the Company. This was certainly an unreasonable stand. The Singareni Collieries is a company which is not in the private sector but in the public sector, inasmuch as the State Government itself holds 80 per cent. of the share capital and has complete control over the management of the Company. The Centre was, therefore, not justified in insisting on its acquiring control from the State Government. It may be noted here that the Centre has given large-scale financial assistance to several companies in the private sector without insisting on majority of shares and controlling interest. Considering this and also the fact that the assistance sought by the State Government was for a running concern and not for a new undertaking, the persistent insistence of the Centre for a long time was untenable. Surely, the delay could have been avoided so that the State Government would have gone ahead in implementing the expansion scheme of the Company more speedily. Anyway, all is well that ends well.

Besides agreeing to give financial assistance, the Government of India has agreed to include the scheme for the expansion of the Singareni Collieries in the core of the second Plan. As a result of the decision, more than half of the anticipated assistance of Rs. 4 crores is expected to be in the shape of foreign exchange for the import of machinery from the U.S.A. While the Centre does not ask for majority or controlling shares, it will insist on a share in the capital of the Company. Revealing this, Mr. Swaran Singh said: "It is proposed to have discussions with the Andhra Pradesh Government for coming to a mutual agreement with regard to the capital structure, because the capital structure must bear some relation to the loan that can be advanced to any venture. So the capital structure will have to be altered."

The Singareni Collieries represent one of the most efficient coal-producing units in India. The Company has all along endeavoured to maintain a high level of output. The aggregate quantity of coal actually raised during 1957 is estimated at 2.0 million tons which compares favourably with 1.68 million tons in 1956, 1.53 million in 1955, 1.46 million in 1954 and 1.27 million in 1953. The Company has large coal reserves capable of being easily exploited. By giving a loan, the Centre will get a share in the fruits of the Collieries' effort by way of interest. The general layout and mining methods adopted in the Collieries are, it is claimed, reasonably good and every effort is being made to provide amenities for both individual and collective needs of workers at all levels. More than anything, the normal atmosphere of heavy smoke coming out of chimneys and a feeling of congestion which prevails in, say, Bihar or West Bengal coalfields are not found in the Singareni Collieries.

Because of their location almost at the top of the South Peninsula which has no coalfields worth the name, the development of Singareni Collieries deserves, and is given, a high priority. To the extent the output of these collieries is raised, the responsibility of the railways to carry coal from Bengal and Bihar to consumers in the Deccan and the far-away South will be reduced. What is more, the cost of coal to consumers in these regions will be lower by about Rs. 40 per ton, a sizable saving, indeed, these days when industries consuming coal are faced with the problem of high production cost.

The production of coal in the Singareni Collieries, as already noted, has registered a notable improvement in the past two years. This has occurred without any addition to the labour force; about 30,000 persons are said to be working in the mines at present. One may ask whether the expansion of the Collieries will lead to additional employment. The answer to the poser will depend on the nature of the expansion scheme undertaken, the details of which are not available. If stress is laid more on mechanisation of mines, the scope for large additional employment is limited. But, generally speaking, it may be stated that, in regard to a basic industry like coal, what matters more is production at an economic cost and additional employment is secondary.

TECHNICAL PERSONNEL FOR COAL INDUSTRY

If the coal production target of 100 million tons tentatively fixed in the third Five-year Plan were to be hit successfully, 400 additional geologists, 2,060 drilling engineers and 3,000 mining managers would be required. This is the opinion expressed by the Expert Committee of the Coal Council of India on production and preparation. In order to overcome the shortage in technical personnel, the Committee is reported to have made several important recommendations. These cover introduction of a mining engineering course in all engineering colleges, provision of facilities for young Indian students to study mining engineering in foreign universities, obtaining the service of mining engineers and teachers from abroad, and adoption of a system of granting certificates in mining for a three-year course at the Indian School of Mines, Dhanbad, with a view to turning out more trained personnel.

The Government of India has already decided to embark on a programme of training the requisite personnel well in advance. Four training schools are being opened at Giridih, Kargali, Talchar and Kuralia—all in the coal-producing areas of Bihar, West Bengal and Madhya Pradesh.

Besides the emphasis on technical personnel, the Expert Committee has also urged the need for procuring 150 more drills for stepping up coal output from 60 million tons in the second Plan to 100 million tons in third Plan. It has suggested drilling operations in the newly selected areas in Bihar, West Bengal, Assam, Uttar Pradesh, Madhya Pradesh, Bombay, Andhra and Madras.

A meeting of the Committee on Coal Mining Interests was held at Calcutta on Monday this week, with Mr. Gulzarilal Nanda, Union Minister for Labour, Employment and Planning, presiding. The Committee unanimously recommended the extension of the period of operation of the L.A.T. award up to May 1959. The Committee further proposed that a standing tripartite committee be appointed early to deal with the labour problems in the coal industry. It may be noted that the award of the Labour Appellate Tribunal, published on 29th January 1957, provided for a rise in minimum wages to colliery workers over the award of the All-India Industrial Tribunal (Colliery Disputes) published on 2nd May 1956. It awarded, *inter alia*, equal wages to male and female workers and raised the basic minimum wage from Rs. 69-1 to Rs. 78-4 per month.

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INDUSTRIAL COMMITTEE ON JUTE MEETS

MR. NANDA EXPLAINS EMPLOYMENT AND WAGE POLICIES

INAUGURATING the two-day session of the first meeting of the Industrial Committee on Jute in Calcutta on the 1st inst., Mr. Gulzarilal Nanda, Union Minister for Planning, Labour and Employment, explained the policies to be followed in respect of employment and wages in industries, with particular reference to the jute industry, in the context of the country's present serious economic emergency. The Industrial Committee on Jute was set up by the Union Labour Ministry and the meeting was convened in pursuance of the recommendation of the Indian Labour Conference held at Naini Tal, to the effect that measures to deal with the problems of jute industry should be considered at an early date. The main items on the agenda for the meeting were: (1) closure of some jute mills, (2) rationalisation in the jute industry, (3) reduction of employment of women in the industry and revision of wage structure. The decisions of the Committee as a result of the two-day discussions are not available at the time of writing.

Speaking on the closure of jute mills, Mr. Gulzarilal Nanda said that this phenomenon was not peculiar to the jute industry, but was being encountered in various industries in different parts of India. The subject was discussed at the Naini Tal Labour Conference, as a result of which it had been decided that whether a unit was physically capable of being placed on an economic footing had to be decided by an enquiry into the circumstances of each case. If a unit was so found to be capable of being placed on an economic footing, it must be brought back to working order after removing the defects and deficiencies, through the collaboration of the Government, industry and labour. "In certain cases," Mr. Nanda said, "the load of past neglect and mismanagement will have to be removed by a process of quick liquidation." In this connection, the Minister drew attention to the suggestions made by the Textile Inquiry Committee on rehabilitation of cotton mills which had a general application to all industries.

Under the scheme of rationalisation, the quota of production of closed units was being transferred to other units under the same management or those located in the same neighbourhood, for the purpose of more economic operation. This scheme is worked in such a manner that the impact of rationalisation on the workers has been reduced to the minimum. Every possible safeguard has been taken by the industry and the West Bengal Government to ensure that not a single worker is thrown out of employment. According to a memorandum of the I.J.M.A. on this subject, the reduction in the labour complements has been mostly achieved through natural wastage, superannuation of old workers, inducement to permanent hands to retire, offer of alternative employment and absorption in leave vacancies or in the vacancies caused by natural wastage in other departments. The State Government has laid down a policy under which prior reference to the Government is necessary before any measure of rationalisation is initiated. The Government insists that not a single worker should be thrown out of employment in consequence of this process. It has also set up an *Ad Hoc* Committee for the implementation of this policy in which all the interests, Government, employers and labour, are represented.

Notwithstanding these precautions and the faithful implementation of the policy by the industry, the unions are still obstructing the progress of rationalisation. In fact, the representatives of all the labour unions, in a joint statement issued recently, opposed the programme of rationalisation and demanded its suspension, on the ground that it is leading to unemployment. Referring to this agitation, the Union Labour Minister posed two questions: (1) Was it that all these safeguards had in practice not fully satisfied the legitimate needs of the workers? and (2) was there a residual impact of the programme which had generated this discontent and which, therefore, merited study and attention? Apparently, the Union Labour Minister doubts that the programme is being carried out to the detriment of workers.

It may be pointed out, in this connection, that, in reply to the joint statement made by the labour unions which were all represented on the *Ad Hoc* Committee, the West Bengal Government recently issued a statement in which it drew pointed attention to the fact that the provision of certain facilities to those workers who were provided with alternative employment, as well as the terms of compensation to those who were unwilling to accept alternative employment, carried the unanimous consent of the *Ad Hoc* Committee. In other words, the unions had agreed to the present scheme of rationalisation. The State Government also stated that, in view of the fact that steps have been taken to ensure the policy of no retrenchment due to rationalisation, the question of suspending the scheme did not really arise. It appealed to the labour representatives on the Committee to give their co-operation, so that satisfactory arrangements for the continuance of the policy might be completed. It is thus clear that labour's opposition to rationalisation is an afterthought and is unwarranted. Alluding to this controversy, Mr. Nanda said that modernisation and rationalisation generally led to shrinkage in employment for the time being, but he agreed that there was no alternative to rationalisation and any attempt to avoid this would mean unemployment for a much larger number a little later.

Referring to the decline in number of women workers engaged in the jute industry, Mr. Nanda said that the Government had precise figures in respect of this. There was, however, some difference of opinion about the circumstances which led to this fall in employment. The real question for consideration in this context was whether any improvement could be brought about or, at any rate, ensure that women workers not at work were saved from hardships arising out of unemployment.

In reply to the demand that the wage structure of the industry should be brought under review by a wage board, Mr. Nanda said that the matter had to be considered on merits, in relation to a number of factors. Workers would have a fair remuneration. Even if it was established that the present time was not opportune for an elaborate wage enquiry, the Minister added, it would have to be undertaken sooner or later. But a revision of the wage structure was a time-consuming process. May be, there were certain directions in which the workers could be helped without waiting for recourse to such a lengthy procedure. Whatever possibilities there were should be explored on the basis of mutual goodwill. In this context, Mr. Nanda reminded all concerned of one thing. And that was the paramount need for stepping up capital formation and accelerating the rate of investment in the country for the sake of expanding employment opportunities and for a better level of living in the years to come. This would involve some sacrifices, which he wanted all concerned to share equitably. The rigour of these sacrifices would diminish if care was taken that the human and material sources available were used effectively and honestly in the national interest.

Explaining the human aspect of the employment situation, Mr. Nanda said:

"Whatever we do or decide to do at any level and in any sphere we must keep this background in view. Any immediate gain of any section, which runs counter to the overall requirements of the present situation, will recoil on everybody. With this safeguard, the most obvious aim of our efforts is that the employment in the country should expand in many directions. It should not contract in any region of industry as a whole. A single person thrown out of employment should be a matter of concern for all of us. This is the human aspect. The social and economic importance of this consideration will be realised when we find that we are beset with a very difficult unemployment problem in the country and that we are

(*Continued on page* 251)



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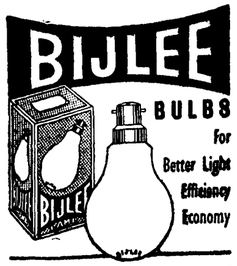

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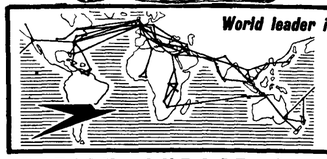

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RESULTS OF BRITISH OVERSEAS AIRWAYS CORPORATION

LARGE-SCALE EXPANSION CONTEMPLATED

ALTHOUGH the British Overseas Airways Corporation (B.O.A.C.) was able to record a sizable improvement in total revenue in 1957-58, the increase in expenditure which accompanied the rise in revenue had a depressing effect on the Corporation's profit. Thus, the B.O.A.C.'s total revenue increased from £49.04 million to £53.53 million and its expenditure from £46.46 million to £53.40 million, so that the profit on operations declined from £2.54 million to a mere £129.122. The loss on the operations of the associated companies (£590,748, as against £767.895) and the payment of interest on capital employed on current operations (£2.38 million, as against £1.47 million) together served to convert the net profit of £303,352 earned in 1956-57 into a loss of £2.84 million in 1957-58. It is, however, gratifying to note that the capacity produced increased by 18.6 per cent. and the cost per unit of output declined from 39.6d. in 1956-57 to 38.7d. in 1957-58.

Explaining the factors which led to the loss in the B.O.A.C.'s operations, the Chairman of the Corporation, Sir Gerard d'Erlanger, in the course of the Corporation's annual report, points out that, in addition to the consequences of the delays in delivery of the Britannias, the fall in prices of primary commodities and the North American business recession had their adverse effect. Further, thanks to the emergence of independent States in Africa, the results of the Corporation's services to Africa have been progressively affected by the diminution of British Cabotage rights, entitling the Corporation to cater to the whole of the first class and tourist traffic available for carriage between the U.K. and U.K. territories. Again, another factor which adversely affected the year's results was the permission given to the British independent companies to operate their colonial coach class services with Viscount aircraft.

Question of Capital

A feature of the B.O.A.C.'s financial arrangement with the U.K. Government is that the Corporation has to pay interest on its capital whether or not a profit is earned. In this connection, the Chairman has drawn attention to the fact that many of the B.O.A.C.'s overseas competitors "normally have a material proportion of their capital in equity form which does not attract a dividend unless profits are available." He adds: "Moreover, the B.O.A.C. has been subject to the added disadvantage whenever they have been called upon to introduce a new British type of aircraft into service. It has fallen to the Corporation since the war to eliminate the teething troubles of successive types of long-distance British transport aircraft. There is no other country in the world which expects its airlines to bear the additional expense entailed by this work of developing a new aircraft to make it fit for competitive service and for export." He, therefore, suggests that the Corporation should be afforded some form of financial assistance at least for its service to the wider national interests of the export markets, if not in satisfaction of its legitimate claim to compensation for the additional costs which it has to bear as compared with its competitors.

These handicaps, however, have not deterred the Corporation from embarking upon a policy of considerable expansion. Nevertheless, the Chairman recognises that the present time is not opportune for engaging in the more speculative forms of exploratory development. In the immediate future, expansion plans will be primarily devoted to markets with an immediate potential for expansion. Orders for the expansion and modernisation of fleet include 19 Comet 4 (1958), 15 Boeing 707 (1959) and 35 Vickers V.C. 10 (1963). The Corporation's total capital commitments, as on 31st March 1958, were £104 million. This, it is stated, is the highest rate of investment in the life of the Corporation. The Chairman claims that, with modern aircraft of this value at its disposal, the competitive strength of the Corporation will be "formidable."

Statistics published by the International Civil Aviation Organisation show that the air transport industry has been expanding at a rate of approximately 15½ per cent. per annum each year over the last six years. For a variety of reasons beyond its control, it is stated, the Corporation's own rate of growth in the same period has been somewhat slower until this year, mainly due to inadequacy of suitable aircraft and a determined effort is now to be made to remedy this state of affairs. As a first measure, the Corporation plans to introduce Comet 4 aircraft into service before the end of 1958, most probably on the North Atlantic route. Delivery of the Comet 4 to the Corporation is scheduled to begin in September and by December the aircraft should be in service. The capacity provided over the Atlantic by the Corporation's Boeing 707 fleet in its first full year of operation will be three times as great as the capacity provided by all the Corporation's aircraft on these routes in 1957-58. The B.O.A.C., as stated already, has on order 35 Vickers V.C. 10 aircraft. These aircraft are destined primarily for service on the Corporation's Eastern and African routes but developments in the design of the aircraft have given it a non-stop trans-Atlantic performance. As a result, the Corporation will be able to supplement its North Atlantic capacity with V.C. 10s as necessary, and it will enjoy the advantages that derive from the flexibility of operation provided by an aircraft capable of world-wide application.

WILLYS' NEW JEEP

The U.S. Post Office Department has purchased 90 "forward control 'Jeep' FC-170" trucks at a price of $279,993.35. Equipped with power tail gates, the trucks will be used mainly for the pick-up and delivery of mail boxes that need servicing or repainting. The boxes will be lifted on and off the truck beds by the tail gates. In addition, 62 of the trucks will have snow ploughs and will be used in northern cities for the removal of snow around post offices. The other 28 trucks will go to southern cities. All 90 trucks will have platform stake bodies and will be painted red, white and blue. Delivery will start in October. The first unit was developed and tested by the post office in Minneapolis.

The FC-170 "Jeep" truck has a gross vehicle weight of 7,000 pounds. It is powered by a six-cylinder L-head Hurricane engine, produced by Willys Motors, world's largest manufacturer of four-wheel drive vehicles.

NEW REFRACTORIES PLANT IN MADRAS STATE

The well-known engineering company, Messrs. Burn & Co., Ltd., has taken over, as from 1st August, the Indian assets of The Magnesite Syndicate Limited, Salem, a firm which has been mining crude magnesite ore and making a light calcined product for chemical industries for over 50 years. With this change, Burn & Co., Ltd., has undertaken to put up in Salem a modern refractory works manufacturing high grade refractories from magnesite, while continuing to work the existing mines and the calcining plant hitherto run there by The Magnesite Syndicate Limited. With the starting of the new plant in Salem, Burn's refractory works in West Bengal would concentrate wholly on the manufacture of silica refractories. This combined project will push up refractory production and save the country a considerable amount of foreign exchange. After the Salem plant goes into production Burn's refractory and ceramic works will be operating in the States of West Bengal, Bihar, Madhya Pradesh and Madras.

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prices, weakening the competitive strength of the Indian product in international market. He said that the Council had often urged the Union Government for sufficient incentives to the industry to promote exports. But the Government seemed "callous" and sometimes it appeared that there was complete absence of co-ordination between different departments of the Union Government. He felt that, if the Government was serious about export promotion, it should consider an immediate reduction of steel prices by at least 40 per cent. A rebate in income-tax liability, rationalisation of shipping freights for engineering goods, concessional railway freight and facilities for quicker despatch and credit facilities at lower interest rates were among some of the incentives suggested. In the interest of expansion in exports of engineering goods, the Government, it is to be hoped, will expedite the consideration of the points raised by Mr. Kirloskar and also announce its decisions early enough so that the declining trend in exports could be reversed soon.

SHORTAGE IN STEEL

NEED FOR AID TO PROCESSING INDUSTRIES

INDIA, as is well known, has necessarily to rely on imported steel, in order to bridge the gap between its estimated output of 1.3 million tons and its demand for some 3.5 to 4 million tons. At present, the minimum requirements of steel for the "core" projects of the second Five-year Plan are being met by credits and loans from the World Bank and certain foreign countries, including the U.S. and the U.S.S.R. Nevertheless, there is an acute shortage in steel which adversely affects the working of the steel-consuming industries. In this connection, Mr. P. L. Master, President of the Steel Importers' Association of India, in the course of his speech at the annual general meeting of the Association, held recently at Calcutta, pointed out that the "unfilled gap between the increasing demand and decreasing supply of steel has resulted in the closure of some processing units and in reducing total productive capacity."

Since April 1957 there has been a complete ban on the import of prime steel. This policy, according to Mr. Master, causes great hardship to several enterprises, particularly small-scale and cottage industries. These units do not qualify for the "actual user" licences and have always depended on imported steel—a source which has "virtually dried up." Mr. Master pleaded for a reasonable import quota for the trade, so that it can cater to the needs of small-scale users of steel. As regards the policy of issuing actual users' licences, he felt that the arrangement involved a certain waste of foreign exchange. This was because individual consumers had to pay higher prices for their small requirements. If these requirements were "bulked together by the steel control authorities and imported through established importers by issuing tenders in the usual manner, there will be a saving of at least 10 per cent. in foreign exchange expenditure."

An important point made by Mr. Master was that the export possibilities for Indian steel could be easily exaggerated. Mr. Master said that "those who have been thinking in terms of export of steel are perhaps more impressed by the need to find a solution for the expected gap between the production of our steel and the offtake of steel by the processing industries than by an appreciation of the possibilities of market for our steel exports." He rightly asserted that it would be wiser to tackle the possibilities of markets for India's steel manufactures instead of trying to sell steel. This was because India would have to compete with powerful rivals in foreign markets where they had well-built trade connections. Further, not many of India's markets, such as the countries in South-East Asia and Middle East, are in a position to consume much steel.

Engineering Exports

There is considerable force in Mr. Master's contention that India will do well to concentrate on the exports of steel manufactures for which some markets have been recently built up by Indian manufacturers. India's exports include electric fans, sewing machines, diesel engines, drums, lanterns, buckets, bolts, nuts, hinges and enamelware. What is necessary is to encourage the exports of these items. From this point of view, it is somewhat deplorable that Mr. S. L. Kirloskar, Chairman of the Engineering Export Promotion Council, should have found it necessary to complain of the Union Government's "apathetic" attitude to India's engineering industry. This, according to Mr. Kirloskar, had been one of the factors responsible for the recent decline in the exports of engineering goods. Addressing a Press conference in Calcutta, Mr. Kirloskar said that exports had fallen by Rs. 28 crores during the quarter ended June 1958, compared to the corresponding period last year. If this trend continued, he said, there would be a shortfall of Rs. 100 crores in exports during the year ended March 1959.

Mr. Kirloskar enumerated several reasons for the decline in exports of engineering goods, the principal one being the fact that import restrictions had made the home market more economic to the industry than export. Among other factors were delay in the supply of raw material, particularly steel, and its prices which were stated to be "out of tune" with world

(Continued in previous column)

NEW PRODUCTS AND PROCESSES

New Light-weight Drainage Pump

A SUBMERSIBLE drainage pump weighing no more than 86 lbs. but with the same capacity as pumps twice that size is now being put on the international market by the Stockholm export firm, Svenska Motorborr. Being of very compact design and easily carried by one man, it is claimed to be a most handy tool for all kinds of construction work where water has to be coped with. It is easily applicable and allows freer space at narrow and jammed working sites. Designed and built by the Wedaverken, a subsidiary of the well-known Bofors Group specialising in light alloy equipment, the new pump is called "Weda L3." The sturdy outer housing of corrosion-resistant hydronalium alloy has a diameter of only 270 mm. and a height of 470 mm. and is provided with double handles, which makes it easy to carry and place in position. The pump is driven by a built-in 5½ h.p. three-phase motor, completely protected from water by double sealing. It is cooled by the pump water, and, when idling, by air blown through by the impeller. As an extra safeguard there is a tempswitch, which automatically protects the motor from overheating if the pump, for instance, is sunk in deep mud. This light pump has an astonishing capacity. Against a head of 5 metres it pumps out approximately 1,000 litres per minute (220 Imp. gal./min.) and against a head of 25 metres about 250 litres (55 Imp. gal./min.). For higher heads, for instance, in mines, at tunnelling jobs, etc., two or more "Wedas" can easily be coupled in series by means of a special coupling device. Moreover, the pump is said to handle mud, sand and solid particles up to 5 mm. without difficulty. The Svenska Motorborr Company, which in recent years have scored notable international success with their portable "Pionjar" motor drills and breakers and claiming to lead the world in this field, report that the entire output of "Weda" pumps has so far been rapidly absorbed by the Scandinavian market. The new product having already found a good response also among foreign contractor-equipment firms—a noted presentation was made at this year's Hanover Fair—the production is now to be considerably extended.

Synthetic Rubber Compound

Increased motor tyre tread wear and resistance to cracking has been made possible by the development of a process for producing a "homogenised" synthetic rubber compound in the United States. Additionally, claim its developers, the new compound will be of interest to makers of a wide variety of rubber goods, including soles and heels, moulded mechanical and sporting goods, industrial rolls. It is also thought to be of value to the electric wire coating industry because of low water absorption and good electrical insulating properties. The compound is said to be a blend of variety of carbon blacks "ultra-dispersed" in various general purpose butadiene-styrene synthetic rubbers. In the usual ready-made mixes of synthetic rubber and carbon black (called masterbatches), chemical emulsifying and dispersing agents are used to mix a carbon black dispersion into a rubber latex. Additional foreign material is introduced when salts are used to coagulate the two components. In the new process, masterbatches are mechanically mixed by specially designed machinery, with use of non-rubber agents kept to a minimum. The process is said to homogenise the rubber and carbon black, providing better carbon black dispersion and a stronger bond between the carbon and the rubber. Because the masterbatch contains no added dispersing agents, coagulating salts or other water soluble materials, it is said to have lower water absorption and greatly improved electrical insulating properties.

Measurement of Fumes and Dust

A new U.K. system for sampling exhaust gases from industrial plants for fumes and dust which can also be used for control purposes is now being made available commercially. The unit, which is both compact and yet flexible in layout, provides very accurate measurements with extremely rapid operation. It can be operated by a single man. The gas is sampled by means of a stainless steel probe which faces into the stream of flowing gas, the sample of gas being drawn into the probe at the same velocity and in the same direction as the flow of gas. The gas is then fed into a filter unit containing a "throw-away" filter composed of graded glass fibres. The actual filter is enclosed inside a stainless steel container which can be rapidly detached from the device and weighed in a chemical balance. Filter changing can be carried out, it is claimed, in ten seconds. At the same time, the filter pads will filter iron oxide fumes from corrosive gases at 300 degrees Centigrade at a rate of three cubic feet per minute. The device was originally developed by the British Iron and Steel Research Association.

Odourless Bleaching

Chemical compounds which are used for bleaching fabrics during dry cleaning usually have an odour that is undesirable. A new compound developed for this purpose is said, however, to be quite odourless. At the same time, experiments have shown that it can be used for the treatment of even the most delicate fabrics. The material, which is being made at present in only experimental quantities, is designed for use in either by dry bleaches or cleansers. Its bleaching action is said to be fully as efficient as that of other compounds normally used for this purpose. The compound, developed by the Electrochemicals Department of E.I. du Pont de Nemours and Co., Wilmington, Delaware, U.S. is also called "Oxone" monoperpulphate.



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BULLOCK POWER TURNED INTO ELECTRIC ENERGY

DETAILS OF A UNIQUE EXPERIMENT

[A unique experiment in the production of electric energy by harnessing bullock power was demonstrated, towards the close of last month, in Khanpur, a village 18 miles from New Delhi, which the Prime Minister, Mr. Nehru, visited. The experiment was conducted by Mr. L. Stevens, an American Management Consultant, with the assistance of prominent U.S. industrial firms and technicians and the co-operation of the Government of India and the Ford Foundation. Besides the generation of electric energy by the use of bullock power, the Khanpur project includes bullock-drawn pump, power-equipped carpentry and blacksmithy shop and improved brick-making process. In view of the rich potentiality of this project for the reconstruction of India's rural regions, the following article, which describes the whole project, is of great importance.—ED.]

PRODUCTION of electricity by bullock power was proved both possible and practical in an experiment successfully culminated last month in Khanpur, a small village 18 miles outside of New Delhi. The experiment also showed a new type of pump by which bullocks can lift at least double and possibly more water than by the Persian wheel or other types of lift irrigation in common use. In the demonstration, which was given on 25th July, enough electricity was generated by bullocks operating a specially designed generator, to turn power equipment in a small modern woodworking shop set up in the experimental village, and to light houses and street lamps throughout the village.

The bullock-generated power is a result of research and experimentation initiated and conducted over the past several years by Mr. Leigh Stevens, American Management Consultant, with the assistance of prominent U.S. industrial firms and U.S. technicians working with the co-operation in India of the Indian Government. The Ford Foundation has provided supplementary financial assistance to the project. Mr. Stevens was the industry member of the International Study Team on Small Industry Development in India in 1954.

The bullock-generated power is one of the four aspects of an extensive research and demonstration project conducted for the last four months in Khanpur. Other parts of the experiment directed by Mr. Stevens and the result of similar long-term collaboration of U.S. engineering firms and specialists include:

(1) A specially designed bullock-drawn pump, which has the capacity under village conditions, to lift at least double or possibly more water than the Persian wheel, the traditional and common type of lift irrigation in use in India; and which can give domestic water-supply for a village. (2) A power-equipped carpentry and blacksmithy shop designed to increase village production, income and employment, by using power from the bullock-drawn generator. (3) An improved brick-making process which produces, from common Indian clays, bricks 2 upto 10 times as hard as those produced by traditional Indian methods at a low cost. These are suitable for paving. Vitrified floor tiles can also be produced.

Tested in the U.S.

Experimentation in India on all these projects has followed development and satisfactory preliminary testing in the U.S. and was begun at Khanpur in March of this year, when Mr. Stevens arrived in India with a team of four technicians, and with the equipment to be tested under typical Indian village conditions. Khanpur was selected by the Ministry of Community Development which has been most helpful in many of the arrangements for the project. Besides Mr. Stevens, the U.S. team includes Mr. Tracy Park, mechanical engineer; Mr. Kenneth Evans, a ceramics expert; Mr. Wilbert Hassell, a blacksmith technician from North Carolina. The team has been assisted by Indian engineers and technicians assigned by the Small Scale Industries Board and the Ministry of Community Development. A U.S. photographer, Mr. Eric Meacher, has made a continuing visual record of all stages of the work, so that training and instruction may be carried on in the future. If the pump-generator equipment proves useful in India, Mr. Stevens plans to make it available to the people of India as his contribution to the advancement of Indian village people. The pump-generator equipment has been specifically designed so that it can be reproduced at reasonable cost in India, by Indian manufacturers.

The experiment had its origin in 1953, when an International Study Team on Small Industries came to India at the request of the Ministry of Commerce and Industry and with sponsorship of The Ford Foundation. As the industry member of that team, Mr. Leigh Stevens interested himself while in India with four of the problems facing village people. These were (1) shortage of water for irrigation and for household use; (2) need for rural electrification, especially for powering small village industries; (3) need for improved techniques in small industries to raise production, income and employment; and (4) need for better quality bricks for construction of houses and roads. When Mr. Stevens returned to the U.S., he started research with his own resources to work out some solution of these problems, and received substantial voluntary help and co-operation from leading U.S. industries.

High-efficiency Bullock-drawn Pump

A high-efficiency bullock-drawn pump unit has been developed which, Indian tests show, lifts double or more water per hour than the traditional Persian wheel or "charsa" type of lift irrigation. The pump unit was designed by the Tennessee Gas Transmission Company of Houston, Texas. The experimental model used at Khanpur, was prepared by the Tennessee Company as a public service to India, in voluntary collaboration with Mr. Stevens' project. The pump unit as installed at Khanpur is in essentially three parts: (1) the pump itself, (2) a vertical drive shaft, (3) the driving mechanism. The pump itself is what is called technically, a positive displacement rotary pump, similar in principle to that used by the oil industry for transfer of petroleum products at refineries, tank farms and docks.

The unique feature of the pump apparatus is the driving mechanism which converts bullock power to high rotary speeds. The mechanism consists of two draw bars turned by bullocks walking in a circle, and thereby revolving a series of chains and sprockets. The purpose of this mechanism is to convert bullock power, moving at the draw bars at less than 2 r.p.m. (revolutions per minute), to 150 r.p.m., the desired speed for turning the pump, by means of the series of chains and sprockets. This drive principle is similar to that of a bicycle in which pedals (here the bullock-drawn bars) turn a large sprocket connected by a chain to a small sprocket in turn connected to the rear wheel. In the pump-driving mechanism, two stages of sprockets are used—the first set converting the 2 r.p.m. bullock speed to 20 r.p.m., and the second converting the 20 r.p.m. to the 150 r.p.m. desired to turn the pump attached below the vertical shaft. For the electric generator, a third further increase in speed is achieved by belts in the same driving mechanism, converting the 150 r.p.m. to 1,320 r.p.m.—the speed of the generator.

After the experimental pump unit was designed and developed by the Texas Gas Transmission Company, it was tested under field conditions in the United States. These field tests were conducted at Prairie View, Texas, with the co-operation of the Prairie View Agricultural College, one of the leading agricultural and engineering colleges for negroes in the U.S. Bullocks were found there which had been trained to walk in circles to turn a rural cane-crushing machine. The tests were successful, and it was believed that Indian bullocks could be used with equal success. In the testing in Khanpur, adjustments in the sprocket ratios have had to be made because of the varying speeds of different kinds and conditions of bullocks found in villages. The pump mechanism can be drawn by a minimum of two up to a maximum of eight bullocks. Tests are still in progress on the optimum number of bullocks desirable. It is expected that ultimately two pairs of bullocks would be found sufficient. In the United States during the test only one pair was used. Even if three pairs have to be used, it will be still worthwhile.

A bullock-driven Persian wheel or a "charsa" type lift irrigation, usually delivers 40-50 gallons per minute. The well on which the experimental pump was installed was a two-charsa well, delivering 95 gallons per minute. In experiments at this same well, the test pump has delivered 150 gallons per minute. The pump as installed has a lift capacity of 300 gallons per minute. A capacity of 300 gallons per minute is considerably above the capacity of the common village well. In the Khanpur installation, therefore, an auxiliary tank (open *kutcha* well) has been built immediately next to the well and connected with it by underground siphon piping. This tank is at least twice the capacity of the well and together with the well provides the necessary flow for the high-efficiency pump. The tank fills and empties through the well, by means of the siphon piping. The high-efficiency pump, when set over the well, is turned on when both well and tank are full. By running eight hours, for example, it can drain both tank and well and be out of use while tank and well are refilling themselves from below.

Water Supply

The pump is a positive pressure pump and is capable of lifting water to a height of at least 300 feet. While this is not necessary for traditional irrigation practices in India, it does however make it possible to pump water above the surface of the land, which the present Persian wheel or charsa ordinarily do not do. The test pump, therefore, makes possible domestic water supply systems for villages, and also water storage for irrigation where this is desirable.

For demonstration purposes in Khanpur, these two types of storage reservoirs have been constructed. One is a domestic water-supply tank built of brick above ground (at a cost of Rs. 900 excluding labour), of (U.S.) 24,000 gallons capacity. This is sufficient to supply the entire village at twice the villagers' present rate of water consumption, and the village is to be piped and fitted with water taps. The taps to be used are of a self-closing variety brought especially for the purpose from the U.S., but can be duplicated by Indian manufacture. (Because in Khanpur, the irrigation well is some distance from the village, the domestic water-supply tank will be filled from one of the village drinking water wells by means of a pump powered by the bullock-drawn generator, or a separate small model of the high-efficiency bullock-drawn pump.)

The second type of water reservoir which has been constructed, for demonstration purposes, is an irrigation reservoir next to the irrigation well itself. This reservoir has been built of brick, above ground, with 540,000 (U.S.) gallons capacity (equivalent to 20 acre-inches), using local labour and local brick. The brick cost of this reservoir is about Rs. 2,000, excluding labour. This type of irrigation reservoir is not essential, but has been built as a demonstration to show the possibility of "smoother" and more flexible irrigation. It can be filled at night, for example, so that irrigation can be done at any time without running the pump. Arrangement has been made so that as many as four farmers can draw irrigation water at the same time, with correct measurement of the amounts drawn off by each.

Electric Generator

As the pump unit was being developed in the U.S., it became clear that the same driving mechanism (of draw bars plus the chain and sprocket system) could be used to turn a power generator, if a suitable generating device could be designed. Mr. Stevens appealed for design assistance to the General Electric Company of New York, one of the largest manufacturers of electrical equipment in the United States. The Company, as a public service, assigned a top group of its engineers to design a generator suitable for the purpose. Since the speed of bullocks is highly variable, the principal problem was to design a generator capable of producing power under constant pressure as the bullock speed varied. The generator finally designed is fitted to the capacities of bullocks, and produces constant voltage even though the speed of bullocks may be uneven. The generator is turned by bullocks pulling the same draw bars as for the pump. The pump is simply switched off and the generator switched on, to divert the bullock power to producing electricity rather than lifting water. The driving mechanism which can be used for both the generator and the pump has led to a misunderstanding in a section of the Press that water performs some function in moving the generator. It is not so.

The same two series of sprockets and chain are used, with a belt added for a third stage. By this third stage, the 150 r.p.m. used to turn the pump is stepped up to 1,320 r.p.m., the average speed of the generator. The generator was, like the pump, tested at the Prairie View Agricultural College in Texas, before being brought to India. The generator is capable of delivering 4½ kw. of power, in 125 volt D.C. current. Tests are still in progress to determine the optimum number of bullocks desirable to produce enough power for village lighting and small industry. The generator, in its practical uses and significance in rural areas, may remind many people from the U.S. of the small gasoline-driven "Delco" or similar small power plant long used in farm homes in the U.S. before the advent there of widespread rural electrification. This test bullock-driven generator has the capacity to produce, however, about four times as much power as did a medium-sized "Delco" or other plant of the kind.

Potentialities

Since the cost of bringing electricity to Indian villages by present power and transmission systems is now estimated at about Rs. 60,000 per village, the implications of widespread use of a bullock-powered generator are considerable, for electrifying rural India rapidly, and at a cost low enough to be borne largely by the villagers themselves. The 4½-kw. bullock-powered generator produces sufficient power to operate a small village industry using power equipment and employing 20 to 50 workers. For demonstration purposes a power woodworking shop has been erected in Khanpur to be run by the bullock-drawn generator. It has also power to light a village of 150 houses, with one 25-watt bulb in each house, and 15 100-watt street lamps. Khanpur is being experimentally wired for this purpose. The generator does *not* supply sufficient power for all village householders to use electric household appliances, even radios, which are heavy power consumers. If owned and operated for a single family for their use alone, it would, however, provide enough power for a single household's appliances, including cooking.

Power is generated only when the generator is turned by the bullocks. It is, however, necessary to store power in storage batteries to balance out the load. Storage batteries will be installed in Khanpur for demonstration purposes. The mechanical distribution and control of the power generated by bullocks presented some special problems. At the request of Mr. Stevens, the Smith Meeker Corporation of New York, leading builders of control and switchboard equipment for atomic submarines, designed and contributed, as a public service, the simplified electric switchboard which has been installed in Khanpur. The electric distribution system throughout the village has been built according to the specifications of the Indian Central P.W.D.

The market price to the village, of the combination pump and generator unit, with its driving mechanism, is estimated to be about Rs. 25,000, when manufactured in India, and possibly as low as Rs. 15,000, if mass produced. In this connection, our Delhi correspondent writes: "I had originally worked out the cost for a single well system for irrigating 50 acres at Rs. 10,000. If the equipment is mass produced in India, the entire capital outlay (including pump, masonry and *kutcha* wells, bullocks, storage reservoir, etc.) would come to Rs. 25,000 for irrigating 100 acres for two or three crops. Mr. Stevens seems to have a plan for sponsoring a large-scale factory for manufacturing pump, generator, etc., at the cost he has estimated. I have estimated, at a conservative estimate, additional food and commercial crop production from 100 acres of hitherto dry lands at Rs. 26,000. After deducting costs of cultivation (including water rate) the value of net produce will be Rs. 8,000. Operating (including depreciation) expenses will come to Rs. 8,000 per year which can be fully covered by water rates of Rs. 50 per acre for the first crop and Rs. 25 per acre for the second and third crops."

Since the pump and generator make it possible for a village to install a village water-supply and power system, each village would have to work out through their own *panchayats* or other local bodies, how they might own, operate and charge for these public services for the benefit of the village. In charge of the installation and of the experimental research with the pump and generator is Mr. Tracy Park, Mechanical Engineer, of the Tennessee Gas Transmission Company of Houston, Texas, which is donating Mr. Park's services to this project as a contribution to India. Mr. Park, who took his mechanical engineering training at Rice Institute in Houston, Texas, and served as engineering officer in the U.S. Navy during the war, has been with the Tennessee Gas Transmission Company since 1949. He is now the Company's assistant compressor superintendent of gas transmission. The Tennessee Gas Transmission Company is one of the largest U.S. firms devoted to the transmission of natural gas from Texas throughout the eastern United States and Canada, and to the production of oil and gas and allied products.

In estimating the future implications and possibilities of bullock-powered appliances, it is interesting to note that the combined potential power of the bullock of India is probably greater than the installed public utility power now available in the U.S.A. (124 million kw.), and that it is susceptible to very rapid development by means of devices of this kind. Of course, the larger part of this bullock power will be required for ploughing and carting purposes. It is the idle surplus that has to be taken into account here.

Carpentry and Smithy Shops

To illustrate possible and valuable village uses of power generated by bullocks, a power-operated wood-working shop and smithy has been erected for experimental and demonstration purposes in Khanpur. The wood-working shop, a brick and wood structure 78 ft. by 44 ft., is designed for up to 50 workers. It contains six pieces of power-driven wood-working equipment —a metal and wood-turning lathe, a wood ripsaw, a sharper, a drill press, a handsaw and a wood joiner, plus small handpower tools, such as an electric handsaw, bench grinder, and half-inch electric drill. Although all equipment, except the lathe, was procured in the U.S. at a total cost of about $3,000, it is generally reproducible or available through Indian manufacture. With this equipment, the shop can handle virtually any wood-working operation. The shop can turn out finished wood parts of all kinds—furniture parts, assembly pieces for cart wheels, etc., to the total value of about Rs. 2,000-3,000 a day, with about 50 employees.

The construction of the shop is of special interest. It is made almost wholly of brick and wood, virtually without steel of any kind. The structure is a laminated arched truss of wood, made after a design recommended for farm buildings by the U.S. Department of Agriculture. It will stand up under winds of hurricane velocity, and affords adequate light and ventilation to the shop below. The roofing material itself is corrugated asbestos. The shop and roof was built by Indian village carpenters, under direction of the project. The cost of the building, exclusive of land, is approximately Rs. 15,000. This is known to be on the high side. The duplication cost will be much less.

Adjacent to the wood-working shop is a smithy, an open building 20 ft. by 25 ft. It is designed to do the iron work on bullock-cart wheels that will be manufactured by the wood-workers, and tool repair and general smithy work. The cost of the building, without equipment, is about Rs. 2,000. The smithy is fitted with tools—some of them 25 to 30 years old—brought from a village smithy in North Carolina: forge, anvil, steel shears, tyre upset and tyre and hand roller. There is no power equipment. In charge of the erection, equipment and operation of both the wood-working shop and the smithy is Mr. Wilbert M. Hassell, son of a master wheelwright of Rocky Mount, North Carolina. Mr. Hassell now owns and operates a plumbing and welding business in Rocky Mount. He was trained by his father, now 70 years of age, as a blacksmith and wheelwright, and maker of wooden wheels.

Improved Brick Kiln

India's shortage of both wood and steel as construction materials makes the production of high quality and vitrified bricks, for both building and paving, an important industry for India's development. Bricks made by traditional local methods are very porous and absorb water excessively, and they are also relatively soft and breakable. Mr. Stevens believed, however, that harder bricks could be made by better kilning methods.

In the U.S., Mr. Stevens, with the assistance of the President of the U.S. Steel Company, located the Metropolitan Brick Company of Ohio, to test Indian clays in their laboratories. About 300 or more pounds of clay were shipped from India to the Company in Ohio at Mr. Stevens' request, for experimental purposes. Tests with improved kilning processes showed that Indian clays can be made into very hard and far superior bricks, by using a kiln of the standard periodic down-draft type common in the U.S. and many countries throughout the world. In Khanpur, therefore, as a demonstration, a brick kiln of this periodic down-draft type has been built. All local materials and equipment have been used in the construction, with the exception of two highly accurate U.S. pyrometers needed for testing purposes. There is no power equipment. The kiln is designed to employ 25 persons, and aside from using bullocks to grind the clay, only hand operations will be used. The total duplication cost of the improved kiln is about Rs. 90,000. This is, again, known to be an overestimate which includes provision for Rs. 50,000 of working capital.

The essential feature of the improved kiln is the higher firing temperatures it makes possible, and which will produce bricks of great hardness and durability. Low grade coal is the fuel used. The kiln will produce, on completion, three important building and paving materials:

(1) Regular building bricks (face brick) of medium hardness, which have only 4 to 5 per cent. absorption as compared with the 12 to 15 per cent. absorption of common locally made brick, and which are more than three times as hard as the local brick. This improved brick can be used for home building, and since it does not absorb water, and thus prevents rains from soaking through, it would greatly lessen the interior wall-damping which occurs now in monsoon season. Also since the brick is much stronger, the walls need not be so thick. Moreover, the bricks need not be given a cement or stucco coating as must now be done with *desi* brick. This can mean lower building costs as well as a saving on cement.

(2) Paving bricks which are fired at such high temperatures that they are vitrified to a point harder than steel and have only a residual (2 per cent.) absorption. This type of vitrified paving brick was long widely used in the U.S. for paving streets and roads since it can withstand the wear of steel-tyred wheels and heavy traffic. These paving bricks can offer a valuable substitute to cement for road-building purposes in India, where cement is both scarce and costly. Since, with the proper kiln, they can be produced anywhere in India, these paving bricks could also provide a local material, produced by local labour, for building hard-surface roads throughout the country.

(3) Vitrified floor tiles. These tiles are of natural clay colour, and vitrified by high temperature firing to an even greater hardness than the paving brick. They offer a durable easily available flooring material for all-purpose construction, at a lower cost than cement. In Central and South America where such vitrified floor tiles are widely used, they have proved impervious to humidity and termite conditions similar to those in India. The highly vitrified surface does not absorb dirt.

The improved kiln is reproducible anywhere in India, using wholly Indian materials and labour. In charge of the erection and operation of the brick kiln is Mr. Kenneth E. Evans, a ceramics specialist from the U.S. Burnite Corporation of Hutchinson, Kansas, from which he is now on leave. Mr. Evans, who has spent over 30 years in ceramics work in many countries after completing training in the Missouri School of Mines and Metallurgy, lived from 1939 to 1953 in India as Chief Engineer for Bengal Potteries Ltd., Calcutta.

Experimentation on all the phases of the project will be continued throughout the next several months. Methods are being worked out whereby the desired pump and generator equipment may be manufactured in India. It is likely that American private enterprise will come into this field.



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GROWTH OF GENERAL INSURANCE

EXPANSION FAILS TO KEEP PACE WITH RISE IN INDUSTRIAL PRODUCTION

THE expansion of general insurance business in India during the period 1951 to 1956 has not kept pace with the increase in industrial production, according to the *Indian Insurance Yearbook*, 1957, just published. The Controller of Insurance, Government of India, reports in this latest issue of the *Yearbook* that the volume of insurance business remained more or less the same during the periods 1951 to 1954 and that only in 1955 the rate of expansion kept pace with industrial production. But this trend was not maintained in 1956. Thus the general index number of industrial production (base: 1951=100) stood at 133.00 in 1956, whereas the index number of insurance business in India (1951=100) stood at 118.8. In 1955, the index number of insurance stood at 122.4 and that of industrial production at 122.1. The following table compares the growth of insurance business with the rise in industrial production:

Expansion of General Insurance Business

Years	Index number of insurance business	Index number of industrial production
1951	100.0	100.0
1952	104.4	103.6
1953	97.2	105.6
1954	101.6	112.9
1955	122.4	122.1
1956 (provisional)	118.8	133.0

Nevertheless, the volume of business in 1956 showed an improvement over that in 1955. The net premium income from business written in India by Indian and non-Indian insurers aggregated Rs. 15.82 crores, as against Rs. 14.40 crores in 1955. This was made up of Rs. 6.28 crores in the fire department, Rs. 3.61 crores in the marine department and Rs. 5.93 crores in the miscellaneous department. The following table gives the net premium income from business written in India:

Net Premium Income (All Insurers)

(In crores of rupees)

Class of business	In India		
	Indian insurers	Non-Indian insurers	Total
Net Premium:			
Fire—			
1955	2.77	2.85	5.62
1956	3.30	2.98	6.28
Marine—			
1955	1.47	1.93	3.40
1956	1.65	1.96	3.61
Miscellaneous—			
1955	3.34	2.04	5.38
1956	3.94	1.99	5.93
Total—			
1955	7.58	6.82	14.40
1956	8.89	6.93	15.82

The net premium income of Indian insurers from business written in India in 1956 aggregated Rs. 8.90 crores, made up of Rs. 3.30 from fire insurance, Rs. 1.65 crore from marine insurance and Rs. 3.94 crores from miscellaneous insurance. Net premium income of non-Indian insurers aggregated Rs. 6.93 crores comprising Rs. 2.98 crores in the fire department, Rs. 1.96 crore in the marine department and Rs. 1.99 crore in the miscellaneous department.

The net premium income of Indian insurers outside India was of the order of Rs. 10.35 crores of which fire, marine and miscellaneous insurance accounted for Rs. 6.14 crores, Rs. 1.90 crore and Rs. 2.32 crores, respectively. Total net premium income from business written within and outside India, therefore, aggregated Rs. 19.25 crores, of which the shares of fire, marine and miscellaneous accounts were Rs. 9.44 crores, Rs. 3.55 crores and Rs. 6.26 crores, respectively. The following table gives the net premium income of Indian insurers in 1956:

Net Premium Income (Indian Insurers)

(In crores of rupees)

	In India	Outside India	Total
Fire—			
1955	2.77	5.76	8.53
1956	3.30	6.14	9.44
Marine—			
1955	1.47	1.91	3.39
1956	1.65	1.90	3.55
Miscellaneous—			
1955	3.34	1.91	5.25
1956	3.94	2.32	6.26
Total—			
1955	7.58	9.59	17.17
1956	8.89	10.35	19.24

Income from foreign business continued to account for the major part of the net premium income of Indian insurers. Thus in 1956, net premium income from foreign business was Rs. 10.35 crores as compared with Rs. 8.90 crores from business in India, the corresponding figures for 1955 being Rs. 9.59 crores and Rs. 7.58 crores.

Gross premium income also showed improvement during the year under review. Gross premium income of both Indian and non-Indian insurers advanced from Rs. 23.09 crores in 1955 to Rs. 24.76 crores in 1956. All the three departments shared the increase. The gross premium income of Indian insurers in the three departments stood at Rs. 15.18 crores, as against Rs. 13.77 crores in 1955. An increase in gross premium income was also reported by non-Indian insurers, though to a lesser extent. Their gross premium income in 1956 was of the order of Rs. 9.58 crores, as compared with Rs. 9.32 crores in 1955.

It is interesting to note the progress of fire, marine and miscellaneous insurance during the period 1951 to 1956. The year 1951 was a good year for fire insurance business in India. Both gross and net premium income in India of Indian and non-Indian insurers, however, decreased during the years 1952 and 1953. These started rising from 1954 and the premium income of Indian insurers in 1956 exceeded the 1951 level. The proportion of gross premium written direct in India by Indian insurers to the total gross premium written direct in India has been steadily increasing from the year 1954 onwards. A similar trend is also noticeable in the case of net premium income in India. The net premium income outside India of Indian insurers has steadily increased over the six years from 1951-56. The gross premium income outside India of Indian insurers also recorded a continuous rise except for the year 1952. The net premium income outside India has been considerably more than the gross premium income outside India, the estimated ratio for the year being nearly 3 to 1. The net premium income in India, however, was only about half the gross premium income in India.

Gross and net premium income in the marine department of both Indian and non-Indian insurers touched the lowest level in 1953. Both gross and net premium incomes have increased steadily thereafter. While the net premium income in India of Indian insurers exceeded the 1951 level in 1954, the gross premium income in and outside India exceeded the 1951 level in 1954 and 1955 respectively. The premium income of non-Indian insurers in India, however, is still below their 1951 level. The proportion of the gross and net premium income from business written in India by Indian insurers to the corresponding total premium income from the business written in India also recorded a continuous increase over the six years. The net premium income outside India of Indian insurers varied between 76 and 124 per cent. of the gross premium income outside India. In India, the net premium income of Indian insurers varied between 43 and 51 per cent. of the gross premium income, while it varied between 69 and 74 per cent. for non-Indian insurers.

The trend of miscellaneous insurance has, on the whole, been progressive during the period 1951-56. As in other classes of insurance business, the share of Indian insurers in the total gross and net premium income in India has also increased during the years 1951-56. The net premium income in India of both Indian and non-Indian insurers was less than their gross premium income, the proportion being about four-fifths for Indian and nine-tenths for non-Indian insurers. The net premium income outside India of Indian insurers, however, was slightly more than their gross premium income outside India.

The claims experience of all insurers in the various departments did not show any significant change. It is, however, noteworthy that claims experience in the marine department showed a slight improvement. The claims ratio declined from 67 per cent. in 1955 to 61 per cent. in 1956. The ratio in the fire and miscellaneous departments remained virtually unchanged at 32 per cent. and 47 per cent. respectively. The U.K. insurers were able to operate on a lower claims ratio than Indian insurers, especially in the fire and marine departments. The ratio in these two departments for U.K. insurers were 22 per cent. and 41 per cent., as compared with 35 per cent. and 70 per cent. for Indian insurers.

The following table gives the claims ratio, the commission ratio and the expense ratio of general insurers in 1956, expressed as percentages of net premium income, along with those for 1955:

Claims, Commissions and Expenses

(Percentage of net premium income in 1956)*

	Claims ratio	Commission ratio	Expense ratio
Fire—			
All insurers	32 (31)	15 (16)	34 (34)
Indian insurers	35 (35)	17 (19)	29 (30)
U.K. insurers	22 (18)	8 (7)	45 (41)
Marine—			
All insurers	61 (67)	6 (7)	28 (27)
Indian insurers	70 (72)	2 (4)	27 (26)
U.K. insurers	41 (44)	13 (13)	29 (25)
Miscellaneous—			
All insurers	47 (47)	17 (16)	27 (27)
Indian insurers	49 (50)	17 (15)	26 (30)
U.K. (insurers)	42 (37)	10 (15)	32 (30)

* Figures in brackets refer to 1954.

The expense ratio of all insurers, as will be seen from the above table, also remained more or less unchanged at the 1955 level.

The total assets of the general insurance business of Indian insurers amounted to Rs. 42.44 crores on 31st December 1956, as against Rs. 41.65 crores on 31st December 1955 and Rs. 38.71 crores on 31st December 1954. Of this, 19.9 per cent. were invested in securities of the Government and other public authorities, 5.3 per cent. in foreign Government securities, 20.5 per cent. in the shares and debentures of Indian companies, and 1.9 per cent. in land and house property and the rest in other categories of investments. The following table gives the distribution of assets of Indian insurers:

Assets (Indian Insurers)

(In lakhs of rupees)

	1956		1955	
	Amount	Percentage	Amount	Percentage
Central Government securities	687	16.2	724	17.4
State Government securities	180	4.1	115	2.8
British and foreign Government securities	226	5.3	254	6.1
Municipal, Port and Improvement Trust securities	25	0.6	28	0.7
Debentures of Indian Cos.	147	3.5	150	3.6
Preference shares of Indian Cos.	202	4.7	204	4.9
Ordinary shares of Indian Cos.	521	12.3	446	10.7
Land and house property	82	1.9	74	1.8
Deposit, cash and stamps	805	19.0	670	16.1
Loans on mortgage of property	38	0.9	46	1.1
Loans on stocks and shares	14	0.3	10	0.2
Other loans	61	1.4	77	1.8
Agents' balances, outstanding premiums, amounts due from other insurers, etc.	987	23.3	10,56	25.4
Miscellaneous	319	7.5	311	7.4
Total	42,44	100	41,65	100

Total assets in India in respect of the general insurance business of non-Indian insurers amounted to Rs. 11.75 crores of which 22.6 per cent. were invested in securities of Government and public authorities, 23.4 per cent. in shares and debentures of Indian companies, 3.3 per cent. in land and house property, 19.4 per cent. in deposits, cash and stamps, 8.3 per cent. in miscellaneous assets. The balance of 23 per cent. represented such items as agents' balances and outstanding premiums.

The Controller of Insurance has expressed concern over the increasing number of defaulters in respect of the submission of accounts. The *Yearbook* records that 58 insurers (39 Indian and 19 non-Indian) did not furnish their accounts returns for the year ended 31st December 1956 within the statutory time-limit. The corresponding figures for the two preceding years were 33 (28 Indian and 5 non-Indian) insurers in respect of 1955 accounts and 29 (25 Indian and 4 non-Indian) insurers in respect of 1954 accounts.

On 31st December 1957, according to the *Yearbook*, there were 189 companies registered under the Insurance Act, 1938, for transacting one or more classes of general insurance business of which 91 were Indian and 98 non-Indian. Of these, 49 Indian and 37 non-Indian insurers were registered for all the three classes of insurance business, 13 Indian and 22 non-Indian insurers were registered for two of the three classes and the rest (29 Indian and 39 non-Indian) were registered for only one class. These figures exclude the Life Insurance Corporation of India. Of the Indian insurers, those registered in Bombay State, numbering 51, accounted for about 63 per cent. of the total premium income while about 70 per cent. of the premium income in India of the non-Indian insurers went to insurers constituted in the United Kingdom, numbering 66.

OILS AND OILSEEDS IN INDIA

MR. RAMDAS KILACHAND ON THEIR PROBLEMS

VEGETABLE oilseeds play a vital role in the economy of India, for they are largely used as fat in the diet of the people and provide raw material for many oil-based industries. What is more, they are a fairly good foreign-exchange earner. They account for nearly 5 per cent. of India's total exports. During 1955-56, India's exports of oils and seeds were of the value of Rs. 34 crores. In 1956-57, they fetched Rs. 26.8 crores of foreign exchange. In the 12 months ended March 1958, the foreign exchange earnings from this source were relatively small, being no more than Rs. 16.0 crores, a decline of 40 per cent. and 53 per cent. as compared with 1956-57 and 1955-56, respectively. This fall was largely due to the recession in world trade in general, the retention of export duties by the Government at relatively high levels in the face of a growing buyers' market, the increase in domestic consumption and the failure of domestic production to rise to the high level reached in 1954-55, though it was better than in 1955-56. In recent months, however, the Government of India has shown a better appreciation of the world markets and taken energetic measures to stimulate exports of this commodity. It is rather too early to assess the results of this action. Much will depend upon the strength of the domestic demand, the size of the new crop and the trend of world markets.

India is one of the foremost producers of oilseeds, perhaps standing third in order of preference to China and the U.S.A. It must be admitted, however, that no other country in the world produces as many varieties of oilseeds on a commercial scale as India. Nearly 8.5 per cent. of the cultivated area in the country is devoted to oilseeds. At the commencement of the first Plan, the area under the five major oilseeds was nearly 26.5 million acres and production was of the order of 5.20 million tons. Production in 1955-56 stood at 5.7 million tons, which exceeded the target of 5.5 million tons set in the first Plan. The area under this crop then was 29.8 million acres. In 1956-57, the acreage exceeded 30 million, but production was no more than 6.1 million tons.

Yield Per Acre

A distressing feature of oilseeds production in India is the failure of the yield per acre to go up in consonance with the rise in the area devoted to the crop. Pointed attention to this defect was drawn by Mr. Ramdas Kilachand, the popular President of the Bombay Oilseeds and Oils Exchange, in his speech on the occasion of the thirtieth annual meeting of the Exchange held on 31st July 1958. He observed:

"The average area under the major oilseeds for India for three years 1936 to 1939 was 21 million acres. The acreage for 1957-58 was nearly 30 million acres. This means that there has been an increase in acreage of almost 50 per cent., as, before the Partition, the acreage under major oilseeds was mostly confined to the areas covered by the present Indian Union. The average production, according to Government estimates, for three years 1936-39 was 4.8 million tons. The estimate for 1957-58 is 6 million tons, which means that the yield has not been commensurate with the increased acreage. Apart from this, according to the trade, the Government's estimates are rather optimistic. For instance, against the Government's official estimate of 4.2 million tons of groundnuts in shells for 1957-58, the trade estimate of production is not more than 3.3 million tons. All this means that there has not been any significant increase in the production of oilseeds, in spite of the increased acreage, although there has been increased production of cotton, tobacco, jute, etc., more or less according to the Plan. The Government must therefore turn its attention to finding out why there has not been any significant rise in production of oilseeds. It may be mentioned that, in the case of India, the per-acre yield for different oilseeds is 40 to 50 per cent. lower as compared with foreign countries. It is very necessary to make efforts immediately for increasing production of oilseeds by increasing per-acre yield."

In making this suggestion, Mr. Ramdas was not unaware of the steps that have already been taken by the Indian Central Oilseeds Committee in this direction. Only, he was not satisfied with the response from the State Governments to the various research schemes sponsored by the Committee. He stressed that the States should take more energetic steps for securing a higher yield of oilseeds per acre.

Mr. Ramdas felt that the target fixed in the second Plan should be raised from 7.5 million tons for the five major oilseeds—groundnuts, linseed, castorseed, sesamum, and rape and mustard—to 8.5 million tons. In the light of the country's experience so far, it is doubtful whether it will be possible to attain this target in the next two years. But, judged from the growing domestic needs for fats and oils and the urgency of exports, the target of 8.5 million tons is by no means unduly high. It could be achieved if the yield per acre were to improve. Viewed thus, the importance of bringing about an increase in the yield per acre of these vital cash-*cum*-food crops cannot be underestimated.

Shipping Problem

In the opinion of Mr. Ramdas, India should strive to export oils and oilseeds of the value of Rs. 55 to Rs. 60 crores, as against Rs. 16 crores in 1957-58 and Rs. 34 crores in 1955-56. If this big target is to be hit, it is, of course, necessary that India should produce more oilseeds. Besides, there are also other things to be done. These refer to shipping and railway freight rates and the Government's export policy. A brief reference to each of these subjects was made by Mr. Ramdas. Alluding to shipping difficulties, he observed:

"At present, Indian exporters have to rely on steamers provided by Conference Lines like the Karmahom Conference on the West Coast. These Conferences have what is known as the system of rebate. The result of this system has been that the Indian shippers have been handicapped in concluding business on quite a few occasions which business could have been put through if they were free to ship these commodities by any steamer of their choice or of the foreign buyer. The practice adopted by the Karmahom Conference of giving rebate to shippers on condition that they ship *all* their goods through their steamers has come in the way of increasing India's export trade. Export is a very competitive trade and exporters take into account for calculation of their profit, which is, indeed very small, the rebate available to them. Having shipped a part of their goods, whether oilseeds, oils and oilcakes or other cargo such as textiles, manganese ore, etc., through the Conference steamers, it becomes difficult for the shippers to go outside the Conference Lines for fear of losing rebate on all kinds of cargo which, if forfeited, results in a loss. The shippers, therefore, generally cannot take the risk of shipping goods through non-Conference steamers. This situation has created such difficulties that even where Indian exporters have entered into f.o.b. contracts and where the choice of the steamers in such contracts is always that of the foreign buyers, the Indian exporters has been penalised by the Conference Lines by forfeiting his steamers. The system of rebate does not exist on the Madras Coast for major oilseeds and oils, as the Conference has not freight rates for them. The system of quoting net freight for all cargo is very necessary for promotion of exports. I, therefore, urge the Government to use its good offices with the Shipping Conference to see that the rebate system is done away with."

The foregoing demand seems to be reasonable. It is to be hoped that the shipping companies themselves will do something in this matter, without waiting for the Government to tell them what to do. We feel that the members of the Karmahom Conference will be well advised to get in touch with the oil and oilseeds interests in order to arrive at a mutually satisfactory agreement.

On the subject of railway freight, Mr. Ramdas pleaded for a concession in rates on export consignments, as recommended by the Export Promotion Committee.

Export Policy

A stable export policy should be the objective of the Government, said Mr. Ramdas. By "stable" he meant a long-range policy which would not be subjected to frequent changes which adversely affect those who are in the trade. Explaining the advantages of such a policy, he remarked:

"If there is a long-range export policy, the present dictation on the part of the foreign buyers will disappear. India will be able to earn better prices which means larger foreign exchange receipts. It will also help in keeping the internal prices steady, since there will not be any rush to sell abroad and purchase here goods, as the merchants would be in a position to spread both these over a longer period. Another point that the Government should bear in mind is that the announcement of export policy should be timely and, as far as possible, this policy should be announced for different oilseeds, oils and oilcakes simultaneously."

The plea for a stable and well-integrated export policy is not irrelevant; nor is it unjustified. The only difficulty in the way of such a policy is the fluctuation in the size of the domestic crop, while the domestic demand for fats and oils is steadily upward. Until, therefore, production of the commodity is stepped up to a substantially high level, the Government will find it hard to reconcile the domestic requirements with export needs. Since the price of vegetable oils has an important bearing on the cost of living of the people, it is necessary to ensure that it does not shoot up to unreasonably high levels. Accordingly, the demand of Mr. Ramdas cannot be readily conceded by the powers-that-be.

Minor Oilseeds

One way of reducing the magnitude of this problem is to take such measures as would curtail the domestic demand for vegetable oils. The oil-based industries like *vanaspati*, paints, varnishes and soap, which consume the major edible oils, may be persuaded to switch on to cottonseed and other minor oils, some of which are non-edible. Stressing this point, Mr. Ramdas endorsed the step taken by the Government for setting up a committee to investigate and report on greater utilisation of cottonseed for extraction of its oil. It may be noted here that, on an average, India produces 1.6 million tons of cottonseed, capable of yielding 0.2 million tons of oil. But at present, only a small quantity of this oil is being produced. Mr. Ramdas shared the popularly held view that, if this source were fully tapped, there would be good scope for increasing the exports of highly-prized vegetable oils such as groundnut oil. He appealed to the Government to give suitable help to industrial consumers of oils by way of a rebate on excise duties and such assistance as might be necessary for collection of the minor oilseeds.

Another problem that troubles the industry, according to Mr. Ramdas, relates to sales tax. He called for the abolition of this tax on oils and oilseeds and for introducing excise duties in lieu thereof. This is a commendable suggestion, in view of the fact that oilseeds and oils account for an inter-State trade of a very large magnitude and are important items of export. Mr. Ramdas's argument is that, if this reform could be applied to cotton textiles, sugar and tobacco, why not extend it to oilseeds and oils as well.

THE BANK OF INDORE LIMITED
(Incorporated in Indore 1920)
Authorised Capital .. .. Rs. 50,00,000
Subscribed Capital .. .. „ 30,60,750
Paid-up Capital .. .. „ 15,30,375
Reserve Fund .. .. „ 29,00,000
Head Offices:
1, Prince Yeshwant Road, Indore City
Bombay Offices: 44, Hamam Street, Fort and Jal Hind Estate, Bhuleshwar.
Branch Offices: Cloth Market, Siyaganj and Sanyogitaganj (Indore City).
Branches: Anjad, Bhopal, Dhar, Khargone, Mhow, Ratlam, Sanawad, Shujalpur Mandi, Tarana and Ujjain.
Pay Offices: Jaora and Sandhwa (Madhya Pradesh)
Safe Deposit Lockers are available at
Head Offices, Sirafgani and Cloth Market Indore; Branches at Mhow, Ujjain, Ratlam, Sanawad, Tarana, Dhar and Pay Offices at Jaora and Sandhwa on favourable terms.
BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
N. D. JOSHI, Manager.

FOREIGN TRADE OF INDIA

India had an adverse balance of trade to the extent of Rs. 18.62 crores during the month of May 1958, according to the provisional figures of foreign trade by all routes—sea, air and land—on private and Government accounts. Exports of merchandise (excluding transit trade with Pakistan and other overland foreign countries, namely, Nepal, Tibet, Sikkim and Bhutan) aggregated Rs. 44.08 crores and re-exports Rs. 0.63 crore while imports amounted to Rs. 63.29 crores. Exports of currency notes accounted for Rs. 57 lakhs while those of current coins (excluding gold coins) were negligible. There was no export of gold. Imports of currency notes were of the order of Rs. 7.71 crores, gold Rs. 4 lakhs and those of current coins negligible.

During the first five months of this year India had an adverse balance of trade to the tune of Rs. 96.27 crores. Total exports during the five months amounted to Rs. 226.38 crores, re-exports to Rs. 3.49 crores and imports to Rs. 326.14 crores.

Nearly 200 small-scale industries have now been provided factory accommodation in the industrial estates in different parts of the country. Of these, 46 factory buildings are in the Guindy industrial estate in Madras, 35 each in Okhla in Delhi and Cuttack in Orissa, 34 in the Rajkot industrial estate in Bombay, 34 in the estates at Palghat and Quilon in Kerala and 15 in the industrial estate at Naini in Uttar Pradesh.

The number of industrial estates that have so far been completed is 11. Twenty-three more estates are to be completed shortly and will be ready for occupation.

SHARP RISE IN PROFIT OF BIRLA JUTE

CEMENT PLANT TO GO INTO PRODUCTION SHORTLY

REGISTERED in 1919, the Birla Jute Manufacturing Company, Ltd. (Managing Agents: Birla Brothers Private Ltd., Calcutta), had confined its activities only to manufacture of jute goods for over three and a half decades. During the last few years, however, it has extended its field to other lines of manufacture. In 1954, it set up a factory to produce calcium carbide; this factory went into actual production in November 1954. A staple fibre spinning plant was erected last year and it started production in March 1957. The latest line of activity to be added is the manufacture of cement at Satna, Madhya Pradesh. This is expected to commence production by the end of 1958. The diversion of the activities may be due to the fact that the fortunes of jute mills are uncertain, depending on many unreliable factors. The Directors must have thought it wise not to confine the Company's activities to the manufacture of jute goods alone. As it is, the main source of the Company's earnings is the jute mill section, but it can be expected that, in course of time, the staple fibre plant and the cement factory may eclipse the original activity of the Company. When that happens, the existing name of the Company may prove to be a misnomer.

Indeed, the truth of the above statement has already begun to emerge, as is evident from the accounts of the Company for the year ended 31st March 1958. The gross profit (before making adjustments for common income and expenses) has risen sharply from Rs. 22.17 lakhs to Rs. 42.15 lakhs. A breakdown of this total shows that the jute mill section accounts for Rs. 28.52 lakhs, as against Rs. 16.05 lakhs in 1956-57, and the calcium carbide factory for Rs. 7.75 lakhs, as against Rs. 6.14 lakhs. The profit of the staple fibre spinning department, which went into production early in the year under review, amounts to Rs. 6.03 lakhs, as against a negligible loss of Rs. 2,448 in 1956-57. The working of the cement department, which is yet to go into production, has suffered a small loss of Rs. 15,435.

The gross profit of all the departments, *after taking into account the common expenses and income*, aggregates Rs. 44.68 lakhs, having gone up from Rs. 27.01 lakhs earned in 1956-57. This rise has more than made good the successive fall (of Rs. 12.07 lakhs in the aggregate) noted in the previous two years. The profit for the year under review, it may be noted in passing, is the highest earned since 1952-53 when it amounted to Rs. 51.91 lakhs.

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

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds of—				
Jute goods	3,87.50	3,95.13	3,88.18	3,47.66
Calcium carbide ...	31.56	29.29	24.21	8.73
Staple fibre	67.00	...	...	...
Closing stocks of finished goods—				
Jute goods	8.14	28.15	22.07	7.90
Calcium carbide ...	1.95	1.35	5.28	3.40
Staple fibre	0.50	0.03	...	...
Other income	0.94	3.00	5.74	4.73
Raw materials consumed	2,59.02	2,45.47	2,43.25	1,91.99
Other expenses	1,41.56	1,34.29	1,32.08	1,11.20
Gross profit	44.68	27.01	37.73	30.08
Managing Agency remuneration	3.15	2.21	7.85	7.04
Provision for—				
Depreciation	18.57	8.03	8.44	7.75
Taxation	8.02	4.00	9.00	6.00
Net profit	19.92	12.77	12.44	19.29
To reserves	6.64	...	...	7.00
Dividends—				
Preference	6.59	5.35	2.07	1.31
Ordinary	9.13	9.13	9.13	9.13
	(10%)	(10%)	(10%)	(10%)
Carry forward	0.24	2.67	4.37	8.13

The bulk of the increase in net profit has been conserved by transferring Rs. 6 lakhs to the dividend equalisation fund and Rs. 63,705 to the development rebate reserve accounts of the various departments, while no allocations were made to the reserves last year. The dividend is unchanged at 10 per cent., a level which is being maintained on the present capital for the fifth year in succession after the capitalisation of Rs. 60.84 lakhs from the general reserve in January 1954. This dividend is equivalent to 30 per cent. on the old capital, a rate which had been paid for three successive years prior to the capitalisation mentioned above.

The Directors point out in their report that, despite the difficult trading conditions during the year, the working of the jute mills department showed an improvement. They have, however, decided that, in view of the keen competition in the industry, the competitive position of the Company should be strengthened by modernising the mill machinery up to the spinning stage by installing the latest type of equipment which would also result in economy in labour. The Company has applied for the necessary loan assistance from the N.I.D.C. to finance the modernisation programme, which will cost about Rs. 80 lakhs. Orders for the new machinery will be placed as soon as the loan is sanctioned.

The calcium carbide factory worked to full capacity during the year under review. Orders have been placed for a new furnace which will raise the production capacity of this plant from 10 to 25 tons per day. The new furnace is expected to go into production by the end of 1959.

The staple fibre plant, which went into production in March 1957, worked satisfactorily during the year. The Company has decided to enter into an agreement with the Jayshree Textiles Ltd., Rishra, an associate of the Managing Agents, for the sale of staple fibre yarn to the latter, the quantity of goods so sold not exceeding 400,000 lbs. in any one financial year.

As already stated, the Company's latest venture is the manufacture of cement. Considerable progress is said to have been made in the erection of the plant at Satna. All machinery and equipment have been delivered at site and the plant is now expected, according to the Directors, to go into production by December 1958. Meanwhile, quarrying operations for the limestone have been started.

The Company's balance-sheet as on 31st March 1958 shows that the large paid-up capital amounting to Rs. 2.16 crores (of which preference shares account for Rs. 1.24 crore) is supplemented by reserves and surplus aggregating Rs. 2.26 crores. The secured loans from banks stand at Rs. 74.77 lakhs, as against *nil* a year before and unsecured loans have gone up from Rs. 4.50 lakhs to Rs. 17.98 lakhs. The Company has entered into an agreement with the Managing Agents for the supply of short-term credits, with or without security, for a period of five years from 1st March 1958, carrying interest at a rate mutually agreed upon from time to time. The amount of such borrowing as on 31st March 1958 is Rs. 10.02 lakhs (including accrued interest). The rate of interest on this borrowing is at present 6 per cent. per annum. To revert to the balance-sheet. The current liabilities and provisions aggregate Rs. 65.60 lakhs. The capital expenditure made during the year amounts to Rs. 46.40 lakhs, of which a sum of Rs. 17.70 lakhs is on jute mills, Rs. 8.85 lakhs on staple fibre spinning plants and Rs. 19.41 lakhs on cement factory. This brings the total capital expenditure up to the end of the year to Rs. 4.09 crores, on which the depreciation provided amounts to Rs. 1.67 crore. The expenditure on buildings and machinery in course of construction and erection amounts to Rs. 1.73 crore, all in respect of the cement factory. Investments (at book value) aggregate Rs. 76.85 lakhs, of which all but a small sum of Rs. 1.63 lakhs are in shares and debentures of other joint-stock companies. The other assets amount to over Rs. 1.07 crore.

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 19.56 *cum-div.* On an *ex-div.* basis the yield works out to 5.4 per cent. per annum, free of income-tax.

(Concluded from next column)

of Rs. 1.55 lakh on development account, representing the expenditure on opening of 139 acres of new clearings and on maintenance of 795 acres of immature clearings. An area of 55 acres was replanted during the year, bringing the total immature replanted area to 657.99 acres or 9.28 per cent. of the planted area. The total area under mature rubber (both seedlings and budded) is 5,639.11 acres and under immature rubber 1,452.67 acres. The crop for 1958-59 is estimated at 2,010,000 lbs. at an f.o.b. cost of 123.89 cents per lb.

The Company's ordinary shares are on the forward list of the Madras Stock Exchange and are being currently quoted at Rs. 5.26 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 6 per cent. per annum.

COCHIN MALABAR'S OUTPUT HIGHER

NET PROFIT, HOWEVER, FALLS

IT is common knowledge that, though the demand for rubber in India is considerably greater than production, the efforts of plantations to increase their output are not being amply rewarded by way of better earnings. This is due to the mounting cost of production, with no commensurate increase in the price realised, and the crippling tax burden. A striking example of this state of affairs is provided by the results of the Cochin Malabar Estates Ltd., under the able management of Messrs. Peirce Leslie & Co., Ltd., Calicut, for the year ended 28th February 1958. The Company's output of rubber during the year staged an impressive increase of 234,427 lbs. to a record high of 1,999,213 lbs. But, because the cost of production went up by 11.7 cents to 127.2 cents per lb., as against which the average price realised was up by no more than 6.4 cents to 181.0 cents per lb., the gross profit for the year, at Rs. 11.58 lakhs, is only a shade better than that for 1956-57 (Rs. 11.52 lakhs). In fact, this increase is negligible, being no more than Rs. 6,000.

Notwithstanding the meagre rise in profit, the Company has had to set aside a larger (incommensurate with the increase in profit) sum for taxation, the amount provided for this purpose is Rs. 5.45 lakhs, as against Rs. 3.70 lakhs in the previous year. The provision for depreciation has also been raised from Rs. 1.18 lakh to Rs. 1.48 lakh. These larger essential provisions have reduced the net profit of the Company from Rs. 5.81 lakhs to Rs. 3.78 lakhs, which is only a little more than half the net profit earned two years before. Consequent on the sharp fall in net profit, the allocation to the general reserve has been pruned by more than half from Rs. 3.50 lakhs to Rs. 1.47 lakh. The dividend on ordinary shares has been reduced from 15 per cent. to 10 per cent. per annum. The total amount distributed to these shareholders is, however, the same as in the previous year, as the size of the ordinary capital was increased last year by a third (that is, by Rs. 8.97 lakhs) through capitalisation of reserves.

The following comparative table shows the progress made by the Company in recent years:

(In rupees)

	For the year ended February			
	1958	1957	1956	1955
Sale proceeds	37,79,089	37,70,066	24,88,425	19,99,888
Closing stocks	12,97,069	5,93,259	8,61,092	2,79,060
Expenses	33,92,953	24,12,770	17,37,486	13,58,351
Gross profit	11,57,002	11,51,928	13,92,512	8,98,560
Managing Agents' remuneration	86,431	82,698	42,679	40,704
Depreciation	1,48,340	1,18,199	1,13,188	80,955
Taxation	5,45,000	3,70,000	5,20,130	2,73,423
Net profit	3,78,131	5,81,031	7,16,520	4,94,478
Refund of agricultural income-tax, etc. ...	4,170	38,112	...	...
To reserves	1,47,003	3,50,000	3,00,000	2,00,000
Dividends—				
7% preference ...	7,931	7,931	7,931	7,931
Ordinary ...	2,69,128	2,69,128	4,48,547	2,69,128
	(10%)	(15%)	(25%)	(15%)
Carry forward	29,944	71,795	79,711	1,19,669
Crop harvested (in lbs.) ...	1,999,213	1,764,786	1,853,088	1,510,886
Cost of production per lb..	Cents 127.21	Cents 116.5	Cents 92.5	As. 14.24
Average price realised per lb.	181.02	174.6	164.3	23.18

It will be noted that the Company has not benefited to the full extent from the higher production during 1957-58. Thus, while sale proceeds are only slightly higher, the closing stocks have gone up substantially. In terms of quantity, the stocks as at the close of the year amount to 736,010 lbs., as compared with 364,585 lbs. a year before. Expenses have risen by no less than Rs. 9.80 lakhs, of which purchase of latex accounts for Rs. 3.96 lakhs and salaries, wages and loans for Rs. 3.81 lakhs. It will be interesting (or rather distressing) to note that, during the last three years alone, the margin between the cost of production and the average price realised has considerably narrowed down; this is due to the fact that costs have moved faster than the selling price.

The Company's balance-sheet as on 28th February 1958 shows that, after the capitalisation of Rs. 8.97 lakhs during the year and with the addition of Rs. 1.47 lakh from the year's profit, the reserves and surplus stand at Rs. 17.30 lakhs, as against a paid-up capital of Rs. 28.05 lakhs. Loans, current liabilities and provisions (of which provision for taxation amounts to Rs. 8.46 lakhs) aggregate Rs. 25.22 lakhs. The gross block of the value of Rs. 56.38 lakhs stands written down to Rs. 49.60 lakhs. The other assets amount to Rs. 20.97 lakhs.

During the year, the Company spent a sum

(Continued in previous column)

ELPHINSTONE MILL SUFFERS A LOSS

EVEN PREFERENCE DIVIDEND HELD OVER

FOR the first time since 1941, the dividend on the 7 per cent. preference shares of the Elphinstone Spinning and Weaving Mills Company, Ltd., has fallen in arrears for the year ended 31st December 1957. This itself is sufficient to prove the unremunerative working of the Company during the year, as a result of the heavy incidence of excise duty and the increase in production costs. The dividend on ordinary shares has inevitably had to be skipped over after a lapse of three years, the previous year for which it was done being 1953. A dividend of 6 per cent. was paid for 1954 and 10 per cent. for the following two years.

The Company has suffered a loss of Rs. 8,252 on trading account, as compared with a gross profit of Rs. 12.77 lakhs for the previous year, to which level it had dwindled from Rs. 15.73 lakhs for 1955. Though the Company has had fluctuating fortunes during the last thirty-eight years of its history, this is, perhaps, the first time in recent years that it has suffered an actual loss.

A sum of Rs. 2.98 lakhs has been set aside for depreciation, as against Rs. 1.88 lakh in the previous year. Excepting for a sum of Rs. 46,614 for wealth tax in respect of 1956, no provision for income-tax and other corporate taxes has been made, while, in the previous year, the allocation for this purpose amounted to Rs. 5.50 lakhs. After these essential allocations, the Company's loss for the year comes to Rs. 3.53 lakhs, as against a net profit of Rs. 5.39 lakhs. The loss has been considerably reduced to Rs. 99,089, by writing back Rs. 1.58 lakh being excess provisions made in the previous years and adjusting the surplus of Rs. 95,787 brought in from 1956. This loss is being carried forward.

The progress of the Company during the last three years is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Sale proceeds	1,73.13	1,79.73	1,86.82	1,77.81
Closing stocks	76.72	55.50	45.80	63.21
Expenses	1,96.23	1,77.35	1,67.61	1,71.88
Gross profit (+) or loss (—)	—0.08	+12.77	+15.73	+6.30
Depreciation	2.98	1.88	5.00	1.75
Taxation	0.47*	5.50	5.00	0.85
Net profit (+) or loss (—)	—3.53	+5.39	+5.73	+3.70
Excess provisions written back	1.58	...	...	...
Transfer to reserves ...	...	1.00	...	...
Dividends—				
7 per cent. preference	...	1.75	1.75	1.75
Ordinary	...	3.00	3.00	1.80
		(10%)	(10%)	(6%)
Carry forward	—0.99	0.96	1.31	0.33

* Provision for wealth tax for 1956.

Commenting on the trading conditions which prevailed during the year and the outlook for the current year, the Directors observe in their latest report as follows:

"The falling prices of cloth during the year, heavy excise duties on all varieties of mill-made cloth and increase in manufacturing charges were mainly responsible for the unsatisfactory results. Cost of cotton, stores, power and fuel went up during the year. Higher dearness allowance had to be paid to the workers on account of the consumer price index number for working class in Bombay having gone higher compared to previous years. Besides, higher interest charges had to be borne by the Company as a result of heavy accumulations of stocks caused by extremely difficult trading conditions during the year.

"A substantial portion of the steep increase in excise duties effected in September 1956 had to be borne by the Company resulting in unremunerative working and, although the Government have recently effected some adjustments and reductions in excise duties, the steps taken were rather belated, causing substantial damage to the industry in the intervening period. The changes have not had any appreciably favourable effect on the cloth trade at present and it is still to be seen how the markets would react hereafter. It is to be hoped, however, that a good crop in the current year would prove helpful in some measure to ease the stagnant conditions obtaining in the trade at present."

The paid-up capital of the Company is unchanged at Rs. 55 lakhs, which is supplemented by reserves (after adjusting the loss from the profit and loss account) amounting to Rs. 15.72 lakhs. The Company's borrowings from bank against hypothecation of stock-in-trade, stores and spares have gone up from Rs. 26.39 lakhs to Rs. 60.55 lakhs. Other loans and current liabilities and provisions aggregate Rs. 37.19 lakhs. The additions to the fixed assets made during the year amount to Rs. 12.71 lakhs, including instalment of machinery ordered by the Company for renovation and received during the year, amounting to Rs. 10.87 lakhs, most of which were put into commission during the year. The gross block of the value of Rs. 133.15 lakhs at the end of the year stands written down to Rs. 51.94 lakhs. The other assets aggregate Rs. 95.52 lakhs and do not adequately cover the liabilities and provisions.

The Directors observe that the new ring frames, dyeing plant and drawing frames received during the year or since the close of the year have all been put into production and they hope that these additions will enable the Company to show improved results in future.

Points From The Chair

Expansion of Shipping

"IN a country with its own and adjacent coastline of nearly 4,000 miles, the merchant navy has an important role to play in times of emergency and it is not merely a question of tonnage but trained personnel. Difficulties of foreign exchange are perhaps sought to be covered by broadening the definition of an Indian ship. I am afraid this is really asking for trouble both in times of peace and war, and in the result we shall *probably lose more than we gain. If there is short*age of funds at the moment, this is not the way to cover it. Better go slow and build firm than move fast and repent at leisure. It is not as though Indian shipowners are allergic to suggestions of expansion. They have shown themselves ready and willing to do their best within the limits of their opportunities and resources. If Government want them to cover by forced marches the neglect of centuries, it is for the Government to find ways and means to stimulate and sustain them. I am free to confess that Government have done much, and in the matter of depreciation allowances and exemption from particular taxes, shown themselves alive to their responsibilities; but I maintain that they can do much more. It is not as though we are suggesting something Governments in other countries have hesitated to do either."

C. R. SRINIVASAN,
The Bharat Line Limited

Employee Shareholders

"In the first place, in a modern industrial concern, there should no longer be the traditional opposition of capital and labour. In Germany, the majority of investors are, after all, people who work themselves at some stage of the production process. In other words, what we want to do is to promote mutual understanding and a common interest among those groupings on which our undertaking rests: shareholders, employees and management. Secondly, we want to give our employees a further opportunity of sharing in the profits of our Company. An idea, in other words, which is similar to that underlying the bonus on results introduced with your approval in 1949. We want to make all our employees more strongly aware, as far as possible, that the principal efficiency index for a company is the profit it makes, and that the funds used for investment purposes and the accumulation of reserves do not only benefit the shareholders but also the whole of the company's labour force by strengthening the security of employment. It is now true that you, as shareholders, no longer face in our employees, as you used to, an adversary opposed to dividend distribution, but a mighty partner who shares your justified expectations."

DR. ING. E.h H. REUTER,
Demag AG., Duisburg

Sheet Glass Industry

"The industry has been all along urging upon the Government and the railway authorities for recognition of its special problems and position in Indian economy and for charging far more realistic rates which it can bear such as special station-to-station rates, and for the grant of an appropriate priority in the allocation of wagons, a rebate of customs duty on imported soda ash, and some other concessions. Unfortunately, although the Railway Freight Structure Committee has recently recommended some minor reliefs, they have provided no immediate and effective solution for the major transport problems of the industry. On the contrary, as the Committee has recommended a general increase in freight rates, costs both on account of raw materials and marketing of finished products are calculated to go up not only for this industry but for all industries. Furthermore, labour and material costs have been rising continually. These problems, in one form or other, are common to all manufacturing industries in India and unless these are properly tackled, a rise in prices will be inevitable to the prejudice of the industry attaining the optimum efficiency. One important way of putting the industry on a rational and a more stable basis is to diversify its production. This is engaging the constant attention of your Directors and your factory has indeed opened a new chapter in the history of sheet glass production in this country by manufacturing sheet glass of both extra thin (10 to 12 oz.) and extra thick (3/16" and 3/72") varieties. Recently it has also started production of obscured glass. Although the market for these varieties is still limited, the outlook is promising."

DR. N. N. LAW,
Hindusthan-Pilington Glass Works Ltd.

COMPANY MEETINGS AND DIVIDENDS

BADRA COFFEE ESTATES LTD. Annual General Meeting, Bangalore, 16th August 1958. Dividend: 17½ per cent. Transfer books will remain closed from 11th to 16th August 1958, both days inclusive.

KADUR COFFEE ESTATES LTD. Annual General Meeting, Bangalore, 16th August 1958. Dividend: 7½ per cent. Transfer books will remain closed from 11th to 16th August 1958, both days inclusive.

CAUVERY SPINNING AND WEAVING MILLS LTD. Annual General Meeting, Madras, 19th August 1958. Dividend: 9 per cent. or Re. 0.90 per share. Transfer books remain closed from 4th to 19th August 1958, both days inclusive.

BENGAL PAPER MILLS LTD. Annual General Meeting, Calcutta, 20th August 1958. Dividend: Rs. 3.12 per share (includes interim dividend of Re. 1.50 per share). Transfer books remain closed from 6th to 20th August 1958, both days inclusive.

POLYCHEM LTD. Annual General Meeting, Bombay, 20th August 1958. Dividend: *Nil*. Transfer books remain closed from 29th July to 20th August 1958, both days inclusive.

CHAMONG TEA CO., LTD. Annual General Meeting, Calcutta, 21st August 1958. Dividend: *Nil*. Transfer books will remain closed from 18th to 21st August 1958, both days inclusive.

SOOM TEA CO., LTD. Annual General Meeting, Calcutta, 21st August 1958. Dividend: Rs. 3.50 per share. Transfer books will remain closed from 12th to 21st August 1958, both days inclusive.

CLEVEDON TEA CO., LTD. Annual General Meeting, Calcutta, 22nd August 1958. Dividend: 10 per cent. Transfer books will remain closed from 16th to 22nd August 1958, both days inclusive.

RUNGAMATTEE TEA CO., LTD. Annual General Meeting, Calcutta, 22nd August 1958. Dividend: 7½ per cent. or Rs. 3.75 per share. Transfer books will remain closed from 12th to 22nd August 1958, both days inclusive.

DUNCAN BROTHERS & CO., LTD. Annual General Meeting, Calcutta, 22nd August 1958. Dividend: Rs. 11.00 per share. Transfer books will remain closed from 14th to 22nd August 1958, both days inclusive.

TEEN ALI TEA CO., LTD. Annual General Meeting, Calcutta, 22nd August 1958. Transfer books will remain closed from 15th to 22nd August 1958, both days inclusive.

TEZPORE TEA CO., LTD. Annual General Meeting, Calcutta, 25th August 1958. Transfer books will remain closed from 18th to 25th August 1958, both days inclusive.

ELPHINSTONE SPINNING AND WEAVING MILLS CO., LTD. Annual General Meeting, Bombay, 30th August 1958. Dividend: *Nil*. Transfer books will remain closed from 21st to 30th August 1958, both days inclusive.

KIRLAMPUDI SUGAR MILLS LTD. Annual General Meeting, Pithapuram (East Godavari District), 30th August 1958. Dividend: *Nil*. Transfer books will remain closed from 18th August to 1st September 1958, both days inclusive.

DHUNSERI TEA CO., LTD. Annual General Meeting, Calcutta, 1st September 1958. Dividend: 20 per cent. or Rs. 2.00 per share. Transfer books will remain closed from 21st August to 1st September 1958, both days inclusive.

CHEMBRA PEAK ESTATES LTD. Dividend of 10 per cent. for the year ended 31st March 1958. Transfer books will remain closed from 18th to 30th August 1958, both days inclusive.

SRI VENKATESA MILLS LTD. Dividend of 20 per cent. or Rs. 10.00 per share, for the year ended 31st December 1957. Transfer books will remain closed from 12th to 28th August 1958, both days inclusive.

HAILEYBURIA TEA ESTATES LTD. Dividend of 15 per cent. or Re. 1.50 per share, for the year ended 31st December 1957. Transfer books will remain closed from 25th August to 7th September 1958, both days inclusive.

TWYFORD TEA CO., LTD. Dividend of 15 per cent. or Re. 1.50 per share, for the year ended 31st December 1957. Transfer books will remain closed from 25th August to 7th September 1958, both days inclusive.

VIJAYALAKSHMI MILLS LTD. Dividend of 6 per cent. or Rs. 6.00 per share, for the year ended 31st December 1957. Transfer books will remain closed from 13th to 27th August 1958, both days inclusive.

BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD. Interim dividend of 4 per cent. on ordinary shares for the year ending 31st December 1958. Transfer books will remain closed from 13th to 30th August 1958, both days inclusive.

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD. Interim dividend of 5 per cent. on the ordinary shares, for the year ending 30th September 1958. Transfer books will remain closed from 16th to 30th August 1958, both days inclusive.

PERIAKARAMALAI TEA AND PRODUCE CO., LTD. Dividend of 10 per cent. for the year ended 31st March 1958. Transfer books will remain closed from 2nd to 13th September 1958, both days inclusive.

COONOOR TEA ESTATES CO., LTD. Interim dividend of 10 per cent. or Re. 1.00 per share, for the year ending 30th September 1958. Transfer books will remain closed from 19th to 25th August 1958, both days inclusive.

BALLY JUTE RAISES DIVIDEND

ENGO TEA SUFFERS LOSS

Bally Jute Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Birla Brothers Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March, 1958.

The accounts show a profit of Rs. 13,23,681 (Rs. 3,36,232) including the balance of Rs. 66,674 (Rs. 65,302) brought forward from the previous year. After providing Rs. 1,17,743 (Rs. 93,544) for depreciation and Rs. 6,75,000 (*nil*) for taxation for the year and after transferring Rs. 1,50,000 (*nil*) to the general reserve account and Rs. 2,715 (*nil*) to the development rebate reserve account, there remains an available balance of Rs. 3,78,223 (Rs. 2,46,674 including forfeited dividends of Rs. 3,986) which the directors recommend should be dealt with in the following manner:—

In paying a dividend on 20,000 cumulative preference shares at 7 per cent. per annum free of income-tax for the year absorbing Rs. 1,40,000 (Rs. 1,40,000), in paying a dividend on 20,000 ordinary shares at Rs. 6 (Rs. 2) per share [6 per cent. per annum] free of income-tax for the year absorbing Rs. 1,20,000 (Rs. 40,000) and in carrying forward the balance of Rs. 1,18,223 (Rs. 66,674).

The directors are glad to report that, in spite of trading conditions remaining difficult during the year, the working results show some improvement over the previous year, which has made it possible for them to recommend a higher dividend on the ordinary shares. The working results for the current year should show still better results provided the present favourable trading conditions continue.

The directors have also decided that, in view of the keen competition in the jute industry, the competitive position of the Company should be further strengthened by modernising the mill machinery upto the spinning stage by installing the latest type of equipments, which would also result in economy in labour. The Government of India are assisting the Jute industry in modernising the mills by granting loans through the National Industrial Development Corporation Private Ltd. This company has also, therefore, applied to the N.I.D.C. for the necessary loan assistance. Orders for the new machinery will be placed as soon as this loan is sanctioned. The total amount that will be required to complete the modernisation scheme is about Rs. 55 lakhs.

Relations with labour remain cordial and satisfactory during the year. The mill was nominated by the Government of India as one of the units in the Jute industry, where experiment of the scheme of "Participation of Labour in Management" should be carried out and the directors are glad to report that a beginning with this scheme has been made with satisfactory results so far.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	31,04,100
Reserves ...	24,84,715	Stock-in-trade	36,94,676
Provision for taxation ...	6,29,895	Stores, etc. ...	6,23,327
Liabilities ...	16,19,791	Debts, deposits and advances ...	8,07,989
Profit and loss account ...	1,18,223	Investments ...	5,79,038
		Cash ...	43,494
Rs.	88,52,624	Rs.	88,52,624

Nilambur Rubber Co., Ltd.

The directors of the above Company (Managing Agents: The Associated Planters Private Ltd., Kozhikode) present the audited accounts of the Company for the year ended 31st December 1957.

The Company's working for the year under review, after providing for depreciation, Company's contribution to provident fund, and debenture interest and income-tax thereon, resulted in a profit of Rs. 72,666 (Rs. 82,661) to which is added the balance brought forward from last year of Rs. 4,271 (Rs. 5,110) making a total of Rs. 76,937 (Rs. 87,771). Provision for taxation absorbs Rs. 16,000 (Rs. 20,000), transfer to debenture redemption reserve Rs. 15,000 (Rs. 15,000) and leasehold redemption reserve Rs. 1,500 (Rs. 1,500) leaving a balance of Rs. 44,437 (Rs. 46,271 after transferring Rs. 5,000 to reserve for bad and doubtful debts. The directors recommend the following appropriations:—6 per cent. tax-free dividend on preference shares absorbing Rs. 12,000 (Rs. 12,000) and 15 (15) per cent. tax-free dividend on ordinary shares absorbing Rs. 30,000 (Rs. 30,000) leaving a balance of Rs. 2,437 (Rs. 4,271) to be carried forward to the next year.

Crop.—The crop harvested from Nilambur estate was 1,09,744 pounds and from Glencoorg estate was 92,000 pounds. The cost of production was 85.12 cents per pound; for Nilambur estate and 65.47 cents per pound; for Glencoorg estate.

Working.—The rise in labour wages as mentioned in the previous report and consequent increase in the cost of production have adversely affected the profit position of the Company, though the crop harvested during the year under report has exceeded the previous year's figure by 17,034 lbs. There has also been considerable labour trouble in Glencoorg Estate during April 1957; but despite these disconcerting factors, the directors feel that the working results have been maintained at a satisfactory level.

The unsold stock of rubber shown in the accounts as on 31st December 1957 except some scrap, has been valued at the prices since realised. The average sale price of rubber realised for 1957 works out to 151 cents per lb. including excise duty.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Block ...	8,29,542
Debentures ...	1,00,000	Stock-in-trade ...	96,634
Reserves ...	3,06,590	Stores and loose tools, ...	13,028
Provision for taxation ...	30,230	Debts, deposits and advances ...	40,237
Liabilities ...	1,53,170	Investments ...	100
Profit and loss account ...	2,437	Cash ...	12,796
Rs.	9,92,327	Rs.	9,92,337

Engo Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the ended 31st December 1957.

The accounts show a loss, after charging all expenses of Rs. 37,721 (Rs. 13,173) to which has to be added the debit balance brought forward from last year of Rs. 30,748 (Rs. 18,522) making a total of Rs. 68,469 (Rs. 31,700). Excess tax provisions in previous years amounting to Rs. 5,000 (*nil*) have been transferred to the credit of profit and loss account leaving a debit balance to be carried forward of Rs. 63,469 (Rs. 31,700).

The general drop in the level of prices obtained for teas in 1957 accounted in the main for the disappointing results. The West Bengal Entry Tax was again a contributory factor costing the Company Rs. 14,774, whilst the extension of the Employees Provident Fund Act to cover all tea garden workers resulted in an additional cost of Rs. 6,421.

A crop of 2,944 maunds was secured and sold at an average price of Re. 1.67 per lb. This compares with a crop of 2,454 maunds manufactured in season 1956 which sold at an average price of Re. 1.96 per lb.

Estimates for the current season have been framed for a crop of 3,250 maunds to cost Rs. 5,06,898 and it is considered likely that a crop in the region of the estimated amount will be obtained provided normal conditions prevail.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,20,000	Block ...	1,87,961
Reserves* ...	2,00,531	Stock of tea	1,74,895
Provision for taxation ...	19,044	Stores and loose tools etc. ...	66,313
Liabilities ...	1,88,899	Debts, deposits and advances ...	62,598
		Investments	2,001
		Cash ...	34,706
Rs.	5,28,474	Rs.	5,28,474

*Reserves are shown after deducting the debit balance of Rs. 63,469 in the profit and loss account.

Walford Transport Ltd.

The directors of the above Company (Calcutta) submitted the audited accounts of the Company for the year ending 31st December 1957.

After writing off Rs. 64,134 (Rs. 74,808) for depreciation and setting aside Rs. 5,17,650 (Rs. 5,04,000) for taxes, the available profit for the year is Rs. 4,28,336 (Rs. 4,09,749) including Rs. 1,66,813 (Rs. 1,34,493) brought forward from the last account. It is recommended that this sum be dealt with as follows:—

Payment of a dividend of 12 (12) per cent. per annum, free of income-tax, on 2,10,200 preferred ordinary shares, absorbing Rs. 25,224 (Rs. 25,224), payment of a dividend of 14 (14) per cent. per annum, free of income tax, on 8,40,800 ordinary shares, absorbing Rs. 1,17,712 (Rs. 1,17,712), transfer to contingency reserve of Rs. 1,50,000 (Rs. 1,00,000), [thereby bringing it to Rs. 9,50,000] and carry forward Rs. 1,35,400 (Rs. 1,66,813).

The total turnover for 1957 reached a new record level at Rs. 2.22 crores compared to Rs. 2.08 crores in 1956, or an increase of 7 per cent. and 1.27 crores in 1955 or an increase of 75 per cent. inspite of which the profit increase was not proportionate, mainly due to reduction in dealer margin by manufacturers on Government directive enforced in February last year (as already reported), coupled with competition which existed on certain lines. The reduction in margin was as much as 42 per cent. in the case of private cars and 57 per cent. on commercial vehicles. The Company is subjected to all the types of taxes under the Statute and the tax burden is heaviest and takes away more than 67 per cent. of current earnings, thus restricting the scope of dividend and provision for expansion programme.

The Company had Jeep franchise for West Bengal, Assam and Orissa. Effective 1st of February, 1958, Messrs. Mahindra & Mahindra Ltd. have made other arrangements for Jeep distribution in Orissa. This was anticipated for some time. This territory is, therefore, lost to the Company. The activities are thus now confined to West Bengal and Assam only. In order to strengthen and develop the present operating territories, it was decided to open two additional Branches. These would start functioning shortly and would call for extra capital investment, stocks, etc.

The ratio of paid up capital to turnover in 1957, was less than 5 per cent. It was possible to handle this large volume to earn a reasonable quantum of profit only by utilising the reserves built up in previous years, supplemented by substantial bank overdraft. As in previous years, it has been found necessary to further strengthen the reserve. Allocations have accordingly been made with the above objective in view.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,51,000	Block ...	4,18,202
Reserves ...	21,67,472	Stock-in-trade	33,87,492
Provision for taxation ...	7,23,911	Stores ...	23,283
Liabilities ...	19,13,191	Work-in-progress ...	60,194
Profit and loss account ...	1,35,400	Goods-in-transit ...	41,940
		Debts, deposits and advances ...	18,85,023
		Investments	46,250
		Cash ...	1,28,590
Rs.	59,90,974	Rs.	59,90,974

Investa Machine Tools and Engineering Co., Ltd.

The directors of the above Company (Managing Agents: Investa Industrial Corporation Ltd., Bombay) present the audited accounts of the Company for the year ended 31st December, 1957.

The working of the Company for the year under review showed an improvement over the previous year. After providing for depreciation of Rs. 1,10,109, there is a net profit of Rs. 1,634. Deducting this sum from the accumulated losses of the previous years amounting to Rs. 7,95,915, a loss of Rs. 7,94,281 is carried forward. Sales and production during the year were higher than during the previous year, being Rs. 16.08 and Rs. 15.76 lakhs respectively, as compared to Rs. 13.29 and Rs. 12.94 lakhs respectively during the previous year.

In view of the difficult financial position of the Company, The Investment Corporation of India Ltd., have agreed to make the loan advanced by them to the Company free of interest with effect from the 1st January, 1957.

Machine Tools: The production and sales of machine tools during the year were better than during the previous year. 147 machines valued at Rs. 12.70 lakhs were delivered, which compares with 129 machines of the value of Rs. 8.94 lakhs delivered during the previous year. The value of machine tools produced during the year showed an increase of 45 per cent. over that of the previous year. Steady progress was maintained on the development of three sizes of radial and column drilling machines despite a number of difficulties, particularly the supply of special steels.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Block ...	21,29,896
Provision for taxation ...	420	Stock-in-trade	4,89,731
Liabilities ...	27,33,349	Stores and loose tools	9,54,312
		Work-in-progress ...	5,51,126
		Debts, deposits and advances ...	3,05,142
		Investments	486
		Cash ...	8,795
		Profit and loss account ...	7,94,281
Rs.	52,33,769	Rs.	52,33,769

Poobong Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1957.

The accounts disclose a loss of Rs. 1,85,120 (Rs. 1,47,845). On transfer of this sum to profit and loss account and after sundry adjustments, including the transfers of Rs. 96,181 (*nil*) from depreciation reserve, Rs. 55,000 (Rs. 1,10,000) from revenue reserve and Rs. 23,386 (*nil*) from buildings and machinery reserve, there is a balance at credit of the profit and loss account amounting to Rs. 3,694 (Rs. 759) which it is proposed to carry forward. Depredation by pests and blights allied to unfavourable weather conditions resulted in a low crop; this main factor, combined with continued high labour costs, higher prices of foodstuffs sold to labour at concessionary rates and increased expenditure on measures to combat pests and blights caused the unfavourable result on the season's working.

Crop was 1,13,533 lbs. as compared with 1,55,846 lbs. in 1956. The average selling price realised was Rs. 2.86 per lb. as against Rs. 2.35 per lb. in the previous year. Planted area remains at 500.43 acres.

Estimates for 1958 provide for a crop of 1,76,000 lbs. at an outlay of Rs. 5,62,874, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	3,91,264
Reserves ...	95,000	Stock-in-trade	48,290
Provision for taxation ...	9,823	Stores and supplies ...	55,900
Liabilities ...	1,14,460	Debts, deposits and advances ...	25,622
Profit and loss account ...	3,694	Cash ...	1,901
Rs.	5,22,977	Rs.	5,22,977

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

UNDER STERILISATION TO GOVERNMENT
11 AUG 1958

Notices

NATIONAL MACHINERY MANUFACTURERS LIMITED

Post Box No. 3, Kalwe, Thana

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Tenth Annual General Meeting of National Machinery Manufacturers Limited will be held at the Registered Office of the Company, Kalwe, Thana, on 27th August 1958, at 11.00 a.m. (S.T.), to transact the following business:

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account and Balance Sheet for the year ended 31st December 1957.
2. To elect a Director in place of Mr. J. A. Andrew who retires by rotation but who, being eligible, offers himself for re-election.
3. To elect a Director in place of Mr. Krishnaraj M. D. Thackersey, who retires by rotation but who, being eligible, offers himself for re-election.
4. To elect a Director in place of Mr. Kasturbhai Lalbhai, who retires by rotation but who, being eligible, offers himself for re-election.
5. To elect a Director in place of Mr. Navnitlal Shodhan who ceases to hold office under Article 134 of the Articles of Association and who, being eligible, offers himself for re-election.
6. To elect a Director in place of Lala Bharat Ram who ceases to hold office under Article 134 of the Articles of Association and who, being eligible, offers himself for re-election.
7. To consider and, if thought fit, to pass the following Resolution:

"RESOLVED THAT pursuant to the provisions of Section 294 of the Companies Act, 1956, the Company hereby approves of the appointment of Messrs. Surendrakumar & Co. (Private) Ltd. as the Sole Selling Agents of the Company for sale of Spare Parts and Conversion Materials for Spinning Machinery produced or supplied by the Company in the territories comprised of Greater Bombay (excluding the group of Mills controlled by Messrs. Nowrosjee Wadia and Sons Private Ltd.) and the districts of (1) Thana, (2) Aurangabad, (3) Bhir, (4) East Khandesh, (5) Nanded, (6) Osmanabad, (7) Parbani, (8) Dangs, (9) Kolaba, (10) Nasik, (11) Ratnagiri, (12) West Khandesh, (13) Akola, (14) Amravati, (15) Bhandara, (16) Buldana, (17) Chanda, (18) Nagpur, (19) Wardha, (20) Yeotmal, (21) Ahmednagar, (22) Kolhapur, (23) Poona, (24) Satara North, (25) Satara South, (26) Sholapur, (27) Belgaum, (28) Dharwar, (29) Bijapur, (30) North Kanara, (31) Gulbarga, (32) Raichur, (33) Warangal and (34) Hyderabad, for a period of five years from 1st April 1958, to 31st March 1963, upon the terms and conditions recorded in the Letter of Appointment dated the 9th day of July 1958, addressed by the Company to the said Agents."

8. To consider and, if thought fit, to pass the following Resolution:

"RESOLVED THAT pursuant to the provisions of Section 294 of the Companies Act, 1956, the Company hereby approves of the appointment of Messrs. Nachmo Company as the Sole Selling Agents of the Company for Spare Parts and Conversion Materials for Spinning Machinery produced or supplied by the Company in the territories comprised of the States of Rajasthan and Madhya Pradesh and the districts of (1) Ahmedabad, (2) Banaskantha, (3) Baroda, (4) Broach, (5) Kaira, (6) Mehsana, (7) Panch Mahals, (8) Sabarkantha, (9) Amreli, (10) Gohilwad, (11) Halar, (12) Kutch, (13) Madhya Saurashtra, (14) Sorath, (15) Zalawad and (16) Surat, for a period of five years, from 1st April 1958, to 31st March 1963, upon the terms and conditions recorded in the Letter of Appointment dated the 9th day of July 1958, addressed by the Company to the said Agents."

9. To consider and, if thought fit, to pass the following Resolution:

"RESOLVED THAT pursuant to the provisions of Section 294 of the Companies Act, 1956, the Company hereby approves of the appointment of The Sizing Materials Company, Ltd., as the Sole Selling Agents of the Company for sale of Spare Parts and Conversion Materials for Spinning Machinery produced or supplied by the Company in the territories comprised of the States of Madras (except the group of Mills managed by A. & F. Harvey Ltd.), Kerala, the Punjab and Uttar Pradesh and the districts of (1) Bangalore, (2) Mysore, (3) Bellary, (4) Kurnool, (5) Anantapur, (6) Guntur, (7) East Godavari and (8) Chittoor, for a period of five years from 1st April 1958, to 31st March 1963, upon the terms and conditions recorded in the Letter of Appointment dated the 9th day of July 1958, addressed by the Company to the said Agents."

10. To appoint Auditors for the current year and fix their remuneration.

By Order of the Board,

For NATIONAL MACHINERY MANUFACTURERS LTD.

J. C. MORTON,
Managing Director.

THANA, *9th July* 1958.

Note: (*a*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(*b*) The Transfer Books of the Company will be closed from 11th August 1958, to 26th August 1958, both days inclusive.

(*c*) The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items 7, 8 and 9 set out above are annexed hereto.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following material facts relating to the items Nos. 7, 8 and 9 mentioned in the accompanying Notice are set out.

As you are aware, Indian Textile Engineers (Private) Ltd. have been appointed the Sole Selling Agents for the whole of India of all the Company's products for a period of five years with effect from the 1st January 1957, and their appointment was approved by the Company at its Extraordinary General Meeting held on the 28th of June 1957. The said Sole Selling Agents had in their turn appointed the three concerns mentioned in the said items Nos. 7, 8 and 9 as their sub-agents for sale of only Spare Parts and Conversion Materials for spinning machinery in certain territories assigned to them respectively. The Company requested the said Sole Selling Agents to relinquish their right as Sole Selling Agents in respect of sales of Spare Parts and Conversion Materials produced and/or supplied by the Company, and to allow the Company to appoint the said three sub-agents as the direct Sole Selling Agents of the Company for the said respective territories in respect of the said products of the Company. The said Sole Selling Agents have been good enough to concede the above request of the Company and to relinquish their Sole Selling Agency in the said territories in respect of the Spare Parts and Conversion Materials with effect from the 1st January 1958.

Your Board have accordingly appointed the said three concerns as Sole Selling Agents for sale of Spare Parts and Conversion Materials for the respective territories assigned to them for a period of five years commencing from the 1st of April 1958. The terms and conditions on which these appointments have been made are recorded in three separate letters all dated the 9th day of July 1958, addressed by the Company to the said three concerns. The material terms of their appointment are as under:

1. The said three concerns shall not sell or otherwise deal in any of the Spare Parts or Conversion Materials produced and/or supplied by any other concern.

2. They will sell the above products only at prices listed by the Company and on terms and conditions laid down by the Company from time to time.

3. The Company shall pay to The Sizing Materials Company Ltd., and Messrs. Surendrakumar & Co. (Private) Ltd., a commission of 5½ per cent. and to the Nachmo Company, 5½ per cent., of the invoiced value f.o.r. Thana, in respect of orders placed by the customers in the respective territories confined to them.

Copies of the above letters of appointment may be inspected at the Registered Office of the Company between the hours of 11 a.m. and 1-30 p.m. on any working day.

By Order of the Board,
For NATIONAL MACHINERY MANUFACTURERS LTD.,
J. C. MORTON,
Managing Director.

THE METTUR CHEMICAL AND INDUSTRIAL CORPORATION LIMITED

Mettur Dam R.S.

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Annual General Meeting of the Members of the above Company will be held at the Registered Office of the Company, at Mettur Dam R.S. on Saturday the 30th August 1958, at 4 p.m., to transact the usual business and special business as per notice individually posted to members.

The Register of Members and Transfer Books of the Company will be closed from 20th August to 30th August 1958, both days inclusive.

The Directors have recommended payment of a final dividend of 3 per cent. tax-free on Preference Shares and 5 per cent. tax-free on Ordinary Shares making a total dividend of 6 per cent. tax-free and 8⅓ per cent. tax-free for the year ended 31st March 1958.

Members are requested to attend the meeting either in person or by proxy. A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

By Order of the Board,
SESHASAYEE BROTHERS PRIVATE LIMITED,
Managing Agents.

METTUR DAM R.S., *20th July* 1958.

THE INDIAN IRON AND STEEL COMPANY, LIMITED

12, Mission Row, Calcutta

NOTICE

AT A MEETING OF THE BOARD OF Directors held today, it was decided that the Ordinary Share Register and Transfer Books of the Company will remain closed from the 18th August 1958, to 27th August 1958, both days inclusive, for the purpose of payment in due course of dividend on the Ordinary Shares for the year ended 31st March 1958. The dividend when declared will be paid to those shareholders whose names appear on the Company's Register of Members for Ordinary Shares on the 27th August 1958, or to their mandatees.

Announcement of the Directors' recommendation of the dividend for the year ended 31st March 1958, and the date of the Annual General Meeting will be made later.

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

29th July 1958.

THE BRITISH INDIA CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Corporation will be closed from 23rd August 1958 to 20th September 1958, both days inclusive.

By Order of the Board,

K. M. WILCOX,
Secretary.

KANPUR, *31st July* 1958.

Notices

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

AT A MEETING OF THE DIRECTORS held on the 6th August 1958, it was decided to recommend to the shareholders at the Annual General Meeting, which was fixed to be held on the 25th September 1958, the payment of a final dividend for the year ended 31st March 1958, of 3% (free of Income Tax) on the issued Ordinary shares, payable on the 27th September 1958.

The net profit for the year, after deducting all charges and expenses of management and providing for taxation, is Rs. 1,32,12,486.

Two interim dividends, each of 2% (free of Income Tax) amounting in total to Rs. 60,64,000 in respect of the year to 31st March 1958, were paid on the 28th September 1957 and the 8th April 1958 respectively.

After paying the final dividend amounting to Rs. 45,48,000 and allocating Rs. 2,64,566 to Capital Reserves, Rs. 3,03,239 to Development Rebate Reserve, Rs. 20,00,000 to Fixed Asset and Stock Replacement Reserve and Rs. 1,32,282 to General Reserve, the amount carried forward will be Rs. 24,04,558.

The Directors also declared a first interim dividend of 2% (free of Income Tax) in respect of the year to 31st March 1959, payable on the 27th September 1958.

The final dividend, if approved, and the interim dividend will be paid to the shareholders whose names appear on the register on the 25th September 1958 and dividend warrants in respect thereof will be despatched to such shareholders or their mandatees on the 27th September 1958. The share transfer books of the Company will be closed from the 8th September to the 25th September 1958, both days inclusive, and transfers received in order at the registered office of the Company up to the 6th September 1958 will be in time to be passed for the payment of the dividends to the transferees.

By Order of the Board,

J. R. BLAIKIE,
Secretary.

VIRGINIA HOUSE,
37, CHOWRINGHEE,
CALCUTTA, *7th August* 1958.

NEW INDIA INVESTMENT CORPORATION LTD.

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Ordinary General Meeting of the shareholders of New India Investment Corporation Ltd., will be held at the Registered Office of the Company at 9, Brabourne Road, Calcutta, at 4 p.m. on Monday the 15th September 1958, to transact the following business:—

(1) To receive and adopt the Directors' Report and audited Profit and Loss Account and Balance Sheet for the year ended 31st December 1957.

(2) To declare Dividend recommended by the Directors.

(3) (*a*) To appoint a Director in place of Mr. K. P. Goenka, who retires by rotation and being eligible offers himself for re-election.

(*b*) To appoint a Director in place of Rai Bahadur Moongtulal Tapuriah, who retires by rotation and having attained the age of 71 years, is not eligible for re-election, unless his appointment is approved by a resolution of the Company in General meeting specifically declaring that the age limit shall not apply to him.

In this connection, to consider and if thought fit to pass the following resolution of which special notice as required by Section 281(2) of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which is annexed separately as required by Section 173 of the said Act.

To be proposed as an Ordinary Resolution.

"That the restrictions as to age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to Rai Bahadur Moongtulal Tapuriah who has attained the age of 71 years and that he be and is hereby re-elected as a Director of the Company whose period of office as such Director would be liable to determination by retirement of Directors by rotation."

(4) To appoint Auditors and fix their remuneration.

(5) To transact any other ordinary business of the Company.

The Share Transfer Register of the Company will be closed from 6th September to 15th September 1958, both days inclusive.

By Order of the Board,

RAMDUTT RAMKISSENDASS,
Secretaries and Treasurers.

CALCUTTA, 31*st July* 1958.

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

(*b*) The dividends if declared will be paid on or after 1st October 1958, to those shareholders whose names appear on the Company's Books on 15th September 1958 or to their mandatees. No application for dividend warrants will be necessary.

Explanatory Statement Under Section 173

In the special notice given to the Company of the resolution under Item No. 3(b) of the above notice it has been stated that the services of Rai Bahadur Moongtulal Tapuriah have proved most useful to the Company and as he has considerable experience and personal knowledge of the affairs of the Company being associated with it since the inception, he should continue to remain on the Board of Directors of the Company and that the age limit imposed by Section 280 of the Companies Act, 1956, should not apply to him.

By Order of the Board,

RAMDUTT RAMKISSENDASS,
Secretaries and Treasurers.

SRI KRISHNARAJENDRA MILLS LIMITED, MYSORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-eighth Ordinary General Meeting of the Shareholders of Sri Krishnarajendra Mills, Ltd., will be held at the Registered Office of the Company, Bangalore Road, Mysore, on Saturday the 30th August 1958, at 3.30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts of the Company for the year ended 31st March 1958.
2. To declare a Dividend.
3. To elect Directors:—

   (*i*) To appoint a Director in place of Dharmaprakasha Sri L. S. Venkaji Rao who retires under Article 115 of the Articles of Association of the Company and being eligible offers himself for re-election.

   (ii) To appoint a Director in place of Sri K. Subba Rao Ramaswamy, M.Sc., who retires under Article 115 of the Articles of Association of the Company and being eligible offers himself for re-election.

   (iii) To appoint a Director in place of Sri D. B. Viswambhariah who retires under Article 115 of the Articles of Association of the Company and being eligible offers himself for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

Messrs. C. S. Ramiah, C. S. Venkatamuniah Setty, Bangalore-2, have given notice of the following resolution to be moved in the Annual General Meeting of the Company:—

"That Messrs. Brahmayya & Co., Chartered Accountants, Bangalore, be appointed the sole Auditors of this Company to hold office until the conclusion of the next Annual General Meeting."

5. To consider and if thought fit to pass the Special Resolutions separately posted to the shareholders, with or without modification.

Explanatory statement concerning these Special Resolutions as required by Section 173 of the Companies Act has also been posted to them.

The Share Transfer Books of the Company will be closed from 23rd August 1958 to 30th August 1958.

A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and a proxy need not be a Member.

By Order of the Board,

L. KANDASWAMY,
General Manager.

MYSORE, 13*th July* 1958.

N.B.—(1) The final dividend when declared, will be made payable at the Bank of Mysore, Ltd., Mysore, on and after 15th September 1958. The dividend warrants will be posted to those shareholders whose names stand on the Register of Members of the Company on 23rd August 1958.

(2) Under Section 257 of the Companies Act, 1956. Notice of candidature for the Office of the Director is to be left at the Registered Office of the Company in writing, at least fourteen days before the date of the Meeting.

(3) Shareholders are requested to immediately advise the Company of any change in their address.

STANDARD JUTE COMPANY, LTD.
AND
KINNISON JUTE MILLS CO., LTD.

SCHEME OF ARRANGEMENT

IT IS NOTIFIED FOR THE INFORMATION of the shareholders of Standard Jute Company, Ltd., and of Kinnison Jute Mills Company, Ltd., that a scheme of arrangement is proposed to be entered into between the Companies the material terms of which are as follows:—

(*a*) Dividend on the Preference Shares of Standard Jute Co., Ltd., up to the 31st March 1958 and proportionate dividend up to the date of repayment of the Preference capital will be paid by Standard Jute Co., Ltd.

(*b*) Standard Jute Co., Ltd., will return to its Preference Shareholders the entire amount of their Preference capital.

(*c*) The nominal value of the Ordinary Shares of Standard Jute Co., Ltd., of Rs. 100 each will be reduced to Rs. 70 by returning to the Ordinary Shareholders a sum of Rs. 30 per share.

(*d*) The Ordinary Shareholders of Standard Jute Co., Ltd., will be offered one Ordinary Share of Kinnison Jute Mills Co., Ltd., of Rs. 100 each for two Ordinary Shares of Standard Jute Co., Ltd., of Rs. 70 each held by such Shareholders.

Standard Jute Co., Ltd., will in due course make an application to the Calcutta High Court for sanctioning the above scheme.

A General Meeting of Standard Jute Co., Ltd., and that of Kinnison Jute Mills Co., Ltd., has been convened for Tuesday the 12th August, 1958, at 10.30 a.m. and 10.35 a.m. respectively at Chartered Bank Buildings, Calcutta, in connection with the above.

For and on behalf of
STANDARD JUTE CO., LTD.,
BIRD & CO. (PRIVATE) LTD.,
Managing Agents.

For and on behalf of
KINNISON JUTE MILLS CO. LTD.,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CALCUTTA, 1*st August*, 1958.

TREASURY BILLS FARE BETTER

(From Our Own Correspondent)

BOMBAY, 6*th August*

The short-term money market ruled easy during the major part of the week under review, but towards the close a slightly hardening tendency was noted. This was due to good demand for money, particularly from Calcutta, from institutions for investment in Government securities and banks' subscriptions to Treasury Bills. The result was a slight rise in inter-bank call-money rate to 2¾ per cent. from 2½ per cent. quoted earlier in the week. In fact, early in the week some business was reported even at 2¾ per cent. House money at call was placed at 3½ to 4 per cent. throughout the week. Short-term deposits for one to six months also commanded the same rates.

There was a better response to Treasury Bill tenders this week than last week. As against an invitation for Rs. 2 crores, the total amount offered was Rs. 3.56 crores. Tenders at Rs. 99.335 and above were accepted in full and those at Rs. 99.319 were allotted approximately 62 per cent. Lower tenders were rejected. The amount accepted was Rs. 2 crores, the average rate of accepted tenders being Rs. 2.651 per cent. per annum, as against Rs. 2.726 per cent. in the previous week.

Consequent on the encouraging response, the Reserve Bank of India has again stepped up the tender amount for next week to Rs. 3 crores. Tenders for this amount will be accepted up to the close of business on Monday, 11th August. Successful tenderers should make payment on 16th August.

A slight contraction of Rs. 1.93 crore in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 1st August 1958. Notes held in the Banking Department, are also lower by Rs. 2.92 crores, so that the fall in total notes issued is Rs. 4.85 crores. Foreign securities have further declined by Rs. 5 crores, while balances held abroad have gone up by Rs. 53 lakhs, so that the net decline is Rs. 4.47 crores. The total of foreign assets now stands at Rs. 192.73 crores. Deposits of the Central Government have fallen by Rs. 9.90 crores and those of other Governments by Rs. 4.26 crores. Deposits of banks have gone up by Rs. 1.88 crore. Loans and advances to Governments are lower by Rs. 3.54 crores. No notable change is seen in other loans and advances. Advances to Scheduled banks against usance bills stand reduced by Rs. 86 lakhs, the total outstanding borrowings of banks under this head being Rs. 6.94 crores, as against Rs. 31.87 crores a year ago.

The Scheduled banks' statement for the week ended 25th July 1958 shows a substantial rise of Rs. 16.59 crores in demand deposits and of Rs. 9.22 crores in time deposits. Inter-bank borrowings are also higher by Rs. 2.83 crores. Borrowings from the Reserve Bank have been reduced by Rs. 5.68 crores and those from the State Bank by Rs. 72 lakhs. Advances have declined by Rs. 11.79 crores, while bills purchased and discounted have risen by Rs. 2.12 crores. A marked rise of Rs. 22.41 crores is noted in investments and of Rs. 18.27 crores in cash balances. Money at call and short notice too have risen by Rs. 2.40 crores.

Conditions akin to boom prevailed in the Gilt-edged market. There was a sharp rise in prices over a wide front. The demand was for all, short, medium and some of the long-dated issues, particularly from institutional investors. The scarcity of stocks and the increase in selling prices of some of the securities by the Reserve Bank of India enlivened sentiment. State loans too were keenly sought after. The undertone at the close was very firm. 3 per cent. 1986 Conversion Loan jumped up by 15 nP to Rs. 71.25. 3 per cent. 1970-75 improved by 20 nP to Rs. 88, 3 per cent. 1966-68 by 10 nP to Rs. 93.30, 3 per cent. 1964 by 25 nP to Rs. 96 and 3 per cent. 1963-65 by 10 nP to Rs. 95.90. 3½ per cent. 1962 was marked up by 10 nP to Rs. 98.30. 3½ per cent. 1961 gathered 10 nP to Rs. 99.80 and 3½ per cent. 1963 15 nP to Rs. 99.50. A rise of 20 nP to Rs. 99.25 was recorded in 3½ per cent. 1964 and of 25 nP to Rs. 98.90 in 3½ per cent. 1965. 3½ per cent. 1967 was put up by the Reserve Bank to Rs. 98.05 the rise over the week being 20 nP. 3½ per cent. 1967 gained 10 nP to Rs. 98.05. The Reserve Bank stepped up its selling rate of 3½ per cent. 1968 from Rs. 99.60 to Rs. 99.70. In the State loans section, good business was reported in 1967 to 1969 loans, as well as in 4½ per cent. new issues. Bombay 4½ per cent. 1969 and 1970 rose by 20 nP each to Rs. 100.50 and 1971 by 5 nP to Rs. 100. Madras 4 per cent. 1967 and 1968 advanced by 15 nP and 20 nP, respectively, to Rs. 98.05. Andhra 1967 and 1968 improved by 5 nP and 10 nP, respectively, to Rs. 97.85 and 4½ per cent. 1970 by 20 nP to Rs. 99.50. U.P. 1967 hardened by 15 nP to Rs. 98, 1968 by 20 nP to Rs. 98 and 4½ per cent. 1970 by 5 nP to Rs. 99.50.

In consonance with the strength of sterling abroad, the rupee also gained some strength, banks' selling rate declining from Rs. 477.25 to Rs. 476.75 per $100 and their buying rate from Rs. 473.75 to Rs. 473.50 per $100. In New York, spot sterling moved up from $2.80-7/16—2.80¼ to $2.80-11/16—2.80⅞ and three months' forward from $2.78-9/16—2.78⅝ to $2.78-29/32—2.78-31/32. Transferable sterling gained from 277.90—278 cents to 278.10—278.20 cents.

SLOW CLEARANCE IN HIDES

(From Our Own Correspondent)

MADRAS, 4*th August*

Arrivals of E.I. tanned cow hides and calves have been small and clearance slow because sellers quote stiff prices out of line with U.K. importers' bids. Shippers naturally quote higher levels, with the result that booking orders for shipment has been difficult. In view of the August holidays, it is likely that trading during August will be small with the U.K. There is good demand for buff calf thirds and inferiors from the U.K., but stocks with tanners are in short supply. In view of the persistent demand for buff calf skins for export, tanners are likely to turn their attention to buy raw buff calf skins during the new season which starts from September onwards.

There has been no change in the tanned skins section. Arrivals of common tannages are small and clearance moderate.

Shipments during July 1958 were 2,870 bales cow, 239 cow calf, 11 buffs, 310 buff calf, 1,154 goat and 530 sheep to the U.K; 14 bales cow, 13 cow calf, 4 buff calf, 745 goat and 194 sheep to Continent; 84 bales buff, 35 buff calf and 77 goat to the U.S.A; 3 bales goat and 158 sheep to Japan.

BULLION HARDENS

(From Our Own Correspondent)

BOMBAY, 6*th August*

The bullion market presented a better tone during the week under review, and prices under the lead of silver staged a recovery from the previous week's low levels. The improvement was mainly due to speculative support prompted by expectations that the inflow of Tibetan coins would dwindle consequent on reports of political unrest in Tibet. Good support from Delhi and Calcutta operators also strengthened bullish sentiment and this forced the bears to cover their sales.

Gold also moved up slightly in sympathy with silver, as also on reports of good offtake in the ready section and of seizure of large quantity of contraband gold from a ship. Towards the close, there was a reaction in silver, which affected gold also to some extent.

Forward silver (*Shravan* First delivery) moved up from Rs. 180-12 to Rs. 181-7 before the settlement ran out at Rs. 181-6. The Second delivery advanced from Rs. 181-12 to Rs. 184-10 before declining to Rs. 183-6 today. The closing was, however, done at Rs. 183-12. Business in *Bhadrapad* settlement began on Saturday at Rs. 184 and closed today at Rs. 184-8.

Ready silver gained over the week Rs. 2-4 to Rs. 183-0. The floating stocks of silver are reported to be 1,000 bars. The daily average arrivals were 40 bars (including unrefined metal), while the offtake was of the order of 10 to 15 bars.

Gold for forward delivery (*Shravan* Second delivery) gained from Rs. 105-7 to Rs. 106-4 before receding to Rs. 105-10. At the close there was again a recovery to Rs. 106. Business in *Bhadrapad* settlement has not yet commenced.

Ready gold hardened from Rs. 105-15 to Rs. 106-9, but finished a fraction lower at Rs. 106-6. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were 3,500 tolas and the offtake was also of the same order.

In New York, silver was unchanged at 88.5/8c. In London, too, spot silver was maintained at 75d. and forward at 74⅛d. Gold declined slightly from 250s. 3d. to 250s. 2d.

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

	6-8-58	Highest	Lowest	30-7-58
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	106 6	106 9	105 3	105 15
Forward*	106 0	106 4	104 13	105 7
Sovereign	70 12	70 12	70 4	70 4
SILVER				
Ready (.996 fine Mint) ..	183 0	183 13	180 12	180 12
Forward† ..	183 12	184 10	181 12	181 12
London Silver Ready ..	76d.	—	—	76d.
London Forward	74⅛d.	—	—	74⅛d.
London Gold	250s. 2d.	250s. 3½d.	250s. 2d.	250s. 3d.
New York Silver	88¼c.	—	—	88¼c.

* 29th August settlement.
† 30th August settlement.

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

LINSEED DULL

(Messrs. A. Bradley and Co.)

BOMBAY, 4*th August*

Linseed prices moved within narrow limits during the week under review. Conditions were generally dull, although the undertone of the market remained steady. A somewhat easier opening was short-lived and an initial loss of about As. 8 per maund in the price of seeds was gradually recovered towards the close. Only small quantities changed hands and crushers on the whole did not show much interest. The local oil market remained firm mainly owing to shortage of stocks, but enquiries were scarce. There was small demand from shippers covering against previous sales. The overseas market was inactive and prices were more or less unchanged at around £115.

The latest quotation for ready and August is Rs. 25-12 per maund.

HIDES EASY

(From Our Own Correspondent)

KANPUR, 4*th August*

During the week under review, the hides and skins market was easy. New arrivals were considerable, barring sheep and lower category cow. The main purchasers were the local tanners and country dealers. The Madras dealers were lukewarm.

The latest available quotations are: Wet salted cow 1st grade Rs. 350, 2nd grade Rs. 200 and 3rd grade Rs. 140 per score; wet salted buff 1st grade 1 lb. 7 ozs. and 2nd grade 1 lb. 11 ozs. per rupee; goat 1st grade Rs. 300 to Rs. 275 and 2nd grade Rs. 270 to Rs. 260 per 100 pieces; sheep 1st grade Rs. 325 and 2nd grade Rs. 275 per 100 pieces.

COTTON FUTURES RECOVER AT CLOSE

(From Our Own Correspondent)

BOMBAY, 6*th August*

The cotton futures market ruled distinctly easy in the early part of the week under review but picked up strength yesterday which persisted today also. The earlier easiness was due to heavy pre-tender day liquidation in the maturing August contract which was prompted by the upward revision in room rates. Even the small volume of tenders (1,300 bales) issued on Saturday, the first tender day, failed to have any marked influence on the price trend. The market succumbed to heavy local and upcountry selling on Monday, thanks to reports of favourable weather in most cotton tracts and fears of delay in the release of export quota. Yesterday's recovery was attributed to the bullish survey results. Out of 600 lots surveyed, 200 lots of Jaydhar A and B, were rejected which gave rise to hopes that tenders of this variety would be smaller in the coming tender days. Low levels also attracted buying from bulls and spot houses. Fresh rumours that, in view of the better crop prospects and fairly comfortable stock position, the Government of India might issue an export quota shortly, too, aided the sentiment of operators favourably. There was, therefore, a notable recovery in values, although today's closing rates were lower than those a week ago.

I.C.C. Moglai Jarilla August 1958 opened the week at Rs. 670, as against the previous close of Rs. 673.50, and declined, under pressure of selling, to Rs. 660.25 on Monday. The contract improved to Rs. 672.25 yesterday. Opening at Rs. 665.50 today, it rose to Rs. 670 at the close. The net loss over the week was Rs. 3.50. Tenders issued on the 4th inst., the second notice day, were 550 bales, bringing the total issued to date to 1,850 bales, comprising 550 bales of Jaydhar A, 500 bales of Jaydhar B, 350 bales of Buri American, 150 bales of Madhya Pradesh Jarilla, 100 bales of Laxmi A, 50 bales of Khandesh Jarilla, 50 bales of Vijay, 50 bales of 320F and 50 bales of Cambodia.

I.C.C. Moglai Jarilla March 1959 commenced the week at Rs. 674.50 and, after declining to Rs. 669 on Monday, recovered to Rs. 672.75 yesterday. Opening at Rs. 672 today, the contract improved, the closing rate being Rs. 674.50. The net loss over the week was Re. 1.

The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	6-8-58	*High*	*Low*	30-7-58
I.C.C. Moglai Jarilla (August 1958) ...	670	673.50	663	673.50
I.C.C. Moglai Jarilla (March 1959) ...	674.50	674.50	669	675.50

In the spot section, mill activity was at a low ebb. Prices showed a declining trend. Nevertheless, finer varieties of cotton continued to attract attention of spinners on fears of further delay in the grant of permission for imports of East African and U.S. cotton. Listless conditions prevailed in the export section. However, small business was reported in Bengals. Exporters were disappointed over the prolonged delay in the release of export quota. The foreign section was inactive in the absence of any announcement regarding the import of sterling and dollar area cotton. The Government of India's prolonged silence over the issue has intrigued the mills and the trade alike. Imports permitted so far in the season have been below requirements and mills are said to be facing shortage of good quality cotton.

The following are the latest available spot rates—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week-end quotation:

Bengal *Deshi* 600 (600); Berar Jarilla 720 (725); Khandesh 790 (790); Vijay 860 (875); Hubli Laxmi 1,020 (1,025); Jaydhar 930 (935).

The Karachi cotton futures market ruled easy during the early part of the week but gained strength towards the close. The earlier easiness was due to slackness in export demand and favourable weather news. Consequently, prices tended to fall. The market picked up strength in the later sessions, thanks to revival of export enquiries, purchases by domestic spinners and expectations of Pakistan Government giving incentive on exports of cotton. All these factors prompted sizable buying, with the result that prices moved up. Most of the earlier losses were made up. N.T.R.G. January, after declining from Rs. 79-8 to Rs. 77-15-6 on 31st July, recovered to Rs. 79-4-6. March contract eased to Rs. 98-5-6 but firmed up to Rs. 79-10-6 towards the close.

Trading in the Alexandria cotton futures market was featureless during the week under review. In the absence of fresh incentives, buying interest was at a low ebb. Favourable weather news indicates the possibility of a good crop and weaker export advices led to some selling which brought out about a fall in prices. The medium staple Ashmouni contracts, however, received special support. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: November 76.05; January 76.10.
Ashmouni: August 67.35; October 68.30.

Cotton futures values on the Liverpool Cotton Exchange suffered a mild setback during the week, due to light hedge selling and long liquidation. Lower New York advices and the bleak cotton consumption outlook were the influencing factors. Scattered mill fixings and short covering failed to

lift values. The July-August contracts of the American cotton and mixed growth contracts expired on the 31st inst. Sudan contracts, however, met with support and values moved up. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October-November 24.95; December-January 25.07; March-April 25.25. *American cotton mixed growth contract:* October-November 25.33; December-January 25.60; March-April 25.60. *Sudan:* September-October 31.65; November-December 31.65; January-February 31.65.

Easy conditions prevailed in the New York cotton futures market during the week under review. The easiness was due partly to the Senate's passing of the Farm Bill providing for higher acreage and lower support prices for the 1959 crop. It was expected that the House of Representatives, which was studying the Bill, would pass it with only minor changes, as opposition to it was waning. Improved crop prospects also imparted weakness to the market. A private estimate placed the crop at 11,283,000 bales. A marked fall in prices was, however, prevented by some speculative buying based on rumours of possible veto of the Farm Bill and expectation of a higher final loan rate for cotton.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	5-8-58	29-7-58	22-7-58
Spot	36.45	36.45	36.50
October	36.22	36.27	36.65
December	36.55	36.53	36.87
March	36.80	36.90	37.24

YARNS STEADY

(From Our Own Correspondent)

BOMBAY, *6th August*

Steady trend was in evidence in the yarn market during the week under review. Rayon yarns were generally well supported. Arrivals of imported yarn continued to be low. The quantity actually imported into the Bombay port during the month of July was not more than 1.48 million lbs., which was, of course, higher than 1.23 million lbs. imported in the previous month. A section of the trade expects that arrivals of several types of foreign yarn will be heavier in the coming weeks as a result of the purchases made in recent months and also the fact that the actual users who had recently been granted import licences have already placed orders with foreign firms. In the case of staple fibre yarn, prices were, more or less, unchanged, despite reports that several mills had curtailed spinning and that some of them were quoted higher prices. Cotton yarn continued to rule dull, thanks to low offtake by handlooms and powerlooms. Even reports of enlarged exports in the past month (July) failed to have any effect. The total shipment of yarn from Bombay port in that month was 800,400 lbs., as against 497,400 lbs. in June and 315,595 lbs. in May.

In the rayon yarn section, 150 Italy attracted very good attention of operators and spurted by 96 nP to Rs. 6.62. 120 Italy firmed up from Rs. 6.50 to Rs. 7. 120 Japan, however, was done lower at Rs. 6.37, as against Rs. 6.44 last week-end, and 150 Japan at Rs. 6.44, as against Rs. 6.50. Among indigenous yarns, National Rayons 150 bright cones first grade strengthened by 13 nP to Rs. 5.19. 120 bright cones first grade gathered 7 nP to Rs. 6.19.

Staple fibre yarn 40 x 2 August delivery advanced by a rupee to Rs. 728. October delivery was fully maintained at Rs. 752. In the spot section, 40 x 2 New Greats rallied 9 nP to Rs. 4.03. Citys rose from Rs. 4.19 to Rs. 4.20. Kohinoors were firmed at Rs. 4.24 and Centurys at Rs. 4.12. Among imported yarns, 80 x 2 Paramounts put on 12 nP to Rs. 9.37. Fujis was fully steady at Rs. 9.25.

In the cotton yarn section, ten counts Moderns were unchanged at Rs. 13.50. Podars declined by 13 nP to Rs. 12.62. Twenty counts Indus were well supported, their quotation advancing from Rs. 16.37 to Rs. 16.62. Gokaks hardened by 12 nP to Rs. 16.87. Moderns were fully maintained at Rs. 16.75. Thirty counts Hinds were done at Rs. 19.75, same as last week. Forty counts Minaxis were subjected to selling and fell by 31 nP to Rs. 25.44. Moderns were dull at Rs. 25.75. Sixty counts Raghuvamshis were on offer at Rs. 67.25, as against Rs. 62. Moderns, however, were done higher by a rupee at Rs. 60. Eighty counts Moderns declined by 50 nP to Rs. 72. Mahendras were unchanged at Rs. 72.

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

	6-8-1958	30-7-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	6.37	6.44
150 Japan (per lb.)	6.44	6.50
120 Italy (per lb.)	7.00	6.50
150 Italy (per lb.)	6.62	6.50
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 August	728.00	727.00
40 x 2 October	752.00	752.00
40 x 2 Kohinoor (per lb.)	4.24	4.25
40 x 2 City (per lb.)	4.20	4.19
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.62	12.75
20s Modern	16.75	16.75
30s Hind	19.75	19.75
40s Minaxi	25.44	25.75
50s Finlay	61.25	62.00
60s Mahendra	72.00	72.00

OILSEEDS IRREGULAR

(From Our Own Correspondent)

BOMBAY, *6th August*

After opening the week quiet, the oilseeds market depicted a firm trend on Saturday, but staged a relapse in the subsequent two sessions. Today, however, the market ruled better. The firmness on Saturday was aided by rumours of large castor oil purchases by Russia and of a reduction in freight rates to the United States by some shipping companies. These rumours led to heavy replacement buying. There was also bear covering in new crop castorseeds and groundnuts, following absence of rains in North Gujerat and Saurashtra. Consequently, prices of oils and oilseeds registered handsome gains. The upward trend was halted in the subsequent two sessions, thanks to unloading by bulls on reports of beneficial rains, increased offerings by upcountry dealers and discouraging U.K. advices regarding castor, linseed and groundnut oils.

The Government of India has decided to release a quota of 5,000 tons of rape-mustard oil for export up to the end of September 1958. A detailed licensing procedure is being notified by the Export Trade Control authorities at the ports.

Groundnut August 1958 contract opened the week at Rs. 192, as against Rs. 193 last week-end, and firmed up to Rs. 193 on Saturday. After receding to Rs. 190 yesterday, it recovered today to Rs. 193 before finishing at Rs. 192. February 1959 contract opened at Rs. 165 and, after improving to Rs. 166.50, declined to Rs. 162.25. Today, it rose to Rs. 166.25 before winding up a shade easy at Rs. 166. Over the week, bold ready dropped 38 nP to Rs. 38.87. Coromandel and Khandesh quality both receded from Rs. 41 to Rs. 39.50. Groundnut oil ex-mill moved down by 51 nP to Rs. 20.36. Railway receipt fell by 63 nP to Rs. 20.12.

Castorseed September 1958 contract, which stood at Rs. 161 on the opening day, as against Rs. 160.75 last week-end, evoked good buying support and advanced to Rs. 163.75 on Saturday. Subsequently, it encountered selling and declined to Rs. 160 yesterday. Today, however, there was recovery and the contract increased to Rs. 162 before finishing at Rs. 161.25. May 1959 contract was quoted today at Rs. 157, as against Rs. 159 on Wednesday last week. Ready Madras declined by 25 nP to Rs. 32. Kanpur quality lost a like amount to Rs. 30.75. Castor oil B.S.S. receded from Rs. 17.94 on Saturday to Rs. 17.75 yesterday, but recovered to Rs. 17.81 today. Commercial quality, after easing from Rs. 16.56 to Rs. 16.37, finished today at Rs. 16.44.

Linseed September 1958 contract began the week at Rs. 34.31, as against Rs. 34.50 last week-end. After advancing to Rs. 34.75, it declined to Rs. 33.81 yesterday and recovered to Rs. 34.25 today. Towards the close, however, it was a shade easy at Rs. 34.19. Over the week, ready Madras was lower by 25 nP, today's closing rate being Rs. 33.75. Kanpur quality shed a like amount to Rs. 32.50. Linseed oil declined from Rs. 17.75 to Rs. 17.50.

Cottonseed September 1958 contract, which stood at Rs. 121 last week-end, spurted to Rs. 122.50 on Saturday. Thereafter, it declined to touch Rs. 120.50 at the close today. February 1959 contract suffered a fall of Re. 1, today's closing rate being Rs. 102.50.

Among other oilseeds, kardiseed bold ready was subjected to selling and fell by Re. 1.50 to Rs. 21.50. Nigerseed Madras quality, which remained firm at Rs. 34.25 throughout the week, came in for heavy selling today and wound up at Rs. 33.

The following table shows the closing prices of oilseeds and oils today as compared with those a week and two weeks before:

	6-8-1958	30-7-1958	23-7-1958
	Rs.	Rs.	Rs.
Groundnut—			
August 1958	192.00	193.00	195.00
Feb. 1959	166.00	165.50	169.00
Bold ready (per cwt.)	38.87	40.25	40.75
Linseed—			
Sept. 1958	34.19	34.50	35.31
Bold ready (per cwt.)	33.75	34.00	34.87
Castorseed—			
Sept. 1958	161.25	160.75	168.00
May 1959	157.00	159.00	165.00
Madras (per cwt.)	32.00	32.25	33.50
Cottonseed—			
Sept. 1958	120.50	121.00	122.50
Sept. 1959	102.50	103.50	107.75
Groundnut oil†—			
Ex-mill ready (per quarter) ..	20.36	20.87	21.50
Castor oil†—			
Commercial (per quarter) ..	16.44	16.87	17.25
Linseed oil†—			
Ready	17.50	17.75	18.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

SUGAR STEADY

(From Our Own Correspondents)

BOMBAY, *6th August*

The Union Food Ministry's lightning action, on 31st July, clamping down control on the ex-mill sugar prices in the North, has stunned the sugar trade. In fact, a feeling of depression is said to be prevailing in terminal markets. The sugar produced in the Deccan and South India is, however, not subjected to control, since the ex-mill prices in these regions have been far below those considered fair by the Government. Trade circles feel that any imposition of control on sugar will create trouble for both traders and consumers, resulting in a grave dislocation of the normal trade channels. Meanwhile, a delegation of the Indian Sugar Mills' Association is waiting on the Union Food Ministry officials to discuss the situation and to find a solution to the present impasse.

The imposition of controls on North Indian sugar factories had no effect on the local sugar market. The currently ruling prices of all grains are practically the same as those a week ago. Small grain is done at Rs. 106.50 per bag, medium grain at Rs. 107-Rs. 109 and large grain at Rs. 110-Rs. 115.50.

Arrivals of sugar by rail into the market during the week aggregated 9,600 bags, as against 23,000 bags in the previous week.

* * * *

HAPUR, *4th August*

The Union Government has decided to control the price of sugar produced in Punjab, U.P. and North Bihar. The controlled ex-factory price fixed for U.P. and North Bihar factories is Rs. 36 per maund and for factories in the Punjab Rs. 36.50 per maund. These prices will apply to I.S.S.I. D-29 grade with prescribed price differentials for other grades. The Government has also decided to requisition and distribute at fixed prices on ex-factory basis as well as for despatch to out-station centres on freight-to-pay basis. Allotment to the following important centres will be made at fixed f.o.r. destination prices: Delhi Rs. 36.50; Kanpur Rs. 36.75; Calcutta Rs. 38; Bombay Rs. 39 per maund.

Following the imposition of control, fresh deals in sugar have come to a standstill here as well as in the Muzaffarnagar market. Traders are awaiting detailed information before finalising fresh commitments.

Khandsari ruled quiet during the week. Trading was slack, due to incessant rains and prices were Rs. 35.50 to Rs. 37 per maund.

Ready *gur* turned quiet during the week. Despatches were small at 3,000 maunds due to rains, and local stock was now put at 46,000 maunds. Heavy rains have proved beneficial to the standing cane crop, but easterly winds have resulted in the revival of pests in cane crops in some areas. Demand for *gur* was mostly from Punjab side and despatches were by road. Prevailing prices were:—Kotha dry Rs. 22 and dry-wet Rs. 20 per maund.

Enquiry for ready *gur* was poor in the Muzaffarnagar market where stocks were only about 12,000 maunds. Prices were mostly unchanged *Chaku kotha* being quoted at Rs. 21.75 to Rs. 22, dry at Rs. 23, *pansera* wet-dry at Rs. 20.25 to Rs. 20.75, *shakker dara* at Rs. 24 to Rs. 25.

Gur fagun moved both ways during the week. Opening at Rs. 14.13, the delivery touched the highest of the week at Rs. 14.17 the same day, and declined to the lowest of the week at Rs. 13.75 on Thursday. It, however, improved to Rs. 13.97 today.

BLACK PEPPER LOWER

(Messrs. Parekh and Co.)

BOMBAY, *6th August*

After moving narrowly, Malabar black pepper turned easy towards the close of the week under pressure of heavy tender of about 3,000 bags against Shravan (31st July) delivery. Large local stock proved to be a depressing factor. Absence of demand from both Europe and the U.S.A. in all the producing countries made growers a bit uneasy. They were anxious to meet buyers to attract business, but, so far, without result, as foreign buyers preferred to await development on political and economic fronts.

Alleppey and Cochin were sellers for ungarbled at Rs. 625. Garbled ready was quiet, with sellers at Rs. 108, the highest being Rs. 112.50. August delivery on the Exchange moved down from Rs. 114.37 to Rs. 110.25, while October from Rs. 116.87 to Rs. 111.87. Calicut was seller at Rs. 655. Business of about 200 tons with China failed to support the market.

Singapore reduced its price for black Sarawak from Str.$76 to Str.$74 and white from Str.$132 to Str.$128, for want of business. Enquiries from Europe and the U.S.A. were discouraging.

Spot in New York was nominally quoted at $0.28. Dealers there were reported to be willing to give concession to buyers, in view of lower offers from producing centres.

The future for Malabar black pepper at the moment appears uncertain, as the erstwhile bulls are now slowly realising that the heavy stock in Bombay will continue to exert pressure on the specific delivery. This, in turn, will reflect on the forward market at Cochin forcing growers to lower their prices for ungarbled in both Tellicherry and Travancore-Cochin area. However, much will depend upon foreign demand, particularly from New York where dealers have still to cover for their autumn requirements.

Today's nominal quotations are: Ready Rs. 87 to Rs. 88 per Bengal maund: September Rs. 610 to Rs. 620 per candy of 5½ cwts.

TEA PRICES RECEDE

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 1st *August*

The twenty-third export sale was held on 29th July, with offerings amounting to 1,248,220 pounds. The quality of all teas continued to be useful, particularly from the high-grown estates. In sympathy with other markets, demand was much quieter and the sale opened to only a fair general enquiry at easier rates. There was a weaker tendency as the sale progressed. Low medium and medium descriptions were 5-10 nP lower, except for black leaf types which were steady. Good medium teas met with only limited demand and were 10-15 nP lower than last rates. There was some enquiry for highgrown teas at rates which were barely steady.

A few quality teas sold well. Whole leaf types met with less competition and were irregularly 5-10 nP easier.

The quotations were: Plain B.P. Re. 1.50; low medium Re. 1.55 to Re. 1.70; medium Re. 1.75 to Re. 1.85; good medium Re. 1.90 to Rs. 2.05 and quality Rs. 2.15 to Rs. 3.15.

About 1,051,488 lbs. of dust were offered in dust sale 'P' which was held on Thursday, 31st July. After opening quietly, a good general demand developed. There was a good selection of teas on offer, and buyers competed well for the improved mediums, which were firm and occasionally dearer on last week's rates. Other descriptions met with good support at lower rates, and these declined sometimes by 5 to 8 nP. Black grainy dusts met with some competition and sold well.

Export Quota:—The market was generally steady throughout the week, business being transacted at 11 nP. The latest quotation is sellers 11¼ nP, with probable buyers at the same rate.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire as follows:

"Sale No. 24 was held on Tuesday, the 5th inst. Offerings aggregated 875,000 lbs. There was fair general demand. Good mediums were firm and quality highgrowns strong. Clean coloury fannings were the strongest feature. Low mediums and mediums, however, were easier by 5 to 10 nP."

GOOD EXPORT DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, *5th August*

While yesterday's export sales attracted better demand at lower prices, last week's internal sales met with good demand at irregular levels.

Dusts on offer during last week's auction amounted to 20,326 chests, the quality of which was well maintained. Non-withered Dooars and all orthodox teas were fully steady on good general demand. Among Assam teas, those with improved liquors were keenly sought, while the plainer lots gave way by 6 to 10 nP. Dooars and commons realised higher prices. Among the large quantity of C.T.C. Assam teas on offer, the selected lots of the best liquorings were firm, while the rest declined by 25 to 35 nP. There were heavy withdrawals. There was good demand for Darjeelings, although irregular. The quotations, with those of the previous sales in brackets, were: Best Assam C.T.C. Rs. 2.55 to Rs. 2.85 (Rs. 2.70 to Rs. 3.00) Assam C.T.C. Rs. 2.00 to Rs. 2.20 (Rs. 2.20 to Rs. 2.40), Medium Assam grainy dust Re. 1.68 to Re. 1.72 (same) and medium Dooars Re. 1.66 to Re. 1.68 (Re. 1.64 to Re. 1.68).

Export offerings yesterdays aggregated 48,741 chests. A strong feature in an otherwise easier market was the best bright liquoring orthodox Assams, prices of which improved. Commonest sorts were about steady, but commons eased by 4 to 8 nP. A few of the best lots of C.T.Cs met with good demand, but all the same prices realised were below valuations. The balance of the C.T.Cs declined by 30 nP. Medium Assams dropped by 10 to 20 nP, and O.Fs and B.O.Ps were 30 nP lower than valuations. Withdrawals of C.T.Cs were heavy, but of non-withered and legg-cut Dooars were light. The latter eased by 10 to 20 nP. There was little competition for whole leaf grades, the higher-priced lots of which eased by 20 nP and others by 10 nP.

The quotations with last week's in brackets were: Best Assam C.T.C. fannings Rs. 3.80 to Rs. 4.10 (Rs. 4.10 to Rs. 4.50); best Assam C.T.C. B.P. Rs. 3.50 to Rs. 3.70 (Rs. 3.80 to Rs. 4.00); medium fannings Rs. 2.10 to Rs. 2.20 (Rs. 2.20 to Rs. 2.40); clear black pekoe Rs. 2.10 to Rs. 2.15 (Rs. 2.15 to Rs. 2.25); medium B.P. Re. 1.95 to Rs. 2.00 (Rs. 2.05 to Rs. 2.15); plain fannings Re. 1.78 to Re. 1.82 (Re. 1.84 to Re. 1.88) and plain B.P. Re. 1.66 to Re. 1.70 (Re. 1.70 to Re. 1.74).

Export quota changed hands at 11 nP, with few buyers.

JUTE GOODS IMPROVE

(From Our Own Correspondent)

CALCUTTA, *5th August*

A marked rise in prices of jute goods was the feature in the jute markets during the week under review, and ready B. twills, which in the last week had moved down much below the I.J.M.A. floor level, recovered impressively to cross it on keen speculative support. Although some business was put through with overseas shippers in both heavy goods and hessian constructions, the volume was insufficient to justify this week's uptrend. Earlier in the week, overseas interest declined by such a measure that it was thought that the lessening of tension among the Big Powers over the West Asian situation encouraged them to revert to a hand-to-mouth policy. Subsequently, of course, shippers did not show more interest, but, as stated, the rise was more due to speculative activities.

Another reason for the rise in prices of goods was the improvement in fibre prices. Not only mills purchased fair quantities of raw jute, although expectations of a higher crop for the current season continued. There were reports of damage to crop due to widespread incidence of semilooper and hairy-caterpillar on the plants in several districts—a development caused by protracted drought. The Agriculture Department stated that it took prompt measures for dusting and spraying as a result of which the crop in most of the seriously infested tracts has been protected. Recently, there had been more rains, which have improved the position relating to retting facilities. In lower West Bengal rains have been inadequate and the drought would put down crop there to 75 per cent. of the normal.

Trade and industry circles so far have had nothing to complain against the official futures trading, functioning since April last. The activities in the futures market have shown that it has withstood the aim for which it was commenced. The progress report by the East Indian Jute and Hessian Exchange Ltd. for the three months ended June shows that it has been set up on a firm foundation. The strict by-laws prevent overtrading and speculation is limited.

On Tuesday last, speculative activity in the *futka* pushed up price of jute goods. Some business with overseas buyers was also done. Ready B. twills were fully steady after having crossed over the I.J.M.A. floor level and quoting at Rs. 100.25. Ready hessian 40" 10 oz. was also higher at Rs. 43.60. Mills took the opportunity to conclude sales for as much quantity as possible, and most of these deals were for shipment between October and December. Soon, speculative elements booked their profits. This together with the tendency of mills to sell as much as possible affected sentiment. Had it not been for this, Wednesday's closing quotations for B. twills and hessian 40" 10 oz. would have been higher than Rs. 100.60 and Rs. 43.85, respectively. On the next day, prices fluctuated, due to due date manipulations in the *futka*. Thereafter a quiet tendency set in, taking B. twills down to Rs. 100.05 and hessian 40" 10 oz. to Rs. 43.80. On Friday, some covering demand was in evidence. B. twills were marked higher at Rs. 100.15 and hessian 40" 10 oz. at Rs. 43.90. Over the week-end, prices for the above two representative constructions were pushed up to Rs. 100.60 and Rs. 44.10, respectively, following the hardening of fibre prices. Yesterday B. twills spurted to Rs. 101.10 and hessian 10" 10 oz. to Rs. 44.55 following apprehensions of a further rise in raw jute prices.

Fair business was put through in the fibre market. Sellers were reserved, and prices for most varieties gained by 50 nP. There was a rumour circulating in the market of the possibility of Government permitting exports of limited quantity of the mesta variety. It was reported that overseas interests were keen on India resuming exports of raw jute at least on a token basis, if only to bring down prices in Pakistan. However, the possibility is considered remote, as even now the crop cannot be estimated with any certainty. Further, there will be no surplus of the mesta varieties. Other inferior varieties like *jurgli*, can be exported, but it is doubtful whether foreign manufacturers would be interested in such a low variety as *jurgli*. In the last two or three days, heavy rains have occurred, and for the first time in this season reports of flooding have been received from some jute districts. The latest quotations for the different variety of raw jute are:

	Middles	Bottoms	Delivery
Pakistan:	Rs.	Rs.	
District ..	32·50	29·50	Aug.-Sept.
Northern ..	32·50	29·50	,,
Indian:			
Northern ..	30·00	27·50	,,
Assam	30·00	27·50	,,
Orissa	31·50	29·00	Sept.-Oct.
Desol	29·00	26·50	Aug.-Sept.
Murshidabad ..	27·00	24·50	,,
Jurgli	26·50	24·00	,,
Daissu	32·75	30·25	Sept.-Oct.
Uttar Pradesh ..	26·50	24·00	Aug.-Sept.
Daisau Morta ..	27·75	25·25	Oct.-Nov.
Bimli F.A.Q. ..	Rs.	24·00	Oct.-Nov.

BASE METALS RECEDE FURTHER

(From Our Own Correspondent)

CALCUTTA, *5th August*

A further recession in base metal prices was recorded during the week under review, following improved outlook in international political situation. However, it was thought that the latest development of the Russian Prime Minister's meeting with Mr. Mao-Se-Tung of China and the subsequent joint *communique* were indications of a stiffer Russian attitude towards the West and that hopes of a summit meeting of the heads of Governments was now receding from the possibility point. In this view, market circles held that an upward trend in prices was in store.

Industrial consumers continued to meet with acute shortage in copper, and, without sufficient copper, alloy-makers could not naturally buy the other metals offering. This was also a cause for this week's downward trend. Note was taken of the report that issue of permits for copper, suspended for some time now, would be resumed by the Controller very soon. Another report noted cheerfully by market and industry circles was that the Government was making arrangement for short-term credit from the United Kingdom, and that, therefore, the apprehended import curbs on raw material in the three months ending December would not come to pass. In the meantime, market reports from London and New York revealed the gradually rising trend. The higher trend in London was attributed to expectations of liberalisation of trade between the West and the U.S.S.R. and that in the U.S.A. to expectations of increased building activity and of increased demand of automobiles, both of which would push up demand for copper. So it would appear that India would have to pay heavily for not having stocked copper when prices in world markets were more advantageous.

Tin opened here at Rs. 572 and closed lower at Rs. 566. Demand was little. The increase in the floor price in London to above £730 was attributed to the recent decision of the International Tin Council to raise the restriction on tin exports from member-countries by 8 per cent. to 48 per cent. from October to December. This restriction, it was thought, would not affect world supplies so long as Russia remained outside the Tin Agreement and continued to export as much as there was demand. Lead was unchanged at Rs. 70 while electrolytic zinc dropped to Rs. 66.50 from Rs. 67.50, following lesser demand for alloy-making, in view of the paucity of copper stocks.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, *4th August*

Quiet conditions prevailed in the foodgrains market during the past week. Arrivals were restricted due to incessant heavy rains. The various measures taken by the Government, including ban on purchase of wheat by roller mills in the open market and seizure of all wheat stocks with such mills in U.P., unnerved stockists. Wheat ruled quiet at almost unchanged price level of Rs. 20 per maund for average quality and the farm quality was quoted between Rs. 20.62 and Rs. 21 per maund. Arrivals during the week were small and local wheat stock continued unchanged at one *khatti*.

Arrangements are nearing completion for the opening of fair price shops to sell wheat here also. Heavy rains during the week have badly damaged *sawani* crops here.

Rice ruled quietly steady during the week. The paddy crop was reported to be progressing satisfactorily. Prevailing prices of rice were:—*basmati* Rs. 41 to Rs. 43, mainpuri Rs. 29.75 and coarse quality Rs. 26 per maund.

Two main factors were responsible for the quiet trend in coarse grain and pulse prices. First, after the ban on forward deals in grains and pulses, stockists started unloading their stocks, as bull manipulation in futures had been responsible to a considerable extent for boosting spot prices. The second factor related to good rains.

Barley and *bejhar* were mostly unchanged, while *jowar* and *guwar* were depressed owing to poor demand. Good outside demand and easy loading facilities accounted for steady conditions in peas and *arhar*. Stocks were fast dwindling. Other pulses were also steady in sympathy. The week-end prices (in rupees per maund) were:—gram *punjabi* 14.50; barley 14; *bejhar* 13.25; *jowar* 13; *guwar* white 15.50; peas *dara* 12.75; white 13.25; peas *dal* 14.50; *arhar* 16.62, *arhar dal* 21.75; *urd* 18.75 to 20; *moong* 25; *massoor* 16.37.

Notice

THE PULLANGODE RUBBER AND PRODUCE CO., LTD.

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE Fifteenth Annual General Meeting of the Shareholders will be held at 11 a.m. on Wednesday the 3rd September 1958 at the Registered Office of the Company at Fort Cochin to transact the following business:—

1. To receive and adopt the Audited Accounts and Balance Sheet for the year ended 31st March 1958 and the Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect a Director.

Note:—As Mr. F. A. Murphy is an employee of the Managing Agents, Messrs. Aspinwall & Co., Ltd., a Special Resolution of the Company is necessary for his re-election. Special Notice of the following Special Resolution for his re-election as required by Section 261 is hereby given.

"Resolved that Mr. F. A. Murphy, an employee of Messrs. Aspinwall & Co., Ltd., Managing Agents of this Company, be and is hereby re-elected as a Director of the Company."

4. To appoint Auditors.

The Transfer Books and Register of Members of the Company will remain closed from 19th August 1958 to 5th September 1958 (both days inclusive).

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

(By Order of the Board)

THE PULLANGODE RUBBER & PRODUCE CO., LTD.,
per pro. ASPINWALL & CO., LTD.,
V. P. THOMAS,
Managing Agents.

FORT COCHIN, *5th August* 1958.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 1st August, 1958

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		25,00,00,000
National Agricultural Credit (Stabilisation) Fund		3,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		60,24,66,000
(2) Other Governments		24,30,90,000
(b) Banks		109,73,08,000
(c) Others		142,66,79,000
Bills Payable		15,92,96,000
Other Liabilities		9,11,00,000
	Rupees	475,08,39,000

ASSETS	Rs.	Rs.
Notes		22,41,48,000
Rupee Coin		3,34,000
Subsidiary Coin		2,92,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		50,35,000
Balances held abroad*		18,05,58,000
Loans and Advances to Governments		11,21,85,000
Other Loans and Advances		55,52,27,000
Investments		361,15,39,000
Other Assets		11,15,21,000
	Rupees	475,08,39,000

* Includes Cash and Short-term Securities.
The item "Other Loans and Advances" includes Rs. 6,03,72,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	22,41,48,000	
Notes in circulation	1539,90,71,000	
Total Notes issued		1562,32,19,000
Total Liabilities		1562,32,19,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	179,67,56,000	
Total of A		297,43,59,000
B. Rupee Coin		135,62,44,000
Government of India Rupee Securities		1129,26,16,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1562,32,19,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	25th July, 1958	A week ago	A month ago	A year ago E
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1541.83	1557.66	1577.10	1498.83
Notes held in Banking Department	35.05	25.34	27.72	39.22	36.44
Foreign Securities	59.50	184.68	189.68	199.68	400.52
Rupee Securities	37.89	1129.58	1144.59	1167.56	886.81
Banking Department					
Deposits of :					
Government of India	14.89	70.14	51.07	58.69	53.90
Other Governments	....	23.66	41.79	14.17	2.19
Balances held abroad	10.08	12.53	10.51	18.04	19.58
SCHEDULED BANKS					
Demand Liabilities	124.86	769.09	750.48	753.07	741.92
		(31.40)†	(29.38)†	(24.77)†	(18.19)†
Time Liabilities	102.24	825.27	815.23	807.83	568.90
		(35.14)†	(34.32)†	(32.95)†	(4.55)†
Borrowings from Reserve Bank	..	9.67	15.84	14.95	82.02
		(7.80)‡	(12.63)‡	(14.22)‡	(29.47)‡
Borrowings from State Bank	..	4.47	5.19	3.43	3.23
Cash in India	6.70	38.12	38.36	42.82	37.35
Balances with Reserve Bank	25.17	102.70	84.19	94.47	90.19
Excess over statutory limits	15.52	47.74	36.86	40.66	41.72
Balances with other banks in current account in India	..	12.02	11.98	17.34	19.11
Money at call and short notice in India	..	57.02	54.61	56.26	31.06
Investments (at book value)	..	536.93	514.51	487.55	332.46
Advances and bills	106.09	886.57	896.23	901.43	886.18
STATE BANK					
Deposits	87.76	445.73	421.03	424.12	325.53
Investments	91.99	225.71	215.07	206.84	105.48
Advances	30.35	177.34	182.72	183.95	171.72
Cash	14.69	50.85	38.18	42.40	61.10

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

State Bank of India

Statement of Affairs for the week ended 1st August 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,62,50,000
Borrowings from Other Banking Companies, Agents, etc.		441,36,38,000
Bills Payable		6,17,07,000
Bills for Collection being Bills Receivable as per contra		98,06,000
Acceptances, Endorsements and Other Obligations per contra		1,19,55,000
Other Liabilities (including Inter-Office Adjustments)		8,20,57,000
Total .. Rs.		470,17,53,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		51,38,23,000
Balances with other Banks		2,99,56,000
Money at Call and Short Notice		1,60,00,000
INVESTMENTS : Rs.		
Government and other Trustee Securities ..216,42,34,000		
Other Authorised Investments .. 11,04,00,000		227,46,34,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc. .. 161,43,46,000		
Bills Discounted and Purchased .. 12,50,17,000		173,93,63,000
Bills Receivable being Bills for Collection as per contra		98,06,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,19,55,000
Premises less Depreciation		1,20,88,000
Furniture and Fixtures less Depreciation		91,51,000
Other Assets (including Inter-Office Adjustments).		8,49,97,000
Total .. Rs.		470,17,53,000

Scheduled Banks*

Statement of Affairs for the week ended 25th July 1958

	Rs.	Rs.
Demand Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		31,39,87,000
(ii) Other demand liabilities		687,69,40,000
Time Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		35,18,88,000
(ii) Other time liabilities		790,12,91,000
Borrowings in India from the State Bank and/or a notified bank :		
(i) Demand liabilities		4,05,42,000
(ii) Time liabilities		41,35,000
Borrowings in India from the Reserve Bank of India‡		9,66,67,000 (7,79,97,000)
Cash in India		36,11,60,000
Balances with the Reserve Bank in India		102,70,10,000
Balances with other banks in current account in India		12,02,48,000
Money at call and short notice in India		57,01,05,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		536,92,52,000
Advances in India		760,32,54,000
Inland Bills purchased and discounted in India		87,91,23,000
Foreign Bills purchased and discounted in India		38,32,77,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	February		Eleven months, April to Feb.	
	1957	1958	1956-57	1957-58
Import Duties :				
Revenue	10.41	10.05	116.06	127.70
Protective	0.09	1.24	11.49	10.23
On surplus disposals	0.07	—	0.11	0.11
Total import duties	11.47	11.29	127.68	138.04
Export Duties	2.67	1.60	28.14	22.49
Land Customs	0.35	0.26	3.27	3.57
*Air Customs**	—	0.10	—	1.04
Miscellaneous	0.09	0.11	1.04	1.40
Gross Total Customs	14.48	13.30	159.13	167.44
Refunds and Drawbacks	0.65	0.49	2.74	4.26
Net Customs	13.83	12.81	156.39	163.18
Gross Excise	15.64	25.11	171.14	245.81
Refunds	0.34	0.20	2.09	2.02
Net Excise	15.30	24.91	169.05	242.79
Net total of customs and excise†	29.13	37.72	325.44	405.97

† Net Customs plus net Excise.
* Figures for Air customs prior to August 1957 not available.

State Bank of Pakistan

Statement of Affairs for the week ended 25th July, 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	72,06,16,000
(b) Provincial Governments	50,07,000
(c) Banks	29,26,45,000
(d) Others	5,10,34,000
Bills Payable	31,23,000
Other Liabilities	10,63,30,000
Rupees	123,87,55,000

ASSETS	Rs.
Notes	11,20,44,000
Rupee Coin	44,000
Subsidiary Coin	37,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,69,66,000
Balances held outside Pakistan	18,63,16,000
Loans and Advances to Governments	2,00,00,000
Provincial Governments' Debtor Balances	1,68,12,000
Other Loans and Advances	3,66,35,000
Investments	75,10,64,000
Other Assets	8,98,37,000
Rupees	123,87,55,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,20,44,000	
Notes in circulation	323,16,00,000	
Total Notes issued	....	334,36,44,000
Total Liabilities	....	334,36,44,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,47,19,000	
Silver Bullion	....	
Approved Foreign Exchange	52,37,80,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
		106,87,29,000
B. Rupee Coin	4,09,67,000	
Government of Pakistan Securities	216,59,42,000	
Internal bills of exchange and other commercial paper	....	
		221,59,09,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
	5,49	
Total Assets	....	5,90,06,000
		334,36,44,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 33.64 per cent.

EXCHANGE RATES

	6th August, 1958	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	1-5⅛	1-5⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	477.00	477.50
Buyers T.T. Rs.	473.50	473.75
London on New York	2.80½-2.80¾	2.80½-2.80¾
London on Paris Fcs.	1,178¾	1,178¾
London on Berne Sw. Fcs.	12.19¼-12.20¼	19.19¼-19.20
New York on London	2.80½-2.80¾	2.80½-2.80¾

CLEARING HOUSE RETURNS

Centre	Week ended 1st August, 1958		Week ended 25th July, 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,50,152	59,14,36,000	2,48,874	57,21,54,000
Calcutta	1,42,000	62,48,00,000	1,56,000	66,16,00,000
Madras	76,197	9,19,86,859	85,088	9,81,05,986
All Centres—				
1956-57	..	..	40,09,000	87,84,35,00,000
1957-58	..	..	41,67,000	89,54,66,00,000
Mar., 1958	..	..	3,784,000	8,72,62,00,000
Apr., "	..	..	3,881,000	7,91,04,00,000
May, "	..	..	3,823,000	7,90,02,00,000

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1956	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	20th Sept., 1950	5	6
Burma	Feb., 1948	3	3
Ceylon	11th June, 1954	3	3½
Chile	Feb., 1957	4½	6
Colombia	18th July, 1958	6	4
Costa Rica	1st April, 1954	4	5
Denmark	19th April, 1958	5½	5
Equador	18th May, 1948	7	10
Egypt	15th Nov., 1949	3½	3
El Salvador	April, 1947	3	4
Finland	20th April, 1956	5	6½
France	12th Aug., 1957	6	5
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	30th Sept., 1957	5	4
Italy	7th June, 1958	5	5½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	30th Sept., 1957	2	4½
Portugal	13th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	23rd July, 1957	4½	5
Sweden	3rd May, 1956	3	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1948	7	7
Turkey	6th June, 1956	4½	6
United Kingdom	26th June, 1958	5½	5
U.S.S.R.	1st July, 1956	3	4
U.S.A.	12th April, 1956	3½	3
West Germany	27th June, 1958	3½	5

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1956-57=100)

Particulars	Weight	19th July 1958	12th July 1958	20th July 1957	June 1958	June 1957	Percentage of Increase (+) or Decrease(−) in June 1958 as compared with June 1957	Financial Year Average 1957-58	1956-57
Food Articles	366	110.7	110.2 R	111.3	113.4	109.4	+ 3.7	106.6	102.32
Cereals	192	110.7	109.2 R	105.2	105.5	103.8	+ 1.6	101	96
Pulses	42	105.0	100.0 R	86.4	91.2 R	84.1	+ 8.4	93	81
Fruits and Vegetables	23	122.0	118.9	132.2	111 5 R	127.2	−12.4	114	113
Milk and Ghee	84	110.5	113.9	108.0	111.1 R	108.6	+ 2.3	108	100
Edible Oils	17	127.5	124.3	134.0	132.9	125.1	+ 6.4	125	125
Fish, Eggs and Meat	17	113.5	112.6 R	97.6	106.7 R	96.3	+11.2	98	97
Sugar and Gur	48	133.9	131.3	110.1	125.7 R	109.6	+14.1	106	96
Others	50	158.4	160.1	140.6	149.2	131.0	+13.9	121	122
Liquor and Tobacco	21	92.8	92.4	94.3	93.1	96.3	− 3.3	94.8	94.12
Tobacco	—	91.1	90.6	92.6	90.5	90.5	− 0.2	90	88
Fuel, Power, Light and Lubricants	29	118.5	118.7	118.9	118.6	112.9	+ 3.2	113.6	104.32
Industrial Raw Materials	155	119.6	118.2 R	121.4	118.5	121.0	− 2.0	118.5	110.0
Fibres	61	110.6	110.0	123.0	109.9 R	123.0	−10.7	119	110
Oilseeds	60	133.6	127.2 R	126.0	129.7	125.5	+ 1.3	130	120
Minerals	3	106.9	101.0	113.1	107 5*	109.7	− 2.3	103	103
Others	31	106.4	106.7 R	109.4	110.8	106.3	+ 4.0	108	108
Manufactures	290	109.6	108.5 R	108.8	107 8	108.8	− 0.9	108.1	104.3
Intermediate Products	41	112.1	110.7	108.8	106.8	108.8	− 1.8	107.2	110.9
Finished Products	249	109.3	108.3	108.1	108.1	108.8	− 0.6	108.2	103.0
Textiles	147	108.7	104.2	106.8	105.7	106.6	− 0.9	107	100
Cotton	—	114.0	113.9	116.6	113.1	116.5	− 2.9	116	116
Jute	—	99.5	87.1	90.8	86.1	99.4	−13.4	90	90
Woollen	—	104.6	104.6	102.0	104.6	102.0	+ 1.6	102	100
Silk and Rayon	—	95.3*	95.9*	85.0*	90.7*	86.0*	+ 5.5	86	90
Metal Products	12	143.0	143.0	142.8	143.0	141.0	+ 1.4	141	99
Chemicals	20	104.2	104.4 R	98.0	103.7 R	97.9	+ 5.9	98	98
Oil cake	10	137.8	138.1	114.4	123.6	110.8	+11.5	118	103
Machinery and Transport Equipment	21	108.4	108.4	101.7	103.0	101.1	+ 1.9	103	99
Others	30	113.5	113.5	110.6	113.4	109.2	+ 3.8	110	101
All Commodities	1,000	113.9	113.5 R	112.8	111.7	110.7	+ 0.9	108.4	105.33

Note:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

GOLD AND FOREIGN EXCHANGE RESERVES

(In crores of rupees)

	1957	1958
Gold	117.76	117.76
Foreign Exchange	179.67	179.67
Total	297.43	297.43

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1956-57	1955-56	(In thousand tons) 1956-57	1955-56
Cereals—					
Rice	final	79,027†	70,320††	24,821†	28,282††
Wheat	final	32,891	30,386	9,068	8,569
Jowar	final	41,411†	40,367††	8,058†	7,249††
Hajra	final	27,453†	27,884††	3,565†	2,885††
Barley	final	8,594	8,382	2,744	2,749
Maize	final	9,762†	9,197††	3,064†	3,009††
Ragi	final	5,807†	5,831††	1,718†	1,715††
Small millets	final	12,209	12,713	2,010	1,937
Total cereals	final	215,642	214,982	57,251	54,456
Pulses —					
Gram	final	23,990	24,157	5,930	5,331
Tur	final	5 696	5,637	2,047	1,830
Other Kharif pulses§	final	15,832†	16,484††	1,401†	1,515††
Rabi pulses§	final	11,443	11 703	1,794	2 038
Total pulses	final	57,295	57,964	11 435	10,831
Total foodgrains		272 937	271,146	68,686	65,287
Oilseeds—					
Groundnut	final	14,457†	13,450††	4,271†	4,200††
Castorseed	final	1,325†	1,416††	275	124††
Sesamum	final	5,298†	5,446††	363†	442††
Rape and Mustard	final	6,211	6,317	1,017	848
Linseed	final	3,758	3,781	349	414
Total oilseeds	final	29,906	29 848	6,032	5.705
Fibres—					
Cotton*	final	19,843	19,978	4,723	4,001
Jute A.	final	1,754†	1,908††	4,088†	4,238††
Mesta A.	final	720†	733††	1,211†	1,478††
Other crops—					
Potato	final	702	691	1,674	1 839
Sugarcane	2nd	4,784†	4,475††	63,501†	58,985††
Ginger (Dry)	final	40	40	15	15
Pepper (Black)	final	234	233	32	32
Chillies (Dry)	final	1,534†	1,476††	355†	342††
Tobacco	final	1,022	1,013	306	295

Source : Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A. In thousand bales of 400 lbs. each. † Refers to 1957-58.
†† Refers to 1956-57.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	Jan. to Dec. 1956	Jan. to Feb. 1958	Jan. to Feb. 1957
Exports	637,74	58,804	94,60	110,04
Re-exports	5,15	7,56	2,09	67
Total Exports	642,85	595,60	96,69	110,71
Imports	1025,85	813,68	132,26	156,30
Overall Balance of Trade	−382,97	−218,08	−35,57	−45,59
Exports—				
Tea	123,40	139,74	19,36	28,42
Jute yarns and manufactures	59,61	112,52	9,08	8,29
Cotton yarns and manufactures	65,94	62,13	10,03	13,93
Metallic ores and scrap iron or steel for re-manufacture	49,89	28,80	6,85	2,40
Cotton, raw and waste	18,66	25,09	2,87	4,29
Oils—vegetable, mineral and animal	19,31	24,51	3,38	2,55
Fruits and vegetables	18,80	18,03	2,78	2,06
Tobacco	12,83	13,30	1,12	58
Mica	8,67	8,75	1,35	1,43
Wool—Raw	11,73	10,64	1,38	1,57
Gums, resins and lac	9,79	11,19	1,48	30
Spices	8,43	9,16	1,84	2,19
Hides and skins, raw	6,99	8,07	90	1,21
Imports—				
Machinery of all kinds	232,97	150,12	37,88	30,50
Metals, iron and steel and manufactures thereof	146,98	122,40	18,42	22,98
Oils—vegetable, mineral and animal	113,38	74,69	9,88	12,49
Cotton, raw and waste	43,62	53,61	5,69	11,10
Chemicals, drugs and medicines	76,77	43,14	10,12	9,39
Electrical goods and apparatus	61,14	20,15	9,27	8,05
Paper, pasteboard, etc.	18,11	15,99	1,33	2,07
Vehicles (excluding aircraft, ships and boats)	71,35	69,91	6,70	5,31
Fruits and vegetables	21,27	12,66	4,11	3,87
Spices	2,93	3,10	37	52
Dyes and colours	13,87	16,37	1,12	2,55
Woollen and worsted fabrics	1,81	2,18	8	18
Cotton fabrics	2,37	2,39	21	50

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During June, 1958	82.4
	Corresponding month, 1957	80.1
	Twelve months ended June, 1958	1,056.2
	Corresponding period, 1957	1,025.2
Stocks	At the end of June, 1958	184.0
	Corresponding month, 1957	116.0
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1955-56	857.2
	1956-57	852.5
	May 1958	65.9
	May 1957	61.7
For Internal Consumption	1955-56	190.0
	1956-57	179.0
	May 1957	16.9
	May 1958	17.8
	RAW JUTE	(In lakh bales)
Consumption by Mills	June, 1958	4.78
	Corresponding month, 1957	4.55
	Twelve months ended June 1958	61.26
	Corresponding period, 1957	59.46

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units Generated‡	Total Units Sold
1955-56	715	8,865.8	7,185.9
1956-57	760	9,877.5	8,166.1
1957-58	854	11,176.9	9,011.1
January 1957	765	868.7	711.7
February "	767	811.9	677.7
March "	760	874.8	716.5
January 1958	825	979.5	788.1
February "	829	919.7	748.2
March "	854	969.2	791.8

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	517	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	610	427	30	389	52	180
1957-58	14,335	2,389	1,225	214	104	52	217	25	596	504	39	476	47	194
May 1957	2,469	389	219	43	21	13	34	4	129	77	6	69	4	33
June "	2,562	561	334	57	30	18	48	5	164	109	9	101	7	48
July "	4,663	756	438	72	35	21	58	7	183	145	11	138	13	62
August "	5,781	957	539	84	39	25	67	8	206	183	13	177	19	81
September "	6,893	1,152	628	93	42	30	87	10	223	239	15	219	25	101
October "	8,056	1,366	736	107	46	34	109	13	241	283	19	261	31	120
November "	9,240	1,566	844	129	53	37	137	16	273	309	24	302	37	134
December "	10,506	1,766	941	152	64	40	162	18	354	360	28	350	42	146
January 1958	11,814	1,979	1,038	174	80	44	186	21	438	413	32	394	45	161
February "	13,011	2,172	1,123	191	93	49	202	23	519	456	36	435	46	176
March "	14,335	2,389	1,225	214	104	52	217	25	596	504	39	476	47	194
April "	1,238	220	111	23	9	4	15	2	34	45	2	40	1	15
May "	2,438	431	234	40	18	7	28	4	52	88	5	78	4	27

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.-2 M. G.) and incorporate revision in respect of earlier months. *Source* :—Ministry of Railways.
* Including sugarcane from November, 1955.

INDUSTRIAL PRODUCTION

Industries.	1957	Jan. to April 1957	Jan. to April 1958*	March 1958	April 1958*	April 1957
Major Industries—						
Coal ..million tons	43.54	14.52	15,162	3.70	3.80	3.72
Steel (Ingots and Metal for castings) ..thousand tons	1,715	438†	462†	151	—	145
Yarn ..million lbs.	1,780	604	554	138	134	154
Cloth ..million yds.	5,317	1,836	1,641	408	408	464
Cement ..million tons	5.60	1.83	2.21	0.58	0.54	0.46
Jute ..thousand tons	1,030	341	357	85	88	87
Paper and paper boards .. .. tons	210,132	50,753†	59,068†	20,701	—	16,874
Matches .. .. cases	578,400	147,300†	138,300†	41,800	—	49,700
Sugar ..thousand tons	2,068	1,093†	1,219†	378	—	153
Engineering and Electric Industries—						
Machine tools .. .. Value in lakhs of Rs.	250.59	50.78†	116.30†	41.01	—	12.68
Electric lamps .. .. .. millions	33.15	11.42	9.69	2.39	2.28	2.77
Dry cells .. .. .. millions	166.58	45.86†	38.79†	10.85	—	14.30
Power transformers .. .. .. k.v.a.	1,219,200	297,100†	311,700†	113,300	—	97,300
Electric Motors .. .. .. h.p.	469,200	104,300†	141,900†	51,800	—	38,600
Electric fans .. .. .. Nos.	524,400	165,300	209,500	54,300	53,400	46,700
Radio receivers .. .. .. Nos.	190,272	62,147	64,019	15,772	17,406	20,138
Storage batteries .. .. .. Nos.	324,000	108,800	109,500	29,400	28,400	26,500
Copper conductors .. .. .. tons	8,556	2,379†	1,828†	636	—	805
Winding wires .. .. .. tons	1,020	238†	335†	119	—	71
Rubber and plastic ins. cables and flexibles .. .. million yds.	103.20	25.93†	28.72†	10.06	—	8.97
Insulators—B.T. .. .. .. Nos.	186,000	14,100†	116,100†	30,000	—	7,700
Insulators—L.T. .. .. .. million Nos.	4.59	1.12†	1.19†	0.41	—	0.45
Diesel engines—Vehicular .. .. .. Nos.	16,548	3,219†	5,800†	1,789	313	1,440
Do —Stationary .. .. .. Nos.						
Chemical Industries—						
Salt ..million mds.	98.70	30.08	40.68	11.39	19.04	14.88
Caustic soda .. .. tons	42,706	11,105†	11,958†	4,119	—	3,559
Soda ash .. .. tons	91,920	31,707	32,289	8,664	6,993	7,509
Chlorine liquid .. .. tons	15,696	5,481	4,786	1,337	879	1,246
Bleaching powder .. .. tons	5,340	1,662	2,133	570	539	247
Bichromates .. .. tons	3,

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53=100]

Group and Sub-Group	Week ended 26th July 1958	19th July 1958	28th June 1958	27th July 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99 3	99 2	99 1	98 4
2. Government of India	99.1	99 0	98 9	98 1
3. State Government	100 6	100 6	100 6	100 2
4. Municipal, Port Trust, etc.	98 8	98 8	98 8	99 4
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99 2	99 2	99 2	101 2
6. Plantations	99.9	99 9	100.0	100.1
7. Coal	99 6	99 6	99 6	100.4
8. Sugar	99.0	99 0	99 0	100.6
9. Cotton Textiles	97.5	97.5	97 9	100.3
10. Jute Textiles	92 9	92 9	92 9	98.1
11. General Engineering	97 8	97 8	97 8	99.9
12. Electricity Generation and Supply	96 5	96 5	96 5	98.8
13. Others	101.2	101 1	101 1	102.8
PREFERENCE SHARES—ALL INDIA.				
14. Total	86 4	86 0	85 6	91 5
15. Plantations	95 2	95.2	97 3	105 5
16. *Mining & Quarrying: Total*	85 0	84 7	85 6	92 8
17. Coal	74 9	74 5	75 5	85.2
18. *Processing and Mfg.: Total*	86 2	85 8	85 2	91 9
19. Sugar	88 2	88 3	88.8	97 0
20. Cotton Textiles	80 2	80 2	79.4	89.5
21. Jute Textiles	72.7	71 9	70.1	77.8
22. Iron and Steel	90 5	89 8	88.9	91 0
23. General Engineering	98.5	98.5	99 6	115.1
24. Basic Industrial Chemicals	85 0	85 0	84.1	87.3
25. Cement	97.6	96 5	95.2	101 4
26. Paper	83 8	83 8	84.7	93.3
27. *Other Industries: Total*	84.7	84.4	83 8	85.2
28. Electricity Generation and Supply	87.4	87.5	86.7	87 0
29. Trading	76.6	75 0	74.7	78.5
30. Shipping and Other Transport	85 2	85 2	85 3	86.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	137 4	136 8	133 2	134 0
32. *Agriculture and Allied Activities: Total*	154 9	155 3	146 4	163 5
33. Tea Plantations	150 9	151.7	141.4	163 4
34. Coffee Plantations	210 6	209 6	203.7	189 3
35. Rubber Plantations	151 4	149 0	142.7	155 9
36. *Mining and Quarrying: Total*	142 2	140 8	132 9	136 1
37. Coal	102 8	103.0	100.7	91.4
38. Other Mining	169.2	166.7	155.0	166.8
39. *Processing and Manufacturing: Total*	135 5	135 8	132 3	136 4
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*	127.3	126 8	123.5	130 8
41. Sugar	164 1	162.7	161 9	171.1
42. Cotton Textiles	119.7	119.6	115 9	131 6
43. Jute Textiles	70.4	73.5	68.8	67.1
44. Silk and Woollen	408.6	408.2	406.9	364.7
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total*	147.1	146.3	142.2	138.7
46. Iron and Steel	139.2	137.7	132.4	121.1
47. Transport Equipment	204.0	205.3	197.3	190.1
48. Electrical Machinery	144.1	144.5	133 8	196.0
49. Machinery other than Transport and Electrical	157.3	156.3	156.5	157.2
50. Basic Industrial Chemicals	125.8	125.9	120.0	122.4
51. *Processing and Mfg. (Others): Total*	144.8	144.6	140.4	137.3
52. Cement	139.4	139.8	133 1	135.2
53. Paper	182.8	182.3	181.5	167.9
54. *Other Industries: Total*	110.2	109.8	108.3	108.9
55. Electricity Generation and Supply	91.6	91 3	90.6	90.7
56. Trading	89.4	89.9	88.0	83 1
57. Shipping and Other Transport	133.8	132 3	129.4	125.9
58. Construction	219 0	218.5	219.1	206.1
59. *Financial: Total*	171 1	170.7	170 7	146.4
60. Banks	192.3	192.7	193.1	163 9
61. Insurance	128.0	127.8	127.4	104 8
62. Investment Trusts	78.1	77.8	75.5	87.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	140.4	139.9	136.8	130.8
64. Calcutta	132.8	132.1	128.1	129.8
65. Madras	151.1	150.7	148.6	160.0
66. Delhi	168.1	167.0	157.7	160.7

*Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
● Including other mining.

IRON AND STEEL PRODUCTION (In tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,73,600	7,97,500
Do. 31st March, 1958	10,98 300	11,06,800	7,86,900
April 1957	92,300	89,800	62,500
May "	91,300	86,600	65,100
June "	84,500	77,300	62,300
April 1958	96,000	100,300	63,000
May "	57,400	62,900	38,500
June "	84,900	85,700	62,000
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,32,315	4,41,483
Do. 31st March, 1958	7,33,945	5,07,580	4,10,558
Three months ended Mar., 1957	1,83,857	1,39,830	1,20,578
" " June,1957	1,72,576	1,29,951	1,05,048
" " Mar., 1958	1,99,839	1,33,563	1,06,501
" " June 1958	2,14,469	1,21,988	1,01,014

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of average Number of workers involved	Number of man-days lost
1956	1,203	715,130	6,992,040
1957	1,680	889,371	6,429,319
January 1958	147	56,402‡	371,125‡
February "	152	99,492††	447,538††‡
March "	167	85,462††	818,824††‡
April "	153	58,411(b)	496,816(b)

† Not known in 5 cases. †† Not known in 4 cases.
(b) Not known in 3 cases. ‡ In progress during the month

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* income (Rs.)
India†	'56-'57	387.68	..	11,010	284
Pakistan††	'56-'57	83.50	..	2,079	249
Burma	1956	19.80	Kyats 4,336	565	285
Ceylon	1955	8.38	..	475	567
Japan	1956	90.00	Y. 7,427,000	9,288	1,051
Philippines	1956	22.20	Ps. 8,335	1,985	894
New Zealand	1956	2.17	£(N.Z.) 884	1,178	5,428
Australia	1957	9.60	£(A.) 4,599	4,923	5,096
U.K.	1956	51.20	16,465	21,953	4,287
U.S.A.	1956	168.09	$ 343,600	163,554	9,731
Canada	1956	16.00	$ 22,710	10,787	6,742
France	1956	43.60	F.Fr. 13,900,000	17,640	4,046
W. Germany	1957	51.40	Dm. 158,000	18,057	3,513
Italy●	1956	48.10	Lr.; 11,476,000	8,760	1,821
Norway	1956	3.46	Kr. 20,990	1,408	4,858
Sweden	1956	7.30	Kr. 44,580	4,127	5,653
Netherlands	1956	10.80	Grs. 25,400	3,215	2,977
Denmark	1956	4.46	Kr. 24,960	1,600	3,789
Switzerland	1956	5.00	Sw. Fr. 25,630	2,807	5,614

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year excluding net income from abroad.
Source: *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934-100)	Ahmedabad Base July (1927-100)	Sholapur Base January (1928-100)	Kanpur Base (1949-100)	Nagpur Base (1949-100)	Calcutta Base August (1939-100)	Madras City Base (1949-100)	Delhi Base (1949-100)	Ajmer Base (1949-100)	Gauhati Base (1949-100)	Jamshedpur Base (1949-100)	Jabalpur Base (1949-100)
1952 Average	103	357	259	310	92	101	351	102	108	108	111	112	99
1953 "	106	363	275	323	95	103	349	109	106	101	102	112	100
1954 "	101	350	244	294	85	99	327	106	105	91	95	102	98
1955 "	99	338	217	249	78	96	321	99	99	83	87	98	88
1956 "	105	332	244	316	89	105	347	111	109	95	96	106	100
1957 "	111	369	259	359	94	112	364	116	114	99	103	115	107
February 1957	107	357	253	341	92	109	356	114	114	100	100	107	105
March "	107	356	254	339	91	110	348	114	114	99	99	107	105
April "	108	358	256	333	89	110	345	111	112	95	102	110	107
May "	110	363	257	337	92	111	352	111	114	96	104	113	108*
June "	112	370	259	339	93	112	371	115	115	98	103	113	111
January 1958	111	382	254	320	91	115	368	120	109	96	103	120	107
February "	110	380	248	297	89	115	364	120	108	95	103	118	105
March "	110	381	253	293	89	115	368	119	108	96	102	119	105
April "	111	388	261	295	91	116	368	119	107	96	100	118	106
May "	112†	387	263	295	93	117†	371	120	108	97	101	119	107
June "	..	395	273	307	..	..	378	..	..	..	..	..	..

† Provisional

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A		7-Year B		12-Year B		12-Year National Plan Savings Certificates C		Post Office Savings Bank Deposits		10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F		4% C		15-Year Annuity Certificates G		Total	
	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings		Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts
1952-53	6,83	3,26	84,17	..	..	..	113,35	32,03	..	..	..	—31,07	25,64	..	..	..	..	..	146,83	211,98
1953-54	5,91	4,26	104,38	..	..	..	117,37	106,29	..	..	..	—34,20	32,11	..	..	..	..	..	152,71	255,98
1954-55	4,70	4,99	124,64	..	..	..	134,94	130,88	7,38	..	..	—36,35	37,15	..	..	..	..	..	177,85	310,29
1955-56	3,76	5,48	144,37	..	..	..	158,11	167,85	16,38	..	..	—37,68	41,25	..	..	..	..	..	208,53	380,04
1956-57	3,00	6,01	163,68	..	..	..	176,97	196,50	25,38	..	..	—38,82	44,28	..	..	..	43	1,32	225,88	440,17
1957-58	2,23	4,73	143,59	71,39	..	71,30	172,40	207,96	23,13	..	..	—39,71	43,58	5,88	..	5,88	63	1,87	256,80	504,33
1957																				
August	2,68	5,49	160,38	5,03	..	13,31	12,64	201,88	25,61	..	..	—39,18	44,27	52	1,76	3	1,42	17,91	456,60	
September	2,60	5,39	158,23	6,86	..	20,17	14,05	203,17	25,17	..	..	—39,26	44,14	63	2,39	4	1,46	21,54	462,78	
October	2,54	5,28	155,82	6,17	..	26,33	12,51	202,88	24,81	..	..	—39,33	44,07	42	2,81	2	1,47	19,12	465,94	
November	2,48	5,14	153,40	6,48	..	32,82	13,25	202,58	24,47	..	..	—39,38	43,96	49	3,29	2	1,49	20,24	469,67	
December	2,43	5,06	151,07	6,41	..	39,23	13,00	202,55	24,14	..	..	—39,47	43,89	46	3,76	2	1,50	19,90	473,68	
1958																				
January	2,37	4,94	148,57	7,95	..	47,18	13,38	202,54	23,77	..	..	—39,55	43,80	68	4,44	18	1,68	22,68	479,29	
February	2,31	4,83	146,14	10,24	..	57,42	14,22	203,12	23,45	..	..	—39,62	43,69	74	5,18	9	1,75	25,29	487,89	
March	2,23	4,73	143,59	13,97	..	71,36	19,89	207,96	23,13	..	..	—39,71	43,58	70	5,88	12	1,87	34,88	504,88	
April	2,16	4,65	141,45	8,66	..	77,92	15,27	208,29	22,87	..	..	—39,80	43,47	77	6,65	11	1,97	22,71	509,48	
May	2,08	4,55	139,37	5,84	..	83,75	15,22	206,71	22,60	..	..	—39,88	43,37	57	7,22	5	2,01	21,68	511,96	

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from May 10, 1954 to May 30, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1, 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included.

† Provisional.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-32	63,30,26,800	1960-70	100.35
3 % Loan	1938-39	116,17,46,000	1963-65	95.90
2½% Loan	1950	30,32,10,000	1964	96.05
3 % Fg. Loan	1948	1,10,11,78,000	1965-68	93.35
3 % Dev. Loan	1945	1,15,06,83,000	1970-75	88.00
2½% 2nd V.Loan	1945	1,13,66,64,000	1959-61	99.55
2½% Loan	1951	15,09,64,000	1958	99.85
2½% Loan	1946	45,63,07,000	1960	99.35
2½% Loan	1946	57,00,69,000	1961	98.80
2½% Loan	1946	14,77,48,000	1976	88.10
2½% Loan	1947	75,54,72,000	1962	98.85
2½% N.P. Bonds	1953	75,29,00,000	1961	99.80
2½% M.P. Loan	1954	1,58,17,90,000	1964	99.25
2½% N.P. Bonds (2nd Series)	1955	1,08,67,92,000	1965	98.95
2½% Loan	1956	87,27,26,000	1962	98.35
2½% N.P. Bonds	1956	83,81,83,600	1967	98.05
2½% Loan	1956	66,53,53,000	1974	98.30
2½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	99.85
4 % Loan	1957	49,18,87,000	1972	100.35
2½% Loan	1958	58,06,00,000	1963	99.50
2½% Loan	1958	34,34,00,000	1968	99.70
4 % Loan	1958	49,47,00,000	1978	100.05
NON-TERMINABLE LOANS				
3% Loan	1896-97	3,93,34,000	M.	71.25
3% Loan	1946	2 48,91,37,000	K.	71.15
STATE LOANS				
4 % Andhra	1955	5,16,16,000	1st Sept. 1967	97.85
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.85
4½% Andhra	1958	5,00,00,000	15th July 1970	99.25
3 % Bombay	1944	3,94,12,000	15th Aug. 1958	99.90
3 % Bombay	1949	3,49,75,000	1st Sept. 1959	99.70
3 % Bombay	1950	2,83,70,200	31st July 1960	98.50
3½% Bombay	1951	2,90,05,000	17th Sept. 1962	98.25
4 % Bombay	1955	5,25,90,200	15th July 1963	99.75
4 % Bombay	1952	3,45,94,5500	1st Aug. 1964	99.40
4 % Bombay	1955	9,87,51,000	1st Sept. 1967	98.40
4 % Bombay	1956	8,07,06,500	3rd Sept. 1970	98.60
4 % Bombay	1957	6,68,00,000	16th Sept. 1969	100.00
4½% Bombay	1958	5,00,00,000	15th July 1970	100.50
4½% Bombay	1958	5,00,00,000	15th July 1971	100.00
4 % Bihar	1955	1,84,02,000	1st Sept. 1967	97.60
4 % Bihar	1956	2,13,15,000	3rd Sept. 1968	97.60
3 % Cochin	1945	1,00,00,000	15th Dec. 1955-58	98.00
3½% Cochin	1956	70,09,000	1st June 1956-61	97.75
3½% Hewrah Bridge (New)	1926-27	1,77,08,700	1956-66	94 12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	97.80
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	97.75
3 % Madhya	1945	1,52,95,000	21st June 1958	98.90
3 % Madras	1944	1,97,95,000	15th Aug. 1958	99.85
3 % Madras	1945	1,81,31,000	14th Sept. 1960	98.10
2½% Madras	1946	2,21,77,200	1st Sept. 1961	94.75
4 % Madras	1950	4,32,25,400	31st July 1960	98.00
3½% Madras	1951	3,01,49,206	17th Sept. 1962	98.00
4 % Madras	1953	10,33,71,000	15th July 1963	99.50
4 % Madras	1954	8,34,81,500	1st Aug. 1964	99.40
4 % Madras	1955	10,47,17,000	1st Sept. 1967	97.90
4 % Madras	1956	13,28,56,000	3rd Sept. 1968	98.10
4½% Madras	1958	5,00,00,000	15th July 1970	99.50
3 % Mysore(J)	1933	2,95,85,200	1st Dec. 1953-63	101.75
3 % Mysore(J)	1936	5,99,78,000	30th Apr. 1956-61	99.30
4 % Mysore	1953	3,23,47,000	15th July 1963	99.35
4 % Mysore	1954	3,54,54,000	1st Sept. 1967	97.80
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.80
4½% Mysore	1957	3,00,00,000	16th Sept. 1969	99.75
4½% Mysore	1958	5,00,00,000	15th July 1970	99.50
3 % M.P.	1944	52,52,000	15th Aug. 1958	99.70
3 % M.P.	1948	2,08,28,800	15th Sept. 1964	99.80
3 % M.P.	1950	1,01,45,000	31st July 1960	98.00
3 % M.P.	1951	1,92,18,100	17th Sept. 1962	97.75
4 % M.P.	1953	1,16,14,000	15th July 1963	99.50
4 % M.P.	1956	1,68,12,000	1st Sept., 1967	97.70
4 % M.P.	1956	1,58,43,000	3rd Sept. 1968	97.60
4½% M.P.	1958	2,00,00,000	15th July 1970	99.40
4 % Saurashtra	1956	3,01,55,500	1st Sept. 1967	98.25
4 % Saurashtra	1956	2,74,84,000	3rd Sept. 1968	98.10
3 % Trav. Cochin	1943	2,25,61,000	15th July 1963	97.70
4½% Trav. Cochin	1956	2,20,14,000	3rd Sept. 1968	98.75
2½% U.P.E.A.	1953	41,44,79,000Z		47.65
3 % U.P.	1938	1,56,28,800	15th Sept. 1961-66	90.85
3 % U.P.	1944	2,87,91,000	15th Aug. 1958	99.90
3 % U.P.	1945	2,17,22,000	14th Sept. 1960	97.90
3 % U.P.	1946	2,16,39,000	1st Sept. 1961	94.75
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98.00
4 % U.P.	1952	6,11,45,000	1st Aug. 1964	99.40
4 % U.P.	1953	5,55,16,000	15th July 1963	99.50
4 % U.P.	1956	9,62,54,000	1st Sept. 1967	98.00
4 % U.P.	1956	8,74,77,500	3rd Sept. 1968	98.00
4½% U.P.	1958	7,00,00,000	15th July1970	99.50
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	97.50
4½% Rajasthan	1958	2,50,00,000	15th July 1970	99.40
4 % Orissa	1956	3,06,99,000	3rd Sept. 1968	97.75
4½% Orissa	1958	3,00,00,000	15th July 1970	98.95

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs. 26,50,000	4	1904	1964	Rs.
15,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	96.10N
40,00,000	4	1909	1970	
56 00 000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,576	4	1913*	1940	D
50,00,000	4	1913	1974	96.00N
25,15,000	4	1914	1975	96.00N
10,00,000	4	1915*	1940	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1940	
11,41,000	4	1924*	1940	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	D
12,16,000	3½	1929*	1959	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,53,000	3½	1935*	1975	
15,00,000	3½	1936*	1976	
48,94,000	3½	1936*	1960	
10,00,000	3½	1938*	1948	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 90,24,300	4	1914	1974	Rs. 97.75
76,99,100	4	1915	1975	97.75
1,50,00,000C	3††	1921	1981	88.50
68,02,300C	6½	1921	1981	144 00N
1,49,30,000	5	1923	1958-88	101 00
50,00,000	3	1924	1981	98 00
80,00,000	3½	1925	1965	90 00
25,00,000	3	1928	1963-68	90 00
50,00,000	3	1945	2005	74 00
50,00,000	3	1946	2006	74 00
50,00,000	2½	1947	1977	79 50
50,00,000	3	1946	1976	84 75
80,00,000	3	1946	2006	74 00
50,00,000	2½	1947	1977	79 50
50,00,000	4	1952	1962	100 00
50,00,000	4	1953	1983	97 50
50,00,000	4	1954	1984	97 50
77,00,000C	4	1956	1986	97 25
78,00,000C	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99 50
STERLING LOANS				
£392,600	5	1922	1953-83	£80.00
£901,000	5	1924	1954-84	£80.25
£885,100	5½	1952	1962	£91.00
MADRAS				
Rs. 28,48,275	3½	1947	1977	Rs. A
9,68,000	3	1947	1977	
2,00,000‡	3	1949	1979	
45,00,000A	4½	1954	1964	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 50,00,000	4	1899	1959	Rs. 100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
60,00,000	4	1904	1964	
36,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
50,00,000	4	1912	1972	97.50
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	N
40,00,000	5	1919	1957-79	118.00
65,00,000	5	1920	1955-80	
25,00,000	5	1923	1956-86	115.00
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOAN				
£566,500		1909	1968	95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs. 25,00,000	5½	1920	1959	Rs. 102.00
40,00,000	4	1924	1964	99 00
35,00,000	3½	1935	1965	94 00
30,00,000	3	1938	1966	90 00
30,00,000	3	1937	1962	91 00
20,00,000	3	1938	1968-68	90 00
30,00,000	4	1952	1962	99 25
1,00,00,000	4	1956	1968	99 00
50,00,000	4½	1958	1958	99 75

MUNICIPAL LOANS

Amount	Interest per cent	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				
Rs. 20,00,000	4	1913-18	1974	Rs. 97 00
10,00,000	5	1920	1950	113.00
25,00,000	5	1928	1958	101.50
50,00,000	5	1929	1959	101.50
$ 25,00,000	3½	1947	1977	84 00
2,50,00,000	3½	1949	1979	84 00
4,00,00,000	3½	1950	1965	92.25
2,50 00 000	3½	1951	1966	97.00
2,00,00,000	3½	1951	1966	97.00
1,30,00,000	4	1953	1968	98.25
1,00,00,000†	4	1954	1967	97.25
1,00,00,000†	4	1954	1966	97.75
2,50,00,000	4	1955	1967	97.25
1,50,00,000	4	1956	1968	97.25
CALCUTTA				
38,00,000	5	1922	1958	102.00
25,00,000	5	1928	1958	102.00
10,00,000	5½	1932	1962	108.00
33,91,000	3½	1925	1945	94.00
68,00,000	3	1938	1966	90.00
47,50,000	3	1938	1962	90.00
17,64,400	3½	1942	1959	96.50
21,10,000	3½	1942	1972	96.50
15,88,000	3½	1942	1961	97.5*
66,88,000	3½	1941	1966	97.50
97,35,000	4	1952	1962	99.25
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1965	
97,00,00,000	4½	1956	1970	100.00
MADRAS				
Rs. 15,00,000	3½	1951	1961	107.00
15,00,000	3½	1952	1962	107.50

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.40
4 % M. Bharat	1956	1,11,24,000	3rd Sept. 1968	97.80

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciations is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BOMBAY CITY AND ISLAND																
50,00,000	5,37,500	1,01,25,505	44,08,240	4,06,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1·84	2	0·19	0·19	Nil		12	Y.
45,00,000	24,90,000	1,40,98,494	78,99,035	17,302	M.	50,596	1,031	B. R. Cotton Mills	21·00	100	Nil	Nil	Nil		3	Y.P.
2,90,98,000	3,42,88,483	7,95,80,951	3,98,39,819	85,708	Nowrojee Wadia & Sons (Pvt.) Ltd.	2,23,480	3,646	Bombay Dyeing & Mfg. Co	58·80	25	2·50*	2·50	2·50		12	Y.
10,00,000	43,53,860	64,14,209	42,32,976	63,115	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	173·00	50	12·50	20·00	15·00		3	Y.
1,20,48,200	2,79,59,276	7,45,32,167	2,69,38,324	2,27,648	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	446·00xr	100	22·00	22·00	22·00		12	Y.
40,00,000	25,42,326	1,19,99,766	55,07,035	—23,06,097	V. J. Pilani (Chairman and Managing Director)											
36,80,000	18,08,386	90,15,907	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	50,596	698	Colaba Land & Mill	29·00	100	Nil				12	Y.
28,00,000	21,65,515	80,91,069	49,24,966	30,984	Ramnarain Sons Private Ltd.	119·00	680	Coorla Spg. & Wvg.	95·00	50	7·50	12·50*			3	Y.
24,00,000	40,06,485	1,18,54,400	62,28,676	2,35,479	Puranmal Bahna Sons	95·00	50	Dawn Mills	41·328	100	15·00	—	7·50F		3	Y.
29,98,050	15,72,144	1,31,76,951	81,20,935	928	M.	46,568	928	Kalwad Textiles	260·00	200	18·00	15·00	Nil		12	Y.
50,00,000	63,54,575	1,67,54,054	89,06,207	87,155	James Finlay & Co., Ltd.	45,996	886	Elphinstone Spg. & Wvg.	40·00	50	5·00	15·00	Nil		12	Y.
50,00,000	48,96,022	94,91,910	61,37,387	10,223	James Finlay & Co., Ltd.	52,528	784	Finlay Mills	285·00	100	20·00	20·00	20·00		12	Y.
11,84,000	1,23,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	45,768	1,018	Gold Mohur Mills Ltd.	186·00	100	15·00	15·00	15·00		12	Y.
15,00,000						48,060	1,020	Hindoostan Spg. & Wvg. Mills.	4,500·00	1,000	300·00	300·00	350·00			
2,50,00,000	56,39,672	4,90,61,319	3,54,00,000	1,29,969	Agarwal & Co.				992·50	250	75·00	81·25	87·50*	87·50	3	Y.P.
8,65,000						2,44,150	6,278	India United Mills	10·12	0 100	0·94	0·92			12	Y.
35,000	1,09,49,981	1,69,30,792	1,17,58,604	—1,16,454	M.	56,784	1,152	Indian Mfg.	0 10	0 10	0·19	0·18				
30,25,000	46,10,421	3,18,61,680	2,25,81,104	78,146	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	4,510·00	1,000	300·00	300·00	325·00*	325·00	3	Y.P.
1,00,00,000	1,13,27,791	3,67,76,876	2,84,94,794	52,791	Killick Industries Ltd.	188·50	100	Kohinoor Mills	275·50	100	12·50	18·00	18·00		6	Y.P.
23,18,800	49,27,870	1,28,83,753	67,99,178	48,571	N. Steur & Co. Private Ltd.	120,504	1,846	Kohinoor Mills	49,000	644	10·00	18·00	18·00		12	Y.
51,75,000	38,44,612	2,64,74,625	1,58,16,828	28,527	Piramal Sons Private Ltd.	71,604	1,652	Modern Mills	70·00N	50	8·00*	8·00*	5·00(c)		10	Y.
1,60,83,400	1,42,58,205	10,55,96,105	3,40,00,000	1,25,987	Chinai & Co. Private Ltd.	240·00	100	Morarjee Goculdas Spg. & Wvg.	240·00	100	14·00	15·00	14·00(c)		6	Y.P.
24,00,000	28,62,458	82,11,723	48,70,076	1,495	W. H. Brady & Co., Ltd.	45,944	482	National Rayon Corporation	229·00	100	12·00	14·00*	14·00		12	Y.P.
20,00,000	11,72,184	101,53,002	68,37,084		W. H. Brady & Co., Ltd.	49,012	1,018	New City of Bombay Mfg.	117·50	100	10·00	10·00	5·00		12	Y.
48,00,000	84,20,707	1,61,36,802	1,08,32,041	4,06,077	Ramnarain Sons Private Ltd.	215,000	1,190	New Great Spg. & Wvg.	215·00	100	10·00	10·00	Nil		12	Y.P.
40,00,000	45,64,884	53,92,841	25,34,581	1,63,546	Podar Sons Private Ltd.	125·00	930	Phoenix Mills	125·00	100	10·00		12·50F		3	Y.
10,00,000	1,78,222	24,10,104	18,80,752		M.	32,600		Podar Mills	140·00	100	12·00*	12·00*	10·00		12	Y.
37,79,100	1,19,98,715	2,11,34,514	1,36,87,345	13,183	M. G. Investment Corp. Private Ltd.	94,884	2,127	Sassoon & Alliance Silk Mfg.	9·88	10	0·50	0·25(c)			12	Y.
80,00,000	44,70,061	1,27,66,700	67,73,552	58,530	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Sassoon Spg. & Wvg.	47·50	10	2·00	2·00	2·00		12	Y.
42,00,000	30,80,473	1,06,86,294	79,34,101	9,069	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Shree Niwas Cotton Mills	158·00	100	12·00	12·00	8·00		12	Y.P.
87,00,000	2,50,29,472	2,90,16,751	1,87,99,317	1,55,542	Mafatlal Gagalbhai & Sons	97,588	2,409	Simplex Mills	175·00	50	10·00	12·00	8·50	8·50	3	Y.
1,00,00,000	95,03,854	2,76,30,400	1,44,86,214	29,124	Tata Industries Private Ltd.	431·00	2,000	Standard Mills	431·00	100	20·00	22·50*	22·50*		12	Y.P.
36,00,000	68,18,495	1,52,27,488	96,52,715	25,062	James Finlay & Co., Ltd.	187·00	100	Swadeshi Mills	187·00	100	12·00	14·00*	9·00		12	Y.P.
56,87,375	53,20,412	2,18,16,540	90,53,601	17,925	Tata Industries Private Ltd.	70,832	1,800	Swan Mills	260·00	100	25·00	25·00	25·00		12	Y.
12,00,000	1,04,98,044	1,72,88,864	1,08,01,776	—20,09,771	M.	54,186	1,212	Tata Mills	38·75	25	4·00	8·50*	2·00		12	Y.
								Western India Spg. & Mfg.	4,625·00	1,000	300·00	300·00	325·00*	325·00	3	Y.P.
AHMEDABAD																
40,00,000	81,31,987	1,73,25,024	68,65,244	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	178·75	100	7·00	12·00	5·00		6	Y.P.
15,00,000	96 23,183	1,29,00,886	73,82,228	....	P. M. Hathesing & Co., Ltd.	44,220	912	Aruna Mills	630·00	100	80·00	25·00	25·00		12	Y.P.
40,00,000	3,03,12,127	2,17,78,010	1,10,66,897	28,706	M.	66,412	1,216	Arvind Mills	686·00	100	35·00*	35·00*	35·00*		12	Y.P.
57,00,000	47,17,325	1,22,46,945	77,79,729	1,04,515	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	470·00	200	25·00*	30·00*	Nil		12	Y.P.
12,00,000	1,40,46,694	99,92,464	67,38,819	728	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	600·00	100	30·00	30·00	30·00		12	Y.P.
1,87,50,000	3,49,64,519	5,14,69,792	2,56,09,236	1,18,239	Kasturbhai Premchand Pvt. Ltd.	1,39,120	2,400	Calico	498·00	125	30·00	30·00	30·00		3	Y.P.
63,00,000	28,51,630	1,44,37,907	1,02,61,820	20,815	Trisumlal Bhogilal & Co., Ltd.	45,886	666	New Commercial Mills	435·00	250	50·00	100·00*	25·00*		12	Y.P.
52,50,000	91,54,197	1,55,49,583	1,07,26,296	95,673	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	762·00	125	35·00	40·00*	30·00		12	Y.P.
15,00,000	64,29,775	69,45,066	35,66,652	....	M.	25,516	572	Patan Mills	426·25	100	20·00	20·00	20·00		12	Y.P.
20,00,000	1,08,87,132	1,07,38,484	66,60,480	105	Lalbhai Dalpatbhai & Co.	32,928	636	Raipur Mfg.	740·00	100	15·00	15·00	15·00		12	Y.P.
45,75,000	28,46,550	1,33,75,111	1,00,31,731	9,968	M.	52,740	1,020	Rohit Mills	133·75	100	35·00*	35·00*	35·00*		12	Y.P.
57,95,500	2,88,74,196	2,17,32,370	1,17,57,907	1,76,451	Harivallabhdas Kasidas & Co.	94,128	1,789	Shri Ambica Mills	Nil		Nil	Nil	8·00*		12	Y.P.
29,25,000	69,60,653	1,00,70,063	79,48,312	18,946	Mafatlal Chandulal & Co. (Ahmedabad) Ltd.	36,648	720	Shorrock Spg. & Mfg.	478·75	100	25·00	30·00*	20·00		12	Y.
35,09,800	88,00,929	1,28,90,368	90,20,784	22,800	Haridas Ashrafilal & Co., Ltd.	41,056	780	Vijaya Mills	620·00	500	35·00*	50·50*	40·00*		12	Y.P.
WEST BENGAL																
15,00,000	3,05,455	33,27,581	24,08,541	1,14,855	Calcutta Agency Private Ltd	13,044	356	Bassnti Cotton Mills	6.00	10	0·50	0·60	0·60		12	Y.P.I
7,11,260	10,98,297	80,04,562	55,58,558	49,225	D. N. Bhattacharjee, Esq. (Mg. Director)	33,836	935	Bengal Luxmi Cotton Mill	85·00N	40	4·00	4·00	4·00		3	Y.P.
24,00,000	1,50,000	1,20,71,237	49,63,051	1,17,244	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills	112·00	100	Nil	Nil	Nil		12	Y.T.
19,00,000	24,30,708	1,39,78,961	78,14,165	—1,56,544	Kettlewell Bullen & Co., Ltd.	45,144	823	Dunbar Mills	125·00	100	2·50	6·00	Nil		12	Y.T.
50,00,000	35,968	76,97,255	21,97,245	82,086	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	7·50	10	Nil	0·37	0·50		12	Y.P.
50,00,000	2,29,91,250	4,06,62,535	1,46,10,478	4,04,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	11·31	10	0·87	1·00	0·75		12	Y.P.
19,47,750									15·00N	10	1·00	1·00	0·75			
5,99,900	9,50,000	48,59,254	22,75,466	9,888	Hasneemal Hemraj	23,086	796	Rampooria Cotton Mills	4·00N	1D	0·84	0·25	0·15		6	Y.
SOUTH INDIA AND OTHER CENTRES																
11,98,600	5,57,619	29,57,104	19,13,230	16,019	Setna & Co.				24,800							
73,00,000	17,82,554	1,57,55,113	93,45,582	6,710	C. S. Tyabjee, Esq.				96,196	716						
1,21,50,800	1,47,74,679	3,67,98,866	2,76,48,043	2,98,471	Binny & Co. (Madras) Ltd.				46,250	1,157						
25,00,000	99,61,544	1,33,11,187	1,08,74,387	2,64,725	Birla Brothers Private Ltd.				99,996	1,068						
1,78,47,800	2,99,20,000	6,93,67,943	4,19,97,472	1,02,471	Binny & Co. (Madras) Ltd.				1,20,226	2,762						
20,00,000	15,37,935	50,32,440	26,18,048	....	Petrez, Leslie & Co., Ltd.				37,536	4						
15,00,000	5,11,500	58,25,411	27,90,957	1,92,792	K. Damodaram, Esq.				20,600							
90,80,000	33,35,561	70,38,186	42,53,015	48,855	Cawapore Textiles Ltd.				27,024	591						
9,36,560	5,31,645	60,81,289	25,97,117	20,645	O. Srinivasan, Esq. (Chairman)				4,50	5						
32,21,362	22,09,767	69,79,002	31,91,699	698	B. Bheema Naidu & Co.				30,364							
13,15,000	7,35,194	24,58,438	14,32,439		T. A. R. Chettiar Sons & Co.				25,540	100						
20,00,000	19,20,000	71,42,023	35,20,753	12,314	R. B. N. Naidu & Co.				38,256							
20,78,980	2,06,976	1,24,06,676	38,06,979	10,415	R. G. S. Naidu & Co.				72,186	407						
46,87,500	27,24,725	2,42,10,703	1,54,96,854	....	Tata Industries Private Ltd.				67,456	1,626						
24,43,811	15,80,008	68,26,155	47,07,014	15,780	B. Hanumanthappa & Son				28,816	300						
3,33,36,225	8,19,24,830	11,79,98,468	6,85,07,185	2,77,593	B. B. Chatni Ram & Co. Private Ltd.				1,41,180	2,332						
1,00,563																
47,96,200	26,35,000	84,23,224	49,84,057	1,965	M. N. Chettiar & Sons				42,212	201						
63,00,000	1,06,56,192	1,69,15,454	1,01,98,539	75,581	Begg, Sutherland & Co. Private Ltd.				48,456	1,196						
48,81,000	43,55,161	1,86,06,942	77,13,962	4,172	Forbes, Forbes Campbell & Co., Ltd.				74,236							
2,50,00,000	2,23,000	4,52,35,795	1,52,00,000	72,17,274	Birla Gwalior Private Ltd.											
50,00,000	6,94,589	1,59,78,049	1,17,32,273	—11,77,234	K. L. Saksaria, Esq. (Chairman)				51,180	1,356						
5,90,000	19,55,382	31,40,455	19,97,477	....	G. V. Naidu & Co., Ltd.				109,00xd	100						
15,54,000	15,02,899	57,13,987	33,88,095	7,019	Mr. Bhaskarsaian Damani (Managing Director)				76,00	50						
4,63,65,200	3,24,95,204	4,24,59,294	2,18,54,980	3,65,717	Birla Gwalior Private Ltd.				1,450,00	1,000						
42,00,000	19,28,000	1,06,81,567	38,28,976	91,772	Kothari & Sons				9,76	10						
82,00,000	63,39,487	1,84,50,574	1,25,78,615	8,294	M.				41,046	100						
71,00,000	66,88,960	2,25,46,381	1,29,69,637	86,370	G. K. Naidu & Co.				51,896	1,243						
1,76,02,486	4,24,40,378	5,90,89,121	3,96,10,817	6,92,366	A. & F. Harvey Ltd.				1,06,000	201						
12,00,000	5,87,355	23,24,257	13,78,700	215	V. K. Read! (Chairman)				4,53,000							
60,00,000	69,00,000	66,60,298	47,59,940	878	W. A. Beardsell & Co. (Private) Ltd.				22,662	106						
29,80,884	12,88,081	98,11,180	51,89,457	19,735	N. Steur & Co. Private Ltd.				25,556	903						
94,91,850	21,56,146	1,71,94,799	78,31,588	1,86,006	M.				39,396	704						
94,52,500	43,53,478	1,13,48,711	71,02,479	85,287	N. Steur & Co. Private Ltd.				53,408	952						
12,61,780		29,12,641	17,62,314	5,966	K. Tiptur Radhakrishna (Chairman)				50,492	500						
87,23,200	39,29,061	1,78,83,244	67,56,683	....	M.				6,000							
4,00,000 A									6,35M	10						
6,00,000 B	13,00,000	65,44,779	25,36,447	8,530	Bhaghyalakshmi & Co.				57,788	902						
15,00,000	....	34,19,570	18,52,524	—9,30,216	C. S. R. Mudaliar & Sons				45,609							
16,61,300 A									27,980							
6,00,000 B	29,95,000	1,06,48,562	54,00,080	3,262	A. G. Gurusamy Naidu & Co.				59,264	300						
19,53,275	30,55,750	76,37,378	32,62,483	....	B. R. Naidu & Sons				37,096							
16,14,280	14,00,000	37,35,023	19,10,995	15,404	Ramco Agencies Private Ltd.				24,996							
22,32,660	11,50,000	53,73,976	23,15,892	8,236	Rayalaseema Development Co.				21,500							
15,00,000	1,60,55,917	3,13,49,651	2,05,07,227	—1,05,20,726	Morarka & Co.				95,232	2,232						
10,000																
26,50 700	20,26,226	94,26,665	70,67,094	19,543	H. N. Pallegar, Esq.				30,744	292						
15,00,000	3,62,40,700	1,02,21,810	75,33,414	29,29,630	Birla Brothers Private Ltd.				86,212	1,244						
17,50,00000																
1,87,50,000 PO	2,26,28,061	5,13,83,130	1,81,88,294	8,26,712	Jaipuria Brothers				1,12,216	2,666						
1,00,00,000	60,00,000	3,26,31,288	1,96,13,492	1,78,216	Ernesto & Sons (Travancore) Ltd.				1,37,000							
13,26,750	9,45,949	18,58,226	13,50,122	774	Moolji Ramjee & Sons				18,000							
21,00,000	29,85,788	86,80,566	61,76,907	12,000	R. R. Chettiar & Brothers				44,454	270						
22,00,000	18,73,770	1,35,96,063	1,17,44,592	—9,85,589	The Bombay Co. (Private) Ltd.				111·25	100						

* Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right.
Σ—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1956. (e) Paid out of Reserves. F—For fifteen months ended 31st March, 1956.
‡ On old capital. 'C'—On increased Capital.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BREWERIES AND DISTILLERIES														
29,24,000	47,48,760	1,15,13,224	62,88,314	1,16,220	Parry & Co., Ltd.	Deccan Sugar & Abkhari	8·65	5	0·50	0·75	0·85		6	Y.P.
16,20,930	26,75,014	29,59,981	16,25,422	38,736	Mr. K. G. Khaana	Dyer Meakin Breweries	12·25	5	0·56	0·56			6	Y.
£549,950	£1,197,464	£1,887,940	£701,435	£52,719	Parry's Holdings Private Ltd.	East India Distilleries and Sugar	32·25	41	Sh. 4	Sh. 3	Sh.3	Sh. 11	9	Y.P.
6,00,000	9,60,000	24,40,332	22,65,326	6,022	Vhai Mallya, Esq. (Chairman)	United Breweries	221·00	75	15·00	15·00	15·00		3	Y.
CEMENT														
72,59,940	13,33,764	1,00,14,799	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	12·10	B. 10	1·00*	1·00			12	Y.P.
59,35,555	....	1,55,92,361	....	12,928	M.	Ashoka Cement Ltd.	9·84	10	..	..	Nil		3	Y.T.
43,14,6000.	13,13,182	1,44,65,792	53,48,079	4,59,843	Eastern Corporation Ltd.	Assam Bengal Cement	4·44	O. 10	Nil				3	Y.P.T.
14,70,976D.							0·75	D. 1						
12,71,90,070	9,62,91,082	30,81,74,705	11,29,17,763	2,58,321	Cement Agencies (Private) Ltd.	Associated Cement Companies	155·00	100	10·00	10·00	9·00		7	Y.T.
3,07,44,575	....	1,23,58,448	16,77,717	779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8·88	10	0·30	0·60	0·60		12	Y
83,92,587							11·50	O. 10	1·25	1·25				
4,86,00,0000.	60,69,469	1,08,99,911	39,54,963	2,84,608	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	2·75	D. 1	0·12	0·12			12	Y.P.
5,00,000p.							29·75cd	O. 25	1·87	2·06	2·06			
1,02,09,450	26,00,000	2,09,03,054	61,98,184	1,80,704	Hesen Private Ltd.	India Cements Ltd.	5·90cd	D. 5	0·37	0·41	0·41		3	Y.P.
7,50,000	4,00,000	4,72,60,128	99,99,759	21,86,411	Sahu Jain Ltd.	Jaipur Udyog Ltd.	14·48	10	0·75	1·25	Nil		3	Y.P.
1,50,00,000	81,43,427	3,23,85,768	1,17,79,528	37,55,940	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14·10xd	xa 10	1·25	1·25	1·50		12	Y.P.
1,00,00,000	48,94,785	3,55,77,865	1,29,16,661	2,28,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	154·25	100	8·00	9·00	9·00		12	Y.P.
1,34,20,200	17,70,000	2,09,86,577	1,50,04,018	4,237	M.	Sone Valley Portland Cement	6·12	5	0·25	0·30	0·15		12	Y.P.
75,00,000	6,00,000	1,04,84,565	45,85,451	3,24,581	Kesel (Private) Ltd.	Travancore Cements Ltd.	9·35	10	0·62	0·60	0·60		7	Y.
60,00,000													12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	2,85,000	63,15,803	33,02,683	12,631	Bharat Ram Bhagat & Co.	Bengal Potteries	3·56	2½	0·25				12	Y.
10,00,000	30,51,407	62,21,712	35,31,132	18,440	Bird & Co. Private Ltd.	Biara Stone Lime Co.	26·00xd	10	1·75	0·87	1·75	0·87i	12	Y.
21,71,800	$17,78,967	62,28,091	£1,429,795	£1,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4·06	Sh. 2	10·50*	4·50			3	Y.
2,15,00,000									1·75*	2·00				
5,00,000	24,03,876	44,47,198	13,07,726	5,496	Bird & Co. Private Ltd.	Karanpura Development	14·00	10	1·00	Nil			6, 12	M.
60,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12·50	10	0·75	1·00			3	Y.
20,00,000	30,50,291	49,10,494	27,87,433	1,13,708	Bird & Co. Private Ltd.	Orissa Minerals	25·75	10	2·00*	1·00	2·00		3	Y.
7,00,000	71,05,000	74,84,358	29,53,314	52,523	Killick Industries Ltd.	Shivrajpur Syndicate	92·00	10	8·00*	8·00*	8·00*		11	Y.
CHEMICAL														
35,00,000	39,75,972	93,33,468	45,30,994	87,584	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	139·50xd	100	8·00	10·00			12	Y.P.
62,00,000					Imperial Chemical Industries (India) Private Ltd.		14·94	10	0·80	0·80	0·80			
1,86,42,485A	1,02,92,519	2,75,52,962	60,65,069	1,20,250		Alkali and Chem. Corpn. of India	—	10New					9	Y.P.
60,00,000					Amritlal & Co. Private Ltd.		119·00	100	Nil	Nil	Nil		12	Y.P.
1,89,27,800	11,05,700	2,96,61,485	67,85,495	58,636	Amar Dye-Chem. Ltd.		210·50	100	5·25	6·00	8·00		12	Y.
45,63,700	45,29,426	1,35,74,286	55,25,010	11,71,234	Laibhai Sons & Co.	Atul Products Ltd.	86·00	100	6·00	6·00			4	Y.P.
21,50,000					Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	104·00	100	12·00	9·00	7·50			
21,50,000	68,74,746	1,44,12,264	47,49,345	53,684	Sahu Bros. (Saurashtra) Private Ltd.	Dharangadhra Chemicals	104·00	100New		0·50	3·75		3	Y.P.
3,46,06,075	1,53,540	4,28,94,738	2,19,06,043	—22,43,676	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	6·55	10	Nil	Nil			12	Y.
12,00,000	6,20,038	25,16,435	12,37,298	15,313	S. V. S. Iyer (General Manager)	Kemp & Co.	187·00	200	12·00	15·00	15·00		3	Y.
60,50,055	13,63,236	1,02,50,970	54,73,327	1,11,081	Seshasayee Brothers Private Ltd.	Meitur Chemicals	11·10cd	10	0·70	0·75	0·75		3	Y.P.T.
24,81,220	6,70,000	51,80,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	7·50	10	0·50	0·50	0·50		3	Y.
6,00,000	4,00,000	7,37,855	4,44,356	1 98,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	18 75cd	10	2·00	2·00	2·00		3	Y.P.
30,00,975	12,240	43,18,333	3,40,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
PAPER														
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	90.00	25	4.69	2.50	3.12		12	Y.P.T.
63,00,000	63,91,253	1,24,92,172	83,76,687	23,544	Andrew Yule & Co., Ltd.	India Paper Pulp	22.00	10	1.39 2/5	1.39 2/5	1.40		3	Y.
26,00,000	22,15,500	1,48,27,689	77,57,948	47,692	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17.75xd	10	0.75*	1.00*	1.00*		3	Y.
1,66,25,160	2,46,75,945	6,94,16,697	1,87,53,842	2,62,477	Birla Brothers Private Ltd. ..	Orient Paper	35.65	10	1.12	0.62	1.50		3	Y.P.T.
1,25,49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills	16.49	10	1.25	1.25	1.25		12	Y.P.T.
50,00,000 }	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	{ 12.37	O. 10	1.25	1.05	0.50		} 9	Y.P.
'A' 10,00,000 }							12.37	A. 10	1.25	1.05	0.50			
2,15,15,240	48,43,066	3,85,20,949	76,56,130	5,497	Birla Brothers Private Ltd.	Sirpur Paper Mills	12.76	10	5.00‡	0.50	0.50		6	Y.P.
56,00,000A. }							40.00	A. 10	2.00*	1.12*	2.37*		} 3	Y.P.
56,04,500B. }	3,76,50,474	6,78,46,967	3,51,66,928	92,528	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	40.00	B. 10	2.00*	1.12*	2.37*			
4,37,500P.O. }							4.25	P.O. 2½	0.25	0.13	0.25			
SAW MILLS AND TIMBER														
12,99,998	22,88,889	32,79,480	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	1.87	2	*Nil*	*Nil*	*Nil*		9	Y
50,00,000A. }	2,81,14,271	4,60,47,879	1,88,08,404	1,83,542	Wallace & Co.	Bombay-Burmah Trading Corpn.	{ 565.50	Old 125	37.50	40.00	40.00		} 5	Y.
42,00,000 }							212.50	New 50	15.00	13.75	16.00			
20,00,000	20,43,037	19,96,486	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	44.37	10	3.00	3.00	2.75		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,36,486	42,03,220	31,13,974	57,702	M.	Balrampur Sugar	8.62	5	0.06	*Nil*	0.25			Y.
15,00,000A. }	89,80,260	55,40,331	36,32,435	12,13,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	{ 116.00N	A. 100	10.00	10.00			} 4	Y.T.
3,00,000B. }							11.50N	B. 10	1.00	1.00				
19,49,850	8,75,000	33,83,770	25,68,279	74,946	Bangur Bros., Ltd.	Belsund Sugar	10.87	7½	0.75	0.75	1.00		9	Y.
15,00,000	13,51,512	19,28,777	13,40,849	7,655	Cotton Agents Private Ltd. ..	Bharat Sugar	16.00N	10	1.50	1.50	1.50		6	Y.P.
68,50,450	55,59,866	67,92,759	35,57,188	27,711	Govan Bros. (Rampur) Private Ltd. ..	Buland Sugar	16.62	10	1.50	1.50Q			10	Y.
23,00,000	25 22 515	1,45 76,057	98,94,338	—2,23,014	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8.44	10	0.25	*Nil*	*Nil*		6	Y.P.T.
30,00 000	54,89,509	1,05,39,057	62,52,334	—8,85,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	11.56	10	0.75	0.75	*Nil*		10	Y.P.
19,00,000	24,56,103	24,72,402	59,12,695	—8,43,163	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	18.37	10	1.50	1.00	*Nil*		6	Y.
9,83,252	2,59,792	35,13,153	14,58,133	5,464	K. C. Thapar & Bros. Private Ltd. ..	Deoria Sugar	16.00	10	1.00	0.50			6	Y.P.
10,00,000A. }	44,95,000	1,02,71,065	67,56,074	33,123	Bachhraj & Co. Private Ltd.	Hindustan Sugar Mills	{ 210.00N	A. 100	15.00*	15.00			} 6	Y.P.
50,00,000O. }							100.00	O. 100	15.00*	15.00				
18,00,000	12,51,626	79,38,731	49,86,047	1,05,564	Mr. Tulsidas Kilachand (Chairman) ..	Kesar Sugar	60.50	40	2.25	4.00	7.00		7	Y.P.
7,89,100	22,50,238	48,09,619	28,90,926	79,525	Cotton Agents Private Ltd.	New India Sugar Mills	29.00	10	2.50	2.50	2.50		6	Y.P.
11,00,000	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros Private Ltd. ..	New Savan	5.62	10	0.25	0.37	0.37		5	Y.
19,31,100 }	49,91,797	79,75,775	27,02,383	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	{ 250.00	100	20.00	20.00	20.00		} 6	Y.
38,375 }							50.00N	25	5.00	5.00	5.00			
77,48,500	64,48,618	2,15,99,028	1,18,28,000	58,816	Cotton Agents Private Ltd.	Oudh Sugar	141.00	100	11.00	11.00	12.50		7	Y.P.
12,00,000	13,69,374	31,38,484	21,49,459	24,662	Narang Bros. & Co. Private Ltd. ..	Punjab Sugar	75.00N	100	4.00				10	Y.
9 00,000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Puriabpore Co.	11.00	10	0.75	0.75	*Nil*		10	Y.P.
63,59,460	85,59,866	67,02,766	25,67,388	27,711	Govan Bros. (Rampur) Private Ltd. ..	Rasa Sugar	16.62	10	1.50	1.50Q			10	Y.
8,00,000	6,21 932	28,74,893	23,81,921	2,175	M.	Ryam Sugar	10.50	10	*Nil*	1.75	1.50		6	Y.P.
11,00,000	16,83,214	47,31,583	28,13,572	—2,20,653	M.	Samastipur Central Sugar ..	12.00	10	*Nil*	0.75	*Nil*		6	Y.
39,79,525	23,58,560	1,46,84,561	68,25,007	16,381	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10.31	10	1.75	1.00			8	Y.P.T.
10,02,115	24,660	29,48,609	14,35,491	—8,16,557	B. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	2.37	10	*Nil*	*Nil*	*Nil*		8	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	11.62	10	1.00	1.00	0.50		8	Y.
9,16,000O. }	46,462	29,66,860	11,46,770	—16,37,997	M.	South Bihar Sugar	{ 0.75N	O. 10	*Nil*				}10	Y.P.T.
4,40,000D. }							0.50N	D. 2½	*Nil*					
2,00,000	34,74,348	1,27,30,247	80,57,754	9,663	Cotton Agents Private Ltd.	Upper Ganges Sugar	4.50N	10	2.50	3.00	5.00		6	Y.P.
16,00,000	7,66,589	33,17,959	27,09,205	33,042	M.	United Provinces Sugar	15.00	10	1.50	0.50			9	Y.
Other Centres														
30,00,000	19,50,000	76,27,620	18,97,501	15,079	Rangarao & Co.	Andhra Sugars Ltd.	17.00	10	0.50	1.00	1.25		9	Y.
76,49,850	1,18,43,668	1,50,47,782	1,88,77,187	8,06,263	W. H. Brady & Co., Ltd.	Belapur Company	262.50	50	16.00	15.00	18.00		9	Y.
17,50,000	12,58,285	41,35,701	23,96,315	30,827	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	{ Bhopal Sugar Industries Ltd. Shree Chamdee Sugar ..	22.72	10	1.00	1.50	2.00		9	Y.
16,90,000	37,68,195	33,80,814	5,84,388	29,844			27.50	12.50	2.00	5.00	2.25		9	Y.
13,93,000	15,86,419	45,39,707	25,77,714	6,691	Shri J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	*Nil*	6.00	10.00		6	Y.P.
63 97,600	11,02,669	78,71,515	18,88,285	46,085	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	12 41	10	1.49	1.75	3.00		6	Y.P.
23,41,127	15,75,871	94,06,432	12,67,810	6,611	E. S. Ind. Corpn. Private Ltd. ..	Jeypore Sugar	11.00	10	1.00	0.60	0.50		6	Y.P.
19,52,500O. }	88,00,000	2,48,45,158	41,94,129	28,068	V. Ramakrishna Sons (Private) Ltd...	K. C. P. Ltd.	{ 120.00	O. 100	7.50	7.50	7.50		} 6	Y.P.
2,97,190D. }							184.00	D. 10	10.00	10.00	10.00			
67,50,000	88,21,978	1,23 47,583	57,87,087	36,423	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	915.00	250	..	100.00*	100.00*		9	Y.P.
21,79,250	36,24,048	1,54,89,192	89,23,545	2,19,455	B. M. Krishnan, Esq. (Mg. Director).	Mysore Sugar	42.00	10	2.00	2.00	2.00		6	Y.P.
80,00,000	53,21,482	1,19,88,154	67,80,654	1,47,239	Mahalal, Apte and Kanitkar Pvt. Ltd.	Phaltan Sugar	154.50	50	8.00	9.00	12.00*		9	Y.P.
16,59,820	40,00,000	59,42,584	33,02,920	2,28,390	Anderson Wright Ltd.	Rohtas Industries	23.62	10	1.50	2.00	1.50		10	Y.P.T.
20,00,000O. }	42,07,214	1 04,79,940	59,80,787	70,575	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	{ 133.00	O. 50	9.00	12.00	12.00		} 9	Y.P.T.
4,80,000D. }							80.00N	D. 10	0.07	0.75	3.75			
80,00,000	28,49,009	62,19,229	24,74,579	77,353	Parry Co., Ltd.	Travancore Sugars	10.30	10	0.75	1.00	1.00		7	Y.P.
1,01,00,000	1,16,37,173	2,71,48,027	1,06,46,123	1,72,956	Walchand & Co. Private Ltd. ..	Walchandnagar Industries	283.50	100	18.00	21.00	21.00		9	Y.P.T.
TRANSPORT														
20,00,000	99,30,970	1,22,58,916	19,44,277	36,387	Andrew Yule & Co., Ltd.	Dangri-Assam[Steamship Co. ..	80.00xd	100	7.50	7.50	5.00		10	Y.P
1,00,00,000	1 27,28,000	4,10,96,641	1,62,42,552	4,06,036	Dimbhaw (Private) Ltd.	Bharat Line	80.00N	100	5.00	6.00	12.00*		12	Y.
90,00,000	1,42,35,068	4,90,84,346	86,21,345	1,83,530	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	25.85	10	*Nil*	1.00	1.50		6	Y.P.
£555,580	£997,730	£5,685,834	£3,428,088	—£106,393	Killburn & Co. Private Ltd.	India General Navigation & Rly. Co...	59.00	610	Sh. 10	10.00			6	Y.P.
2,25,00,000	1,74,74,232	12,79,96,545	2,83,26,750	2,70,584	Lionel Edwards (Private) Ltd. ..	India Steamship Co.	12.48	10	*Nil*	1.00			3	Y.P.
9,40,19,675	10,85,51,842	27,66,48,271	5,78,99,812	5,84,102	M.	Scindia Steam Navigation Co. ..	19.60	20	0.50	1.00	1.25		6	Y.
5,40,80000 }	21,07,472	12,59,963	8,41,760	1,35,400	R. E. Alyer, Esq. (Manager)	Walford Transport Ltd.	{ 2.06xd	Q. 1	0.14	0.14	0.14		} 12	Y.
2,10,2000P.O. }							1.60xd	P.O. 1	0.12	0.12	0.12			
UNCLASSIFIED (Bombay)														
85,00,000	1,00,000	26,18,548†‡		58,580†	M.	Devkaran Nanji Investment Co.	11.92	25	0.75	0.81	0.81		3	Y.
5,57,50,800	2,01,70,510	4,79,59,818	1,35,02,109	89 94,000	S. H. Turner (Chairman)	Hindustan Lever	28.75	10	*Nil*	1.25	1.25		12	Y.
21,67,900	16,39,510	1,09,45,889	67,14,407	14,986	Birla Brothers Private Ltd. ..	Hind Cycles	185.50	100	10.00		12.50‡		3	Y.P.T.
14,98,540	3,01,509	28,61,324	19,40,792	28,910	Chemulal Mankhal Private Ltd.	Estrela Batteries	39.00	50	2.00	3.00			3	Y.P.
24,97,150	20,13,147	1,25,51,986‡‡		1,74,585	Premchand Roychand & Sons	Industrial Investment Trust ..	76.80	100	4.50	5.00	5.50		12	Y.
1,00,00,000	23,08,446	83,86,170	11,35,784	2,745	K. G. Milne, Esq. (Mg. Director)	Killick Industries	144.50	100	11.00	11.00	11.00		6	Y.
1,20,25,225A.O.	63,14,265	3,42,78,324	1,09,98,078	6,81,752	Asso-Auto Private Ltd.	Premier Automobiles	88.50	100	*Nil*	6.00	6.00		6	Y.P.
21,60,000	29,13,753	63,65,614	14,08,374	64,830	Pelson Agencies Private Ltd. ..	Polson Ltd.	163.00	10	10.00	12.50	10.00		1	Y.P.
10 12,500	4,85,107	5,85,208	2,48,178	2,481	Sir Joseph Kay (Chairman)	United Motors (India) Ltd. ..	19.00	10	2.00	2.00	1.50		12	Y.
2,75,00,000	1,44,13,441	3 87,52,891	1,58,58,348	89,850	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd. ..	173.75	100	11.00*	11.00*	11.00*		12	Y.
45,00,000	60,52,390	8,64,955	5,24,956	75,054	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	280.00	150	20.00	22.50	25.00		12	Y.
Other Centers														
57,50,000 }	1,99,56,718	3,81,21,462	86,96,321	2,33,759	J. K. Industries Private Ltd.,... ..	Aluminium Corporation of India Ltd.	{ 11.87	O. 10	*Nil*	0.50	0.90		} 3	Y.P.T.
2,50,000 }							5.00	D. 2½	*Nil*	*Nil*	*Nil*			
46,00,000	23,25,000	68,17,870	23,13,985	66,589	Seshasayee Bros. (Trav.) Pvt. Ltd. ..	Aluminium Industries Ltd.	16.25	10	1.25*	1.25	1.25		3	Y.
30,00,000	36,30,717	34,97,377	23,80,322	3,61,289	Turner Morrison & Co. Private Ltd. ..	Angelo Bros., Ltd.	20.16	10	2.00*	2.00*	1.50*		8	Y.
30,00,000	17,14,736	38,54,872	19,66,372	1,83,944	Mr. A. Hydari & Mr. S. Gothberg ..	Assam Match Co., Ltd.	17.50	10	1.25*	1.25*	1.25*		12	Y.
30,00,000	35,36,500	1,05,12,085	39,56,422	3,39,926	Oberoi Hotels (India) Private Ltd. ..	Associated Hotels of India	6.50N	10	0.40	1.20	0.60		3	Y.P.T.
26,61,490	68,61,393	69,83,106	27,92,106	6,66,375	M.	Balmer Lawrie & Co., Ltd.	177.00	100	12.50	15.00	15.00		12	Y.
12,00,000	17,56,000	34,55,743	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	20.00	10	2.25	2.50	2.50		12	Y.
20,00,000	9,86,718	62,52,495‡‡		57,912	Lovelock & Lewis	Birds Investment Ltd.	9.87	10	1.25	1.00			9	Y.P.
44,97,950	20,13,147	1,14,51,986	57,07,484	1,84,585	K. G. Jalan & Sons, Esq. (Mg. Director)	Britannia Biscuits	14.75	10	1.00	1.00	1.00		12	Y.
2,25,00,000	1,55,35,071	3,06,88,577	2,33,60,121	1,22,551	W. H. J. Chittelle, Esq. (Mg. Director)	British India Corporation Ltd. ..	40.00	100	*Nil*	0.10			13	Y.P.
8,00,000	3,26,672	13,981	13,858	28,272	Andrew Yule & Co. Ltd.	Calcutta Hydraulic	42.00N	100	*Nil*	*Nil*	3.00		6	Y.
5,00,000	2,47,192	8,48,632	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	82.00N	100	5.00	6.00	10.00*		4	Y.
1,33,30,000	17,34,284	2,86,86,946‡‡		3,10,584	Andrew Yule & Co. Ltd.	Chiva Raw Investment	9.00	10	0.25	1.25	0.75		3	Y.
3,00,00,000	4,40,29,006	6,59,49,175	2,68,24,548	22,32,643	John Leshman, Esq. (Mg. Director) ..	Dunlop Rubber Co. (India) Ltd.	98.00	10	1.50	1.50	1.62		12	Y.P.T.
51,18,000	54,81,635	1,04,12,006‡‡		2,42,272	Bird & Co. Private Ltd.	Eastern Investments Ltd.	116.00	100	9.00	9.00	9.00		12	Y.P.
14,00,000	9,35,000	54,62,164	19,09,589	54,634	MacNeill & Barry Ltd...	Ganges Rope Co., Ltd.	150.00	100	15.00	4.00	12.50		3	Y.P.
40,00,000	4,00,000	63,80,740	32,43,367	10,00,318	M.	Godfrey Phillips India Ltd. ..	19.50N	10	2.00	2.00	1.50		12	Y.P.
65,00,000	34,20,910	29,25,473	10,66,888	1,68,986	P. R. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	11.12	10	1.50	1.50	1.00		3	Y.P.
30,00,000	18,17,354	33,98,521	26,24,662	74,316	B. P. R. Syndicate	Great Eastern Hotel	265.00	250	6.25	15.00	15.00		3	Y.
4,95,10,700	1,99,00,000	4,97,00,000	1,91,00,000	7,95,000	Birla Brothers Private Ltd.	Hindustan Motors	15.00	10	*Nil*	*Nil*	*Nil*		12	Y.P.
2,24,58,900	1,17,68,588	7,87,43,613	3,21,77,782	7,20,188	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd. ..	15.12	10	0.90	1.00	0.60		12	Y.P.
1,53,89,200	1,46,09,000	2,26,56,021	56,85,003	41,81,883	B. J. Woodley, Esq. (Mg. Director) ..	Indian Cables	29.62	10	1.25*	1.50*	1.50*		3	Y.P.T.
8,27,975	6,83,000	10,74,986	9,50,366	62,722	S. S. Soutter & Co. (India) Ltd. ..	Indian Rubber Manufacturers ..	16.00N	10	0.50	0.62			3	Y.P.
2,00,00,000	.....	.....	.....	.....	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	20.00	10	..	..	1.00		9	Y.
15,16,00,000	24,92,91,684	9,85,79,998	1,92,23,999	25,04,159	Mr. G. H. J. Clarke (Chairman) ..	Imperial Tobacco Co. of India Ltd.	12.50	10	0.90	0.80	0.70		3	Y.
2,00,00,000	79,37,615	99,02,197	15,96,925	4,71,170	J. D. K. Brown, Esq. (Mg. Director)..	Jardine Henderson	70.00	100	7.50	7.50	2.50		3	Y.P.
46,06,000O. }	82,86,900	48,53,407	10,48,712	2,87,158	M.	McLeod & Co.	{ 220.00N	O.100	23.00	8.00			}11	Y.P.
5,00,000D. }							—	D.O.10	1.75	0.80				
1,45,28 500	90,58,581	25,54,484	14,97,882	2,35,812	V. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	27.00	10	1.81*	2.12*	2.12*		9	Y.P.
1,15,00,000	1,20,58,551	2,84,27,275	1,01,16,457	16,62,700	H. Birrell Jones, Esq. (Chairman) ..	Metal Box Co. of India, Ltd. ..	39 25xd	10	2.00	2.00	1.75	1875	3	Y.P.
6 34,256	3,92,508	11,29,650	5,97,362	5,849	M. J. L. D'Sa (Chairman)	Mysore Lamp Works	14.70	10	0.75	0.90	1.25		3	Y.
10,00,000	3,70,000	16,47,899	10,18,129	43,584	M. Mallesbayya, Esq. (Chairman)	Mysore Tobacco	13.37	10	1.00	1.50	1.50		3	Y.
2,00,00,000	82,55,508	2,14,82,470	61,35,003	23,42,425	J. R. Aalbersay, Esq. (Mg. Director).	National Carbon Co. (India) Ltd.	25.75	10	0.82	1.50	1.40		12	Y.
46,00,000	74,71,173	63,80,914	41,83,961	1,44,443	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co. ..	28.60	10	1.50*	2.00*			12	Y.P.
46 00,000	15,00,000	92,19,895	21,17,466	75,726	Do.	National Rolling & Steel Repcs	11.31	10	0.50	0.50			8	Y.P.
8,00,000	6,00,000	50,21,760	28,80,528	1,80,392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	{ 12.50	10	..	..	1.00		} 12	Y.
							5	—	..	..	0.50			
70 97,000	88,12,460	1,30,51,990	61,75,108	9,08,640	B. N. Elias & Co. Private Ltd. ..	National Tobacco Co.	13.87	10	0.80	0.70			12	Y.P.T.
2,20,00,000					P. G. Vink, Esq. (Mg. Director)	Phillips India Ltd.	15.75	10	..	..	..		12	Y.
4,20,00,000	4,82,498	1,32,26,548	60,06,584	—44,12,988	M. P. Advani, Esq.	Ralla (India) Ltd.	40.25	100	*Nil*	*Nil*	*Nil*		8	Y.P.
3,38,80,000	1,37,79,309	10,60,39,211	3,90,33,783	49,462	Sahu Jain Ltd.	Rohtas Industries	23.62	10	1.50	1.50			10	Y.P.T.
4,78,200 }	51,886	31,11,687	6,39,199	19,106	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100.00‡	100	..	5.00	5.00		} 3	Y.P
5,13,400 }							50.00N	50	2.50	2.50	2.50			
70,00,000	17,66 318	1,67,21,608	34,47,040	66,321	M.	Sen-Raleigh Industries	13.92	10	0.60	0.60	0.60		9	Y.P.
40,00,000	58,41,163	1,31,99,272	72,06,560	9,02,978	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	18.25	10	1.50	1.50	1.50		6	Y.P.
75,00,000	21,22,788	71,98,265	11,63,597	3,65,425	S. M. Smith, Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	12.00	10	1.00	1.00	1.00		12	Y
9 96,280	19,925	14,88,995	8,18,993	—7,432	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	4.10	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,82,990 which represent share in the firm of Shaw Wallace & Co., Ltd.
† Subject to taxation. F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957.
Q.—The latest dividend and quotation relates to 'Rasa Buland Sugar Co., Ltd.' subsequent to the amalgamation of the Rasa and Buland Sugar Companies.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capit Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Acreage under Tea	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
ASSAM															
4,45,798	9,09,019	15,95,482	5,75,688	....	McLeod & Co., Ltd.	Amluckie	335	28.00N	10	18.00	4.75	5.00		12	Y.P.
2,76,530	4,71,600	11,19,537	2,89,762	22,129	M.	Ananda (Assam) Tea	312	17.00	10	7.50	1.00	2.00		12	Y.
7,00,000	6,43,250	12,23,238	3,34,303	49,609	Gillanders Arbuthnot & Co., Ltd...	Ananda Bag	440	29.50	10	8.00*	1.00	1.25		12	Y.
5,50,000	13,21,541	18,70,839	7,47,902	42,753	McLeod & Co., Ltd.	Baghmari	572	23.50	10	3.50	1.00	2.50		12	Y.
5,10,000	9,85,900	12,99,911	5,32,782	83,593	Andrew Yule & Co., Ltd.	Banmalia	378	26.50	10	6.00	1.50	2.00		12	Y.
3,30 000	5,19,000	13,75,996	8,08,524	1,39,178	National Tea Corporation	Bateli	570	19.25	5	4.00	2.50	3.00		12	Y.
6,40,000	7,49,000	11,16,644	3,51,828	69,106	Gillanders Arbuthnot & Co., Ltd...	Bejlan	612	23.75	10	10.00*	2.00	3.50		12	Y.
32,00,000	18,33,333	63,88,222	28,40,222	3,10,216	Williamson Magor & Co., Ltd. ..	Bhubanath	2,967	29.81	10	5.50	2.00	2.00		12	Y.
6,00,000	2,49,000	11

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd.	Balmadies Plantations	3·65	2	0·30	0·21	0·45		5	Y.P.
26,91,279	17,00,000	56,38,212	6,78,584	29,044	Peirce, Leslie & Co., Ltd.	Cochin Malabar	2·25d	3	0·45	0·75	0·62	0·30‡	2	Y.P.
18,00,000	31,00,000	39,79,846	3,06,541	1,21,826	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	31·75	10	1·80	2·50	4·00		6	Y.P.T.
71,55,000	56,13,038	1,25,54,765	26,89,076	1,13,211	R. C. Paterson, Esq.	Consolidated Coffee	27·70	10	2·25	2·00	4·00		6	Y.P.T.
4,00,000	5,87,423	10,43,962	53,995	8,519	Associated Planters Private Ltd.	Cottand Plantations	15·30cd	10	1·75*	1·50	1·75		3	Y.P.
18,00,000	9,95,543	25,36,790	5,31,442	37,145	A. V. Thomas & Co., Ltd. ..	Highland Produce	12·00cd	10	2·00	2·00			12	Y.P.
4,00,000	10,92,399	18,91,159	2,63,016	18,988	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	25·40cT	10	2·75	2·00	2·00		4	Y.
13,50,000	8,71,449	19,82,913	3,09,273	8,347	K. T. Thomas&Kathanar, Esq. ..	Malankara Rubber	18·62	10	2·25	3·25	2·25		3	Y.
27,00,000	28,79,387	80,92,726	9,49,414	1,48,976	A. V. Thomas & Co., Ltd. ..	Midland Rubber	12·25xR	10	2·50	2·00	2·00		3	Y.P.
3,35,000	4,06,000	15,43,851	2,29,134	22,019	A. V. George & Co., Ltd. ..	Nenmeny Rubber	13·50xR	10	1·50	1·50	0·75		12	Y.P.T.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	14·75cd	10	1·50	1·50	1·50		12	Y.P.T.
19,45,980	28,79,615	45,25,952	14,74,565	53,868	Peirce, Leslie & Co., Ltd. ..	Quchertony Valley Estates ..	5·45	2	0·40	0·20	0·60		10	Y.
18,50,000	8,60,000	45,07,576	3,95,093	12,299	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	10·87	10	2·00	2·50	2·00		6	Y.P.
3,66,780	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd., ..	Savamala Estates Ltd.	3·75xdxR	2	1·00	1·50	0·30		11	Y.
10,00,000	3,01,600	22,44,558	1,59,959	9,946	East India Agencies Private Ltd.	Teckoy Rubber (India) Ltd. ..	6·00	10	0·90	0·90	0·60		3	Y.P.T.
2,50,000	2,75,000	5,73,150	38,399	33,647	A. V. George & Co., Ltd. ..	Thamarapally Rubber	24·00	10	3·00	3·00	3·00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1·75	1	0·12½	0·12½	0·05		9	Y.T.
6,00,000	33,742	7,80,935	1,41,328	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	15·50	10	3·00	2·00	1·50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,843	1,00,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7·05	10	1·25	0·75	0·40		12	Y.P.
20,00,000	36,000	30,13,628	7,73,086	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	19·87	25	4·00	3·50	1·00		12	Y.
8,80,010	5,90,669	9,56,500	27,217	872	M.	Vaikundam (Travancore) Rubber ..	21·25	10	2·50	3·50	3·50J		12	Y.
6,95,000	1,47,259	13,88,336	39,744	10,289	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8·10	10	2·00	1·25	1·00		8	Y.P.T.

J—Final dividend of Rs. 1.50 is on the increased capital. * Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	53,26,489	18,786	B. N. Ellias & Co. Private Ltd.	379	Agarpara	9·81	10	0·62	0·25	0·25		3	Y.T.
6,00,000	10,25,000	56,02,953	38,46,893	1,70,290	McLeod & Co., Ltd.	446	Alexandra	125·00	100	10·00	10·00			6, 12	H.P.T.
30,00,000	5,25,000	1,25,28,740	95,78,601	—5,74,381	McLeod & Co., Ltd.	1,264	Alliance	101·00	100	6·00	*Nil*	*Nil*		5	Y.P.
49,20,700	67,00,000	3,11,92,070	2,03,15,000	1,77,821	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	184·00	100	3·50	3·50	7·00		3	Y.P.
40,00,000	29,54,500	1,49,09,985	55,34,728	—3,79,016	Bird & Co. Private Ltd. ..	310	Auckland	109·00	100	10·00	1·00	*Nil*		3	Y.P.T.
20,00,000	24,84,715	98,89,961	67,55,861	1,18,223	Birla Brothers Private Ltd.	959	Bally	182·00	100	3·50	*Nil*	2·00	6·00	3, 9	H.P.
£275,000	£474,807	£1,628,482	£928,169	....	Sir John H. Burder (Chairman) ..	1,889	Barnagore	109·00	£5	sh.15	*Nil*	*Nil*		3	Y.P.
28,00,000	26,27,123	97,86,495	53,10,415	6,111	Andrew Yule & Co., Ltd. ..	920	Belvedere	120·00	100	7·50	*Nil*	2·50		12	Y.P.
45,00,000	38,45,900	87,03,172	31,28,574	2,65,190	Soorajmull Nagarmull	600	Bengal	10·00	10	1·12				6	Y.P.T.
91,26,000	2,26,05,284	4,09,60,115	1,66,74,197	24,155	Birla Brothers Private Ltd.	1,873	Birla	19·62	10	1·00	1·00	1·00	1·00	8	Y.P.
36,00,000	19,36,926	1,22,32,479	71,78,857	2,799	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	109·00	100	7·50	*Nil*	*Nil*		10	Y.P.
7,47,380	....	....	$2,72,622	—2,12,291	Dayaram & Sons	562	Calcutta Jute Mfg. ..	7·00	10	*Nil*	*Nil*			12	Y.P.T.
18,00,000	25,21,284	87,77,057	46,40,856	529	Andrew Yule & Co., Ltd. ..	616	Caledonian	150·00	100	6·50	*Nil*	*Nil*		11	Y.P.
59,16,400	76,49,289	2,28,04,628	1,19,80,343	—7,24,043	James Finlay & Co., Ltd. ..	606	Champdany	108·00	100	10·00	2·00	*Nil*		3	Y.
15,95,000	21,59,282	85,02,201	58,78,175	5,857	Andrew Yule & Co., Ltd. ..	530	Cheviot	180·00	100	10·00	2·00	*Nil*		11	Y.P.
30,15,000	33,75,000	77,94,318	51,54,350	73,099	McLeod & Co., Ltd.	560	Chitavalsah	16·50	10	1·37	0·62½	1·10		7	Y.P.T.
24,00,000	9,00,000	81,05,335	67,13,337	25,935	Shree Krishna Investment Co., Ltd	960	Clive	13·12	10	1·25z	0·50			3	Y.P.
31,49,200	44,50,392	1,35,02,698	51,19,167	—8,75,531	Bird & Co. Private Ltd. ..	766	Dalhousie	92·00	100	4·00	*Nil*	*Nil*		3	Y.P.T.
28,00,000	37,22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd. ..	779	Delta	137·00	100	10·00	5·00	*Nil*		11	Y.
15,00,000	35,56,600	92,51,058	63,07,045	4,192	McLeod & Co., Ltd.	500	Empire	18·87	10	1·25	0·50‖	0·75		7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,63,663	Kettlewell Bullen & Co., Ltd. ..	1,098	Fort Gloster Industries Ltd. ..	370·00xdN	100	15·00	10·00	10·00	20·00	3	Y.P.T.
21,00,000	14,60,000	1,20,16,348	58,00,792	1,70,922	Bangur Bros., Ltd.	1,014	Fort William	21·25	10	20·00	0·75K	1·50		3	Y.P.T.
84,82,100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg.	60·00	100	2·50	*Nil*			3, 9	H.P.
10,80,000	29,88,943	76,08,007	50,72,167	11,510	M.	607	Gondalpara	600·00	300	*Nil*	50·00			12	Y.T.
24,00,000	24,50,000	2,22,46,943	1,58,81,965	45,248	Macneill & Barry Ltd.	1,304	Gouripore	271·00	100	15·00	2·50	2·50		3	Y.P.
40,00,000	60,63,233	1,28,36,137	58,68,639	3,00,036	Bangur Bros., Ltd.	1,078	Hastings	104·00N	100	11·50	6·00			8	Y.P.
16,30,000	13,61,969	66,47,731	47,79,916	—2,95,253	Rajpath Rajoria	720	Hooghly	11·00	10	1·25	*Nil*			3	Y.P.
25,52,500	25,62,705	2,34,85,483	1,24,54,441	32,575	Jardine Henderson Ltd.	1,940	Howrah	18·12	10	0·37	0·25	*Nil*	*Nil*	3	Y.P.T.
52,50,000	28,37,124	2,93,21,907	1,57,51,907	1,14,396	Ramdutt Ramkissendas	2,272	Hukumchand	24·00	7·50	2·00	2·00	1·50		8	Y.P.T.
87,00,000 / 30,000	17,20,650	1,27,01,698	30,28,070	2,57,287	M.	1,076	India	136·00	O. 125	4·69	4·69			8	Y.
24,00,000 / 'B'19,20,000 / 80,00,000 / 'B'24,00,000	9,78,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kankinarrah	{117·00 / 116·00 / 69·50 / 70·00	100 / 'B' 100 / 100 / 'B' 100	2·50 / 2·50 / 1·00 / 1·00	*Nil* / *Nil* / *Nil* / *Nil*	*Nil* / *Nil* / *Nil* / *Nil*		12 / 12	Y.P.T.
21,00,000	53,00,000	1,35,45,052	88,77,736	86,701	McLeod & Co., Ltd.	703	Kelvin	202·00	100	17·50	5·00	9·00		5	Y.P.
24,00,000	23,33,375	1,96,50,992	1,32,09,770	27,027	Anderson Wright Ltd.	1,530	Khardah	147·00	100	11·00	5·00	3·00		3	Y.P.
48,00,000	31,63,808	2,36,20,709	98,60,479	28,774	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	130·00	100	10·00	6·00	*Nil*		3	Y.P.T.
24,43,000	28,41,335	1,28,71,981	58,10,244	—9,08,440	Bird & Co. Private Ltd. ..	931	Lansdowne	111·00	100	7·00	*Nil*	*Nil*		3	Y.P.T.
28,00,000	45,53,647	1,41,73,943	68,14,075	—7,73,363	Bird & Co. Private Ltd.	840	Lawrence	106·00	100	6·00	*Nil*	*Nil*		3	Y.P.T.
81,55,200	26,39,845	2,64,13,849	1,26,97,909	1,64,942	M.	1,285	Magma	134·00	100	8·75	8·75			3, 9	H.
29,98,900	34,62,195	1,65,70,565	86,70,690	—18,08,719	M.	815	Naihati	71·00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	15,55,000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd. ..	425	Naskarpara	11·00	10	1·25				4, 10	H.T.
35,00,000	39,51,328	48,49,737	12,31,373	19,804	Andrew Yule & Co., Ltd. ..	852	National	24·25	10	1·75	0·75	0·75		10	Y.P.
26,25,000	27,55,572	31,27,861	21,92,842	43,512	McLeod & Co., Ltd.	316	Nellimarla Jute	12·50	10	1·00	....	0·00		7	Y.P.T.
35,50,000	2,86,31,171	4,68,32,343	1,06,43,534	3,35,601	Sahu Jain Ltd.	1,765	New Central†	16·12	10	1·50	1·50			12	Y.P.
16,79,880	46,58,882	1,23,54,122	58,38,490	9,227	Bird & Co. Private Ltd.	567	Northbrook	19·00	10	1·50	1·50	*Nil*		8	Y.P.T.
66,79,500	12,74,494	2,54,62,238	1,39,15,857	20,195	Macneill & Barry Ltd.	1,992	Nuddea	45·00	10	1·00	*Nil*	*Nil*		3	Y.P.T.
24,91,000	23,04,049	76,55,438	52,45,690	5,981	Andrew Yule & Co., Ltd. ..	601	Orient	120·00	100	9·00	2·00	*Nil*		11	Y.
25,00,000	7,83,178	86,18,353	67,97,872	7,049	McLeod & Co., Ltd.	400	Presidency	5·75	5	0·31	0·20	0·30		7	Y.T.
20,00,000	10,324	29,80,939	9,24,705	—7,07,557	Birla Brothers Private Ltd.	306	Rameshwara	6·50	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
49,50,000	2,00,000	1,24,61,181	66,63,109	—46,26,693	Jardine Henderson Ltd.	1,276	Reliance	7·00	10	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.P.T.
£669,000	£1,093,713	£1,245,244	....	£58,994	*Thomas Duff & Co. (India) Ltd.*	2,013	Samnaggur	9·50	£1	8%‡‡				12	Y.P.
30,00,000	13,14,910	1,15,50,877	79,96,145	7,972	Bagaria More & Co., Ltd. ..	911	Shree Ambica	11·50N	10	0·50				3, 9	H.P.
14,00,000	11,14,980	68,87,540	47,50,476	40,154	Hindusatan Investment Corpn. Ltd.	401	Soorah	12·12	10	1·50	1·50			12	Y.P.
25,19,800	31,10,501	1,26,68,701	57,29,512	—8,76,083	Bird & Co. Private Ltd.	650	Standard	85·00	100	1·00	*Nil*	*Nil*		8	Y.P.T.
£600,000	£925,119	£1,137,660	....	£83,548	Thomas Duff & Co. (India) Ltd.	1,794	Titaghur	9·37	£1	8%‡‡				12	Y.P.
35,35,600	68,80,143	2,01,42,357	89,47,895	—13,51,940	Bird & Co. Private Ltd.	1,526	Union	150·00	100	10·00	1·00	*Nil*		8	Y.P.T.
£400,000	£688,055	£1,124,819	....	£80,561	Thomas Duff & Co. (India) Ltd.	1,831	Victoria	9·00	£1	8%‡‡				12	Y.P.
2,50,000	6,85,000	41,78,264	27,76,059	—4,15,285	McLeod & Co., Ltd.	457	Waverley	3·56		0·37	*Nil*	*Nil*		5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1954 Rs. nP.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	Accounts closed	Reference
25,50,000	25,26,630	99,36,489	69,36,489	29,730	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	19·56	10	1·31	1·37	0·50	1·25	3	Y.
12,00,000	3,49,890	27,46,675	25,26,132	70,917	Jardine Henderson Ltd.	Bararee Coke	13·62	10	1·46	1·46	1·10	0·87	3, 9	H.
4,49,350	58,000	9,25,102	6,69,530	1,317	Kalyanji Mavji & Co.	Bengal-Jhalidee	5·37N	10	0·25	0·62	0·75		12	Y.
1,00,00,000	1,62,13,157	6,38,12,765	4,41,60,343	11,48,060	Andrew Yule & Co., Ltd. ..	Bengal Coal	243·00	100	30·00*	35·00*P	17·50	17·50	10	Y.P.
2,25,000	3,76,706	24,82,076	22,49,080	—1,39,041	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	12·50	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
18,97,000	4,88,558	48,14,600	24,22,200	—94,979	Andrew Yule & Co. (Private) Ltd. ..	Bhalgora	7·81	10	*Nil*	*Nil*			9	Y.
40,00,000	10,28,269	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	6·75	10	0·62	0·62	0·62	0·60	3	Y.P.T.
7,15,000	10,15,172	49,80,946	24,84,101	—4,92,536	M.	Bhulanbarasree	8·50N	10	*Nil*	*Nil*			12	Y.T.
7,80,000	24,15,419	45,67,888	27,10,503	19,655	F. W. Heilgers & Co. Private Ltd.	Borrea	20·75	10	2·00	2·00	1·50		6, 12	H.T.
90,92,480	1,70,83,787	4,37,67,228	1,99,66,775	65,839	Bird & Co. Private Ltd.	Burrakur	21·12	10	0·56	0·62	0·66	0·37	6, 12	H.T.
49,97,750	....	46,39,014	12,80,014	3,401	Hindustan Investment Crpn. Ltd.	Central India	8·22	10	0·25	0·25	0·50	0·50	3	Y.
3,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend	10·50N	10	0·25	0·50	0·50		12	Y.
6,00,000	1,43,936	7,30,051(k)	....	4,240	F. W. Heilgers & Co. Private Ltd.	Churia	3·25	4	0·12	0·06	0·06		12	Y.
29,00,000	....	54,47,612	31,35,398	—67,535	Macneill & Barry Ltd.	Dhemo Main	7·50	10	*Nil*	*Nil*	*Nil*		12	Y.
£245,000	£362,875	£1,001,816	£764,050	£26,677	Jardine Henderson. Ltd. ..	East Indian	22·00	£1	2·50	3·00	2·50	1·50	4	Y.
29,63,750	92,25,027	4,84,84,587	3,12,09,700	59,732	Macneill & Barry Ltd.	Equitable	26·25	10	1·50	1·50	1·50	1·50	12	Y.P.T.
10,00,000	1,00,469	14,24,432	4,83,596	45,869	Bhatia's Agency Ltd.	Ghusick and Mualia	15·50N	10	0·50	0·25	0·25		3	Y.
12,00,000	1,17,609	42,34,400	25,20,972	....	Killick Industries Ltd.	Hingir-Rampur	30·75	50	*Nil*	2·25	2·25		8	Y.P.
8,00,000	2,50,000	24,57,868	19,66,774	163	*Macneill & Barry Ltd.*	Hurriladih	15·50	10	1·75	2·50	1·50	*Nil*	12	Y.
3,50,000	2,43,905	14,13,502	7,35,171	....	Andrew Yule & Co., Ltd.	Kalapahari	14·00N	10	*Nil*	*Nil*	*Nil*		2	Y.
20,00,000	2,21,575	33,57,576	5,71,179	1,962	Bird & Co. Private Ltd.	Karampura Collieries	12·00	100	*Nil*	2·50	5·00	*Nil*	2	Y.P.
5,00,000	13,90,898	47,65,511	37,70,923	1,88,336	Andrew Yule & Co., Ltd.	Katras Jherriah	59·00	10	4·00	4·50	6·50	6·50	1	Y.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,286	Beriwala & Co.	Khas Kajora	8·25N	10	*Nil*	*Nil*			6, 12	H.P.
11,00,240	66,356	16,85,997	10,94,165	15,871	H. V. Low & Co. (Private) Ltd.	Kurdi	2·75N	10	*Nil*	0·12	0·19		6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	12·50	10	0·25	0·12	0·12	0·12	4	Y.
7,48,240	2,00,000	13,13,208	9,66,219	31,201	Tantia Brothers Ltd.	Nasira	7·00	10	0·50	0·50			12	Y.
7,00,000	26,617	10,33,740	4,560	5,20,295	Amritlal Ojha & Co., Ltd. ..	New Bhanadeopur	9·00N	10	1·25				5, 9	H.
17,76,230	19,58,040	1,80,10,149	94,07,263	83,316	Andrew Yule & Co., Ltd.	New Beerbhoom	16·87	10	1·12	1·00	0·75	0·75	10	Y.P.T.
6,00,000	75,000	23,35,331	22,38,923	1,43,499	Dctavius Steel & Co., Ltd. ..	New Manbhoom	12·50	10	*Nil*	*Nil*	*Nil*	0·50	3	Y.
1,15,000 / 1,57,500	3,47,692	13,06,689	8,96,110	17,516	Andrew Yule & Co., Ltd.	North West	{16·75N / 18·50N	10 / 7·50	*Nil* / *Nil*	1·37 / 1·03	1·50 / 1·12		3	Y.
7,50,000	15,69,447	8,97,666	2,77,666	37,244	F. W. Heilgers & Co. Private Ltd.	Ondal	12·50N	10	1·00	1·00	0·75		12	Y.P.
10,00,000	1,10,000	41,24,518	19,79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	7·00N	10	0·50	0·25			12	Y.T.
8,34,000	20,000	23,49,367	9,86,501	3,080	Deepchand Kishenlal	Parasea	13·00	10	0·75	1·00	0·50		12	Y.P.T.
15,75,000	16,80,000	55,17,440	30,32,410	46,388	Shaw Wallace & Co., Ltd. ..	Pench Valley	24·06	10	1·50	0·70	2·00		3	Y.
23,99,500	25,66,861	1,37,28,021	91,88,862	29,060	B. N. Ellas & Co. Private Ltd. ..	Raneegunge	11·87	10	0·50	0·62	0·37	0·75	3	Y.
13,50,000	8,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd. ..	Rewa	16·37	10	1·37	2·07	1·50	1·00	12	Y.
20,00,766	37,12,000	85,58,518	22,17,987	9,297	M.	Samla Collieries	11·00N	10	0·75	1·00	1·25		12	Y.
2,50,000	1,95,802	18,78,480	12,21,287	21,070	M.	Searcole	5·50N	2·50	0·62	0·75			1	Y.
2,80,000	9,25,098	29,24,442	19,99,221	48,188	Andrew Yule & Co., Ltd.	Seebpore	25·50	7	2·00	2·50	2·25	1·75	12	Y.P.
3,00,000	5,00,216	52,491	22,367	5,166	F. W. Heilgers & Co. Private Ltd.	Sendra	8·00	10	0·12	0·25	0·25		6, 12	H.T.
93,21,450	94,58,536	5 19,41,849	2,73,46,620	20,557	Industrial Trust Fund (Government of Andhra Pradesh)	Singareni	11·00	10	0·70	0·75	1·00		12	Y.T.
17,50,000	10,87,541	89,01,866	17,00,094	8,739	Bird & Co. Private Ltd.	South Karanpura	18·00	10	0·12	0·12	0·25	0·75	8	Y.
8,00,000	13,76,745	1,09,570	28,510	9,700	F. W. Heilgers & Co. Private Ltd.	Standard	12·37	10	1·50	1·00	1·00	1·00	12	Y.
10,00,000	....	31,92,694	15,43,788	—5,82,907	M.	Talcher	1·00	2·50	*Nil*	*Nil*	*Nil*		9	Y.T.
3,50,000	3,35,000	18,97,684	14,84,284	77,105	Williamson Magor & Co., Ltd.	Union	15·25	10	0·75	*Nil*	*Nil*		12	Y.
40,98,000	66,784	65,72,808	24,16,506	11,543	Hindustan Investment Corpn. Ltd.	Western Bengal	6·84	10	0·37	0·50	0·50	0·50	8	Y.
7,00,000	....	58,61,406	27,57,669	—3,49,108	Macneill & Barry Ltd.	West Jamuria	5·00	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (s) Clive Mills have paid dividend at Rs. 104 on bonus shares, for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
K—Kort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P.—Bengal Coal Co. Dividend for 1954 and 1955 are on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

MARKET GOSSIP

(*Concluded from page 211*)

better crop prospects, large carryover stocks and the urgency of earning more foreign exchange. The Cotton Buyers' Association had even urged, in a telegram addressed to the Union Minister for Commerce and Industry, to release 50,000 bales of Bengal *Deshi*, 25,000 bales of old crop cotton of 25/32" staple and below and 5,000 bales of Coconada cotton. The demand has been only partly met. Perhaps, considerations of the probable impact on the domestic price level of cotton weighed with the Government in deciding not to issue a bigger quota. With the present quota, the total quantity of cotton released so far in the current season adds up to 300,000 bales, made up of 180,000 bales of Bengal *Deshi*, 20,000 bales of old crop cotton of staple length 25/32" and below, 85,000 bales of cotton of all varieties of staple length 23/32" and below and 15,000 bales of cotton of staple length ¾" and below.

Importers heaved a sigh of relief at Government's decision to permit 70,000 bales of cotton to be brought from soft currency areas. Of late, there has been much anxiety among spinners over the delay in the import quota announcement. There was apprehension that this would prove disastrous, especially because of the rapidly dwindling stocks of foreign cotton which, at the end of June, were hardly sufficient for 2½ months' consumption. The quantity now permitted will go a long way towards meeting the requirements of mills spinning fine and superfine counts. Details of the cottons that could be imported under this staple-length stipulation are not known at present. But past experience indicates that these will be mainly Sudan-Egyptians and Peruvians.

The quota for the 40,000 bales of cotton of staple length 1.1/16" and above from the soft currency area came as a surprise, for the trade was expecting a quota not for East African cotton but for U.S. cotton. The fact that the purchase authorisation under P.L. 480 has not so far been issued by the U.S. Government, which in turn may perhaps be due to shortage of long

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
15,00,000	1,65,00,000	10,41,547	Allahabad Bank	360.00	100	18.00	18.00	18.00‡		12	Y.P.
14,50,000				180.00	50	9.00	9.00	9.00‡			
1,01,000	15,04,000	1,910	Andhra Bank	100.00	100	6.50	8.00	6.00		6,12	H.
29,75,500				90.00	85	4.54	5.59	5.10			
1,00,00,000	1,32,00,000	4,10,781	Bank of Baroda	122.50	50	6.00‡	7.00	7.00		12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner	21.52xd	25	0.87	1.12	1.25		12	Y.
2,50,00,000	3,10,00,000	16,02,881	Bank of India	131.00xd	50	8.00	8.00	8.00		6,12	R.L.Y.
50,00,000 'A'				130.25	50'A'	...	...	8.00			
15,00,000	22,00,000	52,270	Bank of Indore	63.00N	25	3.50	4.00	4.25		12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur	36.50	50	2.00	2.50	3.00		12	Y.
90,00,000	91,95,613	1,57,085	Bank of Mysore	250.50	100	16.00‡	16.00‡	16.00		12	Y.
15,00,000	46,00,000	44,768	Canara Bank Ltd.	85.00	50	5.00	5.00	5.00		12	Y.P.
7,50,000	13,50,000	5,679	Canara Banking Corporation Ltd.	80.00	50	5.50‡	5.00‡	5.00‡		12	Y.P
5,62,500 'A'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	180.00	100'A'	12.50	15.00	15.00		12	Y.
22,727 'C'				1.71	1'C'	12½%	15%	15%			
9,62,11,975	4,03,60,321	18,44,046	Central Bank of India Ltd.	56.50	25	2.00	2.50	2.50	1.50	12	R.L.Y.
98,48,975				58.00	25	2.00	2.50	2.50	1.50‡		
50,00,000	40,00,000	2,50,320	Devkaran Nanjee Banking Co.	45.00	50	2.50	3.00	3.00	1.25‡	12	Y.
2,00,00,000	2,00,00,000	19,45,442	Habib Bank (F)	25.37	5	0.87	1.37	1.06		12	Y.
50,00,000	29,75,000	1,81,944	Hind Bank	54.00	50	2.00	3.00			12	Y.
1,25,00,000	6,25,000	21,046	Hindustan Commercial Bank	10.25	10	*Nil*	*Nil*			12	Y.
50,00,000	1,50,000	4,233	Hindustan Mercantile Bank	13.00	50	*Nil*	*Nil*	*Nil*		12	Y.
44,00,000	1,60 00,360	2,04,876	Indian Bank	268.00	100	12.00‡	13.00	15.00‡		6,12	R.L.H.
23,40,000				175.00	50	7.75	9.75	12.00‡			
96,23,250	46,26,300	2,22,067	Indian Overseas Bank	146.50	100	7.50	10.00	10.00		12	Y.
10,00,000	10,25,000	35,502	Pandyan Bank Ltd.	92.00	25	1.87	1.87	1.87		12	Y.
1,25,00,000	1,10,00,000	4,51,904	Punjab National Bank	58.00	25	2.50	4.00	5.00	2.50‡	12	Y.
1,00,00,000	29,17,000	5,028	Travancore Bank	19.25	25	1.00	1.00	1.25		12	Y.
45,00,000	40,00,000	1,50,332	Union Bank of India	7.16	5	0.37	0.44	0.44		12	Y.
2,00,00,000	1,54,50,000	49,421	United Commercial Bank	61.00	50	2.75	3.50	3.75		12	R.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent)					
£4,408,000	£5,700,000	£412,542	Chartered Bank	£2-0-0	£1	15†	15†	15†		12	Y.
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,062,463	Hongkong and Shanghai Banking Corporation	£42½	H.K.$125	5*	5*	$ 12½* Z		12	Y.
£19,565 970	£19,000,000	£826,712	Lloyds Bank	£2-8-0	£1	12†	12†	12†		12	Y.
£3,940,000	£3,100,000	£231,452	Mercantile Bank Ltd.	£1-14-6	£1	14†	14†	18‡†		12	Y.
£3,851,562	£3,104,687	£385,589	National Overseas and Grindlays Bank Ltd.	£1-2-6	sh. 12½	15†	15†	15†		12	Y.

‡ Includes bonus. † Less Tax. (F) Pakistan Currency. R. L.—Reserve liability on shares. (I) Interim. * $ per share free of tax. xr=Ex-Right. Z.—The final dividend of $1-12-6 is on the increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
10,50,000	6	1st December and 1st June	Carew & Co.	1938	92.00	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90.00	18th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.00N	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00N	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November .. 1959-64
COAL						
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
50,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	87.00	30th June .. 1967 (c)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	97.00	14th December .. 1969 (c)‡
COTTON						
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bangal-Nagpur	1897	89.00	15th November .. 1966 (b)
75,00,000	5	1st April and 1st October	Bradingham and Carnatic	1952	90.00	1st March .. 1975 (c)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	100.25	1st April .. 1967-72
18,71,800	5½	30th June and 31st December	Jaychree Textiles	1949	90.00N	1st January .. 1958-59
99,90,000	5	1st June	Tata Mills	1951	92.50	15th November .. 1966
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co. Ltd.	1939	90.00	31st March .. 1965 (c)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co. Ltd.		69.00	15th December .. 1960‡
98,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98.50	1st October .. 1956
12,00,000	4½	30th June and 31st December	Bombay Electric Light and Power Co. Ltd.	1949	90.00	31st December .. 1964 (c)
54,645,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1940	97.50	1st January .. 1965 (c)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84.00	31st December .. 1970
12,50,000	5	1st January and 1st July	Sijua (Dhanbad) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (c)
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1958-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1958-62
47,75,000	5	1st April and 1st October	Tata Power	1940	99.00	1st July .. 1975‡
3,50,00,000	4	1st April and 1st October	Tata Power		85.00	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1922	92.00	30th June .. 1962
30,00,000	5½	15th September and 15th March	Indian Iron Pipe (Resay)	1947	97.00N	15th March .. 1967-82
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	80.00	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.50	1st October .. 1966-86
40,00,000	6	31st December	Textile Machinery Corporation Ltd	1950	95.50	31st December .. 1960 (c)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	90.50	31st March .. 1960
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1960
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	77.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bansra Jute Mill Co., Ltd.	1945	90.00	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	86.00	31st July .. 1964
10,00,000	5	30th June and 31st December	Ghitavalah Jute Mills	1951	88.50	30th June .. 1966
20,25,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (c)
5,00,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (c)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1953	94.00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (c)
23,00,000	5	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (c)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	85.00	14th May .. 1959
60,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	86.00	31st December .. 1964
3,50,000	4	30th June and 31st December	Prinsep Jute Co., Ltd.	1948	84.00	30th June .. 1963
80,00,000	5	31st March and 30th September	ReliAnce Jute Mills Co., Ltd.	1956	85.00	5th September .. 1965 (c)
15,00,000	5½	30th June and 31st December	Union	1937	90.00	31st March .. 1967
10,00,000	3½	31st January and 31st July	Waverly	1925	80.00	31st July .. 1968
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£850,000	4½	1st January and 1st July	Calcutta Tramways	1900	856.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
£189,855		1st April and 1st October		1933	874.10N	
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1960 (c)
£300,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (c)
4,14,15,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	95.00	1st September .. 1968
PLANTING						
11,25,000	6	31st March and 30th September	Nilgiri Tea	1944	90.00	1st April .. 1958-68
1,50,000	5½	31st March and 30th September	Yeotey		100.00	31st March .. 1949-59†
MISCELLANEOUS						
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1963
23,50,000	4½	1st January and 1st July	Associated Hotels of India	1948	96.00	31st December .. 1963
2,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	97.75	1st September .. 1964-80 (c)‡
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1956	97.50	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	88.00	1st February .. 1964
19,84,000	4½	1st July and 1st January	Citra Buildings (Calcutta) Ltd.	1946	82.00	1st July .. 1966
99,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78.00	15th September .. 1966
1,00,00,000	4	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	90.00	 1966
1,50,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1946	98.00	1st January .. 1971(c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	98.00N	30th June .. 1969 (c)‡
18,75,000	5	2nd January and 2nd July	Motter Chemical Industries	1949	83.00	 1964
12,97,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	520.00	30th September .. 1976 (c)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	455.00 (per note)	31st December .. 1973 (c)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	84.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	98.50	30th June .. 1965-78
1,25,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92.00	31st March .. 1961 (c)
1,00,00,000	4	30th June and 31st December	Reliance Industries Ltd.	1946	91.00	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	98.75	1st May .. 1968(c)‡‡

(c) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-9-1955. § Any debenture outstanding on 1-6-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 85 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after

WEEK'S STOCK EXCHANGE TRENI

THE following quotations indicate the trend of transactions on the Bombay Stock Exchang during the week ended 7th August 1958.

	Closing quotations 31-7-1958	High	Low	Closing quotation 7-8-1958
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	178.75	—	—	178.75
Apollo (2)	1.82	—	—	1.84
Bombay Dyeing (25)	59.40	59.10	58.30	58.70
Bradbury (50)	175.00	—	—	175.00
Central India (100)	91.50	104.00	93.00	101.00
Century Mills (100)	450.50XR	450.50	441.50	445.00
Colaba (100)	29.00	29.25	29.00	29.00
Edward Textile (200)	260.00	—	—	260.00
Elphinstone (50)	41.50	—	—	40.00
Finlay (100)	284.00	290.00	284.00	285.00
Gokak (100)	150.00	149.50	149.00	149.00
Ind. Untd. Defd. (1)	1.52	1.52	1.40	1.48
Ind. Untd. Ord. (10)	10.20	10.20	9.06	10.12
Indore Malwa (100)	108.00xd	108.00	107.00	108.00
Khatau (100)	189.00	189.00	187.00	188.50
Kohinoor (100)	281.00	281.00	276.25	278.00
Lakshmi (250)	442.50	—	—	442.50
Minerva Mills (100)	65.00	—	—	65.00
Model Nagpur (250)	168.75	168.75	163.50	168.50
Morarji (100)	241.00	241.00	240.00	240.00
Myrara (10)	92.50	—	—	92.50
National Rayons (100)	230.50	229.50	227.25	229.00
New City (100)	118.00	—	—	118.00
New Great (100)	220.25	221.25	215.00	218.00
Phoenix (100)	120.00	127.50	125.00	125.00
Podar Mills (100)	140.00	—	—	140.00
Sassoon Silk (10)	9.88	9.88	9.70	9.75
Shamrock Spg. (10)	47.50	—	—	47.50
Sholapur (1,000)	375.00	—	—	375.00
Shrinivas (100)	162.00	161.00	158.00	161.00
Simplex (50)	175.00xd	—	—	175.00
Standard (100)	433.00	432.00	427.00	428.00
Swadeshi (100)	189.50	189.00	185.00	187.75
Swan (100)	365.00	365.00	360.00	360.00
Tata Mill (25)	39.75	39.75	38.50	39.00
Vishnu (100)	110.00	112.00	110.00	112.00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	134.75	131.75	131.00	131.00
Do. (New) (50)	136.00	131.00	132.00	134.00
Bank of Baroda (50)	122.00	122.50	122.00	122.50
Central (25)	56.70	57.30	56.20	57.00
Central 'A' (25)	58.00	—	—	58.00
Dena Bank (50)	45.00	—	—	45.00
Punjab National (25)	58.00	—	—	58.00
Union Bank (5)	7.20	7.24	7.12	7.20
United Com. (50)	61.00	61.50	61.00	61.50
ELECTRIC COS.				
Ahmedabad (100)	96.00	96.00	95.50	95.70
Amalgamated (10)	10.68	10.72	10.68	10.68
Andhra Valley (1,000)	1,185.00	1,188.75	1,180.25	1,188.75
Ahm. Sub. El. (100)	108.25	—	—	108.25
Surat (100)	110.00	110.00	109.75	109.75
Tata Hydro (100)	125.00	124.50	124.00	124.00
Tata Power (1,000)	1,238.75	1,241.25	1,232.50	1,232.50
INSURANCE COS.				
British India (10)	15.84	—	—	15.84
Empire of India (100)	265.00	—	—	265.00
Ind. Mercantile (20)	47.00	—	—	47.00
Jupiter (15)	7.12	—	—	7.12
New India (15)	44.25	43.25	43.50	45.00
Oriental (100)	4,035.00	—	—	4,035.00
Universal (10)	12.00	—	—	12.00
Vulcan (10)	18.16	18.60	18.16	18.60
STEEL COS.				
Ind. Iron (10)	24.08	24.28	23.72	23.92
Tata Steel Ord. (75)	168.25	167.75	165.00	167.00
SUGAR COS.				
Belapur (50)	260.00	262.00	260.00	262.00
Bhopal (10)	22.76	22.76	22.64	22.72
Phaltan (50)	153.00	151.50	152.00	154.00
Walchand Ind. (100)	282.50	283.50	282.00	283.00
CEMENT COS.				
Associated Cis. (100)	156.25	156.25	154.00	155.25
Digvijay (100)	154.25	154.25	154.00	154.25
MISCELLANEOUS				
Alcock Ashdown (100)	253.75	251.25	245.00	247.50
Bom. Burmah (125)	575.00	571.00	561.00	565.00
Do. (New) (50)	213.75	213.75	212.50	212.50
Br. P. Petrol (4 sh.)	2.24	2.26	2.12	2.16
Br. I. Corpn. (5)	3.76	4.00	3.76	3.94
C. P. Ely. (100)	60.00	60.00	58.20	58.20
Hindusthan Motors (10)	7.76	7.80	7.56	7.68
Indian Copper ($ sh.)	$ 08	4.08	4.00	4.04
Ind. Inv. Tr. (100)	74.70	76.80	76.00	76.80
Killicks (100)	144.25	145.75	144.50	144.50
Pelaco (100)	163.00	165.00	163.00	165.00
Pre. Automobiles (100)	92.50	92.20	88.00	88.00
Premier Cen. (50)	197.25	196.00	191.75	195.50
Seshils (10)	19.72	19.76	19.32	19.60
G. E. Shipping (10)	26.84	26.88	24.68	26.30
Shivrajpur (10)	92.00	92.00	91.50	92.00
Tata Chemicals (10)	16.32	16.28	15.80	16.00
Tata Locomotive (100)	174.50	182.75	173.00	181.50
Tata Oil (25)	41.50	41.50	41.00	41.40
W. I. Match (100)	175.00	174.00	173.50	173.50

GOVERNMENT SECURITIES	31-7-1958 Rs.	Gross Yield Earlier Redemption	Later Redemption	7-8-1958 Rs.
2½% 1961	98.80	—	4.00	95.80
2½% 1960	98.90	—	3.83	98.30
2½% 1962	95.65	—	3.75	96.10
2½% 1976	88.10	—	4.08	88.10
2½% 1954	99.85	—	—	99.85
3% 1959-61	99.55	3.43	3.16	99.55
3% 1964	96.00	—	3.69	96.05
3% 1965-65	98.85	3.88	3.85	98.90
3% 1966-68	98.15	3.98	3.78	98.35
3% 1970-75	87.75	4.31	3.96	88.10
3% 1986 Con. Loan	71.05	—	4.22*	71.15
4% 1960-70	100.35	3.81	3.90	100.40
3½% 1961 N.P. Bonds	99.75	—	3.58	99.80
3½% 1964 N.P. Loan	99.15	—	3.64	99.25
3½% 1965 N.P. Bonds	98.75	—	3.66	99.00
3½% 1962	98.25	—	3.69	98.35
3½% 1967 N.P. Bonds	97.00	—	3.75	98.05
4% 1974	98.80	—	3.89	98.80
3½% 1967 N.P. Bonds	99.85	—	3.77	99.85
4% 1972 Loan	100.35	—	3.97	100.35
3½% 1963 N. P. Bonds	99.35	—	3.60	99.55
3½% 1968 N. P. Bonds	99.60	—	3.77	99.70
4% 1973 Loan	100.05	—	4.00	100.05

BRITISH GOVERNMENT SECURITIES	Closing quotations 30-7-1958 £			Closing quotation 6-8-1958 £
2½% Brit. Consols	50¾	—	—	51
3% Savings Bonds 1965-75	72¼	—	—	72¼
3% War Loan 1955-59	98½	—	—	98½
3½% War Loan	69⅝	—	—	07⅝
4% Victory Bonds 1976	92¼xd	—	—	92¼
4% Funding 1960-90	86¼	—	—	87⅛

* Current Income. xd.—Ex-dividend.

COMMERCE

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

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18 AUG 1958 CABINET SECRETARIAT

EXPORT PROMOTION—NEED FOR REALISM

THE meeting of the Central Advisory Council of Industries held at New Delhi on the 7th inst. seemed more like that of the Export Advisory Council, for the most important problem that held the stage pertained to exports. This is not surprising, because the whole trend of industrial production depends upon availability of raw materials, stores, and capital goods. A stage has been reached in India's economy when the pace of industrial development is conditioned by its ability to pay for imports of essentials. Hence the importance of exports. A lot of discussion has already taken place on this subject and what was said at this week's meeting by either officials or non-officials contained nothing new. As usual, stress was laid on promoting exports even at the cost of domestic consumption. The industrialists advocated liberal concessions in taxation and railway freight and rewards to those who succeed in exporting more, in the form of special privilege for importing plant and machinery, stores and raw materials. The Finance Minister, Mr. Morarji Desai, candidly ruled out relief in income taxation, as the Government needed all the money it could get, but the Commerce and Industry Minister, Mr. Lal Bahadur Shastri, promised to consider favourably the question of rewards. As regards concession in railway freights, he said that the Railway Board was rather critical but his reply gave one the impression that each specific case would be considered on its merits and that exports would be given high priority in regard to allocation of wagons and their movement to ports.

While this is undoubtedly the right approach, care should be exercised to see that too much favouritism is not shown to those who export at the expense of deserving manufacturers who produce for domestic consumption. Mr. Shastri recalled the example of Japan and the U.K., which, in the early post-war period, gave high priority to exports, even though there was, for internal consumption, rationing or a long queue of customers. "In our conditions today," averred Mr. Shastri, "we can no longer afford to export only what is surplus to the economy." This is easier said than done, as there are serious limitations to an export drive. The old industries like jute and cotton, in which India has natural advantages over its competitors, have been allowed to languish. The blame for this is to be laid mainly at the doors of the Government. But for the crippling tax burden and unimaginative policy in regard to modernisation, these industries would have been in a position to give a better account of themselves than they are able to do now. The Government has all along laid stress on employment and not on consumption. Yet these industries are expected to compete successfully with countries where consumers' interests come before those of workers. In brief, India's stress is on men, while in other countries it is on machines. It cannot hope to win and sustain export markets so long as this policy is pursued.

The examples of Britain and Japan were mentioned by Mr. Shastri. He did well to do so. But, at the same time, he should pause for a while and reflect on what these countries did for promoting exports, besides tightening their belts. Neither of these countries placed fetters on the re-equipment of their industries as India has done. We would like Mr. Shastri to look up the plan of the late Sir Stafford Cripps for modernising the textile industries of India. That was a plan by the Socialists and not the Conservatives. The essence of that Plan was positive incentives, including relief in taxation, for modernisation and integration into big units. In contrast to this, mills in India, be they cotton, or jute, can modernise themselves and introduce automatic machinery only at the sweet will and pleasure of labour leaders and by agreeing to submit themselves to impractical conditions.

It is disquieting to find that the authorities have begun to take a defeatist attitude in so far as these two export industries are concerned. It looks as though they have almost come to the conclusion that there is not much that can be done to stimulate exports of jute and cotton textiles. Apparently, so strong are their bonds with popular but uneconomic fads that they are unable to break away from them. There is, however, no cause for such defeatism or fatalistic resignation. If Japan, which has also an acute population problem and which does not grow a single ounce of cotton, can find export markets for its cotton goods to the tune of 1,200 million yards, over and above exports of rayon and synthetic fabrics, why should not India, which is almost self-sufficient in raw cotton, be in a position to find export markets for at least 1,000 million yards of cotton textiles? What is it that has prevented India from attaining this objective? We have always felt that the objective is not unrealistic. The Indian cotton mills can do the job, provided the shackles of controls on modernisation and introduction of automatic looms are lifted, the trade unions are debarred from exercising their veto on progress and a reasonable amount of financial and fiscal assistance is rendered by the Government. A similar policy is needed for the jute industry also.

Another vital foreign exchange earner is tea. As in the case of jute and cotton, the Government's policies are not only depriving this industry of its vitality at a steady rate but also providing its competitors with a protective umbrella. The following extract from the speech of Mr. Stanfield, a spokesman of planters in the Madras State, delivered this week, is quite relevant to this discussion:

> "There has been and still is a misconceived idea that the plantation industry has vast financial resources which can be tapped without end and that profits are indicated by the high dividends declared. It is not realised by those who refer to these matters so glibly that there is, in fact, little reserve of liquid capital available and that the assets of a company now mainly represent the capital value of the estates themselves together with their stock-in-trade. It is also not appreciated that a high dividend based on the value of shares issued at parity in no way represents the return obtained on the current market rate of such shares and that profits made in the past have been largely utilised in improvements and additions to the capital value of the properties in the form of machinery, buildings, new extensions, etc.... Legislation has provided for a vast programme of rehabilitation under the Plantations Labour Act and companies are hard pressed to find the capital needed to carry out the commitments demanded of them. Where in the past finance for capital improvements was made available from profits, little now is left after taxation.... State taxation is almost on a par with that of the Central Government on other industries, with the disadvantage that no depreciation allowance is made on their main asset, the tea bush itself."

Numerous representations have been made by the tea industry for relief in taxation particularly through a substantial reduction in export duty. But its plea has not evoked sufficient response from the Government. Barring nominal concessions, nothing has been done to safeguard the short- and long-term interests of this vital export industry. It is, of course, necessary to diversify India's export trade both commodity-wise and country-wise. But such diversification should not mean neglect of either the established export industries or the proved markets. Government spokesmen have, of course, repeatedly stated that their policies do not suffer from this defect. We do not say that such is their deliberate intention, but the results of their actions unfortunately do not support their contention. In their anxiety to augment the Government's revenue, they are unconsciously sterilising the geese that lay golden eggs. The reliefs when given are found to be either inadequate or belated.

To the slogan "Industrialise or perish" a new one has been added. It is: "Export or perish." Slogans have their own value but by themselves they cannot solve anything. On the contrary, they may cloud one's vision for clear thinking if indulged in too much. Mr. Shastri's decision to meet each industry separately and fix an export target after ascertaining its position is sound. It is, however, to be hoped that the outcome of these meetings will be realistic. The vast majority of Indian industries came into being mainly to cater to the needs of domestic markets. This is particularly the case with almost all the modern industries. Many of them are still in their adolescence, if not infancy. They cannot suddenly adapt themselves to meet the exacting needs of export markets. They will require new techniques and new equipment all of which cannot be found within the country. Further, in several cases, their operations are mostly of assembling nature, in that not all the processes of manufacture are carried out here. The scope for such manufacturers to compete with the more advanced countries is extremely limited. Even such major industries as cement and sugar were meant only for domestic purposes. And they are able to export their products only with some form of sacrifice by the taxpayer. If the country is not to pay a heavy price for earning foreign exchange, as it is now doing in the case of sugar, to mention one instance, heroic decisions and ambitious targets for these industries should be avoided. Care must be taken to ensure that diversion of goods meant for domestic consumption does not lead to higher prices within the country. Failure to do so will defeat the whole object. Even as it is, inflation, combined with heavy taxation on consumption of almost everything and creation of vested interests in several sectors of the economy for political reasons, has undermined the competitive capacity of our industries. It would, of course, be a blessing in disguise, if the urgency

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of promoting exports were to help remove the blind spots of the powers-that-be.

The most important solution to the foreign exchange problem lies in increasing the production of food and some of the commercial crops in the country. If, for instance, imports of foodgrains can be reduced by at least half, a saving of no less than Rs. 75 crores can be effected in the foreign exchange requirements. Similarly, if exports of cotton, vegetable oils, etc., can be stepped up through higher domestic production, an infinitely larger amount of foreign exchange can be found than through exports of some of the manufactured goods of modern industries. It would, therefore, pay the country richer dividends if the energy and resources that are proposed to be expended on some dubious export promotion measures were diverted to the sphere of agricultural production.

THE ELEVENTH YEAR

THE eleventh year of India's Independence, which ended last Friday, had more than its share of strains and stresses in the political and economic spheres. The country might, of course, congratulate itself on the fact that international developments, like the latest West Asian crisis, did not lead to a conflict which would have jeopardised India's political and economic security and also on the fact that fissiparous tendencies within the country did not become more menacing than in the recent past. But "co-existence" internally, to which the country has been compelled to adhere by the turn of events in Kerala, is already causing country-wide anxiety, for it is becoming clearer with every passing day that a democratic country must be prepared for complete annihilation of all it holds dear, if it acquiesces in the rule of those who are wedded to extremist political ideology of communism. An entirely different, though less dangerous, development is the emergence of inflationary forces which threaten to disrupt the price structure in the economy, cause damage to the country's export effort and throw the Plan into a state of desrepair. The only silver lining to the economic cloud is that the authorities have shown a certain awareness of the real situation which is reflected in the Government's decision to have another look at the second Plan. It remains to be seen whether the re-appraisal of the Plan, carried out in May last, is sufficiently realistic to enable the country to implement its revised version in which the total outlay is maintained at Rs. 4,800 crores, though it implies some scaling down in physical terms.

Despite the stresses and strains and irrespective of whether one chooses to blame them on a capricious monsoon, or an unwise Government or indisciplined labour, it is gratifying to note that the country's national income has continued to rise. At constant (1948-49) prices, the preliminary estimate of national income for 1956-57 is placed at Rs. 11,010 crores, as compared with Rs. 10,480 crores for 1955-56 and Rs. 9,100 crores for 1951-52, the first year of the first Plan. The rate of increase was 5.1 per cent. in 1956-57, as compared with 1.9 per cent. in 1955-56. The *per capita* national income rose by 3.8 per cent. to Rs. 284.0. Estimates of national income for 1957-58 are not yet available. But, in view of the fact that agricultural output which accounts for 47 per cent. of national income is known to have fallen, it is extremely unlikely that national income for 1957-58 will show any sizable increase, if it records any rise at all.

Indeed, at present, agriculture is—to borrow a term from medical terminology—the septic focus of India's body economic. It is the decline in agricultural production or its failure to expand with the rise in demand that lies at the root of a host of economic problems such as rise in prices and India's inability to improve export earnings. The output of foodgrains in 1957-58, as indicated by provisional estimates, is not expected to reach the level of 1956-57 when it was 68.7 million tons. This explains the rise in the prices of food articles and the current nation-wide agitation for a halt in the rise of food prices. The index number of wholesale prices (Base: 1952-53=100) was 115.0 in July 1958, as compared with 106.0 in the beginning of the year. Although the July level shows only a rise of three points over the August 1957 level (112.0), it must be remembered that there has been an uninterrupted rise in the last six or seven months, the cumulative increase being quite marked. The index number of food articles illustrates even better the general upward trend in prices. It was 118.4 in July 1958, as against 102.5 in January last and 112.1 in August 1957 and 108.5 in September 1957. Although prices have fluctuated since September last, they have on the whole shown a marked tendency to rise, especially since the commencement of 1958. The index numbers of certain representative commodities for June 1958, the latest month for which breakdown data are available, as compared with the index numbers for January 1958 in brackets are: rice 111 (101); wheat 93 (86); *jowar* 100 (103); *bajra* 123 (114); gram 74 (64); other pulses 101 (80); milk 121 (101); groundnut oil 103 (98); sugar 119 (117); *gur* 128 (106) and tea 171 (162). Since prices of several commodities have risen further since June last, it is hardly surprising that many sections of population should have joined the agitation for a curb on price levels. There is no doubt that the agitation would have gained greater momentum if the authorities had not been prompt in adopting stringent measures of selective credit control which have been responsible to some extent for holding in check the increase in prices.

In contrast with agricultural production, industrial output has been somewhat satisfactory, though the position differs from industry to industry and there have been significant declines in certain industries in recent months. The index number of industrial production (Base: 1951=100) which stood at 142.0 in August 1957 moved up to 150.4 in November 1957 but declined to 137.1 in March 1958. India's premier industry, the textile industry, is passing through a critical period. Several units have had to close down, and many units continued to report decline in profits and even losses. Labour unrest, the curbs on imports of raw materials and heavy taxation are among the causes which have led to setback in production and profits. Perhaps, the most disturbing development during the year was the increase in indiscipline amongst workers and the unjustified politically inspired strikes. This naturally serves as a damper to many ardent spirits who were eagerly looking forward to liberal schemes for greater participation of labour in management. On the whole, while many enlightened managements have been prepared to take labour into confidence, the workers and some of their leaders have shown scant regard for democratic principles and the good of the community.

Although it is undeniable that the long-term prospects for industrial enterprises are bright in the sense that they have a large and growing domestic market, the fact remains that there is a crisis in confidence among genuine *enterpreneur* investors, as distinct from the speculators in share markets. This is so, despite the notable support lent by the industrial credit institutions such as the Industrial Finance Corporation and the State Finance Corporations, to which group belongs the Refinance Corporation (for purposes of providing medium-term credit) established a few days ago. It is the loss of confidence generated by the Government's economic policy and high taxation, together with the continuing foreign exchange crisis, that is largely responsible for the inadequate supply of capital to the industrial sector. The Reserve Bank rightly attributed the decline in investible funds to "diminished capacity to save and less willingness to invest." The difficult foreign exchange position has continued to hold up plans for expansion even in many industrial sectors included in the Plan.

In the sphere of taxation, the commendable measures include the replacement of sales tax by excise duty in respect of some articles, the reduction or abolition of export duties, the reliefs granted to Section 23A companies and the increase in development rebate for shipping companies. As against these concessions must be set down the maintenance of personal and corporate taxation at high levels and the enactment of a whole new series of tax laws—the Wealth Tax Act and the Expenditure Tax Act both of which received the President's assent in September last and the Gift Tax Act passed in the current fiscal year. Income-tax continues to make heavy inroads into personal and corporate incomes. Between 1950-51 and 1956-57, the number of assessments has increased from 4·72 million to 5.80 million, the income assessed from Rs. 575 crores to Rs. 936 crores and the tax assessed from Rs. 155 crores to Rs. 217 crores. Individuals and companies account for the major portion of the tax assessed; in 1956-57, they accounted for 40.43 per cent. and 50.09 per cent., respectively. Taxation at present impinges upon classes of persons who alone appreciate the virtues of saving and investment and also upon companies which alone possess the necessary technical and managerial talent for improving and diversifying production. The maintenance of high taxation—apart from the Government's doctrinaire economic policy—is the basic cause of the failure of the country's economy to move forward to higher levels.

CHINA'S ECONOMIC OFFENSIVE

PEACEFUL co-existence of free aid Communist countries is proving a little more difficult in the economic sphere than in the political. Red China's economic offensive in South-East Asian markets illustrates how easily a Communist State can make heavy inroads into the trade established by other countries through honest and painstaking effort. Nearly all free countries are bound to suffer from the high-pressure salesmanship pursued by Red China in South-East Asian countries. India's export trade in cotton textiles has already suffered a setback. In his speech as Chairman of the Textile Export Promotion Council, Mr. Neville N. Wadia revealed that, "while the prices of our exports have fallen by 10 per cent. to 15 per cent. in the last year, China is now underquoting us by as much as another 15 per cent., making it impossible for us to sell in open competition against them." But this is not the only pointer to the shape of economic things to come. Already many countries, notably Japan, have found China a more formidable competitor than they had previously thought.

China's exports to South-East Asia, it is computed, rose from next to nothing in 1949 to $229 million in 1955 and still further to $319 million in 1956; last year, they were somewhat lower at $309.8 million. Imports from China are entering the markets in nearly all South-East Asian countries. In Singapore and Malaya, between 1955 and 1957, total Chinese imports increased from $37.8 million to $52.2 million, in Hong Kong from $157.1 million to $197.9 million, in Indonesia from $9.9 million to $21.3 million and in Burma from $2.3 million to $5.1 million. Most of the goods exported from China are consumer goods, so that they compete effectively with exports from Japan and India.

There are several factors which make it difficult for other countries to counter China's economic offensive. In the first place, no profit motive apparently enters into the deals concluded by China with other countries. No sacrifice is too great for gaining an export market. "Underquoting" is done in so cavalier a fashion that many observers wonder whether there is such a thing as cost considerations in Chinese economy. Secondly, if even underquoting does not help, China is prepared to extend liberal credit terms. It looks as though neither the Government nor its creation, the Bank of China, has any respect for interest rates, creditworthiness of clients or any of those factors which cause endless worry to bankers in the free world. China sold 72,000 yards of textiles and 25,000 tons of rice to Indonesia on a 10-year credit at 2½ per cent. Cambodia has been granted a $25-million credit against which it has received cement, raw silk, rolled steel, cotton cloth and cotton yarn. Under this scheme, China will use a part of the proceeds of the sale for building up factories in Cambodia. Thirdly, China has found in the 13 million Chinese residents in South-East Asia—many of them are the merchant class in the region—loyal supporters of Chinese economic offensive.

Again, a totalitarian regime is under no obligation to explain to its people the losses it may incur on its foreign trade. Often, strategic considerations, such as the need to obtain commodities and defence equipment, induce a totalitarian Government to sell its goods at a sacrifice. Above all, in China, as in all other totalitarian countries, there are no labour laws of the kind which prevails in free countries. Sweated labour is employed on a large scale. Though the wages paid are high in terms of money, they bear no relation whatever to the high cost of living. There is also some forced labour in these countries. Clearly, free countries cannot compete on equal lines with Communist States.

It would, however, be wrong to dub all China's competition as a politically inspired offensive. There are some features in China's economic strength which are above reproach. Its industries have modern equipment. Thus, its textile industry has a relatively larger proportion of automatic looms than India. Again, China is prepared to impose upon itself some self-denial in order to export its goods. It has been willing to export its cloth at a time when its own citizens are to be content with a blue uniform. Despite all these commendable features, it is undeniable that there are elements in the present economic offensive which betray tactics of high-pressure salesmanship and can be traced only to political motives. If this trend persists, it may become necessary for other countries to take up the question at international levels, so that China may be prevented from adopting a policy of uninterrupted dumping.

MORE ON MOBILISING PEOPLE'S GOLD RESERVES

WILL WORLD BANK HELP IN THIS TASK?

WEDNESDAY, 5 P.M.

MARKET GOSSIP

ARSON in Ahmedabad, riots in Jaipur and Baroda, unruly behaviour of students and one-day strike by tramway workers in Calcutta, decision of T.I.S.Co. workers in Jamshedpur to ask for higher dearness allowance, continued disturbances and Communists' threat of civil war in Kerala, bullying tactics and border violations by Pakistan, revival of the demand for a ceiling on all incomes by a section of Congress men—these are some of the disturbing developments in India on the eve of its eleventh independence anniversary. But none of these developments seems to have worried the share markets very much. Their tone on the eve of Independence Day celebrations is actually firm, reflecting robust confidence. They seem to share the view of the Central Government Ministers that, basically, India's economic position is sound. They firmly believe that foreign countries are bound to rescue India from the foreign exchange trouble. They are hoping that, in the next budget, Mr. Morarji Desai will give some more relief in taxation. His remark at the ninth meeting of the Central Advisory Council of Industries held at New Delhi a week ago that he could not give any concessions in income-tax or other taxes in order to stimulate exports and that the Government's need for more revenue remained undiminished has been ignored. The easier money conditions and the gradual fall in the yield on Government securities have helped the markets to sustain their bullish fervour. The decision of Indian Iron to repeat the dividend at Re. 1 per share on the whole of the increased capital for 1957-58, as also the dividend results of T.I.S.Co., has been received with a great degree of satisfaction. The share markets seem to be bent upon taking a rosy view of the future, brushing aside the current difficulties as a passing phase.

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The subject of mobilising people's gold reserves for meeting, in part, the gap in external resources required for the second Plan was discussed in these columns last week. We propose to resume that discussion, as there are a few more points to be considered.

Should a gold loan, assuming it has to be issued, be so designed as to attract genuine savings only or hidden wealth also? Those who favour only the former do so on the ground that a person who has evaded taxation on part or even the whole of his income will never have the courage to disclose such wealth. There is, of course, a lot of force in this argument, but, if a declaration were to be made by the Government that no questions would be asked, a part at least of the wealth in hiding may be brought to the surface and put to productive use. If the proposed loan were to be on the French model—that is, gold-*cum*-cash loan—even the black market money which is not in the form of gold may find its way into the loan. To the extent it does, the inflationary pressure will be eased, bringing in its wake a fall in the prices of bullion and commodities as well. If no provision for subscriptions in cash is made and if, at the same time, an amnesty is given to those who tender gold against the loan, there is a possibility of black market money seeking its way into the loan through the yellow metal. If this happens, it will lead to a rise in the price of gold which in turn will attract more contraband gold and, consequently, an increase in the indirect dissipation of foreign exchange resources.

If the gold loan has only the modest object of serving as an instrument for collecting small savings held in the form of gold, the result may not be sizable enough to serve effectively the purpose in view. It may be that some among the rich, as well as middle class, people who have invested in gold with the twin object of meeting the social need and protecting their savings against a fall in their purchasing power, may come forward to take advantage of the scheme, for it will bring them some return on their investment and reduce either the risks of loss through theft or the cost of keeping the precious metal in safe custody or of insurance against loss. There must surely be several families having jewellery in excess of their needs and diligent enough to appreciate the advantages of the scheme. But the quantity of gold that can be collected in this way may not be, as already stated, large enough to make any significant contribution to mitigate the foreign exchange difficulty.

In a national emergency such as this and taking a realistic view of the situation, there is no reason why the black market money should not be given a promise of reprieve. It is not necessary to keep the loan open for ever. It can be closed after giving sufficient time for investors to respond. It is true that this will have an adverse psychological effect on the honest people. But their spirits can be buoyed up and a sense of consolation created among them by reducing the present excessive burden of taxation. As the flow of black market money into the exchequer will raise the resources for investment, it should be possible to lighten the tax burden at least to some extent. This will also yield the incidental advantage of stimulating enterprise and gainful economic growth.

Whether a gold loan must at all be issued is a question which can be better decided by the Government than by non-officials. The latter can judge the availability of gold for such investment only from the estimate made by the Reserve Bank. But the Government must by now be having additional information unavailable to others. Under the Wealth Tax Act, the Income-tax Department should have collected information on the wealth held by individuals and institutions. We are given to understand that several rich assessees have declared their wealth, including holdings in jewellery and other precious metals, to the Government. Almost all princes and large moneyed people are reported to have disclosed their wealth, for failure to do so would have provided a ground for the Government to search their premises and other places, including safe deposit vaults in banks. That the Government would not hesitate to do so, if found necessary, was gently hinted at by the former Finance Minister in Parliament. It must be remembered that the penalty for non-compliance with the provisions of the Wealth Tax Act is pretty heavy. The Government can thus get an idea of gold held by rich people subject to wealth tax. This information should help them decide whether or not gold loan could be issued. Incidentally, it could make use of that information for persuading persons known to be holding large amounts of gold to take up a sizable sum of gold loan. It is quite possible that a large number of them will respond favourably to such persuasion.

Another fruitful source of gold supply may be found in temples, *mutts*, etc. Some of the temples are reported to have large stocks of precious metals and stones. Recently, a sizable quantity of gold belonging to one of the temples in Rajasthan was reported to have been sold in the Bombay market. The Government can persuade the trustees of these institutions to accept gold certificates in exchange for their treasure. This is a safer form of protecting the wealth of the temples, *mutts*, etc., which are otherwise exposed to the risk of theft by dacoits. Besides, the temples will also be making an effective contribution to the economic development of India. Their income, too, will rise, as the treasures do not earn any interest.

A suggestion which is worth serious consideration by the authorities is that the help of the World Bank should be sought for attracting the gold held by the people. The World Bank should be requested by the Government of India to guarantee the repayment of the gold loan in gold. Such a guarantee may induce people to respond to the gold loan better than otherwise, as they will feel assured of getting back their gold. Supposing that the duration of the loan is 15 years, the World Bank will have no liability to incur during this period. And it is possible that, during the interval, India will have overcome its foreign exchange difficulty and be in a position to honour the commitment without having to invoke the guarantee of the World Bank. In case this assumption does not turn out to be correct, all that the World Bank will have to do is to give a dollar loan to India, say, for a period of 10 or 15 years from the date on which the proposed gold loan falls due, by which time India should surely be in a position to muster enough foreign exchange to repay the Bank. With the dollars obtained from the Bank, the Government of India can get gold from the U.S. and redeem its loan. Or alternatively, the gold loan may be renewed with the guarantee of the World Bank, in which case only a small percentage of the holders may ask for repayment, a contingency which should be within the capacity of the country to meet. The World Bank may have, of course, to be paid a commission for the guarantee, but the cost is worthwhile.

If the Indian Government succeeds in bringing to the surface gold of the order of Rs. 200 crores in this manner, the dollar commitment will be about $400 million. The World Bank will not have to find this amount right now. Fifteen years hence, when the gold loan of India falls due, it might have to provide only a part of this sum, if the gold loan were to be renewed. Even if it were to be called upon to pay the entire amount, it should not be difficult for it to do so, for it might be in a more affluent position than it is today.

A guarantee on the lines suggested by us will enable the World Bank to have the satisfaction of having helped a nation of 380 million people to mobilise its hoarded wealth and use such wealth for its economic development, which is one of the objectives of the Bank as provided in its charter. Perhaps, the Bank will be able to help several other countries on these lines and thereby improve international liquidity, the inadequacy of which is retarding the growth of world trade. The risk for the World Bank on such a venture is small, provided it exercises the usual caution of seeing to it that a country obtaining this help wisely invests the proceeds of the precious metals obtained from its people. The Government of India, too, loses little by this experiment. Neither its sovereignty nor its prestige is compromised in any way. The World Bank's guarantee is obtained only to inspire greater confidence among those who have kept their savings in gold. On the contrary, the Government of India could show to the rest of the world that it has left no stone unturned for finding the resources required for implementing its plans for economic progress. One of the less known criticisms on India in New York and London is that it has done little to harness the precious metals held by its people. This criticism can be effectively answered if the aforesaid suggestion is implemented.

The suggestion that exports of gold be allowed as a compensatory transaction (*vide* our last issue) has great merit in it. But its success does not seem to be fully assured. The assumption that large quantities of gold will be disgorged at a price is doubtful. The India of today is not comparable with the India of 1933 to 1939. Then it was a period of Great Depression and people had to sell their savings in gold for meeting their day-to-day needs. Agricultural incomes were low and credit was not easily available, as farmers had already become steeped in debt. They had, therefore, to sell whatever little gold they had even to carry on farming. Millions of middle class people had to part with their gold, in order to educate their children, marry their daughters, etc. Such conditions do not exist at present. There are no unsaleable agricultural surpluses and all those farmers who have land and can till it are getting a good price for their produce. There is, of course, a lot of unemployment, but this is confined mainly to those who have hardly any gold to sell. All this does not mean that there is no distress selling of gold even now. There has always been some distress selling by those whose economic fortunes suffer an adverse turn. There may also be some shrewd investors in gold who will have the prudence to cash their investments when they get a good profit. Accordingly, some gold will certainly be forthcoming, but it is doubtful whether it will be large enough to serve the purpose which everyone has in view now.

Flotation of gold loan on the French model, preferably with the World Bank's guarantee, therefore, seems to be a better proposition, as compared with allowing exports of gold on the principle of compensatory transaction.

Such a step, however, must be taken in conjunction with, if not preceded by, two more steps. The first step should aim at making gold hoarding a less attractive proposition by making other forms of investment such as shares, securities and housing more attractive. In this connection, the following extract from the latest *Share Market Report* of Messrs. Place, Siddons and Gough, Calcutta, deserves to be brought to the notice of the Government and the public alike:

> "The steep depreciation in share prices in recent years has not made the solution of this problem (of mobilising hoarded gold) any easier. Those who chose gold as a store of value in preference to income-yielding investments have reason to congratulate themselves on their astuteness in selecting an appreciating asset, which yielded them capital gains at a time when more modern forms of investment brought disastrous capital losses to their holders. Responsibility for this rests on the high level of corporate and personal taxation in this country which has penalised productive investment and encouraged hoarding. It will be necessary to undo this evil before people can be persuaded that it would be a good idea to surrender their gold to the Government in exchange for bonds or to sell their hoarded gold and invest the proceeds in industrial shares."

The second step should be adoption of some intelligent measures for effectively preventing smuggling of gold. There is a possibility of gold loan resulting in higher market prices for gold. It must be remembered that, on the basis of parity with commodity prices before the war, gold today is undervalued to the tune of Rs. 45 to Rs. 50 per tola. So, if prices of gold go up, it should not surprise anyone. And, when it does, smuggling of the metal will tend to increase and cause a drain on the foreign exchange resources of the country. It has been suggested by some that one of the effective ways of deterring smugglers is to offer an attractive prize to the carriers who bring the contraband gold to India on behalf of their employers. Another suggestion is that the authorities should stop purchases of rupee notes against sterling payments. By doing so, they will make it extremely difficult for smugglers to repatriate the rupee proceeds of their gold sales in the country which they now easily do by smuggling the rupee notes out of the country and then presenting them through banks in their country. The sterling which they get through such conversion is used again for replenishing their stocks of gold used for smuggling.

If the flow of contraband gold into India were to be more effectively checked than now, the price of gold in the internal market might move up to levels which are in parity with commodity prices. But such high levels may make the yellow metal

(*Continued on page 283*)

INDIAN ECONOMY AT A GLANCE

	Unit	1950-51	1956-57	1957-58
Population ...	Millions	359.32	383.04†	387.68‡
National income* ...	Rs. crores	8,850	10,480†	11,010‡
Per capita income* ...	Rs.	246.3	273.6†	284.0‡
Wholesale price index ...	1952-53=100	107.6	105.3	108.4
Cost of living (Bombay). ...	June 1934=100	317.3	356.4	395.0§
Industrial production ...	1951=100	100.0§§	145.7	148.0
Agricultural production. ...	1949-50=100	95.6	115.9†	123.0‡
Foodgrains output ...	Million tons	51.8	66.3	68.0
Irrigated area ...	Million acres	51.5	56.2	57.3
Electricity generated ...	Mln. k.w. hours	6,575	9,878	11,177
Imports (c.i.f.)	Rs. crores	870§§	1,096	1,176
Exports (f.o.b.) ...	"	731§§	635	595
Money supply with public ...	"	1,980	2,313	2,388
Notes in circulation ...	"	1,163	1,476	1,540¶
Foreign exchange reserves	"	831	660	193¶
Scheduled banks' net deposits ...	"	856	1,095	1,530¶
Scheduled banks' credit. ...	"	459	782	891
Bank rate	Per cent.	3	3½	4

* At 1948-49 prices.
† Relate to 1955-56.
‡ Relate to 1956-57.
§ June 1958.
§§ 1951.
¶ Week ended 1st August 1958.

SHARE MARKETS STEADY

STEELS AND SUGARS BUOYANT

(From Our Own Correspondents)

BOMBAY, 13*th August*

THE highlight of the week's trading on the Stock Exchange was the sharp rise in Indian Irons on hectic speculative buying, particularly by Calcutta operators, during the last three days. The keen buying was induced by expectations that the Company would be able to maintain the dividend for the year ended 31st March 1958 on the increased capital doubled during the year by a scrip-for-scrip new issue. These anticipations proved correct when the Directors announced yesterday their decision to recommend a dividend of 10 per cent. on the higher capital. The announcement gave a fresh base to the bullish fervour today and pushed up the price of the scrip further. There were, however, some in Bombay who had gone "short" in this scrip on doubts about the ability of the Company to repeat the dividend on the doubled capital. Following the announcement of the dividend, therefore, the "shorts" covered their positions. The old expectation of a bonus issue from out of the share premium account gained fresh strength after the dividend announcement. This, coupled with renewed support to Tata Steels and a few other first class counters, kept the market sentiment steady, in contrast to the quiet tone noted in the previous week. There were strong expectations that the retention prices for steel would be raised in the near future. On the whole, the sentiment about steel shares is bullish even at the time of writing.

To trace the movements during the week. Tata Ordinaries advanced from Rs. 167 to Rs. 170.50 before closing at Rs. 169.25. The new shares gained no less than Rs. 2 to Rs. 166.50. Indian Irons shaded off early in the week from Rs. 23.92 to Rs. 23.80, but gained ground to touch a high of Rs. 24.80 today. The closing was done at Rs. 24.64.

The textile section did not follow the rise in steels. Bombay Dyeings, after a decline from Rs. 58.70 to Rs. 58.30, crept up to Rs. 59.70, but closed lower again at Rs. 59.20. Centurys were featureless, moving within a narrow range between Rs 48.50 and Rs. 441 and closed at Rs. 445, with no change over the week. Kohinoors were erratic, moving between Rs. 281.50 and Rs. 277, before closing at Rs. 278.50. Central Indias were a shade higher at Rs. 101.50. Edward Textiles gained Rs. 2.50 to Rs. 262.50 and Finlays Rs. 3 to Rs. 288. Indu Ordinaries shed 12 nP to Rs. 10, while Indore Malwas were dull at Rs. 108.25. New Greats were unchanged at Rs. 215. While Podars dropped Rs. 5 to Rs. 135, Shree Niwas Cottons gathered Rs. 2 to Rs. 163. Simplex were stagnant at Rs. 175. Standards were done Rs. 2 higher at Rs. 430. Svadeshis crossed the Rs. 200-mark and touched Rs. 201.25. At the close, they were placed lower at Rs. 199. Swans gained Re. 1.25 to Rs. 361.25, while Tata Mills lost a rupee to Rs. 38. Ahmedabad Advances declined by Rs. 2.50 to Rs. 176.25 and Dawns by Rs. 10.20 to Rs. 85, while Phoenix Mills were done Rs. 3.75 higher at Rs. 128.75

Bank shares fetched higher prices, while Barodas were unchanged over the week at Rs. 122.50, Centrals gained 50 nP to Rs. 57.50 and their new shares Rs. 2.30 to Rs. 60.30. Bank of Indias were done Re. 1.50 higher at Rs. 132.50 and Jaipurs 25 nP better at Rs. 36.75. Punjab Nationals gained Re. 1.50 to Rs. 59.50 and United Commercials Re. 1 to Rs. 62.50.

In the insurance section, New Indias were marked up by a rupee to Rs. 46 and New Greats were done Re. 1.76 higher at Rs. 21.52, following the increase in dividend from Re. 1.50 to Rs. 2 per share. Vulcans gathered strength from Rs. 18.16 to Rs. 18.60.

In the electricity group, Ahmedabad Electrics were a fraction lower at Rs. 95.60, while Bombay Suburbans picked up 25 nP to Rs. 108.50. Surat Electrics gained 75 nP to Rs. 110. Tata Hydros were higher by 50 nP at Rs. 124.50. Tata Powers changed hands Rs. 7.50 higher at Rs. 1,240 and Andhra Valleys were marked up from Rs. 1,188.75 to Rs. 1,196.25.

Sugar shares were in the forefront, Belapurs jumping up from Rs. 262 to Rs. 270. Bhopals gained 92 nP to Rs. 23.64 and Phaltans Rs. 5.25 to Rs. 159.25. Walchandnagars were higher by 75 nP at Rs 283.75. In the cement group, Associated Cements moved up from Rs. 155.25 to Rs. 157, but closed lower at Rs. 156. Their new shares put on Re. 1 to Rs. 149.75. Digvijay Cements provided a feature with a rise of Rs. 2.25 to Rs. 156.50. Orissa Cements were up by 16 nP at Rs. 14.32 and Jaipur Udyogs by 12 nP at Rs. 14.60. India Cements were, however, marked down by 75 nP to Rs. 29.25. Among engineering and mining shares, Alcock Ashdowns rallied from Rs. 247.50 to Rs. 257.50. Tata Locomotives were erratic, moving between Rs. 181.50 and Rs. 186, due to uncertainty about the dividend, and closed at Rs. 183. Premier Constructions advanced by Rs. 3 to Rs. 198.50. Larsen and Toubros were done Re. 1.04 higher at Rs. 18.80 and Texmacos gained 40 nP to Rs. 22.12. Voltas rose by a rupee to Rs 128. Shivrajpurs provided another feature with a sharp rise of Rs. 4.50 to Rs. 96.50. Indian Coppers were taken 16 nP higher at Rs. 4.24. B.B. Petrols gained 10 nP to Rs. 2.26.

In the shipping group, Scindias were keenly sought and rose from Rs 49.60 to Rs. 20.24. The closing was done at Rs. 20. Great Easterns were a shade quiet at Rs. 26.20. Their new shares lost 28 nP to Rs. 17.28, while Bharat Lines advanced by Re. 1.68 to Re. 13. Among automobiles, Hindustan Motors were unchanged at Rs. 7.60, while Premier Automobiles were a fraction lower at Rs. 87.20.

Among miscellaneous industrials, Bombay Burmahs (old) moved erratically upward and finished with a gain of Rs. 4.50 at Rs. 569.50. National Rayons were dull, closing at Rs. 223.50, as against Rs. 229 a week ago. Gwalior Rayons changed hands 12 nP higher at Rs. 14.40. Tata Chemicals were up by 20 nP at Rs. 16.23, while Tata Oils had business 50 nP lower at Rs. 41. Wimcos were a shade quiet at Rs. 173.

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Madras Stock Exchange

MADRAS, 12*th August*

Barring the planting section which was fairly active, the Madras Stock Exchange presented a dull appearance during the week under review. Tea shares met with good buying on hopes of higher dividend. Coffee shares received investment support and prices hardened further. Rubber shares were also well favoured. Trading in textile shares, however, continued to be subdued, thanks to continued poor yarn and cloth offtake. Sugars and breweries were quiet. In the miscellaneous section, prices tended to recede in thin dealings.

Among tea shares, Chandramalais firmed up by 50 nP to Rs. 3.80. Parksides rallied 35 nP to Rs. 19.85. Peermades strengthened by 27 nP to Rs. 19.87. Coorgs found buyers 20 nP higher at 11.50. Periakaramalais put on 7 nP to Rs. 4.12. Devasholas were firm at Rs. 19.87. Nilgiris at Rs. 8.57, Talayars at Rs. 9.05 and Waterfalls at Rs. 3.40. Malabar Agriculturals, however, encounted selling and shed 25 nP to Rs. 8.50. Kil Kotagiris eased by 12 nP to Rs. 5.88. In the coffee group, Coffee Lands spurted by 65 nP to Rs. 32.40. Shevroys advanced by 60 nP to Rs. 2.80. Ouchterlonys were better by 3 nP at Rs. 5.49. Among rubber shares, Malankaras put on 38 nP to Rs. 19.00. Puthuthottams were marked up by 35 nP to Rs. 3.55. Kailas found buyers 10 nP higher at Rs. 5.10. Rajagiris gained 3 nP to Rs. 16.90. Highlands were fully maintained at Rs. 12.00 and Vaikundams at Rs. 21.25. Cochin-Malabars, however, declined by 7 nP to Rs. 5.18 and Tirumbadis by 2 nP to Re. 1.73.

In the textile section, Bangalore Woollens evoked good support, thanks to the announcement of an interim dividend of 4 per cent. on the ordinary shares for the year ended 31st March 1958. The quotation improved from Rs. 164 to Rs. 165. Buckinghams advanced by Rs. 3 to Rs. 178. Radhakrishnas hardened by Rs. 2 to Rs. 142.00. Coimbatore Spinnings put on 75 nP to Rs. 53.75. Pankajas gathered 50 nP to Rs. 42.00. Coimbatore Cottons were fully steady at Rs. 145.00, as also Dhanalakshmis at Rs. 172.00, Kasturis at Rs. 24.75 and Rajendras at Rs. 72.50. Metturs were done at Rs. 338.00, Mysore Silk at Re. 1.30 and Premiers at Rs. 141. Rajalakshmis, Ranga Vilas and Vasanthas were unchanged at Rs. 73.00, Rs. 63 and Rs. 231.50 respectively. Lakshmis, however, lost Re. 1 to Rs 102.00. Maduras eased by 50 nP to Rs. 33.50. Janardanas shed a like amount to Rs. 75.50. Cambodias softened by 25 nP to Rs. 8.75 and Loyals by 35 nP to Rs. 35.35.

The sugar section was quiet. Andhra Sugars were neglected at Rs. 17.00 and Travancores at Rs. 10.25. Deccans dropped 5 nP to Rs. 8.60. E.I.D., however, put on 10 nP to Rs. 28.35.

In the miscellaneous section, several shares tended to recede. India Cements dropped 50 nP to Rs. 29.25. Mysore Papers declined by 22 nP to Rs. 17.50. F.A.C.Ts shed 15 nP to Rs. 6.40. Spencers were dull at Rs. 18.25, Aluminium Industries at Rs. 16.25 and Mysore Chemicals and Fertilisers at Rs. 7.50. Rallis, on the other hand, spurted by Rs. 2.75 to Rs. 42.00 on special support. Indian Steel Rollings found buyers 20 nP higher at Rs. 13.75 and Andhra Cements 5 nP higher at Rs. 12.15. Parrys Confectioneries were a shade better at Rs. 3.40, as against Rs. 3.38 last week-end.

I.I.S.CO. DIVIDEND

The Board of Directors of the Indian Iron and Steel Company, Ltd., at a meeting held in Calcutta on the 12th inst., declared an interim dividend of Re. 1 for each share on the ordinary share capital for the year ended 31st March 1958, being at the rate of 10 per cent. per annum without deduction of income-tax payable by the Company. Announcing the dividend in Press note, the Managing Directors of the Company stated: "This action has been taken in order that the shareholders shall not be kept waiting for their dividend in view of the closing of the accounts for the year being delayed pending notification by the Government of the revised sales retention prices of steel."

On the basis of the dividend now announced and at the current market value of Rs. 24.64 *cum-div.*, the yield works out to a little over 4 per cent., as against 5.1 per cent. on the shares of T.I.S.Co. Some may wonder why the yield on I.I.S.Co. should be lower by as much as one per cent. The explanation lies in the fact that there is a general expectation in market circles of a bonus issue by the I.I.S.Co. Their belief is that the Company will capitalise the share premium reserve account in the not distant future. It will be recalled that the T.I.S.Co. has just issued bonus shares out of the share premium account in the ratio of one share for every five shares and that its shares came to be quoted *ex-right* from 1st July 1958. Although the T.I.S.Co. bonus issue was in commemoration of its Golden Jubilee, market circles feel that the Government cannot, in fairness to equity, refuse the request of I.I.S.Co. to capitalise its share premium account, though it may not have any jubilee to celebrate.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 13th August 1958.

	Closing quotations 7-8-1958	High	Low	Closing quotations 13-8-1958
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	178.75	178.75	176.25	176.25
Apollo (2)	1.84	1.80	1.72	1.78
Bombay Dyeing (25)	58.70	59.40	58.30	59.20
Bradbury (50)	175.00	—	—	175.00
Central India (100)	101.00	103.50	98.00	101.50
Century Mills (100)	445.00	448.50	441.00	445.00
Colaba (100)	29.00	29.25	29.00	29.25
Edward Textile (200)	260.00	262.50	260.00	262.50
Hyderabad (50)	40.00	—	—	40.00
Finlay (100)	285.00	288.00	284.00	288.00
Gokak (100)	149.00	150.25	149.50	150.00
Ind. Cntd. Defd. (1)	1.48	1.48	1.41	1.44
Ind. Cntd. Ord. (10)	10.12	10.16	10.00	10.00
Indore Malwa (100)	108.00	108.50	107.50	108.25
Khatau (100)	188.50	187.50	187.00	187.50
Kohinoor (100)	278.00	281.50	276.50	278.50
Lakshmi (250)	442.50	445.00	442.50	445.00
Minerva Mills (100)	65.00	—	—	65.00
Model Nagpur (250)	163.50	170.00	163.50	170.00
Morarji (100)	240.00	—	—	240.00
Mysore (50)	92.50	—	—	92.50
National Rayons (100)	229.00	230.00	225.25	228.50
New City (100)	118.00	—	—	118.00
New Great (100)	215.00	—	—	215.00
Phoenix (100)	125.00	128.75	127.50	128.75
Podar Mills (100)	140.00	140.00	135.00	135.00
Saraswati Silk (10)	9.70	—	—	9.72
Sassoon Spg. (10)	47.50	—	—	47.50
Shahjapur (1,000)	375.00	—	—	375.00
Shrinivas (100)	161.00	164.00	160.00	163.00
Simplex (50)	175.00	176.00	174.00	175.00
Standard (100)	428.00	431.00	425.00	430.00
Svadeshi (100)	187.50	201.25	187.50	199.00
Swan (100)	360.00	361.25	356.25	361.25
Tata Mill (25)	39.00	39.00	37.50	38.00
Vishnu (100)	112.00	112.00	110.00	110.00
Western India (1,000)	4,625.00	—	—	4,625.00
BANKS				
Bank of India (50)	131.00xd	132.50	131.75	132.50
Do. (New) (50)	134.00xd	134.25	134.00	134.25
Bank of Baroda (50)	122.50	122.50	122.00	122.50
Central (25)	57.00	57.50	57.20	57.50
Central 'A' (25)	58.00	60.30	58.00	60.30
Dena Bank (50)	45.00	45.25	45.00	45.25
Punjab National (25)	58.00	59.50	58.00	59.50
Union Bank (5)	7.20	7.24	7.20	7.24
United Com. (50)	61.50	62.50	61.00	62.50
ELECTRIC COS.				
Ahmedabad (100)	95.70	95.90	95.20	95.60
Amalgamated (10)	10.68	10.84	10.68	10.84
Andhra Valley (1,000)	1,188.75	1,196.25	1,191.25	1,196.25
Bom. Sub-El. (100)	108.25	108.50	108.00	108.50
Surat (100)	109.75	110.00	109.75	110.00
Tata Hydro (100)	124.00	124.50	123.50	124.50
Tata Power (1,000)	1,232.50	1,240.00	1,235.00	1,240.00
INSURANCE COS.				
British India (10)	15.84	—	—	15.84
Empire of India (100)	265.00	—	—	265.00
Ind. Mercantile (20)	47.00	—	—	47.00
Jupiter (10)	7.12	—	—	7.12
New India (15)	45.00xd	46.75	45.00	46.00
Oriental (200)	4,035.00	—	—	4,035.00
Universal (10)	12.00	—	—	12.00
Vulcan (10)	18.60	—	—	18.60
STEEL COS.				
Ind. Iron (10)	23.92	24.80	23.80	24.64
Tata Steel Ord. (75)	167.00	170.50	166.50	169.25
SUGAR COS.				
Belapur (50)	262.00	270.00	261.50	270.00
Bhopal (5)	22.72	23.64	22.80	23.64
Phaltan (50)	154.00	160.00	154.75	159.25
Walchand Ind. (100)	283.00	283.75	282.00	283.75
CEMENT COS.				
Associated Cts. (100)	155.25	157.00	154.75	156.00
Digvijay (100)	154.25	156.50	154.00	156.50
MISCELLANEOUS				
Alcock Ashdown (100)	247.50	265.00	243.75	257.50
Bom. Burmah (125)	565.00	572.50	561.00	569.50
Do. (New) (50)	212.50	212.50	211.25	211.25
Br. Ir. Petrol (4 sh.)	2.16	2.26	2.16	2.26
Br. I. Corpn. (5)	3.96	4.08	4.04	4.06
C. P. Rly. (100)	58.20	—	—	58.20
Hindusthan Motors (10)	7.60	7.76	7.56	7.60
Indian Copper (2 sh.)	4.08	4.24	4.06	4.24
Ind. Inv. Tr. (100)	76.80	77.00	76.70	77.00
Kilpicks (100)	144.50	144.50	144.00	144.25
Polsons (100)	165.00	—	—	165.00
Pre. Automobiles (100)	88.00	88.80	87.00	87.25
Premier Con. (10)	195.50	200.75	193.50	198.50
Saindia (100)	19.00	20.24	19.44	20.00
G. I. Shipping (10)	26.30	26.70	26.65	26.20
Shivrajpur (10)	92.00	98.00	92.00	96.50
Tata Chemicals (10)	16.08	16.52	16.04	16.23
Tata Locomotive (100)	181.50	186.00	181.50	183.00
Tata Oil (25)	41.50	41.50	40.50	41.00
W. I. Match (100)	173.50	173.50	172.75	173.00

GOVERNMENT SECURITIES	7-8-1958	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	13-8-1958
	Rs.			Rs.
2½% 1961	96.80	—	3.03	96.80
2½% 1960	98.30	—	3.03	98.30
2½% 1962	96.10	—	3.01	96.50
2½% 1976	83.10	—	4.03	83.10
3 % 1958	99.85	—	—	100.00
3 % 1959–61	99.55	3.46	3.14	99.60
3 % 1964	96.05	—	3.69	96.05
3 % 1963 65	95.90	3.87	3.60	96.20
3 % 1966 68	93.25	3.95	3.76	93.50
3 % 1970 75	88.10	4.25	3.95	88.15
3 % 1986 Con. Loan	71.15	—	4.20*	71.50
4 % 1960 70	100.40	3.80	3.85	100.55
2½% 1961 N.P. Bonds	99.80	—	3.48	100.10
2½% 1964 N.P. Loan	99.25	—	3.55	99.70
2½% 1966 N.P. Bonds	99.00	—	3.61	98.80
2½% 1962	98.35	—	3.69	98.40
2½% 1967 N.P. Bonds	98.05	—	3.74	98.20
2½% 1974	98.80	—	3.89	98.80
2½% 1967 N.P. Bonds	99.85	—	3.77	99.85
4 % 1972 Loan	100.35	—	3.96	100.40
2½% 1963 N. P. Bonds	99.55	—	3.53	99.85
2½% 1968 N. P. Bonds	99.70	—	3.77	99.70
4 % 1973 Loan	100.05	—	4.00	100.15

BRITISH GOVERNMENT SECURITIES

	Closing quotations 6-8-1958 £			Closing quotations 13-8-1958 £
2½% Brit. Consols	51	—	—	51½
3 % Savings Bonds 1965-75	72½	—	—	72½
3% War Loan 1955-59	93½	—	—	93½
3½% War Loan	67½	—	—	68½
4% Victory Bonds 1976	92½	—	—	92½
4% Funding 1960-90	87½	—	—	87½

* Current Income. xd.—Ex-dividend. xr.—Ex-Right.

NEWS IN BRIEF

THE Government of India has decided to allow exports of *vanaspati* (hydrogenated vegetable oil) without any overall ceiling upto the end of March 1959.

It is reported that the Narsinggirji Mills, Sholapur, run by the Government of Bombay as an unemployment relief scheme, has been making a profit of Rs. 60,000 per month since April 1958.

India has been included as one of the 18 new members of the United Nations Commission on International Commodity Trade. A meeting of the Commission is expected to be held in March 1959.

The Central Warehousing Corporation is understood to have finalised arrangements for the setting up of a warehouse at Kolhapur, Bombay. The proposed warehouse will consist of godowns for storage of *gur*, groundnut and essential commodities.

The post-graduate Agricultural Research Institute set up at Coimbatore was inaugurated by President Dr. Rajendra Prasad on the 10th inst. Established at a cost of Rs. 32 lakhs, this is the first regional institute, catering to students from the States of Mysore, Andhra, Kerala and Madras.

Replying to a question in the Lok Sabha this week, the Union Minister for Commerce said that the Jute Commissioner had, at the instance of the Government of India, undertaken a study of the jute industry particularly in view of the losses reported to have been sustained by some of the units. No statutory enquiry into the working of the jute mills had been ordered.

A new process for pre-treatment of cotton-seed oil has been evolved by Prof. G. R. Sheshadri of the Delhi University and his collaborators. The adoption of the process, it is claimed, will remove the pigments easily and yield a light coloured oil without any reversion of colour. This oil can be used without further treatment for manufacturing *vanaspati*. Over and above these, the soap stock obtained by this process is said to be of lighter colour which can easily be processed to yield soap.

The Kerala Government has decided to set up a research unit called the Bureau of Economic Studies at Trivandrum, in pursuance of the recommendation made by the Administrative Reforms Committee. This unit is expected to undertake expert studies on taxation proposals, effect of development schemes on the standard of living of different classes of people, general economic trends in India and other allied problems. Dr. A. Rudra of the Indian Statistical Institute has been appointed Director of the Bureau, which will be attached to the Planning and Development Department of the State Secretariat.

The total gross sea, land and air customs revenue collected in the Indian Union during the month of March 1958 aggregated Rs. 13.08 crores, as against Rs. 17.67 crores in the corresponding month of the previous year. The grand total of gross customs and Union excise revenue realised during the year ended March 1958 was Rs. 454.08 crores as compared with Rs. 366.13 crores in the previous year (1956-57). Of this amount, import duties accounted for Rs. 149.77 crores, as against Rs. 143.18 crores, export duties for Rs. 24.32 crores, as against Rs. 30.07 crores, land customs and miscellaneous for Rs. 5.09 crores, as against Rs. 3.79 crores and Union excise duties for Rs. 272.88 crores, as against Rs. 189.09 crores. The air customs collected during the year 1957-58 amounted to Rs. 2.02 crores.

The Central Glass and Ceramic Research Institute, New Delhi, has worked out a patent for utilising mica which will result in foreign exchange saving to the tune of Rs. 20 lakhs per annum. The patent is a commercial process by which waste mica can be used for insulation purposes. While 90 per cent. of the output of mica from Indian mines goes to waste in the process of mining and splicing, the country imports every year Rs. 20 lakhs worth of vermiculite for insulation in factories, boilers and studios. The new method as already led to the setting up of a factory in Rajasthan for the manufacture of mica bricks. With a production capacity of 2,500 bricks per day, this factory is expected to double the capacity in a year's time, thereby reducing substantially the import of heat-insulating material. The heat-insulating capacity of these mica bricks is very high. The use of these bricks reduces the loss of heat in industrial furnaces to such an extent that there is a resultant saving of 30 to 40 per cent. in costs on fuel.

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From Abroad

The U.S. House of Representatives has voted for a permanent increase of $10,000 million in the nation's debt limit *plus* a temporary rise of $3,000 million. This will bring the permanent ceiling to $285,000 million.

The exports of motor vehicles from Italy have gone up to 85,559 during the first half of this year, which represents a 48.8 per cent. increase as compared with the first half of last year. Total production also increased during the half-year by 21.6 per cent. to 211,109.

The rubber manufacturers in the U.S. have cut the price of GR-S (synthetic) rubber from 24.10 cents to 23.25 cents per pound, free alongside New Orleans. This move is a sequel to the need for meeting increased competition from Canada, following the recent price cut by the Polymer Corporation of Canada.

The U.S. Senate Foreign Relations Committee approved, on the 7th inst., an agreement with Britain to avoid double taxation on royalties and similar payments. As a result of the agreement, payment on licences for use of patents and copyrights will not be taxable in both countries in future.

A Bill incorporating an important amendment to the Government tax proposals has been introduced in the New Zealand Parliament. The amendment seeks to permit companies to retain 60 per cent. of profits before imposition of 7*s.* in the £ retention tax. The previous limit of 50 per cent. had been strongly opposed by the commercial community.

A Bill seeking to extend the U.S. Reciprocal Trade Agreement Act by another four years has been passed by the House of Representatives. The Bill authorises the President to cut tariffs by 20 per cent. until June 1962 and by a further 20 per cent. until June 1966. The maximum reduction that can be effected in a year, however, is 10 per cent. only.

Unemployment in West Germany was down by 45,200 to 356,000 during the month of July, the lowest figure since the currency reforms in 1948. It is now well below the corresponding British figure. The number of short-time workers fell to 53,000, while that of vacancies rose by 10,000 to 256,900. Unemployment now affects only 1.8 per cent. of the total West German labour force of well over 19 million.

The prices of petroleum products have been raised in the U.K. with effect from the 8th inst. The increase effected is ¼*d.* per gallon for diesel fuel (*Derv*), burning oil and gas oil and ½*d.* per gallon for aviation turbine fuel. It is estimated that the increase in (*Derv*) prices will cost London Transport about £66,000 a year. Further, all the companies, except E.S.S.O., have enhanced the prices of their standard grade petrol by ½*d.* a gallon.

The number of unemployed in the U.S. during July 1958 was lower by 143,000 at 5,294,000, as compared with the previous month. Normally, the month of July registers a bigger drop in unemployment. The unemployed in July formed 7.3 per cent. of the total labour force, as against 6.8 per cent. in the previous month and 7.5 per cent. in April, when unemployment was at its peak. The number of employed persons rose by 198,000 to 65,179,000 during the month under review.

The number of persons unemployed in the U.K. during July was lower at 412,000, as against 429,000 in the previous month. The decline, influenced by seasonal factors, is said to be normal for this period of the year. There was a slight increase in the number of unfilled vacancies, the figure for July being 215,000. The number of those working short time fell by 29,000 to 188,000. The official figures have dispelled the fears raised by an earlier estimate of the Trade Union Congress that the unemployment figure was approaching the 500,000-mark.

PERSONAL

MR. Syed Hussein Jamil has been appointed Ambassador Extraordinary and Plenipotentiary of Iraq to India *vice* Mr. Mohammed Salim al-Radi.

Mr. T. R. Parasuraman, till recently Deputy Secretary to the Union Transport Minister, has assumed charge as General Manager of the Bombay Port Trust.

Mr. William T. Turner, U.S. Consul-General in Bombay, left on home leave last week. During his absence, Mr. Leslie C. Tihany will act as Principal Officer at the Consulate.

The Shah of Persia will pay a State visit to Britain during the first week of May next. He will be the guest of the Queen and the Duke of Edinburgh at Buckingham Palace.

Mr. Takhtmal Jain, Minister for Industries and Commerce, Madhya Pradesh, has been appointed General Secretary of the All-India Congress Committee in the place of Mr. Shriman Narayan who has joined the Planning Commission as a member.

Viscount Monckton of Brenchley, Chairman of the Midland Bank, London, has been appointed Chairman of the Iraq Petroleum Company and its associated companies in place of Admiral of the Fleet Sir John Henry Dacres Cunningham, who retired on 30th June 1958.

Dr. B. Sundara Ram Rao, Head of the Geophysics Department of Andhra University, has been deputed by the U.N.E.S.C.O. to organise post-graduate and research courses in applied geophysics in the Rangoon University under the Technical Assistance Programme.

According to Press reports, the Government of Iraq is minting a new currency which will gradually replace money now in circulation. Emergency restrictions on bank dealings will be lifted within the next few weeks. The ban on drawing of balances, however, will continue for sometime. The Government has under consideration a scheme to set up potash industry, which is expected to yield ultimately an income almost equal to that obtained from oil, as well as new tax measures to reduce inequalities in income and to raise the standard of living of the masses.

The U.S. aluminium industry has urged the Government to ban import of aluminium into the country in order to withstand competition from the Communist bloc, which, it is feared, will jeopardise the healthy development of world markets. It is pointed out that nearly 30 per cent. of the U.S. primary aluminium producing capacity is remaining idle, owing to the influx of metal from the Communist bloc at artificially low prices. The spokesmen for the industry are also reported to have discussed with the Government officials a programme envisaging international agreements to channel surplus aluminium to the less developed areas of the world, instead of to the U.S.

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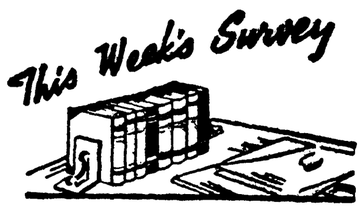

ROLE OF MANAGEMENT

INDIA faces the paradox of a management that is willing to become more and more enlightened and a group of labour unions which are unwilling to make a similar effort. It is needless to say that an enlightened management and unenlightened labour ill go together. Some day, both sides of industry have to develop equal capacity to appreciate their social responsibility. The fact is that, at present, managements in this country are looking further ahead than labour. Thus, while the "management" movement has made rapid strides, there is unfortunately much deterioration in labour ranks which is reflected in unjustified strikes and indulgence in violence. All this must lead to some frustration in the minds of enlightened managements, especially when they see that their good work wins so little recognition at the hands of its employees. What should a liberal and far-sighted management do in such a situation? Answering this question, Mr. M. R. Masani, M.P., in the course of a recent lecture at the Calcutta Rotary Club, urged managements to adopt a friendly but firm attitude towards trade unions. While they should be prepared to deal with stable, representative and democratic trade unions, they should avoid appeasement. Management's duty, as he rightly pointed out, is to manage and any surrender of managerial functions is bad for management and, in the long run, bad for the growth of sound trade unions.

Mr. Masani felt that there were three tasks which Indian industry had to undertake. In the first place, it should not let its case go by default but have confidence in the way of life for which it stood. In this connection, he asked why there was not in India, as in Japan, W. Germany, Britain or the U.S., a strong liberal party representing in political life the aspirations of enlightened business people. Perhaps the reason is to be found in the fact that Indian business, having for justifiable reasons, aligned itself with the Congress in the days of its struggle for political independence, had little opportunity to develop a leadership of its own. Now that the Congress has moved too far to the left, Indian business finds itself left high and dry. With few friends and many enemies, its case nearly always goes by default. It remains to be seen whether the democratic forces, with which the business community has necessarily to align itself, are sufficiently strong to throw up a new leadership, capable of defending and promoting the "free enterprise" way of life. It is of course, never too late to make a beginning in this direction. Meanwhile, it is necessary for Indian business to address itself to the other two immediate tasks to which Mr. Masani referred. It must put its house in order and win the loyalty of its managers through management training and provision of opportunities for managers to find pride in doing a good professional job.

ADVICE TO TAX COLLECTORS

Tax evasion is as old as the introduction of tax system itself. The loss of income-tax revenue to the exchequer as a result of evasion runs into several crores of rupees every year. The tendency to evade payment of tax, though it reflects human nature greatly, must be attributed in many cases either to the ignorance of people to understand the complicated tax laws or to fears of undue harassment by the departmental officials. If, therefore, tax evasion is to be reduced, if not eradicated altogether, it is imperative that the administration of tax laws must be simplified and public relations improved. This aspect was well brought out by Mr. Morarji Desai, Union Minister for Finance, when he addressed the annual meeting of Commissioners of Income-tax and Directors of Income-tax Inspection from all over India held at New Delhi last week-end.

The officials of the Department of Revenue entrusted with the administration of income-tax, wealth tax, expenditure tax, gifts tax and estate duty should, Mr. Morarji Desai declared, show consideration for the feelings of the people with whom they are dealing. He wanted them to deal with people, who would not part with money, in such a way that no grievance was left in their minds. This will be possible only if full consideration is given to the assessees' point of view and human consideration is shown in the application of the law, without putting a rigid interpretation on it. "After all," to quote him, "it must not be forgotten that laws are made for the convenience of man and society. Therefore, you (officials) should have the spirit of service as the basic principle in administering these laws."

The scheme of direct taxation evolved by the Government of India, as readers are aware, is an integrated one, with comprehensive coverage. The scheme is expected to yield during the current financial year a revenue of Rs. 241 crores which represents as much as 30 per cent. of the aggregate revenue receipts of the Union Government. When the assessees contribute so largely to the exchequer, they have a right to expect from the tax-collecting authorities courtesy and politeness. The special committee appointed by the Central Government to go into the question of administration and procedure of the Income-tax Department (Chairman: Mr. Mahavir Tyagi) must bear this in mind and lay down a code of conduct for observance by all those who are in charge of income-tax administration, so that much of the hardship and inconvenience now being caused to assessees is avoided.

INVESTMENT OF PROVIDENT FUNDS

Elsewhere in this issue is published a review of the progress of the Employees' Provident Funds Scheme since its inception in November 1952 under an Act bearing that name. As noted there, the total number of beneficiaries under the compulsory contributory provident fund scheme on 31st December 1957, including 480,000 subscribers in the tea estates in Assam who are separately covered and 380,000 under the Coal Mines Provident Funds Act, was about 3.23 million. The Government of India intends to extend the scheme to other industries and also to commercial establishments such as banks, insurance companies, hotels, studios, transport companies and general trading concerns.

As it is proposed to widen the coverage of the scheme which will bring within its fold at least another 200,000 employees by the end of the second Plan, the Government would do well to re-examine some of the provisions of the Employees' Provident Funds Act, especially those relating to the investment of provident funds, which have worked to the detriment of the beneficiaries of the scheme. At present, the Act does not permit the money collected from contributors to be invested in securities other than Central Government loans. The latter, as is common knowledge, gives a lower return than other Gilt-edged securities such as State Government securities and Municipal, Port and Improvement Trust securities. For instance, the yield, (redemption) on the 3 per cent. Government of India Loan 1959-61 issued in March 1945, calculated on the basis of the closing price on 8th August on the Bombay Stock Exchange, works out to Rs. 3.16 per cent., whereas that on the 3 per cent. Bombay Government Loan 1960 comes to Rs. 3.80. Moreover, interest on State Government securities is higher than on Government of India loans. Recently, ten State Governments issued loans carrying interest at 4½ per cent. for 12 years, whereas the Centre gave 3¾ per cent. for 10 years and 4 per cent. for 15 years. The yield on the 4½ per cent. 1970 loan of Madras, for instance, is 4.29 per cent., whereas that on the 3¾ per cent. 1968 loan of the Centre is only 3.89 per cent.

There does not appear to be any valid justification for limiting the investments of provident funds brought under the Central Government scheme to only Government of India securities. It cannot obviously be the consideration of greater security for the funds, for nobody will seriously contend that the State Governments are less credit-worthy and therefore investments in their obligations any the less secure than those in Central Government loans. Thus, the beneficiaries of the scheme stand to gain nothing from the point of view of security of investment. On the contrary, they are made to suffer, for no fault of theirs, a loss in income, because of the statutory stipulation to invest the funds only in Central Government securities giving less return and lower interest. The class of employees who suffer from this artificial distinction is not one which can afford to do so, considering that it is composed of industrial workers and salaried employees most of whom have an income of Rs. 500 and below. Those provident funds which are not brought under this special Act, it may be noted, do not suffer from this disability. There is no reason whatever why this discrimination should be made between two sets of workers. We wonder whether such discrimination is permissible under the Constitution.

Further, provident funds are not different from trust money. The laws governing the investment of trust money under the Indian Trusts Act, 1882 as amended by the Indian Trusts Amendment Acts of 1908 and 1926, are more liberal, in that they permit investment of trust money not only in the securities of Municipal bodies, Port Trusts or City Improvement Trusts but also on a first mortgage of immovable property situated in any part of the territories to which the Indian Trust Act extends. If the Government considers it not advisable to go as far as this, it should at least consider the question of making suitable amendments to the law, so that the provident funds under the control of the Central Government could invest their resources in the securities of State Governments, Municipal Corporations and Port Trusts also.

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CO-OPERATIVE MOVEMENT

Although the latest review of the Co-operative Movement brought out by the Agricultural Credit Department of the Reserve Bank relates to a period which is more than two years old—the publication covers the two years from 1st July 1954 to 30th June 1956—it nevertheless gives a clear indication of the definite progress made in the sphere in recent years. The utility of the *Review* would surely have been more, if it had been published much earlier. The delay is somewhat ununderstandable, considering that the Agricultural Credit Department has been in existence for many years and gets all reports from the Registrars of Co-operative Societies in different States. It is to be hoped that this delay will be avoided in future, so that the *Review* will, by its freshness, be found more interesting and useful.

The most striking feature revealed by the *Review* is the dispassionate way in which the Department has assessed the progress of Co-operative Movement, a rather rare phenomenon not generally found even in semi-official documents. Thus, the *Review* has not merely claimed success for the Movement but also candidly admitted the lapses in certain sectors such as housing, cottage industries and land mortgage banking, as well as the continued deterioration of consumers' co-operation. Viewing the Movement as a whole, however, the *Review* expresses its confidence that the Movement has considerable vitality and, with the active implementation of the second Five-year Plan, the pace of its progress will be considerably quickened and it can soon hope to attain a place of importance among the co-operative movements of the world. In support of this view, the *Review* observes:

"... far reaching developments have followed the publication of its report of the Rural Credit Survey Committee and the acceptance of the integrated scheme of rural credit recommended by the Committee as the basis of future policy. During the period under review, broad principles on which the development of rural credit should be based have been agreed upon. Concrete plans have been drawn up and the necessary financial provision has been made. The practical problems which are likely to arise in the implementation of these programmes, have been discussed in detail and solutions have been formulated. Certain institutions such as the State Bank of India and the National Co-operative Development and Warehousing Board, as also certain National Funds such as the National Agricultural Credit (Long-term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund which are strategically situated in the integrated scheme of rural credit, have been brought into being. The scheme has been worked out in certain selected areas on a pilot basis and useful experience gained for the future implementation of the co-operative development plans. Arrangements have also been planned, and in several cases made, for the training of co-operative personnel on a larger scale. The stage has thus been set, as at the end of the period under review, for the Co-operative Movement to advance to a higher level of activity and a greater measure of success during the period of the second Five-year Plan."

While one would wish that the aforesaid hope will be fulfilled, it must be stressed that the Co-operative Movement is bound to be a failure if it continues to be imposed from above through direct Government participation and interference instead of being allowed to grow from within and from the bottom upward. It was only recently—in April 1958, to be precise—that the All-India Co-operative Congress drew pointed attention to the growing inroads made by the State Governments into the independent working of co-operative institutions and urged them to give up immediately their practice of placing officials at the head of institutions.

Be that as it may, the two years ended June 1956 witnessed a significant expansion in Co-operative Movement as compared with the preceding period 1952-54. The number of all societies rose by 41,000, membership (of primary societies) by 2.4 million and total working capital by Rs. 117 crores, the corresponding increases in 1952-54 being 13,000, 1.4 million and Rs. 46 crores, respectively. The actual figures relating to these items for the year ended June 1956, as compared with the previous five years, are given below:

End of June	No. of societies (in thousands)	Working capital (Rs. crores)	Membership of primary societies (in millions)
1951	181	276	13.7
1952	186	306	13.8
1953	189	327	14.3
1954	199	352	15.2
1955	219	391	16.0
1956	240	469	17.6

The foregoing table shows that, during the two years 1954-56, the Co-operative Movement covered within its fold an increasing section of the population and handled larger funds than in previous years. A notable progress, according to the *Review*, was in respect of agricultural credit societies. Not only did the number of these societies rise from 135,000 in 1953-54 to 168,000 in 1955-56, but the volume of loans advanced also went up from Rs. 29.64 crores to as much as Rs. 49.62 crores. The financial position of co-operative financing agencies strengthened further, thanks to higher level of operations, contributions to share capital from constituent societies and State partnership in certain cases. The owned funds of Central and State co-operative banks improved from Rs. 11.81 crores and Rs. 5.61 crores in 1953-54 to Rs. 15.15 crores and Rs. 7.65 crores, respectively, in 1955-56. Even as regards the disquieting feature of large overdues, the period under review witnessed some improvement; between 1953-54 and 1955-56, the proportion of overdues to the total outstanding loans granted by agricultural co-operative societies declined from 29 per cent. to 25 per cent.

There were, as already stated, certain sectors of the Co-operative Movement where experience during the period 1954-56 was not happy. Co-operative housing and co-operative organisation of cottage industries other than handloom weaving, it is stated, are two instances the performance of which has fallen short of expectations. The expansion of co-operative land mortgage banking has been slow in relation to requirements, especially when account is taken of the urgency and importance of supplying long-term agricultural credit to the countryside. Even the little progress achieved so far is largely restricted to a few States. The most depressing feature is the continued deterioration of consumers' co-operation in the country. The aggregate sales of primary consumers' stores during 1955-56 amounted to Rs. 14.17 crores (the number of societies being 6,241), as against Rs. 32.04 crores (8,251) in 1953-54 and Rs. 83.75 crores (9,579) in 1951-52.

An idea of the overall progress made by the different kinds of co-operative institutions during 1955-56, as compared with 1954-55, can be had from the following table:

	Number of institutions		Advances given during the year (Rs. crores)	
	1955-56	1954-55	1955-56	1954-55
State co-operative banks ...	24	23	67.86	50.24
Central co-operative banks ...	478	485	79.83	69.17
Agricultural credit societies ...	159,929	143,220	49.62	35.48
Grain banks	8,169	8,102	0.56	0.39
Multi-purpose societies ...	65,011	56,718	12.69	8.74
Non-agricultural credit societies.	10,003	9,348	72.06	62.12
Central mortgage banks ...	9	9	2.83	2.43
Primary land mortgage banks...	316	305	1.74	1.45
Marketing societies	12,150	11,616	15.47	13.07
Consumers' stores	7,433	7,925	...	...
Industrial societies	13,272	10,894	...	...
Milk unions	64	62	...	...
Milk societies	1,535	1,473	0.14	0.16
Housing societies	3,101	2,417	2.01	1.16

POSTS AND TELEGRAPHS

Posts and telegraphs have a vital role to play in an expanding economy. Appropriately enough, they have been assigned an important place in the second Plan. It is gratifying to note that they have made considerable progress in recent years. This is reflected in the *Annual Report of the Posts and Telegraphs Department for 1956-57*, just published. The year under review, which was the first year of the second Plan, recorded continued expansion of postal, telegraph, telephone and wireless services and an all-round increase in the volume of traffic in almost all branches. Thus, during the year under review, the number of post offices rose from 55,042 to 58,871. Similarly, the number of telephone exchanges rose from 5,830 to 6,202 and telegraph offices from 9,893 to 10,052. It is estimated that the number of postal articles carried went up to 3,262 million in 1956-57 from 2,997 million in 1955-56. The number of telegrams (including service telegrams) increased from 33.5 million to 34.5 million. Similarly, the number of effective outgoing trunk calls (excluding P. and T. service calls) moved up from 18.6 million to 20.8 million. The financial review of the Department shows a surplus of Rs. 6.20 crores, its revenue being Rs. 56.80 crores (as against Rs. 50.60 crores in 1955-56) and expenditure Rs. 50.50 crores (as against Rs. 47.20 crores in 1955-56).

On the postal side, efforts continued to be directed towards the twofold objective of expansion of postal facilities, especially in rural areas, on the one hand, and rationalisation of the mail services with a view to achieving speedier transmission, on the other. Of the new post offices opened during the year, as many as 92.5 per cent. were in rural areas. The total route mileage for mails, excluding air routes, was 253,256 miles of which 22 per cent. was covered by railways, 26 per cent. by motor services, 50 per cent. by runners and the remaining 2 per cent. by other means such as steamers, boats, mail carts, horses, camels and *ekkas*. The year also recorded a noticeable increase in the weight of mails carried over inland air routes, the total for the year under review being 10,139,947 lbs., as against 8,628,781 lbs. in the previous year. The total value of postage stamps and postal stationery issued from treasuries to post offices increased from Rs. 26.02 crores in 1955-56 to Rs. 28.35 crores in 1956-57. The number of inland money orders increased from 65 million (for a value of Rs. 231.6 crores) in 1955-56 to 67.4 million (for a value of Rs. 247.4 crores) in 1956-57. The total value of the Postal Orders carried increased from Rs. 1.76 crores in the previous year to Rs. 1.78 crores in 1956-57.

On the telecommunication side, there was a sizable expansion of the network, thanks to the growing demand for telegraph and telephone facilities generated by increasing economic activity in the country. The *Report* states that the mileage of postlines, wires, cables and cable conductors maintained for telegraph and telephones increased substantially. Of the total inland telegraph traffic, which rose from 33.5 million to 34.5 million, State telegrams accounted for 12.6 per cent., private telegrams for 86.6 per cent. and Press telegrams for 0.8 per cent. The year under review saw the introduction of printergram service for the first time in India as part of the programme to modernise the telecommunication services. It was introduced in Bombay in May 1956. Moreover, teleprinter working was introduced on 15 more routes, with a view to speeding up the transmission of telegraph traffic.

The total number of telephones in the country, according to the *Report*, was 309,000 at the end of March 1957, as against 278,000 at the beginning of the financial year. Twelve-channel carrier systems were installed between Nagpur and Bombay, Indore and Bombay, Indore and New Delhi, Bombay and Poona and Bombay and Rajkot. The Telecommunication Research Centre, which was set up towards the end of 1955-56, according to the *Report*, made rapid progress during the year under review. As regards the wireless service, the *Report* records that, during 1956-57, wireless stations at Calcutta, Bombay and Madras were provided with equipment for high power transmitters to provide better communications with ships at sea. The total number of radio receiver licences increased from 1,091,991 in 1955-56 to 1,284,041 in 1956-57, an increase of 17.6 per cent.

Another significant aspect to which the *Report* refers relates to small savings. During the year under review, 1.33 million new accounts were opened in the Post Office savings bank while 932,152 accounts were closed. The number of active accounts at the end of the year was, therefore, higher at 6.38 million, as against 5.99 million at the end of the previous year. The balance in the Bank rose from Rs. 293 crores at the end of 1955-56 to Rs. 322 crores at the end of 1956-57, an increase of 9.9 per cent. The average balance at the credit of a depositor on 31st March 1957 was Rs. 504.4, as against Rs. 490.1 at the close of the previous year. A total sum of Rs. 34.9 crores was invested in National Savings Certificates during the year under review, as compared with Rs. 29.2 crores in the previous year. Over Rs. 10 crores were invested in 1956-57 in National Plan Certificates, as against Rs. 9.9 crores during 1955-56. The Post Office Savings Banks perform a very useful function in mobilising small savings. The success of the small savings movement depends largely on the level of efficiency and adaptability of the postal services in which there is scope for further improvement. It is to be hoped that the Postal Department will continuously strive to bring the level of its banking services to that of commercial banks.

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FOREIGN INVESTMENT IN INDIA

OFFICIAL POLICY AND INCENTIVES PROVIDED RECOUNTED

By A Special Correspondent

THE second Five-year Plan has placed, to a more pronounced extent than the first, stress on a suitable programme of industrialisation. The success of such a programme would depend on an efficient mustering of resources, internal as well as external, and here foreign investment has acknowledgedly an important role to play. Already, it has had a substantial part in the building up of the present economy of the country. Foreign investments in India have been steadily growing over the past years. In 1948, it stood at Rs. 287.7 crores and in 1955, it rose to Rs. 487.7 crores. Official figures up to the end of 1957 are not yet available but, according to unofficial estimates, foreign investment in India has increased by Rs. 150 crores.

The Government of India have been fully aware of the contribution that foreign investment can make to our progress and, in computing the resources for the second Five-year Plan, they have taken a sum of Rs. 100 crores as fresh foreign investment likely to materialise during that period. Consistent with the Industrial Policy Resolution of 1956, Government have adopted a number of measures designed to reassure private investors, abroad particularly, about the scope and prospects open to them. Within the framework of general policy explained below, each case is gone into on its individual merits and suitable adjustments made. To mention one instance, official policy places oil in the public sector and at the same time welcomes foreign enterprise and investment in partnership with Government as in the formation of Oil (India) Limited.

Financing From Abroad

Government have been following the policy of encouraging capital participation with Indian collaborants by foreign companies in respect of industrial enterprises that have been approved—within the framework of the Plan—by the Ministry of Commerce and Industry as being consistent with the industrial development plans of the country. In principle, the cost of capital equipment to be imported is allowed, at a minimum, to be financed from abroad. This is permitted as equity participation itself or as equity and loans combined. Over and above this minimum, while Government are of the view that to the extent possible, majority control must be in Indian hands, in suitable cases, and with due consideration to the existence of arrangements by which Indian participants can exercise effective influence on the company, particularly in the matter of development of Indian expertise and "know-how," foreign investment as bulk of the capital structure is allowed.

Assurances have been given that there would be no restrictions on the repatriation of such investment of capital or on the remittance abroad of the profits of such investments after taxes have been paid. That India has an exemplary record in permitting such remittances is well known. The main point which is examined when applications are made for capital repatriation is to ensure that there has been no *mala fide* or collusive or unjustifiable overvaluation in the transfer—a precaution that cannot be regarded but as wise in the circumstances of foreign exchange that India is in at this time. Where both Indian and foreign interests agree that foreign participation must be by loans rather than by equity capital, a suitable rate of interest is allowed. Under the recent amendments to the Income-tax Act, such loans—on specific application—can be free of income-tax.

It is of interest to mention that the Government of India recently entered into a convertibility arrangement with the U.S.A. Under this, the U.S. Government will guarantee to the American investor in India the reconvertibility into dollars of his investments in projects approved by the Government of India and of his income from them.

Technical Collaboration

Indian companies are welcome to obtain the services of foreign experts or consultants who are necessary. Such arrangements exist at Government-to-Government level as through the Colombo Plan, etc. It is recognised that the development of expertise in India is one of the important results of foreign investment and is itself likely to step up further investment. Government approval is given to payments by Indian companies to foreign collaborants towards research fees, technical services, etc. In giving such approval, the amounts to be paid, once mutually settled by the parties themselves, are generally not interfered with.

Royalty

So far as royalty is concerned, a distinction is made between the element of royalty as such, and the element of services rendered abroad by the foreign collaborant. The latter is exempt from tax. About royalty itself, Government are not committed to any particular rate, though 5 per cent. is, in practice, found to be generally the maximum rate—to the extent to which generalisation can be made in such matters—which the Indian and foreign collaborators themselves agree on. With reference, however, to specific cases where there has been adequate justification, Government have permitted royalties in excess of this percentage. There have been practically no instances where negotiations between two parties have broken down because Government declined to approve of a particular rate of royalty as being unduly high.

Taxation

The Government of India have already provided substantial tax concessions by way of incentives for the industrial development of the country. The more important of these tax concessions are, to mention briefly:

(a) Exemption from income-tax of the profits made by industrial undertakings newly established, during the first five years from the commencement of manufacturing operations.

(b) Exemption from income-tax to a shareholder in a newly established industrial company, of the dividends he receives from the company out of the profits exempt from tax in the hands of the company.

(c) Exemption from super-tax to a company for an indefinite period on the dividends it receives from an Indian company established after 31st March 1952, and engaged wholly or mainly in certain specified important industries.

(d) For all business enterprises, an outright allowance, known as "development rebate" of 25 per cent. of the cost of new plant and machinery (40 per cent. in the case of ships) in the first year of installation of the asset, thereby enabling the enterprises not only to write off the full cost over a period of years by way of depreciation allowances but also to get further tax relief on 25 per cent. of the cost.

(e) Outright deduction or amortisation over a period of five years of expenditure incurred by business undertakings on scientific, statistical or social research relating to the class of business carried on.

(f) Application of a concessional rate of super-tax in respect of dividend incomes received by a company from an Indian subsidiary company.

(g) Exemption from wealth tax for newly established industrial companies on their net worth for a period of five successive assessment years, following their incorporation.

(h) Exemption from wealth tax to individual shareholders on their investments in shares of newly established industrial companies, during a period of five successive assessment years following the establishment of the companies.

(i) Exclusion from net worth for purposes of wealth tax in the case of all companies of the value of shares held by them in other companies.

These tax concessions go to reduce substantially the incidence of tax on industrial enterprise in India. It is important to note that these concessions are available to foreigners and foreign enterprises in regard to their tax liability in India to the same extent as they are available to Indian nationals and Indian enterprises.

In addition, there are certain other incentives which are of value particularly to the foreigners:

(1) Exemption from income-tax is conferred on interest payable—

(i) by an industrial undertaking in India on moneys borrowed by it under a loan agreement with a financial institution of a foreign country, if the institution is approved by the Government of India;

(ii) by an industrial undertaking in India on

(Continued on page 282)

AUGUST FROLIC

From Our Own Correspondent

LONDON, *8th August*

THE weather during this holiday season has been so bad that it must have kept a great many people back in the City who would normally have long ago gone away. That can be the only explanation of the general activity in all branches of the Stock and Exchange Markets—a very significant contrast to the usual dullness of what is called the "silly season." And there is, after all, plenty of excuse for bullishness. First of all, the month began with the announcement of a further rise of £3 million in the gold and dollar reserves in spite of a payment of over £19 million to the European Payments Union in respect of June. It is known that the deficit for July with the E.P.U. is £18½ million and three-quarters of this will fall to be settled in August in gold or dollars. But the sum is substantially less than the amount that had to be paid over in July and, if the position *vis-a-vis* the rest of the world can be held, there should be another rise in the reserves at the end of this month.

LONDON LETTER

Trend of Reserves

This result is particularly impressive against the political drama of the past month calculated to cause a run on sterling and, of course, the fact that July is traditionally a bad month trading-wise. Whitehall and the City are very satisfied and the New York spot rate has moved up to the highest figure for a month, namely $2.81. Clearly, overseas operators are confident in sterling. It is now ten consecutive months in which the reserves have increased and their total of $3,084 million is not only $1,234 million higher than their low point of nearly a year ago, but the highest for nearly seven years!

With sterling strong and the bill rate in the City at about 4 per cent. back to the level before the Iraq crisis, it is not at all impossible that there should be a further cut in the Bank rate from the figure of 5 per cent. which was set in the middle of June. All this has helped to push up the stocks indices to new high figures. The recovery—again viewed against the background of the Middle Eastern crisis—is really most encouraging. A year ago, the industrial ordinary index stood at 200, then came the collapse of the September crisis and early this year the 1958 low point was 154. Since that time, the index has made good more than half the loss since a year ago and stands just a fraction short of 180. Government securities have done even better. A year ago, the index stood at 82.9, the low point early this year was 79.4 and, while they were a little earlier as high as 84.4, they are still very strong at 84.1. The pattern for all fixed-interest securities is similar, and the strength of Gilt-edged is no doubt due to a genuine investment demand. One of the reasons for this is, of course, the relaxation of the credit squeeze which has made bankers positively offer money to their customers. It is an almost forgotten and impressive experience from the point of view of the borrower!

Industrial Output

But, on the industrial side, there is a very much quieter picture. Since the earlier publication by the Federation of British Industry all spare capacity known on this point has been vastly supplemented by the interim reports of the National Institute of Economic and Social Research. In the metal working industries, there is an under-use of capacity of about 20 per cent. This is a realistic figure based on the comparison with the level at which the industry would be working most economically and to meet such a potential increase in demand would require a 7 per cent. increase in employment. Obviously all firms could not attract such a supply of labour, in spite of the fact that, particularly among juveniles, unemployment is increasing rapidly. Of course, averages such as the one quoted for the whole industry conceal at one end of the scale firms which are fully occupied and at the other a surplus capacity as high as 40 per cent. The general picture is not surprisingly of a very erratic pattern of business activity both as between industries and between firms in those industries. However, with the holiday season, as far as industry is concerned, in full swing, one should perhaps wait until the Autumn before attempting a more detailed assessment of the general trend of production.

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GERMAN MARK IN TEN YEARS

GOLD AND FOREIGN CURRENCY COVER EXCEEDS 100 PER CENT.

By A Special Correspondent

ON 20th June 1948, currency reform took place in the three western zones of occupation in Germany. After Hitler had assumed power, he had pursued a reckless financial policy which steadily reduced the value of the "Reich Mark." Owing to the expenditure for armaments and the war, the Reich Mark was worth only a fraction of its former value after the collapse. Extreme distress held sway over Germany from 1945 to 1948. War and collapse had caused the greatest dearth of consumer goods and victuals everywhere. A large amount of money was thus met by only a small offer of goods. The result of this was the so-called "black market" with the excessive prices, especially for foodstuffs.

Thanks to the currency reform of 20th June 1948, the population of Western Germany suddenly possessed stable currency once more. At the same time rationing was abolished in the Federal Republic of Germany. Professor Erhard's clever economic policy, which did not fetter the productive forces of the Federal German Republic tied down for so long with stupid controls, resulted in an increase in the value of new "German Mark" within a very short time. On the home market, as well as on the markets of the entire world, the German mark gained the status of a stable and secure means of payment within ten years.

Two world currencies were hitherto regarded as particularly stable: the U.S. dollar and the Swiss franc. So if the German mark's career so far is to be traced, it is advisable to measure it against these currencies. Shortly, before the 1948 currency reform, a Swiss franc was worth about 25 German Reich Marks. It is, therefore, not surprising that the newly created German Mark at first enjoyed but little confidence abroad, particularly in Switzerland. Shortly after currency reform, only Swiss Frcs. 18 were paid for DM.100, i.e., DM.5.50 for one Swiss franc. The rate of exchange was similar in respect of other currencies. The German Mark was regarded as "soft currency" everywhere.

In 1949, the Federal Republic of Germany was founded. The value of its money increased in proportion to the growing internal economic and financial stability of the new State. More and more goods were produced, so that the proportion of goods and money increased the monetary value steadily. Soon Swiss Frcs. 50 were paid for DM.100, and in 1953 the rate of exchange between German and Swiss money was at par: DM.1 was worth as much as Swiss Frcs. 1.

Foreign observers viewing these first five years of the life of the new German money coined the expression "German Miracle." People in the Federal Republic of Germany do not like to hear this, because this rise was due to causes which were anything but "miraculous." Apart from the economic and financial policy and the industry of the people, the initial foreign assistance of the Marshall Plan must be mentioned here in the first place, without which the mechanism of German economy could not have slipped into gear so quickly.

In the autumn of 1954 the so-called "par rate of exchange" in respect of the Swiss franc was exceeded, and Swiss Frcs. 104 had to be paid for 100DM. Since then, the value of the German currency has increased only insignificantly *vis-a-vis* the Swiss franc. But this statement does not yet take into account the reserve of internal values which is guaranteed by the cover in precious metals. The DM. bank note has the value of a piece of genuine gold all over the world today, for the gold holdings of the Federal Bank in ingots and specie have grown more and more. In July 1954, the safes contained 1,840 million DM. gold reserves. Very soon the 2,000-million mark was exceeded. To this must be added steadily increasing reserves of foreign currencies with gold cover, and of foreign bills of exchange and cheques. While the German currency in circulation was covered by gold and foreign currency up to 90 per cent. already in 1955, complete cover was attained in 1956. In 1957, a state of affairs was reached which had never previously occurred in German history: the gold and foreign currency reserves of the Central Bank exceeded the amount of money in circulation by one quarter. This means that each German mark in the "consumer's" purse is covered by gold to the value of DM.1.25.

This healthy position of the hard German

(Continued on page 282)



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BRITISH BANKS' NEW VENTURE

INTEREST IN HIRE-PURCHASE COMPANIES

THE most important development in the British banking world in recent weeks is the deviation from the traditional pattern of business to the direct participation by almost all the big banks in the hire-purchase system. They have done so by taking a sizable interest in the share capital of hire-purchase finance houses. Hire-purchase system has been in vogue in many Western countries of the world, notably in the U.S., but the main point of difference between some of them is the role of banks in the financing of this business. In the U.S., banks have their own hire-purchase finance service. In Australia, bank participation in hire-purchase system is generally limited to the ownership of a substantial portion of the share capital of separate hire-purchase finance houses. In Britain, banks' interest in hire-purchase activity has, for the last twenty years, been confined only to providing credit facilities to hire-purchase finance houses, which in their turn finance directly hire-purchases by consumers.

It will be interesting to recall here that, in 1930, the Bank of England invested £250,000 in the United Dominions Trust, which has now grown to be the biggest finance house, and later on increased this investment to £500,000. The Bank's holdings were subsequently (in 1936 and 1937) disposed of to other shareholders of the U.D.T. The reason for the Bank of England's investment in U.D.T. was the belief of the then Governor of the Bank of England, Mr. (later Lord) Montagu Norman that hire-purchase system provided a stimulus to increasing consumption in a flagging economy. Although the Bank of England thus initiated the development of hire-purchase business, the commercial banks were not allowed by tradition and convention to take a direct interest in this form of credit. During the last twenty years of official restriction on participation of commercial banks in share capital of finance houses, British banks have not deviated from the traditional line of providing mere credit facilities.

Tradition Broken

The distinction of breaking the tradition goes to the Commercial Bank of Scotland, which, in 1954, acquired one of the largest hire-purchase houses, Scottish Midland Guarantee Trust, because it was felt that the time had come for commercial banks to establish closer association with hire-purchase, as it would be beneficial to banks, as well as to finance houses.

The first British bank to give a lead in this direction after the Scottish bank, was Barclays Bank, one of the "Big Five" London clearing banks. A fortnight ago, this Bank entered into an agreement with the United Dominions Trust, the biggest finance house in Britain, under which it acquired a 25 per cent. interest in the equity capital of the U.D.T. by subscribing £4 million to 1 million new ordinary shares of £1 each at £4 per share, with the consent of the Capital Issues Committee. Barclays Bank is also arranging for its Scottish affiliate the British Linen Bank, to participate in the investment. Barclays Bank will be represented on the Board of the U.D.T., but it will not participate in the conduct of the business.

The example of Barclays Bank was soon followed by two others (of the "Big Five"). Subject to the sanction of the C.I.C., the Westminster Bank and Martins Bank each agreed to take up a 20 per cent. interest in the new capital of the Mercantile Credit Company. Close on the heels of the announcement of these two alliances, the National Provincial Bank also made known its offer to purchase the shares of the North Central Wagon and Finance Company now held by the Prudential Assurance Company, Ltd., amounting to 54.7 per cent. of the total capital. The offer made by National Provincial to acquire the £1 share at £4 10*s.* each has been accepted by the Prudential.

The main points of difference between this deal and the two announced earlier is that the National Provincial is acquiring control of the finance house, but is not providing fresh capital, by this transaction at least, whereas the other three banks have not sought or gained control of the two finance houses, but are subscribing to new shares. Another point of difference is that while Barclays, Westminster and Martins are purchasing the shares of the two finance houses at a price below the market value, the National Provincial has offered a price above the market quotation.

The Midland Bank and Clydesdale and North of Scotland Bank have joined the ranks of these banks when their joint offer to purchase the entire share capital of Forward Trust, a medium-sized finance house, were accepted by the present shareholders. Another association will take place if the proposed merger of the Lloyds Bank's Scottish subsidiary, the National Bank of Scotland, and the Commercial Bank of Scotland fructifies. The latter, as already pointed out, owns the entire capital of the Scottish Midland Guarantee Trusts. Yet another link between banking and hire-purchase finance was made when two leading private banking houses of London, Samuel Montagu and Co. and Guinness Mahon and Co., joined hands with Olds Discount Co. of Nottingham. Two of the leading London merchant banks have also concluded an agreement with another of the more important finance houses to develop the business as a joint undertaking. Negotiations now carried on by some of the clearing banks, medium-sized non-clearing banks and merchant banks indicate that the incursion of commercial banking institutions into the field of hire-purchase will gather momentum. The official attitude towards this development is not unhelpful, as was the case till recently.

Impediment

The Commercial Bank of Scotland's venture in 1954 proved such a success that other British banks too would have immediately followed its footsteps but for the continuation of credit squeeze, the restriction on raising of fresh capital by finance houses and the official prejudice against mingling of ordinary commercial banking with hire-purchase financing, imposed during 1955 and 1956 as part of the Government's disinflationary measures. The way to the latest development, namely, direct participation of banks in the capital structure of finance houses, was cleared by the Government last month, when it removed the credit squeeze and dropped its prejudice against bank participation in hire-purchase business. The change in official policy was contained in the Chancellor of the Exchequer's letter to the Capital Issues Committee last month, which stated *inter alia*, that "the Treasury will be prepared to act on a recommendation in favour of an issue where the Committee considers that the raising of finance is desirable as a means of improving the stability of the hire-purchase financial system." This statement represents a reversal to the policy enunciated by Lord Norman, when he was the Governor of the Bank of England. The authorities evidently feel that hire-purchase system provides immense scope for orderly development of large and stable organisations dispensing consumer credit, though a number of restrictions on the terms of hire-purchase and other kinds of credit are still retained. It is after the aforesaid official clarification that Barclays Bank clinched its deal with the U.D.T.

A Good Opportunity for Banks

Even before the Treasury announcement about the ending of the credit squeeze, the British banks are said to have been feeling that hire-purchase is a field in which they have reasons to enter, as it offers immense scope for developing their lending business. Only the credit squeeze has been holding them up so far. The latest development, namely, the association of banks with the hire-purchase business, provides an opportunity to banks for broadening their activities, but there are no indication of banks' eagerness to go beyond the participation in the share capital of hire-purchase financing houses. They seem to have no intention, at least for the present, of engaging directly in hire-purchase business, as the American banks do. Even if they want to, they have to keep, so we are told, the two businesses separate, because of the differences in principle as well as procedure between the two, though they are somewhat akin. The present limited association itself will be of mutual advantage to banks as well as finance houses, as both will be eager to promote the interests of the other. The hire-purchase financing houses' capacity to expand their business will increase, thanks to an increase in their resources, following the increase in the size of their capital with the funds of banks.

The capacity of these finance houses depends on (1) its share capital and reserves and (2) its loan capital including deposits and borrowings from banks. The loan capital is, however, limited by the share capital and reserves. It is not considered prudent for a hire-purchase house to allow the loan capital to exceed, beyond a certain number of times, its share capital and reserves, the actual ratio depending on the size and reputation of the house concerned. Accordingly, if a bank or an insurance company invests in the share capital of a finance house, it leads to an increase in the lending capacity of the latter many times the capital invested by the bank or the insurance company. Thus, in the case of U.D.T., Barclays Bank itself is now providing it with £4 million and this sum goes to strengthen the creditworthiness of the U.D.T., by which it can get more credit, and possibly at a cheaper rate, from Barclays Bank itself or any other bank. The bank-backed finance houses will no doubt continue to take deposits from the public, without solely relying on their associated banks' credit, but they may now be able to offer more competitive rates as compared with those quoted by other finance houses. At present, most of the institutions quote one per cent. over the Bank rate for three months' deposits.

From the point of the investing bank, the amount invested holds promise of a growth investment, if the recent trend in hire-purchase business is any guide. The public, too, is likely to gain; for, with increasing competition in this line of business, cheaper credit from banks to finance houses and lower rates of interest offered on deposits from the public, the hire-purchase charges may tend to decline. The result of all these will be an expansion in the volume of hire-purchase business which in turn will stimulate the offtake of such manufactured goods as motor cars, TV sets, radios, kitchen equipment, furniture and other consumer durables.

It may be mentioned, in passing, that even before banks began to take an interest in the capital structure of finance houses, hire-purchase business in Britain has been steadily growing. The total outstanding hire-purchase credit at the end of May this year was about £500 million (as against £450 million at the end of July 1957), of which those owing to hire-purchase companies, large and small, accounted for £286 million and to shops selling household goods for £213 million. A notable feature of hire-purchase business during the current year is the increasing share of it by the finance houses; the outstanding credit owing to them has risen from £257 million at the end of 1957 to £286 million (or about 58 per cent. of the total hire-purchase debt) at the close of May 1958.

The end of credit squeeze on 31st July has given banks an opportunity to enlarge their lending operations and the consensus of opinion is that they must give thought to exploring new avenues of business. The hire-purchase system offers a useful field, but the present indications are that no major change in the existing borrowing and lending patterns of British banks can be expected in the near future.

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PRODUCTIVITY MOVEMENT AND MANAGEMENT SCIENCE

KNOWLEDGE OF THEORY HIGHLY VALUABLE

By Manubhai Shah

UNION MINISTER OF INDUSTRY

IN recent years, there has been some awakening and keeness in the country to know more about the scientific techniques in management. This is a very healthy development which has promise of a better future for our industries and business. It is in keeping with the trend in other countries. Management science is now regularly taught in universities and institutions and numerous courses of short and medium duration for management training are held periodically. Business concerns in Europe and America regularly spare even their top-ranking executives for attending such courses. They have found that their efficiency substantially increases by the knowledge imbibed by the management by attending such courses. Our industry is obviously in great need of acquiring this knowledge.

Management in its various techniques may be a comparatively new science but in its fundamentals it is as old as the oldest history. Its principles have come to be evolved as civilisation has progressed. For example, the Scalar principle of organisation and delegation, and the exercise of management functions by the principles of exception, may be claimed to be a modern principle, yet in the Bible, which was written 2,500 years ago, we come across the passage: "Moses chose able men out of all Israel and made them heads over the people, rulers of thousands, rulers of hundreds, rulers of fifties and rulers of tens. And they judged people at all seasons. The hard cases they brought unto Moses, but for small matters they judged themselves." These are obvious principles of modern management techniques. Centuries before the Christian era, the Babylonians knew in their own simple way, of the "minimum wage rate," the Chinese knew of "labour turnover" and the Chaldeans knew of the "incentive wage plan." In our own country, Kautilya's remarkable thesis, the *Arthashastra*, written nearly 2,000 years ago, dealt not only with various aspects of political economy but also with problems of public management. In about the same period, the Greeks knew of "division of labour" and "transfer of skill." Admittedly the actual terminology used to express these various principles were then quite different from what subsists today, but the fundamentals of economics and of economic production—embodying also the fundamentals of management science—had been evolved long ago.

Industrial Management

While it is interesting to trace back to antiquity—the beginnings of all human knowledge—the body of principles which form the basis of modern management techniques can be linked to the rapid growth of industrial production in the nineteenth and twentieth centuries; to its accompanying social and economic problems; to increasing competition both within a country and on an international scale; and to the rapid strides made by science and by innovation. All these call for an amalgam of specialisation and of large-scale production, and an increasingly complex job of "management" as such, as distinct from the age-old artisan who was his own "manager." The problem of industrial management today is a direct heritage of scientific progress in the field of production.

The techniques and analytical processes of the science of management have thus grown much like the natural and physical sciences. The increasing complexity of industrial production and the ramifications of problems following thereon have started overthrowing the misplaced confidence of the hereditary managers that they knew all that was required to be known and that there was nothing that management techniques could teach them. There is happily a growing feeling everywhere that the days of industrial and business management "by guess or by God" are now gone. Today management is more than merely the mechanics of making, buying and selling. Born managers are increasingly getting fewer in number. Management by intuition or hunches or tradition or heredity is no longer considered good enough to work on.

It is true that the theory of management is not a substitute for its practice. But I am reminded of the story of the Irishman, who, after hearing a talk on the utility of gaining experience by practice, came forth with the question, "That is all very well in practice, but how will it work in theory"? In fact, one would say that an ounce of practice is worth a ton of theory, but an ounce of theory properly grasped may be a safe foundation on which to place a ton of practice and experience. We cannot disregard the importance of learning the fundamentals of the science of management, because these alone will enable the superstructure of management practice to be built and imbibed. If one does not go to a school of management or attend courses on management, then the only school open to him is what Lord Lever once characterised as the University of Hard Knocks. The cost of gaining knowledge in this manner is obviously very heavy for experience runs an expensive school. Undoubtedly, as in work, so in life, there is no substitute for experience. But proper training helps to accumulate and imbibe experience quickly and in a right selective manner.

Training in Management

We should, therefore, organise training in scientific management all over the country in order to create a class of professional managers, who would be the future leaders of industry and business. This trend has already taken shape in the countries which have advanced in technology and industry. The underdeveloped countries are fast realising that this is indispensable for their progress. We in India have so far started management education only in a small way. Business management courses have been initiated only in the Universities of Delhi, Bombay, Madras and Calcutta, and there too the facalities available fall very much short of the demand which is already in evidence. Industrial management courses have been started only by the Indian Institute of Technology, Kharagpur. Such courses are proposed to be introduced also in Technological Institutes which are projected for Madras, Bombay and Kanpur. Some short courses in management and in various subjects allied to management are being organised by certain institutions and organisations, but the volume and nature of this effort is yet much too inadequate for meeting the requirements.

The aim should be to organise training courses all over the country, to suit different levels of management, in all possible subjects which come within the purview of the science of management. In the process of organising this training, we should make use of all the various existing organisations and institutions which can undertake such courses, and we should mobilise all the available indigenous talent for conducting the courses. Simultaneously, emphasis should also be placed on the training of trainers. The subjects which I have in mind for organising such training include those like personnel administration and human relations, work study, time and motion study, job evaluation, factory planning and plant layout, materials handling, materials utilisation, production planning and control, cost control, quality control, marketing analysis and distribution.

Training in Other Countries

Such training in industrial and business management has been extensively organised in European countries and America. Between four and five million people in Europe today hold managerial positions. To equip the personnel for holding these managerial positions, hundreds of thousands of persons are being trained in European countries every year. Some of the larger corporations have their own Management Training Schemes. For the rest, there are nearly 150 full-fledged institutions meeting this demand in Western Europe alone. A number of institutions, organisations, firms of management consultants, etc., organise training courses of various durations in different subjects. In America, in 1957 alone, 300,000 executives went to schools to learn to be better bosses. The American Telephone and Telegraph Company recently put 1,800 of its executives through a four-year management training course. There are 23 Management Training Associations in America which train executives of the companies which do not have their own training programmes.

Experts hold varying opinions about the methods which should be adopted in the training. Some specialists are of the view that verbal knowledge is not effective knowledge, and they insist only on case studies or discussion conferences. Others hold that class-room method cannot be altogether dispensed with in organising the training. A happy blending of the classic and the modern methods is what is required in our country. Class-room lectures to a limited extent would be indispensable for imparting information to the trainees; case studies would be best for arousing "self-activity" and motivating individual thinking; factory visits and "guided study visits" provide training by precept and are, therefore, very effective; film shows and other audio-visual aids impart training through optical simuli and, therefore, help better retention. These are all well recognised methods. In addition, training within industry, abridged into the well-known words T.W.I., is a pattern of training which has obvious merits and is not possible to be substituted by any more satisfactory method. "On-the-job" training for the lower levels of management can best be organised in the shape of proper and willing delegation, which unfortunately is very rare in our industries. It has been well said that "it costs money to train but costs more money not to train." This fact is being increasingly realised by the management everywhere. T.W.I. methods should be intensively adopted everywhere by our industries. It is primarily at the shop floor level that one can imbibe and generate ideas for the improvement of efficiency; and the supervisors and foremen are the functionaries who can best promote and sustain this improvement.

Productivity Movement

Through the "Productivity Movement" also we are seeking to promote better management. There is perhaps hardly any other word which in recent years has been considered more closely synonymous with a nation's progress than the word "productivity." It is in fact the key to progress and, therefore, a key to our future welfare. It has been amply demonstrated that by incorporating various scientific techniques and processes, and without additional investment, it is possible to attain substantial increases in productivity. The increase in productivity helps reduction in costs of manufacture, brings out better quality which in turn stimulates expansion of markets, and leads eventually to greater profits to the industry, more wages and shorter working hours to the workers, and general improvement of living standards for the nation. I am convinced that the nation's welfare lies the productivity way, and that productivity is in effect the recipe of the millennium which we seek. With the co-operation of all shades of opinion among employers and labour, and of the existing institutions and organisations which in their respective spheres are dealing with various aspects of productivity, we have recently established the National Productivity Council. We aim at organising a network of local productivity councils all over the country in the industrial centres. Through these organisations we will launch the productivity drive, propagating productivity consciousness in the country and providing the training of services which the industry requires.

Scientific Management

Good management implies an unbiased, analytical approach. The capacity to listen and learn is as important, if not more, as the capacity to plan and give orders. Machines and equipments do not function without people to operate them and keep them in repair. And people need sympathy and help as much as leadership.

Good Management, therefore, has always meant getting effective results with people and good public relationship and public management. A good manager gets people to work with him, not primarily because he has power over them and can order them about, but because he is a kind of leader for whom they want to do their best. Because he is considerate for the men behind the job. Because he values them infinitely more than the job. Management, therefore, is the development of one's own self and the development of people and not the direction of things. Management and personnel administration are not two separate things. They are one. As it is rightly said, management is real leadership, not "drivership" or "bossism." This has to be constantly borne in mind. Through better and more scientific management, we can rapidly foster the productivity movement and help the national progress.

TRENDS IN COTTON TEXTILE INDUSTRY

PRODUCTION, EXPORTS AND STOCKS DOWN

SIX weeks have elapsed since the Government of India announced modifications in the levy of excise duties on mill-made cotton piece-goods. These modifications, together with the removal of uncertainty regarding excise duties following the Government's categorical declaration that there would not be any further revisions, may be expected to help the mills to some extent in clearing their stocks. The total quantity of cloth lying with mills at the end of July was of the order of 871 million yards, as against 848 million yards before the revision of excise duties was announced on 4th July and 990 million yards towards the close of December 1957.

The reduction of 119 million yards in stocks over the seven-month period ended July was due not so much to a rise in offtake as to the marked drop in production. Currently, the output is running well below 4,900 million yards per annum, as against 5,317 million yards produced in 1957. During the first seven months (January-July 1958), not more than 2,873 million yards of cloth are estimated to have come off the looms of mills, as compared with over 3,168 million yards in the same period last year, that is, a fall of 315 million yards.

On the export front also, the industry has been faring badly. In June-July, exports (according to preliminary estimate) were only 27 million yards per month, the lowest level for several years, in the past 10 years, to be a little more precise. The total for the seven months under review is also substantially lower, being about 319 million yards only, as against nearly 510 million yards in the comparable period of 1957. The quantity of cloth consumed within the country also has not shown any significant rise, notwithstanding the rise in population. Such a phenomenon is not surprising at all, considering the decline in consumers' capacity to spend money on cloth owing to high prices of food and the heavy incidence of excise duty on cloth.

Plight of Spinning Units

The fall in cloth production has followed a perceptible drop in yarn output. During the seven months ended July, about 966.81 million lbs. of yarn were produced, as against 1,040.70 million lbs. in the same period last year. On this basis, the total output for the whole of 1958 may be estimated at about 1,630 million lbs. which compares markedly unfavourably with the all-time peak output of 1,773 million lbs. touched last year. The position of purely spinning mills seems to have become infinitely worse than that of composite mills. Despite all the huge props given by the Central and State Governments alike, the handloom industry has failed to expand its production to the extent anticipated by the planners. This in turn has adversely affected the offtake of yarn. At the same time, the expansion in spindleage, undertaken in the hope that the handlooms will provide the necessary outlet for the increased output of yarn, has taken place according to schedule. The result is an increase in the spinning capacity as well as in stocks of unsold yarn. The position has become so bad that even a first class unit like the Madura Mills has found it necessary to resort to short-time working and seek permission to effect a cut in dearness allowance. That this should be the state of affairs in the spinning mills despite an enforced cut in production occasioned by acute shortage of power in the Madras State during the summer months, provides a striking commentary on the ill-advised cotton textile policy of the Government. The Joshi Committee, which went into this question, has accepted this pathetic position with abject resignation and coolly recommended curtailment of production by spinning units and suspension of all expansion schemes which have not yet been implemented.

The trend of mill yarn and cloth production—month by month—in the first seven months of 1958 and 1957 is indicated below:

	Cloth (million yards)		Yarn (million lbs.)	
	1958	1957	1958	1957
January	436.53	488.70	148.70	158.40
February	391.45	435.10	132.86	143.20
March	405.56	453.30	138.48	150.50
April	407.77	464.40	134.07	153.70
May	421.25	453.10	138.70	149.90
June	390.00	419.60	128.00	137.00
July	420.00	458.90	146.00	150.10
Total	2,872.56	3,168.10	966.81	1,040.70

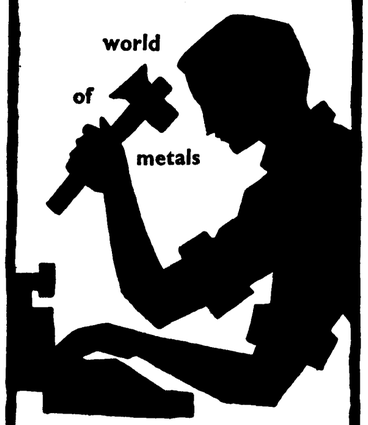
The downward trend in the production of cotton textiles during the current year has been the result of less intensive utilisation of the mills' capacity, thanks to the high cost of production, on the one hand, and drop in sales and price, on the other. The daily average number of looms run in the second and third shifts during the five months ended May 1958, for instance, was 166,039 and 39,993, as against 174,202 and 52,098, respectively, during the same period of 1957. The first shift also accounted for a smaller number of looms run, being 177,926, as against 183,899. Likewise, the daily average number of spindles run in the first, second and third shifts during the aforesaid period was lower at 10.76 million, 10.23 million and 4.27 million, which compares unfavourably with 10.98 million, 10.52 million and 4.97 million, respectively, a year before.

Employment

Consequent on the decline in the spindles and looms worked, the daily average number of workers (including *badlis*) employed suffered a fall during the period (January-April 1958), such being 910,779, as against 950,711. The fall was accounted for entirely by composite mills, the number of workers declining from 849,900 to 804,512. The number of workers employed in spinning mills rose slightly from 100,811 to 106,267 apparently because of the increase in spindleage. The following table indicates the trend of employment in the Bombay cotton mill industry:

	First shift	Second shift	Third shift	Total
January (first working day)	110,801	76,284	21,898	208,983
February	109,926	75,822	21,558	205,306
March	107,849	74,757	21,466	204,072
April	108,569	75,116	20,546	204,231
May	106,535	73,548	19,799	199,882
June	106,863	73,559	19,702	200,124
July	105,475	72,668	18,691	196,834

The whizzing wheels race with time to reach the target. He works all day long, in a world of metals. The bus on the roads, the plane up in the air, the ship on the high seas, the train on the tracks all need metals which he helps to produce. Yes, in his own way, he is shaping the nation with metals.



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Following the less intensive utilisation of the mills' capacity, the consumption of cotton in mills has been lower. During the first five months of 1958, the quantity actually consumed was 2,036,008 bales (of 392 lbs. net each), as against 2,235,296 bales in the corresponding period of 1957. The whole of this decline was accounted for by Indian cotton, the consumption of which fell from 2,010,785 bales to 1,806,380 bales, while that of foreign cotton rose slightly from 227,641 bales to 229,628 bales.

More Coarse Cloth

The decline in the mill output of cloth so far in the current year has been shared by all the varieties, coarse, medium, fine and superfine. The production of coarse cloth during the first five months of the year amounted to 387.03 million yards, as against 481.36 million yards a year before. The output of medium, fine and superfine varieties were lower at 1,434.71 million yards, 135.11 million yards and 105.70 million yards, as against 1,526.40 million yards, 166.08 million yards and 115.72 million yards, respectively. The table below gives the month-by-month figures relating to the production of different varieties of cloth during the January-May periods of 1958 and 1957, as also during the whole of 1955, 1956 and 1957:

(In million yards)

	Coarse	Medium	Fine	Superfine	Total
Whole of 1955	572.47	3,758.63	462.30	301.07	5,094.47
Whole of 1956	718.64	3,706.61	444.04	347.29	5,306.58
Whole of 1957	1,163.71	3,502.91	383.07	267.73	5,317.42
January 1957	102.80	320.17	36.01	25.23	483.71
February 1957	94.53	286.01	32.05	22.49	435.08
March 1957	95.13	301.72	33.03	23.44	453.32
April 1957	96.29	311.72	32.81	23.66	464.88
May 1957	93.11	306.78	32.18	20.99	453.06
Total Jan.-May	481.36	1,526.40	166.08	115.71	2,289.55
January 1958	86.36	299.88	28.76	21.52	436.52
February 1958	74.20	271.74	25.94	19.57	391.45
March 1958	73.77	284.59	26.28	20.92	405.56
April 1958	73.38	286.69	26.55	21.15	407.77
May 1958	79.32	291.81	27.58	22.54	421.25
Total Jan.-May	387.03	1,434.71	135.11	105.70	2,062.55

The share of coarse varieties of cloth in the aggregate mill cloth output which had risen sharply from 11.2 per cent. in 1955 to 13.5 per cent. in 1956 and still further to 21.9 per cent. in 1957 has since tended to recede, though the level is still uncomfortably large. During the first five months of 1957, for instance, it was lower at 18.7 per cent. The appreciable increase in the production of coarse cloth last year was due to two factors, namely, defective structure of excise duties under which better varieties of cloth were subjected to an excessive burden and labour law that made it difficult for the mills to retrench labour and reorganise production through modernisation or addition of new equipment. This defect has no doubt been modified to some extent in the latest rationalisation in the structure of excise duties, but not completely eliminated. In fact, since the burden on fine and superfine cloth has been increased, the stress in the coming months may be on production of medium counts. There may, therefore, be an uncomfortably large increase in the output of medium counts and a scarcity in fine and superfine counts. Indeed, reports from the cloth market claim that, in anticipation of this development, there has already been a perceptible rise in the value of fine and superfine cloth.

TEXTILE INDUSTRY IN IRAN

It looks as though Iran may cease to be a market for Indian cotton textiles in the coming years. For this country has accorded a very important place to the development of textile industry under the Seven-year Plan. Two plants are now being erected, one on the outskirts of Teheran —this is almost completed—and the other at Shahi near the Capsian Sea which is expected to be completed in about a year. It is claimed that these are the two largest textile producing plants in West Asia, each comprising 31,000 spindles, 1,000 looms and 2,500-k.w. thermal power plant.

The machinery and equipment for the plants worth about $11 million are being supplied by the Italian firms of Nuova San Giorgia of Genoa and Officine Galileo of Florence. The plants will be operated, in the initial stage, by Italian personnel in co-operation with the textile section of the Seven-year Plan Agency. A large group of Italian engineers and workers is at present in Iran to supervise the work of erection and adjustment.

When the new plants go into operation, the installed capacity of Iran's textile industry will be higher by about 20 per cent. The number of spindles and looms now in place in Iran is 168,000 and 3,132, respectively. Iran is one of the largest cotton producers in West Asia; the annual rate of output is of the order of 285,000 bales of 478 lbs. each. The production of cloth has, however, not been sufficient to meet the entire domestic requirements, so that Iran purchases large quantities of cloth from foreign countries every year. Imports of cloth into Iran during 1957 aggregated 5.19 million yards from India, 18.29 million from Japan and 2.05 million yards from the U.K.

TEXTILE INDUSTRY IN DIFFICULTIES

"ALWAYS BUY BRITAIN'S COTTONS" CAMPAIGN LAUNCHED

From A Special Correspondent

MANCHESTER, *6th August*

MANCHESTER LETTER

IN the space of 30 years or so, circumstances in any industry can be expected to change, but there are certain aspects of the existing position in the cotton textile trade in Lancashire which bear comparison with the inter-war era. Whereas trading conditions a generation ago often bore a resemblance to the current lack of enterprise being shown by customers, the methods adopted to deal with a period of adverse trading are now by no means similar.

One of the most frequent measures used to relieve producers when business was bad in the 1920's was a spell of organised short-time working. In those days, it was possible to regulate output by a general agreement to cut production by stopping machinery for a stipulated period. This attempt at equalising supply and demand was governed by the employers' organisations with varying success, according to the severity of the particular phase of depression.

It is significant that, despite the recent ups and downs of trading activity, particularly since 1951, the question of organised short-time has never been seriously brought forward as a means of gaining relief for Lancashire producers, however bad the current trading position has been. When the first recession was encountered in 1952, there was a reluctance to adopt any arrangement which might interfere with the supply of labour, built up so carefully and energetically since the end of the war. When it became obvious that the lack of orders meant that the grip on manpower would have to be released, the situation had already got beyond the scope of any general action to curtail output. Subsequent variations in activity have not been severe enough to bring any widespread call for an overall restriction on production, although the larger mill groups have been able to adopt their own schemes of this kind by operating with a shorter week in specified mills.

Warning to Whitehall

There are some traders who believe that, given a lead, the industry could still act in unison in this matter. They contend that not only would a move of this kind enable greater equilibrium to be attained between the volume of output and the current demand but that a general closure of the mills for a specified period would have a salutary effect on the Government as indicating the depth of the depression to which the industry has sunk.

Among those who take this view is Mr. William T. Sutcliffe, Chairman of Taylor and Hartley (Textiles) Ltd., the spinning and weaving group, who made no secret of his opinions at the annual meeting last week. In an address to shareholders covering most of the main topics at present under consideration in the trade, he said that a move to organise a complete stoppage of the mills would not only curb overproduction but might indicate to the authorities in London how seriously Lancashire traders regard the situation. He also criticised the attitude of those distributors who imported foreign cloth, pointing out, not for the first time, that the whole question of arrivals of goods made abroad is in reality governed by the readiness of some firms to import them. To those who did, he gave a warning that the time might come when they would wish to buy Lancashire cloth; then they might find such supplies difficult to obtain.

At the same meeting, Mr. W. T. Shackleton, the Deputy Chairman, who will be remembered for his paper at the Cotton Board conference two years ago which first drew attention to the alarming number of mills which had closed, provided a slightly more encouraging note. While admitting the difficulties of current trading, he looked ahead, stressing the continual rise in world population. Although the clothing needs of many developing countries in the East would be met by their own rapidly expanding mill industries, world consumption of textile products should gradually increase with a rising standard of living, he believed. Amid the welter of gloom surrounding existing trends in international textile centres, this aspect of the problem is perhaps the only one which offers much ground for optimism.

British Cotton Campaign

Trade Union leaders in the cotton industry have welcomed the announcement that textiles made at Rochdale will be labelled "Spun and woven in Rochdale" as part of the campaign against Empire-made and foreign cotton goods. Mr. James Milhench, Secretary of the United Textile Factory Workers' Association, said: "It is a very good idea. It is something we have wanted for a long time. We hope the idea spreads right through the industry."

Rochdale is only one of the Lancashire towns which have launched local boycott campaigns against imported goods. Trade union leaders are to meet in Manchester to decide whether to organise a national campaign. The Colne Co-operation Society is asking the Co-operative Union, Manchester, to urge Britain's 1,000 retail societies not to handle Empire-made goods. A spokesman of the Cotton Board, which is already running a sales campaign in the home market under the slogan "Always Buy Britain's Cottons," said in Manchester that 2,000,000 leaflets prepared by the Board are to be distributed to shoppers by a large multiple stores group with more than 200 branches throughout the country.

A forecast that a small Lancashire cotton industry mission will shortly be leaving for Hong Kong is made in the annual report of the Cotton and Rayon Merchants' Association, with headquarters at Manchester. The Council of the Association, which represents 1,000 textile merchants, says that, in view of the nature of the problems to be discussed with the Hong Kong cotton industry, it has taken the unanimous view that a Lancashire merchant should be included in the delegation.

In earlier negotiations with Hong Kong millowners on the question of voluntarily limiting shipments of cotton goods to the United Kingdom, the Cotton and Rayon Merchants' Association has been represented by its Chairman, the Honorable J. S. T. Hawke.

Not "Down and Out"

The Lancashire cotton industry is far from being "down and out" and still has a major part to play in the economy of the country. This comment is made by the Manchester Chamber of Commerce in the current issue of its *Monthly Record* when it expressed the hope that, with goodwill on all sides, it will be possible to reach an agreement on the question of the volume of Empire-made cotton goods entering the United Kingdom. The Lancashire industry was passing through a very difficult phase but no amount of agitation and representation could bring any new facts before the Government. "Every Minister and official is fully aware of all that is at stake."

Through the Cotton Board, efforts were still being made to find a right solution. Many hours had been spent in conference with representatives of the Indian, Pakistani and Hong Kong cotton industries. India and Pakistan had shown their willingness to discuss a voluntary arrangement and the decision of Hong Kong was awaited. The Chamber added: "The question now being posed is: 'Will the statesmanship and fair-mindedness of all concerned and in authority produce a formula which will clear the air and avoid recourse to other measures?'"

Plant Sales Slump

Exports of textile machinery over the first half of the year have declined to even a larger degree than shipments of cotton textile products. To the end of June, the volume of plant shipped abroad was 582,840 cwts., as against 718,228 cwts. in the first half of 1957 and nearly 900,000 cwts. in the same period of the previous year. Earnings from these exports in 1958 were £20,402,461, a drop of over £4,000,000 as compared with 1956. The major decline in this branch of engineering exports has come from the reduction in shipments to India. Takings have dropped from 237,000 cwts. in the first half of 1956 to 150,000 cwts. last year and now to only 71,000 cwts. this year. Exports to Pakistan are less than half the 1957 level at barely 20,000 cwts.—*All Rights Reserved.*

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COTTON AND COMPETING FIBRES

SHARE OF FORMER IN WORLD CONSUMPTION DWINDLES

DESPITE the onslaught of fierce competition from man-made fibres, the share of world textile markets held by cotton is still nearly twice as large as that of man-made fibres and wool combined. According to the estimates of the International Cotton Advisory Committee, Washington, of the 45.6 million bales of fibres consumed by the textile industry of the free world in the calendar year 1957, cotton accounted for 29.3 million bales, wool for 4.9 million bales and man-made fibres for the rest. Nevertheless, cotton's proportion in world fibre consumption continues to decline. From 77 per cent. in 1937-38, it declined to 69 per cent. in 1949 and 64.4 per cent. in 1957, while that of the man-made fibres has increased from 10 per cent. to 27 per cent. in 1949 and 25 per cent. in 1957.

Aggregate mill consumption of the major textile fibres in the world increased by 3 per cent. in 1957, as compared with 4.9 per cent. in 1956 and an average of 6.4 per cent. since 1949. In the last few years, the gain in consumption of textile fibres has been much greater than the annual rate of increase in world population which the United Nations has calculated at 1.6 per cent. for the period 1950-56. *Per capita* consumption of the major textile fibres, at about 4.7 kilograms in 1957, undoubtedly was the highest on record and compares with 3.7 kilograms in 1938. The gain in consumption of the major textile fibres in the non-communist world, about 15 per cent. since 1953, was not much below the gain of 18 per cent. in the U.N. index of industrial production.

Most of the increase in world fibre consumption since 1949 has accrued to cotton, as much as 12.9 million bales to be precise, as compared with 7.9 million bales for the man-made fibres and no change for wool. For the free world countries alone, cotton has gained 7.1 million bales, man-made fibres 6.0 million bales and wool less than half a million bales. Since 1955, cotton's increases has been 1.5 million bales, as compared with 1.1 million bales for man-made fibre and 0.4 million bales for wool.

The following tables give the share of cotton and other fibres in the global fibre consumption:

World Consumption of Textile Fibre

(In bales of 478 lbs.)

	1957	1956	1955	1949
Cotton*	29.3	28.9	27.8	22.2
*Man-made fibres	11.4	10.8	10.3	5.4
Of which :				
Rayon and acetate yarn ...	4.8	4.2	4.4	3.8
Rayon and acetate staple...	5.5	5.2	4.7	1.9
Others	1.8	1.4	1.2	0.2
Wool	4.9	4.8	4.5	4.5
Total ...	45.6	44.5	42.6	33.1

* Production taken as equivalent of consumption.

Most of the gain in consumption of man-made fibres in the last few years has been in rayon staple fibre, but rapid progress is now being made by the newer synthetic fibres (polyester fibres) such as terylene, dacron, tetoron, orlon, etc. Consumption of rayon filament yarn has failed to increase in this period. Construction of additional plants for producing man-made fibres is expected to raise the aggregate capacity in the non-communist world from 14.1 million bales in March, 1957 to 16.0 million bales by December 1958. Of the increase in capacity of 1.9 million bales, some 700,000 bales is for rayon staple fibre, nearly all in Japan, the United Kingdom and the United States. For rayon filament yarn, the expected expansion is only 300,000 bales with the only major additions in Japan and India. The largest expansion is in the newer synthetic fibres where an increase of 900,000 bales is in prospect. Much of the production of these fibres is concentrated in the United States and most of the expansion is still taking place there, but nearly all of the industrialised countries are now expanding their capacity. Substantial increases are expected in Japan, the U.K., France, Western Germany, and Canada. It is expected that capacity for producing these fibres will rise up to 3.0 million bales by the end of 1958.

Price

Reduction in cotton prices in the last two or three years has eliminated much of the former price advantage held by rayon staple. For instance, in the U.K., Middling 15/16 inch cotton was 13 pence per pound higher in price than rayon staple in 1954-55, while, in March 1958, it was only 4.1 pence per pound higher. Nevertheless, rayon staple, particularly considering that it has less waste than cotton, still has a price advantage over all but the poorest qualities of cotton. The increase this season in prices for good quality cotton has enhanced the competitive advantage of rayon staple in nearly all countries. The lowest priced rayon staple fibre is in Japan where the price declined in the last year to around 23 cents a pound. In other countries, generally, there has not been much change recently in the price of rayon staple or, for that matter, in the prices of the newer synthetics.

The question has often been asked whether lower cotton prices would halt or even reverse the trend toward man-made fibres. An examination of the relative consumption of cotton and rayon staple in several important countries of Western Europe and in Japan indicates that the reduction in the price of cotton in 1955-56 was followed by an upsurge in cotton consumption—but also by an increase, of about the same proportion, in consumption of rayon staple. The man-made fibres continue, of course, to have the advantage of a much more stable price than does cotton, which eliminates costly risks in marketing and processing. The newer synthetics are priced far higher than cotton which proves the point that price is not the only factor in inter-fibre competition.

Consumption of Man-made Fibres

Consumption of man-made fibres is of greatest relative importance in the industrial areas of Japan, Western Europe and North America. In Japan, the expansion in the consumption of man-made fibres has even exceeded the rapid rise in cotton consumption and their share of the textile market has increased from 30 to 40 per cent. since 1953, while cotton's percentage has declined from 63 per cent. to 52 per cent. Roughly, one-fourth of the entire expansion in consumption of man-made fibres in the non-communist world since 1949 has been in Japan.

Man-made fibres account for one-third of the textile market in Germany, but, with the substantial increase in cotton consumption in the last few years, cotton's percentage of the market, at a little over 50 per cent., has been maintained. In Italy, consumption of both cotton and man-made fibres has varied considerably with the fortune of the textile industry, but cotton's share of the market has continued to decline. In France, cotton consumption has increased by the same amount as the man-made fibres since 1953 but the percentage gain in man-made fibres has been much greater. In Belgium, cotton has a larger share of the textile market than in France, but cotton consumption has been only stable in recent years while rayon has gained. In the Netherlands, however, cotton consumption was at a peak in 1957, with cotton continuing to account for two-thirds of the total fibre consumption.

In the United States, there have been large gains in the consumption of the newer synthetics, despite a reduction in the total market for textiles, small gains in consumption of rayon staple and downward trends in the consumption of rayon yarn, wool and cotton. In the United Kingdom, cotton consumption has declined substantially in the last few years while consumption of rayon staple and the newer synthetics are currently at a maximum.

Cotton seems to have made its greatest advance, relative to man-made fibres, in the underdeveloped regions of the world. In these areas, cotton is favoured because of the end-use requirements, the greater difficulty of providing the capital, "know-how" and raw materials for man-made fibre industries and also to the fact that, in many countries, cotton is a basic agricultural crop. In India, for instance, cotton consumption has increased a million bales since 1949, as compared with only a hundred thousand for rayon. Cotton comprises 94 per cent. of the consumption of the major textile fibres. Outside the main manufacturing centres for man-made fibre, cotton consumption has increased between three and four times as much as consumption of man-made fibres.

SHARP FALL IN COTTON CONSUMPTION

Figures relating to mill consumption of raw cotton, compiled by the office of the Textile Commissioner, Bombay, indicate that consumption suffered a sharp setback in the month of June. At 324,757 bales, the consumption in June represents a decline of about 35,000 bales from the previous month's figure, and is the lowest in the first ten months of the current season. Indian cotton consumption during the first ten months, namely, September 1957 to June 1958 was 3,685,317 bales as compared with 3,896,441 bales during the corresponding period of the previous season. Foreign cotton consumption in the month also dropped, but to a lesser extent, from 46,379 bales in May to 42,762 bales in June. Aggregate consumption of foreign cotton during the first ten months of the season, was, however, higher at 473,004 bales, as compared with 471,819 bales consumed in the corresponding period of the previous season.

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SUGAR CO-OPERATIVES IN BOMBAY

ROLE OF STATE CO-OPERATIVE BANK

AN interesting account of the progress made by the co-operative sugar factories in the Bombay State is given in the forty-sixth Annual Administration Report covering the year 1956-57 of the Bombay State Co-operative Bank Ltd. (Managing Director: Mr. G. M. Laud). The review reveals that, out of the 18 co-operative factories registered, two were in production prior to 1956-57 with a total daily cane-crushing capacity of 2,000 tons. Of the remaining 16 factories, two units (with an aggregate capacity of 1,300 tons) started crushing in 1956-57 and five units (with a total capacity of 4,800 tons) in 1957-58, so that there were in all nine co-operative units working in that year. Six more factories with a capacity of 6,000 tons in all are expected to go into production in the coming season, that is, 1958-59. This means that 15 co-operative factories will be working in the coming season. Two other units have received factory licences but not import licences and one factory is in formation. The capacity of these three units is not mentioned. Assuming that their average capacity will be 1,000 tons, the total daily cane-crushing capacity of all the 18 units will come to over 17,000 tons. On this basis and taking the duration of crushing as 120 days and recovery percentage as 11.5, the quantity of white sugar actually manufactured when all the units commence operation will be of the order of 234,600 tons per annum. This compares with 204,998 tons of sugar produced by the factories belonging to joint-stock companies in 1957-58.

The 18 units together account for 20,692 producer-members and the area to be brought within the scope of co-operative processing of cane is estimated at 52,101 acres.

State Assistance

While the progress made in the setting up of co-operative sugar factories is satisfactory, it must be said that such has been rendered possible only by the active encouragement and assistance given by the State and Central Governments. Thus, out of the fixed capital expenditure of Rs. 75 lakhs of a factory, the State Government has contributed Rs. 10 lakhs as share capital and the loan from the Industrial Finance Corporation amounts to Rs. 50 lakhs. The balance of just Rs. 15 lakhs represents the amount raised by way of share capital from the producer-members. Of this, 92 per cent. is said to have been taken up by cane growers. In other words, the cane growers' share in the capital outlay of the co-operative factories constitutes only a very small proportion, being about 19 per cent. Even of this amount, it is not known how much has come by way of borrowings from co-operatives. It is not unusual, in the case of such co-operatives, for its members to borrow money in order to subscribe to the share capital. Even the management of these factories is chiefly in the hands of the State Government officials, as witness the following extract from the Report:

"The Joint Registrar for Co-operative Sugar Factories, assisted by four Deputy Registrars, continued to be responsible for advising the Boards of Directors on matters of policies and procedure and for co-ordinating and controlling the activities of the factories. In order to ensure planned progress, a Ministerial Committee, presided over by the Finance Minister, Dr. Jivaraj Mehta, provided guidance on matters of broad policy."

Apart from making direct contribution to the share capital, securing loan from the State-controlled Industrial Finance Corporation and exercising overall administrative control, the Government of Bombay has even volunteered, in some cases, to guarantee repayment to the extent of Rs. 15 lakhs in the case of each factory the loan taken by factories owing to the inability of the members to raise additional capital. What better evidence is required to prove that the formation of sugar co-operatives marks the entry of the State into the sphere of sugar manufacture? Besides, the Bombay State Co-operative Bank, an institution in which the Bombay State Government has considerable voice, has played an important role in fostering the co-operative sugar factories. Most of these co-operatives are undercapitalised. So, the Bombay State Co-operative Bank has provided loans to meet not merely the gap in the capital resources of some units but also by way of interim finance pending sanction and receipt of additional loans from the Industrial Finance Corporation in a manner similar to the cash credit sanctioned by the Bank pending receipt of the first loan sanctioned by the Corporation. Five factories were sanctioned the credit limits and the balance outstanding with them at the close of the year 1956-57 was Rs. 125.40 lakhs. Further, the Bank has offered counter-guarantees to factories which are required to establish letters of credit for amounts payable against documents for machinery, as well as in respect of deferred payments on account of machinery.

In addition to the above forms of assistance, the Bank has made available the working capital requirements of the factories. This is done in three ways—(1) provision of clean cash credit against security of general assets for purchase of sugarcane and other accessories and for meeting working expenses; (2) grant of hypothecation credit for purchase of stores, etc., and (3) provision of funds against pledging of sugar stocks. The total loans sanctioned during 1956-57 amounted to Rs. 162 lakhs, as against Rs. 95.50 lakhs in the previous year; the sum due at the close of the year was Rs. 130.20 lakhs.

Financial Position of Co-operatives

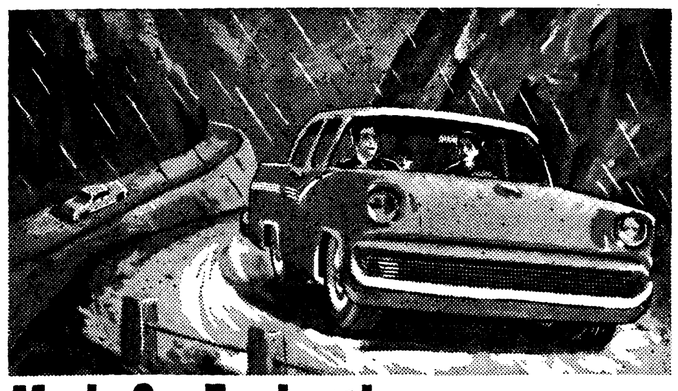
The number of factories financed by the Bank is 14. Of these, the Pravara and Kopargaon factories, it is said, are fairly established and are in a position to meet their financial obligations in the normal manner. In the case of four factories, Rahuri, Rahata, Karegaon and Shri Ram, the delay in starting production and the increase in their capital outlay consequent on the rise in the cost of machinery have raised their commitments in respect of fixed capital expenditure which varies from Rs. 84.46 lakhs in the case of Shri Ram on account of smaller capacity to approximately Rs. 98 lakhs in the case of the other three. They went into production in 1957-58 but suffer from teething troubles. Immediately after the close of the season, they will have to meet commitments in respect of the first instalment of the Industrial Finance Corporation loan, medium-term loan of this Bank and second instalment of deferred payments. These vary between Rs. 16 lakhs and Rs. 21 lakhs. Against this, each factory is expected to strengthen its capital resources by raising additional capital to the extent of Rs. 5 lakhs, receiving deposits compulsorily from the members to the extent of Rs. 7.50 lakhs and ploughing back profit, etc., at about Rs. 13 lakhs. The surplus has been estimated on the basis that the cane price would be Rs. 45 per ton, manufacturing expenses at Rs. 15 per ton, and the excise duty and cane cess at Rs. 27 per ton, as against the sugar price of Rs. 95 per ton. Should this estimate materialise, says the Report, no major difficulty is foreshadowed. The other six factories are being erected and are expected to catch the next crushing season. The progress of the remaining two factories would, however, depend, according to the Bank, on the availability of foreign exchange.

REFINING OF SUGARCANE WAX

The National Chemical Laboratory, Poona, has evolved a new process of refining and modification of sugarcane wax. The new substitute can replace carnauba and other similar waxes to a great extent in many industrial applications. Encouraging performance reports have been received from user industries. Two sugar factories are known to be producing the crude wax; their total capacity being of the order of 600 lbs. per day during the working season.

Sugarcane wax is a constituent of press-mud or lime sludge, a by-product of sulphitation sugar factories which is at present almost going waste. Since the crude wax as recovered by solvent extraction is sticky, dark in colour and has poor solvent take-up, its applications are limited. The new process essentially consists in the oxidation of crude wax with potassium or sodium dichromate and sulphuric acid and chemical modification of the oxidised wax by preparing its esters and amide derivatives. The importance of the present work lies in oxidising, under proper conditions, the crude

(*Continued on page* 282)



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Firestone
WIRE-BACKED BRAKE LINING
Firestone
New DeLuxe Champion
TUBELESS OR WITH TUBE
THE TYRE WITH BUILT-IN PEACE OF MIND

P. 27 a

STAINLESS STEEL FABRICATORS

SHORTAGE OF RAW MATERIAL TELLS ON PRODUCTION

THE depression in India's stainless steel fabricating industry gives the lie to the claim, often made by Government spokesmen, that the official import policy does not interfere with industrial production. Many units of the industry, which unfortunately depends upon imports of its essential raw material, namely, stainless steel, have either closed down or face closure, thanks to the inadequate import of stainless steel. Apart from the fact that many workers have been thrown out of their jobs, the closure of the units in the industry implies immobilisation of technical skill acquired through years of patient training. Appropriately enough, Mr. Ramanlal M. Shah, President of the All-India Stainless Steel Industries Association, in the course of a Press conference, held in Bombay last week, urged the Government to make a "more realistic approach" to the industry by ensuring adequate supplies of raw material to it.

Stainless steel is one of those new alloys which have a wide range of uses. Besides steel, it contains chromium (18 per cent.) and nickel (8 per cent.). Its valuable qualities include brightness and resistance to stain and corrosion. Its self-healing quality, it is claimed, is not possessed by any known metal, except pure silver and platinum. The nickel content in the alloy not only raises its resistance to corrosion but also makes it extremely strong and ductile, so that it can be easily welded, cold worked and shaped into different forms without heating. Apart from its use in utensilware industry, it has a large number of industrial applications. Thus, as Mr. Balram D. Nagpal, Honorary Secretary, All India Stainless Steel Industries Association, points out in his booklet, *The Story of Stainless Steel*, the alloy is used in the ship-building industry, in the food processing and packaging industry, in chemical plant, in drug laboratories, in the refrigeration, oil, rubber, photographic, sugar and vegetable processing industries. It is used in research institutes where acid-resistant articles are required. Among its other uses, mention must be made of the following:

(1) Hospital-ware including surgical instruments: hospital furniture, chart holders, trays for instruments, surgical instruments, syringes, operation tables, etc. (2) Furniture: household or office furniture or office furniture such as chairs, tables, sofa-sets, lockers door-knobs and door handles. (3) Railways: corner wash basins, latrine pans, commodes, showers, taps, seat books, hinges, chairs and coach building. (4) Military stores: trays jugs, mugs, eating trays, etc. (5) Hardware items: angles and flanges, nuts, bolts, rivets and screws. (6) Motor car industry: in the manufacture of radiator grills, window frame sections, beading and hub-caps. (7) Cycle parts and accessories. (8) Sanitary ware industry: in the manufacture of wash basins, soap containers, commodes, showers, taps, geysers, etc. (9) Rayon, textile and dyes industry: in the processing of yarn. (10) Paint industry: vats for the production of quality varnishes. (11) Stainless steel tanks: for various purposes wherever acid-resisting and wear-resisting properties are essential. (12) Electrical appliances: for kettles, heating appliances, etc.

Although India does not produce stainless steel, it has an industry which, in the course of the last 10 years, has achieved a high standard of excellence in fabricating the imported raw materials; it has also widened the range of its output. The articles produced by the industry compare favourably with those in the West. Indeed, the industry was developing a modest export trade until the shortage of raw material compelled many of its units to close down.

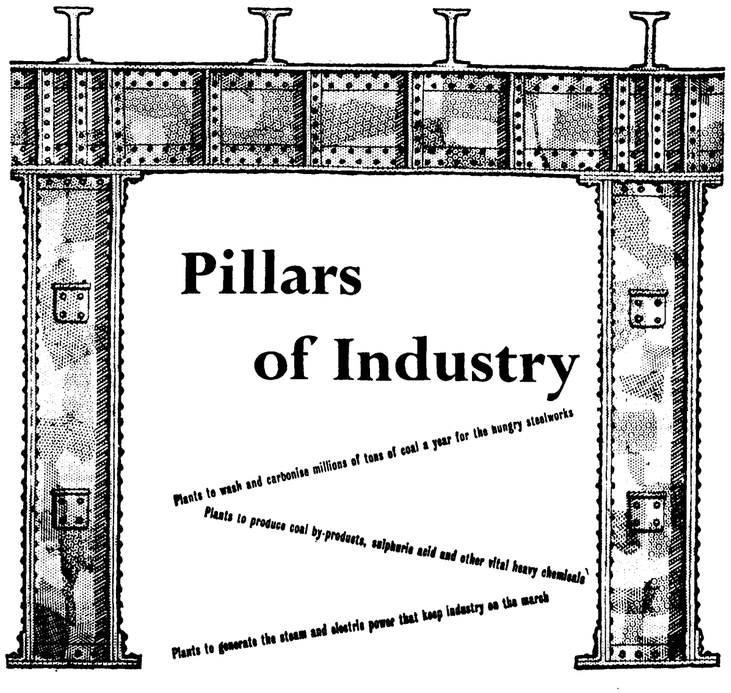
Imports of stainless steel have varied from year to year. During the period 1951 to 1957, they were (in tons): 1951—819; 1952—1,143; 1953—1,285; 1954—3,087; 1955—2,529; 1956—4,582 and 1957—3,791. If there were no restrictions on imports, the industry would be able to record increase in production year after year. It would also be able to cater to the large unsatisfied demand for its products. Because the demand for its products is growing, the industry feels that larger and larger imports would be needed in the next few years, the estimates of import requirements for 1958, 1959 and 1960 being 8,500 tons, 10,500 tons and 12,000 tons respectively. The industry's minimum import requirements at present are estimated at 4,000 tons which, at the rate of Rs. 6,000 per ton, would cost Rs. 2 to Rs. 3 crores in terms of foreign exchange. If its expansion plans were allowed, the industry would need larger imports which would correspondingly imply a higher foreign exchange expenditure. The Government, it is learnt, has relaxed the rigour of its restrictions on imports. Thus, it has decided to allow imports to actual users to the extent of 20 to 25 per cent. of their requirements (as assessed by the State Governments). This decision slighly mitigates, but does not by any means remove, the difficulties of the industry.

Generally speaking, no sector of the economy can be given exceptional treatment in a period of foreign exchange crisis. The stainless steel fabricating industry too must bear its share of the burden which the entire country has to carry because of shortage of foreign exchange. At the same time, it is well to remember that there are a few features of the industry which strengthen its claim for a more generous allotment from the general foreign exchange pool. In the first place, the industry has proved its ability to sell its products abroad. Secondly, the industry exports the scrap which remains after it has utilised the imported raw material. Such scrap, it has been computed, amounts to nearly 50 per cent. of the value of the cost of steel imported from abroad. Thirdly, stainless steel vessels, unlike copper and brass vessels, do not require tinning; there is thus no need to import tin. They also last longer than copper and brass vessels, their life being estimated at 40 years. In fact, no stainless steel scrap has come into the market so far. Because brass vessels last only five years, their use implies periodical expenditure of foreign exchange. Although it costs more to import stainless steel (about Rs. 6,000 per ton) than brass (about Rs. 2,700 per ton), the former, because of its long life, is cheaper in the long run.

Finally, the Government has plans for setting up a plant for manufacturing stainless steel. It cannot be unmindful of the need for keeping alive an industry which alone can provide a market for the raw material it may produce. And the industry cannot be kept alive without adequate supplies of imported raw material. These considerations obviously strengthen the industry's claim for a reasonable allocation of foreign exchange for purposes of augmenting the raw material it needs for its very existence.

PAKISTAN'S ENERGY RESOURCES

Rising consumption of petroleum products in Pakistan, according to the *Petroleum Press Service*, now approaches an annual rate of 2 million tons. Local oil production, all in West Pakistan, is only 300,000 tons a year. But the search for new oil, in which the Government is participating, is being carried out by a number of foreign companies in both parts of Pakistan. Some saving of foreign exchange is expected from the project of the chief marketing companies, Burmah Oil, Shell, Stanvac and Caltex, to build a jointly owned refinery large enough to meet the requirements of West Pakistan. The supply of natural gas from Sui, which began in September 1955, it is stated, has already transformed the energy picture of W. Pakistan. The reserves of gas at the Sui field are estimated at 4,500,000 million cubic feet, equivalent in calorific value to over 100 million tons of fuel oil. Two 16-inch pipelines have been laid, one running south of Karachi and one north of Multan. Out of the 25 million cubic feet a day of Sui gas sold in Karachi, less than one million is sold to domestic and commercial (as distinct from industrial) users. Industrial consumers include steel rolling, aluminium processing, cement making, glass, textile, biscuit and other factories. The rate for household purposes is Rs. 8 per 1,000 cubic feet, for commercial Rs. 4, and the industrial rate is only Rs. 2. Yet to an average household, using about 2,000 cubic feet of gas a month, the saving as compared with kerosene is 20-30 per cent. A gas field has also been discovered in East Pakistan, at Sylhet, but reserves are much smaller than at Sui, the latest assessment being 280,000 million cubic feet, equivalent to 6½ million tons of fuel oil. A fertiliser plant, with an annual capacity of 250,000 tons, to be built near the field by the Japanese group, Kobe, will take the entire Sylhet output of 19.4 million cubic feet a day.



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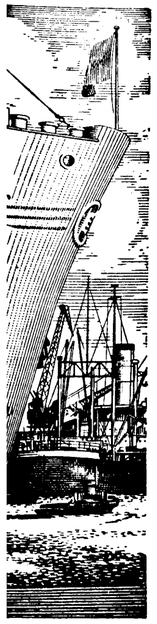

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Authorised Capital - -	Rs. 2,00,00,000
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Incorporated in the United Kingdom. The Liability of Members is Limited.
Bankers to the Government in Aden, Kenya Colony, Zanzibar, Uganda and Somaliland Protectorate.

Subscribed Capital	£4,562,500
Paid-up Capital	£2,851,563
Reserve Funds	£3,168,579

Head Office: 26, Bishopsgate, London, E.C. 2.
London Branches: 54, Parliament Street, S.W. 1. 13, St. James's Square, S.W. 1.
Shipping, Travel and Insurance Departments: 9, Tufton Street, S.W. 1.

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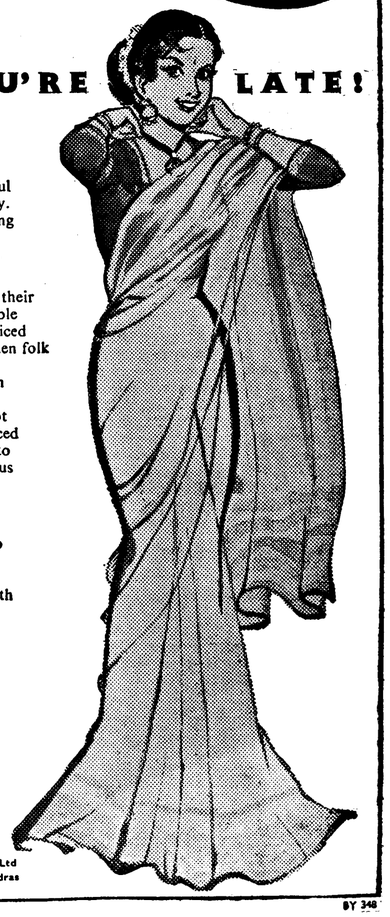
Bombay—
Mahatma Gandhi Rd.
Mint Road
Calcutta—
Netaji Subhas Road
Brabourne Rd.
Chowringhee Road
Church Lane
Cochin
Delhi
Kanpur
Madras—
North Beach Road
Armenian St.
Mount Road
New Delhi—
Connaught Circus
Connaught Place
Simla
Tuticorin
PAKISTAN—
Chittagong—
Sadarghat Rd.
Agrabad Branch
Karachi—
McLeod Road
Bunder Road
Dundas Street
Saddar Branch
Khulna
Lahore—
Bank Square
The Mall
Narayanganj
Peshawar
Quetta
CEYLON—
Colombo—
37/30 York St.
11 York St.
Kandy
Nuwara Eliya
BURMA—
Rangoon
ADEN—
Aden
Little Aden (Sub-Branch to Aden)
Steamer Point, Aden
SOMALILAND PROTECTORATE—
Berbera
Hargeisa
ZANZIBAR ISLAND—
Zanzibar
KENYA—
Eldoret
Embu (Sub-Branch to Fort Hall)
Fort Hall
Kakamega (Sub-Branch to Kisumu)
Karatina (Sub-Branch to Fort Hall)
Kericho
Kiambu (Sub-Branch to Nairobi)
Kisumu
Mombasa—
Treasury Sq.
Kilindini Rd.
Nairobi—
Government Rd.
Delamere Ave.
Industrial Area
River Road
Naivasha (Sub-Branch to Nakuru)
Nakuru
Nyeri
Sotik (Sub-Branch to Kericho)
Thika
UGANDA—
Entebbe
Port Portal
Gulu
Jinja
Kampala
Kamuli (Sub-Branch to Jinja)
Masaka
Mbale
Mbarara
Soroti
Tororo
TANGANYIKA TERRITORY—
Bukoba
Dar-es-salaam
Lindi
Mbeya
Mikindani (Sub-Branch to Mtwara)
Moshi
Mtwara
Mwanza
Tanga
NORTHERN RHODESIA—
Lusaka
Ndola
SOUTHERN RHODESIA—
Bulawayo
Gwelo
Makokoba (Sub-Branch to Bulawayo)
Salisbury
Umtali

Current Deposit Accounts are opened and Fixed Deposits received on terms which may be ascertained on application.
The Bank issues Letters of Credit and Travellers' Cheques and it offers every facility for the conduct of all classes of Banking and Exchange business with the principal commercial centres throughout the world.
The Bank's Head Office undertakes to act as Executor and Trustee in approved cases.
Savings Bank Accounts are opened.

Bombay Offices: Main Office: 90, Mahatma Gandhi Road, Fort, Bombay 1.
Mint Road Branch: Corner of Mint Road and Sir P. M. Road, Bombay 1.
D. G. MOORE,
Manager.

UNDER SECRETARIES
16 AUG 1958
CENTRAL SECRETARIATE

LADY, YOU'RE LATE!



Who cares! She knows that the occasion demands the most careful selection—saree—choli—jewellery. And she spares no pains in making the right choice, for charm and refinement are a family tradition.

Nearly eighty years ago when BINNY'S started manufacturing their quality cloth, it was mainly suitable for men's wear. When ladies noticed how smart and handsome their men folk looked in BINNY'S cloth, they wished they too could obtain the same *variety* and *quality* in women's wear, and they were not disappointed. BINNY'S introduced silks and union fabrics designed to suit the taste of the most fastidious women. Soon BINNY became a household word and buying BINNY'S a family tradition.

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BY 348

THE ENFIELD INDIA LIMITED

PRODUCTION DOUBLED IN 1957

SCOPE FOR CONTINUED EXPANSION

SRI K. R. SUNDARAM IYER'S REVIEW

PRESIDING over the Second Annual General Meeting of the Company held on Thursday, the 31st July 1958, at Tiruvottiyur, Madras, Sri K. R. Sundaram Iyer, Chairman, said:

"GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to this Second Annual General Meeting of the Company. The Directors' Report and the Statement of Accounts for the year ended 31st December 1957 have been with you for some time and with your approval, I shall take them as read.

"While the progress so far made in the indigenous manufacture of components under the phased programme has been quite satisfactory, the Directors have, keeping in view the foreign exchange position, taken steps to accelerate the pace. Items taken up for indigenous manufacture are nearing 50 per cent. in value and include, apart from frame, petrol tank, seat, silencer, exhaust pipe, etc., other major and precision components of engine, clutch, fork and wheels. Every effort is being made to attain self-sufficiency in indigenous manufacture of almost the entire motor cycle, barring, of course, the proprietary items, in 1959 as against the original schedule of 1960. With this objective in view, acquisition of further plant and machinery has been expedited and steps are being taken to obtain the necessary finances.

Issue of Additional Capital

"In this context, I am happy to say that the issue of capital of Rs 6 lakhs made in February 1958 was fully subscribed. As the shareholders are aware, it was decided at the Extraordinary General Meeting held on the 25th June 1958, that Rs 9 lakhs of capital be issued, out of which Rs 4 lakhs of Preference Capital (7 per cent tax-free redeemable cumulative preference shares of Rs 100 each) is being offered to the existing shareholders, as arrangements were made for subscription of the balance of Rs 5 lakhs. This brings the total subscribed capital to Rs 25 lakhs.

Progress of Building Construction

"I made a reference at the last meeting to the factory building space then available and the construction in progress of further factory buildings and administrative offices. We are now operating with an area of nearly sixty thousand sq. ft. in the Work Shops and of ten thousand sq. ft. in the Administrative Offices.

Satisfactory Progress

"In an industry of this type, where progressive manufacturing is involved, during the first few years, sizable expenditure has to be incurred ahead of production in the preparation of designs, drawings and production planning. It is gratifying to note, therefore, that the profit earned during this year has enabled your Company to write off fully the revenue loss and deferred revenue expenditure carried forward from the previous year, brokerage on shares and a good portion of the preliminary expenses, and to provide for the dividend on preference shares.

Unsatisfied Demand

"Production during the year was nearly twice that of the previous year. Imported motor cycles of competitive makes were also available in large numbers. Nevertheless, your Company was not able to fully meet the demand but had to carry pending orders to be supplied in the early months of 1958.

"The rate of increase in production is being maintained and production during 1958 is expected to be about 50 per cent over that of 1957. But, even this will be considerably below the quantity your Company is presently licensed by Government under the Industries (Development and Regulation) Act. Your Directors do not under-estimate the problems and the efforts involved in building an industry of the magnitude your Company has undertaken, particularly in view of the shortage of materials and skilled man-power. Until all the components of the vehicles are made indigenously—your Company, as I have indicated earlier, is endeavouring its best to expedite it—further increase in production has to depend upon the allotment we receive from Government in the way of foreign exchange for importing components that for the time being are not available from indigenous sources. I must mention here that we have had sympathetic consideration and understanding from our Government, particularly in the context of the prevailing acute foreign exchange stringency. Your Directors are looking forward to the Government to ensure that imported materials are made available to enable production being stepped up at least to the present licensed annual quantity which will facilitate manufacture on an economic basis.

"Motor cycles and three-wheelers are the most economical form of personal and goods transport. It is not surprising, therefore, that the demand for your Company's products is increasing with the rising tempo of industrial and economic activities in the country. To cope up with the increasing demand, your Company has made an application to the Government to increase the licensed annual quantity of production, particularly as this is possible with the Company's current capacity. While stepping up the production of motor cycles, consideration of the quality of the components manufactured has always been kept in view and rigid standards of inspection are being adhered to.

Service After Sales

"Your Company attaches the greatest importance to service-after-sales. It is gratifying that your Company's Selling Agents, The Madras Motors Private Limited, have organised further points of sales and service. There are now in India over 63 points, as against 48 in the previous year. This augmented number of service points should make for more easy and speedier service to the users of Royal Enfield motor cycles and three-wheelers. The personnel at these service stations are trained at the Tiruvottiyur Factory.

Prospects for Exports

"Your Company's products were exhibited at the China exhibition and well appreciated by the Chinese trade circles. There are also enquiries for supplies of motor cycles from some of the West Asian and South-East Asian countries, exports to which have now been approved by our U.K. collaborators. Your Directors hope to fully utilise the prospects for export of motor cycles and three-wheelers. It may be too early to assess the prospects of export business. However, your Directors are alive to this need and are making the preliminary surveys and securing the necessary contacts in these countries.

New Activities

"One way to reduce the country's foreign exchange requirements is by pooling the plant, machinery and equipment resources of the various industrial units in the country in order to secure their fullest use for the common good of the various industries and the country. Though this has contributed in a large measure to economies in production in advanced Western countries, it has not so far taken practical shape in our country. Any effort in this direction involves a detailed exchange of views among the industrialists themselves for the common good of all. The All-India Ancillary Industries Exhibition has contributed a good deal to the dissemination of knowledge in this direction. I hope, there will be active co-operation between various units in the automobile industry and that the response to undertake sub-contracting work will be encouraging, so that, the facilities available are effectively and fully used. Your Company started a General Engineering Department and is accepting work from its sister concerns in the engineering industry to keep the plant and equipment facilities fully employed. We are receiving encouraging response from the State undertakings and also from the private sector. I hope in the years to come, this department will prove to be a remunerative and stabilizing source of business.

"Your Directors are doing everything possible to maintain cordial relations with the staff and workers of this Company and towards this objective are developing a scheme for management and labour consultation on important matters affecting the Company's production and also the day-to-day welfare of the employees.

"The Board of Directors convey on behalf of the Company, their gratitude to the Government of India and the Madras State Government for all the assistance and guidance which they have extended to us. We have drawn substantially on the loan sanctioned by the Industrial Finance Corporation of India during the year and, needless to say, this timely assistance has enabled us to keep up to our capital programme. I take this opportunity to express our gratitude to your Company's U.K. collaborators, The Enfield Cycle Company Ltd., Redditch, for the co-operation extended by them during the year. Your Company's Selling Agents, The Madras Motors Private Limited, are putting forth commendable efforts to popularise the use, sales and service of motor cycles and three-wheelers in the country and I convey our thanks to the Selling Agents and the dealers and sub-dealers all over the country. Before I conclude, I thank my colleagues, staff and workers, without whose efforts the results achieved during this year would not have been possible."

NOTE:—*This does not purport to be a record of the proceedings of the Annual General Meeting.*

PUBLIC AUCTION OF PROPERTIES

In the matter of the Indian Companies Act, 1956 and in the matter of the Hyderabad Investment Syndicate Ltd.
(In members' voluntary liquidation)

PROCLAMATION OF SALE

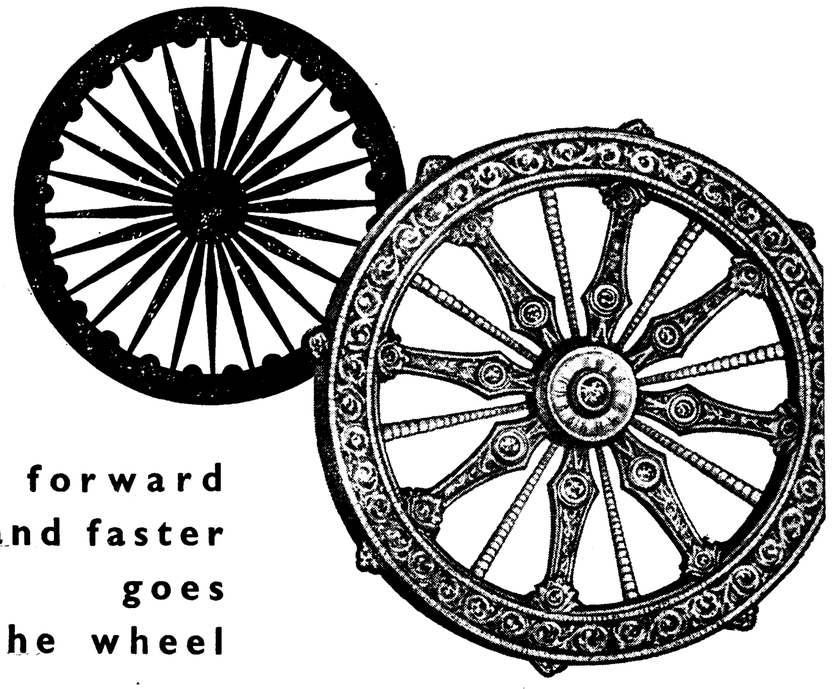
As per the special resolution passed unanimously by the General Body Meeting of the Hyderabad Investment Syndicate Limited, on the 7th May, 1958, empowering the undersigned to exercise the powers mentioned in the Sub-Clause (2) (i) to (iv) of Section 457 and Clause (1) of Section 546 of the Companies Act 1956, the undersigned, in the best interest of the Shareholders of the Company, will sell by public auction all the assets and liabilities of the said Company and its properties *en-lot* together with its goodwill and as a going concern on Monday, the 25th August 1958, from 2 P.M. to 4 P.M.

The Company and its properties and documents of title are open for inspection at the Company's Registered Office, Hyderabad, during Office hours of the Company on all working days.

Intending purchasers may obtain all necessary particulars regarding terms and conditions of sale and Assets and Liabilities of the Company from the said office.

Registered Office:
No. 5-1-711, Mahepatram Road,
(SHAHA-RAHE-OSMANI), Hyderabad-Dn.
25th July, 1958.
Telephone Nos. 4544 & 4957.

KONDA LAKSHMAN BAPUJI
Liquidator,
THE HYDERABAD INVESTMENT SYNDICATE LIMITED
(In voluntary liquidation)



forward and faster goes the wheel

Road Transport in Bombay has gone far, far ahead since it was nationalised ten years ago. The Bombay State Transport, which took over the operations in 1948, is pleased to record its progress.

	1948-49	1956-57
Total mileage	52,88,206	7,16,49,450
Total number of passengers carried	58,71,238	18,48,79,056
Number of routes	150	1,880
Number of vehicles	469	2,710

But these figures do not convey the complete picture of the immense strides made. In terms of human happiness nationalisation has brought about a revolution in the amenities, comforts, regularity and courteous service provided to travellers by *ST* buses all over the State.

The energies of Bombay State Transport will continue to be bent on making road transport more and more useful to the people.



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Serves the Traveller

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Authorised Capital	Rs. 1,00,00,000	Reserves (As on 30-6-'58)	Rs. 17,84,000
Subscribed Capital	„ 48,99,000	Deposits Exceed	„ 11,00,00,000
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THE RUSSIAN TRADE DRIVE

MOTIVES ARE BOTH POLITICAL AND ECONOMIC

PRESSING on with its economic development, the Soviet Union is entering increasingly into trading relations with the outside world. Its foreign trade turnover—imports plus exports—rose by about one-quarter in two years to an estimated total of $8,250 million in 1957. This total, though small in relation to the country's national income, raises the U.S.S.R. to sixth place among the trading nations of the world. Although some 70 per cent. of the trade is with countries of the Communist bloc, the web of commercial transactions is being gradually extended. It is reckoned that about one-quarter of Russian trade is now with countries of the West, and the relaxation of restrictions imposed by Western countries on sales of "strategic" commodities to Communist countries may open up opportunities for further growth. From the nature of the regime, these transactions are generally based on bilateral trade and payments agreements; and, in these agreements, petroleum—mainly crude and black oils—now figures more prominently than before. The U.S.S.R. also grants "aid" in various forms—gifts or credits which enable the recipients to get technical help and capital goods from the U.S.S.R.

The motives underlying this trade drive are both political and economic, though the emphasis differs from country to country. In the Middle East, and perhaps in Asia generally, it is the political motive which is uppermost. One is reminded of Mr. Khrushchev's statement in 1955 that "We value trade least for economic reasons and most for political purposes." It is no accident therefore that Egypt and Syria have, according to an official U.S. estimate, received $760 million out of the $1,900 million of "aid" so far given or promised by the Russians. The political motive is also blatantly obvious in the suspension, at the end of May, of further aid to Yugoslavia, which had been promised a total of $465 million.

In their dealings with the Western nations, on the other hand, the Russians' dominant motive is usually the desire to secure plant and equipment of various kinds, including such items as complete chemical plants, which may be of new design, or which they do not produce, or produce in sufficient quantity. In Latin America, the purchase of foodstuffs and industrial raw materials to increase supplies of consumer goods for the Russian people conveniently runs parallel with the general political objective of embarrassing the U.S.A. But it would be wrong to imagine that the desire to trade is only on the Russian side. Manufacturers in the industrial countries, some with surplus capacity, are very keen to sell plant and other goods to the U.S.S.R., while countries in the free world with crop surpluses are anxious to be relieved of them and to get useful goods in exchange. Trading can usually override political antipathies.

Variety of Goods Offered

Besides crude oil, petroleum products, and prospecting, drilling and refining equipment, the Russians have quite a varied display of goods on offer in their shopwindow: metals, timber, grains, chemicals, machinery. In some cases, their competition is beginning to pose problems for Western exporters of these products—e.g., the aluminium producers of Canada, who recently had to cut their price from 24½ to 22½ cents a pound to meet Russian competition. A valuable weapon in the Communists' armoury is their ability to export much-sought-after gold: the Soviet Union accounts for about one-fifth of the world's output of the precious metal, and its exports rose to a record of 7.5 million ounces last year. However, it is with oil in its various aspects that this article is mainly concerned. Oil is a commodity which most countries need. The quality of Russian oil is usually good and, from the Russian's side, output can be readily adjusted to meet trading requirements, while its production and handling involves only a very small amount of labour. It is, therefore, for them, an advantageous commodity with which to trade.

Soviet oil exports to countries outside the Communist bloc have been growing steadily in recent years to an estimated total of 6 million tons in 1957. About three-quarters of this total was consigned to western Europe, and a study of recently concluded trade agreements suggests that shipments in this direction will show a sharp increase this year, even though the Russians' performance does not always match their promises.

A case in point is the three-year trade agreement signed with West Germany at the end of April. The Russians' anxiety to clinch this agreement, and so to secure specialised plant and equipment from Germany, is underlined by their accompaying promise to allow the repatriation of German nationals detained in the Soviet Union. Russia undertakes to supply 500,000 tons of crude oil this year, 700,000 tons in 1959 and a million tons in 1960, together with 300,000 tons of fuel oil, 120,000 tons of diesel oil and 10,000 tons of gasoline each year. These quantities are much in excess of the Federal Republic's 1957 imports from the Soviet Union—no crude oil, 350,000 tons of fuel oil and small quantities of other products.

France is also to take more Soviet oil. A protocol to the trade agreement of February 1957 fixes the quotas for 1958 as follows: crude oil, 600,000 tons; fuel oil, 175,000 tons; gas oil, 125,000 tons; gasoline, 100,000 tons. Apart from the last item, these figures are much in excess of actual shipments in 1957, which comprised in the main about 180,000 tons of crude petroleum, 45,000 tons of gas oil and 60,000 tons of gasoline; but this year's trade volume may not, of course, come up to expectations.

Austria, which has hitherto had to provide a million tons of crude a year to the Soviet Union by way of reparations,* also figures this year as a buyer of Russian oil products. The quantities in question include 150,000 tons of fuel oil and 20,000 tons of gasoline in 1958, rising to 200,000 tons of fuel oil and 25,000 tons of gasoline next year, and to 250,000 and 30,000 tons, respectively, in 1960. For some time, Austria has also been receiving small quantities of petroleum products from Rumania, Hungary and Czechoslovakia.

Denmark

Another European country with which the Russians are at present negotiating a new trade agreement is Denmark. Denmark has surplus dairy produce which the Russians are willing to buy and the Danish Government seems interested in importing oil from this source as a way of enabling the Russians to discharge the debt of 70-80 million kroner which resulted from the two-year agreement which expired last May. But lack of the necessary handling and storage facilities presents an obstacle, as the established companies, with more than ample supplies of their own, are unwilling to handle Russian oil. The possibility of providing additional facilities to handle Russian oil is under consideration. The result of these negotiations is awaited with no little interest, as is the outcome of the preparations which the Kremlin is alleged to be making to lavish trade offers on Turkey.

Slightly further afield, the U.S.S.R. signed a trade agreement last April with the new kingdom of Morocco by which they undertook to deliver, besides machinery, equipment, etc., 85,000 tons of crude oil, 28,000 tons of gas oil, 35,000 tons of fuel oil and 500 tons of kerosine in the 12 months to April 1959.

More striking, perhaps, are Russia's recent efforts to trade with Canada and the U.S.A. In these instances, oil does not—for obvious reasons—come into the picture, but representatives of the official Soviet export agency recently approached Canadian importers with offers to sell anthracite coal, rather similar to that at present imported from Wales.

In the U.S.A. the Soviet leaders may appear to be trying to cash in on the recession by offering to place big orders for plant and machinery—if possible on credit terms. In this, as in everything else they do, the Russians would not miss the opportunity for propaganda which a big deal, or discussions about a deal, presents. But the offer may well reflect a genuine desire to acquire, on favourable terms, much-needed, up-to-date capital goods and, if possible, technical assistance to expand and widen the range of Soviet industry.

The Russians are also seizing the opportunity offered by the trading and balance of payments difficulties of South American States—many of which are not in diplomatic relations with the Soviet Union—to increase their trade in that region. Hitherto, the Communist have generally met with little response in this area, where Catholic influence predominates and where links with the U.S.A. are usually close. But the position is changing, largely owing to the fall in world commodity prices.

The Argentine Government, for example, sent a purchasing mission to eastern Europe early this year, which signed contracts for the purchase of goods to the value of over $27 million; and, in view of the country's shortage of foreign exchange, the mission was fortunate in securing four years' credit. The purchases included $16.8 million worth of rails, oil pipes, power station equipment, etc., from Czechoslovakia, $3.4 million of capital goods (including telecommunications equipment) from Hungary and $4.7 million worth of rails, earth-moving equipment, etc., from the Soviet Union. (At this time, Argentina was the only Latin American country having a trade agreement with the U.S.S.R.). A subsequent agreement provides that Russia will supply a million tons of crude oil—400,000 tons this year and 600,000 tons in 1959—partly in discharge of outstanding debts and partly in exchange for wool and other Argentine produce. The agreed price (for crude roughly equivalent to 25° A.P.I.) was $15.86 a ton, delivered Argentina. The President has said that the Russians are also prepared to supply oil equipment in exchange for Argentine produce.

Brazil

Similarly, Brazil, which has bartered surplus coffee for Polish ships, and has lately been negotiating with a Rumanian trade mission, is now preparing to do business with the U.S.S.R. After turning down an offer of drilling and refining equipment made to Petrobras towards the end of last year, the Government has accepted in principle a Russian offer of 200,000 tons of crude oil in exchange for coffee, cocoa and cotton. The attraction of the deal to Brazil, with its tenuous foreign exchange resources, is obvious. It also pleases the Russians to get their foot in the Brazilian door—for the republic has had no diplomatic dealings with the U.S.S.R. since 1947; and they are reported to have offered to conclude similar arrangements for the supply of capital goods.

Uruguay is also overcoming her reluctance to enter into commercial relations with Russia. In June, A.N.C.A.P., the State petroleum concern, received its first shipment of Russian crude, this being part of a total of 200,000 cubic metres which the Russians are to supply in exchange for wool. As a result of this agreement, Russia temporarily displaces the U.K. as the biggest buyer of Uruguayan wool.

Among other goods which Russia has recently been buying in South America are copper wire from Chile and coffee from Colombia. The Russians have also been making unofficial approaches to Bolivia with offers of needed equipment on credit terms. And they will in coming months doubtless continue to press their suit on a number of the Latin American countries whenever a suitable opening appears.

With the continued rapid expansion of the Soviet economy—industrial production in the first quarter of 1958 was up by 11 per cent. compared with the same period of last year, while crude oil production was up by 18 per cent.—the country must be facing many bottlenecks and shortages, while harvests are not always good. Hence, the need for trade with the outside world must be expected to grow.

Oil will doubtless be among the goods which the Russians will continue to exchange for the products they require. As we have previously reported, there are very ambitious plans to expand the country's crude oil output from 98 million metric tons last year to 350-400 million by 1972 and its natural gas production from 21,400 million to 270-320,000 million cubic metres. Though the bulk of the increase, if attained, will be needed to meet the rapid expansion of requirements at home, and though the expansion will be mainly in the Ural-Volga region remote from the seaboard, sizable quantities could no doubt be spared for export outside the Communist bloc. There are, however, no signs that the Russians are trying to ruin the West's oil trade. They are hard bargainers and exact the best price they can command in the light of the prices they pay for the products received in exchange. There is no doubt, however, that they find oil very useful for sustaining that convenient marriage of economic and political objectives which their trade drive represents.—*By special arrangement with* **Petroleum Press Service**.

*The U.S.S.R. has agreed to a net 50 per cent. reduction of Austria's outstanding reparation deliveries of crude oil, which under the previous agreement would have amounted to 1,000,000 metric tons annually for the next seven years. Austria will continue to put 1,000,000 tons of Austrian crude at the U.S.S.R.'s disposal for use in East European countries, but the U.S.S.R. has undertaken to refund half this volume by supplying Austria, cost-free, with 500,000 tons of Russian crude annually via the Danube for a period of seven years, beginning 1st January 1959.

NEW PRODUCTS AND PROCESSES

Instant Rice

INSTANT rice, a new product having commercial possibilities developed by the U.S. Department of Agriculture, has been market-tested in Fresno, California. The product is an easy-to-prepare, precooked, and canned rice. About 8,000 cans were sold during the 19-week test. The California rice industry provided funds for preparation of the product. Sales averaged one-third case per store per week, about the same as for most other established grocery products. The product was most popular in stores serving customers in the medium-income bracket. Most of those who tried the new product liked its taste and thought it cooked just as well as other rices. About one in four thought the cooking instructions should be changed. Some homemakers said they had trouble getting the rice out of the can. With a few product improvements, commercial possibilities are foreseen for instant rice, particularly as an additional item for established canners.

New Device for Mobile Radio

A new type of thermally compensated crystal oscillator has recently been developed by the Automatic Telephone and Electric Company of the U.K. It is expected to be of particular interest to designers of mobile V.H.F. radio equipment where increasingly higher stabilities over wide temperature ranges are required due to the closer channel spacings. The oscillator will operate on any spot frequency between 4 and 16 megacycles per second and achieves, it is claimed, a stability of plus, or minus, five parts per million over a temperature range of minus 20° Centigrade to plus 70° Centigrade for any specified frequency. This high degree of stability is secured by what is said to be a unique method whereby the oscillator, which is essentially of a conventional type, also has a temperature-compensating network controlled by a thermistor mounted inside the crystal envelope. The complete oscillator unit is being made available as a small sub-assembly which can easily be incorporated in a wide variety of equipment during the design stage. The current consumption is no more than that of any other type of oscillator and the units are ready for operation within a minute or two of switching on.

New Resin

A new resin which can be used as a plasticiser for more rigid polyester resins has been developed by British Resin Products. The resin, called Cellobond A.2591, is said to confer a degree of flexibility in proportion to the amount of it which is used. In the case of gel coats the addition of the new resin is stated both to increase the impact resistance and to reduce any tendency to craze on impact. As a low viscosity amber coloured syrup, the resin is completely miscible with Cellobond polyester resins in any desired proportions. Its electrical properties, however, are said not to be so good as those of other Cellobond polyester resins.

Painless Dental Injections

A new anesthesia jet injector device which gives painless dental injections marks the first basic change in injection methods in the history of dentistry, according to studies made by U.S. Army Medical Service officers. The six-inch long injector shoots liquid into the tissues at a speed of about 700 feet per second. Power source is a spring-activated plunger. The injector contains six springs which are compressed by winding and released by pushing a button. In addition to the removal of pain from the operation, the new method of anesthetising eliminates the hazards of needle fracture during injection and reduces the danger of transmitting infectious hepatitis. The jet injection method has several disadvantages, the most serious being that it causes some bleeding. In 28 per cent. of the cases there was no bleeding; in 59 per cent., only slight bleeding. In 13 per cent., of the cases there was moderate to heavy bleeding which, however, was easily controlled by holding a two-inch square sterile gauge pad with pressure over the puncture for one to two minutes. The injector, single shot and hand-operated, is manufactured by R. P. Scherer Corporation of Detroit, Michigan.

Smokeless Safety Flare

An oil refinery safety flare that burns with no smoke and no visible flame has been designed by the Esso Research and Engineering Company of the United States. Refinery flares burn off gases that might otherwise cause a safety problem. The gases are released to burn harmlessly when an operating interruption occurs. While present refinery flares serve their safety function well, according to an Esso Research engineer, the smoke they produce represents "a factor, even though small, in air pollution." The new flare, said to eliminate smoke entirely, is part of the Company's continuing campaign against air pollution. A second advantage of the new flare is that the gas is burned in the base of a 38-foot stack, rather than out in the open as in conventional flares. This was done because visible flame is often misinterpreted by passers-by and nearby residents to be the result of a dangerous or wasteful operation.



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EMPLOYEES' PROVIDENT FUNDS SCHEME

WORKING AND PROGRESS REVIEWED

THE Employees' Provident Funds Scheme completed nearly four and a half years of existence on 31st March 1957. During this period, it had to undergo considerable stress and strain. In addition to its teething troubles, the scheme had to face serious difficulties, as a result of its rapid extension to a large number of industries which were not well organised. The delay in payment of provident fund by non-exempted establishments and the failure of some of the exempted ones to invest their accumulations of provident fund in Central Government securities added seriously to the difficulties. Apart from this, provident fund offices, which should normally have been purely accounts offices, have had to devote much of their time and energy on legal action against defaulters, both by way of prosecution and recovery proceedings as well as in defending suits filed by several employers.

Despite these handicaps, the scheme, according to the *Report on the Working of the Employees' Provident Funds Scheme* for the year 1956-57, has made satisfactory progress. The total number of establishments brought under the Employees' Provident Funds Act 1952, by 31st December 1957, was about 6,272 having about 23.67 lakhs subscribers. The total number of employees (including those who are not members of the Fund) in the 6,272 covered establishments is estimated at about 28.95 lakhs. Thus, about 82 per cent. employees in the covered establishments are receiving the benefit of provident fund. Including the 4.8 lakh subscribers in tea estates in Assam and 3.8 lakhs under the Coal Mines Provident Fund Act, the total number of beneficiaries under the scheme of compulsory contributory provident fund comes to about 32.3 lakhs. The Employees Provident Funds Act 1952, it may be noted, applies to such factories and establishments in the industries brought under it, employing 50 or more workers. It does not apply to any factory belonging to the Government or a local authority nor to infant establishments which have not completed three years of existence.

Extent of Coverage

The Employees Provident Funds Scheme came into force on 1st November 1952. It originally applied to six industries, namely, cement, cigarettes, electrical, mechanical or general engineering, iron and steel, paper and textiles. The Act was extended to 13 industries with effect from 31st July 1956. These were, edible oils and fats, sugar, rubber and rubber products, electricity including generation, transmission and distribution thereof, tea (except in the State of Assam where the Government of Assam has instituted a separate Provident Fund Scheme for the industry, including plantations), printing, stoneware pipes, sanitary wares, electrical porcelain insulators, refractories, tiles, match factories having a production of over 5 lakh gross boxes of matches a year and sheet glass factories having an installed capacity of over 600 tons a month. From 30th September 1956, four more industries were brought under the purview of the Act. They were heavy and fine chemicals, indigo, lac, non-edible vegetable and animal oils and fats. Mineral oil refining industry was included with effect from 31st January 1957 and industrial and power alcohol and asbestos cement sheets from 30th November 1957. With effect from 31st December 1956, the scheme was extended with suitable modifications to newspaper establishments.

Non-factory Establishments

In December 1956, the Employees Provident Funds Act 1952, which applied only to factory industries, was amended by Parliament to empower Government to extend it to non-factory establishments. It is in exercise of the new powers that the benefit of compulsory, contributory provident fund under the Employees' Provident Funds Act 1952 has also been extended with effect from the 30th April 1957 to workers in plantations of tea (except in Assam where as noted above a similar Act of the State Government is already in operation), coffee, rubber, cardamom and pepper employing 50 or more workers. The provisions of the Act were extended to the employees of the oxygen, acetylene and carbon-dioxide gases industry with effect from the 31st July 1957 and to four classes of mines—manganese, gold, iron-ore and limestone—with effect from the 30th November 1957. It was extended to coffee curing establishments with effect from 30th November 1957.

During the second Five-year Plan period, it is proposed to extend the benefits of the Employees' Provident Funds Scheme to many other industries having a total strength of 10,000 workers throughout the country and also to some other industries which employ less than 10,000 workers but are well organised. The Government is also considering the question of extending the provisions of the Act to mica mines and to commercial establishments (including banks, insurance companies, hotels, studios, transport companies, general trading concerns, etc.) By covering these establishments, it is estimated that the benefits of provident fund will be extended to another 2 lakhs of employees and about Rs. 4.24 crores per annum will be the employers' and employees' contribution, taking the rate at 6¼ per cent. of basic wages, dearness allowance, etc.

The provident fund rules of the various public undertakings were examined and the Government of India was requested to bring the less beneficial provisions on par with the provisions of the Employees' Provident Funds Scheme. The State Governments have also been asked to level up the deficient provisions in the provident fund rules of the public undertakings under their control, wherever necessary. The question of deletion of section 16(1)(*a*) of the Employees' Provident Funds Act which excludes from the provisions of the Act undertakings which are owned by Government or a local authority is also under consideration.

Amendments

The Scheme was amended with effect from 31st May 1957 so as to provide for raising the basic wage limits for membership from Rs. 300 to Rs. 500 per month, including dearness allowance and cash value of food concession. Another amendment made in January last extended the scheme to cover employees in the service of a contractor hitherto (designated excluded employees) who are directly connected with any manufacturing process carried on in factory or other establishments. Amendments have also been effected with a view to liberalising the rules regarding the payment of an employers' contribution to the fund to outgoing members. A subscriber will now receive in full the employers' contribution, with interest thereon on attaining 15 years' membership. He will receive 85 per cent. of the employers' contribution where the period of membership is 10 years or more but less than 15 years; 75 per cent. where it is five years or more but less than 10 years, 50 per cent. where it is three years or more but less than five years and 25 per cent. for less than three years' membership. In case of death, permanent disability, superannuation and retrenchment, the full amount, including the employers' share, will continue to be paid. Hitherto a worker could get a full refund of the employers' contribution only after 20 years' membership and no part of the employers' share was paid to a worker with less than five years' service, provided he had not attained the age of superannuation. The employees' own contribution, with interest thereon, however, was payable in all cases.

Contributions are paid at the rate of 6¼ per cent. of the total basic wages, dearness allowance and cash value of food concession. An equal amount is paid by the employer. Total contribution, both of employers and employees, collected from employers during 1956-57 amounted to Rs. 9.95 crores, including the past accumulations received in cash. The total amount of provident fund contributions collected till the end of December 1957 was about Rs. 101.9 crores inclusive of refunds (Rs. 58.8 crores in exempted and Rs. 43.1 crores in non-exempted factories).

Rate of Contribution

There have been proposals to increase the rate of contribution to provident fund from 6¼ per cent. to 8⅓ per cent. In fact, one of the principal recommendations of the State Labour Ministers' Conference, held recently in Naini Tal, was that the rate of contribution should be raised from the existing 6¼ per cent. to 8⅓ per cent. It was also suggested that the scheme should be made applicable to industrial and commercial establishments employing between 20 and 50 persons. While no authoritative information is available as to what stand the Government of India has taken on this issue, the Government, according to a New Delhi report, has decided to shelve the question of raising the rate of contribution for the present while the question of extending the scheme to establishments employing less than 50 employees is still under consideration.

Expenses of the Employees' Provident Fund organisation, as is well known, are met from levies of administrative and inspection charges from the employers of non-exempted and exempted factories at the rate of 3 per cent. and ½ per cent., respectively, on the total amount of provident fund contributions collected in each month. They are not from the amount of provident fund nor from public revenues. A sum of Rs. 23.11 lakhs was received on account of administrative charges from non-exempted establishments and a sum of Rs. 10.44 lakhs as inspection charges from exempted establishments. The income and expenditure for the year 1956-57 were Rs. 34.49 lakhs and Rs. 20.44 lakhs respectively, the income being made up of administrative and inspection charges Rs. 33.55 lakhs, damages Rs. 0.03 lakh and interest on investments Rs. 0.91 lakh. Surplus amounts in administrative accounts are regularly invested and the interest is credited to that account. The total of administrative and inspection charges collected upto the end of December 1957, inclusive of interest, is about Rs. 1.59 crore, out of which a sum of Rs. 96.70 lakhs has been spent.

The rates of interest paid to members of the scheme have varied in the past from 3 per cent. to 3½ per cent. It was 3 per cent. in 1952-53, 1953-54 and 1954-55, 3½ per cent. in 1955-56 and 1956-57 and 3¾ per cent. in 1957-58.

Investment

The pattern of investment of the resources of the fund continued unchanged from the previous years. Ten per cent. was invested in National Plan Savings Certificates, 20 per cent. in medium-dated securities and 70 per cent. in long-dated securities. In terms of figures in 1956-57, a sum of Rs. 7.72 crores was invested in the aforesaid securities, as compared with Rs. 5.51 crores in 1955-56, Rs. 5.90 crores in 1954-55 and Rs. 5.75 crores in 1952-54, making a total of Rs. 24.88 crores since the inception of the Scheme, of which all are in Central Government securities.

It may be noted here that the Government of India has not found acceptable the suggestion of the Bombay Regional Committee to decentralise the Employees' Provident Fund. The question of decentralisation of the administration of the Scheme, also recommended by the Committee, is under the consideration of the Government. The setting up of a State Board in each State is not considered possible, in view of the Government's decision not to decentralise the Fund.

WAGE MAP

The Government of India is reported to be having under preparation a comprehensive wage map of the country. The map is intended, among other things, to help the Wage Boards constituted for different industries to assess the precise structure of wages obtaining in the country. The Boards have been considerably handicapped by the dearth of statistical data relating to wages. At the instance of the Planning Commission, the Union Ministry of Labour will launch a comprehensive wage census among India's five million workers employed in manufacturing, mining and plantation industries. Field investigators will be appointed to collect and collate data throughout the country so that a graphic picture of the wage structure can be had for official guidance. It is also proposed to compute index numbers of average wage rates for important industries both on a regional and all-India basis. Investigators will also be asked to collect sample pay-roll earnings of workers in different occupations for specific pay-peri

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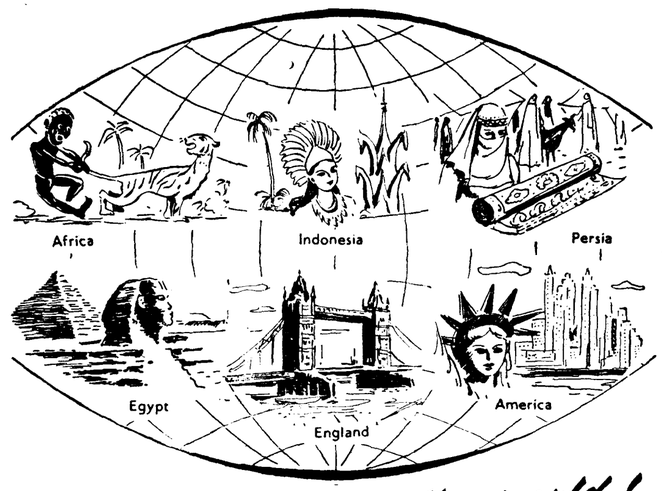

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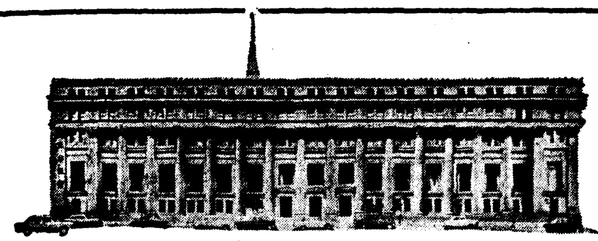
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BICHROMATES INDUSTRY

PROTECTION TO BE WITHDRAWN

THE Government of India has decided to accept the recommendation of the Tariff Commission to the effect that protection to the bichromates industry should be discontinued with effect from 1st January 1959, on which date the protection granted to the industry in 1954 (at the then existing duty of 31½ per cent. *ad valorem*, which was raised to 35 per cent. *ad valorem* subsequently) is due to expire. Under the protective umbrella, the industry has consolidated its position, some of the major units having modernised their equipment and improved the techniques of production. The industry has thus been enabled to cater to the entire domestic demand. Besides, the quality of the products, including by-products and derivatives, it is acknowledged, has been satisfactory. Thus, the industry has made considerable headway both in terms of quantity and quality. What is more, there has been a remarkable improvement in the efficiency of production, which has brought down the costs substantially. Consequently, the industry has acquired adequate competitive capacity.

Production

The industry's progress since the last enquiry conducted by the Commission in 1953 has been particularly notable. Thus, production of sodium bichromate has gone up from 2,323 tons in 1953 to 3,482 tons in 1957. The output of potassium bichromate also has risen from 140 tons in 1953 to 201 tons in 1957. Production during the last five years has been as follows:

(In tons)

Year	Sodium bichromate	Potassium bichromate
1953	2,323	140
1954	2,996	212
1955	2,726	210
1956	3,046	218
1957	3,482	201

There are at present five units in production in the country, as against eight in 1953. These are: (1) Buckingham and Carnatic Co., Ltd., Madras; (2) Cawnpore Chemical Works Private Ltd., Kanpur; (3) Golden Chemicals Private Ltd., Bombay; (4) Chemical Industries Co. Private Ltd., Calcutta; and (5) M. L. Ghosh & Co., Calcutta. Their aggregate capacity for production of sodium bichromate and potassium bichromate is 4,546 tons per year. Commenting on the overall expansion of the industry during the last five years, the Commission observes:

"Despite the closing down of some of the units which resulted in a reduction of operative rated capacity, evidence shows that the industry has achieved a measurable progress since the last inquiry. First, the rated capacity of the units which are in production was utilised to a larger extent than before as indicated by the sustained rise in production in response to the growth of domestic demand during the last three years; secondly, two of the major producers have increased their individual capacity after the last inquiry and have taken steps to modernise their equipment with a view to improving the manufacturing process; thirdly, there has been a noticeable diversification in the pattern of production as major units in this industry and other manufacturers using bichromates have stepped up their production of by-products and derivatives."

The only by-product obtained in the production of bichromates is sodium sulphate. Its output in 1957 was 2,218 tons, which compares favourably with 1,303 tons in 1953. The main derivatives produced in the country either by manufacturers of bichromate or by the producers of fine chemicals and paints are: basic chrome tan, chromium sulphate, chromic acid, chrome salt, chrome oxide green, potash chrome alum, ammonium bichromate, sodium chromate and chromium pigments. Their aggregate annual rated capacity in the industry at present is estimated at 1,128 tons. In respect of derivatives, there has been a notable improvement in the utilisation of the installed capacity through a progressive rise in output since the last inquiry. The total production of the derivatives was to the tune of 493 tons in 1957, as against only 53 tons in 1953 It is said that, generally, production was adjusted to demand for these chemicals and, in some cases, manufacture was undertaken only against specific orders.

Demand

There is vast scope for the bichromate industry to expand, in view of the rapid increase in domestic demand for the products. The exports and imports of bicarbonates being negligible, the recent upward trend in production itself can be taken as a rough measure of the trends in demand. The Commission has placed the demand for bichromates during 1957 at 3,500 tons, which includes the demand of 1,400 tons for leather tanning, 1,200 tons for textiles, 300 tons for paints and pigments, 250 tons for potassium bichromate, and another 350 tons for other industries like wood preservation and chromic acid. The Commission has held the view that, taking the past trends into consideration, the demand for bichromates will go up to 5,000 tons a year by 1960. As regards the by-product, the current demand for sodium sulphate of 26,000 tons per annum is expected to go up to 65,000 tons per year by 1960-61. The demand for derivatives also is expected to expand considerably. The Commission has emphasised the necessity to increase the consumption of bichromates in the wood preservation industry. It has also drawn attention to the prospects of promoting the use of bichromates in the leather tanning industry. To quote the Commission:

"We are informed that India exports vegetable tanned hides and skins of the value of about Rs. 20 crores every year. These semi-finished hides are put through chrome tanning process and finished for making shoes and other articles in the importing countries. If even a part of these hides were chrome tanned and finished and skins were processed for the production of glace kid in this country, it will not only increase the demand for bichromates but will earn valuable foreign exchange for the country. The tanneries which produce these semi-finished hides are scattered in villages and depend mostly on manual labour. For encouraging small producers to adopt chrome tanning, requisite facilities should be made available either at the large producing centres of hides and skins or in the port towns from where they are exported. The Central Leather Research Institute should be in a position to afford positive assistance to small producers of hides and skins in this regard. We recommend that the Export Promotion Council for leather should take note of our observations above, and explore the possibilities of exporting chrome tanned leather and glace kid to an increased extent."

As regards the position of raw materials for bichromates industry, namely, chrome ore, soda ash, sulphuric acid and lime or limestone, the Tariff Commission has observed that generally there was hardly any difficulty as to their availability and their price. In this connection, the Commission has noted with satisfaction that, since the last enquiry, there has generally been a downward trend in the rate of consumption of raw materials per ton of bichromate which admittedly indicated an improvement in the productive efficiency.

Quality

The quality of the indigenous product, it is stated, was satisfactory and conformed to the Indian Standard Specifications. The quality of by-products and derivatives is also reported to be satisfactory. The industry has been able to step up its competitive capacity, thanks to the considerable economies effected as result of increased production. The conversion costs also have been brought down. The Commission has brought to light the fact that the domestic costs of bichromates are lower than those of the imported article by 20.8 per cent. and 19.2 per cent. for bichromates of sodium and potassium, respectively. This has been arrived at by a comparison of the fair ex-works prices of indigenous bichromates with ex-duty landed costs of imported products, as shown in the table below:

(Per cwt.)

	Sodium bichromate	Potassium bichromate
	Rs.	Rs.
C.i.f. price	69.83	89.38
Customs duty at 35 per cent. *ad valorem*..	24.27	31.27
Clearing charges	0.50	0.50
Landed cost with duty	94.10	121.10
Landed cost ex-duty	60.83	89.83
Fair ex-works price of the indigenous product	1,108.59 per ton or 55.43 per cwt.	1,448.54 per ton or 72.18 per cwt.
Difference between the fair ex-works price and the landed cost ex-duty ...	(—)14.40	(—) 17.65
Difference as a percentage on c.i.f. ...	(—) 20.8 per cent.	(—) 19.2 per cent.

There has been a steady decline in prices of both sodium and potassium bichromates since the last enquiry. The Commission, however, has felt that the ruling prices are fairly high in relation to the costs of production. It says "The *entrepreneurs* in a developing industry which, on the one hand, enjoys a sheltered market and, on the other, regulates its output

(*Continued on page* 282)

WORLD TRADE SLACKENS

U.K., HOWEVER, IMPROVES ITS SHARE

THE trade of the free world, after expanding rapidly for five years, slackened in the last quarter of 1957 and, in the first quarter of 1958, it was 8 per cent. lower in value than a year previously. The U.K.'s share in exports of world manufactures, however, has risen slightly, after declining up to 1957. This is the substance of the note on some of the changes now taking place in Britain's export trade against the background of world trade, published in the *Bulletin for Industry*, a monthly economic review prepared by the Information Division of the British Treasury.

The fall in world trade, according to the *Bulletin*, has so far been mainly in the exports of primary producing countries, the United States and Canada. The levelling off in world industrial activity in 1957, combined with a continued growth of raw material production, led to a rapid decline in the prices of raw material commodities. Although this year the decline has been less rapid, the export prices of the primary producing countries are still very low and their export earnings are affected. But, so far, the demand of these countries for manufactured imports has remained high, at least in total, and has been financed in part by a drawing down of their reserve, e.g., sterling balances held in the U.K., by other sterling area countries. There are signs, however, that some primary producing countries are now reducing imports because of the decline in their real incomes and reserves, and this tendency seems likely to become more widespread.

Referring to Britain's exports in particular, the *Bulletin* points out that, in the first half-year, they were 5 per cent. lower in value than a year earlier; but about half the drop was a consequence of the dock strike in June. In the first five months, the fall was about 2 per cent. only, a smaller fall than for exports of all manufacturing countries taken together. The main fall was in British exports to European countries, with exports to W. Germany a notable exception. Exports to India and Japan have also fallen considerably, as a result of measures taken in those countries to conserve foreign exchange. On the other hand, exports to the dollar area have held up well; and shipments to many primary producing countries have so far remained buoyant. But shipments to some important sterling markets are now beginning to fall; and the measures taken earlier by New Zealand to cut back imports because of balance of payments difficulties are likely to have increasing effect in the next few months.

The exports which have increased most have been engineering products. Road vehicles and aircraft head the list, and, in both of these, the biggest rise is in shipments to North America. Exports of cars to the U.S.A. were 70 per cent. higher than a year earlier (other shipments have in total declined), and deliveries of aircraft to Canada four and a half times higher.

Outside the engineering group, only exports of petroleum products showed a marked upward trend. Exports of all the other main commodity groups—chemicals, textiles, metals and manufactures, solid fuels, food—were lower.

The increase in exports of engineering products has been a well-known characteristic of world trade since the war. In 1951, the group which includes machinery and transport equipment represented 33.8 per cent. of world exports of manufactures. By 1956, it had increased to 39 per cent. U.K. engineering exports increased correspondingly from 40.6 to 47 per cent. The fall in textile exports this year is also in line with long-term world trends. Textiles fell from 16 per cent. of world exports of manufactures in 1951 to 10 per cent. in 1956; their share in U.K. exports declined from 21 to 11 per cent.

Although exports from the U.K. in the first quarter of 1958 were lower than a year earlier, the U.K. share of world exports of manufactures increased from 18.5 to 19 per cent. The main reason for this larger percentage was the sharp drop in exports from North America; the U.S.A.'s share fell from 25.7 to 23 per cent., and Canada's share from 5.5 to 5.1 per cent. The increase in Britain's share was less than Japan's and Germany's, but in line with the rest of the O.E.E.C. countries. It is the first time since 1953 that the U.K.'s share has not shown a fall. But it seems likely, says the *Bulletin*, competition will grow more intense, at any rate for a while.

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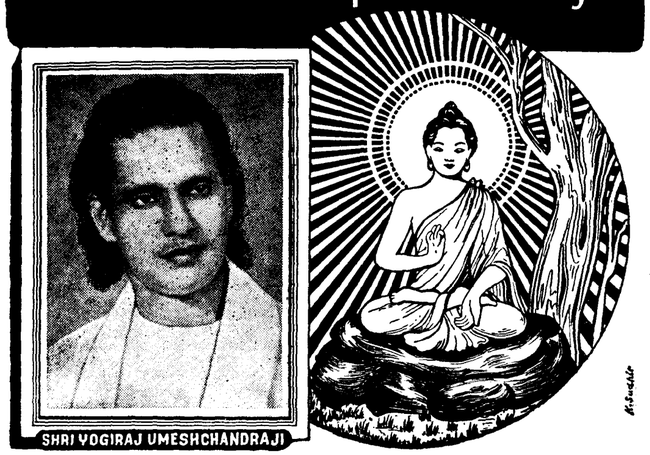

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METTUR CHEMICAL MAINTAINS PROGRESS

OUTPUT HIGHER—EARNINGS TOO IMPROVE

THE recommendation of the Directors of the Mettur Chemical and Industrial Corporation Ltd. (Managing Agents: Messrs. Seshasayee Brothers Private Ltd., Mettur Dam, R.S.) to step up the dividend on the ordinary shares of the Company for the year ended 31st March 1958 to 8¾ per cent. from 7½ per cent. paid for the previous two years, by raising the final distribution from 3¾ per cent. to 5 per cent., is in consonance with the increased earnings for the year. Incidentally, the final dividend is 50 nP per share and not 25 nP, as was inadvertently stated in our issue of 2nd August 1958 under the feature "Company Meetings and Dividends." The percentage of final dividend, however, had been correctly stated there.

The gross profit of the Company has gone up to a fresh high of Rs. 24.86 lakhs from Rs. 20.93 lakhs, thus maintaining the upward trend since 1953, when the profit had declined from Rs. 10.17 lakhs (for 1952) to Rs. 4.30 lakhs. It will be of interest to note that, in the course of the past five years, the Company's gross profit has grown nearly sixfold. This performance must be judged against the background of the fact that this Company, along with many other South Indian industries which depend on hydro-electric power, is handicapped by the seasonal power cut in the Madras State which varies year after year depending upon the vagaries of the monsoon. During the year under review, there was a power cut of 25 per cent. extending over a period of about 4½ months. Despite this, the output of the factory was maintained at a higher level, thus contributing to the larger earnings referred to above.

While the gross profit has maintained its upward trend, the net profit has declined for the second year in succession to Rs. 5.44 lakhs from Rs. 9.65 lakhs earned in 1955-56 and Rs. 5.96 lakhs in the following year. The rise in gross profit for the year under review has been more than mopped up by the larger provision of Rs. 9.48 laks for taxation (as against Rs. 7 lakhs in respect of 1956-57) and the allocation of Rs. 2 lakhs (as against *nil*) for gratuity. The net profit for 1957-58, it may be noted in passing, is the lowest in the last three years. If, however, the provision for gratuity (which was not made in the previous years) is excluded as a charge against gross profit, the net profit will be higher by Rs. 1.48 lakhs at Rs. 7.44 lakhs. Out of the net profit, the Directors have set aside, as in the previous two years, Rs. 60,500 to the general reserve and have created a development reserve of Rs. 88,740.

The comparative table below provides an idea of the Company's progress in recent years:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds	1,17.03	96.89	87.28	66.67
Other income	1.61	1.54	0.37	0.55
Closing stocks	4.87	9.38	7.27	9.02
Raw materials, power and fuel consumed	46.31	43.54	36.01	36.04
Other expenses	42.96	36.07	33.13	22.17
Gross profit	24.86	20.93	17.52	12.28
Managing Agents' remuneration	2.18	1.87	1.36	0.85
Provision for—				
Depreciation	5.77	6.81	6.51	6.35
Taxation	9.48	7.00	...	...
Gratuity	2.00	...	...	...
Net profit	5.44	5.96	9.65	5.06
Debenture issue expenses ...	...	...	...	0.15
To reserves	1.49	0.60	5.85	1.25
Dividends—				
6% preference	1.20	1.20	1.20	1.20
Ordinary	3.54	3.04	3.04	2.53
	(8¾%)	(7½%)	(7½%)	(6¼%)
Carry forward	0.30	1.11	0.08	0.06

As stated earlier, despite the power cut extending over a period of about 4½ months, the Company's production in 1957-58 is higher. The output of caustic soda amounted to 4,315 tons and of bleaching powder to 4,827 tons, as against 3,771 tons and 4,313 tons in 1956-57. There was a large offtake of the Company's output of unliquified chlorine gas as bleach liquor by the small-scale dyeing and bleaching factories. Out of the total production of 4,827 tons of bleaching powder, only 3,642 tons was of stable quality (as against 4,093 tons in 1956-57), the balance of 1,185 tons being non-stable. The shortfall in production of the former is said to be due to the fact that "a large quantity of liquid chlorine, required for production of stable bleach, was supplied to the Hindustan Insecticides Private Ltd. at Alwaye as directed by the Government of India." Thanks to the regulated import policy of the Government of India, the price of caustic soda and bleaching powder was maintained at a uniform level. The production of vegetable oil products—*vanaspati* and refined oil—was maintained at a satisfactory level of 1,746 tons, as against 1,642 tons in 1956-57, and the prices of oil fluctuated widely from Rs. 1,368 to Rs. 1,575 per ton.

Referring to the Company's expansion programme, the Directors observe, in their latest report, as follows:

"Having regard to the increasing demand for stable bleach and in the interests of self-sufficiency it has been decided to double the capacity of this plant from 16 tons to 32 tons per day, and import licence for the needed plant is awaited. Within a year from now the duplication of the plant is confidently expected. . . . The installation of 30 additional Hooker cells to step up caustic soda production to 20 tons per day was completed in February last. But, in view of the power shortage and the Madras State Electricity Board having to make certain changes in distribution arrangements to meet our full requirements of power for our expansion, it is hoped to operate the plant to full installed capacity only from October 1958.

"Your Directors are actively considering the further expansion of the plant capacity from 20 tons to 40 tons to keep in step with the developments in similar alkali factories. This will involve a capital expenditure of Rs. 80 lakhs which will also include equipment for utilising the corresponding output of chlorine. We have applied for financial assistance to the Government of India under the existing Indo-American agreement which allows the Export-Import Bank to extend such facilities. On receipt of the licences from the Government of India, the Board will take the necessary action."

The paid-up capital of the Company stands at Rs. 60.50 lakhs and reserves and surplus at Rs. 16.63 lakhs. Debentures of the value of Rs. 1 lakh were redeemed during the year, bringing the outstanding liability to Rs. 15 lakhs. The other liabilities and provisions aggregate Rs. 23.09 lakhs. The total capital expenditure during the year amounted to Rs. 10.47 lakhs, bringing the total cost to Rs. 112.62 lakhs. The written down value of the same as at the end of the year is Rs. 52.40 lakhs. The other assets aggregate Rs. 64.82 lakhs. During the year the Company applied to the Government of India for sanction to issue bonus shares from out of the premium reserve (amounting to Rs. 6.42 lakhs) at the rate of three shares for every 20 ordinary shares. The Government did not, however, sanction the proposal, on the grounds that the residual reserves would not bear a reasonable proportion to the increased paid-up capital and the Company was not considered to be undercapitalised.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 11, which includes the final dividend of As. 8 per share. On an *ex-div.* basis, the shares provide an attractive yield of 8.3 per cent. per annum, free of income-tax.

The Managing Agents' term of office expires in August 1960. But, in view of the excellent service rendered by them, the Directors have decided, appropriately enough, to recommend their reappointment for a further period of 10 years at the forthcoming annual meeting scheduled to be held on the 30th inst. It is noteworthy that, in keeping with the spirit of the times, the Managing Agents have volunteered to accept remuneration at lower rates, that is, 10 per cent. on the first Rs. 12 lakhs of profits and 5 per cent. on profits over this sum. This is, indeed, a highly commendable gesture which other managing agency houses in India will do well to emulate.

ENFIELD INDIA LTD.

ENCOURAGING RESULTS FOR 1957

THE year ended 31st December 1957 witnessed considerable progress in the working of Enfield India Limited (Managing Director: Mr. S. Sankaran, Madras). The output during the year was nearly twice that of the previous year and sales of motor cycles expanded, despite the availability of imported vehicles during the year to compete with the Company's products. The Company earned a sizable profit too, as against a negligible one in the previous year. This was sufficient to write off a substantial part of the preliminary expenses, the brokerage on shares and the balance of deferred revenue expenditure as also to pay the dividend on the 6 per cent. preference shares. No dividend on ordinary shares has been declared.

The Company's sales increased from Rs. 1.45 lakhs to Rs. 41.26 lakhs and the gross profit from Rs. 991 to Rs. 1,51,338. After raising the provision for depreciation from Rs. 9,315 to Rs. 82,496, the net profit for the year amounted to Rs. 68,842, as against a net loss of Rs. 8,324 in 1956. After utilising Rs. 18,616 towards writing off a part of the preliminary expenses, Rs. 7,266 towards writing off share brokerage and Rs. 19,134 to wipe out the balance of deferred revenue expenditure, the Directors have declared a dividend of 6 per cent. on the tax-free preference shares which absorbs Rs. 10,392, leaving a surplus of Rs. 5,110 to be carried forward.

The main activities of the Company are the manufacture of Royal Enfield motor cycles, three-wheeler chassis for auto-rickshaws, trucks, delivery vans, etc., and the manufacture of their components, ancillary and allied products, in technical collaboration with the Enfield Cycle Company, Ltd., Redditch, U.K. Its products were said to be in such good demand during the year under review that the Company was not able to meet it in full and had to carry pending orders to be supplied in the early months of 1958. The Company has made satisfactory progress in the manufacture of components under the phased programme. In view of the difficult foreign exchange position the Company has, according to its Chairman, Mr. K. R. Sundaram Iyer, whose speech at the annual general meeting of the Company held on the 31st ultimo is published on page 270 of this issue, taken steps to accelerate the pace of such manufacture, and the items taken up for the same are nearing 50 per cent. in value. Every effort is being made to attain self-sufficiency in indigenous manufacture of almost the entire motor cycle, barring, of course, the proprietary items, in 1959, as against the original schedule of 1960.

The rate of increase in the Company's production is being maintained and production during 1958 is expected to be about 50 per cent. over that in 1957. Even this quantity will be considerably below that for which the Company is now licensed by the Government. Further increase in production has to depend upon the allotment which the Company receives from the Government in the way of foreign exchange for importing components which for the time being are not available from indigenous sources. In view of the increased demand for motor cycles and three-wheelers, the Company has made an application to the Government for an increase in the licensed annual quantity of production, as this is possible within the Company's current capacity.

The Company, as the Chairman points out in his speech, has received enquiries for supply of motor vehicles from some of the West Asian and South-East Asian countries, exports to which have been approved by the Company's U.K. collaborators. The Directors hope to utilise fully the prospects for export of motor cycles and three-wheelers and are making preliminary surveys and securing the necessary contacts in these countries.

The programme of manufacture of almost the entire motor cycle out of indigenous parts involves heavy capital expenditure. In order to meet this, the Company issued, in February last, fresh capital to the tune of Rs. 6 lakhs, made up of 2,000 6 per cent. tax-free redeemable cumulative preference shares of Rs. 100 each and 40,000 ordinary shares of Rs. 10 each at par to the holders of equity shares of the Company. Subsequently, it was decided to raise a further capital of Rs. 9 lakhs, out of which 7 per cent. tax-free redeemable preference shares of Rs. 100 each to the extent of Rs. 4 lakhs are being offered to the existing shareholders, both ordinary and preference. Arrangements have been made for subscription of the balance of Rs. 5 lakhs. At the same time, the dividend on the old preference shares has been increased from 6 per cent. to 7 per cent. tax-free. This brings the total subscribed capital of the Company to Rs. 25 lakhs made up of 10,000 7 per cent. tax-free preference shares of Rs. 100 each and 150,000 ordinary shares of Rs. 10 each.

The subscribed and paid-up capital as on 31st December 1957 stood at Rs. 9.95 lakhs (less arrears of allotment money). The Company's borrowings amounted to Rs. 20.14 lakhs, of which those from the Industrial Finance Corporation of India accounted for Rs. 8.90 lakhs and from banks for Rs. 11.24 lakhs. The other liabilities aggregated Rs. 12.63 lakhs. The capital expenditure made during the year amounted to Rs. 20.88 lakhs, bringing the gross value of the fixed assets to Rs. 22.65 lakhs and the net value to Rs. 21.73 lakhs. The other assets as at the close of the year amounted to Rs. 21.03 lakhs.

(Concluded from next column)

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BENGAL PAPER'S PROFIT RISES BY 50 PER CENT.

DIVIDEND ALSO RAISED

A DISTINCT improvement in results is disclosed by the accounts of the Bengal Paper Mill Company, Ltd., for the year ended 31st December 1957. The gross profit has recorded an increase from Rs. 14.31 lakhs to Rs. 21.57 lakhs in contrast to the substantial setback from Rs. 33.46 lakhs suffered in the previous year. The welcome improvement in profit is evidently due to larger production and the reduction in the quantity of imported wood-pulp. In 1956, due to a breakdown in the crushing plant and the consequent shortage of mill-pulp, it had become necessary to use larger imported pulp to maintain production. In the year under review, however, the quantity of imported wood-pulp is said to have returned to normal proportions.

The main beneficiary of the better results is the Government, the provision for taxation having more than doubled from Rs. 3.95 lakhs to Rs. 8.67 lakhs. The provision for depreciation has been pruned from Rs. 5.27 lakhs to Rs. 4.03 lakhs. After these essential allocations, the net profit shows a rise from Rs. 4.15 lakhs to Rs. 8.86 lakhs. The dividend on ordinary shares has been stepped up from 10 per cent. to 12½ per cent., thus restoring partially the cut made last year from 18¾ per cent. paid for 1955 to 10 per cent. The latest dividend is the same as that paid for 1954. This increase in the dividend has been made after transferring Rs. 1 lakh to the general reserve, which had not received anything in the previous year.

The following comparative table shows how fluctuating the results of the Company have been:

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Sale proceeds	2,07.60	2,02.57	1,95.60	1,77.60
Closing stocks of finished goods	2.14	3.05	4.68	0.72
Manufacturing and other expenses	1,85.35	1,87.09	1,86.24	1,58.28
Gross profit	21.57	14.31	33.46	24.99
Managing Agents' remuneration	...	0.94	2.88	1.77
Provision for—				
Depreciation	4.03	5.27	9.14	7.88
Taxation	8.67	3.95	6.25	0.80
Net profit	8.86	4.15	15.54	14.33
Reserves and provisions written back	...	...	...	0.80
Realisation on redemption of debentures	0.10	0.10	0.10	...
To reserves	1.10	0.10	5.10	7.25
Dividends—				
Preference (7% and 6%) ...	1.62	1.62	1.62	1.62
Ordinary	5.62	4.50	8.44	5.62
	(12½%)	(10%)	(18¾%)	(12½%)
Carry forward	0.57	0.05	2.02	1.84

A break-down of the Company's expenses for the year under review shows that the cost of production (excluding depreciation) declined from Rs. 155.36 lakhs to Rs. 146.12 lakhs, mainly due to the fall in consumption of raw materials from Rs. 75.17 lakhs to Rs. 64.61 lakhs. To a large extent this has been offset by the rise in other expenses from Rs. 31.73 lakhs to Rs. 39.23 lakhs, of which excise duty alone accounts for a rise of Rs. 5.93 lakhs to Rs. 25.35 lakhs.

The operations of the Company during the year under review would have been better but for some loss of production due to alterations in No. 2 machine, the fitting of a new rotor and bearings to the turbine, and a severe electrical short circuit. In addition to the alterations made to No. 2 machine, other equipment was installed for the production of high quality papers, the benefit of which, according to the Directors, will be felt from the current year. They add that the working of the mill during the current year shows further progress.

The Company's paid-up capital is unchanged at Rs. 71 lakhs, as against which the reserves and surplus stand at Rs. 37.69 lakhs. The loans and current liabilities aggregate Rs. 49.92 lakhs and provision for taxation stands at Rs. 18.63 lakhs. The gross block of the value of Rs. 214.70 lakhs has been written down to Rs. 54.05 lakhs and the capital expenditure on fixed assets under construction amounts to Rs. 10.87 lakhs. Investments and other assets aggregate Rs. 112.63 lakhs which more than adequately cover the liabilities and provisions.

The Company is one of the oldest paper makers in India, having been established in 1889, with Messrs. Balmer Lawrie & Co., Ltd., as Managing Agents. This firm ceased to be the managing agents from 15th January 1957, but, with effect from that date, it was appointed by the Board to carry on the day-to-day affairs of the Company. The Board has now sought the approval of the Central Government to appoint Messrs. Balmer Lawrie & Co., Ltd., as Secretaries and Treasurers of the Company for a period of five years from 1st January 1958.

The Rs. 25 fully paid-up shares of the Company are being quoted currently at Rs. 91.50 *cum-div.* On an *ex-div.* basis the yield on the shares works out to 3.7 per cent. per annum, free of income-tax. Such a low yield reflects the concentrated holding of the Company's shares in the hands of a few people. It is common knowledge that, in order to get control of the Company, certain interests joined together and bought its shares at high rates.

Points From The Chair

Pooling of Technical Resources

"ONE way to reduce the country's foreign exchange requirements is by pooling the plant, machinery and equipment resources of the various industrial units in the country in order to secure their fullest use for the common good of the various industries and the country. Though this has contributed in a large measure to economies in production in advanced Western countries, it has not so far taken practical shape in our country. Any effort in this direction involves a detailed exchange of views among the industrialists themselves for the common good of all. The All-India Ancillary Industries Exhibition has contributed a good deal to the dissemination of knowledge in this direction. I hope there will be active co-operation between various units in the automobile industry and that the response to undertake sub-contracting work will be encouraging, so that the facilities available are effectively and fully used."

K. R. SUNDARAM IYER,
Enfield India Ltd.

Outlook for Larsen and Toubro

"The present restrictive import licence policy cannot but have an adverse effect upon the Company's own imports and sales from stocks. However, as mentioned in the Directors' report, the Company's stocks position at the end of the year under review was satisfactory. With these stocks, supplemented by the output from the Company's own workshops, and with many good prospects of effecting imports for customers having 'actual users' licences in connection with supplies to essential projects, the Directors hope to maintain the sales turnover for the current year. It is expected that the Company's service and parts business will further expand due to reduced imports of construction and agricultural machinery, making it more than ever necessary to rehabilitate used machinery. To make up for diminishing imports, and utilise our good sales organisation, efforts are being made to secure the distribution of indigenously manufactured engineering products. These efforts have already met with some success. The Company's valuable asset in its skilled engineering personnel is increasingly being employed in the planning and execution of contracting work in collaboration with our sister concern, the Engineering Construction Corporation Private Limited. As mentioned earlier, the Company has, in the course of the year under review, put in considerable efforts to improve and expand the manufacturing facilities at Powai. The manufacturing schemes, which have been submitted to the Government and which we expect will be sanctioned during the current year, will require a fairly substantial outlay towards capital expenditure and working capital, all of which cannot be found within the present resources of the Company. It will, therefore, be necessary to increase the Company's paid-up capital to meet this situation. Subject to certain formalities being complied with, we propose shortly to issue further equity capital in the sum of Rs. 10 lakhs at par."

H. HOLCK-LARSEN,
Larsen & Toubro Ltd.

Output and Consumption of Tin

"During the first quarter of 1958 the U.S.S.R. and Poland exported 4,000 tons to Western Europe and, in addition, China is reported to have sold several hundred tons to Japan. This is approximately the same rate of exports as in the last quarter of 1957, so that it is quite possible that exports from these sources may exceed 15,000 tons during 1958. . . Despite the impact of Russian tin exports, the most important factor influencing the tin price has been the very low rate of demand in the U.S.A. as a result of the recession which started about this time last year. Evidence is conflicting regarding the probable length of this recession. There are some signs that it is levelling out and even that the level of economic activity may be beginning to rise, but I do not expect any rise to be other than gradual and protracted. Meanwhile, U.S. consumers have continued to an unusual extent to use up their stocks and to abstain from buying in the market. It is prudent, therefore, to assume that world consumption of tin in 1958 will be considerably lower than in 1957—perhaps a fall of 12 per cent. to 134,000 tons. The exports of the producing countries who are members of the International Tin Agreement have been reduced at the rate of 60,000 tons per annum until 30th September 1958. If the same rate of reduction is imposed for the last quarter of the year, as in my opinion it should be, world production will fall from 164,000 tons to 104,000 tons. The addition of, say, 16,000 tons for exports from U.S.S.R. and China makes a total of 120,000 tons. Thus, consumption should exceed production by some 14,000 tons during the year."

CLIFFORD WAITE,
Consolidated Tin Smelters Ltd., London.

COMPANY MEETINGS AND DIVIDENDS

RUNGAMATTEE TEA CO., LTD. Annual General Meeting, Calcutta, 22nd August 1958. Dividend: Rs. 7.50 per share. Transfer books remain closed from 12th to 22nd August 1958, both days inclusive.

NILGIRI TEA ESTATES LTD. Annual General Meeting, Kullakamby, P.O., Nilgiris, 23rd August 1958. Dividend: Re. 0.60 per share or 6 per cent. Transfer books remain closed from 8th to 23rd August 1958, both days inclusive.

KAILAS RUBBER CO., LTD. Annual General Meeting, Kottayam, Kerala State, 25th August 1958. Dividend: Re. 0.50 per share or 25 per cent. (includes interim dividend of Re. 0.20 per share or 10 per cent.). Transfer books remain closed from 8th to 25th August 1958, both days inclusive.

PENCH VALLEY COAL CO., LTD. Annual General Meeting, Calcutta, 26th August 1958. Dividend: Rs. 2.00 per share. Transfer books will remain closed from 18th to 26th August 1958, both days inclusive.

HANSQUA TEA CO., LTD. Annual General Meeting, Calcutta, 27th August 1958. Dividend: Re. 1.00 per share or 10 per cent. Transfer books will remain closed from 18th to 27th August 1958, both days inclusive.

ELLENBARRIE TEA CO., LTD. Annual General Meeting, Calcutta, 27th August 1958. Dividend: *Nil.* Transfer books will remain closed from 20th to 27th August 1958, both days inclusive.

NATIONAL MACHINERY MANUFACTURERS LTD. Annual General Meeting, Kalwe, Thana, 27th August 1958. Dividend: *Nil.* Transfer books remain closed from 14th to 28th August 1958, both days inclusive.

BRIDGE AND ROOF CO. (INDIA) LTD. Annual General Meeting, Calcutta, 28th August 1958. Dividend: Rs. 2.00 per share. Transfer books remain closed from 14th to 28th August 1958, both days inclusive.

RADHA KRISHNA MILLS LTD. Annual General Meeting, Peelamedu, Coimbatore, 28th August 1958. Dividend: Rs. 12.00 per ordinary share and Rs. 6.00 per 'B' ordinary share. Transfer books remain closed from 14th to 28th August 1958, both days inclusive.

UDAYAGIRI RUBBER CO., LTD. Annual General Meeting, Kottayam, Kerala State, 30th August 1958. Dividend: Re. 0.60 per share or 6 per cent. Transfer books will remain closed from 22nd to 30th August 1958, both days inclusive.

OGALE GLASS WORKS LTD. Annual General Meeting, Ogalewadi, 30th August 1958. Transfer books remain closed from 22nd to 30th August 1958, both days inclusive.

TWYFORD TEA CO., LTD. Annual General Meeting, Kottayam, Kerala State, 1st September 1958. Dividend: 15 per cent. or Re. 1.50 per share. Transfer books will remain closed from 25th August to 7th September 1958, both days inclusive.

SRI KRISHNARAJENDRA MILLS LTD. Annual General Meeting, Mysore, 30th August 1958. Dividend: Rs. 4.50 per share. Transfer books will remain closed from 23rd to 30th August 1958, both days inclusive.

PULLANGODE RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Fort Cochin, Kerala State, 3rd September 1958. Dividend: 4 per cent. Transfer books will remain closed from 19th August to 5th September 1958, both days inclusive.

DEVASHOLA (NILGIRI) TEA ESTATES CO., LTD. Annual General Meeting, Coonoor R.S., Nilgiris, 8th September 1958. Dividend: Re. 1.75 per share or 17½ per cent. (includes interim dividend of Re. 0.75 per share or 7½ per cent.) Transfer books will remain closed from 28th August to 8th September 1958, both days inclusive.

CAWNPORE TEXTILES LTD. Annual General Meeting, Kanpur, U.P., 8th September 1958. Dividend: *Nil.*

NEW INDIA INVESTMENT CORPORATION LTD. Annual General Meeting, Calcutta, 15th September 1958. Transfer books will remain closed from 6th to 15th September 1958, both days inclusive.

ESTRELA BATTERIES LTD. Annual General Meeting, Bombay, 18th September 1958. Transfer books will remain closed from 23rd August to 18th September 1958, both days inclusive.

IMPERIAL TOBACCO CO. OF INDIA LTD. Annual General Meeting, Calcutta, 25th September 1958. Dividend: 7 per cent. free of income-tax for the year ended 31st March 1958 (includes first and second interim dividends of 2 per cent. each free of income-tax). Transfer books will remain closed from 8th to 25th September 1958, both days inclusive.

ANDHRA CEMENT CO., LTD. Dividend of Re. 1.00 per ordinary share or 10 per cent. for the year ended 31st December 1957. Transfer books will remain closed from 5th to 12th September 1958, both days inclusive.

DALMIA CEMENT (BHARAT) LTD. Dividend of Re. 1.20 per ordinary share or 12 per cent. and Re. 0.12 per deferred share or 12 per cent; for the year ended 31st December 1957. Transfer books will remain closed from 18th August to 4th September 1958, both days inclusive.

BOMBAY DYEING AND MANUFACTURING CO., LTD. Interim dividend of Re. 0.75 per share of Rs. 25 each, free of income-tax, for the half-year ended 30th June 1958, payable on or after 29th September 1958. Transfer books will remain closed from 5th to 19th September 1958, both days inclusive.

BRITISH INDIA CORPORATION LTD. Transfer books will remain closed from 23rd August to 20th September 1958, both days inclusive.

INDIAN IRON AND STEEL CO., LTD. Transfer books will remain closed from 18th to 27th August 1958, both days inclusive.

PROFIT OF PENCH VALLEY COAL LOWER

THACKERSEY GROUP MILLS SUFFER LOSS

Pench Valley Coal Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Shaw Wallace and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The Company's profit for the year is Rs. 7,35,061 (Rs. 8,82,072) and after providing taxation for the year of Rs. 4,54,287 (Rs. 2,62,574) there remains a balance of Rs. 2,80,774 (Rs. 6,19,498). To this amount is to be added provision for liabilities no longer required Rs. 1,75,406 (nil), items relating to previous periods Rs. 57,838 (Rs. 60,441) and the amount brought forward from the previous year of Rs. 46,383 (Rs. 33,734) making a total of Rs. 5,60,401 (Rs. 9,33,673 including transfer from reserves of Rs. 2,20,000). From this amount is to be deducted provision for Labour Appellate Tribunal Award Rs. 1,34,136 (Rs. 3,72,290), transfer to development reserve Rs. 4,800 (*nil*) and transfer to general reserve Rs. 70,000 (*nil*) leaving an available balance of Rs. 3,51,465 (Rs. 3,61,383 after transferring Rs. 2,00,000 to contingencies reserve). Out of this the directors recommend a dividend of 20 (20) per cent. payable without any deduction for income-tax paid by the Company absorbing Rs. 3,15,000 (Rs. 3,15,000) leaving a credit balance to be carried forward of Rs. 36,465 (Rs. 46,383).

Output and despatches of steam and other grades of coal for the last three years are as follows:—

Year Ended	*Raisings* Tons	*Despatches* Tons
31st March 1958	4,80,042	4,74,880
31st March 1957	4,63,751	4,63,237
31st March 1956	4,46,745	4,54,926

Raisings and despatches show an improvement but the output of Barkui Colliery on the South Eastern Railway narrow gauge could not be fully lifted owing to inadequate supply of wagons. Since the close of the year, arrangement has been made to dispose of this stock on the broad gauge.

Capital expenditure during the year is Rs. 5,93,503 against Rs. 5,54,900 in the previous year. This includes one conveyor costing about Rs. 2,00,000. For reasons stated in the last report, a further sum of Rs. 1,34,136, being the estimated cost of Appellate Tribunal Award for the period from 1st April to 14th July 1957, has been provided for in this account.

The Coal Prices Revision Committee has yet to submit its report. The selling price of coal has, however, been increased by Re. 0.75 per ton as from 17th May 1958 to cover the extra dearness allowance payable to a colliery worker under the Award.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,75,000	Block ...	17,26,000
Reserves ...	17,04,900	Capital work-in-progress	1,02,339
Provision for taxation ...	6,90,000	Stock ...	1,08,618
Liabilities ...	26,48,575	Stores and spare parts	13,88,062
Profit and loss account ...	36,465	Debts, deposits and advances ...	27,57,830
		Investments	4,07,240
		Cash ...	1,64,751
Rs.	66,54,840	Rs.	66,54,840

Hindoostan Spg. and Wvg. Mills Co., Ltd.

The directors of the above Company (Bombay) submit the audited accounts of the Company for the year ended 31st March 1958.

The year's working has resulted in a loss of Rs. 6,88,569 (profit of Rs. 11,15,125), after providing Rs. 13,57,051 (Rs. 11,67,144) and Rs. 3,47,815 (*nil*) respectively for depreciation and development rebate and Rs. 50,000 (Rs. 8,60,000) for taxation. Wealth tax in respect of 1956-57 amounting to Rs. 80,520 has been paid out of the balance of Rs. 86,061 (Rs. 608) brought forward in the last year's account, leaving a balance of Rs. 5,541. The directors have transferred a sum of Rs. 4,70,000 (*nil*) from the dividend reserve which when added to the aforesaid amount of Rs. 5,541 (Rs. 608) makes a total of Rs. 4,75,541 (total profit of Rs. 11,15,733). The directors have paid an *ad-interim* dividend at Rs. 75 (Rs. 75) per whole and Rs. 18.75 (Rs. 18.75) per quarter ordinary share, which absorbed Rs. 90,000 (Rs. 90,000). From the balance of Rs. 3,85,541 (Rs. 10,25,733) the directors recommend payment of dividend for the year ended 31st March 1958 at Rs. 45 (Rs. 45) per whole and Rs. 11.25 (Rs. 11.25) per quarter preference share, less income-tax, which will absorb Rs. 54,000 (Rs. 54,000) and a final dividend for the year ended 31st March 1958 at Rs. 275 (Rs. 275 including bonus of Rs. 25) per whole and Rs. 68.75 (Rs. 68.75 (including bonus of Rs. 6.25) per quarter ordinary share., without deduction of income-tax, which will absorb Rs. 3,30,000 (Rs. 3,30,000) leaving a balance of Rs. 1,541 (Rs. 86,061 after placing Rs. 5,55,672 to development reserve.) Deducting the above sum of Rs. 1,541 from the above loss of Rs. 6,88,569 there remains a debit balance of Rs. 6,87,028 in the profit and loss account and the same is deducted out of the general reserve as shown in the accounts.

During the year, a new Company, namely, The Cable Corporation of India Ltd., for the manufacture of Electric Cables, was floated and the directors subscribed to its capital to the extent of 5,000 shares of Rs. 100 each, considering it a good investment for the Company. The Company has also invested Rs. 50,000 in the share of Siemens Engineering & Manufacturing Co. of India Private Ltd., by subscribing 50 shares of Rs. 1,000 each fully paid-up. The prospects of this Company also are bright and in the opinion of the directors it is a sound investment.

The directors regret to inform that though the permission of the Government for the issue of bonus shares was received during the accounting year, they did not think fit to issue bonus shares as one of the conditions of the permission was that the Company should have assessable profits during the year of issue and it was very nearly impossible to know in advance under the prevailing conditions as to whether the Company was going to have any assessable profits in the year. In fact, the working of the year resulted in a loss, and hence no bonus shares could be issued.

Machinery to the value of Rs. 18,01,317 (Rs. 20,77,889) was received and most of it was erected during the year.

Trading Conditions.—The year under report was one of the worst the Indian Textile Industry had seen in recent times. The Industry had to face the double problem of rising stocks and falling prices. Mills producing grey goods of coarse and medium counts were more severely affected and unfortunately the Company's Mills produce mostly these varieties.

In September 1956 the Government drastically increased excise duty on cloth and in the case of medium varieties it was actually doubled. The reason given by the Government at the time was that this would mop up the so-called increased profits which it expected the mills to make in the following year. The heavy duty continued to be levied till December 1957 when the Government reduced it by 3 nP on medium varieties. This reduction was of very little help to units on coarse and medium varieties and the Government had to reduce the excise duty again in March 1958. But this time also the reduction on coarse and medium varieties was so meagre that it had no effect on the cloth market.

Simultaneously, in December 1957, the Government announced replacement of sales tax on cloth by additional excise duty of 3 nP and 4 nP, respectively on coarse and medium varieties, which would bring an additional revenue of Rs. 22.87 crores to the Government against Rs. 19.76 crores collected by the State Governments by way of sales tax. However, the State Governments were not satisfied with the respective shares of the additional excise duty they were to get from the Central Government and in order to increase their revenues, withdrew the concessions given to the Textile Industry in respect of sales tax on raw materials. This has further increased the burden on the Bombay Mills by about a crore of rupees.

The Industry's problems are many and varied. The cost of raw materials, namely, cotton has been rising since 1955. Bombay Mills have to pay higher and higher charges for electricity and fuel oil since 1953 and 1955 respectively. The labour cost too has gone up sharply due to rising basic wages in some cases and dearness allowance and other direct and indirect benefits conferred on workers. The rise in dearness allowance has been especially steep due to a jump in the working class cost of living index. On top of these increases in the expenses, the Central Government, the State Governments and the Local Governments, i.e., Municipalities have found the Textile Industry a convenient source of income and now and then come out with proposals of increasing the existing imposts or of fresh ones. The net result of all these factors is rising costs of manufacture of cotton textiles.

As against the rising costs of manufacture, the cloth prices during the year were not only rising but were actually falling. The agricultural population also had a bad year and owing to a sharp rise in the prices of food grains, the purchasing power of the masses was seriously affected. Therefore, there emerged a buyer's market in cloth and mills were finding it difficult to dispose of their products, especially grey goods, even at lower prices. Consequently they had to nurse large stocks of cloth with the resultant financial difficulties. Actually there have been distress sales of cloth which further aggravated the situation.

Since the beginning of the year the country's performance in the export trade is also very disappointing. Exports of cloth during the first four months have dwindled considerably and this also has a depressing effect on the domestic market.

Only recently the Union Government seems to have realised the seriousness of the situation of the Textile Industry and has appointed a Committee of Inquiry to suggest remedial measures for putting it on a sound and healthy footing. On the interim recommendations of the Committee, the Government once again revised the rates of excise duty on cloth and simultaneously rationalised the same by splitting the medium variety into two parts and by treating grey, bleached and processed goods as distinct classes for purposes of the duty. The basic rates on coarse, lower medium and higher medium varieties are now 4 nP, 5 nP and 6 nP respectively. This relief thus given by the Government is very welcome. It is also hoped that the Government will consider the final recommendations of the Committee and take necessary steps at a very early date.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,00,000	Block ...	60,20,138
Reserves* ...	1,23,22,269	Stock-in-trade	80,27,270
Provision for taxation	65,951	Stores and spare parts	16,86,105
Liabilities ...	52,48,338	Debts, deposits and advances ...	31,09,618
		Investments	8,78,378
		Cash ...	3,15,049
Rs.	2,00,36,558	Rs.	2,00,36,558

*Reserves are shown after deducting the debit balance of Rs. 6,87,028 in the profit and loss account.

Indian Manufacturing Co., Ltd.

The directors of the above Company submit the audited accounts of the Company for the year ended 31st March 1958.

The year's working has resulted in a loss of Rs. 1,20,387 (profit of Rs. 8,68,708) after providing Rs. 10,92,611 (Rs. 9,09,157) and Rs. 2,90,180 (*nil*) respectively for depreciation and development rebate and Rs. 62,000 (*nil*) for taxation. Wealth tax in respect of 1956-57 amounting to Rs. 63,789 has been paid out of the balance of Rs. 75,722 (Rs. 4,386) brought forward in the last year's account, leaving a balance of Rs. 11,933. The directors have transferred a sum of Rs. 3,25,000 (*nil*) from the dividend reserve, which, when added to the aforesaid amount of Rs. 11,933 makes a total of Rs. 3,36,933 (Rs. 9,41,709).

The directors have paid an ad-interim dividend at Rs. 75 (Rs. 75) per whole and Rs. 37.50 (Rs. 37.50) per half ordinary share, which absorbed Rs. 67,500 (Rs. 67,500). From the balance of Rs. 2,69,433 (Rs. 8,74,209) the directors recommend payment of dividend for the year ended 31st March 1958 at Rs. 45 (Rs. 45) per whole and Rs. 22.50 (Rs. 22.50) per half preference share, less income-tax, which will absorb Rs. 40,500 (Rs. 40,500) and a final dividend for the year ended 31st March 1958 at Rs. 250 (Rs. 250 including bonus of Rs. 25) per whole and Rs. 125 (Rs. 125 including bonus of Rs. 12.50) per half ordinary share, without deduction of income-tax, which will absorb Rs. 2,25,000 (Rs. 2,25,000) leaving a balance of Rs. 3,933 (Rs. 75,722 after placing Rs. 5,32,987 to development reserve. Deducting the above sum of Rs. 3,933 from the above loss of Rs. 1,20,387 there remains a debit balance of Rs. 1,16,454 in the profit and loss account and the same is deducted out of the general reserve as shown in the accounts.

During the year a new Company, namely, Cable Corporation of India Ltd., for the manufacture of Electric Cables, was floated and the directors subscribed to its capital to the extent of 5,000 share of Rs. 100 each, considering it a good investment for the Company. The Company has also invested Rs. 50,000 in the shares of Siemens Engineering & Manufacturing Co. of India Private Ltd., by subscribing 50 shares of Rs. 1,000 each fully paid-up. The prospects of this Company also are bright and in the opinion of the directors, it is a sound investment.

The directors regret to inform that though the permission of the Government for the issue of bonus shares was received during the accounting year, they did not think fit to issue bonus shares as one of the conditions of the permission was that the Company should have assessable profits during the year of issue and it was very nearly impossible to know in advance under the prevailing conditions as to whether the Company was going to have any assessable profits in the year. In fact, the working of the year resulted in a loss, and hence no bonus shares could be issued.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,00,000	Block ...	51,72,188
Reserves* ...	1,09,49,981	Stock-in-trade	74,95,830
Provision for taxation	69,765	Stores and spare parts	12,77,493
Liabilities ...	60,45,723	Debts, deposits and advances ...	38,48,467
		Investments	7,63,067
		Cash ...	3,08,424
Rs.	1,88,65,469	Rs.	1,88,65,469

*Reserves are shown after deducting the debit balance of Rs. 1,16,454 in the profit and loss account.

Western India Spg. and Mfg. Co., Ltd.

The directors of the above Company (Bombay) submit the audited accounts of the Company for the year ended 31st March 1958.

The year's working has resulted in a loss of Rs. 20,70,898 (profit of Rs. 9,34,394) after providing Rs. 13,82,689 (Rs. 9,77,556) and Rs. 6,97,309 (*nil*) respectively for depreciation and development rebate and Rs. 80,000 (*nil*) for taxation. Wealth tax in respect of 1956-57 amounting to Rs. 73,808 has been paid out of the balance of Rs. 93,935 (Rs. 4,524) brought forward from the last year's account, leaving a balance of Rs. 20,127. The directors have transferred a sum of Rs. 4,25,000 (*nil*) from the dividend reserve which when added to the aforesaid amount of Rs. 20,127 makes a total Rs. 4,45,127 (Rs. 10,62,533). The directors have paid an *ad-interim* dividend at Rs. 75 (Rs. 75) per ordinary share, which absorbed Rs. 90,000 (Rs. 90,000). From the balance of Rs. 3,55,127 (Rs. 9,72,533) the directors recommend payment of dividend for the year ended 31st March 1958 at Rs. 45 (Rs. 45) per preference share, less income-tax, which will absorb Rs. 54,000 (Rs. 54,000) and a final dividend for the year ended 31st March 1958 at Rs. 250 (Rs. 250) per ordinary share, without deduction of income-tax, which will absorb Rs. 3,00,000 (Rs. 3,00,000) leaving a balance of Rs. 1,127 (Rs. 93,935 after placing Rs. 5,24,598 to development reserve). Deducting the above sum of Rs. 1,127 from the above loss of Rs. 20,70,898 there remains a debit balance of Rs. 20,69,771 in the profit and loss account and the same is deducted out of the general reserve as shown in the accounts.

During the year, a new Company, namely, The Cable Corporation of India, Ltd., for the manufacture of Electric Cables, was floated and the directors subscribed to its capital to the extent of 5,000 shares of Rs. 100 each, considering it a good investment for the Company. The Company has also invested Rs. 50,000 in the shares of Siemens Engineering & Manufacturing Co., of India Private Ltd., by subscribing 50 shares of Rs. 1,000 each fully paid up. The prospects of this Company also are bright and in the opinion of the directors it is a sound investment.

The directors regret to inform that though the permission of the Government for the issue of bonus shares was received during the accounting year, they did not think fit to issue bonus shares as one of the conditions of the permission was that the Company should have assessable profits during the year of issue and it was very nearly impossible to know in advance under the prevailing conditions as to whether the Company was going to have any assessable profits in the year. In fact, the working of the year resulted in a loss and hence no bonus shares could be issued.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,00,000	Block ...	64,27,988
Reserves* ...	1,04,98,944	Stock-in-trade	75,82,029
Provision for taxation	44,152	Stores and spare parts	12,79,836
Liabilities ...	57,59,634	Debts, deposits and advances ...	21,06,253
		Investments	8,11,452
		Cash ...	4,96,072
Rs.	1,87,02,730	Rs.	1,87,02,730

*Reserves are shown after deducting the debit balance of Rs. 20,69,771 in the profit and loss account.

Nellimarla Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the thirteen months ended 31st July 1957.

The profit for the period after providing for depreciation Rs. 1,20,586 and taxation Rs. 3,30,000 including wealth tax, amounts to Rs. 2,17,021 to which must be added the credit balance brought forward from the previous half-year of Rs. 1,29,411 and overprovision of liabilities written back Rs. 21,402 making a total of Rs. 3,67,834. From this amount is deducted the amount transferred to development reserve of Rs. 55,572 leaving a balance of Rs. 3,12,262. The interim dividends for the period ended 31st July 1957, declared by the directors on 12th December 1957, on 5,000 preference shares at Rs. 3 per share absorbed Rs. 15,000 and on 2,62,500 ordinary shares at Re. 0.50 nP per share absorbed Rs. 1,31,250 leaving an available balance of Rs. 1,66,012. This amount the directors recommend should be distributed as follows:—

To final dividend on 5,000 preference shares at Rs. 3.50 nP per share for the period ended 31st July 1957 absorbing Rs. 17,500 and to final dividend on 2,62,500 ordinary shares at Re. 0.40 nP per share for the period ended 31st July 1957 absorbing Rs. 1,05,000 leaving to be carried forward Rs. 43,512.

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 31st July, 1957, have been valued at market rates.

The Mills continued to work in accordance with the main and supplementary working time agreements of the Indian Jute Mills Association. Trading conditions were fair during the period.

Plans for the modernisation of the mills were finalised during the period and installation commenced during April 1958, of the first stage of modernisation amounting to approximately Rs. 12 lakhs, and this should be completed by September 1958. The second stage of modernisation which includes sacking weft spinning machinery and the balance of the sacking warp spinning machinery should be completed by June, 1959.

Labour relations have been difficult and this has affected the working efficiency of the mill. A number of stoppages have taken place causing a loss of production amounting to 7 days in which the mills remained closed. There has been no noticeable improvement in the position.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,25,000	Block ...	9,35,019
Debentures ...	5,00,000	Capital expenditure-in-progress	7,82,127
Reserves ...	27,55,572	Stock-in-trade	34,83,594
Provision for taxation ...	8,73,067	Stores and spare parts	5,68,851
Liabilities ...	25,02,014	Debts, deposits and advances ...	28,71,500
Profit and loss account ...	43,512	Investments	5,88,175
		Cash ...	5,69,899
Rs.	97,99,165	Rs.	97,99,165

Chitavalsah Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the thirteen months ended 31st July 1957.

The profit for the period after providing for depreciation Rs. 3,10,684 and taxation Rs. 4,80,000 including wealth tax, amounts to Rs. 5,15,114 to which must be added the credit balance brought forward from the previous half-year of Rs. 1,01,027 and difference due to introduction of Naye Paise, on paying the dividend on ordinary shares for the half-year ended 30th June 1956, on the basis of 62 nP per share being equal to As. 10 per share of Rs. 1,508 making a total of Rs. 6,17,649. From this must be deducted the amount transferred to development reserve Rs. 1,75,000 leaving a balance of Rs. 4,42,649. The interim dividends for the period ended 31st July, 1957, declared by the directors on 12th December 1957, on 5,000 preference shares at Rs. 3.50 nP per share absorbed Rs. 17,500 and on 3,01,500 ordinary shares at Re. 0.60 nP per share absorbed Rs. 1,80,900 leaving an available balance of Rs. 2,44,249. This amount the directors recommend should be distributed as follows:—

To final dividend on 5,000 preference shares at Rs. 4.08 nP per share for the period ended 31st July 1957 absorbing Rs. 20,400 and to final dividend on 3,01,500 ordinary shares at Re. 0.50 nP per share for the period ended 31st July 1957 absorbing Rs. 1,50,750 leaving to be carried forward of Rs. 73,099.

Jute stocks are shown at or under cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 31st July, 1957, have been valued at market rates.

The Mills continued to work in accordance with the main and supplementary working time agreements of the Indian Jute Mills Association. Trading conditions were fair during the period.

Plans for the modernisation of the mills were finalised during the period and installation commenced during January 1958, of the first stage of modernisation amounting to approximately Rs. 13 lakhs, and this should be completed by July, 1958. The second stage of modernisation of sacking weft spinning machinery and the balance of the sacking warp spinning machinery should be completed by June, 1959.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,15,000	Block ...	26,39,968
Debentures	10,69,000	Machinery-in-transit ...	11,700
Reserves ...	33,75,000	Stock-in-trade	36,05,850
Provision for taxation*	3,78,630	Stores and spare parts	5,92,722
Liabilities	19,36,544	Debts, deposits and advances ...	19,04,377
Profit and loss account ...	73,099	Investments	9,15,295
		Cash ...	6,77,361
Rs.	1,03,47,273	Rs.	1,03,47,273

*Includes wealth tax amounting to Rs. 64,000.

Belvedere Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts, after charging all expenses, providing for sales tax and writing back provision for anticipated loss on jute made during the previous year, show a profit of Rs. 1,23,781 (loss of Rs. 1,21,195) and the balance brought forward from last year was Rs. 1,330 (Rs. 2,525) making a total available for distribution of Rs. 1,25,111 (credit of Rs. 25,830 after transferring Rs. 1,20,000 from general reserve and Rs. 24,500 from dividend equalisation fund). The directors recommend that the following dividends be paid—on preference capital at Rs. 7.00 (Rs. 3.50) per share absorbing Rs. 49,000 (Rs. 24,500) and on ordinary capital at Rs. 2.50 (*nil*) per share absorbing Rs. 70,000 (*nil*) leaving a balance to be carried forward of Rs. 6,111 (Rs. 1,330). Wealth tax for the year is estimated to amount to Rs. 29,000 and this has been provided for by a transfer of this sum from general reserve.

With a view to having direct contacts with overseas markets, the Board together with the Boards of other jute mill companies under the same group management resolved to form a Company under the style of Budge-Budge and Allied Jute Mills Exports (Private) Ltd. This Company, having been registered commenced business on 31st July 1957. Each of the participating jute mill Companies has subscribed equally to the capital. Andrew Yule & Co., Ltd., have no interest in Budge-Budge & Allied Jute Mills Exports (Private) Ltd., but have been appointed its secretaries on a fee of Rs. 1,000 per annum.

In accordance with the working time agreement of the Indian Jute Mills Association, the mill worked 48 hours per week with 12½ per cent. of the total looms sealed. Trading during the period continued to be difficult owing to the disparity between prices of raw jute and those of manufactured goods.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,000	Block ...	44,56,080
Reserves ...	26,27,123	Stock-in-trade	17,11,610
Provision for taxation ...	53	Stores, spare parts and loose tools	9,80,658
Provision for wealth tax	29,000	Work-in-progress ...	2,92,311
Liabilities ...	19,13,179	Debts, deposits and advances ...	5,58,998
Profit and loss account ...	6,111	Investments	74,728
		Cash ...	1,081
Rs.	80,75,466	Rs.	80,75,466

South Karanpura Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st August 1957.

These accounts have been drawn up in conformity with the Companies Act, 1956.

Raisings and Despatches.—187,703 tons of coal were raised and 186,382 tons were despatched during this period compared with 168,281 tons raised and 181,663 tons despatched during the previous year. Underground mining progressed satisfactorily and compensated for the drop in output from the quarries which are slowly reaching exhaustion.

Labour Awards.—During this year an agreement was reached at a triparite conference between Government, workers and the industry to implement the provisions of the All-India Industrial Tribunal (Colliery) Disputes. A price increase was granted on the 8th of July, 1957, to cover the additional cost of this Award and this price increase contained an element to compensate employers for the payment of arrears from 26th May, 1956 to 8th July, 1957. The appeal which the industry preferred against the above Award in the Supreme Court has now been withdrawn.

The profit and loss account after providing for all charges and making provision of Rs. 1,11,561 (*nil*) for taxation, Rs. 25,000 (*nil*) for wealth tax and Rs. 1,00,835 (Rs. 1,05,443) for depreciation shows a profit of Rs. 2,10,133 (Rs. 73,600), to which is added the balance brought forward from the previous year of Rs. 10,407 (debit Rs. 51,533) less—directors' commission Rs. 613. After adding the amount transferred from general reserve of Rs. 70,000 (Rs. 60,190 excess tax refund), there is a total of Rs. 2,89,927 (Rs. 82,257). From this there has been transferred to tax contingency reserve Rs. 15,300 (*nil*), development rebate reserve Rs. 3,200 (Rs. 600) and provision for payments under Appellate Award Rs. 1,31,438 (*nil*) leaving a balance available of Rs. 1,39,989 (Rs. 71,657 after transferring Rs. 10,000 to general reserve). This amount the directors propose to dispose of as follows:—

By payment of a dividend at the rate of 7½ (3½) per cent. per annum without any deduction for income-tax payable by the Company absorbing Rs. 1,31,250 (Rs. 61,250) and by carrying forward Rs. 8,739 (Rs. 10,407).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,50,000	Block ...	24,66,819
Reserves ...	10,37,541	Stores, spare parts and loose tools	1,61,956
Provision for taxation ...	1,13,284	Stock-in-trade	30,534
Provision for wealth tax	25,000	Debts, deposits and advances ...	9,27,988
Liabilities ...	8,14,776	Investments	6,281
Profit and loss account ...	8,739	Cash ...	1,55,762
Rs.	37,49,340	Rs.	37,49,340

Seebpore Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts show a profit, after charging all expenses, of Rs. 3,15,988 (Rs. 3,31,101) of which taxation provision requires Rs. 2,10,000 (Rs. 1,58,000) leaving a balance of Rs. 1,05,988 (Rs. 1,73,101). With the balance brought forward from last year of Rs. 52,200 (Rs. 49,299), there is a total amount available for appropriation of Rs. 1,58,188 (Rs. 2,37,400 including Rs. 15,000 being excess provision for taxation in previous years written back) The directors have transferred to general reserve Rs. 20,000 (Rs. 75,000) leaving a final balance of Rs. 1,38,188 (Rs. 1,62,400). The following interim dividends were paid on 17th December 1957, Rs. 2.50 (Rs. 2.50) per preference share absorbing Rs. 10,000 (Rs. 10,000) and Re. 0.75 (Re. 0.87) per ordinary share absorbing Rs. 30,000 (Rs. 35,000). The directors now recommend that the following final dividends be paid—Rs. 2.50 (Rs. 2.50) per preference share absorbing Rs. 10,000 (Rs. 10,000) and Re. 1.00 (Re. 1.38) per ordinary share absorbing Rs. 40,000 (Rs. 55,200) leaving a balance to be carried forward of Rs. 48,188 (Rs. 52,200). Wealth tax in respect of the year ended 31st December 1957, is estimated to amount to Rs. 6,500 and this has been provided for by transfer from investment realisation surplus.

Raisings for the year were 78,937 tons compared with 81,904 tons in the previous year, whilst despatches totalled 76,326 tons as against 85,142 tons.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,80,000	Block ...	9,25,221
Reserves ...	9,25,098	Stock of coal	66,058
Provision for taxation ...	8,032	Stores and spare parts	40,635
Provision for wealth tax	12,800	Debts, deposits and advances ...	2,94,915
Liabilities ...	3,86,000	Investments	3,26,814
Profit and loss account ...	48,188	Cash ...	4,06,475
Rs.	20,60,118	Rs.	20,60,118

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

FOREIGN INVESTMENT IN INDIA

(*Concluded from page 260*)

moneys borrowed or debt incurred by it abroad in respect of purchases of plant and machinery from abroad, if the transaction is approved by the Government of India.

(2) Exemption from income taxation to a technician of foreign nationality employed by an undertaking in India in respect of the remuneration received by him for services rendered as such technician during a period of 365 days from the date of his arrival in India. Further, if the contract of service is approved by the Government of India before commencement of the technician's service in India, the exemption is continued for a further period, so that he does not have to pay tax on his Indian remuneration during the financial year of his arrival in India and the two succeeding financial years.

One problem of practical importance which has also been a source of great misgiving to investors abroad has been the absence of any agreements between India and the foreign countries for avoidance of double taxation, and the uncertainty of their getting adequate relief in their own country. One serious difficulty faced by the Indian Government in the conclusion of agreements for the purpose was the unwillingness of the industrially and economically advanced countries to depart from the pattern of the agreements they had already concluded with countries of equal industrial and economic status, and the inability of India, with her poor and underdeveloped economy, to subscribe to that pattern. Recently, a delegation of senior officials of the Government of India visited a number of European countries. As a result of their efforts, there has been a genuine appreciation abroad of India's point of view. Agreements at official level have recently been reached with West Germany and Sweden and are awaiting ratification. Agreements with some other countries of Europe are in various stages of finalisation.

GERMAN MARK IN TEN YEARS

(*Concluded from page 261*)

currency must not, however, make light of the fact that great problems still remain to be mastered in the Federal Republic of Germany in the sphere of financial and economic policy. German economy is faced with important tasks: the means for an extensive social reform (the first part of which was the recent reform of annuities and pensions), for foreign debts and restitution payments to Israel have to be provided. The work of reconstruction in Germany as well as the integration of refugees and the elimination of other consequences of the war, of course, still necessitate the use of public funds, and the defence measures which are to safeguard liberty and wealth are not the least item that requires large sums.

But the German mark—like many currencies all over the world—is endangered by certain inflationary tendencies. The alternate rise in wages and prices play as much a part in this as some fluctuations in the trade cycles which are particularly critical in the case of a country like Germany which depends very much on export. Although the purchasing power has not by a long way diminished to the extent it has in various other countries, it is noticeable that the hard German mark has not relieved German finance politicians of serious worries. Today, as 10 years ago, it is rather a matter of putting into practice the supreme principle of any financial and monetary policy, namely, to secure for the workers a stable means of payment increasing in value.

SUGAR

(*Concluded from page 267*)

wax in order to obtain oxidised wax of sufficiently high acid value and further chemical modification of the oxidised wax so obtained, to give waxes possessing the required properties like solvent take-up.

The modified waxes as such (for example, ester wax for manufacture of carbon papers) or in suitable mixtures (for example, amide wax+ester wax for polishing creams) can be used in various industries. Mixture of modified wax, together with nitric acid treated crude wax, can also be used for some purposes (mixture of amide+nitric acid treated wax in polishing creams).

Carnauba, montan and other similar waxes are used in the production of leather and floor polishes, carbon papers, printing inks, etc., Imports of montan, carnauba and other waxes of mineral and vegetable origin (other than paraffin wax) during the year 1957 were valued at about Rs. 8.5 lakhs; of these, carnauba constituted the major item, its imports being 1,676 cwts. valued at Rs. 6.62 lakhs. These waxes or their satisfactory substitutes are not known to be produced in the country. In addition to the above imports, wax compositions valued at Rs. 10 lakhs are also imported.

An average Indian sugar factory crushes 1,000 tons of sugarcane per day for a season of 120-150 days. On the basis of 1 per cent. pressmud on cane and 7-15 per cent. wax in the press mud, a minimum of 96 tons of crude wax can be recovered at an average sugar factory. Of the 180 sugar factories working at present, nearly 150 are sulphitation factories and it would be possible to recover nearly 14,000 tons of crude wax from their press-mud. The by-product basic chromium sulphate is expected to find a ready market for tanning purposes. The equipment required is simple and can be fabricated locally.

COMMERCE AND INDUSTRY

(*Concluded from page 276*)

in relation to domestic demand are tempted to maintain the selling prices of their products at fairly high levels, thus reaping financial benefits that are out of proportion to their fair ex-works prices. We are anxious that, in the case of such industries, and, particularly bichromates, whose products are primarily used as raw materials by other industries, selling prices should bear a fair relation to their costs, because they enter into costs of production of consuming industries, thus creating a chain reaction on the general level of prices in the country." Accordingly, it has rightly recommended that the producers of bichromates should bring down their prices in fair relation to their costs.

Another significant point to which the Commission has referred is the scope for promoting exports of bichromates. Although exports have been hitherto negligible, the industry is now in a more favourable position to enter the export market. According to the Commission, the economies effected in the cost of production, together with the provision of refund of duty on imported raw materials under the Customs Duties Drawback (Bichromates) Rules, 1957, the industry should improve the competitive position of Indian bichromates in export markets. Dilating upon this aspect, the Commission has observed:

"We are aware of the present situation in which the industry which sells all its products in the domestic market and earns a high margin of profit, has little or no inducement to develop the export market where the margin of profit is comparatively small. But we feel that the producers in an industry which has enjoyed protection for over a decade and has the benefit of a sheltered market should take a much broader view of their role in the economy of the country." The industry has been urged to realise that the development of export business will lead to an increase in output which will bring about further reduction in costs of production; as a result, its overall margin of profit on its scales in the domestic as well as export markets will be higher than what it is at present. It is to be hoped that the producers of bichromates, as the Commission itself has pointed out, will be guided by their own enlightened interest and make every effort to develop the export market thereby benefiting themselves as well as the national economy. The Government has, it may be noted, specified bichromates as one of the articles of export from India in their current trade agreements with China, Finland, Greece, Hungary, Norway and Sweden. Appropriately enough, the Tariff Commission has recommended that the industry should explore the possibilities of promoting exports of bichromates to these and other markets.

Notices

DALMIA CEMENT (BHARAT) LTD.

DALMIAPURAM

NOTICE IS HEREBY GIVEN THAT THE SIXTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY WILL BE HELD AT DALMIAPURAM, (DISTT. TIRUCHIRAPALLI, MADRAS STATE), on Thursday the 4th day of September, 1958, at 11.00 a.m., to transact the following business:—

1. To receive and adopt the audited Balance Sheet and Profit and Loss Account and Appropriation Account for the year ended 31st December 1957, the Report of the Directors and the Auditors thereon, and to declare dividend. (The Directors have recommended a dividend of 7 per cent. on Preference Shares, 12 per cent. on Ordinary Shares and 12 per cent. on Deferred Shares free of Income-tax.)
2. To elect a Director in place of retiring Director Shri Kamalnayan Bajaj.
3. To appoint Auditors for the current year and to fix their remuneration. Messrs. V. Sankar Aiyar & Co., retiring Auditors, are eligible for re-appointment.
4. To consider, and if thought fit to pass, with or without modification, the following Ordinary Resolution:—

   "RESOLVED that the number of Directors on the Board of the Company be increased to Six."
5. To elect two Directors in case the Ordinary Resolution increasing the number of Directors on the Board is passed.
6. Any other business that may ordinarily be transacted at an Annual General Meeting.

The Share Transfer Books of the Company will remain closed from 18th August to 4th September, 1958, both days inclusive. The dividend when sanctioned, will be paid to those shareholders whose names would appear in the Register of Members on 4th September, 1958.

Every Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her and such proxy need not be a Shareholder. The proxies should, however, be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.

By Order of the Board of Directors,
For DALMIA CEMENT (BHARAT) LIMITED,
S. C. AGGARWAL,
Secretary.

1st August, 1958.

EXPLANATORY STATEMENT

Item No. 4 and 5 of the Agenda:

Sarvashri Raja J. Rameshwar Rao and N. Ramasami Ayyar were appointed by the Board last year as additional Directors and under Section 260 of the Companies Act, 1956, they hold office only upto the date of the ensuing Annual General Meeting. The Directors have felt the need to strengthen the Board by a permanent increase in the number of Directors from four to six. A formal Resolution is, therefore, being placed for consideration of the Shareholders. If the proposal is agreed to, the Meeting will proceed to elect two Directors to make up the increased strength of the Board.

THE TWYFORD TEA COMPANY LIMITED, KOTTAYAM

NOTICE IS HEREBY GIVEN THAT THE Forty-third Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at Kottayam, on Monday the 1st September, 1958, at 11 a.m., to receive the Directors' Report and Accounts for the year ended 31st December, 1957, to declare a dividend, to elect two Directors, to elect Auditors and to fix their remuneration, etc., and to transact any other ordinary business of the Company.

The Transfer Books of the Company will stand closed from 25th August to 7th September, 1958, both days inclusive.

By Order of the Board,
PARKINS (PRIVATE) LIMITED,
Managing Agents.

KOTTAYAM, *6th August*, 1958.

THE HAILEYBURIA TEA ESTATES LIMITED, KOTTAYAM

NOTICE IS HEREBY GIVEN THAT THE Thirty-fifth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at Kottayam, on Saturday the 30th August, 1958, at 11 a.m., to receive the Directors' Report and Accounts for the year ended 31st December, 1957, to declare a dividend on Equity Shares, to elect a Director, to elect Auditors and to fix their remuneration, etc., and to transact any other ordinary business of the Company.

The Transfer Books of the Company will be closed from 25th August to 7th September, 1958, both days inclusive.

By Order of the Board,
PARKINS (PRIVATE) LIMITED,
Managing Agents.

KOTTAYAM, *6th August*, 1958.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 1st August, 1958

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		25,00,00,000
National Agricultural Credit (Stabilisation) Fund		3,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		60,24,66,000
(2) Other Governments		24,39,00,000
(b) Banks		100,73,08,000
(c) Others		142,66,79,000
Bills Payable		15,92,96,000
Other Liabilities		9,11,00,000
	Rupees	475,08,39,000

ASSETS	Rs.	Rs.
Notes		22,41,48,000
Rupee Coin		3,34,000
Subsidiary Coin		2,92,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		50,35,000
Balances held abroad*		13,05,58,000
Loans and Advances to Governments		11,21,85,000
Other Loans and Advances		55,52,27,000
Investments		361,15,39,000
Other Assets		11,15,21,000
	Rupees	475,08,39,000

* Includes Cash and Short-term Securities.
The item "Other Loans and Advances" includes Rs. 6,93,72,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	22,41,48,000	
Notes in circulation	1539,90,71,000	
Total Notes issued		1562,32,19,000
Total Liabilities		1562,32,19,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	179,67,56,000	
Foreign Securities		
Total of A		297,43,59,000
B. Rupee Coin		135,62,44,000
Government of India Rupee Securities		1129,26,16,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1562,32,19,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept. 1939 (pre-war)	1st August, 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1539.91	1541.83	1584.18	1499.49
Notes held in Banking Department	25.05	22.41	25.34	33.45	25.92
Foreign Securities	50.50	179.68	184.68	199.68	375.52
Rupee Securities	37.39	1129.26	1129.58	1169.59	911.81
Banking Department					
Deposits of:					
Government of India	14.89	60.25	70.14	50.52	51.96
Other Governments	..	24.40	28.66	21.17	8.17
Balances held abroad	10.08	13.06	12.53	11.02	26.32
SCHEDULED BANKS					
Demand Liabilities	134.36	752.67 (31.70)†	769.09 (31.40)†	749.27 (27.80)†	727.87 (19.39)†
Time Liabilities	102.24	847.11 (33.04)‡	825.27 (35.14)†	812.59 (35.91)†	579.11 (4.72)†
Borrowings from Reserve Bank	..	0.24 (6.94)‡	9.67 (7.80)‡	13.41 (12.23)‡	37.33 (31.87)‡
Borrowings from State Bank	..	4.65	4.47	3.81	3.54
Cash in India	6.70	37.76	38.12	42.70	36.31
Balances with Reserve Bank	25.17	104.34	102.70	88.24	107.24
Excess over statutory limits	15.52	49.77	47.74	34.53	59.03
Balances with other banks in current account in India	..	12.47	12.02	15.15	9.71
Money at call and short notice in India	..	61.05	57.02	55.50	33.58
Investments (at book value)	105.09	541.03 883.09	536.93 886.57	499.68 901.94	332.78 883.68
Advances and bills					
STATE BANK					
Deposits	87.76	441.36	445.73	420.03	328.29
Investments	51.99	227.46	225.71	214.12	105.30
Advances	30.35	173.94	177.34	188.03	169.61
Cash	14.69	54.38	50.35	30.40	65.47

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1955	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	Feb., 1957	4½	6
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	19th April, 1958	5½	5
Equador	13th May, 1948	7	10
Egypt	16th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	12th Aug., 1957	4	5
Germany	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1940	4	3
Ireland	30th Sept., 1957	5	6
Italy	7th June, 1958	4	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th June, 1958	5½	4
U.S.S.R.	1st July, 1936	3	..
U.S.A.	18th April, 1958	2½	..
West Germany	27th June, 1958	3½	3

State Bank of India

Statement of Affairs for the week ended 1st August 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL:—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,62,50,000
Borrowings from Other Banking Companies, Agents, etc.		441,36,38,000
Bills Payable		....
Bills for Collection being Bills Receivable as per contra		6,17,97,000
Acceptances, Endorsements and Other Obligations per contra		98,06,000
Other Liabilities (including Inter-Office Adjustments)		1,19,55,000
Total	Rs.	8,20,57,000
		470,17,53,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		51,38,23,000
Balances with other Banks		2,99,56,000
Money at Call and Short Notice		1,60,00,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	216,42,34,000	
Other Authorised Investments	11,04,00,000	
		227,46,34,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	161,43,46,000	
Bills Discounted and Purchased	12,50,17,000	
		173,93,63,000
Bills Receivable being Bills for Collection as per contra		98,06,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,19,55,000
Premises less Depreciation		1,20,68,000
Furniture and Fixtures less Depreciation		91,51,000
Other Assets (including Inter-Office Adjustments)		8,49,97,000
Total	Rs.	470,17,53,000

Scheduled Banks*

Statement of Affairs for the week ended 1st Aug., 1958

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	31,69,54,000
(ii) Other demand liabilities	720,97,84,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	38,03,95,000
(ii) Other time liabilities	809,06,62,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	4,35,07,000
(ii) Time liabilities	29,43,000
Borrowings in India from the Reserve Bank of India‡	9,24,34,000
Cash in India	37,76,45,000
Balances with the Reserve Bank in India	104,33,72,000
Balances with other banks in current account in India	12,47,42,000
Money at call and short notice in India	61,05,14,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	541,03,49,000
Advances in India	756,20,84,000
Inland Bills purchased and discounted in India	88,33,99,000
Foreign Bills purchased and discounted in India	38,05,26,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	February		Eleven months, April to Feb.	
	1957	1958	1956-57	1957-58
Import Duties:				
Revenue	10.41	10.05	116.06	127.70
Protective	0.99	1.24	11.49	10.23
On surplus disposals	0.07	—	0.11	0.11
Total import duties	11.47	11.29	127.66	138.04
Export Duties	2.67	1.60	28.14	22.49
Land Customs	0.25	0.20	2.27	2.57
*Air Customs**	—	0.10	—	1.04
Miscellaneous	0.09	0.11	1.04	1.40
Gross Total Customs	14.48	13.30	159.13	167.44
Refunds and Drawbacks	0.65	0.49	2.74	4.26
Net Customs	13.83	12.81	156.39	163.18
Gross Excise	15.64	25.11	171.14	245.81
Refunds	0.34	0.20	2.09	3.02
Net Excise	15.30	24.91	169.05	242.79
Net total of customs and excise†	29.13	37.72	325.44	405.97

† Net Customs plus net Excise.
* Figures for Air customs prior to August 1957 not available.

State Bank of Pakistan

Statement of Affairs for the week ended 1st August 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	75,05,91,000
(b) Provincial Governments	50,24,000
(c) Banks	28,00,30,000
(d) Others	5,01,57,000
Bills Payable	31,17,000
Other Liabilities	11,32,70,000
Rupees	126,21,89,000

ASSETS	Rs.
Notes	11,99,38,000
Rupee Coin	45,000
Subsidiary Coin	37,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,69,66,000
Balances held outside Pakistan	19,02,78,000
Loans and Advances to Governments	2,34,00,000
Provincial Governments' Debtor Balances	1,23,85,000
Other Loans and Advances	3,72,05,000
Investments	78,78,83,000
Other Assets	8,40,72,000
Rupees	126,21,89,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,99,38,000	
Notes in circulation	323,30,65,000	
Total Notes issued	....	334,30,03,000
Total Liabilities	....	334,30,03,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,47,19,000	
Silver Bullion	....	
Approved Foreign Exchange	51,05 98,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
		105,55,47,000
B. Rupee Coin	4,93,27,000	
Government of Pakistan Securities	217,91,23,000	
Internal bills of exchange and other commercial paper	....	
		222,84,50,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,83,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	334,30,03,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued: 83.25 per cent.

EXCHANGE RATES

	12th August, 1958	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months	1-5⅝	1-5⅝
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	476.75	477.00
Buyers T.T. Rs.	473.75	473.50
London on New York $	2.80⅜-2.80⅛	2.80⅜-2.80⅛
London on Paris Fcs.	1,178⅛	1,178⅛
London on Berne Sw. Fcs.	12.20-12.20⅛	19.19⅛-19.20⅛
New York on London	2.80⅜-2.80⅛	2.80⅜-2.80⅛

CLEARING HOUSE RETURNS

Centre	Week ended 8th August, 1958		Week ended 1st August, 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,50,993	85,56,51,000	2,50,152	59,14,36,000
Calcutta	1,60,000	62,93,00,000	1,42,000	62,48,00,000
Madras	85,371	9,43,83,870	76,197	9,19,86,359
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,66,00,000
Mar., 1958	..	..	3,784,000	8,72,62,00,000
Apr., "	..	..	3,881,000	7,91,04,00,000
May, "	..	..	3,823,000	7,90,02,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	26th July 1958	19th July 1958	27th July 1957	June 1958	June 1957	Percentage of Increase (+) or Decrease (—) in June 1958 as compared with June 1957	Financial Year Average 1957-58	1956-57
Food Articles	504	119.8	119.6 R	112.1	113.4	109.4	+ 3.7	106.4	102.3R
Cereals	192	111.5	110.8 R	106.0	105.5	103.8	+ 1.6	101	96
Pulses	43	102.7	101.3 R	89.1	91.2 R	85.7	+ 6.4	83	81
Fruits and Vegetables	23	123.8	122.4 R	137.7	111.5 R	127.3	—12.4	114	112
Milk and Ghee	54	103.5	104.9	110.5	104.9	111.1 R	+ 2.3	105	100
Edible Oils	47	129.8	127.5	135.6	122.9	128.5	— 4.4	126	125
Fish Eggs and Meat	17	110.5	110.1 R	102.6	106.7 R	95.1	+11.2	98	97
Sugar and Gur	48	137.3	133.9	110.1	125.7 R	129.8	+ 14.1	108	98
Others	150	161.4	164.6 R	138.4	149.2	131.0	+ 13.9	131	128
Liquor and Tobacco	21	92.8	92.8	92.0	92.1	92.3	— 0.2	94.0	84.3
Tobacco	—	91.1	91.1	90.2	90.3	90.5	— 0.2	93	83
Fuel, Power, Light and Lubricants	30	115.8	115.8	114.9	115.6	112.0	+ 3.2	113.6	104.8R
Industrial Raw Materials	155	119.4	118.7 R	122.3	115.3	121.4	— 5.0	118.5	116.0
Fibres	61	111.8	110.6	123.7	109.9 R	125.9	—12.7	118	116
Oilseeds	50	134.1	132.6	129.4	123.7	125.3	— 1.3	120	114
Minerals	2	107.3	106.2	111.3	107.3*	109.7	— 2.2	108	102
Others	42	107.3	108.5 R	106.8	110.5	106.2	+ 4.0	108	109
Manufactures	290	109.7	109.7 R	109.0	107.9	108.6	— 0.6	108.1	106.3
Intermediate Products	41	112.5	112.2 R	109.0	109.8	108.6	+ 0.8	107.3	110.9
Finished Products	249	109.3	109.2	109.1	107.8	108.5	— 0.8	108.2	105.6
Textiles	147	105.7	105.7	108.8	103.7	108.6	— 4.5	107	108
Cotton	—	114.1	114.0	117.6	113.1	116.5	— 2.9	116	116
Jute	—	89.4	89.5	98.0	86.1	99.4	—13.4	95	96
Woollen	—	105.7	105.7 R	103.0	104.6	103.0	+ 1.6	103	96
Silk and Rayon	—	95.3*	95.3*	85.0*	90.7*	86.0*	+ 5.5	86	88
Metal Products	12	143.0	142.3	143.0	141.0	141.0	+ 1.4	141	98
Chemicals	20	105.0	104.2	98.0	103.7 R	97.9	+ 5.9	98	93
Oil cakes	10	137.5	137.3	114.7	128.5	110.8	+16.5	115	106
Machinery and Transport Equipment	31	103.4	103.4	101.7	103.0	101.1	+ 1.9	102	99
Others	30	113.4	113.5	110.4	113.4	109.2	+ 3.8	110	101
All Commodities	1,000	116.1	115.9	112.4	111.7	110.7	+ 0.9	108.4	106.3R

NOTE:—Weightage given against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53=100]

Group and Sub-Group	Week ended 2nd Aug., 1958	26th July, 1958	5th July, 1958	3rd Aug., 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99 3	99 3	99 1	98 3
2. Government of India	99.1	99.1	98.9	98.0
3. State Government	100 6	100.6	100.6	100 2
4. Municipal, Port Trust, etc.	98.8	98.8	98.8	99 3
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99 3	99 2	99 2	101 2
6. Plantations	100.0	99.9	100.0	100.1
7. Coal	99.6	99.6	99.6	100.4
8. Sugar	99.0	99.0	99.0	100.6
9. Cotton Textiles	97.5	97.5	97.9	100.2
10. Jute Textiles	92.9	92.9	92.9	98.1
11. General Engineering	97.8	97.8	97.8	99.9
12. Electricity Generation and Supply	96.5	96.5	96.5	98.8
13. Others	101.3	101.2	101.2	102.9
PREFERENCE SHARES—ALL INDIA.				
14. Total	86.7	86.4	85.6	91.1
15. Plantations	95.7	95 2	95.2	105.4
16. *Mining & Quarrying: Total@*	85 3	85.0	84.8	91.8
17. Coal	74.9	74.9	75.1	84.8
18. *Processing and Mfg.: Total**	86 5	86.2	85.4	91.5
19. Sugar	88 2	88 2	88.7	96.8
20. Cotton Textiles	80.2	80.2	78.7	89.3
21. Jute Textiles	73.0	72.7	70.8	77.7
22. Iron and Steel	91.0	90.5	89.8	90.5
23. General Engineering	98.8	98.5	98.5	114.7
24. Basic Industrial Chemicals	85.0	85.0	84.3	87 2
25. Cement	98 7	97.6	97.6	100.9
26. Paper	88 8	88.8	84.0	93 2
27. *Other Industries: Total**	85.0	84.7	83.7	85.1
28. Electricity Generation and Supply	87.6	87.4	86.8	87.0
29. Trading	77.5	76.6	74.1	77.9
30. Shipping and Other Transport	85.2	85.2	85.2	86.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	138.4	137.4	135.9	132.5
32. *Agriculture and Allied Activities: Total**	154.9	154.9	148.1	161.7
33. Tea Plantations	150.6	150.9	142.0	162.0
34. Coffee Plantations	213.7	210.6	209.5	186.5
35. Rubber Plantations	153.1	151.4	146.2	144.8
36. *Mining and Quarrying: Total*	142.6	142.2	138.2	135.1
37. Coal	103.3	102.8	100.2	90.2
38. Other Mining	169.6	169.2	164.3	165.8
39. *Processing and Manufacturing: Total*	137.7	136.5	135.3	132.5
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	127.8	127.3	126.9	129.5
41. Sugar	164.3	164.1	162.6	169.8
42. Cotton Textiles	119.8	119.7	118.9	130.8
43. Jute Textiles	79.2	79.4	71.0	65.0
44. Silk and Woollen	409.1	408.6	413.0	365.9
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	149.0	147.1	146.9	135.5
46. Iron and Steel	141.7	139.2	137.5	117.3
47. Transport Equipment	205.0	204.0	203.8	182.9
48. Electrical Machinery	145.3	144.1	141 7	190.7
49. Machinery other than Transport and Electrical	158.7	157.3	156.6	155.8
50. Basic Industrial Chemicals	126.1	125.8	128.4	116.4
51. *Processing and Mfg. (Others): Total**	147.0	144.8	144.9	138.0
52. Cement	141.3	139.4	138 6	134.1
53. Paper	186 3	182.8	181.6	166.0
54. *Other Industries: Total**	110.7	110.2	109.3	106.4
55. Electricity Generation and Supply	92.1	91.6	91.0	90.4
56. Trading	89.4	89.4	88.8	89.1
57. Shipping and Other Transport	134.6	133.8	131.6	125.8
58. Construction	218.3	219.0	222.3	203.7
59. Miscellaneous: Total	177.1	177.1	174.8	146.8
60. Banks	194.0	193.2	194 8	163.1
61. Insurance	128.3	128.0	127.0	105.1
62. Investment Trusts	78.9	78.1	76.6	87.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	141.3	140.4	140.8	128.9
64. Calcutta	134.0	132.8	129.8	128.5
65. Madras	151.5	151.1	152.0	159.4
66. Delhi	168.7	168.1	162.5	156.7

*Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,73,600	7,97,500
Do. 31st March, 1958	10,98,300	11,06,800	7,86,900
May 1957	91,300	86,500	65,100
June "	84,500	77,300	52,300
July "	88,800	86,800	65,500
May 1958	57,400	52,900	28,500
June "	84,900	85,700	62,000
July "	1,02,200	1,06,100	68,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,32,215	4,41,482
Do. 31st March, 1958	7,33,945	5,07,580	4,10,558
Three months ended Mar., 1957.	1,83,857	1,39,830	1,30,378
" " " June,1957.	1,72,225	1,29,651	1,05,996
" " Mar., 1958.	1,99,889	1,33,563	1,06,501
" " " June 1958.	2,14,469	1,21,988	1,01,014

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of average Number of workers involved	Number of man-days lost
1956	1,203	715,180	6,992,040
1957	1,630	889,871	6,429,819
January 1958	147	56,492†	371,125†
February "	152	99,482††	447,586††
March "	167	85,462††	818,224††
April "	158	55,411(b)	496,816(b)

† Not known in 5 cases. †† Not known in 4 cases.
(b) Not known in 3 cases. ‡ In progress during the month

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* income (Rs.)
India†	'56-'57	387.66	..	11,010	284
Pakistan††	'56-'57	88.50	..	2,079	248
Burma	1956	19.80	Kyats 4,386	365	235
Ceylon	1955	8.55	..	1,347	647
Japan	1956	90.00	Y. 7 7,427,000	9,223	1,051
Philippines	1956	22.20	Ps. 8,335	1,985	894
New Zealand	1956	2.17	£(N.Z.) 884	1,178	5,423
Australia	1957	9.60	£(A.) 4,599	4,393	5,096
U.K.	1956	51.20	£ 16,465	21,953	4,287
U.S.A.	1956	168.00	$ 345,600	168,554	9,781
Canada	1956	16.00	$ 22,710	10,787	6,742
France	1956	43.60	N.Fr. 18,900,000	17,640	4,046
W. Germany	1957	51.40	Dm. 186,000	18,057	3,513
Italy	1956	48.10	Lr. 11,470,000	9,760	1,921
Norway	1956	3.40	Kr. 37,000	4,760	1,358
Sweden	1956	7.30	Kr. 44,500	7,127	4,553
Netherlands	1956	10.86	Gr. 26,400	3,215	2,977
Denmark	1956	4.46	Kr. 32,850	1,882	3,789
Switzerland	1956	5.09	Sw. Fr. 25,680	2,807	5,674

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the 4th issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur
	(1949=100)	Base (1934=100)	Base (1927=100)	Base (January 1928=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1936-100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99
1953 "	108	353	275	323	95	103	349	109	106	104	102	112	100
1954 "	101	350	244	294	85	99	327	106	105	91	95	102	98
1955 "	93	338	217	246	78	96	321	99	99	83	87	98	88
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100
1957 "	111	369	259	339	94	112	364	116	114	99	103	115	107
February 1957	107	357	253	341	92	109	350	114	114	100	100	107	105
March "	107	356	254	330	91	110	348	114	114	99	99	107	105
April "	108	356	256	333	89	110	345	114	112	95	102	110	107
May "	110	363	257	337	92	111	352	114	114	96	104	113	108
June "	112	370	259	339	93	112	371	115	115	98	103	113	111
January 1958	111	352	254	320	91	115	368	120	109	96	103	120	107
February "	110	349	245	297	89	115	364	120	108	95	103	118	105
March "	110	351	253	293	89	115	368	119	108	96	102	119	105
April "	111	359	261	295	91	116	368	119	107	96	100	118	106
May "	113	387	263	296	93	117†	371	120	108	97	101	119	107
June "	114†	395	273	307	..	..	378	..	111	101	103	120	113

† Provisional

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A		7-Year B	12-Year B	12-Year National Plan Savings Certificates C		Post Office Savings Bank Deposits		10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F		4% G		15-Year Annuity Certificates G		Total	
	Out-standings	Re-ceipts	Out-standings	Out-standings	Re-ceipts	Out-standings	Re-ceipts	Out-standings	Out-standings		Out-standings	Re-ceipts	Out-standings	Re-ceipts	Re-ceipts	Out-standings	Re-ceipts	Out-standings H
1952-53	6,83	3,26	84,17	..	..	113,35	32,03	..	—31,07	25,54	..	..	..	..	146,88	211,98		
1953-54	5,91	4,26	104,38	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	259,96		
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,88	—36,35	37,15	..	..	..	55	54	177,85	310,29	
1955-56	3,70	5,48	144,57	..	..	156,11	167,85	16,38	—37,68	41,25	..	..	..	45	95	203,58	380,04	
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,88	—38,82	44,28	..	..	..	43	1,52	228,88	439,17	
1957-58	2,23	4,78	143,59	71,39	71,36	172,40	207,96	23,18	—39,71	43,58	5,88	5,88	63	1,87	256,80	504,33		
1957																		
August	2,68	5,49	160,38	5,03	18,31	12,64	201,68	25,61	—39,18	44,27	52	1,76	3	1,42	17,91	456,60		
September	2,60	5,39	156,23	6,86	20,17	14,06	203,17	25,17	—39,26	44,14	68	2,39	4	1,46	21,54	462,72		
October	2,54	5,26	155,82	6,17	23,31	206,83	24,91	—39,38	44,07	42	2,81	2	1,47	19,12	465,94			
November	2,48	5,14	153,45	6,48	22,82	13,28	202,58	24,47	—39,33	43,96	49	3,29	2	1,49	20,24	465,83		
December	2,43	5,06	151,07	6,41	39,23	13,00	202,55	24,14	—39,47	43,89	46	3,76	2	1,50	19,90	475,58		
1958																		
January	2,37	4,94	148,57	7,95	47,18	13,88	202,54	23,77	—39,55	43,80	68	4,44	18	1,68	22,68	479,29		
February	2,31	4,83	146,14	10,24	57,42	14,22	203,12	23,45	—39,62	43,69	74	5,18	9	1,75	25,29	487,26		
March	2,23	4,78	143,59	13,97	71,36	19,89	207,96	23,18	—39,71	43,58	70	5,88	12	1,87	34,88	504,33		
April	2,16	4,65	141,45	5,56	77,92	15,27	208,29	22,87	—39,80	43,47	77	6,65	11	1,97	22,71	509,43		
May	2,08	4,55	139,37	5,84	83,75	15,22	206,71	22,60	—39,88	43,37	57	7,22	5	2,01	21,88	511,66		

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued From June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July, 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included.

† Provisional.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-32	63,30,28,800	1960-70	100.45
3 % Loan	1938-39	116,17,46,000	1963-65	96.20
2½ % Loan	1950	30,33,10,000	1964	96.30
3 % Fg. Loan	1943	1,10,11,75,000	1966-68	93.40
2½ % Def. Loan	1945	1,15,05,83,060	1970-75	88.10
2½ % 2nd Y. Loan	1945	1,13,58,54,050	1960-61	98.50
2½ % Loan	1946	45,63,07,000	1960	98.80
2½ % Loan	1946	57,00,69,000	1961	98.90
2½ % Loan	1946	14,77,45,000	1962	98.10
2½ % Loan	1947	75,84,72,000	1962	98.20
2½ % N.P. Bonds	1953	75,29,00,000	1961	100.10
2½ % N.P. Loan	1954	1,58,17,90,000	1964	99.60
2½ % N.P. Bonds (2nd Series)	1955	1,08,97,92,000	1965	99.20
2½ % Loan	1956	87,27,86,000	1962	98.50
2½ % N.P. Bonds	1956	83,51,82,000	1967	98.20
2½ % Loan	1956	66,63,53,000	1974	98.30
2½ % N.P. Bonds (4th Series)	1957	56,99,15,000	1967	99.80
4 % Loan	1947	49,17,27,000	1972	109.40
2½ % Loan	1958	58,06,99,000	1963	99.85
2½ % Loan N.P.B.	1958	84,84,00,000	1968	99.80
4 % Loan	1948	48,47,06,000	1978	100.15
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,92,24,000	M.	71.25
3% Loan	1948	2,48,91,87,000	K.	71.50
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.20
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.10
4½ % Andhra	1958	5,00,00,000	15th July 1970	99.85
3 % Bombay	1940	5,49,06,000	1st Aug. 1962	98.50
3 % Bombay	1950	2,53,50,000	31st July 1960	98.75
3½ % Bombay	1951	2,57,58,000	17th Sept. 1962	98.25
4 % Bombay	1953	5,19,35,000	15th July 1964	99.75
4 % Bombay	1952	3,45,85,000	1st Aug. 1964	99.70
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	99.20
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	98.10
4½ % Bombay	1957	6,57,57,000	16th Sept. 1968	100.65
4½ % Bombay	1958	5,00,00,000	15th July 1970	100.65
4½ % Bombay	1958	5,00,00,000	15th July 1971	100.15
3 % Bihar	1952	1,54,82,000	1st Sept. 1967	98.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
3 % Cochin	1945	1,00,00,000	19th Dec. 1955-58	98.00
3½ % Cochin	1956	58,80,000	1st June 1956-61	97.75
4 % Hyderabad Bridge (New)	1956-57	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	97.80
4 % Hyderabad	1956	2,12,46,000	3rd Sept. 1968	97.75
3 % Madras	1945	1,53,00,000	31st July 1960	98.60
3 % Madras	1945	2,78,44,000	14th Sept. 1960	98.50
2½ % Madras	1946	2,21,77,000	1st Sept. 1961	98.75
3 % Madras	1946	4,58,25,000	31st July 1960	98.50
3½ % Madras	1951	2,01,40,000	17th Sept. 1962	98.00
4 % Madras	1953	10,28,71,000	15th July 1964	99.70
4 % Madras	1952	4,34,61,000	1st Aug. 1964	99.40
4 % Madras	1955	10,47,17,000	1st Sept. 1967	99.20
4 % Madras	1956	13,58,56,000	3rd Sept. 1968	98.20
4½ % Madras	1957	6,00,00,000	15th July 1970	100.00
3 % Mysore@	1939	2,06,26,000	1st Dec. 1953-58	101.25
3 % Mysore	1939	5,39,39,000	20th Apr. 1954-61	99.80
3 % Mysore	1953	2,36,37,000	15th July 1968	99.50
3 % Mysore	1945	2,54,84,000	1st Sept. 1967	98.10
4 % Mysore	1955	4,11,21,000	3rd Sept. 1968	98.00
4 % Mysore	1957	2,33,78,000	15th July 1970	99.90
4½ % Mysore	1958	5,00,00,000	15th July 1970	100.10
3 % M.P.	1948	4,06,22,000	15th Sept. 1964	98.50
3 % M.P.	1950	1,01,40,000	31st July 1960	98.50
3½ % M.P.	1951	1,92,18,100	17th Sept. 1962	97.75
4 % M.P.	1953	1,16,18,000	15th July 1968	99.60
4 % M.P.	1955	1,58,12,000	1st Sept. 1967	97.70
4 % M.P.	1956	1,58,43,000	3rd Sept. 1968	97.60
4½ % M.P.	1958	2,00,00,000	15th July 1970	99.50
3 % Saurashtra	1952	2,21,84,000	1st Sept. 1967	98.25
4 % Saurashtra	1956	2,78,84,000	3rd Sept. 1968	98.10
4% Trav. Cochin	1953	3,35,01,000	15th July 1968	98.00
4½ Trav. Cochin	1956	2,22,06,000	3rd Sept. 1968	98.70
3½ % U.P.Z.A.	1953	41,45,76,000Z	..	45.00
3 % U.P.	1945	1,55,59,000	15th Sept. 1961-66	90.80
3 % U.P.	1945	3,17,06,000	14th Sept. 1960	98.50
3 % U.P.	1946	2,16,39,000	1st Sept. 1961	94.75
3½ % U.P.	1951	1,97,36,000	17th Sept. 1962	98.00
4 % U.P.	1953	5,89,14,000	1st Aug. 1964	99.80
4 % U.P.	1955	5,56,25,000	15th July 1968	99.50
4 % U.P.	1955	9,59,16,000	1st Sept. 1967	98.90
4 % U.P.	1956	8,61,56,000	3rd Sept. 1968	98.10
4½ % U.P.	1958	7,00,00,000	15th July1970	99.85
4 % Rajasthan	1956	3,14,49,000	3rd Sept. 1968	97 80
4½ % Rajasthan	1958	2,50,00,000	15th July 1970	99.85
4 % Orissa	1954	3,09,34,000	3rd Sept. 1968	97.50
4½ % Orissa	1958	5,00,00,000	15th July 1970	99.50

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
26,50,000	4	1904	1964	
55,00,000	4	1905	1965	
18,00,000	4	1906	1967	
75,00,000	4	1907	1968	
77,00,000	4	1908	1968	96.10M
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
84,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,36,876	4	1912*	1960	D
80,00,000	4	1912	1974	96.00N
80,00,000	4	1914	1974	96.00N
10,00,000	4	1915*	1960	
80,00,000	4	1915	1975	
80,00,000	4	1916	1976	
11,61,000	4	1916*	1960	
11,51,000	4	1924*	1960	
15,58,000	3½	1925*	1960	
12,50,000	3½	1926*	1960	
12,50,000	3½	1927*	1962	D
12,50,000	3½	1928*	1962	
14,58,000	3½	1936*	1966	
7,00,000	3½	1941	1971	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
Rs.		BOMBAY		Rs.
50,00,000	4	1899	1959	100.00
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75
20,00,000	4	1906	1966	M
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
15,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
25,00,000	4	1916	1976	M
50,00,000	5	1919	1957-79	118.00
60,00,000	5	1925	1965-85	
25,00,000	5	1926	1956-86	115.00M
25,00,000	4	1927	1961-70	96.00M
10,00,000	4	1936	1966	
STERLING LOAN				
£546,600		1909	1968	95.50M
£338,000		1910	1970	95.50M
Rs.		CALCUTTA		Rs.
25,00,000	5½	1920	1950	102.00
50,00,000	4	1924	1964	99.00
35,00,000	3½	1925	1965	94.00
50,00,000	3	1926	1966	90.00
50,00,000	3	1927	1967	90.00
20,00,000	3	1928	1963-68	90.00
80,00,000	4	1932	1962	99.25
1,00,00,000	4	1936	1966	99.00
50,00,000	4½	1938	1968	99.75
MUNICIPAL LOANS				
Rs.		BOMBAY		Rs.
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1920	1950	113.00
30,00,000	5	1928	1958	101.50
20,31,500	5	1929	1959	101.50
2,25,00,000	3½	1947	1977	84.00
1,50,00,000	3½	1940	1970	84.00
4,00,00,000	3½	1941	1971	84.00
2,50,00,000	4	1952	1964	96.25
2,00,00,000	3½	1951	1966	97.00
3,00,00,000	3	1952	1967	97.00
1,00,00,000	4	1952	1964	97.25
1,00,00,000	4	1954	1966	97.75
2,50,00,000	4	1956	1967	97.25
1,50,00,000	4	1956	1968	97.25
2,00,00,000	4½	1957	1969	99.25
Rs.		CALCUTTA		Rs.
30,00,000	5	1928	1958	100.00
25,00,000	5	1929	1959	100.00
10,00,000	5½	1932	1962	106.00
33,91,000	5½	1935	1965	94.00
60,00,000	3	1936	1966	90.00
47,50,000	3	1938	1968	90.00
17,64,000	3	1939	1969	90.00
50,00,000	3½	1941	1971	97.50
21,10,000	3½	1942	1972	96.00
16,33,000	3½	1951	1961	97.50
66,66,000	3½	1951	1961	97.50
97,50,000	3½	1951	1961	97.50
71,50,000	4½	1958	1979	100.00
2,32,75,000	4	1955	1965	
87,00,000	4	1956	1970	100.00
Rs.		MADRAS		Rs.
15,00,000	3½	1951	1961	107.00
15,00,000	3½	1952	1962	107.50

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1968	99.60
4 % M. Bharat	1954	1,11,34,000	3rd Sept. 1968	97.80
3½ % W. Bengal	1951	1,75 00 000	17th Sept. 1962	98.10
4 % W. Bengal	1952	3,80,00,000	1st Aug. 1964	99.25
4 % W. Bengal	1955	5,50,23,000	15th July 1968	99.75
4 % W. Bengal	1955	7,58,75,000	1st Sept. 1967	98.25
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	98.15
4½ % W. Bengal	1958	5,00,00,000	15th July 1970	99.80
4½ % Kerala	1958	5,00,00,000	15th July 1970	99.00

ABBREVIATIONS.
A—Held by Government of India. B—Drawn up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(I) Income-tax free. * Dividend declared by the Bombay State Transport. †† Rate of Interest reduced from 3 to 2 per cent with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‖—Interest-free for first 12 years. †—Interest-free for first 7years.
Z—Erstz instalments but inclusive of accrued interest. M—At the option of Government after three month's loo.
E—On September, 1958, or later at option of Government after three month's notice.

INTER-BANK MONEY RATE LOWER

(*From Our Own Correspondent*)

BOMBAY, 13*th August*

The hardening tendency in the inter-bank call money rate noted in the previous week persisted during the major part of the week under review, but, towards the close, there was a reversal of the trend. The diversion of funds to last week's Treasury Bills which was payable by Friday last and the subscriptions to the Rs. 4-crore Bombay Municipal loan to the tune of Rs. 8.5 crores on Monday had mopped up a large part of the floating funds. Consequently, inter-bank call money, which was done at 2¾ per cent. among the Exchange banks and larger Indian banks in the previous week, was bid up to 3 per cent. on Monday. During the past two days, however, the flow of Municipal money and other funds back to banks made the position comfortable. The result was that banks were not only not borrowers but some of them turned out to be lenders. Consequently, inter-bank call money declined to 2¼-2¾ per cent. during the week under review. The rate among the smaller Indian banks, which stood at 3 per cent. early in the week, dropped to 2¾ to 3 per cent. There was no change in the rates for house money at call and short-term deposits for one to six months, which continued to be quoted at 3½ to 4 per cent.

The response to the 91-day Treasury Bills this week was far more encouraging than in the previous two weeks. Thus, as against an invitation for Rs. 3 crores, the amount offered aggregated over Rs. 5.54 crores. Tenders at Rs. 99.355 and above were accepted in full, while lower tenders were rejected. The total amount accepted was Rs. 3 crores, the average rate of acceptance of tenders was Rs. 2.513 per cent. per annum, as against

tory crop progress in most of the cotton producing countries accentuated the downward trend of prices. Sudan contracts also eased as a result of the reduction in Sudan reserve prices.

The following are the latest available quotations—in pence per lb.—from Alexandria:

American cotton one inch staple contract: October-November 24.73; December-January 24.85; March-April 24.98; May-June 25.03. *American cotton mixed growths contract*: October-November 25.33; December-January 25.35; March-April 25.40; May-June 25.40. *Sudan*: September-October, November-December, January-February 31.40.

The most important development of the week, in so far as the New York cotton market is concerned, was the publication, on the 8th inst., of the U.S. Agriculture Department's first estimate of the new (1958-59) season's cotton crop. The Department estimated the crop at 11,583,000 bales (of 500 lbs. each), as compared with last season's final outturn of 10,964,000 bales. The yield per acre is placed at 466 lbs., the highest on record, as against 388 lbs. in the previous season. The official estimate was larger than market expectation which was around 11,250,000 bales.

The "higher-than-expected" crop estimate and optimism that the House of Representatives would approve of the Farm Bill brought forth active selling. Consequently, cotton futures declined. Even the announcement of a higher final loan rate of 81 per cent. for the 1958 crop, as against 78 per cent. for the 1957 crop, failed to lift up values.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	12-8-58	5-8-58	29-7-58
Spot	36.40	36.45	36.45
October	35.72	36.22	36.27
December	36.02	36.55	36.53
March	36.25	36.80	36.90

SUGAR MOVES DOWN

(From Our Own Correspondents)

BOMBAY, 13*th August*

The imposition of controls on ex-mill sugar prices in the North and the latest normal monthly release of 165,000 tons for sale in the free market have checked the upward trend in sugar prices. Several leading sugar factories in North India are reported to have made sales involving substantial quantities at controlled prices. These sales, coupled with the liquidation by holders of released stocks, have led to a drop in sugar prices. Consequently, the ex-mill prices of South Indian sugar have suffered a further fall of Re. 1.50 per bag and the mills seem to be still keen on selling at lower rates.

Thanks to the downward revision in ex-mill prices and to increased arrivals in the wake of slack demand, the prices of sugar in the local market have tended to recede. Large grain sugar has declined from Rs. 110-115.50 to Rs. 109-114. Medium grain is lower at Rs. 107-108, as against Rs. 107-109, and small grain at Rs. 106, as against Rs. 106.50. As the demand for spot sugar is rather slack at present, these quotations are nominal and it is considered likely that the rates may fall by a rupee or so per bag.

Arrivals of sugar into the market by rail during the week, as already stated, were larger than in the previous week, owing to improved transport position; they aggregated 20,100 bags, the figure for the previous week being 9,600 bags.

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HAPUR, 11*th August*

Following the Government of India's decision to control crystal sugar in U.P., Punjab and North Bihar, trading in sugar came to a standstill and both wholesale and retail prices declined. The Government released a fresh quota for 1.65 lakh tons for free sale but at the controlled prices in the above three States. The release eased the supply position further and sugar was quoted at Rs. 100 per bag wholesale and Rs. 37.50 per maund retail. The production and despatches of indigenous sugar amounted to 19.67 lakh tons and 15.21 lakh tons up to 31st July in the current season, as against 20.19 lakh tons and 15.90 lakh tons, respectively, in the corresponding period of last year. Stocks with factories on that date stood at 8.78 lakh tons.

No fresh deals in sugar were recorded during the major part of the week in the Muzaffarnagar sugar market. Towards the week-end, however, some factories started their sales after the release of fresh quota of 1.65 lakh tons and business was reported to have been done for Saurashtra, Gujerat and Punjab destinations at the following prices:

Shamli (C-29) at Rs. 36.37 for 2,400 bags mill delivery; Amroha (D29) at Rs. 36 for 600 bags mill delivery, and Rohanana (C29) at Rs. 37 to Rs. 37.12 for 600 bags ex-Muzaffarnagar.

Practically all the factories on this line have started effecting deliveries to buyers at the controlled price against goods sold to them at higher rates prior to the imposition of control. The Government is using a liberal policy in granting tenders and sugar prices have declined considerably, due to dearth of buyers even without any premium.

Sentiment in sugar was depressed in the Kanpur market, following the release of monthly quota of 1.65 lakh tons for sale in the open market, but there was no deal in the ex-factory section, as the market was still in a state of suspense over the price control. Though the outstanding bargains were being squared up by mills, some confusion still persisted about second and third hand deals. The latest ex-mill controlled sugar was quoted at Rs. 36-12 per maund, while spot per bag (C29) Basti was done at Rs. 103-8, Gola at Rs. 102-8, (D29) Gola and Burhwal at Rs. 102-4, Waltergunj at Rs. 102, and Lakhimpur, Tulsipur, Hargaon and Bajrampur at Rs. 101-12.

With the imposition of control on crystal sugar, *khandsari* prices also declined by Rs. 1.50 per maund to be quoted now at Rs. 33 to Rs. 35.50 per maund.

Bearish conditions were witnessed in the ready *gur* market during the week, as dry quality stocks were nearly exhausted and demand for wet quality was dormant. Local stock was put at 43,000 maunds, as against 35,500 maunds a year before. *Gur* prices in the Southern markets were reported more favourable for outside buying. The standing cane crop was in fairly good condition and prices of *gur* here were: Dry Rs. 21.50, and *kotha* dry-wet Rs. 19.25 per maund.

Demand for ready *gur* was negligible in the Muzaffarnagar market during the past week and very little business was done for Punjab and Rajasthan. On account of lack of support, *Chakku* quality declined by 75 nP to 50 nP per maund. Shakker *dara* lost Re. 1 per maund and *khandsari* was quoted between Rs. 32 and Rs. 35.50 per maund.

Futures *gur* ruled quiet. *Fagun* opened at Rs. 13.96 last Monday and, after touching the highest during mid-session at Rs. 14 and the lowest at Rs. 13.80, was quoted today at Rs. 13.86.

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 13*th August*

There was no development of import to the yarn market during the week under review. Staple fibre yarns moved irregularly on alternate bouts of selling and buying. Reports regarding the possible revision of the Government's import policy for staple fibre were conflicting. Thus, one section of the trade was expecting that the Government would grant limited licences to actual users for the import of fibre, while another section felt that the continued foreign exchange difficulty might not allow the Government to permit any imports. Thanks to such uncertainties, operators were not inclined to enter into fresh large commitments. Transactions put through, as a consequence, were limited with values moving generally downward. Rayon yarns were easy on fears of enlarged arrivals of imported yarn following the improvement in the world political situation. Cotton yarns continued to rule bearish. Enquiries from consuming centres were poor and there were reports that several spinning units in South India which had large stocks of yarn lying unsold were contemplating to sell at reduced prices. Indigenous rayon yarns came in for selling and suffered a setback. National Rayons 120 bright cones first grade climbed down from Rs. 6.19 to Rs. 5.94. 150 bright cones first grade dropped 10 nP to Rs. 5.09. 150 Italy declined by 6 nP to Rs. 6.56. 120 Italy was neglected at Rs. 7. 150 Japan, however, evoked good buying inquiries and hardened by 12 nP to Rs. 6.56. 120 Japan was also well supported, the rate improving by 7 nP to Rs. 6.44.

Staple fibre yarn 40x2 August delivery met with support and strengthened by Rs. 2 to Rs. 730, while October delivery lost a rupee to Rs. 751. Spot Citys fell by 8 nP to Rs. 4.12. Centurys eased by 6 nP to Rs. 4.06 and Kohinoors by 5 nP to Rs. 4.19. New Greats were quiet at Rs. 4.03. Among imported yarns, 80×2 Fujis were bought higher at Rs. 9.37, as against Rs. 9.25 last week.

In the cotton yarn section, forty counts came in for selling. Moderns receded by 25 nP to Rs. 25.50 and Minaxis by 13 nP to Rs. 25.31. Among sixty counts, Raghuvamshis dropped a rupee to Rs. 59. Finlays shed 25 nP to Rs. 61. Eighty counts Mahendras and Moderns were both quiet at Rs. 72. Thirty counts Hinds were done at Rs. 19.75, same as last week. Among twenty counts, Gokaks declined by 12 nP to Rs. 16.75. Moderns were dull at Rs. 16.75. Indores, however, had some enquiries and advanced by 13 nP to Rs. 16.25. Among 10 counts, Podars gathered 6 nP to Rs. 12.68, while Moderns were unchanged at Rs. 13.50.

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

	13-8-1958	6-8-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	6.44	6.37
150 Japan (per lb.)	6.56	6.44
120 Italy (per lb.)	7.00	7.00
150 Italy (per lb.)	6.56	6.62
Staple fibre yarn (per case of 200 lbs.)—		
40×2 August	730.00	728.00
40×2 October	751.00	752.00
40×2 Kohinoor (per lb.)	4.19	4.24
40×2 City (per lb.)	4.12	4.20
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.68	12.62
20s Modern	16.75	16.75
30s Hind	19.75	19.75
40s Minaxi	25.31	25.44
60s Finlay	61.00	61.25
80s Mahendra	72.00	72.00

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A plea for the grant of import licences for art silk yarn to established traders was put forward by Mr. Gordhandas Jadavji, the retiring President of the Bombay Yarn Merchants Association and Exchange Ltd., when he addressed the annual meeting of the Association held yesterday. The continued imposition of a ban on art silk yarn imports by established traders, Mr. Gordhandas declared, had resulted in shortage of supplies and increase in prices. He drew particular attention to the hardship caused to the handlooms and small consumers such as lace and tape manufacturers who, he said, were not getting their day-to-day requirements of yarn at reasonable prices. Referring to cotton yarns, he suggested the formulation of a scheme which would allow exporters to utilise a part of the foreign exchange to import raw materials.

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 13*th August*

Barring the groundnut section which ruled firm, the oilseeds market presented an easy trend during the week under review. In particular, castorseeds were depressed, thanks to bearish overseas advices. As there were no fresh export sales in castor oil, the operators were not inclined to make large purchases, while bears were eager to sell. Consequently, prices suffered a setback. Even reports of unfavourable castorseed crop prospects in Brazil, the world's biggest producer, failed to have any effect. Trading in the linseed section was restricted with values moving downward, owing to lack of export business in linseed oil. There were, of course, enquiries from shippers but at lower rates. There would have been a marked fall in prices but for hopes of enlarged demand from foreign countries and increase in U.K. quotation for linseed oil from £111 to £113-£114. Cottonseeds ruled dull, although, despite bearish advices from the cotton market, prices did not show any tendency to drop. Groundnuts, as already stated, were firm. The firmness was aided by increased purchases of groundnut oil by *vanaspati* manufacturers in the wake of tight supply position. It was reported that an important bull operator was holding tight in the maturing August contract.

Groundnut August 1958 contract, which stood at Rs. 192 at the close of last week met with good buying support and firmed up to Rs. 195.50 on the 9th inst. At higher levels, profit-taking set in and the contract receded to touch Rs. 193 today. February 1959 contract, after advancing from Rs. 164.25 to 165.75, receded to Rs. 163.25 today. Bold ready spurted from Rs. 38.87 to Rs. 39.25 on Saturday. Today, however, it was lower at Rs. 39. Coromandel and Khandesh quality were both quoted today at Rs. 39.37, as against Rs. 39 on the opening day. Quotations for these were higher still at Rs. 39.75 on the 9th inst. Over the week, groundnut oil ex-mill registered a rise of 39 nP to Rs. 20.75. Railway receipt strengthened by 38 nP to Rs. 20.50.

Castorseed September 1958 contract opened the week at Rs. 161.25, same as last week, and, after improving to Rs. 162.12 the same day, it was subjected to selling pressure and moved down to Rs. 156.50 today before finishing at Rs. 156.62. May 1959 contract, which stood at Rs. 157 last week-end, improved to Rs. 159.25 on Friday, but subsequently encountered selling and declined to Rs. 155.50 on Monday. Today, however, it was higher at Rs. 156.37. Ready Madras dropped 38 nP to Rs. 31.62. Kanpur quality fell by a like amount to Rs. 30.37. Castor oil B.S.S. receded by 31 nP to Rs. 17.50. Commercial quality was quoted today at Rs. 16.25, as against Rs. 16.44 at the close of last week.

Linseed September 1958 contract encountered selling and dropped 59 nP to Rs. 33.62. Bold ready declined by 13 nP to Rs. 33.62. Linseed oil, which stood at Rs. 17.62 on the 8th inst., as against Rs. 17.50 last week-end, eased to Rs. 17.50 today.

Cottonseed September 1958 contract was neglected at Rs. 120 today, as against Rs. 120.50 last week. February 1959 contract advanced from Rs. 102.50 to Rs. 103.75 on the 8th inst. Thereafter, it declined to Rs. 103 today before finishing at Rs. 103.25.

Among other seeds, kardiseed bold ready suffered a loss of Re. 1 over the week, today's closing rate being Rs. 20.50. Nigerseed Madras quality was well supported in the earlier sessions, the rate rising from Rs. 33 to Rs. 34.50 on Monday. Today, however, it was subjected to selling pressure and fell to Rs. 33.

The following table shows the closing prices of oilseeds and oils today as compared with those a week and two weeks before:

	13-8-1958	6-8-1958	30-7-1958
	Rs.	Rs.	Rs.
Groundnut—			
August 1958	193.00	192.00	192.00
Feb. 1959	163.25	166.00	165.50
Bold ready (per cwt.)	39.00	38.87	40.25
Linseed—			
Sept. 1958	33.62	34.19	34.50
Bold ready (per cwt.)	33.62	33.75	34.00
Castorseed—			
Sept. 1958	156.62	161.25	160.75
May 1959	156.37	157.00	159.00
Madras (per cwt.)	31.62	32.00	32.25
Cottonseed—			
Sept. 1958	120.00	120.50	121.00
Sept. 1959	103.25	102.50	103.50
*Groundnut oil**—			
Ex-mill ready (per quarter) ..	20.75	20.36	20.37
Castor oil†—			
Commercial (per quarter) ..	16.25	16.44	16.37
Linseed oil†—			
Ready	17.50	17.50	17.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

BLACK PEPPER QUIET

(Messrs. Parekh and Co.)

BOMBAY, 13*th August*

During the earlier part of the week, Malabar black pepper showed small recovery, following sizable purchases for August shipment by New York at around $0.26. In the later part, however, on the withdrawal of buying support by the U.S.A., the market turned quiet with undertone uncertain. Bulls at Cochin were reported to be trying to rig up the prices, but, for lack of support, they were unable to push up. Growers, too, appeared to be of two minds. They showed anxiety to shade their prices when buying was withdrawn. Though weight of arrivals from Sarawak was lacking, the fear of impending pressure of selling by Lampong was responsible for the present state of doldrums at Singapore.

Ungarbled in Alleppey and Cochin, after showing a rise to Rs. 650, were quoted at Rs. 637½. The volume of trading in the forward market was restricted, except switching from August to October. October was down to Rs. 113, after improving to Rs. 115. Calicut was quoting Rs. 660. Small improvement in Singapore following European buying was noticed. Presently, white was quoted at Str. $130 and Black at Str. $75, with apathy on the part of buyers.

Reduction of freight from Singapore to New York made Lampong pepper cheaper than Malabar. Improvement in the political situation discouraged bulk buying by New York, reflecting uncertainty in the producing countries. The statistical chart showed poor taking of Malabar by the U.S.A. But for buying by Russia and East European countries, the overall picture of export of Malabar black would have shown a steeper fall.

The future of the market appeared to be dependent on Lampong, in view of smallness of arrivals of Sarawak pepper. During the coming months, there is every likelihood of competition bewteen Lampong and Malabar. The attitude of the Indonesian Government and their selling policy of Lampong and Muntok are likely to shape the future world pepper prices.

In specific delivery, September is moving narrowly with undercurrent uncertain, as there is pressure of tenderable stock in the local market. Business in A.S.T.A. is conspicuous by its absence, nominal quotation for August-September being $0.26½.

Today's nominal quotations are: Ready Rs. 36 per Bengal maund and September Rs. 600-Rs. 610 per candy of 5¼ cwts.

TEAS IRREGULAR

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 7*th August*

Offerings in sale No. 24 which was held on Tuesday, 5th August, aggregated only 3,77,302 lbs. The quality of most teas, particularly highgrowns, showed a further improvement. The leaf appearance was generally satisfactory for the time of year. In spite of the small offerings, the sale opened to only a fair general demand, and the market was rather irregular. Low medium and medium teas were 5 to 10 nP easier. The strongest features of the sale were clean black leaf fannings with colouury liquors and these types were occasionally dearer. Good medium teas were firm, with a few invoices selling above valuation. Highgrown teas with quality met a useful demand and prices were irregularly 10 to 15 nP dearer. Whole leaf teas met with less support and were generally much easier. The following are the quotations:—

	1958 Rs.
Plain B.P.	1.50
Low medium	1.55 to 1.65
Medium	1.70 to 1.80
Good medium	1.90 to 2.05
Quality	2.25 to 3.40

Internal:—Improved general demand. Black leaf orthodox strongest feature. C.T.Cs irregular with exportable types in good demand.

Export Quota:—The market has remained steady throughout the week with a fair quantity of business going through at 11 nP. There are large sellers at 11¼ nP. The latest quotation is sellers 11¼ nP, buyers at 11 nP.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:

"*Sale* 25:—818,000 lbs. Useful but irregular demand. Best liquoring highgrowns dearer, but below best easier. Low medium and medium 5 to 10 nP easier, except clean leaf sweet liquoring mediums which are dearer. Whole leaf easier."

EXPORT TEAS IMPROVE

(From Our Own Correspondent)

CALCUTTA, 12*th August*

Conditions were visibly better during yesterday's export sales following an improvement in demand. Prices also gained. Offerings amounted to 47,886 packages. Strong competition was offered to a few of the best C.T.C. teas on offer, but most other lots of this category declined by 10 to 30 nP and the poorer second grades did not evoke interest. Although plain brokens opened easier, a firming tendency gradually set in and towards the close a net gain was recorded. Fannings in this category rose by 4 to 6 nP. Medium orthodox Assams were featureless, while the best bright liquoring varieties rose impressively, following keener demand. The brighter liquoring orthodox Dooars received more attention while non-wither Legg cut teas gave way by 10 to 15 nP. Leaf grades eased by 10 to 15 nP, while the cheapest lots improved. Darjeelings were keenly sought but because of a decline in quality, prices realised were lower. Tippy teas sold well. The quotations, with those of a week ago were: Best Assam C.T.C. fannings Rs. 3.80 to Rs. 4.20 (Rs. 3.80 to Rs. 4.10), best Assam C.T.C. B.P. Rs. 3.50 to Rs. 3.80 (Rs. 3.50 to Rs. 3.70), clean black pekoe Rs. 2.10 to Rs. 2.15 (same), medium fannings Rs. 2.05 to Rs. 2.15 (same), medium fannings Rs. 2.05 to Rs. 2.15 (Rs. 2.10 to Rs. 2.20), plain B.P. Re. 1.66 to Re. 1.70 (same), plain fannings Re. 1.84 to Re. 1.88 (Re. 1.78 to Re. 1.82), and medium B.P. Re. 1.90 to Rs. 2.00 (Re. 1.95 to Rs. 2.00).

Although during last week's auctions for internal consumption prices as a whole were easier, there were keen bids for exportable orthodox varieties possessing black leaf appearance the price of which tended dearer. Dusts on offer amounted to 20,027 chests. Among other orthodox grades, the useful liquoring powdery kinds met with good demand, but realised prices below valuations. Other orthodox teas gave way by 4 to 8 nP, although demand was fair. Among C.T.C. Assams, thinner liquoring teas eased by 20 nP and plainer kinds by 10 nP, while stronger liquoring kinds realised higher prices. Darjeelings with flavour were steady. The quotations with those of a week ago were: Best Assam C.T.C. Rs. 2.55 to Rs. 2.85 (same), medium Assam C.T.C. Rs. 2.10 to Rs. 2.30 (Rs. 2.00 to Rs. 2.20), medium Assam grainy dust Re. 1.68 to Re. 1.72 (same) and medium Dooars Re. 1.68 (Re. 1.66 to Re. 1.68) per lb.

No business was done in export quota with sellers demanding 11½ nP, but buyers offering 11 nP.

Leaf on offer was a meagre quantity of 367 chests.

On strong general demand, prices in the tea auctions held in Chittagong on 6th August recorded gains. Leaf grades on offer amounted to 8,995 chests and dusts 2,185 chests with a supplement of 85 chests. Whole leaf grades rose by As. 2, the better liquoring teas and tippy teas met with keen competition and non-wither Dooars were about firm, while the thinner liquoring brokens eased by an anna to As. 2 and fanning grades lost by half anna. Green teas totalling 800 chests were firm. The quotations were O.F. Rs. 2-11, P.F. Rs. 2-8 to Rs. 2-8-6, O.F. Rs. 2-13 to Rs. 2-13-6, B.O.P. Rs. 2-9-6 to Rs. 2-10, and B.P.S. Rs. 2-8.

Dusts realised higher prices with the non-wither lots and the better liquorings selling As. 1½ above valuations.

The date for the next sales is 20th August, when offerings will amount to 11,359 chests of leaf and 3,159 chests of dusts.

JUTE GOODS SHED EARLIER GAINS

(From Our Own Correspondent)

CALCUTTA, 12*th August*

Jute goods remained firm during the earlier part of the week under review, in consonance with the trend of raw jute prices during the period, but sagged thereafter following the publication of stock figures on Friday last. Although the stocks as at the end of July, at 122,200 tons, registered a welcome decline of 11,800 tons, the extent of the fall was below the earlier expectations, and hence the decline in prices. Stocks of hessian, at 19,900 tons, was lower by 11,100 tons and miscellaneous constructions, at 12,400 tons, by 2,700 tons. Sacking goods, however, rose to 89,900 tons from 87,900 tons, thereby reducing the overall decline to 11,800 tons. It was noted that stocks were higher by 13,800 tons compared to July 1957, and much above the present monthly output. In view of the dock workers' strike in June, shipments in July were naturally substantially higher, and the Middle East crisis at one time led to an increase in foreign demand. It had been subsequently anticipated that more foreign demand for stockpiling would develop. However, this expectation has not yet materialised, and the trend of purchases by foreign consumers indicated that they continued to be on a hand-to-mouth basis. Reflective of this were the U.S. float stocks at the end of June, which stood at as low as 93 million yards.

The low demand for sacking constructions has been a source of anxiety to the markets and the industry alike. It was stated in market circles that mills had in recent months been producing more sacking goods than the market could absorb, and this was the principal reason why ready B. twills seldom reached the floor price as fixed by the Indian Jute Mills' Association. During the week under review, ready B. twills opened above the floor, but soon declined below the floor. The poor statistical position retarded stabilisation of the price. The need for mills to transfer a portion of the sacking looms to the manufacture of hessian was stressed by trade circles. For it was noted that in the 12 months ended June last, sacking goods produced formed as much as 65.5 per cent. of the total output, as against hessian 37 per cent. and other goods 6.5 per cent. It might be that mills had already realised the need to reduce the proportion of output in sacking in relation to hessian, and perhaps a readjustment was already under way.

On Tuesday last, there was selling pressure in the *fatka*, and this led ready B. twills to decline to Rs. 100.00 from Rs. 101.10 and ready hessian 40" 10 oz. to Rs. 43.95 from Rs. 44.35. At lower levels, there was some covering demand for near delivery goods. On the next day, while hessian 40" 10 oz. was fractionally better at Rs. 44.00, B. twills fell to Rs. 99.85 as overseas buyers showed no interest on expectations of further decline. At this stage, weak holders hurried to sell, and in the *fatka* there was selling pressure. B. twills lost to Rs. 99.35. Some business in hessian was done with the United States. Interest was also shown in hessian on behalf of the Continental markets. Covering business for near delivery goods soon followed. It should be noted that, while forward delivery B. twills were above the ready delivery goods, the reverse was the case in regard to hessian. Thus, Oct.-Dec. B. twills were at Rs. 101.85 and September goods at Rs. 100.80, as against Rs. 99.35 for ready delivery, while these delivery positions in regard to hessian 40" 10 oz. were quoted at Rs. 41.75 and Rs. 42.75, respectively, as compared with Rs. 44.10 for ready hessian. On Friday, the publication of stock figures depressed sentiment for some time that day. However, a recovery soon followed, and on balance B. twills put on a fractional gain at Rs. 99.60, while hessian 40" 10 oz. even after the recovery was lower at Rs. 43.90. Very little business was done on Saturday, and B. twills lost to Rs. 99.15 and hessian 40" 10 oz. to Rs. 43.75. Excepting for some covering business yesterday, there was nothing else done. Overseas buyers sat out. As a result, hessian 40" 10 oz. declined to Rs. 43.05 and B. twills to Rs. 99.50.

Raw jute prices, after remaining firm, shed a part of the recent gains. The recent rumours of damage to crop on account of pest infection proved highly exaggerated and circulated by those interested to push up prices. Some damage was no doubt done on account of pests, but the crop as a whole, especially the superior varieties, were reported to be good. Also, as stated in these columns a week ago, prompt measures against pests were taken by the West Bengal Agriculture Department. Recent rains have eliminated the one cause holding up harvesting in most districts, namely, the absence of sufficient steeping water for treatment of the crop after harvest. During the week under review, local daissee bottoms Sept-Oct. declined to Rs. 29.50 from Rs. 30.25, and Indian Northern bottoms Aug.-Sept. to Rs. 26.75 from Rs. 27.25.

BASE METALS QUIET

(From Our Own Correspondent)

CALCUTTA, 12*th August*

In accord with market advices from London and New York, the base metals market ruled quiet during the week under review. The issue of permits for copper for some cottage industries not only arrested the uptrend in prices of copper scrap and brass sheet but even pushed down the prices.

The allotment of copper for non-scheduled industries has been welcomed. However, what market circles fail to understand is the continued suspension of permits to the scheduled industries which are facing raw material difficulty. It is hoped that, after the requirements of cottage industries were met, issue of permits to the bigger industries depending on copper will be resumed. The latter industries are suppliers of their products to Government departments, the railways and the several public sector corporations.

It was noted that, earlier in the week, the price on the London Metal Exchange had shot up to £210 (later it sagged to £203), following prospects of lifting of the trade embargo with the U.S.S.R. It was thought that there would be increased demand for the several copper products on the European market. The possibility of stockpile in the United States was also suggested. In the U.S.A., consumer buying was markedly on the increase, presumably on fear that the primary producers might raise the price further to 27½ cents per lb. in the event the Metal Subsidy Bill entered the Statute. It was noted that circumstances were slowly changing for a spurt in American economic activity which would raise the international price for copper. Note was also taken of the low stocks in London in the wake of recent strike in Chile and large shipments to the U.S.A. prior to 1st July when the tariff was reimposed.

Locally, virgin lead eased from Rs. 69.50 to Rs. 69. Demand was dull. Tin at one time had declined to Rs. 565, but soon recovered to close at the opening level of Rs. 566. Electrolytic zinc was quiet at Rs. 66.

FOODGRAINS FULLY STEADY

(From Our Own Correspondent)

HAPUR, 11*th August*

Steady to firm conditions prevailed in the foodgrains market during the week. Arrivals from producing areas continued to be small, owing to rains. Kharif crop prospects were reported to be uncertain after the recent heavy rains which have damaged maize and *juar* crops to a great extent in this area. In order to provide incentive to cultivators to step up production, the Government of India is thinking of fixing minimum prices for the *rabi* foodgrains, as stability of food prices is regarded as a primary requisite for the successful implementation of the Plan. The Union Food Minister has urged all the State Governments to see that the forthcoming intensive *rabi* campaign is made a "resounding success."

Wheat at Hapur recorded fractional gains, due to tight stock position, as arrivals were poor, due to waterlogging in rural areas, following recent heavy rains. Sales through fair-price shops had not yet begun. Wheat *dara* was quoted at Rs. 20.75 and farm quality at Rs. 21.75 per maund. Stock with the trade was nominally quoted at one *khatti*, the corresponding figure last year being 45 *khatties* and in 1956, it was 83 *khatties*; wheat *dara* was then quoted at Rs. 16 and Rs. 15 per maund, respectively. The State Food Minister has claimed that the announcement of the Union Government to allot 80,000 tons of wheat to U.P. and the State Government's decision to open more fair-price shops, the number of such shops having mounted to 3,200 in the State, have produced a salutary effect on prices.

Rice also recorded gains during the week due to poor supply position, although paddy crop had been benefited due to recent heavy rains. The prevailing prices were:—Basmati *sela* Rs. 41 to Rs. 43; *mainpuri* Rs. 30.25; coarse quality Rs. 26.25 per maund.

Gram registered an advance during the week, due to good consumer demand and Punjab advices and heavy quantity of gram on State Government account was being despatched to east U.P. Barley and *bejhar* also recorded a hardening trend, as abnormally heavy rains (about 40 inches in one month) have resulted in sizable loss to maize and *juar* crops. Prices in the week-end (in rupees per maund) were:—gram 14.87; barley 14.12; *bejhar* 13.37; *jowar* 13; *guwar* 15.50.

Among pulses, peas hardened due to good demand from east U.P. and Bihar, although despatches had been hampered due to want of loading facilities, while *arhar* was depressed as demand was dormant. Other pulses were mostly steady, due to poor stocks and latest prevailing prices were:—peas *dara* Rs. 13.13; white quality Rs. 13.75; peas *khatti* Rs. 13; peas *dal* Rs. 15; *arhar* Rs. 16.37; *khatti* Rs. 16.37; *arhar dal* Rs. 21.25; *urd* Rs. 19.25 to Rs. 21; *moong* Rs. 25; *massoor* Rs. 16 per maund.

UTILISATION OF IRRIGATION POTENTIAL

PROGRESS MADE BY U.P. REVIEWED

From Our Special Correspondent

NEW DELHI, 12*th August*

IN the seven years since the first Plan started, irrigation-*cum*-power projects and purely irrigation ones have absorbed an enormous public outlay of very nearly Rs. 600 crores in the entire country. But a complete and reliable picture of the irrigation potential created up till now under these projects and of the extent to which it is being actually utilised by agriculturists has not emerged (except in the case of three States—Bihar, West Bengal and Orissa) from the Planning Commission's latest review of the progress of State Development Plans. It is learnt that at the time this review was drawn up, the reports of the Commission's Study Teams covering other States were not wholly ready. In view of the continuing controversy over this question of grave public importance connected with the insufficient utilisation of irrigation potential, it may be that the Planning Commission would present to the public a comprehensive picture of performance in this regard. By now the Commission should be in a position to do this on the basis of the reports of all its Study Teams.

DELHI LETTER

In the absence of such a complete picture, this despatch highlights the findings in respect of new irrigation potential and its utilisation in one out of four States covered by the Study Team headed by Mr. M. S. Sivaraman, I.C.S., Adviser, Programme Administration, Planning Commission. The Team's report covering Uttar Pradesh is interesting not only for the light it throws on the practical difficulties in the way of a fuller utilisation of the irrigation potential but also for its review of progress of green manuring schemes. Mr. Sivaraman's report on Uttar Pradesh is particularly valuable for its treatment of tubewell irrigation.

In Uttar Pradesh, 2,299 tubewells were constructed prior to the first Plan; during the first Plan period, 3,114 tubewells were constructed; and, in the first two years of the second Plan, 137 tubewells have been completed. Of the 3,251 tubewells completed in the last seven years, 3,159 have been energised. The Government has ordinarily constructed one mile of brick-lined channel and two miles of unlined channel for every tubewell.

A tubewell is ordinarily expected to irrigate about 100 to 125 acres of sugarcane, 25 to 50 acres of other *kharif* crops and 250 acres of *rabi* crops. The area for which water was made available in a year from tubewells completed since 1951 was 1,205,000 acres, out of which the actual irrigation in 1957-58 was 785,000 acres upto January 1958.

During the *rabi* season about 300,000 acres have been irrigated from 1,693 tubewells of the first Plan period as against a target of about 400,000 acres, giving a performance of about 178 acres per well. In respect of the remaining tubewells constructed during the Plan period, the average works out to 153 acres per well. There has been a steady and rapid progress in the development of sugarcane irrigation, paticularly in the factory areas, but this cannot be said of the *rabi* area which depends more on winter rains even under old tubewells.

Irrigation Potentials

During the Team's discussions with the State officials and cultivators, various reasons were given to explain why the cultivators were not utilising fully the irrigation potentials. It was stated that one mile of brick-lined channel was not sufficient and an extra mile of lining would result in better utilisation. The cost of additional lining would be about Rs. 7,000 to Rs. 10,000 per tubewell and the increase in the irrigated area was estimated to be 50 acres per tubewell on the assumption that the loss by seepage would be about 12½ per cent.

While every increase in the length of lined channel will help reduce the seepage, the immediate benefit from such extra lining is not likely to be substantial, according to the Study Team. Many of the tubewells run for less than 3,000 hours in a year which is less than about 12 hours a day during the non-rainy season, while some are working upto 7,000 hours in a year within two years of energisation even with brick-lining for only a mile and unlined channels for two miles. It would be premature to take up extension of brick-lining as a general measure when the saving of water is likely to be about 5 to 10 per cent. only.

Another suggestion made was that the length of the unlined channels should be further increased by 2 to 4 miles at the expense of the State. The cost of construction of the unlined channels works out to about Rs. 200 a mile without taking into account the cost of the land which Government will have to incur if these channels which are now constructed by the cultivators themselves are to be laid out by the Government. The chief advantage of these subsidiary channels is some reduction in the cost of the water to the cultivator. When drought conditions prevail, the cultivators are most anxious to complete these channels through co-operative effort.

While the construction of such subsidiary channels may help promote utilisation, it appears that the absence of subsidiary channels wherever this was the case, was not the chief reason for non-utilisation of irrigation facilities. On the other hand, the failure to convince the cultivator that the use of irrigation water for the *rabi* crop will help him take to optimum manuring and use of improved seeds as a normal practice and thereby to increase his yield by even 100 to 200 per cent., appears to be the more important reason.

In most parts of U.P., proper manuring of wheat is hardly done, though the land is left fallow during the monsoon when a green manure crop can be grown. The wheat crop depends merely on timely rains and the average yield, already low, is reduced further if the winter rain is insufficient. The risk of reduction of yield is greater in the case of the manured crop when fertilisers are used. Even when irrigation is available, the cultivator takes the water only when he thinks that the yield of the crop will otherwise be very poor. Adequate manuring of the crop is not done in the areas within the command of tubewells or canals, though irrigation can be had to save the crop in an emergency. The optimum yield of wheat is secured by use of improved rust-resistant seeds, adequate manuring and two "waterings" in Western U.P., as against one in the eastern districts. That irrigation helps the cultivator in overcoming the risk of failure of crop and at the same time enables him to obtain larger profits and a higher yield as against the unmanured rainfed crop even in a year of normal rainfall, is a fact which is not generally known to many of the cultivators. No field demonstrations have been arranged in this matter in any of the tubewell or canal areas and this is the case in many of the National Extension Blocks. No effective propaganda has been done by the Extension Services about the real role played by assured irrigation in improving crop production.

Targets Tardy

The present targets for development of irrigation appear to be tardy in an emergency which calls for immediate use of the existing facilities and these have to be revised so as to ensure complete utilisation in as short a time as possible. Under some of the tubewells in sugar factory areas, full utilisation has taken place in the first year of working of the tubewell in respect of sugarcane and this emphasises the need to revise the targets as well as the importance of convincing the cultivators that extra profits can be got even from wheat and barley if irrigation, manure and improved seeds go together. At present, the tubewells are idle in the summer months, except where sugarcane cultivation is fully developed. In non-factory areas such full development of sugarcane may not take place. Some inducement to the cultivator in the shape of reduced rates for a few years for irrigation from March to June in respect of crops other than sugarcane will help develop irrigation consciousness. The rate charged may be kept low merely to offset the pumping charges so that the cultivators are convinced of the advantages of growing:—(i) a fodder crop like Berseem or Lucerne in the *kharif* areas; (ii) Hubam clover in the *rabi* area; (iii) a green manure crop before paddy; (iv) advance paddy nursery before the monsoon; (v) food crops like summer maize in February-March; or (vi) even cash crops like the bunch variety of groundnut in February-March.

The total irrigation potential created upto March 1957 from new projects of the first and second Five-year Plan *other than tubewells* was 2,032,000 acres and actual irrigation up-to-date was 1,283,000 acres. 3,964 miles of new canals have been constructed in these projects. These require about 20,000 miles of subsidiary field channels or cultivators' channels, but hardly 50 per cent. of these have been constructed.

There has been a sudden spurt in the development of irrigation under the major and medium projects only in a year of drought and this emphasises the similarity of the main problem under canals and tubewells. Apart from taking active steps to complete the cultivators' channels, considerable work has to be done in the matter of teaching the cultivators that irrigation water does play a significant part in improving agricultural production even in years of normal rainfall. However, cropping patterns under some of these projects are likely to be different from those under tubewells where normally greater emphasis is on sugarcane irrigation.

When Mr. Sivaraman visited the State last year in February, he suggested that, with a view to developing local supplies of green manure seeds, the cultivators should be induced to grow sunn hemp and *Dhaincha* on the borders of fields and for this purpose they should be supplied with a packet of seeds, one for each acre-field. As a result 741,000 packets were distributed to the cultivators and it is expected that green manuring will be done on 800,000 acres in the next season, as against 434,000 in the last. It has now been decided to distribute 2½ million packets this year. The quantity of *Dhaincha* seeds per packet will be 2 ozs. and sunn hemp 4 ozs. as against half a pound and one pound of last year.

The planting of perennials like *Sesbania ægyptisa, Indigofera tysmanii, Glyricedia, Ipomea Carnea*, etc., has to be taken up vigorously. In U.P. alone 25 million acres can be green manured and where this cannot be done, every holding, big or small, should be in a position to produce its requirements of organic matter by way of composts by raising perennial border plants.

MARKET GOSSIP

(*Concluded from page 255*)

relatively less attractive for investment. Even those who need it for social and religious purposes may be inclined to buy no more than their minimum requirements. So the evil of buying gold, if evil it is, will be on a much smaller scale than now.

Finally, any move to attract the gold held by the public must be regarded as a sort of gamble. While the experiment may be tried for what it is worth, one should not expect too much from it, if disappointment is to be avoided when the actual results come to be known.

• • • •

Since writing the above, Mr. Morarji Desai, Union Finance Minister, has stated in Parliament, in reply to a question by three members, that the Government is considering a proposal to mobilise the idle gold hoards in the country by the issue of gold bonds. It is significant, in this connection, that, since the beginning of June last, the gold produced in Kolar mines has not been sold. As such sales amounted to 2,000 tolas per day on an average, the Government must have by now conserved not less than 120,000 tolas, valued at Rs. 1.28 crore. There are also floating stocks with dealers estimated at 250,000 tolas, a part of which may quickly find its way into the gold loan if the terms are attractive. The immediate reaction of the bullion market to the Finance Minister's statement was bullish, with the price of the yellow metal gaining about As. 8 per tola.

• • • •

The effects of intensive application of chemical fertilisers and insecticides and of the adoption of better cultural practices by the U.S. cotton farmers to compensate for the shortfall in production consequent on the withdrawal of land from cultivation under the Soil Bank Programme are impressively reflected in the higher yield per acre expected in the current cotton (1958-59) season. The Crop Reporting Board of the U.S. Department of Agriculture, in its first official crop estimate for the season published on the 8th inst., has forecast a crop of 11,583,000 bales, estimated to yield per acre about 466 lbs., an all-round peak, which compares with the harvested yield of about 390 lbs. in the previous season. The first acreage report issued last month placed the area under the crop at 12,402,000 acres, as against 14.066,000 acres in the same forecast in the previous season. The fall is due to the heavier entry into the Soil Bank which offers recompense for not cultivating the land. If the abandonment of acreage in the current season is equal to the average abandonment in recent years, the 1958-59 crop is likely to be grown from an area less than 12 million acres, the smallest on record since 1876.

As a result of the considerable shrinkage in the area sown to the crop, the yield per acre, as the main determinant of the magnitude of the harvested crop, has assumed considerable significance. Climatic conditions, incidence of pests and other factors determine, to a large extent, the final yield. Last season's September estimate had placed the yield at 446 lbs., but this was subsequently scaled down and the final yield turned out to be only 390 lbs. per acre. So far in the current season, the crop has made excellent progress and pest attack is reported to be only on a small scale. Although it is thus too early to assess the average quality of the new crop, use of better seed, modern harvesting devices, etc., are expected to yield favourable results.

Last season's U.S. cotton crop was the lowest since 1950-51. A small crop, together with a successful surplus disposal programme, reduced the carryover stocks at the end of the season to 8.8 million bales, as compared with 11.3 million bales at the end of the previous season. If the current season's crop outturn approximates the forecast, total supply during the season would aggregate 20 million bales, as against 22.2 million bales in the previous season.

Hapur, supposed to be the granary of Northern India, is very much short of stocks this year and the prices of most of the foodstuffs have gone up considerably. The following comparative figures of prices (in rupees) and stocks of important cereals, pulses and other foodstuffs in the past four years will be read with interest:

Commodity	9-8-'58	9-7-'58	A year before	2 years before	3 years before
Wheat, average quality (per maund) ...	20.50	19	16	15	13-2
Stocks (in *Khatties*)	1	3	45	88	128
Gram (per maund) ...	14.52	14	12.31	12.31	8
Stocks (in *Khatties*) ...	44	48	41	116	14
Peas *dara* (per maund) ...	12.50	12.06	11.94	11.37	7.12
Stocks (in *Khatties*)	154	187	47	58	80
Arhar (per maund) ...	16.37	15.87	11.50	12	9
Stocks (in *Khatties*) ...	111	142	100	100	37
Sarson (per maund) ...	27.50	26.50	30	28	18.75
Oil (per maund) ...	72	68	82	75	48
Urd (per maund) ...	19.25	19.50	20.50	18.62	18
Moong (per maund) ...	25	25.50	16.50	14	10.50
Gur, dry No. 1 (per maund).	21.50	21	13	12.44	11
Stocks (in maunds) ...	44,000	56,000	35,500	19,000	54,000
Gur, *Kayan* future (per maund) ...	19.81	14.06	12.06	11-4-6	9-10-6
Sugar, crystal (per bag) ...	100	104.50	100	85	84
Khandsari (per maund) ...	35	36	29.25	26.25	27.50
Silver future (per 100 *tolas*).	185.50	...	...	...	1. 9-6
Cake ready (per maund) ...	11.75	11.50	8.12	9.50	...

UNDER SECRETARY TO G[illegible]
25 AUG 1958
PUBLIC DEPARTMENT

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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PROSPECTS FOR GETTING FOREIGN ASSISTANCE BETTER

MR. Morarji Desai, India's Finance Minister, is scheduled to leave on a brief tour of the Western world during the middle of next week. This will be his first sojourn abroad and we have no doubt that the country stands to benefit by it, for it is calculated to bring closer the economic relationship between India and the Western countries. Although Mr. Desai's main object is to participate in the Commonwealth Economic Conference due to be held at Montreal, Canada, next month, he will have consultations with London, Washington and Bonn on the subject of financial help for the second Plan. There are encouraging signs that he will succeed in his second object to a considerable extent. His principal secretary, Mr. B. K. Nehru, has prepared the ground well through painstaking and patient effort. The World Bank has taken the initiative in calling a conference of the U.S., the U.K., West Germany, and Japan, the free nations which have been assisting India in implementing its plan for economic development, to concert measures for tiding this country over its serious balance of payments difficulties. The need for such a joint effort has arisen because the quantum of financial accommodation required by India is so large that it is beyond the capacity of any one country, excepting, perhaps, that of the U.S., from which India has already secured Rs. 606 crores ($1,275 million) during the past ten years. No other nation has done so much for this country in such a short period as the U.S. The International Monetary Fund, too, is participating in the discussions organised by the World Bank which is expected to last for three days from next Monday. Incidentally, we wish Canada also had been invited to join the talks, as it has rendered sizable assistance to India and is in a position to do more. No definite scheme is expected to emerge from these talks, but it will pave the way for one in the near future. Meanwhile, there are indications that Britain is willing to give a lead by giving a temporary loan which will enable India to meet its immediate needs. Mr. Morarji Desai's presence in the capitals of Britain and the U.S. will certainly help expedite a joint endeavour by the countries mentioned above for finding the funds required to fill its large foreign exchange gap. For this task, he has a distinct advantage, in that he enjoys a good reputation in these centres as a man of great moral courage and intellectual honesty.

Politically, the Western world is in a favourable mood for coming to the rescue of India. The leaders there realise that the consequences of India's failure on the economic front will be far more serious to them than the "sacrifices" they will have to make for helping it out of the foreign exchange crisis. Although they are critical of the mistakes made by this country in planning, they are prepared to overlook them in the larger interests of the free world. Thus, India's wise investment in democracy is now standing it in good stead. If this precious asset is to appreciate in value, the politicians in whose hands its destiny lies now must strive hard to eliminate the anti-democratic weeds that are tending to take firm roots in this country. It is needless to add that this will be possible only if the powers-that-be themselves amend some of their doctrinaire economic policies which have proved to be a good fertiliser for the growth of these poisonous weeds.

Economically, too, conditions are propitious. In the capitals of the Western world, there is a better understanding of the urgency of helping underdeveloped countries than there was, say, a year ago. There is a greater realisation now that something must be done to ensure that the terms, as well as the trend, of trade are fair to these countries, as they have a habit of reacting on the industrial countries themselves, if allowed to persist too long. This does not mean that tangible measures are on way for stabilising the prices of primary raw materials and for raising their offtake. The problem is so intractable that no easy solution for it can be found at a moment's notice. But the realisation has engendered a better disposition towards the underdeveloped countries, in general, and India, in particular, and requests for help are well received, instead of being brushed aside.

Fears of a recession in Europe are worrying its leaders, even though there are distinct signs that the U.S. is steadily recovering from the worst recession in the post-war years. In Britain and West Germany, a surplus is developing in industrial capacity and order books are thinning down. The employment position in these countries no doubt continues to be satisfactory, the number of unemployed being negligible. But, if the present trend were to gather momentum, it might cause concern. Unlike the U.S., these countries have only a limited scope for averting a recession through deficit financing, that is, increase in domestic expenditure by the Governments. Their domestic markets are not large enough for this purpose. They will, therefore, have to stimulate their exports. And one of the means for doing so is to give credit to those countries which are in a position to absorb their goods. India is eminently suited for this purpose and it is Britain's best cultivated market. It would, indeed, be a profitable investment for Britain to utilise a part of its surplus industrial capacity for meeting India's need for capital goods and basic raw materials.

In view of the heavy short-term financial commitments which India has already entered into, as also of the fact that some of its major investment projects will take quite a few years to yield dividends, its credit requirements are for a long term. Assumption of short-term obligations will only confront the country with more difficulties in the near future and keep up a feeling of crisis year after year. The British authorities, who have always been well informed of India's position, must be fully aware of this point and should, therefore, give a correct lead to other Western countries by coming forward with a sizable long-term loan, say, of £100 million for a period of 15 years. This sum is by no means beyond Britain's capacity. It is true that, a year ago, its position was not comfortable. But, through wise management of its affairs and helped by a highly favourable terms of trade, it has improved its external reserves position tremendously. Since September last, when the Bank rate was raised to 7 per cent., Britain's gold and dollar reserves have moved up by nearly $1,200 million to $3,084 million, the highest level to be seen in the past seven years. At the same time, its liabilities to members of the sterling area have come down and most of the remaining sterling balances are unlikely to be drawn further; in any case, the margin for such withdrawals has appreciably narrowed down. It must also be noted that, besides the $3,000-million gold and dollar balances, Britain has an undisclosed dollar reserve, estimated at $4,000 million, in the form of dollar securities held by its people and financial institutions. It has thus over $7,000 million dollar assets, a total much higher than that of West Germany's external reserves. In view of this happy situation, Britain can afford to give India a fairly big loan.

A year ago, rates of interest in Britain and elsewhere in the Western world were high.

A day or so after Mr. T. T. Krishnamachari, the then Finance Minister, left India for Washington, the British Bank rate was put up from 5 per cent. to 7 per cent. Although West Germany reduced its Bank rate a little almost simultaneously with the upward revision by Britain, interest rates in that country were still high. But today, on the eve of Mr. Morarji Desai's tour abroad, interest rates have fallen all over Europe, barring, perhaps, France, and the British Bank rate has been brought down to 4½ per cent., a rate which India cannot consider too high. This development is, in itself, a good auspice for the success of Mr. Desai's mission.

Both London and Washington have been impressed, to some extent, by the various measures taken by the Government of India to bridge the foreign exchange gap. While not hesitating to point out, albeit in a sympathetic manner, the blunders made by India in planning on unrealistic lines and proceeding to implement the plan as though their assumptions in regard to resources will somehow be borne out by events, financial observers in the capitals of the U.K. and the U.S. have not failed to acknowledge the fact that, once the Government of India comprehended the danger on the foreign exchange front, it promptly took steps to slash imports and push up exports. These measures, coupled with the pruning down of the second Plan, the re-introduction of foreign exchange budgeting, the tightening of the conditions for obtaining imports under the deferred payment scheme to such an extent as to make it almost inoperative, and the willingness of the Government to allow the private sector to put up some of the key industries, as, for instance, production of aluminium, which had been reserved for the public sector earlier, have imparted a feeling that India is seriously trying to remedy the position and safeguard its credit abroad. The Government's latest decision to expedite disposal of applications seeking approval of foreign technical and capital collaboration agreements by appointing a "Foreign Agreements Committee" will also serve to strengthen that impression. Thus, the climate for getting financial accommodation from abroad is distinctly better than it was a year ago. It would have become better still had the Government reversed some of the fiscal and other economic policies which are retarding the growth of private investment and enterprise.

FOOD SITUATION

THE sharp criticism of the food policy in Parliament this week is a much truer reflection of the country's mood than the Government is perhaps willing to concede. Leading the attack on the Government, Mr. Asoka Mehta, who headed the Foodgrains Enquiry Committee, declared that the Government, because of its utter inaction and complacency, resembled a group of Rip van Winkles. The present food policy, he warned, would adversely affect the future generations also. An uncharitable critic might have added that this criticism was inappropriate, as the Government's policy would leave no scope for a large future generation. So oppressive is the trend of food prices. It is, of course, unnecessary to dramatise the food situation, for it is bad in all conscience. Food prices are rising to the utter dismay of the common man for whom abundance of food and freedom from imports represent the only concrete sign of success of the Government's economic policy. The political consequences—quite apart from the graver economic repercussions—of a failure on the food front are so obvious that it is surprising that the present Government should have allowed the impression to gain ground that it is singularly inept at handling the problem.

So swift has been the upsurge in food prices that, even before the Food Ministry's laboured effort, showing that these prices were not as high as they were thought to be, appeared in print, they had edged forward. In its excellent publication, *Food Situation*, presented to Parliament, the Ministry was at some pains to point out that the index number of wholesale prices for cereals (Base: 1952-53=100) in July 1958, at 109.9, was not materially higher than that in July 1953 when it was 108. The years 1954 and 1955, the Ministry argued, were a period of heavy depression in prices. Since the time this conclusion was reached prices have risen again, so that, for the week ended 2nd August, the index stood at 112.0. In any case, the common man can derive little consolation from the knowledge that he is not paying more for his food than he did five years ago. Since 1953, his commitments may have gone up and prices of other things also may have advanced. What is important is that, since 1955, the trend has been steadily upward. The index number rose from 101.0 in July 1956 to 111.3 in July 1957 before it reached 109.9 in July 1958 and advanced to the present level of about 112.0. The index number of food articles, as a whole, was 120.0 in the week ended 2nd August and 118.4 in July 1958, as compared with 111.3 in July 1957 and 101.0 in July 1956. The overall rise, disturbing as it is, is perhaps less deplorable than the fact that what to the market analysts is known as the "undertone" of the market is firm, reflecting the possibility of a continuation of the upward trend in prices. The Food Ministry is certainly right in suggesting that, in considering the question of prices, one should not ignore the fact that 70 per cent. of India's population depend on agriculture and their "economic condition depends on agricultural prices." While nobody would like to see the Government stampeded into a decision in favour of food price control and food rationing, it is undeniable that the prosperity of farmers is better assured through increased production than by scarcity-induced high prices. It is also necessary to remind the Food Ministry that, in India, 60 to 70 per cent. of an average man's income is spent on food, and that the number of landless labour and other non-cultivators far exceeds the number of cultivators, so that even a small increase in the cost of food seriously upsets their family budgets.

It is the production front which demands continued attention. Since only 20 per cent. of the cultivated land is under irrigation, India's food supply is largely determined by the caprices of the monsoon. The production of foodgrains which includes pulses has varied from year to year. During the six-year period ended 1957-58, the production (in million tons) of foodgrains, with cereal production in brackets, was:

1952-53—58.27 (49.22); 1953-54—68.72 (58.27); 1954-55—66.96 (56.18); 1955-56—65.79 (54.92); 1956-57—68.75 (57.24); 1957-58—62.03 (52.81).

Because of the variations in production, the Government has been compelled to augment the supply through imports which, in the last 10 years ended 1957, amounted to 25.7 million tons. During the period, the trend of imports (in million tons) was as follows:

1948—2.84; 1949—3.71; 1950—2.13; 1951—4.73; 1952—3.86; 1953—2.00; 1954—0.81; 1955—0.70; 1956—1.42; 1957—3.58.

For 1958, the Government has already imported 1.86 million tons, consisting of 1.52 million tons of wheat and 337,000 tons of rice. An additional quantity of about one million tons of foodgrains is expected against the existing programme and a fresh agreement with the U.S. under P.L. 480 is expected to be finalised soon.

The increase in the demand for foodgrains arises partly from the growth of population and partly from rise in incomes which, in an underdeveloped country, is largely absorbed by expenditure on food. Between 1941 and 1951, India's population increased from 316 million to 361 million or by about 1.4 per cent. per annum. The increase in recent years may have been higher; there are 14 to 15 thousand new mouths to feed every day. India's population in 1956-57 is estimated at 387.68 million. The annual increase in population is said to account for an annual increase of one million tons in the demand for food. In the four-year period ended 1956-57, the Government has maintained an availability of over 50 million tons of cereals per year or about 12 to 13 ozs. *per capita*. The following figures give in million tons the total availability of cereals only in this four-year period:

1953-54: Net production 50.99; imports 0.81; change in stocks —0.17; exports 0.01; net availability 51.62.

1954-55: Net production 49.16; imports 0.70; change in stocks +0.73; exports 0.11; net availability 50.48.

1955-56: Net production 48.05; imports 1.42; change in stocks +0.62; exports 0.04; net availability 50.05.

1956-57: Net production 50.09; imports 3.58; change in stocks —0.82; exports *nil*; net availability 52.85.

N.B.—Net production is taken as 87½ per cent. of gross production, the balance (12½ per cent.) representing an allowance for seed, wastage, etc.

The main strategy in the Government's food policy, it is stated, has been directed towards creation of more or less self-sufficient zones segregation of heavily deficit areas and adoption of measures against speculative hoarding of stocks. The creation of the southern rice zone has solved the problem of Kerala, one of the principal deficit States, while the creation of the three wheat zones has served to hold prices in check, the rise in wheat prices this year being attributed to failure of *rabi* grains in the U.P. and the western zone. At present, 41,000 fair price shops are functioning in the country. Since January last, over 2 million tons have been released from Central stocks through fair price shops where the monthly offtake averages more than 350,000 tons. The Government now holds a reserve stock of 1.4 million tons. As stated earlier, another million ton is expected against purchases already authorised, besides the likely import of more foodgrains under the contemplated fresh agreement with the U.S. under P.L. 480. The Central and State Governments have started procuring foodgrains internally to build up stocks. The Central Government has procured rice to the tune of 250,000 tons in Andhra and 104.000 tons in the Punjab. Some State Governments also have been authorised to procure rice in their respective areas.

Clearly, these measures, commendable in themselves, have not been able to hold prices in check. In this connection, it may be recalled that, as part of a permanent long-term food policy, the Asoka Mehta Committee had recommended the establishment of a Price Stabilisation Board as well as a Foodgrains Stabilisation Organisation. The latter body, according to the Committee, should be charged with the responsibility of open market operations, procurement and maintenance of stocks. But the Government feels that no such body is necessary because the Union Food Ministry already performs these functions. The Government has, however, agreed to the establishment of a Price Stabilisation Board as a purely advisory body and to the creation of a food intelligence division in the Food and Agriculture Ministry. It is doubtful whether these alternatives to the carefully considered proposals of the Asoka Mehta Committee can effectively function. Experience of the Food Ministry's handling of the problem so far only strengthens our doubt. It cannot be too strongly reiterated that, in the final analysis, the food problem is as much a problem in prices as it is in production.

MINERAL OILS BILL

THE Mineral Oils (Additional Duties of Excise and Customs) Bill, which was passed by the Lok Sabha last week, replaces the earlier ordinance, promulgated on 30th June last, whereby the reductions in mineral oil prices allowed by the producers would be collected by the Government as additional excise and customs duties. It may be recalled that, in May last, the oil companies agreed to *ad hoc* reductions in the prices of petroleum products, ranging from 6 nP per gallon for kerosene to 15 nP per gallon for aviation spirit. The revenue which would accrue to the Government through mopping up the reductions by way of additional duties is officially estimated at Rs. 8-9 crores in a full year, as against the unofficial estimate of Rs. 10 crores which was made in May last.

An important point raised by more than one member of the Lok Sabha was that the reductions in the producers' prices should have been passed on to the consumers of petroleum products. This would certainly have been more appropriate than the present decision whereby the benefit of the reduction accrues only to the Exchequer. But the Union Finance Minister, Mr. Morarji Desai, urged two considerations in defence of the Government's action. In the first place, the reductions, he said, were provisional, for adjustments in prices would be made in the light of the examination of the cost accounts of the companies which the Government's cost accountant would undertake. If, as a result of such examination, adjustments had to be made upward, there would be no means of recovering the excess payments. Secondly, price reductions were "not of a magnitude which, even if passed on to the consumer, would be reflected to any considerable extent in the consumer prices." Illustrating this argument by a reference to kerosene prices, he said: "The reduction agreed to is 6 nP per gallon which works out to 1 nP per bottle. Thus, in terms of the retail prices in which this oil is ordinarily bought by the bulk of the consumers, the effect of the price reduction is almost negligible. Indeed, considering the large number of middlemen and retail dealers through which kerosene passes before it reaches the actual consumer, it is doubtful whether even the small benefit of the reductions would, in fact, have been passed on wholly to the consumers, especially when they have already been accustomed to the prices prevailing at present." While this argument is essentially correct, it bears some resemblance to the arguments by which the salt duty used to be defended by the Treasury benches in the past. It reinforces the demand for re-imposition of the salt duty which would help augment Government's revenues and thereby make it easier for the Government, if it has the will, to provide some relief in direct taxation.

MOVE TO REGULATE DEPOSIT RATES NOT WELL ADVISED

NEW LOAN—COTTON EXPORT—COMMODITY TRENDS

THURSDAY, 5 P.M.

THE trend of both equities and Gilt-edgeds continues to be bullish. There are no new factors to account for the persistence of firmer conditions in shares. The Gilt-edgeds are going up because of easy money. Banks are flushed with funds. Their deposits are continuously growing, while the demand for credit is slack. For the first time in the history of joint-stock banking in India, the total bank deposits have exceeded the notes in circulation. This is an indication of the rapid growth of the monetised sector. One of the important factors that brought about this welcome development is the attractive rate of interest offered by banks. Instead of being proud of this achievement, the Indian banks seem to be ashamed of it. This is the only inference that one can draw from the persistent efforts of the big Indian banks to peg the rates of interest at lower levels through a common agreement among all the banks. Such an attempt on their part is tantamount to forming a cartel, if not collusion. In their anxiety to maintain their margin of profit, the bankers seem to be forgetting the principles of free enterprise. They are walking with their eyes wide open into the net of official controls, instead of bravely facing the competition, which is part of their life, with faith in their future. They seem to have forgotten what ultimately happened to life insurance which accepted one control after another, until it was completely taken over by the State. Even controls through gentlemen's agreement, it must be realised, will ultimatey invite statutory controls of all sorts. A gentlemen's agreement will lead to the adoption of "code of conduct," allegations of the breach of the code, mud slinging, and appeal to Government. And, when the Government comes into the picture, we all know what happens. Let the bankers remember what is now happening in the field of general insurance. Politicians and civil servants will sit on their shoulders.

MARKET GOSSIP

We are glad to hear that the move made by the Indian Banks' Association to regulate the rates of interest subject to a ceiling has not yet been finalised, as several Indian banks themselves are sceptical of its success and wish to make a number of safeguards, in order to protect their interests. It is to be hoped that, even those banks which are in favour of the move will think afresh in the light of what we have stated above and vote for its withdrawal. After all, the banks have not fared so badly as they had feared at one time. Further, as deposits grow, the interest rates will automatically adjust themselves at lower levels. If the demand for money increases, they should charge more for bank credit in order to ensure their margin of profit rather than try to cut the rates of interest on deposits and thereby run the risk of restricting the very source of their growth.

Indeed, as the rate of deposit growth has been running ahead of the rise in bank credit, the interest rates have started coming down of their own accord. Inter-bank call money is currently quoted as low as 2 per cent., as against well over 3 per cent. till recently. The rate for House money has retreated from 4-4½ per cent. to 3½-4 per cent. Short-term deposit rates also have fallen likewise. Now that the pressure from the London money market will slacken, following the cut in the Bank rate to 4½ per cent. and the fall in bill rates to below 4 per cent., the downward trend will gather momentum in the coming weeks. Even if the Government borrows more, as it is expected to do in a couple of weeks, that money will return to the market sooner or later and the growth of deposits will be maintained. There is, therefore, no need at all for controlling the interest rates on deposits, either officially or unofficially through mutual consent.

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The Gilt-edged market has been receiving support not only from banks but also from the Life Insurance Corporation, provident funds and other institutions. There is an acute scarcity of floating stock. The Reserve Bank has availed itself of this opportunity to lighten its holdings of Government securities at progressively higher rates. It believed in knowledgeable circles that the Bank must have practically exhausted its stock of short-medium dated loans, besides considerably reducing its portfolio of long-medium dated loans. As the surplus funds with banks show no signs of contraction, as there is every reason to feel that the pace of growth in bank deposits will be maintained in the coming months, and as the demand for bank credit in the next busy season will not be excessive, in view of the proposal to continue the cut in imports, and can in any case be easily managed for the deposits of banks are over Rs. 1,600 crores, the monetary authorities are believed to be in favour of the Central Government entering the market again with a new loan. From the Reserve Bank's open market operations during the last few days, it looks as though the new loan may be 3½ per cent. 1967 or 3½ per cent. 1968 at ruling market rates. The maturities in these years on account of existing loans are not very large. In 1967, they are Rs. 90 crores and in 1968 no more than Rs. 34.34 crores. The amount of the proposed new issue may be Rs. 50 crores. The Government may create the loan and give it to the Reserve Bank to be sold on tap as and when the demand arises.

It is contended by some students of money market that rather than raise a dated loan of nine or ten years' duration the system of Treasury Bills should be firmly established as a second line of defence for banks, that is, a liquid asset ranking between cash and Government securities. There is everything to be said in favour of this view. But the vast majority of banks prefer to invest their surplus funds in Government securities, instead of putting at least a part of them in Treasury Bills. Their argument runs thus: "Why invest in Treasury Bills which offer only a little over 2.5 per cent., when we can easily buy from the Reserve Bank any amount of Government securities at rates which yield well over 3.5 per cent. When we want cash, we can have it from the same source by handing over the Government securities. So far as we are concerned, investments in Government's dated loans are equal to placing our funds on a call basis with the Reserve Bank at rates of interest varying between 3.5 and 3.80 per cent." In these circumstances, can anyone blame the banks if they are not very anxious to invest in Treasury Bills?

If the Reserve Bank is keen on popularising Treasury Bills, as, indeed, it ought to be, so that the burden of interest charges on the Government of India may be minimised, it must create among banks some respect for these Bills by ceasing to be a jobber in Government securities at the beck and call of banks for all time. It has to tell the banks that it will buy or sell Government securities only in exceptional circumstances and not whenever they desire. It must also tell them that, if they want more cash during the busy season, they will have to go to the open market for liquidating their securities and not run to it with their bundle of Government paper. Incidentally, the readiness with which the Reserve Bank is prepared to exchange Government securities for cash and *vice versa* also explains why the short-term interest rates have not come down as appreciably as may be warranted by the increase in deposits or as is desired by the Bank. It should not be forgotten that the Bank rate in India is still 4 per cent.

It is, however, not understandable as to why the monetary authorities should be in favour of lower interest rates. The existing levels of interest rates are not standing in the way of higher industrial or agricultural production. On the contrary, they have in a large measure attracted more resources into the monetary system and thereby facilitated availability of bank credit. It is not lack of funds but lack of raw materials and demand for some of the finished goods such as cloth which is retarding production. Again, with inflationary pressures beginning to gather fresh momentum, it will not be advisable to make money cheap. To do so, for instance, will be to work for the defeat of selective credit controls which the Reserve Bank is applying to foodgrains and sugar. It is common knowledge that cheap money will only aggravate inflation.

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Cotton traders' plea for an additional export quota for raw cotton has not fallen on deaf ears. For the Government of India announced late yesterday its decision to release for export a further quantity of 40,000 bales of raw cotton of stapling not above ¾" on a first-come-first-served basis, subject to an individual quantity ceiling of 10 per cent. of the quantity allowed. The present quota follows on the heels of an earlier quota announced a fortnight ago releasing 30,000 bales of Bengal *Deshi* cotton and 20,000 bales of old crop cotton stapling 25/32". With the present quota, the total quantity of cotton released for export during the season amounts to 340.000 bales. The only cause for complaint for the trade, if at all, is that the quantity permitted is not as much as was expected. The trade had urged for a quota for 20,000 bales of Bengal *Deshi* and 50,000 bales of 23/32" cotton. It was contended that, since the supply position of cotton was comfortable, there could conceivably be no risk in permitting an additional quota. The statistical picture presented by it in support of its case was as follows: The current season's crop is estimated at 5.15 million bales, which, together with a carryover stock of 1.72 million bales, gives an aggregate supply of 6.87 million bales. Mill consumption is hardly expected to exceed 4.4 million bales. The export quota so far released (excluding the present quota) amounts to 300,000 bales, thus leaving a surplus of 2.17 million bales, which is about 450,000 bales higher than the stocks at the end of August 1957. It was further mentioned that, as there was a shift in cloth production from coarse to medium and fine cloth, the demand for low grade cotton was less. It was also pointed out that proper timing of the quota announcement would greatly help in expediting exports, as it would put traders in a position to book business as and when demand from foreign countries emerged.

The Government's quick response to the plea indicates that it was impressed by the logic of the aforesaid contention. The reaction of the cotton market to the earlier quota announcement might also have led the authorities to this latest decision. It may be noted that the last quota release was not followed by a spurt in cotton prices. In fact, the experience has been the other way about, as witness the downward trend of the market since the previous quota. The reaction of the market to the current quota is also true to type. For instance, I.C.C. Mogiat Jarilla March, after a modest

(*Continued on page* 331)

TREMBLING ON THE BRINK

From Our Own Correspondent

LONDON, 18*th August*

LONDON LETTER

IN spite of the latest reduction in Bank Rate, no one seems quite certain which way the British economy is going to go in the next few months. The Government still retain their hold on the volume of investment in nationalised industries and in public investment generally, by means of controlling the total volume of overdrafts which the industries are allowed to have and by limiting their capital investment programmes. This indicates that the Government is not yet prepared to take all the brakes off the economic machine.

On the other hand, we have the spectacle of a 4½ per cent. Bank Rate, a level not known for the past three and a half years, and the fourth reduction in five months. Such a tumble from 7 per cent. to 4½ per cent. is a sure indication that there is no need to keep any financial hold on the volume of money which borrowers may wish to utilise. On the public investment side, the only argument against restricting borrowing and expenditure would seem to be the need for economy generally in public outlay. But, since the expenditure under consideration is capital expenditure, or what is known in budgetary language as expenditure below the line, it does not really enter into the normal budget balancing. In any event, the Government is again piling up a substantial surplus on the national accounts this year.

The other significant point about the Bank Rate reduction is that it is taking place at a time when dollar payments are normally rising and when one expects a certain amount of pressure on the pound. This pressure is notably absent at present, although the reason is probably as much the weakness of the dollar as the strength of the pound. There again one has an odd contrast—America, which led the way into recession, is again afraid of inflation. Money rates across the Atlantic are tending to harden and the American authorities have given up any idea of reflationary policies. Of course, on the theory that European economies follow the American with a substantial time-lag, this country and Europe have some way deeper to go into recession before they begin rising. But such theories, though appropriate to the days when economic events looked after themselves, no longer fit a world in which there is such a vast preoccupation with economic management and when so-called normal trends can be affected by policies of overseas aid, arms expenditure and so forth. Hence the uncertainty in this country as to the immediate course of events. The pound is strong but is this only because of deflation, ignoring the consequences in terms of rising unemployment, falling production and economic lassitude?

Unemployment, of course, has increased only slowly over the period of recession and today is only about 160,000 higher than a year ago. The figure is the more remarkable in the light of the recent estimates that British productive capacity is underemployed by about 20 per cent. Does this mean that everyone is working on short-time? No; for 1½ million workers are still on overtime, a drop of only a quarter of a million from the figure a year ago. This emphasises the patchwork nature of the recession in industry with some firms still on overtime and others seriously underemployed. But, on the whole, there is a picture of industry hanging on to its workers and all ready for an upsurge of activity. So there we have the paradox of today of strong economy in terms of the balance of payments, of strong economy in terms of national finances, growing gold reserves, cheaper money and yet the productive machine, on which everything else is based, very slowly winding down and its operators uncertain whether it will suddenly begin to speed up or whether it will dramatically lose momentum in the autumn.—*All Rights Reserved.*

A French company has developed and used for several months for its deliveries of coal a lorry which is unique in the world. It is a semi-trailer with two carriers, whose contents (10 tons of coal) can be unloaded in 15 minutes by a pneumatic system with an MPR 500 m3 an hour compressor and a running pressure of 500 gr. and a flexible pipe-line (80-90 mm. diameter) of plastic and rubber.

EQUITIES FORGE AHEAD

BOMBAY BURMAHS STRONG

(From Our Own Correspondents)

BOMBAY, 21*st August*

CONDITIONS akin to a boom prevailed on the Stock Exchange during the week under review. Early in the week, activity was mostly of a squaring-up nature on end-of-account considerations. Nevertheless, selective scrips made some headway and the undertone was quietly steady. The new account, which opened on Monday this week, however, witnessed a spurt in equity values and the upward trend gathered momentum as the week passed. The bullish trend was mainly due to speculative buying and nervous short-covering. The market would appear to have ignored the effect of higher freight and parcel rates, which will come into effect from 1st October, on the cost of production of industries and the shortage of steel for engineering industries. On the contrary, the operators seem to have based their hopes on an early announcement of higher retention prices for steel, which, it is presumed, would take into account the increase in freight rates, the bonus issue of Indian Irons, and also on the prospects of larger foreign aid, particularly from the U.K. and the U.S., to solve India's balance of payments problem, for which purpose a three-day conference between the representatives of the U.S., Britain, West Germany and Japan, and World Bank officials will be held next week in Washington. Reports from London that Britain would offer India a credit of £100 million, by making payments on behalf of India to firms which had sold goods to India and for which Britain had stood as guarantor, were taken as an indication of the anxiety of other countries to help India.

Tata Steel Ordinaries rallied from Rs. 169.25 to Rs. 172.75, before closing at Rs. 171.75. The new shares gained over the week Re. 1.25 to Rs. 167.75. Indian Irons gained ground from Rs. 24.64 to Rs. 25.70. On profit-taking, the shares dipped to Rs. 25.40 today before closing at Rs. 25.50.

Textile shares followed the general pattern and prominent scrips recorded sizable gains. Bombay Dyeings gained strength from Rs. 59.20 to a peak of Rs. 60.30. After receding to Rs. 59.50, they moved up to Rs. 59.80. Centurys appreciated from Rs. 445 to Rs. 455.50 yesterday. Thereafter, the shares moved erratically lower and closed at Rs. 453. Kohinoors gained over the week Rs. 4.50 to Rs. 283, the highest level touched during the week being Rs. 284.50. Central Indias were marked up by Re. 1.50 to Rs. 103 and Finlays by Rs. 4 to Rs. 292. Indu Ordinaries were a fraction better at Rs. 10.04. While Indore Malwas were dull at Rs. 108 and Khataus were lower by Re. 1.25 at Rs. 186.25, Morarji Mills put on Rs. 10 to Rs. 250. New Greats provided a notable exception to the general trend with a drop of Rs. 13 to Rs. 202.

Bank shares were featureless and activity was also restricted. Barodas were a shade lower at Rs. 122, while Central Banks were done at Rs. 56.80 *ex-div.* as against Rs. 57.50 *cum-div.* a week ago. The new shares closed at Rs. 59 *ex-div.* as compared with the *cum-div.* rate of Rs. 60.30 last week. Bank of Indias were steady at Rs. 133. Jaipur Banks had business at Rs. 36.75 and United Commercials at Rs. 62.50.

Electricity shares were buoyant on keen buying even at higher levels. Ahmedabad Electrics advanced by no less than Rs. 3.20 to Rs. 98.80. Bombay Suburbans were taken up from Rs. 108.50 to Rs. 112. Surat Electrics scored a gain of Rs. 2 to Rs. 112. Tata Hydros rose by a similar extent to Rs. 126.50. Tata Powers rallied from Rs. 1,240 to Rs. 1,272.50 and Andhra Valleys from Rs. 1,196.25 to Rs. 1,201.25.

The highlight of the business in the sugar group was provided by Belapurs which shot up from Rs. 270 to Rs. 294, before profit-taking brought them down slightly to Rs. 289. Bhopals gained 60 nP to Rs. 24, Changdeo Sugars Re. 1.50 to Rs. 29 and Phaltans Rs. 8.25 to Rs. 167.50. Walchandnagars changed hands Rs. 7.50 higher at Rs. 291.25. Cement shares provided no exception. Associated Cements appreciated from Rs. 156 to Rs. 160.50, before losing a part of their gain to Rs. 159.50. Their new shares improved by Rs. 3.25 to Rs. 153. Digvijays were done at Rs. 152 *ex-div.* as against Rs. 156.50 *cum-div.*, a week ago. Orissa Cements hardened from Rs. 14.32 *cum-div.* to Rs. 13.24 *ex-div.* (dividend Re. 1.50). India Cements were in favour and rose by Re. 1 to Rs. 30.25 and Jaipur Udyogs were marked up by Re. 1.08 to Rs. 15.68.

In the engineering and mining group, Alcocks were strong, rising from Rs. 257.50 to Rs. 268.75. Tata Locomotives were keenly sought due to proximity of dividend and jumped up from Rs. 183 to Rs. 192.25. Good business was reported in Texmacos which gained 40 nP to Rs. 22.52. Premier Constructions advanced by Rs. 7.50 to Rs. 206. Larsen and Toubros had business at Rs. 16.72 *ex-right* and *ex-div.*, as against Rs. 18.50 *cum-right* and *cum-div.* a week ago. Mahindras were unchanged at Rs. 20.12. Their Rights were done today at Rs. 4. Shivrajpurs were in good form with a rise of Rs. 9 to Rs. 105.50. Indian Coppers were a shade quiet at Rs. 4.19.

Shipping shares were keenly sought, Scindias closed at a high of Rs. 20.84, a rise of 84 nP over the week. Great Easterns were marked up by 80 nP to Rs. 27 and their new shares by 48 nP to Rs. 17.76. Bharat Lines made a further gain of Re. 1 to Rs. 14. Among automobiles Hindustan Motors were steady at Rs. 7.64 and Premier Automobiles rose by 80 nP to Rs. 88.

In the miscellaneous group, Bombay Burmahs (old), on reports that the Company would shortly get the approval of the Government to issue bonus shares, as also due to proximity of interim dividend, rose sharply from Rs. 569.50 to Rs. 603.50, but finished lower at Rs. 592.50. Their partly-paid shares recorded a rise of Rs. 6.25 to Rs. 217.50. National Rayons moved up from Rs. 228.50 to Rs. 234 before closing at Rs. 232.75. Gwalior Rayons had business today at Rs. 14 *ex-div.*, which represents a gain of 10 nP over the week. Tata Chemicals were 40 nP higher at Rs. 16.68 and Tata Oils at Rs. 18.75 *ex-div.* showed a rise of 25 nP. Hindustan Levers were a shade better at Rs. 23.88. Killick Industries moved up by Rs. 4.75 to Rs. 149 and Wimcos by Rs. 7.50 to Rs. 18.50.

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Calcutta Stock Exchange

CALCUTTA, 20*th August*

The good atmosphere created by last week's announcement of dividend on the increased capital of Indian Iron and Steel Company, Ltd., was put to good use by bulls and the enthusiasm for speculative issues generated interest in several scrips of other sections also. With the result, gains, as well as an expansion in business, were recorded. There were clear indications that the easy money conditions led to an increase in funds seeking investment opportunities in equities. Good corporate news gave colour to trading, and bulls made free use of the expectations that a bonus issue by Indian Irons by capitalising the share premium reserve and an early increase in steel retention prices were certain. The shortage of steel for the engineering industry, no doubt, caused anxiety, and the lay-off of more workers in a big engineering works here due to lack of steel focussed attention on the foreign exchange shortage and the country's economic difficulties. However, confidence was soon regained as it was expected that Mr. Morarjee Desai's forthcoming foreign visit would ease the exchange crisis, and thus allow adequate imports of raw materials to industries. The decline in stocks of jute goods with mills, despite increased production in July, drew more interest in jutes, and coals continued their advance. Expectations of increased dividends led to more buying in the miscellaneous industrials section. Teas, after being quiet, attracted buyers following the better trend in auctions.

The coal section recorded an impressive expansion in the daily list of transactions at hardening rates. East Indias were raised to Rs. 22.62 from Rs. 22.37. Bengals were fully steady at the improved level of Rs. 270. Central Indias, after being lifted to Rs. 8.56 from Rs. 8.50, closed at Rs. 8.53. Borreas spurted to Rs. 22.75 from Rs. 21.87. In active trading, Western Bengals advanced to Rs. 7.18 from Rs. 6.97. Dhemo Mains were fully firm at Rs. 8.50. Pench Valleys were fractionally better at Rs 25.19.

Several features were recorded in the jute section. Barnagores were keenly sought for and put on Rs. 5 to Rs. 118. Landsdownes picked up Rs. 3 to Rs. 121. Megnas reached a new high of Rs. 138. Budge Budges advanced to Rs. 114 from Rs. 111. New Centrals were in good demand and gained to Rs. 17.44 from Rs. 16.37, and Howrahs to Rs. 19.12 from Rs. 18.69. Ganges closed at Rs. 59.50, after having risen to Rs. 60.50 from Rs. 57.00. Aucklands were fully steady at the increased rate of Rs. 110.

In engineerings, Indian Irons had risen earlier to Rs. 24.95 under the impact of the good dividend news; since then the quotation gave way to Rs. 24.09, but soon gained to Rs. 24.76 in active trading. Jessop & Cos. were better at Rs. 20.25, as were Texmacos at Rs. 21.15. Indian Galvanisings moved to Rs. 15.75 from Rs. 15.69, with Hooghly Dockings regaining to Rs. 107 from Rs. 103. Indian Standard Wagons were unchanged at Rs. 96.

Among minings, Indian Coppers closed at Rs. 3.94 after changing hands at Rs. 3.99. Orissa Minerals were better at Rs. 26.50. Karanpura Developments rose to Rs. 15.25 from Rs. 13.25 before closing at Rs. 14.75. India Steamships, among shippings, touched a high of Rs. 14 and closed fully steady at Rs. 13.97 on expectation of a higher dividend. Ports were unchanged at Rs. 13.75. In papers, Orients rose to Rs. 35.90 from Rs. 35.20 and Titaghurs were better at Rs. 40.50.

In the miscellaneous industrials section, Indian Cables hardened to Rs. 30.50 from Rs. 29.87. Jardine Hendersons were done as high as Rs. 79, as against Rs. 72.50 previously. National Cables rose to Rs. 29.56 from Rs. 28.75. Indian Oxygens recorded a further rise to Rs. 20.25. Metal Boxes forged ahead to Rs. 29.37 and Eastern Investments were as high as Rs. 125. B. I. Corporations advanced to Rs. 4.22 from Rs. 4.00.

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Madras Stock Exchange

MADRAS, 19*th August*

In contrast to the dull conditions noted last week, the Madras Stock Exchange presented a fully steady trend during the week under review. Activity was more broadbased and prices of several counters tended to move up. The chief factors imparting strength to the market were firm advices from Bombay and comfortable conditions in the money market. Plantation shares continued to meet with good buying support. Tea shares were particularly in the limelight. Textile shares also evoked enlarged enquiries although actual purchases were of a selective nature. Bank, sugar and miscellaneous industrials were fully steady.

Among tea shares in the planting section, Nonsuch Teas attracted attention of operators and spurted by 75 nP to Rs. 23.50. Balanoors rallied 50 nP to Rs. 16. Parksides firmed up by 45 nP to Rs. 20.30. Twyfords strengthened by 38 nP to Rs. 14.75 *cum-div.* Chembras were quoted 23 nP higher at Rs. 4.03 *cum-div.* Periakaramalais improved by 20 nP to Rs. 4.32 *cum-div.*, Peermades by 13 nP to Rs. 20, Kil Kotagiris by 12 nP to Rs. 6 and Woodlands by 10 nP to Rs. 8.25. Waterfalls gathered 5 nP to Rs. 3.45. Mlamallays were, however, neglected at Rs. 32 *cum-div.*, reflecting disappointment of operators over the cut in dividend to only 15 per cent. for the year ended 31st March 1958, as against 18 per cent. in the previous year. In the coffee group, Consolidated Coffees advanced by 37 nP to Rs. 28.37. Anaparais found buyers 18 nP higher at Rs. 5.80. Rajendras picked up 15 nP to Rs. 12.50. Savamalais put on 8 nP to Rs. 3.88 and Sheveroys 7 nP to Rs. 2.35. Among rubber shares, Rajagiris climbed up by 35 nP to Rs. 17.25. Tropicals spurted by 38 nP to Rs. 20.50, Kalpettas by 25 nP to Rs. 25.75, Mercaras by 15 nP to Rs. 8 and Midlands by 8 nP to Rs. 12.20. Nenmenys hardened by 25 nP to Rs. 13.75.

In the textile section, Metturs and Coimbatore Cottons rallied Rs. 3 each to Rs. 341 and Rs. 148, respectively. Cannanores advanced by Re. 1.50 to Rs. 137. Maduras were in demand 25 nP higher at Rs. 33.75. Loyals rose by 20 nP to Rs. 35.50. Travancore Rayons gathered a like amount to Rs. 14.40. Cambodias increased by 5 nP to Rs. 8.80. Lakshmis, however, eased by Rs. 2 to Rs. 100. Coimbatore Spinnings receded by Re. 1.75 to Rs. 52.

In the sugar section, Kirlampudis were in the limelight, the quotation advancing by Re. 1.50 to Rs. 55. Jeypores were better by 25 nP at Rs. 14.25. Deccans increased by 18 nP to Rs. 8.78 and Travancores by 5 nP to Rs. 10.30.

Among miscellaneous industrials, W. I. Plywoods were pushed up by Rs. 6 to Rs. 141. General Papers had buyers Rs. 2 higher at Rs. 12. India Cements rose a rupee to Rs. 30.25. Textools hardened by Rs. 2 to Rs. 202, Mysore Stonewares by 75 nP to Rs. 13.25, Mysore Tobaccos by 38 nP to Rs. 13.50 and F.A.C.Ts by 25 nP to Rs. 6.65.

In the banking section, Indian Overseas strengthened by Rs. 3.50 to Rs. 158. Travancores increased by 25 nP to Rs. 19.75. Travancore Forwards gathered 5 nP to Rs. 4.55. Indian Banks were done a rupee higher at Rs. 209. The Bank has received the Government's sanction for the issue of Rs. 16.6 lakhs as bonus shares in the ratio of one such share for every four shares of Rs. 100 each and one for every five shares of Rs. 80 each.

The Directors of the Mercantile Bank Ltd. have declared an interim dividend on all shares of 6¼ per cent., less income-tax, for the year ending 31st December 1958. The dividend is payable on 23rd September 1958.

Notice

THE TATA IRON AND STEEL COMPANY, LIMITED

THE FIFTY-FIRST ANNUAL GENERAL Meeting of The Tata Iron and Steel Company, Limited, will be held on Thursday, the 18th September 1958, at 4.30 p.m. (S.T.), at Bombay House, 24 Bruce Street, Fort Bombay, to receive and adopt the Directors' Report and Audited Profit and Loss Account and Balance Sheet for the year ended 31st March 1958, to declare dividends on Preference, Ordinary and New Ordinary shares, to appoint Directors in place of those retiring, to consider Resolutions regarding the hiring of office and storage space and ancillary facilities in Bombay House and in the Army and Navy Building by the Company from its associates and to appoint Auditors for the current year and fix their remuneration.

The Notice of the Meeting together with the necessary explanatory statements and the Directors' Report, the Audited Profit and Loss Account and Balance Sheet for the year ended 31st March 1958, have been issued to the shareholders.

For and on behalf of
THE TATA IRON AND STEEL COMPANY LIMITED,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents.
J. J. BHABHA,
Agent.

BOMBAY HOUSE,
24, BRUCE STREET, FORT,
BOMBAY, 21*st August* 1958.

NEWS IN BRIEF

A BILL to amend the Mines Act, 1952, is expected to be introduced in the next session of Parliament.

India will receive from the U.S. a fresh allocation of $57 million under the P.L.480 programme for the purchase of 780,000 tons of foodgrains.

The Government of India has placed an order worth Fls. 30 million with a Dutch company, Amsterdamsche Ballast Mij, for dredging operations near Calcutta.

The Western Shipping Corporation, Bombay, is expected to place an order for a 10,000-ton tanker with a Japanese firm, Harima Shipyard, near Kobe. The cost of the tanker is put at Rs. 1 crore approximately.

The Andhra Pradesh Government has established a Warehousing Corporation, with the Director of Agriculture as the ex-officio Chairman and Mr. C. Annamalai, State Marketing Officer, as the Managing Director.

According to a recent report from Hazaribagh, the proposed fourth steel plant in the public sector will be located at Bokaro in the Damodar Valley (south of the river), West Bengal. The actual location will be in the centre of the coal belt. Land acquisition proceedings are already under way.

The Bengal Lines Ltd., Calcutta, which is operating freight services on the Calcutta-Madras-Tuticorin run, has been admitted as a member of the Indian Coastal Shipping Conference with effect from 25th July 1958. With the inclusion of this company, the Conference now has a membership of 16 domestic shipping lines.

The former Indian princes are required to pay as expenditure tax a certain percentage of their privy purses under a new formula worked out by the Union Government. The formula seeks to avoid the scrutiny of every item of expenditure. The total anticipated yield of revenue from this source is estimated at Rs. 3 crores per annum.

The priority assigned to movement of exportable goods by rail to ports has recently been upgraded as a measure of export promotion. Accordingly, all goods meant for export, except iron ore, manganese ore and other items, for which there are alternative arrangements, will now be moved to ports under item 'D' of the Preferential Tariff Schedule.

A new ferro-manganese plant, the second to be set up in the State of Orissa, was inaugurated at Rayagada on the 11th inst. by the State's Chief Minister, Dr. Hare Krushna Mahatab. The first plant, it will be recalled, was installed at Joda in the Keonjhar district by the Tata Iron and Steel Company on 20th April last.

The coke oven and other waste products of the Rourkela Steel Plant will be utilised to produce about 8,000 kw. of electricity which will be utilised by the plant itself. A power plant, claimed to be Asia's most modern one, will be installed for this purpose on top of a 115-feet high steel structure of the main power station which is now nearing completion. The cost of power from this new plant will be considerably cheaper than from an ordinary thermal plant.

The Union Law Ministry has been bifurcated into two sections, namely, the Legal Affairs Department and the Legislative Department, with effect from the 12th inst. The former will deal with the advisory and conveyancing work, arrangements for the conduct of Government litigation and matters relating to Election Commissioner and the Income-tax Appellate Tribunal, while the latter Department will be in charge of legislative drafting, publication of Central laws, implementation of the recommendation of the Law Commission relating to statute law revision, and legislative subjects allotted to the Ministry.

The forge foundry to be established at Ranchi by the Government of India in collaboration with the Czechoslovakian agency, Technoexport, is expected to go into production by the middle of 1962. A contract covering the first stage of the project was signed at New Delhi on the 19th inst. between the representatives of the Government of India and Technoexport. The foundry will be an adjunct of the heavy machine-building plant to be set up with Soviet collaboration. It will supply casting and forgings for steel rolling mills, blast furnaces, coke ovens, heavy cranes, excavators and crushers. Under the agreement, Technoexport will supply the machinery and erect the plant, besides preparing a project report. Towards this supply, the Government of India will pay Rs. 10 crores, payment being made in equal annual instalments, the last two of which will fall due in 1967. No payment involving foreign exchange will be due before April 1961.

A world agriculture fair, the first of its kind to be organised on an international scale, will be held under the auspices of the Bharat Krishak Samaj in New Delhi towards the end of 1959. The fair, which will synchronise with the eleventh annual meeting of the International Federation of Agricultural Producers—a world organisation of farmers—to be held in New Delhi, will begin in the third week of December 1959 and will last for about eight weeks. The objectives of the fair are to educate the Indian farmer about the latest advances in agricultural sciences in India and abroad and to show to the world, especially the participating countries, various facets of Indian agricultural life and progress. All the countries of the world, the various ministries of the Government of India and the State Governments, the associations connected with farmers and manufacturers and the importers of and dealers in agricultural and food-processing machinery in India and abroad are being approached to participate in the fair.

* * * *

From Abroad

The world level of industrial production in the first quarter of 1958 was about 4 per cent. lower, as compared with the corresponding quarter of 1957.

The U.S.S.R. is reported to have discovered in the Siberian region of Yakutia a diamond field which, it is claimed, is one of the richest in the world.

The Irish Government is proposing to set up a fertiliser factory entailing a capital outlay of £6-8 million. The production capacity of the plant will be 100,000 tons per annum.

The U.S.A. launched, on the 16th inst., its seventh nuclear submarine, the *Seadragon*, power with a pressurised water reactor and equipped to fire guided missiles.

The Indonesian Government will purchase shortly 44 ships from abroad for the country's merchant fleet. Of these, 10 will be delivered by Japan, the rest being supplied by Poland, Yugoslavia, Italy, West Germany and the Netherlands.

The Krupps and Stulcan shipyards of Hamburg have combined to bid for a £4.25-million shipyard, proposed to be built at Alexandria, Egypt. The capacity of the yard is about 50,000 d.w. tons and it will be provided with facilities for maintenance and repairs.

About 115,000 small enterprises in Sweden employing less than 50 persons account for 40 per cent. of the country's total industrial production. It is estimated that over 500,000 persons are engaged by these units, the aggregate turnover of which amounts to £900 million.

With effect from the 13th inst., the Malaya-China-Japan Conference reduced the freight rates from Singapore and Malayan base ports from $M 61 per 50 cubic feet to $M 45 for rubber in cases or bales, from $M 54 per 50 cubic feet to $M 40 for latex in drums or tins and from $M 48 per cwt. to $M 45 for latex in bulk.

The Government of Ceylon has decided to set up a steel rolling mill and a factory for manufacturing motor car tyres and tubes under the technical co-operation agreements entered into with the U.S.S.R. Provision for these projects has been made in the budget presented to the Ceylonese Parliament recently.

The Krupps organisation of West Germany has decided to build an engineering plant at Campo Limpo, Brazil, with an initial investment of £5 million. The proposed plant will produce forgings, including axles and frames for buses and lorries. Originally, Krupps had intended to produce locomotives in Brazil but abandoned the project, in view of competition from the U.S.

Increased quota restrictions for cotton imports from China have recently been introduced by the British Board of Trade. The existing restrictions on the cotton and rayon yarns and cloth will in future extend to all manufactures of cotton, linen or man-made fibres except floor covering and footwear. The quota for Chinese imports will be permitted at approximately the 1957 level.

Czechoslovakia proposes to build a synthetic rubber plant near Prague at a cost of 1,000 million Czech crowns, as a part of its programme for stepping up the production of chemicals by 2½ times by the end of 1965. At present, the country imports its requirements of synthetic rubber from the U.S.S.R.

The United Arab Republic has decided to admit the Soviet bloc countries in Eastern Europe to the joint Egyptian Cotton Committee. These countries together account for over 50 per cent. of the cotton exported by Egypt during the current season. At present, the Committee consists of Britain, France, West Germany, Italy and Switzerland, none of which figures largely in the country's export trade in cotton now, besides Egyptian officials and business men.

The aggregate production of steel by the European Coal and Steel Community countries during the seven months of 1958 amounted to 34.57 million tons, which represents an increase of 393,000 tons as compared with the corresponding period of last year. The increase was due mainly to a 7.2 per cent. rise in French output and a 19.2 per cent. gain in the much smaller production of Holland.

PERSONAL

MR. R. K. Nehru, Ambassador of India to the United Arab Republic, has been concurrently accredited as Minister of India to Libya.

Mr. Mekki Abbas, Managing Director, Gezira (Development) Scheme, Sudan, has been appointed Executive Secretary of the newly established U.N. Economic Commission for Africa.

Mr. P. F. Davison, Assistant Trade Commissioner (Public Relations) of Australian Government, in Bombay, will be returning to Australia on the 26th inst., after the expiry of his three-year term of duty.

Mr. G. L. Simmons has assumed charge as the Senior First Secretary of the U.K. High Commission in Bombay, *vice* Mr. R. G. Britten. In the absence of Mr. E. G. Norris, who is on leave, he is also acting as Deputy High Commissioner.

Mr. J. M. Srinagesh has been appointed Officer on Special Duty in the Department of Mines and Fuel to undertake preliminary work in connection with the Gauhati (Assam) refinery. He will be designated General Manager of the Corporation when it comes into being.

Dr. C. V. Raman, Nobel Laureate, returned to Bombay last week after a three-month scientific sojourn to East European countries and Soviet Russia. While at Moscow, he received the Lenin Peace Prize, organised by the International Lenin Peace Prize Committee.

Mr. B. K. Nehru, Secretary, Department of Economic Affairs, Union Ministry of Finance, has been appointed Commissioner-General for Economic Affairs abroad. He will generally be stationed at Washington. Mr. A. K. Roy, former Chairman of the Central Board of Revenue, has taken over charge as Secretary, Department of Economics and Revenue, Ministry of Finance. Mr. E. S. Krishnamoorthy will succeed Mr. Roy with the rank of Additional Secretary. Mr. S. Jagannathan has been promoted to the rank of Additional Secretary in the Department of Economic Affairs.

The German production, however, was lower by 1 per cent. at 13.8 million tons.

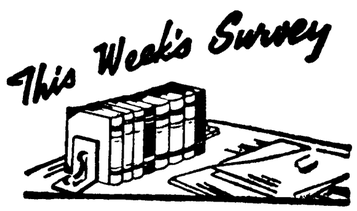
A seven-member delegation of West German trade union leaders is expected to tour India in the third week of September, in order to study the progress of the trade union movement in the country, particularly in the field of heavy industry. The delegation has been sponsored by the German Federation of Labour, an important affiliate of the International Confederation of Free Trade Unions. It will also visit Pakistan, Malaya and Japan.

The United States Steel Export Corporation has raised the export prices of its products with effect from the 12th inst., following the increase in prices effected by the major steel companies. The revised prices per 100 lbs. are $5.79 (including freight to New York, Baltimore and Philadelphia) for carbon steel plates, $8.1 for carbon cold finished bars, $7.98 for alloy steel plates and $9.21 for cold finished bars.

The General Electric Company has announced development of a new highly durable kind of rubber, capable of maintaining strength and usefulness in either Arctic cold or searing heat. The Company spokesmen describe the new product—known as "nitrile silicone rubber"—as "a major advance in chemistry." In a demonstration for newsmen, samples of the new product were dipped in hot jet fuels which cause ordinary rubber materials to wither and lose shape. The new product remained unchanged by the treatment.

Steel production in the U.S. last week climbed above the 1947-49 average and above 60 per cent. of rated capacity for the first time since June. Steel output is slated to make its seventh straight rise this week. The American Iron and Steel Institute reported mills turned out 1,632,000 tons in the week ended 17th August. This equalled 60.5 per cent. of rated capacity and amounted to 101.6 per cent. of the average weekly output in 1947-49. Producers have slated production of 1,678,000 tons this week, a 62.2 per cent. rate. Barring a major strike in the steel-using industry, steel producers predict output should continue to rise slowly through the rest of the year. They report orders are continuing to come in, despite a series of price increases announced in recent weeks.

The U.S.S.R. is understood to have offered substantial aid to the United Arab Republic for prospecting of oil. A group of Soviet geologists has recently submitted a report on Syria's oil potentialities. In Egypt, the Soviet-sponsored oil development programme is nearing completion. The latest supplementary contracts to the U.S.S.R.-Egyptian aid provide for Soviet assistance for the expansion of the present processing capacities of the Suez and Alexandria refineries by 1 million tons each. The U.S.S.R. is also considering the possibility of setting up in Egypt new plants for the production of lubricating oil and high-octane benzene with a combined capacity of 600,000 tons. The immediate aim is to produce an exportable surplus of 1½ million tons annually. The output of crude oil is currently running at an annual rate of nearly 3½ million tons in Egypt to which must be added Syria's 400,000 tons scheduled for this year.



RAILWAY FREIGHT STRUCTURE

AFTER a lapse of ten years, the structure of railway freights has been revised. The new schedule of freights, which will be introduced with effect from 1st October next, is a modified version of the rates recommended by the Railway Freight Structure Enquiry Committee (Chairman: Dr. A. Ramaswamy Mudaliar) which submitted its report in April 1957. The Government has thus taken nearly seventeen months to come to a decision on this important subject which vitally affects the economics of all forms of production. With the introduction of the new rates, the supplementary surcharge of 12½ per cent. now in force, will disappear. The additional surcharge of 6¼ per cent. of the total freight, now imposed on all consignments weighing less than 20 maunds, will be increased to 10 per cent. on consignments weighing less than 10 maunds. The freight rates for parcels have also been revised, such a revision having been necessitated by the introduction of the revised structure of freight rates for transport by goods trains.

The revision in freight rates, now announced, is the second of its kind in the last ten years. The last revision, effected in 1948, simplified and rationalised the rates to a large extent through the introduction of standard telescopic class rates and wagon-load scales over all the Indian railways and on a continuous mileage basis. Since this revision was made, far-reaching changes in Indian economy have taken place. It was, therefore, felt that a further revision was necessary. The Railway Freight Structure Enquiry Committee, which was appointed in 1955, was asked "to review the present railway freight rate structure in all its aspects and to suggest what modifications should be made, bearing in mind the needs of a development economy and the necessity for maintaining the financial stability of the railways." The Committee, besides suggesting eight legs instead of three, as at present, recommended an integrated scale of rates covering both "class rates" and "wagon-load scales," with a regular and progressive increase from the lowest class to the highest class.

At present, commodities are "classified" into 15 classes, depending upon their "transportation characteristics," namely, value bulk per unit, weight, liability for claims, etc. Each of the 15 class rates has three legs of 1-300, 301-600 and over 600 miles. The bases of the three legs of the 1st class rate (in pies per maund per mile) are 0.54, 0.45 and 0.34 respectively; the corresponding figures for the 15th class are 2.32, 1.41 and 1.0 respectively. There are 13 wagon-load scales, all of which are lower than the first class. They also have three legs. Only the legs vary. In some cases, the legs are 1 to 150 miles, 151 to 300 miles and over 300 miles, whereas in some others it is 1 to 100, 101 to 400 and over 400 miles, and in some others, the legs (in miles) are 1 to 300, 301 to 600 and over 600. The rate bases for the wagon-load scales (in pies per maund per mile) vary from 0.25 to 0.48 in the first leg, from 0.20 to 0.38 in the second leg and 0.15 to 0.24 in the third leg. The wagon-load scales are applicable only to commodities with substantial social utility such as grains, salt, manures and ores. Out of the 3,000 commodities in the classification, only 99 have wagon-load scales.

Briefly, the Committee, in suggesting an integrated scale of rates covering both class rates and wagon-load scales, recommended a progressive increase from the lowest class to the highest class through a percentage system with a standard rate base. The Government, however, has proposed new basic scales instead of those recommended by the Committee. The chief aim of this modification, it is stated, has been to refrain from any measure which may tend to raise the prices of commodities. Thus, the additional revenue yield under the Committee's proposals would be 12.9 per cent. of the goods revenue at the existing rates or an additional revenue of Rs. 32.3 crores per year. Because of the Government's modification of the Committee's proposals, the additional revenue will be only 4 per cent. of the goods revenue or Rs. 9.6 crores per year. For six months of the current fiscal year, that is, from 1st October 1958 to 31st March 1959, the extra revenue from this source may be a little more than half of this amount, as this period represents the busiest part of the year. The following are the proposed twin basic scales, the first one giving the rates applicable to commodities such as foodgrains and manures, for which wagon-load scales are at present prescribed and the second one the rates for other commodities:

(In pies per maund per mile)

1-25 miles: 3.60, 2.60; 26-75 miles: 1.40, 1.25; 76-150 miles: 1.10, 1.17; 151-300 miles: 1.00, 1.10; 301-500 miles: 0.85, 1.00; 501-800 miles: 0.70, 0.80; 801-1,200 miles: 0.60, 0.73; 1,201-1,500 miles: 0.50, 0.55; 1,501 miles and over: 0.15, 0.15.

N.B.—It is not clear why the rates have been given in pies instead of naye paise, for the conversion of old into decimal coinage would involve much unnecessary clerical labour.

The Government has generally accepted the Committee's recommendation in respect of 109 commodities, for which the Committee had suggested rates lower than the corresponding class rates. For 28 commodities, the Committee had suggested classifications higher than the corresponding percentage rates. In respect of 13 of these commodities, the Government, after an examination of each case, has decided not to fix rates higher than the corresponding rates. In evolving the new freight structure, special care, it is stated, has been taken to ensure that (1) the overall freight burden on foodgrains is reduced, (2) there is no overall increase in the freight on fruits, vegetables, kerosene and salt, (3) special treatment continues to be accorded to handloom products, *khadi*, books and milk which are now exempt from the 12½ per cent. supplementary charge, and (4) the overall increases generally will be moderate and the minimum necessary to give the extra revenue required.

Defending its modification of the Committee's proposals, the Government observes that it would be an advantage to trade and industry to replace the single scale proposed by the Committee by two scales—one to replace the existing wagon-load scales and the other to replace the existing class rates so as to preserve, to some extent, the different degrees of taper, as at present, in the existing wagon-load scales and class rates. The revised scales, it is stated, avoid both steep increases in the freight rates for short hauls and sacrifice of revenue for long hauls. While one can understand the Government's reluctance to sacrifice the revenue from long hauls, it is somewhat difficult to appreciate its unwillingness to increase the rates for short hauls. What the Committee had in mind, when suggesting the rates it did, was that it must be the "deliberate policy of the authorities to discourage as far as possible short-distance traffic by rail and to encourage alternative modes of transportation over such distances." It further averred that, in evolving the new freight structure, it had "kept in view the desirability of encouraging diversion of short-distance traffic from rail to road," but had at the same time ensured that the rates did not become burdensome. By rejecting this aspect of the Committee's recommendation, the Government has denied road transport the fillip which it might otherwise have received. In other words, the railways want to have the best of both worlds—the world of short-distance and that of long-distance hauls.

A COMMENDABLE PROPOSAL

A welcome feature of President Eisenhower's six-point plan for maintaining peace in West Asia is the proposal for the establishment of an Arab development institution. The suggestion is certainly a reflection of the awareness of the U.S. Administration that lasting peace in West Asia is inextricably bound with the economic fortunes of that region. It also marks, according to some observers, a distinct change in the foreign aid policy of the U.S. That country was all along opposed to the principle of regional funds and preferred to give assistance to individual countries. Be that as it may, the suggestion for a development agency for West Asia comes not a day too soon. For, with the emergence of foreign aid, or promises thereof, as a major instrument of Soviet policy in West Asia, a new dimension has been added to the tangled problems of that region. It is well known that, despite the fact that many countries in the region are rich in oil resources and have been receiving large revenues from oil, the standard of living and the levels of economic development are among the lowest in the world. In the context of the intense desire of the Arab people for material improvement and political independence, it is essential that there should be suitable agencies to help the Arab people to realise their ambitions without having to surrender their independence.

The quickest way to set up the body, as the President suggested, is for the U.N. Secretary-General to consult the Arab states for their agreement to its establishment and then to invite the World Bank to help plan the organisation. The President is well aware that any move or suggestion, however, well-meaning, is liable to all sorts of interpretation by interested parties. He, therefore, took care to point out that, in making the proposal, he was not suggesting a position of leadership for his country in the work of creating such an institution. The function of leadership, he said, should belong to the Arab states themselves.

The organisation is intended to provide loans and technical aid to the Arab states and promote health and education, industrial and agricultural development. Since shortage of water is one of the main problems of the region, priority should be given to plans for overcoming water shortage. Mr. Eisenhower also suggested that other nations and private organisations, which might be interested in the establishment of the institution for facilitating economic development of the Middle East, should also be consulted at the appropriate time. Presumably, he had oil companies in mind, when he referred to "private organisations." In this connection, it may be mentioned that the oil companies operating in West Asia are believed to be earning a billion dollars each annually. It is in their interest that a free and prosperous West Asia emerges as a strong ally of the free world. Again, although President Eisenhower did not make any specific commitment on behalf of the U.S., it is believed that the Administration would not be averse to advancing, say, $100 million to begin with. It is to be hoped that all the interests concerned will strive to give a practical shape to President Eisenhower's commendable proposal.

ESTATE DUTY

It is regrettable that the Lok Sabha Select Committee on the Estate Duty (Amendment) Bill (Chairman: Mr. C. R. Pattabhiraman) has endorsed the Government's move to bring down the exemption limit for payment of Estate Duty from Rs. 1 lakh to Rs. 50,000. Evidently, the members of the Committee, with the notable exception of Messrs. M. R. Masani, R. K. Khadilkar, Pratap Keshai Deo and P. R. Assar, have been prompted by an ideological desire for an egalitarian society. Only, this has made them overlook completely the disquieting effect of the reduction in exemption limit on capital formation which continues to be at a deplorably low level. As a result of the reduction, the middle class people, who contribute largely to the savings of the community, will be brought within the purview of the Estate Duty Act. When this section of society is already groaning under the impact of heavy taxation, especially in the present context of inflationary trends, it would, as Mr. Khadilkar rightly declared in his dissenting note, be unjust to put additional burdens on it.

The force of the above statement will be appreciated better if one bears in mind the fact that, while the money value of estates has gone up in recent years, the real value has actually suffered a setback. Mr. Masani has done well to stress this aspect in a separate minute of dissent appended to the Bill. Calculating that an estate of just over Rs. 50,000 would in the pre-Second World War days have been worth around Rs. 12,000, Mr. Masani says: "One is a little appalled at the thought that an inheritance of this very modest nature, which would probably be divided among several heirs, should be brought within the scope of a tax of this nature." This is, indeed, a correct assessment and it is to be hoped that the members of Parliament will take note of it when they debate the Select Committee's report on the Bill.

It must, however, be said to the credit of the Committee that it has suggested a downward revision in the rates of Estate Duty from 6 to 4 per cent. in respect of estates valued up to Rs. 1 lakh and from 8 to 6 per cent. on the next slab of Rs. 50,000. One wishes that the Committee had suggested similar cuts with regard to other slabs contained in the original Bill. One also wishes that the Committee had recommended (1) exemption from payment of Estate Duty altogether for any estate for which gift tax has been paid, instead of merely proposing a reduction in the amount of duty by a sum equal to the amount of gift tax paid, and (2) raising the period of chargeable gifts from two years to five years as proposed in the amending Bill. On the latter issue, the Committee feels that the *status quo* should be maintained.

There are three notable suggestions of the Select Committee which deserve to be commended. First, the payment of Estate Duty in respect of immovable property must be in four yearly or eight half-yearly instalments, whereas the original Bill had provided for payment in three yearly or six half-yearly instalments; the acceptance of this suggestion will doubtless help the owners of such property, particularly those who are depending entirely on it for their living, by spreading the incidence of duty over a longer period. The second suggestion relates to the exemption of the official residence of a ruler from Estate Duty which is in conformity with the provisions made in the Wealth and Expenditure Tax Acts. Thirdly, a special provision must be included for appeal in respect of penalties levied under the Act.

In its report, the Select Committee has urged the Central Government to assume power to bring the Bill into force on a suitable date, so that the requirements of Article 252 (2) are complied with. Under this Article, resolutions approving the principles of the Bill will have to be passed by the State Legislatures so as to enable the measure to be made applicable to agricultural land. The Committee wants the inclusion in the Bill of a new provision clarifying the position regarding the application of the amending Bill to estates which consist, wholly or in part, of agricultural land. The draft provision proposed by it says that the Bill can be made applicable to agricultural land only after two or more State Legislatures have passed the necessary resolutions. The inclusion of agricultural land in the Estate Duty Act may be welcomed, inasmuch as it will obviate the complications arising from the State Governments making separate legislations to impose special taxes on agricultural lands on lines similar to the levy of Estate Duty.

AIR LINK WITH MOSCOW

From the point of view of Indo-Soviet relations, an important event of the week was the inauguration of an air service between Delhi and Moscow. On 14th August, the first scheduled weekly direct air flight between Delhi and Moscow was inaugurated. The flight is in accordance with the air agreement signed by the representatives of the Governments of the two countries at New Delhi on 2nd June last. The agreement provides for the operation of one weekly service between Delhi and Moscow in both directions by Air-India International and Aeroflot, the airline designated by the Soviet Government. The specified route which the two lines are entitled to operate is Delhi-Amritsar-Tashkent-Moscow. Initially, Air-India International is authorised to carry international traffic in passengers, cargo and mail to and from Tashkent and Moscow, while Aeroflot is authorised to carry such traffic to and from Amritsar and Delhi.

The commercial aspects of the air service are governed by a separate agreement entered into between the two airlines. This agreement lays down that, while each party will bear its own expenses connected with the operation and its aircraft, all the revenues earned by each will be brought into a pool which shall be apportioned and divided between the parties at the end of each calendar month on the basis of the number of scheduled and non-scheduled one-way flights operated by each party in that month.

Air-India International's plane for Moscow will leave Delhi every Thursday and will commence the return flight from Moscow on Saturdays. The service is operated with a Super Constellation aircraft, fitted with first class slumberette and tourist class seats. The one-way tourist class fare between Delhi and Tashkent and Delhi and Moscow is fixed at Rs. 628 and Rs. 1,484, respectively, the corresponding first class fare being Rs. 785 and Rs. 1,857. It may be noted here that, with the operation of this new service, Air-India International now offers direct flights to 25 major cities of the world with easy onward connections to all others.

The inaugural Delhi-Moscow flight of Air-India International is quite significant and, appropriately enough, it was marked by an impressive ceremony held at the Indian Embassy in Moscow on the 15th inst., which incidentally coincided with the Indian Independence Day celebrations. At the ceremony, both Marshal Pavel Zhigarev, head of the Russian civil air-fleet, namely, Aeroflot, and Mr. K. P. S. Menon, Indian Ambassador to Russia, expressed the hope that the new air route would expand the possibilities of India and Russia coming closer together. How significant is the event was aptly described by Mr. Menon who said: "The change that has occurred could not have been anticipated 20 years ago when an Indian passport, though endorsed for the whole of Europe, would not have entitled one to travel to Soviet Russia." The direct air service between India and Russia will, by facilitating quicker passenger, cargo and mail traffic, enable the two countries to strengthen their economic and cultural relations.

WORLD COMMODITY PRICES

Commodity prices have been, and still are, susceptible to violent fluctuations, causing considerable hardships both to producing and consuming countries. There is no doubt that such unpredictable movements in prices virtually cripple the primary producing countries which specialise in the export of a limited range of commodities; many of them are dependent on one commodity for over 50 per cent. of their aggregate export earnings, and on two or three leading commodities for over 80 per cent. Their consequences can be gauged from the adverse impact of the latest recession in the U.S.A. on the value of several commodities which came on top of economic readjustment in Europe after the Suez crisis. Many countries in Asia and the Far East, West Asia and Latin America were almost caught unawares; their export earnings in general declined; consequently, they had to curtail their development programmes and restrict imports. There is no doubt that these falling imports in turn have meant a falling demand for the products of the advanced countries. And now there are reports of a recession in Western Europe. Thus, the impact is tending to become global and not limited to a particular country or region.

It is gratifying to note, in this context, that a few commodities like tin and sugar could hold their own better, relatively speaking, thanks to the international agreements governing these commodities. The experience of these commodity agreements, though far from satisfactory and their future is highly uncertain, has at least highlighted the importance of collective endeavour on the part of all the countries of the world for solving the commodity problem. It is, therefore, but natural that stabilisation of commodity prices should have figured prominently at the twenty-sixth session of the

(Continued on page 321)

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TREND OF INDUSTRIAL PRODUCTION

RISE IN PRICES OF MANUFACTURES RELATIVELY SMALL

From Our Special Correspondent

NEW DELHI, 19*th August*

THE latest meeting of the Central Advisory Council of Industries has had the benefit of an authoritative review, made by the Commerce and Industry Ministry, of the current industrial situation. This review is notable for the figures it gives of total licensed capacity, as on 15th June 1958, of each industry and of its estimated production in the current year as compared with 1957. These figures are presented in the form of a table at the end of this column. No figures of 'estimated' installed capacity in 1958 are, however, available and, so, no comparison is possible of licensed and installed capacities or of installed capacities and estimated outputs in the year. This, however, does not detract from the value of such figures as are given in the table.

DELHI LETTER

The capacity figures in the table make possible a comparison of the original second Plan's target of annual capacity in the case of each industry and the respective total licensed capacity as on 15th June, 1958. It may be noted from these figures that licensed capacity has already reached or nearly reached the target capacity in the case of industries like coated abrasives, cement, dry batteries, grinding wheels, railway wagons, winding wires and conductors, dyestuffs, matches, paints and varnishes, rubber footwear, soap, staple fibre, sugar, automobile tyres and *vanaspati*; that licensed capacity has exceeded the original target capacity in the case of industries like bicycles, complete ring spinning, frames, electric fans, electric lamps, radio receivers, sewing machines, storage batteries, caustic soda, paper and paper board, plywood, power and industrial alcohol, soda ash, sulphuric acid, bicycle tyres and bicycle tubes; and that there is still a considerable gap between target capacity and licensed capacity in the case of other industries. Where licensed capacities have exceeded the original target capacities, it may be generally supposed that the latter have come in for upward revision.

The production figures in the table make possible a comparison between the current year and the last. It may be seen from these figures that production in 1958 will have exceeded the 1957 level, substantially or slightly in the case of industries like coated abrasives, aluminium, asbestos cement sheets, bicycles, cement, diesel engines, electric fans, electric motors, iron and steel, lead, machine screws, machine tools, oil pressure lamps, power transformers, radio receivers, refractories, rubber and plastic insulated cables and flexibles, sewing machines, storage batteries, ammonium sulphate, bleaching powder, caustic soda, coal, dipped rubber goods, glass sheets, glue, glycerine, insulators (both H.T. and L.T.), paints and varnishes, paper and paper board, commercial plywood, power alcohol, soap, soda ash, sulphuric acid, superphosphate, jute textiles, bicycle tyres and bicycle tubes; and that production in the current year will have declined, substantially or slightly, from the previous year's level in the case of other industries.

In spite of the estimated decline in production in a number of industries, the Commerce and Industry Ministry appears to think that there will be a net increase in industrial production as a whole in 1958 over the 1957 level. This could be inferred from the Government's stand on the question of imports of industrial raw materials. It is stated, in this connection, that Government attaches the greatest importance to providing an adequate supply of raw materials and semi-finished goods for industry but that it is not possible under the present circumstances to meet such requirements in full. The Ministry notes, with gratification, that, so far, industrial production has, on the whole, not been retarded as a result of shortage of raw materials. While Government may make every effort to release as much foreign exchange as possible for maintenance, it is emphasised that there is no alternative to greater use of indigenous substitutes. It is the Ministry's hope that increased exports to countries with which there are special payments arrangements will make possible additional imports of raw materials for the use of industry.

Incidentally, in reviewing price trends, the Commerce and Industry Ministry has referred to its former appeal to industrialists to accept a code of fair prices and not to allow shortages of foreign exchange to raise the prices of indigenous articles without justification. The Ministry has recorded, with satisfaction, that, by and large, there has been a good response to that appeal. The increases in production within the country have also contributed to the stabilisation of prices. The wholesale price index for finished products (non-food industrial finished goods with 1952-53 as 100) has stood at 107.6 in 1958 as compared to 107.9 in 1957 and 104.4 in 1956. In the considered view of the Ministry, the price policy of Indian manufacturers has, thus, on the whole, been satisfactory.

The Commerce and Industry Ministry's review is also notable for the light it throws on how licensed capacities are expected to be actually installed in the difficult foreign exchange situation. In this connection, the review deals with (i) long-term foreign capital inflow, (ii) deferred payments arrangements and (iii) foreign participation in Indian industries. As regards

(*Continued on page 331*)

Industrial Capacity and Production

Industries	Unit	Capacity: Target (annual) in 2nd Plan	Capacity: Total licensed as on 15-6-58	Production: 1957	Production: 1958 (estimated)
A. Engineering					
Abrasives (coated)	'000 reams	255	255	91	101
Aluminium	'000 tons	30	20	7.8	8.3
Asbestos cement sheets	'000 tons	300	161	158	181
Automobiles	'000 Nos.	...	...	33	27
Bicycles	'000 Nos.	895	1,590	790	962
Carding engines	Nos.	4,050	3,192	...	...
Cement	Lakh tons	160	152	54	66
Conduit pipes	'000 r. ft.	...	...	11,027	7,260
Copper	Tons	...	...	7,848	7,047
Complete ring spinning frames	Nos.	2,810	3,090	1,368	932
Diesel engines	Nos.	...	...	16,548	22,590
Dry batteries	Lakh cells	2,250	2,244	1,666	1,487
Electric fans	'000 Nos.	600	872	524	627
Electric motors	'000 H.P.	1,250	1,031	469	574
Electric lamps (G.L.S.)	Lakh Nos.	500	555	220	248
Grinding wheels	'000 lbs.	4,726	4,726	3,233	2,587
House service meters	'000 Nos.	650	474	...	...
Hurricane lanterns	'000 Nos.	5,500	4,139	4,148	2,533
Iron and steel	Mill. tons	...	...	1.34	1.35
Lead	Tons	...	...	3,174	3,396
Looms (automatic and plain)	Nos.	14,625	9,645	...	...
Machine screws	'000 gross	...	...	1,399	1,932
Machine tools	Value in '000 Rs.	...	...	25,060	40,760
Oil pressure lamps	'000 Nos.	...	...	98	104
Power-driven pumps	'000 Nos.	86	76	64	76
Power transformers	'000 KVA	2,200	1,597	1,219	1,226
Radio receivers	'000 Nos.	200	370	190	192
Railway wagons	'000 Nos.	25	25	...	...
Razor blades	Lakh Nos.	...	...	3,365	1,792
Refractories	'000 tons	1,250	1,040	365	423
Rubber and plastic insulated cables and flexibles	Lakh yds.	...	...	1,032	1,084
Sewing machines	'000 Nos.	85	138	167	195
Steel structurals	'000 tons	500	281	...	...
Storage batteries	'000 Nos.	350	501	324	329
Twist drills	'000 Nos.	...	...	2,258	2,158
Winding wires and conductors	'000 tons	51	48	...	...
Wood screws	'000 gross	...	...	8,372	6,404
B. Non-engineering					
Ammonium sulphate	'000 tons	...	...	380	396
Art silk	Mill. lbs.	100	82	...	...
Bichromates	Tons	...	...	3,672	3,477
Bleaching powder	Tons	...	...	5,340	6,399
Caustic soda	'000 tons	150.4	177.2	42.7	49.4
Cigarettes	Mill. Nos.	...	...	28,745	27,291
Coal	'000 tons	...	...	43,536	45,474
Copper sulphate	Tons	...	...	3,228	1,797
Dipped rubber goods	Lakh doz.	...	...	198	223
Dyestuffs	Mill. lbs.	27	27	...	...
Glass sheets	Mill. sq. ft.	...	...	55	82
Nitrogenous fertilisers (in terms of ammonium sulphate)	'000 tons	1,910	1,436	...	...
Newsprint	'000 tons	60	31	...	...
Paints and varnishes	'000 tons	65	66	42	46
Paper and paper board	'000 tons	450	582	210	239
Power alcohol	Lakh gall.	...	...	101	102
Power and industrial alcohol	Lakh gall.	360	447	...	...
Rubber footwear	Mill. Nos.	50	49	...	...
Salt	Lakh mds.	...	...	987	866
Soap	'000 tons	357	357	113	119
Soda ash	'000 tons	253	413	92	97
Staple fibre	Mill. lbs.	32	32	...	...
Sugar	'000 tons	2,500	2,500	2,039	1,975
Sulphuric acid	'000 tons	560	631	192	212
Superphosphate	'000 tons	720	551	142	146
Textiles:					
Cotton yarn	Mill. lbs.	...	...	1,780	1,665
Cotton cloth	Mill. yds.	...	...	5,317	4,925
Jute	'000 tons	...	...	1,030	1,076
Tyres (automobiles)	'000 Nos.	1,460	1,427	939	700
Tubes (automobiles)	'000 Nos.	1,460	1,326	936	666
Tyres (bicycles)	Lakh Nos.	118	174	72	88
Tubes (bicycles)	Lakh Nos.	118	153	70	78

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AMERICAN LETTER

U.S. ECONOMY HAVING FAIR WEATHER

INFLATION BEGINNING TO BECOME A BIG PROBLEM AGAIN

From Our Special Correspondent

NEW YORK, 12*th August*

PRESIDENT Eisenhower's action to land United States Marines in Lebanon in support of a friendly government is widely applauded in the country. "At least, this showed initiative," was the average reaction—initiative which, in recent years, was shown by the Kremlin rather than by Washington. At the same time, Americans would be abhorred if anyone accused them of imperialism. This action is merely to help a friendly people in their troubles and in defence against Communism.

Looming behind this battle of semantics is, of course, Middle Eastern oil to a large extent. It is a double-edged sword. It would create temporary havoc if Europe were deprived of it, as it was during the Suez crisis. It would create equal havoc with the finances of the Arab States and the feudal kingdoms, if the flow of royalties were to stop.

President Eisenhower, wanting to avoid the accusation of big power politics behind closed doors, proposed a "summit" meeting before the Security Council of the United Nations. Comrade Nikita Khrushchev does him one better, he wants the sounding board of the entire General Assembly. This is not too easily accomplished, even if there is no emergency. Hence, the U.S. is open to the accusation it could not and would not bring about such a meeting, with the Kremlin free to act as it pleases in the Middle East and elsewhere. But Mr. Eisenhower has accepted the Russian challenge and, by the time these lines are read in print, he will have had his say on the Middle East from this international forum.

The gravity of the international situation is, by no means, underestimated here. It is considered worse than Korea. To many, the present period is reminiscent of the period preceding the last war. There was Munich. There were pious promises. There were the negotiations with Japan while the Imperial fleet was assembled for the attack on Pearl Harbour.

Magazines and newspapers are pointing out that Russia has more than 1,000 operating missiles while the U.S. has just about 150. Moreover, the U.S. cannot possibly catch up with this deficiency until the early 1960s. Thus, why should Russia wait with the "inevitable" attack which is to come sooner or later, it is argued.

Perhaps, Mr. Khrushchev is smarter than Hitler and does not believe in invincibility. Perhaps, he genuinely believes he could accomplish more by appearing before the U.N. and win a bloodless victory, forcing the U.S. Marines out of the troubled areas. That is regarded as too idealistic a solution to be taken seriously. Such is the atmosphere here, however. In these fast-moving days, air mail despatches half-way around the world are sometimes overtaken by events.

On the U.S. economic scene, a fairer climate prevails. Most observers agree the depth of the recession has been passed. The stock market turned in an impressive performance in recent weeks. It made new highs for the year and nearly wiped up the losses incurred in the lows of October 1957.

Why all of a sudden this optimism? The only logical answer is that everybody has become quite conscious of the oncoming inflation. With only slightly better production, there was a substantial increase in steel prices, following the statutory wage hikes on 1st July 1958. Aluminium is following.

Federal finances also give cause for concern. The deficit in the Federal Budget for the fiscal year ended 30th June 1958 was given at $2,800 million, with $12,000 million expected in the current fiscal year.

Extremely wise monetary and fiscal management will be necessary to minimise the impact of these developments. That does not seem to be in sight. The last Treasury re-financing operation was a failure, in the sense that it resulted in an extraordinarily large attrition. The Federal Reserve authorities are shifting their policies continually with changing conditions as they see them.

At present, the position of the banks is relatively easy moneywise. Most of the commercial banks throughout the U.S. are paying about 3 per cent. for savings and they are quite reluctant to announce lower rates for competitive reasons despite lower discount rates. Thus, there is quite a competition for mortgage money which is still quite lucrative.

Indeed, building and construction are out in front in the economic picture. The last monthly figure for building permits issued in 217 U.S. cities, aggregated $701,211,612, as compared with $543,843,626 reported in July 1957, that is, before the recession started. Construction awards jumped up to more than $3,800 million in June. It was the highest figure for one single month ever recorded, being 18 per cent. above June 1957.

Another plus sign was personal incomes which, in July, were reported at the annual rate of $351,800 million, against $349,800 million a month earlier and $345,100 million in July 1957. The gross national product also perked up. The President's Council of Economic Advisers placed it at the annual rate of $428,000 million in the April-June quarter, against $425,800 million in the first three months of the year.

The last count of those gainfully employed was 64,981,000, against 66,504,000 a year ago. Unemployment was given at 5,437,000, as compared with 3,337,000 12 months previously. The number of those applying for unemployment insurance, however, has been declining steadily in all the key areas of the U.S.

The automobile industry here is still in the doldrums. A pickup in popular demand, it is felt generally, would quickly mobilise the United Automobile Workers for a stiff new wage contract. The old one expired towards the end of May last. If most of the major demands were not granted, a serious strike may ensue quite easily.

Meanwhile, demand for steel has been much better than expected. Output in the industry bounced back to more than 57 per cent. of capacity. It was 80 per cent. a year ago.

The farm picture is also quite cheerful. Total farm assets have increased almost three and a half times since 1940, while the aggregate debt has only doubled. Farmers' assets were placed at $186,000 million earlier this year, up $9,000 million over a year ago. A bumper crop is expected this year. This is cheerful news for some, but it will also create additional surplus problems for the Government.

The big problem, war or no war, is still inflation. For the second time in this session of Congress, a request has been made for an increase in the Federal debt limit, now at $275,000 million. The Administration wants a temporary limit of $288,000 million until 30th June next and a permanent limit of $285,000 million. The request has been reported favourably out of committee.

The total Federal debt, including the statutory one which comes under the limit, rose to $301,700 million in 1957, as against $17,500 million in 1929. State and local government debt was $52,500 million, against $17,200 million, respectively; corporate debt $276,600 million, against $107,000 million and individual debt $221,900 million, against $72,300 million. This gives some indication of the financial problems confronting the United States. At continued high levels of employment and income and inflation, problems are apt to be few.



Courtesy: Government Museum, Madras

The Lotus Circle

Among the many treasures of Indian art, is this exquisite piece which dates back to 158 A.D. It is now a part of the rich collection of Amaravati sculpture at the Madras Museum. The "Lotus Circle" is a common but significant decorative motif in Indian art.



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BANK RATE CUT AGAIN IN U.K.

LOWEST LEVEL IN 3½ YEARS

THE British Bank rate has been changed again in less than two months. On the 19th June last, the Bank of England made a cut of ½ per cent. to 5 per cent. in its discount rate. A further cut of ½ per cent. to 4½ per cent. was made on the 14th inst. This is the fourth consecutive reduction in the last five months, after it was raised in September last from the "crisis" level of 5 per cent. to the "super-crisis" level of 7 per cent. The latest rate of 4½ per cent. is the lowest since February 1955. The most noteworthy feature of the latest cut is its timing, for rarely has the British Bank rate been lowered at this time of the year, usually a period of seasonal strain for sterling. The last occasion when the Bank rate was cut in the month of August was 33 years ago.

The latest step has obviously been induced by the signs of economic recession in Britain where the major industries are developing a surplus capacity for want of orders. The growing strength displayed by sterling, which stands, as on the 16th inst., at $2.80½-2.80⅝ for spot, as against $2.80.3/16-2.80½ a month ago and $2.78.3/16-2.78.5/16 a year before, has helped the authorities to make this move. They seem to be confident that, despite the current difficult conditions facing world trade, sterling will be able to hold its position.

Move Justified

The move, according to a spokesman of the Bank of England, was in step with the recent credit relaxations and was justified by internal trends and the continuing strength of sterling. There is, however, one difference between the previous cuts in Bank rate from the peak level of 7 per cent. and the latest reduction. While the previous moves could be considered as technical corrections in order to bring the position back to that which existed before September last, the latest cut is regarded as something more than that. There are two possible considerations which may have induced the authorities to take this step. First, the inflationary threat from wage claims by labour in most of the industries has lessened considerably in recent months. It may be recalled that this threat led to a large extent to the crisis of September 1957 and delayed any expansionist move by the Government early this year. The labour demand for wage increases in important groups of industries, particularly in mining, has been rejected by the employers and these rejections have been accepted by labour, at least for the present, thus eliminating the danger of wage inflation. This does not mean that workers all over Britain have withdrawn their demands for higher wages or that they are satisfied with their present wage levels. There are still a number of industries where the workers' demands have yet to be settled. It is, however, expected that the workers will be somewhat more moderate in their demands.

Business Recession

The second consideration which has led to a reduction in Bank rate is, what the Bank of England spokesman referred to as the "internal trend," the increasing pace of decline in business activity in the country. It will be recalled, in this connection, that, in the last Budget, the Chancellor of the Exchequer granted a larger initial allowance to industries in order to promote larger investments. This was followed by the relaxation of credit restrictions and modification of the capital issues control. There are no signs as yet that these measures have attracted substantially larger investment in industries. On the contrary, in many capital goods industries, the running down of order books is said to be going on at a rapid rate. Production in the steel industry during July, for instance, was 13 per cent. less than that in the corresponding month of 1957. This was more than double the rate of decline in the first six months of the year. It is also stated that several manufacturing concerns are working well below their capacity.

The industries, in general, and the building trade, in particular, have welcomed the latest measure. The Federation of British Industries regards it as a "routine" step. It is considered likely that credit for house building will become cheaper, thus reversing the steady rise that had gone on in house loan charges from 4 per cent. in 1951 to 6 per cent. since July 1956.

Following the Bank rate reduction, the London Clearing Bank rates have fallen by a corresponding extent. Thus, the rate of interest on deposits (seven days' notice) has been cut from 3 per cent. to 2½ per cent. The rate on overdrafts for nationalised industries has been reduced from 5 to 4½ per cent., for first class industries from 5½ to 5 per cent. and for other business concerns and private borrowers from 6—6½ per cent. to 5½—6 per cent. The short-term money rates in the London money market have also declined in consonance with the cut in Bank rate. Day-to-day money in London now fetches 2⅜ to 3½ per cent. and deposits for short periods 3 to 3⅜ per cent. The rates for bank bills are 3⅜—3-15/16 for two-three months and 3⅞—4 per cent. for six months, the corresponding rates for fine trade bills being 4½—5¼ and 4¾—5½ for six months. The latest Treasury Bill rate was £3 14s. 5d., as against £3 17s. 3½d. before the Bank rate was cut.

Downward Trend in Interest Rates

The latest cut in Bank rate has given rise to speculation whether the downward trend in interest rates which had gathered momentum with every reduction in the Bank rate during the last five months will come to a halt or get a further fillip. London does not offer a definite answer. It must, however, be noted that the general trend of interest rates in the Western world is downwards and that, despite the reduction in the Bank rate to 4½ per cent., interest rates in Britain are still higher than in many European countries as the following table of Bank rates will indicate:

Country	Latest Bank rate	Previous rate	Highest in 1957-58
	%	%	%
U.K.	4½	5	7
U.S.	1½	2½	3½
Germany	3	3½	5
France	5	4	5
Italy	3½	4	4
Belgium	3½	4	4½
Netherlands	3½	4	5
Denmark	4½	5	5½

In the U.S., however, one of the 12 Federal Reserve Banks, the San Francisco Reserve Bank, has raised its discount rate from 1½ to 2 per cent. with effect from the 15th inst. It is not known whether the other Federal Reserve Banks will follow suit, but it has generally been the case so far.



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Consequent on the comparatively cheaper rates quoted by overseas centres for trade financing, borrowing in the U.K. for this purpose had been difficult during the last year or two. With the fall in short-term rates in recent months, the cost of borrowing in London has no doubt become much cheaper than it was a few months ago, but it is doubtful whether the business lost by the U.K. in financing trade will be got back. For the U.K. rates are, as already stated, still dearer than in most of its important rival centres.

Long-term Rates

While the short-term rates in London have followed the Bank rate decline, the long-term rates have not been allowed to fall to any marked extent, as a result of the open market sales of Gilt-edged securities by the Bank of England. There is no indication as yet of any change in the official policy in this direction. This is presumably due to the belief that the demand for long-term capital is still so substantial, as compared to the supply, that there is no necessity or scope for boosting up demand. Though the overseas borrowing in the U.K. capital market has fallen off, as a result of the high cost of operations, the demand for long-term finance from local authorities and other domestic borrowers has not fagged. It is true that, if the authorities provide an incentive to create larger demand for long-term capital, the demand will outstrip supply considerably and inflationary pressures might set in again. But it is pointed out in London that this argument overlooks the fact that many of the sterling countries have decided to draw as little as possible of their sterling reserves and as such the use of sterling for financing spending by these countries will drop heavily in the coming months. This is expected to result in an excess of supply over demand for long-term capital, unless corrective steps are taken in time.

IMPORT OF EQUIPMENT UNDER U.S. DEVELOPMENT LOAN FUND

The Government of India has decided that import licences for the import of equipment for the jute and cement industries and of c.k.d. packs for the manufacture of trucks and jeeps will be issued without any conditions regarding deferred payments, in the case of projects which the Government considers to be of sufficient importance for financing out of the United States Development Loan Fund. As already announced, the U.S. Government has agreed to make available a credit in dollars to the Government of India from the Fund. The procedure to be followed for the import of equipment for jute and cement industries has been announced. A separate announcement regarding the procedure for c.k.d. packs for trucks and jeeps will be made later.

Applications in respect of the cement industry should be made to the Chief Controller of Imports and Exports through the Industrial Adviser (Chemicals). A copy should be sent to the Deputy Economic Adviser, Ministry of Commerce and Industry. Applications in respect of the jute industry should be submitted to the Joint Chief Controller of Imports and Exports, Calcutta, through the Jute Commissioner, Calcutta, with a copy to the Deputy Economic Adviser. Importers will have to enter into contracts for the equipment between now and 31st December 1958, for delivery before 31st December 1959. In respect of all purchases outside the United States, insurance must be covered with an Indian insurance company. Contracts with suppliers in the United States should be insured with U.S. companies.

The equipment to be imported under this programme includes not only the plant and machinery but any constructional material required for completing the project including steel for structures, earthmoving equipment, electric fittings and essential supplies of spares required as initial reserves. All normal import licensing restrictions will be applicable and goods and equipment available within the country in adequate quantities will not be allowed to be imported. The conditions and detailed procedure for imports under this programme have been set out in Import Trade Control Public Notices. No fresh applications in respect of the jute and automobile industries need be submitted if applications have already been made under the normal procedure. These will be considered under the Development Loan Fund and if any further information is required it will be called for.

BANK OF BHOPAL

The Reserve Bank of India has served a notice on the Bank of Bhopal Ltd., Bhopal, to the effect that a licence to carry on banking business in India cannot be granted to it. The issue of this notice makes it obligatory on the part of the Bank to cease transacting the business of banking and it will not, therefore, be in order for it, among other things, to accept deposits of money from the public.

The first move to reverse the downward trend in the U.S. Federal Reserve rates noted since October 1957 was taken when the Federal Reserve Board approved of an increase in the discount rate of the Federal Reserve Bank of San Francisco from 1½ per cent. to 2 per cent. with effect from the 15th inst.

PLAN FOR CO-OPERATIVE DEVELOPMENT

By M. S. Menon

DIRECTOR, ALL INDIA CO-OPERATIVE UNION

[Mysore City will be the venue of the International Conference of Agricultural Economics due to be held from Sunday, 24th August 1958, to Wednesday, 3rd September 1958. The Conference is being held under the joint auspices of the Ministry of Food and Agriculture and the Indian Society of Agricultural Economics. Many eminent economists from all over the world will be attending the Conference, which will be inaugurated by Prime Minister Jawaharlal Nehru. The President of the Conference is Dr. L. K. Elmhirst. Notable among the visiting economists are Prof. Arthur Lewis, University of Manchester, Prof. D. Gale Johnson, University of Chicago, Dr. Sherman E. Johnson and Dr. K. L. Bachman of U.S. Department of Agriculture, Prof. M. Cepede, Institut National Agronomique, Paris, Dr. T. H. Strong, Bureau of Agricultural Economics, Canberra, Australia, Prof. K. O. Campbell, University of Sydney, Australia, Prof. C. von Dietze, University of Freiberg, West Germany, Dr. E. de Vries, Institute of Social Studies, The Hague, the Netherlands, Prof. W. S. Anderson, Canada, and Dr. H. B. Low, Massey Agricultural College, New Zealand. Prominent among the Indian economists attending the Conference are: Prof. D. R. Gadgil, Dr. D. G. Karve, Dr. M. L. Dantwala, Dr. S. R. Sen and Dr. J. J. Anjaria. As many as 20 papers covering all aspects of agriculture are scheduled for presentation and discussion. The article on this page on a plan for co-operative development has been prepared exclusively for Commerce *to mark this important conference on agriculture, the largest source of employment and national income in India.—*ED.]

IN India's economic policy, for some years to come, the accent will be on increased production, both industrial and agricultural, and more especially agricultural. Agricultural development, calculated to bring about substantial increases in the production of food and essential raw materials, occupied a central place in the first Five-year Plan. Although the main stress, when the second Five-year Plan was first drafted, was on industrialisation, yet the need to continue the efforts for stepping up food production was clearly recognised. This, however, was more on general grounds connected with the rate of increase in the country's population as also the increase in demand for foodgrains and raw materials likely to result from general economic development. Food harvests in 1953-54 and 1954-55 were fairly comfortable, and targets of food production and imports for the second Plan period were originally framed in this setting. It was planned to produce 75 million tons by 1960-61 and to import a total quantity of six million tons for the whole five-year period as against annual import of three million tons which had been planned for the first Plan. Since then, the necessity for increased output of food has become more imperative. Production declined from the beginning of 1956 and food prices began to rise steeply, necessitating heavier imports. From Rs. 29 crores in 1955-56, the import bill on food has gone up to over Rs. 152 crores in 1957-58. It was in the light of this growing deficit in food supply and consequent foreign exchange difficulties caused by the need to import increasingly larger quantities of food from abroad that the decision was taken to step up the target of additional agricultural production under the second Five-year Plan from 18 per cent. to 25 per cent. It was expected that such an increase could be achieved by means of a proper utilisation of resources already provided in the Plan through intensive work in the villages, efficient organisation of supplies and development of co-operation.

More Finance Wanted

All these have vastly increased the responsibility of co-operatives, since on them has been placed the main reliance for supplying the financial and other resources needed to meet the expanded requirements of production and marketing, and for stimulating the rate of rural savings. It is felt that, if agricultural production is to be pulled up to this level, the volume of agricultural finance channelled through co-operatives will have to increase to an annual amount of very much more than Rs. 225 crores, the figure which was originally contemplated as the target for the second Five-year Plan, and which itself meant more than a fourfold increase on what the co-operatives currently provide for agriculture.

The whole objective of the development programme is to gear the co-operatives to a scale of effort calculated to achieve this result. From a purely statistical point of view, the co-operative movement in the country has recorded steady progress during the last few years. Taking the primary agricultural credit societies, which constitute more than 66 per cent. of the total number of societies of all kinds, the progress may be seen from the following figures:

Primary Agricultural Credit Societies

	1949-50	1954-55	1955-56	1956-57
Number	1,16,534	1,43,320	1,59,939	1,61,616
Membership	48,17,545	65,68,416	77,90,850	96,16,846
Working capital (Rs. in thousands)	35,21,75	62,92,70	79,10,18	98,30,13
Loans advanced (Rs. in thousands) ...	17,98,69	35,47,61	49,61,72	67,32,72

(Source: *Statistical Statements Relating to the Co-operative Movement in India* published by the Reserve Bank of India.)

During the last three years as compared with the year preceding the Plan period, therefore, the progress achieved in all directions has been impressive. The average loan advanced per member rose from Rs. 37 in 1949-50 to Rs. 70 in 1956-57. Among the factors responsible for this expansion in the activity of the co-operatives must be mentioned the reorganisation and strengthening of the co-operative banking structure, following the acceptance of the recommendations of the All-India Rural Credit Survey Committee by the Central and State Governments and the increasing assistance provided by the Reserve Bank of India, both in regard to the quantum of concessional finance made available to the co-operative banking system as well as in the procedure for its drawal. The total working capital of the State and District Co-operative Banks rose from Rs. 30.45 crores and Rs. 49.87 crores respectively in 1949-50 to about Rs. 81 crores and Rs. 110.53 crores, respectively, in 1956-57. With the acceptance of State partnership, Government has begun to contribute substantially to the share capital of the apex co-operative banks, the funds for which have been provided by the Reserve Bank as loans from the National Agricultural Credit (Long-term Operation's) Fund set up by the Bank for the purpose. Up to 30th June 1958, the Reserve Bank has provided a sum of Rs. 743.86 lakhs from this Fund for enabling the State Governments to contribute towards the share capital of co-operative credit institutions. The Bank has further liberalized its provisions, in order to enable the co-operative banks, and through them the agriculturists, to make freer and fuller use of the financial accommodation provided by it. The effect of this is reflected in the increase of drawings on credit limits sanctioned from Rs. 17 lakhs in 1947-48 to Rs. 538 lakhs in 1950-51 and Rs. 2,561 lakhs in 1955-56. It is estimated that, by the end of 1957-58, the annual loans to agriculturists through co-operative channels, both short- and medium-term together, would amount to Rs. 100 crores, as against the target of Rs. 200 crores planned to be achieved by 1960-61.

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Non-credit Side

The plan for co-operative development in fields other than credit is no less impressive. It includes the organisation of 1,900 co-operative marketing societies, covering every important market area in the country, 35 co-operative sugar factories, 48 cotton ginning and pressing factories on co-operative lines and 118 other types of co-operative processing units. The long term goal is the organisation of rural business on a co-operative basis in such a way that, within 15 years, 50 per cent. of the total of such business—credit, marketing, processing, etc.—would become co-operative. By 1960-61, the membership of agricultural credit societies is expected to be brought up to 15 million.

It is to achieve these targets that the co-operative development plan has been formulated. The main features of this plan is the reorganisation and strengthening of the co-operative credit structure on the basis of major State partnership, the development of co-operative marketing, processing, storage and warehousing, the integration of credit with co-operative marketing, and the provision of trained personnel to man and work this set-up successfully. Each agricultural credit society will operate on a stronger capital base, which in turn involves a larger membership and a wider area of operation. Loans will not so much be based on the security of land as on the capacity of the borrower to repay out of increased production. This means, on the one hand, the disbursement of loans based on a careful estimate of crop production, and, on the other, provision of facilities for the remunerative sale of the produce through well-organised marketing units.

Looking at the plan as a whole, it is difficult to escape the impression that it is largely dominated by what may be called the banking mind. The primary co-operative units are to be credit units, lending money, borrowing money, building up share capital so that their capacity to borrow and lend may be increased; in short, they are to function effectively as village banks. They may ally themselves with marketing and they may endeavour to base their loan policy on cropping requirements, but these measures are mainly taken for the protection of the credit they have advanced and such as any wise banking institution should be mindful of. The societies are not production units, in the sense that they are directly and vitally concerned with increasing agricultural production. The supervisors who guide and supervise their work are in most cases the financing banks' employees and are not obviously qualified to advise the members on production programmes or even to properly assess credit requirements in relation to such programmes. Their main business will be to see that moneys are properly disbursed and collected, that loan applications are carefully prepared and books relating to these transactions efficiently maintained.

Credit and Production

The rest of the plan, namely, the construction of 350 licensed warehouses, 4,000 godowns for the credit societies and 1,500 for the marketing societies, is again intended, in the main through the creation of negotiable agricultural paper, etc., to fortify and strengthen the credit programme. This is not to say that all these measures will not have any effect on agricultural production. Credit no doubt gives command over other resources, and provided other resources are put to effective use, credit will be a powerful auxiliary to production. All that is meant to say is that the co-operative plan does

(*Continued on page* 318)

CONTRIBUTION OF FOREIGN INVESTMENT TO U.S. ECONOMIC GROWTH

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VIRTUALLY everyone agrees that economic development is a good thing. But the trouble with economic growth is that it requires sacrifices. That is why there is not more of it. A major objective in formulating policies for economic growth is to get the most development with the least sacrifice. In the nineteenth century, the United States, like many other countries, sought that goal by relying in part on foreigners for an essential ingredient of growth, namely, capital. In order to achieve economic development, as is well known, labour must be equipped with more (and better) tools and machines, so that more products of better quality can be produced. The foreign exchange spent to buy industrial machinery cannot be used to import radios or cars. Growth requires the sacrifice of consumer goods and therefore exacts a reduction in standards of living.

When all the people in a nation who have profitable uses for funds have borrowed from all those in the same nation who are willing to lend cash, the rate of lending and economic development cannot expand further, unless some means is found to extract cash forcibly from the people. That is the situation when reliance is entirely on domestic sources of capital funds for economic development. But economic development can proceed if the borrowers will search out foreign lenders who are willing to provide funds at rates of interest less than the increase in income that can be gained by the borrowers through the use of the funds. Through overseas borrowing, the burden of reducing consumption is shifted to foreigners who are more able and willing to bear it than domestic lenders; growth is achieved with less sacrifice.

Magnitude of Foreign Capital

This is precisely what the United States did in the nineteenth century when, as occurs in any newly-developing nation, it ran short of domestic capital funds. Generals, congressmen, canal commissioners, and many others turned bond salesmen to make certain that no source of foreign capital was left untapped. At the start of America's first century of independent growth, the nation had borrowed from foreigners a sum equal to almost 14 per cent. of all the reproducible and tangible wealth in the United States. This amount equalled the value of all the buildings and equipment used in non-agricultural business in America at the time, and it was twice the value of all the consumers' durable goods in the nation. Had the United States attempted to create an equivalent amount of capital out of its own resources (by diverting production from consumer to capital goods), American consumers would have had to give up an amount equal to all of their durable goods twice over—an obviously impossible sacrifice.

As America progressed, the proportion of American reproducible, tangible wealth to that borrowed abroad fell, but the actual amount of borrowing climbed. In 1789, the United States owed perhaps $60 million; by the late 1830s, this had more than quadrupled; by the close of the century, it had grown 45 times, and by the start of World War I, over 100 times. From the start, foreign borrowing played a critical role in U.S. national development, for it helped give America its freedom: during the American Revolutionary War, the newly formed United States Government borrowed extensively from France.

In the early years of the new nation, foreign capital played an especially important role in increasing the income and wealth of the United States by financing its international trade. Foreign capital—particularly British—greased the flow of goods through short-term loans to American merchants buying and selling overseas. In 1793, the United States ranked next to England in the value of her foreign trade and in proportion to its population, the United States probably was the first commercial nation of the world. Like many of the nations developing now, America depended upon foreign trade for a major share of her income.

It is exceedingly doubtful that the United States could have achieved that level of foreign trade, which was the source of so much income in the absence of foreign capital. The shortage of domestic funds would, by raising interest rates, have added to the cost of carrying goods, raised prices all around, and generally slowed trade. Instead, through a complex of financial institutions, the British paid Americans cash for their goods, gave U.S. importers three to four and more months to pay for imports from England, and financed American trade, both imports and exports, with nations all over the world.

The role played in American economic growth by this short-term capital did not stop with trade. While these loans were each for a short period, their renewal provided a revolving fund for the use of the United States. This changing mass of credits financed investments far distant from U.S. ports. The impact of foreign funds on the economic development of the United States is readily seen in the foreign-owned land development companies which helped to spread the economy and people of America westward from a thin strip along the Atlantic Coast.

Unfortunately, the United States received only a small proportion of its total inflow of foreign capital through foreign-owned enterprises. Not only did Americans fail to gain technical knowledge but the risks of ventures fell largely upon American rather than foreign shoulders. Because foreigners chiefly bought bonds rather than stocks, payments had to be made to them no matter what the state of profits, the balance of payments, and the economy—unless the borrower wished to default with serious effects on his credit standing.

Furthermore, the United States probably got less development per dollar initially invested by foreigners. Foreign-controlled firms, once they are successful, have a strong tendency to reinvest much of their profit; hence, from a tiny start, a cumulative growth of capital derives. In part, the disadvantage of America's failure to gain relatively large amounts of foreign-operated capital was offset by massive immigration of skilled and knowledgeable people who brought and spread new techniques of production among Americans. Of course, they also helped by bringing capital with them—an average of probably $75.00 per head.

Revolution in Transportation

Foreign capital played a vital role in financing the nineteenth century revolution in American transportation. The significance of this revolution, and hence of the foreign capital which financed it, was noted by Professor George Taylor with these words:

> "From the 'cutting edge' of the frontier, which already reached far into the Ohio River Valley, to the outskirts of its seaboard cities the United States was in 1815 chiefly an agricultural country. Commerce, largely sea- and river-borne, was organised and directed by the merchant capitalists residing in a few cities along the Atlantic Coast. This American economy of the early nineteenth century might best be described as extractive-commercial in character. It is true that the beginnings of industrial growth were already discernible. But, in this land of continental expanses, only revolutionary developments in techniques of transportation and communication would make possible that almost explosive rush of industrial expansion which characterised the later decades of the century."

One of the earliest fuses was the Erie Canal, which was constructed over an eight-year period beginning in 1817. The greater part of its cost was financed by British investors. When completed, the Erie Canal ran westward through New York State to Lake Erie, providing communication between the Atlantic seaboard and the interior of the United States. The problem of gaining the required funds was solved by the State of New York when it issued more than $7 million of bonds, which passed "almost at once into the hands of Englishmen," according to Professor Leland Jenks. The Canal was an immediate financial success, attesting to the value of the service it provided, and its profits in 10 years were sufficient to redeem its obligations entirely.

The success of the Canal inspired other States in the same direction. In this period, the States launched into a vast programme of internal improvements which required heavy capital investment. In 1820, they had combined debts of less than $13 million; by 1830 these had doubled, and by 1840 their total debt measured $200 million. Some of this debt was held at home, but the greater part was in foreign hands. Roads, bridges, canals, and banks were subsidised and otherwise assisted by State Governments, and England was eager to have the bonds which financed them.

A number of American cities issued securities which flowed into foreign ownership and the city of Washington, D.C., floated an issue in Amsterdam in 1830. Though such municipal borrowing provided a channel for only a small part of the total of foreign funds invested in the United States, it continued into the early twentieth century. (Cities such as Boston, Massachusetts, and Providence, Rhode Island, built their streets, water systems, sewers, and city halls with foreign capital in the 1870s and 1880s; from 1907 until just before World War I, no year passed without New York City borrowing abroad.)

At the end of the 1830s, this rapid internal development came to a halt, brought on by serious recession in the American economy. Regrettably, nine States defaulted on the interest on their debt in 1841 and 1842; several simply repudiated their debt. As a result, for roughly a decade, American securities held little or no attraction to foreign lenders, and capital improvements were undertaken only at a crawling pace. Even the Federal Government was largely without credit abroad, for it had been asked to assume the defaulted State debts but had refused. Then, as now, the lender was concerned with the safety of his investment.

Subsequently, foreign faith was renewed and the flow of capital picked up. Much of it was devoted to American railroad securities in the remainder of the nineteenth century. By 1853, foreigners held one-quarter of the nominal value of American railroad securities, and, by 1890, perhaps one-third.

More than any one thing, the railroad unified the United States politically and made it economically strong. The vast distances, difficult mountain barriers, and virgin forests demanded a cheap, fast, and flexible method of transportation by land. The railroad provided it.

Incentives

A noteworthy feature of American railroad finance was the role played by governments—municipal, county, state, and federal—in encouraging development. Each provided important assistance to the privately owned railroads to help them start and then grow.

The Federal Government, for example, made extensive grants of land to a number of roads. While foreign investors might not have had much faith in the road itself, the land provided attractive security. (In some instances, the bondholders could freely convert their securities for land, and in others, the transfer took place only upon default; land found its way into foreign hands in both ways.) These land grants were unquestionably decisive in gaining foreign funds which otherwise would have been unavailable, for example, to the Illinois Central and Northern Pacific.

In the main, American Governments did much to stimulate foreign investment and little to deter it. Laws were passed, in some cases solely because of the fears of local special interests, limiting foreign ownership of land, of merchant ships, and of banks. (In the latter case, the effect on foreign investment was only accidental for the legislation was directed against ownership by persons residing outside of the State passing the legislation.) But the great bulk of the economy was open to unrestricted foreign investment and, in critical areas, as seen with railroads, Governments took special steps to encourage both foreign and domestic private investment.

After more than a century of economic growth, the close of World War I found America in a creditor position as Europe liquidated its assets to finance the war. The tables were turned and the United States began to do for others what they had done for her. Only recently U.S. private foreign investment flowed out at the rate of $4,000 million per annum; U.S. private investors have today assets abroad of roughly $35,000 million.

BOYCOTT CAMPAIGN AGAINST FOREIGN CLOTH INTENSIFIED

MORE COTTON LOOMS IN ASIA

From A Special Correspondent

MANCHESTER, 12th *August*

MANCHESTER LETTER

LANCASHIRE'S critics never tire of telling the cotton industry that it must be prepared to help itself. Up and down the country, the criticised are now taking the critics at their word. The word "boycott" has suddenly flared up and local appeals are being made to the public not to buy imported goods.

In Rochdale, where the shop windows display men's shirts from Hong Kong at 6s. 11d., posters give the warning: "Your job is at stake. Don't buy Empire-made or foreign textiles." In Oldham, Bolton and the weaving towns of north-east Lancashire, similar campaigns are being pressed forward to persuade shoppers to insist on goods which have been spun, woven and finished in Great Britain. Some local authorities are writing a clause into their tender forms that goods supplied for municipal needs must have been manufactured in this country. The campaigners are approaching shopkeepers and co-operative societies and support is being pledged.

It can no doubt be argued that, in effect, the boycott backers are merely supplementing the Cotton Board's own campaign, "Always Buy Britain's Cottons." But there is a difference. The white gloves of subtle persuasion through the medium of modern advertising techniques have been exchanged for the bare knuckles of blunt retaliation.

So far all this has been happening at local level. Centrally, the employers' organisations have said nothing, even though some of their members—as at Rochdale—are actively joining in the boycott moves. In the case of the trade unions, it is true that a central sub-committee has been set up to look at ways of securing "maximum publicity for Lancashire's plight," but the question of a national boycott, it appears, is only one of a number of ideas which are being examined.

The trade unions are also thinking in terms of mass demonstrations in key textile centres; nearly two months have gone by since they asked the employers to unite with them in staging these demonstrations. Now both sides are to meet to discuss their future course of action.

Right Timing?

No one can blame the organisers of these local boycotts for the attitude they are adopting, least of all Lancashire's critics. The imported cloth problem has dragged on for so long that even the patience of the most moderate elements in the industry must by now be sorely tried. Yet the question must be posed as to whether the launching of these local campaigns at this particular moment is calculated to help the Lancashire industry in the immediate future.

It is known that not all the trade union leaders are happy about the timing. The truth is that the boycott call has coincided with the final preparations for the resumption of talks with the Hong Kong industry on the question of a voluntary limitation of exports to the United Kingdom on which there has been a good deal of behind-the-scenes activity.

All this takes time. If these talks are to succeed, and there seems to be growing confidence that they will, an atmosphere of goodwill on both sides is essential. If they do not, then it would really have to be a case of Lancashire helping itself. But in the meantime, it seems hardly fair to Lancashire's negotiators to leave them wide open to a charge from Hong Kong that a "gentleman's agreement" is being sought against a background of threats and boycotts.

The door to a voluntary agreement has been opened by India and Pakistan. It would be a pity if Hong Kong now found an excuse for slamming it shut again.

More Out of Work

Nearly 19,000 Lancashire cotton workers are unemployed or working short time, because mill order books have run down to such a level that full-scale production is impossible. But even this high total does not reveal the full extent of the depression which many blame largely on unrestricted imports from the East. The figure of 19,000 workers affected by mill closures and dwindling order lists is given in a survey by the Ministry of Labour.

But when the survey was made 10 towns in north-east Lancashire, one of the worst hit areas—were on holiday and several thousand cotton workers who would have been included in the unemployed total could not be registered.

The out-of-work figure has shown a sharp advance over the last 12 months. A Ministry survey just a year ago showed that the number of cotton workers affected was then little more than 2,000. Short-time working is now most prevalent in the spinning section of the Lancashire industry. The Ministry of Labour says that 12,447 workers were unemployed when the last survey was made. Of these, 10,470 were on short time.

The total in the weaving section was 4,512, including 3,090 on short time. In finishing, the figure is considerably lower.

Eastern Expansion

No fresh trend is evident in the latest information compiled by the Manchester-based International Cotton Federation estimating the number of cotton looms in place and under construction throughout the world at the end of January. The movement of cotton manufacturing away from the traditional European and North American centres to Asia and South America continues, although the development is a gradual one.

As compared with the position at the end of January 1957, the total number of cotton looms in place declined by nearly 26,000, the aggregate being 2,640,876 against 2,666,774. Once again, the number of automatic looms increased—this time by 23,694—to a total of 993,652, whereas there was a fall of 41,593 in the number of ordinary machines to 1,579,541.

Europe's loomage slumped by 36,729 and in North America the fall was 7,580. In contrast, Asia had 13,199 more looms in place. Individual countries' losses in looms were:—United Kingdom 17,563, the United States 9,950, Germany 8,707 and Italy 6,628. Gains included Japan 3,232 looms, Korea 2,026 and India 1,752.

Considerable programmes for expansion in weaving capacity are being planned in the modern mill area in Asia, South America and Africa. During the current year 14,441 looms are being erected of which nearly 60 per cent. are in Asia. Additionally, weaving machinery amounting to 20,000 looms is on order for erection in 1959-60, of which nearly 16,000 are for Asiatic countries.

Idle Machinery

The pattern remains the same in assessing the quantity of stopped looms. At the beginning of this year over 50,000 machines were at a standstill in the United Kingdom and it needs no particular powers of observation to forecast that the total is now very much larger. When the survey was taken there were more than 23,000 looms idle in the United States, nearly 26,000 in Italy and 18,000 in France. Despite the expansionist plans already drawn up, the beginning of this year saw 13,000 looms standing idle in Brazil and more than 12,000 stopped both in India and Japan.

Comparisons between average weekly loom-hours worked in the various cotton industries have caused dissension and argument in Lancashire in the past. The International Federation now quotes averages calculated on the basis of looms in place and also on the basis of active looms only, but, despite these changes, Lancashire continues to hold the lowest place in the table.

Machinery in the United Kingdom early this year was working on an average of 48.8 hours weekly, assessed on active looms only, whereas, at the other end of the scale, mills in Malaya are quoted as operating 168 loom-hours weekly. Among the major countries, average weekly loom-hours are given as 156.3 in Hong Kong, 92.1 in Japan, 110.6 in India, 64.3 in France and 61.5 in Italy. Of the 350,000 looms in place in the United States, more than 292,000 were operating on three shifts.—*All Rights Reserved.*

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WORLD COTTON TEXTILE WEAVING CAPACITY SHRINKS FURTHER

UNDERDEVELOPED REGIONS, HOWEVER, RECORD EXPANSION

THE year 1957 witnessed a further shrinkage in the weaving capacity of the world cotton textile industry. According to a census taken by the International Federation of Cotton and Allied Textile Industries, the number of cotton powerlooms (with a reed space of 16 inches and above) on 31st January 1958 was 2,640,876, as against the revised figure of 2,666,774 on the same date of the previous year, representing a fall of 25,898 looms. Thus, the downward trend in world cotton loomage continued during the year also. From as high a figure as 3.16 million in 1930, the number of cotton looms declined to 2.72 million in 1952, 2.69 million in 1956, 2.66 million in 1957 and, further, to 2.64 million at the beginning of this year.

Although the total number of looms decreased, the number of automatic looms increased by 23,694 from 969,958 at the beginning of 1957 to 993,652 at the commencement of this year. The number of ordinary looms fell by 41,593 from 1,621,134 to 1,579,541 during the same period. Semi-automatic looms, that is, ordinary looms with automatic attachments, also dropped by 7,999 from 75,682 to 67,683. Thus the net decrease in the number of cotton powerlooms throughout the world was 25,898. The following table shows the fluctuation in the number of world cotton powerlooms since 1930:

	Total	Ordinary	Automatic	Automatic attachments
1930	3,158,778	2,444,296	661,023	53,459
1933	3,129,969	2,481,327	596,596	52,046
1936	3,069,905	2,343,693	662,167	64,045
1952	2,725,632	1,833,569	828,713	65,350
1955	2,771,429	1,767,356	925,099	78,974
1956	2,693,919	1,655,794	949,237	78,888
1957	2,666,774	1,621,134	969,958	75,682
1958	2,640,876	1,579,541	993,652	67,683

It will be noted that, since 1952, the number of automatic looms has shot up from 826,713 to 993,652, a rise of 166,939. Of this increase, the share of India is negligible.

A Significant Point

A significant point to note is that, Continent-wise, the reduction in loomage was confined to both Europe and North America; in South America, Asia and Africa, however, the trend has been upward. Thus the number of looms in Europe declined from 1,291,749 on 31st January 1957 to 1,255,060 on 31st January 1958. In North America, it declined from 418,762 to 411,182 in the same period. In South America, however, the number of looms increased from 166,181 in 1957 to 169,100 and in Africa from 26,819 to 29,072. In Asia and Oceania also the number of looms rose from 763,263 to 776,462. The following table shows the trend at a glance.

Continents	Number of looms as on 31st January 1958	1957
Europe	1,255,060	1,291,749
North America	411,182	418,762
South America	169,100	166,181
Asia and Oceania	776,462	763,263
Africa	29,072	26,819
India alone	207,006	205,254
Of the totals above, automatic looms are :		
Europe	390,490	376,804
North America	384,503	392,514
South America	62,386	54,866
Asia and Oceania	144,348	135,716
Africa	11,985	10,056
India alone	14,112	13,402

Country-wise, the reductions were chiefly in the United Kingdom, Germany, Italy and the U.S.A. while the major increase took place in such countries of Asia as Japan, Korea and India. Thus, in the U.K., the number of looms declined from 283,734 on 31st January 1957 to 266,171 on 31st January 1958, while that in West Germany dropped from 132,009 to 123,302 in the same period. Number of looms in Italy, at the beginning of 1958 was down at 114,978, as compared with 121,606 a year earlier. In the U.S. as well, the number of looms declined from 360,059 to 350,109.

Japan, Korea and India recorded an expansion in weaving capacity. The number of looms in Japan increased by 3,232 during the period from 373,076 to 376,308. In Korea, the increase was of the order of 2,026, from 8,447 to 10,473. The number of looms in India was also higher at 207,006, as against 205,254 at the beginning of 1957.

Returns obtained from the various countries indicated that 14,441 additional looms were under erection, as against 14,231 last year, which were expected to produce cloth during 1958. Of these, 13,168 were automatic looms and 1,262 ordinary looms. A further 19,811 looms were on order for the period 1959-60 of which 17,901 will be automatic.

Asia is increasing its number of looms by 8,452 in 1958 which is 58 per cent. of the total new additional looms being erected throughout the world. Of this, 8,062 will be automatic. South American mills intend to add nearly 3,000 of which 2,581 will be automatic. During the period 1959-60, both these continents and Africa have a programme of considerable expansion in their weaving capacity. During the period 1959-60, 18,992 looms (of which 15,330 automatic) are to be erected in Asia, 1,324 looms (862 automatic) in South America and 1,270 (all automatic) in Africa. Although no returns were received from China, it was reported that that country, under the present Five-year Plan, intended to establish 19 mills having an additional 45,000 looms.

Loom Hours Worked

A comparison of the loom hours worked and idle looms in the five continents, namely, Europe, Africa, North America, South America and Asia indicate that the average weekly loom hours, on the basis of active looms only, was the highest in Asia and the lowest in Europe, the figures being 120.1 and 71.2 respectively. Average weekly loom hours, on the basis of looms in place, was also the highest in Asia (115.8) and the lowest in Europe (65.3). The following comparative table illustrates the position.

	Average weekly loom hours		Idle looms
	On basis of looms in place	On basis of active looms only	
Europe	65.3 (62.5)	71.2 (72.3)	106,210
Africa	105.5 (89.3)	106.4 (91.9)	231
North America	94.2 (93.5)	107.8 (94.2)	27,388
South America	91.3 (85.5)	93.8 (89.7)	14,421
Asia	115.8 (106.5)	120.1 (111.1)	28,576

Note.—Figures in brackets are those of 1957.

As will be seen from the above table, the largest number of looms remained idle in Europe and the smallest in Africa. Thus the number of idle looms was as much as 106,210 in Europe, 28,576 in Asia, 27,388 in North America, 14,421 in South America and only 231 in Africa.

RESEARCH IN WOOL

At its fourth meeting held in Srinagar on 26th July 1958, the Development Council for the Woollen Industry discussed, among other subjects, the possibility of setting up a carpet research and dyeing centre in the Mirzapur district, establishment of small testing laboratories, and the standardisation of items of wool manufacture. The removal of burrs by carbonisation or burr picking and crushing machines instead of the hand method was another subject on the agenda. The 4-person sub-committee appointed in March 1958 to examine the possibilities of establishing small testing laboratories recommended that two testing laboratories be set up to begin with, and one more after these two have been firmly set up. They are intended primarily for testing yarn for hosiery and for weaving. It was agreed that, in some cases, standardisation of items of wool manufacture would benefit the export trade, and a sub-committee will recommend what particular items should be considered. It was suggested at the meeting that the present method of de-burring wool by hand was detrimental to the quality and unhealthy for the workers, and carbonising plants or burr-picking machines might be established in suitable wool markets either through public or private enterprise as soon as possible. The Council agreed that the suggestion was sound in principle, but asked that more precise details of the economics of the matter be given.

SHEEP NUMBERS AND WOOL PRODUCTION 1956

The Union Ministry of Food and Agriculture has just brought out the third issue of *Indian Livestock Statistics* covering the 1955-56 season. The issue includes a breakdown by States of the sheep number figures obtained from the March-April 1956 livestock census, together with comparable figures for 1951, recalculated according to the new State boundaries after the reorganisation of November 1956. Out of the total sheep population of 38.7 million, 19 million or nearly 50 per cent. were in the four southern States, just over a third were in the North-west (including Bombay and Rajasthan) and the remainder were widely scattered over the rest of the country. Between 1951 and 1956, the number in the North-west appears to have risen by nearly 3 million, while that in the South fell by 4 million.

Tentative estimates of wool production show a total of 65 million lbs. (actual weight), for 1956, as compared with 59.3 million lbs. in 1951 or an increase of 10 per cent. The broken-down figures (in thousand lbs. actual weight) are given below:

	1956	1951
Fleece wool from adult sheep ...	55,315	45,346
" " lambs	4,694	3,835
Pulled wool	5,041	4,981
Unspecified	...	5,100
Total ...	65,050	59,262

In 1956, over 42 million lbs. or 65 per cent. of the total came from the North-western States, while only 21 per cent. came from the Southern States, despite the greater number of sheep in that area, as the following table shows:

	Sheep numbers			Estimated wool production 1956 (actual weight)	
	1956 (millions)	1951 (millions)	% of total 1956	(Million lbs.)	% of total
North-western States :					
Rajasthan ...	7.37	5.39	19.1	29.42	45.2
Punjab ...	1.16	0.85	3.0	3.95	6.1
Himachal Pradesh ...	0.53	0.68	1.6	1.27	2.0
Bombay ...	4.00	3.65	10.3	7.60	11.7
Total ...	13.16	10.52	34.0	42.24	65.0
Southern States :					
Andhra Pradesh ...	7.43	10.06	19.2	5.18	8.0
Madras	7.17	7.93	18.5	4.06	6.2
Mysore	4.15	4.35	10.7	4.56	7.0
Total (including Kerala) ...	18.85	22.77	48.8	13.81	21.2
Central States :					
Uttar Pradesh ...	1.90	1.64	4.9	4.14	6.4
Madhya Pradesh ...	0.90	0.69	2.3	1.45	2.2
Total ...	2.80	2.33	7.2	5.59	8.6
Jammu and Kashmir ...	1.46	0.98	3.8	1.78	2.7
Other States ...	2.38	2.25	6.2	1.64	2.5
Total India ...	38.67	38.83	100.0	65.05	100.0

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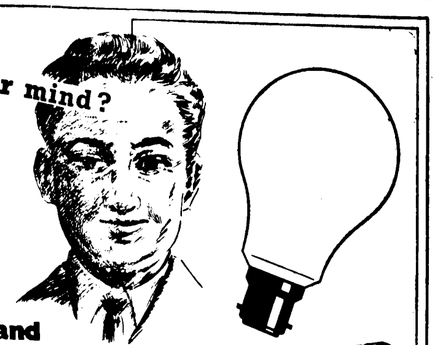

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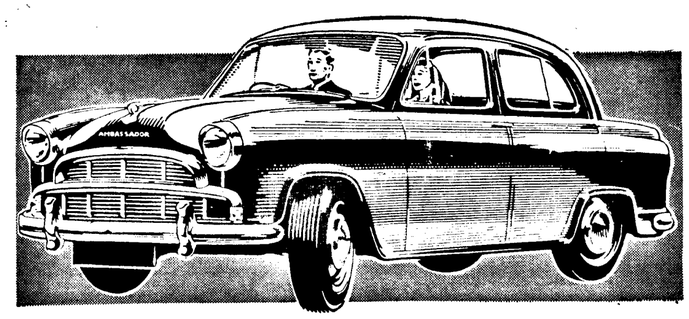

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SIZABLE FALL IN JUTE GOODS STOCKS

OUTPUT BETTER—OFFTAKE, TOO, HIGHER

THE statistics relating to jute goods for the month of July show that the general expectations of a substantial fall in stocks with mills on account of larger shipments during the month have materialised, though the extent of fall may be somewhat less than that expected. What is, however, noteworthy is that the decline in stocks has not been brought about by a cut in production; on the contrary, the stocks are lower, despite an increase in output. This means that the fall in stocks has been solely due to larger offtake from mills. Thus, while the total output of all varieties has gone up by 7,400 tons to 89,800 tons, thereby reversing the downward trend noted in the preceding month, the stocks have dropped by 11,800 tons to 122,200 tons, in contrast to the rise of 21,900 tons recorded at the end of June. In other words, the fall in stocks would have been more pronounced but for the rise in output.

The spurt in production is shared by all the three main categories of goods. Hessian output has gone up by 4,000 tons to 35,300 tons, thus more than making good the decline of 2,900 tons in the previous month and raising the monthly output to the highest level since July 1957, when it aggregated 35,600 tons. The production of sacking has risen by 3,100 tons to 49,000 tons, as against a shrinkage of 7,800 tons in June. "Other manufactures," at 5,500 tons, account for a rise of 300 tons, as compared with the sharp drop of 1,800 tons in the previous month.

The increase in aggregate production is accounted for in part by the increase in the number of hours worked from 195 to 209, the same as that in the corresponding month of 1957. It will, however, be noted that, though the number of hours worked in July this year and in the corresponding month of 1957 is the same, the output over the latter month shows a rise of 3,900 tons, as will be seen from the following comparative table:

Production of Jute goods

(In tons)

	July, 1958	June, 1958	May, 1958	July, 1957
Hessian	35,300	31,300	34,200	35,600
Sacking	49,000	45,900	53,200	45,000
Others	5,500	5,200	7,000	5,300
Total ...	89,800	82,400	94,900	85,900

As already pointed out, despite the rise in production, stocks of jute goods have declined by 11,800 tons to 122,200 tons. Notwithstanding this fall, the stocks at the end of last month constitute the second highest since September 1956. The shrinkage in total stocks is mainly due to the marked decline in hessian and "other manufactures." The stocks of hessian have dropped by no less than 11,100 tons to 19,900 tons, the lowest level since December 1956, when they amounted to 19,700 tons. It is significant to note that the July-end stocks of hessian constitute only 16.28 per cent. of the total stocks, the lowest ratio in the history of the industry, the corresponding ratio for December 1956 was 20.58 per cent. The stocks of "other manufactures" have declined by 2,700 tons to 12,400 tons, the lowest level in the last seven months.

The following comparative table shows the trend of stocks as at the end of the last three months and at the close of July 1957:

Stocks of Jute Goods

(In tons)

	31st July, 1958	30th June, 1958	31st May 1958	31st July, 1957
Hessian	19,900	31,000	25,000	38,300
Sacking	89,900	87,900	71,800	63,500
Others	12,400	15,100	15,300	6,800
Total ...	122,200	134,000	112,100	108,400

As will be seen from the table above, sacking stocks have gone up by 2,000 tons to 89,900 tons, thus maintaining an almost uninterrupted rise (except in February last) since November 1957, and lifting them to a level not seen since July 1956. At this level, they constitute 73.56 per cent. (a new record high) of the total stocks. Even in July 1956, when the sacking stocks and total stocks were higher than those at the end of last month, the ratio of sacking stocks was no more than 67.58 per cent. The rising share of sacking in the total stocks of manufactured goods seems to have set the mills thinking whether a part of their sacking production could not be diverted to hessian. Another factor which seems to have induced mills to think on these lines is the comparatively larger offtake of hessian in July and in the first week of the current month. Referring to this subject in its article on "Aftermath of Dock Strike," the *Jute Bulletin* of the Indian Central Jute Committee in its July 1958 issue observes:

"The present outlook is not so bright in sacking, with stocks of this fabric (the reference here is to the end of June stocks) at their highest since September 1956. The effect of the dock strike on this accumulation is only marginal. It is believed that stocks may further increase to the detriment of the price structure of the market, unless there is some readjustment of the line of production. The offtake of heavy goods in recent months has been disappointing, and there are still no signs of a revival of demand. Obviously, the position points to a measure of present overproduction which will right itself as mills, for compelling economic reasons, continue their marginal transfer of looms to the production of hessian, which happens now to be relatively better placed, both statistically and marketwise."

It is encouraging to hear that consumption of hessian in the U.S. during July amounted to 68 million yards, an increase of 7.6 million yards over that in June and of 7 million yards over that in July 1957. This brings the total consumption of hessian during the first seven months of the current year to 474 million yards, as compared with that of 482 million yards in the corresponding period of last year.

FINANCING OF JUTE IN PAKISTAN

Jute is one of the most important commercial crops of Pakistan and is the chief source of cash income for millions of agriculturists of East Pakistan. At present, Pakistan's annual production of jute is about 6,000,000 bales of which nearly 1,200,000 bales are consumed by domestic mills. The rest is exported to foreign countries. During 1956-57, total exports of jute were valued at Rs. 80.85 crores. If account is taken of jute consumed by local mills, the total value of the crop may roughly be placed at Rs. 100 crores.

The financing facilities for the production and marketing of this crop are most inadequate at the grower's level and improve progressively as one moves up in the marketing chain. Apart from personal sources, most of the grower's needs for finance and credit were met by Hindu moneylenders before partition. Since their exit, the role has been taken over, albeit on a substantially reduced scale, by relatively more prosperous farmers and marketing intermediaries. The cost of borrowing from these sources is fairly high. Growers are often forced to sell their produce at a predetermined price to the lenders. Even where no obligation to sell the crop to lending agency exists, pressure for the repayment of loans, added to other factors (such as lack of storage capacity), weakens the grower's position.

The small dealers (locally known as *fariahs* or *beparis*) generally buy jute in small lots either from the grower's home or from village markets (*hats*). They are generally financed by more substantial merchants or balers who are relatively more prosperous. Commercial banks do not advance loans to any buying intermediaries in the primary markets.

In recent years, attempts have been made to use the co-operative organisation for financing jute marketing at the primary level. Due to lack of adequate capital and administrative capacity, these operations have not been on a very large scale. Loans sanctioned by the Government for the co-operatives increased from Rs. 0.50 crore during 1951-52 to Rs. 2.0 crores during 1956-57. However, this was still small in relation to the desired size of operations. Such finance is provided through the National Bank of Pakistan which, on the guarantee of the Central Government, opens an account favouring the Registrar of Co-operative Societies. Recently, funds have been made available directly to the East Pakistan Jute Marketing Corporation which has been active in buying jute particularly in the border areas.

Commercial banks come into the picture only in the secondary markets or *pucca* baling centres. Their advances are mainly confined to well-established business firms and shippers. The advances are mainly against the security of hypothecation of stocks on cash credit arrangements. In some cases, the security is simply a lien over the stocks. As advances are usually secured by a floating charge over the stocks, the banks have to be selective about their clients. Stocks have to be covered with insurance and the policies lodged with the bank. Against such advances, banks usually retain a margin of 25 per cent. to cover fluctuation in prices.

In recent years, the volume of credit provided by banks to the shippers has shown a significant rise. The total outstanding under cash credit system rose from Rs. 12.72 crores during 1952-53 to Rs. 20.24 crores during 1955-56. During the same period, packing credit provided by banks also rose by Rs. 2.55 crores to Rs. 4.81 crores. The total amount of bank advances against jute stood at Rs. 18.44 crores at the end of 1957. The increased lending appears to be the combined result of a higher price level, entrance of new banks in the field and extension of facilities to a large number of firms.

NEYVELI PROJECT

TO BE PUSHED THROUGH AS AN INTEGRATED SCHEME

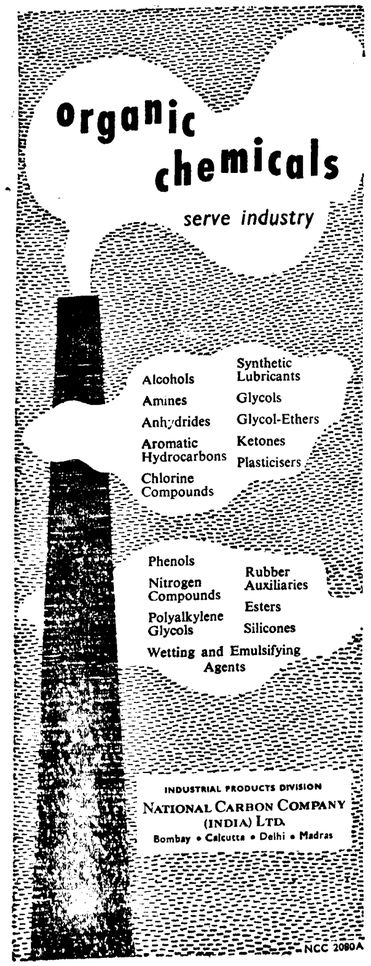
THE multi-purpose Neyveli Lignite Project would go through as an integrated scheme, despite the fact that only the mining part of the project had been included in the "core" of the second Five-year Plan. This was disclosed by Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel, in the Lok Sabha last week in reply to a two-hour debate on the annual report of the Neyveli Lignite Corporation. The members of the House from Madras, Andhra and Mysore, the States which are the main beneficiaries from Neyveli project, the most important Plan project in the South, naturally evinced keen interest in the working of the Corporation. They also expressed their concern over the decision of the Planning Commission to include only the mining part of the project in the "core" of the Plan, when drawing up the list of core projects in its recent memorandum on the *Appraisal and Prospects of the Second Plan.*

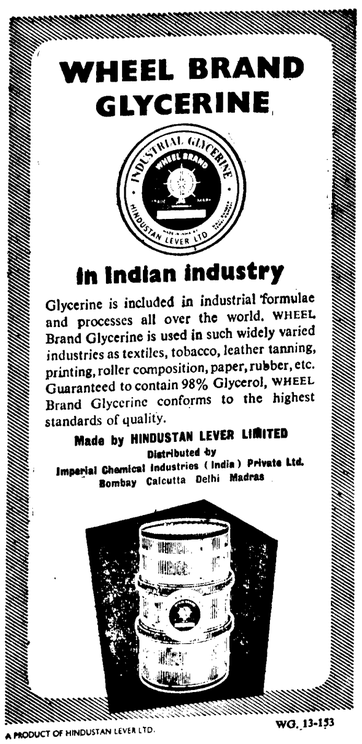
Under the Rs. 68.9 crore-multi-purpose project at Neyveli, which had been given a high degree of priority under the second Five-year Plan, the lignite reserves were to be harnessed to produce much-needed electricity for industrial development in the South to manufacture fertilisers for agricultural development and to produce briquettes for use as domestic and industrial fuel. The annual target for production of lignite is 3.5 million tons per annum. The target date for exposing the first cut had been fixed as 1960 and full production stage was to be attained by the end of 1960 or early 1961. The most important constituent scheme of the whole project is the generation of electric power, because the most economic utilisation of lignite is to use it as fuel in boilers close to the mine itself. The installed capacity of the thermal station consisting of two units, to be set up at an aggregate cost of Rs. 20 crores, would be about 200,000 kw. The first of the two units was programmed to be commissioned by the middle of 1960 and the second by the end of that year. The next important constituent is the fertiliser plant to produce nitrogenous fertilisers with an annual capacity of 70,000 tons of nitrogen content. The fertiliser plant was also programmed to go into production by the end of 1960, the time by which lignite mining in commercial quantities was scheduled to start. The balance of lignite, after meeting the requirements of the power house and fertiliser plant, would be utilised for producing briquettes. The proposed plant would produce 714,000 tons of raw lignite briquettes, which on carbonisation would yield 380,000 tons of carbonised briquettes and by-products.

As already pointed out, the mining part of the Neyveli project alone has been included in the "core" of the Plan. This entails a foreign exchange cost of Rs. 10.50 crores, of which expenditure incurred or committed as on 31st March 1958 amounted to Rs. 6.70 crores and fresh foreign exchange commitments required for completing the programme is Rs. 3.80 crores. The members of the Lok Sabha from the South desired that the whole project should be implemented as an integrated one, and the fertiliser plant, in particular, should be set up at all costs. One of them asked for an assurance that the fertiliser project would not be delayed. There was a complaint from them that the railway facilities in and near the project area were inadequate and that the laying of the railway lines and sidings was not proceeding according to schedule.

In his reply to the debate, Sardar Swaran Singh assured the members that it was the desire of the Government to implement all the schemes in the project. He added that synchronisation of the various aspects of the project was necessary, because lignite had to be used as it was being mined. So far as the mining part of the project was concerned, there was not likely to be any difficulty at all with regard to internal expenditure, as well as foreign exchange. He disclosed that the first unit thermal power station in Neyveli to be set up under an agreement with the U.S.S.R. would be commissioned by 31st January 1961 (as against the original schedule of middle of 1960) and would go into full production by 31st December of the same year. The project report on the power schemes, for the execution of which the Soviet Union had offered aid under the 500-million rouble agreement, was expected next month. The entire foreign exchange cost of this scheme would be met out of the Soviet rouble credit.

(*Continued on page* 331)





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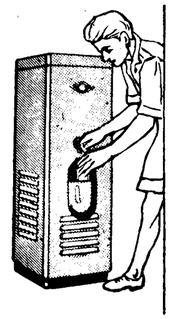

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TEA INDUSTRY FACES THREAT OF DEPRESSION

NEED FOR EARLY DECISION ON EXPORT DUTY

IN deference to the representations made by tea producers in this country for relief in fiscal levies, particularly on common teas, the Government of India announced, on 1st June 1958, a reduction of export cess on tea from Rs. 4 to Rs. 2 per 100 lbs. and a cut in excise duty on tea in packages exceeding 60 lbs. in weight or loose tea from one anna to half anna per lb. It did not, however, announce any reduction in export duty, for which the industry had been agitating in order to make Indian tea more competitive in world markets. It was, nevertheless, announced by the Government that "the question of affording some relief to the tea industry has been engaging the attention of the Government." The aforesaid reliefs were announced as an interim relief, pending a further study of the problem, that is, devising a scheme by which a greater quantum of relief could be given to producers of common teas as distinct from the superior categories. In fact, the cut in export cess was meant to be effective for two or three months, till the Government was able to formulate a scheme for providing a reduction in the tax burden on a permanent basis. It is more than two and a half months since the interim relief was announced, but the Government has not yet fulfilled its promise to the industry.

Relief Inadequate

Meanwhile, an impression seems to have gained currency in certain quarters that the tea industry is well pleased with the cut in export cess and excise duty on loose tea and that no further relief is needed. In seeking to correct this misapprehension, in the course of a statement, the United Planters' Association of Southern India says that "if this relief were all that is to be granted, it is totally inadequate to meet the difficulties from which the industry is suffering." The planters, however, recognise that, "while these reductions are only nominal, they have been granted as an earnest of Government's recognition of the industry's need for relief and as a token of its intention to afford more substantial help in the near future." The U.P.A.S.I. contends that the reduction in export cess contributes very little towards rendering Indian tea competitive in foreign markets. The statement goes on to add that the reduction in export cess amounts to Rs. 90 lakhs per annum on the average Indian export of 450 million lbs. This works out to a cut of only 2 nP per lb. or less than 0.8 per cent. of the average value of exported tea, while the export duty exceeds 20 per cent. of the average value realised for common teas at the auctions in the last six months.

Cut in Excise Duty

The half-anna reduction in excise duty, according to the U.P.A.S.I., applies only to about 100 million lbs. of tea sold within the country as loose tea. The concession amounts to about Rs. 35 lakhs per annum and represents only about 1½ nP per lb. of tea to which this relief applies and less than 1 nP per lb. on the average of all teas subject to excise duty. Pointing out that this relief does not, in fact, mean anything to those who export and sell packet tea as well, the statement says:

"The amount of excise duty paid by the producer is recovered from the buyer at the time of sale, but this reduction in excise duty will not result in improving in any way the price which the exporter or local packet dealer can pay for his tea as the excise duty which he refunds to the producer, at whatever rate, is credited against the export and enhanced excise duties which the exporter and packet dealer, respectively, must continue to pay as at present. They will thus receive less credit in respect of their initial excise payments, but will have proportionately more export and packet tea excise duty to pay in adjustment."

While acknowledging the Government's measure announced on 1st June as an interim one and that the question of more substantial relief is receiving consideration, the U.P.A.S.I. urges that the granting of something more than purely nominal concessions should not be long delayed, in view of the immediate necessity to improve the competitive position of Indian tea in world markets.

Emphasising the need for affording substantial relief for producers of common and medium teas, Mr. J. R. Vernede, Chairman of the Indian Tea Association in Britain, pointed out, in the course of his address at the annual general meeting of the Association held recently in London, that it was after all in the interests of the country as a whole to see its export industries in good heart, since they were vital to the success of its Five-year Plan. The plight of common and medium teas was well brought out by Mr. Vernede in the following words:

"Any attempt, however, to interfere with the economics of trade presents problems and these are perhaps even more complicated when dealing with tea than is the case with many other commodities. Generally speaking, quality producers have been able to market their teas profitably during 1957 and the demand for such teas continues unabated. Every emphasis is laid by my Association on the need to produce clean teas of the optimum quality of which each estate is capable and it is true to say that the vast majority of North Indian estates are producing the higher standard of tea consistent with geographical location, but when tea is in abundant supply, it is the common producer who takes the knock. The difficulty we have to face is that in the cases where due allowance has to be made for lower yield, the cost of production for common teas may be little, if any, below that of quality teas. To this must be added the same rates of Indian Central taxation, excise and export duties, as well as the multiplicity of State taxes including a high rate of agricultural income-tax as are borne by the quality producer. In such circumstances, it is no consolation to the producer of common tea to find himself priced out of the world's markets by similar teas from other countries which can undersell him by as much as 1s. 6d. to 2s. per lb. and still work to a profit.

Threat of Depression

"When one mentions costs it must be borne in mind that producers in India are required to pay labour in accordance with prescribed minimum wages. They have, in addition, to meet the incalculable burden of implementing the Plantation Labour Act and for the years 1954 to 1956 have also had a liability, when profits have been earned, to make large payments by way of annual bonus. It is the cumulative effect of these many burdens at a time when there is a surplus of tea which has brought about the present critical position of many of our members and unless something is done producers of common and medium teas may well have to face a depression as serious as that which occurred in 1952."

The International Tea Committee's latest annual report disclosed that, over the last twelve years, the cumulative excess of world supply over absorption amounted as at the end of 1957 to 89 million lbs., though during 1957, in particular, the supply fell short of absorption by 14 million lbs. The surplus of supply over the past twelve years, Mr. Vernede said, must be viewed in its correct perspective. "Stocks of tea were undoubtedly run down in all consuming countries," he went on, "as a result of the Second World War and part at any rate of the surplus was essential for the rebuilding of reasonable stocks. When we consider that world absorption has increased from about 1,094 million lbs. in 1939 to 1,435 million lbs. in 1956, it will be readily appreciated that some increase in stocks is essential if stability is to be ensured."

International Tea Agreement

With a view to bringing about stability in world tea markets, two suggestions were made by him. These were the renewal of the International Tea Agreement and the intensive propaganda to increase consumption. Mr. Vernede was convinced that exports from producing countries could be equated to world demand only by the renewal of the International Tea Agreement. The regulation of exports from the four main producing countries, India, Pakistan, Ceylon and Indonesia, which were signatories to the old agreement and which account for 90 per cent. of the world supply of tea, under an international scheme would undoubtedly ensure, for some years at least, the stability which was so desirable in the interests of governments, producers, buyers and consumers alike. Though Mr. Vernede felt it desirable to include other producing countries, the outturn of which had in recent years increased considerably, he thought it was not essential for the success of the scheme. While he was not optimistic about the renewal of the agreement, he felt that it would be of lasting benefit to all concerned if a discussion could be held on the question of world supply and absorption between the representatives of producers' associations, particularly those of India and Ceylon.

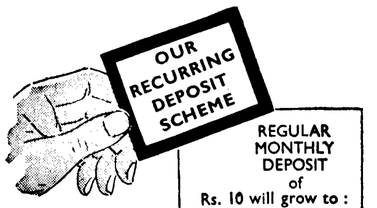
It will be of interest to note that the tea industry was amongst the first to come to an international agreement in order to give consumers the tea they needed at a fair price and at the same time carried on a planned development of estates and steadily improved the conditions for their labour. "It is poor statesmanship," Mr. Vernede pointed out, "if we can no longer combine to put our house in order, but depend instead on other folks' misfortunes in the hope that we shall be the lucky one who gets away with it."

Intensive Internal Propaganda

The only way to meet the potential increase in supply from old and new sources is to increase consumption by intensive propaganda. Referring to the Indian internal market, where the present consumption is of the order of only 200 million lbs. or below ½ of a pound per head per annum, Mr. Vernede said that a substantial increase in internal consumption would provide a complete answer to India's domestic problem. Nearly two years ago, Sir Percival Griffiths, Adviser to the Indian Tea Association, London; submitted, at the request of the Government of India, a report, making recommendations for intensification of propaganda within India. Mr. Vernede was happy to note that at least now the Government of India had realised the need for such propaganda and had set up a promotion committee for the purpose.

In addition to India's own domestic market, Mr. Vernede pointed out, Africa offered a vast potential market, while saturation point had not yet been reached in the U.K. itself. In Britain, according to the I.T.A. Chairman, it was very difficult, if not impossible, to obtain a good cup of tea at sports gatherings, the attendance at which often ran into thousands. "With mobile canteens and with improvement in the serving of tea to large numbers of people in industrial establishments which employ hundreds or even thousands of workers," he added, "it should not be beyond the ingenuity of the expert to evolve methods whereby this latent demand for liquid tea can satisfactorily be met."

The Government of India has become lately conscious of the need to resuscitate propaganda in the U.K. which, since the break-up of the International Tea Market Expansion Board, is being carried out by the Ceylon Tea Propaganda Board alone. After all, the U.K. is the world's primary market for tea and it is, therefore, important to take all possible steps, in the face of fierce competition from other beverages, to make more people tea-conscious in that country. The average annual exports of tea from India to all countries during the last five years amounted to 450 million lbs., on which the export cess at Rs. 4 per 100 lbs. brought an annual income of Rs. 1.8 crore. Even if half of this sum collected were to be expended on propaganda abroad, a substantial increase in tea consumption would result.



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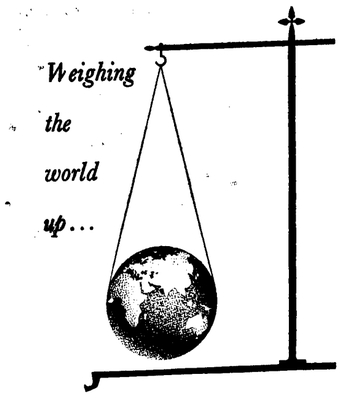

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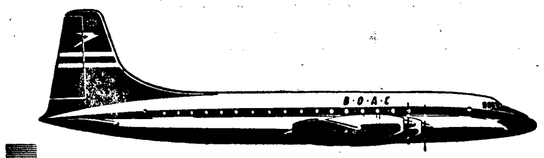

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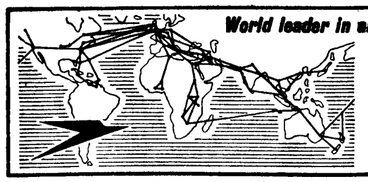

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MARKETS FOR INDIA'S ENGINEERING GOODS IN SOUTH-EAST ASIA

TRADE DELEGATION'S SUGGESTIONS

A NOTABLE feature of the recent trends in India's export trade is the growing importance of engineering goods for which some producers have been able to find a market in several overseas countries. There is, of course, considerable scope for expanding exports of these goods, provided the quality of the goods is maintained at a high level and prices are competitive. In this connection, the report of the trade delegation (leader: Mr. B. S. Agarwal) sponsored by the Engineering Export Promotion Council, has examined at some length the prospects for India's engineering goods in South-East Asia which the delegation visited this year. The delegation, in its report, has also made a number of valuable recommendations. It has emphasised the need for concluding trade agreements with the South-East Asian countries and for improving the design and finish of India's goods.

The South-East Asian countries covered by the delegation are Ceylon, Singapore, Malaya, Thailand, Cambodia, South Vietnam, the Philippines and Hongkong which have a population of about 70 million. A large part of this population is dependent upon agriculture and imports a wide range of manufactured goods which are at present supplied by the U.S., West European countries and Japan. In one sense, India, according to the report, has a better chance of selling its goods in those countries. This is because the "machinery developed in our country will adequately fill the requirements of these countries, as at the present stage of development of these countries, the labour-saving devices incorporated in the products of the more highly advanced countries are not of much significance." It, however, rightly warns that "a sustained effort for many years will be necessary before any significant results will accrue."

Clearly, cost factor is important. The report observes that, in respect of such items as motor cars, refrigerators and air-conditioners, the prices at which they are sold in South-East Asian markets are lower than those quoted by India. They are, therefore, not competitive. There are, however, good prospects for low-priced consumer goods such as electric fans, sewing machines, steel furniture and hurricane lanterns. There is, it is stated, no prejudice against Indian goods. "To state that there is a prejudice against Indian products," says the report, "would be incorrect as there is not even an awareness that India produces such articles and not even token exports of such products have been made to date." This is certainly a sad commentary on India's export promotion efforts.

In the course of its country-wise analysis of export possibilities for Indian engineering goods, the report makes a number of observations in respect of specific items sold by India or for which there is a potential market. The more important of these observations and suggestions are summarised below:

Ceylon: It imports from India agricultural implements, automobiles, hardware, bolts, nuts and rivets, buckets, dry batteries, electrical fans and electrical goods, steel furniture, oil mill and flour mill machinery, radio receivers, sewing machines and water fittings. The specific suggestions made in the report for increasing exports to Ceylon are:

(1) With some drive, exports of fans can be improved. (2) Ceylon is a potential market for quality machine tools from India. If our prices are competitive and if we offer them service after sales, we can gradually establish a good market. (3) There is good demand for small implements used by farmers and tea gardens for builders' hardware and cycles. (4) Indian prices of bolts and nuts are 33⅓ per cent. higher than Japanese. (5) Indian buckets are popular but supplies are irregular. (6) There are good prospects for exports of sewing machines.

Singapore: There are immediate prospects for the export of electric fans, sewing machines, hardware items like wood screws, hinges, bolts and nuts, cycles, pumps, oil mill machinery and machine tools.

Malaya: India is the second largest exporter of fans to Malaya. There is good demand for deep-well turbine pumps, electrical accessories, radios, bolts and nuts and sewing machines. Other goods for which there is scope for exports include abrasives, cutlery, electrical appliances, steel utensils, steel trunks, razor blades, woodworking machinery, concrete mixers and ball bearings. China is dominating the market for machine tools, through the grant of long and short-term credits and supply on consignment basis extending over a period of two years.

Thailand: Consumer and engineering goods like electric fans, cycles, ball bearings, batteries, sewing machines, lamps, razor blades, bicycles and aluminiumware are in demand. This country requires centrifugal and deepwell pumps but supplies are now being made under the American aid programme. There is keen competition to cater to the demand for diesel engines but the possibilities of securing a market in this line are bright. Agricultural equipment like ploughs, harrows and threshers is in demand. The delegation received enquiries, among other goods, for asbestos roofing, sugarcane machinery, sugarcane crushers, kerosene-operated refrigerators, trucks, trailers, water fittings, ice-making plant, machine tools, printing machines, wire nettings, V-belts and buckets.

Cambodia: Although the delegation received enquiries for a wide range of engineering products, including diesel engines, pumps, water fittings, electric motors, batteries, fans, cycles and sewing machines, it is not possible to conclude business with Cambodia unless India enters into a bilateral arrangement with it and agrees to buy rice and rubber goods from that country. Generally speaking, Cambodia does not buy from countries from which it does not receive aid or with which it has no trade agreement.

Viet Nam: Balance of payment difficulties in Vietnam imply that India cannot sell to that country unless it is prepared to buy Vietnamese goods. A trade agreement with Vietnam has, therefore, been suggested. There is, however, good demand for agricultural machinery, diesel engines, pumps, water fittings, wire netting, cycles, sewing machines, and office equipment. The standard of quality, it is stated, has to be "very high" and only "first class" articles can be sold.

The Philippines: The overall balance of payments position is adverse to the Philippines. The engineering goods which can be sold without difficulty (provided importers get the necessary licences) are: diesel engines, fans, sewing machines, pumps, tools, agricultural implements and tools, grinding wheels, electric motors, automobile parts, beltings, razor blades and water fittings. Air-conditioners, sewing machines and fans are being assembled locally in collaboration with Japanese or American firms. The U.S. is the chief supplier of machine tools. There is keen demand for quality machines, particularly geared head lathes. Sales from India are possible provided prices are competitive.

Hong Kong: This is a free trade area. Import and export licensing regulations are kept to a minimum. The few controls that exist are operated with a "speed which would surprise the merchants of most other countries; licences are issued within 24 hours of application." Harbour dues are low and turnaround is very rapid. Foreign merchants are permitted to remit profits freely and also to repatriate capital. Since its China trade has been seriously crippled, Hong Kong has widened its trade to other countries and also set up new industries. There is no local market to give a firm base from which to attack export markets. It has to import its raw materials. Despite these handicaps, it has set up several industrial establishments. Its only advantage is access to Commonwealth markets at a preferential rate of duty.

Hong Kong is one of the biggest ports in the world for entrepot trade. To this port come merchants from all parts of the world. Indian engineering goods are, however, not popular in Hong Kong. No merchant would be prepared to undertake the risk of stocking our goods. It will, therefore, be useful to organise a small exhibition of Indian goods and also set up a permanent showroom where information relating to prices, terms of deliveries, etc., can be made available to intending purchasers.

Besides emphasing the importance of concluding such bilateral trade agreements with South-East Asian countries as will enable them, in the context of the prevailing balance of payment difficulties, to import goods from India, the report points out that Indian exporters should appoint active agents in all overseas markets. It has also stressed the need for improving design, finish and salesmanship in order to promote exports of Indian engineering goods. It points out how, in Japan, banking institutions advance credits to exporters at favourable rates of interest and well-organised export houses make it possible even for small manufacturers to participate in export trade. The Government of India should extend and improve its services in the matter of providing foreign trade information to Indian business men. The report also calls attention to the fact that the measures which will encourage export trade include the "availability of steel at special prices, special inland freight rates to encourage the movement of goods from the central part of the country to the ports, income-tax relief on earnings on export trade and retention of a part of the foreign exchange earned through the export of engineering products for import of essential raw materials and capital goods for expansion of the industry." Finally, the report has done well to stress the vital need for a sustained publicity drive which will help make Indian goods more and more popular in foreign markets.

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EXPORTS OF ENGINEERING GOODS

Special schemes to encourage exports of engineering goods—the value of engineering goods exported in the first half of 1958 was Rs. 1.93 crores—are being implemented by the Directorate of Export Promotion, Union Ministry of Commerce and Industry and the Export Promotion Council for Engineering Goods in co-operation with the Iron and Steel Controller. Under the schemes, raw materials and machinery are supplied from indigenous sources or licences are issued for their imports from abroad to manufacturers and exporters of engineering goods. Other aids are also provided for enlarging exports. Drawbacks on import and excise duties paid on the imported or indigenous components are allowed on the export of about 20 items of engineering goods. These include diesel engines, bicycles, sewing machines, motor vehicles, trailers, bus bodies, sparking plugs, dry batteries and cells, electric fans, tele-communication instruments, radio receivers, chokes for fluorescent lamps, galvanised iron and wire products, R.S. closures, pumps, tin containers, hurricane lanterns, umbrella ribs and crown corks. In addition, facilities for working in bond are also available in the case of aluminiumware, motor vehicles and umbrellas.

Allotment of railway priorities and shipping space are arranged for engineering goods where necessary and possible. Provision is made in trade agreements entered into with foreign governments for the export of engineering goods from India. The State Trading Corporation also helps in securing orders for and arranging the supply of engineering goods from India to countries in Eastern Europe and China. Grants-in-aid are given to the Export Promotion Council which has been sponsored by the Government of India for developing exports.

The programme of the Council includes survey of foreign markets for Indian engineering goods, sending of trade delegations, maintenance of offices abroad for establishing contacts with foreign buyers, participation in international fairs and exhibitions, publicity and assistance to exporters at home. Reports of the delegations sent to study prospects for Indian engineering goods in foreign markets are distributed to manufacturers and exporters.

COMET 4 EXPECTED TO BE A WORLD BEST-SELLER

Britain's Comet 4 jet airliner, which shattered the New York-London non-stop flight record on 12th August, is confidently expected in London to prove a best-seller in world markets. As the airliner continued its testing flights at Hatfield, England, a spokesman of the makers, de Havilland Aircraft Company, said they were so confident of its selling potential that "full plans have been made to expand production lines without any trouble." The new airliner, which costs a little over £1,000,000 and has been developed in a series of three models to meet the requirements of long and intermediate services, will start coming off the assembly lines at the end of this month.

Orders for the plane—claimed to be the most-tested airliner now on the market—have already been placed: 16 for B.O.A.C., six for British European Airways, and six for Aerolineas Argentinas. Officials of East African Airways are also reported to be discussing the idea of buying two or three long-range Comets for the Nairobi-London run. The de Havilland spokesman said that negotiations with "a lot of companies throughout the world" were now going on.

The first Comet 4 destined for commercial service will be delivered to B.O.A.C. at the end of this month, and crews will start the familiarisation course straightaway, in order to get the Comets into B.O.A.C.'s new transatlantic jet airliner service as soon as possible. The date for the start of the service has not yet been fixed, but hopes focus on early November.

The Comet is designed to carry a maximum of 80 passengers over stage lengths of upto 3,000 miles at a cruising speed of 510 m.p.h. In the record-breaking flight on 12th August, the fully loaded Comet cruised at 558 m.p.h. and knocked 1-hr. 28-min. off the existing record—also set up by a British airliner. After the inter-continental Comet comes the 4-B model, which has been designed to apply lifting power to payload rather than fuel. For this version the fuselage has been lengthened by 7½ ft. and the wings clipped 7 ft., thus boosting the speed of this model and cutting its range to 1,900 miles. The sequel to this airliner has been the Comet 4-C, a variant combining the longer fuselage of the B model with the wing of the inter-continental version. This offers maximum exploitation in terms of payload and fuel. All of the Comet 4 series are equipped with the same power plant—four Rolls-Royce Avon RA-29 turbojets of 10,500-lb. sea-level static thrust.

THERMAL POWER IN JAPAN

Hydro-electric power resources in Japan are abundant and have been extensively developed. The total output of hydro-electric power is some 10 million kilowatts which accounts for 62 per cent. of its total national power output. The potential water-power resources which can be economically developed are estimated at 13 million kilowatts. Thus, it is possible for Japan to more than double its hydro-electric power generation capacity in the future. However, the energy requirements of large cities and industrial areas are so great that many gigantic thermal generating plants are being constructed. The total generating capacity of hydraulic power plants to be constructed during the current fiscal year amounts to 637,000 kilowatts. The total generating capacity of thermal power plants is set at 1.17 million kilowatts, or double that of hydraulic power plants. The average generating capacity per thermal electric generating unit is increasing. Most thermal power plants to be constructed during the current fiscal year have a capacity of more than 150,000 kilowatts. The largest has a capacity of 200,000 and the smallest 50,000 kilowatts. In addition to these, 19 thermal power plants with a total capacity of 3.08 million kilowatts will be constructed during the fiscal years 1959 and 1960. Here again, most of these plants have a generating capacity of more than 150,000 kilowatts, including three with over 200,000, and two with over 300,000 kilowatts.

The most conspicuous among these thermal power plants is the Yokosuka thermal power plant of the Tokyo Electric Power Company, now being built at Kurihama, a historical spot where Commodore Perry first landed in Japan some one hundred years ago. The first stage of the project to be completed by 1960 calls for the generation of 265,000 kilowatts. Eventually, the Company intends to increase the capacity of the plant to 1 million kilowatts. Construction has already started, and the neighbouring hills are being dynamited and the mud dredged from the sea to reclaim the area.

Japanese manufacturers are now making units of 150,000 kilowatts capacity, and very soon they will manufacture those of 200,000 kilowatts. Thermal power generating plants are not only getting larger in size, but their efficiency is steadily increasing. Until recently, less than 30 per cent. of the heat generated by coal or heavy oil was effectively utilised. Today the percentage has gone up to 35; and in the near future, it is expected to rise to 39.

The thermal power plant has an advantage in that it can be constructed very quickly. In Japan, many hydro-electric power plants are now under construction or contemplation. However, the most profitable water-power resources have already been developed so the potentialities of this type of plant are limited. The construction of the numerous giant thermal power plants shows that the chemical fibre, chemical fertiliser and other industries which consume enormous quantities of electric energy are making great strides. It also indicates that the living standards of the Japanese are so high that washing machines, vacuum cleaners and many other household electrical appliances are now widely used in homes.

U.K. PLANS ATOMIC-POWERED SUBMARINE TANKER

The success of the initial examination of the British project to build an atomic-powered submarine tanker which would travel at twice the speed of a normal cargo vessel was announced in London on 13th August by the spokesman of a British engineering company. Mr. Frederick Mitchell, a director of the Mitchell Engineering group, said at a Press conference that preliminary tests had come up to expectations and were economically promising. His company had given the "go ahead" to Saunders-Roe Ltd., of Cowes, Isle of Wight, to start work on the second phase of preparations for the 80,000-ton underwater tanker.

This second stage was for design study, and it was expected this would take about eight-and-a-half months to complete. On the result of the design study, a decision would be taken whether it was worth while to go ahead with the project. Ultimately, the scheme would be passed to a shipbuilder who would be given the contract to build the submarine tanker. The atomic-power unit would be the joint work of the Mitchell Engineering Company and the American Machine Foundry (Atomics) Inc. The project was a purely private venture, and no Government money was involved.

A hand-operated cutting tool for laminated plastic sheet and similar materials has been developed from the slate and asbestos cutters manufactured by the Tubela Engineering Company. Although termed a cutting tool, it has no cutting edge and therefore never needs sharpening. In use a small strip of material is removed and because of the design of the upper blade the tool may be "progressed" through any size of sheet. The radiused shearing blade provides a "lead-out" for the waste, while the blade clearance permits clean cutting without damage to veneered surfaces.

INDIA BEGINS TO MAKE REFRIGERATORS

GODREJ'S NEW VENTURE

THE House of Godrej is well known throughout India as manufacturers of soaps, toilet goods, steel cupboards, safes, locks, safe-deposit vaults, all types of steel furniture and hospital equipment. Lately, they have been making steel windows in keeping with modern architecture. It is no exaggeration to say that Godrej have thus been making a significant contribution to the health and happiness of the nation. They have the distinction of being the first in many things, which is another way of saying that they are *entrepreneurs* of the first order. Not long ago, they were the first in India to undertake manufacture of typewriters, an indispensable article of utility for modern civilisation. The latest addition to their list of manufacture is refrigerators. Two refrigerators made by them were specially displayed to a party of journalists at the Cricket Club of India last week.

For a country like India, refrigerator is no doubt a luxury consumer durable. Yet the fact is that there is a good market for it. Westerners living in this country cannot do without it. A refrigerator for them is as indispensable as a hot-water boiler or a mud pot water cooler for the vast number of common people in such urban centres as Bombay, Calcutta and Delhi. Many well-to-do Indian homes have also begun to appreciate the benefits of a refrigerator. Godrej have, therefore, done well to venture in this line.

They are also eminently suited to manufacture refrigerators. Their experience in the production of cupboards, safes, locks and other safe custody equipment will be useful. They have a modern factory in ideal suburban surroundings and a large force of trained workers and skilled technicians. Their labour force of 5,000 in the new factory at Vikhroli, a suburb of Bombay City, is not having sufficient work to keep them fully occupied for want of raw materials. Indeed, the thought of finding work for all their workers is said to have been one of the primary reasons for Godrej undertaking this line of activity. It is true that almost everything that is required for making a refrigerator has to be imported, a great disadvantage in these days of foreign exchange shortage. But Godrej probably wanted to be first in the field and make a beginning even though the foreign exchange allotted for importing the material could not have been large enough to ensure continuous, steady working. No enterprising business man would let himself be daunted by what appears to be a temporary difficulty.

We do not propose to give here a full account of the various features of Godrej refrigerator. They can be had from the manufacturers who will, we presume, readily send their well printed literature to those who want them. Suffice it to mention here that they are making only one type of refrigerator now and it is large-sized: height 52¼ in., width 26¼ in. and depth 27.5/8 in., storage capacity 7.3 c.ft., shelf area 11 sq. ft. The cabinet is in gleaming white, stove enamelled on phosphatised steel. It has a rubber-cushioned door for an atmospheretight interior and a beautiful chromium-plated handle. On the whole, its appearance is elegant. With taxes in Bombay, its cost to the buyer is a little over Rs. 2,050, a price which is said to compare favourably with that for a second-hand imported refrigerator.

At present, Godrej are only assembling the refrigerator from imported parts, but they have a manufacturing programme. Their present enterprise is in co-operation with the world-renowned G.E.C. The units used in the refrigerator are made by the G.E.C. It is understood that, in a few years, the G.E.C. will manufacture at its Calcutta works the most essential part of the unit, namely, the motor. The production of the remaining parts will not be beyond the competence of Godrej.

The current rate of production of refrigerators is 10 per day. Of this, half will be marketed by Godrej as their own and the other half will be taken up and marketed by the G.E.C. as its own product.

The demand for these refrigerators is very keen. Many are already on the waiting list. We were told last week that delivery against an order placed then would be some time in October or November. In order to induce confidence among the buyers, Godrej are offering a five-year guarantee for the sealed-in refrigerating system and a year's guarantee for the rest.

NEW PRODUCTS AND PROCESSES

New Technique for Bone Fracture Healing

ETHOXYLINE resin, the plastic substance used in industry for casting purposes and for bonding metals to other substances, was successfully used for bonding broken leg bones in sheep at the Sydney Hospital, Australia. The resin allowed treated sheep to rejoin the flock within a few hours and the broken bones were firmly united within 10 to 14 days. The normal time for the uniting of broken bones in sheep is much the same as in humans, about six weeks. If the resin can be successfully adapted for use in human tissue, it will mean that people suffering from complicated limb fractures, immobilised for months, will be back on their feet within weeks. It may also have an important veterinary application, in saving the lives of bloodstock, some of which have now to be destroyed following bad limb fractures. Twenty-five experiments were carried out on sheep at the surgical unit last year, of which eight were unsuccessful, due to errors in technique. There has not been any infection or irritation around the fracture site as a result of the resin. The resin which is microscopically porous allows the new bone to grow round and through it. In each experiment the sheep was put under an anæsthetic and the fused metacarpal bones of a foreleg were broken two inches above the hoof, exposing both ends of the break. The resin, mixed with a hardener, was then inserted between the ends of the break. The wound in the sheep's leg was then stitched and a light plaster cast applied around the leg to protect the injury while the animal was with the flock. This was removed about ten days later and the united fracture was firm enough to permit the sheep to support its weight and run about freely.

Inexpensive Microfilm Reader

One of the most pressing needs at the moment in the field of micro-recording is for an inexpensive microfilm reader which will also scan microfiche. This need is now claimed to have been met by the V.C. Lexicon Reader manufactured by Micro Methods Limited of East Ardsley, Yorkshire, England. Costing only £44 it will read microfiche up to a maximum size of 9 cm. wide and can be fitted with a film carrier to take 100 feet of full-size 35 mm. unperforated microfilm. It is a compact machine which takes up when not in use a volume of only 15" x 10" x 11". In order to secure the advantage of complete portability, the weight has been kept down to 25 lbs. The film carrier for microfilm scanning can be removed and refitted very quickly and easily, which facilitates film threading. Transport of the film across the gate is effected by a handle mounted on the carrier, and the image remains in focus whether the film is moving or not. A tensioning arrangement eliminates the need for pressure plates and thus prevents accidental scratching. The fiche image is projected onto a white opaque screen on the desk and is approximately 15" square. A prism attachment is available which enables the image to be projected by finger control onto the screen at any desired reading angle. Magnification is 16, with a gate size of 2.4 cm. x 2.4 cm. The equipment can be set for use with a wide range of A.C. voltages and can be converted to D.C. by special resistances. Microfilm and microfiche scanning, its makers say, are not the only attributes of this versatile item of equipment. It can also be used as a filmstrip or slide projector. The whole reader can be swung into position for horizontal projection with filmstrips fed through the film carrier or slides held in the standard microfiche attachment.

"Thinking" Locomotive

A new German-Australian locomotive that "thinks for itself" will soon be tried out on the New South Wales Railways, Australia. It is one of a type containing German equipment that are now being built in Sydney workshops. It has an automatic gearbox working on the same principle as used on the latest types of cars. The loco will refuse to obey the driver, if its brain "knows that it is being handled wrong." The Clyde Engineering Company is building the locomotive at its Granville workshops for the Commonwealth Railways which have ordered six.

Paper Boxes from Bagasse

Bagasse, the fibre-like residue that is left after sugar has been extracted from sugarcane has been successfully made into heavy corrugated paper shipping boxes through a new process developed by the U.S. Department of Agriculture. The Department reports that, in laboratory tests, 75 per cent. of the bagasse boards used for box-making were equal or superior to comparable commercial paper boards. As part of a research and testing programme, 12,000 boxes to hold cans and bottles were manufactured and given both laboratory tests and shipping durability tests. The bagasse boxes were described as stiffer and not as soft as regular boxes. Major obstacles to economical and effective pulping of bagasse have been removed by improvements in the screen separation of cane fibre and pith.

Device to Reduce Road Accidents

An invention which is claimed will help to reduce road accidents has been patented in Melbourne, Australia. It consists of four convex mirrors which are placed in the centre of a street intersection, either suspended from overhead wires, or fixed on a pole. The installation enables an approaching motorist to see if any traffic is coming from right or left of the intersection, as his vehicle nears the point. The design has been submitted to the Melbourne City Council.

ANDHRA PRADESH LAND CEILINGS BILL

SOME X-RAY FINDINGS

By Prof. S. Kesava Iyengar

ON account of the reorganisation of States in India on 1st November 1956, several data are not available for the new States as units, but the all-India picture with regard to the pattern of employment in agriculture is crystal clear from data that follows. While the abolition of *zamindari* and *jaghirdari* did away with feudal rights granted mainly on political considerations, *raiyatwari* areas in India stand on quite a different footing. Rights in land were acquired, and the bulk of it is personally cultivated. Between landless tenants and agricultural labourers, the latter are more numerous and deserve quicker and effective assistance than tenants. Mr. V. T. Krishnamachari at Abu and Mr. G. B. Pant at Shillong bewailed the discouraging phenomenon of agricultural production lagging behind targets, and the agricultural community not utilising irrigation and G.M.F. facilities even to a partially satisfactory extent. According to the former, Rs. 1,330 crores would be spent on mammoth irrigation works (started during the first and second Plan periods) which will ensure secure supply of water to 38 million additional acres. This figure is apart from new areas that will come under irrigation on account of minor irrigation works, tanks and wells. Putting the total at the modest figure of 50 million acres, and calculating the initial capital expenditure at Rs. 100 on the average for upgrading one acre of dry land to wet, the minimum developmental expenditure on this single item must be Rs. 500 crores, apart from heavy seasonal financial requirements involved in the cultivation of intensive crops like sugarcane and paddy. The prospect is that almost none of the State Governments or the Co-operative Movement will be coming forward even with 10 per cent. of this huge outlay. And at this predicament, it would be very irrational to throw cold water on incentives for investment in agriculture by such measures as land ceilings and betterment levies and verbally patronising subsistence cultivation. The figures in the table below are unmistakable.

Temporary political appeasement could be the only justification for hurrying up with the imposition of land ceilings all over India. From the social and economic viewpoint, the proposal is fraught with grave and far-reaching dangers. The argument that the Planning Commission has blessed the concept does not take away from the incidence of violence contained in the revolutionary step. *Raiyatwari* land reforms began in 1950, underwent different vicissitudes on account of hasty and superficial decisions, and a close study of this process cannot but lead to the observer wondering when and where the series would terminate.

Two Silver Lines to the Cloud

The Revenue Minister of Andhra Pradesh deserves to be congratulated on two scores: the raising of the ceiling from Rs. 3,600 per annum to Rs. 5,400 net income (Rs. 10,800 gross income), and the admission that the actual surplus land that could actually become available for distribution among the landless might not exceed one lakh acres, and thus the land hunger could not be expected to be met even to a small extent: the estimate for the erstwhile Hyderabad State was about a million converted dry acres (wet and garden lands considered as multiples of dry lands, such multiples varying in different areas). While the ceiling is proposed to be raised by 50 per cent. (income), even the new limit, if enforced, is bound to bang the door against any capital outlay on agriculture in the future, because it works out to Rs. 90 per month per member of family (at five persons per family on the average). The savings margin would not be there, and the tendency would be to hoard (and not plough back) even if any driblets were saved: the general fear of confiscation will influence the distribution of agricultural income. Mr. Kala Venkata Rao has been quite frank in his estimate about the area of surplus lands that might become available after the enforcement of ceilings, but he has evaded the question: Is the game worth the candle? With huge evasions on account of absence of data and the impossibility of verification, with sales and partitions for which an interval has been deliberately allowed, with sub-marginal lands in small plots which should be expected from axing the substantial landholders, with the inherent immobility of agricultural labour, and, above all, with the absence of capital and current equipment, it would not be a pessimistic view to say that the whole thing might fizzle out into nothing more than an upheaval in rural psychology which is bound to tell heavily on agricultural production, with suspicious landholders and disgruntled labourers. The protagonists of the ceilings drama are sowing the wind without realising that the whirlwind would have to be reaped in the near future.

Vague and Fallacious

For the rest of it, the Bill is delightfully vague and grossly fallacious in several respects. The Revenue Minister has referred to the merits of universalising optimum farms, but his argument that agriculture could be expected to be more efficient on a 30-acre farm than on a 400-acre farm, is contrary to facts and closes the door against the immense potentialities of large-scale mechanised farming and intensive cultivation. The yield of sugarcane per acre in the Bodhan area (under the Nizamsagar Project) is over 90 tons in big estates, while the average yield, including small holdings, is 20 tons for the State.

An interval is deliberately allowed for partitions and sales upto the date of notification. If the proposal was taken up seriously, the right thing to do was to issue an ordinance with immediate effect. The provisions in the Bill about the determination of the ceiling (the average yield during the previous three years, calculated at the average price during the previous 10 years) and the scale of compensation to retiring landholders (with slabs ranging from 10 to 5 times the annual net income), and the re-determination of "local areas" all over again, remind one of a touring officer travelling by cart along tracks all the night and reaching the starting point at daybreak on account of the uncertainty of such tracks. The greatest handicap in the Indian agricultural economy is the absence of standardisation in soils, rainfall, yields and prices, and the anti-climax is the reputed unreliability of available statistics. Orchards and grass farms are to be axed, but not sugarcane farms maintained by sugar mills as on 10th June 1950. Why not the same principle apply to cotton, oilseeds and tobacco which earn considerable foreign exchange?

Areas and Incomes

The Planning Commission is quite clear that the ceiling on landholding should be a multiple of a family holding determined on the basis of area and manageability by the cultivating family. But the Andhra Pradesh Bill has inherited the income yardstick from the erstwhile Hyderabad Government, the only change being from Rs. 3,600 to Rs. 5,400 net agricultural income per annum. The Commission is equally clear about the continuance of efficient estates, the break up of which might lead to a lower level of efficiency, but the Andhra Pradesh Bill has ignored this altogether. Composite incomes are not to be considered as also world landholdings. The ceiling is to be extended by Rs. 1,200 per additional member of a joint family in excess of five persons, but who is to determine how many are really members of the joint family, and how many ghost members? Obviously, composite incomes and world landholdings are omitted because of the impossibility of estimate and verification.

The blank shot threatening all dodgers with expropriation without compensation is as ridiculous and impracticable as a possible law ordaining that all citizens of the State taller than six feet should be chopped off to the ceiling level of six feet. While this is the threat about one lakh acres, one fails to understand why the Andhra Pradesh Government is quite complacent about the following figures:

	Lakh acres
Cultivable waste	41.19
Current fallows	48.34
Other fallows	17.29
Barren and uncultivable land ...	72.46
Total	179.28

How much of this 180 lakh acres can be brought under the plough and help towards self-sufficiency in foodgrains, depends mainly on agricultural technique, and this in turn depends on high level capital intensity. At this juncture, it is most unfortunate that the Andhra Pradesh Land Ceilings Bill is brandishing a sword against even the little enterprise and resources that are found in the villages. Professions and loud protestations by the Deputy Chairman of the Planning Commission and the Home Minister are indeed contrary to the potentialities of the Andhra Pradesh Land Ceilings Bill for impoverishing not only Indian agriculture but also the proposed beneficiaries, for the simple reason that, when the national cake dwindles, the rural standard of life must go down correspondingly at the base. If a successor Government should raise the ceiling to Rs. 10,800 annual income, would it be possible to resurrect the chopped off under the present Bill?

A Variety of Apartheid

The idea of enforcing ceilings in the case of *raiyatwari* landholders is a variety of *apartheid*, with a hymn of hate against the substantial landholders who have paid for their lands and shown promise of levelling up the factor of incentive in Indian agriculture. To lay down, apparently for all time, that no cultivating landholder shall earn more than Rs. 450 a month from agriculture, with no upper limit for non-agricultural incomes, amounts to discrimination which is prohibited by the Indian Constitution.

WORLD BANK'S PROFIT FOR 1957

The International Bank for Reconstruction and Development earned a net income of $42 million during the year ended 30th June 1958, as compared with $36 million in the previous year. The Bank's gross income, exclusive of loan commissions, amounted to $99 million, having gone up from $74 million in 1956-57. Along with the rise in income, expenses too moved up from $38 million to $57 million, of which interest on Bank's borrowings and other financial expenses accounted for $48 million. The income from loan commissions aggregated $20 million and was credited to the Bank's special reserve raising it to $114 million. The net income of $42 million was added to the supplemental reserve against losses on loans and guarantees. This reserve now stands at $236 million.

The Bank granted 34 loans amounting to an equivalent of $711 million during the year, as compared with $388 million in the previous year. This brought the Bank's gross total loan commitments at the end of June last to $3,819 million. Actual disbursements aggregated $499 million, the corresponding figure for 1956-57 being $332 million. Seven more countries, Ghana, Ireland, Malaya, Morocco, Saudi Arabia, Sudan and Tunisia became members of the Bank during the year under review, bringing the total number of members to 67 and the subscribed capital to $9,405 million as on 30th June 1958.

Pattern of Employment in Indian Agriculture

Agricultural Labour Enquiry, 1949-51		Population Census of India, 1951		The Tenancy Enquiry in Hyderabad State, 1948		The Land Census, Hyderabad, 1953-55	
Category	Per cent.	Category	Per cent.	Category	Per cent.	Category	Per cent.
1	2	3	4	5	6	7	8
Land owners ...	22.2	Rent receivers ...	2.1	Non-cultivating land-owning families (resident and non-resident) ...	11.8	Area under personal cultivation	82.8
Agricultural tenants ...	27.2	Cultivators of land wholly or mainly owned ...	67.2	Fully cultivating landholding families ...	84.0	Area leased out	17.2
Agricultural labourers ...	20.4	Cultivators of land wholly or mainly mortgaged ...	12.7	Partly cultivating landholding families ...	2.1		
Non-agricultural families	30.2	Agricultural labourers ...	15.8	Landholders-cum-tenants ...	12.8		
				Landless tenants	9.0		
				Agricultural labourers with tiny bits of land ...	17.7		
				Landless agricultural families	21.2		

NEW PUBLICATIONS

Food Production in India—Principles and Problems. By S. Y. Krishnaswamy. Published by Bhamati Books, 3, East Circular, Mandavelipakkam, Madras 28. Pages : 156. Price : Rs. 3.75.

DESPITE all the expert examination to which the problem of food production in India has been subjected, there is no doubt that, by and large, the problem has evaded solution. "Our concern with the subject of food production," says Mr. S. Y. Krishnaswamy, the author of the book under review, "has been fitful and intermittent, and has been characterised by alternating spurts of self-gratulation and self-reproach." In this book, which contains the Rt. Hon. V. S. Srinivasa Sastry Endowment Lectures delivered by the author at Madras in March last, a comprehensive examination of the problems relating to food production is followed by a discussion on the right type of organisational machinery that is necessary in the interests of increased food production. In view of the fact that there is no real lack of knowledge about the technique for raising the output of food, it is difficult not to agree with the author's main conclusion, namely, that it is the organisational defects which must first be remedied. He rightly argues that "if it is accepted that, technically, the measures that are being adopted are the correct ones and that no one has yet been able to suggest anything other than water, seed, manure and reclamation and moisture conservation, then, the major defect has to be looked for in the organisation of the work." A notable defect, as Mr. Krishnaswamy has himself pointed out, is the absence of co-ordination between the great dam builders and the lesser men who are in charge of the distributary system. This defect has led to a colossal national waste in the shape of unutilised irrigation potential—a potential which has been created at such heavy cost.

Elsewhere, the author places his finger on the right spot when he points out that the local farmer has neither the money nor the equipment nor the knowledge that are necessary for a soil-intensive kind of agriculture. It is somewhat depressing to note that unrealistic land reforms prevent the flow of capital and knowledge to the countryside. The author finds fault with the present organisation for food production which is based on a Governmental structure which is suitable for the maintenance of law and order but not for the development of the resources of nature. He pleads for pressing into service the village "shandy," a living economic institution. Above the "shandy" there should be autonomous regional boards for the integrated development of all the resources of a region. These boards should be regional and autonomous in the fullest sense and should transgress State boundaries where necessary. Among many specific suggestions which the author has made, mention should be made of: (1) the minor irrigation plan should pay more attention to the supply of water to the tanks than to the letting out of water from them; (2) draw wells should not, as a rule, be connected with power pumps and the economy upset; (3) the use of fertilisers has to be related to individual soil needs and the deficiencies of the various elements in the soil nutrition, of which nitrogen is only one; (4) land reforms should concentrate on a floor, more than on a ceiling, and build up the small farmer from below; (5) co-operative farming should be abandoned in favour of co-operative servicing for the individual farmer.

In conclusion, the author says: "The fact remains that so far we have not succeeded in solving the food problem and it is legitimate to apprehend that, unless something drastic is done, the problem will snowball itself into unmanageable dimensions." The Central and State Governments will do well to heed this warning. If there is one aspect of our economy which requires more drive and energy than any other, it is food production. The author has done a real service in bringing to bear upon the problem a commendable freshness of outlook.

The Investor's India Year-Book. Compiled by Place, Siddons and Gough, Post Box 592, Calcutta. Published by Orient Longmans Private Ltd., 17, Chittaranjan Avenue, Calcutta, 13. Pages : 490. Price : Rs. 20.

The annual publication, *Investor's India Year-book*, compiled by Messrs. Place, Siddons and Gough, Stock and Share Brokers, Calcutta, is too well known among investors as an authentic work of reference to need any introduction. Nevertheless, the latest edition is noteworthy for its expanded preface in the course of which the compilers have made a competent analysis of the maladies which beset the country's economy during the year 1957. The object of the analysis is not to make a hunt for scapegoats on whom the blame for the economic ill can be laid, but to sift the nature of the difficulties, in order to "ascertain the lines along which the remedial action would be most effective."

Such an analysis has shown, the authors of the preface point out, that "of all the different facets of the present economic problem, it is the slump in share prices that is most significant." Dilating on this point, they observe:

> "The Stock Exchange, true to its function of *barometer of the economic outlook*, has correctly registered not only the loss of investment confidence but also the inadequacy of savings, without which development expenditure can create only inflation and not progress. It is the lack of *savings that lies at the root of the present ills of the economy.*"

In short, the past year is described as a year of crisis of savings. The danger is that "unless *something is done to change the investment* climate, it is likely that, before long, there will not be enough savings in the country for any sort of investment, private or public."

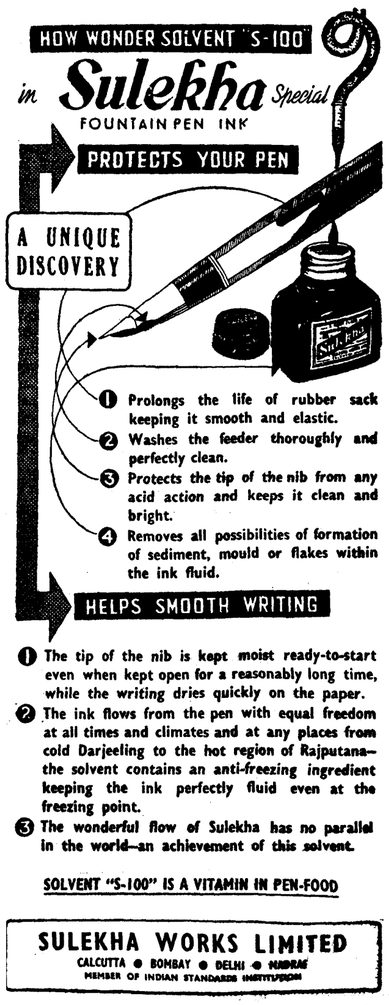
As regards foreign investment, the authors point out that the conditions in the stock markets during 1957 provided the strongest possible deterrent to foreign investors. Even if foreign resources are made available, they contend, such "will either be wasted or will have to be employed in work that could, in difficult circumstances, have been performed by domestic saving and investment. It would be possible to attain a far more rapid rate of advance, if foreign aid were to supplement a vigorous, active home investment drive, instead of having to make up for the limitations and deficiencies of an almost extinct class of domestic investors."

In the last few months, however, the stock markets have presented a slightly brighter picture, due to the mild changes in the official policies here and there, but the main problem of mobilising the savings and providing an investment climate remains to be tackled.

The publication, with its analysis of the major industries and statistical data of various companies, constitutes an authoritative book of reference to investors in shares and securities all over India.

Law and Practice of Banking. By Sohrab R. Davar. Eighth Edition. Published by The Progressive Corporation Private Ltd., Jehangir Wadia Building, 51, Mahatma Gandhi Road, Bombay. Pages : 829. Price : Rs. 13.50.

The fact that the *Law and Practice of Banking* by Mr. Sohrab R. Davar has passed into its eighth edition is itself an index of the continuing utility of this well-known publication. The law on banking has undergone several changes in recent years and Mr. Davar's book is fully equal to the task of explaining the intricacies of the law in a manner that must appeal as much to the expert as to the layman. In this eighth edition, the author, Mr. Sohrab R. Davar, has brought the case law up-to-date, enlarged the chapter on bankers' security for advances and dealt with in greater details the subject of co-operative banks. The appendix includes the text of the Banking Companies Act, the Negotiable Instruments Act, the Reserve Bank of India Act, the Schedule Banks Regulations and the State Bank of India Act. A well arranged index makes the task of reference smooth and easy. There is no doubt that the book deserves the wide measure of popularity which it enjoys among bankers and students of banking.



UNDER SECRETARY TO GOVERNMENT 25 AUG 1958

ACCEPTANCE OF INSURANCE POLICIES BY BANKS WITHOUT DEPOSITS

MORE LIBERAL ATTITUDE URGED

THE question of acceptance by banks of policies issued by Indian insurers and the release of security deposits made by insurance companies with the State Bank of India has been agitating the minds of insurers for a considerable time. Appropriately enough, this problem figured in the speech delivered by Mr. P. U. Patel, Chairman of the Indian Insurance Companies' Association, at the recent annual meeting of the Association. Mr. Patel pointed out that the insistence of banks on deposits to be kept with them to ensure the acceptance of policies issued by insurance companies had caused considerable hardships to the companies. Despite the favourable reaction of the Indian Banks' Association and the accommodating attitude shown by it, the position has not improved. Mr. Patel expressed the hope that banks would adopt a more realistic attitude in the matter by accepting policies issued by companies more freely than in the past and without insisting on any deposit requirement.

The Committee of the Indian Insurance Companies' Association, in the course of a memorandum addressed to the Indian Banks' Association, has tried to bring out the problem faced by insurers in their dealings with banks. The non-acceptance by banks of policies issued by Indian insurers and the insistence by the former on deposits to be made with them in order to ensure acceptance by them of policies issued by these companies to their clients in respect of goods against which loans have been advanced by banks has caused, according to the Committee, considerable hardships to the companies. Many companies felt compelled to comply with this requirement lest their normal working should be hampered and their clients put to considerable difficulties if their policies were unacceptable to banks. Large funds were thus needlessly tied up which could be more profitably utilised in the day-to-day business of Insurance companies.

Insurance companies, as is well known, also need liquidity for their funds and the locking up of funds with banks, the Committee emphasised, handicapped their working. It curtailed their normal retention capacity and restricted the scope of their operations. Further, the investment of general insurers in Government securities was never on the high side and, as such, it was impossible for them to comply with the requirement.

The Indian Insurance Act calls for statutory deposits being maintained with the Reserve Bank of India and these deposits are available for the absolute security of policyholders. This requirement, the committee submitted, constituted a sufficient safeguard and there was, therefore, hardly any justification for a bank to insist from an insurance company on a separate deposit for itself. The memorandum added that the Code of Conduct required general insurers to maintain a minimum security margin. This was designed to ensure that Indian insurers conformed to sound standard and approximated closely to the solvency test prescribed by the British Board of Trade for companies in the United Kingdom. This and other salutary provisions under the Code, the Committee maintained, rendered it unnecessary for banks to require deposits from insurance companies as security. It may be noted here that foreign exchange banks and other foreign banks do not call for such deposits from Indian insurance companies for the acceptance of their policies.

Emphasising the need for banking and insurance to go hand in hand, the Committee suggested that the Banks' Association should agree to an arrangement providing for policies of all insurance companies which satisfy the minimum security margin test being accepted by all member-banks upto at least Rs. 5 lakhs per risk, without the companies being required to make any deposits for this purpose. In certain cases, policies of Indian companies were already being accepted for much larger amounts or without any limits and this practice, the Committee suggested, should be continued.

The Committee, in another memorandum, has also drawn the attention of the Managing Director of the State Bank of India to the difficulties experienced by Indian insurance companies and the loss of business suffered by them as a result of the retention by the State Bank of India of security deposits made by these companies with the former Imperial Bank of India. Several insurance companies, as is common knowledge, were required by the former Imperial Bank of India to make deposits of varying amounts in order to ensure acceptance by it of fire policies issued by these companies to their clients in respect of goods against which loans had been advanced by the Bank. Representations were made, on behalf of some of these companies, requesting the Bank to revise its attitude in this matter, pointing out that the progress made by the companies during the period of their operation over the years, coupled with their relations with other banks, should be taken as a sufficient guarantee for the satisfactory discharge of their obligations in regard to any policies in which the Bank might be interested. It was felt by the companies that retention of the deposits made by them in early years of their growth and development was no longer necessary in the altered circumstances.

The practice of requiring deposits by the State Bank has been followed by similar insistence by other banks, especially those which have recently come under the Control of the State Bank, such as the State Bank of Hyderabad. For reasons enumerated above, such a stipulation, according to the Committee, was not only needless but detrimental to the working and progress of insurance. The Committee, therefore, urged that the State Bank should give a lead in this matter by returning the deposits of all insurance companies in order that such other banks as insist on deposits could be prevailed upon to emulate its example by waiving this requirement which had impeded the progress and development of insurance business in the country.

While the Indian Banks' Association has reacted favourably to the memorandum, the stand taken by the State Bank of India has not been so favourable. The State Bank of India maintains that, while it is satisfied that the minimum security margin, in addition to the compulsory deposit with the Reserve Bank of India, forms the solvency test under the Code of Conduct, it is unable to accept the proposal that the fire policies of each of the companies satisfying the test should be accepted without security deposit, as a rule. The Bank adds that it has as many as 38 out of 44 companies which are members of the Association on its approved list who have been granted limits with or without deposits. It has, however, agreed to advise its local head offices that, along with other considerations, they should give due weight to the quantum of assets over liabilities, i.e., the maintenance of the minimum security margin, while determining the free limits or prescribing the amount of deposits on the merits of each case.

The Indian Banks' Association has issued a circular letter to its member-banks recommending them to prepare an approved list of Indian insurance companies satisfying the solvency test and to give them their best possible co-operation in the matter of accepting their policies without deposits. Despite this, however, it is said that some of the banks continue to adopt a "difficult attitude." There is some force in the contention of the insurers that the banks could adopt a more liberal attitude. It would, therefore, be desirable if the banks could persuade themselves to examine whether they can take a more helpful attitude in the matter, without, of course, compromising their interests.

EMPLOYERS' CONTRIBUTION TO STATE INSURANCE

The Employees' State Insurance Corporation has decided that, for the time being, no date be fixed for increasing the employers' special contribution in areas where medical care under the scheme may be extended to families of insured workers. Although employers are at present contributing 1¼ per cent. of the total wage bill as their share of expenditure on the scheme in implemented areas, it has been statutorily provided that this contribution may be increased to 4¼ per cent.

The Corporation, however, has emphasised that extension of medical care to the families and further implementation of the scheme in new areas should not be delayed on this account. The additional expenditure to be incurred may be met from the current revenues of the Corporation, but the reserves should not be touched for this purpose. If, however, the valuer's final report showed that the rate of employers' special contribution should be increased, the Central Government would take necessary action. For this purpose, the valuer's report should be completed in three months.

The Corporation has also decided that maternity benefits to insured women should be paid at the rate of full assumed average wage of the worker, as against the present rate which amounts to half of the average wage or 12 annas, whichever is greater.

The Corporation has urged the State Governments, who are primarily responsible for the provision of medical benefit under the Act, to take urgent steps to provide hospitals according to the prescribed scale. It has expressed dissatisfaction at the progress made in the construction of hospitals and has asked the Director-General of the Corporation to impress upon the State Governments the need for expediting construction of hospitals. It has also asked the Director-General to take up with the State Governments the question of constructing dispensaries as quickly as possible.

EMPLOYEES' STATE INSURANCE SCHEME

With the extension of the Employees' State Insurance Scheme to Bangalore with effect from 26th July, another 50,000 factory workers have been brought under the scheme. The scheme provides for medical care along with the cash benefits in the form of sickness benefit, maternity benefit, disablement benefit and dependants' benefit in case of death of the insured person due to employment injury. Bangalore is the first centre in the country where the families of insured persons will also receive medical care along with the usual benefits extended to insured persons. The families will become entitled to the medical care 13 weeks after an insured person becomes entitled to benefits under the scheme.

The scheme is already in force in 63 industrial centres covering about 1,280,000 employees and the inclusion of the new centre would be a step forward in the phased implementation of the scheme throughout the country. The State Government will be responsible for the provision of the medical care. For this purpose, 26 State insurance dispensaries are being set up. Three local offices, two sub-local offices and three pay-offices are being opened for the payment of cash benefits under the scheme. Factory employers in the area have so far been paying ¾ per cent. of the total wage bill as employer's special contribution under the scheme. With the enforcement of the scheme, they will now be required to pay special contribution at 1¼ per cent. of the total wage bill.



SIGNIFICANCE OF TERMS OF TRADE

WIDE SWINGS HARMFUL TO BOTH ADVANCED AND UNDERDEVELOPED COUNTRIES

THE changes in the terms of trade, as reflected in the ratio between the import and export prices, is a crucial factor for determining the strength and stability of an economy. Any disturbance in the terms of trade will tell on the economic fortunes of those countries which are heavily dependent on foreign trade. The primary producing countries no doubt have a great stake in terms of trade, in view of the fact that they earn half or even more of their national income from the export of one or two commodities subject to violent fluctuations in prices. Even to industrial countries, the consequences of the changes in the ratio between import and export prices are important. This point has been impressively brought out in an interesting article entitled "The Terms of Trade" by Mr. A. C. L. Day, Reader in Economics in the University of London, contributed to the latest (July 1958) issue of *Lloyds Bank Review*. The author has emphasised that the adverse terms of trade are a real burden on the country concerned and reduce its real income which in turn tells on its trade with other countries.

The experience of the British economy during the past few years affords an example of how the advanced countries are affected by the changing fortunes in their terms of trade. The economic history of the U.K. can conveniently be divided into two periods: the war and the post-war reconstruction period, from 1938 to 1950, and subsequent years upto 1956. Mr. Day points out that, in each of these two periods, the total national product in the U.K. went up by £2,000 million (measured at 1948 prices). But, there was a serious deterioration in the terms of trade during the first period, thanks to steeper rises in import prices than in those of its exports. The situation gradually improved during the second period, the terms of trade in 1956 being the same as in 1950, which meant that the country needed no bigger volume of exports to buy a given volume of imports.

Adverse Terms of Trade

It may be recalled that the U.K. had an adverse balance of trade in 1938 which in subsequent years was further aggravated by the war-time losses of overseas income. It was sought to be overcome, on the one hand, by reducing the volume of imports and by boosting exports, on the other. The deterioration in the terms of trade occurred in this context presumably as a result of the lower prices which the exports from the U.K. were compelled to maintain relatively to its imports with a view to ensuring adequate competitive capacity for its products. All these changes, according to Mr. Day, cost Britain £1,100 million of resources, either in the form of additional exports or reduced imports. In other words, the external needs absorbed an amount equal to over half of the additional resources (£2,000 million) produced by the British economy in 1950 as compared with 1938. It follows then that only less than half of the increase in national resources over the pre-war year was available for domestic use.

The second period affords a refreshing contrast to this picture. To quote Mr. Day:

"Comparing the two years 1950 and 1956, there was some worsening in the balance of payments. To make such a comparison is, however, rather unfair to the trend of events, and it is probably more reasonable to say that the balance of payments around 1956 was showing a surplus similar to that of 1950. Moreover, it has already been seen that the terms of trade were much the same in the two years. External needs did not, therefore, take any of the £2,000 million additional resources coming forward over this period—all of this amount was available at home. The consequences of the difference between the experience in the two periods are obvious. More than twice as large an increase in resources was available for investment at home, for the consumer and for the Government, in the six years 1950-56 as during the 12 years 1938-50. Hence the investment boom and the rise in consumer expenditure during the nineteen-fifties."

World-wide Swing

The deterioration in the terms of trade in the U.K. during the war and immediate post-war years can, no doubt, be attributed to internal developments. But the major cause, as Mr. Day rightly observes, was the world-wide swing in the terms of trade between the broad groups of manufacturing countries and of primary producers. While the index of prices (as computed by Arther Lewis) of exports of manufactured goods rose from 122 in 1938 to 206 in 1950 (Base: 1913 prices=100, prices in dollars) the index of primary product exports went up from 91 in 1938 to 210 in 1950. Correspondingly, the terms of trade of the industrial countries with the primary producers fell from 134 to 98. Thus, a given volume of manufactures used to buy in 1950 less than three-quarters the volume of primary products bought in 1938. The high level of demand for primary products generated in the course of the boom of the war and post-war years, coupled with the stock-piling programme of the U.S. during the Korean war, accounted for this swing in the terms of trade. The inelasticity of supply of these commodities in the short run only forced the pace of this fluctuation.

These trends, however, were short-lived, thanks mainly to the remarkable resilience of the advanced economies. In this connection, the author says:

"The fact is, however, that there is a great deal of automatic self-correction in this part of the economic system—albeit a self-correction which is slow and jerky in its operation. If primary product prices get too high, then manufacturers develop synthetic substitutes or processes which use less materials and more of other factors of production, and market demand tends to switch towards more highly fabricated products with a smaller material content. Again, if primary product prices are high enough, Governments and business men in underdeveloped countries will find good reason to put less of their investment funds in industry and more into primary production. . . . The unfortunate thing is that all of these kinds of reaction come about very slowly, so that additional supplies may still be coming forward now in reaction to the high prices of several years ago. This is another force leading towards quite sharp fluctuations in the relative prices of industrial and primary products, which is superimposed on the other force causing such fluctuations at which we have already glanced, namely, the effects of fluctuations in industrial activity combined with the short-period inelasticity in the supply of most primary products. Since the two kinds of fluctuation may sometimes reinforce and sometimes offset one another, it is a brave man who places very much confidence in predictions of the agricultural-industrial terms of trade for more than a very short time ahead."

Recent Trends

There is, however, no denying the fact that, as the recent trends in commodity price indices in world trade indicate, the primary producing countries have had to encounter great hardships of late. Since 1951, there has been a definite deterioration in the terms of trade of most primary producers. It was, at first, felt quite sharply as a result of the collapse in commodity prices after the Korean boom, then more slowly, because of the upward creep in prices of manufactures at a time when the general level of commodity prices has shown no clear trend.

The following tables, showing the export price indices by regions and commodity price indices in world trade for the years 1952 to 1957, will facilitate a better understanding of the subject under discussion:

TABLE I

Export Price Indices by Regions

(1953=100)

	1951	1952	1954	1955	1956	1957
Free world	108	105	99	99	101	104
North America	100	101	98	100	103	107
Latin America	107	102	107	98	98	100*
Continental W. Europe ...	106	109	97	98	101	105
Sterling Area	113	104	99	100	100	102*
U.K. Ireland, Iceland	96	102	99	100	103	106
Middle East	104	100	101	103	105	109*
Far East	143	116	102	99	95	96*
Other Sterling	126	104	98	98	96	97*
Other Middle East ...	121	114	107	106	110	114*
Other Far East	127	108	94	94	94	95*

* First three quarters. *Source:* United Nations.

TABLE II

Commodity Price Indices in World Trade

(1953=100)

	1952	1954	1955	1956	1957
Manufactures	104	98	100	103	107
Primary products	105	104	101	102	104
Food:	101	108	99	99	100
Coffee, tea, cocoa ...	94	141	107	107	102
Other food	103	95	95	96	99
Other agricultural: ...	110	100	102	101	102
Fats and oils ...	100	96	89	98	95
Wool	87	96	85	87	97
Others	120	102	111	106	105
Minerals:	108	99	102	110	115
of which metal ores ...	114	95	104	112	110

Source: United Nations.

The erratic movements in the prices of commodities, however, do not seem to indicate any clue for future course of events. Dilating upon this point, the author observes:

"The widely varying experiences of different commodities shows how dangerous it is to try to predict the future of commodity prices in general. Perhaps a fair summary is to say that, while commodity prices have taken some hard knocks, and many of them have received a great deal of publicity, the outlook is not too discouraging for most commodity prices, so long as the American recession is not intensified and provided it does not last too long. If the commodity markets as a whole were in a hopelessly weak state, it could have been expected that they would all have taken much harder knocks already as a result of the recession. The world will probably have to adjust to the present kind of relationship between primary product prices and prices of manufactures, until recovery is clearly well under way in the United States; but there are fewer indications than one might think of any general collapse in prices—though there may still be dramatic happenings in store for individual commodities."

It cannot be gainsaid, however, that the adverse movements in the terms of trade upset the pace and progress of development in any country. To quote Mr. Day:

"One dynamic effect is now a commonplace. This arises from the long time-delay before many countries (in particular primary-producing countries) react to a fall in their export earnings by reducing their imports (whether the reduction is by market mechanisms or by Government action). For a time, the tendency is to maintain the old volume of imports, at the expense of reductions in their exchange reserves, as was the case in the outer sterling area in 1951-52 and 1957-58. Subsequently, it is likely to be considered desirable to rebuild reserves again to a satisfactory level, which may be possible only by particularly sharp cuts in imports. For a time, imports by the countries which have suffered an adverse shift in the terms of trade may, therefore, have to be reduced below the new equilibrium level. This is only a particular example of the general rule that a terms of trade change is an important disturbance to the economy, and it takes some time and difficulty to adjust to such a disturbance."

Fear of Slump Discounted

Mr. Day, however, discounts the fear expressed in certain quarters that the sharp falls in commodity prices and a consequent deterioration in the terms of trade of the primary producing countries will lead to a progressive decline in the total level of expenditure in the world and thus lead to a serious slump, both in the primary producing and in the manufacturing countries. This fear, according to him, is based on the fact that the Great Depression preceded a shift in the terms of trade against primary producing countries. He points out, in this connection, that in the 'twenties, the importance of maintaining total expenditure as a means of maintaining the level of activity was not at all fully realised. Now it is well understood—at times, a little too well. He adds:

"The consequence of a shift in the terms of trade against the primary producers is that their potential spending power is reduced—but that the potential spending power of the manufacturing countries is correspondingly increased. In the 'twenties, there was little or no conscious mechanism by which this increase in the potential spending power of the manufacturers could be taken up: hence the spiral of recession. Today, Governments in most manufacturing countries know perfectly well how to take up any undesired slack that may show itself. There is, therefore, no more danger that a collapse in primary product prices must inevitably lead to a spiral of deflation and unemployment than there is from any other sudden decline in spending, whether it comes from a drop in defence expenditure, a fall in investment or a rise in consumer savings."

Need to Stabilise Prices

All these considerations, however, do not rule out the need for stabilising commodity prices, in the absence of which the sharp fluctuation in commodity prices will jeopardise the growth of primary producing countries. It is harmful to the advanced countries as well. By allowing unnecessary fluctuations in primary product prices, as Mr. Day points out, the industrial countries probably maintain the average level of the terms of trade more unfavourable to themselves than it otherwise would be, because instability makes the primary producing countries less willing to produce and export more primary products.

Naturally, a country would always wish to have favourable terms of trade, that is, to sell dear and buy cheap. There are, however, certain exceptions. Political and philanthropic considerations may induce some advanced countries to tolerate worse terms of trade in the interests of the underdeveloped countries. In this context, Mr. Day warns against indiscriminate schemes for commodity stabilisation designed to keep the primary product prices at more than equilibrium levels, for, he avers, their long-run effect would be to encourage

(*Continued on page 331*)

KRISHNARAJENDRA SHOWS LOWER PROFIT

DIVIDEND CUT—EXPANSION PLAN PROGRESSING

THE hardship through which the cotton textile industry passed in the past year is well known. Higher prices for cotton, stores, chemicals and spare parts, enhanced excise duty and labour cost, a progressive decline in the prices of finished products and heavy consumer resistance, all these led to a shrinkage in the profits of cotton mills. It is common knowledge that for 1957 several mills showed a loss and many others greatly diminished profits. The working of the Sri Krishnarajendra Mills Ltd. (Chairman and Managing Director: Mr. H. N. Pallegar, Mysore) during the year ended 31st March 1958 is typical of the many such instances reported in these columns ere now. A marked decline in profit was the Company's lot during the year under review. After reporting a steady upward trend from Rs. 6.66 lakhs in 1951-52 to Rs. 24.41 lakhs in 1955-56, the Company's profit curve took a downward trend in 1956-57 for which year the gross profit was Rs. 18.04 lakhs. It fell steeply in 1957-58, the actual gross profit being no more than Rs. 5.18 lakhs, a drop of 72 per cent. As the gross profit was inadequate for meeting the provision for depreciation, there has been a net loss, according to our reckoning, of Rs. 1.50 lakh. The Directors have, however, written back a sum of Rs. 6.68 lakhs, being excess provision for depreciation provided in 1952-53, and have utilised it for declaring a dividend of 9 per cent. (Rs. 4½ per share of Rs. 50) and crediting the reserves with Rs. 1.70 lakh.

The following table shows at a glance the Company's results for four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds	1,01.44	99.08	1,16.75	97.52
Closing stocks	42.01	29.59	23.15	34 71
Manufacturing and other expenses	1,09.72	99.52	93.40	80.74
Gross profit	5.18	18.04	24.41	17.78
Provision for—				
Depreciation	6.68	4.84	5.46	6.00
Taxation	...	5.40	10.00	5.44
Net profit (+) or loss (—) ...	—1.50	+7.80	+8.95	+6.34
Excess provision for depreciation written back	6.68	...	...	...
To reserves	1.70	3.56	3.00	2.65
Dividend	4.50 (D. 9%)	5.14 (D. 14%)	5.14 (D. 10% +B. 4%)	3.67 (D. 10%)
Carry forward	0.38	0.19	1.09	0.28

D = Dividend. B = Bonus.

It will be seen that no provision has been made for taxation. This is understandable, because there seems to be no assessable income. The sum of Rs. 1.70 lakh shown in the table as a transfer to the reserves is made up of Rs. 1,65,064 credited to the development reserve and of Rs. 4,687 earmarked for meeting depreciation on investments.

The dividend of 9 per cent. represents a cut of 35.7 per cent. as compared with that for 1955-56 and 1956-57. It is lower than even that (10 per cent.) for 1954-55 but is the same as that for 1953-54 and higher than the 8 per cent. paid for 1950-51 and 1952-53 and 6 per cent. for 1951-52.

The aforesaid table clearly shows that the chief factors responsible for the adverse results for 1957-58 were the sharp rise in manufacturing and other expenses and the heavy accumulation of stocks. Thus, while the sale proceeds increased by only Rs. 2.36 lakhs, manufacturing and other expenses were up by Rs. 10.20 lakhs. Of this, consumption of raw materials (cotton) alone showed a rise from Rs. 58.59 lakhs to Rs. 65.71 lakhs. Closing stocks also stood higher at Rs. 42.01 lakhs, as against Rs. 29.59 lakhs in the previous year. This reflects, to a considerable extent, the consumer resistance in the cotton goods market.

The Company's expansion programme is being steadily implemented. Referring to this subject, the Directors observe as follows:

"Last year, it was reported that, out of 12,180 spindles licensed under the expansion scheme, 9,240 spindles were erected and put into production. During the year under report, the remaining 2,940 spindles were also erected. The total spindleage of the mills now stands at 42,924. Out of 96 automatic looms sanctioned for expansion scheme, 24 Texmaco automatic looms have been received and are in the process of erection. Another 24 Texmaco automatic looms are expected to be received shortly: On account of the rigid import restrictions, import licence for the remaining 48 automatic looms and the preparatory machinery has not been granted so far.

"In connection with the installation of a spinning unit of 12,000 spindles at Chitaldrug, orders have been placed for a portion of the machinery with Textool Company, Ltd., Coimbatore, and we are awaiting the receipt of import licence to import the rest of the machinery. The construction of the buildings at Chitaldrug is progressing and has come up to basement level."

The balance-sheet of the Company as at 31st March 1958 shows that its paid-up capital is unchanged at Rs. 36.70 lakhs. These are supplemented by reserves and surplus aggregating Rs. 22.29 lakhs. The provision for taxation stands at Rs. 5.69 lakhs and current liabilities at Rs. 57.81 lakhs. Of the latter, secured loans from banks account for Rs. 38.81 lakhs. The gross block of Rs 105.51 lakhs has been written down to Rs. 35.04 lakhs. Of the difference between the two figures, actual depreciation amounts to Rs. 61.66 lakhs, the balance, namely, Rs. 8.81 lakhs, representing the capital reduction effected in the distant past. The net block of Rs. 35.04 lakhs includes additions to building, plant and machinery made during the year of the value of Rs. 9.48 lakhs. The current assets aggregate Rs. 87.45 lakhs and exceed the current liabilities and provision for taxation by a margin of Rs. 23.95 lakhs.

It may be noted here that, way back in 1926, the Company underwent a capital reduction scheme when the paid-up value of each share was reduced from Rs. 50 to Rs. 25. Twenty-two years later, however, the paid-up value was raised to the original level of Rs. 50 by capitalising reserves to the tune of Rs. 18.35 lakhs.

The Rs. 50 fully paid-up shares are currently quoted at Rs. 72.50 *cum-div.* On an *ex-div.* basis, the yield is 6.6 per cent. per annum. Indications are that, in the current year, the Company will fare better.

OSLER ELECTRIC LAMP MANUFACTURING COMPANY

The interim appointment of Mr. Ramendra Chandra Roy, Assistant Secretary, Eastern Zone, L.I.C., as special officer in charge of the Osler Electric Lamp Manufacturing Company, Ltd. was confirmed last week by Mr. Justice Bose of the Calcutta High Court. Accordingly, he would take charge of the properties, assets and books of the Osler Company which were not kept in possession by the Receiver appointed by the Bombay High Court. The Court ordered further that all the members of the present Board of Directors of the Company, including its Managing Agents, be removed. The Special Officer was invested with powers to investigate into the Company's affairs and to take such other steps as he considered necessary for straightening the Company's affairs. Orders were also issued for the immediate termination of any agreement between the Company, on the one hand, and the Directors and Managing Agents, on the other. In addition, the present Directors and Managing Agents were debarred from handling in any manner whatsoever the assets and properties of the Company. The Special Officer was, again, authorised to call forth meetings of the shareholders, if he deemed it necessary for the efficient management of the Company's affairs.

(*Concluded from next column*)

is taken up by reserve land (2,756.76 acres) and buildings, roads, etc. (122.41 acres). The Company was allotted 846,731 lbs. export quota of tea for the year 1957-58 which is equal to 63.44 per cent. of the best crop basis. The coffee crop for 1958-59 is estimated at 175 tons. The Company's visiting agents have reported that the estates are being maintained in excellent order.

The balance-sheet of the Company as at 31st March 1958 discloses a satisfactory financial position. The reserves and surplus aggregate Rs. 13.85 lakhs, as against a paid-up capital of Rs. 9.33 lakhs, all in ordinary shares of Rs. 2 each. The current liabilities amount to Rs. 4.27 lakhs. The gross block of the value of Rs. 23.56 lakhs stands written down at Rs. 16.43 lakhs. Additions during the year were of the order of Rs. 1.10 lakh. The current assets amount to Rs. 11.02 lakhs and are equal to more than twice the current liabilities and provision for taxation.

The Rs. 2 fully paid-up shares of the Company are being currently quoted at Rs. 3.90 *cum-div.* On an *ex-div.* basis, the shares yield 5.4 per cent. per annum, free of tax.

CHEMBRA PEAK'S PROFIT DECLINES

EFFECT OF HIGHER EXPENSES

THE results of the Chembra Peak Estates Ltd. (Managing Agents: Messrs. Peirce Leslie & Co., Ltd., Calicut, Kerala) for the year ended 31st March 1958 show a great divergence from the highly encouraging performance noted in the previous year. For, although production of tea touched a new record level and total proceeds from sale of both tea and coffee were higher than those realised in 1956-57, these have been more than neutralised by a sharp rise in estate and other expenditure and a perceptible fall in the prices of tea. Consequently, the Company's gross profit for the year under review at Rs. 3.93 lakhs is only a little more than one-third of the record profit of Rs. 9.39 lakhs earned in 1956-57. It is true that the Company's record earnings has not been uniformly progressive. Nevertheless, the gross profit for the year is the lowest since 1953-54 in which year it amounted to only Rs. 3.90 lakhs. The net profit, after providing for Managing Agents' commission and depreciation and after substantially reducing the allocation for taxation from Rs. 4 lakhs to Rs. 1.47 lakhs, also stands appreciably lower at Rs. 1.58 lakh, as compared with Rs. 4.17 lakhs for 1956-57. In other words, the net profit has fallen by no less than 61 per cent. A sum of Rs. 60,388, representing refund of income-tax and surplus provision, has been written back and added to the net profit. Nonetheless, in view of the steep fall in profits, the Directors have been constrained to cut the dividend to shareholders once again from 20 per cent. to 10 per cent., thereby taking it back to the 1955-56 level. Likewise, the transfer to general reserve has been halved from Rs. 2 lakhs to Rs. 1 lakh. A sum of Rs. 9,262 has also been set apart as development rebate.

The following comparative table brings out some of the salient features of the Company's results for the last four years:

(Value in rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds of tea ...	26,06,796	24,33,033	20,39,852	21,24,096
Sale proceeds of coffee ...	4,82,272	3,62,242	1,90,670	1,99,062
Estate and other expenditure	27,84,871	20,36,509	18,82,468	18,84,340
Gross profit	3,92,032	9,39,325	4,85,283	7,40,075
Managing Agents' commission	25,000	66,291	48,706	48,995
Depreciation	62,625	55,778	86,855	66,780
Taxation	1,47,000	4,00,000	1,18,000	2,42,000
Net profit	1,58,307	4,17,256	1,86,722	3,87,321
Excess provision written back	60,388	...	...	...
To reserves	1,09,262	2,00,000	1,50,000	2,50,000
Dividend	98,340 (10%)	1,96,680 (20%)	98,340 (10%)	1,96,680 (20%)
Carry forward	75,291	80,198	28,022	85,246
Crop harvested—				
Tea in lbs. ...	1,618,887	1,380,470	1,208,198	1,078,648
Coffee in cwts. ...	2,745	3,170	2,247	1,417
Cost of production of tea per lb.	Rs. 1.23	Rs. 1.32	Rs. 1.41	As 25.61
Average price realised—				
Tea per lb. ...	1.36	1.80	1.69	25.60
Coffee per cwt. ... Rs.	117	123.50	117	112.50

The output of tea during the year under review rose further from 1,380,470 lbs. in 1956-57 to 1,618,887 lbs. As stated earlier, this is a new record in the Company's history. In this connection, it may be of interest to know that the Company's production of tea has been steadily on the increase since 1952-53, a factor which redounds to the credit of the management, reflecting as it does excellent upkeep of the plants. In view of such higher yields, the cost of production of tea has come down further from Re. 1.32 per lb. to Re. 1.23 per lb. The average price realised was, however, substantially lower at Re. 1.36 per lb., as against Re. 1.80 per lb. The output of coffee, on the other hand, has not maintained the same steady progress, production in 1957-58 having fallen from the previous year's peak of 3,170 cwts. to 2,745 cwts. Although the decline is not significant, it has occurred for the first time since 1953-54, in which year it was as low as 775 cwts.

It can be seen from the table above that the Company's proceeds from sale of tea during the year under review increased by Rs. 1.73 lakh to Rs. 26.07 lakhs and those from coffee by Rs. 1.20 lakh to Rs. 4.82 lakhs But, as against these increases, the rise in estate and other expenditure was as much as Rs. 7.49 lakhs.

The Company's estates, situated in Kerala State, have a total area of 4,586.50 acres. Of this, mature tea accounts for 1,336 acres and mature coffee (robusta) for 371.33 acres. The rest

(*Continued in previous column*)

COMPANY MEETINGS AND DIVIDENDS

MIM TEA CO., LTD. Annual General Meeting, Calcutta, 27th August 1958. Dividend: *Nil*. Transfer books remain closed from 21st to 27th August 1958, both days inclusive.

KALAPAHARI COAL CO., LTD. Annual General Meeting, Calcutta, 28th August 1958. Dividend: *Nil*. Transfer books remain closed from 16th to 28th August 1958, both days inclusive.

BRIDGE AND ROOF CO. (INDIA) LTD. Annual General Meeting, Calcutta, 28th August 1958. Dividend: Rs. 2.00 per share. Transfer books remain closed from 14th to 28th August 1958, both days inclusive.

AMALGAMATED COALFIELDS LTD. Annual General Meeting, Calcutta, 29th August 1958. Dividend: Re. 1.25 per share. Transfer books remain closed from 20th to 29th August 1958, both days inclusive.

AGRA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 29th August 1958. Dividend: Rs. 10.00 per share or 10 per cent. Transfer books remain closed from 23rd to 29th August 1958, both days inclusive.

UPPER GANGES VALLEY ELECTRICITY SUPPLY CO., LTD. Annual General Meeting, Calcutta, 29th August 1958. Dividend: Re. 1.00 per share or 10 per cent. Transfer books remain closed from 23rd to 29th August 1958, both days inclusive.

SAUGOR ELECTRICITY SUPPLY CO., LTD. Annual General Meeting, Calcutta, 29th August 1958. Dividend: Re. 0.50 per share. Transfer books remain closed from 23rd to 29th August 1958, both days inclusive.

SRI KRISHNARAJENDRA MILLS LTD. Annual General Meeting, Mysore, 30th August 1958. Dividend: Rs. 4.50 per share. Transfer books remain closed from 23rd to 30th August 1958, both days inclusive.

CHEMBRA PEAK ESTATES LTD. Annual General Meeting, Kozhikode, Kerala State, 30th August 1958. Dividend: 10 per cent. or Re. 0.20 per share. Transfer books remain closed from 18th to 30th August 1958, both days inclusive.

EMERALD VALLEY ESTATES LTD. Annual General Meeting, Madras, 3rd September 1958. Dividend: Re. 0.30 per share or 6 per cent., payable on or after 3rd September 1958. Transfer books remain closed from 23rd August to 3rd September 1958, both days inclusive.

DALMIA CEMENT (BHARAT) LTD. Annual General Meeting, Dalmiapuram, District Triruchirapalli, Madras State, 4th September 1958. Dividend: Re. 1.20 per ordinary share and Re. 0.12 per deferred share. Transfer books remain closed from 18th August to 4th September 1958, both days inclusive.

BRITISH INDIA ELECTRIC CONSTRUCTION CO., LTD. Annual General Meeting, Calcutta, 4th September 1958. Dividend: Rs. 2.00 per share or 20 per cent. Transfer books will remain closed from 25th August to 4th September 1958, both days inclusive.

DUFFLAGHUR TEA CO., LTD. Annual General Meeting, Calcutta, 8th September 1958. Dividend: Rs. 3.00 per share (includes interim dividend of Re. 1.00 per share). Transfer books will remain closed from 29th August to 8th September 1958, both days inclusive.

SEAJULI TEA CO., LTD. Annual General Meeting, Calcutta, 8th September 1958. Transfer books will remain closed from 29th August to 8th September 1958, both days inclusive.

GENERAL INVESTMENT AND TRUST CO., LTD. Annual General Meeting, Calcutta, 9th September 1958. Dividend: 2½ per cent. Transfer books will remain closed from 26th August to 9th September 1958, both days inclusive.

INVESTMENT AND FINANCE CO., LTD. Annual General Meeting, Calcutta, 9th September 1958. Dividend: 4 per cent. Transfer books will remain closed from 26th August to 9th September 1958, both days inclusive.

LEDO TEA CO., LTD. Annual General Meeting, Calcutta, 10th September 1958. Dividend: *Nil*. Transfer books will remain closed from 2nd to 10th September 1958, both days inclusive.

MURPHULANI (ASSAM) TEA CO., LTD. Annual General Meeting, Calcutta, 11th September 1958. Dividend: Rs. 2.25 per share, on preferred ordinary shares and Re. 1.75 per share, on ordinary shares. Transfer books will remain closed from 28th August to 11th September 1958, both days inclusive.

LODNA COLLIERY CO. (1920) LTD. Annual General Meeting, Calcutta, 11th September 1958. Transfer books will remain closed from 3rd to 11th September 1958, both days inclusive.

ESTRELA BATTERIES LTD. Annual General Meeting, Bombay, 18th September 1958. Dividend: Rs. 3.00 per share, payable on 22nd September 1958. Transfer books remain closed from 23rd August to 18th September 1958, both days inclusive.

HIGHLAND PRODUCE CO., LTD. Annual General Meeting, Alleppey, Kerala State, 20th September 1958. Dividend: Re. 0.75 per share or 7½ per cent. Transfer books will remain closed from 13th to 20th September 1958, both days inclusive.

NEW DOOARS TEA CO., LTD. Dividend of Rs. 20.00 per share, for the year ended 31st December 1957.

METHONI TEA CO., LTD. Dividend of Re. 1.50 per share or 15 per cent. for the year ended 31st December 1957.

KADRI MILLS (C.B.E.) LTD. Dividend of 10 per cent. for the year ended 31st December 1957.

AMAR DYE-CHEM LIMITED

CHAIRMAN'S PLEA FOR RECLASSIFICATION OF RAW MATERIALS AND IMPORT DUTY

THE Fourth Annual General Meeting of Amar Dye-Chem Limited was held in Bombay on 14th August 1958. In the course of his address to the shareholders delivered on the occasion, Mr. A. K. Doshi, Chairman, emphasised the immediate need for reclassification of raw materials for the purpose of levying import duty, in order to make the protection to the dyestuff industry effective.

The following are extracts from Mr. Doshi's speech:

"GENTLEMEN,

"I have great pleasure to welcome you all here this afternoon to the fourth annual general meeting of the Company. The Directors' report and the audited accounts for the year ended 31st December 1957 have been in your hands for some time past and I shall, therefore, with your permission, take them as read.

"I am sure, the performance in the last year would be viewed with satisfaction. It will be specially appreciated if we take into account the heavy odds against which we had to fight, namely,

(1) The light of collaboration that was gradually dwindling, failed us in the last quarter of the year.

(2) The untrained personnel, on whom we had to rely for evolving the complicated processes involving many steps and finalising them for our use, unadvised and unassisted.

(3) Unwilling labour and their demands.

(4) Accumulation of stocks in the first half of the year, so much so that the factory had to be closed for a month.

(5) Failure of our BON-Acid Plant due to faulty process and its design.

"Notwithstanding all these handicaps, we evolved processes of almost the entire range of dyes produced during the period and placed them on the market. Thus, the emergence of the Company as a manufacturer, wending its way all alone, carefully and cautiously was an achievement, of which all of us could justly be proud.

"At this critical hour, the prime need was to increase production, to develop trade and instil a feeling of security amongst all concerned. Just then, we had to devote much time to the consideration of comprehensive demands from the workmen at the factory. Issues were discussed threadbare before the Conciliation Officer. As no decision acceptable to both the parties could be reached, the matter has been referred to the Industrial Tribunal under the Industrial Disputes Act.

"As you are well aware, during this year, imports of all the items manufactured by the Company have been completely banned. This held out considerable promise and presented both an opportunity and a challenge; opportunity, because it released a powerful stimulus to the sales of our products; challenge, because it called for such resourcefulness as would meet the needs of the country from indigenous production. The floating stocks in the market took one full year to get depleted as a consequence of the above Government policy and there is now an immense demand for our products. We are exerting ourselves to the utmost to cope with the demand.

"The chemical industry is mostly characterised by large investments in plant and equipment. Our capital investment, therefore, of approximately Rs. 15,000 per wage earner is comparatively extremely lower than $30,000 or so invested by U.S.A. chemical factories. We may not aspire at that figure, but this should provide a yard-stick to the investors and to the Controller of Capital Issues, who should appreciate the complex nature of chemical operations, many of which require high temperatures and pressures and high degree of instrumentation.

"In the year 1954, Tariff Enquiry was held with particular reference to the dyestuffs manufactured by one unit and, therefore, only few raw materials came under the purview of the Commission. Since then, and especially since 1956, many units have come into existence and have been operating. But except in the way of banning or curtailing the imports, protection as envisaged by the Tariff Commission is not given, even though representations are made to the Government by the manufacturing units. The customs duty on raw materials alone comes to about 40 per cent. of the c.i.f. value thereof. The cost of the finalised dye would, therefore, work out very high. Further, the cost of indigenous chemicals used in the processes is two or three times higher than those prevailing in foreign countries and this adds to the cost structure as well.

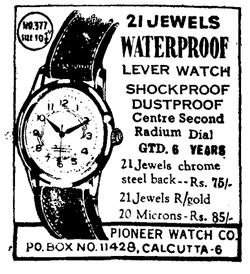
"It is, therefore, imperative that the classification of raw materials and the customs duty thereon should be revised immediately a product is manufactured and that should be done on the lines of the principles set forth by the Tariff Commission.

"The wrong classification of some of the raw materials as 'finished products' and consequent raising of duty from 12 per cent. to 20 per cent. serves to inflict a penalty rather than offer protection. This is an obvious mistake which raises a barricade and must immediately be reviewed to protect the industry. Unless the anomaly is corrected forthwith there is no possibility for the industry to thrive as intended.

"But we should not despair. We are in the midst of the Eastern markets and the visit of our Mr. J. H. Doshi to China, in response to an invitation from them, has enabled the Company to effect recently a shipment of our products to our neighbour—China. We have also secured some trial orders from Europe.

"Given reasonable opportunities and operating conditions, your Company shall continue to expand steadily on a firm footing. Much, however, will depend on Government policies with regard to import of raw materials and availability of foreign exchange."

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



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BRIDGE AND ROOF EARNS HIGHER PROFIT

RESULTS OF TWYFORD AND HAILEYBURIA ESTATES

Bridge and Roof Co. (India) Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie and Co., Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1957.

The profit for the year (including items relating to previous years) after providing for taxation and depreciation, was Rs. 6,35,876 (Rs. 6,14,612) to which is added the balance brought forward from 1956 of Rs. 1,77,445 (Rs. 1,51,297) making a total of Rs. 8,13,321 (Rs. 7,67,445 including post-war excess profit tax refund of Rs. 1,536). Out of this total, the Board has transferred Rs. 4,00,000 (Rs. 3,50,000) to general reserve, leaving a balance of Rs. 4,13,321 (Rs. 4,17,445) available for distribution, which it is recommended be dealt with as follows:—

To payment of a dividend of 20 (20) per cent. absorbing Rs. 2,40,000 (Rs. 2,40,000) and leaving a balance to be carried forward of Rs. 1,73,321 (Rs. 1,77,445).

No provision has been made for liability to Wealth Tax, Payment of Wealth Tax is not considered to be a charge against current profits of the Company, and the Board therefore intends to charge against reserves any payment made in respect of such assessments.

Operations.—Sales during the year were Rs. 167 lakhs, reflecting about the same production as in 1956. Profits before taking into account items relating to previous years, depreciation and taxation, also remained approximately the same.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	21,20,000
Debentures	6,500	Expenditure on buildings under erection ...	6,097
Reserves ...	25,05,000	Stock of raw materials	20,63,930
Provision for taxation ...	4,94,002	Work-in-progress ...	23,53,341
Liabilities ...	82,01,256	Goods-in-transit	1,60,230
Profit and loss account ..	1,73,321	Debts, deposits and advances ...	55,15,559
		Investments	94,207
		Cash ...	2,66,715
Rs	1,25,80,079	Rs.	1,25,80,079

Twyford Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Parkins (Private) Ltd., Kottayam, Kerala State) submit the audited accounts of the Company for the year ended 31st December 1957.

The result of the year's working after providing for depreciation on buildings, factory and machinery amounting to Rs. 37,813 (Rs. 26,054) and after making provision for payment of income-tax and agricultural income-tax amounting to Rs. 1,50,000 (Rs. 2,05,000) is a net profit of Rs. 1,74,521 (Rs. 1,84,796) to which must be added the balance of Rs. 26,152 (Rs. 21,356) brought forward from the previous year's account making a total of Rs. 2,00,673 (Rs. 2,06,152). The directors recommend the payment of a dividend of 15 (20) per cent. for the year 1957 absorbing Rs. 1,68,750 (Rs. 1,80,000) leaving a balance of Rs. 31,923 (Rs. 26,152) to be carried forward to next year's account.

The dividend of 15 per cent. for the year 1957 is on the increased capital of Rs. 11,25,000, while the dividend of 20 per cent. for 1956 is on a paid up capital of Rs. 9,00,000.

Crop and Price.—11,66,231 (9,76,268) lbs. tea was produced during the year under report against an estimate of 10,00,000 lbs. The cost of production was 152.51 cents per lb. against 170.04 cents in 1956. The net average price realised per lb. was 169.83 cents against 219.17 cents in 1956. The stock of tea remaining unsold as at 31st December, 1957 was 5,53,645 lbs. all of which have been since sold.

Estimates.—The estimate for the year ending 31st December, 1958 is 11,25,000 lbs. tea to be produced at a cost of 167.00 cents.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,25,000	Block ...	23,17,059
Reserves ...	16,53,668	Stock-in-trade	11,82,369
Provision for taxation ...	3,57,470	Stores, spare parts and nurseries ...	1,48,539
Liabilities ...	9,16,299	Debts, deposits and advances ...	2,18,720
Profit and loss account ...	31,923	Investments	1,101
		Cash ...	2,16,572
Rs.	40,84,360	Rs.	40,84,360

Haileyburia Tea Estates Ltd.

The directors of the above Company (Managing Agents: Messrs. Parkins (Private) Ltd., Kottayam, Kerala State) submit the audited accounts of the Company for the year ended 31st December 1957.

The result of the year's working after providing for depreciation on buildings, factory, machinery, furniture etc. amounting to Rs. 1,22,664 (Rs. 62,779) and paying debenture interest Rs. 12,650 (Rs. 12,650) and income-tax on debenture interest Rs. 5,046 (Rs. 4,503) and providing for Income-Tax and Kerala Agricultural Income-Tax amounting to Rs. 3,70,000 (Rs. 6,25,000) is a net profit of Rs. 3,82,301 (Rs. 5,61,001) to which must be added Rs. 18,414 (Rs. 36,990) brought forward from the previous year's account making a total of Rs. 4,00,715 (Rs. 5,97,991). Out of this 5 per cent. dividend on preference shares amounting to Rs. 12,500 (Rs. 12,500) has been paid leaving a balance of Rs. 3,88,215 (Rs. 4,60,491 after paying an interim dividend on equity shares of 10 per cent. absorbing Rs. 1,25,000 now available. The directors recommend the following appropriations:—

To pay a dividend of 15 (final dividend of 15) per cent. on the equity shares for the year 1957 absorbing Rs. 2,34,375 (Rs. 1,87,500) and transfer to development reserve Rs. 1,25,000 (Rs. 2,50,000) leaving a balance of Rs. 28,840 (Rs. 18,414 after transferring Rs. 4,577 to reserve for bad and doubtful debts) to be carried forward to next year's account.

The ordinary dividend of 15 per cent. for the year 1957 is on the increased capital of Rs. 15,62,500; while the dividend of 25 per cent. for the year 1956 is on the paid-up capital of Rs. 12,50,000.

The position of the reserves after making the transfer mentioned above is:—General reserve Rs. 8,50,000 (Rs. 8,50,000), development reserve Rs. 5,50,000 (Rs. 4,25,000), dividend equalisation reserve Rs. 1,00,000 (Rs. 1,00,000) and debenture redemption reserve Rs. 2,50,000 (Rs. 2,50,000).

The addition amounting to Rs. 1,45,775 (Rs. 43,617) represents the cost of machinery purchased for Semni Valley Estate. The addition of Rs. 20,392 represents the value of one diesel engine and one set of clutch housing and fly wheel for lorry and value of one Chevrolet lorry fitted with "Perkins" diesel engine. The addition of Rs. 1,03,926 represents expenditure on new clearings, upkeep of immature tea area and cart road.

Crop and Price.—8,34,000 (7,14,583) lbs. tea was produced from Haileyburia and 11,70,000 (9,82,000) lbs. from Semni Valley Estates (total [20,04,000 (16,03,876)] lbs.] during the year under report against an estimate of 7,10,000 lbs. from Haileyburia and 9,90,000 lbs. from Semni Valley [total 17,00,000 lbs.]. The average cost of production was 145.38 cents per lb. against 150.84 cents in 1956. The net average sale price realised was 195.50 cents per lb. as against 234.17 cents per lb. in 1956. The stock of tea remaining unsold as at 31st December 1957 was 8,97,134 (4,36,444) lbs. of which 8,72,600 (4,35,324) lbs. have since been sold.

The Estates are reported to be in excellent order and have been regularly inspected by the Visiting Agents.

Estimates.—The estimates for the period ending 31st December 1958 provide for a crop of 8,00,000 lbs. tea to be produced at a cost of 164.06 cents per lb. from Haileyburia and 11,25,000 lbs. at a cost of 160.55 cents from Semni Valley.

The crop as at 10th July 1958 is 6,11,584 lbs. from Haileyburia and 7,40,527 lbs. from Semni Valley against 3,60,955 lbs. and 5,80,153 lbs. respectively as on 10th July 1957.

The Kerala Labour Minister in a recent speech has stated that the Minimum Wages Committee would recommend the enhancement of Minimum Wage to Rs. 1.75; the compulsory payment of bonus irrespective of loss or gain and the deposit with Government of the gratuity due to workers. These proposals, if implemented, would be dangerous and would seriously affect the competitive position of the industry and its ability to pay its way.

World production again showed an increase in 1957. Production of tea in the African continent continues to increase and new areas are being opened. In addition, teas from Iran, Argentine and Mauritius have all been seen in London. While the International Tea Committee has estimated that the internal consumption in India in 1955 was of the order of 212 million lbs. and that this is increasing, the general picture is not satisfactory. Tea restriction is not finding favour with Producer countries. The only alternative is to emphasise quality and to take steps to increase consumption.

During 1957, prices were generally lower than during the previous year and it was only towards the end of the year that there was an improvement in the tune. In general, good prices were paid for quality teas while poor teas could not even get their cost.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,12,500	Block ...	36,23,688
Debentures ...	2,30,000	Stock-in-trade	20,27,529
Reserves ...	21,25,000	Stores, spare parts and nurseries ...	2,79,275
Provision for taxation ...	3,64,910	Debts, deposits and advances ...	4,40,825
Liabilities ...	14,41,490	Investments	4,100
Profit and loss account ...	28,840	Cash ...	1,27,323
Rs.	66,02,740	Rs.	66,02,740

Agra Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The difficulties associated with the raising of additional capital is at present under discussion with the Central and State Governments. The position has been brought about due to the provisions of the Electricity (Supply) Act, 1948, which does not make adequate provision for meeting charges on loans. The amount of new capital required to meet the present plant extension scheme is Rs. 60 lakhs.

The following schedule indicates that satisfactory progress has been maintained during the past three years:—

Year ended	Maximum demand on power station K.W.S.	Units sold	Revenue Rs.
31st March 1956 ...	7,500	29,067,738	35,45,600
31st March 1957 ...	8,200	31,512,687	38,75,925
31st March 1958 ...	9,400	36,282,671	42,28,832

As the clear profit for the year under review falls short of the reasonable return as calculated under the Electricity (Supply) Act, 1948 a sum of Rs. 56,718 representing the shortfall has been transferred from the balance at credit of the tariffs and dividends control reserve account to the profit and loss account in accordance with the provisions of sub-clause (2) of Clause II of the Sixth Schedule to the Act. Owing to income-tax depreciation allowances the Company has no liability on account of taxation on the profits for the year in question, and no provision has accordingly been made in the accounts in respect thereof.

After providing for all charges and placing Rs. 62,957 (Rs. 46,474) to statutory contingencies reserve, Rs. 4,14,900 (*nil*) to development reserve, Rs. 1,03,000 (Rs. 1,03,000) to reserve for redemption of debentures and Rs. 92,000 (Rs. 2,05,000) to general reserve, there remains a balance of Rs. 2,49,355 (Rs. 2,49,901) including Rs. 49,941 (Rs. 49,073) brought forward from the previous year available for distribution, and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 10 (10) per cent. per annum without deduction of tax Rs. 1,99,960 (Rs. 1,99,960) and carrying forward to next year Rs. 49,395 (Rs. 49,941).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,99,600	Block ...	79,06,130
Debentures ...	10,00,000	Expenditure on capital-work-in-progress ...	3,30,101
Reserves ...	44,20,245	Stores and spare parts, etc. ...	17,31,882
Provision for wealth tax	38,500	Goods-in-transit ...	4,14,073
Liabilities ...	56,30,355	Debts, deposits and advances ...	20,27,248
Profit and loss account ...	49,395	Investments	4,57,937
		Cash ...	2,38,768
		Miscellaneous expenditure	31,956
Rs.	1,31,38,095	Rs.	1,31,38,095

Upper Ganges Valley Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

Although the charges for lighting and fan purposes were reduced in the rural towns, as from 1st April 1957, trading results have been such that the earnings have been in excess of the permissible reasonable return as specified in the Electricity (Supply) Act, 1948, therefore, a further reduction in rates will be put into effect from 1st April 1958.

Notice has been received from the State Government that it proposes to exercise its rights to purchase the Undertaking under Section 7(2) (b) of the Indian Electricity Act, 1910, on the expiration of the initial period specified in the licence; however, negotiations are proceeding with the State Government for an extension of the licence, but if such fail, the Undertaking will be taken over as from 5th February 1959.

The following schedule indicates the progress that has been made:

Year Ended	Units Sold	Revenue Rs.
31st December 1954 ...	7,417,106	12,01,849
31st December 1955 ...	8,138,813	13,34,214
31st March 1957 (15 months)	11,960,311	20,76,277
31st March 1958	11,902,566	19,43,312

The net revenue for the year ended 31st March 1958, after providing for taxation, depreciation and all other charges amounts to Rs. 1,96,041. From this has been deducted a sum of Rs. 1,32,816 in respect of the following reserve allocations in accordance with the provisions of the Electricity (Supply) Act, 1948.

To contingencies reserve Rs. 14,516, development reserve Rs. 48,480, tariffs and dividends control reserve Rs. 34,910 and rebate to consumers Rs. 34,910. There remains a balance of profits amounting to Rs. 63,225 to which is added Rs. 8,663 brought forward from the previous year making a total of Rs. 71,888. After setting aside Rs. 3,000 to general reserve, there is left a sum of Rs. 68,888 which the directors recommend should be dealt with as follows:—

Payment of a dividend at the rate of 10 per cent. per annum without deduction of tax Rs. 59,850 and carrying forward to next year Rs. 9,038.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,99,250	Block ...	11,73,085
Reserves ...	4,67,280	Expenditure on capital work-in-progress	10,348
Provision for taxation ...	82,090	Stores, spare parts and tools, etc. ...	4,64,174
Liabilities ...	17,18,477	Debts, deposits and advances ...	5,09,758
Profit and loss account ...	9,038	Investments ...	1,03,519
		Cash	6,15,251
Rs.	28,76,135	Rs.	28,76,135

Saugor Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

Satisfactory progress has been maintained during the period under review, as indicated in the following schedule:—

Year Ended	Units Sold	Revenue Rs.
31st December 1954	1,280,801	4,21,063
31st December 1955	1,358,962	4,42,098
31st March 1957 (fifteen months)	1,906,378	6,21,206
31st March 1958	1,678,296	5,47,253

As the clear profit for the year under review falls short of the reasonable return as calculated under the Electricity (Supply) Act, 1948, a sum of Rs. 1,119 representing the shortfall has been transferred from the tariffs and dividends control reserve account to the profit and loss account in accordance with the provisions of sub-clause (2) of Clause II of the Sixth Schedule to the Act. Owing to income-tax depreciation allowances the Company has no liability on account of taxation on the profits for the year in question, and no provision has accordingly been made in the accounts in respect thereof.

After providing for all charges and placing Rs. 7,821 (Rs. 4,606) to statutory contingencies reserve, Rs. 6,105 (*nil*) to development reserve and Rs. 48,000 (Rs. 21,000) to general reserve, there remains a balance of Rs. 17,052 (Rs. 21,080) including Rs. 2,330 (Rs. 2,248) brought forward from the previous year available for distribution, and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 5 (5 per cent. for 15 months ended 31st March 1957) per cent. without deduction of tax Rs. 15,000 (Rs. 18,750) and carrying forward to next year Rs. 2,052 (Rs. 2,330).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	11,01,807
Reserves ...	2,10,805	Expenditure on capital work-in-progress ...	7,336
Liabilities ...	9,71,206	Stores, tools, etc. ...	2,48,451
Profit and loss account ...	2,052	Debts, deposits and advances ...	50,637
		Investments	23,928
		Cash ...	51,904
Rs.	14,84,063	Rs.	14,84,063

Cawnpore Textiles, Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland and Co., Private Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the nine months ended 31st December 1957.

The results for the period after making the usual provisions and adjustments show a profit of Rs. 4,11,698 (Rs. 10,07,088 for 12 months ended 31st March 1957) to which has been added the amount brought forward from the previous year of Rs. 48,855 (Rs. 36,767) making a total of Rs. 4,60,553 (Rs. 10,43,855). From this amount has been deducted: Taxation reserve Rs. 24,500 (Rs. 2,70,000), depreciation Rs. 3,25,000 (Rs. 3,00,000) and rehabilitation reserve Rs. 1,00,000 (Rs. 2,75,000). [Against development rebate of Rs. 1,58,021] leaving to be carried forward to next account Rs. 11,053 (Rs. 48,855 after paying a dividend of Re. 0·25 per share, absorbing Rs. 1,50,000).

During the period under review trading conditions have continued to be extremely difficult. The offtake of cloth deteriorated considerably resulting in heavy accumulation of stocks of finished goods. The reduction in excise duty on cloth announced on 14th December 1957 did not produce any marked improvement in the offtake of cloth, as the quantum of reduction on medium cloth mainly manufactured by the Company's Mill was negligible. It is hoped that the recent announcement in the reduction of excise duty on medium cloth will have a more favourable effect on the movement on cloth. Labour relations in general remained satisfactory.

Reference is made in the balance sheet to commitments on account of capital expenditure amounting to Rs. 3,60,000. That expenditure has been authorised in connection with a capital development programme which has been approved by the directors. Rs. 1,00,000 has been utilised out of the rehabilitation reserve.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	16,48,035
Reserves ...	33,43,336	Stock-in-trade	56,47,968
Provision for taxation ...	92,564	Stores and spare parts	5,40,183
Liabilities ...	41,20,885	Goods in transit ...	1,40,018
Profit and loss account ...	11,053	Debts, deposits and advances ...	15,53,176
		Investments	9,62,906
		Cash ...	75,552
Rs.	1,05,67,838	Rs.	1,05,67,838

Amalgamated Coalfields Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The Company's profit for the year is Rs. 9,47,462 (Rs. 8,68,854). And after providing taxation on profits for the year of Rs. 5,56,393 (Rs. 1,28,300) there remains a balance of Rs. 3,91,067 (Rs. 7,40,554) to which is to be added provision for liabilities no longer required Rs. 2,61,268 (*nil*), items relating to previous periods Rs. 1,07,413 (Rs. 96,347) and the amount brought forward from the previous year of Rs. 29,730 (Rs. 28,610) making a total of Rs. 7,89,498 (Rs. 13,74,339 including Rs. 4,50,000 transferred from general reserve Rs. 25,000 transferred from benevolent fund and Rs. 33,828 being provision for taxation no longer required). From this amount has to be deducted provision for Labour Appellate Tribunal Award Rs. 2,30,109 (Rs. 6,75,859), transfer to development reserve Rs. 30,000 (*nil*) and transfer to general reserve Rs. 1,70,000 (*nil*) leaving a balance of Rs. 3,59,389 (Rs. 6,98,480). Out of this the directors recommend a dividend of 12½ (12½) per cent. payable without any deduction for income-tax paid by the Company Rs. 3,18,750 (Rs. 3,18,750) leaving a credit balance to be carried forward of Rs. 40,639 (Rs. 29,730 after placing Rs. 3,50,000 to contingencies reserve).

Output and despatches of steam and other grades of coal for the last three years are as follows:—

Year ended	Raisings Tons	Despatches Tons
31st March 1958	8,61,267	8,59,453
31st March 1957	8,53,379	8,55,642
31st March 1957	8,34,805	8,61,759

Capital expenditure during the year is Rs. 7,60,601 against Rs. 7,70,135 in the previous year. Heavy expenditure is necessary on mechanisation and development to maintain output and also to implement various provisions of the Coal Mines Regulation 1957.

For reasons stated in the previous report, a further sum of Rs. 2,30,109 being the estimated cost of the Appellate Tribunal Award for the period from 1st April to 14th July 1957 has been provided for in this account.

Rs. 30,000 has been transferred to development reserve in compliance with the provisions of the Finance Act, 1958 representing seventy-five per cent. of the development rebate allowable in plant and machinery installed after 31st December 1957. In view of the improved working results of the Company during the year and some extraneous credits, it has been possible to transfer Rs. 1,70,000 to general reserve in partial replenishment of the withdrawals made last year. Having made the above transfers to reserves, the directors recommend a dividend of 12½ (12½) per cent. leaving a carry forward of Rs. 40,639 (Rs. 29,730).

The Coal Prices Revision Committee has not yet submitted its report. The selling price of coal has, however, been increased by 0.75 nP per ton to cover the extra dearness allowance payable to a colliery worker under the Award.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,50,000	Block ...	28,58,600
Reserves ...	27,26,650	Capital work-in-progress	2,45,472
Provision for taxation ...	6,60,000	Stores and spare parts	22,45,849
Liabilities ...	43,77,621	Stock ...	65,602
Profit and loss account ...	40,639	Debts, deposits and advances ...	45,43,560
		Investments	1,12,500
		Cash ...	2,84,107
Rs.	1,03,54,890	Rs.	1,03,54,890

Kalapahari Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 28th February 1958.

The accounts show a profit, after charging all expenses, of Rs. 1,38,559 (loss of Rs. 96,674). The debit balance brought forward from the previous year was Rs. 3,17,911 (Rs. 2,21,237) making a debit balance to be carried forward of Rs. 1,79,352 (Rs. 3,17,911). Wealth-tax in respect of the year ended 28th February 1958 is estimated to amount to Rs. 1,500 and this has been provided for by transfer from capital reserve.

Raisings have been satisfactory from the Ghusick 'A' seam at Damra Colliery and amounted during the year to 85,907 tons compared with 37,627 tons in the previous year, whilst despatches totalled 78,602 tons as against 34,090 tons.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,50,000	Block ...	7,20,259
Reserves* ...	3,85,964	Stock of coal	1,49,871
Provision for wealth tax, taxation and cesses ...	26,972	Stores and spare parts	65,430
Liabilities ...	4,99,091	Debts, deposits and advances ...	2,98,487
		Cash	27,980
Rs.	12,62,027	Rs.	12,62,027

*Reserves are shown after deducting the debit balance of Rs. 1,79,352 in the profit and loss account.

Badra Coffee Estates Ltd.

The directors of the above Company (Managing Agents: Young India Agencies (Private) Ltd., Bangalore) present the audited accounts of the Company for the year ended 31st May 1958.

The Company's working for the year resulted before allocations in a profit of Rs. 1,61,552 (Rs. 2,28,807) to which was added the amount brought forward from last year of Rs. 63,034 (Rs. 22,732) making a total of Rs. 2,24,586 (Rs. 2,51,539). The directors disposed of this amount as follows:—

To dividend on preference shares at 7½ per cent. per annum already paid Rs. 11,250 (Rs.11,250), 10 per cent. of the net profit to managing agents Rs. 16,155 (Rs. 22,880), to transfer to general reserve Rs. 50,000 (*nil*), to dividend on ordinary shares at 17½ (17½) per cent. Rs. 74,375 (Rs. 74,375) and to provision for taxation Rs. 37,500 (Rs. 65,000) leaving a balance to be carried forward to next year's account of Rs. 35,306 (Rs. 63,034 after placing Rs. 15,000 to dividend equalisation fund).

The coffee crop harvested during the year is 3,010 cwts. (88½ cwts. Arabica and 2,921½ cwts. Robusta). The estimate for the next year is 4,000 cwts. (300 cwts. Arabica and 3,700 cwts. Robusta). The Estates are well maintained.

The planting industry is being called upon to bear an increasing burden under salaries, wages, bonus, provident fund and welfare amenities. The arabica crop has been much less this year. Owing to these reasons the profit for the year has been lower.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,75,000	Block ...	7,16,977
Reserves ...	3,02,366	Stock ...	3,56,422
Provision for taxation ...	1,47,523	Stores and spare parts	70,307
Liabilities ...	2,32,112	Debts, deposits and advances ...	36,578
Profit and loss account ...	35,306	Investments ...	11,658
		Cash ...	1,00,365
Rs.	12,92,307	Rs.	12,92,307

Mim Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts show a loss, after charging all expenses, of Rs. 58,830 (profit of Rs. 10,126). The credit balance brought forward from last year was Rs. 16,682 (Rs. 22,456) and there has been transferred to the credit of the profit and loss account excess tax provisions in previous years amounting to Rs. 15,000 (*nil*) leaving a debit balance to be carried forward of Rs. 27,148 (Rs. 16,682 after paying a dividend at Rs. 10.00 per share absorbing Rs. 15,900).

Whilst prices obtained for teas in 1957 were virtually the same as in the previous year, increased expenditure which had to be incurred on account of labour contributed materially to the disappointing results. The extension of the Employees Provident Fund Act to cover all tea garden workers resulted in an additional cost of Rs. 8,736, whilst issues of foodstuffs at the garden accounted for an increased cost of Rs. 6,399. The West Bengal Entry Tax cost the Company Rs. 8,349.

A crop of 2,062 maunds was secured and sold at an average price of Rs. 3.45 per lb. This compares with a crop of 2,092 maunds in 1956, sold at an average price of Rs. 3.44 per lb.

Estimates for the current season have been framed for a crop of 2,500 maunds to cost Rs. 6,16,181. Despite two hailstorms experienced at the garden in April this year, it is hoped that this crop will be secured.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,59,000	Block ...	2,49,561
Reserves* ...	3,23,091	Stock of tea	1,11,269
Provision for taxation ...	11,606	Stores, spare parts and loose tools	73,807
Liabilities ...	1,23,669	Debts, deposits and advances ...	1,63,607
		Investments	1,097
		Cash	18,025
Rs.	6,17,366	Rs.	6,17,366

*Reserves are shown after deducting the debit balance of Rs. 27,148 in the profit and loss account.

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

Notices

BRITISH INDIA ELECTRIC CONSTRUCTION COMPANY, LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting (being the Seventy-fourth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Thursday the 4th September, 1958, at 11 a.m., to consider the Profit and Loss Account for the year ended 31st December, 1957, and the Balance Sheet as at that date, the Report of the Board of Directors, to declare a dividend, to transact other ordinary general business of the Company and the undermentioned special business.

SPECIAL BUSINESS

Notice is also hereby given of the following Resolution which will be proposed as a Special Resolution:—

"That in compliance with the provisions of Section 360 of the Companies Act, 1956, consent be and is hereby accorded to the purchase by the Company from its Managing Agents, Balmer Lawrie & Co., Ltd., of the following items at the prices stated:—

	Rs.
Buildings	1,49,627
Plant and Machinery	2,975
Electric Installation and Equipment	871
Furniture and Fittings	17,596
Total ...	1,71,069

the said purchase being deemed to have been made on 1st January, 1958."

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 25th August to 4th September, 1958, both days inclusive.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, *30th July*, 1958.

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

THE INDIAN IRON AND STEEL COMPANY, LIMITED
12, Mission Row, CALCUTTA

AT A MEETING OF THE BOARD OF Directors of The Indian Iron and Steel Company, Ltd., held on the 12th August 1958, the Directors have declared an interim dividend of One Rupee per share on the Ordinary share capital in respect of the year ended 31st March 1958, being at the rate of 10 per cent. per annum without deduction of Indian income-tax payable by the Company. This action has been taken in order that shareholders shall not be kept waiting for their dividend in view of the closing of the Accounts for the year being delayed pending notification by Government of the revised sales retention prices of steel.

The Directors wish to make it clear in this connection that this dividend, although termed "interim," will in fact be the final dividend for the year and that no further distribution in respect of the year ended 31st March 1958 will be recommended for consideration at the Annual General Meeting to be convened in due course.

As already notified, the Ordinary Share Register and the Transfer Books of the Company will be closed from the 18th August 1958 to the 27th August 1958. Payment of this interim dividend will be made on or after the 15th September 1958 to those shareholders whose names appear on the Company's Register of Members for Ordinary Shares on the 27th August 1958 or to their mandatees.

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

CALCUTTA, *12th August*, 1958.

THE SENDRA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE SENDRA COAL COMPANY, LTD., will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Thursday the 18th September, 1958, at 10.50 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1957, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in place of Mr. S. B. Bose, who retires by rotation and being 70 years of age is not eligible for re-election unless his appointment is approved by a resolution of the Company in General Meeting specifically declaring that the age limit shall not apply to him.

   And in this connection to consider and, if thought fit, to pass the following resolution of which special notice as required under Section 281(2) of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which as required by Section 173 of the said Act is appended below.

   To be Proposed as an Ordinary Resolution:

   "That the restriction as to age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to Mr. S. B. Bose and that he be and is hereby re-elected as a Director of the Company, whose period of office as such Director would be liable to determination by retirement of directors by rotation."
4. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from the 4th to the 18th September, 1958, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, *14th August*, 1958.

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

(*b*) The Dividend, if declared, will be paid on or after 25th September, 1958, to those shareholders so entitled whose names appear in the Company's books on the 18th September, 1958, or to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

In the special notice given to the Company of the resolution under Item No. 3 of the above notice it has been stated that the services of Mr. S. B. Bose have proved most useful to the Company and as he has considerable experience and personal knowledge of the affairs of the Company, he should continue to remain on the Board of Directors of the Company and that the age limit imposed by Section 280 of the Companies Act, 1956, should not apply to him.

THE ONDAL COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of The Ondal Coal Company, Ltd., will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Thursday, the 18th September, 1958, at 10.30 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1957, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 4th to the 18th September 1958, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, *14th August*, 1958.

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

(*b*) The Dividend, if declared, will be paid on or after 25th September, 1958, to those shareholders so entitled whose names appear in the Company's books on the 18th September, 1958, or to their mandatees. No application for Dividend Warrants will be necessary.

BALMER LAWRIE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Tuesday, the 30th September, 1958, at 12 noon, to consider the Profit and Loss Account for the year ended 31st December, 1957, and the Balance Sheet as at that date, the Report of the Auditors thereon, the Report of the Board of Directors, to declare dividends, and to transact other ordinary general business of the Company.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 8th September to 30th September, 1958, both days inclusive.

By Order of the Board,
D. MANSON,
Secretary.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *11th August*, 1958.

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

PLAN FOR CO-OPERATIVE DEVELOPMENT

(*Concluded from page 299*)

not provide for the preparation and technical scrutiny of a production programme as a vital and basic part of a farm credit plan. The Reserve Bank has endeavoured to perform the tremendously important task of institutionalising rural credit and helping to build up a structure, which for want of credit alone will not allow production to languish. In fact, to the extent to which production can be taken care of from the credit angle, they have done so by suggesting that credit hereafter should look to the outturn from land rather than to the land itself as security.

The Rural Credit Survey Committee has stressed everywhere in their report that unless credit is carefully related to production and production linked with marketing, neither will increased credit result in increased production nor will increased production be effectively translated into increased real income. The point, however, is that this cannot be given a concrete shape, unless a production programme which will result in increased output is prepared in advance of the loan and the amount of the loan, short, medium and long, solidly based on such a programme.

That this should be the objective of the co-operative development plan admits of no argument. How this is to be brought about and what structural and functional changes are needed in the existing organisation to achieve this is beyond the scope of this short paper. On the one side, there is an important programme of what has come to be called "integrated credit," which, thanks to the initiative of the Reserve Bank, is sought to be put into operation; on the other, there is the massive programme of agricultural improvement which the Ministry of Community Development and the Extension Wing of the Ministry of Agriculture are interested in putting through. It should not be difficult to devise some way of close and continuous collaboration between these two efforts, both aiming at improved agricultural production and greater rural prosperity.

MONEY COMFORTABLE

(From Our Own Correspondent)

BOMBAY, *20th August*

Distinctly comfortable conditions came to prevail in the short-term money market during the week under review, despite the heavy subscriptions to the Treasury Bills and large purchases of Government securities from the Reserve Bank. This was due to the return of oversubscribed funds to the Municipal loan and placing of Municipal borrowing back with banks, as well as repayment of 3 per cent. 1958 loan. Consequently, banks became once again lenders in the inter-bank call money section and the rates declined from 2½-2¾ per cent. to 2½ per cent. Even at the lower rate, banks were not interested in borrowing. The rate for house money at call was unchanged at 3½ to 4 per cent. Short-term deposits too were quoted at the self-same rate of 3½ to 4 per cent.

The response to this week's Treasury Bill tenders was not as encouraging as in the previous week. While last week, as against an invitation for Rs. 3 crores the subscriptions aggregated Rs. 5.54 crores, in the week under review the total amount offered was a little over Rs. 5.29 crores, in response to the call for Rs. 4 crores. Tenders at Rs. 99.360 and above were accepted in full and those at Rs. 99.355 allotted approximately 59 per cent. Lower tenders were rejected. The total amount accepted was Rs. 4 crores; the average rate of accepted tenders was Rs. 2.561 per cent., as against Rs. 2.513 per cent. last week. The authorities have reduced the tender amount to Rs. 3 crores for next week, after having successively raised it from Re. 1 crore to Rs. 4 crores in the last four weeks.

A fall of Rs. 8.44 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 15th August 1958. Notes held in the Banking Department are higher by Rs. 9.36 crores. There is no change in either foreign securities or rupee securities, but there has been a welcome rise of Rs. 4.40 crores in balances held abroad, raising the total foreign assets to Rs. 194.53 crores. Deposits of the Central Government are lower by Rs. 1.20 crores, while no notable changes are seen in deposits of other Governments and banks. A fractional rise is noted in loans and advances to Governments, while other loans and advances are lower by Rs. 1.93 crore. Of the latter, advances to Scheduled banks against usance bills account for a drop of Rs. 2.26 crores. With this repayment, the outstanding borrowings of banks against these bills stand at only Rs. 3.28 crores, as against Rs. 45.62 crores a year before.

The Scheduled banks' statement for the week ended 8th August 1958 discloses a drop of Rs. 5.98 crores in demand deposits and a small rise of Rs. 83 lakhs in time deposits. Inter-bank borrowings have risen by Rs. 3.27 crores, while borrowings from the Reserve Bank are lower by Rs. 2.45 crores. Advances are almost unchanged, but bills purchased and discounted have declined by Rs. 2.65 crores. There has been an addition of Rs. 4.99 crores to the banks' investment portfolio. Cash balances have, however, shrunk by Rs. 13.69 crores. Money at call and short notice is higher by Rs. 2.92 crores.

The Gilt-edged market continued to rule buoyant for yet another week, with a further all-round rise in prices. The demand for almost all securities in the list of Central loans and for 4 per cent. and 4½ per cent. State loans continued unabated. The Reserve Bank of India stopped its sale of 3½ per cent. 1967 during the week under review after raising its price to Rs. 98.45 from Rs. 98.20 and, instead, commenced sale of 3½ per cent. 1967 at Rs. 100.15, which represents an increase of 35 nP over the week. The Bank stepped up its selling price of 3½ 1968 by 20 nP to par value. The change in the Reserve Bank's open market operations is considered as an indication that another issue of Central Government loan is in the offing.

To list the variations in prices of some of the important securities during the week. 3 per cent. 1986 improved by 25 nP to Rs. 71.75. 2½ per cent. 1960 was better by 5 nP at Rs. 96.85 and 2¾ per cent. 1962 by 15 nP at Rs. 96.55. 2½ per cent. 1976 was marked up by 10 nP to Rs. 83.20. 3 per cent. 1959-61 was placed at Rs. 99.80 *ex*-voucher, as against Rs. 99.60 *cum*-voucher a week ago. 3 per cent. 1964 gained 15 nP to Rs. 96.35 and 3 per cent. 1966-68 by as much as 35 nP to Rs. 93.75. 3 per cent. 1970-75 advanced by 20 nP to Rs. 88.30. 3½ per cent. 1962 rose by 10 nP to Rs. 98.60 and 3½ per cent. 1961 by a similar extent to Rs. 100.20. 3½ per cent. 1963 moved up by 10 nP to par value and 3½ per cent. 1964 by 25 nP to Rs. 99.95. 3½ per cent. 1965 put on 35 nP to Rs. 99.65. 3½ per cent. 1967 recorded a gain of 55 nP over the week to Rs. 98.70. As already stated, 4 per cent. and 4½ per cent. State loans were all in keen demand, and the gain in prices ranged from 5 nP to Re. 1.

In the foreign exchange section, the slight hardening of sterling abroad gave strength to the rupee in terms of the U.S. dollar. While banks' selling rate for ready dollars declined from Rs. 477.25 to Rs. 477, their buying rate was unchanged at Rs. 473.75 per $100. In New York, spot sterling advanced from $2.80.7/16-2.80½ to $2.80.9/16-2.80¾, but shaded off yesterday to $2.80½-2.80.9/16. Three months' forward rose from $2.79.1/32-2.79.3/32 to $2.79.9/16-2.79¾ and transferable sterling from 278.05-278.15 cents to 278.20-278.30 cents.

HIDES AND SKINS QUIET

(From Our Own Correspondent)

MADRAS, *18th August*

Arrivals of E.I. tanned hides and calves were moderate and clearance by shippers fair-sized at prices one penny above U.K. parity. Shipment business in F.A.Q. types continued unremunerative, on account of local prices ruling above U.K. levels. Due to good inland demand for lower grade kips, sales for shipment were negligible. Arrivals of cow calf and buff calf were small. There was good demand for buff hides from shippers to U.S.A.

In the tanned skins section, there was no change in the market. Tanners of superior marks held firm to their price levels, and shipment business was patchy. A few isolated sales of goat skins were made at 3d. over July levels. Tanners were buying raw stocks of goat skins at high prices thanks to small arrivals.

The next London auctions will commence on the 25th instant when 5,60,000 tanned goat skins and 6,20,000 sheep will be offered for sale. It is generally expected that demand will be good at around May auction levels.

SPURT IN GOLD

(From Our Own Correspondent)

BOMBAY, *20th August*

The highlight of the week's trading in the bullion market was the spurt in gold prices, while silver followed the trend in the yellow metal. The Reserve Bank of India's circular to all foreign exchange dealers to the effect that all trade and invisible payments between Pakistan and India should be made in sterling or any sterling area currency or in Indian or Pakistani rupee with effect from 2nd September 1958, as against the present mode of payment in India or Pakistani rupee only, led to the expectations that smuggling of gold through Pakistan border would dwindle. These hopes were strengthened by the Reserve Bank's announcement that it would stop buying and selling Pakistani rupee from the aforesaid date. The prospects of issue of gold bonds by the Government of India and good demand for the metal from Madras also gave a spurt to prices.

Early in the week, silver showed a tendency to decline on offerings by those who import silver coins from Tibet, but soon gained ground in sympathy with gold. Towards the close, both the metals shed a part of their earlier gains on profit-taking, with the result that closing rates today were below the week's highest levels.

Forward silver (*Shravan* Second Settlement) shaded off from Rs. 184-2 to Rs. 183-12, but rallied to touch Rs. 185-9 yesterday. Today, however, it gave way to Rs. 184-12 at the close. The *Bhadrapad* settlement closed today at Rs. 185-10, as against Rs. 184-14 a week ago.

Ready silver finished at Rs. 184-8, after improving from Rs. 183-6 to Rs. 185-5. The floating stocks of silver are estimated at 900 bars. The daily average arrivals were 25 bars (including unrefined metal), while the offtake was 10 bars per day on an average.

Gold, for forward delivery (*Shravan* Second settlement) rallied from Rs. 106-11 to Rs. 108-6 before finishing lower at Rs. 108-1. The *Bhadrapad* settlement advanced over the week from Rs. 106-11 to Rs. 108-4.

Ready gold scored a gain of Re. 1-10 to Rs. 108-13; the highest level touched was Rs. 109-2. The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was a shade higher at 3,500 tolas.

In New York and London, prices of silver were unchanged at the previous week's levels, as indicated in the table below. Gold prices in London, however, gave way from 250s. 4d. to 250s. 1½d., before moving up to 250s. 3d.

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

	20-8-58	Highest	Lowest	13-8-58
	Rs a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	108 13	109 2	107 4	107 3
Forward*	108 1	108 6	106 12	106 11
Sovereign	71 4	71 4	70 8	70 14
SILVER				
Ready (.996 fine Mint) ..	184 8	185 5	183 4	183 6
Forward†	184 12	185 9	183 12	184 2
London Silver Ready ..	75d.	—	—	75d.
London Forward	74⅛d.	—	—	74⅛d.
London Gold	250s.3d.	250s. 3½d.	250s. 1½d.	250s. 4d.
New York Silver	88½c.	—	—	88½c.

* 29th August settlement.
† 30th August settlement.

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

BASE METALS RECOVER

(From Our Own Correspondent)

CALCUTTA, *19th August*

A small recovery was in evidence in the prices of "free" base metals during the week under review. Electrolytic zinc closed at Rs. 66.50, after opening at Rs. 66.25. This fractional recovery was due to an enquiry for a substantial tonnage by Tatas who, however, desired that sellers should give their licence numbers in offers. There was little other demand, and it was believed that buyers upcountry were delaying entering the market, in view of the good stock position with importers. They expected that the price would fall further. The decline in price here was also in accord with the trend on the London Metal Exchange. It was noted that copper in London was declining, although stocks in warehouses were lower. This was attributed to doubts if the American stockpile programme would materialise, in view of opposition in Congress. Locally, copper scrap continued to ease. For, with the announcement of copper allotment to non-scheduled industries, cottage industries were no longer interested in scrap. An announcement by producers raised the price of copper conductors by 3 nP per pound. Virgin lead closed better at Rs. 69, as against the opening of Rs. 68.50. Demand was small. Tin was quiet at Rs. 568, but recovered to Rs. 570.

COTTON FUTURES REACT AFTER EARLY STEADINESS

(From Our Own Correspondent)

BOMBAY, *20th August*

The cotton futures market had only four trading days during the week. It was closed on Friday the 15th inst., Independence Day, and also yesterday, it being a Jain holiday. Cotton futures ruled quietly steady during the major part of this short week, although towards the end, a reaction set in. Earlier, price movements were narrow in range and turnover small. The main factor that contributed to the steadiness of the market was the expectation that, as a result of the representations made by the trade, the Government of India might release an additional export quota for cotton. Trade quarters have pointed out that as the current season's crop was estimated at as high as 5.2 million bales and consumption was likely to drop by 250,000 bales, the end-season carryover would be 400,000 bales higher than at the close of last season. Since the supply position was thus comfortable, an additional quota of 20,000 bales of Bengal *Deshi* and 50,000 bales of 23/32" cotton could well be issued without fear of any adverse effect on the domestic price level of cotton. They have also urged that export of Bengal *Deshi* should be expedited since there was fear that Pakistan, with its incentive schemes, might steal a march over this country in the matter of exports of cotton. A section of the trade was inclined to think that the Government would react favourably to the proposal.

This influenced some buying in the new crop contract. Follow up support was, however, lacking and higher levels met with resistance. Reports of favourable weather in most cotton tracts, especially beneficial rains in Gujerat and Saurashtra, the failure of cloth offtake to improve to the desired extent, the downward trend in mill consumption and the declining trend of cotton prices in the spot market discouraged large-scale buying. Prices, as a consequence, tended, to rule steady. Today, as noted above, there was a reaction, thanks to heavy liquidation in the new crop contract, with the result that the modest gain made earlier was erased. The expiring contract, however, managed to show an improvement of one rupee over the week.

I.C.C. Moglai Jarilla August 1958 opened the week at Rs. 648, same as the previous closing rate, and after gradually improving to Rs. 652 on Saturday declined to Rs. 647 on Monday. The contract opened higher at Rs. 650 today but closed one rupee lower at Rs. 649. Tenders against the contract issued on Monday aggregated 300 bales. Total to date was 3,800 bales.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 669.50, 50 nP higher than the previous close, and rose to Rs. 671.50 on Monday. Commencing today's session at Rs. 670.75, the contract improved fractionally before dropping to close at Rs. 667.

The following table indicates the trend of price of the contracts during the week:

(In rupees per candy of 784 lbs.)

	20-8-58	*High*	*Low*	13-8-58
I.C.C. Moglai Jarilla (August 1958) ...	649	650	647	648
I.C.C. Moglai Jarilla (March 1959) ...	667	671.50	665.50	669.50

Listless conditions prevailed in the spot section. Prices showed a sagging tendency. Mill enquiries in staple varieties slackened, thanks to the import allocation for a large quantity of foreign cotton. However, popular staple varieties such as Khandesh, 320F, Digvijay, etc., evoked the attention of spinners. Southern mills were especially interested in Kalyans.

In the export section, moderate activity was noted. Continental buyers were interested in low grade Bengals. Some business was also reported in Bengals superfine and Zoda and pickings. Sales against the recently announced quota have fallen below expectations.

The Government of India has announced that Assam, Comilla, Zoda, Cotton, Cotton pickings, and sweepings, yellow pickings and cotton linters will be licensed freely for export during the 1958-59 cotton season to all permissible destinations other than Tibet and the Portuguese possessions in India.

In the spot section, mill buyers were inclined to adopt a wait and watch attitude. The downward revision of Sudan prices and the declining trend of East African prices have induced them to defer their purchases in anticipation of a further fall in prices. The expectation of a cut in export duty on Egyptian cotton have discouraged traders from entering into large commitments with Egyptian exporters for the present.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week's closings:

Bengal *Deshi* 635 (645); Berar Jarilla 710 (720); Khandesh 770 (775); Vijay 885 (890); Hubli Luxmi 1,025 (1,030); Jaydhar 925 (935). *Delivery contracts*: Bengal 592 (585); Mathia 615 (618).

Steady conditions prevailed in the Karachi cotton futures market during the week under review. There was fairly good export demand from traditional buyers. Domestic spinners also made purchases. Prices, however, did not record any marked improvement. Keen competition from India and easy advices from New York put a curb. N.T.R.G. January improved from Rs. 78-7 last week-end to Rs. 78-13. The March contract, however, declined fractionally towards the end and closed at Rs. 78-3½, as against Rs. 78-13 last week-end.

As a sequel to the sharp reduction in the reserve prices of the Sudan Gezira Board, Alexandria cotton futures market ruled easy during the week under review also. There were apprehensions of increasing competition from Sudan. This touched

off speculative selling. Prices receded as a consequence. Reports of favourable weather and excellent crop progress imparted additional weakness to the market. There were hopes that the Government would cut the duty rates on Egyptian cotton as a counter-move against the action of Sudan. But they have not so far materialised.

According to the Egyptian Ministry of Agriculture, the area under cultivation in Egypt for the new cotton crop is 1,905,000 feddans, as compared to the revised figure of 1,819,000 feddans for the 1957 crop. The quality-wise break is: Menoufi 610,000 feddans, Ashmouni 609,000 feddans. Karnak 521,000 feddans, Dendera 99,000 feddans, Giza 30 50,000 feddans, others 16,000 feddans.

The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week's rates:

Karnak: November 75.80 (76.00); January 76.15 (76.40). *Ashmouni*: August 66.85 (67.15); October 67.95 (68.18).

Cotton futures values in the Liverpool market suffered a setback during the week. A modest amount of Commission House selling was only partially absorbed in short covering. Uncertainty over U.S. cotton legislation continued to restrict the volume of business. Lower New York cables and absence of encouraging news from the yarn and piecegoods markets induced additional selling and a fall in prices. Sudan contracts eased further, thanks to the downward revision in Sudan cotton prices at Khartoum. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October-November 24.03; December-January 24.25; March-April 24.35; May-June 24.38. *American cotton mixed growth contract*: October-November 24.68; December-January 24.70; March-April 24.65; May-June 24.60. *Sudan*: September-October, November-December, January-February 30.00.

Cotton futures declined in the New York market during the week. The turnover was limited as traders were awaiting Senate action on the Farm Bill. Values, however, declined in thin dealings, which were mainly of the nature of hedging operations in the current crop months. Favourable weather reports and the expectation of a crop slightly bigger than that of last year, prompted Commission House selling which accelerated the downward trend.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	19-8-58	12-8-58	5-8-58
Spot	36.40	36.40	36.45
October	35.53	35.72	36.22
December	35.89	36.02	36.55
March	36.30	36.25	36.80

SUGAR DECLINES FURTHER

(From Our Own Correspondents)

BOMBAY, 20*th August*

As was anticipated in this report last week, the spot and ex-mill prices of sugar in the Deccan area and Bombay City have receded further, by a rupee per bag this time. The E and D grades sugar produced by co-operative mills are quoted at Rs. 100-Rs. 101 per bag ex-mill or Rs. 36.50 per maund, which is the controlled ex-mill price fixed for North Indian sugar. Consequently, the railway freight advantage of about Rs. 2 per maund normally enjoyed by Deccan sugar mills is no longer in existence.

Following the further downward revision in ex-mill prices, the sugar market put on a distinctly bearish appearance during the week and prices continued to move downward. Small grain sugar dropped a rupee to Rs. 105 per bag. Medium grain fell from Rs. 107-Rs. 108 to Rs. 106-Rs. 107.50. Large grain was quiet at Rs. 109-Rs. 114.

Arrivals of sugar by rail into the market were lower than those in the previous week; they aggregated 13,900 bags, as against 20,100 bags.

Reports from Kanpur avert that the sugar mills are now freely selling their released stocks of sugar at controlled prices. A bulk sale of 30,000 bags C grade sugar of Gola Gokarnath Mills, for instance, is reported at the controlled rate, with a number of mills following suit. There is thus an overall picture of sugar prices declining in the country in a short period of only three weeks after the Government took the severe action of imposing price control on sugar in North India. Trade circles admit that the attitude of Northern mills to sit tight on their released stocks of sugar was not very happy, but, at the same time, they feel that the action of the Food Ministry was very severe and unnecessary, as evidenced by a general fall in values all over the country in recent days.

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HAPUR, 18*th August*

Despite resumption of trading which was virtually at a standstill following the imposition of controls on the prices of crystal sugar on 30th July, sentiment in the sugar market was still depressed, as consuming centres evinced little interest. The prices per maund fixed by the Government for different varieties of sugar produced by factories in U.P. and North Bihar are:—A29 Rs. 37.75; A28 Rs. 37.37; A27 Rs. 37; B29 Rs. 37.12; B28 Rs. 36.75; B27 Rs. 36.37; C29 Rs. 36.37; C28 Rs. 36; C27 Rs. 35.75; D29; Rs. 36; D28 Rs. 35.67; D27 Rs. 35.44; E29 Rs. 35.81; E28 Rs. 35.50; E27 Rs. 35.25.

The sugar market of Muzaffarnagar ruled quiet. Saurashtra and Gujerat evinced limited interest and business was transacted at the controlled prices fixed by the Government. Dealers, however, did not make commitments for bulk quantities in spite of easy supply position. The rates at which a few mills transacted business were: Iqbalpur (A29) Rs. 37.75; Khatauli (B29) Rs. 37.12; Deoband (D29) Rs. 36; Rohana (B29) Rs. 37.12; Dhampur (E29) Rs. 35.81; Kashipur (D28) Rs. 35.69; Amroha (D29) Rs. 36; Mansurpur (C28) Rs. 36.

Sugar prices in the Kanpur market declined during the past week, due to steady improvement in arrivals and supplies secured against tenders started arriving in bulk quantities. A fall of Re. 1.50 per bag in prices has been noted in the North Indian markets since the price control three weeks ago.

Khandsari also ruled depressed, as demand was slack. Prevailing prices were Rs. 33 to Rs. 36 per maund according to quality.

Dry quality *gur* stocks had nearly exhausted and arrivals from rural areas were negligible. This quality was nominally quoted here at Rs. 21 per maund, while dry-wet *kotha* was done at Rs. 19.25 and wet *kotha* at Rs. 18.75 per maund. Offtake by road to Punjab during the week was small and local stocks amounted to 39,000 maunds. The condition of the standing cane crop was reported to be fairly good, due to heavy rains in the past few weeks.

Gur, however improved by 50 nP per maund in Muzaffarnagar, due to poor stocks at about 10,000 maunds and despatches of *gur chakku* were made to Gujerat. *Shakker dara* was in poor demand. *Gur chakku* was quoted at Rs. 22.50 to Rs. 23.50 and *shakker dara* at Rs. 24.50 per maund. *Khandsari desi* was available at Rs. 32 to Rs. 33 per maund.

Gur fagun moved quietly both ways during the week, but trading was reported on a small scale. Opening at Rs. 13.94 on Monday and touching the highest of the week at Rs. 14.14 and lowest at Rs. 13.83, *fagun* delivery was quoted today at Rs. 14.10. Bullish trend was noticeable towards the week-end, following Punjab support.

YARNS EASY

(From Our Own Correspondent)

BOMBAY, 20*th August*

The yarn market ruled bearish during the week under review. Art silk yarns encountered selling, due to expectations of larger arrivals of imported yarn in the coming months. Traders noted the clarification made by the Joint Chief Controller of Imports and Exports, Bombay, to the effect that, under both actual users' licences and licences of export promotion scheme, (*a*) 120 and 150 deniers bright viscose rayon yarn would be allowed to be imported up to 50 per cent. of the face value of licences and (*b*) 120 and 150 deniers acetate rayon yarn up to 25 per cent. Staple fibre yarns also came in for selling, thanks to poor offtake of cloth woven from these yarns and reports of heavy accumulations of stocks with several traders. There were fears that, as powerloom and handloom weavers were not making any fresh purchases on account of low profit at prevailing levels, the local stockists might have to lower prices in order to create demand. Among the important consuming markets, Surat showed little interest. Punjab was also weak and prices there were reported to be on the decline. Advices from Calcutta and Bhagalpur, too, were discouraging. Cotton yarns continued to remain depressed. Demand from local markets was poor and export prospects were considered to be not quite bright, on account of keen competition from China, Japan, Pakistan and other countries.

In the art silk yarn section, 120 Italy fell by 44 nP to Rs. 6.56. 120 Japan retreated by 7 nP to Rs. 6.37. 150 Japan, however, gathered 6 nP to Rs. 6.62. 150 Italy were better by 19 nP to Rs. 6.75. Among indigenous yarns, National Rayons 120 bright cones first grade receded by 3 nP to Rs. 5.91. But 150 bright cones first grade gathered 10 nP to Rs. 5.19.

Staple fibre yarn 40×2 October delivery was subjected to heavy selling pressure and slumped by Rs. 17 to Rs. 734. August delivery dropped Rs. 6 to Rs. 724. Spot 40×2 New Greats eased by 9 nP to Rs. 3.94. Citys were done 12 nP lower at Rs. 4. Kohinoors climbed down by 10 nP to Rs. 4.09, Centurys declined by 12 nP to Rs. 3.94. Among foreign yarns, Fujis were dull at Rs. 9.37.

In the cotton yarn section, ten counts came in for selling. Moderns receded by 25 nP to Rs. 13.25 and Podars by 43 nP to Rs. 12.25. Twenty counts were neglected, Indus, Moderns and Gokaks being quoted at Rs. 16.75. Among thirty counts, Hinds were done at Rs. 19.75, same as last week. Forty counts Moderns softened by 25 nP to Rs. 25.25. But Minaxis were in demand 6 nP higher at Rs. 25.37. Among sixty counts, Finlays eased by Re. 1.50 to Rs. 59.50. Raghuvamshis lost a rupee to Rs. 58. Eighty counts Moderns declined by 50 nP to Rs. 71.50. Mahendras changed hands at Rs. 72, same as last week.

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

	20-8-1958	13-8-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	6.37	6.44
150 Japan (per lb.)	6.62	6.56
120 Italy (per lb.)	6.56	7.00
150 Italy (per lb.)	6.75	6.56
Staple fibre yarn (per case of 200 lbs.)—		
40×2 August	724.00	730.00
40×2 October	734.00	751.00
40×2 Kohinoor (per lb.)	4.09	4.19
40×2 City (per lb.)	4.00	4.12
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.25	12.68
20s Modern	16.75	16.75
30s Hind	19.75	19.75
40s Minaxi	25.37	25.31
60s Finlay	59.50	61.00
80s Mahendra	72.00	72.00

GROUNDNUTS FORGE AHEAD

(From Our Own Correspondent)

BOMBAY, 20*th August*

A steady trend was in evidence in the oilseeds market during the week under review. Groundnuts met with good bull support induced by rumours of an imminent release of a bonus quota of 25,000 to 30,000 tons of groundnuts expellers for shipment before September next and large purchases by Delhi and Punjab operators. Consequently, prices of forward contracts registered handsome gains. Even reports of favourable rains in Saurashtra failed to have any effect. In sympathy with groundnuts, castorseeds ruled strong in the later sessions of the week. The sentiment in this section, of course, continued to be somewhat depressed. Fresh export business in castor oil was lacking, thanks to wide disparity between overseas and Indian prices. The U.K. quotation for commercial quality was around £104 per ton, as against the Indian parity of £108½. Cottonseed was fully firm, with prices showing a tendency to rise. Linseed, however, ruled quiet in the absence of fresh export business in linseed oil and discouraging advices from Argentine. The export price was higher at £114 per ton, as against the quotation of £111 prevailing in London. There would have been a marked fall in prices but for the cautious attitude on the part of sellers in view of Australian enquiry.

Forward contracts in the groundnut section presented a distinctly firm trend. Induced by excellent bull support, the contracts forged ahead. August 1958 contract rallied Rs. 5 to Rs. 198, February 1959 contract, which stood at Rs. 163.25 last week-end, spurted to close at Rs. 166.75 today. In the spot section, bold ready rallied 25 nP to Rs. 39.25; at one time on Saturday, the quotation stood higher at Rs. 39.75. Coromandel and Khandesh quality both advanced from Rs. 39.37 to Rs. 39.75. Groundnut oil ex-mill, which had eased from Rs. 20.75 to Rs. 20.50 on the 16th inst., recovered subsequently, today's closing rate being Rs. 20.62. Railway receipt, after receding from Rs. 20.50 to Rs. 20.12, firmed up to Rs. 20.37.

The castorseed section ruled easy in the first two sessions of the week, but picked up strength on Monday which gathered further momentum today. There was large-scale switching-over operations from September contract to May delivery. September 1958 contract, which stood at Rs. 156.62 last week-end, declined to Rs. 155.87 on Saturday. Thereafter, it gradually rose to touch Rs. 156.25 at the close today. May 1959 contract was done at Rs. 156.62 today, as against Rs. 156.37 on Wednesday last. Over the week, ready Madras suffered a loss of 37 nP, today's closing rate being Rs. 31.25. Kanpur quality shed 37 nP to Rs. 30. Castor oil B.S.S. was on offer, the quotation moving down from Rs. 17.50 to Rs. 17.25. Commercial quality fell from Rs. 16.26 to Rs. 15.94.

Linseed September 1958 contract encountered selling and declined from Rs. 33.62 last week-end to Rs. 33.12 on the 16th inst. The contract, however, recovered subsequently and touched Rs. 33.81 today. Business in May 1959 contract commenced at Rs. 33.21 today. Towards the close, the delivery was quoted at Rs. 33.25. Bold ready, after easing from Rs. 33.62 to Rs. 33.12, recovered to Rs. 33.25. Linseed oil was quiet at Rs. 17.37 throughout the week, as against Rs. 17.50 last week-end. Today, however, it evoked buying enquiries and registered a gain of 13 nP.

Cottonseed February 1959 contract attracted good attention of the operators and advanced from Rs. 103.75 to Rs. 106.50. September 1958 was on request, the quotation rising by Re. 1.50 to Rs. 121.50.

Among other seeds, kardiseed bold ready was well supported. It was done at Rs. 21.50 today, as against Rs. 20.50 on Wednesday last week. Niger-seed Madras quality was also well supported, the quotation rising from Rs. 33.00 to Rs. 34.50 before finishing lower at Rs. 34.

The following table shows the closing prices of oilseeds and oils today as compared with those a week and two weeks before:

	20-8-1958	13-8-1958	6-8-1958
	Rs.	Rs.	Rs.
Groundnut—			
August 1958	198.00	193.00	192.00
Feb. 1959	166.75	163.25	165.00
Bold ready (per cwt.)	39.25	39.00	38.87
Linseed—			
Sept. 1958	33.81	33.62	34.19
May 1959	31.25	—	—
Bold ready (per cwt.)	33.25	33.62	33.75
Castorseed—			
Sept. 1958	156.25	156.62	161.25
May 1959	156.62	156.87	157.00
Madras (per cwt.)	31.25	31.62	32.00
Cottonseed—			
Sept. 1958	121.50	120.00	120.50
Sept. 1959	106.50	103.25	102.50
Groundnut oil—*			
Ex-mill ready (per quarter) ..	20.62	20.75	20.86
Castor oil†—			
Commercial (per quarter) ..	15.94	16.25	16.44
Linseed oil†—			
Ready	17.50	17.50	17.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

BLACK PEPPER MOVES DOWN

(Messrs. Parekh and Co.)

BOMBAY, 20*th August*

Under pressure of bear selling and for want of foreign demand, Malabar black pepper receded during the week with undercurrent uncertain. Specific delivery for September moved down from Rs. 600 to Rs. 580, with buyers holding off for lack of new incentive.

Ungarbled at Alleppey and Cochin went down to Rs. 606½, with small business passing. October delivery was nominally quoted at Rs. 108.75, the highest and the lowest being Rs. 113 and Rs. 107.50, respectively. December delivery on the ring moved narrowly between Rs. 102.50 and Rs. 103.75, the business turnover being very much restricted.

Prices of Sarawak at Singapore were well maintained at Str.$74, though white showed some small fall from Str.$126 to Str.$124.

New York spot was marked down from $0.27½ to $0.27¼, in sympathy with easy advices from the supplying countries. Grinders were reported to be buyers at round about $0.27. This year, there is little likelihood of competition from Sarawak with Malabar black, the crop in Sarawak being small. Though some fear is entertained from Indonesia, nothing is certain, as the position of Lampong black is reported to be in fluid state, pending internal political stability in the country.

September delivery moved down from Rs. 600 to Rs. 580, with small business passing, both bears and bulls awaiting new development. At the time of writing, ungarbled at Cochin is quoted at Rs. 612½, while Calicut at Rs. 650.

In A.S.T.A., nominal quotation for August-September is $0.26.

Today's nominal quotations are: Ready delivery Rs. 82 per Bengal maund; September Rs. 580.90 and October Rs. 585.95 per candy of 5¼ cwt.

QUALITY TEAS WELL SUPPORTED

(From Our Own Correspondent)

CALCUTTA, 19*th August*

There was good demand for quality teas on offer during yesterday's export sales. Common teas, however, suffered a setback, thanks to enlarged availability and expectations of a further decline in prices. It was noted that production in North India in July was estimated at 90.47 million lbs., recording a rise of 9.86 million lbs. Up to the end of June, output was running lower than last year, but, with the figure in July now estimated, this position changed, the decrease having been converted to an increase of 6.4 million lbs. at the end of July. Although last year's output was below normal, market circles felt that, this year, the increase in availability of common teas would prove to be an embarrassing problem.

Dusts on offer during internal sales held last week amounted to 15,931 chests, which included some useful good liquorings. There was better demand, with plainer liquoring orthodox teas risking by 8 nP on keen competition. Non-withering Dooars and better liquoring orthodox Assam teas opened easy and gained firmness as the sales progressed. C.T.C. Assams had more buyers than in the previous sales. Prices of plainer liquoring and medium descriptions recorded higher advances often, while, in irregular trend, the few best liquorings gave way. Darjeelings were not wanted. The rates (in rupees per lb.) with those of the previous sales in brackets, are: Best Assam C.T.C. 2.55 to 2.85 (same); medium Assam C.T.C. 2.20 to 2.40 (2.10 to 2.30); medium Dooars 1.70 to 1.74 (1.68); and medium Assam grainy dust 1.72 to 1.76 (1.68 to 1.72).

Leaf on offer amounted to 357 chests.

Export quota changed hands at 11 nP. Subsequently, sellers demanded 11½ nP, but buyers offered only 10¾ nP.

On offer during yesterday's export auctions were 52,868 chests, which met with good general demand. Whole leaf grades were fully steady, as also tippy teas. Darjeelings were keenly bid. The price of plain brokens rose by 4 nP and fannings tended to move up. Keen attention was shown to medium orthodox Assams possessing bright liquors and prices rose, while those with more ordinary liquors gave way by 10 nP. Although orthodox Dooars met with good demand, prices were irregular. Legg-cut teas eased by 5 to 10 nP. The quotations (in rupees per lb.) with those of a week ago given in brackets, are: Best Assam C.T.C. fannings 3.60 to 4.00 (3.80 to 4.20); best Assam C.T.C. B.P. 3.30 to 3.60 (3.50 to 3.80); medium fannings 2.05 to 2.15 (same); clean black pekoe 2.10 to 2.15 (same); medium B.P. 1.90 to 2.00 (same); plain B.P. 1.70 to 1.74 (1.66 to 1.70); and plain fannings 1.84 to 1.88 (same).

Export quota, after being done at 10½ nP, declined to 10 nP.

JUTE QUIET

(From Our Own Correspondent)

CALCUTTA, 19*th August*

Quiet conditions prevailed in the jute markets during the week under review and the holiday on Friday last was a welcome relief to market circles. Prices of jute goods fluctuated within narrow limits, although, earlier in the week, hessian was fully steady on reports of higher consumption in the U.S. Overseas interests refrained from displaying any large interest, but normal business took place in both hessian and heavy goods. Business would have probably been more had it not been for the announcement of the July output which, at 89,800 tons, showed a substantial increase of 7,400 tons. The largest increase, which was 4,000 tons, was shown in hessian at 35,300 tons, suggesting that mills had already commenced transferring a portion of sacking looms to hessian manufacture, in view of the abnormal nature of increase in stocks of sacking goods in recent months. Heavy goods produced in July amounted to 49,000 tons, as against 45,900 tons in the previous month, and miscellaneous constructions at 5,500 tons recorded a small increase of 300 tons. Stocks of all goods at the end of June being 134,000 tons, the availability in July was 223,800 tons. It was, therefore, noted that the demand last month was 101,600 tons which was far higher than the monthly output. Such an increase was due to several June shipments having taken place in July, in view of the dock workers' strike in June.

Another news noted with satisfaction in the market was that burlap consumption in the U.S. in July at 68 million yards was higher by 7.6 million yards as compared with June. Following this, hessian goods hardened, and B. twills also moved up in sympathy. However, this was not followed by genuine interest and so prices fell. American buyers were content to keep away from the market, as they had a fair quantity in their hands, following heavy purchases made after the Middle East crisis.

On Tuesday last, the market opened on an easy note, but, after sagging, prices recovered. Thus, hessian 40″ 10 oz., after being lower at Rs. 42.40, closed at Rs. 43.15. Ready B. twills at Rs. 99.90 registered a small rise. On the next day, prices in both hessian and sacking goods improved. In B. twills, some business was done on Australian account, and the price was unchanged but steady at Rs. 99.90. Hessian constructions were marked higher, in view of the satisfactory consumption in the U.S. Hessian 40″ 10 oz. at Rs. 43.20 marked the highest level for the week. On Thursday, as the interest shown by overseas markets was meagre, prices were marked lower with hessian 40″ 10 oz. quoting at Rs. 42.95 and B. twills at Rs. 99.40. Towards the week-end, the quotations were still lower at Rs. 42.90 and Rs. 99.25, respectively. Near and forward delivery quotations for B. twills were higher than the rate for the ready delivery, while the reverse was the position in regard to hessian. Jan.-March B. twills opened at Rs. 101.95, but eased to Rs. 101.40 over the week, and the same delivery hessian 40″ 10 oz. eased from Rs. 40.90 to Rs. 40.65. Little interest was shown by overseas buyers yesterday and prices declined. In addition, there was selling pressure in the *jatka*. This led to B. twills giving way to Rs. 90.00 However, hessian 40″ 10 oz. at Rs. 42.95 showed a fractional improvement.

Raw jute was quiet. Mills bought sparingly. However, sellers were reserved, and this prevented the quotations from declining. The latest quotations of the 1958-crop are given below:

	Middles Rs.	Bottoms Rs.	Delivery
Pakistani:			
District	32.00	29.00	Aug.-Sept.
Northern	32.00	29.00	Do.
Indian:			
Northern	28.75	26.25	Do.
Assam	28.75	26.25	Do.
Orissa	30.75	28.25	Sept.-Oct.
Desal	27.75	25.25	Aug.-Sept.
Murshidabad	26.00	23.50	Do.
Dalsee	31.50	29.00	Sept.-Oct.
Uttar Pradesh	25.50	25.00	Aug.-Sept.
Daisee Mesta	26.50	24.00	Oct.-Nov.
Bimli f.a.q.	...	Rs. 22.50	Do.
Pucca bales 1st marks ...	...	Rs. 167.00 per bale ready.	

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 18*th August*

During the week under review, the hides and skins market ruled steady. The local tanners were active buyers, while the Madras dealers were lukewarm. The country tanners were inactive, because of heavy rains. New arrivals were considerable.

The latest available quotations are: Wet salted cow 1st grade Rs. 360 to Rs. 380, 2nd grade Rs. 300 and 3rd grade Rs. 260 per score; wet salted buff 1st grade 1 lb. 10 ozs. and 2nd grade 1 lb. 12 ozs. per rupee; Goat 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces; skins 1st grade Rs. 250 to Rs. 270 and 2nd grade Rs. 160 to Rs. 180 per 100 pieces.

FOODGRAINS FIRM

(From Our Own Correspondent)

HAPUR, 18*th August*

The foodgrains market ruled distinctly firm during the week under review, due to poor supply position. The Union Food Minister informed the Lok Sabha that, out of a total quantity of 2.3 million tons to be imported during 1958, 1.47 million tons had already been received in the country up to the end of July and imports were keeping pace with the requirements of the country. As regards rice, stocks in the possession of the Central Government amounted to 406,000 tons, which had been built up partly through imports from Burma, the U.S.A., and Viet Nam and partly through internal procurement in the States of Andhra, Punjab and Orissa.

Wheat prices at Hapur registered further gains during the week to touch new heights at Rs. 21.50 per maund for average quality and Rs. 23 for farm produce. The supply position was very tight, as arrivals from producing areas were scanty due partly to waterlogging following heavy rains in the past few weeks and mostly due to uncertainties of *kharif* crop which has been destroyed in most of the western U.P. districts as a result of abnormally heavy rains. Occasional unauthorised arrivals of wheat here were from Punjab and trade stock was nominally quoted at one *khatti*. Sales through fair-price shops here had not yet begun and, due to paucity of wheat, consumers demand had been switched on to other coarse grains like gram, barley and peas.

Rice recorded modest gains in line with other cereals, although standing crops were fairly good. Prevailing prices were:—*basmati* Rs. 41 to Rs. 43.50; *mainpuri* Rs. 30.50; coarse quality Rs. 26.50 per maund.

Gram registered a sharp advance in prices, following firm Punjab advices and depletion of stocks due to brisk consumer demand. Barley and *bejhar* also recorded fractional gains during the week, as the maize crop has been destroyed in major part of western districts of the State. *Jowar* and *guwar* registered a hardened trend and week-end prices (in rupees per maund) were:—gram 15.87 to 16.12; barley 15.25; *bejhar* 15; *jowar* 13 to 15.25; *guwar* 15.75.

Peas continued to attract heavy demand from east U.P. and Bihar and prices moved up considerably. *Arhar's* purchases were mostly by local millers for grinding it into *dal* and prices registered a gain of about Re. 1 per maund. Other pulses were mostly steady. Week-end prices (in rupees per maund) were:—peas *dara* 14.31; *khatti* 14.25; peas *dal* 15.75; *arhar* 18.12; *arhar dal* 22.25; *urd* 19 to 20.25; *moong* 25; *massoor* 16.

After heavy rains for many weeks which have resulted in heavy losses to Sawani crops, weather has been clear for about a week. The preparation of land for *rabi* sowings has just begun.

SURVEY

(Concluded from page 295)

Economic and Social Council which concluded at Geneva recently. After considerable discussion on this subject, in which the representatives of primary producing countries took a prominent part, the Council decided to reconstitute the Commission on International Commodity Trade by giving it the following functions:

The basic task of the Commission will be "to study and analyse developments and trends in international commodity trade, including excessive fluctuations in the prices and volume of commodity trade and movements in the terms of trade and the effect of such developments on both the international and domestic economic position of countries participating in international commodity trade, especially on the economic developments of less-developed countries. In this connection, the Commission will bring to the attention of the Council or of Governments of States-members of the United Nations its views and recommendations as to the need for governmental or inter-governmental action to deal with problems or emerging problems which its studies may disclose. The specific functions of the Commission are: (*a*) to keep constantly under review the movements of world primary commodity markets by the assembly and analysis of appropriate data; (*b*) to submit periodic reports to the Council on its work; (*c*) to publish studies and statistical reports on prices, terms of trade and other matters relating to international trade in primary commodities.

Another resolution passed by the Council relates to the future meetings of the Commission. The Council decided to convene the re-constituted Commission at its headquarters on 9th March 1959. The meeting is expected to last two weeks. The subjects of discussion during the session will include fluctuations in commodity prices and volume of commodity trade, including changes in terms of trade, and the measures applied or proposed for the solution of problems connected with primary commodity trade; and the medium and long-term prospects for consumption and production in the main commodities with reference, *inter alia*, to developments in the consumption and production of synthetic and substitute materials. The States and organisations concerned will be invited to take part in the work of the next session of the Commission. The Council will, moreover, request participating States to be represented by highly qualified experts.

The Council subsequently elected the following 18 members of the Commission on International Commodity Trade:

Pakistan, Argentina, Brazil, Poland, United Kingdom, the U.S.S.R. (one year's term of office), Sudan, Indonesia, Yugoslavia, Greece, Australia, the U.S.A. (two years), France, Uruguay, India, Chile, Belgium, Canada (three years).

With its expanded membership, the Commission should now be able to evolve realistic schemes for stabilisation of commodity trade and prices. Its success depends ultimately upon how far it is able to win the co-operation, if not the confidence, of the constituent countries, whose interests, more often than not, come into conflict with one another. The task is extremely difficult; in fact, many economists of repute in the Western world consider it a wild-goose chase. It may be mentioned here that Britain and the U.S. have agreed to serve on the Commission only after the Council had agreed to drop from the earlier terms of reference of the Commission the "impossible task" of establishing a fair and equitable relation between the prices of raw materials and those of industrial products.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 15th August, 1958

BANKING DEPARTMENT

Liabilities	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		25,00,00,000
National Agricultural Credit (Stabilisation) Fund		3,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		63,50,42,000
(2) Other Governments		16,81,69,000
(b) Banks		95,28,47,000
(c) Others		144,64,96,000
Bills Payable		10,69,45,000
Other Liabilities		9,98,34,000
	Rupees	454,02,33,000

Assets	Rs.
Notes	21,51,61,000
Rupee Coin	2,12,000
Subsidiary Coin	3,49,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,68,19,000
Balances held abroad*	14,85,64,000
Loans and Advances to Governments	15,43,85,000
Other Loans and Advances	51,51,77,000
Investments	339,05,29,000
Other Assets	8,90,46,000
Rupees	454,02,33,000

* Includes Cash and Short-term Securities.

The item "Other Loans and Advances" includes Rs. 3,27,97,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	21,51,61,000	
Notes in circulation	1550,72,10,000	
Total Notes issued		1572,23,71,000
Total Liabilities		1572,23,71,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	179,67,56,000	
Total of A		297,43,59,000
B. Rupee Coin		185,57,04,000
Government of India Rupee Securities		1139,23,08,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1572,23,71,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	8th August, 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1559.16	1539.91	1577.44	1516.11
Notes held in Banking Department	35.05	12.15	22.41	31.05	18.69
Foreign Securities	59.50	179.68	179.68	189.68	375.52
Rupee Securities	37.39	1139.23	1129.25	1169.59	911.31
Banking Department					
Deposits of :					
Government of India	14.89	64.79	60.25	53.26	85.48
Other Governments	....	16.02	24.40	12.84	16.90
Balances held abroad	10.06	10.45	13.06	14.21	17.51
SCHEDULED BANKS					
Demand Liabilities	134.86	750.34	752.67	754.46	705.77
		(85.94)†	(81.70)†	(81.72)†	(13.45)†
Time Liabilities	102.24	847.47	847.11	814.93	577.02
		(87.57)†	(88.04)†	(87.36)†	(5.30)†
Borrowings from Reserve Bank	..	6.79	9.24	11.64	68.83
		(5.54)‡	(6.96)‡	(10.86)‡	(54.37)‡
Borrowings from State Bank	..	3.79	4.65	4.18	4.68
Cash in India	6.70	37.51	37.76	39.52	40.90
Balances with Reserve Bank	25.17	90.89	104.84	95.67	83.68
Excess over statutory limits	15.52	86.42	49.77	41.65	36.86
Balances with other banks in current account in India	..	12.31	12.47	13.54	12.48
Money at call and short notice in India	..	63.97	61.05	58.43	23.09
Investments (at book value)	..	546.03	541.03	503.05	339.02
Advances and bills	106.09	880.26	883.09	893.96	881.34
STATE BANK					
Deposits	87.76	436.09	441.36	420.77	327.43
Investments	51.99	228.83	227.46	214.12	104.41
Advances	30.35	173.79	173.94	182.00	170.90
Cash	14.69	44.55	54.38	32.08	44.32

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

State Bank of India

Statement of Affairs for the week ended 15th August 1958

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up :		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		436,01,11,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		6,98,71,000
Bills for Collection being Bills Receivable as per contra		99,74,000
Acceptances, Endorsements and Other Obligations per contra		1,27,58,000
Other Liabilities (including Inter-Office Adjustments)		8,62,27,000
Total .. Rs.		466,14,41,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		39,86,60,000
Balances with other Banks		2,87,31,000
Money at Call and Short Notice		1,40,00,000
Investments :	Rs.	
Government and other Trustee Securities	222,57,72,000	
Other Authorised Investments	11,15,96,000	
		233,73,68,000
Advances :		
Loans, Cash Credits, Overdrafts, etc.	160,06,67,000	
Bills Discounted and Purchased	10,49,07,000	
		170,55,74,000
Bills Receivable being Bills for Collection as per contra		99,74,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,27,58,000
Premises less Depreciation		1,20,68,000
Furniture and Fixtures less Depreciation		91,70,000
Other Assets (including Inter-Office Adjustments)		13,31,29,000
Total .. Rs.		466,14,41,000

Scheduled Banks*

Statement of Affairs for the week ended 8th Aug., 1958

	Rs.
Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank†	35,84,43,000
(ii) Other demand liabilities	715,00,01,000
Time Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank†	37,56,62,000
(ii) Other time liabilities	809,90,00,000
Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities	3,47,80,000
(ii) Time liabilities	30,03,000
Borrowings in India from the Reserve Bank of India†	6,79,02,000 (5,54,22,000)
Cash in India	37,51,28,000
Balances with the Reserve Bank in India	90,89,34,000
Balances with other banks in current account in India	12,31,04,000
Money at call and short notice in India	63,97,01,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	546,02,63,000
Advances in India	756,02,34,000
Inland Bills purchased and discounted in India	85,94,55,000
Foreign Bills purchased and discounted in India	38,28,63,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	March		Twelve months, April to March	
	1957	1958	1956-57	1957-58
Import Duties :				
Revenue	14.42	9.84	130.49	138.00
Protective	1.96	1.49	12.55	11.72
On surplus disposals	0.02	—	0.14	0.06
Total import duties	15.50	11.33	143.18	149.77
Export Duties	1.69	1.40	30.97	24.31
Cesses	0.39	0.14	2.66	3.71
*Air Customs**	—	0.07	—	2.02
Miscellaneous	0.09	0.14	1.18	1.38
Gross Total Customs	17.67	13.08	177.04	181.19
Refunds and Drawbacks	0.39	0.41	3.13	4.67
Net Customs	17.28	12.67	173.91	176.52
Gross Excise	17.65	26.05	188.56	272.86
Refunds	0.23	0.35	2.24	3.37
Net Excise	17.42	25.70	186.32	269.51
Net total of customs and excise†	34.70	38.37	360.23	446.03

† Net Customs plus net Excise.
‡ Figures for Air customs prior to August 1957 not available.

State Bank of Pakistan

Statement of Affairs for the week ended 8th August 1958

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	79,87,33,000
(b) Provincial Governments	50,13,000
(c) Banks	28,74,59,000
(d) Others	5,01,45,000
Bills Payable	24,58,000
Other Liabilities	7,81,38,000
Rupees	128,19,44,000

Assets	Rs.
Notes	8,87,33,000
Rupee Coin	45,000
Subsidiary Coin	38,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,70,77,000
Balances held outside Pakistan	19,28,78,000
Loans and Advances to Governments	4,71,00,000
Provincial Governments' Debtor Balances	3,70,62,000
Other Loans and Advances	3,38,44,000
Investments	78,12,92,000
Other Assets	8,38,75,000
Rupees	128,19,44,000

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	8,87,33,000	
Notes in circulation	325,29,24,000	
Total Notes issued	....	334,16,57,000
Total Liabilities	....	334,16,57,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	11,47,19,000	
Silver Bullion	....	
Approved Foreign Exchange	50,40,06,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
		104,89,57,000
B. Rupee Coin	4,79,81,000	
Government of Pakistan Rupee Securities	218,57,13,000	
Internal bills of exchange and other commercial paper	....	
		223,36,94,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,99,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	334,16,57,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 33.07 per cent.

EXCHANGE RATES

	19th August, 1958	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months	1-5⅝	1-5⅝
Buyers T.T. spot to nine months	1-5¼	1-5¼
Buyers T.T. 10 to 12 months	1-5¼	1-5¼
Bombay on New York—		
Sellers T.T. D.D.	476.75	476.75
Buyers T.T.	473.75	473.50
London on New York	$ 2.80¼-2.80⅜	2.80¼-2.80⅜
London on Paris	Frs. 1,178½	1,178½
London on Berne	Sw. Frs. 12.20¼-12.20½	12.20-12.20½
New York on London	$ 2.80⅛-2.80⅜	2.80⅛-2.80⅜

CLEARING HOUSE RETURNS

Centre	Week ended 15th August, 1958		Week ended 8th August, 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,50,249	68,72,29,000	3,50,093	85,56,51,000
Calcutta	1,45,000	49,35,00,000	1,59,000	62,93,00,000
Madras	70,388	7,91,86,470	85,871	9,43,83,870
All Centres—				
1956-57	..	..	40,008,000	87,24,85,00,000
1957-58	..	..	41,671,000	89,54,56,00,000
Mar., 1958	..	..	3,784,000	8,72,62,00,000
Apr., „	..	..	3,331,000	7,91,04,00,000
May, „	..	..	3,823,000	7,90,02,00,000

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	2½	6
Austria	17th Nov., 1955	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	Feb., 1957	6	8
Colombia	18th July 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	15th Aug., 1958	5	4½
Equador	18th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	12th Aug., 1957	4	5
Greece	May, 1954	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	30th Sept., 1957	5	6
Italy	7th June, 1958	4	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	10th Oct., 1955	6	7
Norway	14th Feb., 1955	3½	4½
Pakistan	1st July, 1948	3	2½
Peru	18th Nov., 1947	5	6
Philippines	25th May, 1957	3	4
Portugal	12th Jan., 1950	3	2½
South Africa	29th Sept., 1958	4	4½
Spain	22nd July, 1957	3½	4
Sweden	3rd May, 1958	3	3½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	4
Turkey	6th June, 1956	4½	6
United Kingdom	14th Aug., 1958	5	4½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	18th April, 1958	2½	1½
West Germany	27th June, 1958	3½	3

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53 = 100)

Particulars	Weight	2nd Aug. 1958	26th July 1958	3rd Aug. 1957	June 1958	June 1957	Percentage of Increase (+) or Decrease (−) in June 1958 as compared with June 1957	Financial Year Average 1957-58	1956-57
Food Articles	364	120.0	119.8	113.5	113.4	109.4	+ 3.7	106.4	102.2R
Cereals	192	112.2	111.5	106.3	105.5	103.8	+ 1.6	101	96
Pulses	43	101.1	102.8R	88.1	91.2R	88.7	+ 2.8	88	81
Fruits and Vegetables	23	120.4	123.8	141.3	111.8R	127.3	−12.4	114	113
Milk and Ghee	94	111.1	107.5	110.9	111.1R	108.6	+ 2.3	106	100
Edible Oils	47	128.5	129.8	139.5	122.9	128.5	− 4.4	126	122
Fish, Eggs and Meat	17	110.3	110.1R	102.2	106.7R	96.1	+11.1	98	97
Sugar and *Gur*	43	137.9	137.3R	110.7	125.7R	109.8	+14.1	106	96
Others	40	150.0	151.2R	141.7	149.2	131.9	+13.9	121	126
Liquor and Tobacco	21	99.0	98.5	96.8	98.1	92.3	+ 6.3	94.6	94.3
Tobacco	..	98.1	97.1	90.2	90.9	90.5	+ 0.4	93	93
Fuel, Power, Light and Lubricants	39	118.9	118.9	115.5	115.6	112.9	+ 2.3	113.6	104.8R
Industrial Raw Materials	128	119.3	119.4	122.4	118.3	121.4	− 2.6	118.6	119.9
Fibres	61	110.8	111.7R	123.4	109.9R	122.9	−10.6	118	116
Oilseeds	9	134.5	134.1	129.6	123.7	125.9	− 1.8	120	120
Minerals	..	107.3*	107.3*	111.2*	107.8*	109.7	− 2.2	108	103
Others	32	107.4*	107.3	107.4	110.5	106.2	+ 4.0	106	106
Manufactures	268	119.0	119.2R	109.9	107.9	106.8	+ 1.0	106.1	106.3
Intermediate Products	41	112.7	112.8	106.6	106.6	106.8	− 0.2	107.3	106.6
Finished Products	240	120.6	120.3	106.6	107.0	106.8	+ 0.2	105.2	106.6
Textiles	147	106.1	105.7	106.6	108.7	106.8	+ 1.8	106	106
Cotton	..	114.1	114.1	117.0	118.1	116.5	+ 1.4	116	116
Jute	..	90.9	89.4	97.8	86.1	99.4	−13.4	96	96
Woollen	..	105.7	105.7	106.0	104.6	108.0	+ 1.6	98	98
Silk and Rayon	..	85.0*	85.0*	85.0*	80.7*	86.0*	− 6.2	86	86
Metal Products	..	95.3*	95.3*	143.9	145.6	141.0	+ 1.4	141	99
Chemicals	19	143.0	143.0	98.7	108.7R	97.9	+ 5.9	98	98
Oil cakes	10	105.6	104.9R	115.4	102.5	110.8	− 10.5	110	109
Machinery and Transport Equipment	21	127.3	127.5	101.7	103.0	101.1	+ 1.9	103	99
Others	30	108.4	108.4	110.4	113.4	109.2	+ 3.8	110	101
All Commodities	1,000	116.2	116.2R	113.2	111.7	110.7	+ 0.9	108.6	105.8R

* Note:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1956-57	(In thousand acres) 1955-56	(In thousand tons) 1956-57	(In thousand tons) 1955-56
Cereals—					
Rice	final	79,027†	79,320††	24,821†	28,282††
Wheat	final	32,891	30,386	9,068	8,569
Jowar	final	41,411†	40,367††	8,055†	7,249††
Bajra	final	27,453†	27,884††	3,565†	2,885††
Maize	final	8,594	8,382	2,744	2,749
Barley	final	3,066	3,031††	3,064†	3,009††
Ragi	final	12,209	12,718	2,010	1,937
Small millets	..	..	..	..	..
Total cereals	final	215,642	214,082	57,251	54,456
Pulses—					
Gram	final	23,990	24,157	5,930	5,331
Tur	final	5,696	5,697	2,047	1,830
Other Kharif pulses‡	final	15,832†	16,484††	1,401†	1,515††
Rabi pulses‡	final	11,443	11,706	1,794	2,033
Total pulses	final	57,295	57,064	11,435	10,831
Total foodgrains	..	272,937	271,146	68,686	65,287
Oilseeds—					
Groundnut	final	14,457†	13,450††	4,271†	4,200††
Castorseed	final	1,325†	1,415††	97†	124††
Sesamum	final	5,268†	5,446††	363†	443††
Rape and Mustard	final	6,211	6,317	1,017	848
Linseed	final	3,753	3,781	349	414
Total oilseeds	final	29,906	29,848	6,032	5,705
Fibres—					
Cotton*	final	19,843	19,978	4,723	4,001
Jute A.	final	1,754†	1,909††	4,038†	4,228††
Mesta A.	final	726†	733††	1,211†	1,478††
Other crops—					
Potato	final	702	601	1,674	1,330
Sugarcane	2nd	4,784†	4,475††	68,501†	58,985††
Ginger (Dry)	final	40	40	16	16
Pepper (Black)	final	224	233	32	32
Chillies (Dry)	final	1,534†	1,476††	355†	342††
Tobacco	final	1,022	1,013	306	295

Source : Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A. In thousand bales of 400 lbs. each. † Refers to 1957-58.
†† Refers to 1956-57.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	Jan. to Dec. 1956	Jan. to Feb. 1958	Jan. to Feb. 1957
Exports	637,74	88,804	94,80	110,04
Re-exports	5,11	7,56	2,09	67
Total Exports	642,85	595,60	96,89	110,71
Imports	1025,85	813,68	132,26	156,80
Overall Balance of Trade	−382,97	−218,08	−35,57	−45,59
Exports—				
Tea	123,40	139,74	19,36	28,42
Jute yarns and manufactures	59,51	112,52	9,08	8,29
Cotton yarns and manufactures	65,94	62,18	10,03	13,98
Metallic ores and scrap iron or steel for re-manufacture	49,80	23,80	6,85	2,40
Cotton, raw and waste	18,66	25,09	2,37	4,29
Oils—vegetable, mineral and animal	19,81	24,51	3,33	2,65
Fruits and vegetables	19,81	18,03	2,78	2,06
Tobacco	12,55	13,30	1,12	55
Misc.	8,67	8,75	1,35	1,43
Wool—Raw	11,73	11,19	1,48	30
Gums, resins and lac	8,43	9,16	1,84	2,19
Spices	5,43	6,07	90	1,21
Hides and skins, raw	6,99	..	..	..
Imports—				
Machinery of all kinds	232,97	150,12	37,88	30,50
Metals, iron and steel and manufactures thereof	146,98	122,40	18,42	22,98
Oils—vegetable, mineral and animal	113,98	74,69	9,88	12,49
Cotton, raw and waste	48,52	55,01	5,89	11,10
Chemicals, drugs and medicines	76,77	43,14	10,12	9,89
Electrical goods and apparatus	61,14	20,15	9,27	3,05
Paper, pasteboard, etc.	18,11	15,99	1,33	2,07
Vehicles (excluding aircraft, ships and boats)	71,35	69,91	6,70	5,31
Fruits and vegetables	21,27	12,65	4,11	3,57
Spices	5,10	97	..	53
Dyes and colours	15,57	15,37	1,12	2,55
Woollen and worsted fabrics	1,51	2,18	8	18
Cotton fabrics	2,37	2,30	21	50

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During July, 1958	89.6
	Corresponding month, 1957	89.1
	Twelve months ended June, 1958	1,052.2
	Corresponding period, 1957	1,025.2
Stocks	At the end of July, 1958	122.2
	Corresponding month, 1957	108.4
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1955-56	857.2
	1956-57	852.5
	June 1957	63.0
	June 1958	45.0
	1955-56	190.0
For Internal Consumption	1956-57	179.0
	June 1957	10.2
	June 1958	13.8
	RAW JUTE	(In lakh bales)
Consumption by Mills	July, 1958	5.21
	Corresponding month, 1957	4 98
	Twelve months ended June 1958	61.25
	Corresponding period, 1957	59.46

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns ‡	Units Generated‡	Total Units Sold
1955-56	713	5,885.5	7,185.5
1956-57	749	9,877.5	8,198.1
1957-58	854	11,175.9	9,011.1
January 1957	765	955.7	711.7
February „ „	760	847.7	677.7
March „ „	760	874.6	736.5
January 1958	825	973.6	788.1
February „	825	910.7	749.2
March „ „	854	990.2	791.8

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. Excluding purchases from non-eligible utilities.
‡ As the end of period. *Source*:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1956-57	12,751	2,120	974	213	111	67	149	29	517	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	610	427	30	389	52	180
1957-58	14,335	2,389	1,225	214	104	52	217	25	596	504	39	476	47	194
May 1957	2,469	389	219	43	21	13	34	4	129	77	6	69	4	33
June „	3,502	561	334	57	30	18	48	6	164	109	9	101	7	48
July „	4,663	756	438	72	38	21	58	7	183	145	11	138	13	62
August „	5,781	957	539	94	39	25	87	8	208	183	13	177	19	81
September „	6,893	1,152	623	93	42	30	97	10	223	220	15	219	23	101
October „	8,066	1,366	736	107	46	34	109	13	241	263	19	261	31	126
November „	9,240	1,566	844	129	53	37	137	16	273	309	24	302	37	134
December „	10,506	1,765	941	162	64	40	162	18	304	350	28	350	42	164
January 1958	11,814	1,979	1,088	174	80	44	186	21	438	413	32	394	45	161
February „	13,011	2,172	1,123	191	93	49	202	23	519	456	36	435	45	174
March „	14,335	2,389	1,225	214	104	52	217	25	596	504	39	476	47	194
April „	1,238	220	111	23	9	4	25	2	34	45	2	40	1	15
May „	2,458	431	234	40	18	5	78	4	82	88	5	78	4	27

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.=2 M. G.) and incorporate revision in respect of earlier months. *Source* :—Ministry of Railways.
* Including sugarcane from November, 1955.

INDUSTRIAL PRODUCTION

Industries.	1957	Jan. to April 1957	Jan. to April 1958*	March 1958	April 1958*	April 1957
Major Industries—						
Coal ..million tons	43.54	14.52	15.16	8.70	8.80	8.72
Steel (Ingots and Metal for castings) ..thousand tons	1,715	488†	462†	151	—	142
Yarn ..million lbs.	1,780	594	594	138	134	154
Cloth ..million yds.	5,317	1,836	1,641	408	408	464
Cement ..million tons	5.60	1.83	2.21	0.58	0.54	0.46
Jute ..thousand tons	1,080	341	357	88	—	83
Paper and paper boards tons	210,132	50,753†	59,608†	20,701	—	16,374
Matches cases	578,400	147,300†	138,300†	41,300	—	49,700
Sugar ..thousand tons	2,068	1,093†	1,219†	378	—	153
Engineering and Electric Industries—						
Machine tools Value in lakhs of Rs.	250.50	50.78†	116.30†	41.01	—	12.68
Electric lamps millions	33.15	11.42	9.69	2.39	2.28	2.77
Dry cells millions	195.56	45.98†	36.75†	10.55	—	14.20
Power transformers K.v.a.	1,219,200	297,100†	311,700†	113,300	—	97,300
Electric Motors h.p.	469,200	104,300†	141,900†	51,300	—	38,500
Electric fans Nos.	824,400	165,300	209,500	53,400	53,400	46,700
Radio receivers Nos.	190,272	62,147	64,019	15,772	17,406	20,138
Storage batteries Nos.	324,000	108,800	109,500	29,400	28,400	26,500
Copper conductors tons	3,252	2,279†	1,828†	636	—	805
Winding wires tons	1,020	338†	335†	119	—	93
Rubber and plastic ins. cables and flexibles million yds.	103.20	25.93†	28.72†	10.66	—	8.97
Insulators—H.T. Nos.	186,000	14,100†	116,100†	30,600	—	7,700
Insulators—L.T. ..million Nos.	4.58	1.19†	1.19†	0.41	—	0.45
Diesel engines—Vehicular Nos.	3,336	1,391	1,253	406	313	273
Do —Stationary Nos.	16,548	3,219†	5,800†	1,789	—	1,440
Chemical Industries—						
Salt ..million mds.	68.76	30.08	40.68	11.39	19.04	14.68
Caustic soda tons	43,706	11,105†	11,953†	4,119	—	3,559
Soda ash tons	91,920	31,707	32,239	6,664	6,923	7,509
Chlorine liquid tons	18,296	5,481	4,786	579	—	1,246
Bleaching powder tons	5,340	1,662	2,133	570	539	247
Bicarbonate tons	3,672	873†	862†	319	—	272
Sulphuric acid tons	191,868	42,325†	54,073†	19,167	—	13,379
Superphosphate tons	141,600	26,192†	36,507†	13,718	—	10,503
Non-ferrous Metals—						
Aluminium tons	7,771	1,910†	2,014†	685	—	649
Ant

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53=100]

Group and Sub-Group	Week ended 9th Aug., 1958	2nd Aug., 1958	12th July, 1958	10th Aug., 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99 4	99 3	99 1	98 2
2. Government of India	99 3	99 1	98 9	97 9
3. State Government	100 7	100 6	100 6	100 1
4. Municipal, Port Trust, etc.	98 8	98 8	98 8	99 3
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99 2	99 3	99 2	101 3
6. Plantations	100 0	100 0	100 0	100 1
7. Coal	99 6	99 6	99 6	100 4
8. Sugar	99 0	99 0	99 0	100 6
9. Cotton Textiles	97 5	97 5	97 5	100 2
10. Jute Textiles	91 7	92 9	92 9	98 1
11. General Engineering	97 8	97 8	97 8	101 0
12. Electricity Generation and Supply	96 5	96 5	96 5	98 8
13. Others	101 3	101 3	101 1	102 9
PREFERENCE SHARES—ALL INDIA.				
14. Total	87 0	86 7	85 8	91 0
15. Plantations	95 8	95 7	95 2	105 2
16. *Mining & Quarrying: Total@*	85 4	85 3	84 2	91 5
17. Coal	74 9	74 9	74 2	83 7
18. *Processing and Mfg.: Total**	88 8	88 5	85 7	91 4
19. Sugar	88 3	88 2	88 7	96 5
20. Cotton Textiles	80 3	80 2	80 0	90 1
21. Jute Textiles	73 6	73 0	71 3	77 3
22. Iron and Steel	91 0	91 0	89 9	90 3
23. General Engineering	99 2	98 8	98 5	114 3
24. Basic Industrial Chemicals	85 2	85 0	84 6	87 0
25. Cement	100 4	98 7	95 3	100 8
26. Paper	84 1	83 8	83 8	93 0
27. *Other Industries: Total**	85 4	85 0	83 8	84 8
28. Electricity Generation and Supply	87 8	87 6	86 8	86 7
29. Trading	78 4	77 5	74 3	77 7
30. Shipping and Other Transport	85 2	85 2	85 2	86 5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	138 5	138 4	136 6	131 7
32. *Agriculture and Allied Activities: Total**	154 4	154 9	150 9	160 1
33. Tea Plantations	149 7	150 6	145 8	160 1
34. Coffee Plantations	219 9	213 7	208 1	185 0
35. Rubber Plantations	153 5	153 1	148 5	151 8
36. *Mining and Quarrying: Tota*	143 7	142 8	138 0	133 9
37. Coal	100 4	100 3	100 4	89 5
38. Other Mining	169 3	169 6	163 8	164 3
39. *Processing and Manufacturing: Total*	137 8	137 7	136 0	131 8
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	127 6	127 8	126 7	128 6
41. Sugar	164 5	164 8	161 3	169 4
42. Cotton Textiles	119 4	119 6	119 0	130 2
43. Jute Textiles	78 3	78 2	72 9	64 3
44. Silk and Woollen	410 4	409 1	418 4	348 3
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	148 7	149 0	146 8	134 7
46. Iron and Steel	141 6	141 7	137 9	116 9
47. Transport Equipment	200 9	205 0	206 0	182 9
48. Electrical Machinery	144 7	145 3	143 9	135 8
49. Machinery other than Transport and Electrical	159 0	158 7	157 0	155 1
50. Basic Industrial Chemicals	125 3	126 1	125 8	115 1
51. *Processing and Mfg. (Others): Total**	148 3	147 0	144 7	135 8
52. Cement	141 4	141 3	139 0	133 5
53. Paper	191 5	190 3	182 5	166 9
54. *Other Industries: Total**	111 1	110 7	110 0	105 7
55. Electricity Generation and Supply	92 3	92 1	91 3	89 2
56. Trading	89 6	89 4	88 8	82 9
57. Shipping and Other Transport	136 3	134 6	132 4	125 0
58. Construction	214 0	218 3	221 1	205 3
59. *Financial: Total*	171 7	171 8	171 2	148 7
60. Banks	194 4	194 0	194 1	162 9
61. Insurance	126 1	128 8	125 1	105 2
62. Investment Trusts	79 4	78 9	77 1	87 5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	141 2	141 8	140 4	128 3
64. Calcutta	134 3	134 9	131 2	128 0
65. Madras	151 4	151 5	151 2	157 9
66. Delhi	168 9	168 7	164 6	155 4

*Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,78,600	7,97,500
Do. 31st March, 1958	10,98,300	11,06,800	7,86,900
May 1957	91,300	86,600	65,100
June "	84,500	77,300	52,300
July "	88,800	82,800	66,600
August 1958	57,400	54,900	35,500
June 1957	84,900	85,700	62,000
July "	1,02,200	1,06,100	68,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,82,815	4,41,483
Do. 31st March, 1958	7,33,945	5,07,580	4,10,558
Three months ended Mar., 1957.	1,83,857	1,39,880	1,39,878
" " " June,1957	1,79,155	1,53,901	1,45,994
" " Mar., 1958.	1,99,639	1,28,868	1,06,501
" " " June 1958.	2,14,469	1,21,988	1,01,014

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of average Number of workers involved	Number of man-days lost
1956	1,203	715,130	6,992,040
1957	1,630	889,871	6,429,319
January 1958	147	56,492†	371,125†
February "	152	99,482††	447,586††
March "	167	85,462††	818,824††
April "	153	58,411(b)	496,816(b)

† Not known in 5 cases. †† Not known in 4 cases.
(b) Not known in 3 cases. ‡ In progress during the month

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'56-'57	387.68	..	11,010	284
Pakistan††	'56-'57	83.50	..	2,079	249
Burma	1956	19.80	Kyats 4,336	565	285
Ceylon	1955	8.39	..	1,985	237
Japan	1956	90.00	Y. 7,427,000	9,282	1,031
Philippines	1956	22.20	Ps. 8,335	1,985	894
New Zealand	1956	2.17	£(N.Z.) 884	1,178	5,428
Australia	1956	9.06	£(A.) 4,599	4,163	5,096
U.K.	1956	51.20	£ 16,465	21,953	4,287
U.S.A.	1956	168.00	$ 843,600	163,554	9,731
Canada	1956	16.00	$ 22,710	10,787	6,743
France	1956	43.50	F.Fr. 18,090,031	17,649	4,046
W. Germany	1957	51.40	Dm. 158,000	18,057	3,513
Italy	1956	48.10	Lr. 11,476,000	8,760	1,821
Norway	1956	3.46	Kr. 30,900	1,488	4,358
Sweden	1956	7.80	Kr. 44,580	6,127	5,653
Netherlands	1956	10.80	Grs. 25,400	8,215	2,977
Denmark	1956	4.46	Kr. 24,950	1,690	5,789
Switzerland	1956	5.00	Sw. Fr. 25,630	2,507	5,614

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)
1952 Average	106	337	259	310	92	101	351	102	108	108	111	112	99
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98
1955 "	96	336	217	246	78	96	321	99	99	83	87	98	88
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100
1957 "	111	360	250	329	94	112	364	116	114	99	103	115	107
February 1957	107	357	253	341	92	109	350	114	114	100	100	107	105
March "	107	356	254	330	91	110	348	114	114	99	99	107	105
April "	108	356	256	333	89	110	345	114	112	95	102	110	107
May "	110	363	257	337	92	111	352	114	114	96	104	113	108
June "	112	370	259	339	93	112	371	115	115	98	103	118	111
January 1958	111	382	254	320	91	115	368	120	109	96	103	120	107
February "	110	380	248	297	89	115	364	120	108	95	103	118	105
March "	110	381	253	298	89	115	368	119	108	96	102	119	105
April "	111	389	261	295	91	116	368	119	107	96	100	118	106
May "	113	397	263	295	93	117†	371	120	108	97	101	119	107
June "	114†	395	273	307		378	111	101	103	120	118		

† Provisional

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Receipts	10-Year Treasury Savings Deposit Certificates 4% C Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	32,03	..	—31,07	25,54	..	..	..	146,83	211,68	
1953-54	5,91	4,26	104,38	..	..	117,37	106,29	..	—84,20	32,11	..	..	..	152,71	252,98	
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,88	—36,35	37,15	..	..	55	54	177,55	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	208,53	380,04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	2,23	4,73	143,59	71,39	71,36	172,40	207,96	23,13	—39,71	43,58	5,88	5,88	63	1,87	256,80	504,83
1957																
August	2,68	5,49	160,88	5,03	13,31	12,64	201,68	25,61	—39,18	44,27	52	1,76	3	1,42	17,91	456,60
September	2,60	5,39	158,28	6,86	20,17	14,06	203,17	25,17	—39,26	44,14	63	2,39	4	1,46	21,54	462,72
October	2,54	5,26	155,82	6,17	26,33	12,61	202,83	24,81	—39,33	44,07	42	2,81	9	1,47	19,12	455,94
November	2,48	5,14	153,40	6,48	32,82	13,25	202,58	24,47	—39,38	43,96	49	3,29	2	1,49	20,24	459,63
December	2,43	5,06	151,07	6,41	39,23	13,00	202,55	24,14	—39,47	43,89	46	3,76	2	1,50	19,90	478,58
1958																
January	2,37	4,94	148,57	7,95	47,18	13,88	202,54	23,77	—39,55	43,80	68	4,44	18	1,68	22,68	479,29
February	2,31	4,83	146,14	10,24	57,42	14,22	203,12	23,45	—39,62	43,69	74	5,18	9	1,75	25,29	487,89
March	2,23	4,73	143,59	13,97	71,39	19,39	207,96	23,13	—39,71	43,58	70	5,88	12	1,87	34,68	504,83
April	2,18	4,65	141,48	6,56	77,92	15,27	208,29	22,87	—39,80	43,47	77	6,65	11	1,97	22,71	509,43
May	2,08	4,55	139,37	5,84	83,75	15,22	206,71	22,60	—39,88	43,37	57	7,22	5	2,01	21,68	511,66

Note.—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947 F—No sales from June 1, 1957. G—From July, 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included.

† Provisional.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,32,26,600	1960-70	100.60
2½ % Loan	1938-39	116,17,46,000	1965-65	96.30
3 % Loan	1950	20,33,10,000	1964	96.20
2½ % Fg. Loan	1945	1,10,11,78,000	1965-68	89.70
2½ % Def. Loan	1945	1,15,06,53,000	1970-75	88.40
2½ % 2nd V.Loan	1945	1,13,55,54,000	1959-61	99.80
2½ % Loan	1946	46,68,07,000	1960	98.30
2½ % Loan	1946	87,00,59,000	1961	96.80
2½ % Loan	1946	14,77,48,000	1976	88.10
2½ % Loan	1947	75,84,72,500	1962	96.50
2½ % N.F. Bonds	1953	76,29,00,000	1961	100.20
2½ % N.F. Loan	1954	1,58,17,90,000	1964	99.95
2½ % N.F. Bonds (2nd Series)	1955	1,06,67,92,000	1965	99.60
2½ % Loan	1956	87,27,35,000	1962	98.60
2½ % N.F. Bonds	1956	23,21,83,500	1967	98.70
2½ % Loan	1956	66,63,53,000	1974	98.30
2½ % N.F. Bonds (4th Series)	1957	56,99,15,000	1967	100.15
4 % Loan	1957	49,17,27,000	1972	100.40
2½ % Loan	1958	56,06,06,000	1962	99.95
2½ % Loan N.P.B.	1958	84,84,00,000	1968	100.00
4 % Loan	1958	68,67,60,000	1973	100.15
NON-TERMINABLE LOANS				
3% Loan	1896-97	2,93,84,000	M.	71.75
3% Loan	1946	2 45,91,37,000	K.	71.80
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.80
4 % Andhra	1956	6,84,18,000	3rd Sept. 1968	98.70
4 % Andhra	1956	5,00,00,000	15th July 1970	100.10
4½ % Andhra	1957	9,49,68,000	1st Aug. 1962	94.50
3 % Bombay	1950	2,83,50,000	21st July 1965	98.75
3 % Bombay	1951	2,87,58,000	17th Sept. 1965	98.25
4 % Bombay	1951	5,12,35,000	15th July 1963	100.00
4 % Bombay	1953	3,45,85,000	1st Aug. 1964	100.00
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	99.20
4 % Bombay	1956	7,04,76,000	3rd Sept. 1968	98.70
4 % Bombay	1957	6,57,22,000	15th Sept. 1969	100.85
4½ % Bombay	1958	5,00,00,000	15th July 1970	100.75
4½ % Bombay	1956	5,00,00,000	15th July 1971	100.35
4 % Bihar	1951	1,84,92,000	1st Sept. 1967	98.70
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97.50
3 % Cochin	1945	1,00,00,000	16th Dec. 1958-59	98.00
2½ % Cochin	1956	50,00,000	1st June 1956-61	97.75
2½ % Eleventh Bridge (New)	1956-57	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.10
4 % Hyderabad	1956	2,12,92,000	3rd Sept. 1968	98.10
4 % Madras	1939	1,23,96,000	21st June 1959	99.20
3 % Madras	1945	2,78,44,000	14th Sept. 1960	98.50
2½ % Madras	1946	3,21,77,500	1st Sept. 1961	99.00
2½ % Madras	1946	4,82,55,000	31st July 1960	98.50
3½ % Madras	1951	3,01,49,500	17th Sept. 1962	98.50
4 % Madras	1953	10,23,71,000	15th July 1963	100.00
4 % Madras	1953	5,54,57,500	1st Aug. 1964	99.85
4 % Madras	1954	10,47,17,000	1st Sept. 1967	98.80
4 % Madras	1956	13,88,56,000	3rd Sept. 1968	98.50
4½ % Madras	1958	5,00,00,000	15th July 1970	100.00
3 % Mysore(J)	1952	2,95,15,000	1st Dec. 1958-65	101.25
3 % Mysore(J)	1956	5,98,78,800	30th Apr. 1956-61	99.30
4 % Mysore	1953	2,88,47,000	15th July 1963	100.00
4 % Mysore	1954	3,54,94,000	1st Sept. 1967	98.75
4 % Mysore	1956	4,11,11,000	3rdSept. 1968	98.50
4½ % Mysore	1957	3,33,78,000	16th Sept. 1969	100.25
4½ % Mysore	1958	5,00,00,000	15th July 1970	99.50
3 % M.P.	1950	2,08,28,800	15th July 1964	98.25
3 % M.P.	1950	1,01,45,000	31st July 1960	98.00
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,12,18,000	15th July 1970	100.00
4 % M.P.	1955	1,53,10,000	1st Sept. 1967	98.50
4 % M.P.	1956	1,58,43,000	3rdSept. 1968	98.50
4½ % M.P.	1958	2,00,00,000	15th July 1970	100.10
3 % Saurashtra	1955	2,61,65,500	1st Sept. 1967	98.80
4 % Saurashtra	1956	2,74,84,600	3rdSept. 1968	98.50
4½ Trav. Cochin	1953	3,26,61,000	15th July 1963	99.00
4½ Trav. Cochin	1956	2,22,03,000	3rd Sept. 1968	97.50
3 % U.P.	1945	61,44,79,000Z		48.00
3 % U.P.	1945	1,55,59,800	15th Sept. 1961-66	90.35
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98.50
2½ % U.P.	1946	2,16,20,000	1st Aug. 1961	95.50
2½ % U.P.	1951	1,87,98,000	17th Sept. 1962	98.25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.30
4 % U.P.	1953	5,58,25,000	15th July 1963	99.50
4 % U.P.	1954	9,39,16,000	1stSept. 1967	98.80
4 % U.P.	1956	8,61,55,000	3rdSept. 1968	98.50
4½ % U.P.	1958	7,00,00,000	15th July1970	100.10
3 % Rajasthan	1955	3,14,19,000	1st Sept. 1967	98.50
4 % Rajasthan	1956	2,50,00,000	15th July 1970	100.10
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.50
4½ % Orissa	1958	3,00,00,000	15th July 1970	100.00

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
26,50,000	4	1904	1954	
15,00,000	4	1905	1955	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	96.10N
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
50,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,25,875	4	1912*	1960	D
50,00,000	4	1913	1974	96.00N
40,00,000	5	1913	1974	96.00N
25,00,000	5	1914	1975	
25,00,000	5	1915	1975	
15,00,000	5	1916	1976	
61,61,000	4	1922*	1968	
41,41,000	4	1924*	1968	
15,25,000	5½	1925*	1968	
25,00,000	5½	1926*	1968	
25,00,000	5½	1927*	1968	
15,50,000	5½	1928*	1968	
24,25,000	5½	1929*	1968	
15,00,000	5½	1930*	1968	
45,94,000	5½	1934*	1968	
10,00,000	5½	1940*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				Rs.
Rs.				
99,24,100	4	1914	1974	97.75
78,90,100	4	1915	1975	97.75
78,06,000	3½†	1921	1961	83.00
65,02,2850	4½	1921	1961	144.00N
1,49,36,000	5	1923	1958-88	101.00
50,00,000	4½	1923	1961	97.50
50,00,000	5	1924	1965	97.50
25,00,000	5	1925	1968-88	99.00
50,00,000	5	1926	1966	99.00
50,00,000	5	1927	2006	74.00
50,00,000	5	1928	1978	84.75
50,00,000	5	1946	1978	83.75
50,00,000	5	1947	1977	84.25
50,00,000	2½	1947	1978	83.75
50,00,000	3	1948	1968	98.25
1,00,00,000	3	1949	1969	98.50
1,00,00,000	3	1950	1970	98.00
1,00,00,000	3	1950	1980	97.25
50,00,000	3	1951	1981	97.75
50,00,000	3½	1951	1981	97.50
1,00,00,000	4	1952	1967	97.50
50,00,000	4	1953	1963	97.50
50,00,000	4	1953	1973	97.50
50,00,000	4	1954	1974	97.25
1,24,00,000	4½	1957	1987	99.50
77,00,00000	4	1956	1986	97.25
78,00,00000	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
STERLING LOANS				Rs.
£292,600	5	1923	1953-58	£80.50
£901,000	5	1924	1954-58	£80.25
£855,100	5½	1952	1962	£91.00
MADRAS				Rs.
23,68,275	3½	1947	1977	A
9,85,000	3	1947	1977	
3,00,000	3	1949	1979	
45,60,00000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75
50,00,000	4	1906	1967	W
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
25,00,000	4	1916	1976	K
40,00,000	5	1917	1957-79	118.00
65,00,000	5	1920	1955-80	
25,00,000	5	1924	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	4	1938	1966	
STERLING LOAN				
£546,600		1909	1968	95.50N
£333,000		1910	1970	105.50N
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	102.00
50,00,000	4	1924	1964	99.00
25,00,000	5½	1925	1965	94.00
50,00,000	5	1926	1966	99.00
50,00,000	5	1927	1967	97.00
20,00,000	5	1928	1968-88	99.00
30,00,000	4	1932	1962	99.25
1,00,00,000	4	1934	1965	99.00
50,00,000	4½	1956	1968	99.75
MUNICIPAL LOANS				
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1928	1960	115.00
25,00,000	5	1928	1968	101.50
26,11,500	5	1929	1959	101.50
2,25,00,000	3½	1947	1977	84.00
2,50,00,000	3½	1949	1979	84.00
1,00,00,000	3½	1949	1961	93.25
2,50,00,000	4	1952	1964	96.25
2,00,00,000	3½	1951	1966	97.00
1,50,00,000	4	1954	1966	97.00
1,00,00,000	4	1952	1964	97.25
1,00,00,000	4	1954	1966	97.75
2,50,00,000	4	1955	1967	97.25
1,00,00,000	4	1956	1968	97.25
2,00,00,000	4½	1957	1969	99.25
Rs.		**CALCUTTA**		Rs.
38,00,000	5	1928	1958	100.00
25,00,000	5	1929	1959	100.00
10,00,000	5½	1932	1962	102.00
25,91,000	5½	1935	1965	94.00
60,00,000	2	1936	1966	90.00
47,50,000	3	1938	1968	90.00
17,44,400	3½	1942	1959	98.50
17,50,000	3½	1942	1962	97.50
16,28,000	3½	1951	1961	97.50
66,58,000	3½	1951	1966	97.50
97,55,000	4	1954	1979	96.00
71,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	
87,00,00,000	4½	1958	1970	106.00
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107.00
15,00,000	3½	1952	1962	107.50

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1952	1,04,77,000	15th July 1963	99.50
4 % M. Bharat	1953	1,11,58,000	3rd Sept. 1968	98.50
4 % W. Bengal	1951	1,75,00,800	17th Sept. 1962	98.10
4 % W. Bengal	1952	2,00,00,000	1st Aug

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciations is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BOMBAY CITY AND ISLAND																
50,00,000	5,37,500	1,01,25,505	44,08,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.72	2	0.19	0.19			12	Y.
40,00,000	24,00,000	1,40,93,494	78,99,035	17,302	M.	50,506	1,031	B. R. Cotton Mills	21.00	100	*Nil*	*Nil*	*Nil*		3	Y.T.T
2,56,98,000	2,42,58,483	7,95,30,951	3,93,89,819	85 708	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,480	3,646	Bombay Dyeing & Mfg. Z	59.80	25	2.50*	2.50	2.50	0.75	12	Y.
10,00,000	36,04,615	71,89,139	45,08,521	4,831	Ramsarain Sons Private Ltd.	44,784	860	Bradbury Mills	175.00	50	12.50	20.00	15.00	7.50	3	Y.P
1,09,42,800	2,79,59,276	7,45,32,167	2,69,98,324	9,27,648	Birla Brothers Private Ltd.	1,26,752	2,762	Century Spg. & Mfg.	452.00xr	100	22.00	22.00	22.00		12	Y.
40,00,000	25,42,326	1,19,99,766	65,07,035	—33,08,097	V. J. Pilani (Chairman and Managing Director)											
26,00,000	13,08,380	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	50,596	698	Colaba Land & Mill	29.25	100	*Nil*				12	Y.
28,00,000	26,37,709	90,39,554	54,08,586	66,029	Kotiswerl Bullen & Co., Ltd.	30,984	680	Coorla Spg. & Wvg.	119.00	100	7.50	12.50*			3	Y.
54,00,000	40,06,485	1,13,54,400	62,28,676	2,28,479	Ramsarain Sons Private Ltd.	85,000	50	Dawn Mills	85.00	50	15.00	—	7.50F	5.00	3	Y.
29,98,050	15,72,144	1,51,76,951	81,20,935	...	Puranmal Bubna Sons	46,668	928	Edward Textiles	262.50	200	18.00	15.00	*Nil*		12	Y.
50,00,000	55,54,875	1,67,34,054	89 06,207	87 155	M.	45,996	886	Elphinstone Spg. & Wvg.	40.00	50	5.00	15.00	*Nil*		12	Y.P
50,00,000	48,96,022	94,91,910	61,37,357	10,233	James Finlay & Co., Ltd.	52,528	784	Finlay Mills	291.00	100	20.00	20.00	20.00		12	Y
11,84,000					James Finlay & Co., Ltd.	45,768	1,018	Gold Mohur Mills Ltd.	186.00	100	15.00	15.00	15.00		12	Y.
16,000	1,23,22,269	1,89,27,232	1,29,07,994	—6,87,028	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills.	4,800 00	1,000	300.00	325.00	350 00*	350.00	3	Y.P.
2,50,09,600	56,39,672	4,90,61,310	3,54,00,000	1,29,969	Agarwal & Co.	2,44,150	6,278	India United Mills	992.50	250	75.00	81.25	87.50*	87.50	3	Y.P.
									10 00	0 100	0.94	0.92				
8,65,000	1,09,49,981	1,69,30,792	1,17,58,604	—1,16,454	M.	56,784	1,152	Indian Mfg.	1.38	0 1D.	0.19	0.18			12	Y.
									4,510.00	1,000	300.00	300.00	325.00*	325.00	3	Y.P.
50,36,900	46,10,421	2,18,61,080	2,25,81,104	78,146	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	186.25	500	150.00	150.00	162.50*	162.50		
1,90,80,000	1,13,27,791	3,57,76,376	2,84,94,794	52,791	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	281.50	100	12.50	10.00	10.00(c)		6	Y.P.
33,18,800	46 27,870	1,28,83,753	67,99,178	43,271	N. Sirur & Co. Private Ltd.	49,000	644	Modern Mills	70.00N	100	18.00	18.00	18.00		12	Y.
51,75,000	38,44,612	2,64,74,625	1,83,16,328	23,520	Piramal Sons Private Ltd.	71,604	1,552	Morarjee Goculdas Spg.& Wvg.	50.00N	50	8.00*	8.00*	5 00'C'		10	Y.T.
1,00,53,400	1,42,88,206	10,55,95,105	2,40,00,000	1,23,937	Chinai & Co. Private Ltd.			National Rayon Corporation	245.00	100	14.00	15.00	14.00(c)		6	Y.P.
24,00,000	25,02,456	82,11,723	48,70,075	1,495	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	231.50	100	12.00	14.00*	14.00		12	Y.P.
30,00,000	11,72,134	101,83,002	63,37,094	...	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	118.00	100	10.00	10.00	5.00		12	Y.
48,00,000	55,51,580	1,69,40,494	1,08,77,159	3,59,718	Ramsarain Sons Private Ltd.	49,012	1,018	Phoenix Mills	200.00	100	10.00	10.00	*Nil*		12	Y.P.
40,00,000	48,04,554	53,92,841	25,84,581	1,63,546	Podar Sons Private Ltd.	128.75	1,100	Podar Mills	136.50	100	12.00*	12.00*	10.00	12.50F	10.00	3
10,00,800	1,78,222	24,10,104	18,80,783	...	M.	32,600	930	Podar Mills	9.72	10	0.50	0.25(c)			12	Y.
87,78,100	1,19,98,715	2,11,34,514	1,36,87,248	...	M. G. Investment Corp. Private Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	47.50	10	2.00	2.00	2.00		12	Y.
80,00,000	44,70,081	1,27,66,700	67,73,552	12,182	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	163.50	100	12.00	12.00	8.00		12	Y.P.
42,00,000	50,80,473	1,05,86,294	79,84,101	8,069	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	175.00	50	10.00	12.00	8.50	8.50	3	Y.
87,80,000	2,50,26,472	2,96,16,751	1,87,99,317	1,85,542	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	433.00	100	20.00	22.50*	22.50*		12	Y.P.
1,80,00,000	95,03,854	2,76,30,400	1,44,86,214	29,124	Tata Industries Private Ltd.	97,588	2,000	Svadeshi Mills	202.50	100	12.00	14.00*	9.00		12	Y.P.
84,00,000	66,13,485	1,52,27,488	90,52,715	26,062	James Finlay & Co., Ltd.	40,228	549	Swan Mills	360.00	100	25.00	25.00	25.00		12	Y.P.
65,57,875	53,20,412	2,15,15,540	1,03,58,901	17,925	Tata Industries Private Ltd.	70,832	1,500	Tata Mills	39.25	25	4.00	3.50*	2.00		12	Y.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,136	1,212	Western India Spg. & Mfg.	4,225.00	1,000	300.00	300.00	325.00*	325.00	3	Y.P.
AHMEDABAD																
46,00,000	31,51,987	1,73,25,924	68,65,244	11,158	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	175.00	100	7.00	12.00	5.00		6	Y.P.T
15,00,000	99 23,183	1,29,00,836	73,32,228	....	P. M. Hutheesing & Co., Ltd.	44,220	912	Arvind Mills	630.00	100	20.00	25.00	28.00		12	Y.P.
40,00,000	3,02,12,127	2,17,78,010	1,10,66,897	29,706	M.	66,412	1,216	Arvind Mills	980.00	100	35.00*	35.00*	35.00*		12	Y.P.
13,00,000	47,41,123	1,22,40,043	77,79,729	1,04,515	Manganlas & Brother (Pvt.) Ltd.	35,908	902	Ayrodaya Ginning & Mfg.	470.00	200	25.00*	30.00*	30.00		12	Y.P.
1,09,42,800	2,79,59,276	7,45,32,167	2,69,98,324	728	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	660.00	100	30.00	30.00	30.00		3	Y.P.
1,87,50,000	3,49,64,519	5,14,69,792	2,66,08,230	1,16,338	Karamchand Premanand Pvt. Ltd.	1,20,120	2,400	Calico	486.00xd	125	....	30.00	30.00		3	Y.P.
63,00,000	28,51,630	1,44,37,907	1,02,61,822	20,316	Tribhuvandas Bhagubhai & Co., Ltd.	45,836	966	New Commercial Mills	431.00	250	30.00	100.00*	25.00*		12	Y.P.
52,00,000	91,54,187	1,55,49,668	1,07,88,295	92,078	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	770.00	125	35.00	40.00*	40.00		12	Y.
15,80,000	64,29,775	69,45,065	35,96,652	...	M.	25,560	572	Natan Mills	412 50	100	20.00	20.00	20.00		12	Y.P.
20,00,000	1,06,87,182	1,07,38,484	57,50,486	105	Lalbhai Dalpatbhai & Co.	32,828	636	Raipur Mfg.	740.00	100	35.00*	35.00*	35.00*		12	Y.P.
48,75,000	28,46,880	1,33,74,914	73,50,111	9,963	M.	35,196	648	Rajkot Mills	133.75	100	*Nil*	8.00	8.00*		12	Y.P.
57,96,300	2,88,74,108	2,17,82,370	1,17,57,907	1,76,451	Harivallabhdas Kalidas & Co.	94,128	1,789	Shri Ambica Mills	708.00	50	27.00*	30.00*	25.00		12	Y.P.
29,25,000	69,60,633	1,00,70,063	73,48,312	18,346	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	26,648	728	Shorrock Spg. & Mfg.	478.75	100	25.00	30.00*	20.00		12	Y.
25,00,000	38,00,929	1,28,90,368	90,20,784	22,800	Haridas Ashratlal & Co., Ltd.	41,056	780	Vijaya Mills	630.00	500	35.00*	50.50*	40.00*		12	Y.P.
WEST BENGAL																
15,00,000	3,08,455	38,27,581	24,03,641	1,14,855	Calcutta Agency Private Ltd	13,044	356	Basanti Cotton Mills	6.31	10	0.50	0.50	0.50		12	Y.P.T.
7,11,280	19,08,297	80,04,522	55,58,258	49,225	D. N. Bhattacherjee, Esq. (Mg. Director)	33,336	985	Bengal Luxmi Cotton Mill	85.00N	40	4.00	4.00	4.00		3	Y.P.
24,00,000	1,50,000	1,20,71,237	49,68,051	1,17,244	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills	112.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
19,00,000	24,30,708	1,39,78,961	73,14,165	—1,86,242	Kettlewell Bullen & Co., Ltd.	42,944	523	Dunbar Mills	125.00	100	2.50	6.00	*Nil*		12	Y.P.
50,08,000	86,968	76,97,325	21,97,325	82,086	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	7.44	10	*Nil*	0.37	0.50		12	Y.
1,50,00,000	2,29,31,478	4,00,62,585	1,43,49,778	4,94,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	11.44	10	0.87	1.00	0.75		3	Y.P.
19,47,750	9,50,000	48,59,254	28,75,466	9,388	Hazaremul Heeralal	23,086	795	Ramgooria Cotton Mill	15.00N	10	1.00	1.00	0.75		6	Y.
5,00,800									4.00N	1D	0.34	0.36	0.15			
SOUTH INDIA AND OTHER CENTRES																
11,98,600	5,57,619	29,87,104	19,12,238	16,013	Setna & Co.	24,800	716	Asher Textiles Ltd.	217.00N	100	12.50	15.00	12.50		6	Y.
72,00,000	17,82,554	1,87,55,112	66,45,582	6,710	C. S. Tyabjee, Esq.	36,136	716	Asam Jahi Mills	53.50	100	8.50(e)	5.00	3.50		9	Y.
1,21,50,000	1,47,74,679	3,67,98,866	2,76,43,043	2,99,471	Binny & Co. (Madras), Ltd.	46,250	1,157	Bangalore Woollen, Cotton and Silk Mills	164.00cd	100	20.00	20.00	10.00'C'	4.00I	12	Y.P.
35,00,000	99,61,544	1,33,11,187	1,08,74,387	2,64,725	Birla Brothers Private Ltd.	39,896	1,068	Birla Cotton Spg. & Wvg., Delhi	87.50N	10	2.00	1.50	1.50		12	Y.P.
1,78,47,800	2,99,20,000	6,98,67,943	4,19,97,472	1,92,471	Binny & Co. (Madras), Ltd.	1,20,288	2,763	Buckingham & Carnatic	168.00	100	10.00	10.00	10.00		12	Y.P.
30,00,000	15,37,935	59,23,440	26,18,043	...	Peirce, Leslie & Co., Ltd.	27,536	4	Cambodia Mills	8.80	10	0.50	0.50	0.50(c)		12	Y.P.
15,00,000	5,11,500	53,38,579	29,01,389	1,08,342	Dalmia Jain & Co.	20,600	....	Cannanore Spg. & Wvg.	187 00xd	100	12.00	15.00	20.00	12.50	3	Y.
30,00,000	33,43,336	76,05,050	59,57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,024	501	Cawnpore Textiles	4.50	5	*Nil*	0.25	*Nil*	0.90	12	Y.
9,36,560	5,31,645	60,81,289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	21,200	....	Cawery Spg. & Wvg. Mills Ltd.	11.75cd	10	0.62	0.75	0.90	0.90	3	Y.P.T.
24,21,852	32,09,767	69,79,002	31,91,699	606	R. Bheema Naidu & Co.	20,864	....	Coimbatore Cotton Mills	148.00	100	25.00	25.00	9.00'C'		12	Y.
18,18,800	7,35,196	59,16,552	34,39,633	....	T. A. K. Chettiar Sons & Co.	25,200	180	Coimbatore Manufacturing Mills	10.00	100	20.00	12.00			12	Y.P.
20,00,000	18,28,450	80,21,737	44,09,621	599	T. R. N. Naidu & Co.	33,236	....	Coimbatore Pioneer Mills	225 00xd	100	20.00	20.00	20.00		12	Y.P.
30,78,900	2,05,076	1,24,06,876	88,05,979	10,415	R. G. S. Naidu & Co.	72,186	407	Coimbatore Spg. & Wvg.	52.00	50	8.00	10.00			12	Y.
48,87,000	27,24,776	2,42,10,703	1,64,96,384	....	Tata Industries Private Ltd.	67,482	1,692	Conrad India	104.00	100	8.00	*Nil*	*Nil*		6	Y.P
24,48,511	15,50,008	92,09,552	46,87,014	15,780	B. Ramasubbaiyappa & Son	33,216	500	Davangere Cotton Mills	112.00	100	9.00	9.00	9.00		12	Y.
2,50,39,235	3,10,24,830	11,79,09,468	6,78,07,185	2,77,563	B. B. Charni Ram & Co. Private Ltd.	1,41,180	2,252	Delhi Cloth & General Mills	32.00	25	2.25	2.50	2.00		3	Y.P.T.
1,00,58,445										5	0.22	0.25	0.20			
47,98,296	26,25,000	84,28,224	49,84,057	1,965	M. N. Chettiar & Sons	42,212	901	Dhanalakshmi Mills	172 00	100	50.00	25.00	10.00'C'		12	Y.
66,00,000	1,05,56,192	1,69,12,424	1,41,98,839	75,531	Begg, Sutherland & Co. Private Ltd.	48,452	1,196	Elgin Mills	13.31	10	1.00	1.25	1.00		9	Y.P.
49,81,000	42,55,161	1,36,06,042	77,13,982	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	....	Gokak Mills	151.00	100	15.00	15.00	8.00		12	Y.
2,50,00,000	2,35,10,000	4,52,38,795	1,32,00,000	72,17,274	Birla Gwalior Private Ltd.	....	....	Gwalior Rayon	14 24xd	10	*Nil*	*Nil*	*Nil*		3	Y.P
50,00,000	5,94,589	1,59,75,094	1,31,32,273	—11,77,234	K. L. Saksaria, Esq. (Chairman)	51,180	1,256	Indore Malwa United	108.50	100	9.00	11.00	6.00		12	Y.
3,90,000	19,65,683	31,40,455	19,97,477	....	G. V. Naidu & Co., Ltd.	23,784	....	Janardhana Mills	75.50	50	10.00	10.00			12	Y.
18,84,000	15,02,599	57,13,937	33 88,095	7,012	Mr. Bhaburatan Damani (Managing Director)											
4,86,86,800	3,24,05,304	4,34,59,294	3,18,54,080	2,48,717	Birla Gwalior Private Ltd.	20,212	512	Jam Shri Ranjitsinghji	1,450.00	1,000	50.00	60.00	46 90		6	Y.
42,00,000	19,25,000	1,06,81,567	58,28,076	91,772	Kothari & Sons	54,576	1,680	Jiyajeerao Cotton	9.76	10	4.00§	0.55	0.25		3	Y.P.
32,00,000	63,39,487	1,84,80,574	1,25,78,615	2,294	M.	41,040	300	Kothari Textiles	10.50	10	1.00	1.00	1.00		6	Y.P
71,00,000						51,096	1,248	Lakshmi Cotton Mfg.	445.00	250	42.50	42.50	15.00		12	Y.P.
1,75,02,484	66,85,960	2,25,46,381	1,29,69,687	86,376	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	100 00xd	100	12.50	12.50	10.00	6.00	3	Y.
12,00,000	4,24,40,278	5,90,89,121	3,96,10,817	6,92,368	A. & F. Harvey Ltd.	4,88,000	....	Madura Mills	49 50xd	25	6.25	6.25	5.00	3.00		
60,00,000	5,67,263	29,03,352	16,76,700	218	V. K. Ramaswami (Chairman)	33.75	15	Malabar Spg. & Wvg.	39.00	10	3.00	2.62	2.25		12	Y.
29,80,824	69,00,000	66,60,298	47,59,940	876	W. Ramadasi & Co. (Private) Ltd.	25,556	608	Mayor Industries Ltd.	3.41N	100	25.00	42.50	20.00	20.00	12	Y.
94,91,856	12,88,081	93,11,180	51,89,457	19,733	N. Sirur & Co. Private Ltd.	29,896	704	Minerva Mills	65.00	100	6.00	6.00	*Nil*		12	Y.
24,88,500	21,56,146	1,71,94,759	78,31,522	1,85,006	M.	52,408	962	Model Mills (Nagpur)	175.00	250	7.50(c)	7.50			6	Y.
18,61,780	11,52,478	1,13,48,711	71,02,473	85,297	M.	30,495	800	Mysore Spg. & Mfg.	92.50	100	10.00(c)	10.00*	9.00*	3.001	3	Y.P.
84,00,000		29,12,641	17,83,814	3,955	K. Tipperudrah (Chairman)	6,000		Mysore Spun Silk Mills	6.25N	10	*Nil*	*Nil*	*Nil*		3	Y.P.
4,00,000A	39,29,981	1,78,83,244	67,86,663	....	M.	37,788	903	Osmanchahi Mills	42.00	100	2.50(c)	5.00(c)	*Nil*		9	Y.
6,00,000B	13,00,000	71,79,976	28,66,277	8,909	Bhaghyalakhmi & Co.	45,508	....	Palani Andavar Mills	121.00	100	15.00	15.00	9 00		12	Y.P.
16 00 000	....	34,19,570	18,82,554	—9,80,216	C. S. R. Mudaliar & Sons	27,980	....	Pankaja Mills Ltd.	176.50	75B	18.00	22.50	13.50			
16,81,200A	31,21,189	1,06,11,851	58,39,265	3,877	A. G. Gurusamy Naidu & Co.	59,264	800	Radhakrishna Mills	42.50	100	4.00(e)	*Nil*			12	Y.
8,40,600B									142 00cd	100A	20.00	20.00	12 00		12	Y.
19 53 275	20,85,780	76,87,378	32,62,433	....	B. R. Naidu & Sons	27,096	....	Rajalakshmi Mills	68 00cd	50B	10.00	10.00	6.00			
14 10 300	14,00,000	57,35,923	19,10,995	15,404	Ramco Agencies Private Ltd.	24,996	....	Rajapalayam Mills	72.00	50	10.00	7.50	4.50		12	Y.P
19 82 650	13,50,000	58,72,976	23,15 892	5,286	Rayalaseema Development Co.	21,200	....	Rajapalayam Mills	129.00	100	10.00	10.00	12.00		3	Y.
12 00 000									105 00	100	10.00	10.00	10.00		12	Y.
15 00 000	2,69,010	3,15,04,564	2,05,50,756	—34,29,635	M.	96,222	2,333	Sholapoor Spg. & Wvg.	137.00	1,000	*Nil*	*Nil*	*Nil*		3	Y.P
38,69,700	21,01,449	1,08,51,059	61,65,564	37,576	H. N. Pallegar, Esq.	20,744	292	Sri Krishnarajendra Mills	72.50rd	500	5.00	7.00	7.00	4.50	3	Y.
16,00,000	3 62,40,700	1,03,31,810	75 23,414	29,39,630	Birla Brothers Private Ltd.	56,512	1,244	Sutlej Cotton Mills	70 00N	10	6.00	6.00	6.00		3	Y.P.
17,50,0000	2,36,28,081	5,18,86,130	1,81,88,924	8,85,712	Jalpuria Brothers	1,12,216	2,986	Swadeshi Cotton (Kanpur)	11.00	10P.O.	0.75	0.75			12	Y.P.
50 00(P.O.									11 25	10F.O.	1.15	1.15	1.15			
50 00	60,00,000	3,88,81,200	1,95,13,492	1,78,216	Emcote & Sons (Travancore) Ltd.	....	....	Travancore Rayons	14.40	10	0.75	1.00	1.00		12	Y.P.T.
13,98,730	9,45,940	19,80,230	13,60,120	794	Moolji Ramjee & Sons	16,000	....	Trichinopoly Mills	11.75	10	0.90	1.15	0.90		12	Y.
21,00,000	39,88,738	86,39,894	61,76,507	12,000	K. K. Chetty & Brothers	44,424	370	Vasanta Mills	231.50	100	20.00	20.00	12.00		12	Y.P
22,00,000	18,73,770	1,85,96,083	1,17,44,692	—9,85,569	The Bombay Co. (Private) Ltd.	49,660	1,375	Vishnu Cotton	112.00	100	8.00	8.00	*Nil*		12	Y.P.

Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right.
‡Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. § On old capital. (c) Paid out of Reserves. ‡ For Nine months ended 31st December 1957. F—For fifteen months ended 31st March, 1957. 'C'=Old increased Capital.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BREWERIES AND DISTILLERIES														
39,84,000	47,48,760	1,15,18,224	62,38,314	1,16,220	Parry & Co., Ltd.	Deccan Sugar & Abkhari	8.75	5	0.50	0.75	0.85		5	Y.P.
16,20,680	26,75,014	29,38,961	16,28,125	38,736	Mr. K. G. Khanna	Dyer Meakin Breweries	12.25	5	0.56	0.56			3	Y.
2,49,950	21,197,464	21,857,940	4,791,435	452,719	Parry's Holdings Private Ltd.	East India Distilleries and Sugar	28.30	21	Sh. 4	Sh. 3	Sh.3	Sh. 11	9	Y.P.
6,00,000	9,60,000	24,40,822	22,65,226	6,022	Vital Mallya, Esq. (Chairman)	United Breweries	221.00	75	15.00	15.00	15.00		3	Y.
CEMENT														
72,59,940	13,33,764	1,00,14,799	47,17,446	5,762	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	12.10cd	B. 10	1.00*	1.00			12	Y.P.
59,85,555	....	1,55,92,861	....	....	M.	Ashoka Cement Ltd.	10.04	10	..	..	*Nil*		3	Y.T.
43,14,9000	13,13,132	1,44,55,792	53,48,079	4,59,343	Eastern Corporation Ltd.	Assam Bengal Cement	4.31	O. 10	*Nil*				3	Y.P.T.
14,70,976D							0.75	D. 1						
13,71,30,070	9,62,91,082	30,81,74,705	11,29,17,763	2,58,821	Cement Agencies (Private) Ltd.	Associated Cement Companies	158.50	100	10.00	10.00	9.00		7	Y.T.
5,07,44,575														
83,92,387	....	1,23,58,448	16,77,717	779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.88	10	0.30	0.60	0.60		12	Y
1,66,00,0000	60,69,469	1,08,99,911	39,54,983	2,84,608	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	11.25cd	O. 10	1.25	1.25			12	Y.P.
5,00,000D							2.75cd	D. 1	0.12	0.12				
1,02,09,450	26,00,000	2,09,93,054	61,98,184	1,80,704	Rasen Private Ltd.	India Cements Ltd.	30.25xd	O. 25	1.87	2.06	2.06		3	Y.P.
7,50,000							6.00xd	D. 5	0.37	0.41	0.41			
1,50,00,000	4,00,000	4,72,60,132	89,99,750	21,36,411	Sahu Jain Ltd.	Jaipur Udyog Ltd.	15.38	10	0.75	1.25	*Nil*		3	Y.P.
1,00,00,000	51,43,497	3,25,85,788	1,17,79,523	37,55,949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13.24	10	1.25	1.25	1.50		12	Y.P.
1,34,29,200	48,94,785	3,55,77,885	1,29,16,561	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	153.50	100	8.50	9.00	9.00		12	Y.P.
75,00,000	17,70,000	2,09,86,577	1,50,04,018	4,287	M.	Sone Valley Portland Cement	6.00	5	0.25	0.30

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
PAPER														
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	93.00N	25	4.00	2.50	3.12		12	Y.P.T.
63,00,000	48,91,258	1,24,92,173	83,76,687	83,544	Andrew Yule & Co., Ltd. ..	India Paper Pulp	23.12	10	1.50 2/5	1.50 2/5	1.40		3	Y.
25,00,000	25,12,580	1,48,27,689	77,67,946	47,998	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17.00xd	10	0.75*	1.00*	1.00*		3	Y.
1,46,82,500	2,46,75,045	6,04,16,697	1,37,53,042	2,63,477	Birla Brothers Private Ltd. ..	Orient Paper	85.00	10	1.12	0.62	1.50		3	Y.
1,25,49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills ..	16.69	10	1.25	1.25	1.25		12	Y.P.T.
50,00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	12.37	O. 10	1.25	1.05	0.60		9	Y.P.
'A' 10,00,000							12.37	A. 10	1.25	1.05	0.60			
56,00,000A.	48,43,068	3,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	13.00	10	1.50	1.50	1.50		9	Y.P.
56,84,500B.	3,70,50,474	6,78,46,967	3,51,66,033	92,528	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	40.50	A. 10	2.00*	1.12*	2.37*		6	Y.P.
4,87,500P.O.							40.50	B. 10	2.00*	1.12*	2.37*		3	Y.P.
							4.25	P.O. 2½	0.25	0.13	0.25			
SAW MILLS AND TIMBER														
12,99,998	22,88,339	32,70,430	12,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	1.94	5	*Nil*	*Nil*	*Nil*		9	Y
50,00,000	3,81,14,271	4,60,47,879	1,88,08,404	1,88,542	Wallace & Co.	Bombay-Burmah Trading Corpn.	500.00	OM125	37.50	40.00	40.00		5	Y.
42,00,000							217.50	New50	15.00	12.75	16.00			
20,00,000	20,43,037	19,96,426	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	44.37	10	2.00	2.00	2.75		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,26,486	42,92,220	31,12,974	57,702	M.	Balrampur Sugar	9.25	5	0.00	*Nil*	0.25			
12,00,000A.	29,80,360	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	116.00N	A. 100	10.00	10.00			4	Y.
3,00,000B.							11.50N	B. 10	1.00	1.00				
19 40,950	8,75,000	33,33,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	11.12	7½	0.75	1.00	1.00		6	Y.T.
15,00,000	13,51,513	19,25,777	13,40,840	7,653	Cotton Agents Private Ltd.									
68,59,400	88,59,866	67,02,760	32,87,388	27,711	Govan Bros. (Rampur) Private Ltd. ..	Bharat Sugar	16.00N	10	1.50	1.50	1.50		6	Y.
82,00,000	25 22 515	1 45 76,657	98,04,338	—2,22,014	Gladstone Lyall & Co., Ltd. ..	Buland Sugar	17.12	10	1.50	1.50			6	Y.P.
30,00,000	54,59,500	1,65,39,057	93,52,334	—3,85,790	Begg, Sutherland & Co. Private Ltd.	Carew & Co.	8.44	10	0.25	*Nil*	*Nil*		10	Y.
18 00 000	84,56,103	94 72,400	59,12,695	—3,43,163	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	11.50	10	0.75	0.75	*Nil*		6	Y.P.T.
9,58,252	2,59,762	25,14,162	16,98,352	5,464	K. C. Thapar & Bros. Private Ltd. ..	Champarun Sugar	13.12	10	1.50	1.00	*Nil*		6	Y.P.
5,00,000	2,47,182	8,48,822	6,08,409	35,418	Andrew Yule & Co. Ltd.	Deoria Sugar	4.12	5	*Nil*	0.50			6	Y.
1,88,80,000	17,24,264	2,86,05,940		2,86,05,940	Andrew Yule & Co. Ltd.	Calcutta Hydraulic	42.00N	100	*Nil*	*Nil*	3.00		6	Y.
3,00,00,000	4,40,29,266	6,60,49,175	2,68,24,548	22,22,643	Andrew Yule & Co. Ltd.	Clive Row Investment	82.00N	100	5.00	6.00	10.00*		6	Y.
51,26,000	54,51,335	1,64,12,908‡‡		2,42,272	John Lakeham, Esq. (Mg. Director) ..	Dunlop Rubber Co. (India) Ltd.	9.37	10	0.50	1.25	0.75		6	Y.
14,00,000	9,35,000	34,92,164	19,09,329	34,584	Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	28.19	10	1.50	1.50	1.62		12	Y.P.T.
40,00,000	4,00,000	63,89,740	32,43,367	10,00,313	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd. ..	125 00	100	9.00	9.00	9.00		12	Y.P.
30,00,000	34,20,910	29,25,473	10,66,888	1,68,396	M.	Godfrey Phillips India Ltd. ..	160.00	100	15.00	4.00	12.50		12	Y.P.
4,96,05,700	16,00,000	4,37,26,577	3,61,84,541	7,22,962	P. E. G. Woodbine Parish, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	11.06	10	2.00	2.00	1.50		12	Y.P.
5,24,50,000	1,17,58,800	7,37,43,812	2,21,77,726	7,99,193	B. F. R. Syndicate	Great Eastern Hotel	265 00	250	6.25	15.00	15.00		9	Y.P.
1,52,89,229	1,46,00,000	2,52,26,981	96,88,093	41,81,853	Birla Brothers Private Ltd.	Hindustan Motors	7 38	10	*Nil*	*Nil*	*Nil*		3	Y.
8,27,978	6,03,000	16,74,968	9,50,396	62,722	K. C. Mahindra, Esq. (Chairman) ..	Indian Aluminium Co., Ltd. ..	15.56	10	*Nil*	*Nil*	*Nil*		3	Y.
2,00,00,000	.....	.....	.....	.....	B. J. Weedley, Esq. (Mg. Director) ..	Indian Cables	30.50	10	1.00	1.00	1.00		12	Y.P.
					R. G. C. Stephenson, Esq. (Mg. Director)	Indian Rubber Manufacturers ..	16.00N	10	0.50	0.62	1.50*		3	Y.P.T.
15,16,00,000	24,02,01,694	9,85,79,282	1,62,28,886	25,04,189	Mr. G. H. J. Clarke (Chairman) ..	Indian Oxygen Ltd.	20.06	10	....	....	1.00		9	Y.
2,00,00,000	76,37,615	89,02,397	12,06,932	4,71,170	J. D. K. Brown, Esq. (Mg. Director) ..	Imperial Tobacco Co. of India Ltd.	12.62	10	0.80	0.80	0.70		9	Y.
40,00,0000.	82,86,900	48,58,407	10,48,712	2,57,153	.. ..	Jardine Henderson	79.00	100	7.50	7.50	2.50		9	Y.
2,00,000D.					M.	McLeod & Co.	200.00N	O.100	22.50	8.00			9	Y.P.
1,45,500	90,58,531	25,54,494	14,97,332	2,35,312	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	—	D.O.10	1.75	0.80			12	Y.P.
1,15,00,000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,708	H. Chiswell Jones, Esq. (Chairman) ..	Metal Box Co. of India, Ltd. ..	87.25	10	1.87*	2.12*	2.12*		9	Y.P.
6,56,250	6,92,500	11,39,658	5,97,362	3,349	M. J. L. D'Sa (Chairman)	Mysore Lamp Works	14.87	10	1.25	1.62	1.75		3	Y.P.
3,70,000	3,70,000	16,47,599	10,18,129	42,584	M. Mallesham'ya, Esq. (Chairman) ..	Mysore Tobacco	14.80	10	0.75	0.90	1.25		3	Y.P.
2,00,00,000	38,56,508	2,14,82,470	61,33,062	29,42,424	J. E. Galloway, Esq. (Mg. Director) ..	National Carbon Co. (India) Ltd.	26.12	10	0.62	1.50	1.50		12	Y.
40,00,000	74,71,172	63,86,914	41,52,961	1,44,443	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co. ..	29.04	10	1.50*	2.00*	1.40		12	Y.
					De.	National Rolling & Steel Repos ..	11.00	10	0.50	0.50			3	Y.P.
8,00,000	6,00,000	50,21,760	28,60,528	1,80,392	K. N. Mookerjee (Mg. Director) ..	National Rubber Manufacturers Ltd.	14.00	10	....	....	1.00		9	Y.P.
79 97 000	58,12,466	1,39,51,909	61,75,198	9,02,640	R. N. Wilkie & Co. Private Ltd. ..		—	5	....	....	0.50		12	Y.
2,20,00,000					P. C. Vink, Esq. (Mg. Director) ..	National Tobacco Co.	13.06	10	0.50	0.70	0.50		12	Y.
2,25,00,000	4,88 498	1,22,26,543	60,06,584	—44,12,988	M. P. A. Pappatti, Esq.	Phillips India Ltd.	15 45	10	....	....	*Nil*		6	Y.
2,23,00,000	1,87,70,289	10,60,39,211	2,96,22,765	49,402	Sahu Jain Ltd.	Ralfis India) Ltd.	41 00	100	*Nil*	*Nil*	*Nil*		12	Y.
4,75,500}	51,326	31,11,657	6,29,199	19,106	Sathe Food Inds. (Private) Ltd. ..	Rohtas Industries	25 00	10	1.50	1.50			6	Y.P.
5,13,400}							19 60	10	....	....	*Nil*		6	Y.P.
70,00,000	17,66 318	1,67,21,608	84,47,040	66,821		Sathe Biscuit and Chocolate Co., Ltd.	100 00N	100	....	5.00	6.00		12	Y.P.T.
40,00,000	88,41,183	1,21,99,272	72,06,599	9,02,978	M.		50 00N	50	....	2.50	3.00		3	Y.P.
75,00,000	21,22,788	71,93,265	11,63,597	3,65,425	C. W. Stephenson, Esq.	Sen-Raleigh Industries	13.92	10	0.50	0.50	0.50		9	Y.P.
9 96,380	19,925	14,88,996	8,16,098	—7,432	Spencer & Co., Ltd.	S. M. Smith, Esq. (Mg. Director)	18 25	10	1.50	1.50	1.50		9	Y.P.
					S. M. Smith, Esq. (Mg. Director)	Shaw Wallace & Co., Ltd. ..	12 19	10	1.00	1.00	1.00		9	Y.P.
					Ogale Bros. (Private) Ltd.	Travancore Ogale Glass ..	4 10	10	*Nil*	*Nil*	*Nil*		12	Y.
Other Centres														
30,00,000	19,50,009	76,27,620	18,97,501	15,079	Rangarao & Co.	Andhra Sugars Ltd.	17.00	10	0.62	1.00	1.25		9	Y.
70,49,650	1,18,48,608	1,50,47,792	1,85,77,187	8,00,283	W. H. Brady & Co., Ltd.	Belapur Company	289 00	250	16.00	16.00	16.00		9	Y.
17,50,000	12,58,285	41,38,701	23,96,315	30,827	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	23 64	10	1.00	1.50	2.00		9	Y.P.
19,00,000	37,98,165	35,89,814	3,24,396	23,844		Shree Changdeo Sugar ..	28.25	12.50	2.00	3.00	2.25		9	Y.P.
13,93,900	15,86,410	43,30,767	25,77,714	6,691	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	*Nil*	6.00	10.00		6	Y.P.
63,97,600	11,02,669	78,71,515	18,58,258	40,089	India Sugar Agencies Private Ltd. ..	India Sugar and Refineries ..	12 45	10	1.49	1.12	1.00		6	Y.P.
22,41,127	18,75,871	94,06,432	12,67,310	6,611	R. S. Ind. Corpn. Private Ltd. ..	Jeypore Sugar	14 25	10	1.00	0 88	0.50		6	Y.P.
19,52,2000.	88,00,000	2,48,45,158	41,94,129	28,068	V. Ramakrishna Sons (Private) Ltd. ..	K. C. P. Ltd.	120.00	O.100	7.50	7.50	7.50		9	Y.P.
2,87,190D.							124.00	D. 10	10.00	10.00	10.00			
67,50,000	88,21,978	1,22 47,683	57,87,067	36,422	M. L. Dahanukar & Co. Pvt. Ltd. ..	Maharashtra Sugar Mills ..	915 00	250	....	100.00*	100.00*		6	Y.P.
21,79,250	56,34,043	1,54,86,192	89,25,545	2,10,465	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	42 00	10	2.00	2.00	1.00		12	Y.P.
50,00,000	53,21,480	1,16,88,154	67,30,841	1,47,229	Mafatlal, Apte and Kasliwal Pvt. Ltd.	Rajtaas Sugar	167 00	50	5.00	5.00	5.00		12	Y.
15,59,820	40,00,000	59,42,584	33,73,928	2,26,360	Andersen Wright Ltd.	Ramnugger, Cane and Sugar	19 60	10	2.00	2.00	1.50		12	Y.
20,00,0000.	42,07,214	1 04,79,940	59,30,737	70,575	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm ..	130 00	O. 50	5.00	5.00	6.00		9	Y.P.T.
4,00,000D.							50 00N	D. 10	0.07	0.70	3.75			
80,00,000	23,40,000	62,19,329	24,74,679	77,358	Parry Co., Ltd.	Travancore Sugars	80 00N	D. 10	0.07	0.70	3.75		9	Y.P.T.
1,01,00,000	1,16,37,173	2,71,48,027	1,06,46,123	1,72,956	Walchand & Co. Private Ltd. ..	Walchandnagar Industries ..	10 30	10	0.75	1.00	1.00		9	Y.P.
							291.25	100	18.00	21.00	21.00		9	Y.P.T.
TRANSPORT														
20,00,000	199,30,970	1,22,58,916	19,44,277	36,387	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co. ..	00.00	100	7.50	7.50	8.00		12	Y.
1,00,00,000	1 27 28,000	4,10,96,641	1,62,42,552	4,06,086	Dinshaw (Private) Ltd.	Bharat Line	13.72	10	5.00	6.00	12.00*		12	Y.
80,00,000	1,42,35,068	4,90,84,846	86,21,345	1,83,530	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.									
£655,550	£907,728	£5,665,834	£3,428,068	—£106,398	Kilburn & Co. Private Ltd.	Great Eastern Shipping Co. ..	27 00	10	*Nil*	1.00	1.50		6	Y.P.
2,25,00,000	1,74,74,322	12,72,96,545	2,63,26,750	2,70,984	Lionel Edwards (Private) Ltd. ..	India Steamship Co.	10.50	10	Sh. 10	*Nil*			12	Y.P.
9,40,19,675	10,85,51,342	27,66,48,271	5,78,99,812	5,84,102	M.	Scindia Steam Navigation Co. ..	14 00	10	*Nil*	1.00	1.00		3	Y.P.
8,40,8000.	21,67,472	12,59,063	8,41,760	(1,35,400	R. R. Aiyar, Esq. (Manager) ..	Walford Transport Ltd.	20 48	20	0.50	1.00	1.25		3	Y.P.
2,10,200P.O.							2.00	O. 1	0.14	0.14	0.14		3	Y.T.
							1.62	P.O. 1	0.12	0.12	0.12		12	Y.
UNCLASSIFIED (Bombay)														
25,00,000	1,00,000	26,18,54811		85,589†	M/s.	Devkaran Nanji Investment Co.	11 92	25	0.75	0.81	0.81		3	Y.
5,57,60,000	2,01,70,810	4,79,50,818	1,35,02,109	80 94,000	S. H. Turner (Chairman)	Hindustan Lever	23.76	10		1.25	1.40		12	Y.
31,07,000	16,29,510	1,99,45,989	67,14,407	14,986	Birla Brothers Private Ltd.	Hind Cycles	141.25	100	10 00		12.50‡		12	Y.
14,98,840	2,01,500	25,81,284	19,40,782	22,019	Choonilal Manilal Private Ltd. ..	Estrela Batteries	39.00	50	2.00	2.00			3	Y.P.
99,99,250	20,19,147	1,25,61,396‡‡		1,74,683	Premchand Roychand & Sons ..	Industrial Investment Trust ..	76 80	100	4.50	5.00	5.50		12	Y.P.
1,00,00,000	28,68,446	38,85,170	11,25,784	2,718	K. G. Milne, Esq. (Mg. Director) ..	Killick Industries	148 25	100	10.00	11.00	11 00		6	Y.
2,80,35,2220.	68,14,265	3,42,78,324	1,69,93,078	6,81,752	Aero-Auto Private Ltd.	Premier Automobiles	88.00	100	*Nil*	*Nil*	0.00		6	Y.
21,80,000	29,15,788	64,65,614	14,68,374	64,830	Poison Agencies Private Ltd.	Polson Ltd.	165 00	10	10.00	12.50	10.00		6	Y.T.
10,21,200	4,82,147	5,88,106	3,58,506	2,481	Sir Joseph Kay (Chairman)	United Motors (India) Ltd. ..	19.00	10	2.00	2.00	1.20		12	Y.
2,75,00,000	1,44,18,441	3 87,52,891	1,68,58,948	2,481	Sir Joseph Kay, K.B.E. (Mg. Director)	Western India Match Co., Ltd.	182.00	100	11.00*	11.00*	11.00*		12	Y.
48,00,000	90,63,590	8,64,935	5,24,966	75,084		W. H. Brady & Co., Ltd. ..	280.00	100	20.00	22.50	25.00		12	Y.
Other Centers														
57,56,000	1,99,56,718	3,81,21,462	86,96,321	2,33,750	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	11.94	O. 10	*Nil*	0.50	0.50			
2,56,000							5 00	D. 2½	*Nil*	*Nil*	*Nil*		3	Y.P.T.
40,00,000	22,25,000	68,17,870	22,12,985	66,139	Seshasayee Bros. (Trav.) Prv. Ltd. ..	Aluminium Industries Ltd. ..	16 40xd	10	1.25*	1.25	1.25		3	Y.
30,00,000	36,20,717	34,97,377	23,80,332	3,61,299	Turner Morrison & Co. Private Ltd. ..	Angelo Bros., Ltd.	20 00	10	1.25	1.50	1.50		3	Y.
20,00,000	17,14,736	38,54,372	19,56,372	1,83,944	Mr. A. Hydari & Mr. S. Goshberg ..	Assam Match Co., Ltd.	17.50	10	1.25*	2.00*	1.50*		3	Y.
30,00,000	35,94,500	1,06,12,083	39,58,422	3,29,986	Oberoi Hotels (India) Private Ltd. ..	Associated Hotels of India ..	6 25N	10	0.40	1.50	0.50		12	Y.
98,01,400	98,61,293	69,62,196	37,93,196	5,66,375	M.	Balmer Lawrie & Co., Ltd. ..	174.00	100	12.50	15.00			12	Y.T.
12,00,000	17,56,000	34,55,743	27,24,743	3,01,787	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	29.00	10	2.25	2.50	2.50		12	Y.
30,00,000	8,96,715	68,38,4825‡‡		27,612	Leveloek & Lewis	Hyde Investment Ltd.	11.62	10	1.25	1.00			12	Y.
45,97,026	24,61,814	1,14,31,095	37,07,485	1,24,683	K. Julian Scott, Esq. (Mg. Director) ..	Britannia Biscuits	15.31	10	1.00	1.00	1.00		3	Y.P.
2,25,00,000	1,55,55,571	3,06,98,577	2,33,59,121	1,32,921	W. H. J. Christie, Esq. (Mg. Director)	British India Corporation Ltd. ..	4 11	5	*Nil*	*Nil*			6	Y.P.T.
5,00,000	2,26,272	13,981	13,858	28,272	Andrew Yule & Co. Ltd.	Calcutta Hydraulic	42 00N	100	*Nil*	*Nil*	3.00		6	Y.
5,00,000	2,47,182	8,48,822	6,08,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	82.00N	100	5.00	6.00	10.00*		6	Y.
1,88,80,000	17,24,264	2,86,05,940‡‡		2,86,05,940	Andrew Yule & Co. Ltd.	Clive Row Investment	9 37	10	0.50	1.25	0.75		6	Y.
3,00,00,000	4,40,29,266	6,60,49,175	2,68,24,548	22,22,643	John Lakeham, Esq. (Mg. Director) ..	Dunlop Rubber Co. (India) Ltd.	28.19	10	0.50	1.50	1.62		12	Y.P.T.
51,26,000	54,51,335	1,64,12,908‡‡		2,42,272	Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	125 00	100	9.00	9.00	9.00		12	Y.P.
14,00,000	9,35,000	34,92,164	19,09,329	34,584	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	160.00	100	15.00	4.00	12.50		12	Y.P.
40,00,000	4,00,000	63,89,740	32,43,367	10,00,313	M.	Godfrey Phillips India Ltd. ..	10 25N	10	2.00	2.00	1.50		12	Y.P.
30,00,000	34,20,910	29,25,473	10,66,888	1,68,396	P. E. G. Woodbine Parish, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	11.06	10	2.00	2.00	1.50		12	Y.P.
4,96,05,700	16,00,000	4,37,26,577	3,61,84,541	7,22,962	B. F. R. Syndicate	Great Eastern Hotel	265 00	250	6.25	15.00	15.00		9	Y.P.
5,24,50,000	1,17,58,800	7,37,43,812	2,21,77,726	7,99,193	K. C. Mahindra, Esq. (Chairman) ..	Hindustan Motors	7 38	10	*Nil*	*Nil*	*Nil*		3	Y.
1,52,89,229	1,46,00,000	2,52,26,981	96,88,093	41,81,853	B. J. Weedley, Esq. (Mg. Director) ..	Indian Aluminium Co., Ltd. ..	15.56	10	*Nil*	*Nil*	*Nil*		3	Y.
8,27,978	6,03,000	16,74,968	9,50,396	62,722	G. S. Moulton & Co. (India) Ltd. ..	Indian Cables	30.50	10	1.00	1.00	1.00		12	Y.P.
2,00,00,000	.....	.....	.....	.....	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Rubber Manufacturers ..	16.00N	10	0.50	0.62	1.50*		3	Y.P.T.
15,16,00,000	24,02,01,694	9,85,79,282	1,62,28,886	25,04,189	Mr. G. H. J. Clarke (Chairman) ..	Indian Oxygen Ltd.	20.06	10	....	....	1.00		9	Y.
2,00,00,000	76,37,615	89,02,397	12,06,932	4,71,170	J. D. K. Brown, Esq. (Mg. Director) ..	Imperial Tobacco Co. of India Ltd.	12.62	10	0.80	0.80	0.70		9	Y.
40,00,0000.	82,86,900	48,58,407	10,48,712	2,57,153	.. ..	Jardine Henderson	79.00	100	7.50	7.50	2.50		9	Y.
2,00,000D.					M.	McLeod & Co.	200.00N	O.100	22.50	8.00			9	Y.P.
1,45,500	90,58,531	25,54,494	14,97,332	2,35,312	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	—	D.O.10	1.75	0.80			12	Y.P.
1,15,00,000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,708	H. Chiswell Jones, Esq. (Chairman) ..	Metal Box Co. of India, Ltd. ..	87.25	10	1.87*	2.12*	2.12*		9	Y.P.
6,56,250	6,92,500	11,39,658	5,97,362	3,349	M. J. L. D'Sa (Chairman)	Mysore Lamp Works	14.87	10	1.25	1.62	1.75		3	Y.P.
3,70,000	3,70,000	16,47,599	10,18,129	42,584	M. Mallesham'ya, Esq. (Chairman) ..	Mysore Tobacco	14.80	10	0.75	0.90	1.25		3	Y.P.
2,00,00,000	38,56,508	2,14,82,470	61,33,062	29,42,424	J. E. Galloway, Esq. (Mg. Director) ..	National Carbon Co. (India) Ltd.	26.12	10	0.62	1.50	1.50		12	Y.
40,00,000	74,71,172	63,86,914	41,52,961	1,44,443	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co. ..	29.04	10	1.50*	2.00*	1.40		12	Y.
					De.	National Rolling & Steel Repos ..	11.00	10	0.50	0.50			3	Y.P.
8,00,000	6,00,000	50,21,760	28,60,528	1,80,392	K. N. Mookerjee (Mg. Director) ..	National Rubber Manufacturers Ltd.	14.00	10	....	....	1.00		9	Y.P.
79 97 000	58,12,466	1,39,51,909	61,75,198	9,02,640	R. N. Wilkie & Co. Private Ltd. ..		—	5	....	....	0.50		12	Y.
2,20,00,000					P. C. Vink, Esq. (Mg. Director) ..	National Tobacco Co.	13.06	10	0.50	0.70	0.50		12	Y.
2,25,00,000	4,88 498	1,22,26,543	60,06,584	—44,12,988	M. P. A. Pappatti, Esq.	Phillips India Ltd.	15 45	10	....	....	*Nil*		6	Y.
2,23,00,000	1,87,70,289	10,60,39,211	2,96,22,765	49,402	Sahu Jain Ltd.	Ralfis India) Ltd.	41 00	100	*Nil*	*Nil*	*Nil*		12	Y.
4,75,500}	51,326	31,11,657	6,29,199	19,106	Sathe Food Inds. (Private) Ltd. ..	Rohtas Industries	25 00	10	1.50	1.50			6	Y.P.
5,13,400}							19 60	10	....	....	*Nil*		6	Y.P.
70,00,000	17,66 318	1,67,21,608	84,47,040	66,821		Sathe Biscuit and Chocolate Co., Ltd.	100 00N	100	....	5.00	6.00		12	Y.P.T.
40,00,000	88,41,183	1,21,99,272	72,06,599	9,02,978	M.		50 00N	50	....	2.50	3.00		3	Y.P.
75,00,000	21,22,788	71,93,265	11,63,597	3,65

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	2,10,000	3,92,505	84,197	15,099	Planting Agencies (Private) Ltd. ..	Balmadies Plantations	3.65cd	2	0.30	0.21	0.45		6	Y.P.
26,91,279	17,00,000	56,38,212	6,78,584	29,044	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	5.15cd	3	0.45	0.75	0.52	0.30'C'	2	Y.P.
18,00,000	31,00,000	39,70,846	3,06,541	1,21,826	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	32.40	10	1.80	2.50	4.00		6	Y.P.T.
71,55,000	56,13,036	1,25,54,765	26,69,076	1,13,211	R. C. Paterson, Esq.	Consolidated Coffee	28.37	10	2.25	2.00	4.00		6	Y.P.T.
4,00,000	5,87,433	10,43,962	53,995	8,519	Associated Planters Private Ltd. .	Cottanad Plantations	1.75*	1.50	1.75				3	Y.P.
18,00,000	9,95,543	25,36,790	5,31,442	37,145	A. V. Thomas & Co., Ltd. ..	Highland Produce	2.00	2.00					12	Y.P.
4,00,000	10,92,399	18,91,159	2,63,016	18,088	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	25.75cr	10	2.75	2.00	2.00		4	Y.
13,50,000	8,71,449	19,82,913	3,09,272	6,347	K. T. Thomas Kathanar, Esq. ..	Malunkara Rubber	19.00	10	2.25	2.25	2.25		3	Y.P.
27,00,000	28,79,387	80,92,726	9,49,414	1,48,976	A. V. Thomas & Co., Ltd. ..	Midland Rubber	12.20xR	10	2.50	2.00	2.00		3	Y.P.
3,35,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd. ..	Nenmeny Rubber	13.75	10	1.50	1.50	0.75		12	Y.P.T.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd. .	Nilambur Rubber Co.	14.75cd	10	1.50	1.50	1.50		12	Y.P.T.
19,45,880	23,79,615	45,25,952	14,74,565	53,868	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	6.53	2	0.40	0.20	0.60		10	Y.
13,50,000	8,60,000	45,07,576	3,95,093	12,299	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	17.25	10	2.00	2.50	2.00		6	Y.P.
3,66,780	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd. ..	Savamala Estates Ltd.	3.83xdxR	2	1.00	1.50	0.80		11	Y.
12,00,000	1,00,000	17,42,035	35,695	....	Patco Agencies	Sancameshwar Coffee Estates Ltd.	2.50xd	2	....	....	....	0.18	3	Y.P.T.
10,00,000	3,01,600	22,44,528	1,59,659	9,940	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	6.00	10	0.90	0.90	0.60		3	Y.P.T.
2,50,000	2,75,000	5,73,150	38,399	33,647	A. V. George & Co., Ltd. ..	Thamarapally Rubber	24.00	10	3.00	3.00	3.00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1.70	1	0.12½	0.12½	0.05		9	Y.T.
6,00,000	33,742	7,80,835	1,41,328	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	15.50	10	3.00	2.00	1.50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	6.90	10	1.25	0.75	0.40		12	Y.P.
20,00,000	36,000	30,13,628	7,73,088	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	20.50	25	4.00	3.00	1.00		12	Y.
2,50,000	4,29,600	9,26,765	83,552	..	A. V. George & Co. Ltd. ..	Udayagiri Rubber Co., Ltd. ..	11.75cd	10	0.60	0.75	0.60		12	Y.P.
3,80,010	5,90,669	9,56,500	27,217	872	M.	Valkundam (Travancore) Rubber ..	21.25	10	2.50	3.50	3.50J		12	Y.
6,95,000	1,47,259	13,88,336	39,744	10,289	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.25	10	2.00	1.25	1.00		3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital. * Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	53,26,489	18,786	B. N. Ellias & Co. Private Ltd.	879	Azarpara	9.60	10	0.62	0.25	0.25		3	Y.T.
8,00,000	10,25,000	56,02,253	38,46,893	1,70,290	McLeod & Co., Ltd.	456	Alexandra	125.00	100	10.00	10.00			6.12	H.P.T.
30,00,000	5,25,000	1,25,28,740	95,78,601	—5,74,381	McLeod & Co., Ltd.	1,284	Alliance	98.00	100	6.00	*Nil*	*Nil*		5	Y.P.
49,20,700	67,00,000	3,11,92,070	2,03,15,000	1,77,821	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	178.00	100	3.50	3.50	7.00		8	Y.P.
1,00,00,000	29,54,500	1,49,09,985	55,34,725	—3,79,016	Andrew Yule & Co., Ltd.	816	Auckland	110.00	100	10.00	1.00	*Nil*		8	Y.P.T.
20,00,000	24,84,715	98,59,961	67,55,861	1,18,223	Birla Brothers Private Ltd. ..	959	Bally	174.00xd	100	3.50	*Nil*	2.00	6.00	3.9	H.P.
£275,000	£474,807	£1,628,482	£9,23,169	....	Sir John H. Burder (Chairman) ..	1,889	Barnagore	118.00	£5	sh. 15	*Nil*	*Nil*		3	Y.P.
28,00,000	26,27,123	97,86,495	53,10,415	6,111	Andrew Yule & Co., Ltd.	920	Belvedere	123.00xd	100	7.50	*Nil*	2.50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Sooraimull Nagarmull	600	Bengal	11.75	10	1.12	1.00	*Nil*		6	Y.P.T.
91,26,000	2,26,05,284	4,09,60,115	1,66,74,197	24,155	Birla Brothers Private Ltd. ..	1,373	Birla	18.87	10	1.00	1.00	1.00	1.00	3	Y.P.
36,00,000	19,36,926	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd.	991	Budge-Budge	114.00	100	7.50	*Nil*	*Nil*		10	Y.P.
7,47,380	....	44,35,103	25,75,522	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg. ..	7.00	10	*Nil*	*Nil*			12	Y.P.T.
18,00,000	25,21,284	87,77,057	46,40,856	529	Andrew Yule & Co., Ltd.	616	Caledonian	145.00	100	6.50	*Nil*	*Nil*		11	Y.P.
59,16,400	76,49,289	2,28,84,628	1,19,60,343	—7,24,043	James Finlay & Co., Ltd.	600	Champdany	104.00	100	10.00	2.00	*Nil*		3	Y.
15,95,000	21,56,282	85,02,307	58,76,175	5,857	Andrew Yule & Co., Ltd.	530	Cheviot	180.00	100	10.00	2.00	*Nil*		11	Y.P.
30,15,000	33,75,000	77,94,518	51,54,350	73,099	McLeod & Co., Ltd.	500	Chitavalsah	15.87xd	10	1.37	0.621	1.10		7	Y.P.T.
24,00,000	9,00,000	81,05,335	67,13,337	25,935	Shree Krishna Investment Co., Ltd	969	Clive	13.12	10	1.25z	0.50	*Nil*		3	Y.P.
31,49,200	44,50,832	1,36,02,698	51,19,167	—8,75,631	Bird & Co. Private Ltd.	766	Dalhousie	94.00	100	4.00	*Nil*	*Nil*		3	Y.P.T.
28,00,000	27,22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd.	779	Delta	133.00	100	10.00	5.00	*Nil*		11	Y.P.
15,00,000	35,56,600	92,51,058	63,07,045	4,192	McLeod & Co., Ltd.	500	Empire	18.00	10	1.25	0.501	0.75		7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,53,663	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd. ..	370.00xdN	100	15.00	10.00	10.00	20.00	3	Y.P.T.
21,00,000	14,50,000	1,20,16,348	58,00,792	1,70,922	Bangur Bros., Ltd.	1,014	Fort William	21.50	10	20.00	0.75x	1.50		3	Y.P.T.
84,32,100	....	2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg.	50.50	100	2.50	*Nil*			3.9	H.P.
10,80,000	28,68,943	76,08,997	50,72,187	11,510	M.	607	Gondalpara	600.00	300	*Nil*	50.00			12	Y.P.
24,00,000	23,66,861	2,22,40,943	1,58,81,965	45,248	Macneill & Barry Ltd.	1,394	Gourepore	288.00	100	15.00	2.50	2.50		3	Y.P.
40,00,000	60,63,233	1,28,36,137	58,68,639	2,00,036	Bangur Bros., Ltd.	1,078	Hastings	104.00N	100	11.50	5.00			3	Y.P.
16,30,000	13,61,969	68,47,731	47,79,916	—2,95,253	Baijnath Bajoria	600	Houghly	11.00	10	1.25	*Nil*	*Nil*	*Nil*	3	Y.P.
65,62,500	23,09,105	2,34,25,498	1,24,24,441	32,775	Jardine Henderson Ltd.	1,940	Howrah	19.12	10	0.37	0.25	*Nil*		3	Y.P.T.
52,50,000	28,37,124	2,93,21,907	1,57,51,907	1,14,396	Ramdutt Ramkissendas	2,272	Hukumchand	23.25	7.50	2.00	2.00	1.50		3	Y.P.T.
87,00,000	17,20,550	1,27,01,698	80,28,070	2,57,287	M.	790	India	187.00	Q. 125	4.69	4.69			3	Y.
30,000								123.00	100	2.50	*Nil*	*Nil*			
24,00,000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	128.00	'B' 100	2.50	*Nil*	*Nil*		12	Y.P.T.
'B'19,20,000								66.00	'B' 100	1.00	*Nil*	*Nil*			
30,00,000								123.00	100	2.50	*Nil*	*Nil*			
24,00,000	9,78,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kankinarrah	128.00	'B' 100	2.50	*Nil*	*Nil*		12	Y.P.T.
'B'24,00,000								66.00	'B' 100	1.00	*Nil*	*Nil*			
21,00,000	53,00,000	1,38,45,052	88,77,736	86,701	McLeod & Co., Ltd.	703	Kelvin	198.00	100	17.50	5.00‡	9.00		5	Y.P.
84,00,000	23,33,375	1,96,60,992	1,22,08,770	27,027	Anderson Wright Ltd.	1,530	Khardah	138.00	100	11.00	5.00	3.00		3	Y.P.
48,00,000	31,53,808	2,86,20,709	98,60,479	28,774	H. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	132.00	100	18.00	6.00	*Nil*		3	Y.P.T.
24,43,000	28,41,336	1,25,71,981	53,10,244	—9,08,440	Bird & Co. Private Ltd.	931	Lansdowne	121.00	100	7.00	*Nil*	*Nil*		3	Y.P.T.
25,00,000	45,53,647	1,41,73,963	65,14,075	—7,73,363	Bird & Co. Private Ltd.	840	Lawrence	100.00	100	10.00	*Nil*	*Nil*		3	Y.P.T.
31,65,200	26,36,045	2,61,13,849	1,26,97,309	1,64,943	M.	1,294	Maheza	138.00	100	3.75	3.75			3.9	H.P.
22,96,000	24,92,195	1,85,79,861	86,70,890	—13,08,719	M.	815	Nalhati	71.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	15,55,000	38,02,650	21,34,037	—1,65,266	Howrah Trading Co., Ltd. ..	425	Naskarpara	11.50	10	1.25	*Nil*			10	Y.T.
35,00,000	39,51,326	48,49,787	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	24.12	10	1.75	0.75	0.75		10	Y.P.
26,25,000	27,55,772	81,27,961	21,92,842	43,512	McLeod & Co., Ltd.	316	Nellimarla Jute	12.50	10	1.00	....	0.00		7	Y.P.T.
88,50,000	2,86,31,171	4,68,32,343	1,06,43,584	8,85,601	Sahu Jain Ltd.	1,765	New Central†	17.44	10	1.50	1.50	*Nil*		12	Y.P.
16,79,880	46,58,882	1,23,54,122	56,38,490	9,227	Bird & Co. Private Ltd.	567	Northbrook	18.00	10	1.50	1.50	*Nil*		8	Y.P.T.
66,79,500	12,74,961	2,24,62,238	1,39,16,557	20,195	Macneill & Barry Ltd.	1,092	Noddea	47.00	50	1.00	*Nil*	*Nil*		3	Y.P.T.
24,31,000	23,04,049	76,55,438	52,45,690	5,981	Andrew Yule & Co., Ltd.	601	Orient	130.00	100	9.00	2.00	*Nil*		11	Y.
25,00,000	7,83,173	86,18,353	67,97,872	7,049	McLeod & Co., Ltd.	400	Presidency	5.50	5	0.31	0.20	0.30		7	Y.T.
20,00,000	10,324	29,80,939	9,24,705	—7,07,557	Birla Brothers Private Ltd. ..	305	Rameshwara	6.12	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
49,50,000	2,00,000	1,24,81,131	66,83,109	—46,26,692	Jardine Henderson Ltd.	1,276	Reliance	7.06	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
£669,000	£1,093,713	£1,245,244	....	£58,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnaggur	9.25	£1	8%‡‡			0.18	3	Y.P.
30,00,000	13,14,910	1,21,72,882	85,21,532	48,032	Bazaria More & Co., Ltd.	911	Shree Ambica	11.50N	10	0.50	0.25	0.50		3	Y.P.
14,00,000	11,14,980	66,87,540	47,50,476	40,154	Hindustan Investment Corpn. Ltd.	401	Soorah	17.37	10	1.50	1.50	1.50		12	Y.P.
25,19,600	31,10,501	1,26,68,701	67,39,512	—8,76,083	Bird & Co. Private Ltd.	650	Standard	96.00	100	1.00	*Nil*	*Nil*		3	Y.P.T.
£600,000	£925,119	£1,137,660	....	£88,548	Thomas Duff & Co. (India) Ltd. ..	1,794	Titaghur	9.00	£1	8%‡‡				12	Y.P.
25,98,600	68,80,143	2,01,42,357	89,47,895	—13,51,940	Bird & Co. Private Ltd.	1,326	Union	152.00	100	10.00	1.00	*Nil*		8	Y.P.T.
£400,000	£688,035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	9.00	£1	8%‡‡				12	Y.P.
2,50,000	6,35,000	41,78,264	27,76,059	—4,15,285	McLeod & Co., Ltd.	447	Waverley	3.75	1	0.37	*Nil*	*Nil*		5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1954 Rs. nP.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,630	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20.94	10	1.31	1.37	0.50	1.25	3	Y.
12,00,000	3,49,390	27,46,675	25,26,182	70,917	Jardine Henderson Ltd.	Bararee Coke	13.50	10	1.46	1.46	1.10	0.37	3.9	H.
4,49,350	5,89,000	9,95,102	5,89,530	3,317	Kalyanji Mavji & Co.	Benkai-Bhatdee	5.88N	10	0.25	0.62	0.75		12	Y.
1,00,00,000	1,62,18,167	4,41,60,848	1,48,60,000	11,48,060	Andrew Yule & Co., Ltd.	Bengal Coal	270.00	100	30.00*	35.00*P	17.50	17.50	10	Y.P.
2,25,000	3,76,706	24,82,075	22,49,080	—1,39,041	Andrew Yule & Co., Ltd.	Benzal-Nagpur	12.50	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
15,97,000	4,88,558	48,14,000	24,52,200	—94,978	H. V. Low & Co. (Private) Ltd. ..	Bhalgora	8.00	10	1.00	*Nil*			3	Y.
40,00,000	10,39,259	77,59,407	54,84,101	2,120	Sahu Jain Ltd.	Bharat Collieries	7.81	10	0.62	0.62	0.62	0.60	6	Y.P.T.
7,15,000	10,15,172	49,80,916	24,84,101	—4,92,536	M.	Bhulanbararee	9.56	10	*Nil*	*Nil*	*Nil*		3	Y.T.
7,50,000	24,16,419	45,67,883	27,10,503	19,953	H. W. Heilgers & Co. Private Ltd.	Borrea	22.50	10	2.00	2.00	1.50		6.12	H.T.
90,92,480	1,70,88,767	4,87,67,323	1,99,66,078	95,339	Bird & Co. Private Ltd.	Burrakur	21.12	10	0.56	0.62	0.68	0.37	6.12	H.T.
49,97,756	....	46,89,014	12,80,014	3,401	Hindustan Investment Corpn. Ltd.	Central India	8.69	10	0.25	0.25	0.50	0.50	3	Y.
3,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend	10.50N	10	0.25	0.50	0.50		12	Y.
6,00,000	1,43,036	7,30,051(k)	....	4,240	F. W. Heilgers & Co. Private Ltd.	Churila	3.12	4	0.12	0.06	0.06		12	Y.
15,00,000	....	54,47,913	51,85,398	—67,535	Macneill & Barry Ltd.	Dhemo Main	8.87	10	*Nil*	*Nil*	*Nil*		12	Y.
£246,000	£502,875	£1,001,816	£764,059	£26,677	Jardine Henderson Ltd.	East Indian	23.19	£1	2.50	3.00	2.50	1.50	4	Y.
29,63,750	98,25,027	4,84,64,587	3,12,09,700	58,732	Macneill & Barry Ltd.	Equitable	26.50	10	1.50	1.50	1.50	1.50	12	Y.P.T.
10,00,000	1,40,469	14,54,422	4,52,206	45,859	Bhatter's Agency Ltd.	Ghusick and Mualia	15.50N	10	0.50	0.25	0.25		3	Y.
12,00,000	1,17,509	42,34,400	25,20,972	....	Killick Industries Ltd.	Hingir-Rampur	30.75	50	*Nil*	2.25	2.25	*Nil*	6	Y.P.
3,00,000	2,50,000	24,87,808	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	15.50	10	1.75	2.50	1.50	*Nil*	12	Y.
3,50,000	3,85,318	14,76,418	7,56,154	—1,79,352	Andrew Yule & Co., Ltd.	Kalapahari	14.00N	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
20,00,000	2,21,575	33,57,576	5,71,179	1,962	Bird & Co. Private Ltd.	Karanpura Collieries	125.00	100	*Nil*	2.50	5.00	*Nil*	2	Y.P.
5,00,000	13,90,898	47,65,511	37,70,923	1,38,386	Andrew Yule & Co., Ltd.	Katras Jherriah	29.50	10	4.00	4.50	6.50	6.50	1	Y.
11,00,240	68,356	16,86,967	10,94,183	13,871	H. V. Low & Co. (Private) Ltd.	Kurdi	2.75N	10	0.12	0.12	0.19		6	Y.
9,00,000	10,22,762	28,39,712	22,94,023	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	15.50N	10	0.25	0.12	0.12	0.12	4	Y.
7,48,240	2,00,000	13,13,208	9,66,219	81,201	Tantia Brothers Ltd.	Naxira	7.00	10	0.50	0.50			12	Y.
17,76,230	19,58,049	1,30,10,149	94,97,563	83,316	Andrew Yule & Co., Ltd.	New Beerbhoom	18.12	10	1.12	1.00	0.75	0.75	10	Y.P.
6,00,000	75,000	38,35,331	22,38,923	1,43,499	Detavtus Steel & Co., Ltd. ..	New Manbhoom	12.75	10	*Nil*	*Nil*	*Nil*	0.50	3	Y.
1,15,000	3,47,692	13,06,689	3,96,110	17,516	Andrew Yule & Co., Ltd.	North West	19.62N	10	*Nil*	1.37	1.50		3	Y.
1,57,500							15.50N	7.50	*Nil*	1.03	1.12			
7,50,000	15,69,447	8,97,666	2,77,666	27,244	F. W. Heilgers & Co. Private Ltd.	Ondal	12.50N	10	1.00	1.00	0.75		12	Y.P.
10,00,000	1,10,000	41,24,518	19,79,771	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	7.00N	10	0.50	0.25			12	Y.T.
5,34,000	20,000	23,49,867	9,36,591	3,080	Deepchand Kishenlal	Parasea	15.00	10	0.75	1.00	0.50		12	Y.P.T.
15,75,000	17,04,800	59,05,210	42,69,210	36,465	Shaw Wallace & Co., Ltd.	Panch Valley	25.19	10	1.62	1.50	0.70	2.00	3	Y.
23,99,500	25,86,861	1,37,28,021	91,68,982	29,066	H. N. Ellias & Co. Private Ltd.	Ranegunge	13.50	10	0.50	0.62	0.37	0.75	3	Y.
15,50,000	6,88,585	42,17,477	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	17.50	10	1.37	2.07	1.50	1.00	12	Y.
20,00,000	37,12,000	35,58,756	22,17,367	9,297	M.	Samla Collieries	10.25xd	10	0.75	1.00	1.25		12	Y.
2,50,000	1,95,602	13,78,480	12,21,237	21,070	M.	Searsole	5.50N	2.50	0.62	0.75			3	Y.
2,80,000	9,25,098	29,24,442	19,99,221	48,188	Andrew Yule & Co., Ltd.	Seebpore	25.00xd	7	2.00	2.50	2.25	1.75	12	Y.P.
3,00,000	5,00,216	....	52,401	5,166	F. W. Heilgers & Co. Private Ltd.	Sendra	9.00	10	0.12	0.25	0.25		6.12	H.T.
68,21,450	94,58,586	5,19,41,849	2,78,46,620	20,557	Industrial Trust Fund (Government of Andhra Pradesh)	Sinzareni	11.50	10	0.70	0.75	1.00		12	Y.T.
17,50,000	10,27,541	39,01,896	17,00,094	8,739	Bird & Co. Private Ltd.	South Karanpura	12.94	10	0.12	0.12	0.25	0.75	3	Y.
8,00,000	13,76,745	1,69,570	28,510	9,790	F. W. Heilgers & Co. Private Ltd.	Standard	12.50xd	10	1.50	1.00	1.00	1.00	12	Y.
10,00,000	....	31,02,994	15,43,502	—5,02,907	Talcher	Talcher	2.50	2.50	*Nil*	*Nil*	*Nil*		9	Y.T.
3,50,000	3,35,000	18,97,284	14,14,234	77,105	Williamson Magor & Co., Ltd. ..	Union	15.25	10	0.75	*Nil*	*Nil*		3	Y.
40,98,000	66,784	65,72,308	24,16,308	11,543	Hindustan Investment Corpn. Ltd.	Western Bengal	7.15	10	0.37	0.50	0.50	0.50	3	Y.
7,00,000	....	58,61,405	27,57,669	—3,49,103	Macneill & Barry Ltd.	West Jamuria	6.50	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.

M—Managed by the Board of Directors. ‡ Less bonus-tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year 1955. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1955 is on shares of Rs. 10 each. F.—Bengal Coal Co. Dividend for 1954 and 1955 are on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

MARKET GOSSIP

(*Concluded from page 291*)

e, following the news, declined to close at Rs. 666, as against yesterday's closing quotation of Rs. 667. It is clear that considerations of the overall supply position of cotton in relation to the demand and the promising signs of a good crop in the 1958-59 season are more decisive in influencing the trend of the market.

Prospects for the absorption of the current export quota are generally regarded as bright. The whole quota is expected to be fully absorbed by the end of October. Hong Kong and Japan are said to be the major buyers. Although there is keen competition from Pakistan at present, Indian varieties are comparatively cheaper. Unless there is a duty reduction in Pakistan, which is considered unlikely, the present price advantage may continue.

* * * *

Barring foodgrains which remain firm, the commodity markets continue to r

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
15,00,000	1,65,00,000	10,41,547	Allahabad Bank	370·00	100	18·00	18·00	18·00‡		12	Y.P.
14,50,000				185·00	50	9·00	9·00	9·00‡			
1,91,000	18,04,000	1,910	Andhra Bank	109·00	100	6·50	8·00	6·00		6,12	H.
20,75,595				90·00	85	4·54	5·59	5·10			
1,00,00,000	1,25,00,000	4,10,731	Bank of Baroda	122·50	50	6·00‡	7·00	7·00	·	12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner	29·52xd	25	0·87	1·12	1·25		12	Y.
2,50,00,000	3,10,00,000	16,02,381	Bank of India	133·00	50	8·00	8·00	8·00	3·00‡	6,12	R.L.Y.
50,00,000 'A'				134·25	50'A'	...	...	8·00	3·00‡		
15,30,375	25,00,000	52,270	Bank of Indore	63·00N	25	2·50	4·00	4·25		12	Y.
50,00,000	25,00,000	20,176	Bank of Jaipur	36·75	50	2·00	2·50	3·00		12	Y.
50,00,000	91,95,613	1,87,085	Bank of Mysore	261·00cd	100	16·00‡	16·00‡	16·00	8·00‡	12	Y.
15,00,000	40,00,000	44,768	Canara Bank Ltd.	86·00	50	5·00	5·00	5·00		12	Y.P.
7,50,000	13,35,000	5,579	Canara Banking Corporation Ltd.	77·00	50	5·50‡	5·00‡	5·00‡		12	Y.F
5,82,930 'A'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	180·00	100'A'	12·50	15·00	15·00		12	Y.
22,747 'C'				1·71	1'C'	12½%	15%	15%			
2,02,11,275	4,03,60,821	18,44,046	Central Bank of India Ltd.	56·50	25	3·00	3·50	3·50	1·50‡	12	R.L.
52,42,275				59·00	25	3·00	3·50	3·50	1·50‡		
50,00,000	40,00,000	2,80,320	Devkaran Nanjee Banking Co.	45·50	50	2·50	3·00	3·00	1·25‡	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	36·87	5	0·87	1·37	1·06		12	Y.
1,25,00,000	6,25,000	21,040	Hindustan Commercial Bank	10·25	50	*Nil*	*Nil*			12	Y.
50,00,000	1,80,000	4,233	Hindustan Mercantile Bank	13·00	50	*Nil*	*Nil*	*Nil*		12	Y.
44,00,000	1,00,00,350	2,04,276	Indian Bank	29·00cd	100	12·00‡	13·00	15·00‡	6·50‡	6,12	R.L.H.
22,40,000				177·00cd	50	7·75	9·75	12·00‡	5·20‡		
56,25,350	46,36,300	2,32,067	Indian Overseas Bank	158·00	100	7·50	10·00	10·00		12	Y.
19,00,800	10,25,000	23,502	Pandyan Bank Ltd.	32·00	25	1·87	1·87	1·87		12	Y.
1,25,00,000	1,10,00,000	4,51,904	Punjab National Bank	60·00	25	2·50	4·00	5·00	2·50‡	12	Y.
1,00,80,000	29,17,000	5,623	Travancore Bank	19·75	25	1·00	1·00	1·25		12	Y.
40,00,000	40,00,000	1,50,332	Union Bank of India	7·16	5	0·87	0·44	0·44		12	Y.
2,00,00,000	1,34,00,000	49,432	United Commercial Bank	62·50	50	2·75	3·50	3·75		12	H

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent)					
£4,466,800	£5,700,000	£412,542	Chartered Bank	£2-1-6	£1	15†	15†	15†		12	Y.
H.K.$50,000,000	H.K.$123,000,000	H.K.$2,062,468	Hongkong and Shanghai Banking Corporation	£44	H.K.$125	5*	5*	5*	1¼‡	12	Y.
£18,585 979	£18,000,000	£826,712	Lloyds Bank	£2-11-3	£1	12†	13†	13†		12	Y.
£2,940,000	£2,100,000	£231,452	Mercantile Bank Ltd.	£1-15-0	£1	14†	14†	18‡†		12	Y.
£2,851,563	£3,104,687	£355,589	National Overseas and Grindlays Bank Ltd.	£1-3-3	sh. 12½	15†	15†	15†		12	Y.

† Includes bonus. † Less Tax. (P) Pakistan Currency. R. L.—Reserve liability on shares. (I) Interim. * £ per share free of tax. xr—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	92.00	1st June .. 1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	90·00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.00N	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00N	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November .. 1959-64
COAL						
30,00,000	6	20th April and 31st October	Bharat Collieries	1944	90 00	20th June .. 1964
50,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	87 00	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	97.00	14th December .. 1969 (a)‡
COTTON						
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85 00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bansal Nagpur	1951	89 00	15th November .. 1966 (b)
70,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	98 00	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	100.25	1st April .. 1967-72
13,71,300	5½	30th June and 31st December	Jayshree Textiles	1948	90 00N	1st January .. 1956-59
99,99,900	5	1st June	Tata Mills	1951	93.00	15th November .. 1966
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co. Ltd.	1950	90 00	31st March .. 1965 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co. Ltd.		99 00	14th June .. 1968
99,18,900	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	88 50	31st October .. 1959
12,00,000	4½	30th June and 31st December	Bengal Electric Lighting and Power Co., Ltd.	1940	99 00	31st December .. 1965 (a)
64,04,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.25	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co.	1945	84 00	31st December .. 1970
18,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91 00	30th June .. 1976 (a)
1,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	95 00	1st April .. 1958-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	93 50	30th September .. 1955-58
47,75,000	5	1st April and 1st October	Tata Power		99.00	1st July .. 1970
1,50,00,000	4	1st April and 1st October	Tata Power		86.00	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94 00	31st December .. 1960
6,500	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1925	98.00	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Kuma Pipe (Bearer)	1942	97.00N	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	80.00	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1946	96.00	1st October .. 1966-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd	1950	95.50	31st December .. 1960 (a)
JUTE						
18,00,000	5½	1st October and 1st April	Agarpara	1939	90 50	31st March .. 1960
6,00,000	5½	30th June and 31st December	Alexandra	1939	91 00	30th June .. 1960
15,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	77 00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90 00	30th June .. 1964
10,00,000	5	31st January and 31st July	Calcutta	1946	86 00	31st July .. 1959
9,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90 00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90 00	15th July .. 1966 (a)
20,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1953	94 00	31st March .. 1970
25,00,000	5	30th June and 31st December	Khasipur Jute Mills Co., Ltd.	1949	90 00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Kelhati	1952	90 00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May	Kelliganj Jute Mills Co., Ltd.	1938	88 00	14th May .. 1960
25,00,000	4	30th June and 31st December	Kornbrook Jute Co., Ltd.	1945	80 00	31st December .. 1964
25,00,000	5	31st March and 30th September	Kotlanee Jute Mills Co., Ltd.	1950	85.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	90 00	31st March .. 1967
10,00,000	8½	31st January and 31st July	Waverly	1933	80.00	31st July .. 1964
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£850,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1923	£74.10N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Kalakhal-Lalabazar Railway	1945	85.00	31st December .. 1959 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months'
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	95.50	notice (a) 1st September .. 1968
PLANTING						
12,50,000	6	31st March and 30th September	Nilgiri Tea		99.50	1st April .. 1955-66
1,27,600	5½	31st March and 30th September	Teakey	1944	100.00	31st March .. 1949-56†
MISCELLANEOUS						
18,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92 00	31st December .. 1965
25,60,000	4½	1st January and 1st July	Associated Hotels of India	1948	85 00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	99.50	1st September .. 1964-69 (a)‡
2,00,00,000	5½	1st April and 1st October	Calbex Oil Refining (India) Ltd.	1954	97.50	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85 00	1st February .. 1970
19,20,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	82 00	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78 00	15th September .. 1966
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	90 00	 1966
1,05,21,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	98.00	1st January .. 1971(c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	98.00N	30th June .. 1969 (c)‡
15,00,000	5	2nd January and 2nd July	Motor Chemical Industries	1949	88.00	30th September .. 1964 ‡
9,53,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	520.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	465.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	94.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99 00	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	90.50	31st March .. 1961 (a)
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	91.00	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	99.75	1st May .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 2 per cent. premium.
‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12½ years. § Any debenture outstanding on 1-6-1959 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice.
†† Option to repay at par on 6 months' notice, on or after 1st January 1963.

WEEK'S STOCK EXCHANGE TREN

THE following quotations indicate the trend transactions on the Bombay Stock Exchan during the week ended 21st August 1958.

	Closing quotations 13-8-1958 Rs.	High Rs.	Low Rs.	Closing quotatic 21-8-19 Rs.
TEXTILES				
Ahm. Adv. (100)	176.25	176.25	175.00	175.0
Apollo (2)	1.78	1.78	1.68	1.7
Bombay Dyeing (25)	59 20	60 30	59.00	59.8
Bradbury (50)	175 00	—	—	175 0
Central India (100)	101.50	106.50	99.75	103.0
Century Mills (100)	445 00	455 50	445.00	453.0
Colaba (100)	20 25	—	—	20 2
Edward Textile (200)	262 50	—	—	262 5
Elphinstone (50)	40 00	—	—	40 0
Finlay (100)	288 00	292 00	285.00	292 0
Gokak (100)	150.00	152 00	150.00	152 0
Ind. Untd. Defd. (1)	1.44	1.46	1.34	1.3
Ind. Untd. Ord. (10)	10 00	10 12	9 96	10 0
Indore Malwa (100)	108 25	110 00	107 50	108 0
Khatau (100)	187 50	187 50	186 25	186.2
Kohinoor (100)	278 50	284.50	277.50	283.0
Lakshmi (250)	445 00	—	—	445.0
Minerva Mills (100)	65 00	—	—	65 0
Model Nagpur (250)	170 00	175 00	165 00	165 0
Morarji (100)	240 00	250.00	239.25	250.0
Myzore (50)	92 50	—	—	92.5
National Rayons (100)	228 50	234 00	228.00	232.7
New City (100)	118 00	—	—	118 0
New Great (100)	215 00	210.00	200.00	202.0
Phoenix (100)	128 75	—	—	128 0
Podar Mills (100)	135.00	137.00	135.00	137.0
Samson Silk (10)	9 72	—	—	9.7
Samson Tex. (10)	47 50	—	—	47.5
Sholapur (1,000)	375.00	—	—	375.0
Shrinivas (100)	163.00	166.00	161.00	164.0
Simplex (50)	175.00	176.00	173.00	175.0
Standard (100)	430 00	435.00	428.00	430.0
Swadeshi (100)	199 00	205.50	198 25	205.5
Swan (100)	361 25	361.25	358.75	360.0
Tata Mill (25)	38 00	40.00	38.00	39.0
Vishnu (100)	110 00	112.50	110.00	112.5
Western India (1,000)	4,525.00	—	—	4,525.0
BANKS				
Bank of India (50)	132.50	133.50	132.50	133.0
Do. (New) (50)	134 25	—	—	134.2
Bank of Baroda (50)	122.50	122 50	122.00	122.0
Central (25)	57.50	57 70	56.20	56.8
Central 'A' (25)	60 30	60.50	58.50	59.0
Dena Bank (50)	45 25	—	—	45.5
Punjab National (25)	59 50	—	—	60.0
Union Bank (5)	7 24	7 24	7.16	7.2
United Com. (50)	62.50	62.80	61.50	62.5
ELECTRIC COS.				
Ahmedabad (100)	95 60	98.80	95.30	98.8
Amalgamated (10)	10 84	—	—	10.8
Andhra Valley (1,000)	1,190.25	1,200 25	1,190.25	1,200.2
Bom. Sub-El. (100)	108 50	112.00	109.00	112.0
Surat (100)	110 00	112 00	110.00	112.0
Tata Hydro (100)	134.50	139 50	134 50	136.5
Tata Power (1,000)	1,240.00	1,277.50	1,232.50	1,272.8
INSURANCE COS.				
British India (10)	15 84	15 84	15.72	15.7
Empire of India (100)	265 00	—	—	265.0
India Insurance (20)	47 00	—	—	47.0
Jupiter (15)	7 12	—	—	7.1
New India (15)	46.00	45.75	45.25	45.5
Oriental (200)	4,035 00	—	—	4,035.0
Universal (10)	12 00	—	—	12.0
Vulcan (10)	18.60	—	—	18.6
STEEL COS.				
Ind. Iron (10)	24.64	25 70	24 72	25.5
Tata Steel Ord. (75)	169.25	172.75	169.00	171.7
SUGAR COS.				
Belapur (50)	270.00	294 00	269 50	289.0
Bhopal (10)	23 64	24 24	23 60	24.2
Phaltan (50)	163 25	167 50	158 25	167.5
Walchand Ind. (100)	283.75	293.75	284.75	291.2
CEMENT COS.				
Associated Cts. (100)	156 00	160 50	155.75	159.5
Digvijay (100)	156 50	162.00	151.50	162.0
MISCELLANEOUS				
Alcock Ashdown (100)	257.56	270 00	257 50	268.7
Bom. Burmah (125)	569.50	603.50	570 00	602.5
Do. (New) (50)	211 25	220 00	211 25	217.5
Br. B. Ferro (4 sh.)	2 28	2.30	2 20	2.2
Br. I. Corpn. (5)	4 06	4.12	4.06	4.1
C. P. Rly. (100)	58 20	—	—	58.5
Hindusthan Motors (10)	7 60	7.76	7.52	7.6
Indian Copper (2 sh.)	4 24	4 32	4 12	4.1
Ind. Inv. Tr. (100)	77 00	77.50	76 00	76.8
Killicks (100)	144 25	149 00	144 25	149.0
Mysore (100)	165.00	165 00	162 00	165.0
Pre. Automobiles (100)	87 20	89 50	86 00	88.0
Premier Con. (50)	198 50	206.00	198 00	206.0
Scindia (50)	20 00	20 84	19 96	20.8
Shivrajpur (10)	26 20	27 35	26 30	27.0
Tata Chemicals (10)	16 28	16 88	16 32	16.6
Tata Locomotive (100)	188.00	192 25	183 75	192.5
Tata Oil (25)	41 00	41 00	38.25	38.7
W. I. Match (100)	173.00	182.50	175.00	180.1

GOVERNMENT SECURITIES	13-8-1958 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	21-8-1 Rs.
2½% 1961	98.80	—	3.63	98
2½% 1960	98 50	—	3 63	98
2½% 1962	96 50	—	3 64	96
2½% 1976	85 10	—	4.03	85
3 % 1959-61	99.60	3.40	3 08	99
3 % 1964	96 05	—	3 65	96
3 % 1965-85	96 20	3 82	3 55	96
3 % 1966-68	93 50	3 93	3 74	93
3 % 1970-75	88 15	4 24	3 90	88
3 % 1986 Con. Loan	71 50	—	4.17*	71
4 % 1960-70	100 55	3.72	3 94	100
2½% 1964 N.P. Bonds	100 10	—	3 43	100
2½% 1964 N.P. Loan	99 70	—	3 50	100
2½% 1965 N.P. Bonds	99.30	—	3 56	99
2½% 1962	98 40	—	3 67	98
2½% 1967 N.P. Bonds	98 90	—	3 66	98
2½% 1974	98 80	—	3 59	98
2½% 1967 N.P. Bonds	99 85	—	3.73	100
4 % 1972 Loan	100 40	—	3 96	100
2½% 1968 N.P. Bonds	99 85	—	3 80	100
2½% 1968 N.P. Bonds	99.70	—	3 75	100
4 % 1973 Loan	100.15	—	4.00	100

BRITISH GOVERNMENT SECURITIES

	Closing quotations 12-8-1958 £			Closi quotati 19-8-1 £
2½% Brit. Consols	51¼	—	—	51¼
3 % Savings Bonds 1965-75	72¼	—	—	72¼
3% War Loan 1955-59	98¼	—	—	99
2½% War Loan	68¼	—	—	68¼
4% Victory Bonds 1976	92¼	—	—	92¼
4% Funding 1960-90	87¼	—	—	88¼

* Current Income. x.d.—Ex-dividend.
xr.—Ex-Right.

UNDER 1 - SEP 1958

COMMERCE

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

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PLANTERS' PROBLEMS

THE problems confronting the plantation industry in South India appear to be growing, if the length of the speech of the President of the United Planters' Association of Southern India can be taken as an index. This year, it fell to the lot of Mr. C. I. Machia, the retiring President of the Association, to focus public attention on them in his speech at the sixty-fifth annual meeting of the Association held at Coonoor on Monday last. He performed this task very ably in a really marathon address. Perhaps, he could not avoid its length, as the problems had to be presented against their background, so that they could be seen in proper light and the urgency of effectively solving them realised. The plantation industry is undoubtedly one of the industries about which many wrong notions prevail even in high places. This explains why some of its problems which could have been solved long ago persist. One of them surely is the heavy incidence of export duty on tea. The planters in South India and North India alike have been contending, for over a year now, that the burden of this fiscal levy on medium teas, also known as common teas, which account for the bulk of the tea crop, is unbearable and detrimental to the long-term interests of Indian economy. Even the dire need for more foreign exchange has not moved the authorities to come to a decision on this question, though it has made them acknowledge the validity of the planters' plea. It is, of course, patently unfair to subject common teas fetching approximately Re. 1.50 per lb. to the same rate of export duty as is applied to finer teas earning Rs. 3 per lb. Mr. Lal Bahadur Shastri, Minister for Commerce and Industry, who attended the U.P.A.S.I. meeting as its chief guest, admitted this point in as many words. He said: "I do agree that it is hardly fair that common teas selling at half the price of quality tea should pay the same duty, when the production of common teas is as much as 50 per cent. of the total."

If the Government is thus in full agreement with the industry on this issue, why should there be such a delay in giving relief to medium teas? There are two reasons. The administrative problems arising from an attempt to define common teas render it difficult to introduce two rates of export duty, a higher one for the quality teas and a smaller one for the common teas. The obvious solution, therefore, is to reduce the export duty for both the types. Here comes the second reason. The Exchequer's need for revenue is so pressing and the tea industry has been providing such large sums by way of export duty that the Government is reluctant to accept the logical remedy. In other words, it is unable to reconcile the clash of interests in choosing between export promotion and revenue requirements. Mr. Shastri, however, made the reassuring statement that, though the task was not easy, "the Government would take a decision before long." It remains to be seen how he is going to do it. The fact that no workable scheme has been found so far is itself a sufficient ground for the authorities to take a more realistic view. The best thing for the Government to do, therefore, is to reduce the present rate of export duty substantially rather than try a double-decker system which will have many disadvantages. If, as a result, quality teas make a good profit, the Government can get its share of revenue through the direct taxes obtaining at present. It is time the Government realised that excessive export duties are tantamount to providing tariff protection to the competitors of Indian tea. It may be argued by the philanthropic-minded politicians that people in other parts of Asia, as well as Africa, must have a chance to find new sources of employment. But there is a lot of wisdom in the old saying "charity begins at home."

The future of tea exports does not depend solely on a reduction in the burden of export duty. Action is required in two other directions also. One is promotional campaign for increasing consumption of tea in foreign markets. Whether India was right or wrong in abruptly withdrawing from the International Tea Market Expansion Board is a debatable question. But nothing will be gained by going into it now. What is necessary is an effective "Drink More Tea" campaign in foreign markets, not excluding Britain. Now that the Government has not been successful in this task, it would be well advised to entrust the work to the industry which has been contending that propaganda should be taken out of departmental control. Past history provides sufficient ground for the Government to trust the industry for this purpose. Another direction in which action is required pertains to world regulation of production by reviving the old International Tea Agreement. The Government of India has not been averse to this idea. And Mr. Shastri reiterated that it was quite prepared to help the producers. This was apparently in response to the U.P.A.S.I. President's suggestion that producers of all the countries competing for a share in the world trade should get together and seek a mutually satisfactory solution. He appears to hold the view that, where the Government has failed, the industry may succeed.

While nothing will be lost in making fresh attempts to restore life to the International Tea Agreement, it looks to us that the chances of success are not very promising. Will producers in East Africa, who have succeeded in building up export markets for 76 million lbs. within a short period, be in a mood to accept a limitation on their production? In Britain, they have already found a market for 51 million lbs., a quantity almost equal to the exports from South India. With such remarkable success to their credit and with the Government of India supporting them by keeping up a tariff wall against exports of Indian tea, would they condescend to talk to their Indian confreres? Then, there is Pakistan imbued with hatred against India. Even if the producers of tea in that country were willing to negotiate, their Government would not let them do so. At one time the Governments of Ceylon and Indonesia were believed to be in favour of international agreement, but one does not know whether they are still of that friendly disposition. Then, there is a host of other countries which have succeeded in producing tea for export, notable among them being Argentine and Iran. Egypt and Russia are making serious attempts to produce tea. There is every possibility of China, an old exporter of tea, returning to the scene. There is thus a real threat to India which has held the leadership in the world tea market for over half a century. It is very unlikely that tea producers in the rest of the world will appreciate the need for, and the value of, an international understanding so long as Indian tea is on the defensive in the world market and the powers-that-be in this country "refuse," to quote the words of Mr. Machia, "to consider the economics of tea industry in terms of its competitiveness in the world market." The key to the solution is thus in Government's hands. If it tarries, as it did in the case of the jute industry, India will lose the game.

The problems of the tea industry are not confined to finding export markets alone. With world production of tea expanding fast and already in excess of demand, it is imperative to boost domestic consumption also. Next to Britain, India is, perhaps, the largest consumer of tea. This makes the problem of pushing up sales in the home market a little easier. Also, as Mr. Shastri pertinently remarked, the efforts that are being made to raise the living standards of people will themselves lead to higher consumption in India. All the same, the industry cannot afford to take this development for granted. Accordingly, vigorous propaganda and other means of sales promotion within India itself must be adopted. This is true of coffee also. As in the case of tea, the world has a surplus of coffee, so much, indeed, that the principal producers, most of whom are in Latin America, have been trying, albeit without any success so far, to regulate world coffee production and to stabilise coffee prices through international agreement. At this juncture, Indian coffee production is running at between 40,000 and 45,000 tons, as against 25,000-28,000 tons in the not distant past. The supply is greater than the demand, domestic as well as export. Yet, the Government is compelling the industry to adopt marketing policies and procedures designed to suit a situation when demand exceeded supply. Mr. Machia was, therefore, perfectly justified in pleading for a reorientation of outlook on marketing practices and for intensifying propaganda in areas where coffee is practically unknown.

Plantation industry offers a typical and convincing example of the immense benefits which people can enjoy by adopting sound and scientific agricultural practices. It is the organisational and managerial structure that distinguishes plantations from ordinary agriculture. Mr. Machia deserves to be complimented for effectively bringing out, with facts and figures of the achievements of South Indian plantations, the superior virtues of plantation agriculture. In heaping taxes on this industry, or in drawing up land reforms, the authorities concerned do not seem to bear this vital point in mind. Their policies are such as will sap the very vitality of the industry, unless they heed, in good time, the advice given by its leaders. A perusal of Mr. Machia's well-reasoned address will clearly show that there is no exaggeration in our warning. The burden of taxation by the States and the Centre is so high that most estates, whether they produce coffee or rubber, are already finding it

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necessary to dip into their past reserves in order to maintain their productive efficiency. This leaves little or nothing for replanting and for bringing new land under cultivation. At this rate, when the life of existing bushes comes to an end, India will find itself deprived of a valuable source of employment and national income. The result will not be different if the State Governments are allowed to adopt land reforms which will lead to fragmentation or sub-division of plantations. There is, therefore, an urgent need for a special conference of the representatives of planters, the Central and the State Governments concerned at which the issues that are threatening the future of plantation industries could be thrashed out and mutually satisfactory solutions found.

AGRICULTURAL ECONOMICS

THE tenth International Agricultural Economists Conference, inaugurated by Mr. Nehru this week at Mysore, has served to highlight the importance of agricultural economics which, in contrast to the immense attention it has received in many parts of the world, has suffered in this country from cursory study with preconceived notions born of slogans. If the Conference succeeds in arousing at least academic enthusiasm in the need for organising studies in agricultural economics by experts with practical knowledge of Indian conditions and in stimulating a more objective attitude on the part of political and social groups towards India's agricultural problems, it will have made a significant contribution to this country's cultural and economic progress. As recent developments on the food front have abundantly demonstrated, India can ill afford to neglect its agriculture. With refreshing candour, Mr. Nehru admitted, in effect, that the failure of the monsoons and the tardy progress made in the sphere of food production had shocked the Government into a new awareness of India's agriculture. Like one's heart-beat, or one's breathing, agriculture in India is an operation which is seldom noticed unless something goes wrong with it in a serious way. This implies the danger that, when the present crisis has been tided over, the country may redevelop its agricultural blind spot. It is of the utmost importance to national economy that agriculture comes more and more under expert scrutiny, that agricultural policies are guided by objective and painstaking analysis. What can be more conducive to such an attitude and policy than a continuous study of agricultural economics?

As a branch of economic discipline, agricultural economics is of recent origin. Although agriculture is the oldest of professions and has played a most notable part in the evolution of human civilisation, the economics of this activity did not attract much notice even in other parts of the world till about 50 years ago. The problems of land and rent had been known to early economists. The systematic study of the intricate issues of agriculture did not receive the benefit of careful study and reflection on a scale which industrial economics got from inquiring students. But in more recent years, much has been done in foreign countries to make up for the long neglect of the subject. Further, the nature and scope of the subject are being continuously expanded. And as the new human and social sciences, like psychology and sociology, put new tools in the hands of analysts or break new paths, the scope and content of agricultural economics too expand. Water-tight compartments exist neither in arts nor in sciences. Agricultural economics is no exception. It has borrowed and borrows freely from other sciences.

Among the votaries at the shrine of agricultural economics—they are an ever-widening community—the most prominent is Mr. L. K. Elmhirst. With much commendable fervour, this high priest has done more than any other to popularise the subject, to evoke interest in it and to stimulate its objective study. He has been the moving spirit behind the International Conference of Agricultural Economists which he, along with a few other enthusiasts, founded in the U.K. in 1929. The constitution of the Conference defines its aim as "that of fostering development of the science of agricultural economics and of furthering the application of the results of economic investigation of agricultural processes and agricultural organisation in the improvement of economic and social conditions relating to agriculture and rural life." It will thus be seen that the object is as broadly conceived as it can be.

Since the year of its establishment, the Conference has met periodically in many countries, including the U.S., Italy, Germany and Finland. At each session, a topic is taken up for exhaustive study and comment. The topics covered so far include land tenure, consumption of agricultural produce and world food resources. In 1955, at its session in Helsinki (Finland), the Conference discussed the implications of the technical changes in agriculture. A no more appropriate theme could have been chosen, considering that the developments in nuclear sphere have opened up vast vistas of progress in the agricultural field. It is true that the harvest is not in sight yet. But it may come sooner than most persons imagine, even as nuclear power, as distinguished from conventional electrical energy, has come to stay earlier than was thought possible a decade ago. The theme for the Mysore Conference is "Agriculture and its terms of trade." Here again, the subject is of both academic and practical interest, for the development of rural communities, as well as of agricultural nations of which these communities are a part, depends a great deal upon the "terms" on which they trade with the rest of the community or the world at large.

In a country like India, which derives 50 per cent. of its national income from agriculture, one would expect greatly extended facilities for the study of agricultural economics. Actually, the study has suffered through much and prolonged neglect. The late Prof. A. W. Ashby, Director, Institute for Research in Agricultural Economics, University of Oxford, who visited India in 1949-50, said: "Having regard to the area of agricultural land, the size of the agricultural population, the importance of agriculture in the national economy—its actual and potential contributions to national wealth—I am appalled at the small provisions made for investigation and research in Agricultural Economics." This verdict is a sad commentary on University education in India. Be that as it may, a notable development in India is the establishment of the Indian Society of Agricultural Economics. Founded in 1939, it owes its origin to the inspiration provided by Mr. Elmhirst himself. Guided in its activities by Mr. Manilal B. Nanavati, a tireless savant in the cause, the Society has made a commendable contribution to the study of agricultural economics. Besides undertaking valuable research projects and publications, the Society has convened no less than 18 annual conferences where the problems discussed so far include such important issues as land tenures, agricultural marketing, rural finance, debt legislation, stabilisation of prices and farm management. While the Society's efforts deserve all praise, it should be evident that its activities have to cover a wider area and should be supplemented by extended investigations and studies on a regional basis which, it is needless to add, should be without political predilections.

Appropriately enough, Mr. Elmhirst prefaced his address to the Conference with a discussion of what ought to be the chief concern of agricultural economists. He averred that they should be mainly concerned with the individual farm and with the farmer earning his living from it. In the past, they had tried to measure his efficiency with the help of costings, of surveys and of statistics. But they had more recently come to appreciate that, unless they looked more closely into the farmer's whole environment, they might go wrong. The farmer and his wife had a family of their own but they were also citizens of their nation and the wide world; they sold their produce on the world market. This indicated that agricultural economists must take a "wider view of the farm in its relation to the world, as well as to the national economy in which it operates." Further, they had to understand the motives, conscious and unconscious, which lie behind a farmer's decisions. Here, as Mr. Elmhirst pointed out, the economist is brought into direct association with the sociologist and the psychologist. Indeed, it would lead one to erroneous conclusions if one ignored the social conditions in which a farmer works.

Proceeding, Mr. Elmhirst pointed out that, in India, as in China, in South-East Asia and in the Middle East, it "is the ancient rural community and not just the farm family which is the vital unit." Great urban conglomerations—Bombay, Calcutta and Delhi—"tend, as they grow, to become impersonal in their operation and costly to operate." Mr. Elmhirst admitted that cities conferred great benefits, but they also cut people off from nature and from daily acquaintance with natural beauty. Emphasising the importance of providing amenities and services in rural areas, he said:

"If we are to welcome the services that cities perform as centres for government, for the exchange of goods and of ideas, if we are to build, as we must, sizable towns around the great industrial centres we need, we must see that in their own turn rural areas receive the roads, the water-supplies, the transport and marketing facilities and the services of education, health and communication that they also need.... The problem of rural India is the underemployment of 75 per cent. of her manpower. Can the new industries and the services that go with them syphon off some of this unused potential? Can all rural areas be so linked with their appropriate urban centres that a new and two-way service may develop between them, so that a wider range of opportunity for agriculture and for the village community can emerge? We have come here to discuss such questions. As scientists, we need a detached assessment of the problems and of the results from all sources, whether positive or negative."

Besides the right balance between urban and rural development, there is another important problem to which the attention of social scientists deserves to be increasingly devoted. This is the problem of growing population in relation to food resources. Without necessarily giving in either to Malthusian pessimism, or uncritical optimism, it should be the concern of agricultural economists to make an objective, as well as a constructive and rational, study of the problem. By no means can it be regarded as easy of solution, considering that, at the present rate of growth, world population is likely to double itself by the end of this century. Mr. Elmhirst rightly urged that this was a problem which social scientists must "face boldly and examine with care." He did well, too, to stress the significance of proper land use which he regarded as the duty the present generation owes to the future generations. He said: "It would, I believe, be wise for every nation or State to begin to work out for itself today a sound strategy of multiple land use before too much land is gobbled up for limited or unsuitable purposes or lost to use altogether by wind, fire, flood or over-grazing. Humanity must hold and husband the land surface of the globe in trust for future generations. There is no doubt that, unless this trust is accepted by this generation, whole areas might deteriorate and fail to render the services needed by successive generations and expanding populations."

The important thing in agriculture is to increase per-acre yields. Science has placed in the hands of man many devices by which agricultural yields can be improved. But there is also a closely related problem which deserves examination, namely, the demand on poorer lands. Mr. Elmhirst pointed out that, "as the good land becomes more productive, a variety of new demands is also being made upon the poorer lands." By wisdom and forethought and by limited capital investment, these lands too can be made to render an ever-widening range of services, whether of timber, of fuel, of water-gathering and storage or as holiday resorts. Mr. Elmhirst declared: "The ultimate interest of soil, of community and of individual is one." He averred that experiment was needed in order to find out ways whereby the State could delegate the responsibility for proper land use to institutions "without stifling individual initiative and enterprise."

The theme for the Mysore session of the Conference, as stated at the outset, is "Agriculture and its terms of trade." Elucidating the significance of the theme, Mr. Elmhirst said: "The farmer offers a service to the community. He needs in return a full range of service, from his market town, from industry, from his university and his government. Does he yet receive a fair reward for all his labour and foresight?" Mr. Elmhirst pointed out, in this context, how different factors influence the "parity position" of agriculture; some are local and some worldwide, some arise from political or governmental decisions and developments or from technical innovations or as a result of sociological or biological disturbance. These developments have their effect on agriculture and its terms of trade. The evolution of policies which will benefit agriculture and secure for it a just, if not a generous, treatment in its relationship with the rest of the national economy and the wider international markets must be based upon the knowledge of, and insight into, agriculture. It is to be hoped that the Mysore session of the Conference will provide some guidance to agricultural planners in all countries who are keen that the farmer gets an adequate reward for the services he renders to the community.

U.S'. COMMENDABLE INITIATIVE TO RAISE INTERNATIONAL LIQUIDITY

NEW LOANS—GUEST KEEN—SHIPPING—COPPER

THURSDAY, 5 P.M.

MARKET GOSSIP

THE Union Finance Minister, Mr. Morarji Desai, who left Bombay yesterday on his first foreign visit to attend the Commonwealth Economic Conference at Montreal, takes with him the good wishes of the entire country. No Finance Minister left India at a more critical juncture and of none other has more been expected than of Mr. Morarji Desai. It is now no longer any official secret that the Finance Minister is on his way to the West to find some means whereby the country's yawning foreign exchange gap may be bridged. Mr. Desai could not have chosen, as we pointed out last week, in an analysis of the prospects for foreign aid, a more appropriate time for his departure, considering that world opinion, in general, and U.S. and Commonwealth opinion, in particular, is now more inclined than ever to help India out of its foreign exchange difficulties. A £75 to £100 million aid from the U.K. is now regarded as well within the bounds of possibility.

The three-day conference of India's principal creditor nations, namely, the U.S., Britain, W. Germany, Japan and Canada—it is gratifying to note that Canada, which had not been mentioned in earlier reports from Washington, was invited to the meeting—and the World Bank, which concluded this week, is believed to have ended in an atmosphere of optimism. This conference was intended to consider India's request for new credits to the tune of one billion dollars over the next two and a half years. Although no official *communique* was issued at the end of the meeting, informed opinion regarded India's chances of getting increased foreign aid as bright.

Against this background, much interest attaches to President Eisenhower's proposal for expanding the resources of the World Bank and the International Monetary Fund. This proposal will be widely welcomed in India, as in all underdeveloped countries. President Eisenhower, in a communication addressed to the U.S. Secretary of Treasury, Mr. Anderson, has expressed agreement with the latter's view that the "well-being of the free world is vitally affected by the progress of the nations in the less-developed areas as well as the economic situation in the more industrialised countries." Among the principal elements in maintaining such an economic basis for the free world are (1) a continuing growth in productive investment, international as well as domestic; (2) financial policies that will command the confidence of the public and assure the strength of currencies; and (3) mutually beneficial international trade and a constant effort to avoid hampering restrictions on the freedom of exchange transactions. With this end in view, the U.S. has adopted a number of measures, including an increase in the lending authority of the Export-Import Bank, the establishment of the Development Loan Fund on a firmer basis, the extension of the Reciprocal Trade Agreement Act and the continuation of the programmes under the Agricultural Trade Development and Assistance Act.

President Eisenhower has pointed out that the time has now come for them to consider, together with the other members of the World Bank and the I.M.F., how they could better equip these two international agencies of "proved effectiveness" for the tasks of the decade ahead. Accordingly, he has proposed (1) negotiations designed to establish an International Development Association as an affiliated body to the World Bank, if studies now being made indicate its feasibility, (2) prompt consideration of a general increase in the quotas assigned to the member-governments of the I.M.F., and (3) some consideration of an increase in the World Bank's authorised credit.

After paying a tribute to the important role played by the I.M.F. in assisting countries which encountered temporary difficulties in their balance of payments, Mr. Eisenhower says: "Through its growing experience and increasingly close relations with its members, the Fund can also help see to it that countries are encouraged to pursue policies that create stable financial and monetary conditions while contributing to expanding world trade and income." In support of the proposal for augmenting the resources of the World Bank, he says that such additional capital subscriptions, if authorised, would not necessarily require additional payments to be made by the Bank; they would, however, ensure the adequacy of the Bank's lending resources for an extended period by strengthening the guarantees which stand behind the Bank's obligations. He suggests that the Bank could make an increasing contribution to the economic progress of the free world by "channelling the savings of private investors throughout the world into sound loans, repayable in dollars or other major currencies." He adds: "But to meet the rising need for such sound development loans, it must be able to raise the funds in the capital markets of the free world. An increase in the Bank's subscribed capital, by increasing the extent of the responsibility of member-governments for assuring that the Bank will always be in a position to meet its obligations, would enable the Bank to place a larger volume of its securities in a broader market, while still maintaining the prime quality of its securities and hence the favourable terms on which it can borrow and re-lend funds."

As regards the proposal for an International Development Association, Mr. Eisenhower believes that such a body, affiliated to the World Bank, if adequately supported by a number of countries able to contribute to it, could provide a useful supplement to the existing lending activities of the Bank and thereby accelerate the "pace of economic development in the less-developed member-countries of the Bank."

The three-point programme, contemplated by Mr. Eisenhower, does certainly constitute a "broad attack" upon some of the major problems of our time. The World Bank and the I.M.F. must be strengthened further, if they are to expand the sphere of their activities. The next decade may well witness a larger and more insistent demand on their services. And it is to be hoped that international opinion will support Mr. Eisenhower's proposals for broadening and strengthening the financial and organisational structure of these two international institutions which have made a unique contribution to the stability and progress of the free world.

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When we discussed the money market trends in these columns last week, little did we think that the two new issues, created by the Government of India for an aggregate sum of Rs. 60 crores, would be announced so soon. We thought that they might not come on the market for a fortnight at least, as some of the industrial concerns had been allowed to take their requirements during this period. Apparently, the extreme easy money conditions and the persistent enquiry from banks for dated loans must have induced them to change their mind. On Monday, the Reserve Bank stopped selling from its stocks 3½ per cent. 1967 and 3½ per cent. 1968. The next evening, the Government of India announced the creation of two issues—3½ per cent. 1967, which is only a continuation of an existing loan, and 3½ per cent. 1968, for Rs. 30 crores each. The latter is a new loan, in that there was no 3½ per cent. loan repayable in 1968. Both the issues were given to the Reserve Bank to be sold to the public at rates depending upon the trend of the market. The Government's selling price to the Reserve Bank was Rs. 98.80 for 3½ per cent. 1967 and Rs. 98.50 for 3½ per cent. 1968, the yield at these rates being 3.65 per cent. and 3.68 per cent., respectively.

The Reserve Bank is reported to have sold sizable lots of both the loans on the first day itself, that is, on Wednesday, at the same rates at which they were given to it by the Government. The Gilt-edged market is happy that the Government followed this procedure, for it is of the view that, if the loans had been offered straight to the public with a time limit of two or three days, there might have been some pressure on the money market and the existing loans. The institutional investors can now take up their requirements of the new loans as and when they need, though there is the risk of the Reserve Bank putting up the selling rates, if market conditions become favourable for doing so.

Since the outstanding amount of the existing 3½ per cent. 1968 loan is only Rs. 34.34 crores, the Government, it may be argued, could have made a second issue of this loan, instead of creating a new 3½ per cent. loan repayable in the same year. The reasons for this are not far to seek. In a rising market, a borrower will always try to make the best bargain by stiffening his terms. This is exactly what the Government has done now. The 3½ per cent. 1967 issue had already gone into a small premium of 15 nP and 3¾ per cent. 1968 to par. Even the latter would have gone into a premium—as it has done now, the rate for it being Rs. 100.20—if the Reserve Bank was not selling it at par. The authorities could have easily made a second issue of 3¾ per cent. 1968 and sold it at a premium by pulling up the market a bit, but they must have felt that it was a little premature to do so. Further, by issuing a loan at 3½ per cent., the Government has saved ¼ per cent. in the rate of interest payable every six months, though, of course, it will have to pay Re. 1.50 more by way of principal at the time of redemption. This policy has led to a spurt in the value of most of the existing loans of the Central and State Governments. Conditions in the money market are so easy now that the Government has the upper hand over the capital market; for the first time after a decade, it is able to lead the market, instead of being led.

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The eagerly-awaited details of the debenture issue of Guest, Keen, Williams, Ltd., the well-known mechanical engineering company of Calcutta, have been announced, *vide* pages 354-359. The salient features of the offer are as under:

The total amount of issue is Rs. 1.50 crore, in units of Rs. 1,000 each. The rate of interest is 6½ per cent., subject to tax, payable half-yearly on 1st January and 1st July. The first interest payment will be on 1st July 1959 at Rs. 52.72 (less income-tax) per Rs. 1,000. The issue price is at par. The debentures are redeemable on 1st January 1971, with option to redeem the whole or any part on 1st January 1966, or at any time thereafter at par on three calendar months' notice. The amount available to the public for subscription is only Rs. 75 lakhs, as the balance of Rs. 75 lakhs has been taken by the underwriters and the Company's friends. The whole issue is, of course, underwritten.

The entire proceeds of the issue will be utilised for financing the Company's expansion programme. The Company, as is common knowledge, specialises in mechanical engineering works and has also a valuable agency business, importing and selling a wide range of mechanical and electrical products of well-known overseas manufacturers. It has manufacturing works at Calcutta and at Bhandup, near Bombay. The factory at Bhandup, which commenced manufacture only as late as 1953, is by now the largest producer of high-class steel and brass wood screws in India.

The Company, it may be mentioned, has spent considerable sums in the past two years on development plans involving the extension and modernisation of plant, property and machinery, the cost of which has been borne by existing resources. The purpose of the present issue is to provide, by means other than short-term bank borrowings, a substantial part of the finance required for the fulfilment of these development plans and also the developments planned for the immediate future.

The past year saw the beginning of large-scale addition to plant capacity, apart from rehabilitation, at the Calcutta factory and a progressive increase in the plant installed at Bhandup. Among the programmes at present envisaged, special mention may be made of a scheme for the expansion of the Company's steel rolling mills for which the approval of the Government has been obtained. The Company also proposes to effect a sizable expansion of its capacity for the manufacture of tungsten carbide rock drill inserts and coal cutter picks; Government's permission for this activity has already been received. In the factory at Bhandup, a considerable expansion in the productive capacity of wood screws and metal thread screws has been completed and production has consequently begun to increase. New lines are also being explored. The Company has thus a bright future. That knowledgeable investors are aware of this is clear from the fact that the debenture issue has had no adverse effect on the market value of the Company's ordinary shares. Actually, there has been a perceptible improvement in their value, following keen investment buying. The current market price of Rs. 32 represents an

(*Continued on page 376*)

EQUITIES BUOYANT

ALL-ROUND BUYING FERVOUR

(From Our Own Correspondents)

BOMBAY, *27th August*

THE Stock Exchange continued to rule buoyant during the week under review. There was persistent all-round buying fervour in equities and values maintained their upward trend. Chief impetus to the market was provided by renewed hopes of India getting substantial foreign aid following reports that the meetings on India's balance of payments problem held at Washington under the auspices of the World Bank had been quite successful. Easier money conditions and the gradual decline in yield on Gilt-edged securities also imparted strength to the market. The latest annual report of the Tata Iron and Steel Company, though it showed lower earnings, was well received because of its impressive progress in the implementation of expansion plans. All these factors encouraged the bulls to remain aggressive. This, together with nervous short-covering, led to handsome gains in equity rates. There was some profit-taking towards the close. Nevertheless, the closing rates of many counters were much higher than those at the end of Thursday last.

Under the impetus of good buying orders influenced by the publication of T.I.S.Co.'s annual report, Tata Steel Ordinaries jumped up from Rs. 171.75 last week-end to Rs. 174.75 on Saturday. Subsequently, however, they fluctuated within a narrow range, today's closing rate being Rs. 173.75. The new shares were done yesterday at **Rs. 170**, as against Rs. 167.75 on the 21st inst. Indian Irons evoked enquiries and spurted from Rs. 25.50 to Rs. 26.40 before finishing lower at Rs. 26.20.

Textile shares were generally well supported. Bombay Dyeings advanced from Rs. 59.80 to Rs. 60.70 and, after declining to Rs. 59.70, recovered again to finish at Rs. 60.10. Centurys opened the week at Rs. 458, as against Rs. 453. They moved up to Rs. 460 but closed lower at Rs. 453 on news that the Directors of the Company were considering issue of preference shares. Kohinoors registered a gain of Rs. 2 to Rs. 255. Phœnix advanced by Rs. 8.25 to Rs. 136.25 and Models by Rs. 5 to Rs. 170. Simplex hardened by Rs. 3 to Rs. 178. Gokaks and Standards rose by Rs. 2 each to Rs. 154 and Rs. 432, respectively. Podars gained a rupee to Rs. 138. Shree Nivas gathered a like amount to Rs. 165. Ahmedabad Advances were fully maintained at Rs. 175, as also Edwards at Rs. 262.50, Elphinstones at Rs. 46, Sholapurs at Rs. 375, Tatas at Rs. 39 and Western Indias at Rs. 4,525. New Citys and New Greats, however, encountered selling; the former dropped Rs. 4.25 to Rs. 113.75 and the latter Rs. 2 to Rs. 200. Central Indias were on offer Rs. 4 lower at Rs. 99. Swadeshis declined by Rs. 2.50 to Rs. 203. Vishnus eased by Re. 1.50 to Rs. 111. Finlays lost a rupee to Rs. 291.

The bank section was quite active. Punjab Nationals attracted some attention and spurted by Rs. 3 to Rs. 63. Barodas, Bank of Indias and United Commercials hardened by a rupee each to Rs. 123, Rs. 134 and Rs. 63.50, respectively. Central Banks improved by 50 nP to Rs. 57.30. Jaipurs gathered 25 nP to Rs. 37 and Union Banks 4 nP to Rs. 7.24.

Among electric shares, Andhra Valleys met with excellent support and firmed up by Rs. 23.75 to Rs. 1,225. Tata Hydros strengthened by Rs. 3 to Rs. 129.50. Tata Powers put on Rs. 2.50 to Rs. 1.275. Bombay Suburbans increased by Re. 1.50 to Rs. 113.75. Ahmedabad Electrics gained 50 nP to Rs. 99.30. Surat Electrics, however, were neglected at Rs. 111, as against Rs. 112.

Sugar shares were quiet, as follow-up support was lacking. Belapurs came down from Rs. 289 last week-end to Rs. 285 on Monday. In the subsequent sessions, buying enquiries emerged and the quotation advanced to Rs. 288.50 before finishing at Rs. 287.50. The net loss over the week was Re. 1.50. Walchandnagars suffered a loss of Rs. 3.75 to stand at Rs. 287.50. Phaltans declined by 50 nP to Rs. 167. Bhopals, however, rose by 8 nP to Rs. 24.52 on special support.

Cement shares were fancied well. Associated Cements spurted from Rs. 159.50 to Rs. 164.50 before finishing at Rs. 162.50. Digvijays rallied Rs. 2.50 to Rs. 154.50. Jaipur Udyogs were taken up from Rs. 15 68 to Rs. 16.12. Ashoka Cements were done 28 nP higher at Rs. 10. Dalmia Cements strengthened by 24 nP to Rs. 12.24. Orissa Cements gathered 8 nP to Rs. 13.32.

In the engineering and mining group, Premier Constructions proved to be the brightest spot with the quotation firming up by Rs. 9 to Rs. 215, on revival of rumours regarding bonus issue. Shivrajpurs were also well supported at Rs. 108, a rise of Rs. 2.50 as compared with the previous closing rate. Alcock Ashdowns, however, came in for selling and were pushed down by Rs. 5 to Rs. 263.75. Tata Locomotives declined by Re. 1.25 to Rs. 191, notwithstanding the announcement of higher dividend of Rs. 9 for the year ended 31st March 1958, as against Rs. 8 for 1956-57, and capital issue scheme in the ratio of three shares for every five shares held. The decline in prices was due to profit-taking at high levels which the shares had touched in previous weeks, as the dividend and new issue news was in line with market expectations. Larsen and Toubros eased by 26 nP to Rs. 16.48 *ex-right* and *ex-div.* Indian Coppers shed 15 nP to Rs. 4.04. Mahindras were done at Rs. 16.24 *ex-right*, as against Rs. 20 with rights quoted at Rs. 4 last week.

Shipping shares continued to be keenly sought and there was a further addition to values. Scindias picked up Re. 1.28 to Rs. 22.12. Great Easterns advanced by 50 nP to Rs. 27.50 on rumours of higher dividend. Bharat Lines rose from Rs. 14 to Rs. 14.44 yesterday. India Steamships hardened by 37 nP to Rs. 14.37.

Among automobile shares, Hindustan Motors failed to record an impressive gain, despite encouraging working results for the year ended 31st March 1959. The outlook for the current year was not considered to be quite bright, in view of foreign exchange difficulties. The shares of the Company were quoted at Rs. 7.72, the gain over the week being negligible at 8 nP. Premier Automobiles actually receded by Re. 1.50 to Rs. 86.50.

In the miscellaneous group, Bombay Burmahs (Old) evoked renewed buying enquiries on reports that the bonus scheme of the Company had been sanctioned by the Government, as also due to proximity of interim dividend. The quotation for the fully paid shares moved up by Rs. 9 to Rs. 601.50. The partly-paid shares rallied Rs. 2.50 to Rs. 220. National Rayons met with excellent support and advanced by Rs. 9.50 to Rs. 242.25. Industrial Investment Trusts scored a gain of Rs. 5.20 to Rs. 82. Wimcos put on Re. 1.75 to Rs. 192.25. Tata Oils improved by 54 nP to Rs. 39.25 *ex-div.* and Tata Chemicals by 44 nP to Rs. 17.12. Hindustan Levers increased by 36 nP to Rs. 24.24. Killick Industries were firm at **Rs. 149.**

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Calcutta Stock Exchange

CALCUTTA, *27th August*

Although there was an early reaction in prices of equities on the Calcutta Stock Exchange during the week under review, trading soon became lively under the active support of speculators. Fair gains were recorded in all sections. Yesterday, however, a receding tendency was recorded following the announcement of investment policy for the L.I.C. Stock market circles feared that if the L.I.C. were to increase its buying of shares in any one concern to 30 per cent. of its issued ordinary capital, it would mean a step in the way of indirect nationalisation. In mid-week, genuine investment interest was small, and the speculative buying by operators was attributed to expected institutional support. The report that the premium for issue of new shares by existing companies would not be insisted upon added to making sentiment. Similarly, the report from Washington that India might soon receive financial assistance from the U.S.A. was noted cheerfully. The British Government was said to be thinking of providing India £100 million. It was, therefore, anticipated that the foreign exchange crisis would soon be solved. Operators took the view that, if the present firmness were maintained, genuine investment support would follow. This assumption supported the view that, prior to the present upward trend, equities were undervalued.

Coals were fully firm. Amalgamateds gained from Rs. 20.94 to Rs. 21.12 before closing lower at Rs. 21. Churulias were a strong feature, the quotation rising from Rs. 2.87 previously to Rs. 3.50, following satisfactory working report for the year ended December last. The dividend at 5 per cent. compared with 1¼ per cent. declared for 1956. On the other hand, Kalpaharis gave way from Rs. 13.75 to Rs. 13.37 since the dividend has been passed. Moderate interest was shown in New Beerbhooms and the quotation at Rs. 19.50 was higher by Re. 1.25. Borreas strengthened from Rs. 22.50 to Rs. 23.25 before receding to Rs. 22.06. Equitables were better at Rs. 28.87, as were Western Bengals at Rs. 7.18. Talchers at Rs. 2 put on 7 nP.

Jutes recorded further gains. Although prices of jute goods declined, it was believed that the plentiful nature of the jute crop would take down fibre prices. New Centrals commanded keen attention and changed hands at Rs. 16.81, as against Rs. 16.19 earlier. There is no change in the dividend of 15 per cent. for the year ended March last. Another reason for the keen interest shown was the proposal to issue 427,500 ordinary shares of Rs. 10 each to the existing shareholders at par in proportion of one share for two existing shares in connection with the plan to set up a soda ash plant in U.P. to begin production by March next. Lansdownes were raised from Rs. 121 to Rs. 123, Gourepores being fully steady at Rs. 318. Fair interest put up Nuddeas at Rs. 49.50, which, however, closed lower at Rs. 48.50. Barnagores sagged to Rs. 114 from Rs. 117 and Howrahs to Rs. 18.75 from Rs. 19.00.

Engineering shares were fully steady. Indian Irons at Rs. 25.25 gained almost by a point on speculative support encouraged by expectations of higher retention prices. Texmacos reached a high of Rs. 22.60 from Rs. 20.85, following institutional investment support. At Rs. 98.50, Indian Standard Wagons increased by 2½ points. Burn & Co., were as high as Rs. 374, as against Rs. 362. From Rs. 22.50, B.I. Electric Constructions rose to Rs. 23.75.

Teas were about steady, with selected counters recording fractional gains. East Indias gained from Rs. 20.30 to Rs. 20.75. New Terrais rose from Rs. 19.31 to Rs. 19.44. Murphularis at Rs. 28 were higher by a few nP, although the dividend announced for 1957 was 17½ per cent., as against 20 per cent. in 1956. At Rs. 158, Hullungoories added Rs. 2.

Miscellaneous industrials drew in fair support. India Steamships reached a high of Rs. 14.25. Indian Cables at Rs. 30.44 added 32 nP. National Cables at Rs. 33 recorded a smart rise of Rs. 2.38. Titaghur Papers strengthened from Rs. 40.75 to Rs. 41.87. Martin Burns moved up from Rs. 27.25 to Rs. 27.37. Orient Papers were better at Rs. 36. Angelo Bros. advanced from Rs. 20.19 to Rs. 21.25. Metal Boxes were firm at Rs. 30.25.

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Madras Stock Exchange

MADRAS, *26th August*

The steady conditions noted on the Madras Stock Exchange last week continued during the week under review also. There was renewed buying in several counters, thanks to prospects of India getting more foreign aid and easy money conditions, with reduced rates of interest. Plantation shares registered further gains under the leadership of tea shares. Sugar, bank and miscellaneous industrials were also well supported. Textiles, however, were dull, buying enquiry being restricted to select counters.

Tea shares were in the limelight in the planting section during the week. Coorg Teas jumped up by Re. 1.40 to Rs. 13. Peermades spurted by a rupee to Rs. 21. Twyfords hardened by 75 nP to Rs. 15.50 and Nonsuch Teas by 60 nP to Rs. 24.10. Parksides were quoted 57 nP higher at Rs. 20.87. Coonoors and United Nilgiris strengthened by 50 nP each to Rs. 22 and Rs. 17, respectively. Waterfalls gained 20 nP to Rs. 3.65. Kalasas 15 nP to Rs. 3.80, Blue Mountains 13 nP to Rs. 3.50 and Balanoors 10 nP to Rs. 16.10. Kil Kotagiris gathered 5 nP to Rs. 6.05. In the coffee group, Coffee Lands were on request, the quotation rising by Rs. 1.60 to Rs. 34. Consolidated Coffees firmed up by Re. 1.03 to Rs. 29.40. Ouchterlonys rose by 10 nP to Rs. 5.63. Among rubber shares, Vaikundams put on Re. 1.75 to Rs. 23. Rajagiris increased by 50 nP to Rs. 17.75, Thamarapallys by a rupee to Rs. 25, T.R. & Ts by 15 nP to Rs. 7.05, Kalpettas by 10 nP to Rs. 25.85, Anandams by 25 nP to Rs. 13.25 and Pullangodes by 5 nP to Re. 1.85.

In the textile section, Coimbatore Murugans slumped by Rs. 10 to Rs. 100, reflecting disappointment of operators over the cut in dividend to 7½ per cent. for the year ended 31st December 1957, as against 12 per cent. for the previous year. Ranga Vilas slipped down by Rs. 2 to Rs. 60. Vasantas eased by Re. 1.50 to Rs. 230. Coimbatore Spinnings lost a like amount to Rs. 50.50. Maduras and Loyals shed 25 nP each to Rs. 33.50 and Rs. 35.25, respectively.

In the sugar section, Kirlampudis were taken up from Rs. 55 to Rs. 60. Mysores advanced by Rs. 2 to Rs. 44 and Travancores by Re. 1.05 to Rs. 11.35. Deccans were quoted 52 nP higher at Rs. 9.30. Jeypores hardened by 75 nP to Rs. 15.

Among miscellaneous industrials, W.I. Plywoods were in the limelight, the quotation rising by Rs. 5.50 to Rs. 146.50. Mysore Lamps advanced by 45 nP to Rs. 15.25. Indian Steel Rollings improved by 60 nP to Rs 14.10. India Cements rose by 35 nP to Rs. 30.60 and Spencers by 30 nP to Rs. 18.55.

NATIONALISATION OF MUNDHRA GROUP COMPANIES

The Union Minister of Industry, Mr. Manubhai Shah, stated in the Lok Sabha last week that the Government of India did not consider it necessary to nationalise Messrs. Jessop & Co., Ltd., as requested by its employees, in view of the fact that the Government had already taken over the management of the Company under section 18(A) of the Industries (Development and Regulation) Act, 1951, in order to secure better management of the Company. He also stated that there was a sizable rise in production after the management was taken over by the Government. He had every hope that both production and management of the Company would improve further. The Minister added that the demands of the workers of Jessop and Company were being considered sympathetically.

In reply to a question whether the Government would consider the question of taking over other concerns of Mr. Mundhra, which were not being run satisfactorily, the Minister said that, out of the six companies with which Mr. Mundhra was associated, namely, Jessops, Richardson and Cruddas, British India Corporation, Osler, Angelo Brothers and Smith Stanistreet, four were rather badly managed. In the case of the B.I.C., Osler and Richardson and Cruddas, the Life Insurance Corporation had moved the courts and special officers had been appointed by the courts. Angelo Brothers and Smith Stanistreet were working fairly satisfactorily and hence no action had been taken in their case.

Notice

THE INDIA UNITED MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of The India United Mills, Limited, will be closed from Friday the 5th September 1958 to Monday the 29th September 1958, both days inclusive.

By Order of the Board,
AGARWAL & Co.,
Agents.

BOMBAY, 19th *August* 1958.

NEWS IN BRIEF

THE Government of India has abolished the export duty of Rs. 150 per ton on all oilseeds and of Rs. 300 per ton on all vegetable oils.

It is learnt that the Government of India proposes to set up an organisation to take up the work of propaganda and publicity for tea in foreign countries as a measure of promoting its exports.

The Raw Silk Merchants' Association has been entrusted by the Union Government to undertake the distribution of raw silk in the Bombay State in response to the repeated representations made by the Association.

The Kerala Government has under consideration a scheme to set up a State Trading Corporation. The Articles and Memorandum of Association have already been submitted to the Controller of Capital Issues.

Replying to a question in the Lok Sabha, the Union Minister for Commerce said that the Government was examining, in consultation with banking experts, the need for and the feasibility of improving credit facilities for export operations.

Exports of drosses, skimmings, ashes, slimes, flue dust and slags of metals other than silver will be licensed freely on production of a complete analytical report indicating the chemical composition of the material, provided the free metal content in the material does not exceed 15 per cent.

The operations of the award of the All-India Industrial Tribunal (Colliery Disputes) as modified by the decision of the Labour Appellate Tribunal has been extended further upto 25th May 1959, in pursuance of the recommendation made by the Committee on Coal Mining Interests, at its meeting held in Calcutta early this month.

The production of crude mica in 1957-58 is estimated at 555,000 cwts., as against 430,000 cwts. in 1956-57. The U.S. was the biggest importer followed by the U.K., the actual quantities purchased being 180,000 cwts. and 93,000 cwts., respectively. West Germany bought over 42,000 cwts., Norway 36,000 cwts., France 24,000 cwts. and Japan 22,000 cwts.

The Ship Repair Committee headed by Mr. O. V. Alagesan, former Deputy Minister for Railways, recently visited Cochin, one of the sites proposed for the establishment of the second shipyard, with a view to examining the facilities that exist in the port for ship-repairing. The Committee had discussions with the Port Administrative Officer and the representatives of trade and commerce.

The Government of India has decided to appoint a team of two special officers to collect information and report on all matters relating directly or indirectly to the utilisation of irrigation potential created by the various projects. The actual utilisation of irrigation potential created during the first two years of the second Plan was of the order of 670,000 acres and 1.15 million acres, respectively, as against the average annual target of 2 million acres.

A total of 1,663,000 acres of land has been reclaimed by the Central Tractor Organisation since 1947-48. Of these, 1,309,000 acres have been reclaimed in Madhya Pradesh, 330,000 acres in Uttar Pradesh, 14,000 acres in the Punjab, 5,000 acres in Bihar and 5,000 acres in Assam. The total geographical area of the country is 806,270,000 acres. The net area sown between July 1955 to June 1956 was 318,200,000 acres, while the area of fallow lands was 60,414,000 acres and of cultivable waste 54,931,000 acres.

The Central Government has given permission to the three oil companies, namely, Burmah-Shell, Standard-Vacuum and Caltex, to install petrol and diesel pumps in Dandakaranya for reclamation and other purposes. It is proposed to constitute transport co-operative societies of displaced persons who will be dealers for petrol, oil, etc. The sites for the petrol pumps will be leased out by the Dandakaranya Development Authority to the dealers' societies. The first batch of displaced persons of West Bengal is expected to be there by November next.

The Government of India has issued orders restricting the export of wheat and wheat products (other than wheat—bran, bread, cake, etc.) from any place in any of the Southern States, namely, Andhra Pradesh, Mysore, Madras, Kerala and Pondicherry to any place outside these States except under special permits issued by the State Government concerned. This step has been taken with a view to preventing the movement to the Northern States of wheat issued for local consumption from the Central reserves to the Southern areas.

The Union Government has decided to commission the Rs. 80-lakh project, known as the Decca Navigator Hyperbolic System, by the end of next year. The project which is claimed to be the first of its kind in the East, envisages installation of a chain of eight modern marine wireless stations fitted with navigational equipment, along the country's east and west coasts, in order to ensure safer and smoother navigation in the Arabian Sea and the Bay of Bengal. India is purchasing power-house equipment, transmitters, and steel towers for the project from the U.K. These are expected to arrive by October next.

The Government of Bombay has sanctioned another loan of Rs. 25 lakhs to the Ballarpar Paper and Straw Board Mills Limited, Ballarpar, in Chanda district. This is in addition to the loan of Rs. 90 lakhs already sanctioned to the mills. The loan will be utilised for purchase and installation of machinery, plant and equipment for the manufacture of paper, for purchase of building material, for erection of factory and other buildings, as working capital for the mills or for repaying loans and liabilities taken or incurred by the Company for completing the project or for providing the working capital. The loan carries an interest of 3¾ per cent. per annum and is repayable in 17 annual instalments.

The value of exports of Indian plastic goods in 1957-58 increased by over 70 per cent., as compared with the previous year, being Rs. 12.31 lakhs as against Rs. 7.09 lakhs. Ceylon was the largest buyer of Indian plastic goods. The other importing countries included Burma, Kuwait, Kenya, Saudi Arabia, Tanganyika, Mauritius and Mozambique. The number of principal manufacturing units which was 40 in 1947 has risen to 120 units. The value of the total production of plastic goods has also increased from Rs. 1 crore in 1947 to Rs. 10 crores in 1957. With the commencement of indigenous production of *polystyrene* and urea formaldehyde moulding powder, the industry has now been relieved of its dependence on some of the important raw materials.

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From Abroad

The total foreign aid received by Pakistan so far amounts to Rs. 400 crores, of which Rs. 335 crores have been given by the U.S.

The Governments of Ghana and Israel have signed recently a formal five-year agreement which provides for mutual trade in goods and services worth £7 million.

The U.S. gross national output during the second quarter of 1958 was at an annual rate of $429,000 million (seasonally adjusted).

The U.S. Senate has voted to increase the national debt limit by $8,000 million to $288,000 million, which represents the peace-time peak level so far.

The U.S. Congress passed, on the 23rd inst., a $3,298-million Foreign Aid Bill. The amount is about $652 million less than that sought by President Eisenhower.

Canada's population is estimated at over 17.0 million (middle of April 1958) which represents an increase of 2.8 per cent. as compared with last year's total of 16.5 million.

The aggregate exports of raw jute from Pakistan during the year ended July 1958 amounted to 4.5 million bales, as compared with 4.8 million bales in 1956-57 and 6.0 million bales in 1955-56.

The cost of living in the U.S. rose further by 0.2 per cent. in July last, touching a new record. The increase, it is said, was the result of the higher cost of transport, food and medical care.

The Franco-Egyptian Suez Canal Compensation Agreement was signed by the representatives of the two Governments in Geneva on the 22nd inst. after prolonged negotiations.

The Government of Iraq is planning to boost its oil exports by 28 million tons a year. For this purpose, it proposes to construct a new terminal in the Persian Gulf and a new pipeline via Syria.

Orders for the supply of oil equipment placed with the U.K. manufacturers during the first half of 1958 amounted to £60.4 million which was about £5.6 million less as compared with the corresponding period, last year.

The Government of Ceylon has under consideration a proposal to introduce *ad-valorem* rates of export duty on tea and to bring the auctions of tea (now conducted on a private basis) under Government control by setting up a Tea Auctions Board.

The Brazilian Government oil monopoly, Petrobras, will purchase a minimum of £4 million worth of equipment from British manufacturers for a new oil refinery proposed to be erected at Rio. The supply will be made by the constituent companies of a consortium called British Refinery Constructors (Brefcon).

Both average weekly earnings and the basic wage rates of workers in the British industry rose by 4.6 per cent. between April 1957 and April 1958. In the previous 11 years, earnings had more than doubled (the actual extent of the rise was over 106.8 per cent.) while basic rates rose by only 76.4 per cent.

The carryover stocks of wheat in the U.S. are expected to touch a record level of 1,303 million bushels by the middle of 1959, thereby reversing the downward trend which commenced three years ago. Farmers are currently harvesting a 1,421-million bushel crop, the largest on record and 50 per cent. bigger than in 1957.

The Malayan Government is reported to have asked the U.S.S.R. to suspend immediately all exports of Russian tin in a fresh attempt to stabilise prices in world markets. In the meantime, it has asked the U.S. to step up the purchases of tin by commercial and Government agencies and the U.K. to restrict its imports of Russian tin.

School children over 11 years of age in East Germany will be required to spend one day in a week working in a factory or on a farm with effect from next month. The object behind the scheme is said to be "to train the children "to love work and the workers." The scheme, however, is reported to have evoked protests from parents, teachers and factory heads.

An oil refinery with an annual capacity of 2 million tons is proposed to be set up at Maison-Carré, on the outskirts of Algiers, at a cost of £850,000. The Royal Dutch-Shell's Algerian subsidiary and French B.P. will have interests to the extent of 21 per cent. and 12 per cent. respectively, the rest being shared by the French and U.S. oil companies.

The output of the French Union Oil Company touched the peak level of over 2 million tons in the year ended 31st July 1958. The quantity represents an increase of almost 50 per cent. over the previous year. The rise in output was accounted for entirely by the oilfields in Sahara and black Africa where production was started only last year. The output from the Parentis field, south of Bordeaux, and other fields in Metropolitan France remained stationary.

Nepal's budget proposals for the next financial year include a new exchange rate of 150 Nepali rupees (as against 128 rupees at present) for 100 Indian rupees and levy of a new tax on a wide range of goods including petrol, cigarettes and tobacco, toilet goods, sugar, cement and cloth. The proposals are expected to turn the year's revenue deficit of Rs. 22.73 lakhs (Indian) to a small surplus of Rs. 1,08,000. The total budget expenditure is estimated at Rs. 5.32 crores.

The British manufacturers of atomic energy equipment hope to procure orders worth about £400-600 million as a result of the International Atomic Energy Conference now being held at Geneva. Altogether, 83 British companies are taking part in the Exhibition, as against 57 from the U.S. The total number of exhibitors is 327. The U.K. is expected to sell not only research reactors and nuclear power stations but also considerable quantities of ancillary equipment, plant for processing atomic materials and radio isotope devices.

According to a compromise formula reached between the U.S. House and Senate on the surplus barter clause of the Farm Bill, the provision requiring the Agriculture Department to barter $500 million worth of farm surplus yearly has been dropped. It is left to the Secretary of the Department to decide whether he will barter any surpluses. It is learnt that the present measure will give the Department an additional $2,250 million to use in new agreements over the next 18 months.

PERSONAL

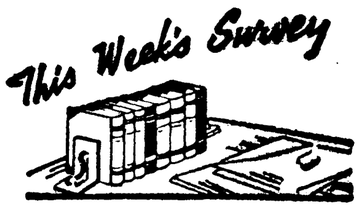
MR. Morarji Desai, Union Finance Minister, left Bombay for London on Wednesday this week. He will visit the U.K. and the U.S. before attending the Commonwealth Economic Conference at Montreal.

Mr. N. V. Gadgil, a former Works, Mining and Power Minister, Government of India, and Vice-Chairman of the State Bank of India at present, has been appointed Governor of the Punjab *vice* Mr. C. P. N. Singh.

Mr. K. B. Mathur, Member, Transportation, Railway Board, and Mr. J. Dayal, Financial Commissioner for Railways, left New Delhi for Washington on the 29th inst., to participate in the negotiations with the World Bank for a fresh loan.

Mr. V. Shankar, at present Revenue Secretary to the Bombay Government, has been appointed Director General of Posts and Telegraphs, in place of Mr. Shankar Prasad, I.C.S., who has taken over charge as Secretary, Kashmir Affairs, in the Union Home Ministry.

Mr. P. A. Gopalakrishnan has been reappointed Chairman of the Life Insurance Corporation. The other members of the Corporation appointed for a period of two years with effect from 1st September next are: Mr. Mohammed Hasham Premji (Bombay), Prof. D. G. Karve (Poona), Mr. Dhiren Mitra (Calcutta), Mr. S. M. Ramakrishna Rao (Bangalore), Mr. Vadilal Lallubhai Mehta (Ahmedabad), Lala Raghuraj Swarup (Muzaffarnagar, U.P.), Mr. L. K. Jha, Special Secretary, Ministry of Commerce and Industry, Mr. D. K. Kaul, Joint Secretary, Ministry of Finance, Mr. P. C. Bhattacharya (Bombay), Prof. B. N. Das Gupta (Lucknow), Mr. C. C. Desai (New Delhi), Mr. N. K. Petigara (Bombay), Mr. T. S. Krishna (Madurai) and Sardar Ujjal Singh (New Delhi).



N. I. D. CORPORATION

ALTHOUGH nearly four years have elapsed since the National Industrial Development Corporation—N.I.D.C., for short—was set up by the Government of India, the Corporation has still not succeeded in bringing into existence any new industry. All that it has been able to achieve is completion of technical studies for a number of projects, besides granting loans for the rehabilitation and modernisation of cotton textile and jute industries. Even here, its achievements are by no means impressive, the actual amount of loans sanctioned by the end of June 1958 aggregating Rs. 2.28 crores for cotton mills and Rs. 2.93 crores for jute mills. The slow progress made by the Corporation in the field of setting up new industries may perhaps be attributed to the undertaking of too many projects simultaneously without due consideration being paid to the availability of adequate technical personnel. Considering this and also the continued critical foreign exchange situation, it looks as though the total amount which the Corporation will have actually spent by the end of 1960-61 will fall far short of the outlay of Rs. 55 crores earmarked in the second Five-year Plan.

An idea of the Corporation's activities in the execution of the more important projects is provided in a brochure published by it this week. The review reveals that the Corporation is concentrating its efforts on projects relating to the manufacture of (1) industrial machinery in the field of heavy engineering, (2) some crucial industrial materials like raw film, aluminium and synthetic rubber, and (3) primary intermediates for the drug, dyestuff and plastic industries. The Corporation, it will be recalled, is conceived mainly as an instrument of Government for securing a balanced and integrated development of industries in both private and public sectors, the primary object being the development of industries which are necessary to fill the gap in the industrial structure.

One of the most important projects undertaken by the N.I.D.C. is the setting up of a heavy machine building plant at Hatia near Ranchi in Bihar State. This is intended to produce machinery and equipment for the iron and steel, mining, coal and cement industries, heavy equipment such as coke-oven and by-product equipment, excavators, cranes, heavy oil drilling rigs, equipment for crushing and grinding, mining and press-forging, and miscellaneous heavy machine parts, assemblies and ancillary items. The establishment of the plant will be on the lines recommended by the Soviet team, utilising a portion of the 500-million roubles credit made available by the Soviet Government. It will have a productive capacity of 45,000 tons of finished machinery per annum in the initial stage and be capable of being expanded later to an output of 80,000 tons. Scope is being provided on the site for a further expansion upto 165,000 tons. After successful negotiations for credit or deferred payment arrangements, a contract has been entered into with the Technoexport of Moscow for the preparation of a detailed project report for the plant; the report is expected to be ready by the middle of 1959.

The other important projects on which agreements have been reached are the foundry-forge project to supply heavy castings and forgings for the machine building plant, plant for manufacturing coal mining equipment, and a factory to produce optical and ophthalmic glass. As regards the schemes relating to the manufacture of intermediates for drugs, dyestuffs and plastic industries, raw film, synthetic rubber, newsprint from bagasse, etc., studies have reached advanced stages and their further progress now depends on the outcome of negotiations for foreign exchange required for the purchase of machinery and equipment. Meanwhile, discussions are proceeding with a consortium of leading West German firms on the details of collaboration for the manufacture of intermediates. An Italian firm, we are told, has also shown interest in the scheme, and discussions have taken place with its representatives. In the case of the project for photographic, cinema films and paper manufacture, details have been finalised and a team of East German experts is expected to arrive shortly for negotiations on deferred payment.

The N.I.D.C. has made a fresh assessment of the estimated demand for alloy and tool steels by the end of the second Plan period. Draft specifications will be issued and detailed project reports invited from four firms which have evinced interest in the project. With regard to the production of aluminium, carbon black, cellulose pulp and tungsten carbide, the project surveys conducted by the Corporation have been followed up by efforts in the private sector to put up factories with foreign technical and financial collaboration. If, however, these efforts of industrialists do not succeed, the Corporation may again examine the question of taking up these projects.

Apart from planning and formulating projects to set up new industries or develop new lines of production, the N.I.D.C. has been entrusted with the work of assisting the cotton textile and jute industries in their plans for rehabilitation and modernisation and advancing loans to the machine tools manufacturing units. As already stated, the Corporation had sanctioned, by the end of June 1958, loans amounting to Rs. 2.28 crores to cotton mills and Rs. 2.93 crores to jute mills. These amounts are, however, negligible considering the magnitude of the finances required for rehabilitating and modernising these industries and the urgency thereof. It is estimated that the total outlay on new machinery for the cotton textile industry alone would be of the order of Rs. 300 crores. The resources actually available with the two industries are too limited to meet such vast investments, so that, if the industries are to go ahead with their schemes of rehabilitation and modernisation, a much greater scale of assistance from corporations like the N.I.D.C. is urgently required. It is encouraging to hear that the N.I.D.C. is considering a new scheme for financing the modernisation of cotton textile and jute mills on a short-term basis.

ROLE OF FINANCE OFFICERS

The world has travelled a long—indeed a very long—way from the time when the common belief was that expressed in the maxim "when the king trades the country is ruined." With every passing day, one finds the State (the modern "king") spreading its tentacles wider and wider, gradually bringing trade, commerce and industry all within its fold. Political philosophers and economic theorists may continue to cross wordy swords on the merits or demerits of this trend of the State becoming a leviathan. But on one thing they cannot disagree—that is, with the growing participation of the State in industry, the problem of organising State-owned undertakings in a manner that will combine, in one organisation, the principle of public ownership and public accountability with that of business management, is getting not only more complex but more important too. The adoption of the company form of management for public undertakings is designed to secure the best of both worlds. In ensuring adherence to sound commercial standards, finance and accounts officers have an important role to play. For they, with their specialised knowledge and experience, are important to any organisation, be it in the public or private sector, where money is spent. Theirs is not the routine job of keeping accounts of incomings and outgoings and costing operation. They have to take a wider view of their functions and to advise the executive in the proper and planned utilisation of money, machines, materials and manpower.

A three-day conference of finance and accounts officers of industrial and commercial projects in the public sector held recently at New Delhi focussed public attention on the important role of these officers. The conference, the first of its kind held in India, was inaugurated by Mr. Morarji Desai, Union Minister for Finance. It aimed at bringing together finance officers employed in different undertakings in the public sector and facilitating exchange of views, with a view to securing efficient financial management of Government undertakings and better co-ordination of their effort and experience. Mr. Desai pointed out, in the course of his inaugural address, that the role of financial advisers in securing efficiency and economy and adherence to planned targets and objectives were very important. They had to keep constantly in mind the objectives and the targets to be achieved and how these could be accomplished within the total outlay envisaged. Mr. Desai said that the Government had no intention to introduce duality of control in public undertakings. On the other hand, it wanted the management to be responsible for the affairs of the undertakings. It, however, desired that the views of financial advisers should be given due consideration. If they were to be overruled, he emphasised, it should be on adequate grounds and at the highest level. Financial advisers, on their part, should appreciate the problems and difficulties of the technical officers and management and consider themselves as part of the organisation in which they worked.

Mr. Desai expressed the hope that the conference would initiate steps for building up an efficient body of trained financial experts. He emphasised the importance of introducing a unified question of cost accounting for different units of an industry with such modifications as were necessary for individual units. It may be noted here that the necessity of having a complete and efficient system of cost accounting has been underlined by more than one parliamentary committee and accepted by the Government. Having planned for production, the management needs to know how good the results achieved really are and whether any steps taken for effecting improvement are in fact yielding the expected results. For this, it has to depend upon information supplied by the costing department. Costing system serves, *inter alia*, two useful purposes. It can give a historical record of the financial results of the operations of the business; it can also provide a means of controlling expenditure while it is being incurred. A cost accountant must be able not only to show where an organisation is following wasteful methods but should also evolve proper procedures for eliminating waste and improving efficiency.

The Minister defined the relation of the Government of India to the undertakings in the public sector. He gave the assurance that the organisations could function without fear of interference in their day-to-day matters. The Government was responsible to Parliament for their efficient management. This meant that it had not only to look after the money invested but also to safeguard the interest of the consumers. It is gratifying to find that Mr. Desai appreciates the importance of consumers' interests, for there is no doubt that public enterprises, working in a pleasant monopoly climate, may easily come to think that what they do is right for the consumer.

COHEN COUNCIL ON BRITISH ECONOMY

In a blueprint for the nation's economic future, the "three wise men" of Britain namely, Lord Cohen, Sir Harold Howitt and Sir Dennis Robertson, constituting the Council on Prices, Productivity and Incomes, have advised timely and restrained action to stave off any possible economic recession. The Council, a completely independent body set up last year by the British Government to keep under periodic review the developments in the economy, has given two blunt warnings that unemployment might increase and that the Government would have to go slow on any policy aimed at easier times. It has suggested that, in the event of a recession hitting Western Europe, Britain should persuade itself to give more loans and credits abroad so as to counter it. "By this means," it adds, "we (Britain) could satisfy the desire of the overseas sterling countries to maintain, as far as possible, their standards of life and their pace of development and our own desire to keep our productive resources in employment. We may thus justifiably be led to undertake measures of credit creation and organisation which, in other circumstances, would be unnecessary or even dangerous."

The Council is keenly aware of the inflationary potentialities of expansionist policies. While it is right that economic policy should aim at an expansion of demand, the Government should, it maintains, proceed gradually and with caution towards that end. The dangers of recession, according to the Council, are not so drastic and so imminent nor those of inflation so remote as to justify a policy of all-out encouragement to expenditure. The danger of inflation has been halted in Britain during the past 12 months and the trend has been for incomes to fall more into line with productivity. But inflation, the Council says, has only been "scorched" and not "killed." It has urged the Nation to steer clear of both the Scylla of inflation and the Charybdis of recession.

Reviewing Britain's production and expenditure trends over the last year, the Council has forecast a drop in British exports. It adds that, though confidence in sterling has been restored, it could again be impaired. The Council is not optimistic that the country's balance of payments on current account during the second half of 1958 will be as favourable as in the first. It points out that, in the coming months, a deterioration in the current balance of payments position and a less favourable trend in the gold and dollar reserves of the U.K. could be expected. While conceding that Britain's balance of payments is in a healthy state and its foreign exchange reserves have been rising very satisfactorily, the Council is afraid that neither of these conditions is bound to last. Past experience suggests that any substantial revival of demand may well be accompanied by renewed threats to price stability, to the balance of payments and the gold and dollar reserves. Expansionist policies, it emphasises, should, therefore, be followed very cautiously. It suggests that such policies as world conditions demand could be more smoothly carried out if the various countries with money to lend and industrial population to employ acted in concert.

The Council underlines the need to maintain stability in prices and to curb wage rises to that end. Wage increases granted so far in the year has averaged about three and a half per cent. It is wrong to think, according to the Council, that this was an exceptional year after which there could be a return to the happy days when annual wage increases typically ran at the rate of five, six or seven per cent. In fact, the contrary is the case. Next year, the Council suggests, such wage increases as are granted should be lower than this year's. Annual increases of three and a half per cent., in the opinion of the Council, are not merely higher than the present rate of increase in productivity but they are also higher than any rate of productivity increase which can reasonably be forecast over a long period in the future. It also suggests that the British Government should, if productivity continues to lag behind, give first priority to stimulating capital expenditure. If the ceilings on public investment imposed last year were removed, such expenditure would rise steadily. The Government could, the Council feels, also take steps to stimulate private investment either by lowering interest rates and providing easier credit or by tax reduction.

STORAGE BATTERY INDUSTRY

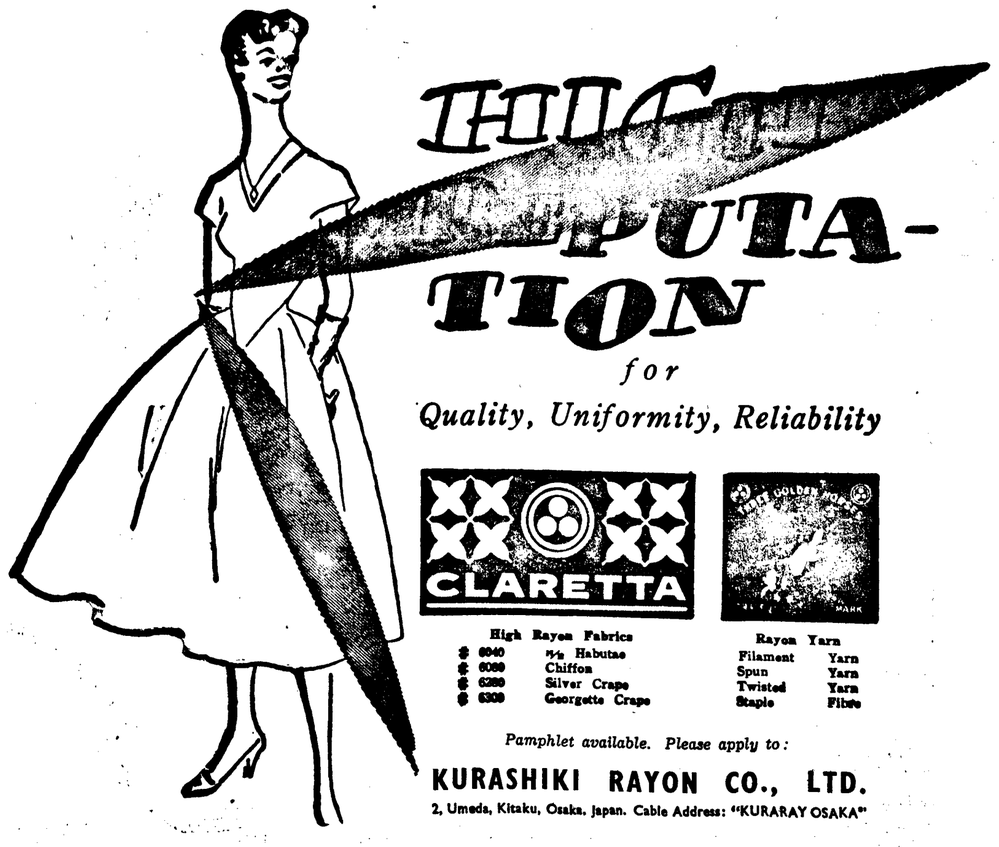
Storage battery industry in India, although of comparatively recent origin, has given a good account of itself. During the short span of a decade, production of batteries has gone up by about five times the total output having moved up to 324,000 units in 1957, as against 70,000 units in 1947. Similarly, there has been a notable expansion in the installed capacity which rose from 171,600 to 316,800 during the same period. The Tariff Commission has estimated that the domestic requirements at 340,000 batteries in 1955 would go up by about 20,000 every year. The second Plan has envisaged an expansion in the capacity of the organised sectors of the industry to 350,000 batteries and the small-scale sector to 70,000 batteries per annum by 1960-61. In this connection, it is noteworthy that an illuminating account of the growth, problems and prospects of the battery industry in India was given by Mr. Peter Aspinall, Export Manager of Chloride Batteries, London, an associate of the Chloride and Exide Batteries (Eastern) Private Ltd., Calcutta. Mr. Aspinall, who is on a business tour to India and South East Asia, rightly averred that the phenomenal progress of the industry was the result of heavy investment undertaken in India by the battery manufacturing industry, particularly by the Exide factory near Calcutta, which the Tariff Commission referred to as "the largest battery manufacturing concern in India." Indeed, Exide, it is claimed, is the largest and best equipped factory in the whole of Asia.

Exide's acquaintance with the Indian market was of no recent origin. Even before 1944, when the Exide factory was set up at Shamnagar, Calcutta, its batteries formed 50 per cent. of India's imports. The factory has made considerable progress towards its aim of complete self-sufficiency in a very wide range of products in the shortest possible time. As a result, India is at present importing only certain special types of batteries, such as those for jet aircraft.

The indigenous units are handicapped to a great extent owing to their dependence on imported raw materials. But the position has been improving of late. Mr. Aspinall said that the lead recovery plant at the Exide factory was an important measure towards lessening the unit's dependence on imports. He further disclosed that the factory was at present installing a new plant to manufacture the famous tubular—positive plate Exide—iron clad battery of the type used by the railways throughout India and most of the world for train lighting and air-conditioning. Further developments were also under way. He felt confident that, by 1960, Exide would be able to save about Rs. 1 crore of foreign exchange annually in the field of railway batteries alone.

Although exports of batteries were negligible hitherto, there are reasons to be optimistic on this account. According to Mr. Aspinall, the Exide factory in India has exported bulk supplies of batteries to Egypt, and is currently engaged in executing further orders from that country. There are other potential markets for Indian-made batteries in countries like Afghanistan. It may be noted that batteries are one of the commodities covered by the recent Indo-Afghanistan trade agreement. Mr. Aspinall, however, disclosed that local units were coming up in many of the countries within India's reach which have a growing vehicle population. The storage battery industry will, therefore, have to step up its competitive capacity, particularly by focussing its attention on developing indigenous sources of supply of raw materials and reducing its cost of production.

The American Atomic Energy Commission has started tests with a "portable" nuclear reactor. Its Argonne Low-power Reactor (A.L.P.R.) which is a prototype of the nuclear reactor designed to produce electric power and heat at remote military stations, has begun operating at the testing station at Idaho Falls. It is claimed that the reactor is capable of operating at full power of 3,000 kw., can be erected on any type of terrain, its components weigh no more than 20,000 lbs. each and can be transported easily in cargo planes.



COMMUNITY DEVELOPMENT PROGRAMME

RESULTS OF FIFTH EVALUATION

From Our Special Correspondent

NEW DELHI, *26th August*

EARLY in 1956, in his report of a survey of Community Development Programme in India, Mr. M. L. Wilson, Ford Foundation Consultant, wrote that "any government that is so forward-looking as to have a continuous evaluation process going on outside of the legislative and administrative functions is most likely to succeed in its objectives." Since then the Programme Evaluation Organisation of the Planning Commission has drawn up three evaluation reports (including the latest one covered in this despatch) on the working of Community Development and N.E.S. Blocks, and the Committee on Plan Projects has also produced a report on the same subject. Besides these, there is the report of the Estimates Committee of the First Lok Sabha on the Community Projects Administration. The general impression produced by these reports is that Community Development Programme has been either a partial failure or, at best, a partial success.

DELHI LETTER

The latest Evaluation Report is the fifth of its kind and is based upon a sample survey of 82 blocks (36 C.D. and 46 N.E.S. Blocks) which had completed one year of working and which represented roughly one-fifteenth of the total number of blocks in the country. Some basic data about an average selected block are: Number of villages, 126; total population, 75,000; total net cultivated area, 78,200 acres; total net irrigated area, 12,900 acres; number of villages per *Gram Sevak*, 12.3; area per *Gram Sevak*, 27.4 sq. miles.

The sample survey covered elaborate field enquiries into the organisation and operation of the C.D. and N.E.S. programmes, the organisation and working of the *panchayats*, the dissemination of improved agricultural practices and the growth of people's participation. The main factual findings of these enquiries are given below:

About 40 per cent. of the blocks studied reported absence of Block Development Officers for varying lengths of time, the average being five months. As regards agricultural specialists, nearly 60 per cent. of the blocks, both N.E.S. and C.D., had to do without them on an average for 5 and 10 months, respectively, or about one-fourth of the average periods of their operation. The position in respect of animal husbandry is even more serious.

As a result partly of under-budgeting and even more of shortfall in expenditure, the annual expenditure *per capita* is Re. 1.4 in the case of N.E.S. Blocks and Rs. 2.0 in the case of C.D. Blocks. These figures are 70 per cent. and 55 per cent., respectively, of the expenditure figures envisaged in the block pattern. As regards the causes of shortfalls in expenditure, most Block Development Officers relate them to delays in sanctions and other procedural steps.

The value of people's participation in works programmes works out to an average of Re. 1 per person per year in case of N.E.S. Blocks and Re. 1.8 in case of C.D. Blocks. Larger contributions could be mobilised from the people in the C.D. Blocks, because of the larger fund available to them. In the case of both C.D. and N.E.S. Blocks, the value of people's participation declines as the block period moves towards its end. This is contrary to what one would expect to happen. The people's participation should grow progressively as the years pass, and the educational effort of the staff and the radiational influence of the work done may be expected to produce their effect. But the survey data tell a different story, and it would seem that the educational effort and the radiational influences have not been effective enough.

The level of programme activity in agriculture is generally low outside the Punjab and U.P. and individual blocks in other States. Agricultural activity is concentrated on the dissemination of improved practices, for example, use of improved seeds and fertilisers and the Japanese method of paddy cultivation. Except for minor irrigation schemes, very little has been done in respect of the land improvement items. The achievements in improved practices are substantial only in areas where the rainfall is adequate and/or the proportion of irrigated to total cultivated area is high. But the large majority of the blocks lie outside these favoured areas. Activity in areas which are dry, hilly, inhabited by tribal people or are otherwise backward, is extremely small, and in some cases insignificant. Even in minor irrigation, the maximum activity is reported in blocks which have already comparatively high percentages of the area under irrigation. Apparently, blocks which have already substantial areas under irrigation can increase them with less difficulty. On the other hand, blocks with low percentages of their area under irrigation, find it difficult to make further advance through minor irrigation.

About 50 per cent. of selected households adopted improved seeds for food crops, paddy, wheat and *jowar*; for cash crops, cotton and sugarcane, the percentages are higher. In spite of the general increase in the adoption of improved seeds, large ground remains to be covered. About half the area under all crops other than cotton remains under *Desi* seeds, and it is the smaller cultivator who lags behind. Even in the case of cash crops and in irrigated areas, considerable distances have to be traversed before saturation point can be reached. The overall picture for the crops taken together is, that 24.5 per cent. of the households have not adopted or have reverted because they still lack faith in the superiority of the improved seed, another 11.8 per cent. have done so because of the failure of the supply and only 2.8 per cent. on account of lack of financial resources.

Forty-five per cent. of selected households have taken to the use of ammonium sulphate. All the other fertilisers are used much less extensively. Fertilisers are used more frequently with improved seeds than with *Desi* varieties. There has been a generally expanded use of fertilisers, and more households have taken to them without recourse to the facilities provided by the programme.

Between one-half and three-fourths of selected households have adopted line sowing, crop rotation and transplantation. Only 15 per cent. have taken to the Japanese method of paddy cultivation but 23 per cent. of these households are inclined to give it up even if the facilities offered by the programme are continued. There seems to be fairly widespread ignorance about the Japanese method and line sowing. While the approach to crop rotation has been handicapped by lack of irrigation facilities, farmers are not keen to adopt line sowing and transplantation because of the difficulties of securing enough labour in time.

Two-thirds of households in the sample have taken to the use of improved seed for some crop or other. The percentage of households which have adopted some fertiliser or other is almost equally high. But the number which are using improved seeds, fertilisers and better techniques together is only one-third of the relevant households in the villages. This would seem to indicate that different improved practices which complement one another are not being sponsored as parts of the integrated programme of farm development.

The problem of resources is about the most difficult one faced by the *panchayats*. In most States, the Acts include a long list of sources of revenue for them. However, in practice, most of these sources exist only on paper; they are not tapped and the *panchayats'* income from the few sources which are tapped is very small. In many cases, the self-raised income of the *panchayats* is barely sufficient to pay for expenditure on establishment.

The regular income (self-raised income *plus* recurring Government grants) of the selected *panchayats* varies from a *per capita* average of Rs. 3.6 in Manavadar (Saurashtra) to Re. 0.17 in Bhadrak (Orissa). Considering the self-raised income alone, the range is from Re. 1.64 in Erode (Madras) to Re. 0.07 in Cachar (Assam). The figure is less than Re. 0.50 *per capita* in five blocks. These figures bring out the extent of poverty of these institutions.

Since the income of the *panchayats* is very low, even the most elementary administrative expenditure takes up a large share of it. The proportion of administrative expenditure to the regular income of the *panchayats* is more than 50 per cent. in three blocks. After meeting their administrative expenditure, the *panchayats* in only three blocks—Erode (Madras), Bodhan (Andhra) and Sonepat (Punjab) are left with Re. 1 or more *per capita* for spending on routine civic duties like cleaning of streets or on development activities.

Because of substantial grants from the projects, from the Government sources and in some cases substantial contributions from the people, there is appreciable development expenditure in most of the *panchayat* villages. The average *per capita* development expenditure per year varies from more than Rs. 3 in the *panchayat* villages of Bodhan (Andhra) to only Re. 0.57 in those of Morsi, Bombay.

Street lighting is being done by only one-third of the selected *panchayats;* sweeping of village streets is reported by about 40 per cent. But in not all these cases are arrangements adequate or even regular.

(*Concluded from next column*)

There have been perhaps a few cases in this category but a more practical view is surely to expect that the assets of a firm should be used in the most economic fashion and there is nothing like the fear of take-over, which, after all, means nothing very different than a change of Government, to spur the Directors of firms to operate in the best interests of their shareholders as well as of the public.—*All Rights Reserved.*

TAKE-OVER BIDS

LATEST TRENDS IN U. K.

From Our Own Correspondent

LONDON, *23rd August*

WITH Ministers away on holiday and the affairs of Government ticking over quietly, City events naturally attract more publicity than usual and this August is seeing a quite exceptional revival of activity in what are known as "take-over bids." These bids are offers made by a buying company to the shareholders of the company it wishes to acquire to invite them to sell their shares either for cash or against the issue of shares in the acquiring company. Normally, unless special arrangements are made, the board of directors of the company taken over are liquidated as a result of the merger, hence such bids are highly unpopular with the directorates, and sometimes the management, of the company acquired. Sometimes these take-overs are a result of negotiations between the two firms in the normal course of business, such, for instance, as the bid notified today in which the multiple provisions firm, Allied Bakeries Limited, is proposing to take over the multiple provisions firm of Peter Keevil Limited. This sort of take-over is more in the nature of the old-fashioned amalgamation.

LONDON LETTER

But the take-over bids which have been in the public eye the last few days have been of a different order, a straightforward battle by one company to wrest control of another from the existing directorate and management. The reasons for such struggles may be that the company bid for has undervalued capital assets, such, for instance, as the taking over more than a year ago of the boot and shoe firm of J. Sears which owned a group of retail shops all standing in the balance-sheets at below market value. In this case, the taker-over sold all the properties at a large capital profit and then acquired them all back on long leases on annual rent payments. In another case, when a unsuccessful bid was made for the Savoy Hotel in London, the idea was to pull down the Berkeley Hotel, which belongs to the Savoy, and replace it with a block of offices which would have had a far higher income earning value. In other cases, directors may have followed a conservative dividend policy and acquired large cash reserves which the acquirer can find useful.

Tobacco and Crematorium

An example of the last case has just been concluded, with the Amalgamated Tobacco Company taking over the London Cremation Company, the largest crematoria owners in the country. The Directors of the Crematorium asked their shareholders not to sell on the grounds that there was no connection between a tobacco company and a crematorium company —nobody seems to have pointed out that both are interested in the reduction of matter to ashes! Then, it was said that a crematorium company should be non-commercial, but the facts are that this Company had built up liquid resources of £120,000 and this was tempting enough to the Tobacco Company to put in an attractive bid for the shares. In the event, the pass was sold by the London Cremation Society who thought their affairs would be safe in the hands of the Tobacco Company and the Tobacco Company in return having acquired the desirable liquid assets from cremation have undertaken to build up a fund over the next 20 years to buy back the Cremation Company's shares and turn the latter into a charity working on a non-commercial basis.

The second example in the public eye is a straightforward struggle to expand a commercial empire. The two leaders of the soft drinks industry in this country are Schweppes and Beechams. They are both bidding for the smaller firm of Thomas and Evans whose drinks go by the name of 'Corona.' So far four bids have been made, each side capping the other's offer twice. There seems little for the shareholders to do in such a case but to sit tight and wait for the fifth offer, for prestige as well as shares are involved in such a case and battle having been joined, neither of the two giants will easily let go of their intended conquest.

In some quarters this business of take-over bids is deprecated as sheer piracy designed to milk the victim company and then cast it aside.

(*Continued in previous column*)

T.I.S.CO.'S PROFIT DOWN DUE TO HIGHER PRODUCTION COSTS

ADDITIONS TO ASSETS EXCEED RS. 50 CRORES

A STRIKING feature of the fifty-first annual report of the Tata Iron and Steel Company, Ltd., covering the financial year ended 31st March 1958, is the sharp increase in cost of production of steel. From 16th May 1957, the consumer of steel was asked to pay Rs. 70 per ton more. Of this, about Rs. 46 per ton was allowed to the producer of steel to cover his increase in the cost of production, pending the verdict of the Tariff Commission on the question of fair price for the producer. The results of the Commission's findings have not yet been made public. But the T.I.S.Co's results for 1957-58 clearly show that the increase of Rs. 46 per ton in its retention price has not been sufficient to safeguard its margin of profit. A glance at Table I showing the Company's financial results for the past four years will convincingly prove this point. Net sale proceeds for 1957-58 were Rs. 45.40 crores, an increase of Rs. 3.61 crores as compared with those for 1956-57. Other income was higher by about Rs. 34 lakhs. In other words, gross income was better by Rs. 3.95 crores. As against this, expenses shot up by Rs. 5.89 crores, that is, nearly Rs. 2 crores more than the increase in gross income. Consequently, gross profit for 1957-58 is down almost by an equivalent amount, from Rs. 12.87 crores for 1956-57 to Rs. 10.94 crores, to be precise.

A more striking indication of the rise in costs is provided by a comparison of the latest results with those for 1954-55. Between 1954-55 and 1957-58, sale proceeds rose from Rs. 35.03 crores to Rs. 45.40 crores, that is, by Rs. 10.37 crores; similarly, other income grew by Rs. 80.28 lakhs to Rs. 2.59 crores. The gross income thus expanded by Rs. 11.27 crores. At the same time, expenses increased by no less than Rs. 9.60 crores, so that the gain in gross profit was only Rs. 1.58 crores. The outcome is a contraction in the margin of profit; the ratio of gross profit to gross income has dropped from 28 per cent. to 24 per cent.

One of the factors responsible for the rise in cost of production is labour. There has been persistent rise in the cost of labour without practically any improvement in the output per worker in recent years, as will be seen from the undermentioned figures:

	Average annual income per employee Rs.	Average labour cost per ton of finished steel Rs.	Average output of finished steel per employee Tons
1939-40	784	27	28.9
1951-52	2,237	93	24.1
1952-53	2,299	97	23.8
1953-54	2,279	98	23.2
1954-55	2,294	99	23.2
1955-56	2,392	101	23.8
1956-57	2,437	101	24.2
1957-58	2,481	104	23.9

The fall in output per worker in 1957-58, as compared with that for 1956-57 which saw a slight improvement over the year preceding it, may not be due to the fault of workers, as production was dislocated to a considerable extent by the great construction work that went on in connection with the one-million ton addition to the Work's capacity. But it will be noted that, as compared with 1939-40, production per worker was low by as much as 5 tons. The only satisfaction that one can have is that it has not deteriorated to any significant extent as compared with 1951-52. This, however, is a negative satisfaction.

In tune with the trend of gross profit, the net profit also has, according to our calculation, receded from Rs. 6.26 crores to Rs. 4.72 crores. The provision for depreciation has been raised from Rs. 2.47 crores to Rs. 3.90 crores, but that for taxation has been pruned from Rs. 2.72 crores to Rs. 90 lakhs. The rate of dividend on old ordinary shares has been cut from Rs. 9.50 to Rs. 8.25 per share of Rs. 75 each. As against this, the shareholders had the benefit of Golden Jubilee bonus share, at the rate of one for every five shares. The exact position of dividend is a little confused, in view of the issue of new shares in the previous year. But, according to the Directors, the dividend recommended by them on the equity capital "will result in maintaining the dividend rate of Rs. 10.50 paid on the old shares upto 1955-56 and a return of a little over 5 per cent. on the average amount paid up during the year on the new shares." The solicitude shown by the Directors to the shareholders will be further evident from the following extract from the report:

"It is proposed to pay the dividends on ordinary shares and the balance of dividends on preference shares from an amount transferred to the appropriation account from taxed profits earned in past years and credited to General Reserve No. 1. This procedure is recommended, in order that the ordinary shareholders will be treated as having paid income-tax on the dividend since it will come out of past taxed reserves and will be relieved of payment of income-tax or be entitled to a refund in accordance with the provisions of the Income-tax Act."

The foregoing method is, indeed, an ingenious one to overcome the meaningless handicap imposed by the taxation authorities on investors. We have no doubt other companies similarly placed will follow the way out indicated by T.I.S.Co.

The total net amount of profits ploughed back this year is only Rs. 2.66 crores, as compared with Rs. 4.40 crores in the past year. This undoubtedly is the result of contraction in profit. In fine, the immediate interests of shareholders have enjoyed a greater priority at the hands of the Directors than the conservation of resources. This might sound a rather retrograde step, especially as the Company is heavily indebted to the World Bank and the Government of India, but the fiscal policy of the Government is such that pursuit of a conservative policy does not seem to pay the investors in the long run.

The profits for 1958-59 indicated in the foregoing paragraphs will have been actually less than they are shown but for a change in the valuation of stocks. The advantage thus gained will not recur in the coming years, but this does not mean that profits will be less, for the addition of a million tons to capacity will greatly enhance the Company's profit-making capacity.

(*Continued on page 376*)

(This is an announcement to the members only and neither a prospectus nor an invitation to the public or any section of the public for subscription of shares.)

THE JAIPUR UDYOG LIMITED

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

(a) AUTHORISED CAPITAL .. .. Rs. 5,00,00,000

Divided into

(i) 1,50,000 Cumulative Preference Shares of Rs. 100 each.

(ii) 35,00,000 Ordinary Shares of Rs. 10 each.

(b) SUBSCRIBED AND PAID-UP .. .. Rs. 2,25,00,000

Divided into

(i) 75,000 3 per cent. (Taxable) Cumulative Preference Shares of Rs. 100 each fully paid .. .. .. Rs. 75,00,000

(ii) 15,00,000 Ordinary Shares of Rs. 10 each fully paid.. Rs. 1,50,00,000

NOW BEING ISSUED 5,00,000 ORDINARY SHARES OF Rs. 10 EACH AT PAR

(Full amount payable on application.)

DIRECTORS

1. SHRI SHANTI PRASAD JAIN, Calcutta, Chairman, Sahu Jain Ltd., The Punjab National Bank Ltd., Rohtas Industries Ltd., Bennett, Coleman & Co., Ltd., etc.
2. SHRI RAMNATH A. PODDAR, Bombay, Managing Director, Poddar Sons Private Ltd.; Director, State Bank of India, Poddar Mills Ltd., Shri Shakti Mills Ltd., etc.
3. SHRI CHUNILAL JAIPURIA, New Delhi, Managing Director, Beharilal Beniprasad Exports and Imports Ltd.; Director, Jaipur Spinning and Weaving Mills Ltd.
4. LALA YODHRAJ BHALLA, New Delhi, Director, Punjab Financial Corporation, Chemicolour Private Ltd.
5. A. K. ROY, I.A.S., Jaipur, Secretary, Rajasthan Government.

REGISTERED AND HEAD OFFICE

SAWAIMADHOPUR (RAJASTHAN), Western Railway.

BANKERS

STATE BANK OF INDIA.
THE PUNJAB NATIONAL BANK LTD.
ALLAHABAD BANK LTD.

AUDITORS

R. D. JOSHI & CO., *Chartered Accountants.*

MANAGING AGENTS

SAHU JAIN LTD., 11 Clive Row, Calcutta-1.

ISSUE OF FURTHER CAPITAL

The Directors have decided to offer with right of renunciation for subscription 5,00,000 Ordinary Shares of Rs. 10 each at par to the registered holders of Ordinary Shares whose names would appear in the Register of Members on the 11th day of September, 1958 in the proportion of one new Ordinary Share for every three existing Ordinary Shares then held. The Share Transfer Register shall remain closed for this purpose from 8th September to 11th September, 1958, both days inclusive. The Shareholders are also given the right to apply for additional shares, the allotment of which will be at the absolute discretion of the Directors. Circular of offer explaining full details along with necessary forms of application and renunciation will be posted to the Shareholders in due course on or about the 11th September, 1958. The said new Ordinary Shares shall for all purposes rank *pari passu* with the existing Ordinary Shares of the Company save and except that the new Ordinary Shares shall not confer on the holders thereof the right to any dividend on the Ordinary Shares declared in respect of the accounting year of the Company ended 31st March 1958.

TAX BENEFIT

The Company is advised that companies subscribing capital under this issue will be entitled to obtain exemption from payment of Super Tax as provided in Section 56A of the Income Tax Act.

COMPANY'S ACTIVITIES

The Company's first cement plant of 500 tons per day capacity at Sawaimadhopur went into production in the year 1963. The production at the cement works has since been rapidly expanded by installation of two more units each of 600 tons daily capacity. A fourth cement plant of 750 tons daily capacity is in course of erection and is expected to be commissioned to production by the end of 1958, raising the annual installed capacity to over 8 lakhs tons. Sawaimadhopur, with the Company's cement works, is today the largest cement producing centre in the country. The Company's gross block at the end of March, 1958 stood at approximately Rs. 6.70 crores which will substantially increase with the completion of installation of the fourth cement making plant, power house extension, proposed mechanisation of limestone quarries, etc.

Year ended March	*Cement Production (tons)*	*Rate of Dividend on Ordinary Shares*
1955	2,22,694	7½%
1956	1,98,324	12½%
1957	1,71,412	12½%
1958	4,03,339	7½% (interim)*

As a result of the recent recommendation after the enquiry conducted by the Tariff Commission in respect of Cement Industry, the Central Government has increased the price of the Company's cement by 3.50 nP per ton with effect from 1st July, 1958.

With the completion of the expansion programme it can be reasonably expected that there will be marked increase in the Company's earnings.

*Final dividend for the year ended 31st March 1958 will be recommended by the Board for declaration at the next Annual General Meeting.

BANK RATE IN WEST GERMANY

RECENT CHANGES REVIEWED

By A German Correspondent

RECENTLY, the general trend of interest rates in the Federal Republic of Germany entered upon a new stage, inasmuch as on 26th June, with effect from the next day, the Bundesbank lowered its discount rate from 3½ to 3 per cent. This was the fifth reduction of the Bank rate since the autumn of 1956, when a cautious move was made to relax the restrictive measures previously taken. The last previous reduction was on 16th January this year, also with effect from the day after. The Central Bank discount rate is now back at the level at which it had stood between May 1954 and August 1955—that is, before pronounced measures of credit policy had been initiated against the employment boom then existing.

This new reduction was induced above all by the wave of similar measures in other countries after the German bank rate had been lowered the last time. Since 17th January this year, the Central Bank discount rate has been lowered, for instance, three times by a total of 1½ per cent. in New York, three times by a total of 2 per cent. in the United Kingdom, and three times by a total of 1½ per cent. in the Netherlands, not to mention Canada with its "fluctuating" bank rate which is fixed weekly according to the state of the market. As a result of these reductions, the level of foreign bank rates had come much closer to the German bank rate than was the case at the end of January. There is no doubt that, in view of the various Bank rate reductions in certain foreign countries, the adaptation of the still relatively high level of German interest rates to those abroad would at least have been further retarded, had not the reduction of interest rates in the Federal Republic been given a fresh stimulus through further lowering of the Central Bank discount rate.

Such a course would, however, have been most undesirable precisely in the present circumstances. For some months now, the German Federal Republic has again recorded relatively large foreign exchange surpluses. This, it is true, is due not so much to international capital transactions as to the striking improvement in the terms of trade as a result of the fall in international prices and freight rates. It is also due, in part, to the fact that the combating of inflationary tendencies in some foreign countries has so far been less successful than might have been expected early this year. It is obvious, however, that, in such a situation, it would be all the more unfortunate if an influx of moneys from abroad were to intensify the foreign exchange accruals from other sources. In the case of a renewed widening of the gap between interest rates in this country and those in others, such a risk might have been present. In this connection, due regard had also to be given to the fact that the abolition of the Liberalised Capital Mark as from 1st July this year has removed strong barriers till then impeding the import of capital.

The domestic situation, it is true, did not similarly demand a lowering of the Bank rate. Economic activity on the whole continues at a high level because the depressive influences which for some time have emanated from the decline in foreign demand and the tendencies towards reducing stocks of goods are being compensated by a slight increase in investment activity—particularly in building—and a considerable growth of demand for durable consumer goods. Unemployment, therefore, reached a fresh non-seasonal low this summer. The movement in prices actually gave grounds for some objection to another reduction in the Bank rate. At the consumer level, the rise in prices has not yet quite ceased; in May, for instance, the cost-of-living index again slightly exceeded the figure for the previous month.

Nevertheless, in many respects domestic economic developments justify an optimistic attitude towards the crucial problem of maintaining the value of the currency. The market situation which made it comparatively easy to raise prices has, of late, been increasingly replaced by a quite different pattern of forces. It is in only a few industries that demand up to the limit of production capacity has declined. In point of fact, there are more and more indications of sharply increasing competition—a factor supported by the decline in international raw material prices and the larger supply of finished goods for importation. Already in some fields one may perhaps say that there is a "buyers' market" again. It is, therefore, becoming increasingly difficult to raise prices; in some cases, indeed, prices have fallen off already. Even according to the official price indices—which as a rule are based on list prices and take account only incompletely, if at all, of the discounts and other price reductions universal today—the overall price level has actually shown a slight decline of late. This is true not only of basic materials but also of capital and consumer goods, notwithstanding the fact that, in many cases, the business situation has remained much better here. Accordingly, conditions for stabilisation of the price level at the consumer stage have also greatly improved.

In these circumstances, it was not only possible to heed the factors favouring a reduction of the Bank rate on the grounds of foreign trade and payments but it appeared indeed advisable to make use of the present comparatively steady trend of economic activity in order to advance the adjustment of the German interest-rate level to those of other countries without disturbing the internal process of stabilisation.

PROFIT OF BRITISH BANK OF THE MIDDLE EAST HIGHER

A sizable expansion in business and profit alike is disclosed by the accounts of the British Bank of the Middle East (General Manager: Mr. H. Musker, London) for the year ended 31st March 1958. The balance-sheet total has gone up from £69.81 million to £80.85 million, thus more than making good the setback noted in 1956-57. The profit, after provision for taxation, reserve for contingencies, etc., shows an increase from £254,213 to £265,675. This increase in profit has been achieved, despite higher expenses on account of the rising cost of living everywhere in the Middle East. As the Chairman of the Bank, Sir Dallas Bernard, Bart., points out in his statement, "there is no sign anywhere of a halt in the movement. In fact, the tendency is for costs in those territories without oil royalties to rise to the level of others subject to the inflationary effects of large oil royalties." With the aforesaid rise, the upward trend in the Bank's profit has been maintained for another year. It is also noteworthy that the profit has more than doubled itself in the last four years, that is, from £113,814 earned in 1953-54 to £265,675 in the year under review.

After bringing in a surplus of £171,209 from the previous year, the Directors have maintained the allocation to the reserve account, for the third year in succession, at £100,000 and that for bank premises account at £50,000. They have also repeated the dividend at 10 per cent., made up of an interim distribution of 4 per cent. and a final one of 6 per cent., but this is on a higher capital of £2 million, raised during the year by the issue of an additional 500,000 ordinary shares of £1 each. These appropriations have a surplus of £117,884 to be carried forward to the current year.

While the slight setback in the Company's business suffered during 1956-57 was due largely to the effects of the Suez crisis, the expansion in activity during the year under review is attributed to the expansion in production of crude oil in Iran, Iraq, Saudi Arabia, Kuwait and other producers in the Persian Gulf, where the Bank has branches. The crude oil output of these countries increased from 166.92 million metric tons in 1956 to 170.41 million metric tons in the following year. The progress of the Bank in recent years is reflected in the following table:

(In thousands of £s sterling)

	For the year ended 31st March			
	1958	1957	1956	1955
Capital paid-up	2,000	1,500	1,500	1,500
Reserves and surplus	2,272	2,071	1,953	1,587
Current and deposit accounts, bills payable and provisions...	64,170	54,690	57,928	53,346
Credits and guarantees on behalf of customers (contra)	12,340	11,502	10,990	9,419
Advances and bills discounted...	20,074	19,496	20,476	15,941
Investments and Treasury Bills.	27,074	23,050	26,788	24,882
Cash and money at call ...	13,788	8,884	8,025	8,629
Balance-sheet total	80,851	69,815	72,423	65,803

It will be seen that the Bank's reserves have been strengthened sizably in the last three years. The current and deposit accounts, etc., at £64.17 million, show a rise of £10.82 million over the period of which the increase during 1957-58 alone accounts for £9.48 million. As against this, expansion in deposits and other items, advances and bills purchased have risen during the year under review by no more than £570,000 to £20.07 million, while investments, at £27.67 million, stand strengthened by £4.62 million. Cash balances, too, have swelled by £5.05 million.

The only country in Asia outside the West Asian region where the Bank has got a branch is India. The Bank established itself in India in 1953 by taking over the branches of the Nationale Handelsbank. The latter had two branches, one in Bombay and the other in Calcutta. The Bank found by experience that "its connections with India can be adequately served by one branch in Bombay." Trade between the Middle East and Calcutta is said to be not sufficient to justify its maintaining a branch there and so it has been closed.

BRITISH BANKS AND H.P. FINANCING

Commenting on the very recent development in British banking, namely, the interest taken by banks in houses doing hire-purchase business, Sir Oscar Hobson, City Editor of the *News Chronicle*, writes, in his weekly column of the paper, as follows:

"The banks' invasion of the hire-purchase finance field raises more questions than are obvious at first sight. One is whether, irrespective of the half dozen or so liaisons recently formed between banks and finance houses, the time is not ripe, economically and socially, for a consolidation of the whole H.P. 'finance movement.' This field of finance is far from confined to the large firms which have been in the public eye and those smaller firms which adventure for deposits. There are, in fact, no fewer than 700 firms up and down the country tilling, what one must suppose to be on the average, very fertile soil.

"Hire-purchase finance seems to stand where banking stood 100 or more years ago and one would think that the reasons why it is likely to coalesce into large units are similar to those which worked to bring about the compact banking system which we have today. One certainly can have little faith in the capacity for independent survival of very many of the smaller finance houses which, though they may be efficiently and honestly run, must necessarily be 'one-man shows.' The banks cannot be expected to make a very big contribution, directly, to the consolidation of H.P. financing. They will not be interested in taking over or participating in the smaller firms. But indirectly they may, and I would say ought to, give a more considerable impetus to the unifying process.

"Hire-purchase charges are high—I do not use the word 'exorbitant,' which is sometimes applied to them. In terms of per cent. per annum they may amount to 16 or 20. That, of course, is not a proper measure to use. Hire-purchase charges are not pure interest; they include quite a formidable element of service and administration costs.

"Even so, the finance houses reckon to make a profit margin of around 5 per cent. on the money receivable under contracts—which again is more than that percentage per annum. There should be scope for scaling down in all the elements which go to make up the H.P. charge. Administrative costs should be reducible if business is done on a larger scale. Bigger and stronger finance houses should be able to borrow on more favourable terms than smaller and weaker ones. The banks doubtless will lend at fine rates to the houses in which they are directly interested. The houses' own 'margin,' moreover is not sacrosanct.

"So far, one has to admit there has been little sign that competition has been effective in minimising H.P. charges to the public. It does not even seem that the effect of the lower Bank rate has yet been passed on. Nevertheless, it would be surprising if rationalisation were in this instance completely ineffective in reducing prices. I have faith that competition and publicity (which is why this is being written) will perform their standard 'trick.' And while there is something to be said for official control of H.P. in respect of periods and down payment percentages, I can't see that there is anything to be said for charging the public unnecessarily high prices for the financial service involved."

CENTRAL BANKING IN AFRICA

Since the end of World War II, four central banks have been established in different parts of Africa. These are: the Banque Centrale due Congo Belge et due Ruanda-Urundi (1951), the National Bank of Libya (1955), the Bank of Rhodesia and Nyasaland (1956), and the Bank of Ghana (1957). Central banks are also to be established in Tunisia, Nigeria, and the Sudan, so that, except for the East African territories, there is no important African country in which there is no central bank in being or in contemplation. In addition to the belief that enlightened monetary policy may be used to influence the volume of economic activity, there is, says *Barclays Bank Review*, a feeling in certain African territories that, as commercial banking there is mainly and sometimes solely carried on by expatriate banks, the establishment of a central bank with embryonic powers over the banking system is in the best interests of the country. Closely associated with this consideration is an understandable tendency on the part of countries which have recently achieved independence to regard a central bank as a sign of status.

In the absence of an organised money market, the power to change a statutory reserve ratio, according to the *Review*, is the only real weapon that a newly created central bank in Africa can use to enforce its views. In actual practice, it will no doubt be found that more reliance will be placed on consultation than on constant alterations of reserve requirements.

Reflecting the growing American interest in the Union of South Africa, the First National City Bank of New York has announced that it proposes to establish in Johannesburg a subsidiary, to be known as The First National City Bank of New York (South Africa) Ltd. It is reported that the necessary approval of the Board of Governors of the Federal Reserve System and of the authorities in the Union of South Africa has been received. It is expected that the new bank will commence operations late this year.

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AUGMENTING COTTON TEXTILE OUTPUT AT REDUCED COST

INSTALLATION OF AUTOMATIC LOOMS MOST URGENT

THE economic prosperity of the cotton textile industry, just as that of any other industry, depends on two vital factors. First, the cost of production should be such as to enable the industry to earn a reasonable return. Secondly, the industry must be assured of a regular, adequate market—indigenous and foreign—for its product. Judged by these yardsticks, the outlook for the Indian cotton mill sector would not appear to be quite bright. For the industry today is in the grip of a severe cost inflation, due, among other causes, to the low efficiency of equipment, most of which is old and out-moded, as well as direct and indirect labour costs. If production of textiles is to be augmented and prices reduced, it is of the utmost importance that the industry should be encouraged to modernise equipment and rationalise methods of production. This aspect was impressively brought out by Mr. Ramnath A. Podar, Chairman, Millowners' Association, Bombay, in his speech at the conference on textile industry and technicians organised by the Textile Association (India), Bombay Branch, on Sunday this week. Mr. Podar said that, unless the cost of production was reduced, it was not possible for the industry to lower the prices of textiles, and production cost could be reduced by installing modern machinery.

The need for modernising equipment is all the more urgent from the point of view of stimulating overseas demand for Indian textiles. Competition in world markets is becoming more and more acute. How difficult it must be for India to weather such competition will be evident from the remark of Mr. Podar that the price of cloth exported by this country is higher by as much as 15 per cent. and 10 per cent. as compared with China and Japan, respectively. The mill industry cannot acquire greater competitive power in foreign markets so long as the machinery and equipment are in a debilitated condition. A large majority of the machines in existence today were installed more than 40 years ago and have outlived their usefulness. Drawing attention to this disquieting feature, the Textile Enquiry Committee has clearly pointed out that, if the machinery is not replaced at an early date, its effect would be felt, as it has been felt in the case of marginal and sub-marginal units, in the form of low production, bad quality of products, engagement of a large number of workers and high cost of production.

On the question of modernising equipment of mills, special stress must be laid on the installation of automatic looms. An idea of how, in this sphere, India compares very unfavourably with several other countries is indicated in the table below. It will be seen from this table that, during the period July 1952 to January 1958, the total number of automatic looms in place in India has gone up by just 5,063, as against 63,000 in Soviet Russia, 15,765 in Pakistan, 15,696 in Japan, 11,169 in Brazil, 10,053 in Italy and 5,866 in the U.K. Even of this small addition of 5,063 automatic looms in India, a large part—4,334, to be precise—was installed prior to June 1956, that is, before the Government of India announced its decision to allow installation of 18,000 automatic looms. In other words, the number of automatic looms actually installed out of the 18,000 allowed has been only 729. Such disappointing progress must be attributed to the stringent conditions attached to licences issued to mills, namely, that the entire production of such looms is exported and that at least 87½ per cent. of exports during any of the three years 1953, 1954 and 1955, at the choice of the mill concerned, is maintained. The world textile market is so very uncertain that it is futile to impose such conditions on mills. The Textile Enquiry Committee has done well to urge that, in the context of the present downward trend in world demand, on the one hand, and the superior position of other competing countries, on the other, efforts must be intensified by all concerned towards smoothening the process of introducing automatic looms in the country.

The number of automatic looms actually in place in India at present is no more than 14,112 which represents a bare 6.8 per cent. of the aggregate loomage. As against this, the percentage share of automatic looms to the total number of looms installed is as high as 53.0 in France, 52.2 in Italy, 42.4 in the U.S.S.R., 28.2 in Brazil, 27.1 in West Germany, 25.0 in Pakistan, 17.9 in Japan, 15.0 in the U.K. and 11.7 in China. A striking feature of development in the textile industry of many countries, including our next-door neighbour, Pakistan, in recent years has been the replacement of ordinary looms and looms with automatic attachments by automatic looms. It is the predominance of automatic looms in these countries that is largely responsible for the low ratio of the total wage bill to production cost. It is said that, in a certain leading group of cotton mills in Japan, this ratio works out to only 6 per cent., whereas it is as high as 24 per cent. in Indian mills.

Against this background, it is certainly regrettable that the powers-that-be in India and the labour spokesmen have still not realised the urgency of installing automatic looms in Indian mills. Unless this is done, our cotton cloth is bound to struggle hard to maintain the markets it now has, let alone increase them. It will be interesting to note here that, according to a recent assessment, 10,000 automatic looms (and 7,500 plain looms) are required for purposes of replacement, while 24,000 automatic looms (and 17,000 plain looms) are required for expansion during the second Five-year Plan period.

	Ordinary looms		Automatic looms		Automatic attachments		Total	
	31-1-1958	31-7-1952	31-1-1958	31-7-1952	31-1-1958	31-7-1952	31-1-1958	31-7-1952
India	192,888	189,160	14,112	9,049	6	264	207,006	198,473
Japan	308,769	238,350	67,539	51,843	..	..	376,308	290,193
U.K.	221,278	309,427	40,148	34,282	4,745	6,109	266,171	349,728
U.S.A.	N.A.	N.A.	350,109	398,501	..	..	350,109	398,501
W. Germany	65,135	140,535	33,416	?	24,751	..	123,302	140,535
France	60,595	92,697	68,117	64,247	..	..	128,712	156,944
U.S.S.R.	126,000	235,000	93,000	30,000	..	10,000	219,000	275,000
Italy	35,381	51,218	60,053	50,000	19,544	36,970	114,978	138,188
Brazil	74,372	70,170	32,992	21,823	9,420	8,153	116,784	100,146
China	75,000	41,000	10,000	19,000	..	..	85,000	60,000
Pakistan	11,392	8,249	17,100	1,335	143	..	28,635	9,584
Other countries	408,731	457,763	207,066	146,633	9,074	1,854	624,871	608,340
Grand Total ..	1,579,541	1,833,569	993,652	826,713	67,683	63,350	2,640,876	2,725,632

BURMA-U.S. AGREEMENT FOR PURCHASE OF INDIAN TEXTILES

More than Rs. 2.3 crores ($5 million) worth of Indian textiles will be purchased by Burma under the terms of an agreement reached on the 25th inst. between the Governments of Burma and the United States, with the co-operation of the Government of India. The agreement provides that the U.S. will make available to Burma five million dollars in Indian rupees acquired by the U.S. through the sales of surplus agricultural commodities to India under P.L. 480 and that these rupee funds are to be used by Burma for the purchase of Indian textiles. The Government of Burma will deposit an equivalent amount of kyats to the credit of the U.S. Under the Agricultural Commodities Agreement signed in 1956 by India and the U.S., and aggregating $360 million, it will be recalled, India received $288,000,000 and the balance of $72 million worth of rupees was set aside for U.S. uses. The latest agreement involves $5 million worth of rupees taken from the U.S. Uses Rupee Account. The original Public Law 480 passed by the U.S. Congress provides that the U.S. Government may use such locally-owned currencies to expand international trade and to enter into "agreements with friendly nations to use these currencies to finance the purchase of goods or services of other friendly countries."

TEXTILE INDUSTRY IN JAPAN

The Japanese Government has decided to spend 700 million yen (about £700,000) during the current financial year as part of a plan to help the recovery of the textile industry. A spokesman for the Prime Minister's Office said recently that a Cabinet conference had decided on measures to help the industry. These include the following:

The purchase of 70,000 looms in the two financial years ending on 31st March 1960;

the prohibition of the installation of new looms for all kinds of synthetic fibres including nylon;

a Government recommendation for weavers to set up a good system for the purchase of yarn;

a recommendation that all cotton spinners, rayon yarn producers, dealers and weavers form an organisation to help stabilise textile prices; and

aid for various organisations established recently to buy up unwanted textiles and stabilise prices.

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Current Accounts, etc.	64,239,097	Bills Discounted and Advances, etc.	20,074,161
Credits and Guarantees (as per contra)	12,340,119	Bills Receivable	6,712,888
		Premises	311,696
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TEXTILE TALKS WITH HONG KONG AGAIN

PRICE REGULATION SCHEMES TO BE OFFICIALLY INVESTIGATED

From A Special Correspondent

MANCHESTER, *19th August*

MANCHESTER LETTER

EMPLOYERS and trade unions in the cotton industry have shown wisdom in recognising that nothing should be allowed to prejudice the forthcoming talks with leaders of the Hong Kong industry on voluntary limitation of cloth shipments to the United Kingdom. The temptation to sanction and widen at central level the local boycott campaigns against Empire-made goods now developing in a number of Lancashire towns must have been strong. But good sense prevailed and the atmosphere of goodwill essential to a successful outcome of the talks in Hong Kong has been preserved. Nothing is to be gained at this particular moment by boycotts.

Whether Hong Kong recognises Lancashire's tolerance and keen desire for a fair and reasonable understanding should soon be known. Although the Cotton Board has so far said nothing officially, everything points to an early announcement. Colonel Whitehead, the Managing Director of Lancashire Cotton Corporation, who has firsthand knowledge of the earlier discussions with India and Pakistan, has forecast that Lancashire representatives will be returning to Hong Kong in three or four weeks' time. He told a conference of Lancashire civic leaders at Oldham: "I am quite confident in my own mind that they will come back with some agreement. If they come back with nothing, you can yell for all you are worth."

In recent weeks, this growing confidence among Lancashire leaders that Hong Kong is now ready to negotiate has been one of the few heartening developments in an otherwise depressing outlook. When a company of the technical and progressive standing of Calico Printers' Association has to announce the closing down of an important print works, the situation is clearly bad. It can be pointed out, of course, that C.P.A. attributes the need for this decision to the decline in Lancashire export trade and that any limiting agreement with Hong Kong would apply only to Empire-made goods for retention in Britain's home market. Nevertheless, the two are so interrelated that the vigour and strength of one has a strong and decisive influence on the other.

A Many-sided Problem

Colonel Whitehead told his Oldham audience that, if the Hong Kong meeting failed to produce an agreement, "you can yell for all you are worth." It is likely to be quite a yell. The Government's position will then become even more uncomfortable, especially against the background rumours of a forthcoming General Election. The fundamental importance of maintaining the basis and pattern of Commonwealth trading is hardly likely to make sense to a Lancashire cotton operative who has just lost his job. It is so much easier to take the broad view and see the picture as a whole when you are a bystander rather than a participant.

Nor would the election of an alternative Government necessarily mean that Lancashire's troubles would be solved. The problem is deep and many-sided and, with the industrialisation of the underdeveloped countries of the Commonwealth, the dilemma facing Lancashire today is likely to confront some other old-established British industries in the years ahead.

Meanwhile, if the worst comes to the worst, there is no doubt that we shall hear a great deal more on the subject of boycotts. According to a trade union source, employers at last Friday's joint meeting pledged full support for everything that has happened so far at local level.

Still in the Doldrums

Traders dealing with Lancashire cotton goods are rarely busy at this time of the year. The interference of holidays, not only in the mill towns but also among individual key men in producing and merchanting firms, has an effect on the offtake which is only occasionally disturbed by a sudden need to anticipate requirements. Such a singular occurrence was encountered last year when the expectation of rising prices due to the wage advance for spinning and weaving operatives created a sharp spurt of activity, but there is no anticipation of any similar movement in quotations being imminent.

In fact, all the portents indicate a lack of initiative among customers and a reluctance to operate at all freely for at least some weeks ahead. How soon a revival in demand can be hoped for is anybody's guess and, at the moment, the estimates are far from optimistic.

Cotton traders, in general, are not noted for their gay approach to their problems, nor are they particularly inclined to be encouraging in their forecasts, but it is a long time since the general tenor of conversations between buyers and sellers was so despondent. Getting even a hopeful phrase out of most members of 'Change is even more difficult than extracting the proverbial blood from a stone.

Certainly, there is little encouragement to be gained from the various facets to the situation arising out of the matters which have been uppermost in the minds of traders for some years. Shrinking exports are still as much a problem as ever and, with foreign competition increasing and more importing countries putting up their own machinery, the prospects for expanding trade abroad appear negligible.

On the import side, the anticipated mission to Hong Kong has yet to put its case before the Colony's millowners and the outcome of the deliberations can at best bring a quantitative limitation on arrivals of such goods which may well be above the current level of imports. It has been truthfully pointed out that an arrangement of this kind will by no means solve Lancashire's problems, but few local traders have ever imagined that it would. By providing some stability, however, an import ceiling would at least offer manufacturers a guide to the future in this connection.

Of mounting importance in assessing the market outlook is the approach of the time when the price regulation schemes in spinning and doubling are to be officially investigated by the Restrictive Practices Court. According to British legislation, the accused is always innocent until found guilty, but there are many interested parties who have already made up their minds what the Court's decision will be. Their view is expressed in the general disinclination of buyers to extend commitments in the belief that, eventually, internal price-cutting may bring more favourable opportunities of securing goods.

Whatever the final judgment on the schemes, distributors appear to be on safe ground. There is little in the situation at the moment to encourage a belief in a substantially higher level of prices. Unfortunately, while customers withhold their purchases, the state of trade goes from bad to worse.

Manpower Down Again

In 12 months, Lancashire mills have lost 19,000 workers. The number of workers on employers' books has now fallen to 224,380. These sombre figures, issued here by the Cotton Board, reflect the steady contraction of the industry. The contrast is all the sharper when it is recalled that the industry's post-war manpower peak was 320,880 workers.

A warning that the size of the Lancashire cotton industry has now shrunk below the level necessary for the national interest has been given to the Government by leaders of the Manchester Cotton Association. The "national interest" was interpreted in textile quarters as meaning that, strategically, Lancashire might not be able to meet all the demands made upon it in the event of an emergency.

In an exchange of correspondence now published, the Association expresses "grave concern" about the situation in a letter to Sir David Eccles, President of the Board of Trade, and calls on the Government to take "immediate and positive action to prevent further contraction of the industry."

In his reply, Sir David says that he is fully conscious of the problem and of the serious difficulties facing the industry. The Government was giving full support and encouragement to the efforts which the Lancashire industry was making to reach agreement with the industries of India, Pakistan and Hong Kong for a voluntary limitation on their cotton textile exports to the United Kingdom. The reply adds: "The industry has reached agreements with India and Pakistan, and it is understood that they have under consideration an early approach to the industry of Hong Kong. The Government earnestly hope that these negotiations will reach a successful conclusion."—*All Rights Reserved.*

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EFFECT OF STORAGE OF BALED COTTON ON LINT QUALITY

FINDINGS OF AN EXPERT INVESTIGATION

THE cotton trade and industry in India hold every year about 1.5 to 2 million bales of cotton as stocks. Trading firms and cotton mills have, even in normal times, to carry over sizable unsold or unused stocks of cotton to the following year. In national emergencies like war, huge stocks have to be held to meet the war needs or because of difficulties in exporting. Such a contingency arose during World War II when a sizable quantity of cotton produced in India could not be exported to Japan, as was normally being done, but had to be stored in commercial godowns. When it comes to selling the cotton thus stored up, many difficulties arise. It becomes untenderable against the Indian Cotton Contract. It could be sold in the ready market only at a discount as there is a belief in trade circles that cotton deteriorates in quality by storage. The price realised depends upon the grader's estimate of the extent of its quality deterioration, if any, and the demand for such cotton at the time of selling. It may be noted here that in contrast to this, in the Liverpool and American cotton markets even cotton stored up for three to four years could be tendered against their respective contracts. The price fetched may, of course, be less than that realised on new crop.

A scientific assessment of the nature and extent of the deterioration of cotton on storage is of prime importance in assessing the quality of the stored cotton and determining its price. In this connection, an investigation conducted by Dr. C. Nanjundayya and Mr. V. Venkataraman at the Indian Central Cotton Committee's Technological Laboratory at Matunga, has led to some interesting findings regarding the effect of storage of baled Indian cotton on lint quality.

It may be noted here that similar investigations were made in this country in the past also. Mr. Nazir Ahmad found in 1936 that, while open storage was more harmful than storage in a shed, the yarn-strength of cotton drawn from the bale after six months of storage recorded an increase, and remained in excess of the initial value even after 1½ years' storage. In another investigation by Mr. A. N. Gulati which was carried out to examine the effects of storage on Broach cotton, it was observed that the main cause of deterioration and discoloration was rapid action of certain micro-organisms. Further extension of this work of Messrs. Nazir Ahmad and Gulati on Broach *Desi* cotton showed that there was a critical point of humidity, in the neighbourhood of 85 per cent. above which deterioration set in rapidly, while below this, the cotton may be stored for several months without appreciable loss in strength.

Effects on Spinning Quality

In this connection, it may be mentioned that the effect of storage prior to ginning on the spinning quality of cotton was investigated by Mr. Ahmad, who concluded that the harmful effects of storage of *kapas* on the quality of seed and lint should not be ignored and ginning operation should not be delayed. If the period of storage should exceed a few weeks, the seed-cotton should be occasionally taken out and exposed to the sun. Dr. Nanjundayya examined the variation in copper number, cuprammonium fluidity and fibre strength of Surat 1027 A.L.F. cotton stored under high humidity for four months. Mr. H. R. Nayak studied the influence of storage on the fibre properties of Dharwar cotton and found no significant change in fibre properties even after storage for a period of 3½ years though the colour was observed to change slightly. Messrs. Nanjundayya and Ahmad also investigated the effects of storage in Bombay on the quality of baled Indian cottons and showed that the yarn lea-strength increased significantly after the first monsoon period of storage and at the end of two years, it was nearly equal to or even greater than that at the commencement. An American expert, Dorothy Nickerson, noted that the colour of cotton changed from white to yellow after storing for over five years, particularly at places where high humidity and temperature prevailed and that this yellowish colour could easily be removed by kier-boiling and bleaching.

The investigation under reference was undertaken with a view to examining the opinion expressed by some mills that Jarilla cottons grown in Khandesh and Madhya Pradesh were found to deteriorate rapidly by storage. The Indian Central Cotton Committee, therefore, decided that investigations should be carried out at its Technological Factory to find out whether (1) Jarilla cotton actually deteriorated in quality by storage, (2) if so, whether it was to the same extent or more than what was usually occurring in other varieties, (3) whether cottons especially Jarilla, behaved differently when stored in Bombay and in upcountry centres, particularly in their respective places of growth. Advantage was also taken of this opportunity to include two more cottons, namely, Cambodia Co. 2 and Punjab American 124 F, in this investigation. For purposes of the investigation, 15 commercial bales each of Jarilla, Cambodia Co. 2 and P.A. 124 were stored in a Bombay godown, 15 bales each of Jarilla and Cambodia Co. 2 were stored at the same time at Jalgaon and Coimbatore respectively. Samples from all the 15 bales of each variety at each place were initially drawn and subsequently from three bales every six months, thus exhausting all the bales in 2½ years. These were tested at the Technological Laboratory for whiteness, blow room loss, card loss, lea-strength, neppiness, etc. The last three bales of the three varieties stored in Bombay and those of Jarilla stored in Jalgaon were stored for a further period of 1½ years, thus making a total of four years from January 1947 to January 1951. Samples from these three bales were drawn every six months and subjected to the same tests as mentioned above. A similar experiment was conducted on bales of Broach Vijay cotton.

A Common Finding

One common finding from all these investigations was that when baled cotton was stored in a commercial godown for two to three years there was little or no decline in the strength of the yarn spun from it though there might be a slight discoloration after a year's storage. It was found that at any rate there was no justification for the trade to discount the cotton stored for a year or two.

The investigation revealed that the storage of Broach Vijay cotton for more than 1½ years, on the whole, adversely affected the colour of the cotton. Cambodia Co. 2 did not, however, show any change in colour when stored in Coimbatore while it indicated a marked change when stored in Bombay. Thus, the same cotton stored in a comparatively drier place was affected to a lesser extent in colour. Cambodia Co. 2 and Vijay stored in Bombay and in their respective places of growth maintained nearly the same fibre-strength even after 2½ years' storage. But Jarilla stored in Bombay and in Jalgaon, and P.A. 124 F., recorded a significant decrease after storage for 2½ years. Waste losses were not affected to any extent by storing these cottons for 2½ years. Storage of these cottons even for four years did not adversely affect the quality of the yarns spun from them. Cambodia Co.2 did not show any difference in lea-strength whether stored at Bombay or at Coimbatore. Taking yarn strength into consideration, storing Jarilla at Jalgaon appeared to be more beneficial than at Bombay; the same was the case with Vijay. If a cotton were to be made into a fabric which involved yarn strength and extensibility, it seemed immaterial whether fresh cotton or that stored for even four years was used, because storage did not affect either of the two characteristics of the yarn spun from it though some discoloration was produced.

Other Results

Another finding was that the trade practice of discounting stored cotton chiefly on the basis of discoloration could not be justified in the light of the results obtained in this investigation. It was found advantageous to store these varieties in their respective places of growth which, in the present case, happened to be much drier than Bombay. Storage, generally, had no adverse effect on yarn extensibility. It was only Cambodia Co. 2, when stored in Bombay and in Coimbatore, that showed a significant decrease in extensibility on storage. It was noted that, generally, the neps per yard of yarns were significantly lower when spun from a cotton stored for a period of 2½ years; these were further reduced by storage upto a period of four years. Generally, the neppiness of yarns spun from the samples stored for even four years was found to be independent of the place of storing.



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H. 76

RUSSIA LIKELY TO BE WORLD'S BIGGEST SUGAR PRODUCER

TARGET FIXED AT 6.53 MILLION TONS

SOVIET Russia is expected to rank as the world's biggest producer of sugar by 1960. The Russian sugar industry has launched upon a very ambitious scheme of expansion which has already gone half-way through; its implementation commenced in 1958. The scheme envisages a rise of as much as 191 per cent. in sugar production over the five years ending in 1960, the target fixed for 1960 being 6.53 million tons. An interesting account of how the implementation of the scheme is going on is given by Mr. Stephan G. Prociuk in an article published in a recent issue of the *Bulletin* of the Institute for the Study of the U.S.S.R., situated in Munich, Germany.

The main sugar manufacturing area in Russia is the Ukraine where sugar output is to be stepped up to nearly 4.0 million tons in 1960, as against 2.5 million tons in 1955, or a rise of over 70 per cent. The anticipated increase of 1.5 million tons represents about 50 per cent. of the total planned addition of 3.0 million tons. Bordering on the 400,000 hectares (1 hectare=2.471 acres) of land given to sugar beet in the Ukraine are a further 93,900 hectares in Kursk area, 70,700 hectares in Voronezh, and 34,900 hectares around the Don and Kuban. Thus, in this one concentrated area of roughly 600,000 hectares, 26 million tons of sugar beet were harvested in 1955, representing 85 per cent. of the total Russian beet crop. The centre of this area is the Vinnitsa district. There are in this district 38 factories which together produced one-fifth of the entire Russian sugar production in 1955.

The planned expansion of sugar production —from 3.53 million tons in 1955 to 6.53 million tons in 1960—is proposed to be achieved partly through expansion of the area under sugar beet and partly through measures designed to improve the sugar content of beet and technological processes of sugar refining. The aggregate acreage under sugar beet is expected to rise by 130 per cent. during the five-year period, the actual yield increasing from 30.5 million tons to 50.0 million tons.

A striking feature of the aforesaid expansion scheme is the importance attached to the utilisation of the already existing capacity, including manpower. Numerous surveys have been conducted on the possibility of augmenting production within the framework of the prevailing sugar-producing system and 63 per cent. of the total increase planned for 1960 is to be achieved in this way. Special stress is laid on the introduction of improved methods of purification and reduction of the time required for evaporation. Proposals have been made on the installation of equipment making continuous evaporation possible, while new methods of sugar crystallisation are being studied. Nevertheless, it is felt that, on the whole, the operational processes in the Soviet sugar plants are still far from satisfactory, thanks to the detrimental effect of many factors even after new processing machinery has been installed. Mention, for instance, is made of the use of unpurified water in some refineries which is causing considerable damage to boilers and unsatisfactory sanitary measures. Mention is also made of extensive losses during processing; only 81 to 83 per cent. of the sugar is extracted, the rest being lost. In view of these factors, Mr. Stephan G. Prociuk observes:

"Thus, increased sugar production appears to have been due not so much to manufacturing improvements as to an increase in the sugar content and general quality of the beets themselves as a result of improved growing methods in the principal beet-raising regions. Even the Soviets do not disguise the fact that the outstanding figures for sugar production in the U.S.S.R. in 1953 (3,434,000 tons) and 1955 (3,419,000 tons) resulted from the favourable climatic conditions. The figure for 1954 was only 2,611,000 tons. It is not surprising, therefore, that the most recent plans for increasing sugar output deal mainly with improved farming methods and the location of sugar mills."

Since the 1956 harvest, the prices paid for State deliveries of sugar beet have been enhanced. The actual rates now prevailing differ from area to area; it is 21 roubles per centner in the Ukrainian S.S.R., the Don and Kuban regions and the Central Chernozen areas; 23—25 roubles in the central R.S. F.S.R., the Baltic Republics and the most westerly areas of the U.S.S.R. (Lvov and Kishninev); and 32 roubles in the Volga regions, the Urals and the Soviet Far East, the regions in which the Kremlin is hoping to develop a sugar industry. The last-mentioned figure is a deliberate incentive, as the climatic conditions in these areas are not favourable. For three years, a further 30 per cent. of the State delivery price is to be paid in these areas, if the Kolkhoz concerned switch over to sugar beet raising for the first time, and a 20 per cent. bonus if delivery is made before 15th September. This last step is to increase the mills' working season and thus improve the utilisation of existing capacity.

The payment of monetary compensation to collective farms in lieu of syrup has ceased. Instead, the sugar beet growers and transporters are allowed to purchase a certain quantity of sugar at reduced prices. In addition, the rates fixed for payment in kind by collective farms for M.T.S. work during the 1955 and 1956 harvests were lowered by 50 per cent.

Whatever may be the inducement given for augmenting production of sugar beet, it would appear that mechanisation of cultivation has not made satisfactory progress. Commenting on this, Mr. Prociuk makes the following remarks:

"The problem of supplying agriculture with modern machinery has always been a weak point. As early as 1953, a plan was drawn up under which even plants belonging to the Ministry of Defence and the Ministry of Aviation were obliged to organise the production of certain types of agricultural machinery in urgent demand. Additional funds were made available for the expansion of the Kharkov Tractor Plant and Krasnaya Zvezda Works, also in Kharkov, which produces agricultural machinery. However, judging from the 1956 plan, little was achieved, since the demands continued unabated. To help solve the problem, a new designing institute was established at the Kharkov Hammer and Sickle Works. However, the programme did not yield appreciable results, the new types of machines not proving as successful as expected. Thus, last summer, there was considerable criticism of clumsy harvesters requiring much additional manual labour."

Lately, however, the Soviet planners have turned their attention to several ways of improving the beet harvest. They include more widespread use of fertilisers, particularly manure, peat compost ash and other, mostly local, fertilisers, intensive campaign against insect pests, and development of insecticides, due emphasis being given to the carrying out of more research into the problem. As a result of these manures, it is stated that the goal of 6.53 million tons of sugar in 1960 will be achieved. Alluding to this question, Mr. Prociuk points out that tremendous efforts will be needed to attain the goal, as is evident from the following figures relating to the trend of sugar production in Russia during the 15 years ended 1955:

(In thousand tons)

	1940	1945	1950	1955
Ukrainian S.S.R.	1,580	329	1,806	2,426
Chernozen regions in South-West R.S.F.S.R.	264	30	303	532
Rest of R.S.F.S.R.	95	33	127	176
All other Soviet Republics ...	226	73	287	285
Total ...	2,165	465	2,523	3,419

If it is assumed that the rate of development between 1956 and 1960 will be the same as in the period 1951-55, the sugar output in 1960 will be no more than 4.68 million tons. To reach the planned figure of 6.53 million tons, the annual rate of increase will, therefore, have to be more than double what it was between 1951 and 1955. Time alone can tell whether this achievement will be possible.

A factor that will probably influence sugar production in the U.S.S.R. is the trend of output in the satellite countries, namely, Bulgaria, Czechoslovakia, East Germany, Hungary and Poland. Alluding to this factor, Mr. Prociuk says:

"One additional factor which will probably influence sugar production in the U.S.S.R. is the sharp decline in the output of the satellites in 1956, the last year for which figures are available. Apart from Bulgaria, the least important satellite sugar-producing country, which increased output by 61 per cent. over the 1955 figure, all the other satellites had a considerable drop in output as compared with 1955. The decline was: Czechoslovakia 27 per cent.; East Germany 15 per cent.; Hungary 20 per cent. and Poland 13 per cent. This could have an adverse effect on the trade balance between the U.S.S.R. and the satellites and may result in increased Soviet sugar export to these countries. This clearly would complicate the Soviet domestic scene, already disquieting for the authorities, in view of popular pressure."

Since the above study appeared in print, estimates of sugar production in the Soviet satellite countries have been published. These reveal that, barring Bulgaria and Hungary which produce only a small quantity, sugar production in other countries has registered a notable expansion. Thus, the estimated output of sugar in Czechoslovakia is placed at 2,312,000 tons (raw value) for 1957-58, which compares very favourably with 1,692,000 tons in 1956-57, and 1,979,000 tons in 1955-56. Similarly, production in Poland is expected to be higher at 1,136,000 tons, as against 848,000 and 1,072,000 tons, respectively, in the previous two years, and in East Germany at 767,000 tons, as against 553,000 and 702,000 tons.

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PLANTATION INDUSTRY IN KERALA

LABOUR UNREST AND HEAVY TAX BURDEN DEPLORED

SOME of the disquieting problems confronting the plantation industry in Kerala State were effectively highlighted by Mr. K. L. Kershaw, the retiring President of the Association of Planters of Kerala, when he addressed the nineteenth annual general meeting of the Association held at Kottayam recently. The problems included the continued labour unrest, unhelpful official attitude, heavy impact of taxation and concern over the Kerala Agrarian Relations Bill. Mr. Kershaw vividly described how these problems had led to much hardship and inconvenience to an industry which is the largest industry in the State, covering as it does over 174,000 acres of tea, rubber, coffee and cardamom plantations, and the biggest employer of manpower.

The major issue before the planters of Kerala relates to labour relations. Mr. Kershaw pointed out that, although, as compared with the widespread lawlessness prevailing in Kerala plantations a year ago, the situation had lately improved, it still remained in the forefront of present-day events. A recent dangerous development in a few districts, he declared, was the adoption of such tactics as unruly behaviour by workers and intimidation of loyal workers with the object of interfering with purely managerial functions of regulating and directing labour. Added to this, rowdyism, illegal confinement of staff in offices, factories and bungalows, abuse, threats of violence, and resort to violence continued to occur in scattered incidents but with deplorable frequency. Whatever may be the factors responsible, such an attitude on the part of labour deserves to be censored. The State Government should shoulder its legitimate responsibility for maintaining peace and protecting the liberty of the citizen without fear or favour. It will do well to recognise that, if industrial democracy is to work efficently, a sound and healthy trade union movement is the most important prerequisite.

Understandable Concern

The aforesaid aspect must be particularly stressed, because politics continues to dominate the trade union movement in plantations. Expressing understandable concern over this trend, Mr. Kershaw observed:

"Plantation workers are first and foremost pawns in the game of party politics, while a multiplicity of unions in the industry, more often than not on the same estate, is now the bane of our existence. After over 10 years of trade unionism, one should be able to claim that some progress has been made in the sphere of labour relations. Certainly, privileges and rights have been conferred by a spate of labour laws which have led to a substantial improvement in the socio-economic conditions of plantation workers. And yet we continue to be gravely concerned by the unconstitutional behaviour of labour and by the output of labour which appears to fall in inverse ratio to the benefits accruing from a benevolent industrial democracy. Complete stoppages of work as a result of strikes have been a rarity it is true. But a new and more serious pattern of strike has been evolved through the use of the creeping paralysis of 'go-slow' tactics and of a mounting degree of daily absenteeism. In the plantations of Kerala today, there exists at best a four-hour day and a five-day week, with the solitary and lone exception of the woman plucker."

There will be no two opinions on the relevancy of Mr. Kershaw's point. After all, it must be remembered that the capacity and dignity of an honest day's work is, as Mr. Kershaw rightly averred, the worker's main asset and it is high time that the plantation labourers were educated to his responsibilities. Unless this is done, there cannot be an amicable understanding between managements and workers. Such a lack of understanding is harmful more to the workers themselves than to the managements. It will stand in the way of their assuming greater responsibilities.

Industrial Relations Board

A matter which is causing profound anxiety to the planters of Kerala and to which Mr. Kershaw referred is the outcome of the deliberations of the Kerala Industrial Relations Board since its inception in September last year. The main function of the Board, it is said, is to devise measures for ensuring industrial peace, thereby creating the proper climate for the further development and expansion of existing industries and formation of new industries in the State. It is regrettable that the State Government should have excluded such a major industry as the plantations from the Board. The industry has not been given representation, nor invited to nominate a representative or representatives to state its case. And yet, the stage, we are told, is now being reached on the Board when proposals in respect of wages, bonus, festival holidays and other matters affecting all industries in the State are being finalised. Mr. Kershaw was perfectly right in warning the State Government that the planters would not be bound by any decision taken by the Board. To quote him:

"Unilateral decisions on these vital questions by-pass the three Committees on Plantations set up by Government to resolve these very same problems in our industry. Unilateral decisions will certainly disrupt the healthy atmosphere that has prevailed in tripartite negotiations. They will most certainly prejudice our case. In March of this year, I wrote to the Hon'ble Minister for Labour explaining the Association's view. I advised him that, if industrial peace is to be ensured in the plantation industry and if we are to contribute towards the expansion of existing industries and towards the development of new industries in the State, we must be excluded from any overall *ad hoc* policy decisions taken by the Board which would cut across the statutory negotiating bodies already in being. Not only has Government taken no heed of our request, but my letter has not been afforded the courtesy of an acknowledgment, which appears to emphasise—if any emphasis is necessary—our deliberate exclusion from membership of this important Board."

Tax Burdens

Apart from labour unrest and unhelpful attitude of the State Government, the plantation industry of Kerala is subject to heavy tax burdens—cesses, excise and export duties, tax on income and sale, *panchayat* and municipal taxes, licence free, etc.—and that at a time when the wage bill has gone up markedly. There is no exaggeration whatever in the Statement of Mr. Kershaw that the impact of taxation is so heavy that the plantation companies are no longer in a position to meet their tax liabilities from current revenues and, at the same time, meet the many other inescapable demands on their financial resources. An analysis of the latest balance-sheets of a number of plantation companies for the past year will reveal that a few companies have sustained losses and that the financial resources required by many companies for the proper maintenance of capital assets are no longer available in adequate measure, let alone the resources needed for extending cultivation, replanting cultivated areas, building up reserves against adverse trading conditions, improving properties, and meeting capital commitments for the amelioration of living and working conditions of labour force, or even the residual resources to pay a reasonable return on capital. Mr. Kershaw drew pointed attention to this state of affairs and said:

"If this level and method of taxation is to continue, an erosion of the capital value of the plantation industry in Kerala is inevitable. The net result must be the gradual deterioration and attrition of the planting economy and the ultimate destruction of Kerala's most valuable economic asset.... The subject requires Government's urgent and sympathetic understanding. I believe a thorough and detailed study of the financial position of planting companies will indicate beyond doubt that direct taxes levied on the industry are crippling. Positive ameliorative action is essential to our economic survival. If such action is not to be taken, one can only assume that this penal level of taxation is part and parcel of a long-term policy to nationalise plantations by any means. Whatever the outcome, the Government's taxation policy will not attract outside investment to the State, nor attract the development of the new industries on which Kerala has set her heart as the ultimate solution to her urgent problem of unemployment."

There is considerable force in these observations of Mr. Kershaw, as also in his remarks that the definition of the plantation industry as contained in the Kerala Agrarian Relations Bill would nullify the benefit conferred by way of exemption of plantations from the limitation of ceilings and that the clauses denying the industry fixity of tenure offered to other tenants are highly discriminatory and objectionable.

NEW USES FOR NATURAL RUBBER

REPORT OF DEVELOPMENT BOARD

THE use of rubber powder and latex in road surfacing materials, perhaps the most important current development in highway construction, is given special attention in the Natural Rubber Development Board's Annual Report for 1957. This reflects its big potential as a major outlet for rubber. It was an encouraging sign that, during the past year, many road authorities chose to use rubber in their construction and repair programmes "as a direct result of the success of earlier experiments." The Report goes on to note with satisfaction "the general recognition now being accorded to the development by the Press, engineers and organisations concerned with road construction and maintenance."

The tendency to use rubber in conditions which were particularly severe and where traditional materials proved inadequate is commented upon in the Report. Among examples of "difficult" surfaces so treated was Spencer Street Bridge, Melbourne, a heavily trafficked junction. Here several attempts to seal the surface had previously failed. "The job," the Report states, "was satisfactorily accomplished with rubber." Other examples illustrated include a cobbled hill with a one-in-five gradient in Pennsylvania, a series of dirt roads in New Jersey and a number of country roads in other parts of the world, including some laid over peat foundations, all of which were successfully resurfaced using rubber.

In Australia, rubberised bitumen had a thorough testing as a surface material for airport runways with such good results that more airports were scheduled for the same treatment during 1958. Sufficient time has not elapsed for the main results of the full-scale tests by the Government's Road Research Laboratory to become available, but an interim report stated that, on five different test strips, a normal "cut-back" bitumen "fatted"* seriously during the summer when comparable sections of rubberised bitumen remained in good condition. Work by the Road Research Laboratory on developing rubberised tar reached the test stage, while a method of using latex as an alternative to rubber powder as an additive to road materials was successfully tested at the Natural Rubber Development Board's Laboratories near Washington, U.S.A.

Rubber Rail Pads

The Board devoted considerable effort to developing the growing uses of rubber in other branches of engineering and, in this context, it notes how useful was the contribution made by its recent technical conferences for key officials and industrialists. One particularly striking result of the Railway Conference was the interest aroused in rubber rail pads which "have since been laid in very large numbers." Describing the developments in this sphere, the Report states: "In South Africa, following a successful trial, 400,000 rubber pads were ordered for use with concrete sleepers. In Australia, New South Wales Railways are using regular supplies of pads and intend gradually to introduce these to the majority of the track which they control, whilst the Queensland Railways are to commence experiments with rubber pads in connection with their electrification scheme. Following close liaison with New Zealand Railways, there seems every prospect of large-scale use in that country."

Creating a New Public for Latex Foam

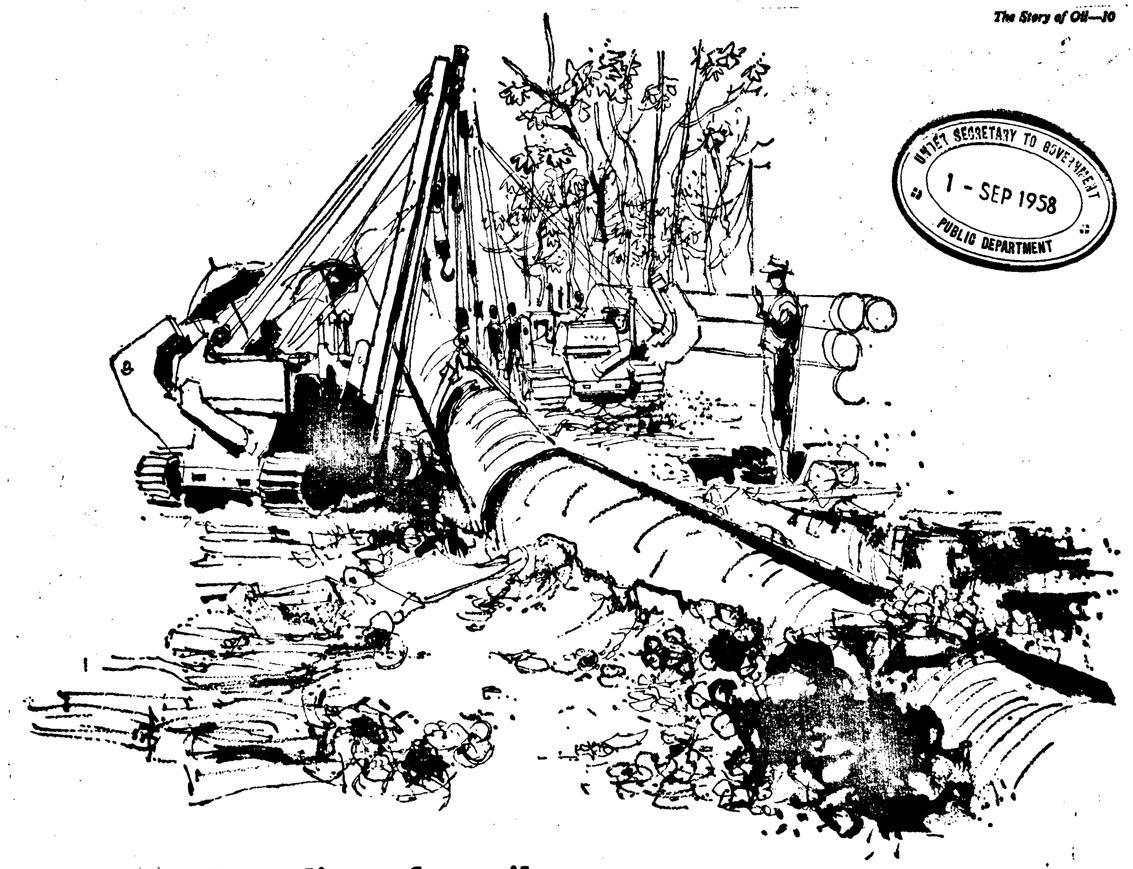
In the engineering field, the Board's policy has been "to stimulate new developments in conjunction with the British Rubber Producers' Research Association and to issue basic information to engineers on established uses where natural rubber is pre-eminent."

The Board continued to provide information on the latest developments in the use of latex foam upholstery to the furniture industry, to students and to the general public. The media used included lectures and the Report comments: "Further evidence came to light of the influence of the lecture scheme in stimulating interest in latex foam which now forms part of the standard syllabus of almost every leading college in the United Kingdom. When the Board initiated its work in this field, treatment of the subject was negligible." Demonstrations of methods of re-upholstering with latex foam were given by the Board's demonstrator to some 10,000 people

*"Fatting"—a condition where bitumen rises to the road surface making it slippery.

(Continued on page 376)

The Story of Oil—10



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NATURAL RESOURCES OF CANADA

ABUNDANCE OF FORESTS, MINERALS, WHEAT, FISH AND ELECTRICITY

[In view of the Commonwealth Trade and Economic Conference scheduled to be held at Montreal, Canada, on 15th September 1958, at which India will be represented by its Finance Minister, Mr. Morarji Desai, the article on this page, describing the natural resources of Canada and the success achieved so far in harnessing them for the benefit of mankind, is of topical interest. It provides a fitting background for understanding Canada, a country which has been quietly helping India on a significant scale in its onward march to economic prosperity. The continuous efforts that are being made by the Canadian authorities to protect the fertility of land through adoption of proper soil conservation methods is of particular importance to Indian agriculture. We are indebted to the Royal Bank of Canada for this article.—Ed.]

CANADA'S great store of natural resources is not something locked away in a vault for misers to gloat about. It is a treasury of material things to be turned into useful commodities by our skill and energy. He is, however, a wise man who takes stock every once in a while to see how his inventory stands, and to learn whether he is making the best use of what he has. Every civilisation rests on a different basis of resources. Adam, when forced to till the ground, was using the resource of agricultural soil; we, when we produce atomic energy from uranium, are tapping not only a deeper layer of the earth, but of intellect.

We Canadians had, for generations, the reputation of being suppliers of raw materials: but, in little more than a generation, we have witnessed a great change. Today, Canada is not only a rich storehouse of materials but an industrial nation, fabricating natural resources into usable goods. In 1955 our net value of primary production was $4,315 million. After processing these resources in our factories, we exported goods to the amount of $4,282 million, after supplying our own needs of domestic products.

Luxuriant Forests

Canada has a fair share of the world's 5,000 million acres of forests. It has been estimated that about 44 per cent. of the land area of Canada is covered by forest growth. We have, according to *Canada Year Book*, 582,000 square miles of commercially productive forest. This forest land bears 150 species of trees, of which 31 are conifers. According to a statistical record published by the Dominion Bureau of Statistics, the lumber industry had 7,333 establishments in 1955, employed 58,586 persons, and its gross production was valued at $644 million; the pulp and paper industry employed 62,205 workers, and turned out $1,327 million worth of goods.

As to industries developing out of forest products, exports of wood, wood products and paper represent the largest single category in the published export statistics and amounted to $1,521 million during the year 1955, or 36 per cent. of our total exports of Canadian produce. The pulp and paper industry leads all other manufacturers in gross value of production, and is one of the world's great industrial enterprises.

Abundant Minerals

Having reached her western limits in wheat and having embarked on fullest use of her timber, Canada is now rolling back her northern frontier in search of minerals. Increased knowledge of the geology of the north-west and north-east, and changes in transportation and communication, have brought under scrutiny vast areas which were hitherto looked upon as waste rock. Today, Canada is the chief world producer of nickel, the platinum metals, and asbestos. It ranks second in the production of gold, zinc, cadmium and selenium; third in silver, molybdenum and barite, and fourth in copper and lead. The leading metallic minerals produced in Canada last year were nickel, copper, iron, gold, uranium, zinc and lead, valued at $1,048 million; the leading non-metallics were coal, asbestos, petroleum and natural gas, valued at $677 million; and in addition there were clay products and other structural material valued at $275 million. The total mineral production was valued at $2,134 million.

Iron provides the foundation of modern industry, and Canada is blessed with great resources of ore. Discoveries in the Lake Superior region a few years ago were developed from 1945 onward. Deposits astride the Quebec-Labrador border have been rolling into production since 1954. It seems likely that Canada's production of iron ore will continue to show a general upward trend, perhaps doubling or tripling within the next decade.

Canada has tapped important deposits of uranium ore, major source of atomic energy. Early in 1953, we had one producing area at Great Bear Lake in the North-west Territories; now we have four such areas. The three additional are: the Beaverlodge area of northern Saskatchewan, the Blind River area of northern Ontario, and the Bancroft area of south-eastern Ontario. There are additional potential uranium areas: in the North-west Territories and in British Columbia. Our production in 1957 was 13 million pounds valued at $131 million. Output this year is expected to come from 24 uranium concentration plants which will handle over 44,000 tons of ore daily.

Although the material which is its principal component is not a natural resource of Canada, but is imported from other countries, aluminium must be mentioned in this list. Its manufacture in Canada is due to our great wealth of another natural resource, water power.

Asbestos, Coal and Oil

Canada is rich in non-metallic minerals. It is the world's chief source of asbestos, production of which is concentrated in the eastern townships of Quebec. The value of annual production increased from $24,700 in 1880 to $24½ million in 1946 and $106½ million in 1957.

Coal is one of our problems. This country is one of the world's richest in bituminous reserves, but they are largely located in places far removed from industrial centres. Because of this, Canada has never supplied more than about 50 per cent. of the nation's market requirements. In 1957 we produced 13 million tons and imported 20 million tons.

Canada used to suffer from oil anæmia, producing only about a seventh of her needs from her own wells. Total production in 1947 was 7,632,204 barrels. Then came 10 years of extraordinary discovery and development, and in 1957 the production was 182 million barrels, valued at $445 million. Our production of natural gas leaped from 52,656 million cubic feet in 1947 to 206,214 million cubic feet in 1957.

We have, in addition to the flowing oil wells, enormous oil deposits in the tar sands of Alberta, but the difficulty is to find an economic method of extracting the oil. According to *Canada Year Book*, this is "the greatest known oil reserve on the face of the earth." Estimates vary between that of Canadian geologists at 100,000 million tons and that of the United States Bureau of Mines at 250,000 million tons.

Agriculture's Importance

Agriculture is, of course, Canada's leading primary industry, providing raw materials for many manufacturers. At the time of the last census, 20 per cent. of Canada's people lived on farms. There are different phases of the industry, the Maritimes with their emphasis on products other than grains, Ontario and Quebec with their mixed farming, the Prairies with their overwhelming stake in wheat, and British Columbia with its fruits.

The area of arable lands can be estimated only approximately, because every decade sees an extension of the land found suitable for cultivation. The total occupied agricultural land, improved and unimproved, is given by *Canada Year Book* as 272,000 square miles, or 174 million acres. Crops range from tobacco, grapes and peaches, which are grown in the southern parts of Quebec and Ontario, to the quickly-maturing wheat which ripens in districts where the summer is very short. The area given to grain in 1955 totalled 45½ million acres, of which 21½ million acres were given over to wheat. The wheat crop in the five years ending in 1955 yielded 2,673 million bushels, an average per year of 534½ million bushels. The yield per acre ranged from 12.7 to 26.8, averaging 21.7 bushels per acre over the five years.

Livestock and livestock products form by far the largest source of income to Canadian farmers. They yielded $854 million in 1955.

Fruit deserves special mention, because so many people in other lands think of Canada as part of the "frozen north." The truth is that fruit is grown on a commercial scale in many provinces. It is the principal agricultural crop in such well-known sections as the Annapolis Valley of Nova Scotia, the Niagara Peninsula of Ontario, and the Okanagan Valley of British Columbia. In 1957, the leading fruit crops yielded 15 million bushels of apples, 68 million pounds of grapes, 15 million quarts of strawberries, 12 million quarts of raspberries, nearly 3 million bushels of peaches, and a million bushels of pears. In addition, there were plums, cherries, apricots and loganberries.

Technological progress has marched hand-in-hand with territorial expansion. The number of tractors on farms increased from 47,000 in 1921 to 160,000 in 1941 and 400,000 in 1951. There were, in 1951, 526,000 automobiles and trucks on Canada's farms. The past 80 years have seen Canada change from a land of sickles and scythes to one of threshing machines and combines; from ox-cart and buck-board to truck and tractor. Zimmermann, in his book *World Resources and Industries*, contrasts the seven million farmers in North America with the tens of millions in Europe and perhaps hundreds of millions in Asia, and he adds: "A better example of the effect of machine energy and of the capitalistic method of production on the extent of land utilisation and the determination of cultivability can hardly be imagined."

The dynamic factors in the agricultural picture of the future will likely be technological improvements, growth of the domestic market, and conservation. Scientific farming, with proper care of soil and careful choice of crops, plays a leading part in increasing and maintaining output. Agriculture represents immense long-term capital investment. Recent estimates put the value of Canadian farm lands and buildings, implements and machinery and livestock at nearly $10,000 million.

Great Fishing; Rich Furs

Fishing was probably the first industry carried on by Europeans in the New World. Long ago, those stalwart adventurers caught their fish off Newfoundland and the Maritimes, cured or dried them, and sailed back to sell them in Europe. Today, two of the four great sea-fishing areas of the world border on the east and west coasts of Canada. We have rich harvests from the Atlantic, the Pacific and many freshwater lakes and rivers. There are still largely unknown, but very great, possibilities of increasing the economic value of fisheries in all our waters. The situation of fishermen would be easier if Canadians would eat more fish. The sea catch in 1957 amounted to more than 100 pounds for every person in Canada. Our domestic consumption in that year was only 14 pounds per person on the average. Inland waters, rivers and lakes contribute about one-seventh of the total fish catch. Canada has 283,000 square miles of fresh water lakes within her borders and these abound in fish of the finest quality. A drastic decline in the lakes fisheries has resulted in joint conservation action by Canada and the United States, directed against the predacious sea lamprey. In five years the average annual value of products of the fisheries was: sea fisheries $139 million; inland fisheries $19 million. There are about 600 firms engaged in the fish processing industry.

Raw furs are the chief commercial product from a big region in the northern part of Canada, but not quite so many people are engaged in trapping as is claimed in a book published a few years ago. The author says: "Tens of thousands of American Indians still roam the lonely, pathless forests of north-west Canada, trapping the fur-bearing animals." It seems too bad to spoil a romantic exaggeration in an otherwise informative book, but the truth is that the total Indian population of Canada is only 155,874, of whom only 3,838 live in the North-west Territories, and of these 2,793 are non-trap-laying women and children. However, Canada is one of the two great fur-producing countries of the world. We have a wide variety of fur, including bear, wolf, fox, weasel, otter, beaver, marten, fisher, mink, rabbit and muskrat. The value of pelts produced in the four seasons 1953-56 was $101½ million. Fur farming, supplemented by the development of marshlands and establishment of muskrat and beaver preserves has provided work for hundreds of Canadians. In the 1955-56 fur year, ranch-raised pelts amounted to 56 per cent. of the total value.

Twenty Million Horse-power

We have left to the last of our material resources one which is most important in the processing and development of all others: hydro-electric power. Water flow has been an important natural resource in Canada from the time the first settlers set up their water-mills to grind grain. The quantity of power available brought this country's economy from one based largely on vegetable growth and raw resources to one more than 70 per cent. industrial. Canadians are now the second largest *per capita* consumers of electricity in the world.

Since 1901, when hydro-electric installation was less than a quarter million horse-power, Canada's total climbed to a million in 1911, three million in 1921, six and a half million in 1931, and to nearly 20 million in 1957. This latest figure represents less than 28 per cent. of our recorded water-power resources. Total ultimate consumers in 1956 numbered 4,426,479. Of these, 3,833,913 were domestic and farm; 491,044 commercial; and 96,982 industrial and other bulk users. Of the revenue, $597 million, $235½ million came from domestic and farm sales and $11½ million from sales for street lighting.

Looking to the Future

These are days when we have so much trouble on our minds that rumblings of more troubles ahead make little difference. To the casual individual, the Canadian nickel resources of the year 2,058 do not matter very much, nor may he be particularly interested in what forest trees are left standing in the year 2000.

The thoughtful citizen, however, is aware of his responsibilities for the continuity of group life, and particularly for the chance he gives future Canadians to live satisfactorily. Destructive practices today can milk the best of our resources, to the possible enrichment of this generation, but at the expense of impoverishing our children's children who will see the turn of the century. It has been pointed out in carefully documented reports that world population has increased until there are only about two acres of productive land for each individual, and, while destructive practices are daily causing these two acres to shrink, population is mounting at the rate of about 100,000 people per day.

The world's population in 1930 was 2,013 million; today it is approaching 3,000 million; by 1980 it will, at its present rate of growth, have reached 4,000 million. And even now, said the former head of the World Health Organisation in March, two-thirds of the world's people are suffering from malnutrition.

Conservation of soil and other resources does not mean, as opponents or muddled people affirm, a restriction of use, but a wise exploitation with a minimum of waste, a maximum utility for all purposes, and a maximum replacement of such resources as are replaceable.

Progress of Conservation

It is evident that, if conservation is to be carried out efficiently, there must be expert guidance. This is provided by trained men and women in many different areas of resources—agriculture, fisheries, wild life, minerals, and so forth. As one example of this interesting field, consider the work of the conservation officer in Ontario, formerly called a game warden. His duties include: enforcing the various acts and regulations established for the protection of the fish and wild life resources; carrying out inventory of wild life and fish; checking on the harvest of game and fur bearers; undertaking management projects.

The conservation officer is primarily an outdoor man, on a year-round basis. He makes his patrols in all kinds of weather, being away from his base for days at a time in the rugged bush country. He must have a keen interest in the principles of conservation and management, as well as knowledge of the game and fish laws and of forest and plant life.

In this work as well as in the related conservation fields of forest ranging, biology, hatchery management and superintendence of parks, the enthusiastic support of the public is required. The conservation officer in whatever field is not trying to drive people to conserve our resources, but to show them the way. His is an educational effort, one that needs to be supported by school teachers and parents, by fish and game associations, and by every person who hunts, traps or travels in Canada's forests or fishes in her streams.

Human Resources

This article has been about the boundless material natural resources of Canada, but far more important than all these are the human resources of the country.

Canada is the home of nearly 17 million people, including men, women and children who became Canadians out of 46 other national groups. Whether born here or elsewhere, all Canadians are heirs to the freedom of this democratic country, in which they are building a standard of living second to none in the world. They find that in this as in other activities of life where there is freedom to develop there is also responsibility to preserve.

Canada has risen to her present position of influence and prestige through the enterprise and character of her people and their energy in using intelligently the resources she has provided. By exercising foresight and using our heads and applying our capacity for work we can assure that this country shall have ample and diversified resources and industries for generations to come. There are always impractical people interested in Promised Lands where everything will be easy and free. Canada, whose resources we have reviewed, comes as close as reasonable men want to a Promised Land, but she does not promise things free. All she says is that she will provide the raw materials in abundance if we will do the work needed to turn them into usable goods.



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ANNUAL MEETING OF ORISSA CEMENT LTD.

PACE OF EXPANSION IMPROVES STEADILY

CHAIRMAN, MR. J. DALMIA, DISAPPOINTED WITH THE INCREASE IN CEMENT PRICES

THE new refractories plant of the Orissa Cement Ltd., when completed, will be the largest and one of the most modern composite units of its kind in India. Disclosing this at the Eighth Annual General Meeting of the Company held at Rajgangpur on 16th August 1958, Mr. J. Dalmia, Chairman of the Company, claimed that the supply of refractories from this plant would result in a saving of Rs. 2 crores in foreign exchange. Commenting on the recent increase in cement prices, Mr. Dalmia expressed his disappointment over the increase of only Re. 1 per ton in the price of cement granted to the Company, as also over the denial of the benefit of price increase to producers for a period of six months from 1st January to 30th June 1958.

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

"LADIES AND GENTLEMEN,

"I have much pleasure in welcoming you to this Eighth Annual General Meeting of your Company. The audited accounts and the Directors' report for the year ended 31st December 1957 have been with you for sometime now, and I will, with your permission, take them as read.

"In my address to you last year, I had made certain references to your Company's expanding activities. I am happy to report that the tempo of this expansion continues to be well maintained. The rate of production from the extended plant, which was commissioned early in 1957, has improved steadily. Satisfactory progress has been made in the setting up of your Company's new refractories plant which, when completed, will be the largest and one of the most modern composite units of its kind in India. The fireclay and silica sections of this project went into production in April 1958 and orders for firebricks and for silica refractories have been received from various consumers including the steel industry. Work on the basic plant is being pressed ahead and it is hoped that this third stage of the composite project will be commissioned towards the end of the year when your Company will also be in a position to supply basic refractories such as magnesite and chrome-magnesite bricks, etc., to, among others, the steel plants in the public and private sectors. I am sure that you will share with me a sense of satisfaction in this and in the potential savings to the country of foreign exchange to the extent of about Rs. 2 crores per annum, presently expended on the imports of refractories, which your Company's new project will be able to supply.

Expansion of Refractories Plant

"I had also referred last year to a provision for further expansion of the Company's refractories plant. This was done in anticipation of the growing demand for refractories in line with the rising tempo of industrialisation in the country and particularly in view of the rapid development of the steel industry. It is understood that the target for steel production in India may be raised further by more than 4 million tons to about 11 million tons per annum, which alone must call for a greater output from the refractory industry. It is to be hoped that your Company will be able to play its part creditably in any such further expansion that the refractory industry may be called upon to undertake.

"The Government of India's decision on the recommendations of the Tariff Commission in regard to fair selling price to cement producers has been announced at last, and has been given effect for a period of three years from 1st July 1958. The Tariff Commission has this time made a significant departure from the principles they had adopted in their 1953 report for the determination of profits and for the fixation of fair prices to the producers. The profit margin that has been allowed to the producers is inadequate and entirely inconsistent with their needs and with the present money market conditions as illustrated by the high rate of interest on borrowings and the high yield on Government securities. It is disappointing to find that your Company has been allowed an increase of only Re. 1 per ton.

"Moreover, whereas the Tariff Commission had recommended the introduction of the new prices with effect from 1st January 1958, the Government of India have decided to introduce the new rates only from the 1st July 1958, thus depriving the producers of the benefit for six months of whatever price increase the producers might have been allowed. Government have explained that giving retrospective effect to the Tariff Commission's recommendations would involve administrative and financial complications. It is difficult to appreciate this argument as the industry would have to submit its supplementary claims arising out of the price increase and to adjust its accounts with only one party, the State Trading Corporation, which could not have proved such an unsurmountable obstacle as could justify this somewhat arbitrary decision of the Government at the cost of the industry.

"On the basis of the Tariff Commission's recommendations, the Government of India have also prohibited the use of second-hand gunny bags for the packing of cement after 30th September 1958, on the plea that the use of second-hand gunny bags has not benefited the consumer and that the jute industry was in a position to meet the requirements of the cement industry for new bags. It is incorrect to say that the use of second-hand gunny bags has not benefited the consumer. The use of second-hand gunny bags for cement packing had created a ready market for them and the consumer had so far been able to sell his used bags, not readily disposable elsewhere, to the producers, a facility which he will now be deprived of. The fact that the jute industry may be in a position to meet the cement industry's entire requirements for new bags is, I submit, no reason why bags which are good and serviceable should not be used. This, in fact would run contrary to the policy of conserving the country's resources and of generating a maximum effort for export.

Wage Board

"I would turn now to the setting up by the Government of India of a Central Wage Board for the cement industry in April, 1958, composed of six members, two independent, two representing the employers and two representing workers, under the chairmanship of Shri M. R. Meher, I.C.S., (Retd.). It may interest you to know that Shri V. H. Dalmia, a Director of your Company, is one of the members representing the employers on the Board. Under its terms of reference the Board has to determine a suitable wage structure for the industry and to recommend the principles that should govern the grant of bonus to the industry's workers. The majority of industrial disputes stem from these two items of worker-demands and the importance of the work of the Wage Board becomes immediately apparent. While the Board would doubtless subject these problems to a very careful examination, I would like to refer here briefly to a few of the important issues which must weigh strongly with the Board in their deliberations.

Cement Should be Made Cheaper

"The national effort, the Five-year Plans and the industrial development in the public and private sectors have all a common goal, the raising of the standard of living of our people. Measured by the *per capita* consumption of cement, an accepted indicator of national achievement, our standard of living leaves much to be desired and considerable progress is still to be made before we may claim having achieved one of the fundamental aims of our independence, the eleventh anniversary of which we had celebrated only yesterday. Cement is required not only for industrial growth but to bring to the people the essential amenities of life, better and adequate housing, sewage, drainage, roads and other conveniences. It is, therefore essential that cement is not only made available in adequate quantity but also as cheaply as possible. Already with the high level of excise duty and transportation expenses the selling price of cement has placed this essential commodity beyond the reach of many. This is to be borne in mind in any wage fixation as any variation in wages, which form a substantial element in the production cost of cement, will reflect in the selling price of cement, which is a controlled commodity.

"It is pertinent to refer here to the increasing benefits to the workers, direct and indirect, such as provident fund, gratuity, housing and medical facilities etc., in which the cement industry is in the forefront, and which already constitute a heavy charge on the industry. The Board will also undoubtedly bear in mind the cardinal principle that wage scales for the several units of the industry should be in line with those prevailing in their respective neighbouring localities. I earnestly hope that through a careful consideration of these and other relevant matters, the Board will, in their wisdom, avoid the lacunæ and errors of the Journalists Wage Board Award. I am sure that you will join me in the hope that the recommendations of the Board will lead to a satisfactory and permanent solution of the wage and bonus questions and thus pave the way for a lasting industrial peace in the cement industry.

Dalmia Iron and Steel

"You will be happy to learn that the steel casting plant of Messrs. Dalmia Iron and Steel Limited, in which your Company has a large interest, has gone into production and their grinding media and steel castings are now available to the cement industry and to others at considerable savings of foreign exchange. Their spun cast iron pipe plant is due to be commissioned before the end of the year and will go far towards meeting the large demand for such pipes. Perhaps of even greater importance will be the news that the deadburnt magnesite plant at Salem of Dalmia Magnesite Corporation, in which your Company has a substantial interest, is also expected to go into production before the end of the year. Apart from catering to the large demand from Indian and foreign markets, this would assure your Company of regular and adequate supplies of deadburnt magnesite for the manufacture of basic refractories.

"Rapid industrial expansion has subjected to a very considerable strain the transport system throughout the country. This has been particularly so in certain areas served by the Eastern and South Eastern Railways as a result of traffic generated in connection with the large steel works which are coming up in the public sector and the expansion of certain existing plants. Situated in what may be termed one of the most important centres of industrial development in the country, your Company has had to encounter considerable difficulties in moving capital goods and raw materials to its works and in the despatch of its finished products. The railway administrations concerned and the Railway Board are fully seized of the problem and efforts are being made to augment the track capacity in that region. It is to be hoped that with the doubling of the track between Tatanagar and Rourkela, the position will ease appreciably.

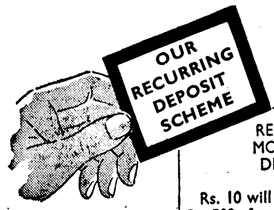
Paucity of Technicians

"The gap between the rapid pace of industrial development and the training of technical personnel, on which I had commented last year, has grown wider. Skilled technicians are not available either in quality or in quantity to meet the demand of industrial India. We hope that the measures which the Government of India have introduced or will introduce will eventually meet the situation adequately.

"Last year, I remarked on the grave deterioration in the national standards of discipline and on the growing disregard for responsibility. There has been hardly any improvement and we see with dismay the spread of the trouble even to the Universities and other public institutions. I earnestly hope that urgent and effective remedial measures will be taken to contain and improve the situation before it becomes catastrophic. During the year under review, illegal strikes were resorted to by the workers which had affected our goal of round-the-clock production, so vital not only to keep down costs but, also for the fulfilment of the targets placed before the industry in the second Five-year Plan. I am glad to report, however, a distinct improvement since then in our relations with our employees, and an indication of growing goodwill and trust which may augur well for the future.

"I would like to take this opportunity of

(Continued on page 369)



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when dusk falls, friends meet, they discuss, they argue, but they always relax over a cup of refreshing tea!

I am Tea
when friends meet, I join in

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

A copy of this Prospectus has been delivered to the Registrar of Companies, West Bengal, for registration, such copy having attached to it :—

(i) The written consent of the Auditors mentioned herein to the issue of this Prospectus with their report included therein in the form and context in which it is so included.

(ii) A statement in writing signed by the Auditors as to the adjustments made by them in arriving at the profits and statement of assets and liabilities included in their report and giving their reasons therefor.

(iii) Copies of the contracts mentioned herein under the heading " Contracts " or memoranda giving full particulars thereof.

Application is being made to the Calcutta Stock Exchange for permission to deal in and for an official quotation for the Debenture Stock now being offered.

The Subscription List will open at the commencement of Banking hours on the 9th September, 1958, and will remain open until the close of Banking hours on the 11th September, 1958, or later at the discretion of the Directors.

The Directors have been informed by the Underwriters and their friends of their intention to apply for Rs. 75,00,000/- of the stock. The balance of Rs. 75,00,000/- is now offered for public subscription.

GUEST, KEEN, WILLIAMS, LIMITED.

(INCORPORATED ON THE 17TH DAY OF FEBRUARY, 1931, UNDER THE INDIAN COMPANIES ACT, 1913, AS HENRY WILLIAMS INDIA (1931) LIMITED, WHICH NAME WAS CHANGED TO GUEST, KEEN, WILLIAMS, LIMITED ON THE 19TH DAY OF DECEMBER, 1934).

SHARE CAPITAL

AUTHORISED Rs.		ISSUED & FULLY PAID Rs.
2,00,00,000	Ordinary Shares of Rs. 10/- each	2,00,00,000
1,00,00,000	Unclassified Shares of Rs. 10/- each	—
3,00,00,000		2,00,00,000

LOAN CAPITAL

AUTHORISED

Rs. 1,50,00,000/- 6½% Debenture Stock 1966/71, being the Stock now offered.

The Company has no debenture or other loan capital outstanding, but has an overdraft with the National Overseas & Grindlays Bank Limited (secured by hypothecation of stock in trade) which amounted as at 28th June, 1958, to Rs. 2,15,80,041.

ISSUE OF

Rs. 1,50,00,000/- 6½% DEBENTURE STOCK 1966/71 at par

PAYABLE IN FULL ON APPLICATION

Applications must be for multiples of Rs. 1,000/- with a minimum of Rs. 1,000/-.

DIRECTORS :

REGINALD CATLOW, Esq., "Kinburn," 11, Ramsdale Road, Bramhall, Cheshire, England, Industrialist (*Chairman*).

HENRY MORTON LEECH WILLIAMS Esq., M.B.E., B.A., 24/4, Alipore Road, Calcutta-27, Engineer & Company Executive (*Managing Director*).

JOHN FADE HEATLY, Esq., 11/1, Burdwan Road, Calcutta-27, Company Executive.

KAILASH CHANDRA MAHINDRA, Esq., "Mont Blanc," Dadyseth Hill, Bombay-26, Industrialist.

KRISHNA CHANDRA MAITRA Esq., "Rushilla," Carmichael Road, Cumballa Hill, Bombay-26, Industrialist.

WILLIAM MORRICE, Esq., 4, King's Court, Theatre Road, Calcutta-16, Company Executive.

SIR ARCOT RAMASWAMI MUDALIAR, K.C.S.I., D.C.L. (Oxon), 9, Lower Rawdon Street, Calcutta-16, Industrialist.

TRUSTEES FOR THE DEBENTURE STOCKHOLDERS :

B. GILL, Esq., Sandersons & Morgans, 5 & 7, Netaji Subhas Road, Calcutta-1.

K. J. H. HARTLEY, Esq., Price Waterhouse Peat & Co., B-4, Gillander House, Netaji Subhas Road, Calcutta-1.

BANKERS :

NATIONAL OVERSEAS & GRINDLAYS BANK LIMITED, 19, Netaji Subhas Road, Calcutta-1.

BROKERS :

CALCUTTA: PLACE, SIDDONS & GOUGH, 6, Lyons Range, Calcutta-1.

BOMBAY: LEWIS & JONES, Bank of Baroda Building, Apollo Street, Fort, Bombay-1.

BOMBAY: BATLIVALA & KARANI, Union Bank Building, Dalal Street, Fort, Bombay-1.

NEW DELHI: HARBANS SINGH MEHTA & CO., 33, Regal Buildings, Parliament Street, P.O. Box 300, New Delhi-1.

MADRAS: PATERSON & CO., 22, Errabalu Chetty Street, P.O. Box 48, Madras-1.

SOLICITORS :

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

AUDITORS :

PRICE WATERHOUSE PEAT & CO., Chartered Accountants, B-4, Gillander House, Calcutta-1.

SECRETARY AND REGISTERED OFFICE :

WILLIAM MORRICE, 41, Chowringhee Road, Calcutta-16.

REGISTRARS :

JARDINE HENDERSON, LIMITED, 4, Clive Row, Calcutta-1.

Offer

The Debenture Stock now offered for subscription was created by a Resolution of the Board of Directors of the Company passed on the 29th day of May, 1958 and will be constituted and secured by a Trust Deed in favour of Kenneth John Harold Hartley and Basil Gill as Trustees for the stockholders. Interest at the rate of 6½ per cent. per annum will be payable half-yearly on the 1st January and 1st July except that the initial payment of interest will be made on 1st July, 1959 and will amount to Rupees 52 Naye Paise 72 (less Income Tax at the appropriate rate) per Rupees 1,000/- of Stock.

Objects of Issue

Considerable sums have been spent in the past two years on development plans involving the extension and modernisation of property, plant and machinery, the cost of which has been borne by existing resources. The purpose of this Issue is to provide, by means other than short-term bank borrowings, a substantial part of the finance required for the fulfilment of these development plans and also the developments planned for the immediate future.

Trust Deed

The Trust Deed will provide, *inter alia*, as follows:—

1. Security—

(a) Payment of principal and interest will be secured by a first fixed and specific charge on the Company's immovable properties and fixed plant and machinery and a floating charge on the whole of the undertakings and assets of the Company.

(b) The Company shall, however, be at liberty to hypothecate, to pledge and create mortgages or charges over its raw materials, manufactured goods and goods in process of manufacture and book debts ranking in priority to the said floating charge to secure sums borrowed from Banks or obligations incurred in the ordinary course of business of the Company and for the purpose of carrying on the same but save as aforesaid and save as mentioned below the Company may not create any hypothecation, pledge, mortgage or charge over or permit any lien to arise or affect any part of its properties ranking in priority to or *pari passu* with the floating charge and/or the fixed charge. The existing hypothecation and any hypothecation supplemental thereto in favour of the National Overseas & Grindlays Bank Ltd. will take priority over the floating charge to be created by the Trust Deed.

(c) In respect of leasehold property (if any) for which the consent of the landlord is required and in respect of land acquired for which the consent of the Government of India is required for the creation of the charge thereon but which has not been obtained when the Trust Deed is executed, the charge created by the Trust Deed will not be of immediate effect but will be postponed until such consent has been obtained.

(d) The principal amount of the Stock to be issued pursuant to the Trust Deed is limited to Rs. 1,50,00,000/- but the Company is to be at liberty from time to time to issue further Stock ranking *pari passu* in point of security with (but not in priority to) the said Rs. 1,50,00,000/- Stock carrying such rights as to interest, redemption and otherwise as the Directors of the Company may determine provided that:—

(i) the amount outstanding of the Stock and of any Stock ranking *pari passu* therewith (including such further issues) shall not exceed 50 per cent. of the value of the specifically mortgaged premises comprised in the Trust Deed as certified by the Company's Auditors.

(ii) The average of the combined profits of the Company and its subsidiaries (if any) calculated before charging depreciation and taxes on income but after charging all expenses of working and management, including maintenance and repairs, for the three financial years for which accounts have been audited last preceding the date of any such further issue was sufficient to cover twice the amount required to pay the aggregate of one year's interest and the contribution (if any) to the sinking fund on the total sum outstanding in respect of the Stock and all Stock ranking *pari passu* therewith, including any such further issues.

2. Redemption—

(a) Such part of the Stock as has not been previously purchased or redeemed will mature for payment at par plus accrued interest on the 1st January, 1971. The Company may redeem the whole or any part of the Stock on the 1st January, 1966, or at any time thereafter at par plus accrued interest on giving three calendar months' notice to the Stockholders in that behalf.

(b) A Sinking Fund will be established, to which annual contributions will commence in 1961 with a contribution in respect of the calendar year ending 31st December, 1961. Such contributions will be payable only out of the distributable profits (as defined in the Trust Deed) of the Company's relevant financial year as certified by the Company's Auditors. Where such profits exceed Rs. 5,00,000/- it will be obligatory on the Company to contribute to the Fund a minimum of Rs. 5,00,000/- but the amount by which any contribution exceeds Rs. 5,00,000/- may be applied in reduction of the Company's obligations in any later year or years. In a financial year in which the distributable profits are less than Rs. 5,00,000/- the Company will be obliged, unless it exercises its right to apply any excess of a previous financial year, in reduction of such obligations, to carry the whole of such profits to the Sinking Fund, but it will be under no obligation to make up the amount by which such profits fall short of Rs. 5,00,000/- in any subsequent financial year or out of any excess of a previous financial year. The Fund may be utilised in the purchase of the Stock in the market at a price not exceeding par plus accrued interest or may be invested in trustee securities or deposited with a bank until required for purposes of redemption. Stock purchased or redeemed out of the Sinking Fund is not to be re-issued. "Financial Year" will be defined in the Trust Deed as meaning a period in respect of which any Profit and Loss Account of the Company laid or to be laid before it in annual general meeting is or is to be made up.

(c) In addition to purchases out of the Sinking Fund the Company may at any time purchase any of the Stock at a price not exceeding par plus accrued interest out of current profits.

3. Trustees—Included among various provisions designed to indemnify and limit the liability of the Trustees are the following:—

(a) The Trustees shall not be bound to take any steps to ascertain whether any event has happened upon the happening of which the security constituted under the Trust Deed becomes enforceable or to give notice to any person of the execution thereof.

(b) The Trustees shall not be responsible for the money subscribed by applicants for the Stock or any part thereof or be bound to see to the application thereof.

(c) The Trustees shall not be bound or concerned to examine or enquire into nor be liable for any defect in or insufficiency of the Trust Deed or in the title of the Company to the mortgaged premises or any part thereof.

(d) No Trustee shall be liable for anything whatever except a breach of trust fraudulently committed by such Trustee; provided nevertheless that nothing in any of the foregoing shall exempt a Trustee from or indemnify him against any liability for breach of trust where such Trustee has failed to show the degree of diligence and care required of him as a Trustee having regard to the provisions of the Trust Deed conferring on him any powers, authorities or discretions.

4. Additional Provisions—

(a) The rights of Stockholders may be modified or compromised by an extraordinary resolution passed at a meeting of the Stockholders in accordance with the Trust Deed, a quorum for this purpose being the holders present in person or by proxy of a majority in value of the total amount of the Stock then outstanding or, in the case of an adjourned meeting, those present and entitled to vote. On a show of hands, each Stockholder present in person will have one vote and on a poll each Stockholder present in person or by proxy (who need not himself be a Stockholder) will have one vote for each Rs. 1,000/- of Stock held by him.

(b) A register of the Stock will be kept at the registered office of the Company and may be closed for any period not exceeding forty-five days in any year.

(c) The Stockholders will be entitled to their Stock free from equities or cross claims by the Company against the original or any intermediate holder.

(d) The Stock will be transferable in amounts and multiples of Rs. 1,000/-.

History and Business

The Company was incorporated in Bengal on the 17th February, 1931 as a Private Limited Company under the name Henry Williams India (1931) Ltd., and was formed, *inter alia*, with the object of acquiring and carrying on the business of Henry Williams (India) Limited, an earlier Company incorporated in Bengal in the year 1922, which founded the Company's manufacturing Works at Calcutta. The other main objects of the Company will be found set out below in this Prospectus. The change to the Company's present name was made on the 19th December, 1934, consequent upon the purchase of a large interest by Guest, Keen & Nettlefolds, Ltd., of Birmingham, England.

On the 29th January, 1953, the Company formed a wholly owned Subsidiary, Nettlefolds of India Private Ltd., incorporated under the Indian Companies Act, 1913, for the purpose of connecting the name "Nettlefolds" with the Company's project for manufacturing wood screws and kindred fastenings in India. This Subsidiary as well as the Company has the right to use wood screw and kindred trade marks and labels, including the name "Nettlefolds," which is famous throughout the world for these products, under user agreements with the proprietors. The Company has also entered into a user agreement with George Goodman Ltd., of Birmingham, England, in respect of the latter's trade mark and labels relating to safety-pins and kindred products manufactured by the Company in India. The Company has also entered into an Agreement with Exors. of James Mills Limited of Stockport, England, whereby the Company is permitted to manufacture in India under Licence certain products including railway permanent way fittings under Trade Marks and Patents belonging to Exors. of James Mills Limited, in consideration of which the Company pays a royalty based on the selling price of the products subject to a minimum payment of £500 per annum. The said Agreement contains provisions whereby the user of the Trade Marks undertakes that the goods to be manufactured shall be up to specification and that the Owner of the Trade Marks shall have a right of access to the place where the goods are manufactured for the purpose of inspecting all stages of manufacture.

The main business of the Company is manufacturing in India but an Agency section importing and selling a wide range of mechanical and electrical products of well-known overseas manufacturers makes a useful contribution to the profits of the Company.

Land, Premises and Plant

The Company has its main office at Calcutta and offices at Bombay, Madras, New Delhi and at London, England, and manufacturing Works at Calcutta and at Bhandup near Bombay.

The Calcutta Works is situated at Shalimar, Howrah, West Bengal, on two sites owned by the Company each of which is within its own ring fence, the older site containing an area of approximately 33 acres and a site recently acquired for future development containing an area of approximately 20 acres. The two sites are joined by railway sidings and are readily accessible to Andul Road. Erected on this land is a modern, well-equipped manufacturing Works with a covered floor area totalling approximately 11,05,860 sq. ft. The Works is well served by internal railway sidings adequate to handle incoming raw materials and outgoing finished goods and ample water is available from deep tubewells and surface tanks. The Plant and Machinery is well maintained in efficient condition.

The Bhandup Works, approximately 18 miles from Bombay on the main Agra Road, is served by its own siding from the Central Railway and is now the largest producer in the country of high-class steel and brass Wood Screws. As additional lines this Works started manufacturing Safety-pins in the latter half of 1954, Cotter Pins in the first half of 1955, Hypodermic Needles in January 1956, Tinmen's Rivets in June, 1956 and Metal Thread Screws in July, 1956. The property on which the Works is situated comprises a residential area of approximately 15 acres on the West side of the Agra Road, and an industrial area of approximately 53 acres on the East side of the Agra Road, which latter accommodates the Works proper. Approximately 12 acres of the industrial area are rented on a 50 years lease to Sankey Electrical Stampings Private Ltd. The industrial area has its own electric generating station; water is taken both from the main supply and from wells on the Estate. This Works has a covered floor area of approximately 91,500 sq. ft. and all the Plant and Machinery has only recently been installed and is well maintained in efficient condition.

The Company's Head Office at Calcutta is held on lease, and a written undertaking has been received for an extension of this lease until the 30th June, 1979. The Offices at Bombay, Madras, New Delhi and at London, England, are all held under tenancy agreements on reasonable terms.

It is estimated that at the end of the current financial period, the written down value of the Fixed Assets will exceed Rs. 3,25,00,000/-.

Management and Staff

Of the Directors, the Chairman, Mr. R. Catlow, has for most of his working life been connected with Guest, Keen & Nettlefolds, Ltd., England, and has since August 1952, been a member of the Board of that Company. There are three full-time Working Directors, all of whom have been in the employment of the Company for many years either as Executives or Directors and have considerable practical experience as engineers and commercial men. There are three non-Executive Directors in India, whose experience and guidance form a valuable contribution to the efficient running of the Company.

FINANCIAL INFORMATION

Auditors' Report

The following is a copy of the Report of the Company's Auditors, Messrs. Price Waterhouse Peat & Co., Chartered Accountants.

The Directors,

MESSRS. GUEST, KEEN, WILLIAMS, LTD., 41$_8$ CHOWRINGHEE ROAD, CALCUTTA-16.

B-4, GILLANDER HOUSE,
CALCUTTA-1.
26th August, 1958.

DEAR SIRS,

We have examined the books and accounts of GUEST, KEEN, WILLIAMS, LTD., as kept in Calcutta in which are incorporated the certified returns from the Calcutta Works, Bhandup Works (which started production in 1953) and Bombay and Madras Branches for the five years ended 28th December, 1957 and the books and accounts of NETTLEFOLDS OF INDIA PRIVATE LTD., a wholly owned subsidiary company of GUEST, KEEN, WILLIAMS, LTD., as kept in Bombay for the five years ended 28th December, 1957 and report that the profits or losses of the Companies are as set forth below. These profits or losses have been arrived at after charging all expenses of working, management and consultant's fees including provision for normal depreciation on the basis as allowable for taxation and after making such adjustments as in our opinion are appropriate.

GUEST, KEEN, WILLIAMS, LTD.

	52 Weeks ended 2-1-54	52 Weeks ended 1-1-55	52 Weeks ended 31-12-55	52 Weeks ended 29-12-56	52 Weeks ended 28-12-57
INCOME—	Rs.	Rs.	Rs.	Rs.	Rs.
Closing Stocks and Work-in-Progress	43,04,829	41,63,466	47,37,375	65,59,001	93,12,382
Sales	3,18,15,861	4,83,64,371	* 6,12,48,386	7,92,27,682	9,05,30,719
Interest—					
(a) Bank	324	153	—	—	—
(b) Investments	1,347	1,399	1,205	2,980	2,825
(c) Other Sources	—	22,781	19,973	12,656	5,719
	1,671	24,333	21,178	15,636	8,544
Miscellaneous Income	5,28,188	7,42,774	6,55,648	7,74,288	11,28,426
	3,66,50,549	5,32,94,944	* 6,66,62,587	8,65,76,607	10,09,80,071
EXPENDITURE—					
Opening Stocks and Work-in-Progress	36,81,569	43,04,829	41,63,466	47,37,375	65,59,001
Raw Materials consumed and Agency Stock received	1,74,19,834	2,67,41,160	* 3,12,79,603	3,79,76,396	4,92,64,542
Manufacturing, Establishment, Selling and Distribution Expenses	54,72,862	69,23,483	* 87,16,906	1,25,67,043	1,42,82,298
Salaries and Wages	75,04,043	93,49,660	1,13,59,770	1,33,56,898	1,54,41,455
Interest on Bank Overdraft	1,17,511	2,72,485	2,51,304	1,09,161	2,29,626
	3,41,95,819	4,75,91,617	* 5,57,71,049	6,87,46,873	8,57,76,922
Net Profits before Depreciation and Taxation	24,54,730	57,03,327	* 1,08,91,538	1,78,29,734	1,52,03,149
Depreciation (Normal)	4,77,128	7,35,585	8,22,319	8,35,203	9,81,458
Net Profits before Taxation	19,77,602	49,67,742	* 1,00,69,219	1,69,94,531	1,42,21,691
Taxation after allowance of Normal Depreciation only	3,10,233	25,75,468	* 51,77,765	87,72,622	78,92,492
Net Profits	16,67,369	23,92,274	* 48,91,454	82,21,909	63,29,199
1. Wealth Tax not taken above	—	—	—	—	—
2. The Initial Allowance and Development Rebate and Double and Extra Shift Allowances which are not included are as follows :—				2,23,759	2,41,000
Initial Allowance	7,56,555	2,84,600	* 1,00,668		
Development Rebate	—	2,88,720	2,66,218	3,196	—
Double Allowance	3,43,842	5,86,769	* 6,49,072	3,84,897	8,13,380
Extra Shift	98,949	1,60,998	2,02,520	6,65,412	7,77,981
				2,14,578	2,33,561

Note :—Figures marked with an * have been adjusted in view of information subsequently received from the figures shown in our report dated 22nd October, 1956 incorporated in the Prospectus issued by the Company on 22nd October, 1956.

NETTLEFOLDS OF INDIA PRIVATE LTD.

	Period 29-1-53 to 2-1-54	52 Weeks ended 1-1-55	52 Weeks ended 31-12-55	52 Weeks ended 29-12-56	52 Weeks ended 28-12-57
INCOME—	Rs.	Rs.	Rs.	Rs.	Rs.
Closing Stocks and Work-in-Progress	—	84,457	—	—	—
Sales	—	21,78,424	36,32,623	43,91,923	64,68,658
Miscellaneous Income	42	8,936	7,413	10,245	25,060
	42	22,71,817	36,40,036	44,02,168	64,93,718
EXPENDITURE—					
Opening Stocks and Work-in-Progress	—	—	84,457	—	—
Purchases	—	20,80,116	32,05,949	39,95,444	59,64,322
Other Expenses	550	1,41,314	2,84,419	2,83,575	3,47,419
Service Charge by Guest, Keen, Williams, Ltd.	—	48,000	52,200	1,02,860	1,49,880
	550	22,69,430	36,27,025	43,81,879	64,61,621
Net Profit/(Loss) before Taxation	(508)	2,387	13,011	20,289	32,097
Provision for Taxation	—	1,028	7,589	10,497	16,608
Net Profit (Loss)	(508)	1,359	5,422	9,792	15,489
Wealth Tax not taken above	—	—	—	143	220

We also report that the assets and liabilities of GUEST, KEEN, WILLIAMS, LTD. and NETTLEFOLDS OF INDIA PRIVATE LTD. as at 28th December, 1957, which is the last date to which the Companies' Accounts were made up prior to the date of this report are as set out below. These assets and liabilities have been arrived at after making such adjustments as in our opinion are appropriate.

GUEST, KEEN, WILLIAMS, LTD.

	Rs.	Rs.
Fixed Capital Expenditure—		
Fixed Assets at original cost plus balance of increase on revaluation as at 31st December, 1946 less Depreciation to 28th December, 1957	2,21,03,140	
Projects in course of completion	34,33,664	
Development Scheme—Payments and Advances to Suppliers	80,79,867	3,36,16,671
Investments—		
In Government Securities at cost	88,190	
In wholly owned Subsidiary	5,00,000	5,88,190
Current Assets—		
Stocks of raw materials, manufactured goods and stores on hand, in transit or in process at cost or market value whichever is lower	3,23,10,042	
Debtors considered good (Unsecured)	1,92,15,083	
Advances recoverable in cash or for value to be received	24,94,307	
Due from wholly owned subsidiary	3,81,338	
Cash in hand and at Bank on Current Accounts	1,73,103	5,45,73,873
TOTAL ASSETS		8,87,78,734
Less : **Liabilities and Provisions—**		
Creditors	2,62,86,578	
Loan from Bank (Secured by Hypothecation of Stocks)	92,70,265	
Provision for Taxation (including Wealth Tax)	85,57,380	
Provision for Dividends	40,00,000	4,81,14,223
NET ASSETS AT 28TH DECEMBER, 1957	Rs.	4,06,64,511
REPRESENTED BY—		
20,00,000 Ordinary Shares of Rs. 10/- each fully paid		2,00,00,000
Share Premium Account		58,94,000
Capital Reserve		32,576
Additional Depreciation Reserve		19,98,810
Taxation Equalisation Reserve		24,22,965
General Reserve		98,90,741
Stock Reserve		4,25,419
	Rs.	4,06,64,511

NETTLEFOLDS OF INDIA PRIVATE LTD.

	Rs.	Rs.
Current Assets—		
Debtors considered good (Fully Secured)	4,39,081	
Debtors considered good (Unsecured)	1,732	4,40,813
Advances Recoverable in Cash or for value to be received		3,833
Cash and Other Balances		7,29,642
TOTAL ASSETS		11,74,288
Less : **Liabilities and Provisions—**		
Sundry Creditors	2,48,705	
Due to Guest, Keen, Williams, Ltd., on Current Account	3,81,338	
Provision for Taxation (including Wealth Tax)	13,107	6,43,150
NET ASSETS AT 28TH DECEMBER, 1957	Rs.	5,31,138
REPRESENTED BY—		
50,000 Ordinary Shares of Rs. 10/- each fully paid up		5,00,000
General Reserve		31,138
	Rs.	5,31,138

We also report that the dividends paid by Guest, Keen, Williams, Ltd., out of profits on its paid-up capital are as follows :—

On 14,10,600 Ordinary Shares of Rs. 10/- each				
Fifty-two weeks ended 2nd January, 1954	6 % per annum less tax		Rs.	6,24,190
Fifty-two weeks ended 1st January, 1955	15 % per annum less tax			15,60,476
Fifty-two weeks ended 31st December, 1955	Interim 7½ % per annum without deduction of tax		Rs.	10,57,950
	Final 10 % per annum without deduction of tax			14,10,600	24,68,550
Fifty-two weeks ended 29th December, 1956	Interim 8 % per annum without deduction of tax			11,28,480
On 20,00,000 Ordinary Shares of Rs. 10/- each				
Fifty-two weeks ended 29th December, 1956	Final 15 % per annum without deduction of tax			30,00,000	41,28,480
Fifty-two weeks ended 28th December, 1957	Interim 8 % per annum without deduction of tax			16,00,000
	Final 12 % per annum without deduction of tax			24,00,000	40,00,000

No dividend has been declared by Nettlefolds of India Private Ltd. since the date of its incorporation on 29th January, 1953.

Yours faithfully,
PRICE WATERHOUSE PEAT & CO.

Profits and Prospects

The report by the Auditors of the Company shows that the average profits for the four financial periods 1954/57 after charging depreciation, maintenance and repairs but before charging bank interest or taxes on income was Rs. 1,00,00,000/-, approximately equivalent to more than 10 times the annual interest charge of Rs. 9,75,000/-.

STATUTORY AND GENERAL INFORMATION

Underwriting

The Debenture Stock now intended to be issued is underwritten in full for a commission of 2 per cent. on the issue price making a total commission of Rs. 3,00,000/-, by the Life Insurance Corporation of India, Messrs. Place Siddons & Gough, Messrs. Lewis & Jones and Messrs. Batliwala & Karani pursuant to Contracts Nos. 20(*a*) to 20(*d*) hereinafter mentioned under the heading "Contracts." In the opinion of the Directors, the resources of the Underwriters are sufficient to discharge their obligations.

Licences

A scheme for the expansion of the Company's Rolling Mills has been approved by the Government of India under the Industries (Development and Regulation) Act 1951 and the Registration and Licensing of Industrial Undertakings Rules 1952, as follows:—

"A Licence (No. L/4/75/55 / L/1A(7)/47 dated 3rd December, 1955 for the manufacture of Bars and Rods) has been obtained from the Central Government for effecting a substantial expansion to this industrial undertaking; a copy of this Licence is open to public inspection at the Head Office of the Company. It must be distinctly understood that in granting this Licence the Government of India do not take any responsibility for the correctness of any of the statements made or opinions expressed in regard to it."

It is also proposed to effect a substantial expansion to our existing industrial undertaking for the manufacture of Tungsten Carbide Rock Drill Inserts and Coal Cutter Picks. This development has received the approval of the Government of India under the Industries (Development and Regulation) Act, 1951, and the Registration and Licensing of Industrial Undertakings Rules 1952, as follows:—

"A Licence (No. L/12(2)/N-1/57 dated 6th March, 1957, for the manufacture of Tungsten Carbide Rock Drill Inserts and Coal Cutter Picks) has been obtained from the Central Government for effecting a substantial expansion to this industrial undertaking; a copy of this Licence is open to public inspection at the Head Office of the Company. It must be distinctly understood that in granting this License the Government of India do not take any responsibility for the correctness of any of the statements made or opinions expressed in regard to it."

At the Company's Bhandup Works a considerable expansion in the productive capacity or Wood Screws and Metal Thread Screws has been completed, and the resultant increase in production is already being experienced; at the same time this Works is now manufacturing Cotter Pins, Screw Eyes and Hypodermic Needles as new lines. The proposal for a substantial expansion to the capacity for Tinmen's Rivets has received the approval of the Government of India under the Industries (Development and Regulation) Act, 1951, and the Registration and Licensing of Industrial Undertakings Rules 1952, as follows:—

"A Licence (No. L/1-A(7)/N-27/57 dated 30th December, 1957, for the manufacture of Tinmen's Rivets) has been obtained from the Central Government for effecting a substantial expansion to this industrial undertaking; a copy of this Licence is open to public inspection at the Head Office of the Company. It must be distinctly understood that in granting this Licence the Government of India do not take any responsibility for the correctness of any of the statements made or opinions expressed in regard to it."

Option to Subscribe

Save as provided by the Underwriting Agreements hereinafter referred to, the Company has not entered into any Contract or arrangement and does not at present propose to enter into any contract or arrangement whereby any option or preferential right of any kind has been or is proposed to be given to any person to subscribe for any shares in or debentures of the Company.

Purchase of Property

Save as respects property purchased or acquired or to be purchased or acquired under Con-

tracts being Items Nos. 7 to 19 both inclusive referred to below under the heading "Contracts", wherein are given the particulars required by Clause 12 of Part I of Schedule II to the Companies Act, 1956, any property which the Company has purchased or acquired or proposes to purchase or acquire which is to be paid for out of the proceeds of the present issue or the purchase or acquisition of which has not been completed at the date of the issue of this Prospectus, is property:

(a) the contract for the purchase or acquisition whereof has been entered into in the ordinary course of business of the Company, the contract not being made in contemplation of this issue or this issue in consequence of the contract; or

(b) as respects which the amount of the purchase money is not material.

The property purchased or acquired or to be purchased or acquired under Contracts Nos. 7 to 19 both inclusive aforesaid has vested or will vest absolutely in the Company and there have been no other transactions relating to such property within the two years preceding the date of this Prospectus.

Contracts

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

1. Dated the 20th September, 1956, between the Company and Sankey Electrical Stampings Private Ltd., whereby the former Company leased to the latter certain pieces or parcels of land situated at Bhandup, near Bombay, together with several structures, buildings and erections standing thereon and other rights and privileges appertaining thereto for a period of 50 years commencing from 1st January, 1956 at a monthly rental of Rs. 1,641/-.

2. Dated the 28th September, 1956 between the Company and Jardine Henderson Limited, appointing the latter Registrars and Share Transfer Agents to the Company for a period of five years at Rs. 30,000-/ per annum.

3. Dated the 27th September, 1957 between the Company and Crompton Parkinson Ltd., England, whereby the latter granted to the former the exclusive licence to make, use and sell within India, Electric Arc Stud Welding products, embodying the inventions disclosed by the Licensed Patents, subject to the terms and conditions of the Agreement.

4. Dated the 1st January, 1956 between the Company and Henry Morton Leech Williams appointing the latter Managing Director of the Company for a period of five years at a salary of Rs. 6,000/- per month and such other benefits, privileges and amenities granted to Senior Staff by the Board of Directors. In addition, Mr. H. M. L. Williams is paid a commission of 1 per cent. of the Net Profits of the Company.

5. Various orders numbered 5/1 to 5/6 dated between 29th March, 1957 and 9th April, 1958 on various suppliers for the supply of plant and machinery. The cost of these orders is estimated to be £66,953 (Rs. 8,92,707/-).

6. Various orders numbered 6/1 to 6/4 dated between 26th April, 1957 and 12th June, 1958 on various suppliers for the supply of plant, machinery and equipment, the cost of which is estimated to be Rs. 13,79,302/-.

7. On the 18th March, 1957 an order on Taylor Woodrow (Building Exports) Ltd., London, England, for the supply of Structural Steel Work for buildings. The cost of this order and the supplemental one dated 24th June, 1958 is estimated to be £129,699 (Rs. 17,29,320/-).

8. Various orders numbered 8/1 to 8/5 dated between 9th July, 1956 and 14th September, 1957 on Brightside Foundry & Engineering Co. Ltd., Sheffield, England, for the supply of Rolling Mill equipment, the cost of which is estimated to be £986,659 (Rs. 1,31,55,453/-).

9. Orders numbered 9/1 and 9/2 dated 12th November, 1956 and 13th December, 1957 on Stein & Atkinson Ltd., London, England, for the supply of furnaces and their ancillary equipment, the cost of which is estimated to be £89,463 (Rs. 11,92,840/-).

10. On the 25th February, 1958 an order on Ceretti e Tanfani, S.p.A., Milan, Italy, for the supply of Cranes, the cost of which is estimated to be £59,990 (Rs. 7,99,867/-).

11. On the 19th November, 1957 an order on Jessop & Co., Ltd. Calcutta, for the supply of Cranes, the cost of which is estimated to be Rs. 2,51,400/-.

12. On the 1st November, 1957 an order on Guest Keen & Nettlefolds (Midlands) Ltd., Birmingham, England, for the supply of plant and machinery, the cost of which is estimated to be £32,864 (Rs. 4,38,187/-).

13. On the 11th March, 1958 an order on Ateliers de Constructions Electriques de Charleroi, London, England, for the supply of equipment for Induction Heating, the cost of which is estimated to be 5,130,000 Belgian francs (Rs. 4,95,652/-).

14. Various orders numbered 14/1 to 14/3 dated between 5th April, 1957 and 21st February, 1958 on A. & J. Main & Co., Ltd., Calcutta, for the supply and erection of buildings. The cost of these orders is estimated to be Rs. 6,56,435/-.

15. Various orders numbered 15/1 to 15/3 dated between 15th May, 1957 and 8th January, 1958 on Associated Engineers Private Ltd., Calcutta, for civil engineering works and buildings. The cost of these orders is estimated to be Rs. 21,87,321/-.

16. On the 7th January, 1958 an order on Simplex Concrete Piles (India) Private Ltd., Calcutta, for concrete piling, the cost of which is estimated to be Rs. 4,29,800/-.

17. Various orders numbered 17/1 to 17/3 dated between 24th May, 1958 and 20th June, 1958 on Indian Cable Co., Ltd., Calcutta, for the supply of cables. The cost of these orders is estimated to be Rs. 6,81,384/-.

18. Contracts entered into by the Company for the purchase of land, buildings and building materials within the Howrah Municipality as follows:—

	Date of Contract.	*Name, address and occupation of Vendors.*	*Subject Matter.*	*Price Rs.*
(a)	7th November, 1956.	Krishna Chandra Mondal, Swarnamayi Road, Landholder	Land	26,243
(b)	9th November, 1956.	Do. do.	Building Materials	1,384
(c)	30th January, 1957.	Panchkari Samanta, Daspara Lane, Landholder	Land and Buildings	12,171
(d)	8th October, 1956.	Panchkari Samanta and another, Daspara Lane, Landholders	Land	29,334
(e)	30th January, 1957.	Do. do.	Land and Buildings	16,322
(f)	31st October, 1956.	Kristo Bera and Gosto Bera, Daspara Lane, Landholders	Land	20,083
(g)	4th February, 1957.	Panchkari Samanta and another, Daspara Lane, Landholders	Land	3,336
(h)	4th February, 1957.	Kristo Chandra Bera and Gosto Behari Bera, Daspara Lane, Landholders	Land and Buildings	11,855
(i)	4th February, 1957.	Sm. Giribala Dasi, Daspara Lane, Landholder	Land	875
(j)	4th January, 1957.	Panchanan Dalui, Daspara Lane, Landholder	Land and Buildings	10,278
(k)	23rd November, 1956.	Panchanan Dalui and Sm. Basanbala Dasi, Daspara Lane, Landholders	Land and Buildings	8,310
(l)	26th March, 1957.	Bholanath Samanta, Sm. Harimati Dasi and Guiram Samanta, Puddopukur, Landholders	Land	11,390
(m)	13th November, 1956.	Becharam Samanta, Daspara Lane, Landholder	Land and Buildings	37,222
(n)	24th October, 1956.	Prasad Das and Gokul Das, Shibpore, Landholders	Land	1,676
(o)	5th October, 1956.	Mahendra Nath Dera, Narendra Nath Dera, Becharam Samanta and Sm. Durgabati Dasi, Daspara Lane, Landholders.	Land	14,648
(p)	24th September, 1957.	Satish Chandra Samanta, Sasti Charan Samanta and Panchu Samanta, Daspara Lane, Landholders	Land	10,008
(q)	24th September, 1957.	Satish Chandra Samanta, Sasti Charan Samanta, Panchu Samanta and Sm. Surabala Dasi, Daspara Lane, Landholders	Land	33,694
(r)	24th September, 1957.	Do. do.	Land	At 485 per Cottah.

Note:—With the exception of item No. 18(r), all the lands and buildings contracted to be sold as above have since the above mentioned dates of contracts been conveyed to the Company.

19. Agreement dated 25th July, 1958 between the Company and Mangatram Nandram, Bombay, to purchase at a cost of Rs. 9/- per square yard, a plot of Land situate at Kanjur, on the Bombay-Agra Road at Bhandup and measuring about 19,639 square yards.

20. Underwriting Agreements—

(a) Dated 22nd August, 1958 between the Company and the Life Insurance Corporation of India under which the latter agreed to underwrite the present issue of Debenture Stock to the extent of Rupees Forty Lakhs thereof.

(b) Dated 22nd August, 1958 between the Company and Messrs. Place, Siddons & Gough under which the latter agreed to underwrite the present issue of Debenture Stock to the extent of Rupees Seventy Lakhs thereof.

(c) Dated 22nd August, 1958 between the Company and Messrs. Lewis & Jones under which the latter agreed to underwrite the present issue of Debenture Stock to the extent of Rupees Twenty Lakhs thereof.

(d) Dated 22nd August, 1958 between the Company and Messrs. Batlivala & Karani under which the latter agreed to underwrite the present issue of Debenture Stock to the extent of Rupees Twenty Lakhs thereof.

Redeemable Preference Shares

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

Previous Issues

In November, 1956 there were offered for public subscription 5,89,400 Ordinary Shares at a premium of Rs. 10/- per share payable in full on application. This issue was fully subscribed and the shares were allotted on 21st November, 1956 against payment in full totalling Rs. 1,17,84,000/-. Save as aforesaid, no Shares or Debentures have been issued or agreed to be issued within the two years preceding the date hereof either for cash or as fully or partly paid-up otherwise than in cash.

Commission

Save for brokerage amounting to Rs. 1,41,165/- on the issue referred to in the previous paragraph and save for underwriting commission and brokerage payable in respect of the present issue of Debenture Stock, no sums have been paid within the two years preceding the date hereof or are payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares in or Debentures of the Company or as discount in respect of Shares issued.

Expenses of the Issue

The expenses of this issue including underwriting commission, brokerage, legal charges, stamp duty and registration fees are estimated to amount to Rs. 7,00,000/- and are payable by the Company.

Payment to Promoter

No amount or benefit has been paid or given within the two years preceding the date hereof or is intended to be paid or given to any promoter or to any officer of the Company apart from normal remuneration and reimbursement paid to such officers.

Capitalisation of Profits

On 29th August, 1947 the Company issued 11,75,500 fully paid Bonus Shares of Rs. 10/- each by capitalising the sum of Rs. 1,17,55,000/- standing to the credit of Capital Reserve Account.

Directors

The Articles of Association of the Company provide that:—

The number of Directors shall not be less than three nor (unless otherwise determined by the Company in General Meeting) more than nine. The Consultant (see reference below) has the right to appoint up to one-third of the total number of Directors and to nominate the Chairman. A Director does not require any share qualification. Each of the Directors of the Company shall (unless otherwise determined by the Company in General Meeting) be paid out of the funds of the Company as remuneration for his services as a Director the sum of Rs. 200/- in respect of each Meeting of the Directors which he attends. If any Director being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a Committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his share in the remuneration from time to time provided for the Directors. The Articles provide that the business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are by law or by the Articles required to be exercised by the Company in General Meeting. The powers of the Directors are, however, subject to any regulations which may be made by the Company in General Meeting not being inconsistent with the Articles or the provisions of any law.

Interest of Directors

Mr. R. Catlow is interested to the extent that he is a Director of Messrs. Guest, Keen & Nettlefolds, Ltd., England, the Principal Shareholders and Technical Consultant and as a Director of Exors. of James Mills Limited, England, a subsidiary of Guest, Keen & Nettlefolds, Limited.

Mr. H. M. L. Williams is the Managing Director of the Company and receives remuneration for his services as such.

Mr. J. F. Heatly and Mr. W. Morrice are salaried employees of the Company and in addition participate in commission based on the net profits of the Company.

Other than Mr. R. Catlow, all Directors are interested as shareholders.

Mr. R. Catlow, Mr. H. M. L. Williams and Mr. J. F. Heatly are shareholders (each holding less than one-tenth of 1 per cent. of the issued capital) of Guest, Keen & Nettlefolds, Ltd., the Principal Shareholders of this Company. Mr. H. M. L. Williams and Mr. J. F. Heatly are also Directors of Nettlefolds of India Private Ltd., the wholly owned Subsidiary referred to above. Save as above no Director has any financial or other interest in any of the property acquired by the Company within the two years preceding the date hereof or proposed to be acquired by it.

Indemnity

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

Management

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

Consultant

Guest, Keen & Nettlefolds Ltd., a Company incorporated in England, was appointed the Technical Consultant of the Company by virtue of an agreement dated the 17th September, 1948, effective from the 1st January, 1948, and terminating on the 31st December, 1967. In accordance with the terms of the said Agreement, *inter alia*, the Consultant undertook to furnish the Company with technical assistance in regard to manufacture and details of plant processes and methods for the production of engineering products (other than wood screws and their kindred products which are the subject of separate user Agreements with the Company and with the Company's wholly owned subsidiary). Furthermore, the Consultant undertook to lend to the Company technical instructors and advisors and to advise the Company of any patent invention development process or manufacturing improvement and the results of any research carried out by the Consultant relevant to the manufactures of the Company from time to time. In addition the Consultant agreed to afford overseas technical training for the Company's employees. The overseas training has extended from training Indian Officers at the highest level at an Administrative Staff College in England to courses for Works Junior Supervisory Staff on specialised machines at the various works of Guest, Keen & Nettlefolds, Ltd., in the United Kingdom. All these facilities will still be fully available to the Company and the Company relies on them for its continued technical development. For the services to be rendered pursuant to the said Agreement which have undoubtedly been of great benefit in the past and which the Directors consider essential for the future prosperity and expeditious development of the Company, the Consultant receives a remuneration of twelve and a half per cent. of the profits of the Company with an assured minimum of £30,000 per annum and a fixed royalty of £2,000 per annum. The Consultant in accordance with its rights under the Agreement is entitled to appoint and has appointed two Directors. By an Agreement dated the 30th May, 1950 between the same parties as are parties to the said Agreement dated the 17th September, 1948, the Company has agreed to accept performance of the obligations contained in the last mentioned agreement by G. K. N. Group Services Ltd., a wholly owned subsidiary of Guest, Keen & Nettlefolds, Ltd.

Borrowing Powers

The Articles provide that the Directors may from time to time raise or borrow any sum or sums of money for the purposes of the Company and may secure the repayment of any sum or sums of money so borrowed in such manner and upon such terms and conditions in all respects as they think fit. The Directors' borrowing powers are now limited by Section 293(1)(d) of the Companies Act, 1956.

Voting Rights

The Articles provide that, subject to any special rights or restrictions affecting any particular class of shares, on a show of hands every member present in person or by proxy shall have one vote, and on a poll every member present in person or by proxy shall have one vote for every Ordinary Share held by him. There are no special rights or restrictions attaching to the present Ordinary Share Capital of the Company.

Restriction on the Right to Transfer Shares and Vote

The Articles provide that the Directors may decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. No member shall be entitled to be present or to vote on any question either personally or by proxy or as proxy for another member at any General Meeting or upon a poll or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.

Auditors' Consent

Messrs. Price Waterhouse Peat & Co. have given and have not before delivery of this Prospectus for registration withdrawn their written consent to the issue of this Prospectus with the inclusion therein of their Report, set out above, in the form and context in which it is included.

Main Objects

The Main Objects of the Company, as set out in sub-clauses (a), (b) and (c) of Clause 3 of its Memorandum of Association, are as follows:—

(a) To acquire and take over as a going concern the undertaking and certain assets of Henry Williams (India) Limited, and with a view thereto to enter into and carry into effect, with or without modifications or alterations as may be agreed upon, whether before or after the execution thereof, an agreement already prepared and expressed to be made between Henry Williams (India) Limited, and the Liquidators thereof of the one part, and the Company of the other part, a draft whereof has been subscribed with a view to identification by A. H. Bishop, a Director of the Company.

(b) To carry on the business of iron-founders, mechanical and railway engineers, and manufacturers of railway appliances, agricultural implements and other machinery, toolmakers, brass-founders, metal-workers, boiler-makers, mill-wrights, colliery owners, ship owners and ship-builders, machinists, iron and steel converters, smiths, wood-workers, builders, painters, metallurgists, electrical engineers, water supply engineers, gas-makers, farmers, printers, carriers and merchants, and to buy, sell, manufacture, repair, convert, alter, let on hire, and deal in machinery, implements, rolling-stock, and hardware of all kinds, and to carry on any other business (manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above, or otherwise calculated, directly or indirectly, to enhance the value of any of the Company's property and rights for the time being.

(c) To carry on any business relating to the winning and working of coal and other minerals, the production and working of metals, and the production, manufacture, and preparation of any other material which may be usefully or conveniently combined with the engineering or manufacturing business of the Company, or any contracts undertaken by the Company, and either for the purpose only of such contracts or as an independent business.

Inspection of Documents

Copies of the Memorandum and Articles of Association of the Company, the draft (subject to modification) of the Trust Deed to be entered into for the purpose of constituting the Stock, the Consent Order of the Controller of Capital Issues, the Licences issued by the Central Government referred to above, the Contracts or memoranda thereof referred to above as being material contracts and/or copies thereof, the above-mentioned Auditors' Report and copies of the Balance Sheets and Profit and Loss Accounts upon which the Report is based can be inspected at any time during the usual business hours at the Registered Office of the Company for a period of fourteen days from the date of publication of this Prospectus or until the Subscription List closes whichever is earlier.

Application and Allotment

Applications for the Stock which must be for a minimum of Rs. 1,000/- or multiples thereof must be made on the accompanying official form and will be refused if not so made. The application form together with a remittance for the full amount payable on application must be sent to a branch of the National Overseas & Grindlays Bank Ltd., in India, the remittance being made by cheque or draft which, if it is desired to avoid payment of bank charges must be drawn either upon a branch of the National Overseas & Grindlays Bank Ltd., in India, to which the application form and cheque or draft are being sent, or upon a bank situated in a town in which there is a branch of the National Overseas & Grindlays Bank Ltd. If drawn upon a bank elsewhere the appropriate bank charges must be included in the remittance, otherwise the application will be refused.

Cheques or Drafts should be made payable to the "National Overseas & Grindlays Bank Ltd., Account Guest, Keen, Williams, Ltd. Debenture Issue," and should, for the applicants' protection, be crossed "A/c. Payee only." A separate cheque or draft must accompany each application form.

Allotment will be notified by the despatch of an Allotment Letter, but the Directors reserve the full uncontrolled right of accepting or rejecting any application in whole or in part. Where an application is rejected or not accepted in full the whole or any balance of the application money received will be refunded to the applicant, through the post at his risk, in which event Bank's commission, if any, will be payable by the applicant.

Stock Certificates are expected to be available for issue in exchange for Letters of Allotment on and after 15th October, 1958.

Brokerage

Brokerage at the rate of one half of one per cent. will be paid by the Company on allotments made in respect of applications bearing the stamp of a certified member of a recognised Stock Exchange.

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

DIRECTORS:

R. CATLOW (By his authorised Agent) H. M. L. WILLIAMS.
J. F. HEATLY (By his authorised Agent) R. B. RITCHIE.
K. C. MAITRA
K. C. MAHINDRA
W. MORRICE
A. RAMASWAMI MUDALIAR
H. M. L. WILLIAMS.

Dated at Calcutta, 26th August, 1958.

POLAR VOYAGE BY "NAUTILUS"

INTERESTING COMMERCIAL POSSIBILITIES IN SIGHT

THE successful voyage of the U.S. atomic submarine, the *Nautilus*, under the Arctic ice-cap (followed later by another submarine, the *Skate*), which hit the headlines of the world Press this month, has opened up new vistas of progress in transport. Decribed as an achievement worthy of ranking along with the voyage of the first steamships in the sphere of sea transport, the voyage of the *Nautilus* continues to engage the attention of experts who are now examining the commercial possibilities of undersea transport of goods and men. A new dimension to transport has thus been added. To the list of land, sea and air, which man has mastered, the depths of unfathomed oceans may now be added. By any reckoning, this will go down in history as an important milestone in the history of transport.

What makes the voyage of the *Nautilus* so significant an achievement? It cannot lie in the fact that a nuclear-powered ship has completed a voyage, for atomic ships have been built. Nor is a voyage under the sea a new development, considering that conventional submarines have done it before. The distinguishing features of the voyage of the *Nautilus* are that it represents the first instance in which a ship has been under water for nearly 100 hours—a conventional submarine has frequently to come to the surface for charging its batteries—and it is also the first instance in which the Arctic Ocean, a mass of ice, has been crossed from below. The *Nautilus* did not conquer ice. But it stooped to conquer it. The Arctic Ocean, it may be mentioned here, covers 5.4 million sq. miles at the top of the earth, its waters washing the shores of Russia, Alaska, Canada, Greenland and Scandinavia. Its centre is covered by the polar ice pack, two million sq. miles in area. The ice is up to 50 feet thick. The depth of water beneath the ice at the Pole is 13,410 feet.

Voyage

The *Nautilus* left Honolulu on 23rd July and entered the Arctic through the Bering Strait. Its crew of 116, it is stated, last saw the sky off Point Barrow, Alaska. It plunged under the ice pack at 8.37 a.m. on 1st August. At 11-15 p.m. on 3rd August, the *Nautilus* passed under the North Pole. At 9-54 a.m. on 5th August, the *Nautilus* came to the other side of the ice pack. It had travelled 1,830 miles in 96 hours. It arrived in England on 12th August. The U.S. Navy did not give its exact speed or depth. But it is known to be capable of more than 20 knots and to be able to dive more than 400 feet. Just two days after the *Nautilus* had completed its voyage, the *Skate*, with its crew of 106 men, navigated the same ice-clogged waters in the opposite direction. The *Skate's* duplication of the *Nautilus's* feat serves only to confirm the possibility of undersea voyage in the Arctic region.

To a navigator, with the call of the sea in his blood, a voyage under the sea must be an interesting experience. He does not face the perils which the twin elements, air and water, may often have in store for him when he sails on the sea's surface. Deep down, the waters of the ocean are believed to be calm. So far as the voyage of the *Nautilus* is concerned, it had to be undertaken without that well-known instrument, the mariner's compass—for no magnet is of any use at the North Pole—and also without star, radio or radar. The *Nautilus's* trip, it is stated, was made possible by two major advances in submarine technology. In the first place, marine engineers have developed machines which produce air for the crew so that a submarine of the *Nautilus* type can remain submerged in the ocean for a much longer period than a conventional submarine. Secondly, a complex system of reckoning directions, known as the Inertial Navigation System, makes it possible to determine the position of the ship without the aid of stars or compasses or other conventional equipment.

The main value of the *Nautilus's* trip is strategic. The trip showed that a missile-armed submarine could use the ice pack as a sanctuary in which detection and attack would be almost impossible. The Russians do not possess a nuclear submarine now, though they are known to have the capacity to build one. The U.S. programme envisages the construction of nine nuclear submarines to be armed with the 1,500-mile missile, Polaris, now in process of development. The U.K. is currently building a land-based atomic-powered submarine prototype, while France has also stated that it has undertaken the development and construction of an atomic submarine. The U.K. is buying from the U.S. an atomic submarine engine of the *Nautilus* type. The construction costs alone of the *Nautilus* amounted to $57 million or about £20 million, quite apart from expenditure on development. The costs of developing a U.K. atomic submarine are also estimated at £20 million.

Commercial Success

The more important question is the commercial possibilities of the naval feat performed by the *Nautilus*. In this connection. it is noteworthy that President Eisenhower emphasised the "possible use of this route by nuclear-powered cargo submarines as a new commercial seaway between the major oceans of the world." Honolulu to London by surface ship through the Panama Canal is 9,500 miles; by the Polar route it is 6,700 miles. Again, the distance between Tokyo and London is 11,200 miles by Panama and only 6,300 miles by the Pole. As against this saving in distance must be put down the higher costs of constructing and operating a nuclear ship. Discussing the possibility of commercial application of the *Nautilus* feat, the Shipping Correspondent of the London *Times* points out that a large oil tanker would be the most feasible project to start with, because the "cargo is easily loaded and discharged and because it nearly fills the vessel with a fluid of something like the same weight as water, it nearly meets the requirements of buoyancy and pressure." Although a tanker with oil could satisfy the conditions of buoyancy, necessary for a submerged vessel, it would have cargo only one way. On its return voyage, it would have an empty space which must be pressurised to balance the pressure of the sea or made to withstand that pressure. Proceeding, the correspondent observes:

> "The other great technical problem lies in giving power to the ship, or, rather, in transmitting the power. It has already been demonstrated by tank tests and calculations in Britain that the undersea vessel compares favourably with the surface vessel only above a certain speed. At the present normal service speed of around 16 knots, a 70,000-ton surface ship would actually require less power than a submarine at the same speed. Double this speed, however, and the submarine wins hands down. But, even for the submarine, very great power is immediately called for—300,000 horse-power, perhaps, at 40 knots. The liner s.s. *United States*, which is probably the most powerful merchant ship afloat, is thought to have a horse-power of about 250,000 acting through four propellers. This is over 60,000 horse-power on each propeller, which is considered to be about the maximum possible. The big submarine would, therefore, bring up formidable problems of power transmission, quite apart from the space engines of this size and their auxiliaries would occupy. She would need special terminals, probably built some distance offshore to give the required depth of water. She would, of course, need a crew—and shipowners have their doubts about the ease of recruiting. As if the technician had not already said enough to sink the ship before she is built, his commercial counterpart now steps in to point out that the cost of it would be quite prohibitive. He wants a 65,000-ton tanker. He can have a conventionally powered surface ship for £4,500,000; a nuclear-powered surface ship for £8 million; a nuclear-powered submarine for—at a guess—£11 million. Oil companies, he might remark, are not entirely philanthropic. Moreover, he would be buying a pig in a poke, because no one seems to know just how much nuclear fuel will cost, nor what the operational costs as a whole will be."

Although the possibilities of utilising an atomic submarine for commercial purposes now appear uncertain and remote, it must be recognised that the two advantages of distance and speed—the Polar route is only half the customary route connecting certain important centres and an atomic submarine can travel twice as fast as a conventional ship—may induce men to solve the cost and other problems involved in making a commercial success of an atomic submarine. Further, it must be remembered that nuclear power itself was regarded as an impracticable commercial proposition a few years ago. And yet, it has now come to stay. It is not, therefore, inconceivable that technical progress may soon show ways of tiding over the difficulties which stand in the way of commercial exploitation of the pioneering voyage of the *Nautilus*.

HEAVY ELECTRICAL PROJECT

PHASED PROGRAMME FINALISED

DEFERRED payments arrangements to cover the foreign exchange expenditure of the Heavy Electrical project, Bhopal, have been arranged as a result of the agreement, concluded last week, between the Government of India, the Government-sponsored Heavy Electricals (Private) Ltd. and its technical collaborators, the Associated Electrical Industries (A.E.I.). The first phase of the project will involve a foreign exchange expenditure of Rs. 5 crores (as against Rs. 9 crores envisaged formerly) for purposes of purchase of machine tools and other equipment. While the purchases will be made by the A.E.I., who will act as purchasing agents for the project in the U.K. and, to a limited extent, in European countries, which are members of the European Payments Union, credit arrangements with a syndicate of British banks have also been arranged. As a result of the arrangement, the net foreign exchange expenditure will be only Rs. 1.22 crore before 1960; the balance will be paid thereafter in instalments.

The total cost of the first phase of the project which is programmed to be completed by 1960 is Rs. 21 crores. The execution of the first phase will enable the Heavy Electricals factory to undertake the production of transformers, switch-gears, control-gears and capacitors. Under the revised programme of this phase, the production of these items will commence earlier than originally anticipated. Thus, whereas under the original programme, the production of switch-gear and control-gear was to begin in 1961, it will now commence by 1960. Similarly, the production of capacitors will commence in 1960, as against 1963 under the original programme. Full production of transformers, control-gear and capacitors will be reached in 1964 and that of switch-gear in 1965. Work on the second and third phases of the project it is stated, will be taken in hand as soon as circumstances permit. Under the second phase, the manufacture of traction motors, industrial motors and heavy rotating plant will be undertaken. The production of turbines and rectifiers will be taken up under the third phase.

For executing the first phase of the project, the authorities have placed a contract with a Calcutta firm for the construction of three factory blocks at a cost of Rs. 1.25 crore. The first orders for machinery and equipment will also be placed shortly. Considerable work has been carried out at the factory site at Bhopal. The construction of the training school and workshop is expected to be completed in the next few months. The programme of training will begin in January 1959 when the first batch of 900 trainees will be admitted to the school. Already 50 trainees who will occupy higher directional posts in the factory, are undergoing training in A.E.I.'s factories in the U.K. Work has already begun on the railway siding for the project. Machinery worth Rs. 98 lakhs for the training school and workshop is expected to be delivered this year.

UNDER-WATER CARGO SHIP

Mr. Clarence Morse, the U.S. Maritime Administrator, reported that the U.S. is studying preliminary details of a high speed propellerless nuclear-powered under-water cargo ship. Mr. Morse said that Aerojet General Corporation has been conducting analytical and hydrodynamic studies for the project at its California laboratory. The research, the administrator explained, was directed toward the improvement of sea vehicles to employ more suitably the potentialities of nuclear energy. The hull of such a ship, it was explained, would "fly" when under water. It would travel just under the surface of the sea with only a thin strut or fin visible. On the surface, supported by the fin, would be a gondola containing living quarters, navigating bridge and running lights. Pumps that would be used to provide water-jet propulsion would be driven by nuclear power. The wave-riding gondola would permit conventional navigation and an air breathing power plant. Engineers and scientists would test hull models to determine the best shape of the submerged hull and strut. Later they would, Mr. Morse said, investigate the proper shape of the gondola, and the design of the power plant, cargo spaces and cargo handling equipment.

A chain of 16 robot observers which flash reports on the weather from mountain tops and isolated shore points in various parts of America has been installed by the U.S. Weather Bureau. Others are to be installed in large weather stations, such as the one at the National Airport here. The automatic observers, consisting of standard weather instruments and teletypewriter equipment, relay to receiving points information on wind direction and speed, visibility, temperature, precipitation, air moisture content, pressure readings that airplane pilots use to set altimeters, etc.

NEW PRODUCTS AND PROCESSES

New Plastic Material

MORE than 2,000 articles are now said to be produced out of different kinds of plastics in the Soviet Union. Among the wide variety of plastics polyamides occupy a prominent place. In everyday life, they are known chiefly in the form of kapron, nylon and other kinds of synthetic fibre used in the manufacture of hosiery, cloth, knitted fabrics and artificial fur. However, polyamides are not only fibre, but also plastics out of which gears, bolts, nuts and other parts of machines are made. Different kinds of glue have been prepared from polyamide resins for use in leather, wood, steel and aluminium industries. The strength of a glued seam is so dependable that it can replace welding in metallurgy. Plastics obtained from artificial resins with an interlayer of glass fibre possess great durability. There is unquestionably a big future for glass-plastics from polyether resins which are able to change from liquid into solid at room temperature and then will not return to that state. These plastics rank with steel in durability, and they can easily be moulded into diverse articles, hardly requiring any mechanical processing. In this way building walls, drilling installation pipes, ship hulls or aircraft bodies can be made. Very soon collieries will have trolleys and props made of plastics and coal transporters with parts made of plastics. They are absolutely rust-proof, do not absorb moisture and desist the destructive action of acids, alkalis and many other chemical substances. Besides, these items of plastics are considerably cheaper than those made from metal. Experiments on using radioactive isotopes to improve the quality of many kinds of plastics are at present being conducted in the Soviet Union.

New Process for Producing Vitamin 'C'

The National Chemical Laboratory, Poona, has worked out a new process to produce vitamin 'C' (ascorbic acid) in India. Pilot plant work was carried on a 10-pound scale and the results obtained in laboratory experiments were found to be reproducible on a larger scale; and the final product was found to conform to the specifications of the India, British and the U.S. pharmacopœia. Besides experiments for the production of vitamin 'C', a number of schemes for the manufacture of vitamins are at various stages of progress in India. Two of the schemes are for the manufacture of synthetic vitamin 'A' from lemongrass oil, which is largely available in the country.

New Plastic Material for Packaging

A foamed-in-place polyurethane plastic cushioning material which will not adhere to the surfaces of packaging containers, moulds, or packaged items has been developed by the U.S. Air Force and is described in a research report just released for use of industry. Although polyurethane cushioning materials, with excellent energy-absorbing properties, have been put to effective use in packaging, and the development of machines to foam-in-place the materials have allowed cost reductions and increased flexibility of operations, an important problem has been adhesion to surfaces of many materials and the difficulty of later removal. In the Air Force research, according to the report, a satisfactory chemical process was developed for the production of a non-adhering foamed-in-place polyurethane foam. Additionally, in a study of organic acids as release agents, fatty acids such as stearic acid were found to impart excellent release properties to foam after foaming on bare metal and glass surfaces. The release agents also improved stress-strain properties and, when used in varying amounts, permitted variations in density of foam and, as a consequence, in cushioning properties.

New Rubber Paints

A new series of chlorinated rubber paints has been developed in the U.K. They are said to be as easy to apply as oil paints, while at the same time retaining excellent resistance to chemicals and water. This is important because chlorinated rubber paints have sometimes been criticised in the past as being difficult to apply through their tendency to pick up previous coats and follow-on coats. Research into the drying time of chlorinated rubber paints has also, it is claimed, led to the production of a paint of this type which has a drying time fast enough to give the most economical application, but slow enough to provide a wet edge for joining up where work has been temporarily left off for, say, a lunch interval. Special chlorinated rubber paints for application to wet surfaces and with fungus-resisting properties have also been developed.

Protective Paint

Zinc-silicate is the basic constituent of a new protective paint that has been developed by U.K. scientists. It contains no conventional organic ingredients such as resins or pigments. It is claimed that this paint protects metals for periods running into a number of years against atmospheric corrosion and corrosion caused by sea water, fresh water, electrolytic and galvanic action and attack by carbon chemicals. The paint is said to be able to resist temperatures up to 1,060 degrees Fahrenheit. It is said to be easy to apply by brush, or by spraying, and only two coats are said to be required. The paint is also being made available in a form which can be used as a stove primer and a form which can be used as an anti-fouling coating for marine applications.

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Managing Agents: JAIPURIA BROS. LTD.

MAIN FEATURES OF BALANCE SHEET AS ON 31-12-1957

CAPITAL AND LIABILITIES

	Rs.
SHARE CAPITAL	2,10,00,000
RESERVES AND SURPLUS	2,37,93,041
LOANS FROM BANKS	2,34,76,279
UNSECURED LOANS	95,67,544
CURRENT LIABILITIES AND PROVISIONS	2,93,25,385
TOTAL	10,71,62,249

ASSETS

	Rs.
FIXED ASSETS	3,31,54,846
CONSTRUCTION PERIOD EXPENSES AT NAINI MILLS	60,99,688
INVESTMENTS	1,96,46,949
INTEREST ACCRUED	24,151
CURRENT ASSETS	4,01,83,541
LOANS AND ADVANCES	58,62,349
CASH AND BANK BALANCES	21,86,225
MISCELLANEOUS EXPENDITURES AND LOSSES	4,500
TOTAL	10,71,62,249

PROFIT AND LOSS ACCOUNT

To	Rs.	By	Rs.
Opening Stock	2,08,72,273	Sales	8,56,95,965
Purchases	4,35,73,155	Closing Stock	3,02,92,086
Stores and Spare Parts	1,03,53,858	Profit in Hedge Contracts	6,73,987
Power and Fuel	33,05,259	Interest	3,13,761
Freight and Transport	5,40,973	Income from Investments	8,42,569
Cess and Excise Duties	1,21,21,738	Rent	7,889
Salaries, Wages and Allowances	1,52,16,226	Share Transfer Fees	2,320
Employers' Contribution to Provident Fund	8,16,743	Miscellaneous Incomes	1,15,771
Workmen and Staff Welfare Expenses	2,11,564	Sundry Credit Balances Adjusted	8,306
Selling Agent's Commission, Brokerage and Discount on Sales	12,43,270	Profit on Sale of Fixed Assets	12,158
Rent	35,203		
Rates and Taxes	1,04,680		
Insurance	3,72,363		
Remuneration to Managing Agents	4,44,387		
Remuneration to Directors	44,888		
Miscellaneous Expenses	8,71,151		
Charity and Donation	2,12,802		
Loss in Hedge and other Contracts	3,38,606		
Interest	19,95,675		
Repairs	1,97,850		
Provision for Specific Liabilities	77,500		
Irrecoverable Balances W/o.	1,174		
Loss on Investments	19,844		
Loss on Sale of Fixed Assets	6,193		
Provision for Depreciation	15,87,231		
Balance (Cr.) carried down	34,00,186		
TOTAL	11,79,64,792	TOTAL	11,79,64,792

APPROPRIATION ACCOUNT

To	Rs.	By	Rs.
Expenses relating to Previous Years	37,577	Balance (Cr.) brought down	34,00,186
Provision for Taxation	17,50,000	Incomes relating to the previous year	1,32,746
Wealth Tax	1,63,597	Balance (Cr.) as per last Account	8,35,712
Dividends Proposed (Free of Tax)—			
(i) On 35,000 Cumulative Preference Shares of Rs. 100 each at 6%	Rs. 2,10,000		
(ii) On 15,75,000 Preferred Ordinary Shares of Rs. 10 each at 4%	6,30,000		
(iii) On 1,75,000 Ordinary Shares of Rs. 10 each at 75 nP per share	1,31,250		
(iv) On 15,75,000 Preferred Ordinary Shares of Rs. 10 each at 75 nP per share	11,81,250		
	21,52,500		
Balance (Cr.) Carried to Balance Sheet	2,64,970		
TOTAL	43,68,644	TOTAL	43,68,644

NOTE :—Three Directors of the Company have, by virtue of its nomination as Directors of subsidiaries, received for their own use, Directors' fees from the said subsidiaries amounting to Rs. 1,496.

INCENTIVES AND LABOUR PRODUCTIVITY

ROLE OF NON-MATERIAL FACTORS

IN the search for new methods of promoting higher production and greater productivity, a question which naturally suggests itself is how best material and non-material incentives could be judiciously combined to induce a worker to give of his best to the enterprise in which he works. Although few will deny the importance of non-material or psychological incentives in principle, it tends to be ignored in practice. Material incentives thus assume an undue importance. The worker's desire for money comes to be accepted as the sole relationship between himself and his job. Researches into the work attitudes of industrial workers and the response of labour to incentive schemes indicate that, whatever the value of material incentives, they by themselves cannot inspire the worker to give his best. Underlining this point, Mr. Madanmohan Mangaldas, President of the Ahmedabad Millowners' Association, in the course of a talk over the A.I.R., Ahmedabad/Baroda, pointed out that there was, in this country, only an inadequate appreciation of the basic factors that motivate a worker. Analysing whether wage incentives and "new-fangled" welfare schemes alone will make for a contended labour force, Mr. Mangaldas said that what was required in India at present was a fuller grasp among industrial managers, trade union leaders, etc., of the significance of work in a worker's life and a thorough reorientation of their attitudes.

Mr. Mangaldas emphasised the importance of personal and social satisfaction a worker derives from his work. A worker works because it satisfies a number of his desires, economic, social and personal. It satisfies his desire to earn a living, and provides him a social function and status. Work affords him an opportunity for the manifestation of his creative urges and imparts to him a sense of belonging, of being part and parcel of the society he is living in. Most of the industrial managers, trade union leaders and even the workers themselves, according to Mr. Mangaldas, have not grasped the full significance of work. And hence the undue emphasis on material incentives. In Western countries, economic incentives are losing their significance as a factor in productivity. There is a tendency to attribute this to the fact that, in these countries, the incomes of workers are adequate to maintain a reasonable standard of living. But this fact alone cannot explain it. If so, the same tendency should be found at least in a lesser degree among industrial workers in India also. For the income of an industrial worker in India is very much higher than that of an agricultural worker. The average wage received by a textile worker, for instance, is amongst the highest paid to any worker in India. Mr. Mangaldas is, therefore, inclined to think that economic incentives to labour would not necessarily lead to higher productivity.

Payment by Results

The adoption of the system of payment by results, according to him, will, in many cases, prove an effective incentive for higher productivity. An analysis of the experience of firms by their modes of payment has shown that, over the last 20 years, the workers' productivity was higher by about 15 per cent. in those units that paid by piece-rates over those that paid hourly or daily wages. Payment by results is an effective incentive because, apart from the facility it affords the worker to earn an extra amount, it satisfies his sense of justice in that greater efforts are reflected in more earnings. The worker naturally feels deprived of justice in an industry or a firm where workloads are not equitably distributed. Allocation of scientifically determined, equitable, workloads is, therefore, absolutely essential for increasing the worker's productivity.

Other material benefits like provident fund, Employees' State Insurance, clubs, canteens and other welfare measures and profit-sharing schemes, according to Mr. Mangaldas, have no direct influence on productivity. The worker may be attracted to the firm with such schemes but he will neither stay there nor work harder for it unless he finds other satisfactions later. Physical environment and conditions of work such as light, heat, fresh air, hours of work—all these have an effect on the worker's physical health and comfort. Highly desirable though these amenities are, they have little or no direct relationship to good morale. In fact, operatives, Mr. Mangaldas points out, do not mind inconveniences arising from the very nature of the work. As labour incentives, the usefulness of improvements in physical environment of work, according to him, is, therefore, very doubtful.

As regards the non-material or psychological incentives, one of the most basic satisfactions to be obtained from work is the feeling of pride and achievement at having accomplished something. Work affords an opportunity to the human instinct of craftsmanship to express itself in creative ways. But in modern industry, the intensive break-up of operations leads to a situation wherein a worker hardly realises that he "creates" something. He only feels that he works. He thus misses the purpose of his efforts. In other words, work to him becomes fruitless, meaningless repetition of movements. It is possible, according to Mr. Mangaldas, with a little effort, to impart meaning and purpose to a worker's efforts. It is easy to enable him to feel the joy of accomplishment. What the worker needs is to see the plant from the top, from the point of view of a manager. What he lacks, and what needs to be imparted to him, according to Mr. Mangaldas, is the vision of the whole plant in and through his work.

Sound Leadership

It is possible, with a little imagination, and within the technical limits of efficiency, to enlarge the field of a worker's operations, to give his job the contents of a function. This will provide him an opportunity to satisfy his strong deep and universal desires. It is unfortunate, observes Mr. Mangaldas, that managements should be oblivious of the opportunity to increase a worker's satisfactions and his willingness to do his best. He adds: "That industrial experts should be racking their brains to devise some complicated wage-incentives instead of giving proper content to the work itself, that managers should be vying with one another to introduce new-fangled welfare schemes while neglecting to remedy the overlapping of functions or the grievance of their staff, is a sad commentary on their qualities of leadership. There is, therefore, need for a thorough reorientation of the minds of the leaders of the industrial community."

It is the various strata of industrial management—jobbers, supervisors, managers and trade union leaders—who need to provide proper leadership in industry. Leadership is a function of situation. The present industrial situation in the country calls for a leadership which would be receptive and would satisfy the deeper personal and social urges of its operatives. For marshalling and directing the human resources of industry, Mr. Mangaldas points out, its leaders must have the primary attributes of deep human sympathy, intelligence, a sense of justice and fair play. Only such leadership would be able to provide the worker the satisfaction he needs and draw from him his best.

(Concluded from next column)

cesses allied to agriculture, food, except beverages, and non-metallic mineral products, women's employment had been more or less stationary. The drop in women's employment was marked in the jute industry, their number decreasing from 37,000 in 1950 to 21,000 in 1956. The employment position in *bidi* and match industries was good. There had, however, been a significant fall in women's employment in cashewnut industry and in tea factories.

In the mining sector, women's employment had considerably increased in manganese and iron ore mining but declined in coal and mica mining. In plantations, there was a decrease in women's employment from 2.48 lakhs in 1950-51 to 1.66 lakh in 1956-57. But this decline was almost proportionate to the fall in the total number of adult workers, both male and female.

The study adds that the changes which are taking place in our social attitudes will help accelerate women's employment in all spheres of the economy and that, in future, the number of women workers is bound to increase, especially in the tertiary sector, with the rising tempo of industrialisation. It has, however, not explained—at least the official summary of the study does not contain any explanation—why, despite the changes that took place during the 50 years, there has been a decline in the number of working women.

EMPLOYMENT OF WOMEN

TREND OVER FIVE DECADES

WITH rapid industrialisation and swift change in cultural patterns, the position of women in society and economic life is altering profoundly. Although the proportion of women in the total labour force of the great majority of countries has increased little, yet, there has been a notable change in the characteristics of their participation in economic activity. Women the world over are increasingly moving into industries and services and out of agriculture. This change, which appears to accompany and reflect the process of industrialisation, has given birth to new opportunities for society as a whole and women in particular. But, at the same time, it has given rise to new social problems as well. Statistical information on the composition and character of the women labour force is, therefore, of interest not only to planners and economists but also to sociologists.

A study jointly undertaken by the Labour Bureau, Government of India, and the Labour and Employment Division of the Planning Commission, throws some interesting light on the trends in employment of women in India. It covered the 50-year period between 1901 and 1951. Although, in carrying out the study, some reliance had to be placed on census data, which have certain limitations, attempts have been made to overcome these limitations so as to secure a certain degree of comparability. The results obtained could, therefore, be considered a fairly reliable picture of the employment position of women.

The study revealed that the number of working females declined from 43 million in 1901 to 40.7 million in 1951, while the female population during the same period increased from 149.9 million to 173.4 million. In other words, there was a decrease of about 2.3 million in the number of working women, as against the increase of 23.5 million in the female population.

The occupational distribution of working women in any country reflect, fairly directly, the stage of industrialisation and, to some extent, the particular character of the economy. For instance, in the more industrialised countries, there is a higher proportion of women workers in the professional and technical category and in the managerial, administrative and clerical group. In the less developed countries, both these groups represent a very small percentage of the women at work. The occupational distribution of working women in India is typical of an underdeveloped country. The study reveals that, during 1901-51, participation of women, in absolute numbers, in the cultivation of owned and unowned lands substantially increased with the exception of 1931 during which year the data had been vitiated, thanks to the treatment of household women as domestic servants under the census data. In relative terms, women's participation in the cultivation of land and their employment as agricultural labour did not show any significant change though there were variations from one decade to another.

A general decrease had also taken place in absolute numbers, as well as relatively, in the number of women engaged in production other than cultivation, commerce and other services and miscellaneous occupations. Transport, however, recorded a rise in women's employment. During the 50 years, increase had taken place in women's employment in coal mining, tobacco, iron and steel and non-ferrous metal industries, transport equipment, bricks, tiles and other structural clay products, furniture and fixtures, paper and paper products, printing and allied industries, educational services and research, municipalities and local board, hotels, restaurants and tea houses and legal and business services. Their employment, however, recorded a decrease in certain sections, including miscellaneous food industries, retail trade in fuel, sanitary works and services and laundry and laundry services.

The latest available information regarding organised employment, that is, for the year 1956, has also been incorporated in the study. During the six-year period 1950-56, trends in the employment of women in different industrial groups were not uniform. While employment in tobacco industries and chemicals and chemical products had been on the increase, that in wood and furniture industries, paper and paper products, textiles, basic metal industries had gone down. In other industrial groups, namely, pro-

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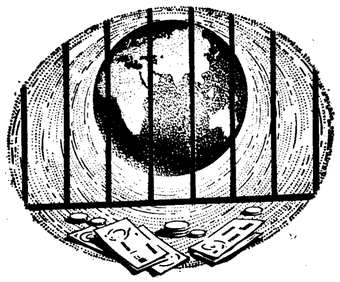

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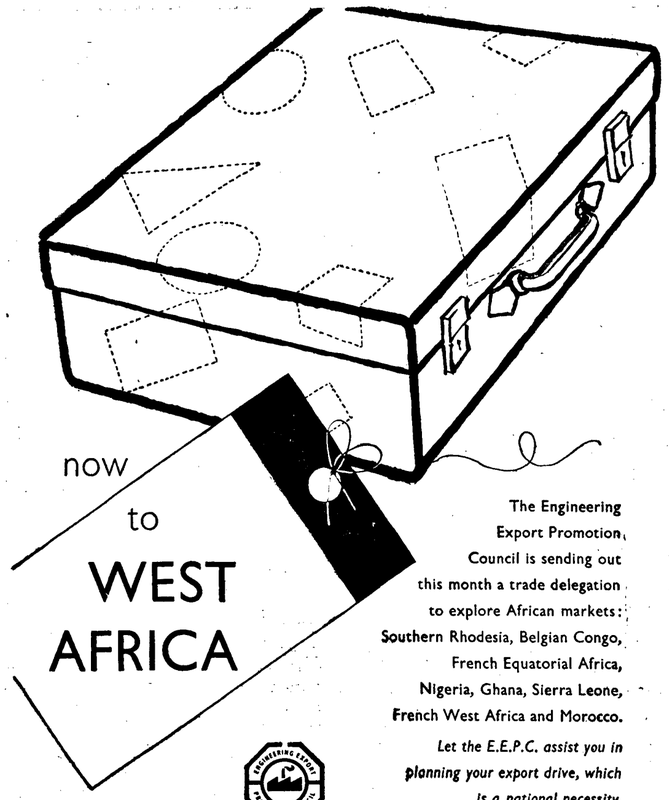

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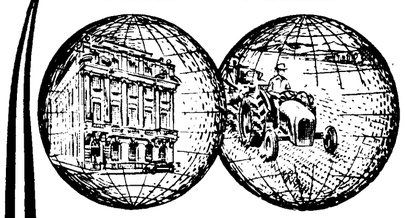

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WEST'S TRADE WITH COMMUNIST BLOC

RESTRICTIONS ON EXPORTS RELAXED

IN spite of the political wranglings between the East and the West, it appears that there is a growing inclination on the part of both sides to extend economic relations which are mutually advantageous. This is one of the possible explanations for the latest step taken by the U.K. and other Western powers, including Japan, to relax, with effect from the 15th of this month, the restrictions imposed on exports of several goods to the Communist bloc. This step follows the revision of the strategic embargo list by the 15 nations represented on N.A.T.O.'s Communist Trade Committee (except Iceland), at its meeting recently held at Paris. This list was the target of frequent criticism by the Soviet bloc. Many even in the West felt that it contained some anomalies. It has now been so revised as to reduce the number of goods wholly barred from export to the Soviet bloc and China from 181 to 118. This number includes some goods which have been newly added. Further, the quantitative controls imposed on 25 items have been freed from all restrictions.

Needless to say that this relaxation of controls will lead to an expansion of trade between the countries of the two blocs. The manufacturers of the U.K. and other W. European countries need at present, perhaps more than any other time, an expanding outlet for their products. The tide of recession which began in the U.S. has now reached the shores of Western Europe. Besides, the fall in real incomes of the primary-producing countries, as a sequel to their adverse export trade, have impaired their capacity to maintain their imports of manufactured goods from the West. The impact of this trend on the economy of the U.K. in particular, is quite sizable, considering the fact that the primary-producing countries of the sterling area account for almost half of its exports. It should also be noted in this context that the volume of total exports from the U.K. increased by six per cent. between 1955 and 1956, whereas the increase was only two per cent. between 1956 and 1957. Its exports during the first half of the current year were 5 per cent. lower than a year ago. These trends are significant in that they show that the U.K. must be quite anxious to step up its exports even with the Communist countries. Clearly, the revision of the embargo list is, as Mr. C. S. Garland, President of the National Union of Manufacturers, London, pertinently observed, a "welcome, if belated, piece of realism."

Capital Goods

More important among the goods which can be freely sold by Britain to the Communist countries are civil aircraft and aero engines, oil well drilling equipment, petroleum refinery and petrochemical plant, electric generators and motors, turbines, petroleum products, all vehicles, industrial diamonds, most vacuum pumps, carbon black furnaces, almost all industrial types of ball and roller bearings and all forms of aluminium and copper. Most types of ships have also been freed from the embargo. To be a little more precise, they are passenger and cargo ships with a speed of upto 20 knots, tankers upto 18 knots and fishing vessels upto 17 knots. Some restrictions remain on certain equipment and arrangements for demagnetisation. Besides warships, large ice-breakers and non-magnetic ships continue to be banned. It has also been laid down that the building of ships for the bloc will require licence from the Admiralty and the sale of second-hand ships the sanction of the Minister of Transport.

The foregoing position applies also to other West European countries who are members of N.A.T.O.

There is no doubt that some of these items will readily find a market in the Communist bloc. For instance, copper, which was hitherto restricted to a quota of copper wire, has now been freed for export; and it is an item for which there has been a growing Russian demand. It may be noted in passing that the U.K. export of copper wire and alloys in 1957 accounted for £12.9 million, representing a third of its total exports of this item. Similarly, it is anticipated that machine tools, scientific instruments, petrochemical equipments and civil aircrafts, will find favour with the Communist countries. Russia may not be having a dearth of scientific instruments considering the great advance it has made in the field of heavy industries, electronics, nuclear power application, and launching of satellites into space. Whatever deficiency it suffered from must have been made good by the absorption into its orbit of East Germany and Czechoslovakia. It has also had the benefit of a large number of German scientists decoyed by it during the war years. Nevertheless, it might like to buy scientific instruments from the West on a small scale in order to study Western techniques and compare its progress in this field with that of the West. The relaxation in the export of petrochemical plants may be of real help to Russia as it is greatly deficient in the sphere of plastics and chemicals, so vital in the manufacture of a very wide variety of modern consumer goods. On the contrary, it seems that car manufacturers and shipbuilders and many others in Western Europe will not have any immediate benefit. A sizable expansion in the U.K.'s trade with the Communist bloc in the near future, however, is unlikely. Its total exports to Russia in 1957 was about £37 million, only a little over one per cent. of its aggregate exports, and its exports to the Soviet bloc, as a whole, were only about 2 per cent. But the relaxation of controls, both numerically and quantitatively, will lead to a gradual improvement.

Important Event

The present relaxation was described by Sir David Eccles, President of the British Board of Trade, as an important event in the relations with the Communist bloc and in the foreign trade of the U.K. Sir David, however, felt that there was no need for a trade agreement with Russia since the British market was open for the goods the latter had to offer. He added that, as the West had to deal with State importing agencies in the Communist countries, the prospects of the U.K.'s trade could not be judged on a straight commercial basis. He wondered whether any Communist country would come forward to purchase "Viscounts," a civilian aircraft which, as a purely commercial proposition, had many advantages over others.

Significant and far-reaching as is the present revision of the embargo, not only from the point of view of trade, but also in terms of the value of personal contact within the Iron Curtain, it remains to be seen how far these Communist countries, with their elaborate bureaucratic machinery and a network of regional councils, will be in a position to avail themselves of the opportunities offered by the West for more trade between the two. At any rate, as was aptly remarked by the President of the British Board of Trade, "the stage is now cleared for testing out whether the protests of the various Communist Governments that trade between them and the West has been hamstrung by the list (embargo) are genuine or not." The Communist countries may still contend that an embargo exists, but the fact is that the list has been cut to the bone and that many goods of strategic importance have been removed from the list. So long as the present world situation continues, it will be unrealistic to expect the West to trade with Communist countries on the same basis as it does with the rest of the free world.

INDUSTRIAL PRODUCTION

The total value of output of registered factories in 28 major industries in India more than doubled in the 10 years 1946 to 1955. The value of production in 1955 was over Rs. 1,411 crores as against about Rs. 601 crores in 1946, according to a summary of census figures, entitled 10 *Years of Indian Manufactures*, published recently.

The productive capital investment in the industries has also shown a marked increase during the period. It rose from about Rs. 367 crores in 1946 to about Rs. 862 crores in 1955. This includes fixed capital like buildings, plant and machinery, etc., and working capital like stocks of raw materials, finished and semi-finished products, etc. The number of registered factories also increased by about 50 per cent. during the period, that is, from 5,013 in 1946 to 7,424 in 1955. The number of persons employed in the factories also rose from 1,514,000 to about 1,764,000. The salaries and wages earned by them during the period have gone up by more than 100 per cent. The bill was for Rs. 101.8 crores in 1946 and Rs. 231.14 crores in 1955.

The census reports for the 10 years, from 1946 to 1955, were compiled under the Industrial Statistics Act of 1942. For the purpose of the census, only registered factories, which used power and employed 20 or more workers per day, were taken into account. The census was confined to 28 major industries in the country.

The summary contains valuable statistical information about the factories in each of the 28 industries, their capital, employment and output. For each industry, details about the consumption of materials, fuel and power, manufacture of products and by-products, salaries and other benefits to the employees are also given separately. Although the census is statutory, in practice reports are not received from all factories. In 1955, reports were not received from 7 per cent. of the factories, while in 1946 20 per cent. of the factories did not submit returns. The Industrial Statistics Act of 1942 was repealed by the Collection of Statistics Act, 1953, which came into force on 10th November 1956. Under the new Act, the Centre will be responsible for the collection of data relating to the industries scheduled under the Industries (Development and Regulation) Act.

U.K. RAISES STATUS OF EXPORT CREDITS GUARANTEE DEPARTMENT

The status of Britain's Export Credits Guarantee Department is to be raised because of its vital importance to the export trade, according to a Board of Trade announcement in London. Business of the department, which insures British exporters against payment defaults by oversea customers and other risks, has increased tenfold since 1946. The top post in the Department will be upgraded under the new title of Secretary of the Export Credits Guarantee Department, and the Government has taken the view that it would be advantageous to fill this post, for the initial period, with a man having practical experience of the City of London. It has appointed Mr. L. J. Menzies, an adviser to the Governors of the Bank of England, to the post for a period of two to three years. Mr. Menzies takes up his new duties on 6th October 1958 and will be directly responsible to the President of the Board of Trade.

The upgrading of the status of the Export Credits Guarantee Department is a recognition of the considerable increase in the weight of business transacted by the Department. The Government has been considering for some time whether changes should be made in the organisation and status of the Department, and on this point has had the advice of an expert committee.

The main question under consideration was whether Government export credit insurance should be carried on through a statutory public corporation—as in some countries—or by a Government department. The Committee concluded that this work should continue to be performed by a Government department because of its use of public funds, its relation to the broader aspects of economic policy, and its dependence on information from Government sources.

The Government has accepted these recommendations. The upgrading of the status of the Department follows also from the Committee's advice that, because of the considerable increase in its business and its vital importance to the export trade—though its work has been administered wisely and with competence in the past—this was necessary.

STAINLESS STEEL *VERSUS* BRASS

Apropos our recent article on the shortage of stainless steel in the country and its effect on fabricators of this metal, Messrs. Binani & Co., Bombay, observe as follows:

"It has been argued that the life of stainless steel utensils is estimated at 40 years, while brass utensils last only five years. The life of stainless steel utensils is still an estimate; it may last only 15 to 20 years, whereas experience has shown that brass utensils do last 13 to 15 years. Even after being in use for such a long period, the brass utensil scrap commands a reasonable price, whereas scrap of manufactures of stainless steel sheets fetches no price at all. Thus, even from a long-range view, the stainless steel manufactures cost 2½ times the price of brass manufactures. Even assuming their life is twice that of brass utensils, it is still not economical, because, ultimately, the unserviceable stainless steel manufactures would be valueless in distinct contrast to brass.

"In the manufacture of stainless steel, accumulation of sheet cuttings, which become available for export, amounts to 20 to 25 per cent. and fetch 5 per cent. of the value of stainless steel semis. Countries like Japan, who import these scraps, can offer articles made from these cheap sheet cuttings and export them. In this context, the question of our export of stainless sheet manufactures and earning foreign exchange is difficult to be believed."

We wish to add here that what we said in our issue of 16th August 1958 on this subject was based entirely on the publication *The Story of Stainless Steel* distributed by stainless steel interests. It is for them to reply to the points made by the firm referred to above.

EXPORTS OF SHELLAC

With a view to stabilising the prices of lac, the exports of this commodity have been brought under a system of licensing. The exporters have been helped to organise themselves into a Lac Exporters Association, presided over by the Chairman of the Lac Export Promotion Council. Exports are permitted only on the basis of licences issued to those members of the Association who have succeeded in eliminating unfair trade practices and maintaining export prices at remunerative levels, consistent with the demand and price situation in foreign markets.

Meanwhile, the Export Promotion Council is taking steps to survey foreign markets for Indian lac, find new uses for it, lay down quality standards, and participate in international fairs and exhibitions for promoting exports. The State Trading Corporation is also helping to procure orders from China and the East European countries. Besides, the Government of India has set up a Lac Working Group to suggest protective and developmental measures to be taken up by the Lac Cess Committee and the Export Promotion Council. It may be noted that, in 1957, India exported about 299,800 cwts. of shellac valued at about Rs. 4.5 crores.

Notices

BENGAL POTTERIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY-SIXTH ORDINARY GENERAL MEETING of the BENGAL POTTERIES LIMITED will be held at the Registered Office of the Company, 45, Tangra Road, Calcutta, on Tuesday, the 16th September, 1958, at 4 p.m., to transact the following items of business:—

1. To receive and adopt the Directors' Report, the Audited Balance Sheet and the Profit and Loss Account for the year ended 31st December, 1957.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors for the current year and to fix their remuneration.
5. To consider, and if thought fit, pass the following Resolutions as Ordinary Resolutions:—
   (a) Resolved that the members of the Company approve of the appointment and continuation as a Director of Bengal Potteries Ltd., of Sir Shri Ram who has attained the age of over 74 years and declare that the age limit of 65 years as specified in Section 280 of the Companies Act of 1956 shall not apply to him.
   (b) Resolved that the members of the Company approve of the appointment and continuation as a Director of Bengal Potteries Ltd., of Shri Dhirendra Nath Sen who has attained the age of over 68 years and declare that the age limit of 65 years as specified in Section 280 of the Companies Act of 1956 shall not apply to him.
6. To consider, and if thought fit, pass the following Resolutions as Special Resolutions:—
   (a) Whereas Shri D. N. Sen, a Director of the Company, is also a Director of the Jay Engineering Works Ltd., a company under the management of Madan Mohan Lall Shri Ram & Co. Private Ltd., one of the partners in Bharat Ram Bhagat & Co., Managing Agents of the Company, and it can be deemed that the said Jay Engineering Works Ltd. is a company under the management of the Managing Agents of the Company.

      And whereas Shri D. N. Sen is one of the Directors retiring by rotation this year.

      Resolved that Shri D. N. Sen be and he is hereby re-elected a Director of the Company.
   (b) Whereas Shri Bishen Swarup Agarwal, a Director of the Company, is also an officer of the Jay Engineering Works Ltd., a company under the management of Madan Mohan Lall Shri Ram & Co. Private Ltd., one of the partners in Bharat Ram Bhagat & Co., Managing Agents of the Company, and it can be deemed that the said Jay Engineering Works Ltd., is a company under the management of the Managing Agents of the Company.

      And whereas Shri Bishen Swarup Agarwal is one of the Directors retiring by rotation this year.

      Resolved that Shri Bishen Swarup Agarwal be and he is hereby re-elected a Director of the Company.

Special Notice under Sections 281 and 261 has been received from Shareholders sponsoring the abovementioned Resolutions.

Explanatory Statement under Section 173(2) of the Companies Act, 1956

Re: Ordinary Resolution No. 5 (a) (*under S.*281)

Special Notice has been received by the Company on the 4th day of August, 1958 of this resolution from three of its members under the provision of Section 281 of the Companies Act, 1956.

Sir Shri Ram is a non-retiring Director of the Company, being a nominee of the Managing Agents, Messrs. Bharat Ram Bhagat & Co., and he is otherwise entitled to be so nominated under the terms of the Managing Agency Agreement between the Company of the one part and the said M/s. Bharat Ram Bhagat & Co., of the other part. Sir Shri Ram, if appointed, will get remuneration from the Company as provided in its Articles of Association and is interested to that extent. Sir Shri Ram has attained the age of over 74 years.

Re: Ordinary Resolution No. 5(b) (*under* S.281)

Special Notice has been received by the Company on the 4th day of August, 1958 of this resolution from three of its members under the provision of Section 281 of the Companies Act, 1956. Shri D. N. Sen, if appointed, will get remuneration from the Company as provided in its Articles of Association and is interested to that extent. Shri D. N. Sen has attained the age of over 68 years.

Re: Special Resolutions No. 6(*a*) *and* 6(*b*) (*under S.*261)

Special Notice has been received by the Company on the 4th day of August 1958 of these resolutions from three of its members under provision of Section 261 of the Companies Act.

The material facts have been stated in the resolutions itself. The said Directors, Shri D. N. Sen and Shri Bishen Swarup Agarwal, if appointed, will get remuneration from the Company as provided in its Articles of Association and are interested to that extent.

The Share Transfer Register of the Company will be closed from 1st September to 29th September 1958, both days inclusive.

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

By Order of the Board of Directors,
BHARAT RAM BHAGAT & COMPANY,
Managing Agents.

45, TANGRA ROAD,
CALCUTTA, *18th August*, 1958.

THE BORREA COAL COMPANY LIMITED

THE BOARD OF DIRECTORS HAVE RECOMmended payment of the following Final Dividends for the year ended 31st December, 1957, without any deduction for Income-tax payable by the Company.

On Preference Shares for the half-year at 6½ per cent. per annum.

On Ordinary Shares at 7½ per cent. per annum for the year.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, 21*st August*, 1958.

THE BORREA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE BORREA COAL COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday, the 26th September 1958, at 10-30 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1957, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 12th to the 26th September, 1958, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 21*st August*, 1958.

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

(*b*) The Dividends, if declared, will be paid on or after 3rd October, 1958, to those Shareholders so entitled whose names appear in the Company's books on the 26th September, 1958, or to their mandatees. No application for Dividend Warrants will be necessary.

CALTEX OIL REFINING (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent. Debenture Stocks 1966-70 will be closed for transfers from 17th September to 30th September 1958, both days inclusive.

P. A. ENGINEER,
Secretary and Treasurer,
State Bank of India,
Agents for Caltex Oil Refining (India) Ltd., for the management of the Debenture Stocks.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 1, 31*st August* 1958.

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TEXMACO EARNS GOOD PROFIT

DIVIDEND STEPPED UP—OUTLOOK PROMISING

THE Textile Machinery Corporation Ltd. (Managing Agents: Messrs. Birla Brothers Private Ltd., Belgharia, 24-Parganas, West Bengal) has shown an impressive record of progress in its working during the year ended 31st December 1957. Indeed, the audited report for the year under review makes highly encouraging reading. While the Company's production and selling activities in its various manufacturing units maintained their rate of improvement, these were fully supplemented by commendable progress in its schemes of expansion. The results for the year under review have actually stolen a march over those for the previous year which were by themselves highly impressive.

The gross profit at Rs. 110.61 lakhs represents a strident advance of Rs. 31.64 lakhs over Rs. 78.97 lakhs earned in 1956, to which level it had sharply risen from Rs. 58.21 lakhs for 1955. It may be noted that the gross profit has more than quadrupled in the past three years, from Rs. 26.86 lakhs for 1954 to well over a crore of rupees for 1957. The net profit at Rs. 35.73 lakhs also stands higher, as compared with Rs. 31.18 lakhs for the previous year, although the extent of increase is not commensurate with that in gross profit. This is due to the substantially larger provisions made for both depreciation and taxation. Thus, the provision for depreciation has been raised from Rs. 21.21 lakhs to Rs. 36.28 lakhs, while that for taxation has gone up from Rs. 20 lakhs to Rs. 30.51 lakhs. The latter amount is inclusive of a sum of Rs. 1.36 lakhs made as provision for wealth tax.

The excellent performance of the Corporation has enabled the Directors to step up the distribution to the ordinary shareholders further, to 15 per cent. per annum from 12½ per cent. for the previous year, to which level the dividend had been raised from 10 per cent. per annum for 1955 and 1954 and 7½ per cent. for 1953. Before recommending a higher dividend, the Directors have, it is noteworthy, bestowed sufficient attention to the need for building up adequate reserves; they have allocated a sizable amount of Rs. 12 lakhs to them. A breakdown of the allocation shows that development reserve gets Rs. 7 lakhs and general reserve Rs. 5 lakhs.

The following comparative table shows the progress of the Company during the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Sale proceeds	4,54.24	3,68.47	2,34.27	1,41.53
Other income	11.06	7.92	3.14	2.50
Closing stocks	82.22	56.54	47.00	18.13
Raw materials consumed ...	1,35.48	96.53	66.41	1,12.88
Expenses	2,44.88	2,10.89	1,41.67	
Gross profit	1,10.01	78.97	58.21	26.86
Managing Agents' remuneration	8.09	6.58	4.55	2.42
Provision for—				
Depreciation	36.28	21.21	20.00	15.00
Taxation	30.51	20.00	11.00	0.13
Net profit	35.73	31.18	22.66	9.32
To reserves	12.00	11.00	15.14	...
Dividends—				
5½ per cent. preference ...	1.68	1.68	1.77	2.20
Ordinary	22.50	18.75*	6.00	6.00
	(15%)	(12½%)	(10%)	(10%)
Carry forward	0.54	0.99	1.23	1.48

* On an increased capital of Rs. 150 lakhs, raised by a fresh issue of shares worth Rs. 90 lakhs.

During the year under review, the production of ring frames in the cotton textile machinery division was maintained at a steady level. Further progress was also made in the assembly of carding engines, and despatches of Texmaco-Howa cards commenced in July 1957. Good progress was made in the planning of drawing and speed frames. The Directors state that although the back-log of orders have been cleared, the current order position is not quite encouraging in view of the continuing depression in the textile industry. The management are, therefore, considering the question of utilising some of the idle capacity of the Company's workshops for other jobs. The Company has entered into an agreement with Messrs. Thos. W. Ward of England for the manufacture of the latter's renowned Capstan lathes in collaboration with them. It is stated that, as soon as the sanction of the Government of India is received, work will commence on this project. No progress could, however, be made in the jute machinery division, owing to paucity of orders.

Referring to the other branches of the Company's activities, the Directors observe as follows:

"The year under review saw a considerable expansion of shops in the boiler and heavy engineering division. Wagon production was maintained at a satisfactory level. We have received orders for the manufacture of metre-gauge coaching underframes and further expansion of shops has been taken up to enable early commencement of manufacture. We have also received an order from the Railway Board for the supply of YP and YG loco boilers and planning for these is already in an advanced stage.

"We have also secured a contract for the supply of a complete sugar mill plant in Andhra Pradesh, in collaboration with Messrs. Stork Werkspoor of Holland. Several other orders for sugar machinery have also been booked. Manufacture of radial crest gates for the Panchet Hill Dam of the Damodar Valley Corporation is making steady progress. An order from the Bhilai Steel project for 4,500 tons of fabricated structurals comprising storage tanks, pipelines, etc., has also been received and work on it is progressing satisfactorily. The overall shortage of steel in the country, however, is making it a little difficult for us to execute the various orders expeditiously.

"The steel foundry division has progressed fairly well. Besides making the castings required by ourselves for railway wagons and sugar mill machinery, we are also supplying castings to several outside concerns too."

The Company's present paid-up capital stands at Rs. 190 lakhs of which Rs. 150 lakhs are accounted for by ordinary shares of Rs. 10 each. The balance, namely, Rs. 40 lakhs, is represented by preference capital which is divided into 10,000 5½ per cent. tax-free cumulative preference shares of Rs. 100 each and 30,000 5½ per cent. taxable redeemable preference shares of Rs. 100 each. In addition to this, the Company has debentures of the order of Rs. 40 lakhs carrying interest at the rate of 6 per cent. and redeemable on 31st December 1960. Its reserves and surplus aggregating Rs. 41.41 lakhs are modest as compared with the size of its capital. But it must be remembered that the Company is young and is engaged in the difficult task of firmly establishing a heavy industry. Although it was registered 18 years ago, the Company commenced production only in 1951 and began making sizable profit only from 1953 onwards. The provision for taxation stands at Rs. 60.15 lakhs, while current liabilities amount to Rs. 312.28 lakhs. There has been an addition of Rs. 88.55 lakhs to the gross block during the year (of which plant and machinery alone account for Rs. 44.43 lakhs) bringing the total value of the block account to Rs. 355.99 lakhs. This has been written down to a book value of Rs. 208.38 lakhs. Miscellaneous expenditure not written off stands at Rs. 12,896. The current assets aggregate Rs. 435.34 lakhs and adequately cover the current liabilities and the provision for taxation.

The Rs. 10 fully paid-up shares are being currently quoted at Rs. 21.80 *ex-div.*, at which rate and on the basis of the latest dividend, the yield is a little over 7 per cent. per annum.

The Company has been a regular dividend-payer since 1951. Although a maiden dividend of 3¾ per cent. was paid in 1949 for 1948 and maintained in the following year, it had to skip the dividend for 1950. It again began paying dividend from 1951 for which year 2½ per cent. was declared. It was raised to 5 per cent. in the following year, then to 7½ per cent. and then again to 10 per cent. for 1954. The rest of the dividend story can be had from the table above. It may be noted that the Company raised its ordinary capital in November 1955 when 900,000 ordinary shares of Rs. 10 each were issued at par in the proportion of three for two. This point must be borne in mind while comparing the dividends for 1956 onwards with those for the years preceding it.

The shares of the Company are popular with investors and speculators alike and are therefore readily marketable. The outlook for the Company is promising, as it is engaged in industries the products of which will be in considerable demand for several years to come.

(Concluded from next column)

each and 30,000 6 per cent. tax-free cumulative preference shares of Rs. 10 each. The reserves and surplus aggregate Rs. 9.79 lakhs. The provision for taxation stands at Rs. 2.59 lakhs and current liabilities amount to Rs. 4.31 lakhs. The gross block of Rs. 29.09 lakhs stands written down at Rs. 23.23 lakhs. The current assets aggregate Rs. 14.46 lakhs and are equal to more than twice the current liabilities and the provision for taxation.

The Rs. 10 paid-up ordinary shares of the Company are currently quoted at Rs. 12 *cum-div.* On an *ex-div.* basis, the shares provide a yield of 6.66 per cent. per annum.

HIGHLAND PRODUCE'S PROFIT DOWN

DRASTIC CUT IN DIVIDEND

THE note of pessimism sounded by th Directors of the Highland Produce Company, Ltd. (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey, Kerala), in their report for the year ended 31st December 1956 about the Company's profit-earning capacity in future years, in the light of higher costs of production resulting from increased wages and amenities to labour and the imposition of fresh and heavy taxes, has proved to be correct. The Company's profit for the year ended 31st December 1957, for instance, shows a sizable decline from those earned in the previous years. Even a substantial increase in the crop of tea harvested has not helped the Company to neutralise the increase in costs and taxation. The gross profit for the year under review at Rs. 5.18 lakhs shows a decline of Rs. 2.65 lakhs or 36 per cent. as compared with that for the previous year which itself was a year of modest profit.

Although the Company's profit has suffered a sharp setback, the provision for taxation at Rs. 2.45 lakhs does not show much variation from Rs. 2.89 lakhs made in the previous year. This shows the extent to which the incidence of taxation has gone up. The provision for depreciation has been raised from Rs. 51,794 to Rs. 62,772. The net profit, after these essential provisions, works out to Rs. 1.64 lakhs which is less than half of that (Rs. 3.69 lakhs) for the previous year. In view of this precipitous fall, the dividend on ordinary shares has received a drastic cut; it is only 7½ per cent., as compared with 20 per cent. for 1956 and 1955, to which level it had been pruned from 25 per cent. for 1954, after having been doubled from 12½ per cent. for 1953. In fact, the net profit for the year is only just sufficient to pay this attenuated dividend on ordinary shares, besides the dividend on 6 per cent. preference shares. Such being the case, the question of transferring any sum to the reserves does not arise.

The Company's progress during the past four years is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Sale proceeds	21.59	21.07	21.30	23.13
Closing stocks	3.19	3.39	2.44	3.30
Estate and other expenditure ...	16.55	14.66	13.95	11.80
Gross profit	5.18	7.83	7.26	13.04
Managing Agents' remuneration	0.46	0.73	0.68	1.27
Depreciation	0.63	0.52	0.47	0.37
Taxation	2.45	2.89	2.40	4.75
Net profit	1.64	3.69	3.71	6.65
Transfer to reserves	...	...	...	2.00
Dividends—				
6% cumulative preference ...	0.18	0.18	0.18	0.18
Ordinary	1.35	3.60	3.60	4.50
	(7½%)	(20%)	(20%)	(25%)
Carry forward	0.49	0.37	0.46	0.54
Crop harvested—				
Tea	lbs. 1,211,000	1,049,800	1,018,000	1,013,270
Cost of production per lb. ...	Rs. 1.20	Rs. 1.28	Rs. 1.15	Rs. 1.09
Average price realised	Rs. 1.72	Rs. 1.94	Rs. 1.87	Rs. 2.23
Cardamom	lbs. 8,121	10,050	15,100	10,700
Average price realised	Rs. 8.43	Rs. 9.56	Rs. 7.92	Rs. 6.32

The Company's sale proceeds of tea, cardamom and minor produce for the year amounted to Rs. 21.59 lakhs, as compared with Rs. 21.07 lakhs for 1956. The closing stocks were slightly lower from Rs. 3.39 lakhs to Rs. 3.19 lakhs but expenses had risen from Rs. 14.66 lakhs to Rs. 16.55 lakhs.

The Company's estate consists of 2,047 acres, of which tea in bearing accounts for 885.75 acres, new clearings for 73.06 acres, coffee inter-planted with pepper for 15 acres and cardamom for 210 acres.

The Directors state that, although production of tea on both the estates of the Company were in excess of the estimates as well as of the previous season's crop, additional payments had to be made for more amenities to labour and for increased taxation, particularly sales tax which was raised during the year from 2 nP to 5 nP. Larger amounts were also expended for tea quota and excise duty and cess. There was, at the same time, a heavy fall in the prices fetched by teas in auctions at Cochin during the year. Hence, the margin of profit on each pound of tea was reduced by over 30 per cent. which accounts for the reduction in gross profit in spite of the heavy increase in production and consequent saving in the cost of production. The Company's estates are reported to be in excellent order and condition.

The paid-up capital of the Company at Rs. 21 lakhs consists of 180,000 ordinary shares of Rs. 10

(Continued in previous column)

MYSORE PAPER REPORTS STEADY RESULTS

FINANCIAL STRENGTH ENHANCED

THE results of the Mysore Paper Mills Ltd. (Chairman and Managing Director: Mr. T. Shamanna, I.A.S., Bangalore) for the year ended 31st March 1958 shows that the Company was successful in maintaining the steady rate of progress recorded in recent years. The Company's production is stated to have been satisfactory. Turnover for the year at Rs. 108.53 lakhs was a new record, such having exceeded the previous year's peak by Rs. 2.18 lakhs. It has, however, to be conceded that the pace of improvement in turnover during the year under review was rather slower. The increase in sale proceeds in 1956-57 was Rs. 18.43 lakhs and in 1955-56 it was Rs. 19.41 lakhs. In view of this, as also due to the rise in manufacturing and other expenses, the upward trend in the Company's gross profit has experienced a mild setback. Thus, at Rs. 19.81 lakhs, the gross profit shows a small fall of about Rs. 45,000, or a mere 2 per cent. as compared with that for the previous year. The net profit, after providing Rs. 10 lakhs for depreciation, as against Rs. 10.50 lakhs in the previous year and setting aside Rs. 1 lakh for taxation, as against *nil*, also stands lower at Rs. 8.81 lakhs, the corresponding figure for 1956-57 being Rs. 9.76 lakhs. The Directors state that, as in the previous year, no provision for taxation is considered necessary for the year under review as well but that the aforesaid provision has been made towards future tax liabilities. The dividend to shareholders has been maintained at 10 per cent., the same as that for 1956-57 and 1955-56, to which level it had been stepped up from 7½ per cent. for 1954-55 as well as 1953-54. The dividend for 1955-56, it may be remembered, was in the nature of a dividend of 6¼ per cent. and a cash bonus of 3¾ per cent. Subsequently, that is, in 1956-57, when these two were consolidated, we expressed the view that this action of the Directors reflected their confidence in the Company's ability to maintain the dividend at 10 per cent. This expectation has now been justified.

The following table shows at a glance the Company's financial results for the four years ended 31st March 1958:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds	1,08.53	1,06.35	87.92	68.51
Closing stocks	3.13	3.56	6.92	5.36
Raw materials, stores, power and fuel consumed	60.98	57.06	50.36	40.05
Manufacturing and other expenses	29.16	27.17	24.94	20.74
Gross profit	19.81	20.26	15.95	12.72
Provision for—				
Depreciation	10.00	10.50	10.84	8.98
Taxation	1.00	...	...	...
Net profit	8.81	9.76	5.12	3.74
Transfer to—				
Provision for repairs and replacements	2.00	2.50	...	...
I. F. Corporation loan redemption fund ...	3.00	2.50	2.00	2.00
Provision for gratuity ...	0.80	2.00	0.50	...
Provision for wealth tax ...	0.30	0.25	...	...
Provision for development rebate	0.42	...	...	...
Dividend	2.50	2.50	2.50	1.87
	(10%)	(10%)	(D. 6¼% +B. 3¾%)	(D. 6¼% +B. 1¼%)
Carry forward	0.27	0.48	0.47	0.85

D = Dividend. B = Bonus.

A feature of the appropriation of profit is the importance attached by the Directors to strengthening the Company's financial position. They have transferred, once again, a good part of the profit to reserves. As against only Rs. 2.50 lakhs earmarked for dividend, they have set apart Rs. 5.42 lakhs to reserves, as will be seen from the table. It will also be noted that the provision for wealth tax is Rs. 30,000. Another encouraging feature is the repayment in advance of an additional instalment of Rs. 3 lakhs due to the Industrial Finance Corporation in July 1958. This has contributed to a reduction in interest charges, besides enhancing the soundness of the Company's financial position.

The Directors report that necessary action is being taken to acquire various parts and units required to step up production of bamboo pulp and to recondition the first paper machine. Licences to import some of the necessary equipment have been obtained from the Government of India and equipment ordered have been arriving. The work is expected to be completed during the current year.

A happy feature which redounds to the credit of the management is that the Company has been able to maintain cordial relations with its labour force in these days of industrial unrest. An industrial peace agreement has been concluded between the labour association and the management for a period of five years. The management hopes that this agreement would help increase production and promote the progress of the mills.

As already stated, the financial position of the Company is quite satisfactory. As compared with 31st March 1957, the latest balance-sheet shows considerable improvement. The reserves are larger, the secured as well as unsecured liabilities are lower, the block account has been reduced further and the liquidity of current assets is better. Stocks of unsold paper at the end of March last were next to nothing. The Company's paid-up capital remains unchanged at Rs 25 lakhs, all of which are in ordinary shares of Rs. 10 each fully paid-up. As against this, the reserves and other funds (including provision for repairs and renewals —Rs. 4 lakhs) total Rs. 30.82 lakhs. The secured loan from the Industrial Finance Corporation has been brought down from Rs. 46.50 lakhs to Rs. 42 lakhs. As against a gross block of Rs. 149.63 lakhs, the written down value of the net block stands at Rs. 62.24 lakhs, the difference of Rs. 87.38 lakhs representing the depreciation provided up to the end of the year of review. The current assets aggregate Rs. 60.49 lakhs, while the current liabilities (excluding the I.F.C. loan) amount to Rs. 24.91 lakhs.

The Rs. 10 paid-up shares of the Company are currently quoted at Rs. 17.75 *cum-div.* On an *ex-div.* basis, the yield works out to 5.96 per cent. per annum.

When the loan from the I.F.C. is substantially reduced, it should be possible for the Company either to enhance the dividend or to issue bonus shares. It may be noted, in this connection, that the reserves and surplus mentioned above include a sinking fund of Rs. 9.50 lakhs against the I.F.C. loan. Since capitalisation of reserves attracts heavy taxation, the best course would be to raise the dividend.

SWADESHI COTTON MILLS CO., LTD.

Despite the difficult trading conditions that prevailed in the cotton textile industry during the past year, the Swadeshi Cotton Mills Company, Ltd. (Secretary: Mr. M. L. Bagla, Kanpur), appear to have managed to show satisfactory results for the year ended 31st December 1957. It is true that, in common with other units in the industry, the earnings of this Company also have suffered a setback. But, while assessing the situation on these general lines, account must be taken of the fact that treading conditions in Kanpur were far more unfavourable than those prevailing in the rest of the country.

The gross profit of the Company for the year under review at Rs. 55.08 lakhs represents a fall of Rs. 15.11 lakhs as compared with that (Rs. 70.19 lakhs) for the preceding year. Decline in gross profit has naturally meant smaller remuneration for the Managing Agents and lower provision for taxation. Thus, the Managing Agents get only Rs. 4.44 lakhs, as against Rs. 6.53 lakhs in the previous year. The provision for taxation has gone down from Rs. 25 lakhs to Rs. 19.14 lakhs. But the Directors have not neglected the need for adequate provision for depreciation. In fact, this account has been credited with a larger amount, namely, Rs. 15.87 lakhs, an increase of Rs. 4.44 lakhs over the amount earmarked for this purpose last year.

The net profit, after the aforesaid essential provisions, works out to Rs. 15.63 lakhs. This compares adversely with Rs. 27.23 lakhs made in 1956, the decline being Rs. 11.60 lakhs or 42.6 per cent. A sum of Rs. 1.33 lakh has been added to the net profit as income from the previous year. Barring a sum of Rs. 77,500 set aside as provision for specific liabilities, as against Rs. 74,282 in the previous year, the Directors have not been able to transfer any amount to the general reserve, which had received Rs. 5 lakhs in the previous year, nor to any other reserves. Indeed, the net profit has not been sufficient to cover the dividend which has been maintained at the previous year's level, namely, 11¼ per cent. on preferred ordinary and 7½ per cent. on ordinary shares. The former absorbs Rs. 18.11 lakhs and the latter Rs. 1.31 lakh. In addition, the preference dividend has taken up Rs. 2.10 lakhs. In all, the dividends require Rs. 21.52 lakhs, that is, Rs. 5.89 lakhs more than the net profit. This amount has been found from the undistributed surplus of Rs. 8.36 lakhs in the previous year, so that the sum carried forward is a mere Rs. 2.65 lakhs.

The sale proceeds of the Company for the year under review amounted to Rs. 8.57 crores, as compared with Rs. 8.12 crores for the previous year. In view of this larger turnover, the results would have proved better had not the cess and excise duties accounted for an additional payment of as much as Rs. 36 lakhs.

The Directors' report says that the Company's textile mill at Kanpur worked normally during the year but that trading conditions, particularly in Kanpur, continued to be unfavourable throughout the year. The Managing Agents of the Company, Messrs. Jaipuria Brothers Ltd., resigned office with effect from 25th February 1958. Since then, the Company is being managed by the Board of Directors. The Company has set up a spinning mill at Naini (Allahabad) and a sum of Rs. 61 lakhs had been expended on its construction during the year under review. The mill started functioning only this year.

The Company's paid-up capital as on 31st December 1957 stands at Rs. 210 lakhs, of which ordinary shares of Rs. 10 each account for Rs. 17.50 lakhs, preferred ordinary shares of Rs. 10 each for Rs. 157.50 lakhs and preference shares of Rs. 100 each for Rs. 35 lakhs. As against this, it has reserves and surplus aggregating Rs. 238.93 lakhs. The current liabilities stand at Rs. 622.68 lakhs. Of this, secured loans from banks are of the order of Rs. 234.76 lakhs. The gross block of Rs. 528.86 lakhs, including additions during the year of Rs. 18.48 lakhs, has been depreciated by Rs. 197.31 lakhs to Rs. 331.55 lakhs. Construction expenses at Naini mills, amounting to about Rs. 61 lakhs, are shown separately as a capital expenditure. The current assets aggregate Rs. 679.03 lakhs and exceed the current liabilities and provision for taxation by a comfortable margin. Of the current assets, investments in shares of subsidiaries and other joint-stock companies amount to Rs. 195.12 lakhs, stores Rs. 51.18 lakhs, stock-in-trade Rs. 302.92 lakhs, book debts Rs. 58.62 lakhs and cash balances Rs. 21.86 lakhs. It may be noted that stocks of finished goods alone amounted to Rs. 191.83 lakhs, reflecting the sluggish conditions that were obtaining in the cloth market at the close of last year.

COMPANY MEETINGS AND DIVIDENDS

MYSORE PAPER MILLS LTD. Annual General Meeting, Bangalore City, 3rd September 1958. Dividend: Re. 1.00 per share or 10 per cent., payable on and after 13th September 1958. Transfer books remain closed from 14th August to 3rd September 1958, both days inclusive.

RAJGARH TEA CO., LTD. Annual General Meeting, Calcutta, 4th September 1958. Dividend: Rs. 2.50 per share. Transfer books remain closed from 20th August to 4th September 1958, both days inclusive.

DALMIA CEMENT (BHARAT) LTD. Annual General Meeting, Dalmiapuram, District Tiruchirapalli, Madras State, 4th September 1958. Dividend: Re. 1.20 per ordinary share and Re. 0.12 per deferred share. Transfer books remain closed from 18th August to 4th September 1958, both days inclusive.

DAWN MILLS CO., LTD. Annual General Meeting, Bombay, 9th September 1958. Dividend: Rs. 5.00 per share, payable on and after 12th September 1958. Transfer books remain closed from 25th August to 15th September 1958, both days inclusive.

BRADBURY MILLS LTD. Annual General Meeting, Bombay, 10th September 1958. Dividend: Rs. 7.50 per share, payable on and after 15th September 1958. Transfer books remain closed from 25th August to 15th September 1958, both days inclusive.

KATRAS JHERRIAH COAL CO., LTD. Annual General Meeting, Calcutta, 11th September 1958. Dividend: Rs. 6.50 per share (includes interim dividend of Rs. 3.00 per share). Transfer books remain closed from 29th August to 11th September 1958, both days inclusive.

JAYBIRPARA (DOOARS) TEA CO., LTD. Annual General Meeting, Calcutta, 11th September 1958. Dividend: *Nil*. Transfer books will remain closed from 4th to 11th September 1958, both days inclusive.

HASTINGS MILL LTD. Annual General Meeting, Calcutta, 15th September 1958. Dividend: Rs. 5.00 per share. Transfer books will remain closed from 8th to 15th September 1958, both days inclusive.

CHOONABHUTTI TEA CO., LTD. Annual General Meeting, Calcutta, 16th September 1958. Dividend: Rs. 20.00 per share. Transfer books will remain closed from 2nd to 16th September 1958, both days inclusive.

TEESTA VALLEY TEA CO., LTD. Annual General Meeting, Calcutta, 17th September 1958. Dividend: Re. 1.00 per share or 10 per cent. Transfer books will remain closed from 4th to 17th September 1958, both days inclusive.

CHURULIA COAL CO., LTD. Annual General Meeting, Calcutta, 18th September 1958. Dividend: Re. 0.20 per share or 5 per cent. Transfer books will remain closed from 4th to 18th September 1958, both days inclusive.

METHONI TEA CO., LTD. Annual General Meeting, Calcutta, 19th September 1958. Dividend: Re. 1.50 per share. Transfer books will remain closed from 12th to 19th September 1958, both days inclusive.

BALMER LAWRIE & CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: Rs. 12.50 per share (includes interim dividend of Rs. 2.50 per share). Transfer books will remain closed from 8th to 30th September 1958, both days inclusive.

UNITED NILGIRI TEA ESTATES LTD. Final dividend of 11 per cent. (making a total of 16 per cent. for the year), for the year ended 31st March 1958. Transfer books will remain closed from 15th to 29th September 1958, both days inclusive.

PARRY'S CONFECTIONERY LTD. Dividend of Re. 0.20 per share or 20 per cent. for the year ended 31st March 1958. Transfer books will remain closed from 2nd to 16th October 1958, both days inclusive.

COIMBATORE MURUGAN MILLS LTD. Dividend of 7½ per cent. or Rs. 7.50 per ordinary share, for the year ended 31st December 1957. Transfer books will remain closed from 2nd to 15th September 1958, both days inclusive.

BALMER LAWRIE PRUNES DIVIDEND

BRADBURY MILL SUFFERS LOSS

Balmer Lawrie and Co., Ltd.

THE directors of the above Company (Calcutta) present the audited accounts of the Company for the year ended 31st December 1957.

The profit for the year (including items relating to previous years) after providing for taxation and depreciation, was Rs. 15,71,721 (Rs. 17,76,456) to which is added the balance brought forward from 1956 of Rs. 5,03,375 (Rs. 5,03,129) making a total of Rs. 20,75,096 (Rs. 28,79,585 including excess provision for taxation of Rs. 6,00,000). Out of this total the Board paid an interim dividend of 5 (5) per cent. on 28th February, 1958, amounting to Rs. 4,00,070 (Rs. 4,00,070). A sum of Rs. 2,00,000 (Rs. 10,00,000) has been transferred to general reserve and Rs. 1,74,000 (Rs. 1,76,000) has been transferred to reserve for pensions, leaving a balance of Rs. 13,01,026 (Rs. 13,03,515) available for distribution, which it is recommended be dealt with as follows:—

To final dividend of 2½ per cent. for 1955 Rs. 2,00,035 and to final dividend of 7½ (10) per cent. for 1957 Rs. 6,00,105 (Rs. 8,00,140) leaving a balance to be carried forward of Rs. 5,00,886 (Rs. 5,03,375).

During 1957 an order was made by the Commissioner of Income-tax under Section 23A(3) of the Indian Income-tax Act, 1922, requiring the Company to distribute a further dividend for the year 1955 amounting to Rs. 2,00,035. The order of the Commissioner was upheld by a Board of Referees appointed by the Central Government. The Board therefore recommends that the additional dividend be paid in compliance with the Commissioner's order.

The provisions of Section 23A of the Indian Income-tax Act, 1922 do not apply to the Company subsequent to the financial year 1955 in consequence of the amendments made to that section by the Finance (No. 2) Act, 1957.

The Company's investments have in the past been valued at the market value prevaling at the date of each balance sheet. In consequence, the share investment reserve required adjustment from year to year. The Board has now re-valued all investments at cost, leaving a balance of Rs. 9,31,031 on share investment reserve. In doing so, the Company's holding in British India Electric Construction Co. Ltd. which was written off in 1954 has been restored.

No provision has been made for liability to wealth tax. Payment of wealth tax is not considered to be a charge against the current profits of the Company, and the Board therefore intends to charge against reserves any payment made in respect of such assessments.

Operations.—Profits show a reduction largely due to a falling off in the tea export business. The level of trading and imports was maintained. The full effect of import restrictions will however be apparent during the current year.

Bridge & Roof Co. (India) Ltd., The Bengal Flour Mills Co. Ltd. and British India Electric Construction Co. Ltd. all did well. The last-named has now wiped off its debit balance and its Board has recommended the payment of a dividend.

The Bengal Paper Mill Co. Ltd. showed improved results. An agreement has been arrived at with the shareholders and an application has been submitted to the Central Government for sanction to the appointment of Balmer Lawrie & Co Ltd. as Secretaries and Treasurers to the Company.

In The Indian Galvanizing Co. (1926) Ltd. a critical situation developed, and the directors of that Company decided to close down the Calcutta factory to avoid further losses. The plant at Bombay, though handicapped at times by shortages of steel sheet, continued to work efficiently.

Future prospects for many interests in the group are governed by the import position. As forecast above there will be a falling off in trading business for the current year and the Engineering companies must sooner or later also be affected by the shortage of steel.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	80,01,400	Block ...	34,00,000
Reserves ...	84,59,405	Stock ...	73,75,915
Provision for taxation ...	16,81,597	Work-in-progress ...	7,48,033
Liabilities ...	2,02,70,636	Goods-in-transit ...	12,78,023
Profit and loss account ...	5,00,886	Stores and spare parts	1,97,078
		Debts, deposits and advances ...	1,49,01,343
		Investments	97,83,716
		Cash ...	12,29,816
Rs.	3,89,13,924	Rs.	3,89,13,924

Bradbury Mills, Ltd.

The directors of the above Company (Agents: Messrs. Ramnarain Sons Private Ltd., Bombay) present the audited accounts of the Company for the year ended 31st March 1958.

The result of this year's working shows a loss of Rs. 6,55,034 (profit of Rs. 4,94,854) after providing Rs. 3,76,300 (Rs. 3,54,949) for depreciation. Rs. 6,00,000 (*nil*) have been transferred from general reserve and Rs. 2,50,000 (*nil*) from dividend equalisation reserve. These with the credit balance of Rs. 63,115 (Rs. 91,711) brought forward from last year's profit and loss account, make a total of Rs. 9,13,115 (Rs. 5,86,365) from which has to be deducted the loss of Rs. 6,55,034 (*nil*) for the year, leaving a balance of Rs. 2,58,081 (Rs. 5,86,365) which, the directors recommend, may be dealt with as under:—

To payment of a proposed dividend at Rs. 3.50 per share free of income-tax on 7 per cent. preference shares for the year Rs. 1,03,250 (Rs. 1,03,250) and to payment of a proposed dividend at Rs. 7.50 (Rs. 15.00) per share free of income-tax on ordinary shares for the year ended 31st March, 1958 Rs. 1,50,000 (Rs. 3,00,000) leaving a balance carried forward to next year's account Rs. 4,831 (Rs. 63,115).

The results of the year under review have been disappointing, in common with the other textile units, due to heavy excise duty and mounting costs of production.

During the period under report, additions to fixed assets of an aggregate value of Rs. 8,00,681 have been made.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,85,000	Block ...	26,80,618
Reserves ...	36,04,615	Stock-in-trade	68,06,821
Provision for taxation ...	14,54,291	Stores and spare parts	5,25,853
Liabilities ...	62,72,471	Debts, deposits and advances ...	35,32,126
Profit and loss account ...	4,831	Investments	2,33,345
		Cash ...	42,445
Rs.	1,38,21,208	Rs.	1,38,21,208

Phœnix Mills, Ltd.

The directors of the above Company (Agents: Messrs. Ramnarain Sons Private Ltd., Bombay) present the audited accounts of the Company for the year ended 31st March 1958.

The result of this year's working shows a profit of Rs. 4,33,042 (Rs. 17,63,319 for 15 months ended 31st March 1957), after providing Rs. 7,74,460 (Rs. 8,45,839) for depreciation and Rs. 6,00,000 (Rs. 12,00,000) for taxation. To this result has to be added the sum of Rs. 4,06,676 (Rs. 1,18,358) brought forward from last year's account, making a total of Rs. 8,39,718 (Rs. 18,81,677) which the directors have appropriated as under:—

To payment of a proposed dividend at Rs. 10 (Rs. 12.50 for 15 months ended 31st March 1957) per share on 48,000 shares, free of income-tax absorbing Rs. 4,80,000 (Rs. 6,00,000) and leaving a balance to be carried forward to next year's account Rs. 3,59,718 (Rs. 4,06,677 after transferring Rs. 8,75,000 to gratuity reserve).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	48,00,000	Block ...	60,63,335
Reserves ...	55,51,530	Stock-in-trade ...	1,55,02,637
Provision for taxation ...	17,46,922	Stores, spare parts, etc.	19,47,703
Liabilities ...	1,60,21,142	Debts, deposits and advances ...	45,85,379
Profit and loss account ...	3,59,718	Investments	3,07,601
		Cash ...	72,707
Rs.	2,84,79,362	Rs.	2,84,79,362

Rajgarh Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts show a profit after charging all expenses, of Rs. 77,143 (Rs. 3,24,194) of which taxation provision requires Rs. 42,000 (Rs. 1,35,000) leaving a balance of Rs. 35,143 (Rs. 1,89,194). The balance brought forward from last year was Rs. 41,025 (Rs. 31,831). Excess provision for taxation in previous years written back was Rs. 15,000 (*nil*) and the surplus on redemption of investments amounted to Rs. 312 (*nil*) making a total available for appropriation of Rs. 91,480 (Rs. 2,21,025). The directors recommend payments of a dividend of Rs. 2.50 (Rs. 4.00) per share absorbing Rs. 50,000 (Rs. 80,000) leaving a balance to be carried forward of Rs. 41,480 (Rs. 41,025 after placing Rs. 1,00,000 to general reserve). Wealth tax in respect of the years ended 31st December, 1956, and 31st December, 1957, is estimated to amount to Rs. 6,008 and this has been provided for by transfer from general reserve.

A crop of 5,597 maunds was sold at an average price of Rs. 2.16 per lb. This compares with a crop of 6,013 maunds in season 1956, sold at an average price of Rs. 2.65 per lb.

Estimates for the current season have been framed for a crop of Rs. 6,500 maunds to cost Rs. 9,20,204.

In the report of the Directors for the year ended 31st December, 1956, members of the Company were advised of the application which had been made to the Controller of Capital Issues for permission to capitalise a sum of Rs. 4,00,000 out of the amount standing to the credit of general reserve. In October, 1957, a letter was received from the Controller of Capital Issues sanctioning the bonus issue applied for. Since then the Board have given this matter careful consideration but in view of the present level of tax on bonus issues, has decided to take no action for the present.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,00,000	Block ...	5,12,13
Reserves ...	8,46,492	Stock of tea	3,11,58
Provision for taxation ...	94,020	Stores, etc.	1,48,54
Liabilities ...	3,82,451	Debts, deposits and advances ...	2,16,93
Profit and loss account ...	41,480	Investments	2,10
		Cash ...	3,73,16
Rs.	15,64,443	Rs.	15,64,443

Dhunseri Tea Co., Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The profit for the year after charging depreciation, staff bonus, manager's and managing directors' commission and providing for labour bonus amounted to Rs. 3,46,324 (Rs. 91,392). To this amount should be added the credit balance of profit and loss account brought forward from the previous year of Rs. 1,486 (Rs. 2,100) and provision for labour bonus account 1956 no longer required Rs. 2,267 (*nil*) making a total of Rs. 3,50,077 (Rs. 93,492) from which the following provisions have been made:—

To provision for taxation Rs. 1,60,000 (Rs. 25,000), to general reserve Rs. 30,000 (*nil*), to rehabilitation reserve Rs. 25,000 (*nil*) and to development rebate reserve Rs. 8,000 (*nil*). From the available balance of Rs. 1,27,077 (Rs. 68,492). The directors have paid dividends on preference shares for the half-years to 31st March and 30th September 1957 absorbing Rs. 8,385 (Rs. 8,385). They now recommend payment of dividend of 20 (12½) per cent. on ordinary shares for the year ended 31st December, 1957, absorbing Rs. 93,794 (Rs. 58,621) leaving a balance to be carried forward Rs. 24,897 (Rs. 1,486).

The season got a very promising start and weather conditions throughout the season were quite favourable. The final crop during this season came to 9,210 maunds as compared with 7,590 maunds in 1956 and 6,856 maunds average over 1952-56 period. Due to depressed market conditions the prices realised on the season's crop came to Rs. 2.14 per lb. as compared with Rs. 2.26 in 1956 and Rs. 1.77 in 1955.

Estimate for 1958 provide for a crop of 9,700 maunds at a local cost of production of Rs. 1.42 per lb. The total tea manufactured up to 30th June, 1958 comes to 1,776 maunds against 2,267 maunds in 1957. 33,648 lbs. of the 1958 season tea have been sold till this date at an average price of Rs. 3.83 per lb. Prospects for remainder of the season seem to be fair.

The authorised capital of the Company has been increased to Rs. 15,00,000 by creation of 76,000 additional ordinary shares of Rs. 10 each and a 40,000 additional 7 per cent. cumulative preference shares Rs. 3 each as per resolution passed in the extraordinary general meeting of the share-holders held on 21st February, 1957.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,98,280	Block ...	7,83,984
Reserves ...	4,58,000	Stock of tea	5,26,189
Provision for taxation ...	2,04,951	Stores, etc.	1,31,738
Liabilities ...	4,53,988	Debts, deposits and advances ...	1,01,768
Profit and loss account ...	24,897	Investments	1,37,990
		Cash ...	58,447
Rs.	17,40,116	Rs.	17,40,116

Rungamattee Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts disclose a working profit of Rs. 46,713 (Rs. 2,84,015). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 20,000 (*nil*) from provision for taxation, being a reserve no longer required, there is a balance at credit of the profit and loss account amounting to Rs. 98,289 (Rs. 2,41,286), of which the directors have transferred Rs. 25,000 (Rs. 50,000) to revenue reserve and Rs. 5,000 (Rs. 50,000 to buildings and machinery reserve) to development reserve. The directors recommend a dividend of 7½ (20) per cent. leaving Rs. 28,914 (Rs. 36,286) to be carried forward.

Crop was 6,97,200 lbs. as compared with 6,73,120 lbs. in 1956. The average selling price realised was Re. 1.72 per lb. as against Rs. 2.09 per lb. in the previous year. Planted area is now 700.45 acres.

Estimates for 1958 provide for a crop of 6,40,000 lbs. at an outlay of Rs. 11,20,404, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,25,000	Block ...	10,28,054
Reserves ...	11,72,956	Stock-in-trade	5,44,409
Provision for taxation ...	2,31,150	Stores, etc.	59,730
Liabilities ...	1,80,988	Debts, deposits and advances ...	2,08,688
Profit and loss account ...	28,914	Investments	98,989
		Cash ...	1,99,138
Rs.	21,39,008	Rs.	21,39,008

Hansqua Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts disclose a working profit of Rs. 51,840 (Rs. 86,666). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 20,000 (*nil*) from provision for taxation, being a reserve no longer required, there is a balance at credit of the profit and loss account amounting to Rs. 75,882 (Rs. 1,11,584) of which the directors have transferred Rs. 10,000 (Rs. 30,000 to revenue reserve and Rs. 15,000 to buildings and machinery reserve) to development reserve. The directors recommend a dividend of 10 (10) per cent. leaving Rs. 15,882 (Rs. 16,584) to be carried forward.

Crop was 5,07,667 lbs. as compared with 4,61,865 lbs. in 1956. The average selling price realised was Re. 1.71 per lb. as against Re. 1.84 per lb. in the previous year. Planted area remains at 529.92 acres.

Estimates for 1958 provide for a crop of 5,20,000 lbs. at an outlay of Rs. 8,45,155, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	9,77,273
Reserves ...	10,53,794	Stock-in-trade	5,71,629
Provision for taxation ...	55,416	Stores, etc.	63,544
Liabilities ...	2,30,727	Debts, deposits and advances ...	1,03,311
Profit and loss account ...	15,882	Investments	1,23,951
		Cash ...	16,111
Rs.	18,55,819	Rs.	18,55,819

Nagaisuree Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts disclose a working loss of Rs. 42,707 (profit of Rs. 2,03,240). On transfer of this sum to profit and loss account and after sundry adjustments, including the transfers of Rs. 55,223 (*nil*) from buildings and machinery reserve and Rs. 18,000 (Rs. 46,000) from provision for taxation, being a reserve no longer required, there is a balance at credit of profit and loss account amounting to Rs. 1,19,054 (Rs. 2,83,250), of which the directors have transferred Rs. 10,000 (Rs. 1,00,000 to revenue reserve) to development reserve.

The directors recommend that a dividend of 7½ (15) per cent. be declared at the annual general meeting, leaving Rs. 37,054 (Rs. 39,250) to be carried forward.

Tea crop was 8,45,223 lbs. as compared with 9,03,942 lbs. in 1956 and the average selling price realised was Rs. 1.82 per lb. as against Rs. 2.02 per lb. in the previous year.

Estimates for 1958 provide for a crop of 10,00,000 lbs. at an outlay of Rs. 17,59,946, including inland freight and sale charges. Planted area remains at 1,129.90 acres.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,60,000	Block ...	16,56,101
Reserves ...	18,69,809	Stock-in-trade	7,92,510
Provision for taxation ...	1,38,256	Stores and supplies ...	1,62,193
Liabilities ...	4,45,146	Debts, deposits and advances ...	2,96,872
Profit and loss account ...	37,054	Investments	4,22,481
		Cash ...	1,20,108
Rs.	34,50,265	Rs.	34,50,265

Estrela Batteries Ltd.

The directors of the above Company (Managing Agents: Choonilal Manilal Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st March, 1958.

The directors have been following a policy of successive expansion in the interest of the Company, but the Financial year 1957-58 has been exceptional in the sense that although the sales and production have been maintained in comparison with the working of the previous year, the profits have registered a sharp fall.

The reasons are, the rise in the prices of raw materials, the higher wage bill due to the awards of the Industrial Court for workers as well as the staff members, the ban on the import of torches and bulbs, all these have contributed to an increase in the cost of production and a reduction in the margin of profits.

The working of the year under review has resulted in a profit of Rs. 5,20,214. With the balance brought forward from last year amounting to Rs. 21,558, there is an amount available for disposal of Rs. 5,41,772. The directors have recommended the following appropriations of the above amount:

To depreciation Rs. 1,16,967, to development rebate Rs. 77,739, to provision for taxation Rs. 1,55,257, to managing agents' commission Rs. 42,034, to payment of dividend of Rs. 2.50 per share on 19,947, 5 per cent. cumulative preference shares, free of income-tax Rs. 49,868 and to payment of dividend of Rs. 3 per share, on 29,947 ordinary shares, free of income-tax Rs. 89,841 leaving a balance to be carried forward of Rs. 10,066.

The scheme of modernisation of the Company was continued during the year under report, and it will be observed that a sum of Rs. 3,15,777 has been spent on the purchase of machinery and a sum of Rs. 1,00,295 on purchase of new vans. The directors are glad to inform that the Company is producing "Extruded" Zinc Cans, in place of soldered Cups.

At the Extraordinary General Meeting of the Company, held on 11th June, 1958, the shareholders authorised the Board of directors of the Company to negotiate with and enter into an agreement for technical collaboration with such foreign concern of battery manufacturers who would aid the Company in the matters of technical advice and supply of know-how. The directors inform that the agreement is on the point of finalisation with one of the foreign concerns of battery manufacturers.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,97,680	Block ...	12,32,014
Reserves ...	4,61,996	Stock-in-trade	15,68,283
Provision for taxation ...	1,66,647	Work-in-progress ...	4,06,476
Liabilities ...	15,01,499	Stores, etc. ...	2,61,246
Profit and loss account ...	10,066	Other assets	61,951
		Debts, deposits and advances ...	9,97,783
		Investments	4,202
		Cash ...	1,05,827
Rs.	46,37,798	Rs.	46,37,798

British India Electric Construction Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The profit for the year (including items relating to previous years) after providing for depreciation was Rs. 5,94,020 (Rs. 3,10,691). From this amount is deducted the balance brought forward from 1956 of Rs. 2,16,238 (Rs. 5,26,929) leaving a credit balance of Rs. 3,77,782 (debit of Rs. 2,16,238). Out of this total the Board has transferred Rs. 2,00,000 (*nil*) to general reserve, leaving a balance of Rs. 1,77,782 available for distribution which it is recommended be dealt with as follows:—

To payment of a dividend of 20 (*nil*) per cent. absorbing Rs. 1,00,000 (*nil*) leaving a balance to be carried forward of Rs. 77,782 (debit of Rs. 2,16,238).

As a result of the carry forward of tax losses, the Company has no liability to tax on the profits of the year 1957. In consequence the proposed dividend will be liable to income-tax in the hands of the members. The Board has taken this into account in recommending the dividend.

No provision has been made for liability to wealth tax. Payment of wealth tax is not considered to be a charge against the current profits of the Company, and the Board therefore intends to charge against reserves any payment made in respect of such assessments.

Operations.—The demand and production of electric motors and switchgear continued to increase during the year. Motor sales were mainly responsible for the increase in turnover

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	6,87,597
Reserves ...	3,06,358	Capital expenditure on buildings under erection ...	56,430
Liabilities ...	38,98,760	Stocks	19,77,838
Profit and loss account ...	77,782	Work-in-progress ...	6,95,029
		Goods-in-transit ...	1,41,451
		Debts, deposits and advances ...	12,17,729
		Investments	2,000
		Cash ...	4,826
Rs.	47,82,900	Rs.	47,82,900

Polychem Ltd.

The directors of the above Company (Chairman: Mr. Ramdas Kilachand, Bombay) submitted the audited accounts of the Company for the period 1st January 1957 to 31st March 1958. The accounts are for a period of fifteen months as the directors thought it advisable that the annual closing date of accounts should be the 31st March of each year.

A second call of Rs. 10 was made on 80,000 redeemable 7½ per cent. taxable cumulative first preference shares of Rs. 50 each thus making them fully paid. The amount of the call was Rs. 8,00,000 and was payable on 15th May 1957. The total amount of Rs. 7,84,410 has been received upto date in respect of this call.

During the period under report, the Company has made a profit of Rs. 4,47,404 (Rs. 67,790 for 12 months ended 31st December 1956) after providing for depreciation of Rs. 3,46,866 (*nil*). To this has to be added the sum of Rs. 67,790 being the balance carried forward from the last period making a total of Rs. 5,15,194 which the directors propose to appropriate as follows:—

For transfer to plant development rebate reserve fund Rs. 12,000 (*nil*), for provision for income-tax for the period ended 31st December 1956 Rs. 47,000 (*nil*), for writing off preliminary expenses carried forward as per last balance-sheet Rs. 76,201 (*nil*) and for payment of dividend on 7½ per cent. taxable cumulative first preference shares for the period ended 31st December 1956 Rs. 1,08,750 (*nil*). This leaves a balance of Rs. 2,71,243 which is proposed to be carried forward to the next account. No provision has been made for income-tax on profits of the current year nor for wealth tax as the Company is not liable for payment of the same during the period under report.

The Plant commenced production in May 1957 and has been working satisfactorily. The *Polystyrene* produced by the Plant is marketed under Dow's Trade Mark, "*STYRON*" and has been very well received by the Customers. Coloured *STYRON* products of the Company are becoming more popular and their production is being augmented as early as possible to enable the Company to cope with the increasing demand for the same.

The Plant had to be operated at only 50 per cent. to 60 per cent. of its rated capacity as the offtake was poor due to very large stocks of previously imported material lying in the country. The necessary equipment for a Distillation Unit for distilling *Styrene Monomer* has been ordered and the installation of the Plant is expected to be completed by the end of this year.

Due to growing demand for plastic sheets, the Company is installing a *Sheeting Plant* which is scheduled to go into production during the course of this year. This will also increase the consumption of *Polystyrene* which in turn will help to achieve the Company's objective of running the Plant to its rated capacity. The Company maintained adequate stocks of imported raw materials during the year under report.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	79,83,825	Block ...	45,71,517
Reserves ...	12,740	Stock-in-trade	38,60,476
Provision for taxation ...	12,088	Stores, tools, etc. ...	1,89,868
Liabilities ...	17,36,748	Debts, deposits and advances ...	11,99,790
Profit and loss account ...	2,71,243	Investments	10,078
		Cash ...	4,917
		Miscellaneous expenditures and losses	1,79,998
Rs.	1,00,16,644	Rs.	1,00,16,644

Straw Products Ltd.

The directors of the above Company (Managing Agents: Messrs: J. K. Agents Private Ltd., Bhopal) present the audited accounts of the Company for the year ended 31st December 1957.

The working result of the Company, after meeting all the expenses and charges and taking into account bonus to workers and staff, provision for depreciation, remuneration to directors and commission to the Managing Agents, shows a net profit of Rs. 3,96,306 (Rs. 12,78,902) to which is added the credit balance brought forward from the previous year of Rs. 82,406 (Rs. 16,003) making a total of Rs. 4,78,712 (Rs. 12,94,905). The directors have appropriated from this amount provision for taxation amounting to Rs. 2,88,000 (Rs. 3,75,000) leaving a balance of Rs. 1,90,712 (Rs. 9,19,905). This amount the directors recommend to be disposed of as under:

To pay dividend at Re. 1.25 (*Re. 1.25*) per share equivalent to 12½ (12½) per cent. free of tax absorbing Rs. 1,87,500 (Rs. 1,87,500) and leaving a balance to be carried forward of Rs. 3,212 (Rs. 82,405 after placing Rs. 6,50,000 to general reserve).

The production and sale of the Company's products have been satisfactory. Relation with labour continue to be cordial. The erection of the *New Cylinder Mould Machine* was completed and it went to commission during the year under report. The extension of the Fourdrinier Machine was also finished.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	96,88,302
Reserves ...	95,15,571	Stock-in-trade	3,10,316
Provision for taxation ...	8,44,977	Stores and spare parts	4,53,686
Liabilities ...	21,91,249	Raw materials	4,44,370
Profit and loss account ...	3,212	Work-in-progress ...	716
		Debts, deposits and advances ...	9,89,020
		Investments	18,74,714
		Trustees employees provident fund	2,22,063
		Cash ...	71,822
Rs.	1,40,55,009	Rs.	1,40,55,009

N.B.—Figures within brackets relate to the corresponding period of the previous year. Block here means net block.

ORISSA CEMENT LTD.

(*Concluded from page 352*)

expressing my thanks to the large number of shareholders who have written to me to convey their appreciation of the rapid progress which your Company has made in the brief span of its existence, and their satisfaction at the results achieved in the year under review. I am greatly heartened by these messages of appreciation and confidence.

"Before I conclude, I would like, on your behalf and on my own, to thank all the executives, staff and workers for their keen interest and hard work which have not only led to the good results achieved by your Company for the year under review but also contributed materially towards the setting up of the new refractories project which it is hoped will be completed shortly."

N.B.—The above extract of the speech does not purport to be the report of the proceedings of the Eighth Annual General Meeting of the Company held on 16th August 1958.

Notices

THE DAWN MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at its Registered Office at State Bank Building Annexe, Bank Street, Fort, Bombay, on Tuesday the 9th September 1958, at 5-00 p.m., to consider the Profit and Loss Account for the year ended 31st March 1958 and the Balance Sheet as on that date, the Report of the Directors, the Report of the Auditors thereon, to declare a dividend and to transact the other business specified in the Notice of the meeting issued to the Shareholders along with the necessary Explanatory Statement and the Directors' Report.

NOTICE is also hereby given that the Transfer Books of the Company will be closed from Monday the 25th August 1958 to Monday the 15th September 1958, both days inclusive.

By Order of the Board,
For RAMNARAIN SONS PRIVATE LTD.,
RAMNIWAS RAMNARAIN,
Director,
Agents.

BOMBAY, *6th August* 1958.

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

THE BRADBURY MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at its Registered Office at State Bank Building Annexe, Bank Street, Fort, Bombay, on Wednesday, the 10th September 1958, at 5-00 p.m., to consider the Profit and Loss Account for the year ended 31st March 1958 and the Balance Sheet as on that date, the Report of the Auditors thereon, the Report of the Directors, to declare dividends and to transact the other business specified in the Notice of the meeting issued to the Shareholders along with the necessary Explanatory Statement and the Directors' Report.

NOTICE is also hereby given that the Transfer Books of the Company will be closed from Monday the 25th August 1958 to Monday the 15th September 1958, both days inclusive.

By Order of the Board,
For RAMNARAIN SONS PRIVATE LTD.,
RAMNIWAS RAMNARAIN,
Director,
Agents.

BOMBAY, *6th August* 1958.

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

THE PHOENIX MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at its Registered Office at State Bank Building Annexe, Bank Street, Fort, Bombay, on Thursday, the 11th September 1958, at 5-00 p.m., to consider the Profit and Loss Account for the year ended 31st March 1958 and the Balance Sheet as on that date, the Report of the Auditors thereon, the Report of the Directors, to declare a dividend and to transact the other business specified in the Notice of the meeting issued to the Shareholders along with the necessary Explanatory Statement and the Directors' Report.

NOTICE is also hereby given that the Transfer Books of the Company will be closed from Monday the 25th August 1958 to Monday the 15th September 1958, both days inclusive.

By Order of the Board,
For RAMNARAIN SONS PRIVATE LTD.,
RAMNIWAS RAMNARAIN,
Director,
Agents.

BOMBAY, *6th August* 1958.

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

NEW CENTRAL JUTE MILLS COMPANY LIMITED

THE BOARD OF DIRECTORS OF THE Company have decided to issue 4,27,500 Ordinary Shares of Rs. 10 each in the capital of the Company and to offer the same at par to the holders of Ordinary Shares whose names appear in the Register of Members of the Company on the 10th day of September, 1958 (with the right of renunciation) in the ratio of one new Ordinary Share for every two existing Ordinary Shares. Circulars of offer to the shareholders will be issued in due course.

The Share Transfer Books of the Company will remain closed from 6th September, 1958 to 10th September, 1958, both days inclusive.

By Order of the Board,
For SAHU JAIN LIMITED,
A. K. JAIN,
Managing Director,
Managing Agents.

CALCUTTA, *21st August*, 1958.

THE JAIPUR UDYOG LIMITED
SAWAI-MADHOPUR (W. RLY.)

THE BOARD OF DIRECTORS OF THE Company have decided to issue 5,00,000 Ordinary shares of Rs. 10 each in the Capital of the Company and to offer the same at par to the holders of Ordinary shares whose names appear in the Register of Members of the Company on the 11th day of September, 1958 (with the right of renunciation) in the ratio of one new Ordinary share for every three existing Ordinary shares. Circulars of offer to the shareholders will be issued in due course.

The Board of Directors have also decided to pay an interim dividend of Rs. 2 per ordinary share (representing 12½ per cent. for the year ended 31st March 1957 and 7½ per cent. for the year ended 31st March 1958) payable to the shareholders whose names appear on the Register of Members of the Company on the 11th day of September 1958. The dividend in respect of the year ended 31st March 1957 although termed 'interim' will in fact be the final dividend for that year and no further distribution in respect of the said year will be recommended.

The Share Transfer Books of the Company will remain closed from 8th September, 1958 to 11th September, 1958, both days inclusive.

By Order of the Board,
For SAHU JAIN LIMITED,
A. K. JAIN,
Managing Director,
Managing Agents.

22nd August 1958.

TENDER NOTICE

THE FOLLOWING CATEGORIES OF MACHInery, plant, vehicles, tools, miscellaneous equipment and surplus stores are available for sale ex-Telco Works, Jamshedpur.

(A) Machinery and Plant—Covmac Forging Machine, Clifton and Baird Hot Saw, Pipe Bending Machine, Butters' Monorail Cranes, Steam Shunting Locomotives, M/c. Cable Flanging Press, Gap Riveters, etc.

(B) Ford Diesel Trucks and Transport Spares, etc.

(C) Coventry Dies Chasers, Twist Drills, Grinding Wheel (650 nos.), Boiler Taps, Taper Taps, Tube Expanders, Pneumatic Machine, etc.

(D) Miscellaneous Equipment, e.g., Roller Shutter Doors, Hoist, Sling Chains, Condensor Equipment, Office Equipment, etc.

(E) Commercial Hardware, Permanent Way Materials, etc.

(F) BG and MG Under-frame Components.

Complete lists together with terms and conditions of tender may be obtained from the Stores Controller, TELCO Works, Jamshedpur-4. Last date for submission of tenders is 9th October, 1958 by 2-30 p.m.

STORES CONTROLLER,
for Tata Locomotive & Engineering Co., Ltd.,
Telco Works, Jamshedpur-4

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

REQUIREMENT OF CENTRE BUFFER COUPLERS

THE RAILWAY BOARD, GOVERNMENT OF India, propose to obtain from established and reliable manufacturers one thousand wagon sets of Centre Buffer Couplers.

2. Tender documents are obtainable from the Research Design and Standardisation Organisation, Baroda House Annexe, New Delhi, or from the Director General, India Store Department, Government Building, Bromyard Avenue, Action, London W. 3, on payment of Rupees two per set on or after 28th August 1958. The cost of the tender document does not include the cost of the relevant Indian Railway Drawings and Specifications which can be obtained on payment from the two sources mentioned above.

3. The quotations which should reach the undersigned not later than 30th September 1958 will be opened in public on 1st October 1958 at 11 hours in the Committee Room of the Railway Board's Office, State Entry Road, New Delhi.

H. D. SINGH,
Director, Railway Stores,
Railway Board, State Entry Road,
New Delhi.

PHILIPS INDIA LIMITED
NOTICE

THE TWENTY-EIGHTH ANNUAL GENERAL Meeting of the Shareholders of Philips India Limited will be held on September 27, 1958 at 11.00 a.m., at the Bengal Chamber of Commerce and Industry, Room No. 1, 6 Netaji Subhas Road, Calcutta 1, to transact the following business:

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the year ended December 31, 1957
2. To declare a Dividend
3. To elect Directors
4. To appoint Auditors and fix their remuneration
5. To transact any other ordinary business of an Annual General Meeting

The Share Register of the Company will be closed from September 8, 1958 to September 27, 1958, both days inclusive.

Dividend Warrants will be sent to registered shareholders or to their mandatees, registered in the books of the Company on September 27, 1958. Powers of attorneys, etc., where necessary should be submitted with completed deeds for transfer registration before the transfer books are closed.

By Order of the Board
P. C. VINK,
Chairman and Managing Director

AUGUST 25, 1958.
7, JUSTICE CHANDRA MADHAB ROAD
CALCUTTA, 20

Note: A member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself. Such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.

THE BRITISH INDIA CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books will now be closed from 27th September 1958 to 25th October 1958, both days inclusive, and not as previously published.

By Order of the Board.
K. M. WILCOX,
Secretary.

KANPUR, U.P., 21*st August* 1958.

MONEY EASIER

(From Our Own Correspondent)

BOMBAY, *27th August*

The short-term money market is easier than a week ago, as the lendable resources of banks expanded further in the face of falling demand for credit. Inter-bank call money has come to be quoted at 2 per cent., though in the mornings, before the clearing hours, some borrowers are found at 2½ per cent. Many banks say that, after the clearing, inter-bank money at call is practically unlendable even at 2 per cent. Because of a surfeit of funds, banks are not keen to take up House money repayable on demand. With interest rates in London having fallen and with foreign trade slackening, some of the Exchange banks have begun to offer for House money ¼ per cent. less than the Indian banks. It is said that today one big exchange bank was unwilling to pay anything more than 3¼ per cent. for House money. The representative rate for this money is, however, 3½ per cent., though there are still some needy banks which are prepared to offer even 3¾ to 4 per cent. There is not much change for term deposits. One to four months' money earns 3½ to 4 per cent., the former rate being more common than the latter. A slightly higher rate, 3¾-4 per cent., can be had for six months' deposits.

The fact that the market is more easy than last week is clearly reflected in the response to this week's Central Treasury Bills. As against an invitation for Rs. 3 crores, the applications were Rs. 6.60 crores; in the previous week, the amount offered was only Rs. 5.29 crores, as against Rs. 4 crores invited. Tenders at Rs. 99.365 and above were accepted in full and those at Rs. 99.364 allotted approximately 20 per cent. Lower tenders were rejected. The average rate of accepted tenders was 2.520 per cent. per annum. This is slightly lower than 2.561 per cent. in the previous week, though a bit higher than 2.513 per cent. a fortnight before. The amount invited for the coming week also is Rs. 3 crores. This shows that, though the response was very impressive, the authorities do not wish to raise it to Rs. 4 crores. This is understandable, in view of the two new loans issued by the Government of India today for an aggregate sum of Rs. 60 crores.

A sharp fall of Rs. 20.71 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 22nd August 1958. Since there has been a rise of Rs. 7.46 crores in notes held by the Banking Department, the contraction in the total notes issued is only Rs. 13.24 crores. This has been adjusted on the assets side of the Issue Department of the Bank by a reduction of Rs. 14.90 crores in rupee securities and an increase of Rs. 1.66 crores in rupee coins. There has been no change in foreign securities. But, as balances held abroad in the Banking Department have fallen by Rs. 4.77 crores, the total external reserves have come down from Rs. 194.53 crores to Rs. 189.76 crores. The deposits of the Central Government have declined by only Rs. 90 lakhs to Rs. 62.69 crores, while those of other Governments have risen by Rs. 8.49 crores to Rs. 25.31 crores. Indicative of the easier conditions in the money market is the rise of Rs. 11.07 crores in the deposits of banks which now stand at the impressive level of Rs. 106.35 crores. There has been a fall of Rs. 31.27 crores in other deposits. Loans and advances to Governments have fallen from Rs. 15.44 crores to Rs. 12.78 crores. Similarly, "other loans and advances" are down by Rs. 1.63 crore at Rs. 49.89 crores. Of these advances, loans to Scheduled banks against usance bills are no more than Rs. 1.93 crore, a drop of Rs. 1.35 crore over the week. A year ago, banks' borrowings against usance bills were Rs. 37.04 crores.

During the week ended 15th August 1958, the demand and time deposits of Scheduled banks gained Rs. 2.42 crores and Rs. 6.42 crores respectively. The total of time deposits on that day stood at Rs. 816.32 crores and of demand deposits at Rs. 717.42 crores, the total net deposits being Rs. 1,533.74 crores. Inter-bank borrowings from banks were lower by Rs. 2.07 crores and so also those from the Reserve Bank by Rs. 2.23 crores. There was an aggregate fall of Rs. 8.07 crores in bank credit, but an increase of Rs. 7.78 crores in investments in Government securities. The total cash holdings of the banks also improved by Rs. 3.69 crores.

The outstanding development of the week pertaining to the Gilt-edged market was the creation of two new issues by the Government of India for an aggregate sum of Rs. 60 crores. Both the issues carry interest at 3½ per cent.; one represents a further issue of 3½ per cent. National Plan Bond 1967 for Rs. 30 crores; this is the third series of this loan and its issue price is placed at Rs. 98.80. The second issue is a new loan repayable in 1968, the issue price being Rs. 98.50. The amount of this issue is Rs. 30 crores. Both the issues have been initially taken up by the Reserve Bank but would be made available to the public through the usual procedure for sale of special issues at ruling market prices.

The official announcement pertaining to the above issues was made late on the evening of the 26th inst. Today, the Reserve Bank is reported to have sold a part of these new issues at the same prices at which it took them over from the Government.

The Gilt-edged market continued to be bright. The new issues have had no significant effect on the market either way, as they had been fully anticipated. The trend was firm. Over the week, 3 per cent. 1986 Conversion Loan has gone up 50 nP to Rs. 72.20 and the 3 per cent. non-terminable by 40 nP to Rs. 72.00. The short-term loans have gained 10 nP and the medium-dated loans 15 nP. Thus, 3½ per cent. loans repayable in 1963 and 1964 have come to be quoted at par. There has been a small rise of 5 nP in some of the long-dated loans. The Reserve Bank was a seller in 4 per cent. 1972 at Rs. 100.45 and also in 4 per cent. 1973 at Rs. 100.25; a week ago, these loans were quoted at Rs. 100.40 and Rs. 100.15, respectively.

All State loans also were in good demand at hardening rates, the appreciation during the week varying from 4 annas to 8 annas.

In the foreign exchange markets, sterling was a shade easy. The spot rate in New York fell from $2.80½-2.80.9/16 to $2.80.5/16-2.80⅜. Three months' forward also lost 3/16 of a cent, the closing rate yesterday being $2.79⅜-2.79.7/16. In consonance with this variation in the value of sterling in New York, the rupee weakened in terms of U.S. dollar. The banks' selling rate for ready dollars increased from Rs. 477 to Rs. 477.50 and their buying rate from Rs. 473.75 to Rs. 474.

BULLION RECOVERS AT CLOSE

(From Our Own Correspondent)

BOMBAY, *27th August*

The bullion market ruled easy during the major part of the week under review but staged a recovery today. Gold was particularly subdued, thanks to offerings by Delhi and Calcutta operators. There was also some unloading by bulls following high carry-over charges and rumours of sizable arrivals of contraband gold. Consequently, prices suffered a setback. Today, however, a recovery was in evidence aided by replacement buying. The recovery was, of course, not marked enough to make up the earlier losses, so that the closing rates were lower than those at the end of last week.

Silver encountered selling in the earlier sessions, on reports of continued arrivals in North Indian centres on a fairly large scale and on news regarding payment of duty on 80,000 Tibetan coins. Prices, as a result, tended to decline. The downward trend was halted on Monday when, owing to buying support induced by expectations of enlarged demand for the metal in the coming weeks following favourable monsoon, prices staged a recovery. The rise gathered further momentum yesterday and today.

Forward silver (*Shravan* second settlement), which stood at Rs. 184-12 last week-end receded to touch Rs. 183-15 on Monday. Thereafter, it gradually recovered to Rs. 184-13 today before finishing lower at Rs. 184-11. The *Bhadrapad* settlement, after declining from Rs. 185-10 to Rs. 185-5, moved up to close at Rs. 159-9.

Ready silver fell from Rs. 184-8 last week-end to Rs. 183-14 on the 25th inst. Subsequently, it recovered, today's closing rate being Rs. 184-11. The floating stocks of silver are estimated at 900 bars. The daily average arrivals were 11 bars, while offtake was 9 bars per day on an average.

Gold for forward delivery (*Shravan* second settlement), which had touched the highest level of Rs. 109-2 last week, encountered selling and came down to Rs. 106-12-6 on Monday. Today, it was quoted at Rs. 107-8. The *Bhadrapad* settlement declined over the week from Rs. 108-4 to Rs. 107-11.

Ready gold receded from Rs. 108-13 to Rs. 106-13-6 before finishing at Rs. 107-14. The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 5,000 tolas, while offtake was of the order of 3,600 tolas.

The prices of silver in London and New York were unchanged at the previous week's levels, as indicated in the table below. Gold prices in London, however, gave way from 250s. 3*d.* to 250s. before recovering to 250s. 2*d.*

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

	27-8-58	Highest	Lowest	20-8-58
	Rs. a.	Rs. a.	Rs. a.	Rs a.
GOLD				
Ready (.99 fine Mint) ..	107 14	107 15	106 13½	108 13
Forward*	107 8	107 11	106 12½	108 1
Sovereign	71 0	71 0	70 12	71 4
SILVER				
Ready (.996 fine Mint) ..	184 11	185 1	183 14	184 8
Forward†	184 11	185 1	183 15	184 12
London Silver Ready ..	75*d.*	—	—	75*d.*
London Forward	74⅛*d.*	—	—	74⅛*d.*
London Gold	250*s.* 2*d.*	250*s.* 3*d.*	250*s.*	250*s.*3*d.*
New York Silver	88½*d.*	—	—	88½*c.*

* 29th August settlement.
† 30th August settlement.
N.B.—Foreign bullion prices shown in the above table relate to the previous day.

KIPS WELL SUPPORTED

(From Our Own Correspondent)

MADRAS, *25th August*

There were more enquiries for kips from the U.K., but shipment business continued to be difficult because prices locally for F.A.Q. cow hides were 2*d.* higher than U.K. levels. A few sales of tanners marks were reported at last prices. Arrivals of F.A.Q. cow hides were better than usual, while offtake was restricted on account of price. Demand for lower grades in cow hides and cow calf was good, and arrivals were taken up for inland trade at 5 per cent. above U.K. importers' ideas. Enquiries for buff calf were brisk but tanners had no stocks to offer, being the offseason.

Prices of tanned goat skins were firm and of sheep steady. There was good clearance of medium class sheep by shippers. Arrivals of common sorts in goat and sheep skins were small. The raw markets ruled firm.

The results of the London Public Sales which commence today are awaited with interest.

JARILLA AUGUST EXPIRES

(From Our Own Correspondent)

BOMBAY, *27th August*

The last hedge contract of the 1957-58 season, namely, I.C.C. Moglai Jarilla August 1958, went off the board on the 25th inst. at Rs. 649 (excluding the penalty charge for non-delivery). The contract, it may be recalled, started its career on 3rd April at Rs. 672.50 and, after rising to a peak of Rs. 694.50 on 3rd July 1958, touched the lowest rate of its career of Rs. 645.00 on 22nd August. Subsequent trading in the contract was very dull. Tenders against the contract were comparatively small, being only 4,800 bales comprising M.P. Jarilla 150 bales, Khandesh Jarilla 600 bales, Vijay 650 bales, 320F 150 bales, Buri American 800 bales, Jaydhar A 1,250 bales, Jaydhar B 750 bales, Laxmi A 300 bales, Laxmi B 100 bales and Cambodia 50 bales.

While the August contract thus quietly finished its career, the new crop contract, namely, I.C.C. Moglai Jarilla March 1959, depicted a distinctly easy trend during the week. Favourable weather and satisfactory crop progress indicated the possibility of a good crop in the new season. This, together with the higher end-season stocks and the prospect of a substantial inflow of foreign cotton, following the recent import quota, pointed to a comfortable supply position in the new season beginning on 1st September next. Operators, therefore, took a very cautious view of the cotton situation. Even erstwhile bulls were reluctant to extend support to the market. Sentiment was further affected by the downward trend of mill consumption of raw cotton and the bleak textile outlook. Vague rumours of a possible reduction in export duty on its cotton by Pakistan induced fears of keener competition from Pakistan. There were also rumours that the Government of India would issue another export quota. It, however, failed to impart strength to the market.

There was no business in I.C.C. Moglai Jarilla August 1958 on the opening day of the week, namely, Thursday. The contract opened at Rs. 645 on Friday and improved slightly to Rs. 649 the next day. It expired at that rate on 25th.

I.C.C. Moglai Jarilla March 1959 commenced the week at Rs. 667.50, as against the previous closing of Rs. 667. It met with sustained selling and declined to Rs. 659.50 yesterday. Opening higher at Rs. 663 today, the contract improved fractionally before closing lower at Rs. 661.50. The net loss over the week was Rs. 5.50.

The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	27-8-58	*High*	*Low*	20-8-58
I.C.C. Moglai Jarilla (August 1958) ...	*649	649	645	649
I.C.C. Moglai Jarilla (March 1959) ...	661.50	668	658.75	667

*On 25th August 1958.

In the spot section also, prices were easy. Mill demand continued to be on a restricted scale. Mill enquiries were noted for Jaydhar, Laxmi, Khandesh, Kalyan, etc.

In the export section, foreign demand had not revived to any appreciable extent. Shippers made moderate purchases of Kala, Wagad, *Deshi* and C.P. II against previous sales to China. Japan's response to the recent quota was not encouraging. Belgium and France, however, were interested in Dholleras. America was said to be interested in lower grade Bengals. But stocks with shippers were mainly composed of Bengal superfine. Exporters were expecting renewed demand from Japan following the exchange allocation for cotton import reported to have been made recently by the Japanese Government.

In the foreign section, activity was mainly confined to Sudan cotton. Sustained business was reported in certain Sudanese styles. East African and Egyptian varieties also evoked some attention.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week-end quotations:

Bengal *Deshi* 625 (635); Berar Jarilla 700 (710); Khandesh 765 (770); Vijay 880 (885); Hubli Laxmi 1,020 (1,030); Jayadhar 910 (925). *Delivery contracts:* Bengal (Fine) 590 (592); Mathia 612 (615).

Cheerful conditions prevailed in the Karachi cotton futures market during the week. Rumours of a possible reduction in export duty on cotton, which would make Pakistan cotton competitive with Indian growths, imparted strength to the market. Export enquiries also were encouraging N.T.R.G. January improved from Rs. 78-13 last week-end to Rs. 79-5-6. The March contract met with sustained buying and spurted from Rs. 78-3-6 to Rs. 79-10-6 at close.

Exports from the commencement of the season, that is, 1st September 1957, to 13th August 1958, aggregated 670.883 bales, as compared with 754.425 bales during the corresponding period in the previous season.

The Alexandria cotton futures market was subdued during the week under review also. Prices showed a declining trend. The expected reduction in export duty on Egyptian cotton did not materialise. Increased competition from Sudan and reports of excellent crop progress discouraged support. Overseas enquiries were few and far between. Profit-taking and hedge selling led to a fall in prices. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week's closing quotations:

Karnak: November 75.10 (75.80); January 75.15 (76.15). *Ashmouni*: August 65.35 (66.85); October 67.65 (68.18).

The Liverpool cotton futures market ruled easy during the week. The easiness was due to liquidation by American interests in Liverpool, which was prompted by the passing of the U.S. Farm Bill by

the Senate. The Bill, as is common knowledge, provides for lower support prices and larger acreage. Fears of a probable increase in the U.S. cotton export subsidy rate adversely affected buying sentiment. Easier advices from the yarn and cloth market imparted further weakened sentiment. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closing rates:

American cotton one inch staple contract: October-November 23.50 (24.03); December-January 23.80 (24.25); March-April 23.85 (24.35); May-June 23.90 (24.38). *American cotton mixed growth contract*: October-November 24.20 (24.68); December-January 24.25 (24.70); March-April 24.35 (24.65); May-June 24.30 (24.60). *Sudan*: September-October, November-December, January-February 30.00.

Cotton futures values in New York suffered a setback during the week. The Senate's approval of the Farm Bill providing for lower support prices and higher acreage touched off a wave of selling which led to a sharp fall in prices. Continued favourable crop news and larger-than-expected ginning figures accelerated the downward trend of the market. Even reports of heavier entry into the Government loan failed to lift values.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	26-8-58	19-8-58	12-8-58
Spot	36.30	36.40	36.40
October	35.35	35.53	35.72
December	35.70	35.89	36.02
March	36.00	36.30	36.25

YARNS WEAK

(From Our Own Correspondent)

BOMBAY, 27*th August*

There was a landslide in yarn prices during the week under review. This was due to considerable selling pressure let loose by fears of heavy arrivals of imported yarn in the coming months. The fears were based on reports that actual users of art silk yarn had placed substantial orders with foreign countries against import licences received by them recently and expectations of relaxation in import policy following prospects of enlarged foreign aid resulting from the discussions now being held at Washington under the auspices of the World Bank. Staple fibre yarns encountered heavy selling and suffered a sharp setback. The selling was prompted by expectations of the Government considering grant of import licences for raw staple fibre to mills spinning staple fibre yarns. Nor were reports from important consuming centres encouraging. In fact, offtake of staple fibre cloth was said to be at a low ebb even at reduced prices. Even the higher prices quoted by mills on account of their inability to secure adequate supplies of raw staple fibre from indigenous manufacturers at reasonable prices failed to have any effect. Cotton yarns continued to remain depressed, owing to the persistent slackness in demand from handlooms and powerlooms.

Thanks to nervous liquidation, staple fibre yarn (40 x 2) October delivery tumbled down by Rs. 32 to Rs. 702. August delivery fell by Rs. 28 to Rs. 696. Spot 40 x 2 Citys dropped 24 nP to Rs. 3.76. Kohinoors were done at 15 nP lower at Rs. 3.94. Centurys retreated by 22 nP to Rs. 3.72 Among foreign yarns, Paramounts were done at Rs 9.44. Fujis, however, elicited some support and gathered 7 nP to Rs. 9.44.

In the art silk yarn section, 120 Japan declined by 46 nP to Rs. 5.91. 150 Japan receded by 18 nP to Rs. 6.44, 120 Italy by 19 nP to Rs. 6.37 and 150 Italy by 25 nP to Rs. 6.50. Among indigenous yarns, National Rayons 150 bright cones first grade shed 19 nP to Rs. 5. 120 bright cones first grade lost 10 nP to Rs. 5.81.

Cotton yarns were subdued. Twenty counts Indus receded by 13 nP to Rs. 16.62. Moderns were neglected at Rs. 16.75. Thirty counts Hinds eased by 13 nP to Rs. 19.62. Among forty counts, Minaxis were quoted 18 nP lower at Rs. 25.19. Moderns were stagnant at Rs. 25.25. Sixty counts Raghuvamshis dropped 50 nP to Rs. 57.50. Finlays decreased by Re. 1.50 to Rs. 58. Among eighty counts, Mahendras shed 50 nP to Rs. 71.50. Moderns, however, put on 50 nP to Rs. 72. Ten counts evoked some support. Moderns advancing by 25 nP to Rs. 13.50 and Podars by 12 nP to Rs. 12.37.

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

	27-8-1958	20-8-1958
	Rs.	Rs.
Art silk yarn **(per case of 200 lbs.)—**		
120 Japan (per lb.)	5.91	6 37
150 Japan (per lb.)	6.44	6 62
120 Italy (per lb.)	6.37	6 56
150 Italy (per lb.)	6.50	6 75
Staple fibre yarn **(per case of 200 lbs.)—**		
40 x 2 Auronk	696.00	724 00
40 x 2 October	702.00	734.00
40 x 2 Kohinoor (per lb.)	3.94	4 09
40 x 2 City (per lb.)	3.76	4 00
Cotton yarn **(per bundle of 10 lbs.)—**		
10s Podar	12.37	12 25
20s Modern	16.75	16 75
30s Hind	19.62	19 75
40s Minaxi	25.19	25 37
60s Finlay	58.00	59 50
80s Mahendra	71.50	72 00

OILSEEDS BEARISH

(From Our Own Correspondent)

BOMBAY, 27*th August*

The oilseeds market presented a distinctly bearish trend during the week under review. In particular, castorseeds were depressed, thanks to encouraging crop prospects, following reports of beneficial weather conditions, and absence of stimulating advices from overseas countries. The U.K.'s quotation for commercial quality castor oil in bulk was mentioned lower at £103 per ton, as against £104 a week ago. Groundnuts came in for selling because of favourable weather. Prices would have shown a more marked decline but for short-covering at lower levels. Offerings in spot groundnuts were restricted with values moving narrowly. Linseed encountered selling on account of poor export business. The rate offered by the U.K. interests for linseed oil was not more than £108 per ton, as against £111 prevailing in the previous week and the shippers' quotation of £114. The reports of heavy accumulations of linseed oil in Rotterdam led to some unloading of stocks by shippers. There was also no news regarding Australian enquiry for Indian oil. Some recovery in linseed oil was in evidence today, as a result of scattered bear covering. In sympathy with the general trend and following weak advices from the cotton market, cottonseeds suffered a setback.

Groundnut February 1959 contract, which stood at Rs. 166.75 last week-end, came down on selling pressure to Rs. 163.37 today. August 1958 contract, however, came in for hectic bear covering and forged ahead from Rs. 198 at the close of last week to an all-time peak level of Rs. 204 on Thursday. At higher levels, profit-taking set in and the contract moved down, today's closing rate being Rs. 200.50. In the spot section, Bold ready was quoted at Rs. 40, as against Rs. 39.25. Coromandel and Khandesh quality were both done at Rs. 40, as against Rs. 39.75. Groundnut oil ex-mill declined by 12 nP to Rs. 20.50. Railway receipt lost 25 nP to Rs. 20.12.

Castorseeds September 1958 contract was subjected to selling pressure and fell from Rs. 156.25 to Rs. 152.50 yesterday. Today, however, it was a shade higher at Rs. 152.75. May 1959 contract slided down from Rs. 156.62 to Rs. 151.87, before winding up at Rs. 152.50. Ready Madras dropped 63 nP to Rs. 30.62. Kanpur quality decreased by 50 nP to Rs. 29.50. Castor oil B.S.S. was on offer at Rs. 17, as against Rs. 17.25. Commercial quality declined from Rs. 15.94 to Rs. 15.62.

Linseed September 1958 contract came down from Rs. 33.81 last week-end to Rs. 32 yesterday, but recovered to Rs. 52.50 today. May 1959 contract suffered a loss of 25 nP over the week, today's closing rate being Rs. 32; yesterday, it was still lower at Rs. 31.69. Bold Ready lost 25 nP to Rs. 32. Linseed oil was on offer at reduced prices, the quotation receding from Rs. 17.50 to Rs. 16.62 yesterday. Today, however, it was slightly higher at Rs. 16.87.

Cottonseed September 1958 contract was neglected at Rs. 121 today, as against Rs. 121.50 last week-end. February 1959 contract was subjected to selling pressure and moved down from Rs. 106.50 to Rs. 103.

Among other seeds, kardiseed bold ready was well supported, the rate advancing from Rs. 21.50 to Rs. 22.50 on the 22nd inst. It declined to Rs. 21.50 on the following day, but recovered to Rs. 22.25 yesterday. Today, however, it was again depressed at Rs. 21.50. Over the week, nigerseed Madras quality spurted by 50 nP to Rs. 32.50.

The following table shows the closing prices of oilseeds and oils today as compared with those a week and two weeks before:

	27-8-1958	20-8-1958	13-8-1958
	Rs.	Rs.	Rs.
Groundnut—			
August 1958	200.50	198.00	163.00
Feb. 1959	163.37	166.75	163.25
Bold ready (per cwt.) ..	40.00	39.25	39.00
Linseed—			
Sept. 1958	32.50	33.81	33.62
May 1959	32.00	31.25	—
Bold ready (per cwt.) ..	32.00	33.25	33.62
Castorseed—			
Sept. 1958	152.75	156.25	156.62
May 1959	152.50	156.62	156.37
Madras (per cwt.)	30.62	31.25	31.62
Cottonseed—			
Sept. 1958	121.00	121.50	120.00
Sept. 1959	103.00	106.50	103.25
Groundnut oil—*			
Ex-mill ready (per quarter) ..	20.50	20.62	20.75
Castor oil†—			
Commercial (per quarter) ..	15.62	15.94	16.25
Linseed oil†—			
Ready	16.87	17 50	17.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

SUGAR DEPRESSED

(From Our Own Correspondents)

BOMBAY, 27*th August*

The sugar market continues to rule depressed and there has been a further fall in prices. Several North Indian mills are reported to have made sales of sugar at rates lower than those fixed by the Government. In the Bombay-Deccan region, too, the ex-mill sales put through are at the lowest prices since the year began. Trade circles feel that sugar prices may resume their upward trend immediately after the normal post-monsoon and festival demand emerges in the next fortnight.

Small grain sugar has declined by 50 nP to Rs. 104.50 per bag. Medium grain has lost a like amount to Rs. 105.50-Rs.107-50. Large grain is quoted at Rs. 108-Rs. 115, as against Rs. 109-Rs. 114 last week.

Arrivals of sugar by rail into the market continued to be small; they aggregated 10,600 bags, as against 13,900 bags in the previous week and 20,100 bags two weeks before.

* * * *

HAPUR, 25*th August*

Sugar prices ruled depressed during the week, due to easy supply position and slack outside demand. Some of the factories were reported to be quoting prices even below the controlled price, on account of poor outside support. Lower advices from Kanpur and Muzaffarnagar also aided the market sentiment.

Quiet conditions prevailed in the Muzaffarnagar sugar market during the past week and, barring Gujarat and Saurashtra, demand from consuming centres was dormant. Business for Gujarat and Saurashtra was done in bulk quantity for hold crystal and, as there was meagre demand for small crystal, prices of some of the factories for (D29) and (E29) quality were being quoted below the Government-controlled price. The following were the quotations prevailing in the market:

Crystal retail Rs. 36.50 per maund, wholesale Rs. 100.37 per bag; mill delivery wholesale prices per maund were: Deoband (A28) Rs. 37.37; Iqbalpur (B29) Rs. 37.12; Mansurpur (B29) Rs. 37.12; Lahksar (B29) Rs. 37.12; Mawana (B29) Rs. 37.12; Dhampur (D29) Rs. 35.56; Amroha (D29) Rs. 35.75; Bijnore (E29) Rs. 35.50; Kashipur (D28) Rs. 35.69.

Sugar prices also ruled quiet in the Kanpur market, as demand from consuming areas was slack and prices of sugar in the markets in the South recorded a further decline.

The *khandsari* market presented a quiet trend, as demand was slack. There were reports that many crushers were being installed here and in the rural areas for crushing cane into *khandsari* and *gur* just at the beginning of the new season starting in early October. *Khandsari* was quoted at Rs. 33.50 to Rs. 36 per maund according to quality.

Stocks of dry *gur* had been exhausted here and small arrivals from the rural areas were lifted upto Rs. 24 per maund by consumers. *Kotha* drywet was quoted at Rs. 19.75 and wet at Rs. 19 per maund. The week's offtake was 10,000 maunds and the local stock was put at 27,000 maunds. The condition of the cane crop was reported to be fairly good, due to heavy rains. *Gur* prices ruled quiet in the Muzaffarnagar market due to poor demand and stocks left were poor.

BLACK PEPPER QUIET

(From Our Own Correspondent)

BOMBAY, 27*th August*

Malabar black pepper continued to rule quiet during the week, with narrow fluctuations, both buyers and sellers awaiting new development.

Alleppey and Cochin, after going down to Rs. 587½, improved to Rs. 600, but the business was thin for lack of foreign inquiries. Wide fluctuations on the forward market at Cochin were seen, the highest and the lowest for October and December delivery being Rs. 109 and Rs. 105 and Rs. 105 and Rs. 101, respectively. Calicut was quoted at Rs. 630.

New York, after paying for August shipment at $0.25½, is now reported to be offering at $0.25. Spot having gone down from $0.27½ to $0.26¾, grinders remained sporadic buyers.

Uneasy political situation in the Far East and general expectation of improvement in demand from the U.S.A. after the Labour holidays are responsible for the present unwillingness on the part of Indian exporters to quote lower.

Singapore is reported to be fairly steady, with minor fluctuations. Black and white are quoted at Str. $75 and Str. $126, respectively. Lampong black is also reported to be steady. Though growers in all the primary markets of Malabar Coast are reserved sellers, the second-hands who are holding stock against their hedge sales in the forward ring are off and on coming out to press sales, as foreign enquiries are not forthcoming, as expected earlier. This is said to be one of the reasons why Indian market is ruling quiet at this time of the season, though Lampong and Sarawak are fairly maintained, despite their harvesting season. The other factor that is affecting the trend of the Indian market is the bear pressure on Bombay following the accumulation of tenderable stock.

The future of the market depends upon foreign demand, as also on inland inquiries which are likely to be resumed after the current wet spell is over.

Today's nominal quotations are: Ready delivery Rs. 81 per Bengal maund, September Rs. 555.65 and October Rs. 560.70 per candy of 5½ cwts.

EXPORT TEAS STRONG

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 21*st August*

About 721,256 lbs. were offered in the 26th export auction which was held on Tuesday, 19th inst. The quality of teas from the Nilgiris showed a further improvement in quality and there were a number of useful teas on offer. At the other end of the scale, certain low medium and medium teas were disappointing in leaf appearance. The sale opened to a strong general demand, with exporters showing renewed interest.

Low medium and medium brokens met with some support and were irregularly 5 nP dearer, but the equivalent fannings met with some competition and were 10 nP dearer. Best liquoring teas were considerably dearer following quality, and were at times 50 nP up on last week's rates. A small but useful selection of tippy teas found ready buyers at considerably above last rates. There was better demand for whole leaf teas.

The quotations were: Plain B.P. Rs. 1.48; low medium Re. 1.50 to Re. 1.65; medium Re. 1.65 to Re. 1.85; good medium Re. 1.95 to Rs. 2.05; and quality Rs. 2.30 to Rs. 3.95.

London Market: Sale of 18th August 1958:—Market selective. Best stronger, while others irregular.

Sale of 20th August 1958:—Market unchanged.

Colombo Market: Sale of 18th August 1958:—Better brokens irregular dearer. Coloury mediums steady. Light and plain sorts lower. Middle East distinctly dearer.

Sale of 19th August 1958:—Good demand. Useful liquoring sorts firm. Poorer sorts five to ten cents lower.

Calcutta Market: Export:—Good general demand. Commons firm to dearer. Medium Dooars B.O.Ps. and orthodox Assams tendered easier. C.T.C teas 10 to 30 nP lower. Tippy teas sold well.

Internal:—18,600 packages. Dust met with strong general demand. Mediums firm to dearer. C.T.Cs. irregular sometimes dearer. Darjeelings limited support. Coloury descriptions strongest feature. 900 packages internal leaf met with good demand at irregularly dearer rates.

Export Quota:—The market during the week has shown a slight decline, with business being transacted at 10½ nP. The market during the past two days has shown a decline, and business has been done in Calcutta at 9 nP. The latest quotation is sellers 9 nP and probable buyers at 8½ nP.

Forthcoming Auctions:—Sale No. R will be held on Friday, the 29th inst.

QUALITY TEAS DEARER

(From Our Own Correspondent)

CALCUTTA, 26*th August*

With fair demand, quality teas were dearer during yesterday's export auctions.

Last week's internal sales, when dusts on offer aggregated 18,495 chests, witnessed stronger demand for all descriptions. Prices of mediums and commons rose, but Darjeelings were only sparingly supported. C.T.C. Assams on occasions gained, but were mostly irregular. The smaller coloury teas were in good demand. The quotations—in rupees per pound—with those of the previous week in brackets were: Best Assam C.T.C. 2.60 to 2.90 (2.55 to 2.85); medium Assam C.T.C. 2.20 to 2.40 (same); medium Assam grainy dust 1.72 to 1.76 (same); and medium Dooars 1.70 to 1.74 (same).

Leaf offerings amounted to 736 chests. They met with good general demand, with prices rising.

Export quota changed hands at 9½ nP, but soon declined to 8 nP.

Sale No. 6 of Pakistan tea was held in Chittagong on the 21st inst., when leaf on offer amounted to 11,740 chests and dusts 3,114 chests and a supplement of 223 chests. In leaf, whole leaf grades and tippy teas gained As. 2. Fannings realised valuations, with the legg-cut teas rising by half an anna. The better liquoring teas were firm, while brokens gave way by an anna to an anna and a half. Green teas on offer aggregated 820 chests which met with receptive demand. Rates quoted in rupees per pounds were: Pekoe 2-12-6; B.O.P. 2-9 to 2-9-6; O.F. 2-14-6 to 2-15; P.F. 2-8 to 2-8-6; and B.P. 2-6 to 2-6-6.

In dusts, prices gained by an anna to an anna and a half, with the strongest features recorded being better liquoring and popular varieties. Plain Sylhet dust was quoted at Rs. 2-9 per lb.

On offer at the next sale on 3rd September would be 13,135 chests and 2,645 chests of leaf and dusts, respectively.

In the export sale held yesterday, 54,660 chests were on offer. General demand was good, with medium orthodox Assams possessing bright liquors being a strong feature. However, an irregular tendency was recorded by the poorer liquoring teas with B.O.Ps and O.Fs giving way by 10 nP to 15 nP. Opening easier, plain brokens closed on a firm note, and fannings of the same type tended to move up. The best C.T.Cs on offer sold well, but the remainder of this kind fell by 10 nP to 30 nP. Legg cut teas were weaker by 5 nP to 10 nP. Whole leaf grades also eased as also Darjeelings. The rates were: Best Assam C.T.C. fannings Rs. 3.50 to Rs. 3.80; best Assam C.T.C. B.P. Rs. 3.20 to Rs. 3.40; clean black pekoe Rs. 2.10; medium fannings Rs. 2.05 to Rs. 2.15; medium B.P. Re. 1.85 to Re. 1.95; plain fannings Re. 1.84 to Re. 1.90; and plain B.P. Re. 1.70 to Re. 1.74.

Export quota changed hands at 9 nP, rising subsequently to 9¼ nP.

JUTE GOODS EASY

(From Our Own Correspondent)

CALCUTTA, 26*th August*

Prices of both jute goods and raw jute recorded a decline during the week under review. Only very little business was done in jute goods, and shippers took the advantage of lower prices. However, their support was negligible and did not have any effect on prices. There was selling pressure in the futures market, and that was the main reason for the decline. Although after the establishment of the present regulated futures market, a better trend in the movement of prices was gradually setting in, prices, especially of heavy goods, suffered wide fluctuations, thereby affecting prices of hessian as well as miscellaneous goods. B. twills seldom reach the floor as recommended by the Indian Jute Mills Association, and when once they reach the minimum, their fall is quick.

Such frequent rises and falls in prices of heavy goods, which affected prices of other constructions also, were possibly in the mind of Mr. H. L. Mehta, when he said on Friday last, presiding over the annual general meeting of the Gunny Trades Association here, that stability in prices was keenly looked for by the foreign buyers who, he added, were prepared to pay even a little more for price stability. Wide fluctuations in prices embarrassed both the seller and the buyers. The figures relating to output for July clearly showed that the percentage of hessian produced in relation to heavy goods increased. It was expected that during this month the increase would be more marked. Market circles, therefore, hoped that with a better balancing of output as between hessian and sacking, B. twills should touch and remain at the floor price. For, the stock and output figures of mills affected market sentiment deeply, and influenced foreign buyers also.

On Tuesday last, selling pressure in the futures market was so heavy that ready B. twills were offering at Rs. 97.90 as against Rs. 99 on the previous day. Ready hessian 40" 10 oz. gave way to Rs. 42.70 from Rs. 42.95. Foreign buyers were in no hurry to enter the market, since they thought that with the efforts in the U.N., the Middle East crisis has lost its import in terms of a world conflagration and that the Red Chinese activity around the Quemoy island was only a reminder that the Formosan issue should not be treated as dead. With foreign buyers taking the view that prices would come down, futures trading was under more selling pressure. On Wednesday, B. twills gave way to Rs. 97.55 and hessian 40" 10 oz. to Rs. 42.60. However, some covering business was soon done, but it was not of such a degree as to arrest the decline. So, B. twills on the next day lost to Rs. 97.35, while hessian 40" 10 oz. was fractionally better at Rs. 42.10. It was noted that hessian shipped upto the middle of this month was slightly higher at 21,000 tons, while sacking shipments at 16,300 tons recorded a small decline. On Friday, there was more covering business done in hessian, and in heavy goods some business was done on Australian account. Hessian 40" 10 oz. improved to Rs. 42.70, while B. twills continued to decline and touched Rs. 97.00. Over the week-end, there was no change in conditions with B. twills being priced at Rs. 97.05 and hessian 40" 10 oz. at Rs. 42.60. With little activity in the futures market, prices were again affected yesterday. Hessian 40" 10 oz. gave way to Rs. 42.40, while B. twills were somewhat steady at Rs. 97.00. In the futures market, August Hessian 40" 10 oz. declined to Rs. 41.78 from Rs. 42.62, and August B. twills to Rs. 96.60 from Rs. 97.55.

Raw jute prices gave way. Mills were interested in purchasing small quantities only. Reports of flooding and damage to crop did not arrest the decline in prices. For, the earlier reports of plentiful crop were so firmly established that mills could not be stirred to activity, without regard to conditions in the jute goods market. Latest quotations of the new crop are:

	Middles	*Bottoms*	*Delivery*
Pakistani :	Rs.	Rs.	
District ..	31.00	28.00	Sep.-Optet.
Nothern ..	31.00	28.00	Do.
Indian :			
Northern ..	27.50	25.00	Do.
Assam	29.50	25.00	Do.
Orissa	29.50	27.00	Do.
Desal	26.50	24.00	Do.
Murshidabad ..	25.25	22.75	Do.
Jungli	24.35	21.75	Do.
Daisee ..	30.50	28.00	Do.
Uttar Pradesh ..	24.25	21.75	Do.
Daisee mosta ..	25.50	23.00	Oct.-Nov.
Bimli f.a.q.	22.00		Do.
Pucca bales 1st mark ..	160.00 per bale ready.		

TIN MOVES DOWN

(From Our Own Correspondent)

CALCUTTA, 26*th August*

The feature in the metal market during the week under review was the gain in the price of electrolytic zinc from Rs. 66.50 to Rs. 67.50. The gain followed the tender of Tatas for 2,000 tons. But for this, the demand for the metal was small. In fact, in both New York and London, zinc recorded a declining trend. Locally, shortage of copper supplies restricted demand. The delay in the issue of permits for copper to scheduled industries was causing considerable difficulty, while it was noted that, on the London Metal Exchange and in the New York market, the price was moving up again. Tin eased from Rs. 570 to Rs. 567.50. Demand was dull. From Rs. 69, lead declined to Rs. 68.50.

With the U.S.S.R. keeping out of the International Tin Agreement and with Russia and China continuing to offer tin in London, trade circles feel that the Agreement can remain effective only so long as the Buffer Manager in London purchases Soviet tin at the support price. The Buffer Manager is reported to have already purchased a fair quantity. How long can the purchases be continued is, of course, anybody's guess. Considering Russia's reported unwillingness to join the International Tin Agreement, operators are anxious to see how the price will be stabilised in world markets. Practically, the value of the Agreement is becoming less and less, and it would not be a surprise if the producing countries to the Agreement were to decide on further restriction on exports in a final bid to counter Russian attempts.

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LINSEED LISTLESS

(From Our Own Correspondent)

CALCUTTA, 25*th August*

There was very little activity during the week. Towards the close, however, there was a slight weakening in prices, but supplies were still very scarce. Very few crushers are operating at present and those that are working do so on a restricted scale and are unable to cover their crushing costs. With sellers of seeds reserved and buyers for oil pausing, business was negligible. The overseas market declined, thus causing the disparity in Indian prices to widen still further. Latest quotations are as follows: Ready August Rs. 25-12 and September Rs. 25-8 per maund.

HIDES AND SKINS UNCHANGED

(From Our Own Correspondent)

KANPUR, 26*th August*

During the week under review, the condition of Kanpur hides and skins market was unchanged. Fresh supplies, however, were not as considerable as during the previous week. Rains affected transport. Madras dealers were keen buyers of fresh goat and sheep from the butcheries. The main purchasers were the local tanners. Latest quotations are as follows:—

Wet salted cow 1st grade Rs. 320, 2nd grade Rs. 260 and 3rd grade Rs. 200 per score. Wet salted buff 1st grade 1 lb. 10 ozs. and 2nd grade 1 lb. 12 ozs. per rupee. Goat 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces. Sheep 1st grade Rs. 250 to Rs. 275 and 2nd grade Rs. 150 to Rs. 175 per 100 pieces.

FOODGRAINS RISE FURTHER

(From Our Own Correspondent)

HAPUR, 25*th August*

The rise in foodgrain prices continued unabated during the week under review. The Union Food Minister admitted in the Lok Sabha that the food situation in many parts of the country was difficult and that prices had risen much beyond the levels prevailing last year. The next six to eight weeks, he said, were going to be difficult and the Government was trying to counter this largely by supplying grains to deficit areas from Central reserves. According to the Minister, a new agreement for import of wheat was expected to be concluded soon with the United States. Import of 2.0 million tons of wheat and 530,000 tons of rice in 1958-59 had been budgeted for and arrangements had been made for shipment during the current financial year of 1,292,000 tons of wheat, 223,000 tons of rice, 100,000 tons of milo and 25,000 tons of maize. The Government's future food policy is to maintain zonal restrictions on the movement of foodgrains and to continue credit control. A number of fair-price shops are also to be maintained and the Government will continue supply of wheat to roller flour mills and future trading in foodgrains will remain banned.

Wheat prices at Hapur continued to rise to touch a new height of Rs. 23 per maund for average quality and Rs. 24.25 for farm produce. Daily arrivals from rural areas were scanty and sales through fair-price shops aggregating 100 maunds daily failed to check the rising trend, as this quantity offered was far below the requirements. Wheat stock with the trade was nominally put at one *khatti* and a small quantity put in bags was stored here which was brought here from outside the State by road.

Kharif, maize and *juwar* crop prospects have been marred in some of the west U.P. districts, due to abnormally heavy rains last month. As waterlogging still continues over wide area, the preparation of land for *rabi* sowings has been delayed.

Rice prices, however, ruled quiet, thanks to good crop prospects of paddy crops, due to heavy rains. The latest prevailing prices here are:—*Basmati sela* Rs. 40 to Rs. 42; mainpuri Rs. 30; coarse quality Rs. 26.25 per maund.

Firm Punjab advices and good consumer demand accounted for the sharp gains in gram prices. Stocks with trade are fast moving down. Most of the State Government-sponsored gram has already been despatched to east U.P. Barley and *bejhar* prices continue to be firm, due to good demand in the face of poor stocks. Maize arrivals have not yet begun, although harvesting of early sown crop has begun in some areas. *Jowar* and *guwar* prices ruled quiet in the absence of ready demand. The latest prices on Monday (in rupees per maund) were:—Gram 16.50 to 16.62; barley 16.25; *bejhar* 16.12; *jowar* 13 to 15; *guwar* 14.75.

Brisk east U.P. and Bihar demand and the consequent heavy offtake led to appreciable gains in the prices of peas during the week. The local stock was put at 108 *khatties*, as against 125 *khatties* last week-end. *Arhar* also continued steady, although outside support was dormant, as prices were mostly influenced by the bullish trend in peas prices. Other pulses were steady. The week-end prices (in rupees per maund) were: Peas *dara* 15.12; *khatti* 15; farm quality 16; peas *dal* 16.12; *arhar* 18.12; *arhar khatti* 18; *arhar dal* 23; *urd* 19 to 19.75; *moong* 25; *massoor* 15.50.

Towards the week-end, there were heavy showers. The preparation of land for *rabi* sowings has been delayed. Further waterlogging in low-lying areas has also been responsible for hampering tilling operations.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 22nd August, 1958

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		25,00,00,000
National Agricultural Credit (Stabilisation) Fund		3,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		62,69,20,000
(2) Other Governments		25,30,83,000
(b) Banks		106,35,55,000
(c) Others		113,37,93,000
Bills Payable		11,36,86,000
Other Liabilities		10,54,84,000
	Rupees	442,65,21,000

ASSETS	Rs.	Rs.
Notes		28,98,24,000
Rupee Coin		2,37,000
Subsidiary Coin		3,42,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		3,28,41,000
Balances held abroad*		10,09,61,000
† Loans and Advances to Governments		12,78,00,000
Other Loans and Advances		49,89,03,000
Investments		328,75,41,000
Other Assets		8,80,72,000
	Rupees	442,65,21,000

* Includes Cash and Short-term Securities.
† Includes Temporary overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 1,93,00,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	28,98,24,000	
Notes in circulation	1530,00,35,000	
Total Notes issued		1558,99,19,000
Total Liabilities		1558,99,19,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	179,67,56,000	
Total of A		297,43,59,000
B. Rupee Coin		137,23,14,000
Government of India Rupee Securities		1124,32,46,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1558,99,19,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	15th August, 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1150.72	1559.16	1557.66	1508.45
Notes held in Banking Department	35.05	21.52	12.15	27.72	26.91
Foreign Securities	59.50	179.68	179.68	189.68	375.52
Rupee Securities	37.39	1139.23	1139.23	1144.59	911.81
Banking Department					
Deposits of:					
Government of India	14.89	63.59	64.79	51.07	70.22
Other Governments		16.82	16.02	41.79	2.83
Balances held abroad	10.08	14.86	10.45	10.51	16.62
SCHEDULED BANKS					
Demand Liabilities	134.36	751.43	750.34	750.48	700.94
		(34.01)†	(35 34)†	(29 38)†	(13.16)†
Time Liabilities	102.24	853.15	847.47	815.23	579.13
		(36.83)†	(37.57)†	(34.32)†	(5.25)†
Borrowings from Reserve Bank	..	4.56	6.79	15.34	54.04
		(3.28)‡	(5.54)‡	(12.63)‡	(45.62)‡
Borrowings from State Bank	..	3.43	3.79	5.19	3.86
Cash in India	6.70	39.14	37.51	38.36	39.38
Balances with Reserve Bank	25.17	92.96	90.89	84.19	74.49
Excess over statutory limits	15.52	38.33	36.42	30.36	27.86
Balances with other banks in current account in India	..	12.50	12.31	11.98	10.50
Money at call and short notice in India	..	63.01	63.97	54.61	23.03
Investments (at book value)	..	553.81	546.03	514.51	339.76
Advances and bills	105.09	871.33	880.26	896.23	874.19
STATE BANK					
Deposits	87.76	436.01	436.09	421.03	326.93
Investments	51.69	233.74	228.83	215.07	104.22
Advances	30.35	170.56	173.79	182.72	166.70
Cash	14.69	42.74	44.55	38.31	40.52

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1956	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	2
Ceylon	11th June, 1954	3	2½
Chile	Feb., 1957	4½	6
Colombia	18th July, 1958	4	5
Costa Rica	1st April, 1954	4	5
Denmark	15th Aug., 1958	5	5
Equador	13th May, 1948	7	10
Egypt	15th Nov., 1953	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1958	5	6½
France	12th Aug., 1957	4	5
Greece	May, 1958	9	10
Iceland	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	30th Sept., 1957	5	6
Italy	7th June, 1958	5	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	12th June, 1958	4	3½
New Zealand	19th Oct., 1955	4	5
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	18th Nov., 1957	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	3	2½
Portugal	29th Sept., 1955	4	4½
South Africa	22nd July, 1957	4½	5
Spain	3rd May, 1958	5	4½
Sweden	15th May, 1957	1½	2½
Switzerland	Feb., 1945	..	1
Thailand	6th June, 1956	4½	6
Turkey	14th Aug., 1958	5	4½
United Kingdom	1st July, 1936	2	4
U.S.S.R.	18th April, 1958	4½	1½
U.S.A.	27th June, 1958	3½	3
West Germany			

State Bank of India

Statement of Affairs for the week ended 15th August 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		436,91,11,000
Borrowings from Other Banking Companies, Agents, etc.		
Bills Payable		6,98,71,000
Bills for Collection being Bills Receivable as per contra		99,74,000
Acceptances, Endorsements and Other Obligations per contra		1,27,58,000
Other Liabilities (including Inter-Office Adjustments)		8,62,27,000
Total Rs.		466,14,41,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		39,86,69,000
Balances with other Banks		2,87,31,000
Money at Call and Short Notice		1,40,00,000
INVESTMENTS: Rs.		
Government and other Trustee Securities 222,57,72,000		
Other Authorised Investments 11,15,96,000		233,73,68,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc. 160,06,67,000		
Bills Discounted and Purchased 10,49,07,000		170,55,74,000
Bills Receivable being Bills for Collection as per contra		99,74,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,27,58,000
Premises less Depreciation		1,20,68,000
Furniture and Fixtures less Depreciation		91,70,000
Other Assets (including Inter-Office Adjustments)		13,31,29,000
Total Rs.		466,14,41,000

Scheduled Banks*

Statement of Affairs for the week ended 15th Aug., 1958

		Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		34,00,95,000
(ii) Other demand liabilities		717,41,91,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		36,82,54,000
(ii) Other time liabilities		816,32,16,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		3,11,92,000
(ii) Time liabilities		30,93,000
Borrowings in India from the Reserve Bank of India†		4,55,82,000
Cash in India		(3,27,97,000)
Balances with the Reserve Bank in India		39,14,45,000
Balances with other banks in current account in India		92,95,76,000
Money at call and short notice in India		12,59,47,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		63,00,03,000
Advances in India		553,81,32,000
Inland Bills purchased and discounted in India		748,29,47,000
Foreign Bills purchased and discounted in India		84,67,45,000
		88,35,52,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	March		Twelve months, April to March	
	1957	1958	1956-57	1957-58
Import Duties:				
Revenue	14 42	9.84	130 49	138 00
Protective	1.08	1.49	12.55	11.72
On surplus disposals	0.02	....	0.14	0.06
Total Import duties	15.50	11.33	143.18	149.77
Export Duties	1.89	1.40	30.07	24.31
Land Customs	0.39	0.14	2.66	3.71
*Air Customs**	—	0.07*	—	2.02
Miscellaneous	0.09	0.14	1.13	1.38
Gross Total Customs	17.67	13.08	177.04	181.19
Refunds and Drawbacks	0.39	0.41	3.13	4.67
Net Customs	17.28	12.67	173.91	176.52
Gross Excise	17.65	26.05	188.56	272.88
Refunds	0.23	0.35	2.24	3.37
Net Excise	17.42	25.70	186.32	269.51
Net total of customs and excise†	34.70	38.37	360.23	446.03

† Net Customs plus net Excise.
* Figures for *Air customs* prior to August 1957 not available.

State Bank of Pakistan

Statement of Affairs for the week ended 15th August 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	73,89,67,000
(b) Provincial Governments	50,24,000
(c) Banks	26,64,66,000
(d) Others	5,58,67,000
Bills Payable	32,14,000
Other Liabilities	8,77,66,000
Rupees	121,71,84,000

ASSETS	Rs.
Notes	10,38,04,000
Rupee Coin	47,000
Subsidiary Coin	37,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	92,44,000
Balances held outside Pakistan	19,88,51,000
Loans and Advances to Governments	44,00,000
Provincial Governments' Debtor Balances	1,40,66,000
Other Loans and Advances	3,40,84,000
Investments	77,08,50,000
Other Assets	8,17,92,000
Rupees	121,71,84,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,38,04,000	
Notes in circulation	324,13,45,000	
Total Notes issued	....	334,51,49,000
Total Liabilities	....	334,51,49,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,63,63,000	
Silver Bullion	....	
Approved Foreign Exchange	49,35,75,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	104,01,68,000
B. Rupee Coin	4,98,29,000	
Government of Pakistan Securities	219,61,46,000	
Internal bills of exchange and other commercial paper	....	224,59,75,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,68,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	334,51,49,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 32.77 per cent.

EXCHANGE RATES

	26th August, 1958	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	*s.* 1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	*s.* 1-5⅛	1-5⅛
Buyers T.T. spot to nine months	*s.* 1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	*s.* 1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D.	Rs. 477.00	476.75
Buyers T.T.	Rs. 473.75	473.75
London on New York	$ 2.80⅛-2.80¼	2.80⅛-2.80¼
London on Paris	Fcs. 1.1784	1.1784
London on Berne	Sw. Fcs. 12.20½-12.21	12.20½ 12.20¾
New York on London	$ 2.80⅛-2.80¼	2.80⅛-2.80¼

CLEARING HOUSE RETURNS

Centre	Week ended 22nd August, 1958		Week ended 15th August, 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,18,476	78,06,08,000	2,50,240	68,72,29,000
Calcutta	1,74,000	65,72,00,000	1,45,000	49,52,00,000
Madras	88,225	10,18,42,456	70,388	7,91,46,000
All Centres—				
1956-57	.. ..	..	40,008,000	87,24,35,00,000
1957-58	.. ..	..	41,671,000	89,54,66,00,000
Mar., 1958	.. ..	..	3,784,000	8,72,92,00,000
Apr., "	.. ..	..	3,831,000	7,91,04,00,000
May, "	.. ..	..	3,823,000	7,90,02,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	9th Aug. 1958	2nd Aug. 1958	10th Aug. 1957	June 1958	June 1957	Percentage of Increase (+) or Decrease(−) in June 1958 as compared with June 1957	Financial Year Average 1957-58	1956-57
Food Articles	684	119 3	119 9 R	112.5	113 4	109 4	+ 3 7	106.4	102.3R
Cereals	192	112 6	112 1 R	106.5	105 5	103.8	+ 1 6	101	96
Pulses	43	90.8	101.1	88.1	91.2 R	85.7	+ 6 4	85	81
Fruits and Vegetables	25	121.8	120 4	142.4	111 5 R	127.3	−12 4	114	113
Milk and Ghee	54	110.1	111 1	108.2	111 1 R	108.6	+ 2.3	108	100
Edible Oils	47	128.7	128.5	132.7	122 9	128.5	− 4.4	126	125
Fish, Eggs and Meat	17	115 5	111.5 R	103 2	106 7 R	95 1	+11.2	98	96
Sugar and Gur	35	114 8	116.7	119 7	125.7 R	109 8	+ 14.1	108	98
Others	50	153.2	158 4 R	135	149 2	131 0	+ 18 9	131	128
Liquor and Tobacco	21	89 4	90.0	82 0	82 1	82.3	− 0 2	84 9	84.3
Tobacco	—	87.4	88 1	90.2	90 3	90 5	− 0.2	88	86
Fuel, Power, Light and Lubricants	39	112 5	110.5 R	113 0	113 0	107 3	+ 3.2	113.6	104.2R
Industrial Raw Materials	155	119.0	119 4 R	121.7	115 3	121 4	− 5.0	116.5	116.0
Fibres	61	111 6	111.1 R	123.4	109 9 R	125 9	−12.7	118	116
Oilseeds	60	125 2	124.5	127 8	123 7	125 3	− 1 3	120	120
Minerals	2	107 3*	107.3*	109 3*	107 3*	109.7	− 2 2	108	103
Others	32	107 2*	107.4*	108 0	110 5	106.2	+ 4 0	108	109
Manufactures	282	109 8	110 1 R	108 8	107 8	108 6	− 0 8	107.3	110.9
Intermediate Products	41	112 6	112.8 R	108 6	109 8	108 6	+ 0 8	108 2	106 6
Finished Products	241	109 5	109.5 R	108 8	107 8	108 5	− 0 8	107	108
Textiles	147	106 1	106.2 R	108 6	103 7	108.6	− 4 5	107	106
Cotton	—	114.1	114.1	117 2	113 1	116.6	− 2.9	114	116
Jute	—	90 6	90.9	97 6	86 1	99 4	−13 4	96	98
Woollen	—	105.9	105 9 R	108 0	104 6	108 0	+ 1 6	106	98
Silk and Rayon	—	95.7*	95.7* R	85 0*	90 7*	86 0*	+ 5 5	91	92
Metal Products	13	143 0	143.0	142 2	143 0	141 0	+ 1 4	141	99
Chemicals	20	105.3	105.6	98 7	103 7 R	97 9	+ 5 9	98	93
Oil cakes	10	135.1	137.3	113 2	128 5	110.3	+16 5	115	109
Machinery and Transport Equipment	31	103.4	103 4	101 6	103 0	101 1	+ 1 9	102	99
Others	50	113.5	113.4	110 5	113 4	109.2	+ 3 8	110	101
All Commodities	1,000	115 8	116 3 R	112 5	111 7	110.7	+ 0 9	108.4	105.3R

NOTE:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—*Revised Series*

[1952-53=100]

Group and Sub-Group	Week ended 16th Aug., 1958	9th Aug., 1958	19th July, 1958	17th Aug., 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.6	99.4	99.2	98.2
2. Government of India	99.5	99.3	99.0	97.9
3. State Government	101.0	100.7	100.6	100 0
4. Municipal, Port Trust, etc.	98.8	98.8	98.8	99 3
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.1	99.2	99.2	101.4
6. Plantations	100.0	100.0	99.9	100.1
7. Coal	99.6	99.6	99.6	100.4
8. Sugar	99.0	99.0	99.0	100.6
9. Cotton Textiles	97.4	97.5	97.5	100.2
10. Jute Textiles	89.7	91.7	92.9	98.1
11. General Engineering	97.9	97.8	97.8	101.3
12. Electricity Generation and Supply	96.5	96.5	96.5	98.8
13. Others	101.3	101.3	101.1	102.9
PREFERENCE SHARES—ALL INDIA.				
14. Total	87.0	87.0	86.0	96.8
15. Plantations	95.0	95.8	95.2	105.1
16. *Mining & Quarrying: Total@*	85.4	85.4	84.7	91.5
17. Coal	74.9	74.9	74.5	83.7
18. *Processing and Mfg.: Total**	88.9	88.8	85.8	91.3
19. Sugar	88.3	88.3	88.3	96.5
20. Cotton Textiles	80.3	80.3	80.2	90.1
21. Jute Textiles	73.1	73.6	73.0	77.0
22. Iron and Steel	91.2	91.0	91.0	90.5
23. General Engineering	98.8	99.2	98.5	113.7
24. Basic Industrial Chemicals	85.3	85.2	85.0	86.9
25. Cement	100.5	100.4	96.0	100 6
26. Paper	84.4	84.1	83.8	92.9
27. *Other Industries: Total**	85.4	85.4	84.4	84.3
28. Electricity Generation and Supply	87.7	87.8	87.5	86 0
29. Trading	78.9	78.4	75.0	77.6
30. Shipping and Other Transport	85.2	85.2	85.2	86.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	139.3	138.5	138.8	130.9
32. *Agriculture and Allied Activities: Total**	154.8	154.4	155.3	157.8
33. Tea Plantations	149.5	149.7	151.7	157.6
34. Coffee Plantations	225.6	219.9	209.6	185.2
35. Rubber Plantations	153.7	153.5	149.0	148.0
36. *Mining and Quarrying: Total*	146.8	143.7	140.8	132.6
37. Coal	110.0	106.4	103.0	89.2
38. Other Mining	172.0	169.3	168.7	162.4
39. *Processing and Manufacturing: Total*	138.5	137.8	135.8	131.1
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	127.5	127.8	126.6	127.8
41. Sugar	165.5	164.5	162.7	168.9
42. Cotton Textiles	119.0	119.1	119.6	120.4
43. Jute Textiles	77.7	78.3	73.5	83.2
44. Silk and Woollen	411.4	410.4	408.2	347.2
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	150.4	148.7	146.3	133.8
46. Iron and Steel	144.0	141.6	137.7	116.2
47. Transport Equipment	201.3	200.9	205 3	183.3
48. Electrical Machinery	145.1	144.7	144 5	180.1
49. Machinery other than Transport and Electrical	161.0	159.0	156.3	153.7
50. Basic Industrial Chemicals	124.8	125.3	125.9	114.8
51. *Processing and Mfg. (Others): Total**	149.8	148.3	144.6	135.8
52. Cement	142.0	141.4	139.3	132.7
53. Paper	193.3	191.5	182.3	168.5
54. *Other Industries: Total**	111.7	111.1	109.8	105.5
55. Trading	89.5	89.6	90.3	88.1
56. Shipping and Other Transport	139.3	136.3	132.3	125.1
57. Construction	217.2	214.0	218.5	204.4
58. *Financial: Total*	173.2	171.7	170.7	144.6
59. Banks	195.9	194.4	192.7	161.1
60. Insurance	126.8	126.1	127.8	106.3
61. Investment Trusts	81.8	79.4	77.8	88.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
62. Bombay	142.7	141.2	139.9	127.7
63. Calcutta	134.9	134.3	132.1	129.8
64. Madras	151.9	151.4	150.7	157.0
65. Delhi	169.7	168.9	167.0	155.3

*Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In *tons*)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,78,600	7,97,500
Do. 31st March, 1958	10,98,200	11,06,800	7,86,900
May 1957	91,300	86,600	65,100
June "	84,500	77,300	52,300
July "	88,200	88,500	66,500
May 1958	57,100	52,900	38,500
June "	84,000	85,700	62,000
July "	1,02,200	1,06,100	68,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,52,315	4,41,483
Do. 31st March, 1958	7,33,945	5,97,880	4,10,558
Three months ended Mar., 1957	1,83,857	1,39,880	1,20,578
" " " Mar., 1958	1,77,225	1,29,851	1,05,996
" " " June 1958	1,99,889	1,88,868	1,06,801
" " " June 1958	2,14,469	1,21,988	1,01,014

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of average Number of workers involved	Number of man-days lost
1956	1,203	715,130	6,992,040
1957	1,630	889,371	6,429,319
January 1958	147	56,492	371,125
February "	152	99,482††	447,586††
March "	167	85,462††	818,824††
April "	170	61,439	5,30,162
May "	160	57,057†	5,00,459†

† Not known in 16 cases. †† Not known in 4 cases.
‡ In progress during the month

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'56-'57	387.68	..	11,010	284
Pakistan††	'56-'57	83.50	..	2,079	249
Burma	1956	19.80	Kyats 4,336	505	255
Ceylon	1955	8.38	..	475	567
Japan	1956	90.00	Y. 7,427,000	9,233	1,026
Philippines	1956	22.99	Ps. 8,335	1,985	894
New Zealand	1956	2.17	£ (N.Z.) 884	1,178	5,428
Australia	1957	9.80	£ (A.) 4,599	4,893	5,093
U.K.	1956	51.20	£ 16,465	21,953	4,287
U.S.A.	1956	169.09	$ 343,600	163,554	9,731
Canada	1956	16.00	$ 22,710	10,787	6,742
France	1956	43.60	F.Fr. 18,990,000	17,640	4,046
W. Germany	1957	51.00	DM. 158,000	18,057	3,513
Italy	1956	48.10	Lr. 11,476,000	9,760	1,521
Norway	1956	3.46	Kr. 20,990	1,408	4,356
Sweden	1956	7.30	Kr. 44,580	4,127	5,653
Netherlands	1956	10.50	Fls. 25,400	3,215	2,977
Denmark	1956	4.46	Kr. 24,950	1,690	3,789
Switzerland	1956	5.00	Sw. Fr. 25,630	2,807	5,614

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gwahati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99
1953 "	106	363	275	323	95	103	349	109	105	104	102	112	100
1954 "	101	350	244	294	85	99	327	106	105	91	95	102	98
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100
1957 "	111	360	259	339	94	112	364	116	114	99	103	115	107
February 1957	107	357	253	341	92	109	350	114	114	100	100	107	105
March "	107	356	254	330	91	110	348	114	114	99	99	107	105
April "	110	356	256	333	89	110	345	114	112	95	102	110	107
May "	110	363	257	337	92	111	352	114	114	96	104	113	108
June "	112	370	259	339	93	112	371	115	115	98	103	113	111
January 1958	111	382	254	320	91	115	368	120	109	96	103	120	107
February "	110	386	248	297	89	115	364	120	108	95	103	116	105
March "	110	381	253	298	89	115	363	119	108	96	102	119	105
April "	111	389	261	295	91	116	368	119	107	96	100	118	106
May "	113	387	263	295	93	117†	371	120	108	97	101	119	107
June "	114†	395	273	307	..	..	378	..	111	101	103	120	113

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A	7-Year B	12-Year B	12-Year National Plan Savings Certificates C	Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits	10-Year Treasury Savings Deposit Certificates 3½% F	4% C	15-Year Annuity Certificates G	Total
	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Outstandings	Outstandings E	Outstandings	Receipts	Receipts	Receipts / Outstandings H
1952-53	6,83	3,26	84,17	..	..	113,35	32,03	..	..	..	146,83 / 211,93
1953-54	5,91	4,26	104,38	..	..	117,37	106,29	..	..	..	162,71 / 252,96
1954-55	4,70	4,99	124,64	..	..

MARKET GOSSIP

(*Concluded from page 335*)

appreciation of Rs. 12, or 60 per cent., over the price (Rs. 20) at which the shares (Rs. 10 paid-up) were issued to the public in November 1956.

• • • •

The Joint Committee of Parliament on the Merchant Shipping Bill has, in response to the virtually unanimous demand of Indian shipowners, reduced the proportion of permissible foreign participation in the capital of Indian shipping companies from 49 per cent. to 25 per cent. Under the new definition of "Indian ship," if the ship is owned by an individual, the entire ownership must vest in Indian hands. And, if it is owned by a company, at least 75 per cent. of the share capital should be held by Indian citizens. Again, not less than three-fourths of the total number of directors should be Indian citizens, while the chairman of the board of directors and the managing director, if any, should be Indians. The managing agents of the company should be Indians, or, if the managing agents are themselves a company, such company should be predominantly Indian. Finally, the principal place of business of the shipping company should be in India. The reduction in the permissible share of foreign capital participation, together with other reductions on management, proposed by the Committee in its definition of "Indian ship," will certainly discourage any possible inflow of foreign capital into the shipping sphere where overseas capital and know-how could be of great assistance in speeding up the rate of progress achieved so far. It might have at least accepted the modest formula for capital structure (60 per cent. Indian and 40 per cent. foreign) suggested by Mr. Akbar Ali Khan who rightly thought that the formula would effectively safeguard national interests and at the same time give suitable encouragement to foreign investment and speedy development of Indian shipping.

The Committee has, however, done well to provide for the setting up of a non-lapsable development fund and entrust its administration to a corporate body to be called Shipping Development Fund Committee. The fund may be utilised for giving loans and financial assistance to shipping companies for the acquisition and maintenance of ships. It has also provided for the establishment of a National Shipping Board. This body, it is stated, will advise the Central Government on matters relating to Indian shipping, including its development, and on other matters arising out of the Bill. In the absence of the full text of the Select Committee's report which is not available at the time of writing, it is not clear whether the functions of these two bodies will not overlap at some stages. In any case, these two bodies, if they are energetic and work in co-operation, would be able to accelerate the growth of shipping on sound lines.

• • • •

The firmness of the world copper market noted in the past fortnight has since abated. In fact, the market is now distinctly easy. Cash copper in London is quoted at £230¾, as against £207¾ a week ago and £210 two weeks ago. This setback has been brought about by two important factors. First, the U.S. House of Representatives has finally rejected the Minerals Stabilisation Bill providing for a programme to stockpile 150,000 tons of copper. Secondly, the Western division of Kennecott Copper, which accounts for the Company's entire U.S. production, has announced its decision to augment copper output by 33⅓ per cent. as compared with the July level, the planned monthly rate of output from September onwards being 29,900 tons. The increase is proposed to be effected by raising the number of working days from five to six and recalling about 750 shift workers. This is the second time in three weeks that Kennecott Copper has added a day to its working week (a total production increase of 50 per cent.).

It is too early to say as to whether the downward trend in world copper prices will gather further momentum. For much will depend on the attitude of the two other leading U.S. producers—Phelps Dodge and Anaconda. These producers have not so far raised their production above the current low level and they are reported to have stated that they have no plan to increase output "in the immediate future." Much will also depend on the extent of orders from Russia following the removal of copper from the embargo list. Considering the large spare capacity available, it would, however, appear that copper prices cannot go up appreciably, unless, of course, demand for the metal picks up on a significant scale.

T.I.S.CO.'S PROFIT DOWN

(*Concluded from page 341*)

The following extract from the Directors' report will enable readers clearly to understand the changes made in the appropriation of profit and in the valuation of stocks:

"The Company's stocks of raw materials and semi-finished and finished products had, during and ever since the last world war, been valued each year on a conservative basis. This was to ensure that, in the event of a post-war fall in prices, the Company would not find itself with large stocks at inflated values. As prices, however, did not fall, but in fact continued to rise from year to year, and as there now seems to be no likelihood of a fall in the foreseeable future, it has been decided to revalue all stocks at cost or market value, whichever is lower, with effect from the year 1957-58. This revaluation resulted in a surplus in the opening stocks of Rs. 186 lakhs which has been transferred to general reserve No. 1 and in an increase in the valuation of the closing stocks of about Rs. 80 lakhs which is included in the profit for the year.

"The large increase of Rs. 143 lakhs over the previous year in the provision for depreciation is due to the completion during the year of some of the new units of plant under the expansion and modernisation programmes. This enhanced provision is necessary, even though these units did not increase the output of finished steel.

"The provision for taxes, including wealth tax, this year amounts to Rs. 90 lakhs as compared with Rs. 342 lakhs in the previous year. The reduction of Rs. 252 lakhs is accounted for mainly by the much higher depreciation and development rebate resulting from the large additions to the block. As, under the current scheme of retention prices, all savings in tax have been absorbed in the price structure, no margin is left for making any provision for deferred taxes.

"No additional provision in respect of development rebate has been made this year as against the provision of Rs. 95 lakhs in 1956-57, because the allocations to the Plant Rehabilitation and Development Reserve under the agreements with Government fulfil the requirements of Section 7 of the Finance Act, 1958.

"Government's decision on the industry's representations for increased retention prices to cover increases in costs has not yet been announced. As the bulk of the increases in costs claimed by the Company is specifically provided for under the Agreement of 23rd June 1955, in terms of which the two-million-ton programme has been undertaken, the Company has, pending the Government's decision, made a provisional adjustment in the accounts for the year 1957-58 for the increase in the retention prices due to the Company.

"The creation of a retention price equalisation reserve was explained in the last annual report. Out of the net amount of Rs. 48.54 lakhs in this reserve, a sum of Rs. 8.82 lakhs, applicable to the increase in costs this year, has been transferred to the profit and loss account. The balance will be absorbed over the next two years."

The financial position of the Company as at 31st March last fully reflects the heavy capital expenditure incurred in connection with the expansion and modernisation of the Company's works. Between 31st March 1956 and 31st March 1957, the balance-sheet total rose from Rs. 74.88 crores to Rs. 98.29 crores, an increase of Rs. 23.41 crores. The latest total stands at Rs. 148.72 crores, the rise over the year being Rs. 50.43 crores, that is, twice as much as that in 1956-57. In Table II of this review, we have given a synopsis of the latest balance-sheet against the background of the two preceding ones. It will be seen therefrom that, on the assets side, the gross block has gone up by Rs. 53.60 crores, and the net block by Rs. 50.25 crores. Other major variations are an increase of Rs. 2.37 crores in stores and of Rs. 4.92 crores in stock-in-trade, a decline of Rs. 94 lakhs in sundry debtors, of Rs. 3.97 crores in loans and advances and of Rs. 2.22 crores in cash and bank balances. On the liabilities side, capital is higher by Rs. 3.37 crores and so also reserves and surplus by Rs. 5.65 crores. Secured loans have jumped up by Rs. 38.69 crores. Similarly, a rise of Rs. 6.87 crores is disclosed by sundry creditors, while there is no significant change in unsecured loans at Rs. 10.55 crores. Thus, secured and unsecured liabilities are up by Rs. 45.56 crores. As against this, there has been a contraction in the tax liability by Rs. 4.60 crores, though the liability on account of the proposed dividend is more by Rs. 23 lakhs.

That, in brief, sums up the principal variations in the financial position of the Company. It may be added that, including the share premium account, since capitalised in May last, the paid-up capital of the Company is Rs. 30.66 crores, as against which there are reserves and surplus of Rs. 24.50 crores. The total of capital and reserves aggregate Rs. 55.16 crores, which is only a little over half—52.3 per cent., to be precise—of the value of net block. Another feature of the Company's financial position is the heavy proportion of borrowings to total assets. Excluding sundry creditors, tax provision, proposed dividends, and retiring gratuity for staff, all of which amount to Rs. 33.36 crores, borrowings alone amount to Rs. 60.18 crores, or a little over 40 per cent. If the other liabilities are taken into account, the total indebtedness comes to Rs. 93.54 crores, equivalent to 63 per cent. of the total assets. The Company is thus heavily under-capitalised and has an excessive amount of borrowings. While the provisions for depreciation and plant rehabilitation in future years will reduce this imbalance to a considerable extent, it will also be necessary for the Company to raise additional capital of a sizable order. The sooner the Company does so the better for its health.

TABLE I

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds (net)	45,40.49	41,78.75	40,15.55	35,03.16
Other income	2,50.01	2,24.95	1,57.52	1,78.78
Expenses	37,05.34	31,16.11	28,72.33	27,45.53
Gross profit	10,94.16	12,87.59	13,00.74	9,36.36
Provision for—				
Managing Agents' commission	33.67	31.77	28.43	32.28
Depreciation	3,90.58	2,47.43	2,48.37	2,35.00
Taxation	90.00	2,71.56	3,45.00	2,40.00
Bonus to employees	1,08.00	1,10.94	1,02.49	1,08.61
Net profit	4,71.96	6,25.89	5,81.45	3,22.47
Income-tax on preference dividend recovered	17.81	14.84	14.84	14.84
Withdrawn from other reserves	2,33.43	8.60	..	..
Transfer to—				
General reserves	2,20.00	..	..	81.99
Rehabilitation reserve ..	2,79.00	2,59.74	3,28.39	1,00.00
Development reserve ..	..	95.00	78.00	10.00
Bad and doubtful debts reserve	0.17	8.49	..	0.20
Reserve for proposed additional taxes	..	70.44	..	..
Deferred taxation reserve ..	..	15.00	..	..
Dividends—				
Preference	56.54	56.54	56.54	56.54
Ordinary (old)	1,06.01	1,22.07	1,34.92	1,34.92
Rate per share of Rs. 75 each .. .. Rs.	(8.25)	(9.50)	(10.50)	(10.50)
Ordinary (new)	61.14	21.94	..	..
Rate per share .. Rs.	(7.50)	(2.54)	..	..
Carry forward	4.49	4.15	4.05	5.53
Production of—		(In thousand tons)		
Coke	931	917	1,005	1,096
Pig iron	1,092	1,151	1,150	1,128
Steel ingots	1,104	1,071	1,059	1,040
Saleable steel	787	799	800	783

TABLE II

(In thousands of rupees)

	1958	1957	1956
LIABILITIES			
Capital	26,85,43	23,48,40	17,33,06
Reserves, other funds and surplus.	28,30,03*	22,66,11	17,14,40
Provision for taxation ..	4,20,07	3,89,43	9,15,72
Liabilities	89,25,77†	43,24,84	31,23,70
Rs.	148,72,10	98,28,78	74,87,87
ASSETS			
Gross block	147,05,45	93,44,97	69,55,47
Less—Depreciation	42,01,71	38,66,27	36,95,00
Net block	105,03,74	54,78,70	32,60,47
Stores, spares, etc.	8,42,44	6,05,82	5,27,67
Stock-in-trade	12,39,58	7,47,63	7,42,75
Debts, deposits and advances ..	15,02,99	20,84,29	17,12,74
Investments	5,41,39	5,38,08	5,99,37
Assets earmarked against employees' account	39	41	40
Cash and bank balances	1,51,62	3,73,85	6,44,47
Rs.	148,72,10	98,28,78	74,87,87

* Includes Rs. 381.33 lakhs share premium account.
† Includes Rs. 223.69 lakhs on account of proposed dividends.

PLANTING

(*Concluded from page 348*)

mainly housewives and handicraft teachers in hundreds of women's institutes.

Of the Board's campaign to promote the increased use of rubber in building, the Report comments: "The Board's aim in this field has always been to impress upon architects in a way no individual firm could do that rubber is a progressive as well as a reliable material whose many uses in the building field are being continually extended." An example of the way this policy was implemented was the publication by the Board during the year of comprehensive information on a number of new uses for rubber connected with concrete construction, including the use of rubber to give a decorative finish to concrete.

Towards the end of the year, the Board began "a major effort" to publicise S. P. rubber developed by the Rubber Research Institute of Malaya. This new form of natural rubber with special processing advantages at once began to arouse the interest of manufacturers all over the world. Another development that attracted special interest was the method of producing hard moulding compositions from modified natural rubbers such as Heveaplus and cyclised rubber. Technical advice was given to a number of manufacturers and potential manufacturers of latex foam, while other matters on which assistance and information was provided including latex bonded fabrics, and the suitability of various types and grades of rubber for a wide variety of different applications.

COMMERCE

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

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IMPORT AND EXPORT POLICIES

IT is now becoming increasingly clear that the country can have no respite from the rigour of import control, nor can it shirk from bearing the hardships inseparable from a vigorous export drive. The Import and Export Advisory Councils, which met at New Delhi last week-end, produced no ready-made solutions for India's foreign trade problems and promised none. Both the official and non-official representatives recognised, as well as appreciated, the hard realities of an extremely difficult situation, in which national self-denial and additional production and exports must continue to be the accepted policy for a much longer period than was envisaged earlier.

Normally, one would expect in the present crisis a wealth of statistical information about foreign trade. Actually, the country is functioning under a critical statistical black-out. The publication, *Monthly Statistics of Foreign Trade of India*, in its new form, is intended to be informative. Maybe, it is. But it is difficult to distil any sense from this voluminous medley of figures. The former publication which it replaced might have lacked scientific accuracy but it had the great virtue of clarity. Further, the data are not always up to date—the latest issue refers to May 1958—and no comparable figures for previous years are readily available. In other countries with which India wants to compete for trade, statistical publications are clearer and more prompt. Not only are trade figures for a month released almost as soon as the month is completed but the trends in invisible trade and the overall balance of payments position analysed and presented. The Union Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, himself had to rely on unsatisfactory scraps of statistical information. No coherent account emerged from his analysis. Perhaps, the Government will be well advised to issue a simpler and summarised version every month, at the first instance, and then follow it up by an elaborate publication. This is conducive to winning popular support for official policies. The Government has an obligation to publicise, and the country the right to have, a prompt and complete account of the overall balance of payments position every month.

The latest available complete data refer to 1957-58 when the overall balance of payments position, inclusive of exports and imports of invisible items, was minus Rs. 376.8 crores (excess of debits at Rs. 1,285 crores over credits at Rs. 908.2 crores), as compared with an adverse balance of Rs. 306.8 crores in 1956-57 (excess of debits at Rs. 1,205.7 crores over credits at Rs. 898.9 crores). In recent months, export earnings have fluctuated, though a few traditional items have been able to maintain their position. But, on the whole, average export earnings in the first seven months of the current calendar year are lower at Rs. 42.7 crores, as compared with the average of Rs. 53.6 crores in the corresponding period last year. Thanks to rigorous import control, the rate of withdrawal from sterling balances—these stood at Rs. 187 crores as on 29th August 1958—has been reduced; in the first seven months of the current year, the rate of withdrawal was Rs. 4.1 crores, as against Rs. 7.2 crores in the corresponding period last year. The country, however, has heavy foreign exchange commitments (for goods already imported or for which orders have been placed), estimated at Rs. 887 crores, of which capital goods account for Rs. 660 crores; the public sector's share in the total commitments is Rs. 496 crores. The decline in export earnings, together with the imperative need to honour commitments already entered into, makes the task of planners a particularly difficult one.

At the Import Advisory Council, Mr. Shastri made the not unexpected announcement that there was no prospect of any liberalisation of imports for the next licensing period October 1958-March 1959. The import policy, followed so far, has produced some results. During the period January-June 1958, the Union Commerce and Industry Ministry has been able to show, in the sector managed by it, a saving of Rs. 100 crores of foreign exchange as compared with the first half of 1957. Steel, non-ferrous metals, machinery, vehicles, raw cotton, chemicals and electrical goods have all made their contribution to this saving. The chief objective of the Government's import policy, Mr. Shastri said, was to "spread the benefit of our resources as widely as possible." It is, however, a difficult task to lay down correct criteria for judging import requirements of industries and an even more difficult task to apply them to numerous individual claimants for foreign exchange. Broadly speaking, the Government's policy is to give preference to industries with large employment potential and to export industries. But it will not generally prefer capital goods to raw materials. Mr. Shastri claimed, in effect, that industrial production had not been impaired by import policy. This is not altogether correct, for some industrial enterprises have had to close down and some others have had to curtail production. In any case, no system of allocation of scarce foreign exchange resources can be entirely free from a certain element of arbitrariness. It must, however, be admitted that the Government has, by and large, been trying to make the best of a bad situation. Even so, there is room for improvement, especially in the matter of planning a curb on the virtually insatiable desire for foreign exchange by the Government's own departments. The authorities must know how best they can do without imported materials and also reduce the consumption of scarce commodities. Mr. Shastri, for instance, exhorted the Government departments to reduce their paper consumption by 15 per cent. This piece of advice can be extended to cover many goods and commodities.

The issues which figured prominently in the discussions include greater utilisation of the services of established importers, liberal imports of essential drugs and medicines, and priority for the import of essential raw materials required by the coal and transport industries. Mr. Shastri gave the assurance that higher priority would be given to the imports of spare parts of components without which production could not be maintained. An issue which aroused interest was the holding of the price line for imported commodities. Mr. Shastri expressed some concern over the rise in prices of imported goods. Perhaps, it is easy to exaggerate the social effects of a rise in the prices of these commodities. A slight increase in prices is inevitable in the context of shortage of goods. In any case, a rise in their prices is not an unmixed evil, for it does stimulate internal production and restrain consumption. In recent months, many light engineering and chemical industries have come into existence or have expanded their production in response to demand arising from the virtual ban on imports.

Although export promotion efforts have not yielded substantial results, it cannot be denied that the Government has, by and large, adopted a liberal attitude towards export trade. It has set up 11 export promotion councils—one each for cotton textiles, art silk and rayon, plastics, leather, tobacco, cashew and pepper, mica, shellac, engineering goods, chemicals and sports goods—while it intends setting up similar bodies for feature films and handlooms. The handloom export promotion organisation would be a subsidiary to the State Trading Corporation. The Government has also decided to set up an export promotion organisation in W. Germany, probably at Hamburg. Many commodities have been freed from export control. Last week, the Government announced the lifting of controls on exports of 200 items, including ceiling fans, enamelware, hurricane lamps, matches, pharmaceutical products, manufactures of paper and board, a number of chemicals, stores, fruits, soap, handloom cloth, silk fabrics and art silk manufactures, storage batteries, umbrellas, plastics, woollen fabrics, iron and steel manufactures and paints. The regulations for the drawback of import duties on exported goods are applicable to 59 commodities, and the cases for relief for another batch of 21 commodities are under examination. Compulsory grading regulations have been made applicable to tobacco, raw wool, lemon-grass oil, sandalwood oil, sunn hemp and bristles, while the quality of cotton textiles is subject to inspection. A voluntary scheme for controlling the quality of East Indian tanned skins is being put into operation. The Export Risks Insurance

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Corporation has made a modest beginning in underwriting export risks. A bureau is being set up to study the issues arising out of freight anomalies and inadequacy of shipping opportunities. Facilities have been made available for manufacture in bond of a few products from imported materials with a view to encouraging their exports.

If these measures, commendable in themselves, have not produced appreciable results, it is obviously because costs of production in India are high and the quality of the products leaves something to be desired. The Government should not overlook the importance of concentrating its attention on traditional exports such as tea, coffee, cotton and jute textiles, oilseeds and minerals, in its anxiety to explore new markets for lines of goods which India has begun to manufacture only in recent years. Further, new schemes, such as the one for retaining a part of foreign exchange by exporters for purposes of importing essential goods (as is now sought to be made applicable to textiles, now proposed to be tried, involve unwise currency expedients which other countries have tried without any remarkable success. Such schemes place non-exporting units at an undeserved disadvantage. Again, they imply a tacit admission of the weakness of national currency and may, sooner or later, lead to devaluation. In the final analysis, exports are won only the hard way through reduced costs and improved quality rather than by clever currency retention schemes.

STATES' TAX EFFORTS

MUCH interest attaches to the reported communication by the Planning Commission to the States asking them to raise Rs. 140 crores more than they have done by way of additional resources. The Planning Commission, it is stated, will hold consultations with the State Governments during this month and the next on how best the increased resources can be found. The results of these discussions are expected to be placed at the meeting of the National Development Council which is scheduled to meet at New Delhi on 8th and 9th November 1958. While these discussions will be welcomed as a method of exploring avenues for mobilising internal resources for the Plan, it may be wondered whether the State Governments are, or ever likely to be, in a position to raise the additional resources now contemplated by the Commission.

It is also intriguing why the Commission expects increased resources of the order of Rs. 140 crores to be found by the States. In its recent review of the progress of, and prospects for, the second Plan, it indicated that the resources for the first three years of the Plan were of the order of Rs. 2,456 crores, and that, on the basis of current trends, the anticipated resources for the last two years of the Plan would be Rs. 1,804 crores, making in all Rs. 4,260 crores over the five-year period. It was stated that, in order to reach the target of Rs. 4,500 crores, there would thus be a shortfall of Rs. 240 crores which the Commission expected to find by way of loans and small savings Rs. 60 crores, economies in expenditure and collection of arrears of taxation as well as debts Rs. 80 crores, and additional taxation Rs. 100 crores (Centre 40 crores and States Rs. 60 crores). It is, therefore, not clear why the States' share of additional resources is now sought to be raised to Rs. 140 crores. It is also not clear whether what is now intended is not merely additional tax effort, as such, but increased diversion of resources, to Plan purposes. Even so, the figure is on the high side.

It is, however, true that the States have been unable to reach the target of additional tax effort fixed under the Plan. Thus, whereas the Centre's tax proposals are expected to yield an extra Rs. 725 crores over the five-year period, or Rs. 500 crores over the tax target fixed for it, the States' tax effort will bring in only an additional Rs. 173 crores, or Rs. 52 crores less than the similar target of Rs. 225 crores. But the reasons for the States' fiscal failure are not far to seek. They stem partly from the inelastic sources of taxation available to them and partly from the relatively large slice of the national income absorbed by the Centre itself. In other words, if the Centre exceeds its own tax target by too wide a margin, the States must find it difficult to reach their target.

Further, in recent months, certain basic weaknesses have manifested themselves which most adversely affect the States' capacity to raise additional resources. The increase in prices and living costs, the decline in agricultural production, and the general slackening in certain sectors of economy have served to place the States in an unenviable position. There is considerable opposition to even the existing rates of some taxes, such as sales tax, so that any further increase in these rates would be resented. In any case, there are already signs that some of these tax rates have reached levels at which they are bound to be regressive in their effect. And, if the tax reliefs, designed to serve as incentives for exports, were implemented, the States might lose a part of their revenue. As regards certain other sources already suggested by the Commission, namely, betterment levy and irrigation cess, it seems clear that there is a limit beyond which they cannot be stretched. Already, some State Governments experience difficulties in inducing farmers to utilise the water potential created by irrigation works; the farmers feel that the water cess is unattractively high. In the context of the imperative need to increase food production, there is a case for suitable reliefs in taxation on agriculture, rather than for the imposition of new or increased burdens.

It should thus be obvious that any attempt to compel the States to go too far in the direction of increasing their tax revenues is both unwise and impracticable. This, however, does not mean that the State Governments should not make an all-out effort to prevent leakages in revenue and to collect arrears of taxes. There is scope for raising larger revenue by these methods. Again, as the Commission has itself pointed out, a part of the increased revenue raised by the States themselves or obtained from the Centre as a result of the Finance Commission's award and other means has been "absorbed by expenditures that do not enter into the Plan." By placing a curb on their non-developmental expenditure, as also by making economies in all possible directions, the States should be able to release more resources for Plan purposes. This would constitute a commendable contribution to the success of the Plan.

COFFEE AND RUBBER BOARDS

INADEQUATE representation for producers in the Coffee and Rubber Boards came in for some sharp criticism at the recent meeting of the United Planters' Association of Southern India, at Coonoor. The trend towards authoritarian control of coffee and rubber commenced, it may be recalled, in 1954, when the two Boards were so constituted as to imply nothing more than a doctrinaire sacrifice of producers' interests which lost what a medley of other interests so undeservedly won. The loss would, perhaps, be immaterial if the Boards were innocuous bodies meant to pass pious policy resolutions. Actually, the Boards' policies have their effect on plantation industry's performance and prospects, so that it is all a case of taxation without adequate representation.

Mr. C. I. Machia, who was the President of the U.P.A.S.I. for 1957-58, made the point that "industrial representation cannot be based on methods and principles that are necessary and suitable for legislative representation." Clearly, producers in any industry are always few, whereas consumers and workers are numerous. To base the representation of these interests on their numerical strength is to do violence to all canons of justice. Apart from the larger question whether any industrial body, however, constituted, can be wiser than a free market, there is the vital problem of ensuring that the producer has a reasonable say in matters which concern him. And yet, in the two Commodity Boards for coffee and rubber, the producers' voice is drowned in a babble of tongues—the tongues of representatives of Governments, consumers, traders and Parliament. It is inconceivable that the interests, other than the producers, can have anything more than an academic interest in the problems which come up before the Boards. To give them a preponderant representation is to deny the producers their legitimate right to have an effective voice in the making of policies. "It is undoubtedly unsound," Mr. Machia rightly said, "if the growers have very little voice in the matter of the disposal of the crop raised by them." Further, the present method of choosing the producers' representatives, according to him, is not conducive to the eventual selection of men "who could bring to the discussions within the Board not only their experience and knowledge but also the sanction of the community of producers whom they represent." Clearly, in the absence of the necessary sanctions, the Boards' decisions are bound to lack strength and coherence and lose their value and significance to the industry. It is to be hoped that, when the Boards come up for reconstitution this year, the authorities will accord the producers adequate representation.

There are also certain special circumstances which make it imperative that the Coffee and Rubber Boards should be reconstituted with a larger representation for producers' interests. The coffee industry, as we pointed out last week, is faced with the problem of disposal of its large production. It may be mentioned here that the Board was constituted at a time of shortage of this commodity which, in fact, vitiated all official thinking on the subject of producers' representation. The tables have now been turned. There is a prospect of embarrassing surplus. The carryover stock as on 1st January 1958 was 9,681 tons, as against 6,084 tons at the beginning of 1957 and 3,655 tons at the commencement of 1956. With a crop of well over 40,000 tons in the current year, the supplies are once again substantially in excess of the demand for export and domestic consumption. World coffee production, too, is considerably above current consumption. It would require all the knowledge and skill which the best men in the industry can muster before a market is found for the surplus. This could be ensured only if representatives of the industry, with years of experience behind them, are allowed to shape decisions. This is a special reason why the producers should be adequately represented on the Coffee Board. In this connection, Mr. Machia did well to stress the importance of publicity for coffee in the internal market.

Apart from the question of reconstituting the Coffee Board, there is a valid case for restricting its powers to spheres where it can function effectively. An unlimited extension of its powers would bring the Board into disrepute. It would appear, for instance, that the Board intends to take powers to control the opening of new coffee and the replantation of old coffee-growing areas. Commenting on this move, Mr. Machia said that "there are over 43,000 growers of coffee and the magnitude of the job of inspection and licensing may defeat its purpose." He warned that the Board may "have to take the responsibility for any losses that may be caused to individual growers who may be compelled to follow the Board's decisions as to the suitability and selection of land, the type of coffee that is to be grown and the choice of planting materials." It is not clear why the Board is anxious to underwrite so large a risk. The attempts made by the Rubber Board in this direction have not been a success. The lessons of this experiment should serve as an eye-opener to the Government.

If, in the sphere of coffee, the problem is to expand the market in order to absorb increased output, the problem in the sphere of raw rubber is to increase output to match the growing demand from rubber manufacturers. In the current year alone, consumption is expected to aggregate 40,000 tons or 5,200 tons more than the actual consumption last year when nearly 13,200 tons were imported. With the progressive expansion of rubber goods industries, raw rubber consumption is bound to move up year after year. It is expected to go up to 46,000 tons in 1959 and to 60,000 tons by 1961. The output of raw rubber, though it has increased in recent years, has not kept pace with the increase in consumption. It is, therefore, somewhat deplorable that much progress has not been made by the Rubber Board in implementing its scheme of replantation. Mr. Machia pointed out that the "Board's scheme of replantation, at 7,000 acres per annum, in itself inadequate considering the enormous quantity of rubber required by the country, has not been fulfilled." Only 2,766 acres, it may be noted, were replanted under this scheme last year. He added: "Much of the expansion under rubber is now taking place in unselected strains and in many cases in unsuitable areas. From the tardy progress of the rubber rehabilitation scheme and the unsatisfactory rise in production and the inexplicable delay in making any progress in the construction of the research station of the Board, I am inclined to share the belief of many that the affairs of the Rubber Board require a thorough examination." This constitutes another reason why the Rubber Board should be strengthened by the incorporation of additional producers' representatives who can be trusted to help evolve, as well as implement, a vigorous scheme of expansion of rubber output in which they are vitally interested.

BOOM IN EQUITIES OVERDONE

CALL DEPOSIT SYSTEM TO GO FROM NEXT MONTH

THURSDAY, 5 P.M.

THE share markets appear a little subdued now, in contrast to the bullish fervour that dominated them till almost the beginning of this week. Although the undertone is still in favour of the buyer, the shares are meeting with resistance at higher levels. In fact, the froth in the market for steel, shipping, chemical and engineering shares is being gently blown away. This is probably because of the absence of any new bullish developments. Reports from London and Washington alike on the prospects of India getting sufficient aid to tide over immediate balance of payments difficulties are no doubt encouraging. But the markets had anticipated this event earlier. Accordingly, its actual materialisation, let alone its likelihood, is no hot news for them. For a long time, they have been climbing up, in the belief that the Government will, in its anxiety to earn more foreign exchange, give several concessions to industries, so that they could concentrate on exports. The encouraging observations made by Mr. Lal Bahadur Shastri, Minister for Commerce and Industry, at the Export Advisory Council meeting this week have also, therefore, failed to generate a fresh upward momentum in equities. The same is true of the monthly production returns of the T.I.S.Co. for August 1958, showing a notable rise in the output of finished steel. It thus looks as though the share markets have discounted all possible bullish factors. They have to digest the recent gains before they can advance further. From the point of view of yields, almost all the popular shares in Bombay and Calcutta appear to be fully priced. Indeed, some of them seem to be a little overvalued, if regard is had for the current profit-margins of industries and the uncertainty about the Government's fiscal policy.

MARKET GOSSIP

Shortly after we went to press last week, the Reserve Bank was reported to have advised the Scheduled banks to exercise caution in giving unrestricted advances against shares. It was neither a directive nor a stern warning, but a friendly counsel of caution. The Bank was said to have drawn the attention of Scheduled banks to the abundance of funds with them, the increasing buoyancy of share markets and the recent attempts in certain quarters to corner speculative shares. Whether this advice was based on the Bank's information of the advances of banks against shares or on pure inference from the current trends is not known. But there are reports in share markets that the Reserve Bank had acted on the basis of definite information. Whatever that may be, there is no doubt that the Reserve Bank's mild warning was long overdue. In fact, there is every reason for investigating whether or not there has been excessive speculation in shares. According to some, there is a heavy overbought position in some of the speculative counters, such as Indian Irons, Tata Steels, Bombay Dyeings, Scindias and Bombay Burmahs, to mention only a few. It has been frequently stated, for instance, that some parties in Calcutta are long in Indian Iron by 1,200,000 shares, while a few in Bombay are short in it by 300,000 shares. This kind of report cannot be verified by external observers, but the trend of prices supports it. The Boards of Stock Exchanges, however, should be in a position to check it and take appropriate remedies. In any case, have not the values moved up so fast and to such a sizable extent as to warrant the introduction of some effective checks on speculation, say, for instance, stiffer margins on all transactions? In the present context of easy money conditions, the existing margins on Indian Irons and Tata Steels are neither adequate nor effective. In the interests of genuine investors and of their own fair name, the Stock Exchange authorities will do well to take the initiative before being told to do so by the Government. It would be interesting to recall here that, recently, the margins on shares on the New York Stock Exchange, where the system is different from the one operating in Bombay or Calcutta, were put up, on seeing that the values on the Exchange kept on moving up in a manner which was out of tune with the prevailing economic conditions in the country.

There are some who are inclined to feel that there is nothing unhealthy in the recent happenings in the share market and that the rise in equity values only represents a recovery from the unduly low levels to which they had gone down, following the heavy tax imposts and the unfavourable remarks made by some Ministers against private enterprise. The "present bull phase," says a firm of share brokers in Madras, "far from causing perplexity or concern, as it appears to have done in official quarters (apparently the reference here is to the Reserve Bank's aforesaid advice to banks), must be welcomed as breathing some oxygen into a lotus-eating market, wherein the turnover was declining to pitiful proportions." This may be true of the Madras Stock Exchange to some extent, but not of its Calcutta and Bombay confreres where speculation has been of a magnitude not conducive to a healthy market. It is also contended by some that the rise in equity values is attributable to cheap money conditions. That may be so, but a policy of cheap money, when inflation is rife on account of deficit financing, is surely not the right one.

Neither inflation nor speculation is good for investors, when they cross the safety limit as they appear to have done now. One of the grounds on which speculators have boosted equity values is the hope that Mr. Morarji Desai, Union Finance Minister, will give substantial relief in taxation when he presents the next budget. But by overdoing their game, the speculators are unnecessarily queering the pitch for him. Will any Finance Minister be in a position to give relief in taxation when Stock Exchanges are booming? Normally, in a Government and a Parliament dominated by socialists, it will be a difficult task for a Finance Minister to give tax reliefs. By taking up the share values to new heights not justified by the trend of industrial profits, his task will be made even more difficult. This is an aspect which ought to cause some concern to the industrialists who have been pleading for relief in taxation. Some of them, however, seem to regard the bull phase in shares with great satisfaction. In fact, quite a few are alleged to be pulling up the market in the shares of their concerns in order to facilitate raising additional capital successfully. But these tactics are harmful from the point of view of long-range interests of investors.

There is no doubt that, during his present visit abroad, Mr. Morarji Desai will do his best to get foreign help for the economic development of India. The Western countries are also favourably inclined to assist India for practical reasons, economic and political. But the leftist elements in this country who are opposed to Mr. Desai both within and outside the Congress Party appear to be active to discredit him in the eyes of the public and the Prime Minister. They did that successfully to Mr. T. T. Krishnamachari when he was in charge of the Commerce and Industry Ministry and also when he went abroad last year as Finance Minister. Unfortunately, T.T.K. played into their hands and tried to outdo the leftists, with results that have done great harm to the economy of the nation as well as to his own reputation for economic foresight and administrative competence. Will the same thing happen to Mr. Morarji Desai? Will he be able to hold his own against the leftists or allow himself to be dominated by them? Time alone can tell. But it seems to us that, in assuming that he will be able to undo some of T.T.K.'s work in the sphere of direct taxation, the speculators in shares are assuming a great risk and taking many things for granted.

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At long last, the scheme proposed by the Indian Banks' Association for regulating interest rates on deposits through voluntary agreement among all the banks has won the approval of all the Indian banks, excepting one in South India, as also that of the Exchange banks. Even this South Indian bank, which has only a minor objection, is confidently expected to fall in line with the others. The scheme has the blessings of the Reserve Bank and the support of the State Bank of India. It is likely to come into force on 1st October 1958.

The scheme is a comprehensive one and seeks to place a ceiling on interest rates payable by banks on deposits of all kinds, excluding inter-bank transactions. There will, however, be no restriction on the rates of interest chargeable on bank credit. The small banks have been exempted from the scheme; only banks with deposits over Rs. 5 crores are parties to it. The salient features of the scheme are: the rate of interest on current accounts is not to exceed ½ per cent. per annum. No interest is to be paid on deposits repayable on call. This means the present system of house money on call will cease to exist. Instead, banks can quote for deposits repayable on seven days' notice. The maximum rate for these deposits shall not exceed 3½ per cent. per annum. Similarly, a maximum rate of 4 per cent. per annum is fixed for term deposits. There is also a maximum time limit of two years for deposits. But banks which wish to take funds for periods in excess of two years should do so by issuing deposit certificates. It thus looks as though there will be no higher rate for deposits than 4 per cent. A maximum interest of 2½ per cent. is allowed on savings bank accounts. There are detailed provisions to ensure that banks do not subvert this arrangement by charging lower rates of interest on advances given to those who maintain deposit accounts.

The factors that have overcome the opposition to the aforesaid scheme are: the decline in bank profits in the first half of the current calendar year; the strong support extended by the Reserve Bank both privately and publicly; and the easier money conditions not only in India but also in foreign countries, notably in Britain. It would appear that one of the big Indian banks which was strongly against the move until recently has turned out to be its keenest supporter, apparently because it has suffered a substantial fall in its profit for the six months ended June last.

* * * *

While banks in India have thus plumped in for restricting competition among themselves, their confreres in Britain, known for their conservatism, have just chosen to have more competition and enterprise, we mean here their direct entry into a field of activity hitherto reserved for the hire-purchase finance companies and considered unorthodox for commercial banks. In the legal sense of the term, it is not hire-purchase business that comes under the category of personal loan service. But, in effect, it is not very much different from hire-purchase finance. This revolutionary initiative was taken by the Midland Bank. It held no consultations with the other banks and, in fact, took the whole London City by surprise. The most outstanding feature of this scheme is that the loans are to be given without any collateral, the only qualifications for the facility being that the applicant must have held a deposit account with the Bank for some time and that his personal character and creditworthiness should be to the satisfaction of the local bank manager.

The Midland Bank's move caused a flutter in the bankers' dovecot and put the cat among the hire-purchase pigeons. But the other banks soon got over the shock and announced similar facilities to their depositors; in fact, some of them improved upon the Midland's scheme in favour of their customers. Barclays, for instance, has no lower limit, whereas the Midland offers loans from £50 to £500. Again, though the Midland was the first to announce the scheme, Barclays' plan came into force three days earlier than that of the Midland's. Another feature of Barclays' plan is that it will be available to any customer, whether old or new, and is designed to attract the wage-earners to the banking habit.

The new scheme of personal loans adopted by British banks has the following three attractions as compared with the facility provided by hire-purchase finance companies:

(1) The rate charged on these personal loans is lower than that on hire-purchase contracts.

(2) There is a valuable and attractive life assurance cover in them, provided by banks at their own cost.

(3) The interest paid on these personal loans becomes, unlike that on hire-purchase contracts, a proper allowance against income-tax and surtax, as the banks will issue interest certificates for use in claiming rebates of tax.

The rate of interest on the aforesaid advances is 5 per cent., but, since it is on the whole of the loan granted without any reduction for the monthly instalments paid by the borrower, the effective rate is about 9¼ per cent. per annum. This new facility by the British banks is expected to stimulate the demand for cars, furniture, durable household goods, motor cycles, industrial plant, farm equipment and caravans. It is also designed to help construction of new houses and repair of old ones. Following the initiative taken by banks, several hire-purchase finance companies have already reduced their charges. There has been no cry of unfair or cut-throat competition by either banks or hire-purchase companies.

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The speech of Mr. K. K. Birla at the last annual meeting of the Textile Machinery Corporation Ltd., popularly known as "Texmaco" in market circles, is notable for its comprehensiveness, moderation and useful suggestions. The speech falls into two distinct parts, the first part covers the progress and problems of engineering industry in general and the second those of Texmaco, which has come to occupy a prominent place in the field of this important industry. The Company began manufacture only in 1951, and yet, within a short period of seven years, it has been successful in producing an impressive range of capital goods. The Company is one of the typical examples sufficient to convince any impartial observer that the theory that, in India, the State has to enter the field of capital goods as a producer, as there are insufficient number of *entrepreneurs*, is not wholly true. If, despite several handicaps, most of which are traceable to the Government's defective economic policies, Texmaco could be a success in almost every respect, its achievements would have been greater in an atmosphere free from these handicaps. And it is needless to add that this remark applies to the private sector as a whole. The rate of India's economic progress would have been distinctly higher had the system of free enterprise been given more freedom of action and better incentives.

A perusal of Mr. K. K. Birla's speech will show that it is not easy to develop export markets for capital goods, even though India may have the geographical advantage in regard to the potential markets in West Asia, Africa and East Asia. There are many difficulties to be overcome. First, it takes time to establish a name as a producer of high quality capital goods. Secondly, the cost of labour is progressively going up and this trend will gather further momentum, as expenditure on development plans is speeded up. The effect of this factor on the price of capital goods can be neutralised only through higher production, which in turn is dependent upon hard work, understanding and co-operation on the part of labour. Thirdly, adequate credit facilities from banks will be necessary. It must be remembered, in this connection, that India has to compete for markets not only with the traditional exporters in the West but also with the Communist countries—Russia, East Europe, and China. Mr. Birla's suggestion that the Reserve Bank of India Act must be amended, so that it can rediscount export bills of longer usance than three months, is quite pertinent and deserves to be carefully examined by the Bank and the Government. And, fourthly, the engineering industries are suffering from both inadequate supply and high cost of steel. It is, perhaps, not yet widely realised that "India has lost the distinction, which it so far had, of having the lowest price for steel in the world." Due to a rise of Rs. 70 per ton in the price of steel inside India and a decline of about Rs. 100 per ton in the price of foreign steel, Indian steel at Rs. 700 per ton is as costly as that of imported steel. It is true that, a few days ago, the Government announced a reduction of Rs. 50 per ton in the price of steel used by engineering units for export purposes. But this concession may not be sufficient to overcome the other difficulties referred to above.

The adverse effects of the Government's defective textile policy are not confined to the cotton mill industry alone. They have been felt by the other producers who serve this industry in one way or another. Texmaco, as a supplier of textile machinery, is one of them. It has found it necessary not only to curtail its production but also to postpone its plan for raising the capacity for ring frames and carding engines till more favourable times.

Texmaco, however, is making good progress in the other fields of manufacture, namely,

(*Continued on page 419*)

SHARE MARKET LISTLESS

TEXTILES ENCOUNTER SELLING

(From Our Own Correspondents)

BOMBAY, *4th September*

IN striking contrast to the hectic activity in recent weeks, colourless conditions prevailed on the Stock Exchange during the week under review. Operators were generally not inclined to enter into further large fresh commitments, the highly favourable prospects of foreign aid and continued easy tone of the money market notwithstanding. The Reserve Bank of India's directive to banks to adopt a cautious attitude in granting advances against shares acted as a damper. The enunciation of the investment policy of the Life Insurance Corporation, though it was well received, did not have any effect. Business put through, as a consequence, was moderate and prices moved narrowly, the general trend being a shade downward, except in a few scrips which registered handsome gains on investment support.

In particular, the textile section ruled easy. The chief unhelpful factor was the payment of enhanced dearness allowance to mill workers following the steep increase in cost of living index from 395 in June to 407 in July. Nor were reports of piecegoods offtake—domestic and foreign—encouraging. The fact that prices of cotton today are lower by well over 10 per cent. as compared with those a year ago did not receive much attention in evaluating the profit-margin of mills. Steel shares failed to evoke support, despite renewed rumours of an early upward revision in retention prices and reports of L.I.C. purchases of Indian Irons early in the week.

Tata Steel Ordinaries opened the week at Rs. 174.75, as against Rs. 173.75 on Wednesday last week, and came down on selling pressure to Rs. 172.75 on Tuesday. After recovering to Rs. 175.50 on reports of higher steel retention prices and encouraging production performance in the month of August, they finished lower at Rs. 174.75. The new shares were done today at Rs. 170.25, as against Rs. 170 last week. Indian Irons were firm at Rs. 26.25 on the opening day, but encountered selling in the subsequent sessions, the quotation receding to Rs. 25.40 today; towards the close, however, they were a shade better at Rs. 25.60.

Textile shares were offered at reduced prices. Bombay Dyeings, which stood firm at Rs. 60.80 on the opening day, came in for selling and moved down to Rs. 59.80 before closing at Rs. 60.10. Kohinoors fell by Rs. 7 to Rs. 278. Finlays dropped Rs. 6 to Rs. 285. Svadeshis retreated by Rs. 4.50 to Rs. 198.50. Models declined by Rs. 3.75 to Rs. 166.25. Central Indias and Podars shed Rs. 3 each to Rs. 96 and Rs. 135, respectively. Gokaks eased by Rs. 2 to Rs. 152. Simplex lost a like amount to Rs. 176. Morarjis were lower by Re. 1.75 at Rs. 247. Khataus receded by Re. 1.25 to Rs. 185. Indores and Minervas decreased by a rupee each, the former to Rs. 107 and the latter to Rs. 64. Tata Mills lost 75 nP to Rs. 38.25.

In the banking section, Central Banks declined by 30 nP to Rs. 57 and new shares by Re. 1 to Rs. 57.50. United Commercials shed 30 nP to Rs. 63.20. Bank of Indias (A shares) were dull at Rs. 135, as also Union Banks at Rs. 7.24. Punjab Nationals, however, evoked some support and advanced by Re. 1.50 to Rs. 62. Barodas were favoured 50 nP higher at Rs. 123.50 and Jaipurs gained 25 nP to Rs. 37.25.

Electricity shares were quiet. Poona Electrics came down from Rs. 127.50 to Rs. 127. Tata Hydros declined by Re. 1.75 to Rs. 122.75, while Tata Powers were unchanged at Rs. 1.225. Bombay Suburbans eased by 75 nP to Rs. 113, despite encouraging results for the year ended 31st March 1958. Ahmedabad Electrics were offered 50 nP lower at Rs. 98.80. Andhra Valleys, on the other hand, found buyers Rs. 2.50 higher at Rs. 1,177.50. Surat Electrics rose by Rs. 4 to Rs. 115.

Among sugar shares, Belapurs opened the week firm at Rs. 289, as against Rs. 287.50 last week-end, and, after receding to Rs. 286, recovered to Rs. 290 before finishing at Rs. 289. The net gain over the week was Re. 1.50. Walchandnagars encountered selling and went down by Rs. 4 to Rs. 283.50. Phaltans dropped Rs. 3 to Rs. 164. Bhopals, however, elicited enquiries and gained 68 nP to Rs. 25.20. Changdeos gathered 50 nP to Rs. 31.

Cement shares failed to evoke follow-up support and suffered losses. Associated Cements moved down from Rs. 162.50 to Rs. 160 before closing at Rs. 161, the net loss over the week being Re. 1.50. Digvijays decreased from Rs. 154.50 to Rs. 153. Dalmias eased by 48 nP to Rs. 11.76 and Orissas by 32 nP to Rs. 13. Jaipur Udyogs were done today at Rs. 14.68 *ex*-right, as against Rs. 16.12 last week.

In the engineering and mining group, Tata Locomotives fell by Rs. 2 to Rs. 189. Larsen and Toubros were down by 68 nP to Rs. 15.80. Mahindras declined from Rs. 16.24 to Rs. 15.88. Texmacos lost 10 nP to Rs. 22.80 *ex*-div. Indian Coppers were quiet at Rs. 4.04, thanks to the marked fall in gross profits revealed in the audited accounts of the Company for the year 1957. Premier Constructions, however, continued to be fancied well on hopes of an early bonus issue and firmed Rs. 6.50 higher at Rs. 221.50. Shivrajpurs were also well supported following news of right issue at par and hardened by Rs. 6.50 to Rs. 114.50. The Directors of the Company have decided to raise the capital by Rs. 3.5 lakhs by issuing one new share at par for every two shares held. Alcock Ashdowns strengthened by Rs. 2.50 to Rs. 261.25.

Among shipping shares, Great Easterns shed 10 nP to Rs. 27.40. India Steamships declined by 29 nP to Rs. 14.08. But Scindias were somewhat favoured, the quotation rising by 22 nP to Rs. 22.44.

Automobile shares ruled easy. Premier Automobiles sagged by Re. 1.50 to Rs. 85. Hindustan Motors shed 24 nP to Rs. 7.48, as the Company could not pay ordinary dividend for 1957-58 also.

In the miscellaneous group, National Rayons were on offer Re. 1.25 lower at Rs. 241. Tata Oils dropped a like amount to Rs. 38. Killick Industries declined by a rupee to Rs. 148. Amar-Dyes shed 50 nP to Rs. 115 and Tata Chemicals 32 nP to Rs. 16.80. Wimcos retreated by 25 nP to Rs. 182. Bombay Burmahs (old), however, continued to attract good attention on bonus issue consideration and proximity of interim dividend. The quotation for the fully paid shares spurted by Rs. 9 to Rs. 610.50. The partly paid shares put on 75 nP to Rs. 220.75. Industrial Investment Trusts gathered 30 nP to Rs. 82.30. Gwalior Rayons, however, were easy at Rs. 13.75, as against Rs. 14.08 a week ago.

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Calcutta Stock Exchange

CALCUTTA, *3rd September*

A steady trend was in evidence on the Calcutta Stock Exchange earlier in the week under review, but, as bulls elected to take profit, offerings increased and prices eased. In the meantime, encouraging reports regarding firm possibility of India being able to secure foreign assistance to the tune of $350 million between now and March next were noted, and the outcome of Mr. Morarjee Desai's foreign mission was keenly awaited. Although, in his speech to the Import Advisory Council, the Commerce and Industry Minister, Mr. Lal Bahadur Shastri, could not hold out any liberalisation of the import policy, market circles took the view that, in view of the possible solution to the foreign exchange shortage, more imports of essential requirements for industries, both spare parts and raw materials, would be provided. Trade circles appreciated the recent measures announced by the Governmnt to increase exports, and hoped that the huge monthly deficit in foreign trade—the deficit in June was Rs. 36 crores—would now be arrested. Teas received selective support following announcement of more corporate results and expectation of an early announcement according relief to common teas. The Central Government's decision to float a new loan for Rs. 60 crores and issue bonds for Rs. 30 crores did not affect the market, as this was in accordance with earlier expectations in the market and also because both would be taken up by the Reserve Bank, in the first instance.

Textiles were shown more attention on speculative support encouraged by expectations of increased offtake of cloth for internal consumption on the eve of approaching *poojas* and *Diwali*. From Rs. 5.96, Basantis gained to Rs. 6.25. Elgin Mills were unchanged at Rs. 13.56.

In coals, East Indians at Rs. 23.62 were fractionally higher, while most other shares eased. Bengals were lower at Rs. 265. Talchers moved down from Rs. 2 to Rs. 1.97, while Burrakurs were unchanged at Rs. 21 and Equitables at Rs. 28.75.

The number of transactions in jutes shrinked, but a few selected counters were lifted at higher rates. Thus, Gourepores spurted to Rs. 330 from Rs. 315. Kamarhatties were better at Rs. 123. Nuddeas, after rising from Rs. 49.25 to Rs. 50.25, closed lower at Rs. 49. New Centrals at Rs. 17 added a few naye paise with Nationals easing to Rs. 22.50 from Rs. 23.62. Megnas were unchanged at Rs. 135, but Howrahs were firm at Rs. 18.87. Cheviots receded from Rs. 180 to Rs. 174.

Engineering shares gave way. Indian Irons opened at Rs. 25.48 and, after rising to Rs. 25.56, closed lower at Rs. 24.73. Texmacos at one time were as high as Rs. 23.25, but closed at Rs. 22.60. On reports of raw materials shortage affecting rolling of steel, Bhartias receded to Rs. 15.94 after recording an early rise to Rs. 16.19. From Rs. 107.50. Hooghly Dockings gave way to Rs. 105. Kumardhubis were quiet at Rs. 9.12.

Teas were quietly steady. Sungmas were better at Rs. 13.50, as were Bishnauths at Rs. 21.44. Brooke Bonds at Rs. 19.44 added a few naye paise.

Miscellaneous industrials receded. Indian Coppers, after realising Rs. 3.93, eased to Rs. 3.82. Orient Papers were lower at Rs. 35, while Titaghur Papers were better at Rs. 42.06. Indian Oxygens at Rs. 20.50 added 32 nP, but Dunlop Rubbers eased to Rs. 28.12 from Rs. 28.50. National Rollings were on offer at Rs. 12.25, as against Rs. 13.37 previously, and Indian Cables eased from Rs. 30.50 to Rs. 29.87.

Madras Stock Exchange

MADRAS, *2nd September*

The Madras Stock Exchange put on a cheerful appearance during the week under review. Buying enquiries were quite widespread, with values of equities tending to move up. Plantation shares were specially favoured. The speech of the Union Minister for Commerce and Industry at the annual meeting of the United Planters' Association of Southern India, and his statement in Parliament that the Government was considering proposals to grant further relief to common teas, besides lower excise duties, induced good buying support which pushed up prices. In sympathy with planting shares, sugar, bank and miscellaneous industrials ruled steady. Textiles, however, were easy, as buying enthusiasm was lacking, thanks to continued poor offtake of yarn and piecegoods.

Tea shares were fancied well. Mlamallays rallied Rs. 3 to Rs. 35. Lucky Valleys advanced by Re. 1.50 to Rs. 11. United Nilgiris spurted by Re. 1.25 to Rs. 18.25 and Cowcoodys by Re. 1.7 to Rs. 8.22. Stanes Amalgamateds climbed up by 75 nP to Rs. 14. Woodlands strengthened by 37 nP to Rs. 8.62, Talayars by 35 nP to Rs. 9.40, Blue Mountains by 22 nP to Rs. 3.72 and Peermades by 25 nP to Rs. 21.25. Kil Kotagiri's rose by 17 nP to Rs. 6.22. Waterfalls increased by 15 nP to Rs. 3.80 and Parksides by 13 nP to Rs. 21.

In the coffee group, Coffee Lands firmed up by 50 nP to Rs. 34.50. Kumergodes were quoted 26 nP higher at Rs. 6.16. Rajendras gathered 10 nP to Rs. 12.60 and Consolidated Coffees 5 nP to Rs. 29.45.

Among rubber shares, Valkundams were on request, the quotation rising by a rupee to Rs. 24. Thamarapallys improved by 50 nP to Rs. 25.50 and T.R. & Ts by 45 nP to Rs. 7.50. Rajagiris gained 25 nP to Rs. 18. Highlands put on a like amount to Rs. 12.25. Midlands gathered 10 nP to Rs. 12.20 and Be Bes 5 nP to Rs. 3.40. Nelliampathys were better by 3 nP at Rs. 3.20.

Textiles encountered selling. Rajalakshmis fell by Rs. 5 to Rs. 67. Janardanas dropped Rs. 3 to Rs. 72.50. Anglo-French, Coimbatore Spinnings Ranga Vilas and Vijayakumars lost a rupee each to Rs. 77, Rs. 49.50, Rs. 59 and Rs. 105, respectively. Maduras were quoted 70 nP lower at Rs. 32.80. Loyals receded by 25 nP to Rs. 35. Travancore Rayons lost a like amount to Rs. 14.65. Coimbatore Pioneers, however, evoked special support and gained Rs. 3 to Rs. 228. Metturs hardened by a rupee to Rs. 342.

In the sugar section, Cauverys were marked up by Rs. 2.50 to Rs. 93. United Breweries strengthened by 50 nP to Rs. 220. Travancores were quoted 35 nP higher at Rs. 11.70. Deccans, however, lost 15 nP to Rs. 9.15.

Among miscellaneous industrials, Singarenis evoked good support and rallied Rs. 2 to Rs. 16. Mysore Lamps increased by 75 nP to Rs. 16. General Papers advanced by 50 nP to Rs. 12.50. Mysore Tobaccos improved by 25 nP to Rs. 13.75, Aluminium Industries by 20 nP to Rs. 17.55 and F.A.C.Ts by 8 nP to Rs. 6.78. Travancore Cements gathered 7 nP to Rs. 9.32.

Notices

JARDINE HENDERSON, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend at the rate of 2¾ per cent. less Indian Income-tax thereon, will be paid to the Registered holders as on the 7th October, 1958, of the 50,000 Cumulative Preference Shares of Rs. 100 each in the Company in respect of the year ending 31st March, 1959.

The Share Transfer Books of the Preference Shares will be closed from 30th September to 7th October, 1958, both days inclusive.

By Order of the Board,

D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA 1, *28th August*, 1958.

PUBLIC NOTICE

TO ALL TO WHOM IT MAY CONCERN

NOTICE IS HEREBY GIVEN THAT THE registered office of the Punjab National Bank Ltd. has been transferred from 8, Underhill Road, Delhi, to Parliament Street, New Delhi.

By Order of the Board of Directors,

R. L. TULI,
Secretary.

NEWS IN BRIEF

THE State Trading Corporation has decided to import newsprint shortly from some East European countries, which will be distributed directly to small newspapers and printers.

The Government of India has fixed the price of tea for the purpose of determining the export duty at Rs. 3.09, as against Rs. 2.88 per pound in force from 1st August 1958. There is, however, no change in the existing rate of duty, namely, 38 nP per pound.

The agreement between India and Switzerland for avoidance of double taxation of income of enterprises operating aircraft, initialled in Berne during the visit of the Indian official delegation in June last, was signed by the Governments of the two countries in New Delhi on 29th August.

The Central Government has accepted the U.P. Government's scheme for the establishment of a factory to manufacture synthetic rubber by utilising the surplus power alcohol. With the sanction given by the Centre for the setting up of four new alcohol producing distilleries in addition to the expansion schemes of the existing 12 units, production of alcohol in Uttar Pradesh is expected to aggregate 14.8 million gallons in 1958 and 18 million gallons in 1959.

A new company called "Indian Refineries Private Limited" was registered at New Delhi on 22nd August. Set up with an authorised capital of Rs. 30 crores, the Company will control and manage the two oil refineries to be established by the Union Government in Assam. It will be managed through a Board of Directors, consisting of 10 members. Mr. Feroze Gandhi, M.P., and Mr. J. M. Srinagesh, I.C.S., have been appointed Chairman and Managing Director, respectively, of the Company.

Two new items of postal stationery, namely, air mail postcards in 40 nP denomination and blue air mail envelopes in 90 nP denomination have been introduced with effect from 29th August 1958. The existing 4-anna air mail postcards and 12-anna foreign air mail blue envelopes will, however, continue to be on sale after affixing the required additional postage of 15 nP to make up the deficiency till such time as their stocks are exhausted.

The Government of India has launched family living surveys among workers employed in factories, mines and plantations at 50 selected centres all over the country. The purpose of these surveys is to obtain data for constructing a new series of working class consumer price index numbers for various centres, as well as for the whole of India, on a uniform basis and also to study the level of living of workers. The field work of these surveys, which has already begun, has been entrusted to the National Sample Survey organisation and will continue for a year.

Draft rules for allowing rebate of customs and Central excise duties paid on indigenously rolled sections of steel used in the manufacture of various steel products subsequently exported, have been published. The refund will be applicable to agricultural implements, belt fasteners, bolts, nuts and rivets, builders' hardware, collapsible gates, electric conduit pipes, electrodes, expanded metal, galvanised iron bath tubs, buckets, drums, tanks and water bottles, hardware, iron nails, mild steel pipes, mild steel screws, rolling shutters, steel trunks and steel furniture. The rate of refund proposed is Rs. 50 per ton of steel content of the articles.

The prospecting of coal by drilling carried out by the Geological Survey of India has led to the discovery of proved reserves of about 5.5 million tons in Ondal, W. Bengal, and 300,000 tons in Garo Hills, Assam (calculated on the basis of 200 metres radius around a bore hole drilled to a depth of 2,956 feet). Some of the seams found in Ondal was correlated with some of the well-known types of the main Raniganj coalfield, a few miles further west. As a result of drilling conducted in seven blocks in Karanpura coalfields, covering 24,192 feet in 75 bore holes, the reserve of coal at the end of the field season is estimated at 218 million tons. The drilling of two bore holes in the "Barren Measures" of Jharia Coalfield has also revealed existence of coal deposits.

The Bombay Government has decided to exercise more effective control on the trading in, and stocking of, paddy, rice, wheat, *jowar*, *bajri* and maize with effect from 1st November next, when the Bombay Foodgrains Dealers Licensing Order, 1958, comes into force. The order, issued by the Government under section 3 of the Essential Commodities Act, 1955, provides that no dealer (including a rice-miller) in these foodgrains, or their brokens and flours, can carry on business (purchase, sale, or storage for sale) in quantity of 100 maunds or more at any one time except under and in accordance with the terms and conditions of a licence issued for it by the State Controller of Foodgrains Distribution, in the case of dealers in Greater Bombay, and the *mamlatdars* or *mahalkaris* elsewhere in the State.

India had an adverse balance of trade to the extent of Rs. 35.85 crores during the month of June 1958, according to the provisional official figures of foreign trade by all routes—sea, air and land—on private and Government accounts. Exports of merchandise (excluding transit trade of Pakistan and other overland foreign countries, namely, Nepal, Tibet, Sikkim and Bhutan) accounted for Rs. 27.78 crores, re-exports for Rs. 34 lakhs and imports for Rs. 63.93 crores. The merchandise import figures are exclusive of the value of certain consignments of Government stores awaiting adjustment. Exports (including re-exports) of currency notes amounted to Rs. 66 lakhs while there were no exports of gold. Exports of current coins were (excluding gold coins) negligible. Imports of currency notes aggregated Rs. 3.39 crores and gold Rs. 4 lakhs, whereas those of current coins (excluding gold coins) were negligible.

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From Abroad

The Pakistan Geological Survey Department has recently discovered deposits of gold in the mountain rocks of Chagal district, in the former province of Baluchistan.

The Government of Pakistan is granting a full rebate of customs duty paid on raw materials imported for the manufacture of exportable products, with a view to boosting its export trade.

Degussa of Frankfurt (West Germany) is to supply a uranium smelting plant with an annual output capacity of 20 tons to India's Atomic Energy Commission.

The Malayan tin miners have welcomed the assurance given by the Australian Government that it will protect Malayan tin imports against undercutting by the U.S.S.R. and its undertaking to impose a duty on cheaper tins, if Malaya so desires.

The London Underwriters have reduced the war, strike, riot and civil commotion shipping risk rates in the Middle East to a general rate of 9*d*. per £100 with effect from 27th August. Previously, the rate was 18*d*. for Iraq ports and 30*d*. for Syria and Lebanon.

The American Federation of Labour-Congress of Industrial Organisations has constituted a committee to raise funds for United Auto Workers, in case the union is involved in a strike with motor companies. The committee will canvass financial support from all unions.

The Western world will have to face stiff competition should the Soviet Union enter the commercial air transport field, according to a recent report on the economic implication of long-range jet transports prepared by the International Civil Aviation Organisation.

The Government of Iraq has agreed to honour the agreements reached between its predecessor and the oil companies. It has, however, reserved the right to invoke the Iraqi letter of September 1951 which provides for a review of the revenue paid by the oil companies in the event of a neighbouring country receiving a rise in its average revenue from exported oil.

The Lockheed's Electra turbo-prop airliner has been certified by the U.S. Civil Aeronautics for commercial use. This will enable the Company to execute the orders for 40 transports valued at about $100 million to Eastern Airlines, which has planned to introduce the Electra service between New York and Miami and Washington and Montreal by 1st December next.

The depopulation of Eastern Germany through the mass flight of 18,000 to 20,000 persons (including professors, dons, teachers and doctors) each month, which followed the recent decision of the Government to bring about immediately "the completion of socialist society," is becoming a serious economic problem for this Communist region, the only country in the world to register a declining population.

The Common Market Countries have decided to resume the imports of steel scrap from the U.S. and the U.K. in accordance with the recommendation made by the Brussels Scrap Office to the High Authority in Luxemburg. Out of a total of 300,000 tons to be contracted for by 1st October next, 250,000 tons will come from the U.S. and 50,000 tons from the U.K. and other neighbouring countries. Italy is expected to be the main buyer.

The Atoms for Peace Conference, which began at Geneva on 31st August, has announced, among others, the development of two new types of atomic power stations, claimed to be exceptionally cheap to operate, and the latest significant results on the harnessing of thermonuclear power for industrial application. Over 60,000 scientists and company representatives from 80 countries are attending the Conference, the largest technical conference ever held in the world.

Australia had a trade deficit of £A103.7 million with the U.K. in 1957-58, which represents an increase of £A18.7 million as compared with the previous year, and is the worst trade result for the last seven years. Merchandise exports to Britain fell by £A55.2 million, while imports rose by £A27.9 million to £A324.2 million. Despite this imbalance in its trade with the U.K., Australia had a favourable balance of trade of £A23.5 million from its overall trading operations.

Only 5 per cent. of the free world's steel production is nationalised, the rest being owned by private enterprise, according to the British Iron and Steel Federation. The only countries in the West where the bulk of steel is produced from nationalised undertakings are Austria (nationalised in 1946 to keep it out of Soviet hands), South Africa (where the main producer ISCOR is State-owned but run on ordinary commercial lines) and Norway. Elsewhere, the State holdings in the steel industry are said to be small.

A new steel mill is now being built at Brazil by Japanese interests. Claimed to be the largest in Latin America, the mill is expected to be completed by 1961 to produce 500,000 tons of steel ingots initially which will be raised to 2 million tons annually by 1964. The new undertaking, called Usiminas, is being financed jointly by Japanese private interests and the Brazilian Government and a privately owned steel mill. Of the eventual capital of about £10½ million, the Japanese will subscribe 40 per cent. The plant will depend entirely on Brazilian coal and iron ore and will supply its products mainly to the domestic car industry.

The view that there can be no easy solution to the problem of introducing the metric system in Britain was expressed by Sir Alexander Fleck, Chairman of Imperial Chemical Industries, at a recent Press conference at Glasgow. He pointed out that one of the great difficulties would be the divergence of opinion between the U.S. and the U.K. He was of the opinion that the cost of introducing the metric system in Britain would run into millions of pounds. It may be noted here that the Commission set up by the British Association has already got down to study the practicability of introducing the metric system in the country.

The rate of industrial output in the U.K. is still running at 3½ to 4 per cent. below last year or about 5 per cent. below the mid-1957 peak. The seasonally adjusted production index for July 1958 stood at 123-124 (1954=100), as against 118-119 for July 1957. During the second quarter of 1958 the index of output remained virtually static at 134-135, as against the swing from 139 to 142 in the corresing quarter of 1957. There has been a marked weakening in demand since May last for a wide range of products which has resulted in a substantial shortening of order books. A fairly marked de-stocking movement has got under way, particularly in the domestic market, affecting both raw materials and finished goods.

At the second International Conference on Peaceful Uses of Atomic Energy, which is being held at Geneva from 1st to 13th September, the Indian delegation is being led by Dr. H. J. Bhabha who is also one of the six Vice-Presidents of the Conference. It may be recalled that the first conference, which met at Geneva in August 1955, was presided over by Dr. Bhabha and was the largest scientific conference ever held. It resulted in the release of much useful scientific information. For the second conference, 2,200 papers have been submitted, as against 1,067 in the last. India has contributed 60 papers (of which 20 have been selected for oral presentation), as against 16 papers in 1955. India is in the unique position of being the only industrially underdeveloped country with an important atomic energy programme which envisages the production of all basic raw materials required for the harnessing of atomic energy and its use in agriculture, biology, medicine and industry.

PERSONAL

MR. Tribhuvan Narayan Singh, M.P., Chairman of the Public Accounts Committee, has been appointed a member of the Planning Commission.

Dr. J. N. Bannerji, of Sandoz Products (Private) Ltd., left for Brussels last week-end to attend the general assembly meeting of the Council of the International Pharmaceutical Federation.

Mr. L. T. Mirchandani, Managing Director, J. B. Advani-Oerlikon Electrodes Private Ltd., left Bombay last week on a business tour of the U.S., the U.K. and the Continental countries.

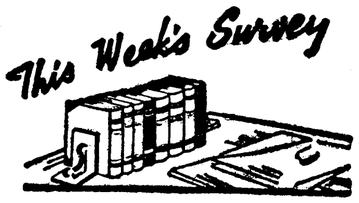
Mr. Harilal Mehta has been re-elected President of the Gunny Trades Association, Calcutta, for the year 1958-59. Messrs. B. P. Keidia and G. C. Sil have been elected Deputy President and Vice-President, respectively.

Mr. M. M. Varghese has been elected President of the United Planters' Association of South India, Coonoor, for 1958-59. Mr. L. W. Russell has been chosen as the Vice-President.

Dr. Jagan Nath Khosla, at present Indian Ambassador to Czechoslovakia, has been appointed Ambassador of India to the United States of Indonesia. He will take charge of the new office by the middle of October next.

Mr. V. Natarajan, of Messrs. Dalal & Co., and Mr. K. S. Vaidyanathan of Messrs. Paterson & Co., have been elected President and Vice-President, respectively, of the Madras Stock Exchange for the year 1958-59, while Mr. H. C. Kothari is the Treasurer, Mr. K. Venkataraman, Mr. C. S. Natarajan and Mr. H. Subramaniam are the members of the Council, on which the Government is represented by Mr. P. S. Nadkarni and Mr. J. S. Jaspal.

Dr. Erhard, West German Economics Minister, will visit Egypt, Pakistan, Japan, Burma and probably Ceylon, after taking part in the meeting of the World Bank and the I.M.F. scheduled to be held at New Delhi next month. During his stay in these countries, he will hold formal discussions regarding the possibilities of German technical and financial aid.



SCIENCE AND BUSINESS

THE contribution made by science to the economic development of the world has been so significant that one cannot think of modern life without the vital role of science. However, science is only just beginning to come into its own in India where the techniques of production—industrial and agricultural—are not sufficiently well advanced. Although utmost stress has been laid on scientific research in recent years, the progress actually achieved in its application is small. The annual expenditure on scientific research in India by both Government and non-Government agencies, though it may be considerable in relation to the country's national income, is by no means large in view of the long leeway we have to make up in the scientific sphere. No correct estimate of the expenditure is available. But it cannot be more than a mere fraction of the colossal sums spent in the industrially advanced countries of the West. In the U.K. alone, the total annual research expenditure is estimated at as much as £300 million (about Rs. 400 crores).

The vital role which science and scientific research play in the economic development of a nation was lucidly portrayed by Sir Alexander Fleck, Chairman of Imperial Chemical Industries, and the retiring President of the British Association for the Advancement of Science, in his speech at the opening session of the Association's 1958 meeting held at Glasgow last week. The partnership between science and business, Sir Alexander declared, was fundamental to the future of economic prosperity of Britain. Developing his theme, he said that, if science was to carry forward Britain's social evolution, it needed the financial and productive effort of business, while the future prosperity of the country depended on the "technologically sophisticated" products of its export trade. To quote him: "The advancement of science can only be achieved with the resources that business can provide and, if business is to provide them, then it must bring science to its aid."

The above words, though they were meant for Britain, are capable of application to any country. The productivity in the different sectors of India's economy is deplorably low and, unless techniques of production are improved through the application of scientific research, the output of goods cannot be augmented to any appreciable extent. There is imperative need for raising the national resources by substituting cheap and abundant materials for those in scarce supply and by finding uses for materials which have remained unutilised.

Similarly, the three characteristics which Sir Alexander thought a business should have if it was to survive and function effectively over a period of years holds good as much for India as for Britain. First, business has to contribute to the well-being of the community and its social evolution by producing goods and services at fair prices, by giving fair treatment in remuneration and working conditions for pay-roll employees, administrators and scientific staff, and by giving a fair return to those who risk their money in business, so that they will be encouraged to provide again for further ventures. Secondly, business must have the capacity to change its methods and, if necessary, even its objectives; it must be constantly alert to see that its products or services meet or anticipate the needs of the public and to withstand the nipping and eager air of competition whether it comes from advancing techniques or from new entrants into the field. Thirdly, if business is to be self-perpetuating through growth of modernisation, it has to dispose of its products and services for more than their cost—it must make a profit.

These are the three characteristics which should govern the conduct of business whether run by private enterprise or by the State. And the political system of the State does not, as Sir Alexander rightly averred, make any difference to the validity of this notion. After all, it must be remembered that it is only when there is excess of income over expenditure that expansion of business and science can be financed. Sir Alexander showed how, as a result of encouraging growth of investment in productive resources, output in the U.K. manufacturing industry as a whole had increased by 3½ per cent. per annum since 1948, as compared with 2½ per cent. between the two world wars, and said: "If science has laid the foundation for much of this expansion, business has provided the will and the means to complete the structure and both must continue." Discussing how the partnership between business and science can be achieved in practice, he observed:

> "If there are to be no weaknesses in any one part of the organisation, technical staff may have to be moved from one department to another, and this places a vital responsibility on those exercising the personnel function in selection, training and promotion. At the same time, it is their duty to ensure that the employees can find satisfaction in their work. This function can conveniently be performed by a scientist whose knowledge of what the technical departments require helps him to place staff to the best advantage both of the business and themselves. On the commercial side also, scientists may be needed in sales, service or purchasing, to achieve the best results for a business making technically complex products."

The foregoing observations vividly bring out the balance that should exist between science and business. It is needless to say that the society which such a balance can help to build will, as always, call for courage, integrity and tenacity. These, as Sir Alexander pointed out, are some of the ideals that "we might have in our minds as we each address ourselves to the problems of education for an age of science."

LIFE INSURANCE

In his review of the working of the Life Insurance Corporation of India during the two years of its existence, the Chairman Mr. P. A. Gopalkrishnan, has done well to highlight the achievements as well as the problems of the Corporation. The Chairman, in the course of his address at the twenty-seventh meeting of the Corporation, held last Sunday in Bombay, reported that, despite the many administrative and organisational problems which still remained unsolved, the Corporation was able to do a record new business of Rs. 283 crores in 1957. So far during the current year, new business figures were above those in the corresponding period of the previous year. If this trend were to continue, the year would close with a much better record than the last one. The Corporation had a hard time last year. Though the Chagla Inquiry served its purpose, the adverse publicity that the Corporation received had, according to the Chairman, the temporary effect of slowing down the momentum of business developed in 1957.

On the financial side also, the Corporation made progress. As a result of the increase in new business, the premium income moved up from Rs. 4.6 crores per month in the first year of the Corporation's working to Rs. 5.4 crores in the first 11 months of the second year. The average claims paid per month also went up from Rs. 1.3 crore in the first year to Rs. 1.4 crore in the first 11 months of the second year. The surplus funds available for investments amounted to Rs. 30.2 crores in the first year. It rose to Rs. 34.7 crores in the second year. The investments of the Corporation were at present about Rs. 383.3 crores, composed of Rs. 275.6 crores in Government and approved securities, Rs. 72.8 crores in stocks, shares and debentures, Rs. 14.0 crores in mortgage and other loans and Rs. 20.9 crores in properties including buildings.

The Chairman frankly admitted that there had been a decline in the standard of efficiency of the Corporation's staff. He attributed this to the tendency of some of the employees, now assured of security of service and standardised scales of pay, to take things easy, and the stresses and strains caused by the bringing together of personnel from diverse units into the administrative structure of the Corporation and organisational defects.

Clearly, as the Chairman himself admitted, a great deal remains to be done in the matter of servicing of policies and speedier settlement of claims. It is gratifying to note that the problem is engaging the serious attention of the Corporation and, as a result of certain steps already taken, some improvement has been noticed. In view of the steep rise in new life business since 1941 and 1950, the volume of maturity claims against the Corporation after 1961, it is stated, is likely to increase sharply. The Chairman said that the Corporation proposed to take suitable steps for strengthening the staff on the claims side.

The Chairman referred to certain administrative problems which were awaiting solution such as consideration of the Lall Committee's report regarding the senior services and the mechanics of application of the categorisation formula to the field officers. It was a matter for satisfaction, he said, that the Corporation took final decisions regarding the senior services about three months ago. These decisions were, on the whole, well received and implemented. Similarly, the field officers were categorised and fitted in at appropriate stages in the pay scales admissible to them or absorbed in lower administrative jobs. Nearly 70 per cent. of these officers received one or more increments depending upon their performance. The others were continuing on their existing emoluments or had suffered slight reductions on account of their poor performance. It was only a very small percentage of the field force, namely, 2.25 per cent., who had to be retrenched because they had done little or no work at all during the year nor had shown any inclination to do any work. It was a pity, the Chairman added, that, in spite of this generous treatment accorded to the field officers, a few of them had resorted to hunger-strike in Calcutta and other places in order to force the Corporation to alter its decisions.

As regards the integration of the old units, the Chairman said that the process of integrating the units of the old insurance companies into the 33 divisional offices of the Corporation would take at least two more years for its completion. It involved the redistribution of over five million policies and connected papers and reassignment of thousands of employees working in these units. Until this process of integration was completed and the policies issued by the old companies were allocated to one or other of the Corporation's divisional offices, these policies had to be handled by the conglomerations of head office units which were now working in the zones separately from the divisional offices. Many of the complaints regarding policy servicing had arisen, according to him, because the organic connection between the head offices of the units and their branches was severed on nationalisation and the units had not yet been broken up and fused into the organisational pattern of the Corporation. All the steps which have been taken recently for improving the servicing of policies, etc., have, therefore, been limited to bettering the internal efficiency of the units and bringing about better co-ordination between the working of the units, on the one hand, and the divisional and branch offices, on the other. Not until the process of integration of these units with the divisional pattern of the Corporation had been completed, he added, would the Corporation be able to grow to its fullest stature in the organisational efficiency required for expanding and nurturing its business. A beginning had been made with regard to this work of integration. Thousands of policies issued by the old insurance companies had already been transferred to the divisional offices of the Corporation. All the foreign policies issued by the various units were being transferred for centralisation at the foreign department.

Mr. Gopalkrishnan stressed the need for a strong centralised foreign department. Such a department, he pointed out, would enable the Corporation to maintain a standard of efficiency comparable to other insurers in foreign countries where competition was keen. The Corporation was writing annually new business of about Rs. 6 crores in 10 foreign countries where it had to compete with private insurers from different countries. In view of this, the organisational pattern of the foreign department differed slightly from that in India.

Outlining the future plans of the Corporation, the Chairman stated that, from the long-range point of view, much preparatory work was necessary for strengthening the organisation and for successfully launching and executing the insurance plans. Recently, a training scheme was started for field officers and agents. It was proposed to set up a research and statistical section in the investment department to provide all necessary data for making investments.

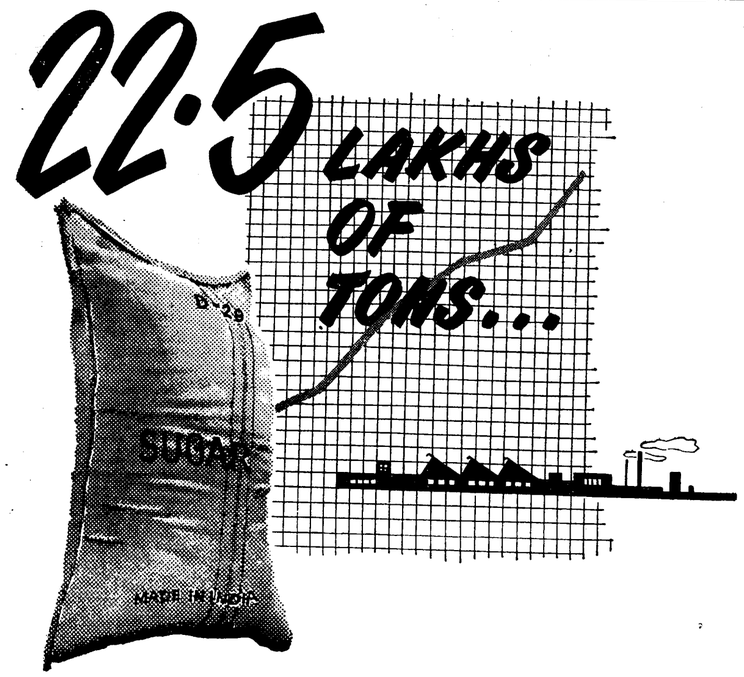
The Chairman explained the stand of the Corporation in regard to the bonus claim put forward by the All-India Life Insurance Employees' Association. He disclosed that the Government of India had decided, as a matter of general policy, that no bonus would be payable to employees of nationalised undertakings. Instead, the Corporation had extended a scheme of free insurance to its employees. A comprehensive scheme of housing, costing about Rs. 12 crores, was also sanctioned by the Corporation. He added that, after the completion of the biennial valuation of assets and liabilities of the Corporation, it might be possible to consider a scheme of incentive bonus for the staff, the quantum of which would depend upon the financial results disclosed by the actuarial valuation.

While the policyholders in general would welcome the Chairman's assurance of better servicing of policies and quicker settlement of claims, those who had taken out "with profit" policies must certainly have felt disappointed at his silence over the question of bonus for such policies. Many to whom the year 1956 was a bonus year had to go without it because of nationalisation. They have waited long enough and it is only natural if they are anxious to get what is their due. They would have appreciated at least an indication as to when they could expect the relevant declaration by the Corporation. The question of uniformity in the premium rates is also one in which an early decision would be welcomed by those policyholders who took out policies with private companies charging different premium rates in pre-nationalisation days, and now find themselves contributing varying rates for identical benefits.

AUTONOMY FOR P. & T. DEPT.

To an organised community, the Posts and Telegraphs constitute a vitally essential service. Indeed, their role is all the more significant in a country like India which is on the threshold of a new era of economic development. Admittedly, the Indian Posts and Telegraphs Department has a proud record of achievement to its credit; during the period of well over a century of their existence, they made substantial progress, both extensively and intensively. It cannot, however, be gainsaid that the system as it stands today leaves much to be desired. It has to be geared to new levels of efficiency and a greater sense of dedication, lest it should falter in the face of growing challenges of an expanding economy. Against this background it is noteworthy that the authorities intend setting up an autonomous body for Posts and Telegraphs. This was disclosed last week-end by Mr. S. K. Patil, Minister for Transport and Communications, while speaking to the postal employees in Bombay at a farewell function organised in honour of Mr. Dalvi, Postmaster General, on his retirement. Mr. Patil disclosed that this autonomous body would be on the lines of the Railway Board and would take its own decisions in relation to its working and not refer everything to his Ministry as at present. This proposed body, consisting of six or seven directors, he averred, would eliminate red-tape and be free to

(*Continued on page 409*)



... target to be reached ahead of time

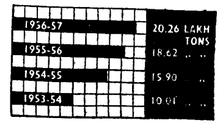
The last few years have recorded remarkable progress in the Sugar Industry. Production of white sugar in India has been doubled within a period of four years—from 10.01 lakh tons in 1953-54 to 20.26 lakh tons in 1956-57. This expansion has been proportionately greater than in any other established Industry. There is now a rising tide in the affairs of White Sugar Industry, which if taken advantage of, would not only lead to further progress, but the industry would also emerge as a leader in this commodity in the world market.

With the grant of protection in 1932, the Indian Sugar Industry has grown to become the second largest national industry and it is a vital factor in the nation's economy. Its new development will contribute materially to the success of the Second Five Year Plan. There has been a steady increase in sugar consumption too. This phenomenal increase both in production and consumption places the Planning Commission's Second Plan target of 22.5 lakh tons of Sugar out of date and calls for a revision.

Today the White Sugar Industry provides scope for Indian capital investment of more than 100 crores of rupees; it provides employment to over 1,40,000 skilled and unskilled workers and 3,600 university educated men, their total earning representing 5% of the national wages and salaries; it supports 20 million cultivators; it constitutes 12% of the total value of production of major Indian industries; it contributes over 65 crores of rupees (@ Rs. 13.19 per maund) in levies to the national exchequer.

It offers even brighter prospects for the country. With a lighter burden—with some of its present-day handicaps removed—this industry can contribute to achieving a more stable national economy. Its upward trend of production can continue to meet the needs of a growing home market and yet leave a surplus for export in order to earn foreign exchange.

Indian WHITE sugar ...



ample for home market—with surplus for export too

ISSUED BY THE INDIAN SUGAR MILLS ASSOCIATION

N/58

RAISING AGRICULTURAL PRODUCTION

FORD FOUNDATION EXPERT'S SUGGESTIONS

From Our Special Correspondent

NEW DELHI, *2nd September*

DELHI LETTER

WHAT with the Khanpur experiment in bullock-powered pump irrigation and power generation and with the techno-economic surveys being carried out in a number of States by the National Council of Applied Economic Research, it looks as though the Ford Foundation is planning to play a more active catalytic role in rural reconstruction, small industrialisation and agricultural production. Mr. Douglas Ensminger, Ford Foundation's Representative in India, has outlined in this connection a programme for achieving freedom from hunger. For India to win its freedom from hunger, he says, it must have a national programme to solve its food shortages through intensive food production efforts. Mr. Ensminger's principal suggestions are as follows:

The nation must, as *a national policy*, establish each year, at least six months before time for the villager to plant his crops, guaranteed sale prices for all the basic food crops. If, in planning to sow certain crops, the cultivator knows that at the time of harvest the Government will guarantee him a minimum sale price, he will then know how much he can invest in improved seeds, fertilisers, insecticides, improved implements, irrigation and soil conservation.

The need is for a guaranteed sale price at the time of harvest. If, at that time local prices exceed the Government-guaranteed price, the cultivator should and will sell at the higher price. If, however, *local prices are lower than* the Government guarantees, then the Government will pay the guaranteed price. Government purchase of some share amount of the crop under a price support programme will require a network of grain storage godowns. This will be a clear gain for India. At least a year's supply of the basic cereal crops, produced from India's soil, will be the best possible guarantee, not only against fluctuations in price, but against fear of famines and food shortages from local crop failures.

Farmers Need Security

Even with a guaranteed price for their future harvest, few cultivators can, even when they use their old methods, plant and harvest their crops without credit. One can immediately see the need for substantial additional credit when the cultivators accept improved practices. A programme which seeks to encourage and urge the cultivator to adopt better farming methods, should be matched by a credit programme, which will provide on loan the money needed to put the new methods into effect. This means credit for seed, fertiliser, implements, insecticides, and irrigation. If this credit goes for these necessary farm supplies, and possibly or preferably if credit is advanced in the shape of these supplies—*and* further if the sale price of the crops is guaranteed, certainly loans advanced against the expected harvest should then be viewed as secured loans.

The third point of Mr. Ensminger's programme is a clear immediate determination of the accepted *size* of the holdings. The continuous threat of further breaking up of existing holdings is a real deterrent to large farmers and small tenants alike in adopting immediate and effective land improvements and better farming methods.

By and large, India's agricultural and extension specialists know now what kind of improved seeds, implements, fertilisers, and insecticides to recommend to the village cultivators to increase food production. If liberal supply of credit is assured to buy them, it becomes essential to organise a supply and distribution system to assure that these supplies are accessible to the cultivators when they are needed, in the quantities required, and within a bullock-cart's hauling distance.

Since the nation's needs are urgent, intensification of effort should be made in the areas where water is available and the soil is most productive. This means that all the fertilisers, improved seeds, insecticides and improved implements should be made available on a priority basis to the areas where canal and tube-well irrigation are available and to areas having sufficient water from rains. By all-out intensification of effort—administrative, organisational and educational—in these areas, the nation should be able, in a comparatively few years, to realise a substantial tonnage increase in food production.

Import Policy

At the Import Advisory Council meeting over the week-end, the Commerce and Industry Minister laid down an order of priorities in allocating foreign exchange for the next licensing period. High in this order would be the requirements of industries employing large numbers of people; of those catering to the needs of masses of people; and of industries relying mainly on indigenous products and requiring imported raw materials only to a small extent. Industries showing a good export performance and individual units with a good export record would also be given preference. The requirements of small industries and imports of fertilisers would also be high in the list of priorities. Mr. Lal Bahadur Shastri assured industry that the supply of essential raw materials, with possible cuts in some lines, would be ensured so as to enable the level of production to be maintained.

The Commerce and Industry Minister told the meeting that the average weekly rate of depletion of sterling balances had come down from Rs. 7.2 crores in the first seven months of 1957 to Rs. 4.1 crores in the corresponding period of the current year. Although the monthly average of exports had fallen from Rs. 53.6 crores in the first seven months of last year to Rs. 42.7 crores in the corresponding period this year, there had been a saving of Rs. 100 crores in the import sector managed by the Commerce and Industry Ministry in the first half of this year as compared with the corresponding period of last year. If, thus, the foreign exchange earned by exports was less by about Rs. 66 crores in the first half of the current year, the saving of exchange on the import side was Rs. 100 crores during the same period. How, in these circumstances, the overall position in respect of foreign exchange was now more difficult than six months ago, the Minister did not explain. Was the pressure again due to imports of food and defence equipment on Government account? Mr. Shastri admitted that imports of steel non-ferrous metals, machinery, vehicles, raw cotton, chemicals, electrical goods, textile yarn and fabrics, paper, photographic materials, etc., had been cut down to the bare minimum. At the same time, he appeared to think that further savings of foreign exchange might be possible on the import side. One wondered if there was no possibility of savings on account of defence imports.

Export Drive

At the Export Promotion Advisory Council meeting, the Minister for Commerce and Industry stated that figures of exports of tea in recent months were very reassuring. The total exports of tea during the first six months of 1958 were 190.5 million lbs., as against 174.3 million lbs. in the corresponding period of 1957. As for textile exports which had fallen in recent months, Mr. Lal Bahadur Shastri told the Council that an export promotion scheme in this connection would be shortly announced. Under this scheme a part of the foreign exchange earnings on textile exports would be made available to the exporting mills for the purchase of machinery and import of raw materials and stores. Tea also would come in for further export promotion under a suitable scheme.

(Concluded from next column)

of the national resources of labour and capital, on the one hand, or whether there should be stable prices on the other. The critic of the Report will say that price stability has won over all other considerations and on the Left at least it will be said that the two objectives are not incompatible and there should be both full utilisation of economic resources *and* stable prices. But even these critics will be bound to confess that the national resources are not at present organised in a way to make such objectives possible!—*All Rights Reserved.*

COUNSEL OF CAUTION

COHEN COMMITTEE REPORT

From Our Own Correspondent

LONDON, *30th August*

LONDON LETTER

THE second Cohen report, or to give it its more informative title, the Report of the Council on Prices, Productivity and Incomes, has caused just as much irritation with the Trade Unions and the Labour supporters generally than did the first. The reason is to be found in the Council's forecast of lower wage increases in the future than in the past, rather more unemployment, no more prospects of increasing production; in general, apparently, a future of stagnation and decline rather than of expansion and progress.

But that, of course, is not how the Council see their analysis; they consider that the Government's restrictive measures, though they have involved increasing unemployment and some reduction in production, have been fully justified. They note that both wholesale and retail prices are now stable, that there is a possibility of some reduction in food prices, mainly seasonal, that export prices have been reduced and that the prices of imported materials are falling even more sharply. On the other hand, the total national output still shows a slight increase and industrial production has fallen only slightly. They note with satisfaction that, in the first half of 1958, only just over four million wage earners received wage increases, averaging 5.7 shillings per head, while in the same period of 1957, the corresponding figures were 9½ million and 8.1 shillings per head. And, the trend noted in the former period continues. Profits in the first half of the year increased by 2½ per cent. and this again is lower than the corresponding period of last year.

The Council have clearly been obsessed with the spectre of inflation and are expressing their satisfaction that this spectre has been scotched, though not, they point out, killed. Indeed, they are afraid that any substantial revival of demand would renew the threat to price stability.

Negative and Irritating

Hence, although they agree that rising employment and rising production must remain economic objectives, they are fearful that, unless progress towards these objectives is very cautious indeed, it will not be compatible with reasonable price stability. It is this insistence on caution and the consequent restrictive approach to the country's economic future that the Trade Unions find so negative and irritating.

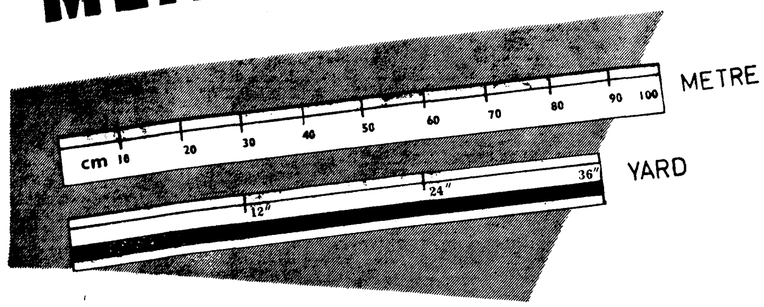
Pursuing their role of Cassandra, the Council think that production is likely to go on falling over the next few months, that the balance of payments is likely to deteriorate, as falling export prices catch up with reduced import prices and then, though they agree that the Government could certainly stimulate public investment and could encourage private investment and consumption, they think it should not do these things because bottlenecks would, they believe, quickly be reached and inflation rear its head at these points. This then leads immediately to their views on wages: gone are the days of happy wage increases of 5, 6 or 7 per cent. per annum, even the average over the past year of 3½ per cent. is in excess of the present rate of productivity increase; and what after all is the point of a 3½ per cent. wage increase if the result is a retail price rise of 4½ per cent. That is the sort of logic for which Trade Unions have no use at all—for the very simple reason that, while averages are all very well as descriptive general terms, very few people are themselves the average!

So the Report concludes: "In these circumstances, it seems clear to us that, while it is right that policy should aim at an expansion of demand, it must proceed gradually and with caution towards that end. The dangers of recession are not so drastic and so imminent, nor those of inflation so remote, as to justify a policy of all-out encouragement of expenditure."

And then in a flash of intuition on the sort of comment that their report would raise, they point out that, in an economic policy, there might be two objectives conflicting one with the other—whether there should be full utilisation

(Continued in previous column)

WHAT IS THE METRIC SYSTEM ?



The Metric System derives its name from the Metre, which is the primary unit for measuring length. In this system, as in all decimal systems, the basis of calculation is 10. We multiply or divide any unit of length, weight or volume by the same number i.e. 10.

In the Metric System, the multiples of a unit have the prefix *deca* (10 times), *hecto* (10 × 10 = 100 times) and *kilo* (10 × 10 × 10 = 1,000 times). The sub-units have the prefix *deci* (1/10), *centi* (1/100) and *milli* (1/1,000).

THE CHANGE-OVER TO THE METRIC SYSTEM OF WEIGHTS AND MEASURES BEGINS FROM OCTOBER, 1958

KNOW THE METRIC LENGTHS

The primary unit of length is THE METRE = 40 inches approx. 1 Kilometre = 5 furlongs

SUB-UNITS
10 millimetres = 1 centimetre
10 centimetres = 1 decimetre
10 decimetres = 1 metre

MULTIPLES
10 metres = 1 decametre
10 decametres = 1 hectometre
10 hectometres = 1 kilometre

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FIRST DECADE OF INDUSTRIAL FINANCE CORPORATION OF INDIA

SOME ASPECTS OF ITS WORKING EXAMINED

By L. C. Gupta

THE Industrial Finance Corporation of India completed its tenth year of operations on 30th June 1958. The present is, therefore, a suitable occasion to review its lending operations and policies. In spite of the great publicity that it received during several Parliamentary debates, there are various aspects of its working which have hitherto remained obscure. This article attempts at examining particularly these aspects and to appraise the working of this important financial institution against the general economic and financial conditions and in the light of the statutory framework within which the Corporation has to operate. It is also proposed to point out the factors which have been hampering the Corporation's progress.

The Corporation was started at a time when Indian industries were in need of large long-term capital, thanks to the steep rise in the cost of replacement of plants completely worn-out on account of the Second World War and the plans for establishing several new industries. Conditions in the capital market were deteriorating and it was becoming increasingly difficult even for good concerns to raise capital from the market. According to a recent Reserve Bank study, actual capital issues (including shares and debentures) by public limited companies in India touched the lowest point in 1952. The decline in capital issues can be seen from the following figures:

(Value in crores of Rs.)

1948	21.9
1949	16.3
1950	14.6
1951	9.3
1952	4.7

In view of these conditions, the Corporation came into existence not a day too soon. The financial assistance rendered by the Corporation has enabled many industries not only to survive but also to expand and achieve a more economic size.

The Corporation is the first of the several special financial institutions that are working in India today. As such it had to face the difficulties of a pioneer. Lala Shri Ram, first Chairman of the Corporation, referred to these difficulties, at the fifth annual general meeting of the Corporation thus: "The work that we have been doing is of a new type, at least in India, and we are not ashamed to confess that we have slowly felt our way. In the early stages, perhaps we were groping, if not in the dark, certainly in feeble twilight."

Loans and Advances

For these reasons, the progress of the Corporation during the initial period of five years was slow and halting. In the subsequent years the rate of progress was accelerated. This is evident from the figures of loans sanctioned. The amount of loans sanctioned per year averaged Rs. 3.9 crores during first five years and increased to an average of Rs. 9.9 crores in the subsequent four years. The amount of sanctions had reached a high level of Rs. 15 crores during 1955-56, after which it came down to about Rs. 12 crores because many industries were unable to import plant and machinery on account of foreign exchange difficulties.

Similarly, the average of actual disbursements of sanctioned amounts rose from Rs. 2.0 crores during the first five years to Rs. 4.1 crores in the next four years. Disbursements during 1956-57 had attained a level of nearly Rs. 10 crores. As a result of this quick progress in recent years, the Corporation had nearly exhausted its resources by 1957 and, for some time, could not sanction any further loans till additional funds had been arranged. The total of all loans sanctioned by the Corporation since its inception up to 30th June 1957 was about Rs. 55 crores. During the same period, actual disbursements aggregated Rs. 26.5 crores, of which Rs. 4.6 crores had come back to the Corporation. Sanctions and disbursements are likely to reach about Rs. 58 crores and Rs. 34 crores, respectively, by the end of June 1958. The number of industrial concerns which have received loans from the Corporation is in the neighbourhood of 200.

These results have been achieved by energetic efforts on the part of the management of the Corporation to cut down all delays and to accommodate applicant concerns as much as possible. Among the steps taken by the Corporation for this purpose are the appointment of its own law officers in all its branches, further liberalisation of the procedure for granting interim loans pending completion of legal formalities and a general toning up of its administrative machinery.

Rejections

It is interesting to note that the proportion of rejected applications to the applications made has fallen quite sharply in recent years. In the first five years, the total number of applications considered for loan by the Corporation was 256, of which 108 were sanctioned and 148 were rejected, the respective percentages being 42 and 58. During the next four years, the Corporation considered 218 loan applications, of which it sanctioned 151, that is, 69 per cent. and rejected only 67, that is, 31 per cent. An important reason for fewer rejections in recent years is an improvement in the quality of the applications themselves. In the earlier period, industries in India, not being familiar with the methods of mortgage-lending, and not being in the habit of detailed planning of industrial projects, many of the schemes submitted to the Corporation for grant of loans were not well conceived and were drawn up haphazardly. An indirect influence of the Corporation's activities has, therefore, been a wider adoption of the habit of detailed planning of projects among Indian industries.

Biggest Lender

Today, the Corporation has become the most important industrial mortgage-lending institution not only in India, but perhaps in the whole of Asia. According to the arrangements more or less completed, total funds at the disposal of the Corporation by the end of March 1961 will roughly be of the order of Rs. 50 crores, as shown below:

	Rs. crores
Share capital	5.0
Bonds	12.3
Loan from Government	22.5
Loan from Life Insurance Corporation (under negotiation)	10.0
	49.8

According to the latest Reserve Bank survey of the finances of 429 selected public limited companies which closed their accounts during the quarter ended December 1956, loans from the Industrial Finance Corporation increased over the year by Rs. 1.83 crores while mortgage loans from other sources increased by only Rs. 70 lakhs and outstanding debentures went down slightly. This brings out the importance of the Corporation in the field of mortgage-lending in our country.

Loans to Small Companies

A point of great economic significance, which is not yet generally known, is that the firms which approach the Corporation for financial assistance are generally the marginal ones which are unable to raise capital from other sources. The vast majority of them belong to the small and medium-size groups. It has persistently been alleged in Parliament that the Corporation has neglected the small and medium-sized industries and has been advancing money to the big industrialists. The fact, however, is that, out of the 177 companies which had been sanctioned loans upto 30th June 1957 about 26 per cent. had a capital of less than Rs. 10 lakhs and about 43 per cent. between Rs. 10 lakhs and Rs. 25 lakhs. Thus, 69 per cent. of the companies obtaining loans from the Corporation belong to the small and medium-sized groups. About 50 per cent. of the amounts sanctioned as loan had gone to these small and medium-sized companies. This not only involves greater risk but also greater expenditure on supervision. According to an English writer, "the general degree of risk in financing of small business is such that a loan may carry a risk of loss equivalent to that on a good quoted ordinary share." Hence, even though providing only loan capital, the Corporation shares in the fortunes (or rather the misfortunes) of these enterprises. In providing loans to this type of business, the Corporation, in a sense, may be said to be providing "risk-capital."

The main purpose for which loans have been sanctioned by the Corporation is acquisition of fixed assets in connection with renovation, modernisation and expansion of existing units or starting of new units. In a few cases, particularly after the Korean War, when the industrial concerns were finding difficulty in obtaining working capital from banks, the Corporation also advanced loans partly to meet this difficulty.

Processing of Applications

An application for loan received by the Corporation passes through several stages. It is first scrutinised at the head office which also obtains an inspection report of the factory from its branch manager in whose jurisdiction the factory is located. The head office also obtains from the applicant concern such further particulars or clarifications as it may find necessary. On the basis of the branch manager's inspection report and the data supplied by the applicant concern, the head office prepares a memorandum which is placed before the Advisory Committee concerned. There are at present five Advisory Committees dealing with textiles, sugar, engineering, chemicals and miscellaneous industries, each of which consists of two or three non-official experts drawn from the private sector of the industry concerned, two or three official experts, one or two directors of the Corporation and the Chairman. The Advisory Committees meet periodically and act as the technical sieving bodies. Where necessary, the Corporation also seeks and obtains technical advice from the Development Wing of the Ministry of Commerce and Industry or other Government Departments such as the Textile Commissioner's office or from other official sources. In some cases, a special technical investigation into the working of the applicant's factory may have to be arranged; this is done by either official or non-official experts as may be decided upon. Finally, the recommendations of the Advisory Committees are placed before the Central Committee of the Board of Directors of the Corporation which may sanction the loan or reject it or may ask for modifications in the scheme.

Thus, every application for loan is examined on its own merits by a Central Committee of the Board of Directors of the Corporation who are statutorily empowered to act in this behalf and the sanction or rejection of loan application is strictly a "business decision." The Corporation acts as an "open house," giving recognisable and free access to all deserving cases.

Government Directive

Generally speaking, loans are advanced on the security of all present and future fixed assets belonging to the concern. In April 1954, the Government issued a directive to the Corporation that, in sanctioning loans "a minimum margin of 50 per cent. should be generally aimed at." The wording of this instruction is such that there could be an endless debate on its exact meaning. The words "minimum" and "generally" do not seem to go well together and, in the interest of clarity, either of them should be dropped. Moreover, it leaves open the important question as to how the assets are to be valued for purposes of security—on the basis of their realisable value or their book value—and, as such, loses much of its mandatory significance. Whatever its true meaning, in practice it is bound to have an extremely restrictive effect on the discretion of the Corporation and the flexibility of its loan policies. Indeed, it appears to have already resulted in considerable rigidity in the application of margin requirements. Even though there may be quite a strong case for lowering the margin below 50 per cent. in suitable cases, such as of well-managed concerns with good prospects but not enough fixed assets, the Corporation would hesitate to do so, lest it should be accused in Parliament of disobeying a Government directive.

Though ostensibly intended to ensure safety of the Corporation's funds, the directive is based on a misconception. This kind of defect in the loan policies of public financial institutions has been pointed out by the well-known writers, Messrs. Guthmann and Dougal, in very apt words: "Whereas commercial bankers were often accustomed in the past to rely too heavily upon personal reactions and general reputation, there is now the danger of too much emphasis by supervisory authorities upon statistical factors. . . . No financial formula can take the place of banking judgment that is competent to give proper weight to such intangibles as personal character and business ability which factors should influence the interpretation of statistical information."

In view of the great difficulty of raising equity capital at present, particularly by the small and medium-sized companies, the aforesaid directive is likely to be particularly harsh on them. It is imperative that the Government should leave greater discretion with the Board of the Corporation and the directive pertaining to the margin of security should be amended to the effect that the margin should be determined having regard to the earning capacity and prospects of the industrial concern, the competence of its management and other relevant considerations.

Risky Business

There are two other important factors which also have made the task of the Corporation more difficult and hindered the adoption of a bolder policy. The first of these is Parliament. As the debates have shown very clearly, Parliament has not fully appreciated the fact that some risk is inevitable in the business of granting loans, particularly long-term loans, to existing as well as new industrial enterprises. It also appears that the statutory audit conducted on behalf of the Comptroller and Auditor-General of India tends to concentrate attention on the security aspect alone and place undue emphasis on it. All this restricts the environment in which the Corporation has to work. Chairmen of a few State Financial Corporations also have spoken about this kind of attitude on the part of the State Legislatures. It is not fully realised by our legislators that the business of long-term lending is everywhere inherently risky and complicated and, further, that it is more risky in underdeveloped countries like India. That the risk attending industrial investment is greater in underdeveloped countries than in the industrialised countries of the West, is well explained by Mr. Henry G. Aubrey in a paper on "Investment Decisions in Underdeveloped Countries" in the volume *Capital Formation and Economic Growth* published by the National Bureau of Economic Research, U.S.A. Mr. Aubrey says:

> "In underdeveloped countries, the situation is very different. Experts for exploratory investigation are rarely available locally; foreign experts are costly and their advice is not always suited to different conditions. Often the lack of or deficiencies in statistics make estimates of consumption and markets, of costs and capital requirements very difficult if not totally impossible. Worse yet, since many preliminary services which come ready-made in industrial countries are absent, the initial capital outlay is increased and a risk of running short or 'making do' with regard to skills, parts and sometimes even power and transportation, is incurred. Planning deficiencies, caused by lack of means to carry out the required scrutiny of new ventures, appear as an almost inevitable danger."

Guaranteed Dividend

The second factor, which seems to have retarded the progress of the Corporation, is its unsuitable capital structure with the guaranteed minimum dividend. The shares of the Corporation are guaranteed by the Central Government as to the repayment of the principal and the payment of the annual dividend at a minimum rate of 2½ per cent. per annum. When the profits of the Corporation are not sufficient to pay the guaranteed dividend in full, the deficiency is made good by the Government by paying a subvention to the Corporation. The Government subvention is not treated as a grant but is a liability of the Corporation to be repaid to the Government. The experience of the working of the Industrial Finance Corporation, as also of the State Financial Corporations, has clearly shown the undesirability of this feature. The guaranteed minimum dividend without any provision whatsoever for Government grants virtually means that the Corporation does not possess any equity capital. This, in combination with the Corporation's liability to pay income-tax and super-tax on its income, has imposed a very heavy burden on the Corporation. It has prevented the Corporation from building up reasonable reserves which are absolutely necessary in this type of business. After five years of operation, the reserves of the Corporation totalled only Rs. 3 lakhs against a paid-up capital of Rs. 5 crores. The Government had, therefore, to amend the Industrial Finance Corporation Act in 1952 by providing for the creation of a Special Reserve Fund in which all dividends accruing on the shares of the Corporation held by the Central Government and the Reserve Bank, are, instead of being

(Continued on page 419)

AMERICAN LETTER

FEELING OF OPTIMISM DOMINANT

AVERAGE MAN CARES LESS FOR INFLATION

From Our Special Correspondent

NEW YORK, *26th August*

PUBLIC opinion in the United States is no longer preoccupied with the business recession which is regarded as on the way out. It got a great psychological lift from the feat of the atomic submarine *Nautilus* which discovered the North-East passage under the polar ice cap. It is being pointed out by newspapers and magazines as an outstanding mark of American superiority at least in *one* field. The crew of the ship received a gaudy welcome at New York which was played up newswise to the limit.

Like the recession, the Middle East crisis, too, is no longer of paramount importance in American thinking. Most people seem to believe that the talks among international scientists at Geneva have produced a workable formula for controlling atomic tests, that the United States is willing to withdraw their occupation forces from lands in the Mediterranean, even though they are there at the request of the local Governments and that Soviet Russia will not fight over this issue.

Up to this point, all seems to be well except that the Western powers appear to bow to Arab nationalism without knowing where that course is going to lead. As seen from here, President Nasser of Egypt has been quite successful in playing the East against the West and *vice versa*. The Iraqi new regime has adopted the same policy. It is a new Munich, in the opinion of many informed people here—a British "muddling-through" according to an American pattern and "let's extricate ourselves as gracefully as we can from an obvious dilemma."

All this news has overtaken, too, the case of Sherman Adams, a former Governor of New Hampshire and assistant to President Eisenhower who accepted many gifts "imprudently." Yet, his stories and those about him are still haunting Republicans running for election or re-election this year.

The Democrats have made no political capital out of the incidents. The only explanation seems to be that as many Democrats are involved in the list of those receiving gifts as Republicans. Hence, there is no point in being too specific.

As this is being written, the wind-up of this session of Congress is in progress. There have been many new laws passed. It was not an unconstructive session. Yet, there was one great deficiency. After all the hearings which exposed gross abuses by labour leaders, the combined wisdom of legislators in the Senate and in the House of Representatives could not muster enough courage to pass an effective law to stem at least some of these abuses. Everyone at Washington seems to be labouring under the illusion that the Unions can deliver votes which they cannot do under the secret voting system. Thus, abuses are apt to continue until they reach emergency proportions. An emergency is the only compelling motivation.

Meanwhile, the compelling fear of the business and financial community has switched from "depression" to "inflation." The San Francisco and Dallas Federal Reserve banks have increased their discount rates. Both dragged their feet in following the general trend in reducing them just a few months ago. Government bond prices were subjected to a severe test of rapidly rising stock prices after an ill-advised and ill-executed Government financing.

Inflation is like sin in any religion. Every right-thinking person ought to be and should be against it. Yet, 95 per cent. of the "average men in the street" could care less, as long as their salaries go up so that they can pay their bills. This reasoning does not apply to the unsophisticated alone. The great American Telephone and Telegraph Company is a vivid example. It is one of the investment favourites among small people and professional ones. Its claim to frame is that it has paid a $9 dividend for each ordinary share since 1922 every year. Very few people seem to raise the question of poor management which paid $9 a year in 1922 and $9 a year in 1958 dollars which are worth about $4.50 in terms of 1922 dollars.

Business in the U.S. is definitely better. Throughout the country, the ups exceed the downs. These spot checks pertain to the second half of August. Business is booming, especially in the West and South of the U.S. The farm States seem hardly aware that there was a recession. Farm income, on a national basis, is about 10 per cent. above a year ago.

The other extreme is found in heavy industry. The motor industry is still depressed and faced with a major strike, if and when popular demand for automobiles should pick up. Centres where appliances, transportation equipment and certain types of machinery are made, are still in the doldrums. Coal mining is also in a bad way, such as Pennsylvania, West Virginia and parts of Kentucky. There are also scattered communities in New England on the Eastern seaboard of the U.S. where unemployment is rampant, because industries moved away, mostly to the South, where labour is cheaper.

Industrial growth in recent years has been greatest in the South and the West. Living is easier in those areas. No provision has to be made for winter attire and heating in winter is not a prime necessity. This adds up in dollars and cents. No wonder, business activity in San Diego, California, rose to the highest in history at mid-year, 1958. Employment and personal income has also been above last year's level in Arizona, where home building is booming in an endeavour to keep pace with a rising population.

Slow auto business is still affecting such manufacturing centres as Detroit and Lansing, to name just two. Employment there is still 15 to 20 per cent. below the levels of last year.

Both General Motors and Akron rubber manufacturers are rehiring help. Factories catering to defence industries are also doing well. For some reason, the tide has turned so far as popular confidence is concerned. Retail buying has improved all over the country.

Industrial expansion programmes, too, are not lagging behind, excluding the ailing railroad and oil industries. In the Chicago area, for instance, industry intended to spend twice as much on expansion as it did in 1957, when the same question was asked.

Even textile plants are beginning to rehire help. The increases in employment are small, to be sure, but they indicate confidence in the future where only pessimism reigned a few weeks and months ago. The feeling now in most communities which were hit by the recession is: "The worst is over." They believe it. The reasons are inexplicable.

Tobacco plants have added workers recently. Sales of smokes are booming and hardly anybody pays any attention to the news stories about lung cancer being caused by cigarettes.

For the correspondent who has to summarise a national picture, business in an individualistic country like the United States, assumed and assumes local proportions. A banker in Ohio said, for example, "General Motors have called back more than 1,600 workers at their local plant . . . things are looking up." All these people are employed in the home products divisions of General Motors and the demand for these products has improved because of increased demand for private homes.

One of the best summaries of U.S. business conditions was contained in the August month-end report of *U.S. News and World Report*. It said, "a few cities still are enjoying boom-time prosperity. Others, especially in farming regions, are doing well in trade and commerce. And, in widely scattered areas, where recession has left its mark, business is now starting to improve." It sums up, beautifully, what the average American has in mind, when it writes thus: "How am I doing? . . . what are the chances for myself and for my neighbours? . . . the Middle Eastern crisis and war are remote . . . things are looking up and, perhaps, we can afford to buy a new car again in 1959."—*All Rights Reserved.*

EXPORT TRADE IN COTTON TEXTILES

MR. NEVILLE WADIA ON DUMPING BY CHINA IN S.E. ASIAN COUNTRIES

COTTON textiles figured prominently in the discussions at the first meeting of the reconstituted Export Promotion Advisory Council held at New Delhi on Sunday last. This is only as it should be, considering that the export trade in cotton textiles, which constitute a staple earner of foreign exchange, has suffered a distinct setback of late. The aggregate quantity of cotton piecegoods actually shipped during the first seven months of 1958 is estimated at not more than 320 million yards, as against nearly 510 million yards in the comparable period of 1957.

The causes for the low level of textile exports are partly domestic and partly international. Among the former, special mention must be made of heavy taxation, high cost of production thanks to the all-round rise in wages and stores, and low productivity of a large part of the equipment in mills which is old and outmoded. The chief international factor responsible for shrinkage in India's textile export trade, apart from unhelpful tariffs and other measures such as quotas taken by a few individual overseas countries, is the emergence of competition from communist countries, particularly China, in markets which were normally drawing supplies from the free world. Mr. Neville N. Wadia, Chairman of the Cotton Textiles Export Promotion Council, did well to stress, in his speech at this week's New Delhi meeting of the Export Promotion Advisory Council, that it was no longer a case of straight forward competition with other countries but competition against a totalitarian regime. Mr. Wadia declared that the prices at which the Chinese were selling textiles were nothing short of dumping and that it was an unfriendly act to upset the entire international trade in this manner. Stating that he did not know if the Government of India could do anything through diplomatic channels, he urged the need for preparing a long-term programme for cotton textile exports.

No Crying "Wolf"

Mr. Wadia has certainly not cried "wolf." For the effect of Chinese competition has turned out to be too severe. According to a Press report, attractive terms of credit for long periods, extremely low prices—the prices of cloth exported by China are said to be 15 per cent. lower than those of India—and energetic sales drive by emigrant Chinese merchants have been helping China in steadily edging India out of the South-East Asian textile markets. To quote the report: "China has been making an open offer to textile importers in this region that she will supply any type of textile goods at 10 per cent. cheaper price than that of any other textile exporting country. Another feature of the Chinese export drive is her readiness to apply a 'falling clause' to her forward contracts for textiles under which importers make payments at the prices prevailing at the time of delivery, if these happen to be lower than the original contract priced.... Leading textile firms in Malaya, Thailand, Indonesia and Burma are finding the handling of Chinese textiles profitable, in view of the attractive prices and credit facilities. At the same time, the Indian traders who were main importers of Indian textiles are switching over to imports of rayon goods from India, as these offer more profits."

It is stated that the disquieting impact of Chinese competition is particularly felt on the Malayan market, as is evident from the continued decline in exports of cloth from India to Malaya. Although, during the first quarter of 1958, Malaya imported 13 million yards of cloth less than in the corresponding period of last year, Chinese exports actually increased to this country in the same period. The drop in Malayan imports was mostly accounted for by the contraction in purchases from India. From about 26.37 million yards in the first seven months of 1957, the Malayan textile imports from India fell to a meagre figure of about 9.75 million yards in the corresponding period of 1958. India's share in the total Malayan textile trade is at present substantially lower, being 12 per cent., which compares very unfavourably with 30 per cent. in 1954.

Burma and Indonesia

The Chinese export drive is also stated to be vigorous in Burma and Indonesia, India's traditional textile markets. An indication of this is provided by the fact that the quantity of cloth shipped from Bombay port to Burma during the month of May 1958 was just 293,000 yards, as against 3.91 million yards in the month of 1957. Similarly, exports to Indonesia were lower at 1.56 million yards, as against 3.77 million yards.

The downward trend in the exports of such a vital earner of foreign exchange as cotton textiles is all the more unfortunate in the present context of the urgency of finding finance for imports of goods which are essential for the implementation of the development programmes. Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, candidly admitted in his speech at the meeting of the Export Promotion Advisory Council that the fall in the export of textiles had caused considerable concern. Mr. Shastri revealed that the Government was now examining the various recommendations of the Textile Enquiry Committee and assured the Council that it would not fail to make an appropriate contribution to the proper upkeep and success of the textile industry.

EXPORTS OF HOSIERY GOODS

There is a proposal to set up an Export Promotion Council for hosiery goods. Disclosing this, Mr. Nityanand Kanungo, Minister for Commerce, said in the Lok Sabha last week that several measures had been adopted to promote the export of hosiery goods. These are:

(1) The Cotton Textile Export Promotion Council has been giving wide publicity for Indian hosiery goods in overseas markets.

(2) Samples of hosiery goods are displayed in all important fairs and exhibitions in foreign countries and in departmental stores.

(3) An *ad hoc* committee has been set up at Calcutta to look into the problems connected with exports of hosiery goods. Another such committee is proposed to be set up shortly at Ludhiana.

(4) Exporters of art silk hosiery goods are granted licences for import of art silk yarn to the extent of 100 per cent. of the f.o.b. value of such exports.

(5) Import licences are granted to manufacturers and exporters to import raw materials against exports upto 75 per cent. of the f.o.b. value of exports.

(6) The National Small Industries Corporation assists in supplying basic technical data, preparation of new designs, etc.

In view of the stress laid on export of hosiery goods, a brief account of the latest position of the cotton hosiery manufacturing industry will be noted with interest. There are at present 300 hosiery factories which together produce about 11.0 million lbs. of hosiery goods and 4.4 million lbs. of knitted fabrics per annum. The following are the figures relating to the production of cotton hosiery in 95 factories during the month of May 1958, the figures in brackets being in dozens:

	(In lbs.)		
Vests	260,824	(112,381)	
Trunks/underwear	10,322	(6,400)	
Sock/stockings	13,658	(14,681)	
Other items	29,344	(21,090)	
Total ..	314,148	(154,567)	
Knitted fabrics	154,567		

STOCKS WITH MILLS

The total stocks of unsold cloth with cotton mills in India had come down from 373,000 bales (of 1,500 yards each) in January 1958 to 321,000 bales on 2nd August and of yarn from 100,000 bales (of 400 lbs. each) to 81,000 bales. These figures were given by Mr. Lal Bahadur Shastri while replying to a question in the Rajya Sabha the other day. Asked as what assistance the Government had given for the disposal of the accumulated stocks, Mr. Shastri referred to the following measures:

Excise duties have been reduced and rationalised, particularly in the case of coarse and medium varieties of cloth, with effect from 4th July 1958.

Coarse *dhotis* and *saris* lying in packed bales on 3rd July are allowed concession of clearance at the old rate, provided the duty is paid on or before the 30th of this month (September).

Exports of cotton yarn by mills are allowed freely for the licensing period July to December 1958; the export policy has been announced on a long-term basis, that is, up to 1960.

MILL CLOSURES

The number of cotton mills which remained totally closed as on 2nd August 1958 was 25, while 35 units were partially closed. The following table gives the details regarding the closures:

	Spinning	Composite	Total
Mills remaining totally closed:			
Number	9	16	25
Workers affected	2,736	31,375	34,111
Spindles affected	59,612	466,481	526,093
Looms affected	..	9,615	9,615
Estimated loss of production—			
Cloth (thousand yards)	..	9,610	9,610
Yarn (thousand pounds)	1,338	2,082	3,420
Mills remaining partially closed:			
Number	5	30	35
Workers affected	816	15,238	16,054
Spindles affected	38,960	390,089	429,049
Looms affected	..	10,618	10,618

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MANPOWER IN COTTON MILLS SHRINKS

FRESH MOVES TO STIMULATE SALES OF LANCASHIRE-MADE TEXTILES

From A Special Correspondent

MANCHESTER, *26th August*

MANCHESTER LETTER

EVEN when recruitment of labour for Lancashire cotton mills was in full swing in the era of prosperity which followed the end of the last war, it was difficult to keep the labour force together during the summer holiday period. Losses then incurred were soon made good during the rest of the year, but this is no longer the case. The shrinkage in manpower is an inevitable accompaniment to closing mills and declining trade.

At the half-year's end, the number of operatives on the books of spinning and weaving employers had fallen to 224,380, nearly 17,000 below the equivalent figure at the beginning of the year. Subsequent losses can be assumed to bring the current available labour force to around 220,000, which is 100,000 lower than the post-war peak at the end of 1951.

One of the most frequently quoted extracts from the report of the Working Party on the cotton industry, published in 1946, was the section relating to the probable future size of the labour force. Looking back on this survey, we find that the committee responsible for the report was not so far out in its predictions as was at one time imagined. Its forecast of 250,000 as a maximum total to be expected was soon proved wrong and the success of the recruiting movement, as well as profitable and expanding trade, encouraged newcomers to seek careers in cotton.

Later events, from 1952 onwards, took a heavy toll of the industry's manpower, but there were hopes over the past year or two that some form of stability had been reached. At this point, the Working Party's comments become singularly appropriate: "Taking into account the heavy wastage which must be expected over the next few years, it is probable that this total (250,000) will thereafter decline and over the next few years will stand at an average substantially below this figure—possibly even dropping to 200,000."

Efficiency Call

The members of the Working Party were among the pioneers of many reports and documents which have since urged millowners and workers alike to introduce and operate systems for the most effective use of machines and labour. They emphasised that a labour force of 250,000 represented only 65 per cent. of that required to staff post-war spinning and weaving mills on a pre-war basis.

Much of their report reflects with remarkable foresight, the conditions in which the trade finds itself today. "The cotton industry, which in the past relied on an over-abundant, cheap and very skilled labour force, containing a large proportion of women and juveniles, will have to work in future with a smaller, much more highly paid labour force, containing a higher proportion of men," they declared. Returning to the estimate that the available manpower could only staff 65 per cent. of the industry's pre-war spindles and looms, the document added: "No scope for economy in the use of labour to the extent necessary for bridging this gap appears to exist without a complete revolution in mechanical equipment."

"Buy British" Call

Fresh moves to stimulate sales of Lancashire-made textiles at the expense of foreign imports are being urged by the cotton unions. The Legislative Council of the United Textile Factory Workers' Association, the central assembly of the cotton unions, decided in Manchester this week to ask the Cotton Board to approach local authorities, nationalised industries and hospital management committees asking them to purchase only cotton goods produced in Britain.

In the meantime, the unions have decided to postpone further consideration of the industry's difficulties. They agreed to await the outcome of the visit to Hong Kong by a Lancashire mission, led by Sir Cuthbert Clegg, which will try to persuade Hong Kong to impose a voluntary "ceiling" on textile shipments to this country. After the meeting, Mr. James Milhench, Secretary of the Legislative Council, said that, because of the credit squeeze, many firms which would normally buy in bulk had been limiting the amount of stocks they carried.

Now that the credit squeeze had been eased, there was no reason why they should not now purchase ahead and help the industry out of the period of strangulation" it was experiencing at the present time.

Lower Export Earnings

A near-miracle would be needed to prod the Lancashire industry out of the depressing state of its export trade this year. The lack of enterprise and current dullness is amply reflected each month in the overseas returns, which do nothing to create optimism in any quarter. Receipts from the July shipments amounted to £5,741,514, an increase of more than £700,000 on the previous month, but over £1,500,000 below the July 1957 level. As compared with this time a year ago, earnings from cotton goods shipped abroad have dwindled by £10,000,000 and now stand at £44,434,050.

All branches of the industry have shared in this shrinking trade. Yarn exports of 16,598,048 lbs. are 6,000,000 lbs. lower than last year, their value being down by £3,400,000 at £6,912,379. Cloth exports so far total 238,424,000 square yards, as against 278,207,000 square yards, earnings being £4,500,000 down at £31,754,903. Shipments of sewing thread have also declined, from 6,689,503 lbs. to 4,817,100 lbs., the value being almost £2,000,000 lower at £5,278,431.

No single area is responsible for this downward movement, as the chief destinations for cloth remain practically unaltered. Most countries have taken rather smaller supplies and the trend continues. In cotton yarn, Australia is still the leading customer, absorbing nearly a third of all exports, but shipments to India have declined by almost 1,000,000 lbs.

The export-import gap in cotton cloth, after seven months of the year, gives the shippers a slight advantage, with exports of 238,000,000 yards and imports of 230,000,000 yards. Arrivals of grey cloth in July were 24,906,000 square yards, a fall of 4,000,000 yards as compared with a year ago. India's share in the seven-month total has dropped from 119,421,000 yards to 72,989,000 yards, but Hong Kong has already sent 58,914,000 yards, as against 36,148,000 yards and China 32,705,000 yards, as against 9,107,000 yards.

Split on Compensation

The Lancashire cotton unions will continue their efforts to secure compensation payments for textile workers who lose their jobs when mills close down. Union leaders spent two hours in Manchester this week discussing the employers' refusal to entertain a compensation scheme under which they would contribute a sum equivalent to 5s. in every £100 paid in wages into a central compensation fund. At the end of the meeting, Sir Alfred Roberts, General Secretary of the Cardroom Workers' Amalgamation, said that there was a great deal of dissatisfaction at the attitude of the employers who rejected the application on the grounds that welfare of workers was a matter for the State. It was a rowdy meeting at which some "bitter things" were said. Mr. Lewis Wright, General Secretary of the Weavers' Amalgamation, said: "This has sparked off a dispute that might bode ill for industrial relations in the cotton industry."

A number of suggestions for "positive action" put forward at the meeting will now be examined by a special sub-committee. These are believed to include a suggestion that the compensation issue might be submitted to an Industrial Court and that a new approach to the employers might be made. There may also be a stiffening attitude by the unions towards suggestions put forward by the employers.—*All Rights Reserved.*

SUPIMA COTTON

A new variety of extra long-staple cotton—Supima—has been developed in the U.S.A. over a long period. Introduced in the market in 1953, Supima was first planted on a large scale in 1954. Since then production of long-staple cotton in the U.S. has increased steadily to 40,900 bales of 500 lbs. each in 1954-55, 49,000 bales in 1956-57 and an estimated 82,000 bales in 1957-58.

Supima is the commercial name for Pima S-1, a complex cross of Pima, Tanguis and Upland strains. It has a high yield, well above the average for U.S., and is economical to produce. It has a staple length of 1⅛" to 1¼" (average 1-7/16"). Spinning tests are said to have shown that Supima yarn has a tensile strength equal to or greater than other long-staple cottons. It takes a long time to mature and is subject to certain diseases and is also rather slow to germinate. Research work is under way to develop hardier varieties without sacrificing its strength, fineness and lustre.

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RAW COTTON EXPORT POLICY

EARLY ANNOUNCEMENT OF QUOTA URGED

A FORCEFUL plea for a vigorous and integrated export policy for raw cotton was put forward by Mr. Madanmohan Ruia, President of the Cotton Buyers' Association, in his address to the 21st annual general meeting of the Association held in Bombay on the 27th ultimo. Mr. Ruia suggested that, in formulating the export policy for the new season (which commenced on the 1st inst.), exports had to be viewed not only from the point of view of earning foreign exchange but also from that of reducing surplus supplies of raw cotton to manageable proportions so as to ensure a proper adjustment between supply and demand. The Government, he said, would be well advised to release a reasonably large quantity of cotton for export. The same plea was made by Mr. Ruia and Mr. J. P. Patel as members of the reconstituted Export Promotion Advisory Council at its first meeting held in New Delhi last Sunday. They urged the Government to announce, as early as possible, the export quota for raw cotton. Mr. Ruia drew the attention of the authorities to the latest reduction in export duty on raw cotton by Pakistan, India's competitor in the field, and suggested that this country should do likewise to keep up its competitive capacity. The export quota, he added, might consist of 100,000 bales of Bengal *Deshi* and a like quantity of other varieties divided into two categories of cotton stapling upto 23/32" and ¾". This quantity might be supplemented by further releases as soon as the size and progress of the new crop were assessed.

To revert to Mr. Ruia's address to the Cotton Buyers' Association. Mr. Ruia emphasised that a policy on the lines suggested by him would not only ensure continuity of supplies to overseas buyers but would also arrest any unhealthy trend in the internal market. The disposal of the quota, which might be released in the next season, would, of course, depend upon the overseas demand and also upon the policies followed by Pakistan. The prospects of making large export sales, according to Mr. Ruia, did not appear to be bright at the moment but some headway could be made if export announcements were made to synchronise with the foreign demand and the timing of exchange allocations in countries which were traditional buyers of Indian cotton. In any case, Mr. Ruia submitted, the policy might be such as would not price Indian cotton out of parity with Pakistan cotton. All impediments which stood in the way of achieving this objective should be removed.

Supply Position Comfortable

Mr. Ruia supported his contention by an analysis of the statistical position of cotton in the season just ended and the probable trend of supply and demand in the new season. The 1957-58 season commenced, he pointed out, with a somewhat reduced carryover of Indian cotton of 1.72 million bales, as against 1.93 million bales in the previous season. Thanks to the generally favourable weather conditions which prevailed during most part of the season, the commercial crop of Indian cotton turned out to be as high as 5.2 million bales, thereby making a total supply of 6.92 million bales. As against this, mill consumption was not likely to have been more than 4.4 million bales representing a decline of as much as 265,000 bales from the previous season's figure. This, as is common knowledge, was largely due to the textile crisis which led, in many cases, to partial and, in some cases complete, closure of certain textile units in the country. Export quotas allowed during the season amounted to 340,000 bales which consisted of 180,000 bales of Bengal *Deshi*, 85,000 bales of cotton stapling not above 23/32", 55,000 bales of cotton stapling not above 1" and 20,000 bales of old crop cotton stapling 25/32". Out of this total quantity released for export, total shipments, on present indications, might not have exceeded 300,000 bales. Total distribution thus amounted to 4.7 million bales, as against the total supply of 6.92 million bales. The carryover at the end of the current season was, therefore, 2.2 million bales.

Large Carryover

After making a normal provision for a carryover of 1.2 million bales with the mills, which would be sufficient for their consumption before the new crop was available in abundance, the trade would have to carry a large stock of one million bales, consisting mainly of short-staple varieties. This, Mr. Ruia pointed out, would probably create a very serious situation for the trade since it would involve considerable blocking of funds, apart from the fact that it would act as a serious drag on the market. In order to tide over this situation, it seemed essential, according to him, that a part of this surplus stock should be allowed for export immediately. New crop prospects, on present indications, were encouraging. With favourable rainfall one could reasonably look forward to a commercial crop of nearly 5.5 million bales. Deducting the mill consumption, which, even if larger than in the 1957-58 season, from the anticipated supplies of 7.7 million bales (2.2 million bales of carryover plus 5.5 million bales crop), there would be a much larger carryover at the end of the 1958-59 season than at its beginning. The only way to reduce this unusually large surplus, according to Mr. Ruia, was to widen the export outlet for cotton in the ensuing season, as otherwise it was bound to have serious consequences on the crop in the 1959-60 season.

Mr. Ruia commended the policy of first-come-first-served followed in respect of distributing export licences. This policy demonstrated that it was very useful from the point of view of not only earning foreign exchange speedily but also from that of providing equal chances to one and all. He suggested that it might be continued in the succeeding seasons with the modification that, instead of issuing export licences on shipping bills, these should be issued on the basis of registration of sales with, of course, a bank guarantee involving a fixed amount per bale instead of five per cent. of the invoice value as required under the existing procedure. Such a change, according to him, would help shippers to sell distant and thereby meet the convenience of the foreign buyers who might wish to spread their purchases over a period of time. This was not possible if licences were given on the basis of shipping bills. Suggestions on these lines have been already submitted to the authorities concerned by the Association.

Imports

Referring to the question of imports, the President of the Association observed that, with the shortage of foreign exchange getting more and more acute, the textile industry would have to put up with reduced imports in the new season. He recalled that, during the season just ended, import allocations from sterling area countries aggregated 265,000 bales of which 155,000 bales were Egyptians and Sudans and 110,000 bales East Africans. No import allocation was, however, issued from dollar areas, although licences involving about 80,000 bales of American cotton were issued against the allocations announced in the previous season under the various aid programmes. Foreign cotton consumption in the season was not likely to have exceeded 575,000 bales owing to the restricted availability of cotton supplies from abroad. It seemed reasonable, Mr. Ruia observed, that with the shortage of foreign exchange getting more acute, the industry would have to be satisfied with very limited imports of cotton from sterling area countries hereafter. At the same time, it was also necessary to see that textile production did not suffer in any manner. With this basic end in view, it would be essential, he pointed out, to plan for an import of at least 500,000 bales in the next season. Out of this, 175,000 bales should be of cotton stapling 1.3/16" and above from Egypt and Sudan, and a major part of the balance of 325,000 bales would have to be of cotton stapling 1.1/16" and above from the U.S. under P.L. 480 and the rest from East Africa.

Mr. Ruia suggested that, so far as the first category was concerned, arrangements might be made to obtain an extension of the special payments agreement which already existed between India and Egypt. This would also help the industry to obtain a reasonable quantity of Egyptian cotton without having to pay in sterling. A similar arrangement could be attempted with Sudan. He also suggested that the question of making effective arrangements for importing a sufficiently large quantity of cotton from the U.S. under the aid programme (P.L. 480) should be examined. If such an arrangement was not possible for one reason or another, it would perhaps be necessary to renew imports from East Africa on an extensive scale as in the past.

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DELIVERY CONTRACTS

The Board of the East India Cotton Association reports that it has come to its notice that, in spite of the amended provisions of by-law 66, delivery contracts for cotton containing the term "buyer's selection," "fair average quality," "best average quality," "fair average quality of the season," "best average quality of the season" or equivalent wording, are still being entered into by the trade. The Board had in the past pointed out to the trade, the difficulties which must necessarily arise in surveying cotton under such contracts and the risks which the seller under such contracts must undoubtedly run. The Board has now given its ruling that delivery contracts for cotton containing the term "buyer's selection," "fair average quality," "best average quality," "fair average quality of the season," "best average quality of the season" or equivalent wording, entered into subject to the by-laws of the Association, shall for purposes of the by-laws, be taken to be and construed to be of the quality "fine" in grade and if there is no staple stipulation in any such contract, "the basic staple of the respective description," permitted to be traded in by the Board under by-law 66. In the case of delivery contracts for cotton "fine with specific staple stipulation" and containing the term "buyer's selection" or for cotton "equal to sealed or type sample" containing the term "buyer's selection" made subject to the by-laws of the Association the term "buyer's selection" will not confer any additional right on the buyer except those mentioned under the by-laws.

CLOTHING OFF THE PEG IN W. GERMANY

Not only the women but also the men of the German Federal Republic and West Berlin have been buying more and more ready-made clothes. The West German garment industry has adjusted itself to this trend by introducing a greater variety of available sizes. Styles have begun to change more rapidly than formerly, and this, together with growing purchasing power, has resulted in a considerable increase in the West German garment industry's turnover. Since 1956, this increase has amounted to 10 per cent., the total turnover now being DM.5,990 million, or, if West Berlin is included, even DM.6,900 million. Since 1936, the production value has quadrupled, a remarkable growth, even though it is in part due to the establishment in the Federal Republic of some garment factories that used to be in Central Germany. In this favourable situation, the garment industry, which today employs a total of 320,000 people, has only one worry—that more and more ready-made clothing is being imported. In 1957 alone, such imports rose by 40 per cent., reaching a value of DM.132 million. Nevertheless, this is only 2 per cent. of the amount produced by the West German garment industry itself, and compares unfavourably with its exports, amounting to about 3 per cent.

The Commonwealth Department of Statistics' revised estimate of the 1957-58 Australian wool clip is 1,426 million lbs. (greasy), or 2 million lbs. less than the preliminary estimate issued some weeks ago. This compares with the all-time record of 1,564 million lbs. set up in 1956-57. The first estimate of the 1958-59 clip is 1,386 million lbs. (greasy), or about 3 per cent. below the estimate for the season lately concluded. Australia's flock of sheep and lambs in March last numbered 149,250,000, a decline of 600,000 as compared with the previous year, the first decline in 10 years.

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SUGAR EXPORT PROMOTION BILL PASSED

FOOD MINISTER AGREES TO REFER PRICES TO TARIFF COMMISSION

AFTER a lively and interesting debate marked by criticisms of the official sugar policy, the Lok Sabha passed last week the Sugar Export Promotion Bill. The Bill seeks to replace the Ordinance promulgated by the President on 27th June 1958 and vests the Central Government with the following powers:

To fix from time to time a quota for export, the aggregate of which not exceeding 20 per cent. of the production in the season ending with the month of October within that year;

to distribute the quota on a *pro rata* basis to the sugar mills in the proportion in which they produce the sugar, each of these mills being under a statutory obligation to supply that quantity for export purposes to the exporting agency; and

to impose a penalty excise duty of Rs. 17 per ton on any mill which goes by default; if a mill undertakes to supply the quota, it will not be required to pay the excise duty of Rs. 8, but, if a mill fails to supply, it will not only have to pay Rs. 8 but, in addition, Rs. 17 as excise duty by way of penalty.

The debate on the Bill provided an opportunity to both Congress and Opposition members to criticise the promulgation of the Ordinance of 27th June. The objection was on the score that the Ordinance, as it was issued after the crushing season terminated, had only helped the sugar interests "to make huge profits through underhand means." Even the Speaker of the Lok Sabha asked as to why the Food and Agriculture Minister could not bring up this measure when the House was sitting last or put it off till the House met again.

Mr. Jain's Justification

Replying to the criticism, Mr. Ajit Prasad Jain justified the issue of the Ordinance on three important grounds. First, the Government could not finalise its sugar export scheme before the last session adjourned, as various factors had to be gone into, including the setting up of an agency for sugar export. Secondly, the Government could not wait for the current session of Parliament to bring forward the measure for the reason that, as the foreign exchange need of the country was urgent, the Government thought that it should take the earliest steps to give legal shape to the scheme. In fact, some advantage had already accrued from the promulgation of the Ordinance. About 9,900 tons of sugar worth Rs. 50 lakhs had been exported up to 23rd August 1958. If the Ordinance had not been issued, some loss would have resulted. Thirdly, some rumours had been circulating in the market that Government intended to export sugar. The prices had begun to show an upward trend in May and, even if the Government had not undertaken the sugar export scheme, the upward trend in prices would have continued. In this connection, Mr. Jain observed:

"Before the Ordinance, the Government had consulted the representatives of sugar industry and they had given an assurance not to raise the prices. But everyone did not comply with it. Further, the Government released a quota to check the rising prices. But some millowners did not play the game and withheld release of the quota. The Government was, therefore, driven to promulgate the Ordinance. The Ordinance was issued on 27th June. Effective steps were taken to control the prices on 30th June. The intervening period was taken to watch the market trends. We then undertook to control prices which have had a salutary effect, and prices are today lower than the controlled prices."

Justifying the importance attached to the export of sugar, the Food and Agriculture Minister remarked that, while every effort should be made to increase export of traditional items, he saw no reason for not exporting sugar "in ever-increasing quantity." He declared that past experience had shown considerable scope for sugar export and it was the Government's definite policy to export sugar."

The anxiety of Mr. Jain to build up as large an export trade in sugar as possible is no doubt understandable, considering the ever-increasing need for earning foreign exchange to finance the development schemes. But the point is that the amount of foreign exchange earned from sugar export is disproportionately low as compared with the enormous loss of internal revenue by way of income-tax, corporation tax, excise duty and cane cess and the reduction in the national income brought about by lower price realisation. The world price of sugar is currently ruling at about Rs. 420 per ton, as against the average price of Rs. 750 for Indian sugar, even after the full remission of excise duty (Rs. 291.20) and cane cess (Rs. 50.90). The loss on every ton of sugar thus comes to as much as Rs. 330. This amount, together with the loss of Rs. 291.20 by way of excise duty remission and Rs. 50.90 by way of cane cess, will be over Rs. 672 per ton, as against the foreign exchange amounting to about Rs. 420 earned by exports.

One may, of course argue that, considering the critical foreign exchange position in which the country finds itself today—the position may be expected to continue for many more years—whatever exchange that is earned from exports is most valuable. But to try to export sugar for this sake at a disproportionately heavy cost to the rupee resources available to the Government, which, too, are by no means plentiful, is, as this journal pointed out on an earlier occasion, simply ridiculous. By basing the sugar export policy on the ground of earning as much foreign exchange as possible irrespective of the cost involved, the Government has only tended to overlook the long-term issue involved, namely, how to build up a stabilised permanent export market for Indian sugar?

Sugar Prices Unduly High

The aforesaid question is specially stressed because the prices of Indian sugar are high in all conscience and, unless they are reduced, the competitive capacity in world markets will continue to be very poor. Surely, the country cannot afford to go on exporting sugar at a loss continuously. The current wide disparity in the prices ruling for Indian and foreign sugars points to the need for a policy of rationalisation of sugar prices. Mr. A. C. Guha, a former Minister in the Central Government, did well to bring out this point. He urged that the Tariff Commission should go into the cost of sugar production in India. The Food and Agriculture Minister said that he was prepared to consider the question of referring the matter to the Tariff Commission, which, he remarked, will be able to study all aspects and make recommendations that will be fair to all concerned. But is such a reference necessary? Do we all not know the facts already? Are the sugar prices high because of the manufacturers' greed for more profit or of the politicians' glamour for the votes of sugarcane growers? Has not the Exchequer's greed for more revenue contributed largely to the inflation in sugar prices? It is to be hoped that the Tariff Commission will go into these questions thoroughly before giving its verdict, if and when it is asked to do so. But, in our opinion, there is no need for such an enquiry, because the facts about the sugar industry are well known to the policymakers. The decisions to be taken are matters of policy which are outside the scope of the Tariff Commission. It will, therefore, be sheer waste of public money to refer the industry to the Commission. We do not know what Mr. Guha had in mind when he threw the suggestion on the floor of Parliament. Is the Commission to be asked: Whether prices of sugar are high and, if so, who is responsible for this situation? Can sugar be exported and, if so, how? Must there be more controls on sugar? Should the prices of sugarcane be lowered? All these questions, it will be conceded, involve Government's policy. Is it the desire of the Government to be guided by the Commission's views on them? Let Mr. Jain ponder before referring the matter to the Commission.

Any impartial observer of the trends in Indian sugar economy will admit that the cost of sugar manufacture has turned out to be too rigid, thanks to the major elements in the cost structure being entirely beyond the control of producers. Of the average price of 50 nP per pound of sugar, the cost of sugarcane alone accounts for as much as 21 nP, while excise duty and cane cess together account for another 18 nP, making a total of 39 nP, or 78 per cent. of the average price. The remaining 22 per cent. includes the wages of workers, salaries of administrative staff, prices of stores, interest

(*Continued on page* 419)

PUBLIC SECTOR'S COAL OUTPUT TARGET

WILL IT BE HIT IN TIME?

THE view that the National Coal Development Corporation (N.C.D.C.) will be able to attain, in the last three months of the second Five-year Plan period, "at least a level of production commensurate with the overall target of 10.5 million tons" is expressed by the Union Ministry of Steel, Mines and Fuel, in the course of a review of the first annual report of the Corporation. In support of this view, the Ministry points to the progress that has been made already. The total quantity of coal actually produced in the existing State collieries (excluding the Singareni fields) during 1957 aggregated 3.38 million tons, which represents an increase of 21 per cent. as compared with 1955 when it amounted to 2.80 million tons. It may be noted here that the output in the first quarter of 1958 was lower, the quantity actually produced being 870,000 tons, as against 880,000 tons in the corresponding quarter of 1957.

In particular, the Ministry commends the progress achieved by the N.C.D.C. in developing new areas. The analysis reveals that, at Kathara, more than one million tons of coal have been exposed and regular despatches on a commercial scale are only waiting for the completion of the railway siding scheduled for December 1958. At Saunda, where eight inclines are being driven, in addition to a quarry, about 6,000 tons of coal have been extracted already, and further production and despatches are expected to increase sharply with the completion of the railway siding. At Gidi six inclines are being driven, but raisings on a commercial scale, though possible earlier, will have to wait till the completion of the bridge across the Damodar river. Three inclines are being driven at Bachra and raisings are expected during the last quarter of 1958. In the new quarry at Bhurkunda, despatches will begin from this month; two inclines are also being driven in this area. The quarry at Korba is already in a position to produce 1,000 tons of coal per day; in addition, four inclines are being driven in the Ghordewa thin seam. At Kurasia, work was begun in June 1958 and production is expected very shortly.

The latest plan of coal production to make up the target of 10.5 million tons is as follows:

(In thousand tons)

Expansion of production from existing State collieries ..	500
Korba	1,000
Kathara	1,500
Central India Coalfields	1,500
Of which—	
Korea	500
Kurasia (through a new working adjacent to the existing colliery)	500
Kohma	500
Total C. I. Coalfields	1,500
Karanpura :	
Gidi	1,500
Saunda	1,200
Bachra	600
Khurkunda II (through a new working adjacent to the existing colliery)	700
Chordhara	500
Sayal and Gidi A	500
Total Karanpura	5,000
Balanda (Orissa)	500
Total ..	10,600

The ceiling of total expenditure in relation to the target output of 10.5 million tons is put at Rs. 40 crores. Of this amount, foreign exchange accounts for Rs. 15 crores, exclusive of the requirements of spares and other items of maintenance. The value of orders for machinery and equipment placed so far by the Corporation abroad comes to about Rs. 7 crores. A part of the machinery has already arrived and the rest is expected to arrive within a few months. Further tender notices will be put out by the Corporation to meet the balance of its requirements. In fact, a team of engineers is already in the U.S. to investigate to what extent the Corporation can avail itself of the credit offered by the Export-Import Bank. The Union Ministry of Steel, Mines and Fuel claims that the Corporation has also achieved a marked degree of success with its recruitment and training programmes.

From the foregoing account, it is clear that the public sector will not be in a position to reach even the reduced target of 10.5 million tons by March 1961. The statement that "something commensurate with the overall target of 10.5 million tons" will be produced is vague and misleading. It only shows that the authorities are not confident of hitting the target and that they yet do not know what exactly will be the production in the public sector, even assuming that other things will remain the same.

Notices

RAZA BULAND SUGAR COMPANY LIMITED

RAMPUR, U.P.

NOTICE IS HEREBY GIVEN THAT THE 23rd Annual General Meeting of the Shareholders of the Company will be held at Rah-e-Raza, Rampur, the Registered Office of the Company, on Tuesday the 30th September, 1958, at 10 a.m., to transact the following business:—

1. To receive and consider the report of the Board of Directors and the Auditors and the Audited Statement of Accounts of the Company for the financial year ended 31st October, 1957.
2. To declare Dividend.
3. To appoint a Director in place of Raizada Jagmohan Lal, who retires by rotation at the Meeting, and is eligible for re-appointment.
4. To appoint a Director in place of Shri Chunni Lal who retires by rotation at the Meeting, and is eligible for re-appointment.
5. To appoint Auditors for the financial year 1957-58 and fix their remuneration. Messrs. V. Sankar Aiyar & Co., Chartered Accountants, the retiring Auditors, are eligible for re-appointment.
6. To consider any other business that can be transacted at an Annual General Meeting with the permission of the Chairman.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification, the following resolutions:—

7. *As Special Resolutions*:—

(i) "Resolved that the provisions of clause 3 of the Memorandum of Association of the Company with respect to the objects of the Company be and are hereby altered by omitting sub-clause 28 and by substituting therefor the following sub-clause:—

'28. To build or contribute to the building of huts, houses, etc., to grant pensions, allowances, gratuities and houses or other payments to employees or ex-employees of the Company or the dependants or connections of such persons, and to establish and support or to aid in the establishment and support of any schools and any educational, scientific, literary, religious, national, charitable, philanthropic, medical and other institutions, places of recreation, hospitals, dispensaries, societies, clubs, provident or other funds, medical and other attendance and other assistance as the Company shall think fit, trusts, trade unions, etc., and conveniences calculated to benefit not only employees or ex-employees or the dependents and connections of such persons but the public generally or any particular section thereof and to make payment towards insurance and to subscribe, contribute or guarantee money for any national, charitable, benevolent, political, public, general or useful object or other funds not directly relating to the business of the Company or the welfare of its employees, or for any exhibition.'

(ii) "Resolved that the provisions of clause 3 of the Memorandum of Association of the Company with respect to the objects of the Company be and are hereby altered by inserting therein, immediately after clause 36, the following new clauses:—

'37. To carry on business as financiers, concessionaires and merchants and to undertake and carry on and execute all kinds of financial, commercial, trading and other operations.

38. To amalgamate with any other Company having objects altogether or in part similar to those of this Company.

39. To carry on the business of hotel, restaurant, cafe, tavern, beer-house, refreshment-room, and lodging-house keepers, licensed victuallers, wine, beer, and spirit merchants, brewers, distillers, importers, and manufacturers of ærated, mineral, and artificial waters and other drinks, purveyors, caterers for public amusements, generally proprietors of motor vehicles, garage proprietors, livery-stable keepers, job-masters, farmers, dairymen, ice merchants, importers and brokers of food, live and dead stock, and colonial and foreign produce of all descriptions, hairdressers, perfumers, chemists, proprietors of clubs, baths, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, grounds, and places of amusement, recreation, sport, entertainment, and instruction of all kinds, tobacco and cigar merchants, agents for railway, shipping and air-plane companies and carriers, theatrical and opera box office proprietors, entrepreneurs and general agents, and any other business which can be conveniently carried on in connection therewith.

40. To develop and turn to account any land acquired by the Company or in which it is interested, and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, fitting up, and improving buildings, and by planting, paving, draining, farming, cultivating and letting on building lease or building agreement, and by advancing money to and entering into contracts and arrangements of all kinds with builders and others."

8. *As a Special Resolution.*

"Resolved that pursuant to Section 31 of the Companies Act, 1956 the regulations contained in the document submitted to this meeting and for the purpose of identification subscribed by the Chairman thereof, be and are hereby adopted as the Articles of Association of the Company within the meaning of the Companies Act, 1956, with effect from the date of adoption, in substitution for and to the exclusion of the existing Articles of Association of the Company."

9. *As an Ordinary Resolution.*

"Resolved that the approval of the Central Government having been obtained, *vide* Ministry of Commerce and Industry, Department of Company Law Administration letter No. 1(79)-CMN/58 dated 15th April, 1958, for variation in the Managing Agency Agreement dated 14th March, 1957, between the Company and the Managing Agents, Messrs. Govan Bros. (Rampur) Private Ltd., the Company does hereby approve of and consent to the amendment of the existing clause No. 3(*a*) of the said Agreement to read as under:—

'3 (a). The remuneration of the Managing Agents, until otherwise revised with mutual consent, in accordance with the provisions of the Companies Act 1956, or any amendment thereof, shall be a commission of 10 per cent. on the net profits of the Company for each financial year to be calculated in accordance with the provisions contained in Sections 349, 350 and 351 of the Companies Act, 1956 and/or any other provisions of the said Act subject to a minimum remuneration of Rupees Fifty thousand per year payable at the rate of Rs. 4,000 per month at the close of each calendar month and the remaining sum of Rs. 2,000 being paid along with the last instalment relating to the last month of the Company's financial year. The difference, if any, payable to the Managing Agents after the ascertainment of 10 per cent. of the net profit will be paid after the accounts of the Company for such financial year have been audited and laid before the Company in general meeting.'

and the Board of Directors be and are hereby authorised to execute the necessary supplementary agreement to give effect to this decision."

Explanatory statements with regard to the items of special business to be transacted at this meeting are annexed in terms of Section 173(2) of the Companies Act 1956.

The Share Transfer Books of the Company will remain closed from 19th September, 1958 to 4th October, 1958, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself, who need not necessarily be a member. Such proxies should reach the Company at least 48 hours before the meeting.

By Order of the Board,
For RAZA BULAND SUGAR CO. LTD.,
S. K. KAUL,
Secretary.

NEW DELHI, 14*th August*, 1958.

Note:—(1) The dividend as proposed by the Directors, if declared, will be paid on or after the 16th October, 1958, to those members whose names appear in the books of the Company on the 30th September, 1958, or to their Mandatees. No applications for dividend warrants will be necessary.

(2) Members or other persons holding shares of the Company on blank transfer should submit such shares for transfer with stamped and completed transfer deeds and the registration fee before the closure of the Transfer Books so as to be entitled to the despatch of the dividend warrants in respect of those shares to them. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

(3) Members should immediately notify any change that may have occurred in their addresses as the Dividend Warrants will be sent at the addresses of members registered in the books of the Company on 30th September, 1958.

Explanatory Statement under Section 173(2) of the Companies Act, 1956, in respet of the items of Special Business to be transacted at the Twenty-third Annual General Meeting

Item No. 7.

Directors of the Company have decided at a meeting held on the 19th day of May, 1958, to revise and amend the Memorandum of Association as stated in the resolutions.

Existing sub-clause 28 of Clause 3 of the Memorandum of Association stands as under:—

"(28) To establish and support, or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company or its predecessors in business or the dependents or connections of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition for any public, general or useful objects."

The proposed modification in the said sub-clause 28 enlarges the scope of the existing clause to better suit the purpose it is intended to serve.

The proposed additional clauses have been considered necessary with a view to making the provisions of the Memorandum of Association wide enough to cover such other business as may be conveniently and/or advantageously combined with the present business of the Company.

Item No. 8.

The existing Articles of Association of the Company were adopted at the time of incorporation of the Company and have been amended in certain respects from time to time. Companies Act, 1956, which came into force as from 1st April, 1956, effected revolutionary changes in the Law and procedure relating to joint stock companies. Several of the changes have made various provisions in the existing Articles of Association of the Company either obsolete, or inadequate, or over-ridden or affected, with the result that a thorough revision and complete substitution of the existing Articles of Association has become necessary so as to bring them in line with the provisions of the Act of 1956.

It has, therefore, been considered desirable to substitute a new set of Articles for the existing Articles of Association of the Company. A copy of the new proposed set of Articles of Association of the Company is sent herewith marked 'A' for the information of the shareholders of the Company.*

The Managing Agents of the Company have no interest in any of the amended Articles. The Directors may be considered to be interested only in Articles 107 and 109 which replace existing Articles 110 and 143 quoted below, and Article 108 which is a new Article.

Existing Article 110.

"Until otherwise determined by the Company in General Meeting each Director shall be paid out of the funds of the Company by way of remuneration for his services the sum of Rs. 600 per year. The

(*Continued on page* 405)

*Sent to the Shareholders individually.

ECONOMIC IMPORTANCE OF PLANTATION INDUSTRY

EARNS LARGE FOREIGN EXCHANGE BUT CONSUMES VERY LITTLE

AT the annual meeting of the United Planters' Association of Southern India, held at Coonoor last week, Mr. C.I. Machia, its retiring President, gave much interesting information on the economic importance of plantations to India. In order to enable readers to get a better understanding of the industry's position, it is proposed to record here the bare facts of his statements:

The total area under recognised plantation crops forms 0.3 per cent. of the total agricultural land in the country. Yet, in terms of value at 1956 prices, the plantation industry contributed 5 per cent. of the total value of agricultural products in the national income. In other words, for the area it occupies, it produced crops of the value which is nearly 17 times more than any equivalent area occupied by other crops in general. Although the industry utilises only 0.3 per cent. of the area, it employs 0.7 per cent. of the total agricultural labour.

The plantation industry accounts for approximately 28 per cent. of the foreign exchange earned by the country.

As a source of taxes, the role of plantations is probably more prominent than of any other single agricultural crop in the country. According to the 1957-58 Union Budget, as originally estimated, credit was taken for an earning of Rs. 19 crores from the export duty of tea alone, a sum which exceeded the Government's budgetary grants for the entire agricultural development by Rs. 4 crores during the year.

The plantations provide a very substantial stimulus for the manufacture and supply of a wide range of goods and services required for the maintenance of plantations and the production of crops. It is estimated that the entire plantation industry of India buys goods and services worth approximately Rs. 45 crores per annum, of which South India accounts for very nearly Rs. 17 crores. The plantations in the South directly employ very nearly 5 lakh workers and pay out by way of wages, allowances, provident fund contributions and gratuity about Rs. 21 crores per annum. This does not, of course, include the cost of welfare measures on plantations.

Striking Progress

The plantation industry in South India has made remarkable progress in recent years. The tea section created a new record in 1957 by producing 145 million pounds, with, on the whole, a commendable standard of quality within the limits set by geography and climate. This crop exceeded the previous record of 1955 by some 16 million pounds and the trend of the current crops foreshadow that 1958 will exceed the total of 1957. The South Indian tea crop has increased by nearly 67 per cent. in the past decade and this offers an unequivocal answer to the rather alarming prophecies of the Plantation Inquiry Commission.

An even more remarkable increase in production was achieved in the coffee industry during the 1957-58 season, with a record crop of 43,000 tons harvested, showing a rise of nearly 190 per cent. over the crop 10 years ago. From the 1956-57 crop, a record export of over 15,000 tons was made. Rubber has effected a record in production, though not of the order of tea or coffee. 1957 was relatively a poor year, as many tapping days were lost due to heavy rains. Nevertheless, it produced the highest crop since rubber began to be grown in India. Thus, 1957, was a remarkable one for the South Indian plantation industry, in that production expanded as never before in the history of the industry from practically the same acreage.

The progress made by the plantations would be a source of fruitful study for agricultural economists to investigate how and in what manner plantations have reached the status that they occupy, pay such high and steady wages, provide comprehensive amenities to their workers, pay such high taxes to the Government and become the largest earners of foreign exchange for the country. The explanation is that the plantation industry has been the leader in sound and scientific agricultural practices.

As in promotional activities, so also in research and scientific agriculture, planters have been pioneers. As early as 1898, the U.P.A.S.I. considered the setting up of a scientific department. It took the Association about 10 years before a scientific officer was available and the nucleus of a research department was established. The successful teams of research workers have held the pests at bay, rooted out diseases, contributed to the improvement of agricultural practices and exploited the yield propensity of the plants. In 1938, the average yield of tea in South India was 500 lbs. per acre; it has been doubled within 20 years without injury to the soil or to the bushes.

An interesting but less known feature of the plantation industry is that, while it is the largest earner of foreign exchange, it requires very little imports of foreign goods to maintain its production. For a tea crop valued at over Rs. 160 crores in 1957, the tea industry's requirements of imported fertilisers, special equipment and tools and plant protection chemicals did not exceed 2 per cent. of the value realised from exports. But, if proper care is not taken to ensure adequate and timely supply of these small imports, the industry's ability to earn foreign exchange will be seriously impaired. It, therefore, behoves the authorities to give a high priority to the plantation industry's requirements of the goods mentioned above.

Economic Viability

One of the problems worrying the plantation industry is the heavy incidence of taxation which, if continued, is likely to injure its economic viability. What makes the tax burden onerous is the fact that it is on top of mounting obligations to labour in the form of higher wages, bonus, gratuity, provident fund, housing, sick leave, privilege leave, and other amenities. Mr. Machia illustrated the effect of these imposts by taking a thousand-acre estate and showing how its income is distributed. According to him, the proceeds of 630 acres out of 1,000 acres go towards meeting the cost of production. 240 acres are entirely devoted to producing for the Government. The proceeds from 30 acres go towards statutory depreciation and reserves. Labour welfare, gratuity and provident fund liabilities take away the proceeds of 70 acres and 30 acres remain as available to the management. But capital expenditure liabilities in respect of labour housing and welfare and other items of expenditure and for the maintenance of capital assets which requires the proceeds from 150 acres have to be found from outside the income of the 1,000 acres. In other words, many of the estates are now compelled to draw from their past reserves to meet some of the current liabilities. It has been suggested by some that the industry should finance expansion and rehabilitation by going to the market for further funds. An industry which is not in a position to declare a fair return to the investors is hardly in a position to inspire confidence in investors or to attract fresh investment.

It is common knowledge that one of the suggestions put forward for solving the problem of surplus tea is to curtail production. The views of Mr. Machia on this solution are worth reproduction. He said:

"In the South, we have resorted to a form of voluntary regulation by concentrating on finer plucking. For many producers, any restriction of production would involve a greater cost per pound. The deciding factor is whether the higher cost can be offset by the higher price realised. If it does not, voluntary restriction by finer plucking or regulation of crop will not solve the problem. Restriction for the purpose of maintaining the price is at best a negative step. And, if restriction has to be resorted to while export duty is maintained, it shows the unnatural extent to which the competitiveness of a product is subjected to the revenue requirements of the country. Even as a temporary measure, it would be worthwhile for the Government to consider a substantial reduction in the export duty, as it has wisely done in the case of oilseeds and several other commodities."

The plantation industry is opposed to the ceiling on landholdings being applied either directly or indirectly. The reasons for this opposition is obvious. Reliable data are available to show that there is a close relationship between the yield and the size of estates. If the

(*Continued on page 419*)

OUTLOOK FOR JUTE INDUSTRY

IMPROVEMENT IN QUALITY URGENT

JUDGING by the recent trends in jute economy the world over, it looks as though the outlook for the Indian jute industry is still far from encouraging. Apart from the persistent deficit in supplies of high grade, high-coloured jute required for manufacturing good quality hessian and growing competition from substitutes, there is the emergence of formidable competition from Pakistan, rendered possible by the abundant supply of superior quality raw jute, cheap labour and installation of modern machinery in all its mills. Thanks to this, as also to the setting up of jute mills in many countries, particularly in the Middle East and Far East, India has failed to increase its exports proportionate to the expanding use of jute goods in the world. Indeed, the foreign exchange earned from exports of jute yarns and manufactures during the first five months of 1958 was no more than Rs. 40 crores, as against nearly Rs. 56 crores in the comparable period of 1957. It is thus clear that, if India is to maintain what has already become only a marginal monopoly of world jute goods exports, the Government and the jute industry should, as Mr. Hari Lal Mehta, President of the Gunny Trades Association, very pertinently urged in his speech at the annual general meeting of the Association held at Calcutta recently, pool all their resources, adopt all measures of economy in production, improve the quality, effect full modernisation and minimise the dependence on Pakistan for raw jute supplies still further. Mr. Mehta struck a note of realism when he declared that mere production at the cost of quality was undesirable. Drawing attention to the rising number of complaints from customers overseas regarding the quality of jute goods, he regretted that this aspect had not been attended to with the meticulous care it deserves. In this connection, he said:

"The buyers must have the goods of the contracted quality and, in view of keen and growing competition with the substitutes for jute goods, they will not tolerate such behaviour much longer. Moreover, lowering of quality will mean, in fact, a wastage of the huge amounts being spent on popularising jute goods in foreign countries. . . . I, on behalf of this Association, appeal to all jute mills in India that they should produce goods of quality strictly in accordance with the specifications. In order to maintain the flourishing export trade and the good name of the industry, it should always be remembered that quality is a secret salesman by itself and engenders lasting goodwill."

There is considerable force in these observations. But the question is how can the jute mills be expected to manufacture quality goods, so long as the labour unions continue to obstruct the programme of rationalisation, financial resources are limited and tax burden is heavy. Never in the history of the jute industry before had the need for modernising equipment been so urgent as it is today. To the extent modernisation takes place, the cost of production also will be lower. This aspect must be specially stressed because one of the prime factors governing exports of jute goods, as Mr. Mehta rightly stated, is that prices should, besides being competitive, be stable. Stability in prices can be ensured, according to Mr. Mehta, in the following manner.

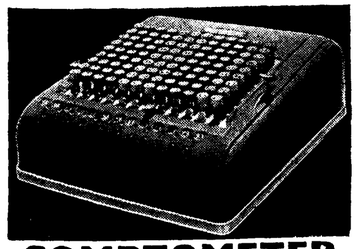
Self-sufficiency in raw jute requirements should be attained.

All traders should have a distant view of the jute and jute goods market without indulging in highly speculative transactions.

The Indian Jute Mills Association should keep constant vigilance on production *vis-a-vis* stability of prices by calling upon its members, as it did in February 1958, to abstain from trading below a minimum price level for both hessian and sacking.

The East India Jute and Hessian Exchange Ltd. must constantly watch the trend of the market and take appropriate steps to check wagering practices.

Another subject to which Mr. Mehta alluded was the new usage of jute. He recalled the experiments undertaken in the U.S. on the initiative of the I.J.M.A. in co-operation with cotton interests for developing raw cotton bale cover made of jute as well as the experiments conducted in the use of jute membrane for covering irrigation canal lining. If these were perfected, he averred, vast avenues would be opened for the consumption of jute products. Meanwhile, it is encouraging to be told that the jute industry is expanding the production of jute packing for tufted carpeting.



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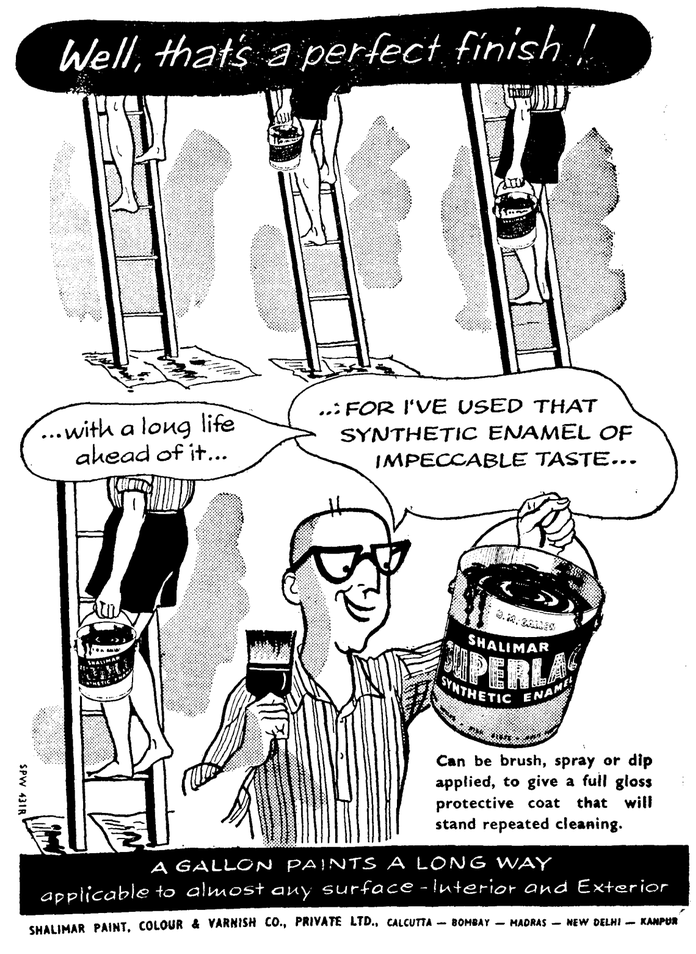

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WHY ARE HINDUSTAN MOTORS LAGGING BEHIND?

GOVERNMENT'S WRONG POLICY THE MAIN CAUSE

THE disappointing trends in the profit-earning capacity of Hindustan Motors Ltd. is in depressing contrast to the high hopes raised at the time of its incorporation nearly 16 years ago. The report of the Company (with a paid-up capital of Rs. 6.98 crores) for the year ended 31st March 1958 no doubt shows a modest net profit of Rs. 12.9 lakhs, as against Rs. 9.93 lakhs in the previous year. But it must be remembered that it has an uncovered back-log of depreciation to the tune of Rs. 140 lakhs. Further, the fact remains that whereas later entrants into the automobile field have been able to work with an accelerator on their profits, Hindustan Motors has had to slow down its speed through the application of brakes, which are neither of its choice nor of its making. And yet impartial opinion has consistently complimented Hindustan Motors on its high level of achievement in the matter of increasing the indigenous content of a manufactured vehicle. Apparently, all this encomium, however spontaneous and well-deserved it may be, has been of no avail to the Company. Its fortunes are at a low ebb, thanks mainly to the inadequate allocation of foreign exchange which has adversely affected all aspects of the Company's working, including production and profits. And, on this main cause of the Company's shortcomings, the progress report, prepared by the management, throws much interesting light.

Hindustan Motors Limited was conceived and incorporated in 1942, when most *entrepreneurs* were looking forward to an era of expanding prosperity after the termination of hostilities. The Company, however, had to wait for nearly seven years before it could acquire the equipment for commencing the manufacture of components. Since the management was unwilling to let its cars shine as India-made cars in the borrowed feathers of imported equipment, it urged the Government to give a clear lead to the manufacturers by placing restrictions on the manufacture of "assembled" vehicles. In June 1950, the Government notified that importers or assemblers, without a manufacturing programme, would not be considered for allocation of foreign exchange. In 1953, the Tariff Commission, to which the question of encouraging domestic manufacture of automobiles was referred, recommended that only five firms which had already submitted programmes of manufacture were to be recognised as manufacturers of motor vehicles—Hindustan Motors Ltd., Premier Automobiles Ltd., Automobile Products of India Ltd., Standard Motor Products of India Ltd. and Ashok Motors Ltd. Later, the Automobile Products of India Ltd. and Ashok Motors Ltd. withdrew from the field and two new concerns, the Tata Locomotive and Engineering Company, Ltd. (Telco) and Ashok Leyland were permitted to enter it. The latest position is that the Government has decided that, for the present, there should be only three approved models in cars: (1) Hindustan Motors—Ambassador; (2) Premier Automobiles—Fiat 1100, and (3) Standard Motor Products—Standard 10. The truck models approved are: (1) Hindustan Motors—General Motors trucks, (2) Premier Automobiles—Dodge, and (3) Telco—Mercedes-Benz, and (4) Ashok Leyland—Leyland.

Tariff Enquiry

To trace the development of Hindustan Motors. In 1954, following the enquiry by the Tariff Commission into the automobile industry, the Company had taken in hand a programme for the progressive manufacture of Hindusthan 14 (a light car), big car, 5-ton truck and baby car. Among these, the Company had been marketing for a number of years the Hindusthan 14 car with locally manufactured engine, gears, rear and front axles and many other important components. Because of the high proportion of components of indigenous manufacture, the cost of production remained high. As regards, Baby Hindusthan, after the issue of licences for the import of 650 Baby Hindusthan cars in 1954, further licences were stopped and were not restored till December 1956, when the Government accepted the recommendation of the Tariff Commission to the effect that the Company should be allowed to continue the manufacture of the Baby Hindusthan. A tribute to the Company's manufacturing programme was paid by the Tariff Commission which said: "Hindustan Motors have made notable progress in regard to the Landmaster car. They are now producing almost all the major components of this car and their dependence on their foreign associates is reduced to the minimum." Examining the Government's import policy in the context of the development of automobile industry, the Commission observed: "Generally speaking, the yield on investment depends on the ratio of turnover to capital employed. Although it was originally intended to so administer the import policy with respect to automobiles as to confer a relative advantage on manufacturers as against assemblers, in practice, the import policy has so operated that firms which have made less progress in manufacture have been able to build up a bigger turnover in relation to their capital employed."

Profit

The disability to which the Commission referred in the course of its examination of the Government's import policy, lies at the root of Hindustan Motors' unsatisfactory profit position. The one major handicap is the inadequacy of the Company's share of the foreign exchange allotted for import of vehicle components into India, the other being the modifications in the orders issued for the progressive manufacture of the Baby Hindusthan car. The total amount of licences for import of motor vehicles granted from July 1956 to March 1958 to the six approved manufacturers amounted to Rs. 26.4 crores, of which Hindustan Motors' share was only Rs. 2.5 crores or 9.55 per cent. of the total. Small wonder, then, that the Company's turnover has been limited, thanks to the operation of the Government's import policy which has given the Company less facilities for import than what its equipment and manufacturing capacity would indicate. Other manufacturers with a relatively smaller capacity and much less progress in the scheme for progressive manufacture of automobiles have received larger allocation of foreign exchange. The result has been that the ratio of turnover to capital invested has been very low; it was no more than 1.62 : 1 in 1956-57 as well as in 1955-56, as compared with the high ratio for the other units which varied from 3.28 : 1 to 8.40 : 1. In this connection, the Company's progress report rightly points out: "The great disparity in the ratio of annual turnover to capital invested and the consequent low rate of profits in the case of Hindustan Motors is to be attributed largely to the fact that the formula followed by the Government in determining the amount of licences is based on sales in the previous six months and takes no account of either the progress made or capital employed or capacity." After stating the obvious proposition that the sales of an automobile manufacturing concern, in any particular six-month period, can never be a satisfactory guide to the Company's volume of production or its foreign exchange requirements in the succeeding six months, the report observes:

"Besides, sales are dependent on the amount of import licence from which to produce vehicles. If there is insufficient material available, production is low and, consequently, sales are low. Sales may fall considerably below capacity temporarily, on account of shortage of raw material, labour trouble and other reasons. Such fluctuations are the essence of progress, for a decline in sales stimulates efforts to remove the obstacle and to step up efficiency. The present formula, which ignores capital invested or progress in productive capacity, acts as a drag on those concerns which invest large sums in expanding their manufacturing capacity. The recommendation of the Tariff Commission quoted above, with regard to grant of import licences, has not yet been implemented. Unless some relief is given to the Company by action along these lines, its profit-earning capacity cannot improve. Capital investment and productive capacity would be a better index of a company's foreign exchange needs than half-yearly sales figures."

As regards the Company's manufacturing programme for Baby Hindusthan cars, the Tariff Commission stated: "We consider that the proposal put forward by Hindustan Motors with regard to Baby Hindusthan has the advantage that two important assemblies, namely, rear axle and front suspension, are proposed to be deleted straightaway from the C. K. D. packs. In this sense, the manufacture of this vehicle would appear to have progressed much farther than that of the other two small cars already approved." Accordingly, the Commission recommended that the permission for the manufacture of this car should not be withdrawn. It also reiterated, in effect, the grant of necessary import facilities. And yet, the Company has received less import entitlements than its manufacturing capacity would justify. Thus, as already stated, after the issue of import licences for some 500 cars, the import licence for this model was withdrawn in 1955. Again, after the recommendation of the Tariff Commission, the Company was given import licence for only 500 Baby Hindusthan cars. Thereafter, no independent licence was issued in respect of these cars, the foreign exchange for which had to be provided for out of the import licences given for the import of Hindusthan Ambassador cars. Thus, the Company has had to face a double disability. In the first place, it received less than its due in the matter of foreign exchange allocation for Baby Hindusthan cars. Secondly, it had to divert a part of its limited foreign exchange allocation for Hindusthan Ambassador cars to import of Baby Hindusthans. It may be mentioned here that the ex-factory sale price of Baby Hindusthan 10 h.p. is only Rs. 7,612. As the Company's progress report points out, it would be in the interests of the country that "the Company should obtain its full requirement of foreign exchange for the manufacture of the Baby Hindusthan which sells at a low price because of its large volume of production in the U.K."

It is to be hoped that the Government will be able to take a favourable decision on the question of import facilities for Hindustan Motors. The Company, as is well known, has a notable record of achievement to its credit. Its manufacturing programme, as the extracts from the Tariff Commission's report quoted above will reveal, is so designed as to enable it to undertake the manufacture of a progressively increasing proportion of a car's components in its factory. And, what is more important, the Company has achieved a large measure of success in this field. Despite its many handicaps, the Company has produced about 50,000 cars and trucks so far, which have been sold at attractively low prices. Finally, in considering the Company's case for liberal import entitlements, the Government should not overlook the fact that, since it has now accepted a long-term policy for the development of automobile industry, it should lay down a long-range policy for necessary imports for the industry and the policy should be such as not to place at a disadvantage a company which is faithfully and vigorously carrying out the manufacturing programme *vis-a-vis* companies which are less enterprising in this direction.

STANVAC'S MARKETING OPERATIONS

After providing Rs. 184.1 lakhs for income and wealth taxes, Rs. 64.9 lakhs against depreciation and writing off Rs. 40.12 lakhs, covering the expenses incurred in the search for oil in West Bengal under the Indo-Stanvac Project, the Standard-Vacuum Oil Company in India (excluding Refinery operations) earned a net profit of Rs. 106.5 lakhs during the year ended 31st December 1957. The audited accounts of the Company show that the net profit resulted from a gross turnover of Rs. 5,621.9 lakhs, which includes inter-Company turnover of Rs. 27 lakhs. The net profit for 1957 represents a return of 2.1 per cent. on the total sales turnover, 3.4 per cent. on the total assets and 4.1 per cent on gross block plus working capital. The volume of sales increased from 333.3 million imperial gallons achieved in 1956 to 380.4 million imperial gallons, representing an increase of 14.13 per cent. Trading results, however, reflect the fact that the Company was unable to recover fully increased costs for the most part caused by the continued closure of the Suez Canal early in the year 1957 and higher operating costs for supplying up-country markets.

The value of the Company's total assets at cost increased by Rs. 3.49 crores, that is, from Rs. 30.27 crores in 1956 to Rs. 33.76 crores in 1957. The total value of its inventories in India at cost stood at Rs. 12.21 crores, as against Rs. 10.47 crores in the previous year. The value of its investments in fixed assets at cost increased by Rs. 1.48 crore and stood at the end of the year at Rs. 13.31. crores.

During the year, the Company maintained full levels of employment, despite unfavourable returns, and paid out Rs. 2.71 crores in wages and salaries, as against Rs. 2.60 crores in 1956. The Company's programme of progressive Indianisation made further headway and the number of overseas employees was reduced from 48 at the end of 1956 to 32 at the end of 1957.

The Company's operations for the year were a large source of revenue to Government, and the accounts reveal that Rs. 1.556 lakhs are reflected under the heading import duties and excise taxes, including amounts paid to the Standard-Vacuum Refining Company of India Limited and Rs. 36.8 lakhs in property and other taxes in addition to income and wealth taxes reported above. The Company also collected on behalf of and paid to the various State Governments a total of Rs. 159.57 lakhs in sales taxes.

NEW PRODUCTS AND PROCESSES

Refractories from Kyanite

A PROCESS has been developed at the National Metallurgical Laboratory, Jamshedpur, for producing both high temperature hot face insulation as well as dense refractories from kyanite. Of these the former consists of more than 90 per cent. mullite while the latter varies from 60-85 per cent. mullite as determined by microscopic examination. The insulation refractory has the same refractoriness under load as the imported alumina insulation and has very low shrinkage even at 1550° C. The dense variety has porosities varying from seven to zero per cent. and a refractoriness under load higher than 1560° C. (one variety) has a Ta of 1600° C.). Both of them have adequate crushing strength and other load-bearing properties. An important feature of the process is that it employs coarse bladed kyanite that is not finding any market at present. This class of refractories has not yet been manufactured in India though a sizable demand can be expected for them. The annual requirement of all high alumina refractories will be 15,400 tons and insulation 4,000 tons by 1960-61. The process follows the traditional pattern of heavy clay industry, the specialities being the way the raw materials are prepared and blended and the temperature schedules followed in firing the products. The plant will need the traditional ceramic machinery except for kilns which have to be designed to attain temperatures of the order of 1550°C-1600°C. The total capital outlay for a plant making 3,000 tons each of hot face insulation and dense mullite refractories (total capacity 6,000 tons annually) will be Rs. 11 lakhs. Parties interested in taking up the process may contact the Secretary, National Research Development Corporation of India, Mandi House, Lytton Road, New Delhi-1.

Cheap Heavy Water

A British firm, John Brown Ltd., has announced the development of a new method of producing heavy water. The company will disclose details of the new process at the international exhibition to be held this month in Geneva at the time of the U.N.-sponsored Atoms-for-peace Conference. It is said that, though the new method has been known in broad principle for some time, the Company's research department developed a new system which enables the price to be reduced considerably below that at which heavy water is sold by the U.S. Atomic Energy Commission. Until now, as a result of large-scale production, the Commission has been able to sell heavy water at a price which made it uneconomical for most countries to produce their own.

New High-speed Calculating Machine

Precisa Ltd., a Zurich firm, has just put the finishing touches to the prototype of a calculating machine, which will be able to carry out, it is claimed, in a much shorter space of time than any similar machines which exist at the present moment, the four classical operations, which will be printed on a paper tape, together with the automatic indication of the relevant stops and commas, in the right place. This remarkable machine, which is made up of some 3,600 different parts, has come at the right moment to crown the efforts of the founder of the firm, Mr. Ernst Jost. It was Mr. Jost who, in 1926, was the first to think of building a calculating machine, possessing only ten keys, one for each figure. It took him ten years to realise successfully a project which, at that time, appeared to be Utopian.

Swiss Watchmaking Novelty

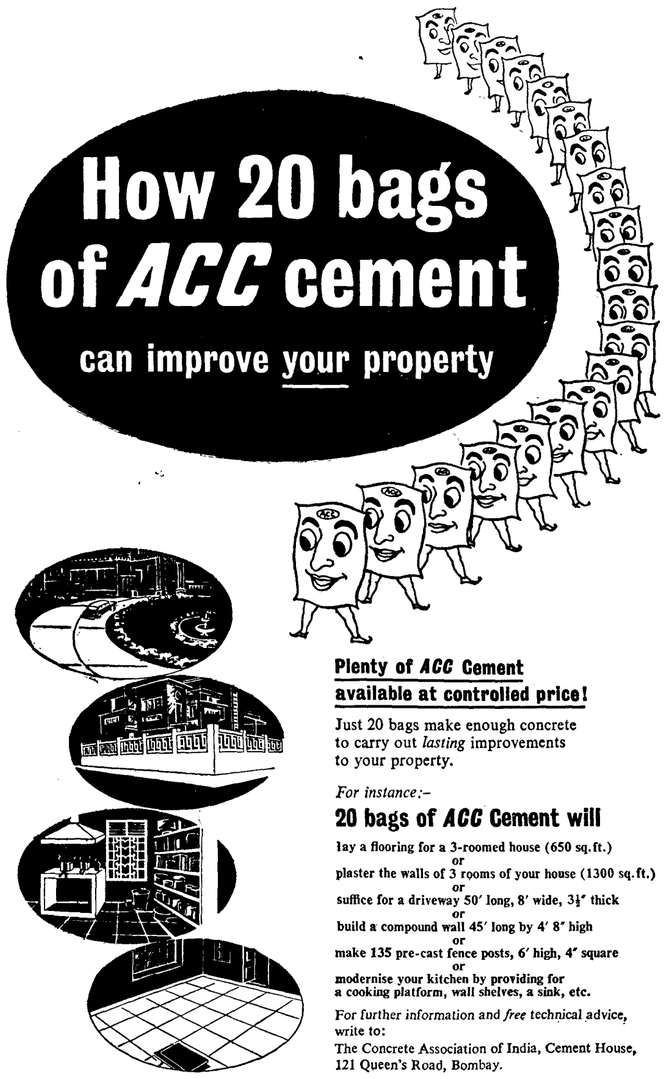
One of the most recent novelties to be found in the Swiss watchmaking industry is a wristlet watch provided with an indirect electric lighting system. This solves the problem of seeing what time it is in the dark, much better than the radium figures on the dial. A uniform lighting up of the dial, by means of a tiny bulb (cleverly dissimulated in order to avoid any dazzle and which is connected with a miniature watertight accumulator, is obtained by simply pressing on the push. The accumulator can be re-charged by means of a gadget, sold together with the watch, for a period of from six months to one year, according to how often it is made use of.

Disease-resistant Rice Strain

A strain of rice that may eliminate the "white leaf" rice disease has been developed at a ranch owned by U.S. philanthropist Nelson A. Rockefeller in the State of Portuguesa. The "white leaf" disease has almost eliminated Venezuela as a factor in the rice business and has had similar effect on rice crops in the rest of the Caribbean area. Mr. Rockefeller sought the assistance of Dr. Rufus A. Walker, former Head of the Rice Experiment Station at Crowley, Louisiana. Under Dr. Walker's direction, 6,000 varieties of rice were tested at the ranch and one, called Lacrosse, was found to have effective resistance to the disease.

A New Chemical Product

The Swiss chemical industry has recently perfected a steroid, which has now been patented in nineteen countries under the name of *Skinostelon*. This new product possesses a regenerative action on the skin. Contrary to the effect of hormones which are used in this domain, the action of Skinostelon is limited strictly to the skin, which makes it possible for it to be used in cosmetics. A keen interest in it is being shown by big foreign firms.



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WOOLLEN TEXTILES	Woollen Worsted—Cord Suitings—Tweed—Flannel—Serge—Knitting Wool—Rugs—Blankets, etc.	CHEMICALS	Heavy Acids, Chemicals, Disinfectants, Insecticides, Ayurvedic and Unani Medicines, etc.
JUTE TEXTILES	Canvas—Hessian—Bags—Twine—Chair cloth.	PAINTS	Paints for Marine and Industrial requirements, Paints for Buildings and other uses. Enamels and Varnishes and Distempers.
HOSIERY	Underwears—Shirts—Knickers—Socks, etc.	SUGAR	Quality " Majholia " Sugar.
ALUMINIUM	Allovs — Sheets — Circles — Coil of Strips — Shots — Expanded Metal—Notched Bars, etc.	STRAWBOARDS	Strawboards, Mill Boards and Corrugated Boards.
STEEL	Bars—Rods—Steel Castings for Sugar Mills, Oil Mills and Railways.	PLASTICS	Electrical Fittings and other household utility materials, etc.
		OIL-SOAP-ICE	Industrial Oils, Mustard Oil, Soaps.

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TEXTILE MACHINERY CORPORATION LIMITED

GOOD PROGRESS IN DIVERSIFICATION OF PRODUCTION

MR. K. K. BIRLA'S ADDRESS AT ANNUAL MEETING

THE Textile Machinery Corporation, Limited has made great progress in diversifying its production in the field of capital goods. This is evident from the speech of Mr. K. K. Birla at the Eighteenth Annual General Meeting of the Shareholders of the Company held at Calcutta on 28th August 1958. In this speech, Mr. Birla, Chairman of the Company, gave a lucid account of the Company's progress in its various divisions. He also referred to the problems facing the engineering industries in general and made several constructive suggestions to overcome them. He was hopeful that engineering industries could make a distinct contribution to the winning of more foreign exchange badly needed by the country, provided raw materials and finance were available on terms comparable with those at which their competitors got them.

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

"LADIES AND GENTLEMEN,

"It gives me great pleasure to welcome you to the 18th annual general meeting of your Company. The Directors' report and the audited statement of accounts for the year ended 31st December 1957 have already been with you for some time and with your permission I propose to take them as read.

"An event of considerable importance since we met last was the resignation of Shri T. T. Krishnamachari from the post of Finance Minister. His was a towering personality and during his tenure of office, first as Commerce and Industry Minister and then as the Minister for Finance, he made a valuable contribution towards the industrialisation of the country. It was a matter of both regret and disappointment that a man of his unassailable integrity and ability had to resign to uphold constitutional propriety. I, however, welcome the appointment of Shri Morarji Desai to this post of high responsibility. He is renowned as a man of great sagacity and wisdom. The economy of the country has been put to a great strain in recent years and the very fulfilment of the Second Five-year Plan is in peril. In the circumstances, it is reassuring to find a man of his calibre at the helm of affairs and it is the duty of industrialists and businessmen to make concerted efforts in strengthening his hands and in attempting to save the Five-year Plan from the mire in which it has fallen.

Shortage of Foreign Exchange

"The biggest single factor threatening to jeopardise the Plan is the shortage of foreign currency. Our foreign exchange reserves at the beginning of the first Five-year Plan stood at about Rs. 800 crores. There was no appreciable decline in these reserves till about March 1956 when the figure stood at Rs. 742 crores. Thereafter, owing to the increase in the tempo of the second Five-year Plan, as also owing to unplanned imports, our foreign exchange reserves dwindled away in an alarming manner. By 1st January 1958 they were reduced to Rs. 293 crores only. This means that in 91 weeks our foreign currency reserves declined by Rs. 449 crores or at the rate of roughly Rs. 5 crores per week. It was a painful situation for the country but it had to be faced. The momentum of decline has now been controlled but even then we are losing foreign currency at the rate of Rs. 3¼ crores per week after 1st January 1958. If this rate continues unchecked, the entire foreign currency reserves would vanish in about 14 months. Whereas the efforts made by the Government of India to stop the decline are commendable, it is feared that unless substantial assistance comes from external sources, our position would hardly improve.

"But, besides depending on foreign resources, we must rely on our own efforts to improve the situation. Proper steps have already been taken by the Government of India to control imports. There may be further scope for improvement in that direction. But that apart, we have to concentrate on exports also. It is disappointing to note that in the quarters ending March 1958 and June 1958 there was a decline of Rs. 25 crores and Rs. 28 crores respectively in exports as compared with the corresponding quarters last year. Thus, in the half-yearly period ending June 1958, the country has lost over Rs. 50 crores in exports. This indicates an annual rate of decline of Rs. 100 crores. The situation could be improved only by a careful consideration of the problems of each individual industry and making attempts to solve the same. The engineering industry too must play its role in the export drive. But before it could do so, it has to develop on sound lines so that it may be in a position to export its production in the face of competition from foreign countries.

Exports

"At present, the export of engineering goods from India is insignificant, being only about Rs. 4 crores out of a total export trade of about Rs. 600 crores. But, as the reports of the recent Engineering Trade Delegations to foreign countries reveal, the Middle and Far East countries are very good potential markets for engineering goods and we should endeavour to take advantage of these markets. Much, however, would depend upon our quality, reputation and price. Regarding the first two, we shall be able to establish a reputation only in course of time. So far, India has occupied a very insignificant place in the world map in the export of capital goods. To export consumer goods is not difficult but the export of capital equipment which has a life of twenty years or more cannot be accomplished unless the necessary confidence about quality is inspired in the minds of the customers. Towards this end, the engineering industries in this country should no doubt make their best endeavours. But the third and a very important factor is regarding the cost of our products. Although at present labour in India is comparatively cheap, the wages will certainly go up if the standard of living has to be improved in this country, as is planned. But unless that is accompanied by a *pro rata* increase in the productivity of labour, the cost of production would rise and the industry would be unable to export. Therefore, a rise in wages should be commensurate with increase in productivity. The two are inseparable. In this connection, mention may also be made of the growing demand of labour for higher bonuses. Workmen are no doubt entitled to a reasonable bonus if by their hard and sincere work they bring about a reduction in the cost of production and an improvement in resultant prosperity. But at the same time it has to be realised that the award of bonus must be subject to an appropriate ceiling. In the textile industry, for instance, such ceilings have been fixed in many important centres by agreement with labour. Some sort of a similar understanding is needed in the engineering industries too. After all, bonus is not the only liability on profits. A much more important item is the expansion of the industry itself and since fresh capital is not readily available, a major portion of the profits must be ploughed back into the industry for the purpose.

"While I am not sounding a note of over-optimism, I should like to mention that enquiries from foreign countries have been received for goods manufactured by your Company and there are fair prospects of sales for exports materialising in the near future. I do hope that, in course of time, we shall be able to build up this business which would not only be of some assistance to your Company but would also earn valuable foreign exchange for our country.

Reserve Bank Act Needs Amendment

"A vital factor affecting exports is our capacity to grant credit facilities. As is well known, other countries like Germany and Japan are in a position to grant credit facilities for periods extending upto five years or in certain cases even more. India too is getting goods on credit from these countries as also from other countries in the West. If, therefore, we have to export, we too must be in a position to grant credit facilities According to the present practice, banks in this country discount bills for a maximum period of only six months because they themselves get credit facilities from the Reserve Bank of India for bills of only three months' maturity. The Reserve Bank, however, is unable to do anything in the matter because it is tied down by Section 17 of the Reserve Bank of India Act. According to the provisions of that section, only bills maturing within ninety days from the date of their discounting are eligible for rediscount by the Reserve Bank or for being held by it as security for advances. In other countries, the exporters of machinery are in a position to grant long-term credit to their customers because they, in turn, themselves receive similar discount facilities from banks of their respective Governments. If Indian exporters of machinery want to compete in the international market, they must be able to offer the same credit facilities to their customers as other foreign suppliers do. It appears, therefore, that unless the Reserve Bank of India Act is suitably amended so as to permit the rediscount of bills of more than three months' maturity, there would be no satisfactory or lasting solution to the problem.

Incentive Needed

"With the imposition, since we last met, of the gift tax the chain of various taxes—some of them novel—has been completed. No country is as heavily taxed as India is and in no other country are there taxes of such varied nature as in India. It may be pertinent to mention that such heavy taxes have not been imposed even in Western countries many of whom have social democratic governments. In the United Kingdom, for instance, even when the Labour Party was in power, such taxes were not imposed. Nor are they likely to be imposed in future if the speeches of the leaders of the Labour Party are any indication of things to come. It is being argued that India is experimenting with these taxes to achieve a socialistic society in this country. But to experiment with finances is like playing with fire and should be undertaken with the greatest caution. Two things in particular have to be borne in mind. In the first place, the taxes should leave adequate incentive to individuals to improve their condition, and secondly, they should not be such that capital becomes dry. It is with these two objectives in view that the pattern of taxes should be revised.

"In this depressing gloom, it is heartening to note the strides which have been made by private enterprise. With the exception of those items where demand is not likely to come up to expectations, there has been a general improvement in the production of the private sector. In fact, in many sections of the industry, it is expected that even the capacity earmarked for them under the second Five-year Plan would be exceeded. To cite a few examples, some of the industries in which the targets of capacity are expected to be exceeded are mentioned below:

Name of industry	*Unit*	*Plan target*	*Capacity at the end of 1957*	*Capacity likely to be achieved by 1960-61*
1. Soda ash	(000 tons)	253	108	320
2. Plastics and synthetic moulding powders	(tons)	12,810	3,730	13,200
3. Rubber manufacture (automobile tyres)	(000 Nos.)	1,450	1,062	1,774
4. Automobiles	(Nos.)	57,000	36,000	60,000
5. Bicycles	(000 Nos.)	805	627	1,350
6. Radio receivers	(000 Nos.)	213*	213	360
7. Staple fibre	(mill. lbs.)	32	32	40
8. Glass	(000 tons)	335	295	343

* 300 revised.

"Special mention may be made of the iron and steel industry which is one of the key industries in the private sector. The target of capacity under the second Five-year Plan for the private sector has been placed at 2.3 million tons. It is expected that this target would be realised much earlier than the end of the Plan period.

Appreciable Progress

"The engineering industries in the country in particular have made appreciable advancement since 1951. As I had mentioned last year, their progress has been more marked than that of the other industries. The latest indices of production are:

Name of industry	*Index of production in 1957 (Base 1951 = 100)*
1. Cotton textiles	115.6
2. Jute textiles	120.5
3. Cement	175.3
4. Iron and steel	119.3
5. Sugar	185.4
6. Paper	150.3
7. Engineering industries	240.1
8. General Index	137.1

"Apart from the general development of the organised sector of the engineering industry as pointed out above, there has been a considerable growth of engineering industry on a smaller scale, particularly in West Bengal and the Punjab. Spare parts of machinery, railway equipment, lathe chucks and umbrella parts of high standard are being manufactured in good quantities in West Bengal by these small-scale industries. Likewise, the Punjab is witnessing a welcome growth of small-scale manufacturers of cycle parts, small machine tools, sewing machines, rice and flour mill machinery, rivets and screws, etc. All these enterprises are mostly proprietory or partnership concerns.

"I am happy to say that, during the year under review, the progress of engineering industries has not only been maintained but has been further improved upon in a majority of the cases. The improvement would be evident from a comparison of the indices:

Item	*Unit*	*Production*			*Index of production (Base: 1951 = 100)*	
		1951	1956	1957	1956	1957
1. Machine tools	Rs. Lacs	47.3	82.0	250.0	173	529
2. Transformers	000 KVA	196	911	1219	467	622
3. Bicycles	Lac Nos.	1.14	6.64	8.01	574	701
4. Electric fans	Lac Nos.	1.94	3.38	5.24	174	270
5. Ring frames	Nos.	276	1116	1368	405	496
6. Carding engines	Nos.	..	732	1020	..	..
7. Sewing machines	000 Nos.	44.5	130.4	166.6	293	375
8. Radio receivers	000 Nos.	49.1	150.6	190.3	307	388
9. Electric motors	000 HP	143	360	469	251	328
10. Railway wagons	000 Nos.	3.7	16.0	16.8	432	454
		(1951-52)	(56-57)	(57-58)		
11. Diesel engines	000 Nos.	7.2	11.9	16.5	164	228
12. Automobiles	000 Nos.	22.2	32.1	31.9	144	143

"The improvement, as the above indices show, has been most marked in the case of machine tools where the production in 1957 increased to more than three times of what it was in 1956. As the machine tool industry is one of the most important among engineering industries, this development is particularly welcome. The development, it may be stated, was possible mainly as a result of the improvement in production of the Hindustan Machine Tools Factory at Bangalore which accounted for as much as 64 per cent. of the total machine tool production in the country.

Textile Machinery

"In the textile machinery industry also, the improvement has been quite satisfactory. In 1956, the index of production of ring frames, for instance, was 405 with 1951 as the base. The index had thus advanced by 365 during the course of five years. In 1957, the index stood at 496 which means an advance of 91 over 1956. Similarly, the production of carding engines which was *nil* in 1951 and 732 in 1956, rose to 1,020, that is to say by 39 per cent., in 1957. Taking an overall picture of the heavy machinery industry, which perhaps is the most important among engineering industries, the production in 1956, as I stated last year, was about Rs. 23 crores. In 1957, the figure increased to about Rs. 35 crores. Since the present annual requirement of machinery is estimated at Rs. 150 crores, it is evident that there is still much scope for expansion in this direction. The value of all the engineering goods imported during 1957 stood at a figure of about Rs. 300 crores which is quite a big amount considering that our total imports were of the order of Rs. 1,000 crores. This gives some indication of the long way we have yet to cover. But perhaps a clearer perception of how far we really lag behind will be obtained only when we compare the position of our engineering industries with that in the other countries of the world. The *per capita* consumption of steel which faithfully reflects the advancement of engineering industries in a country is painfully low in India. The figures for some of the important countries are as given below:

Name of country	*Annual per capita consumption of steel in lbs.*
1. U.S.A.	1,178
2. U.K.	837
3. Japan	243
4. India	19

"The figures of actual production of some engineering goods in these countries would also be of interest in this connection:

Item	*Unit*	*Production in 1956*			
		U.S.A.	*U.K.*	*Japan*	*India*
1. Crude steel	Mill. tons	104.5	20.9	11.1	1.7
2. Aluminium	000 tons	1,850	128	80	7.5
3. Motor vehicles	000 Nos.	6,920	1,004	102	32
4. Vessels launched	000 tons	169	1,383	1,746	11.7
5. Radios	Lac Nos.	139.8	16.8	30.6	1.5
6. Textile machinery	Rs. crores	N.A.	102.0	86.6 (1955)	4.0 (1955-56)
7. Machine tools	Rs. crores	N.A.	114.0	N.A.	0.82

"Although the picture which the above figures give is rather disappointing, it is no doubt to be hoped that the position of the engineering industries would improve in time to come. The private sector, as has been shown above, has been making fairly good progress and in the public sector too, projects like the steel plants at Rourkela, Bhilai and Durgapur, the Heavy Machinery plant and the Foundry and Forge plant at Ranchi and the Heavy Electric plant at Bhopal will start bearing fruit in course of time. All the same, it would not be out of place to examine the difficulties which stand in the way of a more rapid expansion of the engineering industries in our country.

Three Difficulties

"To my mind, there are three such difficulties which deserve special mention. First is the lack of adequate capital equipment required for the engineering industries. We are not able to import the necessary capital equipment because we do not have the required foreign exchange. Reference to this difficulty has already been made above.

"The second difficulty is the non-availability of adequate supplies of necessary raw materials like steel. The figures for the availability of steel during the years 1956 and 1957 were as follows:

(In million tons)	1956	1957
Indigenous production	1.33	1.44
Imports	1.79	1.63
Total availability	3.12	3.07

"Thus although the requirements of steel are obviously increasing day by day due to our expanding economy, the availability of this most important raw material actually decreased in 1957 as compared with 1956.

"The shortage of raw materials has led to the lowering down of the production of units engaged in steel casting and the manufacture of items like electric fans, building materials, etc. In fact, some of the units had even to close down. The rolling mill industry particularly is in a bad plight and the shortage of scrap and billets has rendered idle a good deal of the installed capacity for bars and rods.

"Apart from shortage, the prices of steel also have not remained stationary during the year under review. Towards the middle of 1957, the price of indigenous steel was raised by Rs. 70 per ton with the result that since then the prices of different categories of steel have ranged between Rs. 650 and Rs. 700 roughly. But the curious fact is that while prices of steel in India rose, those in foreign countries fell. Imported steel used to cost about Rs. 800 per ton. Now it costs round about Rs. 700 which means a reduction of about Rs. 100 per ton. India has thus lost the distinction which it so far had of having the lowest prices for steel in the world.

"The third difficulty which faces the engineering industries is the lack of prosperity and purchasing power in the country. Unless the purchasing power is improved, increased production will have no outlet. On account of these three difficulties, the engineering industries in the country are not making the progress which they otherwise could. In fact, it is becoming apparent that in certain cases even the targets of capacity fixed under the second Five-year Plan are not likely to be realised. On a rough estimate, the short-falls in the targets of capacity in some of the engineering industries in the private sector are expected to be as indicated below:

Industry	*Unit*	*Target of capacity under the Second Plan*	*Capacity likely to be achieved by 1960-61*
1. Cotton textile machinery	Rs. crores	17	10
2. Jute textile machinery	Do.	2.5	1.0
3. Paper machinery	Do.	4.0	Nil
4. Cement machinery	Do.	2.0	0.75
5. Structural fabrication	000 tons	500	289
6. Motors	000 h.p.	1,200	736

"Of the three difficulties mentioned above which prevent a rapid expansion of engineering industries, the one regarding the shortage of steel is expected to be solved in the near future. With the functioning of the three steel plants in the public sector and the expansion of capacity for steel in the private sector, the production of steel by the end of the second Plan is expected to reach the figure of 4.3 million tons which would more than meet the requirements of the country. Likewise, the position of foreign exchange is also likely to improve in course of time. The only major difficulty that will remain is about purchasing power which is linked up with the general prosperity of the country and it is in this direction that efforts have to be made.

"Gentlemen, I would now deal briefly with the developments that have taken place in the different divisions of your Company during the year under review.

Cotton Textile Machinery Division

"You will perhaps recollect that in my last year's address I had expressed an apprehension that the recession which had set in the textile industry from the latter half of 1957 might continue for some time and might adversely affect the targets of production and consumption of cloth and consequently those of the installed capacities and production in the textile machinery industry also. I am sorry to say that my apprehensions have come true. Till today there is no sign of any improvement in the conditions. Accumulation of stocks in the textile mills continues. Several mills have closed down while many others are working shorter hours. Orders for new machinery have almost ceased. In fact, in certain cases even orders placed have been cancelled. In several cases, mills are not in a position to accept delivery of materials manufactured by us on order and have requested for a postponement of deliveries.

"Realising these difficulties of the textile industry, the Government of India recently appointed a Committee with the Textile Commissioner as the Chairman to investigate the present condition of the industry and to suggest remedial measures. One of the recommendations of the Committee was to lower the rate of excise duty. The Government have accepted this recommendation as a result of which the situation is expected to improve. The Committee's recommendation about the installation of additional automatic looms for the purpose of turning out exportable products is also welcome. It is to be hoped that the steps taken by the Government will assist the industry in tiding over the crisis and recovering from the recession which had lately set in.

"I regret to say that on account of the adverse circumstances pointed out above, not only had the production in your factory to be curtailed but our scheme for increasing the capacity for ring frames and carding engines had also to be postponed till more favourable times. However, during this lull in business we have been able to devote greater attention to the development side. Development work on drawing and speed frames has been taken up and is progressing with the help of our collaborators, Messrs. Howa Machinery Ltd., of Japan. We are also trying to manufacture more and more components of carding engines than hitherto and hope that by the end of 1958 we shall be able to produce all the components here. The special purpose machine tools required for these components are also being designed and manufactured in our own Works.

Boiler and Heavy Engineering Division

"In this division, as in the previous year, we can look back with satisfaction on a fairly well-filled order book and some really substantial work executed. Considerable extensions have taken place in our shop areas during the year and more extensions are under way. We also see bright prospects for new lines of expansion.

"Our schemes for the manufacture of water tube boilers, sugar machinery and railway rolling stock no doubt received a temporary set-back due to the restrictions on the import of capital equipment. But we are making strenuous efforts to have the equipment imported and we do hope our efforts will succeed. The completion of our water tube boiler project has, for this reason, been delayed a bit. In the meantime, we have made an intensive survey of the internal market for water tube boilers. The data gathered has enabled us, in conjunction with our collaborators, Messrs. Combustion Engineering Inc., of New York, to plan the production of the types and sizes of water tube boilers in demand in this country. These plans we hope to put into execution at the earliest. Orders for Lancashire and vertical boilers, however, continue to be received from various industrial users including the Government for whom indents are placed through the Directorate General of Supplies and Disposals. I am glad to report that now we have sufficient capacity to meet the entire demand within the country for these types of boilers.

"During the year under review, we got fairly good orders for the supply of locomotive boilers and fireboxes. Previously, we were manufacturing locomotive boilers of only one type. Now we have widened the scope of production to include other types also so that capacity does not remain idle. Thermic syphons—standard equipment for the classes of boilers now under manufacture by us—are also proposed to be made in our Works. These are usually imported from abroad by even established locomotive builders. In view of our proposal to manufacture them locally, the two Indian locomotive manufacturers, Telco and Chittaranjan, have placed orders on us for their requirements of this item.

(*Continued on page 419*)

INVESTMENT POLICY OF THE L.I.C.

SECTION 27A OF INSURANCE ACT RESTORED

THE announcement in the Lok Sabha by Mr. Morarji Desai, Union Minister for Finance, of a new investment policy for the Life Insurance Corporation of India must set at rest all speculations and conjectures on the subject. The salient feature of the new policy is the statutory restoration of Section 27A of the Indian Insurance Act, which has been made applicable, with some modifications to the L.I.C. This section, as is well known, defines, in clearly precise terms, the ambit within which an insurer in pre-nationalisation days could operate in the matter of investments. By making it applicable to the Corporation, the Government has laid down the framework within which the Corporation can similarly operate. In short, the modified version of this section embodies, by and large, the investment policy the Corporation has to follow.

In his statement to the Lok Sabha, Mr. Desai gave reasons as to why the statutory provisions of Section 27A should be retained. Both the freedom given and the restrictions imposed, he pointed out, had stood the test of time. While ensuring safety of the policyholders' money, the possibility of augmenting profits had also been afforded. For this reason, Section 27A had proved satisfactory both to the insurers and the policyholders. The Government had, therefore, decided to follow these principles, subject only to such changes and modifications as had become necessary owing to the fact that investments, which were previously spread over 240 odd companies, were now held by one single Corporation.

Under the scheme of investments proposed, the investments of the Life Insurance Corporation will be divided into three broad categories. First, Government and approved securities which generally mean Gilt-edged securities. Secondly, investments approved under Section 27A and, thirdly, other investments. The limitations are that at least 50 per cent. of the total funds should be held in Government and gilt-edged securities and 35 per cent. in approved investments. Not more than 15 per cent. should be held in the form of other investments.

Modifications

Justifying the modifications suggested, Mr. Morarji Desai pointed out that they were, to a large extent, of a minor character. It was necessary, he added, to make them because of the altered conditions which obtained after the nationalisation of insurance. The modifications are mainly in respect of sub-sections 4 and 8 of Section 27A. While the change suggested in respect of the former enables the maximum limits of holdings of the Corporation of the ordinary shares of the companies to be raised from 10 per cent. to 30 per cent. of the subscribed ordinary capital (with a further provision for exceeding this limit with the prior approval of the Central Government), that in respect of the latter section will permit the Corporation to invest in private limited companies also, with the prior approval of the Government.

As regards the general investment policy of the Corporation, Mr. Desai recalled that Section 6(1) of the Life Insurance Corporation Act enjoined on the Corporation the duty of carrying on its business to the best advantage of the community. He observed: "Whereas the Life Insurance Corporation will always bear in mind that its primary obligation is to its policyholders whose money it holds in trust, and will work, as far as possible, on business principles, it will never lose sight of the fact that, as the single largest investor in India, it has to keep before it the interest of the community as a whole. It will, therefore, invest in ventures which further the social advancement of the country. It will take no parochial view. Its funds are drawn from all over India and they will, as far as practical considerations allow, be invested for the good of the entire country. There shall be a studied diversification of its investible funds which is an essential requirement of any insurer, particularly the sole insurer of the country."

The Minister explained the attitude which the Life Insurance Corporation would adopt in relation to the stock market. He said that there was not the slightest intention that the Corporation should indulge in speculation and thus take advantage of temporary fluctuations in market prices. It must necessarily invest on a long-term basis. But this should not preclude it from certain buying and selling operations when circumstances warrant them. It would actively examine its investment portfolio from time to time and decide whether some of its holdings were worth keeping, adding to or disposing of. If, for instance, the Life Insurance Corporation were to sell during periods of boom and to buy during periods of depression, not only would the Corporation gain, but, indirectly, the national interest would be served by evening out the fluctuations in the stock market.

Apart from Section 27A, Mr. Desai added, there were various other sections of the Insurance Act which it was obligatory on the Government to apply to the Life Insurance Corporation with such modifications and subject to such conditions as might be considered necessary. These sections dealt with certain "returns" to the Controller of Insurance, so as to enable the latter to ensure that the interests of the policyholders were safe. These provisions were salutary ones; and it was felt that the Life Insurance Corporation should continue to submit these returns and be governed by the sections in question.

Satisfactory Arrangement

The new policy should be regarded, more or less, as a satisfactory working arrangement. The restoration of Section 27A of the Insurance Act and the extension of the supervisory functions of the Controller of Insurance to certain activities of the Corporation should provide a reasonable assurance of safety to the policyholders' money. It may be noted that, barring the statutory restoration of Section 27A, the policy remains, to all intents and purposes, the same. Even restoration of the aforesaid section cannot be termed an entirely new or radical change, for, on the assurance given by Mr. C. D. Deshmukh, the then Finance Minister, it had already assumed statutory shape under Section 43(2) of the L.I.C. Act. What is now proposed, therefore, is an assurance that the provisions of the Section would be enforced in practice.

The modifications suggested in Section 27A for enabling the maximum limit of the Corporation's holdings of ordinary shares of companies to be raised from 10 to 30 per cent. of the subscribed capital, and even higher, has provoked some criticism. It has given rise to renewed fears of nationalisation through the backdoor. It is true that, with the taking over of the investment portfolio of the 240 insurance companies, the Corporation has actually come to possess more than 10 per cent. of the shares of certain companies. The raising of the limit is, therefore, understandable. But having raised it to 30 per cent., the Government would have been well advised to leave it at that for the present, instead of leaving open the possibility of raising it further, subject to its formal approval. This qualification gives room for misgivings about the future intentions of the Government.

The propriety of earmarking as much as 15 per cent. of the funds of the Corporation to be invested in "other investments" although it is restricted by the requirement that the investment should be unanimously approved by the Investment Committee or by a resolution of the Corporation with a two-thirds majority, is open to question. For it may imply a certain diversion of the Corporation's funds for purposes in which the interest of the policyholders need not be the first consideration. It may be pertinent to recall here that Section 28 of the L.I.C. Act lays down that not less than 95 per cent. of the surpluses should be reserved for the benefit of the policyholders. This would mean that only 5 per cent. of the surplus should be utilised for socially desirable purposes. This principle should be made applicable to "other investments" also; in other words, only 5 per cent. of the funds should go into "other investments."

The Government also appears to be unduly obsessed by what is called "the interest of the community as a whole." Mr. Desai's statement that, while the Corporation would as far as possible, work on business principles, it will never lose sight of the fact that it has to keep before it the interest of the community as a whole, is certainly an expression of this obsession. As has been pertinently asked, Should a conflict between the policyholders' interest and that of the community arise, would it be resolved to the disadvantage of the policyholders? "The interest of the community as a whole" is, clearly, an expression which is stretchable to any limits and in any manner. So long as it is not used as an instrument to put the policyholders' money to purposes not beneficial to them, it is innocuous; otherwise, it is dangerous.

A Policy Issued By
The
Bombay Fire & General Insurance Company, Ltd.
(Incorporated in India)
Your Symbol of Security in the Event of
FIRE, ACCIDENT OR A MARINE PERIL
Head Office:
Henley House, Graham Road Ballard Estate, BOMBAY 1
Represented In
INDIA, BURMA & PAKISTAN

CONCORD OF INDIA INSURANCE COMPANY

A slight decline of Rs. 13,000 in the net premium income of the Concord of India Insurance Company, Ltd. (Managing Director: Mr. K. G. McLeod) is disclosed in the audited accounts of the Company for the year ended 31st December 1957. The decline is shared by the fire and marine departments only, while the accident section showed a slight improvement in net premium income. The combined net premium income in all the three departments stood at Rs. 58.17 lakhs, as compared with Rs. 58.30 lakhs in the previous year. Alongside the fall in premium income, the claims, commission and expenses of management have increased. The working of the Company during the year, however, resulted in a profit of Rs. 3.24 lakhs, as against Rs. 2.06 lakhs in the previous year. The Directors have decided to maintain the dividend at last year's level of Re. 1 per share.

The following table shows the salient features of the working of the Company during the past three years:

(In lakhs of rupees)

	1957	1956	1955
Fire—			
Net premium	32.04	32.24	31.24
Claims	12.46	12.31	10.76
Expenses of management, commission, foreign taxes, etc.	17.62	16.51	17.79
Fire fund	16.02	16.12	15.62
Accident—			
Net premium	13.33	12.60	10.70
Claims	6.79	6.22	5.06
Expenses of management, commission, etc.	4.57	4.68	4.42
Accident fund	6.66	6.35	5.35
Marine—			
Net premium	12.80	13.37	11.23
Claims	9.67	9.63	8.51
Expenses of management, commission, etc.	3.21	3.07	2.97
Marine fund	12.80	13.37	11.23

Net premium income in the fire department amounted to Rs. 32.04 lakhs. Claims paid and outstanding aggregated Rs. 12.46 lakhs, representing a loss ratio of 38.89 per cent., as compared with 38.20 per cent. in the previous year. Expenses of management, including depreciation on motor cars, office equipment, etc., together with commission and foreign taxes, amounted to Rs. 17.62 lakhs. After setting apart Rs. 16.02 lakhs (50 per cent. of premium income) as provision for unexpired risk, a sum of Rs. 2.06 lakhs has been transferred to the profit and loss account.

In the accident department, the net premium income stood at Rs. 13.33 lakhs. Claims paid and outstanding aggregated Rs. 6.79 lakhs representing a loss ratio of 50.94 per cent. Expenses of management and commission amounted to Rs. 4.57 lakhs. After earmarking Rs. 6.66 lakhs (50 per cent. of premium income) to the accident fund, a sum of Rs. 1.65 lakhs has been transferred to the profit and loss account.

In the marine section, net premium income declined from Rs. 13.37 lakhs in 1956 to Rs. 12.80 lakhs in 1957. Claims paid and outstanding aggregated Rs. 9.67 lakhs and expenses of management Rs. 3.21 lakhs. After providing Rs. 12.80 lakhs being the marine fund (100 per cent. of the premium income), the accounts shows a profit of Rs. 48,103 which has been transferred to the profit and loss account.

After making provision of Rs. 3.68 lakhs for taxation the profit and loss account shows a surplus of Rs. 3.24 lakhs which is carried to the profit and loss appropriation account. This, together with a sum of Rs. 1.69 lakhs carried forward from the previous year, makes in all Rs. 4.93 lakhs. Out of this, Rs. 50,000 have been transferred to the contingency reserve and Rs. 60,000 appropriated to reduction in the book value of investments. Out of the balance of Rs. 3.83 lakhs the dividend of Re. 1 per share absorbs Rs. 2.7 lakhs, leaving a balance of Rs. 1.13 lakhs to be carried forward.

FEDERATION ON FOREIGN EXCHANGE GAP

STRICTER CONTROL OVER GOVERNMENT IMPORTS URGED

AFTER much has been said on the foreign exchange problem confronting the country, the Federation of Indian Chambers of Commerce and Industry has come forward with an analysis of the situation. It is not clear what the Federation seeks to gain by belatedly publishing a pamphlet of this sort. Perhaps, its object was to present the problem anew as a background to the meetings of the Import and Export Advisory Councils held this week. The main conclusions of the Federation are that there should be a highly selective import policy, both on private account and on Government account, that exports should be stepped up substantially and that conditions conducive to the flow of foreign capital should be created in the economy.

At the very outset, the Federation rules out the suggestion, put forward as a short-run remedy even by quite a few responsible experts, that the backing of foreign exchange to our currency could be completely done away with. "In the present circumstances and conditions, with the vital need to maintain quick economic progress with the co-operation of friendly countries, any such unorthodox step," says the Federation, "may do irreparable harm to us." It, therefore, calls for a categorical declaration of policy on this question. While such a declaration may set at rest doubts created by the aforesaid suggestion, we may add here that it is the intention of the Government to maintain a minimum foreign exchange reserve of Rs. 200 crores. It is true that at present the sterling balances are no more than Rs. 189 crores, but the authorities are keen on bringing them back to at least Rs. 200 crores. This will be clear from the following quotation taken from Mr. Morarji Desai's statement to Parliament on 13th August 1958, on the foreign exchange situation:

"In the Planning Commission's paper on 'Appraisal and Prospects of the second Five-year Plan,' it has been estimated that for the period April 1958 to March 1961, the gap in our foreign exchange balance-sheet might approximate to Rs. 500 crores. The latest estimate prepared in this behalf, taking account of the current unfavourable trend in exports, has shown that for the last three years of the current plan, our requirements of foreign exchange will be of the order of Rs. 560 crores. This is on the assumption that any food imports found to be necessary, in addition to our normal marketing obligations in respect of wheat and our agreement for importing Burma rice, would be found under P.L. 480 arrangements. The basis for the estimate is that the core of the Plan which, including existing commitments, requires a further expenditure of Rs. 619 crores for completion, will be completed and that needs for the maintenance of the economy and for security will be provided. It also assumes that the sterling reserves will stand at Rs. 200 crores at the end of the Plan period. This does not, however, mean that the reserves would not fall below Rs. 200 crores at any time. As a matter of fact, they are below Rs. 200 crores today. It is considered necessary, however, that we should begin the third Plan with a reserve of not less than Rs. 200 crores, rebuilding it up to this level, if it is possible to do so. In estimating the deficit at Rs. 560 crores, as on the 1st April 1958, the foreign aid already promised which amounts to about Rs. 513 crores, was fully taken into account. Since then, a further loan of Rs. 12 crores has been authorised by the International Bank for Reconstruction and Development in July 1958 for the D.V.C. Project."

Defective Estimates

It is common knowledge that the present crisis owes its origin to the unimaginative policies pursued by the powers-that-be for some time past and the failure to make proper estimates of the Plan requirements. The second Plan had envisaged that the exports and imports on current account in 1956-57 would be Rs. 573 crores and Rs. 783 crores, respectively. But, actually, exports amounted to Rs. 637 crores and imports to Rs. 1,077 crores. Thus, in the very first year, the Planning Commission's calculations had gone wrong. Even as compared with 1955-56, imports in 1956-57 were up by Rs. 326 crores. This was due to heavy imports of iron and steel, machinery, defence stores and foodgrains. Drawing a lesson for the future from this development, the Federation says:

"*Prima facie*, all these items should be regarded as essential or inescapable. However, in a country of limited resources like ours, selection and elimination has to reach farthest even into the details of what might be regarded as essentials. The administrative machinery for scrutinising import permits has to attain a degree of efficiency and perspicacity as would be exhibited in the best type of planning and budgeting. The scrutiny of various licences should be undertaken at a level of urgency and authority that is far higher than as at present. Even a re-examination of past licences would be worthwhile."

The Federation contends that, while the scrutiny of private imports is rigid, such is not the case with Government imports. Thus, between 1955-56 and 1956-57, while imports on private account rose by only Rs. 115 crores (from 546 crores to Rs. 661 crores), those on Government account were up by Rs. 211 crores (from Rs. 205 crores to Rs. 416 crores). Further, subsequent to the recent import licensing policy, private imports have steadily declined, but this saving has been more than neutralised by Government imports. The Federation recognises that, as the matter is a part of intra-Ministry and inter-Governmental relationships, clear-cut criteria are apparently difficult to establish and enforce. It is precisely for this reason that the Federation advocates a new policy for regulating imports on Government account. According to its suggestion, "the entire organisation for the licensing of imports should be raised to a much higher level of economic responsibility." All imports on Government account, whether by its trading organisations or factories, should be subjected to systematic and stringent scrutiny.

Drawbacks

After making this constructive suggestion, the Federation does a little bit of *post mortem* and exposes the following drawbacks in the Government's licensing policy:

"It is usually averred that the unpredictability and the uncertain hold of the import control mechanism can be traced to difficulties in estimating withdrawals made on licences issued in the past. Thus, it is calculated that in 1955 over 214,000 import licences worth about Rs. 648 crores were issued. In 1956, their number grew to over 267,000 and their value to over Rs. 977 crores. A reversal of this trend did not come even in the first half of 1957 when over 118,000 licences worth Rs. 383 crores were issued. From the second half of 1957, of course, with the abolition of the O.G.L. and drastic reductions in imports, the number of licences issued as well as their values were reduced in such a sudden and sweeping manner that many plans of industrial production were thrown out of gear owing to lack of raw materials, essential components and spares. However, maturing of licences issued in the earlier period and the continued heavy imports on Government account seem to have nullified any improvement which one might expect in the overall balance of payments position. This element of under-estimation regarding the needs of rising industrial production has been more and more prominently felt in the last few months as can be seen from the fact that the steady rise in the index of industrial production has not been maintained. The high promise which most industries held in exceeding the second Plan targets may not be fulfilled, because there is not sufficient foreign exchange to import goods and products essential for the maintenance of the industrial structure. Another matter where the calculations of our planners went awry was the heavy imports of foodgrains."

Turning its attention to the subject of exports, the Federation remarks that the Export Promotion Committee's suggestion that exports will have to be stepped up from Rs. 700 to Rs. 750 crores a year is not an overambitious target. It has, however, qualified this view thus:

"The attainment of this target depends not only on external and international circumstances, but also on creation of the necessary prerequisite or climate within the country. Delays and obstacles will have to be removed in the way of exporters even where the amounts involved are in thousands or lakhs of rupees. The Committee has made a large number of general and detailed recommendations. But the authorities have yet to recognise and adopt these higher targets and to create the feeling at all levels of administration that exports are not the exclusive concern of exporters and traders but a national undertaking. If exports slacken, the pace of the economy will slacken and the shadows of bare subsistence and unemployment will begin to loom larger over our economic landscape."

Do's and Don'ts

The Federation has put forward ten do's and don'ts for achieving an increase in exports and minimising the country's dependence on imports. These are:

(1) "With the considerably depressed market for the commodities and products exported by India, marginal adjustments in prices and duties cannot be expected to have more than a marginal effect on the total exports. As it is, the outlook for export of tea and manganese ore does not seem to be very bright. The cotton textile industry has also not been able to export to its fullest capacity.

(2) "The ill effects of duties imposed on exportable goods are cumulative and, unless some drastic changes are made with regard to the export duty policy, no sizable increase in earnings is likely to accrue to us. For any reduction in export duties to be effective, it has to be large enough so as to make an adequate impression on the world market. It is in this direction that Government should divert its attention; a few marginal reliefs here and there are not likely to affect the generally depressed outlook of our export trade, including that of our traditional items. All too often, Government action has been tardy in the reduction or removal of export duties and this has adversely affected our exports. As a matter of fact, the policy in regard to export duties must be radically reorientated in the present changed circumstances.

(3) "We can ill-afford to be complacent about the future of our traditional items of export. Even now, they are up against the problems of marketing and there is fall in their export earnings. What has to be firmly borne in mind is that a small percentage reduction in the value of exports of traditional items, constituting as they do the bulk of our exports, would result in sizable reduction in our total earnings.

(4) "It is imperative that prompt steps are taken to exploit to the fullest extent the opportunities which exist for the increased exports of sugar and commencing exports of cement. Possibilities and opportunities for long-term bilateral agreements in respect of cloth, tea, etc., in return for raw materials and other essentials should be explored.

(5) "A special policy should be adopted for the export of non-traditional items of our economy. Such items, e.g., engineering wares, processed steel goods, agricultural implements, electric pumps, and motors need to be given an initial start and for that some workable scheme of special concessions may prove of great help to our nation.

(6) "A much wider scope is justified for schemes whereby in return for exports exhibiting special enterprise, an import licence to the extent of a liberal percentage of the foreign exchange earned through such exports may be issued automatically and may be permitted to be utilised for a specific list of capital equipment and other essential industrial raw materials.

(7) "Similarly, the system for the prompt payment of fiscal assistance in the form of rebates on excise duties and other imposts should be worked out for the widest range of items possible and put into operation without delay.

(8) "Another field requiring attention is the need to give an impetus to our tourist traffic through better facilities and greater amenities. Certain countries like Switzerland and Italy have considerable invisible earnings in their favour by giving every possible encouragement in building up a sustained tourist traffic.

(9) "More attention also needs to be paid to the study of freight rates and the encouragement of Indian shipping. The development of Indian shipping will enable the country to earn visible and invisible foreign exchange in several ways.

(10) "Since considerable foreign exchange is spent on imports of fuel oils, it is necessary to explore both speedily and effectively the possibilities of increasing indigenous supplies. This exploration should not be restricted to Governmental effort only. As a matter of fact, an open door policy in this behalf should be actively followed, for that alone will enable the exploration of our oil resources quickly and adequately."

There is, of course, nothing new in the aforesaid suggestions. They have been advocated by many from time to time. That, however, does not mean that they have become irrelevant or less important. The only point we would like to make is that the Federation is quite unrealistic when it includes sugar in the list of goods in which India should try to develop an expanding export market. There is little prospect of any sizable export trade in sugar being built up, except at the heavy expense of the domestic consumer, the investor in the sugar industry and the taxpayer, in general. Is foreign exchange worth earning through such expensive methods? Or has the Federation any plans whereby exports of sugar can be effected at a much smaller cost than at present?

CERAMIC INDUSTRY IN BURMA

A United Nations' expert has found that a mineral at Bawsaing in Burma contains lead carbonate which can replace the imported red spar, the main raw material for ceramics industry. This discovery has virtually revitalised the Burmese ceramic industry, which was hard hit by the prohibitive price of the imported red lead. A pottery pilot plant set up by the Burmese Government at Moulmein, which was on the verge of liquidation by 1957, has now been revamped. As a result, production in the plant has shot up considerably, the value of total output per month being $3,000, as against the annual average of about $800 before October 1957. The expert considers the discovery important, not only for the future development of the ceramics industry in Burma, offering "definite export possibilities," but also for the neighbouring countries engaged in this industry.

T.E.L.CO. MAKES IMPRESSIVE PROGRESS

CAPITAL ISSUE CONTEMPLATED

THE Tata Locomotive and Engineering Company Ltd. (Managing Agents: Tata Industries Private Ltd., Bombay) has had one more year of highly encouraging results, namely, that relating to the year ended 31st March 1958. The Company's production as well as turnover made further strides over those witnessed in the previous year, thus maintaining the upward trend in its operations. The value of the products sold during 1957-58 increased from Rs. 21.45 crores in 1956-57 to Rs. 26.94 crores. The output of locomotives and boilers, truck and bus chassis, as well as of the products of the steel foundry, showed a substantial increase and, despite a fall in realisation on the locomotives and boilers sold during the year, the Company's total turnover exceeded that of the previous year by about 25 per cent.

The gross profit for the year at Rs. 245.08 lakhs shows a rise of Rs. 43.41 lakhs or 21.5 per cent. over Rs. 201.67 lakhs earned in the previous year. The Directors state that the profit for the year, which was wholly accounted for by the operation of the automobile division, kept pace with the increase in the turnover. As against the improvement in the gross profit, the rise in net profit is only meagre, such at Rs. 92.95 lakhs, being only Rs. 3.80 lakhs better than Rs. 89.15 lakhs for 1956-57. This modest increase is due to a large addition to the provision for depreciation. At Rs. 129.30 lakhs, the amount set aside for this purpose is higher by about Rs. 59 lakhs. This enhanced provision is partly the result of the Directors' anxiety to provide in full the amount allowed for tax purposes. This decision accounts for Rs. 25 lakhs out of the increase of Rs. 59 lakhs. For the balance, the larger capital expenditure incurred during the year is the cause. Besides, in order to bring up the total provision for depreciation in the Company's books as at 31st March 1958, to the figure allowed for tax purposes, a sum aggregating Rs. 70.35 lakhs (Rs. 29.93 lakhs from the development reserve and Rs. 40.42 lakhs from general reserve No. II) has been transferred to depreciation. It will be interesting to note that, as at the close of the year, the Company has provided for depreciation to the full extent allowed under the Income-tax Act. This is, indeed, a creditable achievement.

As for the provision for taxation, a sum of Rs. 6.49 lakhs has been set apart for the purpose, of which wealth tax accounts for Rs. 4.30 lakhs and additional income-tax paid for 1955-56 for the balance. The Company has to pay no income-tax for the year under review as the development rebate exceeded the profits for income-tax purposes.

In view of the better results, the Directors have proposed to raise the dividend to 9 per cent. from 8 per cent. for the previous year, to which level it had been stepped up from 6 per cent. for 1955-56. As in the case of the Tata Iron and Steel Company, Ltd., the Company's general reserve has been divided into two, namely, reserve No. I and reserve No. II, with a view to segregating the reserves created out of taxed profits from the rest. The reserves built up from retained profits which have borne tax constitute reserve No. I. Other profits which have been credited to reserves over the past years constitute reserve No. II. It is proposed to pay a part of the dividends on ordinary shares from such part of the net profit for the year as is exempt from tax under Section 15C of the Income-tax Act and to pay the dividends on preference shares and the balance of the dividends on ordinary shares from an amount transferred to the appropriation account from taxed profits earned in past years and credited to general reserve No. I. Accordingly, a sum of Rs. 41.85 lakhs has been transferred from general reserve No. I. This procedure is followed in order to enable the ordinary shareholders to claim exemption from payment of tax on their dividend. This depletion has been nearly made good by the transfer of a larger amount, namely, Rs. 82.37 lakhs, to reserves, the exact increase being Rs. 37.38 lakhs. The appropriations to reserves consist of Rs. 26.87 lakhs for development reserve, Rs. 1.50 lakhs for reserve for additional tax on dividend over 6 per cent. and Rs. 54 lakhs for general reserve No. II.

The table given hereunder will enable the reader to make a comparative study of the Company's working and progress during the preceding three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sales of products and services	26,94.37	21,44.57	11,98.06	4,10.65
Other income	43.88	19.91	19.90	54.24
Raw materials, stores, etc., consumed	19,34.95	17,54.70	7,73.52	2,64.70
Other expenses	5,58.22	2,08.11	2,02.48	1,63.92
Gross profit	2,45.08	2,01.67	2,45.71	36.27
Managing Agents' remuneration	16.34	15.11	15.50	1.24
Depreciation	1,29.30	70.14	1,05.48	35.00
Taxation	6.49	27.27	32.00	..
Net profit	92.95	89.15	92.73	0.03
Withdrawal from reserves	41.85	..	..	..
Transfer to reserves	82.37	44.99	32.93	..
Dividends—				
5% cum. preference	6.85	6.85	33.10*	..
Ordinary	45.00	37.43	25.85	..
	(9%)	(8%)	(6%)	
Carry forward	1.76	1.18	1.30	0.50

* Including arrears of dividend amounting to Rs. 34.96 lakhs.

As stated at the outset, the output of locomotives and spare boilers recorded an increase of more than 14 per cent. over that of the previous year and exceeded the targets set by the Tariff Commission in respect of the total outturn as well as of the indigenous content. The Railway Board has agreed to place orders with the Company hereafter for complete locomotives only. The expansion programme of the locomotive division was completed in August 1957 and production at the rate of 100 locomotives per year had been established since September 1957, four months ahead of schedule. The Company continues to receive valuable technical assistance and advice from its technical associates, Messrs. Krauss-Maffei A.G.

The progress made by the automobile division is quite satisfactory. The output of Tata-Mercedes-Benz vehicles during the year was over 7,000 units. The phased manufacturing programme of parts and components is ahead of schedule and the preparations for the final phase, namely, the production of the complete diesel engine, are proceeding satisfactorily in spite of some difficulties. The Company confidently expects to complete the entire manufacturing programme as per schedule by the end of October 1959, thanks to the co-operation and assistance received from its partners, Messrs. Daimler-Benz. The quality of the indigenous product, it is stated, is in every respect comparable to the high standard established by the latter at their German factories. Hence, the demand for Tata-Mercedes-Benz vehicles continues at a high level and far exceeds the available supplies. The Government of India has indicated its general approval to the Company's programme for expansion of output to 12,000 units per year, but, because of the foreign exchange situation, the programme has been held in abeyance. The Company's arrangements for the sale, distribution and after-sales service of its vehicles continue to develop. But, while adequate supplies of all spare parts falling within the Company's own manufacturing programme are available, import restrictions have brought about a shortage in certain types of spares.

The manufacture of steel castings in the foundries division commenced from June 1957 and the rate of production has since been increased progressively. The Company has received an order from the Chittaranjan Locomotive Works for over 2,000 tons of steel castings for the manufacture of WG type locomotives. Deliveries against this order are ahead of schedule. The alloy iron foundry which will supply high grade alloy iron castings to the Company's automobile division is rapidly reaching completion and is expected to go into production during the next few months. A scheme for the construction of a welding and fabricating shop for the production of certain items of fabricated plant and equipment has been sanctioned by the Directors. This line of production, besides being remunerative, is expected to promote more effective utilisation of some of the available plant capacity and labour force. The facilities which are being created will also be needed for the production of diesel hydraulic locomotives which the Company hopes to build in the future in collaboration with Messrs. Krauss-Maffei A.G. and Messrs. Daimler-Benz A.G.

Considerable amounts of additional finance had to be raised by the Company during the year to finance its expansion schemes. Thus, in order to secure a part of the increased funds required for the automobile project, an issue of 10,000 mortgage debentures of Rs. 1,000 each, bearing interest at 5 per cent. per annum, was made during the year for an aggregate sum of Rs. 1 crore on the same terms and conditions and ranking *pari passu* in all respects as from the date of issue with the existing 30,000 mortgage debentures of the Company. These have been pledged with the State Bank of India as security for a further cash credit arrangement for Rs. 1 crore. A further issue of 10,000 mortgage debentures was made since the close of the year under review on the same terms and conditions and pledged with the State Bank of India for an additional cash credit arrangement of Rs. 1 crore.

Again, with a view to securing additional funds for the automobile project, the Directors propose to increase the equity capital of the Company by an issue of 300,000 new ordinary shares of Rs. 100 each, ranking *pari passu* with the existing 500,000 ordinary shares. The shares will be offered at par to the existing holders of ordinary shares in the ratio of three new shares to every five old shares held by them. Accordingly, application has been made to the Controller of Capital Issues for the proposed issue.

The paid-up capital of the Company as at 31st March 1958 stands at Rs. 7 crores, consisting of Rs. 2 crores in 5 per cent. cumulative preference shares of Rs. 100 each and Rs. 5 crores in ordinary shares of Rs. 100 each. The reserves and surplus have come down from Rs. 105.60 lakhs to Rs. 67.29 lakhs and represent only 9.6 per cent. of the paid-up capital. The Company's debenture liability in 5 per cent. mortgage debentures (1960-65) secured by first mortgage of movable and immovable properties amounts to Rs. 3 crores. The other liabilities stand at Rs. 21.18 crores. The latter include, among others, Rs. 70.38 lakhs, being housing loan from the Bihar State Government, secured by a first mortgage of lands and quarters for staff housing, Rs. 11 crores being secured loans from banks and Rs. 80.85 lakhs unsecured loans. The gross block is Rs. 16.75 crores, of which additions during the year were of the order of Rs. 5.32 crores. This has been written down to a net book value of Rs. 10.07 crores, the difference, namely, Rs. 6.68 crores, being the total accumulated depreciation. The current assets aggregate Rs. 21.78 crores. The major items falling under this head are: equipment and stores in transit, Rs. 5.98 crores; stores, spares and tools, Rs. 1.91 crores; raw materials and components, Rs. 6.97 crores; stock-in-trade, including work-in-progress, Rs. 2.67 crores; loans to hirers of diesel trucks and other debts, Rs. 2.55 crores. That cash and bank balances were no more than Rs. 3,10,999 reflects the extent to which the Company is short of working capital.

The Rs. 100 fully paid-up ordinary shares of the Company are currently quoted at Rs. 190.75 *cum-div.* and *cum-right*. On an *ex-div.* basis, the shares provide a yield of 4.9 per cent. per annum. This low level of yield reflects partly the investors' optimism in the future for the Company and partly the attractive terms at which new shares are being offered to the existing shareholders. It may be noted here that, on *ex-right* basis, the yield works out to a little less than 6 per cent. It is believed in market circles that the Company will be able to maintain the increased dividend on the new capital also. This is by no means an extravagant expectation. For a full year, the Company will require an additional sum of Rs. 29 lakhs to maintain the dividend at Rs. 9 per share on 800,000 shares of Rs. 100 each. With its turnover rapidly expanding, it should not be difficult for the Company to find this extra amount from its earnings after meeting all essential provisions. The first full year with increased capital will be 1959-60 and by that time its business will have recorded a sizable growth.

CONTRIBUTION TO POLITICAL PARTIES

A non-official Bill seeking to amend the Companies Act for prohibiting contributions by joint-stock companies to political parties or to any election fund has been introduced in the Rajya Sabha by Mr. Bhupesh Gupta, a Communist Member. The amendment pertains to Section 293 of the Companies Act 1956.

The statement of objects and reasons of the Bill, called the Companies (Amendment) Bill, says that the High Courts of Bombay and Calcutta, in their recent judgments, have drawn particular attention to the undesirability of big business houses liberally contributing to the funds of political parties. The Bill wants the relevant section of the Act amended to prevent such contributions to political parties.

The introduction of the Bill was opposed by some members belonging to the Congress Party. The Chairman, Dr. S. Radhakrishnan, however, ruled out the objection, as there could be no opposition to the mere introduction of a Bill. The spontaneous adverse reaction of Congress Members to the aforesaid move clearly reflects the great importance attached by their party to the relevant provision in the Company Law.

KALASA TEA'S EARNINGS DECLINE

THE financial results of the Kalasa Tea and Produce Company, Ltd. (Managing Agents: Messrs. Peirce, Leslie & Co., Ltd., Mangalore, South Kanara), for the year ended 31st March 1958, are not quite so encouraging as they were for the previous year. Athough the tea crop during the year has surpassed the production in all the previous years, thus creating a new record, the higher cost of production and the lower price realisation per lb. have more than neutralised its effect on earnings. Thus, the gross profit of the Company for the year under review amounts to Rs. 1.41 lakh, as against Rs. 2.94 lakhs for 1956-57, representing a fall of Rs. 1.53 lakh or 52 per cent. over the year. At this level, it is only fractionally better than Rs. 1.40 lakh for 1955-56.

The net profit for 1957-58 amounts to Rs. 47,230, as compared with Rs. 1.44 lakh for the previous year, after slightly raising the provision for depreciation from Rs. 56,689 to Rs. 59,292 but lowering that for taxation from Rs. 75,000 to Rs. 22,000. A sum of Rs. 58,000 has been transferred to general reserve and another Rs. 3,000 to development reserve, as against Rs. 50,000 set aside to debenture redemption reserve in the previous year. The dividend to shareholders has been lowered to 12½ per cent. from 15 per cent. for the previous year, to which level it had been restored from 10 per cent. for 1955-56. The net profit has fallen so low that even the payment of this lower dividend and the transfers made as aforesaid would not have been possible had not the Directors written back a sum of Rs. 80,000, being excess provisions made in previous years no longer required. It must, however, be noted that the dividend for the year under review is on a higher capital of Rs. 6 lakhs raised by the capitalisation of Rs. 60,000 from the general reserve.

It may be mentioned here that, after the close of the accounting year, in June 1958, to be exact, the capital of the Company was reorganised. Before this, the Company had an authorised and subscribed capital of Rs. 5,40,000 divided into 60,000 shares of Rs. 9 each. Under the reorganisation scheme, the authorised capital was raised to Rs. 9,00,000, which was subdivided into 900,000 shares of Re. 1 each. Then, Rs. 60,000 of the reserves were capitalised and the subscribed capital was raised to Rs. 6,00,000. This, too, was subdivided into shares of Re. 1 each. The final step was consolidation of the Re. 1 shares into Rs. 2 shares, so that at present the authorised and the subscribed capital are Rs. 9,00,000 in 450,000 ordinary shares of Rs. 2 each, and Rs. 6,00,000, in 300,000 ordinary shares of Rs. 2 each, respectively.

The table appended below brings out the main features of the Company's results for the past four years:

	For the year ended 31st March			
	1958	1957	1956	1955
	Rs.	Rs.	Rs.	Rs.
Sale proceeds of crop	8,83,043	8,47,132	5,56,266	3,25,837
Stocks	1,20,212	1,48,041	1,10,148	27,622
Other income	9,715	11,046	4,233	4,50,650
Estate and other expenditure	7,24,410	8,01,724	4,83,180	2,91,637
Gross profit	1,40,522	2,94,847	1,39,845	5,12,471
Managing Agents' remuneration	12,000	10,013	14,679	20,486
Depreciation	59,292	56,689	54,900	21,070
Taxation	22,000	75,000	..	1,98,100
Net profit	47,230	1,43,845	70,266	2,72,815
Excess provisions written back	80,000	..	..	..
To reserves	61,000	60,000	368	1,50,341
Dividend	75,000	81,000	54,000	81,000
	(12½%)	(15%)	(10%)	(15%)
Carry forward	76,660	85,420	72,776	56,877
Crop of tea (in lbs.)	464,700*	418,054*	311,281*	974,856† 13,145* 160
Crop of coffee (in lbs.)	..	..	..	..
Cost of tea per lb.	137.36‡	134.10‡	142.27‡	..
Price realised per lb. of tea	184.04‡	211.27‡	197.72‡	..

* Manufactured tea. ‡ Cents † Green leaf.

The crop in 1957-58 at 464,700 lbs. exceeded the estimated production of 419,000 lbs. and is also appreciably higher than that for 1956-57, when a record crop of 418,054 was harvested. Despite this, the cost of production per lb. increased from 134.10 cents to 137.36 cents, while the average price realised per lb. dropped from 211.27 cents to 184.04 cents, leading to the decline in profit as noted above. A crop of 467,000 lbs. is expected to be harvested in 1958-59 at an estimated cost of 146.78 cents per lb.

The Company's estate, which is situated in Mysore State, has a total area of 936 acres, made up of 465.59 acres under tea, 47.68 acres of wet lands, 28.04 acres of roads, buildings and miscellaneous and 394.69 acres in reserve.

The Company's latest balance-sheet discloses a sound financial position. Its paid-up capital as on 31st March 1958 stands at Rs. 5.40 lakhs in ordinary shares of Rs. 9 each. (As stated earlier, this has since been raised to Rs. 6 lakhs, divided into 300,000 ordinary shares of Rs. 2 each). The paid-up capital is supplemented by reserves and surplus aggregating Rs. 8.04 lakhs. The Company's 7 per cent. first mortgage debenture-stock stands reduced from Rs. 2.32 lakhs to Rs. 2.22 lakhs. The gross block of Rs. 13.71 lakhs has been written down to Rs. 11.44 lakhs. These are inclusive of additions during the year of Rs. 1.09 lakh. The current assets aggregate Rs. 6.28 lakhs, of which cash balances alone, amounting to Rs. 2.70 lakhs, more than adequately cover the current liabilities (including the provision for taxation) aggregating Rs. 2.05 lakhs.

The Rs. 2 fully paid-up shares of the Company are currently quoted at Rs. 3.80 *cum-div.* On an *ex-div.* basis, the yield works out to 7.04 per cent. per annum.

COMPANY MEETINGS AND DIVIDENDS

KALASA TEA AND PRODUCE CO., LTD. Annual General Meeting, Mangalore, 13th September 1958. Dividend: 12½ per cent. on the increased capital. Transfer books will remain closed from 10th to 13th September 1958, both days inclusive.

LUKWAH TEA CO., LTD. Annual General Meeting, Calcutta, 15th September 1958. Dividend: Rs. 2.50 per share (includes interim dividend of Rs. 2.00 per share). Transfer books remain closed from 4th to 15th September 1958, both days inclusive.

NEW INDIA INVESTMENT CORPORATION LTD. Annual General Meeting, Calcutta, 15th September 1958. Dividend: Rs. 2.50 per share. Transfer books remain closed from 6th to 15th September 1958, both days inclusive.

BASMATIA TEA CO., LTD. Annual General Meeting, Calcutta, 16th September 1958. Dividend: Re. 1.75 per share. Transfer books remain closed from 3rd to 16th September 1958, both days inclusive.

BENGAL POTTERIES LTD. Annual General Meeting, Calcutta, 16th September 1958. Transfer books remain closed from 1st to 29th September 1958, both days inclusive.

CLIVE ROW INVESTMENT CO., LTD. Annual General Meeting, Calcutta, 17th September 1958. Dividend: Re. 0.75 per share (includes interim dividend of Re. 0.25 per share). Transfer books remain closed from 3rd to 17th September 1958, both days inclusive.

ONDAL COAL CO., LTD. Annual General Meeting, Calcutta, 18th September 1958. Dividend: Re. 0.50 per share, payable on or after 25th September 1958. Transfer books remain closed from 4th to 18th September 1958, both days inclusive.

SENDRA COAL CO., LTD. Annual General Meeting, Calcutta, 18th September 1958. Dividend: Re. 0.25 per share or 2½ per cent., payable on or after 25th September 1958. Transfer books remain closed from 4th to 18th September 1958, both days inclusive.

TATA IRON AND STEEL CO., LTD. Annual General Meeting, Bombay, 18th September 1958. Dividend: Rs. 8.25 per share, on old ordinary shares and Rs. 7.56 per share, on new ordinary shares, payable on and after 19th September 1958.

KILLCOTT TEA CO., LTD. Annual General Meeting, Calcutta, 20th September 1958. Dividend: Re. 1.50 per share. Transfer books will remain closed from 11th to 20th September 1958, both days inclusive.

GUNGARAM TEA CO., LTD. Annual General Meeting, Calcutta, 20th September 1958. Dividend: 7½ per cent. or Rs. 7.50 per share. Transfer books will remain closed from 11th to 20th September 1958, both days inclusive.

HINDUSTAN MOTORS LTD. Annual General Meeting, Calcutta, 23rd September 1958. Dividend: *Nil*. Transfer books remain closed from 6th to 23rd September 1958, both days inclusive.

INDIAN COPPER CORPORATION LTD. Annual General Meeting, Calcutta, 24th September 1958. Dividend: 18 per cent. or 4.32 pence, i.e., Re. 0.24 nP per unit of stock, payable 6th October 1958.

BOMBAY SUBURBAN ELECTRIC SUPPLY LTD. Annual General Meeting, Bombay, 25th September 1958. Dividend: Rs. 7.00 per share (includes interim dividend of Rs. 3.00 per share). Transfer books will remain closed from 10th to 25th September 1958, both days inclusive.

HOOGRAJULI (ASSAM) TEA CO., LTD. Annual General Meeting, Calcutta, 26th September 1958. Dividend: Re. 1.00 per share. Transfer books remain closed from 12th to 26th September 1958, both days inclusive.

BORREA COAL CO., LTD. Annual General Meeting, Calcutta, 26th September 1958. Dividend: Re. 0.75 per share or 7½ per cent. Transfer books will remain closed from 12th to 26th September 1958, both days inclusive.

PHILIPS INDIA LTD. Annual General Meeting, Calcutta, 27th September 1958. Transfer books will remain closed from 8th to 27th September 1958, both days inclusive.

SINGARENI COLLIERIES CO., LTD. Dividend of 15 per cent. or Re. 1.50 per share, for the year ended 31st December 1957.

SRI RANGA VILAS GINNING, SPINNING AND WEAVING MILLS LTD. Dividend of 4 per cent. or Rs. 2.00 per share, for the year ended 31st December 1957.

VAIKUNDAM (TRAVANCORE) RUBBER CO., LTD. Interim dividend of 12½ per cent. or Re. 1.25 per share, for the year ending 31st December 1958. Transfer books will remain closed from 4th to 10th October 1958, both days inclusive.

Points From The Chair

Bank Credit for Exports

"A VITAL factor affecting exports is our capacity to grant credit facilities. As is well known, other countries like Germany and Japan are in a position to grant credit facilities for periods extending upto five years or in certain cases even more. India too is getting goods on credit from these countries as also from other countries in the West. If, therefore, we have to export, we too must be in a position to grant credit facilities. According to the present practice, banks in this country discount bills for a maximum period of only six months because they themselves get credit facilities from the Reserve Bank of India for bills of only three months' maturity. The Reserve Bank, however, is unable to do anything in the matter because it is tied down by Section 17 of the Reserve Bank of India Act. According to the provisions of that section, only bills maturing within ninety days from the date of their discounting are eligible for rediscount by the Reserve Bank or for being held by it as security for advances. In other countries the exporters of machinery are in a position to grant long-term credit to their customers because they, in turn, themselves receive similar discount facilities from banks of their respective Governments. If Indian exporters of machinery want to compete in the international market, they must be able to offer the same credit facilities to their customers as other foreign suppliers do. It appears, therefore, that unless the Reserve Bank of India Act is suitably amended so as to permit the rediscount of bills of more than three months' maturity, there would be no satisfactory or lasting solution to the problem."

K. K. BIRLA,
Textile Machinery Corporation Ltd.

Kerala Plantations

"In lieu of nationalisation, Kerala has apparently adopted a slower but surer method of achieving the purpose. It has resorted to a level and method of taxation particularly applicable to corporate ownership in the planting industry which will erode the capital value of plantation property. Many of the companies have begun to show the result of their working during this year after the new taxation levels were introduced last year. Companies have sustained losses and even where they have not, the resources required for the maintenance of capital assets in a satisfactory state have to be drawn from reserves, if they exist. If the Government of Kerala really means to attract outside investment to the State, it must examine anew its policy relating to plantations. If its policy towards the largest and oldest industry in the State is inimical to its growth, how can it be fair to the industries that it professes to invite? I do not wish to judge the Kerala Government's taxation and labour policies on the basis that they emanate from a Communist Government. In the same spirit, if the Kerala Government would examine its labour and taxation policies for their effect upon prospective investors both from within the rest of India and outside, it might help to serve a useful purpose in the interests of the State and the country."

C. I. MACHIA,
United Planters' Association of Southern India

Hindustan Motors

"On account of the competition encountered with the assemblers, the Company which took up actual manufacture from the very beginning has not so far been able to provide for full depreciation, whereas the companies which started as assemblers and subsequently developed into manufacturers only on a limited scale have been paying dividends on account of the advantage enjoyed by the use of large proportion of imported parts for a long time. From the questions recently asked in Parliament, it appears that there is an impression in some quarters that this Company has been given preferential treatment in the matter of granting of import licences. In fact, it is not so. On the contrary, the Directors feel that the Company has not had its legitimate share and even after the Tariff Commission report the position has not improved. Out of the total licences issued from July 1956 to March 1958 to the six approved manufacturers the quota of the Company was about 10 per cent. of the total foreign exchange allotted to the industry. This happened in spite of the fact that the investment made by the Company is nearly half of the total investment in the automobile industry in India. As you may be aware, the Government have considerably reduced the amount of licences due to deterioration in the foreign exchange position. However, in the case of the Company, the quota of licences in proportion even to its investments in the automobile industry has not been allotted. In fact, only a small licence has been granted for import of General Motors trucks. Though there is a good demand for our vehicles, yet, on account of the limited licences made available to the Company, it could only produce the limited number allotted to it. In consequence, a part of the production capacity remains idle, and this naturally affects the working of the Company adversely."

B. M. BIRLA,
Hindustan Motors Ltd.

KATRAS JHERRIAH COAL EARNS HIGHER PROFIT

RESULTS OF MORE TEA COMPANIES

Katras Jherriah Coal Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st January 1958.

The accounts show a profit, after charging all expenses, of Rs. 12,10,736 (*Rs. 10,39,862*) of which taxation provision requires Rs. 7,55,000 (*Rs. 6,10,000*) leaving a balance of Rs. 4,55,736 (Rs. 4,29,862). The balance brought forward from last year was Rs. 1,38,336 (Rs. 1,33,474) making a total available for appropriation of Rs. 5,94,072 (Rs. 5,63,336). The directors have transferred to capital reserve Rs. 500 (*nil*) and to general reserve Rs. 1,00,000 (Rs. 1,00,000). An interim dividend of Rs. 3 (Rs. 3) per share was paid on 8th March, 1958 absorbing Rs. 1,50,000 (Rs. 1,50,000). The directors now recommend that a final dividend of Rs. 3.50 (Rs. 3.50) per share be paid absorbing Rs. 1,75,000 (Rs. 1,75,000) leaving a balance to be carried forward of Rs. 1,68,572 (Rs. 1,38,336).

Wealth tax in respect of the years ended 31st January 1957 and 31st January 1958 is estimated to amount to Rs. 27,000 and this has been provided for by transfer from investment realisation surplus.

Raisings for the year were 3,48,085 tons, compared with 3,10,552 tons in the previous year, and constituted a record in the history of the Company. Despatches, which included purchased coal, amounted to 3,68,730 tons as against 3,32,000 tons.

In their last report dated 24th September 1957, the Board *referred to the fact that the Government of India had been unable to accord their consent to the proposal to capitalise Rs. 10,00,000 out* of reserves and to apply this in a scrip issue of 1,00,000 new shares of Rs. 10 each credited as fully paid-up. The matter has continued to engage the attention of the directors, and application is now being made to the Controller of Capital Issues for permission to capitalise Rs. 7,50,000 out of reserves and to apply this in a scrip issue of 75,000 new shares of Rs. 10 each credited as fully paid-up. If and when sanction is received, the Board will give further consideration to this matter in the light of conditions then prevailing.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Gross block	49,73,401
Reserves ...	19,66,031	*Less*—Depreciation	39,04,335
Provision for taxation ...	5,57,119		
Liabilities*	20,55,676	Net block	10,69,066
Profit and loss account ...	1,68,572	Stock of coal	1,72,607
		Stores and spare parts	6,20,997
		Debts, deposits and advances	19,58,202
		Investments	7,29,123
		Cash ...	6,97,403
Rs.	52,47,398	Rs.	52,47,398

*Includes provision for wealth tax—Rs. 27,000 and provision for cesses—Rs. 2,54,398.

Duffla ghur Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The season's working resulted in a profit on revenue account of Rs. 6,62,781 (Rs. 9,10,936). After providing for depreciation amounting to Rs. 50,282 (Rs. 66,593), and writing off development expenditure of Rs. 35,631 (*nil*) incurred during the year on tea estate and providing Rs. 58,300 (*nil*) for contingencies. After transferring the above profit, making various adjustments, setting aside Rs. 3,00,000 (Rs. 3,75,000) for taxation, paying an *interim dividend of 10 (15) per cent.* for 1957 absorbing Rs. 70,062 (Rs. 1,05,093), the balance available on profit and loss account amounts to Rs. 5,90,546 (Rs. 6,29,621). From this amount it is proposed to pay a final dividend of 20 (25) per cent. for 1957 absorbing Rs. 1,40,124 (Rs. 1,75,155) and carry forward Rs. 4,50,422 (Rs. 2,21,346 after transferring Rs. 2,33,120 to general reserve).

The following are comparative statistics of sales for the past three years:—

	Lbs.	Average per lb.
1955	891,538	Rs. 2.48 nP
1956	979,890	,, 2.92 nP
1957	980,116	,, 2.76 nP

The estimate for 1958 provides for a crop of 1,000,000 lbs. of tea at a cost of Re. 1.56 nP per lb.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,620	Gross block	23,48,336
Reserves ...	10,33,300	*Less*—Depreciation ...	13,52,736
Provision for taxation ...	5,55,782		
Liabilities ...	10,76,740	Net block	9,95,600
Profit and loss account ...	4,50,422	Stock-in-trade	10,32,828
		Stores, spare parts and loose tools	2,78,252
		Debts, deposits and advances ...	1,73,692
		Investments	2,15,750
		Cash ...	11,20,742
Rs.	38,16,864	Rs.	38,16,864

Seajuli Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The season's working resulted in a profit on *revenue account of Rs. 1,89,642* (Rs. 1,14,617). After providing for depreciation amounting to Rs. 35,342 (Rs. 32,537) and making a provision for contingencies of Rs. 31,100 (*nil*). After transferring the above profit, making various adjustments and setting aside Rs. 80,000 (Rs. 22,000) for taxation, transferring to general reserve Rs. 50,000 (*nil*) and to staff account Rs. 7,000 (Rs. 12,000), the balance available on profit and loss account amounts to Rs. 1,43,999 (Rs. 1,04,627) from which it is proposed to pay a dividend of 22½ (15) per cent. for 1957 absorbing Rs. 56,025 (Rs. 37,350) and carry forward Rs. 87,974 (Rs. 67,277).

The following are comparative statistics for the past three years:—

	Lbs.	Average per lb.
1955	359,952	Rs. 2.68 nP
1956	349,758	,, 3.09 nP
1957	420,226	,, 2.91 nP

The estimate for 1958 provides for a crop of 4,000,000 lbs. of tea at a cost of Rs. 2.15 nP per lb.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,49,000	Gross block	11,48,864
Reserves ...	3,31,000	*Less*—Depreciation ...	6,60,764
Provision for taxation ...	45,584		
Liabilities ...	6,25,809	Net block	4,88,100
Profit and loss account ...	87,974	Stock-in-trade	6,40,964
		Stores, spare parts, etc.	1,15,849
		Debts, deposits and advances ...	64,333
		Investments	2,000
		Cash ...	28,221
Rs.	13,39,467	Rs.	13,39,467

Soom Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Williamson Magor & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The season's working resulted in a profit on revenue account of Rs. 2,65,995 (Rs. 3,30,852). After providing for depreciation amounting to Rs. 9,393 (Rs. 11,917) and writing off expenditure of Rs. 2,607 (Rs. 3,735) incurred on tea estates during the year. After transferring the above profit, making various adjustments, setting aside Rs. 1,30,000 (Rs. 1,30,000) for taxation and paying an interim dividend of 15 (15) per cent. for 1957 absorbing Rs. 45,000 (Rs. 45,000) the balance available on the profit and loss account amounts to Rs. 2,29,219 (Rs. 2,01,359) from which it is proposed to pay a final dividend of 20 (25) per cent. for 1957 absorbing Rs. 60,000 (Rs. 75,000) and carry forward Rs. 1,69,219 (Rs. 1,26,359).

The following are comparative statistics of sales for the past three years:—

	Lbs.	Average per lb.
1955	290,650	Rs. 2.62 nP
1956	297,850	,, 3.41 nP
1957	301,467	,, 3.26 nP

The estimate for 1958 provides for a crop of 288,000 lbs. of tea at a cost of Rs. 2.53 nP per lb.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Gross block	7,34,116
Reserves ...	3,87,500	*Less*—Depreciation ...	3,71,916
Provision for taxation ...	2,75,200		
Liabilities ...	2,59,337	Net block ...	3,62,200
Profit and loss account ...	1,69,219	Stock-in-trade	2,17,843
		Stores, spare parts, etc.	78,867
		Debts, deposits and advances ...	44,662
		Investments	1,49,547
		Cash ...	5,38,137
Rs.	13,91,256	Rs.	13,91,256

Chamong Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The season's working resulted in a loss on revenue account of Rs. 18,548 (profit of Rs. 1,10,108). After providing for depreciation amounting to Rs. 7,593 (Rs. 8,982). After transferring the above loss and making adjustments the profit and loss account shows a balance at credit of Rs. 22,108 (Rs. 33,357 after paying a dividend of 7½ per cent. absorbing Rs. 20,993) which it is proposed should to carried forward.

The following are comparative statistics of sales for the past three years:—

	Lbs.	Average per lb.
1955	144,772	Rs. 2.92 nP
1956	176,418	,, 3.58 nP
1957	157,514	,, 3.30 nP

The estimate for 1958 provides for a crop of 168,000 lbs. of tea at a cost of Rs. 3.23 nP per lb.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,79,900	Gross block	3,98,716
Reserves ...	1,05,000	*Less*—Depreciation ...	74,916
Provision for taxation ...	9,542		
Liabilities ...	2,24,786	Net block	3,23,800
Profit and loss account ...	22,108	Stock-in-trade	1,02,090
		Stores, spare parts, etc.	1,48,290
		Debts, deposits and advances ...	58,946
		Investments	1,000
		Cash ...	7,210
Rs.	6,41,336	Rs.	6,41,336

Ledo Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts disclose a working loss of Rs. 1,32,365 (profit of Rs. 65,684). On transfer of this sum to profit and loss account and after sundry adjustments, including the transfers of Rs. 71,688 (*nil*) from buildings and machinery reserve, Rs. 30,000 (*nil*) from revenue reserve, Rs. 27,445 (*nil*) from replanting reserve and Rs. 10,000 (*nil*) from provision for taxation, being a reserve no longer required, there is a balance at credit of the profit and loss account amounting to Rs. 25,392 (Rs. 80,670), of which the directors have transferred Rs. 25,000 (Rs. 15,000 to revenue reserve) to development reserve, leaving Rs. 392 (Rs. 16,920 after paying a dividend of 7½ per cent. absorbing Rs. 48,750) to be carried forward. The loss was *mainly due to the low price* received for the produce during 1957 and to the continued high cost of wages and statutory concessions to labour, especially loss on foodstuffs.

Crop was 451,300 lbs. as compared with 436,160 lbs. in 1956. The average selling price realised was Rs. 2.03 per lb. as against Rs. 2.33 per lb. in the previous year.

Estimates for 1958 provide for a crop of 4,80,000 lbs. at an outlay of Rs. 10,51,630, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,50,000	Gross block	12,07,806
Reserves ...	10,94,454	*Less*—Depreciation ...	3,53,788
Provision for taxation ...	27,378		
Liabilities ...	1,80,282	Net block ...	8,54,018
Profit and loss account ...	392	Stock-in-trade	3,73,108
		Stores, supplies etc. ...	81,856
		Debts, deposits and advances ...	1,95,780
		Investments	3,77,312
		Cash ...	70,432
Rs.	19,52,506	Rs.	19,52,506

Dawn Mills Co., Ltd.

The directors of the above Company (Agents: Messrs. Ramnarain Sons, Private Ltd., Bombay) present the audited accounts of the Company for the year ended 31st March 1958.

The result of the year's working shows a profit of Rs. 3,21,189 (Rs. 2,97,764 for 15 months ended 31st March 1957) after providing Rs. 7,74,565 (Rs. 5,71,592) for depreciation and Rs. 3,25,000 (Rs. 6,00,000) for taxation. To this result has to be added the sum of Rs. 24,840 (Rs. 2,17,076) brought forward from last year's account, making a total of Rs. 3,46,029 (Rs. 5,14,840) which, the directors have appropriated as under:—

To payment of a proposed dividend of Rs. 5 (Rs. 7.50) for 15 months ended 31st March 1957 per share on 56,000 shares free of income-tax absorbing Rs. 2,80,000 (Rs. 4,20,000) and balance to be carried forward to next year's account Rs. 66,029 (Rs. 24,840 after placing Rs. 70,000 gratuity reserve). During the period under report, additions to fixed assets of an aggregate value of Rs. 9,92,703 have been made.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,00,000	Gross block	90,59,554
Reserves ...	26,37,709	*Less*—Depreciation	54,08,586
Provision for taxation ...	20,75,262		
Liabilities ...	64,00,263	Net block	36,50,968
Profit and loss account ...	66,029	Stock-in-trade	72,29,305
		Stores, etc.	6,38,992
		Debts, deposits and advances ...	22,14,346
		Investments ...	2,04,500
		Cash ...	41,152
Rs.	1,39,79,263	Rs.	1,39,79,263

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

(*Concluded from page 393*)

Directors may allow and pay to any Director who for the time being is resident out of the place at which any meeting of the Directors may be held and who shall come to that place for the purpose of attending such meeting such sum as the Directors may consider fair and reasonable for his expenses and loss of time in connection with his attending at the meeting in addition to his remuneration as above specified."

Existing Article 143.

"If any Director being willing shall be called upon to perform extra service or to take any special exertions in going or residing away from the district in which the office is for the time being situate for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a Committee of Directors the Company may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors, and such remuneration may be either in addition to or *in substitution* for his or their share in the remuneration above provided for the Directors."

Item No. 9.

The Managing Agency agreement dated 14th March, 1957 executed by the Company in favour of the Managing Agents, Messrs. Govan Bros. (Rampur) Private Ltd., pursuant to their re-appointment for a period of 10 years with effect from 15th January, 1957, provides for the Managing Agents a remuneration of 10 per cent. of the net profits of the Company computed as per Sections 349, 350, and 351 of the Companies Act, 1956, with a minimum remuneration of Rs. 35,000 per annum payable in the event of absence or inadequacy of profits in any financial year. This minimum remuneration is payable in instalments of Rs. 2,500 per month and the balance of Rs. 5,000 being paid along with the last instalment payable in the last month of the financial year.

The Managing Agents had represented after the implementation of the scheme of amalgamation of The Raza Sugar Company, Ltd., with this Company (formerly The Buland Sugar Co. Ltd.) that as they were to be paid a minimum remuneration of Rs. 30,000 per annum in The Raza Sugar Company, Ltd., and Rs. 35,000 in The Buland Sugar Company, Ltd., making a total of Rs. 65,000, they would now receive as per their Managing Agency agreement with this Company, formerly known as The Buland Sugar Company, Ltd., a minimum remuneration of only Rs. 35,000 in the event of absence or inadequacy of profits in any financial year. They had, therefore, requested the Board of Directors to increase their minimum remuneration from Rs. 35,000 to Rs. 50,000 per annum which is permissible under Section 198 of the Companies Act, 1956. The Board had considered the matter at their meeting held on 19th May, 1958 and decided to approach the Central Government pursuant to Section 329 of the Companies Act, 1956, to approve the variation in the terms of the aforesaid Managing Agency agreement to provide for a minimum remuneration of Rs. 50,000 per annum in place of Rs. 35,000. The Central Government has approved the proposed variation, *vide* Ministry of Commerce and Industry, Department of Company Law Administration letter No. 1(79)-CMN/58 dated 15th April, 1958, a copy of which is attached herewith marked Annexure 'B'.*

As required by Section 329 of the Companies Act, 1956, the variation sought to be made in the Managing Agency Agreement is now placed before the shareholders for their approval.

The existing Memorandum and Articles of Association, the Managing Agency Agreement dated 14th March, 1957, and the original letter No. 1(79)-CMN/58 dated 15th April, 1958, of the Government of India, Ministry of Commerce and Industry, Department of Company Law Administration, referred to in the explanatory statements of the special business for the 23rd Annual General Meeting can be inspected by any shareholder at the registered office of the Company at Rampur (U.P.) between the hours of 10 a.m. and 4 p.m. on any working day except Saturday, and the hours of 10 a.m. and 12 noon on Saturdays.

By Order of the Board,
For RAZA BULAND SUGAR CO. LTD.,
S. K. KAUL,
Secretary.

NEW DELHI, *14th August*, 1958.

*Sent to the Shareholders individually.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE Forty-seventh Annual General Meeting of The Imperial Tobacco Company of India Limited will be held at Virginia House, 37 Chowringhee, Calcutta, on Thursday, the 25th September, 1958 at 3.30 p.m. for the transaction of the following business:—

To receive and adopt the Accounts for the year ended 31st March 1958 and the Reports of the Directors and Auditors thereon.

If considered desirable to declare a dividend.

To elect Directors.

To appoint Auditors and fix their remuneration.

The share transfer books of the Company will be closed from the 8th September to the 25th September, 1958, both days inclusive, and transfers received in order at the registered office of the Company by the 6th September, 1958, will be in time to be passed for payment of the dividend, if approved, to the transferees.

The dividend, if approved, will be paid on the 27th September, 1958, to the Shareholders whose names appear on the Company's Register on the 25th September, 1958, or to their mandatees.

By Order of the Board
J. R. BLAIKIE
Secretary

6th August, 1958
VIRGINIA HOUSE,
37, CHOWRINGHEE,
CALCUTTA.

Notes:—A member entitled to attend and vote at the General Meeting may appoint a proxy, who need not be a member, to attend and on a poll to vote on his behalf.

Shareholders are requested to notify the Company immediately of any change in address.

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE TWENTY-SIXTH ANNUAL GENERAL MEETING of the Members of Jessop & Co., Ltd., will be held at the Registered Office of the Company on Monday, the Twenty-ninth day of September, 1958, at 11-00 o'clock in the forenoon for the transaction of the following business:—

1. To receive and consider the Accounts, together with the Reports of the Board of Management and Auditors, for the year ended 31st October, 1957.
2. To re-appoint the Auditors.
3. To transact any other business of an Ordinary General Meeting.

The Ordinary Share Transfer Registers of the Company will be closed from 13th to 29th September, 1958, both days inclusive.

By Order of the Board,
D. D. MARKAN,
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA, *26th August*, 1958.

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

THE MORARJEE GOCULDAS SPINNING AND WEAVING COMPANY, LIMITED

NOTICE

THE DIRECTORS OF THE COMPANY HAVE recommended to the Shareholders in General Meeting the payment of the following Dividends for the year ending 30th June 1958:

Rs. 4.50 per share on 4½ per cent. Cumulative Preference Shares.

Rs. 15.00 per share on Ordinary Shares.

By Order of the Board,
P. B. MODI,
Secretary.

BOMBAY, *30th August* 1958.

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 397, 398, 399, 404 AND 403 OF THE COMPANIES ACT, 1956,

AND

IN THE MATTER OF RICHARDSON & CRUDDAS LTD.

BY AN ORDER OF THE CALCUTTA HIGH Court in the above matter, dated the 23rd April 1958, the undersigned has been confirmed as Special Officer to take charge of the affairs of the Company and manage the same.

The Special Officer is collecting materials for a report to the Calcutta High Court as to the Shareholding in the above Company. He will be grateful if parties holding share scrips will please notify to him the following particulars by the 31st October, 1958:—

PARTICULARS

1. Face value of scrips.
2. Serial number of scrips and distinctive numbers of the shares.
3. Date and signature of Directors on scrips.
4. Any letter or document or evidence showing when the shares were registered or purported to be registered by the Company.
5. The title of the holder to the scrip, the name of the last transferor, date of acquisition by the present holder, and any other material particulars regarding the devolution of the shares.

A true copy of the scrip, together with any endorsement thereon, certified by the party applying should accompany the particulars Original scrips should not be sent. It is proposed to arrange for inspection of the original scrips on behalf of the Special Officer at a later date.

The statement of particulars should be addressed to:—

"The Special Officer, Richardson & Cruddas Limited,
Hindusthan Buildings, 4, Chittaranjan Avenue, Calcutta-13"

and superscribed "SHARES".

D. N. MITRA,
Special Officer

Dated this 26th day of August, 1958.

GOVERNMENT OF INDIA

MINISTRY OF RAILWAYS
(Railway Board)

REQUIREMENT OF CENTRE BUFFER COUPLERS

THE RAILWAY BOARD, GOVERNMENT OF India, propose to obtain from established and reliable manufacturers one thousand wagon sets of Centre Buffer Couplers.

2. Tender documents are obtainable from the Research Design and Standardisation Organisation, Baroda House Annexe, New Delhi, or from the Director General, India Store Department, Government Building, Bromyard Avenue, Action, London W. 3, on payment of Rupees two per set on or after 28th August 1958. The cost of the tender document does not include the cost of the relevant Indian Railway Drawings and Specifications which can be obtained on payment from the two sources mentioned above.

3. The quotations which should reach the undersigned not later than 30th September 1958 will be opened in public on 1st October 1958 at 11 hours in the Committee Room of the Railway Board's Office, State Entry Road, New Delhi.

H. D. SINGH,
Director, Railway Stores,
Railway Board, State Entry Road,
New Delhi.

Notices

THE ALEXANDRA JUTE MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Members of THE ALEXANDRA JUTE MILLS, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday, the 29th September, 1958, at 3 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st December, 1957, the Balance Sheet as at that date and Reports of the Directors and Auditors.
2. To declare Dividends.
3. To appoint a Director in place of Mr. A. B. Kingsley, the Director retiring by rotation at the Meeting.

   And in this connection to consider and, if thought fit, to pass the following resolution which will be proposed as a Special Resolution in conformity with the provisions of Section 261 of the Companies Act, 1956.

   "That Mr. A. B. Kingsley be and is hereby re-appointed a Director of the Company liable to retirement by rotation."

   Special Notice of the intention to propose the foregoing resolution as a Special Resolution in conformity with the provisions of Sections 190 and 261 of the Companies Act, 1956, has been received by the Company wherein it is stated that Mr. A. B. Kingsley is an "Associate" of the Managing Agents within the meaning of the Act and that, therefore, he can only be re-appointed by a special resolution as a Director of the Company liable to retirement by rotation.
4. To appoint Auditors and fix their remuneration.

As Special Business.

5. To appoint a Director in place of Mr. R. G. Edwards who resigned from the Board in March, 1958, and in this connection, to consider, and if thought fit, to pass the following resolution which will be proposed as a Special Resolution of which Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which, as required by Section 173 of the said Act, is annexed hereto:—

   "That Mr. D. N. Kapur be and is hereby appointed a Director of the Company liable to retirement by rotation in place of Mr. R. G. Edwards."

The Share Transfer Books of the Company will be closed from 15th September to 29th September, 1958, both days inclusive.

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

By Order of the Board,
McLEOD & Co., LTD.,
C. HOCKLEY,
Secretary,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *27th August*, 1958.

Note.—Payment of the proposed Dividends, if declared, will be made on or after 4th October, 1958, only to those members whose names are registered in the Books of the Company on 29th September, 1958, or to their Mandatees.

Applications for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

Explanatory Statement in Respect of Special Business

Mr. R. G. Edwards resigned from the Board at the end of March, 1958, and a Special Notice has been received from a member of the Company notifying his intention to propose a special resolution as set out in item 5 of the above notice appointing Mr. D. N. Kapur as a Director of the Company liable to retirement by rotation, in the place of Mr. R. G. Edwards. In the said Special Notice it has been pointed out that Mr. D. N. Kapur is an "Associate" of the Managing Agents within the meaning of the Companies Act, 1956, and that, in view thereof, it will be necessary for the members to pass a Special Resolution in conformity with the provisions of Section 261 of the Companies Act, 1956, if they decide to appoint him as a Director of the Company liable to retirement by rotation, since McLeod & Co., Ltd., the Managing Agents of the Company, are authorised by the Articles to appoint a Director or Directors on the Board of the Company.

THE INDIA JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of The India Jute Company, Limited, will be held at 16, Strand Road, Calcutta-1, the Registered Office of the Company, on Monday, the 29th day of September, 1958, at 3.15 o'clock in the afternoon, for the following purposes:—

1. To consider the Profit and Loss Account of the Company for the year ended 31st March, 1958, the Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification the following resolutions:—

As Ordinary Resolutions:

5(*a*) That the conditions of the Memorandum of the Company be altered in manner following, that is to say—

That each of the existing Ordinary Shares of Rs. 125 each in the authorised capital of the Company be subdivided into 10 shares of Rs. 12/50 nP each and that the 6,98,400 issued Ordinary Shares of Rs. 12/50 nP each resulting from such sub-division be credited as fully paid up.

(*b*) That the existing Certificates of Shares be called in by the Directors and cancelled and that new Certificates be issued subject to the terms and conditions of the Articles of Association.

As a Special Resolution:

6. That the Articles of Association of the Company be altered in manner following:—

   Article 4 shall be deleted and the following new Article substituted therefor:—

   "4. At the date of adoption of this Article, the Capital of the Company is Rs. 1,50,00,000 divided into 12,00,000 Ordinary Shares of Rs. 12/50 nP each."

The Share Transfer Books of the Company will be closed from 19th September, 1958, to 29th September, 1958, both days inclusive.

By Order of the Board,
A. D. A. ALEXANDER,
Secretary.

16, STRAND ROAD,
CALCUTTA, *1st September*, 1958.

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

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Your Directors have been considering the desirability of sub-dividing the shares in the capital of the Company to a more manageable denomination and have come to the conclusion that a nominal value of Rs. 12/50 nP per share would permit of greater freedom in transmission and transferability of the shares.

Your Directors accordingly propose that each of the existing Ordinary Shares of Rs. 125/- each should be sub-divided into 10 shares of Rs. 12/50 nP each.

The proposed sub-division is in accordance with Section 94(1) of the Companies Act, 1956, and your Directors recommend that the Resolutions for the purpose set out in the notice should be passed.

The Directors other than as shareholders have no interest in the proposed resolution.

THE MEGNA MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of The Megna Mills Company, Limited, will be held at 16, Strand Road, Calcutta-1, the Registered Office of the Company, on Monday, the 29th day of September, 1958, at 3 o'clock in the afternoon, for the following purposes:—

1. To consider the Profit and Loss Account of the Company for the year ended 31st March, 1958, the Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification the following resolutions:—

As Ordinary Resolutions:

5(*a*) That the conditions of the Memorandum of the Company be altered in manner following, that is to say—

That each of the existing Ordinary Shares of Rs. 100 each in the authorised capital of the Company be subdivided into 10 shares of Rs. 10 each and that the 8,16,520 issued Ordinary Shares of Rs. 10 each resulting from such sub-division be credited as fully paid-up.

(*b*) That the existing Certificates of Shares be called in by the Directors and cancelled and that new Certificates be issued subject to the terms and conditions of the Articles of Association.

As a Special Resolution:

6. That the Articles of Association of the Company be altered in manner following:—

   Article 4 shall be deleted and the following new Article substituted therefor:—

   "4. At the date of adoption of this Article, the Capital of the Company is Rs. 1,50,00,000 divided into 15,00,000 Ordinary Shares of Rs. 10 each."

The Share Transfer Books of the Company will be closed from 19th September, 1958, to 29th September, 1958, both days inclusive.

By Order of the Board,
A. D. A. ALEXANDER,
Secretary.

16, STRAND ROAD,
CALCUTTA, *1st September*, 1958.

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

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Your Directors have been considering the desirability of sub-dividing the shares in the capital of the Company to a more manageable denomination and have come to the conclusion that a nominal value of Rs. 10 per share would permit of greater freedom in transmission and transferability of the shares.

Your Directors accordingly propose that each of the existing Ordinary Shares of Rs. 100 each should be sub-divided into 10 shares of Rs. 10 each.

The proposed sub-division is in accordance with Section 94(1) of the Companies Act, 1956, and your Directors recommend that the Resolutions for the purpose set out in the notice should be passed.

The Directors other than as shareholders have no interest in the proposed resolution.

NOTHING NEW IN MONEY

(From Our Own Correspondent)

BOMBAY, *3rd September*

There have been no new developments of any note in the short-term money market. The traditional slack season continues. The demand for bank credit is of a limited nature. Although there does not appear to have been any notable addition to their resources in the week under review, the banks are not keen borrowers, as there is no attractive outlet for their funds. There is hardly any activity in the inter-bank section, with day-to-day funds being nominally quoted at 2—2¼ per cent. Some small banks, however, have been willing to pay a slightly higher rate of 2½ per cent., as they are said to be in a position to employ their funds in certain upcountry centres where they are well represented.

Many banks are not quoting for house money on call, presumably because this system of call money will soon cease to exist. It is learned that the informal understanding among banks to restrict the rates of interest on deposits will soon come into force and, when it does, house money on call will yield place to "one week money," for which the rate of interest at present is 3¾ per cent. per annum. There are, however, still some banks which quote for house money on call, but the turnover is small. Their rate for this deposit is 3¼—3¾ per cent. The term deposits namely, one to six months' money, are fetching the self-same rate, that is, 3¼—4 per cent.

The Central Government's 91-days' Treasury Bills attracted relatively less attention as compared with the previous week. This is reflected in the fall in the total amount offered from Rs. 6.60 crores to a little over Rs. 4.00 crores, as against an invitation of Rs. 3.00 crores in both the weeks. It may be noted that a fortnight ago the tenders had aggregated Rs. 5.29 crores albeit against an invitation of Rs. 4.00 crores. Despite the contraction in the amount offered, the average rate of accepted tenders is a shade lower at 2.518 per cent. per annum; in the previous week, this rate was 2.520 per cent. and a fortnight ago 2.561 per cent. Of the tenders offered during the week, allotment was in full to those who offered them at Rs. 99.375, while it was 85 per cent. to those who offered at Rs. 99.370. The decline in the amount of tenders is apparently due to the offer of two new issues by the Government of India, referred to in this column last week. With these loans yielding 3.65 per cent. and 3.68 per cent. and with facilities for selling back Government securities to the Reserve Bank still readily available, there is no reason why banks, in general, should be anxious to invest in Treasury Bills which offer only a little more than what they can get on inter-bank call loan.

The statement of affairs of the Reserve Bank of India for the week ended 29th August 1958, as compared with that for the previous week, reveals no striking features. In consonance with the slack season, notes in circulation continue to fall, the decline during the week being Rs. 8.20 crores. Notes held in the Banking Department also have shrunk by Rs. 5.70 crores, so that total notes issued are down by Rs. 13.90 crores. There has been a reduction of Rs. 9.94 crores in rupee securities held by the Issue Department and a rise of Rs. 1.04 crore in rupee coin. There has been a reduction of Rs. 5 crores in foreign securities, as against which there has been a rise of Rs. 2.45 crores in balances held abroad. Consequently, the total foreign assets have recorded a net fall of Rs. 2.55 crores and stand at Rs. 187.21 crores. In the Banking Department, Central Government's deposits are poorer by Rs. 10.36 crores and so also those of other Governments by Rs. 4.79 crores. Deposits of banks have receded by Rs. 4.96 crores, but their indebtedness to the Bank against usance bills has declined further to a mere Rs. 1.91 crore. The variations in other portfolios on both the liability and the asset sides are of a minor nature.

The return of the Scheduled Banks for the week ended 22nd August 1958 shows a rise of Rs. 3.31 crores in demand deposits and of Rs. 1.08 crore in time deposits. Inter-bank borrowings of a demand nature are lower by Rs. 7.46 crores, though those of time nature are a little higher by Rs. 1.74 crore. Borrowings from the Reserve Bank against securities other than usance bills, as well as those against usance bills, are smaller by Rs. 1.97 crore and Rs. 1.34 crore, respectively. There has been a contraction of about Rs. 11 70 crores in bank credit which has been offset by an increase of Rs. 10.05 crores in investments in Government securities. Money at call and short notice is down by Rs. 7.94 crores but there has been a rise of Rs. 6.75 crores in the total cash balances.

The firmness of the Gilt-edged market continues unabated. The demand for both Central and State loans from institutional investors is still keen, notwithstanding the sizable increase in values in recent weeks. There has been an impressive rise of nearly Re. 1.80 in 3 per cent. 1986 Conversion Loan, with a corresponding rise in the price of 3 per cent. non-terminable loan also. Both are now quoted at Rs. 73.75, but there are no sellers below Rs. 74. The main reason why investors have started paying attention to these undated loans is the fact that the yield on them at 4.07 per cent. (flat rate) is, perhaps, the best that can be had from Central Government loans today. Among the dated securities, there has been a gain from 5 nP to 45 nP. Thus, 3 per cent. 1963 and 1964 have gone up by 5 nP to Rs. 100.05. 3½ per cent. 1960 has gained 30 nP to Rs. 99.10. A rise of 45 nP has occurred in 3 per cent. 1970-75. The appreciation in 3 per cent. loans maturing in 1962-65, 1964, 1966-68 is 10 nP to 15 nP. The Reserve Bank continues to sell 4 per cent. 1972 at Rs. 100.45 as also 4 per cent. 1973 at Rs. 100.25. Among the medium-dated loans, the Bank is a seller in 3½ per cent. 1967 and 1968. A sizable amount of the newly created issues has already been sold at the same rates at which they were issued by the Government to the Reserve Bank.

Among the State loans, there has been good enquiry for the 4 per cent. and 4½ per cent. issues at rates which show a gain of 25 nP to 50 nP over the week.

As sterling has eased further in terms of U.S. dollar, the rupee-dollar rate has weakened a little. Thus, the banks' selling rate for ready dollars has moved against the rupee by 25 nP to Rs. 477.75 per $100. Similarly, their buying rate has moved up by 25 nP to Rs. 474.25. In New York, spot sterling was quoted today at $2.80¾-$2.80.3/16, as compared with $2.80.5/16-$2.80¾ a week ago. Three months' forward was also easier at $2.79.11/32-$2.79.13/32, the corresponding rates a week ago being $2.79¾-$2.74.7/16.

BULLION FIRM

(From Our Own Correspondent)

BOMBAY, *3rd September*

The recovery in prices noted in the bullion market towards the close of last week gathered considerable momentum during the week under review, with both silver and gold registering perceptible gains. There was brisk covering by bears, thanks to the tense political situation in the Far East and shortage of contracts. The bulls also lent good support, induced by hopes of enlarged demand for bullion in view of the continued upward trend in agricultural commodity prices and reduced supplies of Tibetan coins. Consequently, business put through was quite sizable, the estimated aggregate commitments in silver and gold futures contracts being 6,500 bars and 150,000 tolas, respectively. Although there was some reaction today on account of profit-taking, the closing rates were markedly higher than those at the end of Wednesday last

The *Shravan* second settlement in gold expired on Friday, with the adjustment rate fixed at Rs. 107-4 and that in silver on Saturday, the adjustment rate being Rs. 186-5. Yesterday, 750 tolas of gold were delivered through the clearing house. Business in *Ashod* delivery silver commenced at Rs. 188-5 yesterday; the carry-forward charge was As. 6 against the buyer.

Forward silver (*Bhadrapad* settlement) attracted very good attention of operators and spurted from Rs. 185-9 last week-end to a high of Rs. 187.15 yesterday. After declining to Rs. 186-13, it recovered again to Rs. 187-14 before finishing today at Rs. 187-12. The net gain over the week was thus Rs. 2-3. The *Ashod* delivery was quoted at Rs. 188-2.

Ready silver moved up from Rs. 184-11 to Rs. 187-8 before closing at Rs. 187-4, the net gain over the week being Rs. 2-9. The floating stocks of silver are estimated at 900 bars. The daily average arrivals were nine bars, while offtake was seven bars per day on an average.

Gold for forward delivery (*Bhadrapad* settlement) advanced from Rs. 107-11 last week-end to Rs. 108-8 yesterday. After declining to Rs. 107-12 today, it finished at Rs. 108-2.

Ready gold met with good support and hardened from Rs. 107-8 to Rs. 108-5 today. Towards the close, however, it was easy at Rs. 107-14. The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 5,000 tolas, while offtake was of the order of 3,600 tolas.

The prices of silver in London and New York were unchanged at the previous week's levels, as indicated in the table below. Gold prices in London, however, firmed up from 250s. 2d. to 250s. 5¾d. following the weakness of sterling in terms of U.S. dollar.

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

	3-9-58	Highest	Lowest	27-8-58
	Rs a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	108 4	108 5	107 3½	107 14
Forward*	108 2	108 8	107 0½	107 11
Sovereign	71 0	—	—	71 0
SILVER				
Ready (.996 fine Mint) ..	187 2	187 8	184 9	184 11
Forward†	187 12	187 15	185 7	184 11
London Silver Ready ..	75d.	—	—	75d.
London Forward	74⅞d.	—	—	74⅞d.
London Gold	250s. 5¾d.	250s. 8d.	250s. 2d.	250s. 2d.
New York Silver	88½c.	—	—	88½c.

* 29th September settlement.
† 30th September settlement.

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

HIDES ARRIVALS CONSIDERABLE

(From Our Own Correspondent)

KANPUR, *1st September*

During the week under review fresh arrivals of hides and skins were considerable, but the country tanners were active. Demand for buff and sheep was very strong. The main purchasers were the local tanners headed by Messrs. Cooper Allens. The exporters of goat and sheep made heavy purchases against the background of demand from America.

The latest available quotations are: Wet salted cow 1st grade Rs. 360, 2nd grade Rs. 260 and 3rd grade Rs. 140 to Rs. 180 per score; wet salted buff 1st grade 1 lb. 10 ozs. and 2nd grade 1 lb. 12 ozs. per rupee; goat 1st grade Rs. 275 and 2nd grade Rs. 225 per 100 pieces; sheep 1st grade Rs. 250 and 2nd grade Rs. 200 per 100 pieces.

COTTON FUTURES SPURT

(From Our Own Correspondent)

BOMBAY, *3rd September*

There were only two trading days for cotton futures during the week. The market was closed on 28th and 29th August on account of Coconut Day and on Monday, it being Parsi New Year Day. It was closed today also in memory of a prominent trader, the late Mr. Gopalbhai of Khimji Poonja & Co. The market depicted an upward trend on the opening day of the week, namely Saturday, due to short-covering attracted by the decline in values in private trading during the holidays. Operators were inclined to await the outcome of the Export Promotion Advisory Committee's Meeting in New Delhi on the next day. The comfortable supply position and the prospect of good crop kept the undertone subdued. The market ruled distinctly firm yesterday. The firmness was attributed to hopes that the Government of India would take a favourable view of the forceful plea put forward by Mr. Madanmohan Ruia and Mr. J. P. Patel at the meeting of the Export Promotion Advisory Council, for a vigorous export policy for raw cotton in the new season. There was expectation that the Government would not take long to announce an export quota for one lakh bales of cotton. This factor, together with reports of excessive rains in the Moglai tracts of Berar and Khandesh as also in Gujerat induced sustained bull support and bear covering with the result that prices staged a smart rally. Jarilla March gained as much as Rs. 7 in one day. Even news of the reduction in export duty on its cotton by Pakistan from Rs. 80 to Rs. 50 per bale failed to induce a downward trend, although there were fears that it would affect the export prospects of Indian cotton.

I.C.C. Moglai Jarilla March 1959 opened the week on Saturday at Rs. 660.50 and after improving to Rs. 661.75 declined to Rs. 659.75. It, however, closed higher at Rs. 661. Commencing at Rs. 660.50 yesterday, the contract firmed up to Rs. 667.75 and closed a shade down at Rs. 667.50. The net gain over the week was Rs. 6. The trend of prices of the contract during the week is indicated below:

(In rupees per candy of 784 lbs.)

	2-9-58	*High*	*Low*	27-8-58
I.C.C. Moglai Jarilla (March 1959) ...	667.50	667.75	659.75	661.50

In the spot section, activity was subdued early in the week. But yesterday enquiries revived. Staple varieties like Jarilla, Kalyan, Khamgaon, Jaydhar, etc., met with good buying.

In the export section, Kala, Oomra *Deshi*, Bengals and Pickings evoked attention. Exporters felt that, with the reduction in export duty by Pakistan, the export prospects for Indian cotton had become less bright. Although the reduction would only bring Pakistan prices on a par with those in India, Pakistani shippers, it was pointed out, had the additional advantage of the recent concession given by their Government to retain 10 per cent. of export earnings. Prominent shippers are already reported to have approached the Government of India with a request to abolish the export duty of Rs. 50 per bale in force at present so as to make Indian cotton cheaper.

The most important development of the week, in so far as the import section was concerned, was the reduction in export duty on Egyptian cotton from 5.50*d.* to 3.50*d.* per lb. with immediate effect. This amounts to a reduction in the prices of Karnak and Menoufi varieties by about Rs. 88 per candy. Importers were of the opinion that this had been offset by the simultaneous cut in the discount offered from 21 per cent. to 15 per cent.

There is a general feeling in trade quarters that the cut in export duty and the reduction in discount rate have not enhanced the prospects of Egypt selling more cotton to this country. Sudan prices of equivalent extra-long staple cottons are still cheaper. But owing to qualitative damage to its crop, Sudan is not in a position to offer large quantities of such varieties.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 620; Berar Jarilla 685; Khandesh 750; Vijay 865; Hubli Laxmi 1,010; Jaydhar 893. *Delivery contracts*: Bengal 594; Mathia 615.

Despite the reduction by the Pakistan Government of the export duty on the *Deshi* and Comilla cotton, from Rs. 80 to Rs. 50 per bale, the Karachi cotton futures market ruled slightly subdued during the week. Values tended to decline. The duty reduction was discounted beforehand, as witness the sharp rise in prices last week in anticipation of the decision. Foreign demand showed no striking revival even after the announcement, although it was expected that it would improve in due course. Weaker advices from New York and favourable crop news led to an easing of values. N.T.R.G. January which had closed at Rs. 79-5-6 last week-end shed three annas to Rs. 79-2-6 while the March contract eased from Rs. 79-10-6 to Rs. 79-6-6.

The Alexandria cotton futures market ruled firm during the major part of the week under review. The main influencing factor was the expectation of a reduction in the export duty on Egyptian cotton as a sequel to the recent cut in the reserve price of the Sudan Gezira Board. However, when the reduction was actually announced on the 1st inst., the futures market staged a retreat. The cut was to the tune of 2*d.* per lb., from 5.50*d.* to 3.50*d.* on long-staple cotton, to take immediate effect. The fall in prices was partly attributed to the simultaneous reduction in the discount offered from 21 to 15 per cent. Traders felt that this would offset the effect of the duty reduction. Some operators also were inclined to think that, notwithstanding the reduction in duty, competition from Sudan would be severe. This consideration induced selling with the result that values receded. Reports of good crop progress and the prospect

of a larger crop of about 1,304,800 bales (of 730 lbs.), accelerated the downward trend. The earlier gains were erased and the markets closed at levels below last week's. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week's closing rates:

Karnak: November 74.65 (75.10); January 75.00 (75.15). *Ashmouni*: August 65.35 (66.65); January 66.65 (67.65).

It is reported that, at its next session, the Sudanese Parliament will consider a Bill for the establishment of a Cotton Lint Marketing Board empowered to sell all Sudan cotton. The Board will include representatives of the Gezira Board, private growers and the Ministry of Finance. It will work as an autonomous body, but will be responsible to the Minister of Finance. The proposed Cotton Lint Marketing Board may not commence working this year since private growers will be unable to participate because of their indebtedness to crop financiers.

Cotton values in Liverpool ruled barely steady during the week. Price movements were narrow in range and the volume of business was limited. A small volume of liquidation by American interests in Liverpool, prompted by weak New York advices, were absorbed in short-covering and occasional mill fixation. Follow up support was, however, lacking because of the bleak textile outlook, and prospects of better crop in most producing countries in the northern hemisphere. The uncertainty regarding the U.S. export subsidy rate was another unsettling factor. Sudan contracts were quietly steady. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one-inch staple contract: October-November 23.75; December-January 23.75; March-April 23.80; May-June 23.78. *American cotton mixed growth contract*: October-November 24.20; December-January 24.25; March-April 24.30; May-June 24.20.

The New York cotton futures market ruled easy during the week under the influence of the passing of the Farm Bill, favourable weather news and larger private estimates of the new crop. One such estimate put the crop at 11,825,000 bales which was about 250,000 bales above the official August forecast. Rumours of a lower mid-August parity price also imparted weakness to the market. The rumours later turned out to be correct as the Department of Agriculture fixed the parity rate at 38.43, as against the mid-July rate of 38.55. The fall in prices would have been more marked but for the scattered support prompted by higher entry into the Government loan.

The newly passed U.S. Farm Bill is said to contain provisions which offer cotton farmers during the next season, that is 1959-60, the option of the Government allotted acreage with a support price at 80 per cent. of parity or a planted acreage 40 per cent. more than the official allotment with a loan rate of 65 per cent. of parity. Farmers who choose the higher support rate with allotted acreage will not be given the privilege of redeeming cotton from the loan and the cotton surrendered by them to Government for the support price will be an outright official purchase. Those who opt for the larger acreage and lower support will continue to have the right to redeem cotton pledged by them in the loan during the season as in the present support programme. Government are empowered to sell cotton bought at the higher support price in the free market at 110 per cent. of the lower loan rate. It is generally thought that the Farm Bill will get Presidential assent and become law.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	2-9-58	26-8-58	19-8-58
Spot	36.20	36.30	36.40
October	35.25	35.35	35.53
December	35.59	35.70	35.89
March	35.98	36.00	36.30

YARNS ADVANCE

(From Our Own Correspondent)

BOMBAY, *3rd September*

After the sharp decline in prices noted last week, the yarn market picked up some strength during the week under review, with art silk yarn and staple fibre yarns registering gains. Cotton yarns, of course, continued to remain depressed. The firmness of art silk and staple fibre yarns was aided by fears of shortage of supplies. The fears were based on the ground that, notwithstanding bright prospects of India getting further large-scale foreign aid, New Delhi might continue the restrictive import policy in view of heavy outstanding commitments. Even reports of lower offtake from piecegoods markets and reluctance of weavers in important centres like Calcutta, Bhagalpur, Surat and Punjab to augment stocks failed to have any effect on the market. Cotton yarns were depressed, as demand continued to be slack. The spinning mills were reported to be doing only negligible business.

In the art silk yarn section, 120 Japan advanced by 9 nP to Rs. 6. 120 Italy rose by 7 nP to Rs. 6.44. 150 Japan was fully maintained at Rs. 6.44. 150 Italy, however, receded by 6 nP to Rs. 6.44. Among indigenous yarns, National Rayons 120 bright cones first grade moved up by 13 nP to Rs. 5.94. 150 bright cones first grade were fully steady at Rs. 5.

Staple fibre yarns (40x2) October delivery elicited support and advanced by Rs. 7 to Rs. 709. August delivery improved from Rs. 696 last Wednesday to close at Rs. 712 on the 30th ultimo. The spot section was also steady. Spot 40x2 Civys increased by 11 nP to Rs. 3.87. Kohinoors gained 5 nP to Rs. 3.99 and Centurys 9 nP to Rs. 3.81. Among foreign yarns, Fujis gathered 6 nP to Rs. 9.50. Paramounts were firm at Rs. 9.44.

Cotton yarns lacked support. Ten counts Moderns receded by 25 nP to Rs. 13.25. Podars were neglected at Rs. 12.37. Among twenty counts Moderns eased by 13 nP to Rs. 16.62. Indus were dull at Rs. 16.62. Gokaks, however, gathered 12 nP to Rs. 16.62. Thirty counts Hinds were stagnant at Rs. 19.62. Forty counts Moderns were dull at Rs. 25.25, but Minaxis put on 6 nP to Rs. 25.25. Sixty counts Finlays changed hands at Rs. 58, same as last week. Among eighty counts, Moderns shed 50 nP to Rs. 71.50. Mahendras were quiet at Rs. 71.50, as also Finlays at Rs. 78.

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

	3-9-1958	27-8-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	6 00	5.91
150 Japan (per lb.)	6 44	6.44
120 Italy (per lb.)	6.44	6.37
150 Italy (per lb.)	6.44	6.50
Staple fibre yarn (per case of 200 lbs.)—		
40 s 2 August	—	696.00
40 s 2 October	709.00	702.00
40 s 2 Kohinoor (per lb.)	3.99	3.94
40 s 2 City (per lb.)	3 87	3.76
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12 37	12.37
20s Modern	16.62	16.75
30s Hind	19.62	19.62
40s Minaxi	25.25	25.19
60s Finlay	58.00	58.00
80s Mahendra	71.50	71.50

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, *3rd September*

The oilseeds market had a short week, as it remained closed for three days, on the 28th and 29th August and 1st September. During this brief period, the market ruled firm. The buying fervour of the market was whipped up by the favourable interpretation of the proceedings of the Export Promotion Advisory Council held at New Delhi this week. The extension of the shipment period for groundnuts H.P.S. and oil till the end of December gave rise to expectations that the Government might announce further relief with a view to boosting export trade in oilseeds and oils. In particular, castorseeds were buoyant, thanks to large-scale covering by shorts, induced by poor tenders. The quantity issued on the first notice day was only 300 candies. Groundnuts met with good support, following sizable purchases of groundnut oil by *vanaspati* interests. Linseed tended to move up on short-covering. In sympathy with the general trend and following encouraging advices from the cotton market, cottonseeds recorded a rise in prices.

Groundnut February 1959 contract was well supported, the quotation spurting from Rs. 163.37 last week-end to Rs. 165.62 today. August 1958 contract terminated at Rs. 203 on the 30th August, as against Rs. 200.50 at the close of last week. Spot bold ready advanced from Rs. 40 to Rs. 40.75, before finishing lower at Rs. 39. Coromandel and Khandesh quality both rose from Rs. 40 to Rs. 40.75. Today, however, they were done at Rs. 39.75 and Rs. 39.50, respectively. Over the week, groundnut oil ex-mill strengthened by 25 nP to Rs. 20.75. Railway receipt hardened by 38 nP to Rs. 20.50.

Castorseed September 1958 contract attracted very good attention of operators and rallied Rs. 6 to Rs. 158.75. May 1959 contract moved up from Rs. 152.50 to Rs. 158.25. Ready Madras increased by Re. 1.25 to Rs. 31.87. Kanpur quality put on Re. 1.10 to Rs. 30.60. Castor oil B.S.S. recorded a gain of 56 nP over the week, today's closing rate being Rs. 17.56. Commercial quality strengthened from Rs. 15.62 to Rs. 16.12.

Linseed September 1958 contract elicited enlarged buying enquiries and advanced by 62 nP to Rs. 33.12. May 1959 contract rose by 37 nP to Rs. 32.37. Bold ready met with excellent buying support and picked up Re. 1.12 to Rs. 33.12. Linseed oil was bought higher at Rs. 17.31 today, as against Rs. 16.87 last week-end.

Cottonseeds February 1959 contract received good enquiries and spurted from Rs. 103 to Rs. 105.50. September 1958 contract strengthened by 50 nP to Rs. 121.50.

Among other seeds, kardiseed bold ready was fully maintained at the last week's level of Rs. 21.50. Nigerseed Madras quality, however, came down from Rs. 34.50 to Rs. 34.

The following table shows the closing prices of oilseeds and oils today as compared with those a week and two weeks before:

	3-9-1958	27-8-1958	20-8-1958
	Rs.	Rs.	Rs.
Groundnut—			
August 1958	203 00§	200.50	198.00
Feb. 1959	165.62	163.37	166.75
Bold ready (per cwt.)	39.00	40.00	39.25
Linseed—			
Sept. 1958	33.12	32.50	33.81
May 1959	32.37	32.00	31.25
Bold ready (per cwt.)	33.12	32.00	33.25
Castorseed—			
Sept. 1958	158.75	152.75	156.25
May 1959	158.25	152.50	156.62
Madras (per cwt.)	31.87	30.62	31.25
Cottonseed—			
Sept. 1958	121.50	121.00	121.50
Sept. 1959	105.50	103.00	106.50
*Groundnut oil**—			
Ex-mill ready (per quarter) ..	20.75	20.50	20.62
Castor oil†—			
Commercial (per quarter) ..	16.12	15.62	15.94
Linseed oil†—			
Ready	17.31	16.87	17.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
§ 30th August 1958

SUGAR MOVES UP

(From Our Own Correspondents)

BOMBAY, *3rd September*

The sugar market presented a firm trend during the week under review, in contrast to the depressed conditions which prevailed in the past two weeks. There were good enquiries from Malabar side, besides the normal demand from the interior in the beginning of the month. But arrivals of sugar by rail were meagre, being only 3,900 bags, as against 10,600 bags in the previous week. Prices, as a result, registered an improvement.

Large grain sugar advanced by a rupee to Rs. 109.50-Rs. 116 per bag. Medium grain rose by 50 nP to Rs. 106-Rs. 108. Small grain gained a like amount to Rs. 105.

* * * *

HAPUR, *1st September*

The sugar market ruled depressed during the week under review, as demand from consuming centres was slack and supply position was fairly easy. The rates of some factories producing small grain sugar were quoted below the controlled prices. Want of support accounted for quiet conditions in the Muzaffarnagar sugar market and moderate business was done for Punjab and Gujerat side. The other consuming centres showed little interest. Amroha, Seohara, Bijnore and Dhampur factories sold their stocks at below the controlled price and small crystal sugar prices went down further by 12 nP per maund. Bold crystal sugar remained unchanged. Business was done by the following factories at prices (mill delivery wholesale) quoted against each:

Khatauli (A28) Rs. 37.37; Deoband (B28) Rs. 36.71; Iqbalpur (A29) Rs. 37.75; Rohana (B29) Rs. 37.12; Mansurpur (C29) Rs. 36.37; Meerut (D29) Rs. 36.71; Iqbalpur (A29) Rs. 37.75; Rohana (B29) Rs. 35.37; Buland (D29) Rs. 36.

Sugar prices in the Kanpur market suffered a setback, owing to heavy pressure of arrivals, coupled with further shrinkage in offtake. Trading in the ex-mill delivery section continued to be featureless and certain mills reduced the prices of R/R deals by 25 nP to 37 nP per maund below the controlled rates. The main factor responsible for the increase in supplies was a substantial rise in despatches against old contracts, thanks to better loading facilities. The latest ex-mill controlled prices are: Rs. 36-12 per maund, spot per bag (C29) Rs. 193-8; Gola Rs. 102-8; D 29 Gola and Burhwal Rs. 102; Waltergunj Rs. 101-12; Balrampur and Tulsipur Rs. 101-8; Hargaon and Lakhimpur Rs. 101-4.

Khandsari prices were quietly steady. Demand was slack. Prices ranged between Rs. 33.50 and Rs. 36 per maund according to quality.

Small arrivals of dry *gur* were lifted upto Rs. 23.50 per maund by consumers, while stocks of dry-wet kotha quality were being quoted at Rs. 19.44. Demand from consuming centres was slack, as most of their requirements were being met from producing centres in the South where prices were lower. The week's offtake was small at 1,000 maunds and local stock was put at 26,000 maunds, mostly of dry-wet and wet quality. The condition of the cane crop is fairly good.

Ready *gur* in the Muzaffarnagar market eased fractionally, due to poor demand. *Shakker* prices were unchanged, while *khandsari* prices ran down by Re. 1 per maund.

Future *gur* ruled quietly both ways in absence of new urges. *Fagun* opened at Rs. 14.06 last Monday and, after touching the highest of the week at Rs. 14.17 and lowest at Rs. 13.96, was quoted today near the opening level of the week at Rs. 14.07.

BLACK PEPPER IMPROVES

(Messrs. Parekh & Co.)

BOMBAY, *3rd September*

Malabar black pepper showed some improvement following a sizable purchase by the East European countries during the week. When New York market opened after the Labour holiday the dealers were more prone to buy Malabar black for September shipment but appeared to be haggling for a lower price. In view of very steady market at Singapore, it is likely that America may be forced to meet Indian sellers particularly because of the deteriorating situation in the Far East. Growers at all the primary markets are stiff sellers. Sizable purchases by exporters were reported at Rs. 625 at Alleppey, at Rs. 637½ at Cochin and at Rs. 645 at Calicut.

Forward market at Cochin rallied, under pressure of buying by bulls together with short covering, to Rs. 111.25 for October and Rs. 106.25 for December. Big exporters-*cum*-speculators are said to be trying to keep down the market as they want to pick up their requirements at cheaper rate against their overseas sales. But this time their efforts seem to have proved abortive. Singapore remained fully steady at Str.$75 for black and at Str.$126 for white. Arrivals from Sarawak and Djakarta were disappointing.

Malabar Pepper is likely to improve as export during August and September from India will, in all probability, make comparatively good reading. If so, floating stock, which is acting as a drag on the market, will diminish thus making the market healthy since stock in the hands of the growers is not so heavy as envisaged earlier. In A.S.T.A. section, September, after improving to $0.26, is quoted at $0.25½ at the time of writing. In specific delivery, the trend is steady with better undertone as nobody is willing to sell at lower prices.

After the establishment of forward market at Cochin, the job of shaping the prices, which was formerly in the hands of the growers, seemed to have been taken over by the operators who were holding stock against their hedge. The investors who do only switching business from one position to another are also said to be playing a responsible part in shaping the market.

Today's nominal quotations are: Ready delivery Rs. 82 per Bengal maund, September Rs. 565-75 and October Rs. 575-85 per candy of 5¼ cwts.

TEAS EVOKE GOOD DEMAND

(From Our Own Correspondent)

CALCUTTA, *2nd September*

Fair demand at lower rates was in evidence during yesterday's sales, and buyers followed quality. The keen bids in last week's sales in Mincing Lane, where quality teas gained 1*d.*, and the rise in prices in the Colombo sales of last week contributed to pushing up sentiment at times.

Dusts on offer in the internal sales held here on 26th August amounted to 18,106 chests. General demand was good, all orthodox teas realising valuations. Among the C.T.C. Assams, the brighter liquoring teas advanced, while the balance lost 10 nP. Darjeelings were extremely quiet. The quotations—in rupees per pound—with those of the previous week were: Best Assam C.T.C. 2.50 to 2.80 (2.60 to 2.90); medium Assam C.T.C. 2.20 to 2.40 (same); medium Assam grainy dust 1.74 to 1.76 (1.72 to 1.76); and medium Doars 1.72 to 1.74 (1.70 to 1.74).

Leaf amounting to 1,184 chests were in good demand and gained in prices.

Export quota, after changing hands at 9¼ nP, declined to 9 nP.

A long time has now passed since the Government of India, in deference to the persistent demands, announced its intention to accord relief to common teas, but nothing has so far been done. The trade and industry have revived the reasonable demand.

The case for the abolition of the export duty on tea was succinctly put forward here by Mr. B. C. Ghosh, Vice-Chairman of the Tea Planters' Association recently. He said that India was losing its overseas market for tea, in view of keen competition from other producing countries—Ceylon, East Africa, Indonesia, Formosa and China, none of which, he thought, levied an export duty on tea. Foreign customers of Indian tea such as Association, recently. He said that India was losturned their attention to Ceylon and East Africa for their supplies, in view of the high export duty on Indian tea.

There was good demand during yesterday's export sales at lower rates. Offerings aggregated 56,516 chests. All good liquoring teas, especially good medium Assam B.Ps and P.Fs were firm, while orthodox O.Fs and B.O.Ps possessing more ordinary liquors gave way by 10 to 20 nP. A strong feature was provided by B.Ps on keen demand. However, C.T.C. teas declined by 20 to 30 nP and legg cut teas by 5 to 10 nP. Plain brokens eased by 4 to 8 nP, and a similar decline was recorded in fannings of the same grade which, however, opened dearer. Whole leaf grades were quiet and prices eased. Tippy teas also eased, although there was fair support. Darjeelings were in good demand, but in accord with the general trend prices were lower. The quotations were: Best Assam C.T.C. fannings Rs. 3.50 to Rs. 3.80 (same); best Assam C.T.C. B.P. Rs. 3.20 to Rs. 3.40 (same); clean black pekoe Rs. 2.05 to Rs. 2.10 (Rs. 2.10); medium fannings Rs. 2.05 to Rs. 2.15 (same); medium B.P. Re. 1.85 to Re. 1.95 (same); plain fannings Re. 1.78 to Re. 1.86 (Re. 1.84 to Re. 1.90); and plain B.P. Re. 1.68 to Re. 1.72 (Re. 1.70 to Re. 1.74).

Export quota realised 9¼ nP. Subsequently, sellers raised the price to 9½ nP with buyers offering only 9 nP.

JUTE GOODS GIVE WAY

(From Our Own Correspondent)

CALCUTTA, *2nd September*

Demand being at a low ebb, prices of jute goods gave way during the week under review. A similar tendency was also recorded in raw jute. Stockists, however, anticipated that American interest for hessian would soon make itself felt and that the transfer of more sacking looms to hessian manufacture was under way. That Calcutta-made hessian and sacking continued to be cheaper in world markets was clearly demonstrated in the recent closure of some producing units in Dundee. Continental mills also complained of Indian competition which tended to make their production uneconomic, due to very high prices charged by Pakistan for raw jute. In this context, the report from Dacca estimating output for this year at 5.4 million bales, as against the target of 5.5 million bales, was thought here as aimed at propaganda and foreign consumption. The same report stated that, in view of the very satisfactory rains in August, outturn should increase as the season proceeded.

Early in the week, there was fair covering demand and, for a time, Australian buyers showed interest in sacks for near deliveries. Ready B. twills were quoted at the unchanged rate of Rs. 97.00 on Tuesday last, while hessian 40" 10 oz. declined from Rs. 42.40 to Rs. 42.10. It is noted that, in New York, stockists are still caught in the "over bought" position, a position which resulted from the Middle East crisis. When once this position eases, prices should hold to steady levels and then American buyers should show more attention to offers. In this view, a New York report, referring to the improvement in the international and business outlook, foresees an early increase in consumption. Stockists here are enthusiastic, albeit this week's lack of interest, and point out with encouragement to the decline in American burlap stocks to 228.7 million yards as being proof that the outlook is improving.

Soon, some business in sacks with Australian buyers followed. Also, the report that mills were transferring more sacking looms to hessian was strong. The cumulative effect was a rise in the price of ready B. twills to Rs. 97.20 on Wednesday from Rs. 97.00, and hessian 40" 10 oz. to Rs. 42.15 from Rs. 42.10. However, selling pressure in the futures market followed and disturbed the conditions in the genuine market, which was already groaning under lack of adequate business with overseas buyers. On Thursday, November hessian 40" 10 oz. fell from Rs. 40.44 to Rs. 40, November B. twills from Rs. 99.05 to Rs. 97.75 and November Assam bottoms from Rs. 24.62 to Rs. 24.50 in the futures market. This caused ready hessian 40" 10 oz. to give way to Rs. 41.70 and ready B. twills to Rs. 96.00. On Friday, the market was closed on account of *Rakhi Poornima*, but prices were nominally unchanged. Towards the weekend, so little actual business passed that B. twills came down to Rs. 95.90 and hessian 40" 10 oz. to Rs. 41.60. There was again selling pressure in the futures market yesterday and the quotations in futures and for ready delivery declined further. Ready B. twills, however, after being lower, recovered to Rs. 97.00, due to anticipations of lower stocks in view of the transfer of looms to hessian. On the other hand, ready hessian 40" 10 oz. declined to Rs. 40.60.

Prices of raw jute gave way by 50 nP, but sellers were not prepared to discount prices further and preferred the lack of business. Heavy rains fell this week in most jute districts of West Bengal and, as a result, retting facilities have considerably improved. This would be reflected on raw jute quality. Little notice was taken of reports of damage to crop following floods. For it was believed that damage, if there had been, should be only minor. So it was maintained that the crop would by all means record a higher figure than last year and that there would be an increase in the output of quality fibre. It is expected that, in this season, India would be fully self-sufficient and that token imports would be made from Pakistan only to maintain contacts. The latest quotations for the new crop for the different varieties are:

	Middles	Bottoms	Delivery
	Rs.	Rs.	
Pakistan:			
District ..	30.00	27.00	Sept.-Oct.
Northern ..	30.00	27.00	Do.
Indian:			
Northern ..	26.75	24.25	Do.
Assam ..	26.75	24.25	Do.
Orissa ..	29.00	26.50	Do.
Desal ..	25.50	23.00	Do.
Murshidabad ..	24.25	21.75	Do.
Jungli	23.50	21.00	Do.
Daisee	29.50	27.00	Do.
Uttar Pradesh ..	23.50	21.00	Do.
Daisee meets ..	24.75	22.25	Oct.-Nov.
Bimli f.a.q.		Rs. 21.25	Do.
Pucca bales 1st mark..		Rs. 157.50 ready per bale.	

LINSEED DULL

(Messrs. A. Bradley and Co.)

CALCUTTA, 1*st September*

Conditions in the linseed market were dull throughout the week under review. Prices showed no change and business put through was negligible. Supplies of seeds were still very poor, and, with crushers virtually keeping out of the market, little trading took place. Oil prices were maintained, despite slackness in demand. For supplies of goods in the hands of millers and stockists were scarce. Despite a recent improvement by £2 in the overseas price for linseed oil, Indian prices at £118 were still about £8 higher than buyers' indications.

The latest available quotations are: Ready Rs. 25-10 and September Rs. 25-8 per maund.

METALS EASY

(From Our Own Correspondent)

CALCUTTA, *2nd September*

Easy conditions were in evidence in the metal market during the week under review. Fair demand was absent, while supplies of "free" base metals were comfortable. Reports of easiness in both New York and London, following the announcement of an increase in production by Kennecotts, also contributed to weakening sentiment here. Buyers were very reserved, as they anticipated that, now that foreign exchange assistance to the tune of $350 million was considered a certainty, there would be more provision for the import of base metals. It was in this context that market circles read Mr. Lal Bahadur Shastri's announcement at the Import Advisory Council meeting that the announcement of import policy for the October 1958-March 1959 period would be delayed by about three weeks in order to frame the policy after knowing exactly the outcome of the Finance Minister's mission abroad. In the meantime, it was noted that the Controller of Non-ferrous Metals issued permits for electrolytic and blister copper to scheduled industries, and this, of course, eased the supply position of manufacturers.

In the scrap market here, both brass and copper scrap ruled easy, while, in finished products, Calcutta interests turned their attention to Bombay where copper wire was offering cheaper than in Calcutta. Electrolytic zinc opened at Rs. 67.50 and eased to Rs. 67.00. Demand was poor, as consumers had adequate stocks. Tin closed at Rs. 566, after opening at Rs. 567. Lead was quiet at Rs. 68.50.

SLOW CLEARANCE IN KIPS

(From Our Own Correspondent)

MADRAS, 1*st September*

There was no change in the kip market. U.K. importers did not improve their price levels but were only trying to buy at lower limits which were not workable for shippers to operate in the local market for F.A.Q. types. Sales of premium mark kips were not free, because tanners were trying higher prices in vain. Arrivals of kips were of moderate volume and clearance was slow. There was good demand for cow calf fourths and inferiors and buff calf all grades, but stocks were negligible. Due to brisk buying by exporters to the U.S.A., prices of buff hides remained firm.

In the tanned skins section, enquiries from the U.K. were small, due to the progress of public sales. Owing to good attendance of home and Continental buyers at the auctions, prices of goat skins, especially better class tannages, improved by 6*d.* to 12*d.* on May levels. Sales of tanned sheep skins will be taken up this week and the results are awaited with interest.

FOODGRAINS QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 1*st September*

Following the adoption of various fresh measures by the Government of India to check the rising trend in prices, the foodgrains market ruled quietly steady during the week under review. The movement of all foodgrains, including paddy and rice, which was hitherto banned for export from only 14 districts of east U.P., has now been completely banned from the entire State and an additional 25,000 tons have been assured as an *ad hoc* allocation, in addition to 60,000 tons a month which this State has been getting from the Centre.

Wheat at Hapur ruled quietly steady during the week. Average quality was quoted at Rs. 23 per maund and farm produce at Rs. 24. Although daily arrivals from producing areas were scanty, occasional arrivals of unauthorised wheat continued from the Punjab by road. These arrivals were mainly responsible for checking the bullish trend in wheat prices. Local trade stock of wheat was unchanged at one *khatti*, the corresponding figure last year being 42 *khatties* when wheat average quality was quoted at Rs. 15.87.

Rice, however, ruled quiet, thanks to the latest ban on export of rice and paddy from the entire State of U.P., coupled with good crop prospects. The prevailing prices were:—*Basmati sela* Rs. 40 to Rs. 42, *mainpuri* Rs. 30.50; coarse quality Rs. 26.50 per maund. Gram prices touched new heights due to firm advices from the Punjab, and local gram stocks with the trade were fast running down, due to good consumer demand. Barley and *bejhar* ruled quietly steady, while *jowar* and *guwar* were quiet in the absence of ready demand. Arrivals of new maize into the market has again been delayed, due to recent rains. The prevailing prices (in rupees per maund) on Monday were:—Gram *punjabi* 16.75; barley 16.12; *bejhar* 16; *jowar* 13 to 15; *guwar* 15; maize 16.

Ruling quiet earlier, pulses recorded a hardening trend due to good demand from east U.P. and Bihar. A heavy quantity of peas was being despatched to east U.P. and Bihar. *Arhar* registered sharp gains during the week, while other pulses were quietly steady. The week's offtake of peas was 12 *khatties*, leaving the balance stock of 96 *khatties*. The prevailing prices (in rupees per maund) were:—peas *dara* 14.56; *khatti* 14.50; farm quality 15.37; peas *dal* 15.75; *arhar* 18.37; *khatti* 18.25; *arhar dal* 23; *urd* 19 to 19.50; *moong* 25.50; *massor* 16.25.

SURVEY

(Concluded from page 383)

tackle the tasks of expansion. Mr. Patil's proposal appears to be sound and deserves an honest trial.

The post and telegraph communications provide employment to over 350,000 workers and run by a country-wide network of offices. It is easily one of the largest public utility undertakings in this country, next only to the Railways. Therefore, as was pertinently pointed out by Mr. Patil, if the Department functioned efficiently, it would be laying the foundation of a true Welfare State. Mr. Patil conceded that the Department incurred losses at present except in telephone services. The new set-up now contemplated, it may be hoped, would lead to better results through efficiency and economy in the services. Mr. Patil rightly stressed that it was necessary to reorganise the Department so as to make it self-sufficient and self-supporting. It might sound a little odd when it is said that the Department, though it has functioned for about 105 years, and claimed to be the largest *commercial-cum-utility* service in the country, is yet to attain the maturity to stand on its own feet. It is high time its revenue was separated from the General Revenue and subjected to stricter measure of control and judicious management.

There is no doubt that bureaucratic machinery has inevitably to operate under many limitations. As Mr. Patil himself pointed out, year after year, the grants set aside for the construction of buildings for the Department's offices in many parts of the country were being allowed to lapse because of the inability of the Central Public Works Department to execute them. The proposed autonomous body might well give a fresh impetus to the development of these essential services in the country. It is to be hoped that the new body will not be a merely pseudo-commercial institution but an active organisation, responsible to public need.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 29th August, 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	73,05,77,000
(2) Other Governments	20,51,79,000
(b) Banks	101,39,02,000
(c) Others	113,45,42,000
Bills Payable	8,59,15,000
Other Liabilities	10,38,84,000
Rupees	440,39,99,000

ASSETS	Rs.
Notes	23,28,77,000
Rupee Coin	1,53,000
Subsidiary Coin	2,93,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	3,26,59,000
Balances held abroad*	12,54,15,000
† Loans and Advances to Governments	12,89,94,000
Other Loans and Advances	50,03,22,000
Investments	329,32,63,000
Other Assets	9,00,23,000
Rupees	440,39,99,000

* Includes Cash and Short-term Securities.
† Includes Temporary overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 1,91,00,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	23,28,77,000	
Notes in circulation	1521,80,47,000	
Total Notes issued		1545,09,24,000
Total Liabilities		1545,09,24,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	174,67,56,000	
Total of A		292,43,59,000
B. Rupee Coin		138,26,94,000
Government of India Rupee Securities		1114,38,71,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1545,09,24,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	22nd August, 1958	A week ago	A month ago	A year ago R.
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1530 01	1550.72	1541.83	1483.59
Notes held in Banking Department	35.05	28.98	21.52	25.34	28.85
Foreign Securities	59.50	179.68	179.68	184.68	360.52
Rupee Securities	37.39	1124.32	1139.23	1129.88	901.97
Banking Department					
Deposits of:					
Government of India	14.89	62.69	63.59	70.14	65.30
Other Governments		25.31	16.82	28.66	5.88
Balances held abroad	10.08	10.10	14.86	12.53	24.92
SCHEDULED BANKS					
Demand Liabilities	134.36	747.28	751.43	769.09	712.83
		(26.55)†	(34.01)†	(31.40)†	(14.21)†
Time Liabilities	102.24	855.99	853.15	825.27	580.67
		(38.56)†	(36.83)†	(35.14)†	(5.42)†
Borrowings from Reserve Bank	..	2.59	4.50	9.67	41.99
		(1.93)‡	(3.28)‡	(7.80)‡	(37.04)‡
Borrowings from State Bank	..	3.77	3.43	4.47	3.14
Cash in India	6.70	37.77	39.14	38.12	38.94
Balances with Reserve Bank	25.17	101.09	92.96	102.70	74.65
Excess over statutory limits	15.52	46.61	38.33	47.74	27.40
Balances with other banks in current account in India	..	12.71	12.59	12.02	10.41
Money at call and short notice in India	..	55.06	63.01	57.02	26.99
Investments (at book value)	..	563.87	553.81	536.93	370.35
Advances and bills	105.00	859.62	871.33	886.57	861.12
STATE BANK					
Deposits	87.76	438.14	436.01	445.73	328.89
Investments	51.99	237.98	233.74	225.71	134.92
Advances	30.35	168.46	170.56	177.34	162.20
Cash	14.69	44.32	42.74	50.35	42.42

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R = Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1955	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	3	2
Ceylon	11th June, 1954	3	2½
Chile	Feb., 1957	4½	6
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	15th Aug., 1958	5	4½
Equador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	12th Aug., 1957	4	5
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	30th Sept., 1957	5	6
Italy	7th June, 1958	4	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1958	2½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portuzal	12th Jan., 1944	3	2½
South Afrika	29th Sept., 1955	4	4½
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	7	7
Turkey	6th June, 1956	4½	6
United Kingdom	14th Aug., 1958	5	4½
U.S.S.R.	1st July, 1936	2	4
U.S.A.	18th April, 1958	2½	1½
West Germany	27th June, 1958	3½	3

State Bank of India

Statement of Affairs for the week ended 29th August 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		437,83,23,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		6,38,05,000
Bills for Collection being Bills Receivable as per contra		1,06,94,000
Acceptances, Endorsements and Other Obligations per contra		1,16,52,000
Other Liabilities (including Inter-Office Adjustments)		9,00,98,000
Total Rs.		467,70,72,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		42,90,22,000
Balances with other Banks		2,74,58,000
Money at Call and Short Notice		1,46,67,000
INVESTMENTS: Rs.		
Government and other Trustee Securities	228,80,14,000	
Other Authorised Investments	11,25,96,000	
		240,06,10,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	155,79,00,000	
Bills Discounted and Purchased	10,44,72,000	
		166,23,72,000
Bills Receivable being Bills for Collection as per contra		1,06,94,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,16,52,000
Premises less Depreciation		1,20,68,000
Furniture and Fixtures less Depreciation		93,95,000
Other Assets (including Inter-Office Adjustments)		9,91,34,000
Total Rs.		467,70,72,000

Scheduled Banks*

Statement of Affairs for the week ended 22nd Aug., 1958

		Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		26,54,76,000
(ii) Other demand liabilities		720,72,80,000
Time Liabilities in India: 5.11 7.56		
(i) Borrowings from banks other than the State Bank and a notified bank†		38,56,18,000
(ii) Other time liabilities		817,40,23,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		3,45,19,000
(ii) Time liabilities		31,43,000
Borrowings in India from the Reserve Bank of India†		2,58,95,000 (1,93,00,000)
Cash in India		37,76,98,000
Balances with the Reserve Bank in India		101,08,94,000
Balances with other banks in current account in India		12,71,49,000
Money at call and short notice in India		55,06,40,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		563,86,50,000
Advances in India		737,08,04,000
Inland Bills purchased and discounted in India		85,56,23,000
Foreign Bills purchased and discounted in India		38,97,84,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	March		Twelve months, April to March	
	1957	1958	1956-57	1957-58
Import Duties:				
Revenue	14 42	0.84	130 49	138 00
Protective	1.06	1.49	12 55	11.72
On surplus disposals	0 02	—	0 14	0 06
Total import duties	15 50	11.33	143 18	149 77
Export Duties	1 69	1 40	30 07	24 31
Land Customs	0.39	0 14	2 66	3 71
*Air Customs**	—	0 07	....	2 02
Miscellaneous	0 09	0 14	1 13	1 38
Gross Total Customs	17 67	13 08	177 04	181 19
Refunds and Drawbacks	0 39	0 41	3 13	3 67
Net Customs	17 28	12 67	173 91	176 52
Gross Excise	17 65	26 05	188 56	272 88
Refunds	0 23	0 35	2 24	3 37
Net Excise	17 42	25 70	186 32	269 51
Net total of customs and excise†	34 70	38 37	360 23	446 03

† Net Customs plus net Excise.
* Figures for Air customs prior to August 1957 not available.

State Bank of Pakistan

Statement of Affairs for the week ended 22nd August 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	74,66,87,000
(b) Provincial Governments	92,57,000
(c) Banks	26,35,22,000
(d) Others	5,65,62,000
Bills Payable	23,31,000
Other Liabilities	8,60,20,000
Rupees	122,52,88,000

ASSETS	Rs.
Notes	12,75,34,000
Rupee Coin	48,000
Subsidiary Coin	39,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	53,07,000
Balances held outside Pakistan	20,20,77,000
Loans and Advances to Governments	1,00,00,000
Provincial Governments' Debtor Balances	6,47,000
Other Loans and Advances	3,55,39,000
Investments	76,44,30,000
Other Assets	7,96,67,000
Rupees	122,52,88,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,75,34,000	
Notes in circulation	321,99,74,000	
Total Notes issued	....	334,75,08,000
Total Liabilities	....	334,75,08,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,03,63,000	
Silver Bullion	....	
Approved Foreign Exchange	48,71,38,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
		103,37,31,000
B. Rupee Coin	5,21,87,000	
Government of Pakistan Securities	220,25,84,000	
Internal bills of exchange and other commercial paper	....	
		225,47,71,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	334,75,08,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued: 32·56 per cent.

EXCHANGE RATES

	3rd September, 1958	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	477.75	477.00
Buyers T.T. Rs.	474.25	473.75
London on New York $	2.80½-2.80¾	2.80¼-2.80½
London on Paris Frs.	1,178½	1,178½
London on Berne Sw. Frs.	12.20½-12.20¾	12.20¾-12.21
New York on London $	2.80¼-2.80½	2.80¼-2.80½

CLEARING HOUSE RETURNS

Centre	Week ended 29th August, 1958		Week ended 22nd August, 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,65,560	59,30,14,000	3,18,476	78,96,08,000
Calcutta	1,68,000	59,25,00,000	1,74,000	65,72,00,000
Madras	66,760	8,55,97,561	88,225	10,18,42,456
All Centres—				
1956-57	....	....	40,08,000	87,24,35,00,000
1957-58	....	....	41,671,000	89,54,66,00,000
Mar., 1958	....	....	3,784,000	8,72,62,00,000
Apr., "	....	....	3,831,000	7,91,04,00,000
May, "	....	....	3,823,000	7,90,02,00,000

INDEX NUMBERS OF WHOLESALE PRICES (Base: 1952-53=100)

Particulars	Weight	16th Aug. 1958	9th Aug. 1958	17th Aug. 1957	June 1958	June 1957	Percentage of Increase (+) or Decrease (−) in June 1958 as compared with June 1957	Financial Year Average 1957-58	1956-57
Food Articles	504	119 7	119 4 R	113 2	113 4	109 4	+ 3 7	108 4	102 3R
Cereals	192	113 2	112 4 R	106 6	105 5	103 8	+ 1 6	101	96
Pulses	43	100 5	99 8	85 1	91 2 R	85 7	+ 6 4	83	81
Fruits and Vegetables	23	123 8	121 8	142	131 5 R	127 3	−12 4	114	112
Milk and Ghee	84	109 8	110 1	109 5	111 1 R	108 6	+ 2 3	106	100
Edible Oils	47	128 6	129 3 R	131 2	122 9	128 5	− 4 4	125	98
Fish, Eggs and Meat	17	110 9	114 6 R	101	106 7 R	95 1	+ 11 2	98	97
Sugar and *Gur*	48	136 3	134 8 R	110 5	125 7 R	109 8	+ 14 1	108	98
Others	50	153 0	153 3 R	132 6	149 2	131 9	+ 13 9	131	128
Liquor and Tobacco	21	90 7	88 4	92 0	92 1	92 3	− 0 2	94 0	86 3
Tobacco	—	88 8	87 4	90 2	90 3	90 5	− 0 2	93	85
Fuel, Power, Light and Lubricants	30	116 8	116 6	115 0	116 6	112 9	+ 3 2	113 6	104 2R
Industrial Raw Materials	168	118 7	119 0	120 1	115 3	121 4	− 5 0	116 5	116 0
Fibres	61	111 7	111 6	121 3	109 9 R	125 9	−12 7	118	116
Oilseeds	60	132 7	133 2	125 6	123 7	125 3	− 1 3	120	120
Minerals	2	107 3*	107 3*	100 3	107 3*	99 7	+ 7 6	102	102
Others	45	90 0*	90 0*	108 0	108 0	110 4	− 4 0	108	109
Manufactures	298	109 0	109 9 R	108 5	107 9	108 8	− 0 8	108 1	106 3
Intermediate Products	41	112 4	112 6	108 0	109 3	108 9	+ 0 4	107 3	110 9
Finished Products	249	108 5	108 3 R	108 6	107 6	108 5	− 0 8	108 2	105 6
Textiles	147	104 5	104 3 R	107 9	103 7	108 6	− 4 5	107	108
Cotton	—	111 7	111 2 R	116 9	113	116 5	− 2 9	116	116
Jute	—	90 4	90 6	96 8	86 1	90 4	−13 4	96	98
Woollen	—	100 0	105 0	108 0	104 6	108 0	− 1 6	105	98
Silk and Rayon	—	95 7*	95 7*	83 4	90 7*	86 0*	+ 5 5	86	88
Metal Products	12	143 0	143 0	143 8	143 0	141 0	+ 1 4	141	80
Chemicals	20	104 7	105 3	98 2	108 7 R	97 9	+ 5 0	98	98
Oil cakes	10	138 6	135 1	113 0*	125 5	110 3	+16 5	115	106
Machinery and Transport Equipment	31	103 4	103 4	101 7	103 0	101 1	+ 1 9	102	99
Others	30	113 5	113 5	110 5	113 4	109 2	+ 3 8	110	101
All Commodities	1,000	115 7	115 6 R	112 0	111 7	110 7	+ 0 9	108 4	105 3R

NOTE:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised * Provisional — Not available

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1956-57	1955-56	(In thousand tons) 1956-57	1955-56
Cereals—					
Rice	final	79 027†	79 320††	24 821†	28 282††
Wheat	final	29,057†	33,580††	7,654†	9,313††
Jowar	final	41 411†	40,307††	8,666†	7,249††
Bajra	final	27,453†	27,884††	3,565†	2,885††
Barley	final	7,531†	8,726††	2,175†	2,827††
Maize	final	9,762†	9,197††	3,064†	3,009††
Ragi	final	5,897†	5,831††	1 716†	1,715††
Small millets	final	11,979†	12,230††	1,759†	1,961††
Total cereals	final	212,717†	217,135††	52,810†	57,245††
Pulses—					
Gram	final	22,405†	24,265††	4,754†	6,264††
Tur	final	5,598†	5,680††	1,396†	1,954††
Other Kharif pulses§	final	15,872†	16,484††	1,401†	1,515††
Rabi pulses‡	final	11,443	11 703	1,794	2 038
Total pulses	final	57,296	57,904	11 435	10 831
Total foodgrains		272 937	271,146	68,686	65,287
Oilseeds—					
Groundnut	final	14,457†	13,450††	4,271†	4,200††
Castorseed	final	1,925†	1,415††	97†	124††
Sesamum	final	5,268†	5,446††	363†	442††
Rape and Mustard	final	6,050†	6,311††	905†	1,026††
Linseed	final	3,318†	4,156††	271†	384†
Total oilseeds	final	30,418†	30,778††	5,907†	6,176††
Fibres—					
Cotton*	final	20,158†	19,893††	4,753†	4,735††
Jute A.	final	1,754†	1,904††	4,096†	4,258††
Mesta A.	final	726†	733††	1,211†	1,478††
Other crops—					
Potato	final	702	691	1 674	1 830
Sugarcane	final	5,021†	5,057††	63,954†	66,998††
Ginger (Dry)	final	39†	39††	14†	15††
Pepper (Black)	final	229†	221††	28†	27††
Chillies (Dry)	final	1,534†	1,476††	355†	342††
Tobacco	final	1 022	1,013	806	295

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Grain and Tur.
A In thousand bales of 400 lbs. each. † Refers to 1957-58
†† Refers to 1956-57.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	Jan. to Dec. 1956	Jan. to May 1958	Jan. to May 1957
Exports	637,74	58,804	230,37	263,57
Re-exports	5.11	7.56	3,50	1.86
Total Exports	642,85	595.60	233 87	265,43
Imports	1025,83	813,68	326,12	411,44
Overall Balance of Trade	−382,97	−218,08	−92,25	−146,01
Exports—				
Tea	123,40	142,43	41,38	45,88
Jute yarns and manufactures	114.48	112,52	39,87	55,96
Cotton yarns and manufactures	68.58	62,23	23,56	17,22
Metallic ores and scrap iron or steel for re-manufacture	49,80	28,30	15,44	21,42
Cotton, raw and waste	18,66	25,09	8,61	11,58
Oils—vegetable, mineral and animal	19,31	24,51	9,07	7,98
Fruits and vegetables	18 93	18,03	8,18	7,01
Tobacco	12,83	13,30	10,00	7,75
Mica	8,67	8,75	3 70	3,82
Wool—Raw	11,73	10,04	3,02	4,98
Gums, resins and lac	8,59	11 19	3,49	3,57
Spices	8,43	9,56	4 12	4,64
Hides and skins, raw	6,99	6,07	3,29	3,52
Imports—				
Machinery of all kinds	232,97	150,12	89,27	89,99
Metals—Iron and steel and manufactures thereof	146,98	122,40	43,14	64 45
Oils—vegetable, mineral and animal	113,38	74,60	6,89	44,32
Cotton raw and waste	48,62	53,01	15,68	27.15
Chemicals, drugs and medicines	76,77	43,14	26 35	30,78
Electrical goods and apparatus	61,14	26,15	23,22	22,48
Paper, pasteboard, etc.	13,11	15,99	3,50	5,59
Vehicles (excluding aircraft, ships and boats)	71,35	69,91	21,70	28,57
Fruits and vegetables	21 27	12,66	7,00	9 19
Spices	2,93	8,10	81	1,23
Dyes and colours	13,87	16,37	3,27	6,33
Woollen and worsted fabrics	1,31	2,18	17	32
Cotton fabrics	2,37	2,39	41	1,19

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During July, 1958	89 8
	Corresponding month, 1957	85 9
	Twelve months ended June, 1958	1,056 2
	Corresponding period, 1957	1,025 2
Stocks	At the end of July, 1958	122 2
	Corresponding month, 1957	108 4
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1955-56	857 2
	1956-57	852 5
	June 1957	63 0
	June 1958	46 0
	1955-56	190 0
	1956-57	179 0
For Internal Consumption	June 1957	10 2
	June 1958	13 8
	RAW JUTE	(In lakh bales)
Consumption by Mills	July, 1958	5 21
	Corresponding month, 1957	4 98
	Twelve months ended June 1958	61 26
	Corresponding period, 1957	59 46

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated‡	Total Units Sold
1955-56	715	8,805 3	7,385 3
1956-57	760	9,877 3	8,182 1
1957-58	834	11,176 9	9,011 1
January 1957	765	868 7	711 7
February "	767	811 9	677 7
March "	769	874 6	716 5
January 1958	825	973 6	788 1
February "	828	910 7	748 2
March "	834	969 9	791 8

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period. *Source:*—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	517	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	610	427	30	389	52	180
1957-58	14,335	2,389	1,225	214	104	52	217	23	598	504	39	470	47	184
May 1957	2,460	389	219	43	21	13	34	4	129	77	6	69	4	33
June "	3,562	561	334	57	30	18	48	5	164	109	9	101	7	48
July "	4,662	756	438	72	35	21	58	7	183	145	11	138	13	62
August "	5,781	957	539	84	39	25	67	8	208	183	13	177	19	81
September "	6,893	1,152	628	93	42	30	87	10	223	220	15	219	25	101
October "	8,056	1,366	736	107	46	34	109	13	241	263	19	261	31	120
November "	9,240	1,566	844	129	53	37	137	16	273	309	24	302	37	134
December "	10,506	1,766	941	152	64	40	162	18	354	360	28	350	42	146
January 1958	11,814	1,979	1,038	174	80	44	186	21	438	413	32	394	45	161
February "	13 011	2,172	1,123	191	93	49	202	23	519	456	36	435	46	176
March "	14,335	2,389	1,225	214	104	52	217	25	596	504	39	476	47	194
April "	1,238	220	111	23	9	4	15	2	34	45	2	40	1	15
May "	2,438	431	234	40	18	7	28	4	52	88	5	78	4	27

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are provisional. Wagons (1 B. G.=2 M. G.) and incorporate revision in respect of earlier months. *Source*:—Ministry of Railways.
* Including sugarcane from November, 1955.

INDUSTRIAL PRODUCTION

Industries	Unit	1957	Jan. to April 1957	Jan. to April 1958*	March 1958	April 1958*	April 1957
Major industries—							
Coal	million tons	43.54	14.52	15.16	3.70	3 80	3.72
Steel (Ingots and Metal for castings)	thousand tons	1,715	438†	462†	151	—	145
Yarn	million lbs.	1,799	604	554	138	134	154
Cloth	million yds.	5,317	1,836	1,641	406	408	464
Cement	million tons	5 60	1 83	2 21	0 58	0.54	0 46
Jute	thousand tons	1,030	341	357	85	88	87
Paper and paper boards	tons	210,132	50,753†	59,608†	20,701	—	16,874
Matches	cases	578,400	147,800†	138,300†	41,800	—	49,700
Sugar	thousand tons	2,068	1,093†	1,219†	378	—	153
Engineering and Electric industries—							
Machine tools	Value in lakhs of Rs.	250.59	50 78†	116 30†	41 01	—	12.68
Electric lamps	millions	33.15	11 42	9 09	2 39	2.28	2 77
Dry cells	millions	156 56	45 46†	36 79†	10 65	—	14 30
Power transformers	k.v.a.	1,219,200	297,100†	311,700†	113,300	—	97,300
Electric Motors	h.p.	469,200	104,300†	141,900†	51,800	—	38,600
Electric fans	Nos.	524,400	165,300	209,500	54,300	53,400	46,700
Radio receivers	Nos.	190,272	62,147	64,019	15,772	17,406	20,138
Storage batteries	Nos.	324,000	108,800	109,500	29,400	28,400	26,500
Copper conductors	tons	8,856	2,379†	1,828†	636	—	805
Winding wires	tons	1,922	238†	335†	119	—	71
Rubber and plastic Ins. cables and flexibles	million yds.	103 20	25 93†	28 72†	10 66	—	8.97
Insulators—H.T.	Nos.	186,000	14,100†	116,100†	30,600	—	7,700
Insulators—L.T.	million Nos.	4 59	1 12†	1 19†	0 41	—	0 45
Diesel engines—Vehicular	Nos.	3,336	1,391	1,253	406	313	273
Do —Stationary	Nos.	16,548	3,219†	5,800†	1,789	—	1,440
Chemical industries—							
Salt	million mds.	98.70	30 08	40 68	11 39	19.04	14.68
Caustic soda	tons	42,708	11,105†	11,953†	4,119	—	3,559
Soda ash	tons	91,920	31,707	32,289	8,664	6,993	7,509
Chlorine liquid	tons	15,696	5,491	4,786	1,397	979	1,246
Bleaching powder	tons	5,340	1,662	2,133	570	539	247
Bichromates	tons	3,672	873†	862†	319	—	272
Sulphuric acid	tons	191,688	42,325†	54,072†	19,167	—	13,379
Superphosphate	tons	141,000	26,

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series [1952-53=100]

Group and Sub-Group	Week ended 23rd Aug., 1958	16th Aug., 1958	25th July, 1958	24th Aug., 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.8	99.6	99.3	98.2
2. Government of India	99.7	99.5	99.1	97.9
3. State Government	101.1	101.0	100.6	100.0
4. Municipal, Port Trust, etc.	98.8	98.8	98.8	99.3
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.1	99.1	99.2	101.4
6. Plantations	100.0	100.0	99.9	100.1
7. Coal	99.6	99.6	99.6	100.4
8. Sugar	99.0	99.0	99.0	100.6
9. Cotton Textiles	97.4	97.4	97.5	100.2
10. Jute Textiles	90.5	89.7	92.9	98.1
11. General Engineering	98.0	97.9	97.8	101.3
12. Electricity Generation and Supply	96.5	96.5	96.5	98.8
13. Others	101.3	101.3	101.2	102.9
PREFERENCE SHARES—ALL INDIA.				
14. Total	87.1	87.0	86.4	90.5
15. Plantations	96.2	95.9	95.2	104.8
16. *Mining & Quarrying: Total*@	85.6	85.4	85.0	90.6
17. Coal	75.2	74.9	74.9	83.7
18. *Processing and Mfg.: Total**	88.6	88.9	88.2	90.9
19. Sugar	88.6	88.3	88.2	96.5
20. Cotton Textiles	79.7	80.3	80.2	90.1
21. Jute Textiles	72.6	73.1	72.7	76.9
22. Iron and Steel	91.6	91.2	90.5	90.5
23. General Engineering	98.8	98.8	98.5	111.0
24. Basic Industrial Chemicals	85.7	85.3	85.0	96.9
25. Cement	99.6	100.5	97.6	99.2
26. Paper	84.3	84.4	83.8	92.9
27. *Other Industries: Total**	85.8	85.4	84.7	84.2
28. Electricity Generation and Supply	88.2	87.7	87.4	85.7
29. Trading	78.8	78.9	76.6	78.1
30. Shipping and Other Transport	85.2	85.2	85.2	86.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	141.2	139.3	137.4	129.2
32. *Agriculture and Allied Activities: Total**	155.7	154.8	154.9	158.1
33. Tea Plantations	149.6	149.5	150.9	156.0
34. Coffee Plantations	226.1	225.6	210.6	165.1
35. Rubber Plantations	154.5	153.7	151.4	145.8
36. *Mining and Quarrying: Total*	148.8	146.8	142.2	129.4
37. Coal	111.9	110.0	102.8	87.3
38. Other Mining	174.1	172.0	169.2	158.2
39. *Processing and Manufacturing: Total*	140.3	138.5	136.5	129.1
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	128.4	127.5	127.8	126.8
41. Sugar	169.3	165.5	164.1	168.0
42. Cotton Textiles	119.6	119.0	119.7	127.4
43. Jute Textiles	78.0	77.9	76.4	62.6
44. Silk and Woollen	412.8	411.4	409.6	340.0
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	153.8	150.4	147.1	131.7
46. Iron and Steel	148.2	144.9	139.2	114.1
47. Transport Equipment	202.5	201.3	204.0	188.4
48. Electrical Machinery	148.5	145.1	144 1	173.8
49. Machinery other than Transport and Electrical	163.9	161.0	157.3	151.5
50. Basic Industrial Chemicals	125.3	124.8	125.8	113.9
51. *Processing and Mfg. (Others): Total**	151.9	149.8	144.8	133.0
52. Cement	143.2	142.0	139.4	130.8
53. Paper	196.6	193.3	182.8	161.9
54. *Other Industries: Total**	114.3	111.7	110.2	105.9
55. Electricity Generation and Supply	94.1	92.4	91.6	88.5
56. Trading	90.5	89.5	89.4	82.2
57. Shipping and Other Transport	141.7	138.3	133.8	124.6
58. Construction	222.8	217.2	219.0	203.0
59. *Financial: Total*	175.9	173.2	171.1	146.3
60. Banks	197.9	195.9	193.2	160.8
61. Insurance	126.1	126.8	128.0	106.5
62. Investment Trusts	87.7	81.8	78.1	87.0
63. Bombay	145.6	142.7	140.4	126.2
64. Calcutta	136.2	134.9	132.8	124.8
65. Madras	152.9	151.9	151.1	156.6
66. Delhi	170.3	169 7	168.1	153.5

*Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,73,400	7,97,500
Do. 31st March, 1958	10,93,208	11,06,800	7,88,900
June 1957	84,500	77,300	52,800
July "	88,800	88,300	66,600
Aug. "	88,700	85,500	63,100
June 1958	84,900	85,700	62,900
July "	1,02,200	1,06,100	68,600
Aug. "	99,500	108,600	70,300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,32,815	4,41,483
Do. 31st March, 1958	7,88,945	6,07,580	4,10,548
Three months ended Mar., 1957	1,85,857	1,29,830	1,20,578
" " June, 1957	1,72,225	1,29,651	1,04,801
" " Mar., 1958	1,99,889	1,35,563	1,06,501
" " June 1958	2,14,469	1,21,988	1,01,014

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes†	Total of average Number of workers involved	Number of man-days lost
1956	1,203	715,130	6,992,040
1957	1,680	889,371	6,429,319
January 1958	147	56,492	371,125
February "	152	99,482††	447,586††
March "	167	85,462††	818,824††
April "	170	61,489	5,30,152
May "	160	57,577	5,66,159†

† Not known in 16 cases. †† Not known in 4 cases.
‡ In progress during the month

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India†	'56-'57	387.68	..	11,010	284
Pakistan†‡	'56-'57	83.50	..	2,079	249
Burma	1956	19.80	Kyats 4,336	565	285
Ceylon	1956	8.33	..	975	117
Japan	1956	90.00	Y. 7,427,000	9,283	1,031
Philippines	1956	22.20	Ps. 8,335	1,965	894
New Zealand	1956	2.17	£ (N.Z.) 884	1,178	5,426
Australia	1957	9.60	£ (A.) 4,599	4,393	5,096
U.K.	1956	51.20	£ 16,465	21,953	4,287
U.S.A.	1956	168.09	$ 343,600	163,554	9,731
Canada	1956	16.90	$ 22,710	10,787	6,743
France	1956	43.60	F.Fr. 13,900,000	17,640	4,046
W. Germany	1956	51.40	Dm. 158,000	18,057	3,513
Italy	1956	48.10	Lr.1 11,476,000	8,760	1,821
Norway	1956	3.46	Kr. 120,900	1,428	4,585
Sweden	1956	7.30	Kr. 44,580	4,127	5,653
Netherlands	1956	10.80	Grs. 22,400	3,215	2,977
Denmark	1956	4.46	Kr. 24,950	1,690	3,789
Switzerland	1956	5.00	Sw. Fr. 25,580	2,807	5,614

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the 5th issue of the annual paper on national income issued by the Central [illegible] organisation.
‡ Speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98
1955 "	96	338	217	240	78	96	321	99	99	83	87	98	88
1956 "	105	352	244	316	89	105	347	111	109	95	96	106	100
1957 "	111	369	259	339	94	112	364	116	114	99	103	115	107
February 1957	107	357	253	341	92	109	350	114	114	100	100	107	105
March "	107	356	254	330	91	110	348	114	114	99	99	107	105
April "	108	358	256	333	89	110	345	114	112	95	102	110	107
May "	110	363	257	337	92	111	352	114	114	96	104	113	108
June "	112	370	259	339	93	112	371	115	115	98	103	113	111
July "	112	376	263	345	95	112	371	116	115	98	103	119	109
February 1958	110	359	243	297	89	115	364	120	108	95	103	118	105
March "	110	381	253	293	89	115	368	119	108	96	102	119	105
April "	111	389	261	295	91	116	368	119	107	96	100	118	106
May "	113	387	263	295	93	117†	371	120	108	97	101	119	107
June "	114†	396	273	307	..	..	378	..	111	101	103	120	113
July "	..	407	285	317	..	..	..	..	..	..	..	..	..

† Provisional

SMALL SAVINGS (In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	10-Year Treasury Savings Deposit Certificates 4% G Receipts	10-Year Treasury Savings Deposit Certificates 4% G Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings H
1952-53	..	..	..	..	..	113,35	32,03	..	—31,07	25,54	..	..	..	..	146,88	211,05
1953-54	..	..	..	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	255,96
1954-55	..	..	..	..	..	134,94	130,86	7,38	—36,35	37,15	..	..	55	54	177,35	310,20
1955-56	..	..	..	..	..	158,11	167,35	16,35	—37,68	41,23	..	..	45	95	208,53	350,04
1956-57	..	..	..	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,82	225,88	440,17
1957-58	..	..	..	71,39	71,39	172,40	207,96	28,13	—39,71	45,58	5,88	5,88	63	1,87	256,80	504,23
1957																
August	..	..	..	5,03	13,31	12,64	201,68	25,61	—39,18	44,27	52	1,76	3	1,42	17,91	456,80
September	..	..	..	6,80	20,17	14,08	203,17	25,17	—39,26	44,14	68	2,89	4	1,46	21,54	465,72
October	..	..	..	6,17	26,38	13,51	202,88	24,81	—39,35	44,07	42	2,31	2	1,47	19,12	468,94
November	..	..	..	6,48	32,82	13,25	202,58	24,47	—39,38	43,96	49	3,29	2	1,49	20,24	469,63
December	..	..	..	6,61	39,23	18,00	206,55	24,14	—39,47	43,89	46	3,76	2	1,50	19,90	473,63
1958																
January	..	..	..	7,95	47,18	13,88	202,54	23,77	—39,55	43,80	68	4,44	18	1,68	22,68	479,29
February	..	..	..	5,43	57,42	14,22	203,12	23,45	—39,62	43,69	74	5,18	9	1,75	25,29	487,89
March	..	..	..	7,59	71,39	19,39	207,96	22,13	—39,71	43,58	70	5,88	12	1,87	34,66	504,23
April	..	..	..	4,55	14,45	16,27	208,29	22,87	—39,80	43,47	77	6,65	11	1,97	32,71	509,48
May	..	..	..	5,84	83,75	15,22	206,71	22,60	—39,88	43,37	87	7,22	5	2,01	21,68	511,66

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued From June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947 F—No sales from June 1, 1957. G—From July, 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included.

† Provisional.

GOVERNMENT SECURITIES

TERMINABLE LOANS

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
4 % Bond	1926-32	62,36,26,000	1960-70	100.60
3 % Loan	1932-39	116,17,46,000	1965-85	96.60
3 % Loan	1850	30,89,19,068	1964	96.60
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	98.95
2½ % Def. Loan	1944	1,15,64,53,000	1970-75	89.25
2 % Rnd'Y.Loan	1945	1,13,65,84,000	1959-61	99.80
2½ % Loan	1946	45,62,07,900	1960	98.95
2½ % Loan	1946	57,00,69,000	1961	97.90
2½ % Loan	1946	14,77,43,000	1972	88.20
2½ % Loan	1947	75,84,72,600	1962	96.65
2½ % N.P. Bonds	1953	78,29,00,000	1961	100.20
2½ % N.P. Loan	1954	1,58,17,90,800	1964	100.05
2½ % N.P. Bonds (2nd Series)	1955	1,06,87,86,000	1965	99.75
2½ % Loan	1956	87,27,36,000	1962	99.10
2½ % N. T. Bonds	1956	88,81,83,000	1967	98.80
2½ % Loan	1956	66,65,58,000	1974	98.80
2½ % N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100.30
4 % Loan	1957	49,17,27,000	1972	100.45
2½ % Loan	1958	58,06,06,000	1962	100.05
2½ % Loan N.P.B.	1958	34,84,00,000	1968	100.20
4 % Loan	1958	49,47,99,000	1973	100 25

NON-TERMINABLE LOANS

3½ % Loan	1896-97	3,93,24,000	M.	73.75
3 % Loan	1946	2 48,91,37,000	K.	73.75

STATE LOANS

4 % Andhra	1955	5,00,16,000	1st Sept. 1967	99.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	99.00
4½ % Andhra	1958	5,00,00,000	15th July 1970	100.35
3 % Bombay	1949	4,49,65,000	1st Aug. 1962	98.25
3 % Bombay	1950	2,85,50,000	31st July 1959	99.00
2½ % Bombay	1951	2,87,58,000	17th Sept. 1962	98.25
4 % Bombay	1953	5,19,35,000	15th July 1963	100.00
4 % Bombay	1953	3,45,55,000	1st Aug. 1964	100.00
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	99.50
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	98.50
4½ % Bombay	1957	6,57,00,000	16th Sept. 1968	101.00
4½ % Bombay	1958	5,00,00,000	15th July 1970	100.90
4½ % Bombay	1958	5,00,00,000	15th July 1971	100.60
4 % Bihar	1955	1,54,92,000	1st Sept. 1967	99.00
4 % Bihar	1956	2,71,41,000	3rd Sept. 1968	98.80
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99.00
3½ % Cochin	1948	30,00,000	1st June 1956-61	98.00
1957				
Kerala (New)	1956-57	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	99.00
4 % Hyderabad	1956	2,12,86,000	3rd Sept. 1968	99.00
3 % Madras	1949	1,53,76,000	21st June 1960	99.30
3 % Madras	1945	2,78,44,000	14th Sept. 1960	98.85
2½ % Madras	1946	2,81,77,800	1st Sept. 1961	97.50
4 % Madras	1950	2,28,75,000	31st July 1960	98.95
2½ % Madras	1951	2,81,49,500	17th Sept. 1962	98.60
4 % Madras	1953	10,25,71,000	15th July 1963	100.05
4 % Madras	1952	5,84,81,800	1st Aug. 1964	100.00
4 % Madras	1954	10,47,17,000	1st Sept. 1967	99.20
4 % Madras	1956	13,85,54,000	3rd Sept. 1968	99.00
4½ % Madras	1958	5,00,00,000	15th July 1970	100.50
3 % Mysore(f)	1948	2,95,75,900	1st Dec. 1958-61	101.25
3 % Mysore(f)	1949	4,89,17,800	30th Apr. 1956-61	99.30
4 % Mysore	1953	3,28,67,000	15th July 1963	100.00
4 % Mysore	1954	2,84,94,000	1st Sept. 1967	99.20
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	99.00
4½ % Mysore	1957	3,35,78,000	16th Sept. 1969	100.50
4½ % Mysore	1958	5,00,00,000	15th July 1970	100.50
3 % M.P.	1948	2,06,33,000	18th Sept. 1958	98.50
3 % M.P.	1950	1,01,45,000	31st July 1960	98.50
2½ % M.P.	1951	1,92,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,18,18,000	15th July 1963	99.75
4 % M.P.	1954	1,28,13,000	1st Sept. 1967	99.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	99.00
4½ % M.P.	1956	2,00,00,000	15th July 1970	100.25
4 % Saurashtra	1950	1,61,66,000	1st Sept. 1967	99.00
4 % Saurashtra	1956	2,74,84,000	3rd Sept. 1968	99.00
4½ % Trav. Cochin	1954	2,25,61,000	15th July 1968	99.10
4½ % Trav. Cochin	1956	2,22,03,000	3rd Sept. 1968	98.25
4 % U.P.	1956	61,44,79,000Z		48.75
3 % U.P.	1948	1,58,59,800	16th Sept. 1961-66	91.00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98.80
3 % U.P.	1948	2,14,33,000	1st Sept. 1961	97.50
2½ % U.P.	1951	1,87,98,000	17th Sept. 1962	98.30
4 % U.P.	1952	3,89,14,000	1st Aug. 1964	100.00
4 % U.P.	1953	5,56,25,000	15th July 1963	100.00
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	99.00
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	99.00
4½ % U.P.	1958	7,00,00,000	15th July1970	100.40
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	99.00
4½ % Rajasthan	1958	2,50,00,000	15th July 1970	100.35
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.75
4½ % Orissa	1958	3,00,00,000	15th July 1970	100.35

PORT TRUST LOANS

Amount	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
56,50,000	4	1904	1964	Rs.
55,00,000	4	1906	1965	
15,00,000	4	1906	1965	
64,00,000	4	1907	1968	97.75 F
75,00,000	4	1908	1968	96.10N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1973	
1,10,00,000	4	1912	1973	
14,15,975	4	1912*	1960	D
21,00,000	4	1913	1974	97.50
63,85,000	4	1914	1974	96.00N
63,85,000	4	1914	1975	96.00N
16,00,000	4	1916*	1960	
16,00,000	4	1916*	1961	
61,61,000	4	1916*	1962	
11,51,000	4	1924*	1960	
12,53,000	4	1925*	1961	
12,53,000	4	1926*	1962	D
13,50,000	4	1931*	1961	
13,50,000	4	1931*	1962	
24,53,000	4	1935*	1975	
15,00,000	3½	1936*	1966	
45,84,000	4	1936*	1966	
16,16,000	3½	1940*	1960	
7,00,000	3½	1941	1971	

STERLING LOANS

£666,600	1909	1968	95.50N
£333,000	1910	1970	95.50N

CALCUTTA

Rs.				Rs.
98,34,200	4	1914	1974	97.75
74,99,100	4	1915	1975	97.75
1,50,00,000C	3½†	1921	1951	82.00
66,66,666C	6½	1921	1961	144.00N
50,00,000	5	1936	1956-58	101.00
50,00,000	4	1921	1961	95.00
50,00,000	3½	1925	1965	97.50
25,00,000	3	1938	1968-69	90.00
50,00,000	3	1939	1965	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1947	1977	84.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	82.75
50,00,000	3	1949	1959	98.25
1,00,00,000	3	1949	1959	98.50
50,00,000C	3	1950	1968	82.00
1,00,00,000	3	1950	1960	97.25
1,00,00,000	4	1951	1961	97.25
50,00,000	3	1951	1961	81.75
1,50,00,000	2½	1951	1961	96.50
84,00,000	4	1952	1962	100.00
50,00,000	4	1953	1963	97.25
98,00,000	4	1954	1965	97.25
77,00,000C	4	1955	1965	97.25
1,00,00,000	4	1956	1966	97.25
1,24,00,000	4½	1957	1967	99.50

STERLING LOANS

Rs.				Rs.
£666,600	5	1922	1962-63	£99.00
£333,000	5	1923	1963-64	£99.00
£333,100	5½	1923	1962	£91.00

MADRAS

Rs.				Rs.
25,46,275	3½	1947	1977	
9,65,000	3	1947	1977	A
5,00,000	3	1948	1978	
45,00,000	4½	1954	1964	

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
50,00,000	4	1902	1962	
40,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 F
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
13,00,000	4	1908	1968	
50,00,000	4	1909	1969	
50,00,000	4	1910	1970	97.50
50,00,000	4	1911	1971	F
40,00,000	4	1919	1979-79	118.00
66,00,000	5	1928	1958-59	
25,00,000	5	1928	1958-59	118.00N
25,00,000	5	1927	1941-76	98.00N
10,00,000	3	1916	1966	
CALCUTTA				
25,00,000	5½	1920	1959	102.00
50,00,000	4	1924	1964	99.00
25,00,000	5½	1928	1958	99.00
50,00,000	5	1928	1958	99.00
50,00,000	3	1927	1957	91.00
20,00,000	3	1928	1968-69	90.00
50,00,000	5	1928	1958	99.25
1,00,00,000	4	1954	1968	99.00
50,00,000	4½	1955	1968	99.75

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,00,000	4	1918-19	1974	97.00
10,00,000	5	1928	1958	101.50
25,00,000	5	1928	1958	101.50
25,21,500	5	1929	1959	101.50
2,25,00,000	3½	1947	1977	84.00
4,00,00,000	3½	1949	1979	84.00
4,00,00,000	3	1952	1964	98.25
2,50,00,000	3	1951	1966	98.25
1,25,00,000	4	1953	1963	98.25
1,00,00,000†	4	1953	1964	97.88
1,00,00,000†	4	1954	1966	97.75
1,00,00,000†	4	1954	1967	97.25
2,50,00,000	4	1955	1968	97.25
1,50,00,000	4	1956	1968	97.25
2,00,00,000	4½	1957	1969	100.15
CALCUTTA				
25,00,000	5	1928	1958	100.00
25,00,000	5	1929	1959	101.00
10,00,000	5½	1932	1962	108.00
23,01,000	3	1925	1965	94.00
50,00,000	3	1926	1966	90.00
47,50,000	3	1927	1967	90.50
17,54,400	3	1943	1968	90.00
31,10,000	3½	1943	1973	92.00
16,23,000	3½	1951	1961	97.50
55,55,500	3½	1951	1971	99.25
97,35,000	4	1953	1963	97.00
72,50,000	4½	1954	1979	100.00
2,32,72,000	4½	1957	1969	
87,00,00,000	4½	1958	1970	100.00
MADRAS				
15,00,000	3½	1951	1961	107.00
15,00,000	3½	1952	1962	107.50

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1955	1,04,77,000	15th July 1963	100.00
4 % M. Bharat	1956	1,11,58,000	3rd Sept. 1968	99.00
3½ % W. Bengal	1951	1,75,00,800	17th Sept. 1962	98.10
4 % W. Bengal	1952	3,00,00,000	1st Aug. 1964	99.85
4 % W. Bengal	1953	3,80,22,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000

STOCK & SHARE QUOTATIONS

Abbreviations :—D. = Deferred shares. P.O. = Preferred Ordinary shares. Y. = Accounts published yearly. H. = Accounts published half-yearly. P. = Company has Preference shares. T. = Company has Debentures. N. = Nominal quotations. x.d. = Ex. Dividend. c.d. = Cum. Dividend. I = Interim Dividend. f = Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciations is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share: 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
50,00,000	5,87,500	1,01,25,505	44,08,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	896	Apollo Mills	1.70	2	0.19	0.19			12	Y.
48,80,000	24,90,000	1,40,93,494	78,99,036	17,302	M.	50,596	1,031	B. R. Cotton Mills	25.25	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
2,96,98,000	3,42,88,483	7,95,30,951	3,93,39,819	55,708	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,480	3,646	Bombay Dyeing & Mfg. Co.	60.00	25	2.50*	2.50	2.50	0.75‡	12	Y.P.
10,00,000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	175.00	50	12.50	20.00	15.00	7.50	3	Y.P.
1,09,42,500	2,79,59,276	7,45,32,167	2,69,98,324	9,27,648	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	459.50xr	100	22.00	22.00	22.00		12	Y.
48,00,000	25,42,328	1,19,99,766	65,07,035	—83,06,097	V. J. Pilani (Chairman and Managing Director)	50,596	698	Colaba Land & Mill	29.25	100	*Nil*				12	Y.
28,00,000	28,37,709	90,59,554	54,08,586	66,029	Cowasjee Jehangir & Co., Ltd.	80,984	680	Coorla Spg. & Wvg.	135.00	100	7.50	12.50*			3	Y.
34,08,0000	34,00,485	1,18,54,400	62,25,976	2,28,479	Dawn Mills	85,000	928	Edward Textiles	262.50	250	15.00	—	7.50F	5.00	3	Y.
29,98,050	15,72,144	1,31,76,951	81,20,935	...	M.	46,668		Elphinstone Spg. & Wvg.	40.00	50	5.00	15.00	*Nil*		12	Y.P.
50,00,000	65,54,876	1,67,84,054	89,06,207	97,155	James Finlay & Co., Ltd.	45,996	886	Finlay Mills	286.00	100	20.00	20.00	20.00		12	Y.
50,08,000	48,96,022	94,91,910	61,37,387	10,283	James Finlay & Co., Ltd.	45,768	784	Gold Mohur Mills Ltd.	190.00	100	15.00	15.00	15.00		12	Y.
11,84,000	1,23,22,269	1,89,27,282	1,29,07,094	—6,87,028	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills.	4,800.00	1,000	300.00	325.00	350.00*	350.00	3	Y.P.
16,980									992.50	250	75.00	81.25	87.50*	87.50		
2,50,00,000	56,39,672	4,90,61,819	3,54,00,000	1,29,969	Agarwal & Co.	...	...	...	2,44,150	6,278	India United Mills	...	...	...	...	Y.
8,65,000	1,09,49,981	1,60,30,792	1,17,58,804	—1,16,454	M.	56,784	1,152	Indian Mfg.	4,510.00	1,000	300.00	300.00	325.00*	325.00	3	Y.P.
35,000									9.84	0 100.	0.94	0.92				
50,35,000	46,10,421	2,18,61,880	2,25,81,104	78,146	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	26	0 1D.	0.19	0.19	0.19		12	Y.
1,00,00,000	1,13,27,791	3,57,76,376	2,54,94,794	52,791	Kilachand Industries Ltd.	1,20,504	1,846	Kohinoor Mills	187.50	100	12.50	10.00	10.00(c)		6	Y.P.
33,18,800	46 27,870	1,28,83,753	67,99,178	48,271	N. Sirur & Co. Private Ltd.			Modern Mills	279.00	100	18.00	18.00	18.00		12	Y.
51,75,000	38,44,612	2,54,74,625	1,88,16,328	23,520	Piramal Sons Private Ltd.	49,000	644	Morarjee Goculdas Spg. & Wvg.	45.00N	50	8.00*	8.00*	5.00'C'		10	Y.T.
1,00,92,400	1,42,83,205	10,65,96,125	3,40,00,000	1,23,037	Chinai & Co. Private Ltd.	71,804	1,852	Narayan Goculdas Spg. & Wvg.	247.00	100	14.00	14.00	14.00(c)		3	Y.P.
24,00,000	25,62,456	82,11,723	48,70,075	1,495	W. H. Brady & Co., Ltd.			National Rayon Corporation	242.25	100	12.00	14.00*	14.00		12	Y.P.
80,00,000	11,72,184	101,83,002	63,37,084	...	W. H. Brady & Co., Ltd.	45,944	482	New City of Bombay Mfg.	113.75	100	10.00	10.00	5.00		12	Y.
48,00,000	55,51,580	1,69,40,494	1,08,77,159	3,59,718	Ramnarain Sons Private Ltd.	59,232	1,018	New Great Spg. & Wvg.	209.00	100	10.00	10.00	*Nil*		12	Y.P.
40,00,000	45,64,554	58,32,341	25,34,581	1,63,546	Podar Sons Private Ltd.	59,232	1,190	Phoenix Mills	136.25	100	10.00	...	12.50F	10.00	3	Y.
10,00,000	1,76,222	24,10,104	18,80,783	...	M.	52,600	930	Podar Mills	138.00	100	12.00*	12.00*	10.00		12	Y.
97,76,186	1,19,98,715	2,11,84,514	1,36,87,248	12,182	M. G. Investment Corp. Private Ltd.	94,884	2,127	Sassoon & Alliance Silk Mfg.	9.75	10	0.50	0.25(e)			12	Y.
80,00,000	44,70,061	1,27,45,709	67,73,552	58,530	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Sassoon Spg. & Wvg.	47.50	10	2.00	2.00	2.00		12	Y.
42,00,000	30,80,473	1,95,86,294	79,84,101	8,069	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Shree Niwas Cotton Mills	165.00	100	12.00	12.00	8.00		12	Y.
1,80,00,000	2,50,26,472	2,96,16,751	1,87,99,817	1,55,642	Mafatlal Gagalbhai & Sons	97,584	2,409	Simplex Mills	175.00	50	10.00	12.00	8.50	8.50	3	Y.
48,75,000	28,46,660	1,33,74,914	73,60,111	9,983	Mafatlal Chandulal & Sons	52,928	636	Standard Mills	426.00	100	20.00	22.50*	22.50*		12	Y.P.
97,96,300	2,38,74,186	2,21,97,891	1,17,57,902	646	Tata Industries Private Ltd.	1,76,451	5,196	Swadeshi Mills	200.50	100	12.00	14.00*	9.00		12	Y.P.
23,25,000	69,60,533	1,00,70,063	72,45,812	13,545	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	94,128	1,789	Shri Ambica Mills	360 00	100	*Nil*	8.00*	8.00*		12	Y.P.
35,00,000	38,00,929	1,29,90,368	90,20,784	22,300	Haridas Achratlal & Co., Ltd.	41,056	780	Vijaya Mills	604.50	50	27.00*	30.00*	25.00			
									478.75	100	25.00	30.00*	20.00		12	Y.
									620.00	500	35.00*	50.50*	40.00*		12	Y.P.
WEST BENGAL																
15,00,080	3,06,456	38,27,581	24,03,641	1,14,855	Calcutta Agency Private Ltd	13,044	356	Basanti Cotton Mills	6.19	10	0.50	0.50	0.50		12	Y.P.I.
7,11,280	10,08,297	80,04,522	55,58,258	49,225	D. N. Bhattacherjee, Esq. (Mg. Director)	33,336	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	4.00	4.00		3	Y.P.
3,60,620																
24,00,000	1,50,000	1,20,71,237	49,68,051	1,17,244	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowresh Cotton Mills	112.00	100	*Nil*	*Nil*	*Nil*		12	Y.T.
19,00,000	24,30,703	1,39,73,161	73,14,165	—1,86,242	Kettlewell Bullen & Co., Ltd	42,944	523	Dunbar Mills	125.00	100	2.50	6.00	*Nil*		12	Y.T.
50,08,000	85,968	76,97,825	21,97,895	82,056	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	7.85	10	*Nil*	0.87	0.50		12	Y.T.
1,66,00,000	2,29,21,250	4,00,62,355	1,40,10,478	4,94,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	11.75	10	0.87	1.00	0.75		3	Y.P.
19,47,7500	9,50,000	48,59,254	28,75,466	9,388	Hazaresmul Heeralal	23,036	795	Rampooria Cotton Mills	12.00N	10	1.00	1.00	0.75		6	Y.
5,00,000D									4.50N	1D	0.34	0.26	0.15			
SOUTH INDIA AND OTHER CENTRES																
11,96,600	5,57,010	35,87,104	19,12,229	16,015	Setna & Co.	24,800	...	Asher Textiles Ltd.	217.00N	100	12.50	15.00	12.50		6	Y.
72,00,000	17,82,554	1,87,65,112	68,45,582	6,710	C. S. Tyabjee, Esq.	36,136	716	Asam Jahi Mills	56.00	100	3.50(e)	5.00	3.50		9	Y.
1,21,50,000	1,47,74,979	3,67,98,366	2,76,43,043	2,60,471	Binny & Co. (Madras), Ltd.	46,250	1,157	Bangalore Woollen, Cotton and Silk Mills	161.50xd	100	30.00	30.00	10.00'C'	4.00	12	Y.P.
85,00,000	99,61,544	1,33,11,187	1,03,74,337	2,64,725	Birla Brothers Private Ltd.	39,896	1,068	Birla Cotton Spg. & Wvg., Delhi	27.00N	100	3.00	1.50	1.50		3	Y.P.
1,75,47,800	2,92,53,030	6,93,67,915	4,19,07,472	1,92,471	Binny & Co. (Madras), Ltd.	1,20,288	2,762	Buckingham & Carnatic	180.00cd	100	10.00	10.00	10.00	4.00	12	Y.T.
20,00,000	15,37,935	50,23,445	26,18,048	...	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	9.30	10	0.50	0.50	0.50(c)		12	Y.P.
15,00,000	5,11,590	53,88,579	29,91,389	1,08,342	Damodaran & Co.	20,000	...	Cannanore Spg. & Wvg.	137 00	100	12.00	15.00	20.00	12.50	3	Y.
30,00,000	33,43,338	76,05,050	59,57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,624	501	Cawnpore Textiles	4.90	5	*Nil*	*Nil*	0.25	*Nil‡*	12	Y.
9,36,560	5,31,645	60,91,229	25,97,177	20,645	C. R. Srinivasan, Esq. (Chairman)	21,200	...	Cauvery Spg. & Wvg. Mills Ltd.	10 85xd	10	0.62	0.75	0.90	0.90	3	Y.P.T.
55,21,862	22,09,767	69,79,002	31,91,699	998	R. Dhesmia & Sons & Co.	20,564	...	Coimbatore Cotton Mills	148 00	100	25.00	25.00	9.00'C'		12	Y.P.
18,15,000	7,25,105	89,16,552	24,29,632	...	T. A. R. Chettiar Sons & Co.	25,840	190	Coimbatore Jubilee Mills	90.00 50cd	100	20.00	12.00			12	Y.
20,00,000	18,58,450	80,21,737	44,00,621	599	T. R. N. Naidu & Co.	38,224	...	Coimbatore Pioneer Mills	228.00	100	20.00	20.00	20.00		12	Y.
30,75,000	3,06,076	1,34,06,576	68,06,206	10,415	G. R. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	49.50	50	8.00	10.00			12	Y.P.
46,87,500	27,24,785	2,42,10,708	1,54,86,354	...	Tata Industries Private Ltd.	1,76,451	5,196	Central India Spg. & Wvg.	96.00	100	8.00	*Nil*	*Nil*		6	Y.P.
24,43,911	18,80,006	92,90,552	46,27,014	15,780	R. Hanumanthappa & Son	28,816	300	Davangere Cotton Mills	112.00	100	9.00	9.00	9.00		3	Y.
3,88,52,223	8,10,24,830	11,79,09,463	6,78,07,125	2,77,593	B. R. Charat Ram & Co. Private Ltd.	1,41,180	2,852	Delhi Cloth & General Mills	31.75	25	2.25	2.50	2.50		3	Y.P.T.
1,00,563										24	0.22	0.25	0.25			
47,98,296	26,25,000	84,28,224	49,84,057	1,965	M. N. Chettiar & Sons	42,212	901	Dhanalakshmi Mills	121.75	100	20.00	25.00	10.00'C'		12	Y.P.
85,00,000	1,05,56,192	1,59,12,424	1,41,93,339	75,531	Begg, Sutherland & Co. Private Ltd.	48,452	1,196	Elgin Mills	172.00	100	1.00	15.00	15.00		12	Y.P.
48,81,000	43,58,151	1,86,02,042	1,07,13,982	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,256	...	Gokak Mills	154.00	100	15.00	15.00	8.00		12	Y.P.
2,50,00,000	2,25,006	4,52,38,795	1,32,00,000	72,17,274	Birla Gwalior Private Ltd.			Gwalior Rayon	13.76	10	*Nil*	*Nil*	*Nil*		12	Y.P.
50,00,000	6,94,589	1,59,76,049	1,21,82,278	—11,77,234	K. L. Saksaria, Esq. (Chairman)	51,180	1,856	Indore Malwa United	107.25	100	9.00	11.00	6.00		12	Y.
5,00,000	19,84,663	31,40,455	19,97,477	...	G. V. Naidu & Co., Ltd.	23,784	...	Janardhana Mills	72.50	50	10.00	10.00			12	Y.
15,54,000	15,02,599	57,13,937	33,86,096	7,012	Mr. Bhalnuratan Damani (Managing Director)	20,212	512	Jam Shri Ranjitsinghji	1,450.00	1,000	50.00	60.00	46 00		6	Y.
4,63,65,200	3,24,06,204	4,24,59,294	3,18,54,080	2,48,717	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	9.76	10	0.50	0.25(e)	0.25		3	Y.P.
42,00,000	19,25,006	1,06,31,567	58,35,076	91,772	Kothari & Sons	41,040	800	Kothari Textiles	10.50	10	1.00	1.00	0.75		6	Y.P.
32,00,000	63,39,487	1,84,50,574	1,25,78,615	2,294	M.	51,068	1,343	Lakshmi Cotton Mfg.	465.00	250	42.50	42.50	15.00		12	Y.P.
71,00,000	66,88,960	2,26,46,381	1,29,69,687	86,370	G. K. Naidu & Co.	1,06,800	201	Lakshmi Mills	1101.00	50	12.50	12.50	10.00	5.00	3	Y.
1,75,02,480	4,24,49,278	5,80,89,121	3,96,10,817	6,92,368	A. & F. Harvey Ltd.	4,89,008	...	Madura Mills	49.25	25	6.25	6.25	5.00	2.00	12	Y.
12,00,000	3,67,268	29,08,552	18,76,700	213	V. K. Sradi (Chairman)	22,592	106	Malabar Spg. & Wvg.	32.80	15	3.00	2.62	2.25		12	Y.
60,00,000	69,00,000	66,60,298	47,59,940	876	W. A. Beardsell & Co. (Private) Ltd.	89,000N	260	Meltar Industries Ltd.	89.00N	100	8.00	10.00			12	Y.
29,80,884	17,58,081	93,11,180	51,29,457	19,733	N. Sirur & Co. Private Ltd.	29,856	704	Minerva Mills	342.00	100	35.00	45.00	90.00	20.00	3	Y.
94,91,850	21,56,148	1,71,94,769	78,31,528	1,88,008	M.	64.00	100	6.00	6.00	*Nil*					12	Y.
24,85,500	48,52,478	1,13,48,711	71,02,473	35,937	N. Sirur & Co. Private Ltd.	53,406	952	Model Mills (Nagpur)	166 25	280	7.50(e)	7.50	5.00		6	Y.
18,81,780		93,12,641	17,85,314	3,966	K. Tipperdrdan (Chairman)	50,492	500	Mysore Spg. & Mfg.	95.00	50	6.00(e)	9.00*	9.00*	8.00‡	3	Y.P.
67,25,750	39,29,981	1,75,83,244	67,86,983	903	M.	37,788		Mysore Spun Silk Mills	43.00	10	*Nil*	*Nil*	*Nil*		9	Y.
4,00,800A	13,00,000	71,79,976	28,66,277	8,999	Bhaghyalakshmi & Co.	45,500	...	Oesaneshahi Mills	121.00	100	2.50(e)	3.00(e)	*Nil*			
6,00,000B		84,19,570	18,32,524	—9,89,216	C. S. R. Mudaliar & Sons	27,986	...	Palani Andavar Mills	121.50	50A	12.00	15.00	9.00		12	Y.P.
15 00 000									176.50	75B	18.00	22.50	13.50			
16,81,000A	31,21,189	1,06,11,851	58,39,265	5,877	A. G. Guruswamy Naidu & Co.	59,264	800	Pankaja Mills Ltd.	42.00	100	4.00(e)	*Nil*			12	Y.
5,40,600B									130.00xd	100A	20.00	20.00	12.00			
19,53,275	30,55,760	76,37,378	32,62,433	...	R. R. Naidu & Sons	37,066	...	Radhakrishna Mills	62.00xd	50B	10.00	10.00	6.00		12	Y.P.
16,14,300	14,00,000	37,35,922	19,10,995	13,404	Ramco Agencies Private Ltd.	24,996	...	Rajalakshmi Mills	67.00	50	10.00	7.50	4.50		3	Y.
22,22,850	11,50,000	58,72,976	23,15,892	5,286	Rayalaseema Development Co.	21,200	...	Rajalakshmi Mills	129.00	100	10.00	10.00	12.00		3	Y.
15,90,000	2,60,010	3,15,04,564	2,05,50,756	—34,29,635	M.	96,222	2,332	Rajapalayam Mills	105.00	100	10.00	10.00	10.00		12	Y.
10 000									375.00	1,000					3	Y.P.
36,69,700	21,91,449	1,05,51,059	61,65,564	37,576	H. N. Pallegar, Esq.	30,744	292	Sholapoor Spg. & Wvg.		500	*Nil*	*Nil*	*Nil*			
15,00,000	3 62,40,700	1,02,21,810	75,33,414	29,29,630	Birla Brothers Private Ltd.	36,212	1,544	Sri Krishnarajendra Mills	72.50xd	50	5.00	7.00	7.00	4.50	3	Y.
17,50,0000	2,36,28,061	5,13,52,120	1,81,88,924	8,35,712	Jaipuria Brothers	1,12,216	2,096	Sutlej Cotton Mills	70.00N	10	6.00	6.00	6.00		3	Y.
17,50,000PO									11 00	100	0.75	0.75			12	Y.P.
1,00,00,000	60,00,000	3,88,81,393	1,95,18,492	1,78,216	Emcete & Sons (Travancore) Ltd.		...	Swadeshi Cotton (Kanpur)	11.25	10P.O.	1.15	1.15			12	Y.P.T.
1,00,00,000	9,45,940	19,58,239	13,60,120	794	Mooli Ramjee & Sons	16,000	...	Travancore Rayons Ltd.	14.85	10	0.75	1.00	1.00		12	Y.
13,98,780	29,86,788	86,30,805	51,76,507	12,000	K. Chetty & Brothers	44,424	270	Trichinopoly Mills	11.75	10	0.90	1.12	0.90		12	Y.
21,00,000	18,78,770	1,85,96,063	1,17,44,602	—9,55,569	The Bombay Co. (Private) Ltd.	49,660	1,375	Vasanta Mills	230.00	100	20.00	20.00	12.00		12	Y.
32,00,000								Vishnu Cotton	111.00	100	8.00	8.00	*Nil*		12	Y.P.

M = Managed by Board of Directors. X.R. = Ex-Right.
Includes bonus. (e) Paid out of Reserves. F = For fifteen months ended 31st March, 1957.
= Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. § On old capital. ‡ For Nine months ended 31st December 1957. 'O' = On increased Capital.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share: 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
39,84,000	47,43,760	1,15,18,224	62,33,314	1,16,220	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9.15	5	0.50	0.75	0.85		6	Y.P.
16,20,630	26,75,014	29,38,961	16,23,422	38,736	Mr. K. G. Khanna	Dyer Meakin Breweries	12.50	5	0.56	0.56			3	Y.
45,49,950	£1,197,464	£1,387,940	£.61,435	£52,719	Parry's Holdings Private Ltd.	East India Distilleries and Sugar	28.10xd	£1	Sh. 4	Sh. 3	Sh. 3	Sh. 11	9	Y.P.
9,00,000	9,60,000	24,40,332	22,65,326	6,022	Vital Maliya, Esq. (Chairman)	United Breweries	220.00	75	15.00	15.00	15.00		3	Y.
CEMENT														
72,59,940	13,33,764	1,00,14,709	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	12.00cd	B. 10	1.00*	1.00			12	Y.P.
59,85,555	.....	1,55,92,861	.....	12,928	M.	Ashoka Cement Ltd.	10.00	10	..	..	*Nil*		3	Y.T.
43,14,0000	13,13,132	1,44,65,792	53,48,079	4,52,343	Eastern Corporation Ltd.	Assam Bengal Cement	4.31	O. 10	*Nil*				3	Y.P.T.
14,79,9760							0.75	D. 1						
12,71,80,070	9,62,91,082	30,81,74,705	11,29,17,763	2,58,321	Associated Cement Agencies (Private) Ltd.	Associated Cement Companies	155.00	100	10.00	10.00	9.00		7	Y.T.
3,07,44,575														
88,92,387	.....	1,23,58,448	16,77,717	779	Tendulkar Industries Private Ltd.	Bazalkot Cement Co., Ltd.	8.88	10	0.30	0.00	0.60		12	Y
1,44,10,725	53,35,980	1,12,34,457	43,01,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	12.00cd	O. 10	1.25	1.25	1.20		12	Y.P.
5,00,000							2.75cd	D. 1	0.12	0.12	0.12			
1,02,00,150							30.00xd	O. 25	1.87	2.06	2.06		3	Y.P.
7,50,000	26,00,000	2,09,03,054	61,98,184	1,80,704	Essen Private Ltd.	India Cements Ltd.	6.00	D. 5	0.37	0.41	0.41			
1,50,00,000	4,00,000	4,72,60,133	89,99,750	21,30,411	Sahu Jain Ltd.	Jaipur Udyog Ltd.	16.12	10	0.75	1.25	*Nil*		3	Y.P.
1,00,00,000	31,43,497	3,25,85,788	1,17,70,528	37,55,949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13.16	10	1.25	1.25	1.50		12	Y.P.
1,34,22,200	48,94,785	3,55,77,865	1,29,16,991	2,23,355	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	133.50	100	8.50	9.00	9.00		12	Y.P.
75,00,000	17,70,000	2,09,86,577	1,50,04,018	4,287	M.	Sone Valley Portland Cement	6.00	5	0.25	0.30	0.15		7	Y.
50,00,000	6,00,000	1,04,84,565	48,33,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd.	9.32	10	0.62	0.60	0.60		12	Y.
CERAMIC; MINING AND QUARRYING														
81,70,655	2,85,000	63,15,303	33,02,633	12,631	Bharat Ram Bhagat & Co.	Bengal Potteries	4.25	2½	0.25				12	Y.
10,00,000	30,51,407	62,21,712	35,31,132	1,4410	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	200.00xd	10	1.75	0.87	1.75	0.87½	3	Y.
61,37,100	£17,73,967	£2,278,091	£1,429,795	£1,14,930	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.00	Sh. 2	10.32*	4.84			12	Y.
0,15,00,000	24,03,876	44,47,198	13,07,726	5,496	Bird & Co. Private Ltd.	Karanpura Development	14.19	10	1.00	*Nil*			6, 12	H.
2,50,00,000									3.00	*Nil*				
6,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.75cd	10	0.75	1.00			3	Y.
20,00,000	36,50,291	49,10,494	27,87,433	1,15,708	Bird & Co. Private Ltd.	Orissa Minerals	26.62	10	2.00*	1.00	2.00		6	Y.
7,00,000	71,05,000	74,84,368	29,53,314	62,523	Killick Industries Ltd.	Shivrajpur Syndicate	113.50	10	8.00*	8.00*	8.00*		11	Y.
CHEMICAL														
35,00,000	39,75,972	93,33,468	45,30,994	97,834	Bhallal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	137.50	100	8.00	10.00			12	Y.P.
62,00,000							16.25	10	0.80	0.80	0.80			
1,86,42,455A	1,02,92,519	2,75,52,962	60,05,069	1,20,250	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	—	10New					3	Y.P.
60,00,000	.....	67,15,019	.....	1,15,111	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	114.50	100	*Nil*	*Nil*	*Nil*		12	Y.P.
1,89,27,800	11,05,700	2,96,01,435	67,85,495	58,936	Lalbhai Sons & Co.	Atul Products Ltd.	210.75	100	5.25	6.00	8.00		12	Y.
45,63,700	45,29,426	1,35,74,286	55,25,010	11,71,234	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	80.00	100	6.00	6.00			4	Y.P.
21,50,000	68,74,746	1,44,12,264	47,49,845	53,634	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	104.00	100	12.00	9.00	7.50		3	Y.P.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
PAPER														
45,00,000	37,01,841	2,14,60,697	1,60,64,697	66,840	M.	Bengal Paper Mills	92.00xd	25	4 69	2.50	3.12		12	Y.F.T.
63,00,000	63,91,258	1,24,92,173	83,76,647	23,544	Andrew Yule & Co., Ltd. ..	India Paper Pulp	22.50	10	1 39 2/5	1 39 2/5	1 40		3	Y.
25,00,000	30,54,597	1,19,62,955	87,38,459	27,156	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	18.12-6d	10	0 75*	1 00*	1 00*		3	Y.F.T.
1,40,42,500	2,46,75,046	6,04,16,697	1,87,33,963	2,62,417	Birla Brothers Private Ltd. ..	Orient Paper	35.00	10	1 12	0 42	1 50		12	Y.F.T.
1,25,49,500	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills ..	17.37	10	1 25	1 25	1 25		12	Y.F.T.
50,00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	13.00	O. 10	1 25	1 05	0 60		9	Y.P.
'A' 10,00,000							13.00	A. 10	1 25	1 05	0 60			
2,18,55,240	48,43,060	3,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	15.00	B. 10	1 25	0 60	0 50		6	Y.P.
58,00,000 A.							42.06	A. 10	2 00*	1 12*	2 37*			
56,84,200 B.	3,76,50,474	6,78,46,967	3,51,66,938	92,528	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	42.06	B. 10	2 00*	1 12*	2 37*		8	Y.P.
4,87,500 F.O.							4.25	F.O. 2½	0.25	0.12	0.25			
SAW MILLS AND TIMBER														
13,92,998	22,88,889	32,79,430	18,61,671	—4,90,122	Bird & Co. (Private) Ltd. ..	Assam Saw Mills	1.90	5	*Nil*	*Nil*	*Nil*		9	Y
50,00,000	3,81,14,271	4,60,47,879	1,88,08,404	1,88,542	Wallace & Co.	Bombay-Burmah Trading Corpn.	610.00	Old 125	37 50	40 00	40.00		5	Y.
42,00,000							221.25	New 50	13.75	16.00	16.00		9	Y.
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	44.25	10	3.00	3.00	2.75			
SUGAR (U.P and Bihar)														
11,00,000	15,36,486	42,02,220	31,12,974	57,702	M.	Balrampur Sugar	9.25	5	0 66	*Nil*	0.25			Y.
12,00,000 A.							116.00N	A. 100	10 00	10 00			4	Y.T.
3,00,000 B.	29,80,360	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	11.50N	B. 10	1 00	1 00				
19 49,950	8 75,000	33,83,770	25,68,270	74,946	Bangur Bros. Ltd.	Belsund Sugar	11 50	7½	0 75	1 00	1.00		9	Y.
15,00,000	15,51,513	19 28,777	13,40,840	7,668	Cotton Agents Private Ltd. ..	Bharat Sugar	16 00N	10	1 50	1 50	1.50		6	Y.P.
68,50,400	85,59,866	67,02,766	25,67,383	27,711	Govan Bros. (Rampur) Private Ltd. ..	Bulund Sugar	17 00	10	1 50	1.50Q			10	Y.
82,00,000	25 22 515	1 45 76 657	98,94,338	—2,23 014	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8.22	10	0 25	*Nil*	*Nil*		6	Y.P.T.
30,00,000	54 39 509	1,05,39,057	93,52,334	—6,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	11 50	10	0 75	0.75	*Nil*		10	Y.
13,00,000	24,56,103	54 72,400	50 12,695	—3,43,153	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	18 12	10	1 50	1.00	*Nil*		8	Y.
9,58,252	2,59,762	25,14,152	16,93,583	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	10 00N	10	0 50	0.50			5	Y.T.
18,00,000	12,51,626	79,38,781	49,86,047	1,05,664	Mr. Tulsidas Kilachand (Chairman) .	Kesar Sugar	62 00	40	2.25	4.00	7.00		7	Y.P.
7 89,100	22,50,288	48,69,619	26,90,926	79,525	Cotton Agents Private Ltd. ..	New India Sugar Mills ..	29 00	10	2 50	2.50	2.50		6	Y.P.
11,00,000	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros Private Ltd.	New Savan	5.56	10	0 25	0 37	0 37		5	Y.
13,21,100	49,91,797	73,75,775	27,02,363	6,855	Cotton Agents Private Ltd. ..	New Swadeshi Sugar Mill	252.00	100	20 00	20 00	20.00		6	Y.
58 275							50 00N	25	5 00	5 00	5.00			
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd. ..	Oudh Sugar	150 00	100	11 00	11.00	12.50		7	Y.P.
12,00,000	12,69,574	31,98,494	21,49,459	24,662	Narang Bros. & Co. Private Ltd.	Punjab Sugar	75 00N	100	6 00				10	Y.P.
9 00,000	19,64,146	43,88,090	32,94,223	15 962	Begg, Sutherland & Co. Private Ltd.	Puritabpore Co.	11 50	10	0 75	0.75	*Nil*		10	Y.
63,59,400	85,59,866	67,02,760	25,67,388	27,711	Govan Bros. (Rampur) Private Ltd. .	Raza Sugar	17 00	10	1 50	1.50Q			10	Y.
8 00,000	6,21 932	28,74,893	22 31,931	2,175	M.	Ryam Sugar	19 50	10	*Nil*	1.75	1.50		6	Y.P.
11 99 000	16 33,214	47 23,583	25 13,422	—2,20 863	M.	Samastipur Central Sugar ..	13 00	10	*Nil*	1.75	*Nil*		8	Y.
89,70,525	22,58,150	1,40,84,561	68,35,907	16,381	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10.31	10	1.75	1.00			8	Y.P.T.
10,02,115	24,660	29,48 600	14,35,491	—3,16,557	H. K. Ghosh, Esq., and R. N. Datta Esq. (Managing Directors)	Sitalpore Sugar	2 37	10	*Nil*	*Nil*	*Nil*		6	Y.
15,89,000	13,52,431	25,59,550	20,58,359	40,666	Shri Sitaram Sugar		11.62	10	1 00	1.00	0.50		8	Y.
9,15,0000.							6.75N	O. 10	*Nil*				10	Y.P.T.
4,40,000 D.	46,462	29,66,860	11,46,770	—16,37,907	M.	South Bahar Sugar	6 50N	D. 21	*Nil*					
8,00,000	34,74,348	1,27,80,247	80,57,754	9,663	Cotton Agents Private Ltd. ..	Upper Ganges Sugar	25 00N	10	2 50	3.00	5.00		6	Y.
16,00,000	7,66,589	33,17,089	27,09,208	83,042	M.	United Provinces Sugar ..	15.00	10	1 50	0.50			9	Y.
Other Centres														
30,00,000	19,50,000	76,27,620	18,97,501	15,079	Ramgarao & Co.	Andhra Sugars Ltd.	17.00	10	0.60	1.00	1.25		9	Y.
70,49,650	1,15,43,608	1,50,47,792	1,06,77,187	3,80,263	W. H. Brady & Co., Ltd. ..	Belapur Company	289.50	50	16.00	16 00	18.00		9	Y.
17,50,000	12,58,286	41,36,701	23,96,315	30,6277	A. H. Bhiwandiwalla & Co. (Bombay)	Bhopal Sugar Industries Ltd.	25.10	10	1.00	1 50	2.00		9	Y.
15,00,000	17,06,155	32,89,214	13,34,398	83,544	Private Ltd.	Shree Changdeo Sugar ..	30.50	25.50	1 50	2.00	2.25		9	Y.
15 93 900	15,86 419	43,30,767	25,77,714	6,691	Sir J. P. Srivastava & Sons (M, B.) Ltd.	Gwalior Sugar	83.00	100	*Nil*	6.00	10.00		9	Y.P.
63 97 600	11,02,669	78,71,515	18,88,285	46,085	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	12.56	10	1 40	1.12	1.00		9	Y.P.
22 61,127	15 75,871	94,06,432	12,67,310	6,611	R. B. Ind. Corpn. Private Ltd. ..	Jeypore Sugar	14 25	10	1 00	0 00	0.00		9	Y.
10,52,2000.							120 00	O.100	7 50	7 50	7.50		7	Y.P.
2,87,190 D.	88,00,000	2,48,45,158	41,94,129	25,068	V. Ramakrishna Sons (Private) Ltd...	K C, P, Ltd.	134 00	D. 10	10.00	10 00	10.00		9	Y.P.
67,50,000	38,21 978	1,22 47,682	57,87,067	36,422	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills ..	915 00	286	..	100 00*	100 00*		9	Y.
21,79,200	86,24,043	1,84,89,198	99,25,345	2,19,465	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	44 00	10	2 00	2.00	2.00		9	Y.
50,00,000	53,21,430	1,16,88,154	67,80,841	1,47,229	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	165 00	50	8 00	9.00	12.00*		9	Y.
16,59,820	40,00,000	59,42,584	28,62,920	2,28,200	Anderson Wright Ltd.	Ramnugger, Cane and Sugar ..	20.75	10	2 00	2.00	1.50		8	Y.P.T.
20,00,0000.							135 00	O. 50	6 00	12 00	12.00			
4,00,000 D.	42,07,214	1 04,79,940	59,80,787	70,575	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	80.00N	D. 10	0 07	0.75	2.75		9	Y.P.
26,00,000	22,40,000	62,19,329	24,74,679	77,253	Parry Co., Ltd.	Travancore Sugars	11.70	10	0 75	1.00	1.00		12	Y.P.T.
1,01,00,000	1,16,37,178	2,71,48,027	1,06,46,128	1,72,956	Walchand & Co. Private Ltd. ..	Walchandnagar Industries ..	283.50	100	15.00	21.00	21.00		9	Y.
TRANSPORT														
2,50,00,000	1,99,50,718	3,81,21,462	86,96,221	2,33,759	J. K. Industries Private Ltd.	Aluminium (Corporation of India Ltd.	11.94	O. 10	*Nil*	0.50	0.50		3	Y.P.T.
2,50,000							5.00	D. 2½	*Nil*	*Nil*	*Nil*			
40,00,000	32,25,000	68,17,879	28,12,985	66,599	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd. ..	17.65xd	10	1 25*	1.25	1.25		3	Y.
30,00,000	36,20,717	34,97,877	23,60,382	8,61,230	Turner Morrison & Co. Private Ltd.	Angelo Bros. Ltd.	22.00	10	2 00*	2 00*	2.00*		12	Y.
30,00,000	17,14,736	38,54,577	19,53,972	1,93,944	Mr. J. Eyckert & Mr. S. Gothberg	Assam Match Co., Ltd. ..	17.50	10	1 25*	1.25*	1.25*		12	Y.T.
28,80,000	35 94,600	1,05 12 033	39 58,423	3,99,956	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	6.25N	10	0 40	1.20	0.60		3	Y.
80,01,400	84,59,405	74,46,138	40,40,138	5,00,886	M.	Balmer Lawrie & Co., Ltd. ..	169 00	100	12 50	15 00	12.50		12	Y.
13,80,000	17,98,999	14,55,178	27,76,743	3,01,767	Balmer Lawrie & Co., Ltd. ..	Bengal Floor Mills Co., Ltd.	29 00	10	2 25	2 50	2.50		12	Y.P.
39,00,000	9,86,716	62,25,4928		57,612	Levelock & Lewis	Birds Investment Ltd.	12.50	10	1 25	1 00			3	Y.T.F.
45,97,020	34,61,814	1,14,31,995	37,97,455	1,84,683	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	14 87	10	1 00	1 00	1 00		12	Y.P.
3,38,80,000	1,58,55,571	3,06,98,577	2,33,90,121	1,22,821	W. H. J. Christie, Esq. (Mg. Director)	British India Corporation Ltd.	10 00	5	*Nil*	0 10			12	Y.
8,00,000	3,24,573	13,981	13,858	23,272	Andrew Yule & Co. Ltd. ..	Calcutta Hydraulic	42 00N	100	*Nil*	*Nil*	3.00		4	Y.
5,00,000	2,47 122	8,48,822	6,98,409	35 418	Andrew Yule & Co. Ltd. ..	Central Hydraulic	82.00N	100	5 00	6.00	10.00*		4	Y.
1,38,80,000	17,34,264	2,05,94,990§§	....	8,10,588	Andrew Yule & Co., Ltd. ..	Clive Row Investment	9 34	10	0 85	1 25	0.75	0.75	3	Y.P.T.
3,00,00,000	4,40,29,006	6,80,49,176	2,68,24,548	22,22,648	John Leetham, Esq. (Mg. Director) .	Dunlop Rubber Co. (India) Ltd.	28 25	10	1 50	1 50	1 63		12	Y.P.
41,25,000	54,81,585	1,64,12,0085§	....	2,42,272	Bird & Co. Private Ltd. ..	Eastern Investments Ltd. ..	147 00	100	9 00	9 00	9.00		12	Y.
14,00,000	9,35,000	24,02,164	19,09,339	34,634	MacNeill & Barry Ltd.	Gannes Rope Co., Ltd. ..	177 00	100	15 00	4 00	12 50		12	Y.P.
40,00,000	4,00,000	63,89,740	32,43,367	10,90,318	M.	Godfrey Phillips India Ltd. ..	19.25N	10	2 00	2.00	1.50		3	Y.P.
65,00,000	54,30,910	29,25,473	10,66,393	1,60,996	F. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	11 06	10	1 40	1.60	1.00		3	Y.
30 60 000	18 17,354	83,66,821	36,24,683	74 216	B. P. B. Syndicate	Great Eastern Hotel	265 00	250	0 25	15 00	15.00		9	Y.
4,06,13,250	13,37,499	5,26,95,200	2,25,48,541	9,38,841	Birla Brothers Private Ltd. ..	Hindustan Motors	7.56	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
3,94,88,990	1,17,88,806	7,37,43,611	3,21,77,723	7,20,182	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd. ..	16.00	10	0 80	1 00	0.60		12	Y.P.T.
1,52,80,220	1,46,09,099	2,35,95,031	86,56,993	41,51,513	B. J. Wadelay, Esq. (Mg. Director)	Indian Cables	29.87	10	1 25*	1 50*	1.50*		8	Y.F
8,27 970	6,03,006	16,74,986	9,50,306	63,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	16.00N	10	0 50	0.62				
2,00,00,000	....	....	....	....	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	20.50	10	..	..	1.00		9	Y.
18,16,00 000	24,92,01,694	9,85,79,292	1,02,23,899	35,84,159	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	12 62	10	0 80	0 80	0.70		3	Y.P.
2,00,00,000	76,27,615	39,02,897	12,06,982	4,71,170	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	71 00	100	7 50	7 50	2.50		3	Y.P.
40,00 0000.							200 00N	O. 100	12 50	6 00			11	Y.P.
5,00 0000.	82,86,900	48,53,407	10,43,712	2,57,183	M.	McLeod & Co.	....	D. 0.10	1 75	0 30				
1,45,28 500	90 58,581	25,54,434	14,97,332	2,35,812	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26 69	10	1 31*	2 12*	2.12*	1.75	3	Y.P.
1,15,00 000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman) .	Metal Box Co. of India, Ltd. ..	30 19	10	1 25	1 25	1.25		3	Y.P.
6 56,250	1 92,500	11,72,409	9,97,302	2,849	Mr. J. L. D'Sa (Chairman) ..	Mysore Lamp Works	10 00	10	0 75	0 90	1.25		3	Y.
10 00 000	3 70 000	16 47 599	10 18,129	43,564	M. Mallesbayya, Esq. (Chairman)	Mysore Tobacco	18 75	10	1 80	1 50	1.50		12	Y.
2,80 00 000	33 55 505	2,14 82 470	61 33,902	28,42,424	J. B. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	26 25	10	0 32	1 50	1.40		12	Y.
40,00,000	74,71,172	63,86,914	41,52,961	1,44,443	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co. ..	31 50	10	1 50*	2 00*			3	Y.T.
					Do.	National Rolling & Steel Repos	12 25	10	0 50	0 50			3	Y.
40,00,000	15,00,000	98,19,395	21,17,408	76,726			14.00	10	..	..	1.00		12	Y.
8,00,000	6,00,000	50,21,760	28,50,528	1,80,392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	—	6	..	..	0.50			
70 87,000	38,12,466	1,30,51,899	61,75,108	9,02,640	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13 06	10	0 80	0.70			12	Y.P.
2,50,00,000	....	....	....	....	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	15 56	10	..	..	..		9	Y.
2,20 00,000	4 88 498	1,22,26,648	80,06,584	—44 12,688	M. P. A. Pappatil, Esq. ..	Ralla India Ltd.	23 31	100	*Nil*	*Nil*	*Nil*		10	Y.P.T.
5,20 00,000	1,37,76,309	10,60,30,211	8,96,22,766	49,402	Sahu Jain Ltd.	Rohtas Industries	23 31	10	1 50	1 50			9	Y.P.
2,28 00,000							100 00N	100	..	5 00	6 00			
4,75,200	51,336	31,11,657	6,39,199	19,106	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	10 00N	50	..	2 50	2 00		3	Y.P.
5 13,400							60.00N	D. 10	0 07	0.75	2.75		9	Y.P.
70,00,000	17,66 318	1,67,21,508	24 47,040	66,821	M.	Sen-Raleigh Industries	13.76	10	0 60	0.60	0.60		9	Y.
40 00 000	88,41,163	1,21 80,272	72 06,599	9 02,978	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	18 55	10	1 50	1 50	1.50		12	Y.P.
75,00,000	21,22,788	71,93,265	11,63,597	3 65,425	S. M. Smith, Esq. (Mg. Director)	Shaw Wallace & Co. Ltd. ..	13 19	10	1 00	1 00	1.00		12	Y.
9 94 880	10 926	14 83 995	8 19 593	—7,482	Ogale Bros. (Private) Ltd. ..	Travancore Ogale Glass ..	4 00	10	*Nil*	*Nil*	*Nil*		10*	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Extending Rs. 1,49,02,800 which represent share in the firm of Shaw Wallace & Co., Ltd.

† Subject to taxation. F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957. J—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958.

Q.—The latest dividend and quotation relates to 'Raza Buland Sugar Co., Ltd.' subsequent to the amalgamation of the Raza and Buland Sugar Companies.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
ASSAM															
4,44,700	9,09,010	15,95,432	5,76,068	....	McLeod & Co., Ltd.	325	Amluckie	28.00N	10	15.00	4.75	5.00		12	Y.P.
3,78,300	5,71,990	11,19,537	3,89,763	22,120	M.	312	Ananda (Assam) Tea ..	17.00	10	7 50	1.00	2.00		12	Y.
7,00,000	6,43,250	12,23,223	2,34,893	40,669	Gillanders Arbuthnot & Co., Ltd.	440	Ananda Bag ..	18.75	10	2 00*	1 00	1.25		12	Y.
5,50,000	13,21,5.1	18,70,839	7 47,972	42,752	McLeod & Co., Ltd.	573	Bashmari	21.00	10	3 00	1 50	2.00		12	Y.
5,10,000	12,33,171	13,89,143	5,83,737	44,023	Andrew Yule & Co., Ltd. ..	377	Bazmazia	26.50	10	3 00	1 50	2.00	1.75	12	Y.
3,30,000	5,18,000	12,75,000	3,06,324	1,30,178	National Tea Corporation ..	579	Batell	19.50	5	4.00	2 00	2.00		12	Y.
6,00,000	7,40,000	11,16,644	3,51,826	60,104	Gillanders Arbuthnot & Co., Ltd.	615	Bhajee	22.50	10	10 00*	1.00	2.00		12	Y.
8,00,000	15,23,222	28,49,222	8,16,258	Williamson Magor & Co., Ltd.	3,967	Bishnauth	21.37	10	5 50	3.00	2 00		12	Y.
25,00,000	16,23,222	23,48,222	2,50,627	32,931	Octavius Steel & Co., Ltd. ..	485	Bokakhat	12 00	10	1 00	*Nil*	0.50		12	Y.
5,25,000	2,50,000	11,47,111	3,96,947	28,028	McLeod & Co., Ltd.	450	Borman Jeta Tea ..	16.50	10	0 50	2.00	1 50		12	Y.P.
7,50,000	7,37,550	10,55,753	3,34,701	35,028	M.	450	Brooke Bond ..	19 25	10	1 25	0 75	1.25	1.75	6	Y.
25,00,000	15,82,295	21,37,272	29,96,331	5,44,000	McLeod & Co., Ltd.	282	Dejoo Valley ..	71.00	10	4 00	3 00	5.00		12	Y.
1,20,000	5,75,458	6,80,985	2,19,036	33,448	Gillanders Arbuthnot & Co., Ltd.	1,138	Dessai & Parbatia ..	180.00	100	40 00	10 00	10.00		12	Y.
8,40,000	8,32,250	30,50,515	18,16,274	40,207	Jardine Henderson Ltd.	641	Dhalakhat	24 37	10	2 50	1 75	2.00		12	Y.
17,53,440	9,57,962	24,59,777	5,10,558	43,734	James Warren & Co., Ltd. ..	646	Dhansiri	16.50	10	1 00	1 00	1.25	2.00	12	Y.
4,63,970	4,53,000	12,48,763	4,54,779	24,397	M.	456	Dibrugarh	24 81	10	4 00	2 00	2.00		12	Y.
5,18,000	8,78,000	11,31,219	3,70,854	53,206	McLeod & Co., Ltd.	617	Dimakusi	26.75	10	6 00	2 00	2.00		12	Y.
4,73,100	5,10,000	13,07,540	6,03,240	1,17,081	Williamson Magor & Co., Ltd.	615	Dr. Gaghar	34.00	10	5 00	2 00	4.00	3.00	12	Y.
7,00,620	10,33,300	23,48,335	13,52,736	4,50,422	Williamson Magor & Co., Ltd.	1,165	East India Tea ..	21.12	10	3 50	1 00	1.00		12	Y.
10,00,000	7,00,000	27,71,947	19,09,747	1,12,777	Williamson Magor & Co., Ltd.	497	Gilapukri	28.00	10	5 00	2 00	3.50		12	Y.
8,93,780	4,04,586	11,32,245	4,99,965	17,768	M.	397	Gohpur	28 37	10	5 00	2 00	3.50		12	Y.
6,76,000	4,25,000	18,21,061	8,55,561	99,713	Williamson Magor & Co., Ltd.	548	Grob	28.12	A 10	5 00	2 50	3 25		12	Y.
A. 7,41,540	19,82,810	35,86,143	8,64,222	98,367	Octavius Steel & Co., Ltd.	1,920		13.75	B 5	2 00	1 25	1 62			
B. 2,61,148							Grob	28.00	10	9 00	2 00	3.50	1.00	12	Y.
5,00,000	5,76,000	9,85,217	4,03,523	5,595	Andrew Yule & Co., Ltd. ..	476	Hoograjuli	157.00	100	55 00	7 50	15 00		12	Y.P.
3,70,000	13,19,382	23,33,344	13,44,054	85,546	Andrew Yule & Co., Ltd. ..	1,371	Hoolungooree ..	11.44	10	1 00	1 00	1.00	1.00	12	Y.
55,56,900	50,04,519	48,05,124	45,05,154	92,757	Williamson Magor & Co., Ltd.	4,000	Jay Shree Tea Gardens ..	17 37	10	1 50	*Nil*	1.00		12	Y.
9,00,000	6,85,000	15,61,227	3,85,778	23,666	Gillanders Arbuthnot & Co., Ltd.	945	Jubilee	200 00N	100	25 00	25 00	25 00		12	Y.P.
2,40,000	11,20,500	12,75,445	6,72,548	65,983	M.	1,166	Kinnaird-Golaghat (Assam)	12.50	5	*Nil*	*Nil*	*Nil*		12	Y.P.
1,80,000	60,000	2,51,914	1,51,914	18,519	Duncan Bros. & Co., Ltd.	1,666	Kotamalli Tea ..	21.00	10	2 75	1 00	0 75	*Nil*	12	Y.
6,50,000	10,50,454	12,07,906	3,53,788	392	Duncan Bros. & Co., Ltd.	636	Ledo	19 12	10	4 00	1 50	1.75	2.00	12	Y.P.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co.,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
3,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd. ..	Balmadies Plantations	3 65cd	2	0 30	0 21	0 45		5	Y.P.
26,91,279	17,00,000	56,38,212	6,78,584	29,944	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	5 10xd	3	0 45	0 75	0 52	0 30'C'	2	Y.P.
18,00,000	31,00,000	39,79,940	3,06,541	1,21,826	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	32 50	10	1 80	2 50	4 00		6	Y.P.T.
71,55,000	56,13,036	1,25,54,765	26,69,076	1,13,211	R. C. Paterson, Esq. ..	Consolidated Coffee	29 45	10	2 25	2 00	4 00		6	Y.P.T.
4,00,000	5,87,423	10,43,962	53,995	8,519	Associated Planters Private Ltd. ..	Cottanad Plantations	15 30cd	10	1 75*	1 50	1 75		3	Y.P.
18,00,000	9,30,543	29,08,448	5,85,748	48,584	A. V. Thomas & Co., Ltd. ..	Highland Produce	12 25cd	10	2 00	2 00	0 75		12	Y.P.
4,00,000	10,92,399	18,91,159	2,63,018	18,088	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	12 95xR	10	2 75	2 00	2 00		4	Y.
13,50,000	8,71,449	19,82,913	3,09,273	6,347	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	10 00	10	2 25	3 25	2 25		3	Y.
27,00,000	28,29,387	80,92,726	9,49,414	1,48,976	A. V. Thomas & Co., Ltd. ..	Midland Rubber	12 20	10	2 50	2 00	2 00		3	Y.P.
5,35,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd. ..	Neumeny Rubber	13 75	10	1 50	1 50	0 75		12	Y.P.T.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	14 75cd	10	1 50	1 50	1 50		12	Y.P.T.
19,45,980	23,79,015	45,25,952	14,74,565	53,868	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	5 63	2	0 40	0 20	0 60		10	Y.
13,50,000	8,60,000	45,07,576	3,05,093	12,299	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	18 00	10	2 00	2 50	2 00		6	Y.P.
3,06,750	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd. ..	Savamala Estates Ltd.	3 90	2	1 00	1 50	0 30		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Patoo Agencies	San ameshwar Coffee Estates Ltd.	2 60	2				0 18	3	Y.P.T.
10,00,000	3,61,660	22,44,528	1,59,659	9,940	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	6 00	10	0 00	0 00	0 60		3	Y.P.T.
2,50,000	2,75,000	5,73,150	38,399	83,647	A. V. George & Co., Ltd. ..	Thamarapally Rubber	25 50	10	3 00	3 00	3 00		12	Y.P.
14,00,000	11,14,980	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1 72	1	0 12½	0 12½	0 05		9	Y.T.
6,00,000	33,742	7,80,935	1,41,328	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	15 50	10	3 00	2 00	1 50		12	Y.
41,00,000	12,72,721	84,25,080	14,56,613	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7 50	10	1 25	0 75	0 40		12	Y.P.
20,00,000	36,000	20,13,628	7,73,048	167	P. T. Thomas Esq. (Mg. Director)	Tropical Plantations Co.	20 50	25	4 00	3 00	1 00		12	Y.
2,20,000	4,29,600	9,26,785	83,552	..	A. V. George & Co. Ltd.	Udagamandi Rubber Co., Ltd. ..	11 75cd	10	0 50	0 75	0 60		12	Y.P.
8,80,010	5,90,660	9,56,590	27,217	872	M.	Vaikundam (Travancore) Rubber ..	24 00cd	10	2 50	3 50	3 50‡	1 25‡	12	Y.
6,95,000	1,47,359	13,88,336	39,744	10,289	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8 62	10	2 00	1 25	1 00		3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital. • Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	53,28,489	18,786	R. N. Elias & Co. Private Ltd. ..	879	Acarpara	9 12	10	0 62	0 25	0 25		3	Y.
6,00,000	10,25,000	56,02,853	38,46,803	1,70,290	McLeod & Co., Ltd.	436	Alexandra	125 00	100	10 00	10 00			6 12	H.P.T.
80,00,000	5,25,000	1,25,28,740	95,78,691	—5,74,381	McLeod & Co., Ltd.	1,264	Alliance	90 00	100	6 00	Nil	Nil		6	Y.
49,20,700	67,00,000	3,11,92,070	2,05,15,000	1,77,824	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	178 00	100	3 50	3 50	7 00		3	Y.P.
40,00,000	29,24,500	1,47,09,985	52,34,728	—3,79,016	Bird & Co. Private Ltd.	810	Auckland	110 00	100	10 00	1 00	Nil		3	Y.P.T.
20,00,000	24,84,715	98,59,961	67,58,861	1,18,223	Birla Brothers Private Ltd. ..	959	Baidy	174 00	100	3 50	Nil	2 00	6.00	3	Y.P.
£275,000	£474,807	£1,628,482	£9,28,169	.. ..	Sir John H. Birder (Chairman) ..	1,880	Barnagore	111 00	£5	sh. 15	Nil	Nil		3	Y.P.
25,00,000	28,77,123	97,66,095	63,10,415	6,111	Andrew Yule & Co. Ltd.	820	Belvedere	123 00xd	100	7 50	Nil	2 50		12	Y.P.
45,00,000	29,71,745	58,04,991	35,42,033	—5,73,255	Sowarmull Surajmull	600	Bengal	11 75	10	1 12	1 00	Nil		6	Y.P.T.
91,26,000	2,20,05,284	4,09,60,115	1,66,74,197	24,155	Birla Brothers Private Ltd. ..	1,373	Birla	18 75	10	1 00	1 00	1 00	1.00	3	Y.P.
36,00,000	19,30,920	1,22,32,479	71,78,657	2,799	Andrew Yule & Co. Ltd.	991	Budge-Budge	108 00	100	7 50	Nil	Nil		10	Y.P.
7,47,380	....	44,38,103	32,72,922	—2,12,291	Davaram & Sons	502	Calcutta Jute Mfg.	7 00	10	Nil	Nil			12	Y.P.T.
18,00,000	25,21,234	87,77,057	46,40,856	529	Andrew Yule & Co. Ltd.	616	Caledonian	6 50	Nil	Nil	Nil			11	Y.P.
59,16,400	76,49,240	2,28,64,628	1,19,00,343	—7,24,043	James Finlay & Co., Ltd. ..	600	Champdany	101 00	100	10 00	2 00	Nil		3	Y.
15,95,000	21,58,282	85,62,201	58,78,175	5,857	Andrew Yule & Co. Ltd.	530	Cheviot	174 00	100	10 00	2 00	Nil		11	Y.P.
30,15,000	33,75,000	77,94,318	51,54,350	73,099	McLeod & Co., Ltd.	800	Chitavalsah	15 00	10	1 37	0 621	1 10		7	Y.P.T.
24,00,000	9,00,000	81,05,335	67,13,337	25,935	Shree Krishna Investment Co., Ltd	999	Clive	13 44	10	1 25‡	0 50			3	Y.P.
31,49,200	44,50,302	1,35,02,698	51,19,167	—8,75,531	Bird & Co. Private Ltd.	766	Dalhousie	94 00	100	4 00	Nil	Nil		3	Y.P.T.
28,00,000	37,22,179	82,37,464	48,99,760	4,243	Andrew Yule & Co. Ltd.	779	Delta	128 00	100	5 00	Nil	Nil		11	Y.P.
15,00,000	35,56,600	92,51,058	63,07,045	4,192	McLeod & Co. Ltd.	500	Fenwick	18 44	10	1 25	0 50‡	0 75		7	Y.T.P.
21,00,000	71,39,758	2,75,16,574	1,65,59,223	2,53,663	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd. ..	370 00xdN	100	15 00	10 00	10 00	20.00	3	Y.P.T.
21,00,000	18,00,000	1,25,79,765	63,50,852	1,99,479	Bangur Bros., Ltd.	1,014	Fort William	21 50	10	20 00	0 75K	1 50	1.50	3	Y.P.T.
84,32,100		2,11,07,224	1,32,88,825	—2,67,452	M.	1,709	Ganges Mfg.	59 00	100	2 50	Nil			3 9	H.P.
10,80,000	28,68,943	76,03,097	50,72,167	11,510	M.	607	Gondalpara	600 00	300	Nil	50 00			12	Y.T.
24,00,000	24,50,000	2,22,46,043	1,58,81,065	45,248	Macneill & Barry Ltd.	1,394	Gourepore	330 00	100	15 00	2 50	2 50		3	Y.P.
40,00,000	65,68,233	1,32,37,430	67,67,854	3,19,473	Bangur Bros., Ltd.	1,078	Hastings	104 00N	100	11 50	5 00	5.00	5.00	3	Y.P.
16,30,000	13,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Baijoria	720	Hooghly	11 00	10	1 25	Nil			3	Y.P.
25,62,500	28,09,105	2,34,85,488	1,24,24,441	32,775	Jardine Henderson Ltd.	1,940	Howrah	18 69	10	0 37	0 25	Nil	Nil	3	Y.P.T.
52,50,000	28,37,124	2,93,21,907	1,57,51,907	1,14,396	Ramdutt Ramkissendas	2,272	Hukumchand	23 25	7.50	2 00	2 00	1.50		3	Y.P.T.
87,00,000 } 30,00,000 }	17,20,650	1,27,01,698	80,28,070	2,57,287	M.	790	India	136 00	O. 125	4.69	4.69			3	Y.
24,00,000 } 'B'12,00,000 } 30,00,000 }	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	{119.00 / 125.00	100 / 'B' 100	2 50 / 2 50	Nil / Nil	Nil / Nil		} 12	Y.P.T.
'B'24,00,000 }	9,73,067	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kankinarrah	{ 63 00 / 66 00	100 / 'B' 100	1 00 / 1 00	Nil / Nil	Nil / Nil		} 12	Y.P.T.
21,00,000	53,00,000	1,35,45,052	88,77,736	86,701	McLeod & Co., Ltd.	703	Kelvin	188 00	100	17 50	5 00‡	9 00		5	Y.P.
23,33,375	23,33,375	1,96,60,992	1,22,03,770	27,097	Anderson Wright Ltd.	1,530	Khardah	330 00	100	11 00	5 00	3.00		3	Y.P.
24,43,000	28,41,335	1,39,71,981	53,10,244	—9,08,440	Bird & Co. Private Ltd.	931	Lansdowne	126 00	100	7 00	Nil	Nil		3	Y.P.T.
28,00,000	45,53,647	1,41,73,943	65,14,075	—7,73,363	Bird & Co. Private Ltd.	840	Lawrence	164 00	100	6 00	Nil	Nil		3	Y.P.T.
21,65,250	26,36,645	2,64,13,349	1,26,97,309	1,64,942	M.	1,204	Megna	135 00	100	3 75	3 75			3 9	H.
29,93,900	34,62,195	1,65,74,719	86,70,600	—13,08,719	M.	815	Naihati	71 00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	15,55,000	36,02,650	21,34,037	—1,65,266	Howrah Trading Co., Ltd. ..	425	Nankarmara	11 50	10	1 25	Nil			10	Y.T.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	17 50	10	1 25	Nil			10	Y.P.
22,25,000	27,55,572	31,27,861	21,92,842	43,512	McLeod & Co., Ltd.	316	Nellimarla Jute	22 50	10	1 75	0 75	0 75		10	Y.P.
85,50,000	2,86,31,171	4,68,32,843	1,06,43,534	3,35,001	Sahu Jain Ltd.	1,765	New Central	16 69	10	1 00	0 90			7	Y.P.T.
16,79,880	46,58,882	1,23,54,122	56,38,490	9,227	Bird & Co. Private Ltd.	567	Northbrook	17 19	10	1 50	1 50			12	Y.P.
66,79,500	12,74,961	2,24,62,238	1,30,16,557	20,195	Macneill & Barry Ltd.	1,092	Nuddea	49 50	50	1 00	Nil	Nil		3	Y.P.T.
24,91,000	23,00,049	76,53,488	52,45,690	5,981	Andrew Yule & Co., Ltd.	601	Orient	122 00	100	9 00	2 00	Nil		3	Y.P.T.
25,00,000	7,83,173	86,18,353	67,97,872	7,049	McLeod & Co., Ltd.	400	Presidency	5 00	5	0 31	0 20	0 30		11	Y.
20,00,000	10,324	29,80,939	9,24,705	—7,07,557	Birla Brothers Private Ltd. ..	305	Rameshwara	9 94	10	Nil	Nil	Nil	Nil	7	Y.T.
49,50,000	2,00,000	1,24,31,131	66,63,109	—46,26,603	Jardine Henderson Ltd.	1,276	Reliance	7 06	10	Nil	Nil	Nil	Nil	3	Y.P.
£669,000	£1,093,713	£1,245,244	....	£58,094	Thomas Duff & Co. (India) Ltd..	2,013	Samnagore	9 25	£1	8%				3	Y.P.T.
50,00,000	13,14,910	1,21,72,882	85,21,532	48,032	Bagaria More & Co., Ltd. ..	911	Shree Ambica	11 50N	10	0 50	0 25	0 50		12	Y.P.
14,00,000	11,14,980	68,37,540	47,50,476	40,154	Hindustan Investment Corpn. Ltd.	401	Soorah	17 37	10	1 50	1 50	1 50		12	Y.P.
25,19,600	31,10,501	1,26,68,701	57,29,512	—8,76,983	Bird & Co. Private Ltd.	650	Standard	96 00	100	1 00	Nil	Nil		3	Y.P.T.
£600,000	£925,119	£1,137,660	....	£83,548	Thomas Duff & Co. (India) Ltd..	1,794	Titaghur	9 00	£1	8%‡				12	Y.P.
35,98,600	68,80,143	2,01,42,357	89,47,895	—13,51,940	Bird & Co. Private Ltd.	1,326	Union	148 00	100	10 00	1.00	Nil		3	Y.P.T.
£400,000	£688,035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd..	1,331	Victoria	9 00	£1	8%‡				12	Y.P.
2,50,000	6,35,000	41,78,264	27,76,059	—4,15,285	McLeod & Co., Ltd.	447	Waverley	3 75	1	0 37	Nil	Nil		5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1954 Rs. nP.	1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,630	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	10 87xd	10	1 31	1 37	0 50	1 25	3	Y.
12,00,000	3,49,390	27,46,675	25,26,182	70,917	Jardine Henderson Ltd.	Barakar Coke	13 50	10	1 46	1 46	1 10	0 37	3 9	H.
4,49,350	88,000	9,25,192	5,59,530	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	5 88N	10	0 25	0 62	0 75		12	Y.
1,00,00,000	1,62,13,157	6,38,12,765	4,41,60,343	11,48,060	Andrew Yule & Co., Ltd.	Bengal Coal	205 00	100	30 00*	35 00*P	17 50	17 50	10	Y.P.
2,25,000	3,76,706	24,82,075	22,49,080	—1,39,041	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13 50	10	Nil	Nil	Nil	Nil	12	Y.
15,97,000	4,88,558	48,14,600	24,22,200	—94,879	H. V. Low & Co. (Private) Ltd. ..	Bhalgora	7 94	10	Nil	Nil			9	Y.
40,00,000	10,28,269	1,44,85,027	77,59,407	2,129	Sahu Jain Ltd.	Bharat Collieries	7 50	10	0 62	0 62	0 62	0 60	6	Y.P.T.
7,15,000	10,15,172	49,80,946	34,94,191	—4,92,526	M.	Bhulanbararee	9 56	10	Nil	Nil	Nil		12	Y.
7,50,000	24,16,419	45,67,883	27,10,503	19,553	F. W. Heilgers & Co. Private Ltd.	Borrea	20 75	10	2 00	2 00	1 50		6 12	H.T.
49,97,750	1,70,83,767	4,37,67,222	1,99,68,072	98,339	Bird & Co. Private Ltd.	Burrakur	23 62	10	0 56	0 62	0 68	0 37	6 12	H.P.T.
3,00,000	....	46,39,014	12,80,014	3,401	Hindustan Investment Corpn. Ltd.	Central India	8 40	10	0 25	0 25	0 50	0 50	3	Y.
6,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend	10 50N	10	0 25	0 50	0 50		12	Y.
16,00,000	1,49,122	7,29,936(k)	....	10,537	F. W. Heilgers & Co. Private Ltd.	Churlia	3 44	4	0 12	0 06	0 06	0 20	12	Y.
£240,000	£302,875	£4,47,612	£1,65,398	—67,535	Macneill & Barry Ltd.	Dhemo Main	8 50	10	Nil	Nil	Nil	Nil	12	Y.
20,63,760	98,25,027	£1,00,51,816	£246,677	Jardine Henderson Ltd.	East Indian	23 44	£1	2 50	3 00	2 50	1 50	4	Y.	
10,00,000	1,40,469	4,34,84,587	3,12,09,700	59,732	Macneill & Barry Ltd.	Moultable	28 75	10	1 50	1 50	1 50	1 50	12	Y.P.T.
12,00,000	1,17,609	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia	15 50N	10	0 50	0 25	0 25		3	Y.
8,00,000	2,50,000	42,84,460	25,30,972	....	Killick Industries Ltd.	Hingir-Rampur	30 75	50	Nil	2 25	2 25	Nil	6	Y.P.
3,50,000	3,85,904	14,76,413	7,56,154	—1,79,352	Macneill & Barry Ltd.	Hurriladih	15 50	10	1 75	2 50	1 50	Nil	12	Y.
20,00,000	2,21,575	35,57,576	5,71,179	1,962	Andrew Yule & Co., Ltd.	Kalapahari	10 00N	10	Nil	Nil	Nil	Nil	2	Y.
5,00,000	13,90,898	47,62,511	27,70,583	1,38,336	Bird & Co. Private Ltd.	Karanpura Collieries	125 00	100	Nil	2 50	5 00	Nil	2	Y.P.
11,00,240	68,356	16,86,967	10,94,163	13,871	Andrew Yule & Co., Ltd.	Katras Jherriah	69 50	10	4 00	4 50	6 50	6.50	1	Y.
9,00,000	10,22,762	28,39,712	22,94,926	8,568	H. V. Low & Co. (Private) Ltd. ..	Kurdi	2 75N	10	Nil	0 12	0 19		6	Y.
7,48,240	2,00,000	13,13,298	9,98,219	81,201	Tantia Brothers Ltd.	Lakurka	15 50N	10	0 25	0 12	0 12	0 12	4	Y.
17,76,230	19,58,049	1,30,10,149	94,97,263	88,316	Andrew Yule & Co., Ltd.	Nazira	7 00	10	0 50	0 50			12	Y.
6,00,000	75,000	23,35,331	22,38,922	1,48,499	Octavius Steel & Co., Ltd. ..	New Beerbhoom	19 69	10	1 12	1 00	0 75	0.75	12	Y.P.
1,15,000 } 1,57,500 }	3,47,692	13,06,689	8,96,110	17,516	Andrew Yule & Co., Ltd. ..	New Manbhoom	12 75	10	Nil	Nil	Nil	0.50	3	Y.
						North West	{ 19 62N / 13 50N	10 / 7.50	Nil / Nil	1 37 / 1 03	1 50 / 1 12		} 3	Y.
7,50,000	15,69,648	3,97,666	2,77,666	41,941	F. W. Heilgers & Co. Private Ltd.	Ondal	12 50N	10	1 00	1 00	0.75	0.50	12	Y.P.
10,00,000	1,10,000	41,24,518	19,79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	7 00N	10	0 50	0 25			12	Y.T.
8,34,000	20,000	28,49,867	6,86,501	9,080	Deepchand Kishenlal	Parasea	15 00	10	0 75	1 00	0 50		12	Y.P.T.
15,75,000	17,04,800	59,95,210	42,69,210	36,465	Shaw Wallace & Co., Ltd. ..	Pench Valley	25 12	10	1 62	1 50	0 75	2 00	3	Y.
23,99,500	25,66,861	1,37,28,021	91,88,862	29,060	B. N. Elias & Co. Private Ltd. ..	Ramagunda	13 75	10	0 50	0 62	0 37	0 75	3	Y.
13,50,000	6,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd. ..	Rewa	17 50	10	1 37	2 07	1 50	1 00	12	Y.
37,50,624	37,12,000	1,24,96,524	26,57,292	21,102	M.	Samla Collieries	10 25xd	10	0 75	1 00	1 25	0 90	12	Y.
2,50,000	1,95,802	13,78,460	12,21,237	21,070	M.	Searsole	5 75N	2.50	0 62	0 75			1	Y.
2,50,000	9,25,098	29,24,442	19,99,221	48,188	Andrew Yule & Co., Ltd.	Seebpore	25 00xd	7	2 00	2 50	2 25	1.75	12	Y.P.
8,00,000	4,91,081	52,491	28,867	628	F. W. Heilgers & Co. Private Ltd.	Sendra	9 00	10	0 12	0 25	0 25	0 25	12	Y.T.
63,21,450	94,58,636	5,10,21,249	2,73,46,020	20,557	Industrial Trust Fund (Government of Andhra Pradesh)	Sincareni	16 06xd	10	0 70	0 75	1 00		12	Y.
12,50,000	10,37,541	39,01,896	17,00,034	8,739	Bird & Co. Private Ltd.	South Karanpura	12 62	10	0 12	0 12	0 35	0.75	8	Y.
8,00,000	13,76,745	1,60,570	28,519	9,750	F. W. Heilgers & Co. Private Ltd.	Standard	12 25	10	1 50	1 00	1 00	1.00	12	Y.
10,00,000	....	31,92,804	15,47,972	—5,66,907	M.	Tatcher	1 97	2.50	Nil	Nil	Nil		9	Y.
10,00,000	3,35,000	18,97,034	14,54,927	77,105	Williamson Magor & Co., Ltd. ..	Union	15 25	10	0 75	Nil	Nil		12	Y.
3,50,000	66,784	65,72,308	24,15,806	11,543	Hindustan Investment Corpn. Ltd.	Western Bengal	6 81	10	0 37	0 50	0 50	0 50	3	Y.
40,00,000	....	58,61,405	27,57,669	—8,49,103	Macneill & Barry Ltd.	West Jamuria	7 75	10	Nil	Nil	Nil	Nil	12	Y.
7,00,000														

† Less income-tax. (z) Clive Mills have paid dividend at Rs. 10½ on bonus shares, for the year 1955. • Including bonus. (k) Investments.

M—Managed by the Board of Directors. + Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December, 1954.
+ New Central Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1955 is on shares of Rs. 10 each. P—Bengal Coal Co. Dividend for 1954 and 1955 are on shares of Rs. 200 each.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. 'C'—On increased capital.
For 1958 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each.

MARKET GOSSIP

(*Concluded from page 379*)

boilers, sugar machinery, structurals, cranes and steel foundry. It has undertaken bold plans for the manufacture of milling plant, a vital equipment needed by sugar factories, and machine tools. This is an instance of the management's commendable enterprise. No wonder the shares of the Company are highly rated by investors who want not only a steady return but also prospects of sizable capital appreciation over a reasonable period of time.

* * * *

A vigorous plea for scrapping of the control on copper at the end of the current month when the import policy for the ensuing half-year (October 1958-March 1959) is due to be announced has been put forward by the Bombay Metal Exchange Ltd. in the course of a memorandum submitted to the Government of India. The object with which the Central Government imposed price and distribution control on copper on 2nd April 1958, namely, to arrest the upward trend in prices, has not been fulfilled. In fact, the prices of copper and its products have registered a sharp advance and, even at such high prices, the consuming interests, it is said, are not getting adequate supplies. Electrolytic copper, for instance, is now quoted as high as Rs. 220 per cwt., as against Rs. 175 prior to the imposition of control. Following this rise, copper scrap and copper sheet cuttings are ruling higher at Rs. 210 and Rs. 215, the corresponding figures before 2nd April being Rs. 165 and Rs. 170, respectively. It is true that the prices of copper ruling in India are influenced predominantly by the trend of the London Metal Exchange, but the extent of the increase in prices has been much more marked in India than in London. Thus, over the past five months, copper prices in India have gone up by over 25.7 per cent., while the same in London have risen by only 12.2 per cent.; cash copper in London now stands at £202 per ton, as against £180 on 1st April last.

It is thus evident that neither the traders nor the consumers have gained anything from control on copper. On the contrary, the control has interfered with the normal forces of supply of and demand for copper. The Metal Exchange feels that, if the Government were to lift the control, the prices

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 R. nP	Accounts Closed	Reference
15,00,000	1,05,00,000	10,41,547	Allahabad Bank	370 00	100	18 00	18 00	18 00‡		12	Y.P.
14,50,000				185 00	50	9 00	9 00	9 00‡			
1,01,000	18,04,000	1,910	Andhra Bank	109 00	100	6 50	8 00	6 00		6,12	H.
39,75,500				90 00	25	4 44	5 56	5 10			
1,00,00,000	1,25,00,000	4,10,731	Bank of Baroda	123 50	50	6 00‡	7 00	7 00		12	Y.
50,00,000	25,00,000	7,908	Bank of Bikaner	20 52xd	25	0 87	1 12	1 25		12	Y.
3,50,00,000	3,10,00,000	16,02,881	Bank of India	134 75	50	5 00	5 00	5 00	3 00‡	6,12	R.L.Y.
50,00,000 'A'				134 25	50 'A'			5 00	3 00‡		
15,30,375	25,00,000	52,270	Bank of Indore	42 00N	25	2 50	4 00	4 25		12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur	37 25	50	2 00	2 50	3 00		12	Y.
50,00,000	91,35,515	1,27,085	Bank of Mysore	268 00xd	100	16 00‡	16 00‡	16 00	8 00‡	12	Y.
15,00,000	40,00,000	44,768	Canara Bank Ltd.	85 00	50	5 00	5 00	5 00		12	Y.P.
7,50,000	15,50,000	5,676	Canara Banking Corporation Ltd.	77 00	50	5 50‡	5 00‡	5 00‡		12	Y.P
5,25,980 'A'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	180 00	100 'A'	12 50	15 00	15 00		12	Y.
23,787 'C'				1 71	1'C'	12½%		15%			
2,06,11,875	4,03,60,321	18,44,046	Central Bank of India Ltd.	57 00	25	2 00	2 50	2 50	1 50‡	12	R.L.
92,45,375				57 00	25	2 00	2 50	2 50	1 50‡		
50,00,000	40,00,000	2,80,320	Devkaran Nanjee Banking Co.	45 75	50	2 50	3 00	3 00	1 25‡	12	Y.
5,00,00,000	2,00,00,000	19,48,442	Habib Bank (P)	26 37	5	0 87	1 37	1 06		12	Y.
1,25,00,000	6,25,000	21,046	Hindustan Commercial Bank	9 25	50	Nil	Nil	Nil		12	Y.
50,00,000	1,50,000	4,283	Hindustan Mercantile Bank	13 00	50	Nil	Nil	Nil		12	Y.
44,00,000	1,80,00,360	2,04,376	Indian Bank	222 00xd	100	12 00‡	13 00	15 00‡	6 50‡	6,12	R.L.H.
22,40,000				185 00xd	80	7 75	9 75	12 00‡	5 20‡		
56,32,350	46,86,300	2,32,067	Indian Overseas Bank	162 00	100	7 50	10 00	10 00		12	Y.
10,00,000	10,25,000	33,502	Pandyan Bank Ltd.		25	1 87	1 87	1 87		12	Y.
1,25,00,000	1,10,00,000	4,51,904	Punjab National Bank	91 00	25	3 50	4 00	5 00	2 50‡	12	Y.
1,00,00,000	£9 17,000	5,628	Travancore Bank	20 65	25	1 00	1 00	1 25		12	Y.
40,00,000	40,00,000	1,50,332	Union Bank of India	7 24	5	0 87	0 44	0 44		12	Y
2,00,00,000	1,84,00,000	49,482	United Commercial Bank	63 20	50	2 75	3 50	3 75		12	M

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent)					
£4 400,000	£5,700,000	£412 542	Chartered Bank	£2-2-9	£1	15†	15†	15†		12	Y.
H.K. $50 000,000	H.K. $128,000,000	H.K. $2,062,463	Hongkong and Shanghai Banking Corporation	£41	H.K. $125	5*	5*	12½* Z	14*)	12	Y.
£18,565 870	£18,000,000	£826,712	Lloyds Bank	£2-14-0	£1	12†	15†	15†		12	Y.
£3,940,000	£2,160,000	£231,462	Mercantile Bank Ltd	£1-14-6	£1	14†	14†	18‡†		12	Y.
£3,851,563	£3,104,687	£355,539	National Overseas and Grindlays Bank Ltd.	£1-3-9	sh. 12½	15†	15†	15†		12	Y.

‡ Includes bonus † Less Tax. (P) Pakistan Currency. R. L.—Reserve liability on shares. (I) Interim * £ per share free of tax. xr—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	92 00	1st June 1968
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90 00	18th February 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.00N	27th December 1962-63
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00N	1st November 1960-64
35 00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November 1958-64
COAL						
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90 00	30th June 1964
60,00,000	4½	30th June and 31st December	Barrakar Coal Co.	1947	87 00	30th June 1967 (a)
60,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	97.00	14th December 1969 (a)‡
COTTON						
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85 00	30th April 1964
4,00,000	6	15th May and 15th November	Bengal-Nagpur	1957	89 00	15th November 1966 (b)
70,00,000	5	1st April and 1st October	Buckingham and Carnatic	1957	98 00	1st March 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	100.25	1st April 1967-72
12,71,700	5½	30th June and 31st December	Jaybhaye Textiles	1948	90 00N	1st January 1964-69
30,00,000	5	1st June	Tata Mills	1949	93 25	15th November 1958-64
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co. Ltd.	1950	90 00	31st March 1965 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co. Ltd.		97 00	14th June 1990
25,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1949	99.00	1st October 1969
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1940	90 00	31st December 1964 (a)
84,64,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97 25	1st January 1970 (a)
23,00,000	4	30th June and 31st December	Cooverjee Electric Supply Co., Ltd.	1945	84 00	31st December 1970
15,80,000	5	1st January and 1st July	Ilyas (Jhevrilal) Electric Supply Co., Ltd.	1951	91 00	30th June 1976 (a)
3,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	95 00	1st April 1958-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	93 50	30th September 1958-68
47,72,900	5	1st April and 1st October	Tata Power	1940	100 00	1st July 1978
3,50,00,000	4	1st April and 1st October	Tata Power		84.75	15th September 1945-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94 00	31st December 1960
20,00,000	5½	15th September and 15th March	Indian Hume Pipe (Rearer)	1942	97 00N	1st July 1967-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	80 00	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	97.00	1st October 1968-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd	1950	95.50	31st December 1960 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	90 50	31st March 1960
6,00,000	5½	30th June and 31st December	Alexandra	1939	91 00	30th June 1960
15,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	77 00	31st December 1964
10,00,000	5½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90 00	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	1940	86 00	31st July 1960
10,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1944	90 00	31st March 1960
8,56,000	5	15th January and 15th July	Empire	1951	90 00	15th July 1966 (a)
20,00,000	5½	31st March and 30th September	Gourrah Mills Co. Ltd.	1955	94 00	31st March 1970
25,00,000	5	30th June and 31st December	Kamarcot Jute Mills Co., Ltd.	1940	90 00	31st December 1964 (a)
25,00,000	5½	30th June and 31st December	Kankinarah Jute Mills Co., Ltd.	1952	90 00	31st March 1967 (a)
5,00,000	4½	14th November and 14th May	Kelhati	1939	88 00	14th May 1960
20,00,000	4	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1945	80 00	31st December 1964
20,00,000	5	31st March and 30th September	Northbrook Jute Co. Ltd.	1944	80 00	31st December 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	85 00	30th September 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	90 00	31st March 1967
16,00,000	3½	31st January and 31st July	Waverly	1955	80.00	31st July 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£650,000	4½	1st January and 1st July	Calcutta Tramways	1900	566.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,563	5	1st April and 1st October		1923	574.10N	1st October 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December 1959 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
4,14,12,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	96.25	1st September 1968
PLANTING						
11,25 000	6	31st March and 30th September	Nilgiri Tea			
1,27,500	5½	31st March and 30th September	Tookay	1944	99.50	1st April 1966-66
					100.00	31st March 1966-86†
MISCELLANEOUS						
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92 00	31st December 1968
23,60,000	4½	1st January and 1st July	Associated Hotels of India	1948	85 00	31st December 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1944	100.50	1st September 1964-66 (a)‡
2,00,00,000	5½	1st April and 1st October	Calcx Oil Refining (India) Ltd.	1956	100.50	1st October 1970
21,00,000	5½	1st February and 1st August	Cheviraphee Properties	1915	85 00	1st February 1964
19,29,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	82 00	1st July 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78 00	15th September 1966
1,25,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	94.00	1969
1,05,21,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100.00	1st January 1971(c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	98 00N	30th June 1969 (a)‡
15,00,000	5	2nd January and 2nd July	Meyer Chemical Industries	1949	88 00	30th September 1964
9,53,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	580 00	30th September 1976 (c)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	465.00 (per note)	31st December 1973 (a)
					84 00N	30th September 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	84 00N	1st April 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99 50	30th June 1970
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	91 25	31st March 1961 (c)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91.00	31st December 1960
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1958	100.50	1st May 1968(c)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 105-8 per cent. after 13 years. § Any debenture outstanding on 1-4-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Rs. 50 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice.
†† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 4th September, 1958.

	Closing quotations 27-8-1958	High	Low	Closing quotations 4-9-1958
TEXTILES	Rs.	Rs.	Rs.	Rs.
Abm. Adv. (100)	175 00	175 50	175 00	175 00
Apollo (2)	1 66	1 72	1 61	1 76
Bombay Dyeing (25)	60 10	60 80	58 80	60 10
Bradbury (50)	175 00	—	—	175 00
Central India (100)	99 00	99 00	95 00	96 00
Century Mills (100)	455.00	457 00	447 00	450 75
Colaba (100)	29 25	—	—	29 25
Edward Textile (200)	262 50	—	—	262 50
Elphinstone (50)	40 00	—	—	40 00
Finlay (100)	291 00	290 00	285 00	285 00
Gokak (100)	154 00	154 00	152 00	152 00
Ind. Untd. Defd. (1)	1 30	1 30	1 22	1 26
Ind. Untd. Ord. (10)	10 00	10 00	9 76	9 84
Indore Malwa (100)	108 00	108 00	106 00	107 00
Khatau (100)	186 25	187 50	185 00	185 00
Kohinoor (100)	285 00	287 50	276 50	278 00
Lakshmi (250)	445 00	460 00	445 00	455 00
Minerva Mills (100)	65 00	65 00	64 00	64 00
Model Nagpur (250)	170 00	177 50	166 25	166 25
Morarji (100)	248 75	248 75	247 50	247 00
Mysore (50)	95 00	—	—	95 00
National Rayons (100)	242 25	246 50	239 50	241 00
New City (100)	113 75	—	—	113 75
New Great (100)	200 00	200 00	205 00	200 00
Phoenix (100)	136 25	—	—	136 25
Podar Mills (100)	138 00	138.00	134.00	135 00
Sassoon Silk (10)	9 76	—	—	9 76
Sassoon Spg. (10)	47 50	—	—	47 50
Sholapur (1,000)	375 00	—	—	375 00
Shri Ram (100)	165 00	—	—	165 00
Simplex (50)	178 00	179 50	175 00	176 00
Standard (100)	432 50	431 00	424 00	425 00
Swadeshi (100)	203 00	205 50	197 50	198 50
Swan (100)	360 00	—	—	360 00
Tata Mill (25)	39.25	39.25	37.25	38 25
Vishnu (100)	111 00	—	—	111 00
Western India (1,000)	4,525.00	—	—	4,525 00
BANKS				
Bank of India (50)	134 00	134 75	134.00	134 75
Do. (New) (50)	135 00	135 00	134.25	135 00
Bank of Baroda (60)	123 00	123 75	123 25	123 50
Central (25)	57.30	57 50	57 00	57 50 †
Central 'A' (25)	58 50	58 50	57 50	57 50
Dena Bank (50)	45 75	—	—	45 75
Punjab National (25)	63 00	63 00	61 00	62 00xd
Union Bank (5)	7 24	7 28	7 20	7 24
United Com. (50)	63.50	63 50	63 00	63 20
ELECTRIC COS.				
Ahmedabad (100)	99 30	99.30	98 80	98 80
Amalgamated (10)	10 88	11 04	10.88	11 04
Andhra Valley (1,000)	1,225 00	1,227 50	1,171 25	1,177 50xd
Bom. Sub Et. (100)	113 75	113 75	112 50	113 00
Surat (100)	111 00	115 50	111 00	115 50
Tata Hydro (100)	129 50	129 50	122 75	122 75xd
Tata Power (1,000)	1,275.00	1,275.00	1,222.50	1,225.00xd
INSURANCE COS.				
British India (10)	15 72	—	—	15 72
Empire of India (100)	265 00	—	—	265.00
Ind. Mercantile (20)	50 80	—	—	50.80
Jupiter (10)	7 12	—	—	7 12
New India (10)	46.00	46.00	45.25	45.50
Oriental (200)	4,035 00	—	—	4,035.00
Universal (10)	12 00	—	—	12 00
Vulcan (10)	18.60	19.24	18.60	19.24
STEEL COS.				
Ind. Iron (10)	26 20	26.35	25 40	25.60
Tata Steel Ord. (75)	173 75	175.50	172.75	174.75
SUGAR COS.				
Belapur (50)	287.50	290 00	286 00	289.00
Bhopal (10)	24.52	25.20	24.25	25 20
Phalton (50)	167 00	168 50	163 50	164 00
Walchand Ind. (100)	287.50	—	—	287.50
CEMENT COS.				
Associated Cts. (100)	162 50	164 00	160.00	161.00
Digvijay (100)	154 50	154 50	153 00	153.00
MISCELLANEOUS				
Alcock Ashdown (100)	263 75	267 50	261 25	261.25
Bom. Burmah (125)	601 50	610.50	603 50	610.50
Do. (New) (50)	220 00	221 25	218 75	220.75
Br. B. Petrol (4 sh.)	2 14	2.18	2 10	2 12
Br. I. Corpn. (5)	4 00	4.04	4.00	4.00
C. F. Ely (100)	57.00	—	—	57 00
Hindustan Motors (10)	7 72	7.68	7 48	7 48
Indian Copper (5 sh.)	4 04	4 12	4 00	4 04
Ind. Iny. Tr. (100)	82 00	82.80	82 00	82.30
Killicks (100)	149 00	149.25	148.00	148 00
Polson (100)	165 00	—	—	165.00
Pre. Automobiles (100)	86 50	87.00	84 50	85.00
Premier Con. (20)	216 00	222 50	211 00	221.50
Scindia (50)	22 12	22 92	22 12	22.44
S. K. Spinning (10)	27 50	28 15	26 50	27 40
Shivrajpur (10)	108 00	115 00	108 50	114.50
Tata Chemicals (10)	17 12	17 28	16 80	16 80
Tata Locomotive (100)	191 00	191 50	187 00	189.00
Tata (25)	39 00	39.00	38 00	38.00
W. I. Match (100)	182.25	182.00	181.00	182.00

GOVERNMENT SECURITIES — 27-8-1958 Rs. — Gross Yield: Earlier Redemption — Later Redemption — 4-9-1958 Rs.

2½% 1961	97.00	—	3 53	97.10
2½% 1946	98.80	—	3 31	99.00
2½% 1962	96 60	—	3 58	96.75
2½% 1956	88.10	—	4.02	88 10
3 % 1965-61	99 80	3.20	3.06	99.85
3 % 1964	96.35	—	3 59	96.85
3 % 1965-65	96 35	3 77	3.51	96.60
3 % 1966-65	93 85	3.90	3 71	94.00
3 % 1970-75	88.90	4.10	3 90	88.50
3 % 1986 Con. Loan	78 00	—	4.06*	74 00
4 % 1960-70	100 60	3.70	3 94	100 50
2½% 1961 N.P. Bonds	100 25	—	3.48	100 25
2½% 1964 N.P. Loan	100 05	—	3 48	100 10
2½% 1965 N.P. Bonds	99 70	—	3 52	99 80
2½% 1962	98 70	—	3 50	99 10
2½% 1967 N.P. Bonds	98 80	—	3 65	98 80
2½% 1974	98 80	—	3 89	98 80
2½% 1967 N.P. Bonds	100 15	—	3 70	100.25
4 % 1972 Loan	100 45	—	3 92	100 45
2½% 1968 N. P. Bonds	100 00	—	3 49	100 05
2½% 1968 N. P. Bonds	100 00	—	3 72	100 20
4 % 1973 Loan	100 25	—	3 99	100.25

BRITISH GOVERNMENT SECURITIES

	Closing quotations 26-8-1958 £			Closing quotations 1-9-1958 £
2½% Brit. Consols	51 ⅛	—	—	50⅝
3 % Savings Bonds 1965-75	72½	—	—	72½
3% War Loan 1955-59	68⅝	—	—	68⅝
2½% War Loan	67⅛	—	—	67⅛
4% Victory Bonds 1976	92⅛	—	—	92½
4% Funding 1960-90	88⅛	—	—	87½

* Current Income. n.d.—Ex-dividend.
xr.—Ex-Right.

COMMERCE

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

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RIGHT MONETARY POLICY NEEDED

IT is contended by some that the Reserve Bank of India should be critical of the Government's economic policies and actions when it analyses economic trends in its annual publications instead of being merely objective. This argument apparently proceeds on the assumption that, as an autonomous body and as the watch-dog of the currency, it is the duty of the Bank to tender its views on current problems to the Government and also keep the public informed of them. The assumption here is a little unrealistic. The autonomy of a nationalised institution is of a limited character, more so when its chief executives are civilians chosen by the Government. Some time ago, a former Finance Minister clearly stated that a country like India, with plans for socialist economy, could not afford to indulge in the luxury of controversies on policy matters between the Treasury and the Central Bank. It is part of history now that a Governor of the Bank who was not liked by him had to leave the post long before his time. The Board of Directors of the Bank are also nominated by the Government and they do not seem to have exercised much independence either. In any case, even if the Reserve Bank conveys to the Government its disagreement on any of the economic policies, it is not necessary that it should make a public display of it through the medium of its publications or otherwise. Such a thing is generally not done nowadays in any part of the free world. Indeed, a central banking institution rarely speaks to the public. And, when it does, its observations are of a general nature.

This does not mean that, in the free world, there are no controversies between Central Banks and Treasuries. In many countries, their Central Banks do express their dissent or assent to several of the Government's policies but they are neither disclosed to the public, nor discussed in public. Generally speaking, in all the free countries, the Central Bank is subservient to the Treasury. In India, too, the Reserve Bank may have occasionally expressed its disagreement with the Government on some policies. The present Governor, Mr. H. V. R. Iengar, told Press men in Bombay the other day that, on subjects pertaining to banking, currency and finance, the Reserve Bank continued to exercise its right to express its views. It is encouraging to hear him say so. In fact, the Reserve Bank, in our view, is entitled to advise the Government *in private* on policies covering a much wider ground, for the value of money is affected by almost all the actions of the Government. But, if the critics of the Government, be they rightists or leftists, feel that the Reserve Bank should openly say what it feels about the Government's various economic policies, they are expecting too much. It is no use depending upon the Reserve Bank for fighting their battles with the Government in the open or for expecting its open support and sympathy. The Reserve Bank is not a champion of either free enterprise or socialism. If it is to champion the cause of anyone, it is that of the Rupee. Its duty lies in protecting the value of the Rupee to the extent it can in a managed money economy. If this point is appreciated, it will be realised that the Bank's annual publications on banking, currency, finance and other economic trends cannot but be factual and dry. Their value lies in the authenticity of the data and the accuracy of description of the trends. Even here, the Reserve Bank has to be careful in seeing that its reports do not become an apologia for Government's actions or inactions, or tend to emphasise or exaggerate certain trends that suit Government's policies. Objectivity should be the main criterion if its reports are to serve the purpose of reference and guidance.

It is no exaggeration to say that, in all its economic survey reports so far, the Reserve Bank has followed this general criterion. The Report of the Bank's Central Board of Directors for the year ended 30th June 1958 is no exception. Its description of economic trends in 1957-58 is appropriate and interesting. There is no word of criticism of the Govenment or of sermon to the public. The few remarks that appear in the paragraphs relating to the prospect for the country constitute a mere statement of prerequisites for the success of the Plan. Similarly, the observations on monetary and credit policy are only an elucidation of the Bank's efforts in this sphere.

The Report clearly reveals that India is now confronted with the risk of a dangerous inflation, an outcome of the over-ambitious second Plan foisted on the people. The diversion of the major part of the resources to the core of the Plan had led to a slackening of economic activity in certain sectors. The rate of growth of industrial production, for instance, has registered a decline. Output of several agricultural crops, especially foodgrains, has fallen, but there seems to have been no abatement in the rate of population growth. Stocks of stores and raw materials have been depleted, while chances of augmenting them have become slender, because of reduced imports and of the country's limited capacity to fill the gap. Exports have failed to expand; if anything, they are tending to fall, despite several attempts on the part of the authorities to boost them. There has been a distinct slackening in the growth of money supply. Time deposits with banks are rising and bank credit is slowing down. In fine, money is pronouncedly easy. Despite the policy of general restraint on bank credit and money supply pursued by the Reserve Bank, prices are rising and cost of living is moving up. In recent months, the Rupee has been buying less goods than it used to a year before. The prospect of any significant and sustained relief in the near future is not promising.

Such is the position as we see it. The Reserve Bank, however, describes it in a circuitous fashion. Thus, it says that "the economic situation in the country presents many complex features." It admits that private investment and industrial production "have touched a plateau, after the sustained and substantial increases recorded in the preceding few years." The monetary situation "has turned from extreme stringency to unusual ease." It concedes that, while prices of raw materials and food have gone up and so also cost of production, those of manufactured goods have shown little or no increase. So, "profit-margins have begun to decline in some sectors, thus accounting for the comparative stagnation in investment and production." It predicts that "the balance of payments situation will remain a source of grave concern" and suggests that, as the available meagre foreign exchange reserves have to be conserved for the completion of the core projects of the Plan, "austerity, including some restraint of growth of consumer goods industries, is inevitable" and that "the claims of further expansion or investment in new directions have to be carefully balanced with those of the maintenance of current economic activity." While recognising in full measure the need for a substantial degree of *foreign* assistance, the Bank reminds the authorities that "the problem of resources must be considered in its fundamental aspect of increasing the rate of savings in the community to match the higher rate of investment." Proceeding, it says that "the rate of domestic savings has failed to show a perceptible increase and the great challenge in the near future is to increase decisively the elasticity of domestic resources." It then stresses the need for maximisation of agricultural production, particularly foodgrains, through intensive application of resources, in order to meet the requirements of growing population and secure "a material alleviation of the long-term foreign exchange problem."

The foregoing account sums up the prospect as seen by the Reserve Bank. It will be noted therefrom that the supply of consumer goods will be short, that the difficult food situation is going to persist and that, at the same time, investment expenditure on the core of the Plan will continue. Deficit financing of Rs. 220 crores in 1958-59—*it might* actually be more—on top of about Rs. 500 crores of deficit incurred in 1957-58 will greatly aggravate the inflationary pressures. In such a situation, what should be the monetary and credit policy? The logical answer is that it should be one of great restraint on bank credit and mopping up of surplus funds. The interest rates should be high enough to attract more savings and to strengthen the drive for austerity. The Reserve Bank agrees with this view but only in part. Thus, it says in the Report under reference that "the tenor of monetary and credit policy would have to be absorption of the available liquid assets for urgent financing of the Plan projects and maintenance of stringent control on expansion of credit facilities in general." It has, however, said very little on interest rates. It appears to share the view that higher rates of interest would affect production and restrain gainful investment. This is a fallacy. There is enough evidence in world economic history to show that, in a deliberately planned rising economy, higher interest rates are no impediment to progress and that, on the contrary, they help the overall aim of securing austerity in living, higher savings and speedier development through less inflation. If Mr. Iengar has any doubts on this issue, let him spend a couple of days with Dr. Erhard, West German Economic Minister, when he visits this country next month and seek his elucidation. Without a policy of reasonably high rates of interest, it will be extremely difficult for the Bank to make its policy of selective credit control a success, more so when the banks are

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flushed with deposits and have a high ratio of liquid assets. What is even more disturbing is that, in the last two or three months, the Reserve Bank has, through its open market operations, actively assisted the downward trend in interest rates. Its aim in selling Government securities should have been to absorb as much of the surplus funds as possible and not make a profit of a few naye paise for the Government by putting up its selling rates progressively. It is obvious that, by raising the price of securities and thereby bringing down the yields on them, the Bank is making the securities less attractive to buyers and reducing their incentive to take up more of them. Moreover, in an inflationary situation, the psychological repercussions of a fall of a half per cent. in yields on Government securities on the other sectors of the capital market are far greater than is generally imagined. It looks as though the Reserve Bank has not yet sufficiently realised that, in an atmosphere of ever-increasing expenditure and consumer demand, unaccompanied by a corresponding rise in the supply of goods, it is extremely easy to make money cheap but very hard even to prevent interest rates from falling and fanning the inflationary fire, let alone push them up. Mere expression of a desire for credit restraint will not do. The Bank has to work hard for it diligently from all sides.

NUCLEAR POWER

THE second United Nations Atoms-for-Peace Conference, now being held at Geneva, has naturally enough attracted world-wide attention. It is now increasingly realised that the progress of nuclear research and the application of nuclear science for peaceful ends has suffered considerably through secrecy observed for strategic reasons, Mr. Francis Perrin, France's High Commissioner for Atomic Energy and President of the Conference, told the 5,000 delegates from 69 nations that secrecy in nuclear research was "harmful and dangerous to all mankind." India's representative at the Conference, Dr. Homi J. Bhabha, declared that secrecy in atomic research had served no useful purpose whatever. It is, therefore, to be hoped that the Conference will be a prelude to further co-operation in the atomic field. The Conference is bound to be a sort of clearing house for scientific information. To take only one instance of what this Conference might mean to the world, the Russian scientist, Mr. Z. U. Artzinovich, announced that Russia had developed a method for extracting uranium —the fuel on which nuclear power plants operate—from sea water. This research might conceivably lead to a solution of the intricate problems connected with the economics of nuclear power production.

Among the underdeveloped countries, India alone has developed an atomic power programme, thanks to the inspiring lead given by Mr. Nehru and the devoted work of a band of enthusiastic scientists, headed by Dr. H. J. Bhabha. Under the atomic energy programme, the *Apsara*, India's first reactor, which will complete two years of successful operation very soon, has produced isotopes and given irradiation facilities to scientific institutions. A Zero energy reactor has also been set up. Work is in progress on the biggest of the reactors, the Canada-India reactor, which will be ready by the end of 1959. For ensuring an adequate and steady supply of raw materials, the Atomic Energy Commission has an extensive programme for prospecting of atomic minerals. In one sense, it is true that there can be no desperate urgency for producing nuclear power in India. For India's coal reserves are nearly 40,000 million tons which, at the present rate of consumption, will last the country for 1,000 years. Its hydroelectric potential is of the order of 35-40 million kw. and, by the end of the second Plan, it will have developed only about 3 million kw. All this might suggest that this country can afford to go slow with its atomic energy programme. But this would be a serious mistake, for energy requirements are likely to increase at a fast pace and our population is also increasing at a very rapid rate. It may be mentioned here that the *per capita* energy consumption in India is only one-twentieth of what it is in the U.S. About 70 per cent. of even this small energy consumption comes from cowdung which could be more usefully utilised in agriculture.

It is also well to remember that India's coal deposits, large as they are, are not inexhaustible. As industrialisation gains momentum, they will be used up very fast. Even now the *per capita* availability of coal is less than what it is in the U.S. or China. Thus, it is about 100 tons per head, as against 15,000 tons in the U.S. and 2,000 tons in China. Further, about 90 per cent. of our coal deposits are located in Damodar Valley, so that the transport of this coal to centres of consumption in this vast country will imply a heavy demand on our limited railway facilities. But the development of nuclear power will mean very little demand on transport, because a ton of uranium can do the job of 2½ million tons of coal. India could and should tap its hydroelectric potential. Hydro-electric energy is, however, dependent upon regular monsoons. If monsoons fail, hydro-electric power may have to be cut. South India has already had enough experience of the fitful nature of hydel power supply on account of the vagaries of monsoon. The lack of firm supply in this region has caused considerable handicap to industries and agriculture. In any case, India's energy requirements will increase year after year, so that it cannot afford to overlook the importance of developing atomic energy as speedily as possible.

In the course of his survey of the energy problems in underdeveloped countries, in general, and in India, in particular, Dr. Bhabha stated at the Geneva Conference that the development of nuclear energy was not too costly for underdeveloped countries. He admitted that the cost of erecting a nuclear power plant was about 50 per cent. higher than for a conventional power station. He, however, thought that the excess cost was recoverable within seven years, since uranium fuel was much cheaper than large quantities of coal or oil which must be transported to conventional power plants over long distances. He pointed out that India's total resources of hydro-electric power, at about 35-40 million kw., might be exploited by 1986, by which time its population would have increased to 500 million. He predicted that "electricity from coal will become progressively more expensive, so that, after that year, most of the expansion of electricity in India will have to be borne by nuclear energy."

Dr. Bhabha calculated that, even if the electric power produced in India increased to 140 million kw. by the end of the century, it would still work out to less than 0.23 kw. per head, on the basis of a minimum population of 600 million by that time; the present *per capita* capacity in Canada was 1 kw. and that in the U.S. 0.72 kw. He added: "This is a measure of the magnitude of the problem." Dr. Bhabha observed that the decisive factor was not the relative cost of power stations, but the relative cost to the economy as a whole of providing progressively larger amounts of new power. From this point of view, international co-operation in nuclear science is of utmost importance to the underdeveloped countries which account for a total population of 1,800 million or nearly 70 per cent. of the world's total population. Living standards in these countries could be raised rapidly only through application of the results of nuclear research to agriculture and to the generation of power which provides the basis of industrialisation.

DEFENCE INDUSTRIES

A WELL-KNOWN martial adage warns us that we cannot fight today's wars with yesterday's weapons. The history of India's pre-British period furnishes many instances of military failures which could be traced to the fact that the generals, brave though they were, lost their battles mainly because of their reliance on out-of-date weapons. Although India is jealous of maintaining its pacifist traditions, it cannot possibly ignore the need for developing its defence potential to a level at which it can adequately defend itself. In this task, it has necessarily to depend on its defence industries. In a total war—modern war is a total war—the entire industrial potential must be pressed into war service. Modern war is, of course, pre-eminently a race in scientific advance. Defence thus calls for efficient scientific organisation and research. War-time necessity has itself often provided great fillip to scientific development which has proved as useful in war as it undoubtedly has been in peace. Without relaxing its efforts in the cause of peace, India should strive hard to build up its own defence and defence equipment, reducing its dependence on foreign supplies.

Much commendable work in the sphere of defence equipment production was initiated during the British period. Some of the excellent ordnance factories in the country owe their origin to the farsighted genius of the British authorities. The first ordnance unit was started in 1834 in Calcutta. There are now 19 ordnance factories which produce a wide range of military equipment, including artillery guns, heavy mortars, naval guns, bombs and shells, and other types of ammunition. These factories, together with Hindustan Aircraft Private Ltd. and Bharat Electronics Private Ltd., constitute the chief industrial enterprises under the Defence Ministry. Hindustan Aircraft Ltd., as is well known, undertakes the overhaul and repair of aircraft and aero engines. It has also started the assembly-*cum*-manufacture of aircraft, the H.T. 2, for use by the Indian Air Force and civil flying clubs. It also produces coaches for railways and bus bodies for various transport authorities. It has entered into an agreement with a firm in the U.K. for the manufacture of jet aero engines. The manufacturing programme of Bharat Electronics Private Ltd. is designed to produce transmitters, communication receivers and other equipment required by the civil and defence departments. Briefly, it is intended to produce electronic, radio and radar equipment and radio tubes and components. The Defence Production Exhibition at New Delhi, which was inaugurated by Mr. Nehru last week, is the first attempt ever made in India to enable the public to know what defence establishments are doing in the sphere of military equipment production.

Although defence industries have necessarily to be owned by the State—it is claimed that these industries are now the second largest industry in the public sector—it cannot be denied that private enterprise, too, has an important role to play in the development and manufacture of defence equipment. This is because strategic considerations demand that productive capacity should be as widely diffused as possible. There should, of course, be concentration of effort in certain lines of production to be owned by the State. But there are many lines where both public and private enterprise could co-operate in the production of defence equipment and stores. Such an arrangement has a strategic value, in that it will avoid a situation where a country might suffer through putting all its defence eggs in one basket—the public sector basket. The factories producing defence equipment should also be geographically distributed over a wide area. Even research effort in the sphere of military science should be distributed among many establishments, although the overall co-ordination of research should naturally be the responsibility of the Defence Ministry. The Defence Science Organisation (D.S.O.), which represents the research wing of the Defence Ministry, has done considerable work in initiating and directing research in defence science. Mr. Nehru paid a well-deserved compliment to the D.S.O. when he said: "I expect great things from this Organisation. Already, it has shown good results." It is to be hoped that the D.S.O. will win new laurels by contributing to scientific research of value in peace and in war.

Since public and private efforts both have, as already stated, a legitimate place in the development of defence potential, it is necessary that the private sector should be taken into confidence and enabled to participate in the production of at least certain lines of strategic equipment. After all, there is no clear-cut line of demarcation between civilian and defence stores. Experience in the West has shown that civilian industrial establishments are very efficient units for turning out military equipment and stores. From this point of view, the Defence Production Exhibition serves a useful purpose, in that manufacturers can learn the type of equipment the Defence Ministry requires. Through closer co-ordination between the Defence Ministry and the private manufacturing sector, it will be possible to evolve many schemes which, when implemented, might ultimately reduce India's dependence on foreign countries for all equipment. For obvious strategic reasons, such co-ordinational effort has necessarily to be limited. But once it is conceded that defence effort should be as widely diffused as possible, a way can always be found for combining Government's ultimate responsibility for the defence of the country with private participation in the production of much necessary military equipment.

WEST COMES TO INDIA'S AID

MIDLAND BANK'S ENTERPRISE—ANOTHER ATTRACTIVE DEBENTURE ISSUE

THURSDAY, 5 P.M.

MARKET GOSSIP

BY his quiet, unassuming ways, which are in the best Indian tradition, the Union Finance Minister, Mr. Morarji Desai, has done much to impress the Western world with the obvious sincerity of his purpose. He knew that everyone knew that his mission was to get financial aid for India's economic programmes. Nowhere did he overstate the case for aid, nor did he ever try to underrate the severity of India's economic crisis. There was in him none of the sophistication of the kind which makes some men pretend they are not in earnest about the aid which they want. At one time, he declared that many countries had developed with the help of foreign financial assistance and there was no reason why India should not follow their example. It is to be hoped that this realistic attitude will be extended to cover a host of other determinants of economic progress, including foreign private capital, facilities for private initiative and effort, and appropriate fiscal reliefs.

The success of Mr. Morarji Desai's 'aid' mission is, of course, not a little due to the change in the climate of opinion in the West, now so favourable to India, and to the painstaking efforts of Indian embassies abroad, in general, and the personal efforts of Mr. B. K. Nehru, rightly described as India's economic ambassador. Much precious ground had been covered already before the arrival of the Union Finance Minister in the British and American capitals, so that, when he actually commenced the talks, he must have found that the authorities in London and Washington knew India's case fully well. It is a tribute as much to India's ability to present its case as to the free world's willingness and ability to appreciate the difficult financial situation of a free country struggling to raise its living standards that constructive decisions for granting aid to India were taken. Perhaps, it is not as widely known as it should be that the "conference" method, which was adopted under the auspices of the World Bank for arriving at joint decisions on India's request for assistance, is without any parallel in post-war international finance.

The aid now granted in firm terms should go a long way towards bridging India's foreign exchange gap. The World Bank has agreed to grant $100 million between now and March 1959, of which railway development alone will absorb some $85 million, and to make available some $225 million in the following two years. West Germany will spare $40 million before March next and another $60 million later—it has also indicated its willingness to consider postponing the instalments on debts amounting to $160 million—and Canada $17 million immediately and $28 million later. Japan, it is stated, will grant India credit to the tune of $10 million by March next. The aid promised by Britain is for £40 million or roughly $114 million and that by the U.S. is for $305 million.

Although it is ungracious to look a gift-horse in the mouth, the U.K. might have taken a more liberal attitude, considering that India's economic association with it extends over a longer period than with any other country. Further, a decade ago, the U.K. itself owed India about £1,200 million. Since the U.K.'s economy was then in disrepair, India agreed to keep down its withdrawal from sterling balances to a modest annual rate of £40 million, besides denying itself convertibility terms. Again, India agreed to pay sterling pensions outright. If it had insisted on paying them monthly, it could have had £100 million more today. Nor should it be forgotten that, in 1949, India promptly devalued its currency following the devaluation of the pound, although it might have maintained its traditional exports without devaluing its currency to the same extent as the pound. These considerations, together with the fact that India buys more from the U.K. than from any other country, warrant the adoption of a reasonably more liberal attitude by the U.K. towards India's request for aid. Be that as it may, it is to be hoped that Britain will be able to consider long-term plans for investment in this country in a more favourable light and the authorities in India, on their part, will facilitate such investment for which there is both need and scope. It is noteworthy that the British Government, in the course of its *communique* announcing the grant of aid, has, after referring to the Washington meeting of India's creditor-countries, indicated its willingness to consider the long-term problems of India's development programmes. Thus, it observes: "Her Majesty's Government, for their part, are willing to take action, which they indicated at the meeting, both to make available £40 million in financial aid before 31st March 1959 and to give continuing consideration to the long-term problems of Indian development during the rest of the second Five-year Plan period which ends in March 1961. They hope that the other participants will similarly be willing to take action." The interest on this loan and the terms of its return, it may be mentioned here, will be decided through bilateral negotiations between the two Governments.

By far the most massive effort designed to aid India's economic development has come from the U.S. which announced this week financial assistance to the tune of $303 million (Rs. 140 crores), consisting of a loan of $100 million from the Development Loan Fund, $200 million by way of sale of foodgrains surpluses to India by the U.S. and nine-year deferment of the 1951 wheat loan ($190 million) on which the interest and amortisation payment this year amount to $3 million. Explaining these provisions, the State Department, in a statement, pointed out that the U.S. was "prepared, in the U.S. fiscal year ending in June 1959, to finance through Development Loan Fund a series of economic development projects in India which are expected to total about $100 million." Loans for these projects, the Department stated, would be on a long-term basis and repayable in Indian rupees. It also announced that the U.S. was prepared to begin discussions leading to the conclusion of "agricultural commodity agreement under title one of Agricultural Trade and Development Act (Public Law 480) which would provide for sale for local currency of surplus agricultural commodities." Such an agreement, it is computed, would provide foodgrains having an export value of about $200 million. Finally, the Department stated that the U.S. Embassy in New Delhi had been authorised to exchange notes with the Indian Government to "amend the present repayment schedule of $190-million wheat loan extended to India in 1951 to defer the interest and amortisation payment which are due over the next nine years."

The latest measure of financial assistance, aggregating $303 million, brings the total of the U.S. aid committed to India since 15th August 1947 to a total of $1,678 million (Rs. 794 crores). Excluding the $303-million aid, the U.S. has so far given India $1,375 million. This assistance includes both Governmental and private assistance. The U.S. Government aid consists of: Technical Assistance and Economic Aid Programmes (from January 1952 to August 1958) $411.8 million; Agricultural Commodities Agreement (August 1956) $288 million; Agricultural Commodities Agreement (June 1958) $57 million; loans from Export-Import Bank for purchase of capital equipment in the U.S. (June 1958) $150 million; loan from Development Loan Fund (June 1958) $75 million; aid to Orissa Iron Ore project (June 1958) $20 million; wheat loan (1951) $190 million; agricultural commodities distributed through voluntary agencies (upto 1st January 1958) $73.2 million; milo assistance (1950-51) $12.15 million; flood relief aid $5.4 million; Fulbright and Smith-Mundt Grants $4.02 million and ocean freight assistance to voluntary agencies $600,000. The measures of assistance from private U.S. organisations are: Ford Foundation grants (upto 8th January 1958) $25.6 million; American Voluntary Agencies Aid under Indo-American Agreement $5.5 million; Rockefeller Foundation grants (upto 30th September 1957) $4.28 million; American Red Cross contributions $0.8 million and gifts in kind or cash (up to 31st December 1957), including scholarships and technical assistance from American educational organisations and foundations (not already included) $50 million. This list does not, of course, include private American investment in Indian trade and industry. Nor does it include the U.S. share in the assistance provided by the specialised agencies of the United Nations, to the funds of which the U.S. is a very large contributor.

It will thus be seen that the U.S. assistance to India, besides being generous, has been spread over many fields of activity. Such aid has also been given without any strings attached. In this connection, it may be recalled that the U.S., when it agreed recently to give $650 million loan to France, imposed certain conditions such as reduction in French military forces and adoption of policies designed to hold deficit financing to a minimum. No such conditions have been imposed on India by the U.S. or other countries which have offered financial assistance to this country. The U.S. Ambassador, Mr. Ellsworth Bunker, has rightly hailed the latest U.S. agreement with India "as further and continuing evidence of the American people's faith in and support for India's magnificent effort to develop her economy through democratic processes."

Although no 'strings' have been attached to the aid given by the Western countries to India, it is not unlikely that men connected with their Governments have impressed upon Indian authorities the importance of realistic approach to economic planning. The Press in the West, while generally supporting India's case for aid, has expressed the view that we should not hereafter present them with a *fait accompli* of a financial crisis in which foreign aid becomes an imperative necessity. In other words, we cannot possibly repeat the economic SOS. The obvious lesson should be learnt that we can never be too careful in striking a balance between the idealism of Plan targets and the reality of internal and external resources.

* * * * *

A bold bid to popularise the banking habit among the lower-income groups has been made by the U.K.'s Midland Bank, one of the "Big Five." A few days after announcing its scheme of "personal loan without security," to which we made a reference in these columns last week, it came out with a new scheme of "economy" bank service. Under the new scheme, known as "personal cheque account," the owner of an account in the Bank is given cheque service at a low and fixed cost of 6*d.* per cheque, inclusive of the stamp duty of 2*d.* No further bank charges will be levied. The Bank's service will encourage transfers of money by cheques instead of by postal money orders for which the rates vary from 1*s.* for £10 to 1*s.* 8*d.* for an order of £40—50. However, other bank facilities such as overdrafts and personal loans, which are available to holders of current or deposit accounts, will not be given to the owners of "personal cheque account." The scheme does not envisage any minimum amount to be kept with the Bank. The personal cheque account, according to the Midland Bank, breaks entirely new ground, for it brings banking within the reach of every man and woman in the U.K. It may be mentioned here that schemes on these lines have been in operation for some time in the U.S. and Canada.

Some observers feel that the cheaper service charges under the scheme might induce current account holders to convert their accounts to personal cheque accounts. But the Bank apparently feels that not many persons will choose to effect such conversion. The London *Financial Times* has drawn attention to the possible results which may flow from the wider adoption of the system of payment by cheques, contemplated by the Midland Bank's new service. In the first place, the gradual substitution of cheques for cash in wage packets and the settlement of bills may produce enormous savings of time and manpower. Secondly, there will be a gradual improvement in the cash position of the banking system produced by a net transfer of cash to it from other sectors. The resultant widening of the credit base, it is pointed out, has "obvious implications for monetary policy, but it will probably take place too slowly to be a serious problem." Thirdly, there will be increased competition for money. "The fact that the growth of personal cheque services will tend to divert funds from the Post Office and Trustee Savings Banks to the joint-stock banks," it says, "is only one example of a development which may eventually have implications for Government finance." For these and other reasons, the operation of the Midland Bank's new scheme will be watched with interest.

* * * * *

Conditions in the money market continue to be easy with interest rates ruling low. Indeed, several banks are having large lendable funds and, since borrowings are on a somewhat reduced scale, a sizable part of the banks' resources has found its way into investment in gilt-edged securities. Consequently, the values of these securities have gone up quite markedly in recent weeks, while actual yields have fallen, as is evident from the figures cited below:

	Price (in rupees)		Yield (per cent.)	
	Latest available	Beginning of 1958	Latest available	Beginning of 1958
3½% 1962	99.03	97.80	3.52	3.78
3½% N.P.B. 1967..	98.85	97.50	3.65	3.82
3 % Dev. 1970-75.	89.40	85.75	4.12	4.48

Thanks to the persistently upward trend in gilt-edged values and lower yields thus, investors are naturally evincing greater interest in fixed-yielding preference shares and debentures of well-known companies. Although these "fixed-yielders" have not recorded any appreciable improvement in prices, they are not easily available, because those who hold them are not inclined to part with them at quoted rates. A striking indication of the keen demand for fixed-yielding securities is provided by the heavy rush for the debenture issue of Guest, Keen, Williams Ltd., the subscription list for which opened and closed on Tuesday this week. The issue, it will be recalled, was for Rs. 1.50 crore in units of Rs. 1,000 each, the rate of interest being 6½ per cent. (subject to tax) and redemption date being 1st January 1971, with option to redeem the whole or part on 1st January 1966. The response to the issue was so excellent that the amount actually subscribed is said to be nearly four times the sum of Rs. 75 lakhs offered for public subscription; the balance of Rs. 75 lakhs had been "placed firm" by the underwriters. The issue is already being unofficially quoted at a premium of Rs. 4.

Close on the heels of the above issue has come the decision of that famous rubber goods manufacturing firm, the Dunlop Rubber Company (India) Limited, to issue at par Rs. 1-crore debenture-stock carrying interest of 6½ per cent. (taxable) and redeemable in 1968-73. The issue will open for public subscription twelve days from now—on Tuesday, the 23rd inst. Full particulars of the issue can be had from the prospectus published on pages 440A to 440D in this issue. Applications for the issue will have to be in a minimum of Rs. 1,000 and those who want more must apply in multiples of Rs. 1,000. Interest on the stock is taxable and will commence from 1st of next month; the first payment of Rs. 16.25 less income-tax per Rs. 1,000 of stock is to be made on 1st January 1959. The whole issue has been underwritten by the Industrial Credit and Investment Corporation of India, the Investment Corporation of India and the Life Insurance Corporation of India. It may be noted here that the Company has an outstanding debenture-stock of Rs. 1,04,55,000 out of the Rs. 1.20-crore 5 per cent. stock 1961-71 issued in 1950. The rate of interest of this stock and its date of redemption have been brought on par with those of the new issue. Judging from the spectacular response to the Guest, Keen, Williams' offer, there is no doubt that the present issue of Dunlop, too, will be oversubscribed and command a good premium.

(Continued on next page)

SHARE MARKET FIRM

STEELS WELL SUPPORTED

(From Our Own Correspondents)

BOMBAY, 11*th September*

THE share market which was somewhat subdued last week picked up strength again during the week under review. In fact, the market ruled distinctly firm. Although there was no fresh bullish development, operators would appear to view the prospects for industries with optimism. The general feeling was that New Delhi might grant some new concessions to industries with a view to augmenting foreign exchange through enlarged exports. There were, besides, renewed reports from abroad about India getting sizable aid from the U.S., thanks to the efforts of Mr. Morarji Desai. These reports, together with hopes of relief in taxation in the 1959-60 budget, prompted some interests to extend their commitments, with the result that equity values registered a handsome improvement. Not only were the last week's losses of many counters completely made up but today's closing rates were higher than those a fortnight ago.

Steel shares were specially well favoured, the buying fervour having been fanned by rumours of an imminent rise of Rs. 56 per ton in retention prices. Tata Ordinaries opened the week at Rs. 175.50, as against Rs. 174.75, and moved up to touch a high of Rs. 180.25 today. Towards the close, there was some profit-taking and the quotation was lower by 25 nP. The net gain over the week was Rs. 5.25. The new shares rallied Rs. 4.50 over the week, today's closing rate being Rs. 174.75. Indian Irons spurted from Rs. 25.60 on Thursday last to Rs. 26.45 on Tuesday and, after declining to Rs. 26.15 today, finished at Rs. 26.20.

The textile section ruled quite active and transactions were put through at higher rates. New Greats were particularly well fancied, the quotation forging ahead by Rs. 16 to Rs. 225. Finlays advanced by Rs. 6.50 to Rs. 291.50, Centuries by Rs. 4.75 to Rs. 455.50 and Models by Rs. 3.75 to Rs. 170. Kohinoors strengthened by Rs. 3 to Rs. 281. Podars, Simplex and Svadeshis gained a like amount to Rs. 138, Rs. 179 and Rs. 201.50, respectively. Central Indias and Gokaks gathered a rupee each, the former to Rs. 97 and the latter to Rs. 153. Bombay Dyeings improved from Rs. 60.10 to Rs. 60.80 before finishing at Rs. 60.60. B.R. Cottons gained 55 nP to Rs. 25.80, Indores 50 nP to Rs. 107.50 and Tata Mills 25 nP to Rs. 38.50. Shree Niwas, however, were subjected to selling pressure and came down by Rs. 11 to Rs. 154. Edward Textiles encountered selling and receded by Rs. 5 to Rs. 257.50, reflecting disappointment over the working results for the year 1957 which show a loss of Rs. 12.20 lakhs (after providing depreciation). Morarjis shed Rs. 4 to Rs. 243.

Bank shares evoked good buying enquiries. Punjab Nationals hardened by Rs. 3.50 to Rs. 65.50. Barodas firmed up by Re. 1.50 to Rs. 122 *ex-div.* Central Banks were fully maintained at Rs. 57 and new shares picked up Re. 1.10 to Rs. 58.60. United Commercials put on 60 nP to Rs. 63.80 and Unions 12 nP to Rs. 7.36. Jodhpurs were firm at Rs. 1.44.

Electricity shares, however, continued to remain neglected. Tata Powers dropped Rs. 10 to Rs. 1,215. Andhra Valleys fell by Rs. 7.50 to Rs. 1,170. Tata Hydros declined by Rs. 2.75 to Rs. 120. Bombay Suburbans were on offer lower at Rs. 112.75, as against Rs. 113 last week-end, and Ahmedabad Electrics at Rs. 98.60, as against Rs. 98.80.

Buoyant conditions prevailed in the sugar section. Belapurs provided the brightest spot with a sharp rise of Rs. 19 to Rs. 308, on expectations of higher dividend for the year 1957-58. Phaltans climbed up by Rs. 9 to Rs. 173. Bhopals strengthened by 30 nP to Rs. 25.50 and Changdeos by 15 nP to Rs. 31.15. Walchandnagars were done at Rs. 290.50 *ex-right*, as against Rs. 283.50 *cum-right*.

Among cement shares, Associated Cements were bought Re. 1.50 higher at Rs. 162.50. Jaipur Udyogs gained 8 nP to Rs. 14.76 *ex-right*. Dalmias, however, receded from Rs. 11.76 to Rs. 10.48. Digvijays lost 75 nP to Rs. 152.25. Orissas eased by 20 nP to Rs. 13.20.

Engineering and mining shares were in good form, with values tending to move up. Premier Constructions met with renewed buying support on hopes of an early bonus issue and advanced by Rs. 5 to Rs. 226.25. Tata Locomotives evoked enlarged demand induced by reports of the Company having received official sanction for the issue of new shares at par and increased by Rs. 4.50 to Rs. 193.50. Shivrajpurs recorded a gain of Rs. 3 to Rs. 117.50. Alcock Ashdowns rose by Re. 1.25 to Rs. 262.50. Larsen and Toubros gathered 8 nP to Rs. 15.88. Indian Coppers were fully steady at Rs. 4.04, as also Mahindras at Rs. 15.88.

In the shipping group, Scindias gained 8 nP to Rs. 22.52. Great Easterns, however, encountered selling and shed 50 nP to Rs. 26.90, notwithstanding the declaration of a higher dividend of 18 per cent. for the year ended June 1958, as against 15 per cent. for the previous year. India Steamships eased from Rs. 14.06 to Rs. 13.96.

Among automobile shares, Premiers were supported well, the rate improving by Re. 1.70 to Rs. 86.70. Hindustan Motors put on 4 nP to Rs. 7.52.

A notable increase of Rs. 16 to Rs. 198 in Wimcos and of Rs. 9.50 to Rs. 620 in Bombay Burmahs (old) was the feature of trading in the miscellaneous section. Buying interest in Bombay Burmahs was whipped up by the announcement of bonus issue at one fully paid-up share for every four shares of Rs. 125 each and one fully paid-up share for every ten partly paid-up shares of Rs. 50 each, as also of an interim dividend of 6 per cent. on both old and bonus shares. National Rayons strengthened by Rs. 2.50 to Rs. 243.50. Tata Oils improved by 75 nP to Rs. 38.75 and Chemicals by 56 nP to Rs. 17.36. Killick Industries gathered 50 nP to Rs. 148.50. B.B. Petrols rose by 12 nP to Rs. 2.24. Gwalior Rayons were done at Rs. 13.76, as against Rs. 13.75. Hindustan Levers lacked support and eased by 20 nP to Rs. 24.12.

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Calcutta Stock Exchange

CALCUTTA, 10*th September*

The good work being done by the Finance Minister, Mr. Morarjee Desai, abroad and expectations of increased aid, over and above the $350 million promised by the World Bank, the U.S., the U.K., Canada, Japan and W. Germany, failed to enthuse sentiment on the Calcutta Stock Exchange during the earlier part of the week under review. Nor was the freeing from export control of about 200 items seriously taken note of in the market. Speculative interest was at a low ebb, as a desire to lessen holdings was predominant. In the selling that followed, prices receded markedly.

The recession in prices followed the circular issued by the Reserve Bank instructing Scheduled banks not to contribute to a purely speculative boom and pointing out the need for the utmost caution while making advances against huge blocks of shares. This circular naturally caused alarm in the market, as the present boom was not at all attributed to real investment interest. Heavy selling soon followed, but, in the result, a healthier technical position invited outside buying support which led to a small recovery in speculative issues on Saturday last. Recovery was also aided by expectations of higher retention prices for steel and the earlier announcement of satisfactory dividends for some of the jute mills under the managing agency of Messrs. Bird & Co. Both on Monday and yesterday, with the extension of recovery to other counters, an impressive increase in volume of transactions was a feature.

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Madras Stock Exchange

MADRAS, *9th September*

Steady conditions prevailed on the Madras Stock Exchange during the week under review also. Plantation shares continued to evoke good demand. Tea shares were specially favoured, thanks to reports of rising tendency in prices, steady improvement in exports of South Indian tea in recent months and hopes of an early announcement of relief to common teas. Rubber shares also attracted good attention of operators on prospects of an early upward revision in rubber prices. In sympathy with tea and rubber shares, coffee shares tended to move up. Textiles were well fancied, as also several bank, sugar and miscellaneous industrials.

Among tea shares in the planting section, United Nilgiris spurted by Re. 1.12 to Rs. 19.37. Stanes Amalgamateds and Lucky Valleys firmed up by 50 nP each to Rs. 14.50 and Rs. 11.50, respectively. Peermades rallied 35 nP to Rs. 21.60. Cowcoodys gained 18 nP to Rs. 8.40 *cum-div.* Kil Kotagiris and Kalasas improved by 13 nP each, the former to Rs. 6.35 and the latter to Rs. 3.98 *cum-div.* Chandramalais added 8 nP to Rs. 3.40.

Among rubber shares, Travancore Rubbers were on request and advanced by 65 nP to Rs. 16.15. T.R. & Ts strengthened by 40 nP to Rs. 7.90 and Rajagiris by 30 nP to Rs. 18.30. Teekoys and Malabar Industrials hardened by 25 nP each to Rs. 6.25 and Rs. 17.25, respectively. Cochin Malabars climbed up by 42 nP to Rs. 5.52.

In the coffee group, Kumergodes hardened by 24 nP to Rs. 6.40, Sangameshwars by 6 nP to Rs. 2.66 and Bababudins by 5 nP to Rs. 12.25. Consolidated Coffees, on the other hand, eased by 30 nP to Rs. 29.15.

In the textile section, Coimbatore Pioneers advanced by Rs. 9 to Rs. 237. Bangalore Woollens improved by Rs. 3.50 to Rs. 165 and Vijayakumars by Rs. 3 to Rs. 108. Coimbatore Cottons and Buckinghams rose by Rs. 2 each to Rs. 150 and Rs. 182, respectively. Lakshmis and Anglo-French increased by a rupee each, the former to Rs. 102 and the latter to Rs. 78. Adonis increased by 25 nP to Rs. 7.75. Coimbatore Spinnings, on the other hand, were pushed down by Rs. 8.50 to Rs. 41, reflecting disappointment of operators over the passing over of the dividend for the year ended 31st December 1957, as against 20 per cent. paid for 1956. Pankajas dropped Rs. 2 to Rs. 40.

In the sugar section, United Breweries were marked up by Rs. 7 to Rs. 227. Cauverys rallied Rs. 2 to Rs. 95. E.I.Ds spurted by 65 nP to Rs. 28.75. Deccans rose by 10 nP to Rs. 9.25.

Among miscellaneous industrials, Textools hardened by a rupee to Rs. 201. Mysore Chemical Manufacturings strengthened by 65 nP to Rs. 20. Mysore Lamps were quoted 37 nP higher at Rs. 16.37. Mysore Papers increased by 38 nP to Rs. 18.50. Spencers gained 16 nP to Rs. 18.71 and Central Scientifics 25 nP to Rs. 6.25.

MARKET GOSSIP

(Concluded from previous page)

The net proceeds of the Rs. 1-crore debenture issue of the Dunlop Rubber Company is expected to amount to Rs. 95 lakhs. These will be utilised to meet a part of the total estimated capital expenditure of Rs. 4.67 crores on the implementation of the Company's development programme, 1956-60. A sum of Rs. 2.03 crores (net) has already been raised by the issue, in July 1957, of 1,400,000 ordinary shares of Rs. 10 each at a premium of Rs. 5. The balance of the capital cost is to be financed by retained profits and depreciation provisions together accounting for Rs. 1.14 crore (from 1956 and 1957 appropriations). Out of the capital outlay of Rs. 4.67 crores, about Rs. 2.21 crores had been spent up to 31st May 1958, leaving a balance of Rs. 2.46 crores to be expended by the end of 1960.

The Dunlop's development programme envisages the establishment at Ambattur, near Madras, of a new factory for the manufacture of giant tyres, cycle tyres and repair materials and a substantial expansion of the existing factory at Sahagunj in order to provide additional capacity for various products, mainly tyres, cycle rims and repair materials. Production from both the units is expected by the beginning of next year. The Company has also on hand a considerable plant replacement and improvement scheme at Sahagunj factory.

The Dunlop Rubber Company manufactures a wide range of products, chiefly pneumatic tyres for bicycles, motor cycles, scooters, cars, trucks, buses, tractors, earth-moving vehicles, animal-drawn vehicles, handcarts, barrows, aircraft; cushion tyres for trolleys; tyre repair materials and accessories; bicycle rims; latex foam cushioning ('Dunlopillo'); transmission and conveyor belting; fan and vee belts; and braided hose. The utmost importance attached by the Company to the maintenance of quality standards and the stress laid by the Government on development of industries, mechanisation of land, and expansion of road transport will, there is no doubt, ensure a continuously rising demand for the increasing volume of products turned out by the Company.

The financial position of the Dunlop Rubber Company is quite sound. The net assets at written-down values as on 31st December 1957 aggregated over Rs. 8.32 crores, or more than four times the total nominal amount of the existing and the present issue of debentures. The fixed assets of the Company as on 31st May amounted to Rs. 4.64 crores and these are expected to rise to over Rs. 6 crores by the end of next year. The assets have been conservatively written down, as is indicated by the fact that the depreciation provided comes to Rs. 2.68 crores, representing 42 per cent. of the total cost of assets, excluding land, and there have been no revaluation of any of the assets at any time in the history of the Company.

The foregoing account clearly brings out the bright prospects for the Company, as also its sound financial position. It is not surprising, therefore, that, despite the new debenture issue, the market value of the Company's ordinary shares has not only not suffered any decline but actually registered a distinct improvement. The currently ruling market price is Rs. 28.12, as against Rs. 20.44 before the Company issued (in July 1957) 1,400,000 new ordinary shares.

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The Central Government has extended the last date for effecting shipment of sugar allowed for export by a month, that is, up to the end of November next. This decision is a sequel to the representation made by the Indian Sugar Mills' Association (I.S.M.A.), the agency designated for sugar export. The plea was on the ground that the tempo of export business during the months of July and August had slowed down on account of dislocation of transport following heavy rains.

The total quantity of export orders booked by the I.S.M.A. up to the 2nd inst., however, comes to 21,770 tons, including 100 tons sold on this day for Muscat at £34 per metric ton (f.o.b.). This means that there is still a balance of 28,230 tons to be sold. The progress made by the scheme to export sugar abroad is, therefore, not very encouraging. Of the total quantity, 11,370 tons are scheduled for shipment in the current month, the bulk of which, amounting to 10,020 tons, will be from Calcutta port and the balance from Bombay. Meanwhile, it is reported that the I.S.M.A. is now offering D 29 grade sugar for October-November shipment at £34 per ton (f.o.b.).

MUNDHRA GROUP OF COMPANIES

In the course of his recent statement on the Government's action in respect of concerns of Mr. H. D. Mundhra, made in the Lok Sabha, the Union Minister for Industry, Mr. Manubhai Shah, observed that Angelo Brothers and Smith Stanistreet were working fairly satisfactorily and no action had been taken in their case (*vide Commerce*, 30th August 1958, page 336). It would, however, appear that Mr. Mundhra's connection with these concerns is too remote to entitle them to be classified under what has come to be known as the "Mundhra group of companies." Indeed, we are advised by Messrs. Turner, Morrison & Co. Private Ltd. (Managing Agents: Angelo Bros. Ltd.) that Mr. Mundhra had, at no time, held a controlling interest in Messrs. Angelo Bros. Ltd. and, at the present moment, he is not even a member of the Company. As regards Messrs. Smith Stanistreet, in which Messrs. Turner, Morrison & Co. Private Ltd. hold a controlling interest through a subsidiary, Mr. Mundhra's shareholding is insignificant.

NEWS IN BRIEF

PLANS to absorb 20,000 displaced families now residing in West Bengal in the Dandakaranya project have been finalised by the Union Ministry of Rehabilitation.

A new process for producing high temperature hot face insulation, as well as dense mullite refractories from Kyanite, has been developed at the National Metallurgical Laboratory, Jamshedpur.

The Consultative Committee attached to the Union Ministry, which met at New Delhi last week, was reported to have favoured the formation of a single wage board for the plantation industry.

The first coke oven factory in the Rourkela Steel plant has begun to be heated up since the 8th inst. The functioning of the coke oven factory is a preliminary step towards the commencement of operation in the steel plant now under construction.

Mr. Karam Chand Thapar, a noted industrialist, has started negotiations with the Kerala Government on the question of setting up a paper and pulp factory in the State, says a report. Despite the abundance of raw materials available in the State, paucity of foreign exchange is said to have stood in the way of the proposed plant.

The Government of India proposes to appoint shortly a Textile Advisory Board to advise the Government on the development of the textile industry, in general, and on any problems relating to the industry which may be referred to the Board from time to time. This was disclosed by Mr. Nityanand Kanungo, Minister for Commerce, in the Lok Sabha on Thursday last week.

A second consignment of 6,804 metric tons of skimmed milk powder is to be imported by the State Trading Corporation of India from the U.S. under P.L. 480 programme. Out of this quantity, 4,304 metric tons are being shipped to Calcutta port and the balance of 2,500 metric tons to Madras port. Two ships carrying the entire quantity to be imported have already sailed from American ports.

The surplus funds with the Employees' State Insurance Corporation till the end of 1957-58 was Rs. 13,90,91,575. The amount will be utilised for constructing hospitals, annexes to existing hospitals and dispensaries for insured persons. A sum of Rs. 6,67,11,495 was collected for health insurance under the Employees' State Insurance Scheme during 1957-58 and Rs. 4,37,99,697 were spent in the same period.

At a meeting held at Dehra Dun on the 4th inst., the Oil and Natural Gas Commission decided to take active measures to expedite drilling and exploration programmes in various parts of India. It also decided to award a running shield to the work-party which maintained the best drilling site, to promote persons on the basis of merit (and not seniority), and to grant cash bonuses for the work done in lesser time and at lesser expense.

The half-yearly meetings of the Indian Central Cotton Committee and its sub-committees were held in Bombay from the 8th to 13th inst., under the chairmanship of Dr. M. S. Randhawa, Vice-President, Indian Council of Agricultural Research. The subjects which came up for consideration at the meeting related to assessment of the long-term trend of development of cotton in India and other topics of current importance to cotton production and exports.

The output of bicycles in the small-scale sector in the country exceeded the 100,000-mark in 1957. The production in the small sector, which started only towards the end of March 1956, was about 109,000 bicycles in 1957, as against about 22,000 in 1956. There are 20 large-scale bicycle factories in the country which produced about 791,000 bicycles in 1957, as against about 664,000 in 1956 and 491,000 in 1955. Indian capital invested in the bicycle industry at present is Rs. 3.39 crores, while the amount of foreign investment is about Rs. 39.81 lakhs.

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From Abroad

Oil has been discovered by French explorers at a depth of 1,800 feet near Chateaurenard, 60 miles South-east of Paris.

Production and export of British passenger cars and commercial road vehicles in the month of July last were at the high levels of 85,468 and 50,207, respectively.

The number of male persons unemployed in Holland during August was lower at 71,000, as against 77,000 in the previous month.

The U.S. Government has agreed to contribute more than $8 million worth of reserve foodstocks for use in an Egyptian school lunch programme.

Paris-Cairo air flights have been resumed for the first time since November 1956. The Air France Super Constellation left Orly, France, for Cairo, Nairobi, and Antanarivo on the 2nd inst.

Norwegian workers will now get a wage increase of 3½ per cent. under a new wage contract. This is the outcome of compulsory arbitration and is expected to compensate partly for the increase in the cost of living.

The value of British aero-engine exports since 1945 has reached £200,000,000. British engines are being built under licence in nine countries, and more than 50 types of overseas aircraft are fitted with British power plants.

The first major deposit of uranium in West Germany has been located in the Lichtenfeld area, of Bavaria. The exploitation of the deposit will enable the country to dispense with imports of uranium for its atomic energy programme.

The Anglo-American Corporation, London, is opening up a new source of capital for South Africa, designed to strengthen the financial structure of the diamond trade, by an issue of bearer bonds in Germany.

The U.S. Government has granted Lebanon an immediate aid of $2.5 million to be utilised for maintaining essential governmental operations and services in public works, health, education, national security welfare, agriculture and other necessary functions.

A programme of tax cuts and increased payments to the unemployed in order to stimulate the U.S. economic expansion has been advocated by the Vice-President Mr. Nixon. The best way for American people to improve their living standards, he says, is through policies that promote maximum business growth.

The Government of Canada has decided to construct a special highway at Ontario in areas adjacent to the U.S. at a cost of $100 million, a part of which is being financed by levying tolls. The sum of $100 million is in addition to the regular annual highway budget of approximately $300 million.

A $2.5-million plant to manufacture 14,000 tons (per year) of carbon black for use in the production of certain rubber products will be constructed at Ravenna (Italy) by the Societa Cabot Italiana, an affiliate of Cabot Laboratories, Boston (U.S.).

Unemployment in the U.K. rose during the month of August to 446,000—a figure equal to 2 per cent. of the total labour force. The number of unfilled vacancies dropped by 11,000 to 203,000, the lowest level since the war. The number of persons out of work rose by 34,000 during the month.

Japan is willing to buy tin from Russia if the latter country is prepared to sell at a reasonable price, according to a spokesman for the Yawata Iron and Steel, a leading consumer of tin in Japan. If a workable barter agreement is reached between the two countries, it is not unlikely that Japan, which at present imports about 7,000 tons of tin annually from Malaya, will switch over to high quality and low-priced Soviet supplies.

In the first six months of this year, some 498,500 overseas visitors arrived in Britain which represent an increase of 8 per cent. over the figure of 462,000 for the first half of 1957. The number of visitors from the U.S. rose from 105,200 to 130,900. The British Travel and Holidays Association reports that June was a record month, with 155,500 oversea tourists arriving in Britain. This represented a 10 per cent. increase over the figure for the same month last year.

The United Arab Republic will seek an agreement for economic co-operation with Japan, negotiations for which are expected to start shortly at Tokyo. Disclosing this, Dr. A. Sidky, Minister of Industry, U.A.R., who is now leading an industrial mission to Japan, pointed out recently that his country would seek the help of Japan in such industries as cotton spinning, sugar, sodium-hydroxide and dyes, refrigeration, canning, toys, films and lime. The U.A.R. is also expected to purchase ships from Japan.

American companies are showing a new interest in the economic development of Paraguay (Latin America). The First National City Bank of New York will shortly open a branch in Asuncion. Paraguay recently signed contracts with U.S. Oil interests for prospecting and development. Further, the U.S. Development Loan Fund has granted a $2.6-million credit to the largest American company at Paraguay, the International Products Corporation, for expanding its meat packing and other exchange earning activities.

A new high-altitude aero-engine test plant, claimed to be one of the most advanced in the world, will be opened at the Rolls-Royce works at Derby by the British Prime Minister, Mr. Harold Macmillan, on the 26th inst. The plant, built at a cost of £3,800,000, will make it possible to test jet and turbo-prop engines more powerful than any yet in production. The engines will be operated under conditions encountered at altitudes of 12 miles and speeds of 1,800 m.p.h.

The Government of Ghana has set up an Investments Promotion Board to assist private enterprise. The Board will examine applications for the establishment of new factories or new industries and make appropriate recommendations to the Trade and Industries Minister. It will also so coordinate the activities of the various Ministries as to expedite measures for tax relief, priority connections for water, electricity power and telephone services, currency permits, exemption from import duties on raw materials, etc.

PERSONAL

MR. S. S. More, former M.P. and Mr. T. Bhagavathi, M.P., have been appointed Directors of the Government-owned Indian Oil Refineries Private Ltd.

Mr. J. M. C. James, C.M.G., M.B.E., at present an Assistant Under-Secretary of States in the Commonwealth Relations Office, London, has been appointed U.K. Deputy High Commissioner in India in succession to Mr. W. A. W. Clark, C.M.G., G.B.E.

Mr. Manubhai Shah, Minister for Industry, has left New Delhi for Montreal, Canada, where he will join the Indian delegation to the Commonwealth Trade and Economic Conference to be held there from the 15th to 26th inst.

Mr. N. C. Deb, Additional Member for Finance, Railway Board, has been appointed Additional Secretary in the Union Finance Ministry. He will be a full-time Director of Hindustan Steel Private Ltd. and also function as Financial Adviser to the Ministry of Iron and Steel.

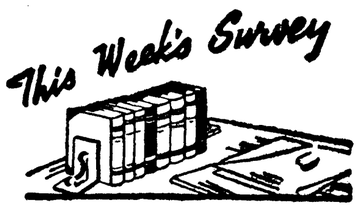
Mr. Om Prakash Aggrawal, Managing Director, Messrs. Devidayal Stainless Steel Industries, left Bombay on a business tour of Japan. He will study the various developments in the industry, besides negotiating collective bargain for import of stainless steel sheets against licences received by the members of the All-India Stainless Steel Industries Association.

One of the most striking post-war developments in British precision engineering is the progress made by watch and clock industry. In 1957, the industry turned out more than 2,500,000 watches, over 5,000,000 mechanical clocks, and 660,000 electric clocks. Large quantities of timing switches and recorders were also produced by the industry's clock factories. Production in 1958 is expected to be greater than ever. Many of the latest designs in British clocks and watches will be on show at the "Pendulum to Atom" exhibition to be held in London next month.

Canada's composite index of industrial employment for 1st June stood at 118.2, a rise of 3.1 per cent. over the figure of 114.6 a month back. The rise was slightly below average for the time of year, fractionally reducing the seasonally adjusted index. Industrial employment continued below its level a year ago when the unadjusted index was 123.5. Weekly wage and salary payments were 3.8 per cent. higher in the latest survey period than a month earlier and raised the pay roll index to 195.5, virtually the same as on 1st June last year (195.7). *Per capita* earnings reached a new high at $70.76, as compared with $67.82 on 1st June 1957.

Details of the new Soviet Seven-year Plan reveal that the country will greatly speed up the shift in the pattern of fuel consumption from coal to liquid and gases. Production of Soviet crude oil is expected to exceed the original target of 111.8 million tons for this year by 2 to 3 million tons. At the current rate of growth, it should double within seven years. Natural gas output is currently running at an annual rate of 305,000 million cubic feet and is expected to go up substantially. If the plans now envisaged for changing the fuel balance succeed, it is estimated that there would be a saving of 125,000 million roubles between 1959 and 1965.

Prospects for the 1958-59 world rice harvest have shown some improvement, according to the Commonwealth Economic Committee's Rice Supplement just published in London. A large crop, it states, is reported in China, while the outturn in India, Japan and South Korea has not been as badly affected by weather conditions as was feared. Favourable conditions are reported from Europe and the Middle East, while the decline in the U.S. has been checked. Shipments from the major exporting countries in 1958 have been less than a year ago, but Malaya and Formosa have shown some expansion. Malayan imports show a corresponding increase and those into Hong Kong have also risen, but, elsewhere, imports have generally fallen. Export quotations in Thailand in mid-July were slightly below those a month earlier, but, in South Viet-Nam, some increase in prices is attributed to hoarding by merchants. There was little change in U.S. rice prices during the month. Imports of rice into India during the second quarter of 1958 amounted to 190,800 tons, well below the figure for the same period of 1957 of 295,000 tons. Shipments to Pakistan, which had aggregated 48,000 tons in the first quarter of 1958, amounted to 31,100 tons in April. Imports into Ceylon were 61,800 tons in April and May, as against 85,300 tons in the same months of 1957, but those into Malaya and Singapore rose in April from 18,300 tons in 1957 to 47,500 tons in 1958, while imports into Hong Kong in the same month rose from 23,800 tons to 38,800 tons. Imports into Japan in April and May amounted to 163,100 tons, somewhat below those a year earlier of 167,300 tons. Among smaller importers, the U.S. imported 22,800 tons in the second quarter (slightly less than a year earlier, when 24,700 tons was taken), while France imported 11,700 tons during April-June, as against 29,100 tons. The report adds that stocks of rice in India were officially stated in June to amount to 500,000 tons.



AGITATION ON FOOD

THE agitational approach adopted by the Opposition parties in U.P. in respect of the admittedly difficult food situation in the State, far from helping to solve the problem, will only serve to create an atmosphere which will render solution infinitely more difficult. Since Prime Minister Nehru has offered to convene an informal meeting of Members of Parliament belonging to all political parties to discuss the food situation in the country, the Opposition parties in U.P. should abandon the agitational path and take a constructive and co-operative attitude, especially in view of the promise of Mr. Nehru that if, after the meeting. Parliament so desired, the Government was prepared to have a two-hour discussion on the situation in U.P. The Central Government's decision to convene an all-party conference to discuss the food position on a national level should lift this vital problem out of party politics. In fact, the agitation in U.P. is itself mainly politically motivated. This is not to deny that the food position in the State is difficult. The State's Chief Minister, Dr. Sampurnanand, himself admitted that it was bad enough. But it is nothing short of a crime to paint it worse and create panic which would only encourage the tendency towards hoarding and profiteering at all levels which in turn would inflict more hardship to the vast majority of consumers.

The problem in U.P. is not one of acute food shortage. In fact, as Mr. A. P. Jain, Union Minister for Food and Agriculture, pointed out in the Lok Sabha, food supply position in the State was better than what obtained in the neighbouring States of Bihar and West Bengal. It is true that there has been a shortfall in the production of foodgrains in Uttar Pradesh. Production of wheat in 1957-58 was 2,714,000 tons, as compared with 3,115,000 tons in 1956-57, while that of cereals was 3,478,000 tons as compared with 3,895,000 tons in 1956-57. But this fall in production is not peculiar to U.P.; many other States also had the same experience.

The Centre is supplying the State a monthly quota of 60,000 tons of foodgrains. An additional quota of 20,000 tons has been promised to the State for the month of September. These have already started moving and the entire quantity of 80,000 tons is expected to be supplied this month itself. The crisis is in fact, partly at least, the result of the unfair advantages taken by the trade of the difficult transport situation created by waterlogging as a result of heavy rains. This led to a spurt in prices causing much hardship to the people.

The attitude of political parties should not have been the one they have taken. Instead of launching *satyagraha* campaigns, resorting to hunger strikes, and exhorting people to raid Government godowns, they should have helped the Government to check profiteering and hoarding and to regulate supplies. It is surprising that the leadership of these parties failed to realise the grave consequences of the course it adopted. It was idle on its part to say that it urged the seizure of grains in the godowns with a view of selling them to the people at a fair price and remitting the money back to the Treasury. It should have realised that, even with the best of intentions, such a course could easily degenerate into sheer looting, as unsocial elements are always there to exploit the situation. If the aim was to protest against the Government's food policy and mobilise public opinion against it, it could certainly have had recourse to more civilised methods than these dangerous antics. It is to be hoped that better counsels will prevail.

RURAL CREDIT

Much water has no doubt flowed down the Ganges since Sir Frederick Nicholson wrote his famous report on Co-operation in 1895. The co-operative movement has made not inconsiderable headway. Nevertheless, the progress actually achieved by the movement is very small and patchy when it is compared with the magnitude of the problem of rural credit. The All-India Rural Credit Survey Committee (1954) estimated the total annual borrowings—short, medium and long—of the cultivators at as much as Rs. 750 crores; on the basis of the rise in prices and increase in the agricultural operations, these may now be put at Rs. 1,000 crores. Out of such borrowings, more than 90 per cent. is met from non-institutional private agencies, of which the most important are moneylenders —professional and non-professional—who together account for nearly 70 per cent.

A notable feature of the Government's agricultural policy is the increasing interest in rural credit evinced by the Reserve Bank of India. Thus, the Bank's Governor, Mr. H. V. R. Iengar, stated last week that the Bank was assisting to a great extent in the setting up of an integrated system of rural credit. Speaking to pressmen in Bombay, Mr. Iengar claimed that the scale of financial assistance provided by the Bank to the rural sector primarily through the agency of State co-operative banks had been rising fast, the bulk of the advances being made at a concessional rate of 2 per cent. below the Bank rate. The total of these advances (outstanding) at present is of the order of Rs. 50 crores, as against a bare Rs. 3 crores on the eve of the commencement of the first Five-year Plan. This figure is expected to touch Rs. 100 crores by the end of the second Plan period. In addition to advances, on such a large scale, the Reserve Bank has also made available a sum of Rs. 6 crores to the State Governments to enable them to contribute to the share capital of co-operative institutions. Mr. Iengar declared that the Rural Credit Department of the Reserve Bank would be one of the biggest institutions in the country in terms of money it handled, surpassing, perhaps, some leading banking institutions.

Mr. Iengar disclosed that the Reserve Bank had been conducting, during the last few months, a survey in the sphere of rural finance as a follow-up to the one undertaken by the Rural Credit Survey Committee. This initiative will be widely welcomed. Surely, the findings of the survey should be able to throw much light on whether there has been an improvement in the income of agriculturists in recent years, what the sources of income are, how much the agriculturists have received from the co-operative societies, whether they have spent the money wisely, whether they have been saving more or borrowing more, and so on.

Besides providing liberal finance, the Reserve Bank of India has implemented, since December 1952, a scheme of voluntary inspection of co-operative banks. Describing such inspection as being complementary to that made by the Registrars of Co-operative Societies, Mr. Iengar said that it was designed to serve "the wider purpose of improving the machinery and operations of co-operative credit. As many as 240 co-operative banks, we are informed, were inspected during the year 1957-58, as against 104 banks in the previous year, bringing the total number of inspections carried out so far to 439; some of the institutions have been inspected more than once.

The system of inspection carried out by the Reserve Bank is commendable for two notable reasons. First, it covers many points which are included in audit and implies, in addition, the duty of imparting to members of societies a working knowledge of co-operative principles. Secondly, inspection seeks to promote, not merely to test, the efficiency of a society by ensuring that the defects noted in the audit are rectified and that the operations of the society, particularly disbursement of loans, are undertaken on business-like and genuinely co-operative lines. It is only through such inspection that the prerequisites for the establishment of a sound system of rural credit can be fulfilled. The prerequisites have been impressively summed up by Mr. Louis Tardy in his report on the system of agricultural credit and insurance (League of Nations, 1938). They are: Rural credit should be (*a*) granted at a low rate of interest and that for a sufficiently long period, commensurate with the length of the operation which it is designed to facilitate, (*b*) adequately secured, in order, more particularly, to avoid any abuse of credit facilities, (*c*) adapted to the average yield and capacity for repayment of the farms, especially during periods of economic depression, and (*d*) placed in the hands of institutions the directors of which have received special training and had actual banking experience. The scheme of inspection by the Reserve Bank will be regarded as successful only if it facilitates the observance of these principles in the operation of the system of rural credit in the country.

TEXTILE CONFERENCE

Leaders of textile industries in West European countries, the United States, Japan, the United Arab Republic and Mexico were recently in conference at Stockholm to consider the major problems and challenges facing the world cotton textile industry. The Conference, which was attended by about 100 delegates, was held at the invitation of the Swedish Cotton Industry Association and was presided over by Mr. W. T. Winterbottom of the U.K., President of the International Federation of Cotton and Allied Textile Industries. The discussion at the Conference centred round a wide range of subjects having direct bearing on the industry such as the implications of the European Common Market, raw cotton export policies of the major producing countries, new techniques of cotton marketing, standardisation of fibre testing, ocean freight rates for cotton and labour productivity in cotton textile mills.

No branch of industry, or for that matter agriculture, can remain unaffected by the Common Market. The conference, therefore, considered a report on the practical implications for the cotton textile industry of the Common Market, particularly with regard to the gradual reduction of tariffs and the elimination of quotas among the Common Market countries. It also examined the financial aspects of the Rome Treaty, especially the provisions concerning taxation and exchange rates. The Federation set up a special independent research group which will continue studies of the effects of Common Market on the cotton industry. It recommended that a uniform tariff nomenclature regarding the cotton textile industries should be evolved within the member countries of the Common Market.

One of the most important items on the agenda of the conference was the discussion of raw cotton export policies of producing countries, especially the U.S. It was emphasised that sudden, arbitrary changes in export selling prices, export taxes or rates of exchange, as well as the existence of two-price systems, contributed to the prevailing uncertainty in the cotton consuming world. The latest amendments to the U.S. farm legislation were considered. The Federation is expected to issue a statement on the subject shortly.

Recent developments in ocean freight rates also came up for discussion. A resolution recognising the importance of the "Conference freight system," in assuring regular and frequent sailings, thereby facilitating a constant and even flow of cotton, was passed. The Federation drew the attention of the members of the Conference Lines to the necessity of adopting always a realistic attitude when alterations in freight rates were considered.

It also examined various new methods of cotton marketing with the help of mechanical aids. The newly proposed rules of arbitration on the basis of Micronaire readings were discussed with a special delegation from the American Cotton Shippers' Association. It was agreed that the rules of arbitration drafted by the International Federation should be examined in detail by raw cotton shippers in the U.S. before any decisions were reached. The report on the results of an elaborate testing scheme, which was carried out with the Shirley Analyser in 14 different mills and laboratories in seven countries, was also considered. The results of this testing scheme revealed that it should now be possible to buy raw cotton on the basis of trash content, using the Shirley Analyser for arbitration purposes, but only if so desired and mutually agreed upon between buyer and seller.

The conference reviewed the work of the Federation on the development and application of a new method for measuring labour productivity in cotton spinning mills. Several member-countries have already had considerable experience with this method and plans are being made for an international comparison of productivity data.

A technical sub-committee reported on various matters in connection with standardisation and fibre testing. The Federation adopted a resolution regarding the introduction of TEX, the new universal yarn counting system, stating that, as far as the cotton and allied textile industries were concerned, the introduction of stage one of the system could start without further delay, prior to the suggested date, so that, by the 1st January 1960, stage one would be completed and stage two could begin. In order to accelerate the widespread application of TEX, the Federation recommends that further efforts should be made on an educational level, namely, in schools, colleges, universities and other institutions of learning, so that the new generation of textile engineers and technologists will be brought up thoroughly familiar with the TEX system. The Federation urged the educational authorities and their respective Governments to introduce TEX in the various establishments as soon as possible. At an industrial level, the national member associations of the International Federation agreed to promote the practical application of TEX in the industries of their respective countries. The Federation also endorsed a recommendation by the International Organisation for Standardisation regarding methods for determining commercial weights of textiles and the definitions of commercial weight, commercial regain and commercial allowance.

In view of the importance which man-made fibres have attained as a complementary raw material used by the cotton textile industry, it was decided that a permanent committee for man-made fibres should be established within the Federation. This committee will deal with the technical and commercial aspects of man-made fibres, in so far as they are of interest to the cotton industry. The Committee will first undertake studies of such subjects as terminology of man-made fibres, establishment of standards for man-made fibres, the price situation, and labelling of textile goods. It was decided that close co-operation should be established with the organisations representing producers of man-made fibres and their respective trade associations.

It is noteworthy that the conference devoted a special session to the discussion of market research and sales promotion techniques which had been tried in many consumer countries throughout the world and which had strengthened cotton's competitive position *vis-a-vis* other fibres. A new documentary film entitled "Cotton—Nature's Wonder Fibre," produced by the Cotton Council International, was shown. Clearly, if cotton is to hold its own against other fibres, its intrinsic worth and utility as apparel material should be widely publicised.

CAUSTIC SODA AND BLEACHING POWDER

The caustic soda and bleaching powder industry is once again in the news. Protection granted to the industry is due to expire on 31st December 1958; and the industry has claimed continuance of protection for a further period of five years. The Tariff Commission (Chairman: Mr. C. Ramasubban) has now taken up the issue for consideration. A public enquiry into the industry's case for continuance of protection commenced last week. It may be recalled that the Commission had examined the claim of the industry for protection three times previously, in 1946, 1950 and 1954. In pursuance of the latest report (1954) of the Commission, the Government of India introduced a scheme of protection which envisaged a protective duty of 27.3 per cent. *ad valorem* (preferential rate) and 37.3 per cent. *ad valorem* (standard). A protective duty of 15 per cent. *ad valorem* was also imposed on bleaching powder; it was in due course extended to cover bleaching paste as well. Last year, the rates of duty on caustic soda were revised to 30 per cent. *ad valorem* preferential and 40 per cent. *ad valorem* standard.

Under the protective umbrella, the industry seems to have made a determined bid to consolidate its position. The annual installed capacity of the industry stood at 51,075 tons caustic soda on 1st January last, as against 39,317 tons in 1954. Although the number of units producing for sale remained the same during this intervening period, certain units managed to expand their capacity either by expansion or by the increased utilisation of the plant. Since the commencement of the year, a few new plants have been installed, the current capacity for caustic soda being 63,655 tons. A few more new projects are under way and, when these are completed, there will be a big rise in capacity. Accordingly, the Commission estimates the capacity to go up to no less than 176,420 tons by 1961. As regards bleaching powder, the present rated annual capacity is estimated to be 10,845 tons, out of which 4,950 tons is for producing stable bleaching powder and 5,895 tons for tropical bleaching powder. While the capacity continued to be constant since 1954, production increased from 2,923 tons in 1954 to 5,347 tons in 1957 due to increased utilisation of capacity.

Estimates of current demand for caustic soda vary from 102,000 tons to 124,000 tons per year. According to the Development Wing, the demand for caustic soda will increase to 130,000 tons in 1959, 144,000 tons in 1960 and 160,000 tons in 1961. On the basis of domestic production and imports, the availability of caustic soda during the period 1954 to 1957 was on an average 100,000 tons per year. The availability (production and imports) of bleaching powder was 7,147 tons in 1957, as against 9,000 tons in 1956 and 7,933 tons in 1954. It is difficult to estimate the demand for bleaching powder for which there are many substitutes such as liquid chlorine, bleach liquor and hydrogen peroxide.

Manufacturers of caustic soda and bleaching powder should, it is needless to add, pay greater attention to the quality of their products. It is gratifying to note that attempts have been made to see that the products con-

(*Continued on page 460*)



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COAL CONSUMPTION OF RAILWAYS

MORE ON FOOD PRODUCTION BY FORD FOUNDATION EXPERT

From Our Special Correspondent

NEW DELHI, *9th September*

DELHI LETTER

THE Expert Committee on coal consumption by the railways has submitted its report to the Government. The Committee's major finding is that the inferior quality of coal supplied to the railways is responsible for an increase of 10 to 11 per cent. in their present fuel bill. The coals now supplied do not conform to the grades specified, because no effective check is possible on the large number of collieries supplying them. The position can, however, be improved, according to the Committee, if the railways have freedom to select collieries for their supplies and if they set up their own inspection organisation to prevent loading of inferior coal by collieries. The Committee is also of the view that a 15 per cent. cut in transport costs can be made because coal supplied to the railways contains 15 per cent. of dust. This dust can be removed by getting the coal washed at collieries. But the Committee has ruled this out for the present because establishing washeries is a long-term measure and there are technical difficulties in removing dust from coal.

There is no scope for economy in fuel consumption by the railways, except through rigid quality control, according to the Committee. At present, the railways consume about 14 million tons of coal a year, that is, more than a third of the country's total annual production, accounting for an expenditure of nearly Rs. 45 crores. The Committee has tried to prove that there is no waste in coal consumption. The figures worked out, in this connection, are that railway traffic had increased by 27 per cent. between 1952-53 and 1956-57 and coal consumption by only 19.5 per cent. during the same period. According to the Committee, this percentage increase in coal consumption showed an improvement in fuel utilisation. But expenditure on coal during that period had increased by nearly 38 per cent. due to the progressive rise in pithead prices and freight. Out of the total increase of Rs. 12.1 crores in expenditure on coal during these five years, nearly half was due to the increase in pithead prices and freight rates and the remainder to the increase in coal consumption.

The Committee has also projected the demand for coal by the railways in future years. This demand will be 16.5 million tons during the last year of the second Plan and 26 million tons by the end of the third Plan. By 1975, the coal requirements of the railways are expected to reach an annual level of 50 million tons on the supposition that all further increase in traffic continues to be handled by steam power. But the Committee would not like this to happen, and so it has suggested a ceiling on coal consumption by the railways at a level of 26 million tons forecast for the last year of the third Plan. This could be done only by increasing diesel and electric traction, and it is, therefore, recommended that, by 1975, not more than 50 per cent. of railway transport be carried by steam power and that a target of 30 per cent. electrification and 20 per cent. dieselisation be fixed for that year. Even currently, the Committee favours increased electrification and dieselisation, the former to be introduced on sections of railways where traffic density is high and the latter for diesel shunting on all the railways and on sections where shortage of water is also a problem. The Committee has not estimated the magnitude of investment effort that would be required for power generation and manufacture of heavy electrical machinery and for manufacture of diesel plant and equipment and production of diesel fuel and lubricants.

Food Problem

The food crisis continues to absorb attention both inside and outside Parliament here. While the Prime Minister has not ruled out the dreaded possibility of compulsory rationing of foodgrains in urban areas as a short-term expedient, he has emphasised the need for "a fundamental and frontal attack on backward agricultural techniques" to increase production. He has also favoured the reorganisation of Agriculture Departments in the States and looks forward to better work in the Community Development areas which now cover a hundred thousand villages in the country. In this connection, the other elements in a national food programme canvassed by Mr. Douglas Ensminger of the Ford Foundation can find relevant mention here. These are in addition to his suggestions covered in my last letter:

A soil and water conservation programme for every village should be a national objective. India can no longer be indifferent about the continued loss of soil from water and wind erosion. It can no longer be indifferent about the heavy yearly losses of monsoon rains that rush to sea because there are no far-reaching programmes to hold the water on the soil or store the run-off in tanks and behind dams for later use in irrigation. It is authoritatively estimated that a nation-wide village soil and water conservation programme could alone contribute a 20 to 50 per cent. increase in food production.

While there is now available sufficient research and information on tested and improved seed varieties, fertilisers and insecticides to recommend to farmers, there should be no complacency as to India's long-run needs for intensive and constant research. Since research needs time, it is urgent to step up research programmes now, with special emphasis on new seed varieties, on kinds of fertilizers and fertilizing methods required by different types of soils, and research and testing on crop and soil adaptations.

The administration and staff of agricultural departments need to be thoroughly reoriented, on a vigorous and broad scale, to give *first priority* to an impact action programme for higher food production. India has the know-how for food production. The crux of the problem now is one of gearing up its administration to get the food produced. As one looks at the administration of agricultural programmes, both in the Centre and the States, one observes two disturbing things. First, there seems to be an almost total absence of any sense of urgency about increasing food production; there is even, one might say, what appears to be an actual acceptance of the traditional village farming methods which yield so little. Second, these attitudes result largely from the fact that the administration of agricultural programmes, in its machinery and procedures, is simply not keyed to development. It is keyed to regulatory functions, again, to paper rather than people. It has had little to no experience in mounting an impact programme involving all of India's villages in accomplishing a specified result.

However effectively the agricultural departments reorient and administer their technical services, the key to solving India's food production rests, in the final analysis, on the participation of village people. The national community development programme, therefore, must be the nation's instrument for mobilizing village interest and leadership, providing the educational guidance, and effectively organising all the technical and supplementary production resources of the nation for the task of getting the villages to adopt the improved agricultural practices at the earliest. The community development programme must also therefore give *priority attention* to increasing food production. To do so in no way changes the basic objective of community development.

While there are several ways of building an educational food production programme for all villages, agreement is necessary on the following fundamental principles and approach:

1. Of first importance is agreement that increased food production must be an accepted responsibility of all cultivators and all village communities.
2. The carrying out of the responsibility for higher production can be done only by village leadership and village organisations, while stimulus, encouragement and farming recommendations come from the village level workers (Gram Sevaks) and the block staff.

(*Continued on page* 460)

THE CREDIT FLOOD

From Our Own Correspondent

LONDON, *5th September*

LONDON LETTER

AFTER the credit squeeze, the credit flood! The banks having been told by the Treasury that they were free to manage their credit affairs as they liked, they, or the Big Five at least—went into a great flurry of activity. The first novel departure was the acquisition of shares in the hire-purchase companies. This is a branch of activity from which the anxious banks, though not their Continental counterparts, had always abstained. Hire-purchase finance is traditionally carried on in this country by finance houses which specialise in taking the kind of risk involved and charge handsome interest rates for doing so. The trader who sells the wireless set or the motor car on hire-purchase terms in which the instalments may be spread over two years does not carry the financing of this himself but hands over the transaction without cost to himself to the specialist firm. The cost is borne by the purchaser through the interest which he makes. A vast volume of consumer purchasing, and latterly a certain amount of industrial buying, is carried on through hire purchase and the banks have decided that it was too important an outlay for funds to be ignored any longer.

But not content with acquiring an interest in this new line of business and thereby obviously ensuring ample money for the financing of consumer purchases, the Midland Bank started a different ball rolling by announcing that, from this week, it would in effect cut out the middleman and finance consumer buying directly by loans to the purchaser. The purchaser had, of course, to be a customer of a bank, but he could be a customer for only a nominal account. The bank would require no security for such loans which could be up to a limit of £500, and their decision to lend would be made entirely on their estimate of their customer's ability to repay. This new arrangement is a sort of overdraft, for an overdraft usually carries security backing, or else employs a very substantial hold by the bank on the borrower. An overdraft, moreover, is fluctuating, may disappear as funds are paid into the account and reappear again, and interest charged depends always on the varying balance.

Not so the personal loan under the Midland Bank scheme. The personal loan must be for a specific transaction, that is, the purchase of a house, of furniture, even of a special holiday. It does not apparently matter what provided the bank thinks that their client will have the means to repay the loan within two years and the amount of interest is also fixed as it is in the case of the ordinary commercial hire-purchase transaction. The Midland Bank have fixed it at 5 per cent. on the capital sum and, taking into account the repayments, this means an average rate of interest per annum of about 9 per cent. This is handsome interest by British banking standards!

Although the Midland Bank have kept their project a great secret, it was obvious that the other banks would jump in at once on such a new way of attracting customers and using their funds. The Midland have lost pride and place in total banking deposits to Barclays Bank in recent years and competition between the joint-stock banks is so keen that none of them would be likely to stand aside. In fact, Westminster announced similar terms almost at once and Barclays and National Provincial are understood to have decided to follow similar lines. Only Lloyds Bank, for the time being, are making out that their arrangements for financing their clients are already so elastic that they do not need a special scheme, but time will show whether in the interest of holding depositors they will have to come in line with the others.

It may be asked: why are the banks such keen competitors? The cynical answer is that the Treasury, after the great amalgamations of the 1920's, having told them that they could not amalgamate any further, they are bound to compete, since, otherwise, the Socialists will say that they are virtually a monopoly anyway and might just as well be nationalised. If they can show that competition means better service for the consumers, then they are far more likely to retain their independence.—*All Rights Reserved.*

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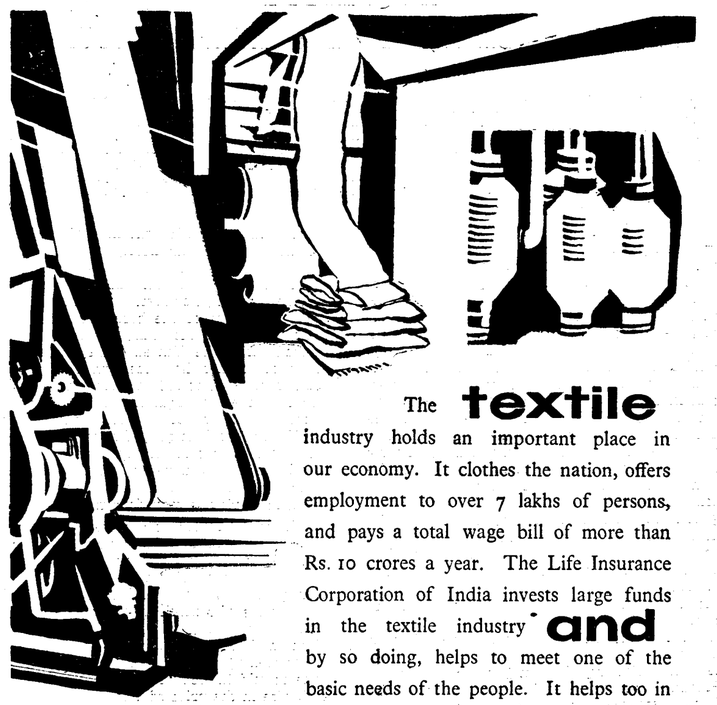

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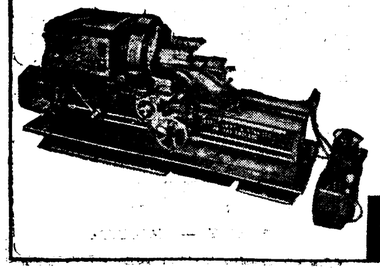

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PROBLEM OF INTERNATIONAL LIQUIDITY

PROPOSAL FOR INCREASING I.M.F.'S RESOURCES

[A topic which has aroused keen interest in many countries is the adequacy of the present level of international monetary reserves for purposes of financing the growing world trade. Much interest attaches in this connection to President Eisenhower's proposal to increase the resources of the International Monetary Fund (I.M.F.), to which we drew our readers' attention in our issue dated 30th August 1958. In the following article, which is an extract from the September Monthly Bank Letter of the First National City Bank of New York, the whole problem of world monetary reserves is subjected to close scrutiny with special reference to the proposal for increasing the I.M.F.'s resources. It is noteworthy that the article reaches the conclusion that "any enlargement of the Fund's resources should, of course, be predicated upon the first principle of public and private finances—that we live within our means."—ED.]

THE remarkable expansion in world trade during the last decade has aroused concern over the adequacy of monetary reserves to sustain further growth. Marking up the $35 per ounce official price of gold—in other words, devaluing the U.S. dollar, along with other currencies—has been rejected by the U.S. Government as a way to increase international liquidity. But the idea of enlarging the resources of the International Monetary Fund is receiving close attention and study. On 26th August, President Eisenhower requested the Secretary of the Treasury, Mr. Anderson, in the latter's capacity as U.S. Governor of the International Monetary Fund, to "propose, at the annual meeting of the Fund at New Delhi in October, that prompt consideration be given to the advisability of a general increase in the quotas assigned to the member-Governments." While most countries are short of money to buy abroad all that they might like, the strongest advocacy of increasing international money supplies has come from the United Kingdom. The Chancellor of the Exchequer, Mr. Heathcoat Amory, disclosed last April that the British Government had been discussing with the U.S. Government "long-term financial liquidity and other problems." Presumably having in mind enlargement of the Fund's resources, he stated that "the time is now approaching, if it has not already arrived, for another forward move in international economic co-operation."

While the view that there is a serious general shortage of monetary reserves has not been accepted in the United States, the Government is concerned with payment difficulties, particularly of the less-developed countries which, as the President noted, suffer "great variability in foreign exchange receipts." As a matter of fact, the Government has been making generous credits available—through the Export-Import Bank and other channels—to primary producing countries whose balance of payments difficulties have been accentuated because of the fall in world prices of such commodities as coffee and copper. Along with the enlargement in the Fund's resources, the President suggests giving consideration to an increase in the authorised capital of the International Bank for Reconstruction and Development and to the establishment of an International Development Association, affiliated with the International Bank to supplement its existing lending activities.

*Reserves and the Growth of World Trade**
(In billion dollars)

	1928	1937	1957
Official gold reserves—			
United States	7.7	12.8	22.9
Foreign countries	6.0	12.3	14.9
International Monetary Fund	..	..	1.2
Total	9.7	25.1	89.0
Official and private dollar holdings—			
Foreign countries	2.5†	1.7	14.8
International institutions	..	..	1.5
Total	2.5	1.7	16.3
Gold and dollar holdings of foreign countries	8.5	14.0	29.7
Sterling balances outside the U.K.	2.4	4.0	9.1
Total monetary reserves of foreign countries	10.9	18.0	38.8
Value of world imports—			
United States	4.4	3.6	14.2
Foreign countries	26.2	23.7	93.0
Total	30.6	27.3	107.2
Percentages of reserves to imports—			
Total official gold reserves in terms of total world imports	32	92	36
Gold and dollar holdings of foreign countries in terms of their imports	32	59	32
Total monetary reserves of foreign countries in terms of their imports	42	76	42

* Excluding the U.S.S.R. and the eastern European countries as well as mainland China.

† May 1929.

Sources: Gold and dollars—Federal Reserve System; sterling—1928: Committee on Finance and Industry, Report (1931); 1937 and 1957: United Kingdom Balance of Payments White Papers; world imports—1928: International Monetary Fund, Staff Papers (October 1953): 1937 and 1957: International Financial Statistics.

The argument that there is a lack of "international liquidity" rests mainly on the idea that the growth of monetary reserves has lagged behind the expansion of world trade. It is pointed out that, since 1937, the flow of world trade (in money terms) has nearly quadrupled while world monetary gold stocks have risen by not much more than one half. This easy conclusion becomes suspect, however, when one considers the peculiarities of the base year 1937. International trade at that time was still sorely depressed while the United States gold price a few years earlier had been raised by 69 per cent. from $20.67 to $35 an ounce. The situation was one of excess liquidity. If the comparison is made with an earlier prosperous year such as 1928, the result is quite different. As may be seen from the accompanying table, the value of world trade has increased three and a half times since 1928 while world monetary gold stocks have risen almost four times.

There is another way to evaluate the record since 1937. World trade in physical terms, as estimated by United Nations' statisticians, has risen by less than 80 per cent. since 1937. The near quadrupling of world trade is, therefore, the outcome of a much larger increase in prices than in the volume of trade. This has happened on the basis of the overswollen monetary reserves created by the radical mark-up in the price of gold in 1934. The thought emerges that a big rise in the price of gold today would have the practical result of giving inflation another 25 years' lease on life.

Key Currency Holdings

If the Governments raise gold prices, they feel richer and able to spend more. There are, however, no static relationships in the world between gold and trade. Many central banks are holding sizable amounts of gold, but gold is actively used in adjusting residual positions in international settlements principally by the United States, the United Kingdom, and the Continental Western European countries. In most other countries, international trade and financial settlements are commonly made in dollars or pounds sterling. Holdings of these key currencies then serve as substitutes for and economisers of gold. While international reserves for the United States are measured by its gold stock, other countries—including the United Kingdom—commonly count dollars with their gold. Members of the sterling area have continuously used sterling as reserves; others are finding sterling balances increasingly useful now that British exchange controls have been so far relaxed.

International reserves so defined—gold, and dollars and sterling held by countries other than the United States and United Kingdom, respectively—are now much larger than in 1928 or 1937, as is brought out by the table. If compared with foreign trade, as is done at the bottom of the table, they appear as adequate today as in 1928. Thus, total monetary reserves of foreign countries equalled last year 42 per cent. of the value of their imports—the same percentage as in 1928. Venturing further back to 1913, a year that marked the culmination of a remarkable expansion in output and trade under the traditional gold standard, we find that official gold stocks and foreign exchange reserves equalled only 21 per cent. of the value of imports.

Gold and Dollars

The very fact that the pound sterling has become, for foreign holders, increasingly convertible into the dollar is, in itself, a large contribution to international liquidity. Surviving the 1957 crisis without further devaluation or relapse into more severe controls over trade and payments, the British have been able to rebuild their gold and dollar reserves from a low of $1.8 billion in September 1957 to $3.1 billion at the end of July 1958. Even after allowing for Britain's drawing on the Export-Import Bank credit and its postponement of payments on the United States and Canadian post-war loans, the rise in Britain's reserves is noteworthy. It is true that Britain owes about $1 billion to the International Monetary Fund and the Export-Import Bank repayable within a few years. On the other hand, the British Government and people possess $4.5 billion worth of United States and Canadian securities, not to mention their direct investments throughout the world.

Re-establishing a convertible pound, as an essential aid to world commerce, has been a steadfast objective of United States international economic policy ever since the $3¾ billion 50-year 2 per cent. loan granted the United Kingdom in 1946. More generally, and apart from sterling, the broad policy of the United States—through foreign aid and loans, private capital outflow, and lowered import tariffs—has resulted in greatly enlarging supplies of dollars available for international payments.

The economic and financial transactions with the United States have been, throughout the post-war years, the most important factor in the growth of foreign gold and dollar reserves. New gold output, receipts of gold from Russia, and—as recently in the case of France—internal gold dishoarding have further contributed to available reserves. Altogether, foreign reserves increased by $16 billion from the end of 1948 through June 1958, when they stood at some $31.5 billion. Besides this, the International Monetary Fund has holdings of $2.1 billion in gold and U.S. dollars. Foreigners also hold billions in portfolio investments here, and have, furthermore, large direct investments capable of being translated into dollars, if needed. Although many countries, like most American citizens, are suffering from "dollar shortage," the fact is that aggregate monetary gold reserves and dollar holdings are bigger than ever.

Dollars are held by foreign countries as international means of payment and monetary reserves because of the strength of the United States dollar. This strength comes not only from this country's large gold stocks but above all from its real resources and its high productivity. This, however, ought not to give rise to any complacency. In particular, we must prevent a creeping inflation from undermining the confidence that holders of dollars—Americans as well as foreigners—have in the dollar.

A False Alarm

What aroused concern over the adequacy of "international liquidity" earlier in the year was the business recession in the United States. The fear was that the United States would cut imports, increase exports, reduce foreign lending, and drain away foreign gold and dollar reserves. In fact, the United Nations Economic Commission for Europe reported at the end of June that a general liquidity crisis was touched off by the recession in the United States. This turned out to be a false alarm. The actual development has been the other way around. American exports have fallen noticeably from last year's record levels, but our imports have held up remarkably well. Private capital outflow has become increasingly important, having reached during the first half of this year a post-war record level, mainly because of large foreign capital issues in the New York market. There has been no material change in the aggregate of economic aid and other outlays by the United States Government abroad. Foreign countries as a whole have thus kept on acquiring gold and dollars through commercial and financial transactions with the United States, at the annual rate of $2½-$3 billion, on the basis of preliminary estimates.

There is no evidence that the American recession has made it necessary for any of the other industrial countries to slow down their output on the ground that they could not pay for imports required to sustain their domestic economies. The primary producing countries, it is true, have been affected by the decline in many basic commodity prices; but the fall in these had begun in late 1956 and could hardly have been attributed to a recession in America that did not develop until the latter part of 1957.

In any case, reserves exist to be used. Like anyone's cash account, they naturally move up and down. And however large the total of international reserves, there will be countries that will run chronically short. The reasons for it are all well known: overspending on imports capital flight, the absorption of exportable products into domestic uses—briefly inflation. Here is the kernel of the international liquidity problem. Unless nations give up indulgence of cheap and depreciating money, and the use of inflation as a substitute for taxing and saving, they will never, individually or collectively, have enough reserves.

Fund's Resources

A nation must meet a deficit in its balance of payments in the first place out of its own monetary reserves; but if it has insufficient reserves of its own, it will seek assistance from various sources abroad, including the International Monetary Fund. Each Fund member has a quota equal to the capital subscription it has made to the extent of 25 per cent. in gold and 75 per cent. in its own currency (though the gold portion may be reduced under certain circumstances). From this pool of resources, a member may obtain other currencies in exchange for its own; in form, the transactions are purchases and sales of currencies, but in substance, they are international loans. The United States dollar is, of course, the currency most in demand: the only other currencies that have been drawn out—and in very modest amounts indeed—are pounds sterling, German marks, Canadian dollars, Belgian francs, and Dutch guilders.

As already noted, the Fund still holds about $2.1 billion of gold and U.S. dollars; and even if allowance is made for the contingent liability represented by unused stand-by arrangements, the Fund has an uncommitted gold and U.S. dollar balance of $1.2 billion. It also has large holdings of other currencies—Canadian dollars and certain major European currencies in particular; as these currencies have become increasingly convertible, the resources upon which the Fund members may wish to draw have, in effect, been increased even though the book value of the Fund assets has remained unchanged.

Subscriptions

An increase in the Fund's subscriptions—50 per cent. has been mentioned—would entail, of course, a further contribution by all members to the Fund's pool of gold and currencies. Obviously, no member would be indifferent to the size of its additional gold payment, but those countries which are unlikely to need the Fund and which, on the contrary, would have to contribute currencies likely to be drawn from the Fund, might be reluctant to accept an increase in the subscriptions. It is presumably in view of considerations like these that the President, in requesting the Secretary of the Treasury to make the proposal to increase the Fund's resources, stressed the need for consulting members of the Congress.

The access by members to the Fund is limited in both amount and purpose. Under the present Fund policy, access to the first 25 per cent. of the quota that a country has, as a rule, paid in gold is "almost automatic." Requests for drawings within the next 25 per cent. are also treated "liberally," but even so, such requests are approved only if the country asking for assistance can show that it "is making reasonable efforts to solve its own problems." For drawings beyond the first 50 per cent. of the quota, "substantial justification is required."

Responsible Custodian

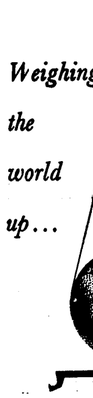
The Fund has thus been likened to a fire brigade which, in an emergency, can help a member—provided that the member helps himself. The member knows that the resources obtained from the Fund are essentially of a short-term character and must be regarded as a temporary addition to reserves, permitting it to adopt and carry out, within a limited period of time, a constructive programme to restore stability and balance in its economy. The Fund is, in effect, a "revolving fund," and its policy is that currencies acquired from it must be repaid within a prescribed period, with an outside limit of five years. This has been done so far. Virtually all borrowing transactions prior to 1955 have been fully repaid.

The Fund has proved to be a responsible custodian of emergency international reserves. At the moment, to be sure, the Fund is not seriously handicapped by a general shortage of resources. Furthermore, as pointed out earlier, the recession has brought increase, not decrease, in the aggregate gold and dollar reserves of foreign countries. The notable recovery of sterling, the fiscal reforms in France, the emergence of the German mark as a hard currency, and the growth of private international lending are additional constructive factors. For these reasons, an increase in the Fund's resources could be envisaged not as a step called for by the state of international trade and payments today, but—in the President's words—"for the tasks of the decade ahead."

Any enlargement of the Fund's resources should, of course, be predicated upon the first principle of public and private finance—that we live within our means. This is what the Fund is constantly having to impress upon its borrowers. "If we examine how the Fund has actually operated," stated the Fund's Managing Director, Mr. Per Jacobsson, at the Brussels Exhibition last month, "it is fair to say that the Fund has increasingly been a factor not for weakening, but rather for strengthening, monetary discipline, being able to grant assistance only when countries make reasonable efforts to solve their problems and present programmes holding out the hope of enduring stability at realistic rates of exchange."

WORLD BANK'S SALE OF DOLLAR BONDS

The World Bank has arranged the sale, entirely outside the United States, of a $75 million issue of U.S. dollar bonds. The sale was made by private placement with 40 institutional investors in 28 countries, and marks a broadening of the already wide international market for the bonds of the Bank. The new bonds are known as the "Two Year Bonds of 1958," and carry interest of 3¼ per cent. payable semi-annually, with the first payment due on 1st April 1959. The issue is dated 1st October 1958 and matures on 1st October 1960. There was keen interest in the issue among the selected institutions approached, orders being received for $127 million of bonds. Requests for bonds were received from institutions that had not previously bought the Bank's obligations and in countries where Bank bonds had not been held before. The purchasers of the issue included central banks, government special accounts, commercial banks, insurance companies and private corporations. The issue was sold chiefly to investors who made purchases from the $75 million issue of 3½ per cent. dollar bonds.



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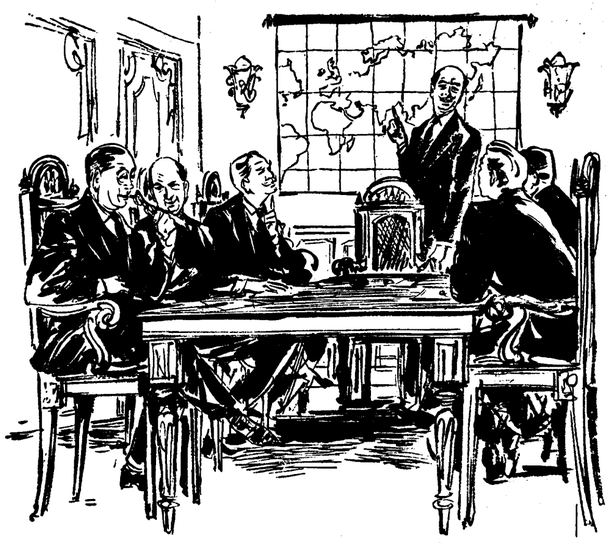

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COTTAGE WEAVING INDUSTRY IN BOMBAY

ANNUAL VALUE OF OUTPUT AGGREGATES RS. 24 CRORES

THE cottage weaving industry is one of the most important small industries in the State of Bombay, accounting as it does for over 25 per cent. of the total labour force engaged in the decentralised sector of the industrial economy. How vital is the role played by this industry is described in the second annual report on sample survey of the industry contained in a recent issue of the *Quarterly Bulletin of Economics and Statistics* of the Bureau of Economics and Statistics, Government of Bombay. The survey covers 2,568 selected establishments in selected centres. Although the findings of the survey relate to the year 1955 (that is, before the reorganisation of Bombay State), they nevertheless provide much interesting information on the different aspects of the cottage weaving industry—production, consumption of materials, employment particulars, earnings of labour and the like.

During the year 1955, the industry produced 227.3 million yards of cloth worth Rs. 23.84 crores. The bulk of the production was accounted for by cotton cloth, the quantity actually produced being 181.0 million yards (valued at Rs. 17.91 crores or 80 per cent. of the total. The share of art silk cloth was 43.9 million yards (Rs. 5.03 crores or 19 per cent.), of silk cloth 2.1 million yards (Rs. 67 lakhs or 0.9 per cent.), and woollen cloth 300,000 yards (Rs. 23 lakhs or 0.1 per cent.). The average value of production per worker was Rs. 1,177 and that per establishment was Rs. 4,139. *Saris* are manufactured on an extensive scale and *khans*, shirting and coating on a smaller scale. No other variety of cloth is woven to any significant extent. The following table gives the quantity and value of the different kinds of goods produced during 1955:

(Quantity in million yards; value in crores of rupees)

	Quantity	Percentage share	Value
Saris	141.7	61	15.37
Khans	20.8	9	2.68
Coating	22.5	10	2.43
Shirting	21.6	10	1.71
Other products ..	21.2	10	1.65
Total ..	227.3	100	23.84

It is thus evident that the production of *saris* is considerably higher than that of other varieties, accounting, as it does, for 61 per cent. of the total output. The share of *saris* in the annual mill production of cloth, it may be noted here, comes to 44 per cent. The annual value of sale of cloth (Rs. 23.53 crores) is more or less identical to the value of production, namely, Rs. 23.84 crores. The value of stock of cloth at the end of 1955 formed 1.4 per cent. of the value of production. However, these identical figures relating to the values of production and sale may not be construed that the cottage weaving industry does not have to face the marketing problem.

Sales of Cloth

The annual value of sales of cloth produced by establishments working on wage basis for master establishments and co-operative societies—that is, the value of products manufactured by establishments working on wage basis, to total value of sales is about 33 per cent. Besides these sales, independent establishments also effect a high proportion of their sales through retail traders.

The average price of a yard of cotton *sari*, cotton coating and cotton *khans* was Re. 1.04, Re. 1.00 and Re. 1.22, respectively, while that of art silk *sari*, art silk coating and art silk *khans* was Re. 1.99, Re. 1.08 and Re. 1.31. It, therefore, appears that the prices of the varieties of cloth manufactured in the cottage sector are not too high to fetch a sizable market.

The expenditure on consumption of raw materials (Rs. 16.23 crores) in 1955 formed 68 per cent. of the value of production. The expenditure on all types of yarn (Rs. 15.76 crores) formed 97 per cent. of the cost of raw materials. In particular, the expenditure on cotton yarn (Rs. 10.20 crores) and art silk yarn (Rs. 3.05 crores) accounted for 63 per cent. and 19 per cent. of the total cost on all types of raw materials. It is thus obvious that the cost of yarn is a decisive factor in determining the cost on consumption of raw materials used for weaving cloth. Moreover, the proportionately high cost of cotton yarn (63 per cent.) and art silk yarn (19 per cent.) is primarily due to the consideration that the proportionate value of cotton type of cloth and art silk type of cloth to the total value of cloth production is 75 per cent. and 21 per cent., respectively.

The quantity of cloth manufactured from a pound of yarn depends on many considerations, the main being the counts of yarn and the width of cloth. In spite of this consideration, an attempt has been made to get the output-input (quantitatively) ratio. It seems that about 5.4 yards of cloth are manufactured from a pound of yarn. The average price of a pound of cotton yarn used for weaving purposes was Rs. 3.01, while the corresponding price of medium type of cotton yarn (21-40 counts) and fine cotton yarn (above 40 counts) was Rs. 2.84 and Rs. 5.36, respectively.

Value Added by Manufacture

The estimates of the value added are arrived at by deducting the value of raw materials and fuels consumed from the value of production. The estimated annual value added in 1955 by the cottage weaving industry amounted to Rs. 7.61 crores.

About 92 per cent. of looms installed in weaving establishments are handlooms, while 8 per cent. of looms are powerlooms. Weaving of cloth in the cottage weaving establishments is, therefore, carried out essentially with the help of handlooms. The percentage proportion of idle handlooms to the total number of handlooms during 1955 was 32 per cent., while that of powerlooms was 11 per cent. Thus, a high proportion of handlooms is reported to be idle. The major reasons for idle capacity are (i) lack of demand and (ii) shortage of working capital. Rarely are the looms reported to be idle on account of non-availability of labour for the purposes of weaving or looms getting out of order. The average number of looms per establishment was 2.52, while the average number of working looms per establishment was 1.76. The distribution of establishments according to the number of looms installed in them shows that 41 per cent. and 27 per cent. of the cottage weaving establishments are in possession of one loom and two looms, respectively.

The number of days in a year for which the working handlooms and powerlooms are used for weaving of cloth is 308 and 300 respectively. The working handlooms and powerlooms, therefore, appear to be used for about six days in a week for weaving purposes.

Labour Force

The composition of labour force into two constituents, (i) household labour and (ii) hired labour, shows that 74 per cent. of labour is household labour, of which females account for 40 per cent. Such substantial proportion of females in the composition of household labour may be partly attributable to the consideration that some of the processes, for example, sizing of yarn and winding of yarn in weaving establishments, can be executed by females without any considerable physical strain.

The average annual earnings of a family owning weaving establishment from weaving industry amounted to Rs. 717 in 1955. The average annual earnings of household worker engaged in the weaving industry from weaving industry were Rs. 267, while the corresponding annual earnings of hired labour employed in the weaving industry were Rs. 335.

The outstanding loan per family at the end of 1954 was Rs. 449. About 20 per cent. of the loan incurred in 1955 was met from banks, 4 per cent. from co-operative societies and 55 per cent. from moneylenders. Thus, the families engaged in weaving industry have to depend upon moneylenders for their loan requirements. It is said that 35 per cent. of the loan incurred during 1955 was invested in the industry.

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TEXTILE MISSION TO VISIT HONG KONG BY END OF THIS MONTH

COTTON BOARD'S ANNUAL CONFERENCE AT HARROGATE

From A Special Correspondent

MANCHESTER LETTER

MANCHESTER, 2nd September

AFTER weeks of "behind-the-scenes" activity the names of the Lancashire mission to Hong Kong to discuss the vexed question of cotton cloth imports into the United Kingdom have been announced. Working on the well-tried principle that a small committee can often achieve better results speedily than a large and sometimes unwieldy delegation, the mission is believed here to stand a good chance of success. Its members will be Lord Rochdale, Chairman of the Cotton Board, Mr. James Broatch, Director-General of the Board, and Sir Cuthbert Clegg, Vice-President of the Cotton Manufacturers' Association. Sir Cuthbert has been a leader of various delegations which have visited the East during the past year or two in connection with this problem.

Little fresh can be said about the situation, in view of the many comments which have been made about imports into the United Kingdom since the flow of goods from Commonwealth countries reached substantial proportions. The mission is receiving its brief from the industry in Lancashire and will go to Hong Kong towards the end of September armed with a formidable array of information showing how the arrivals of foreign cloth have caused damage to the British textile industry.

Considerable interest has been taken on this side in the comments made in Indian journals relating to the conclusion of the talks earlier this year between the British, Indian and Pakistani industries. The view that the Indian delegates were ready to accept a ceiling on their exports to Britain, as they felt they would not be able to retain their share of the British market much longer, has been confirmed in recent returns of imports. These show that Hong Kong and China have been gaining ground at India's expense during the current year.

"British-Made" Label

The campaign to help the Lancashire cotton industry by persuading shoppers to insist on textile goods which have been produced in this country reached a new stage this week. The Manchester Chamber of Commerce has announced that it is ready to issue certificates declaring that fabrics have been spun, woven and finished in the United Kingdom when suppliers and their customers provide the necessary evidence. In its official report, the Chamber said:

"Garment manufacturers, for instance, will be able to have assurance for themselves and for their customers that frocks, overalls, shirts and pyjamas have been made from cloth that has not been imported but is 100 per cent. United Kingdom manufactured."

Adverse comments which have sometimes been made about the negative effect of the Cotton Board's annual conference at Harrogate can hardly be levelled against the programme as it stands for this year. Unless one of those unfortunate political occurrences intervenes there is every sign that next month's gathering will be as interesting and as vital to the industry as any of its predecessors.

Not only are the speakers men of substance in the trade, dealing with general topics of importance, but the final session is to be addressed by no less than the Prime Minister. Mr. Macmillan will be the first Conservative Premier to speak to the conference. When Mr. Attlee gave a short address in his capacity as Prime Minister some years ago, the spectre of foreign cloth imports was no more than on the horizon.

Position Has Changed

Since that occasion, the whole position of Lancashire's cotton industry has changed unmistakably and the mood of this year's conference will largely be governed by the result of the Hong Kong discussions which should be completed before the Harrogate meeting. Those attending will welcome the opportunity of receiving the Prime Minister in their midst no less than the chance of raising their voices in protest, if they consider the Government has let them down.

Whether the traders who cross the Pennines into Yorkshire in October for a week-end of discussions about the future of the Lancashire industry will agree with the Indian viewpoint "that Mr. Macmillan and his colleagues have played their cards well" will depend on the intervening negotiations in Hong Kong. On the platform at Harrogate will be two members of the three-man mission to the Colony. Lord Rochdale will open the conference and Sir Cuthbert Clegg will take the chair at the "question and answer" session. For good measure, the meeting will also include contributions from Mr. W. T. Winterbottom, whose subject is the future shape and policy of the producing side of the industry, while Mr. Eric Kann, a director of Marks and Spencer Ltd., will speak on the marketing and distribution of cotton textiles.

Shift From Cotton

Worried by a drift of population, the North-East Lancashire cotton town of Colne has told Manchester that it is ready to consider buying houses in the town for letting to Manchester families who move there—provided the City Council encourages industry to move with them. A report to be presented to Manchester City Council next week says that Colne is anxious to secure more diversification of industry and to arrest the drift of population. "They realise it is of primary importance to attract new industry to Colne," says the city's General and Parliamentary Committee.

If Colne provides houses for Manchester families, the City Council is expected to make a contribution. The financial implications of this are to be discussed by representatives of the two Councils as a first step. Meanwhile, Manchester has agreed that Colne should be informed of industries which are likely to be disturbed by the city's slum clearance programme.

The Thirties and Today

Since relinquishing his post as Chairman of the Cotton Board, Sir Raymond Streat has more than once burst into print with some of his reminiscences. As one who for so long was taking daily part in the inner councils of the industry, his views must be treated with respect. His latest contribution, in the current issue of the *District Bank Review* is devoted to the era of contraction experienced during the inter-war years. Tragic as was the experience of those days, so they have their parallel today in the sharp curtailment of productive capacity which has followed the post-war boom which ended in 1952. Comments on the previous period are no less appropriate at this moment.

History's habit of repeating itself can be observed in this survey of events of a generation or more ago. Sir Raymond's summing up, in which he upbraids the Government of the day for failing to provide Lancashire with assistance, is reflected in the later outcry which has gathered force during the current phase of contraction.

His review of the inter-war years concludes: "What was done by public action was on the whole too small in scope and too late in date to affect materially a sequence of events already set in motion by political and industrial developments in the world at large." If anything, this situation has been accentuated in the following years of war-time and post-war activity. In a free society neither community leadership nor central government can easily attract the support of public opinion for measures involving interference with the freedom of individuals or the rights of individuals over their property. If a large sector of the community is faced, as Lancashire was, by a common problem clearly involving deep-seated changes in employment and the disposition of physical assets, the Government must take responsibility for setting up remedial measures."

Most Lancashire traders of the 1950's would fully support this contention expressed about the attitude of the politicians during the 1930's. They would also endorse Sir Raymond's further comment: "If the Government does not consider the facts warrant intervention by the State it should take the responsibility and the political consequences of saying so, unequivocally. In that case, the community concerned will either find means to act communally or leave things to individuals."

In the past five years, the cotton industry in Lancashire has been hovering uncertainly, not knowing whether State intervention and aid was around the corner or whether to strike out fearlessly on its own. Within the next few months, several important matters of policy affecting the future trend of the trade should be the subject of vital decisions.—*All Rights Reserved.*

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PAKISTAN AND EGYPTIAN COTTONS

EXPORT LEVIES REDUCED

PAKISTAN'S decision, announced on 30th August, to cut the export duty on its *Deshi* and Comilla varieties of cotton from Rs. 80 to Rs. 50 per bale and retain the duty on other varieties at Rs. 115 per bale, while not altogether unexpected, has made Indian exporters wonder whether it will not make export prospects for Indian cotton gloomy. The reduction has brought the export duty in Pakistan in line with that in India and might wipe out the price advantage which India was so far having. Since the prices would now, in all probability, move to parity, the feeling is that competition would be keener. Exporters point out that Pakistani shippers have the added benefit of export incentives recently introduced by the Government under which they can retain 10 per cent. of the export earnings to themselves.

There is, an inclination among a section of the trade here to look to the Government for some fiscal measures which would offset this disadvantage. A few prominent shippers are reported to have already approached the Government with a request to abolish the export duty. Certain quarters are, however, sceptical whether a duty reduction would at all help India to export more. Of course, it will make Indian cotton cheaper and to that extent it may act as a stimulus. But price has become less important as a factor determining the volume of purchases by some of India's main customers such as Japan and France. These countries, faced as they too are with shortage of sterling, have found it necessary to adopt a rigid pattern of exchange allocation for imports. They issue exchange allocation for each source of supply and importers have no option but to get their supplies therefrom, no matter however cheap prices are elsewhere. For example, traders point out, when Japan releases foreign exchange for import of cotton from Pakistan, importers there have to cover their requirements from this source, although Indian prices may be lower.

To remedy this state of affairs, it has been suggested that India should enter into bilateral trade agreements with countries like Japan whereby it could accept payment in yen which could be utilised for purchasing India's requirements such as textile machinery from that country. This, it is pointed out, has the added advantage of making Indian cotton cheaper to Japan since it will do away with the necessity of having to pay high premium which is inevitably involved in making payments in sterling.

Close on the heels of the duty reduction in Pakistan comes a similar move from Egypt which cut the export duty on its cotton on the 1st inst. from 5.5*d.* to 3.5*d.* per lb. with immediate effect. After the recent revision in the reserve prices of Sudan Gezira Board it was generally expected that Egypt would also take measures to improve the competitive capacity of its cotton.

The cut in Egyptian duties on cotton has been generally welcomed by importers in this country. But they are disappointed at the simultaneous reduction in the discounts offered on Egyptian cotton from 21 to 15 per cent. as, they fear that this might wipe off a substantial part of the benefits of the reduced duty. The question is asked whether the reduction in discount will be applicable to India as the trade between the two countries are governed by a special trade agreement entered into in last April. Under this agreement, India exported tea and jute against import of Egyptian cotton which was offered at a discount of 21 per cent. The rupee-pound (Egyptian) rate was fixed at Rs. 10.80=1E£. It has been now confirmed that the cut is applicable to India also which means a change in exchange rate as well. On the basis of the reduced discount rate, the exchange rate has been revised by the State Bank and fixed at Rs. 11.62=1E£. This has resulted in an enhancement by three to three and a half per cent., of Egyptian prices to Indian buyers. Sudan prices are therefore considered still cheaper to Indian buyers. But the entire needs of Indian mills, it is said, cannot be met from Sudan alone because of the limited supply of cotton in that country which had a record low crop in the season just ended. Indian importers of Egyptian cotton have protested to the Egyptian Government against the reduction in discount and urged for the restoration of the 21 per cent. discount so that they can cover their requirements against the recently announced import allocation for 30,000 bales of cotton of 1.3/16".

CALIFORNIAN COTTON

India would be in the market for Californian cotton for at least 10 to 15 years, according to Mr. Tom Akers, Jr., sales executive of Calcot Ltd., one of the leading American firms shipping cotton to this country. Although India was making efforts to grow the Californian type of cotton inside the country, it would, Mr. Akers added, still require considerable amounts of Californian cotton for sometime to come. Currently on a visit to this country, after a similar stay in Japan, to study export market conditions for U.S. cotton, Mr. Akers stated that India would need 600,000 bales of Californian type cotton for its textile mills.

He pointed out that India's foreign exchange position would undoubtedly make it necessary to curtail, to some extent, its imports of U.S. cotton. He was, however, optimistic that his country would supply at least 200,000 bales in addition to what India continued to obtain from Egypt, Sudan and East Africa. Cotton ranked third among commodities shipped out of this important Pacific Coast port, Japan leading the list of importers of cotton from California. For the fiscal year ended 30th June 1957, more than 102,000 tons were shipped overseas, representing an increase of 40 per cent. over the previous year's figure. Meanwhile, shipments of raw cotton to India through the port have gone up steadily in recent years.

As regards the cotton export business of Calcot Ltd., one of the principal shippers of quality cotton to India, Mr. Akers revealed that Japan was its premier customer for Californian cotton with India occupying second place. He said that there was a possibility of India displacing Japan, occasionally, at least, in this respect. His firm, he said was concentrating on improving packaging of cotton by means of a fully covered bale which was automatically sampled during the ginning process It would produce at the gin about 70,000 bales of this particular type, namely, gin-compressed bales for export.

Discussing the current prospects for increased Indo-American trade, Mr. Akers declared that most American businessmen personally preferred to see India growing strong economically. even if it meant less business with them in the long run. He remarked, in this connection, that, due to one reason or another, there would always be a chance to supply some American cotton to India even after it had become considerably more developed economically.

IMPORT OF LONG-STAPLE COTTON

Replying to a question, Mr. Nityanand Kanungo, Minister for Commerce, stated in the Lok Sabha that India had begun producing long-staple cotton to the tune of one lakh bales per year, as compared with *nil* at the time of partition. Some members of Parliament complained that the Government was spending over Rs. 25.5 crores of foreign exchange in importing long-staple cotton from Egypt and Sudan and asked if this could not be stopped. Mr. Kanungo explained that long-staple cotton was imported from these countries to keep the normal trade channels open. Unless India bought cotton from these countries, it could not sell its textiles to them. Mr. Lal Bahadur Shastri, Minister for Commerce and Industry, intervening, explained that if these cotton imports were stopped the mills in Bombay and Ahmedabad, in particular, which manufactured fine and superfine cloth, would have to close down. It was the Government's intention, he pointed out, to grow long-staple cotton in the country itself.

COTTON CREDIT FOR JAPAN

The recent grant by the U.S. Export-Import Bank of a credit of 60 million dollars for the current (1958-59) crop year to Japan for financing the import of U.S. cotton brings the Bank's total financing of cotton purchases by Japan since 1948 to $542.2 million. The latest is the tenth cotton credit approved for Japan by the Bank. At current prices, about 400,000 bales of cotton can be financed for export by this credit which will be available up to 31st July 1959.

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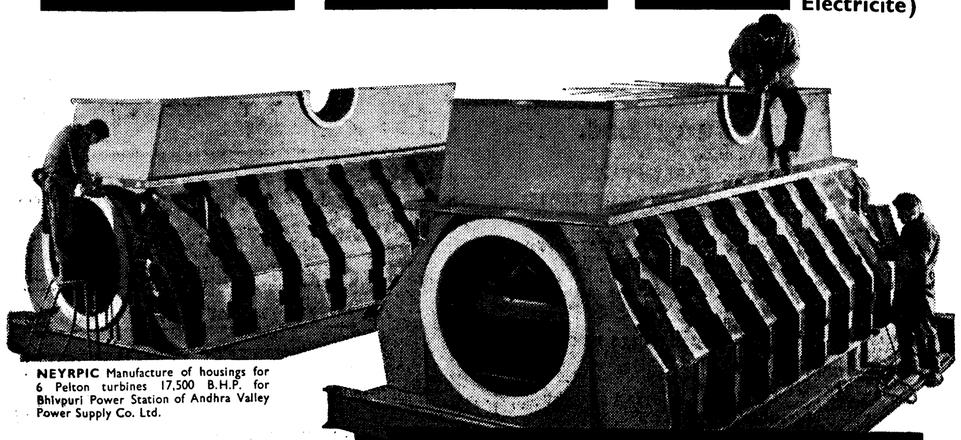

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MR. T. SHAMANNA'S SPEECH AT ORDINARY GENERAL MEETING

OUTPUT SATISFACTORY, DESPITE OPERATIONAL DIFFICULTIES AND RISING COSTS

PRESIDING over the Twenty-third Ordinary General Meeting of The Mysore Paper Mills, Limited, held at Bangalore on Wednesday, 3rd September 1958, Mr. T. Shamanna, M.A., I.A.S., Chairman and Managing Director of the Company, stated that the production performance of the Company was quite satisfactory, despite operational difficulties and rising costs. He, however, pointed out that the level of production could be maintained only if the import restrictions did not impose undue strains and the Company got proper assistance for importing essential materials such as wood-pulp, wires, felts, machinery and spares, as well as for securing adequate quantities of chemicals from sources here and abroad.

The following is the full text of Mr. T. Shamanna's speech at the meeting:

"GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to the twenty-third ordinary general meeting of the shareholders of the Company and to place before you the report of the Directors and the audited balance-sheet for the year ended 31st March 1958. These have been circulated already and, with your permission, I shall take them as read as usual and proceed briefly to review the salient features of the year's operations.

Production and Sales

"I am glad to state that production and sales during the year under review have been quite satisfactory. Last year, our production was 7,500 tons and this year it is 7,300 tons. I feel a word of explanation is called for as to why I consider production to be quite satisfactory, in spite of a shortfall of 200 tons. I must recall what has been reported to you on previous occasions, that our paper-making capacity exceeds our bamboo-pulp making capacity and, to set right this imbalance, action has been taken to further step up bamboo-pulp production from 6,000 tons to 7,000 tons and, in order to utilise the increased pulp-making capacity when achieved, action has also been taken to recondition the first paper machine which has worked continuously for over 19 years and requires urgent attention. As stated in the Directors' report, licences to import some equipment have already been received and orders have been placed. The shortfall in production during the year 1957-58 as compared with the year 1956-57, is mainly due to the shutdown of the mills for a fortnight during April 1957 for purposes of general cleaning, overhaul and repairs. Having regard to these considerations, I said that the production was satisfactory.

Difficulties

"Ordinarily I should have not narrated on this occasion the many difficulties we face in the day-to-day operations. The situation has, however, become so serious that I would be failing in my duty if I did not do so. To mention a few only: the supply position of chemicals, particularly Glauber's salt, caustic soda and liquid chlorine, has become very acute. We cannot get adequate supplies from the previous sources and we are resorting to purchases from all over the country and in the case of Glauber's salt from countries abroad. All this obviously adds very much to the costs, but, even then, we are not free from anxiety in maintaining production and in avoiding the development of critical situations threatening suspension of operations. We are keeping a constant vigil on the situation and sparing no efforts for procuring supplies to keep the factory going. In spite of all these incessant and growing troubles, we have managed to secure better results due to increased operational efficiency.

"Although our production costs have gone up considerably due to the foregoing reasons, we have not enhanced the prices of our products even to the extent of covering up such enhancement fully. We have tried to maintain the tradition and accepted policy of the mills of always keeping the interests of the consumer in the forefront of our thoughts by constantly improving upon the quality and, at the same time, maintaining a steady price structure. I have to bring to your notice, in this connection, that, having regard to the trend of rising prices generally in the country, the Government of India are contemplating an examination of producers' costs. So far as we are concerned, we do not feel that there is any need for such examination.

"In placing before you these facts pertaining to operational difficulties and rising costs, I am not trying to sound a note of alarm. Despite all this, it would be comforting for you to learn that the production for the first five months of the current year is encouraging. The level of production can be maintained, however, only if the import restrictions do not impose undue strains on us and we get proper assistance for importing essential materials such as wood-pulp, wires, felts, machinery and spares and for securing adequate quantities of chemicals from sources here and abroad.

The Balance-sheet

"I shall now turn to a brief review of the salient features of the balance-sheet. As I stated earlier, although the increased operational efficiency has helped to reduce costs and to secure favourable results, the financial results would have been much better and appreciated as such, had there not been a further rise in the costs of raw materials, chemicals, coal, electricity, etc.

"The turnover this year has exceeded that of last year by Rs. 2,17,682, amounting to Rs. 1,08,53,227. The market conditions throughout the year were favourable and continue to be so. Certain import restrictions have been imposed and what is produced in the country is not adequate to meet the increased demand for paper created by developmental activities adumbrated in the Five-year Plans. The requirements of the Central and State Governments have increased and, in consequence, the tonnage available for civilian consumption is reduced. We are taking steps to organise as equitable a distribution as possible of our products and, in this attempt, we have made arrangements, besides sales through normal trade channels, for direct supplies from the mills to essential users of paper like textbook publishers, educational institutions and co-operative societies and specially to those which are attached to schools and colleges.

"This year, we have provided for depreciation on fixed assets, a sum of Rs. 9,99,656 calculated on the basis of rates allowed for normal depreciation and extra shift allowances as per Income-tax Act, and have paid interest amounting to Rs. 2,16,176.09 on borrowings. The provision for gratuity has been limited to Rs. 80,000, as together with previous provisions made for this purpose, all the cases of employees who have put in a service of 15 years and are eligible for gratuity would be covered. Further, a sum of Rs. 2,00,000 towards cost of repairs and replacements, together with Rs. 30,000 towards wealth tax and Rs. 42,097 towards development rebate as per Income-tax Act have been provided. In response to the suggestion made at the last meeting, a sum of Rs. 1 lakh has also been provided to meet future tax liability, though the profits of the Company for the year under review would not be subject to tax. After making all these provisions, the net profit for the year stands at Rs. 5,29,437.85, as against Rs. 5,00,531-7-3 in the previous year.

I.F.C. Loan

"Before passing on to the question of disposal of surplus, I wish to report that, as on today, the Industrial Finance Corporation of India loan stands reduced to Rs. 30 lakhs, as against Rs. 42 lakhs shown in the balance-sheet. We had agreed to repay the loan of Rs. 50 lakhs of the Industrial Finance Corporation of India in 16 annual instalments with the first instalment commencing from 1st July 1955. The first instalment of 1,50,000 was paid in June 1955, the second instalment of Rs. 2,00,000 in June 1956, the third instalment of Rs. 2,00,000 due on 1st July 1957 in May 1957, and the fourth instalment of Rs. 2,50,000 due on 1st July 1958 in August 1957. In addition to the repayment of the first four instalments amounting to Rs. 8,00,000, we have, during the last five months, paid the fifth, sixth, seventh and eighth instalments falling due on the first of July 1959, 1960, 1961 and 1962 amounting to Rs. 12,00,000, thereby reducing the loan to Rs. 30,00,000. I have no doubt that you would appreciate the policy of repayment pursued by your Directors in this behalf.

Disposal of Surplus

"Reverting to the question of disposal of surplus of Rs. 5,77,135.51, inclusive of the carry-over, your Directors have decided to set apart Rs. 3,00,000 towards the Industrial Finance Corporation of India Loan Redemption Fund and to recommend declaration of 10 per cent. dividend, absorbing Rs. 2,50,000, the balance being carried forward. There appears to be a feeling in some quarters that your Board of Directors have been pursuing a cautious and conservative dividend policy and that a slightly higher rate of dividend could have been adopted. I feel that much could be said in favour of and against a declaration of a higher rate of dividend, but, after a serious consideration of all aspects of the question, it is found that the path of prudence points to the desirability of maintaining the dividend rate at 10 per cent., which is fair and reasonable. I trust that, in the light of these observations, you will consider the working results quite satisfactory and accord approval to the proposal to declare 10 per cent. dividend, which has also been approved by the authorities of the Industrial Finance Corporation of India, for which I am grateful to them.

Labour

"It had been reported to you that the Government of India have accorded sanction to the construction of three hundred tenements in our labour colony under the Labour Housing Scheme, and that the work of construction has been progressing rapidly and I am glad to inform you that the tenements will be ready for occupation shortly, and, with this, about 60 per cent. of our employees would have been provided with housing accommodation.

"A bonus equivalent to three months' basic pay or wages has been sanctioned to the staff and labour as in the previous year.

"You will recall that I had told you at the last meeting that the Labour Association has been making certain representations and that their reasonable demands would receive sympathetic consideration. The Consent Award, passed by the Labour Appellate Tribunal in April 1955 fixing, among other things, a period of 30 months as the tenure of the Award, expired in October 1957 and, thereupon, our Labour Association issued a notice of change demanding fixation of higher minimum wages, revision of wage scales, service weightage, production incentives, etc. Matters in dispute were directly negotiated and a comprehensive agreement was signed by the parties and this agreement, which is in the mutual interests of the management and labour, has ushered in an era of industrial peace for five years during which period the Association would not resort to strike. The benefits under the agreement have also been extended to corresponding categories of employees who are not members of the Association.

More Enduring and Desirable

"I consider that an agreement of this kind entered into voluntarily as a result of direct negotiations is far more enduring and desirable and that this method of resolving differences and settling industrial disputes is more satisfactory than that of adjudication or arbitration where protracted proceedings would leave behind feelings of bitterness, not conducive to creating the cordial atmosphere necessary for the smooth working of the factory. Representatives of both the management and labour are worthy of our congratulations for the helpful and co-operative spirit displayed in the finalisation of these negotiations and the implementation of the terms of the agreement. I hope that the cordial relations between labour and management will substantially contribute to achieving better results.

"I would now like to say a few words about our development schemes. The Board of Direc-

(*Continued on page 460*)

IMPROVEMENT IN QUALITY OF SUGAR PRODUCED LAST SEASON

OUTPUT OF HIGHEST COLOUR GRADE RISES

THERE has been a perceptible improvement in the quality of sugar produced in India in recent years, thanks to the continuous effort of mills to enhance the technical efficiency of manufacture, as well as to the vital role played by the Bureau of Sugar Standards which is chiefly responsible for stipulating sugar standards and advising mills to conform to the specifications as laid down by it. The major portion of the sugar output during the season 1956-57, for instance, was accounted for by the highest colour grade, namely, I.S.S. 29, the actual share being 78.79 per cent. which compares very favourably with 69.76 per cent. in 1955-56, while the percentage share of I.S.S. 28 and 27 colour grade was lower at 19.75 and 0.646, as against 27.49 and 2.169, respectively, according to the latest review by the Director of the National Sugar Institute, Kanpur. The review covers the production of sugar by 143 units, out of the 147 central sugar factories reported to have worked during 1956-57.

An equally welcome development has been the progressive decrease in the production of crushed sugar during the past few seasons. No factory reported manufacture of such sugar in the season 1956-57; the share of this sugar in the total production during 1955-56 was 0.001 per cent. As regards ungraded sugar (*rori*, dust, etc.), however, the season 1956-57 witnessed a slight increase in percentage share of its production, from 0.26 to 0.34. Under 'above I.S.S. grade,' the figure has also gone down from 0.82 to 0.24 per cent., whereas, in the case of 'below I.S.S. grade,' it has increased from 0.32 to 0.47 per cent.

The following table indicates the production of factory-made sugar corresponding to different standard grades and the percentage share of each grade during 1956-57 as compared with 1955-56:

I.S.S. No.	Season 1956-57 Quantity (tons)	Season 1956-57 Percentage of total production of 143 factories	Season 1955-56 (Revised) Quantity (tons)	Season 1955-56 (Revised) Percentage of total production of 142 factories
Above I.S.S.	4,814	0.24	15,274	0.82
A 29	35,071	1.74	33,549	1.79
B 29	96,664	4.79	87,189	4.66
C 29	275,609	13.65	184,463	9.85
D 29	716,298	35.49	620,726	33.16
E 29	461,908	22.88	364,710	19.48
Total in 29 colour series in all grain sizes ..	1,590,364	78.79	1,305,891	69.76
A 28	1,917	0.094	4,296	0.23
B 28	12,182	0.60	14,274	0.76
C 28	89,926	4.45	148,650	7.94
D 28	148,001	7.33	187,121	10.00
E 28	146,962	7.28	160,279	8.56
Total in 28 colour series in all grain sizes ..	398,988	19.75	514,620	27.49
A 27	..	..	21	..
B 27	122	0.006	160	0.01
C 27	2,398	0.12	4,290	0.23
D 27	3,300	0.16	25,275	1.35
E 27	7,281	0.36	10,916	0.58
Total in 27 colour series in all grain sizes ..	13,101	0.65	40,662	2.17
Below I.S.S.	9,347	0.47	5,928	0.32
Crushed 13	..	..	15	0.001
Ungraded (Rori and other ungraded sugars) ..	6,787	0.34	5,411	0.26
Total under crushed below grade and ungraded	16,084	0.81	11,354	0.58
Total ..	2,018,537	100.00	1,871,906	100.00

Note :—The total quantity of sugar shown above represents the sugar actually bagged as reported by factories, which includes sugar recovered from the remeltings of the preceding season's sweepings, rori, etc., but excludes sugar left in process at the close of the current season.

The foregoing table shows that I.S.S. D.29 accounts for the largest production for any single quality, being 35.49 per cent. of the total sugar production, as against 33.16 per cent. in the previous season, followed by grain size E which accounted for 22.88 per cent., as against 19.48 per cent. The percentage share of different grain sizes in all the three colours (29, 28 and 27) during 1956-57, the figures in brackets relating to 1955-56 was: A.1.83 (2.02); B.5.40 (5.43); C.18.23 (18.02); D.42.99 (44.51); E.30.52 (28.63); crushed, ungraded and others: 1.03 (1.39). It is thus seen that the position in respect of grain size remained more or less the same in 1956-57 as in 1955-56.

The number of factories producing first four grades of sugar during 1956-57 stood higher at 71 (49.65 per cent.) as against 64 (45.39 per cent.) in 1955-56. The number of factories producing one, two and three grades of sugar has improved from 9 (6.38 per cent.), 13 (9.22 per cent.) and 16 (11.35 per cent.) to 10 (6.99 per cent), 16 (11.19 per cent.) and 24 (16.78 per cent.), respectively, while that of units producing four grades has receded from 26 (18.44 per cent.) to 21 (14.69 per cent.). Considering that up to six different grades may be produced under the normally varying conditions in the factory, 104 factories (nearly 73 per cent. of the total) produce up to six different grades. The remaining 39 units (or 27 per cent.) still manufacture more than six grades which are considered to be too many. There is certainly scope for achieving greater uniformity in this matter by producing only a few standard grades of sugar, preferably not more than six by each factory, which is the average number in the case of a majority of factories.

An idea of the State-wise production of sugar during the 1956-57 season corresponding to different I.S.S. grades can be had from the table below:

	Colour 29 and above I.S.S.	Colour 28	Colour 27	Others (below I.S.S. and ungraded)
Bombay	224,751	16,009	17	549
Uttar Pradesh ..	831,376	231,529	5,969	9,346
Bihar	256,870	27,146	1,446	1,231
Punjab	51,742	4,021	421	309
Andhra	100,173	41,634	..	2,928
Madhya Pradesh ..	48,277	759	..	58
Rajasthan	17,122	11	518	14
Madras	12,926	33,632	19	884
W. Bengal	8,186	..	..	..
Mysore	7,956	32,383	1,859	782
Kerala	..	11,906	..	..
Orissa	..	28	3,852	43
Total ..	1,590,364	399,060	13,101	16,084
Percentage	78.79	19.76	0.65	0.80

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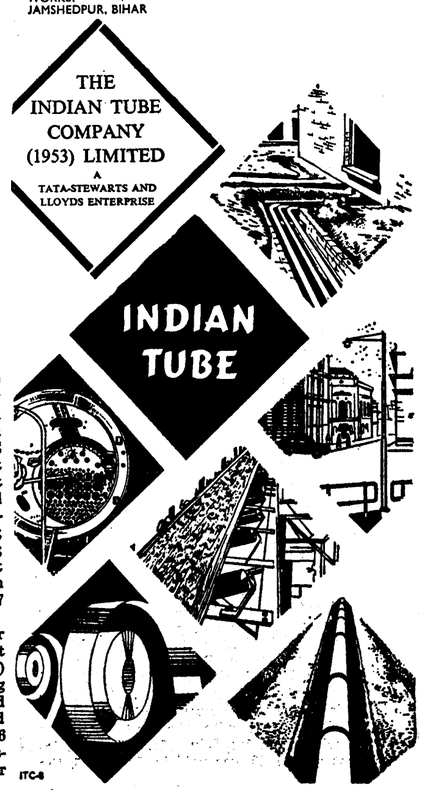

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The steady improvement in the quality of the sugar produced is quite encouraging. Indeed, it is claimed that the quality of Indian sugar compares favourably with that produced in any other country. There is, however, no denying the fact that much yet remains to be done. To the extent that the technical efficiency of the sugar factories is raised, not only will the quality of the product improve but the actual output also will be higher. It is here that the scientists and technologists connected with the sugar industry can play a vital role.

SUGARCANE DURING 1957-58

The 1957-58 season has witnessed a distinct setback to the sugarcane crop. The all-India final estimate of the crop places the aggregate yield of cane at 63,954,000 tons, as against 66,998,000 tons in the previous season, representing a fall of 4.5 per cent. The decline in production is due largely to the drop in the per-acre yield and partly also to the reduction in the area devoted to cane cultivation. The average quantity of cane actually raised per acre in 1957-58 has not been more than 12 8 tons, as against 13.3 tons in 1956-57. The total area under cane was lower by 0.7 per cent. at 5,021,000 acres, that for 1956-57 being 5,057,000 acres. The quality of the cane grown in the current year is also poorer, the average yield of *gur* per 100 tons of cane being less than 10 tons, as compared with 10.5 tons in 1956-57.

The decrease in production of sugarcane has been reported mainly by Uttar Pradesh, Bihar, Madhya Pradesh and West Bengal States and is attributed to decrease in area as well as damage caused by adverse seasonal conditions during the growing period of the crop. The decrease in production has been offset to a large extent by increases registered mainly in Bombay and Punjab States. The production estimates for 1957-58 and 1956-57 in respect of Andhra Pradesh and West Bengal (excepting Darjeeling District and merged areas) are based on the results of random crop cutting surveys.

The reduction in acreage during the current year has been reported mainly by Uttar Pradesh, Bihar and Madhya Pradesh and attributed generally to unfavourable weather conditions during the sowing period. The decrease in acreage has been offset to some extent by increases recorded mainly in Bombay, Mysore and Punjab States.

PRIZE COMPETITION FOR CANE IN BOMBAY

The target for getting the highest yield of sugarcane per acre for the purpose of awarding prizes under the scheme of prize competition for the highest production of sugarcane and sugar has been reduced by the Government of Bombay from 125 tons with 11.5 per cent. recovery of sugar to 115 tons with 11.5 per cent. recovery of sugar. This decision is based on the results of the competitions for the last five years, during which the yield per acre never reached the 125-ton mark; it was 107.85 tons in 1952-53, 122.62 tons in 1953-54, 106.9 tons in 1954-55 and 94.78 tons in 1955-56. The percentage of recovery of sugar has, however, been near about 12 and, therefore, the original 11.5 percentage has been retained.

The competition, which was initiated in 1952, now provides for the award of a prize of Rs. 2,000 to any sugarcane grower in the State, who produces 115 tons or more of sugarcane per acre with a minimum recovery of 11.5 per cent. of sugar. A prize of Rs. 1,000 is given in case the target of production only and not of recovery of sugar is achieved. Applications for participation in the competition are to be made to the Secretary, Deccan Sugar Technologists' Association, Walchandnagar, with a copy to the Sugarcane Specialist, Sugarcane Research Station, Padegaon, Poona District.

SUGAR PRODUCTION AND STOCKS

Sugar production during the month of July 1958 was 4,300 tons, bringing the total production up to 31st July 1958 to 1,971,000 tons. The corresponding figures for the 1956-57 season were 4,300 and 2,019,000 tons respectively.

The offtake of sugar from factories during the month of July 1958 was 170,000 tons, as against 163,000 tons (including despatches for exports) during the corresponding period last season. This brings the total despatches from factories upto 31st July 1958 to 1,521,000 tons, as against 1,590,000 tons (including despatches for exports) in the same period last season.

The total closing stock of sugar with factories as on 31st July 1958 was 878,000 tons, as against 956,000 tons on the same date last season.

CO-OPERATIVE SUGAR MILLS

The Government of India has decided to give aid for the purpose of setting up the factories at the rate of Rs. 15 lakhs per factory subject to a matching contribution by promoters. The co-operative sugar factories become eligible for such assistance only after they have been licensed under the Industries (Regulation and Development) Act and granted an import licence. So far during the second Five-year Plan, the Government has provided assistance to co-operative sugar factories in the States of Assam, Bombay, Madras, Punjab and Uttar Pradesh.

The total profit made by the Indian Sugar Mills' Association in the export of sugar during 1957-58 was about Rs. 12 lakhs, according to the Union Minister for Food and Agriculture. But the sale of the last consignment of 500 tons involved a loss of about Rs. 65,000. The sale was in parity with world prices. The prior approval of the Government was not necessary for the sale.

COAL CONSUMPTION BY RAILWAYS

EXPERT COMMITTEE SUBMITS FINAL REPORT

LESS than three months after its interim report, the Expert Committee on Coal Consumption by Railways has submitted the final report to the Union Ministry of Railways. This Committee, it will be recalled, was set up in December last under the chairmanship of Mr. Karnail Singh, Member (Engineering), Railway Board, to enquire into the increasing cost of fuel consumption by Railways and to estimate their requirements of high-grade coal during the next few years. In June, the Committee submitted its interim report in which it suggested, among others, measures for reducing the coal consumption and urged the establishment of three to five central washeries for upgrading non-coking coal, particularly in the outlying coalfields. The final report, since submitted, is devoted to the reasons for the increased cost of fuel consumption by Railways and an assessment of the requirements of high-grade coal in the next few years.

The full text of the Committee's report is not available; only a summarised version of the report has been released. The Committee declares that the inferior quality of coal supplied to the Railways is alone responsible for an increase of 10 to 11 per cent. in the present fuel bill of Railways. The coals, it says, do not conform to the grades specified and an effective check on the quality of coal loaded is at present well-nigh impossible as a large number of collieries supply coal to the Railways. This statement seems to be quite justified. Thus, while the quantity of coal actually consumed by the Railways has gone up over the past four years by 18.0 per cent.—from 11.12 million tons in 1952-53 to 13.15 million tons in 1956-57—the expenditure on coal has risen by as much as 100 per cent., that is, from Rs. 22.5 crores to Rs. 44.2 crores. Although a part of the enlarged coal bill is due to factors like increases in the prices of coal, higher freight charges, excise duty and cess, there is no denying that the quality of coal now being consumed by Railways is very much higher than what is actually required, thanks to deterioration in the quality of coal supplied. This aspect must be specially stressed considering that the Railways consume over 30 per cent. of the total production of coal in India.

It is encouraging to be told by the Committee that there has been some improvement in the fuel utilisation of late. Between 1952-53 and 1956-57, we are told, coal consumption by Railways rose by 19.5 per cent., while the traffic increased by 27 per cent. The present fuel consumption trend on Railways is considered to be favourable, but it is felt that there is still scope for reducing consumption through effective control on losses and wastage.

Requirements in Future Years

The Karnail Singh Committee has estimated the coal requirements of Railways by the end of the third Five-year Plan period (1965-66) at 26 million tons, which represent more than 25 per cent. of the tentatively fixed production target of 100 million tons. The requirements are expected to rise rapidly thereafter, touching 50 million tons per annum by 1975, if all further increase in traffic is handled by steam power.

In view of the vast coal requirements of Railways thus, the Committee urges that the consumption of coal by Railways in future must be restricted to the level forecast for the end of the third Plan, that is, 26 million tons. This objective, it is said, can be achieved by progressively replacing steam power by diesel and electric traction. In the considered opinion of the Committee, by 1975, not more than 50 per cent. of railway transport should be carried by steam power, the balance being shared by electrification (30 per cent.) and dieselisation (20 per cent.). For the electrification of Railways, the development of adequate capacity for manufacturing heavy electric machinery and traction equipment within the country is imperative. Also, co-ordination in the planning of power development, transmission lines and service stations is essential to ensure supply of power to the Railways and other industries. Diesel shunting should be introduced on all main line services, particularly in areas far away from the collieries where shortage of water is a problem.

The Committee anticipates a serious deficiency in high grades of coal required for the Railways by the end of the second Plan period and the position is expected to deteriorate dur-

(*Continued on page 453*)

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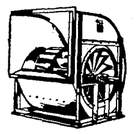



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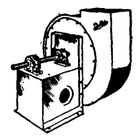

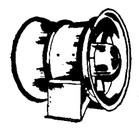

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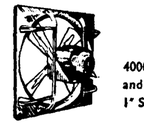

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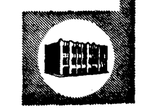

D. P. PARTHASARATHY,
SECRETARY.

VSK/IB/51

SPIRITUAL VALUES IN U.S. ECONOMIC SYSTEM

COMMUNITY OF INTEREST BETWEEN EMPLOYERS AND EMPLOYEES

By James P. Mitchell
U. S. SECRETARY OF LABOUR

(Although America's economic achievements which are a source of inspiration to the free world are fairly widely known, the underlying basis of the country's social and economic system has not always received the same attention and study abroad. In this context, the following excerpts from an address at commencement exercises of the University of Notre Dame, South Bend, Indiana, by Mr. James P. Mitchell, U.S. Secretary of Labour, who discusses the essential unity of the American society and the spiritual values which enrich the American economic system, will be read with interest.—ED.)

AMERICAN society springs from the boldness of our original political experiment; the origins of our people; the challenge of the wilderness; the natural interplay of the forces of Government, industry and labour; the increasingly high efficiency of our technology; our abiding identification as a people with religion. It has come a long way. In terms of economics as well as in terms of social progress, it looks back into the past upon socialism, upon communism, even upon capitalism and private enterprise in their classic European definitions. In this sense, it is the most modern society in existence.

This is something beyond the classic concept of capitalism, where the ownership of the great properties and corporations has passed into the hands of millions of stockholders. Directly and indirectly, a myriad of interested parties, including employees, participate in and influence management decisions in an atmosphere of freedom from central, authoritarian control.

Socialism has never taken root in our country because our system has accomplished its humanitarian aims without submitting to the muffling controls demanded by State ownership. The American economic system has, in fact, reached a point so far in advance of its origins that we are without adequate terms to describe it. There is an urgent need to comprehend the nature of our system and express it in meaningful terms that the world can understand. Whatever we call this system of ours, it is something unique. It is a living idea. Informed by the spirit of a great people and the accumulated experience of 20 centuries of Western culture, it has compelling value to all those peoples of the world who are restless for economic growth and thirsting for dignity and understanding. We have, in practice, shown the communist concept to be obsolete.

Popular Will

We have shown that it is possible that the great powers natural to a technological society —the State, the corporation and the labour union—can be brought into equipoise and that they can be directed by the popular will toward social improvement. As these three great powers interact upon each other, and exert restraint where it is needed, they move in common with other forces toward achieving the common good. Rising spontaneously from the people is a whole galaxy of organisations—national, regional, State, local—that contribute to this effort. These units of society bring influences to bear upon the Government, upon corporations through members who are managers or stock-holders, upon unions through members who are union members and union officials. And this diversity of interest and influence provides a central clue to the ability of the American to maintain his integrity as an individual in the face of an increasingly organised society. The American is not only a citizen, a worker and a union member, he is also father, brother, church member, lodge member, voter, taxpayer, home owner, member of an ethnic group. He gives of his personality to dozens of activities, and his personality colours and helps to shape them all.

Unity

In the very plurality of American society, in its delicate but natural balance of interests and forces, lies its unity. This unity is perhaps the most difficult thing of all to describe, even though we are bred to it and exist within it every day of our lives. Communism displays to the world an iron, rigid unity that is impressed and imposed and enforced—but which is fragile—a vast shell of pretence that crashes to earth in places like Hungary. Democracy, on the other hand, is apparently distinguished by disunity, while at heart there exists within a democratic society a vast, if often imperfect, unity of will that informs all our own daily lives. There is, for example, the common agreement that production should serve the interests of all interested parties—owners, workers and consumers—in as equitable a fashion as possible. But superficially we see considerable disagreement on the means and proportions.

There is common agreement that one of the richest prizes of American life is the ability to rise regardless of race, religion or origin. And yet we see turmoil in the ways and means to achieve this. There is a unity of belief in the dignity and importance of office, and superficially we see the holders of office often denounced and decried. Our firmest unities of belief attach to our traditional liberties of worship, speech, assembly and privacy. And as we progress, we are applying old freedoms to new situations, in terms of civil rights, for example, and about these freedoms—despite the superficial and sometimes violent differences that appear—there is a deep unity of American opinion.

Man's Happiness

Economics is not, as the communists say, the cure-all and end-all of man's quest for ultimate happiness. Economic well-being helps him toward that goal; it does not provide the fulfilment. For man's happiness ultimately flows from his spiritual well-being. I can find an illustration, I think, if I may digress for just a moment into the field of American economic life with which I am most familiar—labour-management relations. Here, perhaps more than anywhere else in our system, the welfare of the individual is at stake.

No better defence of our system as a vehicle for human fulfilment can be made than the simple statement of the fact that we have managed, to a remarkable degree, to safeguard the well-being of the individual in the face of advancing technology and organisation. We are deeply concerned that there be, at the heart of the labour-corporation power balance, a sense of the basic and direct relationship between employer and employee. We are concerned that the worker, despite all the apparatus of technology and the hugeness of modern enterprise, will retain a feeling that he is doing something worthwhile with his skill and his time. We are concerned that the employer, despite the largeness of his operations, will maintain a feeling of responsibility to his workers; that, by and large, he will respect the employee's right to a just share of profits, to good working conditions, to social justice.

If this mutual sense that there is some value beyond production goals did not exist, then there would be no balance of economic forces as we know it in America. It is this community of interest and sympathy between employer and employee which has been the traditional and unique strength of our system. Most workers feel that they have a chance to rise in the economic scale; the fluidity of our social system depends upon their feeling so.

We have remained a fluid society, we have avoided the solidification of economic power in a few hands, because of this current of aspirations which distinguishes our social and economic system from all others. This is, after all, the only system under which a man can set out to rise from messenger boy to president of his corporation—and have a reasonable chance to make the president's office if his gifts are equal to his ambition. This American sense of aspiration is what has kept us from stratifying into classes.

Whether the employee works in a one-man shop and deals directly with the boss, or whether he has sought to express his desires by uniting with thousands of other workers in a trade union to deal with his boss, he retains his right as an individual to obtain his share of the fruits of his labour. This idea is what animates labour —by which, I mean not only the great unions with their 18 million members, but also the other 50 million workers who exert social pressure by other means, some of which they hold in common with union members—this idea is what animates labour and management toward the achievement of increased living standards for all people and the preservation of individual dignity. The sense that there are broader issues at stake than victory at the bargaining table, that the health of a free society depends upon the judicious restraint of power for the common good of society is essential in a social complex in which interests are often coinciding, sometimes identical, frequently supporting, and almost always interdependent. So it is that economic and social means are employed to propel the citizen toward the ultimate ends of existence.

Spiritual Welfare

Organisational mobility, social flexibility, the wide distribution of wealth through high standards of enterprise and reward for labour —all these things operate to free the individual from the burdens of care and release him to devote fuller attention to his spiritual welfare, the genuine source of earthly meaning. Whether the individual seizes that opportunity is a matter of his own conscience. The fact remains that the system creates the opportunity, and as such is the most splendid social edifice ever erected by man. And supporting it is a unity of belief, opinion and conviction in its worth that is distinctly American in its fervour and its sincerity. There is no effective competition for our kind of unity. It is a unity of the spirit, a rallying point for mankind.

What binds together the Chinese communist and the Russian communist? The Italian communist and the Vietminhese? It is an invalid materialistic philosophy which provides the comforting assurance that one day the hardships and sacrifices they have been forced to endure will be compensated for when the technical plant is built and the economy is in full motion. It has nothing to offer, in the end, but it continues to hold out the old, dry dream of a classless State which becomes a nightmare of repression and the crushing of the individual.

Something Better

We have something better than this to offer. But too often we talk as if we did not. We speak of all the things in American life which are of secondary importance—our 125 million automobiles, our 45 million refrigerators, our 38 million television sets. To the European or the African or the Asian who is eager to know about America, we are more likely to talk about production statistics, profit margins, and efficiency reports rather than the rich, shared life of the community with its churches, its civic organisations, its charities, its responsive Government. The results are not always so happy as they were in the case of a Japanese taxi driver who says: "One of the nicest things about America is that there is no difference between a farmer's breakfast and President Eisenhower's." What we Americans do not speak of is the way of life which has set us apart from the communists—and which unites us to all people everywhere in search of peace, self-determination, and the ever-unfolding drama of a free people seeking a larger liberty and an enlarged dignity.

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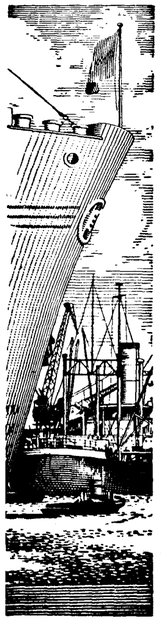

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DALMIA CEMENT (BHARAT) LIMITED

SPEECH OF CHAIRMAN, MR. V. H. DALMIA AT THE ANNUAL MEETING

TARIFF COMMISSION'S FAIR PRICE FORMULA DEFECTIVE IN MANY RESPECTS

THE Sixth Annual General Meeting of Dalmia Cement (Bharat) Limited was held at the Registered Office of the Company at Dalmiapuram (Madras State) on Thursday, 4th September 1958. In his speech on the occasion, Mr. V. H. Dalmia, Chairman of the Company, reviewed the affairs of the cement industry at some length and also examined the basis on which the Tariff Commission recently determined the fair prices payable to producers. He was of the view that the Commission's formula did not do full justice to the efficient producers. He also drew pointed attention to the ill-effects of inter-union rivalry on production and recommended legislation for settling the rival claims of the union.

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

"GENTLEMEN,

"I am happy to welcome you to this the Sixth Annual General Meeting of the Company. It is usual on such occasions to review the activities in the past and to consider the future programmes and prospects of the Company.

"The accounts for the year 1957, together with the Directors' report thereon, were circulated to you along with the notice of the meeting, and I am sure, you must have carefully studied the working results of your Company. I would, therefore, with your permission, take them as read.

Industry's Progress

"Since we last met, there has been a rapid improvement in the availability of cement, partly due to the expansion in production and partly because of the slackening of demand on account of the slowing down of some important Central and State Government projects due to pruning of the second Five-year Plan. One result of this has been that the plan for import of cement, which was one of the principal reasons for introduction of State trading in cement, has been abandoned. Against 4.9 million tons in 1956, the total production of cement in the country in 1957 was 5.6 million tons. There are now 29 cement factories, with an annual rated capacity of 6.83 million tons. By the end of this year, the installed capacity is likely to exceed 8 million tons and may be around 9.5 million tons by the end of 1959. Government has licensed the expansion of existing plants and establishment of new units which if they materialise in full, will raise the installed capacity by 1960-61 to 14.7 million tons. It is understood, however, that on account of foreign exchange difficulties, and no less important, the difficulty in arranging adequate internal finance, many of the schemes will not materialise. In the circumstances, it is likely that, by 1960-61 the installed capacity would be around 9.95 million tons only.

"On account of the increase in the availability of cement, the restrictions on retail sale of cement have been withdrawn to a large extent. As many as twelve States have permitted free sale of cement to the consumers. The rest have relaxed the permit requirements to the extent possible in the light of the conditions prevailing in each State. In view of the developing surplus of cement in the country, the Government of India is also giving serious thought to the export of cement as a normal feature by establishing markets in neighbouring countries. The efforts in this direction have not met with any appreciable success so far.

Develop Roads

"Shortage of steel and difficulties of foreign exchange are also mentioned as two important reasons for the slow-down of building activities and industrial expansion and consequent decline in the offtake of cement. In this context, I would suggest that Government should speed up the programme of road building on an extensive scale as neither steel nor foreign exchange is required for road building. Apart from improving the means of communications, the construction of roads will help the expansion of road transport and thus reduce the pressure on the railway system. In the second Plan, an outlay of about Rs. 271 crores is estimated on construction and improvement of national highways and about 18,000 miles of surfaced roads under the State programmes. The road construction programme would also help in maintaining the offtake of cement. In this connection, I may also refer to the Finance Minister's Budget Speech on 28th February 1958, when he mentioned that a sum of Rs. 7.34 crores which was surplus with the State Trading Corporation on cement account will be utilised by Government on the development of national highways. The Finance Minister also announced an increase in the excise duty by Rs. 4 per ton which was expected to yield Rs. 2.24 crores additional revenue in a year. This revenue was also specifically earmarked for road development. The Government of India should, therefore, press on with the road-building programme and also urge the State Governments to do likewise.

Tariff Commission's Recommendations

"I wish to refer to the recent recommendation of the Tariff Commission that the price at which cement is made available to the consumers should be re-assessed. The excise duty of Rs. 24 per ton accounts for nearly 20 per cent. of the wholesale f.o.r. destination price of cement and amounts to about 50 per cent. of the cost of production of cement. When a steep rise in the excise duty on cement was announced in the budget proposals on 15th May 1957, one of the main objectives behind the increase was stated by the Finance Minister to be to place a restraint on consumption. At that time the indigenous production of cement fell short of the demand and imports were being planned to meet the deficit. In the present position of cement supply, no fiscal measure is needed to restrain consumption. On the contrary, it is necessary to stimulate the public demand for cement for which purpose a reduction has to be brought about in the current selling price. I hope Government would review its policy of restraining consumption in the changed circumstances which now prevail in regard to the availability of cement.

"You will no doubt be anxious to hear from me about the recommendations of the Tariff Commission in regard to the cement price and the decision of the Government of India in this respect, which has come into effect from 1st July 1958. The Tariff Commission has found the production cost at your Dalmiapuram Works to be the lowest. Instead of being rewarded for the excellent performance in keeping down the production cost, notwithstanding the important disadvantage of being situated far from the coalfields, your Company has not been allowed any increase in price and the present ex-works price of cement allowed to your Company is the lowest. Certain vital departures have been made by the Tariff Commission from the basis which had been followed in its 1953 report on the question of fair price of cement payable to the producers. The Tariff Commission has allowed a return of 12 per cent. on the capital employed in the case of low cost units, 10 per cent. to four high cost units, 8 per cent. to the one highest cost unit and 6 per cent. to the two State-owned factories in Mysore and Uttar Pradesh. The capital employed has been taken as the sum of the nett block plus five months' cost of production by way of working capital. One result of adopting this method has been that higher the manufacturing cost, the more has been the return allowed to the producer. There are units which have been allowed a return at a lower rate, but the profit in rupees is considerably more than in the case of units with a comparable production which have been allowed a return at a higher percentage. This method of determining the profit margin can hardly be regarded as satisfactory or fair. Thus, there is no incentive to reduce the production costs. If anything, units with lower production costs have been placed at a distinct disadvantage.

"In the past, price was being fixed on a standard basis and made applicable uniformly to all units having normal costs of production. This time, as recommended by the Tariff Commission, Government has fixed separate price for each producer. If this system of price fixation is to be adopted, it was imperative to take into consideration the individual needs of each producer also in fixing the margin of profit. The producer is expected, out of the profit allowed, to meet the expenditure on bonus, gratuity, interest charges, Managing Agents' commission, to pay tax and to declare a reasonable dividend on the capital. It was represented before the Tariff Commission that the investor will reasonably expect a return on his investment which is in line with the return available in other major industries in the country. An impression seems to have been created that the cement industry has been paying handsome dividends. A study by the Reserve Bank of the dividend record of the various industries for 1951-55 showed that as compared to industries like iron and steel, sugar, paper, and jute, the cement industry has paid the minimum dividend. The following figures from the *Reserve Bank Bulletin* of September 1957 will be of interest.

Dividend as percentage of Paid-up Capital of various Industries in India.

Average for 1951-55

	Per cent.
Iron and steel	13.4
Sugar	11.3
Matches	10.8
Paper	10.8
Jute	10.0
Cement	9.2

"The margin of profit should, therefore, have been fixed so as to be adequate in the case of each producer to meet the various obligations that the profit is expected to take care of and leave sufficient residue to enable payment of dividend which can be considered fair in the light of the dividend record of other major industries in the country. This unfortunately does not appear to have been given the consideration that it deserves. I wish the Tariff Commission had taken a more realistic view and appreciated the importance of giving a fair return to the shareholders so as to attract the investment of savings in equity capital which is vital to keep up the pace of industrial development in the country. It has been mentioned in the report of your Directors that a representation has been submitted to the Government of India in regard to the price allowed in the case of your Dalmiapuram Works and I have every hope that our representation will receive sympathetic consideration.

Use of Second-hand Bags

"One of the recommendations of the Tariff Commission is that the use of second-hand gunny bags for packing of cement should be discontinued. While the Commission has apparently taken amiss the savings made by the cement producers by use of second-hand bags, the benefits which were accruing to the consumers have completely escaped the notice of the Commission. The consumer would no more be able to realise the price for the bags which he used to get while he could sell the used bags to the manufacturers for repacking of cement. On the representations made by the producers, Government has, however, permitted the use of second-hand gunny bags till the end of September only to exhaust the old stock of such bags, but the producers are being paid for such packing at a reduced rate. The consumer, however, is still being charged the full amount as for new packing.

Commission to Stockists

"You will probably be aware that it has been the practice in the cement industry with many of the producers to allow a commission to cement stockists on all sales of cement effected through them. In the southern region particularly, on account of the easy position of cement supplies, the stockist's commission was being paid by practically all the producers. In the past, this expense was always regarded as an item of cost while determining the selling price. The recent Tariff Commission Report has, however, ignored the incidence of this commission, presumably for the reason that any such commission should be paid by the S.T.C. It is a matter of regret, however, that the S.T.C. has declined to pay any commission to the stockists. In the conditions that now prevail, every effort has to be made to strengthen the marketing arrangements. It is needless for me to stress

(*Continued on page* 460)

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

Licences have been obtained from the Central Government for the establishment of a new industrial undertaking and for effecting a substantial expansion to the existing industrial undertaking, of which copies are open to public inspection at the Head Office of the Company. It must be distinctly understood that in granting these licences the Government of India do not take any responsibility for the financial soundness of these undertakings or for the correctness of any of the statements made or opinions expressed in regard to them.

A copy of this prospectus, having attached thereto the documents specified below, has been delivered to the Registrar of Companies, West Bengal for registration as required by Section 60 of the Companies Act, 1956.

Application is being made to the Calcutta Stock Exchange for permission to deal in the Debenture Stock now being offered and in due course for an official quotation.

The Application List will open at 10 a.m. on Tuesday, the 23rd day of September, 1958 and will close as soon as the Directors may decide but in any case not earlier than Friday, the 26th day of September, 1958.

THE DUNLOP RUBBER COMPANY (INDIA) LIMITED

(Incorporated in India with limited liability under the Indian Companies Act, 1913.)

SHARE CAPITAL

Authorised Rs.		Issued and Subscribed Rs.
30,00,000	30,000 6% (tax free) Guaranteed Cumulative Preference Shares of Rs. 100 each	30,00,000
40,00,000	40,000 6% (taxable) 2nd Cumulative Preference Shares of Rs. 100 each	40,00,000
4,30,00,000	43,00,000 Ordinary Shares of Rs. 10 each	3,00,00,000
5,00,00,000		3,70,00,000

LOAN CAPITAL

Rs. 2,04,55,000 6½% Debenture Stock 1968/73, of which Rs. 1,00,00,000 is now offered for public subscription. The Stock is secured by a floating charge upon the assets of the Company. The Company has no other loan capital outstanding, except that it has bank overdrafts (secured by a floating charge on the Company's stocks of raw materials and finished goods) which amounted as at 31st July, 1958 to Rs. 87,01,794.46.

ISSUE OF

Rs. 1,00,00,000 6½% Registered Debenture Stock 1968-73 at par,

Payable in Full on Application.

The Company is advised that this Debenture Stock is an approved investment within the meaning of Section 27A of the Insurance Act, 1938.

DIRECTORS:

JOHN LUCKHAM, 57B Free School Street, Calcutta. *Managing Director*

SIR UDAY CHAND MAHTAB, K.C.I.E., The Maharajadhiraja Bahadur of Burdwan, 2 Judges' Court Road, Alipore, Calcutta. *Company Director*

ANTHONY REAY MACKAY GEDDES, O.B.E., St. James's House, St. James's Street, London, S.W.1. *Managing Director of Dunlop Rubber Co., Ltd.*

ANGUS WALLACE GILLESPIE, 57B Free School Street, Calcutta. *Deputy Managing Director*

PRAKASH NARAIN HAKSAR, M.B.E., 57B Free School Street, Calcutta. *Deputy Managing Director*

FREDERICK GERALD WOODFORDE JACKSON, Sahagunj, Dist. Hooghly, West Bengal. *Deputy Managing Director*

HARDIT SINGH MALIK, 47B Friends Colony, Mathura Road, New Delhi. *Company Director*

ERIC HENRY MORRIS, 57B Free School Street, Calcutta. *Deputy Managing Director*

TRUSTEES FOR THE 6½% DEBENTURE STOCKHOLDERS:

GUARDIAN ASSURANCE COMPANY LIMITED, Registered Office: 68, King William Street, London, E.C.4. Head Office in India: 8 Clive Row, Calcutta.

BANKERS:

NATIONAL OVERSEAS & GRINDLAYS BANK, LIMITED, 31, Chowringhee, Calcutta.

STATE BANK OF INDIA, Park Street, Calcutta.

SOLICITORS:

To the Company: ORR, DIGNAM & CO., 29, Netaji Subhas Road, Calcutta.

To the Trustees: FOWLER & CO., 7, Hastings Street, Calcutta.

UNDERWRITERS:

THE INDUSTRIAL CREDIT & INVESTMENT CORPORATION OF INDIA, LIMITED, Union Bank Building, Apollo Street, Bombay.

THE INVESTMENT CORPORATION OF INDIA, LIMITED, Ewart House, Bruce Street, Bombay.

LIFE INSURANCE CORPORATION OF INDIA, "Jeevan-Kendra", Jamshedji Tata Road, Bombay.

BROKERS:

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

BATLIVALA & KARANI, Union Bank Building, Dalal Street, Fort, Bombay.

PATERSON & CO., 22, Errabalu Chetty Street, Madras.

AUDITORS:

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

SECRETARY AND REGISTERED OFFICE:

PHANI BHUSAN SEN GUPTA, Dunlop House, 57B Free School Street, Calcutta.

NATIONAL OVERSEAS AND GRINDLAYS BANK, LIMITED and STATE BANK OF INDIA have been authorised by the Company to receive applications at their principal offices in Calcutta, Bombay, Madras and Delhi for the abovementioned Rs. 1,00,00,000 6½% Debenture Stock 1968/73 at par, payable in full on application.

APPLICATIONS FOR STOCK MUST BE FOR RS. 1,000 OF STOCK OR IN SUMS BEING MULTIPLES OF RS. 1,000.

THE DUNLOP RUBBER COMPANY (INDIA) LIMITED.—*Cont'd.*

In 1950 an issue of Rs. 1,30,00,000 5% Debenture Stock was made, redeemable in 1961/71. This Stock was secured by a Trust Deed dated 10th August, 1950 executed by the Company in favour of Guardian Assurance Company Limited as Trustees. Out of this issue Debenture Stock as to Rs. 1,04,55,000 is at present outstanding. The holders of this existing Debenture Stock have agreed by a special resolution passed on the 4th day of September, 1958, in accordance with the provisions of the Trust Deed to increase the amount of the Debenture Stock secured by the Trust Deed by the creation and issue of Rs. 1,00,00,000 additional Stock, to alter the rate of interest from 5% to 6½% per annum and to postpone the date of redemption from 1961/71 to 1968/73. The additional Rs. 1,00,00,000 Debenture Stock is now being issued under a resolution of the Board of Directors passed on 4th September, 1958, in accordance with the special resolution aforementioned. The entire Stock (both the existing and present issue) will be secured by the Trust Deed aforesaid as modified by the Supplemental Trust Deed to be executed by the Company also in favour of Guardian Assurance Company Limited. Interest will be payable on 1st January and 1st July in respect of the half-yearly periods ending on the previous day. Interest on the present issue of Stock will commence from 1st October, 1958 and the first payment will be made on 1st January, 1959, amounting to Rs. 16.25 less income-tax per Rs. 1,000 of Stock. The Trust Deed and Supplemental Trust Deed will contain *inter alia* the following provisions :—

1. Security : (a) Payment of principal and interest will be secured by a floating charge upon the whole of the Company's undertaking and assets, present and future, including uncalled capital but excluding only leasehold properties.

(b) The Company will be at liberty at any time after 31st December, 1959 to create and issue further Stock ranking *pari passu* in point of security with (but not in priority to) the existing Stock and the present issue of Stock, on such conditions as to price of issue, rate of interest and term for repayment as may be determined by the Company but subject to the provision that the total amount of the Stock for the time being ranking *pari passu* and entitled to participate in the benefit conferred by the Trust Deed and the Supplemental Trust Deed shall not at any time exceed fifty per cent of the aggregate of (i) the Company's paid-up share capital, (ii) its reserves including the share premium account and (iii) the amount standing to the credit of its profit and loss account. Every prospectus issued generally in connection with the issue of such further Stock shall provide that applications from the holders of Stock standing registered in the books of the Company one month prior to the date of such prospectus shall have preference in allotment.

(c) The Company may create charges on its raw materials and stock-in-trade ranking in priority to the floating charge thereon created by the Trust Deed as modified by the Supplemental Trust Deed to secure sums borrowed from or obligations incurred to bankers in the ordinary course of the business of the Company, but the Company may not create other charges ranking in priority to or *pari passu* with the charge in the Trust Deed.

(d) Any subsidiary company of the Company may create charges on its raw materials and stock-in-trade to secure sums borrowed from or obligations incurred to bankers in the ordinary course of its business and, when any part of the existing and present issue of Stock has been redeemed or purchased and cancelled, subsidiary companies may issue and secure debentures or debenture stock not exceeding in the aggregate the amount of the Stock which has been redeemed or purchased and cancelled, but save as aforesaid the Company will procure that no subsidiary company shall create any other mortgage or charge on its properties and assets otherwise than in favour of the Company and such mortgage or charge shall be retained by the Company. The Company has no subsidiaries at present.

(e) The Company will keep its property adequately insured against loss or damage by fire, riot and civil commotion in so far as it is practicable to do so.

2. Redemption : (a) Such part of the Stock as has not been previously purchased or redeemed will mature for repayment on 31st December, 1973 at par plus accrued interest.

(b) During the year ending 31st December, 1958 and during each succeeding year, the Company will transfer to a Redemption Fund not less than Rs. 8,00,000 but any excess which may be so set aside in any year may be applied in reduction of the obligation for any later year. The amount for the time being standing to the credit of the Redemption Fund may be : (i) used in the purchase of Stock or on 31st December, 1968 or thereafter, in the redemption of Stock, accrued interest and expenses being paid by the Company otherwise than out of the Fund; (ii) placed on deposit at a bank; or (iii) used for the purchase of trustee securities, the expenses of purchase, net proceeds of sale and income accruing from such investments being borne by and belonging to the Fund.

(c) Before 31st December, 1968, the Company will not be entitled to redeem or acquire any part of the Stock other than by voluntary sale and purchase. On that date and at six monthly intervals thereafter on giving six months' previous notice, the Company will be entitled to redeem the whole or any part of the Stock remaining outstanding at par plus accrued interest, and in the case of redemption of part only the particular Stock to be redeemed will be determined by drawings. Stock purchased or redeemed out of the Redemption Fund will be cancelled and may not be re-issued.

(d) Purchases of Stock made out of the Redemption Fund will be at a price not exceeding Rs. 102 per Rs. 100 of Stock plus accrued interest, exclusive of expenses.

(e) In addition to any purchases out of the Redemption Fund, the Company may at any time purchase with other funds any of the Stock at a price not exceeding Rs. 102 per Rs. 100 of Stock plus accrued interest exclusive of expenses or at a higher price with the consent of the Trustees, which consent is not to be unreasonably withheld, and such Stock can be re-issued. The nominal value of any Stock purchased by the Company otherwise than out of the Redemption Fund may, after cancellation of such Stock, be treated as a transfer to the Redemption Fund in any future year.

3. Additional Provisions : (a) The rights of Stockholders may be modified or compromised by a special resolution passed at a meeting of Stockholders in accordance with the Trust Deed, a quorum for this purpose being the holders present in person or by proxy of a clear majority in value of the total amount of the Stock then outstanding or, in the case of an adjourned meeting, those present and entitled to vote. On a show of hands each Stockholder present in person will have one vote and on a poll each Stockholder present in person or by proxy (who need not himself be a Stockholder) will have one vote for each Rs. 500 of Stock held.

(b) A register of the Stock will be kept at the Registered Office of the Company. It may be closed for any periods not exceeding forty-five days in any year and not exceeding thirty days at any one time.

(c) Stockholders will be entitled to their Stock free from equities or cross-claims by the Company against the original or any intermediate holder.

(d) The Stock will be transferable in amounts and multiples of Rs. 500.

PROSPECTUS

HISTORY AND BUSINESS :

The Company was incorporated as a public Company in Bombay on the 19th August, 1926 for the purpose of acquiring the undertaking and assets of the business in the Indian sub-continent previously carried on by Dunlop Rubber Co., Ltd., which is referred to below as "the English Company". The Company imported and distributed the products of the English Company up to the year 1936, when it established the first pneumatic tyre factory in India at Sahagunj, near Calcutta. At that time the registered office and head office were transferred from Bombay to Calcutta.

Since then the Company has progressively expanded both its volume of production and range of products. Its present business consists chiefly of the manufacture and sale of pneumatic tyres for bicycles, motorcycles, scooters, cars, trucks, buses, tractors, earthmoving vehicles, animal drawn vehicles, handcarts, barrows and aircraft; cushion tyres for trolleys; tyre repair materials and accessories; bicycle rims; latex foam cushioning ("Dunlopillo"); transmission and conveyor belting; fan and vee belts; braided hose.

The business is carried on in India at the Company's Head Office in Calcutta, factory at Sahagunj, selling branches at Calcutta, Madras, Bangalore, Ernakulam, Hyderabad, Bombay, Nagpur, Ahmedabad, Lucknow, New Delhi, Jullundur and Gauhati and a rubber purchasing branch at Cochin.

MANAGEMENT, STAFF AND TECHNICAL FACILITIES :

Of the Directors, Messrs. Luckham, Gillespie, Haksar, Jackson and Morris are in the whole-time employment of the Company and have had many years of service with it or with associated companies. A large number of experienced and highly qualified technicians and executives are also employed and continuity of management is assured.

The training of Indian employees for the higher technical and administrative posts has always been a feature of the Company's policy and many of the Indian staff have been sent to the United Kingdom for courses of instruction in the factories of associated companies. Approximately 6,000 staff and operatives are employed by the Company, of whom about 5,000 are located at Sahagunj factory. The new Ambattur factory initially will provide employment for 600 people.

The Company has always had the benefit of the valuable technical advice and assistance of the English Company which includes all the advantages derived from the research and development work in the Dunlop group. The present working arrangements between the two Companies are contained in an agreement dated 29th January, 1957 (referred to as item 3 under the heading "Contracts") which provides *inter alia* that the English Company will upon request make available to the Company all information, processes and inventions relative to the manufacture of goods made by the Company upon payment by the Company of the costs of communication of such information and a proportionate part of the costs incurred by the English Company in the acquisition, discovery and development of such information, processes and inventions.

DEVELOPMENT :

From an initial area of 94 acres in 1935, the Company's Sahagunj factory and residential estate now occupy 237 acres. Manufacturing capacity is now approximately seven times greater than that of the original 1936 installation and the following figures indicate the progressive and substantial growth of total sales turnover :—

		Rs.
1937	... ...	1,22,00,000
1947	... ...	6,14,00,000
1954	... ...	13,70,00,000
1955	... ...	15,09,00,000
1956	... ...	17,00,00,000
1957	... ...	19,97,00,000

The emphasis on industry in the Second Five-Year Plan and the development of mechanisation on the land are expected to create further increases in the demand for the Company's products. In particular the expanding use of road transport, tractor and earthmoving vehicles is causing a marked increase in the demand for rubber tyres, which as far as can be foreseen will continue to grow with the further expansion of India's economy.

The Company has always endeavoured to play a part commensurate with its position in the industry in meeting the requirements of the country. In furtherance of this progressive policy, licences were obtained in 1956 under the Industries (Development and Regulation) Act for (i) the establishment of a new industrial undertaking in the shape of a second factory for the manufacture of giant tyres, cycle tyres and repair materials and (ii) a substantial expansion of the existing factory at Sahagunj to provide additional capacity for various products, mainly tyres, cycle rims and repair materials. A site for the new factory was later selected at Ambattur, near Madras and work on this and also the Sahagunj expansion has reached an advanced stage. Production from both is expected by the beginning of 1959 and it is considered that these developments will give sufficient overall capacity to meet the demands for the Company's products for some time to come.

The Company has also on hand a considerable plant replacement and improvement programme at Sahagunj factory, where additions to the housing and welfare estate are also in progress.

FINANCE :

The total estimated cost of the expansion and replacement programme outlined above over the period 1956/60 was Rs. 4,67,00,000. To finance this capital expenditure the sum of Rs. 2,03,00,000 (the net proceeds) has already been raised by the issue in July, 1957 of 14,00,000 Ordinary Shares of Rs. 10 each at a premium of Rs. 5 and the net proceeds of the present issue of Debenture Stock are expected to amount to Rs. 95,00,000. The balance of the capital cost will be financed by retained profits and depreciation provisions, which already amount to Rs. 1,14,00,000 from 1956 and 1957 appropriations. Of the total cost of Rs. 4,67,00,000, expenditure of approximately Rs. 2,21,00,000 had already been incurred up to 31st May, 1958, leaving a balance of Rs. 2,46,00,000 to be expended by the end of 1960. Taking into account bank facilities, the Directors consider that the Company has and will have adequate working capital for its requirements at present and during the remaining period of the expansion and replacement programme.

The following report by the Auditors of the Company shows that at 31st December, 1957 the net assets at written-down values, excluding goodwill, patents and trademarks, amounted to Rs. 8,32,52,249 or more than four times the aggregate nominal amount of the existing Debenture Stock and the present issue. If to this figure are added the estimated net proceeds of the present issue, Rs. 95,00,000, the resulting total is Rs. 9,27,52,249.

The report by the Auditors also shows that at 31st December, 1957 the written-down value of the Fixed Assets amounted to Rs. 3,82,24,627 and that the capital expenditure incurred between 1st January and 31st May, 1958 amounted to Rs. 81,96,076. The resulting total representing Fixed Assets at 31st May, 1958 is Rs. 4,64,20,703 or more than twice the aggregate nominal amount of the existing Debenture Stock and the present issue. The total Fixed Assets are expected to increase to over Rs. 6 crores by the end of 1959. The Fixed Assets have been conservatively written-down, as indicated by the fact that the total depreciation provided amounts to Rs. 2,68,24,548 or 42% of the total cost of the assets, excluding Land. There has been no revaluation of any of the assets at any time in the history of the Company.

The report also shows that for the five years ended 31st December, 1957 the average annual net profits of the Company arrived at after charging all expenses, normal depreciation and all interest except interest on the existing Debenture Stock, but before charging taxes on income, was Rs. 1,22,88,681, equivalent to more than 9 times the aggregate annual interest charge of Rs. 13,29,575 on the existing Debenture Stock and the present issue.

THE DUNLOP RUBBER COMPANY (INDIA) LIMITED.—*Cont'd.*

AUDITORS' REPORT

The following is a copy of a Report which has been received from Messrs. Ford, Rhodes, Parks & Company, Chartered Accountants :—

Stephen House,
Dalhousie Square,
Calcutta 1,
18th August, 1958.

The Directors,
The Dunlop Rubber Company (India) Limited,
"Dunlop House",
57B, Free School Street, Calcutta.

Gentlemen,

We have examined the Accounts of The Dunlop Rubber Company (India) Limited, as audited by us for the five years ended 31st December, 1957, and report as follows :—

I. PROFITS :

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

	Year ended 31st Dec. 1953.	*Year ended 31st Dec. 1954.*	*Year ended 31st Dec. 1955.*	*Year ended 31st Dec. 1956.*	*Year ended 31st Dec. 1957.*
	Rs.	Rs.	Rs.	Rs	Rs.
Sales	12,59,29,862	13,71,76,069	15,11,60,338	16,99,60,530	19,97,00,490
Miscellaneous Income	5,87,502	4,40,387	3,45,491	4,28,231	4,66,394
	12,65,17,364	13,76,16,456	15,15,05,829	17,03,88,761	20,01,66,884
Cost of Materials	7,41,79,283	8,06,84,541	9,11,28,653	10,72,13,547	12,18,97,627
Excise Duty	1,27,26,906	1,45,62,689	1,55,95,529	1,69,61,244	2,15,20,859
Salaries, Wages and Incidental Expenses ...	1,49,10,552	1,61,25,921	1,77,51,526	1,92,41,821	2,14,97,810
Expenses	1,19,84,193	1,29,35,596	1,44,56,490	1,30,23,124	1,51,89,899
Depreciation	17,76,884	19,45,801	22,78,275	23,94,568	27,68,551
	11,55,77,818	12,62,54,548	14,12,10,473	15,88,34,304	18,28,74,746
Net Profit before Taxation	1,09,39,546	1,13,61,908	1,02,95,356	1,15,54,457	1,72,92,138
	12,65,17,364	13,76,16,456	15,15,05,829	17,03,88,761	20,01,66,884
Net Profit before Taxation	1,09,39,546	1,13,61,908	1,02,95,356	1,15,54,457	1,72,92,138
Provision for Taxation	37,49,935	37,74,857	42,32,360	47,34,548	86,51,561
Net Profit after Taxation	71,89,611	75,87,051	60,62,996	68,19,909	86,40,577

The above profits have been arrived at before charging interest on the existing Debenture Stock and the depreciation that was provided at higher than normal rates and subsequently transferred to a Special Depreciation Reserve in 1955 and 1957.

II. DIVIDENDS :

Full Dividends have been paid on the 6% (tax free) Guaranteed Cumulative Preference Shares and on the 6% (taxable) Second Cumulative Preference Shares in respect of each of the five years ended 31st December, 1957. Dividends paid (tax free) on the Ordinary Shares in respect of such years were as follows :—

1953	...	15% on the Paid Up Ordinary Share Capital of Rs. 1,60,00,000		
1954	...	15%	—do—	—do—	—do—
1955	...	15%	—do—	—do—	—do—
1956	...	15%	—do—	—do—	—do—
1957 Interim	...	7½%	—do—	—do—	—do—
Final	...	8½% on the Paid Up Ordinary Share Capital of Rs. 3,00,00,000			

III. ASSETS AND LIABILITIES :

The Assets and Liabilities of the Company as at 31st December, 1957 based on the audited Balance Sheet as at that date were as follows :—

	Rs.	Rs.	Rs.
FIXED ASSETS—at cost	...	...	6,50,49,175
Less—Depreciation	...	...	2,68,24,548
			3,82,24,627
DEBENTURE STOCK REDEMPTION FUND—Cash at Bank ...	...	...	4,31,294
INVESTMENTS	...	...	1,43,070
CURRENT ASSETS—			
Stocks	...	4,86,84,073	
Sundry Debtors and Advances	...	3,30,02,320	
Cash and Bank Balances	...	5,43,792	
		8,22,30,185	
Less—CURRENT LIABILITIES AND PROVISIONS—			
Bank Overdraft—Secured on Stocks	72,91,614		
Due to Associated Companies	41,80,656		
Sundry Creditors and Other Liabilities	66,04,257		
Provision for Retirement Gratuities	5,00,000		
Provision for Taxation	58,00,000		
Proposed Dividends	28,79,400	2,72,55,927	5,49,74,258
			9,37,73,249
Less—5% Debenture Stock 1961/71—Secured as a floating charge ...	...	...	1,05,21,000
NET ASSETS	...	...	Rs. 8,32,52,249
REPRESENTED BY :			
SHARE CAPITAL—			
6% (Tax Free) Guaranteed Cumulative Preference Shares ...	...	...	30,00,000
6% (Taxable) Second Cumulative Preference Shares ...	...	...	40,00,000
Ordinary Shares	...	...	3,00,00,000
			3,70,00,000
SHARE PREMIUM ACCOUNT	...	...	70,00,000
OTHER RESERVES AND SURPLUS	...	...	3,92,52,249
			Rs. 8,32,52,249

IV. FIXED CAPITAL EXPENDITURE :

We also report that we have verified that expenditure on Fixed Assets during the period 1st January, 1958 to 31st May, 1958 amounted to Rs. 81,96,076.

V. ACCOUNTS :

No audited accounts have been made up in respect of any period since 31st December, 1957.

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

THE DUNLOP RUBBER COMPANY (INDIA) LIMITED.—*Cont'd.*

STATUTORY AND GENERAL INFORMATION :

The main objects specified in the Company's Memorandum, apart from the taking over of the business of Dunlop Rubber Company, Limited in India referred to above, are :—

"To carry on all or any of the following businesses namely manufacturers of articles in India Rubber or other like gums, or the same in combination with any metallic or non-metallic substance, dealers, agents, factors and merchants in the same manufactures; and to sell, manufacture and deal in commodities of all kinds which can be conveniently dealt in or manufactured by the Company in connection with any of its objects, and to carry on any other business, whether manufacturing or otherwise, which can be conveniently carried on in connection with any of the Company's objects

To carry on the trade or business of General India Rubber, Gutta Percha, Asbestos, Waterproofing, Textile, Leather and Canvas Manufacturers or the combination of the same, and of articles to be manufactured from such commodities and to factor, sell, or otherwise deal with the same.

To buy and sell Raw Rubber, as factors, merchants, or otherwise, either on account of the Company, or any other company person, or firm."

No share or loan capital is under option or agreed to be put under option.

The Company has not issued any redeemable preference shares and does not at the present time intend to do so.

No shares or debentures have been issued or agreed to be issued within the two years preceding the date of this prospectus as fully or partly paid up otherwise than in cash.

In July, 1957 the Company issued 14,00,000 Ordinary Shares of Rs. 10 at a premium of Rs. 5. The whole of this issue was underwritten by Messrs. Place, Siddons & Gough, Stockbrokers, 6 Lyons Range, Calcutta, to whom the Company paid the sum of Rs. 7,00,000 by way of underwriting commission at the rate of 50 naye paise per share. No officer of the Company was directly or indirectly interested in the said firm of Messrs. Place, Siddons & Gough. No other shares have been issued at a premium within the two years preceding the date of this prospectus nor are any shares presently intended to be issued at a premium. No other consideration for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company have been paid within the said two years, nor is any such consideration intended to be paid other than the underwriting commission on the present issue of Debenture Stock referred to under the heading "Underwriting"

No amount or benefit has been paid or given within the two years preceding the date of this prospectus or is intended to be paid or given to any promoter or officer of the Company save as remuneration for services as a managing director, deputy managing director, director or employee of the Company.

No director of the Company is directly or indirectly interested in any property acquired by the Company within two years of the date of this prospectus or in any property proposed to be acquired by it.

The qualification of a director fixed by the Company's Articles of Association is the holding of shares in the Company of the nominal value of Rs. 1,000.

The Articles of Association provide that unless otherwise determined by the Company in General Meeting each director other than a salaried official of the Company shall receive remuneration for his services at the rate of Rs. 2,000 per annum and in addition a sum of Rs. 300 in respect of each directors' meeting which he attends.

Subject to the provision of sections 267, 268, 269, 316 and 317 of the Act the Board may from time to time appoint one or more directors to be managing director, managing directors, deputy managing director or deputy managing directors. Subject to the provisions of sections 309, 310 and 311 of the Act a managing director or deputy managing director shall receive such remuneration as may from time to time be sanctioned by the Company.

The share capital of the Company consists of Rs. 5,00,00,000 divided into 43,00,000 Ordinary Shares of Rs 10 each, 30,000 Cumulative Preference Shares of Rs. 100 each and 40,000 Second Preference Shares of Rs. 100 each. The Cumulative Preference Shares confer the right to a fixed cumulative dividend at such rate as after deduction of Indian income-tax therefrom at the rate then current will leave a clear dividend at the rate of 6 per cent per annum and rank for dividend in priority to all other shares of the Company and are in a winding-up entitled to repayment of capital and arrears of dividend in priority to all other shares of the Company, but do not confer any further right to participate in profits or assets. The Second Cumulative Preference Shares confer the right to a fixed cumulative dividend at the rate of 6 per cent per annum but subject to deduction of Indian income-tax therefrom at the rate from time to time current and rank for dividend next after the Cumulative Preference Shares and in priority to the Ordinary Shares and are in a winding-up entitled to rank as regards repayment of capital and arrears of dividend next after the Cumulative Preference Shares and in priority to the Ordinary Shares but do not confer any further right to participate in profits or assets.

At any General Meeting of the Company on a show of hands every member present in person has one vote and upon a poll every member present in person or by proxy has ten votes for each Cumulative Preference Share, ten votes for each Second Preference Share and one vote for each Ordinary Share held by him, subject however to the following restrictions :—

(i) No member may exercise any voting rights either personally or by proxy in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid.

(ii) The Cumulative Preference Shares and the Second Cumulative Preference Shares do not confer any voting rights unless the fixed dividend on such shares is in arrear for six calendar months or any resolution is proposed for reducing the capital of the Company or winding up the Company or directly affecting the interest of the holders of such shares as a class as regards dividend, return of capital or voting.

The Board are authorised to borrow and secure the payment of any sums of money for the purposes of the Company but they may not without the sanction of a General Meeting so borrow any sum of money which will make the amount borrowed by the Company (exclusive of temporary loans obtained from the Company's bankers in the ordinary course of business) and then outstanding exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

The Articles of Association provide that every director, officer and auditor of the Company shall be indemnified out of the funds of the Company against all liability incurred by him in such office in defending proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted or in connection with any application under section 663 of the Companies Act in which relief is granted to him by the Court.

The Trust Deed contains provisions to the following effect, among other provisions, for the indemnification of the Trustees and their relief from responsibility :—The Trustees shall (i) save as otherwise expressly provided have absolute and uncontrolled discretion as regards the exercise of all trusts, powers, authorities and discretions vested in them and in the absence of fraud shall not be responsible for any loss, costs, damages, expenses or inconveniences resulting from the exercise or non-exercise thereof; (ii) not be responsible for the moneys subscribed by applicants for the Stock or be bound to see to the application thereof; (iii) accept without inspection, enquiry or requisition such title as the Company may have to the mortgaged premises; provided nevertheless that nothing in any of the foregoing shall exempt the Trustees from or indemnify them against any liability for breach of trust where the Trustees fail to show the degree of care and diligence required of them having regard to the provisions of the Trust Deed nor any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to their duties.

The following capitalisations of reserves or profits of the Company have taken place :—

Bonus issue of 5,00,000 fully paid Ordinary Shares of Rs. 10 each in April, 1949.

Bonus issue of 6,00,000 fully paid Ordinary Shares of Rs. 10 each in April, 1951.

CONTRACTS :

The following Contracts (not being contracts entered into in the ordinary course of business) which are, or may be, material have been entered into within the last two years :

(1) 25th September, 1956, between the Governor of West Bengal and the Company for the construction of a drain and outfall on the foreshore of the river Hooghly.

(2) 28th September, 1956, between the Commissioners of Bansberia Municipality and the Company for the construction of a sewer under the Chinsura-Tribeni road.

(3) 29th January, 1957, between Dunlop Rubber Co., Ltd., England and the Company being the agreement referred to above.

(4) 20th March, 1957, between the Company and Martin Burn Ltd. for the construction of Operatives' Quarters at Sahaganj for Rs. 2,42,266.6.6.

(5) 8th June, 1957, between the Company and Place, Siddons & Gough being the agreement for underwriting referred to above.

(6) 26th July, 1957 between the Company and The Coromandel Engineering Co. (Private) Ltd. for the construction of a tyre factory for Rs. 31,26,906.72

(7) 11th January, 1958, between the Governor of Madras and the Company under the Land Acquisition Act, 1894, for the acquisition of lands at Ambattur, Madras, for the establishment of a tyre factory.

(8) Between the Company and the following Managing Director and Deputy Managing Directors, subject to three months' notice by either party in each case, entitling these Directors to the monthly salaries undernoted, together with such allowances and perquisites appropriate to their appointments as are determined by the Board:—John Luckham, Managing Director dated 15th July, 1958 Rs. 4,500; A. W. Gillespie, Deputy Managing Director, dated 26th September, 1956 Rs. 3,900; P. N. Haksar, Deputy Managing Director, dated 9th November, 1953 Rs. 3,200; F. G. W. Jackson Deputy Managing Director dated 24th October, 1957 Rs. 3,350; E. H. Morris, Deputy Managing Director, dated 25th March, 1958 Rs. 3,000

(9) Agreements for Underwriting, being the agreements referred to below :
(a) Letter dated 2nd September, 1958, from The Industrial Credit and Investment Corporation of India Ltd. making an offer to underwrite and the Company's acceptance thereto dated 4th September 1958 (b) Letter dated 2nd September 1958 from The Investment Corporation of India, Ltd., making an offer to underwrite and the Company's acceptance thereto dated 4th September, 1958. (c) Letter dated 2nd September, 1958, from the Life Insurance Corporation of India making an offer to underwrite and the Company's acceptance thereto dated 4th September, 1958.

(10) On various dates between 14th November, 1956 and 12th May, 1958, nine orders (subject to alteration) for plant, machinery, and electrical and building fittings and installations, with David Bridge & Co., Ltd., Dunlop Rim & Wheel Co., Ltd., Lightfoot Refrigeration Co., Ltd., F. H. Lloyd & Co., Ltd., Mather & Platt, Ltd., John Thompson (Wolverhampton), Ltd., and Tubewrights, Ltd. of an aggregate value of £396,678 : and one order for the supply of pipes and fittings with Stewarts & Lloyds of India (Private), Ltd., of an aggregate value of Rs 3,39,725

UNDERWRITING :

Underwriting Commission at the rate of 2% of the total amount of the Debenture Stock is payable to the Underwriters, The Industrial Credit and Investment Corporation of India, Limited, The Investment Corporation of India, Limited, and the Life Insurance Corporation of India, respectively, in accordance with the terms and agreement contained in letters dated 2nd September, 1958 from the said Underwriters and the Company's acceptance of each of them dated 4th September, 1958. In the opinion of the Directors the resources of the Underwriters are sufficient to discharge their obligations.

BROKERAGE :

A brokerage at the rate of ½% will be paid on acceptances in respect of applications bearing the stamp of a recognised stockbroker or banker. Brokerage on the same basis will be payable to the Underwriters, in addition to the underwriting commission, on such amount of the Stock as is taken up by them or has been allotted through them including the amount applied for by their sub-underwriters unless such applications bear the stamp of a recognised stockbroker or bank.

EXPENSES :

The expenses of the issue payable by the Company, inclusive of underwriting commission, brokerage, stamp duty, registration fees and legal and other charges are estimated at Rs. 5,00,000.

APPLICATION FOR DEBENTURE STOCK :

Application should be made on the accompanying Application Form and must be for multiples of Rs. 1,000 with a minimum of Rs. 1,000. All application forms, properly completed, must be lodged, together with the full amount, with the principal office of National Overseas & Grindlays Bank, Limited or State Bank of India in Calcutta, Bombay, Madras or Delhi. Payment should be made by cheque or draft in favour of "National Overseas & Grindlays Bank, Limited or Bearer" or "State Bank of India or Bearer" and crossed "Not negotiable". Any alteration from "order" to "bearer" must be signed by the drawer. A separate cheque must accompany each application form. Cheques or drafts drawn on National Overseas & Grindlays Bank, Limited or State Bank of India, or drawn on any bank in the same town as that in which the bank with which the application is lodged is situated, need include no allowance for collection charges. All other cheques or drafts must include bank charges at the rate of 25 nP. per Rs. 100.

Applications from persons resident outside India will not be considered.

If no allotment is made, the amount received on application will be returned in full. If allotment is made for a lesser amount of Stock than the amount applied for the balance of the application money received will be refunded to the applicant by post at his risk. Stock certificates will be ready on or after 1st November, 1958 at the registered office of the Company in exchange for Letters of Allotment. The Company will register transfers prior to 25th October, 1958 against Letters of Allotment accompanied by duly completed forms of transfer.

PAYMENT OF INTEREST :

Interest on Stock will be paid by cheques or warrants that may be collected at par through any branch in India of National Overseas & Grindlays Bank, Ltd.

INSPECTION :

Copies of the Memorandum and Articles of Association of the Company, the Trust Deed, the draft Supplement Trust Deed (subject to modification), the material contracts above referred to, the Report of the Auditors and their Statement of Adjustments and the audited Accounts of the Company for the last five financial years may be inspected at the registered office of the Company during usual business hours (Saturdays excepted) for a period of fourteen days from the date of publication of this prospectus or until the closing of the application list, whichever is earlier.

Messrs. Ford, Rhodes, Parks & Company have given and have not withdrawn their written consent to the issue of this prospectus with a copy of their Report included therein in the form and context in which it is included. A copy of such consent, together with a statement of the adjustments made by that firm in arriving at the profits and assets and liabilities shown in the Report and giving the reasons therefor, copies of the consents of the auditors, solicitors, bankers and brokers to the Company to act in those capacities and copies of the material contracts specified above have been attached to the copy of this prospectus which has been delivered to the Registrar of Companies for registration.

Copies of this prospectus and forms of application can be obtained from the principal offices of National Overseas & Grindlays Bank, Limited and State Bank of India in Calcutta, Bombay, Madras and Delhi, or from any of the Brokers or Underwriters specified above.

Signed J. LUCKHAM
For Signed SIR UDAY CHAND MAHTAB, K.C.I.E.
E. H. MORRIS duly constituted attorney
For Signed ANTHONY REAY MACKAY GEDDES, O.B.E.
P. N. HAKSAR duly constituted attorney
For Signed ANGUS WALLACE GILLESPIE
E. H. MORRIS duly constituted attorney

Dated at Calcutta the 11th day of September, 1958.

Signed P. N. HAKSAR
Signed F. G. W. JACKSON
Signed H. S. MALIK
Signed E. H. MORRIS

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Head Office : Delhi

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CAPITAL PAID-UP .. Rs. 3,00,00,000
RESERVE FUND .. Rs. 3,10,00,000
Head Office :
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BRANCHES IN INDIA
AHMEDABAD, Bhadra (Main Office), Ellis Bridge, Gandhi Road, Manek Chowk, Station Branch
AMRITSAR
BANGALORE
BARODA
BOMBAY, Andheri, Bandra, Bullion Exchange, Colaba Post, Kalbadevi, Malabar Hill, Sion
BHUJ (Kutch)
CALCUTTA, 23-B, Netaji Subhas Road (Main Office), Bara Bazar, Chowringhee Square
CALICUT
COIMBATORE
DELHI
GANDHIDHAM (Kutch)
HYDERABAD (Deccan)
JAMSHEDPUR
JUNAGADH
MADRAS
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DIRECTORS
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Mr. AMBALAL SARABHAI.
SIR JOSEPH KAY, K.B.E.
Mr. RAMNIWAS RAMNARAIN.
Mr. BHAGVANDAS C. MEHTA.
Mr. KRISHNARAJ M. D. THACKERSEY.
Mr. A. D. SHROFF.
Mr. MADANMOHAN MANGALDAS.
Mr. N. K. PETHGARA.
SIR VITHAL N. CHANDAVARKAR.
Current Deposit Accounts.—Except at certain places Interest is allowed on daily balances from Rs. 500 at ½ per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.
Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.
Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.
The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally.
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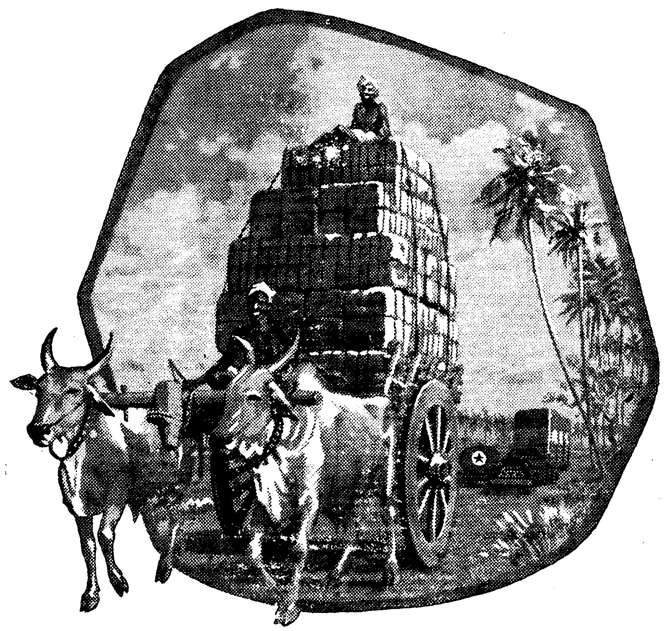

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THE INDIA CEMENTS LTD., MADRAS

EXPANSION PLANS BEING SUCCESSFULLY IMPLEMENTED

MR. SURYANARAYANA, CHAIRMAN, OPTIMISTIC ABOUT FUTURE

A NOTE of optimism about the future was struck by Mr. P. Suryanarayana, Chairman of The India Cements Limited, Madras, in his speech at the Twelfth Annual General Meeting of the Company held on Wednesday, 6th August 1958, at its Registered Office at 11-12 Second Line Beach, Madras-1. Referring to the Company's progress in implementing its plan for expansion, Mr. Suryanarayana said that the additional plant would go into production about September next year and the Vizag factory in 1960. He was confident that, given a steady policy, the Company would, with all its factories on the eastern seaboard of India, be in a good postion to establish an export trade in cement.

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

"GENTLEMEN,

"On behalf of the Board of Directors of your Company and also on my own behalf, I have great pleasure in welcoming you to this twelfth annual general meeting of your Company. The audited statement of accounts, together with the Directors' report, have been in your hands for sometime now, and, with your kind permission, I shall take them as read.

"It is needless for me to expatiate in detail on the working and the financial position of the Company. The figures given in the balance-sheet and the profit and loss account bear ample testimony to the sound and stable position of your Company. Your factory is functioning economically and efficiently. The production has been above the rated capacity. I have no doubt that you will agree with me that the results of working of the Company during the year 1957-58 are completely to your satisfaction, especially in view of the larger provisions that we have made for depreciation and wealth tax, though we did not have the advantages in price and freight which we had last year.

Increase in Retention Price

"You would have seen from the newspapers that the Government of India have, subsequent to the publication of your Directors' report, announced increases in the retention price of cement for various units based on the recommendations of the Tariff Commission. However, these recommendations have been given effect to only from 1st of July 1958 and not from 1st of January 1958. Till the end of June 1958, the retention price allowed to us was Rs. 54.50 per ton loose cement. From 1st of July 1958, it has been raised to Rs. 60.50 per ton. The resultant increase has no doubt given to the manufacturer a partial measure of relief.

Increase in Production

"In my speech at the last general body meeting, I mentioned to you that your Company had obtained a licence for the installation of an additional plant of 200,000 tons per year in furtherance of our programme for raising the output to 400,000 tons per annum. I am now happy to inform you that the Directors of your Company have been able to negotiate successfully and procure a plant of greater capacity than the one originally programmed for. The plant which we have now ordered is of the capacity of 750 tons, instead of, as originally planned, 600 tons per day. I am also glad to inform you that, though we have secured a bigger plant, it has been done without any additional foreign exchange. Credit for this entirely goes to the Managing Agents. When this plant goes into production, your factory would have an annual output of 500,000 tons per annum.

"The Government have also agreed to the installation of the bigger plant and the licences have been amended accordingly. The suppliers have also agreed to the terms of the deferred payments suggested by your Company with the approval of Government.

"Licences under T.C.M. Aid for electrical motors and other equipment have been obtained; orders have been placed with the suppliers and necessary letters of credit have been opened.

"The new machinery is expected to be shipped in the course of the next three months. The necessary lay-out drawings have been received, and the preliminaries connected with civil engineering work are also proceeding apace.

"Your Directors feel confident that the additional plant will go into production about September next year.

Factory at Vizag

"The preliminary work connected with the starting of the cement factory in Visakhapatnam is also progressing satisfactorily. Detailed survey and prospecting have been completed. The survey regarding the aerial transport of limestone from the Borra Cave Region has been carried out by Mr. H. F. H. Shields, O.B.E., who is a leading British ropeway specialist. It has now been established that the ropeway transport is a practical operation at economic costs. Import licences for both the cement making machinery, electrical motors and auxiliary equipment have all been obtained. It is expected that your Vizag factory will go into production in the year 1960.

Review of Cement Industry

"With the shift in emphasis from agriculture to industries in the second Five-year Plan and the realisation of the necessity of building up basic industries for furthering the economy of your country, the Government have accorded to the demands of the cement industry a high priority in spite of numerous difficulties of both the competing claims of other basic industries and also foreign exchange.

"The general progress of the cement industry in India can be held to be very satisfactory. In 1957, the Indian production of cement was 5.6 million tons, as against 4.9 million tons during 1956; and the installed capacity increased during the year 1957 to 6.63 million tons.

"Besides the 29 units already in operation, 54 schemes comprising 25 new units and 29 projects for expansion of the existing units have so far been approved by the Government of India. Although the total licences issued for the expansion of the existing units and for the installation of new plants have been to the order of 16.6 million tons, we anticipate that the effective production of cement by 1959 will only be of the order of about 9 million tons. Of these, four new units and 11 expansions of the existing units with a total capacity of 1.8 million tons are expected to be completed by the end of 1958-59. You will agree that this is a reasonably quick progress for the development of the cement industry in this country. Perhaps, it will not be out of place for me to inform you that the results of the expansion of a basic industry can be judged not merely by the increase in the output of this basic industry but by its effect on numerous other industries, not to speak of the tremendous employment potential afforded, for which the material of the basic industry is an essential prerequisite. In the case of cement, a whole range of nation-building, including irrigation, dams, factories, roads and essential housing will stand to benefit by the increased production of cement. Further, in the wake of an initial industrialisation, progress has to be appreciated not in terms of the percentage of increase over the production of previous years but in terms of the amount of leeway that we have to make up in industrialisation and increased standards of living for the people. Looked at in this way and in comparison with the production of cement in the industrially developed countries in the world, the cement industry in India should be considered to be in its infancy, and I have no doubt that this little child will grow from strength to strength and will grow into strong and sturdy manhood.

Immediate Prospects

"With the improvement in the domestic production of cement, the supply position has eased greatly with the result that it has been possible for Government to relax the control over distribution to a certain extent in the interests of both the consumer and the producer. One would, however, wish that the price to the consumer is reasonably reduced to ward off consumer resistance and also to pave the way for the greater offtake of cement, which will lead to a faster pace of development and better working economy to the industry, due to increased production.

"In the course of the next two years, the three steel plants in India will go into production. The parallel progress of the steel industry with the cement industry is a welcome sign for the immediate future of the country's economy. It will not be out of place if I mention here that the Government will be well advised to co-ordinate the distribution of cement and steel in such a way that both the commodities are made available simultaneously to the consumer in adequate quantities. The supply of one without the other very often leads to building operations being held up and occasionally leads to the wrong sale of the non-available commodity or to the wrong purchase of the available commodity, neither of which is good for proper progress.

Foreign Trade

"The future of the cement industry is linked up with the availability and retention of sound continued foreign markets. I need hardly emphasise how important it is to develop an export market for the industry to augment the much needed foreign exchange resources to carry out our national development programme. Fortunately for India, it has extensive foreign markets beyond the eastern seaboard and since foreign trade forms an indispensable part of the economic development of a country and no rapid industrialisation is possible without securing the necessary minimum of foreign exchange, the foreign trade policy in respect of export of cement should be framed and executed not by reference to occasional surpluses that may be available but rather as part of a deliberate State policy. It may be that this will involve occasionally the staggering of the supplies in the local market or subsidy by Government but this is a sacrifice which is worth making in the interests of preventing glut in the local markets. The control of cement used within India is a matter of national policy, and it is in our hands. Exports to other countries will have to suit their programmes. A steady stream of cement export should, therefore, form an indispensable aspect of industrial planning and trade. It is to be hoped that the Government will take up the question in all seriousness at the earliest opportunity. In this connection, I may mention to you that your two cement factories, one to be established at Visakhapatnam and your factory at Talaiyuthu, and other present and prospective units that may spring up in the eastern seaboard, are particularly suitable for the export of cement to foreign countries.

Employer-Employee Relation

"I am happy to inform you that the relations between the management and employees of your Company have been uniformly cordial. I may go so far as to say that it is one of the marked features of the history of your Company. In recent times, a great deal has been said of mutual co-operation, understanding and settlement of differences by mutual negotiation. Nevertheless, there has been a certain amount of labour unrest in the country. Considering the question from this background, the peaceful atmosphere prevailing in your Company is a matter, on which all of us can congratulate ourselves.

"Your Company has always been keen on providing educational facilities for the sons and daughters of the employees and their dependents. With this aim in mind, the management started firstly the elementary school and then the Sankar secondary school. Forms IV and V have been opened in the current year and free education is being imparted to the children and dependents of the employees. You will recall to your mind that I made a reference in my last general body meeting address, to the proposal for the starting of a Polytechnic at Talaiyuthu. I am happy to inform you that this has now become a *fait accompli*. The Government of India have approved the proposal for the starting of a Polytechnic and the opening ceremony of this institution has been performed by Sri K. Kamaraja Nadar, the Chief Minister, on the

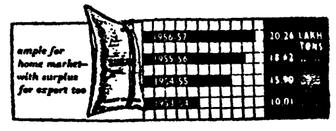
(*Continued on page* 453)



Our country still needs substantial foreign exchange for successful completion of the Second Five Year Plan. In this time of stress the Sugar industry's achievements last year have been a welcome development. For the first time, large quantities of Indian sugar have been exported to China, Malaya, Singapore, Burma, Ceylon, Aden, Iran, Saudi Arabia, Sudan, East Africa, the United Kingdom, North Vietnam and other countries. Indian sugar has secured a place in the world market. Now the task is to maintain it permanently. Geographically, India is within easy reach of a number of sugar importing countries. In quality, too, Indian sugar compares favourably with sugar produced in other countries. What is needed, then, is greater co-operation between the consumers in the home-market, our industrialists and the Governments.

Today the White Sugar Industry provides scope for Indian capital investment of more than 100 crores of rupees; it provides employment to over 1,40,000 skilled and unskilled workers and 3,600 university educated men, their total earning representing 5% of the national wages and salaries; it supports 20 million cultivators; it constitutes 12% of the total value of production of major Indian industries; it contributes over 65 crores of rupees (@ Rs. 13.19 per maund) in levies to the national exchequer.

It offers even brighter prospects for the country. With a lighter burden—with some of its present day handicaps removed—this industry can contribute to achieving a more stable national economy. Its upward trend of production can continue to meet the needs of a growing home market and yet leave a surplus for export in order to earn foreign exchange.



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ECONOMICS OF POWER SUPPLY

SHOULD URBAN SECTOR SUBSIDISE RURAL AREAS?

By R. P. Aiyer

THE Indian agricultural scene is, as it has been in the past, plagued by the peasant having to face long stretches of inadequate diversity in farming operations. How best this near fatal weakness in the country's agricultural economy can be overcome continues to exercise the minds of all concerned. An obvious and generally accepted solution is that opportunities should be provided for the peasantry to engage itself in subsidiary occupations, leading to the development of a number of cottage or small-scale industries. Progress in this direction could be faster with the coming of electricity in rural areas.

One can well visualise the magic transformation which electricity could effect by changing a lifeless village into a lively one. This has led to the prescription of capsule remedies designed to solve the vexed problems incidental to rural electrification. Both the first and second Five-year Plans have given adequate importance for rural electrification and in doing so have underlined the need for subsidy. Nevertheless, there have been votaries who would not hesitate to penalise the industrial and urban consumers to make good the loss incidental to rural supplies. Such a solution has been suggested by Mr. A. D. Gorwala in his report on the Mysore State Administration (published in July 1958). In an all too brief a reference to electricity, Mr. Gorwala has commented:—

"Electricity in rural areas is used either for irrigation pumps or for lighting. Very little is devoted to small industries, so that the village really does not derive from rural electrification the benefit it should. The low rate for supply to rural areas ought not to lead to a fall in the income from electric supply as a whole. There is no reason why urban areas should not be charged a sufficiently high rate to make up for the concessionary rural rate, so as to give a reasonable return on the total capital invested."

Unlike other enthusiasts of rural electrification, who attach less importance to the financial viability of the power system in pursuing policies involving sociological considerations, Mr. Gorwala has conceded the need for "a reasonable return on the total capital invested." Only, in doing so, he has not hesitated to recommend the adoption of a pricing policy inimical to the urban areas.

Pricing Principles

This approach raises a number of issues of fundamental importance bearing on pricing policy by public utilities. And before one attempts a discussion of these issues, it would only be appropriate to make some general remarks on rate making.

The rate engineer of a power system should aim at sale proceeds which will enable the utility to operate profitably, and at the same time, render the consumer the best possible service. Unlike other businesses, rate making in a public utility is not an exact scientific procedure, but a skilful balancing of conflicting objectives, a curbing of tendencies towards technical complications, and an avoidance of undue yielding to the public urge for the simplicity prevailing in other commercial transactions. The results of such balancing would differ with the character of the service. These postulate that the successful builder of rate structures must primarily be a philosopher rather than a technician.

Although rates for electric supply service are, by and large, price tags, the special characteristics of the business necessitate difference in pricing methods. It would be an ideal situation if an electric power supply system could sell all its services at a simple uniform rate. But such a rate utopia is rarely possible. If an attempt were made to sell all service at one average price, the system would lose the business of those consumers who could obtain energy at a cheaper price from some other source. This would result in an increase in the rates for other consumers. A stable price structure should, therefore, be governed by a number of technical considerations—certainly divorced from sociological objectives—such as load requirements of the customer, characteristics of the service and cost of supply. It must not be forgotten that one important function of rate making, whether in licensed undertakings or power systems operated by statutory authorities, is to formulate a system of charges that will give as high a degree of revenue stability as possible. Revenue stability is of greater importance in a regulated business than in a competitive business which has no regulatory limitations on earnings in good times. In other words, the rate structure of a utility should be based on a philosophy which calls for the lowest *possible* prices consistent with customer requirements, quality service efficiently rendered, fair wages and a fair return. Again, the rate structure should enable the service concerned to be extensively used. It should be promotional, i.e., it should provide for lower prices for larger loads and for longer use of service. Other characteristics of a sound rate structure are that it should evaluate the factor of service and should meet the needs of the future.

Yardstick

While a sound pricing policy visualises differential in the rates based on the load characteristics of the consumer, one would certainly stray on to dangerous ground if political or sociological reasons are to influence decisively rate-making policy. A classic commentary as to how a nationalised industry (the State Electricity Boards constitute such form) should run was made in 1956 by the Herbert Committee on the United Kingdom electric supply industry when it emphasised that the industry should run as a commercial concern, as otherwise it was felt "it could be used as a device for implementing national policies and for transferring income from one section of the community to another without the burden of these policies being properly weighed in Parliament or by the Minister." If it is conceded, as it should be, that the pricing policies to be adopted by public utilities, especially the ones which are statutory corporations, should not tend to "transfer income from one section of the community to another," the propriety of the urban consumer of electricity being made to pay higher rates to make good the loss resulting from rural supplies is seriously questionable, because such extra levy is but a form of tax without the safeguard of the Legislature being seized of the problem.

Need for Subsidy

If the consumers in rural areas are to be charged the real value of the resources used in serving them, the burden may not be bearable. But the solution then should be that the general taxpayer should subsidise such rural supplies as part of State policy and not one section of the community alone. The reality in relation to rural electrification is that it can be supplied only at rates not justified by normal economic or commercial tests. Thus, by its very nature, rural electricity supply involves large-scale subsidy. How best this problem should be solved in the country has been the subject of discussion in power conferences and committees. For the first time, the need for "subsidy in one form or another" was accepted by the Second All-India Power Engineers Conference, held in January 1957, in Bangalore, the grant of such subsidy being subject to prior utilisation of all surplus revenues derived by the State or the State Electricity Boards from the operation of the power systems. A more realistic recommendation of the Conference was that the Departments of Industries and Commerce of the State Governments and the Central Government connected with development of cottage, small-scale and light industries should be requested to disperse the location of these industries into the rural areas so that, apart from securing other benefits, it may contribute towards development of load in rural areas. Rural electrification could then spread from an industrial base.

These recommendations are in conformity with the country's modest resources especially as we cannot aspire to aim at the standard of achievement in the U.S.A. The Rural Electrification Administration in the U.S. has all but solved the problem of rural electrification, thanks to unlimited finance at an interest rate as low as 2 per cent. and the assistance of co-operatives.

The significance of the modest recommendations of the Second All-India Power Engineers' Conference lies in the importance given to shifting industries to rural areas so that rural electrification could develop around such areas. After all, rural electrification does not mean merely the lighting of the village main street, or the village headman's house. To be fully beneficial, rural electrification in the proper sense postulates fuller utilisation of the power facilities so as to augment production in diverse ways, which naturally poses problems over line charges, equipment cost, safety and a host of other incidental issues.

The supply of electric power to rural communities has always been a subject of sentiment with all Governments, and Mr. Gorwala, while adopting the corrective *vis-a-vis* the need for the power system earning a reasonable return, has not been able to resist the temptation to suggest that one section of the consumer (urban) should buttress the other section (rural). Nevertheless, beyond the general remark that the "village really does not derive from rural electrification the benefit it should" no valid reason has been advanced to justify the Electricity Board jettisoning business standards—a policy which could only be justified in rare cases and in pursuance of a national mandate to sustain uneconomic development.

Commercial Concept

Summing up, in the working of nationalised undertakings the emphasis should be on commercial aspect and the operation of the undertaking on business lines. The enthusiast for public ownership may raise the poser, "How commercial can you get?" No better answer to this can be found than what the Taxation Enquiry Commission has vouchsafed. The Commission, while conceding that "public purpose rather than profit should be the guiding factor in the operation of a public undertaking," goes on to say that "every effort should be made to place Government industrial undertakings on a sound financial basis so that losses are avoided and a reasonable return is secured as far and as soon as possible." Such a dispensation certainly does not admit of a section of the consumer being penalised for the benefit of the other.

The enthusiasts for rural electrification might well argue that the phrase "as far as practicable" in Section 59 of the Electricity (Supply) Act (which lays down the general principles governing the State Electricity Board's finance) cannot be interpreted in strict relation to profit or loss, as there comes a point at which commercial concept and social responsibility could not be reconciled. There can be no two opinions that in matters concerning social conscience and social responsibility, financial reckoning should not be projected so far as to interfere with social development. At the same time, what will bear repetition is that a commercial body should not be saddled with a social responsibility. Rural electrification —particularly in the Indian context—is a social problem. It is more appropriate that this service should be subsidised by the general taxpayer—as part of his duty towards his less fortunate brethren—than that one section of the electricity consumer should be called upon to shoulder the entire burden.

RURAL ELECTRIFICATION

A total number of 12,930 villages will be supplied with electricity during the period of the second Plan. This information was given by the Union Deputy Minister of Irrigation and Power, Mr. Jaisukhlal Hathi, in the Lok Sabha. By 31st July 1958, electricity had been made available to 5,737 villages, so that the number of villages which would receive power in the rest of the Plan period is 7,193. Under the scheme, the number of villages which will receive electricity in 1958-59 is 2,384. The State-wise distribution of villages to be supplied with electricity in the second Plan period is:

Assam 29; Bihar 1,285; Bombay 700; Kerala 1,344; Madras 5,000; Madhya Pradesh 329; Mysore 700; Orissa 223; Punjab 2,100; Rajasthan 113; U.P. 235 and Centrally Administered Areas 872.

Methods of reducing the cost of electricity produced from nuclear reactors by using improved fuel elements will be demonstrated by the United Kingdom Atomic Energy Authority at the forthcoming Industrial Fuel Efficiency Exhibition, in London, scheduled to be held from 24th September to 3rd October. If fuel can be made to achieve longer burn-up and higher temperatures of operation, the reactors' efficiency will be greater. Examples of new types of fuel element will be on show and their expected effect on reactor performance outlined. Also on display will be models of D.M.T.R. (Dounreay Materials Testing Reactor) and of Z.E.T.A. (Zero-Energy Thermo-nuclear Assembly), the apparatus at Harwell in which temperatures of up to 5,000,000° C. have been obtained and held for appreciable periods.

NEW PRODUCTS AND PROCESSES

New Car Radios

AN electrical engineering equipment factory of the Netherlands has recently put on the market two new types of car radios for 6 and 12 volts. Since the electron tubes have been partly replaced by transistors no vibrator or other converter is required and this improves reliability. The use of special low-voltage tubes eliminates the necessity of high voltages. The sets are fitted with an improved push-button system with five push buttons and are suitable for two wave bands, namely, medium wave (186-585 metres) and long wave (1150-2000 metres). The 6-volt set has five tubes and two transistors, and the 12-volt set five tubes and one transistor. An adapter enables the radio to be connected to the chassis by either the positive or the negative pole. In order to facilitate adaptation to different car models these sets are supplied without assembly or anti-interference equipment, this being provided in a separate package for each type of car. For a number of cars there are special assembly packages and a universal assembly package for other types of car. The set itself can be provided with either a small or a large station dial, dependent on the space available on the dashboard.

New Textile Fibre

A new type of polyester fibre, called Dacron Type 64, developed for use in winter as well as lightweight summer apparel, has been announced in the U.S. The new fibre, decribed as more versatile than Dacron Type 54, an earlier fibre used in lightweight clothing, is said to show increased resistance to pilling and greater potential for a wider range of colours, while being equally tailorable, crease-resistant and durable. Now being made available in limited quantities in three denier staple or tow at $1.51 a pound. 10 cents more than Type 54, the new fibre can be blended with wool or rayon. It is said to make possible more loosely constructed fabric types such as gaberdines, sharkskins, bedford cords, basket weaves and flannels. The first men's suits and slacks to be made of the new Dacron are scheduled to go on sale in the Fall of 1959, and its use is expected to be expanded to women's and children's lines.

A New Microfilm Reader

One of the most pressing needs at the moment in the field of micro-recording is for an inexpensive microfilm reader which will also scan microfiche. This need is, it is claimed, now met by the V.C. Lexicon Reader manufactured by Micro Methods Limited of East Ardsley, Yorkshire. Costing only £44 it will read microfiche up to a maximum size of 9 cm. wide and can be fitted with a film carrier to take 100 feet of full-size 35 mm. unperforated microfilm. It is a compact machine which takes up when not in use a volume of only 15"x10"x11". In order to secure the advantage of complete portability, the weight has been kept down to 25 lbs. The film carrier for microfilm scanning can be removed and re-fitted very quickly and easily, which facilitates film threading. Transport of the film across the gate is effected by a handle mounted on the carrier, and the image remains in focus whether the film is moving or not. A tensioning arrangement eliminates the need for pressure plates and thus prevents accidental scratching.

Lacing up Cracked Iron Casting

A system of repairing cracked iron castings by "stitching" or "lacing" the fractures has been carried out in the United Kingdom for some years by a Derbyshire firm, which is now seeking to expand its activities to other countries. Castings which have been cracked or completely shattered can be successfully repaired by this method, which requires no heating and no re-machining. A further advantage is that the repairs can be done on the site with a minimum of dismantling. Because of the speed with which repairs can be completed, losses due to disruption of production are greatly reduced, says the firm. The method has been used with success in repairing heavy slag ladles used in the iron and steel industry, and repairs are continuously being carried out by the firm on such equipment as ships' crankcases, cylinder heads and linings, capstans and auxiliaries, crane frames, power presses, and shearing machines.

Building Cheap Pavements

A method for producing cheap pavements has been developed in South Africa. The operation of the process depends on the use of earth and concrete. The pavements produced by the process are said to have shown excellent wear resistance in long-term trials and are said to cost considerably less to make than those consisting either of macadam alone or those consisting partly of macadam and partly of grass borders. The material used consists of a quantity of dry mixed soil combined with cement. The successful operation of the process depends on the removal of large stones and clinker from the soil, which is then combined with the cement in the proportion of ten parts of soil to one part of cement. The cost of the pavements made in this way is said to be about 4s. 6d. a square yard.

Plastic Tilting Door

In co-operation with the Plastics Research Institute, a Netherlands firm has developed a new tilting door. This door is made of a honeycomb of impregnated hard paper coated with a polyester glass fibre sheet. The use of these materials reduces the weight to one-fifth of that of a steel door, so that light mechanism is sufficient and little force is needed for operation. The use of plastic materials has the further advantages that the doors need not be painted and do not warp, and there is no question of corrosion. Maintenance is thus reduced to a minimum.

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LIMITED

MR. K. A. P. VISWANATHAM'S SPEECH AT ANNUAL GENERAL MEETING

THE Eighteenth Annual General Body Meeting of the South Madras Electric Supply Corporation, Limited, was held at Tennur, Tiruchirapalli, on 27th August 1958. The following are the relevant extracts from the speech of the Vice-Chairman, Mr. K. A. P. Viswanatham, who addressed the meeting in the absence of Mr. S. Vaidyanatha Iyer, Chairman:

"The Corporation has kept up the usual progress in their expansion schemes and, as will be observed from the report, we have invested about Rs. 16 lakhs in capital expenditure and have added 40 villages this year, making up in all 556 villages electrified. House service connections now number nearly 46,000. There are nearly 2,000 power service connections and more than 6,000 acres of land are irrigated by nearly 2,000 pump sets installed in the villages.

"We were able to build up a fairly good stock of stores to the extent of Rs. 18 lakhs, particularly of poles, transformers and cables at advantageous prices when import policies were liberal. With these stores stocks, supplemented by such purchases as are necessary, we expect to keep up the usual annual programme of about Rs. 15 lakhs of works.

"I also understand that the State Electricity Board, in co-ordination with the State Government and the Planning Commission of the Government of India, are seized of the problems of finance of licensees and would come to our rescue shortly. You may naturally ask me why, in the face of the power restrictions that are imposed on supplies and the serious situation that arises annually during summer months almost involving complete shut-downs of supply, we should go on with expansion schemes. I would mention that this is a statutory duty cast on us as licensees, and we have by ourselves no right of refusing to expand. Further, it is in the interests of shareholders to maintain a steady pace of expansion so that distributable profits under the Supply Act may be kept up. In fact, this year, too, power restrictions were lifted in July, as Pykara storages got filled up, and we are assured that, by end of September, Periar will go into operation and thus ensure a satisfactory year.

"As mentioned in the Directors' report, this year's accounts reflect the repercussions of the revisions in the Electricity Supply Act. While the return on the capital base has been increased to 5½ per cent. (that is, 2 per cent. over the Reserve Bank rate of 3½ per cent. ruling on 1st April 1957), the capital base itself has been considerably reduced by the withdrawing from the base of consumer security deposits. The recommended dividends of 8¾ per cent. on ordinaries has been possible with the carry forward balances of last year and a withdrawal of Rs. 9,571 from the tariff and dividend control reserve built up as provided for in the Supply Act.

"We expect that we will be able to keep up dividends at about this level in future years, as the adjustments made this year in the capital base fully reflect the requirements of the Supply Act.

"Our licence is to expire on 12th January 1962 and, if the Electricity Board intends to acquire the Company, they should give us notice by January 1960. There is, however, the Acquisition Act which empowers the Madras Government to acquire the licence any time by giving us four months' notice. My feeling, however, is that the Government may have no intention of applying the Act; nor is the Board likely to exercise their right of purchase, obviously for the reason that the Corporation has been rendering efficient and signal service to the public.

"In this context, I will be failing in my duty if I do not pay my sincere tribute to Messrs. Seshasayee Brothers Private Ltd., and to Mr. V. Seshasayee, in particular, for their devoted service in the stewardship of this Company. They have put this Company on the electrical map of India and we and our engineers are held in high regard throughout the country. Mr. Seshasayee is one of the very few persons who have been honoured with the Companionship of the Institution of Engineers (Great Britain) for signal services to electrical industry. Mr. V. Seshasayee, the Managing Director of the Managing Agents is also not present at today's meeting under Doctor's advice. He is, however, giving full attention and guidance to the Company's affairs and desires me to convey to you his sincere greetings and good wishes. I am sure you are all one with me in wishing Mr. V. Seshasayee the best of health.

"Your Directors, Mr. K. Chinnaswami Iyer and Mr. T. S. Balasubramania Iyer, in respect of whom a shareholder had given notice for age exemption, have expressed their desire to retire, as they feel that the provisions relating to age exemptions, should be applied only in exceptional cases. I greatly appreciate their point of view. The Board has accepted their resignations at today's meeting and have recorded their grateful appreciation of their services to the Company in these many years of association with us.

"I would invite your particular attention to the additional business before this meeting in the form of the various special resolutions tabled for your consideration. On the resolutions relating to the amendments of the Articles, no comments are necessary from me with regard to those relating to the stock exchange requirements.

"As regards the restrictions, the Company have recommended on the transfer of shares by seeking your approval to refuse transfers of holdings less than 30 shares to non-members; the object is mainly to prevent disintegration which has its evils. The interests of the Company and the shareholders are best served by the prevention of such disintegration. I trust you will agree with me and the Directors and pass the resolution accordingly. You may rest assured that this discretion will not be exercised arbitrarily.

"Mr. H. K. Ramaswami who has been associated with this Company for the past 14 years as Deputy Chief Engineer has joined the Board of Seshasayee Brothers Private Limited, but, as hitherto, as a Director of Seshasayee Brothers (Private) Ltd., he will be primarily associated with the administration of the Corporation on behalf of the Managing Agents. On behalf of you all and on my own behalf, I wish him all the best.

"Now a word about staff and industrial relations. It will be recalled that we had entered into an agreement on 15th April 1957 with the only union then in existence embracing various points including grievance procedure. That agreement is to ensure for a period of three years, that is, till 31st March 1960. While the said agreement is in force, the management was informed of the formation of another union which has put forward demands which amount to a violation of the agreement. The management had to turn down these demands which had led to some of them being referred to adjudication by the Industrial Tribunal. As the agreement must continue to govern the mutual relationship till 1960 on all such matters, the management had to resort to the High Court on the question as to the validity of the reference for adjudication. Our writ petition has been admitted and interim stay of further proceeding before the Tribunal has been granted.

"I must take this opportunity to emphasise, if necessary, the need for statutory control against existence of rival trade unions in a unit in an industry. The Government and the powers-that-be have often declared in the Press and on platform that they are in favour of one union for one industry. It is desirable that declaration of such a policy must take a more concrete shape as early as possible.

"The emoluments paid by this Company by way of salaries, dearness allowance and other benefits and amenities to the staff and labour compare favourably with those obtaining in other units of this industry. The Directors will always be happy to help the employees realise their ambitions consistent with their responsibility to the shareholders and the consumers.

"I now move that the Directors' Report and Audited balance-sheet as at 31st March 1958 and the profit and loss account for the year ended 31st March 1958 be approved and adopted."

The above extract of the speech does not purport to be the report of the proceedings of the eighteenth annual general meeting of the Company held on 27th August 1958.

COMPUTATION OF BONUS

GUIDANCE PROVIDED BY JUDICIAL DECISIONS

DESPITE the fact that principles governing the determination and payment of bonus are now fairly well settled, bonus disputes continue to predominate among recent industrial disputes. But the disputes centre not so much on fundamental principles, for these have been laid down by the Supreme Court in some well-known cases such as the Muir Mills' case, as on their detailed application to individual cases. When broad principles are sought to be applied to specific instances, various questions of details naturally arise. Between 1950 and 1956, the Labour Appellate Tribunal of India had, in the course of a series of learned judgments, made many observations which give a measure of guidance in regard to these details. Collectively, they form a set of useful guiding principles for company management in dealing with the question of bonus to workers. The Indian Chamber of Commerce, Calcutta, deserves to be complimented for having undertaken a careful compilation of the main points that emerge out of these rulings and presented them in the form of a brochure. Among the topics dealt with in the brochure are the nature of bonus, conditions to be satisfied before bonus demand could be justified, how profits are to be computed, what prior charges are to be met before bonus is determined, how bonus is to be allocated between workers and who are to be excluded. Some rulings of the Appellate Tribunal, bearing on certain general points relating to the question of bonus, are also included. Almost every point made is based on some ruling or other of the Labour Appellate Tribunal or the Supreme Court.

Various judicial decisions have more or less clearly defined the nature of bonus. Bonus, it has been ruled, is a cash incentive to greater efficiency and production where an industrial undertaking has the capacity to pay a living wage and is so stabilised that its capacity to pay living wages may be counted upon continuously. But where the undertaking has not that capacity, or its capacity varies or is expected to vary from year to year so that it cannot afford to pay living wages, bonus is to be looked upon as a temporary satisfaction wholly or in part, of the needs of the employees; it is not an *ex-gratia* payment in such cases.

Demand for Bonus

A demand for bonus will not be justified where the wages paid are such as to satisfy the living standards of the employees. The demand for bonus should be made within a reasonable time after the close of the year in respect of which the demand is put forward. If during a year in respect of which bonus is claimed, the undertaking has made no trading profits, no question of bonus should arise. And for this purpose, trading results of the particular year alone must be considered. Losses of previous years, and unabsorbed depreciation, cannot be set off in entirety against the trading profits of the particular year, but a reasonable part thereof may be set off. When dealing with bonus questions, settled accounts relating to previous years cannot be reopened. *Puja* bonus (in West Bengal) is payable irrespective of the undertaking's profits during the year in question. In other words, bonus is payable even if there is a loss. Similarly, where there is an agreement, express or implied, or long usage to pay bonus, then also bonus is payable whether the undertaking has made profits or not. It has been held that a period of seven years is not long enough to establish that there has been long usage to pay bonus.

The amount out of which bonus is to be given should relate to the employees' efforts. Any items of income, to the earning of which the employees had not contributed, should be let out of account in computing profits for the purpose of bonus. In order to entitle them for bonus workmen should contribute to earning profits by helping production and should not do anything which contributes to loss or a fall in production.

Questions of bonus, it has been held, may be dealt with industry-wise, or unit-wise. Where it is considered industry-wise, then the capacity of the industry as a whole would be considered and not the average capacity of the average undertaking.

Where a concern comprises a head office and branches, or has several undertakings under the same management or comprises several departments under a single unit, the question arises as to whether the profits of the concern as a whole should be taken into account for determining the bonus payable, or whether each department, branch, or other unit of the undertaking may claim to be considered on the results of its working alone. In cases like this it has been laid down that the matter should be viewed from the following angles: whether the business is done as a single undertaking, whether a common profit and loss account is maintained and whether there is centralised direction of the policy to be followed in respect of sales, purchases, capital expenditure, etc. In short, the question to be decided will be whether there is a nexus of integration so as to make the unit an integral part of the concern as a whole.

Computation

In computing profits, some items may be deducted. These include managing agency commission, as allowed in the managing agency agreement, provided the same is in accordance with the law, compensation paid to a managing agent where his services are terminated, commission paid to directors where it is a contractual obligation, provided it is not unduly large, expenditure in business litigation, entertainment expenses, leave salaries and leave passages, commission to executives, bad debts written off where the reserve for bad debts is small, wages paid during the year where the same represents increased wages awarded in respect of any previous years and bonus amounts paid voluntarily by the undertaking. Where the bonus payable to officers is so large as to adversely affect the residuary surplus for workmen's bonus, the bonus to officers will not be allowed to be deducted. A previous year's bonus paid during the relevant year cannot be deducted. Charitable donations, where the undertaking is not a charitable institution, will not be allowed to be deducted.

Certain of the items of income that should be excluded in computing the profits for purposes of bonus are profits by sale of capital assets, profits by sale of raw materials where the sale is made on account of the price being favourable, profits arising from fortuitous circumstances, interest on investments, profits derived from the sale of investments, rebate of income-tax received during the year in respect of past years, etc.

Some further deductions, however, have to be made from the profits arrived at in the aforesaid manner. Thus, an estimated amount in respect of income-tax payable on the year's profits should be deducted; the income-tax should be calculated on the basis of the amount the undertaking would have to pay on the trading results of the year. Again, depreciation should be allowed according to the income-tax rules irrespective of what the company has set apart in its accounts, that is to say, even where the amount actually provided by the undertaking in its accounts is less than what is allowed by the income-tax rules. Provision for arrears of depreciation and of dividends on preference shares may be gradually made, but not entirely in one year. Other deductions permissible are: (1) an estimated amount to be carried to reserve for rehabilitation of plant and machinery; (2) provision for return on paid-up capital; and (3) provision for a return on reserves and other funds employed as capital.

After the profits have been ascertained and the prior charges have been deducted therefrom, it is not the entire balance which remains that should be distributed as bonus. A portion should be carried over and only the balance should be distributed. But there is no ruling as to how much should be carried over. One of the factors to be taken into account in this connection is that the bonus should not be so excessive as to create fresh problems in the vicinity or upset emoluments all round or create industrial discontent. Even where there is a very large surplus, the maximum bonus to workers should not exceed four to five months' basic wages or a little more.

What the employees used to receive by way of bonus in the past is, however, not a factor to be taken into account in determining the quantum of bonus, nor should the bonus be linked to dividends paid to the shareholders in the particular year.

After the total amount available for distribution as bonus has been arrived at, the question arises as to how this should be allocated as between the various workers. For this purpose, the length of service put in by each workman during the year to which the bonus relates is the determining factor. The amount of bonus payable to each worker should be calculated on the basis of the basic wages earned by him during the year in respect of the profits out of which the bonus is paid. Basic wages paid to the worker for earned leave and paid holidays should be included for this purpose while dearness allowance, overtime pay, etc., should be left out of account. But where the dearness allowance far exceeds the basic wages, bonus may be based on the consolidated wages. Workmen who were in service during the whole or a part of the year to which the profits relate, but who were discharged prior to the actual declaration of bonus, should be paid bonus in proportion to the period of their service in the year of working to which the profits relate.

Where, however, the contract of employment expressly provides that the employee will not be entitled to bonus, he will not be entitled to it. Workmen carrying on activity which is not a normal activity of the company will not be entitled to a share in the bonus declared. Employees dismissed for misconduct will not also be entitled for bonus in respect of the years during which they were dismissed. It is permissible to impose a condition that workers, who had not put in a certain minimum period of service, will not be entitled to bonus.

The formula relating to bonus laid down by the Full Bench of the Labour Appellate Tribunal in the Bombay Millowners' case is to be applied whenever a question of bonus arises, whether it be a manufacturing or a trading concern, and also whether it be to workmen or to clerical staff. But in the case of any company which is only a distributing company, and is not a producing concern, and is doing business on a global scale, the Full Bench formula will not apply.



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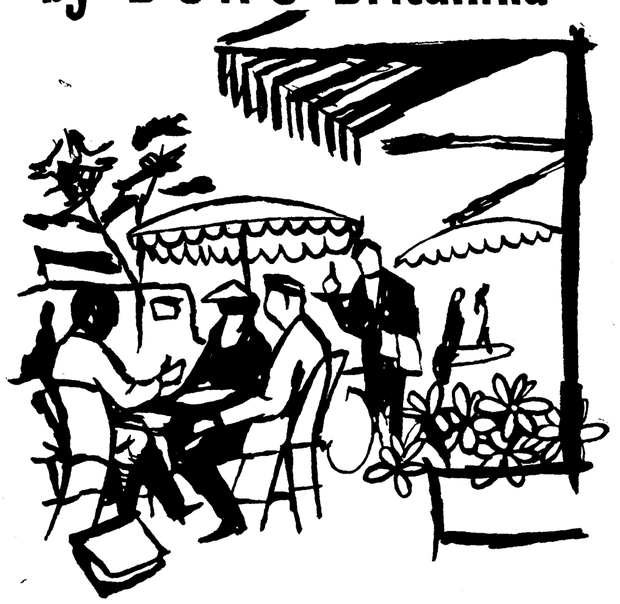

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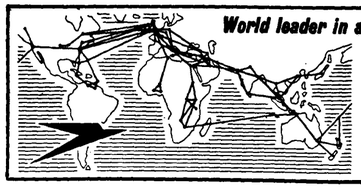

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U.K. RESTRICTS IMPORT OF RUSSIAN TIN

MOVE TO SAFEGUARD PRICE STABILITY

THE Government of the U.K. has, in a bold bid to placate the cause of the International Tin Agreement, imposed severe restrictions on the import of Soviet tin into the country. Tin originating in or consigned from the U.S.S.R. has been limited to a quarterly quota of 750 tons with effect from the 30th August. Accordingly, imports of unwrought tin and tin alloys from the Sino-Soviet bloc have been brought under a system of individual licensing, instead of covering it under the Open General Licence, as has been the case hitherto. The withdrawal of open licence treatment from the Sino-Soviet bloc countries is claimed to be a precautionary measure designed mainly to prevent possible evasion of import restriction on Soviet tin. It should be noted that, although Soviet imports of tin have been cut to a specific figure, no definite quota has been fixed for those from the other countries of the bloc; they will be decided on the merits of individual cases.

These steps taken by the U.K. Government are expected to go a long way towards stabilising the price of tin in world markets. Besides, it will give a fresh lease of life to the International Tin Agreement which, ever since its inception in 1956, has faced strange odds, what with the U.S. recession and the indiscriminate disposal of tin from the U.S.S.R., a country which has consistently refused to become a member of the Agreement. The Soviet exports of tin to the free world rose from 450 tons in 1956 to about 9,000 tons in 1957 and are currently running at double the rate. Above all, there are reports of an incipient recession at present in Europe; it is fast becoming a veritable nightmare for the primary producing countries which account for about 90 per cent. of the aggregate world exports of tin.

Others Follow Suit

In the light of these trends in the tin trade, the action taken by the U.K., one of the two leading countries purchasing Soviet tin, is to be greatly welcomed. The Netherlands, the other major importer of tin, it must be noted, has followed suit. Dutch imports of Russian tin are to be cut by 40 per cent. of the last 12 months' total of about 1,510 tons, as against 790 tons in 1956-57. In other words, the Russian imports of tin will be restricted to a maximum of about 893 tons a year. The present restriction will be in force for three months. Australia, in its turn, has agreed to safeguard the interests of Malayan tin against undercutting by Soviet Russia. It is gratifying to note that Australia refused to accept cheap tin offered to it recently. The trade agreement signed between Malaya and Australia guarantees the free entry of Malayan tin into Australia. It is also learnt that the Australian Government will impose a duty on cheap tin if asked to do so by Malaya. These measures, it cannot be gainsaid, are bound to give some stability to tin in the world market.

The immediate effect of these measures has been encouraging. The price of tin, which has been knocking against the International Tin Council's support level of £730 per ton for a long time, has risen to about £738 a ton in the London Metal Exchange following the decision of the Government to curtail Soviet imports. Malaya has also welcomed those moves, the price of its tin having shown signs of marked recovery. Incidentally, Malaya has a greater stake in the shifting fortunes of tin; for it is the major exporter of this commodity; and a slump in its price will automatically lead to serious stresses and strains in its economy. Out of the aggregate world production (excluding Russia and China) for 1958 estimated to be about 104,000 tons, Malaya accounts for 93,000 tons. Be that as it may, the overall picture of tin in the world markets does not warrant any gloomy predictions. In view of the estimated level of consumption of tin at about 134,000 tons in 1958, which falls short of (estimated) production by 30,000 tons (excluding the Soviet bloc) it might be hoped that there is a fair chance for restoring stability to tin prices.

Tin prices have for long been subjected to wide swings causing considerable concern to the producing countries. It may be recalled that tin, though both ore and metal production were substantially lower in the first three quarters of 1957 than in the corresponding period in 1956 and although consumption continued its previous expansion so that the gap between them was narrowed significantly, the market weakened slowly through the year and by the last quarter prices were from 6 to 10 per cent. below the 1956 average. Among the underlying causes of this were the withdrawal of the United States Government as a major buyer, its stockpiling programme having been completed and its Longhorn smelter closed, the announcement of tin releases by the British Board of Trade and the Canadian Government from their respective stockpiles and the possibility of substantial amounts of metal being made available by the Soviet Union. The decision of the International Tin Council in March 1957 to raise the minimum price rallied the market only temporarily and though the Manager of the Buffer Stock was a frequent buyer during the year, the price on the London Metals Market sagged close to the established floor. In October 1957 the International Tin Council raised its estimate of the year's surplus from 5,000-6,000 tons to 12,500 tons, and stocks of metal and concentrates in the United States, United Kingdom, Malaya, Belgium and Indonesia rose by about 6 per cent. during the first eight months of 1957.

Soviet Exports

Cheap Soviet exports has aggravated the instability of tin in world markets. Its exports of tin in 1957 aggregated about 17,000 tons. To take the exports of Soviet tin to the U.K., in particular, they were of the order of 2,090 tons in the second quarter of the current year, which represented almost twice the quantity imported in the first quarter. The figure compares with 629 tons in the second quarter of last year and 316 tons during the whole of 1956. While there are no indications as to the level of Soviet exports of tin in future, it may be presumed that the sustained increase in production of tin in the country for the last ten years or so, makes it possible to procure a progressively increasing rate of exportable surplus. In this context, it may be mentioned that the International Tin Council, following complaints from tin-producing countries like Malaya, Bolivia, Indonesia, the Belgian Congo, Thailand and Nigeria, approached the U.S.S.R. to join the Council; but in vain. Although it has not given any undertaking to bring down the exports of tin, it has lately agreed to send an observer to the Tin Council. The Council no doubt, was hard put to it to stabilise the price of tin. It has recently reduced the aggregate quarterly quota of the member-countries from 23,000 tons to 20,000 tons during the three months ending December 1958. It may be recalled that since 1957, producer-members of the International Tin Agreement have been restricting their exports to a rate of about 60 per cent. of their previous level. It has now been agreed that these countries will lower their exports by 50 per cent. of the pre-restriction level during the fourth quarter of the current year. Needless to say that the lack of co-operation from the U.S.S.R. will only make the position of tin in the world markets worse.

Thus, there is no doubt that the U.K.'s action alone is not likely to bring about any perceptible recovery unless it is supplemented by restrictive trade policies by other major importers of Soviet tin. No doubt, the Netherlands and Australia have already come forward with measures designed to counteract unhealthy competition from the U.S.S.R. and to bolster up the Tin Council. Japan and Federal Germany, neither of which is a member of the Council, may in turn, be cited as potential markets for Soviet tin. If, however, these countries do not choose to boost up their imports of tin, there is no reason why the lead given by the U.K. should not restore the tin price at a somewhat stable level. Nevertheless, the fact remains that despite the optimistic estimates of rising levels of world demand, there is hardly any sign hitherto of a genuine upturn in buying. What is more, the Buffer Stock Manager is said to have accumulated stocks amounting to well over 25,000 tons awaiting disposal at a time when the price will rise up to £780 a ton.

HINDUSTAN INSECTICIDES

Despite heavy odds, the Hindustan Insecticides (Private) Ltd., Delhi, during the short span of about three years of its existence, has come to hold its own. Set up in 1955 with an authorised capital of Rs. 1 crore and subscribed capital of Rs. 62 lakhs, consisting of 6,200 shares of Rs. 1,000 each by the Government of India with the assistance of the World Health Organisation (W.H.O.) and the United Nations' International Children's Emergency Fund (U.N.I.C.E.F.), the Company has a plant with a capacity to manufacture 700 tons of DDT. The production was handicapped to a certain extent in the initial stages, owing to some technical difficulties and bad weather conditions. The production of DDT in the year 1955 was no more than 172 tons. The unit, however, seems to have turned the corner well in time. The schemes for doubling the capacity of the plant are now under way. Considering the deficiencies that existed in the original plant, these designs are so drawn up, we are told, as to provide for substantial reserve capacity in the expanded unit to ensure a sustained annual production of 1,400 tons of technical DDT and 2,800 tons of formulated DDT.

The third annual report (1956-57) of the Hindustan Insecticides Private Ltd. reveals that the Company has made considerable progress. During the year under review, while there was substantial increase in the production of technical DDT, the output of formulated DDT could not keep pace with it. To quote the report:

"A total of 517.75 tons of technical DDT was produced during the year. Steady progress in production of technical DDT was maintained. Starting with 41.9 tons in April 1956, the production increased to 58.5 tons in March 1957 and the target reached. Two serious breakdowns of condensers in the MCB section in the months of November 1956 and January 1957 caused a drop in production during those months. The condensers broke down one after the other apparently due to the corrosion to which they were subjected in the very early stages of plant start-up. Position in the formulation section has, however, not been as encouraging. Although the production substantially increased over the previous year, it was far from the designed targets. The difficulties of grinding DDT in the summer months under the prevailing high temperature defied all efforts to resolve."

The U.N.I.C.E.F. has come forward with a generous offer of $275,000 in the shape of plant and machinery for the expansion schemes envisaged during the year.

The financial position of the Company, it must be noted, is improving. The working of the year has disclosed an excess of income over expenditure amounting to Rs. 870,480 (including a carryover of Rs. 2,976 from the previous year), after providing for depreciation, interest and lease money.

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JUTE TEXTILES	Canvas—Hessian—Bags—Twine—Chair cloth.	PAINTS	Paints for Marine and Industrial requirements. Paints for Buildings and other uses. Enamels and Varnishes and Distempers.
HOSIERY	Underwears—Shirts—Knickers—Socks, etc.	SUGAR	Quality "Maghalie" Sugar.
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STEEL	Bars—Rods—Steel Castings for Sugar Mills, Oil Mills and Railways.	PLASTICS	Electrical Fittings and other household utility materials, etc.
		OIL-SOAP-ICE	Industrial Oils, Mustard Oil, Soaps.

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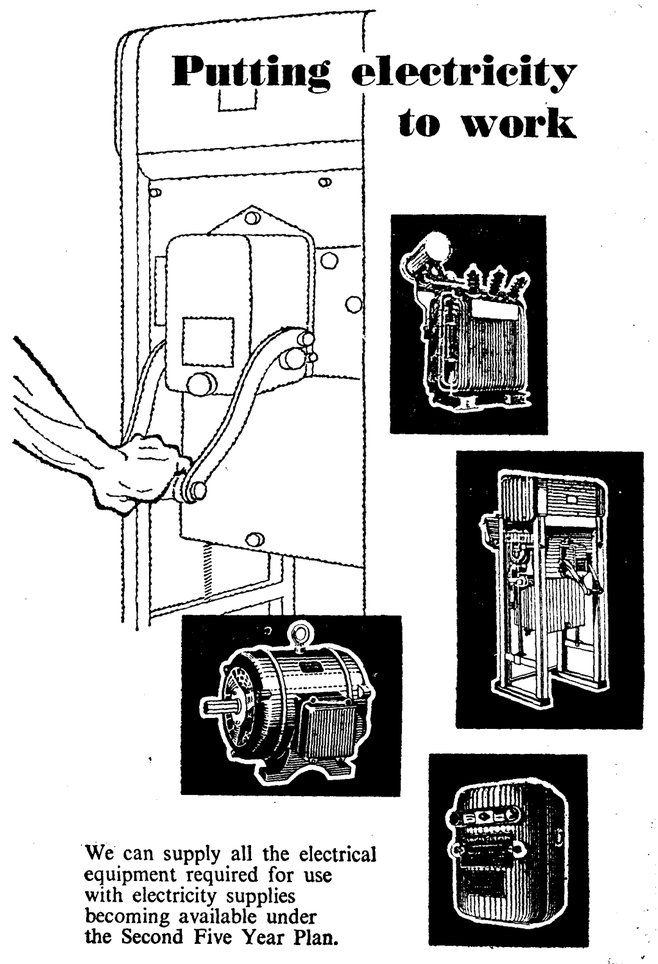

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INDIAN COPPER'S EARNINGS DECLINE

OVERALL IMPROVEMENT IN PRODUCTION

THE increase in the overall operating cost of mining and other operations coupled with the consistent fall in the world price of copper have been responsible for bringing about a decline in the earnings as well as profit of the Indian Copper Corporation Ltd. (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) for the year ended 31st December 1957. The fall in profit took place despite the fact that the Company maintained its high standard of production and made satisfactory despatches. The gross profit at £1,204,009 has come down from the previous year's peak of £1,616,358 to which level it had smartly risen from the erstwhile record of £1,585,326 for 1955.

In conformity with the fall in earnings, the distribution to shareholders has been stepped down from 20 per cent. paid for the previous year to 18 per cent. free of income-tax. It must be noted here that the dividend for both 1957 and 1956 are on a higher capital of £1,371,300, raised by the capitalisation of £457,100 from out of the funds standing to the credit of the Company's general reserve account. The heavy decline in the gross profit has, however, been offset to a considerable extent by the substantial reduction in the provision for taxation as a result of reduced charge for dividend tax and the absence of any charge similar to the additional taxation on the bonus share issue in the previous year. Hence, the net disposable surplus is only slightly lower than that in the previous year, as could be seen from the comparative table appended below:

(In thousands of £'s sterling)

	For the year ended 31st December			
	1957	1956	1955	1954
Net sale proceeds and adjustment of stocks	3,018	3,273	2,745	2,049
Other income	74	59	274	182
Expenses	1,887	1,716	1,434	1,264
Gross profit	1,204	1,616	1,585	966
Managing Agents' remuneration	80	109	110	68
Depreciation	175	175	175	100
Taxation	522	885	683	264
Net profit	427	447	617	534
Provision for leave and furlough pay written back	16	...	...	...
To general reserve	175	175	200	150
Provision for gratuities and superannuation	15	...	...	120
Dividend	247 (D. 18%)	274 (D. 20%)	411 (D. 20% +B. 25%)	229 (D. 15% +B. 10%)
Carry forward	120	115	117	112

D—Dividend and B—Bonus.

The Directors have fully maintained the provision for depreciation as also the transfer to the general reserve at the previous year's level of £175,000. This, they explain, is due to the substantial capital expenditure incurred during the year under review and the anticipated further expenditure of this kind which will be required to maintain and improve the Company's production.

During the year, the mill treated 440,671 short tons of ore averaging 2.136 per cent. copper, as compared with 421,131 short tons averaging 2.183 per cent. copper in the previous year. The ore milled was a record, being 19,540 tons above that in the previous year. Against 35,577 short dry tons of an average value of 24.925 per cent. copper in 1956, the concentration plant produced 35,674 short dry tons of concentrates of an average value of 25.447 per cent. copper during the year. The output of refined copper amounting to 7,848 long tons was 220 long tons above the record production of 7,628 long tons in the previous year. The overall recovery from ore to refined copper was a shade better at 93.144 per cent., as against 93.02 per cent. in 1956. The output of rolled products was higher at 7,983 long tons, as compared with 6,788 long tons in the previous year.

Despatches of products for sale during the year under review amounted to 10,301 long tons (including 2,924 tons of copper ingots), as compared to 9,787 long tons (including 3,647 tons of copper ingots) during the previous year. The average selling prices of the Company's products during the past four years were as folows:

(£ per ton)

	1957	1956	1955	1954
Copper ingots ...	252	330	309	233
Rolled brass ...	254	273	245	230
Yellow metal circles ...	296	305	266	241
Rolled copper ...	341	388	357	288

There was no restriction on the export of kyanite ore and despatches aggregated 17,952 tons, representing an increase of 1,335 tons over the previous year.

The Company's financial position is quite satisfactory. Its paid-up capital as on 31st December 1957 stands at £1,371,300 and is supplemented by reserves and surplus aggregating £1,468,761. The gross value of the block is £2,621,717 of which mining rights and permanent works account for £73,399 and buildings, machinery, plant, etc., for £2,548,318. The additions during the year to buildings, machinery and plant amount to £305,330. The written-down book value of the fixed assets is £1,028,155, the aggregate depreciation provided so far being £1,593,562. The current assets amount to £2,813,704 of which the liquid assets alone (investments and cash balances) total £1,247,749 and cover the current liabilities and provisions (£921,347) and reserve for taxation (£80,451) by a very wide margin.

The 2*s.* fully paid-up shares are being currently quoted at Rs. 4.10 *cum-div.* On an *ex-div.* basis and on the basis of the latest dividend, the yield on the shares works out to 6.2 per cent. per annum, free of tax.

HINDUSTHAN-PILKINGTON GLASS WORKS LTD.

Despite higher sale proceeds, the working of the Hindusthan-Pilkington Glass Works Ltd. (Managing Agents: Messrs. Talukdar Law & Co. Private Ltd., Calcutta) during the year ended 31st October 1957 has resulted in a decline in its earnings. The Company's gross profit for the year under review at Rs. 12.81 lakhs is Rs. 1.32 lakh lower than Rs. 14.13 lakhs for the previous year. This is stated to be due to higher cost of production, resulting from continuously mounting replacement costs of stores and spares, increase in wages and prices of raw materials, higher cost of coal and enhanced railway freight. The net profit, after paying Managing Agents' commission and providing Rs. 5.57 lakhs for depreciation, as against Rs. 6.34 lakhs, in addition to setting apart Rs. 37,708 for wealth tax, as against *nil* in the previous year, also stands lower at Rs. 6.54 lakhs, as compared with Rs. 7.47 lakhs for the previous year.

The Directors have transferred a sum of Rs. 1.94 lakh to the reserves, as against Rs. 1.43 lakh in the previous year. Of this, the provision for tank repair gets Rs. 89,224, the amount provided in the previous year for this purpose having been Rs. 1.43 lakh, development rebate Rs. 4,727 and general reserve Rs. 1 lakh. With the sum left over, together with the surplus of Rs. 41,597 brought forward from the previous year, the Directors have declared a dividend of 6 per cent., absorbing Rs. 4.80 lakhs. The balance, namely, Rs. 21,730, is carried to the balance-sheet. It may be noted that, in the previous year, though the Company's profit was better, the Directors were not able to declare any dividend to the shareholders since the major portion of the profit had to be utilised for wiping out the losses, amounting to Rs. 5.62 lakhs, incurred in the preceding years.

The Company's products appear to be selling well in the market. This is to be seen in the rising trend in its sale proceeds. Thus, from Rs. 52.96 lakhs in 1954-55, the sale proceeds increased to Rs. 56.01 lakhs in 1955-56 and still further to Rs. 60.45 lakhs during the year under review. This is again reflected in the closing stocks which are a shade lower at Rs. 1.76 lakh, as against Rs. 2 lakhs in the previous year. At the same time and for reasons stated earlier, expenses increased from Rs. 40.58 lakhs to Rs. 47.68 lakhs.

The Company's output of glass during the year was fairly well maintained at the previous year's level though production in the factory had to be completely suspended for about two months on account of the periodical cold repairs of the furnace. Despite rising costs during the year under review, the Directors state, emphasis was laid on maintaining the high standard of quality of the Company's products. Recently the factory also started manufacturing "obscured glass" as a welcome addition to its range of production of sheet glass. The difficulty of getting adequate number of wagons, both for despatch of finished products to various markets and for bringing raw materials to the factory, however, still continues and efforts are being made to improve the situation.



The Company is only of recent origin. It is in its seventh year now and owes its existence to the foresight of the late Mr. N. R. Sarkar, who saw great scope for it. His assumptions are proving true. Because it is new and entered the stage of making profit only two years ago, its balance-sheet as at 31st October 1957 reflects the position of a company still in its infancy. It has a paid-up capital of Rs. 80 lakhs all in ordinary shares of Rs. 10 each. It has already built up a modest reserve of Rs. 1.26 lakh, besides the provision of Rs. 4.33 lakhs for tank repairs. The gross block of the value of Rs. 95.06 lakhs has been written down to Rs. 73.46 lakhs. The current liabilities stand at Rs. 17.65 lakhs, against which there are current assets aggregating Rs. 29.79 lakhs.

As regards the outlook for the Company, readers' attention is invited to the Chairman's speech on page 219 of our issue dated 9th August 1958.

CALTEX OIL REFINING (INDIA) LTD.

The year ended 31st December 1957 marks the completion of the third year of existence of the Caltex Oil Refining (India) Ltd. Registered in 1955, the Company started its construction work at Visakhapatnam in right earnest and brisk activity followed. It is significant that, despite the delay in obtaining the necessary material, the schedule of construction of the refinery was completed within a few months. The refinery was formally opened in November 1957.

The first consignment of crude was received in February 1957 and the processing thereof commenced in April of the same year. Thereafter the plant was under steady operation which resulted in a total crude throughput of 35,55,727 barrels for the year under review.

The working of the refinery during the period of eight months in the year under review makes encouraging reading, in that it indicates that the Company has set off well in its operations. The results show that the Company made a net profit of Rs. 82.84 lakhs, after providing Rs. 46.41 lakhs for depreciation and writing of preliminary, debenture issue and operational expenses prior to starting of plant, aggregating in all Rs. 7.25 lakhs. Though no tax liability exists for the year under report, the Directors have wisely recommended that a sum of Rs. 20.71 lakhs be provided as tax equalisation reserve to meet the liability for taxation at a future date. They have also proposed that the surplus after the foregoing provision, amounting to Rs. 62.13 lakhs, be carried forward to the next year and that no dividends be declared for the year 1957. Income from refining during the year amounted to Rs. 246.73 lakhs.

The training of Indian employees to replace overseas personnel is proceeding satisfactorily. The major portion of housing colonies is completed and is under occupation by the employees. Work on the remaining portion is expected to be completed by the end of 1958.

The latest balance-sheet of the Company shows its paid-up capital at Rs. 405 lakhs made up of 450,000 ordinary shares of Rs. 100 each, of which 449,993 ordinary shares are paid-up to the extent of Rs. 90. The reserves and surplus aggregate Rs. 92.90 lakhs, including the tax equalisation reserve of Rs. 20.71 lakhs. The Company's 5½ per cent. debenture liability, secured by a first specific mortgage of certain fixed assets and a floating charge on the general assets of the Company, stands at Rs. 2 crores. The current liabilities amount to Rs. 741.97 lakhs. The gross block of a value of Rs. 13.84 crores stands written down at Rs. 13.38 crores. The current assets aggregate Rs. 101.82 lakhs.

COMPANY REGISTRATIONS IN THE SOUTHERN REGION

During the half-year ended 30th June 1958, 81 companies with an authorised capital of Rs. 622.83 lakhs were registered in the Southern region comprising the four States of Madras, Andhra Pradesh, Mysore and Kerala. Out of these, six are public limited companies, 69 private ones, one association not for profit and five companies limited by guarantee. The notable flotations during the period are two Government companies registered in the State of Kerala, namely, Kerala Cycles Private Ltd. with an authorised capital of Rs. 25 lakhs and Kerala Water Transport Corporation Private Ltd. with an authorised capital of Rs. 1 crore, and a public company in Mysore State by name Mysore Cements Ltd., with an authorised capital of Rs. 3 crores.

During the period under review, 60 companies went into liquidation, and 127 companies, three Associations not for profit and two companies limited by guarantee were struck off the register as defunct. The paid-up capital of the companies which have ceased working during this period comes to Rs. 104.51 lakhs.

The total investment by way of new investment or increase in the paid-up capital of existing companies during the half-year works out to Rs. 459.71 lakhs, the largest contributory being the Government-owned Neiveli Lignite Corporation Private Limited which accounts for Rs. 220 Lakhs. Challapalli Sugars Ltd. account for Rs. 13.15 lakhs, Ashok Leyland Ltd. for Rs. 15.50 lakhs and Kothari Textiles Ltd. for Rs. 16.86 lakhs.

During this period, the enforcement of the Companies Act was vigorously taken up and 174 prosecutions were launched against companies and its officers for various defaults like non-holding of annual general meetings, non-filing of annual returns and balance-sheets and against the liquidators for non-filing of liquidation accounts. Out of these, 89 cases have been disposed of during the period resulting in a conviction of the accused in 55 cases and their acquittal in the rest.

AMBIKA SILK'S PROFIT LOWER

DIVIDEND, HOWEVER, MAINTAINED

THE earnings of the Ambika Silk Mills Company, Ltd. (Managing Agents: Messrs. Maganlal Bhagwandas & Co., Bombay), has suffered a recession for the second year in succession with the gross profit for the year ended 31st December 1957 declining further to Rs. 5.98 lakhs from Rs. 6.36 lakhs for 1956 and Rs. 6.93 lakhs for 1955. This is in marked contrast to the steady upward trend noted for the three years preceding 1956 when the gross profit rose from a mere Rs. 1.94 lakh for 1952. It may be noted here, again, that the gross profit for 1955 at Rs. 6.93 lakhs was a record for the previous eight years. In the context of the general slump in the textile trade today, the performance of the Company, although not quite encouraging, is nevertheless not disappointing. Shareholders can feel gratified that, despite the setback in earnings, the Directors have maintained the dividend at 15 per cent. to which level it had been lowered from 20 per cent. paid for 1955. The amount provided for depreciation at Rs. 2.78 lakhs is also higher, as against Rs. 2.15 lakhs in the previous year. In addition, a sum of Rs. 80,000 has been provided for taxation, as against *nil*. The net profit, after the above provisions, works out to Rs. 2.08 lakhs, as compared with Rs. 3.79 lakhs a year ago, but it is higher than Rs. 1.91 lakh two years earlier.

In view of the fall in profits, the reserves have not received the generous allocation noted in the previous year. Thus, the transfer to general reserve has been lowered from Rs. 1.30 lakh to Rs. 20,000, as also the depreciation reserve from Rs. 1.30 lakh to Rs. 69,889. The cut in the latter allocation is, however, more than offset by the higher provision made for depreciation.

The following comparative table, giving some of the relevant features of the working of the Company during the past four years, provides a broad idea of its progress in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Sale proceeds of cloth and waste	66.82	62.40	63.14	57.41
Other income	1.88	1.66	0.81	0.79
Closing stocks of cloth	9.62	8.36	4.48	3.50
Manufacturing and other expenses	63.98	61.59	57.99	58.32
Gross profit	5.98	6.36	6.93	4.36
Managing Agents' commission	0.32	0.42	0.39	0.25
Depreciation	2.78	2.15	3.03	1.84
Taxation	0.80	..	1.60	0.80
Net profit	2.08	3.79	1.91	1.47
To reserves	0.90	2.60	0.41	0.31
Bonus to operatives	..	..	..	0.35
Dividend	1.15 (15%)	1.15 (15%)	1.54 (20%)	0.77 (10%)
Carry forward	0.11	0.08	0.05	0.09

The Directors state that the Company's working during the year was satisfactory. This is to be seen in the sale proceeds of cloth and waste which have recorded a rise of Rs. 4.42 lakhs to Rs. 66.82 lakhs. Manufacturing and other expenses have increased by Rs. 2.39 lakhs and closing stocks of cloth by Rs. 1.26 lakh.

The Directors state that the plan of modernisation of the mill machinery was further continued during the year under review. The Company also decided to start printing fabrics and preliminary work in this respect was completed in 1959; since then, work in this section has commenced. The Directors have expressed concern over the inadequate supplies of indigenous art silk yarn and the difficulties of getting foreign yarn due to the drastic curb on imports. The Company is, therefore, trying to take advantage of the facility offered by the Government to import art silk yarn against exports of art silk fabrics. The Directors observe that despite these efforts, shortage of raw materials continues to persist and this, in turn, may affect the future working of the Company.

The financial position of the Company, as disclosed by its balance-sheet as at 31st December 1957, is quite sound. Its reserves and surplus aggregate Rs. 9.32 lakhs, as against a paid-up capital of Rs. 7.70 lakhs, all in ordinary shares of Rs. 100 each. Of this, depreciation reserve accounts for Rs. 4.24 lakhs, general reserve for Rs. 2.50 lakhs and reserve for rehabilitation of machinery for Rs. 2.25 lakhs. The current liabilities stand at Rs. 23.34 lakhs and include a provision of Rs. 80,881 for taxation. Of the current liabilities, secured loans from a bank account for Rs. 10.55 lakhs and unsecured loans for Rs. 2.37 lakhs. The gross block of the value of Rs. 31.44 lakhs stands well written down to a book value of Rs. 14.98 lakhs. It is worthwhile noting here that of the total amount of Rs. 6.02 lakhs spent on additions to the gross block during the year, as much as Rs. 4.99 lakhs were on account of machinery alone. In addition to this, machinery under erection in stock amounted to Rs. 1.05 lakh. The current assets aggregate Rs. 24.33 lakhs and are enough to cover the current liabilities and the provision for taxation.

Points From The Chair

Paper Industry's Expansion

"I HAVE heard it said on fairly good authority that, while the Government of India, agreeably with their policy to expand production, have granted licences for the establishment of new paper units, lack of finance in some cases, but mostly foreign exchange difficulties, have delayed their installation. I also understand that capital projects based even on deferred terms of payment have little chance of materialisation. As the present circumstances do not permit of our pursuing the expansion scheme, it has to be deferred for some time. I want to assure you that it is not the lack of a well-considered scheme that delays action and I make bold to say that it is not even the lack of funds either—for I am confident of raising the necessary funds with your co-operation and with the aid and assistance of the credit institutions in the country like the Industrial Finance Corporation of India—but it is the insurmountable difficulty, as things stand today, of securing the necessary foreign exchange. We have, therefore, to think of alternative short-term projects and these are under consideration. I devoutly wish that conditions would soon improve when specific proposals for large-scale expansion would be placed before you for acceptance."

T. SHAMANNA,
Mysore Paper Mills Limited.

Industrial Peace

"I had made a mention last year to a three-year agreement which we had reached with our workers in regard to bonus and wages. It was hoped then that there will be industrial peace at Dalmiapuram and the workers would co-operate in achieving all-round increase in production. I regret to tell you that inter-union rivalries have belied our hopes and since some time there has been one strike after another without lawful notice and in complete disregard of mutual agreement and assurances. Due to the continuous troubles created by the unions, production has suffered. What is happening at Dalmiapuram is probably in the same pattern which has shown itself in several other places of industrial importance. Tata Steel is, of course, the most recent example. At this crucial time in the history of our country when production and more production is the need of the hour, this state of affairs should not be tolerated. Legislation is urgently needed under which some procedure be prescribed by which claims of rival unions can be tested and recognition granted to the one that commands support of the majority of the workers. Some time back the Madras Government took a lead in the matter and had circulated a draft Bill. I do not know why the Bill was not proceeded with. Unless a suitable law is enacted for this purpose, there will be increasing loss of production on account of unions struggling for power, more so when the principal object is more political than the betterment of workers, whose interests are sought to be protected."

V. H. DALMIA,
Dalmia Cement (Bharat) Ltd.

Cement Export

"The future of the cement industry is lined up with the availability and retention of sound continued foreign markets. I need hardly emphasise how important it is to develop an export market for the industry to augment the much needed foreign exchange resources to carry out our National Development Programme. Fortunately for India, it has extensive foreign markets beyond the eastern sea-board and since foreign trade forms an indispensable part of the economic development of a country and no rapid industrialisation is possible without securing the necessary minimum of foreign exchange, the foreign trade policy in respect of export of cement should be framed and executed not by reference to occasional surpluses that may be available but rather as part of a deliberate State Policy. It may be that this will involve occasionally the staggering of the supplies in the local market or subsidy by Government but this is a sacrifice which is worth making in the interests of preventing glut in the local markets. The control of cement used within India is a matter of national policy, and it is in our hands. Exports to other countries will have to suit their programmes. A steady stream of cement export should, therefore, form an indispensable aspect of industrial planning and trade. It is to be hoped that the Government will take up the question in all seriousness at the earliest opportunity. In this connection, I may mention to you that your two cement factories one to be established at Visakhapatnam and your factory at Talaiyuthu, and other present and prospective units that may spring up in the eastern seaboard are particularly suitable for the export of cement to foreign countries."

P. SURYANARAYANA,
India Cements Ltd.

COMPANY MEETINGS AND DIVIDENDS

HANTAPARA TEA CO., LTD. Annual General Meeting, Calcutta, 20th September 1958. Dividend: *Nil*. Transfer books remain closed from 11th to 20th September 1958, both days inclusive.

PERIYAR AND PAREEKANNI RUBBERS LTD. Annual General Meeting, Palai, Kerala State, 22nd September 1958. Dividend: Re. 1.20 per share (includes interim dividend of Re. 0.60 per share). Transfer books will remain closed from 15th to 22nd September 1958, both days inclusive.

KARIKODE RUBBERS (1945) LTD. Annual General Meeting, Palai, Kerala State, 22nd September 1958. Dividend: 10 per cent. or Re. 1.00 per share. Transfer books will remain closed from 15th to 22nd September 1958, both days inclusive.

NEW DOOARS TEA CO., LTD. Annual General Meeting, Calcutta, 24th September 1958. Dividend: Rs. 20.00 per share. Transfer books remain closed from 11th to 24th September 1958, both days inclusive.

NEW CHUMTA TEA CO., LTD. Annual General Meeting, Calcutta, 26th September 1958. Dividend: 12½ per cent. or Re. 1.25 per share. Transfer books will remain closed from 13th to 26th September 1958, both days inclusive.

SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR (SOCIETE ANONYME)-GONDALPARA MILL. Annual General Meeting, Calcutta, 27th September 1958. Dividend: Rs. 60.00 per share, on shares of Rs. 300 each. Transfer books will remain closed from 15th to 27th September 1958, both days inclusive.

SARAN ENGINEERING CO., LTD. Annual General Meeting, Kanpur, U.P., 29th September 1958. Dividend: Re. 0.40 per share, free of income-tax. Transfer books will remain closed from 15th to 29th September 1958, both days inclusive.

LINGIA TEA CO., LTD. Annual General Meeting, Calcutta, 29th September 1958. Dividend: 20 per cent. or Rs. 2.00 per share (includes interim dividend of Re. 1.00 per share). Transfer books will remain closed from 22nd to 29th September 1958, both days inclusive.

MEGNA MILLS CO., LTD. Annual General Meeting, Calcutta, 29th September 1958. Dividend: Rs. 17.50 per share (includes interim dividend of Rs. 5.00 per share). Transfer books will remain closed from 19th to 29th September 1958, both days inclusive.

INDIA JUTE CO., LTD. Annual General Meeting, Calcutta, 29th September 1958. Dividend: Rs. 15.62 per share (includes interim dividend of Rs. 3.75 per share), on shares of Rs. 125 each. Transfer books will remain closed from 19th to 29th September 1958, both days inclusive.

DISHERGARH POWER SUPPLY CO., LTD. Annual General Meeting, Calcutta, 29th September 1958. Dividend: Rs. 7.00 per share. Transfer books will remain closed from 15th to 29th September 1958, both days inclusive.

ALEXANDRA JUTE MILLS LTD. Annual General Meeting, Calcutta, 29th September 1958. Transfer books will remain closed from 15th to 29th September 1958, both days inclusive.

EDWARD TEXTILES LTD. Annual General Meeting, Bombay, 30th September 1958. Dividend: Rs. 15.00 per share, on shares of Rs. 200 each. Transfer books will remain closed from 15th to 30th September 1958, both days inclusive.

RAZA BULAND SUGAR CO., LTD. Annual General Meeting, Rah-e-Raza, Rampur, 30th September 1958. Dividend: Re. 1.50 per share. Transfer books will remain closed from 19th September to 4th October 1958, both days inclusive.

VAYITRI PLANTATIONS LTD. **Dividend of 6 per cent. or Re. 0.12 per share, for the year ended 31st March 1958.** Transfer books will remain closed from 14th to 20th September 1958, both days inclusive.

COWCODDY ESTATES LTD. Final dividend of 40 per cent. or Re. 0.80 per share, for the year ended 30th June 1957.

COMPANY REGISTRATIONS

BARODA RAYON CORPORATION LTD. (First Director: Mr. Babubhai M. Chinai.) Business: Manufacturers, importers and dealers in rayon yarn, staple fibre, etc. Authorised capital: Rs. 10,00,00,000. Public company. Address: Lalji Naranji Memorial Building, 76, Veer Nariman Road, Bombay.

GAEKWAR INVESTMENT CORPORATION LTD. (First Director: H. H. Maharaja Fatehsingh Gaekwar of Baroda.) Business: Investors, financiers, etc. Authorised capital: Rs. 1,00,00,000. Public company. Address: "Indumati Mahal," opposite Laxmi Vilas Palace, Baroda.

POISAR UDYOG PRIVATE LTD. (First Director: Mr. Harendra Ratilal Aslot.) Business: Manufacturers and dealers in vehicles, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Poisar, Borivli, Bombay.

BRITELITE ELECTRIC INDUSTRIES PRIVATE LTD. (First Director: Mr. A. T. Barma.) Business: Importers, exporters and commission agents in bulbs, lanterns, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 199, Abdul Rehman Street, Bombay 2.

HASTINGS MILL REPEATS DIVIDEND

RESULTS OF HEILGERS GROUP COAL COMPANIES

Hastings Mill Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bangur Brothers Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st March 1958.

The accounts show a profit of Rs. 19,56,822 (Rs. 13,63,177) to which has been added the amount brought forward from the previous year of Rs. 3,00,036 (Rs. 3,40,348) making a total of Rs. 22,56,858 (Rs. 17,03,525). Out of this amount has been provided for depreciation Rs. 9,12,385 (Rs. 6,53,489), for income-tax Rs. 1,25,000 (*nil*) and for wealth tax Rs. 50,000 (*nil*) leaving at the credit of profit and loss account a sum of Rs. 11,69,473 Rs. 16,50,036 including Rs. 5,00,000 being provision for contingencies no longer required and Rs. 1,00,000 being provision for taxation no longer required.

The interim dividend paid on 25,000, 6 per cent. cumulative preference shares at Rs. 3 per share without any deduction for income-tax payable by the Company absorbed Rs. 75,000 (Rs. 75,000). Leaving an available balance of Rs. 10,94,473 (Rs. 15,75,036). From this amount the directors propose to transfer to general reserve Rs. 5,00,000 (Rs. 1,00,000), to pay a final dividend on 25,000, 6 per cent. cumulative preference shares at Rs. 3 per share without any deduction for income-tax payable by the Company absorbing Rs. 75,000 (Rs. 75,000), to pay a dividend on 40,000 ordinary shares of Rs. 100 each at Rs. 5 (Rs. 5) per share without any deduction for income-tax payable by the Company absorbing Rs. 2,00,000 (Rs. 2,00,000) and to carry forward to next account Rs. 3,19,473 (Rs. 3,00,036 after providing Rs. 9,00,000 for depreciation on investments).

In compliance with the working time agreement of the Indian Jute Mills Association, the mill worked for 48 hours per week throughout the year under report with 12½ per cent. of the total looms sealed.

Raw material position remained satisfactory throughout the period under report. Further stress should be laid on improving the quality and this in future will strengthen the competitiveness of the Industry in the world market.

During the latter half of the period under review, dull conditions were evidenced in the finished goods market and this was viewed with grave concern as the jute industry is a prime earner of foreign exchange. With the dual object of stabilising the market and to avoid loss in the earnings of foreign exchange, the Industry took a bold step and decided not to sell their products below certain prices. It had a most salutary effect on the market and prices were stabilised at a realistic level.

Silk Department: Demand for its products further increased necessitating an expansion in the loomage, the directors have, therefore, added 47 more looms. During the latter half of the year under review the supply position of art silk yarn worsened. An acute shortage of yarn is felt due to restricted imports and inadequate indigenous production. This has also led to an abnormal rise in yarn prices. The Company's products are gaining popularity in foreign markets.

The Company held 1,44,610 ordinary shares of the subsidiary, viz., Fort William Jute Co. Ltd., as at the close of the latter's financial year ending 31st March 1958.

The net aggregate amount of profit in the subsidiary company for its last financial year with which the shareholders are concerned as the members of the Holding Company is Rs. 7,60,556.57 nP. Neither this amount nor any part of it has been included in the accounts of the Company as the Holding company.

The net aggregate amount of profits of the subsidiary Company for the previous years since it became subsidiary is Rs. 10,06,679.19 nP. Out of this sum, Rs. 3,25,320 has been received by the Holding Company by way of dividend on its investment in the subsidiary Company and has been included in the accounts.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	65,00,000	Gross block	1,32,37,430
Reserves ...	65,69,233	*Less*—Depreciation ...	67,67,854
Provision for taxation ...	2,35,972		
Liabilities ...	43,04,440	Net block ...	64,69,576
Profit and loss account ...	3,19,473	Stock-in-trade	43,47,446
		Stores and spare gears	8,67,758
		Debts, deposits and advances ...	28,49,208
		Investments	33,52,087
		Cash ...	42,043
Rs.	1,79,28,118	Rs.	1,79,28,118

Borrea Coal Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. F. W. Heilgers and Co., (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st December 1957.

Raisings and Despatches.—1,52,270 tons of coal were raised and 1,51,308 tons despatched during the year compared with 1,46,056 tons raised and 1,44,202 tons despatched during 1956.

Output did not improve to the extent expected due to the delay in acquiring overlying surface areas for depillaring operations.

Development into Araigoria made steady progress and is expected to replace the diminishing output from the remaining reserves in Bhagaband proper as scheduled.

Transport.—Although there was a general improvement in the wagon supply position, the Company's colliery was greatly inconvenienced by irregular placements. In addition, a larger proportion of covered wagons was supplied which prevented full use being made of the existing mechanical screening and loading installation at the colliery.

The profit and loss account after providing for all charges and making provision of Rs. 29,085 (Rs. 98,343) for taxation, Rs. 26,100 (*nil*) for wealth tax and Rs. 60,626 (Rs. 57,095) for depreciation shows a profit of Rs. 1,24,015 (Rs. 2,14,746) to which is added the balance brought forward from previous year of Rs. 19,553 (Rs. 84,207) making a total of Rs. 1,43,568 (Rs. 2,98,953). From this there has been transferred to tax contingency reserve Rs. 18,725 (Rs. 15,400), to development rebate reserve Rs. 12,975 (Rs. 42,500) and to provision for payment under Appellate Award Rs. 2,687 (Rs. 83,000). The directors have paid an interim dividend declared on 30th January 1958, without any deduction for income-tax payable by the Company, on preference shares absorbing Rs. 13,000 (Rs. 13,000) leaving a balance available of Rs. 96,181 (Rs. 1,20,553). The directors propose to dispose of this amount as follows:—

By payment of a final dividend on the preference shares making 6½ per cent. per annum without any deduction for income-tax payable by the Company absorbing Rs. 13,000 (Rs. 13,000) by payment of a dividend on the ordinary shares at the rate of 7½ (15) per cent. per annum without any deduction for income-tax payable by the Company absorbing Rs. 56,250 (Rs. 1,12,500) and by carrying forward Rs. 26,931 (Rs. 19,553).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,50,000	Gross block	46,69,896
Reserves ...	24,50,156	*Less*—Depreciation ...	27,71,129
Provision for wealth tax	26,100		
Liabilities ...	8,45,205	Net block ...	18,98,767
Profit and loss account ...	26,931	Work-in-progress ...	36,072
		Stock-in-trade	66,523
		Stores, etc. ...	1,51,162
		Debts, deposits and advances ...	11,75,752
		Investments	11,08,009
		Cash ...	62,101
Rs.	44,98,386	Rs.	44,98,386

Churulia Coal Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. F. W. Heilgers and Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st December 1957.

Karangura Mining Syndicate.—During the year ended 31st December 1957, 1,88,747 tons of coal were raised and 1,88,067 tons were despatched. A Managing Contractor continues to raise and sell coal from Religara Colliery and this arrangement continues to work satisfactorily.

The profit and loss account after providing for all charges, making provision of Rs. 3,438 (*nil*) for taxation, Rs. 3,300 (*nil*) for wealth tax, and transferring Rs. 5,000 (*nil*) to general reserve, shows a profit of 36,297 (Rs. 11,111). To this amount is added the balance brought forward from the previous year of Rs. 4,240 (Rs. 2,129) making a balance available of Rs. 40,537 (Rs. 13,240). The directors propose to dispose of this amount as follows:—

By payment of a dividend at the rate of 5 (1½) per annum without any deduction for income-tax payable by the Company absorbing Rs. 30,000 (Rs. 9,000) and by carrying forward Rs. 10,537 (Rs. 4,240).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Investments	7,29,936
Reserves ...	1,49,122	Debts, deposits and advances ...	1,48,904
Provision for taxation*	4,900	Cash	93,068
Liabilities ...	2,07,349		
Profit and loss account ...	10,537		
Rs.	9,71,908	Rs.	9,71,908

*Includes wealth tax of Rs. 3,300.

Ondal Coal Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st December 1957.

The profit and loss account after providing for all charges and making provision of Rs. 46,068 (Rs. 55,064) for taxation, and Rs. 6,675 (*nil*) for wealth tax, shows a profit of Rs. 55,197 (Rs. 49,848) to which is added the balance brought forward from the previous year of Rs. 37,244 (Rs. 56,646) making a balance available of Rs. 92,441 (Rs. 1,06,494). The directors propose to dispose of this amount as follows:—

By payment of a dividend on the preference shares at the rate of 6½ (6½) per cent. per annum without any deduction for income-tax payable by the Company absorbing Rs. 13,000 (Rs. 13,000). by payment of a dividend on the ordinary shares at the rate of 5 (7½) per cent. per annum without any deduction for income-tax payable by the Company absorbing Rs. 37,500 (Rs. 56,250) and by carrying forward Rs. 41,941 (Rs. 37,244).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,50,000	Gross block	3,97,666
Reserves ...	15,69,648	*Less*—Depreciation	2,77,666
Provision for taxation*	75,580		
Liabilities ...	1,00,295	Net block	1,20,000
Profit and loss account ...	41,941	Investments	22,50,716
		Debts, deposits and advances ...	2,45,627
		Cash ...	1,21,121
Rs.	27,37,464	Rs.	27,37,464

*Includes wealth tax of Rs. 6,675.

Sendra Coal Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st December 1957.

Colliery.—The directors report that the deed of sale was completed on the 28th of September, 1957. The buyers have continued to pay the sums promised on completion of documents and three of the five annual instalments towards the purchase price have now been received.

The profit and loss account after providing for all charges and making provision of Rs. 29,032 (*nil*) for taxation, Rs. 8,450 (*nil*) for wealth tax and after taking credit for Rs. 1,568 (*nil*) being refund of income-tax shows a loss of Rs. 2,465 (Rs. 7,337). From this amount is deducted the credit balance brought forward from the previous year of Rs. 5,166 (Rs. 7,503) leaving a credit balance of Rs. 2,701 (Rs. 166). To this is added the amounts transferred from general reserve of Rs. 15,000 (Rs. 25,000) and from reserve for taxation of Rs. 2,927 (*nil*) leaving a balance available of Rs. 20,628 (Rs. 25,166). The directors propose to dispose of this amount as follows:—

By payment of a dividend at the rate of 2½ (2½) per cent. per annum without any deduction for income-tax payable by the Company absorbing Rs. 20,000 (Rs. 20,000) and by carrying forward Rs. 628 (Rs. 5,166).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Gross block	52,491
Reserves ...	4,91,081	*Less*—Depreciation ...	28,867
Provision for taxation*	22,805		
Liabilities ...	88,256	Net block ...	23,624
Profit and loss account ...	628	Investments	7,25,824
		Debts, deposits and advances ...	3,48,532
		Cash ...	3,04,790
Rs.	14,02,770	Rs.	14,02,770

*Includes wealth tax of Rs. 8,450.

Hindustan Motors Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The revenue account shows a credit balance of Rs. 91,46,534 (Rs. 46,08,841) after taking into account the sum of Rs. 7,92,903 (Rs. 6,16,062) brought forward from the previous year. After providing Rs. 63,60,000 (Rs. 30,00,000) for depreciation, Rs. 6,96,996 for wealth tax and Rs. 1,41,000 (*nil*), as reserve for development rebate, there remains a balance of Rs. 19,48,538 (Rs. 16,08,841) which the directors recommend should be dealt with in the following manner:—

To payment of a dividend on 3,21,427 cumulative convertible redeemable preference shares of 6 per cent. per annum, free of income-tax on the amounts paid up thereon, absorbing Rs. 10,03,680 (Rs. 6,75,442) and for dividend on above preference shares short provided for last year Rs. 6,017 (*nil*) leaving a balance to be carried forward of Rs. 9,38,841 (Rs. 7,92,903 after providing Rs. 1,40,496 towards adjustment of income-tax for accounting years 1950-51 and 1951-52). Depreciation amounting to over Rs. 140 lakhs still remains to be provided for upto the end of the year under report.

The Company has entered into an agreement with Messrs. General Motors Corporation, U.S.A., for the assembly of Chevrolet cars and trucks and G.M.C. and Bedford trucks and manufacture of one of the trucks in India. The Company in consultation with Messrs. General Motors Corporation has now made preparations to manufacture one of the trucks in India.

During the year under review, further progress was made in the manufacture of components required for Hindustan cars. At present components representing approximately 68 per cent. of the c.i.f. value of a complete car are being manufactured here. No other factory in the country has been able to make so much progress in the indigenous manufacture.

As the entire capital of the Hindustan Motor Corporation Ltd. as on 31st March, 1958, was held by the Company, the profit of the subsidiary company for the last year as well as losses for the previous financial years (which have not been dealt with in or for the purposes of the accounts of the Company, concern wholly the members of the Company. As regards the Pakistan Motors Ltd., 65 per cent. of the issued capital of the said subsidiary company as on 31st March, 1958, was held by the Company. The proportionate part accordingly of Rs. 2,247 being loss for the period ended 31st March, 1958, and of Rs. 35,646 being net aggregate loss for the previous financial years of the Pakistan Motors Ltd. (which have not been dealt with in or for the purposes of the accounts of the Company), concern the members of the Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,98,84,325	Gross block	5,26,95,200
Reserves ...	11,41,174	*Less*—Depreciation	2,25,48,541
Provision for wealth tax	3,65,000		
Liabilities ...	1,29,07,719	Net block	3,01,46,659
Profit and loss account ...	9,38,841	Stock-in-trade	3,00,47,308
		Stores, spares, etc. ...	36,07,218
		Debts, deposits and advances ...	1,40,32,345
		Investments	14,48,317
		Cash ...	59,55,203
Rs.	8,52,37,050	Rs.	8,52,37,050

Western India Tanneries Ltd.

The directors of the above Company (Managing Agents: Messrs. Pratap Pandit and Co., Bombay) present the audited accounts of the Company for the year ended 31st December 1957.

The total sales for the year ended 31st December 1957, together with the closing stocks as on 31st December 1957, and sundry receipts amounted to Rs. 56,64,467 (Rs. 58,84,747). Deducting from this the opening stock, purchases of raw materials etc., and direct expenditure thereon such as stores consumed, workmen's wages, rents, rates, etc., for the year ended 31st December 1957, which amounted to Rs. 46,10,348 (Rs. 47,81,889), there is left a balance representing the gross profits for the year's working of Rs. 10,54,119 (Rs. 11,02,858). After deducting agents' commission, staff salary and general charges amounting to Rs. 4,58,072 (Rs. 5,13,155) the profit amounts to Rs. 5,96,047 (Rs. 5,89,703). From this amount is to be deducted provision for gratuity Rs. 1,413 (Rs. 1,438), depreciation written off for the year 1957 Rs. 33,874 (Rs. 29,913) and bonus to the Company's staff and workmen for 1957 Rs. 64,702 (Rs. 65,771). The balance of income-tax for 1956 absorbed Rs. 2,219 and wealth tax for 1956 Rs. 7,107 (Rs. 7,107) leaving a net profit subject to provision for taxation, for the year ended 31st December, 1957 of Rs. 4,86,731 (Rs. 4,92,581). After adding the balance brought forward from last year of Rs. 8,396 (Rs. 8,815) there is a total of Rs. 4,95,127 (Rs. 5,01,396). This amount of Rs. 4,95,127 (Rs. 5,01,396), the directors propose to dispose of as follows:—

To provision for taxation Rs. 2,66,000 (Rs. 2,63,000), to payment of a dividend at Re. 1 (Re. 1) and Rs. 2 (Rs. 2) per share of Rs. 5 and Rs. 10 paid up, respectively, free of income-tax and dividend tax for the year 1957 absorbing Rs. 1,40,000 (Rs. 1,40,000), to transfer to reserve fund Rs. 70,000 (Rs. 80,000), to reserve for gratuity Rs. 10,000 (Rs. 10,000) and to carry forward to next year's account Rs. 9,127 (Rs. 8,396).

The actual number of days worked during the year ended 31st December 1957 is 307. The directors have paid a bonus at the rate of three months' basic salary to the members of the staff and three months' basic wages to the workmen of the Company out of the profits for the year ending 31st December, 1957.

In the course of the year 1957 the Company has subscribed for 750 shares of Rs. 100 each in the Bombay Footwear Private Ltd., incorporated in the year 1957, having its registered office at 2A, Dharavi Road, Bombay 17. This Company has an authorised capital of Rs. 5 lakhs and issued capital of Rs. 2 lakhs. Its business will be to manufacture boots, shoes and other footwear and will start operation as soon as its buildings which are at present in the course of construction at Deonar (Chembur), are completed. The Company has paid Rs. 37,500 by way of allotment money in respect of these shares during the year under report.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Gross block	7,46,114
Reserves ...	9,21,551	*Less*—Depreciation ...	3,62,924
Provision for taxation ...	2,66,000		
Liabilities ...	6,39,054	Net block	3,83,190
Profit and loss account ...	9,128	Stock-in-trade	3,06,845
		Stores, etc.	3,05,501
		Debts, deposits and advances ...	3,90,924
		Investments	6,71,578
		Cash ...	4,77,695
Rs.	25,35,733	Rs.	25,35,733

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

COAL

(*Concluded from page 437*)

ing the third Plan period. In order to remove this deficiency, the Committee emphasises the need for washing inferior coals of which there is an ample supply in the country. According to it, the Central Fuel Research Institute has put up proposals for five washeries for the Railways and, of these, three show promise of economic production. It is only if the planning of these washeries is taken up immediately that they can be brought into commission by the end of 1960-61, affording relief to the Railways during the third Plan period.

For effective control over wastages of coal in railway sheds, the Committee suggests the recording of the time spent in various shed services and improvement in the method of estimation of coal consumption; strengthening of the security forces, provision of enclosures around the sheds, and strong disciplinary action against staff indulging in malpractices. Economy in consumption on the line can be achieved by fixing targets of consumption more accurately to permit assessment and analysis of excess consumption, by improving in the firing technique through better training of staff, and closer attention to the maintenance of locomotives. A loss of about one per cent. takes place due to pilferage in transit and further losses occur through pilferage from sheds. The Committee feels that contract labour should be replaced by departmental labour in sheds where pilferage of coal is heavy, for the handling of both coal and ashes cinders.

The Committee also feels that the need for proper grading of Indian coals is urgent, as the present grading is limited to the Bengal and Bihar coalfields and, as even this is based on tests carried out 10 years ago, it has become out of date. Coupled with this, the price of various grades should, it is pointed out, be so fixed as to reflect their relative heat values, so that the users of low grade coal are not placed at a disadvantage. The present price structure, which suffers from this drawback has also contributed to some rise in the Railways' fuel bill.

THE INDIA CEMENTS LTD., MADRAS

(*Concluded from page 442*)

28th of last month. Provision has been made in the Institute for Civil, Mechanical and Electrical Engineering courses.

"Provision of technical personnel is of vast importance to the industrial progress of our country. Backwardness of a country is often attributable not to lack of raw materials or facilities for power but to lack of trained personnel and technicians, in various fields. In India, especially, it has been a relevant criticism that there is a paucity of trained personnel at what may be called the working level. We have, of course, been able to produce quite a number of qualified engineers, though not up to the number required by us. But we have not produced a sufficient number of young technicians, who can superintend and help in the actual day-to-day manual working in the factories or who can start small industrial units in the countryside on their own for the upkeep and maintenance of pumps, radios, etc. This defect can be cured only by training men at middle levels, so that they may supply this much needed want. Further, there are various aspects in the field of engineering, in which India is either backward or has no facilities for training. I may mention, for example, the fields of marine engineering, the manufacture of internal combustion engines, the making of precision instruments and certain other aspects of engineering like architecture. There is work here in the Polytechnic level as well as in the high grade Engineering College. It is the hope of your management that, in course of time, they will be able not only to expand the activities of the Polytechnic so as to cover the lesser known but important fields that I have briefly mentioned above, but also to start a full-scale Engineering College for training at higher levels. In order to implement the scheme in respect of education, your Company has brought into being an Educational Trust called 'The India Cements Educational Trust.' Your Company has created the Trust with a sum of Rs. 3,75,000 stipulated under the scheme approved by you at the last meeting. The Polytechnic has come into existence not a day too soon. The Ministry of Scientific Research and Cultural Affairs has directed us to reserve a seat for a student from as far as Jammu and Kashmir. This bears testimony to the popularity of the institution from the very start.

"I do not wish to detain you much longer and, before I close, I must thank the administrative as well as the technical staff both at Madras and at the factory and also all our employees for the willing co-operation and unstinted service they have given."

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

How banking serves the PLYWOOD INDUSTRY



TIMBER suitable for plywood and tea chests is plentiful on the south-western coast, and the plywood industry in India is expanding every year. Production capacity has doubled since 1948, rating over 150 million square feet per annum now. Out of India's 53 plywood factories, more than half are in Malabar, Cochin, Travancore and Bangalore.

Banking has greatly helped in the rapid growth of the plywood industry. The facilities and guidance of a good bank, such as the availability of ready funds when needed, and the collection of dues in any part of the country, are an essential part of good organisation in the plywood industry.

We at Palai are proud that so many leading plywood manufacturers of South India employ the *complete* banking service we offer.

Current Accounts—Demand Drafts—Telegraphic Transfers—Investments—Letters of Credit—Bill Collection—Deposits—Loans & Overdrafts—Confidential Credit Reports, etc.

If you have business interests in the South, it will pay you to open an account with us. Our 24 branches are strategically located, 22 in important South Indian business centres and two in Delhi and New Delhi; and we have correspondents in all important Indian cities. We offer a fully comprehensive banking service at each office.

Our clients can make deposits at any of our correspondent banks, situated in all important Indian towns, and have the amounts credited to their accounts at any of our branches.

PALAI CENTRAL BANK LTD.

(Incorporated in Travancore-Cochin with Limited Liability)

Head Office: PALAI, KERALA.

Branches at: Madras, Cochin, Quilon, Trivandrum, Alleppey, Mangalore, Bangalore, etc. *Also at:* Delhi & New Delhi.

A LEADING BANK IN SOUTH INDIA

PC 9734

Notices

THE BOMBAY STATE CO-OPERATIVE BANK, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-seventh Ordinary General Meeting of the Bank will be held at the Registered Office of the Bank, 9, Bakehouse Lane, Fort, Bombay, on Saturday, the 27th September 1958, at 2-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Report of the Directors and the Audited Statements of Accounts of the Bank for the year ended 30th June 1958.
2. To declare a Dividend.
3. To appoint Auditors and to fix their remuneration.
4. To add the following as a proviso to Bye-law No. 47(A):

"Notwithstanding anything contained in Bye-law No. 47(A) and Election Rules, a District Central Co-operative Bank newly registered and/or affiliated or Banking Unions operating in a District to which the area of operation of this Bank is extended hereafter may nominate a representative provided it or they acquires or acquire the qualifications on any day subsequent to 30th June of the preceding year."

By Order of the Board,
Y. B. GAITONDE,
Manager.

BOMBAY, *8th September* 1958.

The Transfer Books of the Bank will be closed from 15th September 1958 to 8th October 1958, both days inclusive.

The Dividend when declared will be payable at the Bombay Office on and after Tuesday, the 14th October 1958, to those shareholders whose names stand on the Register on the 13th September 1958.

THE ALKALI AND CHEMICAL CORPORATION OF INDIA, LIMITED

NOTICE

THE PREFERENCE SHARE REGISTERS OF the Company will be closed from the 30th September 1958 to the 8th October 1958 both days inclusive.

By Order of the Board,
IMPERIAL CHEMICAL INDUSTRIES (INDIA) PRIVATE LTD.,
Secretaries.

CALCUTTA, *5th September*, 1958.

THE BURRAKUR COAL COMPANY LIMITED

NOTICE OF INTERIM DIVIDEND

THE BOARD OF DIRECTORS OF THE above Company has sanctioned payments of the following Interim Dividends in respect of the year ended 30th June, 1958:—

On 1st Preference Shares for the half-year at 7 per cent. per annum without any deduction for Income-tax payable by the Company.

On 2nd Preference Shares for the half-year at 6 per cent. per annum after deduction of Income-tax payable by the Company.

On Ordinary Shares at 3¾ per cent. without any deduction for Income-tax payable by the Company.

The above dividends will be paid on or after 7th October, 1958 to those Shareholders (or their mandatees) whose names appear in the Company's books on 30th September, 1958, as the registered holders of the above shares.

The Share Transfer Registers of the Company will be closed from 23rd to 30th September, 1958, both days inclusive.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, *28th August*, 1958.

THE STANDARD JUTE COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 30th day of August 1958, the following Dividends were recommended to be paid for the years ended as under without deduction of income-tax paid by the Company in each case.

	Year ended 31-3-'56	*Year ended* 31-3-'57	*Year ended* 31-3-'58
Preference Shares ...	6% p.a.	6%p.a.	6%p.a.
Ordinary Shares ...	—	—	Rs. 5

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

THE UNION JUTE COMPANY, LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 30th day of August 1958, the following Dividends were recommended to be paid for the year ended 31st March, 1958 without deduction of income-tax paid by the Company in each case.

Preference Shares ... 7 per cent. per annum
Ordinary Shares ... Rs. 15/-

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

THE NORTHBROOK JUTE COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 30th day of August 1958, the following Dividends were recommended to be paid for the year ended 31st March 1958 without deduction of income-tax paid by the Company in each case.

Preference Shares ...5¼ per cent. per annum.

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

THE AUCKLAND JUTE COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 30th day of August 1958, the following Dividends were recommended to be paid for the years ended as under without deduction of income-tax paid by the Company in each case.

	Year ended 31-3-1957	*Year ended* 31-3-1958
Preference Shares ...	5½% p.a.	5½% p.a.
Redeemable Preference Shares ...	4½% p.a.	4½% p.a.
Ordinary Shares ...		Rs. 5/-

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

THE LANSDOWNE JUTE COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 30th day of August 1958, the following Dividend was recommended to be paid without deduction of income-tax paid by the Company in each case.

On Preference Shares for the half-year ended 31st March 1956 ... 7 per cent. per annum

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

NATIONAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE Twenty-sixth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company, Norton Buildings, 1 & 2, Old Court House Corner, Calcutta, on Tuesday, 30th September, 1958, at 12 noon, for the following purposes:—

(1) To receive and adopt the Directors' Report and audited accounts for the year ended 31st December 1957;

(2) To declare Dividends on Ordinary, First Preference, and Second Preference Shares;

(3) To elect Directors;

(4) To appoint auditors and to fix their remuneration;

(5) To transact any other business that may be brought forward.

(6) As Special Business;

To consider and, if thought fit, to pass with or without modification the following Resolutions which will be proposed as Special Resolutions, namely:—

1. "That the regulations contained in the printed document submitted to this meeting and for the purposes of identification subscribed by the Chairman thereof be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles thereof."
2. "That with effect from the 1st January 1956 each Director other than a Director who holds the office of a Manager shall be paid out of the funds of the Company by way of remuneration for his service in attending Meetings of the Directors a fee of Rs. 200/- for each meeting attended by him. The Directors, other than a Director who holds the office of a Manager, shall also be entitled to receive a commission (to be divided between them in such manner as they shall from time to time unanimously determine) of 1% of the net profits of the Company (computed in the manner referred to in Sub-Section (1) of Section 198 of the Companies Act, 1956) in any financial year, the first payment of such commission to be made in respect of the financial year ended on the 31st December, 1956. The commission payable to the Directors shall continue to be payable for a period of five years from the 1st January, 1956 but may be renewed from time to time in accordance with the provisions of any statutory enactment from time to time in force and applicable thereof."
3. "That the contracts between your Company and the Managing Agents and associates of the Managing Agents be renewed subject to the provisions of the Companies Act, 1956. (Details contained in the printed Circular addressed to the Shareholders accompanied herewith."

The Share Transfer Books of the Company will remain closed from the 16th to 30th September, 1958, both days inclusive.

Shareholders are reminded that Dividend Warrants will be isued in the name of registered holders or their mandatees only and will be sent to their respective addresses as recorded in our books.

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

By Order of the Board,
For and on behalf of
B. N. ELIAS & CO., PRIVATE LTD.
N. B. ELIAS,
Director,
Managing Agents.

NORTON BUILDINGS,
1 & 2, Old Court House Corner,
Calcutta, 31st July, 1958.

TREASURY BILLS NOT WELL FANCIED

(*From Our Own Correspondent*)

BOMBAY, 10*th September*

The short-term money market has been easy but not easier than last week. In fact, since Monday, there has been a slight improvement in the demand for funds unaccompanied by any perceptible rise in the supply of funds. These changes, however, have been so slight that they have not made any difference either to the tone of the market or to the rates of interest. In both respects, the state of the market remains unchanged. The slight increase in the demand for money mentioned above is attributed to some extent to the new issue of Guest, Keen, Williams and also to good enquiries for bank credit in some mofussil centres.

In the inter-bank section day-to-day money stands at 2 per cent. with big banks and 2¼ per cent. with small banks. House money on call is not well favoured nowadays for reasons mentioned by us last week, but the rate for this deposit is still being quoted at 3¼-3¾ per cent. Term money for 1-6 months fetches 3¾-4 per cent. per annum.

The results of the Central Government's Treasury Bill borrowings this week show that the bills have failed to gain popularity to the vast majority of banks. They also reflect, albeit in a small way, the slightly less easier conditions in the money market. Thus, as against an invitation of Rs. 3 crores, the total amount offered was no more than Rs. 394.50 lakhs. This amount compares with Rs. 400.50 lakhs tendered in the previous week and Rs. 660.00 lakhs a fortnight before, the amount invited being only Rs. 3 crores in each week. The average rate of accepted tenders has also moved up from 2.518 per cent. per annum to 2.523 per cent. per annum. A fortnight ago the rate was 2.520 per cent. per annum. During the week under review tenders at Rs. 99.370 and above were accepted in full and those at Rs. 99.365 allotted approximately 55 per cent. Lower tenders were rejected. Apparently, due to the growing indications of the disinterestedness of the market in these bills, the authorities have reduced the tenders for the next week to Rs. 2 crores only.

A sharp increase of Rs. 19.89 crores in notes in circulation, and a fall of Rs. 11.65 crores in notes held in the Banking Department, resulting in a net increase of Rs. 8.23 crores in total notes issued, are the main features of the Reserve Bank's statement for the week ended 5th September 1958. The increase in total notes issued has been offset on the assets side by an increase of Rs. 15 crores in rupee securities and a fall of Rs. 5 crores in foreign securities and of Rs. 1.76 crore in rupee coins. In the Banking Department of the Bank, the Central Government's deposits are sharply down by Rs. 20.81 crores and are now no more than Rs. 52.23 crores. There has also been a fall in deposits of other Governments from Rs. 20.52 crores to Rs. 14.72 crores. Deposits of banks also are lower by Rs. 7.94 crores at Rs. 93.44 crores. Balances held abroad show a small rise of Rs. 1.16 crore, but, as foreign securities have dropped by Rs. 5 crores as just noted, the total foreign assets of India are lower by Rs. 3.84 crores at Rs. 182.21 crores.

Loans and advances to Government by the Reserve Bank, show a rise of Rs. 1.53 crore. Other loans and advances, too, have gone up by Rs. 3.48 crores. Of this increase, advances to Scheduled banks against usance bills alone have accounted for Rs. 2.61 crores. This increase in bankers' advances from the Reserve Bank as well as the drop in their deposits with the Bank, together with the marked expansion in notes in circulation, clearly show that in the past week itself there must have been a sizable demand for money. Investments of the Reserve Bank show a fall of Rs. 23.38 crores during the week under review. This is obviously due to the substantial sale of the two newly created Central Government loans.

The latest available statement of the Scheduled banks pertains to the week ended 29th August 1958. This shows, as compared with that for the previous week, relatively minor variations. Among the deposits, while there has been a small fall of Rs. 54 lakhs in demand deposits, a rise of Rs. 91 lakhs is shown in time deposits. Borrowings from banks of time nature as well as of demand nature are up to the tune of Rs. 1.21 crore in the aggregate. Advances in India are lower by Rs. 347 lakhs, but bills purchased, both inland and foreign, are higher by Rs. 25 lakhs. Consequently, total bank credit shows a contraction of Rs. 312 lakhs. Investments have moved up by Rs. 8.12 crores but total cash is smaller by Rs. 2 crores.

A steady trend prevails in the gilt-edged market. There are, however, signs of abatement of the strong bullish trend which characterised the trading in this market during the past few weeks. The demand for Central Government's loans is modest, while there is hardly any enquiry for the State Governments loans. There has no doubt been a further spurt in 3 per cent. 1986 Conversion Loan which closed today at Rs. 74.45, as against Rs. 73.75 a week ago. There has also been a rise of 50 nP over the week in 3 per cent. 1970-75. These increases are more due to shortage of scrips than to any substantial demand. The turnover in these two loans was much less than the one indicated by the rise in price. Among other Central Government loans, an increase of 10 nP is recorded in 2½ per cent. 1962 and 3 per cent. 1963-65 and a rise of 5 nP is shown in 2½ per cent. 1960, 3 per cent. 1966-68 and 4 per cent. 1960-70. 3½ per cent. 1963 actually shows a loss of 5 nP. 3½ per cent. 1967 and 3½ per cent. 1968—the two newly created Central Government issues—met with poor demand especially in the latter half of the week, following an increase of 5 nP and 10 nP respectively in the selling prices of the Reserve Bank. It is estimated that the total amount of these loans so far sold by the Bank is not more than Rs. 25 crores.

There have been practically no changes in the rates of State Government loans.

In the foreign exchange section of the money market, over the week, rupee-dollar rate shows an insignificant change, following a similar trend in the pound sterling *vis-a-vis* U.S. dollars. The banks' selling rate for ready dollars is unchanged at Rs. 477.75 per 100 dollars. But their buying rate is a shade higher at Rs. 474.50 per 100 dollars as against Rs. 474.25 a week ago. In the New York Exchange, spot sterling went down from $2.80¼-2.80.3/16 to $2.79⅞-2.79.15/16 during mid-week, but recovered during the last two days to stand at $2.80.5/32-2.80.7/32. Three months' forward moved in sympathy with spot. the closing rate at $2.79⅞-2.79.7/16, comparing with $2.79.11/32-2.79.13/32 last Wednesday.

BULLION RECEDES

(*From Our Own Correspondent*)

BOMBAY, 10*th September*

The bullion market had only three working sessions during the week under review, as it remained closed on the 5th, 6th and 9th inst. This brief period witnessed a setback to the prices of both the precious metals, thanks to apprehensions of Government interference in bullion trade, as well as heavy arrivals, especially of unrefined silver and contraband gold. The weakness of silver was also due to reports regarding payment of duty on 125,000 Tibetan coins and oilerings by local interests. There would have been a marked rise in values but for support at lower levels and enquiries induced by mounting tension in the Far East.

Forward silver (*Bhadrapad* settlement) was subjected to selling pressure and came down from Rs. 187-12 last week-end to Rs. 185-10 before finishing today at Rs. 186-6. The net loss over the week was Re. 1-6. *Asauyuj* delivery receded from Rs. 188-2 to Rs. 186-6. The carryforward rate to day was As. 4½-As. 5¼ against bulls.

Ready silver dropped Re. 1-9 over the week, today's closing rate being Rs. 185-11. The floating stocks of silver are estimated at 800 bars. The daily average arrivals were 18 bars, while offtake was 13 bars per day on an average.

Gold for forward delivery (*Bhadrapad* settlement), which stood at Rs. 108-2 on Wednesday last, declined to Rs. 107-5 today. Towards the close, however, it was better at Rs. 107-7. The net loss over the week was As. 11. The carry forward rate today was As. 9-As. 10 against bulls.

Ready gold encountered selling and moved down from Rs. 107-14 to Rs. 107-3 before closing at Rs. 107-7. The floating stocks of gold are reported to be 30,000 tolas. The daily average arrivals were 3,500 tolas while offtake was of the order of 2,700 tolas.

The price of spot silver in London which was standing at 75d. for some weeks now hardened to 75⅞d. yesterday—this rate was maintained today also—while that in New York was unchanged at 88⅛c. Gold prices in London firmed up further, from 250s. 6¼d. last week to 250s. 7¼d. today.

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

	10-9-58	Highest	Lowest	3-9-58
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	107 7	107 9	107 3	108 4
Forward*	107 7	107 15½	107 5	108 2
Sovereign	71 0	—	—	71 0
SILVER				
Ready (.996 fine Mint)	185 11	187 1	185 10	187 2
Forward†	186 6	187 11	186 5	187 12
London Silver Ready	75¼d.	—	—	75d.
London Forward	76d.	76d.	75½d.	74⅝d.
London Gold	250s. 7¼d.	250s. 7¼d.	250s. 6¼d.	250s. 6¼d.
New York Silver	88⅛c.	—	—	88⅝c.

* 29th September settlement.
† 30th September settlement.

GOOD DEMAND FOR BUFF

(*From Our Own Correspondent*)

KANPUR, 8*th September*

There was no development of import to the hides and skins market during the week under review. New arrivals were not as considerable as in the previous week. Demand for buff and high grade goat was particularly strong. The main purchasers were the local tanners headed by Messrs. Cooper Allens. Exporters, Madras dealers and the country tanners were lukewarm.

The latest available quotations are: Wet salted cow, 1st grade Rs. 360 to Rs. 380, 2nd grade Rs. 260 and 3rd grade Rs. 140 to Rs. 180 per score; wet salted buff, 1st grade 1 lb. 10 ozs. and 2nd grade 1 lb. 12 ozs. per rupee; goat, 1st grade Rs. 275 and 2nd grade Rs. 250 per 100 pieces; sheep, 1st grade Rs. 250 to Rs. 275 and 2nd grade Rs. 175 to Rs. 200 per 100 pieces.

LINSEED ADVANCES

(*Messrs. A. Bradley and Co.*)

CALCUTTA, 8*th Steptember*

Although there was very little business in the linseed market during the week to report, firm prices were maintained. In fact, advances were recorded for both seeds and oil. Fresh offers for seeds from the centres continued to be scarce, but deliveries against previous higher-priced purchases showed an increase. Crushers were operating on a very restricted scale, with producing costs still uneconomic. Oil business was confined to retail sales in the local market, where demand improved, owing to higher prices prevailing for mustard and groundnut oils.

The latest available quotations are: Ready Rs. 26-2 and September Rs. 26 per maund.

COTTON FUTURES DULL

(*From Our Own Correspondent*)

BOMBAY, 10*th September*

Dull conditions prevailed in the cotton futures market during the week under review. Values showed a sagging tendency in featureless trading. The none-too-bright textile outlook, the comfortable supply position of cotton and the prospect of a good crop discouraged support. Towards the close of the week, however, the market derived some strength from reports of excessive rains in parts of Punjab and Berar, threatening damage to the crop. The expectation that the Cotton Advisory Board, which is expected to meet on the 15th inst., to assess the exportable surplus and advise the Government on the export policy for the new season, will recommend immediate release for export of raw cotton in excess of the estimated requirement of mills and urge the abolition of the export tax of Rs. 50 per bale favourably affected sentiment. The brisk buying induced by these considerations led to a mild recovery in values yesterday and a part of the earlier loss was made good. The market maintained a steady undertone today.

I.C.C. Moglai Jarilla March 1959 opened the week lower at Rs. 665.50, as compared with the previous day's closing of Rs. 667.50, and declined to Rs. 663 on Monday. The market was closed on Friday as a mark of respect to the memory of the late Seth Piramal Chatrabhuj and also on Saturday on account of *Janmashtami*. The contract improved to Rs. 664.50 yesterday. Commencing at Rs. 662 today, it gathered Re. 1.75 before closing fractionally lower at Rs. 663.25. The trend of price of the contract is indicated below:

(In rupees per candy of 784 lbs.)

	10-9-58	*High*	*Low*	2-9-58
I.C.C. Moglai Jarilla (March 1959) ...	663.25	664.50	661	667.50

In the spot section, values ruled more or less steady. Mill demand was on a restricted scale. Good quality cotton continued to attract mill-buying. Surti, Kalyan, Rajapalayam and Vijay evoked attention. Jarilla came in for selling resulting in a fall in its quotation.

The export front was devoid of much activity. Some stray business was reported with Japan and Continental buyers. The Government of India has decided to add the unutilised balance of the export quotas for cotton issued during the last season for which the shipping period expired on 31st August 1958, to the current export quota for Bengal *Deshi* and for all varieties of cotton not above ¾" in staple (other than Bengal *Deshi*). The export quota of 30,000 bales of Bengal *Deshi* issued in August is thus increased to 35,300 bales and that of 40,000 bales of all varieties of cotton (other than Bengal *Deshi*) not above ¾" staple to 61,200 bales. The Government has also raised the export quota of 20,000 bales for all varieties of old cotton not above 25/32", issued in August to 30,000 bales. Cottons of the 1957-58 season not above 25/32" in staple length would qualify for export under this category.

In the foreign section, business was put through in East African varieties and Sudan. The individual import quotas received by mills against the recent quota of 40,000 bales of cotton of 1-1/16" staple and above and 30,000 bales of 1-3/16" staple and above from soft currency areas are said to be smaller than what was expected. This has naturally led to an automatic cancellation of part of their business done on "subject to licence" basis.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week's closing rates:

Bengal *Deshi*: 625 (620); Berar Jarilla 680 (685); Khandesh 750 (750); Vijay 865 (865); Hubli Laxmi 1,000 (1,010); Jaydhar 880 (890). *Delivery contracts*: Bengal 594 (594); Mathia 614 (615).

The cotton futures values in Karachi showed a declining trend during the week. The reduction in export duty led to an easing of values. Operators were in no mood to extend support. News of favourable weather and apprehension that India might abolish export levies on its cotton prompted selling which led to a setback in values. N.T.R.G. January, which had closed at Rs. 79-2-6, declined to Rs. 78-4-6 and the March position shed, over the week, As. 13 to Rs. 78-9-6.

The Alexandria cotton futures market ruled easy during the week under review, reflecting traders' disappointment that the duty reduction fell short of expectations. The feeling was that the cut of 2*d.* per lb. was not sufficient to make Egyptian cotton fully competitive with Sudan growths. Easy advices from the spot market and favourable crop news imparted further weakness to the market.

It is reported that the Egyptian Government has decided to keep the minimum prices guaranteed for the new crop unchanged at last season's level. The minimum prices are (in tallaris per cantar) Karnak Good/Fully Good 69; Menufi Good/Fully Good 64; Giza 30 Good 59; Ashmouni Good 55; Dendera Good 57. Dendera cotton has been included in the new crop list since it is now tenderable against medium staple futures contracts.

The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: November 72.45 (74.65); January 72.55 (75.00). *Ashmouni*: October 66.05 (66.65); December 65.90 (66.65).

Quiet conditions prevailed in Liverpool during the week. Prices tended to decline in slow dealings. The continued absence of any signs of reco-

very in the textile trade and the prospects of a larger cotton crop in the U.S. which the Department of Agriculture, in its September estimate published on Monday, placed at 12.1 million bales as compared with 11.5 million bales forecast a month ago, led to an easing of values. Both the American and American type contracts declined under pressure of selling. The Sudan contracts also ruled easy. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week-end quotations:

American cotton one inch staple contract: October-November 23.55 (23.75); December-January 23.55 (23.75); March-April 23.50 (23.80); May-June 23.45 (23.78). *American cotton mixed growths contract*: October-November 23.95 (24.20); December-January 23.90 (24.25); March-April 23.85 (24.30); May-June 22.95 (24.20). *Sudan*: September-October, November-December, January-February 29.75 (30.00).

In its estimate, released on 8th September, the U.S. Department of Agriculture forecast a crop of 12.1 million bales of 500 lbs. in the new season. This compares with the 11.5 million bales forecast a month ago and the harvested crop of 10.9 million bales last season. The yield per acre was estimated at 486 lbs., as against 466 lbs. forecast last month and the final yield of 388 lbs. last season.

Trading in the New York cotton market earlier in the week was dull as the operators were awaiting the official crop report. The official estimate of the crop was higher than trade expectations. The average of the estimate of 67 members of the New York Cotton Exchange worked out to only 11.8 million bales. The higher official forecast resulted in an immediate decline in values. But the market advanced soon after on fresh buying with the result that the week's closing rates are a shade higher than last week-end quotations.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	9-9-58	2-9-58	26-8-58
Spot	36.15	36.20	36.30
October	35.39	35.25	35.35
December	35.83	35.59	35.70
March	36.30	35.98	36.00

CONTROL ON STAPLE FIBRE

(From Our Own Correspondent)

BOMBAY, *10th September*

Of much significance to the yarn trade is the clamping down of control on the acquisition, distribution and prices of staple fibre announced yesterday by the Union Ministry of Commerce and Industry. Accordingly, every producer of staple fibre is required to furnish to the Textile Commissioner within a week information regarding the quantity and description of staple fibre held by him as on the 9th inst., as also stocks sold by him during the period from 1st January 1958 to the aforesaid date. In addition, the producer is required to give details of prices at which the sales were made and the names of purchasers to whom such sales were effected. No person can acquire staple fibre from a producer except under a permit issued by the Textile Commissioner. The permit scheme makes it obligatory on the part of producers to sell staple fibre produced or held by them in stock only to permit holders and that at the price stipulated in the schedule attached to the order.

The above move of the Government seems to have had no effect on the market. Excepting that the control would ensure equitable distribution of yarn, it would not, it is felt, improve the position in respect of supplies which continue to be short. The indigenous production of fibre is running at an annual rate of 14,400 tons, as against the estimated demand of 21,600 tons. In fact, apprehensions are expressed that the unofficial prices of staple fibre may be much higher than those fixed. It is, therefore, urged that, unless the Government grants adequate licences for import of essential raw materials such as wood-pulp, caustic soda and sulphur required for the manufacture of staple fibre, prices of fibre and, consequently, yarn cannot be brought down. Meanwhile, traders are anxious to know whether permits will be issued to composite mills as well, although reports suggest that the Textile Commissioner will give priority to about 10 or 12 mills which spin only staple fibre yarn.

Dull conditions prevailed in the yarn market during the week. Reports from important consuming centres indicated slackness in demand due to unsatisfactory offtake of cloth and accumulations of stocks. Art silk yarn was quiet, as advices from piecegoods market were not encouraging and arrivals of imported yarn were slightly larger. The total imports of art silk yarn into Bombay port during August 1958 were 1.91 million lbs., as against 1.48 million lbs. in the previous month and 1.33 million lbs. two months before. Cotton yarns, as usual, lacked support.

Staple fibre yarns (40x2) October delivery evoked some support and gathered Rs. 5 to Rs. 714. Spot yarns encountered selling. 40x2 Citys receded by 6 nP to Rs. 3.81. Kohinoors retreated by 5 nP to Rs. 3.94. Centurys lost 3 nP to Rs. 3.78. Foreign yarns were quiet, Paramounts being quoted at Rs. 9.50 and Fujis at Rs. 9.50.

In the art silk yarn section, 120 Japan declined by 3 nP to Rs. 5.97. 120 Italy receded by 7 nP to Rs. 6.37. 150 Japan was quiet at Rs. 6.44. 150 Italy, however, put on 6 nP to Rs. 6.50. Among indigenous yarns, National Rayons 120 bright cones first grade climbed up by 18 nP to Rs. 6.12.

Cotton yarns were dull. Ten counts Moderns were neglected at Rs. 13.25, as also Podars at Rs. 12.37. Among twenty counts Gokaks receded by 12 nP to Rs. 16.50. Indus were stagnant at Rs. 16.62, Moderns gained 13 nP to Rs. 16.75. Thirty counts Hinds put on 13 nP to Rs. 19.75. Among forty counts, Minaxis changed hands at Rs. 25.25, and Moderns at Rs. 25.25, same as last week. Sixty counts Finlays were on offer at Rs. 58. Eighty counts were neglected, Mahendras being quoted at Rs. 71.50, Moderns at Rs. 71.50 and Finlays at Rs. 78.

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

	10-9-1958	3-9-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	5.97	6.00
150 Japan (per lb.)	6.44	6.44
120 Italy (per lb.)	6.37	6.44
150 Italy (per lb.)	6.50	6.44
Staple fibre yarn (per case of 200 lbs.)—		
40×2 October	714.00	709.00
40×2 Kohinoor (per lb.)	3.94	3.99
40×2 City (per lb.)	3.81	3.87
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.37	12.37
20s Modern	16.75	16.62
30s Hind	19.75	19.62
40s Minaxi	25.25	25.25
60s Finlay	58.00	58.00
80s Mahendra	71.50	71.50

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, *10th September*

The firm trend noted in the oilseeds market last week continued unabated during the week under review. Buying fervour was well sustained, thanks to rumours of fresh export quota for seeds and oils. The castorseed section ruled active. Supplies of contracts were scarce, thanks to holding up of stocks by Ahmedabad traders as well as a few Stock Exchange operators. The bulls asserted themselves and applied *teji* option, while some bears were trying to cover their sales in view of the rising tendency in prices and the political tension in the Far East. Groundnuts also presented a firm trend, owing to excellent purchases in groundnuts and oils by *vanaspati* manufacturers. Linseed was also firm, following continued short-covering. Cottonseeds were well supported and prices tended to move up. The undertone of the market was distinctly firm.

Groundnut February 1959 contract, which stood at Rs. 165.62 last week-end, spurted to touch Rs. 167.75 today. Bold ready forged ahead from Rs. 39 to Rs. 41. Coromandel moved up from Rs. 39.75 to Rs. 41.25 Khandesh quality was done at Rs. 41.25 today, as against Rs. 39.50 last week. Groundnut oil ex-mill evoked very good buying support and hardened by 62 nP to Rs. 21.37. Railway receipt strengthened by a like amount to Rs. 21.12.

Castorseed September 1958 contract moved up from Rs. 158.75 to Rs. 160. May 1959 contract registered a gain of Re. 1.37 to Rs. 159.62. Ready Madras gathered 13 nP to Rs. 32. Kanpur quality rose by 15 nP to Rs. 30.75. Castor oil B.S.S. picked up 19 nP to Rs. 17.75. Commercial quality gathered 13 nP to Rs. 16.25.

Linseed September 1958 contract found buyers today at Rs. 33.50, as against Rs. 32.12 last week. May 1959 contract was done at Rs. 32.62, the quotation for last week-end being Rs. 32.37. Bold ready improved by 25 nP to Rs. 33.37. Linseed oil put on 31 nP to Rs. 17.62.

Cottonseed September 1958 contract received excellent support and rallied Rs. 4.50 to Rs. 126. February 1959 contract gathered 25 nP to Rs. 105.75.

Among other seeds, kardiseed bold ready was better by 50 nP at Rs. 22. Nigerseed Madras quality advanced from Rs. 34 to Rs. 34.75 before finishing at Rs. 34.

The following table shows the closing prices of oilseeds and oils today as compared with those a week and two weeks before:

	10-9-1958	3-9-1958	27-8-1958
	Rs.	Rs.	Rs.
Groundnut—			
August 1958	—	203.00§	200.50
Feb. 1959	167.75	165.62	163.37
Bold ready (per cwt.)	41.00	39.00	40.00
Linseed—			
Sept. 1958	33.50	33.12	32.50
May 1959	32.62	32.37	32.00
Bold ready (per cwt.)	33.37	33.12	32.00
Castorseed—			
Sept. 1958	160.00	158.75	152.75
May 1959	159.62	158.25	152.50
Madras (per cwt.)	32.00	31.87	30.62
Cottonseed—			
Sept. 1958	126.00	121.50	121.00
Sept. 1959	105.75	105.50	103.00
*Groundnut oil**—			
Ex-mill ready (per quarter) ..	21.37	20.75	20.50
Castor oil†—			
Commercial (per quarter) ..	16.25	16.12	15.62
Linseed oil†—			
Ready	17.62	17.31	16.87

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
§ 30th August 1958.

BLACK PEPPER FULLY STEADY

(Messrs. Parekh & Co.)

BOMBAY, *10th September*

Malabar black pepper ruled very steady during the week. Higher counter offers from New York and tension in the Formosa Strait proved a supporting factor. After buying at about $0.25¼, New York was reported to be offering at $0.25¾, but Indian sellers were unwilling to meet anything less than $0.26¼. As a result, no business was reported.

Singapore also remained very steady, arrivals from both Sarawak and Telok Betong being poor. As Djakarta was offering Lampong black pepper at competitive price, the buyers were said to be neglecting both Singapore and Djakarta. But there being no regular shipping facilities, etc., from Telok Betong or from Djakarta, immediate requirements of the U.S.A. could only be met either by India or by Singapore. Consequently, exporters in India expected broadening of inquiries from overseas some time during the next fortnight. So far, Formosan trouble appeared to have unaffected New York market where prices failed to improve as anticipated earlier.

It is reported that the American Conference Line has reduced its freight from $91.50 to $80.50 with effect from 22nd August 1958.

Ungarbled at Alleppey and Cochin ruled steady at Rs. 625, while Calicut was quoting Rs. 640-Rs. 650. There were narrow fluctuations in the forward market at Cochin with undertone very steady. Ready was quoted at Rs. 107.50, while October and December hovered round Rs. 110 and Rs. 105, respectively.

In specific delivery, most of the business comprised of switching from September to October.

A.S.T.A. was neglected and was quoting $0.26 for September nominally.

Today's nominal quotations are: Ready delivery Rs. 82 per Bengal maund; September Rs. 570.80; October Rs. 580.90 per candy of 5¼ cwts.

SUGAR RISES FURTHER

(From Our Own Correspondents)

BOMBAY, *10th September*

The sugar market continued to rule firm during the week under review. The ex-mill quotations for Bombay-Deccan sugar were raised by about 50 nP per bag. Demand from Malabar and South Indian sides was quite good, while arrivals were not much, being only 9,000 bags. This quantity is of course, larger than the 3,900 bags received in the previous week but considerably short of the current demand. In view of this and following the delay in the issue of normal monthly release, sugar met with support at higher level.

Large grain advanced by a rupee to Rs. 109-Rs. 117 per bag. Medium grain rose by 50 nP to Rs. 106.50-Rs. 108. Small grain gained a like amount to Rs. 105.50.

* * * *

HAPUR, *8th September*

Absence of ready demand accounted for quiet conditions in the sugar market during the week. Modest business was done for Punjab and Gujerat, while other consuming centres displayed little interest. The supply position was reported to be satisfactory.

Quiet conditions were also witnessed in the Muzaffarnagar sugar market. While some business was reported for Saurashtra, demand from other consuming centres was dormant. Small crystal prices, which had earlier declined by 19 nP to 44 nP per maund below the Government controlled prices, improved later by 12 nP per maund. Business was done by the following factories at the prices against them (ex-mill delivery wholesale):—Khatauli (A29) Rs. 37.75; Deoband (C29) Rs. 36.36; Iqbalpur (A29) Rs. 37.75; Mansurpur (B29) Rs. 37.12; Shamli (C29) Rs. 36.37; Amroha (D29) Rs. 35.69; Bijnore (E29) Rs. 35.56; Dhampur (D29) Rs. 35.62.

Sugar prices at Kanpur were quiet. The latest prices per bag were: (C29) Basti Rs. 103-8; Gola Rs. 102-8; Burhwal Rs. 101-12; Waltergunj Rs. 101-4; Lakhimpur Rs. 101; Hargaon Rs. 101; Balrampur Rs. 101.4; Tulsipur Rs. 101-4.

Khandsari ruled quietly steady. Demand was reported to be slack. Prices ranged between Rs. 33 and Rs. 36 per maund according to quality.

Dry *gur* stocks had been exhausted and small arrivals from producing areas were lifted up at Rs. 22.50 per maund, while local stocks, now put at 24,000 maunds, were mostly of *kotha* dry-wet quality which was being transacted at Rs. 19.37 per maund. Outside demand was slack and stockists were reported to be anxious to sell their stocks before the advent of new quality *gur* early next month. The conditions of the standing cane crops were reported to be fairly good, due to occasional heavy rains. Demand for ready *gur* was slack in the Muzaffarnagar market. While *chaku* dry prices remained unchanged, *chaku kotha* and *pan sera* eased fractionally to Rs. 21.75 and Rs. 19.50 per maund, respectively. *Chaku* dry and *pansera* were quoted at Rs. 23.25 and Rs. 20 per maund. *Shakker* was not quoted, as its stocks were almost nil. *Khandsari* remained unchanged at Rs. 33 to Rs. 36 per maund according to quality.

Future *gur* ruled quietly firm on continued bull support. *Fagun* delivery opened at Rs. 14.07 last Monday, touched the highest of the week at Rs. 14.24 and was quoted at Rs. 14.17 on Saturday.

TEA STRONG

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, *4th September*

The first of the fortnightly sales—Sale No. 27—was held on Tuesday, the 2nd inst. The sale contained 1,146,674 lbs. High-grown teas showed a further marked improvement in quality, with some really flavoury invoices on offer from the Nilgiri district. The appearance of teas from other districts was satisfactory. The sale opened to a good demand, but this became somewhat irregular as the sale progressed. Low medium teas showed no change and were fully firm on last week's sale. Medium teas were stronger and advanced by 10 nP, and good mediums met with useful support and were dearer by 5 to 20 nP. Best liquoring teas were very strong and dearer, and

these descriptions advanced by as much as 80 nP in some cases. Whole leaf teas were easier.

The quotations were: Low medium Re. 1.50 to 1.65; medium Re. 1.75 to 1.95; good medium Rs. 2.00 to 2.25 and quality Rs. 2.35 to 4.25.

London Market.—Sale of 1st September 1958: There was improved demand for all kinds.

Sale of 2nd September 1958: Firm to dearer.

Colombo Market.—Sale of 1st September 1958: Fresher selection active demand. Mediums and highgrowns 20 cents dearer. Best UVAS irregular. Following quality Middle East types 10 cents lower.

Sale of 2nd September 1958: Stalky broken mixed and powdery dusts lower. Better sorts strong demand. Improved quality UVAS dearer.

Calcutta Market.—Export: Less general demand. Commons 4 to 8 nP lower. Orthodox Assam B.O.Ps. eased by 10 to 20 nP C.T.C. apart from best sold 20 to 30 nP below valuations and were the weakest features. Darjeelings and tippy teas sold well at easier rates.

Internal.—21,000 packages. Dust strong demand. Powdery types strongest feature, generally dearer. Exportable C.T.Cs easier. Other types steady. 850 packages internal sold at around valuation.

Export duty.—The Government of India has issued a notification fixing the price of tea, for the purpose of determining the export duty at Rs. 3.09 per pound, as against Rs. 2.88 per pound in force from 1st August 1958. There is no change in the existing rate of duty of 38 nP per pound.

Export Quota.—The market remained steady during the week, and business was registered at 9 to 9¼ nP. Today's quotation was, however, sellers 9¼ nP and buyers 8¼ nP.

Forthcoming Auctions.—Dust Sale 'S' will be held on Thursday, the 11th inst.

EXPORT TEAS WELL SUPPORTED

(From Our Own Correspondent)

CALCUTTA, *9th September*

Although there was good demand during yesterday's export sales, prices realised were unimpressive. The same trend developed in the last week's internal sales too. The rise in U.K. stocks of tea to 97 million lbs. in the week ended 29th August from 95 million lbs. in the previous week was noted, but no reaction to this report was caused here, in view of the extremely steady conditions in last week's auctions in Mincing Lane, attributed to attractive prices touched in the dullness of recent weeks.

According to the preliminary estimates for the month of August, the North Indian tea output registered a rise as compared with August last year and, naturally, anxiety about disposal of the growing common tea stocks was increasing. It is believed that tea despatches from several gardens to Calcutta are held up, owing to shortage of wagons and also to floods affecting tea movements from gardens to rail-heads. It is, therefore, expected that, when once the floods receded, arrivals, especially of commons, would increase and might affect prices further. Meanwhile, reports of financial difficulties being faced by some gardens on account of the very low prices being realised by them for common quality teas are causing anxiety. These gardens are also finding difficulty to obtain credit. Regarding quality teas, the U.S.S.R. is now an active buyer, and no difficulty is anticipated in the timely disposal of such teas. Tea trade circles are surprised at the delay in the expected announcement of cancellation of the export duty on common teas especially after the Commerce Minister, Mr. Lal Bahadur Sastri, unreservedly accepted, while addressing the recent planters' conference at Coonoor, the unfairness of common teas selling at half the price of quality teas being subjected to the same duty as quality tea.

Dusts offered in last week's internal auctions amounted to 20,886 chests. Demand was good, Darjeelings being the strong feature. Commons and orthodox Assams were bid at firm rates, and these lots possessing useful liquoring powders were keenly bid. In C.T.C. Assams, mediums met with competition, but liquoring teas declined. Quotations—in rupees per lb.—with those of the previous week in brackets, were: Best Assam C.T.C. 2.50 to 2.75 (2.50 to 2.80); medium Assam C.T.C. 2.20 to 2.40 (same); medium Assams grainy dust 1.74 to 1.78 (1.74 to 1.76); and medium Dooars 1.72 to 1.74 (same).

In strong general demand, prices in Chittagong's sale No. 7 held on 3rd September improved by an anna to two. Offerings amounted to 13,140 chests leaf, 2,655 chests dust and a supplement of 130 chests. In leaf grades, best liquoring teas were buoyant but tippy teas occasionally lost to sell below valuations. Legg cut teas were fully steady and quoting Rs. 2-11-6. In green teas, offerings aggregated 888 chests. Fannings eased by an anna to two annas but the polished grades advanced. The rates—in rupees per lb.—were: O.P. 2-15-6; Pek. 2-13-6; O.F. 2-13; B.O.P. 2-10-6; P.F. 2-9 to 2-9-6; B.P.S. 2-8-6 to 2-9; and B.P. 2-8.

The 17th September is the date fixed for sale No. 8.

During yesterday's sale, 62,411 chests were offered for export. Although demand was good, prices were irregular, often tending to be easier. A good portion of the C.T.C. teas on offer had to be withdrawn. The price eased by 30 to 50 nP. On the other hand, teas for price advanced and provided a strong feature. Plain liquoring brokens were firm, but similar fannings eased. A steady tendency was maintained in orthodox Assam and Dooars, B.O.Ps and O.Fs possessing bright liquors, while the lots with ordinary liquors eased by 20 nP. Legg cut teas gave way by 5 to 10 nP. Whole leaf grades were in good demand, but, in consonance with the general trend, the price, especially of the higher-priced lots, eased. Tippy teas were irregular in good demand. Darjeelings eased, although there were keen enquiries. The quotations with those of last week in brackets were: best Assam C.T.C. fannings Rs. 3.20 to 3.40 (2.50 to 3.80); best Assam C.T.C. B.P. Rs. 2.90 to 3.10 (3.20 to 3.40); clean black pekoe Rs. 2.05 to 2.10 (same); medium B.P. Re. 1.85 to 1.95 (same); plain fannings Re. 1.76 to 1.84 (1.85 to 1.95); and plain B.P. Re. 1.70 to 1.74 (1.68 to 1.72).

Export quota changed hands at 8¾ nP before losing to 8¼ nP.

RUSSIA BUYS HESSIAN CLOTH AND BAGS

(From Our Own Correspondent)

CALCUTTA, *9th September*

Quiet conditions were in evidence in both the raw jute and jute goods markets during the week under review. A notable development was the interest shown in hessian by the Russian Government. In fact, a deal in hessian cloth and bags for delivery before January was put through with the U.S.S.R. More deals were anticipated and this expectation led to a small recovery in hessian prices. Although American interest continued to be small, it was believed that American buyers would show greater interest in the near future, in view of higher consumption of burlap and decline in burlap stocks. However, reports from New York continued to be dull, but it was stated that the revival of industrial activity in autumn would lead to more orders from bag manufacturers. Nevertheless, the dull conditions here and the lack of stability in prices were factors which were making foreign buyers cautious. Viewed thus, this week's depression in the futures market was causing concern.

Some amount of buying was also done on account of Australia and the Continent in sacking goods. Covering business soon followed and more interest was anticipated. Judging from shipment figures, it was difficult to see how an increase in stocks at the end of last month could be avoided. For, upto 25th August, hessian shipped was 10,000 tons lower at 23,000 tons, and sacking was 20,000 tons, as against 21,000 tons. Discounting for this factor was also a cause for this week's lower trend, as there was no ground to believe that there had been an increase in internal buying. In the meantime, the reduction of £5 a ton in jute yarn and cloth prices in Dundee was noted here and was attributed to increasing competition in world markets. It was clearly seen that, unless Pakistan adopted a more reasonable price policy in regard to raw jute, that country's export trade in raw jute could receive a severe jolt. Pakistan's raw jute exports in the year ended June last fell by as much as 1.2 million bales, and this was due to the high prices charged. It was felt here that official expectations of lower crop would not lead to an increase in interest regardless of the price. For, with high labour charges and exorbitant prices for raw jute, Continental mills are faced with serious problems Dundee interests would be only too glad if India again commenced exporting raw jute, even in small quantities. However, the time has not yet come for India to do so, although this year's crop would see India entirely self-sufficient. Lower prices for raw jute in Pakistan are not, of course, to the interests of Indian jute goods abroad. However, India's foreign trade policy being one of looking out for long-term benefits rather than short-term on thin grounds, market circles feel that India will have permitted token quantities of raw jute to be exported if only there is clear proof of some surplus.

It is known here that all was not well with the Pakistani jute mills industry also. Although these mills possess more up-to-date machinery than India and can get better quality raw jute, they are yet unable to compete with Indian mills. They do not appear to have established production techniques and are handicapped with inexperienced labour. No doubt, Pakistani mills have exported token quantities of goods, but these instances are mainly directed to frighten India of the forthcoming (proved unreal) competition from Pakistan and do not reflect the true state of affairs of the mill industry there. It is reported that the biggest producing unit in Pakistan, Adamjee Jute Mills, incurred a loss of Rs. 93 lakhs in the accounting year ended December 1957.

On Tuesday last, the markets opened steady and, in heavy goods, business took place on both Australian and Continental accounts for near delivery positions. The price of ready B. twills was firm at Rs. 96.75 and of hessian 40" 10 oz. at Rs. 41.25. However, prices were soon affected on account of selling pressure in the futures market, where November hessian 40" 10 oz. declined from Rs. 40 to Rs. 39.06, November B. twills from Rs. 98.15 to Rs. 97.55 and December upper Assam white bottoms from Rs. 23.88 to Rs. 23.56. Reflecting this declining trend in futures, ready hessian 40" 10 oz. lost to Rs. 40.90 on Wednesday and B. twills to Rs. 96.40. Selling pressure in futures continued and, on Thursday, B. twills lost further to Rs. 96.20, while the fractional improvement of ready hessian 40" 10 oz. to Rs. 41 was nominal in character in the absence of business. The market was closed on Friday on account of *Janmashtami*, but, on Saturday, the reported Russian deal in hessian cloth and bags imparted a better trend to push up ready hessian 40" 10 oz. to Rs. 41.25. In sympathy, ready B. twills at Rs. 96.90 added a fractional improvement. There was no development in the market to change the dull conditions, and ready hessian 40" 10 oz. sagged to Rs. 40.80. In heavy goods, the Continent continued to show some interest reflecting which ready B. twills improved to Rs. 97.40.

At one time, rumours of damage to crop on account of floods were strong, but these lacked basis. However, transport on aecount of floods had been affected, although so far rains in West Bengal had been below normal. Reports of good harvest continued to emanate from jute districts and growers feared that, if the present recession continued, prices would soon reach uneconomic levels, especially when the rise in prices of food items and other essential commodities continued unabated. Assam northern bottoms opened at Rs. 24 and, after giving way to Rs. 23.75, recovered to close at Rs. 24.25. The recession in the goods markets naturally caused anxiety to raw jute stockists, and offers were not meeting with response.

The latest quotations for September-October delivery of the 1958-59 crop are:

	Middles	*Bottoms*
	Rs.	Rs.
Pakistani:		
District	29.50	26.50
Northern	29.50	26.50
Indian:		
Northern	26.75	24.25
Assam	26.75	24.25
Orissa	29.25	26.75
Desal	25.75	23.25
Murshidabad	24.50	22.00
Jungli	23.75	21.25
Orissa	29.50	27.00
Uttar Pradesh ...	23.75	21.25
Daissee mesta ...	24.75	22.25
Bimli f.a.q.		Rs. 21.25
Pucca bales ...	Rs. 155.00 per bale ready	

TIN AND LEAD EASY

(From Our Own Correspondent)

CALCUTTA, *9th September*

Although the Commerce and Industry Minister, Mr. Lal Bahadur Shastri's indication, when he addressed the Import Advisory Council at New Delhi recently, that he could hold out no prospect for liberalisation of the import policy, it was hoped here that, in view of the chances of increased earnings from export following the decontrol of about 200 items for purposes of export, as also of the country's success in getting foreign financial aid to the tune of $350 million, there would be more provision for import of metals in the import policy to be announced by the middle of next month. The quiet trend during the week under review was attributed to such an expectation.

Regardless of the upward trend in the Singapore market, tin gave way to Rs. 564, after opening at Rs. 566. Demand was dull. At Rs. 68, lead eased by 50 nP and Chinese tin was available at a discount. Some fresh imports were received and this led to selling pressure. Although there was little demand, electrolytic zinc gained to Rs. 68 from Rs. 67. The improvement was attributed to bazar considerations. It was noted that, on the London Metal Exchange, copper was moving up on account of demand from West Germany and Russia.

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FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, *8th September*

Quiet conditions prevailed in the foodgrains market during the week. The beginning of new *kharif* crop grain maize arrivals into the market and the various measures taken by the Union Government, including the total ban on export of foodgrains from the State, were the main influencing factors. Prices of foodgrains are likely to run down after some weeks when *kharif* grain arrivals will increase in the markets. Barring a few west U.P. districts where *kharif* crop has suffered from excessive rains, the general prospects for this crop are reported to be fair all over U.P.

Wheat prices were now quoted slightly lower than the best levels of the season at Rs. 22.75 per maund for average quality and Rs. 24 for farm produce. Daily arrivals from producing areas continued to be small, at an average of 50 maunds, but supplies were occasionally supplemented by unauthorised arrivals from the Punjab. Fair price shops continued to sell 100 maunds of wheat daily at 2 seers 10 chattaks per rupee. A heavy quantity of rice was reaching east U.P. from Calcutta, while wheat from Central reserves was being sent to Bihar by special trains. The local stock of wheat with the trade was put at one *khatti*, besides some quantity stored in bags which had not been registered with the local chambers.

Rice ruled quiet, thanks to better supply position and the ban imposed on movement outside the State. *Basmati* was quoted at Rs. 40 to Rs. 41.75, mainpuri at Rs. 30 and coarse quality at Rs. 26.50 per maund.

Gram continued steady on Punjab advices. The local stock ran down by one *khatti* during the week to 29 *khatties*. Arrivals of new maize had begun in small quantity, but the quality was poor. Barley and *bejhar* eased slightly, while other coarse grains were quiet during the week. The week-end prices (in rupees per maund) were: Gram Punjabi 16.75; barley 16; *bejhar* 15.50; maize new 16.25; *jowar* 13 to 15; *guwar* 14.75.

Good outside demand, coupled with lack of restrictions on export outside the State, accounted for slight gains in the prices of peas during the week. The local stock ran down by three *khatties* during the week to 92 *khatties*. Demand for *arhar* was dormant and some despatches were made during the week on previous commitments. Other pulses stayed steady. The week-end prices as on Monday were:—Peas *dara* Rs. 15.12; *khatti* Rs. 14.87; farm quality Rs. 16; peas *dal* Rs. 17; *arhar* Rs. 18.37; *khatti* Rs. 18.25; *arhar dal* Rs. 23.50; *urd* Rs. 18.75 to Rs. 19.25; *moong* Rs. 25; *massor* Rs. 16 to Rs. 18.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 5th September 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	52,23,97,000
(2) Other Governments	14,71,63,000
(b) Banks	93,44,38,000
(c) Others	113,55,75,000
Bills Payable	14,74,91,000
Other Liabilities	10,86,95,000
Rupees	412,57,59,000

ASSETS	Rs.
Notes	11,63,36,000
Rupee Coin	2,32,000
Subsidiary Coin	3,08,000
Bills Purchased and Discounted—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	4,28,01,000
Balances held abroad*	13,60,38,000
Loans and Advances to Governments	14,42,85,000
Other Loans and Advances	53,51,34,000
Investments	305,03,32,000
Other Assets	9,02,93,000
Rupees	412,57,59,000

* Includes Cash and Short-term Securities.

The item "Other Loans and Advances" includes Rs. 4,52,00,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,63,36,000	
Notes in circulation	1541,69,61,000	
Total Notes issued		1553,32,97,000
Total Liabilities		1553,32,97,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	.....	
Foreign Securities	169,67,56,000	
Total of A		287,43,59,000
B. Rupee Coin		136,50,73,000
Government of India Rupee Securities		1129,38,65,000
Internal Bills of Exchange and other commercial paper		.....
Total Assets		1553,32,97,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	29th August, 1958	A week ago	A month ago	A year ago B
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1521.80	1530.01	1539.91	1470.63
Notes held in Banking Department	35.05	23.29	28.98	22.41	43.20
Foreign Securities	59.50	174.68	179.86	179.68	360.52
Rupee Securities	87.89	1114.39	1124.32	1129.26	901.97
Banking Department					
Deposits of :					
Government of India	14.89	73.06	62.69	60.25	54.35
Other Governments	....	20.52	25.31	24.40	8.19
Balances held abroad	10.08	12.54	10.10	13.06	19.34
SCHEDULED BANKS					
Demand Liabilities	134.86	746.88 (26.69)†	747.28 (26.55)†	752.67 (31.70)†	713.54 (10.37)†
Time Liabilities	102.24	857.95 (39.64)†	855.96 (38.56)†	847.11 (38.04)†	597.03 (6.16)†
Borrowings from Reserve Bank	..	2.71 (1.91)‡	2.59 (1.93)‡	9.24 (6.94)‡	40.27 (35.23)‡
Borrowings from State Bank	..	3.46	3.77	4.65	3.65
Cash in India	6.70	88.80	87.77	87.76	88.66
Balances with Reserve Bank	25.17	98.05	101.09	104.34	100.05
Excess over statutory limits	15.52	43.55	46.61	49.77	52.44
Balances with other banks in current account in India	..	12.86	12.71	12.47	10.19
Money at call and short notice in India	..	55.84	55.06	61.05	31.02
Investments (at book value)	..	571.99	563.87	541.03	369.61
Advances and bills	105.09	856.40	859.62	883.09	852.49
STATE BANKS					
Deposits	87.76	437.83	438.14	441.36	341.07
Investments	51.99	240.06	237.98	227.46	134.96
Advances	50.35	166.24	168.46	173.94	159.23
Cash	14.59	45.65	44.32	54.38	62.01

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1955	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	15th June, 1954	3	2½
Chile	7th May, 1957	4½	6
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	15th Aug., 1958	5	4½
Equador	18th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	12th Aug., 1957	4	5
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	30th Sept., 1957	5	6
Italy	7th June, 1958	4	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1956	2½	3½
Pakistan	1st July, 1948	..	3
Peru	18th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1946	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	14th Aug., 1958	5	4½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	18th April, 1958	2½	1½
West Germany	27th June, 1958	3½	3

State Bank of India

Statement of Affairs for the week ended 5th September 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		433,23,60,000
Borrowings from Other Banking Companies, Agents, etc.		47,73,000
Bills Payable		.....
Bills for Collection being Bills Receivable as per contra		6,62,96,000
Acceptances, Endorsements and Other Obligations per contra		1,05,83,000
Other Liabilities (including Inter-Office Adjustments)		1,19,19,000
		9,22,14,000
Total Rs.		463 58,72,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		37,46,92,000
Balances with other Banks		2,67,42,000
Money at Call and Short Notice		2,06,67,000
INVESTMENTS : Rs.		
Government and other Trustee Securities 229,06,35,000		
Other Authorised Investments 11,05,96,000		
		240,12,31,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc. 154,52,94,000		
Bills Discounted and Purchased 10,42,62,000		
		164,95,56,000
Bills Receivable being Bills for Collection as per contra		1,05,83,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,19,19,000
Premises less Depreciation		1,20,69,000
Furniture and Fixtures less Depreciation		99,69,000
Other Assets (including Inter-Office Adjustments).		11,84,44,000
Total Rs.		463,58,72,000

Scheduled Banks*

Statement of Affairs for the week ended 29th Aug., 1958

	Rs.	Rs.
Demand Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		26,69,41,000
(ii) Other demand liabilities		720,18,46,000
Time Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		39,63,53,000
(ii) Other time liabilities		818,31,27,000
Borrowings in India from the State Bank and/or a notified bank :		
(i) Demand liabilities		3,24,52,000
(ii) Time liabilities		21,43,000
Borrowings in India from the Reserve Bank of India†		2,71,25,000 (1,91,00,000)
Cash in India		38,80,07,000
Balances with the Reserve Bank in India		98,04,84,000
Balances with other banks in current account in India		12,36,33,000
Money at call and short notice in India		55,83,51,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		571,98,77,000
Advances in India		723,60,88,000
Inland Bills purchased and discounted in India		83,65,20,000
Foreign Bills purchased and discounted in India		39,13,71,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE OF GOVERNMENT OF INDIA

(In crores of rupees)

	March		Twelve months, April to March	
	1957	1958	1956-57	1957-58
Import Duties :				
Revenue	14.42	9.84	130 49	138 00
Protective	1.06	1.49	12.55	11.72
On surplus disposals	0.02	....	0.14	0.08
Total import duties	15.50	11.33	143 18	149.77
Export Duties	1.69	1.49	30.07	24.31
Land Customs	0.89	0.14	2.66	3.71
*Air Customs**	....	0.07	....	2.02
Miscellaneous	0.09	0.14	1.13	1.38
Gross Total Customs	17.67	13.08	177.04	181.19
Refunds and Drawbacks	0.39	0.41	3.13	4.57
Net Customs	17.28	12.67	173.91	176.62
Gross Excise	17.65	26.05	189 09	272.88
Refunds	0.23	0.35	2.24	3.37
Net Excise	17.42	25.70	186.85	269.51
Net total of customs and excise†	34.70	38.37	360.76	446.03

† Net Customs plus net Excise.
* Figures for Air customs prior to August 1957 not available.

State Bank of Pakistan

Statement of Affairs for the week ended 29th August 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	74,77,26,000
(b) Provincial Governments	1,90,35,000
(c) Banks	25,17,18,000
(d) Others	5,68,62,000
Bills Payable	47,73,000
Other Liabilities	7,95,87,000
Rupees	121,97,91,000

ASSETS	Rs.
Notes	11,76,64,000
Rupee Coin	50,000
Subsidiary Coin	37,000
Bills Purchased and Discounted :—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	3,16,000
Balances held outside Pakistan	19,50,43,000
Loans and Advances to Governments	90,00,000
Provincial Governments' Debtor Balances	.....
Other Loans and Advances	3,21,29,000
Investments	78,40,18,000
Other Assets	8,00,34,000
Rupees	121,97,91,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,76,64,000	
Notes in circulation	320,18,93,000	
Total Notes issued	.....	331,95,57,000
Total Liabilities		331,95,57,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	16,03,12,000	
Silver Bullion	.....	
Approved Foreign Exchange	48,71,38,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,80,000	
B. Rupee Coin	5,42,36,000	107,76,80,000
Government of Pakistan Securities	212,86,35,000	
Internal bills of exchange and other commercial paper	.....	218,28 71,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	.....	5,90,06,000
		331,95,57,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 15 per cent.
Portion of gold hitherto valued at 0.549191 gram of fine gold per rupee has now been revalued at 0.268801 gram of fine gold per rupee as provided in State Bank of Pakistan Act, 1956.

EXCHANGE RATES

	10th September, 1958	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	s. 1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	s. 1-5⅛	1-5⅛
Buyers T.T. spot to nine months	s. 1-6¼	1-6¼
Buyers T.T. 10 to 12 months	s. 1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D.	Rs. 477.75	477.75
Buyers T.T.	Rs. 474.50	474.25
London on New York	$ 2.80¼-2.80¼	2.80¼-2.80¼
London on Paris	Fcs. 1,178½	1,178½
London on Berne	Sw. Fcs. 12.10¾-12.20¾	12.20¾-12.20¾
New York on London	$ 2.80¼-2.80¼	2.80¼-2.80¼

CLEARING HOUSE RETURNS

Centre	Week ended 5th Sept., 1958		Week ended 29th August, 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,83,496	67,89,61,000	2,65,569	59,80,44,000
Calcutta			1,68,000	59,25,00,000
Madras	92,211	11,64,17,208	66,766	8,56,97,561
All Centres—				
1956-57			40,008,000	87,24,25,00,000
1957-58			41,671,000	89,54,66,00,000
Apr., 1958			8,581,000	17,04,00,000
May, ,,			3,823,000	7,90,02,00,000
June, ,,			3,223,000	6,61,49,00,000

INDEX NUMBERS OF WHOLESALE PRICES (Base : 1956-57=100)

Particulars	Weight	23rd Aug. 1958	16th Aug. 1958	24th Aug. 1957	July 1958	July 1957	Percentage of Increase (+) or Decrease(-) in July 1958 as compared with July 1957	Financial Year Average 1957-58	1956-57
Food Articles	501	120.1	120.6R	111.8	118.4	111.3	+ 6.4	106.4	102.3R
Cereals	192	114.3	113.2	105.8	109.9	104.9	+ 4.8	101	96
Pulses	43	103.0	100 6R	86.4	99.7	86.9	+ 14.7	81	84
Fruits and Vegetables	23	126.8	125.5R	151.5	120.1	128 3	— 6.4	114	112
Milk and Ghee	84	107.7	110.4R	108.5	110.7	106 6	+ 3.8	106	100
Edible Oils	47	130.0	128.7R	129.0	123.5	133.5	— 5.8	125	125
Fish, Eggs and Meat	17	114.2	115.5R	101.6	110 4R	98 1	+12.5	98	97
Sugar and *Gur*	48	136.4	136 8	110.1	132.8	109.9	+20.8	105	98
Other Food	50	152.0	151.8	131.0	160.4R	141.8	+13.1	131	122
Liquor and Tobacco	21	90.7	90.7	92.0	92 6	93.7	— 1.2	94.0	94.3
Tobacco	....	88.8	88 8	90.2	90 9	92.0	— 1.2	93	93
Fuel, Power, Light and Lubricants	76	118.4	118 5	115 0	116.4R	114.2	+ 1.9	113.6	104.2R
Industrial Raw Materials	155	118.9	118.8R	118.2	117.8	121 6	— 3.1	116.5	110 0
Fibres	61	111.1	111.7	119.2	110.6	123.5	— 10.4	118	116
Oilseeds	60	133 0	132 9R	123.1	130.0	128.0	+ 1.6	120	120
Minerals	2	107.3	107.3*	111.5	103.9	111.5	— 6.8	108	108
Others	32	106.5	106.8R	107.8	108.3	106 3	+ 1.9	108	109
Manufactures	209	108 9	109 0	108.4	108 1R	108.8	— 0.6	108.1	106.3
Intermediate Products	41	112.1	112.4	108.0	111 7R	108.9	+ 2.9	107.3	110.9
Finished Products	249	108.4	108.4R	108.5	107.5R	108.9	— 1.3	108.2	105.6
Textiles	147	104.0	104.2R	107.8	102.9R	108.6	— 5.2	107	106
Cotton	—	111.5	111.2R	117.2	110.2	116.6	— 5.5	116	116
Jute	—	88.9	90.4	96.0	88.3	98.3	—10.4	95	95
Woollen	—	105.9	106.9	103.0	105.9	103.0	+ 2.8	102	98
Silk and Rayon	—	95.7*	95.7*	88.4	94.6*	85.0*	+11.3	85	88
Metal Products	12	148.0	148.0	143.3	148 0	142.1	+ 0.6	141	99
Chemicals	20	105.9	105.9R	98.2	104.3	98.0	+ 6.4	98	98
Oil cakes	10	103.4	136.0	101.7	135.1	114.4	+18.1	115	109
Machinery and Transport Equipment	31	136.9	108.4	113.8*	108 4	101.8	+ 1.6	102	99
Others	50	118.5	118.5	110.5	113.5	110.3	+ 2.9	110	101
All Commodities	1,000	115.9	115.9R	111.5	114.7R	111.9	+ 2.5	106.4	105.3R

NOTE.—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional — Not available

Miscellaneous Statistical Informn.-*Contd.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53=100]

Group and Sub-Group	Week ended 23rd Aug., 1958	16th Aug., 1958	26th July, 1958	24th Aug., 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99 8	99 6	99 3	98 2
2. Government of India	99 7	99 5	99 1	97 9
3. State Government	101.1	101.0	100 6	100 0
4. Municipal, Port Trust, etc.	98.8	98.8	98.8	99.3
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.1	99 1	99 2	101.4
6. Plantations	100 0	100 0	99 9	100.1
7. Coal	99 6	99 6	99 6	100 4
8. Sugar	99.0	99 0	99 0	100 6
9. Cotton Textiles	97 4	97 4	97 5	100 2
10. Jute Textiles	90 5	89 7	92 9	98.1
11. General Engineering	98 0	97.9	97.8	101.3
12. Electricity Generation and Supply	96.5	96 5	96 5	98.8
13. Others	101 3	101 3	101 2	102.9
PREFERENCE SHARES—ALL INDIA.				
14. Total	87.1	87.0	86 4	90 5
15. Plantations	96 3	95 9	95 2	104 8
16. *Mining & Quarrying: Total@*	85 6	85.4	85 0	80 6
17. Coal	75 2	74 9	74 9	83.7
18. *Processing and Mfg. : Total**	88 9	88 9	88 2	90 9
19. Sugar	88 6	88 3	88.2	96 5
20. Cotton Textiles	79 7	80 3	80 2	90 1
21. Jute Textiles	72 6	73 0	73 9	91 8
22. Iron and Steel	91 6	91 2	90 5	90 1
23. General Engineering	98 8	98 8	98 5	111 0
24. Basic Industrial Chemicals	85 7	85 9	85 0	96 9
25. Cement	99 6	100 5	97 6	98 2
26. Paper	84 3	84 4	83 8	92 9
27. *Other Industries : Total**	85.8	85.4	84.7	84.2
28. Electricity Generation and Supply	88 2	87.7	87 4	85.7
29. Trading	78 8	78 9	76 6	78 1
30. Shipping and Other Transport	85.2	85.2	85 2	86 6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	141.2	139.3	137.4	129.2
32. *Agriculture and Allied Activities : Total**	155.7	154.8	154 9	156 1
33. Tea Plantations	149 6	149.5	150 9	156 0
34. Coffee Plantations	226 1	225 6	210.6	185 1
35. Rubber Plantations	154 5	153.7	151 4	145 8
36. *Mining and Quarrying : Total*	148.8	148 8	142 2	129 4
37. Coal	111 9	110.0	102 8	87 3
38. Other Mining	174.1	172.0	169.2	158 2
39. *Processing and Manufacturing : Total*	140.3	138.5	136.5	129.1
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.) : Total**	128.4	127.5	127.3	126 3
41. Sugar	169 3	165.5	164 1	168.0
42. Cotton Textiles	119 6	119 0	119 7	127 4
43. Jute Textiles	78.0	77.9	76 4	62 6
44. Silk and Woollen	412.8	411.4	408 6	340.0
45. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	153 8	150.4	147 1	131.7
46. Iron and Steel	148 2	144.0	139 2	114 1
47. Transport Equipment	202 5	201 3	204 0	183 4
48. Electrical Machinery	145.5	145.1	144 1	173 3
49. Machinery other than Transport and Electrical	163 9	161.0	157 3	151 5
50. Basic Industrial Chemicals	125 3	124 8	125 8	113 9
51. *Processing and Mfg. (Others) : Total**	151.9	149 8	144 8	133 0
52. Cement	143 2	142 0	139 4	130 8
53. Paper	196 6	193 3	192 8	161 9
54. *Other Industries : Total**	114.3	111.7	110.2	105 0
55. Electricity Generation and Supply	94.1	92 4	91 6	88 5
56. Trading	90 5	89.5	89 4	82 2
57. Shipping and Other Transport	141 7	138 3	133 8	124 6
58. Construction	222 8	217 2	219 0	203 0
59. *Financial : Total*	175.0	173 2	171 1	144 3
60. Banks	197.9	196 9	193 2	160 8
61. Insurance	126 1	126 8	128 0	106 5
62. Investment Trusts	87 7	81 8	78 1	87 0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	145 6	142.7	140 4	126 2
64. Calcutta	136 2	134 9	132 8	124 8
65. Madras	152 9	151 9	151 1	156 6
66. Delhi	170 3	169 7	168 1	153 5

*Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,65 500	10 73,600	7,97,500
Do. 31st March, 1958	10,98 300	11,06,800	7,88,900
June 1957	84,500	77,300	52,300
July ,,	88,300	88,600	66,600
Aug. ,,	88,700	85,500	63,100
June 1958	84,900	85,700	62,000
July ,,	1,02,200	1,06,100	68,600
Aug. ,,	99,500	108,600	70,300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,32,315	4,41,483
Do. 31st March, 1958	7,33,945	5,07,580	4,10,558
Three months ended Mar., 1957	1,83,857	1,39,830	1,20,578
,, ,, June, 1957	1,72,225	1,29,651	1,05,096
,, ,, Mar., 1958	1,99,839	1,33,563	1,06,501
,, ,, June, 1958	2,14,469	1,21,988	1,01,014

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of average number of workers involved	Number of man-days lost
1956	1,208	715,130	6,992,040
1957	1,630	889,371	6,429,319
January 1958	147	56,492	371,125
February ,,	152	99 482††	447,580††
March ,,	167	85 482††	818,874††
April ,,	170	61,480	5,30,162
May ,,	160	57,657†	5,60,459†

† Not known in 16 cases. †† Not known in 4 cases.
‡ In progress during the month

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of Rupee (Crores)	Per capita Income (Rs.)
India†	'56-'57	387 68	..	11,010	284
Pakistan†	'56-'57	83 50	..	2,070	249
Burma	1956	19 80	Kyats 4,336	565	285
Ceylon	1955	8 38	..	475	567
Japan	1956	90 00	Y. 7,427,000	9,283	1,031
Philippines	1956	22 20	Ps. 8,335	1,185	534
New Zealand	1956	2 17	£ (N.Z.) 944	1,178	5,425
Australia	1957	9 60	£ (A.) 4,500	4,893	5,096
U.K.	1956	51 20	£ 16,605	21,953	4,287
U.S.A.	1956	168 09	$ 340,000	153,554	9,741
Canada	1956	16 00	$ 22,710	10,747	6,742
France	1956	43 60	F.Fr. 13,900,000	17,810	4,046
W. Germany	1957	51 40	Dm. 155,000	18,057	3,514
Italy	1956	49 10	Lr. 11,474,000	8,760	1,821
Norway	1956	3 46	Kr. 20,100	1,408	4,358
Sweden	1956	7 30	Kr. 44,500	4,127	5,653
Netherlands	1956	10 80	Grs. 25,400	9,215	2,977
Denmark	1956	4 40	Kr. 24,950	1,690	3,749
Switzerland	1956	5.00	Sw. Fr. 25,630	2,807	5,614

* National income at factor cost : the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source : *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 11th September 1958.

	Closing quotations 4-9-1958	High	Low	Closing quotations 11-9-1958
TEXTILES	Rs.	Rs.	Rs.	Rs.
Abm. Adv. (100)	175.00	—	—	175 00
Apollo (2)	1.70	1.70	1.66	1.66
Bombay Dyeing (25)	60.10	60.80	59.00	60 60
Bradbury (50)	175 00	—	—	175 00
Central India (100)	96 00	98 00	96.00	97 00
Century Mills (100)	450 75	460.00	449.50	455 50
Colaba (100)	29 25	—	—	29 25
Edward Textile (200)	262 50	262.50	257.50	257 50
Elphinstone (50)	40 00	—	—	40 00
Finlay (100)	285 00	291 50	285.00	291 50
Gokak (100)	152 00	153 00	152.50	153 00
Ind. Untd. Deld. (1)	1.26	1.30	1.24	1.28
Ind. Untd. Ord. (10)	9.84	10.04	9.76	9 88
Indore Malwa (100)	107 00	107.50	106.00	107 50
Khatau (100)	135 00	—	—	135 00
Kohinoor (100)	278 00	286.00	276.75	281 00
Lakshmi (250)	455.00	455.00	445.00	445 00
Minerva Mills (100)	64 00	—	—	64 00
Model Nasper (250)	166.25	—	—	170 00
Morarji (100)	247.00	249.00	243.00	243 00
Mysore (50)	95.00	—	—	95 00
National Rayons (100)	241.00	244.75	240.25	243 50
New City (100)	113.75	—	—	113 75
New Great (100)	209.00	225.00	206.00	225.00
Phoenix (100)	138.25	—	—	138.25
Podar Mills (100)	135.00	138.00	135.50	138.00
Sassoon Silk (10)	9.76	—	—	9.76
Sassoon Spg. (10)	47.50	47.50	42.00	42.00
Shahpur (1,000)	375.00	—	—	375.00
Shrinivas (100)	165 00	156.00	154.00	154.00
Simplex (50)	176 00	179.00	176.00	179 00
Standard (100)	425 00	431.00	426.00	426 00
Swadeshi (100)	198 50	203.00	198.50	201 50
Swan (100)	360.00	360.00	357.00	360 00
Tata Mill (25)	38.25	39.00	38.25	38 50
Vishnu (100)	111.00	111.00	105.00	105.00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	134.75	136.00	134.50	136.00
Do. (New) (50)	135 00	136.50	136.00	136.50
Bank of Baroda (50)	123 50	123 75	120.50	122.00xd
Central (25)	57.00	57 30	56.70	57.00
Central 'A' (25)	57.50	59 00	57.50	58.60
Dena Bank (50)	45.75	46.00	45.75	46.00
Punjab National (25)	62.00xd	65.50	62.50	65.50
Union Bank (5)	7.24	7.36	7.24	7.36
United Com. (50)

SURVEY

(*Concluded from page 427*)

form to the I.S.I. standards. Nevertheless, there are complaints from certain quarters regarding the purity of caustic soda. The Development Wing maintains that, though the quality of the product has "definitely improved," the caustic soda produced from diaphragm cells does not conform to the revised I.S.I. specifications. It must be noted, however, that the I.S.I. has under consideration a proposal for relaxing the limits of its specification, particularly of sodium chloride and sodium carbonate in caustic soda.

India continues to import large quantities of caustic soda and bleaching powder. While imports of caustic soda were of the order of 66,042 tons (valued at Rs. 388.22 lakhs) during 1957, as against 52,638 tons (valued at Rs. 317.57 lakhs) in 1954, those of bleaching powder were about 1,805 tons (valued at Rs. 13.58 lakhs) only, as against 5,010 tons (valued at Rs. 25.94 lakhs). A large share of domestic demand for caustic soda and bleaching powder is thus being met from imports.

The principal raw materials required for the production of caustic soda by the causticisation process are soda ash and lime. Tata Chemicals, the only unit that follows this process, uses its own soda ash. Lime is produced by burning limestone from its own quarries near Mithapur and also from Ranavav, 150 miles from the factory. Common salt is the raw material in the electrolytic process, adopted by the other producers of caustic soda. The salt available in the country contains a high proportion of impurities. It has also to be transported over distances to factories which need them. The high rates of transport charges and the high cost of electricity serve to increase production costs. Any reduction in transport and electricity charges would naturally be of material assistance to the industry.

DELHI LETTER

(*Concluded from page 428*)

3. To carry out on a village-wide basis the recommended farming methods, will require a special food production committee for each and every village.
4. It should be through this village food production committee that the Gram Sevak works in getting new practices demonstrated and his recommendations carried out by each and every cultivator.
5. Each village should have a co-operative to serve the cultivators' needs for credit, agricultural supplies, storage and marketing.
6. Each village should have a *panchayat* to assist in land consolidation, and soil and water conservation programmes which involve the co-operation of the village community.
7. Each village should have a youth club so that youth can gain experience in farming by new methods and in working together.
8. The Gram Sevak must be supported and helped by the entire block staff in organising and servicing the village food production committee, the co-operative, the *panchayat* and the youth clubs.
9. The Gram Sevak will give 75 per cent. of his time to helping organise the village for food production. But he must be for ever mindful that man does not live by bread alone. He needs to continue his sensitivity about all the problems of the village people and encourage and help them find solutions to their many problems in every aspect of rural life.

THE MYSORE PAPER MILLS LIMITED

(*Concluded from page 435*)

tors have considered the suggestion made last year in view of the scarcity of foreign exchange and the long delivery period quoted for supply of machinery from abroad, as to whether we could not make use of the old machinery available in the country, if it suited our purpose and proved efficient and economic. Your Board of Directors have since examined in detail this suggestion and found that the old machinery which was available did not suit us for expansion of production in our mills, as the primary raw material used by us was bamboo and hence the proposal had to be dropped.

"What I say presently regarding expansion, I am saying with a realistic appreciation of all relevant factors. When I had the privilege of addressing you for the first time in August 1956, I told you that it was considered that efficient operation under modern conditions required relatively large-scale production and opinion had been expressed that for an efficient and economic unit, the production should not be less than 16,000 tons per annum. And when we met here last in August 1957, I reiterated my view that it was necessary to undertake such an expansion scheme, but stated that it had not been possible to formulate specific proposals in this behalf, in view of certain developments relating to tightness of the money market, scarcity of foreign exchange, etc. Today, it is common knowledge that the foreign exchange position has reached a critical stage and the Government of India are devising stringent measures to meet the situation by drastic cuts in imports.

Large-scale Expansion

"I have heard it said on fairly good authority that, while the Government of India, agreeably with their policy to expand production, have granted licences for the establishment of new paper units, lack of finance in some cases, but mostly foreign exchange difficulties, have delayed their installation. I also understand that capital projects based even on deferred terms of payment have little chance of materialisation. As the present circumstances do not permit of our pursuing the expansion scheme, it has to be deferred for some time. I want to assure you that it is not the lack of a well-considered scheme that delays action and I make bold to say that it is not even the lack of funds either—for I am confident of raising the necessary funds with your co-operation and with the aid and assistance of the credit institutions in the country like the Industrial Finance Corporation of India—but it is the insurmountable difficulty, as things stand today, of securing the necessary foreign exchange. We have, therefore, to think of alternative short-term projects and these are under consideration. I devoutly wish that conditions would soon improve when specific proposals for large-scale expansion would be placed before you for acceptance.

"Since we last met, Mr. S. V. Karandikar, who was the General Manager of the Mills, has gone on leave from 1st January 1958 preparatory to retirement. Mr. S. V. Karandikar served the Company in several capacities as Superintendent, Electrical Section, Works Manager and as General Manager, and your Directors have placed on record their warm appreciation of his valuable services to the Company.

"Before I conclude, I would like to express on behalf of the Directors and the shareholders our thanks to the Central and State Governments for the continued interest they are evincing in the progress of the Mills. I am very grateful to my colleagues on the Board for their wholehearted support and valuable guidance. I wish also to express, on behalf of the Directors and my own, our appreciation of the willing and efficient co-operation of all our employees.

"Gentlemen, with these observations, I now beg to move that 'the Directors' report, the audited balance-sheet and profit and loss account for the year ended 31st March 1958, be approved and adopted'."

Note.—This is not a report of the proceedings at the above meeting, of which proceedings a separate report will be circularised.

DALMIA CEMENT (BHARAT) LTD.

(*Concluded from page 440*)

that any disturbance in the current channels of cement distribution can be ill afforded. It would not be worth the while for cement stockists to engage in the cement trade unless either they are paid the usual commission or their margin of profit in the retail price fixation is suitably increased. I hope the Government of India will take a practical and realistic view in this matter and make a suitable provision in the cement price for the stockists' commission if the S.T.C. themselves cannot take up this responsibility.

Wage Board

"I wish to take this opportunity of informing you that the Government of India has constituted a Central Wage Board for the Cement Industry. It is composed of six members, two independent, two representing employers and two representing the workers. Shri M. R. Meher, President of the Industrial Court, Bombay, is the Chairman of the Board. I happen to be on the Board as one of the employer representatives. Shri I. M. Moinuddin, Vice-President, Dalmia Cement Workers' Union, is also one of the members of the Board representing the labour. The Board is required to determine a suitable wage structure for the cement industry and to recommend the principles that should govern the grant of bonus. I hope that the Board will succeed in making recommendations which will be found acceptable by both the management and the labour, and thus contribute to continued peace in this vital industry.

"You will be glad to know that there has been increasing co-operation between the cement producers in all matters affecting the industry. We have been meeting informally from time to time to exchange views and this has proved of considerable value to all. Encouraged by these experiences, it has been decided to form an association of the cement producers which will be called 'Indian Cement Manufacturers' Association.' All the cement producers are expected to join the Association and, with their help and co-operation, I hope that the Association will be able to do valuable work in the general interest of the industry.

Expansion

"I would request all of you who are present at this meeting to go round the factory and see for yourselves the progress which has taken place since we met last. To cope with the increasing demand for our refractories and stoneware pipes two modern gas-fired chamber kilns have been installed at a heavy cost which will result not only in increasing the production, but also in improvement of the quality. The expansion of the cement works is also well in hand and I am hopeful that, by early 1960, the new plant will go into production. This will raise the production capacity of your Cement Works to a little over 4 lakh tons. Our efforts are being constantly devoted towards improving the working results and expanding the activities of your Company. You will be glad to know that the steel casting plant of Dalmia Iron and Steel Limited, in which your Company has a substantial interest, has gone into production and the spun cast iron pipe plant is expected to be commissioned before the end of this year. I may also mention that the plant for deadburning of magnesite which is being put up at Salem by Dalmia Magnesite Corporation, in which Dalmia Cement Ltd., the wholly owned subsidiary of your Company, is one of the partners, is fast nearing completion and is likely to go into production by the end of this month. There is very good demand both at home and in foreign markets for deadburnt magnesite and this venture should soon prove profitable.

Inter-union Rivalry

"I had made a mention last year to a three-year agreement which we had reached with our workers in regard to bonus and wages. It was hoped then that there will be industrial peace at Dalmiapuram and the workers would co-operate in achieving all-round increase in production. I regret to tell you that inter-union rivalries have belied our hopes and, since some time, there has been one strike after another without lawful notice and in complete disregard of mutual agreement and assurances. Due to the continuous troubles created by the unions, production has suffered. What is happening at Dalmiapuram is probably in the same pattern which has shown itself in several other places of industrial importance. Tata Steel is, of course, the most recent example. At this crucial time in the history of our country, when production and more production is the need of the hour, this state of affairs should not be tolerated. Legislation is urgently needed under which some procedure be prescribed by which claims of rival unions can be tested and recognition granted to the one that commands support of the majority of the workers. Some time back the Madras Government took a lead in the matter and had circulated a draft Bill. I do not know why the Bill was not proceeded with. Unless a suitable law is enacted for this purpose, there will be increasing loss of production on account of unions struggling for power, more so when the principle object is more political than the betterment of workers, whose interests are sought to be protected. In regard to labour unrest at your Dalmiapuram Works, I hope Government would take firm action against those responsible from time to time for disrupting the peace, so that normal conditions prevail and the work goes on smoothly and efficiently.

"With these few words, I conclude my address and propose that we proceed now to consider the annual accounts and transact the rest of the business before the meeting."

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

COMMERCE

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

VOL. XCVII. No. 2479 BOMBAY, 20th SEPTEMBER 1958 PRICE: Re. 1.50

WORLD BANK ON PLAN

IT is now nearly two years since the World Bank's Chief, Mr. Eugene Black, wrote to the then Union Finance Minister, Mr. T. T. Krishnamachari, giving the results of his study of the Indian economic situation. Although Mr. Black employed much understandable restraint in his language, in order presumably to avoid any impression that he was over-exercising a banker's well-recognised right to advise his client, he did not hesitate to point out where exactly he thought the Indian policies needed appropriate changes. The significance of his emphasis on the imperative need for giving private enterprise every encouragement to make its maximum contribution to the development of Indian economy, as well as on determined efforts for strengthening the competitive position of India's traditional export industries, has been justified by events. There is now no longer any doubt that industrial production would have gained greater momentum, if enterprise had not been shackled by ideological fetters and unjustifiable tax burdens. If the emphasis on exports had received two years ago the recognition it came to receive later, there would, perhaps, be less need now to make a frantic bid to capture elusive world markets. There is a tide in economic sphere which, if ignored, will take a long time in coming again. Past mistakes cannot always be remedied. This explains why the observations of a two-man study team of the World Bank which visited India this year, embodied in its report entitled "Current Economic Position and Prospects of India" (this report formed the basis of the recent five-power economic aid to India), deserves a much better reception by the Government.

Clearly, the report has avoided the temptation to adopt the "I-told-you-so" attitude which, however justified it may be, would be irksome and pointless. The Bank, however, has earned the right to offer what might appear to the recipient unpalatable advice. For, if the Bank has been critical, it has also been eminently constructive, in that it has paved the way for that not inconsiderable foreign aid without which many of India's projects might have had to be put into cold storage. The Bank's good offices have been a major factor in the aid which India has now been promised. If its advice were again rejected, it might well be that India would have little justification for any possible request it might have to make for aid or assistance in future. Indeed, the world financial press, while it has recognised the need for the West to come to India's aid, has taken care to warn that there should be no repetition of the kind of crisis which made that aid desperately urgent. It is true that there might be causes beyond our control which have made it difficult to avoid running into economic bottlenecks. But it is undeniable that a less doctrinaire approach and greater forethought would have eliminated some at least of our major difficulties.

It is precisely the avoidable pitfalls which the World Bank's report urges this country to avoid. A pitfall to which it has rightly drawn attention is the temptation to leap without gauging the foreign exchange gap. This exercise has cost the country dear. The report emphasises that no commitments should be made for new projects in the third Plan, involving substantial foreign exchange until there is reasonable assurance that the country will be able to afford them. In this connection, it points out that a considerable proportion of available resources in the early years of the third Plan will have to be earmarked for the completion of the projects carried over from the second Plan. It notes that India has already heavily mortgaged its future foreign exchange earnings. It, therefore, offers the prudent suggestion that all imports of capital goods and defence equipment for which firm orders have not yet been placed and which are not covered by specific credits should be closely re-examined, even though this means temporarily halting some of the less urgent projects.

It is not without reason that the report has called into question the Government's excessive preoccupation with welfare measures. In India, unlike in the Western countries, welfare is not concerned merely with social security schemes and wages and living conditions of the workers. The concept is extended to every conceivable interest which, in the opinion of the authorities, deserves special protection. The handloom weaver, the individual shoe-maker and a host of other interests are protected and subsidised at the expense of the factory owner who is at the same time called upon to maintain the highest possible standards of welfare for his workers and pay all the normal taxes, besides contributing to the revenue raised for purposes of subsidising the so-called weaker elements in his industry. Efficiency is penalised for the sake of buttressing inefficiency in industrial production. This policy is bound to lead to lowered efficiency all round, generate forces which inhibit productivity and engender an attitude of supine complacency among producers.

Appropriately enough, the report warns that not the least amongst the factors to be guarded against in the present stage of India's development is the pursuit of welfare at the expense of efficiency. A tendency in this direction, the report points out, is reflected in the emphasis initially placed on welfare in the Community Development programme, in the lavish social amenities usually associated with new Government factories, in the recent talk of introducing a system of unemployment insurance for industrial workers, and in some of the measures taken for the protection of cottage industries. The report, however, admits that these are all desirable aims in themselves. But it warns that, if they are pursued to excess, they will slow down the pace of economic growth. It deplores that it is not always realised that policies designed directly to protect the interests of a particular group may work indirectly to the disadvantage of the community as a whole. Thus, if industrial costs are overloaded with social overheads, India will find it increasingly difficult to compete abroad and the resulting loss of exports may lead to the slowing down of investment and to industrial unemployment. Again, the Government's policy of progressively reducing inequalities of income and wealth, if carried beyond a certain point, may be difficult to reconcile with the aim of rapid economic development. This policy, according to the report, is likely to encourage widespread evasion among the very rich, while penalising the honest taxpayers, discouraging private foreign investment and inhibiting the growth of a progressive middle class.

Yet another defect to which it has drawn the attention of the authorities is the existence of serious deficiencies in the organisation of planning at the Centre. The spending of individual departments has not always been properly supervised and economic decisions have been unduly influenced by State Governments; at the same time, the Central Government has assumed so many new responsibilities in the economic field that the administrative machine is becoming dangerously overstrained. Accordingly, its advice is, now that the process of economic development, stimulated by the State, is well under way, the Government would be well advised to avoid assuming new responsibilities, especially so far as investment in industry and mining is concerned. It is to be hoped that the Government will take note of this advice. It should not yield to political pressure which might urge it to venture into new fields of economic activity. For one thing, such a policy is fraught with danger to the economy as a whole. Secondly, the very quarters which encourage the Government in such policies will not hesitate to make political capital out of any possible mistakes in which the policies may lead. These considerations alone, if not any other, should induce the Government to refrain from taking upon itself additional economic functions and responsibilities.

The report has made a number of notable points in its comments on specific programmes. A general criticism of the agricultural programme is that the efforts have been dispersed over too wide a field, instead of being concentrated on a few key points. Given the right general framework of inducements and assurances, together with adequate credit, striking

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results might be achieved from the resources now available; and, if the full demand for fertilizers could be met, this alone might make up the difference between the production of the additional ten million tons of foodgrains originally envisaged and the revised target of an additional 15 million tons. Commenting on the steel projects, the report wonders whether it was wise, in the first place, to embark simultaneously on three huge undertakings. It, however, recognises that there can be no going back now; the sooner the plants come into operation the better. The Government's insistence that the oil refineries should be in the public sector and its reluctance to grant new exploratory concessions to the oil companies, it is stated, have inhibited the participation of private foreign capital in the development of India's oil resources and delayed by two or three years the exploitation of the new field in Assam. As regards transport, the report emphasises that the railways must continue for many years to handle the bulk of the inland freight, but this does not mean that India can neglect its road transport. It is a reasonable presumption, the report says, that the scales are still tipped too heavily in the railways' favour. Finally, in regard to export policy, the report observes that, till recently, the Government had not accorded high priority to exports and its policies have frequently had the effect of impeding the promotion of overseas sales. It notes that, if exports are accorded the priority they have long deserved, earnings of between Rs. 700 and Rs. 750 crores should be a perfectly feasible target by 1960.

It would be folly to underestimate the value of the report merely on the ground that external observers cannot be expected to be fully familiar with India's problems. For such observers may really see more of the game than the players. Further, the World Bank's men have intimate knowledge of the peculiar problems of economic development in underdeveloped countries which it is their function to assist. Their views ought to be of considerable assistance to countries which have embarked upon development schemes. In any case, the observations contained in the report, besides being based on on-the-spot study, are substantially similar to those which have been made by many other independent observers, including this journal. To ignore them will be to prepare the country for the repetition of the crisis which has now been fortunately averted through the assistance of foreign countries secured under the auspices of the World Bank.

FOOD—A PERENNIAL PROBLEM?

THE food problem continues to hold the stage. There is no reason to feel surprised at this. Napoleon was once reported to have said that an army marches on its stomach. It has been a true saying from time immemorial. It will remain true for ever, whatever may be the objective. India's battle is against poverty. If its march against this inanimate enemy is to be successful, it must have sufficient food. The task is a difficult one. While the God of Rain—*Varuna* in India's mythological parlance—has been behaving in a capricious fashion, the God of Love—*Manmadha*—has been more studious than ever before. It has been computed by the experts of the Union Food Ministry that India's foodgrain requirements go up by a million tons per annum, because of an increase of about five million per year in its population. As against this, production of foodgrains in 1957-58 at 62.03 million tons is 6.63 million tons less than in 1953-54. Actually, it ought to have been more by four million tons, that is, at 72.70 million tons, to cover the increase of 20 million in population since then.

If Nature has thus made the food problem difficult, politicians have rendered it more complicated by their follies. Instead of placing the emphasis on the supply of water and fertilizer, they have attached too much importance to the redistribution of land. Today, they are the victims of their own wrong emphasis. Almost every politician, whether he belongs to the party in power or to the Opposition, keeps on saying that one way to increase agricultural production is to speed up the implementation of land reform. By this, he invariably means fixation of a ceiling on agricultural landholdings, redistribution of excess land among landless labour and effective implementation of cooperative farming. Attempts made by non-political thinkers and observers to highlight the dangers of this extreme egalitarian policy have fallen on deaf ears. On the contrary, the greater the shortage of food the more emphatic becomes the politician on this issue. There is plenty of evidence of this trend in the recent debates in Parliament and the State Legislatures. Even this week, several members stressed in Parliament that the policy of ceiling on land should be vigorously implemented. Concurring with this view, the Union Food Minister tried to comfort the House by saying that the Congress High Command had appointed a special sub-committee, under the leadership of the Congress President himself, to evolve measures for expediting land reforms.

It is mere wishful thinking to say that the absence of a ceiling on land has stood in the way of increased agricultural production. On the contrary, there is sufficient reason to feel that excessive land reforms and the persistent plea for placing a ceiling on land holdings have impeded agricultural production, as they have created an air of uncertainty among agriculturists and driven away capital and talent from land. By imposing a ceiling on land, the feeling of suspense can, of course, be ended. But this is not going to lead to an increase in production. Instead, there may actually be a fall in production, as land may be transferred to less efficient hands suffering from the additional handicap of inadequate resources. In any case, the uncertainty about land reforms can be ended by giving up the proposals for ceiling on land. The poor progress made by Co-operation, the unsatisfactory working of Community Development projects and the marked failure of State Governments in the drive for more agricultural production should serve as a warning to those who believe that the vacuum created by redistributory land reforms can be effectively filled in by State-oriented institutions. The greatest beneficiaries of these dubious land reforms will, we are afraid, be the enemies of freedom. There is, fortunately, still time, though not much, for fresh thinking on this problem. Will the powers-that-be have the courage to change their ideological approach in favour of a more realistic one based on hard facts?

In the debate on the food problem in Parliament, the question of distribution received more attention than that of supply. Equitable distribution is, of course, important, but it is obvious that supply is even more important. The Union Food Minister, Mr. A. P. Jain, was right in rejecting the demands for introducing rationing and for giving up the zonal system. Past experience has shown that rationing seriously impedes production and encourages the State Governments to depend more and more on the Centre. Food requirements will be calculated on a theoretical *per capita* basis, which in turn will magnify the actual deficit. A foretaste of this is already provided by Bengal. The Government of Bengal worked out the State's deficit in food on the assumption of 15 ounces of cereals per adult per day, as against the per capita availability of 13.5 ounces for the country as a whole, and made an inflated demand on the Centre. When the latter was unable to meet this demand, some of the politicians in Bengal charged the Food Minister with partiality for U.P. and Bihar, because these States had been allotted more foodgrains than Bengal. The Food Minister's explanation for this is that the shortfall in production in U.P. and Bihar was greater than in Bengal. It is dangerous to import charges of parochialism into the food front, especially at a time when several fissiparous tendencies are already trying to undermine the unity of the country. And it is to be feared that introduction of rationing will only widen the scope for this evil. Even as it is, the State Governments are not as energetic as they ought to be in working for an increase in food production. The introduction of rationing will only make them more lazy and complacent.

It would be unwise to make frequent changes or modifications in the zonal system. There may be a case for suitable readjustments or reducing the rigour of zonal controls when there is a surplus, but certainly not when the scarcity tends to become acute. In times of shortage, even suggestions against the zonal system, let alone official moves, are sufficient to encourage unhealthy speculation and upward trend in prices. It may be noted here that, a few days ago, rumours that the Punjab would be merged with the U.P. zone and the pressure tactics adopted by interested parties to bring about such a change had led to hoarding by merchants and a sharp rise in the prices of foodgrains in the Punjab, which is a surplus area. Mr. Jain was, therefore, perfectly right in saying that he would not permit any attempts at disrupting the zonal controls.

The Union Food Minister proposes to intensify internal procurement to supplement imports, so that he may be in a better position to ensure equitable distribution of available supplies among all the States and to thwart the attempts of speculators and hoarders. As an alternative to total control and rationing, an increase in the State's share in foodgrains trade is certainly a lesser evil. But it must be recognised that the policy of intensified procurement is a double-edged weapon. It has to be used with tact and caution, if the incentive to the producer is not to be diminished. There is also a risk of middlemen being provided with easier opportunities to exploit the situation against the consumer, for an increase in procurement by the State may leave less foodgrains for the normal trade channels. If the Government takes over a larger part of the trade in foodgrains than at present, it must also assume the additional responsibility for ensuring that there is no deterioration in the quality of foodgrains. For some inexplicable reasons, the grains supplied to the consumer by fair price shops and co-operative stores are both inferior in quality and highly adulterated with dust, stones and unhusked cereals. This compels many consumers, especially in large cities like Bombay and other urban centres, to buy their requirements from shops run by traders who manage to sell grains free from these defects. They, of course, charge a little more, but, invariably, the additional cost is more than offset by better quality.

Larger imports, increased internal procurement, more State trading and better distribution methods—all these are only palliatives and very costly ones at that. With the population jumping up at the rate of five million per annum—by 1975 India is expected to have 500 million people—all these expedients will one day be found totally inadequate. The critics who keep harping on rationing will do well to remember, in this connection, that not all the paper that is produced in this country will be sufficient to print ration cards and the campaign for more literacy will have to be suspended. The only effective solution for the food problem is intensive cultivation, as distinct from extensive cultivation. Here, the failure of the public sector is distressingly perceptible. The Governments, both at the Centre and in the States, have not been able to make any impression on this aspect of the problem. Whatever increase there has been in production during the last ten years has been due largely to an expansion in the land brought under the plough. It would be worthwhile to find out as to why the yield per acre has not gone up. Every one concerned with the problem has known all along that the solution lies in growing two blades of grass where one is raised. Mr. Nehru and his colleagues have talked about it *ad nauseam* and preached it incessantly. India's low yield per acre has been compared with those of other countries on countless occasions. And, yet, the per-acre yields have either gone down or gone up only negligibly, or remained static. Why has it been so? The Union Food Minister attributes it to the addition of marginal lands which has depressed the national average. But this explanation is not wholly convincing. There must be other, and more important, causes. As this is a vital problem, a committee of experts must be appointed to study it separately and suggest solutions. It is true that the device of appointing committees has been adopted so often that this suggestion may sound as stale and superfluous to some. Others may say that they know the answers and recite them somewhat on these lines: inadequacy of fertilizers, failure of better seed propagation and distribution programmes, non-utilisation of all available irrigation facilities, indifference of State Governments, unhealthy land reforms, non-availability of cheap credit to agriculturists and so on. Nevertheless, we feel that it will pay this country to have an expert probe into the specific problem of raising the yield per acre and focussing attention on the solutions to it under a proper order of their importance.

MR. J. R. D. TATA ON PLANS FOR STEEL

BRIGHT OUTLOOK FOR T.I.S.CO.—CONTRIBUTIONS TO POLITICAL PARTIES—COTTON TARGETS

THURSDAY, 5 P.M.

MARKET GOSSIP

MR. J. R. D. Tata, Chairman of the Tata Iron and Steel Company, Ltd. (T.I.S.Co.), prefaced his stimulating address at the annual meeting of the Company, held today, by a reference to the foreign exchange crisis and the Government's general economic policy. While he was naturally reluctant to add to the immense literature on the foreign exchange muddle, much of it non-controversial, he rightly observed that, unless India could greatly increase its earnings of foreign exchange and also attract long-term foreign investments, it would "not only be unable to finance the foreign component of new development projects but will also have to exercise such a tight control over current imports that industries depending on imported raw materials and components will be hard put to it to maintain normal operations." He also put his finger on the right spot when he said that the first imperative need today was the attainment of *self-sufficiency in food*. Since 1946, India has spent Rs. 1,000 crores on food imports, besides the offer of Rs. 300 crores worth of food from the U.S. in the form of gift. After referring to this fact, Mr. Tata said: "There would be no foreign exchange crisis today if we still had that Rs. 1,000 crores in hand."

Insisting that the major expansion of our economy will depend mainly on our ability to ensure a continuous flow of fresh capital, he said that "one of our main tasks will be to induce our own people and people in foreign countries to invest in productive enterprises in India." He did well to emphasise the importance of attracting capital by assuring it of good treatment and return. He added: "If our Government and our Parliament, while by all means protecting the under-privileged, providing the maximum welfare services within our means and ensuring equal opportunities for all, were to let it be known that India was a land of opportunity for constructive and honest enterprise, where those who risked their savings or their surplus capital could reap a fair reward, we would see such a flow of capital from within and from abroad and such an upsurge of economic activity as would transform our land and our people's way of life in a few decades."

Listing some of the factors which have inhibited the flow of capital in recent years, he pointed to the complex and rigid controls imposed on industry under various enactments, the crushing burden of individual and corporate taxes, excise duties and other imposts, and the ideological attitude of "hostility and mistrust towards private enterprise." There is no doubt that, if these inhibiting factors were removed, there would be such resurgence of economic activity in the country as would surpass the expectations of the most optimistic of our planners.

There is one point on which Mr. Tata urged some caution—the future plans for steel industry. Obviously, he deserves to be listened to with respect on this subject. He sounded a note of warning against "allowing the steel industry to run away with too great a proportion of whatever total resources will be available in future Plan periods." In this connection, he called attention to the provisional target of 15 million tons of steel to be reached by the end of the third Plan period, an increase of nine million tons over the second Plan target. He estimated that the total cost of such additional capacity would not be far from Rs. 1,500 crores, of which something like Rs. 700 crores would be required in foreign exchange. Surely, it would be unwise to spend too high a proportion of our resources on steel, which is a capital-intensive industry with a relatively low return on investment. Mr. Tata felt that we would be better off if, for a while, we had less steel plants but more secondary and finishing industries using steel and if we made more trucks, cars, machine tools and capital and consumer goods of all sorts in preference to making raw steel, for, in return for the same amount of capital investment, we would thereby create much more wealth, earn and save more in foreign exchange, provide more employment, and generally build up a more balanced and productive economy. This is a point to which the planners will do well to give their thought before they put the finishing touches to the draft of the third Plan.

Turning to the affairs of T.I.S.Co., Mr. Tata devoted a not inconsiderable part of his speech to the recent strike in Jamshedpur. This ill-wind, as all impartial observers now know, has blown nobody any good. Apart from the immeasurable human loss—four men killed, 114 injured and 400 discharged—there was the loss of Rs. 25 lakhs in wages to workers and of 45,000 tons of steel valued at Rs. 2½ crores. Inspired by the Communists' insatiable hunger for power, for control of labour in this strategic sector of the country's economy, the Jamshedpur strike has served to put the clock of labour's progress several years behind. Many employers are now wondering whether it is wise to be liberal when the reward of such painstaking efforts on the part of so far-sighted a management as Tatas is violence and sabotage by workers. Is the country fit or the time propitious for taking further measures designed to associate workers with management? Is it wise to be liberal when the reward of liberal measures is nothing but unrest? These questions may be deplored. But they are the natural outcome of the Jamshedpur episode. Three decades of patient endeavour in the cause of industrial peace disappeared overnight in Jamshedpur which the Communists converted into a blast furnace of labour unrest. It is true that peace has returned, thanks to the firm, yet sympathetic, attitude on the part of the State Government and the Company and the innate goodwill of the vast bulk of the employees. But, as Mr. Tata pointed out, there can be no room for complacency. It is to be hoped that the leaders, who have the genuine interests of labour at heart, will steadfastly refuse to allow the Communist Party to make the workers a pawn in their nefarious political game. As Mr. Tata pointed out, a heavy responsibility devolves on Indian trade union leaders who, helped by the striking change in the attitude of management to labour problems throughout Indian industry in recent years and by the consistently pro-labour attitude of the Central and State Governments, have a great opportunity of constructive service to the growing mass of India's industrial workers.

Mr. Tata regarded the future of the Company with sober confidence. He explained that the Rs. 1½-crore decline in profits in 1957-58 was almost wholly due to lower production and despatches of steel. He, however, said there "was no cause for alarm"; the situation would retrieve itself when the new plant went into full production. From the point of view of shareholders, much, therefore, depends on the early achievement of higher production. Mr. Tata expected that the new plant would, barring unforeseen troubles, go into production by the end of the current financial year. He admitted that the two-million-ton programme could not be completed by 31st May, the original date for the completion of the project. The coke ovens came into operation in January 1958. The new blast furnace will be in operation by the middle of next month. All the seven new open hearth furnaces are in production. Two of the three Bessemer convertors will be commissioned in a few days and the third next month. Of the three new rolling mills, the blooming mill went into production last month, while the sheet bar and billet mill and the medium and light structural mill will be in operation in November and December 1958, respectively.

The capital cost of the expansion programme has, however, gone up from Rs. 118.7 crores to Rs. 133 crores, the increase being due to a number of factors, including the addition of new items, or improvements to existing ones and increases in prices of steel and other materials. The increase in capital cost, Mr. Tata said, has put a "severe strain" on the Company's financial resources, already burdened by additional taxation. However, because of the easier conditions in the money market, the management hopes to secure its requirements of finance from short-term borrowings. Nevertheless, there is a wide disparity between share capital (Rs. 30 crores) and the total of invested funds (Rs. 135 crores). This disparity will be still wider next year when the expansion projects are completed. Mr. Tata felt that, in order to reduce this gap and also to keep the load of debt within manageable proportions, it was necessary to "make fresh issues of capital as opportunities arise." He added: "If and when proposals for an issue of capital are made to you, your Directors will bear it in mind that, in these difficult days the capacity of shareholders to produce additional money is limited, and also that any fresh issue should from the start be assured of a fair return based on current equity yields." This assurance will be greatly welcomed by the shareholders.

The Company's annual meeting was well attended; in fact, the number of shareholders present was so large that the large hall could not accommodate all of them and several had to stand. One of the shareholders was provoked by this sight to remark that, in future, the Company should hold its meeting in a big hall hired in the City which can hold more than a thousand people. In the absence of the Chairman, who was ill, the meeting was presided over by the Vice-Chairman, Mr. J. D. Choksi. As usual, several shareholders spoke and tried to elicit from the Chair information on a number of problems pertaining to the Company. Mr. Choksi gave all the information they wanted generously and in good humour. His replies reflected robust optimism about the future for the Company. His answers to the likely trend of profits in the coming years, future production, productivity per worker, issue of additional equity capital and the dividends give this writer the impression that the rise that has taken place in the market value of the Company's shares in recent months has not been overdone and that, given peace and helpful fiscal policy, workers and investors in the Company have a bright future.

The following important points emerged from questions and answers at the meeting:

Capital: All those who spoke were almost unanimous that the Company was undercapitalised and that its equity base required to be raised. The Chairman concurred with this view. In spite of Mr. Tata's assurance that new capital would be raised in a manner which would not cause any hardship to existing shareholders, several shareholders pleaded that it should be raised in instalments of Rs. 4-5 crores per year, that this should be done when the stock exchanges were buoyant, and that no premium should be collected from shareholders. A suggestion was made that, instead of issuing equity capital straightaway, second mortgage debentures with the right of conversion into equity capital at a later stage should be offered. While agreeing to consider the suggestion, Mr. Choksi indicated that, personally, he had doubts about the feasibility and advisability of the proposition. He assured the shareholders that new capital would be issued only at par and that all the Directors of the Company were unanimously against collecting any premium. He gave a hint that no call for additional capital would be made before the end of March 1959. The Board of Directors was opposed to issue of bonus shares so long as the Government persisted in taxing capitalisation of reserves. The present tax of 30 per cent. was simply prohibitive.

Dividends: The Chairman agreed that shareholders had had a raw deal so far and assured them that the Board wanted to give them as large a dividend as possible. Payment of a better dividend would be the goal of Directors in future. The disparity between the old and new shares in regard to the mode and quantum of dividend would continue in 1958-59, but would cease from 1959-60 onwards. The Board would continue the policy of paying dividends from taxed reserves in all those years in which the Company had no taxable profits under the tax law. The Company had enough of such reserves to meet the contingency in future.

Production: The estimated production is 850,000-900,000 tons of finished steel for 1958-59 (the current accounting year of the Company) and 1,200,000 tons for 1959-60, which will be the first full year of operations of the new million-ton plant.

L.I.C.: The Life Insurance Corporation's holding in the Company is: 8,244 first preference shares, 24,000 and odd second preference shares, 87,242 old ordinary shares and 58,000 and odd new ordinary shares.

Competition: Mr. Choksi was confident that the T.I.S.Co. could be competitive in a buyer's market, if and when it arose. As an example for comparison, he gave the price of steel bars. The Company's retention price for this variety of steel was Rs. 427 per ton, as against the Government's selling price of Rs. 560 to the consumer; the same steel was selling at Rs. 650 per ton in the U.K., Rs. 753 in the U.S., and Rs. 501 on the Continent and Japan.

Labour: Productivity per worker would increase when the new plant went into production with all its labour-saving devices and neutralised the surplus labour from which the Company had been suffering for a long time. The new wage contract due to be negotiated with workers would probably mean more income for them. It was, however, too early to gauge its impact on the profits of the Company, but there was no cause for shareholders to be worried on this score.

Nationalisation: The Directors felt confident, observed Mr. Choksi, that, in view of the meritorious services rendered by T.I.S.Co. for the country and the co-operative manner in which the Company was working with the Government, the fear of nationalisation of the Company was not warranted and that the Company would be assured of an honourable place by the Government in the economy.

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The private Bill, seeking to amend the Company Law so as to prohibit donations or contributions to political parties by joint-stock companies, introduced in Parliament by Mr. Bhupesh Gupta, a Communist M.P., is patently propagandist in motive. Mr. Gupta's object in moving the Bill is revealed in his statement that, if the proposed amendment is not accepted by the Government, "it will be known to the world that the Congress still counts on Tata's millions for its political future." Clearly, it is designed to lower the prestige of the Congress among the public by telling it that the policies of the Congress are directed by those individuals or institutions giving donations to the Party's funds.

Here is a case of a pot calling a kettle black. Mr. Gupta's party, namely, the Communist Party of India, also receives huge sums of money as donations; the only difference is that their source is mysterious. Is there any party, as Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, asked in a spirited reply to Mr. Gupta's charges, which could honestly claim that it received no contribution from outside the party. The Congress, he said, accepted donations but openly. Can anyone substantiate that the Congress is controlled by industrialists and business men who make donations to party funds? The record of Congress rule during the last 10 years is a record of restrictions clamped down on them.

One cannot find anything fundamentally wrong in companies making contributions to political parties. The capacity of individuals to make such gifts is growing less and less. Further, what is wrong in a group of people constituting the shareholders of a company deciding to contribute to the funds of that Party, which, in its opinion, will safeguard its interests? Further, if trade unions can devote a part of their funds to political purpose, could not the same standard be applied to companies also?

The Minister said that the judgment of the Bombay and Calcutta High Courts on the subject had received the careful consideration of the Viswanatha Sastri Committee and its suggestion that there should be no secrecy about such donations and that the balance-sheets of companies making donations should contain full particulars about them had been accepted by the Government, and a Bill embodying the suggestion would be introduced in Parliament in the next session. This seems to be the only sensible thing that needs to be done about it. We would, however, suggest that political parties, if they desire public donations, should

(*Continued on page 496*)

EQUITIES RISE FURTHER

UNDERTONE FIRM

(From Our Own Correspondents)

BOMBAY, *18th September*

THERE was a further handsome improvement in equity values during the week under review. The improvement followed sustained buying enquiries induced by encouraging reports regarding foreign aid and the Union Finance Minister's observations on the role of private capital made in the U.S. and at the Commonwealth Economic Conference at Montreal, Canada. In particular, his statement that the Government of India was determined "to create a dynamic atmosphere for investment" was widely welcomed by the operators. Some even interpreted the statement to mean that the budget for the coming year would definitely contain some positive measures of tax relief with a view to boosting industrial production. Another factor which imparted strength to the market was the feeling that the trend of prices would continue to be upward following possibilities of large-scale deficit financing, thanks to the marked shortage of internal resources as lately estimated by the Planning Commission in its reappraisal of the second Five-year Plan. Influenced by these factors and also by the continued easy money conditions, the share market pushed its way into new high ground. The undertone of the market was distinctly firm.

Fresh buying support was in evidence in the steel section on reports that the official announcement of the upward revision in retention prices would be out any day. Tata Ordinaries opened the week fully steady at Rs. 181, as against Rs. 180 last week-end, and climbed up to touch a high of Rs. 186.50 today before finishing at Rs. 186.25. The net gain over the week was thus Rs. 6.25. The new shares rallied Rs. 6.75 to Rs. 181.50. Indian Irons were bought today at Rs. 25.95 *ex-div.*, as against Rs. 26.50 *cum-div.* on Thursday last. Allowing for the dividend of Re. 1 per share, today's closing rate represents a rise of 75 nP over the week.

Textile shares continued to rule active with further additions to values. Centurys were very well supported, the quotation spurting by Rs. 12.50 to Rs. 468. Kohinoors and Standards advanced by Rs. 6 each to Rs. 283 *ex-div.* and Rs. 432, respectively. New Greats hardened by Rs. 5 to Rs. 230. Finlays registered a rise of Rs. 3.50 to Rs. 295. Podars and Simplex gained a like amount, the former to Rs. 141.50 and the latter to Rs. 182.50. Swadeshis put on Rs. 3 to Rs. 204.50. Morarjis increased by a similar sum to Rs. 246. Bombay Dyeings gathered Rs. 2.90 to Rs. 63.50, Khataus Rs. 2.50 to Rs. 187.50 and B.R. Cottons 70 nP to Rs. 26.50. Swans were fully maintained at Rs. 360, as also Tata Mills at Rs. 38.50, Central Indias at Rs. 97 and Indores at Rs. 107.50. Models, however, encountered selling and dropped Rs. 2.50 to Rs. 167.50. Gokaks and Shreenivas declined by Re. 1 each to Rs. 152 and Rs. 153, respectively.

Buying enquiry was of a selective nature in the banking section. Jaipurs were specially favoured with a rise of Rs. 2.25 to Rs. 39.75. United Commercials strengthened by Re. 1.20 to Rs. 65. Bank of Indias picked up 50 nP to Rs. 136.50, Central Banks 20 nP to Rs. 57.20 and Jodhpurs 4 nP to Re. 1.48. Barodas were firm at Rs. 121 and Punjab Nationals at Rs. 65.50. Bikaners, on the other hand, lost 52 nP to Rs. 20. Dena Banks shed 25 nP to Rs. 45.75 and Unions 8 nP to Rs. 7.22.

Among electricity shares, Tata Powers met with good support and spurted by Rs. 5 to Rs. 1,220. Hydros hardened by Re. 1.50 to Rs. 121.50. Ahmedabad Electrics were better by 40 nP at Rs. 99. Bombay Suburbans gained 25 nP up to Rs. 113. Andhra Valleys, however, came in for selling and eased by Rs. 3.75 to Rs. 1,166.25.

Buoyant conditions continued to prevail in the sugar section. Belapurs evoked renewed buying orders on hopes of higher dividend and forged ahead by Rs. 11 to Rs. 319. Phaltans were also fancied well and climbed up by a like amount to Rs. 184. Walchandnagars rallied Rs. 4.50 to Rs. 295. Changdeos recorded a gain of Re. 1.35 to Rs. 32.50. Bhopals advanced by 65 nP to Rs. 26.15.

Cement shares ruled quietly steady. Associated Cements strengthened by Rs. 3 to Rs. 165.50. Digvijays gathered 25 nP to Rs. 152.50. Dalmia Cements, however, declined by 36 nP to Rs. 10.12. Jaipur Udyogs lost 16 nP to Rs. 14.68.

Engineering and mining shares were in good form this week also and values continued to maintain their upward trend. Premier Constructions provided the brightest spot with a sharp advance of Rs. 15.75 to Rs. 242 on persistent rumours of an early bonus issue. Tata Locomotives evoked excellent support and were taken up to Rs. 200.25, as against Rs. 193.50, or a rise of Rs. 6.75 over the week. Alcock Ashdowns improved by Rs. 2.25 to Rs. 268.75. Mahindras increased by 32 nP to Rs. 16.20. Indian Coppers gathered 10 nP to Rs. 4.14. Shivarajpurs were done at Rs. 94.50 *ex-right*, the last week's closing rate being Rs. 117.50 *cum-right*. Larsen and Toubros, however, were a shade easy at Rs. 15.84.

Among shipping shares, Scindias received enquiries and rose by 24 nP to Rs. 22.76. India Steamships were fully maintained at Rs. 13.90. Great Easterns, which stood at Rs. 26.90 last week-end, improved to Rs. 27 today before finishing lower at Rs. 26.85.

Automobile shares attracted good attention of operators. Premiers jumped up by Rs. 7.80 to Rs. 94.50. Hindustan Motors strengthened by 76 nP to Rs. 8.28.

In the miscellaneous section, National Rayons were very well favoured, the quotation spurting by Rs. 5.50 to Rs. 249. Wimcos rallied Rs. 5 to Rs. 203, the buying fervour having been fanned by reports about the start of the Company's paper plant. Tata Oils hardened by Rs. 4.25 to Rs. 43. Killick Industries gathered a rupee to Rs. 149.50. Tata Chemicals increased by 64 nP to Rs. 18. Gwalior Rayons moved up from Rs. 13.76 to Rs. 14.24. B.B. Petrols gained 10 nP to Rs. 2.34. Bombay Burmahs opened the week firm at Rs. 622.50, as against Rs. 620 last week-end, and touched Rs. 628 the same day. The *ex-right* quotation for the scrip, which was Rs. 515 early on Monday, moved up to Rs. 524 today before finishing at Rs. 523.

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Calcutta Stock Exchange

CALCUTTA, *17th September*

Earlier in the week under review, an irregular trend was in evidence on the Calcutta Stock Exchange, and this led to a decline in the number of transactions. However, as the week progressed, encouraging reports from Bombay continued and, from Monday, under the lead of Indian Irons and selected jute shares, prices forged ahead. The recent debenture issue of Guest, Keen, Williams naturally diverted some funds from the market, and funds were also being reserved for the debenture issue by Dunlops, opening on the 23rd inst. A near-buoyancy was the feature yesterday and Indian Irons were the cynosure of all eyes. Apart from speculative interest, investors also paid keen attention to this counter, as there was no doubt that prospects were good, and, considering this, the current quotation would appear to be undervalued. It was believed that limitation of dividend at 10 per cent. under Government edict would be removed when once the expansion programmes began to yield more substantial results. In addition, a bonus issue through capitalisation of the share premium reserve was in the mooting. Encouragement was also derived from corporate results announced this week, as, despite various troubles, the industrial outlook was by and large satisfactory. The reported shortage of Rs. 390 crores in internal resources for the Plan caused some anxiety, but it was thought that, now that the foreign exchange shortage was nearing solution, the ways of meeting the internal shortage were only a matter of detail. Opinion in market circles was moulding towards the possibility of Mr. Morarji Desai according tax relief, since—the realist that he is—it would be difficult for him not to have cut the bulges from his predecessor's taxation policy.

Among coals, Khatras Jherriahs were maintained at the higher level of Rs. 65.50; the dividend for 1957 was maintained at 65 per cent., and there is a proposal to capitalise funds from reserve to issue 75,000 new shares of Rs 10. each. Amalgamateds rose from Rs. 20.12 to Rs. 20.87, while Burrakurs were shaded to Rs. 20.37 and Equitables to Rs. 28.25 from Rs. 28.50. Central Indias were unchanged at Rs. 8.31.

As the week progressed, considerable activity gathered around jute shares, as reports of good working from mills continued to enlighten sentiment. The details of the more prominent gains of this week are:

	Opening	*Closing*	*Gain*
	Rs.	Rs.	Rs.
Kinnison	144.00	163.00	19.00
Kelvin	197.00	230.00	33.00
India	155.00	168.00	13.00
Budge Budge ...	105.00	114.00	9.00
Belvedere	113.50	125.00	11.50
Union	175.00	180.00	5.00
Kamarhatty	132.00	138.00	6.00
Ganges	57.50	63.00	5.50
Khardah	144.00	148.00	4.00
Gourepore	315.00	320.00	5.00
Howrah	19.62	20.19	0.57
Northbrook	17.19	18.25	1.06

Under the lead of Indian Irons, engineering shares were paid keen attention. Indian Irons rose to as high as Rs. 25.80 from Rs. 25.22. Jessop & Cos. at one time changed hands at Rs. 23.12, after opening at Rs. 22.25, but closed at Rs. 22.75. Burn & Cos. moved up from Rs. 374 to Rs. 378. Braithwaites recovered from Rs. 31.12 to Rs. 31.50. Texmacos advanced from Rs. 22.80 to Rs. 22.96 before closing at Rs. 22.85.

In the mining section, Indian Coppers hardened from Rs. 3.83 to Rs. 3.90 with Orissa Minerals recovering to Rs. 28.06 from Rs. 27.87. In papers, there was profit-taking with Orients receding to Rs. 34.88 from Rs. 35.10, while Sirpurs opened at Rs. 13.31, gave way to Rs. 13.12 and rose to Rs. 13.75.

Among miscellaneous industrials, Jardine Hendersons jumped up from Rs. 72.50 previously to Rs. 82, with Hindustan Levers hardening from Rs. 24.31 to Rs. 24.50. Indian Oxygens were enquired at Rs. 20.50, as against Rs. 20.37 earlier. National Tobaccos were unchanged at Rs. 14.12, while Indian Cables, after receding to Rs. 29.37, recovered to Rs. 30.

Madras Stock Exchange

MADRAS, *17th September*

The Madras Stock Exchange continued to rule steady during the week under review also. Operators seemed to take an optimistic view of the outlook for industries. The optimism was based on prospects of India getting substantial foreign aid from the World Bank, the U.S., the U.K., West Germany, Canada and Japan for implementing the Plan. Further, some of the observations made by the Finance Minister in the U.S. led to expectations of a more helpful fiscal policy in the form of tax relief and active measures to augment investment. Plantation shares continued to attract good attention of operators. Tea shares were specially favoured, despite the reported statement of the Union Minister for Commerce and Industry at the meeting of the Congress Parliamentary Committee this week that there was at present no case for a reduction in export duties on tea. Coffee and rubber shares were also well fancied. The textile section was steady, with selective buying enquiry. Reports of difficulties confronting the cotton mills, especially those spinning lower count yarns, news of curtailment of production operations by a few units, and unencouraging working results of some companies in the past year would appear to have had no effect on the market. Bank shares and several miscellaneous industrials evoked enlarged enquiries at higher rates.

Among tea shares in the planting section, Mlamallays spurted by Rs. 3 to Rs. 38. Coonoors were marked up by Rs. 2 to Rs. 24. Stanes Amalgamateds rallied 75 nP to Rs. 15.25. Devasholas strengthened by Re. 1.13 to Rs. 20. Lucky Valleys rose by 50 nP to Rs. 12, Twyfords by 15 nP to Rs. 14.30 and Neelamalais by 13 nP to Rs. 4.85. Coorgs hardened by 10 nP to Rs. 13.10. Nonsuch gained a like amount to Rs. 24.30. The Directors of the Peermade Tea Company Ltd. have declared a first interim dividend of 6¼ per cent. free of income-tax for the year 1958 and the shares were fully steady at Rs. 21.60.

Among rubber shares, Vaikundams forged ahead by Rs. 2.25 to Rs. 26.25. Malankaras firmed up by 90 nP to Rs. 19.50 *cum-div.*, despite the cut in the dividend to 17 per cent. for the year ended 31st March 1958, as against 22½ per cent. for the previous year. Highlands strengthened by 65 nP to Rs. 12.90 *cum-div.* Malabar Industrials climbed up by 75 nP to Rs. 18. Midlands increased by 60 nP to Rs. 12.90. Rajagiris were better by 45 nP at Rs. 18.75.

Among coffee shares, Kumergodes were quoted a rupee higher at Rs. 7.40. Coffee Lands hardened by 35 nP to Rs. 34.85. Sangameshwars put on 6 nP to Rs. 2.72 and Cheveroys 3 nP to Rs. 2.28.

Buying enquiry in the textile section, as already stated, was of a selective nature. Coimbatore Pioneers evoked good support and advanced by Rs. 6 to Rs. 243. Coimbatore Cottons climbed up by Rs. 5 to Rs. 155. Coimbatore Spinnings strengthened by Rs. 2.50 to Rs. 43.50. Bangalore Woollens were quoted Rs. 2 higher at Rs. 167. Lakshmis were fully maintained at Rs. 102, Radhakrishnas at Rs. 130 and Maduras at Rs. 32.25. Metturs, however, dropped a rupee to Rs. 341. Janardanas were pushed down by Rs. 2.50 to Rs. 70, reflecting disappointment of operators over the cut in dividend to 6 per cent. for the year 1957, as against 20 per cent. for 1956.

Among miscellaneous industrials, Textools hardened by a rupee to Rs. 202. Aluminium Industries improved by 95 nP to Rs. 18.35. Rallis strengthened by 75 nP to Rs. 40. Indian Steel Rollings increased by 50 nP to Rs. 14.50, United India Fire by 30 nP to Rs. 6.80, Singarenis by 25 nP to Rs. 16.25 *cum-div.* and Orissa Cements by 17 nP to Rs. 13.12.

Calcutta Stock Exchange Official Year Book 1958. Compiled and published by the Calcutta Stock Exchange Association Ltd., 7, Lyons Range, Calcutta. Pages: 528. Price: Rs. 12.50.

The Calcutta Stock Exchange Association, established in 1908, completes 50 years of useful existence this year. Appropriately enough, arrangements are being made to celebrate its golden jubilee. However, it was only in 1923 that it was registered as a limited liability concern. It has now got a membership of 276, as against 210 in 1923. The Association has the distinction of being one of the earliest institutions for publishing an official year book, providing all relevant details about leading joint-stock companies which will be of interest and utility to investors. The twentieth edition of the *Year Book* under review is a comprehensive document which gives the financial position of the old companies and also particulars regarding new companies which have come up in the last one year.

The review of the year 1957, in so far as it relates to stock exchanges and the securities dealt on them, makes interesting, though dismal, reading. Describing the year as a "woeful" one for the stock market, the compilers have computed that, between January 1956 and May 1957, that is, within a short span of 17 months, the investors in industrial equities have lost no less than Rs. 81.50 crores, or 26 per cent., as a result of the downswing in prices.

The latest edition also contains the provisions of the Securities Contract (Regulation) Act, 1956 and rules governing the same, the rates of taxes on various personal and corporate incomes, the rates of estate duty, etc. Another useful addition is the list of prices of various shares as on 2nd January 1954; this will facilitate the assessment of one's tax liability under wealth tax and capital gains tax.

NEWS IN BRIEF

THE cost of the Neiveli Lignite Project, Madras, is likely to exceed the original estimate of Rs. 67 crores by about Rs. 8 crores.

The Government of Madras has under consideration a proposal to bring 15,000 additional acres under rubber cultivation in the Kanyakumari district.

The Seshasayee Industries, Tiruchirapally, has been given a licence to establish a factory at Neiveli for the manufacture of porcelain high-tension and low-tension insulators. The factory is expected to commence production by the end of March 1959.

As a result of a contract concluded between the Government of India and Messrs. Komaton Manufacturing Company of Japan, the Indian ordnance factories are now able to produce, in collaboration with the Japanese firm, earthmoving equipment, tractors, bulldozers, scrapers, motor grader sets.

A proposal to set up a fourth steel mill in India in the public sector, it is learnt, has been taken up with the U.S. Government by the Indian representatives. The estimated cost of the proposed project is put at £107 million, of which £71 million represents foreign exchange, the balance of £36 million being the local cost.

The Indian trade delegation now touring Central and West African countries is of the opinion that India can land centrifugal pumps, diesel engines, sewing machines and electric fans in Africa at prices about 10 per cent. lower than those exported by Japan. The delegation has found no prejudice against Indian goods in Rhodesia and has established contact with some good agents who, it is said, are prepared to handle manufactures from India.

A storm-warning radar near Safdarjung Airport, New Delhi, which has been in operation for the last nine years, was formally inaugurated by Prime Minister Nehru on the 13th inst. The largest of its kind in South-East Asia, the Rs. 15.11 lakhs radar provided by the U.S. Technical Cooperation Mission, can probe more than 300 miles away and forecast storms four hours in advance. It helps to make air routes safer for internal as well as international airlines flying over this part of the country.

The erection of the silver refinery plant for the Calcutta Mint has been finished. It is expected to go into operation shortly. The installations have been built by Demag-Elektrometallurgie, a subsidiary of Demag, Germany, which is one of the leading companies in the planning and erection of the integrated iron and steel plant at Rourkela. The silver refinery plant will work up old coins, originating from the time of British Government. The daily output of the plant runs up to 2,000 kg. fine silver and 1,600 kg. electrolytic copper. The connecting capacity will be approximately 2,000 kVA.

An outline of the third Five-year Plan is expected to be issued by the Government of India shortly. Preliminary work on the Plan has already been started by the Planning Commission, Central Ministries and some of the State Governments. Working groups for agriculture, irrigation and power and education have been set up. The various Ministries are continuing their studies on the different aspects of the Plan. Besides, data relating to manpower requirements are being collected both at the Centre and by the States. It is learnt that an attempt is being made to fit proposals for the third Plan into a perspective Plan extending over a period of 15 to 20 years.

The Central Government has made special arrangements for the supply of copper to small-scale manufacturers of electric copper wires, copper utensils and imitation *jari* goods. A total quantity of 5,500 tons has been allocated for distribution among the manufacturers for the current licensing period April-September 1958 on the basis of their consumption in 1957. The total consumption in that year is estimated at 11,000 tons of copper. Out of the 5,500 tons allocated to the small units, about 4,500 tons have already been distributed. The Government has now decided that the allocation work should be done by State Governments and some quantity of copper is likely to be placed at their disposal for distribution.

The Scheduled banks have generally agreed to provide additional financial accommodation to cotton textile mills by reducing the margin from 25 per cent. to 10 per cent. wherever possible. This was disclosed by Mr. Nityanand Kanungo, Minister for Commerce, while replying to a question in the Lok Sabha the other day. Mr. Kanungo said that the banks had been requested to reduce the margin of security against loans and advances to the mills in order to relieve the difficulties of the textile industry which was recently faced with heavy accumulation of stocks. According to him, the mills, particularly upcountry mills, had derived considerable relief by this accommodation, although it was not possible to state precisely how far the mills had benefited from these facilities.

Replying to a question in the Lok Sabha the other day, the Deputy Minister for Commerce and Industry, Mr. Satish Chandra, stated that, as soon as the threatened closure of three Nagpur dailies due to shortage of newsprint was brought to the notice of Government, the dailies were offered relief by release of newsprint from the Nepa Mills and from ready stocks of imported newsprint. The Government had no knowledge of threatened closure of any other newspapers in Bombay State. Asked about the annual requirements of newsprint in the country, he said that the demand was gradually increasing and was expected to reach 100,000 tons by 1960-61. The newsprint imported in 1957 amounted to 63,750 tons, as against 71,450 tons in 1956 and 73,600 tons in 1955. Imports in the first five months of 1958 aggregated 21,550 tons. The production of indigenous newsprint, which was 2,563 tons in 1955, had risen to 10,781 tons in 1956 and 14,489 tons in 1957. The production in the first half of 1958 was 9,549 tons. Revealing that a scheme for the establishment of a newsprint factory at Shakkarnagar (in Andhra Pradesh) with a capacity of 100 tons per day was under the consideration of the National Industrial Development Corporation, Mr. Satish Chandra said that it had not been possible so far to arrange for satisfactory terms of deferred payment for the proposed newsprint factory. The Andhra Pradesh Government had been requested to survey the site proposed, excavate trial pits to test the nature of the soil and prepare contour maps of the area.

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From Abroad

The population of the U.S.A. as on 1st August 1958 was 174,326,000 which represents an increase of 2,852,000 as compared with that a year before.

The *per capita* consumption of paint in Sweden at 22 lbs. is the highest in Europe. The country is said to be more or less self-sufficient in paints, its total output of paints being of the order of £13.8 million.

The flotation of a company to manufacture non-woven fabrics was announced in Holland last week. Participating in the project are Lantor of Manchester, West Point Manufacturing Company of the U.S. and Tootal and six of the leading Dutch cotton mills.

America's Boeing 707 jet airliner, which carried out noise tests at London last week, set a new transatlantic air record on its return to the U.S. by flying non-stop from Stansted Airport, Essex, to Idlewild, New York, in 7 hours 29 minutes.

Japan has agreed to grant a loan of $30 million in the form of yen credits to the United Arab Republic. No agreement, however, has yet been arrived at between the two countries regarding the rate of interest. While Japan is insisting on 5½ per cent., the U.A.R. is asking for 4½ per cent.

The world consumption of primary tin exceeded production by 6,200 tons to 36,400 tons in the second quarter of 1958. This is in marked contrast with the first quarter when consumption was 36,400 tons, while output was 38,400 tons. In the second half of last year, there was a production surplus of 9,700 tons.

The U.S. Export-Import Bank has approved of a $40 million credit to the Central Reserve Bank of Peru for maintaining essential imports from the U.S. during the rest of 1958 and in 1959. The economy of Peru, it is said, has been adversely affected by the depletion of its export earnings owing to the fall in world market prices.

A low-cost aluminium classroom, which can be moved from one school site to another within three days, has been developed by the Thompson Trailer Corporation, U.S.A. The portable schoolroom, measuring 20 feet wide, 40 feet long and 10½ feet high, was designed to relieve a crowded main school building. It is claimed that the classroom can accommodate 40 pupils and be erected in 1.5 working days.

Britain's share in the total imports into Australia during the financial year 1957-58 was maintained at the previous year's level of just over 41 per cent., despite the efforts of the major competitors in the Australian market to increase their share. The percentage share of Japan and West Germany in the total Australian imports during 1957-58 was higher at 3 and 5¾, as against 2 and 4¾, respectively, in 1956-57.

Iraq is reported to be considering a proposal to withdraw from the sterling area in response to popular demand. A technical committee of the Government, it is learned, is currently studying the question as to how Iraq can obtain financial freedom of action instead of being obliged to follow the sterling area policies. The total of Iraq's sterling balances is currently put at about £80 million.

A bilateral trade agreement, extending unconditional most-favoured-nation treatment to each other, has been reached between New Zealand and Japan. The agreement contains, *inter alia*, provisions for safeguarding the domestic industries of each country by necessary consultations between the two Governments. It also stipulates certain specific commitments by Japan in regard to imports of New Zealand meat, wool, tallow, hides and dairy products.

The payload-range performance of the Vickers Viscount 810 series, one of Britain's best selling prop-jet airliners now in service in many countries of the world, has been stepped up in all airliners ordered as from the 10th inst. The makers, Vickers-Armstrong Aircraft Ltd., have announced that the necessary engineering development and flight test programme has advanced sufficiently to raise the maximum take-off weight by 3,500 lbs. to a total of 72,500 lbs.

The British European Airways has announced sizable cuts in fares on its domestic trunk routes with a view to encouraging traffic. The revised fares with effect from 1st November next will be £8 for flights between London and the Scottish and North Ireland cities and £5½ between London and Manchester. The company has also announced a concession in the form of 8-day winter week-end excursion return rates in the routes between London and Belfast, Edinburgh, Glasgow and Manchester.

A new fuel oil terminal, claimed to be the largest and the most up-to-date in the United Kingdom, was opened on the 15th inst. Built on the reclaimed site of a former East London dock at a cost of over £400,000, it will be capable of storing 4,000,000 gallons of fuel. An outstanding feature of the new terminal is the automatic pumping equipment that feeds fuel oils from storage tanks to loading bays. This equipment, by eliminating manual control, ensures that nearly 400,000 gallons of fuel oil can be loaded daily into road tankers for distribution in and around London.

The Volta River Plan of Ghana, which will receive the highest priority in its second development plan, is expected to be financed jointly by the Government of Ghana and the International Co-operation Administration. The Kaiser Engineering Co-operation, U.S.A., has shown keen interest in the project and if the company were to decide on its participation in the scheme, the U.S. Government contribution is also expected to be forthcoming. Ghana does not intend to apply for a World Bank loan for the time being. It is said that Ghana is in a position to meet the outlay on the next development plan for two years and may borrow in London in 1960.

Many new industries are coming up in Ghana, mainly financed by foreign capital, but the Government subscribing about 25 per cent. of their share capital. Imperial Chemical Industries, London, for instance, will set up a factory at Tema shortly for manufacturing insecticides, Gammalin 20. Another plant for the production of aluminium cooking vessels will be established with the collaboration of Swiss industrialists. Again, a new iron and steel rolling mill, which is now under construction at Abosso, is expected to commence production by early next year. The Government has invested £20,000 in the project, which represents about 25 per cent. of the share capital.

PERSONAL

MR. C. S. Venketachar, High Commissioner of India to Canada, presented credentials to the Acting Governor-General, Justice Taschereau, at Ottawa on the 12th inst.

Mr. G. L. Mehta, Indian Ambassador to the U.S. till recently, returned from Geneva on Sunday this week after attending the seminar on International Tensions held at Berne last month.

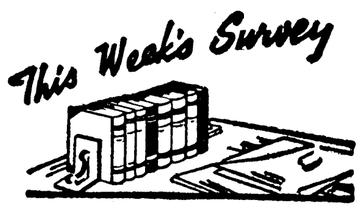
Mr. N. G. Ranga, M.P., has been appointed Chairman of the Public Accounts Committee till 30th April 1959, *vice* Mr. T. N. Singh, who has taken over charge as Member, Planning Commission.

Mr. Mohamed Ali Currim Chagla, at present Chief Justice, Bombay High Court, has been appointed Ambassador of India to the United States of America. He will assume charge of his new assignment some time next month.

Mr. Howard C. Sheperd, Chairman of the Board of the First National City Bank of New York, is due to arrive in Bombay City on 20th inst. He is accompanied by Mr. George S. Moore, Executive Vice-President of the Bank, in charge of its Overseas Division. After meeting important industrialists and Government officials in Bombay, they will proceed to New Delhi to represent their Bank at the annual meetings of the World Bank and the I.M.F.

Dr. Panjabrao S. Deshmukh, Union Minister of Co-operation, will lead the Indian delegation to the fourth F.A.O. Regional Conference for Asia and the Far East and the sixth session of the International Rice Commission due to be held in Tokyo from 3rd to 16th October 1958. The delegation will include Mr. H. G. Patil, a non-official member, Dr. R. N. Poduval, Deputy Economic and Statistical Adviser, Government of India, and Dr. S. M. Sikka, Additional Agricultural Commissioner, Indian Council of Agricultural Research.

Mr. Derick Heathcoat Amory, Chancellor of the British Exchequer, will lead the U.K. delegation to the annual meetings of the Boards of Governors of the International Monetary Fund and the International Bank for Reconstruction and Development, due to take place at New Delhi from 6th to 10th October. The delegation from the U.K. will include Mr. Reginald Maudling, the Paymaster General, Mr. Terence O'Neill, Minister of Finance, Northern Ireland, Sir Roger Makins, Joint Permanent Secretary to the Treasury, Sir Denis Rickett, U.K. alternate Governor of the World Bank, Mr. M. H. Parsons of the Bank of England, who is U.K. alternate Governor of the Fund, Mr. G. F. Thorold, U.K. Executive Director of the Fund and the Bank, and Sir Robert Hall, Economic Adviser to the U.K. Government.



L.I.C.'S STAFF POLICY

ALTHOUGH Mr. P. A. Gopalkrishnan, Chairman of the Life Insurance Corporation of India, could not give a favourable reply to the demand of the Corporation's employees for bonus, he had many other pleasant things to tell them when he addressed the twenty-seventh meeting of the Corporation held on the occasion of its completion of two years' working. The Chairman disclosed that, though the demand for bonus could not be conceded, since the Government of India had decided, as a matter of policy, that no bonus would be payable in nationalised undertakings, the Corporation had instead extended a scheme of free insurance to its employees and decided to contribute a lump sum every year for staff benefits. It had also sanctioned a comprehensive scheme of housing for its employees costing about Rs. 12 crores. The Chairman indicated the Corporation's willingness to consider, after the biennial valuation of the assets and liabilities of the Corporation had been completed, a scheme of incentive bonus for the staff.

To the extent these measures contribute to make the employees a contented lot, and thereby make work efficient and service prompt, they would be welcomed by the country in general and the policyholders in particular. But the question is whether there are not other problems which deserve a higher priority. The Corporation is no doubt making efforts to improve the administrative machinery. But, on the Chairman's own admission, there is a great deal to be done in the matter of better servicing of policies and speedier settlement of claims. Policyholders in other countries receive many benefits and privileges which their confreres in India have yet to enjoy. The Corporation's efforts to bring these or similar benefits within the reach of its policyholders will be a measure of its earnestness to serve their interest. Certainly, it is no consolation for them to be told that the Corporation has earmarked Rs. 12 crores for housing its staff, or that it proposes to give incentive bonus to its employees, when they themselves, after having taken out with-profit policies, are still in the dark about the future of their bonus. This is not to be taken as a criticism of the Corporation's staff policy or the amenities it proposes to provide to its employees. It is meant only to underline the need for doing first things first.

A Government-owned Corporation, enjoying an absolute monopoly of life insurance in the country, and having, by the very nature of its business, large funds at its disposal, needs to be very circumspect in its policies. It should resist the temptation to be overgenerous, to which it can easily succumb. Since it is a Government undertaking, it has to take into account the impact of its salary scales and service conditions on other sections of Government employees and see that these are not disproportionately high as compared with those offered by other departments. In no case should the Corporation's employees, or the employees of other public undertakings for that matter, be singled out for special treatment, which the majority do not get, nor should its policies lead to the creation of an elite among employees in the public sector. Already, this tendency is evident and, if it is not checked in time, it will have a very unhealthy influence on the morale of the not-so-privileged Government and non-Government employees.

The Corporation has drawn up building programme. The *raison d'etre* of it, according to the Chairman, is that at present most Divisional Offices are located at places where there were no head offices of the former insurance companies and where, therefore, no suitable buildings are available for accommodating the Divisional Offices. Until these buildings are constructed and adequate space becomes available, the Chairman said, the Divisional Offices concerned would not be in a position to take over the policy papers of the units or the personnel necessary to deal with them. One wonders whether the programme at present deserves the priority which the Corporation has given it. Following nationalisation, the Corporation has come into possession of many buildings which formerly accommodated the branch offices of private companies. Could not the Corporation make use of the office space saved as a result of the centralisation of life insurance for purposes of housing its Divisional Offices? It is true that the Divisional Offices are functionally different from the branch offices of companies and, therefore, require better facilities. But, if those already available are so grossly insufficient as to render the working of the Offices difficult, would it not suffice for the present to rent out buildings already existing, instead of launching a fresh building programme and that too at a time when the Corporation has many problems to grapple with and the need for conserving the scarce building materials like steel for more essential construction projects is urgent?

PROFESSIONAL ACCOUNTANTS

With the growth of business enterprises, the professional accountant is being called upon to play an increasingly important role. Whether he works as an accountant inside a business enterprise or as an "internal" or "external" auditor, he is a person whose advice is worth listening to. Now that managements of most corporate enterprises are getting divorced from the day-to-day scrutiny of the ultimate owners, the shareholders, more and more reliance has necessarily to be placed on the integrity and professional skill of the accountants and auditors. The recently amended Company Law has also cast on this class of men much onerous responsibility. They cannot possibly discharge this responsibility without professional equipment of a high order. Appropriately enough, the Union Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, in the course of his address at the annual meeting of the Institute of Chartered Accountants, held last week, at New Delhi, urged the Institute to maintain the highest possible standards in the profession. A new branch of accounting science which is coming into its own is management accounting which, as Mr. S. Vaidyanath Aiyar, President of the Institute, pointed out, could be of considerable assistance to efficient and economic management. It is gratifying to note that the syllabus framed by the Institute for its management accounting examination includes such subjects as business administration and industrial relation. The new syllabus should enable the accountant to acquire that liberal attitude without which he is bound to remain a mere stickler for unimaginative figure work.

Mr. Shastri stressed that the Government was fully seized of the importance of adopting the best techniques of accounting science in the companies in the public sector. He revealed that the Department of Company Law Administration would shortly be promoting some preliminary discussions at a technical level to consider how best suitable systems and accounting for management could be introduced in the public sector and that, in this connection, the authorities would be seeking the assistance of the Institute. The Government, he said, had also decided to set up a Technical Advisory Committee to be associated with the Department of Company Law Administration. This Committee, which would consist of legal and accountancy experts, would function as an advisory body to the Government in regard to accounting and legal matters which come up before the Government. It would be the Indian counterpart of the Consultative and Technical Advisory Committees associated with the Insurance and Companies Department of the U.K. Board of Trade.

From time to time, the Institute has suggested amendments to the provisions of the Chartered Accountants Act. It is stated that these proposals have been thoroughly discussed and there is now a large measure of agreement between the Institute and the Department. Mr. Shastri disclosed that the Government would be able to finalise these proposals and introduce the necessary amending legislation in Parliament by the end of this year. It is not, however, clear which of the suggestions made by the Institute have been accepted by the Government.

MINERAL OIL AT CAMBAY

It is welcome news that an oil-bearing stratum has been located at Cambay in the Bombay State. The exact position, as described to Parliament by the Union Minister for Mines and Oil on the 12th inst., is as follows:

"I deem it my duty to report to the House that, at the Cambay site, we have penetrated into what appears to be an oil-bearing stratum. A small underground structure was independently delineated by our Indian specialists at a depth of 3,000 ft., some five miles north-west of Cambay. There were exposures of marine rocks and gas around the fringe of the basin. It was thought that this was a region of marine sedimentation and a decision was taken to test the structure by drilling to a depth of 10,000 feet.

"After the necessary preparations, drilling operations were started on 25th July, 1958 with a Russian Uralmash-3D turbo drill and a depth of 5,368 ft. was reached on the morning of 3rd September, when drilling was stopped for taking electro-logging data. On the 4th inst., when the drilling mud was circulated in the morning, thin films of dark brown oil were seen to come to the surface with the return mud. When the casing was lowered on the 8th inst. and mud circulation resumed, oil started to reappear and flowed with the mud in a continuous stream for about 15 minutes. The pressure of the drilling mast at the bottom of the hole was about 190 atmospheres, suggesting that the oil was under considerable pressure."

It, however, remains to be seen whether the oilfield now located at Cambay affords possibilities of exploitation of oils on a commercial basis. Mr. Malaviya observed that, while there was reason for cautious optimism on the basis of results achieved so far, it would be necessary to continue fairly intensified drilling and testing for 3 to 12 months more, before one could be certain that a commercially exploitable oilfield had been discovered. He said that they were "extremely fortunate to strike oil at such shallow depth in an unknown virgin area within a short time and at negligible cost." He also announced that it had been proposed to increase the number of drills in the Cambay area and in other promising areas.

Addressing a Press conference at Cambay on the 16th inst., Mr. Malaviya, who was on an on-the-spot inspection visit to the place, pointed out that investigations carried on so far and more especially information obtained from the first well at Cambay had given a lot of encouragement to intensify the search for oil. He added that the Natural Gas and Oil Commission would intensify its search for oil, following the discovery of a number of gas seepages in the area, both on the east and west of the Gulf of Cambay. He, however, observed: "Because oil is elusive and howsoever perfect the geologists', geophysicists' and drillers' work may be, oil can be found only where it is seen, and then oil is not worth finding unless it is in commercial quantities." He also disclosed, in this connection, that each installation for further exploration operations would cost the country Rs. 50 lakhs in equipment and Rs. 30 lakhs in operational cost.

Much effort will be needed before India's oil supply is augmented by domestic sources. India's production of mineral oils accounts for no more than 8 per cent. of the present annual requirements of 5 million tons. Even on the assumption that the Nahorkatiya oilfields yield an additional 2½ million tons of crude by 1960, the total production, it is computed, will fall short of domestic demand by no less than 50 per cent. Consequently, the total value of annual imports of crude and petroleum products will be of the order of Rs. 140 crores by 1961, as against the current annual expenditure of about Rs. 100 crores. In order to minimise this drain on foreign exchange, there is a compelling urgency for launching a vigorous drive to boost domestic oil production.

SECOND PLAN—ANOTHER REAPPRAISAL

Just four and a half months after its Memorandum on the appraisal and prospects of the second Five-year Plan, the Planning Commission has come out with another reappraisal of the Plan. In a detailed note submitted to Parliament's Consultative Committee on Planning, the Commission has looked at the Plan again on the basis of the developments that have taken place since April 1958. It now places the total outlay on Part A of the Plan at Rs. 4,650 crores, a rise of Rs. 150 crores as compared with the ceiling of Rs. 4,500 crores fixed by the National Development Council early in May last. This Part, it will be recalled, covers, besides the programmes directly related to increase in agricultural production, 'core' projects and projects which have reached an advanced stage, and other inescapable schemes. All the other remaining schemes are included in Part B of the Plan, with a total outlay of Rs. 300 crores, to be undertaken to the extent to which additional resources are available.

The whole of the increased outlay of Rs. 150 crores in Part A of the Plan is accounted for by the plans pertaining to the Centre. The cost of these plans has been stepped up from Rs. 2,452 crores to Rs. 2,602 crores. The cost of the plans of States is expected to remain unchanged at the level envisaged in the Memorandum, that is, Rs. 2,048 crores. The bulk of the increase in the Centre's Plan—Rs. 92 crores to be precise—pertains to industries and minerals, the total provision for which has been enhanced from Rs. 775 crores to Rs. 867 crores. The allocations for agricultural and community development have been raised by Rs. 2 crores to Rs. 56 crores, for irrigation and power by Rs. 12 crores to Rs. 75 crores, for village and small-scale industries by Rs. 12 crores to Rs. 67 crores, for transport and communications by Rs. 8 crores to Rs. 1,185 crores, and for "miscellaneous" by Rs. 5 crores to Rs. 35 crores. The allocation for social services is left unchanged at Rs. 298 crores. These increases, together with the enlarged provision of Rs. 19 crores for proposals such as expansion of technical education, come to Rs. 150 crores.

In the opinion of the Planning Commission, the abovementioned increases in Central projects are "virtually unavoidable." On the basis of the revised cost of the projects, the actual gap in financial resources comes to as much as Rs. 390 crores, as against Rs. 240 crores mentioned in the Memorandum issued in May last. In view of the success that has already attended the efforts made to obtain foreign exchange resources, the central problem now is one of raising internal resources during the rest of the Plan period. The estimate of these resources in the first three years of the Plan is placed at Rs. 1,101 crores which compares with Rs. 2,652 crores (including the latest addition of Rs. 150 crores) required for the whole of Part A of the Plan. In other words, the internal resources to be raised in the last two years of the Plan is of the order of Rs 1,551 crores. Can such a large sum be found within a couple of years? Experience so far does not warrant any optimism. Several State Governments, it may be noted, have already expressed their inability to levy any new taxes. It is true that the prospects for open market borrowings have improved, but this advantage is likely to be neutralised to a large extent by the fall in small savings.

It is unrealistic on the part of the Planning Commission to maintain even in the latter half of the third year of the second Plan that the State Governments should intensify their efforts at raising additional revenue. For reasons already mentioned (*vide* page 378, *Commerce* 6th September 1958) and reiterated in our Delhi Letter (page 468) this week, it is no use proceeding on the assumption that the States can and must find more money than they have been able to do so far. Accordingly, there are only two alternatives. One is to cut the coat according to the cloth available. The other is to set aside sentiment and reintroduce the salt duty and modify the policy of prohibition. In fact, both the remedies can be tried. If the authorities are not prepared to do so, they can finance development by creating more paper money. But they will have to face more music from the public which is already groaning under the weight of high cost of living and excessive taxation and run the grave risk of a revolution. This is, of course, taking an extreme view of the situation, not providing for the occurrence of miracles. Supposing the production of foodgrains in the next year or in the one following it goes up by four to six million tons, followed by a corresponding rise in other agricultural crops, the problem of internal resources will have been very nearly solved.

Be that as it may, the Planning Commission's assessment of the position in respect of external assistance is somewhat encouraging. The total of such assistance actually received and announced to date is of the order of Rs. 1,350 crores, made up of assistance carried over from the first Plan accounts for Rs. 132 crores, fresh assistance authorised in the two years ended March 1958 for Rs. 727 crores, and assistance offered by the five countries participating in the recent Washington talks under the auspices of the World Bank as well as the Bank itself for Rs. 491 crores. This amount not only exceeds the foreign assistance of Rs. 800 crores assumed in the original Plan but also more than fully covers the uncovered gap of Rs. 400 crores in the original version of the Plan.

Notwithstanding the substantial improvement in foreign assistance as noted above, it is highly doubtful whether the efforts to fulfil the physical targets will meet with success, thanks to several limitations such as shortage of technical and administrative personnel, red-tapism, lethargy of Government employees, labour unrest, transport bottlenecks and, finally, scarcity of rupee resources. In fact, there are indications of a downward revision in many vital physical targets even according to the latest estimates of the Planning Commission. The total area of land for which irrigation facilities will be provided, for instance, is put at 10.4 million acres, as against the original target of 12.0 million acres. Similarly, the output of power is expected to be 500,000 kilowatts lower at 3,000,000 kilowatts. Industrial production is expected to achieve only 70 to 75 per cent. of the capacity of targets, the shortfall being marked in respect of aluminium, ferro-manganese, caustic soda, fertilisers, dyestuffs and cotton textiles. While the targets for locomotives, wagons and bicycles are expected to be hit, there will be shortfalls in the field of engineering industries. The target of coal production will be lower than the original target of 60 million acres, but the target capacity for consumer goods, most of which are in private sector, is expected to be secured, with a few exceptions. Transport and communications development are also expected to be affected to some extent, while provision for social services, which include education, health and housing, has been cut by Rs. 135 crores.

It would appear from the Planning Commission's latest reappraisal that the Plan will provide employment opportunities for only 6.5 million, as against the original target of 8.0 million, and that the increase of 25 per cent. in national income envisaged in the original Plan may not be realised. The actual extent of the shortfall is not indicated. The Commission merely states that "whether national income as a whole will grow as anticipated in the Plan turns largely on the extent to which the targets of agricultural production as revised in 1956 are realised." It is, however, estimated that the rise in national income in the non-agricultural sector may be close to the level suggested in the Plan. But even this assumption is somewhat optimistic, now that all the three steel projects in the public sector are progressing far behind schedule and are unlikely to be in full production before 1963.

WORLD COFFEE

No information is yet available about the final outcome of the deliberations of the two-day session of the African coffee producers' conference held in Paris on the 11th and 12th inst. and the decisions taken thereat. All that is known at the time of writing (Monday, the 15th inst.) is that the main object of the conference was to discuss the draft of an international coffee agreement prepared by the Brazilian and U.S. Government representatives after negotiations in Washington. Under the draft agreement, as explained by the Brazilian observers who were in Paris for the conference, Brazil is willing to cut its exports of coffee to the normal European and North African markets by 40 per cent.—that is, from 25 million bags to 15 million bags per annum—provided, of course, the African producers (mostly the French West African Colonies) share the sacrifice. The Brazilians want that the African producers should absorb almost 10 per cent. of their exportable surplus of about 3 million bags. Further, it is made clear that Brazil would preserve its freedom of action to find out new markets for coffee exports, an addition to the 15 million bags in the Communist world and Asia. There have been hints that "if the African producers refuse to accept the Brazilian proposals, Brazil will export her surplus regardless, thereby sharply reducing world prices."

From the aforesaid brief details it would appear that the draft international coffee agreement seeks to unite all the main producers of coffee in the task of controlling the huge surplus of 12 million bags hanging over the world market. The aggregate world production of coffee during 1958 is estimated at as high as 50.50 million bags (of 132.28 lbs. each), while demand is not expected to exceed 38.00 million bags. Never in the history of world coffee industry had the harvest been such a bumper one as in the current season; the previous record level of output was less than 43.62 million bags, touched in 1956. The position regarding coffee surplus, it is said, may be worse in the coming years. To quote a Press version of a confidential study by the World Bank: "There will be a serious surplus for the next five to ten years and that, without some form of control, the price of coffee will drop precipitously and substantially."

It is no wonder, therefore, that the principal producing countries are very much concerned over the prospects for their coffee exports. In particular, Brazil is most anxious and apprehensive. Brazil, it is common knowledge, is the biggest producer and exporter of coffee in the world, accounting as it does for well over 43 per cent. (22 million bags) of the total world output and 41 per cent. (17 million bags) of the total world exportable production of 42 million bags. Coffee constitutes the most important foreign exchange earner for Brazil; its share in the total exports of this country comes to as much as 67 per cent. As in the case of Brazil so in that of the other Latin American countries, coffee earns the largest amount of foreign exchange, the percentage share in the total being 83 for El Salvador, 77 for Columbia, 73 for Guatemala, 70 for Haiti, 54 for Costa Rica and 45 for Nicaragua.

In view of the vital role played by coffee in their economies thus, the Latin American countries are greatly worried over the latest trends in the world economy. While their coffee production continues to rise, thanks to adoption of better methods and cultivation of large expanses of arable land, competition is growing from African coffees which are being offered at considerably lower prices than South American varieties even in the U.S. and which have cut deeply into the European market. It is stated that the proportion of these coffees in the total purchases by the U.S. during 1957 was 20 per cent., as against 12 per cent. in the pre-war period. It is also stated that the value of coffee purchased by the U.S. from the Latin American countries dropped from $1,955.01 million in 1956 to $1,788.82 million in 1957.

The growing competition from African producers in the U.S., the natural market for Latin American producers, has made the latter get together and present a united front. They have been vigorously trying to persuade the U.S. to agree to some sort of an international commodity pact for coffee. Till recently, the U.S. was firmly opposed to any such collective arrangement to hold the prices of coffee. Addressing a meeting of the American coffee importers early this year, the U.S. Assistant Secretary of State categorically declared that the American Government would have nothing to do with schemes to allocate world markets and support coffee prices. But all this is past history. The economic plight of Latin America and the clever attempts made by Russia to exploit the situation in order to win the support of these countries in its favour have induced the U.S. Government to alter its policy and plump for world commodity agreements. In fact, the U.S. has been compelled to take the initiative in organising the International Coffee Study Group, thanks to the "ugly" reception which Vice-President Nixon had in Lima (Peru) and Caracas (Venezuela) during his visit in June last and to the Russian threats of economic penetration of the hemisphere. The Group, it will be recalled, includes not only the Latin American coffee-producing countries but also Ethiopia, Britain, France, Belgium, Portugal and the Netherlands.

While the Study Group is still grappling with the problem of regulating world output of coffee and stabilising prices, the Brazilian and U.S. Government representatives have, as already stated, come out with a draft international coffee agreement. The African producers, who were strongly opposed to any international restrictive arrangement, appear to have softened. The very fact that they agreed to discuss the plan at Paris last week is sufficient proof of the change in their attitude. Having made substantial inroads into the markets, which were once the close preserve of Latin America, the African coffee producers must have thought that, if they refused to co-operate, they might lose a good part of their gains. Moreover, they do not have much choice in this matter, as the European powers, under whose control they are, have preferred to toe the line taken by the U.S.

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PLANNING BODY'S REAPPRAISAL OF SECOND PLAN

ASSUMPTIONS UNREALISTIC

From Our Special Correspondent

NEW DELHI, *16th September*

DELHI LETTER

PARLIAMENT'S Consultative Committee on Planning has just been apprised of a further revision in the Second Plan. This is an upward revision involving an addition of Rs. 150 crores to the five-year expenditure target of Rs. 4,500 crores fixed some months back by the National Development Council for the more essential Part A of the Plan. It may be recalled here that the Planning Commission, in its *Appraisal and Prospects of the Second Five Year Plan* of May last, had visualised a gap of Rs. 240 crores in internal resources even at the level of a total expenditure target of Rs. 4,500 crores under Part A. The latest revision would mean that the gap in internal resources will become wider still, being Rs. 390 crores (Rs. 150 crores *plus* Rs. 240 crores). But the Planning Commission, in its latest note to the Consultative Committee, estimates the gap at anything from Rs. 300 crores to Rs. 350 crores only in the light of possible changes in estimates under individual heads. The Commission assumes that a good part of this gap can be covered at the States' level by (1) betterment levies on lands; (2) special assessment on agricultural lands used for non-agricultural purposes and on agricultural lands which have acquired an urban character on account of particular development projects or general economic development; (3) improvement in collections of existing taxes like sales tax and State excise duties; (4) recovery of arrears of *taccavi* and other loans; and (5) more collections under small savings.

The Commission's assumption that the States might be in a position to raise additional resources under the listed heads is not wholly justified. For one thing, the States would not generally, for political and practical reasons, levy and collect betterment fees, on any appreciable scale, from lands which are supposed to have appreciated in values following the execution of new irrigation projects; this would be particularly difficult because water rates under the new projects are already very high and concessions in them in some areas have to be given to encourage greater utilisation of the newly-created irrigation potential. The admission of the Deputy Minister for Power and Irrigation in the Lok Sabha yesterday "that the levy of Betterment Tax was one of the factors that discouraged cultivators to take advantage of the irrigation potential additionally created" is also significant in this connection.

As for special assessment on agricultural lands used for non-agricultural purposes and betterment tax on urban lands which have appreciated in values, they are promising only on paper for they are least likely to be levied in the face of more certain opposition which, in urban areas, can easily find political expression; in any case, it is doubtful if any substantial revenue can be expected from this source, the more so because it would be very difficult to determine the extent of betterment in land values supposed to have been brought about by general economic development. As for improvement in callections of sales tax, it is again doubtful if there is any considerable scope for it, particularly in the context of the Central levy of sales tax on certain essential commodities which does effect some improvement in collection. As for State excise duties, their yield is bound to remain more or less static as in recent years on the supposition that there is no rapid extension of Prohibition to new areas.

In the matter of more expeditious recovery of arrears of *taccavi* and other loans suggested by the Planning Commission, not much can be expected if allowance is made for recurring droughts or floods in different regions. As for the suggested greater collections under small savings, it may be safely assumed that they will continue to be as unsatisfactory as in the first three years of the Plan. This assumption is based on the consideration that food prices in particular periodically upset the domestic budgets of middle class families and render small savings next to impossible. So long as there is no reasonable prospect of the price line being held at a stable level, it would be breezy optimism to look forward to any substantial increase in small savings.

It would thus appear that shortfalls in expenditure under the State Plans would be inevitable on account of inadequacy in resources. Of the five-year revised target of expenditure of about Rs. 2,200 crores under the State Plans (including those of Union Territories), it can now be estimated that the first three years (1956-57, 1957-58 and 1958-59) would be accounting for just 45 per cent. In the light of the prospective resources position in the States, it would be reasonable to estimate that the remaining two years (1959-60 and 1960-61) might account for 30 per cent. of their five-year revised target of expenditure. In other words, the actual five-year expenditure under the State Plans (including those of Union Territories) might not exceed Rs. 1,650 crores. If allowance is made for a price rise of one-tenth (which is probably on the low side) in the financial performance, the physical performance could be valued at Rs. 1,485 crores in 1952-53 prices at which the Second Plan's original targets were fixed for the Centre and the States.

The picture in respect of the Centre's Plan does not appear to be so depressing inasmuch as the Planning Commission has found it possible to provide for a total five-year expenditure of about Rs. 2,600 crores, as against the previous revised target of Rs. 2,450 crores. The expected additional rupee resources that will be made available for development purposes under fresh P.L. 480 deals (including the latest one which appears to have been finalised during the visit of Mr. Morarji Desai to Washington) could well be of the order of Rs. 150 crores, and this would be available for the Centre's Plan. Assuming a shortfall of just 10 per cent. in the actual five-year expenditure under the Centre's Plan, the financial performance would be of the order of Rs. 2,340 crores. If allowance is also made for a price rise of one-tenth (which, again, is probably on the low side) in the financial performance, the physical performance could be valued at Rs. 2,105 crores in 1952-53 prices at which the Second Plan's original targets were fixed for the Centre and the States.

It would thus appear that, taking the Plans of the States and the Centre together, the most likely five-year physical performance would represent in all about Rs. 3,600 crores in round figures (Rs. 1,485 crores *plus* Rs. 2,105 crores) or, roughly, three-fourths of the original Second Plan target of expenditure (investment outlay *plus* current outlay) of Rs. 4,800 crores in the public sector in 1952-53 prices. If the actual financial performance under the State and Central Plans would not be more than Rs. 4,000 crores (Rs. 1,650 crores *plus* Rs. 2,340 crores), as against the target of Rs. 4,800 crores at current prices, the actual outlays would be, more or less, in accord with available or mobilisable resources—both external and internal.

The over-ambitious character of the original Plan-size (which is the equivalent of Rs. 5,300 crores at current prices) in relation to the maximum mobilisable resources of Rs. 4,000 crores is thus obvious. Why, in the face of this true state of affairs, the Planning Commission periodically reappraises the Plan in a way that still leaves a considerable gap in resources, is by no means clear. Perhaps, the Commission's essays at so-called reappraisal and the National Development Council's so-called decisions thereon have no more than a political or psychological significance. The real master of the situation appears to be the Finance Ministry which alone is in a position to limit actual expenditure to available or mobilisable resources.

It is, therefore, significant that the Economic Affairs Department of the Finance Ministry has "leaked out," just in advance of the submission of the Planning Commission's note to the Parliament's Consultative Committee, some findings of the latest report of the World Bank Mission—especially the ones bearing on the inadequacy of resources. Why the Government has not taken the public and Parliament's Consultative Committee into confidence by releasing the full report of the World Bank Mission along with the Planning Commission's latest note of reappraisal, is a pertinent question. Surely, there is an element of unreality or of "hide-and-seek" in the whole affair. It looks as though the Government is still allergic, for some mysterious political reason, to a frank public discussion of the state of the Second Plan.

THE TRADE UNION LAMI

From Our Own Correspondent

LONDON, *12th September*

LONDON LETTER

THE Annual Trade Union Congress held at Bournemouth last week was a victory for orthodoxy. Everyone expected that it would be the battleground between the Transport and General Workers' Union led by the militant Mr. Cousins (who was so deeply committed to the bus strike earlier this year) and the front bench of the Trade Union Congress which had, of course, opposed an extension of the strike. Now both sides are to argue their case out before the body of delegates and, if Mr. Cousins were to win the day, then it was realised that a very troubled industrial year would lie ahead. But, in the event, the battle was a cold one, instead of a hot one, neither side either wanted or dared to crush the other and, though Mr. Cousins in fact argued that the Trade Union Congress should have brought the country as near to a general strike as mattered in the interest of supporting the bus workers' claims, he did concede that there was something to be said for the opposite point of view. The Congress leaders while maintaining that they were right in not wanting an extension of the struggle and that Mr. Cousins had been wrong, did not want to push their defence any further than that. Mr. Cousins got his applause but much less support than he had expected. The mass of Trade Unionists were prepared to settle for a quiet life and the leaders of the Congress who were as lamblike as any such body could be clearly had the temper of the movement. Observers could not resist the conclusion that, at the present time, if the Trade Union movement can be led by its present gentle supporters, it could be led by almost anybody.

So, although the Transport and General Workers' Union fully ventilated their case for a fight with industry and with the Government, it is clear that the Trade Unions do not want a fight. Mr. Cousins and the militants have very quietly but firmly been held in place.

The relevance of this to forthcoming wage negotiations is clear. At the moment, the 40 unions, which make up the Confederation of Shipbuilding and Engineering Unions, are meeting to discuss the rejection by the shipbuilding employers of their wage claim and the employers' counter-offer of approximately a 3 per cent. increase—against an approximate 4½ per cent. which it is thought the Unions will accept. The Unions' negotiators have rejected the 3 per cent. and the Unions concerned are to debate their attitude. 250,000 shipyard workers are involved and, though they have claimed that the industry is a busy and productive one, they also know that current orders on the books are all running out over the next two years. A recent order for £11 million worth of dry cargo tonnage has been cancelled and another order from the Argentine for £1½ million is said to have been transferred to Germany where prices are lower. The prospects for a negotiated settlement are certainly better than they would have been before the Bournemouth Conference, unless the Unions succeed through threatened strike action in getting a Court of Enquiry set up, but the Government will be chary of such a Court as recent experience shows they can lean to the side of the Unions' claim.

At the same time, it would be wrong to suggest that the Trade Unions have any more of a wage policy now than they had before the Bournemouth Conference. They will not accept that wage increases cannot exceed productivity increases without inflation. But they are not prepared for a wave of strikes. So negotiations in this as in other claims to be made later will proceed by the old method of push and pull, but the employers and the Government will have the assurance behind them that each claim will be fought on its own merits and the spectre of a general strike has for the time being been laid.—*All Rights Reserved.*

AMERICAN LETTER

NOT MUCH PUBLIC THINKING ON CHINA POLICY

ECONOMY STEADILY RECOVERING

From Our Special Correspondent

NEW YORK, *9th September*

THE Lebanon crisis and the exchange of notes over a summit meeting have been completely forgotten. The previous hysteria has been replaced by a new one. It revolves around the offshore islands between Formosa and the Chinese mainland which have been under heavy bombardment for some time.

Contrary to Congressional wishes expressed in 1955, the new official policy of the United States is that it will fight for retention of these islands by the Chinese Nationalists. Private opinions of Congressional leaders have supported that policy in the last few days as they did the landings of U.S. marines in Lebanon. Perhaps it was because nothing happened in the Middle East when Washington finally adopted a firm policy, that there is no hesitancy now to display strength in the Far East.

It would seem logical to assume that, at the recent meeting of high ranking Kremlin and Chinese Communist leaders, the decision was made to renew the attack on the offshore islands. They are extremely vulnerable. They have some tactical value, but hardly a strategic one.

There are a few reasons for this U.S. position of upholding Nationalist China. There is first the tradition of the governments-in-exile which existed through the years of the last war and which were finally reinstated. Then, there is the relatively long historic relationship with Chiang Kai Shek and his group.

Finally, there are the moral and legal obligations of promises made in writing and in print which make it impossible for the United States to throw Formosa to the mercy of its adversaries. The strategic importance of bases on these islands also cannot be overlooked.

However, in the long-range perspective, Formosa's position and existence seems artificial and futile. There would seem to be no hope of re-establishing a regime on the mainland which was ousted by its own people, not by the enemy abroad, as was the case in Europe. The logical questions which arise are how long can the defence and support of Formosa be kept up and what would happen if Generalissimo Chiang Kai Shek dies.

Public opinion in the U.S. does not enquire into these details. It merely responds with pride to the strength of hand shown by Washington and the maintenance of U.S. prestige, as a result. As a matter of fact, many commentators in recent days and weeks have pointed with pride to the resumption of U.S. initiative in East-West relations and the apparent success of current Washington policies.

Cold War in Auto Industry

The U.S. recession is receding. The one glaring exception is the automobile industry. In recent weeks and days, wildcat strikes have made their appearance in many factories, involving tens of thousands of people. Apparently, as directed by the management of the United Automobile Workers of America, a few thousand workers return to work every day. It is a cold war with the management of the industry. The purpose is to force a new contract.

For the past several months, the some 600,000 automobile workers have worked or been idle without a contract. Industry management took advantage of the recession and figured correctly that labour would not dare to call a general strike and, thus, jeopardise the pay envelopes of those who still remained at their benches. Walter Reuther, President of U.A.W., is biding his time.

Should an upturn in public demand occur, a strike is almost a certainty and with it, higher wages and fringe benefits which means higher costs. Optimistic statements have been made recently by leaders of the industry. Sales would increase, they said, in the latter part of this year and in 1959. There is no substantiation for this wishful thinking.

In fact, there is good reason to believe that the post-war decade boom in sales produced a saturation. There is also a saturation of vehicles on the existing highways. So far, the industry has been working on the theory of planned obsolescence. It introduces every year, new automatic gadgets which, it believes, the public will want and, therefore, turn in the older cars.

Foreign car sales are based on an opposite psychology. Give the public efficient transportation at low cost, and cars will be sold. The dilemma is great. Ford, General Motors and Chrysler make most of their money on Fords, Chevrolets and Plymouths. The gap between them and the low-priced foreign cars is great. All three are debating at this point whether or not they should enter the economy price field.

If they do, the costs of tooling would be such that they could not compete, price-wise, with foreign cars at U.S. wage and price levels. Meanwhile, they are importing the small cars which they make in their own factories overseas and are cutting down on their own domestic sales in their most profitable lines. That is the dilemma.

An automobile strike at this time, particularly if it is prolonged, could have a retarding effect on the overall economic recovery movement. It could have one beneficial effect, though. At present, inventories are two months ahead of sales. The normal is one month. Thus, a strike would and could wipe out all excess inventories and it could build up pent-up demand which would assure a fairly high level of production for some time.

So far as the overall economic picture is concerned, employment has been rising. The August figure was 65,179,000, against 64,981,000 in July and 67,221,000 in August 1957. At the same time, unemployment was 5,294,000, against 5,437,000 in July and 3,007,000 in August 1957.

Personal income is considerably ahead. It was reported in mid-August at the annual rate of $354,500 million, against $352,000 million in July and $351,000 million in August 1957.

Steel operations are recovering, too. They are, of course, closely tied to the automobile picture. But they have recovered from their low of 50 per cent. of capacity operations earlier this year to 63.5 per cent. of capacity early in September. This compares with 82.2 per cent. in September 1957.

This gives a general idea of the trend in the U.S. at this time. Meanwhile, financial quarters here are following closely the meetings under the auspices of the World Bank among India's chief creditor nations, U.S., Britain, West Germany and Japan, which are to work out a rescue operation for New Delhi.—*All Rights Reserved.*

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A recent Press report from New York avers that the expected further recovery in economic activity in the U.S. is not likely to have any significant impact on the U.S. foreign trade until the latter part of next year. According to the report, both imports and exports in the rest of 1958 will probably show little change from the second quarter levels. In other words, this year's total exports will aggregate $15,500-16,500 million which represent a fall of 18 per cent. as compared with the previous year. Imports of raw materials are also not likely to go up until well towards the end of 1959, in view of the abundant stocks in the country.

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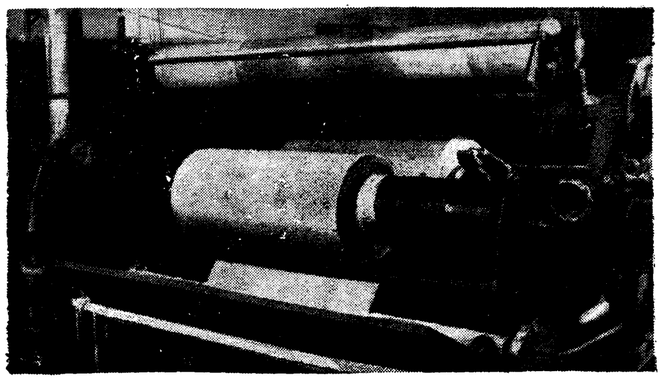

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DEVELOPMENT PROGRAMMES FOR BACKWARD REGIONS

VIEWS OF A DUTCH ECONOMIST

THE ever-growing literature on the problem of development of economically backward regions reflects the keen interest in the subject among professional economists, administrators and men devoted to economic research. The chief difficulty encountered in the transformation of an economically backward region into a highly productive area is in perfecting techniques which would compress into a small period of years the development which industrially advanced nations took several decades to cover. Perhaps, a factor which is often overlooked is that such development cannot be achieved merely by transferring from a developed into an underdeveloped country money or equipment or technical skills. After all, it is not an economy alone but a whole society, a living organism, that is to be developed. This suggests that there must be an entire change of political, economic and social attitudes in the country which seeks to achieve higher standards of productivity and living. To treat the science of economic development of a backward country as if it were nothing more than setting some automatic machine to work is to ignore the many vital factors which go to make up the whole complex of economic progress.

The chief merit of the study of the subject made by Mr. Jan Tinbergen of the Netherlands School of Economics, Rotterdam, in his publication *The Design of Development** lies in the fact that it presents a comprehensive view of the dynamics of economic development. Mr. Tinbergen undertook the study of the subject at the instance of the World Bank which, as is well known, has taken considerable interest in it. In 1955, the Bank established the Economic Development Institute which has, as its object the improvement of the quality of economic management in governments of the less developed countries. It would appear that Mr. Tinbergen's book was used extensively at the Institute as a basis for discussion of development policies. Appropriately enough, it has now been published for the benefit of a larger audience which it deserves to reach.

Objectives

Any "development" policy, according to Mr. Tinbergen, should have four principal objectives: (1) to create the general conditions favourable to development; (2) to acquaint the Government itself, the business community and the public generally with the potentialities and advantages of development; (3) to make a number of 'basic' investments, and (4) to take measures designed to facilitate private activity and investment. The achievement of the first objective involves the establishment of minimum security and stability, and that of the second, namely, the creation of an awareness of potentialities of development in the public, is best done through statistics, research and information. "Basic" investments, which are to be carried out by the State, include housing, water-supply, power and transport. "Usually such investments," he says, "cannot all be made by private individuals, since their yields spread through the community and do not readily take the form of income to the investor." At the same time, he recognises that "there may be some difference of opinion about the exact dividing line between public and private activity in these fields." The fourth objective, namely, the imparting of a stimulus to private activity can be achieved through appropriate tax policies, import duties and subventions.

The programme of economic development will consist of two parts—the "macro-economic" and the "micro-economic" parts. A macro-economic programme merely projects the development of such totals as national income and outlay (private consumption and investment and public outlay), imports and exports of capital and total national capital, while a micro-economic programme fills in this framework with figures relating to individual industries or regions or even specific important plants. The macro-economic programme is usually based on a forecast of population over a period to be studied, say 10 years. Multiplying the "active" population figure by "productivity" will give the volume of gross product or "total resources available." A rough estimate of the volume of imports may then be made. With certain further assumptions as to possible capital imports, an estimate of the necessary exports follows. The value of national resources minus imports equals national income and, with the aid of tax rates and a savings rate, it may very roughly be estimated how tax revenue and savings are likely to develop.

Capital Coefficient

A vital problem is whether savings plus estimated capital imports will be sufficient to raise the national capital to the extent required to attain the assumed national income. A concept which is relevant to this question is that of the "capital co-efficient." Experience shows that the ratio of investments to increase in national income is a fairly constant figure. In other words, there is a fairly constant ratio between a country's wealth and its income per annum; for economies like those of the U.S. and the U.K., it is about 3 : 1. It would seem often safe to assume that for development programmes in underdeveloped countries a capital coefficient of 4 is needed. Sometimes, even lower values of capital coefficient, say 2, are indicated. Generally speaking, to raise income per head by 3 per cent. a year requires an investment programme of at least 2, and perhaps 4, times $(x + 3)$ per cent. of national income, where x is the rate of increase in population. If a country's population is growing at the rate of 1.5 per cent. a year, and if again the capital coefficient is taken to be 4, then a savings rate of 6 per cent. means stagnation whereas a rate of 8 per cent. means an increase in income *per capita* of 0.5 per cent. annually.

At the "micro" stage of planning, the question which will come up for answer is the types of goods to be produced. Here, data relating to the demand for, and supply of, various goods should be collected, and the trends in demand estimated on the basis of information from such sources as family budgets and retail trade and stocks. The most difficult part of the analysis is consideration of international competition. Thus far, it has been assumed that prices do not change. This raises the "cost problem." At what prices can increased quantities be supplied? Since prices will affect demand, one has to know demand elasticities in order to tell by how much the initial estimates have to be corrected. But the present knowledge of possible future production costs and demand elasticity is very incomplete. This limited knowledge may, therefore, have to be supplemented by reasonable guesses. The productive pattern must then be estimated; it should include all practicable possibilities for producing relatively cheaply and, in fields for which no cost figures are available, it should assure expanded production in proportion to demand increases.

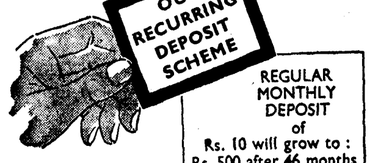
Four Factors

Plans for economic development must, of course, be suited to the circumstances in each country. In this connection, the author lists four important considerations to be borne in mind. In the first place, the stage of development a country has reached must be taken into account. In the earlier stages, there is need for some general facilities for which public investment is required. Secondly, much depends upon the degree of activity and initiative in the private sector. Where the private sector is rather passive, either more initiative must originate in the public sector of other types of initiative must be provided. The other two factors are the particular bottlenecks with which the country is faced (such as capital, foreign exchange and skilled labour) and the general attitude of people, like the willingness of the people to co-operate with the Government. Again, the choice of each project has also to be governed by certain conditions. The availability of scarce resources, such as capital, land, and labour must be considered not only for the country as a whole but for each region and in each year. This is usually considered the "essence" of planning, the solution of a jig-saw puzzle of considerable complexity.

The author next makes out a case for taking into account the concept of "accounting prices." The central point to be made is that a number of market prices, particularly those of the "factors of production" (capital, labour, foreign exchange) often diverge from the "intrinsic value" or "accounting prices" that would prevail if (i) the investment pattern under discussion were actually carried out, and (ii) equilibrium existed in the markets. In other words, there are two reasons why market prices do not truly reflect "intrinsic values." First, the realisation of the investment pattern will itself influence these values, but, only after some time since investment processes are essentially time-consuming. Secondly, there do exist, in underdeveloped countries especially, a number of "fundamental disequilibria." The most important is the widespread unemployment—open and disguised. The basic reason in all probability is the lack of complementary means of production i.e., land and capital. Very probably, the equilibrium level of wage rates will be considerably less than market wages. On the other hand, equilibrium interest rates probably are much higher than the market rates. Some indication of equilibrium interest rates may be derived from (a) the rates at which it would be possible to attract additional capital and (b) the profitability of marginal projects, corrected for risks involved (such as inflation risks). Even if it is difficult to obtain figures of any accuracy, it would be wise to try figures of the order of 10 per cent. and over, if only to observe the consequences.

A whole section is devoted by the author to methods of stimulating private investment. In this connection, he covers the familiar ground of protection, subvention and tax relief provisions. It is only when these measures do not serve to induce private investors to come forward a different course should be envisaged. Mr. Tinbergen is averse to discussing the issue of private *vs.* public sector in purely ideological terms. He points out that, even in the Soviet Union, there is a private sector of peasants, small traders and handicraftsmen, whereas, in the U.S. where the belief in private initiative is particularly strong, the public sector is nonetheless considerable. Modern expansion as well as economic analysis, he says, has shown that certain activities can best be undertaken by public authorities, whereas others can best be left to the private sector. Apart from assuring internal security and performing basic juridical functions, the Government should undertake certain economic tasks such as the creation and maintenance of healthy monetary conditions, regulation of activity designed to avoid mass unemployment, correction of extreme inequalities in income distribution and undertaking of activity which will supplement private activity which for one reason or another, falls short of meeting legitimate requirements. Finally, the author rightly emphasises that the choice need not be a black-or-white one between wholly public or wholly private ownership, for mixed ownership may sometimes afford means of combining private efficiency with desirable direct public control.

**The Design of Development.* By Jan Tinbergen. Published by the Economic Development Institute. International Bank for Reconstruction and Development, by The Johns Hopkins Press, Baltimore, U.S.



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Men and Oil . . . 1

THE GEOLOGIST





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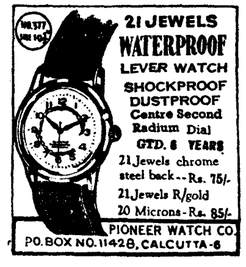

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PRODUCTION AND OFFTAKE OF CLOTH

MILLOWNERS SUGGEST A SCHEME FOR STIMULATING EXPORTS

THE production performance of cotton mills would appear to have improved slightly of late. The average daily output of cloth and yarn during the 25 working days in August 1958 was 16.24 million yards and 5.56 million lbs., as against 15.52 million yards and 5.37 million lbs., respectively, during the 27 working days in July. Taking the whole month of August as compared with July, however, the production of cloth and yarn was lower, the former by 13 million yards at 406 million yards and the latter by 6 millon lbs. at 139 million lbs. With the 406 million yards woven in the month under review, the aggregate output of cloth for the first eight months of 1958 comes to 3,276 million yards which represents a fall of 304 million yards as compared with the production of 3,580 million yards in the corresponding period of 1957. The total production of yarn during the January-August 1958 period was 1,103 million lbs., that for the same period a year before being 1,179 million lbs.

The slight improvement in the production performance of the cotton industry during August can be attributed to the decline in the stocks of cloth and yarn lying unsold with mills. The total of these stocks as on 2nd August was lower at 481.50 million yards (321,000 bales) and 32.40 million lbs. (81,000 bales), as against 512.40 million yards (341,600 bales) and 42.28 million lbs. (105,700 bales), respectively, at the end of June 1958. The reduction in unsold stocks in the month of July thus comes to 30.90 million yards. This is, indeed, quite significant, considering that the production of cloth in that month was substantially higher at 419 million yards, as against 388 million yards in June. The improvement in stock position followed better offtake of cloth for both domestic consumption and export. The total shipment of mill cloth from Bombay during July 1958 is estimated at over 43 million yards, as against 26.76 million yards in the previous month. The rise in exports was, however, checked again in August when exports from Bombay were lower at 38.75 million yards.

Reflecting the rising tendency in offtake, the wholesale prices of cotton textiles tended to look up during July. The index of these prices (base: 1952-53=100), which stood at 112.9 for the week ended 5th July, advanced to 114.1 for the week ended 2nd August. Thereafter, however, the prices have come down, the index for the week ended 23rd August being 111.5.

Trend of Production

The trend of mill yarn and cloth production—month by month—during the first eight months of 1958 and 1957 is indicated below:

	Cloth (million yards)		Yarn (million lbs.)	
	1958	1957	1958	1957
January	437	484	149	156
February	391	435	133	143
March	408	453	138	150
April	408	464	134	154
May	421	453	139	150
June	388	420	126	137
July	419	460	145	150
August	406	411	139	139
Total ..	3,276	3,580	1,103	1,179

The pace of cloth exports during the eight months ended August 1958 was very much slower than that in the corresponding period of 1957. The aggregate shipments (from Bombay) are said to be no more than 375 million yards, which compares unfavourably with nearly 546 million yards. The decline of 171 million yards was accounted for by all the varieties, with the exception of superfine counts the exports of which were slightly higher at 13.78 million yards, as against 12.70 million yards. The shipments of medium cloth during January-August 1958 aggregated 235.23 million yards, a drop of 147.11 million yards as compared with the exports of 382.34 million yards in the same period last year. Similarly, shipments of coarse and fine counts were lower at 121.80 million yards and 3.89 million yards, as against 141.58 million yards and 9.28 million yards, respectively.

The following table shows the exports of cloth from Bombay in the first eight months of 1958 as compared with those a year before:

(In million yards)

Year	Coarse	Medium	Fine	Superfine	Total
1957					
January	23·07	63·07	2·90	1·62	90·66
February	17·30	50·93	1·58	1·66	71·47
March	20·97	59·80	1·32	1·90	83·99
April	18·67	52·62	1·87	1·74	74·90
May	17·83	47·47	0·30	1·80	67·34
June	13·98	35·51	0·36	1·26	51·11
July	15·02	38·93	0·58	1·66	56·19
August	14·74	34·01	0·37	1·06	50·18
Total Jan.-Aug. ..	141·58	382·34	9·28	12·70	545·84
1958					
January	19·66	42·06	0·44	1·79	63·95
February	15·04	30·27	0·65	1·76	47·72
March	16·91	34·58	0·45	2·01	53·95
April	15·87	31·44	0·61	2·43	50·35
May	16·47	31·28	0·44	1·93	50·12
June	9·86	15·34	0·26	1·30	26·76
July	14·86	26·33	0·50	1·51	43·10
August	13·13	24·03	0·54	1·05	38·75
Total Jan.-Aug. ..	121·80	235·23	3·89	13·78	374·70

At 38.75 million yards, shipments during August were 4.35 million yards less than those in July and 11.43 million yards lower than those in the corresponding period last year. Barring June when shipments were seriously affected by the dock strike, the August figure was the lowest in the current year.

More Energetic Steps Wanted

It is thus evident that the trading conditions in the export sector continue to be unsatisfactory. Cotton piecegoods are no doubt placed as an item of free exports and cumbersome procedures of export licences done away with. But these are only small measures. What is urgently wanted is adoption of more energetic steps to stimulate exports. This aspect is reported to have been stressed by the Indian Cotton Mills' Federation in the course of a detailed export promotion scheme submitted to the Union Ministry of Commerce and Industry. The scheme, it is said, seeks to encourage exports by allowing the exporting mills to use a certain percentage of their foreign exchange earnings for importing raw cotton, colours, chemicals, spare parts and machinery for rehabilitation and modernisation. The salient features of the scheme are as follows:

Exporting mills will be divided into two categories—those whose annual average export performance in respect of cloth has exceeded an average of Rs. 2,000 per loom during the three years 1954-56 and Rs. 4 or more per spindle installed in respect of yarn. Others will be known as newcomers. Exports will comprise both direct exports by mills and those done through other agencies. Value taken will be the f.o.b. value. The established exporters will not be eligible for import licences under the scheme until they export in a calendar year 50 per cent. in value of their average annual exports in the basic period. If exports are in excess of 50 per cent., they will get import licences equal in value of this excess of cloth or yarn exported. New comers will not be eligible for import licences until their cloth exports exceed Rs. 1,000 per loom and yarn exports exceed Rs. 2 per spindle installed. They will be entitled to import licences equal to the value of exports in excess of this prescribed limit.

Licences up to 10 per cent. of the face value of the import licences given should be allowed to be used for import of colours, chemicals, dyes, stores and spare parts within the framework of the Government import policy. Import licences against yarn can also be used for the import of fibres. Subject to this relaxation, the whole of the import licences must be used for the import of cotton. Mills can consume from their licences under the scheme imported cotton equivalent to 15 per cent. of the value of licences over and above the share of imported cotton to which they may be eligible under the scheme of imported cotton distribution through the Textile Commissioner, the remaining part of the licences being offered to the Textile Commissioner for resale at a premium not exceeding 10 per cent. The scheme visualises the import licences for cotton on the basis that export of cloth and yarn will cover 50 per cent. of the total needs of the industry. The balance of cotton (roughly 300,000 bales) must be imported in the usual manner. Ten per cent. thereof may be distributed to new comers and the balance should be distributed by the Textile Commissioner only to traditional users of imported cotton in proportion to their consumption in the basic period.

The Federation urges that, as regards import licences for chemicals, colours, dyes and spare parts, no restrictions should be imposed on their consumption and the mills may be allowed to sell the whole or any part thereof at any price. They must also be allowed to sell import licences directly without any obligation to import the goods covered under the licences.

With regard to machinery, the Federation makes the following suggestions:

The mills must be allowed to import it to the extent of five per cent. of the total value of exports of cloth and yarn or (*a*) in the case of established exporters, half the value of exports in the calendar year minus the value of average annual exports in the basic period, (*b*) in case of new comers, half the value of cloth export in a calendar year minus Rs. 2,000 per loom installed in respect of cloth and half the mills' export of yarn in the calendar year minus Rs. 4 per spindle installed in respect of yarn, whichever is higher. The imported machinery will be for the use of the mill concerned and, if it wants to resell this within five years of the installation, it will have to obtain sanction from the Textile Commissioner. The scheme for the import of machinery will be current for five years and a mill will be eligible to import machinery against its likely exports for a period of five years on giving a bond in the prescribed form to the Textile Commissioner as regards its exports in the five-year period.

Competition in the world textile markets is growing day by day, thanks to attractive terms of credit for long periods, low prices, etc., offered by countries such as China and Russia. There is also the competition from the highly modernised Japanese textile industry. It may, however, be wondered whether a currency "retention" scheme, of the kind suggested by the Federation, is the best device for meeting international competition. Be that as it may, it must be admitted that, if India is to weather world competition successfully, it is imperative that the production efficiency of cotton mills is enhanced through modernisation of equipment and rationalisation of production methods. And these are not possible unless the Government grants adequate tax relief and follows a more helpful policy free from ideological considerations.

WORLD WOOL CONSUMPTION

Although world consumption of wool in the second quarter of 1958 is estimated to have fallen by about 5 per cent. as compared with the first quarter, the daily rate appears to have declined by less than this, as there were fewer working days in the second quarter. The April-June total for the ten largest manufacturing countries was 404 million lbs. (clean), according to the Commonwealth Economic Committee estimates. The comparative figure for the first three months of the year was 426 million lbs. Four countries showed increases in actual consumption after the sharp falls of the previous quarter. In Japan, consumption rose by 7 per cent., and, in Italy and the Netherlands, it increased by one and 6 per cent., respectively. Australian usage is estimated to have shown an improvement of 3 per cent. There were, however, declines, in all other listed countries. In the United States, usage fell by 2 per cent.—a rise of 12 per cent. in apparel wool usage being more than offset by a reduction of 26 per cent. in carpet wool. In the U.K., there was a decline of 7 per cent. though the quarter's consumption of 109 million lbs. is still nearly 30 per cent. larger than that of any other country for which figures are available. West Germany and Belgium showed declines of 5 per cent. in each case and there was a sharp fall of 18 per cent. in France.

EXPORTS OF SILK FABRICS

A revised scheme to supply imported raw silk to exporters of silk fabrics at reasonable prices has now been brought into force. The scheme, which is designed to promote export of silk fabrics, is being implemented by the Central Silk Board. Under the scheme, raw silk will be made available to exporters to the extent of two-thirds of the f.o.b. value of the pure unmixed fabrics exported by them. For this purpose, the Board will estimate for each quarter the quantity of raw silk required for allotment to exporters. It will establish agencies in the principal centres of silk production to inspect the fabrics exported and estimate the silk contents of the fabrics. On the basis of the estimated silk content of the fabrics exported in the previous quarter, the quantities of raw silk, to which exporters will be entitled, will be stocked and made available to the exportes.

The scheme was administered so far by the Silk and Rayon Textiles Export Promotion Council. Applications pending before the Council for allotment of raw silk will now be dealt with by the Silk Board.

CONTROL ON STAPLE FIBRE

The Government of India has brought under control the acquisition, distribution and prices of staple fibre with effect from the 9th last. Every producer of staple fibre was asked to furnish, within a week to the Textile Commissioner, information about the quantity and description of staple fibre held in stock on the aforesaid date and quantity sold by him during the period 1st January 1958 till the 9th inst. Details of prices at which the sales were made and the names of purchasers were also required to be furnished.

No person can acquire staple fibre from a producer except under a permit issued by the Textile Commissioner. When permits have been issued, it will be obligatory upon every producer to sell staple fibre produced or held in stock by him to the permit holders. No sales can be made to other persons. The price at which a producer may sell staple fibre has been laid down in a schedule attached to the Order. Details of the procedure to be followed in purchase and sale of staple fibre have been set out in the Order.

COTTON AND RAYON GOODS OUTPUT DOWN

HONG KONG'S LATEST OPPOSITION

From A Special Correspondent

MANCHESTER, *9th September*

SCARCELY had the names of the Lancashire mission to Hong Kong been announced before there came a quick response from the Colony, which appeared to be inspired, objecting strongly to any negotiations to establish a ceiling on imports other than grey cloth. As nothing had been said in this country about discussions on other textile products, it seemed to be a case of "shouting before they were hit."

MANCHESTER LETTER

At the same time, there is ample justification for nervousness among traders on this side at the implications underlying this campaign. Various organisations in Britain dealing in textile manufactures other than grey cloth are apprehensive about future developments. The millowners in Hong Kong would only be carrying on their natural bent as business men, if, when expansion in one direction is halted, they did not contemplate moving into other spheres.

The immediate impact of arrivals of foreign cloth into this country has fallen most heavily on the manufacturers of cotton piecegoods, but other producers have also felt the pinch. Hong Kong is installing finishing plant and can be expected to compete before long in processed goods. Spinners, too, are far from immune from this kind of rivalry; already, there are reports of supplies of yarn entering the United Kingdom at prices up to 10d. per lb. below Lancashire quotations.

Some local producers of yarn see danger in the fact that no direct representative of the spinning trade is included in the mission—nor will the finishers have a voice at the conference table. It is understandable that details of the tentative arrangement between the Lancashire mission and India and Pakistan have so far been kept secret. Any agreement will have to be a four-sided pact involving Hong Kong as well. Speculation, however, will persist on the scope of the talks until the veil is lifted. A settlement which relieves pressure on one section of Lancashire traders and merely shifts the burden to other branches will give little satisfaction.

Supply Statistics

Yet another reminder of the shrinking size of current production of cotton and rayon goods in Lancashire is contained in the half-year's totals affecting supplies and distribution. During the first six months of this year, the quantities involved in every aspect were substantially lower than in 1957, as the table shows:

(In million yards)

Year	Output	Imports	Total	Exports	Balance for home trade
1937	4,122	75	4,197	2,001	2,196
1947	2,012	175	2,186	639	1,547
1949	2,592	400	2,992	1,078	1,914
1951	2,900	476	3,376	1,105	2,331
1952	2,192	210	2,402	871	1,531
1953	2,632	143	2,775	895	1,880
1954	2,775	335	3,110	812	2,298
1955	2,479	365	2,844	688	2,156
1956	2,314	380	2,694	595	2,099
1957	2,287	490	2,777	567	2,210
First 6 months					
1953	1,280	70	1,350	420	930
1954	1,438	142	1,580	439	1,141
1955	1,350	200	1,550	351	1,199
1956	1,215	201	1,416	301	1,115
1957	1,212	250	1,462	295	1,167
1958	1,105	229	1,334	257	1,077

Not only has output of cotton and rayon cloth from the mills declined by more than 100,000,000 yards during the half-year but, contrary to recent experiences, the volume of arrivals of foreign cloth has also decreased. Available supplies are thus smaller than at any time since 1953, and the almost regular curtailment of exports merely accentuates the position.

Supplies remaining for home trade distribution follow the general downward trend, being roughly in line with the smaller output of local mills. At the same time, there is clear evidence of the cycle which has arisen in the past, coinciding with a sharp break in trading conditions. The large accumulation of goods which took place in 1957 has brought with it a marked recession in business and, as yet, there is no indication of a reduction in stocks, which might encourage hopes of a revival in activity.

Liverpool—Crisis Ahead?

In view of the difficult state of trade in raw cotton, it is hardly surprising that fresh rumours have been circulating as to the whole future of the Liverpool market. Since its re-establishment in 1954, very little has gone right for this once highly-regarded bulwark of free enterprise. Its traders have been hamstrung at every turn and the efforts made to widen the scope of the market, enterprising in themselves, have failed to achieve success.

In its first year's trading after reopening, the daily rate of business was about 30,000 bales bought and sold. That was small enough in comparison with the enormous turnover which took place in Liverpool a generation or more ago. Now the situation has been reached where less than 2,000 bales a day is the average offtake. In such circumstances, it is difficult to conceive any sudden or lasting solution.

Even leading officials of the Liverpool Cotton Association have been heard to say that the futures market is in grave jeopardy and that there is a growing danger that it will close for lack of business. Two main reasons are put forward for the apathy surrounding trading in the raw material—the American two-price system coupled with confusing farm legislation and Lancashire's steady decline as a producer of cotton textiles. Unless there is a radical change in cotton policy in the United States—an unlikely event—the Liverpool market will continue to dwindle towards extinction.

The Last Straw

The last straw in this connection has been the imposition of a subsidy by the American Government which can be altered at any time without prior notification. Any attempt to assess futures prices in such a situation is obviously meaningless. Nor is it any easier for Liverpool interests to build up a spot market for raw cotton, as conditions in the mill centres are so discouraging.

Only spasmodic buying of raw cotton is likely when future needs cannot be calculated with any accuracy. Lack of forward commitments affects not only merchants and producers of yarn and cloth but the raw cotton broker and distributor as well. Absence of confidence throughout the market from raw material to finished product is a matter which is already having serious consequences and threatens to undermine time-honoured trading methods.

Easier Price Trend

Amidst the many other uncertain factors which have lately conspired to restrict business in cotton goods, the tendency for prices to fall is a fundamental cause for buyers keeping their commitments at a minimum. Since the beginning of the year, there have been few occasions when operators might have been tempted to look ahead and place contracts with confidence in the belief that they would congratulate themselves on their foresight some months later. The tendency has been all the other way, so that hand-to-mouth trading has been invariable.

A glance at the following table, illustrating the trend of prices for futures and spot cotton in the Liverpool and New York markets, will be sufficient to show the regular downward drift in values, which has been accentuated in the past two or three months:

	Liverpool (in *d.* per lb.)			New York (in cents per lb.)		
	Futures		Spot	Futures		Spot
	American Oct./Nov.	Mixed Oct./Nov.	American One-inch	October 1958	October 1959	
1958						
Jan. 2 ..	26.81	27.66	27.05	34.60	..	36.45
„ 15 ..	26.82	27.72	27.00	34.68	..	36.35
Feb. 3 ..	26.48	27.48	26.90	34.50	..	36.15
„ 17 ..	25.95	26.95	26.00	35.50	..	35.85
Mar. 3 ..	26.10	26.95	26.55	35.84	..	36.05
„ 17 ..	25.98	26.83	26.15	36.16	..	35.95
Apr. 1 ..	25.80	26.58	26.00	36.74	..	36.10
„ 15 ..	25.65	26.32	26.00	36.68	..	36.00
May 1 ..	25.95	26.70	26.25	37.02	..	36.05
„ 15 ..	25.85	26.60	26.05	36.74	36.16	36.40
June 2 ..	26.00	26.65	26.05	36.57	34.27	36.30
„ 16 ..	25.62	26.28	26.20	36.36	34.32	36.25
July 1 ..	25.60	26.17	26.20	36.46	34.24	36.50
„ 15 ..	25.20	25.75	25.85	36.84	35.19	36.50
Aug. 1 ..	24.93	25.33	25.85	36.26	32.96	36.45
„ 15 ..	23.98	24.58	25.85	35.71	32.62	36.40
Sept. 1 ..	23.65	24.32	25.50	35.33	31.92	36.25

Even these figures do not tell the whole story; the decline in futures quotations in Liverpool in the distant July-August contract has been even more pronounced than in the near positions. Since the beginning of August, the price has fallen by 2*d.* per lb. The sharp drop in prices for the 1959 American crop in New York is symptomatic of the nervous feeling which prevails as to future farm legislation and the likelihood of increasing surpluses.—*All Rights Reserved.*

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SUGAR EXPORT BILL IN RAJYA SABHA

MANY MEMBERS CRITICAL OF GOVERNMENT'S DECISION

THE debate on the Sugar Export Promotion Bill in the Rajya Sabha last week was as lively and interesting as that in the Lok Sabha a fortnight before. The debate was marked by criticisms of the official sugar policy by both the Opposition and Congress members. As was only to be expected, a few members raised strong objection to the Government resorting to ordinance for enforcing its scheme for export of sugar. One of them asked whether the Government was justified in promulgating the Ordinance just for earning foreign exchange of Rs. 3 crores on export of sugar. Another went a step further and charged the Union Food Minister with remissness in not anticipating the consequences of the Ordinance; he even urged the Minister to resign for his "remissness" and wanted an enquiry to be held in order to find out the extent of profits made by the sugar millowners.

While one may agree with the criticism of the habit of Government to rule by ordinances, the accusation that sugar millowners had reaped a harvest as a result of the Ordinance is baseless. It is no doubt true that the prices of sugar, especially in North India, went up not only before the Ordinance was issued but also immediately thereafter. But the extent of the rise was no more than 4 to 5 per cent. Such a rise cannot be called excessive, for two reasons. First, a large part of the increase in sugar prices was in sympathy with the general trend of commodity prices, especially of foodgrains and oilseeds. Secondly, when the free market forces of supply and demand operate, an advance of 4 to 5 per cent. in prices must be considered to be a natural phenomenon. It is very unfortunate that some politicians often indulge in making the business men engaged in the manufacture and distribution of sugar scapegoats.

Be that as it may, replying to the debate, Mr. A. M. Thomas, Union Deputy Minister for Food, who piloted the Bill, justified the issue of the Ordinance on the ground of urgent necessity for earning foreign exchange. He observed that, because of the Ordinance, it was possible to book export orders for more than 17,000 tons of sugar before 11th August. He revealed that the total quantity sold was 21,770 tons, of which 9,900 tons had already been shipped. Mr. Thomas also sought to answer the criticisms that the Government had not anticipated the rise in sugar prices after the Ordinance. His answer was as follows:

There were rumours with regard to the additional levy of excise duty and also the quota that might be allotted for export. The price of sugar had gone up by a little more than a rupee per maund, in anticipation of export and the duty, and so it was expected that there would be no further increase in prices. The Millowners' Association had also assured the Government that it would exercise its good offices to see that the prices did not shoot up. The Government, therefore, did not take any steps that time. But, subsequently, when a hoarding tendency was noticed, steps were taken immediately to check hoarding and the rise in prices.

Mr. Thomas claimed that there had been a fall of Rs. 2.50 to Rs. 3 per maund in retail price of sugar in parity with the fall in wholesale prices of sugar. According to him, the prices prevailing in the market were on a satisfactory level. The table below gives the latest available prices of sugar in Bombay and Hapur, as compared with those immediately after the promulgation of the Sugar Export Promotion Ordinance on 27th June:

	Latest available	*Before the issue of Ordinance*
Bombay (wholesale prices per bag)—	Rs.	Rs.
Small	105.50	106.50
Medium	106.50–108	108–110
Large	109–17	112–117
Hapur (ex-mill delivery rates per maund)—		
Amroha	35.69	36.06
Bijnore	35.56	36.50
Shamli	36.37	37.25

Although the prices of sugar have thus gone down to some extent, their level is still higher than that of world prices. The export price of Indian sugar after allowing for the full remission of excise duty and cane cess comes to about Rs. 750 per ton, as against the currently ruling world price of Rs. 425. It may be noted here that the rate at which the Indian Sugar Mills' Association is offering D29 grade sugar for October-November shipment is Rs. 453 per ton (f.o.b.). On this basis, the loss on every ton of sugar exported works out to nearly Rs. 300, in addition to the loss of Rs. 342.10 in revenues to Government (Rs. 291.20 and Rs. 50.90 by way of excise duty and cane cess, respectively). Drawing attention to this aspect, Mr. M. C. Shah, a former Minister in the Central Government, stated: "In trying to export 50,000 tons of sugar, consumers have been made to pay a heavy price to the tune of Rs. 1.40 crores and the State is losing Rs. 1.80 crores—a gap which may have to be filled by additional taxation." Another member remarked: "Exporting 50,000 tons of sugar by incurring a loss of Rs. 3.25 crores for earning Rs. 2.50 crores is an example of trying to earn foreign exchange with a vengeance."

If Press reports of Mr. Thomas's reply are any guidance, it would appear that he did not put forward any effective arguments in support of the Government's decision to export sugar. All that he said was only this: "The target of sugar production in the second Five-year Plan period is about 2.5 million tons and the idea is that, even at the risk of the local consumer having to pay a little more, it is better that we put the sugar industry on a sound basis and earn such foreign exchange as is possible. India has changed from a sugar importing country to an exporting country and we must try to maintain the export market."

The above argument is not only vague but also wholly unconvincing. It is, as this journal has ere now pointed out, simply ridiculous to aim at building up an export trade in sugar on the ground of earning as much foreign exchange as possible irrespective of the cost involved. The entire problem should be viewed from a different angle altogether. The current wide disparity in prices ruling for Indian and foreign sugars can be reduced not by sentimental pronouncements but by earnest and energetic efforts to lower the cost of production. Out of every rupee the sugar industry gets on sale of sugar, the statutory cane price alone accounts for 40 nP, excise and other production levies for 38 nP, and manufacturing expenses (including salary, wages and packing charges) for 16 nP. The balance of 6 nP represents the overhead charges and profit subject to taxation.

It is thus evident that, if the price of sugar is to be brought down to an economic level, it is of the utmost importance that the price of cane is reduced and the heavy burden of taxation decreased. Both the Congress and Opposition members of the Rajya Sabha did well to urge the Government to take steps for bringing down the cost of sugar production. Replying to the debate, Mr. Thomas declared that this question was being constantly kept in view; a number of development schemes in the States were in operation with subsidies from the Centre to improve the per-acre yield, as well as quality, of cane. But the realisation of this objective is being hampered by the present system of paying for cane on the basis of only weight and not on that of both weight and quality.

In the course of the debate, some members pointed out that the South was being neglected in regard to the setting up of new sugar factories and their expansion. The Minister for Food, however, denied this allegation. He said that, out of the capacity of 636,000 tons in new sugar mills, the South had been allotted 469,000 tons. Similarly, as regards expansion, nearly 600,000 tons had been allotted for the South, while the share of the North was 428,000 tons. These figures would show, he said, that the South was being given adequate attention.



COAL IN FRANCE

REMARKABLE RISE IN PRODUCTIVITY

By M. N. Barbier

Director, Mission De Liaison Technique Avec L'etranger

THE coal mining industry in France has existed for more than two centuries but experienced a remarkable development after the war and finds itself today in the first rank of the European nations from the point of view of productivity. The progress made in recent years is all the more noteworthy, because the French mines suffered extensive damages during the war and had been seriously affected prior to this by the economic crisis of the thirties which cut heavily into coal sales and forced the private operators to practically suspend investments.

Within a period of 10 years, the greater part of the French mining installations has been completely renewed. Thanks to an enormous effort of modernisation and equipment, production in 1958 reached 60 million tons after having dropped from 47.5 million tons in 1938 to 35 million tons in 1945. France is today the only country in Europe where production of coal has been increased by 25 per cent. in relation to prewar figures.

The increase in productivity is even more striking. Whereas 161,000 underground miners were required to extract 47.5 million tons in 1938 and 220,000 tons were needed after the war to produce the same amount, the record production of the year 1958 was obtained by only 144,000 miners. In other words, the output per miner and per working day, which had dropped from 2,650 lbs. before the war to 2,100 lbs. immediately afterwards, today is over 3,750 lbs. This is the most rapid progress recorded anywhere in Europe, and places French mining methods ahead of countries like Great Britain and Germany, though their industries are larger and their deposits easier to exploit.

The French coal deposits are actually of the type of those which present great difficulties to miners and engineers by their varied and irregular character. Seams are thin here and heavy there, and interspersed by numerous faults; dips vary greatly; the risk of spontaneous combustion and instantaneous fire damp explosions is very frequent; the quality of coal is often mediocre and results in fines and pulverised matter which requires processing for utilisation; the relatively low reserves compel the industry to operate deposits which would be simply abandoned in more fortunate countries.

These poor natural factors only stress the achievements obtained by the ceaseless efforts for rational operation and modernisation of equipment which are not yet terminated and were begun in 1946 under an extensive technical and administrative plan for the installation of new equipment which is still being continued. The plan concentrates on four main points:

1. Concentration of exploitation which has made it possible to profitably institute new methods of operation with modern and more powerful equipment.

2. More intensive exploration and more rational attack of the deposits, together with more suitable equipment, has led the French engineers to develop more productive methods of exploitation.

3. Mechanisation in the various stages of operations has resulted in greater productivity and has lightened the hard task of the miner. A single figure will be sufficient to illustrate this progress. The number of kilowatt hours, i.e., mechanical servants, available to the miner has been multiplied by seven during the last few years. This progress continues and, although the fully automatic mine is still a thing of the future, new processes that are being investigated and tested in the French mines (walking pit-props, directional cutting heads on digging equipment, etc.) may make it a reality in a few years.

4. More rational utilisation of the coal produced from the French deposits has also been the subject of large capital investments by the national coal mines and goes from mechanical preparation, processing and coking to the production of electric power and chemical plants directly connected with the mines.

At the same time, steps have been taken to make the particularly hard work of the miner easier and less exhausting. The rise in productivity has been accomplished only by the cooperation of all the workers. Along with the investments of the operators and the planning of the engineers and technicians, the tenacity and goodwill of the miners have definitely been one of the factors in the success of the French mines. The housing of the workers was one of the major problems of the mines which was solved by the construction of 107,000 housing units, occupied by 52.3 per cent. of the personnel on 1st January 1957 and pensioned workers were settled in more than 45,000 units on the same date.

In regard to surface installations, the French coal mines have also heavily invested in more efficient utilisation of all of the coal produced for the purpose of meeting the increased needs for energy from coal. Thermal power plants operating in conjunction with the mines and consuming almost exclusively the unsaleable waste from processing of commercial coal, have tripled their production in 10 years and today provide more than one-half of the thermal electric power produced in France, or 20 per cent. of the total.

The manufacture of coke has been considerably expanded to meet the rising needs of the French steel industry. A particular success of French technics is the discovery for a process of making coke from the Lorraine cannel coal, heretofore reputed unsuitable for this purpose. After having produced no coke at all, the Lorraine coal mines will soon furnish 2 million tons annually to the French industry.

The chemical plants, processing the by-products of coal distillation and producing fertilisers, synthetic textiles, colorants, plastics, etc., are "among the most advanced in the world and capable of meeting all European or international competition," according to a statement by an American trade journal.

A grand total of approximately 700,000 million francs has been invested by the French coal mines during these 10 years, one-half of which has gone into underground equipment and the other half into coal consuming surface installations.

Much experience has been acquired during the process of modernising the French mines, and the mining industry has been desirous of making the new knowledge available to other countries. For this reason, a company has been constituted under the auspices of the Charbonnages de France, the Mines de Fer and the Bureau de la France d'Outremer. This company acts as consulting engineer for mining prospection, exploration of deposits, selection of methods for exploitation and operation, location of markets, problems of utilisation and organisation, investigation of profitability and planning of industrial complexes, whether this concerns underground or open-pit operation, modernisation of existing installations or the processing of coal and ore.

The Company is particularly well adapted to carry out such work, because it is able to turn to the most highly qualified experts in the trade for any particular question. The Company obtained last year from the International Bank for Development and Reconstruction an important contract for preliminary investigation in view of modernising and increasing production in the Japanese coal mines. In competition with British, American, German, and other specialists, it is probable that the experience of the Company with the difficulties of the French deposits and circumstances may have seemed particularly valuable for the solution of the Japanese problems. Presently, other investigating missions of the same type are under way in Peru, Brazil, Italy, Turkey and elsewhere.

VOLUNTARY AMALGAMATION OF COLLIERIES

The Government of India has set up a special committee for promoting voluntary amalgamation of small and irregularly shaped collieries, particularly in the States of West Bengal and Bihar. The Committee will be presided over by the Coal Controller and consists of the Chief Inspector of Mines, the Chief Mining Engineer, Coal Board, a representative each of the Governments of West Bengal and Bihar, and a mining engineer from the private sector. The appointment of the Committee will be for one year; the period may be extended later, if necessary.

The Committee has been asked to invite and initiate proposals for the voluntary amalgamation of collieries having between them a total minimum production of 6,000 tons per month, provided that, in the course of a year, the monthly output of each amalgamated unit can be stepped up to 10,000 tons. It has also been asked to invite proposals from collieries for voluntary adjustment of boundaries in the interest of avoidance of loss of coal locked up in barriers, as well as of difficulties in extraction. The Committee will examine all these proposals, modify them where necessary and communicate them to the collieries for further processing. It will lay down, with the consent of the parties concerned, the terms and conditions of amalgamation. Where necessary, technical advice will be rendered to the amalgamated units in such matters as adjustment of boundaries, enforcement of safety measures and procedural formalities.

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COTTON PRODUCTION AND EXPORTS

I.C.C.C.'S RECOMMENDATIONS

THE Indian Central Cotton Committee, (I.C.C.C.), the seventy-eighth meeting of which was held in Bombay last week under the presidentship of Dr. M. S. Randhawa, proposed a tentative target of 7.2 million, 8.1 million and 9 million bales for cotton to be achieved in the third, fourth and fifth Five-year Plans, respectively. These targets have been suggested after taking into consideration the increase in population, improvement in the standard of living and the consequent increase in the *per capita* consumption of cloth. Total population of the country is expected to be of the order of 410 million by 1961, that is by the end of the second Plan, and 436 million at the end of the third Plan. The *per capita* consumption of cloth has been estimated at 14 yards in the first Five-year Plan, 18½ yards in the second and 22 yards in the third Plan. Consumption of cloth has been estimated to reach 9,600 million yards by the end of the third Plan and 11,500 million yards by the end of the fourth Plan.

Dr. Randhawa underlined the limitations to extensive cultivation of cotton and urged the intensive growing of the crop with the help of fertilizers. He pointed out that, in view of the urgent need for the production of food crops, there was not much scope for increasing the area under cotton which at present was 20 million acres. At the most, he said, one million acres might be added by the end of the second Plan period, especially in the areas covered by Bhakra-Nangal, Chambal, Hirakud and Nagarjunasagar projects. Reliance had, therefore, to be placed on intensive cultivation measures, including provision of extra irrigation facilities, increased application of fertilizers, plant protection measures and improved seed. It was anticipated that, during the third Plan period, about 1.4 million acres of additional land would be brought under irrigation which would result in an additional production of about 700,000 bales. If a further two lakh tons of fertilizers were made available, according to Dr. Randhawa, it would lead to a further production of 200,000 bales.

Reviewing the progress of cotton production in the past (1957-58) season, the President said that the dependence of the cotton crop on the vagaries of the monsoon had, in years of erratic rainfall and unfavourable seasonal conditions, resulted in a shortfall in production. For instance, the estimated production in the last season was 5.2 million bales, as against the Plan target of 5.4 million bales. This was due to unfavourable weather conditions, particularly in the Punjab and Gujerat and the incidence of bollworm and jassid attacks.

As regards the prospects for the new season, which commenced on 1st September, Dr. Randhawa felt that, owing to favourable weather so far, the Plan target of 5.7 million bales was likely to be achieved. But it was too early to make an estimate that would at least approximate the final outturn, as much depended on weather conditions in October.

It may be noted here that on the question of cotton export policy, the Central Committee has joined issue with the trade in urging the Government to announce the policy early, some time in the beginning of November every year. An early announcement, after taking into account the stocks available, the Committee emphasised, would be of benefit to the cotton growers. It would give the foreign buyers, as well as the Indian exporters, an idea of the minimum quantity that would be available for export during the year. If the crop turned out to be in excess of the textile industry's requirement, additional quotas could be announced subsequently. Such a policy, according to the Committee, would assure the foreign buyers of continued supplies. The Committee felt that export duty should not be allowed to come in the way of exports and that, in view of the need for earning foreign exchange, it should be either reduced or abolished altogether. It suggested that the Government might permit the export of 25,000 bales of cotton lying unsold in the Punjab after examining its staple and other qualities.

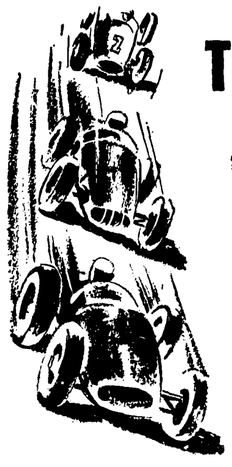
To revert to Dr. Randhawa's address. Reviewing the research schemes, he said that the scheme for development of Sea Island cotton was making good progress. In 1957-58, "Andrews" variety of Sea Island cotton was raised over an area of 135 acres. In 1958-59, 2,500 acres have been sown with this cotton in Kerala and Mysore. The crop was making satisfactory progress. It was proposed to concentrate efforts in this direction in the States of Kerala and Mysore. Since it was a delicate crop, which required a good deal of attention, it would be promoted in the best areas only. Steps would also be taken to provide fertilizers as loan in kind and to provide plant protection measures. In view of the special requirements of this crop, it was very necessary that it should be grown in compact areas.

At its last meeting, the Committee had recommended that production of harsh, short-staple Assam Comilla cotton, which is a valuable foreign exchange earner, should be increased in Assam, Tripura, Rajasthan, Andhra Pradesh and the submontane areas of the Punjab. In pursuance of this recommendation, a comprehensive scheme on the same lines as that for Sea Island cotton, would be formulated to promote the production of this cotton. The President stated that the concept of organisation of regional research stations on cotton, oilseeds and millets on a cross-commodity basis had now been translated into reality. The Committee, he disclosed, propose to intensify regional research on cotton, oilseeds and millets. Out of the six centres which will deal with cotton three had already started functioning, and the remaining ones would also be functioning very soon. The staff had been mostly recruited and steps were being taken for devising suitable plans for the building of laboratories, etc., and procuring the necessary equipment and apparatus. Regional co-ordination committees, which would consider the technical programmes of work, have been organised.

Recognising the importance of cotton crop and its problems, the Central Committee had been urging, from time to time, that State Cotton Committees should be organised in the States where cotton was an important crop, with a view to reviewing the progress of work, particularly in relation to cotton production. While such Committees were organised in the States of Madras, Mysore, Uttar Pradesh and Rajasthan, it was regrettable that in the States of Bombay, Madhya Pradesh, Punjab and Andhra Pradesh, they were still to be organised. With the object of eliminating the prevalent malpractices in cotton ginning and pressing factories, the Committee had reviewed at its meeting held in March 1957, the laws relating to cotton ginning which were enforced in the various States. Its recommendations were accepted by the Governments of Bombay and the Punjab. The Governments of Andhra Pradesh, Uttar Pradesh and Mysore were still considering the matter. Replies from the Governments of Madhya Pradesh, Rajasthan, Madras and Assam were still awaited. The President expressed the hope that these State Governments would accept, without any further delay, the recommendations of the Committee which were in the interest of the industry as well as the trade.

TOP DRESSING OF COTTON

In summer, cotton plantations of the U.S.S.R. usually receive several sub-feedings. The fertiliser is usually applied in the soil, close to the roots. Reaching the plant through its root system, it accelerates its growth. But with this method some of the fertiliser is inevitably lost. It is washed away by water and sticks between the particles of the soil. A group of scientists of the Uzbek Agricultural Academy have worked out a new and better method of application of mineral fertiliser. Instead of being poured on the soil, the solution containing mineral fertiliser is sprayed from the air by a special device installed in a plane. Thus, the fertiliser is put directly on the leaves of plants. Tracer atoms have helped to establish that the fertiliser spread by this method quickly penetrates into the vascular system of the plant and produces good effect. The method of top-dressing of cotton is widely applied in the republic now. This year it is being used on more than half of all cotton plantations of Uzbekistan. More than a hundred planes of agricultural aviation are stated to be already engaged in this work.



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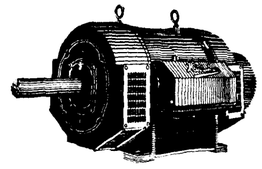

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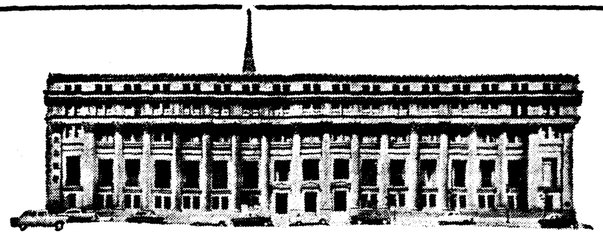

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THE CHALLENGE OF CHINA

IMPRESSIONS OF A CANADIAN BUSINESS MAN

By James Muir

CHAIRMAN AND PRESIDENT, THE ROYAL BANK OF CANADA

[The author visited China this summer on a fact-finding mission. He has written the following report of his experiences there, and of what he saw through his business man's eyes.—ED.]

THIS is an attempt to report information on life and conditions in China as I saw them on a short visit. It is not meant to prove or disprove anything. If anyone is interested enough to read it, I ask that he read it all through before drawing any conclusions—and particularly I ask that he refrain from lifting any passage from context which, with an elaboration built thereon, might create quite a wrong impression of the whole.

The first question you would probably ask is "Why did you go to China, what was the purpose of your visit?" Quest of knowledge—the desire to see how other people live and have their being—the desire to see how business, and more particularly how banking operations, are conducted—were the main urges that prompted me to go, plus, of course, a fairly healthy measure of natural curiosity.

I went of my own accord, at my own expense, and received invaluable physical assistance from Bank of China officials in arranging such things as accommodations and travel facilities. From first to last their courtesy, assistance, kindness and general good humour under all circumstances were of infinite help. Their explanations of their system were naturally of the highest interest and they showed not the slightest reluctance to answer questions, and plied me with queries in return. I have read that in visits to China one is put in the hands of "Intourist," a Government Agency, which in effect leads one around by the nose. I was not under such auspices. Actually, I saw but one "Intourist" official and that was in Canton. In many respects I would compare "Intourist," as I saw glimpses of it functioning, as a sort of Chinese Thomas Cook and Son or American Express operating under Government auspices.

Cost of Living Low

The cost of living is unbelievably low, probably about one-fourth to one-third of ours in many directions. In the main cities, we had good and immaculately kept hotel accommodation; laundry was done and returned the same day and looked less war worn than is the case on our continent; clothes pressing was often and prompt—dry cleaning in a matter of hours in case of need.

I was told rats have been exterminated so bubonic plague has gone. I saw one fly and one mosquito and no sparrows in the cities. National campaigns were organised to get rid of these pests and I believe were used as a test to see how successful or otherwise the authorities could be in organising the populace to singleness of effort. From their point of view, the results must have been astonishingly gratifying.

Bewildering Growth

The growth in industry, the change in living standards, the modernisation of everything and anything, the feats of human effort and the colossal impact of human labour are not within our power to describe and still give a worthwhile picture of the scene. All I can say is that it must be seen to be believed. It's truly stupendous. The effect is almost to bewilder one when he sees what has been accomplished in less than 10 years, but, if he is a thinking person, to appal him and dumbfound him when he realises what had not been done in the previous 4,000 years or even 100 years. There are 600,000,000 people in the land—the net population is increasing 20,000,000 per annum or 38 per minute. Take deaths into consideration, and births must be at something resembling machine-gun speed—and we were freely told there is already a labour shortage. Twenty-five per cent. of the population of the world lives in China and in a score of years or less it will be nearer half the world's population. How one can fail to "recognise" this colossal scene is over my head.

I shall give but one example, an exceptional one perhaps, of the inexorable effect of human effort in terms of human labour. I saw the new irrigation and flood control dam in the Ming Tombs Valley. It was practically finished and had taken only 140 days to complete. It is over 2,000 feet long, about 95 feet high, 555 feet wide at the base and about 25 feet wide at the top. It has a concrete core, the upstream side is clay and the other is earth, gravel, and stone, 100,000 people were working in three shifts around the clock. All work was described as "voluntary"—certainly it was unpaid. About half of the work force was provided by the army, the rest by citizens from every walk of life who go and live and work at the site for days or weeks as circumstances, age, health, and physique permit. With little else than their bare hands, picks, and shovels, this colossal task has been accomplished. I stood on high ground and looked down upon this vast human ant hill. I took photographs of the scene, a shift of 30,000 toiling people, and hope when developed these pictures will have caught something of the atmosphere of the drama.

The almost fanatical drive towards hygiene and physical culture by the people is a study in itself. At 10 a.m. and 4 p.m. all work must stop and physical exercise be indulged in—young and old, over and under weight alike. I saw few in the former category. Many people wear gauze masks as a protection against dirt and fumes. *En route* from Shanghai to Canton by air we stopped at an airstop for lunch. We were met at the plane by a girl wearing a white gauze mask, in white skirt and long white smock, spotless. She conducted us to the dining room and it was she who served our lunch. Part of the table dishes was a porcelain spoon, resting upon a piece of paper. As I was about to pick up the spoon, she nudged my elbow, pointed to the paper and made motions to show I should first thoroughly rub the spoon with it.

In many ways, Peking is a beautiful city and in and around it are vast historical buildings and relics. They have been maintained, and repaired with the preponderance of Chinese red paint and offer a startling and pleasing appearance. To mention just a few, the Imperial Palace within the Forbidden City, the Summer Palace, the Ming Tombs in the Ming Valley and, of course, the Great Wall itself, all go to fulfil a sightseer's and photographer's dream.

Absolute Honesty

I have been asked about the standard of living in China. It is difficult to give an understandable answer because for vast millions there is not such a thing as we know it. Man, woman and child have not risen much beyond the beast-of-burden stage. The sights one sees of the stresses, the strains, the unbelievable extent to which a human frame can be abused, leave one almost physically ill. And yet the lot of these people is better than it was, and improving. For millions more one sees contentment, happiness and one would believe more freedom from oppression and civil strife than their previous generations have known. Corruption and graft we were told—and confirmed by people living outside the area—have disappeared. Petty theft is rare; one does not bother to lock his home. We did not bother to lock our hotel room doors. As an example of their apparently fanatical honesty, when leaving the hotel in Canton I failed to pick up some $2 or less in change. They followed me to the station and found me after I was seated on the train in order that they might deliver this change to me.

It cannot be that the present way of life is pleasing to everyone; there are many refugees constantly arriving in Hong Kong, for example, but they can be but a flea-bite as compared with the country's population of 600,000,000 people, and we should think they are mostly small farmers who are still individualistic enough to resist being brought into the co-operative farm movement. Those in authority freely state that the aim is to add slowly and patiently, yet without interruption, to the standard of living, that to try too much too quickly would be fatal—lead to inflation and endanger their whole programme.

Unless the whole scene is a dream or one's senses of observation and appraisement are less than useless, then we think the vast majority of the people of China have a Government they want, a Government which is improving their lot, a Government in which they have confidence, a Government which stands no chance whatever of being supplanted. All this quite obviously indicates a political problem that will sear the very souls of some Western powers, and which at some stage is going to pose an overwhelming face saving problem in more directions than one. It is difficult to believe that anything resembling war is desired in China if for no reason other than that such a development would have a disastrous effect upon the plans for improvement they are trying to bring about.

While in personal contacts we found individuals courteous, friendly, good-natured and prepared to go through a generous dose of good-natured ribbing, they are as a people exceedingly sensitive and touchy at the slightest implication of lack of confidence in their business undertakings or at sharp or belittling criticism of them as a nation or at the thought that there is or ever can be a divided China. We would caution those business men and men in public life who would have dealings with China to bear the foregoing ever in mind. Only undesirable results can ensue and nothing whatever can we hope to gain by ignoring these sensitive areas in the Chinese character.

The so-called strategic list of prohibited exports adopted by some nations has become in Chinese eyes almost ridiculous. So far as we can see (always with the exception of really strategic materials) about all that is happening so far as China is concerned is that annoyance is created, the goods are forthcoming from some other source, progress is not being seriously retarded and, ironically, a great long-run benefit may be conferred upon the Chinese by forcing them to make things for themselves.

Thirst for Knowledge

One highly placed person, not resident in China but thoroughly familiar with Chinese people, made the statement to me that the capacity of the Chinese to learn and perform is governed entirely by the teaching capacity of others who would undertake to instruct them. Their thirst for knowledge is now great and a visit to the University of Peking shows a lot of eager and enthusiastic students. A similar attitude, we were told, prevails in other seats of learning. As far as education of the masses is concerned, they have a long, long way to go. Steps are now afoot to change the Chinese characters to the Roman alphabet which is in general use in the Western world, and it is believed this will be a tremendous help in the educational process. There seem to be many professors of political economy around—and many students. We twitted one professor with the gibe that no doubt he found Adam Smith and John Stuart Mill among his mentors. Laughingly he replied, "Well, their theories are not exactly popular with us at present."

One innovation in economic organisation has resulted from the liquidation of the Kuomintang. Businessmen who were "clean" or free from entanglement with this organisation, have been allowed to maintain their financial interest in the business and receive 5 per cent. on their capital, even though the enterprise may be managed by State-appointed personnel. If the owner of the business is appointed manager, he will, of course, receive the regular State salary for his type of managerial service *plus* the 5 per cent. return on his investment. Here we have joint private State enterprise which should be of interest to all students of comparative economic organisation. How long this hybrid will persist, one cannot say. But I understand that the private rights involved may be bequeathed or transferred; and, if this is true, the joint private-State type of enterprise may last for generations to come.

Trade

The all-important matter of trade was constantly coming up, and, listening to the Chinese side of the story and to the outside phase of it, none of which incidentally came from traders, we are frankly a little confused.

One thing is certain—China needs a multitude of things and is most desirous of trading. It would be a waste of time for us to try to cover this field in a report of this kind. Any Canadian exporter who wants to trade with China—and if he is conscious of his own interests and is farsighted enough to realise his responsibilities to our Canadian economy—can readily obtain from our Department of Trade and Commerce in Ottawa a good idea of what is wanted. The Trade Commissioners of our Government who cover that area are fully conversant with the picture and we feel we should assume they keep Ottawa headquarters fully advised.

If we have anything to suggest here it is that our exporting fraternity shake themselves loose, get busy and visit China either individually or as a group, probably in the latter form initially, but keep at it. It was galling to meet and to talk with the selling forces of other Western powers, not only obviously getting business but enthusiastic about it while our people seem to sit back and wait for a silver platter deal. Our exporters have got to learn to develop resourcefulness and to take reasonable business risks. Outside China we heard a good deal about the Chinese importing movement endeavouring to make one-sided deals, about their reneging on contracts and so on; but we were unable to uncover a substantiated case. Our people should make clear the deal they want, make it reasonable and orthodox, and have a full and complete understanding of the transaction before they start—documented, if necessary, throughout. If they do this, deliver on time, and do not deviate from the terms, we should be inclined to believe they won't experience undue difficulties. This opportunity, coupled with our need for export markets, should sound a clarion call to our Government to see to it that, if any Canadian enterprise should be induced by outside influence to deviate from its responsibility to the Canadian worker and to the Canadian economy by declining legitimate and clean business, drastic and immediate steps be taken to discipline any such Canadian corporation. Canada needs export trade and it should be sought after everywhere with no interest other than the welfare of Canada involved.

Freedom

We had some interesting discussions relative to the new Chinese Constitution which provides for freedom of speech, right of assembly and freedom in the practice of religion. Freedom of speech, we believe, can be followed in the criticism of how things are being done in a material way, or of the people who are charged with the responsibility of doing them—but the Chinese cannot be "agin the Government" as we know it. Anything savouring of sedition would meet with the inevitable treatment: so, perhaps, freedom of speech could, in our view, be largely confined to the "suggestion box" principle. In this highly restricted sense, it might even be welcomed by the authorities.

Right of assembly exists in the sense that crowds can immediately assemble and listen to a speaker. We saw such crowds at street corners and at country crossroads. When we asked what the spouter was dispensing, it was always a harangue on the virtues of hygiene, on the desirability of continuing to swat flies and kill mosquitoes, or on some such subject. Theoretically, we suppose one could assemble a crowd and talk about anything—but for how long we don't know. There is no Chinese "Hyde Park."

Regarding the freedom to practice religion, there could be a need for this—not perhaps out of regard for religion but because there is a political problem due to the large number of Moslem followers in addition to the Buddhists. I found Christian churches of many denominations—I also visited a Buddhist temple. On Sunday morning in Peking, we heard what sounded like church bells. At first, we could not believe our ears. Persistently we went down a side street from which the sound was coming and certainly it was the sound of church bells. We found the church, a large Roman Catholic edifice, within a walled enclosure. The front court was full of children playing, the front doors were closed and again children playing and squatting in front of them, but we proceeded to a side door and found a church which could accommodate a very large congregation. Mass was in progress; the church was not full but there was a large congregation of people, devout to all appearances, young and old—male and female—very small children crawling in the aisles—older ones moving around from pew to pew. The clergy were all Chinese. We stayed for part of the service. There are other authorities more competent than I am to discuss this phase, but, so far as I could find out, all clergy must be Chinese and, if this is so, then perhaps "freedom" is more apparent than real. This is only an observation. Someone else, I am sure, can give a positive answer.

Unquestionably, here is some subtle difference in life between China and other nations of Marxian persuasion. One feels no sense of domination, no depression, no lack of freedom in moving around and so on. Perhaps, it is inspired by the courtesy, good nature and natural politeness of the people. One goes shopping as he would in Montreal—big stores, little stores, all sorts of goods. Food is rationed on a seasonal basis we were told. In hotels and restaurants, there are no restrictions. One can go sightseeing, rubbernecking and camera using at will—but must get an export permit for his undeveloped film which was a rather perfunctory procedure.

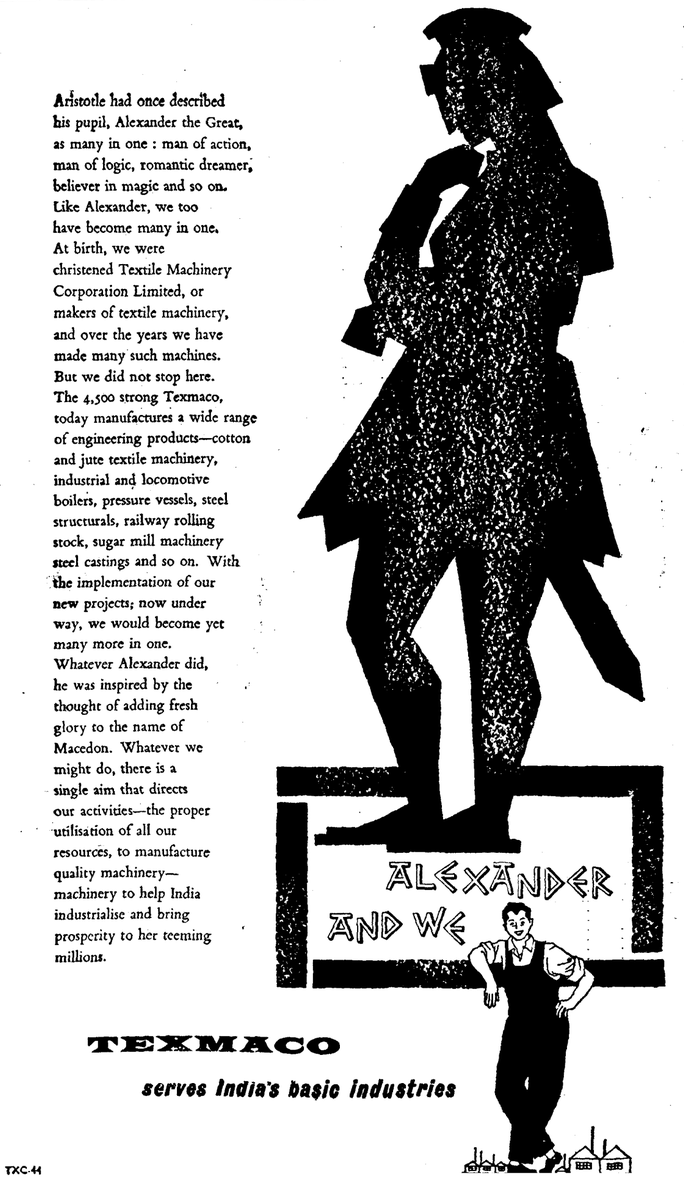
For those who have read so far no doubt a variety of impressions of life in China has been formed. Some may be favourable, even too much so, some sceptical and unbelieving. Both are wrong.

As I said at the beginning, one has to see what is going on with his own eyes before he can realise what the picture unfolds. Nobody can do so for him. China is a socialist State, a managed economy adhering to the teachings of Karl Marx with some modifications to meet Chinese reality. The State is supreme, man an instrument—therefore he can't be really free. There is none of the "Comrade" technique, there is no pretence that all are equal; on the contrary, "the working class," "the peasants," are freely referred to. One is rewarded in the material sense according to his talents and his responsibilities; but the plunder, the privilege and corruption are said to be gone. One wonders what China would be like today if over the last 150 years it had moved along the lines of democratic progress, instead of exploitation and corruption. The wind was sown, the whirlwind is being reaped.

As mentioned earlier, 25 per cent. of the world's population live in China; may be in 20 years, they will be one-half of the world. Their present rate of progress is beyond description—but they have, as we have said, a million miles to go before the masses have a semblance of a decent standard of living. They are moving fast, however. If one can picture a future nation of one billion people—skilled, educated, industrialised and with a capacity for work that beggars description—the high cost economy of the West is eventually in for revision. We of the West want no part of the political and economic philosophy that governs such States—but I wonder if we had a similar experience as a people how we would feel about it? The answer seems to be clear.

Regarding the so-called "recognition" of China in the political sense, one just does not see how six hundred million people, which may be a billion before too long, can be given myopic treatment. I am no prophet—but a "Bonnie Prince Charlie" from across the sea from Taipan seems more than unlikely. Just how face is to be saved there presents a staggering problem. There is every indication that the people of China as a whole are satisfied with their Government. It seems to meet their needs and it seems to be conscious of a great job to be done to lift the standard of living and the general way of life of the masses out of the black hoplessness that has prevailed in the past.

I believe there is good and legitimate trade to be done. Other Western people are getting it. Canada will be negligent and unfair to herself if she does not get her share. She won't get it, however, without aggressive action.



OIL NEEDS OF EXPANDING WORLD POPULATION

THE long-term growth of oil consumption is influenced by many factors, one of which is the natural increase in the population. Other things being equal, the doubling of the world's population which may be expected well before the end of the present century would be expected to give a substantial boost to the demand for petroleum products. But it is evident that the degree of stimulation could differ widely with different patterns of population change. For instance, a big increase in the population of (say) India may be much less significant than a relatively small increase in (say) the U.S.A., where oil consumption per head is something like 250 times as much.

Population growth has an importance which far transcends its economic implications, and general interest therefore attaches to a recent U.N. publication which reviews past trends and revises earlier estimates of the likely expansion of the world's population between now and the year 2000. Though inevitably subject to wide margins of error, such projections are of especial interest to an industry with world-wide ramifications, such as oil; and the estimates made by the U.N. experts for the separate continents and areas are particularly illuminating.

The inhabitants of the world have been reproducing themselves at an accelerating rate in recent decades. In the third and fourth quarters of the nineteenth century, the rate of growth was 19 per cent. in 25 years. In the first quarter of the twentieth century, the rate rose to 23 per cent., while, in the second, it jumped to 31 per cent. These increases, which brought the world's population to some 2,500 million by 1950, were unprecedented. Nevertheless, the report envisages rates as high as 53 per cent. and 64 per cent. in 1950-75 and 1976-2000, respectively. Hence the broad general conclusion is that, "barring either a catastrophe or a deterioration of social conditions for progress in health, of global proportions, a world population of between 6,000 and 7,000 million by the end of the century should now be expected almost as a matter of practical certainty."

These latest estimates are considerably in excess of those previously made in U.N. studies, despite the continued decline in the Japanese birth rate and earlier overestimations of the population of the U.S.S.R. By far the most important reason is the upward revision of estimates of the present size and rate of growth of the population of China. The startling and disturbing nature of the result is underlined by the authors who point out that, whereas since the evolution of *homo sapiens* it has taken 200,000 years for the world's population to reach 2,500 million, it will take a mere 30 years to add another 2,000 million. For the oil economist, making his own projections of demand, the regional estimates—notwithstanding their possibilities of error—are particularly helpful. Here the broad conclusion is that the rate of population growth will be much higher in the technically advanced areas of North America, Europe, the U.S.S.R., Japan and Australasia. Whereas the developed countries accounted for rather more than one-third of the world's population in 1950, their share may be less than one-quarter by the end of the century and, on certain assumptions, it could be as low as one-fifth. The table below shows for the separate continents the rate of population growth envisaged for the third and fourth quarters of this century, compared with those recorded in the first and second:

(Percentages)

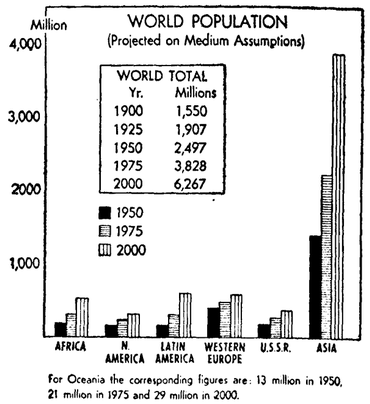
	1900-25	1925-50	1950-75	1975-2000
World total ..	23	31	53	64
Africa ..	22	35	52	71
North America ..	56	33	43	30
Latin America ..	57	65	86	95
Asia	19	35	60	75
Europe	19	14	21	19
U.S.S.R.			52	38
Oceania	57	36	59	40

The resulting changes in the distribution of the world's population are illustrated in the accompanying chart. The movements here depicted—based on medium assumptions—are arresting. For example, the population of N. America is expected barely to double during the second half of this century (from 168 to 312 million), while that of the U.S.S.R. will increase only slightly faster—from 181 to 379 million—whereas the population of Latin America will by the year 2000 probably be three and a half times what it was—592 million, against 163 million. Thus, Latin America's share of the world's population will rise from 6½ per cent. in 1950 to 9½ per cent. by A.D. 2000, outstripping that of North America and of Africa by 1975.

It is, however, the projections for Asia which excite most attention. Here a threefold increase is envisaged, from 1,380 million to 3,870 million in the 50 years—which would raise Asia's proportion of the world's total population from 55 to 62 per cent. In 1953 China had a population of 583 million; this is likely to rise to 900 million by 1975, when India's population will reach 563 million. Simultaneously, there will be a continued decline in the relative importance of Europe, where the envisaged increase is from 393 million in 1950 to 476 million in 1975 and to 568 million in A.D. 2000.

The fact that two-thirds of the expected increase in the world's population in the second half of this century (2,490 million out of 3,770 million) will take place in Asia has obvious implications for the oil industry: most of Asia has an extremely low standard of living and, therefore, of oil consumption. Outside Japan, the annual consumption of petroleum products there is of the order of two to five Imperial gallons per head, against an annual average of 75 gallons for Latin America, about 125 for the U.K. and the U.S.S.R., and over 600 gallons for North America. For gasoline alone, the annual consumption is of the order of one to two gallons a head for most of Asia, against averages of 20 to 30 gallons for Europe and Latin America and about 300 gallons for North America. Thus, the population increase of 2,490 million envisaged for Asia is of far less significance for the oil industry than the increase of 429 million in Latin America and of still less significance than the prospective gain of 144 million in North America. Assuming no change in oil consumption per head, the projected growth of the population in North America would add about 130 million tons a year to world oil consumption between now and 1975, whereas the increase foreseen in Latin America would add about 33 million tons and that in Asia a mere 7 million tons.

But will not Asian living standards be raised considerably in the years to come? If they were, then oil consumption would undoubtedly be expected to respond. This is particularly true of motor fuels, for not only is the motor vehicle a major agent of economic development, but car ownership is high on the list of satisfactions sought by people as incomes rise above the subsistence level. In the West, as also in the U.S.S.R., we have lately become accustomed to annual increases of the order of 2 or 3 per cent. in real income per head. Though many other factors are also involved—including the degree of industrialisation and the availability of other fuels—this rise in living standards has been a powerful added spur to the advance of oil consumption. A three per cent. increase every year means a doubling in just over 25 years. Assuming, however, that such an increase in oil consumption per head were achieved over the next quarter of a century, the extra oil required *for this reason alone* would be no more than 17 million tons in Asia outside Japan, as compared with over 50 million tons for Latin America and more than 400 million for the U.S.A.



For Oceania the corresponding figures are: 13 million in 1950, 21 million in 1975 and 29 million in 2000.

And can even a three per cent. advance in real income per head be regarded as a feasible objective for most Asian countries?

Broadly, there are two ways in which the much-desired advance in living standards could be brought about. One would be by means of an increase in production more than proportionate to the increase in population—particularly in the output of foodstuffs and agricultural raw materials. The methods by which such increases have been achieved in the recent past are familiar enough. They include the extension of the arable acreage, better control of pests, the development of plant strains with improved resistance to drought, disease, etc., and—perhaps most important of all—the mechanisation of agriculture. In recent years, attention has been drawn also to the vast untapped resources of the sea, to the possibility of harnessing solar energy, and to the likelihood that atomic energy will before many years have passed become generally available for the service of mankind.

It seems likely that these and other possibilities—which depend, be it noted, not only on the spread of adequate technical knowledge, but also on large injections of locally-created or imported capital—will have to be successfully exploited even to maintain existing standards of living in countries where population densities are already high and where the rate of growth envisaged is unprecedented. To raise income per head by expanding the available goods and services faster than the growth of the population would be a Herculean task.

If it proves impossible for the material resources available in Asia to keep pace with the increase in the number of consumers, the desired improvement in living standards could be brought about only as the result of a check to population growth—either by higher mortality rates than those assumed in the Report, or by birth control. The first alternative is morally inadmissible, while the second is fraught with difficulties in most Asian countries, where it is attended less by religions than by social obstacles of many kinds. Populations of hitherto high fertility constitute the majority of mankind. However, as the authors of the U.N. Report point out, the advocacy of policies designed to retard the growth of the population in India and, quite recently, also in China deserve the closest attention of the rest of the world. They may, eventually, succeed in lifting the millions of Asians above the starvation levels at which so many at present subsist.

The prospects of raising living standards and, therefore, of oil consumption per head, in the foreseeable future, seem considerably brighter in Latin America than in Asia. Here, oil production is already well in excess of local needs, there is a fair amount of industrial development to serve as the springboard for a further advance, and there is nothing like the same pressure of population on the considerable natural resources awaiting exploitation. In South America, the population density averages just over six persons per sq. kilometre (compared with eight in North America and the U.S.S.R., and 59 in N.W. Europe) and it may have risen to between 12 and 27 per sq. km. by the year 2000. In Japan, by contrast, the density is already 225, and is expected to be 340-430 by the end of the century, while elsewhere in the Far East it is at present about 40-90, and is expected to rise to between 80 and 280 per sq. km. These figures call for much qualification, but they do serve to emphasise that strong forces of population pressure are present, which, as before, may bring major changes in present frontiers and divisions of mankind.

Enough has been said to demonstrate the relevance of this study of population trends to oil industry affairs. Granting the possibility of substantial errors in the forecasts, it nevertheless appears certain that the extraordinary acceleration in rates of population growth will result in a doubling of the number of persons on this planet well before the present century is out. A major expansion of oil requirements will result from the projected growth of population in the industrialised nations, including the U.S.S.R. and Japan. However, by far the biggest increase in population will occur in areas where oil consumption per head is still pitifully low and where living standards will be very difficult to raise. The conclusion is that mere numbers are of comparatively little importance from the standpoint of oil consumption. What matters far more than the absolute size of the population is the standard of living it has attained and the possibilities of further economic advance which are open to it.—*By Special Arrangement with* Petroleum Press Service.

NEW PRODUCTS AND PROCESSES

Resin Curing Agent

A *CURING* for amino textile resins which has been developed by the Monsanto Chemical Company is now being manufactured in the United Kingdom. The material, which is called Catalyst AC, is said to promote faster and more uniform curing and maximum fabric performance, together with a minimum usage of resin when it is used with urea formaldehyde, melamine formaldehyde or modified urea resins. It is said to have excellent processing flexibility and bath stability and also, it is claimed, reduces the possibility of having to discard polymerised resin baths. It is compatible with most modifying and finishing agents and is said to be particularly effective with silicone water repellents. At the same time, there is less risk of residual odour formation when the catalyst is used.

Slot Safe for Petrol-filling Stations

For the purpose of defeating raids of petrol-filling stations and other establishments where a great deal of money is taken in the evening, a metalware factory of Netherlands has manufactured a special slot safe. Its internal dimensions are height 30 cm., width 32 cm. and depth 14.5 cm. The door of the safe is fitted with a slot which can be closed with a removable seal by means of a cylinder lock. Steel cash-boxes containing the receipts can be inserted in this slot. The employee at the depot only has the key of the slot lock, and not the key to the door. The latter is a steel, double-bit key. The built-in safe is embedded in the wall. Only the door is provided with a fireproof filling. For attachment to the wall or floor a slot safe of this type is supplied in an entirely double-walled design provided with fireproof filling between the walls. Continuous holes can be made in the rear wall or bottom of the safe for securing it by bolts from the inside.

Simple Hydraulic Load Lift

A Netherlands factory manufacturing transport trucks and equipment manufactures a hydraulic lift for loads of up to 660 lbs. for small plants in particular. The lift can be designed for handling crates or casks. The lift consists of a frame, fitted on four wheels, two of which are swivel wheels, on which is mounted a double, manually operated plunger pump which moves a platform by means of a hydraulic piston. When used for lifting crates the appliance has a maximum height of lift of 4.9 ft. in the standard design the platform measures 24"×32", although other dimensions can also be supplied. In the case of the cask lift the platform is designed with a fork. As the platform rises the fork turns from a horizontal to a vertical position. Depending on the position of the cask with respect to the fork, it either stands or lies on the platform when in the raised position. The minimum and maximum height of lift of the apparatus designed as a crate lift is 3.6 ft. and 4.4 ft. respectively. The lift can also be designed for use for various other purposes.

New Aluminium Alloy

The Argonne National Laboratory of the U.S. Atomic Energy Commission has developed an aluminium alloy which is expected to help reduce the cost of producing nuclear power. The experimental alloy, designated X-8001, will be used as a protective jacket (cladding) for fuel elements in the Argonne Low Power Reactor (A.L.P.R.), now being built at the National Reactor Testing Station for the Commission's Army reactors development programme. A.I.P.R. is a prototype unit of a portable boiling water reactor for power generation and space heating in remote areas, such as the Antarctic. Alloy X-8001, the fuel element cladding, was developed by adding small amounts of nickel to aluminium 1,100, a commercial alloy which contains iron. The addition of nickel made X-8001 much more resistant to corrosion by high temperature water than commercial aluminiums having iron as the primary alloy material.

High-Strength Steel

An air-hardening, ultra high-strength alloy steel has been developed in the U.S. for missiles and rockets and may have other applications in industry. The material, when cooled in air and tempered, is said to develop tensile strength in the range of 280,000 pounds per square inch, six times greater than that of sheet steel employed in motor-car bodies. Most other alloy steels require oil or salt quenching to attain equivalent mechanical properties. The high strength level, achieved after two years of research, is said, by the developers, to be the result of a balance of alloying elements found to be suitable for imparting air hardenability. Produced in annealed or "soft" condition, the new steel can be formed, cut or shaped readily and a fabricated part may then be allowed to harden by cooling in the open air after hating.

Top-dressing of Wheat and Maize

Staff workers of the laboratory of microbiology and physiology of the Agricultural Research Institute for the South-eastern areas of the U.S.S.R. have established that top-dressing of wheat and maize with organic phosphorus quickens their ripening. This discovery is said to be of great significance for the south-east of the country where plants with earlier periods of blossoming can escape the harmful influence of drought. The new agrotechnical method will also contribute to the advance of southern varieties further north. The research institute scientists are expanding their investigations with the aid of the tracer atom method.

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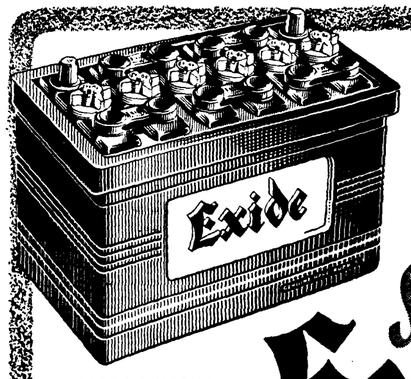

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WORLD MARINE INSURANCE

PROBLEMS AND PROSPECTS

THIS year's annual conference of the International Union of Marine Insurance was held in Salzburg, Austria, at a time when the outlook for world marine insurance appeared gloomier than ever before. Recent events and experiences of the past year showed that those who had made pessimistic forecasts and who were criticised for that, were not after all wrong. Fierce competition in world marine insurance markets continued throughout last year with the result that the downward trend in cargo rates, which began soon after the war and gathered momentum when the combined marine surcharge agreement was abandoned in 1949, showed little sign of abatement. The impact on premium income of the substantial reduction in cargo rates and the increasing amount of ships that was laid up in many parts of the world as a result of the general collapse of the freight market was more acutely felt.

Recent underwriting experience had shown that there was practically no margin in current marine rates for a serious casualty or a heavy particular average claim. The experience of last year and the second half of 1956 brought into bold relief the urgent need for a return to the elementary underwriting principle of a fair premium for a fair risk. Despite this, goaded by the thirst for premium income, covers and open policies continued to change hands with concessions in rates and conditions irrespective of past results.

Problem Reappears

More than 20 years have passed, comments *The Review*, London, in the course of an article on marine insurance recession in a recent issue, since marine insurers were called up on to face this problem, but it is now with them once more. Freight charges have fallen because the demand for shipping space has suffered a decline due to a corresponding reduction in international business dealings; fewer ships are in service because fewer cargoes are in transit, so that demand for insurance itself must be less. This time, it is felt, the problem will strike the hull market with a heavier impact owing to the wide disparity between the rates quoted for 12 months' navigation and those obtainable for the same period laid-up without cargo on board; reductions in world trade also bring reductions in commodity values; not only the number but also the value of the cargoes offered for insurance is less and what business is on offer is subject to more intense competition.

A substantial contribution to the fall in cargo rates to uneconomic level has been made by those who have employed conditions as a weapon of competition. It has been wielded by shippers, brokers, and underwriters alike each seeking to obtain or offer an ever wider cover in order to gain selfish advantage. In the absence of a rigidly observed tariff system, which is even less likely of attainment in the immediate future than in the past, observes *The Review*, an attempt to arrest the fall in rates through control of the cover given seems to offer the best hope of success. Zest for the task, the journal adds, should be provided by consideration of the stimulant which trade recession must give to the worsening of the additional hazards which have attached themselves to the traditional cover.

A first principle of insurance, as is common knowledge, is that it gives protection to an article or interest against a peril which may cause it injury but in most cases does not. If an insurer knew with certainty that a particular hazard would destroy 50 per cent. of an interest exposed to its action, then he would be bound to charge a premium for its insurance exceeding 50 per cent. of its value. An oversimplification of the problem, no doubt, but such simple arithmetic brings into sharp relief the discrepancy between the substantial menace of the extraneous risk as seen in isolation and the diminutive premium now charged all too often for cover against it.

In addition to fortifying their position by relating the rates quoted more nearly to the cover given, insurers can, the journal suggests, arrest the decline of standards in the transport and handling of merchandise by offering some form of inducement to those shippers who are willing to shoulder a proportion of the risk. Where such co-operation is refused, the share declined should be subject to higher rating than the proportion already accepted.

The Korean War and the Suez crisis provided the underwriting market with "shots in the arm" whose effects are now wearing off and bringing in their train the familiar symptoms of despondency and nervous upset. Pessimism in present circumstances, *The Review* points out, is a mood just as imprudent as the optimism which has misled earlier estimates of business prospects. It can be just as lacking in foundation if the situation is accurately appreciated and suitable measures of amelioration are taken.

Developments in the hull market already indicate that the pattern of events is likely to bear a close resemblance to the shape it assumed in the early 'thirties. As then, the older vessels are limping to the breakers' yards and there is a steady accumulation of tonnage in the backwaters and anchorage.

Significant Difference

Although the movement of shipping from full navigation to lay-up proceeds along familiar lines, there are significant variations between the two epochs. At that time there was a price fall throughout the economic range and the decline in freights and the withdrawal of ships kept pace with the general business recession. The pressures enforcing lay-ups were also less urgent because the foundation of the shipping industry was the general cargo trade which gave the owners the advantage of greater flexibility in the search for freights. Today the economic patterns have changed the world over and the shipping industry too has changed with it. The national policies pursued during the war and since have blurred the sharp distinction between the manufacturing countries and those former colonial territories. All are now sovereign States, very much in their own right, and many of the new ones have achieved greater or lesser measure of industrial self-sufficiency, while the older ones have replaced many imported raw materials with the products of their own chemical industries.

The new machines demand oil, not only for essential lubrication but for feeding the furnaces of the electric generators supplying them with driving power. Ships, locomotives, and aircraft have become likewise dependent on the same fuel. The foundations of shipping have, therefore, taken the tanks as their keystone in place of the general cargo ship and the method of bulk carriage, characteristic of petroleum transportation with its possibilities of rapid loading and unloading and discharge, has been widely adopted for the transport of other commodities. This emphasis on speed and technical excellence in the transport and handling of particular cargoes has promoted specialisation with the result that any slackening of demand quickly brings unemployment not to one or two ships but to the entire fleets.

Indications

The changes mentioned above, according to *The Review*, indicate that the shipping industry has moved away from its strong central position in the world economy to a position nearer the margin, where it must experience the effects of recession sooner than those enterprises based on direct consumer demand. This movement must draw hull insurance in its wake and the value of hull insurance to the overall economy will change in the same way. This conclusion is borne out by a comparison of the current stability of world prices in contrast to the fall in freights, and also the cold indifference of tenders for repair to the hardship inflicted on insurers by the steep decline in premium income. What is true today of hull insurance is also applicable to cargo insurance, if at a more distant date: what with growing economic self-sufficiency the demand for sea insurance will tend to grow smaller as time goes on, and the "shots in the arm," mentioned earlier, are likely to provide the only kind of boom period which shipping and marine insurance can hope to enjoy later on.

It is, however, probable that in future new demands of transportation and enterprise will have provided new opportunities for marine underwriters but programmes of activity in the present must cater for a recession which, as regards shipping in its present form, may to a greater or lesser extent prove lasting.

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A sizable rise of Rs. 1.88 lakh in the net premium income is disclosed by the audited accounts of the Triton Insurance Company Ltd. (Managing Director: John Douglas Keith Brown), for the year ended 31st December 1957. The combined net premium income for the year amounts to Rs. 34.63 lakhs, as compared with Rs. 32.75 lakhs in the previous year. The improvement was remarkable in the fire department where net premium income increased from Rs. 21.92 lakhs in 1956 to Rs. 26.06 lakhs in the year under review, an increase of as much as 19 per cent. The miscellaneous department also shared in the improvement, but to a lesser extent from Rs. 1.51 lakh in 1956 to Rs. 1.68 lakh in 1957, while the marine department showed a decline in net premium from Rs. 9.32 lakhs in 1956 to Rs. 6.89 lakhs in 1957. Claims, commission and expenses also showed a rise. The year's working resulted in a profit of Rs. 1,24,812. The dividend has been maintained at 45 per cent., the same as in the previous year, on the ordinary shares of the Company. The following table shows the working results of the Company for the past three years:

(In lakhs of rupees)

	For the year ended 31st December		
	1957	1956	1955
Fire—			
Net premium	26.06	21.92	20.40
Claims	11.14	9.49	7.22
Commission and expenses ..	12.56	10.59	10.27
Fire fund	18.08	10.96	10.20
Marine—			
Net premium	6.89	9.32	9.80
Claims	3.60	4.14	5.97
Commission and expenses ..	3.00	3.51	3.22
Marine fund	6.89	9.32	9.80
Miscellaneous—			
Net premium	1.68	1.51	1.37
Claims	0.88	0.84	0.96
Commission and expenses ..	0.53	0.45	0.34
Miscellaneous fund	1.84	1.76	1.69

Net premium income in the fire department aggregated Rs. 26.06 lakhs, as against Rs. 21.92

(*Continued on page 496*)

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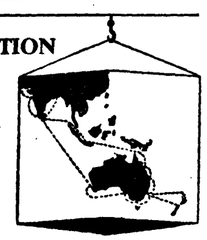

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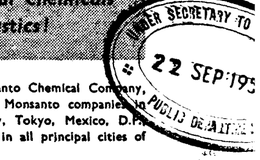

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CAUSES OF INFLATION IN PRIMARY PRODUCING COUNTRIES

UNITED NATIONS' ANALYSIS

THERE has been a growing realisation on the part of primary producing countries of the need for, and importance of, stepping up the standard of living of their peoples. This is reflected in the unprecedented rate of new investment taking place in these countries. Such development programmes have, however, led to marked advances in prices and costs, which have tended to threaten the strength and stability of these economies. Although the pace of inflation in these countries was somewhat slower during the immediate post-war years than during the Second World War, it gathered renewed momentum as a result of the widespread devaluation of currencies in 1949 and the outbreak of Korean hostilities in 1950. Following the collapse of the Korean boom in mid-1951, domestic prices levelled off or even fell in some instances, but only for a short period. Prices in these countries continued to move upward once again after 1954. A glimpse of these trends can be had from the table on this page which shows the average annual rate of increase in the cost of living in 40 primary producing countries. At any rate, the growing inflationary pressures, despite integrated fiscal and monetary policies, have posed a serious threat to rapid economic development in these countries. In this context, the United Nations has done well to provide a succinct analysis of the nature and extent of the problem of inflation, in its *World Economic Survey* 1957.

In the underdeveloped countries, the capacity to produce consumption goods is limited by the level and pattern of economic development which has already been reached. Consequently, they find themselves incapable of matching the rapidly rising demand generated by developmental expenditure. This explains the progressive rise in prices. If the additional income generated in the economy were ploughed back to investment, there would, of course, be no inflationary pressure. This, however, is more easily said than done. As the *Survey* has averred, in most cases, investment involves a corresponding increase of money income; and, in an underdeveloped country with a very low standard of living, only a small fraction of such additional income is likely to be saved, the bulk of it adding to pressure of demand on the supply of goods and services. Again, owing to rigidities inherent in the economy of an underdeveloped country, the process of their development is accompanied by a fundamental break with the inherited structure of production, it accounts to a great extent for the stresses and strains found in a growing economy. The *Survey* has also thrown into sharp relief the major casual factors underlining forces of inflation in underdeveloped countries. The most pervasive sources of inflation, as already indicated, is the excess of aggregate demand in the economy created by additional investments. In the absence of excess capacity in the underdeveloped countries to cater to the growing demand, prices in general tend to move upwards.

Private Incomes

Increases in expenditure generated by budget deficits, private investment or the export balance provide additions to private incomes that have a special significance in the inflationary process. For, as these additions to private incomes are not derived from the production of consumer goods and services, the expenditure which they generate heightens demand for consumer goods and services in relation to available supplies. Accordingly, if no excess productive capacity is available, prices tend to rise under the pressure of increasing demand. The rise in prices, however, tends to change the distribution of income in favour of groups with relatively higher rates of saving out of income. When private savings have increased to the point where they matched the increase in demand for private savings generated by the budget deficit, private investment or the export balance, a new equilibrium is reached; at this point, the demand for, and the supply of, consumer goods and services are again in balance. Increases in demand for private savings, however, have not been the only source of inflation in primary producing countries. At times, an excess of aggregate demand over aggregate supply has emerged, not from a rise in the demand for private savings, but from a decline in the community's willingness to save. When, for example, there has been some relaxation of direct physical controls on consumption, the community has sometimes responded by increasing its expenditure relative to current income.

Besides the aggregate excess demand, there have been symptoms of excess demand in particular sectors. For instance, the lag in agricultural production in relation to the development in other sectors of the economy has been a prolific source of inflation in underdeveloped countries. The pressure of demand against insufficient supplies of foodstuffs has often been heightened by the rapid growth of urban populations; even where the output of foodstuffs has been increased, urban supplies have not necessarily kept pace with the high rates of increase in urban population, since producers have often increased their own consumption, and distribution facilities have frequently been inadequate.

Neither excess aggregate demand nor excess sectoral demand, however, wholly explains the magnitude of price inflation in these countries. The primary inflationary impulses generated by excess demand have also initiated secondary cumulative advances in prices and costs. A major inflationary mechanism activated by the primary inflationary impulses has been the wage-price spiral. By raising prices and redistributing incomes in favour of groups with relatively higher rates of saving, excess aggregate demand has encroached upon the real income of wage earners. The labour unrest created by such a situation has commonly given rise to demands for increased money wages, and these increases have then been the occasion for renewed increases in prices. Excess aggregate demand, however, has not even been a necessary condition for the activation of wage-price spirals. Advances in wage costs have also taken place because of the presence of excess sectoral demand. In view of the importance of food in the consumption of wage earners and of the widespread inflexibility in the supply of food real wages in the underdeveloped countries have been very susceptible to reduction occasioned by rising food prices. Moreover, at times an advance in money wages has been the outcome, not of domestic supply and demand conditions, but of a rise in foreign prices of imported commodities or of a change in governmental policy affecting domestic prices. Thus, rising foreign prices of imported commodities have not only had direct effects upon the level of domestic prices and costs but have sometimes been sufficient to activate a wage-price spiral; and similarly, changes in governmental policy regarding price controls, exchange rates, indirect taxes and subsidies have had both direct and indirect effects upon the level of domestic prices and costs.

Credit Mechanism

Apart from the wage-price spiral, the final effect upon prices produced by excess demand has been magnified by the operation of credit mechanism. Increases in private investment, in budget deficits or in wage bills, have been mainly financed by borrowing from the banking system, which has usually involved a rising supply of money. This has led to increased liquidity of the community. In the absence of organised capital markets and in the face of ever-present danger of inflation, however, there is little incentive to hold increases in the money supply in idle balances. These increases have, therefore, tended in time, to augment the flow of total money expenditure.

The instability of foreign trade has been another factor of major consequence in inflation in many primary producing countries. The particularly close links in these countries between investment and the foreign balance, and between government revenue and trade develop-

Annual rate of increase	Number of countries			
	Pre-war to 1946	1946 to 1948	1950 to 1953	1954 to 1957
26 per cent. and above	13	7	6	2
21 to 25 per cent.	5	..	1	4
16 to 20 per cent.	4	6	1	..
11 to 15 per cent.	4	4	5	1
6 to 10 per cent.	9	12	12	9
1 to 5 per cent.	5	5	10	18
0 or decrease	..	6	5	6
Total	40	40	40	40

ments, have often caused sharp fluctuations both in the supply of many key commodities and in demand pressures. The *Survey* has pointed out that supplies, both for export and the domestic market, having been dominated by agricultural production, naturally leave them vulnerable to the vagaries of weather conditions. The removal or lessening of the instability of export markets of primary products goes a long way towards greater price stability in underdeveloped countries. But the central problem of securing additional resources to hasten the pace of economic development and, at the same time, of avoiding inflation would remain.

Various restrictive policies, both fiscal and monetary, have been consistently pursued so as to hold the rising spiral of prices in check in many of these countries. These measures are designed to restrain the level of aggregate demand. The authorities have also bestowed attention to the need for rectifying imbalance between demand and supply of specific commodities particularly those of food. The anti-inflationary budgetary measures have generally sought to arrest the rise in the budget deficit as a proportion of gross national product.

In many countries, inflation has been generated as much by sharp and irregular increases in export earnings as by domestic forces of a less variable character. Budgetary measures to counter inflation arising from this source have necessarily been of a flexible and short-run nature. The strictest form of such measures has been direct participation by the government in trade in the main export commodity; this has permitted it to set the price to domestic producers at a level substantially lower than the world market price, so that rising export profits have accrued to the government. The method most commonly employed, however, has been the absorption or rising export earnings through the manipulation of export duties or the application of penalty exchange rates.

The success of the anti-inflationary policy of diverting the income from export sector to the Government depends upon what the latter does with the increased revenue.

In conjunction with budgetary policy, many countries have also made increasing use of monetary policy in their anti-inflationary drive. Through a variety of means, central banks have sought to restrain the expansion in the volume of credit extended by the commercial banks to private enterprises and private persons; and, in so far as these restraints have been effective, monetary policy has contributed to a lessening of inflationary pressure. It is to be recalled that private investment in the primary producing countries is heavily dependent upon financing by the banking system; consequently, to the extent that monetary policy restricts the demand for, or supply of, credit, private investment expenditure may be reduced. Moreover, since such restrains place some limitation upon expansion in the supply of money throughout the country, the inflationary effect of an increase in the liquidity of the private sector may also be curbed. It must be recognised, however, that the efforts of central banks to restrain the expansion of credit by commercial banks have, in most countries, taken place in circumstances where the cash reserves of the commercial banks have been continuously augmented through increased governmental borrowing from central banks or through rising receipts of foreign exchange; generally, part of the primary increase in money supply created by governmental borrowing or rising foreign exchange receipts has been absorbed into the cash reserves of the commercial banks. Thus, while the central banks have sought to limit the volume of credit, other forces have been at work to facilitate its expansion. In these circumstances, monetary policy has not reduced the volume of credit but has, at best, only moderated its rate of expansion.

In many of the primary producing countries, according to the *Survey*, some tendency towards greater monetary stringency in the private sector has been evident. Nevertheless, it has disclosed that, in a number of these countries, the control exercised by central banks over the volume of private credit has been greatly vitiated by the increases in the supply of money that have taken place outside the private sector. It is to be borne in mind, at any rate, that, while restraints on the supply of credit to the private sector may have moderated the level of private investment expenditure and thus exerted a disinflationary influence, a large part of the actual expansion in credit was often necessitated by rising business costs generated by inflationary forces other than private investment expenditure.



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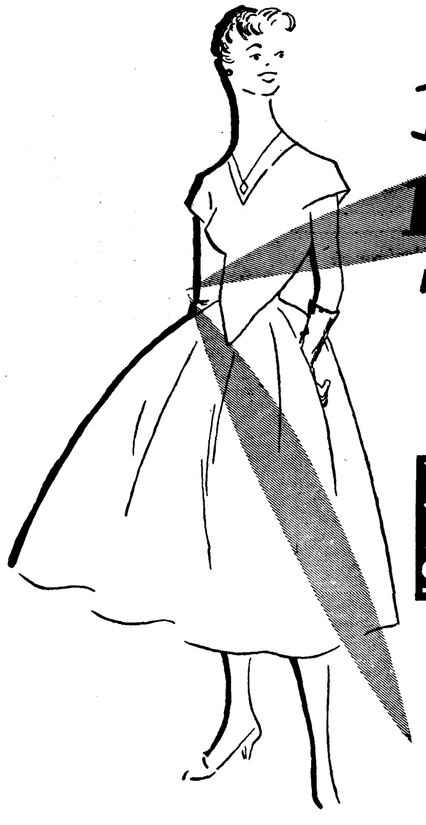

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RESULTS OF MEGNA JUTE ENCOURAGING

SHARP RISE IN SALES AND PROFIT

CONSIDERING the difficult trading conditions experienced by the jute industry, the results of the Megna Mills Company Ltd. (Secretary: A. D. A. Alexander, Calcutta) for the year ended 31st March 1958 must be regarded as highly encouraging. It is common knowledge that for some years now the jute industry has been in a very unenviable position. Rise in manufacturing costs due to higher prices of raw materials, redundancy of workers and increased emoluments to labour on the one hand and decline in export orders, rendered more difficult by stiff competition from Pakistan, have been the serious handicaps of the industry. Some of the units have been trying to overcome them through modernisation of equipment and diversification of their production with varying degrees of success. Hence, many units have been reporting losses, while a few have been able to show a slight improvement. The working of the Company during the year under review makes a refreshing contrast to the discouraging performance noted in the previous year and seems to indicate that the Company has turned the corner. Needless to say, if this rate of progress is maintained in the years to come, the Company's future is assured. The proceeds from sale of gunnies have sharply risen, profits have substantially increased and reserves have been strengthened. The Company's shareholders will be particularly happy to know that their return in the shape of dividend has been more than trebled to 17½ per cent. from 5 per cent. paid for the few preceding years.

The gross profit at Rs. 33.62 lakhs makes a striking comparison with the mere, almost insignificant, Rs. 2.28 lakhs made in the previous year and represents an improvement of Rs. 31.34 lakhs over the year. It is also about thrice better than the profit of Rs. 10.51 lakhs for 1955-56 and Rs. 11.57 lakhs for 1954-55. After providing Rs. 6.48 lakhs for depreciation, as against Rs. 6.39 lakhs in the previous year and setting aside Rs. 5.84 lakhs for taxation, of which Rs. 1.14 lakh is on account of wealth tax (including Rs. 52,654 paid for assessment year 1957-58), the net profit at Rs. 21.30 lakhs compares well with a net loss of Rs. 4.11 lakhs for the previous year. Before enhancing the distribution to shareholders, the Directors have transferred Rs. 62,850 to development rebate reserve and another Rs. 3 lakhs to contingency suspense. It may be noted here that the latter amount, namely, Rs. 3 lakhs, is the exact equivalent of the sum withdrawn from contingency suspense in the previous year to meet a portion of the loss sustained. This deficiency has, therefore, been made up now.

Results Compared

The following comparative table will provide some idea of the progress in the Company's working during the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Gunny sales	3,41.76	2,82.42	2,88.92	2,55.86
Closing stocks of finished goods	17.78	10.54	5.48	2.61
Looms hours realisation ..	4.43	1.77	0.01	0.07
Raw materials consumed ..	2,00.15	1,47.79	1,70.92	1,45.16
Other expenses	1,21.20	90.29	1,10.79	1,01.99
Gross profit (+) or loss (—) ..	+33.62	+2.28	+10.51	+11.57
Depreciation	6.48	6.39	5.60	5.23
Provision for taxation ..	5.84	..	..	..
Net profit (+) or loss (—) ..	+21.30	—4.11	+4.91	+6.34
Provisions, etc., written back ..	0.06	7.10	2.81	0.95
Transfer to reserves ..	3.63	..	1.82	..
Expenses written off ..	..	..	2.00	1.12
Dividend	14.29	4.08	4.08	4.08
	(17½%)	(5%)	(5%)	(5%)
Carry forward	4.00	0.56	1.65	1.33

Despite the handicaps facing the jute industry, the Company's sale proceeds, as can be seen from the above table, made a sharp rise of Rs. 109.34 lakhs to Rs. 3.42 crores during the year under review. Indeed, it is this factor which has chiefly contributed to the substantial improvement in results.

The Company's mills worked 48 hours per week during the year under review, with 12½ per cent. of the total looms sealed, in accordance with the working time agreement of the Indian Jute Mills' Association. It purchased additional looms during the year and consequently the number of working looms was increased as from 8th April 1957, to 392 looms on double shift and 524 looms on single shift. The working of looms was subsequently increased and, towards the close, the mills were working 434 looms on double shift and 536 looms on single shift, that is, the equivalent of 1,404 looms on single shift against the normal complement of 1,132 looms on single shift.

The Company is actively carrying out a programme for the modernisation of its mills. It has been granted a loan of Rs. 22.84 lakhs by the National Industrial Development Corporation Private Ltd. for further modernisation of the mills, of which Rs. 6.97 lakhs were received during the year under review. By the end of the year under report, spinning machinery of the value of Rs. 8.91 lakhs had been received at the mills. Out of this, machinery of the value of Rs. 5.58 lakhs was actually installed. The Directors hope that the balance of machinery to be received against the loan will be installed during the current year.

Financial Position

The balance-sheet of the Company as at 31st March 1958 shows no change in its paid-up capital at Rs. 81.65 lakhs which consists wholly of ordinary shares of Rs. 100 each. This is supplemented by reserves and surplus aggregating Rs. 29.29 lakhs. In this connection, it may be of interest to know that, in June 1949, the Company had capitalised Rs. 48.99 lakhs out of the reserve fund and 81,652 new ordinary shares of Rs. 60 each were created. These were issued to the then existing shareholders in the proportion of one new share for every old share held and subsequently consolidated into 81,652 shares of Rs. 100 each. The current liabilities stand at Rs. 105.66 lakhs, of which secured loans account for Rs. 63.84 lakhs. The gross block stands at Rs. 222.29 lakhs and depreciation provided at Rs. 138.72 lakhs, so that the net block is Rs. 83.57 lakhs. The current assets aggregate Rs. 133.04 lakhs and exceed the current liabilities and the provision for taxation by a comfortable margin.

The Directors have considered the desirability of sub-dividing the shares in the capital of the Company to a more manageable denomination and feel that a nominal value of Rs. 10 per share would permit of greater freedom in transmission and transferability of the shares.

Messrs. Mackinnon Mackenzie & Co. Ltd., who were the Managing Agents of the Company, resigned their office and the Company came under the control of directors as from 1st April 1956. The present Board of Directors consists of Mr. C. L. Bajoria, Mr. H. Mackay Tallack, Mr. C. A. Groves, Mr. T. R. Jalan, Mr. S. L. Bajoria (alternate to Mr. C. L. Bajoria) and Mr. P. W. G. Adair (alternate to Mr. C. A. Groves).

The Rs. 100 fully paid-up ordinary shares are currently quoted at Rs. 152 *cum-div.* On an *ex-div.* basis and taking the dividend at 17½ per cent., the yield works out to 13 per cent. per annum.

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BOMBAY SUBURBAN'S PROFIT IMPROVES

PROGRESS STEADY

THE working of the Bombay Suburban Electric Supply Ltd. (Managing Agents: Messrs. Killick Industries Ltd., Bombay) during the year ended 31st March 1958 has proved to be satisfactory. The earnings, as well as profit, show a sizable improvement over the previous year. The improvement is, no doubt, due to the marked expansion in the sale of energy. From 60.47 million kilowatt hours in 1955-56, which itself represented an increase of 20.02 per cent. over 1954-55, sales of energy rose to 71.71 million kw.h. in 1956-57 and further to 83.58 million kw.h. in 1957-58. The latter represents an increase of 16.54 per cent. over the year. The sale of energy for lights and fans and general purposes rose by 15.42 per cent. and for motive power by 17.50 per cent. The rise of Rs. 2.38 lakhs in the gross profit at Rs. 29.95 lakhs for the year under review makes a welcome contrast to the modest decline noted in the previous year when the gross profit receded from Rs. 27.93 lakhs for 1955-56 to Rs. 27.57 lakhs.

The net profit at Rs. 18.56 lakhs also stands higher, as compared with Rs. 14.24 lakhs for the previous year, though it is a shade lower than Rs. 19.22 lakhs two years earlier. The provision for depreciation has been slightly lowered from Rs. 9.90 lakhs to Rs. 9.09 lakhs. Barring a sum of Rs. 85,000 set aside for wealth tax, no amount has been provided for taxation since the Company considers that there is no liability for taxation on the profits for the year owing to the incidence of income-tax depreciation allowances.

Reserves

Although the net profit is higher, the provisions for statutorily compulsory reserves have made a sizable reduction in the sum available for distribution of dividend. The Directors have, therefore, been obliged to withdraw Rs. 22,187 from the tariffs and dividends control reserve. The dividend to shareholders has been maintained at 7 per cent., the rate prevailing for the past several years. Of the sum of Rs. 6.43 lakhs allocated to reserves, development reserve accounts for Rs. 5.28 lakhs, contingencies reserve for Rs. 94,475 and dividend equalisation reserve for Rs. 21,000.

The following comparative table shows the progress in the Company's working during the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds of energy ..	86.91	77.56	70.66	61.40
Other income	8.48	2.97	3.08	2.82
Cost of energy purchased ..	37.67	30.36	29.30	20.75
Other expenses	22.72	22.60	20.46	18.21
Gross profit	29.95	27.57	27.98	24.26
Agents' commission ..	1.45	1.39	1.28	1.48
Depreciation	9.09	9.90	7.48	6.56
Provision for taxation ..	0.85*	2.04†	..	3.55
Net profit	18.56	14.24	19.22	13.39
Transfer from reserves ..	0.22	..	0.12	0.19
To write off intangible assets	0.10	0.10	0.10	0.10
reserves	6.43	1.88	9.99	2.11
Dividend	12.25	12.25	12.25	11.37
	(7%)	(7%)	(7%)	(7%)
Carry forward	..	..	..	..

* Provision for wealth tax.
† Includes Rs. 1.10 lakhs for wealth tax.

As can be seen from the table above, the sale proceeds have steadily risen from Rs. 61.40 lakhs in 1954-55 to Rs. 86.91 lakhs for the year under review. It will also be noted that, while the cost of energy purchased has appreciably increased over the previous year, other expenses have made only a modest rise.

During the year, 6,890 new consumers were connected to the mains, bringing the total number to 58,466 showing an increase of 13.36 per cent. over the previous year. The number of units of energy purchased from the bulk suppliers rose by 11.72 per cent. The maximum load on the Company's system was 20,940 kw., as against 18,666 kw. during the previous year—an increase of 12.98 per cent. The Company's transmission and distribution systems were maintained in good order and continued to give trouble-free service. There were at the close of the year 154 miles of high tension and 233 miles of low tension mains on the Company's system. During the year, again, 12 new sub-stations were added (making a total of 194) and the transformer capacity of 19 existing sub-stations was reorganised to ensure the most efficient use of the plant. The high tension system has been substantially strengthened and extended. The low tension network, including mains, services and street-lighting, has been expanded.

The Company's paid-up capital at Rs. 175 lakhs, which are in ordinary shares of Rs. 100 each, is supplemented by reserves and surplus aggregating Rs. 54.35 lakhs. The gross block of Rs. 330.22 lakhs, including additions to the tune of Rs. 42.81 lakhs during the year, stands written down at Rs. 252.94 lakhs. Capital work-in-progress accounts for Rs. 7.46 lakhs. Intangible assets, consisting mainly of promotion expenditure and new share capital issue expenses, have been written down from Rs. 1.98 lakh to Rs. 1.84 lakh. The current assets aggregate Rs. 39.01 lakhs, as against which current liabilities amount to Rs. 71.88 lakhs.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 113.50 *cum-div.* On an *ex-div.* basis, the yield works out to 6.5 per cent. per annum.

NATIONAL TOBACCO FORGES AHEAD

Consumption of cigarettes in the country is on a steady upward trend. This is not surprising. The rapid industrialisation of the country has resulted in higher incomes for the people, particularly the working class, who now can afford to switch over to the luxury of a cigarette in preference to the traditional cheaper modes of smoking. This should inevitably reflect in higher sale proceeds for companies engaged in the manufacture of cigarettes, thereby helping to increase their profits. The working of the National Tobacco Company of India Ltd. (Managing Agents: Messrs. B. N. Elias & Co., Private Ltd., Calcutta) during the year ended 31st December 1957 serves to illustrate the above facts. The sale proceeds of this Company which stood at Rs. 3.99 crores in 1955 steadily rose to Rs. 5.16 crores in 1956 and further to Rs. 6.54 crores in 1957, showing an improvement of Rs. 2.55 crores over a period of just a couple of years. Hence, despite the sharp increase in manufacturing costs, excise duty, etc., the Company's profits also show a steady rise from year to year. Thus, at Rs. 45.19 lakhs, the gross profit for the year under review has advanced by Rs. 11.49 lakhs from Rs. 33.70 lakhs for 1956 and it is Rs. 15.90 lakhs better than that at Rs. 29.29 lakhs for 1955.

The net profit at Rs. 15.93 lakhs also stands higher, as compared with Rs. 11.45 lakhs for the previous year. The provision for depreciation has been maintained at Rs. 5.06 lakhs (Rs. 5.04 lakhs in 1956) but that for taxation has gone up from Rs. 13.13 lakhs to Rs. 18.83 lakhs. The Directors have written back Rs. 24 lakhs from the provision for taxation, representing excess provisions in past years for which assessments have since been completed. This amount is being used for financing the Company's operations. Accordingly, they have transferred Rs. 23.86 lakhs to general reserve and Rs. 6 lakhs to reserve for capital expenditure. The latter amount, the Directors state, is for implementing a programme of production and quality improvement for which considerable finance will be required. A sum of Rs. 87,971 has also been set apart as development rebate. The dividend to ordinary shareholders has been stepped up to 9 per cent. from 7 per cent. for the previous year to which level it had been lowered from 8 per cent. paid in 1955. The dividend on ordinary shares absorbs Rs. 7.20 lakhs, on the 5 per cent. first preference shares Rs. 1.25 lakh, and on the 4½ per cent. second preference shares Rs. 89,910, leaving a sum of Rs. 8.88 lakhs to be carried forward, as against Rs. 9.03 lakhs brought in.

Expenses during the year have considerably increased from Rs. 500.11 lakhs to Rs. 637.41 lakhs. Of this, excise duty alone accounts for a rise from Rs. 129.54 lakhs to Rs. 198.28 lakhs and consumption of stores and spare parts from Rs. 84.91 lakhs to Rs. 120.26 lakhs.

The Directors say that, during the year under report, the Company's brands participated in greater measure in the increased business, though this increase in volume has been almost exclusively in one of the most important but relatively less remunerative price categories. Efforts to secure more business in other grades continue. On the prospects for the current year, the Directors say that several factors, particularly that of rising costs of leaf and stores, make it difficult to accurately gauge the Company's position but the sales volume in the first half of the year is satisfactory. It will, therefore, be reasonable to expect "results in 1958 to be no worse than in 1957."

The Company's paid-up capital stands at Rs. 124.95 lakhs, of which ordinary shares of Rs. 10 each account for Rs. 79.97 lakhs. The balance is accounted for by two categories of (5 per cent. and 4½ per cent.) tax-free redeemable cumulative preference shares of Rs. 100 each. The reserves and surplus stand at Rs. 77.77 lakhs, of which the general reserve amounts to Rs. 50 lakhs. The Company has a debenture liability of Rs. 12 lakhs carrying interest at 4 per cent. The gross block of Rs. 125.70 lakhs has been well depreciated, the net block being Rs. 59.91 lakhs. The current liabilities stand at Rs. 121.48 lakhs, against which the current assets aggregate as much as Rs. 276.30 lakhs.

The Rs. 10 fully paid-up shares of the Company are currently quoted at Rs. 13.22 *ex-div.* at which rate and on the basis of the latest dividend, the yield is 6.8 per cent. per annum.

COMPANY MEETINGS AND DIVIDENDS

NEW DOOARS TEA CO., LTD. Annual General Meeting, Calcutta, 24th September 1958. Dividend: Rs. 20.00 per share. Transfer books remain closed from 11th to 24th September 1958, both days inclusive.

HOOLUNGOOREE TEA CO., LTD. Annual General Meeting, Calcutta, 25th September 1958. Dividend: Rs. 12.50 per share. Transfer books remain closed from 11th to 25th September 1958, both days inclusive.

MOTHOLA TEA CO., LTD. Annual General Meeting, Calcutta, 26th September 1958. Dividend: Rs. 40.00 per share, on shares of Rs. 100 each. Transfer books remain closed from 15th to 26th September 1958, both days inclusive.

HOOGRAJULI (ASSAM) TEA CO., LTD. Annual General Meeting, Calcutta, 26th September 1958. Dividend: Re. 1.00 per share. Transfer books remain closed from 12th to 26th September 1958, both days inclusive.

JESSOP & CO., LTD. Annual General Meeting, Calcutta, 29th September 1958. Dividend: *Nil*. Transfer books remain closed from 13th to 29th September 1958, both days inclusive.

DIMAKUSI TEA CO., LTD. Annual General Meeting, Calcutta, 29th September 1958. Dividend: Rs. 3.00 per share (includes interim dividend of Re. 1.00 per share). Transfer books remain closed from 19th to 29th September 1958, both days inclusive.

GOHPUR TEA CO., LTD. Annual General Meeting, Calcutta, 29th September 1958. Dividend: Rs. 2.00 per share. Transfer books remain closed from 19th to 29th September 1958, both days inclusive.

NORTH WEST COAL CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: Re. 1.50 per share, on shares of Rs. 10 each and Re. 1.12 per share, on shares of Rs. 7.50 each (includes interim dividend of 7½ per cent.). Transfer books remain closed from 20th to 30th September 1958, both days inclusive.

BANARHAT TEA CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: Rs. 20.00 per share. Transfer books remain closed from 16th to 30th September 1958, both days inclusive.

BHATKAWA TEA CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: Re. 1.50 per share. Transfer books remain closed from 20th to 30th September 1958, both days inclusive.

BAGHMARI TEA CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: Re. 1.50 per share. Transfer books remain closed from 20th to 30th September 1958, both days inclusive.

TIRRIHANNAH CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: Rs. 3.00 per share. Transfer books remain closed from 20th to 30th September 1958, both days inclusive.

MARGARET'S HOPE TEA CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: Re. 0.75 per share. Transfer books remain closed from 20th to 30th September 1958, both days inclusive.

RAJABHAT TEA CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: *Nil*.

ROOPACHERRA TEA CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: *Nil*.

BORMAH JAN TEA CO. (1936) LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: *Nil*.

SUNGMA TEA CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: Re. 0.75 per share. Transfer books remain closed from 20th to 30th September 1958, both days inclusive.

COIMBATORE SPINNING AND WEAVING CO., LTD. Annual General Meeting, Coimbatore, 30th September 1958. Dividend: *Nil*. Transfer books will remain closed from 22nd to 30th September 1958, both days inclusive.

GANGES ROPE CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: Rs. 15.00 per share. Transfer books remain closed from 17th to 30th September 1958, both days inclusive.

NATIONAL TOBACCO CO. OF INDIA LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: 9 per cent. or Re. 0.90 per share. Transfer books remain closed from 16th to 30th September 1958, both days inclusive.

UNION COAL CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: As. 6 per share. Transfer books will remain closed from 26th to 30th September 1958, both days inclusive.

JOST'S ENGINEERING CO., LTD. Annual General Meeting, Bombay, 3rd October 1958. Dividend: 10 per cent. or Rs. 5.00 per share, payable on and after 4th October 1958. Transfer books remain closed from 19th September to 3rd October 1958, both days inclusive.

COMPANY REGISTRATIONS

SAHU INDUSTRIES PRIVATE LTD. (First Director: Mr. S. P. Jain.) Business: Manufacturers and dealers in precipitated chalk and chemical products, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 15A, Horniman Circle, Fort, Bombay.

PIRAMAL INVESTMENTS PRIVATE LTD. (First Director: Mr. Gopiksan Piramal.) Business: Capitalists, financiers and merchants. Authorised capital: Rs. 5,00,000. Private company. Address: 60, Marwar Bazar, Bombay 2.

JOHAR FILMS PRIVATE LTD. (First Director: Mr. A. T. Barma.) Proprietors of theatre halls, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 3G, Naaz Building, Lamington Road, Bombay.

SURAT ENGINEERING CO., PRIVATE LTD. (First Director: Mr. Mukanlal R. Aslot.) Business: Manufacturers and dealers in motor vehicles, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Station Road, Surat.

MISHRA AND JOGLEKAR PRIVATE LTD. (First Director: Mr. K. K. Mishra.) Business: Builders, contractors, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Modi Lane, No. 3, Sitalvadi, Nagpur.

HINDUSTAN PRECISION INSTRUMENTS PRIVATE LTD. (First Director: Mr. J. N. Marshall.) Business: Manufacturers, importers and exporters in scientific instruments. Authorised capital: Rs. 5,00,000. Private company. Address: 107, Mahatma Gandhi Road, Bombay.

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RESULTS OF ALEXANDRA JUTE BETTER

SARAN ENGINEERING MAINTAINS DIVIDEND

Alexandra Jute Mills, Ltd.

THE directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The profit for the year after taking into account the overprovision of sales tax liability in respect of previous period written back, Rs. 1,91,298 (Rs. 36,889), and providing for doubtful debts Rs. 91,758 (Rs. 7,058), depreciation Rs. 2,11,262 (Rs. 1,53,016) and taxation Rs. 1,74,000 (Rs. 1,30,000) including wealth tax, amounts to Rs. 1,75,359 (Rs. 1,54,462). To this amount must be added the credit balance brought forward from the previous year of Rs. 1,70,290 (Rs. 1,38,329) and dividends forfeited Rs. 152 (Rs. 636) making a total of Rs. 3,46,301 (Rs. 2,93,427). From this amount must be deducted dividends previously forfeited now paid Rs. 50 (Rs. 137) and amount transferred to development reserve Rs. 56,600 (*nil*) leaving a balance of Rs. 2,89,651 (Rs. 2,93,290). The interim dividend for the year ended 31st December, 1957, on 9,000 preference shares at Rs. 3.50 per share absorbed Rs. 31,500 (*nil*) and on 6,000 ordinary shares at Rs. 5 (*nil*) per share Rs. 30,000 (*nil*) leaving an available balance of Rs. 2,28,151 (Rs. 2,93,290) which the directors recommend should be distributed as follows:—

To payment of a final dividend on 9,000 preference shares at Rs. 3.50 (Rs. 7.00) per share for the year ended 31st December, 1957 absorbing Rs. 31,500 (Rs. 63,000) and a final dividend on 6,000 ordinary shares at Rs. 5 (Rs. 10) per share for the year ended 31st December, 1957 absorbing Rs. 30,000 (Rs. 60,000) leaving to be carried forward Rs. 1,66,651 (Rs. 1,70,290).

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 31st December, 1957, have been valued at market price.

In accordance with the main and supplementary working time agreements of the Indian Jute Mills Association, these mills were permitted to work 48 hours per week throughout the year with 12½ per cent. of the total looms sealed. Due to the purchase of loom hours the Mills worked 96 hours per week on a double shift basis working 264 looms on each shift up to the middle of June. From that date Alexandra Jute Mills took over the loom hours of Waverley Jute Mills which closed in June and until the end of 1957, 400 looms were worked 96 hours per week on a double shift basis.

During the year labour relations were satisfactory and the majority of the labour previously employed by Waverley Jute Mills was absorbed.

Certain modern sliver spinning machinery for sacking warp and sacking weft has been installed during the period. In order to complete the modernisation of this mill application has been made to the National Industrial Development Corporation Private Ltd. for a loan of Rs. 12,42,000. Despite difficult trading conditions throughout the year the working results show some improvement.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Gross block	59,82,765
Reserves ...	10,81,600	*Less*—Depreciation ...	40,52,871
Debentures ...	6,00,000		
Provision for taxation ...	4,85,195	Net block ...	19,29,894
Liabilities ...	54,19,096	Machinery for installation	3,25,500
Profit and loss account ...	3,877	Stock-in-trade	41,15,580
		Stores and spare parts	7,11,567
		Debts, deposits and advances ...	19,50,600
		Investments	70,000
		Cash ...	1,49,401
Rs.	92,52,542	Rs.	92,52,542

Saran Engineering Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co. Private Ltd., Kanpur, U.P. submit the audited accounts of the Company for the year ended 31st March, 1958.

The results for the year, after providing for all charges, including provisions for taxation and depreciation and adjustments, show a surplus of Rs. 1,69,638 (Rs. 1,92,736). From this amount has been deducted the transfer to rehabilitation reserve of Rs. 1,00,000 (Rs. 1,30,000) leaving a balance of Rs. 69,638 (Rs. 62,736). To this has been added the amount brought forward from the previous year of Rs. 12,000 (Rs. 9,264) making a total of Rs. 81,638 (Rs. 72,000). This amount, the directors recommend, should be disposed of as follows:—

In payment of a dividend of 40 (40) nP per share, free of income-tax, for the year ended 31st March, 1958 absorbing Rs. 60,000 (Rs. 60,000) leaving to be carried forward Rs. 21,638 (Rs. 12,000).

The turnover and order book are satisfactory, but considerable difficulty has been experienced, and it is anticipated that this will continue to be the case in obtaining supplies of pig iron and coke and import licences for such essentials as that plant for the expanded foundry which cannot be obtained in this country and for shafts for rollers.

The prospects for Saran are good provided a constant flow of raw material is available, and every effort is being made to ensure such supplies despite the overall shortage of pig iron in the country and difficulties with regard to transport.

The capital replacement programme referred to in previous reports is still in progress of completion. During the year under report, approximately Rs. 2.52 lakhs has been spent on that account. Existing commitments on account of capital expenditure amount to approximately Rs. 1.10 lakh. A sum of Rs. 1,00,000 has been transferred to rehabilitation reserve from the current year's profits which the directors have transferred to capital reserve. The Company's property has been maintained in good repair.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Gross block	29,83,251
Reserves ...	8,16,855	*Less*—Depreciation ...	18,00,849
Provision for taxation ...	2,26,287		
Liabilities ...	22,75,609	Net block ...	11,82,402
Profit and loss account ...	21,638	Work-in-progress ...	1,056
		Stock-in-trade	2,65,468
		Stores and spare parts	14,67,994
		Loose tools, etc. ...	58,519
		Debts, deposits and advances ...	8,00,816
		Investments	49,875
		Cash ...	1,14,253
Rs.	39,40,389	Rs.	39,40,389

Coimbatore Spinning & Weaving Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. R. G. S. Naidu & Co., Coimbatore) present the audited accounts of the Company for the year ended 31st December 1957.

The year's trading has resulted in a net loss of Rs. 7,30,221 (profit of Rs. 12,53,874) after meeting all expenses and providing a sum of Rs. 3,09,599 (Rs. 3,92,125) towards normal depreciation at income-tax rates. A sum of Rs. 50,000 has been provided towards minimum managerial remuneration in the absence of profits for the year. The bonus paid to the manager of the Company for the year 1956 amounting to Rs. 10,000 has been set off against the surplus carried forward from the previous year. After the set off, the balance of surplus, amounts to Rs. 415 (Rs. 21,921), and this has been deducted from the loss for the year amounting to Rs. 7,30,221 and it is proposed to carry forward the balance of loss of Rs. 7,29,806 (Rs. 10,415 after providing Rs. 5,00,000 for taxation, Rs. 2,00,000 to contingency reserve, Rs. 1,50,000 to bad and doubtful debts and after paying a dividend of 20 per cent. absorbing Rs. 4,15,380.)

The directors regret that the trade conditions during the year covered by the report were very unsatisfactory in as much as the prices of cotton remained at high levels and the prices of yarn and cloth showed a continuous decline. The Mills had to carry large stocks of yarn and cloth in the absence of a regular and steady demand. The Company had to meet heavier wage and electricity bills than last year on account of an increase in the basic wages of operatives and the imposition of a surcharge on electric energy consumed. The excise duty on cloth remained very high during 1957 and an additional sales tax was also levied by the State Government, both of which had a highly adverse effect on cloth sales, and such additional excise duty and sales tax could not be passed on to the customers on account of consumer resistance. Besides there was also a power cut for a period of nearly two months in the year which resulted in considerable dislocation of production. The Weaving Section of the Mills proved a drag upon the Company on account of the decline in prices in a stagnant market forcing the Company to sell its accumulated stocks whenever there was a demand in spite of sustaining losses thereby. In the circumstances the directors regret that the Company had to sustain a heavy loss for the year under review.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,76,900	Gross block	1,37,90,104
Reserves ...	5,076	*Less*—Depreciation ...	88,52,968
Provision for taxation ...	7,78,923		
Liabilities	1,16,31,519	Net block ...	49,37,136
		Stock-in-trade	60,72,360
		Stores and spare parts	3,97,036
		Debts, deposits and advances ...	23,08,772
		Investments	13,700
		Cash ...	33,608
		Profit and loss account ...	7,29,806
Rs.	1,44,92,418	Rs.	1,44,92,418

Edward Textiles Ltd.

The directors of the above Company (Managing Agents: Messrs. Puranmal Bubna Sons, Bombay) submit the audited accounts of the Company for the year ended 31st December 1957.

The loss of Bombay Unit for the year ended 31st December 1957, after making a provision for depreciation of Rs. 3,49,884 (Rs. 3,91,622) amounts to Rs. 31,223 (Profit of Rs. 10,09,893) and the loss of Madras Unit for the year ended 31st December 1957, after making a provision for depreciation of Rs. 3,89,932 (Rs. 2,33,181) amounts to Rs. 11,89,434 (loss of Rs. 6,10,057). Thus the total loss for the year in the accounts amounts to Rs. 12,20,657 (Profit of Rs. 3,99,836). From this sum is to be deducted the amount brought forward from the last year's account of Rs. 2,28,479 (Rs. 2,83,643) after making provision for wealth tax liability for 1956 Rs. 30,918, additional provision for income-tax and Corporation Tax for 1956 Rs. 75,000 (Rs. 2,00,000) and the additional dividend for the year 1955 at Re. 1 per share Rs. 17,000 (*nil*). Thus there is a total loss of Rs. 11,15,096 (credit of Rs. 4,83,479). From this sum is to be deducted being amount transferred from general reserve for payment of proposed dividend for 1957 of Rs. 2,55,000 (*nil*). The directors recommend payment of a dividend on ordinary shares at Rs. 15 (Rs. 15) per share (free of income-tax) for the year ended 31st December 1957 absorbing Rs. 2,55,000 (Rs. 2,55,000) leaving a debit balance to be carried of Rs. 11,15,096 (credit of Rs. 2,28,479).

The year under review was a most difficult one for the Textile Industry in general. The heavy increase in the excise duty on Mill cloth levied in September 1956, reacted very unfavourably on the cloth market. Higher dearness allowance had to be paid to the workers on account of the Consumers Price Index Number for working class in Bombay, having gone higher compared to previous year, thus increasing the cost of production.

As per the agreement between the member mills of the Millowners' Association, Bombay, and the Rashtriya Mill Mazdoor Sangh, for the Mills in Bombay, regarding the payment of bonus to the employees for the years 1953 to 1957, the Company which is a member of the said Association will have to pay bonus, and accordingly, provisions have been made in the account for the year 1957 for the employees of the Bombay Unit.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	34,00,000	Gross block	1,12,98,983
Reserves* ...	26,36,389	*Less*—Depreciation ...	69,27,928
Provision for taxation ...	2,56,893		
Liabilities ...	76,02,597	Net block ...	43,71,055
		Stock-in-trade	57,28,332
		Stores and spare parts	9,42,719
		Goods in-transit ...	9,524
		Debts, deposits and advances ...	14,08,953
		Investments	13,68,456
		Cash ...	66,840
Rs.	1,38,95,879	Rs.	1,38,95,879

*Reserves are shown after deducting the debit balance of Rs. 11,15,096 in the profit and loss account.

Radha Krishna Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. A. G. Gurusamy Naidu & Co., Peelamedu) submitted the audited accounts of the Company for the year ended 31st December 1957.

The year's trading has resulted in a net profit of Rs. 11,63,647 (Rs. 18,81,279). Out of this amount the following amounts have been written off—managing agency commission at 10 per cent. on the net profits of the Company as prescribed in the Companies Act, 1956 Rs. 72,444 (Rs. 2,44,017) and depreciation provided on assets Rs. 4,39,207 (Rs. 4,13,882) which leaves a balance of Rs. 6,51,996 (Rs. 12,23,380). Adding to this the previous year's balance brought forward of Rs. 3,882 (Rs. 4,862) the total amount available for distribution is Rs. 6,55,878 (Rs. 12,28,242). This amount the directors recommend to be disposed of as under:—To transfer to general reserve Rs. 1,60,189 (Rs. 3,00,000) to transfer to contingency reserve Rs. 1,89,196 (Rs. 4,20,000) and to pay a tax-free dividend at the rate of 12 (20) per cent. on the paid-up share capital of the Company as at 31st December 1957 absorbing Rs. 3,02,616 (Rs. 5,04,360) leaving a surplus to be carried forward to next year of Rs. 3,877 (Rs. 3,882).

The directors wish to report that the trade conditions during the year under review were not satisfactory. The prices of cotton remained at very high level and the prices of yarn and cloth were continuously on the decline. There was also large accumulation of stocks of yarn and cloth with the mills in the absence of regular and steady demand. Besides, the company had to meet heavier wage bills than last year on account of an increase in the basic wages of operatives. The excise duty on cloth during 1957 remained very high and most of this duty could not be passed on to the consumers on account of consumer resistance and accumulation of stocks. An additional sales tax was also levied by the State Government which was also a very heavy burden resulting in the cloth movement out of Madras State and the mills had to incur more transport charges. There was also an increase in the electricity rates by imposition of a surcharge. Besides, there was also a power cut for a period of nearly two months in the year dislocating production. On account of these several factors, the profits earned by the Company are very much less than last year.

The payment of bonus for 1956 equivalent to three months basic wages amounting to Rs. 1,97,776 and half month's basic wages for 1951 amounting to Rs. 25,420 making a total of Rs. 2,23,196 has been met out of contingency reserve. In respect of the year 1956 the operatives are demanding a higher bonus and the question is before the Special Industrial Tribunal appointed by the Madras Government for this purpose. The payment for the year 1951 is in addition to the bonus already paid.

The income-tax demand in respect of the year 1956 was made in the year 1958 and will come in for consideration in that year's account. A sum of Rs. 3,42,898 has been paid on this account during the year.

The Central Government has granted a licence to the mills for the installation of another 12,000 spindles for spinning staple fibre yarn. The expansion and the modernisation and renovation programmes of the mills will be completed in due course.

The directors have placed a resolution before the shareholders to authorise them to invest any sum or sums of money not exceeding Rs. 25 lakhs in the equity shares of the South India Viscose Limited. This Company has been incorporated with an authorised capital of Rs. 10 crores and has been formed for the purpose of manufacturing staple fibre, rayon, etc. The Company will establish a factory at Mettupalayam with foreign collaboration and an agreement has already been completed in this respect. It is expected that the factory may go into production by the end of 1959. It is proposed that this Company should join with other textile units of this place in establishing the factory which will produce essential raw materials like staple fibre, etc., required for the Company and others at cheap rates. In this connection it may be mentioned that the Company has already invested a sum of Rs. 3.4 lakhs in the equity shares of the United Bleachers (Private) Limited which is a joint enterprise with other textile mills in Coimbatore established for the purposes of processing the cloth manufactured by the member mills and other mills preference however being given to the former. The investment in the shares of the South India Viscose Limited will be on similar line and it is expected that such an investment will be highly advantageous and beneficial to this Company. This rayon and staple fibre industry is in a prosperous condition and is likely to continue to be so on account of the demand for staple fibre and rayon in the country and it is expected that the shares will be quoting at a premium when the factory goes into production.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25.30.420	Gross block	1,06.11,851
Reserves ...	31,21,189	*Less*—Depreciation ...	58,39,265
Liabilities ...	42,76,190		
Profit and loss account ...	3,877	Net block ...	47,72,586
		Stock-in-trade	34,77,140
		Stores, etc.	3,80,180
		Debts, deposits and advances ...	8,71,627
		Investments	4,12,387
		Cash ...	17,756
Rs.	99,31,676	Rs.	99,31,676

Banarhat Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts show a profit, after charging all expenses, of Rs. 4,88,713 (Rs. 26,76,881) of which taxation provision requires Rs. 2,86,000 (Rs. 10,30,000) leaving a balance of Rs. 2,02,713 (Rs. 16,46,881). The balance brought forward from last year was Rs. 4,50,485 (Rs. 4,09,604) and excess provision for taxation in previous years written back amounted to Rs. 50,000 (*nil*) making a total available for appropriation of Rs. 7,03,198 (Rs. 20,56,485). The directors now recommend that the following dividends be paid: On preference shares at the rate of Rs. 6.50 per share Rs. 26,000 (Rs. 26,000) and on ordinary shares at the rate of Rs. 20 (Rs. 40) per share absorbing Rs. 5,40,000 (Rs. 10,80,000) leaving a balance to be carried forward of Rs. 1,37,198 (Rs. 4,50,485 after transferring Rs. 5,00,000 to general reserve). Wealth Tax in respect of the years ended 31st December 1956, and 31st December 1957, is estimated to amount to Rs. 68,440 and this has been provided for by transfer from general reserve.

The severe drought conditions early in the 1957 season, referred to in the directors' last report, seriously affected the season's crop, and this with the drop in the general level of prices obtained for teas in 1957, accounts in the main for the disappointing results. Other factors are the increases in the cost of measures directed towards labour welfare such as the extension in April 1957, of staff provident fund facilities to all permanent garden labour which accounted for an additional Rs. 70,159 this year, while the loss on foodstuffs and the cost of firewood issues amounted to Rs. 96,630 more than in 1956.

A crop of 37,127 maunds was sold at an average price of Re. 1.84 per lb. This compares with a crop of 40,646 maunds in season 1956, sold at an average price of Rs. 2.47 per lb.

Estimates for the current season have been framed for a crop of 41,000 maunds to cost Rs. 51,92,520 and by the 14th August 1958, 16,776 maunds had been manufactured compared with 14,930 maunds to the same date last year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,00,000	Gross block	51,80,345
Reserves ...	28,56,560	*Less*—Depreciation ...	23,19,586
Provision for taxation*	6,65,602		
Liabilities ...	26,98,259	Net block ...	28,60,759
Profit and loss account ...	1,37,198	Stock of tea	25,19,601
		Stores loose tools etc.	7,59,536
		Debts, deposits and advances ...	14,18,200
		Investments	79,166
		Cash ...	18,20,357
Rs.	94,57,619	Rs.	94,57,619

*Includes provision for wealth-tax Rs. 68,440.

Choonabhutti Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts show a profit, after charging all expenses of Rs. 4,30,500 (Rs. 7,75,426) of which taxation provision requires Rs. 2,30,000 (Rs. 2,83,000) leaving a balance of Rs. 2,00,500 (Rs. 4,92,426). The balance brought forward from last year was Rs. 1,50,935 (Rs. 1,36,509) and excess tax provisions in previous years written back amounted to Rs. 20,000 (*nil*) making a total available for appropriation of Rs. 3,71,435 (Rs. 6,28,935). The directors have transferred to general reserve Rs. 60,000 (Rs. 1,50,000) and to investment realisation surplus Rs. 851 (*nil*). The directors now recommend payment of dividends on preference shares at Rs. 6.50 (Rs. 6.50) per share absorbing Rs. 13,000 (Rs. 13,000) and on ordinary shares at Rs. 20 (Rs. 35) per share absorbing Rs. 1,80,000 (Rs. 3,15,000) leaving a balance to be carried forward of Rs. 1,17,584 (Rs. 1,50,935).

A record crop of 14,951 maunds was sold, but owing to the general drop in the level of prices, the sale proceeds averaged Rs. 1.91 per lb. This compares with a crop of 13,052 maunds in season 1956, sold at an average price of Rs. 2.40 per lb.

Estimates for the current season have been framed for a crop of 14,000 maunds to cost Rs. 17,93,054 and, provided normal conditions prevail, it is expected that the estimated crop will be secured.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,00,000	Gross block	19,46,021
Reserves	12,81,081	*Less*—Depreciation ...	8,82,450
Provision for taxation*	3,23,420		
Liabilities ...	11,26,823	Net block	10,63,571
Profit and loss account ...	1,17,584	Stock of tea	5,93,918
		Stores, loose tools, etc.	2,74,132
		Debts, deposits and advances ...	7,01,226
		Investments	6,02,930
		Cash ...	7,13,131
Rs.	39,48,908	Rs.	39,48,908

*Includes provision for wealth tax of Rs. 22,897.



ATLAS
ASSURANCE
CO., LTD.
The Liability of Members of the Company is Limited
Incorporated in England
A.D. 1808

Bombay Agents:
N. SIRUR & CO. PRIVATE LTD.
TULSIDAS KHIMJI
MACKINNON MACKENZIE & CO. PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALLJI THAKERSEY & CO.

Branch Offices:
Dongall Road, Ballard Estate, Bombay.
Indra Palace, Connaught Place, Delhi.
4, Clive Row, Calcutta.

FIRE — MARINE — ACCIDENT

ALCOCK, ASHDOWN & CO. LIMITED
STRUCTURAL ENGINEERS
SHIP BUILDING & SHIP REPAIR ENGINEERS
MECHANICAL ENGINEERS
Agents for
BRITISH ROPES LTD.
(Steel Wire Ropes)
EDWARD PARKER & CO., LTD.
(Leather Beltings)
RED HAND COMPOSITIONS CO.
(Ship's Bottom Composition and Paints)
SMALL & PARKES LTD.
(Karmal Engine Packings)
JOHN I. THORNYCROFT & Co., Ltd.
(Marine and Industrial Diesel Engines)
Managing Agents:
TURNER, MORRISON & COMPANY PRIVATE LTD.
16 Bank Street, BOMBAY 1

Teen Ali Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1957.

A crop of 8,020 (7,735) maunds was manufactured and has been disposed of for sale in Calcutta for export 7,278 (6,857) maunds, and for sale in Calcutta for internal consumption 742 (878) maunds. The teas realised an average price of Rs. 2.42 per lb. as compared with Rs. 2.60 per lb. obtained for the previous season's crop. The Company's export quota for season 1957 was 4,841 (5,060) maunds. The area under cultivation at 31st December, 1957, was 510.08 acres.

The revenue account shows a profit of Rs. 4,40,364 (Rs. 5,65,851) and after deducting from this manager's planting commission Rs. 193 (*nil*), staff commission and bonus Rs. 19,954 (Rs. 35,164), managing agents' remuneration Rs. 39,276 (Rs. 49,600), provision for taxation Rs. 1,70,000 (Rs. 2,00,000), depreciation Rs. 70,585 (Rs. 60,776) and initial contribution to superannuation fund Rs. 4,083 (*nil*) there is left a balance of Rs. 1,36,273 (Rs. 2,06,411). To this amount is added the interest on investments (*net*) Rs. 4,907 (Rs. 5,162), profit on sale of machinery Rs. 1,750 (*nil*), excess provision for sales-tax—written back Rs. 8,935 (*nil*) and excess provision of liabilities in respect of previous year, no longer required Rs. 4,674 (*nil*), giving a net profit for the year of Rs. 1,56,539 (Rs. 2,11,603 including forfeited dividends Rs. 30). After adding to this the adjusted credit balance of Rs. 28,053 (Rs. 24,540) brought forward from the previous year, there is a credit balance of Rs. 1,84,592 (Rs. 2,36,143) on profit and loss account. The directors recommend that this balance be disposed of as follows:

To pay a dividend of 25 (30) per cent. for season 1957 without any deduction for income-tax payable by the Company absorbing Rs. 1,12,500 (Rs. 1,35,000) and to carry forward Rs. 72,092 (Rs. 26,143 after placing to buildings and machinery reserve account Rs. 75,000).

Estimates for season 1958 have been framed for a tea crop of 7,200 maunds at a total cost of Rs. 10,38,459 which excludes capital expenditure to the tune of Rs. 4,61,700.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,50,000	Gross block	13,11,575
Reserves ...	8,50,000	*Less*—Depreciation ...	5,17,360
Provision for taxation ...	4,38,853		
Liabilities ...	4,85,016	Net block ...	7,94,215
Profit and loss account ...	72,092	Capital work in progress	5,851
		Stock-in-trade	6,16,990
		Stores and supplies ...	2,19,130
		Loans and advances ...	2,55,146
		Investments	1,97,912
		Cash ...	2,06,717
Rs.	22,95,961	Rs.	22,95,961

Ganges Rope Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The profit for the year after charging depreciation of Rs. 1,05,615 (Rs. 92,884) amounts to to Rs. 7,18,628 (Rs. 3,37,376). Adding thereto the surplus on claim for assets destroyed by fire Rs. 11,879 (Rs. 65,536), forfeited dividends Rs. 525 (*nil*) and the balance brought forward from the previous account of Rs. 34,634 (Rs. 6.722) there is a total amount of Rs. 7,65,666 (Rs. 4,09,634). The directors have transferred to reserve for doubtful debts Rs. 3,000 (*nil*), to general reserve Rs. 1,00.000 (*nil*), to provision for taxation Rs. 4,07,000 (Rs. 1,90,327) and to provision for wealth tax Rs. 12,700 (Rs. 9.673) leaving an available sum for distribution of Rs. 2,42,966 (Rs. 2,09,634). This amount the directors recommend should be disposed of by payment of a dividend of Rs. 15 (Rs. 12.50) per share absorbing Rs. 2,10.000 (Rs. 1,75,000) leaving to be carried forward to next account Rs. 32,966 (Rs. 34,634).

An increased level of production was maintained throughout the year and the Company was able to sell its products profitably in the internal and external markets, despite severe competition.

Continued restrictions were imposed by the Government of India on imports of essential raw materials and production had, therefore, to be limited to the extent of the quantities of foreign fibres the Company was authorised to import under a licence.

Plans are afoot for the modernisation of certain sections of the factory, through a phased programme, by replacing uneconomic and obsolescent machinery with up-to-date equipment; this will reduce the operational costs and improve the trading results of the Company in the years to come.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,00.000	Gross block	36,71,778
Reserves ...	10,35,000	*Less*—Depreciation ...	20,74,954
Provision for taxation ...	2,93,486		
Liabilities ...	33,74,762	Net block ...	15,96,824
Profit and loss account ...	32,966	Stocks ...	19,68.975
		Stores ...	6,77,268
		Debts, deposits and advances ...	18,87,687
		Cash ...	5,460
Rs.	61,36.214	Rs.	61,36.214

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

Notices

THE COORLA SPINNING AND WEAVING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTY-SIXTH Ordinary General Meeting of the Company will be held at its Registered Office at Readymoney Mansion, Vir Nariman Road, Fort, Bombay, on Friday the 24th day of October 1958, at 4-30 p.m. (S.T.), to transact the following business:—

1. To consider and adopt the Audited Profit and Loss Account and Balance Sheet and the Reports of the Directors and Auditors for the year ended 31st March 1958,
2. To declare a dividend and a bonus.
3. To elect a Director in place of Mr. C. P. Wadia, who retires by rotation but being eligible offers himself for re-election, and for that purpose to consider, and if thought fit, to pass the following Resolution as a Special Resolution of which special notice has been given to the Company and is hereby given pursuant to Sections 261 and 281 of the Companies Act, 1956, inasmuch as the Managing Agents of the Company are authorised by the Managing Agency Agreement between them and the Company to appoint a Director on the Board of the Company and Mr. C. P. Wadia is a relative of the Directors of Cowasjee Jehangir & Co. Private Ltd., the Managing Agents of the Company, and hence an associate of the Managing Agents, and is liable to retirement by rotation, and as he has completed the age of 78 years:—

"RESOLVED that the Company hereby appoints and/or hereby approves of the appointment of Mr. C. P. Wadia as a Director of the Company and it is hereby declared that the age limit laid down in Section 280 of the Companies Act, shall not apply to him."

4. To elect a Director in place of Lady Hirabai Cowasjee Jehangir, who retires by rotation but being eligible offers herself for re-election, and for that purpose to consider, and if thought fit, to pass the following Resolution as a Special Resolution of which special notice has been given to the Company and is hereby given pursuant to Sections 261 and 281 of the Companies Act, 1956, in as much as the Managing Agents of the Company are authorised by the Managing Agency Agreement between them and the Company to appoint a Director on the Board of the Company and Lady Hirabai Cowasjee Jehangir is a relative of the Directors of Cowasjee Jehangir & Co. Private Ltd., the Managing Agents of the Company, and hence an associate of the Managing Agents, and is liable to retirement by rotation, and as she has completed the age of 65 years:—

"RESOLVED that the Company hereby appoints and/or hereby approves of the appointment of Lady Hirabai Cowasjee Jehangir as a Director of the Company and it is hereby declared that the age limit laid down in Section 280 of the Companies Act, 1956, shall not apply to her."

5. To elect a Director in place of Dr. Rustom C. Cooper who was appointed an additional Director of the Company by the Board of Directors and who ceases to hold office under Article 125 of the Articles of Association of the Company, but being eligible offers himself for re-election, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.
6. To appoint Auditors for the current year and to fix their remuneration.
7. To consider and, if thought fit, to pass the following Resolution:—

"RESOLVED that the Company being satisfied that the insurance premia charged and other charges made by the Royal Insurance Co. Ltd. and the New India Assurance Co. Ltd. for insurance in respect of the Company's properties and assets, for loss of profits and other risks, are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable, it hereby authorises Cowasjee Jehangir & Co. Private Ltd., the Managing Agents of the Company, to retain any commission or other remuneration already earned or to be hereafter earned by the Managing Agents as insurance agents of the said Insurance Companies, in respect of insurance policies or other contracts of insurance which have been or which may at any time hereafter be entered into by the said Insurance Companies with this Company."

An explanatory statement in respect of the above items 5 and 7 of business is herewith annexed.

PLEASE NOTE THAT A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER.

By Order of the Board of Directors,

COWASJEE JEHANGIR & CO. PRIVATE LTD.,
Managing Agents,

COWASJEE JEHANGIR,
Chairman.

BOMBAY, 11*th September* 1958.

The Transfer Book of the Company will remain closed from the 11th day of October 1958 to the 25th day of October 1958. If the dividend and bonus as recommended by the Directors are passed at the meeting, payments thereof will be made to those shareholders whose names are on the Company's Register on the 10th day of October 1958 and the payments will be made on and after the 27th day of October 1958.

EXPLANATORY STATEMENT

To

THE SHAREHOLDERS OF
THE COORLA SPINNING & WEAVING
COMPANY LIMITED.

Dear Sir/Madam,

As to item No. 5 mentioned in the accompanying Notice, on 19th May 1958 the Board of Directors appointed Dr. Rustom C. Cooper as an additional Director under Article 125 of the Articles of Association of the Company. Under the same Article he can hold office only upto the date of the ensuing Annual General Meeting of the Company. The Company has received Notice from two shareholders of their intention to propose Dr. Rustom C. Cooper as Director at the next Annual General Meeting, under Section 257 of the Act. Dr. Rustom C. Cooper is a well-known Chartered Accountant and it is desirable that he should continue to be a member of the Board.

As to item No. 7 mentioned in the Notice, it will be recalled that a Resolution was passed at the Extraordinary General Meeting of the Company held on 30th October 1956 whereby Cowasjee Jehangir & Co. Private Ltd. were authorised to retain the commission or other remuneration already earned or to be earned by them at any time thereafter as one of the Principal Agents of the Royal Insurance Co. Ltd. in respect of Insurance Policies or other contracts of insurance which had been or which might at any time thereafter be entered into by the said Insurance Company with this Company. With the introduction of the Insurance (Amendment) Act, 1957, Cowasjee Jehangir & Co. Private Ltd. ceased to be one of the Principal Agents but since then began to act in the capacity of ordinary insurance agents of the Royal Insurance Co. Ltd. and the New India Assurance Co. Ltd. and it has therefore become necessary under Section 359 of the Companies Act to pass the Resolution set out in item No. 7.

By Order of the Board of Directors,

COWASJEE JEHANGIR & CO. PRIVATE LTD.,
Managing Agents.

COWASJEE JEHANGIR,
Chairman.

THE MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Sixty-fifth Annual General Meeting of the SHAREHOLDERS of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Tuesday the 14th October 1958, at 4-30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 28th February 1958.
2. To declare a Dividend.
3. To appoint Directors in place of those who retire but are eligible for re-appointment.
4. To appoint Auditors for the current year and to fix their remuneration.
5. To pay additional remuneration to the Managing Agents.

The Transfer Books of the Company will be closed from the 10th day of September 1958 to the 4th day of October 1958, both days inclusive.

A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and a proxy need not be a Member.

(The holders of the 4½ per cent. Cumulative Preference Shares of the Company have no right to be present or to vote either in person or by proxy in respect of their holdings of such Preference Shares at the above Annual General Meeting.)

Detailed notice of the above Meeting is being published in the Press and is also being posted to the Shareholders individually.

By Order of the Board,

N. SIRUR & CO. PRIVATE LTD.,
Managing Agents,

V. N. CHANDAVARKAR,
Managing Director.

BOMBAY, 26*th August*, 1958.

N.B.—The dividend when declared will be made payable at the State Bank of India, Bombay, on and after Friday the 24th October 1958, to those Shareholders whose names stand on the Register of Members on the 10th September 1958. The dividend warrants will be made negotiable at par at the State Bank of India, Bangalore. Shareholders are requested to intimate change of address, if any.

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ending 30th September, 1958. The Preference Share Registers will be closed from the 24th September to the 30th September, 1958, both days inclusive. Payment will be made on or after 13th October, 1958, to those Preference Shareholders whose names appear on the Company's Registers on the 30th September, 1958, or in accordance with their instructions.

By Order of the Board,

L. K. SEN CHOWDHRY,
Acting Secretary.

12, MISSION ROW,
CALCUTTA 1, 10*th September*, 1958.

MARTIN BURN LIMITED

CONVERTIBLE NOTES

NOTICE IS HEREBY GIVEN THAT INTEREST for the half-year ending 30th September, 1958, will be paid on or after that date to those holders of Convertible Notes whose names appear on the Company's Register on the 30th September, 1958, or in accordance with their instructions.

L. K. SEN CHOWDHRY,
Acting Secretary.

12, MISSION ROW,
CALCUTTA, 10*th September*, 1958.

MONEY UNEVENTFUL

(*From Our Own Correspondent*)

BOMBAY, 17*th September*

With banks remaining closed on the 16th and 17th inst. on account of *Ganesh Chaturthi*, the week under review is a short one. There have been no outstanding developments during the week. The trend of the market continues to be easy with lenders over. Interest rates remain unchanged at the self-same levels. Inter-bank call money is quoted 2 per cent. with big banks and 2¼ per cent. with small banks. The rate for house money repayable on demand is 3¼-3¾ per cent. One to six months' deposits fetch 3½ to 4 per cent.

The response to 91 days' Government of India Treasury Bills was not very encouraging. As against an invitation for Rs. 2 crores, the total amount offered was Rs. 274.50 lakhs which compares unfavourably with Rs. 394.50 lakhs offered in the previous week against an invitation for Rs. 3 crores. The average rate of accepted tenders was a shade higher at 2.524 per cent. per annum, as against 2.523 per cent. per annum a week ago. Tenders for Rs. 2 crores of bills have been invited for next week.

As the Reserve Bank's statement for the week ended 12th September 1958 is not available at the time of writing, our customary analysis of this statement is not included here.

The Scheduled banks' statement for the week ended 5th September 1958 shows, as compared with that for the previous week, a decline of Rs. 9.58 crores in deposits, of which Rs. 5.11 crores have occurred under time deposits. Total net deposits amount to Rs. 1,528.92 crores; a year before, they stood at Rs. 1,291.08 crores. Borrowings from banks of both demand and time nature show a net fall of Rs. 1.38 crore. But borrowings from the Reserve Bank are higher by Rs. 3.24 crores at Rs. 5.96 crores. A small increase of Rs. 95 lakhs is seen in borrowings from the State Bank also. Bank credit is slightly lower by Rs. 1.26 crore, the total being Rs. 855.11 crores. The ratio of this asset to deposits is 55.93 per cent. as against 65.57 per cent. a year ago. Investments in Government securities have gone up from Rs. 572 crores to Rs. 578 crores, while cash balances are lower by Rs. 5.44 crores at Rs. 131.40 crores. Money at call and short notice have shrunk by Rs. 1.20 crore to stand at Rs. 54.63 crores.

The trend of the Gilt-edged market is quite steady with further small gains in some of the Government of India loans. The turnover, however, has fallen considerably. There is hardly any enquiry for State loans. The Reserve Bank continues to sell 3½ per cent. 1967 and 3½ per cent. 1968 at the rates enhanced towards the close of the last week, namely, Rs. 98.85 and Rs. 98.60, respectively. The Bank is also a seller in 4 per cent. 1972 and 4 per cent. 1973, but at slightly higher rates of Rs. 100.50 and Rs. 100.30, respectively, an increase of 5 nP. Over the week, a gain of 5 nP is shown by 2½ per cent. 1961 and 2¾ per cent. 1962 and of 10 nP in 2¾ per cent. 1976, 3 per cent. 1963-65, 3 per cent. 1964, 3 per cent. 1970-75 and 4 per cent. 1967.

The foreign exchange section of the money market was featureless, with hardly any change in rates. Only, Canadian dollars were a shade easy, with banks' selling rate for ready coming down from Rs. 494 per $100 to Rs. 490.25.

DEMAND FOR METALS LIMITED

(*From Our Own Correspondent*)

CALCUTTA, 16*th September*

There was only limited demand for metals during the week under review, as consumers were reluctant to enter into commitments for any large quantity on hopes that, with the expected liberalisation of import policy at least with regard to base metals, local prices might move down. Importers of copper said that the permits issued by the Controller had not been sufficient to ease their stock position after recent arrivals.

The aforesaid state of affairs certainly supports the demand, voiced by the Bombay Metal Exchange during the week, that the control on copper should be removed forthwith. Control has failed to control the prices of scrap and copper products, prices of which have no justifiable relationship with those for the raw material released through control. The result is that an unsatisfactory situation exists, and now importers are also finding difficulty, since permits have not been adequate enough to absorb arrivals. Further, market circles feel that, with the improvement in the country's foreign exchange position and the anticipated liberalisation in import policy, the time has come to end the control over copper and to allow the natural law of demand and supply to determine prices. It is noted that copper on the London Metal Exchange is fully firm at £206½ ready and at £207 for three months' delivery. The firmness is attributed to the possibility of production in Rhodesia being affected, since labour unrest exists there.

Lead at Rs. 68 was fractionally better. Some quantity changed hands, but the supply position was comfortable. Tin opened at Rs. 568 and eased to Rs. 465, as demand was small, while supplies were plentiful. Electrolytic zinc was unchanged at Rs. 67.50. Excepting for a tender by Tatas, there was little other activity in zinc.

ORTHODOX TEAS FULLY STEADY

(*From Our Own Correspondent*)

CALCUTTA, 16*th September*

A mixed trend was in evidence in tea export sales held yesterday, as well as at the last week's auctions for internal consumption. Dusts on offer during last week amounted to 19,740 chests. Orthodox teas were fully steady. The stronger liquoring powdery teas gained by 6 nP, while, in irregular trend, C.T.C. Assams were often sold at rates up to 50 nP below valuation. However, as the sales were coming to a close, a small improvement in trend was in evidence. The quotations—in rupees per lb.—with those of the previous week in brackets, were: Best Assam C.T.C. 2.45 to 2.70 (2.50 to 2.75); medium Assam C.T.C. 2.15 to 2.35 (2.20 to 2.40); medium Assam grainy dust 1.76 to 1.78 (1.74 to 1.78); and medium Dooars 1.74 to 1.76 (1.72 to 1.74).

There was fair general demand for leaf grades amounting to 1,439 chests. C.T.Cs were an exception to the general trend and remained quiet. Prices of other kinds rose above valuations.

Export quota met with business at 8¼ nP, 8 nP, and 8¼ nP.

Export offerings amounting to 61,447 chests, met with good demand during yesterday's sales. Bright liquoring orthodox Assams were keenly bid, while the B.O.Ps and O.Fs belonging to this category registered an irregular trend and gave way by 20 nP. A firmer tendency was recorded in plain liquoring brokens, but fannings of these kinds declined. The lower-priced C.T.Cs were about firm, but other lots of this category fell by 10 to 30 nP. Legg cut teas moved down by 5 to 10 nP. Whole leaf grades were bid at lower rates. Tippy teas sold well, but Darjeelings eased. The quotations were: Best Assam C.T.C. fannings Rs. 3.10 to 3.30 (3.20 to 3.40); best Assam C.T.C. B.P. Rs. 2.80 to 3.00 (2.90 to 3.10); clean black pekoe Rs. 2.05 to 2.10 (same); medium fannings Rs. 2.00 to 2.15 (same); plain B.P. Re. 1.70 to 1.74 (same); plain fannings Re. 1.78 to 1.86 (1.76 to 1.84); and medium B.P. 1.90 to 1.95.

BULLION A SHADE LOWER

(*From Our Own Correspondent*)

BOMBAY, 17*th September*

As in the previous week so also during the week under review, the bullion market had only three working sessions, owing to holidays on the 13th, 16th and 17th inst. The market presented an easy trend on Thursday and Friday, but picked up some strength on Monday. The earlier easiness was due to selling by Calcutta and Delhi operators. Consequently, prices tended to move down. A recovery was in evidence on Monday, thanks to short-covering and replacement buying, while offerings were limited on account of the uncertain international situation. The recovery, however, was not so marked as to make up for the initial losses, so that the closing rates for both silver and gold on Monday were lower than those at the end of last week.

Forward silver (*Bhadrapad* settlement) opened at Rs. 186-3, as against Rs. 186-6, and receded on selling pressure to Rs. 185-11 on Monday before recovering to Rs. 186-3. The net loss over the week was As. 3. *Aswayuj* delivery declined from Rs. 187 to Rs. 186-12, but finished higher at Rs. 187.

Ready silver eased from Rs. 185-11 to Rs. 184-14 and, after fluctuating between this level and Rs. 185-10, closed at Rs. 185-7 on Monday. The floating stocks of silver are estimated at 800 bars. The daily average arrivals were 15 bars, while offtake was 9 bars per day on an average.

Gold for forward delivery (*Bhadrapad* settlement) moved down from Rs. 107-7 last week-end to Rs. 106-13 on the 12th inst. It, however, recovered to Rs. 107-6 on Monday. *Aswayuj* delivery was quoted at Rs. 107-11-6, as against Rs. 107-11 on Wednesday last.

Ready gold, which stood at Rs. 107-7 last week, declined on selling pressure to Rs. 106-5 on Friday. Subsequently, it recovered, the closing rate on Monday being Rs. 107. The floating stocks of gold are reported to be 40,000 tolas. The daily average arrivals were 7,000 tolas, while offtake was of the order of 3,700 tolas.

The price of spot silver in London improved from 75¾*d.* on the 9th inst. to 76¼*d.* on Thursday, but eased thereafter to 75¾*d.* The price in New York was unchanged at 88⅝*c.* Gold prices in London declined from 250*s.* 7½*d.* to 250*s.* 6*d.* on Thursday, but recovered to 250*s.* 6¾*d.* on the 13th inst.

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

	15-9-58	Highest	Lowest	10-9-58
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	107 4	107 8	106 5	107 7
Forward*	107 6	107 8	106 13	107 7
Sovereign	70 14	70 14	70 12	71 0
SILVER				
Ready (.996 fine Mint) ..	185 10	185 10	184 14	185 11
Forward†	186 3	186 8	185 11	186 6
London Silver Ready ..	75¾*d.*	76¼*d.*	75¼*d.*	75¾*d.*
London Forward	76¼*d.*	76¼*d.*	76¾*d.*	76¾*d.*
London Gold	250*s.* 6¾*d.*	250*s.* 6¾*d.*	250*s.* 6*d.*	250*s.* 7¼*d.*
New York Silver	88⅛*c.*	—	—	88⅛*c.*

* 29th September settlement.
† 30th September settlement.

HIDES ARRIVALS CONSIDERABLE

(*From Our Own Correspondent*)

KANPUR, 15*th September*

During the week under review, new arrivals of hides and skins were considerable. The local butcheries were yielding a greater volume of goods. The main purchasers were the local tanners and the exporters. Both the Madras dealers and the country tanners were lukewarm in their activities.

The latest available quotations are: Wet salted cow, 1st grade Rs. 360 to Rs. 380, 2nd grade Rs. 280 and 3rd grade Rs. 140 to Rs. 180 per score; wet salted buff, 1st grade 1 lb. 10 ozs. and 2nd grade 1 lb. 14 ozs. per rupee; goat, 1st grade Rs. 275 to Rs. 300 and 2nd grade Rs. 250 to Rs. 275 per 100 pieces; sheep 1st grade Rs. 250 to Rs. 275 and 2nd grade Rs. 175 to Rs. 200 per 100 pieces.

COTTON FUTURES EASY

(*From Our Own Correspondent*)

BOMBAY, 17*th September*

During a short week of only four trading days, the market having been closed yesterday and today on account of *Ganesh Chaturthi* and *Samvatsari*, respectively, the cotton futures market depicted a distinctly easy trend. Although there was optimism, which later turned out to be well founded, that the Cotton Advisory Board, at its meeting on Monday, would recommend abolition of export duty and release of fairly large export quotas, the market did not derive any strength from it. The Board recommended a quota of 275,000 bales of cotton comprising 150,000 bales of Bengal *Deshi*, 50,000 bales cotton stapling not above ¾" to be supplemented by a further quota of a like amount, and 25,000 bales of old crop Punjab cotton of stapling not above 13/16" staple. It also urged the abolition of the export duty of Rs. 50 per bale in view of competition from Pakistan. A somewhat similar plea was also made by the Indian Central Cotton Committee at its meeting held in Bombay on Saturday. That too failed to have any influence on the market. The sentiment of operators continued to be influenced by four chief factors: (1) expectation of a bumper crop of about 5.7 million bales, (2) lack of improvement in yarn and cloth market, (3) downward trend in mill consumption of cotton, and (4) weak spot advices and the none-too-happy export outlook. These considerations discouraged support and, on the emergence of fresh selling, cotton futures values suffered a sharp break.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 663, as against the previous day's close of Rs. 663.25 and, after having improved to Rs. 666.25 on short covering, reacted to Rs. 663 the same day. It declined further in subsequent sessions to reach a low of Rs. 655 on Monday. The closing was, however, fractionally higher at Rs. 655.50. The net loss over the week was Rs. 7.75.

The trend of price of the contract during the week is indicated below:

(In rupees per candy of 784 lbs.)

	15-9-58	*High*	*Low*	10-9-58
I.C.C. Moglai Jarilla (March 1959) ...	655.50	666.25	655	663.25

The spot section was devoid of much activity and values declined. Mill demand was on a very restricted scale. Interest was mainly confined to staple varieties like Hubli Jayadhar, Laxmi, 0394, etc. These were, however, quoted lower.

The export front also presented a dull appearance. Foreign enquiries were not encouraging. Shippers were moderately interested in Punjab 320F and Vijay. Hong Kong was said to be interested in the latter quality. Exporters were optimistic about the Government's announcing a liberal export policy. But the real problem, according to them, was not to procure quotas, but to find markets for Indian cotton in the face of severe competition. They were sceptical whether the quotas already issued and those which might be issued shortly would be absorbed unless these were accompanied by some export incentive.

The foreign section was quiet. Sudanese styles and selected East African growths received some attention. For instance, Sudan Sakels and A.R. Uganda varieties were well favoured. Importers welcomed the recommendation of the Cotton Advisory Board to permit import of 600,000 bales of cotton in the 1958-59 season consisting of 200,000 bales of Sudan and Egyptians and 400,000 bales of U.S. and East African growths. Half of this quality, the Board had suggested, should be imported as hitherto and the remaining balance should be under the incentive scheme proposed to be given in respect of cotton piecegoods exports.

The protest lodged by Indian importers against the decision of the Egyptian Government to reduce the discount on purchases of Egyptian cotton from the previous rate of 21 per cent. to 15 per cent. from 1st September 1958, would seem to have had some effect. Egypt has decided to allow the old rate of discount, namely, 21 per cent. on cotton shipped before 1st September 1958. This has also been confirmed by the State Bank of India. Whilst the concession thus given was welcome, what the trade was asking for was that the old rate should be made applicable to the import allocation of 30,000 bales of cotton issued by the Government of India on 6th August. Considerable amount of business in Egyptian cotton has been concluded in August against this allocation on the basis of the old exchange rate. Since, however, the import licences could not be obtained before the end of August against the mill allotment letters, the necessary exchange on the basis of old rate could not be secured. The unfortunate consequence of this, traders point out, would be that India would now be required to pay more in terms of rupees for the cotton already contracted for.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week-end rates:

Bengal *Deshi* 610 (625); Berar Jarilla 675 (680) Khandesh 725 (750); Vijay 850 (865); Hubli Laxm 950 (1,000); Jaydhar 880 (895). *Delivery contracts*: Bengal 593 (594); Mathia 612 (614).

Quiet conditions prevailed in the Karach cotton futures market during the week. Value showed a sagging tendency. Foreign demand con tinued to be dull. Favourable weather news an slack domestic demand influenced some sellin with the result that prices tended to recede. Trad ing in the spot section was featureless. N.T.R.G January shed two annas over the week, fron Rs. 78-4-6 last week-end to Rs. 78-2-6, and th March position dropped a like amount to Rs. 78-7-(
The following are the latest available quotations—

in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing in Karachi:

Sind *Deshi* 75-8; Punjab *Deshi* 71-8; 4F Punjab Roller 71-3; S.G. 77-3; L.S.S. Punjab Roller 74-3; S.G. 80-3; N.T. Roller 81-3; S.G. 91-11; 289F Punjab Roller 85-11; S.G. 89-3.

The Alexandria cotton futures market ruled subdued during the week. In the absence of encouraging export advices, support was lacking. Keen competition from Sudan and report of satisfactory crop progress imparted weakness to the market. The following are the latest available quotations—in tallaris per lb.—from Alexandria (the figures in brackets being last week's closing rates):

Karnak: November 72.20 (72.45); January 72.40 (72.55). *Ashmouni*: October 64.95 (66.05); December 65.00 (65.90).

Last month was a favourable one for the new crop. In Upper Egypt, as a result of leaf worm attacks and morning mists, the crop is expected to be smaller and high grades less plentiful than previously expected. In Lower Egypt there has been attacks of red spider and about 5 per cent. of the crop is said to have been affected.

Cotton values in Liverpool made modest gains during the week. Higher advices from New York and better activity in the spot influenced a better trading sentiment. Both the American and American type contracts advanced on mill fixations and buying by American interests. Sudan contracts were, however, neglected.

New York cotton futures market put on a better appearance during the week. Values moved higher on good support by Commission Houses and New Orleans traders. The main influencing factor was the feeling that, although the September crop forecast was higher than expected, the supply position would become light as the season advanced because of the heavier loan entry. Reports of unwanted rains in the north-west regions of the cotton belt and the Memphis area imparted further strength to the market.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	16-9-58	9-9-58	2-9-58
Spot	36.10	36.15	36.20
October	35.55	35.39	35.25
December	36.03	35.83	35.59
March	36.53	36.30	35.98

SUGAR FIRM AGAIN

(From Our Own Correspondents)

BOMBAY, 17*th September*

Despite the release of 165,000 tons for free sale on Monday, the sugar market depicted a firm trend during the week under review. The demand from Malabar and South Indian sides was quite sustained. There was also the commencement of post-monsoon demand for sugar. Buying support, therefore, ensued and prices registered a further improvement.

Arrival of sugar by rail into the market during the week amounted to 13,800 bags, as aganist 9,000 bags last week.

Medium grain sugar advanced by a rupee to Rs. 107-Rs. 109 per bag. Large grain gained a like amount to Rs 110-Rs. 117. Small grain was higher by 50 nP at Rs. 105-Rs. 106.

The total production and despatches of sugar upto the end of August 1958 amounted to 1,968,000 and 1,704,000 tons, as against 2,021,000 and 1,800,000 tons, respectively, in the corresponding period of 1956-57. The closing stocks of sugar with mills as on 31st August were 699,000 tons.

* * * *

HAPUR, 15*th September*

Quiet conditions were witnessed in the local sugar market during the past week, thanks to lack of fresh support. Demand from consuming centres was slack and current quota stocks were reported to have been exhausted. Small crystal prices, which were being quoted below the controlled prices last week, registered modest gains during the week.

Demand was negligible in the Muzaffarnagar sugar market during the week under review. Only small business was done for destinations in Gujerat. Traders feared a fall in prices on release of fresh quota which was expected shortly. The latest prevailing prices (crystal wholesale mill delivery) were: Khatauli (A29) Rs. 37.75; Deoband (A28) Rs. 37.37; Iqbalpur (A29) Rs. 37.75; Mansurpur (A28) Rs. 37.37; Amroha (D29) Rs. 35.69; Saharanpur (D28) Rs. 35.69; Bijnore (E29) Rs. 35.50.

Heavy arrivals coupled with slack demand, accounted for quiet conditions in the Kanpur sugar market during the week. While superior quality prices were steady, inferior quality could not fetch even the controlled prices. The local stock was heavy at 25,000 bags. The mills were reported to be hesitant to sell superior quality sugar and were obviously looking forward to better prices in the near future when festive demand would increase. The latest prevailing ex-mill controlled prices were:— Rs. 36-12 per maund, spot (per bag) (C29), Basti Rs. 103-8; Gola Rs. 102-8, (D29) Gola and Burhwal Rs. 101-12, Waltergunj, Tulsipur and Balrampur Rs. 101-4, Lakhimpur and Haragaon Rs. 101.

Khandsari prices ruled quietly steady. They ranged between Rs. 33 and Rs. 36 per maund according to quality.

Gur stocks here were fast dwindling and new produce arrivals were expected after a fortnight by which time old stocks were expected to be exhausted. Local stocks at about 8,000 maunds were of dry-wet *kotha* quality and were being quoted at Rs. 19.75 per maund. Stockists were now anxious to exhaust their stocks before the new produce arrivals began. The condition of the standing cane crop was reported to be excellent and an increase in production over last year was predicted.

The ready *gur* market also ruled quiet at Muzaffarnagar where stocks were now put at 5,000 maunds. *Pansera* wet and *chaku* wet declined by 50 nP per maund. *Chaku kotha gur* and *deshi khandsari* were quoted at Rs. 22 to Rs. 22.50 and Rs. 33 to Rs. 36 per maund, respectively. *Fagun* declined sharply on active bear pressure. Opening at Rs. 14.17 last week-end, the delivery declined in successive sessions to be quoted now at the worst level of the session at Rs. 13.65.

YARNS LISTLESS

(From Our Own Correspondent)

BOMBAY, 17*th September*

Listless conditions prevailed in the yarn market during the week under review. Transactions put through were limited and prices moved narrowly. Both art silk and staple fibre yarns encountered selling induced by reports from important consuming centres indicating heavy accumulations of stocks with dealers. The imposition of control on distribution and prices of indigenous staple fibre announced last week had no significant effect on the market. For operators preferred to await more specific details regarding the control order and also to watch the price policy of the spinning mills. Some of them felt that, in view of its anxiety to help the mills engaged in the spinning of staple fibre yarns, the Government might relax, to some extent, imports of essential raw materials for the production of staple fibre. This feeling led to expectations of enlarged supplies in the future. Staple fibre yarn prices, as a result, tended to look down. Cotton yarns continued to remain dull despite reports that Burma had invited tenders for the supply of 6,000 bales of 20 counts yarn and 1,000 bales of 30 counts. The market was closed yesterday and today.

Staple fibre yarns (40 x 2) October delivery encountered selling and dropped Rs. 7 to Rs. 707. The question of opening business in December delivery will be taken up for consideration by the Yarn Merchants' Association and Exchange at its meeting to be held on the 27th inst. Spot 40 x 2 Citys receded by 9 nP to Rs. 3.72. Centurys shed 3 nP to Rs. 3.75. Kohinoors were neglected at Rs. 3.94.

In the art silk yarn section, 150 Japan retreated by 10 nP to Rs. 6.34. 120 Japan was dull at Rs. 5.97. Among indigenous yarns, National Rayons 120 bright cones first grade lost 3 nP to Rs. 6.09. 150 bright cones first grade were done at Rs. 5.03.

Cotton yarns were dull. Ten counts Podars were quoted at Rs. 12.37 and Moderns at Rs. 13.25. Twenty counts Indus were on offer, the quotation declining by 12 nP to Rs. 16.50. Moderns were stagnant at Rs. 16.75, as also Gokaks at Rs. 16.50. Among thirty counts, Hinds attracted some attention and gathered 25 nP to Rs. 20. Forty counts Minaxis were quiet at Rs. 25.25. But Moderns climbed up by 50 nP to Rs. 25.75. Among sixty counts, Finlays changed hands at Rs. 58, same as last week. Among eighty counts, Mahendras dropped Re. 1.50 to Rs. 70. Moderns and Finlays were done at Rs. 71.50 and Rs. 78, respectively.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those five days ago:

	15-9-1958	10-9-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	5.97	5.97
150 Japan (per lb.)	6.84	6.44
120 Italy (per lb.)	—	6.37
150 Italy (per lb.)	—	6.50
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 October	707.00	714.00
40 x 2 Kohinoor (per lb.)	3.94	3.94
40 x 2 City (per lb.)	3.72	3.81
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.37	12.37
20s Modern	16.75	16.75
30s Hind	20.00	19.75
40s Minaxi	25.25	25.25
60s Finlay	58.00	58.00
80s Mahendra	70.00	71.50

OILSEEDS IRREGULAR

(From Our Own Correspondent)

BOMBAY, 17*th September*

The oilseeds market ruled distinctly irregular during the week under review. Thus, groundnuts and castorseeds were depressed, while linseed and other seeds presented a firm trend. Groundnut's encountered hedge selling from upcountry centres, particularly Saurashtra where conditions of the crop were reported to be very good, thanks to beneficial weather conditions. Castorseeds were subjected to stop-loss selling. The firmness of linseed was aided by reports that Australia was interested in purchasing 700 tons of linseed oil and depletion in the floating stocks of linseed. On Saturday, the old crop linseed rose much higher than the new crop, so that the backwardisation charges between September and May contracts increased from Re. 1.50 to Rs. 2. In the cottonseed section, the maturing contract tended to move up, while the distant delivery suffered a setback. On Monday, tenders of 400 candies of castorseeds were issued, bringing the total tenders so far to 1,200 candies. There were no tenders in linseed and cottonseed. The market remained closed yesterday and today.

Groundnut February 1959 contract came down on selling pressure from Rs. 167.75 to Rs. 164.62. Bold ready, however, evoked some support and rose by 12 nP to Rs. 41.12. Coromandel and Khandesh quality, both after improving from Rs. 41.25 to Rs. 41.75, declined to Rs. 41.62. Groundnut oil ex-mill dropped 12 nP to Rs. 21.25. Railway receipt fell by a like amount to Rs. 21.

Castorseed September 1958 contract receded by Rs. 2 to Rs. 158. May 1959 contract slided down from Rs. 159.62 to Rs. 155.25. Ready Madras eased by 25 nP to Rs. 31.75. Kanpur quality lost a similar sum to Rs. 30.50. Castor oil B.S.S. declined by 13 nP to Rs. 17.62. Commercial quality was done at Rs. 16, as against Rs. 16.25 last week.

Linseed September 1958 contract, as already stated, was well favoured, the quotation spurting from Rs. 33.50 to Rs. 34.62 on Monday. In contrast, May 1959 contract was subjected to selling and dropped 56 nP to Rs. 32.06. Bold ready rallied Re. 1.13 to Rs. 34.50. Linseed oil hardened by 32 nP to Rs. 17.94.

In the cottonseed section, September 1958 contract elicited continued buying support and strengthened by Rs. 2 to Rs. 128. February 1959 contract, on the other hand, came in for selling and moved down from Rs. 105.75 to Rs. 103.50.

Among other seeds, kardiseed bold ready was well supported, the rate moving from Rs. 22 to Rs. 22.50. Nigerseed Madras was also well supported, the rate advancing from Rs. 34 to Rs. 34.75.

The following table shows the closing prices of oilseeds and oils on Monday as compared with those a week and two weeks before:

	15-9-1958	10-9-1958	3-9-1958
	Rs.	Rs.	Rs.
Groundnut—			
Feb. 1959	164.62	167.75	165.62
Bold ready (per cwt.)	41.12	41.00	39.00
Linseed—			
Sept. 1958	34.62	33.50	33.12
May 1959	32.06	32.62	32.37
Bold ready (per cwt.)	34.50	33.37	33.12
Castorseed—			
Sept. 1958	158.00	160.00	158.75
May 1959	155.25	159.62	158.25
Madras (per cwt.)	31.75	32.00	31.87
Cottonseed—			
Sept. 1958	128.00	126.00	121.50
Sept. 1959	103.50	105.75	105.50
*Groundnut oil**—			
Ex-mill ready (per quarter) ..	21.25	21.87	20.75
Castor oil†—			
Commercial (per quarter) ..	16.00	16.25	16.12
Linseed oil†—			
Ready	17.94	17.62	17.81

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

JUTE GOODS MOVE NARROWLY

(From Our Own Correspondent)

CALCUTTA, 16*th September*

Prices of jute goods moved within narrow limits during the week under review. Even the publication of lower stock figures relating to the month of August failed to attract an upward trend. There was, however, fair business done with overseas buyers. Buyers were inclined to consider offers only at lower rates, due to continued reports of excellent harvests. Foreign buyers were interested to carry on with accepting quantities required by them for immediate needs only on the belief that prices would decline as the new crop began reaching mills in greater quantities after current floods receded and the transport position eased. They believed that the time had not yet come to purchase against stocks. Stocks of manufactured goods at the end of last month at 121,900 tons registered a welcome decline of 4,700 tons. Hessian stock was 19,000 tons, representing a fall of 900 tons and forming 16.2 per cent. of the total stocks with mills. Sacking at 86,400 tons fell by 3,200 tons, but the percentage to total stocks was as high as 73.7, which was, indeed, a cause for worry. This was despite the transfer of a portion of sacking looms to manufacture of hessian, but it was satisfactory to note that, despite increased production, hessian stock declined.

Anxiety has been caused by the sacking stock which, despite the fall, is twice the monthly output rate and, if demand does not increase, such a huge stock will cause financial problems to mills and the trade alike. When stocks of finished goods continue to be high, it is surprising that the President of the Bihar Jute Growers' Association, Mr. L. N. Shudhansu, has suggested an increase in working hours of mills, so that demand for raw jute will increase and the existing price of Rs. 15 a maund which the cultivators in Bihar get for their produce, will rise. In point of fact, the mills have already begun worrying about the huge stock in sacking, as, at this time of the year, usually buyers are more active than at present. It is in view of these factors that the announcement of the reduction in overall stocks has not had any effect on the market trend, as normally a fall should have been replied by a rise in prices.

It is noted that hessian shipped in August amounted to 35,500 tons which was lower by 4,100 tons as compared with July. These figures included coastal shipments. If, despite lower shipment figures, stocks have declined, the circumstance is presumed to be due to higher purchases for consumption in and around Calcutta, as also for despatch to upcountry centres by surface routes. On the other hand, sacking shipped was 3,000 tons higher at 31,000 tons and this increase is fully reflected by a proportionate decline in stock. So the increase in offtake was on account of shipment to foreign countries as well as of coastal shipments. Although, during recent years after the conclusion of the Indo-Soviet trade agreement, jute exports to the U.S.S.R. have been increasing, they have never reached expectations in the market. However, a member of the Indian trade delegation which visited Russia, Dr. B. P. Kedia, thinks that India can increase exports of jute goods to the Soviet Union. Dr. Kedia has not mentioned the premises for his conclusion and the methods he would like the trade and industry to adopt so that the object can be achieved.

On Tuesday last, ready B. twills was unchanged at Rs. 47.40, while ready hessian 40" 10 oz. declined from Rs. 40.80 to Rs. 40.75. The stock details were announced on Tuesday and, for reasons already detailed above, the decline in stocks had no effect on prices. On the next day, the feature was Australian interest in sacks and packs and, eventually, deals in small quantities were put through. In the absence of fair interest, B. twills lost to Rs. 96.80 and hessian 40" 10 oz. to Rs. 40.65. At this stage, dull market reports from New York caused further nervousness in the market and, on Thursday, ready hessian 40" 10 oz. fell to Rs. 40.50. The expected increase in American interest was not in sight, but the figure relating to August consumption of burlap in the U.S.A. was awaited with much interest. For it was reported from New York that the August figure would, like the figure for the previous month, record an increase. On the other hand, in the sacking section, there was some covering business and, as a result, B. twills were better at Rs. 97.00. On Friday, the improvement continued and took B. twills up to Rs. 97.25. This followed Burmese interest in D.W. flour bags for delivery before January. Hessian 40" 10 oz., in sympathy, was fractionally better at Rs. 40.70. Over the week-end, business was dull, with ready B. twills quoting lower at Rs. 97.10 and ready hessian 40" 10 oz. at Rs. 40.60. Yesterday, there was some covering business done. Thanks to this and to better reports from the futures markets, the rates were steadier, with B. twills quoting at Rs. 97.50 and hessian 40" 10 oz. at Rs. 40.80.

In raw jute, mills showed fair interest. Sellers were reserved. During the week, heavy rains fell in West Bengal, affecting jute movements on account of floods. As a result, the price tended to move up, but the gain was only fractional. So far, however, the crop was not affected on account of the floods and reports of good harvests continued to cause cheer. Expectations of a bumper crop were, in fact, getting stronger, and market circles boldly dismissed Pakistan's reimposition of the price at Rs. 65 per bale c.i.f. Calcutta (£34 per ton to the U.K. and the Continent) for jute cuttings for export to India as of no consequence here. It may be noted that, in Pakistan markets, prices have fallen markedly, and cuttings are presently quoted at Rs. 30 per bale, which would mean Rs. 53 per bale c.i.f. Calcutta. Although the new schedules fixed by the Pakistan Jute Board are still lower than the prices for domestic fibre, Indian mills will be interested in imports of fewer Pakistan cuttings this season. Also, there are restrictions in the import of Pakistan cuttings, and market circles here consider quite possible that the Government of India might impose further restrictions, in view of the tight foreign exchange position. Also, New Delhi would have to ensure that the local fibre was bought by mills and, if imports from Pakistan continued, growers here might as well begin to complain about the need for adequate demand for their produce, and this would as well affect the next sowing.

The latest quotations for indigenous fibre, 1958-59 crop September-October delivery are:—

	Middles	*Bottoms*
Pakistani:	Rs.	Rs.
District	29.50	26.50
Northern	29.50	26.50
Indian:		
Northern	26.75	24.25
Assam	27.00	24.50
Orissa	29.50	27.00
Desal	26.00	23.50
Murshidabad	25.25	22.75
Jungli	24.25	21.75
Daisee	29.50	27.00
Uttar Pradesh	24.25	21.75
Pucca Bales, 1st marks ..	Rs. 157.50 per bale ready.	

TEAS STRONG

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 12*th September*

Dust sale 'S.' which was held on Thursday, the 11th inst., was the smallest dust auction to be held this year with the catalogues aggregating only 388,081 lbs. This small but useful selection of teas met with very strong general demand.

Buyers showed particular interest in the low medium and medium teas, and prices showed irregular advances of 5 to 15 nP per pound. There was also strong demand for the best liquoring highgrown dusts at dearer rates.

London Market.—Sale of 9th September 1958: Firm tending in sellers' favour.

Sale of 9th September 1958: Best steady, others weaker.

Colombo Market.—Sale of 8th September 1958: Strong demand for highgrowns and mediums were firm. Improved UVAS much dearer. Middle East types declined about five cents.

Sale of 9th September 1958: Dusts irregularly lower, while other sorts evoked good demand and were fully firm.

Calcutta Market.—Export: Fair general demand, strong at bottom. Commons and orthodox Assams showed slight decline. C.T.Cs. again weakest features and were 20 to 50 nP lower. Darjeelings and tippy teas sold fairly well.

Internal: 20,000 packages. Dust good demand. All orthodox firm to slightly dearer. C.T.Cs. irregular, but generally 15 nP easier.

Export Quota: Business has been very quiet over the week, with only a nominal quantity of quota being transacted. Business has been done at 7¼ nP, with buyers at this quotation.

Forthcoming Auctions: Dust sale 'T' will be held on Thursday, the 25th inst.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire as follows:

"Sale No. 28 was held on the 15th inst., with offerings amounting to 1,000,000 lbs. The market opened strongly. Highgrowns advanced considerably, with improved quality. Better liquoring mediums were dearer by 10 to 15 nP. Others were fully firm and occasionally dearer."

KIPS FULLY MAINTAINED

(From Our Own Correspondent)

MADRAS 15*th September*

Trading in kips with the U.K. is negligible, because importers have not shown any interest in the offers made, with the hope that, as is usual, Madras shippers will weaken and offer lower prices. As arrivals of cow hides are of moderate volume, it is not unlikely that prices will decline further to some extent till steady U.K. buying is resumed.

Demand for cow calf lower selections and buff calf all selections is good, while arrivals are small. Buff hides find good clearance. Low grade cow hides for inland trade is steady.

In the tanned skins section, arrivals of common tannages have been poor and are being taken up by exporters readily. There are good overseas enquiries for lightweight goat all selections, while other weights are quiet. The tanned sheep skins market is weak.

LINSEED DULL

(Messrs. A. Bradley & Co.)

CALCUTTA, 15*th September*

There was no change in the linseed market during the week. Prices moved within narrow limits and dull conditions generally prevailed. With availability limited, seeds prices continued to be firm, but millers showed little interest. Business in the oil market was slow, with buyers and sellers alike pausing. With overseas markets unchanged, export prospects were still remote.

The latest available quotations are: Ready Rs. 26-2-0 and September Rs. 26 per maund.

FOODGRAINS BEARISH

(From Our Own Correspondent)

HAPUR, 15*th September*

The foodgrains market ruled bearish, with a fall in the prices of all cereals. Arrivals of new crop maize into the market and good crop prospects for paddy, coupled with the various measures taken by the Union Government, are the main depressing factors. The Punjab Government has frozen large stocks of wheat which the U.P. traders are reported to have built there in the hope that Punjab and U.P. would be amalgamated into one wheat zone and that permits would be granted to bring wheat from the Punjab. This action unnerved stockists here in U.P. also and they are selling stocks in the market, with the result that wheat arrivals at Hapur have substantially increased. After banning exports of all foodgrains from U.P. last week, the Union Government has now enpowered itself to fix prices of gram, gram *dal* and barley in the States of Madhya Pradesh, Rajasthan and U.P., as well as to fix the prices at which peas can be sold in U.P.

All the aforesaid factors accounted for a fall in grain prices at Hapur during the week. Wheat lost about Re. 1.50 per maund to be quoted now at Rs. 21.25 per maund for average quality and upto Rs. 22.25 for farm produce. Local arrivals from villages continued to be small but a substantial quantity was received here during the week by road through trucks from other assembling centres. The local stock of wheat with the trade was small. Sales of wheat through fair-price shops at two *seers* 10 *chattaks* per rupee continued and was being regulated through ration slips.

The all-India forecast of wheat crop in 1957-58 puts the total produce at 7,654,000 tons, as against 9,314,000 tons in 1956-57. Barring Bihar where there has been some improvement, the fall in production has been registered in all the States. Output in U.P. is put at 2,714,000 tons, as against 3,115,000 tons last year. Rice output in the country has also declined in 1958 and stands at 24,821,000 tons, as against 28,282,000 tons last year and 26,846,000 tons in 1956.

Rice prices registered a fall of about Rs. 2 per maund, thanks to better supply position and good prospects of paddy crop. The week-end prevailing prices were:—*Basmati sela* Rs. 37 to Rs. 38.50 and *mainpuri* Rs. 29.

New crop maize had increased and a heavy quantity of maize was reaching here from the producing areas of the South and this accounted for easy trend in prices of all the coarse grains. Gram eased by about 75 nP per maund, although offtake during the week was heavy at 4 *khatties*, reducing local stocks to 25 *khatties*. Barley and *bejhar* eased by about Re. 1 per maund, despite reduction in local stock. New maize eased to Rs. 15.75 per maund. *Jowar* and *guwar* were depressed in the absence of ready demand. The week-end prices (in rupees per maund) were:—*gram punjabi* 16; barley 15.25; *bejhar* 14.50; maize 15.75; *juwar* 12.50 to 14.25; *guwar* 14.25.

Peas recorded a fall of about Re. 1 per maund. The week's offtake was mostly under previous commitments, as outside support was slack. *Arhar* also recorded a sagging tendency. Most of the *arhar* stocks—98 *khatties*—was in one hand. Other pulses were quiet. The week-end quotations in rupees per maund were:—peas *dara* 13.50; *khatti* 13.44; peas farm 14.25; peas *dal* 16.50; *arhar* 18; *khatti* 17.87; *arhar dal* 22.50; *urd* 18.50 to 19; *moong* 25; *massor* 16.50.

The preparation of land for *rabi* sowings, which was hampered due to water-logging over wide area, has again been delayed, due to adverse weather conditions in the last two days.

The total electricity produced by public utility power stations in May 1958 amounted to 1,037.9 million kw.h., of which 840.3 million kw.h. were sold to ultimate consumers. The corresponding figures for May 1957 were 930.2 million kw.h. and 756.7 million kw.h. and for May 1939, 218.0 million kw.h. and 180.8 million kw.h. respectively. Statistics for May 1958 cover 766 public electricity supply undertakings; as compared with 841 in April 1958. The reduction in the number of public utility units was due to the merging of small generating and distributing stations with major grid systems.

Notice

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 397, 398, 399, 404 AND 403 OF THE COMPANIES ACT, 1956,

AND

IN THE MATTER OF RICHARDSON & CRUDDAS LTD.

BY AN ORDER OF THE CALCUTTA HIGH Court in the above matter, dated the 23rd April 1958, the undersigned has been confirmed as Special Officer to take charge of the affairs of the Company and manage the same.

The Special Officer is collecting materials for a report to the Calcutta High Court as to the Shareholding in the above Company. He will be grateful if parties holding share scrips will please notify to him the following particulars by the 31st October 1958:—

PARTICULARS

1. Face value of scrips.
2. Serial number of scrips and distinctive numbers of the shares.
3. Date and signature of Directors on scrips.
4. Any letter or document or evidence showing when the shares were registered or purported to be registered by the Company.
5. The title of the holder to the scrip, the name of the last transferor, date of acquisition by the present holder, and any other material particulars regarding the devolution of the shares.

A true copy of the scrip, together with any endorsement thereon, certified by the party applying should accompany the particulars. Original scrips should not be sent. It is proposed to arrange for inspection of the original scrips on behalf of the Special Officer at a later date.

The statement of particulars should be addressed to:

"The Special Officer, Richardson & Cruddas Limited,
Post Box No. 965, Calcutta"

and superscribed "SHARES".

D. N. MITRA,
Special Officer.

Dated this 26th day of August, 1958.

TREND OF INVESTMENT IN U.K.

By John Kingsley

EVERY year towards the end of summer, the United Kingdom Central Statistical Office issues a Bluebook on national income and expenditure. This Bluebook revises and amplifies the preliminary estimates published earlier in the year and it contains a detailed survey of the trends in the British economy. This year's Bluebook contains striking evidence that investment by Britain has been rising very markedly since the last decade. Gross fixed investment (expenditure on building and works, plant, machinery, and equipment) increased in volume by three-fifths between 1948 and 1957. It has risen at a higher rate than the gross national product (the nation's total output of goods and services *plus* its net income from abroad). In 1948, investment took 14 per cent. of the gross national product, but, in 1957, its share reached 17.6 per cent. This compares with only 12.7 per cent. in 1938.

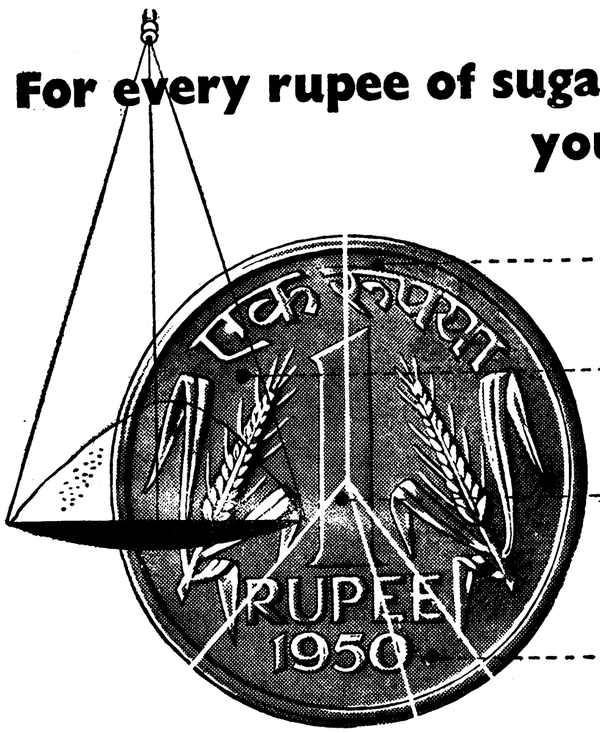
Gross fixed investment is calculated without making provision for capital consumption (the value of that part of the total stock of assets deemed to have been used up during the year). Net fixed investment is defined as gross fixed investment *minus* capital consumption. Net fixed investment at home—a better guide to the pace of economic development—reached 9 per cent. of national income in 1957. In 1938, its share was only 6.2 per cent. and, during the period 1949-52, it remained fairly constant at about 6.5 per cent., but it has steadily risen in recent years.

Then there is the country's net investment abroad. This equals the current surplus in balance of payments, which is used as investment whether in the form of an increase in the reserves, a reduction of old liabilities, or new investment overseas. (It should be recalled that, since 1948, Britain has had a current deficit in two years only, 1951 and 1956, and sizable surpluses—£266 million and £237 million—in 1956 and 1957.)

Total net investment (net fixed investment at home *plus* investment in stocks *plus* net investment abroad) reached a record last year, at 13.2 per cent. of national income. This share is almost three times as much as in 1938, when it was 4.7 per cent. From 1948 to 1952, it fluctuated between 8 and 9 per cent. of national income: from 1953 to 1955, it acounted for about 10 per cent., and in 1956 for 12 per cent. Investment must, of course, be financed out of savings—or the "forced savings" of inflation. Last year, personal savings continued the rise which started in 1952. Savings by companies also continued to increase. The savings surpluses of persons, companies, and the Central Government were sufficient to finance the needs of the public corporations (the nationalised industries), the local authorities (whose own savings did not cover their investment requirements), and the nation's net investments abroad.

The rise in the savings of the Central Government in 1957 was achieved without an increase in the rates of taxation. Government expenditure on goods and services was held at the level of the

(*Continued on page 496*)



For every rupee of sugar you buy . .

40 nP. for Statutory Cane Price.

38 nP. for Excise and other production levies.

16 nP. for manufacturing expenses including Salary, Wages and Packing.

6 nP. for overhead charges and profit subject to taxation.

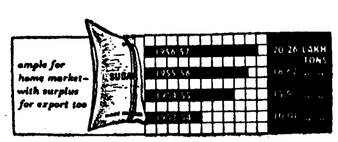
Now that there is enough sugar to go round, you can buy as much as you like—thanks to the magnificent job done by the Indian White Sugar Industry.

Consider the price ! High ? Low ? or Fair ? This is a point to be mooted upon. Every consumer certainly has a right to examine the cost structure. And here it is laid bare ! It may, however, prove interesting, for example, to know that the percentage of profit of the sugar industry is small—much smaller, in fact, than many people think it to be. And believe it or not, the percentage of profit is on the decline.

At the moment, however, with every rupee you pay for sugar, you make a large contribution to the Government to meet the needs of the Second Five Year Plan to which every sugar-consumer is a beneficiary. The consumers of white sugar as well as those connected with the White Sugar Industry are doing their best to meet the growing requirement of the country and the Government despite the fact that the cost structure of sugar has undergone radical changes.

Today the White Sugar Industry provides scope for Indian capital investment of more than 100 crores of rupees ; it provides employment to over 1,40,000 skilled and unskilled workers and 3,600 university educated men, their total earning representing 5% of the national wages and salaries ; it supports 20 million cultivators ; it constitutes 12% of the total value of production of major Indian industries ; it contributes over 65 crores of rupees (@ Rs. 13.19 per maund) in levies to the national exchequer.

It offers even brighter prospects for the country. With a lighter burden—with some of its present day handicaps removed—this industry can contribute to achieving a more stable national economy. Its upward trend of production can continue to meet the needs of a growing home market and yet leave a surplus for export in order to earn foreign exchange.



Indian WHITE sugar . . .

vital to India's national economy

THE INDIAN SUGAR MILLS ASSOCIATION

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 12th September 1958

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (*Long-term Operations*) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	60,53,97,000
(2) Other Governments	11,00,08,000
(b) Banks	92,15,59,000
(c) Others	113,56,07,000
Bills Payable	10,97,16,000
Other Liabilities	10,82,04,000
Rupees	411,74,91,000

Assets	Rs.
Notes	11,49,27,000
Rupee Coin	2,03,000
Subsidiary Coin	3,29,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,74,90,000
Balances held abroad*	14,68,37,000
Loans and Advances to Governments**	17,43,99,000
Other Loans and Advances	50,53,85,000
Investments	302,76,96,000
Other Assets	9,02,25,000
Rupees	411,74,91,000

* Includes Cash and Short-term Securities.
** Including Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 1,71,00,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	11,49,27,000	
Notes in circulation	1542,45,13,000	
Total Notes issued		1553,94,40,000
Total Liabilities		1553,94,40,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	169,67,56,000	
Total of A		287,43,59,000
B. Rupee Coin		137,12,34,000
Government of India Rupee Securities		1129,38,47,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1553,94,40,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	5th Sept., 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1541.70	1521.80	1559.16	1485.86
Notes held in Banking Department	35.05	11.63	23.29	12.15	26.77
Foreign Securities	59.50	169.68	174.68	179.68	345.61
Rupee Securities	37.89	1129.39	1114.39	1139.23	916.87
Banking Department					
Deposits of :					
Government of India	14.89	52.24	73.05	64.79	51.97
Other Governments		14.72	20.52	16.02	6.88
Balances held abroad	10.08	13.70	12.54	10.45	31.79
SCHEDULED BANKS					
Demand Liabilities	134.36	743.56	746.88	750.34	713.63
		(27.85)†	(26.69)†	(35.34)†	(16.88)†
Time Liabilities	102.24	850.30	857.95	847.47	601.84
		(37.10)†	(39.64)†	(37.57)†	(7.51)†
Borrowings from Reserve Bank		5.96	2.71	6.79	30.51
		(4.52)‡	(1.91)‡	(5.54)‡	(28.85)‡
Borrowings from State Bank		4.40	3.46	3.79	3.50
Cash in India	6.70	37.48	38.80	37.51	37.65
Balances with Reserve Bank	28.17	93.93	98.05	90.89	100.99
Excess over statutory limits	15.52	39.75	43.55	36.42	47.72
Balances with other banks in current account in India		12.67	12.36	12.31	9.92
Money at call and short notice in India		54.63	55.84	63.97	33.21
Investments (at book value)		578.01	571.99	546.03	366.59
Advances and bills	105.09	855.11	856.40	880.26	846.58
STATE BANK					
Deposits		67.76	433.24	437.83	436.09	340.16
Investments		51.99	240.12	240.06	228.83	135.20
Advances		30.35	164.96	166.24	178.79	158.42
Cash		14.69	40.14	45.65	44.55	61.54

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional.
‡ Borrowings against usance bills and promissory notes.

Scheduled Banks*

Statement of Affairs for the week ended 5th Sept., 1958

	Rs.
Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank†	27,84,80,000
(ii) Other demand liabilities	715,71,52,000
Time Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank†	37,09,95,000
(ii) Other time liabilities	813,20,10,000
Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities	4,20,64,000
(ii) Time liabilities	19,68,000
Borrowings in India from the Reserve Bank of India†	5,98,05,000 (4,52,00,000)
Cash in India	37,47,99,000
Balances with the Reserve Bank in India	93,92,53,000
Balances with other banks in current account in India	12,66,65,000
Money at call and short notice in India	54,62,92,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	578,00,59,000
Advances in India	780,57,43,000
Inland Bills purchased and discounted in India	85,10,00,000
Foreign Bills purchased and discounted in India	39,43,56,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of India

Statement of Affairs for the week ended 12th September 1958

Capital and Liabilities	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		438,82,61,000
Borrowings from Other Banking Companies, Agents, etc.		6,11,93,000
Bills Payable		
Bills for Collection being Bills Receivable as per contra		1,18,20,000
Acceptances, Endorsements and Other Obligations *per contra*		1,20,67,000
Other Liabilities (including Inter-Office Adjustments)		9,34,91,000
Total .. Rs.		468,93,32,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		38,38,32,000
Balances with other Banks		2,34,08,000
Money at Call and Short Notice		1,73,33,000
INVESTMENTS :	Rs.	
Government and other Trustee Securities	2,34,11,95,000	
Other Authorised Investments	11,10,96,000	
		245,22,91,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	155,21,76,000	
Bills Discounted and Purchased	9,91,28,000	
		165,13,04,000
Bills Receivable being Bills for Collection as per contra		1,18,20,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,20,67,000
Premises less Depreciation		1,20,69,000
Furniture and Fixtures less Depreciation		95,55,000
Other Assets (including Inter-Office Adjustments)		11,56,53,000
Total .. Rs.		468,93,32,000

State Bank of Pakistan

Statement of Affairs for the week ended 5th September 1958

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	74,47,82,000
(b) Provincial Governments	73,34,000
(c) Banks	24,05,39,000
(d) Others	5,53,66,000
Bills Payable	22,98,000
Other Liabilities	7,68,04,000
Rupees	118,71,77,000

Assets	Rs.
Notes	6,45,31,000
Rupee Coin	49,000
Subsidiary Coin	37,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,71,000
Balances held outside Pakistan*	20,79,18,000
Loans and Advances to Governments	3,80,00,000
Provincial Governments' Debtor Balances	
Other Loans and Advances	3,31,10,000
Investments	76,44,92,000
Other Assets	7,87,69,000
Rupees	118,71,77,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	6,45,31,000	
Notes in circulation	325,10,13,000	
Total Notes issued	....	331,55,44,000
Total Liabilities	....	331,55,44,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	16,03,12,000	
Silver Bullion	....	
Approved Foreign Exchange	41,72,12,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
B. Rupee Coin	5,02,24,000	100,77,54,000
Government of Pakistan Securities	219,85,60,000	
Internal bills of exchange and other commercial paper	....	224,87,84,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	331,55,44,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 32.09 per cent.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'56-'57	357.63	..	11,010	284
Pakistan††	'56-'57	82.50	..	2,079	249
Burma	1952	19.50	Kyats 4,336	585	285
Ceylon	1955	8.38	..	675	267
Japan	1956	90.00	Y. 7,427,000	9,283	1,031
Philippines	1956	22.20	Ps. 8,335	1,985	894
New Zealand	1956	2.17	£ (N.Z.) 884	1,178	5,428
Australia	1957	9.80	£ (A.) 4,599	4,893	5,096
U.K.	1956	51.20	£ 10,465	21,983	4,287
U.S.A.	1956	168.09	$ 343,600	163,554	9,731
Canada	1956	16.00	$ 22,710	10,787	6,742
France	1956	43.60	F.Fr. 13,990,000	17,640	4,046
W. Germany	1957	51.40	Dm. 158,000	13,057	3,513
Italy	1956	48.10	Lr. 11,476,000	5,760	1,821
Norway	1956	3.46	Kr. 20,990	1,408	4,358
Sweden	1956	7.30	Kr. 44,580	4,127	5,653
Netherlands	1956	10.80	Gns. 25,400	3,215	2,977
Denmark	1956	4.45	Kr. 24,950	1,690	3,789
Switzerland	1956	5.00	Sw. Fr. 25,630	2,807	5,614

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source : *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organization.
†† According to budget-speech of Pakistan Finance Minister.

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53 = 100]

Group and Sub-Group	Week ended 30th Aug., 1958	23rd Aug., 1958	2nd Aug., 1958	31st Aug., 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.0	99.8	99.3	98.2
2. Government of India	99.9	99.7	99.1	97.9
3. State Government	101.2	101.1	100.6	100.0
4. Municipal, Port Trust, etc.	98.8	98.8	98.8	99.3
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.4	99.1	99.3	101.4
6. Plantations	100.0	100.0	100.0	100.1
7. Coal	99.6	99.6	99.6	100.4
8. Sugar	99.0	99.0	99.0	100.6
9. Cotton Textiles	97.4	97.4	97.5	100.2
10. Jute Textiles	91.5	90.5	92.9	98.1
11. General Engineering	98.0	98.0	97.8	101.3
12. Electricity Generation and Supply	96.5	96.5	96.5	98.8
13. Others	101.6	101.3	101.3	102.9
PREFERENCE SHARES—ALL INDIA.				
14. Total	97.3	97.1	96.7	99.9
15. Plantations	95.9	96.3	95.7	104.8
16. *Mining & Quarrying: Total* ●	85.8	85.6	85.3	90.6
17. Coal	75.6	75.2	74.9	83.7
18. *Processing and Mfg. : Total**	87.1	86.9	86.5	90.2
19. Sugar	88.7	88.6	88.2	95.7
20. Cotton Textiles	80.0	79.7	80.2	90.0
21. Jute Textiles	72.9	72.6	73.0	76.2
22. Iron and Steel	91.8	91.6	91.0	89.0
23. General Engineering	99.1	98.8	98.8	108.2
24. Basic Industrial Chemicals	85.8	85.7	85.0	86.9
25. Cement	99.6	99.6	98.7	97.8
26. Paper	83.7	84.3	83.8	92.9
27. *Other Industries : Total**	85.8	85.8	85.0	84.2
28. Electricity Generation and Supply	88.1	88.2	87.6	85.5
29. Trading	79.1	78.8	77.5	78.1
30. Shipping and Other Transport	85.2	85.2	85.2	86.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	142.6	141.2	138.4	128.4
32. *Agriculture and Allied Activities : Total**	158.6	155.7	154.9	154.4
33. Tea Plantations	150.1	149.6	150.6	154.5
34. Coffee Plantations	227.9	226.1	213.7	181.8
35. Rubber Plantations	156.5	154.5	153.1	141.5
36. *Mining and Quarrying : Total*	147.4	148.8	142.8	128.7
37. Coal	113.0	111.9	103.3	86.2
38. Other Mining	171.0	174.1	169.6	154.4
39. *Processing and Manufacturing : Total*	141.7	140.3	137.7	128.4
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.) : Total*†*	129.0	128.4	127.8	125.7
41. Sugar	170.1	169.3	164.3	167.2
42. Cotton Textiles	120.0	119.6	119.8	126.6
43. Jute Textiles	77.6	78.0	78.2	65.0
44. Silk and Woollen	420.9	412.8	409.1	336.5
45. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	158.2	153.6	149.0	130.1
46. Iron and Steel	150.7	148.2	141.7	112.1
47. Transport Equipment	201.5	202.5	205.0	182.5
48. Electrical Machinery	149.2	148.5	145.3	173.1
49. Machinery other than Transport and Electrical	167.9	163.9	158.7	149.6
50. Basic Industrial Chemicals	127.1	125.3	126.1	112.4
51. *Processing and Mfg. (Others) : Total**	153.7	151.8	147.0	133.2
52. Cement	145.1	143.2	141.3	129.3
53. Paper	200.4	196.6	186.3	168.0
54. *Other Industries : Total**	115.8	114.3	110.7	104.7
55. Electricity Generation and Supply	95.1	94.1	92.1	88.3
56. Trading	91.5	90.5	89.4	81.6
57. Shipping and Other Transport	144.2	141.7	134.6	123.9
58. Construction	228.5	222.8	218.3	201.9
59. *Financial : Total*	178.1	176.9	171.8	143.5
60. Banks	200.8	197.9	194.0	160.3
61. Insurance	129.3	126.1	123.3	105.1
62. Investment Trusts	92.4	87.7	78.9	85.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	147.1	145.6	141.3	125.0
64. Calcutta	137.6	136.2	134.0	124.4
65. Madras	154.8	152.9	151.5	154.3
66. Delhi	168.2	170.3	168.7	153.1

*Including 'Miscellaneous.' †Including 'Edible and Vegetable oils.'
● Including other mining.

EXCHANGE RATES

		18th September, 1958	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£.	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months	£.	1-5⅝	1-5⅝
Buyers T.T. spot to nine months	£.	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	£.	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477.75	477.75
Buyers T.T.	Rs.	474.50	474.50
London on New York	$	2.80½-2.80⅝	2.80½-2.80⅝
London on Paris	Frs.	1.178½	1.178½
London on Berne	Sw. Frs.	12.19½-12.19⅝	12.19½-12.20⅛
New York on London	$	2.80½-2.80⅝	2.80½-2.80⅝

CLEARING HOUSE RETURNS

Centre	Week ended 12th Sept., 1958		Week ended 5th September 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,83,180	68,53,85,000	2,33,496	67,39,61,000
Calcutta	1,55,000	64,80,00,000	1,28,000	65,58,00,000
Madras	82,339	12,05,39,001	92,211	11,54,17,208
All Centres—				
1956-57	..	..	40,008,000	87,24,25,00,000
1957-58	..	..	41,671,000	89,54,56,20,000
Apr., 1958	..	..	2,851,000	7,91,94,00,000
May, "	..	..	3,822,000	7,92,02,00,000
June, "	..	..	3,223,080	6,61,49,00,000

IRON AND STEEL PRODUCTION (In tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,73,000	7,97,500
Do. 31st March, 1958	10 98 300	11,06,800	7,86,900
June 1957	84,800	77,300	52,300
July "	88,900	88 300	66,600
Aug. "	88,700	85,500	63,100
June 1958	84,900	85,700	62,000
July "	1,02,200	1,05,100	68,600
Aug. "	99,500	108,600	70,800
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,32,815	4,41,482
Do. 31st March, 1958	7,33,945	5,97,580	4,10,588
Three months ended Mar., 1957	1,83,857	1,39,880	1,26,278
" " June, 1957	1,72,256	1,38,467	1,25,996
" " Mar., 1958	1,99,229	1,36,162	1,06,501
" " June 1958	2,14,468	1,51,000	1,01,014

MARKET GOSSIP

(*Concluded from page 463*)

also be prepared to have their accounts audited by a panel of independent auditors chosen by the President of India and to publish the auditors' report, along with the statement of accounts, for the knowledge of the public.

* * * *

An important commodity committee like the Indian Central Cotton Committee, which has among its members top Government officials and leaders of the cotton trade and industry, certainly has an intimate knowledge of the raw cotton and textile position in the country. One wonders, therefore, why the Committee, in recommending, at its seventy-eighth meeting held in Bombay last week, tentative production targets for raw cotton for the third, fourth and fifth Five-year Plans, has relied upon estimates of *per capita* cloth consumption made in the second Plan which has turned out to be wrong. The Committee has proposed a target of 7.2 million bales, 8.1 million bales and 9 million bales for the third, fourth and Fifth Five-year Plans, respectively. This is based on the assumption of an estimated consumption of 9,600 million yards of cloth in the third Plan and 11,500 million yards in the fourth Plan which, in turn, assumes a *per capita* consumption of 22 yards in the third Plan, and 25 yards in the fourth Plan, as against the estimated 18.5 yards in the second and 14 yards in the first Plan, and a population of 403 million and 383 million. It is by now clear that a *per capita* consumption of 18.5 yards envisaged under the second Plan is not going to materialise. For instance, the Textile Enquiry Committee did not think that *per capita* consumption would exceed 17.5 yards. It was only 16.8 yards in 1957 which is barely one yard more than the pre-war consumption of 15.7 yards.

The reason why the *per capita* consumption of cloth envisaged in the second Plan has not materialised is well known and needs no repetition here. Unless the Government's textile policy is so reoriented as to facilitate higher offtake of cloth, actual consumption under the third Plan is also certain to fall short of the estimate. In that case, the cotton production target recommended for the third and fourth Plans, on the basis of an estimated *per capita* consumption of 22 yards and 25 yards, respectively, will prove to be too high. It is true that the proposed targets are only tentative. But even in suggesting them, the clear indications already present should have been taken into account. Indeed, there seems to be the possibility of a downward revision in the second Plan target of 6.5 million bales for cotton as a result of the fact that the *per capita* consumption of cloth has not risen to the extent anticipated in the Plan.

If, however, the estimated *per capita* consumption of 22 yards and 25 yards of cloth is to materialise, the textile policy should be so modified as to reduce the heavy incidence of duty on cloth and thereby make cloth cheaper. Will the Committee urge the Government to do that? Otherwise, it is meaningless to fix a target which everyone knows to be unrelated to the trend in cloth consumption.

It can be argued that, if actual production turns out to be in excess of indigenous consumption, the surplus could be exported. In a country like India where the bulk of production is absorbed indigenously, any fall in cotton prices as a result of a failure to export the usual quantity in one year might affect the volume of production next season to an extent out of all proportion to the fall in prices. It must be borne in mind that, apart from weather and other related factors, it is the trend of internal prices and consumption that sustain production and the textile and raw cotton prices policies should be such as will maintain them at a level that will bring forth a steady level of supply. It is, therefore, needless to add that, when the country plans for a big rise in cotton production, it should also have a firm programme for ensuring a fair price for the producer.

* * * *

No conclusion of import to the copper market emerged from the three-day session of the United Nations Conference on Copper which ended in London on Wednesday last week. For the Conference considered that there was no need at this time for inter-Governmental action on the metal, nor for the setting up of a working party, much less any international scheme to deal with the regulation of trading in the world copper market; even Chile, which is reported to be faced with the problem of a large surplus, did not press the idea of constituting a working party. It was, of course, noted that there was no procedural obstacle to the holding of a further meeting, if difficulties should arise at any time.

The aforesaid decision of the U.N. Conference may appear surprising, in view of reports of a burdensome copper surplus in the world, with marked fluctuations in prices. A number of delegates drew attention to the harmful effects of sharp variations in copper prices in recent years on both the producing and consuming countries. The effects, it was pointed out, extended beyond the copper industry, because they influence the external purchasing power of the countries concerned. But the Conference must have thought that, since the statistical data relating to copper industry in many countries were inadequate in varying degrees, no definite decision could be taken about the regulation of copper supplies or prices.

The Conference, it may be noted, emphasised the importance of maintaining full and up-to-date statistical information and urged greater uniformity in definition and promptitude in the availability of such information. It recommended to the Governments and the bodies concerned with the copper trade to improve statistical data by utilising the facilities provided by the U.N.

Notwithstanding the absence of any notable outcome of the U.N. Conference, the world copper market is ruling distinctly firm, and there has been an appreciable rise in prices of late. The latest available spot quotation for cash copper on the London Metal Exchange is £210¼ per ton, as against £206¼ prevailing before the Conference began. The firmness in copper would appear to have been aided by unsettled political events in the Far East and possibilities of lower production in the Rhodesian mines following labour unrest.

ASHOK LEYLAND

Demand continues to rise for both passenger and goods models in the Leyland Comet range manufactured in India by Ashok Leyland Ltd. Operators in Madras, Andhra Pradesh and Jammu and Kashmir have placed the latest orders for single-deck bus chassis of this make. As part of a replacement programme for about 160 old vehicles, the Madras State Transport has placed orders for 60 of these passenger chassis with Ashok Leyland Ltd. They will have bodies built on them at the Madras State Government Transport Workshop at Chromepet and will bring the total of Comet buses in their fleet to 150. Another large contract for these chassis has been placed by the Andhra Pradesh Transport Corporation which has ordered a further 60. The first order for bus chassis to be placed with Ashok Leyland by the Kashmir Government has also been received from the transport controller, Jammu and Kashmir State Government, Srinagar. Although this is their first order for Comet passenger chassis, 12 Comet goods chassis were ordered last year.

INSURANCE

(*Concluded from page 482*)

lakhs in the previous year. Premium from business written in India showed a substantial rise from Rs. 6.28 lakhs in 1956 to Rs. 9.80 lakhs in 1957 while that from business written outside India increased from Rs. 15.64 lakhs to Rs. 16.26 lakhs. The increase in premium income from India arose mainly out of improved reciprocation for reinsurances but there was also a larger volume of direct business written. Claims paid and outstanding aggregated Rs. 11.14 lakhs (43.74 per cent. of premium income), as against Rs. 9.49 lakhs (43.29 per cent.) in the previous year. The higher claims during the year was in part due to the bush fires in New South Wales in September 1957 on account of which the Company suffered substantial losses. After charging commission, expenses, the loss on exchange and providing for Rs. 13.03 lakhs (50 per cent. of premium) as the reserve for unexpired risks, the account shows a profit of Rs. 26,819.

In the marine department, net premium amounted to Rs. 6.89 lakhs, as against Rs. 9.32 lakhs in the previous year. Claims paid and outstanding aggregated Rs. 3.60 lakhs (52.24 per cent. of premium), as compared with Rs. 4.14 lakhs (44.42 per cent. of premium) in the previous year. After charging commission and expenses and the loss on exchange and providing for Rs. 6.89 lakhs (100 per cent. of premium) as the reserve for unexpired risks, a balance of Rs. 2,71,281 has been transferred to the profit and loss account.

Net premium income in the miscellaneous department aggregated Rs. 1.68 lakh, as against Rs. 1.51 lakh in the previous year. Claims paid and outstanding amounted to Rs. 0.88 lakh 52.32 per cent. of premium), as compared with Rs. 0.84 lakh (55.62 per cent. of premium) in the previous year. After charging commission and expenses and adjusting the reserve for unexpired risks at Rs. 1.84 lakh (50 per cent. of net premium) and taking credit for the sale proceeds of fixed assets, the accounts show a profit of Rs. 17,889.

After charging expenses of management of capital, the amount of depreciation by which the book value of investment has been written down, donations to recognised charities, amount reserved for doubtful debts and providing for taxation and adding back an amount of Rs. 5.708 out of the reserve for doubtful debts of the previous year, which provision is no longer required, there remained a balance of Rs. 1,24,812 which has been carried to the profit and loss account. This, together with Rs. 1,88,113 brought forward from the previous year, makes in all Rs. 3,12,925. The payment of a dividend of 45 per cent. on the paid-up shares of the company absorbs Rs. 2,58,750, leaving a balance of Rs. 54,175 to be carried forward.

TREND OF INVESTMENT IN U.K.

(*Concluded from page 494*)

previous year, though expenditure for subsidies and grants went up slightly. But—more important—the decline in the share of gross national product claimed by Central Government expenditure, which began in 1952, has continued. Last year, Central Government expenditure accounted for 29.6 per cent. of gross national product, as compared with 34.9 per cent. in 1952.

The Bluebook contains many other interesting data. Consumers' expenditure in real terms—the standard of living—increased by 20 per cent. between 1948 and 1957. This average gain of 20 per cent. is the result of considerable variations in the main categories of personal consumption. For instance, while the consumption of beer, coal, gas, and use of the public transport was little changed over this period, there was an increase of 400 per cent. in real expenditure on motor cars and motor cycles; of 100 per cent. on electrical and other durable goods; and of 43 per cent. on wines, spirits, etc. The British public's consumption of food and purchases of clothing both increased by 21 per cent. in real terms over this nine-year period.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 18th September 1958.

	Closing quotations 11-9-1958	High	Low	Closing quotations 18-9-1958
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	175·00	—	—	175·00
Apollo (2)	1·66	1·68	1·66	1·62
Bombay Dyeing (25)	60·60	63·60	60·30	63·50
Bradbury (50)	175·00	—	—	175·00
Central India (100)	97·00	98·00	96·50	97·00
Century Mills (100)	455·50	468·50	453·50	462·50
Colaba (100)	29·25	—	—	29·25
Edward Textile (200)	257·50	—	—	257·50
Elphinstone (50)	40·00	—	—	40·00
Finlay (100)	291·50	295·00	291·50	295·00
Gokak (100)	153·00	153·00	152·00	152·00
Ind. Untd. Defd. (1)	1·28	1·30	1·26	1·30
Ind. Untd. Ord. (10)	9·88	9·96	9·84	9·96
Indore Malwa (100)	107·50	108·00	106·00	107·50
Khatau (100)	185·00	187·50	185·00	187·50
Kohinoor (100)	281·00	283·00	276·00	288·00
Lakshmi (250)	445·00	—	—	445·00
Minerva Mills (100)	64·00	—	—	64·00
Model Nagpur (250)	170·00	175·00	167·50	167·50
Morarji (100)	243·00	246·00	244·00	246·00
Mysore (10)	95·00	—	—	95·00
National Rayons (100)	243·50	249·75	242·00	249·00
New City (100)	113·75	—	—	113·75
New Great (100)	225·00	230·00	213·00	230·00
Phoenix (100)	136·25	137·50	135·00	137·50
Podar Mills (100)	138·00	141·50	138·00	141·50
Rameon Silk (10)	9·76	—	—	9·76
Ramnagar Spg. (10)	42·00	—	—	42·00
Shahpur (1,000)	375·00	—	—	375·00
Shrinivas (100)	154·00	153·50	152·50	153·00
Simplex (50)	179·00	182·50	178·00	182·50
Standard (100)	429·00	432·00	424·00	432·00
Swadeshi (100)	201·50	204·50	199·50	204·50
Swan (100)	360·00	361·00	360·00	360·00
Tata Mill (25)	38·50	38·50	37·50	38·50
Vishnu (100)	105·00	107·50	105·00	107·50
Western India (1,000)	4,525·00	—	—	4,525·00
BANKS				
Bank of India (50)	136·00	137·00	136·25	136·50
Do. (New) (50)	136·50	—	—	138·50
Bank of Baroda (50)	122·00xd	—	—	121·00
Central (25)	57·00	57·50	56·70	57·30
Central 'A' (25)	58·60	—	—	59·00
Dena Bank (50)	46·00	46·00	45·75	45·75
Punjab National (25)	65·50	65·50	65·00	65·50
Union Bank (5)	7·36	7·36	7·24	7·22
United Com. (50)	63·80	65·00	63·50	65·00
ELECTRIC COS.				
Ahmedabad (100)	98·60	99·00	98·30	99·00
Amalgamated (10)	10·06	—	—	10·06
Andhra Valley (1,000)	1,170·00	1,170·00	1,166·25	1166·25
Bom. Do. Rl. (100)	112·75	113·50	112·50	113·00
Surat (100)	115·50	—	—	115·50
Tata Hydro (100)	120·00	121·50	120·00	121·50
Tata Power (1,000)	1,215·00	1,225·00	1,216·00	1,220·00
INSURANCE COS.				
British India (10)	15·72	—	—	15·72
Empire of India (100)	265·00	—	—	265·00
Ind. Mercantile (50)	51·50	—	—	51·50
Jupiter (15)	7·12	—	—	7·12
New India (15)	45·50	46·50	45·50	46·25
Oriental (200)	4,035·00	—	—	4,035·00
Universal (10)	12·00	—	—	12·00
Vulcan (10)	19·24	—	—	19·24
STEEL COS.				
Ind. Iron (10)	26·20	26·40	25·80	25·95
Tata Steel Ord. (75)	180·00	186·50	180·50	186·25
SUGAR COS.				
Belapur (50)	308·00	319·00	308·00	319·00
Bhopal (10)	25·50	26·15	25·50	26·10
Phaltan (50)	173·00	184·50	173·00	184·00
Walchand Ind. (100)	290·50XR	296·00	291·25	295·00
CEMENT COS.				
Associated Cts. (100)	162·50	165·50	162·25	165·50
Dirvijay (100)	162·25	163·00	162·00	162·50
MISCELLANEOUS				
Alcock Ashdown (100)	262·50	271·25	262·50	268·75
Bom. Burmah (125)	620·00	628·00	614·00	625·00XD
Do. (New) (50)	223·75	231·25	229·00	231·25
Br. B. Petrol (4 sh.)	2·24	2·40	2·18	2·24
Br. I. Corpn. (5)	3·92	3·94	3·90	3·94
C. P. Ely. (100)	56·00	—	—	56·50
Hindusthan Motors(10)	7·52	8·28	7·48	8·28
Indian Copper (2 sh.)	4·04	4·14	4·04	4·14
Ind. Inv. Tr. (100)	82·30	—	—	82·30
Killicks (100)	148·50	150·00	148·25	149·50
Pelcos (100)	165·00	—	—	165·00
Pre. Automobiles (100)	86·70	95·50	86·50	94·50
Premier Con. (50)	226·25	243·00	225·00	242·00
Reliella (10)	22·52	22·76	22·26	22·76
G. K. Shipping (10)	26·90	27·00	26·70	26·85
Shivrajpur (10)	117·50	119·00	86·00	94·50XD
Tata Chemicals (10)	17·36	18·00	17·28	18·00
Tata Investment (100)	193·50	202·25	193·00	200·25
Tata Oil (25)	38·75	43·00	38·50	43·00
W. I. Match (100)	198·00	203·00	197·00	203·00

GOVERNMENT SECURITIES	11-9-1958 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	18-9-1958 Rs.
2½% 1961	97 10	—	3 54	97·15
2½% 1960	99·00	—	3 81	99·00
2½% 1962	96 80	—	3 66	96 85
2½% 1974-79	83 10	—	4 08	83 20
3 % 1959-61	99 85	3.16	3 05	99 85
3 % 1964	96 65	—	3 58	96·75
3 % 1965-66	94 70	3.71	3 50	96·70
3 % 1966-68	94 00	3 88	3 71	94·00
3 % 1970-75	89 80	4.08	3 80	89 85
3 % 1986 Con. Loan	74 25	—	4.05*	74·00
4 % 1960-70	100 60	3.70	3 94	100·60
2½% 1961 N.P. Bonds	100 25	—	3 45	100·25
2½% 1964 N.P. Loan	100 05	—	3 50	100·05
2½% 1965 N.P. Bonds	99 90	—	3 53	99·10
2½% 1963	99 10	—	3 50	98 85
2½% 1967 N.P. Bonds	98 85	—	3 63	98 80
2½% 1974	98 80	—	3 70	100 35
2½% 1967 N.P. Bonds	100 35	—	3 94	100 50
4 % 1972 Loan	100 45	—	3 49	100 05
2½% 1963 N. P. Bonds	100 05	—	3 49	100 20
2½% 1968 N. P. Bonds	100 20	—	3 72	100 55
4 % 1973 Loan	100 25	—	3 98	

BRITISH GOVERNMENT SECURITIES	Closing quotations 9-9-1958 £			Closing quotations 16-9-1958 £
2½% Brit. Consols	51	—	—	51⅛
3 % Savings Bonds 1965-75	72½	—	—	73⅛
3% War Loan 1955-59	98⅛	—	—	99⅛
3½% War Loan	68	—	—	68⅜
4% Victory Bonds 1976	98⅛	—	—	98⅜
4% Funding 1960-90	88½	—	—	88⅝

* Current Income. x.d.—Ex-dividend. x.r.—Ex Right.

COMMERCE

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

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REPORT ON WORLD LIQUIDITY

AN admirable study of the problem of international liquidity has been made by the experts on the staff of the International Monetary Fund. Their findings and conclusions are published *in extenso* on page 506 of this issue. They have looked at the problem dispassionately and presented it against the proper background. The value of their study lies in defining what exactly is the problem and how it could be tackled. They have argued impressively that the major determinant of the pace and the volume of world trade is not the level of liquidity but other events, such as war, preparations for war and repair of the damages of war. Another major factor that influences the level of world trade is the economic policies followed by the various countries of the world, leading either to a growth or to a contraction in economic activity. The conclusion of the I.M.F. experts is that the degree of international liquidity itself does not depend solely or even primarily upon the amount of international reserves as related to world trade but on a combination of factors, namely, the level, quality and distribution of reserves, facilities for international borrowing and commercial credit operations, the international financial structure, including the structure of exchange rates, which in turn is determined by the economic policies and actions followed by individual countries. Each one of these aspects has been examined by the staff of the I.M.F. and lucidly explained by them in their report.

The I.M.F. study clearly shows that it should not be assumed that a mere increase in reserves and liquidity will more or less automatically induce an increase in the volume of trade. Nor should it be assumed that a potential increase in the volume of trade can necessarily be no greater than the increase in the volume of international reserves. Thus, in 1928, the ratio of reserves to imports for countries other than the U.S. was 35 per cent., as compared with 17 per cent. in 1913. But this high level of reserves could not stave off the monetary disruptions in the following years and the contraction in world trade that followed. The reason for it was the continuation of the uncorrected maladjustments following the first World War. Dangerous credit policies were adopted throughout the twenties. Similarly, though the ratio of reserves to imports was as high as 63 per cent. in 1937-38, world trade stagnated. So far as the present position is concerned, the Fund's study reaches the conclusion that the current gold and foreign exchange reserves, amounting to the equivalent of about $52 billion, should not be considered inadequate, given certain fairly specific and broad conditions. It will be interesting to note here that, for all countries, excepting those in the Communist area, the ratio of official gold and exchange reserves to imports in 1957 was 51 per cent. This is distinctly higher than in 1913, when the ratio was 21 per cent. or in 1928 when it was 42 per cent., though lower than in 1937-38, when it was 100 per cent. The study is also of the view that the quality of the present level of reserves is sounder than in the earlier years and that the degree of international co-operation among the free countries is higher. The liquidity position, in the opinion of the I.M.F. experts, is intrinsically strong and there need not be any anxiety about the future of world trade on that score.

An interesting part of the I.M.F. study is the one pertaining to the prospect for foreign trade in the next decade and how the world's reserve position is likely to develop. The future level of trade, it is pointed out, will depend upon the growth of manufacturing production. The rate of world economic growth in the fifty years before 1914 was 3 per cent. per annum. For the periods from 1921-25 and 1926-29, manufacturing activity grew by 6.8 per cent. per annum, but trade grew at a slightly lower rate. For the years 1948 to 1956, manufacturing activity grew by 6.1 per cent. and trade by 7.5 per cent. per annum. For longer periods, including the years of war and depression, the rates of growth are naturally much smaller. Thus, from the years 1876-80 to 1936-38, manufacturing activity grew at the rate of 3.5 per cent. per year, while trade grew at about 2 per cent. Correspondingly, from 1938 to 1957, the annual rates of growth were 4.6 per cent. for manufacturing activity and 3.3 per cent. for trade. A notable feature after World War II was that trade expanded at a faster rate than industrial production. This was due to special factors, such as provision of liberal aid and credits, utilisation of sterling balances and dollar credits built up during the war years, and rapid expansion in the output and use of oil. But, since past experience shows that periods of very rapid expansion are usually followed by periods of moderate growth, the study has come to the cautious conclusion that "it would probably be not overoptimistic to retain the conventional 'normal' annual rate of about 3 per cent. for the growth of world trade."

If it is assumed, on the aforesaid basis, that reserves also should grow by 3 per cent., the additions to gold held by the central banking institutions will have to be of the order of $19 billion in ten years. But since countries which already have sufficient reserves—the U.S., West Germany, Switzerland and Venezuela, for instance—are unlikely to be desirous of adding to their gold reserves, the additions to the reserves of other countries will have to be of the order of $8 billion. As against this, it is estimated that the increase in gold reserves through acquisition of newly mined gold, even after making allowance for the hoarding demand, would be at least $700 million per annum. The I.M.F. report is, therefore confident that "gold production alone would go very far towards meeting the requirements for additional reserves," taking the price of gold at $35 an ounce. At the same time, during the past decade, war-time sterling balances have come down from their swollen heights. At the end of 1957, they were only £3.3 billion, as against £3.6 billion at the close of 1945. By the end of the first quarter of 1958, they were about the same as at the close of 1949, but, in terms of U.S. dollars and gold, they were actually less, because of the 30 per cent. devaluation in September 1949. For the immediate future, the possibilities are that the sterling liability of Britain will not grow. The I.M.F.'s report, therefore, concludes that "the reserves problem that the world will face in the next decade does not appear to be insoluble." On the face of it, this conclusion appears convincing.

But reaction in Britain, which has been contending for long that international reserves and liquidity are inadequate, shows that British opinion is not wholly satisfied with this explanation. The P.E.P., for instance, contends, in a pamphlet entitled "Problems of World Liquidity" published on the eve of the report of the I.M.F. experts, that the gold and dollar reserves of the Sterling Area are inadequate in relation to the operations of the Area and the high percentage of world trade financed by sterling. "It is commonly stated," says the P.E.P., "that sterling finances nearly half the world's trade, and, though recent estimates would put the share lower, it is certainly high if one considers the size of sterling holdings in relation to total world gold and foreign exchange holdings. Any sudden winding-up of the sterling system would involve a sharp contraction in world liquidity, with a consequent deflationary impact on world trade and production." Proceeding, this independent economic research body in Britain goes on to point out that "much more intensive use is clearly being made of the Sterling Area's reserves than is being made of other countries' holdings, with all the strain that implies." It further adds that "the trading problem is aggravated by the fact that the small ratio of reserves to liabilities leaves sterling dangerously exposed to speculative attacks and short-run capital movements." Remarking that international liquidity is likely to be a central issue for the next 10 years, the P.E.P. observes: "Indeed, the 1960s may well follow internationally the course which the 1930s followed nationally. The Great Depression stimulated wide support for national full employment policies. The recent recession in the United States has led to the reconsideration of economic problems in international rather than national terms, with the object of developing international monetary mechanisms to serve the aims of international full employment and long-term economic expansion. If the free world is to resist the Communist economic challenge and win the support of Asia and Africa, it must make international monetary mechanisms the servants rather than the masters of stability and growth."

The P.E.P., therefore, avers that, unless the supply of internationally acceptable units of exchange expands sufficiently, "there is no room for any hope of achieving the growth of world production and trade on which higher living standards depend." Its suggestions to achieve the end are four: (1) an increase in the price of gold; (2) pressure for consistent "good creditor" policies, especially by the U.S.; (3) the provision of foreign loans to underpin the Sterling Area's reserve position; and (4) the further development of international credit-creating agencies.

The I.M.F. study appears to be not in favour of any increase in the price of gold, and the U.S. Government is, in any case, strongly opposed to it. There is growing evidence that the U.S. is willing to play the role of a "good creditor," as witness the recent statements of President Eisenhower and Mr. Robert Anderson.

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the U.S. Secretary of the Treasury, favouring (1) a general increase in the quotas assigned to member-Governments of the I.M.F., (2) an increase in the authorised capital of the World Bank, and (3) the establishment of an International Development Association. There are also moves to establish regional development banks, such as the Commonwealth Development Bank and Inter-American Fund for Latin America. Thus, barring the question of gold price, there is already a large measure of agreement in the U.S. with the suggestions made by the P.E.P.

Much of the discussion on the subject of world liquidity is academic, now that it has been recognised by all the important members of the International Monetary Fund, including the U.S. and Canada, that the resources of the Fund require to be raised. In fact, the whole scholarly study of the I.M.F. staff on the subject reaches a sudden climax when it ends up with a vigorous plea for increasing the size of the Fund's resources. Two important reasons have been advanced in support of the case for augmenting the Fund's gold and dollar holdings. First, as the fire brigade in the sphere of world trade and finance, the I.M.F. must always be kept in good strength, so that it may be ever prepared to meet diverse contingencies, many of which cannot be clearly defined in advance. While writing this chapter of the report, the I.M.F. experts seem to have had the Suez incident very much in their minds. For they have not only taken great pains to show how the Fund saved the pound sterling from cracking under the pressure of Britain's Suez adventure, and thereby rescued the whole Sterling Area from a serious breakdown but also clearly said in one place: "It may, perhaps, seem trite to remark that general political developments will be of decisive importance and not only to the extent that a major war is avoided. But the world will never be altogether calm, and periods of financial tension will recur. It is, therefore, wise always to have available safeguards of a financial character." While not minimising the validity of the argument, one will express the hope that the existence of this fire brigade in the financial world will not encourage the starting of political fires similar to the Suez or the continuance of such fires as the one in Algeria. The second reason for raising the resources of the I.M.F. is that, in view of the large loans given to Britain and France and, on a smaller scale, to India and others in the past two years, the balance of gold, U.S. dollars, Canadian dollars and deutsche mark available with the I.M.F. has shrunk, being no more than $1.7 billion. As against this, the unutilised drawing rights of its members—excluding the U.S., Canada, Germany and China, who may not need the funds of the I.M.F.—are of the order of $2.5 billion as of last June. While it is not possible to say what part of this will be utilised, it may be noted that the gross drawings in 1956-57 alone were $1.8 billion in all. It is thus apparent that the Fund has no longer any great margin left to grant full financial assistance to its members.

It is not known to what extent the Fund's resources will be increased. President Eisenhower has not indicated the scale of the increase, but the Canadian Prime Minister, Mr. Diefenbaker, recently proposed an all-round increase of 50 per cent. in quotas. Some doubt whether the U.S. will agree to go that far, because, as the largest quota holder, it will have to pay to the Fund no less than $1,375 million. But, whatever be the increase, the U.K. will be the largest beneficiary, for its quota is the second largest. If the primary object of raising the funds at the disposal of the I.M.F. is to be fully achieved, namely, expansion in world trade, the U.K. must be willing to assume greater risk than it has been inclined to do so far by providing larger credit to the needy members of the Sterling Area.

NO FINALITY ABOUT SECOND PLAN YET

THE acrimonious tone of the speeches in Parliament made in the course of the debate on the second Five-year Plan is an index of the popular reaction to the way things have been allowed to drift on the economic front. In one sense, the Government asked for such criticism, when it promised more than it knew it could fulfil. Indeed, more than one Treasury spokesman have gone on record with the view that the Plan erred on the side of overestimate. It is true that they have invariably qualified their statements with the remark that the Plan was the minimum which a country with a responsibility towards the less privileged sections should undertake. In any case, if the Plan has encountered obstacles in its path, its authors cannot plead ignorance nor even that they had not been warned. This, however, does not mean that all the Government's critics were entirely in the right. For so strong and deep-rooted are the leftist prejudices in the country that many of the Government's detractors have not hesitated to make political capital out of the economic setback which they attributed to India's association with the free world. The fact is that there is a case for strengthening this association and none whatever for snapping it. There is apparently insufficient recognition in this country of the role which the West has played in lifting our economy out of the morass in which it might otherwise have remained stuck. Strange are the distortions of truth produced by ideological passions.

Public dismay over the continuous revision of the Plan has, if anything, been deepened by the consistent failure of the Government to explain in what precise manner even the attenuated Plan will be accomplished. The Government's preoccupation with monetary targets and its unwillingness to let the country face the realities of the resources position are largely to blame for the apparent confusion which surrounds the Plan. The latest document, *Reappraisal of the Second Five-year Plan*, issued by the Planning Commission, is not as convincing a document as its forerunner, *Appraisal and Prospects of the Second Five-year Plan*. This must, at least partly, be attributed to the fact that the Government has been unable to estimate the resources position with a fair degree of accuracy. It is also partly due to the fact that, since the Commission issued its last report, the National Development Council, together with the various Ministries of the Government, have merrily claimed larger allocations. The result is that one is left with the impression that the "core" of the Plan is an uncertain entity, whether in monetary or physical terms, and that the only certainty about it is that it is bulging and will continue to bulge in all inconvenient directions. The Government has allowed itself to be caught between its own ambitious Ministries and the not-so-dynamic resources. It would be a near miracle if it extricated itself without further serious damage to the economy. Whether this damage takes the shape of additional doses of deficit financing or serious curtailment of the Plan, delayed till it becomes inevitable, the authorities must be prepared to face the political consequences of their economic policy. Even now, it is not too late to avert the painful drift by taking firm and realistic decisions in relation to both the size of the Plan and the no less important matter of agricultural and industrial policies.

Although the country is in the third year of the second Plan, no clear picture is available of the gap between the resources in sight and the outlay on the Plan. Since the efforts for obtaining foreign aid have borne fruit, it may be generally assumed that foreign exchange resources will be available at least for meeting the requirements of the more important projects in the Plan. The essence of the problem now is internal resources. In May last, when the Commission published its report on appraisal of the Plan, it was stated that, on the basis of the performance in the first three years of the Plan, the overall resources over the five-year period 1956-61 would amount to Rs. 4,260 crores and that the gap between available resources and the Rs. 4,500-crore outlay was thus of the order of Rs. 240 crores. The Commission suggested that the gap should be bridged by additional taxation Rs. 100 crores (Rs. 40 crores at the Centre and Rs. 60 crores in the States), loans and small savings Rs. 60 crores and economies in expenditure Rs. 80 crores. It would now appear that the gap might turn out to be larger than was orginally anticipated. This is because the National Development Council, which met in May after the Commission's report on appraisal of the Plan was prepared, has made certain additions to the Plan. The allotments for central schemes have thus increased from Rs. 2,452 crores to Rs. 2,581 crores or by Rs. 129 crores. Besides this increase, there are stated to be a few other proposals which have still to be considered. It is now believed that the additional outlay at the Centre would be of the order of Rs. 150 crores. The Commission observes that, if the outlay on State Plans were maintained at the anticipated level of Rs. 2,048 crores and the additional allotments, now suggested for the central schemes, were made, even Part A of the Plan might involve an expenditure of the order of Rs. 4,650 crores. It may be mentioned here that, in terms of the nomenclature, adopted by the National Development Council, Part A of the Plan, involving a total outlay of Rs. 4,500 crores, would include "core" projects, projects and programmes directly related to agricultural production and projects which had reached an advanced stage and other inescapable schemes; the remaining schemes, with a total outlay of Rs. 300 crores were to be included in Part B of the Plan and taken up to the extent to which additional resources become available.

What is now suggested is that the cost of even Part A of the Plan might swell to Rs. 4,650 crores, provided the State Plans are not allowed to be augmented by additional allotments. The Commission, in its latest report on reappraisal of the Plan, has reached the conclusion that, "on an overall view, having regard to possible shortfalls in expenditure and changes in estimates under individual heads," the gap in financial resources may be of the order of Rs. 300 to Rs. 350 crores, rather than of Rs. 240 crores mentioned in its earlier report on appraisal of the Plan. With each exercise in appraisal, the gap threatens to widen. And yet, there is no clear indication as to how the gap is sought to be bridged. The Commission has suggested that the States should raise an additional Rs. 140 crores, consisting of Rs. 60 crores of additional taxation, Rs. 50 crores under loans and small savings and Rs. 30 crores under economies in non-Plan expenditure. Apparently, the rest of the gap is to be covered by the Centre. In this connection, the Commission finds much comfort in the recent trends in Government borrowings (Central and State Governments) which have aggregated Rs. 225 crores this year, as against the earlier estimate of Rs. 137 crores.

The impact of the shortfall in resources and the failure to adopt right policies are bound to be felt in both agricultural and industrial spheres. It is now estimated that the total increase in production potential in agriculture in the three-year period 1956-59 may be less than one-half of the target for the Plan period. The Commission has rightly laid stress on the importance of implementing agricultural programmes with the "highest sense of urgency at every level of national life." In the sphere of irrigation, large and medium projects are likely to provide additional irrigation to 10.4 million acres, as against the target of 12 million acres. The total achievement in power may be of the order of 3 million kw. or 0.5 million less than the additional capacity envisaged in the Plan. Generally speaking, about 70 to 75 per cent. of the targets set for industries and minerals may be achieved. To take the private sector alone, the Plan had envisaged a total investment of Rs. 685 crores for industries, consisting of Rs. 535 crores of new investment and Rs. 150 crores of replacements. This estimate had to be raised upwards by Rs. 155 crores. But actual achievement is likely to be Rs. 575 crores (new investment Rs. 475 crores and modernisation and replacement Rs. 100 crores) or a shortfall of Rs. 110 crores, as compared with the original target of Rs. 685 crores.

In the light of the discussion in Parliament, it should be clear to the Government that what public opinion demands most is that attempts must be made to present firm estimates of resources and outlay, the revenue from additional tax efforts should not be dissipated in non-Plan schemes and all thinking should be oriented in terms of physical, as distinguished from monetary, targets determined by the availability of resources. Above all, constant scrutiny of Governmental expenditure, as a whole, is called for. The fact that four committees have been able to show savings to the tune of Rs. 1 crore in the Union Finance Ministry is a pointer to what can be achieved through continuous and earnest endeavour. The creation of resources for investment calls for austerity as much in Government's non-productive expenditure as in that of the average citizen.

SHARES AND GILT-EDGEDS HESITANT

TELCO—SUGAR—COFFEE—TIN

THURSDAY, 5 P.M.

THE bullish phase in equities and Gilt-edged securities alike is less bright than it was a fortnight ago. In shares, there seems to have been more profit-taking than fresh buying by speculators. This is only as it should be, for the rise has been rather steep and almost continuous. The markets would be healthy, if they digest the recent gains before making fresh advance. Moreover, this has been a settlement week, and most of the profit-taking may be of a pre-settlement nature. There is, however, no change in the undertone of the markets or in their sentiment. Basically, they are still bullish. In fact, not many operators have the courage to go short. What deters them from doing so is the unwillingness on the part of investors to book the profit by selling their holdings. From the point of view of yields and the unsatisfactory working of some of the major industries, several scrips appear to have moved well above their intrinsic merits. Nonetheless, many prefer to stick to their holdings in the expectation that the Government would give some relief in direct taxation in the next budget. The easy money conditions, as evidenced by the fall in short-term interest rates in recent months, the lack of scope for importers to reinvest their sale proceeds in their business on account of drastic restrictions on fresh imports, and the enormous profit made by dealers in imported articles, as well as in indigenous goods, that are in short supply, are also contributory factors.

MARKET GOSSIP

Again, in recent months, the bulls have been receiving payment in almost every settlement. This has put more pep into them. According to reliable sources, the volume of options in the leading counters has greatly increased. This apparently explains why the fluctuation in them has been narrow, though thousands of shares are reported to have been bought and sold. Options are, of course, illegal, but only on paper.

Although the Government has given no relief in direct taxation, the recent change in its policy in regard to the issue of new shares at a premium has served as a great stimulant. There is a strong impression in market circles that, henceforth, the Government will not insist upon issue of new shares at a premium, even if the company proposing such an issue is old, well-established, with plenty of reserves to its credit and with its existing shares quoting on the stock exchange several times their face value. This impression is based on the Government's decision on some of the recent applications for new issues. Further, at the annual meeting of the T.I.S.Co. last week, the Chairman confidently asserted that the proposed issue of new equity capital would only be at par. From this, market circles have inferred that he would not have spoken in such a categorical fashion unless he was sure of the change in the Government's policy.

Now that issue of bonus shares has become unpopular with company managements on account of the prohibitive tax of 30 per cent. on capitalisation of reserves, markets are hoping that the existing companies would issue new capital at par to cover the cost of their expansion and modernisation programmes, rather than borrow money from banks or through debentures. It is needless to add that such new issues at par have an element of bonus in them. This hope or desire on the part of investors is in refreshing contrast to the position a year or 18 months ago when the mere mention of the possibility of a company issuing new capital used to depress the value of that company's shares. Indeed, this writer was amazed at the enthusiasm with which shareholder after shareholder spoke at the annual meeting of the T.I.S.Co. last week in favour of additional equity capital. Again, at the annual meeting of Telco yesterday, some shareholders wanted the Company to raise more additional capital than the sum proposed by the Directors. It is hard to explain whether this change in the attitude of investors is based on a genuine increase in savings or reflects a return of confidence among them. It could be due to both. It may also be due to an improvement in the profit-making capacity of these two companies, in particular, and a few others placed in a similar situation, as, for instance, the Indian Iron and Steel Co., Ltd.

Recently, the Century Mills issued a small amount of new capital at par. This gave rise to expectations in certain circles that the Bombay Dyeing, too, would follow suit. What gave credence to them was the knowledge that the Company needed more working capital to finance the larger volume of stocks and the installation of automatic equipment. But these expectations have turned out to be mere wishful thinking. At an extraordinary general meeting of the Company held yesterday, Mr. Neville N. Wadia denied that the Directors were considering issue of new capital. He also made it clear that there would be no issue of bonus shares, in view of the heavy taxation on such issues. He said that the Company would find its requirements of additional finance through borrowings. Knowledgeable circles feel that those who are hoping that the Company would pay a higher dividend for 1958 are in for disappointment later.

The Gilt-edged securities are dull and quiet, though the short-term money market continues to be easy. The banks are not interested in taking up more. Evidently, with a slackening in the tempo of growth of deposits, they want to wait and see how the demand for money would develop in the coming busy season. Some of them feel that, if the present forecasts of bigger agricultural crops prove correct, there would be good demand for their funds. If the demand, however, turns out to be slack, they may go in for securities again, as they did in December last. Further, by raising its selling prices and bringing down the yield, the Reserve Bank has substantially reduced the incentives which the banks had earlier to take up Government loans. The Life Insurance Corporation has bought about a couple of crores worth of Central and State Loans. But for this deal the market would have been lifeless.

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To the shareholders of the Tata Locomotive and Engineering Company, Ltd. (Telco), their Chairman, Mr. J. R. D. Tata, had some encouraging news to give when he addressed their annual meeting yesterday. For one thing, he expressed the hope that it should be possible to maintain the present dividend on increased capital. The Company's capital, as was indicated in its annual report for the year ended March 1958, is to be raised by Rs. 3 crores through the issue of 300,000 new ordinary shares of Rs. 100 each, which will rank *pari passu* with the existing 500,000 ordinary shares of Rs. 100 each. The Company hopes to collect the entire new capital before the end of the year, thanks to the existence of easy money conditions. The Chairman has made it clear to the shareholders that the entire subscription to the new shares would have to be paid at one stroke along with the application. If the Directors maintained the dividend on the enhanced capital, it would certainly be a creditable achievement, considering that the dividend has been stepped up to 9 per cent. for 1957-58, as compared with 8 per cent. for the previous year. From this, it should be clear that the management takes an optimistic view of the future earnings position of the Company.

It is true that there is one uncertain factor, namely, the issue of locomotive prices. Although the expansion programme for locomotives has been completed ahead of schedule and production is being maintained at an annual rate of 100 locomotives, no agreement could be reached with the Government over the issue of the prices to be charged by the Company. The dispute between the Company and the Government has been referred to arbitration. While it is to be hoped that the results of this arbitration would be favourable to the Company, a fact which deserves mention is that Telco's profits for the year 1957-58 were wholly accounted for by the operation of the Automobile Division. The prospects of the Company are thus intimately bound up with the progress of its automobile section. It would appear that progress in this division has been "most satisfactory." The phased programme of indigenous manufacture has not only been maintained but exceeded; the final stage of the Company's programme of manufacture should be completed according to plan by end of October 1959. Referring to the working of this division, Mr. Tata said: "We have not only invested in the most modern plant and highly specialised machine tools but we have built up a team of engineers and workers to use the equipment to the best advantage. We have made sure that our processes and techniques will be equal to the best found in the most modern factories abroad and that the production of our labour will be high." The quality of the products turned out by the Company's Foundry Division, as the Directors pointed out in their annual report, has been "upto the highest international standard." It must be heartening to many a shareholder to know that, far from resting on its oars, the management is constantly thinking in terms of newer lines of production. Mr. Tata revealed, in reply to a question at the annual meeting, that the Company's scheme for the manufacture of paper and pulp machinery, in collaboration with a Swedish firm, now awaited the Government's sanction.

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Although the share markets might think very highly of the present trend of industrial profits, at least two industries do not appear to share that optimism. These are the paper and sugar industries. The Government has referred the claims of these industries for a fair ex-factory price to the Tariff Commission for investigation. There might be some justification for asking the Commission to deal with the paper mills' claim, but none whatever so far as the sugar industry is concerned. In saying this, we do not mean that the industry's case for a higher price is unjustified. What we mean is that there is no need for controlling the price of sugar at all. The rise in the price of this commodity has by no means been so large as to warrant Government intervention. In fact, it would appear that, in recent months, the price of *gur*, a commodity consumed more by the poor people than by the rich, has gone up to a much greater extent than white sugar. And yet it has not roused the ire of either the Government or Parliament. The Government of India first made the mistake of arbitrarily fixing ex-factory price for the factories in North India, for no other reason than that some of them sold their production at one or two per cent. above the price agreed to between the Government and the Committee of the Indian Sugar Mill's' Association. Some of the mills affected by this measure complained that the ex-factory price chosen by the Government was uneconomic to them. At the same time, several Members of Parliament also complained that the Government had allowed the sugar industry to profiteer. A few of them even demanded that the question of fair price to the mills should be examined by the Tariff Commission, to which the Food Minister, Mr. A. P. Jain, readily agreed. Perhaps, but for this incident in Parliament, the Government and the industry could have amicably settled the issue. There would have been no necessity for all this bother had not the Government and Parliament been supersensitive to even small increases in the price of white sugar.

On the Government's own admission, not all the sugar mills had broken the gentleman's agreement over the ex-factory prices. In fact, the Government had confined the control on ex-mill prices only to North India. The mills in Bombay, Andhra, Madras and other parts of South India were not brought under the Price Control Order, as they had played the game. Now, they, too, have been subjected to the scrutiny of the Tariff Commission. None knows what will be the outcome of this examination. Will the Commission fix a uniform ex-factory price, or differential prices, as it has done in the case of the cement industry? If the latter, it may mean that the more efficient sugar mills in the Deccan and the South may be penalised in favour of the less economic units in the North. It may also conceivably lead to pooling of the production of the entire industry and to controlled distribution by a centralised organisation. Anyway, the outlook for the sugar mills, particularly for those in the Deccan and the South, has been clouded by this latest development.

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The Expert Committee on Coffee Marketing set up by the Government of India last month is expected to submit its report in February next. This was disclosed at a Press conference which the Committee held in Bangalore the other day. The Committee is presided over by Mr. A. N. Sattanathan and consists of Messrs. R. Radcliffe, R. Ramaswami and G. S. Sreenivasan, Chief Coffee Marketing Officer, as Member-Secretary. The Committee, we are told, has already issued a questionnaire, covering subjects like coffee curing and marketing, pool sales, promotion of coffee consumption in North India, expansion of exports to existing markets and opening up of new markets in East European countries, and methods of publicity and propaganda. It is in the light of the replies furnished by the different interests concerned to the questionnaire and on the basis of evidence collected in the course of its discussions, with the different parties, and results of its observation of pool auction sales and visits to coffee producing and curing centres that the Committee will formulate its recommendations on improving or changing the marketing system now adopted, in order to suit the present-day requirements.

The findings of the Committee and the decision that the Government will take thereon will be of far-reaching importance to the future of the coffee industry in India. The industry, as is well known, is expanding steadily. The pace of expansion has been particularly quick in the past seven years. The coffee crop actually harvested in the 1957-58 season (ended July 1958) is estimated at as high as 43,335 tons, which is more than double that (namely, about 20,475 tons) harvested in 1950-51. It is possible, according to a member of the Committee, to augment the production of coffee to 100,000 tons in the next 15 years with the existing pattern of holdings. About 80 per cent. of this output may be expected to be of high quality and, of this, nearly a half can be exported "with great advantage and without in any way causing hardship to the internal market."

The need for expanding and developing the coffee industry is all the greater, considering that coffee is a very good earner of foreign exchange. During the calendar year 1957, for instance, the 13,400 tons of coffee exported fetched a total foreign exchange of Rs. 7.73 crores. Indian coffee commands a quality preference in some foreign markets. Alluding to this, Mr. Sattanathan stated that the Committee proposed to explore how best such a reputation could be exploited with a view to enlarging exports and obtaining a better price for the coffee abroad. It is needless to emphasise that, though India produces some of the best coffee in the world, a part of it can be exported with great advantage to the country only if the quality of coffee offered in the world market compares favourably with that offered by the Latin American countries. To the extent the quality of coffee grown is improved, the competitive capacity will be higher and better prices can be realised. It is common knowledge that coffee is being sold abroad at prices considerably higher than those realised in internal sales and this is helping to keep internal prices slightly lower. But it is problematical whether this happy position will continue for ever, what with a large surplus of coffee in the world and the pressure of inflation within the country.

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The most exciting development in the non-ferrous metals world has been the virtual breakdown of the International Tin Agreement. On Thursday last, the Buffer Stock Manager of the Tin Council withdrew his support from the market and, soon, the London tin market experienced a heavy landslide in prices. Cash tin (spot) collapsed from the floor level of £730 per ton to as low as £640, the lowest level for the past five years. Although the price has since recovered appreciably to £707½ (Tuesday the 23rd inst.), conditions in the market continued to be weak and nervous.

The withdrawal of support by the Buffer Stock Manager was, of course, not altogether unexpected. For some time now, there had been a widespread feeling that the resources of the Manager

(*Continued on page 543*)

SHARE MARKET QUIETLY STEADY

TEXTILES ENCOUNTER SELLING

(From Our Own Correspondents)

BOMBAY, *25th September*

BARRING steels, electricity and bank shares, which remained steady, the Stock Exchange presented a slightly easy trend during the week under review, in contrast to the firm undertone noted in the past two weeks. The bull operators were inclined to lighten their commitments at higher levels, thanks to deterioration in the Far Eastern situation. Fresh buying support was conspicuous by its absence. For operators preferred to await the possible changes that may be effected in the Government of India's economic policy after the return of the Finance Minister from Canada. The replies given by the Home and Planning Ministers in Parliament to the debate on the second Five-year Plan failed to give any indication of the future of taxation policy. An important statement of Mr. Gulzarilal Nanda which the market noted was that measures were being taken to check the rise in prices which was a danger to the Plan and the stability of the economy. Even reports that the Life Insurance Corporation (L.I.C.) had bought equities in sizable lots failed to have any significant bullish effect.

In particular, textiles were depressed. There was unloading by bulls on fears that the results of many cotton mills for the current year might show sizable losses or a sharp fall in profit. Cement shares came in for selling due to adverse reports of overproduction in A.C.C. plants. Sugar shares were weak on scattered profit-taking operations. Mining and engineering shares were subdued in the absence of any encouraging development. Steels, however, ruled steady, apparently because of the bright outlook held for the T.I.S.Co. by the Chairman at the annual meeting of the Company held in Bombay on Thursday last. There was heavy profit-taking by those speculators who had bought Tata Steels earlier in anticipation of this development, but it was easily absorbed and the fluctuation in values was narrow. It would appear that there is still a large bull interest in this scrip. Electricity shares were firm on buying by the L.I.C. and bank shares ruled steady.

Tata Ordinaries opened the week firm at Rs. 188.25, as against Rs. 186.25 last week-end, and advanced on encouraging outlook to Rs. 189.75 yesterday. Thereafter, profit-taking set in and the quotation slided down to Rs. 187 today. The net gain over the week was 75 nP. The new shares recorded a rise of Re. 1 to Rs. 182.50. Indian Irons improved from Rs. 25.95 to Rs. 26.25 on Saturday and, after declining to Rs. 25.85 today, they recovered to close at Rs. 26.

Several textiles scrips suffered losses. New Greats fell by Rs. 10 to Rs. 220. Svadeshis dropped Rs. 9.50 to Rs. 195. Standards receded by Rs. 8 to Rs. 424. Finlays and Khataus slipped down by Rs. 5 each to Rs. 290 and Rs. 182.50, respectively. Centurys declined by Rs. 3.50 to Rs. 464.50. Bombay Dyeings retreated from Rs. 63.50 to Rs. 61.40 on rumours of debenture issue and the denial of the Chairman, Mr. Neville Wadia, of the report that the Company was contemplating issue of new shares at par. Central Indias eased by Rs. 2 to Rs. 95. Gokaks lost a like amount to Rs. 150. Kohinoors and Shree Niwas shed Re. 1.50 each, the former to Rs. 281.50 and the latter to Rs. 151.50. Models, however, met with special buying support and rallied Rs. 7.50 to Rs. 175. Morarjis were also well favoured, the quotation spurting by Rs. 6 to Rs. 252. Tata Mills gathered 50 nP to Rs. 39.

The banking section was quite active with prices tending to move up. Jaipurs advanced by Rs. 3.75 to Rs. 43.50. United Commercials increased by Rs. 3 to Rs. 68. Barodas put on Rs. 2 to Rs 123. Bank of Indias hardened by Re. 1.75 to Rs. 138.25, 'A' shares gaining Re. 1.25 to Rs. 139.75. Central Banks strengthened by Re. 1.30 to Rs. 58.50 and 'A' shares by Re. 1.50 to Rs. 60.50. Union Banks gathered 12 nP to Rs. 7.40. Punjab Nationals, however, eased by 50 nP to Rs. 65 for lack of follow-up support.

Among electricity shares, Tata Powers strengthened by Rs. 25 to Rs. 1,245. Andhra Valleys rose by Rs. 6.25 to Rs. 1,172.50. Tata Hydros improved by Rs. 2.50 to Rs. 124. Surat Electrics gained 50 nP to Rs. 116 and Amalgamateds 8 nP to Rs. 11.04. Ahmedabad Electrics were fully maintained at Rs. 99, as also Poona Electrics at Rs. 120, Bombay Suburbans at Rs. 113 and Broachs at Rs. 7.48.

Sugar shares suffered a setback. Belapurs opened the week at Rs. 319.50, as against Rs. 319, and, after moving up to Rs. 324 on Saturday, slided down thereafter to touch Rs. 314 today. Towards the close, however, the rate was better at Rs. 315. The net loss over the week was Rs. 4. Walchandnagars dropped Rs. 3.75 to Rs. 291.25. Phaltans receded by Rs. 2 to Rs. 182. Bhopals, on the other hand, had buyers 65 nP higher at Rs. 26.80.

Among cement shares, Associated Cements fell by Rs. 3 to Rs. 160.50. Digvijays receded by Re. 1.50 to Rs. 151. Jaipur Udyogs declined by 52 nP to Rs. 14.16. Orissa Cements shed 28 nP to Rs. 12.64. Dalmias lost 4 nP to Rs. 10.08.

In the engineering and mining group, Premier Constructions were subjected to heavy selling and were pushed down by Rs. 9 to Rs. 233. Shivrajpurs decreased by Rs. 3.50 to Rs. 91. Indian Coppers shed 6 nP to Rs. 4.08. Tata Locomotives, however, evoked renewed buying support and hardened by Rs. 4.75 to Rs. 205; at one time today, they were as high as Rs. 208.50. Alcock Ashdowns were well supported at Rs. 277.50, as against Rs. 268.75 last week-end. Voltas picked up Rs. 4.50 to Rs. 141.50. Mahindras put on 80 nP to Rs. 17. Larsen and Toubros gathered 36 nP to Rs. 16.20.

Shipping shares lacked enquiries. Scindias moved down by 84 nP to Rs. 21.92. Great Easterns were quiet at Rs. 26.85. India Steamships were done at Rs. 14, as against Rs. 13.90.

Automobile shares came in for selling and suffered a decline in prices. Premiers fell by Rs. 2.50 to Rs. 92. Hindustan Motors receded by 24 nP to Rs. 8.04, after moving up to Rs. 8.28.

A sharp fall of Rs. 15 to Rs. 508 in the quotation for Bombay Burmahs was noted in the miscellaneous section this week. Wimcos were taken down by Rs. 7 to Rs. 196. National Rayons dropped Rs. 5.25 to Rs. 243.75. Tata Oils retreated from Rs. 43 to Rs. 40.75. B.B. Petrols shed 14 nP to Rs. 2.20. Gwalior Rayons, however, rose by 88 nP to Rs. 15.12 on reports that the prospects of the Company raising its production to 60 tons per day were bright. Killick Industries were also fancied and finished 50 nP higher at Rs. 150.

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Calcutta Stock Exchange

CALCUTTA, *24th September*

Encouraging advices from Bombay closely on the heels of Mr. J. R. D. Tata's stimulating address to the shareholders of the Tata Iron and Steel Company, Ltd., indications that Tisco would issue fresh capital at par and not at a premium as hithertofore, and the outstanding success of the *debenture issue of Guest, Keen,* Williams (this was four times oversubscribed and the unofficial quotation is 3 per cent. higher) released buying activity to a marked degree on the Calcutta Stock Exchange during the week under review. Profit-taking, however, was intermittent, and this process contributed towards stabilisation of prices at each stage of the upward trend. For a time, activity was dull—this was so on Monday—as, following the discussion on the Plan in the Lok Sabha wherein it was indicated that extra expenditure depended on raising of funds, fears of additional taxation were entertained. But these fears did not last long, as market circles were prone to put their faith on Mr. Morarji Desai, who declared, while addressing the Foreign Policy Association in New York recently, that India was determined to achieve the right political and economic atmosphere to attract foreign capital. In this context, Mr. Desai's return was looked *forward to with great interest,* as his speech could be considered as one of essentially a policy only after concrete action followed. Such action was nothing other than to pursue a more realistic taxation policy.

Keen enthusiasm was shown to coal shares. Unions were an attractive feature, with the rise in quotation to Rs. 15.25 from Rs. 14.50 previously, following a *dividend of 3½ per cent. for 1957,* as against *nil* in the previous year. Bengals elicited good support and, at Rs. 292, added Rs. 15 before closing at Rs. 290. Amalgamateds were lifted up from Rs. 20.81 to Rs. 21 on interested support, while Equitables after gaining from Rs. 28.25 to Rs. 28.87 closed at Rs. 28.75. On the other hand, Pench Valleys fractionally lost to Rs. 24.25, as did Kalpaharis to Rs. 22.12.

Jutes continued to be in the forefront and the more popular counters added further gains. Aucklands moved up by Rs. 6 to Rs. 126 and Howrahs by 56 nP to Rs. 20.68. Kinnisons rallied Rs. 7.50 to Rs. 170. Birlas hardened from Rs. 19.90 to Rs. 20.75. Ganges at Rs. 67 added Rs. 2.25. Indias at Rs. 171 were fully steady, as were Belvederes at Rs. 128. Orients at Rs. 131 were better by one point. Keen interest raised Deltas from Rs. 138 to Rs. 143. Megnas were unchanged at Rs. 154 and Kamarhatties invited business at Rs. 141.

In minings, Indian Coppers were higher at Rs. 3.93 earlier, but gave way to Rs. 3.80. Likewise, in cements, Sone Valleys were fully steady early at Rs. 6.37 but subsequently receded to Rs. 6.12. Papers were subjected to profit-taking, with Orients falling from Rs. 34.90 to Rs. 34.60. Titaghurs had risen from Rs. 42.50 to Rs. 42.75 before closing at Rs. 42.25.

In the engineering section, Indian Irons opened at Rs. 25.90 and, after an irregular trend, hardened to Rs. 26.13 towards the week-end. On Monday, there was profit-taking to take the rate down to Rs. 25.68, but, since then, the upward trend again prevailed to push the quotation up to Rs. 25.95. Texmacos, after giving way to Rs. 22.95, regained to Rs. 23.10, while Jessop & Cos. at Rs. 24.00 recorded a smart rise.

Anxiety relating to disposal of common teas was duly reflected in the tea section, where interest shown was niggardly. Bishnauths declined from Rs. 21.37 to Rs. 20.75, while Hasimaras were unchanged at Rs. 20.25.

Miscellaneous industrials were steady. Dunlop Rubbers were fractionally better at Rs. 28.25. Hindusthan Motors realised Rs. 8.12, as against Rs. 8.00 previously. National Cables had buyers at the unchanged rate of Rs. 32. Martin Burns were fractionally higher at Rs. 28.00. Indian Aluminiums changed hands at Rs. 16.44, as against Rs. 16.31 earlier. Jardine Hendersons at Rs. 82.50 gained 50 nP, while India Steamships eased from Rs. 14.06 to Rs. 13.85.

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Madras Stock Exchange

MADRAS, *23rd September*

A firm trend was in evidence on the Madras Stock Exchange during the week under review. Operators appeared to take an optimistic view regarding the prospects for industries, especially those earning foreign exchange, thanks to the increasing stress laid on export promotion by the authorities. There were, besides, reports that the Life Insurance Corporation was contemplating to make sizable purchases of shares. Consequently, buying support ensued and equity values gained. If the gains were not quite handsome, it was because of profit-taking at bulge. The observations made by the Minister for Planning while replying to the debate on the second Five-year Plan in Parliament yesterday had no effect on the market. Plantation shares elicited renewed support. Tea shares were particularly well fancied, following the rising tendency in prices of both common and high-grown teas. Coffee and rubber shares also attracted attention on hopes of better export business. Textiles, bank and sugar shares, and miscellaneous industrials were also in good form.

Among tea shares in the planting section, Coonoor Teas picked up a rupee to Rs. 25. Devasholas firmed up by 75 nP to Rs. 20.75. Halleyburias strengthened by 40 nP to Rs. 16.50. Parksides advanced by 25 nP to Rs. 21.12. Twyfords put on 30 nP to Rs. 14.60. Chandramalais were quoted 13 nP higher at Rs. 3.58. Talayars and Nilgiris increased by 10 nP each to Rs. 9.60 and Rs. 7.90, respectively. Kil Kotagiris gathered 5 nP to Rs. 6.30 and Neelamalais 2 nP to Rs. 4.87. Peermades were fully maintained at Rs. 21.50 *cum-div.*, as also Woodcotes at Re. 1.50 and Woodlands at Rs. 8.62. Blue Mountains, however, lost 4 nP to Rs. 3.72. Periakaramalais were fractionally lower at Rs. 4.23.

Among coffee shares, Kumergodes and Consolidated Coffees rose by 10 nP each, the former to Rs. 7.50 and the latter to Rs. 29.10. Ouchterlonys were better by 3 nP at Rs. 5.45. Rajendras rallied 65 nP to Rs. 13.25. Balmadies were firm at Rs. 3.70 *ex-div.*, as against Rs. 3.50 *cum-div.* last week.

Among rubber shares, Teekoys were marked up by 60 nP to Rs. 7.10. Travancore Rubbers and Rajagiris hardened by 10 nP each to Rs. 16.25 and Rs. 18.85, respectively. Kallas gained 3 nP to Rs. 5.08. Cochin Malabars added 2 nP to Rs. 5.57. Nellithanams were firm at Rs. 13; also Thirumbadis at Re. 1.76. Vaikundams, on the other hand, shed 25 nP to Rs. 26. T.R. & Ts eased by 10 nP to Rs. 7.80.

In the textile group, Radhakrishnas provided the brightest spot and forged ahead by Rs. 10 to Rs. 140. Coimbatore Pioneers rallied Rs. 9 to Rs. 252. Coimbatore Spinnings strengthened by Rs. 3 to Rs. 45. Cannanores advanced by a rupee to Rs. 138. Rajalakshmis gained 50 nP to Rs. 65. Cambodias put on 10 nP to Rs. 9.40. Bangalore Woollens were firm at Rs. 167. Buckinghams at Rs. 180, Dhanalakshmis at Rs. 172, Metturs at Rs. 344 and Ranga Vilas at Rs. 57. Janardanas, however, declined by Rs. 4 to Rs. 66. Loyals receded by 50 nP to Rs. 33.50.

Among sugar shares, Kirlampudis jumped up by Rs. 2 to Rs. 52. Cauverys advanced by a rupee to Rs. 96. E.I.Ds improved by 75 nP to Rs. 29.50. Deccans put on 42 nP to Rs. 9.67. Travancores rose by 20 nP to Rs. 11.55. Indias strengthened by 15 nP to Rs. 12.65.

Among miscellaneous industrials, Aluminium Industries attracted good attention of operators and spurted by Re. 1.10 to Rs. 19.45. Singarenis advanced by 50 nP to Rs. 16.75. Indian Steel Rollings and India Cements increased by 25 nP each to Rs. 14.75 and Rs. 30.75, respectively. Mysore Chemical and Fertilisers rose by 16 nP to Rs. 8.06. Mettur Chemicals gathered 10 nP to Rs. 11.60. F.A.C.Ts put on 9 nP to Rs. 6.97. Spencers were fully maintained at Rs. 18.85.

MAHINDRA AND MAHINDRA LTD.

The application lists for the issue of 770,000 ordinary shares of Rs. 10 each and 33,000 preference shares of Rs. 100 each, offered by the above Company to its existing shareholders on 16th August 1958, closed on the 15th inst. The Company says that the issue has been oversubscribed.

Car exports from Germany are still booming, with the total for the January-August period touching 465,999 units, representing a rise of 27.9 per cent. as compared with the corresponding period last year. The total production in the same period was 959,155 units, as against 779,122 in January-August 1957 or an increase of 23.1 per cent.

NEWS IN BRIEF

THE question of determining fair ex-works prices and selling prices for the different varieties of paper other than paper-board manufactured in the country has now been referred to the Tariff Commission.

The percentage of imported components in refrigerators manufactured in India is 37 and the sale price of an 8.5 cubic ft. domestic refrigerator ranges from Rs. 1,775 to Rs. 1,880, according to the Minister for Commerce and Industry.

A uranium plant will be located in Singhbhum District, Bihar, where certain substances used as moderators in a reactor were already found. Bihar, it may be noted, accounts for the exclusive supply of coking coal in India and has rich mineral resources.

The question of the establishment of a Central Indian Medicinal Plants Organisation is under consideration of the Central Government. The main functions of the proposed organisation will be the collection, grading and systemic cultivation of wild-growing medicinal plants in India.

The foreign exchange earned from exports of Indian films during 1957-58 was Rs. 1,13,73,354, while the value of raw cinema film imported in the same period was Rs. 2,01,18,664. The length of exposed cinema films imported in 1957-58 was 16.9 million feet.

No fixed target for export earnings for the current year have been fixed nor can this be fixed, according to Mr. Nityanand Kanungo. The Government is, however, endeavouring to help exporters first to arrest the fall in the export earnings, and along with it to make every effort possible to step up these earnings to the maximum extent compatible with world trends.

The Minister for Commerce, Mr. Nityanand Kanungo, observed in the Lok Sabha that the treaty governing the European Common Market Scheme had already come into operation, but no measures affecting the trade of third countries were known to have been taken so far. Mr. Kanungo said that the question of the effect of the operation of the scheme on India's trade did not arise as yet.

The first training centre for insurance field workers in India was inaugurated at Bombay on the 15th inst., by Mr. P. A. Gopalkrishnan, Chairman, Life Insurance Corporation of India. This is the first of the 12 centres to be opened in different parts of the country. Three of these centres are to be located in the Western Zone; the other two will soon be started at Poona and Ahmedabad.

The Union Labour Ministry is considering a proposal to pay bonus (under the Coal Mines Bonus Scheme) on a weekly or monthly basis, instead of on a quarterly basis as at present. The implementation of the proposal, it is said, will encourage better attendance of colliery workers. A study of the pattern of absenteeism among workers, probably confined to Jharia coalfields, will be conducted shortly, with a view to ascertaining the merits of the proposal.

A "floating fair," the first of its kind in India, jointly sponsored by the Indian industrial and commercial community, at a cost of Rs. 18 lakhs, will be arranged on board the ship *Mohammedi*, the 8,130-ton passenger vessel of the Moghul Line. It will start from Bombay in December and will visit various ports in the Persian Gulf, the Red Sea, the East African Coast and Ceylon on a 100-day schedule to show other countries what India could export and what items were manufactured in the country.

For the twin purpose of relieving educated unemployment and expanding primary education, the Government of Bombay has created 1,500 posts of primary teachers during the current year under the second Five-year Plan. The services of these teachers are to be utilised primarily for opening junior basic or primary schools in villages having no such institutions, preference being given to villages in the Community Development Blocks located in backward regions. The Government of India will bear full financial responsibility of the scheme for the first three years of its implementation.

The Government of India, it is reported, proposes to take expeditious action on the recommendation made by a committee, headed by Mr. B. C. Mukherji, regarding the urgency of utilising oil refinery gases in Trombay for the manufacture of nitrogenous fertilisers. The Committee held the view that the Burmah-Shell and Stanvac refinery gases could yield 90,000 tons of nitrogen per annum and that the cost of the indigenous production would be Rs. 820 per ton of nitrogen, as against the landed cost of Rs. 1,440 per ton for the imported product. The cost of a plant with a capacity of 90,000 tons of nitrogen is estimated at about Rs. 24 crores, of which the foreign exchange component is expected to be about 40 per cent.

An eight-man productivity team (leader: Mr. T. R. Gupta), the first to be sponsored by the National Productivity Council, left New Delhi on the 19th inst., on a six-week tour of factories in West Germany, the U.K. and the U.S. The team will study the productivity techniques and processes adopted in these countries. In particular, it will study scientific management, human relations, methods analysis, wage and bonus incentives, plant layout and maintenance, materials handling and product design. On the basis of its study, the team will formulate recommendations as to how the improved techniques and processes adopted in advanced countries can be applied to increase productivity in large, medium and small industries in India. Seven more teams are proposed to be sent later to West European countries and America. The programme is being implemented with financial assistance from the U.S. Technical Co-operation Mission.

The fourteenth annual general meeting of the International Air Transport Association will be inaugurated by Mr. Jawaharlal Nehru, Prime Minister of India, in the *Vigyan Bhavan* at New Delhi on 27th October 1958. This will be the first meeting in Asia of the annual assembly of presidents of the world's scheduled airlines. Sessions will continue through 31st October. More than 350 delegates from the 85 I.A.T.A. member-airlines from approximately 50 countries are expected to attend. There will also be observers from other international organisations and Indian Government agencies. Mr. J. R. D. Tata, Chairman of Air-India International, will take office as President of I.A.T.A. when the meeting opens. He succeeds Dr. Tomas Delgado, President of Iberia Airlines of Spain. Sir William P. Hildred is the Director-General of the Association. The five-day programme will include a comprehensive review of the joint activities of the airlines carried on through I.A.T.A., as well as discussions of the problems of the air transport industry in its first year of jet operations.

The scheme to set up transport co-operative societies has been finalised. This was revealed recently by Mr. Raj Bahadur, Minister of State in the Ministry of Transport and Communications. To start with, it was proposed to introduce a pilot scheme in five States, namely, West Bengal, Bombay, Kerala, Madras and Delhi, under which five co-operative societies, each owning ten vehicles, would operate on intra-city as well as inter-State routes. The actual routes would be selected by the State Governments concerned. The membership of these co-operative societies would be restricted to workers like drivers, mechanics, booking clerks, depot managers, etc., who would be recruited from amongst educated unemployed, the minimum educational qualifications being matriculation. Each society would have 50 members, each member contributing Rs. 1,000 towards the capital of the society. There would be a board of directors headed by the Transport Commissioner of the State concerned, with the Registrar of Co-operative Societies and the officer-in-charge of the Employment Directorate as members. Two more members of the board might be selected from amongst the members of society. The selection of the members of the society would be made by the board. In making the selection preference would be given to those who already knew driving, possessed experience of operating goods vehicles or were mechanics.

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From Abroad

The Japan Atomic Power Company has confirmed its decision to purchase a Calder Hall-type British reactor. The first team of high level technicians from Britain arrived in Japan on the 18th inst. to hold discussions in this connection.

The earnings from tourist expenditure in the U.K. touched a record figure of £181 million in 1957, the highest figure for any country in Europe. The total number of visitors was 1,180,430 which represents a rise of 7 per cent. as compared with 1956. The number is expected to double this figure by 1965.

A new synthetic textile fibre, known as Kodel, has been displayed by the Eastman Kodak Company at New York. The distinct advantages claimed for the fibre are outstanding resistance to wrinkling and mussing, a low specific gravity which will enable it to be used in lighter-than-usual fabrics, and good heat resistance. Kodel is now in limited commercial production.

Sweden has the largest ratio of self-service stores in Europe, according to a survey by Continmart, an international organisation for market consultation. While the average figure for food trade handled by self-service stores in Europe is 10 per cent. of the total turnover, the corresponding figure for Sweden is 20-25 per cent. By 1968, this figure is likely to increase to over 50 per cent.

Italy will not permit the Boeing 707 jet airliner to use Ciampino airport, Rome, as it is feared that, in view of the intense traffic at the airport, the airliner will lower the safety level. A new airport now under construction on the coast near Rome, and expected to be commissioned by next summer, will, however, be capable of receiving the Boeing 707, as well as the Comets when they go into service.

A new Bill has been introduced in the Australian Parliament which ensures to wheat growers a guaranteed price of 14*s.* 6*d.* a bushel on 100 million bushels of wheat exported in the first year of the new five-year stabilisation scheme. For the remaining four years, the price will be adjusted according to movements in costs. The home consumption base price for 1958-59 is placed at 14*s.* 6*d.* a bushel, free on rail, at ports.

The Scandinavian Airlines System's winter schedule, which will come into operation on 1st November, will be 11 per cent. bigger than last year's, with a total transport capacity of 1,500 million passenger kilometres. The fleet of aircraft aggregates 59 units, including the largest number of DC-7C aircraft operated by any airline outside the United States. The winter schedule comprises services to 84 cities in 42 countries.

China emerged as the best customer of Malaya's rubber during the month of August, its actual purchase being 15,469 tons out of the total exports of over 100,000 tons from Malaya. The U.K. (traditionally the leading customer of Malaya's rubber) bought 13,319 tons, Japan 10,301 tons and the U.S. 8,893 tons. In the first eight months of the current year, imports of Malayan rubber into China aggregated 58,902 tons and those by Russia amounted to 17,608 tons.

Ivory from India is helping a British firm, Messrs. H. Harris & Co., in Cornwall, to produce sufficient keys to equip 2,000 pianos each week. Established in 1880, the firm uses between 12 and 16 tons of genuine elephant tusk yearly, most of it from India, and the East African territories including Zanzibar. The tusks are cut with special saws, designed and made by the firm, and the yellow coloured piano and organ keys are then treated with chemicals, and bleached in a large glass house to achieve the beautiful white finish. About 90 per cent. of the ivory keys is exported.

The Argentine Government has accepted the offer of a British syndicate to provide a £50-million loan for the purchase of the U.K. petroleum equipment and other capital goods. The offer is the first major British bid to supply Argentina's big equipment needs. The syndicate comprises Henry Balfour Company, General Electric Company, Mitchell Engineering group, Paterson Engineering Company and William Press and Sons. The repayment of the loan will be at the rate of 5 per cent. when the orders are placed and 15 per cent. when shipping documents become available, the remaining 80 per cent. vary in half-yearly payments spread over five years. Interest of 1 per cent. over the U.K. Bank rate (with a minimum total of 6 per cent.) will be paid on the value of each cargo from the date of shipment.

A tea-growing centre is to be established in the Northern Province of Nyasaland, in the Central African Federation. First steps are already being taken by a London and Blantyre (Nyasaland) company which is clearing 3,200 acres for a tea estate. A report from Salisbury, the federal capital, says that thousands of young trees have been planted in nurseries and these will be ready for planting out when the ground is cleared. Analysis of soil shows that it is favourable for tea. It is expected that the first plucking will take place in 1961 and it will be several years after that before the bushes are fully mature. The scheme is expected to cost anything up to £200,000 and includes the setting up of a factory for processing tea for export.

Consumer prices in the United States dropped by 0.2 per cent. in August for the first time in the last two years. Lower food prices were mainly responsible for this decline, its price index for August having fallen to 123.7—still some 2.2 per cent. above a year ago. A 0.1 per cent. decrease was recorded in clothing cost also. At the same time, Americans were paying 0.6 per cent. more for private transportation, chiefly because of increased prices in used cars and in petrol, about 0.2 per cent. more for housing and 0.3 per cent. more for medical care. The "take-home-pay" of American factory workers, however, remained steady from July to August, with weekly earnings in the latter month ranging slightly above a year ago. Workers with three dependents averaged a weekly "take-home pay" of $75.90, while single workers averaged $68.48. "Take-home-pay" is the amount a worker receives after federal income and social security taxes are deducted.

PERSONAL

MR. S. N. Maitra, Acting High Commissioner for India in Pakistan, left Bombay for Karachi this week.

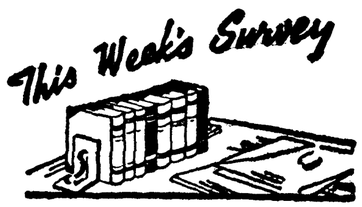
Mr. L. K. Jha, Special Secretary to the Ministry of Commerce and Industry, has been appointed Additional Secretary to the same Ministry.

Mr. M. Telinge has been appointed Permanent Representative of the Comptoir National D'Escompte De Paris, popularly known as the French Bank, at New Delhi.

Mr. George D. Woods, Chairman of the Board of the First Boston Corporation, New York, arrived in Bombay on the 23rd inst. He is on his way to New Delhi to attend the forthcoming annual meetings of the World Bank and the I.M.F.

Mr. Murarji J. Vaidya, President of the Indo-Pan-American Association, left Bombay for London *en route* to the U.S. last week, to attend the eleventh annual conference of the Far East America Council of Commerce and Industry.

Mr. O. H. Gheevala, Managing Director of the Bombay State Financial Corporation, left Bombay for Colombo *en route* to Japan on the 23rd inst. He is one of the members of a team of six persons selected by the Reserve Bank of India to study the methods adopted in Japan for financing small- and medium-scale industries.



TRADE MARKS LAW

WITH the growth of industrialisation, there is bound to be a wider appreciation of the importance of not only trade marks law but its *efficient enforcement*. From time to time, commercial bodies have emphasised the need for amending the law on trade marks, so that it could more effectively guard the interests of trade marks owners who are frequently exposed to losses through the nefarious activities of those who thrive on pilferage of their property. The Trade and Merchandise Marks Bill, which has been passed by both houses of Parliament, embodies many of the suggestions made by commercial organisations, in general, and the Trade Marks Owners Association, in particular. The Bill, as Mr. Nityananda Kanungo, the Union Minister for Commerce, in his address at the annual meeting of the Association, held last week in Bombay, pointed out, has a double purpose—to provide adequate opportunities for *inventions and to prevent their unfair exploitation*. The Bill also provides for the registration and better protection of trade marks and for the prevention of the use of fraudulent marks on merchandise.

Paying a well-deserved tribute to the authorities for their sense of responsiveness to public demand, Mr. K. T. Chandy, Chairman of the Association, stressed that the Bill had gone a "fair" way towards meeting the trade marks owners' problems. It had incorporated the suggestions made by the Association in the past, including the integration of the administration of all forms of industrial property under one Controller-General, the creation of a Part B register for trade marks in which such marks as are capable of distinguishing goods, though not distinctive, could be registered and the removal of ambiguities in certain provisions of the Trade Marks Act. The Bill has also enhanced the maximum punishment for false trade descriptions and made offences relating to trade marks in regard to food and drugs cognisable by the police. All this has certainly served to make the law more comprehensive than in the past. Nevertheless, there is, according to Mr. Chandy, room for improvement. In this connection, he suggested the setting up of a committee which will function in an advisory capacity and assist the Government in exercising its discretionary powers of approval of appointment of registered users by the owners of trade marks. Such a body is vitally necessary, because there is no provision for appeal from any decision taken by the Government in exercise of its discretionary powers.

A point to which Mr. Chandy drew pointed attention was the study of industrial law. He rightly stressed that the study of industrial property law should be given an important place in legal curriculum. It is to be hoped that this matter will be taken up by the academic bodies in the country. It would facilitate the study of this branch of law if the Government compiled and published periodically the decisions by the Controller-General of Patents, Designs and Trade Marks. This would permit a closer study of the case law on the subject. It would also assist expeditious disposal of cases by courts for which Mr. Chandy made a special plea. In commercial affairs, even more than in any other sphere, justice delayed might well mean justice denied.

PLACE OF ENGLISH

It is high time that India's language problem was dissociated from all kinds of emotions and sentiments which surround it. The need of the hour is to approach the issue with clear-eyed realism. Reduced to its essentials, the issue is: could Hindi, or any other Indian language, at present, or in the foreseeable future, replace English as the official language, as the language of central administration, inter-State communications and the medium of higher education? Have the people in the non-Hindi-speaking areas become, or will they become, sufficiently conversant with Hindi in this generation to warrant its being substituted for English for official purposes? The answer in both cases is certainly an emphatic 'No.' The only sensible and wise course open, therefore, is to retain English as the official language until such time as other languages become sufficiently developed to take its place.

A straightforward issue like this has been complicated by an excessive display of emotion. The protagonists of Hindi, in their enthusiasm to see the language raised to the pedestal of official language, tend to overlook all practical considerations. Questions of national prestige, which are totally irrelevant to the issue, have even been put forward as arguments for Hindi. But a strange, and factually incorrect, argument in favour of Hindi is that recently advanced in certain quarters that more people in the South know Hindi than English. For instance, Mr. Maganabhai P. Desai, Vice-Chancellor of Gujerat University and a noted educationist, recently stated that literacy in Hindi in the South was greater than literacy in English. This statement is certainly untenable and the case for Hindi is not in the least strengthened by advancing claims which do not stand up to statistical scrutiny. Writing in the *Statesman*, Calcutta, Mr. C. Rajagopalachari has characterised the claim as baseless and born of gross error in the interpretation of literacy figures. "Whatever the merits of the case for Hindi," points out Rajaji, "let it not be based on claims which every schoolboy in South India knows to be false."

Mr. Desai's conclusion, according to Rajaji, is vitiated by two fundamental errors: (1) The equal acceptance of the Census report standards as regards English literacy and the *Dakshina Bharat Hindi Prachar Sabha's* standard as to Hindi literacy and basing a comparison on that basis; (2) the calculation of Hindi literacy figures by adding up the figures of candidates appearing for Hindi examinations every year. The standard applied by the Census authorities for recording English literacy is the S.S.L.C. (matriculation) examination while that applied by the *Hindi Prachar Sabha* is the mere fact of appearing for even the lowest of its examinations, even the highest standard of which is much below that of the matriculation examination. The method of adding together the figures of candidates for all the various examinations of the *Sabha* held during five successive years and comparing it with the English literacy figures arrived at in the Census gives a totally distorted picture because the latter only refers to a particular date. Further, a single person appearing for the same or different examinations of the *Sabha* gets counted under this process as five.

Rajaji compares the literacy figures for Hindi and English in a different way. For the *Praveshika* (entrance) examination of the *Sabha, about 25,000 candidates appeared during the* three years ended 1956 from the whole of South India, while in the Madras State alone 220,000 candidates appeared for the S.S.L.C. of whom more than 100,000 passed. The ratio, on this basis, works out to 1 : 4 in favour of English. If the S.S.L.C. passes of all the areas covered by the Hindi *Praveshika* examination is taken into account, the figure for English would be multiplied three or four fold.

The fact is that, in spite of official patronage, Hindi has made very little headway in non-Hindi-speaking areas and there should be no running away from it. Of course, one would wish Hindi had made more progress. But State policies can never be based on wishful thinking. As it is, nothing should be done to dislodge English from the position of the *de facto* official and inter-State language in the country. The daily Press circulation figures published recently by the Press Registrar of India are, indeed, revealing in that they show the preference of the public. The figures show that, out of a total circulation of 3.15 million for the daily newspapers of India, English daily newspapers alone accounted for over one million, nearly one-third. Hindi papers came next but much behind, with a circulation of less than 400,000.

BUSINESS MEN IN SOUTH MEET

The two-day deliberations of the regional conference of the Chambers of Commerce in the Southern region (comprising the States of Mysore, Madras, Kerala and Andhra Pradesh), held at Bangalore last week-end, more than fulfilled the main intentions of its organisers, namely, to focus attention on the imperative need for speedy development of South India economically and industrially and to urge the powers-that-be to adopt a more helpful policy with a view to alleviating the major disquieting problems confronting the business community in the region. The success of the Conference would however, have been far greater if the organisers had endeavoured to throw some light on two important questions. First, what are the economic problems peculiar to the Southern region as distinguished from those obtaining in other regions? Secondly, has the pace of economic development in the region been hampered by any political force or forces? It is to be hoped that the Zonal Council, which the Conference decided to constitute as a consultative body representing all the chambers in the region affiliated to the Federation of Indian Chambers of Commerce and Industry or the Associated Chambers of Commerce will address itself in right earnest to a detailed study of these issues.

The common theme of the speeches made by several members at the Bangalore Conference was that the economic development of the Southern region had not received due attention at the hands of planners. Indeed, a special resolution was adopted by the Conference bitterly criticising that the allocation of funds under the second Five-year Plan for the development of the region was "totally inadequate and not commensurate with the contributions made by this area towards the economic prosperity of the country." The resolution urged the Planning Commission to redress such an inequality, particularly in respect of power development, irrigation and transport (road, rail and sea).

The charge that the South has been neglected economically holds true to some extent. The outlay on all the schemes of the aforesaid four States provided in the second Plan represents 19.8 per cent. of the aggregate Plan expenditure, whereas the States together account for as much as 26.4 per cent. of the total population of the country. Mr. D. N. Hosali (Mysore Chamber of Commerce) was perhaps right when he asked whether this was fair treatment. Stating that only 11.7 per cent. of the total tax receipts was collected from the South, Mr. Hosali emphasised that the region was economically very backward and that there was urgent need for developing it.

In particular, the taxation policy of the Union Government was the target of criticism at the Conference. How harmful has been the effect of the policy is clearly brought out in the following extract from the resolution on the subject adopted:

"The taxation policy of the Government of India continues to be a source of recurring anxiety to the commercial and industrial community. The recent accumulation of direct taxes in the form of the increased tax on companies by way of income and corporation taxes, aggregating 51¼ per cent., and the levy of wealth tax on companies have begun to weigh heavily not only on the distributable profits of companies but also on resources that can be ploughed back into business. Ploughed-back profits have been hitherto a very handsome source of capital for companies and have provided, in many instances, the entire means for expansion."

There is no exaggeration whatever in these observations. If the industries are to expand their manufacturing activity so as to augment production of quality goods at an economic cost, it is of the utmost importance that the Government should reduce the fiscal burden. The tax on bonus issue, as the Conference urged, must be abolished and the dividend tax lowered to enable companies to make reasonable distribution without paying heavy penalties for it. The Government may say that these steps will reduce the revenues to the exchequer, but such losses would be more than made good by expansion in investment and production. Further, the Government could tap alternative sources of revenue. Mr. M. G. Lakshminarasu, Chairman of the Conference, did well to stress that the abolition of prohibition and the imposition of a duty on salt were subjects which deserved earnest attention.

Besides the plea for a downward revision in the tax burden, the Conference put forward, in the course of separate resolutions, four other notable suggestions bearing on labour, exports, State Trading Corporation (S.T.C.) and transport problem. The resolution on labour appealed to the Government to approach the problem in a realistic way having regard to the need for the financial stability of industry and provision of resources for its expansion. It was suggested that single-man tribunals should be discouraged and that persons who had intimate knowledge of the economy of the industry concerned must be appointed as members of tribunals. The resolution on exports urged the modification of the fiscal, labour and other policies in a suitable way so as to boost sales of Indian goods abroad, while that on S.T.C. wanted a clear declaration of policy embodying the idea that the Corporation would confine its activities only to tr

for which it was originally meant. The resolution pertaining to transport called upon the Government to take early steps to provide adequate road, sea and inland transport facilities at appropriate centres, to formulate a policy for the development of national highways, and to recommend the removal of inter-State and other taxes on motor vehicles. All these suggestions are very pertinent ones which must be implemented without delay, if the pace of economic development is to be accelerated.

INDIA'S FOREIGN TRADE

While the announcement of the import policy for the last quarter of the current year is eagerly awaited, it would naturally be useful to have a glance at the recent trends in India's foreign trade. With the provisional figures of foreign trade for the month of July now at hand, it is possible to take stock of the country's performance in the field of trade during the first seven months of the year. It is regrettable, though not surprising, that there has been a substantial deficit in the balance of trade to the tune of Rs. 146 crores during the period under review. It is, however, gratifying to note that the position has improved as compared with the corresponding period of the previous year, when the adverse balance of trade was of the order of Rs. 202 crores. The value of imports aggregated Rs. 457 crores and exports Rs. 311 crores during the seven months ended July 1958, as compared with Rs. 570 crores and Rs. 368 crores in the corresponding period of 1957.

The following table shows the monthly variations in the trends of trade for the first seven months of 1958 against the corresponding figures for 1957.

(Value : In crores of rupees)

	Imports	Exports (including re-exports)	Balance of trade
1957			
January	78.00	55.27	—22.73
February	70.80	54.43	—16.37
March	79.40	53.95	—25.45
April	90.65	47.85	—42.80
May	85.16	52.80	—32.36
June	85.60	48.29	—37.31
July	81.13	55.79	—25.34
Total ..	570.74	368.38	—202.36
1958			
January	66.05	53.24	—12.81
February	66.21	41.92	—24.29
March	70.60	46.73	—23.87
April	59.98	41.73	—18.25
May	63.29	44.71	—18.58
June	63.93	28.12	—35.81
*July	66.96	54.31	—12.65
Total ..	457.02	310.76	—146.26

* The figures for the month of July are provisional.

During the period under review, although imports were still at a relatively high level, they fell by Rs. 113 crores as compared with the corresponding period in 1957, thanks mainly to the austere import policy pursued by the Government of India. This substantial drop was responsible for the notable recovery in the balance of trade position. It may be noted, in this context, that imports on private account continued to dwindle, possibly with the exception of machinery, owing to controls and restrictions. On the contrary, the share of imports in the public sector moved up during the period.

Be that as it may, a contributory factor for the large deficits was lower receipts from exports. The value of exports was lower by about Rs. 58 crores during the first seven months of the current year as compared with the same period last year. There is no doubt that the decline in export earnings is due to the effects of the recessionary trends abroad and to increased competition in India's overseas markets. The fall in the export earnings from tea, in particular, was conspicuous, which, however, was probably the result of export duty, the excess stocks built up by the U.K. after the Suez episode and the high cost of inventory on account of the rise in interest rates. Significant and far-reaching as is the export promotion drive launched by the country, it is anybody's guess whether the earnings from exports can be stepped up, in the near future, in view of the recessionary conditions emerging in Europe and the fall in the export incomes of countries which import their requirements from India, including several South-East Asian countries. There may, however, be an improvement of seasonal nature in November and December 1958, when cash crops pertaining to the 1958-59 season arrive in the market.

RAILWAY TRAFFIC

It was generally felt when the second Plan was finalised that the sum of Rs. 1,125 crores allocated for railways in the Plan was inadequate to equip them to carry the additional traffic they would be called upon to do as the Plan progressed. Knowledgeable quarters had pointed out that the sum would be inadequate for development programmes, after meeting the need for replacement, renewals and rehabilitation. It was clear that better operational efficiency was more than ever necessary. It is, therefore, good news to be told by Mr. Jagjivan Ram, Union Minister for Railways, that there has been a general improvement in the operative position of railways in the country. Addressing the eighth meeting of the National Railway Users' Consultative Council at New Delhi last week, the Minister stated that, as a result of the general improvement in efficiency of handling equipment, as also the slight easing of the pressure of goods traffic, the outstanding registrations for wagons awaiting clearance had fallen substantially on both broad and metre gauges. Over many wide areas, according to the Minister, the traders were able to get wagons within two or three days of registration.

During the period January to July 1958, on the broad-gauge, the number of wagons loaded registered an improvement of 2.48 per cent., as compared with the total number of wagons loaded in the corresponding period of the previous year. On the metre-gauge, however, the total number of wagons loaded during January to July 1958 showed a decline of 1.78 per cent., as compared with the loadings of the previous year in the same period. Thus, there has been a small increase in loading on the broad-gauge and a slight decline in loading on the metre-gauge.

Loading on the broad-gauge was affected by the poor demand for loading manganese ore during the period, the strike at Jamshedpur in May, and the dock strikes in the ports of Calcutta, Bombay and Madras in June. The dock strike resulted in loaded wagons for the ports being held up and in suspension of further loadings to ports. On the metre-gauge, loading suffered on account of the poor sugarcane season. Acute summer conditions in many areas, diversion of traffic to the road services and generally less trade activity also tended to reduce loading on both broad and metre gauges in several regions.

As regards coal loading, there has been a marked improvement. For instance, as against a target of 3,500 broad-gauge wagons per day in the West Bengal and Bihar coal fields, the average daily loading of coal during the period under review was 3,811 representing an increase of about 6.1 per cent., as compared with the average loading of 3,592 wagons in the corresponding period of last year. During April 1958, loading of coal touched the peak level of an average of 4,018 wagons per day. There has been general improvement in the loading of coal from other collieries also. Improvement was registered in the number of wagons transhipped at break-of-gauge junctions and riverine points. Particularly significant was the rise in the number of wagon-loads transhipped from broad-gauge to metre-gauge across the Ganges.

As a result of the general improvement in the operating position and the slight easing of the pressure of traffic, the outstanding registrations in terms of wagon-loads awaiting clearance on the broad-gauge has been reduced to 26,020 at the end of August 1958, as compared with 57,145 at the end of January 1958 and 44,306 at the end of August 1957. On the metre-gauge also, the position improved and the outstanding registrations at the end of August 1958 were only 21,101, as compared with about 31,000 at the end of January 1958 and 22,040 at the end of August 1957.

The position with regard to passenger transport, however, showed no marked improvement. Overcrowding continued to be present in many sections of the railways. A census of passenger traffic taken on all the railways during November 1957 indicated that the overall average overcrowding on the broad-gauge was 16 per cent. and on the metre-gauge 19.9 per cent., as against the corresponding figures of 16 per cent. on broad-gauge and 30 per cent. on metre-gauge in the census taken in 1955. These figures are indicative of one thing. The various steps taken to even out the overcrowding, as is inevitable, have produced some results, at least so far as the metre-gauge is concerned. The daily average passenger train miles on the broad and metre gauges on 1st September 1958 were 194,570 and 122,197, as against 189,198 and 111,255, respectively, on the same date in the previous year.

As regards the future, it is common knowledge that, with the resources provided for in the second Plan, it will be possible to increase the capacity for passenger transport only to the extent of 15 per cent. at the end of the Plan period. This increase will, to a larger extent, be offset by the increase in passenger traffic caused by a rise in population and the increasing travel habit. The result will be that, even at the end of the second Plan, the same, if not a larger, amount of overcrowding, as obtaining now, will persist. As regards transport of goods, the slight easing of the traffic pressure witnessed of late is a temporary phenomenon and, as the Minister himself pointed out, there is no room for complacency. Surely, heavier demands will be made on railways in the near future when the giant steel works commence operations and they should be prepared and equipped to meet the challenge.

DECIMAL COINAGE FOR S. AFRICA

South Africa will switch over to a system of decimal coinage probably by February 1961, should the recommendations made by the Decimal Coinage Commission, just published, be implemented. The Commission, which was set up in August 1956 to examine the question, has advocated the introduction of a new monetary unit of the value of 10*s.* divided into 10 silver shillings and 100 bronze cents.

The Commission has expressed the hope that the Government would take an early decision on the matter so as to proceed with the introduction of legislation in the early 1959 session of Parliament. The entire task of converting the calculating machines to the new system is sought to be completed by September 1962. During the proposed preparatory period of about two years, the existing coinage system should remain the only official system. The report has, however, not proposed any name for the new unit but suggested that its designation should be distinctive.

Needless to say that the proposed scheme, involving as it does the standardisation of currency units, will go a long way towards simplifying the currency system in the country which, in turn, will help the evolution of metric system of weights and measures. By ensuring expeditious conversion, this simplest form of coinage will make calculations quick and easy. Viewed thus, it is but natural that the big five banks and altogether 56 out of 75 organisations who expressed their views to the Commission were in favour of the change-over to the new system. Indeed, manufacturers of calculating machines were practically unanimous in supporting the scheme.

Thus, it has become fairly certain that yet another member of the Commonwealth will join the ranks of about 106 countries with decimal coinage system of currency, out of the 140 countries in the world that issue their own coins. It must be noted, in this context, that, while the U.S.A. gave the lead by introducing decimal coinage with the dollar as the unit as early as 1786, the U.K. still keeps out of it, owing obviously to the fact that any shift in the present system would entail heavy loss on account of the widespread use of automatic counting machines in the country. Be that as it may, the change-over envisaged in South Africa will by no means be without some difficulty. It would, for instance, cost an enormous sum to effect the necessary conversion. It is estimated that about £9 million will be incurred by way of compensation for converting adding machines, electric petrol pumps, cash registers, price computing scales and other machines, besides the cost of replacing used machines earlier than normally necessary. It is, however, a price worth paying, considering the advantages the decimal system confers on the people.

The Deputy Minister for Commerce and Industry, Mr. Satish Chandra, stated in the Lok Sabha on the 22nd inst. that India's exports of cotton textiles, groundnut oil, light engineering goods and coal had been adversely affected by competition from China. He, however, said that it was too early to make an accurate assessment of the extent to which India's export trade had been affected.

NINE WEAK LINKS IN ECONOMIC CHAIN

MONEY MEANT FOR THE PLAN DIVERTED TO OTHER PURPOSES

From Our Special Correspondent

NEW DELHI, 23rd *September*

DELHI LETTER

IN the Lok Sabha debate last week on the Second Plan's reappraisal, perhaps the best speech was made by Mr. M. R. Masani. The Independent Member from Ranchi—East made a number of telling points which merit better coverage than has been accorded to them in the daily Press. At the outset, the speaker dwelt on what he called "the nine weak links in the chain of reactions that the Second Five-year Plan has set off." These weak links, as detailed by Mr. Masani are: (i) a substantial dose of deficit financing, aggravating inflationary pressures; (ii) an increase in wholesale prices and the cost of living; (iii) a stagnant standard of living for our people and an actual setback in the standard of living of the middle classes; (iv) a drop in savings; (v) a decline in agricultural production; (vi) a decline in the rate of increase in our industrial production and, indeed, as Mr. Asoka Mehta has shown from the Reserve Bank figures, an actual drop in the production itself; (vii) the imperilling of our foreign credit; (viii) mortgaging our future; and (ix) the additional taxation that has been inflicted in the last two or three years.

In dilating a little on the last item, namely, additional taxation, Mr. Masani made the telling point that "this money which was meant to be used for the Plan has quite frankly been misappropriated and diverted to purposes for which it was never raised and, as far as one can make out, about half of this taxation has been eaten up by non-Plan and non-development expenditure." "Would it be too harsh to say," he asked, "that this is a way of fraud on our people that money is raised for the Plan and then two years later we are told that half of it has gone elsewhere?" Mr. Masani was probably aware of only about half of this "fraud," if it can be so called.

Incidentally, it has been the contention of this correspondent since March last that *practically* no part of the additional tax effort at the Centre has really been available for the Plan. This contention finds fresh confirmation in an estimate which, I learn, has been made in the Planning Commission itself—an estimate not given in the Commission's latest note of reappraisal. According to this estimate, the Plan's original figure of Rs. 350 crores by way of a five-year aggregate revenue surplus at 1955-56 rates of taxation at the Centre now turns out to be a deficit of Rs. 190 crores. This means that the revenue surplus, which should have been available for the Second Plan at the 1955-56 level of civil and military expenditure, has now vanished. What is worse, the *minus* balance of Rs. 190 crores means that it has eaten into the revenue, now estimated at Rs. 640 crores for the five-year period, from additional taxation at the Centre. In the final analysis, all this would mean that the Plan will have accounted for not more than Rs. 125 crores after allowance is made, in terms of the Planning Commission's own admission, for that 50 per cent. of additional tax revenue utilised for non-Plan and non-development expenditure.

Adverting to the revision of the Plan target in May last and to the latest revision, Mr. Masani had the following to say:

"Therefore, we have now a gap of Rs. 240 crores *plus* Rs. 150 crores, that is, Rs. 390 crores in all. The original gap of Rs. 240 crores was sought to be covered by Rs. 100 crores of additional taxation, Rs. 60 crores from loans and savings and Rs. 80 crores from other sources. May I urge the Planning Commission to consider whether these are realistic expectations? Can they really hope to raise Rs. 100 crores more from additional taxation? Is it not a fact that the law of diminishing returns, according to the Law Minister, has already set in? ... And the savings drive has already shown that the people will not go in for small savings when the incentives they need are not given. So, these assumptions that you can raise further taxation, that you can get more savings out of the people, that the price level will be stabilised and inflation halted, have all been proved by the history of the last three years to be thoroughly unjustified. For any body of planners to insist on going on making assumptions which have been proved to be unjustified, shows a lack of the spirit of planning. It shows wishful thinking, a life in a world of make-believe; and that is why our targets and our realities never coincide."

Indeed, in the judgment of some circles in the Planning Commission itself, it would be reasonable to assume, in view of the reduction in excise and export duties at the Centre and of possible marginal changes in other tax items, that the five-year figure of resources would only be Rs. 4,260 crores. That this is not likely to be more than Rs. 4,000 crores has been shown by this correspondent in his last letter.

In view of the stress and strain to which the national economy has been subjected by the implementation of the second Plan, Mr. Masani emphasised that the primary function of further planning should be that of consolidation and of securing for the people the fruits of existing investment and effort. This consolidation, according to Mr. Masani, also meant appropriate effort in the next Plan period so as to convert the investments so far made, especially in Steel Plants, into real things which would mean something to our people—tools for the agriculturists with food following, motor trucks, better roads and bridges, consumer goods, machines to make consumer goods, and so on. Now that, in the second Plan, half of the third Plan has been mortgaged by way of heavy debt repayments in the early sixties, Mr. Masani made these telling points:

"Therefore, very little remains with us to expand with, unless we, indeed, go on being bankrupts again. Therefore, whether we like it or not, the most profitable way in which we can focus our energies for the period of the third Plan will be to consolidate the gains we have already made.... You cannot make the army march all the time. As Napoleon said, the army also marches on its stomach. You have got to give our people, who have been made breathless with the advance of the second Plan, a little time to relax and to enjoy the fruits of what they have already invested or saved. If we do not do that, then there is only one alternative—the end of democracy and taking up of the big stick with which to hit the people on the head. Since we have ruled out that alternative, we have got to go the democratic way of giving incentives."

A recent note submitted to Parliament's Consultative Committee on trade and industry deals succinctly with the shortage of raw materials for industries. It is officially admitted that some industries in India, particularly the engineering industries, are at present experiencing difficulties in the procurement of raw materials as these industries are mainly dependent on such raw materials as steel, tinplate, non-ferrous metals, processing materials, tools and alloy and special steel, which are imported. But, the note continues, the present difficult foreign exchange position permits only a very restricted import policy and the prospects of increasing imports seem rather remote. This should not be surprising, because the foreign exchange allocation for different purposes, including the import of raw materials, is made in the following order of priority:

(a) Commitments already made in regard to capital goods and machinery items; (b) requirements of the projects in the 'core' of the Plan; and (c) the current requirements of raw materials and components.

Broadly speaking, the main consideration underlying the present import policy is to reduce quotas in respect of items which are considered not strictly essential to maintain the economy of the country. Even in respect of essential items, quotas are fixed only to bridge the gap between demand and indigenous production. But, here, preference is shown for the import of raw materials required for existing industries to enable them to maintain levels of production. The allocation of raw materials for different types of industries is governed by the following principles:

(1) State Directors of Industries have been authorised to recommend import of raw material requirements for industries not included in the First Schedule to the Industries (Development and Regulation) Act, 1951. These recommendations are considered and permission is granted to the extent possible subject to the availability of foreign exchange involved. (2) Licences to actual users in small-scale industries for the import of essential raw materials, machinery and components are also considered on an *ad hoc* basis within the special ceiling fixed for the purpose. (3) Provision has been made under the Export Promotion Schemes for meeting the raw material requirements of items meant for export. (4) There is an *ad hoc* provision for licensing to meet demands not covered by the licensing policy in force.

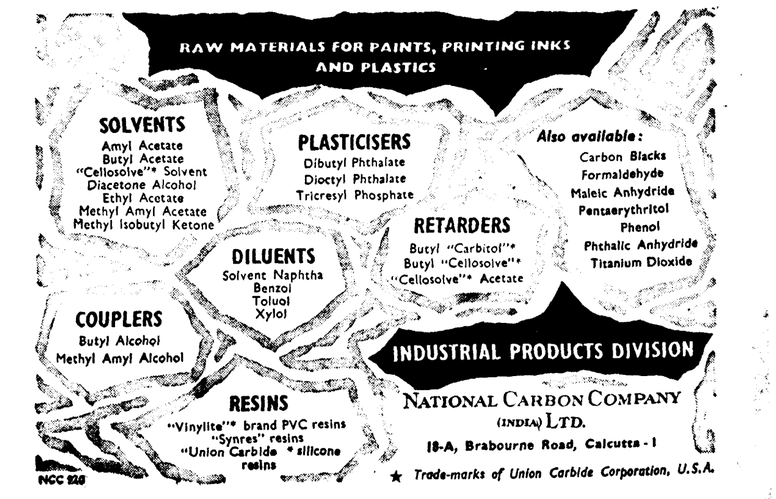
The note continues that, in the past, when the foreign exchange position was rather easy, the import of raw materials and components used to be of the order of about Rs. 480 crores per annum. As against this, for the current half-yearly period (April-September 1958), only about Rs. 160 crores of foreign exchange has been allotted for the import of raw materials and components other than iron and steel for industries. In 1957, a quantity of 1.6 million tons of steel worth Rs. 126 crores was imported. During the current half-yearly licensing period, Rs. 123 crores of foreign exchange have been set apart for the import of steel alone. It will not, therefore, be possible, the note says, to meet *all* the requirements of imported raw materials and components. The hope is, however, expressed that it may be possible to ensure supplies of imported raw materials to industries at least on the present scale, in view of the assistance likely to be forthcoming from friendly countries.

The note concludes by saying that the question of supply of raw materials to industries is, however, kept under constant review and efforts are made to effect supplies to the extent possible. The following steps, among others, have been taken by Government to meet the raw material requirements of industries:

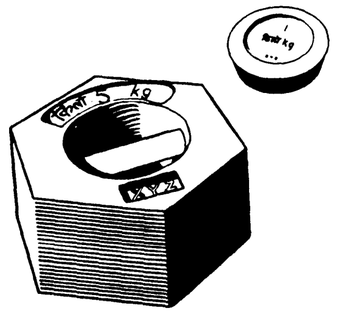
(i) Industries are being encouraged to export a part of their production on the understanding that they will be allowed to use the foreign exchange thus earned for the import of additional raw materials required by them. (ii) Efforts are being made for import of raw materials from Communist countries through the State Trading Corporation against export of listed goods. (iii) Schemes for the manufacture of some important raw materials which are required by the industries in the country involving foreign collaboration, in the shape of capital participation or supply of capital equipment in lieu, are encouraged because such schemes help to reduce imports and thus save foreign exchange.

LONDON LETTER

For this week's London Letter, please see page 543. The subject dealt with is World Sugar Conference.—ED.



First Phase



The first phase of the change-over to the Metric System of Weights and Measures begins on October 1, 1958. From this date, the use of Metric weights becomes legal in selected areas of the States.

Similarly, the Metric System will be introduced in government departments and industries like cotton textile, iron and steel, engineering, heavy chemicals, paper and cement. The jute industry adopted this system on July 1, 1958.

The reform will be gradually extended till the whole country is covered.

CONVERSION TABLE

Cut and keep for use

CHHATAKS	GRAMS (TO NEAREST GRAM)	SEERS	KILOGRAMS	GRAMS (TO NEAREST 10 GRAMS)
1	58	1	—	930
2	117	2	1	870
3	175	3	2	800
4	233	4	3	730
5	292	5	4	670
6	350	6	5	600
7	408	7	6	530
8	467	8	7	460
9	525	9	8	400
10	583	10	9	330
11	642	11	10	260
12	700	12	11	200
13	758	13	12	130
14	816	14	13	60
15	875	15	14	—
		16	14	930
MAUNDS	KILOGRAMS (TO NEAREST KILOGRAM)	17	15	860
		18	16	800
1	37	19	17	730
2	75	20	18	660
3	112	21	19	600
4	149	22	20	530
5	187	23	21	460
6	224	24	22	390
7	261	25	23	330
8	299	26	24	260
9	336	27	25	190
10	373	28	26	130
11	411	29	27	60
12	448	30	27	990
13	485	31	28	930
14	523	32	29	860
15	560	33	30	790
16	597	34	31	730
17	635	35	32	660
18	672	36	33	590
19	709	37	34	520
20	746	38	35	460
		39	36	390

1 KILOGRAM = 1,000 GRAMS

Know the Metric equivalents of the present weights.

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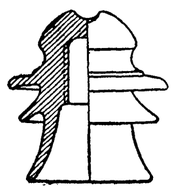

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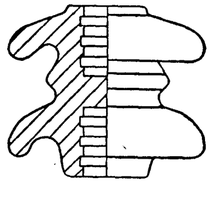

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INTERNATIONAL RESERVES AND LIQUIDITY

CONCLUSIONS OF I.M.F. STAFF STUDY

AN important subject that will figure at the annual meeting of the International Monetary Fund due to be held at New Delhi on 6th October is whether the free world has enough liquid reserves to cushion the effects of any imbalance that may take place in international trade and to prevent such trade from going down. There are two schools of thought on this subject. One feels that there is not enough, while the other thinks that the reserves are adequate. There would have been less confusion, if the issue had been stated more precisely. It is well known that the International Monetary Fund is a sort of world bank to provide short-term credit to those countries which run short of external reserves. If the question was whether the I.M.F. had enough resources to discharge its functions effectively and whether there was not a case for raising them, it would have been easier to answer it. Anyway, the free world is richer for having posed the question in a complicated manner, for it has led to a better understanding of the problem than before, thanks to the research study on it by some prominent agencies. A fortnight ago, we published, in these columns, the views of the *Monthly Letter* of the First National City Bank of New York. We have now the findings of the staff of the International Monetary Fund consisting of several experts in monetary economics. Their study was published in Washington last week in the form of a "Staff Paper" and has been distributed to the Governments of its 67 member-countries. We are told that the study should not be regarded as necessarily representing the views of the Fund's Board of Executive Directors. In the foreword to the publication, Mr. Per Jacobsson, Managing Director of the Fund, says:

"An attempt has been made to review present problems in the light of past experience. The study takes account of very recent developments, and it has, therefore, fortunately been possible to consider the implications for international liquidity both of the extreme boom conditions of 1956-57 and of the subsequent recession. The consideration of the problems for the future has thus benefited from very recent experience in contrasting economic conditions."

On the question that matters now, namely, do the resources of the I.M.F. require to be expanded, the authors of the study clearly say that "it is doubtful whether, in the circumstances of the world today, with world trade greatly expanded in volume and value, the Fund's resources are sufficient to enable it fully to perform its duties." In other words, the experts are in favour of an increase in the Fund's resources.

Many Facets

The following is a summary of the findings and conclusions of the study by the I.M.F. staff:

International liquidity is a concept with many facets. In assessing liquidity from the point of view of any individual country, account has to be taken of the various ways in which it may be able to meet, without great embarrassment, a strain on its balance of payments. This will depend not only on the degree of the strain and its available cash reserves, but also on the possibilities of mobilising additional resources and on the effectiveness of the international credit system. The degree of strain will depend, in part, on general developments, such as world-wide fluctuations in business, and, in part, on the country's own inherent balance and its readiness to take corrective measures, if for any reason that balance is upset. For such measures to take effect, time is needed, and, therefore, the amount of monetary or international reserves at the country's disposal during the period of adjustment is a most important factor. Without neglecting these general considerations, a study of liquidity must, therefore, first direct its attention to the size of monetary reserves. While in the final analysis the reserves position of each individual country is important for the management of its affairs, it is useful to obtain an overall picture by outlining the total of reserves available to all countries and relating them to the volume of world trade.

For all countries, except those in the communist area, the ratio of official gold and exchange reserves to imports in 1957 was 51 per cent. This is distinctly higher than in 1913, when the ratio was 21 per cent., or in 1928, when it was 42 per cent. but lower than in 1937-38, when it was as high as 100 per cent.

What Determines the Trade

The effectiveness of reserves at these various dates is not necessarily indicated by the reserve percentages themselves, because conditions changed greatly during the period. Thus, reserves in 1913 were generally found to be adequate, even though they were very small in comparison with those in later periods. That was a time when there was a fair degree of balance among the various economies, when under the gold standard rules, corrective measures were taken speedily, and when the international credit system was working with great effectiveness. In 1928, despite substantially higher reserves, the world economy was headed for a disaster: there were still many uncorrected maladjustments following World War I; dangerous credit policies had been pursued throughout the 1920's, not least in the international field; and individual countries had a tendency to resort too readily to tariff measures and other hindrances to trade when difficulties confronted them. On the other hand, reserves in the late 1930's, which stood at an unprecedentedly high level, were not in themselves able to give an impetus to production or trade. The world economy had been disintegrating in monetary and other respects, movements of funds were determined largely by political and monetary fears, and, in many countries, little scope was given to the dynamic forces of the economy.

The conclusion that can be drawn from a comparison with the past is, therefore, that the contribution of reserves to the achievement of full employment, to the increase of world trade, and to the genesis of both inflation and deflation is not a dominant one. Major world trends of production and trade are not determined solely by liquidity. The developments of the last 40 years or so have been dominated not by changing liquidity ratios but rather by two major wars, several minor wars, vast expenditures preparing for wars, and large expenditures to repair the damages of wars.

In those periods, on the other hand, when war or warlike considerations are not the major factor, the broad cyclical or longer-run determinants of demand in the economically most important countries tend to dominate the world economy. If these factors are expansionary, production will rise and the value of world trade will also rise, whether world liquidity increases at the same rate or not. Therefore, the position of these larger countries is of outstanding importance, not least because the credit or fiscal policies they pursue and the role they play in the international credit system are vital factors for the trend of world liquidity in general. If their position is impaired, as it was in large measure in the 1930's, even an historically unprecedented increase in the world's stock of gold could not by itself reverse the situation.

The conditions prevailing in the late 1930's can, therefore, not be regarded as a useful basis for comparison with present conditions, since too many adverse factors of a non-reserve character then dominated the situation. In regard to the other years with which comparisons have been made, it must be said that, so far as the overall picture is concerned and on a purely statistical basis, the ratio of reserves to trade in recent years cannot be considered low in itself.

U.S. Position

The effectiveness of reserves depends, moreover, not only upon the total for all countries, but also upon their distribution among countries. After the one-sided flow of gold to the United States in the inter-war period (due largely to political fears), the reserves of that country rose to such an extent that, by the end of 1949, it held 74 per cent. of the world's gold stock and 56 per cent. of total gold and foreign exchange reserves. Since 1949, the trend has, however, run in the opposite direction. U.S. gold holdings have fallen and holdings of U.S. dollar exchange by the rest of the world have risen. This strengthening of the reserves of other countries, taken together with the fact that U.S. gold holdings are still sufficiently large to permit that country to pursue credit and fiscal policies in a large measure independently of the flow of gold, has clearly helped to improve world liquidity.

Another large country—the Federal Republic of Germany—has in recent years so strengthened its reserve position that it, too, now has great latitude in pursuing its fiscal and monetary policies. Recent statements of authoritative persons suggest that Germany has no particular interest in further increasing its monetary reserves.

U.K. Position

For the United Kingdom, the effects of the war, and especially the accumulation by many countries of large sterling balances, have made the country's monetary position in many respects more vulnerable to sudden movements of funds. Its balance of payments on current account has, with few exceptions, shown surpluses in the post-war years. While the funds thus becoming available did not lead to a net increase in the reserves, they nevertheless helped the work of the credit machinery centering in London, and they added to the long-term foreign assets of the United Kingdom. In 1957-58, however, stricter fiscal and credit policies, together with favourable terms of trade, led to a substantial increase in reserves, coinciding with some decline in sterling balances, so that the net position was appreciably improved. While balance of payments considerations still remain a major factor in the formation of British policies, there would now seem to be less danger of any acute exchange crisis. Nevertheless, it must be remembered that the credit system centering in London is, by its very nature, affected by major upsets of an economic and political character in all parts of the world, and that the strengthening of international liquidity is of interest to all who use sterling in their international transactions.

Non-industrial Countries

Many countries have been able to strengthen their reserve positions in recent years, though there are important exceptions. By and large, it may be said that it is the industrial countries which have either maintained or improved their reserve positions. On the other hand, many non-industrialised countries have decreased their reserves. In some countries, these decreases were planned, and used to finance development—though some of the decreases were perhaps greater or more rapid than had been anticipated. In some countries, the decreases in reserves followed the declines in recent years in the prices of primary products or were the natural consequence of sharp or prolonged inflation. The types of change may be outlined with a few illustrations. Thus, between 1948 and 1957, the ratio of reserves to imports was reduced in Ceylon from 84 per cent. to 48 per cent., and in India, from 195 per cent. to 43 per cent.; in fact, most sterling area countries drew upon the sterling savings which had been accumulated during the war. In Latin America, the reserve ratio percentage was reduced in Bolivia from 37 to about 1; in Peru, from 26 to 9; and in Uruguay, from 120 to 69.

While the non-industrialised countries have the urgent problem of obtaining international financial assistance, they realise, of course, that internal balance cannot be restored without further domestic measures.

Given this situation, it is necessary to reckon with a demand for monetary reserves from countries that now have insufficient reserves. Moreover, it is likely that, with the growth of their foreign trade, a number of other countries will also wish to strengthen their reserve positions. Sometimes, it seems to be assumed that, in order not to hinder the growth of foreign trade, the aggregate reserves of all countries must be increased in the same proportion as the average annual growth of foreign trade, say, something like 3 per cent. per year. Examination of past experience suggests, however, that there is no such fixed mathematical relation between the growth of foreign trade and the increase in reserves. It seems more realistic to assume that countries with really large reserves will not find it imperative to increase their holdings—and it may unfortunately also prove to be the case that some countries which ought to augment their reserves will not carry out the policies that would make such an increase possible.

Not Difficult

Since the amount becoming available for monetary purposes from current gold production, without allowing for any receipts from dishoarding, is likely at the present price of gold to be about $700 million a year, it would seem that gold output alone can make a very substantial contribution to satisfying the need for increased reserves. Since it is, moreover, likely that there will be some increase in exchange holdings, the reserve problem with which the world will be faced over the next decade does not seem to be too difficult, provided that further progress is made, by sensible policies in restoring and maintaining balance in the individual economies, in avoiding increased obstacles to trade, and in strengthening the international credit system.

These provisos are important, since the adequacy of reserves, both for the world as a whole and for individual countries, can be judged only in a broad international context. For example, a given level of reserves will have one degree of adequacy when economic conditions between countries are in reasonable balance and when exchange rates are appropriate. If these conditions are not satisfied, the same reserves will have a different degree of adequacy. Similarly, from the point of view of any one country, reserves that may be adequate if the country is following a programme of development with stability may appear totally inadequate when it has an unbalanced budget or active credit inflation. No amount of reserves is adequate to finance a continuous deficit in the balance of payments resulting from excessive spending or insufficient revenue. In these cases, the immediate task is clearly to adopt fiscal and monetary policies that will restore external and internal equilibrium.

Tradition and Convention

Over fairly long periods, some countries have had relatively large reserves (e.g., the United States, Switzerland, Portugal, and Venezuela), while others (e.g., the Scandinavian countries) have traditionally held rather low reserves in relation to their foreign trade. One cannot escape the conclusion that, in this matter, tradition and convention play a considerable role. Several of the countries with slender reserves have, even in the generally favourable economic environment of the post-war period, been beset by difficulties which those with larger reserves could take in their stride. Many countries may state that their reserves are too low or wish that they might be larger, without being prepared to take the steps necessary to strengthen them. An increase in reserves is part of a country's investments. It requires, like other investments, a counterpart in the form of uncommitted savings of one sort or another, as happens, for instance, when debts to the central bank are repaid from genuine budget surpluses.

Quality of Reserves

At the end of 1957, the official reserves of all countries (outside the communist area) consisted of $37.0 billion in gold and $15.9 billion in foreign exchange, making together $52.9 billion. The quality of reserves is now undoubtedly sounder than it was in the late 1920's. At that time, a large part of the foreign exchange holdings was the counterpart of short-term foreign credits; now for the most part, countries holding reserves are also their beneficial owners.

The short-term lending mechanism, which is an indispensable element in the liquidity of any international monetary system, may not yet be as efficient as it was in the days of supreme monetary confidence before World War I, but it is certainly better than in the period between the two world wars. Private holdings of foreign currencies, needed as working capital for the financing of trade and other international payments, have in a fair degree been reconstituted. About 40 per cent. of the foreign-owned dollar balances in the United States are privately owned and, after some rather violent fluctuations in the course of 1956-57, sterling balances were very largely replenished in the first six months of 1958. With an increase in monetary confidence and a relaxation of exchange controls, it is likely that, as was the case before 1914, equilibrating movements of funds will be facilitated. These, up to a point, should reduce the strain on official reserves. The fact that the monetary authorities in most countries have again begun to pursue flexible credit policies, including fairly frequent changes in interest rates, should be very helpful in encouraging such a development. It is certainly too early to conclude that the shifts in leads and lags, which from time to time during the post-war period have given rise to such disturbing movements of funds, will not occur again. Nevertheless, the way in which appropriate credit policies in the last few years have been able to reverse those movements is a hopeful sign for the future. Financial assistance from international institutions, including both the European Payments Union and the International Monetary Fund, have been helpful in this connection.

Marshall Plan

The important contribution of international institutions to liquidity has been a new development in the period after World War II. The financial activities of the International Monetary Fund were at a low ebb for several years. During these years, many countries in Europe met their needs with the help of funds provided by the Marshall Plan, and many countries outside Europe were able to use the liquid resources they had accumulated during the war (sterling balances in the British Commonwealth, and dollar balances in the Latin American countries). In connection with Marshall Aid, a system of intra-European settlements gradually evolved into the European Payments Union, which made an important contribution to liquidity, especially at the time when the private credit system had not yet been restored to working order.

For the Fund, the years of little business activity, stretching from 1948 to 1955, were used to get its working methods fully organised; to start the system of consultations with countries maintaining exchange restrictions required under Article XIV; to develop forms of technical assistance to member-countries; and, what has proved very important, to agree on the policies and principles to be applied to requests for the use of the Fund's resources.

Fund's Criteria

While requests for drawings of 25 per cent. of a country's quota, normally corresponding to its own gold subscription, are almost automatically approved, the principle has been established that, for the next 25 per cent., members are required to show that they are making a reasonable effort to solve their own problems. For drawings beyond these limits, more substantial justification is required: namely, that the drawings must be in support of a sound programme likely to ensure enduring stability at realistic rates of exchange. These principles are also applicable to requests for stand-by arrangements, and they proved to be of great practical value when, in the autumn of 1956, there was a distinct upturn in the business activity of the Fund—beginning with the financial assistance granted to the United Kingdom in connection with the Suez events, and followed by drawings and stand-by arrangements with a great number of countries in various parts of the world. In all these cases, when requests for drawings and stand-by arrangements were considered, the Governments made statements to the Fund concerning the monetary and other relevant policies they intended to follow.

It is important to remember that the Fund is not merely an additional source of reserve credit available to the monetary authorities of its members. It is recognised more and more as a source of credit which is available only to member-Governments that have satisfied the Fund of their intention and their capacity to restore balance in their monetary affairs. The Fund thus helps to restore some measure of that monetary discipline by which the gold standard in its way maintained balance before World War I, but it also supplies a measure of credit by which harshness may be mitigated.

Fund's Turnover

Total drawings on the Fund from its inception to the end of July 1958 amounted to $3.1 billion; in addition, at the end of July 1958, undrawn balances under existing stand-by arrangements amounted to $800 million. But the Fund's significance for international liquidity is greater than the amounts drawn would suggest, for several reasons: first, the Fund's resources constitute a particularly efficient form of reserves, since their use can be pinpointed to particular areas of financial strain; second, as already mentioned, drawings are generally coupled with specific undertakings with respect to monetary and fiscal policy on the part of the countries concerned; and, third, the favourable technical judgment of a country's economic and financial programme, implied in the approval of a drawing by the Fund, not infrequently simplifies that country's task in obtaining additional sums from other sources. Furthermore, the possibility of having access to the Fund's resources, even when no assistance is actually granted, may make countries more confident in their attempts to restore balance—making them willing to take stricter measures than if they had to rely on their own resources alone. They may be encouraged by the knowledge that a second line of defence is available to them. In practice, they may, therefore, exert more discipline than if these opportunities did not exist.

It seems sometimes to have been assumed that the Fund would be called upon to render assistance particularly in periods of recession in the United States which, in accordance with the experiences of the 1930's, were expected to put a strain on the balances of payments of other countries. As a matter of fact, by far the major part of the financial transactions of the Fund so far have occurred in the boom period of 1956-57. It is true that the largest of these transactions, the financial assistance to the United Kingdom at the time of the Suez events, was of an emergency nature not directly connected with the boom. Subsequently, some other important transactions were undertaken to bring temporary relief to countries with deficits in their balances of payments resulting from the strains of an exaggerated boom in their own domestic economies. There have recently been some transactions which can be associated with the recession that began in the latter half of 1957, but they have been for relatively limited amounts. While raw material producing countries have suffered from the decline in the prices of primary products, the fact that the 1957-58 recession in the United States has been accompanied by an outflow of gold from that country has helped many countries, especially in Europe, to strengthen their monetary reserves. It can, of course, not be concluded that a recession in the United States will always have similar results. Nevertheless, experience in the last two years clearly indicates that the need for assistance from the Fund may arise quite

(*Continued on page 543*)



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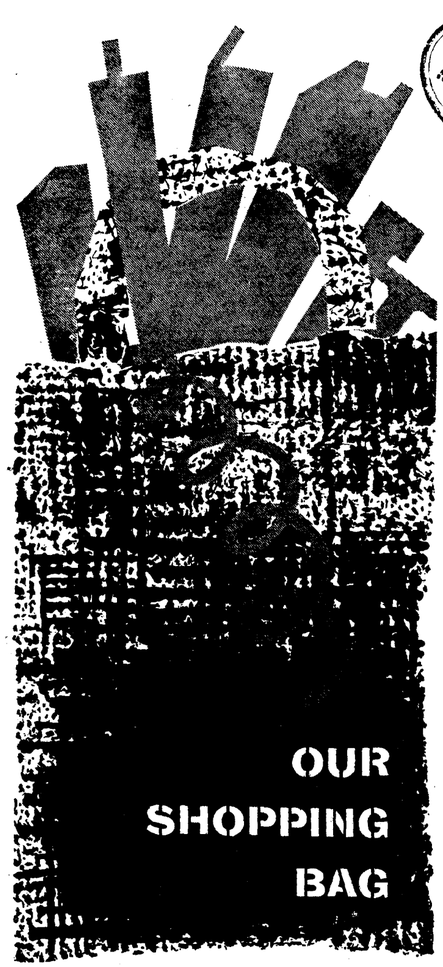

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WORLD POSITION OF MAN-MADE FIBRES

NON-CELLULOSIC FIBRE CAPACITY EXPANDING RAPIDLY

THE most significant development in the textile world during the past two decades has been the marked inroad made by man-made fibres in apparel-making *vis-a-vis* the natural fibres, cotton, wool and silk. The percentage share of the former fibres in the aggregate world production of apparel fibres has gone up from a bare 8 in 1937 to as much as 23 in 1957, while that of cotton and silk has declined from 81 and 1 to 66 and less than 0.5, respectively; the share of wool production which stood at 16 in 1927 came down to 11 in 1957. Such a division of the market underestimates the advance made by man-made fibres, considering that measurement by weight is an unsatisfactory way of comparing the contributions of the various fibres, because some combine light weight with great covering power. Thus, the actual production of rayon and acetate yarn and staple fibre has risen by three times since 1937, though their percentage share in the total output of all apparel fibres has improved by 2½ times only.

The bulk of the rise in the production of man-made fibres has been in rayon staple fibre, but rapid progress is now being made by the newer synthetic fibres—called non-cellulosic fibres—such as nylon, Terylene (Dacron), Acrilan, Courtelle, Courlene, Fibrolene and Saran. The total projected non-cellulosic fibres capacity of the world (excluding China) for the year 1959 is put at 1,756 million lbs., as against 1,263 million lbs. in 1958. Their actual production was 903 million lbs. in 1957, 680 million lbs. in 1956 and 585 million lbs. in 1955, according to the journal *Textile Organon*. The projected rayon and acetate capacity is put at 7,502 million lbs., for 1959, as against 7,194 million lbs. for 1958, their actual output being 5,436 million lbs., 5,238 million lbs. and 5,009 million lbs. in 1957, 1956 and 1955, respectively. In fact, the demand for ordinary rayon and staple fibre fabrics for personal wear in the U.S., the U.K. and other advanced countries is fast declining, consumer preference being pronouncedly in favour of textiles made of new non-cellulosic fibres, even though they are costlier than the old man-made fibres. This is not surprising because the new synthetic fibres are more durable, easy to wash and require little or no ironing.

Progress in India

In contrast to this trend in the Western world, in India rapid strides have been made only in the old man-made fibres, namely, rayon and staple fibre. The progress made by it in this field so far and the targets fixed for the second Five-year Plan are indicated below:

(In tons)

	Installed capacity	Production
Viscose yarn—		
1951	3,240	2,040
1956	8,160	7,296
1957	12,816	9,448
January-June 1958	16,380*	6,220
Target for 1960-61	30,491	30,358
Staple fibre—		
1954	5,400	3,084
1956	7,560	7,008
1957	14,400	8,004
January-June 1958	14,400	6,135
Target for 1960-61	14,286	14,286
Acetate yarn—		
1955	1,800	1,044
1956	1,800	1,416
1957	1,800	1,808
January-June 1958	1,800	867
Target for 1960-61	N.E.	N.E.

* June 1958. N.E.—Not estimated.

The question naturally arises as to why, when the world is moving so fast in expanding the production of non-cellulosic fibres, India has still not made any attempt to manufacture such fibres. The reason is not far to seek. As already stated, the new chemical (non-cellulosic) fibres are expensive. They require enormous capital investment. There must be a well developed petro-chemical industry, if they are to have adequate supply of raw materials. There must also be a large number of chemical engineers and research workers. Further, the market must be sufficiently large, as the fibres have to be mass-produced in order to be economical. Having regard to all these factors, manufacture of non-cellulosic fibres may not be an economically feasible proposition to underdeveloped countries. The standard of living of Indian people continues to be very much lower than that in the industrially advanced countries of the West, so much so that the demand for fabrics woven from synthetic fibres other than rayon and acetate is too limited to permit the commercial production of these fibres on a profitable basis. It is reported that, even in a country like Australia which has a high standard of living, manufacture of Terylene has not yet proved to be a financial success.

Be that as it may, the latest annual survey made by *Textile Organon* shows that there are in the world (excluding the U.S.S.R.) 413 plants producing man-made fibres, of which 73 are in the U.S., 51 in Japan, 39 in Italy, 34 in West Germany and 28 in the U.K. Capacity continues to rise rapidly, especially for fibres other than rayon and acetate. The total world capacity of non-cellulosic fibres in 1959 is expected to be nearly double the production in 1957, while that of rayon and acetate will be higher by 38 per cent. only.

Production and Capacity

The country-wise breakdown figures for both non-cellulosic fibres and for rayon and acetate are given in the table below:

(In million lbs.)

	Production		Capacity	
	1956	1957	1958	1959
Non-cellulosic fibres :				
U.S.A.	400	516	696	895
Japan	64	94	130	263
U.K.	50	70	90	144
France	33	44	62	77
W. Germany	32	42	60	76
Italy	25	35	69	69
U.S.S.R.	25	35	50	90
Canada	16	20	35	43
E. Germany	12	14	20	30
Rest of world (excluding China)	23	33	51	70
Total non-cellulosic	680	903	1,263	1,756
Of which				
Yarn and monofilaments	416	531	703	876
Staple and tow	222	316	478	743
Type unknown (U.S.S.R. and E. Europe)	41	56	82	137
Rayon and acetate				
U.K.	432	425	605	605
W. Germany	529	552	608	613
Italy	326	322	514	514
France	235	265	335	335
U.S.S.R.	260	300	370	450
Other European countries	1,046	1,111	1,305	1,411
N. America	1,291	1,276	1,739	1,745
S. America	137	144	167	180
Japan	917	967	1,428	1,475
Rest of world (excluding China)	65	74	123	174
Total rayon and staple	5,238	5,436	7,194	7,502
Of which				
Filament yarn	2,222	2,280	2,938	3,023
Staple and tow	3,016	3,156	4,256	4,479

The projected capacity of non-cellulosic fibres for 1959 in the U.K., Italy, the U.S.S.R., Canada and East Germany is more than double the 1957 production. The actual utilisation of capacity in these countries last year was 85 to 90 per cent. The relative order of the main producers will be altered by the rapid growth of capacity in the U.S.S.R. The increase shown in the rest of the countries arises from the appearance of a number of minor producers of new fibres. It is pointed out that there is a tendency for the greatest increase to be in the growth of acrylic and polyester fibres (Acrilan, Orlon, Terylene, Dacron); polyester fibres are produced in the form of both staple lengths and continuous filament.

Capacity Utilisation

In the rayon and acetate industries, a little more than 80 per cent. of capacity was used in 1957. With a similar percentage, the prospective increases of production would amount to about 6 per cent. a year, whereas the recent actual increases have been 4 per cent. only. World production of rayon, mainly concentrated on staple, has expanded in spite of an actual decline in the U.S. and the U.K. The output in West Germany and Japan has been advancing appreciably and, indeed, the projected Japanese capacity for 1959 is almost equal to that for the U.S., namely, 1,530 million lbs.

The constancy of world filament yarn output is expected to drop from the high 1955 figure for acetate yarn and for high tenacity tyre yarn, balanced by an improvement for regular and intermediate tenacity viscose, as well as cuprammonium rayon yarn. The actual production of all these types as between 1955 and 1957 suffered a sharp fall in the U.S. and a minor setback in the U.K., Japan and the U.S.S.R. have reported a substantial rise in the production of regular tenacity yarn. The upward trend in the staple fibre output has been shared by most of the countries.

The foregoing account of the position regarding man-made fibres excludes textile glass fibre (fibreglass, Stratimat and Gevetax). The available production data for 1957 place the out-

(*Continued on page* 543)

COTTON EXPORTS

MARKED FALL LAST SEASON

PRELIMINARY figures relating to shipment of cotton from India during the 1957-58 season which ended on 31st August 1958 confirm the earlier anticipation that exports during the season will be one of the lowest on record. Thus, exports from 1st September 1957 to 31st August 1958 aggregated only 278 983 bales of 400 lbs., as compared with 301,512 bales shipped in 1956-57, 611,731 bales in 1955-56, 318,845 in 1954-55, and 134,320 bales in the 1953-54 season.

Destination-wise, Japan, as usual, occupied the pride of place. Total shipments to that country aggregated 197,997 bales, or 71 per cent. of total exports, as against 195,530 bales in the previous season. The share of the U.S. and China also increased, the increase being more marked in the case of the former country. For instance, the U.S. accounted for 11,040 bales, as against only 2,409 bales in the previous season. China's offtake almost doubled from 3,437 bales in 1956-57 to 6,092 bales in the season under review. Shipments to other destinations like European Continent, Hongkong and the U.K. were lower, being 26,460, 19,708 and 16,580 bales, as compared with 30,208, 44,147, and 24,680 bales, respectively, in the previous season. The following table gives the destination-wise breakdown of export figures for the 1957-58 and 1956-57 seasons:

(In bales of 400 lbs.)

Destination	1st September to 31st August	
	1957-58	1956-57
Japan	197,997	195,530
Europe	26,460	30,208
Hongkong	19,708	44,147
U.K.	16,508	24,680
U.S.A.	11,040	2,409
China	6,092	3,437
Others	1,106	1,101
Total	278,983	301,512

The reasons for the poor export performance in the season under review are well known. They are mainly the recession in the world textile market and the consequent slack demand for raw cotton from India's customers, currency difficulties of buyer countries, competition from Pakistan and the U.S.A., improper timing of quotas and absence of firm export policy. The method of licensing, under which licences are made valid for a maximum of one month only, also stood in the way of exports, as many important consumer countries, faced with foreign exchange shortage, preferred to buy for more extended shipment period. As a result of the adoption, towards the end of the season, of the first-come-first-served basis for issuing licences, shipments, which were proceeding at a snail's pace earlier, were, however, speeded up. The Government's failure to make quota announcements at the appropriate time rendered it difficult for shippers to take advantage of the shifts and changes in the demand for cotton and the lack of a long-term export policy made it impossible for them to enter into firm export commitments.

The experience of the past holds out some lessons for the future. The export policy should take into account market realities. However exclusive the qualities of Indian short-staple cotton, it does not have a seller's market. In fact, Pakistan *Deshi* cotton and low grade U.S. short staples from the C.C.C. stocks are very serious competitors. In these circumstances, it requires a high degree of promptitude and business acumen to push through sales but all this will be of no avail if the Government and export control authorities fail to match them with equally businesslike methods in the matter of issuing licences, etc.

An early formulation and announcement of export policy is also important. In fact, the Cotton Buyers' Association, the Cotton Advisory Board, and the Indian Central Cotton Committee—all have urged the Government to make known its policy early enough. This would give the foreign buyer, as well as the Indian exporter, an idea of the minimum quantity that would be available for export during the year, and would help to ensure a steady supply.

It has been suggested in certain quarters that, as an incentive for export, shippers should be allowed to retain up to 10 per cent. of the exchange earnings for the purpose of importing raw cotton of staple length not grown within the country. The suggestion, which is probably inspired by a somewhat similar scheme existing in Pakistan and advocated in India also in regard to exports of cotton textiles, has not, however, found favour with the Cotton Advisory Board.

TRADE UNION "ALARM" ON YARN IMPORTS

FUTURE OF RAW COTTON MARKETING ASSESSED

From A Special Correspondent

MANCHESTER, 16*th September*

STILL the prime subject for discussion in textile trade circles in Lancashire is the coming visit by the "three wise men" to Hong Kong who are to make a final attempt to secure an agreement with millowners in the Colony on the curtailment of cotton cloth imports into the United Kingdom. The Lancashire mission is due to fly to the Colony at the end of this week. Most of the discussions have centred round the scope of the talks, as, in some quarters, it is felt that these were likely to be restricted merely to arrivals of grey cloth. Fears had been widely expressed that, in the event of an agreement, the Hong Kong spinners and weavers would shift the emphasis of their export trade to finished textiles and garments. It is understood, however, that the British team does not intend to confine its negotiations solely to the importation of grey cloth.

MANCHESTER LETTER

The question of yarn imports is another matter. At their present level, these represent annual arrivals of about 10,000,000 lbs. from the three countries concerned. However menacing this trade appears to the individual spinner in Lancashire, the overall view is being taken that it should not be allowed to jeopardise the chance of securing a pact covering the other goods. The negotiators hope to obtain safeguards to the effect that further discussions can be initiated should future arrivals of yarn reach proportions which are considered dangerous to Lancashire millowners and operatives.

Asian Yarn "Disturbance"

Trade union "alarm" has already been expressed on this topic by Mr. Charles Schofield, Secretary of the Operative Spinners' Amalgamation. "A disturbing feature is the report of manufacturing firms using yarns from Asiatic countries for the fulfilment of their order books," he says in his latest quarterly report. He adds:

"If this policy becomes more widely adopted, the spinning section is likely to be most severely affected... If increased imports of yarn do emanate and are followed by negotiations with the Commonwealth countries concerned, the spinning section will, at the best, only be able to rely upon a portion of the manufacturing section for support."

In the course of this Letter last week, reference was made to the danger confronting the Liverpool Cotton Market, in view of the absence of support and the very limited effectiveness of its operations at the present time. Further background of these developments has been provided in the latest publication of the *Liverpool Raw Cotton Annual* now available.

The high spot of the *Annual* is the survey dealing with the future of marketing of raw material contributed by Mr. W. B. Hutchinson, an ex-President of the Liverpool Cotton Association. His article presents a well-reasoned plea for collaboration between the spinning trade and raw cotton interests.

While it is freely admitted that the growth of State marketing has been largely instrumental in curtailing the activities of raw cotton traders, the methods adopted by some of the larger groups in the Lancashire cotton industry since the re-establishment of the Liverpool futures market have certainly not assisted its continuation.

"Market Population" Dwindling

In considering whether the services of a market can be maintained under present circumstances, Mr. Hutchinson emphasises that the focal point of the problem must be the question of spot stocks. Another vital aspect is to secure an adequate "market population," in view of the present trend towards centralisation in the spinning industry.

The policy of cutting out all possible middlemen services would seem to indicate the gradual extinction of the cotton market. "This stage can be reached even before the time when the spinning trade becomes concentrated in a few large combines, since the trend itself, if seen as inevitable, will cause a progressive flight from activity or employment in the raw cotton trade," the writer adds.

World trading conditions are such that an organised market cannot survive and do its job efficiently without the active and continuing participation of the spinning industry itself. This is the main conclusion reached by Mr. Hutchinson, on the assumption that there is no reasonable alternative to the free market as a permanent system of raw cotton supply for British mills. The situation is one calling for decisions based on long-term considerations.

As a means of rescuing the Liverpool market from the desperate straits in which it appears to be foundering, Mr. Hutchinson has several practical suggestions to put forward. Spinners, he urges, should give preference to buying on "spot terms" from local merchants in order to foster the creation of a spot stock. As such supplies cannot be expected to exist without means of hedging, he contends that, where yarn prices are subject to regulation, they should be allowed to move parallel to cotton futures.

Without a reserve of buying power to offset seasonal pressure of selling when crops move or trade cycles bring a sudden preponderance of selling, hedge markets cannot have the necessary stability. In the absence of buying power from speculative or merchant sources, spinners who continue to import their own cotton, thus becoming merchants, should also be prepared to support the market as buyers in such circumstances. This is how Mr. Hutchinson sums up the position:

"There seems to be a case for examining closely how far centralisation of mill processing, selling and finance must necessarily lead to complete centralisation of raw cotton buying also. The restoration of confidence in the future of the market could largely be achieved if leading units of the industry could, on appropriate occasions, declare their general support for such a policy, as outlined above, and in due course take practical steps to carry it out. Others might then follow and the downward spiral would gradually be arrested and reversed."

Twin decisions, both of which can be assumed to have an adverse effect on British cotton textile trade with New Zealand, have been taken by the Dominion Government within a matter of days during the past week. By following the example of Australia in offering most-favoured-nation treatment to Japan, New Zealand was within her rights as a member of the British Commonwealth, but the development cannot be viewed in any other light than regretfully by Lancashire. So too the reduction in the preferential tariff margin enjoyed by Britain under the Ottawa Agreement is another major blow against local exporters.

Some slight comfort can be gained from the fact that, so far this year, shipments of cotton cloth to Australia have suffered only a minor reverse. Compared with 1957, the total exports to the end of July were 42,319,000 square yards, a drop of nearly 2,300,000 yards. Over the whole of 1957, cloth exports to Australia were 71,358,000 square yards, as against 80,314,000 yards in 1956 and 99,779,000 yards in the previous year.

Business with New Zealand has been remarkably steady for some little time past. Comparisons of shipments during the first seven months of the past three years show almost identical figures at around 21,000,000 square yards. In the whole of 1957, exports reached nearly 34,000,000 square yards, as against 32,640,000 square yards in the previous year, and 37,417,000 in 1955.

Much the same tale is told in the figures for rayon and synthetic fibre piecegoods. Shipments to New Zealand are now second only in importance to those to Rhodesia and Nyasaland, being 7,711,000 square yards for the first seven months of the year, a slight gain on the 1957 level. In the whole of last year, shipments to New Zealand took fourth place at 12,562,000 square, yards, after Rhodesia and Nyasaland, South Africa and Australia.

Japanese Imports

In the absence of detailed information on the new agreements, it is difficult for any immediate action to be taken by trade organisations. In any case, the documents are already signed and it can only be hoped that there are sufficient safeguards to avert any major inroads being made by Japan into what has always been an important market for Lancashire cotton goods.

It is significant that imports of Japanese cotton cloth into New Zealand have been rising during recent years, but only in ratio to the increased takings by the Dominion. Lancashire's share in the available trade has declined, although, in 1957, it still represented about 60 per cent. of the total, as against 12½ per cent. gained by Japan. In rayon and mixture piecegoods, the proportion remained at about 55 per cent. for Lancashire, but imports from Japan represented over 20 per cent. of arrivals.—*All Rights Reserved.*

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CHAIRMAN, MR. STEWART M. PETRIE ON COMPANY'S PROSPECTING PROGRAMME

THE progress made so far in the implementation of the prospecting programme of the Indian Copper Corporation Ltd. was reviewed by Mr. Stewart M. Petrie, the Company's Chairman, at the Annual General Meeting of the Company for the year ended 31st December 1957 held at Calcutta on Wednesday, 24th September 1958. Mr. Petrie stated that the increase in copper ore production, though it was not spectacular, had resulted in appreciable additions to the Company's ore reserves. Alluding to the progressive rise in the working depth, he pointed out that, even to maintain production, numerous technical problems of considerable magnitude had to be overcome and that the prospect of increasing costs for the extraction of the copper ore must be faced.

The following is the full text of the speech of Mr. Stewart M. Petrie:

"GENTLEMEN,

"I have continued the precedent which your Chairman initiated last year of giving my statement on the Corporation's affairs at the Annual General Meeting, in preference to sending it out with the Accounts, which were published a month ago.

World Copper Markets

"You will have seen from your Directors' Report, together with the Accounts for the year 1957, that, following the decline in the world price of copper, the profit of your Company is appreciably less than that recorded in the previous year. As your Chairman rightly pointed out a year ago, the spectacular results for 1955 and 1956 could not be expected to continue. As the prices of your Company's copper and brass products must bear a close relationship to the world price of copper, I consider it desirable to give you a short account of the trends in world copper markets over the last year or so.

"From the high peak reached in March 1956 of £436.10 per ton on the L.M.E. (London Metal Exchange), the price of copper fell to £267 per ton at the beginning of 1957. There followed almost immediately a slight improvement, but this was not maintained, and thereafter throughout the year, the price of copper continued downward until at the close of the year L.M.E. quoted £182 per ton.

"The basic reason for this marked decline was overproduction and the market throughout the year was struggling against a growing weight of supplies. Certain of the larger producers announced cuts in production, but the slight bullish effect which this produced was quickly discounted on the realisation that the hoped-for-revival of American business in the autumn of that year could not be realised.

"In the year 1958, there has been an upward trend in price, which might be attributed to an improvement in business conditions in America, a strengthening of demand in Europe and the political situation in the Near East. For some time, the price has remained fairly steady around £207 per ton. The net indications seem to point to a more stable market in the not too distant future. Meanwhile, fluctuations below today's level will not be surprising and even likely, as it is impossible to predict future copper market developments, owing to its sensitivity to speculative influences.

"During the year 1958, the Indian Government imposed a price and distribution control over the sale of imported copper in India.

Working Review

"You will, I am sure, be gratified to see from your Directors' Report that the ore milled amounted to 440,671 short tons and the copper produced at 7,848 long tons constituted another record in the annals of the Company. Furthermore the ore reserves increased by 426,163 short tons to a total of 3,850,757 short tons at the end of the year, which, of course, adds to the life of the Company.

"You will further see from the Directors' Report that the production of rolled products increased. The market for our Flag brand sheets continues to be firm, but we are somewhat apprehensive as to the future, in view of the fact that the complementary metal—zinc—must be imported and the import policy of the Government concerning this metal has not yet been announced.

"Your Company, over the past few years, has undertaken an extensive prospecting programme throughout the whole of your leasehold property in an endeavour to find new copper lodes to supplement those now approaching exhaustion and with the ultimate object of increasing production. Our efforts in this direction have so far met with only limited success, but, in 1957, the ore obtained from prospecting development has materially assisted towards increasing production as compared with the previous year. Although this increase in production is not spectacular, we have, it will be noted, added appreciably to our ore reserves, which now stand at 3,850,757 short tons, as compared to 3,424,594 short tons at the end of the previous year. At Mosaboni—the main producing mine—we are now working at a depth approaching 3,000 feet from the surface and, provided the ore persists, the working depth will progressively increase. I mention this to illustrate that, even to maintain production, numerous technical problems of considerable magnitude have to be overcome and the prospect of increasing costs for the extraction of the copper ore must be faced.

Labour

"In January 1957, a tripartite agreement was signed by the management, on the one hand, and the mines and works unions on the other, whereby it was affirmed that the terms will be binding on all the parties for a period of three years. By virtue of that agreement, there appeared to be every prospect that the management and the recognised unions representing the mines and works would have been able to carry on in a spirit of mutual harmony and goodwill for at least that period. Unfortunately, peace was disrupted by a fresh outbreak of restiveness on the part of employees of our Moubhandar Works, due to the sudden emergence of an outside unregistered and unrecognised labour union who promised fulfilment of new demands in direct opposition to the three-year agreement. The result of this intrusion has created a split between the workmen at Moubhandar and resulted in a number of strikes of short duration during the year. Fortunately, these did not have any appreciable effect on production.

"Your Company has not been alone in the spread of industrial unrest caused by the infiltration of similar unrecognised unions in other large industrial concerns in Bihar and Bengal.

"As you are aware, the copper produced by the Corporation is fire-refined, containing a comparatively high nickel content making it unsuitable for industries requiring copper for electrical purposes. The Company has had under consideration for some time, in consultation with their technical consultants, a project to manufacture electrolytic copper. There is an increasing demand for copper of this grade in India which, at present, has to be imported from abroad, involving high foreign exchange expenditure. Last year, the Company was granted a licence by the Government of India for the manufacture of electrolytic copper, and our proposals have now been submitted to Government for a refinery at Ghatsila with a capacity for 8,400 tons of electrolytic copper and wire bar programmed for completion by 1961.

Kyanite

"The production and despatch of kyanite mined at your Kharswan property were fully maintained and the price at £23 per ton f.o.b. Calcutta remained steady throughout the year. The main markets abroad continued to be the European Continent, including the U.K., with limited quantities to the U.S.A. and Australia. Kyanite again enjoyed a free export market with total exports throughout the year increased by 955 tons over the previous year to 17,399 tons. I have nothing further to report on the two civil suits concerning the kyanite lease decreed in the Company's favour in the Subordinate Judges Court during 1956, which are still pending under appeal in the Patna High Court.

"Every endeavour is being made to increase exports by finding new markets, as, for some time now, there has been considerable buying resistance from abroad for this ore, due largely to the manufacture of indigenous synthetic substitutes necessitated by the high landed cost of Indian kyanite.

Accounts

"I shall now turn to the Accounts which disclose that the profit, before providing for taxation, depreciation and reserves, amounts to £1,123,749. Depreciation at £175,000, the same as the previous year, has been provided in view of the large capital expenditure required for prospecting and maintaining production. You will observe from the balance-sheet that the addition to fixed assets during 1957 was £305,330. Your Directors have transferred £175,000 to general reserve.

"The decrease in the provision for taxation, however, coupled with the reduced charge for dividend tax and the absence of any charge similar to the additional taxation on the bonus share issue in the previous year, has largely offset the decrease in profits and the nett disposable surplus is lower by only £22,045.

Staff

"On behalf of you all, I extend our thanks to the General Manager, Mr. N. A. B. Hill, to the staff both at the mines and at the works, and to all workers for the excellent services they have rendered to the Corporation throughout the year."

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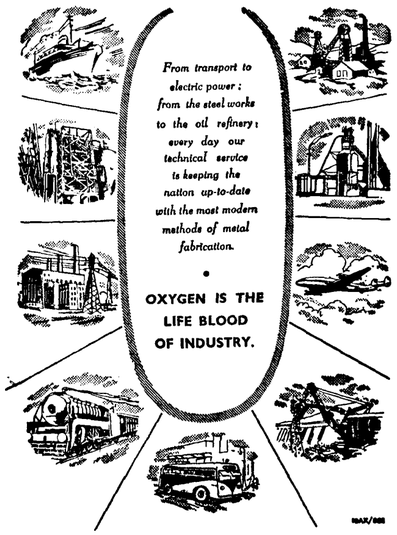

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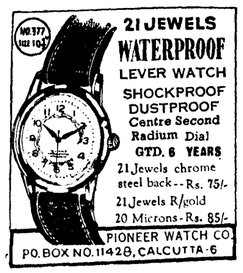
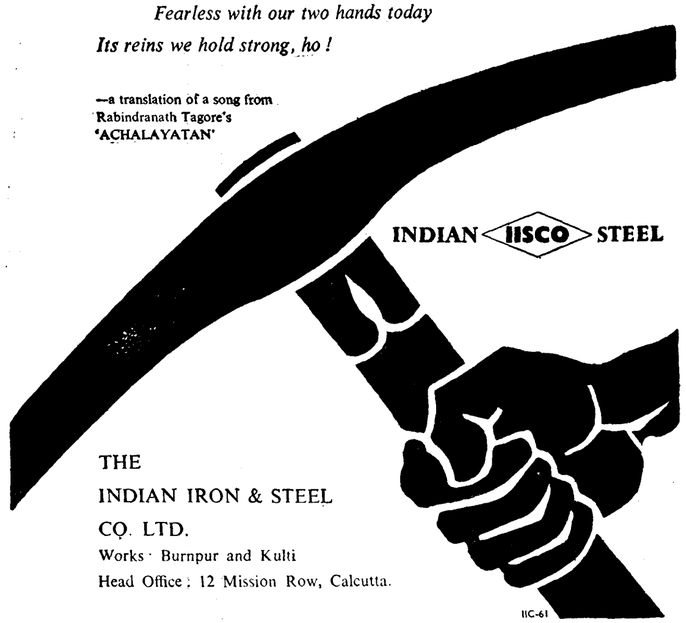


The hard iron lay dead in slumber deep
And we stirred it to life, ho!
In the dark depths of a million years it lay hid
And we stirred it to life, ho!
Tamed by our strong hands
It sings to the tune we call.
Its silence of long years have we broken, ho!
The dead doth stir with new life today
And rushes forth the wide world to conquer.
Fearless with our two hands today
Its reins we hold strong, ho!

—a translation of a song from Rabindranath Tagore's 'ACHALAYATAN'



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TRENDS IN SUGARCANE PRODUCTION

BOTH PER-ACRE YIELD AND QUALITY FALL

REVIEWING the discussions on the Sugar Export Promotion Bill in the Rajya Sabha in these columns last week, we observed that the realisation of the objective of improving the per-acre yield, as well as quality, of sugarcane was being hampered by the present system of paying for cane on the basis of only weight and not on that of both weight and quality. That there was no exaggeration whatever in this statement is clearly borne out by the none too encouraging progress made in the sphere of cane cultivation, despite the implementation all these years of several development schemes in the States entailing expenditure of crores of rupees. The per-acre yield of cane has not only not registered any improvement but has actually tended to decline. On an average, one acre of land sown to cane during the season 1957-58 yielded no more than 12.8 tons, as against 13.2 tons in 1956-57 and 13.3 tons in 1950-51, that is, the base year of the first Five-year Plan. Similarly, the quality of cane grown continues to be poor, the all-India average yield of *gur* per 100 tons of cane in 1957-58 being less than 10 tons, as against 10.5 tons in the previous year and 10.1 tons seven years before.

The conditions obtaining in the sphere of cane cultivation in India compare very unfavourably with those elsewhere in the world. The following table shows the average per-acre yield of cane, recovery per cent. of sugar in cane and quantity of sugar raised per acre of land in India as compared with the other sugarcane producing countries:

	Yield of cane per acre (Tons)	Recovery (Per cent.)	Sugar recovered Per acre (Tons)
India	12.07	10.00	1.268
Hawaii	62.05	10.48	6.489
Java	56.20	11.49	6.440
Peru	41.14	12.33	5.076
Japan and Formosa ..	28.27	12.93	3.657
Australia	21.34	14.33	3.060
Egypt	30.42	9.97	3.032
Puerto Rico	24.16	12.23	2.956
South Africa	22.36	10.90	2.439
Mauritius	19.63	12.08	2.370
Philippines	27.08	8.45	2.287
Cuba	17.12	12.25	2.095
Mexico	19.54	9.20	1.817

The continued low per-acre yield and quality of cane grown in India is disquieting. This state of affairs should be improved, if the cost of sugar is to be reduced. The only effective solution to the problem lies in the adoption of measures designed to encourage intensive cultivation, as distinct from extensive cultivation. These measures include not merely provision of irrigation facilities, establishment of seed nurseries, distribution of disease-free and improved varieties of seeds, distribution of manures and fertilisers, control of pests and diseases, organisation of demonstrations and crop competitions, but also a policy to link the price of cane to both weight and quality, instead of to weight alone as at present. It is only such a policy that will give real inducement to cultivators to grow cane with richer sucrose-content.

The need for improving conditions in the sugarcane economy is especially urgent in the present context when the sugar industry has embarked upon a large expansion and development programme. The programme envisages an addition of 760,000 tons to the rated capacity of the industry, in order to achieve the capacity target of 2.50 million tons and the production target of 2.25 million tons by 1960-61. These capacities will go on increasing year by year thereafter, in keeping with the expanding sugar-consuming capacity of the country as a result of the rise in population and improvement in the standard of living of the masses.

The successful implementation of the aforesaid programme will depend on the progress in the sphere of cane cultivation. The target of cane output fixed for 1960-61 is 78 million tons, as against 58 million tons in 1955-56, representing an increase of 35 per cent. Judged by this target, the actual performance during 1957-58—the second year of the Plan—is not at all encouraging. Thus, the all-India final estimate of the sugarcane crop for the season places the aggregate yield at 63.95 million tons, as against the partially revised estimate of 66.99 million tons for the previous season or a fall of 4.5 per cent. The decline in production is due largely to the drop in the per-acre yield—this has already been indicated—and partly also to the reduction in the area devoted to cane cultivation. The total area under cane during 1957-58 is lower by 0.7 per cent. at 5,021,000 acres, as against 5,057,000 acres in 1956-57. The quality of the cane grown is, as mentioned earlier, poorer.

An idea of the trend of per-acre yield of cane and recovery per cent. in the different States during the past two seasons can be had from the figures cited below:

States	Per-acre yield of cane (Tons)		Recovery of *gur* from cane (Per cent.)	
	1957-58	1956-57	1957-58	1956-57
Andhra Pradesh	27.3	29.0	8.17	10.00
Bombay	27.1	24.5	10.43	10.40
Madras	25.7	26.0	10.95	10.94
Mysore	24.1	25.2	10.01	10.00
Orissa	16.0	16.1	9.97	9.97
Kerala	15.8	18.6	10.05	9.91
West Bengal	14.6	19.5	10.04	10.00
Punjab	13.6	11.1	9.99	10.00
Tripura	11.0	10.4	10.38	9.58
Assam	10.3	10.6	9.95	9.90
Madhya Pradesh	10.2	12.8	10.04	9.88
Uttar Pradesh	10.1	11.4	9.99	9.99
Rajasthan	8.6	8.2	9.93	10.01
Bihar	8.4	9.1	9.97	9.99
Delhi	6.4	7.0	10.00	10.00
Himachal Pradesh ..	4.6	6.0	10.52	11.11
Jammu and Kashmir ..	3.0	3.0	11.11	11.11
All-India average ..	12.7	13.2	9.95	10.07

It will be seen from the above table that the per-acre yield of cane is highest in Andhra Pradesh, followed by Bombay, Madras, Mysore, Orissa and Kerala. It is, however, very low in the States of Uttar Pradesh, Bihar, Rajasthan, the Punjab, West Bengal, Assam and Delhi. It is thus obvious that the tropical conditions in the South of Vindhyas are more suitable for cane development than the sub-tropical climate in the North.

The detailed break-down figures relating to the area sown to cane and the estimated yield in the different States during 1957-58 as compared with 1956-57 is given in the following statement:

	Area (Thousand acres)		Production (Thousand tons)	
	1957-58	1956-57	1957-58	1956-57
Uttar Pradesh	3,017	3,066	30,542	34,973
Bombay	270	244	7,325	5,947
Punjab	494	487	6,742	5,388
Andhra Pradesh ..	176	180	4,907	5,227
Mysore	133	124	3,207	3,129
Bihar	376	403	3,183	3,673
Madras	121	115	3,104	2,989
Madhya Pradesh	122	131	1,245	1,672
Orissa	59	59	942	942
West Bengal	58	60	846	1,170
Rajasthan	83	83	715	679
Assam	65	63	673	666
Kerala	22	19	348	353
Tripura	7	7	77	73
Delhi	11	10	70	70
Himachal Pradesh ..	4	3	19	18
Jammu and Kashmir ..	3	3	9	9
Total India	5,021	5,057	63,954	66,998

The above statement reveals that the decrease in the production of cane and reduction in acreage have occurred mainly in Uttar Pradesh, Bihar, Madhya Pradesh and West Bengal. The setback is generally attributed to unfavourable weather conditions during the sowing period and damage caused by adverse weather during the growing period of the crop. The overall decline in cane yield has been offset to a large extent by increases registered mainly in the States of Bombay and the Punjab. The productive estimates in respect of Andhra Pradesh and West Bengal are based on the results of random crop cutting surveys.

(*Concluded from next column*)

calculation suggested that a substantial margin was left for covering the costs of the oil synthesis, with the comparative ex-refinery prices of premium gasoline currently averaging about 13*d.* a therm. On these theoretical assessments, the gross annual return from operations on the proposed scale worked out at about 20 per cent. on the capital.

At the present stage of developments, such figures are, of course, of merely academic interest, since they anticipate very substantial advances in synthesis techniques yet to be accomplished. Many more years may pass before they can, in fact, be realised, and by that time any major changes in the relationship of coal and oil prices and other cost factors might invalidate the present estimates. Mr. Wynn rightly warned against underrating the power of technology, but he equally stressed the harm that can be done by exaggerating its possibilities—a view amply borne out by past experience in the field of oil synthesis.—*By Special Arrangement with* **Petroleum Press Service.**

OIL FROM COAL

POSSIBILITIES OF ECONOMIC SUCCESS STILL DOUBTFUL

IT is a commonplace that one technical advance invariably opens new possibilities in related spheres. This is now occurring in the field of oil-from-coal, as a consequence of recent moves by the U.K. gas industry towards the adoption of novel methods of town-gas manufacture, based on the total gasification of small coals by the German Lurgi process. The advantages of this process over the traditional coal-to-gas conversion by carbonisation are threefold. It eliminates the by-production of coke, produces high-pressure gas for long-distance transmission and, not least, it operates economically on small low-grade coals which—in contrast to the still scarce high-grade carbonisation coals—are now becoming available in increasingly embarrassing abundance, as the result of the fast progressing mechanisation of coal cutting. But beyond the foregoing attractions for the gas industry, the total gasification of these small and comparatively cheap grades of coal offers new prospects for providing cheaper gas to be used in Fischer-Tropsch plants for conversion to oil.

Work on improving the techniques and economic prospects of oil-from-coal production has been going on almost incessantly on both sides of the Atlantic ever since the 1930s, when Germany first embarked on establishing a synthetic oil industry, based on the Bergius high-pressure coal hydrogenation and the Fischer-Tropsch synthesis processes. At that time, Imperial Chemicals in Britain also set up at Billingham a coal hydrogenation plant capable of turning out up to 150,000 tons a year of oil products. But all these, and a few similar pre-war or wartime ventures elsewhere, were prompted essentially by military considerations and the desire of gaining technical experience, rather than the expectation of making the synthesis of liquid fuels a commercial proposition. After the war, the production of oil from coal in the then existing facilities was abandoned everywhere, except behind the Iron Curtain.

The one and only free world country that has since attempted the manufacture of oil from coal as a commercial undertaking, South Africa, has not so far been able to make an economic success of it. Sasol, the Government-owned corporation in charge of this enterprise, completed the installation of its £48-million Fischer-Tropsch synthesis plant and associated facilities for chemicals production in the Orange Free State three years ago, but has by now reached only about half its production target of over 200,000 tons a year of liquid fuels. It is further still from paying its way, despite seemingly most favourable pre-conditions. For Sasol has at its disposal both coal and labour resources of unparalleled cheapness, as well as the latest versions of the Fischer-Tropsch process devised by German and American experts.

A vital stage of the Fischer-Tropsch process is the gasification of coal which, by reaction with oxygen and steam in a Lurgi plant, is converted to synthesis gas, a mixture of carbon monoxide and hydrogen. Further improvements in the Lurgi process would cheapen this part of the operation. Some significance attaches, therefore, to the fact that the U.K. Gas Council and the British Coal Utilisation Research Association are now engaged in developing an advanced type of Lurgi gas generator. This is designed to operate at higher temperatures with a consequent saving of steam, while the range of acceptable fine coals is to be extended to the smallest sizes by a special device for removing the residual ash in the form of liquid slag.

The paramount importance of this "slagging gas generator" for raising the efficiency of coal gasification, in general, and for lowering the costs of coal-to-oil synthesis, in particular, was underlined in a recent reference by Mr. A. H. A. Wynn, scientific member of the National Coal Board, to a tentative design study for a hypothetical oil synthesis plant, assumed to operate on low-rank East Midland coal. This envisaged the conversion of 2.3 million tons a year of coal into 630,000 tons of high-grade gasoline and diesel oil plus 56 million cu. ft. a day of gas—representing a thermal conversion efficiency of over 60 per cent. The cost estimates indicated that a plant of that capacity was about the economic minimum size to be contemplated; its total capital cost, including working capital, was put at £35 million. Assuming that low-grade coals of about 15 per cent. ash content cost 3.1*d.* per therm (that is, approximately £3 a ton) and the purified gas about 7*d.* a therm, the paper

(*Continued in previous column*)



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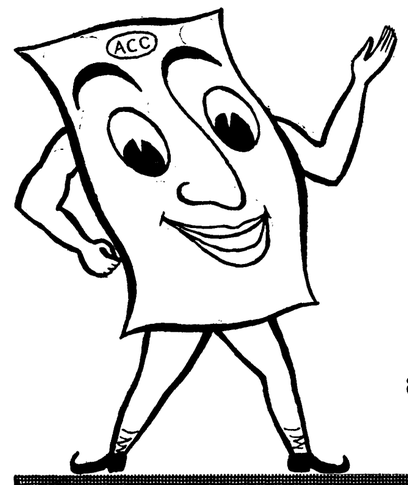

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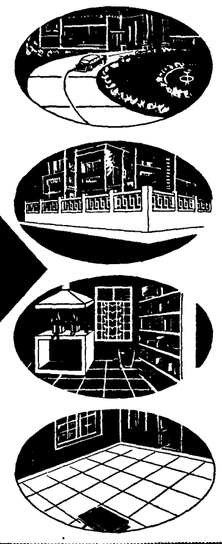
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METRIC UNITS IN JUTE INDUSTRY

CHANGE-OVER EXPECTED TO BE QUITE SMOOTH

NEARLY three months have passed since the metric system was introduced in the jute industry. The working of the system so far would appear to have caused no major difficulty to the interests concerned and there are indications that the change-over will be quite smooth. In the course of a special article on the adoption of the metric system, Mr. J. I. Jamieson, President, Indian Jute Mills Association, points out that arrangements are now well in hand for introducing the system completely throughout the industry and that, given continued co-operation from the Government, the change-over will be accomplished without disrupting relations between the various sections of the trade and, most important, the industry's relations with its overseas buyers.

With the introduction of the metric system in the jute industry, the basic unit of weight is now the kilogram, instead of the original units of maunds and tons, while the metre is the length measure in place of the yard. The previous existing units and measure will, of course, continue side by side with metric units for two years, that is, until the change-over is completed. The conversion factors in jute goods are: 37 kilograms=1 maund; 1,014.6 kilograms=1 ton; 1.83 metre=2 yards.

Mr. Jamieson recalls that, from the very beginning, the jute industry has felt that it is in the best interests of the country that all sections of the jute trade should co-operate wholeheartedly with the Government in adopting a new unified system of weights and measures in the form of the metric system. He is pleased to state that, again from the beginning, the Government of India realised the need for the utmost caution and flexibility in promoting the metric system in an industry which is so dependent on the wishes of overseas buyers, most of them in countries which have not adopted the system. The jute industry decided that, in order to make appropriate arrangements for the change-over, two joint sub-committees should be established, consisting, on the one hand, of representatives of the mills and the raw jute sellers and, on the other, of the mills, the gunny dealers and the shippers, to examine the difficulties likely to be encountered in adopting the metric system and to make recommendations as to the best means of effecting the change-over.

Position Complicated

According to Mr. Jamieson, the position in the jute industry is somewhat complicated, as the raw jute passes through many hands from the time it is sold in small bundles by the cultivators until it reaches the mills in the form of bales of varying maundages. Moreover, jute fabrics and bags are manufactured in the mills according to a very wide range of specifications, to suit the multifarious uses to which jute products are put, and the finished goods are sold in bales containing various yardages of cloth or quantities of bags as the case may be. He, therefore, emphasises that, on the one hand, there is the problem of educating the cultivators and the many others engaged in the raw jute side of the trade in the use of this altogether strange system of weights and, on the other, account must be taken of the requirements of overseas buyers, most of whom have expressed their wish to continue to receive goods according to the existing trade specifications.

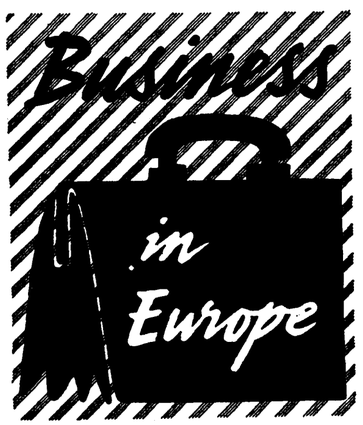
Referring to the time-table for change-over, the I. J. M. A. President makes the following observations:

"Early in 1958, the Jute Controller convened a joint meeting of representatives of all sectors of the trade in order that a time-table might be drawn up and the dates fixed for the first stage of the introduction of the new system. It was here decided that the first practical date for instituting the metric system in the jute industry would be July 1958, the commencement of the new jute season. In the earlier stages, the system would be adopted on a voluntary basis and only then in the better organised sections of the trade, and initially the application of the new system would be confined to expressing weights (of jute bought and finished jute goods sold) in terms of kilograms and the content of bales of gunny cloth in terms of metres. For a period of two years, the old system was to be permitted to exist side by side with the new. Comprehensive metric conversion tables were prepared by the Indian Jute Mills Association and issued to the trade, and similar tables for use by raw jute dealers and sellers were compiled and issued jointly by the Bengal Jute Dealers' Association and the Jute Balers Association."

As mentioned earlier, overseas buyers, particularly in the U.S.A. and the U.K., on learning of the Government of India's intention to introduce the metric system in the jute industry, informed the I. J. M. A. and the Calcutta Jute Fabrics Shippers Association that, whatever system was operating in India, they would insist on their requirements of jute goods being met on the basis of the existing units of weights and measures, and the jute industry subsequently approached the Government of India in order that it might give assurances to its overseas buyers on the question. Alluding to this, Mr. Jamieson expresses satisfaction that the Government of India fully appreciated the importance of ensuring that the introduction of the metric system should in no circumstances be allowed to interfere with India's export trade, and issued the necessary assurances which were well received by the industry's overseas customers.

By 1st July this year, everything was ready in the trade for the initial change-over. It was at first confined to the Calcutta area, the mills buying their raw materials in terms of the existing weights, with the metric equivalents recorded in the documents of purchase/sale, and the finished fabrics being sold on the same basis. It is intended, Mr. Jamieson says, that this practice, so far as it relates to raw jute, will gradually work its way back through the trade channels until it reaches the jute-growing areas. In so far as it concerns internal sale of jute fabrics, it is not anticipated that any serious difficulties will arise. Such business is transacted almost entirely in Calcutta and domestic purchasers such as, for example, the sugar and cement industries, will be at liberty to indent in terms of the existing specifications or, at their option, in terms of metric units: if the latter, the mills will be able to supply their requirements by the simple process of conversion.

The Pakistan Jute Board has re-imposed the minimum prices fixed by it in January, 1956 for the export of jute cuttings in India, the U.K. and the Continent. In a notification to the Pakistan Jute Association, the Chairman of the Board has fixed these price levels at £34 per ton for the U.K. and the Continent c.i.f. 90 days sight, and Rs. 65 (Indian) per bale c.i.f. Calcutta for consignments intended for India. The notification adds that the measure is necessary because the export price of cuttings have fallen below the limits fixed in 1956.



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RISE IN JUTE GOODS OFFTAKE

STOCKS WITH MILLS DROP

THE first quarter of the current jute year 1958-59 (July to June), which is drawing to a close, has been a very favourable one for both the industry and the trade. For the quarter has witnessed a marked improvement in the offtake of jute goods, internal as well as overseas. The aggregate despatches of hessian, sacking and other goods from mills during the first two months of July and August amounted to 191,800 tons, which compare very favourably with 140,800 tons in the previous two months (May-June 1958) and 149,700 tons in the corresponding period of 1957. In view of the rising offtake, perhaps, the Indian Jute Mills Association has decided not to change the minimum prices for jute goods. These prices, it will be recalled, were fixed towards the end of February last in order to arrest the downward trend. The minimum prices are: (1) Hessian per 100 yards: (a) 40"×10 oz. Rs. 39.50 and (b) 40"×7½ oz. Rs. 29.75; (2) B. twills per 100 bags: Rs. 100. The currently ruling price of hessian 40"×10 oz. is higher at Rs. 41.65, while that of B. twills is lower at Rs. 96.20.

Following the rise in offtake, stocks with mills have declined perceptibly. The total of these stocks at the end of August 1958 were no more than 117,200 tons, as against 134,000 tons two months before, but they are still higher than those held by mills at this time last year, namely, 92,500 tons. The decline in stocks is due also partly to the fall in production which aggregated 175,000 tons in July-August 1958, as against 177,300 tons in May-June 1958. The production is, however, much higher than that (167,800 tons) in July-August 1957.

The rise in offtake during the first two months of the year (July-August) as compared with the immediately preceding two-month period was of the order of 51,000 tons. The bulk of the rise—41,400 tons, to be precise—was accounted for by exports, the total of which was 134,100 tons, as against 92,700 tons. Offtake for internal consumption was higher by 9,600 tons at 57,700 tons, as against 48,100 tons in the previous two months. The share of hessian and sackings in the improvement of 41,400 tons in exports was 25,800 tons and 15,600 tons, respectively. The actual exports of hessian during July-August 1958 are estimated at 75,100 tons and of sacking at 59,000 tons. The upward trend in jute goods shipments has been due to the tendency on the part of overseas buyers, who had hitherto been adopting a hand-to-mouth buying policy, to enter the market for larger quantities with a view to augmenting their holdings. There was also the opening of more letters of credit for Argentina, following the removal of a ban imposed on imports of hessian early in June 1958. This tendency is attributable to unsettled political developments, especially in the Far East.

Stocks Lower

The fall of 16,800 tons in stocks of jute goods during the two months ended August 1958 as compared with the end of June 1958 is shared principally by hessian, the stocks of which declined by 12,000 tons to 19,000 tons. The stocks of sacking and other manufactures were also lower, albeit by a small amount, the former by 1,500 tons at 86,400 tons and the latter by 3,300 tons at 11,800 tons. The following table shows the stocks of jute goods at the end of June, July and August 1958 and August 1957:

(In tons)

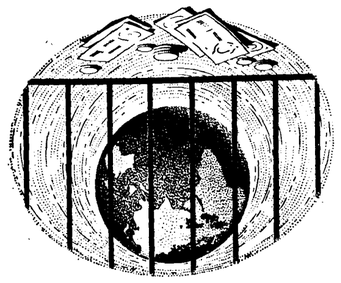
	31st Aug., 1958	31st July, 1958	30th June, 1958	31st Aug., 1957
Hessian	19,000	19,000	31,000	34,800
Sacking	86,400	89,800	87,900	51,100
Others	11,800	12,400	15,100	6,600
Total ..	117,200	121,900	134,000	92,500

The total quantity of jute goods actually produced during the first two months of 1958-59 was, as already stated, 175,000 tons, a fall of 2,300 tons as compared with May-June 1958 but an increase of 7,200 tons as compared with July-August 1957. The output during August 1958 was, of course, lower than in the previous month. The decline was accounted for solely by sacking, while the output of hessian was slightly higher and that of other manufactures unchanged, as the following figures will show:

(In tons)

	August, 1958	July, 1958	June, 1958	August, 1957
Hessian	35,400 (41.5)	35,300 (39.3)	31,300 (37.9)	33,900 (41.4)
Sacking	44,300 (51.9)	49,000 (54.5)	45,900 (55.9)	43,100 (52.6)
Others	5,500 (6.6)	5,500 (6.6)	5,200 (6.3)	4,900 (6.0)
Total ..	85,200	89,800	82,400	81,900

Note:—Figures in brackets relate to percentage share in the total production.



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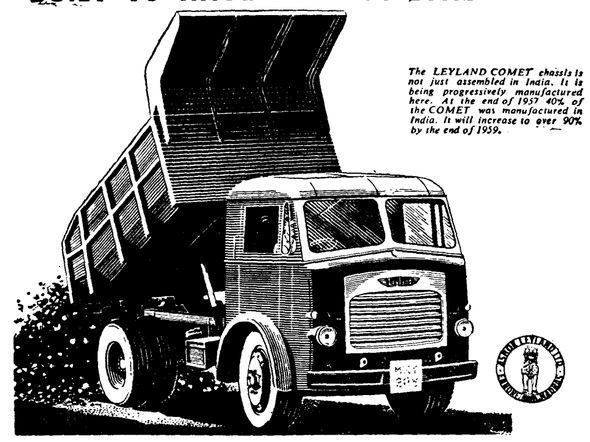

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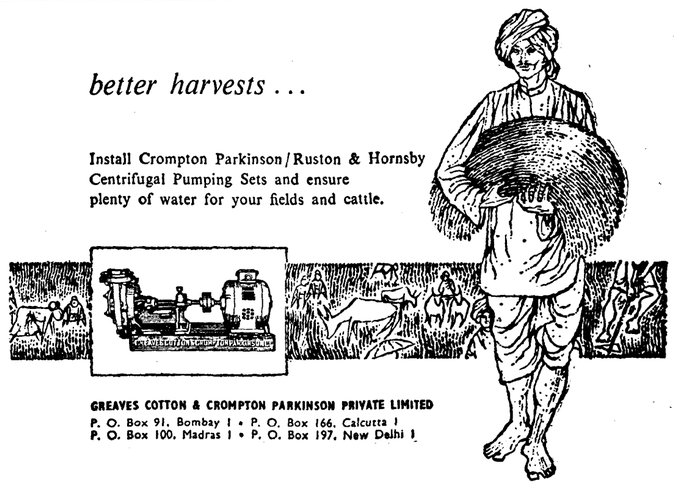

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DEMAND FOR STEEL RECEDES IN WEST

BRITAIN'S EXPANSION PLAN

IN the last decade, few basic industries have reported a more strident increase in output than the steel industry. Between 1945 and 1946, world steel ingot production increased from 113 million tons to 278 million tons. The question now is whether the world has reached the saturation point in steel supply. In any case, there is now a recession in demand for steel. No wonder, many observers are wondering whether the current recession in demand is something that can be dismissed as a mere temporary fluctuation in the steel industry's fortunes. In this context, much interest attaches to the fact that Mr. J. R. D. Tata, Chairman of the Tata Iron and Steel Company, Ltd., in his address at the annual meeting of the Company, advised caution in fixing India's steel targets which have been provisionally set at 15 million tons by the end of the third Plan period. There are, of course, two reasons why India may be well advised to be cautious in finalising its steel plans. For one thing, the expansion of the steel industry or the establishment of new units implies immense capital expenditure, so that a country like India which is short of capital resources, has to consider whether the balance of advantage does not lie in going slow with steel and a little faster with other industries which may need relatively less capital. Secondly, since steel is not an end in itself but a raw material for other steel-consuming industries, the latter group of industries deserve high priority in development which will facilitate the offtake of all the steel that may be produced. A lop-sided development in which steel industry claims and receives all attention and the steel-consuming industries are allowed to fend for themselves may conceivably lead to a glut in steel. The suggested solution for such a problem, namely, export of steel, may not always be easy to implement, in view of the fact that India may not continue to possess the advantage of lower production costs and steel-importing countries may not be willing to break their established connections with steel-exporting countries.

U.S. and U.K.

The slackening in the demand for steel has affected adversely production in the two leading steel-producing countries, namely, the U.S. and the U.K. In the U.S. production is now running at only 63.5 per cent. of capacity. Although this is an improvement over the position early this year when the industry was working at only 50 per cent. capacity, it is below the level in September 1957 when the industry was working at 82.2 per cent. of capacity. In the U.K., steel consumption is currently running at about 5 per cent. less than a year ago. In August 1958, crude steel output fell to 70 per cent. of capacity; production fell to an annual rate of 15.6 million tons, as against 19.4 million tons a year ago. To some extent, this fall was caused by the holidays, but there seems also to have been a further deterioration in demand for most types of steel products other than sheet and tinplate. It may be mentioned here that, in the last ten years, the output of steel in the U.K. has expanded by one million tons a year, and, in 1957, crude steel output touched a high of 21.7 million tons.

Be that as it may, the current recession in demand for steel in the U.K. has not deterred the authorities from pursuing the £600-million steel expansion programme designed to add by 1962 another 5½ million tons to the pig iron and steel-making capacity. If the U.K. is determined to pursue its expansion programme in the face of the recession in demand, it is presumably because, in the first place, it feels that the current recession is a passing phase and, secondly, it must be prepared to meet the competition from steel producers in other Western countries. These considerations are not, of course, entirely applicable to India which has to balance the need to meet its own rising demand for steel against the equally imperative need to put its scarce capital and foreign exchange resources to the best possible use.

Exports of Steel

An important consideration which weighs with the British authorities in deciding the question of the expansion of steel output is the fact that exports of steel and steel manufactures are vital to its economy. Direct steel exports were valued at £200 million in 1957 while steel and steel-based exports together accounted for 52 per cent. of the total value of U.K.'s exports. The expansion programme for steel is based on the assumption of an annual increase of 3¾ per cent. in industrial production and 4¼ per cent. in steel consumption. So far, the industry has, as already stated, added one million tons in capacity every year. This increase in capacity has involved an increase in requirements of the country's basic raw material, iron ore, from 19 million tons in 1946 to 32 million tons in 1957. A large proportion of ore requirements is imported from foreign countries. In 1957, it imported nearly 16 million tons. By 1962, imports of iron ore are expected to go up to 22 million tons. At the same time, efforts are being made to increase domestic ore output. Although active exploration is proceeding in several areas, it is recognised that domestic ore reserves are strictly limited.

Over the period 1958-62, the U.K.'s industry is expected to spend £600 million on fixed assets alone and additional working capital may require about £100 million. A large part of this capital has to be found by the industry itself. In this connection, the spokesmen for the industry have stressed the need for creating facilities which will make self-financing possible. The total retained earnings per ingot ton for representative groups of companies in the U.K. are 77*s.*, as against 80*s.* in the U.S. In view of the importance of self-financing, recent changes in the U.K. Iron and Steel Board's method of determining maximum home trade prices are of considerable interest. For many years, steel prices have been based on the average production costs of all efficient producers, together with an allowance for depreciation and profit related to the total capital employed. The main criterion now is that prices should reflect the capital and production costs which might be expected at a new integrated plant, incorporating the most modern techniques, favourably situated for raw materials and markets, and operated efficiently. Henceforth, in theory at least, the price set should adequately remunerate investment in new plant and so should not discourage expansion.

Nationalisation

A part of the total capital expenditure has, however, to be raised through public issues. The chief obstacle to popular financial backing for the development plan is the continuing threat of re-nationalisation of the steel industry. The main argument—and a valid one at that—against nationalisation is that the present arrangements combine the best elements of both public and private enterprise. Thus, while the national interest is safeguarded by the overriding authority of the Iron and Steel Board, to which certain matters are reserved, particularly over prices and development, initiative is yet retained by the companies which are spurred to greater efficiency both by competition that exists between them and by the retention of consumer choice. It remains to be seen whether the Labour Party will abandon its intentions to nationalise the steel industry. If it is not returned to power, these intentions will have no practical significance for the future of the industry. The question is, what will be the industry's future if the Labour Party wins a majority of Parliamentary seats in the next elections? It would, however, appear that opinion in the Party is sharply divided over the issue of nationalisation. Some members are credited with the inclination to abandon nationalisation in favour of State acquisition of steel equities in the more prosperous concerns, while others are in favour of re-nationalisation of the industry.

"CORE" POWER PROJECTS

Mr. Jaisukhlal Hathi, Union Deputy Minister of Irrigation and Power, laid two statements on the table of the Lok Sabha, last week, giving the names of power schemes and projects included in the 'core' of the Plan, in Madras, Mysore, Andhra Pradesh, Kerala, Uttar Pradesh, Bihar, Bombay, Madhya Pradesh, West Bengal and Punjab. The projects included in the 'core' are:

Madras State: Transmission and distribution schemes; improvements to existing power houses; *Mysore State*: Bhadra hydro-electric project; Tungabhadra left bank station; transmission distribution schemes, normal capital works, frequency conversion, step-down sub-station, power supply to towns, villages and rural areas, extension of transmission lines, supply of bulk power from Mysore to Coorg, Jog-Karnatak Distribution Scheme, Rural Electrification (Coorg area), rural electrification (Madras area) and rural electrification (Hyderabad area); *Andhra Pradesh*: Transmission and distribution schemes—extensions costing over Rs. 10 lakhs under Machkund, extensions costing over Rs. 10 lakhs under Tungabhadra, and rural electrification; reorganisation of Hyderabad City supply system; *Kerala State*: Neriamangalam hydro-electric project; transmission, distribution and rural electrification schemes; *Uttar Pradesh*: Rihand dam project; Ganga grid transmission; electrification of State tube-wells; and rural and urban electrification; *Bihar State*: transmission and distribution schemes. *Bombay State*: Khaperkheda-Akola extension scheme; South Gujerat grid scheme; North Gujerat grid scheme; Development of Southern grid; Porbander steam power station; Sikka steam power station; Morvi steam power station or the alternative; Surendranagar steam power station or the alternative; Rajkot power station extension; rural electrification and nursery schemes; and conversion of D.C. to A.C. at Rajkot; *Madhya Pradesh*: Korba thermal power station; Chambal project; transmission and distribution schemes; *Madhya Bharat region*: H.T. line from Gwalior to Morena, extension of mains at Indore, improvement and extension to existing power houses, and rural and small town electrification; *Vindhya Pradesh region*: Step-down sub-stations and rural electrification schemes including distribution in Bundelkhand area; *Bhopal region*: rural electrification; *Punjab*: Bhakra-Nangal Project, distribution under Bhakra-Nangal Project; and Uhl river electrification scheme; *West Bengal*: North Calcutta electrification schemes; Kharagpur-Midnapur electrification scheme; Durgapur-Maldah transmission schemes; Howrah-Hoogly rural electrification; and rural electrification.

COMET 4

A de Havilland Comet 4 returned to Hatfield (Hertfordshire) aerodrome at 17.37 hrs. B.S.T. on 14th September, after flying the 7,925 miles from Hong Kong in 18 hrs. 22 mins. The aircraft has thus, on its present proving-flight to the Far East and back, beaten all commercial-airline flying times. It was piloted by Capt. John ("Cat's Eyes") Cunningham. Stops were made at Bombay and Cairo. Actual flying time of the big four-jet aircraft was 16 hrs. 16 mins. Average speed for the return flight was 487 m.p.h. The return time was considerably faster than that of the outward trip. On board the plane was a full B.O.A.C. crew and the Corporation's Managing Director, Mr. Basil Smallpeice. Mr. Smallpeice described the Comet as "a really magnificent aircraft. To go around a third of the world, starting at sun-rise, and to arrive with two hours of sun left is a remarkable achievement," he said. The Comet gave a remarkably smooth flight, was absolutely free from vibration and, in fact, gave a "floating-on-air" journey.

The B.O.A.C. Managing Director said he foresaw the new Comet as an extremely valuable aircraft for all general routes of the world, especially those where, he said, traffic density was perhaps not sufficient to require a high frequency of very large aircraft.

NEW PLASTIC PRINTING PLATES

Scientists of the E. I. du Pont de Nemours Company at Wilmington, Delaware, U.S., have developed a revolutionary type of printing plate made of plastic, not metal, that can be used on the kinds of presses that print newspapers and magazines, as well as those used in commercial printing. It may result in cheaper and faster newspaper printing. The du Pont plate is now being tested in printing and newspaper plants in various parts of the United States. Large-scale production is not planned until late in 1960. The advantages claimed by du Pont scientists for the new plate are that it will drastically reduce the time needed to prepare most material for printing, make the printed word easier to read, eliminate one or more steps in various types of printing, and will last longer than a metal plate. Metal type is not used in preparing the du Pont plate. Instead, a photographic process transfers an impression from film to the plastic surface. In a matter of minutes, the plate is ready for the presses. At first, the plastic plate is expected to cost slightly more than a metal one. Widespread acceptance by the industry, it is stated, would probably bring down the cost.

The works cost of one ton of ingot steel in the three State-owned steel factories, as calculated in the respective project reports, would be: Rourkela—open hearth steel, Rs. 117 per ton, L.D. steel, Rs. 98 per ton; Bhilai—open hearth steel, Rs. 112 per ton and Durgapur—Duplex steel, Rs. 104 per ton. This was stated by Sardar Swaran Singh, Union Minister of Steel, Mines and Fuel, in reply to a question in the Lok Sabha. An estimate of the likely costs of production, he said, was made by the consultants in the respective Project Reports. He further stated that, in each case, different assumptions had been made about the likely capital cost, the prices of raw materials and operating expenses. As such, it was difficult to compare the costs of production with any exactitude. The Department of Iron and Steel, in consultation with the Hindustan Steel Private Limited, was in the process of revising these estimates so as to bring them on a common basis and to take account, as far as possible, of changes in capital costs and in the costs of raw materials.

The de Havilland Aircraft Company has just announced that it has received a contract for two more Comet 4 jet airliners. This brings the total number of Comet 4s and 4-Bs on order to 33. The contract has been placed by East African Airways, and the aircraft will be used for mainline operations. They will be to the same specification as the fleet of 19 Comet 4s now being built for British Overseas Airways Corporation, with which East African Airways operates in association. The aircraft will be employed on the Nairobi-London and Nairobi-Bombay Services. British Overseas Airways expects to introduce the Comet 4 on the London-New York route by the end of this year and on the London-Tokyo service by next May. The Comet is also scheduled to take over the B.O.A.C. "Kangaroo service" from Britain to Australia in December next year.

MEASURES FOR PROMOTING EXPORTS

PRICE, PRODUCTION AND QUALITY ARE VITAL FACTORS

By Chinoobhai C. Javeri

AT no time was the country in such desperate need to earn maximum foreign exchange as at present. The obvious way to earn it lies through larger exports—a task which is in no way easy and simple, considering that world markets are in a state of turmoil and uncertainty and the monetary and economic conditions stringent and unstable. Paradoxically, while countries are anxious to increase exports on the one hand, more and more import restrictions are being imposed by most of them on the other. On our part, despite concerted and constructive efforts, the results of our export drive have fallen short of expectations. Many and varied are the causes for it, some of which are beyond our control, while others are remediable, provided they are handled with courage, vision and will.

Verily, production is the sheet-anchor of exports, and in order to increase exports, there must be more and more goods, and to have more goods, either existing consumption has got to be reduced or production accentuated, creating an exportable surplus. Notwithstanding vast irrigation projects and improved methods of intensive cultivation, our agricultural production, on the whole, has not kept pace with the increasing demands of the country. The landslide, particularly in the production of foodgrains, has necessiated their importation on a colossal scale entailing considerable expenditure of foreign exchange which otherwise could have been better used for importing other essential goods and thus averted the existing foreign exchange crisis.

Modernisation of the means and modes of farming is the primary need of the hour. Organisations should be set up throughout the country to provide the farmer with better seeds and fertilisers and maintain strict supervision to ensure their proper distribution and utilisation. He should be taught and made fully conversant with the technique and use of the improved methods of cultivation. In a nutshell, the whole problem of production needs to be reviewed. Our energy, our spirit of service, our ingenuity, our faith and perseverance should be pooled and utilised unsparingly in devising and enforcing constructive and dynamic means and measures for increasing production. The problem of production has yet another angle—the angle of "wastage" which is a drain on production. Virtually, the elimination of wastage in all forms and at all stages will have the same effect as increased production. A country-wide intelligent and vigorous propoganda should be launched against it.

Agriculture

Today, agricultural products are the backbone of our exports. On them we can lean and place reliance to earn us the maximum foreign exchange until such time as the result of industrialisation can bear fruit. Nevertheless, production has fallen behind the growing demand and exports can be stepped up only if a surplus over and above the regular supply is created. By and large, the proper and practical course under the circumstances would be to resort to intensive and extensive cultivation, supplemented by longer hours of hard work. Another way is to call upon the masses to tighten their belts and make a sacrifice by restricting their present needs to the minimum and thereby creating an exportable surplus. This expedient can work but not without leaving a deleterious effect upon the efficiency, morale and physique of the people because the standard of living of the masses is already low and their consumption of goods almost below the bare minimum. Such a sacrifice is too much to expect from the masses who have already reduced their needs on account of the rise in prices. It would be like advising a starving man to eat less. And sacrifice has its limitations. Thus, greater production constitutes the brick, mortar and stone with which export trade could be built up. Notwithstanding, wherever warranted, a certain percentage of the production of an industry should be earmarked for export without either creating scarcity or rise in prices. Now that an emergency has arisen the country may be put on war-time footing for some time. People should willingly co-operate and make sacrifice further. This, they will do if they are convinced that others will not take undue advantage of their sacrifice.

Production provides a durable basis for promoting exports and price is the touchstone of the marketability of goods in foreign countries. Significantly, the prices of our products, not being generally competitive compared with those of other countries, it is difficult to sell them in export markets. In a large measure, the objective of competitive prices is best achieved by greater production because it reduces cost and when the supply exceeds the demand, prices tend to fall, provided other things remain unchanged. Under the existing circumstances of our developing economy, greater production provides a fruitful answer to this vexed price problem. In the case of foodgrains, however, our calculations have gone wrong because the pace of production has not kept abreast of the rising demand necessitated by ever-increasing growth of population coupled with the rising standard of living and the influx of refugees. To crown it all, there have been floods, drought and famines. Again, all measures or schemes would prove futile and ineffective, unless the problem of ever-growing population, which is the root of our troubles and the main cause of our present-day economic stresses and strains, is boldly grappled and satisfactorily solved.

The Other Reason

The other reason for our goods being priced out of foreign markets is that various imported materials are used in the manufacture of our finished products. Since imports have been either drastically reduced or totally banned, the manufacturers are compelled to use indigenous materials in their manufacture which, in most cases, are expensive and not up to the mark. Due to scarcity, imported materials have also become costly. While it is not possible to maintain the quality of our products owing to irregular supply or non-availability of particular materials arising from the frequent changes in the import policy, the manufactruing conditions of the industrially advanced countries of the world with whom we have to compete for selling our products in foreign markets are quite different. Secondly, Indian industries use mostly the imported materials, charged with high import duty, the industries of our competitors use indigenous materials attracting no import duty. There is another point also where they score over us. Endowed as they are with superior technical knowledge, the products these countries manufacture are comparatively cheaper in price and better in quality.

While the value of an article is measured by the degree of service and satisfaction it gives in relation to the price paid for it, the factors that govern the price are utility, quality and demand. Of these, quality is of prime importance in marketing the goods abroad. While our products do not have the reputation for quality, the consumer's preference for quality products is ever increasing. Expensiveness, however, is not the hallmark of quality. Nor does cheapness mean that the goods should necessarily be of a lower price. The emphasis is on durability, uniformity and finish. Furthermore, attractive presentation and get-up and sound packing enhance the reputation and value of goods. Again, goods supplied should be serviceable and according to samples. In keeping with the times, most of the advanced countries of the world have made rapid headway in reducing production costs and improving the quality, whereas, in India, particularly in old-established industries, modernisation is not permitted by the Government. Either we must modernise the machinery and equipment or forget about export drive. One cannot hunt with the hounds and run with the hare at the same time.

In Japan legislation was lately passed, laying down quality standards for a larger number of articles for export, subject to compulsory inspection prior to packing. The implementation of standards is strictly enforced. Any failure to comply with them is subjected to a penalty. It is not advocated that we too should emulate Japan because conditions in India are different. But, we may prescribe minimum standards for a number of manufactured goods intended for export, and to ensure their compliance necessary machinery may be set up for voluntary *ad hoc* inspection of goods at the factory before packing.

Automatic machinery and modernised methods of production, by themselves, can neither bring down the cost of production, nor improve the quality of goods, unless a high standard of human efficiency is maintained. Efficiency is not like a tap which can be turned on at will. If a machine goes wrong one can find out the defect and set it right. But it is a complicated affair when one has to deal with human beings. In this sphere, efficiency is linked up with stability and harmony.

Reward

To get the most and the best out of a human being, he should be rewarded in proportion to his contribution. Rewards are not necessarily related either to bigger salaries or to shorter hours of work. It is the human relationship which is the mainspring of effort and accomplishment. The job one does must contain a certain minimum of human interest. There must be a measure of appreciation and recognition of his work and the work he does given a sense of dignity. To sustain his interest and enthusiasm in work he must have a sense of security, an opportunity to advance and an outlet for personal initiative. A sence of discipline should be created in him, born of patriotism and responsibility, for discipline can compel a man to work and to put forth the best effort in it. Strike, go-slow and other tactics do not offer a proper solution to disputes, differences and discontent. The constructive answer lies in mutual understanding, co-operation and goodwill. In the final analysis, it is hard work, coupled with discipline and co-operation, that can foster progress and development of a country. What is meant by hard work is not physical strength, but the will and capacity of a trained individual to do a job.

Most of these measures will take time to show results. Meanwhile, the country is in the grip of foreign exchange crisis and needs foreign exchange immediately. The rot that has set in in our export trade, if not stemmed in time, will lead to a precipitous fall in exports, resulting in the loss of foreign markets which will be difficult to recapture later on. The creation of incentives is one of the effective measures for boosting up exports immediately. There is no space to discuss here the various forms of incentives. Incidentally, it may be pointed out that Japanese firms, according to reports from Japan, are allowed to deduct 9 per cent. of the export earnings from the taxable income. Furthermore, in Japan, a percentage of foreign exchange is allowed to be retained by an exporter who can utilise it for importing any goods of his choice which are not banned. A suggestion which merits consideration is that licences to import machinery and raw materials may be granted to a manufacturer in proportion to the foreign exchange earned by him.

It is important that the consciousness of the people should be roused and geared to the export drive objective. Continued efforts are necessary to impart and sustain the tempo of enthusiasm. To achieve the goal, the will to greater labour and higher production should be created among people. A favourable psychological climate for it can come through intensive and extensive publicity and propaganda, as is being done for the Plan. There is a well-known saying that "they also serve who only stand and wait." In the strain of that metaphor, let people know that every one can play a very useful role in promoting exports by practising austerity and eliminating waste. Just as the manufacturers take pride in making higher profits or in producing quality goods, likewise they should take pride in selling their products for export. Just as in war, people stand united and work wholeheartedly for the cause, everyone should contribute his mite towards promoting exports and consider such work as of national importance. This can be achieved by appealing to the sense of patriotism of the people. Not only do exports earn a country the much needed and valuable foreign exchange but they also serve to widen the horizons of knowledge and outlook, increase efficiency, improve the quality of goods through competition and contacts and bring prosperity.

REPORT ON SLUM CLEARANCE

TERMINAL TAXES ON GOODS AND PASSENGERS ADVOCATED FOR FINDING FINANCE

A PROBLEM of national dimensions, slum clearance, to be expeditious, should have a national policy. In the past, attempts have been made to deal with it on a local basis. It is only now that an endeavour is being made to evolve a national slum clearance policy. The magnitude and complexities of the problem are now fairly well known, thanks to a number of seminars and studies undertaken by both official and non-official agencies. Out of these studies has emerged the conclusion that the problem of slums is not merely one of clearing the slums and putting up structures afresh. On the other hand, the problem, in the last analysis, is really one of urban development in its widest sense, of a development which will do away with disease and ignorance, unemployment and poverty with which life is associated in the most congested areas of the big cities. The elimination of this squalor and tragedy cannot be achieved overnight, but a composite and integrated approach should be brought to bear upon the problem so that the slum dweller could not only be provided with a decent place to live in but also the facilities to lead a life which has some meaning and purpose.

Slum clearance must, therefore, embrace the provision, nearby, of employment opportunities, of schools and dispensaries, and of centres of recreation and cultural activities. In fact, slum clearance should be viewed as part of the problem of urban development. This aspect is particularly stressed in the report of the Advisory Committee on Slum Clearance constituted by Prime Minister Nehru last January. The Committee, which had as its Chairman Mr. A. K. Sen, Union Law Minister, and contained representatives of the Ministries of Works, Housing and Supply, Health, Home Affairs, Finance and Commerce and Industry, was required to collect material on what has been done in this regard in the major cities of India and to present its report or suggestions on the various approaches to the problem of slum clearance. The Committee, in its report, has suggested that an approach somewhat similar to the one adopted for the rehabilitation of rural areas, should be applied to the urban areas as well. In the same way as the Community Development Projects are pegged to agriculture, slum clearance and reconstruction should, according to it, be linked to medium, small-scale and cottage industries. It will be desirable, observes the Committee, to entrust this urban community development to one Ministry at the Centre which could integrate the activities of other Ministries in respect of town planning, slum clearance, housing, health, education and industries in order to develop completely the particular slum areas chosen for development.

New Approach

"If the slum population," says the Committee, "can be provided with the wherewithals of employment and the basic facilities, we will have enlisted public co-operation and removed the greatest obstacle to the shifting of the slum dwellers from the existing congested areas." It, therefore, suggests that this approach should be tried, in the first instance, in the worst slum areas of half a dozen cities. In the States in which these experiments are to be conducted, the urban community development organisations may be headed by Administrators. These Administrators will draw up and implement, in consultation with the Ministry in charge of urban community development and with the State and local bodies concerned, the composite urban development scheme for the selected areas.

The report examines the Government of India's slum-clearance scheme which is operating throughout the country and suggests the manner in which it can be made more effective. The accent in this scheme is on slum clearance and the Committee points out that, while this should be implemented with vigour and expedition, the short-term objective of improving the slums by providing in them minimum basic amenities should not be lost sight of. The scheme, which envisages an expenditure of Rs. 20 crores in the second Plan period, is based on two basic principles. In the first place, there should be the minimum dislocation of slum-dwellers and efforts should be made to re-house them, as far as possible, at the existing sites of the slums. Secondly, in order to keep down rents within the paying capacity of slum-dwellers, the emphasis should necessarily be laid more on provision of the minimum standards of environmental hygiene and essential services rather than on construction of any elaborate structures. The pattern of financial assistance to the State Governments which must operate the scheme is a 25 per cent. subsidy and a 50 per cent. loan from the Centre. The States have to find the balance of 25 per cent. as subsidy from their own resources. The States should repay the 50 per cent. loan to the Centre through the collection of rents from the rehabilitated families.

This scheme, according to the Committee, should be given a fair trial. It enjoins on the State Governments to give priority to the worst slums and not fritter away the limited financial resources on the smaller slums in the mofussil areas. Local considerations and pressure groups working for limited interests, says the Committee, seem to have set at naught this salutary requirement. A much better impression on the problem could have been made, according to it, if the bigger slums in the larger cities were taken up. In order, however, not to hold up the activity in the States in the field of slum clearance, the Committee feels that the States should be allowed to proceed according to their own plans. It, however, recommends that the Centre should earmark some additional funds over and above the existing allocations, to be spent in the cities of Bombay, Calcutta, Madras, Delhi, Kanpur and Ahmedabad. The States concerned should be given during the Plan period an additional sum of Rs. 2 crores for each of these six towns so that this money is spent on the worst slums in these cities.

Pattern of Assistance

The Committee points out that though the central slum-clearance scheme is based on the principle that there should be the minimum dislocation of slum-dwellers from the fields of their employment, the pattern of financial assistance prescribed tends to work just in the opposite direction. The State Government, which is required to find 25 per cent. of the cost of slum projects from its own resources, more often than not, will try to find them by selling the cleared slum-sites by auction at the highest price for commercial and other purposes. The result will be to rehabilitate the slum-families away from their original location. And the farther they go away from this location, the more difficult it will be to find them employment by means of which alone they can pay the rent of their new buildings. It is, therefore, necessary that, to the extent it is possible, open developed plots and *pucca* tenements should be provided on the cleared sites of the original slum itself. It will, however, be necessary to come to a decision on two important points. The first point relates to the question as to whether the States should not be relieved of their present responsibility of finding the matching 25 per cent. subsidy from their own resources, so that the Centre provides the entire 50 per cent. required; and the second relates to the fixing by law the principle or formula which will determine the compensation to be paid for the acquisition of the slum area. "If it can be arranged soon," observes the Committee "that the Centre finds the entire subsidy for slum-clearance, in much the same way as it does for the housing of industrial workers, we will have arrested the tendency in the States to sell the cleared sites for purposes other than for rehousing the slum-families. Government seems to have accepted the policy of discontinuing the principle of matching subsidies in the future; it is important that this should be brought into play in the field of slum-clearance also, if not immediately, at least in the third Plan period, unless, of course, necessary funds could be made available earlier. To be really effective, this step must be combined with restricting the compensation to be paid for the acquisition of the slum area. Only then will it be possible to keep the economics of the problem under control and to arrest the tendency to locate housing projects on wrong sites because of the high price of land. Only then also will it be possible to ensure that as many families as possible are in fact rehabilitated in the original slum site which has been developed and made fit for occupation."

As regards finances for the slum-clearance scheme, the Committee strongly urges that the reduction in the Plan allocation for housing and slum clearance from Rs. 120 crores to Rs. 84 crores, as suggested by the Planning Commission, is not advisable. In view of the importance of the problem, it should be possible, according to it by some readjustment, to retain the Rs. 120 crores allocation for housing. "This is necessary," it adds, "not only because all housing programmes, as pointed out by the Report of the Team on Selected Buildings Projects, are either meant to clear existing slums or prevent the coming into being of additional slums, but also because the original allocation of Rs. 20 crores for slum clearance, out of the total Rs. 120 crores for housing, as it is, is inadequate to make even a slight impression on the problem. If this could be done, the Ministry of Works, Housing and Supply may be able to find the extra sum of Rs. 10 crores recommended for the cities of Bombay, Calcutta, Madras, Kanpur and Ahmedabad, with Rs. 2 crores for Delhi being obtained from elsewhere in the Plan."

The Committee also recommends that a sum of Rs. 25 crores should be given as loan to State Governments for acquiring and developing land. Unless this is done, according to it, the tempo of house-building activity will not only slow down in the current Plan but would virtually come to a stop during the third Plan.

Source of Revenue

It, however realises, that the retention of the original provision of Rs. 120 crores for the housing and slum-clearance programmes and finding Rs. 25 crores for the acquisition of land will be a difficult task when all the available resources are already committed in the second Plan. Extra sources of revenue should, therefore, be tapped to find the additional funds required. It suggests the levy of a terminal tax on goods and passengers carried by rail over a hundred miles to cities with a population of one lakh and over in order to initiate the programme of urban community development, to implement more effectively the present slum-clearance scheme and to acquire and develop land in advance. Such a tax according to the Committee, will yield an additional revenue of Rs. 1.15 crore per annum from passenger traffic and about Rs. 12 crores per annum from goods traffic. At places where terminal or some similar tax is already levied, an increase in the rate could be considered. This tax, the Committee maintains, would bring in sufficient revenue to maintain intact the provision of Rs. 120 crores in the second Plan. With this done, it adds, it should not be difficult, by some adjustment, to find the extra sum of Rs. 10 to Rs. 12 crores recommended for slum-clearance in the six cities and also anything upto Rs. 25 crores for the acquisition and development of land.

As regards the foreign exchange required, the Committee points out that if a target of 500,000 houses per year is fixed for the next three years the total cost of these houses, inclusive of land, would come to about Rs. 270 crores of which the foreign exchange component would be Rs. 55 crores. This is, if anything, a conservative estimate reached after cutting down the requirements of cement and steel to the barest minimum.

The Ford Motor Company of Detroit (U.S.A.) and the United Automobile Workers of America (U.A.W.) have agreed on a three-year contract covering 100,000 union workers in the company's plants throughout the nation. The agreement was announced by negotiators for the Company and the U.A.W. after a full day of meetings that included several hours during which the union workers had begun a scheduled strike. The pay-increase formula agreed upon would give workers 10 cents more an hour with retrospective effect from 1st July and guarantee seven-cent hourly raises in the two succeeding years.

The contract is expected to set a pattern for similar contracts with other automobile manufacturers—principally General Motors and Chrysler—who employ approximately 500,000 other workers in the industry. Three-year contracts with major manufacturers expired last June, but the union workers had remained on their jobs during negotiations that continued during the summer. In a joint statement, the union and company negotiators said, that "agreement had been reached on a sound and equitable" contract "fair to the workers, the company and the American public." Mr. Walter Reuther, President of the U.A.W., said the terms were "considerably better" than the company's previous offer of a two-year contract and a wage increase of 16 cents an hour. The union also obtained fairly substantial concessions in fields such as increased supplemental unemployment pay, increased pensions, compensation for workers on short work weeks, severance pay and cost-of-living allowances.



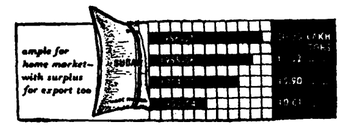
Foreign Exchange

— a top most priority

Never before has India stood in such dire need of foreign exchange as today. The Country's development projects on which our future prosperity depends, calls for straining every resource to earn this. Indian White Sugar Industry has risen to the occasion by increasing production, thus making White Sugar available for export. But the present poor yield of cane per acre and its low sugar content makes the cost of sugar production high. Yet in the national interest. Indian White Sugar must be sold abroad even at a loss—a burden to be shared by the industry and the people alike.

Today the White Sugar Industry provides scope for Indian capital investment of more than 100 crores of rupees; it provides employment to over 1,40,000 skilled and unskilled workers and 3,600 university educated men, their total earning representing 5% of the national wages and salaries; it supports 20 million cultivators; it constitutes 12% of the total value of production of major Indian industries; it contributes over 65 crores of rupees (@ Rs. 13.19 per maund) in levies to the national exchequer.

It offers even brighter prospects for the country. With a lighter burden—with some of its present day handicaps removed—this industry can contribute to achieving a more stable national economy. Its upward trend of production can continue to meet the needs of a growing home market and yet leave a surplus for export in order to earn foreign exchange.



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THE TATA IRON AND STEEL COMPANY LIMITED

SPEECH OF MR. J. R. D. TATA AT ANNUAL GENERAL MEETING

EMPHASIS IN THIRD PLAN SHOULD BE LESS ON STEEL BUT MORE ON FINISHING INDUSTRIES

THE following is the speech of the Chairman, Mr. J. R. D. Tata, delivered at the Fifty-first Annual General Meeting of the shareholders of the Tata Iron and Steel Company, Limited, on Thursday, 18th September 1958.

"LADIES AND GENTLEMEN,

"Before I tell you something about matters of direct concern to us, I shall, as usual, take a little of your time to refer to one or two subjects of general interest in the economic sphere, for our destinies are affected just as much by economic developments and trends in the country and by Government policies, as by events in our own backyard.

Foreign Exchange Crisis

"By far the most serious development in the country's economic life in the past year has been the accelerated depletion of our foreign exchange balances which, standing at Rs. 746 crores in March 1956, are, today, below Rs. 185 crores. How serious the situation is can be judged from the fact that we need some Rs. 560 crores merely to meet our known commitments upto the end of the second Plan. Allowing for a minimum reserve against the note issue and taking Rs. 50 crores as the minimum practical working balance, we must somehow raise an additional Rs. 425 crores between now and March 1961 to honour our commitments.

"It is easy to be wise after the event and much could therefore be said, and has in fact been said, about this crisis, but to me the most surprising thing about it is not so much that it happened at all but that it was not foreseen at least two years ago. Little purpose, however, would be served by adding to the spate of comment and criticism already voiced on the subject in the last few months. Our Finance Minister is now abroad engaged in delicate discussions with the World Bank and the Governments of a number of countries. Our sincere wishes accompany him on his mission.

"Even assuming that all our commitments under the second Plan are fully met, the position thereafter will remain a grim one. Having used up practically the whole of our foreign reserves accumulated at such sacrifice in the war years, and having in addition drawn heavily upon the future, any surplus we may be able to earn is likely, for many years, to be absorbed in the servicing of our foreign debt. Unless, therefore, we can greatly increase our earnings in foreign exchange and also attract long-term foreign investments, we shall not only be unable to finance the foreign component of new development projects but will also have to exercise such a tight control over current imports that industries depending on imported raw materials and components will be hard put to it to maintain normal operations. The present plight of many steel-consuming industries whose allotments of steel have been slashed to a fraction of their requirements shows how stony the road to further industrialisation may be in the future.

"Never before has it been more necessary for us to be practical and realistic in our approach to economic problems and, in the process, to be willing to shed some of the prejudices and dogmas which have so heavily coloured some of our thinking in the past.

Self-sufficiency in Food

"The basic ingredients of further progress should be clear by now. First, it is imperative that we become self-sufficient in food. How vital that is can be judged from the fact that since 1946 we have had to spend Rs. 1,000 crores of precious foreign exchange to buy food in addition to the Rs. 300 crores worth generously gifted to us by the U.S. and others over the same period. There would be no foreign exchange crisis today if we still had that Rs. 1,000 crores in hand. Second, we must generate a sufficient annual surplus in our total balance of trade to pay for essential imports and to service our foreign debt.

"Any further major expansion of our economy thereafter, particularly in the industrial field, will depend mainly on our ability to ensure a continuous flow of fresh capital. Except for such success as we may achieve in bringing into use some of the accumulated and hidden wealth in our country, the amount of fresh savings from within India will clearly not be adequate to finance development of the magnitude, and at the rate, required. It must be supplemented by investments and loans from abroad which would, in any case, be required to provide foreign exchange for imports of new capital equipment.

Foreign Capital

"One of our main tasks, therefore, will be to induce our own people and people in foreign countries to invest in productive enterprise in India. This cannot be achieved unless we realise that capital flows most readily in directions where safety and opportunities of a good return and appreciation are greatest. If Puerto Rico has made such astounding progress in the last ten years and if Canada and other countries in the American Continent can attract all the capital and all the constructive enterprise they need, it is for the simple and obvious reason, constantly ignored or misunderstood in our own country, that it is made welcome and allowed both a safe harbour and an attractive return.

"If our Government and our Parliament, while by all means protecting the under-privileged, providing the maximum welfare services within our means and ensuring equal opportunities for all, were to let it be known that India was a land of opportunity for constructive and honest enterprise, where those who risked their savings or their surplus capital could reap a fair reward, we would see such a flow of capital from within and from abroad and such an upsurge of economic activity as would transform our land and our people's way of life in a few decades.

"The surest way, on the other hand, to drive Indian capital out of sight and to discourage foreign investment is to continue with those elements in our economic philosophy and policies which have done so much in the last ten years or so to inhibit or penalise enterprise and initiative. I would mention in particular the excessively complex and rigid controls imposed on industry under various enactments, the crushing burden of individual and corporate taxes, excise duties and other imposts, often of a discriminatory character, which we choose to call an integrated system of taxation but which in fact merely saps the will to work and the willingness to take risks and, finally, the ideological attitude of hostility and mistrust towards private enterprise.

Future Steel Capacity

"One matter of future economic policy of special interest to us is the question of the further expansion of the steel industry under the third Five-year Plan, which, I understand, is at present under the consideration of the Planning Commission. While the matter still seems to be at an exploratory stage, it is probable that decisions will be taken in the course of the next twelve months and I therefore think it appropriate to record my views on the subject here today.

"With India's large reserves of raw materials for steel making and her plans for rapid industrialisation, there is obvious scope as well as need for the continued expansion of the steel industry. There could be no disagreement on that but the question at issue is the rate of such expansion and its order of priority in relation to other industries. Over-emphasis on steel production in our future Plans would prove a costly mistake, and I wish to sound a note of warning against allowing the steel industry to run away with too great a proportion of whatever total resources will be available in future Plan periods. That this note of alarm is not unjustified may be judged from the fact that in the Explanatory Memorandum on the 1958-59 Budget laid before Parliament as recently as March this year, the third Plan target for steel production was stated to be of the order of 15 million tons per annum involving an increase in annual capacity of 9 million tons.

"Even assuming a substantially lower expenditure for the expansion of existing plants than that incurred on the three Government steel plants, the total cost of such additional capacity would not be far from Rs. 1,500 crores, of which something like Rs. 700 crores would be required in foreign exchange, as the heavy machine building plant to be put up by Government at Ranchi will not be ready in time to fabricate any substantial part of the new steel-making equipment.

"We may rely on our strong and realistic Finance Minister to support only those schemes of industrial development that can be justified on such practical considerations as availability of finance, demand in India and abroad and a sound order of priority as between one industry and another, but as some of these factors seem to have been consistently overlooked upto now in regard to plans for the expansion of steel capacity, it may be appropriate for me to draw attention to the fact that of all engineering industries steel manufacture requires the largest capital investment per rupee's worth of output and per worker employed. Put in another way, its annual output and the number of men it employs are the lowest per rupee of capital invested.

Exports ?

"If it is suggested that surplus steel capacity could be profitably used to earn foreign exchange from exports I would point out that there is already a surplus of steel capacity in the world, so that there is not likely to be an export market at all. But even if there were, all that could be earned in foreign exchange on steel exports would be about Rs. 500 per ton, whereas we could earn or save three to four times that much per ton of products made from steel.

"In view of my life-long association with the steel industry no one would be more pleased than I to see India one of the great producers of steel in the world, but a little practical thinking makes it clear that we would be better off if, for a while, we had less steel plants but more secondary and finishing industries using steel and if we made more trucks, cars, machine tools and capital and consumer goods of all sorts in preference to making raw steel, for, in return for the same amount of capital investment, we would thereby create much more wealth, earn and save more in foreign exchange, provide more employment and generally build up a more balanced and productive economy.

"In the context of the continued shortages of financial, technical and managerial resources which we must assume will exist for the next ten or fifteen years, it is supremely important that in our development plans priorities are based not on prestige but on a down to earth assessment of all relevant factors including the annual output and return per rupee of investment, foreign exchange earned or saved, value to the economy as a whole and employment.

Accounts

"Coming to our own affairs, and, to begin with, to the results for the year embodied in the report in your hands, I must apologise to the shareholders for the difficulty they must have had in following the accounts. Apart from the shock some of you may have suffered at the staggering increase in capital expenditure you may well have been bewildered by some of the entries in the balance-sheet and in the profit and loss and appropriation accounts, and by the unexplained disparity between some of the 1957-58 figures and those of the previous year. I shall do my best to make matters clear to you when answering your questions, but at the outset I should like to explain that if company accounts in India have become the most complicated and the most unintelligible in the world, our thanks are due to the Indian Companies Act (1956), to our much vaunted integrated tax structure, and to its interpretation by the authorities concerned.

"Apart, however, from these unnecessary complications imposed on us, comparisons between many of the figures for the two years have been vitiated by such factors as a change in the mode of valuation of stocks and by the effect of the enormous expenditure on the expansion and modernisation programmes, on allocations to taxation, depreciation and rehabilitation reserves.

No Cause for Alarm

"Discounting these special factors, the essential fact to be noted from the accounts is that our operations for the year have resulted in a profit which is about Rs. 1½ crores lower than in the previous year, due almost wholly to the lower production and despatches of saleable steel and other products, and that this reduction in profit was compensated by a large reduction in taxation, an upward revaluation of the stocks of raw materials and semi-finished and finished products, and by the writing back to profit of excess provisions made in previous years.

"While the setback in our profits is naturally to be deplored, there is no cause for alarm. The situation will retrieve itself automatically when the new plant goes into full production which, barring unforeseen troubles, should be by the end of the current financial year. In the meantime, taxed reserves are adequate to ensure that the shareholders' dividend will not be affected.

Golden Jubilee

"A happy event for us during this year was the celebration at Jamshedpur on the Ist of March of the Golden Jubilee of the Indian steel industry and the town of Jamshedpur. The Government of India were good enough to issue a special postage stamp on that day bearing upon it the portrait of Jamsetji Tata superimposed on a view of the Works, and Prime Minister Jawaharlal Nehru, busy as he is, made the gracious gesture of coming himself and taking a prominent part in the celebrations. He dedicated the 200-acre Jubilee Park created by the Company for the benefit and pleasure of the workers and people of Jamshedpur, and unveiled the statue of Jamsetji Tata presented by the employees, associates and friends of the Company. In the course of his speech that afternoon, and again at a mass meeting of the citizens of Jamshedpur later the same day, the Prime Minister paid a heart-warming tribute to the memory of J. N. Tata and said some kind things about the services rendered by our Company to India. We are deeply grateful to him both for his presence and for his words of appreciation and encouragement.

"All told, the celebrations were a great success, enlivened by the presence of the Governor and the Chief Minister of Bihar, the present Union Finance Minister and many other distinguished guests from far and near, and by the enthusiasm and gay spirit with which the citizens of Jamshedpur, consisting principally of our employees and their families, participated in, and reacted to, the occasion.

"The special warmth and sincerity of their traditional homage to J. N. Tata two days later, on Founder's Day, was in striking contrast to the hatred, violence and hooliganism stirred up a few weeks later by the Communists during the serious labour disturbances of last May to which I shall now refer.

Labour

"When I addressed you last year, I referred at some length to the worsening labour situation at Jamshedpur and the neighbouring areas and in particular to the signs of a well-laid Communist plan to acquire control over labour in the whole of the area which I called the industrial heart of India. The fast-moving events of subsequent months, culminating in the strikes and mob violence at Jamshedpur in May 1958, confirmed the correctness of the picture I had drawn of the situation.

"I shall not take your time with a detailed review of the events that led to the strike and of the strike itself. The facts are well known and have been ventilated in the Press and in Parliament. In addition, we have brought out a brochure called 'The Story of a Strike' which gives a full and documented account of this sad chapter in our Company's history. If any shareholder is interested, we shall gladly send him a copy in either the English or the Hindi version. Today I shall only draw attention to some of the highlights of the drama which overtook Jamshedpur last May, the ultimate result of which was that 4 men were killed, 114 persons were injured, over 400 men were dismissed or discharged, Rs. 25 lakhs of wages were lost to our employees, while 335,000 man-days of work and 45 000 tons of steel valued at Rs. 2¾ crores were lost to the country.

"The essential fact about this strike was that it was not a dispute between the Company and its employees. It was, in my view, a determined and premeditated attempt by the Communist Party to acquire power by force at Jamshedpur as part of a bigger plan to control the whole of the labour field in the Indian heavy industry. Jamshedpur, with its great complex of engineering industries grouped around India's biggest steel plant, was a bastion which must be conquered at all costs for, without it, control over other industries in that part of the country would be precarious.

"As a first step, the existing recognised I.N.T.U.C. Union had to be ousted. The Communist leadership probably thought that the preliminary process of agitation and localised action which they had carried on at Jamshedpur during the previous year had so softened the opposition that one hard push would be sufficient to topple the whole edifice of relationship between the Company and its employees and their Union, founded on years of goodwill, negotiation and successive agreements.

"If this well-prepared plot failed utterly, it is because the Company stood firm and the Government of Bihar which, from the start, had a clear understanding of the issues at stake, dealt with lawlessness, coercion and violence with a strong hand. An important contributory cause was the good sense of the men themselves who wasted no time in rejecting the Communist leadership as soon as they realised its true significance.

Violence and Mob Action

"A notable feature of the strike, which need surprise only those who refuse to recognise the consistent nature and pattern of Communist action in democratic countries, was the cold-blooded resort to violence and mob action. If it had not been for the firm stand taken by the Government of Bihar many more lives would have been lost in the wave of terror and crime unleashed on Jamshedpur to break down all opposition.

"In this connection, it may be pertinent to recall the tragic events which took place only a year previously at Gua, centre of the neighbouring mines of the Indian Iron and Steel Company. By a coincidence the judgment in the criminal case that followed was delivered by the Sessions Judge of Dhanbad only a few days after the abortive assault on Jamshedpur had been launched. As reported in the newspapers at the time, the Judge sentenced the Communist leader of the Action Committee to transportation for life and twenty-one of his colleagues and followers to terms of imprisonment ranging from five years to life for their alleged part in an attack by a mob armed with deadly weapons against the office of the recognised Union resulting in the death of some of its office-bearers and wounding of others.

Sabotage Attempts

"Another notable feature of the Jamshedpur struggle needs to be stressed. When events began to go against them at Jamshedpur, the strikers did not hesitate to interfere with certain operational measures—the lack of which would have caused such serious damage to the coke ovens and blast furnaces as to have required upto a year to repair. This was nothing less than sabotage which was countered only in the nick of time and which, if successful, would have resulted in prolonged unemployment for thousands of workers and in the loss of hundreds of thousands of tons of steel to the country, apart from immense financial loss to the Company.

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I may say that, since the strike, a number of individual cases of attempted sabotage of the new plant have been discovered. The high degree of technical knowledge and skill displayed and a certain similarity of pattern make it clear that these were not isolated acts of disgruntled individuals but part of a well-conceived and executed plan.

"The pattern is only too clear for those who are not blinded by the unending stream of literature and propaganda, most of it imported, to which the people of this country are subjected. While the Communists profess adherence to constitutional and non-violent means, love for the Five-year Plans and support for all-out production, their relentless pursuit of power continues unabated, under a cloak of respectability, and, when it suits their immediate objective, whether in the political or labour arena, they do not hesitate to use and provoke violence, and to sabotage industrial production.

"As is to be expected, the Communists leadership has not taken kindly to the reverse to their plans for Jamshedpur, as can be seen from the strident campaign of vilification against the Company, and Tatas generally, in the Communists and pro-Communists Press. Since May there has been a continuous stream of party leaders from various States visiting Jamshedpur, while it is reported that considerable funds have been made available to the Jamshedpur Mazdoor Union. They may be expected, therefore, to continue their efforts at causing trouble at Jamshedpur and there is no room for complacency either on the part of the Company or the Tata Workers' Union or the State Government.

"Thirty years of labour peace at Jamshedpur had perhaps dimmed to some extent the realisation that sound labour relations and enduring co-operation need unremitting vigilance and effort, particularly on the shop floor, as well as the maintenance and constant use of good channels of communication between management, supervisory staff and labour. The recent events, tragic as they were, will have served a useful purpose if they have helped to clear away the weeds of habit and complacency and exposed some of the underlying deficiencies previously concealed.

Responsibility of Trade Union Leaders

"The task of establishing and maintaining good industrial relations is particularly difficult in India, in comparison with highly industrialised countries where the workers are well-educated and disciplined and where unions are strong and responsible. With fifty years of industrialisation behind us, however, I feel it is time for the trade union movement in India to mature and organise itself on the lines followed with such success elsewhere. By and large, Indian trade unionism is still weak in organisation and finance and retains a primarily agitational character. Instead of concentrating on constructive work within the union membership and at the conference table, union activity in India still takes mainly the form of provocative speeches at mass meetings. The movement has been further weakened, and in fact almost destroyed, by the endless struggle for power between three politically affiliated groups.

"A heavy responsibility devolves on Indian trade union leaders who, helped by the striking change in the attitude of management to labour problems throughout Indian industry in recent years, and by the consistently pro-labour attitude of the Central and State Governments, have a great opportunity of constructive service to the growing mass of India's industrial workers. There is, unfortunately, no sign as yet of an improvement in the situation and we may rely upon the militant A.I.T.U.C. group to keep the cauldron boiling, for, as we have seen at Jamshedpur and elsewhere, labour unrest and disruption of industrial production are essential weapons in the armoury of the Party to which the A.I.T.U.C. is affiliated and from which it derives its financial resources.

Two-million-ton Programme

"I regret to say our hopes of completing the Two-million-ton Programme substantially by the 31st May have not been fulfilled. In retrospect, it would now seem that the original completion target dates were somewhat optimistic. The position today is that the coke ovens came into operation in January 1958; the new blast furnace, one of the biggest and most modern in the world, will be blown before the middle of next month. All the seven new open hearth furnaces of S.M.S. 3 which formed part of both the M.E.P. (Modernisation and Expansion Programme) and the T.M.P. (Two-million-

ton Programme) are in production. The first two started operations in March 1957 and the last one in July this year. Two of the three Bessemer Converters at S.M.S. 3, which, under the steel-making process adopted, are essential to the achievement of the full rated output of about 1.3 million tons of ingots per year, will be commissioned in a few days and the third will be commissioned in October. Of the three new rolling mills, the 46" blooming mill rolled its first ingot on the 18th of August. The sheet bar and billet mill is expected to be in operation in November and the medium and light structural mill by the end of December.

"Although it will have taken us quite a few months longer than the thirty in which we originally hoped to complete the project, the addition in three years of a million tons of capacity under Indian conditions and taking into account the many unforeseen difficulties and setbacks encountered is not an inconsiderable achievement. Our thanks are due to Messrs. Kaiser Engineers for the great effort they have put, and are putting, into the job and in particular to Mr. Edgar Kaiser, President of the Kaiser Group of Companies, who took the trouble to come out personally to India earlier this month and spent a week at Jamshedpur to help solve some current problems and ensure the earliest possible completion of the project.

Increase in Capital Costs

"Apart from the delay in completing the programme and in fact to some extent because of it, we are unfortunately faced with a substantial increase in capital cost. A year ago, the revised estimate of the total capital expenditure to be incurred over the quinquennium 1955-60 on the Modernisation and Expansion Programme, the Two-million-ton Programme, ancillary projects such as the Ferro-manganese Plant at Joda, normal replacements and renewals and on the Company's investments in subsidiary or associated projects such as the Indian Tube Company and Belpahar Fire Bricks, was Rs. 118.7 crores. Today the figure has risen to as much as about Rs. 133 crores, the increase being due to a number of factors including the addition of new items or improvements to existing ones, the operation of escalation clauses in respect of purchased plant, the delay of six months or so in construction involving the maintenance at Jamshedpur, at Company's cost, of many thousands of men, and increases in prices of our own steel, freight and the like.

"These increases in capital costs have put a severe strain on our financial resources, already burdened by the additional taxation introduced in the 1956-57 Budget, by the labour troubles of May, and aggravated by the much lower output of steel in the last two years as compared to the original estimate. All these factors have adversely affected our ways and means position either by increasing our expenditure or decreasing our revenues. Because of the easier conditions in the money market and the high creditworthiness of your Company, we hope to secure our increased requirements of finance from short-term borrowings. It is a sobering thought that we are likely to end the current financial year with total long and short-term borrowings of about Rs. 75 crores, excluding Government's Rs. 10-crore special advance.

"Ever since the completion of the greater extensions at Jamshedpur after the First World War, your Company had, over the years, painstakingly built up its financial position notwithstanding continuous capital expenditure on its plant, until, on the eve of the present programme of expansion, its liquid assets exceeded its current liabilities by about Rs. 8 crores. Within four years we shall have got into debt again to an extent which would have frightened us out of our wits twenty years ago. Times have no doubt changed, but your Directors' and Managing Agents' conservative instincts in matters of finance have remained, and it will be their endeavour over the coming years to reduce as rapidly as possible the heavy burden of debt incurred in our expansion and modernisation schemes.

Capital Structure

"One aspect of the problem which will have to be faced by the Directors and by yourselves from time to time is the relationship between the share capital of the Company and the capital invested in the business. There is an unduly wide disparity between the share capital of Rs. 30 crores and the total amount of about Rs. 135 crores invested in the business. The disparity will be still wider next year when our expansion projects are completed. From many points of view, it is desirable that the share capital of the Company should not lag too far behind the figure of its nett bloc. If we are to bring down our load of debt to manageable proportions in the course of the next few years, it is clear that we must make fresh issues of capital as suitable opportunities arise. If and when proposals for an issue of capital are made to you, your Directors will bear it in mind that in these difficult days the capacity of shareholders to produce additional money is limited, and also that any fresh issue should from the start be assured of a fair return based on current equity yields.

"While we shall be carrying for some time an uncomfortably large load of debt, the servicing of which will put us to considerable strain for some years, there is little doubt of our ability to bear it, as our capacity to earn will have grown in proportion. At the same time, it would be prudent to temper optimism with caution and to conserve our resources as best we can, for our increased revenue potential will, for some time, be subject to a number of uncertainties.

"For instance, we do not know as yet how much the new wage structure is going to cost us annually, nor how long the new plant will take to settle down, nor how the labour situation will develop. So long, however, as Government continue to fix prices on a basis which includes adequate provisions for replacements and expansion and for a fair return on capital employed, I see no reason why we should not continue to make steel as cheaply as anyone in India and why, therefore, shareholders should not continue to look to the future with confidence.

"Before closing, I would like, on your behalf, to offer a special word of thanks to the members of the management and the supervisory staff at Jamshedpur who met a most difficult and, at times, dangerous situation with fortitude and devotion to duty, working round the clock in their efforts at first to keep the plant running and then to close it down without damage. Our thanks are also due to the thousands of workers who resisted the campaign of threats and violence directed at them and at their families and who worked steadfastly during the strike or tried to do so as long as they could, often at great personal risk. I am sure the shareholders will join me in expressing our warm appreciation of the exceptional services these officers and men rendered to the Company at a critical juncture in its history."

Note: This is not a report of the proceedings at the above annual general meeting.

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NEW PUBLICATIONS

Problems of Capital Formation—Studies in Income and Wealth. Volume 19. By The Conference on Research in Income and Wealth. Published by Princeton University Press, Princeton, U.S.A. Pages: 612. Price: $7.50.

THE papers read at the meetings of the Conference on Research in Income and Wealth and presented by the National Bureau of Economic Research in the U.S., have come to be acknowledged as some of the most important contributions to this field of studies. Devoted each year to one or more specific subjects within the broad field of national income and wealth, the Conference has determined the pace and character of research in this field in the United States. In fact, one can almost identify the development of the subject since 1937 with the history of the Conference, supplemented to some extent by the papers printed at the meetings of the International Association for Research in Income and Wealth, some papers published in economic and statistical journals and a few monographs.

The 1953 meeting of the Conference was devoted to the subject of capital formation. The part played by capital formation in connection with the spectacular increases in national income in the advanced countries of the world and the role it can play in bringing about the economic development of the underdeveloped countries has made this subject one of utmost importance.

While the importance of capital formation is generally recognised, there are still wide areas of disagreement on the exact content of the various concepts relating to capital formation and the correct methods of measurement of its various components in a particular country. The use of different sources of data for estimating the values of different components of capital formation raise new problems, calling for statistical ingenuity and intimate knowledge of statistical material. The development of input-output studies has also raised new questions regarding the utility of this kind of study for the measurement of capital formation. Finally, there are problems of explanation, studies on which must proceed side by side with, and interact with, the conceptual and methodological ones.

The papers at the Conference, which are concerned exclusively with private capital formation, are divided into three parts. Part I is devoted to the conceptual and methodological problems of the measurement of capital formation. In this part, three papers are devoted to estimates of various components of capital formation. Of these, two are concerned with the United States, while the third deals with Canada. The fourth paper in Part I deals with the financing of capital formation, approaching the problem from the viewpoint of the money-flow technique. The last two contributions of Part I deal with the conceptual problems which arise in the measurement of the gross and net stock of capital and hence in the valuation of real capital formation. Part II, still dealing with conceptual and methodological problems, contains papers examining the problems of the estimation of capital coefficients. These papers deal with that phase of input-output analysis which is directly concerned with the estimation of capital formation. The papers in Part III deal with the problems of explanation of capital formation. There are three papers in this part, two of which concern inventories and changes in them, while the third is methodological dealing with "Interview and Other Survey Techniques and the Study of Investment."

Of special interest amongst this set of highly interesting papers is the contribution by Mr. Edward F. Denison dealing with the intricate problems of quality change, capital consumption and net capital formation. Mr. Denison suggests that the only meaningful and yet feasible way of measuring the real stock of capital in existence at any point of time, say "t," is to define this stock as the reproduction cost in the year "t0" of the stock of physical assets actually in existence at time "t." This cost would, of course, have then to be written down by a suitable capital consumption allowance determined on the basis of age and life expectancy of each component.

Even in theory, as Mr. F. Modigliani points out in the introduction, this method has some disquieting features, namely, the asymmetrical effect on the stock of capital measured in this way of technological progress resulting in a reduction in the cost of a given type of equipment as compared with technological progress which makes such equipment more productive. Mr. Denison does not deny this, but he has no solution for the disturbing problem.

In practice, other problems would also arise. It is by no means an easy task to estimate the present cost of construction of capital assets already in existence. Apart from the immensity of the task, it can be easily seen that a gigantic amount of technical expertise would be required for the purpose.

The uniformly high quality of the papers included in the present volume makes it a fitting addition to the series which has already such a well-established reputation. As usual, the practice of including in the volume, some of the significant comments made by participants in the Conference, adds to the value of the work. It is easy to see how the process of discussion assists the development of the subject along sound lines. Now that the Indian Conference on Research in Income and Wealth has been formed, it is to be hoped that this practice of publishing papers and comments will also be adopted in this country.

The Economic Development of Andhra Pradesh 1766-1957. By A. V. Raman Rao. Published by Popular Book Depot, Lamington Road, Bombay. Pages: 384. Price: Rs. 18.75.

In a country of India's continental size, there are certainly many regions with divergent patterns of economy. It is, therefore, necessary to study the economy of each region. In fact, regional variations cannot be ignored in any overall survey of economic trends in the country. The book under review is a study of the economic development of Andhra Pradesh. The author, Dr. A. V. Raman Rao, has been at considerable pains to present a comprehensive review of Andhra's economy. Prof. D. R. Gadgil, in his foreword to the book, observes: "To my knowledge, Dr. Raman Rao's effort represents the first attempt at producing a connected account, over a long period, of economic developments in a specific region in India." There are, of course, many difficulties in compiling an account of Andhra's economy. This is because, until the time of reorganisation of the States, Andhra Pradesh had been under the administration of Madras and Hyderabad States. Dr. Raman Rao has had to delve into official records in both the States, in order to extract information relating to Andhra.

Dr. Raman Rao's book falls into four parts. In Part I, which covers the period 1766 to 1802, the economic conditions in Andhra in the eighteenth century are described. In Part II, which deals with the period 1802-65, land tenures, irrigation and communications, banking, overseas trade and other sectors of the economy are treated. In the third part, which covers the period 1865-1947, the growth of towns, agriculture, revenue, irrigation and navigation are among the developments surveyed. Part IV reviews post-independence developments. Thus, the chief merit of the book lies in the fact that, in treating Andhra's economy, the author does not lose the necessary historical perspective. The book is a commendable effort in the sphere of regional economic studies.

Andhra Pradesh is rich in agriculture and mineral resources. And if its leaders adopted farsighted and realistic policies, there is no doubt that the Andhra region could make an effective contribution to India's national wealth. The book under review should serve as a necessary introduction to more intensive study of Andhra's economic problems which should form the basis of official policies designed to improve the economy of the region.

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INDIA ADOPTS METRIC SYSTEM

MAJOR STEP TOWARDS UNIFORMITY IN WEIGHTS AND MEASURES

THE metric system of weights and measures will come into force on a country-wide scale with effect from 1st October 1958. The introduction of the system will be phased over a period of two to three years. During this transition period both the existing and new systems of measurement will continue side by side. To begin with, the new system will be introduced in trade generally in selected areas in the different States. It will be extended to other parts of the country in due course, where again a transitional period of two to three years will be allowed for the withdrawal of the existing units of measurement. The major industries which will adopt the metric system on 1st October 1958 are cotton textiles, iron and steel engineering, heavy chemicals, cement, salt, paper, refractories, non-ferrous metals, rubber and coffee. In these industries, the metric units will be used for the purchase of raw materials and sale of products. While the metric system will now be used for transactions between mills and their suppliers and customers, it will not apply to the retail trade for some time to come.

From 1st October onwards, in the areas selected for the new system, shopkeepers will have the option to sell foodgrains, provisions, vegetables, coal, etc., by kilograms instead of seers, or any prevalent unit of weight. Transactions by measure like retail sale of cloth will continue to be in the present units as, for instance, the yard. In such States as Madras and Kerala, where foodgrains are sold by measure, the use of the present measures would not be affected. Besides, Government departments and industrial undertakings may use the metric system in the purchase and supply of stores. The Indian Airlines and Air-India International will book cargo and luggage in metric weights and measures. New surveys of land and mines will also be on metric scales. Likewise, metric units will also find their place in technical, statistical, scientific and marketing data collected and published by Government departments. It may be recalled that the system has already come to stay in the jute industry, where it was enforced as early as 1st July 1958, in order to synchronise with the commencement of the new jute year.

Momentous Significance

The adoption of the metric system in India will be of momentous significance to the economic life of the country. It seeks to provide uniform weights and measures for the country as a whole. Although the seer and the maund are in common use in different parts of India, the weight of the seer varies from 24 tolas to as much as 112 tolas. There are over 150 different varieties of weights as well as linear measures and capacity measures in the country. In several cases, a seer or a common weight or measure denotes different things even within the same district, not to speak of the various districts of a State and various States in India. Thus, there may be one seer for foodgrains, another for milk, yet another for vegetables and fruits and so on. Clearly, the new system will eliminate these disparities when it is finally enforced throughout the country.

The metric system is essentially a decimal system, units of weights and measures going up in the ratio of ten. It is, therefore, a simple system to operate and to be understood by the common people. Thus, 10 grams make one dekagram, 10 dekagrams, one hectogram, and 10 hectograms one kilogram. Similarly, 10 millimetres make one centimetre, 10 centimetres one decimetre and 10 decimetres one metre, 10 metres one decametre, 10 decametres one hectometre and 10 hectometres one kilometre. It will be easy to understand the metric system if one remembers the meaning of prefixes to the multiples and the sub-units. The multiples of the unit have these prefixes: *deca* meaning ten times, *hecto* meaning hundred times and *kilo* meaning thousand times. The prefixes to sub-units are *deci* meaning one-tenth, *centi* meaning one-hundredth and *milli* meaning one-thousandth. With the decimal coinage already in force, it is not difficult to realise how simple and effortless our day-to-day calculations and, therefore, the conduct of business, will become when metric weights and measures are enforced. Only, in the initial stages, there will be some difficulty for the people to remember the names of the new units of weights and measures. Another difficulty will be the conversion of the existing units into new units during the transition stage. Both will cause a certain amount of mental strain on the public but it may be cheerfully borne for the benefit of the younger generation and posterity.

Many countries in the West and in the East have already adopted the system. The metric system is the only legally accepted units in 77 countries, while they are optional in 16 countries and have been authorised in four other countries. The Asian countries which have legally accepted the metric system are: Afghanistan (1926), Cambodia (1914), China (1930), Indonesia (1938), Iran (1935), Israel (1954), Japan (1952), Jordan (1954), the Philippines (1917), South Korea (1949), Suriman (1917), Syria (1935), Thailand (1936) and S. Vietnam (1911). Although the U.K. and the U.S.A. have not adopted the metric system in their trade, they recognised its use by law in 1864 and 1866 respectively. In fact, the yard in the U.S.A. is defined in terms of the metre and the pound in terms of the kilogram.

Dr. Raman's Views

Commenting on India's decision to adopt the metric system, Dr. C. V. Raman, India's leading scientist, observes as follows:

"Men of science all the world over have long recognised the immense advantages following from the adoption of internationally accepted units for physical measurements of all kinds. Further, scientific research is by its nature international, and hence the adoption of agreed standards for all physically measurable quantities is essential for its progress. Length, mass and time are the three irreducible entities accessible to physical observation which resist further analysis. Hence, the ideas and methods of science are directed towards expressing the measures of all other physical quantities in terms of the fundamental units of length, mass and time.

"The initiative in establishing the units of measurement adopted for these purposes came from France in the years following the great political revolution in that country. Fortunately for the world of science, the scientific prestige of France at that time was very great. In every field of exact knowledge, she led the world and there was therefore no hesitation anywhere in accepting the lead thus given and thereby establishing the metric system as a universal basis of scientific description and measurement.

"The basic principle of the metric system is that the fundamental units should be derived from permanent and naturally existing standards. It was also contemplated that the subsidiary units actually used in practice should be related to the basic units in multiples or sub-multiples of ten, the computational advantages of the decimal system thus being availed of. These objects have, indeed, been attained in the system, though not quite on the fashion originally intended. In practice, the standards actually used are certain internationally accepted prototypes, these being again reproduced as closely as possible in the national prototypes deposited in their respective countries.

"With the advance of civilisation, scientific knowledge and scientific results increasingly permeate all types of human activity. Machines of many kinds, mechanical and electrical energy, the artificial production of heat or cold, systems of illumination, electrical communication, radio and television may be mentioned as illustrative examples. All of them involve accurate measurements of some kind or other, and hence it is inevitable that the system of units which scientific men have adopted for their own purposes penetrate into other fields and thus become universal. This is a highly desirable result and the nation may, therefore, rightly acclaim and adopt the system with enthusiasm."

Areas Selected

It may be recalled that the change over to metric system was recommended by a special committee on Weights and Measures constituted by the Indian Standards Institution. On the advice of the Standing Metric Committee of the Government of India, the Standards of Weights and Measures Act was passed in 1956. The Act defined the 'metre' and 'kilogram' as the primary standards of length and mass on the basis of the international prototypes. It also standardised, among other things, the unit of time as 'second' and capacity as 'litre.' In one respect, the Act goes beyond the I.S.I. recommendations: it limits the change-over period to a maximum of 10 years instead of 11 to 15 years as envisaged in the I.S.I. Report. The areas selected in the different States for the application of the new system from 1st October onwards, are:

Andhra Pradesh: Districts of Visakhapatnam, Krishna, Guntur, Kurnool, Hyderabad, Warangal, Nizamabad.

Assam: Municipal areas of Gauhati and District of Nowgong.

Bihar: Divisions of Bhagalpur and Ranchi and the Municipal and Notified areas in the districts of Patna, Gaya, Arrah, Chapra, Muzaffarpur, Champaran and Durbhanga.

Bombay: Municipal areas of Bombay, Poona, Ahmedabad, Rajkot, Baroda, Nagpur, Aurangabad, Sholapur, Kolhapur, Akola, Amravati, Wardha and Yeotmal.

Kerala: Districts of Kozhikode, Ernakulam and Quilon.

Madhya Pradesh: Districts of Bhopal, Indore, Gwalior and Jabalpur.

Madras: Districts of Madras, Chingleput, South Arcot and North Arcot.

Mysore: Districts of Bangalore, Raichur and Dharwar.

Orissa: Municipal areas of Berhampur, Cuttack and Sambalpur.

Punjab: Districts of Amritsar, Jullundur, Ludhiana, Ambala, Patiala and Gurgaon.

Rajasthan: Districts of Ajmer, Bikaner, Jodhpur, Jaipur, Kotah and Udaipur.

Uttar Pradesh: Municipal areas of Meerut, Agra, Lucknow, Bareilly, Moradabad, Varanasi, Kanpur, Jhansi, Allahabad and Gorakhpur.

West Bengal: Municipal areas of Calcutta and Howrah.

In addition, the metric system will also be used in regulated markets in the States of Andhra Pradesh, Bombay, Madhya Pradesh, Madras, Mysore and the Punjab.

In the case of Union Territories, on 1st October 1958, the metric system will be introduced in the whole of Delhi, in the two districts of Mandi and Sirpur in Himachal Pradesh, in

Continued on page 527)

THE ANDHRA BANK LIMITED

(A Scheduled Bank)

Established 1923 *Head Office:* MASULIPATAM

BOARD OF DIRECTORS

Chairman: Sri S.R.Y. SIVARAMA PRASAD BAHADUR, M.L.A., Rajah Saheb of Challapalli.

Deputy Chairman: Sri K. SUBRAHMANYA DUTT, B.Sc.

Managing Director: Sri TADEPALLY SRIRAMULU.

Directors:

Sri C. RAMANADHA BABU, Sri M. SESHAGIRI RAO, Sri M. RANGANATHA SAYI, Sri R. SATYANARAYANA MURTHI, Sri V. VENUGOPAL, Sri D. BHASKARA RAO, Sri S. RAMACHAR, Sri B. VENKATESWARLU, Sri R. VENKATRAMA REDDY.

Authorised Capital ..	Rs. 1,00,00,000	Reserves (As on 30-6-'58) Rs.	17,84,000
Subscribed Capital ..	,, 48,99,000	Deposits Exceed ..	,, 11,00,00,000
Paid-up Capital ..	,, 41,13,335	Total Working Funds Exceed	,, 13,00,00,000

BRANCHES THROUGHOUT ANDHRA PRADESH AND AT MADRAS AND BELLARY

ALL KINDS OF BANKING BUSINESS INCLUDING FOREIGN EXCHANGE TRANSACTED

Agents and Correspondents all over India and United Kingdom

Notices

THE KINNISON JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE KINNISON JUTE MILLS COMPANY, LTD. will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10.00 a.m. on Friday, the 17th day of October 1958, for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March 1958 and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 1st October to 17th October 1958, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, 30*th August*, 1958.

Note: (*a*) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 24th October 1958 to those shareholders so entitled whose names appear in the Company's books on the 17th October 1958 or to their mandatees. No application for Dividend Warrants will be necessary.

THE LAWRENCE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE LAWRENCE JUTE COMPANY, LTD., will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10.10 a.m. on Friday the 17th day of October 1958, for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March 1958 and to receive the Directors' and Auditors' Reports thereon.
2. To appoint a Director in the place of a retiring Director.
3. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 1st October to 17th October 1958, both days inclusive.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 30*th August*, 1958.

Note: A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

THE STANDARD JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE STANDARD JUTE COMPANY, LTD., will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10.20 a.m. on Friday the 17th day of October 1958, for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March 1958 and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 1st October to 17th October 1958, both days inclusive.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 30*th August*, 1958.

Note: (*a*) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 24th October 1958 to those shareholders so entitled whose names appear in the Company's books on the 17th October 1958 or to their mandatees. No application for Dividend Warrants will be necessary.

UNION JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of UNION JUTE COMPANY, LTD., will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10.30 a.m. on Friday the 17th day of October 1958, for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March 1958 and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 1st October to 17th October 1958, both days inclusive.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 30*th August*, 1958.

Note: (*a*) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 24th October 1958 to those shareholders so entitled whose names appear in the Company's books on the 17th October 1958 or to their mandatees. No application for Dividend Warrants will be necessary.

THE NORTHBROOK JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE NORTHBROOK JUTE COMPANY, LTD., will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10-45 a.m. on Friday the 17th day of October 1958, for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March 1958 and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividend recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 1st October to 17th October 1958, both days inclusive.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 30*th August*, 1958.

Note: (*a*) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 24th October 1958 to those shareholders so entitled whose names appear in the Company's books on the 17th October 1958 or to their mandatees. No application for Dividend Warrants will be necessary.

THE AUCKLAND JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE AUCKLAND JUTE COMPANY, LTD., will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10.55 a.m. on Friday the 17th day of October 1958, for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March 1958 and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 1st October to 17th October 1958, both days inclusive.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 30*th August*, 1958.

Note: (*a*) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(*b*) The Dividend, if declared, will be paid on or after 24th October 1958 to those shareholders so entitled whose names appear in the Company's books on the 17th October 1958 or to their mandatees. No application for Dividend Warrants will be necessary.

THE DALHOUSIE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE DALHOUSIE JUTE COMPANY, LTD., will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 11.05 a.m. on Friday the 17th day of October 1958, for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March 1958 and to receive the Directors' and Auditors' Reports thereon.
2. To appoint a Director in the place of a retiring Director.
3. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 1st October to 17th October 1958, both days inclusive.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 30*th August* 1958.

Note: A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

PROFIT OF RAZA BULAND SUGAR LOWER

DIVIDEND, HOWEVER, MAINTAINED

THE working of the Raza Buland Sugar Company Ltd. (Managing Agents: Messrs. Govan Bros. (Rampur) Private Ltd., Rampur, U.P.), during the year ended 31st October 1957, does not appear to have been quite so encouraging as in the preceding year. The Company's profit has suffered a sharp decline, despite a sizable improvement in proceeds from sale of sugar and molasses. The Directors attribute this reduction in profit to lower crushing of cane, fall in the selling price of sugar and drop in the income from investments. Thus, at Rs. 28.98 lakhs, the gross profit for the year under review has fallen by Rs. 11.62 lakhs or 28.6 per cent. from Rs. 40.60 lakhs for 1955-56. It is, however, better than Rs. 25.63 lakhs for 1954-55. It has to be stated here that the presentation of accounts for 1956-57 and 1955-56 differs from that for 1954-55. The scheme of amalgamation of the Raza Sugar Company Ltd. with the Buland Sugar Company Ltd., was implemented, it may be remembered, with effect from 1st November 1955. Hence, while the accounts for 1954-55 represent the combined working of the two companies in their individual capacity, those for the following two years relate to the working of the amalgamated company.

Fall in profit means lower income for the Government. Thus, the amount provided for taxation has been lowered from Rs. 17.50 lakhs to Rs. 12.50 lakhs, but that for depreciation has been slightly raised from Rs. 3.83 lakhs to Rs. 4.97 lakhs. The net profit after these provisions also stands lower at Rs. 10.06 lakhs, as against Rs. 15.60 lakhs a year ago and Rs. 13.01 lakhs two years earlier. In view of the decline in profits, the Directors have not transferred any amount to the reserves. In the previous year, it may be noted, they had made a liberal allocation of Rs. 6.50 lakhs to the general reserve. There is, however, no change in the distribution to shareholders, as the dividend is proposed to be paid at 15 per cent. which was the rate for the preceding two years. The dividend for the year under review and for 1955-56, it should be noted, is on a higher capital of Rs. 63.59 lakhs, raised by the creation of 299,400 fully paid-up ordinary shares of Rs. 10 each. The new shares were in exchange for 199,960 ordinary shares of Rs. 10 each (fully paid-up) of the Raza Sugar Company Ltd., according to the scheme of amalgamation.

The following comparative table brings out some of the salient features of the Company's working during the past three years:

(In lakhs of rupees)

	For the year ended 31st October		
	1957	1956	1955
Sale proceeds of sugar and molasses	3,68.95	2,94.91	1,33.01
Other incomes	4.86	11.03	6.13
Closing stocks of sugar and molasses	37.13	85.56	64.86
Excise duty..	56.70	39.33	18.91
Manufacturing and other expenses	2,39.99	2,46.21	1,59.45
Gross profit	28.98	40.60	25.63
Managing Agents' commission ..	1.45	3.67	2.21
Provision for—			
Depreciation	4.97	3.83	3.06
Taxation	12.50	17.50	7.35
Net profit	10.06	15.60	13.01
Provisions written back	0.10	0.07	0.10
Transfer to reserves	—	6.50	4.89
Dividend	9.54	9.54†	8.04
	(15%)	(15%)	(15%)
Carry forward	0.89	0.28	0.65

† On a higher capital of Rs. 63.59 lakhs.

Sale proceeds for the year rose from Rs. 2.95 crores in 1955-56 to Rs. 3.64 crores. Income from other sources, however, dropped from Rs. 11.03 lakhs to Rs. 4.36 lakhs. The decline in the closing stocks from Rs. 85.56 lakhs to Rs. 37.13 lakhs and in manufacturing and other expenses from Rs. 2.46 crores to Rs. 2.40 crores indicate the setback to the Company's production activities.

Raza and Buland factories commenced crushing from November and December 1956, respectively, and concluded in June 1957. The crushing in both the factories fell below that of the previous season by 495,955 maunds and 386,484 maunds, respectively, due to go-slow tactics by workers for some time and diversion of cane by the Cane Commissioner, Uttar Pradesh, to other factories. Despite this, the percentage of recovery of sugar from cane improved to 9.93 per cent. for Raza and 10.27 per cent. for Buland which are the best yields since 1946-47. The price of cane during the year was maintained at the previous year's level of Re. 1-7 per maund for gate deliveries and Re. 1-5 per maund for deliveries at rail centres. The Indian Sugar Mills Association arranged for the export of about 150,000 tons of sugar to Middle and Far East countries. It is interesting to know that the Company's share in this export trade was as much as about 11,000 tons, the bulk of which went to Malaya.

The Company's application to the Government of India for licence under the Industries (Development and Regulation) Act, 1951, to expand the Buland factory's capacity to 1,500 tons has been turned down. The Directors have decided to balance the plants in order to improve the working of the factories. Permission towards this for the Raza factory has been received from the Government, but the application of Buland is still under consideration.

The paid-up capital of the amalgamated Company which stands at Rs. 63.59 lakhs on 31st October 1957 is supplemented by reserves and surplus aggregating Rs. 49.24 lakhs. The gross block of Rs. 81.90 lakhs stands written down at Rs. 50.47 lakhs. Additions during the year were of the order of Rs. 6.54 lakhs. Besides this, there is a sum of Rs. 2.56 lakhs by way of construction work in progress. As against current assets amounting to Rs. 130.57 lakhs, the current liabilities are of the order of only Rs. 70.77 lakhs. Of the current assets, the Company's investments in State Government securities and shares of joint-stock companies account for Rs. 16.96 lakhs, stores, spare parts, gunny bags, etc., for Rs. 20.89 lakhs, stock-in-trade for Rs. 37.13 lakhs, debts, deposits and advances for Rs. 25.99 lakhs and cash balances for Rs. 22.70 lakhs.

The Rs. 10 paid-up shares of the Company are currently quoted at Rs. 16.75 *ex-div.*, at which rate and on the basis of the latest dividend, the shares provide a yield of 8.95 per cent. per annum.

(*Concluded from next column*)

sult, the requirements for our industrial activities will be met to a substantial extent by the Poona plant in the near future. During the year 1958, it is intended that a start should be made with the manufacture of some electrical components other than the types now being manufactured at the Calcutta factory. In addition to metal parts and electrical components, it is planned to extend the activities of the Poona factory to include the assembly of radio sets but this will not in any way interfere with the maintenance of the full capacity of the Calcutta factory. . . . The Government's sanction has been secured for importing certain essential equipment from abroad required for the purpose of expanding the Company's manufacturing activities."

Dealing with future prospects, the Directors state that the upward trend in the Company's turnover is likely to be adversely affected by the restrictions placed by the Central Government on the import of raw materials, components and finished goods. They, however, feel confident that, with the greater integration of manufacturing activities, the difficulty will be largely overcome in future years. Hence, despite difficulties in securing suitable supplies locally, an all-out effort is being made to obtain such supplies so that the Company's level of activity may be maintained.

As already indicated, the paid-up capital of the Company, as at the end of the year of review, stands at Rs. 220 lakhs, all in ordinary shares of Rs. 10 each. The reserves and surplus aggregate Rs. 42.85 lakhs, of which Rs. 38.75 lakhs represent premium on new shares. The provision for taxation stands at Rs. 44.41 lakhs and current liabilities at Rs. 479.61 lakhs. The gross block of Rs. 89.43 lakhs, which are inclusive of additions during the year of Rs. 29.07 lakhs, stands written down at Rs. 56.02 lakhs. Capital expenditure in progress at cost amounts to Rs. 13.56 lakhs. The current assets total Rs. 717.29 lakhs, of which cash balances alone account for Rs. 254.29 lakhs. The latter includes Rs. 186.76 lakhs being the amount refundable as a result of oversubscription to the new issue.

The Rs. 10 fully paid-up shares of the Company are currently quoted at Rs. 14.75 *ex-div.* Assuming that the Company would be able to pay a dividend of 12 per cent. per annum (the equivalent of 2 per cent. for two months in 1957) for 1958, the yield works out to a little over 8 per cent. At the moment, many in the share market think that this assumption is on the optimistic side. Hence, the Company's shares have not moved up in value, though the whole market has been passing through a bullish phase. It remains to be seen who turns out to be right.

PHILIPS INDIA SHOWS GOOD PROGRESS

DEPENDENCE ON IMPORTS BEING MINIMISED

THE establishment of Philips India Ltd. (Chairman and Managing Director: Mr. P. C. Vink, Calcutta) as a public limited company is of recent origin, the conversion from a private limited status having taken place on 31st October 1957, when participation of Indian capital was allowed. But the name of "Philips" as manufacturers of quality electrical goods has been known in this country for very nearly three decades now. Making its appearance in India for the first time in January 1930 as a private concern under the nomenclature Philips Electrical Company (India) Ltd., the Company started its operations mostly with sales of electric lamps which were imported from overseas. From this modest beginning, the Company has, at the present day, grown into a large manufacturing and trading institution, covering the length and breadth of the country, with a network of offices, branches and sales representatives.

The first step towards local production was taken in 1938, when the manufacture of incandescent lamps was started in Calcutta by the Electric Lamp Manufacturers (India) Private Ltd. Since then, a vast majority of the lamps sold by Philips has been manufactured in this factory and also by Hind Lamps Private Ltd., Shikohabad, which started as a manufacturing unit in 1951. After the war, in May 1948, to be precise, assembly of radio receivers was commenced at the Calcutta factory. Within the framework of this assembly unit, the manufacture of electrical components was started in 1951. By the end of 1957, the number of workers employed in this factory had grown to 548 from a mere 68 on 1st May 1948. The Company has, in addition, acquired a plot of 60 acres in Poona where a modern metalware factory has been erected complete with a tool-room and an electroplating department. Foreign specialists are now busy training Indian staff there. It is the intention of the Company to commence assembling of radios and the manufacture of parts and components in Poona also, for which purpose a new building is already under construction.

As stated earlier, the Company was made public on 31st October 1957, when 500,000 ordinary shares of Rs. 10 each were offered to the Indian public at a premium of Rs. 2-8 per share. The issue was many times oversubscribed. The total issued and subscribed capital now stands at Rs. 220 lakhs, made up of 2,200,000 ordinary shares of Rs. 10 each. Of these, 1,200,000 shares are held by a subsidiary of the ultimate holding company.

The working of the Company during the year ended 31st December 1957 appears to have been satisfactory. Its sale proceeds increased from Rs. 422.65 lakhs in 1956 to Rs. 473.59 lakhs, a rise of Rs. 50.94 lakhs. The gross profit (before taxation and depreciation) at Rs. 55.04 lakhs is Rs. 6.72 lakhs higher, as compared with Rs. 48.32 lakhs for the previous year. The net profit at Rs. 18.05 lakhs, however, is substantially lower, having declined from Rs. 22.22 lakhs for 1956. This fall is due to the sharp rise in the provisions for both depreciation and taxation. The transfer to the former (depreciation) has been increased from Rs. 5.60 lakhs to Rs. 8.64 lakhs and that to the latter (taxation) from Rs. 20.50 lakhs to Rs. 35.85 lakhs. A part of this latter sum, Rs. 7.50 lakhs to be exact, representing the tax on bonus issue made during the year out of reserves, has been met from the general reserve. Again, the tax provision for the year includes Rs. 33,521 allocated as wealth tax for 1956 and another Rs. 1.54 lakh for 1957. A dividend of 2 per cent. has been proposed for the new shareholders. The rate is small because it represents the return only for the short period of 1957—two months—when they were members of the Company. The old shareholders have waived their claim for dividend for the year, as they had received a bonus share. Since the small dividend to new shareholders takes up only Rs. 4.40 lakhs, the Directors have credited the general reserve with Rs. 13.50 lakhs, leaving Rs. 64,000 to be carried forward.

Referring to the Company's programme of expansion, the Directors observe, in their latest report, thus:

"The work in connection with the erection of the new factory at Poona proceeded satisfactorily in the year under review. It is confidently anticipated that the manufacture of metal components which has started in early 1958 will expand progressively and the Directors expect that, as a re-

(*Continued in previous column*)

BURMAH-SHELL REFINERIES

SIZABLE DROP IN EARNINGS

THE Burmah-Shell Refineries Ltd. (Chairman: Mr. L. D. Mudie, Trombay, Bombay) with a capacity of approximately two million tons, completed three years of working on 31st December 1957 since it commenced operations at the end of January 1955. During the short period of its existence, the Company was able to maintain steady progress in its activities, though, from the financial angle, the third year, namely, 1957, had witnessed a setback. Thus, a sizable drop has occurred in the Company's earnings as well as profit for the past year, as compared with those for the preceding year. This is chiefly due to the reduction in duty protection following the Company's voluntary surrender of duty protection on motor spirit with effect from 1st October 1956 and, to a lesser extent, to the increased cost of maintenance of plants and other assets. It may be recalled in this connection that, in September 1956, the Directors, after taking into account the Company's satisfactory financial position resulting from the encouraging performance of the refinery, decided to inform the Government of India of its willingness to forgo the duty protection of two annas per imperial gallon enjoyed on its production of motor spirit. The benefit thus given up by the Company was approximately Rs. 2 crores. The amount of crude oil processed during 1957 was 2,333,614 metric tons which yielded 2,283,876 metric tons of finished products, the corresponding figures for 1956 being 2,351,266 and 2,189,265 metric tons, respectively.

The gross profit for the year under review at Rs. 7.55 crores represents a fall of Rs. 3.36 crores or 31.2 per cent., as compared with that (Rs. 10.91 crores) for 1956 but is Rs. 1.49 crore better than that (Rs. 6.06 crores) for 1955. The net profit at Rs. 4.24 crores, too, has declined, as compared with Rs. 6.32 crores for the previous year. In conformity with the reduction in profit, the provision for taxation has been substantially lowered from Rs. 3.10 crores to Rs. 1.62 crore. But the provision for depreciation has been raised from Rs. 1.49 crore to Rs. 1.68 crore.

The fall in profits had adversely affected the allocation to reserves as also the distribution to the shareholders. Thus, the general reserve which had been provided with Rs. 511 lakhs in the previous year gets only Rs. 105 lakhs. The large amount set apart in the previous year represented the difference between depreciation (including development rebate) allowed for taxation purposes up to that year and the provision made by the Company for depreciation in its accounts up to that date. Besides the credit to general reserve, a sum of Rs. 75 lakhs has been transferred to taxation equalisation reserve, as against *nil* a year ago. The dividend has been lowered from 22 per cent. in 1956 (representing a distribution of 3½ annas or 22 nP per rupee) to 15 per cent. (or 15 nP per rupee) on the amount paid-up on the 'A' and 'B' ordinary shares. As usual, the dividend consists of two payments, an interim and a final. The interim dividend amounting to 12.5 nP per rupee, was paid earlier in the year.

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

(In lakhs of rupees)

	For the year ended 31st December		
	1957	1956	1955
Income from refining	14,07.29	16,47.23	9,69.93
Other income	22.52	27.04	3.85
Expenses	6,75.06	5,82.96	3,67.44
Gross profit	7,54.75	10,91.29	6,06.34
Depreciation	1,68.43	1,48.80	1,23.17
Provision for taxation	1,62.52	3,10.00	..
Net profit	4,23.80	6,32.49	4,83.17
Preliminary, debenture issue and other expenses written off ..	..	..	16.19
To taxation equalisation reserve ..	75.00	..	2,91.00
General reserve	1,05.00	5,11.00	..
Dividends	2,07.80	3,02.81	..
	(15%)	(22%)	
Carry forward	41.66	5.15	1,85.98
	In thousand metric tons		
Crude oil processed	2,334	2,351	1,839
Finished products	2,284	2,189	N.A.

N.A.—Not available.

It will be seen from the above that the Company's income from refining has dropped from Rs. 16.47 crores in 1956 to Rs. 14.07 crores and other income from Rs. 27.04 lakhs to Rs. 22.52 lakhs. At the same time, expenses have increased from Rs. 5.83 crores to Rs. 6.75 crores.

The balance-sheet of the Company as at 31st December 1957 shows the paid-up capital at Rs. 13.82 crores in two categories of 'A' and 'B' ordinary shares of Rs. 100 each. The paid-up capital is supplemented by reserves and surplus aggregating Rs. 10.14 crores, of which the general reserve alone accounts for Rs. 7.18 crores. The Company has a debenture liability of Rs. 8 crores carrying interest at 5½ per cent. per annum. While the entire capital is held by the Burmah-Shell holding company in London, a part of the debentures represents the only participation by Indian investors in the Company. The current liabilities amount to Rs. 6.22 crores and include a provision of Rs. 1.71 crore for taxation. The gross block appears at Rs. 25.75 crores, and the net block (that is, after depreciation amounting to Rs. 4.48 crores) stands at Rs. 21.28 crores. Construction works in progress amount to Rs. 9.99 lakhs. Miscellaneous expenditure to the extent not written off account for Rs. 26.17 lakhs. The current assets aggregate Rs. 16.54 crores and exceed the current liabilities and provision for taxation by a very wide margin.

COMPANY MEETINGS AND DIVIDENDS

PHILIPS INDIA LTD. Annual General Meeting, Calcutta, 27th September 1958. *Dividend*: 2 per cent. or Re. 0.20 per share. Transfer books remain closed from 8th to 27th September 1958, both days inclusive.

NAGRI FARM TEA CO., LTD. Annual General Meeting, Calcutta, 29th September 1958. Dividend: Rs. 2.50 per share (*includes interim* dividend of Re. 1.00 per share). Transfer books remain closed from 22nd to 29th September 1958, both days inclusive.

BOR PUKHRI TEA CO., LTD. Annual General Meeting, Calcutta, 29th September 1958. Dividend: *Nil*. Transfer books remain closed from 26th to 29th September 1958, both days inclusive.

INDIA JUTE CO. LTD. Annual General Meeting, Calcutta, 29th September 1958. *Dividend*: Rs. 15.62 per share (includes interim dividend of Rs. 3.75 per share). Transfer books remain closed from 19th to 29th September 1958, both days inclusive.

KETTLEWELL BULLEN AND CO. LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: Rs. 5.00 per share. Transfer books remain closed from 15th to 30th September 1958, both days inclusive.

BIRPARA TEA CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: Rs. 7.50 per share. Transfer books remain closed from 22nd to 30th September 1958, both days inclusive.

KOTAMULLAI TEA CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. *Dividend*: *Nil*. Transfer books remain closed from 22nd to 30th September 1958, both days inclusive.

DESSAI AND PARBUTTIA TEA CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: *Nil*. Transfer books will remain closed from 19th to 30th September 1958, both days inclusive.

BARADIGHI TEA CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: Re. 1.50 per share. Transfer books remain closed from 19th to 30th September 1958, both days inclusive.

RYDAK TEA SYNDICATE LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: Rs. 2.00 per share. Transfer books remain closed from 19th to 30th September 1958, both days inclusive.

BATELI TEA CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: 15 per cent. or Re. 1.50 per share. Transfer books remain closed from 23rd to 30th September 1958, both days inclusive.

BELGACHI TEA CO., LTD. Annual General Meeting, Calcutta, 30th September 1958. Dividend: 20 per cent. or Rs. 2 per share. Transfer books remain closed from 24th to 30th September 1958, both days inclusive.

MALANKARA RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Kottayam, 14th October 1958. Dividend: 17 per cent. or Re. 1.70 per share. Transfer books will remain closed from 1st to 14th October 1958, both days inclusive.

MYSORE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 14th October 1958. Dividend: Rs. 2.00 per share (final), payable on and after 24th October 1958. Transfer books remain closed from 10th September to 4th October 1958, both days inclusive.

UNITED PROVINCES ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 15th October 1958. Transfer books will remain closed from 9th to 15th October 1958, both days inclusive.

BENARES ELECTRIC LIGHT AND POWER CO., LTD. Annual General Meeting, Calcutta, 15th October 1958. Transfer books will remain closed from 9th to 15th October 1958, both days inclusive.

KINNISON JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 17th October 1958. Dividend: Rs. 5.00 per share. Transfer books will remain closed from 1st to 17th October 1958, both days inclusive.

AUCKLAND JUTE CO., LTD. Annual General Meeting, Calcutta, 17th October 1958. Dividend: Rs. 5.00 per share. Transfer books will remain closed from 1st to 17th October 1958, both days inclusive.

DALHOUSIE JUTE CO., LTD. Annual General Meeting, Calcutta, 17th October 1958. Dividend: *Nil*. Transfer books will remain closed from 1st to 17th October 1958, both days inclusive.

COMMERCE AND INDUSTRY

(*Concluded from page 524*)

the municipal areas of Imphal in Manipur, in the municipal area of Agartala in Tripura and in Port Blair in the Andaman and Nicobar Islands.

There is no doubt that the metric system, as is envisaged at present, will not only simplify the entire process of physical measurements, but also provide a new impetus to step up the tempo of trade between the different parts of the country owing to the unified structure of the system. It cannot be gainsaid, however, that such a reform, affecting the whole gamut of economic activity, is bound to create certain difficulties, at least in the short-run. In order to minimise these difficulties, it is essential that there should be close co-operation between the Government and the business community. The various industries and trade will be in need of guidance, help and assistance at all levels of technique and operation, such as in regard to new machinery to be installed, adjustment and calibration of existing machinery to the metric system, new terms of trade contracts, etc. In most of the industries, the transactions are carried out on the basis of foot-pound system The markets will take time to attune themselves to the changing pattern. All the consuming points also will have to change over their weights and measures to the new system. There are bound to be other difficulties as well. Pointed attention is drawn to these difficulties by Mr. B. P. Singh Roy, President, Federation of Indian Chambers of Commerce and Industry. To quote him:

"The difficulties will be much more acute for the change-over in the actual process of production where, for instance, a number of processes are involved in the manufacture of a commodity and different machines are used at the various manufacturing stages. If a new machine based on the metric system is installed to carry out a certain process, it would create difficulties of a twofold nature: it would be difficult to integrate the new machine with the other machines based on the foot-pound system and to apportion work amongst the various machines, some based on the new and others on the old system. A flexibility of approach both regarding the schedules of introduction and installation on the part of Government by way of appreciation of the difficulties of industry and trade would go a long way towards alleviating such difficulties.

"I may attempt to explain concretely a few difficulties. The life-span of the machines at the various stages of the manufacturing process may be different for each particular type. Again, at any moment of time, machines at different stages of life may be employed in the same process. Hence every time a machine becomes old or obsolete and has to be replaced by a new one based on the metric system, not only the flow of production between the different stages in the manufacturing process but also the pattern or the volume of production at the same stage is likely to be upset.

"Keeping in view the phase of the regeneration of the economy through which the country is passing at the moment, it would hardly be proper to obstruct the smooth process of production. Manufacturing units in such cases should be allowed sufficient time to phase this switch-over to the new programme."

Further, it is imperative that new machines of production based on metric units usually built up after elaborate research work and experimental production should be made available in sufficient numbers to ensure continued production. Mr. Singh Roy, therefore, rightly points out that sufficient preparatory work would be necessary before turning over to the new system. He emphasises the need for ensuring adequate supply of new standard weights and measures, besides providing additional testing facilities at the mints to enable the manufacturers to test, compare and check their production programmes. Further, he wonders why the railways have been left out of the system at present. He feels that it is very necessary for the railways to revise expeditiously their published tariff rates and other special rates in terms of metric tons. The railway tariff rates for general merchandise would also have to be converted to the new system. He adds that the railways should admit claims from both sellers and buyers for shortages on the basis of metric units.

It is likely that, in the field of foreign trade also, the new system will present some difficulties. For instance, at present, India's trade is based almost exclusively on the foot-pound system and its trade relations are mainly with countries manufacturing machinery and equipment of all kinds on the foot-pound basis. In this connection, Mr. Singh Roy considers it useful to enter into some sort of overall agreement, formal or informal, with such countries as the U.K. and the U.S.A. for the supply of machinery and equipment suited to the metric system so that our large plans for industrialisation of the country are not impeded.

GONDALPARA JUTE PAYS MORE

PROFIT OF U.P. SUGAR HIGHER

Societe Generale Industrielle De Chandernagor (Societe Anonyme)—Gondalpara Mill

THE directors of the above Company (Calcutta), submit the audited accounts of the Company for the year ended 31st December 1957.

The result of the year's working has been a profit of Rs. 9,00,649 (Rs. 6,36,334). To this is added the amount transferred from taxation reserve of Rs. 59,017 (*nil*) and the credit balance brought forward from the previous year of Rs. 11,510 making a total of Rs. 9,71,176 (Rs. 6,36,334). From this amount is to be deducted provision for taxation including Rs. 25,000 (Rs. 15,000) for wealth tax of Rs. 1,84,017 (Rs. 33,720) and depreciation of Rs. 5,31,748 (Rs. 1,41,516) leaving an available balance of Rs. 2,55,411 (Rs. 5,87,426 including Rs. 1,26,328 being provision for loss on stock of jute etc. written back). The directors recommend that this should be disposed of as follows:—To payment of dividend at the rate of Rs. 60 (Rs. 50) per share free of insome tax payable by the Company absorbing Rs. 2,16,000 (Rs. 1,80,000) and to carry forward to next year Rs. 39,411 (Rs. 11,510 after deducting the previous year's loss brought forward of Rs. 3,95,916).

Pursuant to the working time agreement of the Indian Jute Mills Association, the Mills worked for 48 hours a week with 12½ per cent. of the total looms sealed throughout the year under review.

Results:—The directors are happy to report that, despite the difficult trading conditions in the industry during the year, the working results show some improvement over the previous year, which has made it possible for them to recommend a higher dividend.

Modernisation:—As reported last year, the directors have decided to modernise the mill machinery upto the spinning section by installing the latest type of equipments. The directors are glad to report that a loan of Rs. 25,47,000 has been granted to the Company for this purpose by the National Industrial Development Corporation Private Ltd. Orders for the new machinery have already been placed. Some of the machinery ordered have been received and its erection is in progress. It is expected that by early next year the modernisation scheme should be completed. The total amount required for completing the scheme would be about Rs. 35 lakhs.

The directors inform that the proposed change in the name of the Company and the alteration in its capital structure could not be given effect to so far.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,80,000	Gross block	76,64,785
Debentures ...	1,800	*Less*—Depreciation ...	55,99,505
Reserves ...	28,00,000		
Provision for taxation* ...	2,17,736	Net block ...	20,65,280
Liabilities ...	33,90,985	Stock-in-trade	37,06,600
Profit and loss account ...	39,411	Stores and spare parts	5,43,198
		Debts, deposits and advances ...	10,34,000
		Investments	86.245
		Cash ...	94,609
Rs.	75,29,932	Rs.	75,29,932

* Includes wealth tax Rs. 40,000.

United Provinces Sugar Co., Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 30th September 1957.

The net profit of the Company after providing for depreciation and other usual charges, amounts to Rs. 6,42,709 (Rs. 1,82,479). From this amount has been deducted provision for Central and State taxation of Rs. 3,75,000 (Rs. 75,000) leaving a balance of Rs. 2,67,709 (Rs. 1,07,479) to which falls to be added the credit balance brought forward from last year of Rs. 32,042 (Rs. 20,563) making a balance available for distribution of Rs. 2,99,751 (Rs. 1,28,042). The directors recommend that this amount should be dealt with as follows:

To payment of a dividend at 7½ (6) per cent. for the year ended 30th September 1957 Rs. 1,20,000 (Rs. 96,000) and to transfer to development reserve Rs. 1,50,000 (*nil*) leaving a balance to be carried forward of Rs. 29,751 (Rs. 32,042). The depreciation charges absorbed Rs. 63,682.

The acquisition and compensation proceedings under the U.P. *Zemindary* Abolition Act have been finalised by the Government of Uttar Pradesh as a result of which the Company has further received Rs. 16.650 in U.P. *Zemindary* Abolition Bonds which has been credited in the accounts. Full provision has been made in the accounts for Central and State taxation and provision made for depreciation is considered adequate.

The crushing season opened on 26th November 1956 and finished on 17th April 1957 with a total crush of 28,11,566 (24,24,797) maunds of cane and recovery being 9.97 (10.17) per cent. Of the cane crushed, 2,51,450 maunds were supplied from lands cultivated by the Company.

The cane price continued at the rate of Re. 1-7 per maund at the factory gate and Re. 1-5 outstations. Cane cess and Cane Co-operative Societies' commission remained at 3 annas and 9 pies per maund respectively.

The loss resulting from the Company's farming operations was mainly attributable to the low cane yields.

Season 1957-58 *Prospects*: This season's crush at 29,52,615 maunds and recovery at 10.89 per cent. are considered to be satisfactory. The results for the current year will, it is anticipated be fair.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Gross block	33.80,335
Reserves ...	9,16,589	*Less*—Depreciation ...	27,24,251
Provision for taxation ...	3,36,453		
Liabilities ...	11,16,805	Net block ...	6,56,084
Profit and loss account ...	29,751	Stock in trade	9,71,116
		Stores, loose tools, etc.	7,58.515
		Debts, deposits and advances. ...	11,42.024
		Investments	66.158
		Cash ...	4,05,701
Rs.	39,99,598	Rs.	39,99,598

India Jute Co., Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The accounts show a profit on trading of Rs. 14,18,516 which is an increase of Rs. 10.14,858 over that of the previous year. The profit for the year after providing for depreciation Rs. 4,75,746 (Rs. 4,51,193), income-tax Rs. 3,82,500 (*nil*) and wealth tax for assessment years 1957-58 and 1958-59 Rs. 79,693 (*nil*) and crediting dividend for the year from investment in the Megna Mills Co. Ltd. Rs. 9,51,177 (Rs. 2,71,765) comes to Rs. 14,31,754 (Rs. 2,24,230). Adding thereto the balance brought forward from the previous year of Rs. 94,993 (Rs. 2,57,287), items relating to previous years Rs. 1,392 (Rs. 4,048) and income-tax on interest on securities refundable of Rs. 789 (Rs. 797) there is a total of Rs. 15,28,928 (Rs. 7,50,043 which includes forfeited dividends; excess provision for taxation and other items). From this amount is to be deducted forfeited dividends paid of Rs. 1,978 (Rs. 300), transfer to development rebate reserve Rs. 51,474 (*nil*) and transfer to contingency suspense Rs. 3,00,000 (*nil*) leaving a balance of Rs. 11,75,476 (Rs. 7,49,743). The interim dividend for the year ended 31st March 1958, declared by the directors on 17th September 1957 at Rs. 3.75 per share absorbed Rs. 2,61,900 (*nil*) leaving an available balance of Rs. 9,13,576 (Rs. 7,49,743). This amount the directors recommend should be distributed as follows:—

To final dividend on 69,840 ordinary shares at Rs. 11.87 (Rs. 5.00) per share for the year ended 31st March, 1958 absorbing Rs. 8,29.001 (Rs. 6,54,750) leaving a balance to be carried forward of Rs. 84,575 (Rs. 94,993).

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked 48 hours per week with 12½ per cent. of the total looms sealed during the year under review. The Company purchased additional loom hours during the year and consequently the number of working looms was increased as from 8th April, 1957, to 70 looms on double shift and 591 looms on single shift. Double shift working of looms was subsequently increased and at the close the mills were working 126 looms on double shift and 539 looms on single shift, i.e., the equivalent of 791 looms on single shift against the normal complement of 691 looms on single shift.

On the 16th January, 1958, the Company was granted a loan of Rs. 14,80,500, repayable in fifteen instalments, by The National Industrial Development Corporation Private Ltd. for further modernisation of the mills against which the sum of Rs. 11,70,000 was received forthwith. By 31st March, 1958, spinning machinery to the value of Rs. 7,36,500 had been received and installed. It is hoped that the balance of the machinery to be received against the loan will be installed during the current year.

The directors have considered the desirability of sub-dividing the shares in the capital of the Company to a more manageable denomination and have come to the conclusion that a nominal value of Rs. 12.50 per share would permit of greater freedom in transmission and transferability of the shares.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	87,30,000	Gross block	1,41,58,695
Reserves ...	19,89,967	*Less*—Depreciation ...	87,84.013
Provision for taxation* ...	4.67.228		
Liabilities ...	50,61,329	Net block ...	53,74,682
Profit and loss account ...	84.575	Stock-in-trade	34,23,519
		Stores, spare parts, etc. ...	5,12,637
		Debts, deposits and advances ...	20.63,175
		Other assets	6,79,412
		Investments	33,39,107
		Cash ...	9,40,567
Rs.	1,63,33,099	Rs.	1,63,33,099

* Includes wealth tax Rs. 40,000.

Jeewanlal (1929) Ltd.

The directors of the above Company (Managing Director: Mr. Himchand K. Shah, Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1957.

Sales, at Rs. 2,25,54,414 (Rs. 1,96,96,488) during the year 1957 represent an increase of about 15 per cent. over those of the year 1956. The gross profits have improved from Rs. 20,23,298 in the year 1956 to Rs. 22.83.701 in the year 1957. With miscellaneous income at Rs. 1,19,176 added to the total gross profits, the total trading income amounts to Rs. 24.02.877 (Rs. 21,61,304). Inclusive of provision for depreciation at Rs. 1,31,137 (Rs. 1,39,527) at rates prescribed by the Income-tax Acts, administrative and selling expenditures during the year amount to Rs. 16.80.063 as against Rs. 16.55,452 during the preceding year, showing a rise of Rs. 24,611 mainly due to higher rates of interest on bank's overdrafts. Bank loans have been reduced by over twenty-eight lakhs at the end of the year 1957. The directors, again, hope to reduce the bank loans further substantially in the year 1958 by reduction in stocks and outstandings. With the fulfilment of this programme the directors intend to revive its expansion programmes.

The overall result of the operations of the Company during the year 1957 is a net profit of Rs. 7,22,813 (Rs. 5,05,852). Out of the above sum of Rs. 7,22.813, provisions for income-tax and wealth tax for the current year and for the adjustment of provisions for income-tax for previous years, whose assessments have been completed, have been made at Rs. 40,892. This leaves a net trading profit of Rs. 6.81,921 as against Rs. 4,64,745 in the previous year. Profits during the current year from sale of fixed capital assets, surplus to requirements, were Rs. 47,148 (Rs. 41,278). The net result is a profit of Rs. 7,29,064 (Rs. 5,06,023.) This is no doubt an improvement indicating healthier conditions in face of manifold difficulties the Company has to contend with.

The directors view the results as encouraging. Yet, obviously, the improvement falls short of the essential requirements of the Company. The directors also feel sorry that in their view the conditions for the Company are not yet stabilised as they should have been, to demonstrate the vigorous health of the Company.

The directors much regret that in view of the above, no provision towards reserve for replacement of fixed capital assets or towards Reserve prescribed by the Controller of Capital Issues in the year 1951, as a condition precedent to the payment of dividends to shareholders in cash, has become possible in this year also.

The net profit of Rs. 7,29,064 has been applied to reduce the past accumulated losses which, as a result of this appropriation, stand reduced to Rs. 5,21,227 at the end of year 1957, with again no dividends for the shareholders for the *sixth year in* succession, which the directors very greatly regret. The uncovered losses at end of 1957 are being carried forward to the year of 1958.

In the main producing countries, the year 1957 has witnessed, admist the world's expanding economy, a sense of excess of supply of aluminium over demand. This has eased the general supply situation of aluminium ingot in the world markets at a reduced price. Again, the reduction in price of aluminium ingot has been occasioned by a vigorous forward sale policy initiated by Russia. Thus, the official price of ingot has come down from £206-16 in 1957 to £180 in 1958. On account of the policy of protection to the indigenous Aluminium Industry in India and restrictive import policy of the Government the aforesaid reduction in price of ingot has not affected the prices of indigenous aluminium products in India and the markets continue to remain steady with fluctuations in the prices of utensils due to seasonal factors and local economic repercussions engineered by the fast developing economy of the country.

In 1956, the Government abruptly removed the 25 per cent. import duty levied on aluminium scrap while it increased it on imports of aluminium ingot from 31½ per cent. to 35 per cent. At the insistent demand of a section of the industry, this discrimination between customs duties on imports of scrap and imports of ingot at Government level which worked very harshly against the interests of industry using virgin metal as their raw materials, in producing standard quality utensils, was re-examined by the Government. The latter section, with a concerted effort, persuaded the Government to appropriately revise this policy as a result of which the Government re-imposed duty but only at 15 per cent. on imports of scrap. This belated step while deeply appreciated by the Company has yet been found short of *needed relief* in view of the continued high level of 35 per cent. duty levied on imports of aluminium ingot on which pricing is based in India. The Company uses nothing but virgin metal in fabricating its wares. It is representing the matter *again to the* Tariff Commission to remedy this obvious discrimination at Government level, at its ensuing inquiry.

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MANUFACTURERS

HINDUSTAN ELECTRIC CO. LTD.

20, GRAHAM ROAD, BALLARD ESTATE, BOMBAY 1.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	72.00.000	Gross block	36,98,952
Reserves* ...	2,78,774	*Less*—Depreciation ...	25.09,372
Provision for taxation ...	40,875		
Liabilities ...	1,00,18,898	Net block ...	11,89,580
		Other assets	2
		Stock - in - trade ...	97,30,568
		Stores, etc.	3,16,532
		Work-in-progress ...	8,859
		Debts, deposits and advances ...	57,53,004
		Investments	6,300
		Cash ...	5,33,702
Rs.	1,75,38,547	Rs.	1,75,38,547

*Shown after adjustment of debit balance in the profit and loss account; which amounted to Rs. 5,21,227.

North-West Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The accounts show a profit, after charging all expenses, of Rs. 88.902 (Rs. 1,04,941). The balance brought forward from last year was Rs. 17,516 (Rs. 15.950), making a total available for appropriation of Rs. 1,06,418 (Rs. 1,20,891). The directors have transferred to general reserve Rs. 40,000 (Rs. 62,500) leaving a balance of Rs. 66,418 (Rs. 58.391). An interim dividend at the rate of 7½ (7½) per cent. was paid on 20th February 1958 absorbing Rs. 20,438 (Rs. 20,438). The directors now recommend that a final dividend at the rate of 7½ (7½) per cent. be paid absorbing Rs. 20,437 (Rs. 20,437) leaving a balance to be carried forward of Rs. 25,543 (Rs. 17,516). Wealth tax in respect of the years ended 31st March 1957, and 31st March 1958, is estimated to amount to Rs. 1,868 and this has been provided for by transfers from capital reserve and investment realisation surplus.

Raisings for the year were 1,29,943 tons compared with 1,40,833 tons in the previous year, whilst despatches totalled 1,30,848 tons as against 1,46,680 tons.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,72,500	Gross block	13,05,939
Reserves ...	3,85,824	*Less*—Depreciation ...	9,24,131
Provision for taxation*	6,156		
Liabilities ...	2,43,413	Net block ...	3,81,808
Profit and loss account ...	25,543	Stores ...	56,769
		Debts, deposits and advances ...	3,07,462
		Cash ...	1,87,397
Rs.	9,33,436	Rs.	9,33,436

*Includes provision for wealth tax—Rs. 1,060.

Union Coal Co., Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The year's working resulted in a profit on revenue account of Rs. 1,38,331 (Rs. 81,720) after providing Rs. 25,169 (Rs. 23,465). After transferring the above profit, making various adjustments, the balance on profit and loss account amounts to Rs. 1,91,077 (Rs. 77,105) from *which it is* proposed to pay a dividend of annas six (*nil*) per share absorbing Rs. 13.125 (*nil*) and carry forward Rs. 1,77,952 (Rs. 77,105).

The following are comparative statistics of raisings and despatches:—

	1955 Tons	1956 Tons	1957 Tons
Raisings	63,550	75,546	83.604
Despatches ...	60,615	69,728	81,964

Resignation of Managing Agents:—Williamson Magor & Co. Ltd., have resigned their office as the managing agents to this Company, with effect from 25th July, 1958, and their resignation will be formerly considered by a general meeting of members which will be convened within two to three months.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,50.000	Gross block	19,15,703
Reserves ...	2,80,000	*Less*—Depreciation ...	14,79,403
Provision for taxation ...	24.000		
Liabilities ...	3,14,063	Net block ...	4.36.300
Profit and loss account	1,77,952	Stock of coal	57,700
		Stores ...	22,550
		Debts, deposits and advances ...	5,92.805
		Cash ...	36.660
Rs.	11.46.015	Rs.	11.46.015

Rydak Tea Syndicate Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta) *submit* the audited accounts of the Company for the year ended 31st December 1957.

The profit and loss account shows a balance of profit of Rs. 6.79.163 (Rs. 11,88.940) to which *has to be added the amount* transferred from reserve for future super-tax Rs. 34,000 (*nil*) and the balance brought forward from *the previous year* of Rs. 52,112 (Rs. 1,01,012) making a total of Rs. 7,65.275 (Rs. 12,89,952). Out of this sum there has been *provided for taxation* Rs. 3.18,000 (Rs. 5,05.000) and for Wealth-tax Rs. 49,000 (*nil*). The directors have transferred to taxation equalisation Reserve Rs. 34,000 (Rs. 51,000) and to reserve for future super-tax Rs. 16,000 (Rs. 34,000) leaving a balance available for disposal of Rs. 3,48,275 (Rs. 4.99,952 after placing Rs. 2,00,000 to general reserve). The directors now recommend the payment of a dividend at the rate of 20 (30) per cent. without any deduction for income-tax payable by the Company, absorbing Rs. 298,560 (Rs. 4,47,840) leaving a balance at the credit of profit and loss account of Rs. 49,715 (Rs. 52,112) to be carried forward to the next account.

Reserves: The sum of Rs. 16,000 transferred to reserve for future super-tax represents the estimated liability for additional super-tax on the dividend now proposed by the directors, which will arise in the assessment based on the accounts for 1958. Super-tax on the dividend paid in respect of the previous year is included in the provision for taxation for the current year and the sum of Rs. 34,000 transferred to reserve for future super-tax representing the estimated liability is now written back.

Outturn and Sales: The crops of leaf harvested *from mature* plucking areas of 1,074 and 554 acres by Rydak and Kartick respectively produced 17,860 maunds and 8,284 *maunds of manufactured* tea against original estimates of 17,500 maunds and 8,000 maunds. The following is a comparative statement of tea marketed and average prices realised for the past two years:—

	1957	1956
Rydak	Lbs. 13,94,812	Lbs. 13,26,660
Average sale price per lb.	Rs. 2.16 nP.	Rs. 2.40 nP.
Kartick	Lbs. 6,36,091	Lbs. 6,49,887
Average sale price per lb.	Rs. 1.99 nP.	Rs. 2.36 nP.

The total costs per lb. for 1957 exclusive of depreciation were Re. 1.74 nP and Re. 1.68 nP for Rydak and Kartick *respectively*.

The total estimated crops for 1958 are as follows:—

Rydak: 17,500 maunds at a cost of Re. 1.54 nP per lb.

Kartick: 8,250 maunds at a cost of Re. 1.56 nP per lb.

(Based on the sale of all teas in the Calcutta Auctions.)

Improvements: At Rydak, improvements included 7.14 acres replanted. At Kartick, 8 acres were planted out in replacement of abandoned areas.



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PNG 110A

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14.92.800	Gross block	55,29,983
Reserves ...	26,84,600	*Less*—Depreciation ...	31.23,891
Provision for taxation* ...	11,18.006		
Liabilities ...	15,01,279	Net block ...	24,06,092
Profit and loss account ...	49,715	Work-in progress ...	40,303
		Stock of tea	14.55.059
		Stores ...	7,69,554
		Debts, deposits and advances ...	3.95.936
		Investments	3,630
		Cash ...	17,75.826
Rs.	68,46,400	Rs.	68,46.400

*Includes provision for wealth tax Rs. 49,000

Killcott Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta), submit the audited accounts of the Company for the year ended 31st *December*, 1957. The accounts disclose a working profit of Rs. 2,30,620 (Rs. 6,12,052). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 45.000 (*nil*) from provision for taxation, being a reserve no longer required, there is a balance at credit of the profit and loss account amounting to Rs. 2,84,032 (Rs. 4,46.058), of which the directors have transferred Rs. 50,000 (Rs. 1,50,000) to revenue reserve, Rs. 37,767 (Rs. 50,000) to buildings and machinery reserve and Rs. 10.000 (*nil*) to development reserve. The directors recommend payment of a dividend of 15 (20) per cent., leaving Rs. 51,265 (Rs. 66,058) to be carried forward.

Tea crop was 10,79,600 lbs. as compared with 11,75,282 lbs. in 1956. The average selling price realized was Rs. 1.78 per lb., as against Rs. 2.12 per lb. in the previous year.

Estimates for 1958 provide for a crop of 10,40.000 lbs. at an outlay of Rs. 17,00,330, *including inland freight and sale charges.*

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Gross block	21,72,434
Reserves ...	16,21,615	*Less*—Depreciation ...	6,44,202
Provision for taxation ...	4,24,379		
Liabilities ...	5,99,473	Net block ...	15.28,232
Profit and loss account ...	5ft,265	Stock - in - trade ...	11,12,066
		Stores and supplies ...	1,29,310
		Debts, deposits and advances ...	2,93.687
		Investments	3,05,893
		Cash ...	2,26,544
Rs.	35,96,732	Rs.	35,96,732

New Dooars Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts show a profit, after charging all expenses, of Rs. 3,47,581 (Rs. 10,70,191) of which taxation provision requires Rs. 2,15,000 (Rs. 4.10,000) leaving a balance of Rs. 1.32.581 (*Rs. 6,60,191*). The balance *brought* forward from last year was Rs. 1,98,116 (Rs. 1,95,925) and excess tax provisions in previous years written back amounted to Rs. 50.000 (*nil*) making a total available for appropriation of Rs. 3,80,697 (Rs. 8.56,116). The directors *have transferred to investment* realisation surplus Rs. 13,988 (*nil*). The directors now recommend that the following dividends be paid: On the preference shares at Rs. 6.50 per share absorbing Rs. 13,000 (Rs. 13,000) and on the ordinary shares at Rs. 20 (*Rs. 35*) per share absorbing Rs. 2,80,000 (Rs. 4.90,000) leaving a balance to be carried forward of Rs. 73.709 (Rs. 1.98.116 after placing Rs. 1,55,000 to general reserve). Wealth tax in respect of years ended 31st December 1956 and 31st December 1957, is estimated to amount to Rs. 29.440 and this has been provided for by transfer from investment realisation surplus.

A *crop of* 19,432 maunds was sold at an average price of Rs. 1.84 per lb. This compares with a crop of 19,225 maunds in season 1956 sold at an average price of Rs. 2.36 per lb.

Estimates for the current season have been framed for a crop of 19,000 maunds to cost Rs. 24,68.051 and, provided normal conditions prevail, it is expected that a crop in the region of the estimated amount will be secured.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Gross block	24,35,562
Reserves ...	20,39,898	*Less*—Depreciation ...	10,48,172
Provision for *taxation**	2.71.156		
Liabilities ...	13,51,692	Net block ...	13,87.390
Profit and loss account ...	73,709	Stock of tea	11,93,285
		Stores and loose tools etc. ...	4,74,220
		Debts, deposits and advances ...	6,22.860
		Investments	6.52.448
		Cash ...	10.06.252
Rs.	53.36.455	Rs.	53,36 455

*Includes provision for wealth tax Rs. 29.440.

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

Notices

THE ELLORE ELECTRIC SUPPLY CORPORATION, LIMITED

(*Registered Office*: MADRAS)

NOTICE OF THE 24TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 24th Annual General Meeting of the Ellore Electric Supply Corporation Ltd. will be held at the Registered Office of the Company, No. 20, Second Line Beach, Madras, on Saturday, the 18th October, 1958, at 11 a.m.

1. To consider and adopt the Directors' Report and the Audited Accounts for the year ended 31st March 1958.
2. To consider the declaration of a final dividend.
3. To elect Directors in the place of the retiring Directors, viz., Messrs. V. R. Ramanatha Iyer and T. T. Krishnamurti.
4. To appoint Auditors for the current year and fix their remuneration.
5. Any other subject that may be brought up before the Meeting.

The Share Transfer Books of the Company will remain closed from 7th October to 18th October 1958, both days inclusive.

By Order of the Board,

FOR CHANDRIE & CO. (PRIVATE) LTD.,

S. VENKATARAMAN,
Director,
Managing Agents.

MADRAS, 18*th September*, 1958.

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

(*b*) The Dividend when sanctioned at the Annual Meeting will be paid on or after 25th October 1958 to those shareholders whose names stand on the Register of Members on 7th October 1958.

THE LANSDOWNE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE LANSDOWNE JUTE COMPANY, LTD., will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 11.15 a.m. on Friday the 17th day of October 1958, for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March 1958 and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividend recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 1st October to 17th October 1958, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, 30*th August*, 1958.

Note: (*a*) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(*b*) The Dividend, if declared, will be paid on or after 24th October 1958 to those shareholders so entitled whose names appear in the Company's books on the 17th October 1958 or to their mandatees. No application for Dividend Warrants will be necessary.

GOVERNMENT OF INDIA

MINISTRY OF RAILWAYS

(Railway Board)

Subject: **Requirement of Centre Buffer Couplers**

Tender No. GP-15/58-59.

THE LAST DATE OF RECEIPT AND THE opening date of the above tender are extended as under:—

(*a*) The offers should reach the Director, Railway Stores, Railway Board, State Entry Road, New Delhi, not later than 15th October 1958.

(*b*) The offer received will be opened on 16th October 1958 at 11 hours.

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

UNIVERSITY OF BOMBAY

DEPARTMENT OF ECONOMICS

WANTED ONE SENIOR AND TWO JUNIOR Research Officers in Monetary Economics in the grade of Rs 500-25-800 and Rs. 300-25-600 plus D.A. and Provident Fund. Applicants must possess a good post-graduate degree and a research degree or have special research work in the subject to their credit. Higher starting salary may be given in deserving cases. Posts are tenable for five years. Eight copies of application in the prescribed form should reach the Registrar, University of Bombay, Bombay-1, on or before the 20th October, 1958.

The forms and further particulars may be obtained from the Registrar.

T. V. CHIDAMBARAN,
University Registrar.

BOMBAY, 22*nd September*, 1958.

THE PEERMADE TEA COMPANY LIMITED

(*Incorporated in India*)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 14th November 1958 an interim dividend of 6¼ per cent. on the Ordinary Share Capital of the Company in respect of 1958 working.

The Transfer Books of the Company will remain closed from 4th November 1958 to 14th November 1958, both days inclusive.

ASPINWALL & CO. (TRAVANCORE) LTD.,
Secretaries.

PATHIRAPPALLY, 18*th October* 1958.

PRINTING AND STATIONERY DEPT.
Government of India, Calcutta

CHIEF Controller of Printing and Stationery, 1, Council House Street, Calcutta-1, invites tenders on behalf of the President of India from well equipped Printing Presses which are governed by the Factories Act 1948. for Printing and Binding stock forms and books of the Posts and Telegraphs Department for the requirements of the Calcutta, Madras and Bombay regions. For full details reference should be made to the issues of the *Indian Trade Journal* dated September 27th and October 4th. 1938, which may be had from the Manager of Publications, Civil Lines, Delhi, on payment. Copies also available for local sale with the Government of India Book Depot, 8, Hastings Street, Calcutta-1 and Kitab Mahal, Queensway Barracks, New Delhi. DA-953(3).

THE BRITANNIA BISCUIT COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting (being the 67th Ordinary General Meeting) of the Shareholders of the Company will be held at the Registered Office of the Company, 15 Taratola Road, Alipore, Calcutta-27, on Friday, the 31st October 1958, at 10.30 a.m., for the following purpose:

To consider and receive the Report of the Directors and to pass the audited accounts for the year ending 31st March 1958, declare a final dividend, elect a Director, to appoint Auditors and fix their remuneration.

The Transfer Register will be closed from 29th October to 8th November 1958, both days inclusive, and Warrants for such dividends as may be declared will be issued directly to the Registered Shareholders or their Mandatees.

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

15, TARATOLA ROAD,
CALCUTTA-27, 19*th September*, 1958.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 24 hours before the meeting.

METRIC SYSTEM IN SUGAR INDUSTRY

Apropos the metric system of weights and measures due to be introduced with effect from 1st October next, the following observations of Mr. P. Hadfield, President, Indian Sugar Mills Association, on the adoption of the system in the sugar industry will be read with interest:

"The problem divides itself into three parts—the raw material, the finished product, and the technical data relating to plant and machinery. With very few exceptions, sugarcane is delivered on wheeled transport, road or rail. Ideally, the change to the metric system should take place only when factory scales have been converted because to weigh in one system and record in another means using conversion tables and introduces one additional operation in which there is a chance for error attributable to the human element. Because of this, no prolonged period of using avoirdupois scales and recording in metric weights can be tolerated. Cane weighment chits will have to be made out in both systems for an initial period. It has been suggested that this should extend over two or three seasons. This is not necessary. Growers will very soon realise that a cart-load or a lorry-load of cane fetches the same reward in rupees, whether weighed by maunds or by kilos. To continue the dual system over long is an unnecessary complication.

"Sugar is bagged to a standard weight in a bag of standard tare. Alteration of the scale is unimportant, an arrow cut or painted on the steel yard or disc indicating the required gross weight is all that is required. Some of India's sugar is to be exported this year. The sugar bag recognised in all foreign markets is the 100 kilo bag and customers prefer to buy in this packing. There is, therefore, every inducement for the immediate introduction of the 100 kilogramme bag. It may be done from the commencement of the next season at each factory.

"In respect of the third item, great caution is necessary. There are many standards and, if the industry blindly accepts to change, it is not seen how haste can help and the changeover in this field may wait until other more pressing matters are set to rights.

"Going from the particular to the general: The metric system has been accepted; its implementation should be made as simple as possible. It should be introduced on an industry or product-wise basis and not, as appears to be the intent of some State Governments, on an area basis. This will tend to confuse inter-district transactions."

WAGE BOARD FOR SUGAR INDUSTRY

Although the Central Wage Board for Sugar Industry was constituted many months ago—the appointment was officially announced on 26th December 1957—it was only a month back that the Board completed the preparation of a questionnaire. It must, however, be said to the credit of the Board that it has taken care to make the questionnaire as comprehensive in coverage as possible, by including the wide and varied aspects of the sugar industry; even *khandsari* manufacture is included. Copies of the questionnaire have already been sent to all the vacuum-pan sugar factories in India, their trade unions, all the central organisations of employees and employers of sugar factories, various chambers of commerce and industry, labour departments of Central and State Governments, and institutions and persons who wish to make contributions on the subject. Arrangements are also being made to distribute copies of the questionnaire among the members of Parliament and State Legislatures. The replies to the questionnaire are required to be sent to the Board, Kasia Road, Gorakhpur, before the end of next month.

MONEY DULL AND EASY

(*From Our Own Correspondent*)

BOMBAY, 24*th September*

The short-term money market is featureless. The trend is easy and the rates of interest are unchanged. The demand for funds is slack, but, at the same time, the pace of growth in the deposits of banks seems to have slowed down somewhat. That from 1st October the understanding reached among the banks on the type of deposits to be accepted and the maximum rates of interest to be paid will come into force has been widely reported in the Press and warmly commended by the majority of papers. The present pattern of interest rates will, therefore, continue for one more week.

In the inter-bank section, day-to-day money fetches 2 to 2¼ per cent. with big banks and 2¼ to 2½ per cent. with small banks. Some banks are reported to have accepted from others one month deposits at three per cent. per annum.

The rate for house-money on call is nominal at 3¼ to 3¾ per cent. Short-term deposits are taken by banks at 3½ to 4 per cent. for one to six months. It is reported that some banks have been rather keen to have as much of these deposits as possible before 1st October 1958, when the new understanding among the banks comes into effect. They are said to have paid even 4¼ per cent. for one to four months.

Further evidence of lack of popularity of the Central Government's 91-day Treasury Bills among the banks is provided by the results of tenders accepted this week. Thus, while the amount invited remained unchanged at Rs. 2 crores, the offerings aggregated no more than Rs. 2.350 crores; a week ago these were Rs. 2.745 crores. The average rate of accepted tenders, too, have gone up further, from 2.524 per cent. to 2.529 per cent. Nevertheless, for next week, the Reserve Bank has invited tenders for another Rs. 2 crores.

A fall of Rs. 12.72 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 19th September 1958. As against this, there has been a rise of Rs. 14.12 crores in notes held in the Banking Department, as a result of which the total notes issued shows a minor increase of Rs. 1.40 crore. On the assets side of the Issue Department, rupee coin shows an increase of Rs. 1.40 crore which means that there has been a fall to that extent in the coins in circulation. There is no change either in rupee securities or in foreign securities. There has, however, been a small increase of Rs. 62 lakhs in balances held abroad. Consequently, the total foreign assets are a shade higher at Rs. 184.97 crores. In the Banking Department, while deposits of other Governments have gone up by Rs. 9.83 crores, those of the Central Government have fallen by Rs. 7.36 crores. Deposits of banks have improved by Rs. 6.03 crores. Loans and advances to Governments are lower by Rs. 4.36 crores, but other loans and advances have gone up by Rs. 4.15 crores. Of this increase, Rs. 1.72 crores represents the addition in the Bank's loans and advances to scheduled banks against usance bills. The total of this item stands at Rs. 3.43 crores, after going down to a low of Rs. 1.71 crore in the previous week. There has, however, been a decline of Rs. 2.47 crores in Treasury Bills purchased and discounted. The changes under other headings are of a very minor nature.

The Scheduled Banks' statement for the week ended 12th September 1958 shows, as compared with that for the previous week, a rise of Rs. 13.55 crores in demand deposits and a fall of Rs. 4.04 crores in time deposits. Borrowings from banks crores in time deposits. Borrowings from banks crores in time deposits. Borrowings from banks declined by Rs. 1.68 crore in the aggregate. Bank credit is down by Rs. 3.87 crores, the ratio of this portfolio to total deposits (net) having declined further from 55.93 per cent. to 55.33 per cent. Investments in Government securities have advanced by Rs. 6.59 crores and stand at a high level of Rs. 584.59 crores, representing 38 per cent. of total deposits. Money at call shows a small decline of Rs. 28 lakhs, but total cash is down by Rs. 5.12 crores. Accordingly, the ratio of cash balances to deposits has fallen from 8.59 per cent. to 8.21 per cent.

The only notable feature in the Gilt-edged market during the week under review was a sizable buying by the Life Insurance Corporation, mostly of long-dated securities, with 4 per cent. 1973 receiving the maximum attention. There was also a fair offtake of State loans by the Corporation. Enquiries from banks for Government securities were next to nothing. There was hardly any selling by the Reserve Bank of either the two new issues that were recently created or of the long-dated loans. The Bank was, of course, quite willing to sell, but there were no buyers. The trend of the market was on the whole steady, but the turnover was by no means significant. Indeed, it would have been very poor but for the interest taken by the Life Insurance Corporation towards the close. As compared with 15th September 1958, the last working day of our previous week, we find little change in the rates of Central Government loans. The 3 per cent. non-terminable is unchanged at Rs. 73.75. There has been a fall of 15 nP in the 3 per cent. 1986 Conversion Loan which finished at Rs. 74.10. 3½ per cent. 1965 is another loan to record a fall, albeit by 5 nP, to close at Rs. 99.70. The only security to record a gain over the week was 4 per cent. 1960-70; the closing rate for it at Rs. 100.65 shows a rise of 5 nP.

Among the State loans, 4½ per cent. 1971 Bombay improved by 10 nP to Rs. 100.70, while 4½ per cent. 1970 of both West Bengal and Madras have lost 10 nP to close at Rs. 100.40. 4½ per cent. 1970 Andhra also lost 10 nP to stand at Rs. 100.25.

There was a remarkable improvement in the value of sterling against U.S. dollars. Spot sterling in New York improved from $2.80½-2.80.3/16 to $2.80.15/32-2.80.17/32 during the earlier part of the week. Subsequently there was a slight decline, the closing rate being $2.80.11/16-2.80⅞. Three months' forward sterling, however, continued to gain, the closing rate at $2.80¼-2.80.3/16, comparing very favourably with $2.79.13/32-2.79.15/32 a week ago.

BULLION EASY AT CLOSE

(*From Our Own Correspondent*)

BOMBAY, 24*th September*

The firm trend noted in the bullion market on Monday last week continued unabated during the major part of the week under review. Silver was particularly strong, thanks to expectations about revival of seasonal demand, reports of sizable purchase (estimated at 150 bars) by a leading operator in the Calcutta market, and bear-covering which followed apprehensions of a deterioration in the Far Eastern situation. All these factors induced good buying support and prices registered handsome gains. There was, however, a minor setback today on account of profit-taking. In sympathy with silver, gold also tended to rise. But the upward trend was halted yesterday, when the metal encountered selling induced by rumours regarding unauthorised arrivals and the statement of the Union Minister for Planning in the Lok Sabha on Monday last to the effect that the proposal for mobilising gold stocks was not feasible. The fall in prices persisted today also.

Forward silver (*Bhadrapad* settlement) met with good enquiries and spurted from Rs. 186-3 on the 15th inst., to touch a high of Rs. 188-1 yesterday. The selling that ensued thereafter took the quotation down to Rs. 187-1. After recovering again to Rs. 187-10 today, it finished lower at Rs. 187-7. The net gain over the week was Re. 1-4. *Aswayuj* delivery advanced from Rs. 187 to Rs. 188-11 before closing at Rs. 188-3.

Ready silver strengthened from Rs. 185-10 on the 15th inst., to Rs. 187-11 yesterday. After easing to Rs. 186-14 today, it finished at Rs. 187-3. The floating stocks of silver are estimated at 900 bars. The daily average arrivals were 21 bars, while offtake was 11 bars per day on an average.

Forward gold (*Bhadrapad* settlement), which stood at Rs. 107-6 on Monday last week, evoked support and advanced to Rs. 107-15 on Saturday. It, however, declined to Rs. 107-3 today before finishing at Rs. 107-4. *Aswayuj* delivery improved from Rs. 107-11-6 to Rs. 108-2-6 before closing at Rs. 107-11.

Ready gold moved up from Rs. 107 to Rs. 107-12-6 on Monday this week. After fluctuating between this level and Rs. 107-12, it finished at Rs. 107-3. The floating stocks of gold are reported to be 35,000 tolas. The daily average arrivals were 5,800 tolas, while offtake was of the order of 4,400 tolas.

The prices of spot silver in London and New York were unchanged at 75⅛*d.* and 88⅛*c.*, respectively. Gold prices in London, however, declined from 250*s.* 6½*d.* on the 13th inst., to 250*s.* 2*d.*

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

	24-9-58	Highest	Lowest	15-9-58
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	107 3	107 12½	107 1½	107 4
Forward*	107 4	107 15	107 3	107 6
Sovereign	70 12	71 0	70 12	70 14
SILVER				
Ready (.996 fine Mint) ..	187 3	187 11	185 2	185 10
Forward†	187 7	188 1	186 6	186 3
London Silver Ready ..	75⅛*d.*	—	—	75⅛*d.*
London Forward	75⅛*d.*	—	—	75⅛*d.*
London Gold	250*s.*2*d.*	250*s.* 5*d.*	250*s.* 2*d.*	250*s.*6½*d.*
New York Silver	88⅛*c.*	—	—	88⅛*c.*

*29th September settlement.
†30th September settlement.

COW HIDES DECLINE

(*From Our Own Correspondent*)

MADRAS, 22*nd September*

Arrivals of E.I. tanned cow hides were on the usual scale, but prices were a shade easier than last week. Clearance was limited, as shippers were finding it difficult to place fresh business for shipment. U.K. buyers did not evince interest at current offers and seemed to be testing the Madras market without placing definite business. Arrivals of buff hides were small and found ready clearance. Tanned buff calf and cow calf continued to be in short supply. The new season productions would be available for sale in November only.

Enquiries for E.I. tanned goat skins have been patchy, with emphasis on 5½/6 lbs. goat skins. Demand for sheep skins was slow and the market was quiet.

LINSEED DULL

(*Messrs. A. Bradley and Co.*)

CALCUTTA, 22*nd September*

Dull conditions prevailed in the linseed market during the week under review, with small business passing. Despite firmness of groundnut and mustard oils, linseed oil was quiet and prices actually registered a small decline. Indian oil is unsaleable in overseas countries at current levels with large quantities offered cheap from South America.

The latest available quotation for Ready-September is Rs. 25.14 per maund.

COTTON FUTURES WEAK

(*From Our Own Correspondent*)

BOMBAY, 24*th September*

Bearish conditions prevailed in the cotton futures market during the week under review. There was a steep landslide in values which was a sequel to onslaught of heavy all-round liquidation. Report of clear and sunny weather, after the recent rains, in most cotton tracts, was the main factor which prompted the selling. Good weather indicated the possibility of a bumper crop in the season. Private estimates placed the crop at between 5.5 and 5.7 million bales. A crop of this size, together with a large carryover at the beginning of the season, would produce a larger total supply in the new season. In view of the downward trend in mill consumption of cotton, and the none too encouraging textile outlook, operators felt that the current level of cotton prices would not be maintained. Consequently, they rushed to liquidate their holdings, and values slumped. Nevertheless, rumours of a large export quota announcement and a probable abolition of export duty imparted some strength to the market on Saturday, but it was not sustained for long. The market again succumbed to heavy selling on Monday with Jarilla March contract declining to Rs. 637.50, one of the lowest levels reached so far. Yesterday, however, there was a mild recovery induced by news of cloudy weather in some cotton tracts. Rates moved higher today on Bank rate rumours. The market closed near the highest level of the day. It was, however, as much as Rs. 13.50 below last week-end quotation. The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	24-9-58	*High*	*Low*	15-9-59
I.C.C. Moglai Jarilla				
(*March 1959*) ...	642	649.50	636.25	655.50

Influenced by the trend of the futures market, values in the spot section also registered a sharp fall Mill enquiry was mainly confined to good quality lots of Laxmi, Co2, Vijay, Surti, Jaydhar, etc.

In the export section, better activity was reported. Shippers bought sizable quantities of 25/32″ and ⅞″ staple cottons against previous export commitments. Moderate quantities of Khamgaon were booked. Some business was also reported in Punjab cotton. Export enquiries were noted for exportable Jarilla. Bengals and yellow pickings also attracted attention.

The shipment period of cottons released for export on 9th and 23rd August, has been extended till the end of November next. Accordingly, shipping bill will be made valid for 30 days or till the end of November, whichever is earlier.

The foreign section was quiet. Some business was reported in Californian G.N. 1-5/32″ staple at Rs. 2,050.

The East India Cotton Association has decided that, in all cotton transactions from 1st October, the equivalent of candy in terms of the metric system of weights will also be mentioned. The price will consequently be quoted in rupees per candy of 784 lbs. and its equivalent in metric system, which is 355.616 kilograms. The Association, it is reported, will soon examine the question of fixing a convenient unit of trading in terms of kilogram and also prepare ready reckoners for different weights.

The following are the latest available spot rates—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week's closings:

Bengal *Deshi* 610 (610); Berar Jarilla 660 (675); Khandesh 710 (725); Vijay 825 (850); Vijay 825 (850); Hubli Laxmi 930 (950); Jaydhar 850 (880). Delivery contracts: Bengal 588 (593); Mathia 595 (612).

Cotton futures values in the Karachi market suffered a sharp setback during the week. Weak export advice and keener competitors from exporting countries discouraged support. On the emergency of selling prompted by good weather, values reacted sharply. N.T.R.G. January declined from Rs. 78-2-6 on the 15th inst. to Rs. 76-1-0 and the March positions eased over the week by Rs. 2-0-6 to Rs. 76-7-0. Spot values also receded.

The Alexandria cotton futures market ruled easy during the week under review. Trade buying was practically *nil*. In the absence of export demand operators tended to liquidate part of their holdings. Bearish crop news accelerated the downward trend. Towards the close of the week, however, a recovery, which was mainly of a technical nature, was witnessed in the long-staple Karnak contracts. The earlier losses were more than made up.

The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week's closings. *Karnak*: November 72.45 (72.20); January 72.65 (72.40). *Ashmouni*: 63.70 (64.95); 63.90 (65.00).

A mixed trend was evident on the Liverpool Cotton Exchange during the week. While the American cotton contracts came under selling and eased, the mixed growth contracts received trade support and improved. Sudan contracts were neglected and values nominally unchanged. Intermonths and inter-contract witching especially from the near to the distant months, was a feature of trading. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closings:

American cotton one inch staple contract: October-November 23.68 (23.93); December-January

23.88 (24.00); March-April 23.90 (23.95); May-June 23.90 (23.88).

American cottons mixed growth contract: October-November 24.49 (24.35); December-January 24.42 (24.30); March-April 24.37 (24.25); May-June 24.35 (24.20).

Sudan September-October, November-December, January-February 29.75 (29.75).

Cotton futures values in New York scored handsome gains during the week on trade and Commission House support. The buying was in part attributed to better advices from the piece-goods market, and reports of unwanted rains in eastern parts of the cotton belt. Heavier entries into the Government loan also favourably influenced sentiment. Spot values were, however, a shade easy.

The U.S. Export-Import Bank has announced that arrangements had been completed to place in operation the 60-million-dollar cotton credit to Japan. The one-year credit was approved in July and loan papers were signed in August last. It was the tenth annual cotton credit for Japan approved by the Bank since 1948, bringing the total financing of cotton purchases by Japan to a total of $545,200,000.

The credit would bear interest at 3⅛ per cent. Purchases would be financed by drafts drawn by the shipper on the Bank of Japan pursuant to letters of credit issued by 23 U.S. commercial banks as designated by the Bank of Japan. At current prices approximately 400,000 bales of cotton can be financed for export by this credit which will be available till 31st July 1959. It is estimated that Japan will require imports of approximately two million bales of cotton during the 1958-59 crop year.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	23-9-58	16-9-58	9-9-58
Spot	35.90	36.10	36.15
October	35.75	35.55	35.39
December	36.18	36.03	35.83
March	36.66	36.53	36.30

YARNS DEPRESSED

(From Our Own Correspondent)

BOMBAY, 24*th September*

Details regarding the fixation of prices under the Staple Fibre Control Order issued on the 9th inst., are now available. The prices, fixed on ex-factory basis, are Re. 1.75 for 1.5 denier bright 1.5 inch staple length and Re. 1.94 for 1.2 denier bright 1.5 inch cut length. For dull fibre, an extra price of 8 nP per lb. is to be charged. All these prices are exclusive of sales tax, excise duty, octroi duty and other statutory levies in existence. The buyers, however, are required to pay freight and other charges incurred. As regards distribution, preference is given generally to the requirements of the industrial undertakings registered or licensed under the Industrial Development Act exclusively for spinning staple fibre yarn. After that, permits will be issued to those undertakings which have spun staple fibre yarn during the period from 10th October 1957 to 31st March 1958. The Textile Commissioner has, of course, been empowered to take any other relevant factors into consideration while granting the necessary permits for purchase of the staple fibre from the indigenous manufacturers.

The yarn market ruled depressed during the week under review. In particular, staple fibre yarns were weak, thanks to rumours of the authorities issuing licences for more import of pulp to indigenous producers in order to enable them to increase the daily rate of output from 40 tons to 60 tons which represent the quantity required to meet the needs of the textile mills in full. There were, besides, reports that stocks of staple fibre yarns, particularly 2/40s, were very large while demand from important consuming centres, notably Surat, was at a low ebb. The stockists were busy unloading their holdings at an early date. Consequently prices of staple fibre yarns suffered a setback. In sympathy with staple fibre yarns, rayon and nylon yarns also declined, the latter by about 50 nP per lb. Cotton yarns continued to rule easy on persistent reports of accumulations of stocks and slackness in demand.

Staple fibre yarn (40x2) October delivery was subjected to heavy selling and slumped by Rs. 18 to Rs. 689. In the spot section, 40x2 Cityrs receded by 10 nP to Rs. 3.62. Kohinoors dropped 13 nP to Rs. 3.81. Centurys eased by 6 nP to Rs. 3.69. Among foreign yarns, Paramounts and Finlays were both quoted at Rs. 9.75.

In the art silk yarn section, 120 Japan declined by 16 nP to Rs. 5.81, 150 Japan climbed down by 22 nP to Rs. 6.12. 120 Italy fell by 19 nP to Rs. 6.25 and 150 Italy by 25 nP to Rs. 6.25. Among indigenous yarns, National Rayons 150 bright cones first grade eased by 13 nP to Rs. 4.90. 120 bright cones first grade were quoted 19 nP lower at Rs. 5.90.

In the cotton yarn section, ten counts Moderns were neglected at Rs. 13.25. But Podars gathered 13 nP to Rs. 12.50. Among twenty counts, Moderns were stagnant at Rs. 16.75. Thirty counts Hinds receded by 25 nP to Rs. 19.75. Among forty counts, Minaxis shed 19 nP to Rs 25.06. Moderns fell by 50 nP to Rs. 25.25. Sixty counts Finlays were dull at Rs. 58. Eighty counts Mahendras were quoted at Rs. 70, Moderns at Rs. 71.50 and Finlays at Rs. 78.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those nine days ago:

	24-9-1958	15-9-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	5.81	5.97
150 Japan (per lb.)	6.12	6.34
120 Italy (per lb.)	6.25	—
150 Italy (per lb.)	6.25	—
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 October	689.00	707.00
40 x 2 Kohinoor (per lb.)	3.81	3.94
40 x 2 City (per lb.)	3.62	3.72
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.50	12.87
20s Modern	16.75	16.75
30s Hind	19.75	20.00
40s Minaxi	25.06	25.25
60s Finlay	58.00	58.00
80s Mahendra	70.00	70.00

OILSEEDS FULLY STEADY

(From Our Own Correspondent)

BOMBAY, 24*th September*

After presenting fully steady conditions in the first three sessions of the week under review, the oilseeds market developed a sagging tendency on Monday which persisted till the close today when a steady trend came to prevail again. The earlier steadiness was due to rumours of fresh export quota for oilcakes, good buying of groundnut oil by *vanaspati* manufacturers, reports of Australian purchase of 300 tons Indian linseed oil and expectations of better overseas orders for castor oil based on news that the Brazilian castorseeds crop might not exceed 140,000 tons. Consequently, prices of oilseeds and oils receded a rise. The improvement was, however, halted on Monday when the market experienced some selling pressure induced by easy advices from North Indian commodity markets and weakness of cotton. The easiness gathered further momentum yesterday. Today, groundnuts and castorseeds continued to rule easy, while linseed, cottonseed and other seeds were well supported.

Groundnuts February 1959 contracts received good enquiries and advanced from Rs. 164.62 on Monday last week to Rs. 166.75 on Saturday. Thereafter, it tended to decline, today's closing rate being Rs. 184.87. Over the week, bold ready rose by Re. 1.38 to Rs. 42.50. Coromandel and Khandesh quality both recorded a gain of 88 nP to Rs. 42.50. Groundnut oil ex-mill rallied 75 nP to Rs. 22 and railway receipt 87 nP to Rs. 21.87.

Castorseed September 1958 contract attracted good attention of operators and forged ahead from Rs. 158 to Rs. 161.75. Today, however, it was a shade easy at Rs. 161.65. May 1958 delivery improved from Rs. 155.25 to Rs. 157.25 before finishing at Rs. 156.18. Ready Madras, after rising from Rs. 31.75 to Rs. 32.19, closed lower at Rs. 31.87. Kanpur quality gathered over the week 25 nP to Rs. 30.75. Castor oil B.S.S. hardened by 15 nP to Rs. 17.87. Commercial quality put on 19 nP to Rs. 16.19.

Linseed September 1958 contract picked up 38 nP to Rs. 35. May 1959 delivery, which stood at Rs. 31.69 on the opening day, strengthened to Rs. 32.12 on the 20th inst., and, after receding to Rs. 31.69 yesterday, recovered to Rs. 31.81 today. Bold ready increased by 50 nP to Rs. 35. Linseed oil, after declining from Rs. 17.94 to Rs. 17.62 yesterday, improved to Rs. 17.87 today.

Cottonseed September 1958 contract gained good buying support and spurted from Rs. 128 to Rs. 130. May 1959 contract, which had gone up from Rs. 101 on the opening day to Rs. 103 on the 20th inst., declined to Rs. 101 yesterday but receded to Rs. 101.50 today.

Among other seeds, kardiseed bold ready was well supported, the quotation advancing by a rupee to Rs. 23.50. Nigerseed Madras quality, after easing from Rs. 34.75 to Rs. 33.50 in the first two sessions, rose gradually thereafter, today's closing rate being Rs. 34.50.

The following table shows the closing prices of oilseeds and oils today as compared with those nine days and two weeks before:

	*24-9-1958	15-9-1958	10-9-1958
	Rs.	Rs.	Rs.
Groundnut—			
Feb. 1959	164.87	164.62	167.75
Bold ready (per cwt.)	42.50	41.12	41.00
Linseed—			
Sept. 1958	35.00	34.62	33.50
May 1959	31.81	32.06	32.62
Bold ready (per cwt.)	35.00	34.50	33.37
Castorseed—			
Sept. 1958	161.65	158.00	160.00
May 1959	156.18	155.25	159.62
Madras (per cwt.)	31.87	31.75	32.00
Cottonseed—			
Sept. 1958	130.00	128.00	126.00
Sept. 1959	101.50	103.50	103.75
*Groundnut oil**—			
Ex-mill ready (per quarter) ..	22.00	21.25	21.37
Castor oil†—			
Commercial (per quarter) ..	16.19	16.00	16.25
Linseed oil†—			
Ready	17.87	17.94	17.62

* Rates include excise duty but exclude sales tax.
†Rates exclude both excise duty and sales tax.

SUGAR FIRM

(From Our Own Correspondents)

BOMBAY, 24*th September*

The sugar market continues to rule firm. There are rumours that, at the meeting to be held in New Delhi tomorrow, the Indian Sugar Mills' Association Sub-Committee may succeed in persuading the Union Food Ministry to permit at least a flat rate of Rs. 36.50 per maund in the whole of U.P., Bihar and Punjab, instead of the present price of Rs. 36 only for U.P. and Bihar. These rumours, together with the normal post-monsoon and festival demand for sugar, have induced good buying, but prices have not shown any rise as the ex-mill quotations for sugar in the Bombay-Deccan area remain more or less unchanged.

Arrivals of sugar by rail into the market were less than those in the previous week, being 7,500 bags, as against 13,800 bags.

Medium grain sugar is fully maintained at last week's level of Rs. 107-Rs. 109, as also large grain at Rs. 110-Rs. 117. Small grain has gained 50 nP to Rs. 105.50-Rs. 106.

Replying to a question in the Rajya Sabha recently, the Union Minister for Food and Agriculture stated that no ex-factory price of sugar had been fixed for factories in Bombay State. He stated that the Government had, however, undertaken to supply sugar f.o.r. Bombay at Rs. 39 per maund, after adding an average railway freight of Rs. 3 per maund to the ex-factory price of Rs. 36 per maund fixed for U.P. factories. The monthly consumption of sugar in Bombay was about 44,000 tons.

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HAPUR, 22*nd September*

Sugar prices ruled quiet during the week, as outside demand continued slack and the supply position eased further with the release of a fresh quota for free sale by the Government. Some business was reported for destinations in Gujerat. The following were the latest prevailing ex-mill delivery prices for wholesale sugar in the Muzaffarnagar market:—

Khatauli (A28) Rs. 37.37; Iqbalpur (B29) Rs. 37.12; Deoband (C29) Rs. 36.37; Shamli (A29) Rs. 37.75; Modinagar (B29) Rs. 37.12; Mawana (B29) Rs. 37.12; Amroha (D29) Rs. 35.50; Bijnore (E29) Rs. 35.37; Seohara (D29) Rs. 35.81; Saharanpur (D28) Rs. 35.69; Mansurpur (B29) Rs. 36.75.

Fresh incentive lacking, sugar prices ruled quiet around familiar prices in the Kanpur market during the week. The latest prices were:— Ex-mill spot (per bag) (C29) Basti Rs. 103.8; Gola Rs. 102-8, (D29) Gola and Burhwal Rs. 101-12; Waltergunj, Balrampur and Tulsipur Rs. 105-4; Lakhimpur and Hargaon Rs. 101.

Khandsari prices ruled quietly steady and prices ranged between Rs. 33 and Rs. 35.50 per maund. Rumours again revived that the Government was going to impose excise duty on *khandsari* production. New crushers were being installed to begin crushing cane into *gur* now and later to *khandsari*.

Old *gur* stocks were practically exhausted and were not more than 3,000 maunds, with prices for *kotha* dry-wet quality put at Rs. 20 per maund. A small quantity of new *gur* also reached the market which was lifted by up to Rs. 25 per maund by consumers.

New *gur* arrivals will soon increase as the weather clears up. Condition of the cane crop is fairly good in west U.P., but reports from east U.P. indicate that the conditions there are not so happy.

In the Muzaffarnagar market, old stocks of *gur* had been nearly exhausted. New *gur* arrivals were reported at Meerut and some other centres and were quoted up to Rs. 25 per maund.

Future *gur* at Hapur moved narrowly during the week. Opening at Rs. 13.50, *fagun* delivery touched the highest at Rs. 13.69 and lowest at Rs. 13.29 and was quoted today at Rs. 13.57.

BLACK PEPPER RECOVERS

(Messrs. Parekh and Co.)

BOMBAY, 24*th September*

Malabar black pepper in specific delivery for September came down from Rs. 570 to Rs. 540, owing to poor demand from overseas and bear hammering, following discouraging advices from New York, and continued to hover around the level during the week ended the 17th inst. Some improvement, however, was noticed during the week under review, following short-covering induced by the news of deterioration in the Far Eastern situation.

Singapore exporters temporarily stopped selling to the U.S. on account of mass detentions of Lampong pepper shipped during July. Such a move was responsible for the easiness in Singapore which went down from Str. $75 to Str. $71 for Sarawak Special, as Continental demand, too, proved sparse and poor. At the time of writing, however, Singapore rallied to Str. $74, with undertone steadier.

Lampong black in Djakarta also improved to Rupias 810 from the lowest of Rupias 740, as pressure from arrivals was reported to be waning since the harvesting season was likely to end in October. In the total crop of about 9,000 tons of Lampong black, more than 4,000 tons were reported to have been already marketed.

Alleppey, after going down to Rs. 587½, improved to Rs. 600. October delivery rallied to Rs. 105-50, after going down to Rs. 104 and December moved between Rs. 103 and Rs. 101. Calicut was steady at Rs. 620.

In A.S.T.A. September moved between $0.25 and $0.25½, while December was nominally quoted at $0.25 and $0.24½.

In specific delivery, September and October were quoted at Rs. 542 and Rs. 550, respectively.

The present weakness in Malabar black is understandable, particularly in view of the healthy statistical position in India. The weakness appears more or less psychological, as pepper prices are moving up and down according to the commitments and mood of big speculators who are easily affected by the weakness or otherwise in other allied speculative markets. At times, secondhands purposely underquote growers to make them soft sellers, so that they may pick up cheaper against their foreign commitments.

Today's nominal quotations are: Ready delivery Rs. 79 per Bengal maund; September Rs. 542-47 and October Rs. 550-55 per candy of 5¼ cwts.

METALS MOVE DOWN

(From Our Own Correspondent)

CALCUTTA, 23*rd September*

Expectations of a larger allotment of foreign exchange for base metals in the import policy for the six months beginning from 1st October were entertained in the metal market. The consumers were, therefore, not inclined to enter into fresh commitments except for meeting the day-to-day needs, with the result that prices were pushed down.

Earlier in the week, tin was quoted at Rs. 566. There was good demand from the alloy-making industry, and, once this was met, the price moved down to close at Rs. 553 in conformity with the noticeable fall in price in both London and New York. Electrolytic zinc declined by 75 nP to Rs. 67.00, while lead was unchanged at Rs. 67.50. The high trend of copper prices on the London Metal Exchange was noted. The allocations of copper made by the Government of India to small-scale manufacturers should lessen pressure in the scrap market. Of the 5,500 tons allotted, about 4,500 tons have already been distributed.

STRONG DEMAND FOR TEA

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.)

COCHIN, 17*th September*

In sale No. 28, held on Monday the 15th inst., there were 978,160 lbs. on offer. There was a further marked improvement in quality, with some flavoury invoices on offer from the Nilgiri district. Good medium and medium descriptions were also much improved. The sale opened to a strong demand, but this eased a little as the sale progressed. Low medium teas met with some support and were fully firm to occasionally dearer. Medium teas with improved quality advanced by 10 to 15 nP. Improved quality high growns met with strong competition and prices advanced considerably and, in some cases, by as much as 50 to 70 nP. Whole leaf teas were slightly dearer on last rates. A small quantity of tippy teas sold well.

The quotations were: Low medium Rs. 1.55 to 1.70; medium Rs. 1.80 to 2.05; good medium Rs. 2.10 to 2.35; and quality Rs. 2.75 to 4.30.

Colombo Market.—Sale of 15th September 1958: Dimbula Dickoya B.O.Ps. opened lower, weakened further at close and declined by 20 to 30 cents. Uvas irregular. Following quality mediums below dearer by Rs. 2. Better sorts lower. Strongest feature useful liquoring fannings. Both medium and highgrown, appreciably dearer. Lowgrowns, including Gulf types, dearer by 5 to 8 cents. *Sale of 16th September* 1958: Active demand for useful liquoring, fannings and grainy dusts substantially dearer. Other kinds firm.

Calcutta Market.—Export: Better demand. Commons steady to occasionally dearer. Bright liquoring orthodox Assam sold well, though medium sorts easier by 15 to 20 nP. Better support from ordinary C.T.Cs, best kinds, however, lower by 10 to 30 nP. Tippy teas well supported, but Darjeelings generally easier. *Internal*: 20,000 packages. Dust good general demand. Orthodox all districts firm to dearer. Exportable C.T.C. well supported. Poorer C.T.C. easier by 10 nP. Internal leaf 1,300. Good general demand.

Export Quota: The market has remained steady throughout the week, with some business being transacted at 7¼/7⅜ nP. The latest quotation is sellers 7⅜ nP, buyers 6⅞ nP, with business going through at 6⅞ nP.

Auction Programme for October: In view of the August 1958 crop which is expected to be half million pounds short as compared with that for the corresponding period last year, the General Committee has accepted the recommendations of the Auction Sub-Committee to hold only two leaf sales in October 1958. Leaf sales during October have accordingly been fixed on the 14th and 28th October. There will be no changes in the dust sale programme for the month which will be 9th and 23rd October.

Forthcoming Auctions: Sale No. 29 will be held on Tuesday, the 30th inst.

TEA KEENLY BID

(From Our Own Correspondent)

CALCUTTA, 23*rd September*

In the internal tea sales held last week, buyers showed preference for orthodox teas. Dusts on offer amounted to 20,186 chests, and legg-cut teas added 4 nP on keen competition. In C.T.C. Assams, the few best liquiring lots rose above valuations and the plainer powdery teas were steady, while the poorer medium teas eased by 10 nP. The quotations in rupees per lb. with those of the previous week were: Best Assam C.T.C. 2.50 to 3.00 (nominal) (2.45 to 2.70); medium Assam C.T.C. 2.15 to 2.35 (same); medium Assam grainy dust 1.76 to 1.78 (same); and medium Dooars 1.74 to 1.76 (same).

Leaf on offer amounting to 1,365 chests met with good demand at lower rates.

Export quota declined from 7 nP to 6⅞ nP.

Market circles were looking forward to relief for common teas. It was realised that the delay was due not to lack of earnestness on the part of the Government but to the difficulty in working out a scheme by which common teas only would derive the benefit of reduction or complete cancellation of export and excise duties. It was, however, pointed out that the withdrawal of excise and export duties on common teas would not alone make them competitive in world markets, but would give only a temporary relief to the uneconomic producer.

On 17th September, a tea sale was held in Chittagong, when leaf grades amounting to 11,468 chests and dusts 3,074 chests, in addition to a supplement of 69 chests, were on offer. Prices improved as the sale progressed. Keen competition was offered to the fanning grades and best liquoring teas both of which rose by one to two annas. Legg-cut teas were fully steady. Tippy teas, however, were very quiet and interest in the thinner liquoring brokens was only casual. Green teas added 1½ to 2 as. The quotations in rupee per lb. were: P.F. 2-10-6 to 2-11; O.P. 2-14; B.P.S. 2-9-6 to 2 10; Pek 2-13-6; B.P. 2-8 to 2-8-6; and B.O.P. 2-11.

Dusts gained by an anna, with the plain Sylhet quoting at Rs. 2-11 per lb.

About 13,810 chests of leaf and 3,942 chests of dust would be the catalogues in the next auction scheduled for the 1st October.

There was good general demand at irregular prices during export sales held yesterday. Offerings aggregated 63,733 chests. Orthodox B.O.Ps. and O. fannings eased by 10 to 30 nP, but those lots possessing bright liquors received keen support. However, the B.P.S. teas were quiet, with the plainer types being pushed down noticeably. Plain brokens were about firm. Darjeelings were easy. The quotations were: Best Assam C.T.C. fannings Rs. 3.00 to 3.40 (nominal) (3.10 to 3.30); best Assam C.T.C. B.P. Rs. 2.70 to 3.00 (nominal), (2.80 to 3.00); clean black pekoe Rs. 2.00 to 2.10 (2.05 to 2.10); medium fannings Re. 1.98 to 2.10 (2.00 to 2.15); plain B.P. Re. 1.70 to 1.74 (same); plain fannings Re. 1.80 to 1.88 (1.78 to 1.86); and medium B.P. Re. 1.85 to 1.90 (1.90 to 1.95).

In export quota, business was done at 6 nP; subsequently, the rate declined to 5¾ and 5½ nP.

JUTE QUIET

(From Our Own Correspondent)

CALCUTTA, 23*rd September*

In the absence of incentives, quiet conditions were in evidence in the jute markets during the week under review. Selling pressure in the futures market and biding for time by overseas buyers were the two factors that lulled enthusiasm in the bazaar. Earlier in the week, the Indian Jute Mills Association did not favour any change in the minimum price policy, and this provided strength to the heavy goods section for some time. Real buying was, of course, much restricted and prices gave way. Further, the news of a fall in U.S. burlap consumption by one million yards to 67 million yards in August caused disappointment. For it had been anticipated that U.S. burlap consumption would enlarge, in view of the improvement in economy. The expected increase in American interest in hessian here had not yet materialised and, in the market, there were searching enquiries if there had been a shift to substitutes in the U.S.A. However, reports from New York indicated that the absence of larger demand was due to heavy arrivals against orders placed when the Middle East crisis had reached a climax. It was naturally thought, when once arrivals began to decline, American buyers would naturally be interested in increased quantities of hessian here. Market circles were keenly following every step taken by American buyers. There was no lack of confidence, as it was felt that fears relating to American shift of interest to substitutes would prove baseless.

It was noted that, in the U.S., at the end of August, burlap stocks were higher by one million yards at 230 million yards as compared with July. Market circles pointed to the keen demand on the stock exchange for shares of jute mills, and derived satisfaction in the thought that mills were, after all, doing better. The feature in the week was continued interest shown by Australian buyers for cornsacks. Deals were subsequently put through.

Early in the week, there was some covering business, and activity in futures also imparted steadiness. On Tuesday, there was business done in cornsacks on Australian account for prompt shipment, and ready B. twills at Rs. 97.60 put on a fractional improvement, with ready hessian 40" 10 oz. being steadier at Rs. 41.20, as against Rs. 40.80 on the previous day. It was noted that the hessian stock position was healthier. For, in spite of transfer of looms from sacking to hessian manufacture and increased production in hessian, stocks of hessian at the end of August had declined by 900 tons to 19,000 tons. On Wednesday, hessian 40" 10 oz. improved further to Rs. 41.40, following covering business. B. twills were steady although unchanged at Rs. 97.60. Deals were put through with the U.S. and the Continent for small quantities. On Thursday, however, the quotation for B. twills eased to Rs. 97.25 and hessian 40" 10 oz. to Rs. 41.40, following selling pressure in futures. On Friday, hessian 40" 10 oz. eased further to Rs. 41.30 and B. twills to Rs. 96.75. Towards the week-end, they recovered to Rs. 41.40 and Rs. 96.80, respectively on scattered support. On Monday, prices fell in view of lack of interest. Thus B. twills were quoted at Rs. 96.15, but hessian 40" 10 oz. was slightly better at Rs. 41.50.

Raw jute prices eased by 50 nP. Sellers were anxious for business, but mills were less keen than last week in entering into business. Arrivals showed some improvement, suggesting recession of floods. The quality of arrivals was good. During the week, there were reports from Pakistan of growers' dissatisfaction at the falling prices. The crop in Pakistan, as in India, it was expected, would prove a bumper one, and estimates of the Pakistan crop placed the figure at 7½ million bales, which would leave a large margin after meeting internal and export needs. It was no surprise, therefore, that prices in the interior were falling. The latest quotations here for the different varieties of the current season's jute, October-November delivery, are:

	Middles	*Bottoms*
	Rs.	Rs.
Pakistani:		
District	29.50	26.50
Northern	29.50	26.50
Indian:		
Northern	26.25	23.75
Assam	26.25	23.75
Orissa	28.75	23.75
Desal	25.50	23.00
Murshidabad ...	24.50	22.00
Jungli	23.50	21.00
Uttar Pradesh ...	23.50	21.00
Daissee	29.00	26.50
Daissee mesta ...	24.50	22.00
Bimli f.a.q.		Rs. 21.50

HIDES WELL SUPPORTED

(From Our Own Correspondent)

KANPUR, 22*nd September*

During the week under review, demand for upper grade cow and buff was quite strong. The Madras dealers and the country tanners were active. The main purchasers were the local tanners. New arrivals of goods were not as considerable as those in the previous week.

The latest available quotations are: Wet salted cow 1st grade Rs. 360, 2nd grade Rs. 260 and 3rd grade Rs. 200 per score; wet salted buff 1st grade 1 lb. 12 ozs. and 2nd grade 1 lb. 14 ozs. per rupee; goat 1st grade Rs. 275 and 2nd grade Rs. 250 per 100 pieces; sheep 1st grade Rs. 250 and 2nd grade Rs. 200 per 100 pieces.

FOODGRAINS QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 22*nd September*

Quietly steady conditions were witnessed in the foodgrains market during the week. Prices in some sections declined and the fall was more marked in rice. Stockists were reported to have been unnerved following the various measures taken by the Union Government to bring down prices, and they were anxious to sell their stocks. A large quantity of wheat had been seized in the Punjab, while here in west U.P., gram and peas had been freezed which would be sold at the average price prevailing in the last three months.

Heavy imports of foodgrains, including wheat, rice, maize and *jowar*, will begin next month. The foodgrains will be supplied by the United States and Burma. Besides, Pakistan is understood to have made an offer of a substantial quantity of rice, while Canada and Australia have offered wheat. The Government of India's latest policy is to tighten the zonal system of food movement to ensure that there is no hoarding of stocks or unauthorised movement from one zone to another and, on the basis of reports from State Governments, the Centre will make additional allocations of foodgrains to the scarcity areas. Over 600,000 maunds of wheat have been seized in the Punjab and procurement operations have been intensified in Andhra for rice and paddy.

After recording a fall in the earlier part of the session, wheat prices recorded improvement towards the week-end, due to poor arrivals. Wheat *dara* quality was quoted at Rs. 22 and farm quality at Rs. 23.25 per maund.

Rice prices recorded a sharp fall of about Rs. 3 to Rs. 4 per maund and superior quality prices were reported to have gone further, thanks to good supply position and good paddy crop, the harvesting of which had begun in some areas. Prevailing prices of rice were:—*Basmati sela* Rs. 36, *mainpuri* Rs. 29, *coarse* quality Rs. 24 per maund.

Gram stocks to the extent of over 12,000 maunds were seized here during the week and, as yet, no sales of these stocks had been ordered by the Government, the supplies of gram in the market had become restricted and prices improved fractionally. Barley and *bejhar* also recorded a hardening trend in line with gram and wheat prices. Increased arrivals of new crop into the market, despite good consumer demand, accounted for a fall of about Re. 1 per maund in the prices of maize during the week. Maize was reaching here by road from Mainpuri side and eight wagon-loads of maize were due to arrive shortly from the producing areas of the South. *Jowar* and *guwar* prices were depressed in the absence of adequate demand. The week-end prices on Monday (in rupees per maund) were:—Gram 16.37 to 16.75; barley 15.50; *bejhar* 15; maize 15.25; *jowar* 13 to 14; *guwar* white 14.50.

Following the seizure of about 30,000 maunds of peas here by the Government, peas stock position deteriorated and, due to good outside demand, prices improved fractionally. *Arhar* continued steady in sympathy, while other pulses were mostly unchanged. The quotations (in rupees per maund) were: Peas *dara* 14.37; farm quality 15; *khatti* 13.75; peas *dal* 16.25; *arhar* 18.37; *arhar dal* 23.19; *arhar khatti* 17.87; *urd* 18 to 18.50; *moong* 23; *massoor* 16.75.

Owing to clear weather for about a week, preparation of land for *rabi* sowings is in full swing. As most of the land under maize and *jowar* crop has been cleared, an increased acreage in *rabi* sowings is expected.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 19th September 1958

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		25,00,00,000
National Agricultural Credit (Stabilisation) Fund		3,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		53,17,79,000
(2) Other Governments		20,82,98,000
(b) Banks		98,18,46,000
(c) Others		113,85,17,000
Bills Payable		10,33,29,000
Other Liabilities		12,74,82,000
	Rupees	422,15,51,000

ASSETS	Rs.	Rs.
Notes		25,61,18,000
Rupee Coin		2,86,000
Subsidiary Coin		3,58,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		3,27,83,000
Balances held abroad*		15,30,54,000
Loans and Advances to Governments		13,02,85,000
Other Loans and Advances		54,69,43,000
Investments		301,07,17,000
Other Assets		9,05,07,000
	Rupees	422,15,51,000

* Includes Cash and Short-term Securities.

The item "Other Loans and Advances" includes Rs. 3,43,00 000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	25,61,18,000	
Notes in circulation	1629,72,89,000	
Total Notes issued		1555,34,07,000
Total Liabilities		1555,34,07,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	169,67,56,000	
Total of A		287,43,59,000
B. Rupee Coin		138,52,46,000
Government of India Rupee Securities		....
Internal Bills of Exchange and other commercial paper		1129,38,02,000
Total Assets		1555,34,07,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	12th Sept., 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1542.45	1541.70	1150.72	1480.31
Notes held in Banking Department	85.05	11 49	11 63	21 52	33 05
Foreign Securities	59.50	169 68	169 68	179 68	345 61
Rupee Securities	87.89	1129.38	1129.89	1139.23	916.87
Banking Department					
Deposits of :					
Government of India	14.89	60.54	52.24	63.69	52 86
Other Governments	..	11.00	14 72	16 32	6 16
Balances held abroad	10.08	14.68	13.70	14.86	28.23
SCHEDULED BANKS					
Demand Liabilities	134.26	755 36	743.56	751.43	718 74
		(26.49)†	(27 85)†	(34 01)†	(18 06)†
Time Liabilities	102.24	845 93	850 30	853 15	612 16
		(36.77)†	(37.10)†	(36.83)†	(8.42)†
Borrowings from Reserve Bank	..	2.59	5 96	4 56	28 30
		(1.71)‡	(4.52)‡	(3.28)‡	(26.78)‡
Borrowings from State Bank	..	3 46	4 40	3 43	3 51
Cash in India	6.70	39.92	37.48	39.14	37.63
Balances with Reserve Bank	25.17	86.37	93.93	92.96	99.24
Excess over statutory limits	15.52	31.67	39.75	38.33	51.06
Balances with other banks in current account in India	..	12.85	12.67	12.59	10.51
Money at call and short notice in India	..	54.85	54.63	63.01	38.81
Investments (at book value)	..	584.59	578.01	553 81	375.62
Advances and bills	105.09	851.25	855 11	871.33	841.97
STATE BANK					
Deposits	37.76	438 33	433 24	436 01	348.09
Investments	51 99	240 12	236 74	236 74	145 12
Advances	30 35	165 13	164 96	170.86	158.10
Cash	14 69	40 72	40.14	42 74	54.08

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1955	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	Feb., 1957	4½	6
Colombia	18th July, 1958	5	4
Costa Rica	1st April, 1954	4	5
Denmark	15th Aug., 1958	5	4½
Equador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	4	3½
Finland	20th April, 1956	5	6½
France	12th Aug., 1957	4	5
Greece	May, 1956	9	7
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	30th Sept., 1957	5	4
Italy	7th June, 1956	4	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	19th Oct., 1950	3	4
Norway	14th Feb., 1955	3½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	1957	3	2½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	3½
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1958	3	4½
Switzerland	15th May, 1957	1½	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	14th Aug., 1958	6	4½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	18th April, 1958	2½	1½
West Germany	27th June, 1958	3½	3

State Bank of India

Statement of Affairs for the week ended 19th September 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,92,50,000
Deposits and Other Accounts		442,78,38,000
Borrowings from Other Banking Companies, Agents, etc.		5,71,76,000
Bills Payable		
Bills for Collection being Bills Receivable as per contra		1,22,44,000
Acceptances, Endorsements and Other Obligations per contra		1,20,27,000
Other Liabilities (including Inter-Office Adjustments)		11,95,93,000
Total .. Rs.		475,13,78,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		45,85,31,000
Balances with other Banks		2,43,74,000
Money at Call and Short Notice		1,66,66,000
INVESTMENTS :	Rs.	
Government and other Trustee Securities	2,35 54 26 000	
Other Authorised Investments	11,10,95,000	
		246,65,21,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	154,81,94,000	
Bills Discounted and Purchased	9,61,55,000	
		164,43,49,000
Bills Receivable being Bills for Collection as per contra		1,22,44,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,20,27,000
Premises less Depreciation		1,24,47,000
Furniture and Fixtures less Depreciation		66,70,000
Other Assets (including Inter-Office Adjustments)		9,45,40,000
Total .. Rs.		475,13,78,000

Scheduled Banks*

Statement of Affairs for the week ended 12th Sept., 1958

	Rs.
Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank†	26 49,38,000
(ii) Other demand liabilities	729,26,65,000
Time Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank†	86,77,44,000
(ii) Other time liabilities	809,15,56,000
Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities	3,24,19,000
(ii) Time liabilities	21,92,000
Borrowings in India from the Reserve Bank of India†	2,58,60,000
Cash in India	(1,71,00,000)
Balances with the Reserve Bank in India	39,91,59,000
Balances with other banks in current account in India	86,36,99,000
Money at call and short notice in India	12,85,48,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	54,35,08,000
Advances in India	584,59,44,000
Inland Bills purchased and discounted in India	726,02,54,000
Foreign Bills purchased and discounted in India	83,83,92,000
	39,38,15,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	March		Twelve months, April to March	
	1957	1958	1956-57	1957-58
Import Duties :				
Revenue	14 42	9 84	130 49	138 00
Protective	1 06	1 49	12 55	11 72
On surplus disposals	0 02	—	0 14	0 06
Total import duties	15 50	11 33	143 18	149 77
Export Duties	1 89	1 46	20 07	24 31
Land Customs	0 39	0 14	3 66	3 71
*Air Customs**	—	0 07	—	2 02
Miscellaneous	0 06	0 14	1 13	1 38
Gross Total Customs	17 87	13 06	177 04	181 19
Refunds and Drawbacks	0 39	0 41	3 13	4 67
Net Customs	17 28	12 67	173 91	176 52
Gross Excise	17 65	22 05	189 09	272 86
Refunds	0 23	0 35	2 24	2 37
Net Excise	17 42	22 70	186 85	269.51
Net total of customs and excise†	34 70	35 37	360 76	446 03

† Net Customs plus net Excise.
* Figures for Air customs prior to August 1957 not available.

State Bank of Pakistan

Statement of Affairs for the week ended 12th September 1958

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits :—		
(a) Central Government		73,40,05,000
(b) Provincial Governments		68,38,000
(c) Banks		25,46,20,000
(d) Others		5,42,73,000
Bills Payable		23,42,000
Other Liabilities		7,34,16,000
	Rupees	118,53,94,000

ASSETS	Rs.	Rs.
Notes		6,02,99,000
Rupee Coin		52,000
Subsidiary Coin		41,000
Bills Purchased and Discounted :—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		3,41,000
Balances held outside Pakistan*		20,85,38,000
Loans and Advances to Governments		5,36,00,000
Provincial Governments' Debtor Balances		....
Other Loans and Advances		3 17,55,000
Investments		75,13,81,000
Other Assets		7,91,87,000
	Rupees	118,53,94,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,02,99,000	
Notes in circulation	325,45,87,000	
Total Notes issued	....	331,48,86,000
Total Liabilities	....	331,48,86,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	16,03,12,000	
Silver Bullion	....	
Approved Foreign Exchange	40,45,50,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
		99,50,92,000
B. Rupee Coin	4,95,65,000	
Government of Pakistan Securities	221,12,23,000	
Internal bills of exchange and other commercial paper	....	
		226,07,88,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,83,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	331,48,86,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 31 71 per cent.

EXCHANGE RATES

		24th September, 1958	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	s.	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	s.	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477 25	477 75
Buyers T.T.	Rs.	473 50	474 00
London on New York	$	2.80⅜-2.80⅛	2.80⅛-2.80⅛
London on Paris	Fcs.	1.1781	1.1781
London on Berne	Sw. Fcs.	12 20⅛-12 21⅛	12 19⅛-12 19⅝
New York on London	$	2.80⅜-2.80⅛	2.80⅛-2.80⅛

CLEARING HOUSE RETURNS

Centre	Week ended 19th Sept., 1958		Week ended 12th September 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,53,961	61,21,22,000	2,83,180	68,35,85,000
Calcutta	1,78,000	77 13,00,000	1,55,000	64,80,00,000
Madras	84,819	10,93,55,978	82 339	12,05,39,001
All Centres— 1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,66,00,000
Apr., 1958	..	..	8,881,000	7,97,04,00,000
May, "	..	..	3,823,000	7,90,62,00,000
June, "	..	..	3,223,000	6,61,49,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	6th Sept., 1958	30th Aug. 1958	7th Sept., 1957	July 1958	July 1957	Percentage of increase (+) or Decrease (—) in July 1958 as compared with July 1957	Financial Year Average 1957-58	1956-57
Food Articles	564	121 1	121 4R	100 6R	118 4	111 3	+ 6.4	100 4	102.2R
Cereals	102	115 0	115 5 R	103 7	104 9	+ 4.8	101	96	
Pulses	18	103 5	104 8	85 8	90 7	86 9	+14 7	88	91
Fruits and Vegetables	53	122 2	124 9	123 9	120 1	128 3	— 6.4	113	113
Milk and Ghee	84	109 1	109 1	110 2	110 7	116 6	— 5.0	108	109
Edible Oils	47	130 2	128 9R	127 7	128 4	133 5	— 3.8	126	125
Fish, Meat and Meat	17	111 1	110 4	103 5	110 4R	98 1	+12 5	98	97
Sugar and Gur	45	135 1	135 8	109 7	132 8	109 9	+20 8	108	108
Others	50	157 6	157 6	131 0	161 4R	162 6	— 1.2	141	128
Liquor and Tobacco	21	99 6	99 7	92 6	93 7	— 1.2	98	98	
Tobacco	—	88 6	88 8	91 0	90 9	92 0	— 1.2	113 9	104.2R
Fuel, Power, Light and Lubricants	29	116 8	116 8	118 9	118 4R	116 8	+ 1.4	116 5	116 8
Industrial Raw Materials	155	113 8	113 7	117 1	117 9	131 9	—10.4	118	116
Fibres	61	109 0	109 1	114 1	110 6	123 8	—10.7	112	110
Oilseeds	90	116 0	116 2	120 5	120 0	128 0	+ 1.6	120	120
Minerals	2	107 2	107 2*	107 2*	107 2*	106 3	— 6.8	106	102
Others	2	107 2	107 2	107 4	106 8	106 8	+ 1.9	108	109
Manufactures	252	106 0	106 7R	106 6	106 1R	106 2	— 0.6	102 1	104.3
Intermediate Products	98	108 8	108 7R	106 6	106 9	111 7R	— 0.1	106 9	106 3
Finished Products	41	111 4	111 8	106 9	111 7R	107 5R	+ 2.9	107 3	110 6
Textiles	113	102 4	102 5	106 8	102 5	107 5R	— 4.7	102 2	103 6
Cotton	97	103 7	103 9	107 3	103 2	108 2	— 4.6	103	104
Jute	2	82 5	87 9	98 4	91 3	98 3	— 7.2	88	88
Woollen	14	105 9	105 9	103 0	105 9	98 3	+ 7.8	106	106
Silk and Rayon	3	96 7*	96 7*	83 2*	96 6*	85 0*	+13 5	96	96
Metal Products	12	148 0	148 0	143 3	143 0	142 1	+ 0.6	141	96
Chemicals	20	108 8	108 8	106 1	104 8	98 0	+ 6.9	96	96
Oil cake	10	116 0	116 0	133 6*	110 8	104 4	+ 6.1	118	108
Machinery and Transport Equipment	31	103.5	103 4	101 7	103 4	101 7	+ 1.6	102	99
Others	30	113.5	113 6	110 5	113 6	110 8	+ 2.5	110	101
All Commodities	1,000	113 4	113 3R	110 9	114.7R	111 6	+ 2.8	106 4	105.3R

NOTE:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1957-58	1956-57	(In thousand tons) 1957-58	1956-57
Cereals—					
Rice	final	79 027	79 320	24 821	28 282
Wheat	final	29,657	33,580	7,654	9,314
Jowar	final	41 441	40 367	8,056	7 249
Bajra	final	27,453	27 884	3 565	2 885
Barley	final	7,531	8 729	2,175	2,827
Maize	final	9,762	9,197	3,064	3,099
Ragi	final	5,897	5 831	1 716	1,715
Small millets	final	11,979	12,230	1,750	1,964
Total cereals	final	212,717	217 135	52,810	57,245
Pulses—					
Gram	final	22,105	24 265	4,754	6 264
Tur	final	5,598	5 686	1,396	1,954
Other Kharif pulses	final	15,832	16 181	1,491	1 515
Rabi pulses	final	10,820	11,780	1,665	1,770
Total pulses	final	54,655	58,215	9,216	11,503
Total foodgrains	..	267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut	final	14,457	13,450	4,271	4,200
Castorseed	final	1,325	1,415	97	124
Sesamum	final	5,268	5,446	383	432
Rape and Mustard	final	6,050	6,311	905	1,026
Linseed	final	3 318	4,156	271	384
Total oilseeds	final	30,418	30,778	5,907	6,176
Fibres—					
Cotton*	final	20,158	19,803	4 753	4,735
Jute A.	final	1,754	1,908	4 988	4 238
Mesta A.	final	726	755	1,211	1,478
Other crops—					
Potato	final	702†	661††	1,674†	1,830††
Sugarcane	final	5,021	5,057	63 954	66 998
Ginger (Dry)	final	30	39	14	15
Pepper (Black)	final	229	221	26	27
Chillies (Dry)	final	1,534	1,478	355	342
Tobacco	final	1,022†	1,013††	306†	295††

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A. In thousand bales of 400 lbs. each. † Refers to 1956-57.
†† Refers to 1955-56.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	Jan. to Dec. 1956	Jan. to May 1958	Jan. to May 1957
Exports	637 74	58,804	230 37	263.57
Re-exports	5 11	7 56	3,50	1.86
Total Exports	642,85	505 6	233 87	265.43
Imports	1025,85	813,68	326,13	411.44
Overall Balance of Trade	—382,97	—218,08	—92,25	—146,01
Exports—				
Tea	123,40	142,43	41,38	45,88
Jute yarns and manufactures	114,48	112,52	39,87	55,96
Cotton yarns and manufactures	68,58	62,23	23,56	17,22
Metallic ores and scrap iron or steel for re-manufacture	49,80	23,36	15,44	21,42
Cotton, raw and waste	18,66	25,09	8,61	11,58
Oils—vegetable, mineral and animal	19,31	24,51	9,07	7,98
Fruits and vegetables	18 64	18,03	8,18	7,01
Tobacco	12 83	18,30	10,00	7,75
Mica	8,67	7,75	3,70	3,82
Wool—Raw	11,73	10 64	3,62	4,98
Gums, resins and lac	8,59	11 19	3,49	3,87
Spices	8,43	9,56	4,12	4,64
Hides and skins, raw	6,99	6,07	3,29	3,52
Imports—				
Machinery of all kinds	232,97	150,12	89,27	89,99
Metals—Iron and steel and manufactures thereof	146,98	122,40	43,14	64,45
Oils—vegetable, mineral and animal	113,38	74 69	6,89	44,32
Cotton, raw and waste	45,62	53,61	15,63	27,15
Chemicals, drugs and medicines	76,77	43,14	26,35	30,78
Electrical goods and apparatus	61,14	20,13	23,22	22,48
Paper, pasteboard, etc.	13,11	13,99	3,50	5,59
Vehicles (excluding aircraft, ships and boats)	71,35	69,91	21,70	28,57
Fruits and vegetables	21 27	12,56	7,00	9,19
Rubber	2,93	3,10	81	1,23
Dyes and colours	13,87	16,37	3,27	6,33
Woollen and worsted fabrics	1,31	2,18	17	32
Cotton fabrics	2,37	2,39	41	1,19

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During August, 1958	175 0
	Corresponding month, 1957	81 9
	Two months ended Aug., 1958	175 0
	Corresponding period, 1957	167 8
Stocks	At the end of August, 1958	117 2
	Corresponding month, 1957	92 5
	DESPATCHES OF GUNNIES‡	(In 000 tons)
For Export Purpose	1956-57	866 6
	1957-58	845 9
	July 1957	81 9
	July 1958	89 4
For Internal Consumption	1956-57	181 9
	1957-58	201 2
	July 1957	12 3
	July 1958	14 3
	RAW JUTE	(In lakh bales)
Consumption by Mills	August, 1958	4 94
	Corresponding month, 1957	4 75
	Two months ended Aug. 1958	10 15
	Corresponding period, 1957	9 73

‡ In metric tons.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

		No. of Concerns §	Units Generated‡	Total Units Sold
1955-56	..	715	6,906.5	7,186.8
1956-57	..	769	6,877.8	8,183.1
1957-58	..	854	11,176.9	9,011.1
March 1957	..	746	874.6	716.5
April "	..	770	901.4	734.2
May "	..	803	932.3	766.7
March 1958	..	834	969.3	791.8
April "	..	841	1 003.6	810.5
May "	..	766	1,045.5	883.6

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period. Source:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,761	2,120	974	213	111	67	149	29	517	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	103	58	207	24	610	427	30	389	52	180
1957-58	14,335	2,349	1,225	214	104	52	217	25	596	504	39	476	47	194
June 1957	3,562	561	334	57	30	18	48	5	164	109	9	101	7	48
July "	4,663	756	438	72	35	21	58	7	183	145	11	138	13	62
August "	5,781	957	539	84	39	25	67	8	208	183	13	177	19	81
September "	6,893	1,152	628	93	42	30	87	10	223	220	15	219	25	101
October "	8,056	1,366	736	107	46	34	109	13	241	263	19	261	31	120
November "	9,240	1,566	844	129	53	37	137	16	273	309	24	302	37	134
December "	10,506	1,766	941	152	64	40	162	18	354	360	28	350	42	146
January 1958	11 814	1,979	1,038	174	80	44	186	21	438	413	32	394	45	161
February "	13 011	2,172	1,123	191	93	49	202	23	519	456	36	435	46	178
March "	14,335	2,389	1,225	214	104	52	217	25	596	504	39	476	47	194
April "	1,238	220	111	23	9	4	15	2	34	45	2	40	1	15
May "	2,438	431	234	40	18	7	28	4	52	88	5	78	4	27
June "	3,541	628	355	56	25	9	36	5	68	127	7	112	7	33

Note.— figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April equated to M. G. Wagons (1 B. G.=2 M. G.) and incorporate revision in respect of earlier months. *Source:*—Ministry of Railways.
* Including sugarcane from November, 1955.

INDUSTRIAL PRODUCTION

Industries.		1957	Jan. to June 1957	Jan. to June 1958*	May 1958	June 1958*	June 1957
Major Industries—							
Coal	million tons	43.54	18 31†	19 05†	3 88	—	3.33
Steel (Ingots and Metal for castings)	thousand tons	1.715	719†	719†	100	—	129
Yarn	million lbs.	1.780	891	819	139	126	137
Cloth	million yds.	5,317	2,709	2,451	421	388	420
Cement	million tons	5 60	2 65	3.30	0 58	0.51	0.39
Jute	thousand tons	1,080	508	534	95	82	80
Paper and paper boards	tons	210,122	81,903†	101,239†	21,700	—	16,788
Matches	cases	578,400	289,000	290,600	53,300	51,200	39,000
Sugar	thousand tons	2,068	1,562	1,472	52	4	39
Engineering and Electrical Industries—							
Machine tools	Value in lakhs of Rs.	250.59	88.19†	126 26†	24.74	—	17.65
Electric lamps	millions	33.15	15 14	15 03	2 67	2.39	2 67
Dry cells	millions	166.56	85 73	78 34	14 06	14.91	13 30
Power transformers	k.v.a.	1,219,200	487,500†	491,500†	82,500	—	80,100
Electric Motors	h.p.	469,200	212,200	242,100	50,700	50,000	30,500
Electric fans	Nos.	524,400	240,900†	265,700†	56,700	—	40,000
Radio receivers	Nos.	190,272	92,039	97,704	15,418	18,357	15,338
Storage batteries	Nos.	324,000	161,300	169,900	29,300	31,100	26,800
Copper conductors	tons	8,556	3,896†	3,244†	796	—	672
Winding wires	tons	1,020	383†	576†	121	—	67
Rubber and plastic Ins. cables and flexibles	million yds.	103 20	42 41†	44 48†	8 33	—	8 63
Insulators—H.T.	Nos.	186,000	30,900†	149,100†	52,000	—	8,900
Insulators—L.T.	million Nos.	4 59	2 05†	2 29†	0 48	—	0 39
Diesel engines—Vehicular	Nos.	3,316	1,761	2,222	550	419	149
Do. —Stationary	Nos.	16,548	6,011†	9,569†	1,976	—	1,230
Chemical Industries—							
Salt	million mds.	98 70	77 33	92 23	27 37	24.18	22 53
Caustic soda	tons	42,788	17,992†	21,228†	4,680	—	3,305
Soda ash	tons	91 920	46,760	45,899	7,319	6,291	7,752
Chlorine liquid	tons	15,096	7,970	7,837	1,267	1,383	1,246
Bleaching powder	tons	5,340	2,406	2,935	498	304	425
Bichromates	tons	3,672	1,429†	1,502†	343	—	316
Sulphuric acid	tons	191,668	71,141†	89,294†	18,708	—	17,571
Superphosph

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53 = 100]

Group and Sub-Group	Week ended 13th Sept. 1958	6th Sept. 1958	16th Aug., 1958	14th Sept. 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100 5	100 2	99 6	98 3
2. Government of India	100 4	100 1	99 5	98 0
3. State Government	101 3	101 3	101 0	100 0
4. Municipal, Port Trust, etc.	98 8	98 8	98 8	99 3
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100 0	98 8	99 1	99 7
6. Plantations	100 1	100 1	100 0	100 1
7. Coal	99 6	99 6	99 6	99 6
8. Sugar	99 0	99 0	99 0	96 9
9. Cotton Textiles	98 0	97 7	97 4	100 2
10. Jute Textiles	91 5	91 5	89 7	93 0
11. General Engineering	98 2	98 1	97 9	97 4
12. Electricity Generation and Supply	97 1	96 8	96 5	97 0
13. Others	102 6	102 3	101 3	101 7
PREFERENCE SHARES—ALL INDIA.				
14. Total	88 0	87 5	87 0	88 7
15. Plantations	96 5	96 4	95 9	103 9
16. *Mining & Quarrying: Total@*	86 1	86 0	85 4	85 8
17. Coal	75 6	75 6	74 9	80 4
18. *Processing and Mfg.: Total**	87 9	87 3	86 9	88 8
19. Sugar	88 4	88 4	88 3	94 9
20. Cotton Textiles	80 6	80 1	80 3	89 1
21. Jute Textiles	74 6	73 0	73 1	73 9
22. Iron and Steel	92 6	92 1	91 2	87 7
23. General Engineering	100 0	99 3	98 8	103 4
24. Basic Industrial Chemicals	86 0	85 6	85 3	86 4
25. Cement	97 5	99 1	100 5	97 1
26. Paper	84 6	83 7	84 4	91 3
27. *Other Industries: Total**	88 3	88 2	88 4	83 6
28. Electricity Generation and Supply	88 3	88 2	87 7	84 6
29. Trading	80 3	80 2	78 9	78 1
30. Shipping and Other Transport	87 0	86 7	85 2	87 1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	142 7	141 8	139 3	128 8
32. *Agriculture and Allied Activities: Total**	158 9	157 6	154 8	147 3
33. Tea Plantations	152 7	151 1	149 5	146 9
34. Coffee Plantations	222 5	225 5	225 6	175 2
35. Rubber Plantations	160 5	158 9	153 7	131 9
36. *Mining and Quarrying: Total*	148 3	147 9	146 8	123 8
37. Coal	111 5	111	110 0	96 0
38. Other Mining	173 6	171 4	172 0	148 3
39. *Processing and Manufacturing: Total**	141 2	140 6	138 5	125 7
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	128 6	128 3	127 5	122 8
41. Sugar	171 4	169 8	165 5	157 9
42. Cotton Textiles	118 7	119 2	118 3	124 7
43. Jute Textiles	80 0	77 0	77 9	64 6
44. Silk and Woollen	416 4	417 9	411 4	326 0
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	157 0	155 9	150 4	128 6
46. Iron and Steel	152 6	149 2	144 0	111 4
47. Transport Equipment	200 0	200 4	201 8	179 5
48. Electrical Machinery	146 3	145 8	145 1	138 8
49. Machinery other than Transport and Electrical	168 0	167 1	161 0	147 7
50. Basic Industrial Chemicals	127 0	127 0	124 8	110 1
51. *Processing and Mfg. (Others): Total**	150 0	151 3	149 8	129 4
52. Cement	140 7	143 1	142 0	128 7
53. Paper	197 8	196 8	193 3	153 6
54. *Other Industries: Total**	115 8	115 1	111 7	104 3
55. Electricity Generation and Supply	92 9	93 4	92 4	88 2
56. Trading	91 4	90 1	89 5	80 8
57. Shipping and Other Transport	143 7	144 3	138 3	124 2
58. Construction	237 9	235 3	217 2	201 9
59. *Financial: Total*	182 3	179 1	173 2	143 5
60. Banks	206 2	202 0	195 9	159 9
61. Insurance	130 0	129 1	126 8	105 1
62. Investment Trusts	93 4	93 5	81 8	85 6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	147 0	146 3	142 7	124 2
64. Calcutta	138 5	137 0	134 9	121 1
65. Madras	154 4	154 3	151 9	149 4
66. Delhi	168 5	167 8	169 7	150 1

*Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,78,600	7,97,500
Do. 31st March, 1958	10,98,300	11,06,800	7,86,900
June 1957	84,500	77,300	52,300
July "	88,300	82,300	66,600
Aug. "	88,700	85,500	63,100
June 1958	84,900	85,700	62,000
July "	1,02,200	1,06,100	68,600
Aug. "	99,500	108,600	70,300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,05,156	5,32,315	4,41,483
Do. 31st March, 1958	7,33,945	5,07,580	4,10,558
Three months ended Mar., 1957	1,82,887	1,39,830	1,20,678
Do. do. 1958	1,96,197	1,29,851	1,06,501
" " " Mar., 1958	1,99,839	1,33,563	1,06,501
" " " June 1958	2,14,469	1,21,968	1,01,014

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of average Number of workers involved	Number of man-days lost
1956	1,203	715,130	6,992,040
1957	1,080	889,971	6,429,219
January 1958	147	56,492	371,125
February "	152	99,482	447,586
March "	197	85,462	618,924
April "	170	61,489	5,30,162
May "	160	57,657‡	5,50,450‡
June "	151	155,229 (a)	1,524,835§

† Not known in 16 cases. (a) Not known in 9 cases.
‡ In progress during the month § Not known in 10 cases.

NATIONAL INCOME*

Country	Year	Population (In millions)	National (In millions)	In terms of rupees (Crores)	Per capita Income (Rs.)
India†	'56-'57	387 68	..	11,010	284
Pakistan††	'56-'57	88 50	..	2,079	249
Burma	1956	19 80	Kyats 4,336	565	285
Ceylon	1955	8 88	..	475	567
Japan	1956	90 00	Y. 7,427,000	9,233	1,031
Philippines	1956	22 20	Ps. 8,335	1,985	894
New Zealand	1956	2 17	£(N.Z.) 884	1,178	5,428
Australia	1957	9 60	£(A.) 4,599	4,893	5,097
U.K.	1956	51 00	£ 10,465	21,963	4,287
U.S.A.	1958	168 00	$ 343,500	163,554	9,731
Canada	1956	16 00	$ 22,710	10,787	6,742
France	1956	43 50	F.Fr. 18,990,000	17,640	4,046
W. Germany	1957	51 40	Dm. 158,000	18,057	3,513
Italy	1956	48 10	Lr. 11,476,000	8,760	1,821
Norway	1956	3 46	Kr. 20,990	1,408	4,355
Sweden	1956	7 30	Kr. 44,880	4,127	5,653
Netherlands	1956	10 80	Grs. 25,400	8,215	2,977
Denmark	1956	4 46	Kr. 24,950	1,690	3,789
Switzerland	1956	5 00	Sw. Fr. 25,830	2,807	5,614

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the 25th issue of the annual paper on national income issued by the Central Statistical Organisation.
†† Estimates based on budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949 = 100)	Bombay Base June (1934 = 100)	Ahmedabad Base July (1927 = 100)	Sholapur Base January (1928 = 100)	Kanpur Base (1949 = 100)	Nagpur Base (1940 = 100)	Calcutta Base August (1939 = 100)	Madras City Base (1940 = 100)	Delhi Base (1940 = 100)	Ajmer Base (1949 = 100)	Gauhati Base (1949 = 100)	Jamshedpur Base (1948 = 100)	Jabalpur Base (1948 = 100)	Bangalore Base (1949 = 100)
1952 Average	106	237	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	243	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	249	244	294	85	99	327	106	105	91	95	102	98	108
1955 "	96	235	217	246	78	96	321	99	99	83	87	98	88	104
1956 "	106	253	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	260	259	339	94	112	364	116	114	99	103	115	107	126
1957														
March "	107	256	254	330	91	110	348	114	114	99	99	107	105	122
April "	108	258	256	333	89	110	345	114	112	95	102	110	107	123
May "	110	263	257	337	92	111	352	114	114	96	104	113	108	126
June "	112	270	259	339	93	112	371	115	115	98	103	113	111	127
July "	112	276	263	345	96	112	371	116	115	98	103	119	109	129
1958														
March "	110	281	253	296	89	115	368	119	108	96	102	119	105	128
April "	111	289	261	295	91	116	368	119	107	96	100	118	106	128
May "	113	287	263	295	93	117	371	120	108	97	101	119	107	129
June "	116	295	273	307	93	117	378	121	111	101	103	120	113	130
July "	..	407	285	317	..	..	392	..	16	..	..	..	..	..

SMALL SAVINGS

(In lakhs of rupees

Year/Month	National Savings Certificates 5-Year A Out-standings	National Savings Certificates 7-Year B Out-standings	National Savings Certificates 12-Year B Out-standings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Out-standings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Out-standings	10-Year National Plan Certificates D Out-standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 2½% F Out-standings	10-Year Treasury Savings Deposit Certificates 4% G Receipts	10-Year Treasury Savings Deposit Certificates 4% G Out-standings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Out-standings	Total Receipts	Total Out-standings ‡
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,44	..	..	..	..	146,85	211,90
1953-54	5,91	4,26	104,35	..	..	117,37	106,29	..	—34,20	32,11	..	..	..	..	152,71	250,96
1954-55	4,70	4,99	124,64	..	..	134,94	130,85	7,38	—36,35	37,12	..	..	..	..	177,35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,56	16,55	—37,66	41,25	..	..	55	54	203,58	380,04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,58	—38,52	44,23	..	..	43	1,32	225,58	440,17
1957-58	2,22	4,73	143,49	71,42	71,44	179,89	213,94	23,11	—39,72	43,56	588	588	63	1,87	264,54	510,36
1957																
October	2,54	5,26	155,82	6,17	26,23	12,81	202,83	24,81	—39,36	44,07	42	2,81	2	1,47	19,12	468,94
November	2,48	5,14	153,40	6,48	32,82	13,25	202,58	24,47	—39,36	43,96	49	3,29	2	1,49	20,24	469,85
December	2,43	5,06	151,07	6,41	39,23	13,00	202,58	24,14	—39,47	43,89	46	3,76	2	1,59	19,90	473,85
1958																
January	2,37	4,94	148,57	7,95	47,18	13,58	202,54	23,77	—39,55	43,80	66	4,44	18	1,68	22,68	479,29
February	2,31	4,83	146,14	10,24	57,42	14,22	203,12	23,45	—39,62	43,69	74	5,18	9	1,75	25,29	487,89
March	2,22	4,73	143,49	14,00	71,44	25,39	213,94	23,11	—39,73	43,56	70	5,88	13	1,87	42,52	515,36
April	2,15	4,65	141,35	6,56	78,00	15,57	214,27	22,85	—39,81	43,47	77	6,65	11	1,97	22,71	515,36
May	2,07	4,55	139,27	5,84	83,83	15,22	212,69	22,58	—39,89	43,37	57	7,22	5	2,01	21,68	517,59
June	2,01	4,47	137,48	5,08	88,81	14,51	213,08	22,39	—39,97	43,29	38	..	5	2,07	..	..
July	..	..	..	..	..	..	..	..	..	..	..	..	5	2,07	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1958. B—Discontinued from June 1, 1957. C—Issued From June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 16, 1957 F—No sales from June 1, 1957. G—From July, 1954. H—Outstandings in respect of items in column 9 marked 'H' are not included.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-32	62,36,26,000	1966-70	100 65
2 ½ Loan	1938-39	116,17,46,200	1963-65	96 70
2 ½ Loan	1950	30,33,10,000	1964	96 70
2 ½ Fg. Loan	1942	1,10,11,78,000	1966-68	94 05
2 ½ Dev. Loan	1945	1,15,06,83,000	1970-75	89 85
2 ½ 2nd V Loan	1945	1,13,85,64,000	1959-61	99 80
2 ½ Loan	1946	45,63,07,000	1960	99 05
2 ½ Loan	1946	57,00,69,000	1961	97 00
2 ½ Loan	1946	14,77,48,000	1972	83 20
2 ½ Loan	1947	75,86,72,000	1962	96 75
3 ½ N. P. Bonds	1953	75,29,00,000	1961	100 20
3 ½ N.P. Loan	1954	1,58,17,90,000	1964	100 05
3 ½ N. P. Bonds (2nd Series)	1955	1,08,67,92,000	1965	99 70
3 ½ Loan	1956	87,27,36,000	1962	99 10
3 ½ N. P. Bonds	1956	83,81,53,000	1967	98 85
3 ½ Loan	1956	66,58,53,000	1974	98 30
3 ½ N. P. Bonds (4th Series)	1957	56,99,15,000	1967	100 30
3 ½ Loan	1957	49,17,27,000	1972	100 50
3 ½ Loan	1958	58,06,00,000	1963	100 05
3 ½ Loan N.P.B.	1958	34,34,00,000	1968	100 25
4 % Loan	1958	49,47,00,000	1973	100 30
NON-TERMINABLE LOANS				
3 % Loan	1896-97	5,93,34,000	M.	73 75
3 % Loan	1946	2,48,91,37,000	K.	74 10
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	99 20
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	99 20
4½ % Andhra	1958	5,00,00,000	15th July 1970	102 00
3 % Bombay	1949	5,49,98,000	1st Aug. 1962	95 25
3 % Bombay	1950	2,83,50,000	31st July 1963	99 00
3½ % Bombay	1951	2,87,53,000	17th Sept. 1962	98 25
3½ % Bombay	1951	5,19,35,000	15th July 1963	100 00
4 % Bombay	1953	10,48,58,000	1st Aug. 1964	100 00
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	99 50
4 % Bombay	1956	7,94,78,000	3rd Sept. 1968	98 50
4 % Bombay	1957	6,57,22,000	16th Sept. 1969	101 00
4½ % Bombay	1958	5,00,00,000	15th July 1970	100 90
4½ % Bombay	1958	5,00,00,000	15th July 1971	100 70
4 % Bihar	1955	1,54,92,000	1st Sept. 1967	99 00
4 % Bihar	1956	2,12,41,000	3rd Sept. 1968	98 00
2 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99 00
2½ % Cochin	1956	30,00,000	1st June 1956-61	98 00
2½ % Hyderab Bridge (New)	1936-37	1,77,08,700	1956-66	94 50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	99 20
4 % Hyderabad	1956	2,18,92,000	3rd Sept. 1968	99 20
3 % Madras	1949	1,25,05,000	21st June 1949	99 30
3 % Madras	1945	2,75,44,000	14th Sept. 1960	98 85
3 % Madras	1946	3,21,77,000	1st Sept. 1961	97 50
3 % Madras	1946	3,21,77,000	31st July 1960	98 85
3 % Madras	1946	3,21,49,000	17th Sept. 1962	98 50
3 % Madras	1951	3,21,49,000	18th July 1963	100 05
4 % Madras	1953	10,33,71,000	15th July 1963	100 00
4 % Madras	1953	3,24,81,000	1st Aug. 1964	100 00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	99 25
4 % Madras	1956	13,53,58,000	3rd Sept. 1968	99 25
4½ % Madras	1958	5,00,00,000	15th July 1970	100 50
4 % Mysore(f)	1936	2,92,87,200	1st Dec. 1953-61	101 25
4 % Mysore(f)	1936	5,99,78,800	30th Apr. 1956-61	99 50
3 % Mysore	1953	3,32,47,000	15th July 1963	100 00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99 25
4 % Mysore	1956	4,11,71,000	3rd Sept. 1968	99 25
4 % Mysore	1957	3,33,78,000	16th Sept. 1969	100 50
4½ % Mysore	1958	5,00,00,000	15th July 1970	100 50
4 % Rajasthan	1956	2,50,00,000	3rd Sept. 1968	98 50
2 % M.P.	1950	1,01,48,000	31st July 1960	98 50
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	98 00
3½ % M.P.	1953	1,12,18,000	15th July 1963	99 75
4 % M.P.	1955	1,83,12,000	1st Sept., 1967	99 20
4 % M.P.	1956	1,58,45,000	3rd Sept. 1968	99 00
4½ % M.P.	1958	2,00,00,000	15th July 1970	100 25
4 % Saurashtra	1955	2,61,65,500	1st Sept. 1967	99 20
4 % Saurashtra	1956	2,74,84,500	3rd Sept. 1968	99 20
4 % Trav. Cochin	1953	3,25,61,000	15th July 1963	99 10
4% Trav. Cochin	1956	2,22,26,000	3rd Sept. 1968	98 25
4 % U.P.Z.A.	1952	41,44,79,000Z		48 50
2½ % U.P.	1936	1,55,59,800	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98 80
3 % U.P.	1946	2,16,39,000	1st Sept. 1961	97 50
3 % U.P.	1951	1,87,98,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,89,14,000	31st Aug. 1964	100 00
4 % U.P.	1953	5,54,25,000	15th July 1963	100 00
4 % U.P.	1955	9,39,15,000	1st Sept. 1967	99 25
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	99 25
4½ % U.P.	1958	7,00,00,000	15th July1970	100 35
4 % Rajasthan	1956	2,14,19,000	3rd Sept. 1968	98 10
4½ % Rajasthan	1958	2,50,00,000	15th July 1970	100 25
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	99 10
4½ % Orissa	1958	3,00,00,000	15th July 1970	100 20

PORT TRUST LOANS

Amount	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
25,00,000	4	1906	1956	
15,00,000	4	1906	1956	
25,00,000	4	1907	1966	96.10M
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
83,20,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	3½	1912	1972	D
14,85,875	4	1913	1974	96 00N
25,00,000	4	1914	1975	96.00N
88,35,000	4	1915	1975	
10,00,000	4	1916	1976	
25,00,000	4	1918*	1975	
21,61,000	4	1922*	1960	
11,81,000	4	1924*	1960	
18,25,000	3½	1924*	1960	
35,00,000	3	1926*	1960	D
12,50,000	3	1926*	1961	
12,50,000	3	1927*	1962	
13,50,000	3	1932*	1962	
24,53,000	3	1935*	1975	
15,00,000	3	1936*	1976	
44,00,000	3	1936*	1940	
10,00,000	3	1938*	1948	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
99,24,286	4	1914	1974	97.75
75,00,100	4	1915	1975	97.75
1,50,00,000C	3††	1921	1981	82.00
66,62,500C	4	1921	1981	144 00N
1,49,38,000	5	1928	1958-68	101 00
50,00,000	4½	1921	1991	98 00
50,00,000	3	1945	1965	97 50
50,00,000	3	1938	1963-68	90 00
25,00,000	3	1938	2003	74 00
50,00,000	3	1946	1976	84 75
50,00,000	3	1946	2006	74 00
50,00,000	2½	1947	1977	79 50
50,00,000	3	1947	1978	78 75
50,00,000	3	1948	1959	98 50
1,00,00,000	3	1949	1969	96 50
50,00,000C	3	1949	1989	82 00
1,00,00,000†	3	1950	1960	97 25
1,00,00,000	3	1950	1990	97 25
50,00,000	3	1951	1981	81 75
1,00,00,000	3½	1951	1991	96 50
50,00,000	4	1953	1963	100 00
50,00,000	4	1953	1983	97 50
77,00,000	4	1954	1966	97 25
78,00,000C	4	1954	1986	97 25
1,24,00,000	4½	1957	1987	99 50
STERLING LOANS				
£892,600	5	1923	1953-63	£80.00
£901,000	5	1924	1954-64	£80.25
£835,100	5½	1952	1962	£91.00
MADRAS				
Rs.				Rs.
23,48,275	3½	1947	1977	A
9,88,000†	3	1947	1977	
4,00,000†	3	1949	1979	
48,80,000†	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
40,00,000	4	1904	1964	
34,00,000	4	1905	1965	97.75 M
20,00,800	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1912	1972	
50,00,000	4	1913	1974	97.50 M
25,00,000	4	1916	1976	
49,00,000	5	1919	1957-79	118 00
50,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	115.00†
25,00,000	4	1927	1961-70	98.00†
10,00,000	3	1936	1966	
STERLING LOAN				
£546,600		1909	1968	95.50†
£333,000		1910	1970	£95.50†
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1919	1959	102.00
50,00,000	4	1924	1964	99.00
25,00,000	3½	1935	1965	94.00
20,00,000	3	1938	1968	90.00
50,00,000	3	1938	1972	91.00
20,00,000	3	1938	1963-68	90.00
80,00,000	4	1952	1962	99.25
1,02,50,000	4	1956	1968	99.00
50,00,000	4½	1956	1968	99.75
MUNICIPAL LOANS				
Rs.				Rs.
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1920	1980	113.00
25,00,000	5	1923	1953	101.00
25,21,800	5	1924	1959	101.00
2,25,08,080	2½	1947	1977	84.00
2,50,00,008	2½	1949	1979	84.00
1,00,00,000	2½	1950	1980	92.25
2,50,00,000	4	1951	1964	98.50
2,00,00,000	2½	1951	1966	97.00
1,50,00,000	4	1953	1963	98.50
10,00,000†	4	1954	1964	97.85
1,00,00,000†	4	1954	1966	97.75
2,50,00,000	4	1956	1967	97.25
2,50,00,000	4	1956	1968	97.25
2,00,00,000	4½	1957	1969	100.15
MADRAS				
Rs.				Rs.
25,00,000	5	1923	1953	100.00
25,00,000	5	1929	1958	100.00
10,00,000	5½	1923	1962	108.00
25,91,000	3½	1925	1955	94.00
50,00,000	3	1925	1965	90.00
47,50,000	3	1938	1963	90.00
17,64,400	3½	1942	1958	96.50
21,13,000	3½	1942	1978	97.50
16,33,000	3½	1941	1961	97.50
66,88,000	3½	1951	1966	97.50
97,38,000	4	1952	1962	99.25
77,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	
87,00,00,000	4½	1958	1970	100.00
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00
15,00,000	3½	1952	1962	107.50

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1952	1,04,77,000	15th July 1962	100.00
4 % M. Bharat	1952	1,11,24,000	3rd Sept. 1968	99.10

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BOMBAY CITY AND ISLAND																
50,00,000	5,37,500	1,01,35,505	44,08,349	4,56,555	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	896	Apollo Mills	1.66	2	0.19	0.19			12	Y.
48,80,000	24 90,000	1,40,93,494	78,90,035	17,802	M.	50,596	1,031	B. K. Cotton Mills ..	86.50	100	*Nil*	*Nil*	*Nil*		3	Y.P.T
2,36,98,000	3,42,86,483	7,95,80 951	3,03 39 819	86 708	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,480	3,646	Bombay Dyeing & Mfg. C	62.20	25	2.50*	2.50	2.50	0.751	12	Y.
10,00,000	38,04,615	71,89,130	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	175.00	50	12.50	20.00	15.00	7.50	3	Y.P
1,09,42,880	2,79,50,276	7,45,32,167	2,69,98,324	9,27,648	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg. ..	469.00xr	100	22.00	22.00	22.00		12	Y.
40,00,000	25,42,326	1,19,99,766	65,07,085	—33,08,097	V. J. Pilani (Chairman and Managing Director)											
26,26,000	13,08,886	90,15,997	57,80,041	17,916	Cowasjee Jehangir & Co., Ltd.	50,596	696	Colaba Land & Mill ..	29.25	100	*Nil*				12	Y.
23,00,000	26,37,709	90,59,554	54,08,586	66,029	Ramnarain Sons Private Ltd.	43,960	680	Coorla Spg. & Wvg. ..	135.00	100	7.50	12.50*			3	Y.
34,00,000	26,36,389	1,12,98,983	69,27,928	—11,16,096	Puranmal Bubna Sons ..	46,668	928	Dawn Mills	82.00	50	15.00		7.50†	5.00	3	Y.
29,98,050	15,72,144	1,31,76,251	81,20,935	....	M.	45,996	864	Edward Textiles ..	257.50	200	15.00	15.00	15.00		12	Y.P
50,00,000	65,54,875	1,67,84,054	89,06,227	37 155	James Finlay & Co., Ltd.	53,528	784	Finlay Mills	40.00	50	5.00	15.00	*Nil*		12	Y.
50,00,000	48,96,022	94,91,910	61,37,387	10,233	James Finlay & Co., Ltd.	45,786	1,018	Gold Mohur Mills Ltd. ..	291.00	100	20.00	20.00	20.00		12	Y.
11,24,000 / 16,080	1,23,22,269	1,89,27,282	1,29,07,094	—6,87,028	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills.	100.00	100	10.00	10.00	10.00		12	Y.
2,50,00,000	56,29,672	4,90,61,319	3,54,80,000	1,39,969	Agarwal & Co.	2,44,150	6,278	India United Mills	4,800.00 / 992.50 / 9.92 / 1.32	1,000 / 250 / 100 / 0 1D.	300.00 / 75.00 / 0.94 / 1.19	325.00* / 81.25 / 0.92 / 0.18	325.00* / 87.50*	350.00* / 87.50	3 / 12	Y.
8,65,000 / 35,000	1,09,49,981	1,69,80,792	1,17,68,604	—1,16,454	M.	56,784	1,152	Indian Mfg.	4,350.00	1,000	300.00	300.00	325.00*	325.00	3	Y.P.
20,25,000	46,10,421	3,18,61,699	2,25,81,104	78,146	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	185.50	500	150.00	150.00	162.50*	162.50	6	Y.P.
1,00,00,000	1,18,27,791	3,67,76,276	2,54,94,794	48 791	Killick Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	285.00	100	18.00	18.00	18.00		12	Y.
32,18,800	46 27,570	1,23,85,758	67,99 178	43,271	N. Sirur & Co. Private Ltd.	49,000	944	Modern Mills	45.00N	50	8.00*	8.00*	5.00*C		10	Y.P.
61,75,000	35,44,612	2,64,74,625	1,53,16,228	22,520	Piramal Sons Private Ltd. ..	71,604	1,552	Morarjee Goculdas Spg. & Wvg.	252.00	100	14.00	15.00	14.00(c)		6	Y.P.
1,00,58,400	1,42,58,206	10,55,96,105	3,40,00,000	1,23,937	Chinai & Co. Private Ltd. ..			National Rayon Corporation	245.75	100	12.00	14.00*	14.00		12	Y.P.
24,00,000	52,52,456	82,11,722	45,70,075†	1,495	W. H. Brady & Co., Ltd. ..	45,944	122	New City of Bombay Mfg.	118.75	100	10.00	10.00	5.00		12	Y.
30,00,000	11,72,184	101,88,002	63,37,034	....	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	230.00	100	10.00	10.00	*Nil*		12	Y.P.
48,00,000	55,51,580	1,69,40,494	1,08,77,159	5,59,718	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	187.25	100	10.00	10.00	12.50F	10.00	3	Y.P.
40,00,000	45,84,564	58,92,841	25,34,581	1,63,546	Podar Sons Private Ltd. ..	52,600	930	Podar Mills	141.00	100	12.00*	12.00*	10.00		12	Y.P.
10,00,000	1,78,222	24,10,104	18,80,782	....	M.			Sassoon & Alliance Silk Mfg	9.76	10	0.50	0.25(c)			12	Y.
97,70,100	1,19,96,715	2,11,84,514	1,36,87,245	12,183	M. G. Investment Corp. Private Ltd.	94,584	2,127	Sassoon Spg. & Wvg. ..	41.00	10	2.00	2.00	2.00		12	Y.
80,00,000	44,70,061	1,27,56,700	67,78 852	55,530	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills ..	152.00	100	12.00	12.00	8.00		12	Y.P.
42,00,000	36,50,475	1,95,86,794	79,84,101	8,089	Forbes F. Campbell & Co. Pvt. Ltd.	45,840	1,274	Simplex Mills	188.00	50	10.00	12.00	8.50	6.50	3	Y.
57,50,000	2 50,26,472	2,96,16,751	1,87,99,817	1,58,643	Mafatlal Gagalbhai & Sons	97,536	2,409	Standard Mills	225.00	100	20.00	25.00*	25.00*		12	Y.P.
1,00,00,000	95,03,854	2,76,20,400	1,44,86,214	29,184	Tata Industries Private Ltd.	72,236	2,009	Svadeshi Mills	198.00	100	12.00	14.00*	9.00		12	Y.P.
98,00,000	65,13,485	1,82,27,425	96,52,715	26,092	James Finlay & Co., Ltd.	40,832	549	Swan Mills	362.00	100	25.00	25.00	25.00		12	Y.P.
65,87,875	53,20,412	2,18,76,540	90,52,601	17,925	Tata Industries Private Ltd.	70,532	1,852	Tata Mills	39.79	25	4.00	5.50*	2.00		12	Y.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,136	1,212	Western India Spg. & Mfg.	4,525.00	1,000	300.00	300.00	325.00*	325.00	3	Y.P
AHMEDABAD																
40,00,000	31,31,967	1,73,35,924	66,65,244	11,185	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	173.75	100	7.00	12.00	5.00		6	Y.P.T
15,00,000	98 23,188	1,29,00,536	73,32,228	....	F. M. Muthesing & Co., Ltd.	44,220	912	Arvana Mills	635.00	100	30.00	35.00	25.00		12	Y.P.
40,00,000	3,08,12,127	2,17,78,010	1,10,66,897	28,706	M.	66,412	1,216	Arvind Mills	1,039.00	100	35.00*	35.00*	35.00*		12	Y.P.
22,50,000	47,41,122	1,25,40,043	77,79,729	1,04,816	Manaklas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	470.00	200	25.00*	30.00*	*Nil*		12	Y.P.
13,00,000	1,40,46,694	99,02,464	67,25,819	726	Lalbhai Dalpatbhai & Co.	57,388	914	Ascka Mills	605.00	100	30.00	30.00	30.00		12	H.P.
1,57,50,000	3,49,84,819	5,14,69,798	2,56,09,236	1,18,259	Kasturbhai Premchand Pvt. Ltd.	1,39,120	2,420	Calico	522.00	125	50.00	50.00	50.00		12	Y.P.
60,00,000	28,51,630	1,44,87,907	1,02,61,822	20,815	Trivenibai Bhagatji & Co., Ltd.	45,886	966	New Commercial Mills ..	472.50	250	90.00	100.00*	25.00*		12	Y.
80,00,000	91,54,187	1,59,49,853	1,07,26,296	95,979	Mafatlal Gagalbhai & Co., Ltd.	45,115	997	New Shorrock Spg. & Wvg.	786.00	125	65.00	40.00*	20.00		12	Y.
15 00 000	54,39,775	69,45,065	35,56,652	....	Jagabhi Bhogilal Nanavaty & Co.	25,560	752	Rajkot Mills	407.50	100	20.00	20.00	20.00		12	Y.
20,00,000	1,05,87,192	1,07,28,454	66,60,480	105	Lalbhai Dalpatbhai & Co.	52,823	636	Raipur Mfg.	745.00	100	35.00*	35.00*	35.00*		12	M.
40,75,000	1,23,72,614	1,89,73,111	1,09,37,641	9,092	M.	52,196	948	Rohit Mills	187.50	100	*Nil*	8.00*	8.00*		12	Y.P.
57,96,300	2,85,74,109	3,17,82,370	1,17,57 907	1,76,481	Harivallabhdas Kasidas & Co.	94,128	1,799	Shri Ambica Mills	684.00	50	27.00*	30.00*	25.00		12	Y.P.
29,25,000	99,80,622	1,00,70,063	79,48,212	18,846	Mafatlal Chandulal & Co. (Ahmedabad)											
35,00,000	35,00,029	1,28,90,368	90,20,784	22,200	Haridas Ashrafal & Co., Ltd.	41,056	720	Shorrock Spg. & Mfg. ..	470.00	100	25.00	30.00*	20.00		12	Y.
								Vijaya Mills	600.00	500	35.00*	50.50*	40.00*		12	Y.P.
WEST BENGAL																
15,00,000	3,05,455	38,27,581	24,08,641	1,14,855	Calcutta Agency Private Ltd	13,644	256	Bansali Cotton Mills	6.31	10	0.50	0.00	0.50		12	Y.P.T.
7,11,200 / 3,66,666P	19,86,297	80,04,582	55,58,259	49,225	D. N. Bhattacherjee, Esq. (Mg. Director)	28,236	925	Bengal Laxmi Cotton Mill ..	35.00N	40	4.00	4.00	4.00		3	Y.P.
24,00,000	1,50,000	1,20,71,227	49,68,081	1,17,244	Kettlewell Bullen & Co., Ltd.	42,946	841	Bowreah Cotton Mills	127.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
19,00,000	24,30,708	1,39,78,961	79,14,165	—1,64,242	Kettlewell Bullen & Co., Ltd.	43,544	822	Dunbar Mills	141.00	100	8.50	6.00	*Nil*		12	Y.P.
30,00,000	24,968	76,97,235	21,97,9x5	82,086	Birla Brothers Private Ltd.	4,552	206	Jay Shree Textiles Ltd. ..	7.94	10	0.87	1.00	0.50		12	Y.T.
1,00,00,000	2,59,91,350	4,06,62,535	1,48,10,478	4,94,772	Birla Brothers Private Ltd.	75,040	1,902	Kesoram Cotton Mills	11.75	10	0.87	1.00	0.75		3	Y.
19,47,750C / 5,00,000D)	9,50,000	48,59,254	28,75,460	9,338	Hanuraemal Nemalai	23,086	795	Rampooria Cotton Mills ..	15.00N / 4.00F	10 / 1D	1.00 / 0.34	1.00 / 0.25	0.75 / 0.15		6	Y.
SOUTH INDIA AND OTHER CENTRES																
11,26,000	5,57,519	29,87,104	19,12,239	16,013	Setna & Co.			Ashok Textiles Ltd. ..	217.00N	100	12.50	15.00	12.50		6	Y.
72,00,000	17,82,554	1,57,05,113	68,45,588	6,710	C. S. Tyabjee, Esq. ..	54,196	716	Asmal Jaki Mills	58.50	100	5.50(c)	5.50	5.50		9	Y.
1,21,50,000	1,47,74,579	3,67,98,866	2,76,43,043	2,90,471	Binny & Co. (Madras), Ltd. ..	45,250	1,157	Bangalore Woollen, Cotton and Silk Mills	167.00	100	30.00	30.00	10.00*C	4.00†	12	Y.P.
25,00,000	99,61,544	1,33,11,187	1,08,74,387	2,64,725	Birla Brothers Private Ltd.	39,596	1,066	Birla Cotton Spg. & Wvg., Delhi	27 00N	10	3.00	1.50	1.50		3	Y.P.
1,78,47,800	2,99,20,000	6,98,67,943	4,19,07,472	1,62,471	Binny & Co. (Madras), Ltd. ..	1,20,226	5,762	Harirampur & Darnatic ..	180.00xd	100	10.00	10.00	10.00	4.00†	12	Y.P.T
20,00,000	15,37,935	50 22,440	26,18,043	....	Peirce, Leslie & Co., Ltd. ..	37,536	6	Cambodia Mills	9.40	10	0.50	0.50	0.50(c)		12	Y.P.
15,00,000	5,11,500	53,88,579	29,91,389	1,08,342	Damodaran & Co.	18,000	360	Casanaore Spg. & Wvg. ..	188.00	100	12.00	15.00	20.00	12.50	12	Y.P.
30,00,000	33,43,336	76,05,050	50,57,015	11,053	Sagg. Sutherland & Co. Private Ltd.	27,796	501	Cawapore Textiles	4.94	5	*Nil*	0.25	0.25	*Nil*†	12	Y.P.
9,36,560	5,81,545	50,81,229	20,57,177	20,545	C. S. Srinivasan, Esq. (Chairman)	12,220	....	Century Spg. & Wvg. Mills Ltd.	10.85	10	0.62	0.75	0.90	0.90	3	Y.P.
25,21,262	22,09,767	69 79 002	31,91,699	698	R. Bheema Naidu & Co. ..	30,854	....	Coimbatore Cotton Mills ..	155 00	100	22.00	20.00	9.00*C		3	Y.P.
12,15,000	7,25,198	29,16,552	24,29,626	....	T. A. R. Chettiar Sons & Co.	25,940	100	Coimbatore Murugan Mills ..	92 00xd	100	20.00	12.00			12	Y.P.
20,00,000	15,28,484	80,21,337	44,00,257	599	R. S. Naidu & Co.	53,528	784	Coimbatore Pioneer Mills ..	252.00	100	20.00	20.00	20.00		12	Y.P.
30,76,900	5,076	1,37,90,104	88,52,968	—7,29,806	R. G. S. Naidu & Co. ..	47,776	407	Coimbatore Spg. & Wvg. ..	44.50	50	5.00	10.00	*Nil*		6	Y.P.
46,87,500	27,24,725	2,42,10,703	1,54,86,354	....	Tata Industries Private Ltd.	67,452	1,638	Central India	97.00	100	8.00	*Nil*	*Nil*		6	Y.P.
24,91,115	18,50,009	92,90,553	48,27,014	15,786	R. Hanumeashappa & Son ..	25,816	360	Davangere Cotton Mills ..	113.00	100	9.00	9.00	9.00		3	Y.
2,88,88,888 / 1,00,562	9,16,34,836	11,79,90,468	6,75,07,125	2,77,593	B. B. Charat Ram & Co. Private Ltd.	1,61,180	2,382	Delhi Cloth & General Mills ..	32.00	25 / 24	2.25 / 2.25	2.50 / 2.50	2.00 / 2.00		6	Y.P.T.
47,92,200	36,35,000	84,22,224	49,84,057	1 905	M. N. Chettiar & Sons ..	42,212	921	Dhanalakshmi Mills	172 00	100	20.00	25.00	10.00*C		12	Y.
60,00,000	1,96,16,192	1,59,13,264	1,41,39,883	76,231	Sagg, Sutherland & Co. Ltd.	43,452	1,196	Elgin Mills	18.50	10	1.00	1.25	1.00		9	Y.P.
48,81,000	43,55,161	1,36,06,042	77,13,982	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,284	....	Gokak Mills	161.00	100	15.00	15.00	6.50		12	Y.P.
2,50,00,000	2,25,000	4,52,38,795	1,82,00,000	72,17,274	Birla Gwalior Private Ltd. ..			Gwalior Rayon	15-12xd	10	*Nil*	*Nil*	*Nil*		3	Y.P.
50,00,000	6,94,589	1,59,76,049	1,21,32,273	—11,77,234	K. L. Sekaria, Esq. (Chairman)	51,180	1,356	Indore Malwa United ..	107.00	100	9.00	11.00	6.00		12	Y.
5,90,000	19,66,583	31,40,435	19,97,477	4,172	G. V. Naidu & Co., Ltd.	23,784	....	Janardhana Mills	68.00xd	50	10.00	10.00			12	Y.
15,54,000	15,02,599	57,12,937	33 88,095	7,012	Mr. Bhaiswarlan Damani (Managing Director)											
4,85,45,200	3,24,86,804	4,34,59,294	2,18,54,080	2,48,717	Birla Gwalior Private Ltd. ..	54,876	1,682	Jam Shri Ranjitsinghji ..	1,450.00	1,000	50.00	60.00	40 00		6	Y.
42,00,000	19,25,000	1,06,81,567	58,25,076	91,772	Keshad & Sons	41,160	900	Jiyajeerao Cotton	9.75	10	4.00§	0.55	0.85		3	Y.
32,00,000	63,39,487	1,84,50,574	1,25,78,615	2,294	M.	51,096	1,242	Lakhshmi Cotton	10.50	10	1.00	1.00	1.00		12	Y.P.
71,00,000	66,85,960	2,25,46,881	1,29,69,687	86,370	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	445.00 / 102.00 / 49.00	250 / 50 / 25	42.50 / 12.50 / 6.25	42.50 / 12.50 / 6.25	15.00 / 10.00 / 5.00	6.00 / 3.00	3	Y.
1,75,02,488	4,24,40,378	5,90,89,121	3,96,10,817	6,92,366	A. & F. Harvey Ltd. ..	4,53,000	....	Madura Mills	32.25	15	2.00	2.00	2.25		12	Y.
12,00,000	5,87,388	29,08,252	18,76,790	213	V. K. Bradi (Chairman) ..	29,592	760	Malabar Spg. & Wvg. ..	89.00N	200	*Nil*	8.00			12	Y.
30,00,000	69,07,000	66,50,000	47,59,940	376	W. A. Beardsell & Co. (Private) Ltd.	25,656	903	Mettur Industries Ltd. ..	241.00	100	25.00	42.50	20.00	20.00	3	Y.
29,80,884	19,88 081	93,11,180	51,39,457	19,738	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	64.00	100	6.00	6.00	6.00		12	Y.
94,91,550	21,56,146	1,71,94,769	78,31,528	1,56,908	M.	52,408	962	Model Mills (Nagpur) ..	175.00	250	7.50(c)	7.50	*Nil*		6	Y.
24,33,500	45,53,479	1,13,48,711	71,02,478	25,937	N. Sirur & Co. Private Ltd.	50,692	800	Mysore Spg. & Mfg. ..	95.00	50	6.00(c)	9.00*	9.00*	8.00†	3	Y.P.
12,51,780	....	29,13,841	17,35,214	5,966	K. Tipperadish (Chairman)	18,000	....	Nanjanad Silk Mills	6.25N	10	*Nil*	*Nil*	*Nil*		3	Y.
87,32,200	39,29,981	1,73,88,244	67,86,683	....	M.	67,785	908	Osmanshahi Mills	42.00	100	2.50(c)	4.00(c)	*Nil*		3	Y.
4,00 000A / 6,00 000B	13,00,000	71,79,976	28,66,277	8,909	Bhaghyalakshmi & Co. ..	45,608	....	Palani Andavar Mills	121.00 / 175.50	50A / 75B	12.50 / 18.00	15.00 / 22.50	9.00 / 13.50		12	Y.P.
10,00,000	....	84,19,570	18,82,524	—9,80,216	C. S. R. Mudaliar & Sons ..	27,980	....	Paakaja Mills Ltd.	40.00	100	4.00(c)	*Nil*			12	Y.
16,61,200A / 8,40,600B	31,21,189	1,06,11,851	58,39,265	3,877	A. G. Gurusamy Naidu & Co.	59,254	800	Radhakrishna Mills	140.00 / 65.00	100A / 50B	20.00 / 10.00	20.00 / 10.00	12.00 / 6.00		12	Y.
19,32,276	20,55,760	76,37,278	22,62,433	....	B. R. Naidu & Sons	37,096	....	Rajalakshmi Mills	85.00	50	10.00	7.50	4.50		12	Y.P
10,00,000	14,00,000	57,35,023	19,10,995	15,404	Ramco Agencies Private Ltd.	24,996	....	Rajapalayam Mills	129.00	100	10.00	10.00	12.00		12	Y.
22 22 650	11,50,000	53,72,976	23,15 802	5,286	Rayalaseema Development Co.	21,200	....	Rayalaseema Mills	105 00	100	10.00	10.00	10.00		12	Y.
15,00,000 / 10 000	2,69,010	3,15,04,564	2,05,50,756	—34,29,635	M.	96,222	2,322	Shoiapoor Spg. & Wvg. ..	450.00	1,000 / 500	*Nil*	*Nil*	*Nil*		3	Y.P
36,00,700	21,91,449	1,05,51,059	61,65,564	37 576	H. N. Pallegar, Esq. ..	30,744	292	Sri Krishnarajendra Mills	68 00xd	50	5.00	7.00	7.00	4.50	3	Y.
36,00,000	3,62,40,700	1,02,21,310	75 33,414	29,29,630	Birla Brothers Private Ltd.	56,512	1,344	Sutlej Cotton Mills	70 00N	10	6.00	6.00	6.00		3	Y.
17,50 000 O / 7,50,000 PO	2,86,28,071	5,28 86,198	1,97,31,847	2 64,970	M.	1,13,216	2,066	Swadeshi Cotton (Kanpur)	10.25 / 5.00	10 / 10P.O.	1.00 / 1.15	0.75 / 1.15	0.75 / 1.15		12	Y.P.
1,00,00,000	60,00,000	3,88,81,893	1,96,18,492	1,78,216	Emcots & Sons (Travancore) Ltd.			Travancore Rayons ..	14.90	10	0.75	1.00	1.00		12	Y.P.T
19,98,750	9,48,940	19,58,289	13,90,199	794	Moolji Ramjee & Sons ..	11,750	10	Trichinopoly Mills	11.75	10	0.00	1.12	0.99		12	Y.P.
21,00,000	39,86,738	86,80,884	61,78,507	12,007†	R. K. Chetty & Brothers ..	44,424	270	Vasanta Mills	220 00	100	20.00	20.00	12.00		12	Y.
32,00,000	18,72,770	1,35,96,068	1,17,44,092	—9,85,569	The Bombay Co. (Private) Ltd.	49,660	1,275	Vishan Cotton	104.00	100	8.00	8.00	*Nil*		12	Y.P.

Includes bonus. M—Managed by Board of Directors. X.R.—Ex-Right. (e) Paid out of Reserves. F—For fifteen months ended 31st March, 1956.
‡—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1956. § On old capital. ‡ For Nine months ended 31st December 1957. 'C'—On increased Capital.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
CEMENT														
72,59,940	18,33,764	1,00,14,799	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10.80xd	B. 10	1.00*	1.00			12	Y.P.
59,85,555	....	1,55,92,861	....	12,928	M.	Ashoka Cement Ltd.	9.80	10	..	..	*Nil*		3	Y.T.
12,71,80,070	9,62,91,082	80,81,74,705	11,29,17,763	2,58,821	Cement Agencies (Private) Ltd.	Associated Cement Companies ..	162.00	100	10.00	10.00	9.00		7	Y.T.
3,07,44,575				779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd. ..	8.60	10	0.30	0.60	0.60		12	Y
88,92,687	....	1,28,58,448	16,77,717				10.22	O. 10	1.25	1.25	1.29			
1,44,10,795	53,35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd. ..	Dalmia Cement (Bharat) ..	2.63	D. 1	0.12	0.12	0.12		12	Y.P.
5,00,000							30.75	O. 25	1.87	2.06	2.06	2.25		
1,01,94,750	30,37,736	2,18,27,299	73,38,865	71,092	Rasan Private Ltd.	India Cements Ltd.	6.05	D. 5	0.37	0.41	0.41	0.45	3	Y.P.
7,50,000		10	1,75,511	14,76,100	9,35,000	Jaipur Udyog Ltd.	14 12XR	10	0.75	1.25	*Nil*		3	Y.P.
1,50,00,000	4,00,000	4,72,60,182	89,99,750	21,36,411	Sahu Jain Ltd.	Orissa Cement Ltd.	12.92	10	1.25	1.25	1.50		12	Y.P.
1,00,00,000	17,70,000	2,09,86,577	1,50,04,018	4,287	M.	Dalmia Agencies Private Ltd. ..	151.00	100	8.50	9.00	9.00		12	Y.P.
75,00,000	31,43,497	3,25,68,768	1,17,79,528	87,55,949	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	5.12	5	0.25	0.30	0.15		7	Y.
1,24,20,200	48,94,785	3,55,77,865	1,29,16,661	2,23,855	M.	Sone Valley Portland Cement ..	9.30	10	0.62	0.60	0.60		12	Y.
75,00,000	17,70,000	2,09,86,577	1,50,04,018	4,287	M.	Travancore Cements Ltd.								
50,00,000	6,00,000	1,04,84,565	48,88,451	3,24

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
PAPER														
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	94 00	25	4 60	2 50	3 12		12	Y.P.
63,00,000	63,91,258	1,24,92,173	83,76,687	33,544	Andrew Yule & Co., Ltd. ..	India Paper Pulp	21 50	10	1 39-2/5	1 39-2/5	1 40		3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,460	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17 90xd	10	0 75*	1 00*	1 00*	1 00	3	Y.
1,46,82,500	2,46,75,045	5,04,10,697	1,37,53,042	2,63,477	Birla Brothers Private Ltd. ..	Orient Paper	34 70	10	1 12	0 62	1 50		3	Y.P.
1,25,49,570	74,23,277	1,86,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills ..	17 12	10	1 25	1 25	1 25		12	Y.P.
50,00,000 } 4,10,00,000 }	7,29,123	71,98,586	36,86,650	4,828	Bajoria & Co.	Star Paper Mills	{ 13 00	O. 10	1 25	1 05	0 60		9	Y.P
2,18,55,240	48,43,060	3,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	13 00	A. 10	1 25	1 05	0 60			
5,00,000A. } 5,04,800B. } 37,500P.O. }	3,70,50,474	6,78,46,967	3,51,66,933	92,528	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	13 72	10	5 00‡	0 50	0 50		6	Y.P
							{ 42 25	A. 10	2 00*	1 12*	2 37*			
							{ 42 25	B. 10	2 00*	1 12*	2 37*		3	Y.P
							{ 4 25	P.O. 2½	0 25	0 12	0 25			
SAW MILLS AND TIMBER														
13,99,998	22,88,339	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd. ..	Assam Saw Mills	2 28	3	*Nil*	*Nil*	*Nil*			
50,00,000 } 42,00,000 }	3,81,14,271	4,60,47,879	1,88,08,404	1,83,542	Wallace & Co.	Bombay-Burmah Trading Corpn. ..	{ 613 25xr	Old125	37 50	40 00	46 00		9	Y.
20,00,000	20,43,057	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	{ 190 00xr	New50	15 00	13 75	16 00		} 5	Y.
							44 25	10	3 00	3 00	2 75		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,30,406	42,92,220	31,12,074	57,702	M.	Bairampur Sugar	9 50	5	0 06	*Nil*	0 25			Y.
12,00,000A } 3,00,000B. }	29,80,260	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	{ 119 00N	A. 100	10 00	10 00				
12,49,050	8,75,000	33,83,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	{ 11 50N	B. 10	1 00	1 00			} 4	Y.T
15,00,000	13,51,513	19,28,777	13,40,840	7,653	Cotton Agents Private Ltd. ..	Bharat Sugar	12 00	7½	0 75	1 00	1 00		9	Y.
32,00,000	25,22,515	1,45,76,657	98,94,338	—2,23,014	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	16 00N	10	1 50	1 50	1 50		6	Y.P.
30,00,000	54,39,609	1,65,39,057	93,52,334	—8,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	8 44	10	0 25	*Nil*	*Nil*		6	Y.P.
18,00,000	34,56,103	84,72,400	59,12,995	—3,43,163	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	11 81	10	0 75	0 75	*Nil*		10	Y.P
9,58,252	2,59,762	25,14,152	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	18 12	10	1 50	1 00	*Nil*		6	Y.
18,00,000	12,51,626	79,38,781	49,36,054	1,05,664	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	10 00N	10	0 50	0 50			8	Y.P.
7,89,100	22,50,288	48,69,619	26,90,926	79,525	Cotton Agents Private Ltd. ..	New India Sugar Mills ..	62 70	40	2 25	4 00	7 00		7	Y.P.
11,00,000	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	29 00	10	2 50	2 50	2 50		6	Y.P.
13,21,100 } 38,275 }	49,91,797	73,75,775	27,02,363	6,855	Cotton Agents Private Ltd. ..	New Swadeshi Sugar Mill ..	5 81	10	0 25	0 37	0 37		5	Y.
							{ 250 00	100	20 00	20 00	20 00			
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd. ..	Oudh Sugar	{ 50 00N	25	5 00	5 00	5 00		} 6	Y.
12,00,000	12,69,374	31,96,494	21,49,459	24,662	Narang Bros. & Co. Private Ltd.	Punjab Sugar	152 50	100	11 00	11 00	12 50		7	Y.P.
9,00,000	19,64,146	43,83,000	32,34,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	{ 60 00N	100	6 00				10	Y.
63,59,400	48,34,090	81,89,788	31,42,934	89,543	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Q	15 50	10	0 75	0 75	*Nil*		10	Y.P.
6,00,000	6,21,932	28,74,393	23,31,931	2,175	M.	Ryam Sugar	16 37	10	1 50	1 50	1 50		10	Y.
11,99,000	16,33,214	47,23,583	25,13,422	—2,20,353	M.	Samastipur Central Sugar ..	19 25	10	*Nil*	1 75	1 50		6	Y.P.
39,70,625	22,68,560	1,40,84,561	68,35,007	16,381	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13 00	10	*Nil*	1 75	*Nil*		6	Y.
10,02,115	24,660	29,48,608	14,35,401	—3,16,557	H. K. Ghosh, Esq., and R. N. Datta Esq. (Managing Directors) ..		10 19	10	1 75	1 00			8	Y.P.T
16,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Sitalpore Sugar	2 37	10	*Nil*	*Nil*	*Nil*		6	Y.
9,15,0000. } 4,40,000D. }	46,462	29,66,360	11,46,770	—16,37,907	M.	Shri Sitaram Sugar	11 62	10	1 00	1 00	0 50		8	Y.
							{ 0 75N	O. 10	*Nil*					
						South Behar Sugar	{ 0 50N	D. 2½	*Nil*				}10	Y.P.T
8,00,000	34,74,348	1,27,30,247	80,57,754	9,663	Cotton Agents Private Ltd. ..	Upper Ganges Sugar	35 00N	10	2 50	3 00	5 00		6	Y.P.
16,00,000	9,16,589	33,80,385	27,24,251	29,751	M.	United Provinces Sugar ..	15 00	10	1 50	0 60	0 75		9	Y.
Other Centres														
30,00,000	19,50,000	76,27,620	18,97,501	15,070	Rangarao & Co.	Andhra Sugars Ltd.	17 00	10	0 50	1 00	1 25		9	Y.
70,49,650	1,18,43,608	1,50,47,792	1,08,77,187	3,00,263	W. H. Brady & Co., Ltd. ..	Belapur Company	319 50	50	16 00	16 00	16 00		9	Y.
17,50,000	12,68,285	41,35,701	23,96,315	30,827	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd. ..	Bhopal Sugar Industries Ltd.	26 80	10	1 00	1 50	2 00		9	Y.P.
37,50,000	16,15,171	76,19,408	50,40,255	31,529		Shree Changdeo Sugar ..	32 25	12 50	2 00	5 00	2 25		9	Y.
39,24,000	47,43,760	1,15,18,224	62,38,314	1,16,220	Parry & Co. Ltd.	Deccan Sugar & Abkhari ..	9 76	5	0 50	0 75	0 85		5	Y.P.
£ 540,950	£ 1,197,167	£ 701,435	£ 52,719	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	29 25	£ 1	Sh. 4	Sh. 3	Sh. 3	Sh. 11	9	Y.P.
15,93,900	15,86,419	43,30,767	25,77,714	6,691	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	83 00	100	*Nil*	6 00	10 00		6	Y.P.
63,97,600	11,02,669	78,71,515	18,88,285	46,085	India Sugar Agencies Private Ltd. ..	India Sugar and Refineries ..	12 05	10	1 40	1 12	1 00		6	Y.P.
22,41,127	15,75,871	94,08,432	12,67,310	6,611	R. S. Ind. Corpn. Private Ltd. ..	Jeypore Sugar	15 00	10	1 00	0 60	0 60		6	Y.P.
0,52,2000. } 2,87,190D. }	88,00,000	2,48,45,158	41,94,129	28,068	V. Ramakrishna Sons (Private) Ltd. ..	K. C. P. Ltd.	{ 120 00	O.100	7 50	7 50	7 50		} 6	Y.P.
							{ 134 00	D. 10	10 00	10 00	10 00			
67,50,000	38,21,978	1,22,47,683	57,87,087	36,423	M. L. Dahanukar & Co. Pvt. Ltd. ..	Maharashtra Sugar Mills ..	169 50	50	..	100 00*	100 00*		9	Y.P.
21,79,280	86,24,043	1,54,89,192	89,25,545	2,10,465	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	44 10	10	2 00	2 00	2 00		9	Y.
50,00,000	53,21,430	1,16,88,154	67,30,841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	84 00	10	2 00	2 00	2 00		9	Y.
16,59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar ..	20 87	10	2 00	2 00	1 50		8	Y.P.T
20,00,0000. } 4,00,000D. }	42,07,214	1,04,79,940	59,30,737	70,575	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	{ 140 00	O. 50	9 00	12 00	12 00		} 9	Y.P.T
80,00,000	23,40,000	62,19,329	{ 24,74,579	77,353	Parry & Co., Ltd.	Travancore Sugars	{ 80 00N	D. 10	0 07	0 70	3 75			
1,01,00,000	1,16,37,173	2,71,48,027	{ 1,06,46,123	1,72,956	Walchand & Co. Private Ltd. ..	Walchandnagar Industries ..	11 50	10	0 75	1 00	1 25		7	Y.P.
							293 25xr	100	18 00	21 00	21 00		9	Y.P.T
TRANSPORT														
20,00,000	99,30,970	1,22,58,916	19,44,277	36,387	Andrew Yule & Co., Ltd. ..	Bengal-Assam Steamship Co. ..	100 00	100	7 50	7 50	5 00		10	Y.P.
1,00,00,000	1,27,28,000	4,10,96,641	1,62,42,552	4,06,036	Dimbhaw (Private) Ltd. ..	Bharat Line J.	13 50	10	5 00	6 00	12 00*		12	Y.P
96,00,000	1,42,86,063	4,90,84,846	86,21,345	1,83,530	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd. ..									Y.P
£655,580	£997,759	£5,665,834	£3,428,088	—£106,393	Kilburn & Co. Private Ltd. ..	Great Eastern Shipping Co. ..	26 90	10	*Nil*	1 00	1 50		6	Y.P.
2,25,00,000	1,74,74,232	12,78,96,545	2,63,26,759	2,70,984	Lionel Edwards (Private) Ltd. ..	India General Navigation & Rly. Co.	61 00	£10	Sh. 10	*Nil*			12	Y.P.
9,40,19,875	10,85,51,342	27,66,48,271	5,78,99,812	5,84,102	M.	India Steamship Co.	14 00	10	*Nil*	1 00	1 00		3	Y.P.
8,40,8000. } 2,10,200P.O. }	21,67,472	12,59,963	8,41,760	1,35,400	R. R. Aiyer, Esq. (Manager) ..	Scindia Steam Navigation Co. ..	22 16	20	0 50	1 00	1 25		6	Y.P.T.
						Walford Transport Ltd.	{ 2 00	O. 1	0 14	0 14	0 14		}12	Y.
							{ 1 76	P.O. 1	0 12	0 12	0 12			
UNCLASSIFIED (Bombay)														
25,00,000	1,00,000	26,18,548§§	....	58,589†	M.	Devkaran Nanji Investment Co. ..	11 00	25	0 75	0 81	0 81			Y.
57,00,000	2,01,70,510	4,79,59,818	1,35,62,169	59,94,000	S. H. Turner (Chairman)	Hindustan Lever	24 20	10	..	1 25	1 40		3	Y.
31,07,000	16,29,510	1,09,45,989	67,14,407	14,986	Birla Brothers Private Ltd. ..	Hind Cycles	132 50	100	10 00	..	12 50‡		12	Y.P.T
14,98,540	4,61,996	33,57,566	21,55,554	10,066	Choonilal Manilal Private Ltd. ..	Ratrela Batteries	89 00	50	2 00	3 00	3 50*	3 00	3	Y.P.
99,99,250	20,13,147	1,25,61,398§§		1,74,683	Promchand Roychand & Sons ..	Industrial Investment Trust ..	79 30	100	4 50	5 00	5 50		12	Y.
1,00,00,000	28,08,446	38,85,170	11,26,784	2,758	K. G. Mithe, Esq. (Mg. Director)	Killick Industries	169 00	100	11 00	11 00	11 00		6	Y.
20,25,325A.O.	63,14,285	3,42,78,324	1,69,93,078	6,31,752	Aero-Auto Private Ltd.	Premier Automobiles	93 50	100	*Nil*	6 00	6 00		6	Y.T.
21,80,000	29,18,738	64,85,614	14,48,374	64,830	Polson Agencies Private Ltd. ..	Polson Ltd.	167 00	10	10 00	12 50	10 00		12	Y.P.
10,21,200	4,83,147	8,09,102	5,85,506	2,481	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	19 00	20	2 00	2 00	1 20		12	Y.
2,75,00,000	1,44,13,441	3,87,52,891	1,68,58,348	89,860	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd. ..	197 50	100	11 00*	11 00*	11 00*		12	Y.
45,00,000	60,62,390	8,84,985	5,24,956	75,054	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	277 50	150	20 00	22 50	25 00		12	Y.
Other Centres														
57,50,000 } 2,50,000 }	1,99,56,713	3,81,21,462	36,96,321	2,33,759	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd.	{ 12 00	O. 10	*Nil*	0 50	0 90		} 3	Y.P.T
40,00,000	32,25,000	68,17,870	28,12,985	66,539	Seahaayee Bros. (Trav.) Prv. Ltd.	Aluminium Industries Ltd. ..	{ 5 00	D. 2½	*Nil*	*Nil*	*Nil*			
30,00,000	36,20,717	34,97,377	23,60,332	3,61,289	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	10 40xd	10	1 25*	1 25	1 25		8	Y.
30,00,000	17,14,736	38,54,872	19,66,372	1,83,944	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	21 25	10	2 00*	2 00*	1 80*		8	Y.
50,00,000	35,04,600	1,05,12,033	39,58,423	3,29,986	Oberoi Hotels (India) Private Ltd. ..	Associated Hotels of India ..	17 25	10	1 25*	1 25*	1 25*		12	Y.
80,01,400	84,59,405	74,46,138	40,46,138	5,00,886	M.	Balmer Lawrie & Co., Ltd. ..	6 26N	10	0 40	1 20	0 60		3	Y.P.T
12,00,000	17,56,000	34,55,743	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	169 00	100	12 50	15 00	12 50		12	Y.
20,00,000	8,05,715	62,28,492§§	....	37,612	Lovelock & Lewis	Birds Investment Ltd.	31 75	10	2 25	2 50	2 50		12	Y.
45,97,020	34,61,814	1,14,31,095	37,07,455	1,54,683	K. C. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	12 50	10	1 25	1 00			9	Y.
3,25,00,000	1,55,55,571	3,06,98,577	2,33,30,121	1,22,521	W. H. J. Christie, Esq. (Mg. Director)	British India Corporation Ltd. ..	15 12	10	1 00	1 00	1 00		8	Y.P.T
8,00,000	3,28,572	13,081	13,858	28,272	Andrew Yule & Co. Ltd.	Calcutta Hydraulic	4 00	5	*Nil*	0 10			12	Y.P.
8,00,000	2,47,182	8,45,622	6,98,409	35,418	Andrew Yule & Co. Ltd.	Central Hydraulic	41 00N	100	*Nil*	*Nil*	3 00		6	Y.
1,38,80,000	17,34,264	2,05,94,990§§	....	8,10,588	Andrew Yule & Co. Ltd.	Clive Row Investment	89 00N	100	5 00	6 00	10 00*		6	Y.
3,00,00,000	4,40,29,606	6,50,49,175	2,68,24,548	22,22,643	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	28 37	10	0 56	1 38	0 75	0 75	3	Y.P.T.
16,20,630	26,75,014	29,36,261	16,23,422	58,736	Mr. K. G. Khanna	Dyer Meakin Breweries	12 19	5	0 56	0 56	0 56		12	Y.P.
51,26,000	54,61,635	1,84,12,965§§	....	2,42,272	Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	147 00	100	9 00	9 00	9 00		12	Y.
7,96,625	....	22,64,882	91,811	5,110	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	10 00	10	..	..	..		12	Y.P.
14,00,000	10,35,000	36,71,778	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	178 00	100	15 00	4 00	12 50	15 00	3	Y.
40,00,000	4,90,000	83,89,749	32,43,367	10,90,218	M.	Godfrey Phillips India Ltd. ..	19 25N	10	2 00	2 00	1 50		12	Y.P.
65,00,000	34,20,910	29,25,473	10,66,888	1,98,398	T. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	11 56	10	1 40	1 60	1 00		8	Y.P.
30,00,000	15,17,354	88,08,821	38,24,688	74,215	B. P. B. Syndicate	Great Eastern Hotel	265 00	250	6 25	15 00	15 00		3	Y.
4,98,13,250	13,37,499	5,26,95,200	2,25,48,541	9,38,841	Birla Brothers Private Ltd. ..	Hindustan Motors	8 12	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
2,84,58,700	1,17,58,400	7,37,43,613	2,21,77,728	7,20,182	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd. ..	16 12	10	0 9	1 00	0 60		12	Y.P.
1,52,89,220	1,46,00,000	2,26,86,081	36,85,093	41,81,853	R. J. Woodley, Esq. (Mg. Director)	Indian Cables	29 50	10	1 25*	1 50*	1 50*		8	Y.P.T
8,27,970	6,03,000	16,74,908	9,50,306	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	16 00N	10	0 50	0 62			3	Y.P.
2,00,00,000	....	....	....	....	R. G. C. Stephenson, Esq. (Mg. Director)		20 12	10	..	..	1 00		9	Y.
15,16,00,000	24,02,01,694	9,85,79,293	1,62,23,899	25,04,159	Indian Oxygen Ltd.	Imperial Tobacco Co. of India Ltd.	12 50	10	0 30	0 30	0 70		3	Y.
2,00,00,000	76,27,615	39,02,397	12,08,932	4,71,170	M.	Jardine Henderson	7 50	100	7 50	7 50	2 50		3	Y.P.
40,00,0000. } 5,00,000D. }	82,86,900	48,53,407	10,43,712	2,57,153	M.	McLeod & Co.	200 00N	O. 100	22 50	8 00			} 12	Y.P.
							....	D.O.10	1 75	0 30				
1,45,23,500	90,58,531	25,54,434	14,97,332	2,35,312	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	28 12	10	1 81*	2 12*	2 12*		9	Y.P.
1,15,00,000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	30 25	10	1 25	1 62	1 75	1 75	9	Y.P.
6,56,250	12,95,000	11,29,980	5,97,362	8,349	Mr. J. L. D'Sa (Chairman) ..	Mysore Lamp Works	17 40	10	0 75	0 90	1 25		8	Y.P.
10,00,000	3,70,000	16,47,599	10,18,129	43,554	M. Malleshayya, Esq. (Chairman)	Mysore Tobacco Co.	13 50	10	1 00	1 50	1 50		8	Y.
2,00,00,000	83,55,505	2,14,82,470	61,33,962	28,42,424	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	27 25	10	0 32	1 50	1 40		12	Y.
40,00,000	74,71,172	63,80,914	41,52,961	1,44,443	Associated Industrial Development Co. (Private) Ltd.		31 87	10	1 50*	2 00*			8	Y.T.
40,00,000	15,00,000	93,19,395	21,17,403	75,726	Do.	National Rolling & Steel Ropes ..	12 06	10	0 50	0 50			6	Y.P.
8,00,000	6,00,000	50,21,760	28,60,528	1,80,392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	{ 14 50	10	..	..	1 00		12	Y.
							....	5	..	..	0 50			
79,97,000	68,89,261	1,25,70,061	65,79,351	8,87,736	B. N. Elias & Co. Private Ltd. ..	National Tobacco Co.	14 37	10	0 80	0 70	0 90		12	Y.P.T.
2,20,00,000	42,21,781	80,43,258	33,40,874	63,842	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	15 12	10	..	..	0 20		12	Y.P.
2,25,00,000	4,83,498	1,22,26,543	60,08,534	—44,12,938	M. P. A. Pasputti, Esq. ..	Rallis India Ltd.	88 50	100	*Nil*	*Nil*	*Nil*		8	Y.P.T
2,50,00,000	1,37,70,209	10,60,39,211	3,96,22,768	49,402	Sahu Jain Ltd.	Ralis India Ltd.	23 00	1 50	1 50	1 50			12	Y.P.T
2,25,00,000							{ 100 00N	100	..	5 00	6 00		} 3	Y.P.
3,75,200 } 5,11,400 }	51,836	31,11,657	6,20,199	10,106	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	{ 50 00N	50	..	2 50	3 00			
70,00,000	17,66,318	1,67,21,608	34,47,040	66,321	M.	Sen-Raleigh Industries	13 90	10	0 60	0 60	0 60		9	Y.P.
40,00,000	34,41,163	1,21,89,272	72,08,509	9,02,979	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	18 85	10	1 50	1 50	1 50		12	Y.P.
40,00,000	21,22,788	71,93,265	11,63,597	3,65,426	S. M. Smith Esq. (Mg. Director)	Shaw Wallace & Co. Ltd.	14 06	10	1 00	1 00	1 00		12	Y.
75,00,000	95,15,571	1,13,44,098	16,55,796	3,212	J. K. Agents Private Ltd. ..	Straw Products Ltd.	10 00N	10	1 00	1 25	1 25		12	Y.
15,00,000	19,925	14,83,995	5,18,593	—7,432	Ogale Bros. (Private) Ltd. ..	Travancore Ogale Glass	3 85	10	*Nil*	*Nil*	*Nil*		3	Y.
9,98,380	9,60,000	24,40,332	22,65,326	5,022	Vitai Mallya, Esq. (Chairman)	United Breweries	227 00	75	15 00	15 00	15 00		3	Y.
6,00,000														

M.—Managed by Board of Directors.
† Subject to taxation.
Q.—The latest dividend and quotation relates to Raza Buland Sugar Co., Ltd. subsequent to the amalgamation of the Raza and Buland Sugar Companies.
§§ Investments at cost.
F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957.
* Includes bonus.
‡ On old capital.
§ Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.
J—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
ASSAM															
4,45,700	9,69,019	15,95,432	5,76,688	.....	McLeod & Co., Ltd.	325	Amluckie	28 50N	10	18 00	4 75	5 00		12	Y.P.
2,76,500	5,71,500	11,19,537	3,89,763	22,120	M.	312	Ananda (Assam) Tea ..	29 00	10	7 50	1 00	2 00		12	Y.
7,00,000	6,43,250	12,23,233	3,34,393	49,669	Gillanders Arbuthnot & Co., Ltd.	440	Ananda Bag	18 50	10	8 00*	1 00	1 25		12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	40,866	McLeod & Co., Ltd.	573	Bachmari	20 62xd	10	3 50	1 00	2 50	1 50	12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co., Ltd. ..	377	Basmatia	25 87	10	8 00	1 50	2 00	1 75	12	Y.
3,30,600	5,10,000	12,75,996	8,08,524	1,30,178	National Tea Corporation ..

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	2,10,000	3,92,505	34,197	15,099	Planting Agencies (Private) Ltd...	Balmadies Plantations	8 60xd	2	0 30	0 21	0 45		5	Y.P.
26,91,270	17,00,000	56,38,212	6,78,584	29,944	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	5 55	3	0 45	0 75	0 52	0.30'C'	2	Y.P.
22,50,000	81,00,000	39,79,846	3,06,541	1,21,826	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	34 85	10	1 80	2 50	4 00		6	Y.P.T.
71,55,000	56,13,036	1,25,54,765	26,89,076	1,13,211	R. C. Paterson, Esq. ..	Consolidated Coffee	29 10	10	2 25	2 00	4 00		6	Y.P.T.
4,00,000	5,87,423	10,43,962	53,995	8,519	Associated Planters Private Ltd..	Cottamal Plantations	15 30xd	10	1 75*	1 50	1 75		8	Y.P.
18,00,000	9,30,543	29,08,448	5,85,748	48,584	A. V. Thomas & Co. Ltd. ..	Highland Produce	12 90xd	10	2 00	2 00	0 75		12	Y.P.
8,90,000	10,92,399	18,91,159	2,63,016	18,098	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	13 45	10	2 75	2 00	2 00		4	Y.
13,50,000	8,71,449	19,42,913	3,09,273	6,347	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	10 50xd	10	2 25	3 25	2 25		8	Y.
40,50,000	28,79,387	80,92,726	9,40,414	1,48,976	A. V. Thomas & Co., Ltd. ..	Midland Rubber	13 15	10	2 50	2 00	2 00		2	Y.P.
8,35,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd. ..	Nenmeny Rubber	13 75	10	1 50	1 50	0 75		12	Y.P.T.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	14 75cd	10	1 50	1 50	1 50		12	Y.P.T.
19,45,860	23,79,615	45,25,952	14,74,565	52,888	Peirce, Leslie & Co., Ltd. ..	Onchterlony Valley Estates ..	5 45	2	0 40	0 20	0 60		10	Y.
13,50,000	8,60,000	45,07,576	3,95,093	12,299	A. V. Thomas & Co., Ltd. ..	Rajakutt Rubber	18 85	10	2 00	2 50	2 00		6	Y.P.
5,50,170	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd., ..	Savamala Estates Ltd.	3 78	2	1 00	1 50	0 30		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Parcs Agencies	Sanmanneswar Coffee Estates Ltd.	2 76	2				0 18	3	Y.P.T.
10,80,000	3,01,000	22,44,528	1,59,959	9,940	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	6 99	10	0 60	0 60	0 60		8	Y.P.T.
2,50,000	2,75,000	5,73,150	88,399	33,647	A. V. George & Co., Ltd. ..	Thamaraipally Rubber	25 50	10	3 00	3 00	3 50		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1 76	1	0 12½	0 12½	0 05		9	Y.T.
6,00,000	33,742	7,80,836	1,41,328	1,270	Sayen Thomas, Esq. (Mg. Director)	Travancore Rubber	16 25	10	3 00	2 00	1 50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7 80	10	1 25	0 75	0 40		12	Y.P.
20,00,000	36,000	30,13,823	7,73,098	167	P. T. Thomas Esq. (Mg. Director)	Tropical Plantations Co.	20 50	25	4 00	3 00	1 00		12	Y.
2,20,000	4,29,000	9,26,785	83,552	..	A. V. George & Co. Ltd.	Udasaziri Rubber Co., Ltd. ..	11 15xd	10	0 60	0 75	0 60		12	Y.P.
8,80,010	5,90,669	9,56,500	27,217	872	M.	Valkumdan (Travancore) Rubber ..	26 00xd	10	2 50	3 50	3 50J	1.25‡	12	Y.P.
6,95,000	1,47,259	13,88,336	39,744	10,289	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.62	10	2 00	1 25	1 00		8	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital. * Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	53,26,489	18,786	B. N. Elliss & Co. Private Ltd..	879	Anarpara	10 37	10	0 62	0 25	0 25		3	Y.
6,00,000	10,81,600	59,82,765	40,52,871	1,66,651	McLeod & Co., Ltd. ..	456	Alexandra	125 00	100	10 00	10 00	10 00		3	Y.P.T.
80,00,000	5,25,000	1,25,28,740	95,78,601	—5,74,381	McLeod & Co., Ltd. ..	1,264	Alliance	100 00	100	6 00	Nil	Nil		12	Y.P.
40,20,700	67,00,000	3,11,92,070	2,05,15,000	1,77,823	Duncan Brothers & Co., Ltd.	2,561	Angus-India	205 00	100	3 50	3 50	7 00		5	Y.P.
40,00,000	29,54,500	1,49,09,985	56,34,728	—3,79,016	Bird & Co. Private Ltd. ..	810	Auckland	126 50	100	10 00	1 00	Nil		3	Y.P.
20,00,000	24,84,715	98,59,961	67,55,861	1,18,223	Birla Brothers Private Ltd. ..	959	Bally	197 00	100	3 50	Nil	2 00	6.00	3	Y.P.
2,75,000	5,74,807	51,28,482	39,23,189	..	Sir John R. Burder (Chairman) ..	1,889	Barnagore	132 00	£5	sh. 15	Nil	Nil		3	Y.P.
28,00,000	26,27,123	97,66,495	58,10,415	6,111	Andrew Yule & Co. Ltd. ..	820	Belvedere	128 00	100	7 50	Nil	2 50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Sooraimull Nagarmull ..	600	Benoal	11 75	10	1 12	1 00	Nil		6	Y.P.
91,20,000	2,29,05,284	4,09,99,115	1,66,74,197	24,155	Birla Brothers Private Ltd. ..	1,373	Birla	20 75	10	1 00	1 00	1 00	1.00	3	Y.P.
36,00,000	19,36,926	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd. ..	991	Bridge-Bridge	115 00	100	7 50	Nil	Nil		10	Y.P.
7,47,380	....	44,38,103	32,72,622	—2,12,291	Davaram & Sons	502	Calcutta Jute Mfg. ..	7 00	10	Nil	Nil			12	Y.
18,00,000	25,21,234	87,77,057	46,40,856	529	Andrew Yule & Co., Ltd. ..	616	Caledonian	152 00	100	6 50	Nil	Nil		11	Y.P.
59,16,400	76,49,289	2,28,64,628	1,19,60,343	—7,24,043	James Finlay & Co., Ltd. ..	2,300	Champdany	113 00	100	10 00	2 00	Nil		3	Y.
15,95,000	21,56,282	85,02,301	58,78,175	5,957	Andrew Yule & Co., Ltd. ..	550	Cheviot	185 00	100	10 00	2 00	Nil		11	Y.
20,15,000	33,75,000	77,94,318	51,54,350	73,099	McLeod & Co., Ltd. ..	500	Chitavalsah	10 25	10	1 37	0 62½	1 10		7	Y.P.
24,00,000	9,00,000	61,05,335	47,13,337	25,935	Shree Krishna Investment Co., Ltd	969	Clive	13.50	10	1 25‡	0 50			3	Y.P.
31,49,200	44,50,392	1,35,02,698	51,19,167	—8,75,531	Bird & Co. Private Ltd. ..	765	Dalhousie	94 00	100	4 00	Nil	Nil		3	Y.P.
28,00,000	37,22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd. ..	779	Delta	143 00	100	10 00	5 00	Nil		11	Y.P.
15,00,000	85,56,600	92,51,058	63,07,045	4,192	McLeod & Co., Ltd. ..	500	Empire	21 75	10	1 75	0 50	0 75		7	Y.
21,00,000	71,39,758	2,75,16,574	1,55,59,223	2,53,863	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd.	392 00N	100	15 00	10 00	10 00	20.00	3	Y.P.T.
21,00,000	18,00,000	1,25,79,765	83,50,852	1,96,479	Bangur Bros., Ltd. ..	1,014	Fort William	21 44	10	20 00	0 75‡	1 50	1.50	3	Y.P.T.
64,32,100	....	2,11,07,224	1,32,98,825	—2,67,452	M.	1,709	Gangee Mfg.	66 50	100	2 50	Nil			3 9	H.P.
10,80,000	28,00,000	76,64,785	55,99,505	39,411	McLeod & Co., Ltd. ..	607	Gondalpara	600 00	300	Nil	50 00	60 00		12	Y.T.
24,00,000	24,50,000	2,22,46,943	1,58,81,965	45,248	Macneill & Harry Ltd. ..	1,394	Gouripore	325 00	100	15 00	2 50	2 50		3	Y.P.
40,00,000	66,68,233	1,32,37,430	67,07,854	8,19,473	Banqur Bros., Ltd. ..	1,078	Hastings	104 00N	100	11 50	6 00	5 00	5.00	3	Y.P.
19,30,000	13,61,999	66,41,959	47,79,916	—2,95,253	Rajnath Rajoria	720	Hooghly	10.50	10	1 25	Nil			3	Y.P.
65,62,500	28,09,105	2,34,85,488	1,24,24,441	32,775	Jardine Henderson Ltd. ..	1,040	Howrah	20 88	10	0 37	0 25	Nil	Nil	3	Y.P.T.
52,50,000	28 37 124	2,93,21,907	1,57,51,907	1,14,396	Ramdutt Ramkissendas ..	2,272	Hukumchand	25 75	10	2 00	2 00	Nil		3	Y.P.T.
87,30,000	19,89,987	1,41,58,695	87,84,013	84,576	M.	700	India	171 00	7.50	4 69	4 69	9 37	15.62	3	Y.
24,00,000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd. ..	1,797	Kamarhatty	141 00	100	2 50	Nil	Nil		12	Y.P.T.
30,00,000								139 00	100	2 50	Nil	Nil			
B'24,00,000	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd. ..	1,527	Kankanrrah	70 00	100	1 00	Nil	Nil		12	Y.P.T.
21,00,000	53,00,000	1,35,45,052	88,77,736	86,701	McLeod & Co., Ltd. ..	1,709	Kelvin	66 50	100	2 50	Nil	Nil		3	Y.P.
43,00,000	31,53,808	2,36,20,709	98,60,479	27,027	Anderson Wright Ltd. ..	1,530	Khardah	145 00	100	11 00	5 00	3 00		3	Y.P.
24,45,000	28,41,335	1,28,71,981	58,10,244	28,774	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	170 00	100	16 00	6 00	Nil		3	Y.P.T.
28,00,000	48,55,847	1,41,17,243	85,14,075	—9,08,440	Bird & Co. Private Ltd. ..	931	Lansdowne	122 00	100	7 50	Nil	Nil		3	Y.P.T.
31,65,200	25,29,291	2,22,28,073	1,38,72,169	—7,73,363	Bird & Co. Private Ltd. ..	840	Lawrence	116 00	100	6 00	Nil	Nil		3	Y.P.T.
29,98,900	34,62,195	1,65,70,565	86,70,690	4,00,000	M.	1,204	Mecna	156 00	100	8 75	3 75	5 00	17.50	3	Y.
30,00,000	15,55,900	56,02,650	21,34,037	—13,08,719	M.	815	Nalhati	65 00	100	Nil	Nil	Nil		3	Y.P.T.
35,00,000	39,51,328	48,49,737	12,31,373	—1,65,266	Howrah Trading Co., Ltd. ..	425	Nasharpara	11.50	10	1 25	Nil			10	Y.T.
26,25,000	27,55,572	31,27,861	21,92,842	19,504	Andrew Yule & Co., Ltd. ..	852	National	23 31	10	1 75	0 75	0 75		10	Y.P.
38,50,000	2,86,31,171	4,68,32,343	1,06,43,534	3,35,601	McLeod & Co., Ltd. ..	1,318	Nellimarla Jute	12 72	10	1 00	1 00	0 90		7	Y.P.T.
16,79,880	46,58,882	1,23,34,722	56,38,490	9,227	Sahu Jain Ltd.	1,765	New Centralt	14 25	10	1 50	1 50			12	Y.P.
66,79,500	12,74,961	2,24,62,338	1,39,16,557	20,195	Bird & Co. Private Ltd. ..	567	Northbrook	17 87	10	1 50	1 50	Nil		3	Y.P.T.
24,91,000	23,04,049	76,55,438	52,45,690	5,981	Macneill & Harry Ltd. ..	1,092	Nuddea	49 25	50	1 00	Nil	Nil		3	Y.P.T.
25,00,000	7,83,178	86,18,353	67,97,872	7,049	Andrew Yule & Co., Ltd. ..	501	Orient	131 00	100	6 00	2 00	Nil		11	Y.
20,00,000	10,37,456	29,80,939	9,24,705	—7,07,557	McLeod & Co., Ltd. ..	400	Presidency	6 62	6	0 81	0 20	0 30		7	Y.
49,50,000	2,00,000	1,24,61,131	66,63,109	—46,26,693	Birla Brothers Private Ltd. ..	805	Rameshwara	5 75	10	Nil	Nil	Nil	Nil	3	Y.
£660,000	£1,093 713	£1,245,244		£58 994	Jardine Henderson Ltd. ..	1,276	Rallance	7 00	10	Nil	Nil	Nil	Nil	3	Y.P.T.
80,00,000	13,14,913	1,21,72,882	85,21,532	48,032	Thomas Duff & Co. (India) Ltd..	2,018	Ramnagar	9 00	£1	8%‡				12	Y.P.
14,00,000	11,14,980	1,21,72,882	85,21,532	48,032	Bazaria More & Co., Ltd. ..	911	Shree Ambica	11 50N	10	0 50	0 25	0 50		3	Y.P.
25,19,600	81,10,501	1,26,68,701	47,50,476	40,154	Hindustan Investment Corpn. Ltd.	401	Sonrah	17 25	10	1 50	1 50	1 50		12	Y.P.
£600,000	£925,119	£1,137,660		£83,548	Thomas Duff & Co. (India) Ltd..	660	Standard	96 00	100	1 00	Nil	Nil		12	Y.P.T.
35,08,600	68,86,143	2,01,32,587	89,47,895	—18,51,940	Bird & Co. Private Ltd. ..	1,794	Titaghur	9 00	£1	8%‡				12	Y.P.
£400,000	£688,015	£1,124,819		£80,501	Thomas Duff & Co. (India) Ltd..	1,326	Union	186 00	100	10 00	1 00	Nil		6	Y.P.T.
2,50,000	6,35,000	41,78,264	27,76,059	—4,15,285	McLeod & Co., Ltd. ..	1,831	Victoria	9 00	£1	8%‡				12	Y.P.
						447	Waverley	3.75	1	0 37	Nil	Nil		5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,630	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co. Ltd. ..	Amalgamated Coalfields ..	21 12	10	1 37	0 50	1 25	1.25	3	Y.
12,00,000	3,49 390	27,46 675	25,26,182	70,917	Jardine Henderson Ltd. ..	Bararee Coke	14 50	10	1 46	1 10	0 37		3 9	H.
4,43,350	98,000	9,25,102	6,69 530	1,317	Raisanji Mavji & Co. ..	Benaal-Bhatdee	5 88N	10	0 62	0 75			12	Y.
1,00,00,000	1,62,13,182	6,38,12,784	4,41,90,348	11,46,090	Andrew Yule & Co., Ltd. ..	Bengal Coal	290 00	100	35 00*P	17 50	17 50		10	Y.
2,25,000	3 76,706	24,82,075	22,49 080	—1,39,041	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	12 50	10	Nil	Nil	Nil		12	Y.
15,97,000	4 88,558	48,14 600	24,22 290	—94 379	R. V. Low & Co. (Private) Ltd..	Bhalgora	800 94	10	Nil				9	Y.
40,60,000	19,29,289	1,44,33,227	77,58,407	2,120	Sahu Jain Ltd.	Bharat Collieries	7 81	10	0 62	0 62	0 60		6	Y.P.T.
7,15,000	10 15,172	49,80,946	34,84,101	—4 92,586	....	Bhutanbaree	9 75	10	Nil	Nil			12	Y.T.
7,50,000	24,50,150	46,69,896	27,71,129	26,931	F. W. Heilgers & Co. Private Ltd.	Borrea	20 75	10	2 00	1 50	0 75		12	Y.P.
99,92,480	1,70,38,767	4,37,87,223	1,99,88,073	95,339	Bird & Co. Private Ltd. ..	Burrakur	20 37	10	0 62	0 68	0 37		6, 12	H.P.T.
49,97,750	....	46,39,014	2,401	12,90,014	Hindustan Investment Crpn. Ltd.	Central India	8 29	10	0 25	0 50	0 50		3	Y.
5,00,000	12,90,590	49,56 445	33,71,353	23,320	M.	Central Kurkend	10 50N	10	0 50	0 50			12	Y.
6,00,000	1,49,122	7,29,936(k)	....	10,537	F. W. Heilgers & Co. Private Ltd.	Churita	3.06	4	0 06	0 06	0 20		12	Y.
16,00,000	....	54,47,612	51,85,936	—67,535	Macneill & Harry Ltd. ..	Dhemo Main	8 75	10	Nil	Nil	Nil		12	Y.
£240,000	£302 875	£1 001,815	£764 050	£26,677	Jardine Henderson, Ltd. ..	East Indian	23 75	£1	3.00	2 50	1 50		4	Y.
29 83 760	98 25,027	4,34,54,587	3,12,99 709	59,782	Macneill & Harry Ltd. ..	Equitable	28 75	10	1 50	1 50	1 50		12	Y.P.T.
10,00,000	1,40,469	14,24,422	4 83,296	45,869	Thatter's Agency Ltd. ..	Ghusick and Musta	14 00	10	0 25	0 25			3	Y.
12,00,000	1,17,609	42,84,400	25,99,972	....	Killick Industries Ltd. ..	Hinair-Rampur	20 24	50	2 25	2 25	Nil		6	Y.
8,00,000	2,50,000	24 57 968	19 66 774	163	Macneill & Harry Ltd. ..	Hurriladih	15 00	10	2 50	1 50	Nil		12	Y.
8,50,000	3,85,984	14,76 413	7,56,154	—1,70,352	Andrew Yule & Co., Ltd. ..	Kalapahari	22 12	10	Nil	Nil	Nil	Nil	2	Y.
20,00,000	2,21,575	85,57,761	5,71,179	1,962	Bird & Co. Private Ltd. ..	Karanpura Collieries ..	122 00	100	2 50	5 00	Nil		2	Y.P.
5,00,000	19,66 031	49 73 401	39 04,335	1,68,572	Andrew Yule & Co., Ltd. ..	Kairaa Dharrah	68 00	10	4 50	6 50	6 50	6.50	1	Y.
11,00 240	66,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kurardi	2 75N	10	0 12	0 19			3	Y.
9,00,000	10,22,782	28,39,712	22,94,928	8,568	H. V. Low & Co. (Private) Ltd.	Lakurka	15 50N	10	0 12	0 12	0 12		4	Y.
7 48 240	2 25 900	13 43 909	8,89,769	55,358	Jardine Henderson Private Ltd.	Mahira	8 00	10	0 50	0 50	0 75		12	Y.
17,76 230	19,58 049	1,80,10,149	94 97 263	83,316	Andrew Yule & Co., Ltd. ..	New Beerbhoom	19 37	10	0 75	0 75	0 75		12	Y.P.
6,00,000	75,000	33,35,331	22 38 923	1,43,499	Octavius Steel & Co., Ltd.	New Manbhoom	12 50	10	Nil	Nil	0 50		3	Y.
1,15,000	8,85,824	13 05,939	9,24,131	25,543	Andrew Yule & Co., Ltd. ..	North West	19 75N	10	1 37	1 50	1 50	1.50	3	Y.
1,57,500							19 50Y	7.50	1 68	1 12	1 12	1.12		
7,50,000	15,69 648	3,97 666	2,77,666	41 941	F. W. Heilgers & Co. Private Ltd.	Ondal	12 50N	10	1 00	0 75	0 50		12	Y.P.
10,00,000	1,10 000	41 24 518	19,79,271	25 420	K. C. Tnapar & Bros. Private Ltd.	Oriental Coal	7 00N	10	0 25				12	Y.T.
8,34,000	90,000	23 49 867	9 36,591	3,580	Deepchand Kishenlal	Parsora	15 00	10	1 00	0 50			12	Y.P.
10 80,000	28,00,000	59,95,210	42,69,210	36 465	Shaw Wallace & Co., Ltd. ..	Pench Valley	24 75	10	1 50	0 70	2 00		3	Y.
15 75 000	25 66,851	1,87 28,021	91 88 662	29 060	B. N. Elliss & Co. Private Ltd..	Raneegunge	13 62	10	0 62	0 87	0 75	2.00	3	Y.
18 50 000	6 88 385	42 17 417	22 31,018	24 549	Shaw Wallace & Co., Ltd. ..	Rewa	12 50	10	2 07	1 50	1 00		12	Y.
37 50,000	37,12,000	95,06,524	26,57,721	21 162	M.	Samla Collieries	10 25	10	1 25	1 25	0 90		3	Y.
2 50 000	1,95,902	12 78 840	12,21 237	21,070	M.	Searsole	5 75N	2 50	0 75				1	Y.
2 50 000	9 2,998	29,24,442	19 99 221	48,188	Andrew Yule & Co., Ltd. ..	Seebpore	28.00	7	2 50	2 25	1 75		12	Y.P.
8,00,000	4,91 081	52,401	27,857	628	F. W. Heilgers & Co. Private Ltd.	Sendra	9.50	10	0 25	0 25	0 25		12	Y.P.
3 21,450	94,58,536				Industrial Trust Fund (Govern- ment of Andhra Pradesh)									
17 50 000	10,37 541	39 01,696	17,00 034	8 739	Bird & Co. Private Ltd. ..	Singareni	16 75cd	10	0 75	1 00			12	Y.T.
8,00,000	15,76,745	1 69,570	26 816	9 790	F. W. Heilgers & Co. Private Ltd.	South Karanpura ..	12 62	10	0 12	0 85	0 75		8	Y.
10 00 000		31 92 694	15 43 502	—5 62 907	M.	Standard	13 00	10	1 00	1 00	1 00		9	Y.P.
3 50,000	2 80 000	19 15 700	14 79 400	1 77,952	Williamson Magor & Co., Ltd.	Tatcher	1 94	2 50	Nil	Nil			9	Y.
10 98 000	70,784	65 72 308	24 15 896	11,543	Hindustan Investment Corpn. Ltd.	Union	16 25	10	Nil	Nil	0 37		12	Y.
7,00,000	66,784	58,61,405	27,57,669	—3,49 103	Macneill & Harry Ltd. ..	Western Bengal	6 78	10	0 50	0 50	0 50		3	Y.
						West Jamuria	7.75	10	Nil	Nil	Nil		12	Y.

‡ Less income-tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year 1955. * Including bonus. (k) Investments.
M—Managed by the Board of Directors. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
N—New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P.—Bengal Coal Co. Dividend for 1954 and 1955 are on shares of Rs. 200 each.
F—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.
‡—The dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share.

WORLD SUGAR TALKS

WILL BRAZIL AND PERU JOIN NEW AGREEMENT

(From Our Own Correspondent)

LONDON, *23rd September*

LONDON LETTER

NOW in session at Geneva is the International Sugar Conference convened under the auspices of the United Nations. The conference commenced yesterday and is expected to last for five to six weeks. It is being attended by the representatives of all the major sugar producing and consuming countries, the G.A.T.T., the Food and Agriculture Organisation, and the International Sugar Council. The major item on the agenda before the conference is to prepare the ground for a new world sugar agreement in place of the present one which is due to expire at the end of December next.

The existing Agreement, it will be recalled, came into effect on 1st January 1954. The Agreement provides for the fixation of initial export quotas of member-countries each year, based on estimated free market requirements according to price movements. The free market accounts for less than half of the total world sugar exports, the bulk of which is being covered under arrangements by individual countries.

The working of the Agreement in the past five years has not been fully successful in stabilising conditions in the world sugar economy. This is due to the fact that the Agreement does not include two large sugar exporting countries, Brazil and Peru, which together accounted for over 80,000 tons of sugar supplied to the free market during 1957. This quantity and the one million tons exported by other countries outside the Agreement resulted in a total supply of more than 1.8 million tons, which represented as much as 29 per cent. of the aggregate free market supplies of 6.2 million tons. Viewed thus, the main interest at the Geneva conference is naturally whether efforts will be made to persuade Brazil and Peru to join the new agreement. If these measures succeed, a number of non-member importing countries may be expected to view the agreement more favourably.

Meanwhile, conditions in the international sugar market have undergone severe changes since the present Sugar Agreement came into force. Heavy oversupply and depressed prices were the outstanding features of the free sugar market when 22 countries, among them Canada and Japan as two large importers, joined in efforts to stabilise sugar prices. The original aim of the Agreement was to maintain prices on a level of 3.25 to 4.35 cents per lb. This was to be achieved by estimating requirements and then fixing each year initial export quotas that would be in line with estimated requirements. These export quotas would undergo further corrections according to price movements on the markets.

The aforesaid stabilisation mechanism proved successful for a period of about two years, until November 1956: it maintained prices in the neighbourhood of the minimum target level of 3.25 cents. During that period, world stocks fell from 13.9 million tons to 12 million tons, and "excessive" stocks were practically eliminated. World consumption increased, at the same time, from 36 million tons to 41 million tons. Following the depression, prices began to rise rapidly from

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000 / 14,50,000 / 1,81,500	1,00,00,000	10,41,547	Allahabad Bank	362 00 / 131.00 / 109 00	100 / 50 / 100	18.00 / 9.00 / 6 50	18 00 / 9 00 / 5 00	18.00‡ / 9.00‡ / 6 00		12 / 6,12	Y.P. / H.
20,75,500	18,04,000	1,910	Andhra Bank	91 00	25	4 54	5 58	5 10			
1,00,00,000	1,28,00,000	4,10,731	Bank of Baroda	123 00	50	6.00‡	7 00	7 00		12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner	21.00	25	0 87	1.12	1.25	3.00‡	12	Y.
2,50,00,000 / 50,00,000 'A'	3 10,00,000	16,02,351	Bank of India	138 00 / 139 50	50 / 50'A'	8.00	8.00	8 00 / 8 00	3.00‡ / 3.00‡	12	R.L.Y.
15,30,375	29,00,000	52,270	Bank of Indore	63 00N	25	3.50	4.00	4 25		12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur	43.50	50	2.00	2 50	3 00		12	Y.
50,00,000	31,95,613	1,27,085	Bank of Mysore	305.00xd	100	16.00‡	16 00‡	16.00	8.00‡	12	Y.
15,00,000	45,00,000	44,768	Canara Bank Ltd.	86.00	50	5 00	5 00	5.00		12	Y.P.
7,50,000	13,15,000	5,679	Canara Banking Corporation Ltd.	77.00	50	5 50‡	5 00‡	5.00‡		12	Y.F
5,32,5870 'A' / 23,787'C'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	180.00 / 1'71	100'A' / 1'C'	12 50 / 12½ %	15 00 / 15%	15.00 / 15%		12	Y.
2,92,11,875 / 57,42,375	4,08,60,521	18,44,046	Central Bank of India Ltd.	58.50 / 60.50	25 / 25	3 00 / 3 00	3 50 / 3 50	3 50 / 3 50	1.50‡ / 1.50‡	12	R.L.
50,00,000	40,00,000	2,80,320	Devkaran Nanjee Banking Co.	45.75	50	2.50	2 50	3.00	1.25‡	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	26 37	5	0 87	1 37	1.00		12	Y.
1,25,00,000	6,25,000	21,046	Hindustan Commercial Bank	9 75	50	Nil	Nil			12	Y.
50,00,000	1,50,000	4,233	Hindustan Mercantile Bank	12 25	50	Nil	Nil	Nil		12	Y.
44,00,000 / 22,40,000	1,80 00,250	2,04,376	Indian Bank	227.00xd / 187.00cd	100	12 00‡	13 00	15.00‡	6.50‡	12	R.L.H.
56,32,250	46,56,200	2,32,067	Indian Overseas Bank	169 00	100	7 50	9 75	13.00‡	5.20‡	12	Y.
19 00,000	10,25,000	23,502	Pandyan Bank Ltd.	31.75	25	1.87	1 87	1.87		12	Y.
1,25,00,000	1,10,00,000	4,51,904	Punjab National Bank	85.00	25	3.50	4 00	5.00	2.50‡	12	Y.
1,00,00,000	29,17,000	5,628	Travancore Bank	26.25	25	1.00	1.00	1.25		12	Y.
40,00,000	40,00,000	1,50,332	Union Bank of India	7.40	5	0.37	0 44	0.44		12	Y.
2,00,00,000	1,54,00,000	49,483	United Commercial Bank	67.20	50	2.75	3.50	3.75		12	H

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent)					
£4,400,000	£5,700,000	£412,542	Chartered Bank	£2-5-0	£1	15†	15†	15†		12	Y.
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,062,468	Hongkong and Shanghai Banking Corporation	£4½‡	H.K.$125	5*	5*	12½* / 2	1¼*‡	12	Y.
£18,555 976	£18,000,000	£826,712	Lloyds Bank	£2-17-6	£1	12†	15†	15†		12	Y.
£3,940,000	£3,100,000	£231,452	Mercantile Bank Ltd	£1-14-9	£1	14†	14†	16‡†		12	Y.
£2,851,563	£3,104,687	£355,589	National Overseas and Grindlays Bank Ltd.	£1-4-0	sh. 12½	15†	15†	15†		12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R. L.—Reserve liability on shares. (I) Interim. * £ per share free of tax. xr=Ex-Right. Z.=The final dividend of £1-12-6 is on the increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1952	92.00	1st June .. 1962
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1943	100.15	31st December .. 1959-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	97.00	1st November .. 1963-64
25 00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November .. 1963-64
COAL						
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	96 00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Barrakar Coal Co.	1947	87.00	30th June .. 1967 (e)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December .. 1963 (e)‡
COTTON						
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1937	89 00	15th November .. 1964 (e)
70,00,000	5	1st April and 1st October	Buckingham and Carnatic	1953	98.00	1st March .. 1973 (e)
40,00,000	6	1st April and 1st October	Mahalakshmi Mills	1947	100.25	1st April .. 1967-72
18,71,400	5½	30th June and 31st December	Jaykhoe Textiles	1949	99.50N	1st January .. 1964-69
88,98,000	5	1st June	Tata Mills	1951	93 00	15th November .. 1966
ELECTRICS						
10 00,000	4½	31st March and 30th September	Agra Electric Supply Co. Ltd.	1950	90.00	31st March .. 1968 (e)
1,20,00,000	4½	15th June and 15th December	Ahmedabad Electric Co. Ltd.		99 00	14th June .. 1969
58,32,900	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98.50	1st October .. 1970
13,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90 00	31st December .. 1964 (e)
64,048,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1970 (e)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1943	94 00	31st December .. 1970
2,00,000	5½	1st January and 1st July	Sijua (Dherrian) Electric Supply Co., Ltd.	1951	91 00	30th June .. 1974 (e)
1,00,000	5	31st March and 30th September	South Madras Electric Supply	1939	95 00	1st April .. 1959-61
47,72,000	5	3rd April and 3rd October	South Madras Electric Supply	1948	93 50	30th September .. 1963-68
3,45,00,000	4	1st April and 1st October	Tata Power	1940	99.00	1st July .. 1976
			Tata Power	..	86.00	15th September .. 1945-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1960
30,00,000	5½	15th September and 15th March	Indian Rume Pipe (Fearne)	1942	97 00N	1st July .. 1957-62
10,00,000	6	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	80 00	31st May .. 1971
3,00,00,000	6	1st April and 1st October	Tata Locomotive	1950	96.50	1st October .. 1958 (e)
40,00,000	6	31st December	Textile Machinery Corporation Ltd	1950	95.50	31st December .. 1960 (e)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	90 50	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91 00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	77 00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90 00	30th June .. 1968
9,00,000	5	31st January and 31st July	Calcutta	1949	86 00	31st July .. 1968
20,48,000	5½	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
8,86,000	5	15th January and 15th July	Dalhousie Jute Co.	1954	90 00	31st March .. 1969 (e)
30,00,000	5½	31st March and 30th September	Empire	1951	90 00	15th July .. 1968 (e)
35,00,000	5	30th June and 31st December	Howrah Mills Co., Ltd.	1955	94 00	31st March .. 1970
25,00,000	5½	30th June and 31st December	Kamarcon Jute Mills Co., Ltd.	1949	90 00	31st December .. 1964 (e)
5,00,000	4½	14th November and 14th May	Kalhati	1952	90 00	31st March .. 1967 (e)
20,00,000	4	30th June and 31st December	Nellimarla Jute Mills Co., Ltd.	1939	92 00	14th May .. 1968
25,00,000	5	31st March and 30th September	Northbrook Jute Co. Ltd.	1945	80 00	31st December .. 1964
12,00,000	5½	30th June and 31st December	Ludlamow Jute Mills Co., Ltd.	1950	85.00	5th September .. 1966 (e)
10,00,000	5½	31st January and 31st July	Union	1937	90 00	31st March .. 1967
			Waverly	1955	80.00	31st July .. 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£139,363	5	1st April and 1st October		1923	£74.10N	
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1959 (e)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£54N	Any time on six months' notice (e)
4,16,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	96.00	1st September .. 1968
PLANTING						
11,25 000	6	31st March and 30th September	Nilgiri Tea	1944	99.50	1st April .. 1958-66
1,27,600	5½	31st March and 30th September	Tealoy		100.00	31st March .. 1948-56†
MISCELLANEOUS						
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92 00	31st December .. 1968
45,00,000	4½	1st January and 1st July	Associated Hotels of India	1948	85 00	31st December .. 1962
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	100.50	1st September .. 1964-69 (e)‡
2,00,00,000	5½	1st April and 1st October	Calex Oil Refining (India) Ltd.	1955	100 80	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85 00	1st February .. 1964
19,29,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1926	83 00	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78 00	15th September .. 1966
1,80,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	84 00	
1,05,21,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	103 00	1st January .. 1971(e)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	100.50N	30th June .. 1969 (e)‡
15 00,000	5	2nd January and 2nd July	Mettur Chemical Industries	1949	88 00	30th September .. 1964
9,53,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	540 00	30th September .. 1976 (e)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	465.00 (per note)	31st December .. 1972 (e)
75,00,000	5	1st April and 1st October	Mysore Lac and Sarry Ltd.	1951	84 00N	1st April .. 1964
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100.00	30th June .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	91.50	31st March .. 1965-70
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91 00	31st December .. 1961 (e)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	100.75	1st May .. 1968(e)‡‡

(e) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1959 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 25th September 1958.

	Closing quotations 18-9-1958	High	Low	Closing quotations 25-9-1958
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	176 25	173.72	172.50	172 50
Apollo (2)	1 62	1 68	1 60	1.66
Bombay Dyeing (25)	63 50	63.40	61.10	61 40
Bradbury (50)	175 00	—	—	175 00
Central India (100)	97 00	98 50	95 00	95.00
Century Mills (100)	468 00	474 00	461 00	464 50
Colaba (100)	29 25	29.75	29.50	29 75
Edward Textile (200)	257 50	—	—	257 50
Elphinstone (50)	40 00	—	—	40 00
Finlay (100)	295 00	300 00	289 00	290 00
Gokak (100)	152 00	152 00	150 00	150 00
Ind. Untd. Defd. (1)	1 30	1 38	1 28	1 32
Ind. Untd. Ord. (10)	9 96	10.00	9 84	9 96
Indore Malwa (100)	107 50	108 00	105 00	108 00
Khatau (100)	187 50	187 50	182 50	182 50
Kohinoor (100)	283 00xd	288 00	279 50	281.50
Lakshmi (250)	445 00	445 00	442 50	445 00
Minerva Mills (100)	64 00	—	—	64 00
Model Nagpur (250)	167 50	175 00	166 25	175 00
Morarji (100)	246 00	252 00	240 00	252 00
Mysore (50)	95 00	—	—	95 00
National Rayons (100)	249 00	250 00	243 00	243 75
New City (100)	113 75	—	—	113 75
New Great (100)	230 00	230 00	218 00	220 00
Phoenix (100)	137 50	137 50	135 00	137 50
Podar Mills (100)	141 50	141 00	140.00	141 00
Rasoon Silk (10)	9 76	—	—	9 76
Rasoon Yarn (10)	42 00	41 00	40 00	41 00
Shoiapur (1,000)	375 00	450 00	425 00	450 00
Shrinivas (100)	153 00	155 50	151.00	151 50
Simplex (50)	182 50	188 50	180 00	184 00
Standard (100)	431 00	431 00	424 00	424 00
Swadeshi (100)	204 50	205 00	194 50	195 00
Swan (100)	360 00	362 00	360 00	362 00
Tata Mill (25)	38 50	41 25	38 75	39 00
Vishnu (100)	107 50	108.75	102.00	102 00
Western India (1,000)	4,525 00	—	—	4,525.00
BANKS				
Bank of India (50)	136 50	138 25	136.50	138 25
Do. (New) (50)	138 50	140 00	138 50	139 75
Bank of Baroda (50)	121 00	123 00	122 00	123 00
Central (25)	57 20	58 80	57 20	58 50
Central 'A' (25)	59 00	61 00	59.00	60 50
Dena Bank (50)	45 75	—	—	45 75
Punjab National (25)	65.50	65 80	65.00	65 00
Union Bank (5)	7 28	7 44	7 24	7 40
United Com. (50)	65.00	68.00	65 00	68.00
ELECTRIC COS.				
Ahmedabad (100)	99 00	99 40	98 80	99 00
Amalgamated (10)	10 96	11 08	11 00	11 04
Andhra Valley (1,000)	1 166.25	1,175 00	1,155 00	1,172.50
Bom. Sub-El. (100)	113 00	113 00	112 50	113 00
Surat (100)	118 00	120 00	115 50	118 00
Tata Hydro (100)	121 50	124 50	121 50	124 00
Tata Power (1,000)	1 220.00	1,262.50	1,215.00	1,245.00
INSURANCE COS.				
British India (10)	15.72	—	—	15.72
Empire of India (100)	268 00	—	—	265 00
Ind. Mercantile (20)	51 50	51 50	48 00xd	48 00xd‡
Jupiter (15)	7 12	7 24	7 12	7 24
New India (15)	46 25	48 00	46 25	47 75
Oriental (100)	4,035 00	—	—	4,035 00
Universal (10)	12 00	13 00	12 00	13 00
Vulcan (10)	19.24	19.76	19.24	19.76
STEEL COS.				
Ind. Iron (10)	25 05xd	26 25	25 65	26.00
Tata Steel Ord. (75)	186 25	189.75	185.00	187.00
SUGAR COS.				
Belapur (50)	319 00	324 00	314 00	315 00
Bhopal (10)	26 15	27 00	26 15	26 00
Phaltan (50)	184 00	186 50	179 00	182 00
Walchand Ind. (100)	295.00	296.25	291.25	291.25
CEMENT COS.				
Associated Cts. (100)	165 50	167 00	160 50	160.50
Dlavijay (100)	152 50	163.00	151.00	151.00
MISCELLANEOUS				
Alcock Ashdown (100)	288 75	280 00	208 75	277 50
Bom. Burmah (125)	523 00XR	524.00	507 00	508 00
Do. (New) (50)	231 25	231.25	230 00	231 25
Br. B. Petrol (4 sh.)	2 34	2 36	2.18	2 20
Br. I. Corpn. (5)	3 94	4 00	3 94	4 00
C. P. Rly. (100)	56 50	56 50	56 00	56 50
Hindusthan Motors (10)	8 28	8 32	7 92	8 04
Indian Copper (2 sh.)	4 14	4 14	4 08	4 08
Ind. Nav. Tr. (100)	82 30	80.50	78.50	79 30
Kilburn (100)	149 50	151 00	149 75	150 00
Poison (100)	166 00	167 00	162.50	167.00
Pra. Automobiles (100)	94 50	96 50	91.50	92.00
Premier Cen. (50)	242 00	244 00	232 00	235.00
Scindia (20)	22 74	22 72	21 88	21.92
G. E. Shipping (10)	26 85	27 00	26 70	26 85
Shivalpur (10)	94.50XR	97 00	91.00	92.00
Tata Chemicals (10)	18 00	18 24	17 64	17 80
Tata Locomotive (100)	200 25	208 50	200 00	205.00
Tata Oil (25)	43 00	43 25	40 50	40.75
W. I. Match (100)	208.00	203 50	196.00	196.00

GOVERNMENT SECURITIES	18-9-1958 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	25-9-1958 Rs.
2½% 1961	97 15	—	3 84	97 15
2½% 1960	99 00	—	3 31	99 00
2½% 1962	96 85	—	3 57	96 80
2½% 1956-61	83 20	—	4.08	83 20
3 % 1959-65	99 85	3.16	3 05	99 85
3 % 1964	96 75	—	3 58	96 75
3 % 1965-85	96 70	3 71	3 50	96 70
3 % 1966-68	94 00	3 88	3 71	94 00
3 % 1970-75	89 85	4 06	3 80	89 85
3 % 1986 Con. Loan	74 00	—	4 068	74 00
3 % 1960 70	100 60	3.70	3 94	100 60
3½% 1961 N.P. Bonds	100 00	—	3 43	100 25
3½% 1964 N.P. Loan	100 05	—	3 50	100 00
3½% 1965 N.P. Bonds	99 80	—	3 53	99 80
3½% 1966	99 10	—	3 55	99 70
3½% 1967 N.P. Bonds	98 85	—	3 72	100 35
3½% 1974	98 80	—	3 63	98 85
3½% 1967 N.P. Bonds	100 35	—	3 70	98 30
4 % 1972 Loan	100 05	—	3 94	100 50
3½% 1968 N. P. Bonds	100 20	—	3 49	100 05
4 % 1978 Loan	100 30	—	3 98	100 25
				100.30

BRITISH GOVERNMENT SECURITIES

	Closing quotations 18-9-1958 £			Closing quotations 22-9-1958 £
2½% Brit. Consols	51½	—	—	51 ½
3 % Savings Bonds 1965-75	73½	—	—	73½
3% War Loan 1955-59	99½	—	—	99½
3½% War Loan	68 ½	—	—	68½
4% Victory Bonds 1976	93 ½	—	—	94½
4% Funding 1960-90	88½	—	—	89

* Current Income. x.d.—Ex-dividend. xr.—Ex-Right.

COMMERCE

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

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MEMORABLE COMMONWEALTH ECONOMIC CONFERENCE

WHEN about a year and three months ago, Mr. Diefenbaker, the Canadian Prime Minister, proposed that a trade and economic conference of the Commonwealth be held at Montreal as early as possible, we were rather sceptical of the value of his suggestion. We had then three good reasons for holding that view. In the first place, the previous Commonwealth conferences had produced no tangible results, excepting some pious resolutions and pleasant platitudes on the value of the Commonwealth of nations. Secondly, Britain was passing through difficult times; the pound sterling was showing signs of weakness; and there was, therefore, little possibility of this keystone of the Commonwealth arch being in a position to provide any sizable assistance to the economically poorer members of the Commonwealth. And, thirdly, Mr. Diefenbaker, who had just then come to power in Canada, was pictured in a large section of the world Press as one nursing anti-American feelings and that he was seeking closer economic alliance with the Commonwealth presumably to counteract the influence of American capital. The impression that one gained was that he might try to convert the Commonwealth into a sort of anti-American trade club. We are now happy to find that these misgivings have been belied. The Montreal Conference has turned out to be the most memorable and momentous of all the Commonwealth conferences so far held. It has imparted a new economic life to the Commonwealth. The richer members of this unique voluntary union of the free peoples of the world have shown great statesmanship and made the Commonwealth bond meaningful to the poorer members of the union.

Mr. Diefenbaker and his Cabinet colleagues have acted in an exemplary manner. He has proved himself to be a liberal, with progressive views, and not a conservative diehard that some predicted he would be. The present Canadian Government, under the leadership of Mr. Diefenbaker, has not only maintained the policy of helping the underdeveloped countries followed by its predecessor but also actually made it more substantial. At the Commonwealth Trade and Economic Conference, which concluded on 26th September after lasting for about two weeks, Canada was wholeheartedly in favour of the developed countries rendering more assistance to underdeveloped countries. Mr. Diefenbaker strongly supported the idea of a Commonwealth Development Bank and straightaway announced that his country was willing to double its subscription to the World Bank, involving an additional commitment of $325 million, and to raise its quota to the I.M.F. by 50 per cent. Canada would also increase its aid through the Colombo Plan by 50 per cent. This would mean, according to Mr. Donald Fleming, the Canadian Finance Minister, an annual appropriation of $50 million, as against $35 million hitherto. Besides this, the Canadian Government is arranging to make special contributions of foodgrains to India and Pakistan. It has also expressed itself in favour of establishing at an early date a foodgrains bank, an idea mooted at the last meeting of the F.A.O. and voiced again at the Commonwealth Conference by the Pakistan representative. Another proposal made by Canada was that a Colombo Plan-type scheme should be evolved for helping Africa; indeed, it has already decided to set aside $500,000 for technical assistance to this area. Canada has thus made a significant contribution for strengthening the underdeveloped countries' faith in the Commonwealth. The tribute paid to Canada by Mr. Morarji Desai, India's Finance Minister, was, therefore, fully justified. He said that the fact that, though Canada was still a capital importing country, it nevertheless spared a portion of its resources to assist development in the Commonwealth, was a most heartening sign of Commonwealth co-operation.

Britain, too, has made a substantial contribution for making the Commonwealth meaningful to the less developed countries which were once part of its far-flung Empire. There is a sense of disappointment, especially in India and Malaya, that the British Government's spokesmen were lukewarm in their support to the scheme for establishing a Commonwealth Development Bank. Instead of actively pursuing and giving a definite shape to the proposal, they coldshouldered it. Consequently, it did not come up even for a detailed discussion. Why were the British Ministers not enthusiastic about this proposition, though business circles in London appeared to be in favour of it? Mr. Heathcoat Amory, Chancellor of the Exchequer, explained that, at one time, his Government had been attracted by the idea of a Commonwealth Development Bank, but, after a study, it had concluded that this would not necessarily stimulate more savings either within or outside the Commonwealth. He added that the U.K. was looking forward to the discussions at New Delhi next week on the proposals for expanding the capital of the World Bank and the establishment of International Development Agency. Although he did not favour a Commonwealth Bank now, he had an open mind about the future machinery for consultation on developments funds. It would appear from the comments of the *Financial Times*, London, that the main reason for the aforesaid decision of Britain is the belief that the proposal "ran the risk of putting overoptimistic ideas into the minds of potential borrowers, while arousing no enthusiasm among potential lenders." Be that as it may, the Conference generally accepted the line taken by the British Chancellor of the Exchequer and decided to consider the proposal after the meetings of the World Bank and the International Monetary Fund at New Delhi. It could have done nothing else, for there could be no Commonwealth Development Bank without the enthusiastic support of Britain, as a sizable part of its resources—initial resources at least—has to come from it.

Although the British Government has not been in favour of the Commonwealth Bank, it enlivened the Conference by announcing a wide range of measures, which, if effectively implemented, would mean a considerable increase in its economic aid to Commonwealth and Colonial territories. These are: (1) economic assistance loans to Commonwealth countries through credits under the Export Credit Guarantee Act at the same rate of interest at which the British Government is able to raise loans, *plus* a service charge of ¼ per cent.; (2) similar loans to Colonial territories direct from the British Government on the same terms but free of service charge; (3) Development Boards and similar subordinate authorities in the latter territories, as well as in the Commonwealth, to be allowed to raise funds direct from the capital market in London; and (4) the scope of the Commonwealth Development Finance Company, created by the Bank of England with the help of British banks, to be widened by asking the other Commonwealth Governments to participate in its capital. It is under the first measure that the British Government gave India a loan $108 million a few days ago. It has also given a similar loan of a little over $30 million to Pakistan and $10 million to Ceylon. Although the British Government could have always given loans under the E.C.G.D., it was all along opposed to Government-to-Government loans to independent countries. By departing from this outmoded stand, it has thus broken new ground and imparted to the E.C.G.D. a status similar to that of the U.S. Government-owned Export-Import Bank.

From all accounts of the proceedings of the Conference, it appears that Mr. Morarji Desai, India's Finance Minister, was able to make a deep impression on the members attending the Conference about the urgency of the capital needs of backward countries. It is a pleasant surprise to hear that the Conference accepted his thesis that each one of the more developed countries should be prepared to spare some capital for investment in the underdeveloped member-countries *even at a sacrifice* to itself. Until now, this idea was not very much relished in the Western countries. Critics in the West used to say that it was very unrealistic on the part of leaders in the East to suggest that the people in their countries should be asked to forgo a bit of their comforts, in order to make available more capital for investment in the poor countries in the East. Apparently, the Indian Finance Minister's contention, that the striking contrast between Eastern poverty and Western wealth was the most important international problem of our times and that neither the world nor the Commonwealth could continue to march forward if some countries and their people had nothing but poverty and stagnation to look forward to, must have gone home. It is needless to add that, even from a purely materialistic point of view, the idea of saving for international investment should have an appeal to the thinking sections in the West. For, as Mr. Desai rightly pointed out, "when all these investments fructify, they will set up a cumulative process of higher production, higher consumption and higher investment. The vast markets of Asia and Africa can be opened up only through such channelisation of savings from the industrially more advanced countries." Anyone who travels round the richer countries in the West will see for himself that peoples

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WEEK'S STOCK EXCHANGE

there can easily save a little more than they are doing now without causing any discomfort to themselves or reducing their living standards. As will be seen from our London Letter this week on page 548, the British people, to give an example, spend more on expenditures of indulgence type than they save and invest.

Another pertinent point urged by Mr. Morarji Desai was that the industrially advanced countries should not impose restrictions on imports of manufactured goods from the less developed countries which were trying to industrialise themselves. A typical instance in point is provided by exports of cotton textiles by India and Pakistan to Britain. If simple manufactures of this nature were to be subjected to import restrictions, whether officially or unofficially, by the richer countries on the ground that their domestic industries making those very goods are adversely affected, how are the poorer countries to pay for the capital goods and essential raw materials which they have to buy from them? This point, it is gratifying to find, was readily appreciated and warmly supported by the British spokesmen and the whole Conference has accepted the thesis that "it is important not to place obstacles in the way of manufactured goods exported by underdeveloped countries." It is to be hoped that the Minister for the British Board of Trade and the Chancellor of the Exchequer will prevail upon the cotton millowners and the trade union leaders in Lancashire to withdraw their demand for a ceiling on imports of Commonwealth cotton goods into the U.K. and to drop the pressure tactics which they have been pursuing for several years now. By doing so, the British Ministers will actively demonstrate that they are implementing the principles agreed to at the Montreal Conference.

Allied to the question of exports from the less developed countries is the problem of stabilisation of commodity prices, a problem in which almost all the members of the Commonwealth are keenly interested. Frequent fluctuations in prices of primary commodities seriously upset the economies of producers and handicap their plans for development. This is a very complicated issue and is not easy of solution, because stability of commodity prices is dependent upon a variety of factors, besides the basic economic law of supply and demand. Pressure from domestic producers for protection, disposal of stockpiles and political rivalries are only some of them and can seriously disrupt the markets. Import restrictions placed by the U.S. to protect its producers of lead and zinc a few days ago is a typical example of the first factor. The unloading of stockpiles by Russia, the undercutting of prices of tin by Russia and of cotton textiles by China are notable instances of the second and third factors. It is said that the failure of the International Tin Agreement is due to dumping of Russian tin. There can, therefore, be no sustained stability in commodity markets, unless the agreements negotiated have the backing of all the principal producing and consuming countries. The attitude taken by the U.K. spokesmen on this subject was commendable, because it was pragmatic and realistic. Sir David Eccles, President of the U.K. Board of Trade, set down the following prerequisites for a successful working of commodity agreements:

(1) A steady and expanding industrial production should be the objective of all the countries, particularly industrial.

(2) A commodity scheme should not be inconsistent with long-term trends, lest it should stimulate substitutes.

(3) The problem must be tackled commodity by commodity.

(4) The great majority of both producers and consumers should be parties to stabilisation schemes.

There can be no two opinions about the pertinence of all the aforesaid conditions. In fact, we would like to add one more, and that is, producers of primary commodities themselves should take care not to follow a fiscal policy which would tend to distort either the supply or the demand for their produce. It cannot be denied that, during the post-war years, some of the primary producing countries have made quite a few serious mistakes in this respect.

Subject to the aforesaid conditions, Britain, it is noteworthy, has agreed to extend its full support to plans for stabilising commodity prices. It would appear from the summary of the official *communique* on the Montreal Conference that other members have broadly accepted the viewpoints of the U.K. delegate and that Britain has undertaken to participate in the preparatory discussions for renewal of the International Wheat Agreement, a decision which must have pleased Australia and Canada. The Conference has called for the setting up of an international study group without delay to examine the latest developments in the international trade situation in lead and zinc and for another group to study the problems of other commodities later on. It has also invited countries outside the Commonwealth to join the Commonwealth countries in their efforts to moderate short-term price fluctuations. This appeal will, it is to be hoped, evoke sympathetic response not only from the free world but also from the Communist countries. The Commonwealth countries have set for themselves an ideal which is conducive to international economic co-operation. And that ideal is an "expanding Commonwealth in an expanding world." It is true that the Commonwealth countries have decided not to give up the system of Commonwealth preferences. But this is not in any way an obstacle to expanding world trade. For the greatest beneficiaries of Commonwealth preferences today are the underdeveloped parts of the Commonwealth and the primary producers in New Zealand and Australia. It was agreed at Montreal that the Commonwealth should not be "inward looking" but "outward looking." It can, therefore, legitimately expect other trade area groupings such as the proposed European Free Trade Area to reciprocate this policy.

The question of convertibility of sterling also figured prominently at the Montreal talks. Canada was very keen that sterling should be made convertible without any further delay. We do not think that other members of the Commonwealth were very much concerned with this problem. This is natural, for almost all of them are short of foreign exchange, including sterling, and have found it necessary to resort to import restrictions in varying degrees. Nor does Britain feel that conditions are propitious for embarking on full convertibility now, though its trade and foreign exchange position has vastly improved during the past twelve months. But it has respected Canada's desire in a large way by freeing imports from the dollar area and by reiterating that convertibility is its ultimate goal. The removal of discrimination against import of goods from the hard currency area is undoubtedly a big step towards convertibility. The U.S. deserves to be thanked for this welcome development. There is no doubt that President Eisenhower's proposals to raise international liquidity, announced a few days before the Montreal Conference, must have induced Britain to make this bold move, which, in turn, has induced Canada to modify its discrimination against some of the British goods. The Montreal Conference has thus done more for the promotion of world trade and the progress of underdeveloped countries than any other previous Commonwealth conferences.

DEBATE ON SECOND PLAN

BY far the most useful purpose served by the Parliamentary debate on the second Five-year Plan was that it provided an opportunity for the Government to define the size of the Plan. Now that the Government has announced its intention to limit the monetary outlay in the Plan to Rs. 4,500 crores, can it be hoped that the earlier estimates of a larger size will be given up and that the confusion created by them will yield place to some definite targets? But even now, there is little room for this hope, because of other serious uncertainties which surround the Plan. The country has received no clear lead as to what would be accomplished within the outlay now agreed upon as the limit of expenditure. Nor is it certain whether the resources now in sight or in prospect will enable the Government to reach the Rs. 4,500-crore target. Following the Washington Conference of India's friends in the West in August last, it was generally assumed that the problem of foreign exchange resources had been solved. But now we are told that the foreign exchange position, in relation to the Plan as a whole, remains as doubtful as ever. From all this, it should be clear that the debate, far from clarifying the uncertainties, has only added to the confusion and created among the people an attitude of resignation to a policy of drift, so inimical to the progress of the Plan.

Much store was set by the Government and its supporters by flexibility in the Plan. It was pointed out that, from the very beginning, the Government had insisted on the Plan being a flexible one and that the adjustments which had been made were all in consonance with the "flexible" character of the Plan. Now flexibility is a great and useful concept, rigidity in planning being rightly condemned as a totalitarian device. It would, however, be wrong to extend the scope of flexibility to cover slip-shod planning, administrative failures and inefficiency and all increases in expenditure beyond the levels contemplated earlier. In short, the principle of flexibility should not be invoked to justify all errors in planning. Within limits, it is vitally necessary. But what has now happened is that, in the name of flexibility, changes are being effected which stem from the fact that all original assumptions have gone wrong and new ideas of what is important and what is not are entertained. The Government has got its forecast of resources, its estimates of non-Plan expenditure, its assessment of foreign exchange position all wrong, despite the fact that, in at least two of these three spheres, namely, in resources and in foreign exchange, there have been many favourable trends. Thus, in resources, its revenue has exceeded its earlier expectations, while, in the sphere of foreign exchange, it has received aid not contemplated earlier. If, in the face of these favourable factors, the Plan needs revision, it is because the earlier estimates of expenditure and investment were not always realistic and the execution of the Plan has lacked the necessary efficiency and direction.

In retrospect, it was certainly wrong to have embarked upon an ambitious plan, without clear conceptions of the availability of resources for implementing it. But some of those who criticise the Government today must plead guilty to the charge that they not merely supported but actually encouraged the authorities to adopt an inflexible attitude towards the Plan. It was not long ago that both the Government and the opposition were unanimous in demanding that the Plan, the entire Plan, should be carried through. Even in May last, when it had been abundantly clear that the position was difficult, the National Development Council did not hesitate to add to the Plan. Against this background, it is no small consolation that the Government has set its face against any increase in the Plan outlay. The Union Minister for Planning, Mr. Gulzarilal Nanda, made the point in the Lok Sabha and reiterated it in the Rajya Sabha that the Government had no intention of exceeding the Rs. 4,500-crore outlay. He stressed that the estimate of the additional outlay of Rs. 150 crores, given in the Planning Commission's report on the reappraisal of the Plan, is a reflection of the "indications of our pressing demands", but the Plan itself stood at Rs. 4,500 crores.

Nevertheless, it is somewhat disconcerting to note that Mr. Nanda suggested, at one stage of the discussion, that, if "more resources were raised, more things could be done." It would be better for the country if the Government gave up this attitude. It is true that large additional resources are not in sight. But, if they became available, it should not tempt the Government to take upon itself new responsibilities. The chief point is that the authorities, from now onwards, should be prepared to utilise any possible increase in revenue in order to give relief in taxation. Nor should such relief be looked upon as some unwelcome necessity. Actually, it is necessary in the interests of larger production and exports, both of which ought to form part of any scheme of planning. It is, perhaps, characteristic of the present composition of Parliament that the need for tax relief got so little emphasis. It was, however, emphasised that a minimum level of imports was necessary for the maintenance of the economy. But it was overlooked that a stage had been reached where relief in taxation was equally necessary for its maintenance.

What makes production and exports so vital for the progress of the Plan is that the foreign exchange gap now seems wider than was originally estimated—or to be more precise, feared. Indeed, a somewhat disturbing revelation in the debate was that the gap would be as wide as Rs. 1,850 to Rs. 1,900 crores. This is a far cry from the original estimate of Rs. 1,100 crores and also considerably higher than the estimate of Rs. 1,700 crores arrived at in May last. One thought that the external aid received since the beginning of the Plan, together with the carry forward from the first Plan, would have gone to reduce the gap and that the real problem was the raising of internal resources. It would now appear that, although the gap in external resources may not be as wide as Rs. 2,000 crores, it cannot be far short of that figure. A partial explanation for the deterioration in the foreign exchange position beyond the level originally envisaged is the fact that the country has had to import foodgrains on a large scale. Imports of foodgrains aggregated 2.4 million tons in 1956-57 and 3.5 million tons in 1957-58—imports in these two years were valued at Rs. 259 crores, of which the amount covered by special arrangements was Rs. 173 crores—and in the current year (1958-59), imports may aggregate 3.5 million tons. The outstanding foreign exchange commitments have, however, been reduced from Rs. 990 crores (as at the end of September 1957) to Rs. 888 crores at the end of March 1958, of which the commitments by the Government amounted to Rs. 547 crores, by the private sector to Rs. 300 crores, and imports of iron and steel for use in both sectors to Rs. 41 crores. It is said that the rate of decline in foreign exchange resources, which was Rs. 18.2 crores per month in the first year of the Plan and increased to Rs. 21.7 crores in the second year, is now running at a monthly rate of only Rs. 15 to Rs. 16 crores (first five months of 1958). But it must not be forgotten that the outstanding balances today are far less than they were a year or two ago. Again, the repayment of credits now arranged, it is estimated, will mean, an annual drain of Rs. 100 crores at the later periods of the second Plan and in the beginning of the third. It is not clear from what Mr. Nanda said whether or not the foreign exchange gap has now been fully covered. If it has been, why does he say that the gap has widened. In reply to the criticism that the country's future was being mortgaged for the present, Mr. Nanda stated that, so long as foreign exchange credits were utilised for strengthening the capital base, they could not be regarded as a burden on the future generations. This is a valid argument, provided the credits are utilised only for strengthening the economy, and not frittered away in other items of expenditure.

Analysing the broad pattern of the revised Plan, Mr. Nanda said that the Rs. 4,500-crore Plan relied on budgetary resources (50 per cent.), on external assistance (23 per cent.) and deficit financing (27 per cent.), as compared with 58.3 per cent., 16.7 per cent. and 25 per cent., respectively, in the original Rs. 4,800-crore Plan. He added: "Our dependence on external assistance and deficit financing is relatively very much larger than it should be. That is the crux of the whole situation." Even at the risk of facing the charge of trying to appear wise after the event, it is certainly arguable that the increased dependence on external assistance and deficit financing could have been avoided, if the country had not frittered away its foreign exchange resources on relatively less essential items and its budgetary resources on non-Plan items.

It is, however, gratifying to note that the Government has now staged a come-back to the two fundamental facts of Indian economic situation—agriculture and economy in expenditure. Mr. Nanda made it clear that agriculture ought to receive high priority. Only, here too, it is a tale of lost opportunities. For, if the Government had concentrated on fertiliser production through the grant of necessary facilities to prospective Indian and foreign manufacturers, the country could have had more fertilisers, more food production and eliminated, to a large extent, the imports of foodgrains. As regards economy in expenditure, the way in which non-Plan expenditure has been allowed to increase is a serious reflection on the Government's ability to control the national purse. It is true that the rise in defence expenditure could not be helped —security of the country comes above everything—but adequate allowance ought to have been made for this contingency in estimating the resources available for the Plan. Defence apart, Mr. Nanda stated that constructions alone would absorb Rs. 1,000 crores during the Plan period and that a 20 per cent. economy in constructional expenditure was possible. Indeed, a review of such expenditure will reveal that even a larger saving is well within the bounds of practical finance. Through prudent administration and resolute will, it should be possible to ensure that not only national expenditure is kept to a minimum but every rupee spent goes farther in physical terms than it does now.

Sir JOSEPH ASPDEN KAY, K.B.E.



UNDER SECRETARY TO GOVT. 6 - OCT 1958 PUBLIC DEPARTMENT

IT is with deep regret that we record the death, on 1st October, of Sir Joseph Aspden Kay, K.B.E., Chairman and Managing Director of Messrs. W. H. Brady & Co., Ltd. as well as of "Commerce" (1935) Ltd. He died in his home at Conway, North Wales. He was 74. By his long association with India, which extended over a period of half a century, this enlightened Britisher had come to symbolise all that is best in Western industrial and commercial traditions—a sense of willingness to face risks, high integrity and patient endeavour. It is these qualities which inspired in his assistants a sense of loyalty and also enabled him to build up the many industrial concerns which are part of the Brady enterprise. Indeed, the spontaneous tributes which were paid to him in February last on the completion of 50 years of his association with India by the numerous employees of the Brady concerns and business associates of Bradys showed in what great respect he was held by those who were connected with him. To this journal, which he helped so much to build up from a stage at which it was a losing concern, his death is a personal loss. Not many perhaps know that, if he had not taken over *Commerce* in 1935 and brought it down to Bombay from Calcutta where it was actually sinking, it would probably be not in existence today. Sir Joseph was one of those men who look upon commerce and industry as a way of life rather than a mere profession. The care which he bestowed on his concerns, even in his old age when he did not possess the physical energy of his earlier years, was something which younger men may have envied.

Sir Joseph was, however, more an institution than a managing director of a prosperous enterprise. The five decades of his intimate contact with the country provided him with an uncanny insight into the working of the Indian economy, in the shaping of which he had himself played a not inconsiderable part. His interests extended far beyond the business enterprises of Bradys—two cotton mills, a dyeing works, a large printing press, one of the largest and most modern of India's sugar mills—for he was thrice Chairman of the Millowners' Association, Bombay, once President of the Bombay Chamber of Commerce and of the East India Cotton Association, and Vice-President of the Indian Central Cotton Committee for three years and of the Bombay Gymkhana for 19 years. Among his services to the country must be mentioned the work he did as the Chairman of the Back Bay Enquiry Committee, the report of which exposed the folly of the Lloyd Reclamation Scheme which constitutes a very dark chapter in Bombay's financial history.

Of his many qualities, the one that most readily comes to mind is, of course, his unflinching courage. He was as undeterred by temporary setbacks in fortunes as he refused to be unduly elated by success. Those who have known him in the Great Depression of the thirties—the only depression which is still spelt with a capital letter—know him as one who faced the challenge of the period by hard work and a feeling that the economic world could not remain continuously dark. It is a measure of the man that he did not retrench any employee at the time, although it was a period when most business and industrial concerns cut their working force to the minimum. Economic prosperity, founded on free enterprise, is built by men precisely of his type, who will be neither intimidated by setbacks nor allow themselves to be easily swept off their feet by the first signs of success, who look beyond their life-time to a future whose fruits they may never live to see. His memory will remain vivid in the enterprises which, having received the benefit of his guidance in the past, are now established on strong financial foundations and possess the services of able men who have been nurtured in the high traditions he has left behind.

SHARES ENCOUNTER BULL LIQUIDATION

PRICES SUFFER MARKED SETBACK

(From Our Own Correspondents)

BOMBAY, 2nd October

THE share market had only three working sessions during the week under review, since it remained closed on 26th and 27th September, as well as today. This brief period witnessed a marked setback in equities. The bulls, who had gone long in previous weeks induced by encouraging reports of foreign aid and incentives for export promotion, were persistently liquidating their holdings. But buying enquiries were at a low ebb, thanks to the absence of any new development. Moreover, the yields on shares had gone down greatly, as a result of the appreciable rise in values, so that investment support was lacking. There were, besides, reports that the recent purchases of the Life Insurance Corporation were of a small order, even those being confined only to bank and coal shares. Textile shares were particularly depressed, following bearish advices from piecegoods markets where the domestic and overseas offtake continued to be poor. Although there was a notable recovery today on account of profit-taking, the closing rates generally were nevertheless lower than those at the end of last week.

Tata Ordinaries opened at Rs. 176.25 *ex-div.* on Monday, as against Rs. 187 *cum-div.* on Thursday last, and came down on selling pressure to Rs. 173 on Tuesday. After recovering to Rs. 176.25 yesterday, they finished lower at Rs. 175.75. The net loss over the week was Rs. 3. The new shares dropped Rs. 3.69 to Rs. 171.25 *ex-div.* Indian Irons fluctuated between Rs. 26.35 and Rs. 27 and finished at Rs. 26.75, a net gain of 25 nP. The Company announced on Tuesday the Directors' decision to issue bonus shares in the proportion of one share for five shares, subject to the consent of the Government. After the announcement, the market in this scrip was a little weak, but improved on Wednesday. There was a heavy turnover.

In the textile section, Centurys came in for heavy selling and slumped by Rs. 12 to Rs. 444.50. Kohinoors climbed down by Rs. 10.50 to Rs. 271 and Svadeshis by Rs. 9 to Rs. 186. Finlays receded by Rs. 7 to Rs. 283. Morarjis declined by a like amount to Rs. 245. Standards decreased by Rs. 6 to Rs. 418. Khataus, New Greats and Simplex shed Rs. 5 each to Rs. 177.50, Rs. 215 and Rs. 179, respectively. Indores eased by Rs. 4.50 to Rs. 103.50. Central Indias by Rs. 3.50 to Rs. 91.50. Shree Niwas by Rs. 3 to Rs. 148.50 and Gokaks by Rs. 2.50 to Rs. 147.50. Bombay Dyeings opened at Rs. 58.80 *ex-div.*, as against Rs. 61.40 *cum-div.*, and declined to Rs. 57.90 before finishing at Rs. 58.90. Tata Mills lost a rupee to Rs. 38. Osmanias eased by 75 nP to Rs. 41.25. India United Ordinaries by 60 nP to Rs. 9.36 and Apollos by 18 nP to Re. 1.48.

Bank shares suffered losses. Jaipurs fell by Re. 1.75 to Rs. 41.50. Bark of Indias slided down by Re. 1.25 to Rs. 137 and 'A' shares by 75 nP to Rs. 139. Central Banks declined by 50 nP to Rs. 58, 'A' shares easing by Re. 1 to Rs. 59.50. United Commercials retreated from Rs. 68 to Rs. 67. Barodas lost 50 nP to Rs. 122.50. Unions were neglected at Rs. 7.40.

Conditions in the electricity section were irregular. Tata Hydros lost 50 nP to 123.50, while Tata Powers forged ahead on special buying support by Rs. 12.50 to Rs. 1,257.50. Ahmedabad Electrics shed 20 nP to Rs. 98.80. Andhra Valleys were dull at Rs. 1,172.50. Bombay Suburbans were done at Rs. 113.50, as against Rs. 113 last week.

Sugar shares were subjected to persistent selling and prices continued their downward trend. Phaltans fell by Rs. 6.50 to Rs. 175.50. Walchandnagars dropped Rs. 3.25 to Rs. 288. Belapurs receded by Rs. 2 to Rs. 313; at one time on Tuesday, they were quoted at Rs. 308. Bhopals moved down from Rs. 26.80 to Rs. 25.55.

Among cement shares, Digvijays retreated by Rs. 3.25 to Rs. 147.75. Associated Cements fell from Rs. 160.50 to Rs. 156.50 before recovering to Rs. 157.75. Orissas eased by 16 nP to Rs. 12.68. Jaipur Udyogs declined from Rs. 14.16 to Rs. 13.72 and Dalmias from Rs. 10.08 to Rs. 9.76.

In the engineering and mining group, Premier Constructions and Alcock Ashdowns came in for nervous liquidation. The former slumped by Rs. 7.50 to Rs. 225.50 and the latter by Rs. 12.50 to Rs. 265. Tata Locomotives, which stood at Rs. 205 *cum-div.* last week, opened at Rs. 193 *ex-div.* and receded to Rs. 190. Voltas fell by Re. 1.50 to Rs. 39.25. Shivrajpurs eased by 50 nP to Rs. 90.50. Larsen and Toubros lost 44 nP to stand at Rs. 15.76. Indian Coppers shed 8 nP to Rs. 4. Mahindras declined from Rs. 17 to Rs. 16.72.

Deals in shipping shares were put through at reduced rates. Great Easterns climbed down by 95 nP to Rs. 25.90. Scindias fell by 72 nP to Rs. 21.20. India Steamships were a shade easy at Rs. 13.88.

Automobile shares encountered continued selling. Premier Automobiles dropped Rs. 2 to Rs. 90. Hindustan Motors declined by 20 nP to Rs. 7.84.

In the miscellaneous section, Bombay Burmahs receded from Rs. 508 to Rs. 499 on Tuesday, but recovered to Rs. 505.50 yesterday. Wimcos slumped by Rs. 8.50 to Rs. 187.50. National Rayons fell by Rs. 4.75 to Rs. 239. Tata Oils decreased by Re. 1.50 to Rs. 39.25. Gwalior Rayons eased from Rs. 15.12 to Rs. 14.72 for want of follow-up support. B.B. Petrols eased by 4 nP to Rs. 2.16. Killick Industries were neglected at Rs. 150.

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Madras Stock Exchange

MADRAS, 30th September

Steady conditions prevailed on the Madras Stock Exchange during the week under review. Although the volume of business put through was small, values generally tended to move up. Tea came in for moderate attention. The Government of India's decision to reduce the maximum export duty on common teas from 75 nP to 30 nP per lb. was widely welcomed by operators. A section, however, considered the relief to be inadequate, as it felt that, in view of the heavy fall in the value of exports to the U.K. during the first half of 1958 a more liberal attitude on the part of the Government was needed. Rubber shares also received support, while coffee shares were easy. The textiles section ruled fully steady, with many counters registering gains. Bank, sugar and miscellaneous industrials evoked scattered buying enquiries.

MINERVA MILLS LTD.

The Board of Directors of Minerva Mills Limited has decided to issue a first mortgage debenture loan of the face value of Rs. 18 lakhs (1966-70), interest payable half-yearly at 6½ per cent. per annum (taxable). The debentures will be in multiples of Rs. 500. The consent of the Controller of Capital Issues has been obtained for the issue. The Canara Bank Limited has agreed to underwrite the entire issue and the New India Assurance Co., Ltd., has agreed to sub-underwrite a part of it. The proceeds of the loan are intended to be utilised mainly for modernising and renovating the machinery and the balance for working capital.

I.I.S.CO.'S BONUS ISSUE

At a meeting held on 30th September, the Board of Directors of the Indian Iron and Steel Co., Ltd., authorised the Company's management to apply to the Government for consent to an issue of bonus ordinary shares in the proportion of one such share for every five existing ordinary shares held at a date to be determined in due course by the Directors. The bonus shares, the Company says, will rank in all respects *pari passu* with the existing ordinary shares save and except that they will not participate in any distribution in respect of any period ending on or before 31st March 1959.

DUNLOP'S DEBENTURES

The application lists for the Rs. 1-crore 6½ per cent. debenture stock 1968-73, issued by the Dunlop Rubber Co. (India) Ltd., were closed at 9.30 a.m., on Friday 26th September 1958; the lists opened on 23rd September. The Company says that, as the issue has been substantially over-subscribed, it is considering the basis of allotment to be adopted.

The Directors of the India Cements Ltd. have decided to issue 729 650 equity shares of Rs. 5 each at par to all the equity shareholders in the ratio of one new share for every three equity shares of Rs. 5 paid-up. It is stated that the new equity shares are entitled to participate in dividend that may be declared after 31st December 1958. The new shares will, in all other respects, rank *pari passu* with the existing equity shares. The last date for receipt of applications with remittance of the full amount of Rs. 5 is fixed at 30th November 1958.

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CORRESPONDENTS ALL OVER THE WORLD

HOW RICH ARE THE BRITISH?

(From Our Own Correspondent)

LONDON, 20th September

LONDON LETTER

THE wealth of a country is sometimes measured by its total industrial output, sometimes by the manner in which the inhabitants spend their income. The annual Government publication on national income and expenditure for 1958 attempts to combine both these facts in assessing the rate of economic progress of the country. The first thing that stands out is that the nation's total output of goods and services increased in real terms by 1½ per cent. last year, that is, only half the average rate of increase of the past 10 years which since 1948 has put up the true output of the country by no less than 30 per cent. But, in spite of this low increase in real terms of output, in the past year money incomes before tax rose by 6 per cent.; the difference is the measure of inflation.

Expressed in gross terms, the national income now stands at £19.4 thousand million, as against £14 thousand million in 1952, £10.4 thousand million in 1948 and only £5.2 thousand million in 1938. These figures naturally take account of the falling value of money over the whole period. For, in terms of the 1948, national income of £10.4 thousand million, that in 1952 was only £11.6 thousand million and in 1957 £13.5 thousand million.

Other nations will find it an interesting commentary on the British standard of living to note that one quarter of personal expenditure by consumers goes in indulgences and recreational spending. The total is no less than £3,400 million of which drinking and smoking account for more than £1,900 million and motoring for nearly £600 million. On the other hand, books, newspapers and magazines only absorb £200 million. Indeed, in the last 10 years, the British public has multiplied its expenditure on motoring four times (of course, petrol was rationed 10 years ago) and has doubled in real terms its purchases of durable household goods.

If one looks on the more serious side of personal spending, out of every 100 pence earned by the average British family 32d. was spent on food, 13d. on housing, fuel and light and 10d. on clothing. So only just over half the national income was spent on the essentials. A further 12 per cent. had to be spent on travelling about by public transport, mainly to get to work, and other essential services. Of the country's total income, some 30 per cent. is spent by the central Government—a total of £5,700 million, while, if one adds in the expenditure by other public authorities, then the total amount of public expenditure was no less than £7,000 million. How is this public money spent? The following table picks out the most important items:

	£ m.
Payment of debt interest	809
Military defence	1,616
National insurance and pensions assistance	1,143
Housing	408
Education and child care	883
Health services	688

The solicitude of the Government for agriculture is sown in expenditure on subsidies and other forms of assistance of £343 million, while industry and trade had £236 million spent upon it.

The total in the above of what are termed the social services amounts to £3,122 million; thus, in the Welfare State, these social services do not quite equal in value the individual indulgence of the consumer on his various forms of relaxation!

Finally comes investment. The total net investment of the country, including net investment abroad, has been rising steadily. One often has the impression that this country is not investing enough. But this is not true. Whereas in 1938 5 per cent. of the national product was invested, 10 years ago the figure was over 8 per cent. and since then it has risen steadily, and in 1957 amounted to a record of 13 per cent. So that, even if expenditure on the indulgence items and the social services looks high, and indeed the total under both these heads exceeds the total amount of investment, nevertheless it is encouraging to find that, in a year, in which total consumer expenditure rose in real terms by 2 per cent., there was also a further increase of 1 per cent. in the proportion of the country's product invested.—*All Rights Reserved.*

NEWS IN BRIEF

THE packing charge for cement for the current quarter of 1958 (October-December) has been fixed at Rs. 12.06 per ton, as against Rs. 12.71 for the previous quarter.

The value of iron ore exports increased from Rs. 6.98 crores in 1955-56 to Rs. 10.03 crores in 1956-57 and Rs. 11.86 crores in 1957-58. The exports of iron ore in the first quarter of 1958-59 were worth Rs. 2.48 crores.

Exports of manganese ore during 1957-58 were higher at Rs. 28.68 crores, as against Rs. 16.68 crores in 1955-56 and Rs. 25.81 crores in 1956-57. In the first three months of 1958-59, they stood at Rs. 3.47 crores.

The Government of India has decided to supply iron and steel to the manufacturers of engineering goods for fabricating products for exports at the controlled sale prices less an amount equal to the surcharge levied for the purpose of equalisation.

The Government of Kerala has exempted from payment of sales tax certain articles of food like tapioca, vegetables and milk, firewood and coir products, as well as the sale of coffee, tea and other food articles in hotels and restaurants with an annual income of no more than Rs. 15,000.

The Central Government has decided that the unspoilt one-anna revenue stamps, which have become invalid from the 1st inst. following the introduction of decimal series of such stamps, can be returned to post offices within a period of six months for refund of their value.

Nearly 9,000 candidates appeared for the I.A.S., I.P.S. and Central and Services examination which commenced on 18th September at 12 centres, including one in London. The approximate number of vacancies are 55 for I.A.S. (14 reserved for scheduled castes and five for scheduled tribes) and 45 for I.P.S. (9 reserved for scheduled castes and three for scheduled tribes).

The Madhya Pradesh Government is expected to request the Centre to grant permission to the Orient Paper Mills for purchasing in foreign countries on deferred payment system machinery required for a new paper factory to be set up in the Rewa division of the State. The plant, it is said, will have a capacity to produce 100 tons of paper per day and cost Rs. 10 crores, of which nearly 50 per cent. will be spent on machinery.

A scheme for the manufacture of box cameras by a Baroda firm in collaboration with two German firms has been approved by the Government of India. The annual capacity of the proposed factory will be 5,000 box cameras in the beginning which will be raised to 20,000 in due course. Another scheme, sponsored by a Bombay firm, to set up a plant at Thana for producing 36,000 folding cameras is under the consideration of the Government.

A six-man committee has been appointed by the Government of India under the chairmanship of Mr. G. Basu, a former President of the Institute of Chartered Accountants, to review the working of the Institute from the organisational and administrative aspects and also to suggest measures for improvement in order to meet the present and future needs. The Committee is expected to complete its work and submit its recommendations by the end of next month.

The State Trading Corporation is now endeavouring to export goods on c.i.f. basis and import them on f.o.b. basis as far as practicable, with a view to supporting Indian shipping and to engaging chartered ships on economic terms on long-term basis, according to the Minister for Commerce and Industry, Mr. Lal Bahadur Shastri. The S.T.C. has already organised a separate division called the Shipping Development and Marketing Development Division, for chartering ships and arranging freights on contract basis at an economic rate.

A scheme for co-operative farming in a village in the Ootacamund Community Development Block has been sanctioned by the Madras Government. The scheme envisages the formation of a joint farming co-operative society as soon as the reclamation of land covering an area of about 400 acres is completed. The society is expected to undertake cultivation of about 500 acres of land mainly for increasing food production, particularly paddy and potato. An interest-bearing loan of Rs. 61,300 and a subsidy of Rs. 7.500 have been granted for the construction of an office-*cum*-godown and a cattle shed.

The quota for exports of bicycle tyres and tubes by non-manufacturers during the period ending 31st March 1959 has been fixed at 20,000 each. The quota will be administered by the Joint Chief Controller of Imports and Exports, Calcutta. Exports will be licensed on shipping bills accompanied by firm contracts. Celestite and tungsten (wolfram) ores and concentrates will be licensed for export on an *ad hoc* basis. Base copper wires, conductors for electrical puposes, mercury oxide and mercury sulphide will be licensed freely for export to all destinations, except the Portuguese possessions in India.

The Rajasthan *Bharat Sevak Samaj* has submitted to the Planning Commission a Rs. 4-crore scheme designed to increase food production in the State. The scheme lays special emphasis on the need for providing more irrigation facilities by constructing wells and anicuts and repairing old tanks in 25 districts. Out of the total outlay, Rs. 2 crores are to be given by the Government to farmers as *taccavi* loan for constructing wells, the amount being refundable in instalments. A sum of Rs. 1 crore is to be collected by way of voluntary contributions from the people, the balance of Rs. 1 crore being borne by the Central and State Governments.

The provisions of the Central Sales Tax (Second Amendment) Act, 1958, has come into force with effect from the 1st inst. The Act is so designed as to facilitate the levy and collection of Central sales tax. It avoids multiple taxation of inter-State sales of goods involved in a single movement and levies the tax only once at the first point during a single movement from one State to another, defines the State entitled to levy the tax as the State from which the movement of goods commenced, provides for the levy of tax at a uniform concessional rate on all inter-State sales of goods made to Central or State Governments, and enables the manufacturing industries, processing concerns, mining industries and electricity undertakings to purchase prescribed goods in inter-State trade at the concessional rate of tax. Section 15 of the Act has been amended so as to give the States the option to fix the single point for the levy of tax on declared goods. The goods declared previously as of special importance in inter-State trade or commerce were cotton, cotton yarn, coal, hides and skins, iron and steel, jute and oilseeds. This list has been completed by the addition of certain items of textiles, sugar and tobacco on which additional duties of excise were levied in December 1957 in replacement of sales taxes and which had been added to the goods of special importance by the law imposing the additional duties.

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From Abroad

Russia is expected to launch shortly the world's first all-plastic steamship. It will weigh one and a half tons and be capable of carrying 15 tons of freight. A distinct advantage claimed for the ship is that it can navigate even in very shallow rivers.

Motor car production in the U.K. is maintained at a high level, the number actually manufactured in the first eight months of the current year being nearly 681,000. The industry is confident of touching a record output of one million in 1958.

A new method of increasing harvest yields by means of radiation has been developed by a team of Swedish scientists. Although the method has been tried in ordinary barley, it is claimed that it can be applied to other kinds of vegetables and corn by means of ionising radiation.

The U.K. Government is to make a grant of $8.75 million to the West Indies over the five-year period 1959-63. The Federal Government of the West Indies will use this to make grants-in-aid to those constituent Governments the revenues of which are insufficient to cover their administrative expenses.

The West Australian Farmers Union Conference has decided to submit a plan to organise a wool stabilisation scheme in co-operation with New Zealand and South Africa. The Union has already endorsed an Australian Wool Board constituted on the lines of the Australian Wheat Board which negotiates overseas sales in a trustee capacity.

A programme for modernising bulk sugar loading methods in British Guinea is being started by the recently formed company, the Demerara Sugar Terminals. The cost is expected to be about $6 million excluding the expenditure on remodelling of coastal ships and extensive alterations to sugar estates. The Sugar Industry Rehabilitation Fund will grant a loan of about $4.8 million.

Western Europe has fully recovered from war's devastation and there is confident expectation of long-term growth. The combined gross national product of the European N.A.T.O. countries which was $85 billion in 1938 rose to $228 billion in 1957. A part of this increase is due to price changes and real growth has been impressive. The helpful economic situation is attributable in no small part to the N.A.T.O.'s protective shield.

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A. C. BHAT,
General Manager.

PERSONAL

MR. Upendra Acharya has been elected Chairman of the Board of Directors of the Press Trust of India.

Mr. G. D. Birla, well-known industrialist and banker, returned from Geneva on Sunday this week.

Mr. T. N. Kaul, Ambassador of India to Iran, presented his credentials to the Shahinshah of Iran in Teheran on 27th September.

Mr. Ramchundur Goburdhun, Director, External Publicity Division, Ministry of External Affairs, has been appointed Ambassador of India to Morocco.

Mr. G. L. Mehta, former Ambassador to the U.S., has taken over charge as Chairman of the Board of Directors of Hindustan Shipyard (Private) Ltd.

Mr. Rao Raja Ramachandra Ganpat Rajwade, at present Charge d'Affaires A'Pied, Embassy of India, Morocco, has been appointed Indian Ambassador to Sudan.

Mr. K. D. Malaviya, Union Minister for Mines and Oil, left New Delhi for Moscow on 25th September. Besides Russia, he will visit Poland, Switzerland and Rumania.

Mr. M. J. Coldwell, Canadian socialist leader, has been appointed Chairman of a United Nations mission to India to evaluate the community planning needs of the country. He is expected to be in India by the end of November and will stay here until 1st March 1959.

Dr. Don Paarlberg, U.S. Assistant Secretary of Agriculture, has been appointed Personal Adviser on Economic Matters to President Eisenhower. Dr. Paarlberg has been responsible for working of the Agricultural Trade Development and Assistance Act (Public Law 480), under which the U.S. has agreed to sell India for Indian rupees farm commodities worth $664.2 million.

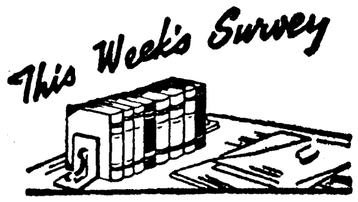
More women have been appointed to key posts in the U.S. Federal Government and in international affairs in the past five years than at any time in the history of the U.S. There are at present 533,800 women in the Federal Government service, representing 24.94 per cent. of the 2,142,800 persons employed; in 1923, the number was only 80,000. About 34,000 women are in the professional and semi-professional fields, as against 6,000 on the eve of World War II.

A restaurant in New York State has solved the problem of obtaining pure water through installation of a device for making brackish water fresh. After the restaurant was opened three years ago, it was found that the local well water was too salty for drinking and cooking and it was necessary to purchase bottled water at a cost of $1 for five gallons. The new device, manufactured by Ionics Inc. of Cambridge, Massachusetts, removes salt by passing an electric current through the water.

A British firm and a Canadian firm signed a contract in Montreal, Canada, on 25th September to build a major section of the proposed global Commonwealth link. A $2.050.000 (about £893,000) contract for a coaxial cable was signed by Submarine Cables Ltd. of London and Canadian Overseas Telecommunication Corporation of Montreal. The contract covers the manufacture of a 400 nautical-mile (about 460 statute miles) section across the Gulf of St. Lawrence (Canada) between Newfoundland and Quebec. The new transatlantic cable is due to be completed by 1961.

The Arab League has invited its member-States, Persian Gulf States and oil companies, experts, trade unions and associations in the Arab States to take part in the First Arab Oil Conference which will commence at Cairo on 1st November next. The First Arab Oil Exhibition will also be organised at the same time. Apart from far-reaching proposals for Arab-owned pipelines and tankers, the Conference will probably consider the question of establishing some unified principles for the granting of new concessions in the Arab world.

U.S. wheat supplies for 1958-59 are estimated at an all-time high of 2,312 million bushels. The estimate, based on the recent surveys by the U.S. Department of Agriculture, is 267 million bushels higher than the 1956-57 record and 445 million bushels above 1957-58. Supplies this year include the 1st July carryover of 881 million bushels, the 1958 crop of 1 421 million bushels (as of August) and the imports of 10 million bushels. Domestic consumption in 1958-59 is expected to be about 610 million bushels, leaving about 1,700 million bushels for exports and 1st July 1959 carryover. If exports are about the same as those in 1957-58—400 million bushels—the 1st July 1959 carryover will aggregate about 1,300 million bushels which will be the largest carryover in the U.S.



I. F. C. IN PARLIAMENT

MANY of those who participated in the debate on the International Finance Corporation (Status, Immunities and Privileges) Bill, 1956, in both the Houses of Parliament last week seem to have displayed a considerable lack of realism, for how else can one explain the irrelevant and unjustified statements made by some members of the Opposition Group criticising the Bill? Not only was the real object underlying the Bill completely overlooked—namely, to confer on this body the status, privileges and immunities customarily granted to a world organisation of a like nature—but the laudable purpose for which the Corporation has been set up—namely, to further the economic development of the less-developed member-countries—was also not recognised. Even the pertinent observations made by Mr. B. Gopala Reddy, Union Minister for Civil Expenditure, in the Lok Sabha and by Mr. B. R. Bhagat, Deputy Minister of Finance, in the Rajya Sabha failed to carry conviction to the Opposition members. That the criticisms hurled against the Bill were highly uncharitable and unnecessary will be evident from the following extracts from the speeches of four members:

Mr. Naushir Bharucha (Independent—Bombay): "It is surprising that the Government should have fallen to the inducement of giving more assistance to the private sector. It would finance both local and foreign private capitalists. It is an unusual and unheard of thing to allow a foreign capitalist body to indulge in such activities. I strongly protest against this. What right has this Government to barter away the money of the taxpayer? Are we not paying too big a price for this kind of thing? Why should private enterprise be assisted at the cost of the taxpayer? What are we going to get in return?"

Mr. Hiren Mukerjee (Communist—W. Bengal): "The Bill should be rejected, as it is an uncalled for measure and nothing is known about the working of this organisation. It is openly stated by the sponsors of the Corporation that its primary interest is to enrich the private sector. This is opposed to the declared policy of the Government that all 'strategic heights' in the economic sphere should be occupied by the public sector. Certain privileges and immunities have been granted to the Corporation and its officials which simply cannot be understood. The immunities are of an extremely dangerous character and they will enable foreigners to penetrate into India and, like wolves in sheep's clothing, bedevil the country's development."

Mr. Surendra Mahanty (Ganatantra Parishad—Orissa): "I strongly object to the Government's entering into international agreement without taking Parliament into confidence. In the interest of private capital, we should not be a party to the lessening of our sovereignty."

Mr. Balasaheb Patil (Peasants and Workers Party—Bombay): "The Articles of Association of the Corporation make it clear that it is a private institution which wants to invest money with the object of making profits. Why should we allow such a corporation to enjoy immunities and privileges in this country?"

These arguments are, to say the least, wide of the mark. At the very outset, it must be emphasised that the I.F.C. is not a private institution but an international one, affiliated to the World Bank which is an organ of the United Nations. It consists of as many as 55 members and India is the fourth largest shareholder, its subscriptions being $4.431 million (Rs. 2.11 crores). The Corporation, as already said, is entrusted with the task of aiding the development of the less developed member-countries by investing in productive private enterprises without any Government guarantee. We do not see anything wrong in India taking advantage of the assistance rendered by the Corporation, when it has already taken loans and grants from a number of countries and international bodies like the World Bank and the I.M.F. India has granted to the Corporation the same immunities and privileges which 54 other countries have granted and these, in the main, are:

The I.F.C. is invested with juridical personality and the capacity to contract, to acquire property and to institute legal proceedings. There is no immunity from being sued, though certain necessary restrictions are stipulated. There is no immunity from judicial proceedings to which the Corporation's assets would be duly subject. The inviolability of its archives is recognised. Certain privileges in connection with the official communications of the Corporation are also granted. Its property and assets are to be free from restrictions, regulations, controls and moratoria of any nature, but, as stated already, they can be attached in satisfaction of a judgment if it is against the Corporation. The officers and employees of the Corporation are conferred immunity from legal process with respect to their official acts only. Immunity from immigration restrictions, alien registration requirements, national service obligation, etc., is given to the same extent as is accorded to officers, etc., of comparable rank of other members. They are also granted similar freedom to travel within the country. The Corporation, its assets, income and its operations and transactions authorised under the I.F.C. Charter will be immune from all taxation and customs duties. It will also be immune from liability for the collection or payment of any tax or duty. Similarly, all member-countries have agreed that the salaries and emoluments paid by the Corporation to its directors, alternates and officials or employees, who are not local citizens, will be exempted from taxation. This obviates the possibilities of any anomalies arising from differing rates of tax in different countries or in certain countries subjecting an international body to a tax which would thereby have to be borne by all member-countries.

Certainly, there is, as Mr. Gopala Reddy pointed out, nothing abnormal and unusual in these privileges and immunities which are identical with those which India has already given to the World Bank and the International Monetary Fund. Similar privileges and immunities have also been made available by India to the United Nations and its specialised agencies such as the W.H.O., the F.A.O. and the U.N.E.S.C.O. What is more, the facilities are given only to the Corporation and not to the enterprises financed by it. Further, although the objective of the I.F.C. is to deal directly with private enterprises, there are, according to Mr. Bhagat, adequate checks for the Government to ensure that I.F.C. loans can be granted to companies in India only in accordance with the official industrial and economic policy from time to time as no loan can be given to any company without the Government's approval.

It may not be inappropriate if a brief reference is made here to the activities of the I.F.C. The Corporation was set up in July 1956, with a capital of $93 million, but it was only about a year ago that its investment operations commenced, because, in the beginning, the Corporation was preoccupied with organisational problems incidental to a newly established institution. The Corporation has so far sanctioned ten investments aggregating about $10 million. No Indian concern has received a loan from the I.F.C., but it is understood that it is considering applications made by a few firms. Now that the Bill conferring the privileges and immunities to the Corporation has been passed, the way has been paved, as Mr. Bhagat stated, for facilitating the I.F.C.'s operations in India.

JAPAN'S TEXTILE INDUSTRY

The export trade in Indian cotton textiles, which has already suffered a distinct setback, is expected to meet keener competition from the textile industry of Japan. A recent report from Tokyo avers that the Japanese Ministry of International Trade and Industry has formulated a scheme for boosting exports of textiles to the underdeveloped countries. The details of the scheme are not known, but it is gathered that it envisages sales of surplus textile stocks to these countries against payment in local currencies. The implementation of the scheme will, there is no doubt, result in greater demand for Japanese textiles from the underdeveloped countries in the Asian and African countries than for goods from other countries. Almost every country in Asia and Africa is faced with the problem of foreign exchange shortage, a large part of whatever exchange that is available having been earmarked for imports of plant and machinery and other goods required for carrying out their development plans. The heavy fall in prices of tin during the last fortnight will seriously affect the capacity of tin producers in this region to buy textiles. To them, in particular, the proposed offer of Japan will be a real boon.

The proposal of Japan has been prompted by the need to overcome the persistently difficult conditions confronting its textile industry for sometime now. It will be recalled that, following apprehensions of a possible recession in the textile trade and with a view to overcoming the same, the Japan Cotton Spinners' Association decided, in March last, to curtail output of yarn to about 182,000 bales per month in the quarter April-June 1958. The Association requested the Government to issue an official order recommending 30 per cent. sealing of the then existing nine million spindles. This was done and the actual production of yarn during the quarter was lower at 543,000 bales, representing a decline of 25,000 bales (or 4.4 per cent.) and 181,000 bales (or 25.0 per cent.) as compared with the previous quarter (January-March 1958) and the corresponding quarter of 1957 (April-June 1957), respectively. Following the fall in yarn output, the production of cloth also dropped sharply, the quantity actually produced in the quarter under review being not more than 789 million square yards, as against 817 million square yards in January-March and 961 million square yards in April-June 1957; the percentage fall is 3.3 and 17.9, respectively. The cutback in production was extended during the subsequent quarter also, that is, July-September.

Despite the decline in output, the position of the Japanese cotton textile industry continues to be disquieting. The stockpiles of cotton yarn at the end of July 1958, for instance, aggregated as much as 491,000 bales, as against stocks of 400,000 bales normally carried by mills. Even the slight improvement in exports during the past two months has not, it is said, helped. The textile industry continues to be facing difficulties, with more factories closing down and more workers being laid off. The cotton and rayon textile industries have been particularly hard hit, though the synthetic fibres sector is said to be enjoying a steadily expanding market. The Kanegafuchi Spinning Company, one of Japan's biggest textile concerns, recently announced a drastic curtailment and reorganisation of its activities, including closure of three major mills, laying-off of older workers and all-round wage cuts. These steps were necessitated by a loss of £931,000 (over Rs. 1.24 crore) during the six months ended April 1958 and a continuation of the same trend thereafter.

It is in view of the aforesaid developments and with a view preventing a possible crisis in the textile industry that the Japanese Ministry of International Trade and Industry has formulated the new scheme for promoting exports as outlined at the outset. It has also notified continuance of the 30 per cent. operational retrenchment during the current quarter (October-December) also. Consequently, the monthly production of yarn will be reduced to about 185,000-186,000 bales, as against the demand of about 195,000-196,000 bales. Although this measure is expected to cut back the stockpile to 430,000-440,000 bales, the operational reduction, it is pointed out, will probably have to be extended into next year, because of unfavourable export circumstances.

Meanwhile, the Government of Japan has announced its decision to spend 700 million yen (Rs. 94 lakhs) during the current financial year as part of a plan to help the recovery of the textile industry. The plan consists of five measures. They are: (1) purchase of 70,000 looms in the two financial years ending 31st March 1960; (2) prohibition of the installation of new looms for all kinds of synthetic fibres, including nylon; (3) a Government recommendation for weavers to set up a good system for purchasing yarn; (4) a suggestion that all cotton spinners, rayon yarn producers, dealers and weavers should form an organisation to help stabilise textile prices; and (5) aid for various organisations established recently to buy up unwanted textiles and stabilise prices.

PROVIDENT FUNDS ACT

An interesting case involving the scope of the Employees' Provident Funds Act was decided by Mr. Justice P. V. Balakrishna Aiyar of the Madras High Court, who held that the Act was not applicable to the petitioner Company, Messrs. V. Perumal Chetty and Sons, pencil manufacturers. The petitioner Company had appealed against the decision of the Provident Fund Commissioner who had declared that the Company came within the purview of the Act. The main issue was whether the Act applied to the Company which is engaged in the production of pencils and employs more than 100 workers; attached to the factory is a foundry and workshop where certain spare parts required for the use of machinery are fabricated, employing 23 persons.

In deciding the point at issue, His Lordship had to examine the scope of Section 1(3) and also the Schedule to the Act. Briefly, Section 1(3) of the Act lays down that the Act subject to the provisions of Section 16 which empowers the Government to exempt establishments from the application of the Act, extends to "every establishment which is a factory engaged in any industry specified in Schedule 1" and in which 50 or more persons are employed and to any other establishment, employing 50 or more persons, to which the Central Government may apply the Act. The industries included in Schedule 1 are, among others, cement, cigarettes, electrical, mechanical or general engineering products, iron and steel and paper; it does not include the pencil industry. The Government Pleader, who appeared for the Provident Fund Commissioner, argued, in effect, that, although the pencil industry, as such, was not included in the Schedule, one of the operations carried on in the factory of the petitioner was the production of engineering products which constituted an industry included in the Schedule. Discussing this issue, His Lordship observed that he found it difficult to accept the view of the Government Pleader that, if any part of a factory was engaged in making an "engineering product," within the meaning of Schedule 1, then the factory must be considered to be one engaged in making an engineering product. The error in this view was the result of ignoring the difference between what was primary and what was incidental. If a factory, with a view to carrying on its primary activity, was incidentally engaged in something else, it would not alter its primary character. It was true that the Act did not say that a factory must be wholly engaged in a specified industry. But this did not mean that the construction put upon the section by the Government Pleader was correct.

Alluding to the argument that the Act was a benevolent enactment and that, therefore, they must try to extend its scope as far as possible, His Lordship observed: "It seems to me that it is for the Legislature to say how far it will go. A Court can only take the words as they are written in the Statute." In the present case, if a jury were taken round the factory and, if in the end, they were asked what the factory was engaged in, the only answer they would give was that the factory was engaged in making pencils. His Lordship had no doubt whatever that the word "engaged" in Section 1(3) referred to the primary activity of the factory. In his view, the factory run by the petitioner was not engaged in any industry specified in Schedule 1 of the Act, and so the Employees' Provident Funds Act did not apply to it.

HOUSING POLICY

If it took almost a year for the Union Government to finalise its views and arrive at decisions on the recommendations for expediting implementation of the housing programme envisaged in the second Plan, one can well imagine how much more time it will take to put these decisions into practice. It is surprising that important decisions having a direct and intimate bearing on the implementation of housing programmes included in the Plan have been postponed till half the Plan period is over. The policy-decisions now taken do not seem to indicate the possibility of speedy implementation of the programme as many measures still remain to be taken before the programme could be implemented.

The decisions are, by and large, realistic in that they reflect a welcome awareness of the difficulties arising mainly out of the shortage of resources, in the way of implementing the schemes. The Government has done well, for instance, to decide to postpone examination of the question of the integration of the urban housing schemes till the time of the formulation of housing programme for the third Five-year Plan. It has also been well advised not to favour compulsion to persuade employers to build houses for their workers.

The Government agrees with the recommendation of the Bangalore Conference that the State Governments should re-examine the present statutes to make the land acquisition process more speedy, that suitable administrative and technical machinery should be set up for this purpose and that, for long-range planning, land in important cities should be acquired. The Government has also decided to consider whether any enabling legislation is necessary to establish housing corporations or boards in each State not only for financing housing programmes but also for construction and management of housing estates for State Governments. The necessity of opening separate housing departments in States, with adequate technical (including town planning) and other personnel for co-ordination and implementation of various schemes, has also been emphasised.

As regards the recommendations made by the Conference on the various schemes of the Ministry of Works, Housing and Supply, the Government has decided that, in order to enable the State Governments to acquire and develop land for constructing houses themselves or for sale to employers or co-operatives of industrial workers on a no-profit-no-loss basis under the Subsidised Industrial Housing Scheme, loans at reasonable rates of interest repayable in 5-7 years, may be granted. The State Governments have been asked to consider without delay the passing of enabling legislation for purchase of land at reasonable prices for this scheme.

The Government has also accepted the view of the Conference that, in cases where the rent-paying capacity of industrial workers is so low that they cannot pay even the subsidised rents, the State Governments may consider the desirability of providing developed plots, provided land is available at reasonable price. It has endorsed the view that, in order to prevent employers from exploiting to their advantage the Government's anxiety for giving more housing for industrial workers, the State Governments should not take the initiative in building houses on behalf of employers. Employers themselves, according to it, should be persuaded to put up houses for their workers. In order to encourage them to do so, it has accepted the suggestion that the quantum of loan admissible to employers should be raised from 37.5 per cent. to 50 per cent. of the approved cost and that the modes of disbursement of loans and subsidies must be liberalised. The employers will be given the option to repay the loan either in 15 or 25 years.

Projects sent up for approval by employers may be technically scrutinised, processed and sanctioned by State Governments which will, however, have to furnish full details of these to the Ministry of Works, Housing and Supply for determining whether the projects conform to the provisions of the scheme. The Government also found no objection in permitting employers to give, at their option, guarantees from Scheduled banks as provisional security for the repayment of loans in cases where there is genuine difficulty in executing the mortgage deed immediately, subject, of course, to the condition that the guarantees are replaced by appropriate mortgage deeds with the least possible delay. It has also agreed that the Subsidised Industrial Housing Scheme should not be extended to Government undertakings not liable to pay income-tax.

In order to encourage workers' co-operatives to build houses, the Union Government has accepted the suggestion that a special unit should be set up in the Housing Board or Housing Department of each State to assist in the formation and registration of such societies and sanction grants to them. It has also been decided to raise the quantum of loan admissible to societies from 50 per cent. to 65 per cent. of the approved cost on the assumption that State Governments would continue to guarantee repayment. The mode of disbursement, it is felt, should also be liberalised.

CO-OPERATIVE MOVEMENT

The Co-operative Movement in India is slowly, but steadily, gaining momentum. This is revealed by the *Statistical Statements relating to the Co-operative Movement in India for the year ended 30th June 1957*, just published by the Reserve Bank of India. During the year under review, the number of co-operative societies of all types functioning in the country rose from 240,000 to 245,000, representing an increase of 1.8 per cent. over the year. It is also gratifying to note that their aggregate working capital went up from Rs. 469 crores to Rs. 568 crores—an increase of 21 per cent. What is more, the membership of primary societies recorded an increase of about 10 per cent. from 17,600,000 to 19,400,000. This is by no means a small achievement, in view of the fact that nearly 300,000 policyholders in the erstwhile co-operative life insurance societies went out of the sphere of co-operation consequent on the integration of the societies with the Life Insurance Corporation. As in previous years, much of the increase was in the membership of the primary agricultural credit societies, the number of new members being 1,326,000. Assuming that an average family comprises five members, it is estimated that, by the end of 1956-57, roughly 96,900,000 or nearly 25 per cent. of the population were served by co-operatives, as against 88,100,000 or 22.8 per cent. of the population at the commencement of the year. The loans and advances made by primary societies during the year under review increased by 23 per cent. to Rs. 143.2 crores. Bombay alone accounted for Rs. 63.20 crores or 36.5 per cent. of the aggregate advances.

The number of State Co-operative Banks stood at 23, as against 24 a year ago. Their membership also declined from 36,394 to 33,440, but their working capital rose by a little over 25 per cent. to Rs. 79.54 crores. Their advances to the member banks and societies made an impressive rise from Rs. 58.10 crores in 1955-56 to Rs. 113.77 crores in 1956-57.

The number of central co-operative banks and banking unions continued to fall during the year under review. The number of banks fell from 478 to 451, primarily owing to the merger of small banks with adjacent larger banks. In spite of this decline, their membership rose from 300,000 to 311,000 and their working capital from Rs. 92.67 crores to Rs. 110.26 crores during the year. There was, however, a marked increase in the overdues which were placed at Rs. 9.34 crores at the end of 1956-57, as against Rs. 7.88 crores at the beginning of the year.

It is well known that agricultural credit societies constitute the most important sector of the Co-operative Movement in the country. At the end of 1956-57, there were 161,510 such societies, with a membership of 9,100,000 and a working capital of Rs. 98.30 crores. Borrowings from state or central banks, which stood at Rs. 55.90 crores on 30th June 1957, formed the main component of the working capital. Loans advanced by them during the year amounted to Rs. 67.33 crores, while the year-end outstandings of loans stood at Rs. 76.82 crores. Overdues constituted about 22 per cent. of the outstandings on 30th June 1957, as against 25 per cent. at the end of 1955-56. The non-agricultural credit societies numbered 10,150 at the end of June 1957, as compared with 10,003 at the commencement of the year. Their membership rose by 166,000 to 3,239,000 during 1956-57. Their working capital recorded a fairly large increase from Rs. 85.74 crores at the beginning of the year to Rs. 100.41 crores at the end of June 1957. The land mortgage banks also intensified their activities during the year under review.

At the end of June 1957, the total contribution of State Governments towards the share capital of co-operative societies of all types amounted to Rs. 7.74 crores. Of this amount Rs. 3.28 crores or 42 per cent. is accounted for by primary agricultural societies (both credit and non-credit), Rs. 2.20 crores by State Co-operative Banks and Rs. 1.26 crores by central co-operative banks. Nearly 85 per cent. of the contribution to primary agricultural societies was made by the States of Bombay (Rs. 1.91 lakh) and the Punjab (Rs. 88 lakhs). Over 72 per cent. of the State contribution to central co-operative banks was accounted for by Bombay, Madhya Pradesh and Bihar. Bombay is the only State which had contributed to the share capital of many types of co-operative societies and in most cases the contributions have been larger than those in any other State. Consequently, about 45 per cent. of the total contribution by all the State Governments is accounted for by this single State.

The number and membership of State non-credit societies declined from 82 and 22,894 at the end of June 1956 to 56 and 15,644, respectively at the close of 1956-57. Correspondingly, their paid-up share capital also fell from Rs. 1.82 crore to Rs. 1.70 crore. Their turnover remained more or less at the same rate as that of last year at Rs. 14.52 crores. There were 31,905 agricultural non-credit societies of all types, with a membership of 2,758,000 and a working capital of Rs. 44.73 crores. Their turnover in 1956-57 was of the value of Rs. 43.96 crores, as against Rs. 31.16 crores in 1955-56. The number, membership and working capital of the non-agricultural non-credit societies at the end of the year under review stood at 28,522, 3,164,000 and Rs. 60.89 crores, respectively. Their turnover was of the value of Rs. 61.59 crores, as against Rs. 44.73 crores in 1955-56.

There was an all-round improvement in the profits made by co-operative societies, though they were not uniform among the different types of societies. The largest increase was noticed in the case of primary agricultural non-credit societies whose profit rose from Rs. 69 lakhs in 1955-56 to Rs. 165 lakhs in the current year. In view of the growing importance of manufacturing co-operatives, particularly in the textile and sugar industries, the Reserve Bank will perhaps do well to collect, analyse and present in a separate section all the statistical data relating to the working of such co-operatives. A year-to-year scrutiny of their progress is bound to prove both interesting and valuable.

PROGRESS OF SOME PUBLIC ENTERPRISES

STRIKING ADVANCE BY MACHINE TOOL FACTORY

From Our Special Correspondent

NEW DELHI, 30*th September*

DELHI LETTER

THE Ministry of Commerce and Industry, Government of India, has recently submitted to Parliament the annual progress reports for 1957-58 of four public sector enterprises, namely, the Hindustan Cables (Private) Ltd., the Hindustan Machine Tools (Private) Ltd., the Hindustan Insecticides (Private) Ltd., and the Export Risks Insurance Corporation (Private) Ltd. These brief reports are not intended to be the annual reports contemplated in Section 639 of the Companies Act, 1956. This despatch highlights the production performance of these public enterprises and their expansion plans, if any.

The Hindustan Cables (Private) Ltd. at Rupnaraimpur (West Bengal): The authorised capital of the Company is Rs. 3 crores. The subscribed and paid-up capital is Rs. 1.25 crore. The Government of India has advanced initially a debenture loan of Rs. 39 lakhs to the Company. In addition, a loan of Rs. 20 lakhs as part of another debenture loan of Rs. 50 lakhs approved for the Coaxial Cable Project has been granted by the Central Government to the Company during the year 1957-58. The provision for the advance of the balance of the loan, namely, Rs. 30 lakhs, has been provided in the Budget for 1958-59.

The total production during the year 1957-58 was 538 miles of cables, as against a scheduled programme of production for 500-550 miles. Though the total mileage was slightly less than the production of 591 miles during 1956-57, the real output was much more, as most of the cables were of large sizes. When converted to the standard, i.e., equivalent to 100 pr. 10 lbs. cables, the production for 1957-58 was 498 miles (of a money value of Rs. 98 lakhs), as against 427 miles (of a money value of Rs. 95 lakhs) during 1956-57.

Steps have been taken to double the armouring capacity of the factory. The work is very nearly complete. After completion of the projected expansion, it is expected that, by September 1958, it will be possible to manufacture upto about 1,000 miles of cables annually and thereby meet the full demands for telephone cables from the P. & T. Department as well as the requirements of some other departments. This will be about 25 per cent. more than the target capacity of 800 miles per year as envisaged for 1960-61 for this factory in the second Five-year Plan programme. The construction work of factory extension for coaxial cable has also commenced.

Copper wire and antimonial lead constitute about 60 per cent. of the factory's total requirement of raw materials. Whereas antimonial lead is available from indigenous sources only, about 60 per cent. of the Company's copper wire requirement is now met from indigenous sources; and the balance of 40 per cent. is still required to be imported. Other principal raw materials consist of steel tape, bitumen, hessian, timber and cable insulating paper. The steel tape and insulating paper are imported at present. The Company is constantly exploring the possibility of procuring both these materials from indigenous sources. Recently, it has been possible for an indigenous supplier to undertake manufacture of steel tape, though their immediate capacity for production is small as compared with the Company's requirement. The Company's requirement of bitumen, hessian and timber is available in the country.

The Company made a net profit of Rs. 9,93,000 during the year 1956-57 and declared a dividend of 2 per cent. Although the accounts of the Company for the year 1957-58 have not yet been finally closed, it is anticipated that the net profit, after providing for depreciation and payment of interest on the loan to the Government, will be higher than the previous year, 1956-57.

The Hindustan Machine Tools (Private) Ltd. at Bangalore: The authorised capital of the Company is Rs. 12 crores. The issued capital is Rs. 4 crores. The subscribed capital amounts to Rs. 3.9 crores. Besides, the Government of India has given advances to the Company. The amount outstanding on 31st March 1958 was Rs. 235.11 lakhs. Full provision for interest at 4½ per cent. per annum on this advance is being made.

The original production programme of the Company was to reach a production of 131 machines during the year 1957-58 and to reach a production rate of 400 machines per annum by 1960-61 working on single shift. As a result of the introduction of multiple shifts and several other steps taken to increase the efficiency and utilisation of the factory, the actual production during the year 1957-58 was 402 machines. An increase of 300 per cent. over the original target of 131 machines has thus been recorded. In the previous year, the actual production was 135 machines only. The factory has thus already reached the production target of 1960-61, three years ahead of schedule. The following revised production programme is contemplated:—

1958-59—610 machines consisting of 240 lathes, 360 milling machines and 10 radial drills.
1959-60—805 machines consisting of 240 lathes, 405 milling machines and 160 radial drills.

The production of 402 diversified machines in 1957-58 by the Company valued at Rs. 1.55 crore represents about two-thirds in value of the country's total production of machine tools.

Negotiations for licence rights and technical collaboration for the manufacture of radial drills were in progress during the year with several foreign manufacturers. The offer of Messrs. Hermann Kolb of Koeln, West Germany, for the manufacture of 10 types of radial drills of 1½" and 2" sizes in the factory has been accepted. It is expected that, by the end of December 1958, the Indian produced drills will be in the market. These 10 additional machines, together with two types of lathes and six types of milling machines which are already produced, will give further flexibility to the production in relation to the demand. The above production will help save considerable foreign exchange.

For the year 1957-58 the Company's net profit, on a preliminary survey, is expected to be of the order of Rs. 30 lakhs.

The Hindustan Insecticides (Private) Ltd., New Delhi: The authorised capital of the Company is Rs. 1 crore. The subscribed capital is

(*Continued on page 584*)



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AMERICAN LETTER

U.S. ECONOMIC SITUATION CONFUSING

SPECTRE OF INFLATION ONLY PSYCHOLOGICAL

From Our Special Correspondent

NEW YORK, 25*th September*

RETAIL sales are, perhaps, one of the surest barometers of business and of the mood of the public. In the first eight months of the year, sales of retail stores throughout the United States were off only 0.9 per cent. from their 1957 peak.

From January through August, consumer expenditures in retail stores were $128,522 million. This compares with a record-breaking $129,703 million in the like 1957 period. In other words, sales were off only $1,181 million. This is quite an achievement in the light of the recessionary trends which prevailed in the early months of the year.

These figures are even more significant if it is taken into consideration that the public spent $3.661 million less for automobiles than they did in the same period last year. Retail sales, therefore, might have been over on the plus side, if auto sales had held up.

One might enquire how it was possible for retail sales to make such a showing in the face of relatively heavy unemployment. The answer is Government spending, unemployment benefits and a general step-up of Local, State and Federal construction projects.

Bankers' Verdict

The investment seminar of the New York State Bankers Association, in its summation of current conditions, declared that the economy was "most confusing." Here are the reasons for it, at least some of them.

Basically, the confusion stems from the recognition that, socially and internationally, the U.S. cannot afford to let "correctionary" forces of a recession or depression ruin the economy. Turning on the spending spigots in all areas, including labour contracts in the private sector of the economy, raises the spectre of inflation.

At present, this spectre is strictly psychological. The price levels have been fairly stable. One exception is auto prices. The 1959 models are higher than last year's cars.

Essentially, the dilemma is one of economic theory against the facts of life. It affects the thinking of business and Government officials. The Treasury argues, with a good deal of justification, for example, that, according to all sound principles, the primarily short-term debt of the Government should be lengthened. In trying to do so, however, the last offering was a failure as were previous ones. Also, the Government was in direct competition with State, Municipal and private, long-term borrowers. This is quite serious at a time when there is a deficiency of savings over projected capital demands from all quarters.

The only other alternative is, of course, bank-financed deficit financing which is inevitable, in view of the prospective Budget deficits. This means inflation. The latter seems inevitable, it seems to me, as long as an ever-increasing proportion of Government money is spent for defence, i.e., non-productive purposes. Aside from these considerations, which are not in the public domain, there is a widespread fear of inflation.

Popular Conception

The popular conception of inflation boils down to rising prices. In such a period, people go even into debt to acquire goods before they get dearer. In times of falling prices, everyone is apt to sit back and wait until he or she can make a purchase at still lower prices. It is a psychological behaviour pattern which cannot be denied.

At the present time, investors are demanding an extra premium for putting their money into bonds. Fears of inflation are to blame. Lenders think the value of the dollar is going to decline in the years ahead. Bankers' conventions are passing pious resolutions that inflation must be fought, must be prevented, must be stopped. This correspondent sees no way of stopping it. The only question is: "What will be the degree?"

Fears of inflation are also expressed in the tightening of money rates by the Federal Reserve system. The so-called "prime rate" which is charged by banks to such borrowers as General Motors and U.S. Steel, is now rising again. The same is true of the Federal Reserve discount rate.

To most non-analytical observers, this spells "good times"—higher wages, speedy recovery from the recession, a higher standard of living. However, inflation fears are well entrenched in high places—it is quite possible, the Government at Washington and its agencies may go too far in anti-inflationary measures by curtailing spending and, thus, impeding recovery. At least, this is a possibility.

The overriding consideration, however, will be the inevitable emphasis on day-to-day survival. The Middle Eastern crisis has been superseded by the new crisis in the Formosa Straits. The strong stand displayed by Washington is based on the assumption that Kremlin is bluffing and will do everything to avoid a major war. Suppose this is an erroneous assumption?

The East-West conflict continues. The build-up has been a long one. Inevitably, it has to be resolved at one time or another. The only question is when and by what means? The use of force is almost irresistible as long as it is available.

In the meantime, India's $350 million industrial aid programme, supported by five nations and the International Bank for Reconstruction and Development, was well received on this side. The hope is that it will keep afloat India's ambitious second Five-year Plan. Of the above amount, the U.S. has pledged $100 million. The World Bank has lent $85 million to improve and expand railways.

Mr. Morarji Desai, Indian Finance Minister, pleased American listeners by saying "it is the firm policy of the Government of India to encourage private industry." India feels, he added, that private capital in an underdeveloped country could make an effective contribution to its economic progress.

Mr. L. K. Jha, Secretary of the Ministry of Industry, said in an interview that India's problems, essentially, arose from the seizure of the Suez Canal by Egypt. It had the effect of increasing freight costs on India's imports. He also pointed to last year's drought and the recession in the U.S. as contributing factors.—*All Rights Reserved.*

U.S. EXPORT-IMPORT BANK

The Export-Import Bank of Washington, principal international lending agency of the U.S., authorised credits aggregating $855.62 million during the year ended on 30th June 1958, including $150 million to India for purchase of U.S. capital equipment required for India's economic development programme. In the Bank's annual report to the Congress, released on 26th September, Mr. Samuel C. Waugh, President, said that 191 new credits were authorised in 30 countries. In addition, the Bank approved 111 allocations and transactions amounting to $45.90 million under credits authorised prior to the period covered by the report. The 302 authorisations put a total of $901.50 million of the Bank's funds to work for specific purposes. The majority of new credits and allocations were to meet needs of both private enterprise and Governments for industrial expansion and economic development. Transactions to finance purchases of equipment, commodities and technical services in the U.S. were extended to five borrowers in Africa, 86 in Asia, 17 in Europe, and 194 in Latin America.

Under new legislation adopted by the Congress, the Bank has begun to use the currencies of 18 other countries for loans. The foreign currencies are obtained as part payment for U.S. agricultural commodities.



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BOMBAY STATE CO-OPERATIVE BANK

MARKED INCREASE IN ACTIVITY

THE Bombay State Co-operative Bank (Managing Director: Mr. G. M. Laud) continues to contribute substantially to the development of the Co-operative Movement in the Bombay region. Set up nearly five decades ago—it was registered in 1911—the Bank has been endeavouring to meet the credit requirements of agriculturists as much as possible by strengthening their co-operative efforts and bringing banking facilities to their door. It has also of late been helping to finance the establishment of co-operative sugar mills. Besides providing working capital to these mills, the Bank has also assumed the responsibility for providing credit in order to enable them to bridge the gap between their capital resources and capital expenditure. If, despite the efforts of this Bank as well as of other similar institutions, the Co-operative Movement has not made adequate progress, they cannot at all be blamed, for the handicap lies in the internal weaknesses of the Movement itself.

The activities of the Bank in the field of agricultural co-operative credit have expanded to a marked extent, especially in the past two years. The total advances of the Bank outstanding at the end of June 1958 amounted to more than Rs. 14.95 crores, as against Rs. 10.52 crores in 1956-57 and Rs. 6.17 crores in 1955-56. This figure, it will be interesting to note here, represented as much as 108.7 per cent. of the Bank's deposit resources. This is the first time in the history of the Bank, if our memory is right, that such a thing has happened. But there are, as we shall presently show, special reasons for this, the most important of which has been the large support given to the sugar co-operatives and other industrial co-operatives. Large advances from the Reserve Bank have enabled the Bank to lend in excess of its deposits. The exact increase in advances made during the year aggregated Rs. 4.43 crores. It would have been more marked but for the transfer of Rs. 1.26 crore of outstanding loans to the district co-operative banks following the closure of 18 branches in districts transferred to these banks.

Advances Given

The bulk of the improvement of Rs. 4.43 crores in advances—Rs. 2.82 crores, to be precise—was accounted for by dues from the central financing agencies under loans countersigned under the Reserve Bank of India Act aggregating Rs. 5.25 crores. Loans and advances to co-operatives for purposes other than seasonal agricultural operations were higher by Rs. 2.74 crores at Rs. 6.97 crores, of which the co-operative sugar factories accounted for Rs. 4.45 crores. Six factories were granted loans aggregating Rs. 3.43 crores as working capital and six were given temporary accommodation to the extent of Rs. 3.70 crores, pending disbursement of loans from the Industrial Finance Corporation. Intermediate-term loans for Rs. 51.94 lakhs were also sanctioned to the factories on Government guarantee for enabling them to complete their erection programmes. In addition, loans to the tune of Rs. 19.70 lakhs were sanctioned to three factories for honouring deferred payment on account of the delay in starting the factories. The credit made available to the industrial co-operatives was also higher. There was, however, a fall of Rs. 91.03 lakhs to Rs. 2.48 crores in the short-term agricultural loans outstanding, as a result of improvement in repayment and transfer of business to the central financing agencies.

The upward trend in the volume of credit made available by the Bank during 1957-58 was rendered possible partly by the increase in deposit resources, due to the sustained drive to attract deposits, including offer of higher interest rates, and largely to the more liberal assistance given by the Reserve Bank and the Government of Bombay. The Bank s total deposits—fixed as well as current, savings and call—outstanding as on 30th June 1958 amounted to over Rs. 13.75 crores, which compare favourably with Rs. 11.48 crores a year before. Borrowings from the Reserve Bank were higher at Rs. 6.65 crores, as against Rs. 3.41 crores and those from the State Government aggregated Rs. 1.25 crore, as against Rs. 48.64 lakhs.

Consequent largely on the rise in deposit resources and enhanced borrowings, the working capital of the Bank registered a notable increase, from Rs. 17.64 crores in 1956-57 to Rs. 24.47 crores in 1957-58. Out of the latter figure, deposits accounted for only 48.8 per cent., the percentage share of other components being: owned funds 7.4; borrowings from banks 34.8; borrowings from the State Government 5.1; and miscellaneous items 3.9. The percentage share of deposits as on 30th June 1957, it will be recalled, was 60.7, while that of borowings from banks was 26.4. The rise in deposits has thus not kept pace, as Mr. R. G. Saraiya, Chairman of the Bank, stated in his speech at the forty-seventh annual general meeting held in Bombay on 27th September last, with the increase in working capital, and the reliance on borrowings, particularly from the Reserve Bank, has been steadily growing.

Higher Interest

The narrowing margin between the cost of acquiring funds and lending rates, according to Mr. Saraiya, shrank further during the year under review. As against an increase of Rs. 9.53 lakhs in the interest received, the Bank had to pay Rs. 10.35 lakhs more by way of interest on borrowed funds, including deposits. Net interest income dropped by Rs. 82,000 to Rs. 28.12 lakhs, on account of higher interest on deposits, lowering of interest on Reserve Bank loans passed on to the central financing agencies and higher investment in Government securities. Roughly, a little over half the income was absorbed by the cost of acquiring funds and a third by establishment charges.

The net profit thus arrived at amounted to Rs. 8.10 lakhs, as against Rs. 6.84 lakhs for the preceding year. Adding to it Rs. 11,915 brought in from the preceding year, the amount available for distribution was Rs. 8.22 lakhs. The Directors transferred Rs. 1.49 lakh to the reserve fund so as to raise it to Rs. 21.75 lakhs, maintained the dividend at 5 per cent. and gave bonus to the employees equal to one-sixth of salary. As a result of the increase in the share capital, the provision for dividend was stepped up from Rs. 3.26 lakhs to Rs. 4.73 lakhs.

Financial Position

The financial position of the Bank as at the end of June 1958 with comparative figures for the three previous years is indicated in the following statement:

(In lakhs of rupees)

	As on 30th June			
	1958	1957	1956	1955
Capital paid-up	1,25.85	71.12	61.46	61.23
Reserves	53.83	59.28	51.33	61.94
Debentures	5.00	5.02	5.07	6.50
Deposits—				
Fixed	6,59.43	4,53.53	5,60.86	4,85.70
Current, savings and call	7,15.84	6,94.09	7,25.11	5,93.68
Deposits total	13,75.27	11,47.62	12,85.97	10,79.38
Borrowings	7,94.39	3,89.73	60.11	63.34
Bills for collection (contra)	9.04	15.19	9.80	10.40
Advances—				
To co-operative societies and central banks	14,77.03	10,18.26	5,65.83	4,63.72
To others	18.06	34.07	51.00	39.64
Advances total	14,95.09	10,52.33	6,16.83	5,03.36
Investments	7,37.56	5,45.14	6,25.44	5,21.24
Cash	1,13.67	99.00	2,45.02	2,50.56
Balance-sheet total	24,47.15	17,63.73	15,39.91	13,35.25
Ratio to deposits of—	%	%	%	%
Advances	108.7	91.6	48.0	46.6
Investments	53.5	47.5	48.6	48.3
Cash	8.2	8.7	19.0	23.3

It will be seen from the above table that the paid-up share capital of the Bank has gone up from Rs. 71.12 lakhs to nearly Rs. 125.85 lakhs. The increase was mainly the result of an additional contribution of Rs. 50 lakhs by the State Government. The contribution of individual shareholders declined moderately, while that of co-operative institutions rose from Rs. 29.57 lakhs to Rs. 34.36 lakhs. During the year, the Bank in turn contributed, on behalf of the Government, Rs. 34.75 lakhs to the share capital of 19 central financing agencies, as against Rs. 19.50 lakhs to 10 such agencies in the previous year, making a total subscription at the close of 1957-58 of Rs. 71.25 lakhs to 25 agencies. Similarly, Rs. 29.07 lakhs were given to 291 agricultural primaries through the central agencies.

The aggregate reserves of the Bank at the close of 1957-58 stood at Rs. 53.83 lakhs, the corresponding figure a year before being Rs. 59.28 lakhs. The decline reflects the bad debts and overdue interest written off during the year, the total amount involved being Rs. 7,50,440.

In pursuance of the policy to establish one central bank in each district, four central financing agencies were registered during 1957-58. Ten branches in the West Khandesh district, seven in Ahmednagar district and one in Nasik district were closed, and the areas served by them were transferred to three district central co-operative banks. The Bank opened four branches to serve better the farmers in Kolaba and Banaskantha districts and two in Greater Bombay. The number of branches at the close of the year was 44, as against 56 a year before.

Still Greater Role

It will be evident from the foregoing review that the Bombay State Co-operative Bank has given a good account of itself in the past year. The role of the Bank in the development of the Co-operative Movement is bound to be still greater in the coming years. Alluding to this point, the Chairman, Mr. Saraiya, said:

"The crop loan system operating in the State since 1950 is being reviewed in the light of the recommendations of the Crop Loan Evaluation Committee and this Bank, in collaboration with the central financing agencies, will willingly shoulder its responsibility as an apex bank of providing credit for strengthening the rural economy. It is also heartening to note that the State Government is pledged to the promotion of an integrated structure of co-operative credit and using co-operation as an instrument of development in many spheres of economic activity. Consequently, this Bank will have bigger and better opportunities to serve the people not only in the field of agricultural credit but also in the field of marketing and processing agricultural produce, and in the field of financing weavers' societies and other industrial co-operatives."

At the same time, Mr. Saraiya warned against the danger of the Bank being squeezed between the cost of administration and income. Here are his own words:

"The cost of administration is likely to go on increasing, owing to heavier responsibilities of detailed supervision and inspection and the rising scale of emoluments. The income, on the other hand is limited to interest on advances and on investments, mostly in Government securities. Interest rates charged cannot be raised without detriment to the farmers. For example, the Reserve Bank loans for agricultural credit are passed on to the central financing agencies at a margin of one-quarter per cent. In regulating the rates of interest, it is often forgotten that a bank has to provide not only for meeting the cost of administration but also for bad debts, delays in recoveries, a fall in the price of its investments, etc. In its pioneering work for forest labourers, for example, this Bank had to incur heavy bad debts. The advances to sugar factories—another pioneering activity of this Bank—in spite of all our precautions, are not without their risks, some of which can be foreseen and some of which cannot be foreseen. Further, I make bold to make the statement that there is no agricultural bank in the world which does not encounter bad debts.

Few would dispute the force of these observations. It would be folly on the part of the Government and the people to look upon the apex and other co-operative banks to provide cheap credit. to work on ever-narrowing margins and to take continuously increasing risks. Mr. Saraiya is quite right when he says that it is absolutely necessary to preserve the financial soundness of co-operative banking institutions, even if that entails a slight increase in the costs of credit and a smaller sphere of activity.

Libya has become a member of the International Monetary Fund and the World Bank with effect from 17th September. The quota of Libya in the Fund is $5 million. Its subscription to the capital stock of the Bank is 50 shares with a total par value of $5 million. The admission of Libya has brought the total number of members of the Fund and Bank to 68 with aggregate quotas in the Fund amounting to $9,193 million and the total subscribed capital of the Bank amounting to $9,510 million.

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INTERVIEW WITH A U.S. BANKER

"FLAG DOES NOT FOLLOW INVESTMENT"

SEVERAL bankers from the U.S. have come to India to attend the annual meetings of the World Bank, the International Monetary Fund and the International Finance Corporation due to commence at New Delhi next week. Some of them are availing themselves of the opportunity to visit the important industrial and business centres, in order to get a firsthand impression of the progress made by the country in recent years. The earliest to arrive were: Mr. Howard C. Sheperd, Chairman of the Board of Directors of the First National City Bank of New York, Mr. George S. Moore, Executive Vice-President of the Bank in charge of its Overseas Operations and Mr. Alexander D. Calhoun, Vice-President in charge of the Eastern Branches of the Bank. They were in Bombay last week and, during their stay, Mr. Sheperd gave an exclusive interview to *Commerce*, covering a number of subjects of current interest.

As readers are aware, a much discussed subject in the country now is the prospect of getting foreign capital. Mr. Sheperd was optimistic. He said that more and more business men in the U.S. were taking interest in India. Several of them were visiting the country and making surveys, with the earnest intention of investing. He did not suggest that large sums of capital were waiting to move in overnight, as it were. It was difficult to make the boards of directors of companies to come to a quick decision; it takes time. But every country must remember that God helps those who help themselves. He was personally very much impressed with what India had been doing to raise itself economically. There was no doubt that others, too, were impressed. This was evident from the multi-nation assistance which India was receiving and the latest decision of the U.S., the U.K., W. Germany, Canada, Japan and the World Bank to help India complete its second Plan. But he felt that Government aid was not the answer. It had to be supplemented by a sustained flow of private capital. And private capital would come "only when the other fellow in the country is doing well." By this Mr. Sheperd meant that, unless both indigenous and foreign private investments already in the field were operating profitably and enthusiastically, others would not be tempted to invest. He was of the view that taxation in India was high enough to be a deterrent and required reduction. He pointed out that the same problem existed in the U.S., too. He did so apparently to show that these days Governments all over the world tend to keep the tax rates high. But this was not a right policy. He referred, in this connection, to the problem of heavy depreciation arising from rapid technological progress. Things were moving so fast that a plant installed today might become entirely outmoded in a few years, that is, before the cost was fully recovered. And, in a highly competitive economy, a manufacturer could afford to neglect plant replacement necessary to keep up with the times only at his peril. He revealed that many American manufacturers, who had budgeted for a smaller investment on capital equipment on account of the 1957-58 recession, had changed their minds in recent weeks and proposed to step up their capital expenditure. Accordingly, an important reform that was needed in taxation was to permit larger depreciation allowances.

Proceeding, Mr. Sheperd recalled how the economic growth of the U.S. was greatly helped by the large flow of European capital towards the close of the nineteenth century and the early part of the twentieth century. At this stage, our representative asked whether there was not a difference between India and the U.S., in that, while the U.S. and Europe belonged to the same blood stock, India did not have that advantage and was racially different. Mr. Sheperd promptly stated that racial differences did not constitute a barrier to the flow of private investment. He crisply remarked: "Capital needs employment, just as people needed it." He added that the world was on the move and was becoming one economic family. He debunked the idea that foreign private investment would endanger the independence of the receiving country. He said: "Flag does not follow investment."

There is an impression that the severe import restrictions necessitated by shortage of foreign exchange are responsible, to some extent, for inducing some of the foreign manufacturers adversely affected by these restrictions to establish factories in this country. How far is this true? Mr. Sheperd remarked that import controls worked both days. Several of the new projects proposed in this country would require specialised types of raw materials, stores, etc., besides plant and machinery. In these cases, import restrictions would act as a handicap. They are thus not such a great blessing in disguise as many in India seem to think.

The conversation then turned to the U.S. President's proposal to establish an International Development Association, in order to help the underdeveloped countries to accelerate the pace of their economic development. The question asked of Mr. Sheperd was whether it was necessary to establish another institution when there were already the World Bank and the International Finance Corporation. Mr. Sheperd's reply showed that he was not averse to Mr. Eisenhower's idea. While conceding that availability of capital was more important than agencies for distributing it, he felt that a Development Bank of the type proposed would be definitely useful. Different organisations would mobilise resources in different ways and try to meet the varying needs of the world. There would be healthy competition between them, which, in turn, would lead to an overall rise in the funds raised and disbursed for development. In this connection, he cited the example of what the U.S. Government itself had done for providing capital to other countries. In addition to the Export-Import Bank, the U.S. Government had established the President's Development Fund. While the former was designed mainly to promote U.S. exports, the latter's main objective was to help other countries to go forward economically. Similarly, the proposed International Development Association would be able to help underdeveloped countries in ways which the World Bank was not able to adopt.

Another subject that was discussed was the economic recession in the U.S. Mr. Sheperd said that his country had already made a substantial recovery from the recession. The main cause of worry today in the U.S. was not recession but the possibility of inflation in the near future, owing to the various measures taken to arrest the recession. This led to the question whether the goods produced in the U.S. were competitive and whether the export trade of the U.S. was not in danger of being affected by the high cost of its capital goods. His answers gave the impression that he was not unduly worried about the prospects for U.S. exports. He compared the U.S. economy with one who had both spaghetti and cheese, the spaghetti being the vast internal market and the cheese being the export trade. If the American manufacturers did not get the cheese, they could live on the spaghetti. But that apart, he did not share the view that the U.S. economy was not competitive. The initial cost of American capital equipment might be more, but its ultimate cost was favourable to the buyer, because of its superior quality and higher efficiency. American plant and machinery required less shut-down time for overhauls and their maintenance cost was smaller than others. In this connection, he gave the instance of an Eastern country which, after considerable experience of cotton looms made in the U.S. and the U.K., preferred the American loom as it gave higher productivity and needed less attention.

Two other remarks made by Mr. Sheperd are worth recording here, as they are of great value to this country. He said, in effect, that it was wrong to think that mechanisation and introduction of modern, up-to-date methods of production would lead to unemployment. He quoted an interesting anecdote. His grandfather was making buggy-whips; in those days horse-drawn vehicles were the principal means of transport in the U.S. When automobiles began to make their appearance, his grandfather was naturally very much worried about the effects of this modern vehicle on his fortunes and those of his employees. He strongly decried the automobile. Both of them fared badly, but that was only for a while, because the automobile industry soon turned out to be the creator of greater and more gainful employment. The other notable remark of his was that, in its anxiety to go fast with its plans for development, India should not forget the basic things. It should strike a suitable balance between industry and agriculture and attain self-sufficiency in food. "You have to feed yourselves first," he said.

Asked whether it was common in the U.S. for banks to get together and prevent competition amongst themselves for deposits through a mutual agreement on the rates of interest payable by them, Mr. Sheperd observed that such attempts were unlawful, for they would be regarded as monopolistic practices. The only authority which could regulate interest rates in the U.S. by placing a ceiling on them was the Federal Reserve System. Here is, in our opinion, some food for thought for the banks in India, which have just brought into force an inter-bank agreement fixing maximum rates of interest for all types of deposits.

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FREE WORLD PRODUCING MORE COTTON IN CURRENT SEASON

TOTAL OUTPUT ESTIMATED AT 28.5 MILLION BALES

A LITTLE over two months have passed since the current cotton season—that is, 1958-59—commenced. The season is expected to witness a notable rise in the free world output of cotton. The preliminary estimate of the International Cotton Advisory Committee, Washington, places the aggregate output at 28.5 million bales (478 lbs. net weight), which represents an increase of 1.1 million bales or 4 per cent. as compared with the actual production of 27.4 million bales in 1957-58. The anticipated increase is due entirely to the improvement in the per-acre yield of cotton. For the total acreage devoted to this crop is put lower at 58.4 million, as against 59.2 million in the previous season. This acreage, together with that for the Communist countries, namely, 21.1 million (21.0 million 1957-58), brings the aggregate world acreage under cotton to 79.5 million, that for 1957-58 being 80.2 million. The estimate of the output in the Communist countries is, however, not given.

Despite the anticipated increase of 1.1 million bales, the total free world supply of cotton will be lower at 46.9 million bales in the current season than in the previous season when it was 48.0 million bales. This is because of a sharp reduction in the carryover stocks which at the end of July 1958 aggregated 18.4 million bales, as against 20.6 million bales.

Production Statistics

The following table gives the world cotton production statistics for 1958-59 as compared with the three preceding seasons:

Region	1958-59	1957-58	1956-57	1955-56
Acres (million acres)				
United States	12.4	13.6	15.6	16.9
Other free world countries ..	46.0	45.6	45.9	47.1
Total ..	58.4	59.2	61.5	64.0
Communist Countries	21.1	21.0	20.9	20.1
Total world ..	79.5	80.2	82.4	84.1
Production (million bales)				
United States	11.5	10.9	13.0	14.7
Other free world countries ..	17.0	16.5	15.9	16.2
Total ..	28.5	27.4	28.9	30.9
Communist countries	..	12.4	12.3	11.9
Total world ..	..	39.8	41.2	42.8

According to the first crop report in the United States, cotton in cultivation on 1st July is estimated at 12.4 million acres or about 12 per cent. less than a year ago. The national acreage allotment for this year was 17.6 million, but roughly 5.0 million acres were put into the Soil Bank programme. In May, the laws governing cotton acreage reporting were amended to require that the initial report relates to acreage actually planted. Planted acreage this year is estimated at 12.6 million acres, but about 1.4 per cent. of this had been taken out of cultivation by 1st July. If the percentage of acreage in cultivation on 1st July which is harvested equals to the 10-year average, the acreage harvested in 1958 would be 11.9 million, as compared with 13.6 million in 1957.

The cotton crop in the U.S. continues to make good progress in most sections. Hot dry weather over the western half of the Belt is favourable to plant development, and the prospective yields are much higher this season. The estimate of the U.S. Department of Agriculture, released on 8th September, places the average yield per acre at 486 lbs., as against the final yield of 388 lbs. in 1957-58. Excessive rainfall in some parts of the eastern half of the Belt has interfered with normal fruiting and dry weather is needed. On the basis of last season's yields, the crop would have been around 9.7 million bales, but the crop report as of 1st August estimates production at 11.5 million running bales, which is 6 per cent. higher than last season's outturn, despite a 12 per cent. reduction in acreage. Record high yields are in prospect in Texas, Oklahoma and California, and near-record highs in New Mexico and Arizona.

Outside U.S.

Preliminary reports indicate that production outside the United States may be higher this season. Planted acreage in Mexico, for instance, is estimated to have increased by some 200,000 acres or about 9 per cent. as compared with 1957-58, with the main expansion taking place in Matamoros and the West Coast States of Sinaloa and Somora. For the country as a whole, trade sources look for a crop of about 2.3 million bales or about 200,000 bales more than in 1957-58.

The crop in Egypt got off to a good start, but attacks by thrips and red spiders necessitated large-scale resowings. The total area planted is 1,977,000 acres, a rise of 6 per cent. over last year, a marked increase in Menoufi plantings being offset to a large extent by a decrease in the Karnak and Giza 30 varieties.

In Syria, water shortage at planting time has resulted in a significant reduction in acreage in the non-irrigated areas and the total acreage will be less than last year. However, yield prospects have improved under very favourable weather conditions and trade ideas are that the crop can be equal to the last season's record outturn, despite reduction in acreage.

Preliminary reports from Turkey indicate that the area planted to cotton in the Izmir and Adana regions this year has been reduced. There has been some switch to grains in the Izmir area and to rice in Adana. However, crop prospects are said to be generally good. The local industry now consumes 500,000 bales per year, but the current crop is expected to leave a balance for export. Production in 1957-58 was 600,000 bales.

Plantings in Uganda up to the end of May were ahead of a year ago, but this is not necessarily significant. The main planting period is from June through August. Germination is reported to be excellent. All B.P. areas will be planted with the new NC seed, an improved B.P. 52 strain with higher yield and greater resistance to diseases and pests. An advance guaranteed price of 46 East African cents per pound (seed cotton) has been announced or about 11 to 12 cents below the price paid for the 1957-58 crop. The final purchase price will be set before ginning starts later in the year, but this will not be less than the previously announced level of 46 cents.

According to the latest estimates, the area under cotton in Greece is 397,000 acres, as compared with 386,000 acres in 1957-58. Irrigated acreage is 222,000, as against 203,000. Yield prospects are enhanced by ample supplies of fertilisers and insecticides. Till the beginning of July, the weather had been favourable to the development of new crop and, if this continues, production can set a new record.

In India

The target for cotton production in India fixed in the second Five-year Plan is approximately 5.3 million bales, but, so far, production is running behind schedule. It is generally recognised that the future production potential depends primarily on India's ability to improve the yield per acre. The target for distribution of improved seed during 1958-59 is 1.2 million maunds (82.2/7 lbs. each), as against 900,000 maunds last season and the fertiliser target is 52,660 tons, as compared with 24,000 tons actually distributed in 1957-58. Sowing has been completed in the Northern States and germination has been normal. Sowing is in progress in the Southern States, but was delayed in Central India, due to the late arrival of the monsoons. On balance, trade reports expect acreage to be roughly in line with the last season's 20 million acres.

Pakistan's cotton acreage has stabilised at around 3.5 million during the last three seasons, and it seems that this will be the normal acreage expectation over the foreseeable future. However, production prospects in 1958-59 may be affected by shortage of water in the canal area. The Sutlej Valley section, representing about 15 per cent. of Pakistan's total cotton acreage, has been seriously affected.

Drought conditions prevailed over much of North Brazil during planting time and indications are that the crop may be only about half of last season's 675,000 bales with the Sertao crop showing the greatest decline.

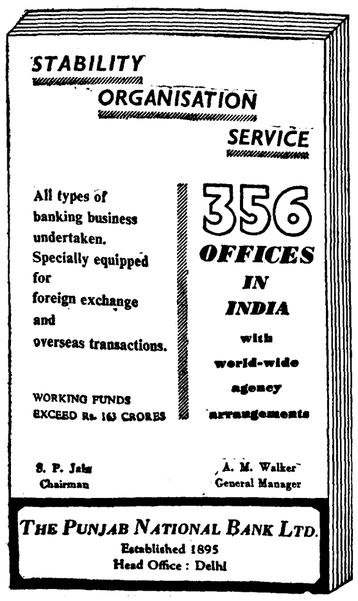
C. America

Planting is well under way in the Central American countries, but no information on acreage is yet available. Acreage increased in Guatemala and El Salvador last season, while it was reduced in Nicaragua because of drought at planting time. Yields in all these countries have been very high in recent years which should be an incentive to maintain acreage at a high level during the new season.

The bulk of the crop in South America and several African countries is harvested much later in the season and these crops are not yet planted. There has been a marked rduction in cotton acreage in South Brazil during the last two seasons, owing to the higher prices paid for coffee and other agricultural crops and adverse yields in 1956 and 1957. In 1957-58, reduced acreage was offset by much higher yields, but production is currently much lower than in former years. However, the future appears to be more optimistic. Acreage has been expanded noticeably in Argentina in recent years and production in 1957-58 set a new record. In part this increase was predicated on the even more rapid increase in domestic consumption and the present production trend is expected to continue in the current season.

Acreage in Peru has been reasonably stable during the last few seasons, but yields have declined. Production has averaged around 450,000 bales and this would seem to be the production potential for the 1958-59 season, given normal growing conditions.

The area under long-staple cotton in the Sudan is expected to increase by 70,000 acres in 1958-59. If the yield per acre were to return to anything like the normal level (the 1957-58 long-staple crop was a complete failure), there would be a marked increase in production this season.



FUTURES TRADING IN COTTONSEED

The Government of India has, on the recommendation of the Forward Markets Commission, granted recognition to the Madhya Pradesh Commercial Exchange Ltd., Akola, for a period of three years in respect of forward contracts in cottonseed. The Exchange was granted recognition for conducting forward trading in cotton on 28th January 1958. The hedge contract, which will be traded under the auspices of the Exchange, has Jarilla cottonseed grown in Berar as its basis. The varieties tenderable against the contract are 197/3 cottonseed, Verum cottonseed, Deshi (Gaorani) cottonseed, and Chandazadi cottonseed grown in the region. The months of delivery for the contract are January, March, May and July. Cottonseed can be tendered at all the important centres in the region numbering 16. It is hoped that the commencement of futures trading in cottonseed at Akola would provide necessary hedging facilities to the traders and other interests in that region.

TEXTILE DELEGATION TO AFRICA

A textile delegation to East and Central Africa sponsored by the Cotton Textiles Export Promotion Council left Bombay on Sunday this week. The delegation is led by Mr. Chinoobhai C. Javeri, a prominent textile exporter, and consists of Mr. Kumudchandra K. Mahadevia, a director of several cotton mills, and Mr. Suryakant C. Vaki', Vice-President of the Africa and Overseas Exporters Chamber. During its tour lasting two months, the delegation will visit Mombasa, Nairobi, Entebbe and Daressalaam in East Africa, Ndola, Lusaka, Livingstone, Bulawayo, Salisbury and Blantyre in Rhodesia and Nyasaland, Tananarive in Madgascar, Mauritius and Zanzibar, with a view to exploring the possibilities of expanding exports of Indian textiles to these countries..

MANPOWER LOSS IN TEXTILE MILLS PERSISTS

U.S. COTTON SUPPLY POLICY CRITICISED

From A Special Correspondent

MANCHESTER, 23rd September

MANCHESTER LETTER

"HOLIDAYS affected production in most districts"—such was the bare comment of the Cotton Board in distributing its latest figures of output and employment in the industry, covering the month of July. Seasonal influences cannot be divorced from such returns, but the further decline in the labour force and the volume of output cannot be wholly explained by the absence of operatives from the mills at the height of the holiday time of the year.

As can be seen from the following table, production of cotton and waste yarn is now practically 2,000,000 lbs. weekly below comparable averages in recent years and the reduction in activity in relation to the post-war peak in 1951 is very marked. The returns show the dwindling level of output in a relatively short space of time, taking the month of July in each case:

Average Weekly Production—July

Yarn (In million lbs.)	1958	1957	1955	1953	1951
Cotton and waste ..	10.01	11.98	11.91	12.97	17.78
Spun rayon and mixtures ..	2.10	2.23	2.11	2.49	1.93
Total	12.11	14.21	14.02	15.46	19.71
Cloth (In million yds.)					
Cotton	19.24	21.75	20.41	25.15	35.38
Rayon and mixtures ..	8.18	9.01	8.63	10.80	12.37
Total	27.42	30.76	29.04	35.45	47.75

A point to be borne in mind is that, from the beginning of 1952, spinning and weaving operatives were granted a longer holiday with pay. The Industrial Disputes Tribunal then increased the paid annual holiday from 110 to 144 hours. The introduction of a "Wakes fortnight," instead of the traditional "Wakes week," has made a considerable difference to the statistical position during the holiday months. This in itself is another example of the discrepancy which exists between Lancashire trade habits and those of some of her competitors, whose machinery works practically round the clock.

Drift from the Mills

The loss in manpower so far this year has just reached the 20,000-mark. As compared with the end of 1957 when 241,160 operatives were on the books of employers in spinning and weaving, the figure at the beginning of August was 221,150. In spinning, the fall has been 8,000, the labour force declining from 98,750 to 90,690. In weaving, the reduction has been slightly more, manpower now totalling 105,700, as against 114,330.

The section mainly affected by the loss of labour has been doubling, as these mills at the year-end provided employment for 20,560, but, by the beginning of August, the number available was only 17,370, a much sharper drop than in the other branches. In contrast, waste spinning still employs 7,390 operatives, as against 7,520 workers at the end of last year.

U.S. Cotton Supply Policy Criticised

An appeal to the U.S. Government to remove the uncertainties surrounding the current raw cotton supply situation has been addressed to Mr. Ezra Benson, Secretary of Agriculture, by the International Federation of Cotton and Allied Textile Industries. From its Manchester headquarters, the Federation issued a statement on raw cotton policy which indicated that the consuming countries of the world were extremely apprehensive about the policies adopted by the Washington Administration. The Federation represents 16 countries which between them consume more than 80 per cent. of the raw cotton which goes into international trade.

While commending the latest raw cotton legislation in the U.S. which "represents significant progress towards the Federation's stated objectives of encouraging cotton consumption by establishing a long-range policy assuring a continuity of supply of cotton at more competitive prices," the Federation urges the American Government to eliminate the two-price system as soon as possible. It says:

"The continuance of any cotton marketing policy, even for a limited time, under which export selling prices can be arbitrarily changed at any time with or without notice is detrimental to the free flow of cotton into consumption areas. It undermines confidence in forward buying and prevents traders throughout the world from reaching long-term dispositions regarding the importation and consumption of cotton and cotton goods."

The Federation emphasises that such policies make it most difficult for futures markets to provide their traditional cover against price fluctuations. It warns: "Unless there is a return at an early date to a one-price system and free marketing, the cotton futures markets in importing countries will cease to function to the great detriment of the cotton merchanting and consuming world." Other actions, such as sudden arbitrary changes in export selling prices, changes in export taxes and abrupt alteration in rates of exchange in other producing countries also tend to contribute to the prevailing uncertainty in the cotton consuming world. The Federation stresses the widespread consequences of such actions and most emphatically urges those responsible to adopt policies to remove these uncertainties.

Salesmanship Needed

Trade promotion is as old as the hills, even if it has only lately been so designated. The need for advertisement, either by word of mouth or visual stimulus, is recognised to an increasing extent and widespread publicity schemes have worked wonders for previously unknown products in this modern age. Textile manufacturers, with age-old traditions behind them, were slow to realise that consumers were drifting away from the idea that clothing came next in the list to food and shelter and that their goods needed selling in an era which looked on cars, television sets and the thousand and one domestic aids and gadgets as more essential than a constantly replenished wardrobe. In the past few years, efforts have been made to catch up in the race to attract the public eye and high-powered publicity campaigns have been sponsored by individual firms and trade organisations.

Examples have been provided by the International Wool Secretariat, the British Manmade Fibres Federation and, lately, by the Cotton Board, to interest the public in their particular fibres. A fresh development of this theme is in progress in South Africa, where a promotional drive has been launched under the campaign title—"Dress Right—You Can't Avoid Not To!" The scheme is directed towards men's wear and is felt by many to be long overdue.

The Native Product

News of the South African venture comes at a time when a big drive is being made in the United Kingdom to encourage the use of the "spun, woven and finished in Britain" label for cloth. Marks and Spence Ltd. have for long boasted that the supplies offered in their 237 stores are entirely home produced and the public will be in no two minds about the fact when they see the posters and leaflets proclaiming the fact displayed in the Company's premises up and down the country.

Easing of credit terms and the changes in hire-purchase regulations are developments which indicate an improvement in the country's general economy. Although industrial affairs in the Lancashire area do not reflect this mood of prosperity, the cash so made available can conceivably be used for a replenishment of textile stocks by the general public.

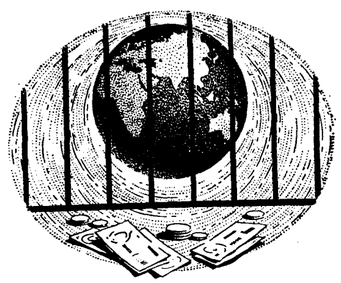
As yet, the movement has been slow and practically unnoticed. Weather conditions during the so-called "summer" have reacted against extensive clearances from distributing centres. The way is open for increased activity, if the shelves of wholesalers and retailers can be thinned. Quick delivery can be provided in practically all cases, but, in the absence of a revival of confidence among customers, the situation, as the months go by, grows more disturbing than ever for producers.

Variation in Trading

Expectations of any sharp improvement in earnings from British companies mainly devoted to cotton textiles could hardly be less prepossessing than they are at the moment. Even with the background of relatively fair trading towards the end of last year, the subsequent narrowing of margins and the length of order books must inevitably be reflected in results shortly to be published. For this reason, keen interest has been taken in the figures announced this week by two of the larger groups in the Lancashire industry. The statements present some contrast, as the Calico Printers' Association has reported a decrease in net profit of nearly £150,000, while, in the same period (to the end of June), the net profit of Tootal Ltd. was some £25,000 higher than in the previous year.

Both the companies are among those whose interests have lately been diversified, although not to any appreciable extent outside the main textile field. For an appraisal of the situation affecting the Tootal group, with its recent interest in plastics, glass fibres and non-woven goods, the trade will have to wait for the Chairman's remarks. A preliminary statement from the Calico Printers' combine makes no secret of the fact that commission printing "showed a very serious decline" compared with the total for the previous year, particularly during the first six months of 1958.

The Association's merchanting businesses have also had a difficult year, the Board reports, while the problems of meeting more intense competition in all markets have been aggravated in the home trade by the effects of poor weather on retail buying. A marked decline has occurred in sales since March. The part played by the invention of Terylene in maintaining the earnings of the Association has always been a matter for conjecture in the trade. Royalties this year rose by £63,000 to £300,000 and enabled the dividend to be maintained at 22½ per cent. for the year, the additional revenue being the source of a larger bonus. In view of the opposition to the claim to prolong the British patents for this synthetic fibre, the future is rather obscure.—*All Rights Reserved.*



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MERCHANT SHIPPING BILL PASSED

GOVERNMENT ACQUIRES POWERS TO REGULATE PARTICIPATION OF FOREIGN CAPITAL

AN important milestone in the progress of Indian shipping was crossed last week with the adoption of the Merchant Shipping Bill by the Rajya Sabha, the Lok Sabha having adopted it earlier (on 17th ultimo.) Besides consolidating the law relating to Indian shipping, the Bill envisages the creation of an Indian Register for ships and the setting up of a non-lapsable Shipping Development Fund and a National Shipping Board. Piloted by the Union Minister for Transport and Communications, Mr. S. K. Patil, the Bill is intended to give an impetus to the development of Indian shipping by providing the necessary legal and financial conditions.

The major change introduced in the Bill by the Government after its consideration by the Select Committee is the one which enables the former to vary the permissible limit of foreign investment in Indian shipping industry. In the original Bill, the permissible limit of foreign capital, which would entitle a ship to be listed in the Indian Register, was fixed at 49 per cent.; the rest (51 per cent.) was to be owned by Indians. The Select Committee, in response to the virtually unanimous demand of Indian shipowners, lowered the permissible maximum limit of foreign capital in an Indian ship to 25 per cent. and raised the minimum limit for Indian capital to 75 per cent. (*vide Commerce* 30th August 1958, page 376). When the Bill came up before the Lok Sabha, the Government sought and obtained powers to alter the proportions of foreign and Indian capital. The Union Minister for Transport and Communications, Mr. S. K. Patil, however, declared that the Government would use the power for increasing the proportion of Indian investment rather than for decreasing it. In fact, Mr. Patil categorically declared on more than one occasion that the Government of India did not welcome foreign capital for development of shipping.

Naturally enough, the clause which evoked considerable interest and discussion in Parliament was the one relating to participation of foreign capital in Indian shipping industry. Some members asked as to the reasons why the Government thought it fit to acquire new powers. Mr. Patil's reply was that the Government wanted powers to meet any possible emergency in future. Generally speaking, the members were opposed to participation of foreign capital in Indian shipping industry. Even so, there were several members (of these quite a number was from the Congress Party itself) who urged that, in view of the need for developing Indian shipping at as rapid a rate as possible, it was necessary to create conditions which would help attract foreign capital. Thus, Mr. C. R. Bassappa, speaking on the Bill in the Lok Sabha, averred that the national interests lay in the quicker development of Indian shipping by taking advantage of foreign capital and not in shutting foreign capital out. In the Rajya Sabha, both Mr. Himatsingka and Mr. Jaswant Singh urged the importance of participation of foreign capital in Indian shipping industry. A critical appraisal of the Government's attitude was made by Mr. H. N. Kunzru, who, speaking on the Bill in the Rajya Sabha, stressed that the 25 per cent. limit for foreign capital was "too conservative" and was in conflict with the best interests of the country. Besides, he said, the provision that managing directors were to be Indians would not be an inducement for foreign capital. He deplored that the Minister should have "needlessly committed" himself to the view that the Government would utilise its new powers to reduce, rather than increase, the percentage of foreign capital. He added: "I do not think that this obstinacy on his part is a sign of wisdom."

Proceeding, he observed that he did not understand how any danger to the country's security would arise by a greater participation of foreign capital in the shipping industry than that provided under the Bill. Presumably, he was referring to the general argument that, in an industry of strategic importance like shipping, it was wrong to permit foreign capital. Incidentally, this argument was also countered by Dr. P. V. Kane, who did not think that one of the objectives of the Bill should be to develop the mercantile marine as a "second line of defence"; if a war broke out in this age of atom and hydrogen bombs, "our small mercantile marine would be of no help."

Defending both the altered proportions of foreign and Indian capital and the Government's powers to vary them at will, Mr. Patil said that there was "nothing romantic, holy or unholy" in the fixation of 75 per cent. Indian capital and 25 per cent. foreign capital for purposes of registration of a ship in the Indian Register. He recalled that, in 1947, when India's national shipping policy was formulated, some people who were not nationals of India also held shares in some Indian shipping companies. It was, therefore, thought that the Indian and foreign capital should be in the ratio of 75 and 25 per cent. The fixation of foreign capital at 25 per cent. was purely "notional." It was not intended to attract foreign capital, nor did the Government expect such capital to flow in. In this connection, he pointed out that, in Italy, foreign participation in shipping was allowed to the extent of 49 per cent., and yet, not one share had been taken by outsiders in any shipping company there. This was also true of the U.S. where foreign participation in shipping was permitted to the tune of 33 per cent. By citing the instances of industrially advanced countries, the conditions in which differed from those in India, Mr. Patil was not strengthening his case. Again, his assertion that the Government did not anticipate any inflow of foreign capital into Indian shipping industry promptly drew forth the comment from a member as to why the Government was then so anxious to set a limit for the participation of foreign capital. Further, it does not square with one of his earlier statements in the House that there was an offer from a foreign source to invest $100 million in Indian shipping but the Government rejected it.

Mr. Patil referred, in the course of his speeches in Parliament, to three important issues—the role of the National Shipping Board, the importance of training personnel for ships and the need for achieving the target set for shipping under the second Plan. He stated that it was the desire of the Government that, in all policy matters affecting the mercantile marine, the advice of the Shipping Board should be accepted. He said: "By convention and by practice, I give this assurance, we shall make it a practice that the opinion given by such a representative body will be generally accepted by the Government." Emphasising the importance of trained personnel, he stated that along with the acquisition of new ships, more and more men should be trained for manning them. Finally, he disclosed that the Government would utilise $25 million out of the offer of a $100-million loan from a Japanese firm for purposes of augmenting Indian shipping tonnage. India, according to Mr. Patil, will not only be able to reach the target of 900,000 tons set under the second Five-year Plan, but also exceed the target by 200,000 tons.

A Great Sound of Machines...

WHEN BALBIR SINGH came to Jamshedpur from Bahrein in 1957, the site for the new Rs. 100-million Blooming Mill—a key unit of Tata Steel's Two Million Ton expansion programme—had just been cleared after levelling a large hillock.

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Despite the Suez Crisis which delayed vital supplies and other difficulties, the rapid completion of the Blooming Mill was made possible by the devoted service of men like Balbir Singh. He and hundreds of other Indians, assisted by American and German technicians, worked round-the-clock on this major expansion project to produce more steel to strengthen India's economy.

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This Chart Tells Our Story

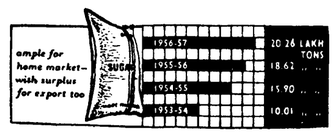
Items	1946-47 Rs. np.	1957-58 Rs. np.	Percent increase (+) or decrease (−) over 1946-47
1. Cane price including transport charges	12 62	14 70	+ 16%
2. Government taxes-central excise duty, cane cess and co-operative societies commission.	2 97	13 16	+ 342%
3. Manufacturing charges including salary, wages and packing.	3 75	6 05	+ 61%
4. Overhead charges and profit subject to taxation	2 20	2 19	
	21 54	36 10	
Less for molasses	0 10	0 10	
Ex-factory price	21 44	36 00	+ 68%

This table dispels the common belief that the profits earned by the White Sugar Industry are unusually large. That the industry is not responsible for the increase of sugar price in the recent past is revealed by the figures given here. Most of the consumers are only concerned with the price they have to pay. But some of them are not aware that the gross profit and overhead charges together account for only 5% of the total cost of production. A comparison of the current price of sugar and the price prevailing 11 years ago will show that there is an increase in all the items of expenditure except in overhead charges.

It is, as it has always been, the concern of the industry to reduce the cost of production. The industry has done a magnificent job in doubling its production in the last 4 years with a consequent decrease in cost of overheads and reduction in the percentages of gross profits. It also holds a promise for the future to reduce the cost of production further.

Today the White Sugar Industry provides scope for Indian capital investment of more than 100 crores of rupees; it provides employment to over 1,40,000 skilled and unskilled workers and 3,600 university educated men, their total earning representing 5% of the national wages and salaries; it supports 20 million cultivators; it constitutes 12% of the total value of production of major Indian industries; it contributes over 65 crores of rupees (@ Rs. 13.19 per maund) in levies to the national exchequer.

It offers even brighter prospects for the country. With a lighter burden—with some of its present day handicaps removed—this industry can contribute to achieving a more stable national economy. Its upward trend of production can continue to meet the needs of a growing home market and yet leave a surplus for export in order to earn foreign exchange.



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TRENDS IN INDIAN RUBBER

OUTPUT FAILS TO KEEP PACE WITH RATE OF CONSUMPTION

ANYONE who has cared to watch the developments in the Indian rubber growing and consuming industry will admit the need for an upward revision in the controlled prices of rubber. It was three years ago—in September 1955, to be precise—that the currently ruling prices were fixed by the Government of India on the basis of the Tariff Commission's formula of 1951. Since then, there has been an all-round rise in the prices of commodities and a substantial additions to the cost structure of the rubber industry. At the same time, there has been a tremendous increase in the demand for rubber and the indications are that this upward trend will continue for several years. If it is to be met effectively, every effort must be made to ensure a progressive rise in the production of natural rubber. Surely, a re-examination of the cost of production, replanting and new planting of rubber is overdue. The prices of rubber should be fixed at a reasonable level so as to give an incentive to producers to augment output, to do extensive replanting and to establish new plantations with a view to meeting the vast expanding requirements of the rubber manufacturing industry.

The aforesaid point would be appreciated better if one were to glance at the figures relating to the production and consumption of rubber. The quantity of rubber actually produced in the first six months of 1958 was at an annual rate of not more than 21,540 tons, as against the consumption rate of 35,000 tons—some estimate it even higher at 40,000 tons. In other words, the gap between production and consumption is of the order of 15,000-20,000 tons. This gap is expected to widen considerably in the next three years, the estimated consumption requirements for 1961 being placed at 60,000 tons, whereas output may be just 26,000 tons. Such a huge gap has to be filled in by large imports from abroad. Every ton of raw rubber bought overseas entails a foreign exchange of about Rs. 3,000. It is not suggested here that the entire gap can be closed by stepping up production of natural rubber. The capacity of the Indian raw rubber industry is not that large and cannot be expanded overnight, as it were. It takes at least a decade from the date of planting for a rubber tree to yield latex. But, unless an appropriate price policy is followed from now onwards, the situation will become more and more difficult in the years to come. The adoption of a right price policy will also enable the producers to raise the output to the maximum extent they can. Meanwhile, suitable encouragement should be given to those who are willing to establish synthetic rubber industry. It is encouraging to hear from Mr. Morarji Desai—*vide* his speech to a group of American business men in New York a few days ago—that the Government of India is not averse to the private sector establishing synthetic rubber industry and that foreign capital will be welcome for this purpose.

Replanting Scheme

The importance of raising rubber production to a level commensurate with the increasing trend of consumption has no doubt been recognised by the Government of India, as witness the implementation of the Rubber Board's scheme—sanctioned last year—for replanting 70,000 acres of old and worn-out rubber trees in the South Indian plantations with new, high yielding material at the rate of 7,000 acres per year spread over ten years. But the progress actually made has been none too satisfactory. It is said that, during 1957, not more than 2,766 acres were replanted and a large part of the expansion now taking place would appear to be in unselected strains and unsuitable areas. If this scheme, in itself inadequate, is to be carried out successfully, it is of the utmost importance that rubber producers must be assured of a more reasonable price for their product and larger quantum of assistance for cultivation and opening of new areas.

As already stated, production of rubber in India has not been keeping pace with the rate of consumption. This will be clearly evident from Table I. It will be seen from this table that the total production of raw rubber during the first half of 1958 as compared with that of 1957 was higher by 1,227 tons, while actual consumption by manufacturers was more by 1,317 tons, so that the gap between the two widened from 6,709 tons in January-June 1957 to 6,799 tons in January-June 1958. During the same period, the consumption of synthetic and reclaimed rubbers was higher by 178 tons and 321 tons, respectively. The aggregate consumption of all rubbers in the six months ended 1958 was 20,749 tons, which represents a rise of 1,816 tons over the corresponding period of 1957.

Synthetic Rubber

A striking feature revealed by the foregoing table is the marked increase in the consumption of synthetic rubber, the total of which is now running at an annual rate of over 3,000 tons, as against a bare 100 tons in 1955. All the synthetic rubber India uses is imported from the U.S. The total imports during the first six months of 1958 were 1,792 tons valued at Rs. 50.44 lakhs. The increasing consumption of synthetic rubber in India would appear to be in keeping with the trend elsewhere in the world. This is indicated by the continuously increasing output of synthetic rubber. The total world output of this rubber in 1957 was 1,262,000 long tons, which compared very favourably with 1,212,000 tons in 1956, 1,085,000 tons in 1955 and 574,000 tons annual average for the years 1946-50. The production of natural rubber has also gone up but at a reduced pace. Table II shows the trend of world natural and synthetic rubber production in recent years, as also consumption in the U.S. the U.K., France and Canada in 1957.

The proportion of synthetic rubber in the aggregate world output of rubber has gone up from 29.1 per cent. in 1946-50 (average) to as high as 39.9 per cent. in 1957, while that of natural rubber has receded from 70.9 per cent. to 60.1 per cent. Commenting on this trend, a recent world rubber survey contained in *The Times Review of Industry*, London, observes:

"While a part of the decline in consumption of natural rubber may be attributed to a lower level of industrial activity, especially in the United States, it seems clear that it has been principally caused by the further substitution of synthetic rubber for the natural product. The total consumption of natural and synthetic rubber increased by 97,500 tons in 1957, all the main consuming countries for which data are available, with the exception of Canada, showing increases. In the United Kingdom, the proportion of synthetics used rose from 17 per cent. to 24 per cent. For tyres, the increase was from 22 per cent. to 34 per cent. and for other uses from 11 per cent. to 13 per cent. In France, a similar trend towards the use of synthetics is reported. These proportions are well below those obtaining in the United States rubber industry, where, in 1957, synthetic rubber accounted for 62 per cent. of the total used for tyre products and 64 per cent. for non-tyre uses, but they indicate the current trend.

"The decline in prices during 1957 continuing into 1958 has brought natural rubber into a stronger competitive position in relation to the synthetic material; it may be that, in the United States, some substitution of natural for synthetic rubber will result. It is claimed that, for the manufacture of heavy tyres, natural rubber is superior to synthetic, since it has greater resilience and tensile strength and higher resistance to heat generation. These tyres at present take a high proportion of total rubber consumption. But many technical advances have been made in synthetic rubber production and, apart from strategic reasons, which demand that a healthy synthetic industry should be kept in existence, certain types have been developed with specific properties.

"Unless the price of natural rubber falls to a point which shows a decided financial advantage to the user, there is little likelihood of a reversal of the present trend towards the synthetic product. The prospect of increasing the demand for natural rubber may depend on a general increase in consumption rather than on any marked substitution of natural for synthetic rubber."

Scope for Rubber Growing

Although the rate of growth in natural rubber output has been levelling off, there is, it is felt, still scope for increased rubber growing in many tropical regions. In 1957, 93 per cent. of total world production originated in South-East Asia, but certain African countries, more particularly Liberia, Nigeria and the Belgian Congo, have been increasingly entering the picture, and the output in these areas has been consistently rising during the past 10 years. The outturn together has risen from 34,000 tons in 1947 to 112,000 tons in 1957. Although this is a small proportion of world output, it shows the possibilities of these areas. In Latin America, experience of rubber cultivation has been less fortunate. Total production at about 30,000 long tons is slightly higher than that of any year since 1953. Disease has retarded the growth of output. Some progress has, of course, been made in developing plants that are resistant to leaf-blight, and it is expected that this will encourage planting in the future. Since World War II, there has been much political unrest in the main rubber producing areas in South-East Asia, Malaya and Indonesia, and this has been reflected in variations in the level of output. But, in addition, the various replanting programmes have led to temporary reduction in output. Rubber trees do not mature quickly and the loss of output from older trees which replanting entails is sometimes not made good from other sources for some time. Since 1953, replanting has been done on some 25 per cent. of the acreage of the estates and 10 per cent. of the acreage of small holders in Malaya, and in Ceylon on about 15 per cent. of the estate acreage has been replaced by higher yielding trees.

The gap between world production and consumption of rubber during 1957 was not large in comparison with earlier years. The total stocks at the end of the year, while somewhat above those of twelve months before, were a little below the level of December 1955, but demand was weaker than in 1956. There was no sign of stocks being run down. In fact, commercial stocks in consuming areas rose slightly, but consumption in many countries suffered some contractions. This was true of both the U.S. and the U.K., the largest consumers, as well as of Canada, Australia, and Eastern Europe (including the U.S.S.R.). France and Germany showed slight increases and larger proportionate increases were reported from Japan and India. The estimated imports of natural rubber by the U.S.S.R. during 1957 aggregated 78,000 tons, as against 126,000 tons in 1956. During the first four months of 1958, however, there was a big revival in the demand from Russia, the actual buying being at an annual rate of over 200,000 tons.

TABLE I—*Rubber in India*

(In tons)

Years	Production (Natural rubber)	Consumption: Natural rubber	Synthetic rubber	Reclaimed rubber	Total
1955	22,481	27,543	100	3,073	30,716
1956	23,444	31,406	N.A.	N.A.	34,666
1957	23,767	34,797	3,000	817	38,614
1957					
January	2,190	2,679	233	303	3,215
February	1,165	2,493	257	304	3,054
March	1,220	2,586	209	314	3,109
April	2,072	2,907	240	308	3,455
May	1,845	2,573	206	265	3,044
June	750	2,513	217	326	3,056
Total, Jan.-June ..	9,042	15,751	1,362	1,820	18,933
1958					
January	2,639	2,877	260	376	3,513
February	951	2,747	237	316	3,300
March	1,366	2,922	280	380	3,582
April	1,590	2,684	248	345	3,277
May	2,503	2,822	241	335	3,398
June	1,220	3,016	274	389	3,679
Total, Jan.-June ..	10,269	17,068	1,540	2,141	20,749

N.A.—Not available.

TABLE II—*World Rubber Position*

(In '000 long tons)

Countries	1957	1956	1955	1946-50 (average)
Natural Rubber—				
Malaya	639	626	639	623
Of which Estates	370	352	353	343
Small holders	269	274	286	280
Indonesia	684	687	737	426
Of which Estates	252	259	262	115
Small holders	432	428	475	311
Latin America ..	30	30	27	32
Others	560	545	515	314
Total—Natural rubber ..	1,903	1,888	1,918	1,395
Synthetic Rubber—				
United States	1,118	1,080	970	521
Canada	132	121	104	48
Germany	12	11	11	5
Total—Synthetic rubber ..	1,262	1,212	1,085	574
Grand Total ..	3,165	3,100	3,003	1,969

Consumption of Rubber

(In thousand long tons)

Countries	Tyres: Natural	Tyres: Synthetic	Tyres: Percentage synthetic	Other products: Natural	Other products: Synthetic	Other products: Percentage synthetic
U.S. ..	343	573	62	196	342	64
U.K. ..	85	43	34	97	15	13
France ..	76	31	29	60	19	24
Canada ..	28	32	53	13	16	55

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D. G. MOORE,
Manager.

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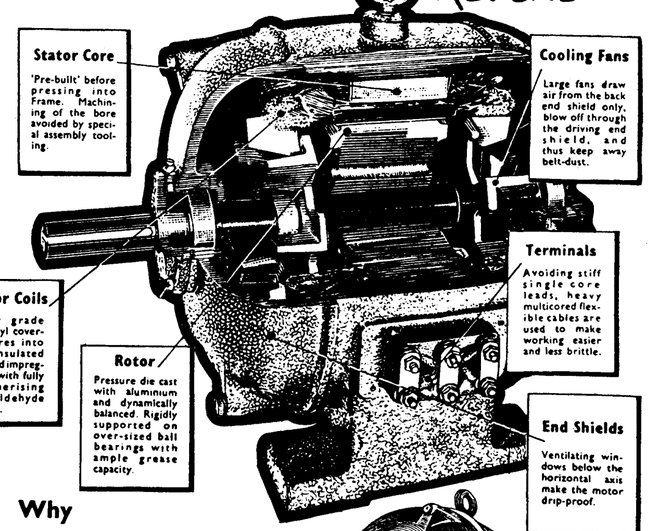

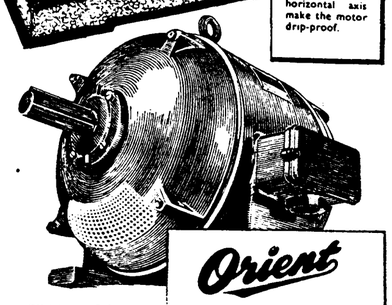

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Speech by the Chairman, Mr. G. H. J. Clarke, at the Forty-seventh Annual General Meeting of the Company on the 25th September, 1958.

LADIES AND GENTLEMEN:

I have much pleasure in welcoming you to this the Forty-seventh Annual General Meeting of the Company.

With your approval, we shall take the Notice convening this Meeting, the Report of the Directors and the Accounts, which have been circulated, as read and the Secretary will now read the Auditors' Report.

Early this year Mr. J. L. Bowring and Mr. P. Graham resigned from the Board of Directors. Mr. Bowring had served this Company for over 31 years, having been a member of the Board for 10 years, and we wish him health and happiness in a well-earned retirement. Mr. Graham's service with the Company was for 22 years, four of them on the Board, and it is regretted that his services are no longer available to us.

You will see from the accounts in your possession that the net profit this year is slightly less than last year, this being mainly due to increasing cost and greater taxation on tobacco products, which I envisaged when I addressed you last year. Before giving you a review of the Company's activities, I shall make one or two comments on the accounts.

Referring first to the Liabilities side of the Balance Sheet, you will have seen that in addition to the transfer to Development Rebate Reserve a further Rs. 20 lakhs has been appropriated to Fixed Asset and Stock Replacement Reserve. The Board makes periodical surveys of the replacement cost of both Fixed and Current Assets, and considers it essential to retain this additional amount in the business as a measure of protection against the pressure of rising prices and costs on the Company's resources.

Under the heading of Unsecured Loans, Security Deposits from Dealers and Contractors (Cash) show a further reduction. This is a consequence of the further implementation of our policy of carrying widely spread stocks of manufactured goods, thus reducing the need for Dealers to carry such stocks on secured credit.

On the Assets side, although the net value of Fixed Assets after depreciation shows an increase of only Rs. 33 lakhs, a reference to the Schedule of Fixed Assets reveals additions and transfers during the year of Rs. 115 lakhs. A large part of the expenditure on Fixed Assets was incurred in equipping the Company's cigarette and printing factories with plant necessary to increase existing production capacity to its highest potential, and as a result of this action an improvement in overall output was attained without difficulty. Plans for a new factory have had to be deferred.

Advances, etc.—unsecured show a very large increase over last year, and in the main represent earlier payments made to our suppliers of leaf tobacco because in Andhra Pradesh, the principal source of cigarette tobaccos, the harvesting and curing of the crop was earlier than last year.

Also under the heading of Loans and Advances a new item this year is Current Profits Deposit. This deposit was required to be made in accordance with Section 10 (2B) of the Income-tax Act, and it was a considerable relief firstly when the Finance Minister announced that no deposits would be required in respect of the current year and secondly when a notification was issued that deposits already made would be refunded. The amount of Rs. 43 lakhs was returned to us in July this year, and it is hoped that this item will not again have to appear in the Company's accounts, though it should be noted that the provisions of Section 10 (2B) have not been removed from the Act.

Cash and Bank Balances show a considerable reduction this year, mainly because of the two items of Advances referred to earlier. The introduction of additional Excise Duties, to which I shall refer later, also made it necessary to invest more money in stocks of Manufactured Goods.

From the Profit and Loss Account you will see that Sales have increased by Rs. 50 lakhs, but higher costs and duties have fully offset this increase. Incidentally this Account shows a decrease of Rs. 2 lakhs under the heading of Workmen and Staff Welfare Expenses; this is attributable to certain benefits previously given to workers having now been absorbed in the wage.

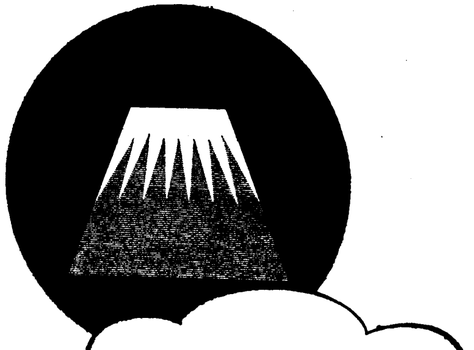
The Company now not only meets its full printing requirements from its own printing factories at Tiruvottiyur and Monghyr, but relies entirely on India's resources for its general requirements of cigarette paper, printing board and papers, aluminium foil and packet wrappings. Our encouragement of the growth of leaf tobacco in India, which has become a major export industry, is well known.

Although our long term policy of promoting the production of our raw materials inside India has now come to fulfilment, there remain some vital items which it is neither practicable nor economic to produce in this country at present. I refer in particular to elaborate spare parts for machinery. Although the shortage of foreign exchange is severe, we feel sure that Government appreciate that the benefits of the large imports of capital goods which have been permitted during the last few years must be much diminished if exchange cannot be found for the importation of essential spare parts to maintain those capital goods.

The Board would like your Company to contribute more directly to the country's export trade, but import barriers and long established protected local industries in many overseas countries impede efforts to export cigarettes or smoking tobaccos. Our main contribution in this field therefore continues to be the conservation of foreign exchange, not only by reducing imports to the barest minimum but also by the encouragement of local industries, some of which, having been largely brought into being to meet our requirements, have already grown to the point where they are themselves substantial exporters.

When I last addressed you I made a reference to the proposal to centralise the Sales Taxes levied by State Governments on tobacco products. Since then, at the request of the Government of India, the various States agreed to withdraw their Sales Taxes on tobacco products, but the additional Excise Duties imposed by the Centre in December, 1957, placed an even heavier burden on the industry than had been the effect of the Sales Taxes which they were framed to replace. While we welcomed this centralisation of taxation as a contribution to the stabilisation of prices throughout the country, the consequent overall increase in the burden of tax forced us to increase the prices of some of our leading brands, with consequent loss of sales volume, and to accept a lower return for others. This was the third occasion during the year on which we had to make a price revision, the first having been necessitated by the introduction of the decimal coinage on 1st April, and the second by an increase in the Tobacco Excise Duty on air-cured tobaccos in the Budget of May, 1957. Such frequent changes in prices naturally have an adverse effect on the buoyancy of our trade and consequently on Government revenue, as the consumer, faced with rising costs everywhere, finds it necessary to re-adjust the pattern of his personal expenditure.

Your Board is of the opinion that these adverse trends cannot be held in check unless the industry is given a period of freedom from upward revision of taxation, whether in the form of increased rates of tax or through, for example, any simplification of the tax structure or the application of the metric system. The Budget of 1958 was a welcome one in that it gives us an opportunity to start to consolidate our position, and we must most sincerely hope that expressed intentions to raise substantial sums by further taxation will not result in additional imposts on the tobacco industry.



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I have already referred to the imposition of additional Excise Duties in replacement of State Sales Taxes, as a measure of simplification both wise and welcome, but there has been a noticeable attempt by various Municipalities throughout the country to endeavour to enhance their revenues by introducing or increasing octrois on tobacco products, and even on the raw materials for our factories. We maintain that our raw materials, and their products, on which the Centre levies Excise Duty, and now additional Excise Duty, should be kept outside the taxable scope not only of the States but also of Municipalities. If this is not done, an inevitable effect must be a reduction in Central revenue because of distribution difficulties brought about by these barriers raised to trade and the free movement of goods.

In the field of direct taxation on companies, your Board believes that the total weight of company taxation is too high, especially for a country which seeks to stimulate capital formation and attract foreign investment. Even if the present level of taxation could be justified, there would be scope for the structure of company taxation to be remodelled and simplified. It is surely difficult to justify wealth tax on companies, nor can the imposition of super tax on the capitalization of retained profits fail to discourage capital formation. Moreover, desirable though it undoubtedly is to increase capital investment, this end will not be achieved by penalising companies which pay dividends at a rate higher than the modest figure of 6% on issued capital, which normally means an even lower percentage on the real capital invested in the business.

I should like now to turn to an aspect of our business which receives more and more attention each year; that of the development and training of personnel. On the management side, the Company conducts its own planned training courses and members of the staff regularly participate in the courses recently, and most successfully, inaugurated at the Administrative Staff College of India. On the workers' side, Training Within Industry is already established, while certain other schemes, including Job Evaluation, calculated to increase production and benefit the worker, are in an experimental stage. We believe that such measures are important to the maintenance of good relations between employer and worker, but success is equally dependent on the attitude of the Trade Unions.

There is, however, one factor which your Board views most seriously; the high degree of absenteeism in industrial concerns. This is not an evil which is confined to our business, but is being experienced by industry throughout the country. The number of man-hours lost through high absenteeism during the year must have been astronomical, and this is a matter which a well organised Trade Union can and should help to deal with in the firmest possible way.

The management's relations with workers during the year under review have been reasonably happy; there have been stoppages of work, there have been differences of opinion, but on the whole the management and workers have been able to work together to the common good, and I should like to thank them for their co-operation.

I must now make reference to the Employees' Provident Funds Scheme and the Employees' State Insurance Scheme. At a recent conference at Naini Tal it was proposed that employers' contributions to the two Schemes should be substantially increased. Your Board welcomed these Schemes when they were first applied to this industry, and they remain welcome, but any betterment of the benefits accruing to workers should be accompanied by a greater productive effort on the part of workers themselves.

Further, the benefits of the Insurance Scheme are at present given only to industrial workers in certain areas, a small percentage of the working population. We believe that benefits should be given to all workers throughout the country before they are extended to families of workers now insured, since otherwise the advantages enjoyed by those now insured over other workers will be still further accentuated.

It was suggested also that industry should be given the responsibility for housing its workers, and while such a course might be possible and even desirable when new factories are installed in remote rural areas, it is quite beyond the resources of existing industry, particularly when in urban areas. The task of housing workers is one of such magnitude that it should of necessity be the responsibility of the Government and we would recommend that Government extends its policy of providing loans and subsidies through co-operatives, thus enabling the worker to own his house in due course, and so provide him later in life with adequate and rent-free accommodation acquired largely at his own expense and not at the expense of consumers as a whole.

Industry must be prepared to play its full part, but it must not be burdened with much more than its fair share of taxation if it is to survive, still less if it is to thrive and expand to the benefit of the country's economy. The strength of industry is being eroded on two sides; on the one hand it is subject to ever increasing taxation and on the other to the unending demands for greater rewards for workers whether in wages, welfare or amenity measures, frequently unrelated to higher productivity or even to regular attendance.

During the first five months of the current financial year sales volume has been held to last year's levels despite increased competitive activity and the re-aligned prices resulting from the additional Excise Duties introduced in December. Your Board therefore felt justified in declaring an unchanged interim dividend of 2%, free of Income-tax, in respect of the year to 31st March, 1959. Nevertheless, the two-pronged attack on profits, even at the reasonable level which your Company attains, must make the future less certain.

I now formally move the adoption of the Report and Accounts for the year ended 31st March, 1958, including the proposed payment on 27th September next of a Final Dividend of 3%, free of Income-tax, on the issued Ordinary Shares of the Company.

I shall now ask a member to second the Resolution and when that has been done, if anyone has any question to put or comment to make on the accounts, it will be a convenient time to do so.

(*Note.*—This is not a report of the proceedings of the Annual General Meeting.)



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THE FIRST DECADE OF THE G.A.T.T.

WHAT OF ITS FUTURE?

By Eric Wyndham White

EXECUTIVE SECRETARY, G.A.T.T., GENEVA

THE biographies of public men throw much light on the history of the events in which they have played their part. Similarly, an account of the first ten years of the evolution of the General Agreement on Tariffs and Trade provides a revealing insight into the changing circumstances of international trade in the post-war world.

The G.A.T.T. opened its career in a characteristically practical and pragmatic manner. For many years, the war-time allies had sought an agreement on commercial policy which would not only provide the necessary complement to the financial agreements of Bretton Woods, but would also consummate the settlement envisaged in the well-known Article 7 of the Lend-Lease Agreement. The attempt to agree upon a blueprint for world trading relationships failed in the particular form that was attempted, but the I.T.O. negotiations gave rise directly to the negotiation of the General Agreement and the commercial policy code which it embodies. The Agreement was negotiated as a tariff agreement and the trade rules were embodied in it essentially as a means of protecting the tariff concessions from being nullified by restrictive measures of other kinds. The tariff agreement was a major achievement and made a significant contribution to the remarkable recovery of international trade which took place as soon as productive resources had been restored. The existence of the tariff truce was a valuable element in trading relationships, particularly as balance-of-payments difficulties progressively lessened and Governments began to dismantle abnormal trade restrictions. Further, the G.A.T.T. furnished an impressive demonstration of the willingness of the creditor countries to make tariff concessions effective in their own markets, at a time when the counterpart they obtained in negotiation was being nullified by restrictions and discriminations in the debtor countries. This act of faith has so far not proved ill-placed, since the gradual improvement of the balances of payments of the debtor countries has been accompanied by a progressive dismantling of restrictions and a softening of their discriminatory impact. The existence of the G.A.T.T. rules and its procedures for consultation played an important role in maintaining international solidarity throughout this period of restrictionism.

Early Years

It was during this period that the first stage of G.A.T.T.'s evolution took place. Given the adverse economic climate which prevailed, it may sound somewhat paradoxical to say that this evolution took place in exceptionally favourable circumstances. However, too many organisations have sprung fully armed into the arena ony to find that circumstances condemned them to a period of frustration and inactivity. The G.A.T.T. escaped this disheartening experience, since it embodied no elaborate blueprint, and was not hampered by a large-scale organisational structure. If it has developed to the point it has reached today, this is a result of empirical progress in response to the needs of a constantly changing situation and on the basis of cautious experiment in handling practical problems.

Those early years were years of unobtrusive and unspectacular growth. More and more countries were added to the G.A.T.T. membership through the accession conferences of Annecy and Torquay, and the area of tariff stability was progressively and significantly widened. The original membership of 23 countries increased to 37, accounting for nearly 80 per cent. of international trade. Moreover, the habit developed for the signatory countries—described in their collectivity as Contracting Parties—to meet in annual sessions to discuss the application of the Agreement and to carry out the consultations for which it provides. These annual meetings of senior trade officials came to have an importance transcending the technical and generally unspectacular work with which they were involved. They bred a growing awareness of the value of objective rules as the basis for trading relationships and of a forum where trade problems could be discussed in an atmosphere of technical competence and of confident understanding. The G.A.T.T. techniques of consultation and friendly settlement of disputes came gradually to enjoy an enviable degree of international prestige, to which the modesty of its establishment and of its budget made no small contribution.

During this fruitful period of growth, there were also important changes in national attitudes. In the initial stages, many countries regarded the G.A.T.T. with very moderate enthusiasm. Whilst welcoming—in different degrees—the tariff benefits which it offered, many countries chafed under the restrictions which the rules imposed on their traditional freedom of action in commercial policy and were distrustful of submitting to international discussion the delicate matters which had hitherto been jealously guarded national and bilateral preserves. At best, their attitude was one of reluctant acceptance of an apparent necessity.

By the time the period of acute post-war difficulties had come to an end, the atmosphere had changed substantially for the better. There was general recognition of the value of the G.A.T.T. trade rules and of the General Agreement mechanism. Moreover, in the administration of the Agreement, the Contracting Parties had given ample and repeated proof of realism and objectivity. The years of relatively pleasant domesticity within the G.A.T.T. had bred a strong reluctance to revert to the perhaps more exciting but dangerous and unpredictable law of the jungle.

The 1954-55 Review

Thus matters stood, as the world emerged from the transitional period of reconstruction. The Contracting Parties deemed the G.A.T.T. strong enough to throw it open to a thorough review designed to examine each of its provisions in the light of experience and to see whether the Agreement could be equipped to play an even more effective role in the future. It was conceived, also, that this review would put an end to the provisional character of the Agreement and establish it as a permanent international institution.

This progress in the evolution of the G.A.T.T. closely paralleled the evolution of the international economy. Great progress had been made in the restoration of the trading position of the principal European countries, thanks to Marshall Aid and the imaginative and energetic activities of the O.E.E.C. The affairs of the British Commonwealth had also begun to prosper. This favourable conjuncture led the Commonwealth countries at the conference of 1952 to propose a collective approach to convertibility. The "collective approach" included a number of conditions as a prerequisite for the restoration of currency convertibility, amongst them the strengthening of the trade rules embodied in the General Agreement. As the principal sponsor of the collective approach, the United Kingdom looked to the review of the General Agreement as an opportunity for strengthening its disciplines and, in particular, the provisions relating to the use of quantitative restrictions for balance-of-payments reasons and the rule of non-discrimination.

Unhappily, by the time the review began—that was in the autumn of 1954—the prospects for this collective approach had been seriously impaired. The Commonwealth initiative had been coolly received in Washington by a new Administration which was absorbed almost exclusively with domestic financial policy and in no mood to react positively and imaginatively to international initiatives in this field. In Europe also—with the exception of some elements in Germany—the British initiative raised little enthusiasm. The European countries were on the whole more concerned to preserve and build upon the regional economic co-operation which had made such significant progress under the ægis of the O.E.E.C. Already, the adventurous spirits were speculating on more ambitious programmes of regional co-operation which were later to bear fruit in the Rome Treaty. Even within the Commonwealth, there was no uniform enthusiasm for tightening the G.A.T.T. rules as opposed to providing for more effective administration of the rules as they stood.

The review of the G.A.T.T. opened, therefore, without exaggerated optimism as to the results to be expected from it. Expectations were still further lowered, when it became known that the United States would find it necessary to seek a waiver to enable that country to maintain import restrictions on agricultural products, in order to make effective its domestic programme of supporting the prices of agricultural products above world levels.

Thus, it was clear from the outset that the most that could come from the review would be a reaffirmation of the Agreement and a more secure and permanent basis for its administration. These results were attained and they should not be underestimated. Some of the basic provisions were significantly strengthened and improved. In particular, there was evolved a more sympathetic and realistic approach to the delicate problems of the underdeveloped countries and to the possibilities of their co-operation within the G.A.T.T. In addition procedures were devised for dealing with residual problems likely to arise in countries which, following the restoration of the convertibility of their currencies, would no longer be justified in maintaining import restrictions for balance-of-payments reasons. Less noticed, but of great importance, was the strengthening of the procedure for multilateral consultation, so that an individual country should be in a position to call the international trading community into consultation on any matter affecting the operation of the Agreement, if bilateral consultation should prove abortive. This provision has great potentialities, particularly during periods of economic adversity.

Finally, it was agreed to establish an Organisation for Trade Co-operation, to administor the General Agreement and generally to sponsor international consultations and negotiations on trade matters.

All in all, therefore, there was good cause for satisfaction with the outcome of the review session. But new challenges—I use this term rather in the sense of stimulants than of threats—were not slow to emerge, mainly in connection with the dramatic acceleration of economic plans and developments in Europe.

New Problems Created by Developments in Europe

The discontent of the low tariff countries in Europe had for long been a subject of concern to both the G.A.T.T. and the O.E.E.C. These countries made no secret of their disappointment with the processes of tariff negotiations in the G.A.T.T.—negotiations in which they felt themselves without arms or prospects. Their disillusionment was complete when they failed to secure acceptance in the G.A.T.T. of plans for automatic across-the-board tariff reductions which, by requiring a proportionately larger contribution from high tariff countries would have contributed to a lessening in the disparity of tariff levels. The low tariff group then turned its main attention to the O.E.E.C., making it clear that no advance in intra-European trade liberalisation could be expected unless they could obtain some satisfaction on tariff levels, and indeed that it was doubtful how long the trade liberalisation programme could be maintained if circumstances remained unchanged. For them, a liberalisation programme directed only to the suppression of quantitative restrictions appeared a one-sided affair. The removal of the protective incidence of import quotas exposed their producers to the full impact of competition subject only to a low tariff protection, whereas other countries' producers were sheltered behind high tariff walls. Other forces were also stirring in Europe. Discussions began between France, Germany, Italy and the Benelux countries on the possibilities of establishing a customs union between them. Confounding the sceptics, these discussions moved with unexpected rapidity and the preliminary report of the Messina Conference was followed by the initiation of negotiations which were to result with relative speed in the drafting of the [Rome] Treaty Establishing a European Economic Community.

These challenges were met by the United Kingdom with a historic proposal for the establishment of a free-trade area in Europe. Indeed, so fundamental was this change in British policy, that it raised suspicion in many quarters as to the genuineness of the proposal. In some quarters, it was thought that the proposal was a tactical device designed to sidetrack the pressures of the low tariff countries. Others saw in it an attempt to counter the incipient moves for the formation of a customs union between the six countries of "little Europe." However, the energetic efforts of the British Government to win widespread support in the United Kingdom for the free-trade area idea was an effective answer to these suspicions. Moreover, the rapid progress of the common market negotiations gave deeper meaning and greater urgency to the United Kingdom proposals. The free-trade area then became of vital importance as a means of maintaining access for the United Kingdom to the rich European market, and also as a means of avoiding a dangerous split between the western European countries which had hitherto co-operated with such fruitful and encouraging results through the O.E.E.C.

Anxieties Caused

It was obvious that these developments posed new and far-reaching problems for the G.A.T.T. and placed new and heavy responsibilities upon it. It is true that the possibility of the formation of a customs union in Europe had been foreseen in the drafting of Article XXIV of the General Agreement. The drafters had also foreseen both the desirability and the difficulty of the association of the United Kingdom with such a union. This latter problem gave rise to the elaboration of the new concept of a free-trade area which, unlike a customs union, does not affect the external tariff of the constituent countries. Nevertheless, apart from a few enthusiasts, it is doubtful whether anyone really thought at that time that the European customs union was a serious possibility. Nor had the implications and consequences of a union embracing so large a sector of world trade been envisaged. Thus, the provisions of Article XXIV are somewhat general in character and in some respects lacking in precision. The Article contains principles and rules designed to ensure that customs unions shall have a liberal character and, in particular, aim at removing barriers within the union, while not erecting new barriers to trade with the outside world. There are also procedures for consultation and discussion designed to ensure the application of these principles and rules and so to afford safeguards for the interests of third countries. Nevertheless, the rules themselves are open to different interpretations and there is wide scope for disagreement as to the ways in which they should be applied. The Rome Treaty, moreover, is in a form which was not entirely foreseen by the drafters of the General Agreement, in that many of the basic features of the Economic Community are left to be worked out over a period of time through the institutions of the Community. In particular, in the vital agricultural sector, what appears to be proposed is a managed market for agriculture rather than free trade. It should also be noted that the Treaty provides for the establishment of an economic union of much greater scope than a customs union.

The discussions in the G.A.T.T., following the presentation of the Rome Treaty to the Contracting Parties, have given ample evidence of the anxieties which have been aroused in many parts of the world. It is clearly in the interest of everybody, not least that of the six Governments themselves, that these anxieties should be set at rest and that the European Economic Community should make a contribution to the general expansion of international trade. It is here that the G.A.T.T. has an essential role to play—a role which it is difficult to see being fulfilled elsewhere or by other means.

Similar problems will arise if a free-trade area convention is signed and comes under discussion by the Contracting Parties. Indeed, it is already clear from the negotiations in Paris that the concept of a free-trade area—which does not have the established theoretical and historical background of the customs union concept—gives rise to serious difficulties in its application, above all when it is sought to apply it to a group of countries with differing tariff structures and commercial policies, and, in some cases, in widely differing stages of economic development.

Trade in Primary Products and Foodstuffs

It is not, however, only from these developments in Europe that the G.A.T.T. has to meet challenges. One of the most difficult problems which came very strongly to the fore in the ministerial discussions at the last G.A.T.T. session is the trade in agricultural products and foodstuffs. This is an issue which, it must be admitted, has been evaded in the G.A.T.T. and was not squarely faced at the 1954-55 review. The text of the General Agreement makes no distinction between trade in industrial products and in agricultural and food products, except that the use of import restrictions is admitted in the case of agricultural products where there is a domestic support programme including restrictions on domestic production or sale. This legal situation, however, bears no relation to the facts. In most countries of the world, trade in agricultural products is subjected to import restrictions and a variety of protective devices other than the customs tariff. Both the Rome Treaty and the free-trade area projects recognise this state of affairs; the former contains a special regime for agriculture and the latter will clearly not be negotiable unless it includes a similar special regime. We have also seen that the emergence of Germany as a powerful creditor nation has brought her into conflict with the G.A.T.T. over the import restrictions which are maintained in the agricultural field. It is clear that this wide divergence between law and practice, as far as the G.A.T.T. is concerned, is no longer tenable, and the agricultural exporting countries have insisted that this whole matter be faced realistically at an early date in the G.A.T.T. The problem is not one which concerns agricultural exporters alone, although an expanding and prosperous multilateral trading system is inconceivable unless those countries—themselves important markets for industrial goods—can be assured of a fair share of this expansion and prosperity. The problem is one which must also increasingly concern the countries which find themselves in the toils of excessive agricultural protectionism. These policies seem to be rapidly approaching self-defeat. The maintenance of artificially high prices is tending to hamper the normal expansion of consumption and is contributing to the accumulation of burdensome surpluses which cannot be sold even in the protected home market and have to be dispersed in one form or another in world markets.

Mounting Dissatisfaction

There is a mounting dissatisfaction—accentuated by the present sharp decline in prices—on the part of the producers of primary products, owing to the instability of their export incomes consequent upon acute short-term fluctuations in prices. This problem is not a new one, but it is more acute today, because the principal exporters of primary products are characteristically countries in an early stage of economic development, driven by overwhelming political pressures to undertake ambitious schemes of economic development and diversification. These programmes are producing inflationary pressures and other disturbances in the national economy which bear hard upon their export interests. At the same time, the determining factor in the capacity of these countries to import, whether capital or consumer goods—despite aid programmes and loans—is their export earnings. It is not surprising, therefore, that the underdeveloped countries should seek a greater degree of stability in the conditions of trade in primary products.

The concern of underdeveloped countries has been increased by the failure of their exports to the industrial countries to share in the general expansion of international trade in anything like the same proportion as the trade between industrialised countries. The export proceeds of the non-industrial countries in their trade with the industrial areas in 1957 accounted for only 23 per cent. of world exports, as against 25 per cent. a year earlier. Since their imports from the industrial areas rose roughly in line with the total value of world trade, they incurred an import surplus which reached the value of $1,500 million in the first six months of 1957 alone. Unless the export earnings of the non-industrial areas in their trade with the industrial countries can be maintained, balance-of-payments difficulties and sharper import restrictions would appear to be inevitable, with consequent adverse effects upon their development programmes.

This group of problems—agricultural protectionism, trade in primary products and the apparent lag in the development of the exports of the less industrialised countries to industrial destinations—was discussed at a meeting of Trade Ministers at the last session of the Contracting Parties. It was decided to establish a panel of experts to examine current trends in international trade, with particular reference to these three problems. The Panel consists of Professors Haberler, Meade, Tinbergen, and Dr. Campos. They will draw up a report in the course of the summer months and it is hoped that it will be available at least for preliminary examination at the forthcoming session of the G.A.T.T. in October 1958.

I come finally to a brief consideration of the United States scene. The Reciprocal Trade Agreements Act, in the national plane, and the G.A.T.T. on the international, are the symbols of the liberal trade policies inaugurated by Cordell Hull and continued by successive United States Administrations. As such, they have been more or less continuously assailed by protectionist forces in the United States, with the result that the hard-won renewals of the Reciprocal Trade Agreements Act have consistently contained a clause specifying that renewal of the Act, which is the basis of United States participation in the G.A.T.T., implies neither approval nor disapproval of the latter. Characteristically, the United States was among the first to approve of the revised G.A.T.T. resulting from the review session—an act within the competence of the Executive—whereas it has proved impossible to secure Congressional approval of the Organization for Trade Co-operation despite the warm commendation of the Administration expressed in the strongest terms by the President himself.

Even if the United States Administration has been able to do little more in the last few years than hold the line, with some backsliding to appease the more furious onslaughts of particular protectionist interests, we should not underestimate progress over what has gone before. The business recession, which has caused such grave concern in the United States, might well have generated a protectionist tidal wave. It has not done so. It remains true, however, that, during the last few years, the United States has not been in a position to give the leadership in the field of international trade policy which its dominating trade position requires. This is very apparent in the G.A.T.T., in the launching and building of which United States leadership was fundamental.

Further to the north of the American continent, there is much uneasiness in Canadian opinion about future trading policies and particularly about the dependence of Canada on the United States market and on United States capital, as well as the persistent trading deficit which Canada runs with the United States. These feelings have been intensified in the minds of many Canadians by the establishment of the European Economic Community which they fear may still further limit the outlets for Canadian exports. The anxieties of Canada have found expression in the convening of a Commonwealth Economic Conference in Montreal.

Conclusions

From this review of contemporary problems, it will be clear that the expectations which might reasonably have been entertained following the review of the Agreement, that the Contracting Parties should continue serenely upon their course, have been rudely shaken, and that many of the basic elements of the General Agreement will again have to be carefully considered and discussed internationally. It would be a most unfortunate turn of events if the strong regional impulses which have developed, not only in Europe but in other parts of the world, should resolve into a splitting of the international trading community into discriminatory trading blocs. It is also fundamental to the future of the international economy that an acceptable settlement of the conditions of trade in agricultural and food products should be arrived at. It is equally essential that constructive and imaginative international action should be directed towards the basic problems of the primary producing underdeveloped countries.

The fate of the General Agreement and, much more important, the fate of all that the General Agreement stands for will turn upon the energy and wisdom with which these difficult problems are faced over the next few months and years. They are all problems which seem to be manageable in a climate of an expanding international economy, but which can easily become unmanageable if, through the revival of restrictionism, the present check in the expansion of international trade were to be prolonged and eventually turned towards decline. Whichever of these occurs turns largely on the willingness and ability of the major trading countries—and here the European Economic Community emerges as a new and powerful force—to give the necessary energetic leadership. Meanwhile, it must remain uncertain whether this fragment of biography of an international institution is an account of childhood and adolescence, leading to a long and fruitful career, or of a promising youth doomed to an untimely end.—*Adapted from a recent address to the London School of Economics and Political Science, London.*

TATA LOCOMOTIVE AND ENGINEERING CO. LTD.

COST OF LOCOMOTIVES FALLS—PROGRESS OF AUTOMOBILE DIVISION STRIKING

MR. J. R. D. TATA DEPLORES REPETITION OF UNFAIR CHARGES BY PUBLIC ACCOUNTS COMMITTEE

THE following is the speech of the Chairman, Mr. J. R. D. Tata, delivered at the Thirteenth Annual General Meeting of the shareholders of the Tata Locomotive and Engineering Company, Limited, on Wednesday, 24th September 1958:

"LADIES AND GENTLEMEN,

"The annual report and accounts before you reflect the progress which the Company continued to make during the year under review. The construction programmes have proceeded apace. All the buildings have been completed and most of the plant and equipment installed. The total output of locomotives and diesel commercial vehicles and their indigenous content have both exceeded the targets. The Steel Foundry is steadily building up production and the Alloy Iron Foundry is just coming into operation. The improved results of the year's operations have enabled your Directors to recommend an increase in the dividend on ordinary shares from Rs. 8 to Rs. 9 per share. Even with the increased rate of dividend paid this year, the average return of 2.7 per cent. to the ordinary shareholders over the whole period of their investment is still well below what they are entitled to expect. The annual bonus to the employees has been raised from one-and-a-half months' to two months' basic wages, an increase of 33⅓ per cent.

"For the benefit of members, who may not be aware of it, I may explain that the somewhat involved procedure followed in disposing of the profits for the year and in declaring the dividends has been adopted because the income-tax authorities do not treat dividends as free of tax unless they are expressly shown in the accounts as paid out of taxed profits, whether of the year of account or of previous years.

"As stated in the Directors' report, the profits for the year were wholly accounted for by the Automobile Division. The Foundry Division started making castings in June 1957, initially for our own use, and production began to build up only towards the end of the year. The new Welding and Fabricating Division was hardly in production during the year. As regards the Locomotive Division, about which I shall have something more to say later in my speech, while its operations yielded no profit, it may be noted that, in addition to bearing in full its legitimate share of plant and general overheads, it earned full depreciation and development rebate.

Issue of Capital

"I had indicated in my speech last year the need for raising additional finance to meet the heavy commitments for capital as well as operating purposes. Since then, the progress made by the Company and the improvement in the investment market have rendered it both possible and desirable to make a fresh issue of equity capital. As you will see from the notice of the meeting and the Directors' report, it is proposed, subject to the sanction of the Controller of Capital Issues, to raise Rs. 3 crores of additional capital by the issue at par of 300,000 new ordinary shares of Rs. 100 each in the ratio of three new ordinary shares to five existing ordinary shares.

Locomotive Prices

"As mentioned in the report, the expansion of the Locomotive Division of the Company was completed well ahead of schedule and production at the rate of 100 locomotives per year is being maintained. The prices fixed by the Tariff Commission covered deliveries only upto 31st March 1958. The price for locomotives delivered after that date had to be fixed by negotiation with Government. Although the Company's present offer represents a reduction in price of over Rs. 52,000 per unit as compared with the price of the previous period, no agreement could be reached and it has been mutually agreed to refer the matter to the arbitration of Mr. J. N. Majumdar, ex-Judge of the Calcutta High Court, as sole arbitrator.

"As the shareholders are aware, the prices paid to us for locomotives under our agreement with the railways was the subject of an important debate in the Lok Sabha in September last year. The debate took the form mainly of an attack on our Company, although the Railway Board were also criticised for having entered into a long-term agreement with us on terms allegedly favourable to the Company and for being too lenient in its implementation. The Company was charged with low production, high costs and even with taking unfair advantage of the agreement to the detriment of the railways. Facts and figures were quoted in respect of an earlier period when operations were still hampered by construction and development activities. The rapid progress subsequently made towards achieving full production and reducing costs, notwithstanding many unforeseen difficulties and obstacles, was totally ignored.

"Perhaps, the most regrettable feature of the debate was an attack on the Tariff Commission, who had made an exhaustive inquiry into the operations and costs of the Company, with the assistance of a foreign expert selected by the Railway Board, and had come to conclusions different from those sought to be drawn by the movers of the debate. Their findings were challenged and the members of the Commission were charged with partiality in favour of the Company. The preservation of public confidence in such statutory bodies as the Tariff Commission is almost as vital to the stability of a Democratic State as the preservation of public faith in Parliament and Courts of Law. Upto now, their competence and integrity have rightly been unquestioned in our country, and I hope it will be appreciated that an attack on the integrity of the Tariff Commission and similar institutions undermines democracy itself, almost as much as would an attack on Law Courts and Legislative bodies.

Unfair Charges

"In order to correct the one-sided picture which this debate might have created in the public mind about our operations under the agreement with the Railway Board, we published a booklet in December 1957, giving the full facts about Telco and also issued Press statements. I have no wish to reopen this controversy now, but I must express regret that, subsequent to the debate, the Public Accounts Committee of the Lok Sabha has, in its report on Railway Appropriation Accounts for the year 1954-55, repeated some of the old charges against the Company based on the production and costs of years ago without recognition of the vastly different situation prevalent at the time the report was issued.

"It is perfectly true that the railways have paid higher prices for locomotives and boilers purchased from us in the initial years when production was low and manufacturing costs high than those at which they could have been imported; similarly, costs at Chittaranjan in the first years of production were also higher than the corresponding import prices. As output rose and efficiency improved, costs have come down in both factories to a level which today compares favourably with import prices other than the subsidised prices quoted by some countries. The Chittaranjan Works were completed about two years earlier than the Telco Works and it is natural that they should have reached their lowest costs correspondingly earlier. While, according to a recent statement of the Ministry of Railways and Transport, their costs have risen since 1956-57, Telco costs are still declining and the railways will get the full benefit of such reduction in the current and coming years.

"For anyone to find fault with the inability of newly established industries to supply their products from the very start of their operations at prices equal to or lower than the lowest import prices, particularly where, as in the case of the dying steam locomotive industry, such prices are clearly uneconomic or subsidised, is to ignore elementary industrial realities. The principle of protection to essential young industries and the consequential acceptance for some years of higher indigenous costs has been so well recognised and approved a part of our country's economic policies for the last thirty years or more that I am surprised such an uproar should have been created over the normal working of this same principle in the case of locomotive manufacture.

"While it may not be possible to convince all our critics, the fact that, contrary to the complaint that the Company has made large profits out of the railways, it is actually supplying locomotives at no profit or even at a loss, will, I hope, at least convince some of them that the agreement is not so favourable to the Company and unfavourable to the railways as it is alleged to be.

Automobile Division

"As indicated in the report, the progress of the Automobile Division has been most satisfactory. Despite several adverse factors including shortages and delays resulting from the acute scarcity of foreign exchange, the phased programme of indigenous manufacture has not only been fully maintained, but has been exceeded by a significant margin. The parts and components which are now being made at Jamshedpur and for which we shall not have to depend on imports hereafter, include the complete frames with springs, all sheet metal parts, the front and rear axles and the complete transmission including the gear box. The only important item left now is the diesel engine for the manufacture of which preparations are well advanced. With the arrival on site of most of the machine tools and equipment for the Engine Shop and the completion of the Alloy Iron Foundry which has just started operation, the final stage of our programme of manufacture should be completed according to plan, by the end of October 1959, or even earlier.

"Already, within four years, we have achieved both the highest indigenous content as well as the highest output of all manufacturers of commercial vehicles in the country, despite the fact that we were the last to enter the field. This striking and gratifying progress has been made possible by a number of factors. We have not only invested in the most modern plant and highly specialised machine tools but we have built up a team of engineers and workers to use the equipment to the best advantage. We have made sure that our processes and techniques will be equal in every way to the best found in the most modern factories abroad and that the productivity of our labour will be high. We have had the benefit of splendid collaboration from our partners Messrs. Daimler-Benz A.G., who have made available to us a large number of highly competent German engineers and technicians under the fine leadership of Mr. Hans Stoehr.

Housing

"As mentioned in the report over 40 per cent. of the Company's staff are now housed in Company-owned quarters; but since the Company's Works are situated in an area where other suitable housing is scarce, we shall have to continue enlarging our township to provide adequate accommodation for the majority of our staff. Substantial additional housing will be required also for the additional staff we shall be engaging for the expansion of the Works in the next few years. Therefore, to the extent that our resources will permit, the growth of the colony must go hand in hand with the growth of the Works. To meet the additional expenditure, we have requested the Government of India for assistance under the Subsidised Housing Scheme for Industrial Workers.

Labour

"At the end of my speech last year, I had referred to the deteriorating labour situation at Jamshedpur and to the illegal strike accompanied by violence, in August 1957, organised by the communist-led Jamshedpur Mazdoor Union as part of a campaign of disruption in most of the industrial establishments in Jamshedpur in preparation for the assault on the main target, namely, the Tata Iron and Steel Works.

"As most of you are aware, this campaign came to a head in May this year in the Steel Works and the town of Jamshedpur and erupted in an orgy of violence. Thanks to the firmness of the Steel Company's management, the strong action taken by the Government of Bihar to re-establish law and order and to the good sense of the men themselves, the communists failed to achieve their main purpose which was to oust the long-established I.N.T.U.C. leadership and to place themselves in full control of all labour at Jamshedpur. So far as our Company is concerned, we suffered only one day's stoppage as part of the backwash of the main struggle in the neighbouring Steel Works. In view of the illegality of the strike which took place in our Works during the pendency of adjudication proceedings, the Company had no option but to take deterrent disciplinary action against the principal offenders. The labour situation in our Works returned to normal immediately and is better today than it has ever been. Discipline is being maintained, the men are working well and their morale is high.

"Unfortunately, we have not up to now been able to re-establish as good relations as we would like to have with the Telco Workers' Union. After the failure of the Jamshedpur Mazdoor Union to capture the labour movement at Jamshedpur, the Telco Workers' Union has made special efforts to re-establish its leadership and control amongst our workers. I must confess I am disappointed at some aspects of this effort on their part as I feel that the way to acquire support and loyalty from the workers is by sustained constructive work and not by keeping them in a state of agitation through the maintenance of continuous disputes with the management over minor points. I hope, however, that, with mutual understanding, we shall, in due course, re-establish cordial relations and co-operation with the Union. Our men are amongst the highest paid in the industry. Besides good wages, they enjoy excellent conditions of work in a factory equipped with the best of modern machinery; they live in a beautiful township which provides them with high standards of housing, medical facilities and other amenities. They have a fine and safe future before them with varied opportunities for further training and advancement and the relations between them and the management have, on the whole, been excellent. Despite the intensive agitation to which they have been submitted during the last year, a great majority of them have maintained an independent outlook and a high morale.

"In closing, I should like, on your behalf, to welcome our new General Manager, Mr. R. G. da Costa, and to offer our thanks to him and the able team of our officers and workers whose initiative and efforts were mainly responsible for the year's excellent results."

Note: This is not a report of the proceedings at the above annual general meeting.

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ELECTRIC MOTORS INDUSTRY

FURTHER ENQUIRY ON CLAIM FOR PROTECTION TAKEN UP

THE Tariff Commission has now taken up the question of continuance of protection and assistance to electric motors industry beyond 31st December 1958. A public enquiry was opened by the Commission at its office on 23rd September, Mr. G. Ramasubban, Chairman, presiding. This is the fourth tariff enquiry on this industry, the previous enquiries having been held in 1947, 1949 and 1955. The scope of the present enquiry covers squirrel cage induction motors of brake-horse-power not exceeding 100 including fractional brake-horse-power, slip ring motors of brake-horse-power not exceeding 100 but excluding flame-proof motors and variable speed commutator motors. Besides, component parts of electric motors, other than control gear, are also included in the purview of the enquiry.

The industry has been enjoying protection for the last 10 years. It, no doubt, passed through various vicissitudes in the early stages of its development. But it is now on the path of steady development and has plans for diversification of production. It may be recalled that the electric motors industry was granted protection for the first time in 1947, on the recommendation of the then Tariff Board. The then revenue duty of 10 per cent. *ad valorem* on electric motors was converted into an equivalent protective duty which remained in force till 31st March 1950. Following the second tariff enquiry (1949), protection was extended to another period of three years. A revenue surcharge of 5 per cent. of the then existing duty on electric motors was levied under the Finance Act of 1951, which raised the effective duty to 10½ per cent. *ad valorem*. Subsequently, the period of protection was once again extended upto 31st December 1955.

Third Enquiry

There was then a third enquiry as a result of which the Government accepted, in 1955, the recommendation of the Commission for the continuance of protection for a further period of three years. The Government also accepted the advice of the Commission that a protective duty at the rate of 15 per cent. *ad valorem* should be levied on imports of squirrel cage motors of horse-power not exceeding 100 but not less than 1/4 of one brake-horse-power and slip ring motors of brake-horse-power not exceeding 100 but not less than 1 brake-horse-power, excluding flame-proof motors and variable speed commutator motors. Besides, it was decided to levy a protective duty at the rate of 20 per cent. *ad valorem* on selected varieties of component parts.

The industry has made great strides since the last enquiry three years ago. Thus, there are at present 21 units manufacturing electric motors as against 12 units in 1955. Of the 21 units, seven are in W. Bengal, six in Bombay, seven in Madras and one in Mysore. Six of these units came into existence only recently. The remaining 15 units account for an annual rated capacity of 359,100 h.p. on single-shift basis, which compares favourably with the figure of 340,545 in 1955. Mr. Ramasubban disclosed that some of these units had already secured permission to expand their capacity At present, the additional capacity licensed to them is 602,340 h.p. Further, it is said that 22 new units have also been licensed with an aggregate capacity of 349,550 h.p. Thus, it is estimated that, when the expansion schemes of the existing units and the installation of new units are completed, the total annual rated capacity of the industry would go upto 1,310,990 h.p. on single-shift basis.

The present trend shows that production is increasing at a fairly rapid pace. The aggregate production of electric motors in the country has gone up from 251,915 h.p. in 1955 to 475,216 h.p. in 1957. During the first six months of 1958, production was about 288,743 h.p. (including the turnover of the six newly started units) or at an annual rate of 577,000 h.p. The Development Council for Heavy Electrical Industries expects the production in 1958-59 to be about 650,000 h.p. and the target it envisages to attain by 1960-61 is 800,000 to 1,000,000 h.p.

In the course of his speech, the Chairman observed that a few schemes for the manufacture of motors of higher horse-power had also been sanctioned by the Government. Jyoti Ltd., Baroda, has made all arrangements for the manufacture of motors upto 500 h.p., 16-pole of slip ring induction type. The firm is said to have already supplied in large numbers squirrel cage totally enclosed motors upto 200 h.p. 4-pole size. In addition, Bharat Bijlee Ltd., Bombay, it is learned, has plans to manufacture, in collaboration with Siemens, (i) motors with flame-proof enclosure suitable for mining and petroleum industries, (ii) variable speed motors for the textile and sugar industries, (iii) special motors for marine purposes, and (iv) motors for cranes and hoists.

Domestic Demand

There is no doubt that, in view of the development efforts in the country, the domestic demand for electric motors will also move ahead. Indeed, the Tariff Commission had estimated in 1955 that domestic demand, then placed at 317,000 h.p., would rise by 10 per cent. annually during the following three years. The Planning Commission, in its programme for Industrial Development 1956-61, has assessed the requirements of electric motors upto 200 h.p. at about 600,000 h.p. a year. According to the Indian Electrical Manufacturers' Association, Calcutta, consumption, on the basis of indigenous production and imports, at 489,316 h.p. in 1956 and 601,124 h.p. in 1957, would move up to 874,245 h.p. by 1961.

It is said that, so far as quality is concerned, consumers in general have expressed satisfaction of the indigenous product. The producers, we are told, are maintaining the quality of electric motors by adopting quality control and better inspection at every stage of their manufacture. The industry has accepted the standard specification ISS-325/1951 (amended in 1956 under ISS-325/1956) laid down by the I.S.I. A few defects, however, are pointed out by certain consumers. These are: (i) weak coils are used in electric motors, (ii) frame sizes of indigenous motors are too big as compared with imported motors of identical h.p., (iii) inferior quality of ball bearings are being used, (iv) faults occur out of bolts, nuts and washers used for balancing of rotor, etc.

Despite the restrictive import policy on electric motors, imports have been on the increase. The value of imports rose from Rs. 1.44 crore in 1955 to Rs. 1.95 crore in 1956 and further to Rs. 4.51 crores in 1957. In the six months ended June 1958, the imports were of the order of Rs. 2.29 crores. Most of the imports of protected categories of electric motors were from the U.K., W. Germany and Switzerland. Exports, on the contrary, were negligible. Electric motors were freely licensed for exports prior to 4th September 1958; since then it has been removed from the controlled list. While there were no exports of electric motors in 1955 and 1956, a negligible quantity valued at Rs. 5,518 was exported during 1957 and the first half of 1958. The Engineering Export Promotion Council, it is to be hoped, would explore further avenues for exports.

It will not be out of place to refer to some of the difficulties experienced by the industry at this juncture. The major difficulty is with regard to the availability of raw materials. The principal raw materials required by the industry are pig iron, steel rods, and bars, electrical steel stampings, copper winding wires and strips, insulating materials such as leatheroid, empire cloth, micamite and impregnating varnish, ball bearings, welded rods and paints. Although most of these materials are produced in the country, the industry depends on imports for a major part of its requirements of ball bearings of larger sizes and some of the insulating materials. The industry has complained about the inadequate supply of certain raw materials, namely, electrical steel stampings, enamelled copper wire, and steel. As regards steel, the general complaint is that actual deliveries do not materialise against the quota allotted to the manufacturers. The industry has also asked for reduction of rates of customs duty on insulating materials.

In so far as the supply of electrical stampings is concerned, the bulk of it is met by Sankey Electrical Stampings Ltd., Bombay. It may be observed in this context that the Tata Iron and Steel Company Ltd., had to cut short its supply of electrical steel sheets to Sankeys as the Company had to close down its plant for repairs and overhauling. It is, however, gratifying to note that Sankeys are making efforts to meet the demand for electrical stampings in the country and stabilise their prices. Nevertheless, the producers of motors have complained that prices of electrical stampings have been on the increase. Further, it is said that the enamelled wires are not readily available in the country. The producers are experiencing difficulties with regard to the quality and price of ball bearings also. Indeed, the Indian Electrical Manufacturers' Association has suggested that facilities should be given for importing the types of bearings which are not manufactured in the country or the production of which are not sufficient to meet the country's demand.

ATOM AND TRANSPORT

Soviet scientists are actively preparing to develop atomic power plants for transport, first of all for sea-going vessels. The plants will lead to a radical technical reconstruction of the U.S.S.R.'s means of transportation, writes Professor A. Yermokov. Nuclear energy will be cheaper than energy obtained from the combustion of coal or any other fuel used today. Energy obtained through the nuclear reaction of uranium is 2.5 million times as much as that obtained from approximately the same amount of coal and 1.5 million times as much as from the same quantity of oil. In order to double the speed of a vessel, the engine-weight and horse-power, consumption and stock of fuel will have to be increased by roughly eight times. At the same time, if the dimensions and weight of transportation means are increased, speed is reduced. Atomic power plants are free of this defect. As they do not require a large stock of fuel, they can sharply increase speed and make it possible for the vessel to cover greater distances without refuelling. It is not easy to develop such power plants. It is necessary to select the best kind of reactor, determine what kind of plant is best suited for each form of transport, and to provide the technical and operational basis for them.

The heart of the plant is the reactor, the source of radioactive radiations, which are dangerous to life. The weight and overall dimensions of reactors equipped with protective devices are very great, whereas transport needs reactors of minimum dimensions and weight. Besides, they have to be cheap, reliable and safe during jolts, pitching and vibration, or sudden shifts of the load in the course of switches. When it is possible to build such a reactor, atomic energy will be used to drive all types of transport, rail, water and air. The Institute of Overall Transportation Problems of the U.S.S.R. Academy of Sciences, it is stated, is working on this problem. Research already completed has made it possible to arrive at a number of conclusions. If a reactor and a turbine saturated with dry vapour are to be installed in sea-going ships of more than 10,000 tons capacity, the latter will be able to carry 15 per cent. more cargo. By switching all such ships to atomic power, it will be possible to cut down by that much the annual capital investments for a particular volume of transportation. The atomic ice breaker that the Soviet Union has already launched, will be able to sail a whole year without having to go into a port.

There are two ways of using atomic power on railways. One is to build atomic locomotives. According to rough estimates, such an atomic locomotive of 3,000 to 4,000 h.p. could pull a train a whole year without refuelling. It will depend on stocks of fuel and water incomparably less than an electric, diesel, gas-turbine or steam locomotive. However, it is more practical and economical to build large nuclear electric stations to supply railways with power. The U.S.S.R. plans to follow this method and go on electrifying railways. Use of atomic energy will eliminate the need of carrying coal or oil, which will mean a sharp reduction in the volume of freight on every kind of transport; it will mean a 14 per cent. reduction on river transport, 26 per cent. on rail, and 39 per cent. on coastal shipping. It will be possible to save every year almost a third of the operating costs of transportation and do away with the need of capital investments to expand its traffic capacity.

This does not exhaust the advantages in store from the use of nuclear energy. After calculating the cost of shipping fuel it can be seen that atomic power stations located hundreds of kilometres from coal basins can already today compete with those using coal. Steam boilers will pass out of the picture and there will be no more soot, smoke or slag.

According to figures published by the U.N. Economic Commission, mineral fuel (coal, oil, shale, and so on) provide 4.4 per cent. of the world's total potential energy, and nuclear fuel (uranium and thorium) 95.6 per cent. These figures do not include the water power or timber-reserves potential. Nevertheless, one can form some idea of the immense prospects that the use of atomic energy holds for the future, for the reserves of mineral fuel are growing less and less all the time. The explored oil deposits will be exhausted in approximately a quarter of a century, whereas the reserves of nuclear raw materials are practically inexhaustible. The earth's crust contains millions upon millions of tons of uranium, and even more of thorium, and either of these elements can be converted in reactors into plutonium or uranium-233, that is, fissionable matter. The rapid development of technology indicates that, in the period of the generation, the boldest dreams can come true much earlier than expected. Atomic energy is already beginning to be used in transport. The time is not far off when atomic locomotives, ships and planes will replace the present means of transport.

NEW PRODUCTS AND PROCESSES

Salt-resistant Paints

PAINTS and varnishes said to be superior to the latest alkyd resin coatings in resistance to salt water, high temperatures and oils have been produced in the laboratory through a new technique, a New York University scientist has reported. The technique, which achieves in advance part of the change that normally occurs during the drying of a paint or varnish, also imparts superior pliability to the film coating, it is claimed. Coating materials made by this method may be applied in the same manner as conventional resin formulations, adhere well to many surfaces and are said to provide excellent baked finishes. As a varnish dries, or cures, it undergoes two principal chemical changes. One is polymerisation—the linking of small molecules in the oil to form large molecules, or polymers. The second is the combining of large molecules with the oxygen of the air. Together, these processes make a continuous solid film coating. The polymerisation can be made to occur in advance by heating the drying oil, such as linseed oil, with peroxide. The rubbery, jelly-like polymer material thus formed has the desirable qualities of the normal polymer, but it does not mix with untreated drying oil. The insoluble polymer can then be redispersed in additional oil by heating the materials with a metal-soap (substance formed by combining some of the oil with a certain metal-containing compound). Thereby, stable film-forming dispersions are produced which have the visual appearance of solutions, but which are actually dispersions of the polymer matter in a new coating material. Coatings made from these dispersions are said to be more resistant and to produce insulating films of greater pliability than it is possible to achieve by the incorporation of resins into oils. In tests, the coatings reportedly preserved their coherence during exposure to temperatures of 250 to 300 degrees Fahrenheit for 456 hours—a much longer period of time than had been possible with resinous products.

Process for Manufacturing Magnesium Carbonate

A process for producing light basic magnesium carbonate has been developed at the Central Salt Research Institute, Bhavnagar. Light magnesium carbonate, it is common knowledge, finds wide applications in the rubber industry and in manufacture of cigarette and other high quality papers. It is extensively used in magnesia insulation lagging. Indigenous production is very insignificant, and is not sufficient to meet the requirements of many consumer industries which have to depend upon imports for their needs. Imports of light magnesium carbonate during 1957 amounted to nearly 1,193 tons, valued at about Rs. 11.99 lakhs. At the Bhavnagar Institute, conditions for the production of light magnesium carbonate have been studied with sea bitterns, so far wasted, used as the basic material. A sea bittern solution of requisite strength is treated with decolorised and upgraded sambhar bittern solution under controlled conditions to precipitate magnesium carbonate. The precipitated mass is filtered and washed. Air is bubbled through the slurry. The precipitate is then filtered, washed thoroughly and dried before pulverising. Alternatively, soda ash can also be used in place of sambhar bitterns. The process has been studied on a semi-pilot plant scale and 80 per cent. conversion efficiency was obtained. The product has a bulk density of 3-6 lbs. per cu. ft. with the following average analysis: Magnesium oxide: 42.1 per cent; iron and alumina: 0.07 per cent; carbon dioxide: 36.01 per cent; sulphates: 0.25 per cent; chlorides: 0.155 per cent; combined water: 20.33 per cent; moisture: 1.08 per cent. Total loss on ignition: 54.4 per cent. Machinery required consists of reaction vessels, rotary vacuum filter, drier, pulveriser and storage tanks. Plant having a capacity of one ton per day is estimated to cost about Rs. 2.5 lakhs. Parties interested in undertaking the commercial development of the process may contact The Secretary, National Research Development Corporation of India, New Delhi.

New Soldering Tool

A new tool for continuous soldering of industrial parts which is of unusually small size, has been developed recently. The tool is now to be made available for commercial use. The tool is said by the scientists responsible for developing it, to be especially efficient in soldering miniature connectors where extreme precision and yet rapid speed of action is required. It has two very thin metal alloy electrodes arranged at an angle of three degrees. These electrodes can be adjusted inwards or outwards to give a working gap at the tip of from 1/32 of an inch up to 3/16 of an inch. It uses a resistance soldering technique and is relatively cheap. The device is also designed so that it can be used with varying heat outputs.

New Wetting Agents for Textiles

A new series of wetting agents which are said to be more efficient than those previously available has been developed. The compounds are expected to be especially useful in the dyeing, finishing, bleaching, de-sizing, and scouring of textile materials. Their efficiency is said to be such that yarn which has been treated with the compound will sink rapidly in water containing only one part of the material in every 4,000 parts of water. At the same time these new agents are said to have excellent solubility and also tolerance to salt. They are also said to have interesting detergent and emulsifying properties. The agents are now at an early stage of commercial development.

NEW PUBLICATIONS

Economic Synthesis. By Boris Ischboldin. Published by New Book Society of India, Post Box No. 250, New Delhi. Pages: 543. Price: Rs. 30.00.

MANY streams of thought have contributed to the development of economics. It is not surprising that they reflect fundamentally different approaches to economic phenomena and problems and even basically different understanding of their nature. Even to present these varying approaches to some single aspect of economic thought and to analyse their relationships to each other is a difficult task. It requires not merely a clear understanding of the views of each of the economists whose writings are examined but a careful clarification of their concepts and ideas and an exposition of these so as to convey an adequate picture of the problems involved. To attempt a synthesis of such varied approaches even over a limited field would be an immeasurably difficult task. It has in fact been rarely attempted, most writers being content to present the separate theories of different writers together with a critical comparison between them. A synthesis, with all that it implies in terms of reconciliation and integration, has rarely been attempted. Even more rarely has such an attempt been successful.

A synthesis of the entire body of economic thought would, therefore, appear to be a task best not attempted. Yet it is exactly this task which Prof. Ischboldin claims to have attempted. "The author of this book believes," says Prof. Ischboldin in his preface to the book, "that his analysis contributes a genuine synthesis of socio-economic problems, not only because he establishes a distinct synthesis between the theories of the permanent and the relative economic laws, but also because he reconciles, in some degree at least, the sound hard core of neo-classicism, momentarily *declasse*, and the modern, popular, and somewhat arrogant Keynesian train of thought." A study of this work does not unfortunately support the author's claim. Whatever else may be the merit of Prof. Ischboldin's work, it does not really succeed in producing an economic synthesis as suggested by the title and claimed in the preface.

The book is in fact only a straggling survey of the various strands of thought that have been presented so far on each of a wide variety of concepts, ideas and problems within the field of economics. On almost every concept or problem, the various views or possible approaches are classified and briefly explained. As he does this, the author makes his own comments and criticisms, which are unfortunately not always clearly distinguished from the views of the economists under discussion. Occasionally the interrelationships between the views of different economists are described briefly. The exposition is not always clear and the book in fact makes difficult reading.

What makes the book so difficult to read is in fact the attempt of the author to cover every possible aspect of each of the problems that are covered and to look at each aspect from every possible point of view. As this approach is followed for a wide variety of problems covering in fact the whole range of economic analysis, one is left with a disturbing doubt about the exact purpose that such a work could serve. One gets no synthetic view of the subject at all, but is left rather with a confused impression of irreconcilable variety.

This is not to suggest that the book does not possess its good points. It draws the attention of English-speaking readers to riches of continental European economic thought. It helps to give the reader a sense of perspective in considering the validity or utility of particular lines of thought with which he is familiar or which he considers to be widely accepted. By its scholarly classification of different approaches to every concept and problem and its study of every aspect of each question in this analytical way, it helps to widen the reader's horizon. Finally, there is the placing of each problem in its philosophical setting, which serves to broaden the basis of the understanding of economic theory.

Economic Synthesis is thus a very special type of book. It is clearly in the German tradition of scholarly study. Though this fact makes it rather difficult for the reader to concentrate his attention on the line of thought evolved through its five hundred and odd pages, it nevertheless serves as a good introduction to this type of writing. It is not a good textbook, yet in many ways it could serve as such, not for the undergraduate student but rather for one who, having already completed his post-graduate studies, is prepared to understand the intricacies with which Prof. Ischboldin deals in this book.

Investors' Encyclopædia 1957-58. Compiled by Messrs. Kothari and Sons, Share, Stock and Exchange Brokers, Oriental Buildings, Post Box No. 267, Madras-1. Pages: 2,567. Price: Rs. 20 (plus Rs. 5 for packing and postage).

The *Investors' Encyclopædia*, which is now in its twenty-first edition, has deservedly earned the reputation of being the most voluminous work of its kind covering, as it does, almost all joint-stock companies in India. Year after year, the utility of the publication is being enhanced not only by adding to the list of companies, the statistics and history of which are given, but by taking care to see that they are made as up-to-date as possible and by providing more useful information of interest to investors.

The two main features of the publication are the general review of economic conditions during the past year and an introductory review of the progress of each industry, which precedes each section. Summing up the present state of the general economy, in the course of their review of 1957-58, the publishers observe:

"The general economy now is that prices are rising, especially in food articles, and have cut into the purchasing power of money. Claims for increase in wages and other emoluments are being made. Taxes are higher. Company reserves are lower and credit for expansion is dearer. Export earnings are small and prospects of external assistance are uncertain. Non-plan expenditure is also running at a high level. All the major industries in both the public and the private sectors are well ahead with their development programme. Several of these have reached a stage, when their slowing down would not only result in arresting their production but also make their eventual completion more expensive."

The introduction to each section, wherein the historical progress of the industry to which the section refers is reviewed, has been made up-to-date and provides an invaluable guide. Since the publication of the last edition, a large number of new industries have come up and these have also been analysed under various sections. A new and welcome feature of the latest edition is the inclusion of the quotations, as on 2nd January 1954, of the shares quoted on Bombay, Calcutta and Madras Stock Exchanges. This will facilitate the assessment of one's tax liability under Capital Gains Tax and Wealth Tax. In short, every attempt has been made to meet the requirements of investors in equities, fixed-yield shares, debentures and Gilt-edged securities.

Fertiliser Statistics, 1957. Issued by the Fertiliser Association of India, 85, Sundar Nagar, New Delhi. Pages: 171. Price: Rs. 3.50.

This is an excellent compilation of agricultural statistics of India, with special reference to the production and consumption of fertilisers. World agricultural statistics has also been included. Diagramatic representation of fertiliser production and consumption and targets of agricultural production and allied data have also been presented. We have seldom seen so much useful information compressed into so few pages. The book deserves high praise indeed.

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EMPLOYEES' STATE INSURANCE

1957-58, A YEAR OF "CRISIS"

DURING the brief period of six years of its operation, the Employees' State Insurance Scheme, which was originally inaugurated in Delhi and Kanpur, in 1952, has had to face two "major crises." The first crisis emerged when the employers in the region resented the introduction of the scheme on the ground that, by reason of having to pay regular contributions, their competitive position *vis-a-vis* their rivals in other parts of the country would suffer. The problem was solved by an amendment of the Employees' State Insurance Act, by virtue of which the employer's contribution, which according to the original Act was payable in implemented areas only, was extended to employers throughout the country. The second crisis, which occurred last year, arose out of fortuitous circumstances. The scheme, according to the annual report of the Employees' State Insurance Corporation for the year 1957-58, was put to a severe and exacting test when the epidemic of influenza threatened to dislocate its working. Special and timely measures, says the report, however, helped the scheme to tide over the emergency. Nevertheless, coverage during the year was very small, only 34,000 new employees were covered, as compared with 109,000 in 1956-57, bringing the total coverage to 1,234,000 employees. The scheme now operates in 64 centres spread over 11 States, including the Union territory of Delhi.

Many factors accounted for the small coverage during the year. By the end of 1955-56, all major industrial centres, excluding Allahabad, Sholapur, Bangalore, rest of Greater Calcutta and those in Bihar had been covered. Although the number of centres covered in the two subsequent years was almost as large as in earlier years, they did not compare in density with those covered earlier. The remaining centres with heavy concentrations, have been fighting shy of implementation for a variety of reasons, principally insistence on simultaneous inclusion of families, lack of resources with the State Governments and absence of agreement with the medical profession in regard to the capitation fees for provision of medical care to families in panel areas.

Benefits to Families

As regards extension of medical benefits to families of insured persons, the report says that the Corporation has been anxious to follow a uniform policy in all States, as far as practicable, so that employees in all the implemented areas may draw identical benefits. It may be recalled that the Act gives power to the Corporation to extend medical care to families and it can do so if the finances permit and the State Governments agree. The demand for extension of medical care to families had been voiced ever since the scheme was first implemented in Delhi and Kanpur in 1952. At that time, it was too early to decide whether the resources would permit such an extension. After three years of experience, it was found that, if a certain level of income was assured, the Corporation could provide medical care to the families of insured workers on a restricted scale.

The Government of India agreed to take steps to assure the level of income envisaged and the Corporation decided to extend it to any State which was prepared to do so. As the State Governments share the cost of medical care with the Corporation in an agreed ratio, the States had to consider their financial position. Since quite a few of them found it difficult to make this provision, the Corporation agreed to reduce their liability from one-fourth to one-eighth on extension of medical care to families. The Planning Commission also reviewed the State Government's allocation to make provision for the programme of extension of coverage and inclusion of families to go through as planned. But these measures, the Corporation points out, did not seem to help and at the end of the year it appeared that the Corporation would have to go ahead with provision of medical care to families only in such States as are willing to do so. While this is a matter for regret, adds the report, quite a few Governments, fortunately, have signified their intention to provide medical care to families. The State Government of Mysore is the first to extend the benefit to families with effect from 26th July 1958. Other State Governments are expected to follow suit.

In contrast to the slow trends in coverage, progress in other directions, it is claimed, has been very satisfactory. The standard of medical benefits has been raised to a level which includes not only the provision of modern drugs of proved therapeutic value but also provision for hospitalisation and specialist treatment. Specially reserved bed accommodation and construction of annexes to existing hospitals are bringing up in-patient treatment facilities to the prescribed scale. Besides, says the report, there is every prospect of construction of hospitals for the exclusive use of insured persons in Bombay, Madras, Kanpur, Bangalore and Calcutta in the coming year. Permanent dispensaries are also expected to be constructed in a number of areas in the near future.

Much improvement has been made on the cash benefits side also. Cash benefits have been extended to T.B. patients. Facilities have also been provided to grant allowances and compensation for wages lost in attending Medical Boards and for paying cash benefits by money order without cost. The total amount of cash paid to insured persons during the years 1954-55 to 1957-58 is given below:

(In '000 rupees)

	1957-58	1956-57	1955-56	1954-55	Total
Sickness benefit ..	17,281	10,430	5,735	3,580	37,026
Maternity benefit ..	517	414	214	12	1,157
T.D. benefit ..	1,475	1,859	1,125	641	4,600
P.D. benefit ..	309	193	84	49	635
Dependants' benefit..	133	80	38	25	276
Others	65	34	17	7	123
Total ..	19,780	12,510	7,213	4,314	43,817

Steps have been taken by the Corporation to simplify procedures to ensure prompt service to the beneficiaries under the scheme. For instance, an important measure introduced on an experimental basis enables the benefit rate to be determined on the spot at the local office itself, without any reference to the regional office. This experiment, it is said, has proved successful and has resulted in expeditious payments and it is now being extended to other local offices.

Administrative Delays

While this is certainly welcome news, one wonders whether the steps already taken are adequate to set matters right. For complaints are frequently heard from panel doctors as well as insured persons, of inordinate administrative delays and red-tape in the dealings of the Corporation and the regional offices. There are also complaints of lack of co-ordination between the various departments of the regional offices of the Corporation and of delay in collecting the contributions from the employers. Consequently, insured persons are put to a number of difficulties, such as issue of disentitlement notices even when contributions are regularly being cut from the wages of the insured.

The Corporation should, therefore, concentrate efforts to ensure a reasonable standard of promptness and efficiency before seeking to extend the scheme to other areas and to the families of insured persons. It is true that, in view of the fact that there are about one million workers still to be brought under the scheme, efforts should be made to extend the coverage of the scheme. But, unless the scheme is made to work satisfactorily in areas already covered, there is no justification for bringing additional workers under it. It will certainly serve no purpose to be able to produce impressive statistics of fresh coverage when those already covered still remain dissatisfied with the way in which the scheme is working. Further, services by specialists and hospital facilities available to the insured persons are far too inadequate and particular attention needs to be devoted to this aspect.

ATOMIC INSURANCE

With the prospect that the atom will play a growing role in the years to come in the generation of electric power for peaceful purposes, problems of insuring atomic plants against nuclear hazards has taken on a new and obvious significance. Atomic insurance was one of the subjects which received more than a passing reference at the international Atoms-for-Peace Conference held at Geneva from 1st to 13th September. It is encouraging to find that this kind of insurance coverage is already being offered by private companies in a few countries, notably the United States. Indeed, according to Mr. Ambrose B. Kelly, General Counsel of the Associated Factory Mutual Companies of the U.S., the coverage offered against nuclear hazards "is regarded as the broadest property insurance yet developed in the American insurance market."

Addressing a meeting of the Insurance Section of the American Bar Association in Los Angeles, California, Mr. Kelly recently pointed out that atomic insurance policies "provide a degree of protection now available on non-nuclear risks." This can be taken as an indication of the willingness of the insurance industry to enter new fields. But it also reflects the effective safety measures devised for atomic stations and the excellent safety record established by nuclear plants already in operation.

It is interesting to note, in this connection, that atomic insurance has concentrated on nuclear risks in which catastrophic losses, such as could affect any industrial plant, are of primary importance and in which radiation exposure is incidental. By pooling their resources, insurance companies are able to provide insurance on a single nuclear risk of $65 million or more. Describing the extent of coverage offered on these risks, Mr. Kelly pointed out that the rate established by the insurance industry's Nuclear Insurance Rating Bureau (N.I.R.B.) took into account the perils of fire and other conventional coverages, including boiler and machinery coverages, as well as the nuclear peril. The scores of risks currently insured have each been specifically rated by the N.I.R.B.

Radioactive contamination on the insured property is, of course, included in the coverage offered, under a special "all risk" provision. Insurance against this kind of contamination also is available for other non-nuclear property owned or occupied by the insured.

Mr. Kelly recalled that, after a study of the atomic problem back in 1956, it was generally agreed in the insurance industry that a new kind of insurance contract would be required—one which would give protection against all risks of physical loss or damage, but with specified exclusions for such clearly non-nuclear factors as floods. Since it is difficult to determine, in case of a loss, how much of the damage was due to a machinery or valve breakdown and how much to a fire or explosion, a comprehensive contract, covering incidents of both types, was devised to solve the problem.

All this does not mean that every problem of nuclear insurance has been successfully overcome. One problem still to be resolved, for instance, concerns the field of nuclear-powered vessels and it involves the question of liability for damage caused to the ship's cargo, passengers, and other property and persons. Existing marine insurance is adequate at present to cover the owners of the ship itself and the cargo it carries against physical loss or damage from a nuclear incident. As in the case of atomic industrial plants, this in itself is a measure of the excellent safety factors being built into atomic ships. But with nuclear ship propulsion now a reality and destined to assume a growing role in maritime commerce—witness the successful U.S. nuclear submarines and the soon-to-be-completed American nuclear surface ship, *Savannah*—this liability subject is bound to claim increasing attention. In fact, it has been the subject of some discussion at the latest meeting in Salzburg, Austria, of the International Union of Marine Insurance, which was attended by representatives from 28 countries. In time, a solution to this and other remaining atomic insurance problems can be expected, if the advances already scored in this new and important field are any indication. The very fact that these insurance problems arise is, of course, a reflection of progress being made in harnessing the atom for the benefit of mankind.

HERCULES INSURANCE COMPANY, LIMITED

A sizable improvement of Rs. 4.24 lakhs in the net premium income of the Hercules Insurance Company, Ltd. (Managing Director: E. K. Srinivasan), is disclosed by the audited accounts of the Company for the year ended 31st December 1957. Net premium income in the fire, marine and miscellaneous departments during the year aggregated Rs. 58.30 lakhs, as against Rs. 54.06 lakhs in the previous year. All the three departments shared the improvement, the rise in net premium being the most marked in the marine department where it increased from Rs. 11.40 lakhs in 1956 to Rs. 15.18 lakhs in 1957, a rise of as much as 33 per cent. Commission and expenses showed a relative decline. The year's working resulted in a profit of Rs. 4.35 lakhs. The dividend has been maintained at Rs. 2 per share (20 per cent.), without deduction of income-tax. The following table shows the working results of the Company during the past three years:

(In lakhs of rupees)

	1957	1956	1955
Fire—			
Net premium	35.17	35.03	
Claims	16.76	13.35	31.77
Commission and expenses ..	14.71	14.03	11.09
Fire fund	17.58	17.51	14.13
Accident—			15.88
Net premium	7.95	7.63	
Claims	2.86	2.60	7.39
Commission and expenses ..	2.55	3.29	2.88
Accident fund	3.97	3.81	2.90
Marine—			3.69
Net premium	15.18	11.40	
Claims	9.22	5.84	7.85
Commission and expenses ..	2.82	3.07	5.62
Marine fund	15.18	11.40	8.24
			7.85

Net premium income in the fire department amounted to Rs. 35.17 lakhs, as against Rs. 35.03 lakhs in the previous year. Claims paid and outstanding were of the order of Rs. 16.76 lakhs (47.7 per cent. of premium), as against Rs. 13.35

(*Continued on page 578*)

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Authorised Capital - -	Rs. 1,00,00,000
Subscribed Capital - -	Rs. 60,00,000
Paid-up Capital - - -	Rs. 45,50,000
Reserve Fund - - - -	Rs. 1,08,00,000

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Managing Agents for:—Elgin Mills Co., Ltd., Brushware Ltd., The Cawnpore Sugar Works Ltd., Purtabpur Co., Ltd., Champarun Sugar Co., Ltd., Cawnpore Textiles Ltd., Saran Engineering Co., Ltd.

Secretaries of:—The Beta Picker Co. Private Ltd.

Agents for The Royal Exchange Assurance.

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

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

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BOMBAY BRANCH: **24-26 Dalal Street.**

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

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M. 76

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Deputy Chairman : Sri K. SUBRAHMANYA DUTT, B.Sc.
Managing Director : Sri TADEPALLY SRIRAMULU.
Directors :
Sri C. RAMANADHA BABU, Sri M. SESHAGIRI RAO, Sri M. RANGANATHA SAYI, Sri R. SATYANARAYANA MURTHI, Sri V. VENUGOPAL, Sri D. BHASKARA RAO, Sri S. RAMACHAR, Sri B. VENKATESWARLU, Sri R. VENKATRAMA REDDY.

Authorised Capital ..	Rs. 1,00,00,000	Reserves (As on 30-6-'58) Rs.	17,84,000
Subscribed Capital ..	,, 48,99,000	Deposits Exceed ..	,, 11,00,00,000
Paid-up Capital ..	,, 41,13,335	Total Working Funds Exceed	,, 13,00,00,000

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COMPOSITE SYSTEM OF SALES TAX FOR BOMBAY STATE

SUGGESTIONS OF INQUIRY COMMITTEE ANALYSED

A COMPOSITE system of sales tax which provides for taxation at the stage of first sales of certian goods and of last sales of certain others and also for exemptions from sales tax, has been the unanimous recommendation of the Sales Tax Inquiry Committee (Chairman: Mr Babubhai J. Patel), appointed by the Government of Bombay in December last. By its terms of reference, the Committee was asked to recommend a system of sales tax, capable of application to all the component units of the State and to suggest in what manner the administration of the tax could be improved. The Committee's recommendations are based upon its own expert probe into the levy and administration of sales tax, in the course of which it examined over 500 replies received from trade associations and interviewed 33 individuals and representatives of 201 associations.

The administration of sales tax in the Bombay State has proved more arduous than in any other State, because, apart from the fact that it is a large and industrially advanced State, it now includes as many as five regions which were formerly under different administrations—the original Bombay State, part of Madhya Pradesh, Kutch, Saurashtra and Marathawada (part of former Hyderabad State). Each of these territories has had a different history of sales tax. A general sales tax was introduced in Madhya Pradesh by the C.P. and Berar Sales Tax Act 1947 which was made applicable to Kutch State with certain modifications in 1952, though the law was actually enforced only in 1955. Sales tax was introduced in Saurashtra in 1950. In the Marathawada region, a selective form of sales tax was introduced by the Hyderabad State Government in 1947.

Bombay State

In the original Bombay State, the genesis of sales tax can be traced to the tax on sales of tobacco, imposed in March 1938. This was followed by the Bombay Sales Tax Act 1939 which levied a sales tax on motor spirit and manufactured cloth. The Bombay Sales Tax Act 1946 provided for the levy of a tax at the last stage of sale of goods. An expert official committee (Chairman: Professor D. R. Gadgil) appointed in 1946 by the State Government, recommended, among others, a general turnover tax. The Government accepted many of the Committee's recommendations, except the suggested change in the basis of tax. A change-over to the multi-point system was made in 1952. In April 1954, the Government introduced what has now come to be known as the "two-point" system of tax on sales. Under this system, which prevails in the original Bombay State, the turnover limits attracting liability to tax are Rs. 10,000 per year for manufacturers and importers and Rs. 25,000 in the case of all other dealers. Briefly, a sales tax is levied at the first stage of the sale of goods; a general sales tax is also levied on every transaction in addition to the sales tax, though this general levy is postponed, where the sale is to a wholesale dealer, to the stage where the last wholesaler resells the goods to a retailer. This is done through a system of licences which are issued to dealers whose turnover consists substantially of sales to other dealers and purchases are made free of general sales tax against such licences. The rate of sales tax varies from commodity to commodity, the maximum being 8 per cent., while the rate of general sales tax is uniformly fixed at 3 per cent.

It is against this background that the Committee's recommendations must be viewed. Before the Committee completed its work, it felt that it was advisable to communicate to the Government its views on sales tax in relation to the textile industry which was "passing through a difficult phase." In its communication to the Government, the Committee stated that it did not favour a system of tax-free purchases or of set-off of sales tax paid against purchases in respect of any of the goods required by the cotton textile industry as raw material, processing material, fuel, lubricant, machinery, expendable stores and packing material. It felt that whatever relief was to be given to the industry should be by way of fixing such a low rate of tax on the sale to the industry of these commodities that it could be absorbed in the price of the finished goods without unduly affecting the competitive position of the industry in the market inside the State or in inter-State or export trade. Accordingly, it recommended the following rates of sales tax:

(a) Cotton—ginned or unginned—1 per cent.

(b) Coal, coke, furnace oil, lubricants and other petroleum products, expendable mill stores, dyes, chemicals, other processing materials, and such items of machinery, plant and accessories and spare parts thereof, as Government may, by notification, prescribe in this behalf—2 per cent.

The Committee further recommended:

(a) that the tax be levied at the last stage of sale in respect of all the above goods except coal and coke which, the Committee suggested, may be taxed at the first stage of sale; (b) when the rate of tax leviable in respect of the sale of any of the above items (other than cotton) was higher than 2 per cent. the cotton textile mills should be required to furnish the prescribed certificate against the sale to the mills of every such item at this concessional rate of 2 per cent., and (c) when cotton or any other item of the goods mentioned above was purchased by a textile mill from a person other than a registered dealer, purchase tax should be payable thereon at the same rate as would have been payable had the purchase been made from a registered dealer.

Revenue

A notable feature of the Committee's experience gained by its discussions with trade and industry is that all sections of opinion readily acknowledge that sales tax "has come to stay." In Bombay State, the revenue from sales tax, excluding the tax on motor spirit and intoxicants, has increased from Rs. 44.58 crores in 1951-52 to Rs. 60.53 crores in 1955-56. The Committee observes that the sales tax "owes its special position in Bombay, as, indeed, in other States in India, not merely to the size of its yield but also to the expansiveness which its inherent elasticity and wide coverage imparts to the fiscal structure of the State." In the course of its inquiry, the Committee found that there was a large body of opinion which favoured the substitution of excise duty for sales tax. This solution, however, cannot be implemented in respect of all commodities. It would also need the prior concurrence of all States in India. The Committee has, however, emphasised that "whenever there is a specific proposal from the Central Government for levying an additional excise duty in lieu of sales tax on certain excisable commodities, the Government of Bombay should examine such proposal dispassionately."

After weighing the advantages and disadvantages of the various systems of sales tax, the Committee has come to the conclusion that a composite system would be the most convenient "from the point of view of simplification, uniformity of application and incidence in all areas and the revenue requirements of the State." Accordingly, the Committee has formulated three lists of commodities. The commodities listed under List I will be taxed at the first stage alone, all subsequent transactions being exempt from the tax on the furnishing of suitable certificates. The articles in List II will be charged at the last stage alone. A separate treatment is recommended for the first 13 items of List III and all other goods.

List I

There are 69 entries in List I, on which the rates of tax vary from 2 per cent. to 25 per cent.

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artificial silk yarn, betel-nuts, coal, coke in all its forms, dyes and chemicals, furnace oil, gunny bags and hessian, iron and steel, raw silk and silk yarn, safety matches (excluding matches used as fireworks), staple fibre and staple fibre yarn, starch made from maize or tapioca, agricultural machinery and implements—2 per cent.;

drugs and medicines, machinery spare parts, vegetable non-essential oils (other than hydrogenated)—3 per cent.;

bricks and roofing tiles, caustic soda and soda ash, coal gas, electrical goods, footwear, furniture, non-ferrous metal sheets, rods, etc., stainless steel and sheets and rods, paper including newsprint, petroleum products including diesel oil and vaporising oil (except furnace oil and except kerosene oil and motor spirit declared as tax-free under the list of exempted goods), pipes and fittings of pipes, razor and razor-blades, sewing machines, soaps, spectacles and spectacle frame of all kinds, strawboard, sweetmeats and farsan, timber other than firewood—5 per cent.;

aerated waters, bicycles and cycle combinations, tyres, tubes, etc., cement, hydrogenated vegetable oil including vanaspati, ice, paints, lacquers and varnishes, tea, coffee and chicori—6 per cent.;

motor vehicle spare parts, tyres and tubes, photographic and other cameras and enlargers, lenses, paper, etc.—7 per cent.;

clocks, timepieces and watches, fireworks, articles made of glass, china, porcelain or glazed earthenware, vacuum flasks of all kinds and thermoses—8 per cent.;

aeroplanes, air-condition plants, arms and ammunitions, binoculars and opera glasses, cigarette cases and lighters, cinematographic equipment, dictaphones and other similar apparatus, domestic electrical appliances including electric fans, foamed rubber sheets, pillows, cushions, mattresses and other articles, furs and skins, furniture made of iron or steel and upholstered furniture, gold and silver filigree, lifts, motor vehicles as defined under the Motor Vehicles Act and chassis of motor vehicles, pile carpets, refrigerators and mechanical water coolers, sound transmitting equipment including telephone, tabulating calculating and other machines, typewriters, duplicating machines and mechanical duplicators, wireless reception instruments and apparatus and radio gramophones, transistors, batteries, electrical valves, amplifiers and loudspeakers and X-ray apparatus and equipment—10 per cent.;

spirituous medicinal preparations (other than those declared not to be capable of causing intoxication)—25 per cent.

List II

The 20 items in List II, which will be taxed at the last stage alone at rates varying from ½ per cent. to 10 per cent., are:

bullion and specie, articles made of gold and silver—½ per cent.;

cotton, that is to say, all kinds of cotton (indigenous or imported) in its manufactured state, whether ginned or unginned, baled, pressed or otherwise, but not including cotton waste, cotton-seed, cotton waste, raw wool, wool tops and woollen yarn (other than knitting yarn)—1 per cent.;

chillies and chilly powder, *gur* including *kakavi*, or *kakab*, hides and skins in a raw or dressed state or tanned, oilseeds, jute, ready-made garments, tamarind, turmeric and turmeric powder—2 per cent.;

milk products including butter, ghee—3 per cent.;

dried fruits and dried vegetables, pepper and other spices—5 per cent.;

jari thread and embroidery materials, synthetic jewellery, cultured pearls and synthetic precious stones—6 per cent.;

jewellery—10 per cent.

List III

The scheme of taxation in respect of the first 13 items in List III and all other goods is as follows:

(i) in respect of goods not required by manufacturers and processors, there will be three types of taxes: the "sales tax" which will be paid at the first stage, that is, by the manufacturer or other producer and importer, a "general sales tax" which will be paid at the last wholesale or semi-wholesale stage, and the "retailers' turnover tax" which will be paid on the turnover of his sales by a retailer who has purchased the goods from the manufacturer, importer, wholesaler or semi-wholesaler, as the case may be;

(ii) goods required by manufacturers as raw and processing or packing materials other than basic raw materials mentioned in List II, should be purchaseable free of all taxes against a "recognition" granted to manufacturers and processors.

The "general sales tax" will be uniformly at a flat rate of two per cent. but the "sales tax" will vary from three per cent. to eight per cent., depending on the comparatively more or less essential nature of the goods. The "retailers' turnover tax" which the retailer will pay on his total turnover of sales of taxable goods will be 0.25 per cent. of the retail sales price whether he sells the goods to another registered or unregistered dealer or to a consumer. Where a licensed dealer sells goods directly to a consumer, the "general sales tax" payable by him will be only 2 per cent.

The rate of general tax and the rate of retailers' turnover tax on goods in List III, as already stated, are fixed at 2 per cent. and 0.25 per cent. respectively. Only, the rate of sales tax varies from 4 per cent. to 8 per cent. In the following entries, which constitute List III, only the rate of sales tax is indicated:

cakes, biscuits, chocolates, floor and wall tiles, foodstuits and food provisions of all kinds and toilet articles—4 per cent.;

braids, borders, laces and trimmings, ladies' handbags, suitcases—6 per cent.;

articles made of ivory, sandalwood or blackwood, marble and marble articles, musical instruments, perfumes and cosmetics, stainless steel articles, table cutlery—8 per cent.;

all non-exempt goods (other than those in List I and List II)—3 per cent.

Purchase Tax

As regards purchase tax, the Committee notes that complications are commonly alleged to have followed in the train of the provisions made for purchase tax in the Bombay law. It has contrived that, as far as possible, the system it suggests should operate without this tax. It finds, however, that in any system which incorporates a levy wholly or partially at the first stage, purchase tax must be provided for as a safeguard against avoidance of tax on considerable scale, though not amounting to evasion. Manufacturers buying materials from primary producers like agriculturists, will be required to pay the purchase tax on such purchases; otherwise, the legitimate established intermediaries between the primary producer and the manufacturer would be ousted. It, therefore, recommends the imposition of a purchase tax in respect of the purchases of goods from persons other than registered dealers, in the following circumstances:

(i) in the case of goods on which tax is leviable only at the first stage, a licensed dealer should pay the purchase tax on such goods purchased for resale or consumption. An unlicensed registered dealer buying such goods for consumption alone should also pay the purchase tax. A pure retailer, who will normally hold no licence, should on the same class of purchases pay the purchase tax only if the annual turnover of such purchases exceeds Rs. 2,500;

(ii) in the case of goods taxable only at the last stage, a licensed dealer buying the goods for consumption alone, and not for resale, should pay the purchase tax. On the same type of purchase, a registered dealer who is a manufacturer buying the goods for consumption or a pure retailer whose turnover of such purchases exceeds Rs. 2,500, should pay the purchase tax, while other unlicensed retailers will not;

(iii) in the case of goods in List III, where a licensed dealer buys goods from a person other than a registered dealer for use in manufacture, he will pay purchase tax equal to the sum of the "sales tax" and the "general sales tax"; a licensed dealer who buys such goods for resale will, however, pay purchase tax equal only to the "sales tax."

A registered dealer who is a manufacturer, or is a pure retailer whose turnover of such purchases exceeds Rs. 2,500 per year, will pay purchase tax equal to the sum of the sales tax and the general sales tax. Any other registered dealer who is a pure retailer, will not pay the purchase tax. It is, of course, the intention that where purchase tax is leviable on a transaction, there should be no question of the levy of any other tax on the same transaction or any tax on the resale of the same goods by the person liable to pay the purchase tax.

Exempted Goods

In drawing up the list of goods, which will be exempt from all sales tax, the Committee has endorsed the view of the Gadgil Committee which held that the list of exemptions should be as small as possible. However, it had to consider the fact that "not merely the trade, but also the community as a whole, has long since become accustomed to the lists of exemptions which have been in force for an appreciable period." Briefly, the list of exempted goods which the Committee has drawn up consists of:

Certain agricultural implements, including ploughs and plough points, pick-axes, shovels and sickles, betel leaves, bread in loaf or rolls or in slices, toasted or otherwise, buttermilk, curds and lassi, books, journals and periodicals including almanacs and panchangs, cattle, sheep and goats, cattle-feed including fodder and concentrates but excluding cottonseed, cereals and pulses in all forms (except when sold in sealed containers), charkha and other implements used in the production of handspun yarn, cloth woven on handlooms (other than cloth woven of pure silk with or without jari, all varieties of cloth manufactured in mills or on power-looms excluding pure silk cloth), cooked food and non-alcoholic drinks served at one time at a cost of not more than Re. 1 per person, country bullock-carts, dhabla, ghanghadi kumbli or kambla or pachhedi woven on handloom exclusively out of handspun woollen yarn and sold at a rate not exceeding Rs. 15 each, eggs, fertilisers, firewood and charcoal, fish (except when sold in sealed containers), flour including atta, maida, besan, sujl and bran (except when sold in sealed containers), flowers, footwear made by hand without using power at any stage (when sold at a rate not exceeding Rs. 7 per pair), fresh fruits, fresh vegetables and edible tubers, glass bangles, handlooms and parts thereof, articles and utensils made of kansa, kerosene, kumkum, mangalsutra with black glass beads but not containing pearls or precious stones, manures including oil cakes, meat excluding flesh of poultry and feathered game (except when sold in sealed containers), milk, whole or separated including toned milk.

The regulations for registration recommended by the Committee are that dealers who are importers or are manufacturers, processors, etc., and have a turnover exceeding Rs. 10,000 per annum, of which the value of imports or of manufactures is not less than Rs. 2,500, should be liable for registration. The minimum turnover limit in this respect for other categories of dealers should be Rs. 30,000. There should be no provision for voluntary registration or for registration on reaching a specified turnover lower than the minima prescribed for liability to tax. Again, dealers should not be made liable for registration or payment of tax (i) if their turnover is exclusively of non-taxable goods or (ii) their annual turnover of sales or purchases of taxable goods is less than Rs. 2,500, although the aggregate of such turnover together with that of non-taxable goods may exceed the minimum limit prescribed for registration or payment of tax. Further, dealers having a turnover of sales to other registered dealers exceeding Rs. 50,000 per annum, should be granted licence and be enabled to make purchases for resale free of the general sales tax. The system of authorisation incorporated in the Bombay Sales Tax Act of 1953 should be extended to all areas of the new Bombay State. The minimum turnover limit for the grant of authorisation should be Rs. 30,000 per annum of sales in the course of export or inter-State (but not inter-regional) trade. Registered dealers who may not be eligible for authorisation should be allowed refund or set-off of tax paid on purchases on proof of export of inter-State sales.

Commission Agents

The Committee has also suggested that the law should provide for the business of commission agents who transact business on behalf of their principals. Such agents should be enabled to make purchases against their own licences and authorisation certificates on account of their non-resident principals on payment of tax at the reduced rate of 1 per cent. provided that both the commission agents and the non-resident principals are registered under the Central Sales Tax Act of 1958. A commission agent should similarly be enabled to make tax-free purchases against his own licence on behalf of a resident principal who is himself the holder of a licence. Such agents should also be enabled to make tax-free sales to holders of licences or of authorisation or recognition certificates. They should pay tax due on the principals' sales effected through them; their principals should show these sales in their returns but should be deemed to have discharged their liability to pay tax by producing certificates given by commission agents which commit them to the payment of tax or show that the sales have been made to dealers entitled to make tax-free purchases. Purchases made for transfer to branches outside the State should be allowed to be made in such a manner as to bear a burden of tax equal to that borne by a similar transaction in the course of inter-State trade. Should such a purchase have been made on payment of tax in full, refund should be given of the excess tax paid. If goods initially purchased free of tax are eventually transferred to a branch outside the State, the dealer's turnover liable to tax should be suitably increased so as to yield an amount of tax equal to that leviable on the sale of the goods in the course of inter-State trade. Sales on consignment basis through a non-resident dealer should be treated in the same manner as transfers to a branch outside the State.

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G. DODDS,
Manager.

Administration

In the administrative field, the Committee has suggested certain measures which, it feels, will bring about a better understanding between the taxpayer and the administration. The appointment of a sales tax advisory committee at State level for consultation, among other matters, on draft rules and amendments has been proposed. Committees at the divisional level to deal with local problems have also been suggested. It has also been recommended that the time at present given for the submission of quarterly returns and revised returns should be extended and that unlicensed retailers who are not manufacturers should be given an option to submit an annual return although paying the tax quarterly.

The Committee has looked into the working of the sales tax department and has recorded its impression that, in general, this is not unsatisfactory. It has also found that the complaints in the particular cases examined were not substantiated. However, it has made a number of detailed recommendations conducive to greater efficiency and to the convenience of the trade. Greater facilities, both for the dealers and the staff as well as for informing the public and individual dealers, strengthening of the administrative machinery for compilation of statistics on sales tax and allied matters, adoption of higher standards in making appointments to the junior cadres of the sales tax department and adequate training facilities, both for the staff of the department as well as of the dealers, are some of the recommendations on this point. A suggestion has been made to the effect that examinations must be held in order to test the knowledge and ability of the large number of sales tax practitioners enrolled under the present law who do not have specialised accountancy or legal qualifications, with a view to eliminating those who are not adequately equipped.

Evasion

The Committee has dealt comprehensively with the problem of evasion and corruption and has emphasised the need for a close check on the movement of goods by road so as particularly to curtail abuse of concessions given to the inter-State and export trade. It has also recommended that, in the case of contravention of the sales tax laws involving no moral turpitude, the department should have power to levy a fine. This would, in its view, eliminate the present need for prosecuting dealers for offences such as the non-submission of returns, which need arises today only because the department cannot have recourse to any other form of penalty.

In dealing with complaints of harassment in connection with visits to dealers' premises, the Committee has recommended that such visits should be paid only after the highest sales tax authorities in the area have satisfied themselves that, in view of the extent of the evasion, the visits are necessary. Books of accounts and other records seized in the course of searches of premises should be returned as soon as possible and, in the meantime, permission to take copies or extracts from those books and records should not be withheld initially for more than a month and, with the permission of the head of the department, for a further period not exceeding two months.

IMPERIAL TOBACCO'S PROFIT DECLINES

TAX BURDEN HEAVY—PRODUCTION COST HIGH

YET one more year of unencouraging working is disclosed by the audited statement of accounts of the Imperial Tobacco Company of India Ltd. (Chairman of the Board of Directors: Mr. G. H. J. Clarke, Calcutta) for the year ended 31st March 1958. The Company's profit has suffered a recession for the second year in succession. Coming as it does against the background of a steady upward trend noted in its profit in the three years preceding 1956-57, the performance of the Company during the year under review is, if anything, disappointing. This has resulted in a further curtailment in the allocation to reserves and the repetition of the lower dividend paid for 1956-57.

The gross profit at Rs. 356.79 lakhs has further declined by Rs. 19.26 lakhs from Rs. 376 05 lakhs for 1956-57 to which level it had fallen by Rs. 39.66 lakhs from that (at Rs. 415.71 lakhs) for 1955-56. The gross profit for the year under review is even lower than that (Rs. 363.57 lakhs) for 1954-55. The dividend of 7 per cent. for the year under review (consisting of two interims of 2 per cent. each and a final of 3 per cent.) is the same as that for the previous year. It compares unfavourably with 8 per cent. per annum for 1954-55 and 1955-56, though it is a little better than 6 per cent. paid for 1953-54.

The net profit at Rs. 132.12 lakhs has declined by Rs. 5.83 lakhs. The relatively lower decline in the net profit is due to the substantial cut in the provision for taxation from Rs. 196.33 lakhs to Rs. 178.58 lakhs. The provision for depreciation, however, has been slightly raised from Rs. 41.77 lakhs to Rs. 46.09 lakhs. The provision for taxation, it may be noted, includes a sum of Rs. 12.38 lakhs by way of wealth tax. The reduction in the provision for taxation does not mean that the incidence of taxation on the Company has fallen. It may be noted here that the provision made for 1957-58 is a little over 50 per cent. of the gross profit (before depreciation). Besides, the Company has had to pay a large sum by way of customs and excise duties. The inroads made by both direct and indirect taxation are thus large indeed. While taxation has thus remained high, manufacturing and other expenses have increased sizably.

As stated earlier, the fall in the profit has adversely affected the allocation to reserves. Thus, a sum of only Rs. 27 lakhs has been conserved, as against Rs. 31.72 lakhs a year ago and Rs. 65.50 lakhs two years earlier. Of the sum of Rs. 27 lakhs, as much as Rs. 20 lakhs have been credited to fixed assets and stock replacement reserve. This reflects the Directors' anxiety to make sufficient cover for the additional sums required to replace fixed assets and raw materials, so that the Company might have a cushion against any adverse fluctuation in the value of these assets. The balance is made up of Rs. 3.03 lakhs to development rebate reserve, Rs. 2.65 lakhs to capital reserve and Rs. 1.32 lakhs to general reserve.

The table given below makes a comparative study of the Company's trading and financial results during the past three years easier:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds	32,61.20	32,11.58	30,36.37	28,44.15
Other income	66.16	60.84	52.81	19.66
Closing stock of finished goods ..	2,92.07	2,53.65	1,71.81	1,85.20
Customs and excise duties ..	12,99.13	12,73.86	11,58.95	*
Expenses including raw materials consumed	17,09.82	16,22.52	15,14.50	25,00.24
Gross profit	3,56.79	3,76.05	4,15.71	3,63.57
Provision for—				
Depreciation	46.09	41.77	49.12	45.89
Taxation	1,78.58	1,96.33	1,79.88	1,49.81
Net profit	1,32.12	1,37.95	1,36.71	1,68.87
To reserves	27.00	31.72	65.50	49.68
Dividend	1,06.12 (7%)	1,06.12 (7%)	1,21.28 (8%)	1,21.28 (8%)
Carry forward	24.05	25.04	24.94	26.01

* Separate figures showing this expense not available.

It will be seen from the table above that the rise in the Company's sale proceeds has not maintained the pace noted in the previous years. Thus, they have increased by only Rs. 49.62 lakhs in the year under review, as against an increase of Rs. 175.21 lakhs in 1956-57 and Rs. 192.22 lakhs in 1955-56. This is partly due to the ever-increasing competition in the industry, despite the popularity of the Company's manufactures among the consuming public. A part of the small rise in turnover is accounted for by the rise in taxation of tobacco and in the cost of raw materials consumed and other expenses, so that, in the final analysis, there appears to have been no improvement in the actual turnover. It will be seen from the table that, apart from the rise in customs and excise duties from Rs. 12.74 crores to Rs. 12.99 crores, other expenses have also shot up from Rs. 16.22 crores to Rs. 17.10 crores. Of this, salaries, wages and bonus alone show a rise from Rs. 386.33 lakhs to Rs. 410.07 lakhs.

The balance-sheet of the Company as at 31st March 1958 shows that the total assets stand at Rs. 27.07 crores, of which goodwill and trade marks (at cost) account for Rs. 4.90 crores and written down value of fixed assets for Rs. 3.67 crores. The gross value of the fixed assets amounts to Rs. 5.71 crores, including an addition of Rs. 1.15 crore made during the year. Investments amount to Rs. 78.10 lakhs (having gone down from Rs. 1.13 crore at the end of March 1957), of which those in Government securities (at market value) alone account for Rs. 64.55 lakhs. The other current assets aggregate Rs. 17.72 crores; these include stocks of raw materials and manufactured goods Rs. 9.75 crores, debts and advances Rs. 5.09 crores and cash balances Rs. 2.15 crores. The current liabilities and provision for taxation aggregate Rs. 2.61 crores. The net assets thus amount to Rs. 24.46 crores and these are represented on the left side of the balance-sheet by paid-up capital amounting to Rs. 15.16 crores and reserves and surplus Rs. 9.30 crores. Of the reserves, general reserve accounts for Rs. 4.65 crores and fixed assets and stock replacement reserve for Rs. 3.70 crores.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 12.06 *ex-div.* At this rate and, on the basis of the dividend for the year, the yield works out to 5.8 per cent. per annum, free of income-tax.

COORLA MILLS MAINTAIN DIVIDEND

In common with other units in the textile industry, the Coorla Spinning and Weaving Company Ltd. (Managing Agents: Messrs. Cowasjee Jehangir & Co. Private Ltd., Bombay) also has reported a decline in profit in its working during the year ended 31st March 1958. The Company's gross profit for the year under review amounts to Rs. 12.93 lakhs. This represents a fall of Rs. 9.25 lakhs from Rs. 22.18 lakhs for the previous year, to which level the gross profit had increased from Rs. 17.80 lakhs earned in 1955-56. The net profit at Rs. 5.91 lakhs, after paying Managing Agents' commission, depreciation and taxation, is only but a fraction of Rs. 15.66 lakhs for 1956-57.

A sum of Rs. 5.26 lakhs has been provided for depreciation, as against Rs. 4.79 lakhs in the previous year. Taxation absorbs Rs. 1 lakh as against *nil*. This amount includes Rs. 25,000 set aside for wealth tax. The directors have written back Rs. 1 lakh from the dividend reserve and another Rs. 1.64 lakh from taxation reserve, representing excess provision made in previous years. This, the Directors explain, is due to their decision to pay a part of the dividend from the net profit for the year and the balance from amounts set aside from taxed profits in the past and credited to reserves. The object is to enable the shareholders to get exemption from payment of income-tax since the distribution is made from taxed profits of earlier years.

The fall in profit has necessitated a reduction in the allocation to reserves from Rs. 11.18 lakhs in the previous year to Rs. 5.10 lakhs. Having regard to the withdrawal of Rs. 1 lakh from the dividend equalisation reserve, the net addition to reserves this year is only Rs. 4.10 lakhs. As regards details of allocations, the amount set aside to development reserve has been reduced from Rs. 6.93 lakhs to Rs. 4.80 lakhs. But a sum of Rs. 30,189 has been transferred to development rebate reserve, as against *nil*. The general reserve, which had been credited with Rs. 4.25 lakhs in the previous year, has not been provided with anything. The provision for gratuity has been pruned from Rs. 80,000 to Rs. 22,000. The distribution to shareholders is proposed to be maintained at the rate of 12½ per cent., the same as that for 1956-57 and 1955-56. It consists of a dividend of 7½ per cent. and a bonus of 5 per cent. and absorbs Rs. 3.25 lakhs and leaves a sum of Rs. 58,223 to be carried forward, as against Rs. 61,033 brought in.

The Company's financial position, as disclosed by its balance-sheet as at 31st March 1958, is satisfactory. Its reserves and surplus amount to Rs. 29.19 lakhs, as against a paid-up capital of Rs. 26 lakhs, all in ordinary shares of Rs. 100 each. The gross block of Rs. 113.37 lakhs stands well written down at Rs. 45.57 lakhs. Additions during the year were of the order of Rs. 9.29 lakhs, of which those on account of plant and machinery alone amounted to Rs. 7.60 lakhs. The current assets aggregate Rs. 67.36 lakhs, against which the current liabilities amount to only Rs. 57.74 lakhs.

The Rs. 100 fully paid-up shares are being currently quoted at Rs. 135 *cum-div.* On an *ex-div.* basis, the dividend together with the bonus works out to a yield of 10.2 per cent. per annum.

INDIA CEMENTS' PROFIT HIGHER

PROGRESS FULLY MAINTAINED

A DISTINGUISHING feature of the results of the India Cements Ltd. (Managing Agents: Essen Private Ltd., Madras) for the year ended 31st March 1958 is the sharper rise in the Company's turnover as well as profit, a welcome change from the rather slow and measured progress noted in the preceding years. Sale proceeds of cement rose from Rs. 109.07 lakhs in 1954-55 to Rs. 123.81 lakhs in 1955-56. Although there was a recession to Rs. 107.43 lakhs in 1956-57, the lost ground has been once again regained by the substantial rise of Rs. 35.91 lakhs to Rs. 143.34 lakhs during the year under review. The gross profit at Rs. 39.34 lakhs represents an improvement of Rs. 10.43 lakhs or 36 per cent. from Rs. 28.91 lakhs for the previous year, thus maintaining the upward trend for the fifth year in succession, and compares well with the meagre rises in the preceding years when it improved from Rs. 28.02 lakhs in 1954-55 to Rs. 28.63 lakhs in 1955-56.

As against the improvement in gross profit, the net profit at Rs. 15.49 lakhs, however, shows a decline from Rs. 19.04 lakhs for 1956-57. But this does not in any way minimise the excellent progress made by the Company during the year under review, for it is due to the marked rise in the provision for depreciation from Rs. 8.02 lakhs in the previous year to Rs. 11.90 lakhs. Further, whereas no provision for taxation was made for 1956-57, a sum of as much as Rs. 8.82 lakhs (including Rs. 82,132 for wealth tax), has been provided this year for that purpose. Out of the net profit, a sum of Rs. 4 lakhs has been transferred to mortgage loan redemption reserve and another Rs. 20,000 to reserve for development rebate. The allocations in the previous year consisted of Rs. 4 lakhs to mortgage loan redemption reserve, Rs. 3.58 lakhs to taxation reserve, Rs. 2 lakhs to dividend equalisation reserve and Rs. 1 lakh to investment reserve. The dividend on ordinary shares has been modestly raised to 9 per cent. from 8½ per cent. for the preceding two years, to which level it had been stepped up from 7½ per cent. for 1954-55.

The following comparative table clearly brings out the progress in the Company's working during the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Cement sales ..	1,48.84	1,07.43	1,23.81	1,09.07
Closing stock of cement ..	0.85	2.35	0.75	14.93*
Manufacturing and other expenses	1,06.96	82.97	93.87	80.58
Gross profit	39.34	28.91	28.68	28.02
Managing Agents' remuneration	3.13	1.85	2.49	2.31
Depreciation	11.90	8.02	7.09	2.57
Taxation	8.82	..	..	..
Net profit	15.49	19.04	19.05	18.14
To donations	0.30	0.57	0.17	..
Transfer to reserves ..	4.20	10.58	12.00	8.00
Bonus to staff	..	..	..	1.52
Share issue expenditure ..	..	0.05	..	..
Dividends—				
7½% preference ..	2.24	1.49†	1.49†	1.49†
Ordinary	9.85 (9%)	8.38 (8½%)	5.12 (8½%)	4.64 (7½%)
Deferred	..	0.62 (8½%)	0.62 (8½%)	0.56 (7½%)
Carry forward	0.71	1.81	2.97	3.31

* Includes raw materials and cement in process.
† 5 per cent. preference.

It is unnecessary to dwell at length on the Company's progress in the sphere of expansion, as it was lucidly explained by the Chairman in his speech at the annual meeting of the Company last month, *vide* page 442 of our issue dated 13th September 1958. Suffice it to say that the Company is pushing itself forward and is taking active part in the plans for expanding cement production.

It may be recalled that the Company had made an issue of fresh capital for Rs. 40 lakhs in 160,000 ordinary shares of Rs. 25 each at par to holders of equity capital as on 11th August 1956, in the proportion of four shares of Rs. 25 each for every Rs. 175 held, that is, one ordinary share of Rs. 25 for every Rs. 50 paid-up capital, and holders with more than Rs. 175 not being a multiple of Rs. 175 were offered one ordinary share of Rs. 25 for every Rs. 50 paid-up of equity capital. The new shares were entitled for any dividend that may be declared after 31st December 1956. In April 1957, the authorised capital of the Company was increased from Rs. 2 crores to Rs. 5 crores and the then existing 150,000 fully paid-up deferred shares of Rs. 5 each were converted into 150,000 fully paid-up ordinary shares of Rs. 5 each.

The paid-up capital of the Company as on 31st March 1958 stands at Rs. 139.30 lakhs consisting of 29,850 7½ per cent. taxable cumulative preference shares of Rs. 100 each, 407,790 ordinary shares of Rs. 25 each and 150,000 ordinary shares of Rs. 5 each. At the recent annual meeting of the Company, it was decided that all equity shares should be only denominations of Rs. 5 each, and that shares of Rs. 25 each be sub-divided into five shares of Rs. 5 each. The reserves and surplus aggregate Rs. 31.43 lakhs. The current liabilities stand at Rs. 102.93 lakhs, of which secured loans from the Industrial Finance Corporation of India by a charge on the fixed assets of the Company account for Rs. 45 lakhs. The gross block of Rs. 218.27 lakhs, which includes additions made during the year of the value of Rs. 9.90 lakhs, has been written down to Rs. 144.88 lakhs. In addition, there is a small unallocated capital expenditure amounting to Rs. 1.11 lakh. The current assets aggregate Rs. 127.67 lakhs and cover the current liabilities and the provision for taxation by a comfortable margin.

The Rs. 25 fully paid-up ordinary shares are currently quoted at Rs. 30.87 *ex-div.*, at which rate and on the basis of the latest dividend, the yield is 7.29 per cent. per annum.

NEW COMPANY REGISTRATIONS

During the first two months of the fiscal year 1958-59, that is, April and May, 168 companies, with a total authorised capital of more than Rs. 28 crores, were registered in different States under the Companies Act, 1956. Of these, six were public companies with an authorised capital of Rs. 14.6 crores. The remaining 162 were private companies with an authorised capital of about Rs. 13.6 crores.

In April, three Government companies, namely, the Hindustan Salt Company (Private) Ltd., the Kerala Water Transport Corporation (Private) Ltd., and the Indian Handicrafts Development Corporation (Private) Ltd. were incorporated in the States of Rajasthan, Kerala and Delhi respectively. Each of these three companies has an authorised capital of Rs. 1 crore. In addition, a company, Parke Davis India (Private) Ltd. was registered in Bombay with an authorised capital of Rs. 2 crores. Two other companies, Roche Products (Private) Ltd. and Orion Chemicals Ltd. were formed during the month in the States of Bombay and West Bengal with an authorised capital of Rs. 2 crores and Rs. 1 crore, respectively.

Three big companies were registered in May, two of these in Bombay and one in Mysore. The companies registered in Bombay were the Baroda Rayon Corporation Ltd. with an authorised capital of Rs. 10 crores and Special Steels (Private) Ltd. with an authorised capital of Rs. 1 crore. The company registered in Mysore is the Mysore Cements Ltd. which has an authorised capital of Rs. 3 crores.

The State-wise distribution of the companies registered during these two months shows that the largest number of new registrations took place in West Bengal, while Bombay led the other States in regard to the authorised capital.

HYDERABAD STOCK EXCHANGE

The Securities Contracts (Regulation) Act, 1956, which has been enforced with effect from 20th February 1957, envisages existence of only recognised stock exchanges. Under Section 4 of the Act, the Government of India recognised in 1957 the Stock Exchange, Bombay, the Ahmedabad Share and Stock Brokers' Association, Ahmedabad, the Calcutta Stock Exchange Association Limited, Calcutta, the Madras Stock Exchange Limited, Madras, and the Delhi Stock Exchange Association Ltd., New Delhi. The Central Government has now decided to grant recognition to the Hyderabad Stock Exchange Limited, Hyderabad, for a period of five years with effect from 29th September 1958, subject to the condition that a membership security deposit of Rs. 3,000 is taken from every member of the Stock Exchange. Section 13 of the Act has also been declared to apply to the area covered by the limits of the Municipal Corporations of Hyderabad and Secunderabad with effect from the same date. As a result of the application of Section 13, every contract in securities in this area which is entered into after 29th September 1958, otherwise than between members of the Hyderabad Stock Exchange Limited, which has now been recognised by the Government, or through or with such members will be illegal. The Government has also simultaneously brought into force in this area Section 19 of the Act which prohibits any person, except with the permission of the Central Government, to organise or assist in organising or to be a member of any stock exchange (other than the recognised Stock Exchange) for the purpose of assisting in, entering into or performing any contracts in securities.

The Hyderabad Securities Contracts Regulation Act, 1353 Fasli (VII of 1353 Fasli); under which the Hyderabad Stock Exchange Ltd. was recognised, has been repealed with effect from 29th September 1958.

Subject to the sanction of the Controller of Capital Issues, the Directors of the Balrampur Sugar Company, Ltd., have decided to issue 70,000 ordinary shares of Rs. 5 each, as fully paid-up bonus shares in the ratio of one share for every four shares held. It is learnt that these shares will not participate in any dividend for the period ended 30th June 1958. The issue will be made to those shareholders whose names are registered in the Company's books as on 29th September 1958.

Points From The Chair

Tax on Companies

"I HAVE already referred to the imposition of additional excise duties in replacement of State sales taxes, as a measure of simplification both wise and welcome, but there has been a noticeable attempt by various municipalities throughout the country to endeavour to enhance their revenues by introducing or increasing octrois on tobacco products, and even on the raw materials for our factories. We maintain that our raw materials, and their products, on which the Centre levies excise duty, and now additional excise duty, should be kept outside the taxable scope not only of the States but also of municipalities. If this is not done, an inevitable effect must be a reduction in Central revenue because of distribution difficulties brought about by these barriers raised to trade and the free movement of goods. In the field of direct taxation on companies, your Board believes that the total weight of company taxation is too high, especially for a country which seeks to stimulate capital formation and attract foreign investment. Even if the present level of taxation could be justified, there would be scope for the structure of company taxation to be remodelled and simplified. It is surely difficult to justify wealth tax on companies, nor can the imposition of super-tax on the capitalisation of retained profits fail to discourage capital formation. Moreover, desirable though it undoubtedly is to increase capital investment, this end will not be achieved by penalising companies which pay dividends at a rate higher than the modest figure of 6 per cent. on issued capital, which normally means an even lower percentage on the real capital invested in the business."

G. H. J. CLARKE.
Imperial Tobacco Co. of India Ltd.

Copper Prices

"From the high peak reached in March 1956 of £436.10 per ton on the L.M.E., the price of copper fell to £267 per ton at the beginning of 1957. There followed almost immediately a slight improvement, but this was not maintained and thereafter throughout the year the price of copper continued downward until at the close of the year L.M.E. quoted £182 per ton. The basic reason for this marked decline was overproduction and the market throughout the year was struggling against a growing weight of supplies. Certain of the larger producers announced cuts in production, but the slight bullish effect which this produced was quickly discounted on the realisation that the hoped for revival of American business in the autumn of that year could not be realised. In the year 1958 there has been an upward trend in price, which might be attributed to an improvement in business conditions in America, a strengthening of demand in Europe and the political situation in the Near East. For some time the price has remained fairly steady around £207 per ton. The net indications seem to point to a more stable market in the not too distant future. Meanwhile, fluctuations below today's level will not be surprising and even likely, as it is impossible to predict future copper market developments owing to its sensitivity to speculative influences."

STEWART M. PETRIE,
Indian Copper Corporation Ltd.

An Untenable Complaint

"For anyone to find fault with the inability of newly established industries to supply their products from the very start of their operations at prices equal to or lower than the lowest import prices, particularly where, as in the case of the dying steam locomotive industry, such prices are clearly uneconomic or subsidised, is to ignore elementary industrial realities. The principle of protection to essential young industries and the consequential acceptance for some years of higher indigenous costs has been so well recognised and approved a part of our country's economic policies for the last 30 years or more that I am surprised such an uproar should have been created over the normal working of this same principle in the case of locomotive manufacture. While it may not be possible to convince all our critics, the fact that, contrary to the complaint that the Company has made large profits out of the railways, it is actually supplying locomotives at no profit or even at a loss, will, I hope, at least convince some of them that the agreement is not so favourable to the Company and unfavourable to the railways as it is alleged to be."

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

Outlook for Coffee

"The prospects ahead for coffee prices are rather worrying. Export prices for coffee have come tumbling down in the last few auction sales, due to, we understand, the large carry-over of stocks in Brazil and increased world production of coffee, and the margin over internal prices has narrowed to quite near the internal price. Since internal sales of coffee are made at below the figure of guaranteed return to the grower, these must of necessity be subsidised from export sale proceeds. The good price Indian coffee has fetched abroad during the past few years was due to the general scarcity of coffee in the world markets. The Government are trying very hard to re-establish the traditional popularity for Indian coffee in the principal foreign markets, and growers are asked to give every possible attention to the drying and curing operations on the estate in order to preserve the inherent quality that most of the coffee produced here possesses. It would be unwise at present to anticipate a return to the grower of more than Rs. 2.30 per point at the very most for the seasons immediately ahead."

W. F. INMAN,
The Savamalai Estates Ltd.

COMPANY MEETINGS AND DIVIDENDS

SONE VALLEY PORTLAND CEMENT CO., LTD. Annual General Meeting, Calcutta, 13th October 1958. Dividend: 6 per cent. or Re. 0.30 per share, payable on or after 30th October 1958. Transfer books remain closed from 1st to 13th October 1958, both days inclusive.

MYSORE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 14th October 1958. Dividend: 10 per cent. or Rs. 5.00 per share (includes interim dividend of Rs. 3.00 per share). Final dividend of Rs. 2.00 per share, is payable on and after 24th October 1958.

RANICHERRA TEA CO., LTD. Annual General Meeting, Calcutta, 16th October 1958. Dividend: Re. 0.50 per share. Transfer books will remain closed from 7th to 16th October 1958, both days inclusive.

NEW CINNATOLLIAH TEA CO., LTD. Annual General Meeting, Calcutta, 18th October 1958. Dividend: Nil. Transfer books will remain closed from 9th to 18th October 1958, both days inclusive.

ELLORE ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Madras, 18th October 1958. Dividend: 5 per cent. Re. 0.50 per share (final), payable on or after 25th October 1958. Transfer books will remain closed from 7th to 18th October 1958, both days inclusive.

COORLA SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 24th October 1958. Dividend: Rs. 12.50 per share (includes bonus of Rs. 5.00 per share), payable on and after 27th October 1958. Transfer books will remain closed from 11th to 25th October 1958.

MUKAND IRON AND STEEL WORKS LTD. Annual General Meeting, Bombay, 24th October 1958. Transfer books will remain closed from 10th to 24th October 1958, both days inclusive.

THOMSON AND TAYLOR LTD. Annual General Meeting, Bombay, 25th October 1958. Transfer books will remain closed from 15th to 25th October 1958, both days inclusive.

BRITANNIA BISCUIT CO., LTD. Annual General Meeting, Bombay, 25th October 1958. Transfer books will remain closed from 29th October to 8th November 1958, both days inclusive.

SURAT ELECTRICITY CO., LTD. Final dividend of Rs. 4.50 per share, for the year ended 31st March 1958. Transfer books will remain closed from 7th to 28th October 1958, both days inclusive.

PEERMADE TEA CO., LTD. Interim dividend of 6¼ per cent. or Re. 0.62 per share, on ordinary shares, for the year 1958. Transfer books will remain closed from 4th to 14th November 1958, both days inclusive.

COWCODY ESTATES LTD. Final dividend of 40 per cent. for the year ended 30th June 1958. Transfer books will remain closed from 18th October to 1st November 1958, both days inclusive.

KASTURI MILLS LTD. No dividend for the year ended 31st March 1958. Transfer books will remain closed from 15th to 31st October 1958, both days inclusive.

JANARDANA MILLS LTD. Dividend of 6 per cent. or Rs. 3.00 per share, for the year ended 31st December 1957.

KHATAU MAKANJI SPINNING AND WEAVING CO., LTD. Dividend of Rs. 10.00 per share, for the year ended 30th June 1958, payable on 14th November 1958. Transfer books will remain closed from 13th October to 10th November 1958, both days inclusive.

DHRANGADHRA CHEMICAL WORKS LTD. Dividend of Rs. 6.00 per share, on old and new shares, for the year ended 31st March 1958. Transfer books will remain closed from 7th to 17th October 1958, both days inclusive.

GREAT EASTERN SHIPPING CO., LTD. Dividend of Re. 1.80 per share, on old shares and Re. 0.90 per share, on new shares, for the year ended 30th June 1958. Transfer books will remain closed from 3rd to 27th November 1958, both days inclusive.

COMPANY REGISTRATIONS

SHREE SADAN PROPERTIES LTD. (First Director: Mr. K. B. Daga.) Business: Purchase and deal in movable and immovable properties. Authorised capital: Rs. 25,00,000. Private company. Address Shree Sadan, 15 Narayan Dabholkar Road, Bombay 16.

D. L. AMORE PRIVATE LTD. (First Director: Mr. D. L. Amore.) Business: Manufacturers and dealers in pharmaceuticals. Authorised capital: Rs. 5,00,000. Private company. Address: Cecil, Court, Lansdowne Road, Bombay.

CHANDRAKANT MANUFACTURING INDUSTRIES PRIVATE LTD. (First Director: Mr. B. N. Sanas.) Business: Electrical engineers etc. Authorised capital: Rs. 5,00,000. Private company. Address: 857, Bhawani Peth, Poona 2.

NUTAN UDYOGA PRIVATE LTD. (First Director: Mr. J. K. Somani.) Business: Manufacture, refine, import and export sugar, sugar beet, etc. Authorised capital: Rs, 5,00,000. Private company. Address: Das Chambers, Dalal Street, Fort, Bombay.

DHARTI DHAN PRIVATE LTD. (First Director: Mr. Ramgopal Gupta.) Business: To explore, work, quarry and refine ores. Authorised capital: Rs. 5,00,000. Private company. Address: 9, Rajmahal, Churchgate Reclamation, Bombay 1.

RESULTS OF BIRD-HEILGERS GROUP JUTE COMPANIES

PROFIT OF MALANKARA RUBBER HIGHER

Kinnison Jute Mills Co., Ltd.

THE directors of the above Company [Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st March 1958.

The profit and loss account after providing for all charges and including Rs. 72,729 (*nil*) on account of provision for sales tax contingency no longer required, shows a profit of Rs. 11,01,206 (loss of Rs. 11,46,064 after providing Rs. 8,05,356 for depreciation). From this amount is deducted depreciation Rs. 9,92,459 and provision for wealth tax Rs. 66,000 (*nil*) leaving a balance of Rs. 42,747 (debit of Rs. 11,46,034). After adding the balance brought forward from the previous year of Rs. 28,774 (Rs. 41,637) and the amount transferred from general reserve of Rs. 2,99,129 (*nil*) there is an available balance of Rs. 3,70,650 (Rs. 1,33,774 after transferring Rs. 2,30,000 from jute stock reserve; Rs. 38,201 from taxation reserve; Rs. 1,47,000 from development rebate reserve and Rs. 8,23,000 from tax contingency reserve). The directors propose to dispose of this amount as follows:—

By payment of a dividend on the preference shares at the rate of 7 per cent. per annum, without any deduction for income-tax payable by the Company Rs. 1,05,000 (Rs. 1,05,000), by payment of a dividend on the ordinary shares at the rate of Rs. 5 (*nil*) per share without any deduction of income-tax payable by the Company Rs. 2,40,000 (*nil*) and by carrying forward Rs. 25,650 (Rs. 28,774).

General Report.—In accordance with the working time agreement of the Indian Jute Mills Association your mills worked 48 hours weekly with 12½ per cent. of the total looms sealed.

Reference was made in last year's report to the arrangement with the Standard Jute Company Limited for the utilisation of that Company's loom hours. This has worked satisfactorily for both parties and with a view to arriving at a permanent arrangement, equitable to the shareholders of both Companies, a scheme of arrangement has been submitted to, and approved by, the shareholders at Meetings held on 12th August 1958. This scheme has now to be submitted to the Calcutta High Court for its approval and directions under Section 391 of the Indian Companies Act. As far as this Company is concerned, the final outcome proposed is that Standard Jute Company Limited's shareholders should receive shares in this Company in the ratio of one Kinnison share of Rs. 100 each for two Standard shares of Rs. 70 each, following which Standard Jute Company Limited will become a 100 per cent. subsidiary of this Company.

Owing mainly to labour trouble culminating in a two weeks strike in May 1957, the first quarter's results were far from satisfactory and the Company only resumed profitable working from July 1957. Since then there has been a steady improvement and results to date for the current year are encouraging. In view of this, the directors have felt justified in making a transfer from reserves to permit the payment of an ordinary dividend.

With regard to the 35 wide hessian loans to which reference has been made in the last report, the directors are pleased to advise that exemption from Clause 18 of the I.J.M.A. working time agreement was granted with effect from 29th July 1957. Due to intense competition, the margin of profit on wide cloth has been greatly reduced.

Regarding the claim for sales-tax referred to in the last report a sum of Rs. 1,22,783 was realised as at 31st March 1958.

During the financial year under review there was an ample supply of raw jute to meet the Industry's needs but prices generally were relatively high in comparison with those for manufactured goods with the result that profitable simultaneous trading was only possible for a few months of the period.

The East India Jute and Hessian Exchange Limited which became the official body for hedge contracts with the concurrence of the Forwards Market Commission, has at the time of this report been functioning for approximately six months and although it has helped greatly to stabilise prices there are still quite heavy fluctuations due to certain operators with no stake in the Industry using the "Futures" market for speculative purposes.

Although the world trade recession in business has not greatly affected the offtake of jute goods, prices dropped considerably due chiefly to delayed buying by consuming markets. Speculators also forced prices down to uneconomic levels but with the introduction of minimum prices by the Indian Jute Mills Association on the 26th February, the market took a decided turn for the better.

The recent Middle East crisis gave a further boost to prices but with the lessening of political tension rates have eased substantially and Overseas buyers again are following the usual pattern of hand to mouth buying.

The overall hessian stock position in Calcutta is very sound but the steady rise in stocks of sacking goods serves to indicate over-production of these manufactures. It is hoped, however, that the switch over from sacking to hessian which is presently taking place within the Industry will gradually rectify matters in this respect.

The main redeeming feature with regard to future prospects is the increased availability and quality of raw jute in India and a stage has been reached whereby approximately ninety per cent. of the needs of the mills are now available from sources within the Union. Reports of the current jute crop are most satisfactory and the directors feel that, unless something untoward happens, virtual self-sufficiency in long jute should be achieved this year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	63,00,000	Gross block	2,38,47,961
Debentures	25,00,000	*Less*—Depreciation ...	1,08,51,199
Reserves ...	77,32,121		
Provision for wealth tax	66,000	Net block ...	1,29,96,762
Liabilities	1,04,45,725	Stock-in-trade ...	78,59,445
Profit and loss account ...	25,650	Stores, loose tools, etc.	14,82,698
		Debts, deposits and advances ...	36,37,043
		Investments	10,81,172
		Cash ...	12,376
Rs.	2,70,69,496	Rs.	2,70,69,496

Standard Jute Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st March 1958.

The profit and loss account, after providing for all charges and including Rs. 10,077 (*nil*) on account of provision for sales-tax contingency no longer required, shows a profit of Rs. 15,31,175 (loss of Rs. 15,23,258 after providing Rs. 4,70,940 for depreciation). From this amount is deducted depreciation Rs. 87,650, loss brought forward from the previous year Rs. 8,76,083 (Rs. 4,87,127), provision for wealth-tax Rs. 17,600 (*nil*) and reserve for stores and spare parts Rs. 2,00,000 leaving a balance available of Rs. 3,49,842 (debit of Rs. 8,76,083 after transferring Rs. 11,33,438 from general reserve, Rs. 65,000 from welfare reserve, Rs. 28,864 from jute stock reserve and Rs. 7,000 from tax contingency reserve). The directors propose to dispose of this amount as follows:

By payment of dividends on cumulative preference shares of 6 per cent. per annum without any deduction for income-tax payable by the Company in respect of the years ended 31st March 1956 and 1957 Rs. 1,08,000; preference dividend for the year ended 31st March 1958 Rs. 54,000; by payment of a dividend on the ordinary shares at the rate of Rs. 5 (*nil*) per share without any deduction for income-tax payable by the Company Rs. 1,25,980 (*nil*) and by carrying forward Rs. 61,862 (debit of Rs. 8,76,083).

General Report.—The reasons for the closure of the Mill were fully covered in the previous report and it is now satisfactory to record that the Company's overdraft with its Bankers and the Rs. 25 lakhs Debenture issue have been repaid in full. Realisation of other liquid assets and the sale proceeds of the land and buildings has now made it possible to put before shareholders a scheme involving *inter alia* the repayment of the preference capital and a part repayment of the ordinary capital. This scheme was placed before the shareholders on August 12th and approved but will now require submission to the Calcutta High Court for its approval and directions as provided under Section 391 of the Indian Companies Act. In view of the inevitable delay that will occur it has been decided by the directors that it is desirable, despite the fact that it is an integral part of the above mentioned scheme, to proceed forthwith with the payment of the arrears of dividends on the preference shares. It is also satisfactory that the results of the year's working permit the payment of an ordinary dividend. Since it is proposed that Standard Shareholders, apart from a part repayment in cash, should receive shares in Kinnison Jute Mills Co., Ltd., it is appropriate to record that the directors of the latter Company report a substantial improvement in profits for the current year to date as compared with the year ended 31st March 1958 during the early months of which losses were incurred.

As it is probable that a loss will be incurred in respect of realisation of stores and spare parts for obsolete machinery and plant, a reserve of 2 lakhs has been made for this purpose.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	34,19,600	Gross block	9,29,724
Reserves ...	3,04,087	*Less*—Depreciation ...	3,23,203
Provision for wealth tax	17,600		
Liabilities ...	3,89,090	Net block ...	6,06,521
Profit and loss account ...	61,862	Stores, etc. ...	6,20,699
		Debts, deposits and advances ...	12,35,265
		Investments	2,93,527
		Cash ...	14,36,227
Rs.	41,92,239	Rs.	41,92,239

Auckland Jute Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st March 1958.

The profit and loss account, after providing for all charges and including Rs. 19,792 (*nil*) on account of provision for sales-tax contingency no longer required, shows a profit of Rs. 15,37,939 (loss of Rs. 9,09,079 after providing Rs. 7,04,893 for depreciation). From this amount is deducted depreciation amounting to Rs. 7,82,708, loss brought forward from the previous year of Rs. 3,79,016 (credit of Rs. 11,377) and provision for wealth tax Rs. 48,000 (*nil*) leaving a balance of Rs. 3,28,215 (debit of Rs. 8,87,702). To this amount is added the amount transferred from general reserve of Rs. 1,20,000 (*nil*) making a total of Rs. 4,48,215 (debit balance of Rs. 3,79,016 after transferring Rs. 3,00,000 from development rebate reserve, Rs. 1,55,500 from tax contingency reserve and Rs. 63,186 from jute stock reserve). The directors propose to dispose of this amount as follows:—

By payment of dividend on cumulative preference shares at the rate of 5½ per cent. per annum without any deduction for income-tax paid by the Company in respect of year ended 31st March, 1957 Rs. 55,000 and preference dividend for the year ended 31st March, 1958 Rs. 55,000, by payment of dividend on redeemable cumulative preference shares at the rate of 4½ per cent. per annum without any deduction for income-tax paid by the Company in respect of the year ended 31st March, 1957 Rs. 67,500 and for the year ended 31st March 1958 Rs. 67,500, by payment of a dividend on the ordinary shares at the rate of Rs. 5 (*nil*) per share without any deduction for income-tax payable by the Company Rs. 2,00,000 (*nil*) and by carrying forward Rs. 3,215 (debit of Rs. 3,79,016).

The labour situation throughout remained quiet and the complement at the mill was maintained at full strength.

The installation of 35 wide hessian looms was completed in October, 1957 and the directors report they are working satisfactorily. Exemption from Clause 18 of the I.J.M.A. working time agreement was granted with effect from the 29th July, 1957. The price of wide cloth has, due to intense competition, now fallen to a level where the margin of profit is greatly reduced.

In order to absorb the loom hours pertaining to 317 looms of The Lawrence Jute Company, Limited, triple shift working of the Mill and double shift working of the Factory was introduced from 7th April, 1958. A reduction in overhead costs will result from the increased production obtained due to the above arrangement and prospects for the current year appear favourable.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	65,00,000	Gross block	1,49,82,554
Debentures ...	15,00,000	*Less*—Depreciation ...	63,17,403
Reserves ...	32,60,924		
Provision for wealth tax	48,000	Net block ...	86,65,151
Liabilities ...	43,97,691	Work-in-progress ...	20,762
Profit and loss account ...	3,215	Stock-in-trade	36,78,817
		Stores and spare parts	6,61,279
		Debts, deposits and advances ...	23,42,091
		Investments	3,32,830
		Cash ...	8,900
Rs.	1,57,09,830	Rs.	1,57,09,830

Union Jute Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st March 1958.

The profit and loss account, after providing for all charges, and including a refund of tax Rs. 1,343 (*nil*) in respect of a previous year, and Rs. 36,271 (*nil*) on account of provision for sales tax contingency no longer required, shows a profit of Rs. 35,28,521 (loss of Rs. 19,11,274 after providing Rs. 5,10,906 for depreciation). From this amount is deducted depreciation Rs. 4,91,954, loss brought forward from the previous year of Rs. 13,51,940 (credit of Rs. 18,334), provision for wealth tax Rs. 46,000 (*nil*), transfer to reserve for tax contingency Rs. 2,00,000 (Rs. 3,28,000), reserve for development rebate Rs. 1,00,000 (Rs. 5,000), reserve for jute stock Rs. 1,00,000 (Rs. 2,50,000), reserve for stores and spare parts Rs. 2,00,000 (*nil*) and general reserve Rs. 4,00,000 leaving a balance available of Rs. 6,38,627 (debit of Rs. 13,51,940). The directors propose to dispose of this amount as follows:—

By payment of a dividend on the preference shares at the rate of 7 per cent. per annum, without any deduction for income-tax payable by the Company Rs. 42,000 (Rs. 42,000), by payment of a dividend on the ordinary shares at the rate of Rs. 15 (*nil*) per share without any deduction for income-tax payable by the Company Rs. 5,39,790 (*nil*) and by carrying forward Rs. 56,837 (total debit of Rs. 13,51,940).

Union South Mill was closed down on the 22nd June, 1957. By working treble shift in the mill and double shift in the factory, it has proved possible, with the purchase of certain additional modern machinery, to absorb the South Mill's loom hours at Union North Mill. The objective of combining the two small units, one of which was steam-driven and non-modernised, into one economic sized and fully modernised unit has thus been successfully achieved.

In March, 1958, the deed of conveyance in respect of Union South property together with buildings, certain machinery, etc., was signed. At that date Rs. 20 lakhs had been received from the purchasers, while the balance Rs. 10 lakhs, carrying interest at 5 per cent. per annum is payable by instalments over the next four years. Receipt of this sum has permitted the withdrawal of the Rs. 13 lakhs additional debentures that were lodged with Lloyds Bank Ltd., as security for the extra financial accommodation required in connection with the expenditure incurred on the closure of Union South Mill.

Regarding the claim for sales tax referred to in the directors' last report a sum of Rs. 98,186 was realised as at 31st March 1958, and a further sum of Rs. 28,739 has subsequently been received.

Although the current year's results will not include the non-recurring profit arising from the sale of Union South Mill, there is every indication that manufacturing profits will be at a satisfactory level.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	41,98,600	Gross block	1,50,53,316
Debentures ...	12,00,000	*Less*—Depreciation ...	42,51,394
Reserves ...	48,33,581		
Provision for wealth tax	46,000	Net block ...	63,01,922
Liabilities ...	28,54,839	Work-in-progress ...	48,238
Profit and loss account ...	56,837	Stock-in-trade	22,75,258
		Stores, etc.	9,10,166
		Debts, deposits and advances ...	32,30,009
		Investments	4,02,835
		Cash ...	21,429
Rs.	1,31,89,857	Rs.	1,31,89,857

Lansdowne Jute Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st March 1958.

The profit and loss account, after providing for all charges and including net refund of tax Rs. 12,424 (*nil*) in respect of a previous year and Rs. 27,834 (*nil*) on account of provision for sales tax contingency no longer required, shows a profit of Rs. 5,05,208 (loss of Rs. 8,79,721 after providing Rs. 5,10,999 for depreciation). Against this amount is to be set off depreciation amounting to Rs. 5,29,403 leaving a debit balance of Rs. 24,195 (Rs. 8,79,721). To this amount is added the loss brought forward from the previous year of Rs. 9,08,440 (Rs. 2,12,719) making a total debit of Rs. 9,32,635 (Rs. 10,92,440) and from which is deducted the amount transferred from general reserve of Rs. 52,500 (*nil*) making a total of Rs. 8,80,135 (Rs. 10,92,440). The directors propose to pay a dividend on the preference shares at the rate of 7 per cent. per annum for the half-year ended 31st March, 1956, without any deduction for income-tax paid by the Company absorbing Rs. 52,500 (*nil*) and to carry forward the total debit balance of Rs. 9,32,635 (Rs. 9,08,440 after transferring Rs. 1,14,000 from tax contingency reserve and Rs. 70,000 from jute stock reserve).

The labour situation throughout the period remained quiet but there is still considerable difficulty in obtaining the necessary number of efficient workers in certain categories.

Regarding the claim for sales tax referred to in the directors' last report a sum of Rs. 77,878 was realised as at 31st March, 1958 and a further sum of Rs. 10,274 has subsequently been received.

As from 5th May, 1958, to enable the loom hours of 317 looms of the Lawrence Jute Co., Ltd., to be worked at this mill, double shift working in the factory and treble shift working in the mill has been introduced. It has also been necessary to hire certain additional spinning and ancillary machinery from Lawrence Jute Co., Ltd., to cater for the increased loom complement. A considerable reduction in overhead costs has been obtained due to the higher tonnage of goods produced and it is therefore hoped that results for the current year will show a considerable improvement.

QUALITY

★ ELECTRIC MOTORS : First manufacturer in India to receive ISI mark for quality

★ CABLES : A.C.S.R. & A.A.C. of ISI quality

Also, all Types and Capacities of Transformers, H.T & L.T Switch Gears, Control Gears and Machine Tools, Welding Transformers and Electric Tools

MANUFACTURERS

HINDUSTAN ELECTRIC CO. LTD.

20, GRAHAM ROAD, BALLARD ESTATE, BOMBAY 1.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,48,000	Gross block	1,28,67,077
Reserves* ...	27,76,883	*Less*—Depreciation ...	58,39,647
Liabilities ...	61,63,021		
		Net block ...	70,27,430
		Work-in-progress ...	24,784
		Stock-in-trade	28,60,655
		Stores, loose tools, etc.	10,39,049
		Debts, deposits and advances ...	15,84,598
		Investments	3,24,723
		Cash ...	26,665
Rs.	1,28,87,904	Rs.	1,28,87,904

*Reserves are shown after deducting the debit balance of Rs. 9,32,635 in the profit and loss account.

Northbrook Jute Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st March 1958.

The profit and loss account, after providing for all charges shows a profit of Rs. 3,02,354 (loss of Rs. 2,98,883 after providing Rs. 4,75,629 for depreciation). Against this amount is to be set off depreciation amounting to Rs. 5,55,398 leaving a debit balance of Rs. 2,53,044 (Rs. 2,98,883). After deducting the balance brought forward from the previous year of Rs. 9,227 (Rs. 70,116) and the amount transferred from general reserve of Rs. 82,500 there is left a debit balance of Rs. 1,61,317 (Rs. 2,28,767). The directors propose to pay a dividend on the preference shares at the rate of 5½ per cent. per annum for the year ended 31st March, 1958 without any deduction for income-tax paid by the Company absorbing Rs. 82,500 (Rs. 82,500) and to carry forward the total debit balance of Rs. 2,43,817 (credit of Rs. 9,227 after transferring Rs. 1,50,000 from jute stock reserve; Rs. 1,10,000 from development rebate reserve, Rs. 50,000 from dividend equalisation reserve and Rs. 10,494 from taxation reserve).

The labour situation has been far from satisfactory and has contributed to the adverse results. In December, 1957 a rationalisation scheme was introduced under which certain work loads were increased to levels already effective at all other mills in the group, and resulted in a strike.

Apart from the labour situation, which has now shown a considerable improvement, the two main problems have been the small size of the mill at 496 working looms and the steady fall in the sales price of the mill's speciality fabrics, resulting not only in a reduction in income but also in having to write down the value of unsold stocks by substantial amounts.

In May 1958 a re-organisation scheme was introduced under which the mill has become an entirely sacking plus speciality fabric unit. The increased tonnage resulting therefrom has led to a reduction in overhead costs and in the current year to date the mill has operated at a profit despite substantial payments of a non-recurring nature in connection with the re-organisation scheme.

With effect from July, 1957 the 45 wide looms have been exempt from I.J.M.A. working time agreement and have been operating in addition to the ordinary loomage. Prices have fallen to a level where the margin of profit is greatly reduced but further reductions are not anticipated.

Progress has been made in eliminating the duplication of facilities at the mill and Dalhousie next door. To date a common workshop has been established and the possibility of a common stores is under consideration.

The four circular looms were put into operation by August, 1957, but the level of operating efficiency obtained is most disappointing.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,79,880	Gross block	1,35,66,574
Debentures ...	20,00,000	*Less*—Depreciation ...	61,41,213
Reserves* ...	43,38,845		
Liabilities ...	48,30,832	Net block ...	74,25,361
		Expenditure in progress ...	23,910
		Stock-in-trade	39,20,430
		Stores, loose tools, etc.	8,77,932
		Debts, deposits and advances ...	16,24,245
		Investments	4,72,061
		Cash ...	5,618
Rs.	1,43,49,557	Rs.	1,43,49,557

*Reserves are shown after deducting the debit balance of Rs. 2,43,817 in the profit and loss account.

Malankara Rubber and Produce Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. John Sons' Estates & Agencies (Private) Ltd., Kottayam] submit the audited accounts of the Company for the year ended 31st March 1958.

Rubber—The crop harvested during the season was 6,84,116 lbs. at an estate cost of Rs. 4,28,740 i.e., 62.67 cents per lb. compared to 6,12,797 lbs. at 59 cents per lb. during the previous season. The average price obtained for the season's rubber was 149 cents per lb. including excise duty. Even with the substantial increase in crop during the season compared to the previous season, the estate cost had gone up by over 3 cents per lb., the higher cost being mainly due to the increase in labour wages introduced during the year, the increase in the pay scales of estate staff with retrospective effect from 23rd October 1956 as per the A.P.K./ESUSI agreement and also the extension of the provisions of the Emp'oyees Provident Fund Act 1952 to daily rated workers of rubber estates also as from May 1957. The Company had to pay in addition to the usual yearly bonus to labour a further bonus of 2¾ per cent. of the total earnings for each of the years 1955 and 1956 as per Tripartite decisions and as recommended by the Association of Planters of Kerala.

Cocoanuts—The crop for the season was 6,39,806 nuts as compared to 6,68,551 nuts obtained during the previous season. The average price obtained for the season's crop was Rs. 19.54 per 100 nuts as compared to Rs. 15.17 per 100 nuts for the previous season.

Pepper—A crop of 8,075½ lbs. pepper including rejections was collected during the season.

The net profit for the season was Rs. 2,57,584 (Rs. 2,38,847) after writing down depreciation on buildings, machinery etc., amounting to Rs. 31,230 (Rs. 30,943) and after providing Rs. 2,45,000 (Rs. 2,25,000) against income-tax both agricultural and non-agricultural for assessment year 1958-59 and also Rs. 153 (Rs. 62) against short provision of income tax etc., for assessment year 1957-58. After adding Rs. 6,347 (Rs. 3,46,670) brought forward from last year's profit, the amount available for allocation is Rs. 2,63,930 (Rs. 5,85,517). The directors propose to pay a dividend of 17 (22½) per cent. amounting to Rs. 2,29,500 (Rs. 2,02,500) free of State and Central Income tax. The directors have transferred the balance available amount of Rs. 34,430 (Rs. 6,347 being previous year's profit brought down and Rs. 28,084 from the current year's profit) to general reserve account to cover part of the capital expenses.

Bonus Issue—During the year under report 45,000 shares of Rs. 10 each were issued to the then existing shareholders as fully paid bonus shares. Consequently the present distribution of dividend is on a paid-up capital of Rs. 13,50,000 as against the dividend of 22½ per cent. declared during the previous year on the then paid-up capital of Rs. 9,00,000.

The estimate for the current season is for a crop of 6 lakhs lbs. dry rubber at an estate cost of 75.25 cents per lb. excluding income-tax and super-tax and managing agency commission and Head Office expenses. From the result obtained so far it is expected that the actual crop for the current season will exceed the estimate.

During the current season 71.42 acres of the old rubber area has been replanted under the Rubber Board's subsidy scheme. Further 61 acres of cocoanut area badly affected by leaf disease has been cleared and planted up with rubber this year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,50,000	Gross block	20,40,927
Reserves ...	4,55,880	*Less*—Depreciation ...	3,38,888
Provision for taxation ...	2,45,000		
Liabilities ...	3,20,819	Net block ...	17,02,038
		Stock ...	94,118
		Other assets	73,216
		Loans and advances	2,385
		Cash ...	4,99,942
Rs.	23,71,699	Rs.	23,71,699

Janardana Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. G. Venkataswamy Naidu & Co. Uppilipalayam, Singanallur P.O.) submitted the audited accounts of the Company for the year ended 31st December 1957.

After deducting all working expenses and interest and providing Rs. 75,875 (Rs. 1,49,072) for depreciation, the year's working has resulted in a net profit of Rs. 96,267 (Rs. 4,85,896). From the profits of the year, Rs. 1,226 (Rs. 5,475) has been expended by way of donations. The directors recommend to appropriate the balance of Rs. 95,041 (Rs. 3,88,687) as follows:—To pay a tax free dividend of 6 (20) per cent. absorbing Rs. 53,400 (Rs. 1,78,000) and to provide for taxes Rs. 41,641 (Rs. 2,10,687).

The decrease in the profits of the year is mostly due to the continued high price of cotton and the unremunerative prices of yarn. The prospects for the year 1958 do not seem to be encouraging at all as the slump in the textile trade is continuing.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,90,000	Gross block	35,60,221
Reserves ...	10,66,553	*Less*—Depreciation ...	20,68,005
Provision for taxation ...	2,10,687		
Liabilities ...	9,28,055	Net block ...	14,92,216
		Stock-in-trade	5,43,171
		Stores etc. ...	1,90,852
		Debts, deposits and advances ...	5,43,920
		Investments	13,759
		Cash ...	3,11,377
Rs	30,95,295	Rs	30,95,295

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

Notices

THE MORARJEE GOCULDAS SPINNING AND WEAVING COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 87th Annual General Meeting of the Company will be held at its Registered Office at Soparibaug Road, Parel, Bombay-12, on Saturday, the 8th November 1958, at 11 a.m. (I.S.T.), to transact the following business:—

1. To adopt the Directors' Report and Audited Statements of Accounts for the year ended 30th June, 1958.
2. To declare a dividend on Preference and Ordinary Shares.
3. To appoint a Director in place of Shri Gopikisan Piramal who retires by rotation and being eligible offers himself for re-appointment and to consider, and if thought fit, to pass the following Resolution as a Special Resolution in respect of which a Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and is hereby given to the members:—

"Resolved that Shri Gopikisan Piramal who retires by rotation and who is a Director, Member and an associate of Messrs. Piramal Sons Private Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint an Ex-Officio Director to the Board) be and is hereby re-appointed a Director of the Company."

The reasons which make this Special Resolution necessary are fully set out in the Resolution itself and in Paragraph 1 of the Explanatory Statement annexed to this Notice.

4. To appoint a Director in place of Shri Manoharlal Jwalaprasad Tibrewala who was appointed an Additional Director of the Company by the Board of Directors and who shall cease to hold Office under Section 260 of the Companies Act, 1956, but who being eligible offers himself for re-appointment and, to consider and if thought fit, to pass the following Resolution as a Special Resolution in respect of which a Special Notice, as required by Section 261 of the Companies Act, 1956, has been received by the Company and is hereby given to the members:—

"Resolved that Shri Manoharlal Jwalaprasad Tibrewala who is a member and an associate of Messrs. Piramal Sons Private Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint an Ex-Officio Director to the Board) be and is hereby re-appointed a Director of the Company."

The reasons which make this Special Resolution necessary are fully set out in the Resolution itself and in Paragraph 2 of the Explanatory Statement annexed to this Notice.

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

"Resolved that pursuant to the provisions of Section 260 of the Companies Act, 1956, the Company hereby approves of Contracts being entered into with the firm of Messrs. Banarsilal Newatia and Company, an associate of Messrs. Piramal Sons Private Ltd., the Managing Agents of the Company, for the sale or supply to them of goods manufactured by the Company on terms of ready or forward delivery and either for cash or on credit in such quantity or quantities as may from time to time be required by Messrs. Banarsilal Newatia & Co. at prevailing market rates, the aggregate value of such sale or supply not to exceed in any one Financial Year of the Company Rs. 20 lakhs and on the terms that in respect of any goods supplied or sold by the Company to the said associate firm, it shall make payment to the Company within one month from the respective dates of supplies or sales of the goods."

6. To appoint Auditors for the current year and to fix their remuneration.

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

The Share Transfer Books of the Company will be closed from Monday, the 20th October 1958 to Saturday, the 15th November 1958, both days inclusive.

By Order of the Board,
For PIRAMAL SONS PRIVATE LTD.,
GOPIKISAN PIRAMAL,
Director,
Agents.

BOMBAY, *30th August*, 1958.

The dividend, if sanctioned, will be payable from Monday, the 17th November 1958 to those Shareholders whose names stand on the Register of the Company in the evening of Saturday the 18th October, 1958.

Dividend Warrants will be posted in due course to the Registered Addresses of the Shareholders. Change of Address, if any, should be notified without delay.

AN EXPLANATORY STATEMENT IN RESPECT OF THE ABOVE ITEMS OF SPECIAL BUSINESS IS HEREWITH ANNEXED.

Explanatory Statement under Section 173 of the Companies Act, 1956, and Annexure to the Accompanying Notice

1. *Item No. 3.*

Shri Gopikisan Piramal is a Director of the Company who retires by rotation and is eligible for re-appointment. A Special Notice has been received from a Member proposing the appointment of Shri Gopikisan Piramal as a Director in accordance with the provisions of Section 261 of the Companies Act, 1956. Shri Gopikisan Piramal has been a Director of the Company for several years and it is in the interest of the Company to receive the benefit of his advice as a member of the Board. As set out in the Special Notice received by the Company, the reasons which make it necessary to have the Special Resolution are as follows:—

(*a*) The Managing Agents of the Company are authorised by its Articles and by its Managing Agency Agreement to appoint a Director on the Board.

(*b*) Shri Gopikisan Piramal is liable to retirement by rotation of Directors.

(*c*) He is an associate of the Managing Agents.

2. *Item No. 4.*

Shri Manoharlal Jwalaprasad Tibrewala was appointed an Additional Director in March 1958 by the Board of Directors under Section 260 of the Act. He can hold Office only upto the date of the ensuing Annual General Meeting. Notice under Section 257 of the Act has been received by the Company from a Member for proposing him as a candidate for the Office of a Director. A Special Notice has also been received from a Member pursuant to the provisions of Section 261 of the Act, proposing the appointment of Shri Manoharlal Jwalaprasad Tibrewala. As set out in the Special Notice received by the Company, the reasons which make it necessary to have a Special Resolution are as follows:—

(*a*) The Managing Agents of the Company are authorised by its Articles and its Managing Agency Agreement to appoint a Director on the Board.

(*b*) Shri Manoharlal Jwalaprasad Tibrewala is liable to retirement by rotation of Directors.

(*c*) He is an associate of the Managing Agents.

3. *Item No. 5.*

Messrs. Banarsilal Newatia & Co. carry on business in Cotton Piecegoods. Shri Banarsilal Newatia, the Proprietor of the firm, is a relative of Shri Gopikisan Piramal, Shri Mohanlal Piramal and Shri Manoharlal Jwalaprasad Tibrewala, three of the Directors of the Company, and is an associate of the Managing Agents of the Company. Hence in view of the provisions of Section 360 of the Companies Act, 1956, a Special Resolution is required to enable the Company to sell its products to the said firm. Except that the said Shri Banarsilal Newatia is a relative of the said Directors and an associate of the Managing Agents, none of the said Directors or the Managing Agents have any interest in his said firm or in the transactions of sale proposed to be effected by the Company with him. The terms of the agreement between him and the Company are set out in the said Special Resolution and there is no document recording the same.

By Order of the Board,
For PIRAMAL SONS PRIVATE LTD.,
GOPIKISAN PIRAMAL,
Director,
Agents.

BOMBAY, 30*th August* 1958.

GOVERNMENT OF INDIA

MINISTRY OF RAILWAYS

(Railway Board)

Subject: **Requirement of Centre Buffer Couplers Tender No. GP-15/58-59.**

THE LAST DATE OF RECEIPT AND THE opening date of the above tender are extended as under:—

(*a*) The offers should reach the Director, Railway Stores, Railway Board, State Entry Road, New Delhi, not later than 15th October 1958.

(*b*) The offer received will be opened on 16th October 1958 at 11 hours.

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

THE STANDARD-VACUUM REFINING COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5½ per cent. Debentures 1964-68 will be closed for transfers from 17th October 1958 to 31st October 1958, both days inclusive.

N. A. KRISHNAN,
Offg. Secretary and Treasurer.
State Bank of India.
Agents for the Standard-Vacuum Refining Co. of India Ltd., for the management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 30*th September* 1958.

INSURANCE

(*Concluded from* page 570)

lakhs (38.4 per cent. of premium) in the previous year. After charging commission and expenses of management, the accounts show a surplus of Rs. 3.62 lakhs. The fire fund stands at Rs. 17.58 lakhs as against Rs. 17.51 lakhs in the previous year.

In the accident department, net premium increased from Rs. 7.63 lakhs in 1956 to Rs. 7.95 lakhs in the year under review. Claims paid and outstanding amounted to Rs. 2.86 lakhs (36 per cent. of premium), as against Rs. 2.60 lakhs (34 per cent. of premium) in the previous year. After charging commission and expenses of management, a sum of Rs. 2.38 lakhs has been transferred to the profit and loss account. The accident fund stands at Rs. 3.97 lakhs, as against Rs. 3.81 lakhs in the previous year.

Net premium in the marine department showed a smart rise of Rs. 3.78 lakhs to Rs. 15.18 lakhs, as compared with Rs. 11.40 lakhs in 1956. Claims paid and outstanding aggregated Rs. 9.22 lakhs (60.7 per cent. of premium) as against Rs. 5.84 lakhs (51.2 per cent. of premium) in the previous year. After charging commission and expenses, the account shows a surplus of Rs. 1.05 lakhs. The marine fund stands at Rs. 15.18 lakhs, as against Rs. 11.40 lakhs in the previous year.

After providing Rs. 3.40 lakhs for taxation, the disposable balance of the year, including Rs. 3.85 lakhs brought forward from last year, is Rs. 8.20 lakhs. The distribution for shareholders at the rate of Rs. 2 per share, without deduction of tax, will absorb Rs. 4.80 lakhs leaving a balance of Rs. 3.41 lakhs to be carried forward.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53=100]

Group and Sub-Group	Week ended 20th Sept. 1958	13th Sept. 1958	23rd Aug. 1958	21st Sept. 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100 5	100 5	99 8	98 2
2. Government of India	100 1	100 1	99 7	98 0
3. State Government	101 3	101 3	101 1	100 0
4. Municipal, Port Trust, etc.	98 8	98 8	98 5	99 2
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100 2	100 0	99 1	99 4
6. Plantations	100 1	100 1	100 0	100 1
7. Coal	99 6	99 6	99 6	99 6
8. Sugar	99 0	99 0	99 0	96 9
9. Cotton Textiles	98 1	98 0	98 1	100 3
10. Jute Textiles	91 4	91 5	90 5	93 0
11. General Engineering	98 2	98 2	98 0	97 0
12. Electricity Generation and Supply	97 1	97 1	96 5	96 7
13. Others	102 9	102 6	101 3	101 3
PREFERENCE SHARES—ALL INDIA.				
14. Total	88 1	88 0	87 1	88 8
15. Plantations	96 7	96 5	96 3	103 8
16. *Mining & Quarrying: Total*	86 1	86 1	85 6	88 6
17. Coal	75 6	75 6	75 2	80 0
18. *Processing and Mfg.: Total*	88 1	87 9	86 9	88 8
19. Sugar	88 2	88 4	88 6	94 9
20. Cotton Textiles	80 2	80 6	79 7	88 9
21. Jute Textiles	75 9	74 6	72 6	74 9
22. Iron and Steel	92 9	92 6	91 6	87 6
23. General Engineering	100 1	100 0	98 8	102 7
24. Basic Industrial Chemicals	86 0	86 0	85 7	86 4
25. Cement	95 9	97 5	90 6	98 7
26. Paper	85 4	84 6	84 3	91 3
27. *Other Industries: Total*	86 1	86 3	85 8	83 5
28. Electricity Generation and Supply	88 2	88 3	88 2	84 5
29. Trading	80 3	80 8	78 8	78 2
30. Shipping and Other Transport	83 5	87 0	85 2	86 8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	144 3	142 7	141 2	123 9
32. *Agriculture and Allied Activities: Total*	159 5	158 9	155 7	143 8
33. Tea Plantations	152 2	152 7	149 6	143 2
34. Coffee Plantations	222 3	222 5	226 1	171 9
35. Rubber Plantations	162 2	160 5	154 5	128 5
36. *Mining and Quarrying: Total*	150 5	148 3	148 8	121 6
37. Coal	111 6	111 5	111 9	85 9
38. Other Mining	177 2	175 6	174 1	140 3
39. *Processing and Manufacturing: Total*	143 0	141 2	140 3	123 6
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*	130 4	128 8	128 4	120 4
41. Sugar	176 5	171 4	169 3	156 3
42. Cotton Textiles	119 0	118 7	119 6	122 2
43. Jute Textiles	83 7	80 0	78 7	63 9
44. Silk and Woollen	416 4	416 4	412 8	315 3
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total*	160 0	157 0	153 6	126 2
46. Iron and Steel	154 6	152 6	148 2	109 6
47. Transport Equipment	205 9	200 0	202 5	173 1
48. Electrical Machinery	147 0	146 8	148 5	161 7
49. Machinery other than Transport and Electrical	170 9	168 0	163 9	145 4
50. Basic Industrial Chemicals	128 1	127 0	125 3	109 8
51. *Processing and Mfg. (Others): Total*	149 7	150 9	151 9	128 2
52. Cement	139 4	140 7	143 2	127 7
53. Paper	197 5	197 3	196 6	151 7
54. *Other Industries: Total*	116 4	116 6	114 3	103 4
55. Electricity Generation and Supply	93 2	92 9	94 1	87 7
56. Trading	91 4	91 4	90 5	80 6
57. Shipping and Other Transport	143 5	143 6	141 7	123 1
58. Construction	247 1	237 9	222 8	199 1
59. *Financial: Total*	184 9	182 3	175 9	143 3
60. Banks	298 0	296 2	197 9	159 5
61. Insurance	130 1	130 0	126 1	106 7
62. Investment Trusts	92 6	93 4	87 7	85 5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	140 3	147 0	145 6	122 4
64. Calcutta	139 5	138 5	136 9	119 5
65. Madras	156 0	154 4	152 9	146 7
66. Delhi	169 5	168 5	170 3	147 3

*Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
● Including other mining.

IRON AND STEEL PRODUCTION (In tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,73,600	7,97,500
Do. 31st March, 1958	10,98,300	11,06,800	7,86,900
June 1957	84,500	77,400	52,300
July ,,	88,300	84,300	66,600
Aug. ,,	88,700	85,500	63,100
June 1958	84,900	85,700	62,000
July ,,	1,02,200	1,06,100	68,600
Aug. ,,	99,500	108,600	70,300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,158	5,82,315	4,41,483
Do. 31st March, 1958	7,33,945	5,07,880	4,10,558
Three months ended Mar., 1957	1,83,857	1,39,830	1,20,578
,, ,, June,1957	1,72,225	1,29,451	1,05,096
,, ,, Mar., 1958	1,99,839	1,33,563	1,06,501
,, ,, June 1958	2,14,469	1,21,988	1,01,014

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of average Number of workers involved	Number of man-days lost
1956	1,203	715,130	6,992,040
1957	1,630	889,371	6,429,319
January 1958	147	56,402	371,125
February ,,	152	99,482	447,586
March ,,	167	85,462	818,824
April ,,	170	61,489	5,30,162
May ,,	160	57,657‡	5,00,459‡
June ,,	151	156,229 (a)	1,564,835§

† Not known in 16 cases. (a) Not known in 9 cases.
‡ In progress during the month § Not known in 10 cases.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'56-'57	387 68	..	11,010	284
Pakistan††	'56-'57	83 50	..	2,079	249
Burma	1956	19 80	Kyats 4,336	585	295
Ceylon	1955	8 38	..	675	807
Japan	1956	90 00	Y. 7,427,000	9,283	1,031
Philippines	1956	22 20	Ps. 8,335	1,985	894
New Zealand	1956	2 17	£ (N.Z.) 884	1,178	5,428
Australia	1957	9 60	£ (A.) 4,509	4,893	5,096
U.K.	1956	51 20	£ 10,485	21,052	4,267
U.S.A.	1956	168 09	$ 343,000	163,554	9,731
Canada	1956	16 00	$ 22,110	10,787	6,742
France	1956	43 60	F Fr. 13,990,000	17,640	4,046
W. Germany	1957	51 40	Dm. 158,000	18,057	3,513
Sweden	1956	7 30	Kr. 41,500	8,764	5,677
Norway	1956	3 46	Kr. 29,000	1,408	4,358
Netherlands	1956	10 80	Gra. 25,400	3,215	2,977
Denmark	1956	4 45	Kr. 24,900	1,600	3,589
Switzerland	1956	5 00	Sw. Fr. 25,600	2,807	5,614

* National income at factor cost, the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 ,,	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 ,,	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 ,,	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 ,,	106	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 ,,	111	360	259	339	94	112	364	116	114	99	103	115	107	126
1957														
March ,,	107	356	254	330	91	110	348	114	114	99	99	1u7	105	122
April ,,	108	356	256	333	89	110	345	114	112	95	102	110	107	123
May ,,	111	360	263	357	92	111	352	114	114	98	104	113	108	126
June ,,	112	370	259	339	93	112	371	115	115	98	103	113	111	127
July ,,	112	376	263	345	96	112	371	116	115	98	103	119	109	129
1958														
March ,,	110	381	252	298	89	115	368	119	108	96	102	119	105	128
April ,,	111	389	261	295	91	116	368	119	107	96	100	118	106	128
May ,,	113	387	263	295	93	117	371	120	108	97	101	118	107	129
June ,,	116	395	273	307	98	117	378	121	111	101	103	120	113	130
July ,,	..	407	285	317	..	..	392	..	116	..	..	..	..	..

SMALL SAVINGS

(In lakhs of rupees

Year/Month	National Savings Certificates 5-Year A	7-Year B	12-Year B	12-Year National Plan Savings Certificates C		Post Office Savings Bank Deposits		10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F		4% C		15-Year Annuity Certificates G		Total	
	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings H
1952-53	6,88	5,26	84,17	..	..	113,35	92,09	..	—31,07	25,64	..	..	..	..	146,83	211,98
1953-54	5,91	4,26	104,38	..	..	117,37	106,28	..	—34,29	13,11	..	..	..	..	152,71	255,96
1954-55	4,70	4,99	124,54	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177,35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,58	380,04
1956-57	3,00	6,01	163,58	..	..	176,97	196,56	25,33	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	2,22	4,73	143,49	71,42	71,44	179,59	213,94	23,11	—39,72	43,58	588	588	63	1,87	264,34	510,26
1957																
October ,,	2,54	5,26	155,82	6,17	24,33	12,51	202,86	24,81	—39,33	44,07	42	2,81	2	1,47	19,12	465,94
November ,,	2,48	5,14	153,40	6,48	22,82	13,26	202,56	24,47	—39,38	43,96	49	2,86	2	1,49	20,24	469,63
December ,,	2,43	5,06	151,07	6,41	39,23	13,90	292,55	24,14	—39,47	43,89	46	3,76	2	1,50	19,90	473,53
1958																
January ,,	2,37	4,94	148,57	7,95	47,18	13,38	289,54	23,77	—39,55	43,89	68	4,44	18	1,68	22,68	479,28
February ,,	2,31	4,83	146,14	10,24	57,42	14,22	203,12	23,45	—39,62	43,69	74	5,18	9	1,75	25,29	487,86
March ,,	2,22	4,73	143,49	14,00	71,44	23,38	213,94	23,11	—39,72	43,58	76	5,88	12	1,87	42,22	510,26
April ,,	2,15	4,65	141,35	6,56	78,00	15,27	214,27	22,85	—39,81	43,47	77	6,65	11	1,97	22,71	515,36
May ,,	2,07	4,55	139,27	5,54	83,53	15,22	212,09	22,58	—39,89	43,37	57	7,22	5	2,01	21,68	517,59
June ,,	2,01	4,47	137,48	5,68	88,81	14,51	213,08	22 39	—39,97	43,29	38	..	2	2,03	..	..
July ,,	..	..	..	..	..	..	..	..	..	..	..	..	5	2,07	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947 F—No sales from June 1, 1957. G—From July, 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-32	63,30,26,800	1966-76	100 65
3 % Loan	1938-39	116,17,46,000	1965-85	96 70
3 % Loan	1950	30,33,10,000	1964	98 70
3 % Fg. Loan	1943	1,10,11,78,000	1960-68	94 05
3 % Def. Loan	1945	1,15,05,83,000	1979-75	89 00
3 % 2nd V.Loan	1945	1,13,65,64,000	1959-61	99 80
2½% Loan	1946	45,63,07,000	1960	99 05
2½% Loan	1946	57,00,69,000	1961	97 00
2½% Loan	1946	14,77,48,000	1976	83 20
2½% Loan	1947	75,86,72,000	1962	96 75
3½% N. P. Bonds	1953	75,29,00,000	1961	100 20
3½% N. P. Loan	1954	1,58,17,90,000	1964	99 90
3½% N. P. Bonds (2nd Series)	1955	1,05,67,92,000	1965	99 70
3½% Loan	1956	87,27,36,000	1962	99 10
3½% N. P. Bonds	1956	33,81,83,000	1967	98 85
3½% Loan	1956	66,63,53,000	1974	98 30
3½% N. P. Bonds (4th Series)	1957	56,99,15,000	1967	100 30
4 % Loan	1957	40,17,27,000	1972	100 50
3½% Loan	1958	58,06,00,000	1963	100 05
3½% Loan N.P.B.	1958	34,34,00,000	1968	100 25
4 % Loan	1958	49,47,00,000	1973	100 30
NON-TERMINABLE LOANS				
2½% Loan	1896-97	8,93,34,000	M.	73 75
3% Loan	1946	2,48,91,37,000	K.	74 10
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	99 30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	99 30
4½% Andhra	1958	5,00,00,000	15th July 1970	100 25
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	99 25
3 % Bombay	1950	2,83,50,000	31st July 1960	99 00
3½% Bombay	1951	2,87,58,000	17th Sept. 1962	98 25
4 % Bombay	1953	5,19,35,000	15th July 1963	100 00
4 % Bombay	1954	8,45,85,000	1st Aug. 1964	100 00
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	99 50
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	98 50
4 % Bombay	1957	6,57,22,000	10th Sept. 1969	99 00
4½% Bombay	1958	5,00,00,000	15th July 1970	100 90
4½% Bombay	1958	6,00,00,000	15th July 1971	100 70
4 % Bihar	1955	1,54,05,000	1st Sept. 1967	99 10
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	99 00
4 % Ceenia	1945	1,00,00,000	16th Dec. 1955-58	99 00
3½% Coshin	1936	80,00,000	1st June 1956-61	98 00
3½% Dewrah Bridge (New)	1936-37	1,77,08,700	1956-66	94 50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	99 20
4 % Hyderabad	1956	2,13,02,000	3rd Sept. 1968	99 20
3 % Madras	1939	1,23,96,000	21st June 1949	99 00
3 % Madras	1945	2,75,44,000	14th Sept. 1960	98 85
2½% Madras	1946	3,81,77,300	1st Sept. 1961	97 50
3 % Madras	1946	4,35,25,400	31st July 1960	98 85
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98 00
4 % Madras	1953	10,33,71,000	15th July 1963	100 05
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	99 30
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	99 30
4½% Madras	1958	5,00,00,000	15th July 1970	100 35
3 % Mysore(J)	1933	2,95,88,280	1st Dec. 1953-63	101 25
3 % Mysore(J)	1936	5,99,78,000	30th Apr. 1956-61	99 50
3 % Mysore	1938	3,33,47,000	15th July 1963	100 00
4 % Mysore	1956	3,54,94,000	1st Sept. 1967	99 30
4 % Mysore	1956	1,11,11,000	3rd Sept. 1968	99 30
4½% Mysore	1957	3,33,78,000	10th Sept. 1969	100 50
4½% Mysore	1958	5,00,00,000	15th July 1970	100 50
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93 50
3 % M.P.	1950	1,01,45,000	31st July 1960	98 50
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 00
4 % M.P.	1953	1,10,18,000	15th July 1963	99 75
4 % M.P.	1955	1,52,12,000	1st Sept. 1967	99 20
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	99 00
4½% M.P.	1958	2,00,00,000	15th July 1970	100 25
4 % Saurashtra	1955	3,61,85,500	1st Sept. 1967	99 20
4 % Saurashtra	1956	2,74,84,500	3rd Sept. 1968	99 20
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99 10
4% Trav. Cochin	1954	2,22,08,000	3rd Sept. 1968	98 25
2½% U.P.Z.A.	1958	41,44,79,000Z	..	48 50
3 % U.P.	1938	1,55,59,900	15th Sept. 1961-66	97 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98 80
2½% U.P.	1946	2,16,59,000	1st Sept. 1961	97 50
3½% U.P.	1951	1,87,98,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,49,14,000	1st Aug. 1964	100 00
4 % U.P.	1953	5,54,25,000	15th July 1963	100 00
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	99 25
4 % U.P.	1956	8,61,35,000	3rd Sept. 1968	99 25
4½% U.P.	1958	7,00,00,000	15th July1970	100 00
4½% U.P.	1958	3 14 19,000	3rd Sept. 1968	99 10
4 % Rajasthan	1958	2,50,00,000	15th July 1970	100 20
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	99 10
4½% Orissa	1958	3,00,00,000	15th July 1970	100 20

PORT TRUST LOANS

| Amount Rs. | Interest

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 19th September 1958

BANKING DEPARTMENT

LIABILITIES		Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		25,00,00,000
National Agricultural Credit (Stabilisation) Fund		3,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		53,17,79,000
(2) Other Governments		20,82,98,000
(b) Banks		98,18,46,000
(c) Others		113,85,17,000
Bills Payable		10,33,29,000
Other Liabilities		12,74,82,000
	Rupees	422,15,51,000

ASSETS		Rs.
Notes		25,61,18,000
Rupee Coin		2,80,000
Subsidiary Coin		3,58,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		3,27 83,000
(c) Government Treasury Bills		15,30,54,000
Balances held abroad*		13,07,85,000
Loans and Advances to Governments		54,69,43,000
Other Loans and Advances		301,07,17,000
Investments		9,05,07,000
Other Assets		422,15,51,000
	Rupees	

* Includes Cash and Short-term Securities.

The item "Other Loans and Advances" includes Rs. 3,43,00,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	25,61,18,000	
Notes in circulation	1529,72,89,000	
Total Notes issued		1555,34,07,000
Total Liabilities		1555,34,07,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	169,67,56,000	
Total of A		287,43,59,000
B. Rupee Coin		138,52,46,000
Government of India Rupee Securities		1129,38,02,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1555,34,07,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	19th Sept., 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1529.73	1542.45	1530.01	1473.36
Notes held in Banking Department	25 05	25 61	11 49	28 98	41 49
Foreign Securities	59 50	169 68	169 68	179 68	336 55
Rupee Securities	87.89	138.52	1129.38	1124.32	925.93
Banking Department					
Deposits of :					
Government of India	14.89	53 18	60.54	62 69	49.05
Other Governments	..	20.83	11 00	25.31	11 28
Balances held abroad	10.06	15.31	14.68	10.10	23.38
SCHEDULED BANKS					
Demand Liabilities	184.86	758.46	755.36	747 28	718 23
		(24 77)†	(26 49)†	(26 55)†	(19 23)†
Time Liabilities	102.24	843 04	845 93	855 96	617 05
		(37 70)†	(36.77)†	(38 56)†	(7.55)†
Borrowings from Reserve Bank	..	5.37	2.59	2.59	36 98
		(3.43)‡	(1.71)‡	(1.93)‡	(33.00)‡
Borrowings from State Bank	..	4.30	3 46	3.77	4.00
Cash in India	6 70	40.86	39 92	37.77	37.19
Balances with Reserve Bank	25.17	89.84	86.37	101.09	94.33
Excess over statutory limits	15.52	35.06	31.67	46.61	46.33
Balances with other banks in current account in India	..	12.34	12.85	12.71	11.06
Money at call and short notice in India	..	54.42	54.35	55.06	39.42
Investments (at book value)	106 09	588 14	584 59	563 87	386 83
Advances and bills		850.82	851.25	859.62	615.34
STATE BANK					
Deposits	87 76	442 78	438 83	438 14	347 66
Investments	51 99	246.65	245 23	237 98	151 86
Advances	30 35	164 43	165 13	168 46	157 72
Cash	14 69	48 29	40 72	44 32	49 53

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1955	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	Feb., 1957	4½	6
Colombia	18th July, 1952	5	4
Costa Rica	1st April, 1954	4	5
Denmark	15th Aug., 1958	5	4½
Equador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	12th Aug., 1957	4	5
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	20th Sept., 1957	5	4
Italy	7th June, 1958	4	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	18th June, 1958	4	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1958	3½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	3	4½
Portugal	13th Jan., 1944	3	2½
South Africa	28th April, 1955	4	4½
Spain	22nd July, 1957	4½	6
Sweden	3rd May, 1956	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	14th Aug., 1958	5	4½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	12th Sept. 1958	1½	2
West Germany	27th June, 1958	3½	3

State Bank of India

Statement of Affairs for the week ended 19th September 1958

CAPITAL AND LIABILITIES		Rs.	Rs.
CAPITAL—			
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000		
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000		
			5,62,50,000
Reserve Fund and Other Reserves			6,82,50,000
Deposits and Other Accounts			442,78,38,000
Borrowings from Other Banking Companies, Agents, etc.			
Bills Payable			5,71,76,000
Bills for Collection being Bills Receivable as per contra			1,22,44,000
Acceptances, Endorsements and Other Obligations per contra			1,20,27,000
Other Liabilities (including Inter-Office Adjustments)			11,95,93,000
	Total .. Rs.		475,13,78,000

PROPERTY AND ASSETS		Rs.
Cash in hand and with Reserve Bank		45,85,31,000
Balances with other Banks		2,43,74,000
Money at Call and Short Notice		1,66,66,000
INVESTMENTS :	Rs.	
Government and other Trustee Securities	2,35,54,26,000	
Other Authorised Investments	11,10,95,000	246,65,21,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	154,81,94,000	
Bills Discounted and Purchased	9,61,65,000	164,43,49,000
Bills Receivable being Bills for Collection as per contra		1,22,44,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,20,27,000
Premises less Depreciation		1,24,47,000
Furniture and Fixtures less Depreciation		96.70,000
Other Assets (including Inter-Office Adjustments).		9,45,49,000
	Total .. Rs.	475,13,78,000

Scheduled Banks*

Statement of Affairs for the week ended 19th Sept., 1958

	Rs.
Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank†	24,76,80,000
(ii) Other demand liabilities	733,69,00,000
Time Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank†	37,78,70,000
(ii) Other time liabilities	805,25,02,000
Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities	4,24,83,000
(ii) Time liabilities	5,00,000
Borrowings in India from the Reserve Bank of India‡	5,36,95,000 (3,43,90,000)
Cash in India	40,85,96,000
Balances with the Reserve Bank in India	89,84,02,000
Balances with other banks in current account in India	12,33,73,000
Money at call and short notice in India	54,42,10,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	588,13,57,000
Advances in India	729,02,98,000
Inland Bills purchased and discounted in India	81,98,25,000
Foreign Bills purchased and discounted in India	39,80,54,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	March		Twelve months, April to March	
	1957	1958	1956-57	1957-58
Import Duties :				
Revenue	14 48	9 84	130 49	138 00
Protective	1 06	1 49	12 55	11 72
On surplus disposals	0 02	—	0 14	0 06
Total import duties	15 50	11 33	143 18	149 77
Export Duties	1 99	1 49	20 07	24 81
Land Customs	0 29	0 14	2 66	3.71
*Air Customs**	—	0 07	—	2 02
Miscellaneous	0 09	0 14	1 13	1 88
Gross Total Customs	17 87	13 06	177 04	181 19
Refunds and Drawbacks	0 39	0 41	3 13	4 67
Net Customs	17 28	12 67	173 91	176 52
Gross Excise	17 85	26 06	189 09	272 88
Refunds	0 23	0 35	2 24	3 37
Net Excise	17 42	25 70	186 85	269 51
Net total of customs and excise†	34 70	38 37	360.76	446 03

† Net Customs plus net Excise.
* Figures for Air customs prior to August 1957 not available.

State Bank of Pakistan

Statement of Affairs for the week ended 19th September 1958

BANKING DEPARTMENT

LIABILITIES		Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits :—		
(a) Central Government		77,22,43,000
(b) Provincial Governments		64,52,000
(c) Banks		22,10,07,000
(d) Others		5,44,22,000
Bills Payable		19,58,000
Other Liabilities		8,42,56,000
	Rupees ..	120,03,38,000

ASSETS		Rs.
Notes		8,16,41,000
Rupee Coin		45,000
Subsidiary Coin		38,000
Bills Purchased and Discounted :—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		3,42,000
Balances held outside Pakistan*		20,70,75,000
Loans and Advances to Governments		5,05,00,000
Provincial Governments' Debtor Balances		....
Other Loans and Advances		2,92,75,000
Investments		75,11,76,000
Other Assets		7,93,46,000
	Rupees ..	120,03,38,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,16,41,000	
Notes in circulation	323,41,18,000	
Total Notes issued	....	331,57,59,000
Total Liabilities	....	331,57,59,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	16,08,12,000	
Silver Bullion	....	
Approved Foreign Exchange	40,45,50,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,80,000	
B. Rupee Coin	5,04,38,000	99,50,92,000
Government of Pakistan Securities	221,12,23,000	
Internal bills of exchange and other commercial paper	....	226,16,61,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	331 57,59,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 31 70 per cent.

EXCHANGE RATES

		30th September, 1958	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	a.	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months	a.	1-5⅝	1-5⅝
Buyers T.T. spot to nine months	a.	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	a.	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477 50	477 25
Buyers T.T.	Rs.	473 50	473 50
London on New York	$	2.80½-2 80¾	2.80½-2 80¾
London on Paris	Frs.	1,174‡	1,178‡
London on Berne	Sw. Frs.	12 20-15 20½	12 20½-15 21½
New York on London	..	2 80½-2 80¾	2 80¾-2 80¾

CLEARING HOUSE RETURNS

Centre	Week ended 26th Sept., 1958		Week ended 19th September 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,97,442	84,18,05,000	2,83,961	81,21,22,000
Calcutta	1,75,000	63,20,00,000	1,78,000	77,13,00,000
Madras	81,479	9,42,28,562	84,819	10,93,65,978
All Centres—				
1956-57	..	..	40,00[illegible],000	87,84,36,00,000
1957-58	..	..	41,67[illegible],000	89,84,66,00,000
Apr., 1958	..	..	3,81,000	7,91,74,00,000
May, „	..	..	3,23,000	7,98,[illegible],2,51,000
June, „	..	..	3,22,000	6,81,40,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952 53=100)

Particulars	Weight	13th Sept. 1958	6th Sept. 1958	16th Sept. 1957	August 1958	August 1957	Percentage of increase (+) or Decrease (—) in August 1958 as compared with August 1957	Financial Year Average 1957-58	1956-57
Food Articles	364	121 7	121.8R	108 6	120 2	113 1	+ 7 2	109 4	109 3R
Cereals	192	115 5	115 1R	102 8	113 0R	106 0	+ 7 1	101	98
Pulses	43	105 0	105 4R	83 8	101 0R	87 0	+ 7 1	89	81
Fruits and Vegetables	28	127 5	123 8R	118 4	123 9	141 9	—12 7	114	112
Milk and Ghee	44	108 8	110 4R	108 6	109 6	106 0	+ 0 6	109	109
Edible Oils	17	114 0	114 8R	128 1	129 2R	130 8	— 1 2	128	125
Fish, Eggs and Meat	16	134 5	135 5R	110 0	136 2	110 4	+23 4	109	98
Sugar and Gur	40	158 0	157 6	129 8	155 8	118 6	+31 4	131	128
Others	21	98 8	98 9	83 8	90 3	82 1	+ 9 9	94 0	84 3
Liquor and Tobacco	..	88 6	88 6	91 8	88 4	90 4	— 2 2	93	83
Tobacco	—	88 6	88 6	118 0	118 0	118 0	+ 0 0	113 8	104 2R
Fuel, Power, Light and Lubricants	38	118 9	118 8	118 8	118 8	120 1	— 1 1	116	116 8
Industrial Raw Materials	155	119 4	119 5	114 8	110 9	121 5	— 8 7	118	116
Fibres	61	109 0	109 0	120 4	113 4	126 7	+ 6 1	120	120
Oilseeds	29	137 4	136 0	108 5*	107 3*	110 1	— 2 5	108	102
Minerals	3	107.8	107 8	107 8	106 9	107 7	— 0 7	108	109
Others	62	106 0	106 0	108 8	108 9	108 7	+ 0 2	108 1	104 3
Manufactures	299	109 0	108 8	111 4	107 4	112 2	+ 3 7	107 3	110 9
Intermediate Products	41	112 1	111 4	108 4	108 8	108 8	— 0 4	108 8	108 6
Finished Products	249	108 5	108 4	108 4	108 4	114 1	— 4 8	107	108
Textiles	147	103 7	103 7	108 4	104 1	108 2	— 3 8	107	108
Cotton	—	111 8	111 7	116 8	111 3	117 3	— 5 1	116	116
Jute	—	87 0	82 2	99 4	80 7	98 8	— 7 3	96	96
Woollen	—	105 9	105 9	103 0	105 9	103 0	+ 2 8	103	96
Silk and Rayon	—	95 7*	95 7*	83 2*	95 7*	84 0*	+13 9	85	82
Metal Products	12	143 0	143 0	143 3	143 0	142 9	+ 0 1	141	96
Chemicals	20	109 5	108 8	98 7	106 1R	98 5	+ 7 7	99	99
Oil cakes	10	136 9	135 0	112 2	135 0	113 5	+19 5	116	116
Machinery and Transport Equipment	31	103 5	103 5	101 7	103 4	101 7	+ 1 7	102	99
Others	90	113 8	113 8	110 5	113 5	110 5	+ 2 7	110	101
All Commodities	1,000	116 8	116 8R	109 5	116 0	112 0	+ 3 6	109 4	109 3R

NOTE:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

HOUSE MONEY AT CALL GONE

(From Our Own Correspondent)

BOMBAY, 1st October

The all-India Inter-bank Agreement on maximum rates of interest on deposits came into force today. The main features of the agreement, which applies only to banks having deposits of Rs. 5 crores or more as per their latest balance-sheets, are as follows:

1. *Current Accounts*: On current accounts, interest at ¼ per cent. on daily or minimum monthly balance at the option of the banks except at Bombay, Calcutta, Madras, Delhi and New Delhi where interest at ¼ per cent. should be allowed only on minimum monthly balances of Rs. 4,000 and over.

Interest should be paid only if it amounts to Rs. 5 and over per half-year. Existing special arrangements to be terminated on giving three months' notice from the date of agreement. Banks which are parties to the agreement should inform the Committee, without disclosing the details of the special arrangements, that they have terminated them on giving the required notice from the date of agreement.

Banks are free to make special interest arrangements not exceeding 1 per cent. per annum for charity accounts.

Exceptions: If countervailing interest is paid on a credit balance against a debit balance in the same name, the rate shall be at least one per cent. lower than the rate at which interest is charged on the advance, provided, however, that countervailing interest on a credit balance may be allowed at the same rate as that charged on the debit balance if the separate accounts are maintained only to meet the accounting requirements of the Reserve Bank of India Bill Market Scheme. Interest shall not be paid on any amount in excess of the debit balance, at a rate higher than ¼ per cent. per annum.

2. *Call and Time Deposits*: The maximum rate of interest on any time deposit for less than three months and deposit at notice of seven days or more shall not exceed 3½ per cent. per annum and the maximum rate of interest for any time deposit for three months and over shall not exceed 4 per cent. per annum. The minimum period for a deposit shall be 7 days or shall be subject to a minimum notice of 7 days. The minimum amounts for which deposit receipts may be issued shall be: (*a*) Rs. 25,000 for money at 7 days' notice, and (*b*) Rs. 10,000 for money at more than 7 days' notice, upto one month. A deposit of less than Rs. 10,000 can be received for a period of more than one month. Any interest allowed on a time deposit after its maturity date, or on a deposit payable on notice after the expiry of notice given, shall not exceed ¼ per cent. per annum.

Exceptions: When a bank is subsequently asked to renew a deposit either wholly or partially for a further period not less than the period for which it has remained overdue or seven days whichever is longer, interest may be allowed on the portion renewed at a rate appropriate for the period of renewal or the renewal receipt may be issued as being effective as of the date the original receipt became due for payment.

No interest shall be paid on deposits payable on call or on notice of less than 7 days.

Banks in their discretion may make payment of time deposits before due date, but, in such cases, either no interest shall be paid or a loan may be granted against the time deposit, at a rate of interest of 1 per cent. above the deposit rate. Overdraft or cash credit may be allowed against a time deposit at 1½ per cent. above the deposit rate.

No optional terms shall be allowed on time deposits. Time deposits for more than two years should not be accepted, except by way of Cash Certificates mentioned in the agreement.

3. *Savings Bank Accounts*: On savings accounts, the maximum amount on which the interest will be paid shall be Rs. 50,000. The maximum rate of interest shall be 2½ per cent. per annum on minimum monthly balance. Withdrawals by cheque may be permitted, but the account should not be used as a Current Account.

4. *Cash Certificates*: Cash Certificates shall not be issued for a period of less than 3 years and the rate of interest shall not exceed 4 per cent. compound per annum on Cash Certificates for less than five years and 4½ per cent. compound per annum on Cash Certificates for five years and more. Amounts of Cash Certificates may be paid before their due dates at the option of the banks and interest may be allowed for the expired period at a rate which shall be at least ½ per cent. less than the rate allowed on the full period. No interest shall be paid for a period less than six months and thereafter they shall be payable on a minimum 7 days' notice. Printed terms and conditions in respect of rate of interest, issue prices and notice period for withdrawals should not be relaxed. If any banks have any cumulative or recurring deposit schemes already in existence, they may continue the scheme, provided that the rate of interest paid does not exceed 4 per cent. compound per annum.

5. *No Other Deposits*: No deposits of any class or type other than those described in the agreement should be accepted.

6. *Rates of Interest*: The rates of interest on the various types of deposits mentioned above will be effective for a period of six months at a time, and may be varied at the end of such period by a referendum, but may be revised during such period, by the Executive Committee according to changes in the Reserve Bank of India rates.

Brokerage shall not exceed ¼ per cent. per annum. It shall not be paid to the depositors. Banks with head offices in India having deposits of between Rs. 25 crores and Rs. 5 crores as shown in their latest balance-sheet will be allowed a latitude of ¼ per cent. interest per annum for term deposits.

The foregoing agreement does not cover inter-bank transactions. An important effect of the agreement is the cessation of house money at call. Even from 29th September, banks stopped quoting for this type of call money. Instead, the new type of deposit, namely, seven days' deposit, came to be quoted. Although the rate for it is said to be 3½ per cent. to 3¾ per cent., most of the business has been only at the maximum rate. There has been no change in the rates for term money; 3½ per cent. to 4 per cent. is the rate for one to six months' deposits. Inter-bank call money is quoted at 2 per cent., with big banks and 2¼ per cent. with small banks. The trend is extremely easy.

The amount tendered for 91-day Treasury Bills this week was a shade higher at Rs. 2.45 crores, as against Rs. 2.35 crores in the previous week, the amount invited being Rs. 2 crores during both the weeks. The average rate of accepted tenders was lower by a fraction at 2.527 per cent., as against 2.529 per cent.

The Gilt-edged market has been absolutely dull, with very little business. With the busy season not far away, the banks are not interested in adding to their Gilt-edged portfolio. The L.I.C. has not made any fresh purchases since last week, apparently because it is awaiting the directions of its new investment advisory committee.

BULLION EASY

(From Our Own Correspondent)

BOMBAY, 1st October

The bullion market ruled distinctly easy during the major part of the week under review, but there was a slight recovery today on account of short-covering. Earlier, silver was subjected to bull liquidation, thanks to persistently heavy arrivals. Even reports of duty having been paid only on 30,000 Tibetan coins failed to enliven sentiment. Offtake was restricted, the daily average being 8 bars, as against the arrival of 39 bars per day on an average. In sympathy with silver and on continued slackness in demand due to the *shradha* period, the yellow metal also staged a retreat. The daily average arrivals were 7,250 tolas, while offtake was of the order of 3,250 to as. On Monday, the carryover charge rose from As. 7 to As. 11, with the result that a margin of Rs. 10 per tola was applied on every outstanding sale under Bye-law 33 (B) (I) (ii).

Forward silver (*Bhadrapad* settlement), which stood at Rs. 187-7 last week-end, encountered selling and came down to Rs. 185-13 yesterday before recovering to Rs. 136-4. The settlement ended at this rate. *Aswayuj* settlement receded from Rs. 188-3 to Rs. 186-12 yesterday. Subsequently, however, it recovered to Rs. 187-3 on reports that a leading bear had covered about 300 bars of his outstanding sales. The delivery order rate for the *Bhadrapad* settlement was fixed at Rs. 187 and the clearing rate for the *Aswayuj* settlement at Rs. 188. Business in the latter settlement was done today at Rs. 187-13.

Following heavy arrivals of unrefined silver from upcountry centres, ready silver fell from Rs. 187-3 on Wednesday last to Rs. 185-12 yesterday. It, however, recovered to Rs. 186-13. The floating stocks of silver are estimated at 1,000 bars.

Forward gold (*Bhadrapad* settlement) terminated on Monday at Rs. 109-9-6—the contango being As. 11-6—as against last week's closing rate of Rs. 107-4. *Aswayuj* settlement lacked support and dropped from Rs. 107-11 to Rs. 106-9 before finishing at Rs. 107-3-6. The delivery order rate for *Bhadrapad* delivery and clearing rate for *Aswayuj* delivery were determined at Rs. 107 and Rs. 107-8, respectively.

Ready gold was easy, the quotation declining from Rs. 107-3 last week-end to Rs. 106-2 yesterday. Thereafter, a slight recovery was in evidence, today's closing rate being Rs. 106-12-6. The floating stocks of gold are reported to be 40,000 tolas.

There was an improvement in the prices of spot silver in London and New York, today's quotations being 76d. and 89¼ cents, as against 75½d. and 88⅜ cents, respectively. Gold prices in London rose from 76½d. to 76⅝d. yesterday, but declined to 76½d. today.

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

	1-10-58	Highest	Lowest	24-9-58
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	106 12½	107 4	106 2	107 3
Forward*	10 3½	107 12	106 10	107 11
Sovereign	70 12	—	—	70 12
SILVER				
Ready (.996 fine Mint)	186 13	187 9	185 12	187 3
Forward†	187 13	188 11	186 12	188 3
London Silver Ready	76d.	76d.	75⅛d.	75⅛d.
London Forward	76⅛d.	76⅛d.	76⅛d.	76⅛d.
London Gold	250s. 3d.	250s. 4d.	250s. 1½d.	250s. 2d.
New York Silver	89⅛c.	89⅛c.	88⅞c.	89⅛c.

*28th October settlement.
†27th October settlement.

LINSEED WELL MAINTAINED

(Messrs. A. Bradley & Co.)

CALCUTTA, 29th *September*

Linseed prices have been rather firmly held, but business is negligible. Many mills are now idle owing to uneconomic crushing margins and a limited number of small mills are operating on a hand-to-mouth basis. The oil market is dull and prices have shown no change. Enquiries are limited. Only small transactions of a purely local nature have been reported.

The latest available quotations are: Ready Rs. 26-2 and October Rs. 26 per maund.

COTTON FUTURES DEPRESSED

(From Our Own Correspondent)

BOMBAY, 1st *October*

The cotton futures market continued to rule depressed during the week under review also. Prices registered a further steep decline on persistent heavy liquidation. Selling reflected traders' disappointment over the delay in the announcement of export quota and reduction in export duty on cotton. The Cotton Buyers' Association, the Indian Central Cotton Committee and the Cotton Advisory Board had, as is common knowledge, urged the Government to make known the cotton export policy early enough. The Government's failure to take a decision, even after the relapse of two weeks since the Board made its recommendation, was a matter of considerable disappointment to the trade. Operators felt that foreign buyers were keeping off the market because they expected a reduction in export duty, as recommended by the various cotton bodies, and a further fall in prices. Concerned over the delay, the Board of the East India Cotton Association, in a telegram addressed to the Union Finance and Commerce Ministers, endorsed the Cotton Advisory Board's recommendations and urged the immediate removal of export duty on cotton as the only way to facilitate sizable exports. It also pointed out that, since the crop was still in the hands of growers, this was the time for supporting prices so as to prevent it from falling below reasonable levels. In spite of these repeated appeals, nothing materialised. Consequently, sentiment was completely demoralised. Bears seized the opportunity to hammer down prices. On heavy panicky unloading, prices suffered a sharp break. For instance, the Jarilla March contract slumped to the lowest level of its career on Tuesday, the quotation falling to as low as Rs. 619.50. The large carryover, the prospect of a good crop and the none-too-encouraging textile outlook imparted further weakness to the market.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 637, as against the previous close of Rs. 642. The contract came under heavy selling pressure and steadily declined to Rs. 619.50 yesterday. Opening at Rs. 625 today, it improved to Rs. 628.75 before declining to Rs. 628.50. The net loss over the week was Rs. 13.50.

The trend of prices of the contract during the week is indicated below:

(In rupees per candy of 784 lbs.)

	1-10-58	*High*	*Low*	24-9-58
I.C.C. Moglai Jarilla (March 1959) ...	628.50	637	619.50	642

In the spot section, trading was dull. Prices showed a declining trend. Mill enquiry was small. Demand was mainly confined to staple varieties. Stray deals were put through by needy mills at progressively declining rates. The chief varieties which attracted attention were Vijay, Surti, 197/3, and 0394.

Activity on the export front was subdued. Enquiries from Hong Kong were noted for Bengals and 25/32" and 1" staple cotton. Moderate quantities of low grade Khamgaon and Malegaon were booked by shippers. Some small business was also reported in Punjab cotton.

Exporters point out that, due to the uncertainty regarding the cotton export duty, foreign buyers are keeping off the market. The latter are inclined to cover their requirements at the current prices, as they expect a further price fall. As far as Japan is concerned, foreign exchange shortage is said to be the major obstacle in the way of larger cotton purchases by that country.

The foreign section was quiet. Spinners were reluctant to make large purchases of foreign cotton in view of the poor offtake of yarn and cloth. Nevertheless, East African and Sudanese styles received some attention. There were expectations that, soon after the arrival of Mr. Morarji Desai from his tour, something definite will be known of the possibility of importing U.S. cotton.

It is reported that the Egyptian Government has decided that all sales of Egyptian cotton effected prior to 1st September 1958 should be given the benefit of the old rate of discount of 20.95 per cent. and that all subsequent transactions should be based on the new discount rate of 15 per cent. This would provide some relief to such of the Indian mill buyers who had booked business prior to 1st September. The State Bank of India has not yet received confirmation in this respect but it is thought quite probable such confirmation would be received shortly.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week-end quotations:

Bengal *Deshi* 610 (610); Berar Jarilla 650 (670); Khandesh 700 (710); Vijay 820 (825); Hubli Laxmi 900 (930); Jayadhar 820 (850); *Delivery Contracts*: Bengal 590 (588); Mathia 580 (595).

Quiet conditions prevailed in the Karachi cotton futures market during the week. In the absence of fresh development, trading interest was at a low ebb. Lack of export enquiries discouraged buying. A moderate amount of selling met with only limited buying. Values consequently receded. N.T.R.G. January, which had closed at Rs. 76-1 last week-end declined to Rs. 75-12-6, while the March position receded from Rs. 76-7 to Rs. 76-2-6. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 74: Punjab *Deshi* 71; 4F Punjab Roller 71-4; S.G. 75-4; L.S.S. Punjab Roller 73-4; S.G. 78-4: N.T. Roller 79-4; S.G. 89-4; 289 F Punjab Roller 83-4; S.G. 96-4.

Alexandria cotton futures market ruled easy during the week under review. Absence of export

demand and keener competition from Sudan adversely affected the sentiment of operators. Favourable weather news, indicating the possibility of a good crop and a comfortable supply position, prompted selling. Prices consequently staged a retreat. Towards the close of the week, however, the medium staple *Ashmouni* contracts received support and prices rose. The earlier losses were not only made up but the contract closed higher, as compared with last week-end closing. Exports of Egyptian cotton during the 1957-58 season, which ended on 31st July 1958, aggregated 782,808 bales, as compared with 714,200 bales in the previous season.

The following are the latest available quotations—in tallaris per lb.—from A'exandria, the figures in brackets being last week's closing quotations:

Karnak: November 72.95 (72.45); January 72.30 (72.65); *Ashmouni*: October 63.45 (63.70); December 63.70 (63.45).

Cotton futures values in **Liverpool scored** handsome gains during the week. Support by American interest in Liverpool, trade covering and occasional mill fixation lifted values. The rise would have been more marked but for the uncertainties regarding the U.S. cotton export policy and the unencouraging news from the yarn and piece-goods markets. Sudan contracts, however, met with selling and values eased. The following are the latest available quotations—in pence per lb.—from Liverpool:

American Cotton One Inch Staple Contract: October-November 23.80 (23.68); December-January 24.00 (23.88). *Sudan*: November-December 29.25 (29.75).

Firm conditions prevailed in the New York cotton market during the week. Values improved on good Spot House support and trade buying. The main supporting factor was the heavy entry into the Government loan. Higher levels, however, met with resistance induced by fears of the possibility of larger hedge offerings as the new crop movement gathered momentum.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

	(In cents per lb.)		
	30-9-58	23-9-58	16-9-58
Spot	36.05	35.90	36.10
October	35.89	35.75	35.55
December	36.22	36.18	36.03
March	36.67	36.66	36.53

SUGAR FIRM AGAIN

(From Our Own Correspondents)

BOMBAY, *1st October*

The firm trend noted in the sugar market during the last fortnight continued unabated during the week under review. The ex-mill quotations for sugar in the Bombay-Deccan area were higher by 50 nP per bag and the demand from the interior was normal. Even the large arrivals of sugar by rail into the market had no effect. The arrivals aggregated 22,400 bags, as against 7,500 bags in the previous week. The Export Agency of the Indian Sugar Mills' Association purchased about 7,000 bags of sugar in the open market during the week.

Large grain sugar picked up a rupee to Rs. 111-Rs. 117. Medium grain advanced by a like amount to Rs. 107-Rs. 110. Small grain was done at Rs. 105-Rs. 106.

The total production and despatches of sugar up to 15th September 1958 in the current season amounted to 1,970,000 and 1,799,000 tons, as against 2,022,000 and 1,864,000 tons, respectively, in the corresponding period of last year. Stocks with factories as on 15th September stood at 606,000 tons.

* * * *

HAPUR, *29th September*

The sugar market is quiet and listless in the absence of fresh interest. Crushing for the new season has not yet begun. The supply position is easy and outside demand is practically dormant. Some of the factories are quoting the inferior quality below the controlled prices.

Dull conditions continued in the Muzaffarnagar sugar market during the week under review, as fresh demand was at a low ebb. Moderate business was done for Delhi and Gujerat. The rates of smaller grains declined further by 19 nP per maund and Amroha was being quoted below the controlled price by 62 nP per maund. Bijnore E29 quality prices eased to Rs. 35.19, as against Rs. 35.81 fixed by the Government. Prices of bo'd crystal, however, maintained their level. The latest prevailing ex-mill delivery prices there were: Khatauli (A28) Rs. 37.37; Deoband (C29) Rs. 36.37; Ichalpur (B29) Rs. 37.12; Mansurpur (B28) Rs. 36.75; (C29) Rs. 36.37; Buland (B29) Rs. 37.12; Mawana (B29) Rs. 37.12; Daurala (C29) Rs. 36.37; Amroha (D29) Rs. 35.25; Bijnore (E29) Rs. 35.12; Meerut (D29) Rs. 35.50.

Trading in ex-mill delivery sugar was practically at a standstill in the Kanpur market as buyers were unwilling to transact even at controlled prices. Some of the smaller factories were trying hard to dispose of their individual al'otment at As. 4 a maund below the controlled rates. The main depressing factor was the market's overstocked position at principal consuming centres and at Kanpur stocks with the trade were put at 45,000 bags. Prevailing prices were: Control'ed ex-mill Rs. 36-12; s~~oft~~ (per bag) C29 Basti Rs. 103-8; Gola Rs. 102-4: D29 Gola and Burhwal Rs. 101-8; Tulsipur and Balrampur Rs. 101-4; Lakhimpur and Hargaon Rs. 100-12; Walterguni Rs. 101.

Khandsari ru'ed quietly steady, as old stocks were small and production for new had been delayed due to heavy rains received now. The price ranged between Rs. 32 and Rs. 35 per maund.

Old *gur* stocks here as well as in other producing areas this side had nearly been exhausted and were about 1,500 maunds here. New arrivals this week, which were lifted at Rs. 25 per maund, had been stopped due to heavy rains received in the last two days. Dry quality was nominally quoted at Rs. 25 and *kotha* dry-wet at Rs. 19.87 per maund.

The condition of the cane crop is fairly good, but crushing is being delayed for at least a fortnight.

Stocks of old *gur* in the Muzaffarnagar market were reported to be negligible and the prices ruled quiet in the past week. *Chaku* wet prices were unchanged at Rs. 20 to Rs. 20.50 per maund.

Gur futures recorded a steady to firm trend on Punjab bull support. Fagun opened at Rs. 13.57 last Monday, touched the highest in mid-session at Rs. 13.92 and was quoted today at Rs. 13.88.

YARNS SLUMP

(From Our Own Correspondent)

BOMBAY, *1st October*

It looks as though the morale of the yarn market has been lost. Operators are nervously liquidating their holdings, while buyers are extremely scarce. Consequently, prices have slumped. In particular, staple fibre yarns have suffered a sharp setback. Several mills in Bombay State, South India and other places are offering supplies, especially of 2 x 40s, at markedly lower prices. The weakness has been accentuated by expectations of a rise in the indigenous production of staple fibre from 40 tons to 60 tons per day. Naturally, the speculators, who had made bulk purchases of yarn in anticipation of better prices immediately after the introduction of the Staple Fibre Control Order, are unloading their stocks. In sympathy with staple fibre yarn and following rumours of a possible relaxation in imports for the current licensing period (October 1958—March 1959), rayon yarns are ruling bearish. It is reported that the premium on import licences for rayon yarn has come down lately from 110 per cent. to 80 per cent. The reduction is attributed to the large number of licences issued against export of rayon fabrics; the total value of these licences is estimated at Rs. 1.25 crore. The traders anticipate that, with better export performance during the month of September, still more licences will be granted and that the authorities will not change the actual users' quota of yarn for the current licensing period. Cotton yarns continue to remain depressed, thanks to decline in raw cotton prices, heavy accumulation of stocks with mills, and fall in export orders on account of heavy pressure of sales by China, Hongkong, Pakistan and other countries at lower prices. Demand from hosiery manufacturers is also at a low ebb.

During the week, staple fibre yarn (40 x 2) October delivery came in for long liquidation and were hammered down by Rs. 34 to Rs. 655. Business in the December delivery commenced at Rs. 680 on 29th September. It fell to Rs. 664 today. In the spot section 40 x 2 Citys receded by 18 nP to Rs. 3.44. Kohinoors dropped 25 nP to Rs. 3.56. Centurys declined by 22 nP to Rs. 3.47. Among foreign yarns, Paramounts eased by 13 nP to Rs. 9.62. Fujis were neglected at Rs. 9.75.

In the art silk yarn section, 120 Japan fell by 25 nP to Rs. 5.56. 150 Japan shed 6 nP to Rs. 6.06. 150 Italy eased by 13 nP to Rs. 6.12. 120 Italy were dull at Rs. 6.25. Among indigenous yarns, National Rayons 150 bright cones first grade lost 18 nP to Rs. 4.72 and 120 bright cones first grade 20 nP to Rs. 5.70.

In the cotton yarn section, ten counts were neglected, Moderns being quoted at Rs. 13.25 and Podars at Rs. 12.50. Twenty counts Moderns were unchanged at Rs. 16.75 as also Gokaks at Rs. 16.50. Among 30s, Hinds were stagnant at Rs. 19.75. Forty counts Minaxis receded by 12 nP to Rs. 24.94. Moderns changed hands at Rs. 25.25, same as last week. Among sixty counts, Finlays were quiet at Rs. 58. Eighty counts Mahendras dropped a rupee to Rs. 69. Finlays were on offer at Rs. 78. Moderns, however, gathered 50 nP to Rs. 72.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week ago:

	1-10-1958	24-9-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	5 56	5.81
150 Japan (per lb.)	6 06	6.12
120 Italy (per lb.)	6.25	6.25
150 Italy (per lb.)	6.12	6.25
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 October	655 00	689.00
40 x 2 December	664 00	—
40 x 2 Kohinoor (per lb.)	3 56	3.81
40 x 2 City (per lb.)	3 44	3.62
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12 50	12 50
20s Modern	16 75	16 75
30s Hind	19 75	19 75
40s Minaxi	24 94	25 06
60s Finlay	58 00	58 00
80s Mahendra	69 00	70.00

OILSEEDS BEARISH

(From Our Own Correspondent)

BOMBAY, 1st October

The oilseeds market was in the grip of bears during the week under review. Reports of favourable weather conditions, lack of fresh incentives and easy advices from cotton market let loose a wave of selling which brought about a landslide in prices. The selling pressure was intensified by the heavy application of new put options on Monday, while the bear operators did their best to depress the market by additional sales. Yesterday, there was a slight recovery following profit-covering and scattered bargain hunting. Today, again, the market staged a relapse and prices suffered a setback. The closing rates were substantially lower than those at the end of last week.

Groundnut February 1959 contract slumped by Rs. 5.12 to Rs. 159.75. Bold ready, coromandel variety and Khandesh quality all fell from Rs. 42.50 to Rs. 40.50. Groundnut oil ex-mill dropped 75 nP to Rs. 21.25. Rail'way receipt lost a like amount to Rs. 21.12.

Castorseed May 1959 contract, which stood at Rs. 15 5.18 last week-end, came down on continued selling to touch a low of Rs. 147.50 today. September 1958 contract expired yesterday at Rs. 152.50, as against Rs. 161.65 on Wednesday last week. Tenders of 5,100 candies were issued yesterday. Ready Madras receded by Re. 1.50 to Rs. 30.37. Kanpur quality declined by Re. 1.69 to Rs. 29.06. Castor oil B.S.S. moved down from Rs. 17.87 to Rs. 17.25 and commercial quality from Rs. 16.19 to Rs. 15.62.

Linseed May 1959 contract retreated by Re. 1.12 to Rs. 30.69. September 1958 contract terminated yesterday at Rs. 34 25, as against Rs. 35 last week. Tenders of 450 tons were issued yesterday. Bold ready receded by 88 nP to Rs. 34.12. Linseed oil dropped 50 nP to Rs. 17.37.

Cottonseed May 1959 contract was on offer at Rs. 98.75 today, as against Rs. 101.50 on Wednesday last. September 1958 contract came down from Rs. 130 to Rs. 124.50 at which rate it terminated. Tenders of 100 candies were issued against this contract.

Among other seeds, kardiseed bold ready receded from Rs. 23.50 to Rs. 22.50 before recovering throughout the week at Rs. 34, as against Rs. 34.50. Today, however, it was higher at Rs. 34.50.

The following table shows the closing prices of oilseeds and oils today as compared with those of the two previous weeks:

	1-10-1958	24-9-1958	16-9-1958
	Rs.	Rs.	Rs.
Groundnut—			
Feb. 1959	159 75	164 87	164 62
Bold ready (per cwt.)	40 50	42 50	41 12
Linseed—			
Sept. 1958	34 25§	35 00	34 62
May 1959	30 69	31 81	32 06
Bold ready (per cwt.)	34 12	35.00	34.50
Castorseed—			
Sept. 1958	152 50§	161 65	158 00
May 1959	147 50	156 18	155 25
Madras (per cwt.)	30 37	31.87	31.75
Cottonseed—			
Sept. 1958	124 50§	130 00	128 00
Sept. 1959	98.75	101.50	103 50
Groundnut oil—			
Ex-mill ready (per quarter) ..	21.25	22.00	21.25
Castor oil—			
Commercial (per quarter) ..	15.62	16.19	16.00
Linseed oil—			
Ready	17.37	17.87	17.94

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
§ Yesterday's rates.

BLACK PEPPER EASY

(Messrs. Parekh and Co.)

BOMBAY, *1st October*

Malabar black pepper eased further during the week under pressure of selling by bears who were emboldened by their recent success in depressing the market. Exporters who went blank in overseas market continued to hammer December position in forward at Cochin, the latest quotation for December delivery having been brought down to Rs. 96 from Rs. 101. The weakness in December naturally affected ready and October which are now quoted at Rs. 100 and Rs. 101 respectively.

U.S.A. dealers who were buyers for Malabar black at roundabout $0.25 withdrew when they saw that their counterparts in India were trying to depress the market. Sarawak was reported to be out of the field as far as New York market was concerned, its production this year being much inferior to the A.S.T.A. quality. Lampong was the only competitor of Malabar at present but there too, owing to financial instability and various export regulations, Indonesian growers and dealers were not so eager to press sales as was the case in the beginning of the season. They were said to prefer to keep their money in pepper rather than in paper currency.

After the release of the detained Lampong pepper, spot in New York was reported down from $0.26½ to $0.25½ but steady despite poor demand from grinders. Some of the dealers there were reported to be willing to entertain offers for long forward. Singapore, after improving to Str.$75, once again went down to Str.$71 for paucity of foreign enquiries. Knowledgeable sources on the Malabar Coast estimate the coming crop between 25,000 and 27,000 tons and expect that the exportable quality will move some time in the last week of November. The future of the market at the moment, appears to be uncertain but majority of the dealers here as well as overseas are said to be marking time for the market to become stabilised at a certain level for starting their purchases both for investment and trading. Ungarbled at Cochin is quoted at Rs. 581½ and at Calicut at Rs. 600. In A.S.T.A., October is nominally quoted at $0.24½ and December at $0.24. In delivery the tender for 1,500 bags having been issued, market looked depressed. At the time of writing, October delivery is quoted at Rs. 520. Following are today's quotations: Ready Rs. 75 per Bengal maund and October Rs. 520.30 per candy of 5½ cwts.

CLEAN LEAF TEAS DEARER

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, *26th September*

The fortnightly export auctions continue to be held in Cochin; the next sale will be on Tuesday, the 30th inst. There was a dust auction held on Thursday, 25th inst., which aggregated 654,072 lbs. The larger and improved selection met with good demand at lower rates. The decline was particularly applicable to the low medium and medium dusts which were irregularly easier by 10 nP to 15 nP. Coloury clean leaf teas were firm to dearer, the best liquoring highgrowns were considerably dearer, and advances of up to 30 nP were recorded.

London Market—Sale of 22nd September 1958:—Buyers were following quality closely. Otherwise, prices were unchanged.

Sale of 23rd September 1958: Steady following quality.

Colombo Market:—Sale of 22nd September 1958:—Quality declined. Dimbula, Dickoya and medium brokens down by 20 to 30 cents. U.V.A.S. much lower. Following quality lowgrowns firm to dearer.

Sale of 23rd September 1958:—Strong demand. Better liquoring U.V.A. type broken-mixeds and grainy dusts substantially dearer. Other sorts firm.

Calcutta Market—Export:—Fair general demand. Commons firm to occasionally dearer. Bright liquoring orthodox Assams sold well. Others generally declined by 10 nP to 20 nP. Best C.T.Cs well supported. Poorer kinds generally lower by 10 nP to 20 nP.

Internal:—19,600 packages. Dust continued to evoke good demand. All orthodox firm to dearer, Thick liquoring powdery types strongest feature. C.T.Cs easier by 15 nP. Few Best C.T.Cs firm to dearer.

Export Quota:—Business opened this week at 5½ nP.

On Wednesday, the 24th inst., the Government of India announced a further release of export quota amounting to 5 per cent. of the B.C.B. This brings the total release so far for the 1958-59 season to 65 per cent. of the B.C.B. In view of the fact that the total release for the last season was only 63.4 per cent. the market reacted sharply and business was done at 2½ nP. There has since been a slight improvement and there are now sellers at 3½ nP and strong buyers at 3 nP.

Forthcoming Auctions:—Sale No. 'U' will be held on Thursday, 9th October 1958.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire as follows:

"Sale No. 29 was held on 30th September. Offerings amounted to 1.8 million lbs. Demand was low. Low mediums easy by 5 nP to 10 nP. Medium and good mediums were lower by 10 nP to 20 nP. Best liquoring highgrowns irregular, but following quality whole leaf was steady and tippy teas were strong."

RELIEF TO COMMON TEAS

(From Our Own Correspondent)

CALCUTTA, *30th September*

At long last, the much-awaited announcement granting relief to common teas has been made in New Delhi in the form of a Bill introduced in Parliament with corresponding notifications, so that the changes in the duties made would take immediate effect. The announcement has caused no enthusiasm whatsoever in tea trade and industry circles. The announcement had claimed that the changes in duties made wou'd boost exports, but, during yesterday's auctions, no change in trend was in evidence. Even during yesterday's auctions, common teas could realise prices much below production costs. It was stated here that prices of teas would, in fact, tender to move higher, in view of collection of non-refundable excise duty from the producers. A point to be noted here is that the revenue loss to Government wou'd be Rs. 1.5 crore as a result of the reduction in the excise and export duties. The changes made are such that this relief would go into the pockets of shippers and not those of common tea producers.

A member of the Tea Board, Mr. B. C. Ghosh, candidly said here yesterday that the changes in duties would neither boost exports nor give relief to gardens producing common teas. Market circles were in agreement with the view expressed by Mr. Ghosh. For it was noted that, from the highest excise duty zone, most teas are exported. The new rate of export and excise duties in this zone are near'y equal to the old rates. Hence it is difficult to see how the changes would boost exports, as the Minister for Revenue, Mr. B. R. Bhaghat, claimed while introducing the Bill in Parliament. Excise and export duties combined from the other two zones have been reduced, but the reductions made are too small and it is doubted here whether such sma'l reductions would boost exports of common teas.

The growing areas have been divided into three zones based on the weighted average prices, and the key note of the scheme is that teas of different grades, whether exported or consumed within the country, would be taxed on a graduated scale based on their prices. The inclusion of Darjeeling in the highest excise duty zone surprised many here, since cost of production in Darjeeling is comparatively higher than the other two zones.

The maximum rate of export duty would now be 30 nP per lb, as against 75 nP, and the maximum rate of excise duty 19 nP for loose tea and 21 nP for package tea plus the duty leviable on loose tea. The excise duty on all teas sold in the internal as well as export auctions would be 2 nP in the first zone, 4 nP in the second and 10 nP in the third. The duty on package tea would be 21 nP over and above the loose tea.

The average rate of export duty would be 26 nP per pound for the present. The refund of excise duty has been withdrawn except for package tea the refund for which is 21 nP per pound.

It was noted that, the relief would amount to 10 nP per pound in the first zone, 8 nP in the second and 2 nP in the third, based on the export duty at present applicable, i.e., 38 nP. The relief accorded is, indeed, small and has fallen below expectations in the market. The point stressed in trade circles is that India's common teas have to meet severe competition with teas from East Africa and other producing countries most of which levy no duties. Also, cost of production in these countries is much lower than in India.

In the internal auctions held last week, dusts offered aggregated 19,386 chests. There was more demand and prices improved. Orthodox teas were dearer. The prices for the stronger liquoring powdery teas rose above valuations. In C.T.Cs., the best kinds, the offerings of which were limited, were paid keen attention and prices for these rose above va'uations. On the other hand, the plainer liquoring medium teas lost by 15 nP. Legg-cut Dooars were irregular, although there was good demand. The quotations (in rupees per pound) with those of the previous week in brackets were: Best Assam CT.C. 2.50 to 3.00—nominal (same—nominal); medium Assam C.T.C. 2.10 to 2.30 (2.15 to 2.35); medium Dooars 1.76 to 1.78 (1.74 to 1.76); and medium Assam grainy dust 1.78 to 1.80 (1.76 to 1.78).

Leaf on offer amounted to 1,810 chests. Prices rose on good demand.

In the export auctions held yesterday, there was good demand. Common fannings received keen attention and their prices rose, whi'e other grades in this category eased. C.T.C. Assams and bright liquoring orthodox teas were steady, while others were lower. The commencement of the auction was delayed for clarification from New Delhi regarding the new rates of excise and export duties.

Export quota changed hands at 4¼ nP and declined to 3½ nP.

JUTE PRICES DROP

(From Our Own Correspondent)

CALCUTTA, *23rd September*

The week under review in the jute markets witnessed sizab'e fall in the prices of both goods and fibre. Goods were affected mainly by selling pressure in the futures market. Following this, foreign buyers kept away from the market for a time, as they desired to resume purchases only after the downward trend had spent its full force and prices had touched rock-bottom levels. Further, launches carrying goods from mills to steamers for loading did not work, as their crews were on strike. This was early in the week, but that marked the beginning of the fall in prices. Indeed, there was covering demand throughout the week, but that alone could not sustain prices. It was on'y towards the end of the week that the U.S. showed keen interest and purchased a fair quantity. In heavy goods, sales here and there in small quantities took place, the buying being mainly on account of Aust'a'ia and the Continent. The recession took the price of ready B. twills to as low as Rs. 93.60. This was on Friday last. Market reports from New York were a'so far from encouraging, as it was stated that, although burlap manufacturers had only limited stocks, they were disinclined to enter into commitments, in view of the dullness in the market here.

Bur'ap consumption figures from the U.S. indicated that the monthly average for the eight months ended August was 68 million yards, as against 69 million yards in the first eight months of 1957. The fall of one mi'lion yards in the average was attributed here to the economic recession. It had been believed here that the recession had reached its climax and that the movement back had started. Burlap consumption in August, however, was only 67 mil'ion yards, as against 68 million yards in July. In this context, the figure for this month was awaited with interest, as, in fact, the economic recession in the U.S. had been arrested and, in the ordinary course, the consumption of burlap should increase.

Despite the setback to shipping following the strike by crews of launches, there were reasons to believe that the month as a whole should record higher shipment figures than August. In this view, the month-end stock figures were keenly awaited, as, if these figures would be lower in accordance with market anticipations, a firm recovery in prices would follow. There was indeed nervous selling but, at the same time, there was covering demand. The fall in prices of raw jute was also a cause for quietness in the goods. This followed a remarkable increase in arrivals from upcountry, which was indicative of the unmistakable nature of a bumper crop. Sel'ers naturally became nervous, as their stocks were increasing. For most part of the week, mills showed sparse interest, but a recovery set in on Saturday last when about 50,000 maunds were purchased by mills.

On Tuesday last, the goods market opened on an extreme'y quiet note, and selling pressure in the futures market lowered prices for both hessian and heavy goods. At lower levels, however, there was some buying, as a result of which, after the fall, ready B. twi'ls firmed up to Rs. 96.00 and ready hessian 40" 10 oz. to Rs. 41.60. However, the recovery was only short-lived and, although some scattered deals in heavy goods were put through with Australia and the Continent, the vo'ume of business was not adequate enough to sustain prices. Hence B. twills were lower at Rs. 95.25, with hessian 40" 10 oz. moving down to Rs. 41.50. On Thursday, conditions took a turn for the worse on account of the heavy bearish pressure in futures. B. twills declined to Rs. 94.20 and hessian 40" 10 oz. to Rs. 41.50. At lower levels, there was good covering business, but the selling pressure in the futures market continued unabated and, on Friday, the lowest levels of the week were touched, with B. twil's at Rs. 93.60 and hessian 40" 10 oz. at Rs. 41.40. In the week-end, U.S. buyers turned active, signifying which ready hessian 40" 10 oz. recovered to Rs. 42.25. In sympathy, B. twills improved to Rs. 94.35. Yesterday, prices improved with good short-covering demand. Also the East India Jute and Hessian Exchange announced heavy margins on bear sales in the futures. In the ready market, B. twills improved to Rs. 94.90 and hessian 40" 10 oz. to Rs. 42.65.

For most part of the week, the raw jute market was lifeless. Sellers became nervous, as their stocks had increased in view of more arrivals in the week. From Rs. 23.25, Assam northern bottoms fell to Rs. 22.50, but recovered to Rs. 22.75. Local daissee bottoms had fallen to Rs. 25.50 from Rs. 26.00 before recovering to Rs. 25.75, following some buying interest. The latest quotations for the different varieties of the 1958-59 crop, October-November delivery are:

	Middles	Bottoms
	Rs.	Rs.
Pakistani:		
District	29.00	26.00
Northern	29.00	26.00
Indian:		
Northern	25.00	22.50
Assam	25.25	22.75
Orissa	27.75	25.25
Diesal	24.50	22.00
Murshidabad	24.00	21.50
Jungli	22.50	20.00
Daissee	28.00	25.50
Uttar Pradesh ...	22.50	20.00
Daissee mesta ...	23.50	21.00
Bimli f.a.q.		Rs. 21.25

ZINC FIRMS UP

(From Our Own Correspondent)

CALCUTTA, *30th September*

The feature of trading in the metal market during the week under review was the improved demand for electrolytic zinc, as a result of which the price was better at Rs. 68, after opening at Rs. 67.00. Consumers lifted sizable quantities, with the result that the stock in the market fell. There was also a small increase in the forward rate also. Fresh arrivals were anticipated in the near future. Tin opened at Rs. 555 and, after receding to Rs. 553, rose to Rs. 556, following the rally in price on the London Metal Exchange.

The London recovery to £712 from £672 was due to increased purchases by the United States. It was also reported that enthusiasm was shown by Continental buyers. The earlier fall in the price of tin on the London Metal Exchange was due to heavy offerings, as a result of which the Buffer Stock Manager under the International Tin Agreement could no longer continue purchasing. The floor price being £730, the Manager should purchase as soon as the price moved below £730. In fact, the price had slumped to £640, immediately after the Manager withdrew his support. Earlier, the U.S.S.R. took the opportunity to offer second grade tin in sizable quantities and to avail the profits. Since the offerings at the floor price of £730 increased, a stage was reached when the Manager could no longer continue purchasing, and he had to withdraw support from the market. It was subsequently announced in London that the International Tin Council would make no change in the floor price of £730 and that the Agreement would continue to be in force. It was realised here that the supply had exceeded demand and that, if only the law of supply and demand were to operate, the price should move down. However, market circles thought that the export restrictions enforced on producing countries by the Tin Council would be continued.

Lead was quiet at Rs. 67.25. The stock position continued to be good, and a Government enquiry for 95 tons invited keen enthusiasm of stockists. Copper scrap was fully steady.

ENQUIRIES FOR KIPS PATCHY

(From Our Own Correspondent)

MADRAS, *29th September*

Trading with the U.K. in E.I. tanned hides and calves was spasmodic, and prices declined by 3 nP to 6 nP per lb. Enquiries were patchy and buying was selective. Arrivals in the local market were moderate and offtake by shippers good at unchanged levels. Tanned calf skins met with good clearance.

There was no change in the tanned skins market. Arrivals of common tannages continued to be short and were in good demand. Importers showed interest in lightweight goat and sheep skins, mostly lower grades.

Notice

THE BARNAGORE JUTE FACTORY COMPANY, LIMITED

(Incorporated in England)
The Liability of Shareholders is Limited

DIVIDEND

NO DIVIDEND HAS BEEN RECOMMENDED by the Directors for the year ended 31st March, 1958.

The Share Transfer Books will be closed from the 23rd October, 1958, to 5th November, 1958, both days inclusive.

By Order of the Board,

JARDINE HENDERSON, LIMITED,

(Sd.) D. FORDWOOD,
Secretary.
Agents.

4, CLIVE ROW,
CALCUTTA, *24th September, 1958.*

MONTREAL CONFERENCE

MAIN DECISIONS REVIEWED

THE Commonwealth Trade and Economic Conference closed its 14-day deliberations at Montreal, Canada, on 26th September, 1958, with a *communique* containing a strong reaffirmation of the interdependence of the Commonwealth countries in economic affairs. An outstanding feature of the conference was a series of measures which give expression to this interdependence and which will increase the trade and development of individual member nations.

Outstanding on the trade side is the agreement to try to remove any discrimination in trade between Commonwealth countries, unless necessary for balance-of-payments reasons, and the recognition of the importance of not hindering the export of manufactured goods from less-developed Commonwealth countries.

On the need to mitigate the adverse effects of heavy falls in commodity prices, the conference agreed that the Commonwealth countries concerned would be ready to examine the problems of individual commodities not already covered by price stabilisation arrangements to see what could be done by concerted action to moderate excessive short-term price fluctuations. They hoped to secure the co-operation of non-Commonwealth countries in these aims. At the same time, they recognised that any action on commodity prices must pay due regard to long-term trends in prices and supply-and-demand factors on development. They affirmed the supreme importance of securing an increased flow of capital, and agreed that Commonwealth countries able to provide capital would do all they could "even to the extent of some sacrifice."

During the conference, the United Kingdom announced it was now ready to supplement a great flow of capital to the rest of the Commonwealth from private United Kingdom businesses and through the London capital market by new "Commonwealth assistance loans."

By means of these, the Governments of independent Commonwealth countries would be able to borrow money at the interest rate paid by the United Kingdom Government itself, plus a management charge of one-quarter of one per cent. These loans would enable countries to buy urgently-needed United Kingdom exports and thus maintain their development programmes.

Loans from the United Kingdom Exchequer would also be made available to colonial Governments on an expanded basis. In addition, some subordinate authorities—such as local authorities and public-utility undertakings in underdeveloped countries—would now be given direct access to the London market in suitable cases.

Canada also announced increased aid for development, mostly through the Colombo Plan; it is planning to give aid to the West Indies, and is initiating a programme of technical assistance to Commonwealth countries in Africa.

As a step towards broadening the basis of the Commonwealth Development Finance Company, which has hitherto worked only with private United Kingdom capital, it was announced that the Bank of England would consider the provision of further finance, and that the Company had invited other Commonwealth banks and Governments to participate. Indications at the conference were that some countries will agree to participate.

The Commonwealth must also seek capital for development from non-Commonwealth sources, and the conference paid tribute to the great impetus to economic development given by the International Bank, a third of whose lending has gone to the Commonwealth. The delegates noted with appreciation the United States' announcement that it would propose at the forthcoming New Delhi meeting that consideration be given to enlargement of the Bank's resources. Clear undertakings were given by the United Kingdom, Canada, and others that they would increase—perhaps double—their own subscriptions to the Bank if such a proposal were put forward.

The conference also warmly supported a proposal to consider enlarging the resources of the International Monetary Fund, which greatly assists countries in temporary balance-of-payments difficulties.

It was not only in the field of trade, finance, and development that important decisions were taken. On education and training fundamental to economic development, it was proposed by Canada, and agreed unanimously, that a new scheme of annual awards up to 1,000 scholarships and fellowships would be established on an exchange basis within the Commonwealth. The United Kingdom announced that it would assume responsibility for half the programme, and Canada assumed responsibility for a further 25 per cent.

At the same time, the United Kingdom drew attention to the fundamental need to stimulate primary education in underdeveloped countries, and proposed that a conference be held in London not only to plan the scholarship scheme, but also to consider what might be done to expand and improve mutual assistance in the field of education generally, with special reference to the supply and training of teachers.

In another field, it was proposed, and agreed in principle, that a Commonwealth round-the-world telephone cable system be established, based on a new coaxial cable manufactured in the United Kingdom and now used with such remarkable success across the Atlantic. The United Kingdom agreed to make a substantial contribution to such a Commonwealth service if the plan was carried through.

Finally, in the field of continuing economic consultation, it was agreed that existing arrangements should be co-ordinated under the care of a Commonwealth Economic Consultative Council. The United Kingdom offered to provide a Commonwealth House in London for consultuent bodies of the Council and for other Commonwealth meetings —an offer which was warmly received.

DELHI LETTER

(*Concluded from page 552*)

Rs. 97 lakhs. The Government of India has advanced a sum of Rs. 15.33 lakhs. as debenture loan to the Company at 4½ per cent. interest and repayable within a period of 5 to 10 years.

A factory for the production of about 700 tons of DDT has been set up in the Industrial Area, New Delhi. In order to meet the country's requirements of DDT for the anti-malarial campaign, it was decided to double the capacity of the Delhi plant. The construction of another factory at Alwaye in Kerala State, having an annual capacity of 1 400 tons of technical DDT, was started in January 1957. Both the Factories are managed by the Hindustan Insecticides (Private) Ltd.

The total production of Technical DDT in the Delhi plant during the year was 694 tons. Had it not been for the delay in supply of additional chlorine the increased production would have been registered long before. The progress in production of formulated DDT was not so encouraging.

The accounts of the Company for the year 1957-58 have not yet been finalised. It is, however, expected that the excess of income over expenditure, which will have to be refunded to the Health Ministry, will be roughly the same as in the previous year, namely, Rs. 8,70,000.

The Export Risks Insurance Corporation (Private) Ltd., Bombay: The authorised capital of the Company is Rs. 5 crores. The subscribed capital is Rs. 2½ crores and paid-up capital is Rs. 50 lakhs.

The Corporation offers facilities to the exporters to insure risks arising in the course of export trade which are not normally covered by the commercial insurance companies. It covers risks involved in exports on credit terms. The Corporation issues policies to cover all the shipments of commodities of allied nature made by an insured exporter in a period of 12 months and guarantees that, if the value of the goods exported on credit terms is not received in India due to commercial and political causes, it will pay to the insured exporter a percentage of his loss. The percentage is 80 or 85, according as the causes of loss are commercial or political.

From 14th October 1957 upto 30th April 1958, the Corporation received 181 proposals for insurance. Acceptance letters have been issued in 173 cases. The others are pending for want of necessary information. The total face value of the proposals for which acceptance letters have been issued is Rs. 11,76,98,000. Out of these proposals, 87 policies of the face value of Rs. 4,38,45,000 have been issued. Thirty-three proposals have been dropped because the proponents have not paid the initial premia within the prescribed period.

The following table gives an analysis of proposals accepted, policies issued and proposals dropped according to their face value:

	Proposals accepted	Policies issued	Proposals dropped	Proposals pending
Not exceeding Rs. 50,000 ..	35	17	6	12
Exceeding Rs. 50,000 but not exceeding Rs. 1,00,000 ..	26	16	2	8
Exceeding Rs. 1 lakh but not exceeding Rs. 2 lakhs ..	31	16	5	10
Exceeding Rs. 2 lakhs but not exceeding Rs. 5 lakhs ..	44	23	8	13
Exceeding Rs. 5 lakhs but not exceeding Rs. 10 lakhs ..	11	5	4	2
Exceeding Rs. 10 lakhs but not exceeding Rs. 20 lakhs ..	17	6	4	7
Exceeding Rs. 20 lakhs but not exceeding Rs. 50 lakhs ..	4	3	..	1
Exceeding Rs. 50 lakhs ..	5	1	4	..
Total ..	173	87	33	53

It will be observed from the above statement that, at present, the policies that have been issued are mainly in favour of small and medium-size exporters. Big exporters have so far not taken advantage of the benefits which the Corporation offers and the main reasons advanced are: (i) The premium rates are high, (ii) insurance on the basis of whole turnover should not be insisted upon, (iii) risks on non-acceptance of goods is not covered. These points are under examination. Credit insurance is new to India and exporters will take time to fully appreciate its benefits. It is expected that, in course of time, the Corporation will be able to render greater service.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 1st October, 1958.

	Closing quotations 25-9-1958	High	Low	Closing quotations 1-10-1958
TEXTILES	Rs.	Rs.	Rs.	Rs.
Abm Adv (100)	172 50	170 00	167 50	167 50
Apollo (2)	1 66	1 66	1 48	1 48
Bombay Dyeing (25)	61 40	59 20	57 00	58 00xd
Bradbury (50)	175 00	—	—	175 00
Central India (100)	95 00	91 50	88 00	91 50
Century Mills (100)	464 50	460 25	438 50	444 50xd
Colaba (100)	29 75	—	—	29 75
Edward Textile (200)	257 50	—	—	257 50
Elphinstone (50)	40 00	—	—	40 00
Finlay (100)	290 00	285 00	283 00	283 00
Gokak (100)	150 00	148 50	146 00	147 50
Ind. Unit. Defd. (1)	1 32	1 28	1 18	1 22
Ind. Unit. Ord (10)	9 96	9 84	9 32	9 36
Indore Malwa (100)	108 00	105 00	103 00	103 50
Khatau (100)	182 50	180 00	177 50	177 50
Kohinoor (100)	281 50	276 00	267 00	271 00
Lakshmi (250)	445 00	445 00	440 00	442 50
Minerva Mills (100)	84 00	—	—	84 00
Model Nagpur (250)	175 00	—	—	175 00
Morarji (100) ..	252 00	247 50	245 00	245 00
Pfizer (50)	95 00	—	—	95 00
National Rayons (100)	243 75	241 00	235 00	239 00
New City (100)	117 75	—	—	118 75
New Great (100)	220 00	220 00	215 00	215 00
Thomas (100)	137 50	—	—	137 50
Podar Mills (100)	141 00	—	—	138 00
Rasoom Silk (10)	9 76	10 00	9 76	10 00
Rasoom Spg (10)	41 00	—	—	41 00
Shahjee (1,000)	450 00	450 00	381 25	381 25
Shrinivas (100)	151 50	150 00	148 50	148 50
Simplex (50)	184 00	180 00	178 00	179 00
Standard (1,000)	424 00	421 00	412 00	418 00
Sradadevi (100)	195 00	190 00	184 00	190 00
Swan (100)	362 00	—	—	360 00
Tata Mill (25)	39 00	38 50	37 00	38 00
Thakore (100)	102 00	—	—	102 00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	138 25	137 50	137 00	137 00
Do. (New) (50)	139 75	140 25	139 00	139 00
Bank of Baroda (50)	123 00	123 00	122 00	122 50
Central (25)	58 50	58 50	57 50	58 00
Central 'A' (25)	60 50	60 70	59 50	59 50
Dena Bank (50)	45 75	46 00	45 50	46 00
Punjab National (25)	65 00	—	—	65 00
Union Bank (5)	7 40	7 40	7 36	7 40
United Com. (50)	68 00	68 00	67 00	67 00
ELECTRIC COS.				
Ahmedabad (100)	99 00	99 00	98 50	98 50
Amalgamated (10)	11 04	—	—	11 04
Andhra Valley (1,000)	1,172 50	1,175 00	1,167 50	1,172 50
Bom. Sub-Ut. (100)	113 00	113 50	112 50	113 50
Surat (100)	118 00	—	—	118 00
Tata Hydro (100)	124 00	123 50	122 00	123 50
Tata Power (1,000)	1,245.00	1,257.50	1,235.00	1,257.50
INSURANCE COS.				
British India (10)	15 75	—	—	15 75
Empire of India (100)	265.00	—	—	265.00
Ind. Mercantile (50)	46 00xd	48 00	46 75	47 00
Jupiter (15)	7 24	7 24	6 40	6 40
New India (15)	47 75	48 00	46 75	47 00
Oriental (100)	4,035.00	—	—	4,035.00
Universal (10)	13 00	—	—	13 00
Yulcan (10) ..	19.75	19.80	19.75	19.80
STEEL COS.				
Ind. Iron (10)	26.00	27 00	26 35	26 75
Tata Steel Ord. (75)	187.00	177.25	173.00	175.75xd
SUGAR COS.				
Belapur (50) ..	315 00	313 00	308.00	313 00
Bijapur (10) ..	26 80	26 80	25 50	25 55
Phaltan (50) ..	182 00	178 50	173 50	175 50
Walchand Ind. (100)	291.25	286.75	286.25	288.00
CEMENT COS.				
Associated Cts (100)	160 50	159.50	156 00	157 75
Dirvijay (100)	151.00	154.00	147.75	147.75
MISCELLANEOUS				
Alcock Ashdown (100)	277.50	272.50	261 25	265.00
Bom. Burmah (125) ..	505.00	510 00	499 00	505.50
Do. (New) (50)	221 25	—	—	181.25xR
Br. B. Petrol (4 sh.) ..	2 20	2 20	2 10	2 16
Br. I. Corpn. (5) ..	4 00	3 92	3 00	3 90
C. P. Rly (100)	56 50	56 50	56 00	56 00
Dhunjibhai Modern(10)	8 04	8 00	7 72	7 84
Indian Copper (5 sh.) ..	4 08	4 04	3 96	4 00
Ind. Inv. Tr. (100) ..	79 50	81 00	79 50	81 00
Kilnets (100) ..	150 00	150 00	149 00	150 00
Polsons (100) ..	167 00	—	—	167 00
Pre. Automobiles (100)	92 00	91 00	80 50	81 00
Premier Cos. (50) ..	233 00	228 00	220 50	225 50
Setadia (20) ..	21 92	21 56	21 00	21 20
G. I. Shipping (10) ..	26 85	26 85	25 80	25 90
Shivrajpur (10) ..	91 00	91 00	88 50	90 50
Tata Chemicals (10) ..	17 80	17 72	17 16	17 52
Tata Locomotive (100)	205 00	194 00	186 50	190 00xd
Tata Oil (25) ..	40 75	40 00	38 50	39 25
W. I. Match (100) ..	190.00	195 00	185.00	187.50

GOVERNMENT SECURITIES	25-9-1958 Rs.	Gross Yield: Better Redemption	Gross Yield: Later Redemption	1-10-1958 Rs.
2½% 1961 ..	97 15	—	3 84	97 15
2½% 1962 ..	99 00	—	3 81	99 00
2½% 1963 ..	98 80	—	3 87	98 80
2½% 1964-65 ..	85 20	—	3 98	85 20
3% 1960-61 ..	96 85	3.16	3 05	99 85
3% 1964 ..	96 75	—	3 58	96 75
3% 1965-66 ..	96 70	3 71	3 50	96 70
3% 1966-68 ..	94 00	3 88	3 71	94 00
3% 1968 Con. Loan ..	89 85	4 06	3 80	89 90
4% 1960-70 ..	74 00	—	4 08*	74 00
2½% 1961 N.P. Bonds.	100 60	3 70	3 94	100 60
2½% 1964 N.P. Loan ..	100 25	—	3 48	100 20
2½% 1965 N.P. Bonds.	100 05	—	3 51	99 90
2½% 1965 ..	99 75	—	3 56	99 70
2½% 1966 ..	99 15	—	3 49	99 15
2½% 1967 N.P. Bonds.	98 85	—	3 63	98 85
2½% 1974 ..	98 50	—	3 59	98 50
2½% 1967 N.P. Bonds	100 35	—	3 70	100 35
4 % 1972 Loan ..	100 80	—	3 94	100 80
2½% 1965 N. P. Bonds	100 00	—	3 49	100 05
2½% 1966 N. P. Bonds	100 25	—	3 72	100 25
4 % 1973 Loan ..	100 30	—	3 98	100 30

BRITISH GOVERNMENT SECURITIES

	Closing quotations 22-9-1958 £			Closing quotations 30-9-1958 £
2½% Brit. Consols ..	51½	—	—	51⅝
3 % Savings Bonds 1965-75 ..	73⅛	—	—	73⅛
3% War Loan 1955-59 ..	90⅛	—	—	90⅛
3½% War Loan ..	88⅛	—	—	88⅛
4% Victory Bonds 1976 ..	94½	—	—	94⅝
4% Funding 1960-90 ..	89	—	—	87½

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

13 OCT 1958 DEPARTMENT

COMMERCE

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

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FUND-BANK MEETINGS

INDIA is fortunate to have had the opportunity of playing host to the Bretton Woods Twins and their child—the International Finance Corporation (I.F.C.)—this week. It is so for two reasons. First, by arranging to have the annual meetings of the International Monetary Fund (I.M.F.), the World Bank and the I.F.C. at New Delhi, it has been possible for India to show the leading financiers, industrialists and the Finance Ministers of the free world its achievements and acquaint them with its problems. Secondly, these meetings must have, we hope, enabled the officials and the Ministers at New Delhi to appreciate the importance of private enterprise to a free society. The large amount of foreign help which this country has received in the last ten or eleven years has come mostly from countries where economic growth has been made possible chiefly through a system of private enterprise. Other underdeveloped countries also have benefited by New Delhi being the venue of these annual conferences. Since New Delhi's atmosphere is that of an underdeveloped country, it has provided a fitting background for a discussion of their problems.

Appropriately enough, India's Prime Minister, Mr. Jawaharlal Nehru, chose the problems of underdeveloped countries as the theme of his address to the joint inaugural session of the aforesaid three international bodies. In an extempore speech, delivered fluently and cogently, Mr. Nehru made out a convincing case for aid to underdeveloped countries by the industrially advanced nations. He argued effectively that the wealthier countries would do well to help the poorer countries not only in their individual interest but for the larger good of humanity as a whole. He maintained that there was a tremendous ferment of change in Asia, that the demands of people in this part of the world for more food, more clothing and better housing were irresistible, and that, unless they were met quickly, there could be no hope of peace. While not minimising the importance of correct economic policies, he advised the 800 distinguished delegates gathered at the air-conditioned massive hall of the *Vigyan Bhuvan* not to overlook the human element. It is gratifying to find that Mr. Nehru's attempt to present the problems of underdeveloped communities against their appropriate background was greatly appreciated by the vast majority of those present at the meeting and the sentiments expressed by him were echoed in the speeches of some of the leading members.

High tributes were paid to India by several prominent delegates. In the case of most of them, their praise for India was something more than the customary courtesy shown by a guest to his host. The most striking of these tributes came from Mr. Eugene R. Black, President of the World Bank. "India," he said, "has become a symbol of mankind's hope in economic development—the hope that the material wealth necessary for human dignity and self-respect can be created without destroying individual freedom which is the foundation of human dignity and self-respect . . . modern India has not felt the urge to narrow nationalism in earning the important place that she holds in our world of today. India is now taking economic development into the centre of her life, with all the radical changes that economic development inevitably entails. No one privileged to play even a small part in India's great adventure today can help but feel that the destiny of humanity in the twentieth century will be profoundly influenced by the extent of India's success in absorbing these changes without sacrificing respect for individual liberty." The first sentence in this quotation is a compliment to India's efforts to raise its living standards, the second is praise for India's political philosophy and foreign policy, and the rest of the quotation, reminds India of its responsibility. Mr. Black's compliments to India are by no means an exaggeration and gain significance in the light of the proclamation of dictatorship in Pakistan just a few hours after his observations. While our leaders have every reason to take pride in their achievements, they must also temper their sense of elation by the thought that heavy responsibilities lie ahead and that India's economic progress would, in fact, have been even sounder and more impressive but for the several mistakes they have made in the past decade.

This year's annual meetings of the I.M.F. and the World Bank will doubtless go down as a prominent landmark in their history and New Delhi will be remembered as much as Bretton Woods. We are not referring here to the excellent arrangements made by the Government of India for the meetings and for the accommodation of the delegates; the *Vigyan Bhuvan* compares quite favourably with similar conference halls in the rest of the world. The meetings are of historical importance, because of the decision taken by the Governors of the Fund and the Bank to raise, for the first time after these institutions came into existence, their resources. The Governors of the Fund have unanimously agreed to the U.S. proposal asking the Executive Directors promptly to consider the question of enlarging the resources of the Fund through increases in quotas of member-countries. A similar resolution pertaining to the World Bank will have been adopted by the time these lines appear in print. The sense of urgency displayed by the Governors is evident from their directive to the Executive Directors to submit their appropriate proposal for action either at a special meeting of the Board of Governors or by vote without a meeting. The choice, it may be noted, has been left to the Executive Directors. The U.S. Secretary of the Treasury, Mr. Robert B. Anderson, actually suggested in his speech that the Executive Boards of both the Fund and the Bank should submit their reports by the end of December 1958.

The resolution is a general directive. It does not contain any details about the extent of increase in the quotas. But there has been considerable discussion on this subject behind the scenes. Both the United Kingdom and Canada have expressed themselves in favour of a 50 per cent. increase. It would appear that the U.S. is not averse to this suggestion, though at one time it was said to have preferred a somewhat smaller percentage. India and France, too, seem to be agreeable to the figure suggested by Britain and Canada, though their respective Governors did not mention any specific figure in their speeches welcoming the proposal. The total resources of the Fund are now equivalent to $9,088 million. Of this, gold, U.S. dollars and Canadian dollars amount to $2,343.6 million (as on 30th April 1958). If allowance is made for the stand-by arrangements, that is, commitments already made by the Fund with some of its member-countries, the uncommitted balance of hard currency resources is only $1,459.3 million. A 50 per cent. increase in the quotas will mean an addition of a little over $4,500 million. But only a part of the contributions will be in gold and dollars, excepting those of the U.S. and Canada, amounting to $1,375 million and $150 million, respectively. In the case of others, usually, 25 per cent. of the additional quota will have to be paid in dollars and gold. For want of sufficient reserves, some members, however, may not be able to do so. Making allowance for this factor, an increase of $2,000 million in the gold and dollar resources of the Fund can be expected. This is a sizable addition and should induce in the member-countries confidence in their future and restrain them from resorting to restrictive trade practices when they run into balance of payments difficulties.

Although the resolution for an increase in the Fund's quotas has been unanimously adopted, a few members have given their consent only with some mental reservation. Belgium, Holland and the Philippines are not enthusiastic about the proposals, because they do not think that there is any need for it. Australia and South Africa appear to hold the view that an increase in the price of gold also should be allowed in addition to the increase in the quotas. The South African representative contended that an increase in the quota without a rise in the price of gold would unduly enhance the powers of the Fund to exercise monetary discipline over member-countries suffering from balance of payments difficulties. Germany, however, seems to hold the opposite view, in that its representative stressed that, encouraged by the increase in the resources at its disposal, the Fund should not be tempted to relax its conditions for giving assistance to member-countries. He further suggested that all members must be directed to pay the gold and dollar part of the quota in full. In contrast to this view, several underdeveloped countries, including India, Pakistan and Brazil, have proposed that the increase in quota should be effected without causing any strain on their foreign exchange reserves. There is much force in their contention. To ask these countries already suffering from insufficient foreign exchange reserves, to supply 25 per cent. of their increased quota in gold and dollars is tantamount to asking them to tighten their belt further.

Another issue pertaining to the quotas of the Fund is the demand for a higher quota for Germany and Japan. These countries were given only provisional quotas and both have a legitimate claim for a larger quota. There are misgivings in certain circles in India that, when the demands of these countries are conceded, India's status in the Fund will be adversely affected and that it might lose its representation on the Executive Board of both the Fund and the Bank. It may be mentioned here that only the first five biggest quota holders have the privilege of being represented on the Executive Board as ex-officio Directors and India is at

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present holding the fifth place. These misgivings may not be unwarranted and, surely, India must be on the alert and watchful. Further, a section of opinion in the West has been advocating a reduction in the size of the Executive Board of the Fund on the ground that it is too unwieldy and is not conducive to taking quick decisions. But, in the present climate of goodwill towards India from the other members of the Executive Board, as also from West Germany, and having regard to India's excellent record of co-operation with, and services in the cause of, all the United Nations' agencies, there is reason to hope that no attempts will be made to dislodge India from its present position. Although anything may happen these days, it is hard to believe that either the U.K. or the U.S. will be interested in pushing India down in order to admit Germany to a higher level. India, however, should handle the issue in a dignified manner; it should wait and see what happens, rather than seek immediate assurances.

While the question of securing an increase in the resources of the Fund is thus a little complicated, that of raising the capital of the Bank is a relatively simple affair. The Canadian proposal that the Bank's capital should be doubled has a large measure of support. Only 20 per cent. of the proposed increase has to be paid by the members and, of that, the share in gold and dollars is only 2 per cent. This means that, in effect, only 2 per cent. has to be paid to begin with, though, in the case of the U.S. and Canada, of course, it will mean paying into the Bank much larger sums. The U.S. has also to carry the additional liability of guaranteeing the loans and bonds issued by the World Bank to augment its lending resources. Even though this is only a contingent liability, there are reasons to doubt whether the U.S. Congress would be willing to sanction simultaneously the additional resources required for the I.M.F., the World Bank and the proposed International Development Association. It is, therefore, not surprising that the U.S. delegation has not come to the New Delhi Conference with a blue-print for the Development Association. Apparently, the U.S. administration is keen on getting the other two proposals through first, leaving the Development Association to be taken up at a later stage. There are also reasons to feel that the European countries have not yet reconciled themselves to this latest move of the U.S., though the Commonwealth, as a whole, has welcomed it. All this will undoubtedly cause considerable disappointment to the underdeveloped countries, because President Eisenhower's statement in August had given rise to high hopes among them. It is, however, to be hoped that the interval for bringing the idea of the Development Association to fruition will not be too long. The underdeveloped countries are now badly in need of economic assistance on the lines of Marshall Aid to Europe and the I.D.A. is the nearest approach to it.

Although the idea of establishing International Development Association has been relegated to the background, the discussions on the annual report of the I.M.F. clearly show a keen awareness among the Western countries of the need for helping underdeveloped areas. There is, however, a fundamental difference in this approach. Pointed attention was drawn to this aspect by Mr. Jean Van Houtte, Governor of the Bank for Belgium, who was the Chairman of the opening session. He said that the tendency of underdeveloped countries of looking exclusively towards officially organised financial assistance was disturbing and that it was time someone emphasised the role of private capital and the importance of encouraging its movement. While conceding that there was still scope for governments and international institutions investing in public utilities, they were, he averred, ill adapted to the needs of diversified industries. He, therefore, urged the underdeveloped countries to create a suitable climate for attracting private capital. "Tax concessions," he remarked, "while they only entail limited sacrifices, can be a powerful incentive to private investment." He was not opposed to planning, but he thought that it could be done without involving an intrusion by the State in all sectors of economic activity. His advice to underdeveloped countries was that they should not minimise the importance of monetary stability for orderly economic development. Such stability was essential both for stimulating domestic savings and attracting foreign private capital.

This point was even more emphatically stated by Mr. Per Jacobsson, Managing Director of the International Monetary Fund. To the underdeveloped countries, the temptation to rely excessively on credit creation for the financing of public and private investment was, he said, great, but experience had shown that this was a risky process. If these countries were to attract private capital from abroad, they should pay attention to their credit-worthiness. Answering, in a few words, the question as to what was meant by credit-worthiness, he said that it was "avoidance of inflation and fair treatment to foreign investments." "These are pregnant words," he went on to add, "for avoidance of inflation means the preservation of a monetary order under which an impetus is given to both exports and internal savings, and this goes a long way towards assuring fair treatment for foreign investors and thus towards attracting foreign capital and techniques on reasonable terms." To those who are inclined to be sceptical of the prospects of getting foreign capital, Mr. Jacobsson's remarks should provide some food for thought. He said: "Were it not for the heavy burden of armaments expenditure in so many countries, more free resources for development would, of course, be available. But even in the troubled world we live in, it seems that more funds are becoming available now that post-war reconstruction is over and so many post-war adjustments have been completed. This applies particularly to Western Europe, which, barring major emergencies, should no longer, on balance, require financial resources from abroad but rather be able to contribute its share to the financing of countries in less developed areas. There have already been interesting examples of such financing and more should be possible in the future."

It is generally agreed that the Fund-Bank annual meetings at New Delhi will help to increase the awareness of the problems and potentialities of underdeveloped countries among the developed countries and that they will provide an impetus to the search for solutions to the complex problems of the economically backward nations. This should not lead one to think that the World Bank and the I.M.F. would relax their conditions for giving loans. Mr. Jacobsson has reiterated the view that the Fund would help only those members who are prepared to adopt corrective measures to restore monetary balance. Quoting M. Clemenceau, he said: "Liberty is the right to discipline oneself in order *not* to be disciplined by others or to be forcefully restrained by the hard facts of life." He hoped that this spirit would permeate the member-countries and that the task of the Fund in ensuring monetary stability would be made easier. Mr. Black, the President of the World Bank, was quite candid on this subject. "I cannot accept," he asserted, "a claim on the limited supply of international development capital which nearly demands relief for a government from the unpleasant and politically unpopular necessity of putting its own financial and economic house in order. I particularly cannot accept such a claim when it is supported only by arguments completely irrelevant to development needs—by appeals to sentiment or by the exploitation of strategic position in the international political line-up. After all, there is little advantage to be gained if money is poured continually and continuously into a purse, if, in that purse, there is a great hole." These remarks are clear enough to dispel the illusion that the World Bank has become, or is likely to become, soft in applying its standards for giving loans to member-countries.

FERTILISERS

BY far the most important feature of the new thinking on the second Plan is the widespread realisation that any neglect of agriculture is fatal to the country's economy. The increase in food production has failed to keep pace with the increase in the country's population. Thus, whereas population has exceeded a total of 392 million and is now running at an annual increased rate of well over 1.4 per cent.—such increase calls for additional production of one million tons of foodgrains each year—food production, far from showing a similar increase, has actually declined. Between 1956-57 and 1957-58, the net production of cereals receded from 50 million tons to 46 million tons. Imports have had to be stepped up from 2.4 million tons in 1956-57 to 3.5 million tons in 1957-58. Although the special arrangements made so far have served to reduce the foreign exchange expenditure which would otherwise be involved in the import of foodgrains, the fact remains that the country with all its agricultural potential has failed to meet the food requirements of its population. In the ultimate analysis, the food problem resolves itself into a question of increasing per-acre yield through irrigation, adoption of superior agricultural practices, and application of manures and fertilisers. In the short run, much progress could be obtained through the use of fertilisers.

The ex-Finance Minister, Mr. C. D. Deshmukh, has expressed the view that a careful analysis of the correlation of yield per acre of cultivated land and the quantity of fertilisers applied to land would show that increased production is above all the function of the quantity of manure or fertilisers. He said: "It follows that our planning was probably more inadequate in this single respect than in any other respect in not having provided for ten more fertiliser factories like Sindri. Had we done so, instead of designing to have a fourth iron and steel plant, I think, we would have been well on the way to the solution of increased agricultural production." It is, however, gratifying to note that Mr. Gulzarilal Nanda, Union Minister for Planning, averred at the recent Parliamentary debate on the Plan, that fertiliser imports and establishment of new fertiliser plants would have first claim on the additional resources available.

Farmers in India are becoming more and more fertiliser-conscious. This ought to be a matter for gratification. However, in view of the inadequacy of fertiliser production, it has not been possible to satisfy the farmer's commendable hunger for fertilisers. The consumption of ammonium sulphate increased from about 675,000 tons in 1956 to 800,000 tons in 1957. The total supply of ammonium sulphate in the central pool in 1957 was about 720,000 tons, of which 345,000 tons had to be imported from abroad. The consumption of superphosphate also increased from 100,000 tons in 1956 to 150,000 tons in 1957. Although India's production of superphosphate increased from 83,000 tons in 1956 to 145,000 tons in 1957, the production of ammonium sulphate declined from 389,000 tons to 381,000 tons. At the recent annual meeting of the Fertiliser Association of India held in New Delhi, the Union Minister for Agriculture, Mr. A. P. Jain, said that India's demand for fertilisers would move up to 2.5 million tons by 1961 and 5.0 million tons by 1966. He stated that we would need by 1966 some 13 plants of the size of the Sindri factory. From Press reports, it would appear that there was some difference of opinion between Mr. Jain and the Union Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, over the question as to whether India would be able to reach the target of production for fertilisers set under the second Plan. Be that as it may, Mr. Jain felt that the establishment of the fertiliser factories which figured in the Planning Commission's list of industries would be delayed. "This is very disconcerting," he said, adding, "we have made the farmer fertiliser-conscious and now we are not able to meet his demand. This produces an adverse effect on the mind of the farmer."

Between fertilisers and foodgrains, the country would certainly be well advised to spend its foreign exchange on the imports of fertilisers, rather than of foodgrains. It has been estimated that every rupee spent on imported nitrogen saves the country some Rs. 1.6 of wheat imports, Rs. 2.9 of rice imports and Rs. 5.7 of cotton imports. However, the important thing to do is to step up the production of fertilisers itself.

If the Government had been more realistic in its attitude towards private enterprise and foreign capital, India would by now have had more fertilisers. Because of its doctrinaire outlook, the Government has prevented the private sector from taking a lead in this field. From this point of view, it is noteworthy that Mr. Shastri announced that, if any of the members of the Fertiliser Association of India or others put forward any specific proposal for the establishment of fertiliser factories, they would have the Government's "full and hearty co-operation." As Mr. D. R. Morarji, Vice-President of the Association, pointed out, it would help the private sector in the matter of inviting collaboration from foreign manufacturers, if the Government indicated the conditions on which such collaboration would be sanctioned and the facilities which might be made available at the sites. In view of the great importance of fertilisers to India's agricultural economy and the long leeway to be made up in order to reach a level of supply which will satisfy the demand for fertilisers, the authorities would be well advised to create all facilities which would encourage the establishment of new fertiliser factories.

SHARE MARKET IN A CHEERFUL MOOD

COTTON EXPORT QUOTA—IMPORT POLICY FOR METALS

THURSDAY, 5 P.M.

THE share market is in a very cheerful mood and values have surged forward on a wide front. The sentiment of operators would appear to have been influenced favourably by hopes of a change in the Government of India's economic and fiscal policies. Whether or not these hopes will prove correct, time alone can reveal. This much, however, can be said. In the light of the deliberations of the international financial agencies' annual meetings at New Delhi and the discussions privately held by the Union Finance Minister with the chiefs of the agencies as well as the Government officials and bankers of other countries, New Delhi may adopt a more helpful attitude towards private enterprise. In this context, the operators have noted the statement of Mr. Robert L. Garner, President of the International Finance Corporation, made at a Press conference yesterday, that there is a reasonable prospect of Indian private enterprise securing from the Corporation investments "running into quite a few million dollars in the not too distant future."

MARKET GOSSIP

The aforesaid factors, together with the continued easy money conditions and the lack of scope for importers to reinvest their sale proceeds in their business on account of continued restrictions on fresh imports, have greatly fanned the bullish fervour in equities. Profit-taking has, of course, been quite heavy at times, but it is being well absorbed by fresh bull support and short-covering. Equity prices might have gone up more markedly but for reduced inflation psychology following the declaration by Mr. Morarji Desai made during the discussions on the I.M.F.'s Annual Report that the Government proposed to exercise the "greatest care" in regard to deficit financing.

In particular, steels and textiles are ruling distinctly firm. The firmness of the former has been aided by rumours of an early announcement of the increase in the retention price of steel, as also by expectations of higher production, as a result of the blowing of the new blast furnaces at both T.I.S.Co. and I.I.S.Co. shortly. Textiles are meeting with professional support induced by the feeling that the authorities would follow a more helpful policy in the light of the advice to be rendered by the newly set up Cotton Textiles Consultative Board.

• • • •

Appropriately enough, a point which was emphasised at the annual session of the international financial agencies was importance of foreign private investment. Referring to this, Mr. Jean Van Houtte, Governor of the Bank for Belgium and Chairman of the opening joint session, made the following interesting observations:

"I believe that the true renaissance of the flow of private capital is dependent on two basic conditions. The first is that the effort of development be made in such a way that private enterprise and initiative is encouraged where appropriate. Planning is doubtless necessary, but it can be done from above without involving an intrusion by the State in all sectors of economic activity. In this connection, I should like to praise India which, while pursuing steadfastly, for ten years and despite extremely complex problems, a broad and varied programme of development, has not lost sight of the need to seek a proper balance between the private and public sectors of the economy. Provided that an adequate field of action is left to it, private investment can and should play an increasingly important part, but it will do so only if no obstacle seems likely to prevent the repatriation of the capital or of the income from it to the country of origin. This is the second basic condition for the resumption and expansion of the international movements of private capital.

"The confidence of foreign investors will depend not only on formal guarantees offered by the borrowing country but also on its ability and willingness to maintain a satisfactory equilibrium in its balance of payments or restore it whenever it is disturbed, so that, in my opinion, there is no more effective method available to a country which wishes to attract foreign private capital than to establish a liberal exchange system based on the firm maintenance of conditions of internal and external monetary stability. Once again, the principles included in the purpose of the charter of the I.M.F. were sound and realistic. It goes without saying that the importance of monetary stability for orderly economic development does not end with the incentive it gives to foreign exporters of private capital. It is also the key to the formation of larger amounts of internal savings."

Clearly, there is no getting away from the fact that, in the ultimate analysis, the maintenance of monetary stability is an important factor in attracting foreign private capital.

• • • •

The first cotton export quota for the new season, which was announced by the Government of India on Tuesday, is more or less in line with trade expectations. Since a number of cotton bodies and trade associations had with one voice urged the Government to release a substantial quantity of cotton for export and because the domestic supply and demand position of cotton also warranted such a step, a liberal quota was more or less taken for granted. Only, the delay in making the announcement had caused considerable anxiety to the trade. The present quota is for 250,000 bales of cotton, comprising 150,000 bales of Bengal *deshi* and 100,000 bales of cotton (other than Bengal deshi) of staple length not above 1".

The quota has been welcomed by the trade, but there is disappointment over the Government's silence on the question of the much-awaited reduction in export duty. It is, however, expected that, in the light of the recommendation of the Cotton Advisory Board and the East India Cotton Association, the Government would persuade itself to abolish the export duty on cotton. The expectation has imparted strength to the futures market and there has been a rise in prices. The Jarilla March contract, which declined yesterday from the opening rate of Rs. 628.50 to Rs. 625, has since advanced the closing rate today being Rs. 632.50.

A reduction or abolition of duty will no doubt make Indian cotton cheaper and more competitive *vis-a-vis* Pakistan cotton. However, Indian short-staples are even now cheaper than Pakistan cotton. The latter is subject to an export duty of Rs. 230 per candy, whereas the duty in India is only Rs. 100 per candy. The duty on *deshi* varieties in both countries is the same, namely, Rs. 100 per candy. Some quarters point out that a reduction in duty would not be of much help in stimulating exports. For, in spite of the recent fall in export prices, foreign demand has not improved to any significant extent. This is due to the uncertainty regarding export duty and to seasonal factors. The prospects for the absorption of the current quota are, therefore, not considered bright at present. Nevertheless, if the duty relief were to materialise and prices fall further as a result of it, foreign demand might revive and the quota would be absorbed in about six months. The critical political situation in Pakistan, it is felt, may lead to better enquiries for Indian cotton.

While there may be difference of opinion as to whether a duty reduction will stimulate foreign demand and thereby enable larger exports, there is no doubt that the prevailing uncertainty is a positive hindrance to export business. As long as the prevailing suspense continues, foreign buyers, who have deferred their purchases ever since the rumour about duty reduction started, will continue to keep off the market. It is, therefore, imperative that New Delhi should make up its mind forthwith and make it known, too, immediately.

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The non-ferrous metals trade is rather disappointed at the interim import policy for the current half-year (October 1958-March 1959) announced by the Central Government on Tuesday last week. For the policy imposes a drastic cut in imports of tin, the quotas to established importers having been reduced from 85 per cent. to 40 per cent., and makes no mention about quotas for lead, zinc and copper, for all of which a quota of 65 per cent. had been fixed in the last quarter. The scheduled industries coming under the Development Wing (Metals) are, however, permitted to apply for licences to import all the four primary non-ferrous metals, namely, copper, lead, zinc and tin, in accordance with the procedure in vogue during the April-September 1958 period.

Immediately after the above policy was announced, the metal market staged an impressive rally in prices, tin advancing by Rs. 3 to Rs. 140 per quarter, zinc by Rs. 2 to Rs. 68.50 per cwt. and lead by Re. 1 to Rs. 69 per cwt. Since then, however, the prices have declined markedly. Not only have the earlier gains been completely erased but the latest available rates are lower than those prevailing before the import policy was announced. Tin is quoted at Rs. 138.50, zinc at Rs. 68 and lead at Rs. 68. The recent fall in prices must be attributed to hopes that the Government may permit the established traders to import copper, lead, and zinc on the same basis as tin, the overall quota being 40 per cent. A section of traders even feels that the quota may be fixed higher at 50 per cent. to be distributed between importers and the State Trading Corporation.

Meanwhile, the overseas non-ferrous metals markets are ruling distinctly bullish. The following table indicates the trend of prices on the London Metal Exchange:

(£ per ton)

	Latest available	*A week ago*
Tin (spot)	738	731
Copper (cash)	219½	213½
Lead (first half October) ...	72½	71½
Zinc (first half October) ...	66½	66½

The notable rise in tin prices is particularly significant. It will be recalled that, only three weeks ago, tin had collapsed from the floor level of £730 to as low as £640, following the withdrawal of support from the market by the Buffer Stock Manager of the International Tin Council. The substantial improvement since noted has been brought about not by any increase in consumer demand but by the reluctance on the part of sellers to part with their holdings on hopes of better prices. The upward trend in copper prices is due to strikes in the Rhodesian and North American copper mines, while that in lead and zinc has been the result of the repercussions of new U.S. import quotas and the uncertainty still surrounding the American policy for these metals.

THE LIGHT THAT FAILED

From Our Own Correspondent

LONDON, *27th September*

AS if to anticipate all the criticisms that would arise over the results of the Montreal Conference, the final *communique* uttered all the excellent propositions which that Conference might have put into effect. But these propositions have remained aspirations only! Of course, good has come, particularly in the gestures of countries such as Great Britain and Canada. There is not to be sterling convertibility yet—no one expected it—but Canadian goods costing dollars will be able to come into the United Kingdom free of quota restrictions. Canada will in exchange not raise tariffs on British goods but she will not restore Imperial preference. Canada is also increasing her contributions to the funds available for Commonwealth development and the United Kingdom has made the more important gesture of permitting money to be borrowed for Commonwealth development at only one quarter of 1 per cent. higher than the rate at which the British Government itself borrows. Unfortunately, the British Chancellor was not able to say that this could mean any increase in the volume of funds made available for investment in the Commonwealth. The average of £200 million a year is not likely to be exceeded. But it is nevertheless valuable to the borrowers that the sum that they can raise in the London market will carry a lower rate of interest. Independent countries can get, under comparable terms, credit through the Export Credits Guarantee Department.

LONDON LETTER

Non-Government bodies in the Colonies can come into the London market and attempt to borrow there and the Commonwealth countries are finally invited to contribute to the Commonwealth Development Finance Company if they have funds to spare. All this amounts to cheaper borrowing for the Commonwealth and a wider availability of London market facilities.

Why then should one be despondent about the results of the Conference? The first reason is that the concessions made by the United Kingdom reflect primarily the real strength of sterling and the confidence that the British Government has that, in a time when British exports are falling, it can afford every financial boost to improve those exports. In other words, there is a real British interest in this sort of liberalisation. But what has been done to expand Commonwealth trade in an expanding world—which the final *communique* says is the central theme of the Montreal discussion? There has been talk of price stabilisation but such schemes too often amount to devices for keeping prices up by keeping the least efficient producers in business. This sort of theorising surely reached its most absurd point when the reaction of the Commonwealth countries to bigger and cheaper exports by the Soviet and China were considered.

The Commonwealth has been bothered by discrimination against its agricultural and mineral exports by countries even such as the United States which pays much lip service to freedom of trade. When it comes to the point, the United States, as in the recent case of lead and zinc, leaps in to protect its high cost primary producers. Of course, the Commonwealth countries are against that, but then their own attitude towards low cost producers is identical. Britain is afraid of cheap goods from India and the possibility of cheap textiles from Africa and the Commonwealth countries are afraid of cheap industrial exports from the United Kingdom or from the U.S.S.R. or China. So the final *communique* is full of statements about being impressed by the problems of Commonwealth countries, by the realisation that it is important to avoid placing obstacles in the way of the export of manufactured goods from the less developed countries in the Commonwealth, and by the hope that countries outside the Commonwealth would accept the objectives of the Commonwealth. But what does all this come to in terms of allowing the low cost producers to supply the goods they are best equipped to provide to the Commonwealth as a whole? One cannot avoid the impression that the admirable objectives have been swamped in a sea of words and the Commonwealth will go on after this Conference much as before, possibly borrowing a little more and a little cheaper.—*All Rights Reserved.*

SHARE MARKET BULLISH

SHARP RECOVERY IN PRICES

(From Our Own Correspondents)

BOMBAY, 9th October

AFTER an early setback which was quite marked, in continuation of the previous week's downward trend, the share market staged an impressive rally from Monday this week. There was fresh buying induced by the low prices which prevailed last week and short-covering by those who had sold earlier hastened the recovery. As a result, most counters scored gains over the week which were appreciable in selected counters like Tata Steels, National Rayons, Tata Locomotives, etc.

The market's sentiment seemed to have changed again favourably following encouraging reports from New Delhi about the brighter prospects of India getting more foreign aid. In the first instance, there was the Austrian Finance Minister's offer to provide India specific credits for short-term periods of three to five years and in exceptional cases for periods up to ten years. Secondly, West Germany and India reached a three-point accord on the former's assistance to India, under which the repayment of loans taken earlier and which were due to be repaid between now and 31st March 1959 would be postponed, West Germany would give India $11.4 million by way of aid at the beginning of 1962 and credits amounting to $28.6 million would be extended at the commencement of 1964. Thirdly, the I.F.C. President stated at a Press conference that there was a reasonable prospect of Indian private enterprise securing a multi-million dollar aid from the I.F.C. in the not too distant future. The Japanese Finance Minister also said in Calcutta on his way to New Delhi that his country would give India a further $10 million credit to maintain its balance of payments and currency reserve. Hopes of a reasonable increase in retention prices of steel and prospects of sizable increase in T.I.S.Co's production as a result of the coming into operation of a new blast furnace also aided sentiment. Textile shares too followed the upward trend, but the gains over the week were only small.

In the steel section, Tata Ordinaries declined early in the week from Rs. 175.75 to Rs. 170.50, but this loss was more than made good from Monday this week onwards. Today, they closed at a high of Rs. 178 which represented a gain of Rs. 2.25 over the week. The new shares rose by Re. 1.75 over the week to Rs. 173. Indian Irons came up to Rs. 27.05 from last Saturday's low of Rs. 25.75 and closed at Rs. 26.95, as against the previous week's close of Rs. 26.75.

In the textile group, Bombay Dyeings dropped from Rs. 58.90 to Rs. 57.50 before rallying to Rs. 59.50 at the close today. Centurys drifted from Rs. 444.50 to Rs. 435, but improved to close at Rs. 446. The Company has received the consent of the Central Government for the issue of 125,000 preference shares of Rs. 100 each at par. The shares will be offered for subscription at par and will carry a cumulative preferential dividend at the rate of 6 per cent. (free of income-tax). The shares will be redeemed at par at the end of 15 years after the date of allotment. It is understood that the whole issue is being underwritten by a prominent bank. Kohinoors finished with a gain of Re. 1.50 at Rs. 272.50 after touching a low of Rs. 264. Central Indias showed no notable change over the week at Rs. 91, while Finlays were unchanged at Rs. 283. Gokaks suffered a loss of Rs. 3 at Rs. 144.50. Indu Ordinaries were done at Rs. 9.32, as against Rs. 9.36 a week ago. Indore Malwas recorded a rise of Rs. 2.50 to Rs. 106, while Khataus showed no change at Rs. 177.50 and Models lost Rs. 2.50 to Rs. 172.50. Morarjee Mills were lower by a rupee at Rs. 244. New Greats picked up Rs. 5 to Rs. 220. Shree Niwas Cottons were steady at Rs. 149. Simplex drifted from Rs. 179 to Rs. 176 before advancing to Rs. 180.

Among sugar shares, Belapurs suffered a setback from Rs. 313 to Rs. 305, but staged a good recovery in consonance with the general trend to Rs. 312. Bhopal Sugars rose by Re. 1.45 to Rs. 27, Changdeo Sugars by 50 nP to Rs. 32.75 and Phaltans by Rs. 3 to Rs. 178.50. Walchandnagars were done 75 nP higher at Rs. 288.75. Maharashtra Sugars shot up by Rs. 13 to Rs. 180, while New Swadeshis changed hands Rs. 9 lower at Rs. 250 and Ravalgaons Re. 1.50 down at Rs. 137.50. In the cement group, Associated Cements moved between Rs. 158.75 and Rs. 156.25, before closing at Rs. 158.25. Their new shares gained Re. 1.75 to Rs. 153. Digvijays lost Re. 1.75 to Rs. 146 and Orissa Cements 4 nP to Rs. 12.64.

In the engineering and mining group, Alcocks did not show any change over the week at Rs. 265. After a sharp dip from Rs. 190 to Rs. 182.50, Tata Locomotives advanced briskly to Rs. 198 before closing at Rs. 196.25. Premier Constructions gained strength from Rs. 225.50 to Rs. 228.75, while Larsen and Toubros showed no change at Rs. 15.76. Mahindras were done 12 nP lower at Rs. 16.60 and Texmacos 16 nP down at Rs. 22.60. Shivrajpurs were featureless at Rs. 90, while Indian Coppers were a fraction better at Rs. 4.08.

Shipping shares were steady, with a rise in values over the week. Scindias suffered a mild setback early in the week from Rs. 21.20 to Rs. 20.76, but gained ground to close at Rs. 21.88. Great Easterns staged a marked improvement from Rs. 25.90 to Rs. 27.10 and their new shares put on 84 nP to Rs. 19.32. Bharat Lines, were, however, lower by 28 nP at Rs. 13.16. Automobile shares were featureless. Premier Automobiles were higher by 50 nP at Rs. 90.50, while Hindustan Motors showed no change at Rs. 7.84.

In the miscellaneous group, Bombay Burmahs (old) slipped down from Rs. 505.50 to Rs. 485, but the loss was not made good in the subsequent recovery and the shares finished at Rs. 499. The new shares suffered a loss of Rs. 8.25 at Rs. 173. National Rayons closed at Rs. 246 with a gain of Rs. 7 over the week, the lowest level touched being Rs. 234.75. Gwalior Rayons were featureless at Rs. 14.76. Tata Chemicals were quiet at Rs. 17.04, while Tata Oils rose by a fraction to Rs. 40. Hindustan Levers were done at Rs. 24.12, while Wimcos recorded a gain of Rs. 2.50 to Rs. 190.

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Calcutta Stock Exchange

CALCUTTA, 8th October

There was intermittent profit-taking on the Calcutta Stock Exchange during the week under review, and closing quotations were lower on balance. This was mainly a balancing of ups and downs, as a result of which the technical position was all the healthier. It was noted that the Prime Minister's call for help to the underdeveloped countries was cheerfully received by the delegates to the meetings of the I.M.F., the World Bank and the International Finance Corporation. Also enthusiastically noted was the likelihood of acceptance of the U.S. proposal to increase the resources of the Fund. It was, therefore, thought that India would be able to attract further capital from abroad, both public and private, and this factor added to the prevailing sober optimism. Following the announcement of the proposed issue of bonus shares by capitalising the share premium reserve in the proportion of one for five, which was in accordance with market anticipations and which the market had already discounted, Indian Irons were subjected to heavy selling for most part of the week under review. Other sections were also affected, and the lack of enthusiasm for tea shares clearly indicated that market circles had not yet shed the disappointment created by recent changes to the excise and export duties, wrongly called as relief to common teas. On the other hand, jutes were able to command fair attention, as, following the imposition of heavy margin deposits in futures, prices of jute goods improved, and more business with foreign countries took place.

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Madras Stock Exchange

MADRAS, 7th October

The steady conditions noted on the Madras Stock Exchange last week proved short-lived. During the week under review, the market ruled easy. Business put through was rather restricted, with prices moving generally downward. Tea shares were depressed. It was reported that the plantation workers in Kerala, who are members of the unions affiliated to the A.I.T.U.C., had decided to strike with effect from 13th inst., to press their demands. There were also reports of inter-union fights in a few estates. These reports, together with the feeling that the latest relief in excise and export duty on tea was too negligible to boost both internal and external offtake, especially of common teas, let loose selling which brought down values. Coffee shares lacked support, thanks to uncertain export outlook. Rubber shares, however, attracted good attention of operators on rumours of an upward revision in the controlled price of rubber from Rs. 155.75 to Rs. 170 per 100 lbs. Textiles were subjected to selling owing to continued heavy accumulations of yarn and cloth stocks with mills. Bank, sugar and miscellaneous industrials lacked support in the absence of any encouraging developments.

Tea shares, as already stated, came in for selling and suffered losses. Nonsuch Teas dropped 30 nP to Rs. 26.60. Haileyburias receded by 25 nP to Rs. 16.25. Alageswars retreated by 20 nP to Rs. 2.65. Periakaramalais fell by a like amount to Rs. 3.80. Blue Mountains and Kalasas shed 10 nP each to Rs. 3.60 and Rs. 3.60, respectively.

Among coffee shares, Consolidated Coffees were marked down by Re. 1.15 to Rs. 27.50. Coffee Lands dropped a rupee to Rs. 33.50. Kumergodes were quoted 23 nP lower at Rs. 7.12. Sheveroys lost 8 nP to Rs. 2.10.

In the rubber group, Thamarapallys firmed up by a rupee to Rs. 26.50. Travancore Rubbers and Nenmenys advanced by 40 nP each to Rs. 16.80 and Rs. 14.40, respectively. Peninsulars improved by 30 nP to Rs. 18.80. Mercaras were better by 11 nP at Rs. 8.56. Tropicals gathered 12 nP to Rs. 20.62 and Teekoys 10 nP to Rs. 7.20. Velimalais put on 5 nP to Rs. 6.30.

The textile section ruled distinctly easy. Coimbatore Pioneers climbed down by Rs. 4 to Rs. 250. Coimbatore Cottons declined by Rs. 3 to Rs. 154. Buckinghams shed a rupee to Rs. 179. Maduras eased by 75 nP to Rs. 31.50, Krishna Rajendras by 50 nP to Rs. 67.50, Cambodias by 30 nP to Rs. 9.10 and Travancore Rayons by 29 nP to Rs. 14.56. Rajapalayams were neglected at Rs. 129, reflecting disappointment of operators over the cut in dividend to 8 per cent. for the year ended 31st March 1958, as against 12 per cent. for the previous year.

Among miscellaneous industrials Textools receded by a rupee to Rs. 201. Rallis and Aluminium Industries decreased by 50 nP each to Rs. 36.50 and Rs. 17.95 respectively. India Cements lost 25 nP to Rs. 30.25, Dalmia Cements 10 nP to Rs. 9.80 and Orissa Cements 5 nP to Rs. 12.75. General Papers, on the other hand, picked up 75 nP to Rs. 12.25 on support by some parties.

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COMPANY LAW ADVISORY COMMITTEES

The Government of India has constituted an informal Technical Advisory Committee and an informal Research Programme Committee to advise the Department of Company Law Administration, Ministry of Commerce and Industry, on legal and accounting matters and research in company accounts and statistics. The first Committee will help the Department in a consultative and advisory capacity on all major issues of policy in regard to legal and accountancy matters arising out of the administration of the Companies Act, 1956. The Committee consists of legal and accountancy experts and persons with experience of industry and commerce. The members have been selected in their personal capacity and not as representatives of any organisation. It is presided over by Mr. D. L. Mazumdar, Secretary, Department of Company Law Administration, Ministry of Commerce and Industry (Chairman), and consists of Messrs. N. R. Mody, G. Basu, S. P. Chopra (Chartered Accountants), G. P. Kapadia, President, Indian Merchants' Chamber, Bombay, J. D. K. Brown of Messrs. Jardine Henderson, J. M. Lall of Imperial Chemical Industries and C. C. Shah, Solicitor, Bombay. The Committee will work on the lines of the Consultative and Technical Advisory Committees associated with the Insurance and Companies Department of the Board of Trade in the United Kingdom.

Since its inception three years ago, the Department of Company Law Administration has been aware of the important role assigned to it in the purposive regulation of the organised private sector in conformity with the accepted social and economic policy of the country. It was necessary that the new department should be properly organised and adequately manned to be able to discharge its new responsibilities satisfactorily. In addition to the purely routine policing functions that the Registrars of Joint Stock Companies under the State Governments had performed so far. This task is nearly over and the informal Technical Advisory Committee has now been set up to be associated with the Department to help it in tackling the difficult technical questions.

The informal Research Programme Committee will suggest suitable research at studies to be undertaken by the Company Law Department, the scope of such studies and the methods and techniques of analysis. It will generally assist the Department in making the best use of the data available from company records. The Chairman of the Committee is Mr. D. L. Mazumdar. The other members are Messrs. S. P. Chopra, S. N. Desai, C. C. Chokshi and R. C. Cooper (Chartered Accountants). In addition, there will be official members also.

NEWS IN BRIEF

THE Government of Bihar has decided to open an employment exchange in the coalfield area of Jharia.

The Government of India has decided to decontrol lead pipes for purposes of exports. The lead alloy will be licensed freely for export.

The export of dust teas are now allowed to all destinations under licences without being required to be covered by export quota rights if applications for such licences are received in the Tea Board's Office in Calcutta or Cochin, as the case may be, before 31st March 1959. The licences will remain valid upto 31st May 1959.

The earnings of Indian railways during the first five months (April-August) of the current financial year aggregated Rs. 156.27 crores, as against Rs. 152 crores in the corresponding period last year. Of this amount, coachings accounted for Rs. 60.10 crores, goods traffic for Rs. 93.44 crores and other traffic for Rs. 2.73 crores.

The latest sale of the U.S. farm surplus commodities to India valued at $238 million, has provided the U.S. Government Export-Import Bank with nearly $60 million in rupees available for lending to private Indian firms. In addition, the Bank has at its disposal the rupee equivalent of $14.2 million as a result of a previous similar sale.

The Government of India has set up a Road and Inland Water Transport Advisory Committee with a view to ensuring planned development and to securing the maximum co-ordination among the various modes of transport. The functions of the Committee will be to examine problems relating to road transport and inland water transport and to make recommendations to the Transport Development Council for final decisions.

Information centres for disseminating facts relating to the second Five-year Plan will be set up shortly in seven residential universities, namely, Annamalai, Jaipur, Lucknow, Patna, Roorkee, Vishva Bharati and M.S. University, Baroda. The expenditure involved in maintaining the centres will be shared equally by the Government of India and the universities concerned. The Government's share to be given as grant is estimated at Rs. 1,400 per centre.

The Andhra Pradesh Government has advised the municipalities in the State and the city municipalities in Telengana not to receive any monetary benefit from the Community Development funds. Class 1 *panchayats* in Andhra and town municipalities in Telengana, however, are eligible for assistance from the Community Development Programme, monetary or otherwise, for the various schemes relating to agriculture, animal husbandry, co-operation, minor irrigation, social welfare, people's organisation and sanitation.

Hyderabad will soon have a pharmaceutical plant. This will be set up by the Government of India with the assistance of the U.S.S.R. A team of experts from the U.S.S.R. visited Hyderabad last week in order to work out the details in this regard. The plant is one of a series of five pharmaceutical projects—antibiotics, synthetic drugs, phytochemical, surgical instruments and glandular projects—proposed to be established in the country at a total cost of Rs. 30 crores with the assistance of the U.S.S.R.

Studies regarding the location, size and relative costs of the proposed aluminium plant in India to be set up by Birla in collaboration with Kaisers of the U.S. have already been made. This was revealed by Mr. Edgar F. Kaiser, President, Kaiser Industries Corporation of the U.S., at a Press conference held in the offices of Messrs. Mahindra and Mahindra, Bombay, on Friday last week. Kaiser's participation in the proposed plant is expected to be 25 per cent. in the form of equity capital.

The Committee of the Federation of Indian Chambers of Commerce and Industry has constituted a high-powered committee to study the difficulties faced by the different industries in importing capital equipment as a result of the scarcity of foreign exchange. The Committee will also consider the manner in which the foreign exchange and rupee finance for industries can be adequately met. The Committee consists of Messrs. B. P. Singh Roy, Madan Mohan Ruia, Shri Ram, Tulsidas Kilachand, Shanti Prasad Jain, Naval H. Tata and C. H. Bhabha.

The Government of India has constituted a committee (Chairman: Raja Surendra Singh, Adviser to the Union Ministry of Food and Agriculture) to examine the question of increasing food production in the "inaccessible areas" of the country and making these areas self-sufficient in the next two years. The areas include the Chini and Punge areas of Himachal Pradesh, the Kulu Valley of the Punjab, the hilly districts of U.P., the Ratnagiri district of Bombay, the hilly areas of Assam, and the territories of Tripura and N.E.F.A.

Amendments to the Industrial Disputes Act and legislation to regulate the working conditions of motor transport workers are among the subjects to be discussed by the Standing Labour Committee at its next session to be held at Bombay on the 28th and 29th inst. The Committee will also consider the question of superannuation age for industrial workers. Apart from reviewing the evaluation and implementation of labour enactments, awards and agreements, the Committee will consider a proposal that a study of major strikes be undertaken by observers from the point of view of the code of discipline. The other items to be discussed relate to the scheme of workers' participation in management and the working of the Employees' State Insurance.

The requirements of washed coals for the three new steel plants in the public sector and the expanded steel plants in the private sector are estimated at about 9 million tons. The washery at Kargali, set up by the National Coal Development Corporation, will supply 1.1 million tons to Rourkela and 500,000 tons to Bhilai. Two washeries owned by Tatas, one at Bokaro and the other at Jamadoba, would, after certain improvements, supply 1.5 million tons of washed coals. The washery at Lodna, which supplies the Indian Iron and Steel Works, has an output of 220,000 tons. With the establishment of the washery at Kargali and the improvements to the Tata washeries, capacity has to be set up only for the balance of about 5.5 million tons. A washery is included in the contract for the steel plant at Durgapur to wash Jharia coals to meet their requirements of that plant. The balance—about 4.8 million tons—is proposed to be met from three washeries to be put up, one in Dugda, another in Bhojudih and the third in Patherdih. The washery in Dugda will supply washed Jharia coals to Bhilai and Rourkela, the one in Bhojudih to the Tata Iron and Steel Works, and the Patherdih washery to the Indian Iron and Steel Works.

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From Abroad

The British Overseas Airways Corporation inaugurated the first transatlantic service by pure-jet airliner on the 4th inst.

With effect from the 1st inst., Canada has decided to import tin only from those countries which are members of the International Tin Agreement.

A six-man mission representing the Japanese Chamber of Commerce and Industry is now on a business tour of South America examining the possibilities of extending Japan's technical co-operation programme there.

The downward trend in the U.K. industrial production continues unabated. Industrial production in the month of August was the lowest for the two years. On a seasonally adjusted basis, the index in August is provisionally estimated at 133/134 (1948=100), as compared with 138 in August 1957 and 135 in each of the three preceding months.

The Governments of the Malayan Federation and Singapore have imposed a curb on the unrestricted import of cotton textiles from China in order to protect the young Malayan weaving industry from dumping and unfair competition. Individual licences are now required to be applied before ordering Chinese textiles irrespective of the country from which they are bought.

The Italian General Confederation has accepted the British views on the need for majority voting and strong institutions for the Free Trade Area. The decision is contrary to the views held by the Italian Government. The Federation's present decision is the result of a series of industrial discussions held between its representatives and those of the Federation of British Industries.

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PERSONAL

MR. M. C. Chagla, Ambassador-designate of India to the U.S., has been concurrently appointed Ambassador of India to Mexico.

Mr. Ronald Coleman has been appointed a Director of Imperial Chemical Industries (India) Private Ltd. Mr. Coleman joined the I.C.I. in 1934. During the last five years, he was the Regional Manager at Calcutta and later at Madras.

Mr. Murdo MacIver, Vice-President and Financial Co-ordinator, Caltex, and Mr. Albert E. Ernest, Vice-President, Special Assignments, arrived in New Delhi on the 3rd inst., to attend the annual meetings of the I.M.F. and the World Bank.

Col. B. H. Zaidi, Vice-Chancellor of the Aligarh Muslim University, and Mr. G. Parameswaran Pillai, Chairman of the Travancore Bank, have been nominated by the Government of India as members of the Central Board of Directors of the Reserve Bank of India.

Mr. F. E. H. Goddard has taken over charge as Manager of the Chartered Bank, Bombay, *vice* Mr. G. Dodds, who retired after 33 years of service in India, Malaya and the Far East. Mr. Goddard will also be the Chairman of the Bombay Exchange Banks' Association and the Foreign Exchange Dealers' Association of India, Director, Refinance Corporation for Industry (Private) Ltd., and Member, Council of the Institute of Bankers and the Committee of the Bombay Chamber of Commerce and Industry.

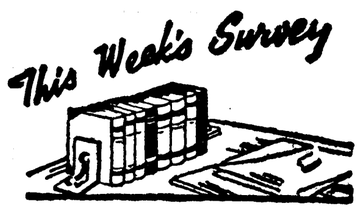
Emeritus Professor J. H. Richardson, who formerly held the Montague Burton Chair of Industrial Relations at Leeds University, is shortly arriving from Britain in India on a technical assistance mission at the request of the International Labour Organisation and the Government of India. He is to tour the main industrial centres, including Bombay, Calcutta and Madras, studying industrial relations problems and wages policy connected with the second Five-year Plan. Prof. Richardson will have his headquarters in the Union Labour Ministry at New Delhi and will stay in India for six to eight months.

World agricultural production declined slightly in 1957-58, the first check to expansion in the last 13 years. The check was felt in the output of world forests and fisheries also. The volume of international trade in agricultural products rose in 1957-58 by 3 per cent., as against the average increase of 8 per cent. in the two preceding years. Aggregate stocks at mid-1958 remained more or less the same as in the previous year, despite measures to restrain production and dispose of surpluses in some countries.

The U.S. and Ghana have recently signed an investment guarantee agreement designed to encourage private American investment in this African nation. Under the agreement, potential American investors who first obtain approval of the Ghana Government may apply for a U.S. Government guarantee of their investment against possible losses from inability to convert local currency earnings to dollars and against expropriation of their assets in Ghana. The U.S. investment guarantee programme has been in operation for ten years. At present, the U.S. has investment guarantee agreements with some 30 countries in all areas of the world.

The U.S. Federal Maritime Board has sponsored a research project to develop a cargo submarine capable of sub-polar transit. A contract has been awarded by the Board to Electric Boat Division, General Dynamics Corporation, to prepare studies as to the optimum sizes and speeds for submarine tankers ranging in size from 20,000 to 40,000 tons dead-weight carrying capacity and of 20 knots and above. The Maritime Administration is presently interested in slower speed submarine tankers, which, though not economically superior to surface ships, can be constructed for much less than faster vessels and should demonstrate the advantages and point to the solution of the actual problem of submarine construction and commercial operation.

The Japanese Cabinet has submitted to Parliament a new Bill which seeks to ease the existing Anti-Trust and Fair Trade Law. The proposed revisions of existing laws include (1) easing of provisions concerning cartels to fight a recession particularly those concerning restriction of production sales and equipment; (2) relaxation of the provisions concerning cartels to promote rationalisation by specifying new terms for cartels for market sharing disposal of redundant equipment joint "freezing" of surplus stocks, and provision of investment to expand facilities; (3) introduction of new provision to eliminate excessive competition and establish fair trade practices; and (4) easing of restrictions on the amalgamations of enterprises in cases where they are believed to contribute to rationalisation and of the restrictions on stock-holding and interlocking directorship.



TEXTILES CONSULTATIVE BOARD

THE move of the Central Government to set up a cotton textiles consultative board, though belated, will be widely welcomed. The terms of reference of the Board are quite broadbased, in that they cover all the important matters concerning the textile industry. The advice of the Board, says the official Press note, will be particulary sought in regard to production, distribution and exports of cotton textiles, as well as imports and exports of cotton. Advice will also be sought in matters relating to the procurement of raw materials, machinery and accessories required for the industry.

Since the scope of the Board's functions is very comprehensive, the Government has done well to appoint as members of the Board persons who have intimate knowledge of the problems of the cotton textile industry. Thus, the Board is presided over by Mr. Nityanand Kanungo, Union Minister for Commerce, and consists of Messrs. Manubhai Shah, Minister for Industry (Vice-Chairman), Kasturbhai Lalbhai, Krishnaraj M. D. Thackersey, Madanmohan R. Ruia, Neville N. Wadia, Piarelal Seksaria, J. K. Srivastava, R. Venkataswami Naidu, C. S. Ramachandran (Joint Secretary, Ministry of Commerce and Industry), and D. S. Joshi (Textile Commissioner). The non-official members have been nominated for a period of two years. One, however, fails to understand as to why the Government has not included any person or persons representing labour. After all, it must be remembered that a high-powered body like the one now constituted should, if it is to function effectively, consist of the workers' spokesmen as well.

The appointment of the Cotton Textiles Consultative Board has come not a day too soon. For quite a long time now, textile interests had been urging the Government to set up a board which could be consulted before any decisions bearing on the industry were taken. This suggestion was forcefully put forward by the Textile Enquiry Committee (Chairman: Mr. D. S. Joshi) in its report submitted in July last. The Committee pointed out that an advisory committee consisting of *all* interests and Government representatives from all important centres should be set up. The Board now formed is presumably a sequel to this recommendation. There are, of course, two significant departures. First, the Government has not, contrary to the view of the Joshi Committee, given representation to labour interests. Secondly, the terms of reference of the Board differ from those envisaged by the Committee. Thus, the Committee wanted the advisory body to advise the Textile Commissioner on all important matters affecting the working of the units of the textile industry, to assist him in examining cases of marginal and sub-marginal mills, and to suggest ways in which suitable remedial measures may be taken.

SMALL BUSINESS MEN: THEIR PROBLEMS

The position of the small business man in the present economic set-up of the country is by no means an enviable one. Many and varied are the difficulties from which he suffers. Grouped in the general category of business men, which includes also big business, his case often goes by default and want of proper representation. The position is rendered worse by the popular misunderstanding among the public that the average middle class business man is in a far better state than other middle class people, while in actual fact, many of such business men are in a much worse condition than many of their brethren in the professions and salaried posts. The truth about their actual problems and sufferings was ably brought out by Mr. K. L. Dhandhania, President of the Bharat Chamber of Commerce, in his illuminating address at the half-yearly general meeting of the Chamber held recently at Calcutta.

Explaining the paradox of the plethora of bank money and scarcity of finance from which the common business men suffer, Mr. Dhandhania stated that the middle class and small business men had to pay as high a rate of interest as 8 to 15 per cent. He stressed the importance of better integration of the system of bank credit and the financial requirements of the overwhelming majority of business men. In this connection, he deplored that the bill market scheme was still not available to the smaller business men and to traders in general. A situation of easy money had developed in Britain also but some of the banks there had gone even to the length of extending loans and advances on mere personal credit. Again, in the field of hire-purchase finance, banks in the U.K. had liberalised their investment policy. Banks in India could help business men to develop hire-purchase business in the country; such assistance would also benefit middle class consumers at large. Mr. Dhandhania rightly averred that it was wrong to relate high prices to high profits for business men. Middle class business men were as much affected by the rise in the cost of living as other classes in the society. He maintained that, more often than not, higher prices resulted in lower profit for business men because of the lower turnover which must result from high prices.

RELIEF TO COMMON TEAS

At long last, the Government of India has announced the grant of tax relief to common teas. The relief, which came into effect immediately after the notifications were issued simultaneously with the introduction of a Bill in the Lok Sabha on 27th September, takes the form of the reduction in the maximum rate of export duty from 75 nP per lb. to 30 nP, the *maximum* rate of excise duty being 19 nP for loose tea and 21 nP *plus* the duty leviable on loose tea for package tea. The tea-growing areas have been divided into three zones depending upon the weighted average price of all teas in a particular zone sold in the internal and export auctions in India. The excise duty on all teas is fixed up 2 nP in the first zone, 4 nP in the second and 10 nP in the third. In respect of package tea, the duty will be 21 nP over and above the duty on loose tea cleared from the tea gardens. The average rate of export duty is put at 26 nP per lb. for the present. The refund of excise duty paid on tea exported has been withdrawn, except for package tea which is entitled to a refund of 21 nP per lb. The effect of these charges on teas exported is indicated below:

Zone	Total incidence at present	Relief granted as compared with the export duty hitherto applicable
	nP.	nP.
I	28	10
II	30	8
III	36	2

It will be recalled that, on 1st June last, the Government of India reduced the cess on export of tea from Rs. 4 per 100 lbs. to Rs. 2 and cut the excise duty on tea not used in the manufacture of packaged tea from 6 nP to 3 nP per lb. As a result of these changes, the revenue yield from tea was expected to be down by Rs. 1.2 crore per annum. The cut in export cess, it was stated, was only a temporary relief, effective till the Government was able to formulate a scheme of giving relief to the tea export trade on a permanent basis. The anticipated loss in revenue as a result of the latest changes is estimated at Rs. 1.5 crore in a full year.

A welcome feature of the aforesaid changes in the levy of export and excise duties on teas is that teas of different grades, whether exported or consumed internally, now bear taxes on a graduated scale more in accordance with their prices. But the quantum of relief accorded to common teas is very small and will not help the industry much in improving its competitive position in foreign markets. For the common teas exported from India are meeting severe competition with teas from East Africa and other producing countries, most of which do not levy any duties. Also, the cost of production in these countries is much lower than in India. There is certainly no exaggeration whatever in the following remarks of Mr. B. C. Ghosh, Member, Tea Board:

"..the proposal to reduce the present tea export and excise duties of Rs. 22 crores by Rs. 1½ crore would neither boost exports nor give relief to the producers of common teas. The total relief proposed for common tea zones even falls short of the Plantation Inquiry Commission's recommendations. On the other hand, the higher rate of excise duty of India's total export income of Rs. 25 crores, tea on a non-refundable basis would add to the hardships and production costs of tea producers. Out alone used to pay Rs. 18 crores. Though 60 per cent. of India's tea is of common variety, it used to pay nearly Rs. 11 crores. I fail to understand why Indian common teas should be priced out of export markets by this higher rate of non-refundable excise duty. The proposed concession is no relief."

While the variable effect of the latest decision of the Government may benefit teas from low areas, its benefit is negligible in so far as the South Indian plantations are concerned, inasmuch as only 5 per cent. of the total output of these plantations, we are told, attract the maximum cut of 10 nP per lb. The relief obtained is just 2 nP per lb. on 30 per cent. output and 8 nP on 65 per cent. output. Taking the whole of South India, the aggregate relief granted is assessed at no more than Rs. 31 lakhs annually. The quantum of relief is, therefore, considered in planting circles at Coonoor to be inadequate to make much difference in the competitive capacity of Indian teas. It is to be hoped that all these factors will be taken note of by Parliament when it takes up the Bill for consideration at its next session.

HOUSING PROBLEMS

It now appears almost certain that the overall provision of Rs. 120 crores for housing made in the second Plan will be reduced to Rs. 84 crores. Indicating this, Mr. K. C. Reddi, Union Minister for Works, Housing and Supply, told the third conference of Housing Ministers held in Darjeeling from the 1st to the 4th inst., that the question now was how best to utilise even this amount. Assuming that all the States would be able to spend the amount budgeted for the current financial year, the total expenditure on all the housing and slum clearance schemes in the first three years of the Plan would aggregate Rs. 36 crores only, that is, an average annual expenditure of Rs. 12 crores. All the States put together would therefore have to spend at the rate of Rs. 24 crores per year for the next two years of the Plan in order to utilise even the reduced provision of Rs. 84 crores. This means that the current rate of spending will have to be doubled in the next two years. The Minister emphasised that there was therefore immediate necessity for giving a high priority to housing in the annual State plans.

This priority, it should be underlined, must be real. It should not only ensure that housing gets its due *pro rata* share of finance but also its corresponding share of building materials like steel. It will not be much use getting an assurance that the requisite money will be found for housing from the State allocation unless the Government can also release from its quota of building materials the quantities that are required to implement the housing and slum clearance project.

An important aspect of housing is the one which relates to costs. The first and obvious implication of this question, as the Minister himself pointed out, is that the architects, engineers, town-planners, and civil servants in charge of the housing schemes must realise that "what is required is not housing of any sort or housing in the abstract but housing that the great masses of the people can afford." The emphasis must, therefore, continue to be on low-cost housing. It is for this reason that the setting up of regular housing departments, which could devote their entire attention to building costs, is important.

Whether it is a housing department, a housing corporation or a housing board, the powers given to it must be real and complete. Also, it is not just enough to tell the engineers and architects to draw up a project and commence work. If this is done the chances are that they will plan and build according to the orthodox standards. What is required is the closest scrutiny of their plans before the projects are sanctioned. Mr. Reddi suggested that if a small cell of engineering and architectural talent is set up in every State Housing Department, expressly charged with the responsibility of cutting down costs, consistent with quality of work, then those very engineers and architects who were today prone to think little of cost would become cost-minded and produce what is required of them.

Now that the States have the powers to sanction projects themselves, without coming up to the Centre, it is essential that each State Housing Department should at least have a technical officer of sufficient seniority to scrutinise all projects received from the districts, municipalities, corporations, etc., with a view to effecting all economies wherever possible. For example, in drawing up the estimates for

housing for industrial workers, regard should be paid to the fact that there is an amount of rent more than which the worker cannot pay. If the capital cost can be kept down, the resulting subsidised rent will also work out to a reasonable figure and the tenements built for them will, in fact, be occupied by them. The same considerations should apply to the slum clearance schemes as well. The capital cost of clearance should bear some relation to the rentals that the slum dwellers are expected to pay. The need is to think more in terms of open developed plots for this population and even for the industrial workers, and it is the consideration of the low rent-paying capacity of these persons that has prompted the Ministry of Works, Housing and Supply to suggest something which, while not being just simply an open developed plot, is not, at the same time, a *pucca* tenement whose rent is beyond the paying capacity of those who have to live in it. The subsidised rent of a *pucca* tenement is normally about Rs. 12.5 while that of an open developed plot is between two and three rupees. It is not beyond the capacity of Indian engineers to put up something—a skeletal house as it has been called—whose rental is somewhere in between the two figures and which can be paid by the slum dweller or the industrial worker, as the case may be.

If bringing down cost is important, more so is the need to ensure that whatever money is spent is spent to the best advantage. In view of the great demand for house-building loans under the low income group housing scheme, Mr. Reddi suggested that it was necessary to examine whether the scheme could be modified so that, instead of giving 80 per cent. of the cost of a house as loan, only 60 per cent. is given. If this is done, it will, according to him, help the construction of a large number of houses within the same allocation and also ensure the mobilisation of private capital for the construction of houses.

The question of the agency that is employed for construction sometimes plays a very important part in the economics of a project. There are certain types of works in which popular participation will produce the best result. In the case of a slum clearance scheme, for instance, and particularly where the aided self-help method is employed, it should not be difficult, where possible, to band the slum population itself, or at least a sizable portion of it, into a co-operative and entrust the construction work to it, under proper guidance and supervision. Normally, the cost of the work under these circumstances should work out to less than it would otherwise have been. The Minister recommended for the consideration of the conference the enlistment of the help of social and voluntary organisations to help in the construction and other works involved in the execution of housing and more particularly, slum clearance or improvement projects in the State.

WORLD BANK AND NUCLEAR POWER

Since its inception in 1945 the World Bank has, as is well known, endeavoured consistently to keep up the morale of the less developed countries. Its activities, however, have not been confined merely to the financing of development projects. The growing interest shown by the Bank in the exploitation of atomic energy for the purpose of generating electric power is an instance in point. Finishing touches are now being given to a scheme for the establishment of a nuclear electricity plant on the west coast of Italy, according to the *Annual Report of the Bank for* 1957-58. The emerging possibilities of nuclear power, the *Report* pertinently points out, are of considerable interest in view of the Bank's large and growing investment in electric power projects.

It may be recalled that a reference to the nuclear project in Italy was made in last year's *Report*. Mention was then made of the joint study launched by the Bank and the Italian Government with a view to assessing the commercial feasibility of using atomic energy for the production of electric power in Italy. The study, we are now told, was nearing completion as the fiscal year 1957-58 ended. The direction of the study, it may be noted in this context, was entrusted to a two-man Steering Group consisting of the Secretary General of the Italian Nuclear Research Committee and the Bank's Adviser on Atomic Energy. In addition, co-operation was sought from the Atomic Energy Authority of the U.K. and the Atomic Energy Commission of the U.S.

The procedure adopted for the study was to invite tenders on an international competitive basis for the construction of a nuclear power station of a given output on a chosen site. This invitation was open to bids to build different types of nuclear power systems, and the resulting tenders received provided the first comparable data on relative costs of alternative systems. They also enabled those conducting the study to make a comparison of the economics of a nuclear power station with those estimated for a thermal station of the same output.

After the invitation to bid had been approved by the international panel, it was sent at the end of October last to 17 companies, eight American, five British, two French, one Canadian and one Belgian-American, calling for the submission of tenders on a firm price basis for a 130,000-150,000 kilowatt nuclear power station to be erected on a site on the west coast of Italy and to be completed in approximately four years. Nine bids were received, one from France and four each from the United States and the United Kingdom. As the fiscal year ended, technical reviews of the tenders were being studied by the international panel. The panel's reports were to be given to the consortium of Italian power companies which is to own and operate the new power station when it has been constructed. It is for this consortium to decide on the successful bidder and to award the necessary contracts for construction work.

The proposed project, no doubt, is bound to provide a new impetus to the economic development of Italy. Admittedly, the electric power system of Italy is suitable in many ways to the application of nuclear power. The comparative lack of conventional fuel in Italy is yet another factor which calls for an early consideration of the installation of nuclear reactors.

It cannot be gainsaid, however, that there are certain limitations to the universal application of nuclear reactors. It must be admitted that, to be economic at their present stage of development, the nuclear reactors must be of high capacity and must also be operated at a high percentage of their capacity. In other words, they will be economic and appropriate only in countries with large electric power systems and high demand. As the Bank's *Report* itself points out, apart from all these established facts, much remains to be known about the economics of nuclear power. It is to be hoped that the Bank's study will lead to a realistic understanding of the factors affecting the economic application of this technique of power generation. Needless to say that its findings will prove beneficial to other countries as well.



TECHNO-ECONOMIC SURVEY OF BIHAR

RESEARCH BODY'S SUGGESTIONS FOR INDUSTRIAL EXPANSION

From Our Special Correspondent

NEW DELHI, *5th October*

DELHI LETTER

AT a Press conference held here over the week-end, Dr. P. S. Lokanathan, Director-General of the National Council of Applied Economic Research, presented a summary of the recommendations made in the Economic Report of the Council's Techno-Economic Survey of Bihar. This survey, he said, was undertaken for the first time in Bihar State, a year ago, by the National Council. In this pioneer attempt, Dr. B. Natarajan, the Project Director, has had the benefit of the consultational assistance of a number of foreign and Indian experts. The first phase of the survey has been completed and the Economic Report prepared. The second phase is in progress and, so far, three Industrial Appraisal Reports and nine Preliminary Industrial Studies have been completed. In the meantime, the new technique employed in Bihar has created such widespread interest that other States soon have asked for similar surveys to be undertaken in their territories. A techno-economic survey of Madhya Pradesh is in full swing and one in Madras State was inaugurated on 2nd October. Assam, Andhra and Orissa are other States which will shortly proceed to make an appraisal of their resources by the employment of the new technique.

The National Council believes that the key to successful overall growth of an economy lies in its industrial development. But such development in turn requires a close and careful appraisal of all the available material, human and financial resources of the territory, their current utilisation, unused surpluses as well as existing and future potentials and problems. A techno-economic survey seeks to make such an appraisal of the resources with the combined knowledge of economists, engineers, technicians and specialised consultants in diverse fields such as agriculture and animal husbandry, forestry, fishing, mining, power and transport. The main objective of the survey is to suggest a list of candidate industries which would be technically and economically feasible in a given territory, and to give industry profile reports containing such adequate economic and technical data as would lead to prudent investment decisions.

Main Recommendations

In view of the merits claimed by the Council for the technique of techno-economic surveys, it would be of interest to study critically the full economic and technical reports of the Bihar survey. But these reports have not been made available to the public because they could be published, it is stated, only by the Bihar Government. In the circumstances, this despatch merely highlights the main recommendations, without any comment, in the following paragraphs:

The Bihar Government should consider the possibilities of inter-State migration through the setting up of an inter-State Migration Board to relieve population pressure. Intra-State migration should also be stepped up substantially with a readjustment of population balance towards districts which can economically support large industrial populations. The aim should be to effect permanent emigration, intra-State, of 1.5 million or 8 per cent. of the population from North Bihar. Two measures to induce movement of labour should be tried by Government: (i) provision of properly organised housing as the basis of a well-knit community life for industrial labour, and (ii) organised recruiting agencies to disseminate correct knowledge of employment opportunities.

Agricultural Base

The Government should institute an enquiry into the high incidence of water rates for tube-well irrigation. It should also effectively implement the scheme under tube-wells and arrange for the full utilisation of the area covered. There should be effective use of minor irrigation works and introduction of labour-saving devices in lift irrigation methods. The scope for mixed farming in Chota Nagpur, particularly for sheep farming, should be fully examined.

Effective implementation of the provisions of land legislation and a continuous review of the effects of reform on agricultural development are recommended as essential. While progress in land reform should be quickened, such reforms should form part of an integrated agricultural development programme aimed at better utilisation of available land through consolidation, ample credit and better marketing facilities and towards this end Government should organise service co-operatives of a multi-purpose character at the primary level to aid agriculture in production, processing and marketing. The provision of credit requirements of Rs. 20 crores in agriculture, short, medium and long-term, is recommended. Government should organise the private markets in agricultural produce and develop regulated markets in important commodities, distributed internally and exported outside.

Highest Priority Wanted

The implementation of a vigorous programme of agricultural development to strengthen the agricultural base should be given the highest priority. The cropped area should be increased by 5 million acres through (1) reclamation of waste land and (2) breaking up the fallow lands. The total irrigation potential of about 16 million acres should be fully exploited before the end of the third Plan. The entire gross sown area of 30 million acres should be covered with improved seeds. The target of fertiliser consumption should be doubled during the second Plan. The target for urban compost should be more than doubled in the third Plan. Area under green manure should be increased to cover at least 10 million acres. Government should aim at an increase of 80 per cent. in the production of foodgrains and 300 per cent. in commercial crops in the third Plan period with an approximate investment of Rs. 250 crores.

The expenditure on livestock improvement in the third Plan should be doubled. Short-term measures should be undertaken for better feeding of livestock. The adequacy of fodder reserves should be annually surveyed by the N.E.S., fodder should be distributed freely to farmers and cultivated on scientific lines on modern farms and demonstrated to agriculturists. Surplus fodder grasses should be conserved in N.E.S. Blocks in silo-pits; there should be fenced grazing in the hilly regions, and forest areas should be tapped for good quality hay.

Pisciculture has much potentiality and should be taken up on an organised scale. A programme directed to (1) wider exploitation of inland fisheries, (2) extensive stocking and manuring of tanks, and (3) training of fishermen in improved methods of pisciculture should be undertaken. The experiment of growing paddy with fish should be extended. Better distribution of fish should be effected through distribution of vans, and cold transport as also storage facilities and salting of fish.

The development of a mature coal industry with ancillary chemicals should be regarded as a major objective of Government's policy. In expanding coal-mining activity the neglected thin seams should be mined economically by scraping the overburden when it is light and working them on the surface. Amalgamation of the small units scattered over the entire mining belt would strengthen their financial structure and render mechanisation and other improvements possible. Laws aimed at checking selective mining should be enforced. The public sector will have to step up production as the private sector is hesitant to expand. Plants for mica processing operations should be set up within the State. Manufacturing of ground mica and mica bricks from mica wastes should commence. Amalgamation of uneconomic units should be undertaken. For long-range production of iron ore a State undertaking on the model of the Orissa Mining Corporation is recommended. The possibilities of development of industries other than cement like bleaching powder, calcium carbide, magnesia and other calcium and magnesium salts need to be more thoroughly examined for greater utilisation of limestone. Exploration of pyrites in the Amjor region should be speeded up as a Government undertaking.

The Government should develop for the mineral industry the economic and social overheads, in railways, roads, power, etc., and arrange for other requirements such as extension of siding facilities, increased wagon availability and adequate water-supply. Along with technical education, technical assistance to the mineral industry should be provided with much wider effectiveness. Marketing centres need to be fostered within Bihar, so that the business returns of mining establishments are retained in Bihar. The Government should plan for the fabrication of mining machinery within the State; this will not only provide an essential requirement but will also save considerable foreign exchange.

Transport and Communications

In planning transport development, first priority should be given to bridge construction which is an urgent necessity. The Government should take up with the Railway Administration the stepping up of operational efficiency of the railway system in North Bihar to all-India standards. Provision should be made for larger locomotives hauling, longer and heavier goods trains, and for the use of high capacity wagons of 40 and 60 tons to increase the carrying capacity and expedite movement on the railways. Immediate consideration should be given to the question of providing refrigerated wagons and lorries.

The need for new and better roads is urgent, and should be met rapidly and adequately. A State Road Fund, as in Bombay and Uttar Pradesh, should be created. The Government of Bihar should take up with the Central Government the implementation of the proposal made by the Taxation Enquiry Commission for a Central All-India Rural Communications Fund. It is desirable to set up an autonomous State Road Transport Corporation to run the State passenger transport efficiently. The Government should give attention to the implementation of the provisions of the amended Motor Vehicles Act, extension of credit facilities to operators under the amended State Bank Act, and extension of the moratorium on goods transport nationalisation by at least another ten years.

Quick action must be taken to render the Bhagirathi river navigable throughout the year as this will considerably shorten the distance between Calcutta and Bihar by about 400 miles. To run the river transport efficiently, the Government should establish a public corporation controlling a majority of shares, and with the participation of interested neighbouring States.

Power Supply

The Government should examine carefully the utilisation of the several river valleys in this State for the generation of hydro-electric power. Until the supply of power can be increased by the completion of the hydro-electric plants planned for construction, the immediate demand for power should be met by the building of thermal stations near the washeries in the colliery area using low grade coal. In view of the urgent need for power the building up of a thermal station with a capacity of 200,000 kw. is recommended.

Industrial Expansion

The following industries are recommended for expansion on large-scale basis: (1) iron and steel, (2) heavy chemicals, (3) aluminium, (4) cement, (5) asbestos, (6) tin plate, (7) foundry, (8) insulating wires and cables, (9) ceramics, (10) glass and glassware, (11) radio and radiograms, (12) distilleries, (13) sugar, (14) cotton (15) cold storage, (16) concrete and hume pipes, and (17) bicycle parts. The industries, recommended for expansion on large- and small-scale basis are: (1) printing, (2) aluminium utensils, (3) bricks and tiles, (4) fine and pharmaceutical chemicals.

The industries, recommended for expansion on small-scale basis, are: (1) buttons, (2) cutlery, (3) stone dressing and crushing, (4) electrical porcelain ware, (5) automobile leaf springs, (6) industrial fasteners, (7) surgical instruments, (8) builder's hardware, (9) wood screws, wire nails and panel pins, (10) general engineering, (11) hand tools, (12) food preservation, (13) padlocks, (14) shellac and (15) tea chests. The industries recommended for expansion on cottage basis, are: (1) hand-pounding of rice, (2) palm *gur* and (3) silk. For the suggested expansion of industries the investment potential should be of the order of Rs. 25 crores spread over a period of six to seven years. The following new industries are recommended as practicable production schemes:

(1) alloy steel, (2) structural shop, (3) light forge plant, (4) light bar grinding plant, (5) malleable casting shop, (6) electric motor and generator plant, (7) sulphur and sulphuric acid from pyrites, (8) production of caustic soda and chlorine, (9) low-temperature carbonisation of coal, (10) calcium carbide, (11) sorbitol, ascorbic acid and riboflavin from sugar, (12) silican carbide, (13) manufacture of ethanol from molasses, (14) pulp from bagasse, (15) manufacture of high grade paper from linseed straw, (16) artificial graphite, (17) china-clay washing plant, (18) electrical porcelain plant, (19) sanitary ware, (20) quartz grinding plant, (21) refractory silica plant, (22) mica brick and insulation plant, (23) sewer and irrigation pipe, (24) mica grinding plant, (25) potato flour from dried potatoes, (26) bonemeal fertilisers, (27) phosphates from apatite.

Other possible small-scale industries are: (1) chinaware burning, (2) small abrasive stone plant, (3) graphite crucible kiln, and (4) inferior quality cement. The 27 new industries suggested would require an initial investment of about Rs. 22 crores with 65 per cent. of foreign exchange component. Project reports have been prepared for seven industries and outlines for project reporting for eight others out of the 27 industries.

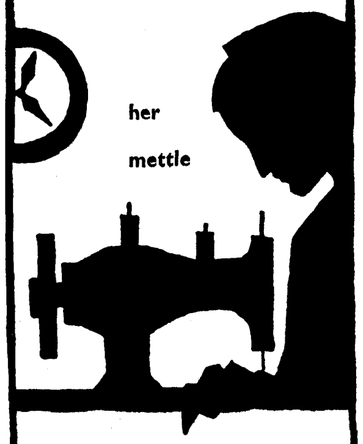
Financial assistance to industry should be made more adequate and the procedure of granting loans simplified. Investment trusts, with Government guarantee, should be established, entrusted with the function of guidance and actual investment for prospective investors. Government should formulate a common production programme for the development of small-scale industries by sub-contracting components of large-scale industries. A marketing corporation at State level with chain stores should be established. A detailed survey of all cottage and small-scale industries should be conducted.

Third Plan

An investment outlay of Rs. 480 to Rs. 600 crores of which three-fourths would be in the public sector, is recommended for the third Plan, for implementing the programme of development suggested. The State should consider the possibility of paying compensation to *zamindars* in terms of shares in enterprises instead of bonds and cash. There is urgent need for more than doubling the expenditure on general as well as technical education. Considering the high employment potentialities of consumer goods industry, a good case exists for establishing a network of consumer industries, if need be, with active State assistance. Investment priorities, it is stated, should be clearly established, the suggested order being: (a) strengthening of agricultural base; (b) development of economic and social overheads such as transport, power, and education and (c) public works including extensive rural housing programme.

She is the hub of the house, the focus of the family—she is the Indian housewife.

The clock that wakes her up for the day's work, the sewing machine that sharpens her talent and deepens her interest in embroidery etc., and the hundreds of utensils and household wares she uses, are all made of metals. For millions like her metals have a very great role to play.



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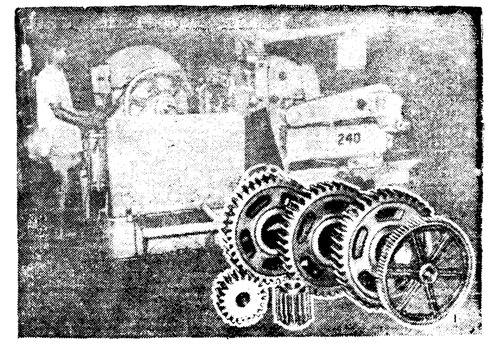

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WORLD BANK—A LIVE-WIRE INSTITUTION

NEW RECORDS SET IN OPERATIONS

IT has been acknowledged for a long time that, of the Bretton Woods twins, the International Bank for Reconstruction and Development—the World Bank, for short—has been a real live-wire institution. It has been making a splendid contribution to the removal of poverty and the lessening of international tensions. Indeed, it will be no exaggeration to say that the Bank has done much for the promotion of peace. Its working during the year ended 30th June 1958 provides impressive evidence to support this view. The past year was a record one in the history of the Bank. Not only were the loans given by the Bank larger than in any previous year but even its non-credit activities were of wider range. It rendered a distinctly invaluable service in settling the dispute between the United Arab Republic, on the one side, and Britain and France on the other, in regard to compensation payable to the shareholders of the Suez Canal Company. Again, it continued to render its mediation service to India and Pakistan in respect of their dispute over the sharing of the waters of the Indus basin. That the Bank is keeping itself alive to the needs of the nuclear age is proved by its co-operation with the Italian Government in a study of the commercial feasibility of using of atomic energy for the production of electric power. Another instance of the promptness with which the Bank acts when economic emergencies arise is provided by its initiative in bringing together, in August last, important countries for finding a solution to India's foreign exchange difficulties following the implementation of the second Plan.

Banking

In its primary field of activity, namely, banking, the World Bank set new records in both lending and borrowing operations during the year under review. It sanctioned 34 loans covering a total equivalent to $711 million, an increase of 75 per cent. over the average of the three previous years. It raised $650 million by selling bonds and notes to investors in the U.S. and other countries. Actual disbursements amounted to $499 million, also a new record, the corresponding figure for the previous year being $332 million. The 34 loans for an aggregate U.S. dollar equivalent of $711 million compares very favourably with 20 loans involving $388 million in the year ended 30th June 1957. By 30th June last, the number of loans made by the Bank had risen to 204, the amount provided being $3,729 million net of cancellations and refundings. Of this amount, no less than $2,795 million had been disbursed.

Asia was helped more than any other country during 1957-58. Of the total of $711 million, more than half—$379 million to be precise—went to this ancient continent. Among the Asian countries, India received the largest amount of loans, aggregating $165.5 million. The balance of the year's lending was made up of $121 million for Latin America, $112 million for Africa and $99 million for Europe. Nigeria and the Philippines were the two countries to borrow for the first time from the Bank during the year under review, thereby leaving the total number of member-countries indebted to the Bank to 47. A classification of the loans made by the Bank from the beginning upto 30th June 1958 according to purpose and area is given in the table published at the bottom of this page.

Loans to India

The position pertaining to India may be briefly stated, as it must be of greater interest to our readers. As already stated, India received four loans during 1957-58, amounting to $165.5 million, raising the cumulative total to 18 loans and $397 million. This compares with $948.3 million provided to Asia as a whole. Pakistan, it may be noted, has received $126.45 million. Since the close of the year, India has received two loans—one for $25 million for the D.V.C. and another for $85 million for the development of railways, raising the total borrowings from the Bank net of cancellations, to $507 million. India ranks as the largest recipient of loans from the Bank. It has also the distinction of being the largest single borrower in the private sector, namely, the Tata Iron and Steel Company, Ltd., which was granted two loans amounting to $107.5 million in the aggregate. Of the original principal amount of $515.6 million loaned to this country up to the end of September last, a little over $320 million have been given to the public sector and the balance of $195.0 million to the private sector. The railways have so far received $209.01 million, ports $43 million, aviation $5.6 million, power supply (electricity) $44.50 million ($18.50 million in the public sector and $26 million in the private sector, that is, the Tata Group of power companies), multi-purpose projects $43.50 million, iron and steel industry (all in the private sector) $159.00 million and financial corporation (I.C.I.C.I.) $10 million. It will thus be seen that the largest amount of the Bank's loans has gone to development of transport; next in order of importance comes iron and steel and then, power. India has also benefited to a considerable extent from the non-credit services of the Bank. Although the Bank's mediation on water disputes with Pakistan has not yet yielded any tangible results, it has prevented a collision and kept up the hope of finding a peaceful solution. Its advice on economic planning and policies has been very much resented by a section of politicians, but there is no doubt that it has contributed albeit in an invisible manner, to sobriety among the planners and administrators.

Basic Services

To revert to the Bank's world-wide operations during its fiscal year 1957-58. The strengthening of basic services continued to be the main purpose of Bank financing. Nearly half the year's loans were for improvements in transportation. Of the total of $322 million lent for this purpose, two-thirds was for the improvement and expansion of rail services in seven member-countries: Ecuador, India, Nigeria, Pakistan, Peru, Rhodesia and South Africa. The greater part of the total of $60 million lent for highway improvement is accounted for by a loan for projects included in the ten-year plan in the Belgian Congo. The remainder of the year's lending for transportation was for reconstruction and expansion in the Indian ports of Calcutta and Madras, and to improve the canal serving the coal and steel centres of southern Belgium. Electric power which for several years had held first place among the purposes for which Bank loans were made, received this year somewhat less than transport. The $242 million lent was for the expansion of generation, transmission and distribution systems in nine countries. While this lending included assistance for thermo-electric plants in Italy, Mexico and Pakistan, the greater part was for hydro-electric projects, which often present difficult financing problems because of their higher capital cost and longer construction period. Loans for such projects were made in Austria, Brazil, Ecuador, Italy, Japan, Mexico, the Philippines and Thailand. Loans made for industry totalled $107 million and were largely concerned with expansion programmes in steel and coal. This lending will help to complete an increase of nearly 100 per cent. in the steel capacity of the Tata Iron and Steel Works in India; in Japan, another private company, the Kawasaki Steel Corporation, is receiving funds for the expansion of pig iron production. In Chile, the efficiency of the coal industry is being increased by two loans for the sinking of new shafts and for carrying out other modernisation work being undertaken by the two largest coal mining companies.

In Southern Italy, the Bank's industrial lending is helping the cassa per il Mezzogiorno to finance the introduction of potash mining and processing in Sicily, the expansion or improvement of several consumer goods industries. In addition to lending directly to industry, the Bank also made loans during the year to newly established development banks in two countries. In Pakistan, the Bank helped to establish the privately owned Industrial Credit and Investment Corporation and to enlist the participation, in co-operation with local capital, of the United Kingdom, the United States and Japanese capital. A loan from the Bank will provide part of the foreign exchange required for the Corporation's initial operations. The Corporation will assist small and medium-scale industrial ventures by the investment of its funds and also by furnishing advice and assistance on managerial and technical problems. In Austria, the Bank made a loan to a new institution, Investitionskredit A.G., to provide a source of capital for private industrial enterprises, many of which are in urgent need of modernisation and expansion. Investitionskredit will re-lend the Bank funds to ten private companies in the pulp and paper textile and electrical industries.

Agriculture

As in earlier years, the growth of agriculture continued to benefit from Bank lending, particularly for new highways which, by providing access to markets and reducing transport costs, provide a new stimulus to farmers. In addition, three of the year's loans were for projects of direct benefit to agriculture. The Yanhge project in Thailand, in addition to providing large amounts of electric power, will provide year-round supplies of water to a downstream barrage already completed with Bank Assistance, and will make possible higher yields on 2¼ million acres. In Japan, another project promising substantial benefits for agriculture was supported by an irrigation and power loan in the Aichi region of Honshu Island. This loan will assist the first large-scale experiment in the irrigation of hill-land in Japan, where lowland farming is particularly intensive but little attempt has hitherto been made to cultivate the uplands. The balance of the Bank's agricultural lending supported irrigation, flood prevention and drainage in the Volturno and Tavoliere plains in Southern Italy.

Explaining the marked increase in the Bank's lending operations, the latest, that is, the thirteenth annual report, says that it must not be attributed either to the worsening of the terms of trade of the less developed countries or to the economic recession in the U.S. The main explanation for it is to be found "in the longer term factors which are operating to make a larger number of development projects ready and eligible for financing." "One of these factors," adds the Report, "is the long period of planning and negotiation on development programmes which has been carried out by borrowing countries and by the Bank." As for the future, the Report observes that the large number of projects now under consideration indicates that "the rise in lending during 1957-58 may have signalled the start of a new and higher level of operations."

Surplus

The Bank continued to cover out of its own resources all its operating expenses and to show a surplus of earnings over expenditure. Net income during the year amounted to $42 million, the highest figure to be recorded so far, and compared with the previous high of $36 million in 1956-57. There was an increase of $60 million in the Bank's reserves, which reached a total of $350 million. Of this amount, reserves built out of net earnings were of the order of $236 million and those out of the commission of 1 per cent. charged on the outstanding balance of all loans, $114 million.

(Continued on page 631)

World Bank's Loans Classified by Purpose and Area As at 30th June 1958

(Value: Millions of U.S. dollars)

Purpose	AREAS					
	Total	Africa	Asia	Australia	Europe	Western Hemisphere
Grand total	3,729	479	948	318	1,186	798
Development Loans: Total	3,232	479	948	318	689	798
Electric power—Generation and distribution ..	1,106	178	285	29	219	395
Transportation ..	1,036	257	301	128	69	281
Railroads	562	180	201	27	3	142
Shipping	12	..	..	..	12	..
Ports and inland waterways ..	136	3	80	..	47	6
Roads	255	65	..	57	..	133
Airlines and airports	57	..	6	44	7	..
Pipelines (natural gas)	14	..	14	..	..	..
Communications—Telephone, telegraph and radio	24	2	..	..	..	22
Agriculture and forestry	316	..	70	104	87	55
Farm mechanisation	114	..	..	88	2	24
Irrigation and flood control ..	155	..	55	6	73	21
Land clearance and improvement ..	27	..	14	6	2	5
Crop processing and storage	6	..	..	..	4	2
Livestock	4	..	1	..	..	3
Forestry	10	..	..	4	6	..
Industry	545	2	217	57	224	45
Iron and steel ..	230	..	193	14	23	..
Pulp and paper ..	78	..	5	1	52	20
Fertilizer and other chemicals	46	..	..	..	46	..
Other industries ..	93	..	5	26	59	3
Mining	49	..	..	16	12	21
Development banks ..	49	2	14	..	32	1
General development ..	205	40	75	..	90	..
Reconstruction Loans: Total	497	..	..	..	497	..

N.B.—The aforesaid figures are net of cancellations and refundings.

I.M.F. ON WORLD ECONOMIC CLIMATE

REMEDIES FOR REDUCING CYCLICAL FLUCTUATIONS SUGGESTED

THE keynote of the review of the world economy by the International Monetary Fund in its latest Annual Report—that covering the fiscal year ended 30th April 1958—is that, in one form or another, every nation in the world has to grapple with the problem of creating conditions favourable to a satisfactory rate of economic growth and to the maintenance of stable prices and high employment. The optimism implied in the view that the problem of business cycle, at least in its most serious manifestations, has ceased to trouble the world, the Fund says, is not fully justified. For it feels that, in economies where capital goods and consumer durable goods form a large share of total output, there is still likely to be a tendency in certain sectors for periods of concentration of heavy demand to alternate with periods of readjustment to a less intense demand. It accordingly stresses the need for ensuring that neither the expansion nor the subsequent contraction should be magnified by adverse circumstances affecting costs and prices, the level of personal income or the flow of international trade and investment to the point where a general oscillation of activity is generated which affects the whole of the economy.

In order to deal with recessionary tendencies, the I.M.F. considers that it is not sufficient merely to take measures to stimulate the overall demand for goods and services; there are other essential aspects which have to be considered carefully. One of the most important is said to be the tendency of certain branches of economic activity, especially of the durable goods industries, to develop, during a boom, beyond the absorptive capacity of the markets for the goods and services they produce.

The Remedies

In the opinion of the Fund, the remedies for reducing the cyclical fluctuations to tolerable proportions include a wide variety of measures for some of which arrangements of a rather permanent character may be required. In particular, the following measures are emphasised:

Continuous attention must be devoted to strengthening the structure of the economy, so that any tensions that appear may be more easily withstood, and any tendencies to self-perpetuating movements in one direction or another may be checked. For example, a strong and well-developed banking structure, including institutional arrangements that will make it possible for the monetary authorities to maintain effective control of the flow of credit, is of vital importance.

"Sound practices are required for financing stock exchange transactions, and even more important is an adequate system of mortgage financing.

"The importance of the role of consumer durable goods in a modern economy suggests the wisdom of moderation in the use of instalment credit for their acquisition as one means of avoiding abrupt oscillations.

"Caution in the use of sliding-scale clauses that link wages rigidly to changes in the cost of living, or associate other contractual obligations with cost changes, would generally facilitate the restoration and maintenance of a proper balance in the economy.

"The main purpose of the more direct action, which is expressed in decisions on credit and fiscal policy, is to restrain demand when it is excessive and to stimulate it when it is inadequate. During a recession, measures should be chosen in such a way as to ensure that demand is increased without at the same time increasing costs."

The I.M.F. notes that, while the risks of a revival of dangerous inflationary pressures should not be overlooked, there are a number of factors which suggest that, in the industrial countries, the prospects are now favourable for greater price stability than has generally been experienced since the end of World War II. It observes:

"The excess liquidity built up during the war seems now to have been worked off, and, in many countries, the pre-war ratio of money volume to gross national product has been re-established. In a number of industrial countries, the backlog of demand, which had accumulated during and immediately after World War II, for housing and public utility and industrial plant has gradually been satisfied, and it should be increasingly possible to finance investment of this kind out of current savings without recourse to inflationary methods. Monetary and fiscal policies that have price stability as their objective now command wide support and may be expected to be more effective in future, even in boom periods, in limiting the pressure of demand. In the industrial countries, in general, wage costs have shown an upward trend. However, this trend has already become less steep, as more attention is paid to the relation between wage increases and increases in productivity. In several countries other than the United States there has been evidence of greater price stability."

According to the I.M.F., the authorities in some important countries are now able, with less difficulty than in the past, to take effective measures to deal with the business cycle. Whatever embarrassments the current world distribution of gold reserves may present to certain countries, it is reassuring to know that some of the large industrial countries are able to face the task of preventing excessive cyclical fluctuations without being hampered by any insufficiency of international reserves.

Economic Developments

The review of the developments on the world economic front as made by the I.M.F. reveals that industrial activity has slowed down in some countries, mainly because of a cyclical decline following a boom generated at home. But a decline may also be a consequence of a slackening in activity abroad, or it may be an autonomous development determined by the credit and other policies adopted to defend the foreign exchange position. In some countries, indeed, not one but several of these influences have been at work. It follows that no sweeping generalisations are possible, even if attention is confined to the industrialised countries about either the general economic conditions of these countries at the present time or the policies that would be most appropriate for them.

While the volume of world trade did not grow in 1957 at the same rate as in previous years, the fairly satisfactory level at which it was maintained made it easier to defend policies of monetary stability and fiscal and credit measures to strengthen the balance of payments position. There are several countries which did not have to take any measures to counteract a recession arising from either external or internal disturbances. In administering their fiscal and credit policies, they were, of course, still concerned with the maintenance of a healthy balance in their own economies, while they could also take into account the fact that any lowering of interest rates abroad made it easier for them, too, to reduce their own interest rates, in so far as that seemed appropriate. Many of the primary producing countries present a less happy picture. The prices of many industrial raw materials have been weakening since the second half of 1955, a movement to which many causes have contributed, including rapidly expanding output and, for some commodities, increased competition from substitutes or new products, such as artificial rubber, textile fibres or aluminium.

The I.M.F. expresses satisfaction that, although there is still a danger of inflationary tendencies becoming overwhelming in some countries, the desire is growing to restore stability both internally and in the balance of payments. Many countries, it is said, have adopted comprehensive stabilisation programmes. Nevertheless, the I.M.F. urges that, during the time when these measures are taking effect, financial assistance from abroad is needed. To several such countries, the Fund has furnished financial resources as well as technical help.

Fiscal and Credit Policies

It is gratifying to be told that, despite the marked differences between the situations of different countries and groups of countries, appropriate steps are being taken in more and more countries to deal with their problems by means of fiscal and credit policy. But we are informed that there are still many dangers to guard against. To quote the I.M.F.:

"In conditions of recession, it is even more important than in conditions of boom that financial and economic policies should be compatible with the maintenance and expansion of the volume of world trade. While countries with balance of payments difficulties would certainly run great risks in applying expansionary policies at such a time, countries in a strong position have a special responsibility to maintain internal demand and production at high levels, thus ensuring a buoyant market for imports and contributing to the expansion of world trade. The prevention and correction of excessive fluctuations is a responsibility primarily for the large industrial countries—a task which they should undertake both in their own interest and in the interest of the rest of the world. There will, however, be a better prospect for the success of their efforts, if the less developed countries are fully aware that stability cannot be assured to them merely by the efforts of others, and that they cannot be spared the obligation to adapt their own economies to fluctuations between high and low demand. This has special importance for countries whose exports consist mostly of raw materials; it may also apply to exporters of foodstuffs, such as coffee, whose prices may fluctuate widely, even if demand is reasonably stable, in response to the impact of the fluctuations in supply to which these commodities are liable."

Special attention has been drawn by the Fund to the fact that recession conditions create a dangerously fertile ground for the growth of protectionist sentiment. There is considerable force in the Fund's remarks that increases in trade barriers constitute a short-sighted method of obtaining temporary relief from the pressures recession. "Such reliefs," to quote it, "will create distortions in the economies where the restrictions are applied; and, since it is necessarily obtained at the expense of other countries, it may quickly provoke reactions sufficient to destroy even the short-term benefit that it appears to promise." The I.M.F. has assured its members that it will continue to be readily available in any situation where the expectation is justified that the members too will do whatever lies within their power to complete the adjustments demanded by changing circumstances. The record of 1957-58 has shown that, both in boom conditions and as the effects of recession began to appear, many members have been able to act on this assurance.

Emergency Measures

Another factor to which the I.M.F. has drawn special attention relates to some risk that a country, overwhelmed by immediate heavy pressures upon gold and foreign exchange reserves, may feel obliged hurriedly to take emergency measures which are likely to be harmful to itself and ultimately to distort the pattern of world trade and delay the resumption of the normal long-term processes of economic growth. This risk is, of course, diminished if such countries are able to draw upon financial assistance from outside. In the opinion of the Fund, there is a strong justification for provision of international credit to help the countries bridge any temporary gaps arising from the normal course of world trade fluctuations.

The I.M.F. has reiterated the view first expressed in the Annual Report of 1952 that the cure for a depression requires national measures to maintain or stimulate effective demand, especially in the great industrial countries. It rightly urges that, as the Fund's resources, even if they are much larger than they are, cannot be the decisive factor in dealing with recession, all countries must share in the responsibility for effective action. In any event, the important immediate task when a decline in activity sets in is, as the Fund pertinently avers, to ensure that the deterioration will be checked as soon as possible and that, by the establishment of a strong monetary structure, the members of the Fund will build a firm foundation for renewed recovery and expansion of world trade.

World Payments Situation

The Annual Report of the I.M.F. contains the customary analysis of the world payments situation in the past year. It will be seen from this analysis that the growth of world trade from 1956 to 1957 was much less than in preceding years. The volume of world exports, which had risen by some 10 per cent. from 1954 to 1955 and by 8 per cent. in the following year, rose by 5 per cent. from 1956 to 1957. In recent years, world trade has grown markedly relative to world production. Save from 1955 to 1956, however, when the ratio of imports to production increased in most countries, this has been due largely to the fact that, in the U.S. where this ratio is much lower than in most countries, industrial production has been growing more slowly than in the rest of the world. The fact that trade increased less from 1956 to 1957 than from 1955 to 1956 is explained partly by the exceptional factors operating to expand trade in 1956 and partly by the slowing down during 1957 in the rate of expansion of economic activity. The decline in the rate of growth of international trade was common to the exports of both industrial and non-industrial countries affecting their volume as well as their value. The total value (f.o.b.) of world export (excluding the Soviet block and Mainland China and U.S. military exports) during 1957 was $98.7 billion, as against $91.6 billion in 1956 and $82.8 billion in 1955. Of this, exports from industrial countries accounted for $60.3 billion ($54.5 billion in 1956 and $47.8 billion in 1955) and those from non-industrial countries for $38.4 billion ($37.1 billion and $35.0 billion).

The market prices of primary products in general declined during 1957, but, for the year as a whole, they were still higher than in 1956. For this reason and owing to the fact that the movement of prices obtained by exporters tends to lag behind market quotations, the f.o.b. export prices of primary producing countries in 1957 as a whole appear to have been some 1½ per cent. higher than in 1956. Over the same interval of time, the export prices of industrial countries, however, rose by more than 3 per cent. Moreover, freight rates probably increased on balance between 1956 and 1957. Tramp rates fell by about 20-30 per cent., owing to the diminishing scarcity of shipping, but liner rates continued to rise because of increasing costs. Therefore, the average terms of trade of primary producing countries—which, of course, covers a considerable diversity in the experience of individual countries—may have deteriorated by some 2 per cent. from 1956 to 1957, following a decline of 5 per cent. in the previous year.

Balance of Payments

The I.M.F. next reviews the balance of payments developments and resources. The review shows that the payments surplus of industrial countries other than the U.S. has been falling year by year since 1954 and, in 1957, there was a sizable deficit. The comparative fortunes of these industrial countries with respect to their payments surpluses and deficits depended to a small extent on special factors affecting the demand for their exports but mainly on the comparative degree of inflationary pressure which these countries maintained and, in some countries, on large and disequilibrating capital movements. The aggregate trade balance of the non-industrial countries deteriorated by $1 billion in 1955 to 1956 and by $2 billion from 1956 to 1957. While from 1955 to 1956, increases in their capital imports and in certain invisible receipts were so great that the aggregate payments balance actually improved, only a part of the deterioration in the trade balance from 1956 to 1957 was offset by improvements in other items. The payments balance thus deteriorated by $1.5 billion, from a surplus of $400 million to a deficit of more than $1.1 billion.

According to the I.M.F. Report, the net addition to the gold and dollar reserves of countries other than the U.S., which amounted to $1.8 billion in 1954 and to $1 billion in 1956, declined to less than $300 million in 1957. Indeed, the official gold and dollar reserves of the rest of the world were reduced by $1.4 billion as a result of transactions with the U.S., to which short-term capital movements made a substantial contribution. This, however, was more than offset by substantial drawings from the Fund and by an exceptionally large net contribution to gold reserves from current production and Soviet sales. The rest of the world received some $890 million from the Fund in the calendar year 1957 in drawings (net of repayments and new gold subscriptions), as compared with $480 million in 1956, while the excess of new gold production and Soviet sales over consumption and hoarding is estimated at $800 million in 1957, as against less than $500 million in the previous year. Gold production outside the U.S. and the Soviet area increased between 1956 and 1957 by some $40 million, and Soviet sales are thought to have been about $100 million higher in 1957 than in 1956. Despite rumours of currency devaluation, there was considerably less gold hoarding in 1957 than in 1956. The reserves of foreign exchange other than dollars declined by some $150 million during 1957. E.P.U. balances increased by $180 million; reserves held in sterling may have declined by $350-400 million, while holdings of Deutschemarks and yen increased by nearly $300 million. These movements suggest a net decline of some $250-300 million in all other reserve holdings. The total reserves of countries other than the U.S. rose in 1957 by less than $100 million, in contrast to $1 billion in 1956.

Payments Difficulties

As in previous years so during 1957, payments difficulties arose mainly as a result of excessive demand pressures in deficit countries. Here, the I.M.F. alludes to the role played in certain important industrial countries by disequilibrating capital movements, often of a speculative kind, and, in many producing countries, by export price declines which, whether or not they were considered temporary, at any rate called for adjustments that countries would find it very difficult to make all at once. It is felt that, where payments deficits arise because of such temporary factors as reversible or non-recurrent capital movements, or where time is required to enable more fundamental measures of adjustment to take effect, it may be appropriate to finance the deficits by the use of reserves or by borrowing. The need to draw on reserves was, therefore, particularly great in 1957. However, in many deficit countries, reserves had already been reduced to a low level by the end of 1956. It is, therefore, not surprising that 1957 was remarkable for the extent to which the countries resorted to international financial assistance from various sources as a means of alleviating pressure on their reserves. The principal source of such assistance was the Fund, which, in the course of the year, provided almost $980 million to member-countries, including substantial sums to France, India, Japan, the Netherlands, and Argentina. In addition, the Export-Import Bank of Washington made loans to countries in payments difficulties, including notably the U.K. and Japan. The reserves of the U.K. also benefited from the postponement of interest and capital repayments due on the North American loans and from the special sterling deposit acquired by Germany against its future debt repayments. The various primary producing countries with payments deficits, notably India and China, also borrowed from a variety of sources.

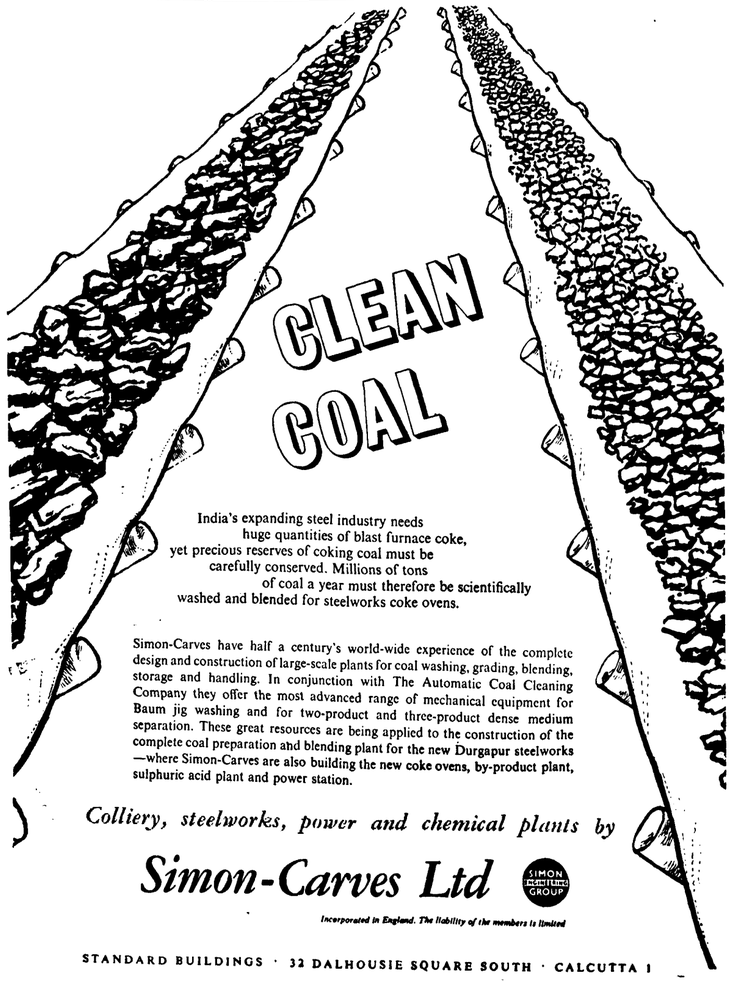
For the most part, industrial countries continued, as has become the rule over the past five or six years, to use disinflationary financial measures as a means of dealing with, or forestalling payments difficulties, and, especially in some countries, for checking capital outflows. In general, such policies served a double purpose, in that they also tended to curb price increases that were undesirable for domestic reasons; in some countries, however, anxieties regarding the possible effects of these policies on production and employment began to be felt toward the end of the period.

In the primary producing countries that were in payments difficulties, import restrictions and exchange rate adjustments played a much more important role than in industrial countries in a similar case. However, corrective action usually included, and in some countries consisted entirely of, monetary and fiscal measures to curb credit and to slow down the pace of development expenditure. A number of primary producing countries adjusted to internal inflation or to the fall in export prices by depreciating their exchange rates. Of those countries that have been in substantial external surplus, only the U.S. and W. Germany are large enough for their policies to have a substantial effect on the payments problems of other countries.

Domestic Financial Developments

An interesting account of the domestic financial and economic developments has been given in the I.M.F. Report. Referring to the industrialised countries, the I.M.F. points out that the authorities in most of these countries succeeded, by means of monetary and fiscal measures, in preventing inflation from getting out of control, and, with a few exceptions such as France, these countries avoided major inflationary movements. In most of them, restrictive internal policies helped to limit the rise in prices. In both the period of increasing economic activity and the early months of the recession in those countries where recession had begun, monetary measures were, as a rule, used more extensively than fiscal measures in order to make the necessary adjustments in the economy. Industrial production, employment, and national income in real terms continued to expand in nearly all countries during the first half of 1957, though at a slower pace than in 1956. Prices and wages also continued to rise. With the demand for investment funds tending to increase further and savings lagging behind, interest rates in the financial centres of many industrial countries continued to rise during the first half of 1957. The increases in interest rates were due in part to the influence of restrictive credit policies, including the raising of the discount rate in a number of countries. As in 1956, most economies, when faced with restrictive credit policies

(Continued on page 631)



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FLEXIBLE APPROACH IN TALKS WITH HONG KONG TEXTILE INDUSTRY

EARNINGS OF MILL WORKERS DROP

From A Special Correspondent

MANCHESTER, *30th September*

MANCHESTER LETTER

AT a distance of 10,000 miles or more, reports of progress (or lack of it) in the talks between Lancashire and Hong Kong industrialists must be treated with reserve. Prospects of a settlement, however, are far from bright at the time of writing. Despite some rather optimistic comments which were made in "inspired" quarters before the mission left for the Far East, official views regarded the chance of success as only "fifty-fifty."

The stumbling block, as had always been feared, has been the unwillingness of Hong Kong to do other than negotiate on the basis of grey cloth imports only. The British team has been equally unyielding in its determination to conduct the talks on a wider front to include made-up goods and finished textiles. Bridging such an extensive gap before getting to grips on the details of an appropriate plan presents a fundamental problem which may well prove fatal to the discussions. The latest news is that the talks now appear to be following new lines. An official statement issued by the Cotton Board on 29th September, gave the following summary of the situation:

"A further meeting of the Cotton Board delegation and the Hong Kong Textiles Negotiating Committee was held this morning. A spokesman of the Cotton Board explained that, in view of difficulties which arose last week, the Cotton Board delegation had put forward fresh proposals in a wholehearted desire to bring the views of the two industries into closer relationship. A spokesman for the Hong Kong delegation said that these proposals are now being considered by the Hong Kong Textiles Negotiating Committee. In the meantime, the Cotton Board delegation have deferred their departure for some days."

No comment on the fresh proposals which have been tabled was immediately forthcoming from official sources in Manchester, but, unofficially it was felt that this in no way indicated a weakening of the attitude widely held in Lancashire. It is believed that a more flexible approach is being introduced into the talks in an effort to meet the opinions of the Hong Kong millowners who also have their problems. It was stressed in Manchester that the fresh basis for discussions will in no way sacrifice Lancashire's interests.

Well-timed Once More

Those who favour the cause of Hong Kong have proved before that they are well versed in the practice of publicity. What is more, they know the value of timing. It was surely no coincidence that the distribution of a pamphlet setting out Hong Kong's resistance to the establishment of limitation of imports into the United Kingdom should have reached the British Press at the same time as Lancashire's delegation reached the Colony.

Drawn up by the Hong Kong General Chamber of Commerce, the survey of the situation covers well-trodden ground. Great stress is laid on the apparently minor effect of competition from Hong Kong until recent years. Yet the admission that the Colony's millowners did not enter the British market to any considerable extent until 1953 can become a two-edged weapon. If so much ground can be gained in five years, what can happen in ten or even less? The pamphlet points out that Hong Kong's total cloth shipments to the United Kingdom last year were only 20 per cent. of British imports from all sources, but the situation has already altered very substantially in the first eight months of 1958, during which time arrivals from Hong Kong have risen to 30 per cent. of the total. Nor is it true to labour the fact, as the booklet does, that Lancashire regards the import problem as the single reason for its decline as a textile producing centre. Local traders are well aware that there are many aspects to be considered, of which imports from Hong Kong are only one, although a major, influence.

Hong Kong has, throughout the negotiations, stressed the difference between the cotton textile position and the "overall picture." Sales to Hong Kong last year from Britain aggregated £41,000,000, the report states, purchases being £21,000,000. These figures do not quite tally with the trade and navigation accounts published by the Board of Trade which show imports from Hong Kong valued at £23,500,000 and exports and re-exports to the Colony of £36,500,000.

Gap Narrows

The latest Board of Trade returns indicate a very substantial narrowing of the gap. For the eight months to the end of August, Britain imported goods worth £17,965,957 from Hong Kong, while exports were valued at £20,592,504. The comparative figures for the eight months of last year were imports of £15,443,578 and exports of £24,796,676.

Picking out the highlights of the British monthly overseas trade returns is no easy task —so far as exports are concerned, at any rate. Cloth shipments remained at around their recent low levels in August, barely exceeding the 30,000,000-yard mark. The volume of yarn sent abroad showed a slight gain as compared with the previous two months, but, at 2,273,000 lbs., kept very much below the rate achieved in recent years. It is significant that exports of man-made fibre yarns in the first eight months of the year are substantially higher than cotton yarns.

Supplies of grey cloth coming from Hong Kong still provide the chief feature of interest. In August, they accounted for practically half the total arrivals; over eight months, they amounted to 67,929,000 square yards, as against 43,085,000 square yards last year. India's share of this business has shrunk from 130,000,000 square yards to not quite 80,000,000 square yards.

Hong Kong's cloth is a costly item in Britain's import budget. This year's purchases to the end of August were valued at £5,126,594, as against imports from India which cost little more than £4,000,000 for a larger quantity. Arrivals from the Colony by value accounted for considerably more than one-third of total purchases of grey cloth.

Reaching A Plateau?

Although the trend of wage rates in British industry as a whole continues to move upwards, there are indications that the less active conditions in some areas are beginning to cause a levelling out of the former apparently limitless advance. The increase in average earnings of some 7,000,000 workers whose pay packets were investigated by the Ministry of Labour in April was the smallest in any six-monthly period since the war.

Average weekly earnings were £10 14*s.* 2*d.*, a rise of 1*s.* 9*d.* as compared with October 1957. On a percentage basis, this is rather more than double the April 1947 figure, the main advance being in the wages paid to youths and boys under 21. The average number of hours worked weekly in April showed a slight decline to 46.2, as against 46.4 six months peviously and the post-war peak of 46.9 hours in 1955.

Among the industries whose returns pulled down the general average were the textile group; the earnings secured by cotton workers showed a drop over the six months. In view of the prevailing short-time which had already begun to affect Lancashire mills by the end of April, this trend will cause no surprise. Wages gained by cotton operatives have declined on three occasions since the war—in 1952, 1955 and now in 1958. Details are shown below:

	Men (over 21)	Youths (under 21)	Women (over 18)	Girls (under 18)	All workers
Cotton spinning	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
October 1956 ..	205 3	126 3	126 11	102 7	151 6
April 1957 ..	208 6	126 4	129 4	104 10	154 1
October 1957 ..	219 9	129 2	136 0	109 4	162 2
April 1958 ..	209 4	121 7	131 6	104 4	155 8
Cotton weaving					
October 1956 ..	206 8	112 7	133 3	99 1	156 1
April 1957 ..	210 1	112 1	135 11	102 10	159 5
October 1957 ..	220 7	119 4	142 6	108 5	167 5
April 1958 ..	219 2	114 10	141 9	102 2	166 1
Total cotton					
October 1956 ..	205 10	121 9	129 7	101 3	153 5
April 1957 ..	209 2	121 10	132 2	104 2	156 4
October 1957 ..	220 1	126 0	138 9	107 3	164 5
April 1958 ..	213 3	119 5	135 11	103 6	160 1
Rayon weaving					
October 1956 ..	219 3	104 10	134 3	95 11	165 5
April 1957 ..	222 9	104 9	137 4	95 10	169 1
October 1957 ..	235 2	110 10	144 0	99 6	178 11
April 1958 ..	229 6	108 2	141 10	96 11	175 11
Textile finishing					
October 1956 ..	220 1	107 3	114 11	88 6	183 8
April 1957 ..	227 7	111 8	118 11	86 1	191 2
October 1957 ..	231 9	113 8	120 5	89 9	193 11
April 1958 ..	229 6	113 8	121 0	89 7	192 7

Although the average payments to workers in cotton spinning and weaving decreased by more than 4*s.* a week, as compared with October 1957, the April returns show that the spinning section suffered the most, particularly adult male workers, mainly employed in mule spinning. In weaving, earnings in April, although lower than in the previous October, were substantially above the corresponding levels a year earlier.—*All Rights Reserved.*

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INDUSTRIAL FINANCE CORPORATION OF INDIA

TENTH ANNUAL GENERAL MEETING

MR. K. R. K. MENON, CHAIRMAN, REVIEWS PROGRESS MADE IN THE PAST DECADE

ADDRESSING the Tenth Annual General Meeting of the shareholders of the Industrial Finance Corporation of India held at New Delhi on Saturday, 27th September 1958, Mr. K. R. K. Menon, the Chairman, stated that the total volume of work handled by the Corporation during the ten years of its existence was of considerable size, involving the examination of loan applications for an aggregate amount of nearly Rs. 125 crores. Loans sanctioned amounted to Rs. 63 crores and actual disbursement to Rs. 35 crores. Reviewing the working results of the Corporation for the year ended 30th June 1958, the Chairman said that it fared better during the year as compared with the previous one. Profits for the year amounted to Rs. 58.25 lakhs, as against Rs. 43.06 lakhs during the previous year. The Corporation has thus been able to pay the guaranteed dividend out of the profits, as also Rs. 5.45 lakhs as the first instalment in repayment of the subvention drawn from the Government. As regards the loan operations of the Corporation during the year, the Chairman observed that loan applications received by the Corporation during the year showed a further decline. This was because of the increasing difficulty experienced by industrial concerns in securing the necessary licence for importing capital equipment which should be produced before the Corporation takes up loan applications for consideration.

The following is the text of the Chairman's speech at the meeting:

"GENTLEMEN,

"The accounts of the Corporation and the report of the Board of Directors for the year ended the 30th June 1958 which I place before you today are the tenth of their kind, and are, therefore, of particular interest, as marking the completion by our Corporation of a decade of service in the field of industrial finance. Printed copies of the accounts and the report are before you. These have also been circulated to all the shareholders. I shall, if you agree, take them as read.

Factual Details

"A decade is but a short period in the life of an institution like ours, particularly in a field like industrial financing of a long-term nature in which, at the time our Corporation was set up in 1948, we were the pioneers. It is, therefore, perhaps too early yet to draw any firm conclusions of a general nature from such modest achievements as stand to our credit at the end of this ten-year period, but the factual details given in the report that is placed before you will no doubt interest you.

"Of these factual details I will pick out just a few as deserving of your special notice.

"First, the total volume of work that was handled by the Corporation during this decade was of a considerable size, involving the examination of loan applications for an aggregate amount of nearly Rs. 125 crores. Loans sanctioned amount to nearly Rs. 63 crores, and the actual disbursement of loans comes to about Rs. 35 crores.

"Secondly, in the year which has just closed, we have been able not only to dispense with subvention from Government to enable us to pay our shareholders their guaranteed dividend, but we have also been able to repay to Government a substantial amount towards the subvention that we had been obliged to draw from them previously.

"Thirdly, we have been able to raise funds aggregating Rs. 12.37 crores by the issue of bonds, mainly from institutional investors, several of whom had also already subscribed liberally to our share-capital.

"Fourthly and finally, we were able to help concerns in the relatively less industrially advanced States of the country to the tune of Rs. 32 crores in all during this period. Out of this amount a sum of Rs. 22 crores was sanctioned as loans to *new* concerns alone in these States.

"Turning now to the accounts for the year under report, you will observe that we have done even better than last year, as our profits, after paying for expenses on administration and interest on borrowings, amounted to Rs. 58.25 lakhs, as against Rs. 43.06 lakhs during the previous year. We have, after a lapse of nearly five years, been able to transfer a sum of Rs. 11½ lakhs to the general reserve fund thereby raising the balance in this fund to Rs. 17 lakhs. As I have already mentioned, this year we are also paying the guaranteed dividend out of our profits, and, in addition, we are paying back to Government a sum of Rs. 5.45 lakhs as a first instalment in repayment of the subvention that we drew from them during the previous years.

"You will recollect that, last year, we had made adequate provision for our anticipated bad and doubtful debts and that I had stated that no further provision would be required, though our auditors were of the view that an increase in the provision by Rs. 5 lakhs would be desirable. I am glad to state that, on a review of the accounts at the end of the current year, our auditors have agreed that the existing provision of Rs. 15.14 lakhs is adequate. We have not, therefore, found it necessary to transfer any amount from our profits this year to the reserve for bad and doubtful debts.

Debts Due

"In the schedule attached to the balance-sheet in which certain particulars in respect of the loans and advances outstanding are given, you will find an item headed '(d) debts due by concerns in which the Directors of the Corporation are interested as Directors and shareholders, Directors or members of the Managing Agency concerns.' As the word 'interested' used in this heading is apt to be misleading in this connection, we have given a detailed analysis of the relevant figures in the annual report. You will observe from the analysis given in appendix 'A' to the report that a sizable portion of the loans in which our Directors are stated to be 'interested' represents loans given to concerns in which some of our Directors were interested as shareholders or Directors even *before* they came to be elected or nominated as Directors of this Corporation. Attention had also been drawn to the fact—and I wish to emphasise it here—that, when a loan application is under consideration by your Board of Directors or the Central Committee, every Director, who has any kind of interest in the concern whose application is under consideration, withdraws from the meeting as an invariable rule.

"The number of applications received by us during the year showed a further downward trend from last year's figure. The most important reason for this is the increasing difficulty experienced by industrial concerns and *entrepreneurs* in the matter of securing the necessary licences for importing the capital goods required for starting new industries or expanding existing ones. We insist on the production of the necessary import licences before we take up loan applications for consideration.

Loans Sanctioned

"An analysis of the loans sanctioned during the year shows that States which are not industrially as advanced as the foremost ones like Bombay and Bengal came in for a substantial share this year also. The State-wise figures in this regard are perhaps worth special mention:

Andhra—Increase from Rs. 2.61 crores at the end of June 1957 to Rs. 3.11 crores at the end of June 1958.

Madras—Increase from Rs. 5.58 crores at the end of June 1957 to Rs. 8.57 crores at the end of June 1958.

Mysore—Increase from Rs. 3.80 crores at the end of June 1957 to Rs. 4.80 crores at the end of June 1958.

Orissa—Increase from Rs. 2.30 crores at the end of June 1957 to Rs. 2.94 crores at the end of June 1958.

Punjab—Increase from Rs. 2.66 crores at the end of June 1957 to Rs. 2.97 crores at the end of June 1958.

Uttar Pradesh—Increase from Rs. 3.86 crores at the end of June 1957 to Rs. 5.01 crores at the end of June 1958.

"The general pattern of industrial units that were sanctioned loans during the year under report has, as you will observe from the analysis given in Appendix 'C(i) (B)' to the report, changed somewhat slightly. While sugar still occupies the predominant position as before, paper and cement have moved up to the second and third position respectively, leaving chemicals and textiles behind.

"Co-operative societies continued to receive our special attention. The financial assistance sanctioned to them now aggregate Rs. 13.24 crores which represents an increase of Rs. 2½ crores, as compared with the Rs. 10.73 crores as at the end of the previous year. Hitherto, applications from the co-operative sector have been confined to the sugar industry; we have lately been approached for assistance from certain textile concerns also in this sector.

Loan Commitments

"You will have observed from the annual report that the commitments of the Corporation in respect of loans sanctioned up to 30th June 1958 amounted to roughly Rs. 17½ crores. Out of this amount, a sum of nearly Rs. 7½ crores represented loans sanctioned during the last four months of the year. In respect of these loans, the Corporation was in the process of negotiating the terms and conditions of the loans with the borrowers in the case of some and, in the case of certain others, was in correspondence with the Central and State Governments. The balance of Rs. 10 crores comprises:

	Rs. crores
(i) Amount awaiting disbursement according to the requirements of the borrowers ..	3.5
(ii) Amount held over for fulfilment by applicants of specific terms and conditions prescribed, including proof of title	5.0
(iii) Amounts held over for miscellaneous reasons such as changes made by applicants in their original schemes and consequent need for re-examination of the loan applications, etc.	1.5
Total ..	10.0

"I may mention in this connection that when borrowers do not draw the loan according to the dates agreed upon in the mortgage documents, a commitment charge is levied until such amounts are actually drawn by them. In regard to amounts awaiting disbursement pending legal formalities being completed we grant interim loans liberally.

Reports From Borrower Concerns

"You will be glad to learn that the periodical reports received by us from our borrower concerns of the progress made by them as well as the inspections carried out by our officers indicate that, on the whole, our loanee concerns are doing well. Quite a few of them have done so well indeed that, with our previous permission, they have declared dividends in excess of the standard rate of 6 per cent. It seems reasonable to hope that this will prove to be an incentive to investors and thereby help to broaden the investment market.

"Most of our borrower concerns met their obligations to us promptly in the course of the year. You will have noticed from the annual report that the percentage of defaults in the repayment of principal by our borrower concerns has declined from 8.4 in 1957 to 6.1 in 1958, and that the percentage of defaults in the payment of interest has likewise come down from 2.7 to 1.7.

Deferred Payment Guarantees

"In the annual report mention has been made of certain amendments that had been made to the Industrial Finance Corporation Act during the year under review. One of these amendments now enables us to give guarantees in respect of deferred payments for imported machinery. This is a very useful facility which has been eagerly sought for. You will find in the annual report the main criteria that we apply in examining applications for guarantees, and the more important terms and conditions that we prescribe for the grant of such guarantees by us. We have so far sanctioned three schemes for guaranteeing deferred payments; these aggregate Rs. 3.96 crores in all. We expect that the transactions in this behalf will be finalised shortly.

"In the year under review, we have made our first venture into the field of underwriting, and I hope this transaction, particulars of which are given in the report, will be the forerunner of many more in the coming years.

"You will no doubt recollect that in my speech last year I had invited your attention to

(*Continued on page* 631)

Men and Oil . . . 1

THE GEOLOGIST





Geologists are people whose main business in life is to know rocks, to work and live among them. In the oil industry they look for certain types of rocks that hold oil.

In 1865, a Government geologist was sent to the coal areas of Assam. He reported the presence of several oil shows south of the Dihing river and advised testing, by experimental boring, those near Makum. A well was drilled there in 1867, followed by more wells at Makum and Jaipur. Several of these wells yielded a little oil but went dry in a short time. But in 1889 the first well at Digboi was drilled and the Assam Oil industry was born.

Geologists still play an important role in the Assam Oil industry. They decide the new locations, examine the rock cuttings during drilling and guide the industry in its search for more oil.

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SUGAR INDUSTRY IN BIHAR STATE

CONFERENCE OF ALL INTERESTS TO BETTER ITS POSITION HELD

THE joint conference of sugar millowners and cane growers of Bihar State held at Patna recently was worthwhile. For it provided an opportunity to both the sections to ventilate their grievances and to the spokesmen of the Government to indicate the official point of view. The representatives of the sugar industry, especially Mr. K. K. Birla, must be congratulated for having put forward several constructive suggestions designed to alleviate the difficulties confronting the industry with a view to setting it right on a sound basis. The cane growers also fully recognised the vital importance of this aspect. It is, however, regrettable that some growers opposed the proposal for linking the price of cane to both quality and quantity, instead of to quality as at present.

The apprehensions about the future of the sugar industry in Bihar, expressed by the millowners at the conference, were not at all exaggerated. The production of sugar in the State has suffered a distinct setback of late. The total quantity that actually came off the crushing plants of mills during the 1957-58 season was not more than 275,000 tons, as against 311,000 tons in 1956-57 and 319,000 tons in 1955-56. In contrast, the production in Uttar Pradesh and Bombay has registered a notable improvement. The downward trend in sugar production in Bihar has been due to such factors as adverse weather conditions, incidence of pests and diseases, diversion of cane from sugar factories to *gur* manufacture, etc. Whatever may be the factors, the downward trend must be checked, if the cane growers' prosperity is to be ensured. Dr. Sri Krishna Sinha, Chief Minister of Bihar, did well to stress this aspect and to urge that long-term, as well as short-term, programmes must be organised for checking the declining tendency. In particular, he pleaded for the co-operation of all sections of the industry.

Roads in Factory Areas

Dr. Sinha drew pointed attention to the deplorable condition of roads in sugar factory areas which, he said, constituted a serious impediment to increasing cane production, as it entailed heavy cartage payable by growers and also put undue strain on bullocks. He alluded to the official measures taken by the authorities to improve the condition. The review reveals that the State Government had undertaken in the first Five-year Plan a scheme for constructing 76 miles of cement roads at a cost of Rs. 10 lakhs per mile. In the second Plan, it has allotted Rs. 1.5 crore for the construction of *pucca* roads in the factory areas. The Indian Central Sugarcane Committee has agreed to contribute Rs. 50 lakhs towards this scheme and a further sum of Rs. 50 lakhs is to be raised from the factories and cane growers. It is, however, not surprising to be told that the response from the factories and cane growers' unions has not been encouraging. The State has already subjected the industry to so much taxation that it cannot legitimately expect the latter to make further contributions. As for the trade unions, it is well known that they are meant more for creating discontentment among the workers than for making any constructive contribution to the well-being of either the workers or the society as a whole.

Another handicap of the sugar industry to which Dr. Sinha referred related to the continued low recovery of sugar. He was right when he said that the solution to the problem lay in gearing up research work with a sense of urgency, as also in drawing up and implementing "a purposeful programme" for evolving the requisite varieties of cane with high sugar-content. With regard to the pests and diseases which continued to be a constant menace to cane cultivation in Bihar, he revealed that a joint and co-ordinated campaign under the ægis of the Central Sugarcane Committee was being organised to eliminate the focal points of infection of red-rot in the border areas of Uttar Pradesh and Bihar. Dr. Sinha only reiterated the well-worn point when he emphasised that the results of research for improving the cane crop should be brought to the door of the cultivator immediately. Incidentally, he hoped that, with the facilities now made available to the sugar industry and the large-scale research that was being carried on, the sugarcane production would go up and the percentage recovery be higher. This hope has been repeatedly voiced for several years now, but it still remains unrealised. There are no signs yet to believe that it will fare better in the coming years. Nevertheless, one has to hope for the best and take appropriate measures to realise it, for, if hope is lost, all is lost.

In the course of his speech, Mr. K. K. Birla, deplored the displacement of Bihar by Bombay from the second place it occupied in the sugar industry. Commending the efforts made by the State Government to help the sugar industry and cane growers, he requested the Government to continue the assistance, so that better quality cane could be grown. Mr. Birla suggested the formation of a development council for the sugar industry in the State and advisory bodies in all factories. He pointed out that there was a steep fall in the sugar-content of cane after the month of March every year and urged that this and other problems of the industry should be carefully investigated.

Cane Policy

The State Government's policy relating to sugarcane was criticised by the representatives of growers. Mr. Nandkishore Narainlal, for instance, declared that the Government could have played a more positive role than it did now to improve the economic condition of the peasants in North Bihar's cane-growing areas; instead, it had allowed other States to steal a march over Bihar in sugar production. He complained that "the cane growers do not get full irrigation facilities. Despite this handicap and natural calamities like floods and drought, the peasants of Bihar have enriched the Central and State exchequers with cess, excise and income-tax. Yet the Government has not given facilities in return, except *taccavi* loans."

This is not the first time that the Bihar Government has laid itself open to the criticism of not paying due attention to the development of sugarcane cultivation. It is common knowledge that the amount which the Governments spent directly on cane development every year is not even a fraction of that realised by way of cane cess. The rate of cane cess itself is so large that it is a misnomer to call it a cess. Really speaking, it tantamounts to an excise duty. Accordingly, none expects the States to devote the entire collection by way of this levy to development of cane. But in fairness to the sugar industry and the cane growers at least, a reasonable amount must be expended. Incidentally, the cess collections are included in the general revenue receipts, so that it is not known as to what part of it is actually spent on cane development. Even if the entire proceeds of cane cess were to be utilised exclusively for this purpose, the results obtained might not be significant, so long as the present defective system of linking cane prices to quantity irrespective of quality considerations continues. Mr. Narainlal was unjustified in opposing the scheme for determining cane prices on the basis of both quantity and quality, instead of on quantity alone as at present. Unless this system is changed, the disquieting conditions in the sugarcane economy are bound to persist. It is only a rational method of fixing cane prices that can ensure a marked improvement in the production of quality cane at an economic cost and, consequently, lower prices of sugar for the consumer.

PALM "GUR" INDUSTRY

In the article entitled "Development of Palm *Gur* Industry" published on page 224 of our issue dated 9th August 1958, the following remarks appear:

"In this industry, there is a number of middlemen and brokers who come in for a good share of the profits of the industry. And it would be desirable for firms like Messrs. Parry & Co., Ltd., Madras, to devise, in their own interest, better methods of collection of *jaggery*. At present, the workers are entirely in the clutches of the brokers and private capitalists who take an unusually big share of their legitimate income.

"Palghat and the surrounding country have extensive growth of palmyras and the *izhuvas* extract sweet toddy from them and manufacture *jaggery*. The production in this area is so large that the firms of Messrs. Parry & Co. and Sri Ram Sugar Works of Podanur are able to draw large supplies of *jaggery* for their sugar works. The average production of *jaggery* in a year exceeds 10,000 bags."

We are now informed by Messrs. Parry & Co., Ltd., that they "gave up refining of *jaggery* at Nellikuppam in 1943 and at Samalkot and Thuckalay (old Travancore) in 1949; the production of sugar from *jaggery* is quite uneconomical." There is thus no question of Parrys being a party to exploitation of workers. The error is regretted.

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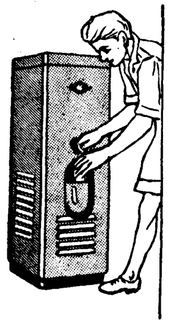

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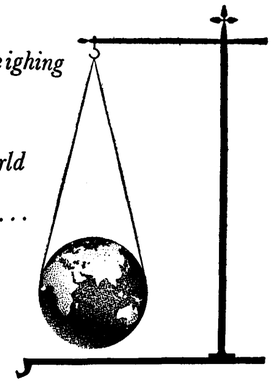

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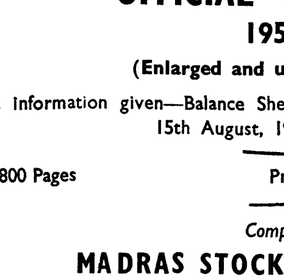

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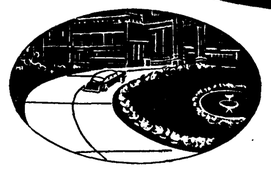

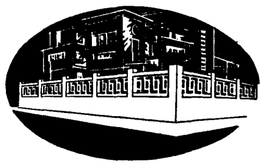



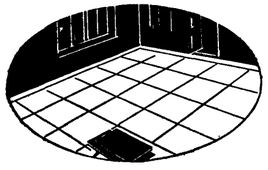

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CEILING ON PLANTATION HOLDINGS

AGRICULTURISTS FEDERATION'S MEMORANDUM

IN the course of a memorandum addressed to the Land Reforms Sub-Committee of the All-India Congress Committee, the All-India Agriculturists Federation (President: Mr. Lal Singh) has stressed that the land reforms measures proposed in many States, far from helping to remove the fundamental defect in Indian agriculture, namely, low productivity which is the result of lack of funds and technical know-how, would only intensify the existing weakness in the agricultural sector. The proposed ceilings on land holdings, according to the memorandum, will drive resourceful and enterprising farmers, having sufficient funds, away from the profession, leaving agriculture as the exclusive monopoly of the ignorant, the poor and the illiterate. The Federation strongly urges that plantations should be exempted from the ceiling and points out that the basic facts about the plantation industry cannot be ignored without grave consequences to the whole agricultural economy of the country. Plantations, the memorandum points out, require heavy capital investments and can be economic only if run on a big scale. Ceiling on plantations, as suggested by the Jatti Committee in Mysore, would, therefore, spell disaster to the efficiently run and prosperous commercial plantations.

The Federation points out that plantation crops such as tea, coffee, arecanut, coconut, cardamom and spices are all foreign exchange earners, their share being 28 per cent. of the total export earnings in 1957. Tea, the biggest item, alone earns about Rs. 127 crores annually. The expansion of the area under these crops is, therefore, of the utmost importance. But the raising of plantations of these crops requires enormous capital—anything like Rs. 4,500 to Rs. 8,000 per acre—depending upon the kind of crop, up to the time the plants reach full bearing stage. During this period, the planter must have some alternative source of income which means that it is out of question for resourceless people to take to plantations on individual basis.

Because of the specialised nature of these crops, and the heavy expenditure involved not only in planting and bringing the plants to the bearing stage but also in fertilising, providing irrigation facilities, spraying, etc., points out the Federation, only the well-managed big plantations can give the maximum yield. In fact, generally speaking and ignoring exceptions, the yield per acre of coffee is in proportion to the size of the plantations. As the Plantation Enquiry Commission had pointed out, the average yield per acre of big plantations is about two and a half times more than that of small plantations. On the other hand, the cost of production per cwt. of coffee in the case of small plantations is about three times more than in the case of big plantations. This means that a big planter is able to grow coffee at practically one-third of the cost of a small planter. Not only is the yield less in small plantations but the quality of the coffee produced is also inferior, fetching about 35 per cent. less price than the price of crops produced in big plantations.

The yield of coffee in India is about half of that in Kenya and Indonesia, that is, 1.96 cwt., as against 3.74 cwt. per acre. India produces only one per cent. of the total world production while the area under coffee is two per cent. of the world acreage, indicating that the average yield per acre in India is only about 50 per cent. of the world yield. The Plantation Enquiry Commission, therefore, rightly emphasised the importance of raising the standard of cultivation and increasing the yield per acre. This is particularly important, inasmuch as India has a surplus in coffee and has to export one-third of its present production.

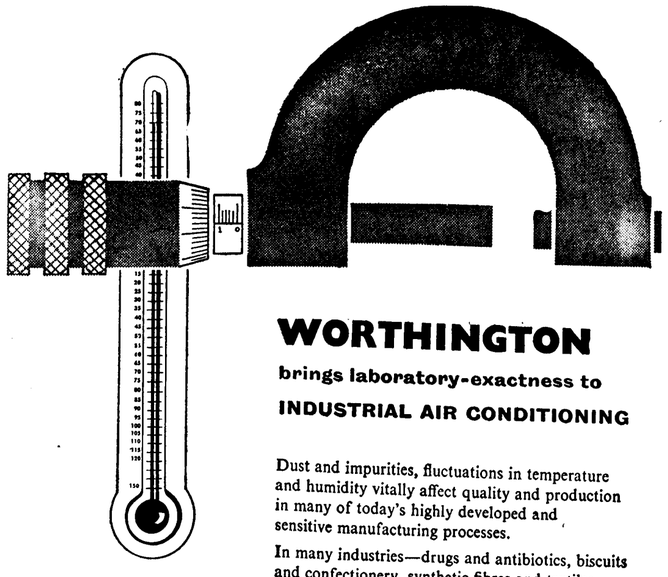
Growth of coffee plantations all over the world is making it difficult for Indian coffee to compete in the world market in price. Considering that larger plantations give three times higher yield per acre, and on weight basis at a cost one-third of that of the small planters, the quality of coffee being also inferior, it is obvious that only the establishment of big plantations can enable India to compete in the world market. But as the Plantation Enquiry Commission pointed out, holdings of size below 5 acres between 1933-54 have increased by 53 per cent., as against the 12 per cent. increase in holdings of the average size of about 10 acres, even though small plantations were already uneconomic. All this goes to show that India can never expect to compete in foreign countries if small plantations are to be encouraged, as recommended by Jatti Committee's report. The Commission had rightly come to the conclusion that big plantations should not be broken up into small plantations, and that there should be no ceilings on land holdings in plantation industry. Likewise, the Arecanut Committee appointed by the Central Government had also disapproved of ceiling on areca gardens.

The fact is that crops like rubber, tea, coffee, coconut, arecanut, etc., cannot flourish as an industry unless their cultivation is taken up on plantation basis. For instance, whereas rubber is a native of Brazil, it has made no progress there as it was not grown there on plantation scale. On the other hand, Malaya, Indonesia, Ceylon and India, which had imported seed from Brazil, are now supplying 99 per cent. of all the natural rubber in world trade merely because rubber was grown on a plantation basis in these countries. Again, China was the world's tea supplier for over 100 years. But because tea was grown there as a peasant crop while India, Ceylon and Indonesia raised it on plantation scale, India ousted China from the dominating position in the world market 55 years ago. In the case of coconut products, India had a surplus till 1921, but because this industry had not so far been run on plantation lines in India, this country has been left behind by Ceylon, Indonesia and Malaya from where, India is importing coconut (to the extent of Rs. 14.8 crores in 1957) although there are 15,00,000 acres under coconut in the country. To take the example of pepper, which is a native of Kerala, it did not make any great progress until it was taken up recently on a plantation scale while Indonesia and Malaya account for 94 per cent. of the pepper appearing in the world market.

The Federation points out that there is no dearth of land in South India for expanding the plantations. In Coorg district alone, according to it, out of a total area of 10 lakh acres, only two lakhs are cultivated (taking farm and plantation crop together) and the rest is either cultivable waste land or is under forests. There are tens of thousands of acres of most fertile land that can be brought under plantations without much difficulty. It is also noteworthy that total area under coffee in Mysore State in 1896 was 3 lakh acres, besides 90,000 acres in Coorg, but because of depression in coffee price and incidence of certain pests and diseases, and lack of technical know-how, the area dwindled both in Mysore and Coorg to almost one-third of the original figure. In spite of the considerable increase in the area in Coorg recently, the total area under coffee in Coorg is only 45,000 acres and in the whole of Mysore State 144,730 acres. Half of the former area under coffee is thus still available for planting coffee.

The special officer appointed by the Government of India for arecanut survey reported that India is deficit in arecanuts and large quantities were imported annually; imports were valued at Rs. 4.36 crores, in 1955-56. There are 40,000 acres of waste land suitable for areca cultivation in Mysore State. According to the estimates of the special officer, in order to bring 35,000 to 38,000 acres under areca cultivation and to raise the plants to maturity, a capital investment of Rs. 12.87 crores would be required. It is obvious that this can only be done by private enterprise, as the Government cannot find sufficient funds for it.

The history of plantations in places like Coorg is a history of the successful struggle of enterprising people against the forces of nature in regions where there were no roads, no houses or hospitals but only jungles infested by malaria and other pests and diseases. But for the enterprising spirit of the early planters, these places would have remained jungles. If plantations are destroyed by ceiling on land holdings, before long places like Coorg, which are now the pride of India, may revert to their original jungle conditions.



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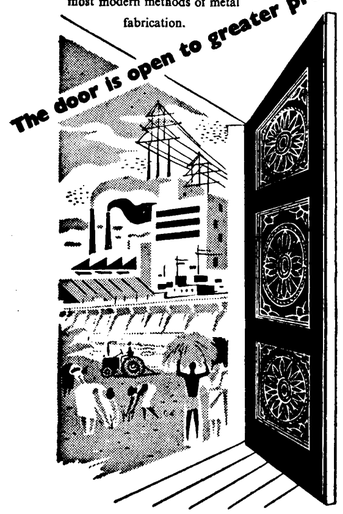

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ST. LAWRENCE SEAWAY AUTHORITY

TOLLS COMMITTEE'S REPORT

LAKES, rivers and seaways know no man-made national frontiers. Communications involving the utilisation of these waters necessarily imply close international co-operation. An excellent instance of such co-operation is furnished by the St. Lawrence Seaway Navigation Project in which both Canada and the U.S. are interested. Pursuant to the instructions of the President of the St. Lawrence Seaway Authority, a Canadian Tolls Committee (Chairman: Mr. J. C. Lessard) examined the nature and amount of the tolls required to recover the Canadian expenditure on the project, while a similar committee in the U.S. (Chairman: Mr. E. Reece Harrill) studied the tolls and allied issues connected with the recovery of the U.S. expenditure. Separate and joint meetings of the two Committees, held from time to time, have now resulted in an agreed structure of tolls to be charged for the use of the facilities offered by the project.

Two Parts

The entire Seaway navigation project consists of two parts—Montreal to Lake Ontario and the Welland Canal (Lake Ontario to Lake Erie). Canadian legislation, authorising the construction of the project, provides for recovery from Seaway users of expenditure by Canada for Seaway operations and maintenance, interest and amortisation of capital within a 50-year period. Legislation in the U.S. carries similar authorisation in respect of the U.S. expenditure. The prime objective of the Canadian Tolls Committee, as well as of the U.S. Tolls Committee, was to determine the lowest tolls consistent with the encouragement of traffic and with the need for revenues sufficient to make the project self-liquidating within the 50-year period required by legislation and to evolve a simple toll structure and the most convenient method of collecting tolls. The cost of construction and the interest during construction of the first part of the project (Montreal to Lake Ontario) is placed at $442 million, of which Canadian expenditure is $311 million and the U.S. expenditure is $731 million. A similar estimate of the second part of the project (Welland Canal), which is met by Canada alone, is $29 million. Thus, the total capital costs amount to $471 million. Canada's share and the U.S.'s share being $340 million and $131 million, respectively. Average annual charges, covering operation and maintenance, interest and amortisation of capital cost on 50-year basis, amount to $28.1 million, comprising the Canadian share ($20.9 million) and the U.S. share ($7.2 million).

The Canadian and the U.S. Tolls Committees have together estimated the total traffic through the St. Lawrence Seaway between Montreal and Lake Ontario at 25 million short tons, rising to 50 million short tons by 1968 and the traffic through the Welland Canal at 40 million short tons in 1959, increasing to 60 million short tons by 1968. About 10 to 12 per cent. of the traffic is expected to be in general cargo and the balance in bulk cargo. In recovering total charges over a 50-year period for operation and maintenance, interest and amortisation of capital, the Committees point out, it is desirable that the tolls assessed per registered ton of vessel and per ton of cargo should be as constant as possible over the period. This means that the estimated traffic during the initial years of a development period is not expected to produce revenues sufficient to meet total annual charges. Recovery of such deferments will be realised later, as the volume of traffic increases and, therefore, over the whole 50-year period, all charges will be met. The division of tolls between Canada and the U.S. for the portion between Montreal and Lake Ontario in the ratio of the respective total annual charges (for operation and maintenance, interest and retirement of invested capital) is cosidered the most equitable arrangement.

The main features of the proposed toll structure are:

(Per ton of 2,000 pounds)

For each passage through the entire Seaway—Montreal to Lake Erie: A vessel will be assessed 6 cents per gross registered ton of the vessel; and, in addition, 42 cents per ton of bulk cargo and 95 cents per ton of general cargo carried.

For each passage—Montreal to or from Lake Ontario only: A vessel will be assessed 4 cents per gross registered ton of the vessel; and, in addition, 40 cents per ton of bulk cargo and 90 cents per ton of general cargo carried. For partial transit of the new seaway facilities—between Montreal and Lake Ontario—where there are seven locks, the user will be charged 15 per cent. of the applicable toll for each lock transited.

For each passage through the Welland Canal only: A vessel will be assessed 2 cents per gross registered ton of the vessel; and, in addition, 2 cents per ton of bulk cargo and 5 cents per ton of general cargo carried. In the Welland Canal, a partial transit will be assessed 50 per cent. of the toll, irrespective of the number of locks used.

Commercial vessels carrying passengers will be charged 50 cents per passenger for each lock transited between Montreal and Lake Erie in addition to the vessel charge.

Bulk cargo, as defined in the proposed tariff, will include such commodities as grain and grain products, loose or in sacks, ores and minerals (as described), liquids in ships' tanks, pulpwood, poles and logs, wood-pulp, waste paper, iron and steel scrap and pig iron. Domestic package freight of each country will also take the bulk cargo rate. All commodities not included in the definition of bulk cargo will be classified as general cargo.

A simple method of toll collection is proposed, based on the necessity of non-interference with prompt passage by any user. Provision is to be made for prior registration of any vessel and satisfactory security being given for the payment of charges, either with the St. Lawrence Seaway Authority or with the Saint Lawrence Seaway Development Corporation subsequent to which passage will be permitted. Toll collection and invoicing of accounts, as well as the preparation of statistical data is proposed to be assigned to the St. Lawrence Seaway Authority. The Saint Lawrence Seaway Development Corporation has agreed to participate and share in the annual cost of these services. Charges will be billed to the owner or agent promptly, and will be payable within seven days after the passage of the ship. For through passage to or from Montreal and Lake Ontario, the invoice will show two amounts to be paid: (1) in Canadian funds to cover the proportion applicable to the St. Lawrence Seaway Authority, which has been determined at 71 per cent. of the total charges; and (2) the balance of the account, or 29 per cent. in U.S. funds, representing the proportion applicable to the Saint Lawrence Seaway Development Corporation, payable at any designated bank in Canada or in the United States. Tolls collected for use of the Welland Canal will be for the St. Lawrence Seaway Authority account and payable in Canadian dollars. The Committees stated that the division of tolls indicated above is based upon current figures of estimated capital and operating costs, and can be subject to variation as actual costs are determined.

The projection of traffic volume and financial requirements, it is stated, has been made, bearing in mind the legislative requirements on the one hand, and on the other the desirability of establishing tolls which in the early years will be conducive to the development of traffic. If future events should indicate that traffic conditions or future financial requirements have been either overestimated or underestimated, the necessary adjustments can be made in the toll structure.

NEW USES FOR SOLAR ENERGY

Industry is beginning to find a number of new uses for solar cells' the devices that convert sunlight into electricity. The cells are now being used in radios, clocks, industrial control instruments, power relay stations and an experimental telephone system. Their successful use as solar batteries to provide electricity for one of the United States "Vanguard" earth satellite's radio transmitters is probably their most widely-known application up to this time. Solar cells were first developed by the Bell Telephone Laboratories in the United States after its scientists discovered that small cells made of crystallised silicon would convert sunlight and, to some extent, incandescent light, into usable amounts of electricity.

The Hoffman Electronics Corporation of Chicago, Illinois, was one of the first companies to put this discovery to commercial use. In 1957, it began to market a portable radio that converts sunlight into electricity and stores it in the radio's battery. Other companies are now actively following the Hoffman Corporation's lead. The General Time Corporation of New York is marketing a solar clock that will run for a month on the electricity obtained from one day of sunlight. Other companies believe that solar cells will be most useful in industrial control instruments. Thus, both the General Electric Company and the Westing house Corporation are making them for temperature detectors for controlling the rate of withdrawal of steel ingots that have been heat treated. When the proper temperature is reached. the cells automatically start the machinery that removes the ingots. Without a solar cell an operator has to examine each ingot during the heat treatment process and remove it manually at the proper time.

The U.S. Coast Guard is using solar cells to provide electric power for coastal lights that are in isolated locations, and the U.S. Forestry Service is putting the cells in power relay stations. In an experimental telephone system, the Bell Laboratories linked together several solar cells on a square plate. The joined cells converted enough solar power into electricity to permit the transmission of conversations over the wires of the system. Excess energy was stored in batteries for use at night. Bell reports that the cells produced 100 watts of electrical power per square yard. This means that 11 per cent. of the solar energy was converted into electrical energy. This efficiency is about the same as that of a good gasoline engine.

It has been estimated that solar cells will be as widely used as vacuum tubes, or valves, in about 10 years. In the near future it is possible that electric fans, phonographs and even lawnmowers may get their power from solar cells that use the energy contained in sunlight or from a strong electric light bulb.

The Hoffman Electronics Corporation is currently studying the possibility of building houses that would get all their electric power for lights, radios and electric appliances from solar cell shingles on their roofs. The shingles would generate power that would be stored in batteries. Five days of sunlight, it is said, would create enough electricity to take care of all the electrical needs of an average house for a year.

HEAVY PLATE ROLLING MILL FOR ROURKELA

In one of the numerous Krupp workshops at Essen there is to be seen at present an exceptionally heavy piece of mechanical equipment which is not a usual sight there. This is a plate rolling mill now in the process of shop assembly, which is intended for shipment to Calcutta. This plant has been designed and constructed by Krupp in accordance with modern engineering principles for the Hindustan Steel Private Limited. It is scheduled for commissioning in the spring of 1960, after the steelmaking plant, also to be supplied by Krupp, has gone into production. With this rolling mill, India proposes to cover its domestic needs for rolled steel plate.

The shop assembly, to which every major plant unit is subjected, affords the purchaser the possibility of inspecting and accepting the plant prior to shipment. The unit consists of a 14 m. high rolling mill stand with four heavy rolls and two roller tables each 30 m. long. Initially, the mill is to produce 300,000 tons of plate, but this production can be considerably increased after the mill operators have acquired sufficient operational experience and skill.

4¼ PER CENT. BIHAR STATE DEVELOPMENT LOAN 1970

ISSUED AT Rs. 99.50 AND REDEEMABLE ON 13th OCTOBER 1970

The Government of Bihar announce the issue of their new loan for Rs. 250 lakhs bearing interest at 4¼ per cent. at an issue price of Rs. 99.50 per cent. The Government reserve the right to retain subscriptions upto ten per cent. in excess of the notified amount.

The loan will be repaid at par on 13th October 1970.

The loan will open for subscription on 13th October 1958 and close on 18th October 1958 or earlier without notice. The loan will bear interest from 13th October 1958.

Subscriptions may be in the form of cash/cheque.

Applications will be received at the Public Debt Offices of the Reserve Bank of India at Bombay, Calcutta, New Delhi, Madras and Bangalore and at the branches of the State Bank of India and treasuries and sub-treasuries in Bihar State.

Copies of Notification and Application Forms may be obtained at any Receiving Office.

THE JAY ENGINEERING WORKS LTD.

SIR SHRI RAM'S SPEECH AT ANNUAL GENERAL MEETING

GOVERNMENT REQUESTED TO TAKE VARIOUS STEPS EARLY TO HELP EXPORTS

THE following is the text of the speech delivered by Sir Shri Ram, Kt., Chairman of The Jay Engineering Works Ltd., at the Twenty-first Annual General Meeting of the shareholders of the Company held at Calcutta on 1st October 1958:

"GENTLEMEN,

"The balance-sheet and the profit and loss account and the Directors' report have been in your hands for some time, and these, with your permission, I will take as read. You will be glad to learn that your Company continued to make steady progress in the year ending 31st March 1958.

		For the year ended	
		31-3-1957	31-3-1958
Sales	Rs.	3,89,49,999	4,71,60,120
Profit before providing for income-tax	Rs.	35,76,491	38,52,326
No. of sewing machines made		1,34,284	1,57,945
No. of fans made		1,33,119	1,99,073
No. of workers		3,506	3,906
No. of schools		196	386
No. of students		15,000	30,000

"In our schools, regularly examinations are held and diplomas are given to successful candidates. In Calcutta last time, the diplomas were given by the Hon'ble Mr. I. D. Jalan, Minister for Local Self-government, to 202 students.

"When speaking to you in 1954, I told you that we had reduced our prices of sewing machines from Rs. 220 to Rs. 200. We again made a further reduction on 1st December 1954 and reduced the price to Rs. 175. I am glad to say that, on 1st of January this year, we again reduced the price from Rs. 175 to Rs. 160. This further reduction of Rs. 15 per machine, as I have stated above, is in consonance with our policy of improving quality and reducing prices.

"It will be noticed that, while there is increase in production in numbers and in amount of sales values, the increase in profit is proportionately less; this is due to the reduction in prices.

Two-sided Difficult Problem

"While on this subject of reducing the price of our products, I may draw your attention to the two-sided difficult problem that we have to face. On the one hand, higher costs of raw material and articles of food are pushing our costs upward. Whereas, on the other hand, the purchasing power of our customers is strained by the rising prices of all kinds of food articles and other necessities of daily living. Our customers, in the main, are from two groups—middle class housewives and tailors. Over the preceding year, the purchasing power of both has been adversely affected—the housewife on account of the high prices of foodstuffs and the rising costs of living in general; and the tailor by the lower offtake of cloth which means less work for him.

"To meet the difficulty of our customers, particularly the tailors, who earn their livelihood by use of sewing machines, we have started selling machines on hire-purchase on easy terms. We hope, in course of time, this will be of great help to them.

Exhibition

"To popularise our machines, in March this year, we organised an All-India Sewing and Embroidery Exhibition at Calcutta, in which no less than 3,000 entries were received. Most of them were the work done on Usha machines. About half a million people visited this Exhibition. We have been asked by our well-wishers who visited this Exhibition that we should hold similar Exhibitions in various parts of the country and steps are being taken towards that end.

"While we have our selling arrangements very nearly in 1,200 places, to reach the remotest village we have got a big fleet of jeeps and vans in different parts of the country that go from village to village popularising our machine, and in these jeeps and vans, we send our mechanics also, so that, if any of our customers find any difficulty, they help them and attend to their machines.

"While we have succeeded to a great extent in improving the quality and reducing the prices, the reduction in costs for reasons mentioned has not been possible. While on the question of quality, you will be glad to learn that we have been able to sell a fairly big number of our sewing machines in the United States, Canada, England, Holland, Belgium, Italy, etc., and we hope to sell in some other European countries also. So far as Asian and African countries are concerned, we have been exporters for many years now. We could with some justification say that the foreign buyers find our sewing machines the cheapest quality sewing machines.

"Our exports last year were higher than the previous year, and we hope they will be very much higher in the current year.

"During the year, showrooms of their own have been opened by our agents in Singapore and Bangkok for the sale of our machines. The credit of introducing our sewing machines and fans in countries which are themselves makers of sewing machines goes, on the one hand, to our engineers and workers under the guidance of our General Manager, Mr. T. R. Gupta, and for sales in these countries to Mr. Agarwal and his assistants, in particular Mr. Ravindra Nath.

"You will be glad to know that Mr. Agarwal is doing excellent work as Vice-Chairman of the Engineering Export Promotion Council, and that our Production Manager, Mr. T. R. Gupta, is leading the first productivity team to America and other countries. We are naturally proud of these people.

"While it is not possible to sell fans in Western countries, as they are all cold countries, but the sale of our fans in African and Asian countries is also increasing.

Exports

"Our approach to the question of exports is from three different angles. First of all, there is the duty which we owe to ourselves—the duty to keep our factory running and not to allow production to suffer for want of raw material, including imported items. Secondly, we owe a responsibility to our workers, whom we would have to discharge if we don't keep the factory running. Thirdly, there is a duty that we owe to our country, which today is facing a serious shortage of foreign exchange resources, and that in my humble opinion should be the approach of all manufacturers.

"Since Independence, industry in general, has been helped either by the grant of direct protection or by the restriction of imports. For the last two or three years, there has been a very severe restriction on imports of foreign goods, and it is this severe restriction, which, to an extent, is helping industry in making profits. It is true that, in exports, there will be less profits or perhaps no profits. In some cases, perhaps, even a slight loss might occur, but taking a broad and long view, it is incumbent upon all manufacturers, in individual industries, to join together and take immediate steps for higher exports. It is in these days when profits are good, that by a little sacrifice, we can establish markets abroad to our permanent benefit.

Government Measures

"While the manufacturers owe it to themselves, to their workers and to the Government to do all they can for exports may I also request the Government to take the various steps early for helping exports. Many questions have been pending before the Government for a long time. For instance, the concession in railway freights, income-tax, in rates of interest, and allowing a percentage of foreign exchange for imports of various things needed by industry, etc. An early decision on all these points will certainly help exports.

"When I say this, I am fully aware and grateful for what the Government have already done, but more has got to be done.

Pig Iron

"In the interest of engineering concerns, I would draw the attention of the Government to one fact which affects the production of the engineering industry. The pig iron normally supplied by the steel concerns is of poor quality, and on account of this the rejections both in the foundry and at later stages in production are higher. Also on account of hardness of the castings the output in machine shop is much lower than it would be otherwise. I have no doubt that the industry will not mind paying slightly higher prices for first quality pig iron, but it is very necessary for manufacturing industries to get good quality pig iron. I do hope that it will be possible for the Government to induce the steel mills to do so.

"The Government, as is well known, wants some sort of ancillary industries to be helped by big-scale industries, and I am glad to say that the number of those who work for The Jay Engineering Works outside the factory is steadily increasing and our payment to these outside people last year amounted to Rs. 31,49,851 and the figure is steadily increasing.

"The fan section has been completely shifted to the new factory at Bansdhani. The production there is steadily going up and the efficiency is improving. The needle-plant has also

(*Continued on page 631*)

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THE INDIA UNITED MILLS, LIMITED

SPEECH OF THE CHAIRMAN, MR. N. K. PETIGARA

BURDEN OF EXCISE DUTY ON TEXTILES EXCESSIVE

THE following is the speech of the Chairman, Mr. N. K. Petigara, at the Thirty-eighth Annual General Meeting of the shareholders of the India United Mills, Limited, held in Bombay on Monday, 29th September 1958:

"GENTLEMEN,

"Mr. Dharamsey Mulraj Khatau should, as elected Chairman of the Company, have been addressing you today. That I do so instead of him is due to the fact that he is out of India on a two months' business tour. Mr. Dharamsey's absence abroad, at this juncture, is a loss to us because this annual general meeting, which he would have otherwise addressed, is an important one from all points of view, and his expert knowledge of the textile trade and great business acumen and the particular knowledge that he had gained during his brief recent association with the India United Mills Ltd., would have enabled him to explain to you better than I can ever do the facts regarding the Company. We are looking forward to his reassuming the chairmanship by about the end of October.

"In his place, I have been asked to speak to you and I do so with considerable hesitation. I am not familiar with the textile trade as Mr. Dharamsey is or the Directors other than myself are or even as a number of you gentlemen must be. I am also at a handicap in that my association with the Company as a Director thereof has been extremely brief and you will appreciate that in respect of a concern of this size where the losses for the year have been so great and where you would naturally want explanations and reasons, I am at a disadvantage.

Arbitration

"First let me tell you why and how the three of us are here on your Board today. The report of the Directors tells you briefly why we accepted the invitation extended to us to join your Board and joined it on 22nd July 1958. You are aware that, some years ago, differences arose between the partners of your Managing Agents firm. At that time, they were resolved as a result of an arbitration by the Honourable Mr. Morarji Desai and Mr. G. D. Birla. They were not as interested in the differences as in the fact that the existence and continuance of any such differences reacted considerably and adversely on the general body of shareholders, on the very large staff the Company has and generally on the textile industry in which your Company has a foremost place.

"There were then 13 partners of your Managing Agency firm and several of them retired due to the directions of the Arbitrators. There were only six partners left. Thereafter, two of the partners, who were individuals, were replaced by a private limited company. The net result, which the Company has ratified and accepted, is that at present the partnership firm of your Managing Agents is constituted of five partners, out of whom two are private limited companies and one is a public company.

Differences Again

"Now, unfortunately differences again arose amongst these partners and there was danger of these differences resulting in accentuating risks for the Company. This can be easily appreciated. The respective partners were in individual charge of the different units of your Company. For example, No. 1 Mill was managed by a particular member and the other Mills by others. If differences exist, there might quite likely be general disarrangement in the management of the affairs of the Company. These disputes have again been referred to the arbitration of the same two gentlemen and their public spirit and their anxiety to care for the interests of the shareholders as well as the employees have made them take up the onerous task of arbitration, so that, the differences may be resolved in the interest of the disputing partners, of the numerous workmen and employees of the mills, of the shareholders and, very generally speaking, of the textile trade. Your Company is one of the largest in India. It employs on an average 18 thousand workmen, besides, about 12 hundred managerial, office and clerical staff. Your Company purchases cotton and stores on an average of about Rs. 5 to 6 crores a year. It would be disastrous for everybody concerned, if, combined with the difficulties the textile trade has been facing for a long time, there are greater difficulties still in this particular Company.

"I must refer in this connection also to the Honourable Mr. Shantilal H. Shah, Bombay's Minister for Law and Labour. He has shown the greatest interest in the working of these Mills, paying particular attention to the interests of labour, and, if the solution of arbitration has been achieved and actual solution of all the difficulties which the Company has been labouring under is to be achieved, it will be due to a great extent to the initiative and assistance of Mr. Shantilal H. Shah.

Various Suggestions

"Various suggestions have been put forward before the Arbitrators such as resignation of one or the other of the disputing parties and the taking over of the managing agency by one or two partners or the division of the Company into different units. Which course will bring about peace and be in the interest of the shareholders and the workmen is not easy to say. It will take time before a solution can be worked out. No results can be achieved in the short time after the Arbitrators were appointed.

"You must appreciate that there are very important issues for consideration. Enormous amounts are at stake. Today with the very complex interest involved of shareholders, labour, staff and the Managing Agents and also I may add, of the Revenue, highly complicated questions arise because a balance has to be struck between the different interests which at times can clash.

"As an interim measure, it was directed by the arbitrators and accepted by all the partners of the Managing Agents firm that the Board of Directors should be advised to invite some outsiders, who would not be partisan between the differing partners of the Managing Agents firm, and upon whose integrity and business experience, reliance could be placed. The names of the three of us, Mr. Dharamsey M. Khatau, Mr. Gajadhar Somani and myself, were finally suggested and accepted and I can assure you that it was with considerable hesitation and after deep consideration of the responsibilities that are being undertaken by us that the three of us agreed to become Directors in your Company.

Generous Support

"We knew at that time that the working results of the Mills had not been satisfactory. We also knew that the Company was finding difficulties in arranging for its finance notwithstanding the constant and, I may say, generous support of its bankers, the Punjab National Bank Ltd. We also knew that we would have to exercise the greatest care in maintaining our impartiality because it is easy for one side or the other to believe that one or the other or all of us could be partial.

"We realised that we had a very great responsibility towards the shareholders, as well as the employees and the staff, and that the proud name of this Company must not be soiled by any mistake or misadventure. Our heaviest responsibility, we felt and feel is towards the two very great personages, who have placed their faith in us that we may be able to cope with the onerous task of restoring normality in the working of the Company. How heavy the responsibilities that we had undertaken are in fact, I do not think that we realised fully at the time of acceptance. At any rate, we have done, whatever we could reasonably do, during the two months of our directorships. We have attempted to do some constructive work, and in the task of doing that work, we appeal for your support. It appears that we have the support of the Managing Agents as well of the other Directors.

"In the task set to the Board it is assisted by Mr. S. A. Kher. We have been fortunate in securing the services of an expert with the very high quality of integrity. The administration of the Mills is, we feel confident, in safe hands. Mr. S. A. Kher who was the General Manager of the Calico Mills (Chemical Division), Ahmedabad, has been persuaded to join our Company on a five-year contract. His knowledge of the textile industry in all its aspects is proving to be of the greatest assistance to the Board of Directors. It will be his task to carry out the policies which are being considered and laid down in regard to such complicated matters as the obtaining of finance, the running of the mills, the manufacture of good textiles and the sale thereof. I am not sure how many hours of the day he keeps working to keep pace with the requirements of the Company. I can only say that we could not have had a harder working man. The Directors have felt the necessity of giving him adequate assistance. In the matter of sales we are attempting to adopt a triple policy of employing first class salesmen, as also sales agents in different places and a special staff for export promotion. In the matter of administrative control we are attempting to revitalise our various departments and rationalise and modernise the working of the mills. Rationalisation is a word used in a particular context in India in connection with the textile industry. I can assure you that no such rationalisation is intended or can be attempted at this stage. What we propose to do I shall indicate later on. At this stage, I say only this that we are confident that we have one of the best men possible that we could have at this stage of crisis.

Crisis

"I said crisis. And I will be quite frank with you. I shall tell you the position of the Company and I shall not hide the fact that we have serious difficulties to contend with and that we are facing a serious crisis. There are difficulties surrounding us on all sides. There are very large accumulated stocks which have to be disposed of, and it is certain that there is going to be heavy loss and serious delay in the course of the disposal. There is the question of finance which is presenting considerable difficulties. With a company of this size and to work it efficiently, we must have about Rs. 4 crores by way of credit from our bankers.

"Our bankers are the Punjab National Bank Ltd. You will find a resolution recommended to you for being passed. You are requested to sanction that the borrowing powers of the Directors be raised to a limit of Rs. 5 crores. It is felt that there must be a minimum limit of Rs. 4 crores available to the Directors. For some considerable time to come, there is hardly any prospects of the money invested in stores and stocks being lower than between Rs. 3 crores and Rs. 3.5 crores which means that the Company must have another Rs. 50 lakhs for other purposes, such as buying badly needed machinery to the extent of about Rs. 15 lakhs and for enabling the purchase of cotton and stores and paying for it at appropriate times and at appropriate rates. We have approached these bankers for extending the present facilities that they give us and the matter is under their consideration.

"Our Company is producing mainly greys. With the export market being what it is, and competition arising from various other countries, we have fallen back in the matter of exports. So far as local sales are concerned, notwithstanding our reputation in the market, it must be remembered that production of greys in Bombay is fast becoming an uneconomic problem, having regard to the competition from other centres in India, where wages and dearness allowances and, therefore, production costs are lower. Therefore, arises the question of changing over, if possible, from coarse and medium greys to finer counts. We want to do this but we must have for that purpose machinery, which we have not got and we must have imported cotton and stores of the kind that we have not got in sufficient quantities. Our cotton purchases are at present being done in driblets. We buy such cotton as we need at such prices as we can get.

"Then there is the question of getting cleared of income-tax difficulties. The assessments have been completed only upto the year 1953-54. The assessments have been heavy and Appeals are pending and the advice received has been that there is a fair chance of succeeding in the Appeals. If that is so, then there should be a considerable relief by way of refunds. The Company has paid approximately Rs. 1.48 crore towards the assessment orders and it is the Company's feeling that they should not have been asked to make the payments. However, the Department is pressing for payments, and we have asked them to desist from doing so, pending the final decision of the Appeals. If they continue their pressure, I can bluntly say that we will be facing further difficulties. There is provision made in the balance-sheet to meet liabilities. But in view of the ready cash position, it is impossible to go on making payments.

Report and Balance-sheet

"I have spoken so far our difficulties generally. I shall now refer to the report of the Directors and the balance-sheet and profit and loss account and be very specific in regard to various matters.

"First of all, let me tell you why the report and the balance-sheet have been signed by only four Directors, though there have been in the year 1957, ten Directors and, there were at the time of the signing of the report and the balance-sheet nine Directors. During the year 1957, there were certain resignations from the Board of Directors Mr. L. N. Birla resigned on 10th December 1957. Mr. Dhirajlal Maganlal and Mr. Bhaidas Maganlal resigned on 23rd and 24th April 1958, respectively. Mr. Basudev Somani resigned on 25th April 1958. I am given to understand that the record of service of these Directors was very good. So far as Mr. Dhirajlal Maganlal and Mr. Bhaidas Maganlal were concerned, they were appointed as truly representing the shareholders. I understand that Mr. Dhirajlal Maganlal, in particular, made a number of suggestions for the improved working of the Company. I think it is a matter of regret that the present Board has not the help and support of the Directors who have resigned.

"To go back to the report and the balance-sheet, those Directors who had resigned could not join in the signing of the report and the balance-sheet. On the day of the Directors' meeting where the signatures were affixed Mr. Shri Gopal Nevatia and Mr. Sanwal Ram More were not present. So far as the three of us were concerned, we considered that it would not be proper for us to make a report to you and to certify the balance-sheet and accounts, of a period, during which we were not Directors, and which were in respect of matters with which we could not familiarise ourselves, during the few days that we had joined the Company. Thus, it is that the remaining Directors have signed the report and the balance-sheet.

"You have by now had ample time to have gone through the Directors' report and the accounts for the year 1957. With your permission, I will take them as read. Let me try to explain some of the important factors which have affected the working results for this year.

Excise Duty

"I have already referred to the differences amongst the partners of the Managing Agency firm, which have affected the working of the Mills adversely. There have been other difficulties which the Company has faced also. The Indian textile industry has been in a state of crisis almost from the beginning of 1957. Barring a few exceptions, the Mills, particularly those on the coarse and medium counts, have been working at a loss and in a large number of cases with heavy losses. They are carrying huge stocks of grey goods, for which the demand has been, and is, distinctly poor. The dear food allowance has gone up; the cost of stores, chemicals and spare parts has risen steeply and is still rising, and the mills on coarse and medium counts are caught between the two evils of high cost and unremunerative prices on the one hand and distress sales on the other hand. The incidence of the excise duty in the year 1957 affected the industry badly. When this duty was increased in 1956, it appeared from statements made by or on behalf of the Government that the purpose of this duty was to restrict consumption as it was believed that the supplies then were inadequate and excess profits required to be mopped up by the Treasury. The conditions have certainly changed, if they existed. The heavy undisposed stocks of cloth indicate that supplies are more than plenty and the balance-sheets the various textile companies have issued, make it clear that, apart from there being no excess profits to be mopped up, the question before several of them is that of survival. All the same, the excise duty seems to have come to stay. Recently, the incidence has been reduced, bringing badly required relief to the coarse and medium counts mills. It can be contended that ultimately the burden of excise duty, as that of any other item of cost, is borne by the consumer. This may be true as an economic proposition of ultimate validity. But in the context of plentiful supplies, coupled with poor offtake and high cost due to various reasons, every pie by way of taxation must make a cut into competitive prices, bringing at times disastrous results. This is what has happened in the case of the prices of textile piecegoods. The following figures may prove helpful to you in forming an estimate of the difficulties facing your Mills:

	1956 (In lakhs of Rs.)	1957 (In lakhs of Rs.)	*Difference* (In lakhs of Rs.)
Dearness allowance to workers and staff	150.53	162.49	11.96
Stores, spares, dyes and chemicals ..	69.70	79.78	10.08
Repairs and maintenance	16.88	19.32	3.44
Interest	2.22	12.59	10.37
Excise duty on cloth sold and delivered	134.75	164.90	30.15
	373.08	439.08	66.00

"I might add that, in respect of your Mills, the excise duty incidence was on an average ex-mill value of the cloth 9.75 per cent. in 1955, 16.2 per cent. in 1956, 23.33 per cent. in 1957 and 30 per cent. in January-June 1958. With the recent reduction, the burden of excise duty is somewhat less. It has come down to 22 per cent. All the same, looking to the market conditions and the price trend, even this incidence is a definitely excessive burden on the industry. It is to be hoped that the heaviness of the burden is recognised soon and lifted.

Profit and Loss

"Contrary to the usual practice in this Company having regard to the peculiar circumstances, you may like me to analyse the balance-sheet and the profit and loss account which are before you. You will naturally desire to ask questions thereon and I think that I should anticipate these questions so far as I can. The net loss for the year is Rs. 52,70,935. A further provision for Rs. 7,42,146 has been made in respect of taxation for previous years upto 1952, notwithstanding that there are appeals pending and, as I have said above, the possibilities are that there may be a refund. The total loss, therefore, after setting off last year's small surplus, amounts to Rs. 58,83,112, which has been taken to the balance-sheet and deducted from the reserves and surplus which stood at Rs. 70,18,800. This amount of Rs. 70,18,800 is made of the general reserves carried forward from last year of Rs. 55,18,800 and adding thereto a sum of Rs. 15,00,000 from the provision of Rs. 20,00,000 against stores shown in the balance-sheet for the year ended 31st December 1956. Thus, there is a total loss this year of over Rs. 58 lakhs, as against a profit in the year 1956 of about Rs. 49 lakhs before provision for taxation of previous years.

"You will see that expenditure has increased considerably in the year in question. I have already referred to an increased expenditure of about Rs. 36 lakhs on account of dearness allowance, stores and interest and of about Rs. 30 lakhs on account of increased excise duties.

"I should say a word or two about the considerable increase of over Rs. 10 lakhs in the item of interest on loans. You will see that, at the end of 31st December 1957, the advances from the Bank amounted to Rs. 3,26,33,196, as against the previous year's amount of Rs. 1,45,20,270. Not only was the amount borrowed much higher but the rate of interest was higher by about 1¼ per cent. The rate was in conformity with the rate generally charged by banks.

"As regards sales, we are down by about Rs. 1.5 crore and the stocks held at close are correspondingly higher than the stocks in the previous year by about Rs. 1.80 crore. It is regrettable that, notwithstanding that the price of cotton remained fairly constant, the sales realisations were about 7 per cent. lower. I hope I have explained fairly the causes for the lower production and the poor offtake. Even with all adverse factors affecting the industry in general this drop of 7 per cent. must be admitted to be a steep fall.

New Machinery Purchase

"As against this gloomy picturisation, I must also draw attention that, during 1956 and 1957, the Company expended about Rs. 40 lakhs on the purchase of new machinery. This was essential to keep the Mills as far as was possible in a position to manufacture its goods properly. These purchases also render any partial change-over of the Company's operations from greys to somewhat finer counts easier.

"You will note that the depreciation this year for which we can take credit is only Rs. 14,18,422. For the purpose of renovating our old machinery, an absolutely essential matter, very large sums would be required which at present the Company has not the capacity to procure. It appears to me that the Company must be prepared to spend a minimum of Rs. 30 lakhs each year for renovation purposes.

"It is not my intention to divert your attention with statistics. There are obviously various other important factors which have added up to our difficulties and the above figures do not explain the whole of our loss for the year. But, these figures will enable appreciation of some of the difficulties, which are common to all, and act as handicap to all mills and to your group of Mills, in particular, in their present circumstances.

"As you know, your Mills form perhaps the biggest group in the Indian textiles. They are known as the 'Big Six.' They have been manufacturing grey goods mainly suited to the requirements of the masses, and these were being principally marketed in Uttar Pradesh, Bihar, Orissa and Bengal. Mills in upcountry centres where the dear food allowance is lower, are able to manufacture and supply such piecegoods, at relatively lower prices. Competition from those centres is now very keen. This is also a serious handicap to your group of Mills. A number of the mills from the Bombay State are losing these traditional markets of theirs, in competition with mills where labour costs are lower.

New Distribution Policy

"Changes in the pattern of production and construction of cloth is, therefore, of prime importance. Proper marketing is equally a matter of vital importance. Two or three States, and especially those where the purchasing power of the people is relatively lower, cannot give a proper and adequate field for goods manufactured by us. Our sales policy, therefore, requires a complete overhaul. We will have to, and we propose to, evolve a new policy to sell and distribute our goods all over India, and in these days of foreign exchange stringency, we will also do our best to export a part of our production to foreign countries. The popular demand in India these days is for bleached, mercerised and fancy sorts. We will, therefore, have to change the pattern and production technique, and we have to do with the machinery that we have which is old and outmoded. There is no possibility of replacement by modern machinery in the near future. We will have to utilise our dye works to its full capacity. Upto now about 80 per cent. of our production was sold as grey and the remaining which was processed and sold included printed and khaki cloth. On account of our difficulties as to colours and chemicals we were not able to utilise even half of our basic quota. With the equipment we have at the dye works, it should be possible for us to process about 40 per cent. to 50 per cent. of our total production. Similarly, greater and fuller utilisation of combers, and renovation of machines in the spinning and weaving sections, will have to be speedily undertaken.

"These problems are engaging the attention of your Directors. The machinery that we have is not fully suited for an immediate change-over to the popular fancy goods. The supervisory staff also would require to be

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strengthened, by the addition of qualified and competent men, with specialised experience of manufacturing and processing fancy goods. Statistical and quality control, detailed study of work-load, scientific research and laboratory experiments, which are all fundamentals of modern business, have to be introduced in this group of mills. Reconstruction and radical change in the various departments is therefore the need of the day.

"The cloth stocks are unusually heavy. There were 53,788 cloth bales in stock valued at about Rs. 3.80 crores as at the end of the year 1957. At present, we have 40,970 cloth bales in stock. An enormous amount of capital is thus being locked up in the finished goods, and this comes in the way of following a purchase programme, to cover the cotton requirements during the season, to get a fair average and ensure quality. On account of the financial stringency, and the non-availability of ready cash, the Company is obliged to buy its cotton outside the season, when qualities are indifferent, and prices often completely out of parity. This again results in distress sales of cloth at unremunerative prices.

Complicated Problems

"Inadequate finance, shrinking supplies of foreign cotton, difficulties in obtaining dyestuffs, and chemicals and stores, are all complicated problems. We are trying to do our best now, with our efforts, to dispose of the accumulated stocks. One can only hope that the target set by us, to dispose of all such stocks by the end of this year, will be achieved. At one time, we had expected that, with the co-operation of the Managing Agents, this would not be impossible. We are now doubtful as the offtake is still far below our target figures.

"Abnormally heavy stocks appear to be the difficulty not only of ourselves but of a good number of mills. It is difficult to expect economic working, so long as such stocks are not cleared. From amongst us, Mr. G. D. Somani advises that there can be two ways of dealing with this situation. Either there must be a planned curtailment of production for a temporary period, say of six months, something on the lines the Indian Jute Mills' Association have formulated. If, for any reason, this is not found feasible, then there might be evolved a scheme to take up about 150,000 to 200,000 bales of cloth from mills in distress to a common pool and assistance should be rendered in marketing these bales when conditions improve in the usual way. We must look to the Millowners' Associations and the Federation of the Textile Millowners' Associations to evolve a scheme of assistance to mills who may like to keep their surplus stocks under some arrangements of this kind which the Federation may supervise in a manner that will help the mills in the disposal of their surplus stocks without the necessity of incurring losses. If the mills and the mercantile community can feel confident that there will not arise the compulsion of thrusting heavy stocks on the market when it is not in a position to absorb them, then an improvement in the condition of the industry is possible. It should be possible to arrange loans upto 90 per cent. or so of the value of the stock from either the State Bank of India or a pool of banks and work the scheme in such a manner that while it will not impose any liability on the pool, it will help the mills to overcome genuine temporary difficulties. Once the present heavy stocks are cleared, trade should revive.

Tackling the Problem

"The next two to three months are very critical for the industry and your Company, in particular. If, contrary to expectations, the demand proves inadequate and our Company and other mills are unable to dispose of their stocks, a very serious situation will arise. It is necessary, therefore, that both the Government and the industry should seriously consider and tackle the problem. In every crisis, it is of vital importance that measures that might be deemed essential should be taken promptly and effectively. Half-hearted and belated efforts, sometimes, far from relieving distress they are intended to, help inflict greater injury to the industry. The administrative machinery of the Government and the trade, should move promptly to cope with the rapid changes that take place in the economic field. The textile industry, as everybody knows, plays a vital role in our national economy, and the need for its smooth running cannot be over-emphasised.

Prospects

"Questions are bound to be asked of the prospects of the Mills and its working during the year 1958 and I think it is but right to tell you that, so far as the year 1958 is concerned, there is no possibility of the losses being appreciably less than during the year 1957. Since July last, the trend of increasing losses has been lessened, but, with the millstone of old stocks lying with us and our present difficulties which I have outlined above, it is certain that there would be appreciably heavy losses in the year 1958 also. What the year 1959 will bring is a matter of conjecture. We can only hope for the best, but it would be a brave person who can prophesy that any dividends would be payable in the next couple of years. If the changes which are proposed to be made and which have been outlined above are successful then it will be the task of the Company to build up again its reserves to a reasonable figure and then to distribute any profits it may make, amongst the shareholders. At present, one must be frank and advise patience.

"I am now at the end of my review of the working of the Company for the year 1957. I am sorry if the effect has been depressing, but facts cannot be gainsaid and must be intimated to the shareholders. Your Directors hope that the future will be brighter for the Company and, that for the next year, that is for 1959, they may be able to report better results. In respect of the year ending 31st December 1958 better results than for 1957 are not possible. We may do better in the year 1959, once our accumulated stocks of cloth are disposed of and we begin manufacturing and selling according to the needs of the market. Your Directors are convinced that with our present production and sales policy we cannot progress. The impact of new policies can only be felt in the course of time. I have indicated to you the new policies proposed to be followed by your Directors and to be put into effect under the guidance of Mr. Kher.

Co-operation

"In the work of regenerating the Company, the utmost co-operation will have to be forthcoming from you and from the staff and all our workmen. I have been told that the staff have worked loyally and faithfully and our thanks go out to them accordingly. On the staff there is a large number of old and experienced hands, several of whom have put in long years of service with the Mills. They were with the Sassoons and they have been with you since the incorporation of your Company. Now that the new policies are proposed to be adopted, we can confidently rely upon their co-operation in carrying them out.

"It is regrettable that, having regard to the financial condition of the Company, it has been found impossible to declare any bonus for the staff or the workmen beyond the minimum payable in accordance with the agreement between the Millowners' Association and the workmen.

"Trade unions naturally play an important part in all industrial organisations. The relations between the management and labour are on the whole satisfactory and we expect them to continue on a harmonious basis. When the new policies are put into effect, there would necessarily be several adjustments which we would expect will be done with the full co-operation of the workers. There cannot be industrial expansion and prosperity in India or anywhere in the world without co-operation between capital and labour, and your Directors trust that, so far as this Company is concerned, there would be no lack of co-operation.

"It remains for me to thank you all for coming here and listening to me. If there are any questions in respect of any matter where I can properly give information, I shall be happy to answer them."

Krishna's daughter is going to College

Krishna is a happy father these days. His daughter, Saroja, is the first girl in his family to attend a college. And she can mix freely with the children of the wealthiest, because her Rayon sarees, though inexpensive, look as pretty as anything they wear. And Krishna can afford to buy them too.

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INDIA JUTE COMPANY LTD. AND MEGNA MILLS COMPANY LTD.

CHAIRMAN'S SPEECH AT ANNUAL GENERAL MEETINGS

ADDRESSING the Annual General Meetings of The India Jute Company, Ltd., and The Megna Mills Company, Ltd., held on Monday the 29th September 1958, the Chairman stressed that the outlook for the Indian jute industry was now brighter than it had been for several years. He also emphasised the importance of adopting intensive methods of cultivation so that the per-acre yields of raw jute might be stepped up.

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

"GENTLEMEN,

"I have pleasure in welcoming you to the annual general meetings of your respective Companies. The audited accounts and the Directors' reports of both Companies, for the year ended 31st March, 1958, have been in your possession for some time and, with your permission, I shall take them as read.

"As the accounts show, the working results of both Companies for the year under review have been outstanding and your Directors take great pleasure, mixed with a measure of legitimate pride, in recording these achievements. The profit for the year, before providing for depreciation, income-tax and wealth-tax, amounted in the case of The Megna Mills Company, Ltd., to Rs. 33,62,776, which is an increase of Rs. 31,34,024 over the previous year and for The India Jute Company, Ltd., to Rs. 23,69,693 which is an increase of Rs. 16,94,270 over the previous year

Dividend

"The Board of Directors of The Megna Mills Company, Ltd., have recommended a final dividend of Rs. 12.50 nP per share. Together with the interim dividend of Rs. 5 per share, already declared, this amounts to Rs. 17.50 nP per share for the year. This is the highest dividend paid over the past ten years. In the case of The India Jute Company, Ltd., the Board of Directors have recommended a final dividend of Rs. 11.87 nP per share. Together with the interim dividend of Rs. 3.75 nP per share already declared, this amounts to Rs. 15.62 nP per share for the year. This is the highest dividend paid since 31st March, 1921.

Outlook

"The outlook for the Indian jute industry is now brighter than it has been for several years. The long period of frustration, declining profits and, in some cases, heavy losses, seems, at last to have ended and it is possible to view the future with a measure of confidence and optimism. It is evident that the experience, resourcefulness and high level of managerial ability which enabled the industry to survive the vicissitudes of a century of existence, will again enable it to tide over current difficulties. Your Directors are reasonably confident that, unless some exceptional adverse developments occur, it should be possible, not only to maintain, but to improve on these working results.

"Of the factors that have contributed to the improvement in the position of the industry, the most important has been the progress towards modernisation and rationalisation. Your Companies have not lagged behind in this matter. It is expected that, by the end of this year, in both Companies, the spinning side will be 80 per cent. modernised. In both, increased production was possible by working a part of the loomage in double shift. We worked 791 looms in India Mills and 1,404 looms in Megna Mills, as against the normal complement of 691 looms and 1,132 looms respectively (the normal complement is after deducting 12½ per cent. sealed looms).

Loans

"The loans received by the Companies from The National Industrial Development Corporation Private Ltd., have helped notably towards the implementation of the modernisation programme. The Boards of Directors of the Companies, on behalf of the shareholders, thank the Corporation for their timely assistance.

"If the industry as a whole, is to maintain the improvement already achieved and make further progress, it is imperative that the movement towards modernisation and rationalisation should proceed unimpeded. The closing down of uneconomic units and the transfer of their loom hours to others, who are able to make more efficient use of them, has already produced good results and could, with advantage, be carried further. The spread of overheads over a larger output will reduce costs and increase the power of the industry to face the threat of substitutes and competition from jute manufacturing units in other countries. The movement towards more healthy conditions in the industry would receive a setback, if the current improvement resulted in it being called upon to shoulder additional burdens, in the form of higher labour cost.

Raw Jute

"The easier availability of raw jute has contributed substantially towards the improvement in the industry. Progress towards self-sufficiency has been satisfactory and dependence on Pakistan has fallen from 75 per cent. at the time of partition to a mere 10 per cent. With good weather conditions, full self-sufficiency is possible even now, but there is still much that remains to be done in the matter of improving the quality of raw jute grown in India. The low prices fetched by Indian raw jute are largely due to its poor quality. Both in the interests of ensuring an adequate supply of good quality jute at reasonable prices to the mills and in order to give a fair return to the cultivator, it is necessary to induce growers to produce good quality fibre and to adopt intensive methods of cultivation so that the yield per acre may increase. The raw material requirements of the industry could then be met with a smaller acreage under jute cultivation and the rest of the land now used for growing jute could be diverted to food crops.

Speculation

"Towards the beginning of the year under review, as a result of the reaction that followed stock-piling purchases during the Suez crisis, the market for jute goods was quiet and prices eased. The decline in prices was greatly accentuated by speculative activity in the *Fatka* market. This was a serious matter, not only for the mills, but for the nation's foreign exchange earnings and for raw jute prices and the drive towards self-sufficiency. With the object of stabilising prices and curbing speculation, the Indian Jute Mills Association fixed minimum prices for gunnies. This had an immediate steadying effect and, though the minimum prices have not always been effective in the jute goods market, there can be no doubt that they have had a moderating influence. Without them, the price decline would have been greater than has occurred.

"I am glad to be able to say that there has been no major labour trouble during the year in either of the Companies' mills.

"I would be failing in my duty if I did not express, on your behalf and on my own, our warm thanks to the executives, staff, and workers of both Companies for their unstinted co-operation and hard work. Without their devotion and loyalty, the fine results of the year under review could not have been achieved.

"I now invite you to pass the accounts as presented."

(*Concluded from next column*)

cent. for marine, we have transferred to the profit and loss account Rs. 3,67,298 from fire, Rs. 8,569 from miscellaneous insurance, and Rs. 34,043 from marine.

After taking into account the balance brought forward from last year, the total amount to the credit of profit and loss appropriation account was Rs. 4,25,976. The Directors proposed to transfer to taxation reserve Rs. 1,75,000, to staff gratuity account Rs. 40,000, and to pay ninth dividend on ordinary shares at Rs. 2.00 per share free of income-tax amounting to Rs. 2,00,000, as against Rs. 1.50 last year.

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

THE NEW GREAT INSURANCE COMPANY OF INDIA LTD.

SPEECH OF THE CHAIRMAN, MR. TULSIDAS KILACHAND

PRESIDING over the Fifteenth Annual General Meeting of the shareholders of the New Great Insurance Company of India Ltd., held at Baroda on 20th September 1958, and in moving the adoption of the Directors' report and accounts, Mr. Tulsidas Kilachand, Chairman of the Company, made a brief survey of some of the current economic and monetary trends.

Speaking of the second Five-year Plan, Mr. Tulsidas mentioned that two problems should be solved to enable the acceleration of national progress, namely, agricultural production and foreign exchange. Whilst every effort should be made to increase foodgrains production, export crops should not be neglected, in view of the fact that they were capable of providing a substantial amount of foreign exchange within a short period. The principal bottleneck to industrial growth was the difficulty of importing raw materials and capital goods due to shortage of foreign exchange and the solution of this difficulty would quicken the pace of industrial progress.

Code of Conduct

Dealing next with the problems facing the insurance industry, Mr. Tulsidas mentioned that, whilst the cash collection provision of the Code of Conduct had been of great benefit to the industry, he regretted that there was not any improvement in the market conditions. He was not very hopeful of the Committee's succeeding in their laudable and benevolent mission so long as there was one uniform pattern of working for different types of units. In business of any kind, there must be an element of competition. Secondly, controls merely led to resort to questionable methods. The Chairman was emphatically of opinion that removal of all unnecessary controls and such of those statutory provisions that contributed to the prevalence of malpractices, and freedom to insurers to carry on their business on normal competitive lines were the only panacea for the quick and inevitable disappearance of all malpractices in the industry. For their part, the companies, both big and small, should formulate some kind of mutual agreement, so that the smaller units also got a fair share of the business and might not have to close down, as had, unfortunately, been the case during the last seven years of the operation of the Code when about a dozen companies had to stop their business. The present machinery set up to work the Code had also become very expensive and, since these expenses were in the ultimate borne by the insurers, it was no use making it more elaborate and expensive.

Mr. Tulsidas also took the opportunity to point out that, had only these and other suggestions made by him and co-directors of some other insurers over seven years ago and ever since then been carefully examined and accepted, the evil of rebating and other malpractices would have by now become things of the past. He, however, hoped that it was still not too late for the Executive Committee to examine these suggestions.

Fire Rates Revision

Adverting next to the move to effect yet another downward revision in fire premium rates, Mr. Tulsidas refuted the notion entertained in certain quarters that the malpractices resulted from the fact that fire premium rates were very high, and explained how past revisions, based on this notion, did not stop rebating. His suggestion to the Tariff Committee which was examining a revision was that they might reduce the rates wherever experience showed favourable results, but, at the same time, they should not hesitate to make increases where experience was otherwise.

Company's Accounts

Coming next to the departmental accounts, Mr. Tulsidas stated that the gross direct income for the year 1957 was Rs. 37,28,302 in fire, Rs. 19,92,315 in miscellaneous insurance, and Rs. 34,80,926 in marine, whilst the net premiums were Rs. 28,89,395, Rs. 21,48,989, and Rs. 15,52,299, respectively. After providing for losses and expenses, and reserve at 50 per cent. in respect of fire and miscellaneous insurance and 100 per

(*Continued in previous column*)

ANNUAL GENERAL MEETING OF JESSOP & CO., LTD.

SIR B. P. SINGH ROY ON RAPID INCREASE IN FIXED ASSETS

ADDRESSING the Twenty-sixth Annual General Meeting of the shareholders of Jessop & Co., Ltd., held in Calcutta on the 29th September, 1958, the Chairman, Sir B. P. Singh Roy, referred to the appointment of the present Board of Management by a Government notification dated 15th May, 1958 under the Industries (Development and Regulation) Act, 1951, and said:

"The effect of Government's action is, that your Company has been protected from further harm and has been placed under the control of a body whose sole duty it is to restore it to full strength as soon as possible. As a further result of this action Government has been able to take effective measures to strengthen the financial resources of your Company so that its proper working is now assured and thus there is now no reason why it should not be fully rehabilitated in a reasonably short period of time.

"Your Company"

"You will note that I have been using the phrase 'your Company,' and I have done so deliberately, for the ownership of the Company has not changed, though your rights as shareholders are somewhat curtailed during the period of office of the Board of Management, in that, you may not propose or pass any resolution nominating or appointing any person to be a Director. Further, any other resolution you may think fit to pass shall be given effect to, only after its approval by the Central Government. Accordingly, should you, within these limitations, desire to pass any resolutions today or to make any suggestions for the Company's well-being, it will be submitted to Government for its consideration.

"I regret that for the second year running our annual general meeting has been held later than usual, but I am sure that, knowing the circumstances, you will excuse the delay. In the first place, your then Directors had requested the Company's Auditors to make a very special check of the Company's books in the light of the disclosures at the last annual general meeting so that all could be satisfied that no further unknown factors existed, and this naturally caused some delay in finalising the accounts. The findings of the Auditors after their investigation are given in their report.

New Board

"Secondly, there was the appointment of the Board of Management in mid-May. You will appreciate that it took some time for the new Board to acquaint itself thoroughly with the position and to decide on what action should be taken in each case after taking any necessary legal and financial advice.

"All this took time and as a result we were not able to hold the annual general meeting any earlier than today, but in future years we can hope that such unusual factors will not be present and that your Company will be able to revert to its old practice of holding its annual general meeting about the middle of the year.

"I believe there will be some among you who will wish to enquire what action the Board is taking in respect of the losses your Company has sustained. As you will see, we have, from the accounts point of view, made full provision for all known losses and we have had and are still having discussions with our legal advisers on what steps can be taken to safeguard the Company's interests. Some have already been taken in this matter and other steps will doubtless follow, but I do not consider it would be in the Company's best interests to divulge more at this juncture and so I will ask for your forbearance in this matter today. At the same time I assure you that everything that can properly be done will be done.

All-time Record

"As you will see from the report and accounts already with you, the results of the Company's working for the year ending 31st October 1957 constituted an all-time record. As previously forecast, the Company's agency business continued to dwindle and in fact it has now virtually ceased but the works sales rose by over 40 per cent. as compared with the previous year, from Rs. 380 to Rs. 534 lakhs, so that the total sales figure is still a record at Rs. 594 lakhs.

"The Board of Management, however, regrets that in spite of these extremely satisfactory working results and the high net profits earned by your Company, it is not possible for it to declare a dividend because of the serious financial loss suffered by the Company as a result of mismanagement during the financial years 1955-56 and 1956-57. Shareholders, therefore, are once again being called upon to agree to sacrifice their dividend in the interest of the financial rehabilitation of the Company. I have no doubt that this is only a temporary deferment of your participation in the profits of the Company and I hope that you will accept this decision in a proper spirit.

"During the present year, we could well have expected the improvement registered last year to continue but, unfortunately, your Company is no exception in the engineering industry which, over the last six months or so, has increasingly felt the growing shortage of its principal raw material, steel. It is expected, in fact, that this year's working will be satisfactory but it certainly cannot be as good as it would have been, had not production been hampered by shortage of raw materials.

Extensions Active

"I am sure that you will have noticed the rapid increase in the value of your Company's fixed assets as shown by the accounts for the last few years. Neglecting the figures for 'block in progress' which are those for plant and buildings still in course of construction or installation, the values are about Rs. 46 lakhs in October 1955, Rs. 62 lakhs in October 1956 and Rs. 109 lakhs in October 1957. By the end of October 1958, this figure will be about Rs. 170 lakhs, so that, in three years your fixed assets will have been multiplied over three-and-a-half times. While these increases represent a very considerable addition to your Company's earning capacity, they have also been a heavy drain on its financial resources during the period of their installation. You will be glad, therefore, to know that almost all these extensions are now in active use as far as the raw material situation permits. Provided the supply of materials improves, of which there is now some hope, their output should add very materially to the Company's turnover during the years to come.

"Of the extensions now virtually complete, by far the most important is your Company's new coach works which in size and scope is larger than any of the three previously existing units. Those of you who travel by air cannot have failed to see these new works which lie along the Jessore Road to the north of our older works. The photographs reproduced on the end covers of the report in your hands will give you some idea of their size. They consist of four bays, each 84 feet by 640 feet, giving a single covered area under heavy cranes of over two hundred thousand square feet while paint shops, stores, canteens, offices, etc., cover another eighty thousand square feet of floor space.

"These new works, which are exceedingly fine by any standard, are now actively engaged in the manufacture of metre-gauge passenger coaches and they are also busy on electric multiple unit broad-gauge coaches for the Calcutta electrification project. In this latter case, I am afraid, we are still severely hampered by shortages of steel, but there is some hope that missing supplies will be received within a few months.

Diesel Road Rollers

"The second of your Company's new projects, the manufacture of diesel road rollers, has been very badly affected by shortages of steel. We started well in January 1957 and rapidly built up production to 12 rollers a month with the intention of raising this figure to our target of 18 to 20 a month. Unfortunately, we very soon were affected by shortage of steel, with the result, that this department was completely closed during October to December 1957, and since then has limped along at an average of six machines a month, entirely, I must emphasise because of shortage of steel and also due to subsequent restrictions on the quantum of imported components. As a result, we have up to date completed only some 150 rollers whereas we could, if given supplies, have completed about 300.

"From a Government publication entitled 'Directory of Government Purchases during the year 1956-57' it appears that Government imported road rollers from abroad to the value of Rs. 32 lakhs 41 thousand, over double what it spent on the indigenous article. I believe that for this expenditure abroad Government procured about 100 rollers. On the other hand, if we had been granted the same amount of foreign exchange, we could have imported all the components and—this is important—all the steel to allow us to make an additional 140 rollers besides those we actually turned out. We could have provided India with 40 per cent. more rollers for the same foreign exchange and we could have kept our works fully occupied instead of half employed.

Foreign Exchange

"I might add that the foreign exchange that we require for our rollers has dropped from about 65 per cent. of our selling price to Government, on the first batch, to less than 40 per cent. today. This excludes exchange required for any items we purchase locally but the total effect of these can only be small.

"The sales from your Company's works are almost entirely to such Government or quasi-Government bodies as the Railway Board, Port Trusts and various Irrigation Projects, or else to such institutions of national importance as the Tata Iron and Steel Company or the Indian Iron and Steel Company. Thus, it may be said that whatever the Company produces represents, by and large, a saving in foreign exchange, for one may assume that the requirements of these customers are of such importance that if they were not obtainable from indigenous sources they would have to be imported.

Travelling Cranes

"In the case of your Company's standard overhead travelling cranes, the indigenous content is now about 90 per cent. The balance 10 per cent. or less, covers such items as electrical equipment and ball or roller bearings not yet made in India and such minor items as oil seals which are essential but cost very little. Is it not better that we should be granted import licences for 10 per cent. or so of any given value, so that, we can then add 90 per cent. locally rather than that the article should be 100 per cent. imported? Yet import is still sometimes preferred, on the grounds that foreign prices are a little cheaper, or more often, that delivery is better. Yet our delivery, and for that matter, our capacity and to some extent our ability to reduce prices are all governed by the rate at which we can secure materials, including this proportion of imported components.

"I appreciate that I have chosen a good example for my case, but even in your Company's Wharf Cranes where the electrical gear is very special and mostly imported, the indigenous content is well over two-thirds, while such items as sluice gates for irrigation projects, it will again be well over the 90 per cent.

"We fully realise the difficulties of the foreign exchange situation of our country. This situation can be eased only in two ways, by exporting more and by importing less. In a heavy industry such as ours, export is extremely difficult and takes many years of patient work to achieve, but our ability to save foreign exchange by reducing imports by making things here has never been fully exploited. We, however, expect a change in Government's policy in this regard as outlined by the Hon'ble Sri Lal Bahadur Shastri, the Commerce and Industry Minister, at the meetings of the Export and Import Advisory Councils held in New Delhi last month.

Order Book

"Returning to our own affairs, you will be pleased to know that your Company still has a very satisfactory order book, though one must remember that orders without the raw materials to execute them are of not much use. However, as I have already indicated, almost all of our contracts carry a very high priority and there is no doubt that we shall get our full share of whatever materials are available. As regards this latter, we can at least look forward to the time when indigenous steel supplies will improve and, in the meantime, I hope and trust that Government will keep factories such as ours supplied to the fullest possible extent, as in doing so, they will not only be reducing overall imports, but they will also be building up an important industry for the future.

"Gentlemen, I feel that I have said enough for this occasion, but before I sit down I am sure that you would wish me to express our thanks to all those in the Company's employ who have contributed to the excellent results shown in the accounts now before you. These results have been achieved during a period when a great deal of time and energy was also being spent on major extensions and amidst the disruptions that such extensions always bring in their train, so they are even more commendable than they appear at first sight. I feel you would all wish that this should be recognised."

(This does not purport to be a record of the proceedings of the Annual General Meeting.)

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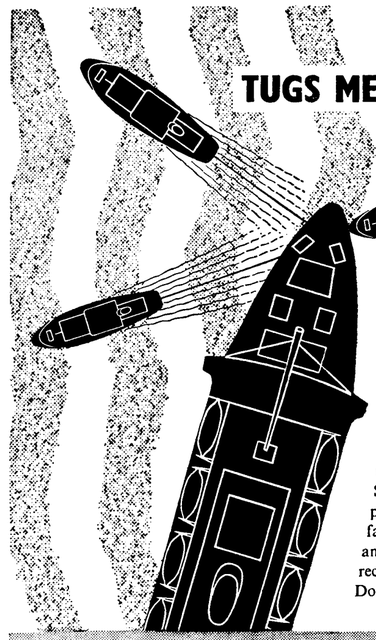
TUGS MEAN PROGRESS...



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ALL-INDIA GENERAL INSURANCE CO., LTD.

STEPS TAKEN TO EXPAND BUSINESS

THE results of the working of the All-India General Insurance Company, Ltd., for the year ended 31st December 1957, reflect the full effects of the nationalisation of life insurance on the business of the Company and also the adverse experience in the accident section, especially in respect of the business effected in the South. As a result of these two factors and also because of the heavier motor claims in Ceylon, the Company has suffered an overall loss of Rs. 7,224 during the year. The total net premium in the three departments, namely, fire, marine and miscellaneous, suffered a setback from Rs. 14.66 lakhs in 1956 to Rs. 11 lakhs in 1957, all the three departments sharing in the fall. Total expenses of management has shown a welcome decline from Rs. 5.42 lakhs in 1956 to Rs. 5.18 lakhs in the year under review.

Net premium in the fire department aggregated Rs. 6.28 lakhs, as against Rs. 8.76 lakhs in 1956. Claims paid and outstanding declined to Rs. 2.97 lakhs, as against Rs. 3.49 lakhs in the previous year. Net commission and expenses also registered a drop, aggregating Rs. 4.04 lakhs, as against Rs. 5.30 lakhs in 1956. After providing a sum of Rs. 2.51 lakhs as reserve for unexpired risks (40 per cent. of the premium income) for the year, and an additional reserve of Rs. 12,555 making a total reserve of Rs. 2.64 lakhs, a sum of Rs. 21,719 has been transferred to the profit and loss account as against Rs. 14,641 last year. Net premium in the marine department amounted to Rs. 63,782, as against Rs. 88,788 in the previous year. Net claims paid and outstanding dropped from Rs. 44,376 to Rs. 22,518. Net commission and expenses amounted to Rs. 30,922, as against Rs. 23,185 in 1956. After earmarking Rs. 47,836 as reserve for unexpired risks (75 per cent. of the premium income) and Rs. 3,189 as additional reserve, the account shows a profit of Rs. 32,885.

Net Result

The accident and miscellaneous department brought a premium of Rs. 4.07 lakhs, as against Rs. 5.00 lakhs in the previous year. Claims paid and outstanding were higher at Rs. 3.35 lakhs, as against Rs. 2.74 lakhs in 1956, while commission and expenses dropped from Rs. 2.45 lakhs in 1956 to Rs. 2.15 lakhs during the year under review. After providing for Rs. 1,63,001 as reserve for unexpired risks (40 per cent. of premium income) and Rs. 8,150 as additional reserve, the account shows a loss of Rs. 1,09,199 as against Rs. 8,046 in the previous year.

After taking credit for Rs. 17,730 being compensation for acquisition of the life business of the Company by the Life Insurance Corporation of India and Rs. 1,562 being compensation for vesting of management of controlled business in the Central Government, the profit and loss account shows a loss of Rs. 7,224. This has been made good out of Rs. 11,284 brought in from last year, leaving Rs. 4,060 to be carried forward to the next year's account.

The funds of the Company as on 31st December 1957 stood as under:

	Rs.
Capital paid-up	10,00,000
Fire fund	2,63,654
Marine fund	51,025
Accident and miscellaneous fund	1,71,152
Capital reserve	2,197
Investment reserve	2,96,597
Profit and loss appropriation account	4,063
Total ...	17,88,688

Chairman's Review

The main events of the year, which affected the business and the working results of the Company, were reviewed by Mr. Pannalal Bansilal Pitty, Chairman of the Company, in the course of his speech at the fourteenth annual general meeting of the Company held on 30th September 1958. Mr. Pitty said:

"GENTLEMEN,

"First of all let me thank you for electing me to preside over this meeting.

"I welcome you all today to the fourteenth annual general meeting of the Company.

"The Directors' report and audited statement of accounts for the year 1957 have been with you for some time, and with your permission, I shall take them as read.

"Before moving the resolution for the adoption of the report and accounts, I shall make a few observations.

"The year 1957 has not been a happy year for general insurers in this country. So far as your Company is concerned, the working of the fire and marine departments has resulted in a profit, but there has been a heavy loss in the accident department. You may be aware that your Company is writing substantial motor business in the South, and this business has been profitable to the Company in the past. Contrary to experience, your Company suffered during last year heavy loss in the accident department in the South. There was also deterioration in the motor claims in Ceylon last year. As a result of these adverse factors, the working of the Company, in the final analysis, has resulted in a small loss during the year under report.

Arrangement with "New Great"

"You are aware that last year your Company entered into an arrangement with the New Great Insurance Company of India Ltd. I feel confident that with this arrangement with the 'New Great,' who have got technical knowledge and initiative for working, we can look forward to an improvement in the development side of our business.

"The gross direct premium written by the company during 1957 amounted to Rs. 12,61,552 as against Rs. 14,60,074. Full effects of nationalisation of life insurance business were felt last year. In the past, some of the branches were doing both life and general insurance business. With the coming into being of the life Insurance Corporation of India, these branches were taken over by the Corporation with the result that your company lost the general insurance business from those units. We had also to close the units where the premium income was comparatively small. I am, however, glad to say that steps have been taken to see that the business of the Company expands.

"The total expenses of management incurred was Rs. 5,18,418 during the year under report, as against Rs. 5,41,741 in the preceding year. As a result of the introduction of provident fund benefit and graded scale of salary to staff both at the head office and the branches, there has been an upward trend in the administrative expenses of the Company, but efforts are continuously being made to reduce expenses wherever possible.

Code of Conduct

"I would like to say a few words about the working of the Code of Conduct. Abolition of the credit system has indeed been a great boon to the industry. But that is not all that was expected of the introduction of the Code. It is, therefore, necessary to consider whether the expenses involved in implementing the Code are still justified, if the aims and purposes of the Code have not been fulfilled. It is no use blaming the Government for this unsatisfactory state of affairs still existing in the industry. The business community owes a duty to itself to come forward to oppose the continuance of the evil of rebating. Secondly, the executives running the industry should also sit round to consider what other means can be devised to root out this evil practice.

"Surely, the cut in rates is no remedy to cure the industry of the evils of rebating. General insurance industry in our country would have to travel a great deal before it can build up resources to take up greater responsibilities, which our counterparts in other parts of the world are doing today so ably.

"Before I conclude, I would like to take this opportunity to thank one and all, who have supported the Company during last year. I have also to express my thanks to all agents, field workers and staff for their co-operation."

INSURANCE AGENTS' COMMISSION

Replying to a question in the *Lok Sabha*, Mr. B. Gopala Reddi, Union Minister for Revenue and Civil Expenditure, stated that the Life Insurance Corporation had in effect made no reduction in the commission payable to the insurance agents and that the allegation that the commission paid by the Corporation had affected its new business adversely, was baseless. Recalling that certain sections of the Insurance Act, 1938, had been applied to the Life Insurance Corporation with or without modification in pursuance of the provisions of sub-section 2 of Section 43 of the Life Insurance Corporation Act, 1956, the Minister said that one of the sections of the Insurance Act, 1938 applied to the L.I.C. was Section 40A which dealt with the commission or remuneration payable to the agents in respect of any policy of life insurance issued in India by an insurer. This section enjoined that "no person shall pay, or contract to pay, to an insurance agent or no insurance agent shall receive, by way of commission or remuneration in any form in respect of any policy of life insurance issued in India, through an insurance agent, an amount exceeding 35 per cent. of the first year's premium, seven and a half per cent. of the second and third year's renewal premium and thereafter five per cent. of each renewal premium payable on the policy."

One of the cardinal principles on which prosperity of insurance business and safety of the policyholders' money depends is that the expense ratio is maintained as low as possible, and the aforesaid provisions of the Insurance Act are in consonance with this principle.

Mr. Reddi said that the Life Insurance Corporation, acting in conformity with the letter and spirit of this provision, paid in all, approximately 35 per cent. of the first year's premium as commission, though in different forms; 25 per cent. of it has been named as commission and about 5 to 10 per cent. as new business bonus depending upon the quotas of new business secured. The payment in the form of bonus has been considered necessary so that the agents do not lose proper incentive. Even before the Life Insurance Corporation, most of the leading insurers had followed a similar practice of paying commission on sliding scale related to the amount of business brought in by individual agents. It is, therefore, not correct to say, he added, that the commission payable to the insurance agents has been reduced by the Life Insurance Corporation.

There is, of course, the Minister emphasised, a proviso to the above provision of the Insurance Act which says that "an insurer during the first ten years of the business may pay to an insurance agent and an insurance agent may receive from such an insurer, 40 per cent. of the first year's premium payable on the policy." This proviso was meant to help the new companies to stabilise their business in the early stages, in the face of competition from well-established big insurers. In the case of the Life Insurance Corporation, which is the sole insurer in respect of the controlled business, such a situation does not arise. Nor has it been felt necessary to take recourse to this proviso.

Refuting the allegation that the commission paid by the Life Insurance Corporation had affected its new business adversely, Mr. Reddy said that though there might have been a slight setback in the initial stages of the setting up of the Life Insurance Corporation owing to changes in its set-up, the recent figures had shown an upward trend as compared with the previous years. Figures for the period 1st January 1958 to 25th August 1958 showed that, far from registering a fall, the new business completed by the Life Insurance Corporation had shown a definite increase, as compared to the business completed during the corresponding period last year as well as the previous years. In fact, he added, the total new business this year upto 25th August 1958 has exceeded last year's by Rs. 5.3 crores."



PAPER INDUSTRY IN INDIA

PROBLEMS AND PROSPECTS ANALYSED

FOR sometime now, the Indian paper industry has been in the limelight. The Tariff Commission has taken up for consideration the issue of fixing a fair price for paper. It may be noted that some of the mills found it necessary to raise the price of paper by 3½ nP per pound. This has apparently caused considerable concern among consumers. The Government of India tried in vain to arrive at an agreement with the producers over this question. The Government seems to hold the view that the industry, by virtue of its expansion in production, which has doubled itself during the last decade, must be in a position to reduce the cost of production. A part of the benefit thus accrued could be passed on to consumers. However, the mills, on their part, have to face certain difficulties arising out of a rapid increase in their production costs, for no fault of their own. Pointed attention has been drawn to this problem by Mr. A. K. Jain in his presidential speech at the recent annual general meeting of the Indian Paper Mills Association held at Calcutta.

Mr. Jain sought to highlight the fact that, although the cost of production of paper had been steadily increasing for the last few years, the mills had done their best to keep prices at a minimum. For instance, the cost of production has increased allround on account of several items such as labour, electricity duty and electricity rates, coal, stores and chemicals, freight on raw materials and finished goods, and cost of important raw materials like bamboo, waste paper, etc., which are completely beyond the control of the mills. Mr. Jain disclosed that the mills themselves had absorbed part of the increase in cost and only a portion of the increased cost had been passed on to the consumers. While the mills were doing their best to keep prices at the minimum, the State Governments were not adopting a helpful attitude in the matter. He felt that production costs of some of the mills situated in the Punjab, Bombay and Orissa had been pushed up owing to the levy of one duty or another by the State Governments and the enhancement of royalty on lease of bamboos.

Production of Paper

It is, however, gratifying to note that, despite these overwhelming odds the industry has given a good account of itself. Production of paper and paperboard reached the record figure of 210,000 tons in 1957 as against 193,404 tons in 1956. While the general index of industrial production has gone up by 42.3 per cent. between 1952 and the first quarter of 1958, the index for the paper industry has shown an increase by 83.5 per cent. during the same period. Similarly, the rate of growth of paper industry in 1957 was about 8.7 per cent., as against 3.5 per cent. for the industries as a whole. Indeed, the rate of increase in the first quarter of 1958 has been even more spectacular—15.2 per cent. which compares favourably with the figure of 3.7 per cent. for industries in general. The installed capacity of the paper industry at present stands at 252,000 tons. In view of the difficulties in securing foreign exchange, the capacity of the industry is not likely to reach the original target of 450,000 tons by 1960-61. At any rate its capacity is expected to be of the order of 410,000 tons on the basis of schemes now in progress. In this connection, he averred, "With the present tempo of production being maintained, it would not be difficult for the industry to reach the production target of 350,000 tons by 1960-61 even with an installed capacity of 410,000 tons."

Needless to say that, with the spread of education and the improvement in the economic condition in the country, the demand for paper is bound to increase at a rapid pace in the years to come. On the basis of the figures of production and imports during the last five years, the consumption of paper and paperboards in the country has increased at the rate of approximately 14 per cent. on an average every year. The requirements of paper are expected to be of the order of 400,000 tons by the end of the second Plan. Mr. Jain has claimed that, in spite of all-round increase in consumption of paper and paperboards, the industry has been able to meet the entire requirements of the country in almost all kinds of paper. In this context, he referred to the shortage of printing paper in the country. To quote him:

"Only recently for the last nine months scarcity is being felt for ordinary white writing printing paper. Several factors beyond the control of the mills have caused this shortage. On the one hand, expansion programmes of the mills were delayed for about a year partly due to the Suez crisis and partly due to the foreign exchange difficulties. At the same time heavy restrictions were imposed on import of printing paper and the requirements of the Government departments also increased considerably. Besides these three important factors, the mills also experienced difficulties in procurement of important chemicals like caustic and chlorine. All these factors combined caused scarcity of white writing printing paper in the market. The expansion programmes of the mills which had been delayed will now be completed within the course of the next few months and the position will ease to a considerable extent."

Scarcity of Foreign Exchange

One of the major handicaps in carrying out the industry's expansion schemes, as is well known, is the scarcity of foreign exchange. Referring to this problem, he observed:

"The industry is prepared to meet the situation and to go ahead with its expansion plans in a still larger manner to meet the increasing demands of the country in the future. But it is a matter of regret that the Government is of the view that paper is not an essential commodity as is evident from the low priority of allotment of foreign exchange for this industry. Several units have not been able to take effective steps regarding their licensed expansion schemes due to non-allotment of foreign exchange even though they have been able to obtain long-term deferred payment terms from machinery suppliers. Since it takes nearly four years to install a paper factory it is essential that the Govenment should allot adequate foreign exchange immediately to the industry so as to enable it to meet the requirements of the country during the third Plan period. I hope, the Committee recently set up by the Government of India to go into the question of expected consumption of paper by the end of the second Plan period and during the third Plan, will consider this suggestion carefully and recommend to the Government the urgent necessity of allotting sufficient foreign exchange to the paper industry immediately."

Another problem that confronts the industry is with regard to the availability of raw materials like bamboo and sabai grass, at reasonable rates. The Raw Material Resources Sub-Committee of the Pulp and Paper Panel emphasised the difficulties experienced by the producers in this regard. The Planning Commission also recommended measures like reservation of forest areas for the paper industry, large-scale fresh plantation of bamboos, etc. Mr. Jain deplored that the State Governments had been rather lukewarm in introducing these measures. Dealing at length with this problem, he urged the State Governments to follow a rational policy in this regard and help the paper industry by assuring it continued supply of raw materials through long-term leases of forests to the paper manufacturers, instead of annual leases as at present. Regarding waste paper, he called for necessary arrangements for proper collection and sorting of waste paper as well as standardisation of qualities. He made particular reference to the difficulties caused to the industry through burdensome transport and freight policies as well as excise duties. In view of the need for greater efforts to expand this industry, especially in the context of serious foreign exchange difficulties, the Central and State Governments will do well to give the necessary incentives for the expansion of the paper industry's output. The expansion programme envisaged for the industry cannot possibly be implemented without adequate allotment of foreign exchange to paper producers for purposes of securing capital equipments from abroad.

AUTOMOBILE BATTERIES

Self-sufficiency has been achieved in India in regard to automobile batteries. There are 13 manufacturing concerns in India with a total installed capacity of 316,500 storage batteries per year. The production during 1957 was over 324,000 batteries as compared with 314,000 batteries in 1956. The total licensed capacity by the middle of June this year was over 500,000 batteries per year as against the second Plan target of 350,000. The quality of batteries manufactured in India compares favourably with that of well-known foreign brands.

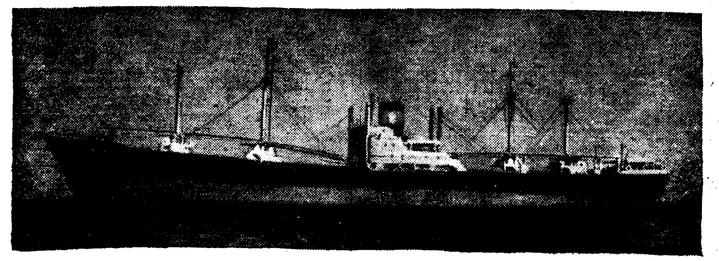
Of the existing manufacturing concerns, six are in Calcutta, three in Bombay, two in Bangalore and one each in Delhi and Madras. Besides these, there are about 100 small-scale manufacturers of automobile batteries with a total annual capacity of about 125,000 batteries. A beginning has been made in exports of Indian automobile batteries. Exports in 1957 were valued at over Rs. 15,000 as against a little over Rs. 14,000 in 1956. In the first six months of this year, Ceylon imported storage batteries of the value of over Rs. 13,000. Parts of storage batteries valued at over Rs. 4,000 were exported to Burma and Ceylon during the same period. Several measures have been adopted to push up exports of automobile batteries.

U.S. ECONOMIC RECOVERY

The recovery of the U.S. economy from its slump of last spring is developing faster and on a broader scale than most people anticipated, according to Mr. Sinclair Weeks, Secretary of Commerce. In an address before the annual convention of the National Association of Retail Druggists, Mr. Weeks forecast good business through the fall and during the Christmas season. He pointed out that retail sales aggregated $16,900 million in the month of August, only slightly below the all-time high of August 1957. There are indications of firm trends in the expenditures of business men for plant and equipments. This, together with other major economic indicators, averred Mr. Weeks, pointed to a marked rise in national output and income for the balance of the year. Personal income rose again in August to an annual rate of $335,500 million. Meanwhile, a Labour Department Survey released recently shows that unemployment dropped in 125 out of the nation's 149 major industrial centres from mid-July to mid-October.

RICE PRODUCTION

The total production of rice all the world over (excluding the U.S.S.R.) was about 215 million metric tons in 1956. Of this, Asia accounted for over 200 million tons. China leads other rice-producing countries, its aggregate yield having gone up to 82 million tons in 1956. India stands second with 43 million tons. Though India and China have the largest area under rice cultivation, the highest per hectare (1 hectare=2½ acres approximately) yield was achieved by Spain 5,810 kilograms (1 kilogram=1 seer and 1.2 ch.), followed by Egypt (5,430 kg.) Australia (5,290 kg.), Italy (4,690 kg.), Portugal (4,230 kg.) and Japan (4,220 kg.). In India the area under rice cultivation extends over 78 million acres. The yield per acre is only about 544 kilograms. In 1957-58, the top five producers of rice among the States were West Bengal (41,85,000 tons), Andhra Pradesh (34,68,000 tons), Madras (31,34,000) tons, Uttar Pradesh (22,84,000 tons) and Bihar (21,98,000 tons).



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LIONEL EDWARDS (PRIVATE) LIMITED.

MYSORE SPINNING SUFFERS LOSS

DIVIDEND LOWER—FINANCES SOUND

THE Mysore Spinning and Manufacturing Company, Ltd. (Managing Agents: Messrs. N. Sirur & Co. Private Ltd., Bombay), has produced highly unsatisfactory results for the year ended 28th February 1958. They are in distressing contrast to the encouraging performance noted in the previous year. It is well known that, in view of the depression prevailing in the textile industry, many mills have been reporting either a decline in profit or even a loss. The Company under review belongs to the latter category. The gross profit amounts to a mere Rs. 7,890, at which level it is next to nothing when compared with Rs. 11.56 lakhs for the previous year and Rs. 10.92 lakhs two years ago. It may be noted here again that the gross profit for 1956-57, namely, Rs. 11.56 lakhs, was more than twice that (Rs. 5.61 lakhs) for 1954-55. A sum of Rs. 3.64 lakhs has been provided for depreciation, as against Rs. 3.93 lakhs in the previous year. In view of the loss, the Company has no tax to pay, except, of course, the Wealth Tax, for which a provision of Rs. 59,070 has been made. This we are told is for both 1956-57 and 1957-58. After these essential provisions, there is a net loss of Rs. 4.57 lakhs, which compares unfavourably with a net profit of Rs. 6.35 lakhs for 1956-57, and Rs. 6.16 lakhs for 1955-56. In order to wipe out the loss, to provide for gratuity for workers and staff and also to declare a modest dividend, the Directors have withdrawn Rs. 8.82 lakhs from the general reserve. The amount transferred to provision for gratuity at Rs. 1.23 lakh is the same as that for the previous year.

Despite the loss incurred, the Directors have thought it fit not to deny the shareholders a decent return. They have accordingly proposed a dividend of 10 per cent. for the year under review. This includes the interim dividend of Rs. 3 per share paid earlier in the year. No fair-minded person can seriously object to this decision of the Directors, as the Company has strong reserves wisely built up in the preceding years. It may be relevant to note here that, for 1956-57 and 1955-56, the Company had paid as much as 18 per cent. per annum, consisting of a dividend of 12 per cent. and a cash bonus of 6 per cent. The Company paid 17 per cent. for 1953-54 which included a bonus of 5 per cent. but, for 1954-55, the bonus part was dropped and a dividend of 12 per cent. only was declared. In the following year, that is, 1955-56, the bonus part of the distribution was not only restored but was actually enhanced to 6 per cent.

The following comparative table shows at a glance the salient features of the Company's working during the past four years:

(In lakhs of rupees)

	For the year ended February			
	1958	1957	1956	1955
Sale of yarn, cloth and waste ..	180.30	167.59	168.39	133.53
Stocks of yarn, cloth and waste.	68.35	50.87	40.23	38.11
Cotton consumed ..	124.79	116.34	95.65	82.39
Stores, spares and fuel consumed	14.19	14.64	13.70	8.77
Other expenses	53.38	49.05	40.96	46.61
Gross profit	0.08	11.56	10.92	5.61
Managing Agents' commission..	0.42	1.28	1.28	0.38
Depreciation	3.64	3.93	3.48	2.89
Taxation	0.59*	..	..	..
Net profit (+) or loss (—) ..	—4.57	+6.35	+6.16	+2.54
Transfer from reserves ..	8.82	..	..	6.25
To provision for gratuity ..	1.23	1.23	1.21	..
,, arrears of wages and dearness allowance	..	..	..	5.46
To reserves	0.28	0.14	0.19	..
To dividends—				
4½% Preference	0.33	0.33	0.33	0.33
Ordinary	3.48 (D. 10%)	4.47 (D. 12% +B. 6%)	4.47 (D. 12% +B. 6%)	2.98 (D. 12%)
Carry forward	0.28	0.36	0.19	0.24

* Provision for wealth tax.

It will be seen that, though the Company's sale proceeds of yarn, cloth and waste had increased by Rs. 12.71 lakhs to Rs. 180.30 lakhs, the year ended in a loss. This was because the increase in sale proceeds had been more than neutralised by the rise in the cost of cotton consumed by Rs. 8.45 lakhs and in other expenses by Rs. 4.33 lakhs. The rise of Rs. 7.48 lakhs in the closing stocks of yarn, cloth and waste is a reflection of the slump in the textile industry.

Explaining the causes for the loss sustained, the Directors state that, with the rising cost of production and continued disparity between the prices of raw material and the finished product, the working of the mill became very unremunerative. The financial burden of the Company increased owing to the very poor offtake of cloth and yarn and consequent accumulation of stocks. The trading conditions continued to deteriorate and, in order to reduce stocks, sales had to be made at heavily losing prices. The year under review was a very bad one for the textile industry as a whole and particularly for mills, the production of which is mostly of the coarse and medium varieties. The Mysore Spinning belongs to this category.

The Company's paid-up capital, as at 28th February 1958, remains unchanged at Rs. 32.30 lakhs and is supplemented by reserves and surplus aggregating Rs. 40.26 lakhs, of which the general reserve alone accounts for Rs. 31.77 lakhs. The current liabilities stand at Rs. 114.27 lakhs, inclusive of secured loans from banks amounting to Rs. 74.14 lakhs. The gross block of Rs. 113.65 lakhs stands well written down to a book value of Rs. 41.15 lakhs. Additions during the year amounted to Rs. 2.39 lakhs. The current assets aggregate Rs. 145.68 lakhs, of which the stock-in-trade, including cotton at cost, alone accounts for Rs. 87.09 lakhs. The current assets cover the current liabilities and the provision for taxation by a margin of Rs. 31.41 lakhs. The financial position of the Company is thus quite satisfactory.

The Rs. 50 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 95 *cum-div.* (final dividend Rs. 2). On *ex-div.* value and on the basis of the dividend for the year, the yield is 5.37 per cent. per annum.

ADMINISTRATION OF COMPANIES ACT

The Government of India has delegated some of the powers vested in them by the provisions of the Companies Act, 1956, to the Regional Directors or the Department of Company Law Administration stationed at Bombay, Calcutta, Kanpur and Madras. The powers delegated to these officers include authority to approve the change of name by a company; to call the annual general meeting of a company where the management has failed to hold such meeting in time; to appoint auditors for a company where no auditor has been appointed; and to empower the Registrar of Companies to present a petition to the court for the winding-up of a company in certain cases.

Regional Directors also have powers to grant extension of time to the liquidator for calling a general meeting of a company or of creditors where the period of extension does not exceed six months; to sanction payment to the contributories out of the companies liquidation account, where the claim does not exceed Rs. 500; and to allow inspection of documents filed with the Registrar along with a prospectus; and right to apply to a High Court for the production and inspection of books and papers of a company where offences are suspected.

Companies and members of the public in Bombay State are advised that correspondence on matters falling under the relevant sections of the Companies Act should hereafter be addressed to the Regional Director, Bombay, through the Registrar of Companies, Bombay.

(Concluded from next column)

continued to be maintained and improved upon. The prospects of the Woollen Branches for the current year are good, although, it is stated, the Branches' production programme in the future may be affected by the restrictions on the import of raw materials.

The Company has a paid-up capital of Rs. 406 lakhs, made up of 81,000 preference shares of Rs. 100 each and 6,500,000 ordinary shares of Rs. 5 each. This is supplemented by reserves and surplus aggregating Rs. 127.73 lakhs. A sum of Rs. 29.50 lakhs, representing reduction in valuation of investments, has been charged to investments reserve which now stands at Rs. 15.20 lakhs. Loans from banks, secured against stores, stocks and other assets amount to Rs. 358.70 lakhs. The other current liabilities amount to Rs. 135.93 lakhs, inclusive of a provision of Rs. 5.04 lakhs for taxation. There has been an addition of Rs. 51 lakhs to the gross block during the year, bringing its total value to Rs. 351.40 lakhs. This has been well written down to Rs. 108.38 lakhs. This is inclusive of expenditure on buildings and machinery in course of construction and installation amounting to Rs. 4.18 lakhs. Investments in Government securities and shares of companies account for Rs. 138.54 lakhs and other investments for Rs. 3.09 lakhs. The other current assets aggregate Rs. 778.35 lakhs and include, among other things, stores and spare parts at Rs. 79.53 lakhs, stock-in-trade at Rs. 377.54 lakhs, sundry debtors at Rs. 122.05 lakhs, loans and advances at Rs. 100.58 lakhs, and cash balances at Rs. 87.45 lakhs.

B.I.C. REPORTS ADVERSE RESULTS

PREFERENCE DIVIDEND IN ARREARS

THE encouraging performance of the British India Corporation Ltd. (Chairman of the Board of Directors: Mr. H. S. Chaturvedi, Kanpur) during the year ended 31st December 1956 which gave rise to hopes that its prospects had been switched on, once again, to an era of improved earnings, have been belied. The Company's working during the year ended December 1957 has resulted in a sharp decline in its profit. It may be recalled that the Company witnessed unfavourable working conditions during 1954 and 1955, of which the latter year, namely, 1955, proved to be the more adverse. It sustained a substantial loss, entailing the holding in arrears of even the dividend on its preference shares, for the first time since the early thirties. The working results for the year under review differ only in one respect and, that is, that the loss sustained is not so pronounced as that incurred two years ago. The preference and ordinary dividends have been withheld once again and a sizable loss has been carried forward. The Directors attribute the unsatisfactory results to the losses suffered by the Cawnpore Cotton Mills Branch and the Cooper Allen Branch.

The Company's gross profit for the year under review amounts to only Rs. 19,727, in marked contrast to that at Rs. 28.58 lakhs for the previous year. It is also substantially lower than the modest Rs. 5.20 lakhs for 1954 but better than the gross loss of Rs. 15.24 lakhs suffered in 1955. After setting aside Rs. 13.42 lakhs for depreciation, as against Rs. 11.52 lakhs for 1956, the net loss amounts to Rs. 13.22 lakhs which compares unfavourably with a net profit of Rs. 17.06 lakhs for the previous year.

The sum written back from provisions no longer required amounts to Rs. 56,829 and the profit on realisation of investments and surplus on sale of machinery and items relating to previous years accounts for Rs. 19.16 lakhs. Out of the amounts thus realised, a sum of Rs. 17.73 lakhs has been transferred to reserve for investments—the full amount of the profit on realisation of investments. After writing off Rs. 1.36 lakh, being expenses relating to previous years, there is a debit balance on the profit and loss account of Rs. 11.36 lakhs which has been adjusted against the reserves. As stated earlier, the adverse results for the year under review have once again compelled the management to hold in arrears the dividend on the Company's preference shares and to skip over the dividend on ordinary shares. The Company had paid a small token dividend of 2 per cent. on the ordinary shares in the previous year.

The salient features of the working results of the Company for the past four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Sale proceeds	7,64.48	7,61.45	6,15.54	6,08.29
Other income	26.71	21.06	21.19	21.70
Stocks	3,77.54	3,99.77	4,62.09	3,48.24
Raw materials and manufacturing charges	3,81.27	3,31.16	5,17.02	4,29.19
Other expenses	3,87.49	3,58.93	2,49.88	2,72.26
Gross profit (+) or loss (—) ..	+0.20	+28.58	—15.24	+5.20
Provision for—				
Depreciation	13.42	11.52	15.00	10.00
Taxation	..	..	..	..
Net profit (+) or loss (—) ..	—13.22	+17.06	—30.24	—4.80
Provisions no longer required ..	0.57	52.84	..	14.00
Other income	19.16	14.65	15.85	6.89
Expenses relating to previous years written off	1.36	0.05	..	..
To reserves	17.73	35.85	15.29	5.85
Dividends—				
8 per cent. preference ..	..	12.96*	..	6.48
Ordinary	..	6.50 (2%)	..	4.06 (11½%)
Carry forward	—11.36	1.22	—27.37	2.81

* For 1955 and 1956.

The Corporation's sale proceeds for the year show only a modest rise of Rs. 3.03 lakhs, as compared with the substantial improvement of Rs. 145.91 lakhs in the previous year. As against this, raw materials and manufacturing charges have increased by Rs. 50.11 lakhs, and other expenses by Rs. 28.56 lakhs.

The Directors state that, due to continuing losses and shortage of capital required to rehabilitate the mill and working capital, the Cawnpore Cotton Mill Branch was compelled to institute an indefinite "lay-off" from 2nd December 1957. They add, however, that the production and sales of the Corporation's Woollen Branches and the trading results achieved continue to be satisfactory. The traditionally high quality of Lalimli and Dhariwal woollen goods

(Continued in previous column)

SONE VALLEY CEMENT FARES BETTER

DIVIDEND CUT RESTORED

ENCOURAGING results are disclosed by the audited statement of accounts of the Sone Valley Portland Cement Company, Ltd. (Chairman: Mr. A. L. Poddar, Calcutta), for the year ended 31st December 1957. The Company's working during the year under review has resulted in a sizable improvement in its profit. Coming as this does in refreshing contrast to the downward trend in profits which persisted for the preceding five years in succession, the performance of the Company during 1957 will be welcomed. The gross profit at Rs. 10.38 lakhs has advanced by Rs. 6.56 lakhs from Rs. 3.82 lakhs for the previous year. It is, however, lower than Rs. 12.40 lakhs for 1955 but the redeeming feature is that the downward trend has been reversed for the first time after half a decade.

After providing Rs. 4.85 lakhs for depreciation, as against Rs. 4.60 lakhs in 1956 and setting aside Rs. 89,000 for wealth tax (including Rs. 44,139 in respect of the previous year), as against Rs. 1.50 lakh short provided for taxation in 1955, the net profit at Rs. 4.64 lakhs compares well with a net loss of Rs. 2.63 lakhs for the preceding year. In view of the better results for the year under review, the Directors have proposed to restore the dividend to 6 per cent. from 3 per cent. for 1956, to which level it had been cut from the same rate, namely, 6 per cent. paid in 1955. For this purpose, they have transferred Rs. 4.50 lakhs, the actual amount required for payment of the dividend, from the general reserve No. 1. Lest it should be thought that the Company's profit for the year is not sufficient to pay the dividend, the Directors explain that this procedure is proposed in order to enable the shareholders to get credit for income-tax paid by the Company on such accumulated profits in the previous year under Section 49(b) of the Income-tax Act. Out of the net profit, they have transferred Rs. 4.50 lakhs to general reserve No. 2 in order to distinguish and keep the same apart from the existing general reserve constituted of taxed profits.

A word about the Company's dividend policy in the past may not be out of place here. The Company had paid a dividend of 10 per cent. for 1952. This was progressively reduced to 7½ per cent. for 1953 and 5 per cent. for 1954. A modest upward revision to 6 per cent. was however, made for 1955, only to be halved to 3 per cent. for 1956.

The following table will help readers to make a comparative study of the Company's progress during the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Sale proceeds	1,46.18	1,23.66	1,25.08	1,26.26
Stocks	5.72	1.64	0.77	0.83
Manufacturing and other expenses	1,40.83	1,20.81	1,13.07	1,12.12
Gross profit	10.38	3.82	12.40	12.76
Managing Agents' remuneration	..	0.35	0.86	0.88
Depreciation	4.85	4.60	3.66	4.12
Taxation	0.89†	1.50	2.35	3.18
Net profit (+) or loss (—) ..	+4.64	—2.63	+5.53	+4.67
Transfer from reserves	4.50	4.50	..	1.00
To reserves	4.50	..	1.50	1.00
Dividend	4.50 (9%)	2.25 (3%)	4.50 (6%)	3.75 (5%)
Carry forward	0.19	0.04	0.42	0.88

† Provision for wealth tax.

The Directors state that, although the Government of India has granted a licence to the Company for expansion of the installed capacity, the Company has not yet been able to secure requisite import licence on account of the difficult foreign exchange situation. Efforts are, however, being made to import machinery for increasing the production capacity of the Company's cement works at Japla by 500 tons per day under the U.S. Economic Development Loan Fund. The Central Government has increased the price of cement manufactured by the Company by Rs. 4.75 per ton with effect from 1st July 1958. The Company's production of cement during 1957 amounted to 177,210 tons, as against 174,630 tons in 1956. Despatches during 1957 were 173,640 tons, as compared with 173,187 tons a year earlier.

The balance-sheet as at 31st December 1957 shows no change in the Company's paid-up capital at Rs. 75 lakhs, all in ordinary shares of Rs. 5 each. As against this, the reserves and surplus amount to only Rs. 17.89 lakhs. The gross block of Rs. 218.92 lakhs stands written down at Rs. 64.03 lakhs. Additions during the year amounted to Rs. 9.05 lakhs. The prospecting and development expenditure on Hutar Coalfield stands at Rs. 2.14 lakhs. The current assets aggregate Rs. 80.61 lakhs, against which the current liabilities amount to only Rs. 53.90 lakhs.

The Rs. 5 paid-up shares of the Company are currently quoted at Rs. 6 *ex-div.*, at which rate and on the basis of the dividend for the year, the yield is 5 per cent. per annum.

Points From The Chair

Helping Exports

"WHILE the manufacturers owe it to themselves, to their workers, and to the Government to do all they can for exports, may I also request the Government to take the various steps early for helping exports. Many questions have been pending before the Government for a long time. For instance, the concession in railway freights, income-tax, in rates of interest, and allowing a percentage of foreign exchange for imports of various things needed by industry, etc. An early decision on all these points will certainly help exports. When I say this, I am fully aware and grateful for what the Government have already done, but more has got to be done."

LALA SHRI RAM,
Jay Engineering Works Ltd.

Forced Industrialisation

"A rapid private capital flow from capital-surplus countries will assist the solution of the basic economic problem of the underdeveloped countries in many ways. Apart from accelerating the pace of industrialisation and providing gainful opportunities for employment, it will also ease the foreign exchange problem. As you are aware, our country is now confronted with a serious foreign exchange crisis. In spite of heavy import cuts, credit drawals from the International Monetary Fund and loan assistance from other countries, the draft on our foreign exchange resources has continued to be rather serious. It is sometimes suggested that the import cuts have proved a blessing in disguise at least in one sense: it has greatly encouraged the setting up and expansion of many industries in the country. But to my mind, this type of 'forced industrialisation' is not a very happy phenomenon viewed in the context of planned development. This will promote non-durable consumer industries at the cost of heavy and basic industries. It also necessitates retrenchment of staff in the short period among the importing firms. A high level of international trade is always an aid and not a deterrent to rapid economic growth. Moreover, these import cuts have created shortages accentuating the inflationary trend of prices. Prices of many consumer articles have greatly increased."

B. L. JALAN,
General Assurance Society Ltd.

Smooth Running of Textile Industry

"If the mills and the mercantile community can feel confident that there will not arise the compulsion of thrusting heavy stocks on the market when it is not in a position to absorb them, then an improvement in the condition of the industry is possible. It should be possible to arrange loans up to 90 per cent. or so of the value of the stock from either the State Bank of India or a pool of banks and work the scheme in such a manner that, while it will not impose any liability on the pool, it will help the mills to overcome genuine temporary difficulties. Once the present heavy stocks are cleared, trade should revive. The next two to three months are very critical for the industry and your Company, in particular. If, contrary to expectations, the demand proves inadequate and our Company and other mills are unable to dispose of their stocks, a very serious situation will arise. It is necessary, therefore, that both the Government and the industry should seriously consider and tackle the problem. In every crisis, it is of vital importance that measures that might be deemed essential should be taken promptly and effectively. Half-hearted and belated efforts, sometimes far from relieving distress they are intended to, help inflict greater injury to the industry. The administrative machinery of the Government and the trade should move promptly to cope with the rapid changes that take place in the economic field. The textile industry, as everybody knows, plays a vital role in our national economy, and the need for its smooth running cannot be over-emphasised."

N. K. PETIGARA,
India United Mills, Ltd.

Saving Foreign Exchange

"We fully realise the difficulties of the foreign exchange situation of our country. This situation can be eased only in two ways, by exporting more and by importing less. In a heavy industry such as ours, export is extremely difficult and takes many years of patient work to achieve but our ability to save foreign exchange by reducing imports by making things here has never been fully exploited. We, however, expect a change in Government's policy in this regard as outlined by the Hon'ble Sri Lal Bahadur Shastri, the Commerce and Industry Minister, at the meetings of the Export and Import Advisory Councils held in New Delhi last month."

B. P. SINGH ROY,
Jessop & Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

SONE VALLEY PORTLAND CEMENT CO., LTD. Annual General Meeting, Calcutta, 13th October 1958. Dividend: 6 per cent. or Re. 0.30 per share, payable on or after 30th October 1958. Transfer books remain closed from 1st to 13th October 1958, both days inclusive.

MYSORE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 14th October 1958. Dividend: 10 per cent. or Rs. 5.00 per share (includes interim dividend of Rs. 3.00 per share). Final dividend of Rs. 2.00 per share, is payable on and after 24th October 1958.

RANICHERRA TEA CO., LTD. Annual General Meeting, Calcutta, 16th October 1958. Dividend: Re. 0.50 per share. Transfer books remain closed from 7th to 16th October 1958, both days inclusive.

NEW CINNATOLLIAH TEA CO., LTD. Annual General Meeting, Calcutta, 18th October 1958. Dividend: *Nil*. Transfer books remain closed from 9th to 18th October 1958, both days inclusive.

ELLORE ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Madras, 18th October 1958. Dividend: 5 per cent. Re. 0.50 per share (final), payable on or after 25th October 1958. Transfer books remain closed from 7th to 18th October 1958, both days inclusive.

NORTH WESTERN CACHAR TEA CO., LTD. Annual General Meeting, Calcutta, 24th October 1958. Dividend: Rs. 15.00 per share (includes interim dividend of Rs. 10.00 per share). Transfer books will remain closed from 14th to 24th October 1958, both days inclusive.

COORLA SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 24th October 1958. Dividend: Rs. 12.50 per share (includes bonus of Rs. 5.00 per share), payable on and after 27th October 1958. Transfer books remain closed from 11th to 25th October 1958.

MUKAND IRON AND STEEL WORKS LTD. Annual General Meeting, Bombay, 24th October 1958. Dividend: Re. 1.20 per old ordinary share (includes bonus of Re. 0.40 per share) and Re. 0.30 per new ordinary share (includes bonus of Re. 0.10 per share). Transfer books remain closed from 10th to 24th October 1958, both days inclusive.

THOMSON AND TAYLOR LTD. Annual General Meeting, Bombay, 25th October 1958. Transfer books will remain closed from 15th to 25th October 1958, both days inclusive.

BRITANNIA BISCUIT CO., LTD. Annual General Meeting, Bombay, 25th October 1958. Dividend: Re. 1.20 per share (includes interim dividend of Re. 0.30 per share). Transfer books will remain closed from 29th October to 8th November 1958, both days inclusive.

BRITISH INDIA CORPORATION LTD. Annual General Meeting, Kanpur, U.P., 25th October 1958. Dividend: *Nil*.

TIRUPATI COTTON MILLS LTD. Annual General Meeting, Madras, 27th October 1958. Transfer books will remain closed from 13th to 27th October 1958, both days inclusive.

KASTURI MILLS LTD. Annual General Meeting, Coimbatore, 27th October 1958 Dividend: *Nil*. Transfer books will remain closed from 15th to 31st October 1958, both days inclusive.

SURAT ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 28th October 1958. Final dividend of Rs. 4.50 per share. Transfer books remain closed from 7th to 28th October 1958, both days inclusive.

PEERMADE TEA CO., LTD. Interim dividend of 6¼ per cent. or Re. 0.62 per share on ordinary shares, for the year 1958. Transfer books will remain closed from 4th to 14th November 1958, both days inclusive.

COWCODDY ESTATES LTD. Final dividend of 40 per cent. for the year ended 30th June 1958. Transfer books will remain closed from 18th October to 1st November 1958, both days inclusive.

JANARDANA MILLS LTD. Dividend of 6 per cent. or Rs. 3.00 per share, for the year ended 31st December 1957.

KHATAU MAKANJI SPINNING AND WEAVING CO., LTD. Dividend of Rs. 10.00 per share, for the year ended 30th June 1958, payable on 14th November 1958. Transfer books will remain closed from 13th October to 10th November 1958, both days inclusive.

DHRANGADHRA CHEMICAL WORKS LTD. Dividend of Re. 6.00 per share, on old and new shares, for the year ended 31st March 1958. Transfer books remain closed from 7th to 17th October 1958, both days inclusive.

GREAT EASTERN SHIPPING CO., LTD. Dividend of Re. 1.80 per share, on old shares and Re. 0.90 per share, on new shares, for the year ended 30th June 1958. Transfer books will remain closed from 3rd to 27th November 1958, both days inclusive.

TRAVANCORE SUGARS AND CHEMICALS LTD. Dividend of Re. 1.00 per ordinary share, for the year ended 30th April 1958. Transfer books will remain closed from 31st October to 14th November 1958, both days inclusive.

RAJAPALAYAM MILLS LTD. Dividend of Rs. 8.00 per share, for the year ended 31st March 1958. Transfer books will remain closed from 12th to 25th October 1958, both days inclusive.

RESULTS OF BRITANNIA BISCUIT GOOD

NEW CINNATOLLIAH TEA SUFFERS LOSS

Britannia Biscuit Co., Ltd.

THE directors of the above Company (Managing Director: Mr. K. Julian Scott, Calcutta) present herewith the audited accounts of the Company for the year ended 31st March 1958.

After providing Rs. 5,98,034 (Rs. 5,78,075) for depreciation and reserving Rs. 11,80,000 (Rs. 4,80,000) for income-tax and super-tax, and Rs. 89,943 for wealth tax the profit and loss account shows a net profit for the year of Rs. 10,36,359 (Rs. 8,16,344). To this amount must be added the amount brought forward from the last year of Rs. 1,84,683 (Rs. 1,79,277) making a total amount available of Rs. 12,21,042 (Rs. 9,95,621). The directors have transferred to reserve for taxation contingencies the sum of Rs. 2,00,000 (Rs. 1,50,000) and to general reserve Rs. 2,50,000 (Rs. 2,00,000) leaving a balance of Rs. 7,71,042 (Rs. 6,45,621). The half-yearly dividend on preference shares and the interim dividend of 3 (3) per cent. on ordinary shares absorbed Rs. 1,38,529 (Rs. 1,38,529). The directors recommended that the balance of Rs. 6,32,513 (Rs. 5,07,092) at the credit of the profit and loss account be dealt with as follows:—

To payment of a dividend on preference shares without deduction of income-tax amounting to Rs. 618 (Rs. 618) to pay a final dividend of 9 (7) per cent. without deduction of tax, making 12 (10) per cent. for the year on ordinary shares amounting to Rs. 4,13,731 (Rs. 3,21,791) and to carry forward a balance of Rs. 2,18,164 (Rs. 1,84,683).

The accounts for the year ended 31st March 1958 show that the Company has again established new records of production and sales. This has enabled the Company to carry the increased costs, but the additional profit is small in relation to the total turnover figure.

In the previous year's report, the directors sounded a note of warning that the fiscal measures adopted by the Government coupled with restrictions imposed on imports would further raise the cost of production. This forecast has unfortunately come true and there has been a very considerable increase in production costs. The upward trend in operating expenses noted in last year's report is still continuing and the directors again refer to this matter so that the effects of inflationary pressure are amply appreciated.

The directors' endeavours to expand exports at substantially reduced prices continue, but progress will remain restricted until the Government recognises the necessity of affording manufacturers realistic assistance.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	46,12,470	Gross block	1,15,02,202
Debentures	15,00,000	*Less*—Depreciation ...	42,92,212
Reserves ...	38,11,814		
Provision for taxation ...	17,57,940	Net block ...	72,09,990
Liabilities ...	22,78,498	Stock-in-trade	5,99,756
Profit and loss account ...	2,18,164	Raw materials	4,86,899
		Stores, spare parts and loose tools	15,78,882
		Debts, deposits and advances ...	31,76,309
		Cash ...	11,21,550
		Miscellaneous expenditure and losses	5,500
Rs.	1,41,78,886	Rs.	1,41,78,886

New Cinnatolliah Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers and Co. Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts disclose a working loss of Rs. 2,03,531 (profit of Rs. 21,565). On transfer of this sum to profit and loss account and after sundry adjustments, including the transfers of Rs 25,000 (*nil*) from revenue reserve, Rs. 1,21,000 (*nil*) from buildings and machinery reserve, Rs. 15,000 (*nil*) from hail reserve and Rs. 1,623 (Rs. 5,000) from provision for taxation, being a reserve no longer required, there is a balance at debit of the profit and loss account amounting to Rs. 38,569 (Rs. 5,481 after transferring Rs. 25,000 from revenue reserve) to be carried forward.

Crop was 4,16,646 lbs. as compared with 4,74,400 lbs. in 1956. The average selling price realised was Rs. 2.17 per lb. as against Rs. 2.30 per lb. in the previous year.

Estimates for 1958 provide for a crop of 4,80,000 lbs. at an outlay of Rs. 10,68,314 including inland freight and sale charges. Planted area is now 801.11 acres.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Gross block ...	7,72,341
Liabilities ...	7,09,616	*Less*—Depreciation ...	2,90,502
		Net block ...	4,81,839
		Stock-in-trade	5,05,327
		Stores, etc. ...	76,405
		Debts, deposits and advances ...	29,148
		Cash	78,328
		Profit and loss account ...	38,569
Rs.	12,09,616	Rs.	12,09,616

Birpara Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers and Co. Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts disclose a working profit of Rs. 1,46,034 (Rs. 4,82,143). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 35,000 (Rs. 40,000) from provision for taxation, being a reserve no longer required, there is a balance at credit of the profit and loss account amounting to Rs. 1,83,350 (Rs. 4,31,289) of which the directors have transferred Rs. 50,000 (Rs. 1,50,000) to revenue reserve and Rs. 10,000 (*nil*) to development reserve. The directors recommend payment of a dividend of 8 (8) per cent. on the preference shares and 7½ (25) per cent. on the ordinary shares, for season 1957 leaving Rs. 47,850 (Rs. 48,289) to be carried forward.

Crop was 11,23,916 lbs. as compared with 12,42,950 lbs. in 1956. The average selling price realised was Rs. 2.04 per lb. as against Rs. 2.17 per lb. in the previous year.

Estimates for 1958 provide for a crop of 12,80,000 lbs. at an outlay of Rs. 21,77,460 including inland freight and sale charges. Planted area is now 1,380.52 acres.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Gross block	25,85,244
Reserves ...	14,81,356	*Less*—Depreciation ...	8,19,732
Provision for taxation ...	2,70,684	Net block ...	17,65,512
Liabilities ...	9,45,887	Stock-in-trade	12,88,804
Profit and loss account ...	47,850	Stores and supplies ...	2,10,020
		Debts, deposits and advances ...	3,16,823
		Investments	200
		Cash ...	1,64,418
Rs.	37,45,777	Rs.	37,45,777

North-Western Cachar Tea Co., Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts show a profit of Rs. 1,10,482 (Rs. 2,51,506). On transfer of this sum to profit and loss account and after making necessary adjustments there remains a balance of Rs. 1,30,447 (Rs. 2,51,506), provision for taxation absorbs Rs. 75,000 (Rs. 1,30,000). With the balance brought forward from the last year of Rs. 1,37,855 (Rs. 1,21,654) there is a total amount available of Rs. 1,93,302 (Rs. 2,42,855). The directors recommend to dispose of this amount as follows:—

To interim dividend on 7,000 shares at Rs. 10 (*nil*) per share free of income-tax (paid already) Rs. 70,000 (*nil*) and to pay a final dividend at Rs. 5 (Rs. 15) per share (free of income-tax) absorbing Rs. 35,000 (Rs. 1,05,000) leaving a balance to be carried forward of Rs. 88,302 (Rs. 1,37,855).

Outturns and average selling prices compared with those of the previous year are as follows:

Crop	1957 Mds.	1956 Mds.
Kurkoorie	4,712	4,399
Bicrampore	4,117	4,433

Average selling prices per lb.:—

	1957 Rs. nP.	1956 Rs. as. ps.
Kurkoorie	1 62	1 14 0
Bicrampore	1 81	2 0 6

Estimate for 1958 provide for a crop of 9,800 maunds at an outlay of Rs. 9,80,000.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Gross block	11,33,080
Reserves ...	6,50,000	*Less*—Depreciation ...	3,08,080
Provision for taxation ...	4,34,516	Net block ...	8,25,000
Liabilities ...	4,00,887	Stock-in-trade	3,92,551
Profit and loss account ...	88,303	Stores ...	1,98,766
		Loans and advances ...	8,17,307
		Investments	13,516
		Cash ...	26,566
Rs.	22,73,706	Rs.	22,73,706

Gaekwar Mills Ltd.

The directors of the above Company (Chairman: Mr. Jal H. Mehta, Bombay) submitted the audited accounts of the Company for the year ended 31st December 1957.

The accounts show that the profit for the year after deducting depreciation of Rs. 4,10,000 (Rs. 3,51,000) amounts to Rs. 6,97,560 (Rs. 9,88,311) to which is added the balance brought forward from last year of Rs. 35,479 (Rs. 56,168) making a total of Rs. 7,33,039 (Rs. 10,44,479). The directors have transferred from dividend equallisation fund Rs. 2,00,000 (*nil*) and from rehabilitation fund Rs. 2,00,000 (*nil*) making a total amount available for disposal of Rs. 11,33,039 (Rs. 10,44,479). The directors have made the following appropriations out of this sum:—

To general reserve from current year's profit Rs. 4,00,000 (*nil*), to development rebate reserve Rs. 3,15,000 (Rs. 1,09,000) and to payment of proposed dividend free of income-tax:—

[From 1956 taxed profits not already distributed] 34th dividend on 40,000 shares of Rs. 100 each at Rs. 10 (Rs. 12.50) per share free of income-tax absorbing Rs. 4,00,000 (Rs. 5,00,000) leaving a balance to be carried forward to next year's account of Rs. 18,039 (Rs. 35,479 after transferring Rs. 2,00,000 to rehabilitation fund and Rs. 2,00,000 to dividend equalisation fund).

It will be observed that the values of Mills building and plant and machinery show an increase of Rs. 1,21,908 and Rs. 12,36,230 respectively due to building extensions and the new machinery added. Most of the machines have been installed and are working satisfactorily.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Gross block	1,04,10,424
Reserves ...	48,88,644	*Less*—Depreciation ...	77,05,801
Provision for taxation ...	61,000	Net block ...	27,04,623
Liabilities	1,03,13,290	Stock-in-trade	90,08,114
Profit and loss account ...	18,039	Stores, spares etc. ...	18,21,301
		Debts, deposits and advances ...	34,73,404
		Investments	16,58,284
		Cash ...	6,15,241
Rs.	1,92,80,973	Rs.	1,92,80,973

Navsari Cotton and Silk Mills Ltd.

The directors of the above Company (Chairman: Mr. Jal H. Mehta, Bombay) submitted the audited accounts of the Company for the year ended 31st December 1957.

The accounts show that the profit for the year after deducting depreciation of Rs. 3,90,000 (Rs. 2,52,500) amount to Rs. 3,24,499 (Rs. 7,09,630) to which is added the balance brought forward from last year of Rs. 56,004 (Rs. 47,374) making a total of Rs. 3,80,503 (Rs. 7,57,004). With the amount transferred from dividend equallisation account of Rs. 1,00,000 (*nil*) the amount available for disposal is Rs. 4,80,503 (Rs. 7,57,004). The directors have made the following appropriations out of this sum:—

To development rebate reserve Rs. 56,000 (Rs. 2,03,500), to payment of proposed dividends free of income-tax.

[From 1957 taxed profits Rs. 3,03,000 and from the previous years' taxed profits (not already distributed) Rs. 1,00,000]: 5,000 cumulative 5 (5) per cent. preference shares of Rs. 100 each free of income-tax Rs. 25,000 (Rs. 25,000) and on 31,500 ordinary shares of Rs. 100 each at Rs. 12 (Rs. 15) per shale free of income-tax Rs. 3,78,000 (Rs. 4,72,500) leaving a balance to be carried forward to next year's account of Rs. 21,503 (Rs. 56,004).

It will be observed that the values of Mills' buildings and plant and machinery show an increase of Rs. 7,131 and Rs. 2,37,719 respectively due to building extensions and the new machinery added. Most of the machines have been installed and are working satisfactorily.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	36,50,000	Gross block	54,93,256
Reserves ...	49,27,009	*Less*—Depreciation ...	38,93,987
Provision for taxation ...	2,25,000	Net block ...	15,99,269
Liabilities ...	51,29,114	Stock-in-trade	60,70,354
Profit and loss account ...	21,503	Stores, spares etc. ...	10,47,090
		Debts, deposits and advances ...	32,71,517
		Investments	13,45,466
		Cash ...	6,18,930
Rs.	1,39,52,626	Rs.	1,39,52,626

Tirrihannah Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1957.

The season's working resulted in a profit, after providing for depreciation of Rs. 1,71,183 (Rs. 4,70,476) to which must be added the balance of profit brought forward from 1956 of Rs. 14,644 (Rs. 29,519) making a total of Rs. 1,85,827 (Rs. 4,99,995). From this amount must be deducted adjustment account Rs. 6,989 (Rs. 7,214), provision for taxation Rs. 40,000 (Rs. 1,50,000 including wealth tax) provision for wealth tax Rs. 4,000 and amount written off stores for obsolescence etc., Rs. 147 (Rs. 2,623) leaving a balance of Rs. 1,34,691 (Rs. 3,29,644 after providing Rs. 10,514 for labour bonus). From this amount the directors have set aside to buildings and machinery reserve Rs. 25,000 (Rs. 2,50,000) leaving an available balance of Rs. 1,09,691 (Rs. 79,644) which, the directors recommend, should be dealt with as follows:—

In payment of a dividend of rupee one per cumulative preference share for the year ended 31st December 1957, on 10,000 cumulative preference shares, absorbing Rs. 10,000 (Rs. 10,000) and in payment of a dividend of Rs. 3.00 (Rs. 2.50) per ordinary share for the year ended 31st December 1957, on 22,000 ordinary shares, absorbing Rs. 66,000 (Rs. 55,000) leaving to be carried forward Rs. 33,691 (Rs. 14,644).

The saleable crop weighed out at 8,010 maunds against an estimate of 8,300 maunds and was disposed of at an average price of Rs. 1.89 per lb. The usual comparative statement for previous seasons is given below:—

Season	Crop Mds.	Average Price per lb. Rs.
1956	8,084	2.22
1955	8,585	1.93
1954	7,116	2.64
1953	6,503	1.83

The estimate for season 1958 provides for a saleable crop of 9,000 maunds at a total revenue expenditure of Rs. 9,75,762.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,20,000	Gross block	13,61,474
Reserves ...	9,75,250	*Less*—Depreciation ...	5,52,735
Provision for taxation ...	4,52,564	Net block ...	8,08,739
Liabilities ...	4,05,930	Stock of tea	5,61,026
Profit and loss account ...	33,691	Stores, etc. ...	1,59,599
		Debts, deposits and advances ...	2,15,914
		Investments	2,401
		Cash	4,39,956
Rs.	21,87,435	Rs.	21,87,435

Sungma Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1957.

The season's working resulted in a profit, after providing for depreciation, of Rs. 2,14,954 (Rs. 3,61,018) to which must be added the balance of profit brought forward from 1956 of Rs. 23,482 (debit of Rs. 33,802) making a total of Rs. 2,38,436 (Rs. 3,27,216). From this amount must be deducted adjustment account Rs. 17,990 (Rs. 8,219), provision for taxation Rs. 69,500 (Rs. 68,618), provision for wealth tax Rs. 2,000 (*nil*) and amount written off stores for obsolescence Rs. 148 (Rs. 349) leaving a balance of Rs. 1,48,798 (Rs. 2,41,414 after providing Rs. 8,616 for provision for bonus to garden labour and staff). The directors have set aside to general reserve Rs. 75,000 (Rs. 1,24,182) leaving an available balance of Rs. 73,798 (Rs. 1,17,232). This amount the directors recommend, should be dealt with as follows:—

In payment of a dividend for the year ended 31st December 1957, at the rate of 75 (Re. 1.50) naye Paise per ordinary share on 62,500 ordinary shares, absorbing Rs. 46,875 (Rs. 93,750) leaving to be carried forward Rs. 26,923 (Rs. 23,482).

The saleable crop weighed out at 4,418 maunds against an estimate of 5,000 maunds and was disposed of at an average price of Rs. 3.49 per lb. The usual comparative statement for previous seasons is given below:—

Season	Crop Mds.	Average Price per lb. Rs.
1956	4,725	3.60
1955	4,685	2.46
1954	4,497	3.40
1953	4,127	2.33

The estimate for season 1958 provides for a saleable crop of 5,000 maunds at a total revenue expenditure of Rs. 9,45,540.

The smaller crop made in 1957 was due to adverse weather conditions experienced early in the season.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,25,000	Gross block	16,47,148
Reserves ...	7,73,767	*Less*—Depreciation ...	4,38,738
Provision for taxation ...	1,40,100	Net block ...	12,08,410
Liabilities ...	2,78,060	Work-in-p r ogress ...	49,390
Profit and loss account ...	26,923	Stock of tea ...	2,23,237
		Stores, etc. ...	1,26,086
		Debts, deposits and advances ...	90,077
		Investments	3,802
		Cash	1,42,848
Rs.	18,43,850	Rs.	18,43,850

Margaret's Hope Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1957.

The season's working resulted in a profit, after providing for depreciation for 1957, of Rs. 81,446 (Rs. 1,21,432) to which must be added the balance brought forward from 1956 of Rs. 28,470, making a total of Rs. 1,09,916 (Rs. 1,21,432). From this amount must be deducted depreciation in respect of previous year Rs. 10,528, adjustment account Rs. 22,362 (Rs. 10,976), provision for taxation Rs. 24,000 (Rs. 20,190) and provision for wealth tax Rs. 1,300 (Rs. 1,328) leaving a balance of Rs. 15,726 (Rs. 68,470 after adjusting the debit balance brought forward from the previous year). The directors distributed this amount as follows:—

In payment of a dividend of seventy-five naye Paise (Re. 1.00) per share for the year ended 31st December 1957, on 40,000 equity shares, absorbing Rs. 30,000 (Rs. 40,000) leaving to be carried forward Rs. 21,726 (Rs. 28,470).

The saleable crop weighed out at 4,283 maunds against an estimate of 4,960 maunds and was disposed of at an average price of Rs. 3.06 per lb. The usual comparative statement for previous seasons is given below:—

Season	Crop Mds.	Average Price per lb. Rs.
1956	4,059	2.95
1955	4,419	2.29
1954	4,238	3.62
1953	3,869	2.65

The estimate for season 1958 provides for a saleable crop of 4,600 maunds at a total revenue expenditure of Rs. 9,29,285.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Gross block ...	7,43,042
Reserves ...	4,00,225	*Less*—Depreciation ...	3,82,245
Provision for taxation ...	1,76,300	Net block ...	3,60,797
Liabilities ...	1,93,650	Work-in-p r ogress ...	6,013
Profit and loss account ...	21,726	Stock of tea	2,63,411
		Stores, etc. ...	1,26,179
		Debts, deposits and advances ...	2,36,723
		Investments	2,702
		Cash	1,96,076
Rs.	11,91,901	Rs.	11,91,901

Bhatkawa Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1957.

The season's working resulted in a profit, after providing for depreciation of Rs. 2,22,666 (Rs. 5,51,425) to which must be added the balance of profit brought forward from 1956 of Rs. 45,241 (Rs. 39,426) making a total of Rs. 2,67,907 (Rs. 6,55,851 including Rs. 65,000 being provision for taxation overprovided). From this amount must be deducted adjustment account Rs. 9,522 (Rs. 16,550), provision for taxation Rs. 98,000 (Rs. 1,46,473) and provision for wealth tax Rs. 12,000 (*nil*) leaving a balance of Rs. 1,48,385 (Rs. 4,36,755 after providing Rs. 50,624 for labour bonus and after writing off Rs. 5,449 from stores for obsolescence). The directors recommend that this amount should be dealt with as follows:

In payment of a dividend for the year ended 31st December 1957, at the rate of Re. 1.50 (Rs. 3.00) per ordinary share on 90,000 ordinary shares, absorbing Rs. 1,35,000 (Rs. 2,70,000) and leaving to be carried forward Rs. 13,385 (Rs. 45,241 after placing Rs. 46,514 to general reserve).

The saleable crop weighed out at 15,648 maunds against an estimate of 17,000 maunds and was disposed of at an average price of Re. 1.95 per lb. The usual comparative statement for previous seasons is given below:

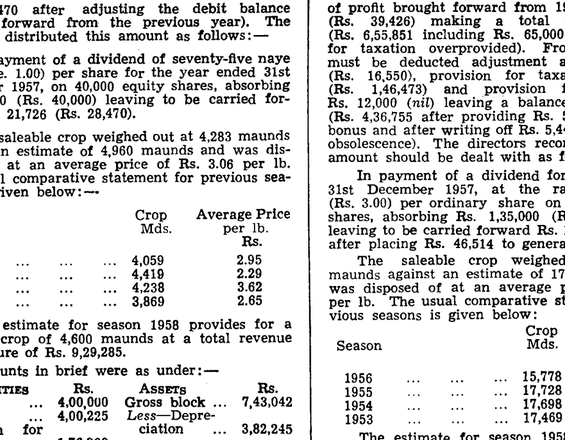
Season	Crop Mds.	Average Price per lb. Rs.
1956	15,778	2.14
1955	17,728	1.85
1954	17,698	2.62
1953	17,469	1.92

The estimate for season 1958 provides for a saleable crop of 17,000 maunds at a total revenue expenditure of Rs. 20,97,703.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Gross block ...	21,72,529
Reserves ...	17,75,000	*Less*—Depreciation ...	11,20,841
Provision for taxation ...	5,58,790	Net block ...	10,51,688
Liabilities ...	7,48,473	Work-in-p r ogress ...	10.853
Profit and loss account ...	13.385	Stock of tea	9,39,131
		Stores, etc. ...	5,50,983
		Debts, deposits and advances ...	6,29,880
		Investments	53,875
		Cash	7,59,238
Rs.	39,95,648	Rs.	39,95,648

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



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Notices

THE COCHIN STATE POWER AND LIGHT CORPORATION, LIMITED

(Incorporated in Kerala State)

Registered Office:
Huzur Jetty, Fore Shore, ERNAKULAM.

Branch Office:
20, Second Line Beach, MADRAS-1.

NOTICE OF THE TWENTY-SECOND ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Twenty-second Annual General Meeting of the COCHIN STATE POWER AND LIGHT CORPORATION, LTD., will be held at the Registered Office of the Company at Huzur Jetty, Fore Shore, Ernakulam, on Friday the 7th November, 1958, at 3 p.m.

1. To consider and adopt the Directors' Report and Audited Accounts for the year ended 31st March, 1958.
2. To consider the declaration of a final dividend of 50 nP per share making 9 per cent. for the year.
3. (i) To elect a Director in the place of Sri G. A. Krishnamurti who retires by rotation and is eligible for re-election.

   (ii) To elect a Director in the place of Sri S. S. Koder who retires by rotation and is eligible for re-election.
4. To appoint Auditors for the current year and fix their remuneration.
5. Any other subject that may be brought up before the Meeting.

The Share Transfer Books of the Company will remain closed from 1st November 1958 to 7th November 1958, both days inclusive.

By Order of the Board,

For CHANDRIE & Co. (PRIVATE) LTD.,

S. VENKATARAMAN,
Director,
Managing Agents.

MADRAS, *28th September* 1958.

Note: (*a*) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member.

(*b*) The dividend when sanctioned at the Annual General Meeting will be paid on or after 7th November 1958 to those shareholders whose names stand on the Register of Members on 31st October 1958.

THE EAST INDIAN COAL COMPANY LIMITED

(Incorporated in England with Limited Liability.)

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Sixth Ordinary General Meeting of the Company will be held at the Head Office of the Company, 4, Clive Row, Calcutta, on Wednesday, the 5th November, 1958, at 11 a.m., for the following purposes:—

1. To receive and adopt the Directors' and Auditors' Reports and pass the Accounts for the year ended 30th April, 1958.
2. To declare a Dividend.
3. To elect a Director.
4. To fix the Auditors' remuneration.

Notice is also given that the Share Transfer Books of the Company will be closed from the 23rd October to the 5th November, 1958, both days inclusive.

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

Dated this 26th day of September, 1958.

By Order of the Board,

JARDINE HENDERSON, LIMITED,

D. FORDWOOD,
Secretary,
Managing Agents & Secretaries.

GANNON DUNKERLEY AND COMPANY LIMITED

NOTICE

THE 35TH ANNUAL GENERAL MEETING of the Company will be held at its Registered Office, Chartered Bank Building, Fort, Bombay, on Wednesday, the 10th December 1958, at 5.00 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report for the year ended 31st March, 1958 together with the audited statement of accounts for the period.
2. To declare a dividend.
3. To elect a Director in place of Mr. J. Steffens, who retires by rotation but being eligible offers himself for re-election.
4. To consider and pass the following resolution of which a special notice under Section 281 of the Companies Act 1956, has been received by the Company.

   "RESOLVED that it be and is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the Companies Act 1956 shall not apply to Sri Jyotendra L. Mehta, a Director of the Company, who has attained the age of 65."
5. To appoint Auditors for the financial year ending 31st March, 1959.
6. To transact any other business permitted by the Chairman.

By Order of the Board,
R. MORARKA,
Governing Director.

BOMBAY, *29th September* 1958.

Explanatory Statement

Item 4.—Sri Jyotendra Mehta, who joined the Company as an additional Director was appointed as Director at the last General Meeting of the Company. He has attained the age of 65. He cannot, therefore, continue as a Director unless a resolution is passed. Special notice of such resolution has been given to the Company by a member. It is in the interest of the Company that its Board of Directors should continue to receive the benefit of his advice as a member of the Board.

Note: 1. The Share Transfer Books of the Company will be closed from 8th December 1958 to 23rd December 1958, both days inclusive.

2. Members may attend the Meeting in person or by proxy. They may appoint one or more proxies and the proxy need not be a member of the Company. Forms appointing proxies must be filed with the Company at its Registered Office.

THE KHATAU MAKANJI SPINNING AND WEAVING COMPANY, LIMITED

Laxmi Building, 6, Ballard Road, Fort, Bombay.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Eighty-fourth Annual General Meeting of the shareholders of the Company will be held on Monday, the 10th November, 1958, at 2.00 p.m. (S.T.), at the Registered Office of the Company at Laxmi Building, 6, Ballard Road, Fort, Bombay 1, to transact the business as per the Notice with the Explanatory Statement dated the 29th August 1958, separately sent to the shareholders of the Company at their registered addresses.

By Order of the Board of Directors,
LALDAS TRIBHOWANDAS,
Secretary.

Dated 29th August, 1958.

Notes: (*a*) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member.

(*b*) The Share Transfer Books of the Company will be closed from Monday the 13th October 1958 to Monday the 10th November 1958, both days inclusive.

(*c*) If dividends on shares as recommended by the Directors are passed at the Meeting, the payments will be made on and after Friday the 14th November 1958, to those shareholders whose names are on the Company's Register on 13th October 1958.

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors have sanctioned payment of dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ending 30th September, 1958.

The Preference Share Registers will be closed from the 15th October to the 17th October, 1958, both days inclusive. Payment will be made on or after the 1st November, 1958, to those Preference Shareholders whose names are on the Company's Register on the 17th October, 1958, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, *6th October*, 1958.

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of The Indian Iron and Steel Company, Limited, in Meeting held on date, have authorised application to be made to Government for consent to an issue of bonus Ordinary shares in the proportion of one bonus share for every five existing Ordinary shares held at a date to be determined in due course by the Directors, the intention being that the bonus shares shall rank in all respects *pari passu* with the existing Ordinary shares save and except that they will not participate in any distribution in respect of any period ending on or before the 31st March 1959.

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, *30th September*, 1958.

BOKARO AND RAMGUR LTD.

NOTICE TO DEBENTURE-HOLDERS

REDEMPTION OF DEBENTURES

THE DIRECTORS OF BOKARO & RAMGUR Ltd. and the Trustees for the Debentureholders have pleasure in announcing that the Bearer Debenture Bonds of Bokaro & Ramgur Ltd. of the total value of Rs. 10,00,000 (Rupees Ten Lakhs) only, issued in the year 1948 and due to be redeemed on the 15th October, 1958, will be duly redeemed on payment during office hours on working days on and from the 1st October, 1958, till the 15th October, 1958.

The Debenture-holders are hereby requested to surrender their respective Debenture Bonds with the relative Interest Coupons at the Registered Office of the Company at the United India Building, 22, Chittaranjan Avenue, Calcutta-13, within the dates mentioned above.

Dated the 29th day of September, 1958.

By Order of the Board,
(Sd/.) P. SINGH,
For RAMGARH INDUSTRIES (COAL) CO.,
Managing Agents.

ROHTAS INDUSTRIES LIMITED

DALMIANAGAR, BIHAR

NOTICE IS HEREBY GIVEN THAT SHARE Transfer Books of the Company will remain closed from Friday, the 31st October to Saturday, the 15th November, 1958, both days inclusive.

By Order of the Board,
For SAHU JAIN LTD.,
A. K. JAIN,
Managing Director.
Managing Agents.

3rd October, 1958.

MONEY EASY

(From Our Own Correspondent)

BOMBAY, *8th October*

Easy conditions continued to prevail in the short-term money market for yet another week. Thanks to the plentiful supply of funds, money was almost unlendable, but this did not affect the interest rates. The volume of business was also small. Inter-bank call money continued to be quoted at 2 to 2¼ per cent. (the former was the more common rate) among the big banks and at 2¼ to 2½ per cent. among the small banks. Seven days' deposits were offered 3¼ to 3⅜ per cent. and short-term deposits 3½ to 4 per cent. for one to six months.

The amount offered against this week's Rs. 2 crores 91-day Treasury Bills was Rs. 3.20 crores, against Rs. 2.45 crores tendered in the previous week. The average rate of accepted tenders was Rs. 2.525 per cent. per annum, which was again a shade lower than the previous week's rate of Rs. 2.527 per cent. Tenders for a further sum of Rs. 2 crores have been invited for next week.

An expansion of Rs. 11.72 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 3rd October 1958, in contrast to the contraction of Rs. 13.75 crores noted in the preceding week. Notes held in the Banking Department were lower by Rs. 12.43 crores. There has been no change in the holdings of foreign securities, and balances held abroad (in the Banking Department) show only a fractional drop. Central Government's deposits are up by Rs. 4.23 crores, while other Governments' deposits have declined by Rs. 8.80 crores. Deposits of banks too show a fall of Rs. 8.12 crores. Loans and advances to Governments and other loans and advances do not show any notable change. Barring a sum of Rs. 11 lakhs, bank's borrowings against usance bills have all been repaid. Investments show a decline of Rs. 1.41 crore.

The Scheduled banks' statement for the week ended 26th September 1958 discloses a fall of Rs. 2.87 crores in demand deposits and a rise of Rs. 7.98 crores in time deposits. Borrowings from the Reserve Bank have declined by Rs. 3.81 crores. of which borrowings against usance bills account for Rs. 2.35 crores. Advances show a drop of Rs. 8.57 crores and bills purchased and discounted Rs. 71 lakhs. A further addition of Rs. 2.38 crores is noted in investments and of Rs. 8.23 crores in cash balances.

Activity in the Gilt-edged market continued to be dull, despite the extremely easy money conditions. While there was small selling in selected counters, buyers were mostly reserved. 3 per cent. 1986 Conversion Loan closed a shade lower at Rs. 74.05. 3 per cent. 1970-75, however, picked up 10 nP to Rs. 90. 3 per cent. 1966-68 was unchanged at Rs 94, 3 per cent. 1964 at Rs. 96.75 and 3 per cent. 1963-65 at Rs. 96.70. 3 per cent. 1959-61 gained 10 nP to Rs. 99.95. 3½ per cent. 1961 was done a fraction lower at Rs. 100.15, while 3½ per cent. 1963 was unchanged at Rs. 100.05, 3½ per per cent. 1964 at Rs. 99.90 and 3½ per cent. 1965 at Rs. 99.70. 3½ per cent. 1967 was maintained at Rs. 98.85 and 3½ per cent. 1968 at Rs. 98.60. 3½ per cent. 1967 were a shade better at Rs 100.40 and 4 per cent. 1960-70 at Rs 100.65.

After a lapse of nearly three months, another State Government has announced its intention to enter the capital market. The Government of Bihar proposes to issue a 4½ per cent. Development Loan for Rs. 2.50 crores, the issue price being Rs. 99.50 per cent. This State did not fall in line with the 10 other States which entered the market in July last. The loan will have a currency of 12 years, being repayable at par on 13th October 1970. The list for subscriptions will open on the 13th inst. and close on the 18th or earlier without notice.

In tune with the improvement in sterling abroad, the rupee also gathered some strength. Banks' selling rate of ready dollars declined from Rs. 477 to Rs. 476.50 per $100 and their buying rate from Rs. 473.50 to Rs. 473.25 per 100. In New York, spot sterling rose from $2.80-23/32—2.80-25/32 to $2.80-13/16—2.80⅞, while three months' forward shaded off from $2.80-11/32—2.80-13/32 to $2.80-9/32—2.80-11/32.

HIDES AND SKINS STEADY

(From Our Own Correspondent)

MADRAS, *6th October*

Arrivals of E.I. tanned cow hides were of the usual volume, and of cow calf and buff calf small. Prices of lightweight cow hides and cow calf and buff calf were steady, while medium weight cow and heavies were easy, because U.K. demand was poor for the latter averages.

Though there was good call for fifths selections, sellers were not keen to offer them unless combined with run and fourths selections. U.K. buyers paid increases of ½d. to 1d. for lights in some cases but declined to improve the price levels further. Tanners are holding out but might not succeed in pushing prices up.

Tanned skins market locally was steady. Shipment business was small with stray demand for lightweight goat and medium class sheep skins from the Continent and Japan. The next tanned skins public auctions commence on 13th inst. when 450,000 goat skins and 550,000 sheep skins will be offered for sale. Prospects of good prices in the auctions do not seem bright.

Shipments during September were 2.679 bales tanned cow hides, 265 cow calf, 37 buffs, 172 buff calf 903 goat, 582 sheep to U.K.; 58 cow, 15 cow calf, 5 buff calf, 748 goat, 207 sheep to Continent; 6 cow, 5 cow calf, 64 buffs, 5 buff calf, 95 goat to U.S.A. and 155 sheep to Japan.

BULLION FIRM

(From Our Own Correspondent)

BOMBAY, *8th October*

After presenting an easy trend in the first two sessions of the week under review, the bullion market picked up strength on Monday which persisted practically till the close today. The earlier easiness was due to heavy arrivals, particularly of silver, while follow-up support was lacking. Consequently, prices tended to recede. On Monday, the market staged an impressive recovery induced by fresh buying as well as short-covering. At higher levels, profit-taking set in and values staged a decline on Tuesday. Today, the market again ruled distinctly firm, thanks to large buying by operators who were hitherto not inclined to make purchases due to the marked fall in commodity prices. The bears also were somewhat anxious to even up their contracts. Not only the earlier losses were completely made up but the closing rates stood higher than those at the end of last week.

Forward silver (*Aswayuj* settlement), which stood at Rs. 187-13 last week-end, declined to Rs. 187-8 on Saturday. After recovering subsequently to Rs. 188-10, it eased to Rs. 188-1 yesterday. Today, however, it firmed up to Rs. 188-8 before finishing at Rs. 188-6. The net gain over the week was As. 9. Business in *Kartik* delivery commenced on Monday at a premium of As. 12 over the *Aswayuj* delivery, the starting rate being Rs. 189-2. The delivery declined to Rs. 188-15 yesterday, but moved up to finish at Rs. 189-2 today.

Ready silver opened the week at Rs. 186-8, as against Rs. 186-13 on Wednesday last. It encountered support and advanced to Rs. 187-6 on Monday. After receding to Rs. 187-3 yesterday, it recovered to Rs. 187-8 today. The daily arrivals of silver averaged 30 bars, while offtake was 14 bars per day on an average. The floating stocks of silver are estimated at 1,000 bars.

Forward gold (*Aswayuj* settlement) was well supported, the quotation moving up from Rs. 107-3-6 to Rs. 107-14 on the 6th inst. After receding to Rs. 107-11 yesterday, it rose to Rs. 108-1-6 before finishing at Rs. 108-1. The net gain over the week was As. 13-6. Business in *Kartik* delivery commenced today at Rs. 108-1. Towards the close, the delivery stood at Rs. 108-5.

Ready gold attracted good attention of operators on expectations of revival of demand. The quotation forged ahead from Rs. 106-12-6 last week to Rs. 107-12-6 today. At the close, it was a shade easy at Rs. 107-12. The daily average arrivals were 6,000 tolas, while offtake was of the order of 2,875 tolas. The floating stocks of gold are reported to be 40,000 tolas.

The improvement in the price of spot silver noted in London last week continued during the week under review also, today's quotation being 76¼d., as against 76d. last week. The prices in New York, however, remain unchanged at 89⅛ cents. The price of gold in London also rose from 76¼d. to 77⅛d.

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

	8-10-58	Highest	Lowest	1-10-58
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	107 12	107 12½	106 15	106 12½
Forward*	108 1	108 1½	107 4	107 8½
Sovereign	70 12	70 12	70 10	70 12
SILVER				
Ready (.996 fine Mint) ..	187 8	187 10	186 7	186 13
Forward†	188 6	188 10	187 8	187 13
London Silver Ready ..	76½d.	76¼d.	76d.	76d.
London Forward	77¼d.	77⅜d.	76¼d.	76¼d.
London Gold	250s. 3¼d.	250s. 3½d.	250s. 2½d.	250s. 3d.
New York Silver	89⅛c.	—	—	89⅛c.

*28th October settlement.
†27th October settlement.

METALS FIRM

(From Our Own Correspondent)

CALCUTTA, *7th October*

Prices of base metals recorded a small recovery during the week under review. This was due to the uncertainty created by the announcement of the interim import policy, according to which the quota for tin has been cut in a marked way. Other base metals are not included in the interim policy at all. This caused disappointment and contributed to hardening of prices. In view of the importance of base metals to the development of industry, the non-inclusion of metals like copper, zinc and lead in the interim policy announcement kept market circles wondering whether this was a preliminary to quota cut in the policy expected to be announced by the end of this month. Actually, the circumstances demand an increase in the import provision, but as against this, even if the current quotas are cut, the inconvenience that would be caused could well be imagined. Electrolytic zinc advanced from Rs. 68.00 to Rs. 70.50. Although the demand was limited, the restricted supply position as well as the lack of mention in regard to zinc in the interim import policy were factors that caused the uptrend. Tin rose to Rs. 565 from Rs. 554. The rise was due to the quota cut from 85 per cent. to 40 per cent. in respect of established importers of tin in the interim policy. Lead was better at Rs. 67.50 after opening at Rs. 67. There were good enquiries on Government and public corporation accounts. Hindusthan Steels being in the market for as high a quantity as 300 tons.

EXPORT QUOTA FOR COTTON

(From Our Own Correspondent)

BOMBAY, *8th October*

The long-awaited export quota announcement has at last been made. The Government of India notified yesterday of its decision to release 150,000 bales of Bengal *Deshi* cotton and 100,000 bales of cotton (other than Bengal *Deshi*) not about ⅞" in staple on a first-come-first-served basis. The announcement has been greatly welcomed by the trade which was getting concerned over the delay in issuing the quota. There was, however, disappointment that the expected reduction in export duty did not materialise.

Earlier in the week, in anticipation of the export quota, the cotton market ruled steady. Support was forthcoming from spot houses and up-country buyers. The general feeling was that, in view of the prospect of a good crop, the higher carry-over and the downward trend in mill consumption, the Government would certainly release a sizable quantity of cotton for export. A reduction or abolition of export duty was also regarded as more than a probability. Reports of unfavourable weather in the Punjab and damage to crop favourably affected sentiment. Nevertheless, the prolonged delay in announcing the quota gave rise to misgivings and this was responsible for some selling which led to a price fall on Saturday. The market again picked up strength on Monday which gathered momentum yesterday on rumours of an imminent quota announcement. Due to persistent buying, especially by Akola and Ahmedabad operators, cotton futures advanced. Rumours of a possible reduction in export duty on cotton imparted further strength to the market today so that it closed at the best levels of the day. Over the week, cotton futures registered an improvement of Rs. 4.25.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 627 and after advancing to Rs. 629 declined to Rs. 617.50 on Monday. The contract firmed up on good support to Rs. 630.75 yesterday. Opening at Rs. 628.50 today, it improved to Rs. 633 before closing fractionally lower at Rs. 632.75. The following table indicates the trend of price during the week:

	8-10-58	High	Low	1-10-58
I.C.C. Moglai Jarilla (March 1959) ...	632.75	633	617.50	628.50

In the spot section activity was subdued. Prices of most varieties receded. Mill buying was mainly confined to covering immediate requirements. A prominent mill group continued to buy moderate quantities of good quality cotton. Main varieties which attracted attention were Kalyan, Cambodia, 0394, 197/3, Surti, etc.

In the export section, enquiries were noted early in the week for permissible varieties but business reported was small. Berar Jarilla and Wagad in particular evoked interest. Moderate activity was noted in Zoda and yellow pickings. After the quota announcement, however, renewed enquiries were reported. But the uncertainty regarding the export duty was a factor inhibiting business.

The foreign section presented a dull appearance. Selected East African varieties and higher grade Sudanese styles found buyers.

The news that the Sudanese Finance Minister, who is now in New Delhi, will reach the City on the 14th inst. for talks with representatives of the cotton trade and industry, has given rise to speculation regarding the possibility of concluding a barter trade agreement with that country involving import of Sudan cotton against sale of textiles from India. Knowledgeable quarters point out that such deal will be mutually advantageous in that while helping Sudan to sell off its cotton, it will also enable India to buy more cotton from that country which has not so far been possible owing to foreign exchange difficulties.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week-end closings: Bengal *Deshi 610* (*610*); Berar Jarilla 625 (650); Khandesh 675 (700); Vijay 810 (820); Hubli Laxmi 870 (900); Jayadhar 800 (820). *Delivery contracts*: Bengal 588 (590); Mathia 570 (580).

Cotton values in Karachi suffered a sharp setback during the week as a sequel to persistent heavy liquidation. Fears that the Government of India will reduce the export duty of its cotton and release large quantities of cotton for export adversely affected sentiment. Absence of any revival in export demand unnerved bulls who were holding on in anticipation of better overseas demand and they rushed to sell. Prices consequently declined sharply. Bearish crop reports accelerated the downward trend. N.T.R.G. January reacted from Rs. 75-12-6 last week-end to Rs. 72-5 and the March position dropped from Rs. 76-2-6 to Rs. 72-9. Spot values also suffered a sharp break. For instance, Sind *Deshi* declined from Rs. 74 to Rs. 70 and Punjab *Deshi* from Rs. 71 to Rs. 68-8. The following are the latest available quotations—in rupees per 82 lbs.—for a few other popular varieties of Pakistan cotton prevailing at Karachi, the figures in brackets being last week-end quotations:

4F Punjab Roller 70-2 (71-4); S.G. 74-10 (75-4); L.S.S. Punjab Roller 71-2 (73-4); S.G. 76-2 (78-4); N.T. Roller 76-10 (79-4); S.G. 86-10 (89-4); 289F Punjab Roller 79-10 (83-4); S.G. 92-10 (96-4).

The Alexandria cotton futures market ruled quiet during the week. Trading was devoid of interest and prices moved in a narrow range. While the long-staple Karnak contracts were a shade easy, the medium-staple *Ashmouni* contracts improved slightly on support prompted by reports of quality deterioration in new crop.

Total export sales of Egyptian cotton during the 1957-58 season aggregated 877,650 bales (of 720 lbs.), as against 726,095 bales in 1956-57. Actual

shipments amounted to 779,605 bales, as against 711,441 bales exported in the previous season.

The latest available quotations—in tallaris per lb.—from Alexandria are as under: *Karnak*: November 72; January 72. *Ashmouni*: October 65.15; December 64.80.

Cheerful conditions prevailed in the Liverpool cotton futures market during the week. Both American and American type contracts were bid up. Support was mainly influenced by firm New York advices and better news from the yarn and piecegoods market. Sudan contracts, however, were quiet and values nominally unchanged. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton 1" staple contract: October-November 24.25; December-January 24.30; March-April 24.20; May-June 24.00.

American cotton mixed growths contract: October-November 24.97; December-January 24.88; March-April 24.68; May-June 24.53.

Sudan: November-December, January-February, May-June 29.25.

The New York cotton futures market, after ruling fully steady earlier during the week, declined towards the close. The steadiness was due to reports of unfavourable weather in most parts of the cotton belt. The consensus of opinion among the traders was that the next official forecast will be lower than the September estimate. The prospect of a smaller crop and heavier entry into the Government loan prompted buying. Towards the close, values receded on speculative selling.

The Secretary of Agriculture, Mr. Ezra Taft Benson, has proclaimed a national marketing quota of 12,167,000 bales and national acreage allotment of 16 million acres for the 1959 U.S. crop of Upland cotton. Mr. Benson also announced that a referendum on the short-staple cotton marketing quotas would be held on 15th December. At least two-thirds of the cotton farmers voting in this referendum must approve the marketing quotas established by Mr. Benson if they are to become effective. If the quotas are approved farmers will be offered two support programmes: (1) regular farm allotments with supports at not less than 80 per cent. of parity and (2) larger farm allotments—40 per cent. above the farm's regular allotment—and on the extra 40 per cent. planted to cotton, farmers would be supported at 65 per cent. of parity. The proclamation was ordered by the recent farm legislation passed by Congress. U.S. farmers last December approved marketing quotas on the 1958 upland cotton crop. The national acreage allotment for that crop was about 17.6 million acres but farmers placed about 4 million acres in the Soil Bank programme, removing them from production.

Under the law, the Department must determine what will be "normal supply" of cotton for the 1959 year. The total supply of upland cotton for the 1958-59 marketing year is estimated at 20,369,000 running bales. This is 4,379,000 bales above the normal supply of 15,990,000 bales. The normal supply, as defined in the legislation, is the current marketing year's estimated domestic consumption of 7,800,000 bales and exports of 4,500,000 bales plus a 30 per cent. reserve of 3,690,000 bales. The total supply figure of 20,369,000 bales includes a carry-over of 8,405,000 bales, a 1958-59 crop (September estimate) of 11,904,000 bales and estimated imports of 60,000 bales. The marketing quotas and acreage allotments for the extra long-staple cotton will be made known not later than the 15th inst.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	7-10-58	30-9-58	23-9-58
Spot	36.20	36.05	35.90
October	35.76	35.89	35.75
December	36.20	36.22	36.18
March	36.67	36.67	36.66

YARNS RECEDE

(From Our Own Correspondent)

BOMBAY, *8th October*

The yarn market continued to be in the grip of bears during the week under review. Staple fibre yarns were subjected to persistent selling pressure from holders who had made large purchases in the past on expectation of getting higher prices. Values, as a consequence, moved further downward. Rayon yarns were also distinctly easy on rumours that the Government of India was contemplating to liberalise imports of rayon yarn for the current licensing period. Demand from North Indian markets for rayon fabrics was also reported to be still not encouraging.

The quantity of art silk yarn imported into Bombay port during the month of September amounted to 1.69 million lbs., that for the previous month being 1.91 million lbs. Cotton yarns continued to remain depressed due to persistent slackness in demand and absence of any encouraging developments.

Staple fibre yarns (40 x 2) December delivery encountered heavy selling and fell by Rs. 13 to Rs. 651. October delivery dropped Rs. 9 to Rs. 646. In the spot section, 40 x 2 Citys receded by 4 nP to Rs. 3.40. Kohinoors eased by 3 nP to Rs. 3.53. Centurys retreated by 6 nP to Rs. 3.41. Among forty yarns, Fujis lost 6 nP to Rs. 9.69. Paramounts were dull at Rs. 9.62.

In the art silk yarn section, 120 Japan were quoted 3 nP lower at Rs. 5.53. 120 Italy came down by 56 nP to Rs. 5.69. 150 Italy shed 6 nP to Rs. 6.06. 150 Japan was quiet at Rs. 6.06. Among indigenous yarns, National Rayons 150 bright cones first grade was unchanged at Rs. 4.72. 120 bright cones first grade, however, gained 17 nP to Rs. 5.87.

Cotton yarns ten counts Moderns were dull at Rs. 13.25. Twenty counts Moderns receded by 13 nP to Rs. 16.62. Thirty counts Hinds were unchanged at Rs. 19.75. Among forty counts, Moderns declined by 25 nP to Rs. 25. Minaxis were stagnant at Rs. 24.94. Sixty counts Finlays changed hands at Rs. 58, same as last week. Eighty counts were neglected, Mahendras being quoted at Rs. 69, Moderns at Rs. 72 and Finlays at Rs. 78.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week ago:

	8-10-1958	1-10-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	5.53	5.56
150 Japan (per lb.)	6.06	6.06
120 Italy (per lb.)	5.69	6.25
150 Italy (per lb.)	6.06	6.12
Staple fibre yarn (per case of 200 lbs.)—		
40×2 October	646.00	655.00
40×2 December	651.00	664.00
40×2 Kohinoor (per lb.)	3.53	3.59
40×2 City (per lb.)	3.40	3.44
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	..	12.50
20s Modern	16.62	16.75
30s Hind	19.75	19.75
40s Minaxi	24.94	24.94
60s Finlay	58.00	58.00
80s Mahendra	69.00	69.00

OILSEEDS WELL SUPPORTED

(From Our Own Correspondent)

BOMBAY, *8th October*

The bearish trend noted in the oilseeds market last week abated during the week under review. In fact, the market put on a firm appearance. Groundnuts were very well supported, thanks to rumours of additional oilcake export quota and purchases of groundnut oil by *vanaspati* interests, while arrivals of seeds and oil in Bombay were low. Castorseed elicited enlarged buying enquiries induced by hopes of better export business in oil with the U.K. and the U.S. Linseed was firm, following covering at lower levels by Punjab operators and encouraging overseas advices. Cottonseeds were fully maintained on account of hardening tendency in cotton prices.

The Government of India has decided to extend the shipment period of the unutilised quotas of undecorticated cottonseed oilcakes, linseed oilcakes, nigerseed oilcakes and kardiseed oilcakes up to the end of March 1959.

Groundnut February 1959 contract met with bull support and forged ahead from Rs. 159.75 last week-end to Rs. 164.25 today. Bold ready was fully steady at Rs. 37 today, as also both Coromandel and Khandesh variety at Rs. 38.50. Groundnut oil ex-mill advanced by 50 nP to Rs. 21.75. Railway receipt picked up 38 nP to Rs. 21.50.

Castorseed May 1959 contract spurted from Rs. 147.50 to Rs. 149.50. Ready Madras was done at Rs. 29.50 today and Kanpur quality at Rs. 28.37. Castor oil B.S.S., however, came in for selling and declined from Rs. 17.25 to Rs. 16.62. Commercial quality also receded from Rs. 15.62 to Rs. 15.25.

Linseed May 1959 contract, which stood at Rs. 30.69 last week-end, attracted good attention of operators and jumped up to touch Rs. 31.56 at the close today. Bold ready was quoted at Rs. 34 today, as against Rs. 33.62 on Friday. Linseed oil hardened from Rs. 17.37 to Rs. 17.50.

Influenced by good buying orders, cottonseed May 1959 contract registered a rise of Rs. 3.75 to Rs. 102.50.

Among other seeds, kardiseed bold ready rose from Rs. 22.50 on Friday to Rs. 23 today. Nigerseed Madras quality opened at Rs. 34, as against Rs. 34.50, and after receding to Rs. 33.75, recovered to finish at Rs. 34.25 today.

The following table shows the closing prices of oilseeds and oils today as compared with those of the two previous weeks:

	8-10-1958	1-10-1958	24-9-1958
Groundnut—	Rs.	Rs.	Rs.
Feb. 1959	164.25	159.75	164.87
Bold ready (per cwt.)	37.00	40.50	42.50
Linseed—			
May 1959	31.56	30.69	31.81
Bold ready (per cwt.)	34.00	34.12	35.00
Castorseed—			
May 1959	149.50	147.50	156.18
Madras (per cwt.)	29.50	30.37	31.37
Cottonseed—			
Sept. 1959	102.50	98.75	101.50
*Groundnut oil**—			
Ex-mill ready (per quarter) ..	21.75	21.25	22.00
Castor oil†—			
Commercial (per quarter) ..	15.62	15.62	16.19
Linseed oil†—			
Ready	17.50	17.37	17.37

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

DEMAND FOR PEPPER LOW

(Messrs. Parekh & Co.)

BOMBAY, *8th October*

During the week under review, Malabar black pepper moved within a narrow range, with uncertain undertone, it tended to drift lower in view of poor overseas demand and under pressure of bear hammering. Weakness in other commodities, news of cease-fire in Formosa and upheaval in Pakistan proved depressing factors.

Ready ungarbled at Cochin was marked down to Rs. 575 under the impact of tired long second-hand selling though the growers were still holding for higher prices. October delivery in the forward market moved irregularly between Rs. 102.50 and Rs. 101.50 while December from Rs. 97.50 to Rs. 96.50. For the time being, markets at Bombay and Cochin seemed to be under the control of bears. Proximity of last due date for issuing orders against October made market more vulnerable since few liked to take delivery in view of the availability of December contract at discount.

New York was reported to be steady at $0.25½ for spot. But buyers were unwilling to pay more than $0.24 for afloat or nearby. As a result, no important business was listed. London operators were reported buyers for long forward at about 185*s*. A.S.T.A. terms. Some exporters from Cochin and Bombay were reported to have sold sizable quantity for October-March and November-February shipment at about $0.24 in anticipation of lower prices when the new crop begins moving.

Singapore was reported fairly steady. Dealers who were refusing to offer Lampong to New York for fear of detention are now sellers at prices to cover possible loss in detention.

In A.S.T.A., there are sellers at $0.24 for October and at $0.23½ for December. In specific delivery, there are sellers at Rs. 515 for October.

The future of the market appears uncertain as buyers prefer to await development pending arrivals of new crop in the market. Growers and dealers are looking forward to the reappearance of buying interest from overseas importers like the U.S.S.R. and the U.S.A.

Following are today's nominal quotations:

Ready Rs. 75 per Bengal maund; October Rs. 515-25, December Rs. 520-30 and February Rs. 528-38 per candy of 5½ cwts.

TEA GENERALLY FIRM

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, *3rd October*

Export sale No. 29 comprised 1,842,738 lbs., and the auction was held on Tuesday, 30th September. Teas from the Nilgiri and Annamalai districts showed some improvement in quality, with some flavoury teas being offered from the former district. Teas from the other areas were a little disappointing. There was less demand, particularly from exporters, although internal buyers showed renewed interest in the lower descriptions, but in spite of this low mediums declined five to ten naye Paise. Mediums and good mediums were 10 to 20 nP lower. The best liquoring highgrowns were irregular but followed quality closely. Whole leaf teas were about steady. Tippy teas met a strong demand, and sold at dearer rates.

The quotations were: Low medium Re. 1.52 to Re. 1.65; medium Re. 1.70 to Re. 1.90; good medium Rs. 2.00 to Rs. 2.20; and quality Rs. 2.75 to Rs. 4.25.

London Market—Sale of 29th September 1958.—Best following quality, others fully firm. *Sale of 30th September 1958.*—Irregularly firm.

Colombo Market—Sale of 29th September 1958.—Quality declined generally, less demand, except best Dimbula dickoyas down 20 to 25 cents, mediums down 15 to 20 cents, uvas substantially lower, following quality, lowgrowns declined 10 to 15 cents. *Sale of 30th September 1958.*—Good demand, good liquoring sorts firm, others slightly lower.

Calcutta Market—Export.—Good demand, though prices generally irregular and easier. Commons 4 to 8 nP, whilst medium B.O.Ps and orange fannings 10 to 20 nP lower, C.T.Cs met better enqury than last sale but prices declined 10 to 20 nP generally.

Export Duty.—The long-awaited announcement regarding the reduction of the export duty was made on 27th September. The export duty is now 26 nP instead of 38 nP as at present. Similarly, excise duty and export duty are completely divorced from each other. A varying levy of excise duty will be imposed, based on the average prices, and for this purpose three zones are envisaged: zone 1 suffering only 2 nP excise duty, zone 2 suffering only 4 nP excise duty and 3 suffering only 10 nP excise duty.

At the time of writing there has been no official announcement as to the grouping of estates into different zones.

Export Quota.—Immediately on receipt of this announcement the export quota market rose from 3 nP sellers to 4½ nP, at which rate business was transacted. There has since been a decline to sellers at 3½ nP, buyers 3¼ nP, and business has been done at 3½ nP.

Sale No. 30 will be held on Tuesday, 14th October 1958.

TEA IMPROVES

(From Our Own Correspondent)

CALCUTTA, *7th October*

The tea industry had had time to study the details of the so-called relief granted to common teas, and could only confirm the first impressions already reported in these columns a week ago. How the changes in excise and export duties announced can be termed "relief" passes one's comprehension. The industry had been kept waiting for long, and the expectation was that Government would produce a scheme which would not only grant relief to producers but also increase exports. That both these needs have not been met by the present changes clearly shows that those who chalked out the scheme failed to understand the present ailings of the tea industry, and this in spite of the lucid and convincing presentation of the case to Government departments time and again by both industry and trade.

It was feared that, as a result of the actual increase in the duties in the 10 nP excise-duty-zone, export of quality teas was likely to be affected. For, this zone includes the Darjeeling district gardens, the major output of which is quality teas. Cost of production in the hilly area is already too high, and the increased duties now announced add to the problems of the Darjeeling planter.

In the meantime, in the internal auctions held last week, a firmer trend was in evidence. Dusts on offer totalled 19,672 chests, which met with a strong general demand. This improved demand was not attributed to the changes in the excise and export duties but to the normal feature of increased demand. Orthodox teas were fully steady, and the better liquoring powdery kinds were favourites of bidders. There was also good support to legg-cut Dooars. C.T.Cs. opened easier, but as the sales progressed a better demand was in evidence and prices improved, albeit in an irregular way. The grainy exportable teas advanced. The quotations in rupees per lb. with those of the previous week in brackets were: Best Assam C.T.C. 2.50 to 3.00 nominal (same); medium Assam C.T.C.: 2.15 to 2.35 (2.10 to 2.30); medium Assam grainy dust: 1.82 to 1.84 (1.78 to 1.80); and medium Dooars 1.78 to 1.80 (1.76 to 1.78).

Leaf on offer amounted to 1,973 chests. There was good demand, but the green teas were easier.

A firmer tendency was the feature during yesterday's export sales, offerings for which aggregated 69,199 chests. Teas for price were keenly sought. Prices for plain and medium B.Ps were fully steady, and fannings of the same category advanced. While the poorer liquoring medium C.T.Cs declined by 10 to 20 nP, the C.T.Cs possessing useful liquors and the lower-priced lots were firm. Plainer Dooars B.O.Ps and legg-cut teas eased by 4 to 8 nP. Whole leaf grades were in good demand, while tippy teas and Darjeelings eased. The quotations were: Best Assam C.T.C. fannings Rs. 2.90 to 3.10; best Assam C.T.C. B.P. 2.70 to 2.80; clean black pekoe 2.00; medium fannings 1.90 to 2.00; medium B.P. 1.85; and plain fannings 1.85.

Export quota changed hands at 3½ nP. Subsequently, buyers were prepared to offer only 3¼ nP.

JUTE PRICES RECOVER

(From Our Own Correspondent)

CALCUTTA, *7th October*

This week's trend in the jute markets went to show that the imposition of additional margin deposits by the East India Jute and Hessian Exchange Ltd. on futures trading below certain minimum prices in B. twills, hessian 40" 10 oz., and Assam bottoms (raw jute) was a step in the right direction. For, not only did it arrest the gradually declining trend in both goods and fibre, but a much needed recovery set in, thereby bringing confidence to the market. Prices soon touched the I.J.M.A. minimum levels, although subsequently B. twills moved down. As a result of the stabilising nature of prices, during the week more business took place in both goods and raw jute. In the meantime, it was fully realised in the market and among mills also that prices of raw jute had moved down much to the disadvantage of the cultivators.

There is no gainsaying the fact that persistent reports of a bumper crop has slowed down purchases. Moreover, this year there has been no damage to standing crops on account of floods, and the monsoon has already started waning. Viewed thus, the imposition of an additional margin of Rs. 2.25 per maund on sales below Rs. 22.50 per maund on the futures exchange was hailed here as a welcome measure. This was so, because raw jute prices in futures had been moving down, influenced by the bumper crop reports. Also, on account of the comfortable stock position in raw jute, futures transactions could be put through without regard to delivery. Depression in raw jute prices naturally caused some anxiety to the Indian Jute Mills Association, whose Committee, however, thought the depression as being unjustified. The I.J.M.A., therefore, advised its member-mills to accord support to the raw jute market, by purchasing fibre requirements for three months' consumption. The Association also reaffirmed its recommendation to member-mills, first made in February last, to sell jute goods at or above the minimum levels. The decision of the futures exchange to impose additional margin deposits on sales below Rs. 95 per 100 bags of B. twills and Rs. 39.50 for 100 yards of 40" 10 oz. hessian was also aimed as indirect support to raw jute.

Following the above steps, the goods market opened on a steady note on Tuesday last, and overnight ready B. twills moved up to Rs. 95.50 from Rs. 94.90 and ready hessian 40" 10 oz. to Rs. 43.10 from Rs. 42.65. At this stage, scattered sales in heavy goods took place with the Continent and Australia, and there was also covering business in hessian for the near delivery position. The steadiness and the uptrend resulted in increased demand from foreign markets, and it was reported that prices were also moving up in the New York burlap market following the decision by the Indian Jute Mills Association not to make any changes in the minimum prices. A welcome indication from New York was that spot and afloat goods were not as readily available as in the past, and that primary demand was moving up. These favourable reports fanned the enthusiasm generated by the fixation of the additional minimum deposits in the futures market. The result was that on Wednesday, hessian 40" 10 oz. further improved to Rs. 43.40 and B. twills to Rs. 96.40. The market was closed on Thursday on account of *Gandhi Jayanthi* and on Friday fully steady conditions were in evidence. Prices were moving up in the morning session, but since mills were increasing their offers indiscriminately at the higher levels, by evening prices closed below the best levels of the day. Australia continued to buy cornsacks. Hessian 40" 10 oz. closed at Rs. 43.40 and B. twills at Rs. 96.15. Over the week-end, there was no activity, but B. twills were quoted at Rs. 95.85 and hessian 40" 10 oz. at Rs. 43.45. Yesterday, activity was restricted and hessian 40" 10 oz. declined to Rs. 41.75 with ready B. twills improving to Rs. 96.15.

Earlier in the week, there was fair support to raw jute, and Assam bottoms recovered to Rs. 24 from Rs. 22.50. Since, however, there was not much follow-up support, the rate sagged to Rs. 23.75. Latest quotations for the new crop, October-November delivery are:

	Middles	*Bottoms*
	Rs.	Rs.
Pakistan:		
District	29·00	26·00
Northern	29·00	26·00
Indian:		
Northern	25·50	23·00
Assam	25·75	23·25
Orissa	28·50	26·00
Desal	25·00	22·50
Murshidabad	24·00	21·50
Jungli	23·80	21·00
Daissee	28·50	26·00
Uttar Pradesh	23·50	21·00
Daissee mesta	24·00	21·50
Bimli f.a.q.	..	.. 21·25
Pucca bales 1st marks	.. 152·00 per bale ready.	

WHEAT MOVES UP

(From Our Own Correspondent)

HAPUR, *6th October*

Wheat prices at Hapur touched new heights to be quoted at Rs. 23.50 per maund for average quality and upto Rs. 25 for farm produce. Local wheat arrivals continue scanty and supply position is tight, with the result that consumers' demand is being switched on to coarse grains mainly maize. Rice prices, however, ruled quiet, thanks to good crop prospects and the State Government's ban on export. Harvesting has begun and new paddy has begun to arrive in the market. Arrivals will soon increase. Latest prevailing prices were: basmati sela Rs. 32 to Rs. 33.50, mainpuri Rs. 26, coarse quality Rs. 23 per maund.

Firm Punjab advices, coupled with restricted supplies due to the sealing of local stocks by the State Government, accounted for substantial gains in gram prices during the week. Barley and other coarse grain prices improved in sympathy with gram prices; local stocks of these grains also are poor. Maize arrivals from outside centres having been hampered during the week due to breach in rail and road traffic, following heavy rains and local arrivals being scanty due to failure of crop, the prices of maize rose during the week. Consumers' demand is brisk. *Jowar* prices also registered gains and prevailing prices on Monday (in rupees per maund) were: gram punjabi 18.75, barley 16.75, *bejhar* 16.12, maize 16.25, *jowar* 14.75, *guwar* white 14.50; stocks (approximate) are: barley one, *bejhar* five *khatties*.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, *6th October*

The sugar market was quiet and listless during the week in the absence of fresh interest. The supply position is quite satisfactory and outside demand is slack. Inferior quality recorded a further downward trend. Crushing of cane for new sugar has not yet begun in west U.P. and cane interests have urged the Government to ask the factories to begin crushing early by 15th October so that the acute fodder scarcity following abnormally heavy rains may be met and the land vacated may be used for *rabi* sowings.

Lack of demand from the consuming centres accounted for quiet conditions in the sugar market at Muzaffarnagar and some business in boid crystals was done for Gujerat side. Small grain sugar is being sold below the Government fixed rates. D29 of Amroha is being quoted at Rs. 35.31, as against controlled price of Rs. 36 per maund. Latest prevailing ex-mill delivery prices (in rupees and annas per maund) were: Khatauli (A28) Rs. 36-6; Deoband (C29) Rs. 36-6; Mansurpur (B28) Rs. 36-12; Saharanpur (D28) Rs. 36-12; Amroha (D29) Rs. 35-5; Bijnore (E29) Rs. 35-3; Seohara (E29) Rs. 35-8.

Khandsari prices ruled quiet and new production has been delayed due to heavy rains. Cane crop has also been adversely affected due to waterlogging and *khandsari* prices ranged between Rs. 32.50 and Rs. 35 per maund.

Notices

MACHINERY MANUFACTURERS CORPORATION LIMITED

NOTICE

THE TWELFTH ANNUAL GENERAL MEETING of MACHINERY MANUFACTURERS CORPORATION LIMITED will be held on Friday, the 7th November 1958, at 5.00 p.m., at the Registered Office of the Company, Gateway Building, Apollo Bunder, Fort, Bombay, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account and Balance Sheet for the year ended 31st March, 1958.
2. To appoint a Director in place of Mr. Jal H. Mehta who is a Director and associate of Mahindra & Mahindra Ltd., the Managing Agents and who retires by rotation under Articles 143 and 144 but who, being eligible, offers himself for re-election, and to pass the Special Resolution of which special notice has been duly received.
3. To appoint a Director in place of Sir Sobha Singh who retires by rotation under Articles 143 and 144 but who, being eligible, offers himself for re-election, and to consider and if thought fit to pass the resolution of which special notice has been duly received.
4. To appoint a Director in place of Mr. Mathuradas M. Parekh who retires by rotation under Articles 143 and 144 and who, being eligible, offers himself for re-election.
5. To appoint Auditors for the current year and fix their remuneration.
6. To consider and if thought fit to pass resolutions to approve the transactions between the Company and Mahindra & Mahindra Limited, Managing Agents of the Company and their constituents and principals.
7. To consider and if thought fit to pass resolutions to approve the transactions between the Company and Turner Hoare & Co. Private Limited, Press Syndicate Ltd., Indian National Diesel Engine Company, Ltd. and Mahindra Engineering Company Private Limited, associates of Managing Agents of the Company.

For and on behalf of the Directors,
MACHINERY MANUFACTURERS CORPORATION LIMITED,
K. C. MAHINDRA,
Chairman.

BOMBAY, *7th October*, 1958.

(1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.

(2) The Transfer Books of the Company will be closed from 24th October 1958 to 7th November 1958, both days inclusive.

Explanatory statements as required under Section 173 of the Companies Act, 1956, relating to the items for which special resolutions are required to be passed have been posted along with the notices in full to all shareholders of the Company to their addresses as registered in the Company's Books.

To the Shareholders of MACHINERY MANUFACTURERS CORPORATION LIMITED, and in particular to:

Mrs. Maryam Akhund, Bai Bachubai Sorabji Anklesaria, Messrs. British Cotton Growers Association Ltd., Mrs. Tehmina Hormasji Dalal, Mr. C. De Souza, Mr. Nadarshaw M. Dinshaw, Mr. R. C. Fernandes, Hon'ble Mr. Gulam Mohamed, Mr. Sorabji Hormusji Shahookar, Dr. (Miss) Shaikh Amna, Mr. Zaka Rahmatulla, Mr. Barkatullah Khan, Mr. William Dick Brown, Mr. Andrew Dollar Gillespie, Mr. Donald Gladding, Major Alastair Cameron, Mr. Mirza Ahmed Ispahani, Sir William Roberts, Major General Shura Shum Shere Jung Bahadur Rana, Mr. Nootan Deb Pant, Sardar Soma Prasad Upadhya, Senior Comdg. General Baber Shum Shere, Mr. Pitamber Prasad Pantha, Messrs. John Inglis Company Limited, Rokia Sultan, Sogra Sultan, Khatija Begum, Robaba Khanum, Mr. John Lees, Mr. William Lindsay, Mr. G. B. Gilby, Mono Shum Shere Jung Bahadur Rana, Major General Nara Shum Shere Jung Bahadur Rana, Rani Jagdamba Kumari Debi, Padma Narsingha Rana, Mohamed Khalil Serage, Bahadur Shum Shere Jung, Maj. General Krishna Shum Shere Jung Bahadur Rana, H.H. Maharani Gamvir Kumari, Bibudhandra Prasad, Mr. Keshava Ram Bhandary, Comdg. General Ugni Shum Shere Jung Bahadur Rana, Mr. Piyusha Raj Sharma, Mr. Mahendra Prasad, Mr. Shivirendra Prasad and Mr. Ramchand Khushiram Advani.

THE ASSOCIATED CEMENT COMPANIES, LIMITED

NOTICE

THE SHARE TRANSFER BOOKS OF THE Company will be closed from MONDAY, the 3RD NOVEMBER to SATURDAY, the 29TH NOVEMBER 1958, both days inclusive.

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

BOMBAY, *19th September*, 1958.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 3rd October 1958

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		25,00,00,000
National Agricultural Credit (Stabilisation) Fund		3,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		52,77,57,000
(2) Other Governments		17,31,06,000
(b) Banks		96,48,21,000
(c) Others		113,65,48,000
Bills Payable		11,41,62,000
Other Liabilities		14,10,75,000
	Rupees	418,75,19,000

ASSETS	Rs.	Rs.
Notes		28,37,05,000
Rupee Coin		1,51,000
Subsidiary Coin		3,40,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		1,82,36,000
Balances held abroad*		13,38,36,000
Loans and Advances to Governments		14,50,23,000
Other Loans and Advances		51,82,57,000
Investments		299,29,51,000
Other Assets		9,50,20,000
	Rupees	418,75,19,000

* Includes Cash and Short-term Securities.

The item "Other Loans and Advances" includes Rs. 97,00,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	28,37,05,000	
Notes in circulation	1527,69,92,000	
Total Notes issued		1556,06,97,000
Total Liabilities		1556,06,97,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	169,67,56,000	
Total of A		287,43,59,000
B. Rupee Coin		139,26,17,000
Government of India Rupee Securities		1129,37,21,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1556,06,97,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	26th Sept., 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1515.98	1529.78	1521.80	1471.11
Notes held in Banking Department	35.05	40.80	25.61	23.29	44.33
Foreign Securities	59.50	169.68	169.68	174.68	326.62
Rupee Securities	87.89	1129.37	1129.38	1114.89	935.87
Banking Department					
Deposits of:					
Government of India	14.89	48.54	53.18	73.06	52.19
Other Governments	..	26.11	20.83	20.52	7.53
Balances held abroad	10.06	14.21	15.31	12.54	25.90
SCHEDULED BANKS					
Demand Liabilities	134.36	755.33 (25.02)†	758.46 (24.77)†	746.88 (26.69)†	713.34 (23.73)†
Time Liabilities	102.24	850.10 (36.87)†	843.04 (37.79)†	857.95 (39.64)†	330.56 (10.14)†
Borrowings from Reserve Bank	..	1.56 (1.08)‡	5.37 (3.43)‡	2.71 (1.91)‡	37.20 (30.86)‡
Borrowings from State Bank	..	3.79	4.30	3.46	4.20
Cash in India	6.70	88.71	40.86	38.80	37.36
Balances with Reserve Bank	25.17	100.22	89.84	98.05	92.89
Excess over statutory limits	15.52	45.43	35.06	43.55	44.61
Balances with other banks in current account in India	..	12.54	12.34	12.36	11.39
Money at call and short notice in India	..	53.56	54.42	55.84	47.14
Investments (at book value)	..	590.52	588.14	571.99	386.32
Advances and bills	105.09	841.54	850.82	856.40	846.64
STATE BANK					
Deposits	87.76	446.10	442.78	437.83	348.59
Investments	51.99	248.55	246.65	240.06	151.89
Advances	30.35	161.17	164.43	166.24	156.75
Cash	14.69	48.65	48.29	45.65	53.39

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1955	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	3	2½
Ceylon	11th June, 1954	3	2½
Chile	Feb., 1957	4½	6
Colombia	18th July, 1933	6	4
Costa Rica	1st April, 1954	4	5
Denmark	15th Aug., 1958	5	4½
Equador	17th May, 1947	4	10
Egypt	15th Nov., 1952	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	12th Aug., 1957	4	5
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	30th Sept., 1957	5	6
Italy	7th June, 1958	4	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	14th Aug., 1958	5	4½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	12th Sept., 1958	1½	2†
West Germany	27th June, 1958	3½	3

† Except Federal Reserve Bank of Boston.

State Bank of India

Statement of Affairs for the week ended 3rd October 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		444,39,32,000
Borrowings from Other Banking Companies, Agents, etc.		6,48,14,000
Bills Payable		1,09,73,000
Bills for Collection being Bills Receivable as per contra		1,20,12,000
Acceptances, Endorsements and Other Obligations per contra		10,87,85,000
Other Liabilities (including Inter-Office Adjustments)		476,30,16,000
Total .. Rs.		

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		44,50,50,000
Balances with other Banks		2,26,44,000
Money at Call and Short Notice		1,46,67,000
INVESTMENTS: Rs.		
Government and other Trustee Securities 239,06,37,000		
Other Authorised Investments 11,35,88,000		
		250,42,25,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc. 154,10,23,000		
Bills Discounted and Purchased 8,55,88,000		
		162,66,11,000
Bills Receivable being Bills for Collection as per contra		1,09,73,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,20,12,000
Premises less Depreciation		1,24,69,000
Furniture and Fixtures less Depreciation		98,18,000
Other Assets (including Inter-Office Adjustments)		10,45,38,000
Total .. Rs.		476,30,16,000

Scheduled Banks*

Statement of Affairs for the week ended 26th Sept., 1958

	Rs.	Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		25,02,04,000
(ii) Other demand liabilities		730,81,41,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		36,87,39,000
(ii) Other time liabilities		813,22,82,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		3,68,55,000
(ii) Time liabilities		10,00,000
Borrowings in India from the Reserve Bank of India†		1,56,93,000 (1,08,00,000)
Cash in India		38,71,13,000
Balances with the Reserve Bank in India		100,21,65,000
Balances with other banks in current account in India		12,53,53,000
Money at call and short notice in India		53,56,00,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		590,52,12,000
Advances in India		720,45,92,000
Inland Bills purchased and discounted in India		81,03,67,000
Foreign Bills purchased and discounted in India		40,04,27,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	March		Twelve months, April to March	
	1957	1958	1956-57	1957-58
Import Duties:				
Revenue	14 42	9 84	130 49	138 00
Protective	1 06	1 49	12 55	11 72
On surplus disposals	0 02	—	0 14	0 06
Total import duties	15 50	11 33	143 18	149 77
Export Duties	1 69	1 40	30 07	24 31
Land Customs	0 39	0 14	2 66	3 71
*Air Customs**	—	0 07	—	2 02
Miscellaneous	0 09	0 14	1 13	1 38
Gross Total Customs	17 67	13 08	177 04	181 19
Refunds and Drawbacks	0 39	0 41	3 13	4 67
Net Customs	17 28	12 67	173 91	176 52
Gross Excise	17 65	26 05	189 09	272 88
Refunds	0 23	0 35	2 24	3 37
Net Excise	17 42	25 70	186 85	269 51
Net total of customs and excise†	34 70	38 37	360 76	446 03

† Net Customs plus net Excise.
* Figures for Air customs prior to August 1957 not available.

State Bank of Pakistan

Statement of Affairs for the week ended26th September 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	67,69,05,000
(b) Provincial Governments	1,47,23,000
(c) Banks	19,87,75,000
(d) Others	5,39,91,000
Bills Payable	38,02,000
Other Liabilities	9,36,20,000
Rupees	110,18,16,000

ASSETS	Rs.
Notes	10,24,47,000
Rupee Coin	49,000
Subsidiary Coin	40,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	2,06,000
(c) Government Treasury Bills	....
Balances held outside Pakistan*	21,82,01,000
Loans and Advances to Governments	5,07,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	2,80,00,000
Investments	62,26,27,000
Other Assets	7,95,46,000
Rupees	110,18,16,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,24,47,000	
Notes in circulation	321,59,54,000	
Total Notes issued	....	331,84,01,000
Total Liabilities	....	331,84,01,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	16,08,12,000	
Silver Bullion	....	
Approved Foreign Exchange	38,54,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
B. Rupee Coin	5,33,80,000	97,59,89,000
Government of Pakistan Securities	223,03,26,000	
Internal bills of exchange and other commercial paper	....	228,34,06,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,03,000	
Government of India Securities	1,00,90,000	
Rupee Coin	25,51,000	5,90,06,000
Total Assets	....	331,84,01,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 31 10 per cent.

EXCHANGE RATES

		8th October, 1958	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	s.	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476 75	477.50
Buyers T.T.	Rs.	473 25	473 50
London on New York	$	$ 2.80⅜-2.80⅝	$ 2.80⅜-2.80⅝
London on Paris	Fcs.	1.1744	1.1744
London on Bernes	Sw. Fcs.	12.20½-12.20¾	12.20-12.20¼
New York on London	$	$ 2.80⅜-2.80⅝	2.80⅞-2.80⅞

CLEARING HOUSE RETURNS

Centre	Week ended 3rd Oct., 1958		Week ended 26th September 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,19,758	71,49,31,600	2,97,442	64,13,05,000
Calcutta	1,48,000	64,67,80,000	1,76,000	63,20,00,000
Madras	94,886	10,60,78,668	81,479	9,42,28,562
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,671,000	89,54,66,00,000
June, 1958	..	..	3,323,000	6,81,49,00,000
July, "	..	..	3,815,000	8,31,97,00,000
Aug., "	..	..	3,432,000	7,52,06,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952 53= 100)

Particulars	Weight	20th Sept. 1958	13th Sept. 1958	21st Sept. 1957	August 1958	August 1957	Percentage of Increase (+) or Decrease(—)in August 1958 as compared with August 1957	Financial Year Average 1957-58	1956-57
Food Articles	504	121 6	121 8R	108 7	120 2	112 1	+ 7.2	106.4	102.2R
Cereals	192	114 3	115 4R	102 3	113 0R	106 0	+ 7.1	101	96
Pulses	43	104 6	105 0	82 8	101 8R	87 2	+16.7	88	81
Fruits and Vegetables	28	127 6	127 1	121 4*	123 9	141 9	—12 7	114	112
Milk and Ghee	84	110 4	109 7R	110 2	109 6	109 0	+ 0.6	105	100
Edible Oils	47	133 7	133 0	127 6	129 2R	130 8	— 1.2	126	126
Fish, Eggs and Meat	17	115 1	115 4R	103 6	114 4	102 1	+12 0	98	97
Sugar and Gur	51	136 1	134 5	111 3	136 2	110 4	+23.4	108	98
Others	48	156 5	158 0	127 9	155 3	135 8	+14 4	131	128
Liquor and Tobacco	21	91 3	90 5	94 8	90 3	92 1	— 2 0	94 0	84 3
Tobacco	..	91 3	90 5	94 8	90 3	90 4	— 2 2	93	83
Fuel, Power, Light and Lubricants	39	115 8	115 9	115 1	116 0	115 0	+ 0 9	113 8	104.2R
Industrial Raw Materials	155	119.0	119 5R	116 0	118 8	120 1	— 1 1	116 8	110 0
Fibres	61	108 2	109 0	115 3	110 9	121 5	— 8 7	118	116
Oilseeds	90	137 4	137 6R	121 8	133 4	125 7	+ 6 1	120	120
Minerals	2	107 3*	107 3	108 5	107 3*	110 1	— 2 5	108	102
Others	32	105 7	106 0	106 0	106 9	107 7	— 0 7	106	109
Manufactures	280	109 0	108 9	108 9	108 9	108 7	+ 0 2	108 1	106 3
Intermediate Products	41	111 4	113 1	107 4	112 2	108 2	+ 3 7	107 3	110 9
Finished Products	240	108 6	108 5	109 2	108 4	108 8	— 0 4	108 2	105 6
Textiles	147	104 0	103 7	108 6	104 1	108 2	— 3 8	107	102
Cotton	..	111 9	111 8	116 8	111 3	117 3	— 5 1	116	116
Jute	..	87 5	87 5	100 0	89 7	96 8	— 7 3	95	95
Woollen	..	105 9	105 9	103 0	105 9	103 0	+ 2 8	103	98
Silk and Rayon	..	96 3*	95 7*	82 7*	95 7*	84 0*	+13 9	86	88
Metal Products	..	143 3	143 0	143 3	143 0	142 9	+ 0 1	141	90
Chemicals	20	109 0	109 5	98 9	106 1R	98 5	+ 7.7	98	93
Oil cakes	10	137 1	136 9	117 3	135 6	113 5	+19 5	116	108
Machinery and Transport Equipment	31	103 5	103 5	101 7	103 4	101 7	+ 1.7	102	99
Others	30	113 8	113 8	110 5	113 5	110 5	+ 2.7	110	101
All Commodities	1,000	116 7	116.9R	109 8	116 0	112.0	+ 3.6	108.4	105.3R

NOTE:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised * Provisional. — Not available.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1957-58	(In thousand acres) 1956-57	(In thousand tons) 1957-58	(In thousand tons) 1956-57
Cereals—					
Rice	final	79,027	79,320	24,821	28,382
Wheat	final	29,057	33,580	7,054	9,314
Jowar	final	41 411	40,367	8,056	7,249
Bajra	final	27,453	27,884	3,565	2,885
Barley	final	7,631	8,726	2,175	2,827
Maize	final	9,762	9,197	3,064	3,099
Ragi	final	5,897	5 831	1 716	1,715
Small millets	final	11,979	12,230	1 759	1,964
Total cereals	final	212,717	217.135	52,810	57,245
Pulses—					
Gram	final	22,405	24 265	4,754	6 264
Tur	final	5,598	5,686	1,396	1,954
Other Kharif pulses	final	15,822	16,484	1,401	1,515
Rabi pulses	final	10,820	11,780	1,665	1,770
Total pulses	final	54,655	58,215	9,216	11,503
Total foodgrains		267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut	final	14,457	13,450	4,271	4,200
Castorseed	final	1,325	1,415	97	124
Sesamum	final	5,268	5,446	363	442
Rape and Mustard	final	6,050	6,311	905	1,026
Linseed	final	3 318	4,156	271	384
Total oilseeds	final	30,418	30,778	5,907	6,176
Fibres—					
Cotton*	final	20,158	19,893	4 753	4,735
Jute A.	final	1,754	1,908	4 088	4,288
Mesta A.	final	726	733	1,211	1,478
Other crops—					
Potato	final	702†	691††	1,674†	1,830††
Sugarcane	final	5,021	5,057	63 954	66,998
Ginger (Dry)	final	39	39	14	15
Pepper (Black)	final	229	221	26	27
Chillies (Dry)	final	1,534	1,476	855	342
Tobacco	final	1,022‡	1,013††	306‡	295††

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Ghee and Tur.
A. In thousand bales of 400 lbs. each. † Refers to 1956-57.
†† Refers to 1955-56.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	Jan. to Dec. 1956	Jan. to June 1958	Jan. to June 1957
Exports	637,74	58,804	258,15	311,63
Re-exports	5,11	7,56	3,84	2,11
Total Exports	642,85	595,60	261.99	313,74
Imports	1025,85	813,68	390,05	497,16
Overall Balance of Trade	—382,97	—218,08	—128,06	—183,42
Exports—				
Tea	123,40	142,43	47,42	49,36
Jute yarns and manufactures	114.48	112,52	46,91	55,85
Cotton yarns and manufactures	68,58	62,23	25,93	37,71
Metallic ores and scrap iron or steel for re-manufacture	49,80	23,30	16.56	26,59
Cotton, raw and waste	18,66	25,09	10,31	14,46
Oils—vegetable, mineral and animal	19,31	24,51	7,33	10,08
Fruits and vegetables	18.60	18,03	9 43	8,63
Tobacco	12 83	13,30	11.31	9,00
Mica	8,67	8,75	4,29	4,53
Wool—Raw	11,73	10,64	4,28	6,45
Gums, resins and lac	8,59	11,19	3,94	4,73
Spices	8,43	9,56	4,45	5,11
Hides and skins, raw	6,99	6,07	3,63	3,87
Imports—				
Machinery of all kinds	232,97	150,12	97,44	109,43
Metals—Iron and steel and manufactures thereof	146,98	122,40	47,14	83,31
Oils—vegetable, mineral and animal	113,88	74,69	38,04	52,90
Cotton, raw and waste	45,62	53,61	19,64	31,79
Chemicals, drugs and medicines	76,77	48,14	29,79	38,10
Electrical goods and apparatus	61,14	20,15	26,23	27,35
Paper, pasteboard, etc.	13,11	15,99	3,71	6,36
Vehicles (excluding aircraft, ships and boats)	71,35	69,91	24,03	35,12
Fruits and vegetables	21 27	12,66	7,87	10,81
Spices	2,93	3,10	1,00	1,45
Dyes and colours	13,87	16,37	3,71	7,46
Woollen and worsted fabrics	1,31	2,18	16	62
Cotton fabrics	2,37	2,39	45	1,40

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In '000 tons)
Production	During August, 1958	85.2
	Corresponding month, 1957	81.9
	Two months ended Aug., 1958	175.9
	Corresponding period, 1957	167.8
Stocks	At the end of August, 1958	117.2
	Corresponding month, 1957	92.5
	DESPATCHES OF GUNNIES‡	(In 000 tons)
For Export Purpose	1956-57	866.6
	1957-58	845.9
	July 1957	81.9
	July 1958	89.4
For Internal Consumption	1956-57	181.9
	1957-58	201.2
	July 1957	12.3
	July 1958	14.3
	RAW JUTE	(In lakh bales)
Consumption by Mills	August, 1958	4.94
	Corresponding month, 1957	4.75
	Two months ended Aug. 1958	10.15
	Corresponding period, 1957	9.73

‡ In metric tons.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kile-watt-hours)

	No. of Concerns §	Units Generated‡	Total Units Sold
1955-56	715	9,805.8	7,186.8
1956-57	789	9,977.3	8,182.1
1957-58	834	11,176.9	9,011.1
April 1957	793	901.4	734.5
May "	793	932.2	756.7
June "	799	898.4	726.1
April 1958	841	1 003.6	810.5
May "	766	1,045.5	833.8
June "	773	1,014.3	810.7

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡Including purchases from non-electric utilities.
§ At the end of period. *Source:*—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	517	412	41	330	48	148
1956-57	12,586	2,265	1,023	219	108	58	207	24	610	427	30	389	52	180
1957-58	14,335	2,389	1,225	214	104	52	217	25	596	504	39	476	47	194
July 1957	4,663	756	438	72	35	21	58	7	183	145	11	138	13	62
August "	5,781	957	539	84	39	25	67	8	208	183	13	177	19	81
September "	6,893	1,152	628	93	42	30	87	10	223	220	15	219	25	101
October "	8,056	1,366	736	107	46	34	109	13	241	263	19	261	31	120
November "	9,240	1,566	844	129	53	37	137	16	273	309	24	302	37	134
December "	10,506	1,766	941	152	64	40	162	18	354	360	28	350	42	146
January 1958	11 814	1,979	1,038	174	80	44	186	21	438	413	32	394	45	161
February "	13 011	2,172	1,123	191	93	49	202	23	519	456	36	435	46	176
March "	14,335	2,389	1,225	214	104	52	217	25	596	504	39	476	47	194
April "	1,238	220	111	23	9	4	15	2	34	45	2	40	1	15
May "	2,438	431	234	40	18	7	28	4	52	88	5	78	4	27
June "	3,541	628	355	56	25	9	36	5	88	127	7	112	7	33
July "	4,677	847	471	71	31	12	46	7	85	164	10	154	12	43

Note.— figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.-2 M. G.) and incorporate revision in respect of earlier months. *Source*:—Ministry of Railways.
* Including sugarcane from November, 1955.

INDUSTRIAL PRODUCTION

Industries.	1957	Jan. to June 1957	Jan. to June 1958*	May 1958	June 1958*	June 1957
Major Industries—						
Coal ..million tons	45.54	18.31†	19.05†	3.88	—	3.33
Steel (Ingots and Metal for castings) ..thousand tons	1,715	719†	710†	100	—	129
Yarn ..million lbs.	1,780	891	819	139	126	137
Cloth ..million yds.	5,317	2,709	2,451	421	388	420
Cement ..million tons	5.60	2.65	3.30	0.58	0.51	0.39
Jute ..thousand tons	1,030	508	534	82	80	82
Paper and paper boards ..tons	210,132	84,903†	101,239†	21,700	—	16,786
Matches ..cases	578,400	289,000	290,600	53,300	51,200	39,000
Sugar ..thousand tons	2,068	1,562	1,472	52	4	39
Engineering and Electrical Industries—						
Machine tools ..Value in lakhs of Rs.	250.59	88.19†	126.26†	24.74		17.65
Electric lamps ..millions	33.15	15.14	15.03	2.67	2.39	2.67
Dry cells ..millions	166.56	85.73	78.54	14.06	14.91	13.30
Power transformers ..k.v.a.	1,219,200	487,500†	491,500†	82,800	—	80,100
Electric Motors ..h.p.	469,200	212,200	292,100	50,700	50,000	30,500
Electric fans ..Nos.	240,000	210,000†	285,700†	56,700	—	40,000
Radio receivers ..Nos.	190,272	92,039	97,794	15,418	18,357	15,338
Storage batteries ..Nos.	324,000	161,300	169,900	29,300	31,100	26,600
Copper conductors ..tons	8,556	3,896†	3,244†	796	—	672
Winding wires ..tons	1,911	938†	576†	121	—	67
Rubber and plastic Ins. cables and flexibles million yds.	103 20	42 41†	44 48†	8 33	—	8 63
Insulators—H.T. ..Nos.	186,000	30,900†	149,100†	52,000	—	8,900
Insulators—L.T. ..million Nos.	4 59	2 05†	2 29†	0 48	—	0 39
Diesel engines—Vehicular ..Nos.	3,336	1,761	2,222	550	419	149
Do —Stationary ..Nos.	16,548	6,011†	9,569†	1,976	—	1,230
Chemical Industries—						
Salt ..million mds.	98.70	77.33	92.23	27.37	24.18	22.53
Caustic soda ..tons	42,708	17,992†	21,228†	4,680	—	3,305
Soda ash ..tons	91,920	46,760	45,899	7,319	6,291	7,752
Chlorine liquid ..tons	15,996	7,970	7,837	1,297	1,263	1,246
Bleaching powder ..tons	5,340	2,466	2,935	498	304	425
Bichromates ..tons	3,672	1,429†	1,502†	343	—

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53=100]

Group and Sub-Group	Week ended 27th Sept. 1958	20th Sept. 1958	30th Aug. 1958	28th Sept. 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.5	100.5	100 00	98.3
2. Government of India	100 4	100.4	99 9	98 0
3. State Government	101 3	101 3	101 2	100 0
4. Municipal, Port Trust, etc.	98 8	98.8	98 8	99 2
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100 3	100.2	99 4	99.4
6. Plantations	100.1	100.1	100 0	100 1
7. Coal	99 6	99.6	99 6	99 6
8. Sugar	99.0	99.0	99 0	96 9
9. Cotton Textiles	98.1	98.1	97.4	100 3
10. Jute Textiles	91.5	91.4	91.5	93 0
11. General Engineering	98.2	98.2	98.0	97.0
12. Electricity Generation and Supply	97.1	97.1	96 5	96.7
13. Others	103 0	102.9	101.6	101.3
PREFERENCE SHARES—ALL INDIA.				
14. Total	88.4	88.1	87.3	88 3
15. Plantations	96.9	96.7	95.9	103.6
16. *Mining & Quarrying: Total@*	88 0	88.1	85.8	88.5
17. Coal	75.5	75.6	75.6	79.0
18. *Processing and Mfg.: Total**	88 4	88.1	87.1	88.4
19. Sugar	89 1	88.2	88.7	94 3
20. Cotton Textiles	80 2	80 2	80 0	88.4
21. Jute Textiles	77.5	76.9	72.6	75.1
22. Iron and Steel	92.7	92.9	91 8	87.1
23. General Engineering	100.3	100.1	99 1	102.7
24. Basic Industrial Chemicals	87.3	86.0	85.8	84.2
25. Cement	96 1	95.9	99.6	98.3
26. Paper	85.2	85.4	83.7	91 2
27. *Other Industries : Total**	88.3	88.1	85.8	93.3
28. Electricity Generation and Supply	88.4	88.2	88.1	84.5
29. Trading	80 4	80 3	79 1	78 4
30. Shipping and Other Transport	85.3	85.3	85 2	85.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	144.7	144.3	142.6	122.8
32. *Agriculture and Allied Activities : Total**	157.8	159.5	156.6	142.3
33. Tea Plantations	150.4	152.2	150.1	141.4
34. Coffee Plantations	221.4	222.3	227.9	172.1
35. Rubber Plantations	162.3	162.2	146.5	128.0
36. *Mining and Quarrying : Tota*	149.4	150.5	147.4	120 2
37. Coal	112.6	111.6	113 0	85.1
38. Other Mining	174.8	177.2	171.0	144.3
39. *Processing and Manufacturing : Total*	143.5	143.0	141.7	122.3
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.) : Total**	130.9	130.4	129 0	119.2
41. Sugar	176 4	176.5	170.1	154.5
42. Cotton Textiles	118.9	119.0	120 0	120 9
43. Jute Textiles	84.7	83.7	77.8	83.4
44. Silk and Woollen	435.5	426.4	420.9	312.9
45. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	161.3	160.6	156.2	126.5
46. Iron and Steel	155.5	154.6	150.7	108 2
47. Transport Equipment	206.9	205.9	201.5	166.8
48. Electrical Machinery	155.2	147.0	149.2	160.0
49. Machinery other than Transport and Electrical	173.2	170.9	167.9	143 8
50. Basic Industrial Chemicals	129.1	128.1	127.1	109.4
51. *Processing and Mfg. (Others) : Total**	148.6	149.7	153 7	127.6
52. Cement	137.4	139.4	145 1	126 3
53. Paper	197.4	197.5	200 4	152 6
54. *Other Industries : Total**	118.4	118.4	115.8	103.0
55. Electricity Generation and Supply	93 6	93.2	95.1	87.4
56. Trading	91.3	91.4	91.5	80 0
57. Shipping and Other Transport	248 0	247.1	228.5	197.4
58. Construction	248.0	247.1	228.5	197.4
59. *Financial : Total*	187.1	184.0	178.1	142 5
60. Banks	213.3	208.6	200 8	159 5
61. Insurance	129.0	130.1	129 3	102 5
62. Investment Trusts	92.6	92.6	92.4	85 3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	149 3	149 3	147 1	121.0
64. Calcutta	140 5	139 5	137.6	118.8
65. Madras	156.1	156.0	154.8	145.5
66. Delhi	169 8	169.5	168 2	144.6

*Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,73,800	7,97,500
Do. 31st March, 1958	10,98 300	11,06,800	7,86,900
July 1957	88,200	88 300	66,600
Aug. "	88,700	85,500	63,100
Sept., "	88,600	92,500	71,700
July 1958	1,02,200	1,06,100	68,600
Aug. "	99,500	108,600	70,300
Sept., "	89,600	95,800	66,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	5,95,158	5,32,315	4,41,483
Do. 31st March, 1958	7,33 945	5,07 580	4,10,558
Three months ended Sept. 1957	1,71,397	1,19,172	96,815
" " " Mar., 1958	1,99,839	1,33,563	1,06,501
" " " June 1958	2,14,469	1,21,988	1,01,014
Sept., 1958	2,30,436	1,43,516	1,05,603

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of average Number of workers involved	Number of man-days lost
1956	1,208	715,190	6,992,040
1957	1,680	889,871	6,429,319
January 1958	147	56,492	371,125
February "	152	99,482	447,654
March "	187	86,462	818,824
April "	170	61,489	5,30,162
May "	160	87,857‡	5,60 459‡
June "	151	156,229 (a)	1,524,835§

† Not known in 16 cases. (a) Not known in 9 cases.
‡ In progress during the month § Not known in 10 cases.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* income (Rs.)
India†	'56-'57	387.62	..	11,019	284
Pakistan††	'56-'57	88.50	..	2,079	240
Burma	1956	19.80	Kyats 4,324	565	285
Ceylon	1956	8.35		478	567
Japan	1956	90.00	Y. 7,427,000	9,283	1,031
Philippines	1956	22.20	Ps. 8,335	1,985	894
New Zealand	1956	2.17	£ (N.Z.) 884	1,178	5,428
Australia	1957	9.50	£ (A.) 4,599	4,923	5,046
U.K.	1956	51.20	£ 10,455	21,853	4,267
U.S.A.	1956	168.00	$ 343,600	163,554	9,731
Canada	1956	16.00	$ 28,710	19,787	6,742
France	1956	43.60	F.Fr. 13,990,000	17,449	4,046
W. Germany	1957	51.40	Dm. 158,000	18,057	2,513
Italy	1956	48.10	Lr. 11,476,000	8,769	1,621
Norway	1956	3.46	Kr. 20,900	1,409	4,258
Sweden	1956	7.30	Kr. 44,550	4,127	5,653
Netherlands	1956	10.80	Gru. 25,400	3,215	2,977
Denmark	1956	4.46	Kr. 24,950	1,999	3,799
Switzerland	1956	5.00	Sw. Fr. 25,630	2,807	5,614

* National income at factor cost—the aggregate of all incomes arned in the production of goods and services in the course of a year cluding net income from abroad.
Source : *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth sue of the annual paper on national income issued by the Central atistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934-100)	Ahmedabad Base July (1927-100)	Sholapur Base January (1928-100)	Kanpur Base (1949-100)	Nagpur Base (1949-100)	Calcutta Base August (1939-100)	Madras City Base (1949-100)	Delhi Base (1949-100)	Ajmer Base (1949-100)	Gauhati Base (1949-100)	Jamshedpur Base (1949-100)	Jabalpur Base (1949-100)	Bangalore Base (1949-100)
1952 Average	103	337	259	210	92	101	351	102	108	108	111	112	99	115
1953 "	106	362	275	223	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	204	85	99	327	106	105	91	95	102	98	106
1955 "	96	336	217	186	78	96	321	99	99	83	87	98	88	103
1956 "	105	353	244	216	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	256	239	94	112	364	116	114	99	103	115	107	126
1957														
March "	107	356	254	230	91	110	348	114	114	99	99	107	105	122
April "	108	356	256	233	89	110	345	114	112	95	102	110	107	122
May "	110	363	257	237	92	111	352	114	114	96	104	113	108	126
June "	112	370	259	239	93	112	371	115	115	98	103	113	111	127
July "	112	376	263	245	96	112	371	116	115	98	103	119	109	129
1958														
March "	110	381	258	226	89	115	363	119	108	96	102	119	105	128
April "	111	389	261	235	91	116	368	119	107	96	100	118	106	128
May "	113	387	263	236	93	117	371	120	108	97	101	119	107	129
June "	116	395	273	307	98	117	378	121	111	101	103	120	113	130
July "	117†	407	285	317	101	118	392	125	116	105	103	122	..	130
August "		404	288	322										

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 2½% F Outstandings	10-Year Treasury Savings Deposit Certificates 4% C Receipts	10-Year Treasury Savings Deposit Certificates 4% C Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings H
1952-53	6,33	3,26	84,17	..	..	113,35	92,06	..	—31,07	25,64	..	..	..	..	146,88	211,31
1953-54	5,91	4,26	104,38	..	..	117,37	106,29	..	—34,20	22,11	..	..	..	..	135,71	252,96
1954-55	4,78	4,99	124,64	..	..	134,94	130,85	7,98	—36,35	17,15	..	..	55	55	177,55	310,21
1955-56	3,76	5,48	144,37	..	..	158,11	167,58	14,32	—37,63	41,25	..	..	95	95	208,52	380,01
1956-57	2,90	6,01	165,68	..	..	176,97	196,50	25,35	—33,32	44,22	..	..	43	1,32	225,58	440,11
1957-58	2,22	4,78	143,49	71,42	71,44	179,89	213,94	23,11	—39,72	43,58	533	547	63	1,87	264,54	510,29
1957																
November	2,43	5,14	153,40	6,48	32,82	13,25	202,56	24,47	—39,38	43,96	49	3,06	2	1,49	20,24	469,46
December	2,43	5,06	151,07	6,41	39,23	13,00	202,55	24,14	—39,47	43,89	46	3,47	2	1,50	19,90	473,24
1958																
January	2,37	4,94	148,57	7,95	47,18	13,86	202,54	23,77	—39,55	43,80	66	4,08	18	1,68	22,66	478,91
February	2,31	4,83	146,14	10,24	57,42	14,22	206,12	23,45	—39,62	43,69	74	4,81	9	1,75	25,29	487,51
March	2,22	4,72	143,49	14,00	71,44	23,38	213,94	23,11	—39,72	43,58	76	5,47	12	1,87	42,22	509,81
April	2,15	4,65	141,35	6,56	78,00	15,37	214,27	22,85	—39,81	43,47	77	6,15	11	1,97	22,71	514,84
May	2,07	4,55	139,27	5,84	83,83	15,22	212,09	22,58	—39,89	43,37	57	6,72	5	2,01	21,66	517,05
June	2,01	4,47	137,48	5,03	88,81	14,51	213,08	22 29	—39,97	43,29	38	7,12	3	2,03	19,95	520,64
July	1,95	4,38	135,22	5,49	94,86	16,04	215,16	22,19	—40,05	43,17	47	7,68	5	2,07	22,49	526,44
Aug.	..	..	..	..	..	..	..	..	..	43,03	45	8,11	5	2,10	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1958. B—Discontinued from June 1, 1957. C—Issue from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 19 F—No sales from June 1, 1957. G—From July, 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bond	1936-43	83,30,28,000	1960-70	100.65
3 % Loan	1938-39	116,17 46,000	1963-65	96.70
3 % Loan	1940	20,83,10 000	1964	96.70
2½ Tr. Loan	1945	1,10,21,79,000	1965-68	94.10
3 % Dev. Loan	1945	1,15 06,33,000	1970-75	90 00
3 % 2nd V.Loan	1945	1,13,05,64,000	1959-61	99 80
2½ % Loan	1946	46,03,07,500	1960	99.10
2½ % Loan	1946	47,00,00,000	1961	97.10
2½ % Loan	1946	14,77,48,000	1976	88.20
2½ % Loan	1947	75 96,72,000	1962	96.80
3 % N. P. Bonds	1953	75,39,00,000	1961	100.10
3½ % N.P. Bonds	1954	1,58,17,90,000	1964	99.95
3½ % N.P. Bonds (2nd Series)	1955	1,08,67,92,000	1965	99.70
3½ % Loan	1956	87 27,36,000	1962	99 15
3½ % N. P. Bonds	1956	83,81,83,900	1967	98.85
3½ % Loan	1956	66,63,85,800	1974	98.80
3½ % N. P. Bonds (4th Series)	1957	56,99,15,000	1967	100.80
4 % Loan	1957	40,17,27,000	1972	100 50
3½ % Loan	1958	58,00,29,200	1963	100.40
3½ % Loan N.P.B.	1958	34,84,00,000	1968	100.25
4 % Loan	1958	49,47,00,000	1972	100.30
NON-TERMINABLE LOANS				
2½ % Loan	1894-97	8,03,24,000	M.	73.75
2½ % Loan	1946†	2 48,91,37,000	K.	74.00

STATE LOANS

4 % Andhra	1955	5,00,16 000	1st Sept. 1967	99 30
4 % Andhra	1956	6,66,15,000	3rd Sept. 1966	99 30
4½ % Andhra	1958	5,00,00,000	15th July 1970	100 10
3 % Bombay	1949	4,99,58,000	1st Aug. 1967	95.25
2 % Bombay	1950	2,83,50,000	31st July 1968	90.00
2½ % Bombay	1951	2,87,53,000	17th Sept. 1962	98.25
4 % Bombay	1953	5,19,35,000	15th July 1962	100 00
4 % Bombay	1954	4,45,85,000	1st Aug. 1964	99 50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	99 50
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	98 50
4½ % Bombay	1957	6,57,22,000	16th Sept. 1969	101 00
4½ % Bombay	1958	5,00 00,000	15th July 1970	100 00
4½ % Bombay	1958	5,00,00,000	15th July 1971	100.70
4 % Bihar	1955	1,84,02,000	1st Sept. 1967	99 10
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	99 00
2½ % Cochin	1948	1,00,00,000	16th Dec. 1955-58	99 00
2½ % Cochin	1938	30,00,000	1st June 1956-61	98.00
4 % Hyderabad	1955	1,77,08,700	1956-66	94 50
4 % Hyderabad	1956	2,12,45,000	1st Sept. 1967	99 20
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	99 30
3 % Madras	1939	1,29,96,000	21st June 1959	99 30
3 % Madras	1948	2,78,44,000	14th Sept. 1960	98 85
2½ % Madras	1949	3,81,77,300	1st Sept. 1961	97 00
3 % Madras	1950	4,38,25,400	31st July 1960	98 85
3½ % Madras	1951	3,91,49,300	17th Sept. 1962	98.60
4 % Madras	1951	10,81,71,000	15th July 1962	100 03
4 % Madras	1952	5,34,81,900	1st Aug. 1964	100 20
4 % Madras	1954	10,47,17,000	1st Sept. 1967	99 40
4 % Madras	1956	13,33,54,000	3rd Sept. 1968	99.35
4½ % Madras	1958	5,00,00,000	15th July 1970	100 20
3 % Mysore(J)	1938	2 95,85,200	1st Dec. 1953-58	100 25
3 % Mysore(J)	1938	4,99,78 900	30th Apr. 1956-61	99.30
3 % Mysore	1938	3,35,47,000	15th July 1967	100 00
4 % Mysore	1955	3,54,84,000	1st Sept. 1967	99 30
4 % Mysore	1956	4,11 11 000	3rd Sept. 1968	99 20
4 % Mysore	1957	3,35,78,000	15th July 1970	100 50
4½ % Mysore	1958	5,00,00,000	15th July 1970	100 30
3 % M.P.	1948	2,99,29,800	15th Sept. 1964	98 10
3 % M.P.	1950	1,91,45,800	31st July 1968	98.50
3½ % M.P.	1951	1,86,18,100	17th Sept. 1962	98.00
3½ % M.P.	1953	1,18,19,000	15th July 1963	99 75
3 % U.P.	1938	1,53,12,000	1st Sept., 1967	99 00
3 % U.P.	1939	1,50,43,000	3rd Sept. 1968	99 00
3½ % U.P.	1948	2,00,00,000	15th July 1970	100 00
3½ % U.P.	1951	2,17,00,000	1st Sept. 1967	99 20
3½ % U.P.	1952	3,58,14,000	1st Aug. 1964	100.00
4 % U.P.	1953	3,55,25,000	15th July 1962	100.00
4 % U.P.	1954	9,39,16,000	1st Sept. 1967	99 20
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	99 25
4½ % U.P.	1958	7,00,00,000	15th July1970	100 15
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	99 10
4½ % Rajasthan	1958	2,50,00,000	15th July 1970	100 00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	99 10
4½ % Orissa	1958	3,00,00,000	15th July 1970	100.00

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
26,56,000	4	1904	1964	
25,00,000	4	1905	1965	
15,00,000	4	1906	1966	
44,00,000	4	1907	1948	
75,00,000	4	1908	1968	96.10M
40,00,000	4	1909	1970	
50 00 000	4	1910	1971	
75,00,000	4	1911	1972	
1,00,00,000	4	1912	1973	B
1,12,50,276	4	1913*	1974	96.00N
80,00,000	4	1913	1974	96.00N
88,23,000	4	1914	1975	
10,00,000	4	1915*	1975	
45,00,000	4	1915*	1975	
61,61,000	4	1923*	1960	
11,51,000	4	1924*	1960	
18,25,000	2½	1926*	1960	
25,00,000	3½	1929*	1959	D
15,15,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,83,000	3½	1935*	1975	
15,00,000	3½	1936*	1976	
48,84,000	3½	1936*	1936	
10,00,000	3½	1938*	1948	
7,00,000	3½	1941	1971	
STERLING LOAN				
£566,600		1909	1968	95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
26,24,300	4	1914	1974	97.75
70,00,100	4	1915	1975	97.75
1,99,99,060C	3½†	1921	1981	83.00
68,62,800C	6‡	1921	1981	144 60N
1,49,38,600	5	1923	1968-88	101 90
50,00,000	4	1923	1991	95.00
98,00,000	3½	1926	1966	90.00
50,00,000	3	1927	1962	91.00
20,00,000	3	1928	1963-68	90.00
80,00,000	4	1952	1962	99.25
1,02,80,000	4	1956	1968	99.00
50,00,000	4½	1958	1968	99.75
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1920	1959	102.00
50,00,000	4	1924	1964	99.00
55,00,000	5	1925	1965	94.00
30,00,000	5	1926	1966	90.00
30,00,000	3	1927	1962	91.00
20,00,000	3	1928	1963-68	90.00
80,00,000	4	1952	1962	99.25
1,02,80,000	4	1956	1968	99.00
50,00,000	4½	1958	1968	99.75
MADRAS				
Rs.				Rs.
23,48,275	2½	1947	1977	A
9,86,000	3	1947	1977	
5,00,000	3	1949	1979	
45,00,000C	4½	1954	1964	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				
50,00,000	4	1899	1959	100.0
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
90,00,000	4	1905	1965	97.7
20,00,000	4	1906	1966	M
15,00,000	4	1907	1967	
80,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
60,00,000	4	1914	1974	97.50
25,00,000	4	1914	1974	M
40,00,000	5	1919	1957-79	118.90
60,00,000	6	1920	1958-80	
29,00,000	6	1925	1955-85	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOAN				
£566,600		1909	1968	95.50N
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1920	1959	102.00
50,00,000	4	1924	1964	99.00
55,00,000	5	1925	1965	94.00
30,00,000	5	1926	1966	90.00
30,00,000	3	1927	1962	91.00
20,00,000	3	1928	1963-68	90.00
80,00,000	4	1952	1962	99.25
1,02,80,000	4	1956	1968	99.00
50,00,000	4½	1958	1968	99.75

MUNICIPAL LOANS

Rs.				Rs.
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1923	1963	113.00N
25,00,000	5	1923	1963	101.00
26,21,500	5	1923	1963	101.00
8,25,00,000	3½	1947	1967	84.00
2,50,00,000	3½	1949	1979	84.00
4,00,00,000	3½	1950	1965	92.25
2,50,00,000	4	1950	1965	96.50
2,00,00,000	3½	1951	1966	97.00
1,00,00,000	4	1953	1963	98.50
1,00,00,000†	4	1952	1964	97.25
1,00,00,000†	4	1954	1964	97.75
2,50,00,000	4	1955	1967	97.25
1,50,00,000	4	1956	1968	97.25
2,00,00,000	4½	1957	1969	100.15
CALCUTTA				
Rs.				Rs.
50,00,000	5	1923	1963	100.00
25,00,000	5	1923	1963	100.00
10,00,000	5½	1923	1963	108.00
23,91,000	3½	1925	1965	94.00
60,00,000	3	1926	1966	90.00
47,50,000	3	1927	1962	90.00
27,00,400	5½	1931	1971	96.50
21,10 000	3½	1942	1972	92.50
16,32,000	3½	1951	1961	97.50
66,88,000	3½	1951	1966	97.50
97,50,000	4	1952	1962	99.25
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1965	
87,00,00,000	4½	1956	1970	100.50
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00
15,00,000	3½	1952	1968	107.50

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1943	1,04,77,000	15th July 1968	100.00
4 % M. Bharat	1944	1,11,24,000	3rd Sept. 1968	99.20
3½ % W. Bengal	1941	1,75 00 000	17th Sept. 1962	98.10
3 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99 00
3½ % W. Bengal	1953	3,00,23 000	15th July1962	100.00
4 % W. Bengal	1955	7,58,73,000	1st Sept. 1967	99.20
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.20
4½ % W. Bengal	1958	5,00,00,000	15th July 1970	100.25
4½ % Kerala	1958	3,00,00,000	15th July 1970	99.75

ABBREVIATIONS.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable
(J) Income-tax free. * Loans held entirely by the Trustees.
† Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. 1=Interim Dividend. 1=Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciations is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share: 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	
BOMBAY CITY AND ISLAND																
50,00,000	5,37,500	1,01,25,505	44,08,340	4,86,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	896	Apollo Mills	1.40	2	0.19	0.19			12	
48,80,000	24,90,000	1,40,98,494	78,99,035	17,802	M.	50,596	1,031	B. R. Cotton Mills	26.50	100	*Nil*	*Nil*	*Nil*		3	
2,50,98,000	3,42,88,488	7,95,80,951	3,98,39,819	38,706	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,25,480	3,646	Bombay Dyeing & Mfg. Co.	59.10	25	2.50*	2.50	2.50	0.75	3	
10,00,000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	66,412	1,216	Arvind Mills	175.00	50	12.50	20.00	15.00	7.50	3	
22,00,000	47,41,123	1,22,40,945	77,79,726	1,04,815	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg. ..	443.00xd	100	22.00	22.00	22.00	8.00	12	
12,00,000	1,40,46,694	99,92,454	67,28,819	728	Lalbhai Dalpatbhai & Co. ..	57,868	914	Asoka Mills	695.00	100	30.00	30.00	30.00		12	
2,06,25,000	2,60,65,170	6,22,25,491	2,74,71,141	9,28,539	Karamchand Premchand Pvt. Ltd.	1,89,192	2,404	Calico	505.00	125	30.00	30.00	30.00		3	
63,00,000	28,51,630	1,44,37,907	1,02,61,820	20,815	Triumlal Bhoglal & Co., Ltd.	45,826	866	New Commercial Mills ..	472.50	250	80.00	100.00*	25.00*		12	25.00
52,00,000	91,54,187	1,55,49,668	1,07,88,240	92,673	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	786.00	125	35.00	40.00*	30.00		12	
15,00,000	64,29,775	69,45,065	35,66,652	....	Jagabhai Bhoglal Nanavaty & Co.	25,560	572	Nutan Mills	407.50	100	20.00	20.00	20.00		12	
20,00,000	1,08,87,132	1,07,38,484	66,60,480	105	Lalbhai Dalpatbhai & Co.	32,928	636	Raipur Mfg.	720.75	100	35.00*	35.00*	35.00*		12	
48,75,000	28,46,598	1,38,74,914	78,50,111	9,868	M.	35,196	646	Rohit Mills	137.50	100	*Nil*	8.00*	8.00		12	
57,98,800	3,88,74,189	2,17,82,870	1,17,57,907	1,76,451	Kasturbhai Lalbhai & Co.	94,128	1,785	Shri Ambica Mills	658.00	50	27.00*	30.00*	25.00		12	
29,25,000	69,60,633	1,00,70,063	78,48,312	18,246	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.										12	
35,00,000	38,00,929	1,23,90,368	90,20,784	28,300	Hasldas Ashrallal & Co., Ltd.	36,648	720	Shorrock Spg. & Mfg. ..	470.00	100	25.00	30.00*	20.00		12	
						41,056	780	Vijaya Mills	600.00	500	35.00*	50.00*	40.00*		12	
AHMEDABAD																
40,00,000	31,31,987	1,78,25,924	68,65,244	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	167.50	100	7.00	12.00	5.00		6	
15,00,000	98,23,188	1,29,00,836	78,32,228	....	P. M. Hutheesing & Co., Ltd.	44,220	915	Arvind Mills	625.00	100	80.00	25.00	25.00		12	
40,00,000	3,03,12,127	2,17,78,010	1,10,66,897	28,706	M.	66,412	1,216	Arvind Mills	625.00	100	80.00	25.00	25.00		12	
22,00,000	47,41,123	1,22,40,945	77,79,726	1,04,815	Ramnarain Sons Private Ltd.	66,412	1,216	Arvind Mills	625.00	100	80.00	25.00*	25.00*		12	
12,00,000	1,40,46,694	99,92,454	67,28,819	728	Lalbhai Dalpatbhai & Co.	57,868	914	Asoka Mills	695.00	100	30.00	30.00	30.00		12	
2,06,25,000	2,60,65,170	6,22,25,491	2,74,71,141	9,28,539	Karamchand Premchand Pvt. Ltd.	1,89,192	2,404	Calico	505.00	125	30.00	30.00	30.00		3	
63,00,000	28,51,630	1,44,37,907	1,02,61,820	20,815	Triumlal Bhoglal & Co., Ltd.	45,826	866	New Commercial Mills ..	472.50	250	80.00	100.00*	25.00*		12	25.00
52,00,000	91,54,187	1,55,49,668	1,07,88,240	92,673	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	786.00	125	35.00	40.00*	30.00		12	
15,00,000	64,29,775	69,45,065	35,66,652	....	Jagabhai Bhoglal Nanavaty & Co.	25,560	572	Nutan Mills	407.50	100	20.00	20.00	20.00		12	
20,00,000	1,08,87,132	1,07,38,484	66,60,480	105	Lalbhai Dalpatbhai & Co.	32,928	636	Raipur Mfg.	720.75	100	35.00*	35.00*	35.00*		12	
48,75,000	28,46,598	1,38,74,914	78,50,111	9,868	M.	35,196	646	Rohit Mills	137.50	100	*Nil*	8.00*	8.00		12	
57,98,800	3,88,74,189	2,17,82,870	1,17,57,907	1,76,451	Kasturbhai Lalbhai & Co.	94,128	1,785	Shri Ambica Mills	658.00	50	27.00*	30.00*	25.00		12	
29,25,000	69,60,633	1,00,70,063	78,48,312	18,246	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.										12	
35,00,000	38,00,929	1,23,90,368	90,20,784	28,300	Hasldas Ashrallal & Co., Ltd.	36,648	720	Shorrock Spg. & Mfg. ..	470.00	100	25.00	30.00*	20.00		12	
						41,056	780	Vijaya Mills	600.00	500	35.00*	50.00*	40.00*		12	
WEST BENGAL																
15,00,000	3,05,455	38,27,561	24,08,641	1,14,856	Calcutta Agency Private Ltd	19,944	356	Basanti Cotton Mills ..	6.50	10	0.50	0.50	0.50		12	
7,11,226	16,08,297	80,04,582	55,58,258	49,225	D. N. Bhattacherjee, Esq. (Mg. Director)	23,236	295	Bengal Luxmi Cotton Mill	35.00N	40	4.00	4.00	4.00		12	
3,60,652						42,944	841	Bowreah Cotton Mills ..	125.00	100	*Nil*	*Nil*	*Nil*		12	
24,00,000	1,50,000	1,20,71,227	49,68,051	1,17,344	Kettlewell Bullen & Co., Ltd	43,960	1,523	Dawn Mills	80.00	50	15.00	—	7.50F	5.00	3	
19,00,000	24,30,708	1,29,78,961	73,14,165	—1,56,242	Kettlewell Bullen & Co., Ltd	141.00	100	Edward Textiles	257.50	200	18.00	15.00	15.00		12	
50,00,000	58,968	76,97,925	21,97,845	32,086	Birla Brothers Private Ltd.	4,852	206	Elphinstone Spg. & Wvg. ..	40.00	50	5.00	15.00	*Nil*		12	
1,00,00,000	2,29,91,250	4,00,62,335	1,40,10,478	4,94,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills ..	11.19	10	*Nil*	0.87	0.50		12	
19,47,750									15.00N	10	1.00	1.00	0.75		3	
5,00,000D	9,50,000	43,59,254	28,75,466	9,888	Hamarcomal Meeralal ..	23,086	795	Rampooria Cotton Mills ..	4.00N	1D	0.34	0.36	0.15		6	
SOUTH INDIA AND OTHER CENTRES																
11,98,000	5,57,819	29,87,194	19,12,220	16,913	Setna & Co.	24,900	..	Asker Textiles Ltd.	217.00N	100	12.50	15.00	12.50		6	
72,00,000	17,32,554	1,87,65,113	68,45,582	6,710	C. S. Tyabjee, Esq.	36,186	716	Assam Jahi Mills	57.50	100	3.50(e)	5.00	3.50		9	
1,31,50,000	1,47,74,979	3,97,99,366	2,76,43,043	2,99,471	Binny & Co. (Madras), Ltd. ..	45,250	1,157	Bangalore Woollen, Cotton and Silk Mills	168.00	100	30.00	30.00	10.00*G	4.00‡	12	
25,00,000	99,61,544	1,33,11,187	1,08,74,337	2,54,722	Birla Brothers Private Ltd.	39,896	1,068	Birla Cotton Spg. & Wvg., Delhi	27 00N	10	3.00	1.50	1.50		3	
1,78,47,800	2,99,20,000	6,93,67,943	4,19,97,472	1,92,471	Binny & Co. (Madras), Ltd.	1,20,288	2,762	Buckingham & Carnatic ..	179.00	100	10.00	10.00	10.00	4.00‡	12	
20,00,000	15,37,925	59,28,440	26,18,048	....	Feirce, Leslie & Co., Ltd. ..	37,586	4	Cambodia Mills	9.10	10	0.50	0.50	0.50(e)		12	
16,00,000	5,11,560	28,88,579	29,91,389	1,06,842	Jessop & Co.	20,500	..	Canara Spg. & Wvg.	188.00	100	15.00	15.00	20.00‡	12.50	3	
30,00,000	33,43,336	76,05,050	59,57,015	11,058	Begg, Sutherland & Co. Private Ltd.	31,258	561	Cawnpore Textiles	4.87	5	*Nil*	0.25	0.25	*Nil*‡	12	
9,36,560	5,31,645	60,81,289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	21,200	..	Cesarey Spg. & Wvg. Mills Ltd.	10.00	10	0.25	0.75	0.90	0.90	3	
23,21,383	22,09,767	99,79,068	81,91,699	668	B. Bhesma Naidu & Co. ..	30,864	..	Coimbatore Cotton Mills ..	154 00	100	25.00	22.50	20.00		12	
13,16,000	7,25,198	74,29,210	34,29,510	....	T. A. B. Chettiar Sons & Co. ..	22,340	380	Coimbatore Murugan Mills ..	92.00xd	100	20.00	12.00	9.00*C		12	
20,00,000	18,28,450	80,21,737	44,09,621	599	T. R. N. Naidu & Co.	35,226	..	Coimbatore Pioneer Mills ..	250.00	100	20.00	20.00	20.00		12	
20,76,900	5,076	1,37,90,104	88,52,968	—7,29,808	E. G. S. Naidu & Co.	72,186	407	Coimbatore Spg. & Wvg. ..	60.00	100	5.00	5.00	5.00		12	
46,87,500	87,54,274	2,42,11,705	1,54,96,344	....	Tata Industries Private Ltd.	67,452	1,629	Central India	91.00	100	8.00	10.00	*Nil*		12	
24,43,811	15,50,996	98,99,553	40,37,014	15,789	R. Hanumanthappa & Son ..	28,816	309	Chamarajnagar Cotton Mills ..	113.00	100	9.00	*Nil*	*Nil*		6	
3,38,36,225	8,10,24,836	11,79,99,468	6,78,07,135	2,77,592	B. R. Charat Ram & Co. Private Ltd.	1,41,180	2,252	Delhi Cloth & General Mills ..	31.75	100	9.00	9.00	9.00		12	
1,00,543										25	2.25	2.50	2.00			
47,99,250	26,25,000	84,28,224	49,84,067	1,905	M. N. Chettiar & Sons ..	42,212	901	Dhanalakshmi Mills	42.50	50	3.50	4.00	3.00		6	
68,00,000	1,05,56,192	1,69,12,424	1,41,93,839	75,581	Begg, Sutherland & Co. Private Ltd.	45,452	1,196	Elgin Mills	172 00	100	20.00	25.00	10.00*C		12	
48,81,800	43,55,161	1,36,06,942	77,12,962	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,284	..	Gokak Mills	18.00	10	1.00	1.25	1.00		12	
2,50,00,000	3,35,292	4,53,15,795	1,23,90,000	72,17,274	Birla Gwalior Private Ltd.			Gwalior Rayon	144.50	100	13.00	13.00	9.00		12	
50,00,000	6,94,589	1,59,76,049	1,21,32,273	—11,77,234	K. L. Saksaria, Esq. (Chairman)	51,189	1,256	Indore Malwa United	103.50xd	100	*Nil*	*Nil*	*Nil*		12	
8,99,000	10,66,553	35,60,221	20,68,005	8,90,000	G. V. Naidu & Co., Ltd.	23,784	..	Jasardhana Mills	67.00xd	50	10.00	10.00	3.00		12	
15,54,000	15,02,499	57,19,937	33,88,096	7,012	Mr. Shabnurzian Damani (Managing Director)	20,212	512	Jam Shri Ranjitsinghji	1,450.00	1,000	50.00	60.00	40.00		6	
4,86,45,300	8,24,05,304	4,34,59,294	2,18,54,090	2,48,717	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	70.00	10	4.00	0.56	0.35		6	
42,00,000	19,23,000	1,06,81,567	88,28,076	91,772	Kothari & Sons	41,040	200	Kothari Textiles	10.10	10	1.00	1.00	1.00		12	
32,00,000	63,39,487	1,24,50,874	1,25,78,615	2,294	M.	51,008	1,243	Lakhahmi Cotton Mfg. ..	442.50	250	42.50	42.50	15.00		12	
71,00,000	56,85,960	2,28,46,331	1,29,60,687	86,370	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	102.00	50	12.50	12.50	10.00	6.00	3	
									2.25	25	6.25	6.25	5.00	3.00	3	
1,78,08,486	4,24,49,379	5,90,89,121	3,96,10,817	6,92,368	A. & F. Harvey Ltd.	4,63,009	..	Madura Mills	32.25	15	3.00	2.62	2.25		12	
15,00,000	3,87,248	29,06,252	18,76,700	313	V. K. Ramaswami (Chairman)	28,592	109	Malabar Spg. & Wvg.	89.00N	200	*Nil*	8.00			12	
60,00,000	69,00,000	66,60,298	47,59,940	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	608	Mettur Industries Ltd. ..	340.00	100	35.00	42.50	20.00	20.00	12	
29,80,884	12,88,081	93,11,180	51,39,457	19,733	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	61.00	100	6.00	9.00	*Nil*		12	
24,81,840	21,56,146	1,71,84,769	78,81,528	1,85,906	N. Sirur & Co. Private Ltd.	53,408	952	Model Mills (Nazpur)	172.50	250	7.50(e)	7.50			6	
24,82,560	39,98,562	1,13,65,249	72,49,736	27,671	N. Sirur & Co. Private Ltd.	50,492	800	Mysore Spg. & Mfg.	95.00	50	6.00(c)	9.00*	9.00*	5.00	6	
57,61,780		29,12,641	17,68,314	3,966	K. Tipperudrah (Chairman)	5,000		Mysore Spun Silk Mills ..	6.25N	10	*Nil*	*Nil*	*Nil*		6	
87,23,250	39,29,981	1,78,83,244	67,86,683	....	M.	57,788	908	Osmanshahi Mills	40.75	100	5.00(e)	5.00(e)	*Nil*		6	
4,00,800A	13,00,000	71,79,976	28,66,277	3,909	Bhaghyalakshmi & Co. ..	45,608	..	Palani Andavar Mills	121.00	50A	12.00	15.00	9.00		12	
5,00,000B									176.50	75B	18.00	22.50	13.50			
15 00 000	....	35,52,644	19,72,637	—18,17,124	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	40.00	100	4.00(e)	*Nil*	*Nil*		12	
16,81,200A	31,21,189	1,06,11,851	58,39,265	3,877	A. G. Gurusamy Naidu & Co.	59,264	900	Radhakrishna Mills	140.00	100A	20.00	20.00	12.00		12	
8,40,900B									65.00	50B	10.00	10.00	6.00			
[illegible]	....	30,55,750	76,37,378	32,62,483	....	B. R. Naidu & Sons	37,096	..	Rajalakshmi Mills	68.00	50	10.00	7.50	4.50		12
16 14,300	14,00,000	37,38,923	19,10,995	15,404	Ramco Agencies Private Ltd.	24,996	..	Rajapalayam Mills	129.00	100	10.00	10.00	12.00		6	
22 22,852	11,50,000	58,72,976	23,15,892	5,286	Rayalaseema Development Co.	21,200	..	Sarma Mills	105.00	100	10.00	10.00	10.00		12	
15,00,000	2,69,010	3,15,04,554	2,05,50,756	—34,29,635	M.	95,232	2,323	Sholapoor Spg. & Wvg. ..	881.25	1,000	*Nil*	*Nil*	*Nil*		3	
10 000										500						
36,69,700	21,91,449	1,05,51,059	61,65,564	37,576	H. N. Pallegar, Esq.	80,744	292	Sri Krishnarajendra Mills ..	60.00xd	50	5.00	7.00	7.00	4.50	3	
16 00 000	3,62,40,700	1,02,21,310	75,33,414	29,39,630	Birla Brothers Private Ltd.	36,212	1,244	Sutlej Cotton Mills	70.00N	10	6.00	6.00	6.00			
17,50,000 O									10.25	10O.	0.75	0.75	0.75		6	
1,57,50,000 PO	2,36,28,071	5,28,86,193	1,97,31,347	2,64,970	M.	1,18,216	2,696	Swadeshi Cotton (Kanpur) ..	10.50	10P.O.	1.15	1.15	1.15			
1,00,00,000	60,00,000	3,88,81,393	1,95,18,492	1,78,216	Emcota & Sons (Travancore) Ltd.	....	..	Travancore Rayons	14.75	10	0.75	1.00	1.00		12	
18,98,780	9,45,940	19,58,288	13,60,120	794	Moolji Bamjee & Sons	15,000	..	Trichinopoly Mills	11.75	10	0.90	1.12	0 90		12	
21,00 000	29,86,785	89,30,695	51,76,507	12,000	R. K. Chetty & Brothers ..	44,424	270	Vasanta Mills	230.00	100	20.00	20.00	12.00		12	
32,00,000	19,72,770	1,88,96,083	1,17,44,602	—9,55,569	The Bombay Co. (Private) Ltd.	49,660	1,275	Vishnu Cotton	102.00	100	8.00	8.00	*Nil*		12	

* Includes bonus. M—Managed by Board of Directors. Ex.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March

‡—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. § On old capital. ‡ For Nine months ended 31st December 1957. 'C'=Cum. accrued

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share: 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	
CEMENT														
72,59,940	13,33,764	1,00,14,799	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10.80	B. 10	1.00*	1.00			12	Y.P.
59,85,555	....	1,55,92,861	....	12,928	M.	Ashoka Cement Ltd.	9.12	10	..	..	*Nil*		3	Y.T.
12,71,80,070	9,62,91,082	30,81,74,705	11,29,17,763	2,58,821	Cement Agencies (Private) Ltd.	Associated Cement Companies ..	158.00	100	10.00	10.00	9.00		7	Y.T.
3,07,44,575														
83,92,587	....	1,23,58,448	16,77,717	779	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd. ..	8.60	10	0.30	0.60	0.60		12	Y
1,44,10,795	53,35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd. ..	Dalmia Cement (Bharat) ..	9.80	O. 10	1.25	1.25	1.20		12	Y.P.
5,00,000							2.63	D. 1	0.12	0.12	0.12			
1,01,94,750	30,37,736	2,18,27,299	73,38 865	71,092	Essen Private Ltd.	India Cements Ltd.	30.25	D. 25	1.87	2.06	2.06	2.25	3	Y.P.
7,50,000							6.24	D. 5	0.37	0.41	0.41	0.45		
1,50,00,000	4,00,000	4,72,60,133	89,99,750	21,36,411	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.60XR	10	0.75	1.25	*Nil*		3	Y.P.
1,00,00,000	31,43,497	3,25,68,768	1,17,79,528	37,55,949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	12.64	10	1.25	1.25	1.50		12	Y.P.
1,34,20,200	48,94,785	3,55,77,865	1,29,16'661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	146.75	100	8.50	9.00	9.00		12	Y.P.
75,00,000	17,70,000	2,00,86,577	1,50,04,018	4,257	M.	Sone Valley Portland Cement	6.00	5	0.25	0.30	0.15		7	Y.
50,00,000	6,00,000	1,04,54,555	48,33,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd. ..	9.50	10	0.62	0.60	0.60		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	2,85,000	63,15,302	33,02,682	12,681	Bharat Ram Bhagat & Co. ..	Bengal Potteries	3.34	2½	0.25 ..	..	..		12	Y.
10,00,000	30,51,407	62,21,712	35,31,132	18,442	Bird & Co. Private Ltd. ..	Biara Stone Lime Co.	32.00	10	1.75	0.87	1.75	0.87½	3	Y.
51,371,300	21,348,400	23,621,717	21,593,562	1,14,960	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.03	Sh. 2	10.8d.*	4.8d.	4.32d		12	Y.
0,15,00,000	24,05,876	44,47,198	18,07,726	5,496	Bird & Co. Private Ltd.	Karanpura Development	14.19	10	1.00	*Nil*			6, 12	H.
F.5,00,000									3.00	*Nil*				
5,00,000	2,96,000	9,09,017	5,43,877	615	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	13.75cd	10	0.75	1.00			3	Y.
20,00,000	20,50,291	49,10,494	27,87,433	1,15,708	Bird & Co. Private Ltd.	Orissa Minerals	27.87	10	2.00*	1.00	2.00		6	Y.
7 00,000	71,05,000	74,84,268	29,58,314	62,523	Killick Industries Ltd.	Shivrajpur Syndicate	90.00XR	10	8.00*	8.00*	8.00*		11	Y.
CHEMICAL														
85,00,000	29,75,972	93,38,468	45,30,994	97,854	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co. ..	145.50	100	8.00	10.00			12	Y.P.
62,00,000	1,02,92,519	2,75,52,962	60,65,069	1,20,250	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	16.25	10	0.80	0.80	0.80		9	Y.P.
86,42,455A								10New	*Nil*	*Nil*	*Nil*		12	Y.P.
60,00,000		67,15,919	....	1,15,111	Amartial & Co. Private Ltd. ..	Amar Dye-Chem. Ltd.	110.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
1,89,27,000	11,05,700	2,96,61,485	67,85,495	58,688	Lalbhai Sons & Co.	Atul Products Ltd.	214.50	100	5.25	6.00	6.00		12	Y.T.
45,63,700	45,29,426	1,35,74,286	55,25,010	11,71,234	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar. ..	99.00	100	6.00	6.00			4	Y.H.
21,50,000	68,74,746	1,44,12,264	47,49,845	53,684	Sahu Bros. (Saurashtra) Private Ltd.	Dharangadhra Chemicals	103.00	100	6.00	6.00	7.50		3	Y.P.
1,50,000							94.00	100New	..	4.50	3.75			
3,45,06,075	1,58,540	4,28,94,738	2,19,06,043	—22,43,676	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	7.20	10	*Nil*	*Nil*			12	Y.
12,00,000	6,20,038	25,16,435	12,37,298	15,313	S. V. S. Iyer (General Manager)	Kemp & Co.	197.00	200	12.00	15.00	15.00		3	Y.
40,50,000	16,32,445	1,12,61,931	60,21,994	30,413	Seshasayee Brothers Private Ltd.	Mettur Chemicals	11.75	10	0.70	0.75	0.75	0.87½	3	Y.P.T.
24,81,220	5,70,000	54,30,488	33,15,772	12,176	K. Narayanaswamy, Esq. (Chairman)	Mysore Chemicals and Fertilisers	8.20	10	0.50	0.50	0.50		3	Y.
6,00,000	4,00,000	7,37,855	4,44,854	1,98,023	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	20.75	10	2.00	2.00	2.00		6	Y.P.
39,99,975	12,740	43,18,383	3,46,866	2,71,243	O. A. Buxton	Smith Stanistreet & Co. ..	12.00N	5	0.50	1.00	1.00		6	Y.P.
10,00,000	12,00,954	19,34,502	14,27,276	87,385	M.	Polychem. Ltd.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
PAPER														
45,00,000	87,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	94.00	25	4.69	2.50	3.12		12	Y.P.
63,00,000	63,91,258	1,24,92,173	83,76,687	33,544	Andrew Yule & Co., Ltd. ..	India Paper Pulp	21.75	10	1.39-2/5	1.39-2/5	1.40		3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17.45	10	0.75*	1.00*	1.00*	1.00	3	Y.
1,46,82,500	2,46,75,045	6,04,16,697	1,87,53,042	2,63,477	Birla Brothers Private Ltd.	Orient Paper	35.45	10	1.12	0.62	1.50		3	Y.P.
1,25,49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills ..	17.12	10	1.25	1.25	1.25		12	Y.P.
50,00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	13.00	O. 10	1.25	1.05	0.60		9	Y.J
A*10,00,000							13.00	A. 10	1.25	1.05	0.60			
2,18,55,240	48,43,060	3,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	13.24	10	5 00‡	0.50	0.50		6	Y.J
56,00,000A.							42.50	A. 10	2.00*	1.12*	2.37*			
56,04,800B.	3,70,50,474	6,78,46,967	3,51,66,938	92,528	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	42.50	B. 10	2.00*	1.12*	2.37*		3	Y.J
4,37,500P.O.							4.25	P.O. 2½	0.25	0.12	0.25			
SAW MILLS AND TIMBER														
13,99,998	22,88,839	32,79,430	18,61,671	—4,90,122	Bird & Co. (Private) Ltd. ..	Assam Saw Mills	2.56	3	*Nil*	*Nil*	*Nil*		9	Y.
50,00,000	3,81,14,271	4,60,47,879	1,89,08,404	1,83,542	Wallace & Co.	Bombay-Burmah Trading Corpn.	497·00xr	Old125	37.50	40.00	40.00		5	Y.
42,00,000							172.75xr	New50	15.00	13.75	16.00			
20,00,000	20,43,037	19,96,486	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	44.12	10	3.00	3.00	2.75		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,30,406	42,92,220	31,12,074	57,702	M.	Balrampur Sugar	9.50	5	0.06	*Nil*	0.25			Y.
12,00,000A.	29,80,260	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	119·00N	A. 100	10.00	10.00			4	Y.J
3,00,000B.							11.50N	B. 10	1.00	1.00				
19,49,050	8,75,000	33,88,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	12.00	7½	0.75	1.00	1.00		9	Y.
15,00,000	13,51,513	19,28,777	13,40,840	7,653	Cotton Agents Private Ltd. ..	Bharat Sugar	16.00N	10	1.50	1.50	1.50		6	Y.J
22,00,000	25,22,515	1,45,76,657	98,94,338	—2,23,014	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8.44	10	0.25	*Nil*	*Nil*		6	Y.P.
30,00,000	54,39,509	1,65,39,057	95,52,394	—3,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	12.00	10	0.75	0.75	*Nil*		10	Y.J
18,00,000	34,56,103	84,72,400	59,12,695	—3,43,163	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	18.12	10	1.50	1.00	*Nil*		6	Y.
9,58,252	2,59,762	25,14,152	16,98,388	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	10.00N	10	0.50	0.50			8	Y.J
18,00,000	12,51,628	79,38,731	49,86,947	1,05,664	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	24.30	10	2.25	4.00	7.00		7	Y.J
18,00,000	22,60,288	48,59,619	29,00,928	79,625	Cotton Agents Private Ltd. ..	New India Sugar Mills ..	29.00	10	2.50	2.50	2.50		6	Y.J
7,89,100	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	5.81	10	0.25	0.37	0.87		5	Y.
11,00,000							252·50	100	20.00	20.00	20.00			
13,21,100	40,91,797	78,75,775	27,02,363	6,855	Cotton Agents Private Ltd. ..	New Swadeshi Sugar Mill ..	50·00N	25	5.00	5.00	5.00		6	Y.
38,275							143.75	100	11.00	11.00	12.50		7	Y.J
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd. ..	Oudh Sugar	80.00N	100	6.00				10	Y.J
12,00,000	12,69,374	31,96,494	21,49,459	24,662	Narang Bros. & Co. Private Ltd.	Punjab Sugar	14.56xd	10	1.50	1.50	1.50		10	Y.J
9,00,000	19,64,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	19.25N	10	1.50	1.50	1.50		10	Y.J
83,59,400	49,34,090	81,89,788	31,42,984	89,543	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar Q	19.25	10	*Nil*	1.75	1.50		6	Y.J
8,00,000	6,21,932	28,74,393	23,31,931	2,175	M.	Ryam Sugar	10.00	10	*Nil*	1.75	1.50		6	Y.J
11,99,000	16,33,214	47,23,583	25,13,422	—2,20,883	M.	Samastipur Central Sugar ..	18.00	10	*Nil*	1.75	*Nil*		6	Y.
39,70,525	22,65,560	1,40,84,561	68,35,007	16,381	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10.00	10	1.75	1.00			8	Y.P.
10,02,115	24,660	29,48,608	14,85,401	—3,16,557	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..									
15,89,000	13,52,431	35,59,550	20,58,359	40,666	Sitalpore Sugar		2.37	10	*Nil*	*Nil*	*Nil*		6	Y.
9,15,0000.	46,462	29,66,360	11,46,770	—16,37,907	M.	Shri Sitaram Sugar	11.62	10	1.00	1.00	0.50		8	Y.
4,40,000D.						South Behar Sugar	0·75N	O. 10	*Nil*				10	Y.P.
8,00,000	34,74,348	1,27,30,247	80,57,754	9,663	Cotton Agents Private Ltd. ..		0.50N	D. 2½	*Nil*					
16,00,000	9,16,589	33,80,385	27,24,251	29,751	M.	Upper Ganges Sugar	35.00N	10	2.50	3.00	5.00		6	Y.J
						United Provinces Sugar ..	15.00	10	1.50	0.50	0.75		9	Y.
Other Centres														
30,00,000	19,50,000	76,27,620	18,97,501	15,070	Rangarao & Co.	Andhra Sugars Ltd.	17.00	10	0.60	1.00	1.25		9	Y.
70,40,650	1,19,43,608	1,50,47,792	1,08,77,187	3,00,263	W. H. Brady & Co., Ltd. ..	Belapur Company	311·00	50	16.00	16.00	18.00		9	Y.
17,50,000	12,58,285	41,85,701	23,96,315	30,827	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd. ..	Bhopal Sugar Industries Ltd.	26.50	10	1.00	1.50	2.00		9	Y.
37,50,000	16,15,171	76,19,408	50,40,255	31,529		Shree Changdeo Sugar ..	32.75	12.50	2.00	5.00	2.25		9	Y.
89,84,000	47,43,760	1,15,18,224	62,36,814	1,16,220	Parry & Co. Ltd.	Deccan Sugar & Abkhari ..	9.76	5	0.50	0.75	0.85		6	Y.J
£ 849,950	£ 1,197,467	£ 1,387,940	£ 701,435	£ 52,719	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	29.70	£ 1	Sh. 4	Sh. 3	Sh. 3	Sh. 11	6	Y.J
15,93,900	15,86,419	43,30,767	25,77,714	6,691	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	88.00	100	*Nil*	6.00	10.00		9	Y.J
68,97,600	11,02,669	78,71,515	18,88,285	46,085	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	12.60	10	1.40	1.12	1.00		9	Y.J
22,41,127	15,75,871	94,06,432	12,67,310	6,911	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	13.00	10	1.00	0.60	0.60		6	Y.J
10,52,2000.	88,00,000	2,48,45,158	41,94,129	28,068	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	120.00	O.100	7.50	7.50	7.50		6	Y.P.
2,87,190D.							184.00	D. 10	10.00	10.00	10.00			
67,50,000	38,21,978	1,22,47,683	57,87,087	36,423	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills ..	171.00	50		100.00*	100.00*		9	Y.P.
21,79,280	86,24,043	1,54,89,192	89,25,545	2,10,465	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	44.10	10	2.00	2.00	2.00		9	Y.
50,00,000	53,21,430	1,16,88,154	67,30,841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	177.00	50	8.00	9.00	12.00*		9	Y.
16,59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright & Co. ..	Ramnugger, Cane and Sugar ..	21.12	10	2.00	2.00	1.50		6	Y.
20,00,0000.							139·00	O. 50	6.00	12.00	12.00			
4,00,000D.	42,07,214	1,04,79,940	59,30,737	70,575	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	30·00N	D. 10	0.07	0.70	3.75		9	Y.P.
80,00,000	23,40,000	62,19,329	24,74,579	77,353	Parry & Co., Ltd.	Travancore Sugars	11.65xd	10	0.75	1.00	1.00		7	Y.P.
1,01,00,000	1,16,37,178	2,71,48,027	1,06,46,123	1,72,956	Walchand & Co. Private Ltd.	Walchandnagar Industries ..	288.75xr	100	18.00	21.00	21.00		9	Y.P.
TRANSPORT														
80,00,000	99,30,970	1,22,58,916	19,44,577	36,387	Andrew Yule & Co., Ltd. ..	Bengal-Assam Steamship Co. ..	100.00	100	7.50	7.50	8.00		10	Y.P.
1,00,00,000	1,37,28,000	4,10,96,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd. ..	Bharat Line J.	18.20	10	5.00	6.00	12.00*		12	Y.
90,00,000	1,42,35,063	4,90,84,346	86,21,345	1,83,580	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd. ..									
£655,880	£997,739	£5,665,884	£3,428,088	—£106,393	Kilburn & Co. Private Ltd. ..	Great Eastern Shipping Co. ..	27.00	10	*Nil*	1.00	1.50		6	Y.P.
2,25,00,000	1,74,74,232	12,76,96,545	2,63,26,759	2,70,984	Lionel Edwards (Private) Ltd. ..	India General Navigation & Bly. Co.	61.00	£10	Sh. 10	*Nil*	*Nil*		12	Y.P.
9,40,19,673	10,85,51,342	27,66,48,271	5,78,99,812	5,84,102	M.	India Steamship Co.	18.76	10	*Nil*	1.00	1.00		8	Y.P.
2,40,8000.						Scindia Steam Navigation Co. ..	21.76	20	0.50	1.00	1.25		6	Y.P.
2,10,200P.O.	121,67,472	12,59,963	18,41,760	1,35,400	B. R. Aiyer, Esq. (Manager) ..	Walford Transport Ltd.	2.00	O. 1	0.14	0.14	0.14		12	Y.
							1.75	F.O. 1	0.12	0.12	0.12			
UNCLASSIFIED (Bombay)														
25,00,000	1,00,000	26,18,54§§	.....	58,589†	M.	Devkaran Nanji Investment Co.†	11.00	25	0.75	0.81	0.81		8	Y.
57,00,000	2,01,70,510	4,79,59,818	1,35,62,169	39,94,000	S. H. Turner (Chairman) ..	Hindustan Lever	24.00	10	..	1.25	1.40		12	Y.
31,07,000	16,29,510	1,09,45,989	67,14,407	14,986	Birla Brothers Private Ltd. ..	Hind Cycles	181.25	100	10.00	..	12.50‡		3	Y.P.
14,98,840	4,61,996	33,57,555	21,54,554	10,066	Choonilal Manilal Private Ltd.	Kaira Batteries	30.00	50	2.00	3.00	3.50*	9.00	3	Y.
99,99,250	20,13,147	1,25,61,398§§	.....	1,74,688	Premchand Roychand & Sons ..	Industrial Investment Trust ..	79.00	100	4.00	5.00	5.50		3	Y.
1,00,00,000	28,08,446	38,85,170	11,25,784	2,758	K. G. Milne, Esq. (Mg. Director)	Killick Industries	150.00	100	11.00	11.00	11.00		6	Y.
20,26,325A.O.	63,14,265	3,42,78,324	1,69,98,078	6,31,752	Aero-Auto Private Ltd. ..	Premier Automobiles	89.50	100	*Nil*	6.00	6.00		6	Y.P.
21,80,000	29,18,738	64,65,614	14,68,874	64,880	Polson Agencies Private Ltd. ..	Polson Ltd.	167.00	10	10.00	15.00	10.00		12	Y.P.
10,21,200	4,83,147	8,09,102	5,85,506	2,481	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	19.00	20	2.00	2.00	1.20		12	Y.
2,75,00,000	1,44,13,441	3,87,52,891	1,68,58,348	89,860	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	191.00	100	11.00*	11.00*	11.00*		12	Y.
45,00,000	60,62,390	3,64,935	5,24,956	75,054	Sir Joseph Kay, R.B.E. (Mg. Director)	W. H. Brady & Co., Ltd. ..	277.50	150	20.00	22.50	25.00		12	Y.
Other Centres														
57,50,000	1,99,56,713	3,81,21,462	86,96,321	2,38,759	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd.	12.00	O. 10	*Nil*	0.50	0.90		3	Y.P.
2,50,000							5.00	D. 2½	*Nil*	*Nil*	*Nil*			
40,00,000	32,25,000	68,17,870	28,12,985	66,539	Seshasayee Bros. (Trav.) Prv. Ltd.	Aluminium Industries Ltd. ..	18.40xd	10	1.25*	1.25	1.25		8	Y.
30,00,000	36,20,717	84,97,377	23,50,332	3,61,289	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	21.12	10	2.00*	2.00*	1.80*		8	Y.
30,00,000	17,14,736	38,54,372	19,66,372	1,83,944	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	17.25	10	1.25*	1.25*	1.25*		12	Y.
20,00,000	35,94,600	1,05,12,033	39,58,423	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	5.25N	10	0.40	0.20	0.50		12	Y.P.
10,01,400	84,59,405	74,46,138	40,46,138	5,00,886	M.	Balmer Lawrie & Co., Ltd. ..	147.00	100	12.50	15.00	12.50		12	Y.
12,00,000	17,56,000	34,55,748	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	31.75	10	2.25	2.50	2.50		12	Y.
20,00,000	8,05,715	62,28,492§§	.....	37,812	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.25	1.00			9	Y.P.
1,97,020	84,61,814	1,14,31,095	37,07,455	1,84,683	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	15.12	10	1.00	1.00	1.00		12	Y.P.
3,25,00,000	1,55,55,577	3,06,98,577	2,33,30,121	1,22,521	M.	British India Corporation Ltd. ..	3.68	5	*Nil*	0.10			12	Y.P.
8,00,000	3,28,572	13,981	13,858	28,272	Andrew Yule & Co. Ltd. ..	Calcutta Hydraulic	41.00N	100	*Nil*	*Nil*	3.00		6	Y.
8,00,000	2,47,182	8,43,922	6,98,409	35,418	Andrew Yule & Co. Ltd. ..	Centra Hydraulic	82.00N	100	5.00	6.00	10.00*		6	Y.
1,38,00,000	17,34,284	2,05,94,990§§	.....	8,10,588	Andrew Yule & Co. Ltd. ..	Clive Row Investment	9.12	10	0.56	1.88	0.75	0.75	3	Y.
3,00,00,000	4,40,29,606	6,50,49,175	2,68,24,548	22,22,648	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	28.62	10	1.50	1.50	1.62		12	Y.P.
16,20,630	26,78,014	20,38,961	16,23,422	38,736	Mr. K. G. Khanna	Dver Meakin Breweries	12.37	5	0.50	0.56	..		8	Y.
51,26,000	54,81,535	1,64,12,908§§	.....	2,42,272	Bird & Co. Private Ltd. ..	Eastern Investments Ltd. ..	147.00	100	9.00	9.00	9.00		12	Y.
7,96,625	.....	22,64,362	.....	91,811	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	10.00	10	..	..	..		12	Y.
14,00,000	10,35,000	36,71,776	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	166.00	100	15.00	4.00	12.50	15.00	3	Y.
40,00,000	4,00,000	83,89,740	32,45,887	10,90,318	M.	Godfrey Phillips India Ltd. ..	19.25N	10	2.00	2.00	1.50		3	Y.
65,00,000	34,20,910	29,25,473	26,13,422	10,66,888	F. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	11.56	10	1.40	1.60	1.00		3	Y.
30,00,000	15,17,354	33,08,821	26,24,688	74,215	B. P. R. Syndicate	Great Eastern Hotel	265.00	250	6.25	15.00	15.00		3	Y.
4,96,13,250	13,37,499	5,26,95,200	2,25,48,541	9,88,841	Birla Brothers Private Ltd. ..	Hindustan Motors	7.84	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
2,34,58,900	1,17,58,800	7,87,43,813	3,21,77,728	7,20,133	K. G. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd. ..	15.94	10	0.9	1.00	0.60		12	Y.
1,52,89,220	1,46,00,000	2,26,86,031	38,88,093	41,81,853	B. T. Woodley, Esq. (Mg. Director)	Indian Cables	29.87	10	1.25*	1.50*	1.50*		3	Y.
8,27,970	6,03,000	16,74,908	9,50,806	62,722	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	16.00N	10	0.50	0.62			8	Y.
2,00,00,000	.....	.....	.....	.....	R. G. C. Stephenson, Esq. (Mg. Director)									
15,16,00,000	24,02,01,694	9,85,79,293	1,62,23,899	25,04,150	Mr. G. H. J. Clarke (Chairman)	Indian Oxygen Ltd.	20.44	10	..	..	1.00		9	Y.
2,00,00,000	76,27,615	89,02,397	12,08,982	4,71,170	J. D. K. Brown, Esq. (Mg. Director)	Imperial Tobacco Co. of India Ltd.	11.90	10	0.80	0.80	0.70		8	Y.P.
40,00,0000.						Jardine Henderson	82.25	100	7.50	7.50	2.50		3	Y.P.
5,00,000D.	82,86,900	48,58,407	10,48,713	2,57,158	M.		200·00N	O. 100	12.50	6.00			12	Y.P.
1,45,23,500	90,58,531	25,54,434	14,97,332	2,86,812	T. Leslie Martin, Esq. (Mg. Director)	McLeod & Co.		D.O.10	1.75	0.80				Y.P.
1,15,00,000	1,29,15,151	2,84,27,676	1,01,15,457	16,62,796	H. Caldwell Jones, Esq. (Chairman)	Martin Burn Ltd.	28.37	10	1.81*	2.12*	2.12*		9	Y.P.
6,56,250	5,92,500	11,29,680	5,97,362	3,349	Mr. J. L. D'Sa (Chairman) ..	Metal Box Co. of India, Ltd. ..	36.25	10	1.25	1.62	1.75	1.75	9	Y.P.
10,00,000	3,70,000	16,47,599	10,18,129	45,344	M. Mallesahayya, Esq. (Chairman)	Mysore Lamp Works	17.12	10	0.75	0.90	1.25		8	Y.
3,00,00,000	83,55,505	2,14,82,470	61,33,962	28,46,454	J. E. Galloway, Esq. (Mg. Director)	Mysore Tobacco	14.50	10	1.00	1.50	1.50		3	Y.
40,00,000	74,71,172	68,50,914	41,52,961	1,44,443	Associated Industrial Development Co. (Private) Ltd. ..	National Carbon Co. (India) Ltd.	27.00	10	0.22	1.50	1.40		12	Y.
40,00,000	15,00,000	93,19,395	21,17,408	75,726	Do.	National Insulated Cable Co. ..	31.75	10	1.50*	2.00*			8	Y.P.
						National Rolling & Steel Ropes	12.06	10	0.59	0.59			6	Y.
8,00,000	6,00,000	50,21,760	23,50,528	1,80,302	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.	14.25	10	..	..	1.00		12	Y.
							5	5	..	..	0.50			
79,97,000	68,89,261	1,25,70,061	65,79,851	8,87,736	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	14.37	10	0.80	0.70	0.90		12	Y.P.
2,20,00,000	42,21,731	89,43,288	33,40,874	63,842	F. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	15.19	10	..	..	0.20		12	Y.
2,25,00,000	1,83,498	1,82,25,541	60,08,534	—44,12,988	M. P. A. Pasnaki, Esq. ..	Sahu Jain Ltd.	87.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
2,28,00,000	1,87,70,209	10,50,39,211	3,96,22,758	49,402	Sahu Jain Ltd.	Rohtas Industries	34.06	10	1.50	1.50			10	Y.P.
4,73,200	51,886	31,11,657	6,29,199	19,106	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100·00N	100	..	5.00	6.00		3	Y.P.
5,13,400							50.00N	50	..	2.50	3.00			
70,00,000	17,66,318	1,67,21,608	34,47,040	66,321	M.	Sen-Raleigh Industries	13.50	10	0.60	0.60	0.60		9	Y.P.
40,00,000	88,41,163	1,21,39,272	72,08,599	9,02,978	C. W. Stephenson, Esq. ..	Spencer & Co., Ltd.	19.00	10	1.50	1.50	1.50		6	Y.
75,00,000	21,22,788	71,23,265	11,63,597	3,65,425	S. M. Smith Esq. (Mg. Director)	Shaw Wallace & Co., Ltd. ..	14.25	10	1.00	1.00	1.00		12	Y.
15,00,000	95,15,571	1,13,44,098	16,55,796	3,212	J. K. Agents Private Ltd. ..	Straw Products Ltd.	10.00N	10	1.00	1.25	1.25		12	Y.
9,98,380	19,025	14,83,995	5,18,598	—7,432	Ogale Bros. (Private) Ltd. ..	Travancore Ogale Glass ..	5.75	10	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	9,80,000	24,40,332	22,65,226	6,022	Vital Mallya, Esq. (Chairman)	United Breweries	227.00	75	15.00	15.00	15.00		3	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.
† Subject to taxation. F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957. J.—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958.
Q.—The latest dividend and quotation relates to Raza Buland Sugar Co., Ltd. subsequent to the amalgamation of the Raza and Buland Sugar Companies.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
ASSAM															
4,45,700	9,69,019	15,95,432	5,76,688	....	McLeod & Co., Ltd.	325	Amluckie	28.75N	10	18.00	4.75	5.00		12	Y.P.
2,76,500	5,71,500	11,19,587	3,89,763	22,120	M.	312	Ananda (Assam) Tea ..	21.00	10	7.50	1.00	2.00		12	Y.
7,00,000	6,43,250	12,23,233	3,34,393	49,669	Gillanders Arbuthnot & Co., Ltd.	440	Ananda Bag	16.00	10	8.00*	1.00	1.25		12	Y.
5,50,000	13,71,541	10,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Bachmari	20.50	10	3.50	1.00	2.50	1.50	12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co., Ltd. ..	377	Basmatia	25 75xd	10	8.00	1.50	2.00	1.75	12	Y.
3,30,000	5,10,000	12,75,996	8,08,524	1,30,178	National Tea Corporation ..	570	Bateli	20.00	5	4.00	2.50	3.00		12	Y.
6,40,000	7,40,000	11,16,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	References
					PLANTING; PRODUCE AND RUBBER									
9,00,000	2,10,000	3,92,505	84,197	15,099	Planting Agencies (Private) Ltd.	Balmadies Plantations	3 75	2	0 30	0 21	0 45		5	Y.P.
26,91,279	17,00,000	56,88,212	6,78,584	29,044	Peirce, Leslie & Co., Ltd.	Cochin Malabar	5 44	3	0 45	0 75	0 52	0 30'C'	2	Y.P.
22,50,000	21,00,000	39,79,946	3,06,541	1,21,826	Cona Coffee Estates (Secretaries).	Coffee Lands and Industries ..	33 50	10	1 80	2 50	4 00		5	Y.P.T.
71,55,000	56,13,036	1,25,54,765	26,69,076	1,13,211	R. C. Paterson, Esq.	Consolidated Coffee	27 80	10	2 25	2 00	4 00		6	Y.P.T.
4,00,000	5,87,423	10,43,962	53,905	8,519	Associated Planters Private Ltd.	Cottanad Plantations	15 30cd	10	1 75*	1 50	1 75		3	Y.P.
18,00,000	9,30,543	29,08,448	5,85,748	43,584	A. V. Thomas & Co., Ltd. ..	Highland Produce	12 00	10	2 00	2 00	0 75		12	Y.P.
8,00,000	10,92,399	18,91,159	2,63,016	18,088	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	13 45	10	2 75	2 00	2 00		4	Y.
13,50,000	8,71,449	19,82,913	3,09,273	6,347	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	19 60cd	10	2 25	3 25	2 25		3	Y.
40,50,000	28,79,387	80,92,726	9,49,414	1,48,976	A. V. Thomas & Co., Ltd. ..	Midland Rubber	12 80	10	2 50	2 00	2 00		3	Y.P.
8,35,000	4,06,000	13,43,851	2,26,134	22,019	A. V. George & Co., Ltd. ..	Nennemy Rubber	14 00	10	1 50	1 50	0 75		12	Y.P.T.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	14 75cd	10	1 50	1 50	1 50		12	Y.P.T.
19,45,980	23,79,615	45,25,952	14,74,565	53,868	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	5 49	2	0 40	0 20	0 60		10	Y.
13,50,000	8,80,000	45,07,578	8,05,093	12,299	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	18 85	10	2 00	2 50	2 00		6	Y.P.
6,50,170	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd., ..	Savamala Estates Ltd.	3 67	2	1 00	1 50	0 80		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Patco Agencies	Sangameshwar Coffee Estates Ltd.	2 77	2				0 18	3	Y.P.T.
10,00,000	3,01,600	22,44,528	1,59,659	9,940	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	7 15	10	0 90	0 90	0 60		3	Y.P.T.
2,50,000	5,75,000	5,73,150	39,399	23,647	A. V. George & Co., Ltd. ..	Thamarapally Rubber	25 50	10	3 00	3 00	3 00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1 73	1	0 12½		0 12½	0 05	9	Y.T.
6,00,000	33,742	7,80,835	1,41,328	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	16 80	10	3 00	2 00	1 50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7 75	10	1 25	0 75	0 40		12	Y.P.
20,00,000	36,000	80,13,628	7,73,086	167	P. T. Thomas Esq. (Mg. Director)	Tropical Plantations Co.	20 50	25	4 00	3 00	1 00		12	Y.
2,20,000	4,29,600	9,26,785	83,552	..	A. V. George & Co. Ltd.	Udayagiri Rubber Co., Ltd. ..	11 15	10	0 60	0 75	0 60		12	Y.P.
8,80,010	5,90,669	9,56,500	27,217	872	M.	Vaikundam (Travancore) Rubber ..	26 25	10	2 50	3 50	3 50J	1 25J	12	Y.
6,95,000	1,47,259	13,88,336	39,744	10,289	M. K Thomas, Esq. (Mg. Director)	Woodland Estates	8 62	10	2 00	1 25	1 00		3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital. * Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	References
60,00,000	44,25,000	1,20,25,991	58,26,489	18,786	B. N. Ellias & Co. Private Ltd.†	879	Agarpara	10 12	10	0 62	0 25	0 25		3	Y.T.
6,00,000	10,81,000	59,82,765	40,52,871	1,66,651	McLeod & Co., Ltd.	456	Alexandra	110 00	100	10 00	10 00	10 00		12	Y.P.T.
30,00,000	5,25,000	1,22,22,740	96,78,601	—5,74,381	McLeod & Co., Ltd.	1,264	Alliance	109 00	100	6 00	*Nil*	*Nil*		5	Y.P.
49,20,700	67,00,000	2,11,92,070	2,03,15,000	1,77,821	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	202 00	100	3 50	3 50	7 00		3	Y.P.
40,00,000	29,54,500	1,49,09,985	55,34,728	—8,79,016	Bird & Co. Private Ltd.	810	Auckland	140 00	100	10 00	1 00	*Nil*		3	Y.P.T.
20,00,000	24,84,715	99,59,861	67,55,861	1,18,223	Birla Brothers Private Ltd.	959	Baily	195 00	100	3 50	*Nil*	2 00	6 00	3	Y.P.
£275,000	£474,807	£1,628,482	£9,23,169	....	Sir John H. Burder (Chairman) ..	1,889	Barnagore	135 00	£5	sh. 15	*Nil*	*Nil*		3	Y.P.
28,00,000	26,27,123	97,66,496	58,10,415	6,111	Andrew Yule & Co., Ltd.	820	Belvedere	137 00	100	7 50	*Nil*	2 50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,43,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	11 75	10	1 12	1 00	*Nil*		6	Y.P.T.
91,25,000	2,25,05,284	4,09,60,115	1,60,74,197	24,155	Birla Brothers Private Ltd.	1,373	Birla	29 75	10	1 00	1 00	2 00	1 00	3	Y.P.
36,00,000	19,36,926	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd.	991	Budge-Budge	123 00	100	7 50	*Nil*	*Nil*		10	Y.P.
7,47,380	....	44,38,103	32,72,822	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg.	7 00	10	*Nil*	*Nil*			12	Y.P.T.
18,00,000	25,25,284	87,71,057	46,40,356	529	Andrew Yule & Co., Ltd.	616	Caledonian	155 00	100	8 50	*Nil*			11	Y.P.
59,16,400	76,49,289	2,28,64,628	1,19,60,343	—7,24,043	James Finlay & Co., Ltd.	600	Champdany	115 00	100	10 00	2 00	*Nil*		3	Y.
15,95,000	21,56,282	85,02,301	58,78,175	5,857	Andrew Yule & Co., Ltd.	530	Cheviot	184 00	100	10 00	2 00	*Nil*		11	Y.P.
30,15,000	33,76,000	77,94,318	51,54,350	73,099	McLeod & Co., Ltd.	500	Chitavalsah	16 00	10	1 37	0 62½	1 10		7	Y.P.T.
24,00,000	9,00,000	81,05,335	67,13,337	25,935	Shree Krishna Investment Co., Ltd	969	Clive	16 00	10	1 25s	0 50			3	Y.P.
31,49,200	44,50,392	1,35,02,698	51,19,187	—8,75,531	Bird & Co. Private Ltd.	766	Dalhousie	101 00	100	4 00	*Nil*	*Nil*		3	Y.P.T.
28,00,000	37,22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd.	779	Delta	150 00	100	10 00	5 00	*Nil*		11	Y.P.
15,00,000	35,56,600	92,51,058	53,07,045	4,192	McLeod & Co., Ltd.	500	Empire	21 75	10	1 25	0 50J	0 75		7	Y.P.T.
21,00,000	71,39,758	2,75,16,574	1,66,59,223	2,58,663	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd.	430 00N	100	15 00	10 00	10 00	20 00	3	Y.P.T.
21,00,000	18,00,000	1,25,79,765	63,50,852	1,06 479	Bangur Bros., Ltd.	1,014	Fort William	22 37	10	20 00	0 75	1 50	1 50	3	Y.P.T.
84,32,100	....	2,11,07,724	1,32,88,823	—2,67,452	M.	1,709	Gangee Mfg.	66 50	100	2 50	*Nil*			3.9	H.P.
10,80,000	28,00,000	76,64,785	55,99,505	39,411	M.	607	Gondalpara	652 00xd	200	*Nil*	50 00	60 00		12	Y.T.
24,00,000	24 50 000	2,22,46,943	1,58,81,965	45,248	Macneill & Barry Ltd.	1,894	Gourepore	341 00	100	15 00	2 50	2 50		3	Y.P.
40,00,000	65,68,233	1,32,37,430	67,67,854	3,19,473	Bangur Bros., Ltd.	1,078	Hastings	99 00xd	100	11 50	5 00	5 00	5 00	3	Y.P.
16,30,000	13,61,969	66,47,731	47,79,916	—2,95,253	Baijnath Bajoria	720	Hoogbly	14 00	10	1 25	*Nil*	*Nil*		3	Y.P.T.
25,62,500	29,69,105	2,34,85,488	1,24,24,441	32,772	Jardine Henderson Ltd.	1,940	Howrah	21 44	10	0 37	0 25	*Nil*	*Nil*	3	Y.P.T.
52,50,000	28,97,124	2,93,21,907	1,57,51,907	1,14,396	Ramdutt Ramkissendas	2,272	Hukumchand	23 75	7.50	2 00	2 00	1 50		3	Y.P.T.
87,30,000	19,89,967	1,41,58,695	87,84,013	84,575	M.	790	India	156 00xd	O. 125	4 69	4 69	9 37	15 62	3	Y.
24,00,000	21,09,435	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	{ 161 00	100	2 50	*Nil*	*Nil*		12	Y.P.T.
'23'12,00,000								{ 158.00	'B' 100	2 50	*Nil*	*Nil*			
30,00,000	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kankinarrah	{ 83.00	100	1 00	*Nil*	*Nil*		12	Y.P.T.
'23'24,00,000								{ 77.00	'B' 100	1 00	*Nil*	*Nil*			
21,00,000	53,00,000	1,36,45,052	88,77,736	86,701	McLeod & Co., Ltd.	703	Kelvin	230 00	100	17 50	5 00	9 00		5	Y.P.
84,00,000	23,33,375	1,96,60,992	1,22,08,770	27,027	Anderson Wright Ltd.	1,530	Khardah	148 00	100	11 00	5 00	8 00		3	Y.P.T.
43,00,000	31,53,808	2,36,20,709	98,60,479	28,774	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	170 00	100	18 00	6 00	*Nil*		3	Y.P.T.
24,43,000	28,41,335	1,28,71,981	58,10,244	—2,08,440	Bird & Co. Private Ltd.	931	Lansdowne	127 00	100	7 00	*Nil*	*Nil*		3	Y.P.T.
28,00,000	45,53,647	1,41,71,943	65,14,075	—7,73,893	Bird & Co. Private Ltd.	840	Lawrence	111 00	100	6 00	*Nil*	*Nil*		3	Y.P.
31,65,200	25,29,291	2,22,28,973	1,38,72,169	4,00,000	M.	1,294	Megna	14 25	10	3 75	3 75	5 00	17 50	3	Y.P.T.
29,98,900	34,62,195	1,65,70,565	86,70,690	—13,08,719	M.	815	Naihati	79 00	100	*Nil*	*Nil*	*Nil*		3	Y.
20,00,000	15,55,000	96,09,250	21,34,037	—1,65,286	Howrah Trading Co., Ltd.	425	Naskarpara	11 50	10	1 25	1 25	2 00		10	Y.P.
85,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	22 37	10	1 75	0 75	0 75		12	Y.P.T.
26,25,000	27,55,572	31,27,861	21,92,842	43,512	McLeod & Co., Ltd.	316	Nellimarla Jute	12 50	10	1 00	....	0 90		7	Y.P.
35,50,000	2,86,51,171	4,68,32,343	1,06,43,534	3,35,601	Sahi Jain Ltd.	1,765	New Central†	14 44	10	1 50	1 50			12	Y.P.T.
16,79,880	46,58,882	1,23,54,122	58,38,490	9,227	Bird & Co. Private Ltd.	567	Northbrook	18 31	10	1 50	1 50	*Nil*		3	Y.P.T.
66,79,500	12,74,961	2,24,62,238	1,39,16,557	20,195	Macneill & Barry Ltd.	1,092	Nuddea	55 25	50	1 00	*Nil*	*Nil*		3	Y.P.T.
24,91,000	23,04,049	76,55,438	52,45,690	5,981	Andrew Yule & Co., Ltd.	601	Orient	143 50	100	9 00	2 00	*Nil*		11	Y.
25,00,000	7,85,178	86,18,353	67,97,872	7,949	M.	400	Presidency	8 87	5	0 31	0 20	0 30		3	Y.P.
20,00,000	10,324	29,89,939	9,24,705	—7,07,557	Birla Brothers Private Ltd.	306	Rameshwara	6 25	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
40,50,000	2,00,000	1,24,61,131	66,63,109	—46,26,693	Jardine Henderson Ltd.	1,276	Reliance	7 56	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
£569,000	£1,093,713	£1,245,244	....	£58,994	Thomas Duff & Co. (India) Ltd.	2,018	Samnagrur	10 25	£1	8%,11				12	Y.P.
30,00,000	19,14,910	1,21,72,882	85,21,532	48,032	Hazaria Mor & Co., Ltd.	911	Shree Ambica	11 50N	10	0 50	0 25	0 50		3	Y.P.
14,00,000	11,14,980	68,87,540	47,50,476	40,154	Hindustan Investment Corpn. Ltd.	401	Soorah	19 00	10	1 50	1 50	1 50		12	Y.P.T.
25,19,600	31,10,501	1,26,68,701	57,29,512	—8,76,083	Bird & Co. Private Ltd.	650	Standard	111 00	100	1 00	*Nil*	*Nil*		3	Y.P.
£600,000	£925,119	£1,137,660	....	£83,548	Thomas Duff & Co. (India) Ltd.	1,794	Titaghur	9 62	£1	8%,11				12	Y.P.T.
55,25,500	66,80,143	2,01,42,357	89,47,895	—13,51,940	Bird & Co. Private Ltd.	1,828	Union	194 50	100	10 00	1 00	*Nil*		3	Y.P.
£400,000	£688,035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd.	1,331	Victoria	9 50	£1	8%,11				12	Y.P.T.
2,50,000	6,35,000	41,78,264	27,76,059	—4,15,285	McLeod & Co., Ltd.	447	Waverley	4 00	1	0 37	*Nil*	*Nil*		3	

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,630	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	21 87	10	1 37	0 50	1 25	1 25	3	Y.
12,00,000	9,49,390	27,46,675	25,26,182	70,917	Jardine Henderson Ltd.	Barares Coke	14 19	10	1 44	1 19	0 37		3.9	H.
4,49,350	88,000	9,25,102	1,19,530	1,317	Hajwali Mayji & Co.	Bengal-Bhatdee	11 63	10	0 63	0 75			12	Y.
1,00 00,000	1,62,18,157	6,38,12,756	4,41,90,343	11,48,060	Andrew Yule & Co., Ltd.	Bengal Coal	281 00	100	$5 00*P	17 50	17 50		10	Y.P.
2,25,000	3,76,706	24,82,075	22,49 060	—1,99,041	Andrew Yule & Co., Ltd.	Bengal-Nagpur	11 87	10	*Nil*	*Nil*	*Nil*		3	Y.
15,97,000	4,88,588	48,14,609	24,12,290	—94,579	E. V. Low & Co. (Private) Ltd. ..	Bhalgora	750 00xd	10	*Nil*				9	Y.
40,00,000	19,32,998	1,44,85,927	77,99,407	3,120	Sahi Jain Ltd.	Bharat Collieries	7 00	10	0 62	0 62	0 60		6	Y.P.T.
7,15,000	10 15,173	49,80,948	34,84,101	—4 92,586	M.	Bhulanbarares	9 75	10	*Nil*	*Nil*			12	Y.T.
7,50,000	24,50,150	46,69,896	27,71,129	26,931	F. W. Heilgers & Co. Private Ltd.	Borrea	19 25xd	10	2 00	1 50	0 75		12	Y.P.
90,92,480	1,70,33,767	4,87,67,222	1,99,68,078	98,339	Bird & Co. Private Ltd.	Burrakur	19 94	10	0 62	0 62	0 37		6, 12	H.P.T.
19,97,750	....	66,39,014	13,99,014	8,401	Hindustan Investment Corpn. Ltd.	Central India	8 25	10	0 25	0 50	0 50		12	Y.
8,00,000	12,90,590	49,56,445	33,71,358	23,320	M.	Central Kurkend	11 25	10	0 50	0 50			12	Y.
6,00,000	1,49,122	7,29,936(k)	....	10,537	F. W. Heilgers & Co. Private Ltd.	Churila	8 06xd	4	0 06	0 06	0 20		12	Y.
16,00,000	....	54,47,612	81,85,896	—67,585	Macneill & Barry Ltd.	Dhemo Main	8 75	10	*Nil*	*Nil*	*Nil*		12	Y.
£240,000	£962,876	£1 001,816	£784,050	£26,677	Jardine Henderson, Ltd.	East Indian	23 75	£1	3 00	2 50	1 50		4	Y.
29,63,750	92,25,027	4,84,84,587	3,12,09 700	99,782	Macneill & Barry Ltd.	Equitable	28 75	10	1 50	1 50	1 50		12	Y.P.T.
10,00,000	1,40,469	14,34,422	4,83,296	45,389	Bhatter's Agency Ltd.	Ghusick and Mealia	14 00	10	0 25	0 25			8	Y.
12,00,000	1,17,509	42,34,400	28,30,973	....	Kilnch Industries Ltd.	Hinari-Rampur	20 24	50	2 25	2 25	*Nil*		6	Y.P.
3,00,000	2,50,000	24,57,868	19,66 774	163	Macneill & Barry Ltd.	Hurriladih	15 00	10	2 50	1 50	*Nil*		12	Y.
8,50,000	3,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd.	Kalapahari	22 00	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
20,00,000	2,21,576	83,57,576	5,71,179	1,942	Bird & Co. Private Ltd.	Karanpura Collieries ..	125 00	100	2 50	5 00	*Nil*		3	Y.P.
5,00,000	19,96,031	49,73,401	39,04,335	1,68,572	Andrew Yule & Co., Ltd.	Katras Jherriah	70 00xd	10	4 50	6 50	6 56	6 50	1	Y.
11,00,240	68,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	2 75N	10	0 12	0 19			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd. ..	Lakurka	15 50N	10	0 12	0 12	0 12		4	Y.
7,48,240	2,25,000	13,41,892	9,39,780	55,356	Nanda Jhadwa Private Ltd. ..	Nantra	7 81	10	0 50	0 50	0 75		12	Y.
17,76,230	19,58 049	1,30,10,149	94,97,263	83,316	Andrew Yule & Co., Ltd.	New Beerbhoom	19 12	10	1 00	0 75	0 75		10	Y.P.
8 00 000	75,000	32,35,331	22,38,923	1,43,499	Octavius Steel & Co., Ltd. ..	New Manbhoom	12 50	10	*Nil*	*Nil*	0 50		3	Y.
1,15,000	3,85,824	13,05,389	9,24,131	25,543	Andrew Yule & Co., Ltd.	North West	{ 13 75N	10	1 37	1 50	1 50	1 13	3	Y.
1,57 500							{ 13 50N	7.50	1 03	1 12	1 12			Y.
7,50,000	15,69 648	3,97 666	2,77,666	41,941	F. W. Heilgers & Co. Private Ltd.	Ondal	11 75xd	10	1 00	0 75	0 50		12	Y.
15,00 000	1,10 000	41 24,518	19,79,271	25,420	K. C. Thapar & Bros. Private Ltd.	Oriental Coal	6 62xd	10	0 25				12	Y.
8,34,000	20,000	23,49,367	9,36,591	3,080	Deepchand Kishenlal	Parasea	15 00	10	1 00	0 50				
15,75 000	17,04,800	59,95,210	40,69,210	36,465	Shaw Wallace & Co., Ltd.	Pench Valley	25 19	10	1 50	0 70	2 00		8	Y.
22,99 500	25 66,861	1,87,28,021	91 98 862	29,060	R. N. Elias & Co. Private Ltd. ..	Raneegunge	13 87	10	0 62	0 37	0 75	2 00	3	Y.
13 50 000	6 38 385	42 17 417	82 81,916	24 549	Shaw Wallace & Co., Ltd.	Rewa	17 50	10	1 00	1 00	1 00		12	Y.
37 50 000	37,12,000	95,06,524	26,37,721	21 162	M.	Samla Collieries	10 25	10	1 00	1 25	0 90		12	Y.
2 50 000	1,96,802	18 78,480	12,81,237	21,070	M.	Searsole	5 25	2.50	0 75				1	Y.
2 80 000	9 25,068	29,24,442	19,99 221	48,188	Andrew Yule & Co., Ltd.	Seebpore	26 00	7	2 50	2 25	1 75		12	Y.P.
5 00,000	4,91 081	62,491	28,867	628	F. W. Heilgers & Co. Private Ltd.	Sendra	9 25xd	10	0 25		0 25		12	Y.T.
68 21,450	94,58,536	5 19,41,849	2,79,46,020	20,557	Industrial Trust Fund (Government of Andhra Pradesh)	Singareni	17 25cd	10	0 75	1 00			12	Y.T.
17,50,000	10,37,541	39,01,896	17,00 094	8 739	Bird & Co. Private Ltd.	South Karanpura	12 34	10	0 12	0 25	0 75		3	Y.
8,00,000	18,76,745	1 69,370	28,510	9 790	F. W. Heilgers & Co. Private Ltd.	Standard	11 12	10	1 00	1 00	1 00		12	Y.
10 00 000	....	31 92 994	15 48,502	—5 62 907	M.	Talcher	1 81	2.50	*Nil*	*Nil*			9	Y.T.
2,50,000	2,80 000	19 15 700	14 79 400	1,77,952	Williamson Magor & Co., Ltd. ..	Union	14 87xd	10	*Nil*	*Nil*	0 37		12	Y.
40,98 000	66,784	66 72 306	24,15 306	11,543	Hindustan Investment Corpn. Ltd.	Western Bengal	6 65	10	0 50	0 50	0 50		3	Y.
7,00,000	....	58,61,406	27,57,569	—3,49 103	Macneill & Barry Ltd.	West Jamaria	7 50	10	*Nil*	*Nil*	*Nil*		12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (a) Olive Mills have paid dividend at As. 10½ on bonus shares, for the year 1956. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1956 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.
N—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co. Dividend for 1954 and 1955 are on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

BANKING

(*Concluded from page 594*)

Reflecting the trend of interest in world capital markets, especially in the New York market, there were several changes in the Bank's loan interest rate during 1957-58. In July 1957, the Bank's rate was 5½ per cent. By October that year, it had risen to 6 per cent., but was lowered to 5½ per cent. in December 1957. Thereafter, it was reduced in successive steps and became 5⅜ per cent. in 1958.

In order to facilitate the expansion of its lending activities, the Bank borrowed larger sums from the capital market than in earlier years. The net borrowing of $625 million raiscd the Bank's funded debt to $1,658 million. More than half the new funds came from public issues of long-term bonds in the United States; the year's three issues totalled $375 million. The remaining $250 million was raised by private placements of short-term United States dollar bonds with the Beutsche Bundesbank, the central bank of the Federal Republic of Germany. Pointing out that a world-wide market exists for the Bank's bonds, the Report notes that, at the end of the fiscal year, an estimated 47 per cent. of the total outstanding debt was held by investors outside the United States. The Bank continued to replenish its resources by sales of parts of its loans. Banks and other institutions agreed to participate in this way in 22 out of the year's 34 loans. Approximately $48 million was thus raised. Nearly as large a sum was raised through sales of parts of loans already made. Funds available for lending were also increased by further releases made by member-countries from the 18 per cent. of their capital subscriptions which is payable in their own currency and can only be used with their permission. These releases were equivalent to $149

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000 / 14,40,000 / 1,81,000	1,98,00,000	10,41,547	Allahabad Bank	362·00 / 181·00 / 109·00	100	18 00 / 9 00 / 6 50	18 00 / 9 00 / 8 00	18 00‡ / 9 00‡ / 6 00		12	Y.P.
39,75,500	18,04,000	1,910	Andhra Bank	91·00	25	4 54	5 59	5 10		6, 12	H.
1,00,00,000	1,28,00,000	4,10,731	Bank of Baroda	122·00	50	6 00‡	7 00	7 00		12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner	21·48	25	0 87	1 12	1 25	3 00‡	12	Y.
2,50,00,000	3 10,00,000	16,02,881	Bank of India	137·25 / 140·00	50	3 00	3 00	3 00	3 00‡	6, 12	B.L.Y.
15,36,375	20,00,000	52,270	Bank of Indore	63·00N	25	3 50	4 00	4 25		12	Y.
50,00,000	25,00,000	20,176	Bank of Jaipur	42·50	50	2 00	2 50	3 00		12	Y.
50,00,000	91,95,613	1,37,085	Bank of Mysore	300·00	100	14 00‡	14 00‡	16 00	8 00‡	12	Y.
15,00,000	40,00,000	44,768	Canara Bank Ltd.	86·00	50	5 00	5 00	5 00		12	Y.P.
7,50,000	15,45,800	5,676	Canara Banking Corporation Ltd.	77·00	50	5 50‡	5 00‡	5 00‡		12	Y.P.
5,32,980'A' / 23,787'C'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	160·00 / 1·71	100'A' / 1'C'	12 50 / 12½%	15 00 / 15%	15 00 / 15%		12	Y.
2,03,11,875 / 23,43,375	4,08,60,821	18,44,046	Central Bank of India Ltd.	57·50 / 59·00	25	3 00	3 50	3 50	1 50‡	12	R.L.
50,00,000	40,00,000	2,80,320	Devkaran Nanjee Banking Co.	46·50	50	2 50	3 00	3 00	1 25‡	12	Y.
2,00,00,000	2,00,00,000	10,46,442	Habib Bank (P)	36 87	5	0 87	1 37	1 06		12	Y.
1,25,00,000	6,93,800	21,046	Hindustan Commercial Bank	8 75	50	*Nil*	*Nil*			12	Y.
50,00,000	1,80,000	4,225	Hindustan Mercantile Bank	12 25	50	*Nil*	*Nil*	*Nil*		12	Y.
44,00,000 / 22,40,000	1,00,00,860	2,04,876	Indian Bank	222 xd / 181 50·d	100	12 00‡	13 00	15 00‡	6 50‡	6, 12	B.L.H.
50,23,150	46,36,200	2,32,057	Indian Overseas Bank	157·00	100	7 50	10 00	10 00		12	Y.
10,00,000	10,25,000	33,502	Pandyan Bank Ltd.	21 75	25	1 87	1 87	1 87		12	Y.
1,25,00,000	1,16,00,000	4,51,904	Punjab National Bank	63 00	25	3 50	4 00	5 00	2 50‡	12	Y.
1,00,80,000	29,17,000	5,628	Travancore Bank	25 50	25	1 00	1 00	1 25		12	Y.
40,00,000	40,00,000	1,50,252	Union Bank of India	32	5	0 87	0 44	0 44		12	Y.
2,00,00,000	1,34,00,000	49,482	United Commercial Bank	68·00	50	2 75	3 50	3 75		12	B.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent)					
£4,400,000	£5,700,000	£412,542	Chartered Bank	£2-6-6	£1	15†	15†	15†		12	Y.
H.K. $50,000,000	H.K. $128,000,000	H.K. $2,062,468	Hongkong and Shanghai Banking Corporation					12½*			
£18,565 978	£18,800,000	£826,712	Lloyds Bank	£41½ / £2-18-3	H.K. $125 / £1	5* / 12†	5* / 18†	7½ / 18†	11½*)	12 / 12	Y. / Y.
£2,940,000	£2,100,000	£231,452	Mercantile Bank Ltd.	£1-14-0	£1	14†	14†	18‡†		12	Y.
£3,851,363	£3,104,687	£345,589	National Overseas and Grindlays Bank Ltd.	£1-4-3	sh. 12½	15†	15†	15†		12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R. I.—Reserve liability on shares. (I) Interim. * £ per share free of tax. xr—Ex-Right. Z.—The final dividend of £1-12-6 is on the increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
10,50,000	6	1st December and 1st June	Carew & Co.	1962	92.00	1st June .. 1962
4,00,000	5½	1st March and 14th September	Carew & Co. (2nd mortgage)	1941	90.00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.15	27th December .. 1962-63
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00	1st November .. 1963-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November .. 1963-64
COAL						
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
99,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	87.00	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December .. 1968 (a)‡
COTTON						
7,00,000	5½	30th June and 31st December	Rasnati Cotton Mills Ltd.	1942	85 00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1937	99 00	15th November .. 1966 (b)
70,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	98.00	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	130.25	1st April .. 1967-72
18,71,400	5½	30th June and 31st December	Jaykaya Textiles	1949	90.00N	1st January .. 1956-59
99,00,000	5	1st June	Tata Mills	1951	93 00	15th November .. 1967
ELECTRICS						
10 00,000	4½	31st March and 30th September	Agra Electric Supply Co. Ltd.	1950	90.00	31st March .. 1965 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co Ltd.		99 00	14th June .. 1960
98,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1948	98 75	1st October .. 1958
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90 00	31st December .. 1964 (a)
44,048,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97 50	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gwerpore Electric Supply Co., Ltd.	1945	84 00	31st December .. 1970
12,50,000	5	1st January and 1st July	Sijua (Dhanbad) Electric Supply Co., Ltd.	1951	91 00	30th June .. 1976 (a)
5,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	95 00	1st April .. 1950-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	93 50	30th September .. 1953-68
67,72,900	5	1st April and 1st October	Tata Power	1940	99.00	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power		86.00	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1960
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Reserve)	1942	97 00N	1st July .. 1967-82
10,00,000	6	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	80 00	31st May .. 1971
2,00,00,000	5	1st April and 1st October	Tata Locomotive	1946	96.50	1st October .. 1966 65
40,00,000	6	31st December	Textile Machinery Corporation Ltd	1950	95.50	31st December .. 1966 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	90 50	31st March .. 1960
4,00,000	5½	30th June and 31st December	Alexandra	1939	91 00	30th June .. 1960
15,00,000	6	31st December and 30th June	Anglo-Indian Jute Co. Ltd.	1945	77 00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90 00	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	86 00	31st July .. 1959
10,00,000	5	30th June and 31st December	Chitavas Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90 00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90 00	15th July .. 1966 (a)
20,00,000	5½	31st March and 30th September	Howrah Mills Co. Ltd.	1956	94 00	31st March .. 1970
15,00,000	5	30th June and 31st December	Khardah Jute Mills Co., Ltd.	1949	90 00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90 00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92 00	14th May .. 1959
30,00,000	4	30th June and 31st December	Northbrook Jute Co. Ltd.	1945	80 00	31st December .. 1964
24,00,000	5	31st March and 30th September	Kelinase Jute Mills Co., Ltd.	1950	85.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	90 00	31st March .. 1967
10,00,000	5½	31st January and 31st July	Waverly	1925	80.00	31st July .. 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£850,000	4½	1st January and 1st July	Calcutta Tramways	1900 / 1923	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
£189,363	5	1st April and 1st October			£74.10N	
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1960 (a) Any time on six months' notice (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£64N	1st September .. 1966
4,14,12,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	96.00	
PLANTING						
11,25 000	6	31st March and 30th September	Nilgiri Tea		99.50	1st April .. 1962-66
1,27,000	5½	31st March and 30th September	Tenbey	1944	100.00	31st March .. 1962-66†
MISCELLANEOUS						
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1942	92 00	31st December .. 1962
23,60,000	4½	1st January and 1st July	Associated Hotels of India	1942	85 00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	100 25	1st September .. 1964-69 (a)¶
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1953	100 80	1st October .. 1970
21 80 000	5½	1st February and 1st August	Chowringhee Properties	1915	85 00	1st February .. 1964
10,29,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1938	82 00	1st July .. 1963
98,00,000	4	15th March and 15th September	Dalhousie Properties	1948	78 00	15th September .. 1968
1,80,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	84.00	1969
1,05,21,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	103 00	1st January .. 1971(a)††
1,50,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	100 50N	30th June .. 1964 (a)‡
15,00,000	3	2nd January and 2nd July	Metmar Chemical Industries	1949	83 00	30th September .. 1964
9,53,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	540 00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	465.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	84 00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100 00	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	91 50	31st March .. 1961 (a)
1,00,00,000	5	30th June and 31st December	Rohtas Industries Ltd.	1946	91 00	31st December .. 1969
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	100.75	1st May .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-4-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1968, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 9th October, 1958.

	Closing quotations 1-10-1958	High	Low	Closing quotations 9-10-1958
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	167 50	—	—	167 50
Ajanta (2)	1 48	1 44	1.36	1 40
Bombay Dyeing (25)	58 90xd	59.50	57.50	59 50
Bradbury (50)	175 00	—	—	175 00
Central India (100)	91 50	91 50	88 50	91 00
Century Mills (100)	444 50xd	447 00	435 00	446 00
Colaba (100)	29 75	30.75	29.75	30 75
Edward Textile (200)	257 50	—	—	257 50
Elphinstone (50)	40 00	—	—	40 00
Finlay (100)	288 00	284 00	279 50	283 00
Gokak (100)	147 50	147 50	144 50	144 50
Ind. Untd. Deld. (1)	1 22	1 20	1 16	1 16
Ind. Untd. Ord. (10)	9 36	9 32	8 96	9 32
Indore Malwa (100)	103 50	106 00	102 50	106 00
Khatau (100)	177 50	180 00	176 25	177 50
Kohinoor (100)	271 00	272.50	264 00	272 50
Lakshmi (250)	442 50	—	—	442 50
Minerva Mills (100)	64 00	—	—	64 00
Model Nasyur (250)	175 00	172 50	167 50	172 50
Morarji (100)	245 00	245 50	244 00	244 00
Mysore (50)	95 00	—	—	95 00
National Rayons (100)	239 00	248 00	234 75	240 00
New City (100)	113 75	—	—	108 75
New Great (100)	215 00	220 00	215 00	220 00
Phoenix (100)	137 50	132.50	131 25	132 50
Pedar Mills (100)	138 00	—	—	138 00
Ramnagar Silk (10)	10 00	10.00	9.76	9 76
Sassoon Spg. (10)	41 00	—	—	41 00
Sholapur (1,000)	381 25	—	—	381 25
Shrinivas (100)	148 50	150 00	148 00	149 00
Simplex (100)	170 00	180 00	176 00	180 00
Standard (100)	418 00	417 00	405 00	414 00
Svadeshi (100)	186 00	189 25	182 50	189 25
Swan (100)	360 00	360 00	350 00	350 00
Tata Mill (25)	38 00	38.00	37.00	37 50
Vishnu (100)	102 00	—	—	102 00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	137 00	137.75	137.00	137.25
Do. (New) (50)	139 00	140 00	139.00	140 00
Bank of Baroda (50)	122 50	122 50	121 50	122 00
Central (25)	58 00	57 80	57 20	57 50
Central 'A' (25)	59 50	60 00	59 00	59 00
Dena Bank (50)	46 00	46 50	46 00	46 00
Punjab National (25)	65 00	65 00	62.00	62.00
Union Bank (5)	7 40	7 40	7.28	7 32
United Com. (50)	67.00	68.00	67.00	68.00
ELECTRIC COS.				
Ahmedabad (100)	98.80	99 00	98 20	98 50
Amalgamated (10)	11 04	11 28	11 04	11 28
Andhra Valley (1,000)	1,172 50	1,173 75	1,162 50	1,173 75
Bom. Pub. El. (100)	113 50	115 50	112 50	113 50
Surat (100)	118 00	118 00	117 00	117 00
Tata Hydro (100)	123 50	128 00	122 00	122 50
Tata Power (1,000)	1,257.50	1,260.00	1,242.50	1,260.00
INSURANCE COS.				
British India (10)	15 72	—	—	15.72
Empire of India (100)	265 00	—	—	265.00
Ind. Mercantile (20)	47 00	48 25	47.75	48 25
Jupiter (10)	6 40	6 40	6 40	6 40
New India (15)	47 00	47.50	46.25	47 50
Oriental (200)	4,035 00	—	—	4,035 00
Universal (10)	13 00	—	—	13 00
Vulcan (10)	19.80	—	—	19.80
STEEL COS.				
Ind. Iron (10)	26 75	27 05	25.75	26.95
Tata Steel Ord. (75)	175.75xd	178.00	170.50	178.00
SUGAR COS.				
Belapur (50)	313 00	313 00	305 00	312 00
Bhopal (10)	25 55	27 00	25 55	27 00
Phalton (10)	175 50	178 50	169 50	178 50
Walchand Ind. (100)	288.00	291.25	285.00	288.75
CEMENT COS.				
Associated Cts. (100)	157.75	158 75	156 25	158.25
Digvijay (100)	147.75	148.00	146.00	146.00
MISCELLANEOUS				
Alcock Ashdown (100)	265 00	267 50	257 50	265.00
Bom. Burmah (125)	505 50	501 00	485 00	499 00
Do. (New) (50)	181 25xR	181 25	172 50	173 00
Br. B. Petrol (4 sh.)	2 16	2 18	2 10	2 14
Br. I. Corpn. (5)	3 90	—	—	3 68
C. P. Rly. (100)	56 00	57 50	56 00	56 50
Hindusthan Motors (10)	7 84	7 92	7 04	7 84
Indian Copper (2 sh.)	4 00	4 08	3 96	4 08
Ind Inv. Tr. (100)	81 00	81 00	78 50	79 00
Killicks (100)	150 00	150 25	149 50	150 00
Polson (100)	167 00	—	—	167 00
Pre. Automobiles (100)	91 00	90 50	87 50	90 50
Premier Con. (20)	225 50	230 50	210 00	228 75
Scindia (20)	21 20	21 92	20 76	21 88
G. E. Shipwright (10)	25 90	27 40	26 40	27 10
Shivrajpur (10)	90 50	90 50	88 00	90 00
Tata Chemicals (10)	17 52	17 44	16 68	17 04
Tata Locomotive (100)	190 00xd	198 00	182 50	186 25
Tata Oil (25)	39 25	38 50	38 50	40 00
W. I. Match (100)	187.50	192 50	186.50	190.00

GOVERNMENT SECURITIES	1-10-1958 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	9-10-1958 Rs.
2½% 1961	97 15	—	2 54	97 15
2½% 1962	99 00	—	3 31	99 00
2½% 1963	96 80	—	3 57	96 80
2½% 1964-66	83 20	—	4 08	83 20
3 % 1959-61	99 85	3 16	3 02	99 95
3 % 1964	96 75	—	3 58	96 75
3 % 1965-68	96 70	3 71	3 50	96 70
3 % 1966-68	94 00	3 88	3 71	94 05
3 % 1970-75	89 90	4 06	3 86	90 05
4 % 1960 Con. Loan	74 10	—	4 06*	74 05
4 % 1960-70	100 60	3 70	3 94	100 65
2½% 1961 N.P. Bonds	100 20	—	3 44	100 15
2½% 1964 N.P. Loan	100 05	—	3 51	99 90
2½% 1965 N.P. Bonds	99 70	—	3 55	99 70
2½% 1962	99 15	—	3 49	99 15
2½% 1967 N.P. Bonds	98 85	—	3 63	98 85
2½% 1974	98 30	—	3 89	98 30
2½% 1967 N.P. Bonds	100 35	—	3 70	100 40
4 % 1972 Loan	100 50	—	3 94	100 50
2½% 1963 N.P. Bonds	100 05	—	3 50	100 00
2½% 1966 N.P. Bonds	100 25	—	3 67	98 90
4 % 1973 Loan	100 30	—	3 98	100.30

BRITISH GOVERNMENT SECURITIES

	Closing quotations 30-9-1958 £			Closing quotations 7-10-1958 £
2½% Brit. Consols	51⅝	—	—	52½
3 % Savings Bonds 1965-75	73⅛	—	—	74⅛
3½% War Loan 1952-59	69⅛	—	—	69⅝
3½% War Loan	68⅛	—	—	69⅛
4% Victory Bonds 1976	94⅜	—	—	95
4% Funding 1960-90	87¼	—	—	87⅝

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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RAISING THE CAPITAL OF THE WORLD BANK

THE Board of Governors of the International Bank for Reconstruction and Development—the World Bank for short—unanimously decided at the annual meeting held at New Delhi, last week, that "the Executive Directors should promptly consider the question of enlarging the resources of the Bank through an increase in its authorised capital" and that "they should submit an appropriate proposal" at an early date, having regard to the views expressed by the representatives of the member-countries. The relevant resolution introduced by the U.S. does not, as in the case of the International Monetary Fund (the I.M.F.), mention the extent of rise in the Bank's capital. The U.S. delegate, Mr. C. Douglas Dillon, merely expressed the view that an increase in the capital of the Bank should be of sufficient magnitude to permit the Bank to sustain its lending operations at a substantially expanded level over an extended period. But it was the U.K. delegate, Mr. Reginald Maudling, who suggested that the capital be doubled. None of the other members who spoke on this subject stated any specific figure. It is rather surprising why no one reiterated theless, the general impression is that the theless, the general impression is that the Bank's capital would be doubled. The Bank's staff has already started work on it. Mr. Eugene Black, President of the Bank, stated, before he left India, that specific proposals would be put forward by December 1958, so that the U.S. Congress and the Parliaments of other member-nations might be able to give their approval to them in the first quarter of 1959. Actually, a plea to this effect was made by Mr. Maudling in his speech on the Bank's annual report. It would thus be seen that the leading member-countries and executive authorities of the Bank are quite earnest about the proposal.

Before examining how the increase in the capital of the Bank would work, it is desirable to explain why the capital has to be raised. The following quotation from Mr. Black's speech will answer the question:

"Up to now, there has been no reason for me to suggest at these meetings that the financial resources available to the Bank were insufficient in amount for the task the Bank is designed to perform. In our earlier experience, the most significant limitation on our operations was the lack of suitable projects; this is still the limitation in some member-countries. Later, weakness in fiscal management and its effects on what we in the Bank call 'creditworthiness' emerged as another limitation on our lending; it is still a substantial limitation. But, despite the persistence of these limitations, we are now confronted with a situation of another kind. We are approaching the day when the Bank may be getting a larger number of meritorious applications from its member-countries than we shall be able to find money for on reasonable terms. As the increased tempo of our lending implies, many of our member-countries are satisfying the tests of project preparation and fiscal management; moreover, among our rapidly increasing membership, all our new members are capital-hungry. For the first time in the Bank's existence, the quantity of financial resources available to the Bank may soon be seriously inadequate."

There was not a single dissenter. On the contrary, every member who spoke at the meeting agreed with Mr. Black and welcomed the move to raise the Bank's capital. This quick understanding and approval of the proposal signify three things. First, they reflect the member-countries' appreciation of the excellent work that has been done by the World Bank as a mobiliser of private capital for international development and confidence in its ability to carry on this job. It may be noted, in this connection, that the Bank has so far raised over $2.4 billion from the private capital market—over $2 billion through the sale of its bonds and about $400 million by the sale of its portfolio to private investors. The second significance is that countries all over the world have come to realise the need for, and the value of, international economic co-operation to an extent that was not comprehended before World War II or even during the initial post-war years. Mr. Black's remark that "more and more economic development is the way out of the whirlpool of ferment and frustration in which so much of the underdeveloped world finds itself" received the approval of nearly all members. And, thirdly, there is widespread awareness that it is infinitely better to channel movement of foreign investment capital through international economic agencies, such as the World Bank, which measure the need for development capital objectively, than through bilateral negotiations between Governments which are liable to become complicated by extraneous considerations of international politics.

Unlike in the case of the I.M.F. and contrary to our earlier understanding, the proposed increase in the capital of the World Bank does not, we are told, involve any payment at all by the member-countries into the Bank, because no such payment is contemplated. In fact, Mr. Maudling expressed the hope that the Bank's operations would be so managed that the additional capital would all remain uncalled. This is undoubtedly one of the reasons why all member-countries are readily agreeable to a doubling of the Bank's capital. As many may not understand as to how the Bank could expand its activities if the proposed increase in its capital does not bring in any additional funds by way of share money, the point requires to be explained. The Bank's capital, it may be recalled, consists of three parts. First, the authorised (and subscribed) capital. This consists of shares (quotas) allotted to each country and goes on increasing as more and more countries become members. The second part is equivalent to issued capital in a joint-stock company. This constitutes 20 per cent. of the authorised capital. The third part represents the actual paid-up capital, being 2 per cent. of the authorised capital. This portion is payable in gold and/or U.S. dollars. The balance of issued capital, that is, 18 per cent. of the authorised capital, is callable by the Bank only with the consent of the member-countries concerned and for the purpose of its business. In practice, the Bank negotiates with each member-country and obtains this portion of the capital in instalments over a period of years, taking into consideration the balance of payments position of the country and its own need for currencies other than U.S. dollars. The U.K., for instance, has not yet paid in full the 18 per cent. subscription. The U.S.

and Canada are the only two countries to pay the entire 20 per cent. of the authorised capital at one stroke when the Bank was established.

According to the Bank's charter, 2 per cent. of a member's subscription should be in gold and/or dollars, 18 per cent. in member's own currency callable subject to negotiation between the Bank and the member and the balance of 80 per cent. is to remain as uncalled liability. This 80 per cent., together with the uncalled portion of the callable 18 per cent., constitutes a reserve in the last resort, on which the Bank can fall in order to meet its losses and liabilities to its bond-holders. This is a contingency which may never arise, because the Bank is being well managed, its investments are sound and guaranteed by the Governments of the countries concerned, and it has already built up a sizable reserve amounting to over 20 per cent. of its funded debt. In our last issue, it was assumed that, on the basis of the Bank's Charter, its members would have to pay 2 per cent. of the proposed increase in capital in gold and dollars and that the U.S. and Canada would pay their entire share of 20 per cent. (2 per cent. plus 18 per cent.) in dollars, as they did when it was established. This will not take place, if the whole idea is, as it seems to be, only to raise the authorised capital. In that case, the Bank's Charter will have to be suitably amended, reducing the 2 per cent. payable in dollars to 1 per cent. and the 18 per cent. callable in national currency to 9 per cent. and increasing, at the same time, the uncalled liability to 90 per cent. Or, alternatively, the existing percentages may be frozen, and not made applicable to the proposed increase in the authorised capital. This can be done by creating a new class of shares, say, 'B' stock, and designating the existing shares as 'A' stock. It will be interesting to see how the management of the Bank decides to solve the problem, which is mainly a task for its lawyers.

The total authorised (and subscribed) capital of the Bank, as on 30th June 1958, is $9,405 million. The paid-up capital is only $1,881 million, of which $758 million are in U.S. dollars and the balance in other currencies. The uncalled liability, subject to call to meet the Bank's obligations, is $7,524 million, of which the U.S. share is $2.540 million and that of the U.K. $1,040 million. When the proposed doubling of the capital is carried out, this reserve liability will go up by about $9,500 million (the exact amount will depend upon the number of members and the quota given to the new members), that is, to the large figure of $17,024 million. Of the latter amount, the U.S. share will be $5,715 million. The reserve liability, it must be noted, is guaranteed by the Governments of all member-countries. Investors who lend to the Bank are thus assured of full protection up to the size of its capital. It is this guarantee, among other things, that imparts strength to the Bank to raise resources in the capital markets of the world. Accordingly, when the Bank's authorised (and subscribed) capital is raised, its capacity to borrow from private investors is also raised to a corresponding extent. This is how even a mere increase in the authorised capital will enable the Bank to increase its activities in the coming years.

Although every member-country is liable to meet the Bank's liabilities to the extent of its subscription to capital, investors in the U.S., Canada and Europe attach greater, if not sole, importance to the share of the U.S. This is understandable, because the U.S. economy is immensely strong and its currency is readily convertible. The general belief is that, once the Bank's borrowings reach the total U.S. uncalled liability of $2,540 million, it may not find it easy to raise additional funds from the capital markets. And, as against the current U.S. liability of $2.5 billion, the Bank's net outstanding funded debt is $1.7 billion, so that the margin left for future borrowings is not appreciable. The net increase in the Bank's funded debt in one year—1957-58—alone was no less than $625 million. A similar increase this year will bring the total very nearly to the level of the uncalled liability of the U.S. The importance and urgency of raising the Bank's capital are thus obvious. As more and more currencies become strong, stable and convertible, there will, of course, be a significant improvement in the Bank's capacity to raise resources from capital markets. If, for instance, sterling becomes convertible, it will greatly strengthen the borrowing power of the Bank. The uncalled liability of the U.K., it may be noted, is equivalent to as much as 1,040 million U.S. dollars.

Even though no immediate payment is involved in the proposal to raise the capital of the Bank, there will be an addition to the contingent liability of every member-country. In the case of the U.S., this liability is large, $3,175 million to be precise. Will the U.S. Congress readily give its consent to the assumption of this liability by the Administration, in addition to voting $1.375 million for the I.M.F. payable in cash? The mood of the Congress is by no means quite favourable and the Administration has, indeed, a tough job ahead. But its task will be rendered easier, to some extent at least, if the Parliaments of all the other member-countries give their approval to the proposals quickly. It is needless to add that it is in their own interest to do so, for their countries stand to benefit most by the increase in the resources of the Bank and the Fund. Viewed in this context, the announcements made by a number of member-Governments at the annual meeting last week that they are ready to make available to the Bank fuller use of the 18 per cent. of their capital subscriptions constitute a welcome development. The Governments of underdeveloped countries, in general, and India, in particular, can help the U.S. Administration to win the support of the Congress by showing greater evidence of their faith in private enterprise through provision of more scope and encouragement. It is common knowledge that almost all the representatives of Western countries who spoke both within and outside the *Vigyan Bhavan* at New Delhi emphasised the need for stimulating individual initiative and enterprise, so that economic growth may be speedier and on sounder basis. Surely, it will be politic on their part, if the underdeveloped countries pay heed to this well-meant advice of their Western friends, from whom they are expecting help in a variety of ways, instead of turning a deaf ear to it. They have to bear in mind that the Governments of all Western countries, unlike their counterparts in the Communist world, can help them only with the approval of their respective Parliaments, which means public opinion that is organised and vocal.

A PLAN FOR AGRICULTURE

A COMMENDABLE attempt at reappraisal of India's agriculture and formulation of an imaginative, and at the same time practical, plan for it has been made by Messrs. B. P. Singh Roy, C. H. Bhabha, Tulsidas Kilachand and B. M. Birla, to whose brochure, entitled *Suggestions for Agricultural Self-sufficiency*, further reference has been made elsewhere in this issue. The blueprint of the plan envisages an investment of Rs. 1,305 crores over a period of ten years, during which time the additional income from agriculture is expected to go up steadily to reach a total of Rs. 1.350 crores at the end. There is no doubt that the blueprint will be widely welcomed in that it once again focuses public attention on agriculture—an issue which has been the subject of animated Parliamentary discussion. The authors rightly pin their faith to four main factors which determine agricultural output—provision of irrigation and water facilities, adequate supply of fertilisers and their application to different types of soil, mechanised ways of farming and use of tractors, and supply of better quality seeds. Appropriately enough, each of these factors figures prominently in the plan. For reasons which are too well known to need reiteration, the authors have urged that the food problem must be given "an overall priority and placed on a war footing." They add: "Without giving a sense of urgency to this vital problem, nothing worthwhile could be achieved." In the last ten years, India has imported foodgrains valued at Rs. 1,200 crores. If we had saved only half this amount—in other words, produced enough to meet 50 per cent. of our food deficiency—we would not have had a foreign exchange crisis to contend with. The failure to increase agricultural production, as the authors point out, has not only "affected our economic progress but also impaired our reputation abroad, as much publicity has been attached to this major deficiency in our economy." It is to be hoped that this brochure will induce the authorities to draw up a bold and constructive plan for agriculture.

A great deal of emphasis is placed by the authors on the provision of irrigation facilities. The major requirements under their plan will be to provide adequate irrigation facilities for 100 million acres of land for purposes of intensive farming. At present, about 60 million acres of land are under irrigation out of a total of about 330 million acres of cultivable land. The authors also attach great importance to minor irrigation schemes such as tube-wells, pumps and repairs to old tanks. Intensive work, it is said, will have to be done on the village unit level so that all possible sources of water supply are tapped for purposes of irrigation. In this context, a somewhat intractable issue has been the problem as to how best the time-lag between the creation of irrigation facilities and their utilisation could be reduced.

The first Five-year Plan envisaged an addition of 14 million acres to the irrigated area which at the beginning of the Plan was some 51 million acres. The second Plan envisages an addition of 21 million acres of irrigated land. No reliable estimate of the actual land brought under irrigation in the second Plan is available. But it is known that only half of the water potential so far created has been used. This is certainly a deplorable development. After all, the non-utilisation of water facilities built up at such heavy expenditure implies a national waste. A recent article in the *Yojana* summed up the essence of the problem when it indicated some of the reasons why this time-lag persists. It would appear that, in a number of States even if the headworks and reservoirs are ready, the feeder canals are not; in some places, both are ready, but main canals are not. Again, the Government creates irrigation facilities up to the nearest Government channel. Beyond this point, the network of bunds and field channels has to be set up by the cultivators themselves. This has not been done. Litigations and complaints relating to field channels dog the progress of the utilisation of water potential.

There is also the somewhat difficult issue of water rates. Many farmers would rather not use the water than pay the cess. Naturally, the State Governments are anxious that the farmer should pay, in the shape of water cess, a part of the increased income which he would derive as a result of the utilisation of water facilities. While this may be a legitimate economic argument, especially considering that these irrigation works are highly capital-intensive, it cannot be denied that, from the overall national point of view, it is necessary that the rates should be kept attractively low, if not abolished altogether, in order to induce the farmer to utilise the available water supply. Further, the farmers should be given ample credit facilities so that they will be in a position to construct the necessary network of bunds and field channels. A system of phased levy of cess has been implemented in certain States. Under this system, a farmer gets free water in the first year; in the following years, the rate is steadily raised.

Emphasising the need for appropriate water tax policy, the authors of the brochure suggest that, in the early stages, the Government should make water available to agriculturists without insisting on immediate cash payment and that it should be possible later on to recover the cost, including interest and depreciation, from the agriculturists when agricultural output increases as a result of the increased irrigation facilities. This and other issues relating to the utilisation of irrigation facilities are bound to be examined closely by the official team which was appointed in August last to collect information regarding the water potential created by irrigation projects and the area actually irrigated or to be irrigated. Although the team is presumably intended to collect only factual data, it should be perfectly within its competence to indicate the lines on which a correct water tax policy should be evolved. The report of the team, which is expected to be ready by the end of next month, will be awaited with interest.

Finally, the authors have done well to stress the importance of a right land policy. Ideological considerations, as they insist, should be avoided as far as possible, if "agricultural production is to be tackled effectively and the agriculturist is to be assured of his place in the economy of the country." They also make the point that agriculture should be placed on a business footing. In this connection, they observe: "In the same way as the price of an industrial product must be related to the cost of production, the price of agricultural produce should be such that the agriculturist is able to get adequate return. The agriculturists should at least be able to earn as much as industrial workers." Surely, if the farmer, instead of being treated merely to a series of hortatory discourses, were to be given the necessary incentives in the shape of an assurance of minimum prices for his produce and easy availability of credit and material facilities, there would be a significant increase in agricultural output in the country. Because of their neglect of the need for appropriate incentives, our plans for agriculture have often missed the essence of the problem.

STEEL RETENTION PRICES RAISED

FOREIGN AID STATISTICS—STERLING CONVERTIBILITY—SUDAN COTTON

THURSDAY, 5 P.M.

THE share market is in a hesitant mood. Last week's bullish phase has virtually come to a halt and the operators do not appear to be inclined to stretch it further. Sentiment no doubt remains intact, thanks to the steadiness of steels, which do not appear to be dissatisfied with the increase in retention prices announced on Monday this week. Textiles, however, prove to be a drag on the market, despite hopes that some more incentive might be offered by the Government to encourage cloth movement. Thus, while Tata Ordinaries remain steady around Rs. 177 and Indian Irons at Rs. 27, prominent counters in textiles have lost sizable ground. Bombay Dyeings are Re. 1.30 lower over the week at Rs. 58.20, Centurys have dropped Rs. 8.50 to Rs. 437.50 and Kohinoors have lost Rs. 5 to Rs. 267.50. Bombay Burmahs continue their downward trend, having lost in the course of the last four weeks (since the shares were listed *ex-right* Rs. 33 to stand at Rs. 490.

MARKET GOSSIP

The increase of Rs. 14 per ton in the retention price now granted to T.I.S.Co. and I.I.S.Co. is on top of an increase of Rs 12 per ton announced in July 1957. The latest increase, like the one granted last year, will be equated over the entire period of five years 1955-56 to 1960-61. This does not, however, take into account the additional excise duty levied on 16th May 1957. Adjustments to compensate this increase will be allowed only on despatches from that day. Based on the effect on finished steel, the incidence of the additional duty will be Rs. 45.74 per ton and will be adjusted from the date of levy. It was in February 1956 that the Tariff Commission fixed the retention price at Rs. 393 per ton for the five-year period 1955-56 to 1960-61. Since then, excluding the incidence of excise duty, the increase in retention price (to compensate for the rise in costs) granted to companies is Rs. 26 per ton. This brings the present retention price of steel to Rs. 419 per ton. If the incidence of excise duty is also taken into account, the retention price comes to Rs. 464.74 per ton.

While the share market may not be dissatisfied with the latest increase in retention price, there is reason to believe that the companies may not feel happy over it. So far as the T.I.S.Co. is concerned, it had asked for an increase of Rs. 64 per ton, including the incidence of additional excise duty. If the element of excise duty is excluded, the increased price asked for was Rs. 18 per ton, as against which it has now been granted only Rs. 14 per ton. Thus, in all, the Company has so far received, as already pointed out, an increase of only Rs. 26 per ton for the five-year period on account of rise in manufacturing costs brought about by the increase in freight rates, rise in statutory prices of coal and other fuel, raw materials, stores and machinery, labour costs, etc. This rise, which works out to no more than 6.6 per cent., does not compare well with the trend of prices in other commodities. It is also stated that the latest increase in retention price does not take into account the recent increase in railway freight structure, so that the industry's case for a still further rise in retention price is not unjustified.

* * * *

There are now definite indications of further large-scale financial assistance forthcoming from abroad. Dr. Ludwig Erhard, Deputy Prime Minister and Minister for Economic Affairs of West Germany, has announced that his country will be offering about Rs. 29 crores ($60 million). Simultaneously, Mr. S. Horie, President of the Bank of Tokyo Ltd., has revealed that the Export-Import Bank of Japan is negotiating for another yen credit of Rs. 24 crores ($50 million) to India. Meanwhile, the Canadian Finance Minister, Mr. Donald M. Fleming, has announced a further Rs. 4-crore ($8.8 million) wheat loan. These are the only commitments so far in respect of the estimated foreign exchange requirements of Rs. 309.40 crores ($650 million) for the rest of the second Five-year Plan period. Talks for raising the balance are expected to be initiated at Washington by Mr. B. K. Nehru, Commissioner-General for Economic Affairs, sometime next month.

While the results of the proposed negotiations for further aid will be watched with interest, one would want to know the exact quantum of foreign assistance actually received by India. This aspect must be specially stressed because the information available about it is so confusing, thanks to the conflicting statements made by different spokesmen of the Government on different occasions. It will be recalled that Mr. T. T. Krishnamachari, ex-Finance Minister, stated in the course of his speeches in the U.S. during the last quarter of 1957 that what India needed was the sum of Rs. 600 crores ($1,260 million) by way of foreign help in order to bridge the gap in the Plan. After his visit, four countries came out with loan authorisations aggregating Rs. 234 crores, of which the U.S. accounted for Rs. 107 crores ($225 million), W. Germany for Rs. 75 crores (DM 660 million), France for Rs. 28 crores (25 million francs) and Japan for Rs. 24 crores (18 billion yen). Subsequently, the World Bank announced two loans—one for Calcutta and Madras ports (Rs. 20 crores or $43 million) and another for the D.V.C. project (Rs. 12 crores or $25 million)—the U.S. granted Rs. 27 crores ($57 million) for grains under P.L. 480, and Japan offered Rs. 10 crores ($20 million) for development of iron ores in Orissa State. All these aggregate Rs. 69 crores ($145 million), which, together with the loans mentioned earlier, bring the total aid received after Mr. Krishnamachari's return from abroad to Rs. 303 crores.

If the aforesaid amount of Rs. 303 crores were deducted from Rs. 600 crores mentioned earlier, the gap in the Plan would come to Rs. 297 crores. But Mr. Morarji Desai, the present Finance Minister, stated in the Lok Sabha on 13th August 1958 that the foreign exchange requirements for the three years (1958-59, 1959-60 and 1960-61) were of the order of Rs. 560 crores. Such a discrepancy in the foreign exchange balance-sheet is ununderstandable.

Apart from the above discrepancy, the official figures relating to the quantum of foreign assistance authorised so far are widely divergent and greatly confusing. In the *Appraisal and Prospects* of the second Five-year Plan (dated 26th April 1958), the Planning Commission put the foreign assistance authorised between April 1956 and April 1958 at Rs. 774 crores (including the I.M.F. credit of Rs. 95 crores). The amount mentioned by the Commission in its *Reappraisal* (September 1957), however, is lower at Rs. 747 crores. Still lower is the figure of Rs. 513 crores which the Finance Minister mentioned in the Lok Sabha on 13th August 1958 when he said: "As on 1st April 1958, the foreign aid already promised which amounts to Rs. 513 crores was fully taken into account." Obviously, this sum is exclusive of credits aggregating Rs. 234 crores granted by the U.S., W. Germany, Japan and France. Adding this sum to Rs. 513 crores, the total comes to Rs. 747 crores which is the same as that given by the Planning Commission in its *Reappraisal*.

If foreign aid authorised during the first two years of the Plan is taken as Rs. 747 crores and the total foreign aid offered since then is placed at Rs. 427 crores ($897 million), the total aid comes to Rs. 1.174 crores, or Rs. 136 crores more than the Rs. 1,038 crores assumed in the *Reappraisal;* the latter aid (Rs. 427 crores) is the result of the conference on aid to India held at Washington in August under the auspices of the World Bank and is made up of World Bank Rs. 154.7 crores ($325 million); U.S. Rs. 144.3 crores ($303 million); U.K. Rs. 54.3 crores ($114 million); W. Germany Rs. 47.6 crores ($100 million); Canada Rs. 21.4 crores ($45 million); and Japan Rs. 4.8 crores ($10 million). Taking into account the Rs. 427 crores offered since the third year of the Plan began, the uncovered gap of Rs. 560 crores in foreign exchange requirements mentioned by Mr. Morarji Desai on 13th August last will be only Rs. 133 crores.

The foregoing account will reveal how confusing is the picture of the foreign exchange gap. The Union Finance Ministry or the Planning Commission will do well to make a detailed assessment of the assistance authorised, so that the public will have the benefit of accurate and latest idea of the position in respect of external resources required for implementing the Plan.

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The discussions which the representatives of the cotton trade and industry had with the Sudanese Finance Minister, Mr. Sayed Ibrahim Ahmed, during his brief sojourn in the City on Tuesday, underlined the point that, considering the nature and pattern of the trade between Sudan and India, the initiative for a barter deal with Sudan involving import of raw cotton from that country against export of cotton piecegoods from India rested with the Government of India. The Minister said that his country was anxious to have increased trade relations with India. He appreciated India's difficult foreign exchange situation which made increased purchases of Sudan cotton rather difficult. Sudan, too, according to him, was facing a similar situation. Moreover, since cotton was the only major export item for that country, its economy was intimately bound up with that commodity. Nevertheless, he pointed out, his country had even gone out of the way to help countries like France and to have a satisfactory barter arrangement under which cotton exports from Sudan were matched by import of wheat flour from France. A similar deal was also concluded with China.

To mill buyers in India, Sudan cotton is cheaper than other comparable cotton from Egypt, the alternative source for getting long-staple cotton. Imports of Sudan cotton into India in the last season, that is 1957-58, aggregated 79,789 bales (of 400 lbs. each), as compared with 67,621 ba'es in the previous season. In view of the attractive price and the reduced stocks of long-staple cotton with mills in India, there is considerable scope as well as need for importing more Sudan cotton. But the main difficulty at present is that imports have to be paid for in sterling. A barter deal will, no doubt, obviate this difficulty.

The overall trade between the two countries shows a surplus in favour of India. Total exports from India to Sudan in the calendar year 1957 were valued at Rs. 9.73 crores, while imports were of the order of Rs. 7.8 crores. Thus, India had a favourable trade balance of Rs. 1.93 crore. It will, therefore, be beneficial to both countries, if, by a satisfactory trade arrangement, Sudan is enabled to pay for its imports from India by more of its cotton, much in need by our mills.

The trade and mill representatives did well to utilise the occasion to ventilate some of their grievances in respect of the cotton export policy adopted by Sudan. They pointed to the inconsistencies in respect of the policy followed regarding export duty and marketing of Sudan cotton. It was emphasised that any variation in export duty, as and when made, should be passed on to the ultimate buyer. It was also stressed that a comprehensive marketing policy, which would safeguard the interests of both the spinners and the traders, should replace the "wavering and undefined policy" so far adopted by that country.

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Financial circles of London are somewhat inclined to feel that the convertibility of the pound sterling will be a reality within a year. The feeling is based on the words "convertibility of the pound . . . is our objective" uttered by the British Chancellor of the Exchequer in his speech to the Board of Governors of the International Monetary Fund at the meeting held in New Delhi recently. Commenting on these words, our London Correspondent, in the course of an interesting despatch, observes:

"In themselves, they do not represent anything new and, in this case, the Chancellor reaffirmed the need to achieve the necessary conditions, but their context was different. The Chancellor had recently come from the Commonwealth Trade and Economic Conference in Canada, and he and the Finance Minister of Canada had let it be known that the maximum freeing of trade and payments was the uppermost article of faith in their minds. But it was also the Chancellor who put forward the case for an increase of 50 per cent. in the resources of the International Monetary Fund, and it is this and the Chancellor's pressure for a decision by the end of this year that have convinced the City that convertibility is intended within a year."

The Correspondent recalls that the financial crisis through which Britain passed just over a year ago was primarily due to the low level of internationally liquid resources. The British balance of payments was active, but the weight of hot money in the City was such that its movement could cast down the resources to disquieting levels. This could obviously happen again, the more so with the convertible pound. He, therefore, points out that the Chancellor is very conscious of the need to be able to rely upon the resources of the Fund to meet temporary difficulties and that the U.S., for which convertibility of European currencies has long been a major objective, fully supports the need to increase the resources of the Fund by 50 per cent.

According to our Correspondent, an increase in the resources of the Fund would normally be made by the contributing countries handing over half the increase in gold and half in their national currencies. This puts the managers of the Fund in a position to make temporary loans to needy and *deserving* members. But the Fund is largely under American control and the effect of the U.K. relying upon the Fund to help it out of any temporary difficulties would be to rely upon American approval of the origins of the difficulties and the purposes of the help. In this connection, he observes:

"The Chancellor hurried from New Delhi to the Tory Conference at Blackpool in England. At the Labour Conference, there was a prescient reference to the danger of a Tory-engineered scare in the event of a Labour win at the next election that might endanger sterling. The Labour leaders have every right to be apprehensive, because, although the world is no longer fearful of what a socialist Government would do in office and would normally look at the realities of the country's balance of payments in assessing the strength of the currency, yet one cannot ignore the factor of goodwill. With the pound convertible, a Labour Government could be embarrassed by a sudden outflow of funds from which embarrassment only a higher co-operative Fund could rescue it. A convertible pound is a likely means of ensuring that a Labour Government pursues Conservative economic policies."

In the opinion of the Correspondent, a higher volume of liquid resources to finance international trade could be ensured, in the long run, either by an increase in the world prices of gold or by permitting the Fund to create credit in terms of its own international unions, or finally in the way now proposed of an increase in subscriptions. In the short-term, he says, there is not likely to be a problem of international liquidity, since the outflow of gold and dollars from the U.S. is continuous and the volume of world trade is receding. But the feeling in London is that the Fund is right to look ahead at this time. There is, however, another very important factor and that is the relative size of the subscriptions of different countries. These were based on the pre-war pattern of trade and have not been revised to increase substantially, for instance, the German share. Alluding to this, the Correspondent says: "The Treasury is anxious to spring the act of convertibility on the world as a surprise when everything, including the support of the Fund in adequate measure—that is, after an increase in subscriptions—has been settled. So little more public action is likely to be seen in the matter for the time being, but, behind the scenes, work is fervently proceeding."

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Will Britain continue to be the citadel of currency conservatism, eschewing all attempts at decimalisation? Hitherto, it has shown no great signs of any willingness to decimalise its currency. If Britain remains the only island surrounded by a decimal sea, will it not lose, rather than gain, by its stubborn adherence to its ancient coinage? The

(*Continued on page 668*)

EQUITIES MOVE DOWN

A.C.C. IN DEMAND

(From Our Own Correspondents)

BOMBAY, 16*th October*

THE share market ruled dull during the week under review and the trend of prices was slightly downward. Early in the week, end-of-account considerations resulted in some liquidation and equity prices drifted down. The new account on Monday opened on a slightly better note, but in the absence of fresh incentives prices tended to move down. The announcement of an increase of Rs. 14 per ton in the retention price of steel paid to the Tata Iron and Steel Company, Ltd., and the Indian Iron and Steel Company, Ltd., on Monday evening was no doubt well received by the market, but, as the news had already been discounted in prices, there was no favourable reaction to the announcement. Nevertheless, prices would have gone up but for the easiness in the textile section in the absence of any encouraging news from the cloth market.

In the steel section, Tata Steel Ordinaries receded from Rs. 178 to Rs. 176.50 on end-of-account liquidation. In the new account, they fluctuated between Rs. 179.25 and Rs. 175.50 before closing at Rs. 177. The new shares lost Re. 1 over the week to Rs. 172. Indian Irons moved up from Rs. 26.95 to Rs. 27.25, but subsequently gave way to Rs. 26.75 and closed at Rs. 27.

Though hopes were held that there would be further relief in taxation or some incentive to reduce the accumulation of cloth, they were not reflected in prices. On the contrary, prices over a wide front gave way. Bombay Dyeings dropped from Rs. 59.50 to Rs. 57.40 before finishing at Rs. 58.20. Centurys dipped from Rs. 446 to Rs. 433, but towards the close improved to Rs. 437.50. Kohinoors gave way from Rs. 272.50 to Rs. 264, but the loss was partially made good when the shares closed at Rs. 267.50. Central Indias lost Rs. 4 to Rs. 87. Edward Textiles were done at Rs. 225 *ex-div.*, which on a *cum-div.* basis represents a loss of Rs. 17.50 over the week. Finlays were Rs. 2.50 lower at Rs. 280.50 and Gokaks lost a like amount at Rs. 142. Indu Ordinaries shed 56 nP to Rs. 8.76 and Indore Malwas Rs. 3.50 to Rs. 102.50. Models were done Rs. 5 lower at Rs. 167.50. Morarjee Mills declined by Re. 1 to Rs. 243, Mysore Spinnings by Rs. 15 to Rs. 80 and Podars by Rs. 2 to Rs. 136. Shree Niwas Cottons changed hands Re. 1 lower at Rs. 148 and Simplex Rs. 2.50 down at Rs. 177.50. Standards were marked down by Rs. 6 to Rs. 408. Svadeshis lost Rs. 2.25 to Rs. 187 and Tata Mills 75 nP to Rs. 36.75.

Bank shares too were quiet. Baroda shed a rupee to Rs. 121 and Centrals a fraction to Rs. 57.70, while their new shares were unchanged at Rs. 59. Bank of Indias, however, moved up by Re. 1 to Rs. 138.25 and their new shares were maintained at Rs. 140. Jaipur Banks lost a rupee to Rs. 42 and Punjab National's 70 nP to Rs. 61.30, while United Commercials gained 80 nP to Rs. 68.80.

In the insurance section, All-India Generals showed no change at Rs. 2.50, while British India Generals had business Re. 1.48 lower at Rs. 14.24. Empire of Indias changed hands at Rs. 240 and Orientals at Rs. 3,800. New Indias were stagnant at Rs. 47.50, while their new shares advanced by Re. 1.50 to Rs. 48.25. Vulcans were placed at Rs. 19.52, as against Rs. 19.24 a week ago.

The electricity section attracted good attention and select counters staged a smart rise. Ahmedabad Electrics rallied from Rs. 98.50 to Rs. 99.60. Bombay Suburbans were done at Rs. 109.50 *ex-div.* as against Rs. 113.50 *cum-div.* a week ago. Surat Electrics gained a fraction to Rs. 117.50 as also Tata Hydros to Rs. 123. Tata Powers stood Rs. 2.50 lower at Rs. 1,257.50, while Andhra Valleys were marked up by Rs. 16.25 to Rs. 1,190.

In the sugar group, Belapurs advanced early in the week from Rs. 312 to Rs. 314, but reacted to close at Rs. 309. Bhopals were unchanged at Rs. 27 and Changdeo Sugars at Rs. 37.75. Phaltans fell by Rs. 4.50 to Rs. 174 and Walchandnagars by Rs. 1.25 to Rs. 287.50. Among cement shares, Associated Cements provided a feature with a spurt from Rs. 158.25 to Rs. 164.25 on expectations of a bonus issue. Towards the close, there was a setback to Rs. 162 on profit-taking. The new shares rose over the week by Rs. 5 to Rs. 158. Digvijays were, however, lower by Rs. 2.25 at Rs. 143.75 and Orissa Cements by 20 nP at Rs. 12.44. Jaipur Udyogs shed 16 nP to Rs. 11.12. In the engineering and mining group, Alcocks ruled strong, shooting up from Rs. 265 to Rs. 273.75. Tata Locomotibes closed at Rs. 159 *ex-right*, as against Rs. 196.25 *cum-right*. Premier Constructions dropped by Rs. 4.75 to Rs. 224, while Cooper Engineerings were take up at Rs. 121, as against Rs. 115. Brady Engineerings also gained Rs. 2.50 to Rs. 62. Shivrajpurs were Re. 1.50 lower at Rs. 88.50 and Indian Coppers 10 nP at Rs. 3.94 *ex-div.*

Among shipping shares, Scindias moved within a narrow range and closed at Rs. 21.76, a loss of 12 nP over the week. Great Easterns showed no change at Rs. 27.10, while their new shares gathered 48 nP to Rs. 19.80. Bharat Lines were 12 nP higher at Rs. 13.28. In the automobile group, Hindustan Motors were dull at Rs. 7.80, while Premier Automobiles lost Rs. 2 to Rs. 88.50.

Among the miscellaneous industrials, Bombay Burmahs (old) lost further ground from Rs. 499 to Rs. 484 before closing at Rs. 490. National Rayons drifted lower from Rs. 246 to Rs. 241.50, before gaining strength to Rs. 245.75. Tata Chemicals receded from Rs. 17.04 to Rs. 16.60 and Tata Oils from Rs. 40 to Rs. 39. W. H. Bradys had transactions at Rs. 280, while Killick Industries were Re. 1 lower at Rs. 149. Wimcos lost Re. 1 to Rs. 191.

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Calcutta Stock Exchange

CALCUTTA, 11*th October*

With restricted turnover, the Calcutta Stock Exchange witnessed dull conditions during the week under review, although earlier in the week a cheerful note was taken of the possibility of international institutions like the World Bank and the I.M.F. being able to increase their lending activities, as their resources were being increased. Similarly, the proposal for the establishment of an International Development Association to facilitate repayment of loans in local currencies in order to ease the payment difficulties of the borrowing countries was also received with satisfaction. The worsening of conditions in Pakistan caused alarm and anxiety for some time, but subsequently it was generally thought that the likelihood of the military administration's realistic approach towards Indo-Pakistani disputes might result in better economic relations between the two countries. Another factor noted with enthusiasm earlier was the assurance given by the British Chancellor of the Exchequer, Mr. Heathcoat Amory, of the U.K.'s continued assistance to India's industrial progress and prosperity. The Commerce Minister's reiteration of the Government's policy against nationalisation of shipping industry also evoked cheer, but in the general dullness that followed all the welcome factors noted above were not reflected in trading, and were, in fact, considered as long-term factors.

Madras Stock Exchange

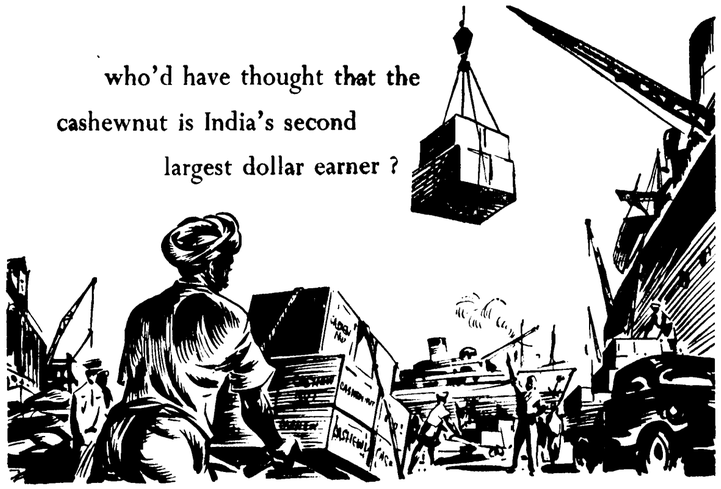
MADRAS, 14*th October*

The Madras Stock Exchange ruled steady during the week under review. There was some revival of buying support induced by encouraging prospects of India getting more foreign financial assistance. Transactions put through were, of course, only moderate. Thanks to investment support, planting shares generally tended to move up despite reports of strike threat and acts of violence by workers in Kerala plantations. Coffee shares, however, were easy. Textiles evoked scattered buying enquiries, as also certain select sugar, electric and miscellaneous industrials.

Among tea shares in the planting section, Haileyburias were marked up by Re. 1.75 to Rs. 18, and Twyfords by Re. 1.55 to Rs. 15.95 on bonus issue considerations. The former Company proposes to issue one share free for every three held and the latter three shares free for every five held. Nonsuch Teas rallied Re. 1.65 to Rs. 28.25. Devasholas hardened by 60 nP to Rs. 21.35. Balanoors strengthened by 50 nP to Rs. 17. Parksides improved by 25 nP to Rs. 21.50, Periakaramalais by 10 nP to Rs. 3.90, Emerald Valleys by 5 nP to Rs. 6.55 and Blue Mountains by 2 nP to Rs. 3.62. Coorg Teas, however, receded by 45 nP to Rs. 13.30.

In the rubber group, Travancore Rubbers climbed up by 45 nP to Rs. 17.25. Malankaras were quoted 40 nP higher at Rs. 20. Kalpettas strengthened by 30 nP to Rs. 13.75. Midlands advanced by 18 nP to Rs. 12.98, Nenmenys by 22 nP to Rs. 14.62, Rajagiris by 15 nP to Rs. 18.90 and Tropicals by 13 nP to Rs. 20.75. Pullangodes gathered 3 nP to Re. 1.69. Be Bes were better by 10 nP at Rs. 3.75.

In the textile section, Vijayakumars rallied Rs. 3 to Rs. 103. Janardanas improved by Rs. 2 to Rs. 69. Ranga Vilas advanced by a rupee to Rs. 59. Coimbatore Spinnings gathered 75 nP to Rs. 47.75. Buckinghams put on 50 nP to Rs. 179.50. Bangalore Woollens rose by a like amount to Rs. 168.50. Travancore Rayons gained 4 nP to Rs. 14.60.



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NEWS IN BRIEF

A CONTRACT for the erection of a factory to manufacture electric motors and switching gear has been given to a West German firm, Allgemeine, Elektrizitaets Gesselschaft (A.E.G.).

The West Bengal Government has decided to take over the management of the Oriental Gas Company under the Industries (Development and Regulation) Act for a period of about three years.

An exhibition on the second Five-year Plan organised by the Union Ministry of Information and Broadcasting was inaugurated at Mussoorie by Mr. B. N. Datar, Minister for Home Affairs, on the 11th inst. The exhibition is held every year with a view to attracting tourists to this hill station.

A Rs. 30-lakh ceramics factory is expected to be set up shortly at Jammu by the Kashmir Government. A team of Czechoslovakian experts which visited the State recently has recommended the site for locating the factory. Raw materials for ceramics are said to be available in abundance in the Manthal area.

The Indian Standards Institution has issued four draft Indian standards relating to internal combustion engines for eliciting comments. The draft standards prescribe codes for rating test and type testing of constant speed and variable speed internal combustion engines.

Production of cloth by the cotton mill industry in September 1958 is provisionally placed at 410 million yards. The final figure of cloth production in August this year was 408 million yards. Yarn production in September 1958 is estimated at 142 million lbs., that in August being 140 million lbs.

In connection with the *rabi* crop campaign, the Andhra Pradesh Government has decided to sanction loans to agriculturists expeditiously at a rate of Rs. 25 per acre, subject to a maximum of Rs. 50 per individual, in kind, namely, seeds and fertilisers, on the certification of village officers. The loans thus advanced will be recovered after the harvest of the *rabi* crop.

The Andhra Government has requested the Union Government to suspend the procurement of rice and paddy for a fortnight in the four surplus districts of the State, namely, East Godavari, W. Godavari, Krishna and Guntur. This step is taken to enable the rice mills there to function and to ease the difficult food situation created by the closure of mills.

Extension work of the Madras harbour is expected to start soon. The project is estimated to cost over Rs. 2 crores and will be completed within two years. The contract for the extension of the harbour has been awarded to a consortium, the leading firm being Larsen and Toubro Limited and their affiliated company, Engineering Construction Corporation Private Limited. The other firms of the consortium are J. L. Kier & Co. Ltd. of London, J. Saabye and O. Lerche A/s. all well-known specialised construction contractors.

The permanent tenants of the former royal lands in the Travancore area of Kerala will be conferred full proprietary rights over the lands they cultivate on payment of compensation. A ceiling of ten acres for each tenant has been fixed for registration. All lands in excess of this ceiling will have to be surrendered to the Government. The rate of compensation is fixed at 8½ times the annual rent of the land in respect of rural areas and 25 times in respect of municipal or corporation areas.

The Government of India has, with a view to promoting exports, decided to allow drawback of customs duty paid on imported raw materials used in the manufacture of card staves, and rebate of customs and Central excise duty paid on materials used in the manufacture of pyrethrum extract, motor cycles and scooters, including three-wheelers, when such goods are exported from India. In addition, the rates of drawback on the export of ivory products and potassium citrate have been enhanced. A scheme for manufacture in bond of handicrafts has also been authorised.

India exported 3,456 sewing machines valued at Rs. 3.78 lakhs in the first half of the current year, as against 4,465 worth Rs. 5.51 lakhs in the whole of 1957. During the first six months of 1958, India exported 1,000 machines to the U.K., 682 to Afghanistan, 540 to Thailand, 329 to Ceylon, 200 to the Federation of Malaya and 170 to Singapore. The other countries which imported Indian sewing machines included Kenya, Jordan, Madagascar, Tanganyika, the Sudan, Pakistan, Uganda, Iraq, Sierra Leone, Rhodesia, Saudi Arabia, Zanzibar, Mauritius, Burma, Nepal and Vietnam.

With a view to intensifying the small savings drive, the Punjab Government has decided to mop up surplus and reserve funds lying with semi-official and non-official institutions like *panchayats*, district boards, municipalities, marketing societies and educational institutions. The Government hopes that all public servants would invest one month's salary in National Plan Certificates within the next two months. It has also been suggested that, in Government and privately-run educational institutions, at least 50 per cent. of prizes to students should be given in the form of National Plan Certificates.

The Government of Bombay has drawn the attention of the public, particularly industrialists, to Section 44 of the Electricity (Supply) Act, 1948, under which any licensee holding an electric licence or any other person desiring to establish or acquire a new generating station or to extend or to replace any major unit of plant or work pertaining to the generation of electricity in a generating station, is required to obtain the previous consent of the State Electricity Board. Instances have come to the notice of Government where private generating plants have been installed by some industries without the permission of the Bombay State Electricity Board as required by law.

The leader of the Soviet Expert Team on Drugs and Pharmaceuticals, Mr. A. G. Natradze, presented a report on the development of the basic drug industry in India to the Minister for Industry, Mr. Manubhai Shah, in New Delhi on the 14th inst. Mr. Shah thanked the Soviet experts for the work they had done in the last two months and said that their report would receive the highest consideration. The expert team arrived in India in the beginning of August last at the invitation of the Government of India to advise on the development of the drugs and pharmaceutical industry. The experts had discussions with an Indian technical team headed by Dr. A. Nagaraja Rao, Joint Secretary, Ministry of Commerce and Industry, and also toured different parts of the country to study the progress achieved by the Indian pharmaceutical industry.

A Bill seeking to fix ceilings on land holdings in Rajasthan will be introduced in the next session of the State Legislative Assembly, in pursuance of the recommendations made by the Ceilings Committee. The proposed ceiling is related to the income derived from the land in the possession of a family consisting of seven persons, the income adopted for the purpose being Rs. 2,400 per year, exclusive of the labour of the tenant and his family but inclusive of all subsidiary income from land. Exemption from ceiling will, however, be given to mechanised farms, groves and orchards, constituting reasonably compact blocks, sugar farms operated by sugar factories, efficiently managed co-operative farms and specialised farms set apart for breeding cattle, horses and sheep, raising wool and dairying. Compensation for lands surrendered will be fixed at 20 times the annual rent.

A meeting of the Advisory Committee of the U.N.E.S.C.O. Research Centre, Calcutta, is expected to be held at the time of the general conference of the U.N.E.S.C.O. which will commence in Paris on 3rd November. Among other things, the research activities of the Centre will be discussed. The important research project on which the Centre has been engaged now for some time, namely, social and cultural factors affecting productivity of industrial labour, is nearing completion and the report will be submitted to the Committee in Paris. The Centre now proposes to launch another research project on small-scale industries. Consistent with its objectives of stimulating social science research in the countries of South-East Asia, the Centre will organise a regional seminar on "Techniques of social research" for a week beginning from 15th December. Mr. C. D. Deshmukh, Chairman, University Grants Commission, will inaugurate the seminar.

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From Abroad

Pakistan is reported to have agreed to limit its textile exports to the U.K. to 30 million yards annually.

The recent relaxation of hire purchase controls in the U.K. has pushed up the retail trade in furniture, bicycles and rental T.V. substantially in the past three weeks.

Unemployment in the U.S. fell by 600,000 to 4,100,000 in the month of September, a much larger drop than usual at this time of the year.

The U.S.S.R. has commenced the construction of a new port near Hodeida, Yemen, which is expected to become the leading Red Sea port. A modern highway from the port to the capital of the country is also designed to be built with Chinese help.

The French visible trade gap fell to £19 million in September, as against £20 million in August and £26 million in September 1957. Exports at nearly £90 million were £10 million higher than in August. Imports also moved ahead to £109 million.

Personal spending on consumer goods and services in the U.K. during the second quarter of the current financial year (April to June) as compared with the previous quarter was higher by 5.3 per cent. at £3,685 million. Taking, however, the rise in prices into account, the rise in expenditure was only about 1.5 per cent.

The sliding scale of tariff duties recently introduced in Australia, it is said, will adversely affect the Indian and Japanese trade with that country. The new duty is a specific rate less a percentage on the value for duty. Under this method, the duty on an article exported to Australia from India costing 4s. will be higher than the duty on a similar article coming from Germany costing 10s.

A £1,000,000 oxygen plant, the largest to be commissioned in Britain, for supplying oxygen to steelworks, was opened at Scunthorpe, Lincolnshire, on the 7th inst. The plant, which has a daily output of 200 tons of oxygen will enable the three steel works in the town to increase output without adding to capital costs. It is unique in Britain in that it is the first to be erected to serve more than one steelworks. Others will shortly be set up in the North-East and in South Wales. Oxygen supplies will be carried to the Scunthorpe steelworks from the new plant along 4½ miles of pipelines.

A method for making predictions of total U.S. industry dyestuff and pigment sales that have been accurate within three percentge points has been evolved by two members of General Aniline and Film Corporation's Commercial Development Department. The technique is to establish a mathematical relation between dye and pigment sales and total textile production. Experimental predictions over a six-year past period that range from 99.8 to 97.7 per cent. accurate have already been made by adopting the new method.

Co-ordinated wage negotiations on the Swedish labour market were recommended by the Confederation of Trade Unions at a recent meeting in Stockholm. The individual trade unions have been requested to give their opinion on this scheme by 25th of this month. No wage claims have been put forward so far and are not likely to be made until price developments can be foreseen better. This applies particularly to agricultural prices for which special negotiations are to be held this autumn. The labour market negotiations will probably start in December.

New orders for machinery in the U.S. have registered an improvement of late. During the month of August, the index of these orders (1950=100) stood at 146, as compared with 136 in August 1957. The index of new orders for construction and mining machinery was 168, as against 151 a year before. The other types of machinery have also gained similar benefits. The only category to show a decline from last year is metal working machinery, the index number of which being lower at 79, as against 106 a year before.

A new high-speed electronic computer, known as the "Emidec 2400," now beng constructed by a British firm will be capable, when completed, of absorbing all the information which 300 expert typists working all-out could pour into it simultaneously. If applied to a mail-order company with 2,000,000 accounts, its data control system will handle all the invoicing stock control and accounting and produce the standard letters used by the company requesting payment of accounts by customers. The development of "Emidec 2400" has been sponsored by the U.K. National Research Development Corporation. When completed, it will be one of the most advanced data processing systems in the world.

In a report submitted to the 13th session of the General Agreement on Tariffs and Trade (G.A.T.T.) which commenced at Geneva on the 16th inst., the panel of leading economists has put forward several recommendations designed to improve the position of primary producing countries in international trade. The recommendations cover extension of more economic aid; more adequate domestic measures against business recessions; provision of greater international liquidity; provision of funds for buffer stock action; reduction of certain revenue duties in countries consuming tropical food and beverages; moderation of agricultural protectionism in W. Europe and N. America; shift of methods of agricultural protection in such countries away from price support towards deficiency payment systems; reduction of protection against imports of minerals; and avoidance of trade diverting measures in regional economic arrangements.

PERSONAL

MR. Manubhai Shah, Union Minister for Heavy Industries, returned from London on Sunday last.

Mr. V. Shankar, I.C.S., formerly Revenue Secretary, Government of Bombay, took over charge as Director-General of Posts and Telegraphs at New Delhi on the 14th inst.

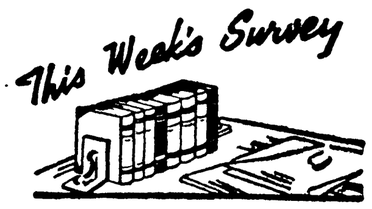
Mr. D. N. Shroff and Mr. Shantilal Mehta have been re-elected President and Vice-President, respectively, of the Silk and Art Silk Mills' Research Association for the year 1958-59.

Mr. Om Prakash Aggarwal, Managing Director of Devidayal Stainless Steel Industries Private Ltd. and Vice-President of the All-India Stainless Steel Industries Association, returned last week after a business tour of Japan.

Mr. L. V. Apte has been appointed a member of the Wage Board for the Sugar Industry in the pre-reorganised State of Bombay (excluding the transferred territories) *vice* Mr. Gulabchand Hirachand who has resigned.

Mr. K. P. Mathrani, I.C.S., Secretary, Industries and Co-operation Department, Government of Bombay, has been appointed Joint Secretary to the Central Cabinet and Director of the Organisation and Methods Division.

Mr. Nityanand Kanungo, Union Minister for Commerce, is the leader of the Indian delegation to the 13th session of the General Agreement on Tariffs and Trade (G.A.T.T.) which commenced at Geneva on the 16th inst. The other members of the delegation are: Messrs. L. K. Jha, Additional Secretary, Ministry of Commerce and Industry, who is currently Chairman of the G.A.T.T.; T. Swaminathan, Commissioner-General for Economic Affairs in Europe; M. G. Mathur, Deputy Secretary, Ministry of Commerce and Industry, and D. N. Chatterjee, Consul-General in Geneva.



"INDIA 1958" EXHIBITION

IN his characteristic way, Mr. Nehru termed the "India 1958" exhibition at New Delhi, which he declared open on the 8th inst., as a "symbol of the hopes and aspirations of a great people with an ancient civilisation and culture on the march." The exhibition, which was planned and executed in the record time of less than five months, at a total cost of Rs. 1.25 crore, is the first national exhibition of its kind. It presents, over an area of 123 acres, a co-ordinated and comprehensive picture of the nation's march towards economic well-being, social regeneration and cultural advancement. The exhibition, which was sponsored by the Finance Minister, has provided an opportunity to the people to know what has been and what still remains to be achieved. The opening of the exhibition was so timed as to provide the delegates to the Fund-Bank-I.F.C. meeting a glimpse of an ancient nation in the throes of regeneration, to serve as a reminder to the distinguished visitors of the immensity of resources in this part of the world and the need for sustained co-operative effort in building up a world free from want and fear.

More than 100 major industries in the private and public sectors and ministries and departments of the Central and State Governments have attempted to give a panoramic and detailed account of their achievements in the past eleven years of independence and their future role in the planned development of the country. The number of pavilions and stalls exceeds 160, but the total number of participants is several times larger. These pavilions and stalls are set up in a bewildering variety of architectural styles, varying from the most utilitarian to the most ornate. It is to be hoped that the exhibition will instil in the people fresh faith and confidence in the nation's future.

TECHNICAL ASSISTANCE

Technical assistance has been recognised from the beginning as an integral part of the joint effort of the Colombo Plan countries to accelerate their economic development. It has a special meaning and significance in the context of the idea and the goal of co-operative economic development which the plan represents. Seven years of the Colombo Plan have now elapsed, years which witnessed the emergence of unforeseen problems as well as of unexpected results. During the seven years of its operation, the technical co-operation scheme of the Plan has developed a highly flexible and effective technique for applying a combination of external aid and national effort to speed up the process of social and economic development. At the same time, it has also developed a vigorous philosophy of mutual help and common effort, rather than the mere giving and receiving of aid, that carries a natural appeal to the self-respect of all member-Governments and their people. Through the operation of the technical co-operation scheme, as the Colombo Plan Council for Technical Co-operation in South and South-East Asia, the principal body which co-ordinates the technical co-operation scheme, has pointed out, the dividing line between the receiving and donor countries is gradually getting blurred and more and more countries of the area are providing assistance to one another.

Technical assistance under the scheme, although forming only a small percentage—about four per cent.—of the total assistance provided under the Colombo Plan, is of much larger value since it enables a small but significant amount of skill and knowledge in the form of an expert or a returned trainee or crucial technical equipment to be applied with precision at some critical point in the national economy where it can produce catalytic effect. Since the beginning of the scheme in 1951 till the middle of June 1958, according to the Annual Report for 1957-58 of the Colombo Plan Council for Technical Co-operation in South and South East Asia, 1,002 experts have been provided to the countries of the area. 6,888 students from the area received advance training in various technological fields in the member-countries. During 1957-58 alone, according to the report, 1,264 training places and 210 experts were provided. Special equipment for the training and use of experts, valued at over £2 million, was provided under the scheme. By December 1957, the total value of technical assistance provided under the scheme by the member-countries amounted to about £9.8 million as against a total of about £6.8 million at the end of 1956, constituting an increase of £3 million in the calendar year 1957.

During the last two years, there has been a mild falling trend in the number of trainees from the high level attained in 1956. This is attributed to the increasing lengths of the training period and the corresponding lesser number of trainees over a year, than any substantial reduction in volume of technical assistance offered. Expenditure on the provision of training has maintained a progressive rise and amounted to £1.56 million in 1957. Training facilities and services of experts provided under the scheme cover all the major fields of development.

There has been a progressive increase in the flow of technical assistance from countries inside the area to one another which, starting from a trickle, is gradually gaining in volume and substance. During 1957-58, according to the report, a new trend has been noticed. This has been the flow of assistance from countries inside the area to a few countries outside. This flow is at present very small. Nonetheless, its emergence is a significant feature.

INTERNATIONAL TEA AGREEMENT

The stage for the revival of the International Tea Agreement, which has been defunct from 1st April 1955, was set ready last week when India and Ceylon, the two main producers of tea and two of the four signatories to the old agreement, agreed upon the disirability of reviving it, after a three-day informal conference between the representatives of tea growers in India and Ceylon held in Colombo last week. Tea was the first of the commodities which subjected itself to an international regulation of its affairs as early as in 1933 and remained in force by periodical revivals and with changes in membership till March 1955. The International Tea Regulation Scheme worked well until the war. After 1946, its working was not quite satisfactory, the main reason being that the basis on which the first agreement was signed was found out of date, as production in Africa, which was not a signatory to the scheme, rose rapidly. Moreover, the shortage of tea in the immediate post-war years made it unnecessary to regulate its exports. Nevertheless, India, Pakistan, Ceylon and Indonesia signed an agreement, effective from 1st April 1948, on the lines of the previous ones. This remained in force for three years before being extended up to 31st March 1955. It was not thereafter renewed.

The bodies of tea planters represented at the conference were the Indian Tea Association and the Planters' Association of Ceylon. A *communique* issued after the conclusion of the talks said that the producing interests were of the view that, subject to the approval of the Governments and producer interests concerned, it was desirable to renew the International Tea Agreement, so that the machinery for the regulation of exports could be introduced, should the necessity arise.

The *communique* added that it was not possible to do anything more at this stage than to agree upon certain basic principles which appeared fair and reasonable and to offer a good chance of enabling the signatories of the old agreement to accept a new one. Should India, Ceylon, Pakistan and Indonesia—the four signatories to the old agreement—agree initially to this proposal, the *communique* went on, every endeavour should be made thereafter to persuade other tea-producing countries to join. In pursuance of the talks, Indian and Ceylonese tea producers will hold further discussions on the subject and it is considered likely that the next meeting between Indian and Ceylonese tea growers will be held in December.

The decision of the conference, as will be seen from the *communique*, is nothing more than an expression of the desirability of reviving the International Agreement, for neither of the bodies which participated in the talks have any power to sign an agreement to regulate output or export. They can only work out a scheme for the acceptance of their respective Governments. Even this was not possible within the short period of discussions. In fact, the working out of a basis on which exports of tea should be controlled represents a major step towards signing the International Agreement.

Though the working of the International Tea Regulation Scheme was not satisfactory during the post-war years, it was not until the expiry of the agreement in 1955 that the effect of the world surplus in tea began to be felt. But the international control on tea exports could not be revived till now. Even if a new basis for export is worked out by India and Ceylon during its proposed further deliberations during the next few months, doubts are being raised about the prospect of bringing all tea producers of the world within the agreement. In the first instance, Africa, which has increased its tea crop substantially during the last few years, is not in favour of an international regulation of exports, for it has successfully been competing in the world markets with other producers of common teas. Secondly, internal consumption of tea is rising in Pakistan and the country is, therefore, anxious to raise its internal production. Even if Indonesia, the third largest producer in the world and a signatory to the old agreement, is unwilling to join the scheme of international regulation, it cannot be said that the agreement between India and Ceylon alone, if successfully worked, may not have its own effect on stabilising world tea prices, for they together account for more than three-fourths of world output and exports.

The talks between India and Ceylon on the revival of the Tea Agreement would appear to have given rise to speculation in world tea trade circles that the two countries were trying to restrict tea production and thus avert a slump in prices. Dispelling this misapprehension, Mr. J. L. Llewellyn, Deputy Chairman of the Indian Tea Association, categorically affirmed that there was no question of restricting the production of tea. It was wrong, he added, to suppose that an agreement would, in effect, mean a restriction on tea production. He agreed that when the International Tea Agreement was first mooted, it was meant mainly to restrict production and exports, but he pointed out that circumstances were quite different. "The world was experiencing such a severe slump in the thirties that many people committed suicide by jumping from skyscrapers. Instead of doing that ourselves, those in the tea trade got together and formulated the International Tea Agreement." Mr. Llewellyn disagreed that the tea industry was moving towards a slump in prices. He declared that supply was not in excess of demand. Unlike the jute industry, the tea industry did not have stocks which could not be sold. All that was being produced was being consumed. But when there was more tea in the market, he said, that alone tended to depress prices. He added that the world demand for tea would increase. Asked why there should be an international pact, if tea industry was safe from a slump in prices, Mr. Llewellyn said that the proposed pact would be something like a U.N. for tea-producing countries, under which members could get together and discuss problems. It was also of vital importance to have an International Tea Committee which could gather and compile all statistics about the tea industry. If agreement could be reached between India and Ceylon, it would be conveyed to other tea-producing countries like Pakistan and Indonesia. These countries would then be invited to join the pact. Steps would also be taken to have the machinery ready to restrict production or exports in the event of a slump in the future.

T.I.S.C.O'S NEW BLAST FURNACE

The new Rs. 7-crore blast furnace of the Tata Iron and Steel Company was put into commission on Friday last week by Mr. B. N. Jha, Bihar's Labour Minister. The furnace is one of the biggest and most modern in the world; it is equipped for high-pressure operation, a production technique employed for the first time in India. With this furnace, the T.I.S.CO. has now in all six blast furnaces ranging in capacity from 600 to 1,500 tons per day. The smallest of the furnaces is proposed to be kept as a standby for use when any of the other furnaces is down for relining.

The "blowing in" ceremony of the new blast furnace marks the beginning of the final stage in the implementation of the T.I.S.CO's two-million-ton expansion programme. The programme, it will be recalled, commenced in December 1955; it was grafted on to an earlier Rs. 25-crore project which had envisaged an increase in steel output from a million ingot tons to 1.3 million tons through modernisation and expansion. Forming part of the programme is a new Rs. 10-crore blooming mill completed in August 1958. Between this new mill and the existing mill, the T.I.S.CO's primary rolling capacity will aggregate about 3.0 million tons, leaving scope for further expansion to that level of production at a fairly low capital cost. After primary rolling in the blooming mill, finished steel will be produced by the new continuous sheet bar and billet mill and the medium bar and light structural mill, both of which are expected to be in operation by the end of December next. Thus, at the year-end, the expansion programme will have been virtually completed. Revealing this, Mr. Jehangir Ghandy, Director-in-charge of the Company, stated that production by 1959-60 would be 1.2 million tons of finished steel, while the full rated capacity of 1.5 million tons (equivalent to 2.0 million ingot tons) might be obtained in the following year.

The revised total estimated outlay on the programme, including ancillary schemes and annual replacements, is put at Rs. 133 crores. The scope of the programme ranges all the way from the mining of ore and other raw materials to the finishing mills. It embraces practically every phase of production and also involves improvement and expansion in services such as electrical distribution, water, fuel, roads, sewers, and transport.

The responsibility for all the engineering, procurement, construction and supervision services for the aforesaid project was entrusted to the Kaiser Engineers Division of the Henry J. Kaiser Corporation of Oakland, California, in accordance with a Rs. 61-crore ($130 million) contract entered into by the T.I.S.CO. It must be said to the credit of the Kaiser Engineers that they have discharged the responsibility very efficiently and at top speed. As Mr. J. R. D. Tata, Chairman of the Company, stated at the Company's recent annual meeting, the addition in three years of a million tons of capacity under Indian conditions and taking into account the many unforeseen difficulties and setbacks encountered is not an inconsiderable achievement.

In the course of his speech at the "blowing in" ceremony, Mr. Jehangir Ghandy stated that, at the end of the expansion programme, the T.I.S.CO. would be in debt to the tune of over Rs. 75 crores, excluding the special advance of Rs. 10 crores from the Government out of the Iron and Steel Controller's Steel Equalisation Fund for the earlier expansion project. Naturally, the Company's thinking today is, as Mr. Ghandy observed, in terms of consolidating and stabilising the works. There is, of course, no doubt whatever that the Company will in the not distant future "be in a position to put to still greater service the experience and organisation built up over a half century." In this task, the labourer must fully co-operate with the management. Mr. B. N. Jha, Bihar's Labour Minister, did well to stress that he had no qualms in deprecating any attempt to misguide labour and that any shortfall in production as a result of stoppage of work, whether by strikes or by lockouts, would adversely affect the country's economy.

AGRICULTURAL SELF-SUFFICIENCY

Although agriculture is the mainstay of the Indian economy, employing as it does 70 per cent. of the total population, it is a pity that the country should continue to depend on imports for its requirements of food. Productivity of land, as is well known, is still deplorably low. For instance, the yield per acre of rice in India is 700 lbs., as against 3,750 lbs. in Japan, 2,387 lbs. in China and 3,000 lbs. in the U.S.A. The average yield of wheat is estimated to be 600 lbs. in India whereas it is 1,800 lbs. in Japan. The overall production is less than what we need. The position has not materially changed even after the country has gone half-way through the second Plan. The net production of cereals, for example, was of the order of 50.09 million tons in 1956-57, as compared with 50.99 million tons in 1953-54. It is widely recognised that the Plan will be in jeopardy in the absence of sustained increase in agricultural production. At any rate, the actual experience in the country so far gives the lie to the claim that integrated and concerted efforts are under way to rehabilitate the rural sector. In this context, the brochure entitled *Suggestions for Agricultural Self-sufficiency*, embodying the views of some of the leading industrialists in the country (Messrs. B. P. Singh Roy, C. H. Bhabha, B. M. Birla and Tulsidas Kilachand) makes interesting reading.

The authors have attributed the existing maladies to the lack of co-ordination between

(*Continued on page 668*)



a timeless craft

A common sight on many a sandy beach and village is this rustic man spinning yarn from a ball of cotton. He uses a simple implement, the 'thakli'. A flick of the fingers and round spins the 'thakli' while a practised hand gently draws out the fine thread. Flourishing together with this fine but primitive cottage craft, in India, is the giant modern textile industry. Today, there are more than 420 textile mills, in our country, with about 12 million running spindles. Texmaco, the manufacturer of the first ring spinning frame in India, accounts for nearly two million of these spindles. Aided by the world's best technical know-how, Texmaco is today equipped to manufacture and supply the entire range of spinning machinery for cotton and staple fibre.

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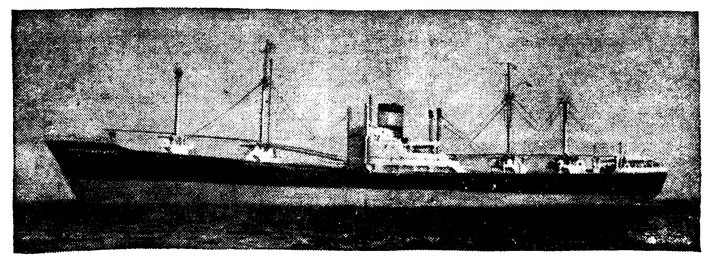

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JAPAN'S SMALL-SCALE INDUSTRY

A CRITICAL APPRAISAL

From Our Special Correspondent

NEW DELHI, 14*th October*

THE latest Administration Report of the National Small Industries Corporation has given full details of the various forms of assistance provided for the development of small industries. With the continuing operation of the Corporation's expanded small industries programme and with the recent establishment of the Refinance Corporation for providing financial assistance to medium industries, the view that small and medium industries can be developed to the point of ensuring "rapid but balanced industrialisation" appears to be gaining ground. Already the National Council of Applied Economic Research has outlined the possibilities of a series of small and medium industries in its techno-economic survey of Bihar and may be expected to emphasise the importance of such industries in its surveys of other States. In the planned development of these industries, it may be that India will draw upon the experiences of "Small Business" in the United States, "Handwork" in Germany and "Medium and Small industry" in Japan.

DELHI LETTER

Since the small industry of Japan is stated to be of a broader range than its counterpart in the other two countries, India has perhaps much to learn from Japanese experience. What this experience has been may soon be learnt from a series of critical technical studies—on organisation, administration, finance, technique, management and operation of the current small and medium industries in Japan—made by Mr. Teru Sasaki, formerly associated with the International Labour Organisation as an expert on small industry and at present heading the Japan Reference Unit of the Indian Statistical Institute. This despatch is based on a preliminary study entitled *The Evolution of Japan's Small and Medium Industry*, just made available by the author to this correspondent.

Plans for the economic development of underdeveloped countries, writes Mr. Sasaki, have recently focussed a good deal of attention on the problem concerning the financial aspect of industrialisation, the maintenance of adequate and balanced rates of saving, the investment criteria for the selection of development projects, the problems of labour supply, etc. But, at the same time, unless the problem of adjusting the native economy to the existence of an industrial section in its midst is squarely faced and wisely solved at an early stage of development, serious and enduring problems of social and economic maladjustment are liable to arise, as they did in Japan.

Instability

Japan is generally regarded, continues Mr. Sasaki, as an outstandingly successful example of industrialisation. But it is because the foreign students' study of Japan's industrial development has been concerned primarily with the development of modern industry itself and only secondarily with long-range effects on the rest of the economy. Doubtless, Japan has been successful in solving the former out of the abovementioned two problems of economic development but it has been very far from successful in solving the latter. It is suggestive that the persistence and intensity of the economic and social maladjustments and inconsistencies collectively known as the "problem of medium and small-scale industry" are a measure of Japan's socio-economic instability, or as symptomatic of basic structural maladjustment connected with the peculiar course of Japan's modern industrial development. An analysis of the problem of "Small-medium business" in Japan is, therefore, of particular significance for the planners and administrators of the developing countries since problems of like nature are bound to occur in the process of industrialisation in the underdeveloped areas.

The great weight of Japanese small-medium industries derives, of course, from the weakness of the industrial structure in Japan and is not due, in the opinion of Mr. Sasaki, to the intrinsic superiority or strength of small-medium industries in themselves. Yet small-medium industries not only cannot be ignored because of their relative importance, but they are a vital factor in Japan's industrial structure.

The unprecedented pressure upon small-medium industries from both flanks which has been continuing ever since the post-war deflationary period, in the form of the heavy weight of big capital, on the one hand, and the labour offensive for higher wages by the organised workers in large industries, on the other, has driven small-medium industries into a very difficult situation, so that they are now conducting a counter-attack against big capital and labour. This counter-attack, especially the unity of small-medium industries, which has recently been markedly increasing, is compelling both big capital and organised labour to seek countermeasures to meet the problems of small-medium industries.

A Basis

Mr. Sasaki's present studies which will be soon available are intended to provide a basis for developing objective theories concerning policies relative to small-medium industries. If no such basis is provided, says Mr. Sasaki, Japan would be renouncing its claim to constructive co-operation with the developing countries, especially in this part of the world, in one of the most significant industrial fields, namely, smaller industry, by supplying valuable information and lessons—both positive and negative (by "positive" are meant such lessons which may be copied or imitated in other developing countries and by "negative," warnings not to repeat the mistakes which might as well cause deformity of industrial structure).

The relative position of small-medium industry in Japan is brought out in the following table:

Japanese Industry in 1955

(In percentages)

Scale	Enterprise	Employee	Delivery value	Value added
Petty (less than 3 employees) ..	56.8	10.0	3.1	..
Small (4—29 employees) ..	36.9	31.5	19.2	19.0
Medium (30—299 employees) ..	5.9	31.6	33.9	32.8
Large (300—999 employees) ..	0.3	12.3	20.3	20.9
Giant (more than 1,000 employees)	0.1	14.6	23.5	27.3
	100.0	100.0	100.0	100.0
Medium and small (less than 299 employees)	99.6	73.1	56.2	51.8
Large (more than 300 employees)	0.4	26.9	43.8	48.2

The development of small-scale production in Japan over the last 90 years, according to Mr. Sasaki, has been just as far-reaching, if not so spectacular, as that of large-scale modern industry. It is scarcely too much to say that without the rapid development of small-scale native industry and its adaptation to the changing situations the programme of industrialisation of Japan could not have been carried through at all. From the beginning, it was largely the increase in "native" production on small-scale which provided the exports needed to balance international accounts over the period of industrialisation. It also helped to curve the heavy population pressure on land by absorbing "peasant-turned unskilled workmen" into its realm with less capital investment. Corresponding to the stages of cottage industry, dispersed manufacture and small factory industry, various forms of industrial organisation have been evolved and still survive in medium and small-scale industry.

(*Concluded from next column*)

"*democratic* socialism" could finally guarantee the right to work, the right to leisure, the right to comfort and the right to peace. It is perhaps not fair to search his speech for precise indications of how expansion was going to take place, but the shadow Prime Minister wanted to leave no one in doubt that the Labour Party stood for freedom from "fear, insecurity, poverty, servility and snobbery," and that they had a practical programme which would mean full employment, a better deal for the old people, the abolition of slums, better education, help for underdeveloped areas of the world and a society of free men and women living dignified, secure and happy lives. These were the words that brought him rousing cheers and allowed the Conference to break up in a mood of optimism.—*All Rights Reserved.*

LABOUR CONFERENCE

From Our Own Correspondent

LONDON, 4*th October*

IN the interim between the end of the summer holidays and the re-opening of Parliament the traditional Conventions of the political parties take place. The Labour Conference has just concluded and the Conservative Conference is about to begin. They meet in a very different atmosphere from that of a year ago when the Conservatives were downcast by the result of local by-elections and public opinion polls, and the Socialists were correspondingly in the ascendant. But public opinion has shifted markedly over the past year and the Conservatives feel they have a very good chance of forming a third Administration. The Labour Party has, therefore, been obliged to subject all its policies to the stern criterion of election winning.

LONDON LETTER

Every proposal for more socialism has had to be measured against that test—will it win the Party votes or lose them? In these circumstances, it is not surprising that very little startling should emerge from most of the discussions. For instance, a day was devoted to discussing the nationalisation of land. The former Minister of Agriculture confessed he did not know whether it was a good thing or a bad thing to nationalise land. He said the question had never been properly examined—the costs and the administration. The Party leaders reckon that their gentle land policy might win them 30 agricultural seats but if they went forward with proposals to nationalise land they would arouse a wave of antagonism that would go from the countryside into the homes of urban dwellers. So land is not to be nationalised if Labour comes to power. Nevertheless, there were many supporters of the Party at the Conference who wondered whether Labour's agriculture policy would in fact catch them any more votes.

Public Education

Then came the question of public education and there again the true gospellers of socialism wanted to see all the schools of the country brought under the State umbrella. This would mean taking out of private hands the great so-called public schools—schools which have the highest standard of education but which are reserved for a minority mainly on a high-fee-paying basis. Again, the leaders of the Party argued that their hands would be quite full enough with raising the standard of general education in the State schools, without at this stage trying to pull the public schools into the stream.

The Trades Union Congress made their contribution to the general philosophy when their leaders pointed out that the Trade Unions would not take political action against a Conservative Government. They were not dangerous men, they were opposed to Government intervention into industrial disputes, no matter whether that Government was Labour or Conservative, and Party politicians should not meddle with these industrial matters. They were as anxious to change the Government for a Labour Government as anyone else but they would do it in their capacity as private citizens and not by taking any industrial action.

So the Conference closed on the major discussion on economic progress. This was the field in which Mr. Gaitskell, the shadow Prime Minister, and Mr. Wilson, the shadow Chancellor of the Exchequer, ran foremost to convince the Party and to convince the country that they stood for full employment and economic expansion without inflation. They would be as staunch guardians—nay stauncher—of the stability of sterling as the present Government. The present Government had taken deliberate decisions to retard production and as a result, the long shadow of unemployment was falling across the country. In the great industrial areas, unemployment was several times the level of a year ago and the present indications were that it would increase; a Labour Government would alter all that. It would increase productive investment above all, for only by an increase in productive capacity and in production could the real wealth of the country be enlarged. Mr. Gaitskell paid lip service to the principles of socialism by declaring that only

(*Continued in previous column*)

AMERICAN LETTER

LARGE-SIZED AUTOMOBILES CREATE GARAGE PROBLEM

INCREASE IN SAVINGS AND BORROWINGS

From Our Special Correspondent

NEW YORK, 6*th October*

AS this is being written, India is being host to the annual meetings of the International Bank for Reconstruction and Development and of the International Monetary Fund. It is realised in United States financial circles that important decisions will be made at New Delhi. These include increases in the capital of the World Bank and the Fund. There has been an ever-increasing need for new funds for various purposes all over the world. Since India has been one of the most deserving beneficiaries in the first decade of its independence, it seems only fitting that such decisions should be formulated in that country's capital.

In the United States, the recession is all but a word in the vocabulary at this time. Prices on the New York Stock Exchange have broken through the highs made in 1956 and they are now higher than they were in 1929 shortly before the crash. Obviously, the latter comparison means very little since there is a whale of a difference between 1929 and 1958 prices. But since 1929 was such a remarkable year, mention seems permissible so far as a statistical phenomenon is concerned.

Peace now reigns in the automobile industry. New labour contracts have been signed but sales are still lagging. All models but Chrysler received a good applause from the re-viewers. The 1959 models are still longer and wider than their predecessors. Indeed, the sizes of cars have become so large that garages in several cities refuse to take the new monsters because they take so much space.

Garage operators in St. Louis have agreed not to take for storage the new 1959 Cadillac because of its size. At Boston, this practice has been prevalent for some time, except that the method used there is more subtle. The attendant looks at the car, as one drives up, and merely says "sorry, we are filled up."

A Real Problem

It's a real problem and not as silly as it may sound. The automobile designers and manufacturers justified their action of marketing bigger and wider models by a public opinion poll. This showed that the majority of those asked were in favour of the trend. Presumably, most of the respondents must live in the country or in suburbia where garage space is no problem.

Another reason for these changes is what is known technically as "planned obsolescence." New automatic gadgets, models that look really new and modern, will attract buyers who would continue to drive the old car otherwise. Chrysler has the least changes and, therefore, received the least favourable notices in the Press. The small foreign cars show few, if any changes, and sales in this group are rising continually. Perhaps, Chrysler is right, perhaps Chrysler is wrong. Time will tell.

Savings

As the recession is fading into memory, people are saving more and borrowing more. Deposits in 13,144 commercial banks and 239 mutual savings banks, insured by the Federal Deposit Insurance Corporation, rose to $229,500 million on 25th June. This compares with $225,500 million on 1st January. This represents about 96 per cent. of all bank deposits.

The buying mood of the public was indicated by higher borrowings. Consumer credit increased in August for the first time since January.

On a seasonally adjusted basis, such debt rose $30 million to $33,200 million. At the same time, automobile credit fell $112 million. There are other indications of widespread business improvement. Steel output has returned to the highest level since last November. Construction awards aggregated $3,400,000 million last month, up 23 per cent. from the corresponding 1957 level. More than half of the drop in industrial production of the recession has now been regained.

The farm picture is also fairly bright. Prices of farm products gained 2.79 per cent. to 258 per cent. of the 1910-14 average in the monthly period, ended 14th September. The index was 251 in mid-August 1957. It compares with a record high of 313 in February 1951.

Another issue which has made the headlines here is the school integration in the Southern States, or the lack of it. It is the worst clash between State and Federal constitutional authority since the war between the States in the last century. The U.S. Supreme Court has decreed integration. The outstanding proponent of non-integration, Governor Faubus of Arkansas, up to this writing has refused to open the schools on an integrated basis, for both whites and coloured youngsters, and he thus is depriving thousands of boys and girls of their regular education.

Nobody can foretell the outcome of the dispute except to say that the issue already has produced grave international implications. The land of the "brave and the free," upon analysis of foreign eyes, does not seem to be so "free" after all.

Election Campaign

Another development on the home front is that the election campaigns for Governors of the various States and for the Congress are now getting serious. In New York, the contest between Governor Harriman and Nelson Rockefeller is real. It is unusual in the sense that two millionaires are running against each other.

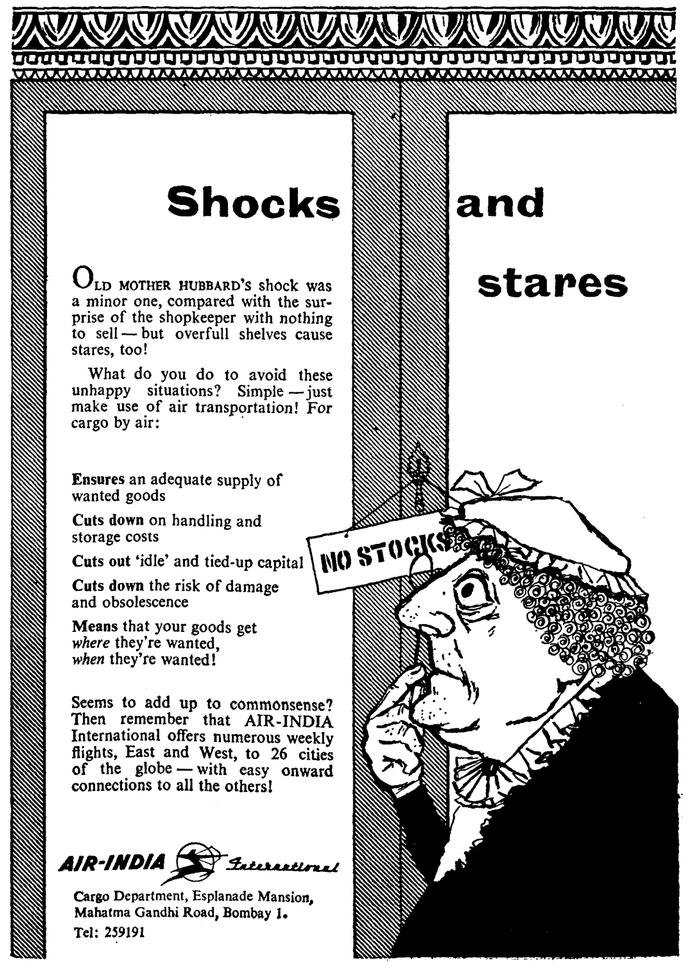
While peace has been re-established in the automobile industry, a strike was begun affecting a majority of American-flag passenger liners. The walk out was by ships' officers belonging to the International Union of Masters, Mates and Pilots. Wage increases were not the real issue. The union called its demands fringe benefits, while the companies called it feather-bedding. Ship captains, for example, wanted 90 days' vacation a year, instead of the present 48 days. Their basic earnings are $1,280 a month plus overtime. How far foreign trade and surface mail will be affected, remains to be seen.

Otherwise, U.S. public opinion is very much concerned about developments overseas. The first place is occupied by the explosive situation in the Formosa Straits. Nobody knows how far-reaching the Sino-American commitments are. There is a deep-seated dilemma, though. The outlying islands, it is felt, are indefensible. Yet, if the U.S. should withdraw its protection from Nationalist China, it would be the beginning of further Communist aggression in both Europe, the Middle East and Asia proper.

France

On the more cheerful side, against all expectations here, General de Gaulle won an overwhelming victory for his new constitution for "metropolitan" France, even though Guinea in French West Africa decided to be independent. Anglo-American withdrawals from the Middle East are also in this category of good news. They will eliminate friction.

In the meantime, the East-West contest continues. A U.S. submarine has been submerged for more than 60 days and the Soviet Union has resumed its atom tests which was the subject of so much propaganda recently when Moscow urged Britain and the U.S. to discontinue the practice for the benefit of mankind.—*All Rights Reserved.*



I.F.C. OF INDIA COMPLETES A DECADE OF USEFUL SERVICE

PROFIT AT A FRESH HIGH—FALL IN LOANS

A DECADE in the life of an institution which provides long-term finance to industries, as Mr. K. R. K. Menon, Chairman of the Industrial Finance Corporation of India, pointed out in his address at the tenth annual meeting of the Corporation held recently, is but a short period for the tasks ahead of it. It is, therefore, too early to draw any conclusions of a general nature from its achievements during the last 10 years. However, as a pioneer in the field of long-term industrial financing in this country, the Corporation has played a very useful role. During the last 10 years ended 30th June 1958, it has received applications for loans to the tune of Rs. 124.34 crores and more than half of this amount has been sanctioned, the exact sum being Rs. 62.9 crores. The actual amount of loans disbursed during these 10 years aggregate Rs. 34.84 crores. The outstanding amount of loans and advances as at the end of June 1958 is Rs. 28.94 crores. During the last 10 years, the Corporation has augmented its resources by no less than Rs. 12.37 crores by the issue of bonds which have been taken up by institutional investors who have already subscribed liberally to its share capital. Another feature of the Corporation's working during this 10-year period is that it has sanctioned loans amounting to Rs. 32 crores to concerns in relatively less industrially developed States of the country; of this amount, as much as Rs. 22 crores was sanctioned to new concerns alone in these States.

To crown these efforts, the working of the Corporation during the year ended 30th June 1958 proved to be the most successful one, in that the profit earned was a record, having gone up by Rs. 15.19 lakhs to Rs. 58.25 lakhs. With this rise, the profit has more than doubled itself within the last three years. Yet another feature of the year's working is that the Corporation has been able not only to dispense with the subvention from the Government of India to pay the guaranteed dividend of 2¼ per cent. (this is the second year in succession for which it has not taken the subvention) but it has also been able to repay to the Government a sizable amount of the subvention taken in earlier years.

Main Features

The main features of the year's working are compared in the following table with those of the previous three years:

(In lakhs of rupees)

	For the year ended 30th June			
	1958	1957	1956	1955
Interest	1,54.36	95.93	67.19	50.71
Other income	0.54	0.40	0.43	
Interest paid	86.85	44.17	26.99	26.52
Other expenses	9.68	8.96	7.82	9.85
Depreciation	0.14	0.13	0.13	0.15
Profit	58.25	43.06	32.68	24.69
Provision for—				
Taxation	25.21	8.56	10.18	9.69
Doubtful debts	..	22.25	22.50	15.00
Discount and brokerage on bonds	4.83	..	..	..
To reserve for contingencies	..	1.00	..	..
,, general reserve	11.50	..	..	..
,, dividend	11.25 (2¼%)	11.25 (2¼%)	11.25 (2¼%)	11.25 (2¼%)
Subvention from Government	..	..	11.25	11.25
Subvention returned to Government	5.45	..	..	..
Loan applications received	14,88.50 (48)	21,36.25 (67)	27,70.02 (86)	11,27.00 (49)
Applications sanctioned	7,78.50 (22)	11,90.75 (51)	15,13.00 (44)	7,34.00 (27)
Loans disbursed	8,38.35	9,77.50	2,20.23	1,64.80

It will be noted that the provision for taxation has been substantially raised, while no provision has been made for doubtful debts, for which a sum of Rs. 22.25 lakhs had been set aside a year ago and Rs. 22.50 lakhs two years back, as the existing provision of Rs. 15.14 lakhs has been found adequate. For the first time after a lapse of five years, the Corporation's general reserve has been strengthened by Rs. 11.50 lakhs from the profit of the year under review.

For the second year in succession the number of applications for loans, as well as the amount sought for, has declined, the most important reason for this being "the increasing difficulty experienced by industrial concerns and entrepreneurs in the matter of securing the necessary licences for importing the capital goods required for starting new industries or expanding the existing ones." The Corporation insists on the production of the necessary import licences before it takes up loan applications for consideration.

Of the loans sanctioned during the year under review, amounting to Rs. 7.78 crores, all but a sum of Rs. 5 lakhs (representing additional loan) were granted during the second half of the year only. No new loan was sanctioned during the first six months of the year due to paucity of funds. Of the 48 applications received during the year for loans amounting to Rs. 14.88 crores, 20 applications were from the sugar industry for Rs. 7.49 crores, 12 applications for amounts aggregating Rs. 1.98 crore from the textile industry and five applications were for Rs. 2.95 crores from the cement industry. The remaining 11 applications received for Rs. 2.46 crores were from other major industries, such as engineering, refractories, paper, chemicals, automobiles, etc.

Loans Sanctioned

A State-wise analysis of the loans sanctioned shows the following trend:

State	Up to June 1957		Up to June 1958	
	No. of units	Amount (Rs. lakhs)	No. of units	Amount (Rs. lakhs)
Bombay	57	17,84.65	58	18,09.65
W. Bengal	26	5,98.50	27	6,83.50
Madras	17	5,58.00	19	8,57.00
Bihar	12	4,77.75	12	4,77.75
Kerala	6	4,27.50	6	4,27.50
U.P.	13	3,85.60	14	5,00.60
Mysore	16	3,80.00	17	4,80.00
Punjab	11	3,65.50	11	2,96.50
Andhra	9	2,61.00	10	3,10.50
Orissa	4	2,80.00	5	2,94.00
Rajasthan	3	74.50	3	74.50
Assam	1	45.00	1	45.00
Delhi	1	20.00	1	20.00
Madhya Pradesh	1	3.50	1	3.50
Total	177	55,11.50	185	62,90.00

Co-operative societies continued to receive the Corporation's special attention. The financial assistance sanctioned to them up to the end of the year under review aggregates Rs. 13.24 crores, as compared with Rs. 10.73 crores at the end of June 1957. Hitherto applications from the co-operative sector had been confined to the sugar industry. The Corporation has lately been approached for assistance from certain textile concerns also in this sector.

As stated already, the Corporation did not sanction any loan during the first half of the year due to paucity of funds. The ways and means position of the Corporation was improved thereafter by the receipt of Rs. 8.50 crores from the Government. Since the close of the year under review, the Government has sanctioned a further loan of Rs. 7.25 crores for the rest of the second Five-year Plan. This brings the total loans due to the Government to Rs. 22.25 crores, carrying interest at 4½ per cent. per annum. In November 1957, the I.F.C. issued, privately, bonds of the value of Rs. 4 crores. These bonds carry interest at the rate of 4½ per cent. per annum and are repayable in 1967. As against the sum of Rs. 4 crores invited, the subscriptions received aggregated Rs. 4.56 crores, the whole of which was retained by the Corporation. This brings the total amount of bonds outstanding at the end of the year to Rs. 12.37 crores, including the bonds amounting to Rs. 7.80 crores issued in 1949. From out of the proceeds of the bond issue, the Corporation repaid the outstanding borrowings from the Reserve Bank amounting to Rs. 2.79 crores. The rate of interest charged by the Reserve Bank on these borrowings was 4 per cent. per annum. The Corporation could not avail of the cheaper loan facility from the Reserve Bank, because the borrowing limit of Rs. 3 crores has almost been reached. The Corporation's reserves stand at Rs. 55.95 lakhs. While outstanding loans and advances aggregate Rs. 28.94 crores, cash balances amount to Rs. 3.84 crores.

Underwriting

The Corporation made its venture in the field of underwriting for the first time during the year. Jointly with the Industrial Credit and Investment Corporation of India Ltd., and the Life Insurance Corporation of India, it underwrote the issue of 6½ per cent. (subject to income-tax) redeemable and convertible debentures for Rs. 1.60 crore, issued by a borrower concern, from which a loan of Rs. 4.5 crores was already outstanding. The Corporation's share of commitment under this underwriting arrangement was Rs. 75 lakhs, inclusive of the loan of Rs. 45 lakhs which was to be redeemed out of the proceeds of the debenture issue.

Another new field of activity for the Corporation was the guaranteeing of deferred payments due from industrial concerns in respect of capital goods imported from abroad. Up to the end of June 1958, the Corporation received six applications from a like number of industrial concerns for guaranteeing deferred payments in respect of machinery and equipment to be imported to the tune of Rs. 5.24 crores. The Corporation was enabled to provide this "very useful facility" through an amendment of the I.F.C. Act during the year under review.

U.S. CAPITAL ADVANCES

Gold reserves and dollar holdings of foreign countries trading with the U.S. moved up by over $1,000 million during the second quarter of 1958. The rise was attributed to the cessation of previous declines in U.S. exports and imports of goods and services and a further rise in the outflow of U.S. private capital. The increase accrued mostly to Europe, Canada and Japan. The total U.S. expenditure in foreign countries on goods and services through private remittances, Government grants and related capital movement, and through U.S. capital advances amounted to over $6,900 million in the second quarter, about $100 million less than in the second quarter of last year. Sales of agricultural commodities for foreign currencies dropped by about $140 million. Loans by the Export-Import Bank were higher. The net outflow of funds through private investment was nearly $1,100 million, that is, $400 million higher than in the previous quarter. Private investment abroad, which had fallen off during the second half of 1957, increased again in 1958, the rise being mainly in new issues of foreign securities. Foreign expenditure in the U.S. on goods and service and long-term investment during the second quarter were about $5,900 million. After seasonal adjustments, these were slightly higher than in the preceding quarter but approximately $1,200 million or 17 per cent. less than a year earlier.

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INTERNATIONAL FINANCE CORPORATION

WAY CLEARED FOR OPERATION IN INDIA

THE *International Finance Corporation* is an affiliate of the World Bank (established a little over two years ago). It is a new institution, born of international co-operation. Its purpose is to further economic development in its less developed member-countries through private enterprise. It differs from its parent organisation—the World Bank—in five important respects. First, unlike the World Bank, it deals directly with private business without Government intervention. It does not ask for the guarantee of the governments of countries in which it invests; the World Bank does. Secondly, the I.F.C. finances only private enterprises and does not invest in undertakings which are government-owned and operated or in the management of which the government participates to any significant extent. It is, however, not precluded from financing private enterprise concerns in which some public funds have been invested. The World Bank lends to both private and public enterprises. Thirdly, the I.F.C. is essentially an investing rather than a lending institution; the World Bank is a purely lending institution. The I.F.C. invests in productive private enterprises in association with private capital and management. It does not exercise management functions, nor does it compete with private capital. It is intended to help and supplement private investment. Fourthly, whereas the World Bank operates all over the world, the I.F.C. is intended to invest only in the less developed areas—Africa, Asia, the Middle East, Australia, Latin America and a few special areas in Europe. Fifthly, whereas the World Bank lends to big institutions and to all types of public utility undertakings, whether owned by the public or the private sector, the I.F.C. is meant for helping medium-sized, predominantly industrial, enterprises in the private sector. It can invest for expansion or improvement of existing enterprises, as well as for creation of new ones. The I.F.C. considers that, in most cases, it is not practical for it to invest in enterprises with total assets of less than about $500,000, that is, about Rs. 24,00,000.

Functions of I.F.C.

One cannot hope to establish a new enterprise purely with the funds of the I.F.C. Indeed, it will not finance more than half of the total cost of an enterprise. It does not provide equity capital to begin with. Its investment first takes the form of loan capital entitled to a fixed rate of interest and some right to participate in the profits and growth of the business. It considers earning power and balanced capital structure more important than a lien or mortgage on assets. The participation in future profits and growth of the business may take the form of (1) a right to convert the loan or some part of it into some type of share capital or an option to subscribe to share capital or (2) a right to some additional income related to earnings or (3) both. The exact form of investment and other conditions are matters for negotiation.

The I.F.C. is an affiliate and not a subsidiary of the World Bank. All the members of the Bank are entitled to become members of the I.F.C., but they have to contribute to its capital in U.S. dollars. At present, 57 countries are its members. Its total capital, as at the end of June last, is $93.28 million. India's share is $4.75 million. The U.S. is the largest shareholder, accounting for $37.70 million. Next comes the U.K., with $15.44 million and thereafter France with $6.23 million. India ranks fourth and is an *ex-officio* Director of the Board, along with the other three. There are 12 other countries on the Board, but they are elected annually.

Since its inception and up to 8th October 1958, the I.F.C. has entered into 11 commitments in six countries involving investments of $10.60 million. Four of these took place in the period covered by its first annual report, six in that of the second annual report, and one after the latter report went to press. The eleventh deal was for $200,000 for financing a flour mill in Guatemala in Latin America. The particulars of the remaining 10 deals are shown in the table published on this page. It will be seen therefrom that, in Asia, Pakistan is the only country in which the I.F.C. has invested so far and that, barring an investment of $660,000 in Australia, all other deals have been in Latin and Central Americas. It is true that the I.F.C. had negotiated a deal with the Tata Chemicals Ltd. in India, but it fell through as the Company could get its requirements of capital from the Export-Import Bank at a relatively lower rate of interest following the $150 million credit line given by that Bank to India early this year. Currently, quite a few enterprises are negotiating with the I.F.C. and there are good reasons to believe that by the time its third annual report is published in September 1959, the Corporation will have made some commitments in this country.

Net Commitments

Of the net commitments (that is, excluding cancellations) of $9.47 million by June 1958, the total effective operational investments were $5.39 million of which $3.32 million had been disbursed; of the latter amount, $2.80 million were in U.S. currency and $520,000 in Mexican pesos. For the year ended 30th June 1958, gross earnings were $3.41 million, of which $93,311 were from operational investments and the balance from investments in U.S. Government bonds. After expenses, the net income was $2.36 million, which, together with $1.64 million for 1956-57, took up the total funds at the disposal of the Corporation to $99.49 million. It will be interesting to note here that the total disbursements so far have been less than the aggregate net income for the past two years.

The I.F.C. has been in existence only for two and a half years. It is, therefore, too early to judge its working. But, generally speaking, it has been subjected to two criticisms. One is that it has been slow in expanding its activities. Its founders had hoped that, helped by the experience of the World Bank, it would make a quick start, but this hope has not materialised fully. The second criticism pertains to its terms of investment, especially the rate of interest. The terms are regarded as hard and the rate of interest unduly high. The condition that payment of interest and the principal should be in U.S. dollars has deterred many applicants. Many entrepreneurs in India hold the view that the rate of interest is too high and not in keeping with the I.F.C.'s objective of helping underdeveloped countries. Mr. Robert L. Garner, President of the Corporation, gave a detailed reply to these criticisms in his speech at the second annual meeting of the Board of Governors held at New Delhi on Wednesday the 8th inst. He explained the position further at a Press conference after the meeting was over.

The I.F.C.'s teething troubles have been more or less similar to those experienced by the Industrial Finance Corporation of India in its initial stages. This is evident from the following remarks of Mr. Garner:

"It is inherent in sound developmental investment that most projects require considerable time in preparation. Careful investigation of most of the prospects submitted to us is necessary to get all the pertinent facts, without which a decision is more or less a guess than a judgment. Too often, we find that essential information has either not been developed by the applicant or is in error. The widespread geographical area of our activities increases the time required and the difficulties of investigation. Sometimes the sponsors themselves tell us that months, even years, may be required for them to make final decision whether to proceed. On the other hand, we are pleased that the expert advance preparation of the two projects in which we have joined enabled us to approve the investments within a few weeks after they were submitted to us. One of the problems confronting private financial investors who are willing to put capital into new ventures outside their own countries is the cost and effort of investigation, particularly if the investment contemplated is of moderate size. Frequently, the game does not seem worth the candle."

It may be interesting to note, in this connection, that in the first half of 1958, the Corporation received as many as 235 proposals. Of these, 40 per cent. turned out to be negligible, as not falling within the requirements of its charter and operating policies. Of the remaining 60 per cent., most were in a very preliminary stage. Sometimes merely possibilities of projects. In a large number of cases, information given was scanty. Certain proposals were defective either technically or financially or the representation of the sponsors was not good. Consequently, only 7 per cent. of the applications turned out to be promising prospects for near-term action. It will thus be seen that, if the projects are good and well prepared, it would be possible for the I.F.C. to speed up its activities. Accordingly, those who want to take up the assistance of the I.F.C. will do well to have their plans scrutinised by competent consultants.

Assistance of Local Banks

The cost of investigating a project and the creditworthiness of the parties concerned could be kept down if the I.F.C. takes the assistance of some of the local commercial banks and the local development and other investment institutions. It would appear from Mr. Garner's speech that the I.F.C. is aware of this possibility and examining it carefully.

Another factor that has been holding up the progress of the I.F.C. is the condition that, save in exceptional cases, the repayment of the principal and some part of the return on the investment should be in U.S. dollars, the currency in which its capital is held. This is a strong deterrent to would-be customers of the I.F.C. In these days of inflation how can any business man be certain that the external value of his local currency will remain steady in terms of the U.S. dollar? There is, indeed, no insurance for him against the risk of devaluation. In order

Summary of I.F.C.'s Commitments

(As at 10th September, 1958)

Country, obligor and type of business	Date of commitment	Terms	Commitment*
AUSTRALIA			$
Duncan's Holdings, Ltd. (Lumber milling)	27th Sept. 1957	7% interest and additional payments contingent on profits; maturities 1961-67; option on shares.	660,000
BRAZIL			
Siemens do Brasil Cia. de Electricidade. (Electrical equipment)	20th June 1957	6% interest; maturities 1962-68; option on shares.	1,000,000†
Olinkraft S.A. Celulose e Papel (Pulp and paper)	16th Jan. 1958	7% interest; maturities 1963-70; option on shares.	957,000‡
D.L.R. Plasticos do Brasil, S.A. (Automotive parts)	30th April 1958	7% interest; maturities 1961-68; participation in profits; option on shares.	450,000
Willys-Overland do Brasil S.A. Industria e Comercio (Motor vehicles)	30th June 1958	7% interest; maturities 1962-65; participation in profits; option on shares.	2,450,000
CHILE			
Empresa Minera de Mantos Blancos S.A. (Copper mining and smelting)	20th Aug. 1957	7% interest and additional payments related to dividends; maturities 1964-68; option on shares.	2,200,000
MEXICO			
Engranes y Productos Industriales, S.A. (Industrial equipment)	12th Aug. 1957	7% interest and additional payments contingent on profits; maturities 1961-67; option on shares.	600,000
	25th Aug. 1958	6½% interest; maturity 1960, with provision for extension on modified terms in certain events.	200,000
Bristol de Mexico, S.A. (Aircraft engine overhaul)	10th Sept. 1958	7% interest and additional payments contingent on profits maturities 1960-66; option on shares.	520,000
PAKISTAN			
Steel Corporation of Pakistan, Ltd. (Steel products)	16th June 1958	7% interest plus additional payments contingent on profits; maturities 1964-68; option on shares.	630,000
Adamjee Industries Ltd. (Cotton textiles)	8th July 1958	7% interest; maturities 1964-68; option on shares.	750,000
			$10,417,000

* The investments are repayable in U.S. dollars in all cases except the original Engranes commitment and the Bristol commitment, where 50 per cent. of the investments are repayable in Mexican pesos.

† During the year, Siemens revised its expansion programme and requested that the Corporation's commitment of $2,000,000 be reduced to $1,000,000.

‡ Original commitment was $1,200,000; $243,000 was cancelled by Olinkraft as not required.

to overcome this difficulty, Mr. Garner suggested that the governments of member-countries should make available to the I.F.C. local currencies out of counterpart funds or similar funds, so that the Corporation could use them to supplement dollar funds. Elucidating this suggestion, Mr. Garner said:

"The amounts required need not be large, in terms of the amounts existing, to enable the Corporation to prove how usefully it might employ them. As in the case of its dollar capital, these other currencies would act as a catalyst to draw other funds into productive private enterprise and thus act as a multiplier in development financing. I am convinced that the availability of usable amounts of various currencies would be the greatest single factor in expanding the Corporation's activities. The I.F.C. would be more than ready to work with any of our member-governments on developing appropriate means to this end."

Funds

So far as India is concerned, the counterpart funds are growing in size and are helping to swell the deposits of the banking system. Not all such funds are "employed" in the fullest sense and it should not be difficult to spare a part of them for the purpose suggested by Mr. Garner. Even so, it does not provide an effective means of removing the deterrent. The best solution to the problem is to relieve the business man who wishes to have the assistance of the I.F.C. from the liability of paying back the principal, etc., in U.S. dollars. There is no reason why the I.F.C. itself should not assume this risk. Other foreign private investors take that risk; not all of them have the facility of insuring against it. The I.F.C. is an international agency. While it should, of course, be run on business lines, profit motive is not its exclusive ideal. It could set apart a part of its net income to a special fund for covering the risk of devaluation. Or it could ask the governments of member-countries concerned to provide general cover against the risk on mutually agreed terms. There is thus need for fresh thinking on this question by the I.F.C.

Rate of Interest

Mr. Garner's arguments to show that the rate of interest charged by the I.F.C. is not prohibitively high are, however, convincing. Here is the gist of his case:

(1) The I.F.C.'s investments are usually of longer term than the loans secured from other sources. They hold a middle place between medium-term (running from two to five years) credits, frequently secured against lien on the equipment, etc., and equity capital. They consist of notes or bonds, usually without security repayable after eight or ten years, or even longer and hold a junior position as compared with the other lenders.

(2) The objective of the Corporation is not to provide cheap money for which there are other agencies. It is meant to operate without government guarantee of any sort and if on top of this condition it is to operate as a provider of cheap credit, it would not be in a position to augment its resources through borrowings in the capital markets of the world.

(3) If the private segment of an economy is to maintain its basic private character, the largest amount of capital going into it must come from private and not public, sources. Provision of cheap Government credits will *generally* retard development of private enterprise. If the I.F.C. is not to depend upon Government credits in future it must be run on commercial principles. Moreover, the question to what extent should public funds be made available to a limited number of private business men at rates much lower than other business men can obtain has to be squarely faced.

These arguments are pertinent. That part, an interest rate of 6¼ per cent. or 7 per cent. for long- or medium-term obligations with no security is by no means excessive as compared with what even first class industrial borrowers are paying today in this country for secured loans and debentures. In any case, it is much cheaper than the terms of the deferred credits arranged by the Government and business men with the foreign suppliers of capital equipment. credits which are repayable in five to seven years. It is also worth remembering that almost all of those who have so far taken the I.F.C.'s assistance are large companies with wide international interests. Apparently, they have found it worthwhile taking capital from the I.F.C. at 6¼ to 7 per cent. Further, it is significant that the Government of India which was once of the opinion that a rate of 7 per cent. was too high and would not permit the I.F.C. to finalise deals with Indian business men on that basis, has changed its mind. It has now agreed that it would not stand in the way of such deals provided the rate of interest does not exceed 7 per cent. It has also agreed that the method of the I.F.C.'s participation in projects in which it proposed to invest was a matter of agreement between the I.F.C. and the sponsors of the particular project. The only condition that the Government of India has imposed is that the projects chosen should fit in with its plan and policies for the development of the country. This is, indeed, a reasonable attitude and it is gratifying to hear from Mr. Garner that there are now no differences of opinion between the I.F.C. and the Government of India and that the way is clear for it to do business in this country.

Catalytic Agent

The main function of the I.F.C. is to act as a catalytic agent in stimulating private investment in member-countries. Its success, therefore, is to be measured not merely in terms of the actual investments made by it but by their multiplying effect in supplementing and attracting larger amounts of private capital. It is estimated that, in the first two years of its existence, every dollar invested by the I.F.C. has attracted new investment of about $3.50. While this is, indeed, a creditable achievement, the management of the I.F.C. must always bear in mind the following pertinent remarks of Dr. Ludwig Erhard, the German Minister for Economic Affairs, in drawing up the terms of investment:

"The founders of the International Finance Corporation endowed it with the task of effecting investments not for the sake of returns but for the sake of encouraging private capital also to invest and, at a later stage, of channelling further private capital into the developing countries from the sale of its participations. Consequently, the Corporation is faced with a very delicate task. It must act similarly to a private investor, because, otherwise, it could not offer conditions under which private capital would be prepared to participate. On the other hand, however, it must not use exclusively the cautious approach of the private investor, for then only such projects might be taken up for which private capital could be found anyway. But that would mean that the I.F.C. could not live up to its task. Consequently, the Corporation must always wriggle between the approach of the investor preferring security and that of the risk-loving pioneer."

Dr. Erhard has, in our opinion, summed up the task before the I.F.C. admirably. The I.F.C.'s terms should be flexible and pragmatic and not rigid and conservative. They should reflect the changing trends in the capital markets. It is encouraging to be told that in the I.F.C.'s latest deal with a flour mill in Guatemala, the fixed interest on investment has been fixed at 5 per cent. with additional return dependent on a stock option and profit participation. This instance suggests that the I.F.C. is alive to the significance of Dr. Erhard's advice.



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6 THE INDIAN SUGAR MILLS ASSOCIATION

FUTURE OF BRITISH TEXTILE INDUSTRY

HIGHER TARIFFS ON IMPORTS ADVOCATED

From A Special Correspondent

MANCHESTER, *7th October*

MANY documents, some produced by official organisations and others by interested individuals, have been written about the Lancashire cotton trade and its difficulties which seem to have persisted throughout the years even in eras which now appear almost too prosperous to be true. The latest in a long line of memoranda setting the trade to rights has been compiled by Mr. John Crabtree, a textile manufacturer himself and prospective Parliamentary candidate. In the past, Mr. Crabtree has been an outspoken critic of the present British Government's policies towards the textile industry.

MANCHESTER LETTER

His survey, addressed to the Conservative Party Organisation, bears the stamp of authenticity, though some of his ideas may not be capable of adoption without radical changes in the political structure not only of this country but also abroad. He sees the future of British textiles as a co-operative venture in which the Government and the industry must each play their part. In return for breathing space, represented by a five- or ten-year protection plan, Lancashire must be prepared to modernise on a much wider scale, adopt shift working, and reorganise by breaking up obsolete and redundant machinery for scrap.

The proposals for Government action seem almost in direct opposition to what has been happening lately. Mr. Crabtree calls for increased Imperial Preference in all Colonies and Dominions and higher tariffs against foreign textiles entering those territories. What do Australia and New Zealand say to this?

Even more far-reaching are the author's plans for a revision of the G.A.A.T. and Ottawa Agreements. In the last resort, this might mean Britain ceasing to subscribe to the first of these pacts, while Mr. Crabtree wants a new Imperial Trade Conference called to bring about a set of up-to-date Commonwealth agreements.

Efficient Working

This new survey for the future covers every aspect of the industry from the opportunities provided by expanding markets to the need for stimulating selling methods, which most people will agree could do with modernisation. Mr. Crabtree urges the trade unions to collaborate more effectively in the use of shift working and permit the mills to operate what he calls a "maximum working year."

The installation cost of modern shuttleless automatic looms on a 45-hour single shift represents 1¼d. per yard in depreciation and interest, he asserts. On three-shift working, even under current regulations, this would be reduced to ¾d. per yard, while, if Lancashire's working year on three shifts of approximately 5,512 hours could be lifted to the 8,088 hours common in America, the depreciation and interest figure would drop again to about ½d. per yard. The "split personality" of the present Cotton Board comes under fire. Mr. Crabtree suggests a Textile Industry Council made up only of the productive elements. "Such a Council," he says, "would be able to speak to the Government with one voice."

Price Control and Surplus Plant

The scheme comes out in favour of minimum price agreements on similar lines to those operated in the spinning, doubling and finishing sections of the cotton trade. It is suggested that the Board of Trade should licence agreements of a similar kind for all other sections but that they should be subject to control to ensure that they remain flexible so as to take account quickly of changes in taxes, wages, raw material costs and production improvements, with provision for the introduction of new fibres, blends and mixtures.

Redundant plant should be put under the hammer, according to the plan, and not sold through brokers to go abroad to compete with Britain on a cheap capital basis allied to cheap labour. A new organisation on the lines of the old Spindles Board should be set up to buy and take out of production any plant not scheduled for participation in the reorganisation programme.

New Import Scheme

Any series of proposals such as those outlined by Mr. Crabtree must of necessity rely on the co-operation of large sectors of industry, although some form of compulsion seems to be inherent in parts of the plan. The Government's contribution to provide the industry with "an injection of confidence in its future" rests on early restrictive control on imports.

In this connection, Mr. Crabtree has an idea which is worth consideration by the authorities. He points out that, in the first quarter of this year, imports of cotton grey cloth from China and Japan amounted to 45,000,000 yards, mainly for re-export after finishing. "I propose these imports should be severely curtailed and, in order to help Hong Kong to agree to limitation, this 45,000,000 yards should be supplied from Hong Kong and Indian mills, thus taking this amount off our home market," he declares.

Arrivals of grey cloth from countries outside the Commonwealth in the first eight months of the year exceeded 70,000,000 yards, of which 62,000,000 yards came from China and Japan. Imports from Hong Kong were 68,000,000 yards and from India nearly 80,000,000 yards. Some adjustment in this trade might have the effect of smoothing current negotiations without interfering unduly with the system of importation, finishing and re-export.

While on the topic of foreign cloth arrivals, it should be put on record that the prospects of Lancashire gaining concessions from any future Labour Government seem almost as remote as the assistance rendered by the Conservatives. The problems of the cotton industry received scant attention at the Labour Party Conference. A resolution calling for the imposition of restrictive quotas on imports was not acceptable to the executive, as such a scheme "could cause difficulties with Colonial and Commonwealth countries."

According to Mr. Harold Wilson, the former President of the Board of Trade, if the Hong Kong talks fail to secure an agreement, the situation must be solved "by what is in effect nationalisation of the business of importing cotton goods." The cotton unions' *Plan for Cotton,* now generally accepted as the basis for Labour Party policy for the industry, proposed the establishment of a Government-sponsored commission to control foreign cloth purchases in accordance with the existing state of trade.

Import Trade

Although imports of cotton cloth into Britain fell in the second quarter of the year as compared with the first quarter, shipments from Hong Kong continued to increase, according to the latest Cotton Board's *Quarterly Statistical Review.* Cloth imports declined from 117,000,000 square yards in the first three months of the year to 85,000,000 in the second quarter, and aggregated only 51,000,000 square yards in July and August. "The decline in imports in the second quarter as compared with the first was due to the sharply reduced receipts from India and China, the latter due to quota restrictions, outweighing increased receipts from Hong Kong and Japan," said the report.

Reviewing the situation in the Lancashire textile industry, the review says the unfavourable influences affecting the industry continued without abatement during the second quarter. Export shipments had declined considerably and showed few signs of improvement in the near future. Many mills were working short time and taking extended holidays, while mill closures were taking place at a steady rate. In the first seven months of the year, the industry lost 21,000 workers.

Diversification Plans

Further reference to the keener competition now being experienced in textile production in many parts of the world is made in the annual statement issued by Mr. T. A. Fairclough, Chairman of Tootal Ltd., the Lancashire textile group which deals not only in spinning and weaving but has a large merchanting organisation. "The industry," he says, "is essentially one of mass production and more and more countries are competing for the international trade in textiles. Proceeding, he observes: "The effect of this trend on the United Kingdom textile trade is clear when one considers the figures of yardage exports of cotton and rayon piecegoods from the United Kingdom; in 1939 the total volume of these exports amounted to 21 per cent. of the corresponding figure for the year 1912, whilst, in 1957, the yardage exported (including re-export of foreign produced loom-state goods processed here) had fallen to just over 8 per cent. of the 1912 figure. It is perhaps not without significance that there are indications now that even some of the Eastern countries are finding difficulty in keeping their textile industries running at full capacity."—*All Rights Reserved.*

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TEXTILE INDUSTRY IN CHINA

NEW ERA OF EXPANSION AND DEVELOPMENT

THE textile industry in Communist China is now on the threshold of a new era of expansion and development. The current calendar year—the first year under the second Five-year Plan for National Development—is expected to witness a significant rise in the production of textiles. The estimated output of yarn in 1958 is placed at as high as 2,574 million lbs. which represents an increase of 40 per cent. as compared with the 1,839 million lbs. spun last year. This figure is said to be higher than the original State quota by 25 per cent. Following improvement in yarn output, the production of cloth is estimated substantially higher at nearly 6,542 million yards, that for 1957 being 4,673 million yards.

The greater part of the anticipated rise in textile output during 1958 is due to the full utilisation of old mills and only a small part is the result of the new mills put into operation in the year, according to an interesting review of the recent trends in China's textile industry by Mr. Chen Wei-chi, Vice-Minister of Textile Industry, People's Republic of China, contained in a recent supplement to *China Today*. The cotton mills in Shanghai, for example, have increased, we are told, production by 30 to 40 per cent. simply by the workers' bold acceleration of the speed of machines and other technical improvements.

The review reveals that, side by side with the quantitative increase in production, the quality of cotton, woollen, linen, and silk products have also improved greatly. In all the cotton mills in Shensi, for instance, the workers exerted their utmost efforts and the managers and workers got rid of all their conservative ideas. After 40 days of hard work, all the mills, either large or small, succeeded in producing cotton yarn of extremely fine quality. All the long-standing problems were also quickly solved. The problem of shrinkage in dyeing, for instance, which had had no satisfactory solution in the old days, was solved by the use of simple sanforising and high temperature drying machines made by the workers themselves. High-grade products such as 6A grade raw silk, non-breaking silk and white shining noil pongee, which was thought impossible to make, were also produced.

The varieties and floral patterns have been increased, too. The textile mills in Hopei Province alone have successfully produced over 1,100 new varieties this year. Many high-grade products, undreamed of before, were quickly manufactured. Special mention is made of high-grade pongee woven from 300 count yarns manufactured with ordinary native-grown cotton, crepe georgette with colourful floral prints made by the electric flocking-printing method, and cylinder-like wax-cloth for insulation in electrical industry, and seamless nylon blood vessels for surgical use. Great progress was also made in utilising new materials.

Changes in Technology

The aforesaid notable progress in the textile industry would not have been possible but for the radical changes in the field of technology. Among them, three changes stand out prominently. They are: first, to investigate and try to make textile equipment of high efficiency to take the place of those of low efficiency. For example, a new high speed carding machine made in Tsingtao and Shanghai can work four times as fast as the present one. Certain regions have made a double-piece fabric weaving loom, which has greatly increased the productivity of the present loom. Several places are now actively trying to make centrifugal spindles and pneumatic looms. Secondly, to shorten the manufacturing process or the sequence of processes through high-draft cotton-spinning, woollen-spinning, flax-spinning, and spun-silk machines which will greatly shorten the spinning process. Thirdly, to mechanise, partially mechanise or automatise heavy manual work. For example, the newly made automatic corduroy cutting machine has increased the daily output by 10 times that of manual work. New achievements in science such as semi-conductors and supersonic equipment are being actively studied as to how to apply them to the textile industry. If semi-conductors can be used to measure the moisture and control temperature, it will, it is felt, be of great significance in promoting automatisation and continuous flow in the textile industry.

Mr. Chen Wei-chi emphasises that, in order to make the textile industry catch up with the new situation in the supply of raw materials and the demand of the market, further steps must be taken to speed up the construction of new cotton mills. The only way to do so is, it is said, to carry out resolutely the policy of centralised leadership, overall planning and co-operation combined with division of labour. Some textile enterprises run by the Central Government have been handed over to various provincial and municipal governments, thus greatly developing the initiative of local Governments.

According to the Plan, two million additional spindles will be installed in the current year. This number represents about 80 per cent. of all spindles installed in the past eight years or about 40 per cent. of those installed in 60 years prior to the liberation. Notable advances have also been made in the woollen, flax and silk textile industries. These new additions to the textile industry are made by Provincial and municipal governments. While large enterprises are the backbone, the great majority of them are medium and small-sized mills. For instance, the Anhwei Provincial Government will build 306 textile factories this year. Of these, three are large mills and 14 are medium-sized, while the small-sized factories number 289.

Distribution of Mills

Owing to the reliance on local governments to manage their own industries and the co-ordination among large, medium and small-sized industries, the geographical distribution of the textile mills covers now a much wider area than before. For instance, the newly built textile mills this year with a total of 2,000,000 spindles are distributed over eighteen provinces and cities. Such places as the Chuang People's Autonomous Region in Kwangsi and the provinces of Kweichow, Fukien, Chinghai and Kansu which had no cotton mills at all have now new cotton mills. A single province now may have several textile centres. Thus, a network of textile mills is spread all over China. Investments in capital construction have been greatly reduced as compared with previous years, as attention is given to seeing that everything fits into local conditions, that the best use of local materials is made and that the standards are not set too high.

The Yutsu county in Shansi Province spent only a little over 8,000,000 yuan in building a textile mill of 50,000 spindles, cutting down capital investment by 5,000,000 yuan for a cotton mill of the same capacity. The Anhwei Province has built a cotton mill of 2,000 spindles by utilising old equipment and buildings, spending only 200,000 yuan. Its construction was completed in a little over a month.

The big leap in the textile industry has been rendered possible to a large extent by the marked strides made in textile machinery manufacture. Besides producing the technically rather complicated equipment on the basis of the achievements in technical production, attempts are being made to produce simpler and easily-made textile machines.

Alongside of developments in the spheres of textile production, technology and capital construction, attention is concentrated on the need for augmenting the production of the most important raw material, cotton. The cotton harvest of the present season is expected to be a bumper one, the total yield being put at 70 million piculs (1 picul=133⅓ lbs.) or double the output in 1957. Many textile mills in China have put forward the slogan of "Racing with the big leap in agriculture and meet the challenge of the bumper cotton harvest."

The year's achievements of the textile industry, says Mr. Chen Wei-chi, mean only the beginning of a big leap for the second Plan. For, according to him, the magnitude and scale of next year's capital construction in the industry will be several times those of 1958.

WORLD WOOL PRODUCTION

The total production of raw wool in the non-communist world during the 1958-59 season is provisionally estimated by the Commonwealth Economic Committee at 4,085 million lbs. (greasy basis). This is about 1 per cent. less than the revised total of 4,115 million lbs. for 1957-58. The reduction is due almost entirely to an estimated fall in the Australian clip. While the non-communist world output seems likely to decline for the second season in succession, the total world production—including that of the Soviet Union and China—is estimated at about the same figure as in the previous season, namely, 5,000 million lbs.

The first official estimate of Australian production is 1,386 million lbs. (greasy) or 3 per cent. below the revised total of 1,426 million lbs. for 1957-58. The fall is ascribed to widespread drought conditions during the growing season. South Africa has also been affected by drought, and the South African Wool Board anticipates a production of 306 million lbs., about 1 per cent. lower than last season. A preliminary estimate by the New Zealand Wool Commission puts New Zealand output at about 505 million lbs., or 2 per cent. more than the revised total of 496 million lbs. for the previous season. Of the other principal exporting countries, wool production in Argentina is provisionally estimated at 408 million lbs., or much the same as the total for last season. Unfavourable whether has been reported from Uruguay, but, although the clip may suffer in quality, the size is not expected to show much change and the total is provisionally estimated at 200 million lbs. The aggregate production in the U.S.A. is put at 295 million lbs. or 1 per cent. higher than a year earlier. In the United Kingdom, although the sheep population is higher, wool production is not expected to exceed the previous season's total of 112 million lbs. In the Soviet Union, states the Committee, sheep numbers in 1958 showed a sharp rise and a further increase in wool production of 3 to 4 per cent., to a total of about 620 million lbs., is estimated. The wool output estimates for certain other Eastern European countries in the light of fuller data now available are also placed higher.

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FREE WORLD COTTON STOCKS

LOWEST ON RECORD SINCE 1953

WITH consumption continuing to exceed production during the last (1957-58) season, free world carryover stocks of cotton at the beginning of the current season, namely, 1st August last, registered a further decline. The International Cotton Advisory Committee, Washington, estimates the aggregate free world cotton stocks on 1st August 1958 at 18.3 million bales, as compared with 20.4 million bales a year ago and the 1956 peak level of 22.2 million bales. At this level, stocks on that date were lower than at any time since 1953 and, in terms of monthly supply, are even smaller by virtue of the higher consumption rate.

The following table gives the distribution of free world cotton stocks as on 1st August 1958.

(In million bales of 478 lbs.)

Region	As on 1st August 1958*	1957	1956
United States	8.7	11.4	14.5
Other net exporting countries	3.7	3.0	2.7
India	2.0	1.9	2.0
Other net importing countries	3.2	3.6	2.8
Of which:			
Western Europe	2.3	2.6	2.0
Japan	0.5	0.6	0.5
Others	0.4	0.4	0.3
Afloat	7.0	0.5	0.2
Total	18.3	20.4	22.2

* Preliminary estimate.

As will be seen from the table, the United States was again able to dispose of a major portion of its cotton surplus and stocks are now estimated at 8.7 million bales. Of this amount the Commodity Credit Corporation (C.C.C.) holdings declined to under three million bales, as compared with 5.2 million bales a year ago. The catalogue of C.C.C. stocks of Upland cottons from the 1956 and earlier crops at the beginning of the present season contained about 344,000 bales of which about 95 per cent. were in staples 15/16" and shorter. On 1st August the C.C.C. took possession of 2.6 million bales outstanding from the 1957 loan programme. Private holdings on that date remained unchanged at around 6 million bales. U.S. mills stepped up their purchases of cotton towards the end of last season in anticipation of the increase in domestic price following the higher support prices and mill stocks are at present higher than a year ago. At the end of June last mill stocks aggregated 1.7 million bales, which was over half a million bales more than a year ago.

In the aggregate, stocks in other countries on 1st August 1958 increased by an estimated 600,000 bales, and there have been distributional changes too. Exporting countries, with few exceptions, now hold larger stocks than a year ago, significantly so in some instances. Higher production during last season increased export availabilities but actual exports registered little, if any, gain when compared with 1956-57.

Returns are as yet incomplete and precise stocks figures for individual countries are, therefore, not available. Nevertheless, it would appear that there has been a significant increase in the United Arab Republic, Pakistan, Argentina and Central America; in many instances, the build-up in carryover did not reflect adverse trading results but merely that the market was unable to absorb increased supplies. In Egypt and Mexico, for example, exports actually increased but not at the same rate as production. At the end of June, stocks in Mexico amounted to 150,000 bales but no doubt increased in July because of the slow movement of the new Metamoros crop.

Peru experienced some difficulties earlier in the season but stocks on 1st August were probably higher than a year ago but no higher than average holdings for this time of the year. To a large extent, the increase in stocks in Argentina can be construed as an assurance of more adequate supplies for the domestic industry and no surplus problem exists there or in Brazil.

A decline in consumption, with exports still under quota, caused an increase in stocks in India and this might make more cotton available for export during the 1958-59 season. Proportionately, the most significant increase in carryover stocks was in Pakistan where stocks are presently much higher than for several years. The Government is alert to the situation, however, and late in July an export incentive programme was put into effect to facilitate the export of *Desi* type cottons.

Contrary to the general trend, the combination of lower production and increased exports relieved the surplus situation in the Sudan and stocks are now more normal. With few exceptions, importing countries are now holding smaller stocks than a year ago. To a large extent, this can be attributed to the general downturn in cotton consumption during the last few months but the deterioration in the foreign exchange position of some countries and some uncertainty over the future trend of cotton prices may also have exerted some influence on cotton trade. With consumption much lower, stocks in Canada have been sharply reduced and may be near their low for the post-war period. In France, the downturn has been very pronounced and stocks are now little more than half what they were a year ago and near the minimum level for the post-war period. Foreign exchange difficulties may have been the main cause of the decline in imports, for consumption has been well maintained.

In other West European countries, the trend has been to lower stocks but stocks in nearly every instance are still higher than in 1956. This may have some bearing on international trade during the present season. If circumstances warrant it, stocks could be reduced still further but only to a limited extent and, in the main, the volume of imports should reflect the level of consumption this season. In Japan, where consumption is now seriously curtailed, stocks are also noticeably lower as compared with a year ago.

MILL CONSUMPTION OF COTTON

Figures relating to mill consumption of cotton in India, compiled by the office of the Textile Commissioner, indicate that consumption of Indian cotton by mills during the past season, that is, 1957-58, declined from 4,665,581 bales (of 400 lbs. each) in 1956-57, to 4,433,239 bales, a fall of as much as 232,342 bales. Foreign cotton consumption, on the other hand, has been more or less maintained. It was 565,650 bales in 1957-58, as compared with 567,468 bales in the previous season.

The following table gives the breakdown of the consumption figures:

(In bales of 400 lbs.)

	Indian Cotton		Foreign Cotton	
	1957-58	1956-57	1957-58	1956-57
September	399,125	377,978	49,310	53,732
October	372,781	369,923	48,415	49,494
November	390,784	389,505	51,031	48,413
December	391,490	407,605	51,858	49,018
January	392,007	416,282	48,804	47,378
February	350,474	383,121	43,868	43,662
March	354,288	399,609	47,643	46,428
April	348,743	409,989	41,749	41,084
May	360,868	401,784	47,564	49,089
June	324,757	380,645	42,762	42,921
July	377,532	392,614	48,217	50,029
August	370,390	376,526	44,329	45,620
Total	4,433,239	4,665,581	565,650	567,468

It may be noted from the above table that the consumption of Indian cotton during the first three months of the season were running at a rate higher than that in the corresponding period of the previous season. But it was lower since December 1957.

Details of licensing procedure in respect of the export quota of 150,000 bales of Bengal *deshi* cotton and 100,000 bales of cottons (other than Bengal *deshi*) not above ¾ inch stapling, released on 8th October, has been announced. Out of the above quantity, fifteen per cent. will be reserved for co-operative societies. Allotment letters will be issued valid for shipment by 31st March 1959 on the principle of 'first-come-first-served', subject to a maximum of ten per cent. per shipper from all ports, of the quantity available for exports, after deducting the quantity reserved for co-operative societies. Co-operative societies may apply through the respective Registrars of Co-operative Societies in their States to the Joint Chief Controller of Imports and Exports, Bombay, on or before 15th November 1958. Licensing on the allotment letters will be made valid for shipment within 15 days from the date of issue or 31st March 1959, whichever is earlier.

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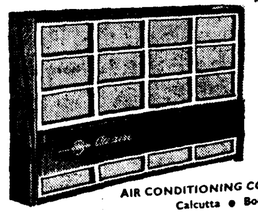

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BUILDING UP SUGAR EXPORT MARKET

COST OF PRODUCTION MUST BE REDUCED

THE progress made by the scheme to export sugar abroad has not been very encouraging. Although nearly four months have elapsed since the Central Government announced the decision to permit exports of 50,000 tons of sugar before the end of the current month, the quantity actually sold up to now is said to be not more than 30,000 tons. In view of the slow tempo of export business, the Government has extended the last date for effecting shipment by a month, that is, till the end of November next. Even the small quantity sold has been at a very low price. The average price fetched is put at just Rs. 526 (£34) per ton f.o.b.

The currently ruling world prices of sugar are no doubt slightly higher than those prevailing when the sugar export ordinance was issued on 27th June 1958; spot Cuban raw sugar is now quoted in New York at about 3.45 cents per lb. (f.o.b. Cuba), as against 3.42 cents, and raw sugar in London at £31 per ton, as against £30½. Nevertheless, these prices are still very much lower than Indian prices, so that the loss on sugar exports continues to be very considerable. In terms of rupees, the world price of sugar stands at present at about Rs. 413 per ton, whereas the average price for Indian sugar even after the full remission of excise duty (Rs. 291.20 per ton) and cane cess (Rs. 50.90), comes to Rs. 750. The loss on every ton of sugar thus comes to Rs. 337. Even at such heavy sacrifice, export business in sugar has not been, as already stated, very encouraging.

World Sugar Conference

This journal has ere now questioned the wisdom of trying to export sugar for the sake of earning foreign exchange at a disproportionately heavy cost to the country. The official spokesmen have, however, repeatedly stressed that it is the Government's definite policy to export sugar. Indeed, India, although it is not a party to the International Sugar Agreement, is actively participating in the deliberations of the World Sugar Conference now in session at Geneva under the auspices of the United Nations. The Indian delegation to the Conference is led by a Minister of the Central Government, Mr. A. M. Thomas. Incidentally, Mr. Thomas has been elected the second Vice-Chairman of the Conference.

Addressing a plenary meeting of the Conference on 24th September, Mr. Thomas declared that his country was in favour of international collaboration in the widest sense of the term. India, which had not been able to accede to the present Agreement, was endeavouring to develop its economy under a Five-year Plan. He urged that a new agreement should take into account the evolution of national economies and emphasised that India would have in future a surplus sugar production which would be available for export.

Whether or not there will be surplus sugar for export in future, time alone can reveal. Much depends on the position in respect of cane supplies which, in turn, will be influenced by weather conditions and trend of *gur* prices. Assuming there will be a surplus, the point is that the amount of foreign exchange earned from sugar exports will be disproportionately low as compared with the enormous loss of internal revenue by way of income-tax, corporation tax, excise duty and cane cess and the reduction in the national income brought about by lower price realisation. If India is to build up a stabilised permanent export market for sugar, it is of the utmost importance that prices, which are high in all conscience, must be reduced and, unless this is effected, India's competitive capacity in world sugar markets will continue to be very low.

How can the cost of sugar manufacture be reduced? The answer to the poser lies partly in lowering the burden of taxation—direct and indirect—and partly in reducing the incidence of heavy cane price through the adoption of a more rational system of fixing the price for cane, in the place of the present system of basing cane prices only on the basis of weight irrespective of quality considerations. The low cost of sugar production in many countries of the world has all along been due to a large extent to the highly encouraging conditions obtaining in the sphere of cane cultivation. How the average per-acre yield of cane, the recovery per cent. of sugar in cane and the quantity of sugar raised per acre of land in India compare unfavourably with the other countries was indicated in these columns three weeks ago, so that it is unnecessary to discuss the issue again.

It will not be out of place here if a reference is made to the latest move of the Central Government to request the Tariff Commission to make a fresh examination of the cost structure of sugar manufactured in India and submit a report on the fair price payable to the sugar industry. Announcing this decision in the course of a Press Note issued on 20th September 1958, the Union Ministry of Commerce and Industry said:

"In its report on protection to the sugar industry, the former Tariff Board had recommended the preparation of a new schedule for working out the cost of production of sugar. A schedule was accordingly prepared by an expert committee. This was further examined by another committee which suggested amendments to the schedule. The second committee had also suggested that a fresh schedule should be prepared on the basis of recent data and the amended schedule should be used in the meantime.

"The sugar industry has represented that the manufacturing expenses allowed under the schedule prepared by the first committee, even after the additions suggested by the second, do not fully cover the increases in the cost which have taken place during the past few years. The industry has also represented that the allowances provided for rehabilitation charges and profits are inadequate. On the other hand, representatives of sugarcane growers have a feeling that the costs provided for in the schedule are on the high side. Government are, therefore, of the view that a fresh examination of the cost structure of sugar is necessary.

"The Tariff Commission has been requested to conduct necessary enquiries. The Commission has been asked to submit a preliminary report within three months on the allowances for rehabilitation charges and profits and a final report covering the other items as early as possible thereafter. Firms or persons interested in the matter who desire that their views should be considered, should send their representations to the Secretary, Tariff Commission, Bombay."

It is to be hoped that, in its report, the Tariff Commission will impress upon the Government the urgency of taking steps to bring down the cost of sugar production, particularly through the reduction in the incidence of heavy cane price. Such a reduction can be ensured greatly by the adoption of a policy to link the price of cane to both weight and quality, instead of to weight alone as at present. It is only such a policy that will, we repeat, give real inducement to cultivators to grow cane with richer sucrose-content and at a lower cost.

(Concluded from next column)

It, however, seems doubtful whether India will be able to meet the competition from China which has increased its production from 36 million metric tons in 1936-38 to 130 million tons in 1957 and expects to raise it further to 230 million tons in another five years. It will be interesting to note here that the Deputy Minister of Commerce and Industry, Mr. Satish Chandra; admitted in the Lok Sabha recently that India's exports, which included coal, were facing competition from China, though he added that it was too early to make an accurate assessment of the extent to which India's exports of these commodities had been affected by China's competition. Even if India were to find a market for its coal, it is doubtful whether it will be able to get a reasonable price for the sacrifice it makes in depriving Indian industries of the small quantity of metallurgical coal proposed to be exported.

The total output of hard coal in West Germany during the first half of 1958 was 66,735,000 metric tons, as against 66,922,000 metric tons in the corresponding period of 1957. The corresponding figures for soft coal were 46,261,000 metric tons and 46,866,000 metric tons, respectively. West Germany's imports of hard and soft coal during this period declined from 10,841,000 metric tons to 8,704,000 metric tons and its exports also fell from 13,085,000 metric tons to 11,041,000 metric tons. Nevertheless, stocks at pitheads rose from 185,000 metric tons at the end of June 1957 to 7,419,000 metric tons at the close of June this year. Of W. Germany's public power generation total ling 56,600 million kw.h. in 1957, about four-fifths were generated from coal; 24,665 million kw.h. (43.8 per cent.) were generated from hard and 21,049 million kw.h. (37.2 per cent.) from soft coal, while 10,589 million (18.7 per cent.) were hydraulic energy, and the remainder of 300 million kw.h. (.5 per cent.) was generated by liquid fuels, such as diesel oil, etc.

METALLURGICAL COAL EXPORTS

GOVERNMENT DECISION NEEDS RECONSIDERATION

THERE was a brief but interesting discussion on coal exports from India in the Lok Sabha on 23rd September last. The discussion was raised by Mr. Raghunath Singh who said that India was losing its coal markets abroad and, during the last 10 years, the exports of coal had gone down considerably. Replying to the discussion, Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel, stated that the Government of India was taking all steps not only to preserve the existing overseas markets for coal but also to explore new ones. In order to earn foreign exchange, the Government, the Minister revealed, had decided to permit export, during the remaining part of the current year, of 200,000 tons of metallurgical coal and it was proposed to increase this quantity next year to 500,000 tons, though such exports would be at some sacrifice, as the steel plants which required metallurgical coal were reaching an advanced stage.

Mr. Swaran Singh alluded to the peak coal exports of 3.3 million tons touched in 1952 and observed that such was due to a variety of causes. This figure, he added, should not be taken as normal for the annual exports of Indian coal and the present exports should not be compared with past ones. Referring, in particular, to purchases of Indian coal by Japan, he said that, since these purchases varied from year to year, this country could not be regarded as a stable buyer of Indian coal.

Two Aspects

There are two aspects from which the problem of exports of coal from this country should be studied. First, whether the country can afford to lose even some quantity of its high grade coal, particularly at a time when every effort is being made to conserve the resources of metallurgical coal for its rising consumption by steel plants. It may not be out of place to point out here that the Karnail Singh Committee, in its recent report on coal consumption by the railways, anticipated a serious deficiency in high grade coal required for the railways at the end of the second Plan period and expected the position to deteriorate further during the third Plan period. In other words, all efforts should be made to conserve high grade coal and to increase the utility of lower grade coals by proper washing for use in spheres where high grade coals are used at present. In fact, despite the advent of nuclear energy and the rivalry of oil and hydro-electricity as alternative sources of power, it is estimated that not only India but even advanced countries like the U.S., the U.K., the U.S.S.R., France, etc., have to depend on coal as the chief source of energy for industrial and other purposes for several years to come. According to Mr. A. B. Guha, one of the leading mining engineers of India, the total annual coal requirements of India will reach 300 to 350 million tons in another 15 years, while the present production is of the order of only about 44 million tons and the prospect of reaching the target of 60 million tons per annum set for the second Plan period has almost been ruled out by the Planning Commission in its reappraisal of the Plan. In these circumstances, the decision to allow exports of metallurgical coal, though they may bring much needed foreign exchange, deserves to be reconsidered.

The second aspect of the question is whether the country will be able to compete sucessfully in the overseas markets. It is true that exports during the first half of the current year have been encouraging, as will be seen from the following table:

Exports of Coal and Coke

	Quantity (in tons)		Value (in lakhs of rupees)	
	January to June		January to June	
	1958	1957	1958	1957
A. "Coal" Anthracite, Bituminous—				
I. Rich volatile coal bituminous, etc.	594,998	603,996	167.63	179.86
II. Low volatile coal bituminous, etc.	240,080	144,152	80 28	46 23
III. Pit coal anthracite, etc.	23,675	23,427	8 71	8 56
IV. Pitch coal	7	52	0 02	0 24
V. Others	5,022	32,691	0 96	8 57
Total	863,782	804,328	257.59	243.31
B. Coke of Coal and of Lignite—				
I. Hard coke	46,487	41,743	10 99	24.47
II. Soft coke	5,918	2,222	1.72	0.59
Total	52,405	43,965	22.71	25 06
Grand Total of A & B	916,187	848,293	280 30	268.37

(Continued in previous column)

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BY 388

WORLD GOLD PRODUCTION AND PRICES

I.M.F. REVIEW OF RECENT TRENDS

[A lucid and interesting review of the recent trends in world gold production and prices is contained in the latest Annual Report of the International Monetary Fund, namely, that covering the fiscal year ended 30th April 1958. The review also includes an analysis of the growth of monetary gold reserves and a brief account of the service which the Fund provides to its members with a view to bringing together the buyers and sellers of gold. In view of the paucity of information on this subject in India and in accordance with our customary practice, the I.M.F.'s review is published on this page.—ED.]

TOTAL world production of gold, excluding output in the U.S.S.R. and countries associated with it, amounted to 29.1 million fine ounces in 1957, or about 1.1 million ounces more than in 1956 and about 8 million ounces more than the 1945 post-war low. Valued at U.S.$35 per ounce, the 1957 output was $1,020 million, as compared with $980 million in 1956, $944 million in 1955, and $897 million in 1954. Production in 1957 (a new post-war high) was about the same as in 1937, but it was about 19 per cent. less than the all-time peak production of about $1,264 million in 1940.

The increase in total output from 1956 to 1957 was due almost entirely to the continued expansion of gold mining in the Union of South Africa. Output in that country expanded from 15.9 million ounces ($556 million) in 1956 to 17.0 million ounces ($596 million) in 1957, the highest ever recorded in the Union and representing about 58 per cent. of total world production. It was about 7 per cent. greater than in 1956 and about 43 per cent. greater than in 1953, when the current rise began after several years of relatively constant output. A little more than half of the increase in 1957 was due to expanding operations in the Orange Free State, whose production rose by the equivalent of $21.1 million, to $132 million. The output of the Witwatersrand mines also increased by the equivalent of $19.7 million, to $447 million. The output of the new mines in both these areas is expected to increase further in the next few years. A mining lease has been granted for the first "ultra-deep" mine in South Africa, in which mining will start at a depth of 5,500 feet and will ultimately go to 12,500 feet. The joint production of gold and uranium is becoming an increasingly important factor in South African mining.

Elsewhere in the world (excluding the U.S.S.R.), increases in gold output in some countries in 1957 were approximately equal to decreases in others. The second largest absolute increase was recorded in Ghana, where output increased by $5.3 million, to about $27.6 million. Smaller increases were recorded in Australia, Canada, and Venezuela. In Colombia, on the other hand, output declined by about $4 million, to $11.4 million, and there were also declines in the United States, the Philippine Republic, India, Brazil, and Mexico.

Trend of Gold Output

The following table indicates the trend of gold production in different countries:

(In millions of U.S. dollars at U.S.$35 per fine ounce)

	1937	1940	1954	1955	1956	1957
Union of South Africa ..	411	492	463	511	556	596
Canada	144	186	153	159	158	155
United States	144	170	65	66	65	64
Australia	48	57	39	37	36	38
Ghana	20	31	22	24	22	22
Southern Rhodesia ..	28	29	19	18	19	19
Colombia	15	22	13	13	15	11
Philippines	26	39	15	15	14	13
Mexico	30	31	14	13	12	12
Other*	168	207	88	88	88	84
Total* ..	1,034	1,264†	897	944	980	1,020

Source: International Monetary Fund, *International Financial Statistics.*

* These figures include estimates for missing data.
† All-time peak production.

As prices and costs in general continued to rise, the gold mining industry was again affected by a further increase in its production costs. This problem has been a matter of concern to the industry in most major gold-producing countries throughout the post-war years. Average working costs per ton milled in South Africa rose from 42*s.* 11*d.* in 1956 to 45*s.* 4*d.* in 1957. Despite this increase, the total working profit from gold and uranium rose by £18 million to £91.1 million in 1957. Working profit from gold rose by £9.3 million to £57.8 million, and profit from uranium increased by £8.6 million to £33.3 million. Dividends paid by gold and uranium producers during the year amounted to £37.6 million, as compared with £29.1 million in 1956. The average grade of ore milled rose from 4.563 dwts. to 5.000 dwts. per ton. The increased profitability of South African gold mining is attributable mainly to the newer mines in the Orange Free State and Western Transvaal and to the expansion of uranium production. Although the general position of the industry in the Union may be regarded as sound, the aggregate figures mentioned above obscure the difficulties of the older mines on the Rand that have no higher grade ore to which to turn during a period of rising costs. Of the 31 non-uranium producers, 17 had working profits smaller than in 1956; and of the £9.3 million by which working profits from gold increased, £8 million accrued to only six out of a total of 54 mines.

The gold subsidy programme of the Governments of Australia, Canada, and Colombia, discussed in previous annual reports are still in operation. The Philippine programme, which was initiated in June 1954, following consultations with the Fund was allowed to expire on 18th July 1957. At the same time, the Philippine monetary authorities extended the scope of the policy that permits, under certain conditions, the remittance abroad of pesos held in blocked accounts by foreign firms and nationals. This policy, which was adopted on 19th February 1957, permitted the use of blocked pesos for the purchase in the free market of up to 25 per cent. of the output of local gold mining companies. This privilege was restricted, however, to any unremitted returns from investments as reported on 30th September 1956. Subsequently, the use of blocked pesos for the purchase of bullion in the free market was extended to all blocked peso accounts, provided that they were reported to the Exchange Control Department. In the second half of 1957, sales took place at prices ranging up to P128 per fine ounce. Bullion purchased by this means must be sold for delivery in San Francisco to the account of the Central Bank of the Philippines at the official price of $35 per ounce, payable in U.S. dollars. The sales outlet for domestically mined gold was later narrowed, when the Monetary Board prohibited the use for the purchase of gold of blocked pesos acquired from the sale of the capital assets of non-residents.

In Australia

In September 1957, the Government of Australia announced modifications of its gold subsidy scheme introduced in 1954. The rates of assistance to gold producers were increased, the maximum rate for large producers rising by 15*s.* per ounce, to £A2 15*s.*, and the flat subsidy rate for small producers (those whose production does not exceed 500 ounces per annum) by 10*s.* per ounce, to £A2, but there was no change in the basic structure of the scheme described in the Fund's Annual Report for 1955. The maximum expenditure on mine development allowable in ascertaining costs of production for subsidy purposes was also raised from £A3 10*s.* to £A5 5*s.* per ounce. Large producers are entitled to claim three quarters of their average costs of production in excess of £A13 10*s.* per ounce, until the maximum subsidy rate of £A2 15*s.* is reached. The purpose of these increases is to keep in production marginal mines whose continued operations since the introduction of the gold subsidy scheme has been threatened by increases in costs. The Fund deemed the modified scheme to be consistent with the objectives of the Fund's statement of 11th December 1947 on gold subsidies.

Governments frequently feel obliged to grant protection of one kind or another to marginal producers in certain sectors of the economy whose operations threaten to become unprofitable as a result of rising costs. The gold subsidies described above are one such method of protection. However, the Fund has a responsibility to see that the gold policies of its members do not undermine or threaten to undermine exchange stability, and accordingly any member which proposes to introduce or modify a gold subsidy has an obligation to consult with the Fund on the measures to be applied.

Gold Reserves

The growth of monetary gold reserves was substantially greater in 1957 than in any other post-war year. The stock of gold held by the monetary authorities in the world (excluding the U.S.S.R. and the countries associated with it, but including the Fund and the Bank for International Settlements as well as the European Payments Union) is estimated to have increased by approximately $800 million, as compared with increases of about $550 million in 1956, $600 million in 1955, and a post-war low of $150 million in 1951. Some 30 per cent. of the increase in 1957 is probably to be attributed to increased sales of gold by the U.S.S.R. in Western European countries. At the end of 1957, world monetary gold reserves, as defined above, amounted to $38.7 billion, $5 billion or nearly 15 per cent. more than they had been at the end of 1947. All of this increase was absorbed by countries other than the United States and by international organisations; the gold holdings of the United States were approximately the same, $22.9 billion, at the beginning and the end of this 10-year period. The holdings of other countries rose during these 10 years by about 50 per cent., from $9.45 billion to $14.25 billion. The proportion of the world's monetary gold held by the United States at the end of 1947 had been 68 per cent. and, at the end of 1952, 65 per cent. By the end of 1957, it had fallen to 59 per cent., so that U.S. gold holdings still substantially exceeded the total holdings of the rest of the world.

Total sales of gold by the U.S.S.R. in 1957 have been estimated at about $260 million. As the value of last year's gold output outside the U.S.S.R. was some $1,020 million, the amount of gold available to the rest of the world was thus increased during the year by about $1,280 million. A comparison with the estimated aggregate increase in official gold holdings (about $800 million), therefore, suggests that the amount of gold going into the arts and industries or to private hoards in 1957 was considerably smaller than in 1956.

Shifts in Gold Stocks

In both 1956 and 1957, especially in 1957, there were substantial shifts in the world's gold stocks. The largest increase in monetary gold reserves during the past two years was in the Federal Republic of Germany, whose gold holdings increased by $574 million in 1956 and by $1,047 million in 1957. The increase in Germany in each of these years exceeded the estimated total increase in official gold holdings for the world as a whole. The United States, which had increased its monetary gold stocks in 1956 by purchasing $200 million worth of gold from the Fund and about $80 million from other countries, increased them further in 1957 by $799 million, of which $600 million were purchased from the Fund. Other countries whose gold reserves increased substantially in 1957 include Australia, Austria, Italy, Lebanon, Mexico, Portugal, Switzerland, and Venezuela. At the end of the year, gold reserves were less than at the end of 1956 by $10 million or more in Argentina, the Belgian Congo, France, the Netherlands, the Philippine Republic, Sweden, and the United Kingdom.

The gold stocks of the United States, the Federal Republic of Germany, and the Union of South Africa declined during the early months of 1958. By the end of April, the decrease in the United States amounted to $815 million, most of which corresponded to substantial increases in Western European countries, particularly in the United Kingdom, Belgium, and the Netherlands, where gold reserves had fallen during the previous year, and in Switzerland. On 30th April 1958, the gold holdings of the United States amounted to $22.0 billion, or 57 per cent. of the world's monetary gold stock.

At the end of 1957, about 75 per cent., or $28,879 million, of the total gold holdings—$38,700 million—of the monetary authorities of the world (as described above) was physically located in the United States. Gold to the value of about $6 billion was held under earmark in New York by the Federal Reserve Bank of New York for the account of foreign central banks and Governments and international banking institutions. Many central banks and Governments find it to their advantage to leave a portion of their gold reserves in the United States to meet current and future requirements, since the United States is prepared to buy and sell gold for official monetary purposes at a fixed price. There were substantial transfers on official account in 1957 between the earmarked gold accounts held by the Federal Reserve Bank of New York. These movements of gold between foreign accounts were caused mainly by purchases from and sales to the United States, monthly E.P.U. settlements in gold, and gold transactions facilitated by the services of the Bank for International Settlements and the Fund.

Gold Markets and Gold Prices

The general easing of restrictions and the granting of greater freedom for domestic and international gold transactions by Belgium-Luxembourg, Canada, and the Federal Republic of Germany, do not appear to have had any significant effect upon the pattern of international gold trading that developed after the reopening of the London gold market in March 1954. Nor have the measures adopted since early 1952 by these and other countries for freeing the movement of gold led to any substantial increase in the amount of gold going into private hoards. On the contrary, the estimated amount of gold that went into the arts and industries or private hoards in 1957 was about $100 million less than in 1956. The willingness of London bullion dealers to engage in gold transactions on a world-wide basis, against dollars or registered sterling and under the supervision of the Bank of England, has made London the world's main gold trading centre. The Union of South Africa and other sterling area producers, together with the U.S.S.R., continued to be the source of most of the fresh supplies in the gold market, where Western European central banks also continued to be active. Private operators purchased gold for export to the Middle East and the Far East. Gold producers and private and central bank gold operators are most immediately concerned with the U.S. dollar price of gold in London, which is linked very closely with the sterling-dollar rate of exchange. As a general rule, the dollar price of gold in London has moved with the weakness or strength of sterling against the dollar. Other factors, such as the inflow of fresh supplies of gold and central bank demands for gold, also have a great influence on the price. The U.S. policy of a buying price of $34.9125 per fine ounce and a selling price for governmental monetary purposes of $35.0875 keeps the dollar price of gold in London within close range of these two extremes.

During 1957, the United Kingdom imported gold bullion worth £300 million ($840 million), of which £71 million ($198.8 million) came from the U.S.S.R.; most of the remainder was from gold-producing countries in the sterling area. These imports were equivalent to about 65 per cent. of the total new supply of $1,280 million made available in 1957 to countries other than the U.S.S.R. and the countries associated with it. The marketing of these supplies tended to keep the U.S. dollar price of gold in London below $35 per ounce during most of the year.

Dollar Prices of Gold

The range between the maximum and the minimum dollar prices of gold during the year ended 30th April 1958 was about 21 cents per ounce, as compared with 24 cents per ounce in 1956-57. For most of the period from 1st May through 31st December 1957, the U.S. dollar price (converted at the sterling-dollar rate at the time of daily fixing) was below $35, rising above that figure only on 6th June and 1st August. In mid-January 1958, the U.S. dollar price rose above $35; it advanced to $35.12 per fine ounce on 8th April 1958, the highest price at "fixing" since the reopening of the London market in March 1954. The monthly average dollar price of bullion during March and April was slightly above the U.S. selling price; thus, for transactions in which shipping costs—about $0.14 per fine ounce—were not involved, central bank buyers found it cheaper to acquire gold in New York than in London. The demand which maintained the price of gold was in large part a result of normal reserve practices of the United Kingdom and other countries with surpluses in their balances of payments, and of some sales of dollars by private individuals to their central banks, which then converted them into gold. During the year under review, the price of bar gold in sterling at fixing fluctuated between a high of 251*s.* 5½*d.* per fine ounce in August 1957 and a low of 248*s.* 8½*d.* in January 1958, the lowest since April 1954. On 30th April 1958, it was 249*s.* 2½*d.*, equivalent to $35.10 at the day's dollar exchange rate.

Sovereigns

During the year, an official announcement in London stated that 2,072,000 sovereigns had been minted in the calendar year 1957. These sovereigns, together with others recently minted, are to be used to increase the stocks of sovereigns in the gold reserves of the United Kingdom. This minting also enables sovereigns to be released for circulation abroad to meet a demand that had given rise to counterfeiting. The sales of sovereigns are made from the Exchange Equalisation Account at current market prices against dollars or other convertible currency. It has been reported that sales were made in the bullion market to authorised dealers whose bids have been accepted at a price of about $9.25 per sovereign, which is equivalent to about $39 per fine ounce and, after allowance for seignorage, gives a profit of about 11 per cent.

The price at which bar gold is traded directly for U.S. dollars in other markets remained within a few cents of the London dollar price during the year under review. In Zurich, for example, it was usually quoted at a few cents per fine ounce above the London price, increasing from a low of $34.93¾ per fine ounce in the last week of May 1957 to a high of $35.15½ on 8th April 1958. The price on 30th April 1958 was $35.13 per fine ounce.

In markets where gold is traded in local currencies, the day-to-day movements of the U.S. dollar equivalent prices often diverge from the movements of London prices because of the special characteristics of each market. However, in Brussels, this price did not deviate from the London price by more than ½ per cent., and in Beirut by more than 1 per cent. In Milan, the deviations were sometimes wider but did not exceed 2½ per cent. These prices are probably a result of the stability of the exchange rates used for conversion as well as of the magnitude of the flow of gold through the countries in which the markets operate. Gold imports and exports are not restricted in Lebanon and Belgium; in Italy, they remain under the control of the Italian Exchange Office. In Beirut, the U.S. dollar equivalent price of bar gold increased from a low of $35.11 per fine ounce on 22nd July 1957 to $35.33 on 17th September 1957, declined to $34.99 in December, and on 30th April 1958 was equivalent to $35.24 per fine ounce. Though Brussels is not a transit centre, as Beirut is, the price of bullion there tended to follow the London price more closely. It was about $34.94 per fine ounce at the end of August 1957 and about $35.19 per fine ounce at the end of April 1958. The dollar equivalent price in Milan fluctuated between a high of $35.83 per ounce on 20th September 1957 and a low of $35.14 on 24th March 1958. On 28th April 1958, it was $35.30.

In view of the strict restrictions on both imports and exports of gold imposed in France and India, the U.S. dollar equivalent prices in Paris and Bombay should not be thought of as premium prices to be compared with the prices of gold in London or Zurich. The local currency prices for gold in those countries reflect local habits and customs and are subject to wide fluctuations, depending upon the interplay of local political and economic forces. The currencies of those countries are not freely convertible into U.S. dollars, and the rates used for conversion into U.S. dollar equivalent prices are, for India, the official exchange rate and, for

(Continued on page 668)

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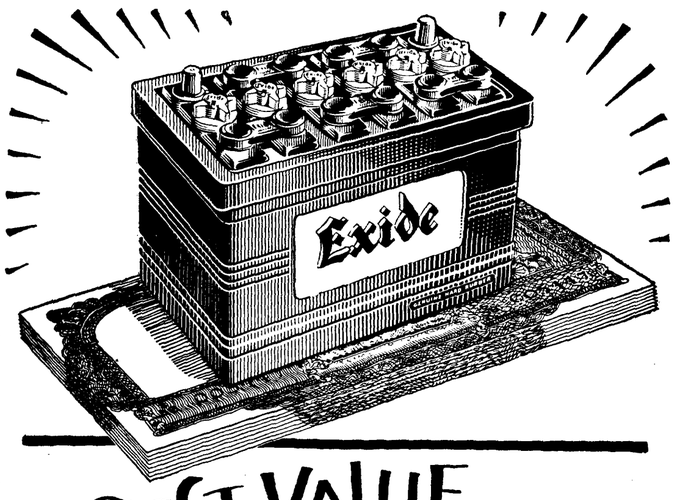

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WHAT CLIMATE WILL AID PRIVATE ENTERPRISE?

IMPORTANCE OF STABLE CURRENCY AND APPROPRIATE FISCAL POLICY

[Many important topics figured prominently in the Panel Discussion, organised last week by the International Finance Corporation at New Delhi. The participants included industrial leaders from several countries. As was to be expected from such a group, each speaker made a unique contribution to the discussion. Among the participants, Dr. Gunter Henle, General Manager, Kloeckner & Co., Duisburg, Germany, who spoke on the "Climate for Private Enterprise," dealt at length with the factors which will enable private enterprise to take an active part in economic growth. In view of the comprehensiveness of Dr. Henle's approach to, and analysis of, the subject, we are sure the copious extracts from his speech given below will be read with interest.—ED.]

WHAT sort of climate does private enterprise look for in a developing country if it is to take an active part in its economic growth? When I say climate, I mean the complete picture of legal, economic, political and psychological conditions which exist in the nation. If these conditions are favourable, then private enterprise will engage itself in a country. However, in cases where the present climate is still unfavourable and troublesome, it is, fortunately, in the hands of the government to bring about appropriate changes to improve the climate, provided, of course, that the government in question attaches value to the co-operation and assistance of private enterprise.

There are certain fundamental matters, such as the country's geographical situation, its natural characteristics, which types of raw materials are available, whether there are domestic oil or coal deposits or whether there is sufficient or little water power at hand. These are all points of the greatest significance for potential economic success, but they are beyond the control of any government. A conditioning factor is the stage of development already reached, which varies from country to country, but which must be the starting point for consideration of any economic expansion. This stage depends on circumstances belonging to the past and, consequently, can no longer be changed.

I believe, however, it lies within the power of a government to establish or implement the conditions which regulate the *speed* of the *economic growth*. The determination of that speed will depend largely on the degree of development which has already been reached. We are keenly aware that there are, on the one hand, countries that are still completely undeveloped and, on the other, countries which are already so far advanced that they can scarcely fall in this category. Yet, this much is certain: the form in which private enterprise can successfully participate in the economic build-up depends on the existing stage of development of basic facilities, that is to say, the construction of means of communication, harbours and power plants, and I would add the rational growth of the country's agricultural economy since it forms the natural basis of subsistence in every country. Given these factors, one should initiate cautiously, and without undue speed, a simultaneous programme designed to develop industrialisation. Once the production of domestic raw materials is running smoothly, then foreign private enterprise can effectively and helpfully step in with direct investments and capital commitments. It may be that for the basic development of native raw materials, a new and special form of co-operation between the government, the local economy and foreign private capital will have to be found. If, however, the stage of expansion of domestic industry is already well under way, then the foundation is laid for stimulating a continuing growth of the entire economy. The unrestricted participation of private enterprise would contribute dynamically to the intensification of this growth.

Political Conditions

This brings me to the *political conditions*. They are decisive in determining whether the climate is one, in which private enterprise can participate. As regards the general political situation in a country in which private investments are envisaged, it is obvious that private entrepreneurship prefers countries which maintain political continuity and stability and in which social disturbances and political upheava's are not at all times within the bounds of possibility. As self-evident as this proposition may seem to be, it touches upon a most difficult problem. For transition from a hitherto stagnant economy to one of rapid growth must perforce induce changes and regroupings in the social structure which will inevitably call forth political reactions. These reactions may often create a disturbing element that can easily imperil the political continuity and stability. This means that development can never be a purely economic process but is, at the same time, one of social and political growth to the new living conditions or way of life and the new state of mind arising therefrom.

Apart from these general requirements, there are numerous other conditions depending on governmental measures, which are conducive to the establishment of a favourable climate for private entrepreneurship and foreign capital investments—a broad field in itself. First *financial policy* is to be considered. We all realise that naturally a stable currency creates a favourable climate. Exporters of capital can be expected to be reluctant to invest in a country where there is open or latent inflation which presents in any case an additional risk. But here too it is easier to recognise the danger than to obviate it. It is very difficult to initiate, with the aim of progressive industrialisation, the economic development of a country without conjuring up at the same time a certain danger of inflation.

Special Caution

This danger is greatest in the earlier stages of industrialisation. Ready cash is required for investments where domestic savings are either insufficient, or cannot be obtained, by cutting down the consumption even temporarily. Indeed, the process of industrialisation is usually accompanied by a great demand for imports; for consumption increases as soon as the rise in income resulting from increased production becomes apparent. The process of importing goes on in a developing economy until the whole industrial complex is in balance. For this reason, special caution at that stage is always advisable. A too rapid absorption of foreign capital by a national economy can easily exceed the saturation point and as a consequence either inflation occurs or else the projects are finally left half finished.

The problem, therefore, is to find a sound middle course which will ensure that the process of development is a balanced and a healthy one. Occasional difficulties in connection with price increases and the balance of payments may well be unavoidable. They should not be taken too seriously as they can be overcome. On the other hand, what must be avoided is resorting to a state-controlled economic policy, which leads to a shutting off of the world market and its free trade as well as blocking the sources of foreign private capital.

Fiscal Policy

The important role played by *taxation* is also the responsibility of governmental financial policy. I may perhaps count on your indulgence if, in the presence of so many ministers of finance from all over the world—with whom we so generously share our income—a private businessman cannot resist the temptation to touch at least briefly on this subject. A great deal can certainly be achieved through taxation and fiscal policy, but such measures can also easily inhibit or thwart completely the activities of private enterprise. This will specially be the case if the screw of income-tax is turned too tightly, or if profits above a certain level are altogether wiped out by taxes. The price-raising effect of excessively high taxation and the concomitant inducement to wasteful economy are certainly no longer disputed by anyone, but experience has shown that a long road separates the correct assessment of a position from its political realisation. This can be said of governments of both kinds of countries, the industrialised and the new nations. Conversely, by promoting developing industries through benign tax rules, governments have at their disposal a suitable means of stimulating private enterprise to investments. The new nations need revenues. They are tempted to create these by inflation. Inflation results in a greater need and, consequently, we are faced with the vicious circle of more inflation and spiralling prices. These countries must face the major problem of how much taxation can they take without stifling or impeding economic growth, particularly that of private enterprise.

Yet another point, which applies to the developing countries in particular, is the accumulation of savings. This is of fundamental importance; for taxation, which is too heavy, impedes savings. There can be no successful economic growth without the formation of capital through savings. The function of foreign capital can only be to give the initial impetus to, and invigorate, the process of development. It never can, and never should, be the sole supporter of such a developing process.

Economic Policy

Besides the problems of financial policy, there are those of *economic policy*. Laws, regulations and rules should be designed to utilise to the fullest the dynamic force of private enterprise—domestic and foreign. Foreign companies envisaging direct investments must be able to obtain licences for the operation and expansion of private enterprises. Furthermore, the existing regulations must permit the importation of equipment and, if necessary, of requisite raw materials as well. The same is true as regards the export of finished products, since industrialisation is only then placed on a sound basis, if not only domestic consumption but also the world market and its conditions have been duly taken into account. It stands to reason that during the period of expansion and growth no developing country can completely dispense with a reasonable protective tariff. However, this should never lead to the development of industries that have no prospect of ever competing in the free world market.

Foreign business must have some assurance of laws and regulations remaining the same over a long period. But private enterprise, if it is to operate, must have some freedom of action. There is a necessity for certain rules, but these must not put it in a strait jacket, for the nature of private enterprise is flexibility. The positive thing which can be done by the governments of the developing countries is to bring their laws up-to-date and to clear away obsolete laws. It might even be suggested that they look perhaps to some extent at the laws of the capital-rich countries, where private enterprise has brought it to a state of great perfection. It was able to reach this state by following the principles of a market policy governed by competition, which was decisive for its development. The element of competition has made the economic life of the countries dynamic, and has led to continuing progress. It can, of course, also make decisive contributions to the new nations which effectively stimulate all aspects of their economic growth. Only, formation of cartels would have to be avoided at the same time, because if they are permitted without strict limitation, they can only too easily force the economy off its healthy course.

Last, but not least, let me mention in this connection the *social* and *labour market policies*. Even in the most highly rationalised and automatised modern plants manpower or labour force is a fundamental factor of the economy. And this being the case, the labour laws of every country seeking the co-operation of private enterprise are of the utmost importance for the creation of the requisite climate.

It is, of course, impossible to lay down any general rules, since conditions in the individual countries differ too widely. One country has a surplus; another lacks manpower. But for the question of direct investment by private business it is of vital importance whether a country has a sound social and labour policy, and especially if it permits or excludes foreign skills. For the development of new industries, the admission of foreign labour is often indispensable until a sufficiently large number of adequately trained and practised home operatives are available. A restrictive policy about the admission of foreign personnel automatically deters private enterprise from long-term commitments.

Psychological Conditions

Thus, governments have a broad field and the extensive means at their disposal to create a favourable climate for private enterprise if they desire. And now I turn briefly to what I believe is the most important factor within the framework of the topic under discussion, the *psychological conditions* that determine the climate for private undertakings. Let us not *deceive ourselves*: herein lie the greatest problems, and here are the most difficult obstacles to overcome. First of all, there is a quite general reason for this: in countries which are not aware that over the past century and a half, the character of private enterprise has changed and kept pace with the great technological progress of this period, there is often great *prejudice against* private entrepreneurship. Such a prejudice is, in addition, purposely exploited by those who reject private enterprise in principle. According to them, it consists only of avaricious profiteers bent on exploiting their fellow men and of whom one must therefore carefully beware. Even the profit motive is suspect.

An atmosphere charged with such assumptions and such distrust naturally creates a situation in which private enterprise would find it hard, even impossible, to flourish. The real truth behind all this is something very simple and easily comprehensible. The function of a businessman is not, by nature, that of rendering a public service; private undertakings are true creatures of economic life, that is, they belong to that sphere of human activity which aims at producing and marketing commodities under conditions that permit or encourage a *profit*. But that is true of all economic activities, even those which are fully State-controlled, except that in the latter case all the profits go to the *government*. It was Samuel Gompers, that now legendary old man of American trade unionism, who characterised "failure to operate at a profit" as a company's worst crime!

But the really important question here is, who is to gain by such an economic pattern. First of all, the idea that only the entrepreneur is to profit is absolutely wrong. Profit constitutes an increase of property values and this increase is divided among all those who have an active share in the economic undertaking concerned. The bulk of the profit will be reaped, first of all, by the entire economy of the country in which the business activity is located, and thus *it goes to the people themselves*. For every investment envisaged by a private enterprise stimulates and invigorates the economy of the country and supplies the people with commodities that were formerly unobtainable, or only so at much higher prices. It provides employment and with it earnings and savings for the people. Not only the producer profits, but also every *consumer*. For every private enterprise, it is important to win partners in other countries not to make profits *from* them, but to achieve profits *with* them, and thus to increase the general *prosperity* for the community and *for the individual*. To say, therefore, that only the entrepreneur realises a profit is no more than relating a fairy tale.

Return on Capital

Of course, private enterprise also aims at realising a justifiable and proper return on its capital investment. The possibility of realising such a prospective profit for *all* participants, including *the entrepreneur*, has from the very beginning of time been the vital spark of economy and with it also the fundamental prerequisite of private economic investments in one's own, as well as in foreign, countries. Investment means an investment of capital, and every investment expects a sufficient return on the money employed. It is essential that profits be offered to capital, or capital will not be attracted. Therefore, a minimum limit has been set which must be adhered to if there is to be any monetary investment at all. That limit is determined by the *interest rate* which, as you know, fluctuates according to the time and the country and is affected by various financial and economic factors. Only when it reaches the non-competitive and unreal low rate of 2½ per cent. (at which credits have already been granted) does it indicate that political considerations have been a co-determining factor.

However, for private enterprise and its readiness to invest, interest rates provide no more than a general clue. For the question of interest plays a much smaller role in direct investment and participation of private business than it does in the loans and credits of the large financing institutions. On the other hand, business undertakings must attract *venture* capital which has an opportunity to earn more than straight loan capital. For the higher the profit opportunities are, the higher are the loss possibilities. Venture capital wants a run for its money. The more risk-loving the enterprise is, and the more capital it has at its disposal, the more ready it will be to forgo rapid profits at the beginning and during the period of development, in anticipation of the later prosperity of the project in which it invested its capital. Further, whereas loans always require commensurate amortisation payments in addition to interest, the equity investments of private enterprises abroad are, as regards returns, dependent on the degree of profits realised, and the success of the undertaking. During periods of business recession revenues decline automatically and decrease the pressure on the country's foreign exchange balance since the amount due for transfer is correspondingly reduced. Often such a transfer does not take place at all because the private enterprise reinvests the profits in industrial expansion. Moreover, in direct investments there is, in any event, hardly any repayment of capital. It should also be mentioned here that in direct investments and capital participation the capital flows directly into production. It can therefore lead less easily to an over-extension of credit with inflationary tendencies and thereby endanger the stability of the currency.

Thus, viewed soberly and I hope dispassionately, is the whole problem of profit-making. Naturally, it is possible for abuses to occur and they do. It would be an exaggeration to claim that the big private industries of the free world are everywhere and under all circumstances models in observing a strict code of ethics. But the caricature of the modern capitalist bent on defrauding and exploiting his business partner and the public is, of course, a caricature and nothing more. An enterprise guilty of unfair business methods soon loses its standing and with it, its competitive ability. As regards the business partners in the developing countries, difficulties occur not so much because of differences of ethics, but simply because they are frequently not to be found, or if so, in only insufficient numbers and without adequate experience. This is not surprising and lies in the nature of the case. It will take time before this gap is closed.

Hopeful Augury

I trust that I have covered the essential points of my theme. It is a hopeful augury for private enterprise to hear that recently the Government of a South-East Asian country has given recognition, in an extensive plan, to those legal principles which alone are suitable and qualified to bring the problem of private enterprise in the developing countries decisively closer to a solution. In order to attract foreign capital to Asia and protect it there, that project envisages an international charter, which will safeguard the investor from one-sided restrictions or expropriations. In return, the capital-importing countries are to receive guarantees that the capital investments would not serve exclusively projects exploiting their natural resources but that the countries themselves would receive a commensurate share of the profits. This is reasonable and complies largely with the request made repeatedly by capital-exporting countries, that reliable guarantees should be given which protect them against one-sided restrictions or expropriations. In fact, this appears to be a point of special importance; for the lack of such guarantees is a serious obstacle which deters offers of private foreign capital for the economic growth of other countries.

These, then, are the contours of the general prerequisites to a healthy climate for the co-operation of private entrepreneurship in the economic expansion. After all, those who guide private firms are themselves sensitive enough to find it not particularly pleasant to be looked upon as a necessary evil as long as they are needed, and whose activities and efforts are immediately restricted, or who are politely ushered out as soon as they are thought to be wanted no longer. There is something quite imponderable but most important as far as the attitude of the people in these countries is concerned. It makes a big difference whether they are hospitable or whether they just tolerate private enterprise or whether they are suspicious of it.

Closer Contacts

However, I do not wish to create the impression that it depends only upon the governments and the people of development countries, whether a favourable climate for private enterprise exists, or is created. Private business itself must take its own contribution. Further, the contribution of private undertakings would be greatly facilitated by closer contacts and exchanges of experience betweeen businessmen from all over the world interested in the economic growth of the new nations. It would be most desirable that such mutual contacts and exchanges of information be organised as soon as possible.

What the world needs—and this is equally true of private enterpreneurship—is *confidence* and security. Confidence is based on reciprocal understanding and hardly anything appears to be more appropriate to achieve this in our world, grown small by science, than economic collaboration on a secure legal basis, and in good-neighbourly spirit. Today we must all work together. Mr. Nehru remarked in a speech in Washington in 1956: "Today the whole world is our neighbour and the old division of continents and countries now means less and less." Everyone would agree with him. Neighbours must learn to understand one another and to work together to a profitable and mutually advantageous end. The more direct and mutual the human contact, the easier it will be to achieve this aim. No other possibility offers an equally advantageous way to realise that aim than the development of private enterprises, wherein local born and foreigners work together in conditions of mutual trust. For, after all, less depends on dead capital than on the living men whom a great task brings together.

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Authorised Capital	Rs. 6,30,00,000
Subscribed Capital	Rs. 5,76,66,125
Paid-up Capital	Rs. 3,14,54,250
Reserve Fund and other Reserves	Rs. 4,03,60,820
Deposits as at 31-12-1957	Rs. 155,14,50,664

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INDIA REINSURANCE CORPORATION

FIRST YEAR'S NET PREMIUM EXCEEDS RS. 93 LAKHS

THE hope expressed by Mr. A. D. Shroff, Chairman of the India Reinsurance Corporation, Limited, at the first annual general meeting of the Corporation last year that, during the first year of its operation, the Corporation would bring in a net premium income of Rs. 70 to Rs. 80 lakhs, has been more than fulfilled. For, during the year ended 31st December 1957, the first full working year of the Corporation, the net premium income in the three departments, namely, fire, marine and miscellaneous, amounted to Rs. 93.80 lakhs, comprising Rs. 35.54 lakhs in the fire department, Rs. 26.09 lakhs in the marine department and Rs. 32.17 lakhs in the miscellaneous department. The fire, marine and miscellaneous business thus accounted for 37.9 per cent., 27.8 per cent. and 34.3 per cent. of the aggregate premium. Gross premium written was over Rs. 2.30 crores.

It must be borne in mind that this creditable performance was put up by an organisation which was established as late as October 1956 and commenced business still later, that is, from 1st January 1957, in a year which was none too favourable for insurance business. It is true that as far as insurance business in India was concerned, the year 1957 was a good one but the results of the foreign markets were not satisfactory and it can be classed as a very difficult year for the general insurers who write sizable business abroad. The U.K. fire experience in 1957 was not very unfavourable but in the United States it was definitely so. The business in other parts of the world also was not satisfactory. This adverse trend of overseas business, as the Chairman, Mr. A. D. Shroff, pointed out in his speech at the second annual general meeting of the Corporation, held in Bombay on 29th September, did affect the Corporation but its effect on the net account of the Corporation was not very pronounced. Nevertheless, as a result of the strain of building up reserves in respect of fire, marine and miscellaneous business, together aggregating Rs. 37.79 lakhs, the year's working results showed a net loss of Rs. 4,51,608. This was inevitable in the first year.

Departmental Results

As regards departmental results, the net premium in the fire department amounted to Rs. 35.54 lakhs. Net claims paid and outstanding amounted to Rs. 16.30 lakhs (45.9 per cent. of premium). Commission and other charges amounted to Rs. 12.83 lakhs (36.1 per cent. of premium). Expenses of management, aggregating Rs. 1.32 lakh, worked out to 3.7 per cent. of premium. After providing for increase in reserves amounting to Rs. 5.08 lakhs, a balance of Rs. 475 has been transferred to the profit and loss account. The fire fund stands at Rs. 14.21 lakhs.

In the marine department, net premiums amounted to Rs. 26.09 lakhs and net claims paid and outstanding to Rs. 12.77 lakhs (48.9 per cent. of premium). Commission and other charges amounted to Rs. 7.19 lakhs (27.5 per cent. of premium) and expenses of management to Rs. 46,905 (1.8 per cent. of premium). After providing for increases in reserves amounting to Rs. 10.70 lakhs, the account shows a loss of Rs. 5.04 lakhs. The marine fund is maintained at Rs. 10.70 lakhs.

Net premium in the miscellaneous department aggregated Rs. 32.16 lakhs. Net claims paid and outstanding amounted to Rs. 9.29 lakhs (28.9 per cent. of premium) and commission to Rs. 11 lakhs (34.2 per cent. of premium). Expenses of management aggregated Rs. 86,726 (2.7 per cent. of premium). After providing for increase in reserve amounting to Rs. 12.75 lakhs, the account shows a loss of Rs. 1.75 lakh. The miscellaneous fund stands at Rs. 12.87 lakhs.

After crediting interest, dividend, etc., amounting to Rs. 2,27,966 and other miscellaneous receipts to the profit and loss account and after crediting the profit of the fire department and debiting the loss of the marine and miscellaneous departments and expenses of management not applicable to any particular fund, a sum of Rs. 4,51,608 has been transferred as loss to the profit and loss appropriation account. This, together with the loss of Rs. 56,031 brought forward from last year, amounting in all to Rs. 5,07,639, has been transferred to the balance-sheet.

The capital and reserves of the Corporation as on 31st December 1957 aggregated Rs. 1.13 crore, comprising a paid-up capital of Rs. 75 lakhs, and departmental reserves aggregating Rs. 37.78 lakhs comprising a fire fund of Rs. 14.21 lakhs, marine fund of Rs. 10.71 lakhs and miscellaneous fund of Rs. 12.87 lakhs. It may be noted here that subsequently, the Directors have made call of Rs. 250 per share so that the paid-up capital now stands higher at one crore of rupees.

Reviewing the main features of the working of the Corporation during the year, Mr. Shroff pointed out that, 1957 being the first year, the Corporation naturally confined its activities to writing of "agreed cessions" from members, and to obtaining a good measure of reciprocity from abroad. This had to be so, as most of the time and energy was devoted to devising and perfecting the underwriting pattern and in putting it in operation, as also in building up the office organisation from scratch. The Chairman was happy that the system devised was working properly and was producing the desired results. The magnitude of the problem, he said, would be seen in the proper perspective when it was realised that the total gross premium written during the year was over rupees two crores and thirty lakhs.

Retrocession Obligation

The Corporation, according to Mr. Shroff had been able to fulfil its retrocession obligation to members in full. In the fire department, the members were given as retrocession, premium equal to 50 per cent. of the premium ceded by them. In the marine department, those members that have accepted retrocessions, got their full quota. On the other hand, quite a few members who have been ceding business by way of "surplus treaties," had not been able to give their full quota of business to the Corporation. This being the first year, the Chairman added, their difficulty in gauging the exact proportion of business to be ceded was understandable. But he expressed the hope that members were alive to the problem and were taking steps to make up the shortfall.

The Chairman referred to the expansion of the field of operation of the Corporation. During the current year, the Corporation commenced reinsurance activities beyond the writing of "agreed cessions." The Corporation started a department for accepting facultative business in the fire and accident sections. A branch office was opened at Calcutta to give better facilities to the members and, particularly, with a view to writing fire and accident facultative business from that leading centre. This department was working well and the Corporation would be writing a large volume of facultative business and would be able to render good service and assistance to the insurance market. With a view to be of service to members, the Corporation had initiated a Reinsurance Exchange in Bombay, where the representatives of participating members gathered together and placed and accepted fire facultative reinsurances. A portion of the premises of the Corporation had been set aside for the purpose. Mr. Shroff hoped that, in course of time, this Exchange would be the nucleus around which a strong reinsurance market would develop in the country.

The Chairman disclosed that another field in which the Corporation was trying to expand its activities was that of accepting, from member companies and others, additional shares of the automatic reinsurances over and above the "agreed cessions." The Corporation had been able to secure quite a few treaty participations in fire and accident departments and, in course of time, this section of business was expected to expand materially. It had been the Corporation's endeavour to provide to the companies that give extra participation, the same facilities, terms and advantages as were being obtained by them from the foreign markets at present. This being the case, it would certainly be in their interest, the Chairman pointed out, to pass on the business to the Corporation. By doing so, he added, they would not stand to lose anything, but, on the other hand, would get satisfactory service on the spot, and also, would indirectly gain by building up the Corporation, which was their own, and hence increase the intrinsic value of their participation in the capital of the Corporation.

VULCAN INSURANCE CO., LTD.

Despite the fact that 1957 was a none too happy year for general insurers, the Vulcan Insurance Company Ltd. (General Manager: Mr. V. C. Setalvad) put up a very satisfactory performance during the year. There has been an all-round improvement in the net premium income in all the three departments of the Company. From Rs. 34.30 lakhs in 1956, the total net premium income from the fire, marine and accident and miscellaneous departments improved to Rs. 37.94 lakhs in 1957. The claims ratio, barring the fire department where it was higher, showed a welcome decline. It was 35.07 per cent. in the fire department, 43.82 per cent. in the marine and 34.51 per cent. in the miscellaneous department, as against 32.75 per cent., 55.78 per cent. and 46.59 per cent. respectively, in the previous year. Commission and expenses of management, however, showed a slight increase. Nevertheless, the overall working of the Company during the year resulted in a net profit of Rs. 3.04 lakhs. The dividend has been maintained at Rs. 1.50 per share, free of income-tax. In view of the satisfactory working result, the Company has been able to grant bonus equal to two months' basic salary, to its administrative staff as well as organisers and inspectors, subject to certain conditions. The following table indicates the salient features of the working of the Company during the three years ended 31st December 1957.

(In lakhs of rupees)

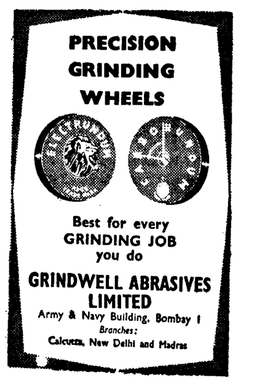
	1957	1956	1955
Fire :			
Net premium	25.91	23.64	22.50
Claims paid and outstanding	9.09	7.74	6.93
Commission and expenses	12.95	12.19	11.08
Fire fund	16.41	15.27	14.70
Marine :			
Net premium	3.41	2.80	2.65
Claims paid and outstanding	1.49	1.56	1.39
Commission and expenses	0.95	0.96	1.05
Marine fund	3.41	2.80	2.92
Accident and miscellaneous :			
Net premium	8.62	7.86	6.89
Claims paid and outstanding	2.98	3.66	3.16
Commission and expenses	4.15	3.79	3.27
Accident and miscellaneous fund	5.61	5.23	5.28

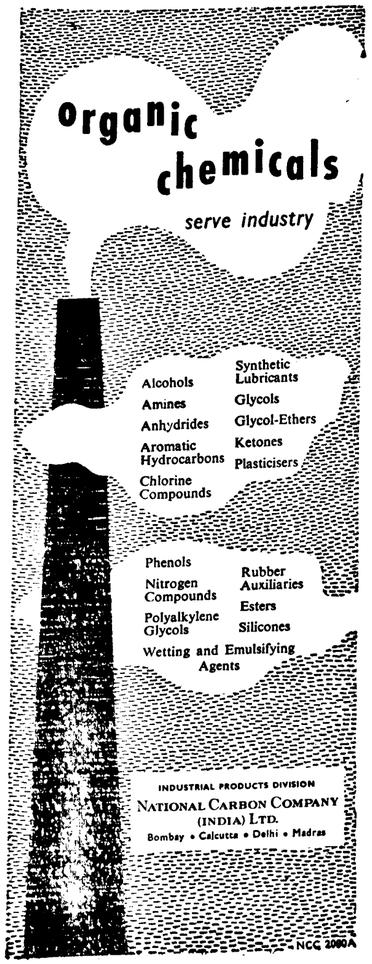
In the fire department, net premium amounted to Rs. 25.91 lakhs, as against Rs. 23.64 lakhs in 1956. Net claims paid and outstanding amounted to Rs. 9.09 lakhs, as against Rs. 7.74 lakhs, being 35.07 per cent. of the premium. Commission and expenses of management aggregated Rs. 12.95 lakhs, as compared with Rs. 12.19 lakhs in the previous year. After debiting commission and expenses of management and providing reserves for unexpired risks at 50 per cent. of premium and additional reserves of Rs. 3,45,000, a sum of Rs. 3.05 lakhs is transferred to the profit and loss account. The fire fund stands at Rs. 16.41 lakhs, as against Rs. 15.27 lakhs at the end of 1956.

Net premium in the marine department amounted to Rs. 3.41 lakhs, as against Rs. 2.80 lakhs in 1956. Net claims paid and outstanding amounted to Rs. 1.49 lakh, being 43.82 per cent. of net premium. Commission and expenses were lower at Rs. 0.95 lakh, as against Rs. 0.96 lakh in the previous year. After deducting commission and expenses of management and providing reserves for unexpired risks at 100 per cent. of premium, the accounts show a surplus of Rs. 43,874. The marine fund stands at Rs. 3.41 lakhs, as against Rs. 2.80 lakhs in the previous year.

In the accident and miscellaneous department, the net premium income rose from Rs. 7.86 lakhs in 1956 to Rs. 8.62 lakhs in the year under review. Net claims paid and outstanding were of the order of Rs. 2.98 lakhs, as against Rs. 3.66 lakhs in the previous year, being 34.51 per cent. of premium. Commission and expenses of management aggregated Rs. 4.15 lakhs, as compared with Rs. 3.79 lakhs in 1956. After debiting commission and expenses and providing for reserves for unexpired risks at 50 per cent. of net premium and additional reserves to the tune of Rs. 1.3 lakh, a sum of Rs. 1.25 lakh has been transferred to the profit and loss account.

The departmental profits aggregated Rs. 4.75 lakhs which, together with other receipts, makes in all Rs. 7.46 lakhs. Out of this, after charging expenses not applicable to other accounts, repairs to property, depreciation on property, loss on sale of investments, etc., and after making a provision of Rs. 3.20 lakhs for taxation, a sum of Rs. 3,03,647 has been transferred to the profit and loss appropriation account. This, together with the previous year's net balance of Rs. 78,665, makes in all Rs. 3,82,312. Out of this, Rs 40,000 has been earmarked as reserves for doubtful debts, leaving a balance of Rs. 3,42,312. A dividend of Re. 1.50 per share, free of income-tax, will absorb Rs. 2,29,811, and bonus to the staff Rs. 72,350, leaving a balance of Rs. 40,151 to be carried forward.





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PERIOD OF PROTECTION EXTENDED BY ANOTHER THREE YEARS

THE period of tariff protection provided to the calcium carbide industry is extended for another three years. The Government of India has accepted the recommendation made by the Tariff Commission that protection to the industry should be continued for a further period of three years beyond 31st December 1958, at the existing rate of protective duty, that is, 50 per cent. *ad valorem*. The Government has also accepted the recommendation of the Commission regarding the fair prices to be charged for calcium carbide.

There is no denying the fact that the industry is still in its infancy and that it deserves to be given protection in view of its importance to the national economy. The process of manufacture, no doubt, is difficult and involves some amount of hazard. Nevertheless, the industry has been able to establish the process of production and to train a nucleus of staff in the technique of manufacture. According to the Tariff Commission, the quality of the product, though inferior to that of the imported material, has been found to be, generally acceptable. Indeed, the Birla Jute Manufacturing Company, Ltd., the major manufacturers of calcium carbide in India, has made efforts to improve the quality of the product and has plans for investing additional capital of the order of Rs. 26 to Rs. 27 lakhs on replacement and expansion. A few other units have obtained licences for undertaking the manufacture of carbide and are prepared to invest large sums of money.

Rated Capacity

There were three units manufacturing calcium carbide in the country in 1956, when the last tariff enquiry was held, namely, Birla Jute Manufacturing Company, Ltd., Calcutta, Industrial Chemicals Ltd., Madras, and Travancore Electro-Chemical Industries Ltd., Kerala. The effective annual rated capacity of the industry has gone down from 5,050 tons in 1956 to 4,050 tons in 1958, presumably because of the closing down of the Travancore Electro-Chemicals. Production, however, has actually gone up, as is shown in the table below:—

(In tons)

Producer	Present annual rated capacity	Actual production		
		1956	1957	1958*
Birla Jute Manufacturing Co., Ltd.	3,300.00	2,781.00	3,418.00	567.50
Industrial Chemicals Ltd...	750.00	108.50	178.00	39.70
Total ..	4,050.00	2,889.50	3,596.00	607.20

* January and February.

There are at present a few schemes for the expansion of the existing units and the establishment of new plants. If the Birla Jute Manufacturing Company and the Industrial Chemicals expand their capacity and the Calico Mills (Chemical Division) succeed in erecting its plant as scheduled, the effective annual capacity would rise to 23,200 tons by the end of 1960. Further, the Travancore Electro-Chemicals Ltd., is expected to be reopened and efforts are being made to put up a bigger plant in collaboration with the Government of Kerala. Another plant, namely, Indian Carbide Corporation, will also be set up at Thana, Bombay, shortly.

The domestic demand of calcium carbide, based on indigenous production and imports, is estimated to have been 9,381 tons in 1956 and 11,567 tons in 1957. The Tariff Commission has estimated that the demand would go up to 13,000 tons in 1958 and 14,000 tons in 1959. Subsequently, as the domestic engineering industry will expand as a result of the rapid tempo of steel production envisaged at present, the demand for calcium carbide is expected to move up to 16,000 tons in 1960 and 18,000 tons in 1961. Imports of calcium carbide, it may be noted, aggregated 7,085 tons in 1955-56 (valued at about Rs. 39 lakhs), 5,976 tons (Rs. 37 lakhs) in 1956-57 and 4,698 tons (Rs. 29 lakhs) during the period April-October 1957.

The Commission has observed that there has been some improvement in the quality of calcium carbide, but that it falls short of the specification prescribed by the Indian Standards Institution. In this connection, the Commission has urged the industry to make efforts to bring them to the standard quality of 'A' of the I.S.I. specification.

As regards raw materials, the Commission has pointed out that one of the serious obstacles to achieve radical improvement in the quality of calcium carbide produced by the Birla Jute Manufacturing Company is the inferior quality of raw materials, namely, limestone and coke. It has, therefore, called upon the Company to exercise better quality control for the materials charged into the kiln and the furnace. The Commission has rightly insisted on the need for a careful assessment of the demand for high grade electrode paste, and for establishing one or more units to manufacture such paste in the country as quickly as possible. It has sought to highlight the importance of setting up capacity for the manufacture of superior high grade coke. For the time being, the Commission stressed that there should not be any restriction on the supply of coal to the calcium carbide industry from the railway coke plant at Giridih.

Fair Price

The prices charged for calcium carbide by the manufacturers have been a subject of controversy for some time past. The Commission has recommended that the fair ex-works selling prices of different grades of calcium carbide should be fixed as indicated below and should hold good upto 1960.

Size	1-cwt. packing	2-cwt. packing (per cwt.)
4/80 m.m.	Rs. 43.50	Rs. 48.00
25/80 m.m.	Rs. 45.50	Rs. 44.25
15/25 m.m.	Rs. 41.50	Rs. 40.50
4/15 m.m.	Rs. 35.00	Rs. 34.00

These prices are exclusive of charges such as transportation, local taxes, if any, and selling commission payable to agents. In this context, it has been recommended (i) that the system of differential prices between the two classes of consumers, namely, dissolved acetylene manufacturers and others should be abolished forthwith and (2) that the next review of the fair selling prices should take place at the beginning of 1961 or should be held earlier if the cost of production goes down appreciably after a new furnace and additional equipment have been commissioned by the Birla Jute Manufacturing Company, Ltd. As regards the selling commission payable to agents, the following arrangements have been approved by the Government:—(i) The manufacturer will continue to supply carbide directly to all dissolved acetylene gas manufacturers (Indian Oxygen Ltd., Asiatic Oxygen and Acetylene Co., Industrial Gases Ltd., Modi Vanaspati Manufacturing Company, Limited) for their acetylene bottling plants at their net ex-factory rates without any addition on account of selling commission or other charges. (ii) For all other parties, supplies will be made as usual, through their agents who may charge selling commission at not more than Rs. 5 per drum of 50 kg. on their net ex-factory rates.

TRADE STATISTICS

Apropos our comments on the official publications relating to India's foreign trade, in our issue dated 6th September (*vide* page 377), the Director General of Commercial Intelligence and Statistics, Calcutta, in a communication addressed to us, observes:

"(i) The latest issue of the *Monthly Statistics of the Foreign Trade of India*, available on the 6th September 1958 (the date of your issue) was that for June 1958 (copy enclosed). As this was published on the 30th August, I presume that your statement that the latest issue was that for May, 1958 was due to the fact that it had not reached you at the time of going to press. (ii) With reference to your statement that 'it is difficult to distil any sense from this voluminous medley of figures,' I should like to point out that every issue contains a 'Summary of India's Foreign Trade' (cf. pp. XXIII to XXXIV of the June issue). Another table showing the value of India's trade with each foreign country is also included (pp. XL to XLII ibid). There is also, in addition, the publication *Supplement to the Monthly Statistics of the Foreign Trade of India* (copy enclosed) which contains the following tables:

"(1) Value of foreign trade; (2) overall balance of trade; (3) foreign trade of custom zones; (4) foreign trade with each country and currency area; (5) foreign trade in groups of commodities with each currency area; (6) foreign trade of neighbouring countries, passing through India; (7) index numbers; (8) value of principal articles of exports; (9) value of principal articles of imports; (10) articles warehoused under bond; (11) foreign trade in treasure; and (12) foreign trade with selected countries.

"(iii) I might also mention that the summary of India's foreign trade is published in the *Indian Trade Journal* as soon as the compilation has been completed in this Department and in advance of the publication of the *Monthly Statistics*. A specimen copy containing the summary is enclosed. (iv) A bilingual (Hindi-English) publication containing the annual statistics for 1957, analysed custom zone-wise, is under preparation at present. (v) The *Monthly Statistics of the Foreign Trade of India* is on the same lines as the comparable American publication, except that the Indian publication is larger and more easy to read. Together with the summaries, the supplement and the projected annual publication, the *Monthly Statistics* appear to provide the same information as is available in most modern countries. I should, however, be glad to receive any specific suggestions which you may have to make for the improvement of the statistics or their presentation. There would, of course, be no question of going back to the pattern which existed before January 1957, to which you refer in your article, as that pattern is an outmoded one. (vi) You have referred to the fact that the publication does not contain comparable figures for previous years. The reason is explained below: "The *Accounts relating to the Foreign Trade of India* followed a classification which provided for the separate specification of only a very limited number of items, viz., 1,047 for imports, 460 for exports and 210 for re-exports. This classification has been replaced as from January 1957, by the very elaborate *Standard International Trade Classification* recommended by the Economic and Social Council of the United Nations and this latter classification separately specifies some 4,850 items. As you will appreciate, there are no figures available for years previous to 1957 in respect of most of these 4,850 items, and this is why the monthly statistics do not give them. The new classification was adopted in 1957, and as from 1958 one previous year's figures are available regarding these items. The monthly statistics are, however, reproduced by the photostatic method from tabulation sheets emerging from the I.B.M. machine and that machine is unable to include figures for previous years in the tabulation; it is, therefore, impossible to give them in the publication. I may mention that many modern countries do not give previous year's figures in the monthly publication.

"(vii) As regards the promptness of the publication, it may be mentioned that, after the teething troubles of the first year of the change-over to the new classification, the interval between the close of the month to which an issue relates and its publication has been brought down to less than two months. It is hoped shortly to reduce the interval to six weeks; further expedition would not be possible in a publication of over 1,000 pages.

"(viii) As regards trends in invisible trade and the overall balance of payments position, this Department does not have the necessary data, and in any case they would have no place in a publication giving figures of merchandise trade. (ix) As regards your suggestion that a simpler and summarised version be published, such versions are, as stated earlier in this letter, already being published."

We appreciate the prompt reply, the reasons for the absence of figures for corresponding months of the previous year in the *Monthly Statistics* relating to foreign trade and the efforts which are being made to bridge the gap between the close of a month and the publication of statistics relating to trade during the month. Nevertheless, we feel that the absence of figures for totals of quantities under each group and sub-group and for values of sub-groups greatly detracts from the utility of the publication, not to mention the optical strain involved in referring to photostatically reproduced data, unrelieved by commas.

STAINLESS STEEL *VERSUS* BRASSWARE

The All India Stainless Steel Industries Association, in a communication addressed to us, has answered the points raised by Messrs. Binani and Company, Bombay, in a letter published in our issue dated 30th August. The issue relates to the relative advantages of stainless steel and brassware utensils. The Association says:

(1) Concerning the life of stainless steel utensils, some of our member manufacturers have had such utensils in constant use from 1927 and, to say the least, they are still in use and serviceable. (2) On the other hand, brass utensils in daily constant use do not last for over five years. We still maintain this view not only gained by experience by our members who were manufacturing utensils from brass previously, but also on the authority of the attached letter from the Copper and Brassware Manufacturers and Sellers Association Ltd. (3) It is with regret we note that Messrs. Binani have overlooked the fact of cost of tinning which is necessarily required for brass utensils every two months, while stainless steel utensils require no tinning at all. Incidently, the longer the life, the higher will be the cost at the end of that period, in regard to brass utensils. (4) As regards the scrap value of stainless steel, this varies from time to time according to the value of finished products of stainless steel. The price of scrap has never fallen below 25 per cent. of the value of stainless steel sheets. It is wrong to state that such scrap fetches only 5 per cent. of the value of sheets. (5) As regards exports of stainless steel articles, it amounted during five months ended 31st May 1958 to Rs. 1,65,000. The export trade is still in its infancy.

It would appear that the Secretary of the Copper and Brassware Manufacturers and Sellers Association Ltd., in a letter to the All India Stainless Steel Industries Association, has stated that from the experience of the members of the former Association the normal life of a brass utensil "cannot be said to exceed five years."

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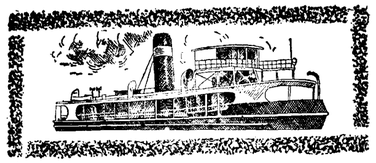
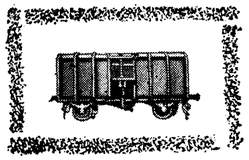
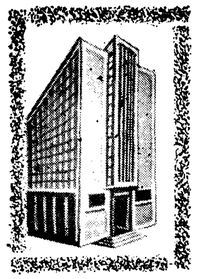
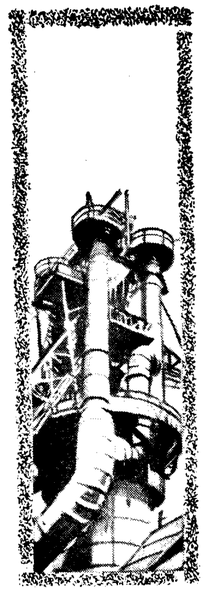
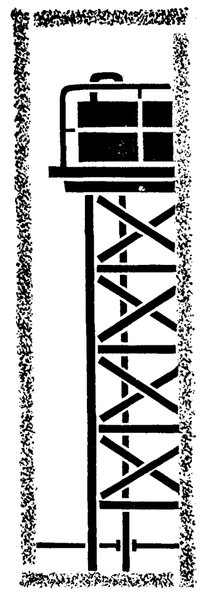
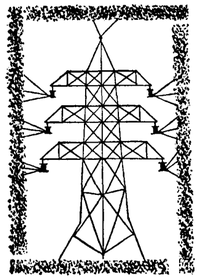

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MUKAND IRON'S OUTPUT HIGHER

PROFIT, HOWEVER, DECLINES

THE profit of the Mukand Iron and Steel Works Ltd. (Managing Agents: Messrs. Jeewan Private Ltd., Bombay) for the year ended 31st March 1958 has suffered a setback, in distinct contrast to the sharp rise noted in the previous year. Thus, the gross profit has dropped to Rs. 24.44 lakhs from Rs. 30.39 lakhs earned in 1956-57. It is, however, better than that of Rs. 17.38 lakhs earned two years before. A similar trend is noted in the net profit, too, which at Rs. 10.56 lakhs does not compare well with that of Rs. 16.72 lakhs for the previous year, to which level it had risen from Rs. 10.54 lakhs. This may seem odd in the face of higher production achieved by the Company; the output of steel bars and rods has risen from 32,123 tons to 33,982 tons and that of castings from 4,153 tons to 4,869 tons. The Company's production constitutes a record, though the rise over the year is less marked than in 1956-57.

The decline in profit is due to several factors including increase in dearness allowance by an award of the Industrial Tribunal. The conversion charges for rolling billets into steel bars and rods were also reduced by the Government from 1st January 1957 pending receipt of the report of the Tariff Commission. The net result was a recession in profits.

The fall in net profit has resulted in a substantial reduction in the amount allocated to reserves. Thus, a sum of only Rs. 5.80 lakhs has been ploughed back, as against Rs. 14 lakhs in the previous year. This consists of Rs. 4 lakhs transferred to general reserve, Rs. 1 lakh to rehabilitation and development reserve and Rs. 80,000 to development rebate reserve. The allocation in the previous year was all for rehabilitation and development reserve. The Directors have declared a dividend of 12 per cent. for the year under review on the ordinary shares and a *pro rata* dividend at the same rate on the new ordinary shares. This consists of a dividend of 8 per cent. and a bonus of 4 per cent. The Company paid a dividend of 10 per cent. in the previous year. It may be stated here that, during the year under review, that is, in January 1958, the Company issued for subscription new ordinary share capital amounting to Rs. 20.47 lakhs to the existing shareholders at par in the ratio of one new share for every old share held. The issue was fully subscribed and paid up. The Directors have recommended that the amount of dividend and bonus payable on ordinary shares (old and new) and on deferred shares be paid by distributing to the shareholders fully paid-up first and second ordinary shares of Batala Engineering Company, Ltd., held by this Company. The Company holds 24,043 first ordinary shares of Rs. 10 each (fully paid) and 6,243 second ordinary shares of Rs. 50 fully paid of the Batala Engineering Company, Ltd. It is stated that both types of these shares rank *pari passu* in all respects. The Auditors of the Company have certified that the fair value of these shares is their par value. In making these recommendations, it must be noted, the Directors have not given the option to those shareholders who do not want to take up the shares of Batala Engineering Company, Ltd., to receive the dividend and bonus in cash. It is, however, left to the shareholders to decide for themselves whether to receive the dividend and bonus of Mukand in cash or in kind.

The Company's progress during the past three years is shown in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March		
	1958	1957	1956
Sale proceeds	3,03.01	2,71.12	1,72.40
Closing stocks	23.43	8.52	20.71
Raw materials, stores, power, etc., consumed	2,31.78	1,69.67	1,12.21
Other expenses	66.14	59.42	45.19
Gross profit	24.44	30.39	17.88
Managing Agents' commission ..	2.21	2.67	1.29
Depreciation	2.87	4.25	5.55
Taxation	8.80	6.75	..
Net profit	10.56	16.72	10.54
Provisions no longer required written back	0.18	0.45	..
Loss of Lahore assets written off ..	..	..	1.98
To reserves	5.80	14.00	7.50
Dividends—			
5 per cent. preference	0.50	0.50	1.00*
Ordinary	2.92 (D. 8% + B. 4%)	1.92 (D. 10%)	..
Deferred	1.29 (D. 25% + B. 78%)	0.70 (D. 55.8%)	..
Carry forward	0.80	0.35	0.32

* For 1949-50 and 1950-51.

It will be seen from the table that the Company's sales during the year advanced by about Rs. 32 lakhs to Rs. 3.03 crores. The cost of raw materials, stores, power, etc., consumed, has increased from Rs. 1.70 crore to Rs. 2.32 crores as also other expenses from Rs. 59.42 lakhs to Rs. 66.14 lakhs.

It is stated that considerable improvement has been carried out in the Company's plant facilities and layout both in the steel foundry and in the rolling mills. Hence, production and productivity are both on the increase. The supply position of billets was fairly good during the year. With the expansion of the major steel producers nearing completion and with regular imports, it is hoped that billet supply would remain fairly good. The Company is now supplying a wider variety and more intricate types of castings.

The Company's paid-up capital as at 31st March 1958 stands raised from Rs. 30.48 lakhs to Rs. 50.96 lakhs, due to the issue of shares as aforesaid. This is supplemented by reserves and surplus aggregating Rs. 25.39 lakhs.

The current liabilities stand at Rs. 72.14 lakhs and these include secured loans from the Industrial Finance Corporation of India and banks amounting to Rs. 33.79 lakhs. As against a gross block of Rs. 83.16 lakhs, depreciation of Rs. 31.99 lakhs has been provided, so that the net block is Rs. 51.16 lakhs. The current assets aggregate Rs. 97.33 lakhs and cover the current liabilities and the provision for taxation by a substantial margin.

The Rs. 10 fully paid up ordinary shares are being currently quoted at Rs. 14.36 *cum-div.* On an *ex-div.* basis, the dividend together with the bonus works out to a yield of 9.1 per cent. per annum.

JESSOP'S RESULTS ENCOURAGING

The working of Jessop and Company Ltd. (Chairman: Mr. B. P. Singh Roy, Calcutta), during the year ended 31st October 1957, has produced highly encouraging results. The Company's sale proceeds for the year at Rs. 594.19 lakhs is stated to be a record, having advanced further from Rs. 525.14 lakhs in the previous year. It should be noted that the Company's income from agency business has dwindled from Rs. 145.35 lakhs to Rs. 60.52 lakhs, but this has been more than made good by the sharp rise of over 40 per cent. in works sales from Rs. 379.79 lakhs to Rs. 533.68 lakhs. The gross profit at Rs. 87.64 lakhs shows a rise of Rs. 18.55 lakhs over Rs. 69.09 lakhs for 1955-56.

The net profit at Rs. 38.83 lakhs is more than double that of Rs. 18.34 lakhs earned in the previous year. The provisions for depreciation has been slightly raised from Rs. 5.10 lakhs to Rs. 6.81 lakhs, but that for taxation has been lowered from Rs. 45.65 lakhs to Rs. 42 lakhs. Despite the extremely satisfactory results and the substantial rise in the net profit, the Directors have, in the larger interests of the Company, decided not to declare any dividend on the ordinary shares for the year under review, in view of the "serious financial loss suffered by the Company during 1955-56 and 1956-57, as a result of mismanagement." They have accordingly ploughed back a large amount of Rs. 37.83 lakhs into the reserves, as against only Rs. 12 lakhs made in the previous year. This consists of Rs. 26.77 lakhs to general reserve and Rs. 11.06 lakhs to provision for doubtful debts and sundry assets. The Company had paid a dividend of 12½ per cent. for 1955-56, as against 30 per cent. for 1954-55, to which level it had been doubled from 15 per cent. for 1953-54. It should be noted here that the dividend of 12½ per cent. for 1955-56 was on a higher capital of Rs. 102 lakhs, doubled by a fresh issue of 510,000 ordinary shares of Rs. 10 each.

The following comparative table will provide an idea of the Company's progress during the past four years:

(In lakhs of rupees)

	For the year ended 31st October			
	1957	1956	1955	1954
Sale proceeds	5,94.19	5,25.14	6,78.32*	5,03.38*
Other income	6.76	12.82	6.49	4.19
Stocks and works-in-progress ..	3,43.95	2,36.80	90.22	1,10.46
Expenses†	5,13.31	4,68.87	6,23.52	4,76.11
Gross profit	87.64	69.09	51.29	32.45
Managing Directors' commission ..	..	..	1.21	3.00
Provision for—				
Depreciation	6.81	5.10	5.25	3.10
Taxation	42.00	45.65	20.26	10.10
Net profit	38.83	18.34	24.57	16.25
Provisions written back	..	7.54	2.44	0.61
To reserves	37.83	12.00	14.00	8.75
Dividends—				
5 per cent. preference	1.00	0.75	0.50	0.50
Ordinary	..	12.75‡ (12½%)	15.30 (30%)	7.65 (15%)
Carry forward	0.52	0.52	0.14	2.98

* Include "on-account" payments.
† Approximate.
‡ On the increased capital of Rs. 102 lakhs.

The report states that, although the major part of the new expansions in the works came into production only towards the close of the year, the output in the year under review showed considerable increase over the previous year's production. In view of the decline in the Company's trading business, the Directors decided early in 1958 to close down its import and trading departments completely, only retaining a few agencies which are of particular importance to the Company's manufacturing activities. This decision is being implemented. It is expected that funds at present employed in an unproductive part of the Company's activities will be released for more useful employment on the manufacturing side. The working during the current year is expected to be satisfactory, although, it is stated, it cannot be as good as it would have been if production had not been hampered by shortage of essential raw materials. The Company has a very satisfactory order book and since almost all its contracts carry a very high priority, supplies in regard to its full share of whatever materials are available are almost assured.

The Company's paid-up capital as at 31st October 1957 stands at Rs. 121.99 lakhs, of which 5 per cent. cumulative preference shares of Rs. 100 each account for Rs. 20 lakhs, the balance being accounted for by ordinary shares of Rs. 10 each. As against this, the reserves and surplus aggregate Rs. 54.76 lakhs. The current liabilities stand at Rs. 410.13 lakhs including a provision of Rs. 88.26 lakhs for taxation. The gross block of the value of Rs. 172.18 lakhs, which includes additions during the year of Rs. 53.93 lakhs, has been written down to Rs. 109.49 lakhs. Besides this, there is "block in progress" amounting to Rs. 61.90 lakhs. The current assets aggregate Rs. 415.50 lakhs and are enough to cover the current liabilities and the provision for taxation.

GANNON DUNKERLEY FARES BETTER

Encouraging results are disclosed by the audited statement of accounts of Gannon Dunkerley and Company, Ltd. (Chairman: Mr. M. R. Morarka, Bombay), for the year ended 31st March 1958. The Company's sale proceeds in the trading department increased during the year from Rs. 48.15 lakhs to Rs. 61.95 lakhs. Work bills in the contract section also rose from Rs. 101.83 lakhs to Rs. 122.52 lakhs. Although expenses also increased from Rs. 167.13 lakhs to Rs. 202.13 lakhs, the rise was not enough to affect adversely the Company's profit margin. Thus, the gross profit at Rs. 8.25 lakhs shows an improvement of Rs. 2.33 lakhs from Rs. 5.92 lakhs for the previous year.

The net profit at Rs. 2.59 lakhs also is higher, as compared with Rs. 1.55 lakh earned in 1956-57, after raising the provision for depreciation from Rs. 86,561 to Rs. 90,679 and that for taxation from Rs. 3.50 lakhs to Rs. 4.75 lakhs, including Rs. 75,000 representing provision for the previous year's taxation. A dividend of 6 per cent. has been declared for the year under review which is the same as that for the previous year. Although the dividend has thus been only maintained, it is gratifying to note that the Directors have transferred Rs. 72,000 to dividend reserve and Rs. 38,350 to development rebate, as against nothing in the previous year. The dividend absorbs Rs. 2.16 lakhs, leaving a sum of Rs. 29,608 to be carried forward, as against Rs. 96,319 brought in.

The report states that a mechanical engineering department was started to undertake machinery erection, pipe fitting and fabrication works. Although the results for the year under review are better than those of the previous year, the Directors say that the acute foreign exchange position of the country and the consequent import restrictions may make conditions difficult for the trading department in future. The civil and mechanical engineering departments, however, have a fair volume of contracts still to be completed. The highlight of the year's activity is that the construction of the engineering workshop for the manufacture of liquefied petroleum cylinders is nearing the final stage. The main building is ready, erection of the machinery has considerably advanced and the factory is expected to go into production before the end of the current calendar year.

The Company has a paid-up capital of Rs. 36 lakhs, all in ordinary shares of Rs. 100 each. The reserves and surplus are very small, amounting to only Rs. 3.53 lakhs. The gross block of a value of Rs. 24.87 lakhs has been written down to Rs. 15.65 lakhs. The current assets aggregate Rs. 84.56 lakhs, against which the current liabilities amount to only Rs. 60.68 lakhs.

DUNLOP'S DEBENTURE ISSUE

The number of applications received by the Dunlop Rubber Company (India) Ltd. in connection with its issue of Rs. 1 crore 6½ per cent. debenture stock 1968-73 was about 6,000, the total value of stocks applied for being about Rs. 4.74 crores. Of these 62 large applications accounted for Rs. 2.87 crores. In view of the larger sum applied for and having regard to all the circumstances, the Company decided that the basis of allotment should be by ballot, the condition being that no applicant should receive more than the amount applied for, or Rs. 1 lakh, whichever was less. It is stated that letters of allotment, letters of regret and refund warrants will be posted within the next few days.

ORIENTAL GAS COMPANY

The West Bengal Government has decided to take over the management of the Orient Gas Company of Calcutta for two years under section 31A man of the State Government, the Government will have to spend immediately about Rs. 25 lakhs for repair and maintenance of the machinery. After about two years, when supply from the Durgapur gas grid was expected to be available, the Government, he said, would either take over the Company or give back its management to the present owners.

KHATAU MILLS' GROSS PROFIT LOWER

DIVIDEND MAINTAINED

AN appreciable improvement in sales turnover, followed, paradoxically enough, by a further decline in the gross profit, are the main features of the working results of the Khatau Makanji Spinning and Weaving Company, Ltd. (Agents: Messrs. Khatau Makanji and Company (Private) Ltd., Bombay), for the year ended 30th June 1958. The Company's sale proceeds for the year under review have increased by about Rs. 44 lakhs to Rs. 4.70 crores. Despite this, the gross profit, at Rs. 29.12 lakhs, has dropped by Rs. 11.33 lakhs from Rs. 40.45 lakhs earned in 1956-57, to which level it had fallen from Rs. 50.54 lakhs for 1955-56.

The net profit is, however, higher, having gone up from Rs. 1.24 lakh to Rs. 8.44 lakhs. This improvement in the net profit is due to the substantial reductions in the provisions for both depreciation and taxation. Thus, the provision for depreciation has been lowered from Rs. 22.59 lakhs to Rs. 13.63 lakhs. The amount set apart for taxation has been reduced from Rs. 14.15 lakhs to Rs. 5.50 lakhs, which includes a provision of Rs. 66,000 for wealth tax. The rise in the net profit has enabled the Directors to maintain the dividend on the ordinary shares at the rate of 10 per cent. for the fourth year in succession. While in the previous year the Directors had to draw a sum of Rs. 9 lakhs from the general reserve to pay this dividend, they have not done so this year. On the contrary, they have set aside Rs. 1.16 lakh to development reserve and Rs. 57,680 to development rebate reserve.

The following comparative table presents the salient features of the Company's working during the four years ended 30th June 1958.

(In lakhs of rupees)

	For the year ended 30th June			
	1958	1957	1956	1955
Sale proceeds	4,70.49	4,26.57	4,26.54	4,16.99
Closing stocks	76.11	98.54	77.24	69.97
Raw materials and stores consumed	2,36.06	2,42.52	2,21.81	2,22.11
Wages, establishment and other expenses	1,84.28	1,67.02	1,58.02	1,71.40
Gross profit	29.12	40.45	50.54	34.84
Agents' commission	1.55	2.47	4.33	3.43
Depreciation	13.63	22.59	15.03	18.70*
Taxation	5.50	14.15	13.00	5.00
Net profit	8.44	1.24	17.28	7.31
Transfer from reserve	1.74	9.00	8.90	..
To reserves	..	..	..	..
Dividends—				
4 per cent. preference ..	1.20	1.20	1.20	1.20
Ordinary	5.98 (10%)	5.98 1.20† (10%)	5.98 1.20‡ (10%)	5.98 (10%)
Carry forward	0.80	0.76	0.20	0.26

* Includes development rebate of Rs. 5.70 lakhs.
† Additional dividend on ordinary shares at Rs. 4.25 for the year ended 30th June, 1954.
‡ Additional dividend on ordinary shares at Rs. 2 for the year ended 30th June, 1955.

Explaining the causes for the decline in the Company's profit, the Directors state that there was a steep fall in the first half of the year in the offtake of cloth which resulted in lower prices. Added to this were the increasing incidence of excise duty on superfine fabrics and restricted supplies of foreign cotton. The latter is reflected in the cost of raw materials and stores consumed which has come down from Rs. 2.42 crores to Rs. 2.36 crores. Wages, establishment and other expenses, on the other hand, have increased by Rs. 16.36 lakhs.

The balance-sheet as at 30th June 1958 shows that the Company's paid-up capital is unchanged at Rs. 89.79 lakhs, divided into 59,850 ordinary shares of Rs. 100 each and 29,925 four per cent. tax-free cumulative preference shares of Rs. 100 each and a sum of Rs. 1,750 received from forfeited shares. As against this, the reserves and surplus aggregate Rs. 48.15 lakhs. Secured loans from banks against stocks and stores, guaranteed by the agents, have come down from Rs. 138.77 lakhs a year ago to Rs. 83.98 lakhs. The other current liabilities amount to Rs. 124.53 lakhs and these include Rs. 8.58 lakhs being the provision for taxation. The gross block stands at Rs. 332.61 lakhs which has been written down to a net block at Rs. 93.16 lakhs. Additions to the gross block during the year amounted to Rs. 24.22 lakhs. Besides this, orders for new machinery of the value of Rs. 4.77 lakhs were placed during the year. The current assets aggregate Rs. 253.30 lakhs and exceed the current liabilities and the provision for taxation by a margin of Rs. 44.79 lakhs.

The Rs. 100 fully paid up ordinary shares of the Company are being currently quoted at Rs. 178.25 *cum-div.* On an *ex-div.* basis, the shares provide a yield of 5.94 per cent. per annum, free of tax.

Points From The Chair

Deferred Payment Guarantees

"IN the annual report mention has been made of certain amendments that had been made to the Industrial Finance Corporation Act during the year under review. One of these amendments now enables us to give guarantees in respect of deferred payments for imported machinery. This is a very useful facility which has been eagerly sought for. You will find in the annual report the main criteria that we apply in examining applications for guarantees, and the more important terms and conditions that we prescribe for the grant of such guarantees by us. We have so far sanctioned three schemes for guaranteeing deferred payments; these aggregate Rs. 3.96 crores in all. We expect that the transactions in this behalf will be finalised shortly. In the year under review, we have made our first venture into the field of underwriting, and I hope this transaction, particulars of which are given in the report, will be the forerunner of many more in the coming years."

K. R. K. MENON,
Industrial Finance Corporation of India.

Raw Jute

"The easier availability of raw jute has contributed substantially towards the improvement in the industry. Progress towards self-sufficiency has been satisfactory and dependence on Pakistan has fallen from 75 per cent. at the time of partition to a mere 10 per cent. With good weather conditions, full self-sufficiency is possible even now, but there is still much that remains to be done in the matter of improving the quality of raw jute grown in India. The low prices fetched by Indian raw jute are largely due to its poor quality. Both in the interests of ensuring an adequate supply of good quality jute at reasonable prices to the mills and in order to give a fair return to the cultivator, it is necessary to induce growers to produce good quality fibre and to adopt intensive methods of cultivation so that the yield per acre may increase. The raw material requirements of the industry could then be met with a smaller acreage under jute cultivation and the rest of the land now used for growing jute could be diverted to food crops."

CHAIRMAN,
India Jute Co., Ltd., and Megna Mills Co., Ltd.

Code of Conduct

"I would like to say a few words about the working of the Code of Conduct. Abolition of the credit system has indeed been a great boon to the industry. But that is not all that was expected of the introduction of the code. It is, therefore, necessary to consider whether the expenses involved in implementing the code are still justified, if the aims and purposes of the code have not been fulfilled. It is no use blaming the Government for this unsatisfactory state of affairs still existing in the industry. The business community owes a duty to itself to come forward to oppose the continuance of the evil of rebating. Secondly, the executives running the industry should also sit round to consider what other means can be devised to root out this evil practice. Surely, the cut in rates is no remedy to cure the industry of the evils of rebating."

PANNALAL BANSILAL PITTY,
All-India General Insurance Co., Ltd.

Transport Problem

"Our Government instead of giving priority to steel should now turn its attention to other industries, for example, manufacture of basic chemicals, modern antibiotics, sulpha group of drugs, etc., which are needed by our country and are imported in large quantities. Very recently a Russian team came to explore the possibilities of manufacturing basic chemicals, etc., in our country and visited our factory. A few years back another team of experts from Russia also visited our factory but we never heard anything about their report. I hope we shall have the privilege of being acquainted with the report of the Russian experts made this time and the Development Department will give effect to the suggestions made by them. Our transport problem has been solved to a great extent by private road transport concerns who carry our goods quickly and efficiently to distant places like Patna, Muzaffarpur, Kanpur and various other places from godown to godown quite safe and sound. Insurers are now readily covering such carriage of goods. We have not to complain any longer over the problem of despatch by railways. But our difficulty of getting shipping space is still continuing in spite of our best efforts and this hampers to some extent our overseas trade. The present system of analysing and checking by the authorities of our drugs and chemicals after the goods have been sent to the jetties for export is also contributing to our export difficulty."

DR. B. N. GHOSE,
Bengal Chemical and Pharmaceutical Works Ltd.

Quality Tea

"In the 20 years, our cost of production has apparently increased 3½ times. I say apparently because I would not hazard a guess what it would have cost us if our crop per acre had not doubled over the same period. Fortunately, our selling price has also increased by about three times and, as long as we can produce good quality flavoury high grown teas, and consumers can afford to pay the bit extra for quality, I think we should be all right, and of course, provided Government does not tax us out of existence."

E. H. STANES,
United Nilgiri Tea Estates Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

J. BONAKHAT TEA CO., LTD. Annual General Meeting, Calcutta, 24th October 1958. Dividend: *Nil.* Transfer books remain closed from 17th to 24th October 1958, both days inclusive.

MUKAND IRON AND STEEL WORKS LTD. Annual General Meeting, Bombay, 24th October 1958. Dividend: Re. 1.20 per old ordinary share (includes bonus of Re. 0.40 per share) and Re. 0.30 per new ordinary share (includes bonus of Re. 0.10 per share). Transfer books remain closed from 10th to 24th October 1958, both days inclusive.

SURAT ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 28th October 1958. Final dividend of Rs. 4.50 per share. Transfer books remain closed from 7th to 28th October 1958, both days inclusive.

BHARAT NIDHI LTD. Annual General Meeting, New Delhi, 31st October 1958. Transfer books will remain closed from 24th October to 15th November 1958, both days inclusive.

NUDDEA MILLS CO., LTD. Annual General Meeting, Calcutta, 5th November 1958. Dividend: 5 per cent. or Rs. 2.50 per share. Transfer books will remain closed from 23rd October to 5th November 1958, both days inclusive.

GOUREPORE CO., LTD. Annual General Meeting, Calcutta, 5th November 1958. Dividend: 20 per cent. or Rs. 20.00 per share. Transfer books will remain closed from 23rd October to 5th November 1958, both days inclusive.

EAST INDIAN COAL CO., LTD. Annual General Meeting, Calcutta, 5th November 1958. Transfer books will remain closed from 23rd October to 5th November 1958, both days inclusive.

MACHINERY MANUFACTURERS CORPORATION LTD. Annual General Meeting, Bombay, 7th November 1958. Dividend: *Nil.* Transfer books will remain closed from 24th October to 7th November 1958, both days inclusive.

GRELLE TEA CO., LTD. Annual General Meeting, Calcutta, 7th November 1958. Transfer books will remain closed from 25th October to 7th November 1958, both days inclusive.

COCHIN STATE POWER AND LIGHT CORPORATION LTD. Annual General Meeting, Ernakulam, Kerala State, 7th November 1958. Dividend: Re. 0.50 per share—final, payable on and after 7th November 1958. Transfer books will remain closed from 1st to 7th November 1958, both days inclusive.

MORARJEE GOCULDAS SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 8th November 1958. Dividend: Rs. 15.00 per share, payable from 17th November 1958. Transfer books will remain closed from 20th October to 15th November 1958, both days inclusive.

KHATAU MAKANJI SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 10th November 1958. Dividend: Rs. 10.00 per share, payable on 14th November 1958. Transfer books remain closed from 13th October to 10th November 1958, both days inclusive.

GANNON DUNKERLEY & CO., LTD. Annual General Meeting, Bombay, 10th December 1958. Dividend: Rs. 6.00 per share. Transfer books will remain closed from 8th to 23rd December 1958, both days inclusive.

CALCUTTA TRAMWAYS CO., LTD. Annual General Meeting, London, 18th December 1958. Dividend: 2½ per cent. free of tax. Transfer books will remain closed from 5th to 18th December 1958, both days inclusive.

TALAYAR TEA CO., LTD. Dividend of Re. 0.60 per share, for the year ended 31st March 1958. Transfer books will remain closed from 20th to 29th November 1958, both days inclusive.

KARAIKKAL ELECTRIC SUPPLY CO., LTD. Dividend of Re. 0.80 per share, for the period ended 31st March 1958. Transfer books will remain closed from 21st to 29th November 1958, both days inclusive.

BERHAMPUR ELECTRIC SUPPLY CORPORATION LTD. Dividend of 6 per cent. or Re. 0.60 per share, for the period ended 31st March 1958. Transfer books will remain closed from 23rd to 29th October 1958, both days inclusive.

GREAT EASTERN SHIPPING CO., LTD. Dividend of Re. 1.80 per share, on old shares and Re. 0.90 per share, on new shares, for the year ended 30th June 1958. Transfer books will remain closed from 3rd to 27th November 1958, both days inclusive.

TRAVANCORE SUGARS AND CHEMICALS LTD. Dividend of Re. 1.00 per ordinary share, for the year ended 30th April 1958. Transfer books will remain closed from 31st October to 14th November 1958, both days inclusive.

COMPANY REGISTRATIONS

NEW BHARAT COMMERCIAL SERVICES PRIVATE LTD. (First Director: Mr. R. S. Seth Gopikisan Agarwal.) Business: Transporting and warehousing agents. Authorised capital: Rs. 5,00,000. Private company. Address: 1st Floor, "Badrika," 82, Marine Drive, Bombay 2.

BAKHTAWAR CONSTRUCTION CO., PRIVATE LTD. (First Director: Mr. Bhogilal Leherchand.) Business: Construction work. Authorised capital: Rs. 10,00,000. Private company. Address: "Meher House," 15, Cowasji Patel Street, Bombay.

BRAMMER V. LINK BELTING INDIA PRIVATE LTD. (First Director: Mr. Bhogilal Leherchand.) Business: Manufacturers and dealers in V-belts, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 134—136, Zaveri Bazar, Bombay.

BOKAKHAT TEA PASSES OVER DIVIDEND

SHARP FALL IN PROFITS OF DHRANGADHRA CHEMICALS

Bokakhat Tea Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

A crop of 4,556 (4,450) maunds was manufactured and has been disposed of for sale in Calcutta for Export 4,207 maunds and for sale in Calcutta for internal consumption 349 maunds. The average price per lb. realised was Rs. 2.59 as compared with Rs. 2.51 per lb. obtained for the previous season's crop. The Company's export quota for season 1957 was 2,962 maunds.

The revenue account shows a profit of Rs. 89,550 (Rs. 1,19,491) and after deducting from this provision for gratuity and pension Rs. 3,522 (Rs. 7,595), staff commission and bonus Rs. 4,694 (Rs. 7,168), managing agents' remuneration Rs. 15,000 (Rs. 12,368), loss on machinery discarded Rs. 12,550 (*nil*), depreciation Rs. 30,743 (Rs. 24,570), short provision of labour bonus, 1956 Rs. 13,262 (Rs. 8,568 for 1953, 1954 and 1955), and initial contribution to superannuation fund Rs. 4,045 (*nil*) there is a net profit for the year of Rs. 5,734 (Rs. 43,443 after adjustment). After adding to this the adjusted credit balance of Rs. 41,226 (Rs. 25,488) brought forward from the previous year, there is a credit balance of Rs. 46,960 (Rs. 68,931 from which the directors paid a dividend of 5 per cent. absorbing Rs. 30,000; leaving to be carried forward Rs. 38,931) on profit and loss account, which is carried forward.

The estimates for season 1958 have been framed for a crop of 5,100 maunds at a total cost of Rs. 8,60,768 excluding capital expenditure amounting to Rs. 49,900.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Gross block ...	13,10,965
Reserves ...	2,50,000	*Less*—Depreciation ...	2,81,380
Liabilities ...	5,94,170		
Profit and loss account ...	46,960	Net block ...	10,29,585
		Stock-in-trade	2,92,355
		Stores & supplies ...	1,09,076
		Debts, deposits and advances ...	57,146
		Investments	1,000
		Cash ...	1,968
Rs.	14,91,130	Rs.	14,91,130

Dhrangadhra Chemical Works Ltd.

The directors of the above Company [Managing Agents: Messrs. Sahu Bros. (Saurashtra) Private Ltd., Dhrangadhra] present the audited accounts of the Company for the year ended 31st March 1958.

The statement of accounts for Salt Works has not been set forth separately this year but is amalgamated with the figures of Chemical Works as suggested by the Company Law Administration. Likewise the figures shown separately in the balance-sheet for the preceding year for both the Chemical Works and Salt Works have also been amalgamated.

The working result of the Company during the year under review after providing for all expenses and operation and for normal depreciation of Rs. 9,52,386 (Rs. 9,86,033) and development rebate reserve of Rs. 11,099 (*nil*) shows a net profit of Rs. 2,71,306 (Rs. 11,96,148). To this is added the balance brought forward from last year of Rs. 53,684 (Rs. 1,11,234) making available for appropriation a total of Rs. 3,24,990 (Rs. 13,07,382). The directors have made the following appropriations out of this amount: To provision for bonus for 1952-53/1953-54 as per award Rs. 3,15,001 (*nil*) leaving a balance of Rs. 9,989 (Rs. 53,684 after transferring Rs. 9,00,000 to general reserve and providing for wages, bonus to agarias and other items amounting to Rs. 3,53,698) to be carried forward to the next year's account. No provision for income-tax liability is made for this year because of the carry-over of unabsorbed depreciation and development rebates from earlier years.

Dividend.—The directors recommend that dividends at the following rates be declared and paid for the year ended 31st March, 1958 from the balance of the tax-borne profits of the years 1950-51, 1951-52 and 1952-53 transferred to the dividend equalisation fund in 1956: A dividend of 6 (6) per cent. per annum, free of income-tax on the preference shares of the Company, pro-rata on the paid-up amount thereon, a dividend of 6 (7½) per cent. per annum, free of income-tax on the fully paid-up old ordinary shares of the Company, and a dividend of 6 (7½) per cent. per annum, free of income-tax on the new ordinary shares pro-rata on the paid-up amount thereon. The directors recommend that the balance of Rs. 3,50,000 in the contingencies reserve being profits of 1953-54 be transferred to the dividend equalisation reserve.

Working Results.—The directors are glad to report that the Company's average production during the year under review was better than in the previous year. The production could not, however, reach the full-rated capacity, as the new compressor ordered earlier was received only in the year under review. The erection of this compressor was completed very recently. The Company hopes to attain the rated capacity very shortly.

But it will be observed from the accounts that despite this increase in the production, there was a decline in the profits of the Company. This is attributable mostly to a rise in the cost of production as a result of an increase in wage rates and dearness allowance, higher prices of raw materials, stores and spares, increased cost of power and fuel, higher costs of packing materials and enhanced railway freight rates. These factors were beyond the control of the Company. Besides, the levy of wealth tax also affected the profits of the year.

In this connection, the directors would like to point out a special difficulty regarding the cost of transporting salt from Kuda to the factory at Dhrangadhra. The wagons allotted carry less salt than the marked capacity, while freight and surcharge are paid on the marked capacity of the wagons. This entails a considerable loss to the Company. In spite of repeated representations, no decision appears to have been taken by the railway authorities.

Heavy Imports.—Owing to large imports of soda ash by the State Trading Corporation, the market was loaded with heavy supplies during 1957. There was, therefore, difficulty to dispose of the indigenous soda ash. The Company's sales were also greatly affected and a considerable quantity of the stocks, accumulated as a result, had to be sold at a freight disadvantage. Naturally this resulted in a lower realisation to the Company.

With a view to avoiding a similar situation in the market, the Company made strenuous efforts to get the import policy revised, and as a result imports were restricted. The Company also impressed upon the State Trading Corporation the need for releasing stocks only when there was shortage or when prices rose unduly in any area due to transport bottlenecks, speculative hoarding, etc. The directors are happy to state that the Corporation responded favourably to the wishes of the Company.

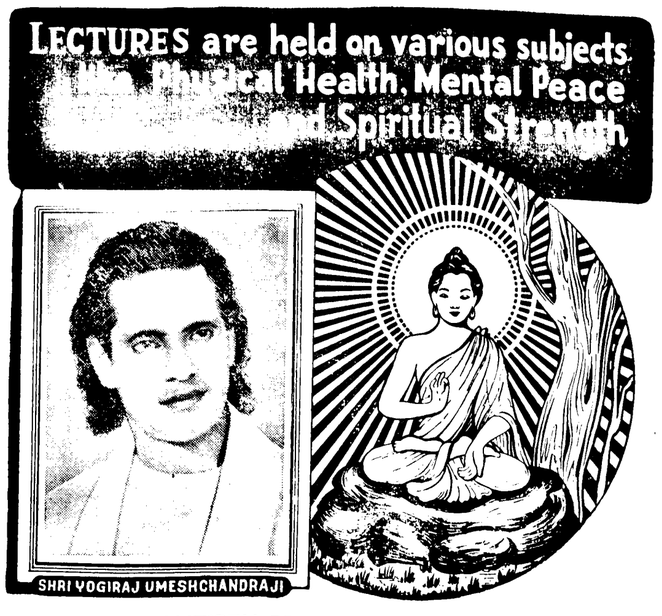
Plant Extension at Dhrangadhra.—The directors inform that the extension work to increase the rated capacity of the existing plant to 150 tons per day is almost over. However, owing to the delay in the supply of electric power by the Government of Bombay, probably it may not be possible to switch on to the full rated capacity of the plant immediately. Ceaseless efforts are being made to get power soon from the Bombay State Electricity Board. However, the Company has been assured that the power will be made available before the end of the year. After the extended plant goes into operation, the earnings of the Company will improve. The installed capacity of the soda bicadb. plant was increased during the year. The scheme for the manufacture of potassium chloride has been deferred for the present.

Caustic Soda Unit at Kayalpatnam village in Tinnevelly District.—The directors report satisfactory progress in implementing the programme for the manufacture of caustic soda. Almost all the lands required for the new unit have been acquired. The deliveries of foreign machinery are more or less according to the schedule. The construction of factory premises is well under way and the erection work of the plant will be taken in hand very shortly. The Company hopes that the new plant will be able to go into production before the end of the year.

Future Outlook.—With both the extended plant at Dhrangadhra and the new caustic soda plant in Tinnevelly District going into commission and with the growing demand in prospect for the Company's products under the stimulus of development schemes, the directors look forward to a bright future for the Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,06,29,100	Gross block	1,48,64,534
Reserves ...	63,31,297	*Less*—Depreciation ...	57,89,669
Provision for taxation ...	88,795		
Liabilities ...	1,10,73,493	Net block ...	90,74,865
Profit and loss account ...	9,989	Plant and machinery under erection ...	2,17,015
		Plant and machinery for replacement ...	1,42,004
		Caustic soda unit ...	53,47,487
		Other assets	16,336
		Coals, stores, tools, etc.	36,70,263
		Limestones and raw materials	4,48,369
		Stock-in-trade	13,66,605
		Stock-in-process ...	93,352
		Debts, deposits and advances ...	56,55,198
		Cash ...	20,74,803
		Miscellaneous expenditure	26,377
Rs.	2,81,32,674	Rs.	2,81,32,674



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Pankaja Mills Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. C. S. Ratnasabapathi Mudaliar & Sons, Coimbatore) submitted the audited accounts of the Company for the year ended 31st December 1957.

The year's trading has resulted in a net loss of Rs. 3,31,908 after providing a sum of Rs. 36,000 towards remuneration payable to the managing agents in the case of absence or inadequacy of profits as sanctioned by the Central Government and depreciation at normal rates allowed under the Income-tax Act. Adding to this the previous year's loss of Rs. 9,85,216 the total loss amounts to Rs. 13,17,124 and this is proposed to be carried forward.

The directors regret that the working during the year covered by the report was not satisfactory in as much as the prices of raw materials remained high and more or less steady and the prices of yarn during the year showed a declining tendency with the consequent accumulation of stock in the absence of a regular and steady demand. The Company had to meet heavier wage and electricity bills than last year on account of an increase in the basic wages of operatives and the imposition of a surcharge on electric energy consumed. There was also a power cut for a period of nearly two months in the year which resulted in considerable dislocation of production. In the circumstances the directors regret that the Company had to sustain a heavy loss for the year under review. The directors report that the prospects for the current year viz. 1958 are also not encouraging.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Gross block ...	35,52,714
Liabilities ...	41,74,487	*Less*—Depreciation ...	19,72,637
		Net block ...	15,80,077
		Stock-in-trade	19,09,895
		Stores & spare parts ...	3,12,658
		Debts, deposits and advances ...	5,10,457
		Investments	7,750
		Cash ...	36,526
		Profit and loss account ...	13,17,124
Rs.	56,74,487	Rs.	56,74,487

Bengal Potteries Ltd.

The directors of the above Company (Managing Agents: Messrs. Bharat Ram Bhagat & Co., Calcutta) present the audited accounts of the Company for the year ended 31st December 1957.

The profit for the year amounts to Rs. 13,90,720 (Rs. 14,92,751) to which is added the amount brought forward from last year of Rs. 10,978 (Rs. 12,631) making a total of Rs. 14,01,698 (Rs. 15,05,382). The directors have provided for depreciation Rs. 2,64,060 (Rs. 2,65,669), for taxation Rs. 2,65,250 (Rs. 5,67,000) and for super-tax on 10 per cent. dividend Rs. 16,447 (Rs. 20,559) leaving a balance of Rs. 8,55,941 (Rs. 6,52,154). The directors recommend payment of a dividend at 10 (10) per cent. on fully paid-up shares of Rs. 2-8 each absorbing Rs. 3,17,066 (Rs. 3,17,066), a dividend of 10 (10) per cent. on partly paid-up shares of Rs. 2 (Re. 1) each absorbing Rs. 1,87,962 (Rs. 94,111) and transfer to general reserve Rs. 3,30,000 (Rs. 2,30,000) leaving to be carried forward Rs. 20,913 (Rs. 10,978).

The directors report that since the appeal by the Hon'ble Minister for Industries and Commerce not to raise prices due to the shortage caused by restrictions of imports, the Bengal Potteries have not increased their prices in spite of the fact, that they had to pay railway freight at higher rates, higher prices for coal, coke and various raw materials, and stores, and on account of the Company's higher contribution towards the provident fund in the year 1957. The total of all these increased payments made by the Company amounts to about Rs. 2,50,000. It will be noticed that the figures of production and sales for this year are higher than last year. The slightly lower profits are due to the abovementioned fact.

The building and erection of machinery of the new factory have been completed satisfactorily. The directors hope that by this time next year, the factory will be in full production and show good results.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,50,273	Gross block	1,20,18,973
Reserves ...	8,45,000	*Less*—Depreciation ...	35,41,847
Provision for taxation ...	24,25,015		84,77,126
Liabilities ...	61,37,782	Net block	
Profit and loss account ...	20,913	Stock-in-trade	16,40,362
		Stores and spare parts	8,35,124
		Debts, deposits and advances ...	34,63,236
		Cash ...	63,117
Rs.	1,44,78,985	Rs.	1,44,78,985

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

UNITED NILGIRI TEA ESTATES CO., LTD.

MR. E. H. STANES' SPEECH AT THIRTY-SIXTH ANNUAL MEETING

THE Thirty-sixth Annual General Meeting of the United Nilgiri Tea Estates Company, Ltd. was held in Coimbatore on 29th September 1958. Addressing the shareholders on the occasion, Mr. E. H. Stanes, Chairman of the Company, referred to the mounting cost of production of tea and high level of taxation which left nothing worthwhile out of the profit to meet the high cost of development of new land and to provide a reasonable return to the shareholders.

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

"GENTLEMEN,

"You have before you our Thirty-sixth annual report, and I am proud that your Company, in spite of many adverse factors, has been able to present again such a satisfactory result for the year. Profits are considerably lower, and the dividend recommended is also slightly reduced. As we have commented in the Directors' report, the cost of production has increased by 25 nP per lb. and the selling price of our teas has fallen by 14 nP per lb., both being results of factors outside our control to a large extent. However, it is interesting to compare our costs over the past four years.

"These were:

All-in cost of production	*Sale price per lb.*
7 as. 0.99 pies per lb.	9 as. 11.69 pies per lb.
7 as. 9.37 pies per lb.	10 as. 7.36 pies per lb.
8 as. 2.60 pies per lb.	12 as. per lb.

"In 1955, tea export quota purchases cost us Rs. 1,57,593, and in 1956 Rs. 81,455, on crops of 11,11,000 lbs. and 12,95,000 lbs., respectively. Deducting the cost of quota and which have cost us very little in the last two years, the adjusted costs of production were—1955, Rs. 1.60, and 1956, Rs. 1.61, as against Rs. 1.57 for 1957. Costs were increasing in each of those years, but the cost of production was held steady by increase in crops. The point I want to make is that, although our crop was again higher by 32,000 lbs. made tea, our cost still went up by 25 nP and, therefore, actually by even more. There comes a stage when an increase of manure does not increase our crops further, but we can look forward to some increase from our about 100 acres young tea.

Salaries, Wages, etc.

"The Directors' report has mentioned one item in the year's costs of Rs. 64,776 for leaving gratuities. In addition, salaries and wages have increased by Rs. 1,41,520, provident fund by Rs. 45,850, welfare by Rs. 32,554, miscellaneous cultivation expenses by Rs. 64,175. These items total by themselves 24 nP per lb.

"The following are taken from our reports for the years 1938, 1939 and 1940:

All-in cost of production	*Sale price per lb.*
7 as. 0.99 pies per lb.	9 as. 11.69 pies per lb.
7 as. 9.37 pies per lb.	10 as. 7.36 pies per lb.
8 as. 2.60 pies per lb.	12 as. per lb.

"In 1938, the crop was approximately 500 lbs. per acre on our then 1,053 acres of mature tea. Last year, the crop for Chamraj Group was 1,072 lbs. made tea per acre.

"In the 20 years our cost of production has apparently increased 3½ times. I say apparently, because I would not hazard a guess what it would have cost us if our crop per acre had not doubled over the same period.

Selling Price

"Fortunately, our selling price has also increased by about three times, and as long as we can produce good quality flavoury high grown teas, and consumers can afford to pay the bit extra for quality, I think we should be all right, and of course, provided Government does not tax us out of existence.

"As I commented last year, the balance of profits left with the Company do not now make it worthwhile to pay the very high cost of development of new land. There is insufficient return on the capital sum that would have to be invested. Furthermore, we have to put by all that we can spare out of our profits for housing and other requirements of the Plantation Labour Act, and our shareholders also have to get a fair deal, or else the industry would fade out of existence, as it is rapidly doing in our neighbouring country of Ceylon.

"In Ceylon, as well as making it very difficult for Tamil labour to live and work on estates, a most fantastic nationalisation scheme has been put forward, which I have just been reading in *Planting and Commerce*.

"It seems to have operated as follows:

"First, threaten nationalisation of all foreign interest, to put down the price of shares.

"Secondly, put a very high export duty on tea, and put a very high income-tax on what is left, so that there is virtually nothing left for shareholders.

"The procedure to follow is then to take the depressed Stock Exchange value of the shares, deduct the value of liquid assets and to say that fair compensation will be Rs. 875 per acre, and that that can be paid over a period of 10 years!

"The cost of buildings alone on any tea estate will be a good deal more than Rs. 875 per acre, as we all know.

"I trust Ceylon does not really intend to resort to such expedients which can only be described as confiscation. It is no wonder that investors are shy of putting their all into commercial companies. This is, I am afraid, a digression from our own affairs.

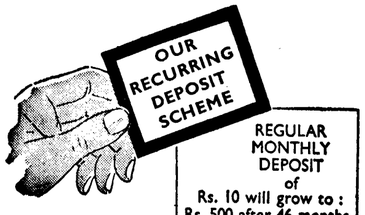
Mr. N. J. Stanes

"We are very grateful to Mr. N. J. Stanes for having again agreed to act as Group Manager on our estates for the four months whilst Mr. Hoare is on leave. It is a very great advantage to us to have a man with Mr. N. J. Stanes' ability and experience to help us on these occasions. As our Visiting Agent, he knows the estates intimately, and I am personally grateful to him for taking on this very arduous job.

"The estates are in fine condition. The teas, we make are fetching satisfactory prices in Cochin, and are amongst the best teas being produced in South India.

"Mr. N. J. Stanes advises me that he wishes to retire next year. I certainly hope that I can persuade him not to do so and that we may continue to have him with us, in an advisory capacity, even if he cannot again act as Manager of our Estates.

"I would also like to wish Mr. K. A. Subramania Iyer who retires today a long and happy retirement and to thank him for his 36 years of service to this Company."



REGULAR MONTHLY DEPOSIT of Rs. 10 will grow to :
Rs. 500 after 46 months
Rs. 1000 after 86 months

OPEN A RECURRING DEPOSIT ACCOUNT WITH ANY AMOUNT FROM Rs. 10 to Rs. 500

WITH

THE UNITED COMMERCIAL BANK LTD.

PAID UP CAPITAL....Rs. 2,00,00,000
RESERVE FUND ....Rs. 1,34,00,000

Chairman G. D. BIRLA — General Manager S. T. SADASIVAN

Notices

THE CALCUTTA TRAMWAYS COMPANY LIMITED

(Incorporated in England)

THE DIRECTORS OF THE CALCUTTA Tramways Company Limited announce that subject to final audit, the result of the working for the year ended 31st December, 1957, was as follows:—

	£	£
The Revenue for the year after transferring £80,000 to Renewals and Replacement Account was		137,041
Against this total has been debited:—		
Provision for Income Tax and Wealth Tax	61,831	
Debenture Interest ...	22,629	
	84,460	
Less—Income Tax deducted from Debenture Interest, less tax on Investment Income ...	12,254	72,206
leaving a balance for the year of		64,835
In accordance with the Agreement dated 30th August, 1951, between the Governor of the State of West Bengal and the Company, there has been credited to Shareholders' Account the sum of ...		87,457
leaving a deficiency of		22,622
which has been transferred to Special Reserve in the terms of the above Agreement.		
The amount credited to Shareholders' Account as above is ...		87,457
Out of which is payable:—		
Cost of 1st Debenture Stock purchased for cancellation	1,589	
2nd Debenture Stock Redemption	6,680	
Dividend on Preference Shares, less Tax	7,188	
Proposed Ordinary Dividend of 2½% f.o.t.	17,500	32,957
leaving to be carried forward to Shareholders' Account		54,500

In view of the strike which closed down all services from the 12th August to 22nd September 1958, it has become necessary to conserve the Company's resources. The Board regrets, therefore, that it is unable to recommend a greater dividend than 2½ per cent. for the year 1957.

The Annual General Meeting will be held at 30, Cursitor Street, London, E.C. 4, at twelve o'clock noon on Thursday, the 18th December, 1958, on which day the warrants for the Ordinary Dividend, if sanctioned, will be posted.

The Ordinary Share Transfer Books will be closed from the 5th to the 18th December 1958, inclusive.

By Order of the Board,
A. C. T. BLEASE,
Agent.

P. 4 MISSION ROW EXTENSION,
CALCUTTA, *6th October*, 1958.

JESSOP AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Management have sanctioned payment on 1st November 1958 of the Dividend on 5 per cent. Cumulative Preference Shares of the Company for the half-year ending 31st October 1958, without any deduction in respect of Income-tax which is payable by the Company.

The Preference Share Transfer Register will be closed from 30th October to 31st October 1958, both days inclusive.

Dividends will be paid only to the Registered Shareholders or their Mandataries.

By Order of the Board,
D. D. MARKAN,
Secretary.

63 NETAJI SUBHAS ROAD,
CALCUTTA-1, *9th October*, 1958.

THE PUNJAB NATIONAL BANK LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Members of the Punjab National Bank Ltd., New Delhi, will be held at the Registered Office of the Bank at Parliament Street, New Delhi, on Wednesday the 29th October 1958, at 3.30 p.m., for considering and if thought fit, passing the following Ordinary Resolutions, with or without modifications:

1. "RESOLVED (*a*) That the existing 8,00,000 shares of Rs. 25 each whether issued or not, comprised in the Authorised Capital of Rs. 2,00,00,000 of the Bank be sub-divided into 20,00,000 shares of Rs. 10 each and that 12,50,000 issued shares of Rs. 10 each resulting from such sub-division of the present subscribed capital be credited as fully paid-up.

   (*b*) That the existing certificates of shares be called in by the Directors and cancelled and that new certificates be issued in exchange thereof subject to the terms and conditions of the Articles of Association.

   (*c*) That the Directors be and are hereby authorised to take all the necessary steps to give effect to this sub-division of the shares and to issue fractional certificates or coupons in lieu of fractional certificates wherever necessary on such terms as they consider proper and to issue in lieu of every two such coupons one full share of Rs. 10 each."

2. "RESOLVED that the present clause 5 of the Memorandum of Association of the Bank be and is hereby substituted by the following clause, namely:

   5. The Capital of the Company is Rs. 2,00,00,000 divided into 20,00,000 shares of Rs. 10 each."

The Transfer Books and Register of Members of the Company will remain closed from 23rd October to 29th October, 1958 (both days inclusive).

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

By Order of the General Board of Directors,
R. L. TULI,
Secretary.

PARLIAMENT STREET,
NEW DELHI, *3rd October*, 1958.

Explanatory Statements under Section 173 of the Companies Act, 1956

Item No. 1 (*a*): The Authorised Capital of the Company is Rs. 2,00,00,000 divided into 8,00,000 shares of Rs. 25 each. Out of this, capital of Rs. 1.25 crores stands subscribed and fully paid-up. In order to make our shares more popular, it is considered desirable and expedient to sub-divide the 8,00,000 shares of the face value of Rs. 25 each comprised in the Authorised Capital of Rs. 2 crores of the Bank into 20,00,000 shares of the face value of Rs. 10 each, whether issued or not.

Resolutions No. 1 (*b*), 1 (*c*) and 2 are consequential to the passing of resolution No. 1 (*a*).

ANGLO-INDIA JUTE MILLS COMPANY LIMITED

THE BOARD OF DIRECTORS AT THEIR meeting held on 22nd September 1958, decided to recommend to the shareholders in General Meeting, the following Dividends for the year ended 31st March 1958, without any deduction for Income-tax paid by the Company.

On the Cumulative Preference Shares at 7 per cent.

On the Ordinary Shares at 10 per cent.

The Share Transfer Books of the Company will be closed from 24th October to 5th November 1958, both days inclusive.

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

CALCUTTA, *22nd September* 1958.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

TENDER NOTICE

TENDERS ARE INVITED FROM ESTABlished foundries in India having experience in the manufacture of Cast Iron Sleeper Plates for supply, by 31st December 1959, of about 2,50,000 tons of cast-iron CST9 sleeper plates, both B.G. and M.G.

2. Quota Certificates for pig iron will be issued by the Railway Board according to the requirements of the supplier, upto a maximum of 100 per cent. of the quantity of sleepers ordered on the firms. The firms are expected to make up the melting losses under their own arrangements.

3. Applications for copies of tender documents should be made to the Joint Director, Railway Stores (Steel), Railway Board, New Delhi. Tender documents embodying conditions of contract, relevant drawings, etc., will be supplied at Rs. 10 per set and will be available for sale on any working day during office hours.

4. Tenders will be received upto 13.00 hours on the 14th November 1958 and opened in the office of the Railway Board on State Entry Road, New Delhi, at 15.00 hours on the same day.

SECRETARY,
Ministry of Railways
(Railway Board).

NEW DELHI, *11th October*, 1958.

THE INDIAN GALVANIZING COMPANY (1926) LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting (being the Thirty-second Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Thursday, the 6th November, 1958, at 3 p.m., to consider the Profit and Loss Account for the year ended 31st December, 1957, and the Balance Sheet as at that date, the Report of the Auditors thereon, the Report of the Board of Directors, to declare a dividend and to transact other ordinary general business of the Company.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 27th October, 1958 to 6th November, 1958, both days inclusive.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, *24th September*, 1958.

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

THE MYSORE SPINNING AND MANUFACTURING COMPANY, LTD.

NOTICE OF NINETY-FIRST DIVIDEND

NOTICE IS HEREBY GIVEN THAT A Final Dividend of Rs. 2 per share on the Ordinary Shares of Rs. 50 each and a final dividend of Rs. 1.125 per share on the 4½ per cent. Cumulative Preference shares of Rs. 50 each for the year ended 28th February 1958, sanctioned by the Shareholders at the Sixty-fifth Annual General Meeting held on the 14th October 1958, are made payable at the State Bank of India, Bombay, on and after Friday the 24th October 1958, to those shareholders whose names stood on the Register of Members on the 10th September 1958. The dividend warrants will be made negotiable at par at the State Bank of India, Bangalore.

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

Registered Office:
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, *14th October* 1958.

GILT-EDGED QUIET

(From Our Own Correspondent)

BOMBAY, *15th October*

Extremely comfortable conditions continued to prevail in the short-term money market. While the onset of the traditional busy season is only a few weeks ahead, there was no sign of any demand for credit picking up and supply of funds continued to be plentiful. There was no change in interest rates either. Inter-bank call money was offered at 2 per cent. among the big banks; the corresponding rate among the small banks was 2¼ to 2½ per cent. House money at seven days' notice placed at 3¼ to 3½ per cent. and short-term deposits at 3½ to 4 per cent. for one to six months.

The response to the 91-day Treasury Bills was slightly better this week, the amount offered against the invitation for Rs. 2 crores being Rs. 3.90 crores, as compared with Rs. 3.20 crores in the previous week. Tenders at Rs. 99.370 and above were accepted in full and those at Rs. 99.365 allotted approximately 16 per cent. The total amount accepted was Rs. 2 crores, the average rate of accepted tenders being Rs. 2.521 per cent. per annum, as against Rs. 2.525 per cent. in the previous week. In view of the *Dasara* holidays, the Government of India Treasury Bills auction will not be held during the period from 20th to 25th inst. Tenders for the auction on the 28th inst., have been invited for a higher sum of Rs. 3 crores.

The Reserve Bank of India statement for the week ended 10th October 1958 discloses a further expansion of Rs. 17.46 crores in notes in circulation. Notes held in the Banking Department are lower by Rs. 18.25 crores. For yet another week, foreign securities show no change, while balances held abroad are slightly lower by Rs. 79 lakhs. There has been no change in Central Government deposits, but other Governments' deposits have gone up by Rs. 1.53 crores. Deposits of banks have shrunk by Rs. 8.60 crores. Loans and advances to Government show a rise of Rs. 6.58 crores, and other loans and advances Rs. 28 lakhs. An increase of Rs. 4.09 crores is noted in investments and of Rs. 4.79 crores in Government Treasury Bills purchased and discounted.

A sharp fall of Rs. 22.61 crores in demand deposits and a rise of Rs. 18.34 crores in time deposits are disclosed by the Scheduled Banks' statement for the week ended 3rd October 1958. Borrowings from banks are also higher by Rs. 5.60 crores. Advances have gone up by Rs. 5.40 crores, while bills purchased and discounted are lower by Rs. 1.19 crore. Investments stand strengthened by Rs. 1.13 crore. While cash balances have shrunk by Rs. 4 crores, money at call and short notice show an increase of Rs. 3.92 crores.

The 4½ per cent. State Bihar Government loan for Rs. 2 crores, which opened for subscription on the 13th inst., was oversubscribed on the same day, the actual amount subscribed being Rs. 2.99 crores. Applications up to and including Rs. 10,000 will receive full allotment. Subscribers for amounts over Rs. 10,000 will receive allotment at 92 per cent., subject to a minimum allotment of Rs. 10,000.

The Gilt-edged market ruled quiet during the week under review and business was very scanty. In the absence of any enquiry from institutional investors, values of some of the loans tended to decline slightly. 3 per cent. 1986 Conversion Loan was on offer and it declined by 40 nP to Rs. 73.60. 3 per cent. 1970-75 was unchanged at Rs. 90, while 3 per cent. 1966-68 shed 10 nP to Rs. 94. 3 per cent. 1964 and 1963-65 each declined by 10 nP to Rs. 96.60. 3 per cent. 1959-61 was placed 5 nP lower at Rs. 100.05. 3½ per cent. 1961 shed 5 nP to Rs. 100.05, while 3½ per cent. 1963 and 1964 were unchanged at Rs. 100.05 and Rs. 99.95, respectively. 3½ per cent. 1965 shaded off by 5 nP to Rs. 99.65. In the State loans section, though the undertone was dull, some of the issues gained a little. Thus, 4 per cent. West Bengal 1967 and 1968 put on 10 nP each to Rs. 99.30. 4 per cent. Madras 1968 lost 5 nP to Rs. 99.30, 4½ per cent. 1970 gained a like amount to Rs. 100.25. 4 per cent. U.P. 1968 was better by 5 nP at Rs. 99.30, while 4½ per cent. 1970 lost 15 nP to Rs. 100. The new 4½ per cent. Bihar loan commanded a premium of 25 nP over the issue price of Rs. 99.50.

In the foreign section, bank's selling price of ready U.S. dollars was quoted at Rs. 476.75, having risen from Rs. 476.50 per $100. Their buying price also moved up from Rs. 473.25 to Rs. 473.50 before declining to Rs. 473.25 per $100. In New York, spot sterling gained from $2.80-21/32-2.80-23/32 to $2.80-25/32-2.80-27/32 and three months' forward from $2.80-2.80-13/32 to $2.80-13/32-2.80-½. Transferable sterling also gained from 278.85-278.95 cents to 279.15-279.20 cents.

BASE METALS FULLY STEADY

(From Our Own Correspondent)

CALCUTTA, *12th October*

Base metal prices were fully steady during the week under review, following highly encouraging advices from foreign markets. It was noted here that the price of copper on the London Metal Exchange was improving on account of expectations of increased purchases by Government for stock. Moreover, the U.S. customs smelters again raised the price by ¼ cent to 27 cents. There was also the fear that output in Rhodesia might be affected on account of labour troubles. Demand for copper scrap here was good.

Tin continued to rise on the London Metal Exchange, and the possibility of the U.S.S.R. joining the International Tin Agreement and agreeing to reduce its exports had a bullish effect in sentiment.

Prices of lead and zinc were well maintained.

GOLD SPURTS

(From Our Own Correspondent)

BOMBAY, *15th October*

The main feature of the trading in the bullion market during the week under review is the sudden spurt in price of gold today. Though the undertone during the earlier sessions of the week was firm, and the trend was upward, on expectations that the military rule in Pakistan would check smuggling of yellow metal, the movement was rather slow. However, the opening of the traditional demand gave a momentum to prices today. Silver also ruled steady, but the fluctuations were narrow. The decline in arrivals was mainly responsible for the steady tone in the white metal.

Forward silver (28th October settlement) moved up from Rs. 188-6 to Rs. 189-4. After a setback to Rs. 188-8, the forward metal gathered strength to Rs. 189-3 and closed at Rs. 189. The next settlement finished with a gain of As. 12 at Rs. 189-14.

Ready silver closed at Rs. 188-4, as against Rs. 187-6. The ready discount, which stood at Re. 1 below the current settlement last week, narrowed down to As. 12, reflecting an encouraging position in the ready section. The floating stocks of silver are estimated at 1,000 bars. The daily average arrivals were 50 bars (including unrefined metal), while the offtake was 15 bars per day on an average.

Gold for forward delivery (27th October) edged forward from Rs. 108-1 to touch a high of Rs. 109-11 before closing at Rs. 109-7. The next settlement moved up from Rs. 108-5 to Rs. 110, and finished at Rs. 109-11.

Ready gold advanced from Rs. 107-12 to Rs. 109-7. The floating stocks of gold are reported to be 40,000 tolas. The daily average arrivals and offtake were equal at 3,000 tolas.

The price of silver at New York rose from 89½c. to 90⅜c. The price at London moved up further from 77½d. to 78¼d. for spot and from 76⅝d. to 78⅛d. for forward. Gold gained from 250*s.* 3½*d.* to 250*s.* 4½*d.* in the earlier half of the week, but later on declined to close at 250*s.* 2½*d.* yesterday.

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

	15-10-58	Highest	Lowest	8-10-58
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	109 7	109 11	108 3	108 1
Forward*	109 7	109 11	108 3	108 1
Sovereign	71 0	..	..	70 12
SILVER				
Ready (.996 fine Mint) ..	188 4	188 8	187 8	187 6
Forward†	189 0	189 3	188 8	188 6
London Silver Ready ..	78½d.	78½d.	77½d.	77½d.
London Forward	78½d.	78½d.	77¾d.	78¼d.
London Gold	250*s.* 2½*d.*	250*s.* 4½*d*	250*s.* 2½*d.*	250*s.* 3½*d.*
New York Silver	90½c.	90½c.	89½c.	89½c.)

*28th October settlement.
†27th October settlement.

TEA PRICES IMPROVE

(From Our Own Correspondent)

CALCUTTA, *11th October*

Tea prices during the last week's internal sales improved. The increased demand was due to the fact that teas which had already left gardens before the recent changes to excise and export duties were announced became cheaper, in view of the present excise duties in the two zones being 4 nP and 10 nP, respectively, as against 3.125 nP per lb. only previously.

Dusts on offer aggregated 22,704 chests. Orthodox teas advanced by 10 nP and legg-cut Dooars were sold above valuations. Among C.T.C., there was keen demand for the better grainy exportable teas, but the plainer liquoring teas gave way by 10 to 15 nP per lb. Darjeelings met with keen demand. The quotations per lb. were: Best Assam C.T.C. Rs. 2.80 to 3.10 (nominal); medium Assam C.T.C. Rs. 2.10 to 2.30; medium Assam grainy dust Rs. 1.88 to 1.90; and medium Dooars Rs. 1.86 to 1.88.

Leaf on offer amounted to 1,936 chests which met with good demand. Prices also improved.

In export quota, business took place at 3½ nP. Subsequently, sellers demanded 3¾ nP, but buyers were prepared to pay only 3¼ nP.

LINSEED DULL

(Messrs. A Bradley & Co.)

CALCUTTA, *13th October*

Prices have moved within narrow limits during the week; although a small advance has been recorded, about eight annas per maund in the price of seed as well as oil, business has been rather dull. As with demand, production of oil has fallen off to a great extent locally and arrivals of seed from upcountry have diminished. Activity in the oil market has been negligible. Overseas markets are quiet, and the prevailing disparity in Indian prices remains at around £8 to £10.

Latest quotations are as follows:—Ready-October Rs. 25-8 per maund.

COTTON FUTURES REACT

(From Our Own Correspondent)

BOMBAY, *15th October*

The cotton futures market, after having ruled fully steady during the first half of the week under review, encountered heavy selling on Monday and values sharply reacted. The downward trend of prices continued yesterday also. But a mild recovery was in evidence today which persisted till the close of the session. The earlier steadiness was due to support prompted by reports of damage to the cotton crop owing to cyclonic weather in Saurashtra and excessive rains in Berar and Khandesh. The expectation that the Government would soon announce the details of the proposed export incentive scheme for cotton and textiles also favourably affected sentiment. Another helpful factor was the hope entertained in some quarters that the Government would persuade itself to abolish the export duty on cotton. Monday's reaction was influenced by the news that the extent of damage to the crop was exaggerated. Upcountry operators in particular started heavy liquidation with the result that prices came down precipitously. The disappointment over the absence of any reduction in export duty, and the Government's continued silence over the export incentive scheme, accelerated the downward trend. Since the new crop was expected to start moving in a fortnight, a further fall in price was anticipated. This factor, together with the bleak textile outlook and the downward trend in mill consumption, discouraged buying. However, as noted earlier, short-covering led to a partial recovery towards the close.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 632 and, after advancing to Rs. 638 on Saturday, declined to Rs. 622 on Monday and further to Rs. 615.75 yesterday. Commencing at Rs. 620 today, the contract gathered Rs. 3 before finishing the week at Rs. 621.25. The net loss over the week was Rs. 11.50. The trend of price of the contract during the week is indicated below:—

(In rupees per candy of 784 lbs.)

	15-10-58	*High*	*Low*	8-10-58
I.C.C. Moglai Jarilla (March 1959) ...	621.25	638	615.75	632.75

The spot section ruled weak. Prices registered a decline. With increasing arrivals in most upcountry markets, especially in Punjab and Berar, offering of new crop increased while demand was poor. Early in the week, enquiries for staple styles such as Punjab 320F, Laxmi, Jayadhar, Khandesh, etc., were noted. But demand dried up later. Mill buyers were keeping off the market due to expectations of further fall in prices.

In export cotton, Bengal *Deshi* prices staged a moderate recovery early in the week on stray rumours that the duty on the growth would be abolished very soon. But towards the close prices declined as no duty reduction materialised. Steady enquiry was reported from Japan for Bengals. About 30 to 40 thousand bales of Bengals were already sold to Japan prior to the latest quota announcement, subject to availability of export licence. Subsequent to the grant of quota two to three thousand bales of Bengals were sold to the destination, apart from the 10-12,000 bales of Dholleras sold earlier. There were strong rumours that the import quota system for cotton prevalent in Japan for the non-mill sector might be abolished soon. This, it was said, would have the effect of making Indian cotton cheaper and thus improve the prospects of more Japanese purchases from India. It was also felt that Japan might buy more cotton from India in view of the serious situation in Pakistan. Apart from Japan, Germany was interested in C.P. and Rajasthan *Deshi*.

In the foreign section, Sudan Sakels and A.R. Ugandas attracted the attention of mills. There was growing disappointment in both industrial and trade circles over the delay in the announcement of the import quota. Very restricted imports last season had led to large-scale use of carryover stocks which had been consequently reduced at the commencement of the current season to a level hardly sufficient for about three months' consumption. It is pointed out that unless the industry has a broad indication of the quantum of imports likely to be permitted during the season, it would be impossible for the textile units to plan a production programme suited to consumer preferences here and abroad. Spinners were anxiously looking forward to some import quotas and it was hoped that the official announcement on imports would not be delayed much longer.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week's closing rates: Bengal *Deshi* 590 (610); Berar *Jarilla* 615 (625); Khandesh 665 (675); Vijay 800 (810); Hubli Laxmi 860 (870); Jaydhar 790 (800). *Delivery Contracts*: Bengal 575 (588); Mathia 570 (570).

The Karachi cotton futures market continued to rule weak during the week under review also. There was fear that the abnormal political situation in Pakistan would adversely affect cotton export prospects. This, coupled with the news that the Government of India might abolish the export duty on cotton, caused nervousness among operators. Weak advices from upcountry centres also adversely affected sentiment. As a sequel to selling prompted by these factors, the market suffered a setback. N.T.R.G. January declined by Rs. 2-14 from Rs. 72-5 last week-end to Rs. 69-7 and the March position fell by a like amount to Rs. 69-11.

Listless conditions prevailed in the Alexandria cotton futures market during the week. Volume of business was small. Price fluctuations were narrow. The long-staple Karnak contracts were practically neglected. The medium staple *Ashmouni* made small gains earlier in the week, reflecting the scarcity of quality cottons of high grade in the new crop of Ashmouni and export enquiries from East European countries. But, towards the close,

the Ashmouni contracts eased. In the spot section, premiums for top grade Ashmouni tended to harden while those for other varieties were unchanged.

The first official estimate of the 1958-59 Egyptian cotton crop has placed production (excluding Scarto) at 9,698,000 kantars, as against 8,827,000 kantars harvested last season. The staple-wise breakdown of the estimate is: cotton over 1⅛" 5,710,000 kantars; over 1⅛" 813,000 kantars; over 1¼" 3,175,000 kantars. Commenting on the progress of the new crop, a prominent shipper observed recently: "Cottons are coming down to the spot market in bulk, especially Menufis; Giza 30 is definitely much better in style and staple than last year. Menufi good style cottons of high grades are scarce and fetching fancy premiums. The same applies to Ashmouni. Karnak arrivals have been few."

The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week-end quotations.

Karnak: November, January 72.00 (72.00).

Ashmouni: October 64.90 (65.15); December 64.05 (64.80).

Cotton futures values in Liverpool made some small gains during the week. There was a fair volume of forward transfers of outstanding hedge positions and moderate trade covering in the near position. Values, especially of near positions, consequently moved higher. The distant positions, however, encountered selling with the result that they tended to look down. But support from American interest in Liverpool and local operators imparted strength to the market. A lower U.S. crop forecast by the Crop Reporting Board did not exert any marked influence on the market. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October-November 24.50; December-January 24.60; March-April 24.30; May-June 24.05. *American cotton mixed growth contract*: October-November 25.28; December-January 24.88; March-April 24.70; May-June 24.48. *Sudan*: November-December 29.25; January-February, May-June 29.25.

The most important development of the week as far as the New York cotton market was concerned, was the publication, on the 8th inst., of the October estimate of the cotton crop by the Crop Reporting Board. The Board placed the season's crop at 11,675,000 bales (of 500 lbs.). This compared with the 12,105,000 bales forecast a month earlier and the final crop 10,964,000 harvested in the 1957-58 season. The yield per acre was estimated at 469 lbs. as against 486 lbs. in the previous estimate.

The forecast had very little effect on the market. In fact, the lower estimate instead of leading to a rise in price, resulted in a mild reaction. This was because a reduction of as much as half a million was expected and discounted in the recent rise in prices. Nevertheless, Commission House buying and mill fixation, based on the continued heavy entry into the Government loan, have imparted some strength to the market. Over the week, prices showed a slight decline only.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	14-10-58	7-10-58	30-9-58
Spot	36.25	36.20	36.05
October	35.74	35.76	35.89
December	36.09	36.20	36.22
March	36.57	36.67	36.67

YARNS SLUMP

(From Our Own Correspondent)

BOMBAY, 15*th October*

Bears predominated in the yarn market during the week under review too and there was a further sharp break in prices. Several mills in Bombay were reported to have sold staple fibre yarns (40x2) at markedly reduced rates, while offtake from important consuming centres such as Surat and the Punjab was very much restricted. There were reports of other mills also contemplating to sell at lower prices. Even at low and attractive prices, operators were not inclined to enter into fresh commitments. It was said that the high prices of staple fibre yarn (and also of rayon yarns) prevailing until recently had considerably enhanced the cost of weaving fabrics, so that weavers were finding it difficult to dispose of their stocks. Indeed, many weavers were said to have switched over their looms for weaving cotton fabrics. Rayon yarns also encountered persistent selling induced by bears of enlarged supplies, following the issue of licences for importing art silk yarn against fabrics exported. The traders noted that exports of rayon fabrics were quite encouraging. Cotton yarns continued to be depressed. Internal demand was still at a low ebb. Nor was export business encouraging, thanks to keen competition from China in the traditional Asian markets.

The Government of India has announced that a reduced rate of import duty will be applicable to Indian cotton yarn exported to West Germany. The Federal Republic of Germany has applied in regard to trade with India the most-favoured-nation clause under which, among other items, cotton yarn from India would be imported at a reduced rate of import duty. The quantity thus importable annually would be upto 120 per cent. of the quantity imported from India into Germany in 1950 calculated according to weight. In order to get this concession, Indian exporters of yarn to Germany should obtain from authorised Chambers of Commerce in India a certificate of origin in the form prescribed and present it to the German customs authorities along with the necessary export documents. The list of the Chambers of Commerce in India authorised to issue the certificate of origin in this regard can be obtained from the office of the Textile Commissioner, Bombay.

Staple fibre yarns (40x2) October delivery was subjected to heavy selling and slumped by Rs. 27 to Rs. 619. Likewise, December delivery fell by Rs. 24 to Rs. 627. In the spot section, 40x2 Konnoors dropped 23 nP to Rs. 3.30. Citys retreated by 16 nP to Rs. 3.24. Centurys climbed down by 13 nP to Rs. 3.28. Among foreign yarns, Fujis shed 8 nP to Rs. 9.61. Paramounts, however, improved by 19 nP to Rs. 9.81.

In the art silk yarn section, 120 Japan declined by 16 nP to Rs. 5.37 and 150 Japan by 25 nP to Rs. 5.81. 150 Italy eased by 6 nP to Rs. 6. But 120 Italy improved by 31 nP to Rs. 6. Among indigenous yarns, National Rayons 150 bright cones first grade retreated by 22 nP to Rs. 4.50. 120 bright cones first grade dropped 34 nP to Rs. 5.53.

Cotton yarns, ten counts Moderns were neglected at Rs. 13.25, as also Podars at Rs. 12.25. Among twenty counts, Moderns shed 12 nP to Rs. 16.50. Thirty counts Hinds were stagnant at Rs. 19.75. Forty counts were dull, Minaxis being quoted at Rs. 24.94 and Moderns at Rs. 25. Among sixty counts, Finlays noted some support and gathered a rupee to Rs. 59. Eighty counts Mahendras were on offer at Rs. 69, Moderns at Rs. 72 and Finlays at Rs. 78.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week ago:

	15-10-1958	8-10-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	5.37	5.53
150 Japan (per lb.)	5.81	6.06
120 Italy (per lb.)	6.00	5.69
150 Italy (per lb.)	6.00	6.06
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 October	619.00	646.00
40 x 2 December	627.00	651.00
40 x 2 Kohinoor (per lb.)	3.30	3.53
40 x 2 City (per lb.)	3.24	3.40
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.25	...
20s Modern	16.50	16.62
30s Hind	19.75	19.75
40s Minaxi	24.94	24.94
60s Finlay	59.00	58.00
80s Mahendra	69.00	69.00

GROUNDNUT OILCAKE EXPORT QUOTA

(From Our Own Correspondent)

BOMBAY, 15*th October*

After presenting a distinctly firm trend in the first two sessions of the week, the oilseeds market staged a relapse on Saturday and Monday but recovered again subsequently. The groundnut section ruled particularly buoyant earlier on renewed speculative buying and short-covering induced by scarcity of spot stocks. There was also good support from crushers and *vanaspati* manufacturers. On Friday, the quotation for groundnut February contract closed above Rs. 165, so that the margin of Rs. 15 per candy became operative on bulls. The market developed a sagging tendency on Saturday. The release of a further quota of 10,000 tons of groundnut oilcake (expeller variety) for export during the period ending December next disappointed the operators who were expecting larger quota. The orders issued by the Joint Chief Controller of Exports, Bombay, to the effect that H.P.S. groundnuts in shells would not be allowed for export against a quota of 10,000 tons of H.P.S. groundnuts (kernels only) announced on 3rd June last also acted as a damper. Prices, as a consequence, suffered a setback. Castorseeds ruled easy on reports of beneficial weather, while castor oils met with support induced by revival of overseas enquiries. It is stated that Brazil was not a keen seller in the U.K. and the U.S. The U.K. import houses showed interest in B.S.S. castor oil at £112 per ton. Business in about 100 tons was reported to have actually been put through. Linseed ruled quiet due to lack of buying support.

Groundnut February 1959 contract forged ahead from Rs. 164.25 last week-end to Rs. 167.37 on Friday. Subsequently, it encountered selling and came down to Rs. 163 on Monday. It, however, recovered to Rs. 163.75 today. Bold ready spurted from Rs. 37 to Rs. 41 before finishing at Rs. 39.50. Over the week, Coromandel variety rallied Re. 1.50 to Rs. 40. Khandesh quality gained a rupee to Rs. 39.50. Groundnut oil ex-mill, after improving from Rs. 21.75 to Rs. 22.19, receded to Rs. 21.50. Railway receipt rose from Rs. 21.50 to Rs. 22 on Friday. Today, however, it was lower at Rs. 21.25.

Castorseed May 1959 contract was subjected to selling pressure, the contract moving down from Rs. 149.50 to Rs. 146.87. Ready Madras, which stood at Rs. 29.50 on Wednesday last week, firmed up to Rs. 29.94 on Saturday. It, however, declined to Rs. 29.37 subsequently. Kanpur quality fluctuated between Rs. 28.06 and Rs. 28.50 and finished at Rs. 28.25. Castor oil B.S.S. put on 25 nP to Rs. 16.87. Commercial quality gathered 6 nP to Rs. 15.19.

Linseed May 1959 contract was dull practically throughout the week. It was quoted at Rs. 30.87 yesterday, as against Rs. 31.56 last week-end. Today, however, it was better at Rs. 31.06. Bold ready, after rising from Rs. 34 to Rs. 34.25, eased to Rs. 34. Linseed oil moved up from Rs. 17.50 to Rs. 17.69, but declined in the subsequent sessions, today's closing rate being Rs. 17.44.

Cottonseed May 1959 contract received some support, the rate increasing from Rs. 102.50 to Rs. 103.75 on the 10th inst. After declining to Rs. 101 yesterday, it recovered to finish at Rs. 102 today.

Among other seeds, *kardiseed* bold ready was quoted at Rs. 22.50 throughout the week, as against Rs. 23 last week-end. Nigerseed Madras quality, which had improved from Rs. 34.25 to Rs. 34.50 in the first three sessions, declined to Rs. 34 today.

The following table shows the closing prices of oilseeds and oils today as compared with those of the two previous weeks:

	15-10-1958	8-10-1958	1-10-1958
	Rs.	Rs.	Rs.
Groundnut—			
Feb. 1959	163.75	164.25	159.75
Bold ready (per cwt.)	39.50	37.00	40.50
Linseed—			
May 1959	31.06	31.56	30.69
Bold ready (per cwt.)	34.00	34.00	34.13
Castorseed—			
May 1959	146.87	149.50	147.50
Madras (per cwt.)	29.37	29.50	30.37
Cottonseed—			
Sept. 1959	102.00	102.50	98.75
*Groundnut oil**—			
Ex-mill ready (per quarter) ..	21.50	21.75	21.25
Castor oil†—			
Commercial (per quarter) ..	15.19	15.62	15.62
Linseed oil†—			
Ready	17.44	17.50	17.37

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

PEPPER EASY

(Messrs. Parekh and Co.)

BOMBAY, 15*th October*

Proximity of new season and lack of foreign demand made Malabar black pepper rather jittery. Bears continued to hammer to bring forth distressed selling. Ungarbled in Cochin went down to Rs. 550 to improve to Rs. 556¼. December positition, which was a bull's eye for the bears, went down to Rs. 93¼. Ready garbled and October delivery were quoted at Rs. 97.50 and Rs. 98.50 respectively. During mid-week, there appeared some short-covering. As a consequence, prices rallied to a small degree but the improvement proved short-lived as Bombay market, which was under the control of bears, failed to revive. Calicut remained fairly steady at Rs. 590. Bombay market being the lowest, ready demand was reported good. If the present tempo of demand continued for a month or so, there would be scarcity of quality goods as no fresh arrivals were expected, Bombay being below the replacing parity.

Recent developments in Pakistan proved a depressing factor. Weakness in other agricultural commodities was also responsible for the present stalemate in pepper. Singapore ruled steady throughout the week at Str. $72 for Sarawak black. Lampong was reported quiet but unwilling to sell quantity at the present low price. Lower offering from India affected spot in New York which came down to $0.25. The future at the moment appears uncertain though majority of the trade does not like to go short at the present price in view of the overall world production of pepper which is estimated to be lower than that of last year.

Following are today's nominal quotations:—Ready delivery Rs. 73 per Bengal maund and October Rs. 500-510. December Rs. 505-515 and February Rs. 510.20 per candy of 5¼ cwts.

SUGAR BULLISH

(From Our Own Correspondents)

BOMBAY, 15*th October*

The sugar market rules distinctly bullish, thanks to rumours of delay in the issue of the normal monthly release. Arrivals of sugar by rail into the city are small—they aggregated just 10,200 bags in the past week—while the festival demand from the Malabar side and the interior centres is quite good. Consequently, sugar prices have registered an improvement. The ex-mill quotations for Bombay-Deccan sugar are reported to be firm.

Medium grain sugar is quoted at Rs. 109-Rs. 111 per bag, as against Rs. 107-Rs. 110 a fortnight ago. Large grain is higher by a rupee at Rs. 112-Rs. 117 and small grain by 50 nP at Rs. 105.50-Rs. 106.

The Indian Sugar Mills Association's export programme for the month of October from Bombay port is stated to be around 2,000 tons. Sugar from the Bombay-Deccan mills continues to arrive in the harbour and the movement is satisfactory. In the case of delay in arrivals of despatched sugar or short arrivals, the Association will buy from the open market as before in order to complete the export programme. It is, however, said that no purchases from the open market may be made by the Association, as satisfactory advanced arrangements have been made to cope with the commitments of export from this port during the month.

Production and despatches of indigenous sugar up to 30th September 1958 in the current season amounted to 1,972,000 tons and 1,895,000 tons, as against 2,024,000 tons and 1,942,000 tons, respectively, in the corresponding period of last year. Stocks with factories as on 30th September 1958 stood at 517,000 tons.

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HAPUR, 13*th October*

The sugar market continued quiet and listless during the week thanks to increased selling pressure in the wake of good supplies and poor outside demand. The crushing season has not yet begun in west U.P., but is likely to commence by the end of the month. Prices of inferior quality showed a further sagging tendency.

Quiet conditions prevailed in the Muzaffarnagar sugar market also owing to lack of consumer demand. Prices of inferior quality declined further by 6 nP to 25 nP per maund. Rates of Amroha, Seohara, Bijnore, Dhampur, Kashipur, Pilibhit and Raja-ka-sahaspur mills were being quoted below the controlled prices fixed by the Government. During the week-end business for about 5,000 bags of Seohara D28 quality was done at Rs. 35.37 a maund as against the Government's control price of Rs. 35.69, for different destinations of Gujerat, Saurashtra and Punjab. Latest prevailing ex-mill delivery prices were: *Amroha* (D29) Rs. 35-4, *Bijnore* (E29) Rs. 35, Iqbalpur (B29) Rs. 37-2, Khatauli (D29) Rs. 36, Seohara (D29) Rs. 35-6, Raja (E29) Rs. 35-10, Meerut (D29) Rs. 36, Saharanpur (D28) Rs. 35-11. Sugar prices also ruled quiet and listless in the Kanpur market due to absence of outside support and satisfactory supply position.

Khandsari prices were quiet. Although new crushing season with the crushers have begun, production of *khandsari* is being delayed as crusher-owners prefer to crush cane into *gur* due to prevailing high prices for new quality rather than crush it for *khandsari*. Ruling prices ranged between Rs. 32 and Rs. 35.50 per maund, according to quality.

New *gur* arrivals mounted to an average of 300 maunds daily, but prices have remained steady, thanks to good consumer demand on the eve of the coming *Puja* festival. Old *gur* stock is put at about 1,000 maunds which for dry-wet quality is being quoted at Rs. 20 per maund. New *gur* arrivals are expected to gather momentum as tilling operation in some areas are being delayed due to water-logging and cultivators in order to meet the fodder scarcity and fetch favourable prices, will begin crushing cane into *gur* in larger quantities. New *gur* arrivals have also begun in other centres of the district. The conditions of the standing cane crop is fairly good except in some areas where water-logging have been responsible for some damage to standing cane crop. New *gur* prices were quoted between Rs. 22 and Rs. 25.50 per maund.

Gur futures recorded sharp gains in the earlier part of the session, but prices eased slightly towards the week-end due to profit-taking. Opening at Rs. 13.85 for *fagun* delivery last week-end, and touching the highest of the week at Rs. 14.10 and lowest at Rs. 13.76, *gur fagun* is today quoted at Rs. 14. The undertone is bullish.

GOOD DEMAND FOR DUST TEAS

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 11*th October*

There was a slightly larger quantity on offer in dust sale 'U' which was held on Thursday, 9th October and offerings aggregated 654,435 lbs. The larger and more useful selection met with a very strong general demand. This demand was particularly noticeable for the milled dusts and lowest descriptions also met with keen competition and were fully firm to dearer on last rates. The sole exception to this was for some of the better mediums which were at times easier on valuation.

London Market—Sale of 6th October 1958.—Market steady, except for better C.T.C. which were 3d. lower following quality.

Sale of 7th October 1958.—Firm lowest dearer.

Colombo Market—Sale of 6th October 1958.—Strong general demand. Dimbula dickoya brokens irregularly dearer. Corresponding fannings lower. Mediums firm to dearer. All Uva teas considerably lower following quality. Lowgrowns declined 5c. price tea declined 10c.

Sale of 7th October 1958.—Active demand black leaf fannings dearer dusts advanced 20c. Others firm.

Calcutta Market—Export.—Good general demand. Commons firm to occasionally dearer. Other descriptions irregularly easier. Best C.T.Cs. sold well, but medium sorts declined 10 to 20 nP.

Internal.—22,000 packages dust. Strong active demand. Orthodox up to 10 nP dearer. Darjeelings steady. C.T.C. irregular with plainer types up to 15 nP easier. Few exportable C.T.Cs. firm to dearer.

Export Quota.—The market has remained fairly steady throughout the week and a fair quantity of business has been transacted at 3½ nP. Business closed on 9th October at 3½ nP.

Forthcoming Auctions.—Dust sale 'V' will be held on Thursday, 23rd October 1958.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire as follows:

"*Sale* 30.—1,400,000 lbs. For all tea up to Re. 1.55 very strong demand. Mediums much less enquiry and considerably lower. Good mediums and best liquoring very strong."

JUTE QUIET

(From Our Own Correspondent)

CALCUTTA, 12*th October*

Quiet conditions were in evidence in the jute markets during the week under review. Overseas enquiries were for nibbling quantities for near delivery positions only, and the announcement of lower stock figures did not change buying sentiment. However, prices at lower levels resulted in brisk covering demand for the forward delivery positions fact that hessian in the forward delivery positions was quoting at a discount, buyers were interested in only near positions. This tendency suggested that foreign buyers refrained from purchasing to replenish stocks. In the meantime, raw jute prices fell again, and foreign buyers of goods thought that prices would fall further. Hence, they were not interested in forward offers. The fall in raw jute prices caused renewed anxiety. If only cultivators could wait, they would probably realise better prices. However, cash requirements for the forthcoming *Poojas*—the biggest festival of the year in this part of the country—have severely curtailed growers' holding power.

On Tuesday last, ready B. twills were quoted at Rs 96.35 and hessian 40" 10 oz. at Rs. 41.70. Overseas business was lacking. Moreover, conditions in the futures market were also quiet. On Wednesday, the stock figures as at the end of September were available. The decline by 8,600 tons had no effect on sentiment, as market circles had anticipated a much higher decline. Hessian 40" 10 oz. sagged to Rs. 41.60 and B. twills to Rs. 96.00. At these levels, brisk covering demand developed and there was also business done with the United States, albeit in small quantities here and there. These factors pushed up the price of hessian 40" 10 oz. to Rs. 42.00 and ready B. twills to Rs. 96.35 on Thursday. By the week-end, a steadier tendency developed, with B. twills being pushed up to Rs. 96.55, and hessian 40" 10 oz. to Rs. 42.25.

The weak reports in the goods market affected sentiment in raw jute, prices of which also declined. Moreover, arrivals from upcountry increased, as growers were selling in larger quantities to meet cash needs for the forthcoming *Poojas*. Buyers here were reserved. Northern bottoms were quiet at Rs. 22.50. The latest quotations of the different varieties of raw jute for the October-November delivery position are:

	Middles	*Bottoms*
	Rs.	Rs.
Pakistani:		
District	29.00	26.00
Northern	29.00	26.00
Indian:		
Northern	25.00	22.50
Assam	25.50	23.00
Orissa	28.00	25.50
Desal	24.50	22.00
Murshidabad ...	23.75	21.25
Jungli	22.75	20.25
Daissee	27.50	25.00
Uttar Pradesh ...	22.75	20.25
Dessi mesta ...	23.75	21.25
Bimli f.a.q. ...	Rs. 21.00	

Pucca bales 1st mark Rs. 150 per bale ready.

GOOD CALL FOR COW HIDES

(From Our Own Correspondent)

MADRAS, 13*th October*

There was no noticeable change in the E.I. tanned hides and skins market during the week. U.K. trading was selective, with good call for all grades cow hides in 5/5½ lbs. good marks and fifths selection in all marks of 8/8½ lbs. and 10/12 lbs. Sellers were reserved and were offering at higher prices without business fructifying.

Shipment business in tanned skins was small, as importers were probably awaiting the results of the tanned skins London public sales this week.

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, 13*th October*

Steady conditions continued to prevail in the foodgrain markets during the week ended 13th October. But the rising trend seems to have been checked, thanks to arrivals of *kharif* crop grains in the market. *Kharif* crop has been fairly good in most parts of the country and in some areas paddy crop has been bumper and arrivals of rice will soon increase in all the *mandies*. Heavy quantity of foodgrains from outside is soon to reach the country and prices are expected to decline shortly.

Wheat prices at Hapur touched new heights in the past week and wheat *dara* is now quoted at Rs. 24 and farm quality upto Rs. 25.25 per maund. Local arrivals continue to be scanty and, as there has been no arrivals from outside by truck, the supply position has become very tight; but the consumers' demand is now being diverted to new maize, the arrivals of which are fairly heavy from east U.P. and from the producing areas of the South. Sales of wheat here through fair-price shops are insufficient to meet the day-to-day requirements of the locality. Preparation for *rabi* sowings has begun in some areas while most of the land is still water-soaked and is not yet ready for tilling. Thanks to the westerly winds, things are expected to improve very soon and timely sowings of *rabi* crops would be possible.

Rice prices ruled quiet, with inferior quality recording a downward trend as supplies of new rice in the market are increasing due to dry weather enabling increased threshing of new rice. The ruling prices of rice were: *Basmati* sela Rs. 32 to Rs. 33, *mainpuri* Rs. 25.75, coarse quality Rs. 23 per maund. Gram prices, which had touched new heights last week-end upto Rs. 19 per maund, lost Re. 1 per maund during the week, thanks to new maize arrivals from outside destinations. Gram supply position, however, is tight as Government seized stocks is being moved to east U.P. for seed purposes. Barley and *bejhar* prices ruled quietly steady as stocks now left are small. Maize arrivals from outside is an average of one to two wagons daily, besides some quantity reaching here by road. Maize prices recorded slight fall during the week due to good supply position, despite good consumers demand. *Jowar* prices advanced by Re. 1 per maund due to paucity of local stocks, while *guwar* prices were quiet. Week-end prices were: Gram *punjabi* Rs. 17.75, barley Rs. 16.50, *bejhar* Rs. 16.25, maize Rs. 15.75, *jowar* Rs. 15, *guwar* Rs. 14.50 per maund.

Owing to good outside demand due to export from the ports and reluctance on the part of the stockists to sell stocks due to general adverse food situation in the country, pulse prices continued steady during the week, registering gains. Week-end prices were (in rupees per maund): peas *dara* Rs. 16, *khatti* Rs. 15.25, farm quality Rs. 17, peas *dal* Rs. 18.12, *arhar* Rs. 20.25, *khatti* Rs. 19.50, *arhar dal* Rs. 24.75, *urd* Rs. 18.50 to Rs. 19, *moong* Rs. 25, *massoor* Rs. 17, stocks with the trade: peas 35 and *arhar* 89 khatties.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 16th October, 1958.

	Closing quotations 9-10-1958	High	Low	Closing quotations 16-10-1958
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	167.50	170.00	167.50	170.00
Apollo (2)	1.40	1.40	1.36	1.38
Bombay Dyeing (25) ..	59.50	59.60	57.40	58.20
Bradbury (50) ..	175.00	—	—	175.00
Central India (100) ..	91.00	91.00	86.00	87.00
Century Mills (100) ..	446.00	446.00	433.00	437.50
Colaba (100)	30.75	31.25	30.50	30.50
Edward Textile (200) ..	257.50	257.50	225.00	225.00xd
Elphinstone (50) ..	40.00	—	—	40.00
Finlay (100)	283.00	284.00	280.50	280.50
Gokak (100)	144.50	145.00	141.00	142.90
Ind. Untd. Defd. (1) ..	1.16	1.18	1.06	1.08
Ind. Untd. Ord. (10) ..	9.32	9.32	8.68	8.76
Indore Malwa (100) ..	106.00	107.00	101.50	102.50
Khatau (100)	177.50	178.75	176.25	178.75
Kohinoor (100) ..	272.50	272.50	264.00	267.50
Lakshmi (250)	442.50	442.50	440.00	440.00
Minerva Mills (100) ..	64.00	—	—	64.00
Model Nagpur (250) ..	172.50	175.00	167.50	167.50
Morarji (100)	244.00	244.50	241.00	243.00
Mysore (50)	95.00	98.00	80.00	80.00
National Rayons (100) ..	246.00	245.75	241.50	245.75
New City (100) ..	108.75	—	—	108.75
New Great (100) ..	220.00	218.00	212.00	212.00
Phoenix (100) ..	132.50	132.50	125.00	125.00
Podar Mills (100) ..	138.00	138.00	135.00	136.00
Saasoon Silk (10) ..	9.76	—	—	9.76
Saasoon Spg. (10) ..	41.00	41.00	39.00	39.00
Sholapur (1,000) ..	381.25	—	—	381.25
Shrinivas (100) ..	149.00	149.50	148.00	148.00
Simplex (50)	180.00	177.00	177.00	177.50
Standard (100) ..	414.00	415.00	407.00	408.00
Svadeshi (100) ..	189.25	189.00	188.50	187.00
Swan (100)	350.00	356.25	350.00	351.00
Tata Mill (25) ..	37.50	37.75	36.00	36.75
Vishnu (100)	102.00	—	—	102.00
Western India (1,000) ..	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50) ..	137.25	138.25	137.00	138.25
Do. (New) (50) ..	140.00	140.00	139.00	140.00
Bank of Baroda (50) ..	122.00	121.50	121.00	121.00
Central (25)	57.30	58.00	57.70	57.70
Central 'A' (25) ..	59.00	59.30	59.00	59.00
Dena Bank (50) ..	46.00	—	—	46.00
Punjab National (25) ..	62.00	62.00	61.30	61.30
Union Bank (5) ..	7.32	7.36	7.24	7.36
United Com. (50) ..	68.00	69.00	68.00	68.50
ELECTRIC COS.				
Ahmedabad (100) ..	98.50	99.70	98.00	99.60
Amalgamated (10) ..	11.28	11.32	11.28	11.32
Andhra Valley (1,000) ..	1,173.75	1,190.00	1,172.50	1,190.00
Bom. Sub-El. (100) ..	118.50	113.50	108.75	109.50xd
Surat (100)	117.00	117.50	117.00	117.50
Tata Hydro (100) ..	122.50	123.00	122.00	123.00
Tata Power (1,000) ..	1,260.00	1,257.50	1,255.00	1,257.50
INSURANCE COS.				
British India (10) ..	15.72	15.72	14.24	14.24
Empire of India (100) ..	265.00	265.00	240.00	240.00
Ind. Mercantile (20) ..	48.25	—	—	48.25
Jupiter (15)	6.40	—	—	6.40
New India (15) ..	47.50	47.00	47.00	47.50
Oriental (200) ..	4,035.00	4,035.00	3,795.00	3,800.00
Universal (10) ..	13.00	—	—	13.00
Vulcan (10)	19.80	19.80	18.88	19.52
STEEL COS.				
Ind. Iron (10) ..	26.95	27.25	26.75	27.00
Tata Steel Ord. (75) ..	178.00	179.25	175.50	177.00
SUGAR COS.				
Belapur (50)	312.00	314.00	308.00	309.00
Bhopal (10)	27.00	27.00	26.50	27.00
Phaltan (50)	178.00	178.00	173.00	174.00
Walchand Ind. (100) ..	288.75	290.00	287.50	287.50
CEMENT COS.				
Associated Cts. (100) ..	158.25	164.25	157.00	162.00
Digvijay (100) ..	146.00	146.00	143.50	143.75
MISCELLANEOUS				
Alcock Ashdown (100) ..	265.00	277.50	263.75	273.75
Bom. Burmah (125) ..	499.00	494.00	484.00	490.00
Do. (New) (50) ..	173.00	—	—	172.50
Br. B. Petrol (4 sh.) ..	2.14	2.16	2.00	2.04
Br. I. Corpn. (5) ..	3.68	3.88	3.70	3.70
C. P. Rly. (100) ..	56.50	56.50	56.00	56.00
Hindusthan Motors (10) ..	7.84	7.92	7.76	7.80
Indian Copper (2 sh.) ..	4.08	4.10	3.88	3.94
Ind. Inv. Tr. (100) ..	79.00	79.00	78.50	78.50
Killicks (100)	150.00	150.00	149.00	149.00
Polson (100)	167.00	—	—	167.00
Pre. Automobiles (100) ..	90.50	90.50	87.50	88.50
Premier Con. (100) ..	228.75	230.00	222.00	224.00
Scindia (20)	21.88	22.08	21.48	21.76
G. E. Shipping (10) ..	27.10	27.50	26.85	27.10
Shivraj Jute (100) ..	90.00	89.50	88.50	88.50
Tata Chemicals (10) ..	17.04	17.00	16.52	16.80
Tata Locomotive (100) ..	196.25	197.50	157.00	159.00xr
Tata Oil (25)	40.00	40.00	39.00	39.00
W. I. Match (100) ..	190.00	192.50	188.00	191.00

GOVERNMENT SECURITIES	9-10-1958	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	16-10-1958
	Rs.			Rs.
2½% 1961	97.15	—	3.54	97.15
2½% 1960	99.00	—	3.31	99.00
2½% 1962	96.80	—	3.57	96.80
2½% 1974-61 ..	83.20	—	4.08	83.20
3% 1959-61 ..	99.95	3.06	3.10	99.70
3% 1964	96.75	—	3.58	96.75
3% 1966-65 ..	96.70	3.71	3.58	96.75
3% 1966-68 ..	94.05	3.88	3.71	94.05
3% 1970-75 ..	90.05	4.06	3.80	90.05
3% 1986 Con. Loan.	74.05	—	4.09*	73.25
4% 1960-70 ..	100.65	3.66	3.94	100.65
3½% 1961 N.P. Bonds	100.15	—	3.45	100.10
3½% 1964 N.P. Loan.	99.90	—	3.50	99.95
3½% 1965 N.P. Bonds.	99.70	—	3.55	99.70
3½% 1962	99.15	—	3.49	99.15
3½% 1967 N.P. Bonds	98.85	—	3.68	98.85
3½% 1974	98.30	—	3.89	98.30
3½% 1967 N.P. Bonds	100.40	—	3.70	100.40
4% 1972 Loan ..	100.50	—	3.94	100.50
3½% 1963 N.P. Bonds	100.00	—	3.50	100.00
3½% 1968 N.P. Bonds	100.25	—	3.67	98.90
4% 1973 Loan ..	100.30	—	3.98	100.30

BRITISH GOVERNMENT SECURITIES

	Closing quotations 7-10-1958			Closing quotations 14-10-1958
	£			£
2½% Brit. Consols. ..	52½	—	—	52⅜
3% Savings Bonds 1965-75 ..	74⅛	—	—	74⅛
3% War Loan 1955-59	90⅜	—	—	90⅜
3½% War Loan	68⅜	—	—	69⅛
4% Victory Bonds 1976	95	—	—	95½
4% Funding 1960-90 ..	87⅛	—	—	87⅛

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 10th October 1958

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		25,00,00,000
National Agricultural Credit (Stabilisation) Fund		5,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		52,78,47,000
(2) Other Governments		18,84,12,000
(b) Banks		37,88,94,000
(c) Others		113,69,35,000
Bills Payable		14,05,84,000
Other Liabilities		14,19,73,000
	Rupees	414,46,45,000

ASSETS	Rs.	Rs.
Notes		10,08,48,000
Rupee Coin		1,64,000
Subsidiary Coin		3,86,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		6,31,50,000
Balances held abroad*		12,59,65,000
Loans and Advances to Governments†		20,08,71,000
Other Loans and Advances		52,10,23,000
Investments		302,38,41,000
Other Assets		9,54,47,000
	Rupees	414,46,45,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 1,10,50,000/- advanced to Scheduled banks against issues bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,08,48,000	
Notes in circulation	1545,16,03,000	
Total Notes issued		1555,24,51,000
Total Liabilities		1555,24,51,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	169,67,56,000	
Total of A		287,43,59,000
B. Rupee Coin		
Government of India Rupee Securities		138,43,71,000
Internal Bills of Exchange and other commercial paper		1129,37,21,000
Total Assets		1555,24,51,000

State Bank of India

Statement of Affairs for the week ended 10th October 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,62,50,000
Borrowings from Other Banking Companies, Agents, etc.		444,71,70,000
Bills Payable		
Bills for Collection being Bills Receivable as per contra		6,46,23,000
Acceptance, Endorsements and Other Obligations per contra		1,10,68,000
Other Liabilities (including Inter-Office Adjustments)		1,20,41,000
		10,51,35,000
Total Rs.		476,25,37,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		34,52,08,000
Balances with other Banks		2,63,08,000
Money at Call and Short Notice		1,93,33,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	240,56,17,000	
Other Authorised Investments	11,40,88,000	
		251,97,05,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	156,19,78,000	
Bills Discounted and Purchased	8,66,98,000	
		164,86,76,000
Bills Receivable being Bills for Collection as per contra		1,10,68,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,20,41,000
Premises less Depreciation		1,24,68,000
Furniture and Fittings less Depreciation		98,56,000
Other Assets (including Inter-Office Adjustments)		15,78,74,000
Total Rs.		476,25,37,000

Scheduled Banks*

Statement of Affairs for the week ended 3rd Oct., 1958

	Rs.	Rs.
Demand Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		29,16,20,000
(ii) Other demand liabilities		708,20,22,000
Time Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		88,88,66,000
(ii) Other time liabilities		831,56,65,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		3,75,54,000
(ii) Time liabilities		5,00,000
Borrowings in India from the Reserve Bank of India‡		1,71,23,000 (97,00,000)
Cash in India		40,54,09,000
Balances with the Reserve Bank in India		94,38,12,000
Balances with other banks in current account in India		12,73,58,000
Money at call and short notice in India		57,48,47,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		591,65,53,000
Advances in India		725,86,18,000
Inland Bills purchased and discounted in India		79,18,97,000
Foreign Bills purchased and discounted in India		40,09,71,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 3rd October 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	68,62,44,000
(b) Provincial Governments	1 21,04,000
(c) Banks	19,66,69,000
(d) Others	5,42,05,000
Bills Payable	46,15,000
Other Liabilities	7,78,47,000
Rupees	109,16,82,000

ASSETS	Rs.
Notes	6,18,05,000
Rupee Coin	50,000
Subsidiary Coin	42,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	20,93,000
Balances held outside Pakistan*	20,80,90,000
Loans and Advances to Governments	5,44,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	2,78,05,000
Investments	65,75,02,000
Other Assets	5,03,05,000
Rupees	109 16,82,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,18,05,000	
Notes in circulation	325,25,47,000	
Total Notes issued		331,43,52,000
Total Liabilities		331,43,52,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	38,54,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
B. Rupee Coin	4,90,31,000	104,64,12,000
Government of Pakistan Securities	215,99,03,000	
Internal bills of exchange and other commercial paper	....	
		220,89,34,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	6,40,53,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	331,43,52,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 33 26 per cent.
Gold has been valued at 0 186621 gram of fine gold per rupee as provided in the State Bank of Pakistan (Admendment) Act, 1958.

EXCHANGE RATES

	15th October, 1958	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 9/32	1-5 9/32
Sellers T.T. D.D. upto six months	1-5 9/32	1-5 9/32
Buyers T.T. spot to nine months	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	1-6 1/32	1-6 1/32
Bombay on New York—		
Sellers T.T. D.D. Rs.	477 00	476 75
Buyers T.T. Rs.	478 25	478 00
London on New York $	2.80¼-2.80⅜	2.80⅜-2.80⅜
London on Paris Fcs.	1174½	1174½
London on Berne Sw. Fcs.	12 20⅛-12 20⅜	12 20⅛-12 20⅜
New York on London $	2.80⅜-2.80⅜	2.80⅜-2.80⅜

CLEARING HOUSE RETURNS

Centre	Week ended 10th Oct., 1958		Week ended 3rd October 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,43,877	70,88,94,000	3,19,758	71 49 51,000
Calcutta	1,91,000	66,35,00,000	1,48,000	64 67,00,000
Madras	1,06,099	11 04,04,158	94,388	10,60,78,658
All Centres—				
1956-57	.. ..	..	40,08,000	87,24,35,00,000
1957-58	.. ..	..	41,67,000	89,54,66,00,000
June, 1958	.. ..	..	3,23,000	6,81,40 00,000
July, „	.. ..	..	3,815,000	8,31 97,00,000
Aug., „	.. ..	..	3,432,000	7,52,06,00,000

† Net Customs plus net Excise.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	May		Two months, April and May	
	1958	1957	1958	1957
Import Duties :				
Revenue	8 28	12 65	16 62	25.89
Protective	1.47	1 01	3.26	2.16
On surplus disposals	..	—	..	..
Total import duties	9 75	13 66	19 88	28 05
Export Duties	1 48	1 26	3 31	2.35
Land Customs	0 18	0 30	0 30	0 50
Air Customs	0.10	—	0 16	—
Miscellaneous	0 18	0 08	0 30	0 18
Gross Total Customs	11 64	15 30	23 65	31 26
Refunds and Drawbacks	0 25	0 34	0 53	0 72
Net Customs	11 39	14 96	23 22	30 54
Gross Excise	26 75	21 53	51 78	38 13
Refunds	0 33	0 32	0 68	0 48
Net Excise	26 42	21 21	51 10	37 65
Net total of customs and excise†	37 81	36 17	74 32	68 19

† Net Customs plus net Excise.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53= 100)

Particulars	Weight	27th Sept. 1958	20th Sept. 1958	28th Sept. 1957	August 1958	August 1957	Percentage of Increase (+) or Decrease(—) in August 1958 as compared with August 1957	Financial Year Average 1957-58	1956-57
Food Articles	364	120 6	120 9 R	107 1	120 2	112 1	+ 7 2	106.4	106.32
Cereals	192	115 6	114 5 R	101 5	115 0R	106 0	+ 7 1	101	96
Pulses	43	105 5	104 6	82 1	101 8R	97 2	+ 16 7	83	81
Fruits and Vegetables	23	122 9	124 0 R	106 5	123 9	141 9	—12 7	114	115
Milk and Ghee	54	107 0	107 5 R	107 5	109 6	109 0	+ 0 6	108	109
Edible Oils	41	105 0	109 2	114 9	129 2R	130 8	— 1 8	118	125
Fish, Eggs and Meat	17	114 4	114 9 R	98 0	114 4	102 1	+12 0	98	97
Sugar and Gur	45	135 6	136 1	111 3	136 2	110 4	+23 4	106	98
Others	29	146 0	146 0	127 6	155 8	135 8	+14 4	131	125
Liquor and Tobacco	50	157 7	156 5	127 6	156 5	135 8	+14 4	131	125
Tobacco	50	91 3	94 3	90 3	94 3	90 3	+ 4 4	94 0	94 3
Fuel, Power, Light and Lubricants	—	89 4	89 4	92 6	88 4	90 4	— 2 2	93	88
Industrial Raw Materials	269	116 6	115 9 R	115 6	116 6	115 6	+ 0 9	113 6	104 [illegible]
Fibres	125	118 4	118 2 R	114 9	118 9	129 7	— 1 7	116	116
Oilseeds	81	105 0	109 2	114 9	110 9	121 5	— 8 7	118	129
Minerals	60	138 1	137 4	119 7	138 4	125 7	+ 6 1	120	120
Others	2	107 3*	107 3*	108 7	107 3*	110 7	— 2 8	108	109
Manufactures	272	106 0	106 6 R	105 9	106 9	101 7	+ 5 1	101	100
Intermediate Products	200	109 2	109 6	104 8	109 2	102 7	+ 6 3	102 1	100 5
Finished Products	41	111 4	111 4	107 5	112 2	106 8	+ 5 7	107 3	110 9
Textiles	249	108 9	108 6	104 0	108 4	103 8	+ 4 4	103	102
Cotton	141	108 8	108 4	104 0	108 4	104 1	+ 4 1	107	108
Jute	—	111 8	111 9	116 8	111 3	117 3	— 5 1	110	116
Woollen	—	86 9	87 5	99 4	89 7	98 8	— 9 2	98	96
Silk and Rayon	—	105 9	105 9	108 0	105 0	103 0	+ 2 0	102	98
Metal Products	41	96 0	95 7*	82 7*	95 7*	84 0*	+13 9	86	88
Chemicals	12	143 0	143 0	143 3	143 0	142 9	+ 0 1	141	96
Oil cakes	20	108 8	108 1 R	86 9	106 1R	98 5	+ 7 7	98	108
Machinery and Transport Equipment	31	103 5	107 1	116 8	135 6	111 5	+19 5	115	106
Others	20	113 8	113 8	110 6	113 5	110 5	+ 2 7	110	101
All Commodities	1,000	119.1	119 4 R	106 8	119 0	112 0	+ 3 6	106.4	105.32

NOTE:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised * Provisional. — Not available.

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (Pre-war)	3rd Oct., 1958	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1527.70	1515 98	1541.70	1487.47
Notes held in Banking Department	35 05	28 37	40 80	11 63	26 98
Foreign Securities	59 50	169 68	169 68	169 68	326 62
Rupee Securities	37.89	1129.37	1129.37	1129.39	935 87
Banking Department					
Deposits of :					
Government of India	14.89	52 78	48 54	52 24	51 31
Other Governments	..	17 31	25 11	14 72	10 14
Balances held abroad	10.06	13.38	14.21	13.70	18.64
SCHEDULED BANKS					
Demand Liabilities	194.36	737 36	755 83	749 56	715 36
		(29.16)†	(25 02)†	(27 85)†	(24 58)†
Time Liabilities	102.24	869 90	850 10	850 30	625 57
		(88 34)†	(86.87)†	(87.10)†	(10 32)†
Borrowings from Reserve Bank	..	1.71 (0.97)‡	1.56 (1 08)‡	5 96 (4.52)‡	42 11 (32.42)‡
Borrowings from State Bank	..	3.81	3 79	4.40	6.42
Cash in India	6.70	40.54	38 71	37.48	45.57
Balances with Reserve Bank	26.17	94.38	100.22	93.93	94.62
Excess over statutory limits	15.52	40.12	45.43	39.75	46.84
Balances with other banks in current account in India	..	12.74	12.54	12.67	11.06
Money at call and short notice in India	..	57.48	55.56	54.63	46.80
Investments (at book value)		591 66	599 52	578 01	395 96
Advances and Bills	109.09	845.75	841.54	855.11	855 24
STATE BANK					
Deposits	37 76	444 39	446 10	433 24	349 49
Investments	51 99	250 42	248 56	240 12	151 97
Advances	30 25	162 66	161 17	164 96	161 38
Cash	14.69	46 77	48 65	40 14	51 23

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1955	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	20th Sept., 1950	6	12
Burma	Feb., 1948	3	2
Ceylon	11th June, 1954	2	3½
Chile	2nd April, 1956	3½	4
Colombia	18th July, 1958	6	5
Costa Rica	24th April, 1956	4	5
Denmark	15th Aug., 1957	5	4½
Egypt	13th May, 1958	4	5
El Salvador	15th Nov., 1952	3½	3
Finland	20th April, 1957	5	6
France	12th Aug., 1957	4	3½
Germany	May, 1954	3	4
Greece	16th May, 1957	9	10
Indonesia	1st April, 1946	4	3
Ireland	20th Sept., 1957	5	4½
Italy	7th June, 1958	4	5
Japan	9th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	5
Netherlands	13th June, 1958	4	3½
New Zealand	3rd Dec., 1958	4	3½
Norway	14th Feb., 1958	3½	4
Pakistan	1st July, 1948	3	2½
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	3	4½
South Africa	29th Sept., 1955	4	3½
Spain	22nd July, 1957	4½	5
Sweden	3rd Dec., 1953	3	4
Switzerland	15th May, 1957	1½	2
Thailand	Feb., 1945	7	6
Turkey	6th June, 1958	4½	6
United Kingdom	14th Aug., 1958	5	4½
U.S.S.R.	1st July, 1936	3	4
U.A.	12th Sept. 1958	1½	2†
West Germany	27th June, 1958	3½	5

† Except Federal Reserve Bank of Boston.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53 = 100]

Group and Sub-Group	Week ended 4th Oct., 1958	27th Sept. 1958	6th Sept. 1958	5th Oct. 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100 5	100.5	100 2	98 2
2. Government of India	100 4	100 4	100 1	98 0
3. State Government	101.4	101 3	101 3	100 0
4. Municipal, Port Trust, etc.	99 8	99 8	99 8	99 2
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100 3	100 3	98 8	99.2
6. Plantations	100.1	100.1	100 1	100 1
7. Coal	99.6	99 6	99 6	99 6
8. Sugar	99.0	99 0	99 0	98 9
9. Cotton Textiles	98 1	98.1	97 7	100 3
10. Jute Textiles	91 5	91 5	91.5	93 0
11. General Engineering	98.2	98.2	98.1	96 6
12. Electricity Generation and Supply	97.1	97.1	96 8	96 7
13. Others	102 9	103 0	102 3	101.1
PREFERENCE SHARES—ALL INDIA.				
14. Total	87 9	88 4	87 5	88 3
15. Plantations	96 8	96 9	96 4	103 6
16. *Mining & Quarrying: Total@*	85 5	86 0	86 0	83 5
17. Coal	74 5	75 5	75 6	79 9
18. *Processing and Mfg. : Total**	87.8	88 4	87 3	88 4
19. Sugar	89 1	89 1	88 4	94 3
20. Cotton Textiles	80 2	80 2	80 1	88 4
21. Jute Textiles	78 5	77 5	73 0	76 1
22. Iron and Steel	89 9	92 7	92 1	87 3
23. General Engineering	100 3	100 3	99 3	102 7
24. Basic Industrial Chemicals	88 2	87 3	85 6	83 4
25. Cement	97 5	96 1	99 1	98 8
26. Paper	85 7	85 2	83 7	91 2
27. *Other Industries : Total**	85.7	86.2	86.2	83.2
28. Electricity Generation and Supply	87.5	88.4	88.2	84.5
29. Trading	80 4	80 4	80 2	78.4
30. Shipping and Other Transport	84.5	84.3	86 7	85.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	142.8	144.7	141 8	122 2
32. *Agriculture and Allied Activities : Total**	158 1	157 8	157 6	140 9
33. Tea Plantations	149.3	150 4	151 1	140 9
34. Coffee Plantations	218.4	221 4	225 5	171 2
35. Rubber Plantations	160.1	162 3	158 9	127 5
36. *Mining and Quarrying : Total*	147 9	149 4	147 0	119 1
37. Coal	113 1	112 6	111.5	85 1
38. Other Mining	171.7	174 6	171.4	142 5
39. *Processing and Manufacturing : Total*	141.2	143.5	140.0	121.7
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.) : Total**	128 8	130.0	122 3	118 7
41. Sugar	173.4	176.4	169.8	154 7
42. Cotton Textiles	116.5	118.9	119 1	119 9
43. Jute Textiles	84.6	84 7	77 0	83 4
44. Silk and Woollen	425.4	435.5	417 9	311.4
45. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	158.5	161 3	155 0	122 7
46. Iron and Steel	152.3	155 5	149 2	106 1
47. Transport Equipment	202 2	206 9	200 4	168 8
48. Electrical Machinery	153.6	155.2	145.8	160 0
49. Machinery other than Transport and Electrical	171.1	173 2	167 1	143 5
50. Basic Industrial Chemicals	128.8	129 1	127.0	109 7
51. *Processing and Mfg. (Others) : Total**	147.0	148 6	151 3	127 4
52. Cement	134 6	137 4	143 1	125 9
53. Paper	197.0	197 4	196 8	152 6
54. *Other Industries : Total**	115.6	116.4	115.1	103 0
55. Electricity Generation and Supply	93.9	93 6	93 4	87 2
56. Trading	139 4	142 3	144.3	122 6
57. Shipping and Other Transport	242 6	248 0	235 3	197 8
58. Construction	169 2	167 1	173 1	141 9
59. *Financial : Total*	212 4	213 2	202.0	159 4
60. Banks	125 8	129 0	129 1	99 9
61. Insurance	92 9	92 6	93 5	85 3
62. Investment Trusts	145 4	149 3	146.3	119.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	139 0	140 5	137 0	118 8
64. Calcutta	156 0	156 3	154 3	144 5
65. Madras	169.3	169 8	167 8	146.1

*Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,58 500	10,73,900	7,97,500
Do. 31st March, 1958	10,93 300	11,06,800	7,86,000
July 1957	88,800	85,200	68,500
Aug. „	90,700	85,500	63,100
Sept., „	88,600	82,500	71,700
July 1958	1,02,200	1,06,100	68,500
Aug. „	99,500	108,600	70,200
Sept., „	89,600	95,800	66,500

Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,82,315	4,41,483
31st March, 1958	7,33,945	5,07,580	4,10,848
Three months ended Sept. 1957	1,71,397	1,19,172	96,815
„ „ „ Mar., 1958	1,99,839	1,33,563	1,06,501
„ „ „ June, 1958	2,14,469	1,31,985	1,01,014
„ „ „ Sept., 1958	2,30,436	1,43,516	1,05,603

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of average Number of workers involved	Number of man-days lost
1956	1,203	715,130	6,902,040
1957	1,630	889,371	6,429,319
January 1958	147	56,492	371,125
February „ „	153	99 482	447,588
March „ „	167	81,462	618,524
April „ „	170	61,489	5,30,162
May „ „	160	57,657‡	5,60 459‡
June „ „	151	166,229 (a)	1,524,835§

† Not known in 16 cases. (a) Not known in 9 cases.
‡ In progress during the month § Not known in 10 cases.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India†	'56-'57	387 68	..	11,019	284
Pakistan††	'56-'57	88 50	..	2,079	249
Burma	1956	19 80	Kyats 4,336	565	285
Ceylon	1955	8.38	..	475	567
Japan	1956	90.00	Y. 7,427,000	9,255	1,031
Philippines	1956	22.20	Ps.	5,335	894
New Zealand	1956	2 19	£(N.Z.) 884	1,178	5,428
Australia	1957	9 60	£(A.) 4,599	4,893	5,096
U.K.	1956	51 20	£ 16,466	21,913	4,287
U.S.A.	1956	168 00	$ 349,000	163,554	9,731
Canada	1956	16 00	$ 22,710	10,787	6,742
France	1956	43 60	F.Fr. 13,990,000	17,640	4,046
W. Germany	1957	51.40	Dm. 158,000	18,057	3,513
Italy	1956	48 10	Lr. 11,476,000	8,760	1,821
Norway	1956	3 46	Kr. 20,990	1,408	4,358
Sweden	1956	7.30	Kr. 44,880	4,127	5,653
Netherlands	1956	10 70	Fl. 26,000	9,215	2,977
Denmark	1956	4.45	Kr. 24,950	1,690	2,789
Switzerland	1956	5.00	Sw. Fr. 25,630	2,807	5,614

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source : *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
	(1949 = 100)	Base June (1954 = 100)	Base July (1927 = 100)	Base January (1928 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base August (1939 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)	Base (1949 = 100)
1952 Average	103	237	259	210	92	101	351	102	108	108	111	112	99	115
1953 „	106	263	275	223	95	103	349	109	106	104	102	112	100	114
1954 „	101	259	244	294	85	99	327	106	105	91	95	102	98	106
1955 „	96	238	217	246	78	96	321	99	99	83	87	98	88	103
1956 „	105	253	244	316	89	105	347	111	109	95	96	106	100	114
1957 „	111	260	250	339	94	112	364	116	114	99	103	115	107	126
1957	107	256	254	330	91	110	343	114	114	99	99	107	105	122
March „	108	256	256	333	89	110	345	114	112	95	102	110	107	123
April „	110	263	257	337	92	111	352	114	114	96	104	113	108	126
May „	112	270	259	339	93	112	371	115	115	98	103	113	111	127
June „	112	276	263	345	96	112	371	116	116	98	103	119	109	129
July „ 1958	110	281	262	298	89	115	368	119	108	96	102	119	105	125
March „	111	280	261	295	91	116	368	119	107	96	100	118	108	128
April „	113	287	263	295	93	117	371	120	108	97	101	119	107	129
May „	116	295	272	307	98	117	378	121	111	101	103	120	113	130
June „	119	407	285	317	101	118	392	125	116	105	103	122	114	130
July „	120†	404	288	322	..	..	..	..	117	108	106	125	111	..
August „	..	..	..	..	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees

| Year/Month | National Savings Certificates 5-Year A | | 7-Year B | | 12-Year B | | 12-Year National Plan Savings Certificates C | | Post Office Savings Bank Deposits | 10-Year National Plan Certificates D | Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank

MARKET GOSSIP

(*Concluded from page 635*)

well-known columnist "Lombard," writing in the London *Financial Times*, has expressed the opinion that Britain, by continuing to cling to existing practice, is "not only depriving herself of the benefits that would flow from the adoption of the decimal currency system, she is also going to complicate the task of keeping London to the forefront as an international financial centre." After recalling that many Commonwealth and non-Commonwealth countries have switched over to decimal coinage, he points out, in effect, that Britain may find it difficult to function as a non-decimal country, especially because it has close trading links with many of these countries. There is, of course, the important question whether the gains from a decimal coinage would be worth the trouble and capital costs involved in the conversion to the new system. In this connection, he notes that, in South Africa, many banks and business concerns expressed themselves in favour of the change to a decimal system; the cost of the changeover has been estimated at £10 million. He adds: "Bearing in mind the extent to which it would facilitate the execution of their business in the longer run, most British commercial concerns would also probably be willing to accept the inconvenience of the switch, while a total cost of, say £100 million, might be worth shouldering for the sake of the savings that would result in the longer run." It remains to be seen whether Britain would be induced to take the plunge into decimal coinage. If it did, it would indeed be a great victory for the decimalists.

SURVEY

(*Concluded from page 639*)

the various Ministries concerned with the different aspects of agriculture and between the Central and State Governments and to the conflict between ideology and practical expediency as far as Government policies are concerned. They have outlined a scheme for intensive cultivation, a thorough reorganisation of the Agriculture and Food Ministry in the Centre, the formation of a six-member Central Food and Advisory Council and five regional zonal organisations for the co-ordinated implementation of development programmes. This tentative plan is calculated to increase the food production in the country by 50 per cent. in the next 10 years at a capital cost of Rs. 1,305 crores.

In order to increase the yield per acre in the country substantially, they have advocated provision of more irrigation facilities, adequate supply of fertilisers, mechanised farming, the use of tractors and distribution of better quality seeds. To quote them:

"We feel that although it may not be possible to reach the level of productivity in foreign countries in the near future, we should, however, be in a position to increase the yield substantially by using methods of intensive farming of 100 million acres of irrigated land in ten years. The existing land under all crops is about 350 million acres. If we are able to increase the yield in ten years in 100 million acres by about one-third of a ton per acre, we shou'd be in a position to increase food production by about 50 per cent. in the next ten years. In these estimates we have not taken account of the possibility of having two crops in the country which will add to the agricultural output considerably. In fact, if we could raise surplus cash crops, it will help us to develop our export trade. We would like to mention in this context that the agricultural prosperity in the East Punjab during the last ten years or so has indicated that with better methods of cultivation it is possible to increase production substantially.... The larger land holdings in the Punjab also helped to make it possible to adopt modern methods of farming."

One of the major hurdles in the way of scientific farming has been the ideological, as distinct from practical, approach adopted by the Government towards land reforms. Redistribution of land in the form of uneconomic holdings will not in any way improve production. Besides, the ceilings on landholdings will render large holdings, which at present lend themselves to scientific cultivation, unfit for the purpose. The authors have rightly sought to emphasise the imperative need for evolving schemes in which the agriculturist is able to use mechanised and scientific method of farming and at the same time take personal interest in his land which brings him increased earnings, more employment and higher purchasing power.

What is now urgently needed is a proper organisation which should form a close link between the man behind the plough and the policy-makers. For this purpose, the authors have urged the creation of a single Ministry at the Centre which will have effective control over all matters concerning food production such as irrigation and power, planning, distribution of fertilisers and agricultural implements and raw materials, rural credit, land reclamation, forestry, pest control and supply of seeds. It has also been suggested that there should be an Advisory Council at the Centre and five zonal organisations for the country as a whole.

These suggestions, as is obvious, do not purport to give any new solutions. Nevertheless, the eminently practical approach outlined in the brochure is highly commendable. Indeed, these suggestions have served to highlight the basic problem, namely, increase in agricultural productivity.

INDO-U.S. AGREEMENT

The Indo-U.S. agreement, signed on 26th September, providing for financing the sale by the U.S. to India of $238.8 million worth of agricultural commodities, brings the total value of such commodities sold to India under Title I of the U.S. Agricultural Trade and Assistance Act of 1954 (P.L. 480) to $664.2 million. The two previous agreements were together of the value of $425.4 million. The latest agreement, which is the first to be concluded under Title I of the Act since its recent amendment, provides for financing the sale for Indian rupees of 2.8 million metric tons of wheat. 100,000 metric tons of corn and 200,000 metric tons of milo. Also included in it is $43.7 million to finance 50 per cent. of the cost of ocean transportation.

The U.S.'s generous gesture of goodwill comes at a time when, owing to a shortfall in production, the country is hard put to it to procure sufficient foodgrains to arrest the rise in prices. It is noteworthy that a substantial portion of the rupee received in return for the foodgrains will be loaned back to India to finance development projects in both the public and private sectors. A part of the sum will also be utilised to make grants, and to finance U.S. expenditure in this country. Reports indicate that an additional agreement, involving unspecified quantities of rice and cotton, to supplement the one already signed, is being discussed by officials of the two Governments. It is to be hoped these discussions will bear fruit.

INDUSTRIAL PRODUCTION IN YUGOSLAVIA

Industrial production in Yugoslavia during the first eight months of this year increased by 10.7 per cent. as compared with the corresponding period last year. During the same period, Yugoslavia exported goods valued at 87 billion dinars (300 dinars equal one dollar), that is, 11.20 billion dinars more than the exports in the first eight months of 1957. Export of agricultural products increased considerably, while total industrial exports were somewhat lower. Exports to the West European markets increased by 16 per cent. whereas those to the East European countries were maintained at the level reached during the last few years. Exports to African countries increased by 54 per cent. as compared with the corresponding period last year, and so did exports to Asian countries. Commercial exchanges between Yugoslavia and foreign countries in the last six years have grown by about 70 per cent., exports having increased by 60 per cent. and imports by 76 per cent. As for exports, whereas in 1952 a total of 55 per cent. of the overall exports was agricultural and 45 per cent. industrial products, in 1957, this relationship changed, so that the ratio was 60 to 40 per cent. in favour of industrial goods. The rate of rise in exports during the first half of this year was greater than that of the rise in imports. The deficit of Yugoslavia's trade balance in this period was 4.00 billion dinars less than during the first six months of 1957.

WORLD GOLD PRODUCTION AND PRICES

(*Concluded from page 651*)

France, the rate for U.S. dollar bank-notes in Paris. Movements in the prices of gold in these centres should, therefore, be regarded primarily as responses to changes in local conditions.

The price of bar gold in Paris rose from the year's low of 462,000 francs per kilogram on 2nd May 1957 to a high of 590,000 francs on 14th November 1957, the highest since March 1952. The price of bullion gradually declined after November 1957 to 513,000 francs per kilogram on 2nd April 1958. When converted into U.S. dollars at the day's parallel market rate for U.S. dollar bank-notes in Paris, the price was equivalent on those three dates to $36.29, $36.20, and $36.35, respectively. The U.S. dollar equivalent price of bar gold in Paris, which reflects movements in the franc rate for U.S. dollar bank-notes, fluctuated between a high of $37.13 on 7th August and a low of $35.76 on 22nd August 1957. The franc rate for U.S. dollar bank-notes rose from 396 francs on 2nd May 1957 to a high of 507 on 14th November and then fell to 439 francs on 2nd April 1958. On 30th April 1958, the price of bullion was 523,000 francs per kilogram, equivalent to $36.47 per fine ounce at the day's rate of 446 francs per dollar.

In Bombay, the price of bullion rose from the year's low of Rs. 104.87 per tola (equivalent to $58.73 per fine ounce at par value) on 4th July 1957 to a high of Rs. 114.62 ($64.19) on 28th April 1958.

In contrast to Paris and Bombay, the Hong Kong gold market may be described as an international entrepôt market where the Hong Kong dollar is freely convertible into any foreign currency or gold. The transhipment of gold not owned by residents is permitted to any destination, and gold may be imported for re-export to countries that permit the import of gold. Accordingly, gold is usually imported into Hong Kong for re-export to Macao (where an import fee equivalent to approximately $2 per ounce is imposed), while at the same time or subsequently gold is also transhipped from Macao through Hong Kong to markets in South-East Asia. The difference between the London and the Hong Kong prices of gold is largely a result of the cost of diverting gold to Macao and back again and of transporting it from the United Kingdom. The price of bullion in Hong Kong decreased from the year's high of HK$278.875 per tael (equivalent to $39.14 per fine ounce at the day's T.T. Hong Kong dollar rate for the U.S. dollar) on 24th May 1957 to a low of HK$252.125 ($38.13) on 24th April 1958.

The principal feature in the markets for gold coins during the year under review was the fall in the price of the sovereign, which contrasted with a rising tendency during the previous two years, and a further rise in the premium for 20-mark coins in the Federal Republic of Germany. The release by the United Kingdom of a substantial quantity of sovereigns for sale abroad was largely responsible for a general decline in the U.S. dollar equivalent price of the sovereign. At the end of April 1958, the price of the sovereign in both Paris (about $41.00 per fine ounce) and Brussels ($39.00) was about $3.50 less than a year before; in Milan the price fell during the year by $3.00 to about $40.50, and in Beirut by $2.50 to $40.85. The market price of the German 20-mark gold piece in Frankfurt rose from DM. 47 in April 1957 to DM. 52 at the end of April 1958. The price of the napoleon at the end of April 1958 as compared with the end of April 1957 declined by the equivalent of about $2.00 per fine ounce to about $45.75 in Paris, and by about $1.50 to about $41.50 in Beirut; in Milan, the price rose by about $0.50 to about $44.00.

Gold Transaction Service

As from March 1952, the Fund has provided its members with a technical service which brings buyers and sellers of gold together. Members intending to buy or sell gold and wishing to use the Fund's service are requested to furnish the Fund with all the necessary information, as far in advance as possible. For the service of matching buyers and sellers, the Fund asks each partner in a completed transaction to pay a charge of 1/32 of 1 per cent. in U.S. dollars. The Fund pays the normal charges and out-of-pocket expenses of the gold depository which are incidental to the transfer of gold from the seller's account to the buyer's account with that depository. This service has been extended since its inauguration to three international organisations and several non-member countries.

Since March 1952, the central banks of 24 member-countries and three international organisations have effected purchases and sales of gold through the facilities provided by this service. During most of the year under review, that is, from 1st May 1957 through 15th January 1958, when the London dollar price of gold remained for the most part below $35 per fine ounce, supply exceeded demand. Most of the transactions completed by the Fund during the year were accomplished during this period. From 15th February 1958 through 30th April, when the London dollar price reached or exceeded the New York selling price of $35.0875, there were no sellers of gold through the Fund's services, and central bank requirements were met to a great extent by direct purchases of gold from the United States. During the year under review, 15 transactions amounting to a total of about $107 million were completed by the Fund. The total number of transactions since March 1952 is 86, amounting to about $670 million.

COMMERCE

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

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ECONOMIC LESSONS OF MILITARY COUP IN PAKISTAN

THERE are several economic lessons which India can learn from the epidemic of coups in Asia, provided it has the will to do so. Of all the coups that have taken place in recent months and weeks, those in Pakistan and Burma have evoked greater interest and anxiety in this country. This is natural, because both of them were once part of this sub-continent and are our close neighbours now. Between these two neighbours, the developments in Pakistan are of even greater import for both political and economic reasons. Besides, while Burma has been a friendly and co-operative neighbour, Pakistan has been antagonistic to India all along. Again, whereas the coup in Burma was brought about with the consent of the lawfully established Government, in Pakistan it was carried out behind the backs of the political parties. All this makes a lot of difference in the impact made on this country. It will not be wrong to say that it is the events in Pakistan more than those in Burma or in Thailand that are exercising the minds of the public in India.

The first economic lesson that India has to learn from the events that led to military rule in Pakistan is that inflation is the worst enemy of democracy. It is, of course, the enemy of any established government, but it is a deadly one for democracy and that, too, for democracy in an underdeveloped country. A dictatorship may indulge in deficit financing and get away with it, perhaps for some years, by resorting to conscription of labour and savings and by building up some emotional objectives through subtle propaganda among the masses. It is obvious that a country that wishes to be a democracy cannot do these things. Even a dictatorship, however, cannot exist on the basis of inflationary financing, as it will, sooner or later, crumble under the accumulating weight of discontentment among the masses. A highly developed democratic country can resort to credit creation to iron out cyclical changes and to give a definite momentum to economic growth. The risks taken by it are relatively modest, because its capacity to step up production is high. But, for an underdeveloped democratic country, the dangers involved in financing long-term investment through credit creation are far greater, because its productive capacity cannot be quickly built up. If these dangers are ignored, prices will go up willy-nilly, despite all the controls that may be enforced. When prices rise continuously, that is, when the purchasing power of money consistently falls, the ground becomes fertile for growth of military dictatorship.

There is, of course, nothing new in this thesis. But it has been nearly forgotten by the politicians and administrators in this country, as they have been deeply engrossed in their passion for speedier economic development at any cost. They should remember that there is no substitute for sound money. They should also disabuse their minds of the belief that sound money means economic stagnation or the opposite of inflation, namely, deflation. Indeed, "sound monetary conditions are," as Mr. Per Jacobsson rightly observed at New Delhi a fortnight ago, "the only true basis for expansion." What has happened in Pakistan reflects the public's strong distate for inflation. It also shows that inflation cannot be restrained or incorrected through controls, whether direct or indirect or both, that controls only delay the effects of inflation and that, when the effects come to be felt, there is a violent explosion. The Civilian Governments of Pakistan, it is pertinent to recall here, had adopted all sorts of controls for keeping the upward tendency in prices under check, but, ultimately, they were of no avail. Prices went on mounting up and production tended to fall. The only thing that grew fast was corruption of all sorts which ate up the vitals of the nation.

Today, the Military Government in Pakistan is popular, because it is said to have succeeded in bringing down the prices of almost everything and taken strong action to deal with corruption. But it is rather premature for the Pakistani public to feel jubilant over this development. For, what happens after the hoarded goods are brought to the surface and consumed? The Military Government has already introduced informal rationing in many goods. What certainty is there that these controls will not corrupt the military personnel themselves? There is grave risk of the military forces earning the contempt of the public in the same way as the politicians did, unless the present Government quickly succeeds in eliminating the basic causes of inflation. It must skim the country of the excess money supply in the same way as was done by Belgium and Holland after World War II, drastically cut its military expenditure and take prompt measures for raising the production of food and consumer goods. Failure to do so will soon undermine its own stability. The military regime may try to divert the public mind by highlighting extraneous issues, but its politicians have already so nearly exhausted the scope of this remedy to hold themselves in power that there is very little room for exploiting it.

There is a lesson to be learnt from Pakistan by all sections of the public in this country. The common man should understand that there is a lot that he himself can do for his salvation. He should discipline himself, at least to the extent necessary to keep his home and surroundings clean and healthy, and to do his work conscientiously. As Mr. Jayaprakash Narayan said this week, India is the dirtiest country in the world today. This is chiefly due to the carelessness of the common man and his indifference to cleanliness. Surely, it is not necessary to enforce military discipline to keep our streets and markets clean if only every one had a better civic sense. One of the things that General Iskander Mirza's Government has done in the last few days is to clean up the cities and impose deterrent punishment on those who commit nuisance in the streets and public places, and throw rubbish on the roads and inside the compounds of their houses. Here is something which the police and our city fathers ought to do but have so far failed to do.

The business men in this country must wake up to their responsibilities as the trustees of the consumers and their employees. They should get together with a new spirit of service to the public. They should undertake a certain amount of self-policing and eliminate from their ranks those who are known to be indulging in anti-social activities. This is an obligation on their part long overdue. It is undoubtedly a difficult one, but it should be possible to do something worthwhile, if they are united and scrupulously eschew the practice of currying favour with politicians. They must stick to the principles of a free, competitive enterprise and not use their influence with the authorities for securing excessive protection and controls that favour monopolies and breed inefficiency. They should not try to persuade ignorant politicians in power and officials to adopt measures which serve their own interests but not those of the public as a whole. They must realise that, ultimately, their future depends on the goodwill of the public and not on that of a few politicians. If they are firm on, and faithful to, the fundamental principles of free enterprise and follow a high standard of rectitude, the politicians are bound to respect them in due course. Barring a few exceptions, the record of Indian business men in all these respects is by no means exemplary.

The political leaders who are in power, as well as those who aspire for positions of power, have to devote more of their time to economic problems confronting the country and not to such petty issues as communalism and linguism, issues that divert men's minds from the serious task of producing wealth to dangerous fissiparous tendencies. They should train their minds to think more on practical lines than letting them wander in the ideological clouds. The common man needs gainful occupation, food, clothing and housing. These cannot be provided by following economic policies designed chiefly for reducing disparities in wealth and incomes rather than for providing incentives to production. They may yield the initial advantage of political popularity and success in the hustings, but the gain will be transient. In the meantime, the springs of initiative and enterprise will have dried up, the number of have-nots will have multiplied thanks to the rising trend of population, and the tendency to look to the Government for everything will have become stronger. In short, the democratic forces will have suffered a marked setback. It is true that politicians have to fight and win elections. But they should try to do so not by making rosy promises which cannot be fulfilled in a reasonable time nor by denouncing wealth and property that constitute the fruits of hard work and diligence, but by telling the public the real facts as they are and by inspiring them to give the country of their best. The political leaders in India, who honestly believe in the democratic way of life, would be well advised to read carefully and think calmly some of the points made by Dr. Erhard on this subject when he was in this country. We have reviewed them in the next article for their benefit.

The military coups cannot but be a source of great concern to the civilians for obvious reasons. It is, therefore, in the self-interest of civil servants not to encourage the politicians in power to adopt such policies as socialisation of economic activities, or to introduce excessive controls, or to depart from sound monetary policies. It is true that the civilians have to

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carry out the policies of their ministers and we should not be misunderstood as saying that they should disobey them. But they owe their ministers the duty of giving correct advice. They can, if they have the will, help the ministers to take realistic decisions by acting within this legitimate sphere of theirs. Controls breed corruption. Unsound monetary policies bring about exasperation among the people and lack of confidence in the future. Socialisation accentuates the powers of bureaucracy, encourages red-tapism and retards economic growth. For all this, the civil servants—high and low—are blamed and fall in the estimation of the public. Look at what has happened as a result of nationalisation of life insurance. The civilians have suffered more than the politicians and the public even more. It is no exaggeration to say that the economic bunglings by politicians undermine the civilians' authority and influence over the public, while they are liable to enhance those of their counterparts in the defence services. This is undoubtedly a risk inherent in the very nature of their work, but it would be folly on the part of civilians deliberately to enhance that risk by joining hands with politicians in the drive for more and still more bureaucratisation.

DR. ERHARD IN INDIA

THE West German Minister for Economic Affairs, Dr. Ludwig Erhard, who was in India this month, to represent his country at the joint session of the World Bank and the International Monetary Fund, at New Delhi, made quite a few thought-provoking observations on the lines on which an underdeveloped country could develop, the way in which his own country, starting from scratch at the end of the war, moved up to new high levels of economic activity and the importance of ensuring individual freedom in any plan designed for material advancement. Representing, as he does, a country which has made remarkable progress in recent years, and as one who has himself been largely responsible for stimulating the country's economic recovery, the West German Minister is certainly entitled to be heard with respect. Small wonder, his utterances received a wide and generally appreciative Press.

West Germany, as is well known, has compressed a great deal of economic progress within a period of a decade. When it emerged from the world war, its economy was in a worse shape than any victor or vanquished nation's. It had also to contend with the problem of ten million refugees, who had to be fed and clothed and for whom jobs had to be found. And yet, today—so rapid has been the transformation—W. Germany is one of the serious competitors to other Western countries. Its economy has been rejuvenated. Its foreign exchange purse is filled to capacity. "Germany has performed an economic miracle"—this has been the unanimous verdict of impartial observers. Dr. Erhard, when he was in India, could not, of course, explain all that Germany had accomplished or how it came to achieve so much. The occasion did not also demand such a complete explanation. Nevertheless, he tried to indicate the basis on which German recovery was built. With becoming modesty, he refused to call it a miracle. He said he rejected this flattering slogan, because "what happened in Germany was not a miracle." He attributed it to an economic policy "based on the principles of freedom." This policy made human labour again appear valuable and useful." The industriousness and devotion of a people were again made to serve human well-being." There was only one overriding consideration—"to work in order to live, and yet spare enough from the field of economic efforts, by sacrifices and restraining from consumption, to invest in higher productivity and efficiency, so that Germany might regain its competitive ability and thus lay the basis on which a better and freer life for everybody could be assured."

Dr. Erhard expounded what he called the "social market economy" which now forms the basis of his country's economic policy. Germany, he said, was a free economic community. But it was a "social market economy," in that it repudiated the old type of liberalism which assigned for the State "nothing but the poor role of a night watchman." He said: "Social market economy means, therefore, that the State is not only asked but firmly committed to establish certain basic principles for the economy which are set up by political decisions and to apply the numerous instruments of its economic policy in such a way that the free decisions of persons acting in all economic categories will nevertheless produce the desired effect. The social market economy is based on the principles of freedom and order which, if there is to be harmony, cannot, in my opinion, be separated from each other." Dr. Erhard insisted, in effect, that a nation could not be politically free and yet remain economically regimented. He said: "A country's economic existence can hardly be separated from its political destiny.... It would lead us too far if I were to show in detail why a democratic order must necessarily go with a system of economic freedom while totalitarianism must be based on, or lead to, compulsion. That these concepts pair up as indicated is logical and has been proved by history."

At the same time, he stressed the need for utmost international co-operation. He felt that a "full development of world economy requires not only liberalisation of imports of goods and services but also of the flow of capital." At another place, he declared that he was "enough of an optimist to believe that the handicaps in the way of national economic development, which at times seem to be insurmountable, can be overcome, if the idea of closer multilateral co-operation, which has already assumed shape in the International Monetary Fund and the International Bank, is pursued with even more intensity than before, and, if at the same time, the world economy can develop free of trade barriers and other obstacles, thanks to mutually adjusted national policies which work in the same direction."

How far is Germany's experience relevant to India? Although Dr. Erhard was understandably reluctant to indicate what India could and should do, he did not fail to give expression to his ideas of what seemed right. In applying lessons of German economic development to India, one must be careful to note a distinguishing feature. Germany's economy, no doubt, was in a worse shape at the end of the war than India's is today. But it is a country with a long and extensive technical tradition. Although it lacked the necessary capital and equipment, it did not lack the technical know-how, nor managerial skill. At the same time, it must be recognised that neither the capital and equipment which Marshall Aid supplied nor the technical knowledge which it possessed could by itself have provided the fillip for progress. It required an appropriate economic policy to bring out the best in Germany. And this was supplied by Dr. Erhard's concept of social market economy.

To revert to Dr. Erhard. In effect, he recognised that each country had to develop its own way and what suited one country might not fit in elsewhere. Speaking at a Press conference at New Delhi, he said he was appreciative of the second Plan. He felt that it was important that the State should assume leadership and responsibility for big projects. But he insisted that "there should be a broad basis in private enterprise also." This obviously stems from his view that human nature could not be ignored. Explaining this, he observed at the Indian Council of World Affairs:

> "I share the view that the economic and social development of India does not permit the mere imitation of any pattern, as it is only the creative force of this country and its people which will show the right way. However fully economic planning may be accepted, in any particular phase of economic development, economic life is not shaped at the draft board, but by human beings, and anybody who thinks he can disregard basic human nature is heading for frustration. This means that the human individual must be rendered conscious of the sense and value of his work and effort, and must be shown that his own better performance leads to the personal advantage of a better life. He must be given the chance of individual development and must enjoy the fruits of his own success."

Two points to which Dr. Erhard drew attention deserve notice—the importance of creating purchasing power in India and the need for evolving a balanced structure of interest rates. He said that, in India, purchasing power should be created among the masses. This could be done by producing goods of economic value. It was not important that production should fit in too closely with planning. What was important was that those things should be produced which working people like to have. He said that, if private enterprise were encouraged, it would produce things that would sell. The other point he made was that, since savings and investment determined economic progress, the rate of interest should be such as to bring about an equilibrium between supply and demand for capital. He added: "I appreciate that there could be cases of what we call infra-structure rates which are not immediately profitable in commercial terms but which help the economy in general and in the long run. This infra-structure investment cannot be grasped by commercial bookkeeping scheme and you cannot compare the input and output. Therefore, it would be right for the State to provide for a lower rate of interest in order to enable these projects to be carried through. But, for economic life and business life in general, I do not think it would be a good idea. I think the right way would be to have a proper balance between supply and demand of capital."

Naturally enough, there has been some speculation as to whether Germany will be prepared to make investments in India. Although Dr. Erhard did not commit himself to any specific figure of aid or investment, he said that just as Germany had received aid from other countries, notably Marshall Aid, it felt a "moral commitment" to assist other countries. Germany, as is well known, has contributed $40 million to the $350 million aid which India's creditors have agreed to provide by the end of April next as a result of the talks at Washington held under the auspices of the World Bank. It has also agreed to contribute $60 million out of a total sum of $600 million aid promised to India before the end of the second Plan period. As regards capital, Dr. Erhard made it clear that the fact that Germany had foreign exchange surpluses did not warrant the conclusion that it could spare capital for export. He said: "Foreign exchange surpluses reflect a country's international competitive ability, while the abundance or otherwise of capital must be judged only from the situation of the capital market." There was, however, no ban on export of capital from Germany. But its own capital requirements for public and private uses continue to be high and while "its short-term money market is liquid, genuine long-term capital is, on the whole, still in short supply." Nevertheless, since interest rates in both sectors are nearly on the same level, it has been "possible for the German capital market to provide loans for outside borrowers."

Industrially advanced countries, according to Dr. Erhard, could help India not only through long-term loans but also by sending out *entrepreneurs*. He said: "If I know German industrialists, they will do it. Only, they should feel assured they could give their own entrepreneurial policies." He also felt that conditions in India were favourable and German capital would be prepared to come to this country. In this connection, he emphasised what would suit this country was the establishment by foreign interests of medium-sized units employing, say, 50, 100 or 250 men. German business men, he thought, would like to have 51 per cent. share in capital. This did not mean that they wanted to dominate the enterprise; only, they would want to put their ideas of good commercial business into practice.

In the course of the discussion on the World Bank's annual report, Dr. Erhard, as already stated, emphasised that a full development of world economy required not only liberalisation of imports of goods and services but also the flow of capital. Private capital, he said, must be in a position to go without restrictions to any place which offers promising investment opportunities. An increase in the flow of private capital should also make it possible, in important fields, to get away from export credits tied to specific deliveries and to "turn more and more to purely financial loans which, as the classical form of financing, are more in line with a free world economy." Referring to what Germany could do in the sphere of financing capital investments in overseas countries, Dr. Erhard reiterated that, although Germany's capital potential was limited, he regarded the problem of capital export with confidence. He, however, was unwilling to induce an artificial outflow of capital. At the same time, he stressed that it was up to the capital receiving countries to create an "atmosphere of security and legal rights in which credit which, as its name implies, is a matter of confidence, finds its safe basis and justification." He added: "In addition, a sound economic and financial policy must be pursued by those countries which guarantee that their development efforts are successful and that the foreign investor can be sure that the money made available by him will keep its real value and will be put to good use." Finally, he urged the capital importing countries to regard foreign private capital as a "partner working *bona fide* alongside with them in building up their economies." Obviously, in the world as it is today which is very different from what it was 100 or 150 years ago, an investor must feel that he is wanted before he ventures into foreign countries.

HOPE OF TAX RELIEF STILL STRONG

DEFENCE MINISTRY MAKES A DEPARTURE

THURSDAY, 5 P.M.

THE share markets have been active and strong during the major part of this week. Almost all the counters have registered further gains over the week, though the closing rates are well below the best levels. This is due to some profit-taking today, mainly induced by settlement considerations; the present fortnightly settlement ends tomorrow. The statement of Mr. Morarji Desai yesterday, at a grand reception given to him by prominent industrial and business organisations at the Cricket Club of India, that he would not entertain any suggestions from the business community that would bring down the resources available to the Government, has also had a restraining effect on the bullish fervour. This remark has been taken as a broad hint that it would be unrealistic to expect any relief in taxation. There has also been another hint to the same effect. Replying to the Kanpur industrialists' plea for help to the cotton mill industry, Mr. Lal Bahadur Shastri, Minister for Commerce and Industry, observed early this week that there would be no further reduction in the excise duty on cloth. The Government's reluctance to abolish or lower the export duty on raw cotton, as well as the insignificant relief given to the tea industry a few days ago, clearly suggests that the authorities are anxious not to lose revenue. Despite these indications, the undertone of equities is still bullish. Apart from the speculative long position of a very sizable nature in the leading counters such as Tata Steel, Indian Iron and Bombay Dyeing, there has been a steady growth in investment buying as is evident from the high levels to which such investment scrips as Dunlop Rubber, Indian Oxygen, National Carbon, Guest Keen Williams, Telco and Larsen-Toubro have moved up.

MARKET GOSSIP

Lest wrong inferences should be drawn by the authorities, it is necessary to explain the trends in share markets. The aforesaid investment scrips, and others similar to them, have been advancing, because they belong to companies engaged in new industries that have received considerable fillip through the investment expenditure under the first and second Five-year Plans. These companies have their own plans for expansion, some of which have already been completed. Their shares are, therefore, gaining in value purely on intrinsic merits. It will not be right to interpret the boom in these shares to mean that the industries as a whole are passing through prosperous days and have no problems at all.

On the contrary, the old-established industries such as coal, cotton textiles, jute goods and tea, as well as a number of engineering units, barring the iron and steel industry, are having a difficult time and their profit margins are far from remunerative. Even if their position is slightly better than, say, four or five months ago, it is by no means as bright as the ruling prices of their respective shares seem to suggest. It may be argued that the share markets are looking ahead. As far as one can see, all probable favourable factors have been fully discounted. Nevertheless, if the markets are still taking a bullish view, it must be attributed to two causes. First, the growing pressure of money rendered idle by import restrictions and the accumulation of counterpart funds, both of which are depressing interest rates, have changed the ideas on equity yields in a downward direction. The second reason is the hope that the next budget will contain some features in favour of investors. This hope persists, notwithstanding the hints thrown by the Government's spokesmen to the contrary. Evidently, the operators are confident that the Government cannot afford to turn a deaf ear to all the advice given to it by the leading financiers of the free world who visited India this month in connection with the Fund-Bank meetings.

In this atmosphere of optimism, there is no inclination among the operators to go short. Almost every broker is advising his clients to hold on to their shares, with the result that, in the case of most scrips, the floating stock is not large.

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Is there any real basis for the belief that the next budget will contain some relief to investors and that the advice tendered by the Western friends of India for creating a more favourable climate for encouraging venture capital has gone home among the authorities? To those who have not taken seriously the remark of Mr. Morarji Desai yesterday at the Cricket Club of India, the following quotation from his speech at the annual meeting of the World Bank should provide some food for thought. Replying to the plea by the spokesmen of several foreign countries, as also of the President of the World Bank, that the underdeveloped countries would do well to encourage private enterprise, Mr. Morarji Desai said:

> "The underdeveloped countries face no easy task. They must raise resources domestically to the maximum extent possible; they must, therefore, adopt measures to restrain consumption and increase savings. Only this way can they sustain programmes of advancement that hold promise of results satisfactory for the maintenance of democratic conditions. There are, at the same time, limits to this process of restraining consumption, and the question has constantly to be asked whether the economy can stand the stresses and strains inevitably associated with a rising tempo of development. There is no doubt that a developing country needs an inflow of investible resources from abroad over a pretty long period, and these resources must be secured from every possible source, through encouragement of private foreign investment, through government-to-government assistance and from agencies like the International Bank. It would take me too far afield, if I were to attempt a review of the potentialities of each one of these sources. The development of underdeveloped economies will require investment on a massive scale, and conscious effort will be necessary to mobilise the needed resources. Foreign private capital has a part to play in fostering development, but such capital has its limitations. Its supply is limited; it goes only into certain types of enterprises; and, paradoxical though it may sound, it is, I think, true that private capital from abroad is likely to flow more rapidly into countries which have already advanced some way and have built up the infra-structure of development rather than into those which are still taking their first few hesitant steps."

It will be noted from the aforesaid extract that Mr. Desai, while admitting the need for foreign private investment, has some misgivings about the quantum of such capital available to underdeveloped countries. It is, therefore, doubtful whether this consideration will weigh with him to any significant extent when he draws up the 1959-60 budget in February next. It is, however, too early to speculate on the next budget. Quite a few representations have been made to the Government, especially from the U.S., that the complex tax structure of India has frightened foreign business men. There is, therefore, a possibility of the tax structure being simplified, but it remains to be seen whether this would mean any sizable concession to investors.

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As we go to press, we understand that the Government of India has given up the idea of trying to stimulate exports of cotton textiles by allowing the mills to keep five or 10 per cent. of the foreign exchange proceeds for importing raw materials, essential stores and machinery. It would appear that this method was not regarded as a sound means of export promotion by some of the international financiers who happened to be in Delhi in the first half of this month to attend the Fund-Bank meetings. They are said to have expressed the view that, if India were to resort to this desperate method of pushing its exports, it would have learnt nothing from the experience of other countries, especially Latin America which had tried them with disastrous consequences to the external value of their currencies.

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The move of the Union Defence Ministry to set up a unit for turning out M.A.N. trucks in collaboration with Messrs. M.A.N. of W. Germany has caused much understandable concern among automobile manufacturers. In India, where the market for automobiles is strictly limited even for the existing manufacturers, it is certainly deplorable that a proposal should be mooted for setting up an additional unit. It might well prove to be more than the proverbial last straw on the manufacturers' back, for it might cripple the entire automobile economy, already sorely pressed by a limited market, and production bottlenecks caused by the Government's failure to permit liberal imports of automobile parts.

Automobile manufacturers rightly point out that the Government's proposal goes counter to the policy towards the automobile industry it announced last year. It has been unanimously held and accepted by the Government that what the country needs today is maximum scope for expansion of the existing units in the industry rather than the establishment of additional units. The Government has assured the industry that additional capacity required for commercial vehicles should be installed in existing units rather than in new ones. This assurance was given, following the emphatic declaration by the Tariff Commission, made in the course of its report on the industry's case for protection, that "priority should be given to expansion of the existing units over establishment of new units, even though this may mean slower development." It averred that "if planned development is the objective, it would be an admission of failure, if, for the purpose of keeping costs and prices under control, it was found necessary to promote internal competition at the expense of economic volume, since this would involve a waste or uneconomic use of resources which it is the very object of planning to avoid." Clearly, what induced the Tariff Commission to stress repeatedly the principle of restricting the number of units was that only through such restriction could economic production be ensured. This does not mean that the Commission favoured the emergence of monopolistic conditions in the industry. Only, it emphasised that first things must come first; "the claims of internal competition could be considered only after an economic volume is assured to all units." The Government's present move to set up an additional manufacturing unit is certainly not calculated to advance the cause of "economic production" in the units of existing automobile producers.

The Government's proposal is also defective in several other respects. As the manufacturers, in a communication addressed to the Government, point out, the establishment of the new unit will imply a large expenditure of foreign exchange and, in the initial stages, the production costs will remain high. Again, in so far as this unit will reduce the Government's offtake of vehicles produced by the existing manufacturers, it will make it particularly difficult for them to attain economic production. Further, the vehicles produced by the new unit cannot command spare part services in all parts of the country. This would reduce their utility as defence equipment. After all, in an emergency, it is of great advantage to use a vehicle, for which ample supplies of spare parts are available. Perhaps, the only advantage in a M.A.N. truck is that it has a multi-fuel engine. But automobile manufacturers are confident that, for defence purposes, they will be able to supply trucks with such engines. It will thus be seen that there is little justification for setting up a new automobile unit.

Finally, it seems undesirable that, in India, the Defence Ministry, which, in all other countries, is the strong ally of the private sector, should have chosen to engage itself in competition with that sector. This is not to suggest that the Defence Ministry should not produce what it wants, especially when overriding strategic considerations demand it. In the present case, however, there seems to be no compelling reason why the Defence Ministry should embark upon automobile production. In fact, the "spare parts" argument, advanced by private manufacturers, shows that the proposal is not a sound strategic proposition. On the contrary, there is much strategic gain in permitting a wide dispersal of productive effort undertaken in the cause of defence. It has also a psychological value, in that it will enable larger sections of people to feel a certain sense of national pride that they are playing their role in the defence of the country. The Ministry will, therefore, do well to abandon the move to set up an automobile unit of its own. It ought to be able to get its requirements from the existing manufacturers. It could, of course, insist upon such standards of quality as it deems necessary in the interests of efficient defence. And we have no doubt that the automobile manufacturers have the necessary equipment and technical skill to conform to any set of rigid defence standards.

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India, as is well known, continues to be dependent upon imports for its rayon yarn requirements. The production of yarn is running at an annual rate of some 29.3 million lbs. (25.7 million lbs. viscose yarn and 3.6 million lbs. acetate yarn), as against the overall demand estimated at 68 million lbs. Indeed, in the next five years, the demand is expected to go up to 100 million lbs. Clearly, in the absence of any considerabe increase in capacity, the gap between production and demand will not only persist but widen. In this context, much interest attaches to the formation of the South India Viscose Ltd., the summary of the prospectus of which appears elsewhere in this issue. (See page 677).

This new company is notable for two outstanding features. One, it has the wholehearted support of the entire textile industry in South India which has agreed to take up about 30 per cent. of the share capital. Thus, out of the present issue of Rs. 3.5 crores in shares of Rs. 100 each, the South Indian mills are providing Rs. 1 crore. And, (2), it has secured the co-operation of an Italian company, the Italviscosa Eastern Trading S.P.A., Milan (Italy), for the supply of technical know-how and plant and machinery on deferred payment basis. This Italian concern is also participating in the capital of the Company to the tune of Rs. 85.5 lakhs.

As the Directors and their friends have agreed to subscribe Rs. 25 lakhs, the balance available for public subscription is Rs. 1,39,50,000. Since the Company is assured of competent help on the technical side and also of a ready market for its finished yarn, it appears to have a good future. It may be interesting to note here that the mills in South India decided to participate in this venture because they keenly felt the necessity to ensure an uninterrupted supply of staple fibre, as a result of the substantial number of spindles allotted by the Government to them for purely staple fibre spinning.

It is common knowledge that there is a great demand for rayon and staple fibre yarns in the country. The present production of rayon filament yarn in India, as stated at the outset, is markedly below current levels of demand. There are, at present, only three factories in India manufacturing rayon yarn by the viscose process and their total production is 25.74 million lbs. per annum. There is another factory producing acetate rayon yarn and its present capacity is 3.6 million lbs. per annum. With production falling short of demand, the needs of the art silk weaving industry is being met out of imports. Imports of rayon filament yarn aggregated 42.34 million lbs. in 1956-57 and 55.84 million lbs. in 1955-56.

As regards staple fibre, only one unit is producing it on a commercial scale. Under the Textile Control Order, only 15 per cent. of the installed capacity, subject to a maximum of 10,000 spindles, could be engaged by spinning mills in the manufacture of staple fibre yarn. The Government of India has allotted in recent months to mills in the Coimbatore area alone about 150,000 spindles for staple fibre spinning. For engaging these 150,000 spindles, leaving others apart, on the basis of two shifts a day, the staple fibre needs will be almost 50,000 lbs. a day, that is, more than double the initial output of the proposed factory. In regard to filament yarn, the demand in South India is placed at 40,000 lbs. a day, that is, almost double the initial production of the factory.

The factory will be located at Mettupalayam in Coimbatore district, the site having been chosen

(*Continued on page 711*)

RAISING THE CAPITAL OF THE WORLD BANK

In the first paragraph of our leader with the above heading, which appeared last week, the sentence beginning with the words "It is rather surprising," should read: "It is rather surprising why no one reiterated what Mr. Maudling said on this point." The next sentence should read: "Nevertheless, the general impression is that the Bank's capital would be doubled."

EQUITIES STAGE A RALLY

PROFIT-TAKING AT CLOSE

(From Our Own Correspondents)

BOMBAY, 23rd *October*

EQUITIES shook off their sluggishness and staged a rally during the week under review, on revival of buying, under the leadership of steel shares. The good prospects for the steel industry, following the "blowing in" of the new blast furnaces in the T.I.S.Co. and I.I.S.Co. recently, induced holders to cling to their stocks which pushed the shares to fresh high levels. Tata Ordinaries touched a peak of Rs. 182 and Indian Irons Rs. 27.70. The Commerce and Industry Minister's statement in Kanpur, at the Upper India Chamber of Commerce annual meeting, that the Government was in the process of finalising the export facilities to be offered to the industry and that its resolution on the Textile Enquiry Committee's recommendations was almost ready, was greeted at the textile counters and there was a moderate rise in prices. His categorical declaration that there could be no question now of thinking in terms of any further relief in excise duty on cloth, however, had a dampening effect and restrained any sharp jump in values. Activity was somewhat hectic in National Rayons on sustained buying from interested quarters.

There was heavy profit-taking at the close today on end-of-account considerations. As the next settlement period will be a longer one, extending over three weeks, *budla* charges are expected to be higher and this also induced some selling. Consequently, the closing rates were well below the best levels for the week.

Tata Steel Ordinaries rallied from Rs. 177 to Rs. 182 before profit-taking brought them down to Rs. 180.75 at the close. The new shares finished with a gain of Rs. 4 at Rs. 176. Indian Irons came up to Rs. 27.70 from the previous week's closing of Rs. 27, but closed lower at Rs. 27.55.

In the textile section, Bombay Dyeings picked up from Rs. 58.20 to Rs. 59.20, but this gain was partially wiped out when the shares were done at Rs. 58.60 at the close today. Centurys jumped sharply from Rs. 437.50 to Rs. 451.50 before reacting to Rs. 448. Kohinoors gained from Rs. 267.50 to Rs. 271, but finished with a loss of Re. 1 over the week at Rs. 266.50. Central Indias stood Rs. 3 higher at Rs. 90. Edward Textiles gathered Rs. 5 to Rs. 230, Finlays Re. 1 to Rs. 281.50 and Gokaks Rs. 2 to Rs. 144. Indu Ordinaries changed hands 16 nP higher at Rs. 8.92. Indore Malwas improved by Re. 1 to Rs. 103.50, Models by Rs. 2 to Rs. 169.50 and Morarjees by Rs. 6 to Rs. 249. Mysore Spinnings jumped by Rs. 10 to Rs. 90, New Greats by Rs. 5 to Rs. 217 and Osmanshahis by Rs. 2 to Rs. 43.50. Shree Niwas Textiles gathered Rs. 4 to Rs. 152. The Company proposes, subject to the sanction of the Controller of Capital Issues, to issue shortly 6½ per cent. taxable debentures of the value of Rs. 40 lakhs, to finance its renovation and expansion programme. Simplex improved from Rs. 177.50 to Rs. 180 before closing at Rs. 178. Standards recorded a gain of Rs. 6 to Rs. 414 and Svadeshis Rs. 5 to Rs. 192. Tata Mills were, however, unchanged over the week at Rs. 36.75.

Bank shares provided a bright feature with an all-round rise in prices. Barodas were done 75 nP higher at Rs. 121.75. Centrals rose by Re. 1.50 to Rs. 59 and their new shares by Re. 1.80 to Rs. 60.80. Bank of Indias improved by Re. 1.75 to Rs. 140 and their new shares by Re. 1.50 to Rs. 141.50. Punjab Nationals changed hands 70 nP higher at Rs. 62 and Bank of Jaipurs were done 75 nP better at Rs. 42.75. Union Banks gained 24 nP to Rs. 7.60 and United Commercials 50 nP to Rs. 69.30.

Sugar shares were firm, Belapurs advancing from Rs. 309 to Rs. 316.50 and closing at Rs. 315. Bhopals were higher by 20 nP at Rs. 27.20 and Phaltans by Rs. 4 at Rs. 178. Walchandnagars hardened from Rs. 287.50 to Rs. 290. Cement shares were featureless. On profit-taking Associated Cements dipped to Rs. 160.50 after an earlier rise from Rs. 162 to Rs. 163.50. Their new shares improved by Re. 1 to Rs. 159. Digvijays were dull at Rs. 143.50, while Orissa Cements gained 20 nP to Rs. 12.64 and Jaipur Udyogs 36 nP to Rs. 11.48.

In the engineering and mining group, Alcocks maintained their upward trend with a further rise from Rs. 273.75 to Rs. 285, before profit-taking brought them down to Rs. 281.25. Tata Locos moved between Rs. 158.25 and Rs. 162.75 and closed with a gain of Re. 1 at Rs. 160. Interested buying lifted Premier Constructions from Rs. 224 to Rs. 239.25. Larsen and Toubros attracted attention on the announcement of new manufacturing programme and were done Re. 1.36 higher at Rs. 17.08. Their rights jumped from Rs. 4.08 to Rs. 5.28. Mahindras rose by 88 nP to Rs. 17.56. Mysore Kirloskars had business at Rs. 130. Shivrajpurs rallied from Rs. 88.50 to Rs. 94. Indian Coppers improved a little to Rs. 4.02.

Among shippings, Scindias were fully steady, moving narrowly between Rs. 22.08 and Rs. 21.68. Great Easterns advanced by 80 nP to Rs. 27.50 and their new shares by Re. 1.20 to Rs. 21. Bharat Lines gained 32 nP to Rs. 13.60. In the automobile section, Hindustan Motors picked up 24 nP to Rs. 8.04 and Premier Automobiles Rs. 2.20 to Rs. 90.70.

Among miscellaneous industrials, Bombay Burmahs (old) appreciated from Rs. 490 to Rs. 503.50, before finishing at Rs. 499.50. The partly paid-ups recorded a rise of Rs. 6.25 to Rs. 178.75. National Rayons shot up from Rs. 245.75 to Rs. 258.50, but the closing was lower at Rs. 255. Gwalior Rayons were a shade quiet at Rs. 14.92. Tata Chemicals shed 20 nP to Rs. 16.40. The Company has cut the dividend on the old ordinary shares from 80 nP to 75 nP for the year ended 30th June 1958. The distribution on the new shares is 3.125 nP, including interest payable out of capital at 4 per cent. Hindustan Levers had transactions at Rs. 25, as against Rs. 24.48 a week ago. Tata Oils picked up 75 nP to Rs. 39.75. While Ceat Tyres attracted good attention and rose by Rs. 6.50 to Rs. 67. Voltas moved down by Rs. 2.25 to Rs. 143.25. Wimcos gained Rs. 3.50 to Rs. 194.50.

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Madras Stock Exchange

MADRAS, 22nd *October*

The Madras Stock Exchange had only a limited number of trading days during the week under review. The market was closed on the 20th, 21st and 22nd inst., on account of *Ayudha Puja*. Steady conditions prevailed in the market during this short period. The volume of business put through was, however, small. Select tea, rubber and coffee shares met with sustained investment enquiries, despite the worsening labour situation and threats of a widespread strike in the Kerala plantations. Textiles lacked support due to discouraging advices from the yarn and cloth markets. Electric shares were dull, but bank shares were easy. Sugar and miscellaneous industrials were steady.

Among tea shares in the planting section, Mlamallays were well fancied and forged ahead by Re. 1.75 to Rs. 36. Haileyburias rallied 50 nP to Rs. 18.50. Twyfords climbed up by 45 nP to Rs. 16.40. Balanoors and Devasholas strengthened by 25 nP each to Rs. 17.25 and Rs. 21.60 respectively and Peermades by a like amount to Rs. 22.25. Periakaramalais added 10 nP to Rs. 4.

In the rubber group, Tropicals and Nilamburs hardened by 75 nP each, the former to Rs. 21.50 and the latter to Rs. 14. Karikodes were lifted 50 nP higher to Rs. 10. Teekoys and Mercaras gained 10 nP each to Rs. 7.25 and Rs. 8.60, respectively. Kailas gathered 3 nP to Rs. 5.08. Midlands, however, lost 18 nP to Rs. 12.80.

Among coffee shares, Coffee Lands advanced by 25 nP to Rs. 33.50. Badras improved by 30 nP to Rs. 4.50. Ouchterlonys were maintained at Rs. 5.52. But Consolidated Coffees shed 20 nP to Rs. 27.25.

In the textile section, Lakshmis, Meturs and Ranga Vilas lost a rupee each to Rs. 102, Rs. 336.50 and Rs. 58, respectively. Maduras eased by 50 nP to Rs. 30.75. Kotharis softened by 10 nP to Rs. 15. Coimbatore Spinnings, however, put on 25 nP to Rs. 48.

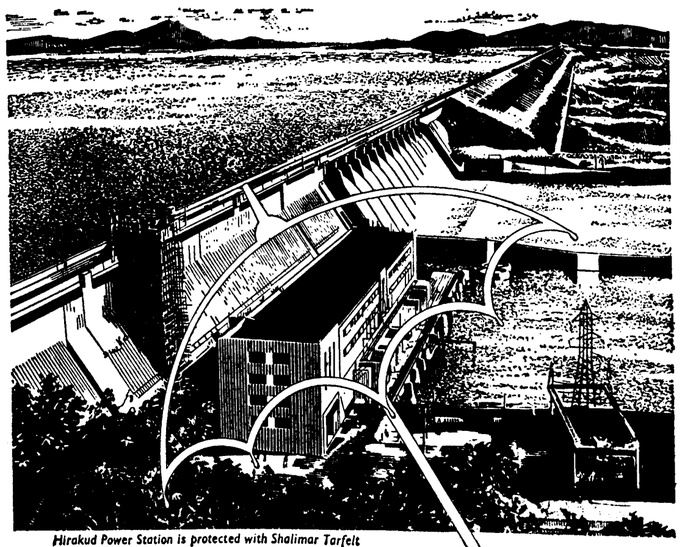
In the sugar group, Cauverys were in the limelight, the quotation rising by Rs. 4 to Rs. 100. Deccans increased by 17 nP to Rs. 9.75. E.I.Ds were firm at Rs. 30.10 as also Indias at Rs. 12.60.

Among miscellaneous industrials, Rallis were on request Re. 1.75 higher at Rs. 37.75. Mysore Papers spurted by 50 nP to Rs. 17.75. Spencers rose by 35 nP to Rs. 19.65. Hindustan Levers improved by 25 nP to Rs. 24.50, Aspinwalls by 15 nP to Rs. 7.50 and Travancore Cements by 10 nP to Rs. 9.40.

CENTURY MILL'S PREFERENCE ISSUE

Details are now available about the new preference share issue by the Century Spinning and Manufacturing Company, Ltd. The Company has offered 125,000 6 per cent. (tax-free) redeemable cumulative prefsrence shares of Rs. 100 each at par. The shares are redeemable at par at the end of 15 years from the date of allotment. Of these shares, 109,428 are offered in the first instance to the existing shareholders of the Company on the basis of one share for every ordinary share held by them as on 27th October 1958. The remaining 15,572 preference shares, as also such of the shares as are not being taken up by the existing shareholders, will be available for subscription by non-shareholders. It will be remembered that the Company offered last month 13,679 new ordinary shares of Rs. 100 each at par in the ratio of one share for every eight shares held on 15th September and this offer is being kept open till 31st October 1958 and the holders of these new ordinary shares are not, therefore, entitled to participate in the new preference capital. The whole issue has been underwritten by the Central Bank of India. This list will open on 1st November and will be closed on or before 24th November 1958.

The object of the present issue is to bring the Company's paid-up capital more in line with the written-down value of its fixed assets. The present paid-up capital is only Rs. 1.09 crore and, if the right shares offered last month are taken up, the capital will rise to Rs. 1.23 crore, as against which the net block is over Rs. 4.75 crores. Even with the present preference issue, the paid-up capital, at Rs. 2.48 crores, will only be a little over 50 per cent. of the net fixed assets.



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STP 26

NEWS IN BRIEF

THE Reserve Bank of India has reduced the limit upto which Indian and foreign currency notes may be taken out of India from Rs. 270 to Rs. 75 per person.

The Government of India will not, according to an official Press release, ordinarily entertain applications for the grant of licences for the setting up of new re-rolling units or for substantial expansion of existing units, in view of the adequacy of capacity already installed in the country.

Water was released for the first time in the Bhakra Canals network last week for the sowing of the *rabi* crop. The Bhakra Canal system was commissioned in July 1954, when seasonal irrigation started from the dam. The winter canal water supplies will be useful to the food and oilseed crops in the southern districts of the Punjab.

The production of copper ore in India has gone up to 103,883 tons in the second quarter of the current year from 94,144 tons in the preceding quarter. It represents an increase of 4,187 tons over the level attained in the corresponding quarter of 1957. Copper metal produced during the quarter was 2,027 tons as compared with 1,667 tons in the preceding quarter.

A six-man trade mission from the United States, led by an official of the Department of Commerce, will arrive at New Delhi on the 8th November. The mission, which includes representatives of American industry, commerce and banking, will, during its nine-week stay in India, visit major industrial and commercial cities and discuss ways of expanding trade between the U.S.A. and India. Of the nine weeks, about a month will be spent in New Delhi itself.

A college to train textile workers, the first of its kind in India, will be declared open at Indore by the Prime Minister on 3rd November 1958. It will be run by the *Hindustan Mazdoor Sevak Sangh*. A building costing about Rs. 3 lakhs has already been erected in the campus of "Shram Shibir," headquarters of the Madhya Pradesh Branch of the I.N.T.U.C. The major share of the cost has been met by the textile workers of Indore.

Twenty-two textile units in the Bombay State, employing 100 or more workers each in the cotton, silk, woollen and hosiery industries, have been closed down during the period January 1957 to August 1958. Among these, seven units have been reopened, four with full and three with partial complements. Thirteen other units, involving over 4,000 workers, have already put up notices of closure, on the grounds of uneconomic working, trade depression and accumulation of stocks.

The Government of India has approved three schemes for the production of X-ray equipment, each able to produce Rs. 30 lakhs worth of equipment yearly. The first, to be located in Delhi, will manufacture 170 sets in the first year, 300 in the second, 400 in the third and 510 in the fourth. A U.S. company will collaborate. The second scheme, at Bombay, will produce 70 sets in the first year, 105 in the second, 150 in the third and 200 in the fourth, in collaboration with a West German concern. The third undertaking, working in collaboration with the French at Bombay, already is producing nine sets of different types.

The production of lead and zinc ores in India during the quarter ended June 1958 was 24,133 tons, as against 23,694 tons in the preceding quarter, and 22,095 tons in the corresponding quarter of 1957. The entire production was reported from the Zawar mines of Rajasthan. The recovery of lead and zinc concentrates from the ores during the second quarter of 1958 aggregated 936 tons and 1,050 tons, respectively, as compared with 1,170 tons and 1,546 tons in the preceding quarter. The lead concentrates are sent to the smelting plant at Tundoo in Bihar. In the absence of a zinc smelter in India, zinc concentrates are sent to Japan for smelting.

Persons desirous of setting up *khandsari* units are advised by the Government of India to refrain from setting up such units in or near factory zones. With the doubling of excise duty on vacuum pan sugar in May 1957 and imposition of an additional excise duty in December 1957 in lieu of sales tax, the *khandsari* industry now enjoys a high tax advantage over the vacuum pan industry. On account of this, a large number of units for manufacturing *rab* and *khandsari* sugar have been set up or are in the process of being set up. Although plenty of cane is available elsewhere, some of these units have been located in or near the factory zones, effecting adversely thereby the cane supplies to vacuum pan factories. If more and more of these *khandsari* units are established in factory zones, the production of refined sugar by the factories may be seriously affected. In order to prevent diversion of cane from vacuum pan factories to *khandsari* manufacture, the question of regulating the establishment of *khandsari* units is being examined by the Government.

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From Abroad

Leading textile organisations in Japan will shortly investigate charges that Communist China is pirating Japanese textile designs.

A pulp-drying plant, with a capacity of 400 tons of pulp per 24 hours, claimed to be the biggest in the world, produced by a Swedish firm, Svenska Flaktfabriken, has been sold to a U.S. mill, Bowaters Carolina Corporation, Catwaba.

The Japanese Government has decided to allow exchange banks to buy or sell spot sterling in overseas financial markets without reservations. The measure, taken along the line of exchange liberalisation, reflects the Japanese Government's confidence in long-term stability of the pound sterling.

The U.K. emerged as the largest single exporter of new cars to the U.S. during the first seven months of the current year, accounting for 86,907 units, as against 50,514 in the corresponding period of 1957. France came next with 76,421 units, as against 54,247.

All businesses and schools run by K.M.T. Chinese in Indonesia have been brought under State control. This was the effect of a decree issued by Lieut.-Gen. Abdul Haris Nasution, the Army Chief acting as War Administrator, while the country is under a form of martial law.

The American United Aircraft Corporation has acquired a 43 per cent. interest in the W. German firm, Weserflugzeugbau. The capital of the latter concern has thus gone upto DM. 7 million. It will manufacture helicopters developed by the Sikorsky division of United Aircraft.

America's biggest September building boom in eight years took place this year. Work began on 118,000 homes and apartments, or 28 per cent. more than in September 1957. The month's spurt in non-farm housing units pushed up the seasonally adjusted annual rate to 1,220,000 new units.

Two out of ten people running their own business in W. Germany are women. It is estimated that about 606,000 business women in the country employ about one-sixth (3 million) of West Germany's total labour force. They manage a wide range of industries including iron foundries, cement plants, chemicals, road building and cigar-making.

A new uniform currency, to be named the "Arab Dinar," will be introduced in the United Arab Republic by July next, replacing the existing Egyptian pound and the Syrian lira. With a view to bringing about complete unity between the two segments of the Republic, it has also been decided to abolish all customs and trading barriers between them.

The Railroad Workers' Union of Indonesia has opened a new clothing factory at Djakarta to provide clothing for distribution at low cost to members. At full production, the plant, built with American aid, is expected to produce 300 shirts and pairs of trousers daily. The American aid consisted of modern machinery and the services of a work clothing specialist.

A new and inexpensive device, called a synchronous detector, which will boost the message-carrying capacity of telephone cables twelvefold, has been discovered by a team of scientists belonging to the International Telephone and Telegraph Corporation, Chicago. The device can be put into operation without doing any work on existing cables buried underground or running through conduits.

Imperial Chemical Industries Ltd., London, has concluded an agreement with the Czech patentees of the carbon dioxide-sodium silicate process for making foundry moulds. The process is said to be simple. It will produce accurate moulds rapidly, as it eliminates the slow stoving operation. If the Patent Office restores the patent, which has now lapsed, I.C.I. will obtain an exclusive licence.

A Land Reforms Commission, with Mr. Akhtar Hussain, the Governor of West Pakistan, as Chairman, has been appointed by the Pakistan Government to report on the question of land reforms in the country. The terms of reference of the Commission are: "To consider problems relating to ownership and tenancy of agricultural land and to recommend measures of ensuring better production and social justice as well as security to the tenure for those engaged in cultivation." The Commission has been asked to submit its report within the shortest possible time.

The problem relating to the disposal of the surpluses of key farm products, particularly in the U.S., was the principal subject of discussion in the Tenth Congress of the International Federation of Agricultural Producers, held at Brussels last week. The carry-over of wheat in the exporting countries is expected to touch 50 million tons—twice the amount consumer nations are prepared to import. The Congress passed a resolution urging the formation of a new International Wheat Agreement to follow the existing Agreement which expires on 31st July 1959.

Hastings Belting



BIRKMYRE BROTHERS LIMITED

PERSONAL

MR. N. C. Sen Gupta, Joint Secretary, Indian Ministry of Finance, left New Delhi last week for Japan to discuss the terms of loan to India.

Dr. M. A. Rauf, India's Ambassador to Belgium, presented his credentials to His Majesty the King of Belgium at Brussels on the 15th inst.

Mr. Jayantilal Shah and Mr. Saradchandra Maheshwar have been elected President and Vice-President respectively of the All-India Wool Trade Federation.

Mr. Nityanand Kanungo, Union Minister of Commerce, has returned to India from Geneva, where he participated in the G.A.T.T. Conference.

Mr. J. Hodkinson has been appointed a Director of Wickman Ltd. He will retain, at the same time, his present position as Managing Director of Machine Tools (India) Private Ltd., an associate of Wickmans.

Dr. B. C. Roy, Chief Minister of West Bengal, left Bombay for Zurich on a three-week tour of Europe and America. He will discuss with foreign industrialists matters relating to the construction of a gas grid from Durgapur to Calcutta and the establishment of a fertiliser factory in the State.

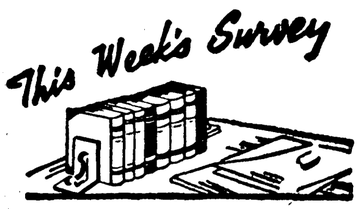
A power station with a capacity of about 50,000 kw. and an annual output of about 200,000,000 kw.h. is planned by joint Swedish and Norwegian interests. The water course to be harnessed is a border river known as Linnvasselven in Norway and Brannalven in Sweden. The water would be conducted through a 5-kilometre (3-mile) tunnel from Lake Limmingen in Norway to a power station which would be located under Lake Kvarnbergsvattnet in the Swedish province of Jamtland. Construction is planned to start as soon as the necessary permits have been obtained from the authorities in the two countries.

The U.K.'s trade gap widened by £27 million to £59.9 million in September 1958 as compared with the previous month, as a result of decline in exports and a rise in imports. Imports accounted for £311.2 million, as against £304 million. Total exports at £251.3 million are almost £20 million less than in August. For the nine months ended September 1958, total U.K. exports have been 3½ per cent. lower than in the same period in 1957. The fall in exports has been more than offset by the 10 per cent. reduction in imports. As a result, the trade gap this year has declined to a monthly average of £33 million as against £56.5 million during the same months of 1957.

The Scandinavian Airlines System (S.A.S.) and Swissair have concluded an agreement on extensive collaboration in the field of jet airliner operation. The agreement seeks to enable them to meet the ever keener competition in international passenger air transport. By 1960, the two companies will operate altogether 31 jet airliners, ten Douglas DC 8s, five Convair 880s and 16 Caravelles. Under the agreement Swissair is to lease two Convairs to S.A.S. for a period of four years, while S.A.S. will lease four Caravelles to Swissair for the same period. The two companies are to form a joint organisation for the maintenance of the aircraft. The three types of aircraft are to have identical equipment in order to facilitate a flexible adjustment to different operational demands and to make possible a temporary exchange of aircraft between the two companies.

Soviet-occupied East Germany will soon be deprived of any privately-owned business and hence of competitive incentive, if the hitherto observed trend of nationalisation is to continue. While the so-called "State-owned" industries accounted for 76.5 per cent. of total gross industrial production in 1950, their share has risen to 89 per cent. during first half of 1958, leaving but a tiny slice of 11 per cent. to private entrepreneurial initiative. The still largest sector of private property is found in agriculture (67.1 per cent. of all arable land in 1957 against 94.3 per cent. in 1950). In retailing, only 28.9 per cent. of sales were handled by private shops last year (1950: 52.7 per cent.). In building and construction, the "private" percentage of total production was cut to 19.7 per cent. against 45.3 per cent. in 1950.

Under an Incentive Award Programme initiated in 1954, employees of the U.S. Government have won $16,000,000 in cash bonuses for suggestions on improving procedures and operations in federal agencies. The U.S. Civil Service Commission, which supervises the programme, estimates the total number of suggestions made by the workers since the plan was introduced at well over a million. Of this number, some 200,000 ideas were found useful and resulted in savings to the Government of $312,000,000. The largest award given to date by a civilian agency was $12,000. It was shared by three employees of the Interior Department, who invented an inexpensive system of vertical louvres to be placed across rivers to guide fish into the safety of a bypass. The system saves millions of spawning or newly hatched fish from certain death in pumping stations or irrigation projects.



I.C.I.C.I

THERE has been a welcome change in the organisational set-up of the Industrial Credit and Investment Corporation of India Ltd., an institution meant for promoting industrial projects in the private sector by underwriting capital issues of both new and existing undertakings, as well as by giving long-term loans. It will be recalled that this unique institutional credit organisation was brought into being through the co-operative efforts of the World Bank, institutional investors in the U.S., the U.K., and India, and the Governments of India and the U.S. A part of the counterpart funds belonging to the U.S. Government has been lent to the Corporation with the consent of the Government of India, thereby strengthening the rupee resources of the Corporation. The World Bank has lent $10 million and this has enabled the Corporation to give loans in foreign exchange also.

The Board of Directors consists of prominent Indian business men—all of them belonging to the group of elders—and a few foreigners representing British and American investors. The Chairman of the Corporation is Dr. Ramaswami Mudaliar. Until about six months ago, the administrative responsibility was in the hands of Mr. P. S. Beale, an official of the Bank of England, who consented to serve the Corporation for a period of three years as its General Manager. A little over a year ago, Mr. H. T. Parekh, an expert in investment, a keen student of economics and author of two books pertaining to capital markets in India, joined the Corporation as its Deputy General Manager.

Mr. Beale's term expired in April last and he went back to Britain. Following his departure, the reorganisation of the Corporation's administration has been receiving the serious attention of the Board. The problem has been solved with the help of Mr. George D. Woods, Chairman of the First Boston Corporation, and Mr. Eugene R. Black, President of the World Bank, both of whom are the real godfathers of the Corporation, and were in this country in connection with the Fund-Bank meetings. The search for a foreign banker to take over the General Managership has been given up. Mr. G. L. Mehta, India's Ambassador to the U.S. till recently, a former Chairman of the Tariff Commission and a member of the Planning Commission when the First Plan was drawn up, has agreed to join the Board and will be the Chairman with full executive powers. In fact, Mr. Mehta has already commenced working for the Corporation, in addition to being the Chairman of the Hindustan Shipbuilding Yard at Visakhapatnam. Dr. Ramaswami Mudaliar has graciously agreed to step aside from the chair but is willing to assist the Corporation as a Director. Mr. H. T. Parekh has been appointed the General Manager of the Corporation. The administration of the Corporation is thus completely in the hands of Indians now.

The choice of Mr. G. L. Mehta for the post of chief executive of the Corporation is a happy one for more than one reason. The most important is the fact that Mr. Mehta enjoys the confidence of the Government of India and the business community in this country, on the one hand, and of the American and British investors, on the other. His popularity with American business men, in particular, is phenomenal. Almost all bankers, the management of the Export-Import Bank, top executives in the U.S. Administration and prominent leaders of the U.S. Congress are all known to him. As India's Ambassador to the U.S. for over five years, he has played an important part in securing several loans from the World Bank, including the one which the Corporation obtained in 1955. He is thus known to the Bank intimately and in fact held in great esteem. He is well known to bankers and business men in Britain too. Sir Roger Makins, Permanent Secretary to the British Treasury, was his fellow Ambassador for Britain in the U.S. All these contacts together with his intimate grasp of Indian economic conditions and business practices, will help Mr. Mehta to render highly useful service to the country in his new capacity. One of the functions of the Corporation is to act as a catalytic agent for attracting foreign private capital. The Corporation has so far played only a negligible role in this respect. Given a more positive investment climate, Mr. Mehta can, thanks to his wide contacts and knowledge of men and matters, enable the Corporation to play this role effectively. In fine, the Corporation, now in its fourth year, has been fortunate in securing the services of Mr. Mehta, for it has reached a stage when it has to raise more foreign and rupee resources in order to expand its activities. There is every reason to feel confident that Mr. Mehta will be able to raise several crores of rupees for the Corporation, as he has the enviable distinction of possessing the goodwill of the Government of India, the U.S. Government and the World Bank.

INCIDENCE OF TAX

It is always stimulating to study a country's taxation system against the broad pattern of its national income. For one thing, it will reveal where the tax shoe pinches most. Secondly, it may point to the scope for, and the appropriate mode of, relief. A gratifying feature of the study of India's taxation, presented in the brochure entitled *Impact of Taxation on Industrial Economy*, published by the Society for the Propagation of Democratic Thought, is the attempt made to examine, in the context of India's national income, the impact of taxes on the industrial sector. The main conclusion of this interesting study is that India's manufacturing sector is made to bear a disproportionate share of the tax burden. That this is not altogether an overdrawn thesis, prompted by a sense of imaginary grievance, is clear from the recent trends in Indian economy—the increasing difficulty, experienced by industrial units in undertaking self-financing and the measures of fiscal relief, albeit halting and not always generous, which the Government has been compelled to adopt in respect of several industries.

Briefly, the view that the taxes weigh heavily on the industrial sector is based upon the analysis that this sector, which accounts for 20 per cent. of the national income, contributes some 62 per cent. of the total revenue of the Central and State Governments. It is argued that the total revenue of the Central and State Governments amounted to Rs. 1,352 crores in 1958-59, of which the contribution of the industrial sector was Rs. 837 crores. Explaining these figures, the author of the brochure observes:

"Out of the total tax revenue of Rs. 730 crores of the Government of India for 1958-59, the share of the industrial sector has been estimated at Rs. 677 crores. The composition of Rs. 677 crores is the full amount of direct taxes, namely, income-tax, corporation tax, wealth tax, expenditure tax, gift tax and estate duty amounting to Rs. 238 crores; more than 90 per cent. of indirect taxes, namely, export duties, import duties and excise duties amounting to Rs. 438 crores; and only 8 per cent. of other taxes and duties amounting to Rs. 1 crore. The industrial sector's share of Rs. 160 crores out of the total State tax revenue of Rs. 322 crores for 1958-59 is constituted as: 80 per cent. of indirect taxes, such as State excise, general sales tax and sales tax on motor spirit, entertainment tax, motor vehicles tax, etc., amounting to Rs. 147 crores; and only 10 per cent. of other taxes and duties amounting to Rs. 13 crores. The total contribution of the industrial sector, therefore, to the tax revenue of the Central and State Governments came to Rs. 837 crores."

A point made by the brochure is that the tax element forms a high proportion of the cost for manufactured products. It is estimated that between 40 and 70 per cent. of the ex-factory cost of many commodities is accounted for by the tax element. In the case of cloth, it varies from 42 per cent. to 60 per cent. It is 68 per cent. in sugar, 67 per cent. in cement, 36 to 45 per cent. in tea, 51 to 54 per cent. in steel and 37 to 64 per cent. in paper. During the last three years, the increase in wholesale prices has been of the order of 17 per cent. whereas the tax revenue of the Central and State Governments has moved up by 40 per cent. This suggests that "prices have been kept low despite such high increase in the incidence of taxation and whatever rise in prices there has been it reflects to no small extent the impact of higher taxation.

We commend the method of study adopted by the author. Perhaps, a fuller and more detailed probe into the tax yields in relation to national income and the profits of the industrial sector is indicated in the interests of evolving a structure of taxes which will be rewarding to the Government without in any way disturbing the springs of enterprise which alone can generate incomes and thereby make their taxation possible.

ECONOMIC PROJECTS FUND

To those countries which had spearheaded the proposal for a Special United Nations Fund for Economic Development (S.U.N.F.E.D.), which has not materialised, it is a matter for some consolation that at least the element of the S.U.N.F.E.D. has been incorporated in the proposed Special Economic Projects Fund. A resolution calling for the establishment of the Fund was unanimously passed by the U.N. General Assembly on the 14th inst. It was evolved by the U.N. Economic Committee after 13 days of deliberation and represented a compromise between a 17-power Indian resolution and a 20-nation Pakistani draft. The compromise resolution was tabled by Mr. T. Hagiwara of Japan, Chairman of the Committee, and adopted unanimously after the Indian and Pakistani resolutions were withdrawn and the Committee had rejected several amendments thereto.

The resolution sets out how the Fund should be used and administered and incorporates a suggestion made in the Committee by India and sixteen other Asian nations for the introduction of the element of S.U.N.F.E.D. into the Special Projects Fund, so that the Fund itself could be converted into a capital development fund after the General Assembly has reviewed its scope and activities and adequate resources have been assured. Thus, the Indian concept of multilateral and international economic aid through the agency of the U.N. in the field of capital development without any partisan political and economic influence has been reintroduced. In fact, many countries which supported the resolution did so in the hope that the Special Projects Fund was only a transitional stage and that it might ultimately evolve into a universal fund for economic development of underdeveloped countries, that is, a *de facto* S.U.N.F.E.D.

The Fund is to be used to assist underdeveloped countries on their economic and social developments and differs from the U.N. programme of technical assistance in that it limits itself to selected and relatively large projects which may accelerate the economic development of a country. The United States has pledged $38 million for the expanded U.N. programme of technical assistance and the Fund. It is not known how much of this would be applied to the Fund itself. The U.S. contribution is, of course, subject to the limitation that it does not exceed 40 per cent. of the total amount contributed by all other countries. It may be noted that, for the calendar year 1958, the U.S. pledged $15.5 million to the expanded technical assistance programme subject to the limitation that the U.S. share would not exceed 45 per cent. of the total contribution. India has pledged to the Fund $525,000 in rupees, Pakistan $274,998 in rupees, Afghanistan $18,500 in Afghanis, Iran $50,000 in rials, and Israel $50,000 in Israeli pounds.

It is true that the broad objective of the Fund, namely, to meet the capital needs of newly developing countries which cannot be fully provided by the expanded programme of technical assistance, is certainly laudable. But one wonders whether the need for a separate agency like the Fund was so urgent as was sought to be made out by the sponsors of the proposal. No one will deny that, considering the world shortage of capital funds in relation to the need the little that is available, should be dispensed through institutions fully competent for the task. And there is no dearth of international institutions functioning in the field which have already proved their worth. Could not such institutions have served equally well, if not better, the purpose for which the Fund has been proposed? The most pressing need is not for more and more agencies dispensing aid but for more funds.

HOUSING IN EUROPE

A post-war record in the number of dwellings completed was achieved in Europe as a whole in 1957. This conclusion is reached by the U.N. Economic Commission for Europe (E.C.E.) in its report entitled *European Housing Trends and Policies* in 1957. Since there has now been a tendency in many West European countries to reduce new housing activity, it is

expected that there will be some decline in new construction in the current year and the next. In East European countries, however, there has been a sharp increase in housing activity and further increase in construction is under way. So far as these countries are concerned, it must be remembered that the level of housing activity has been extremely low since the war, so that the impetus, now being given to it, reflects probably the need to make good the slow start in earlier years.

Despite the improvement in housing situation, there is a general shortage of houses in a number of both Eastern and Western European countries and also shortages in particular regions or for certain population groups. It would, however, appear that private building activity has increased in relative importance, thanks to the changes in the Government's financial policy, to liberalisation of building licensing policies and to improved supply of building materials. The supply of these materials, according to the report, was sufficient for current levels of building activity in nearly all West European countries. Nevertheless, some specific shortages persisted in a few Eastern and South European countries. Generally speaking, building prices, costs and wages rose in nearly all European countries.

Fearing the impact on housing of the tight money market and higher interest rates, which continued unabated throughout 1957, the Governments of most West European countries temporarily provided capital and guaranteed loans in order to encourage social housing. In particular, Eastern European countries announced large housing programmes within the framework of revised long-term economic plans. In West European countries, on the other hand, there is a shift in housing policies, designed to encourage construction programmes more in favour of particular population groups, such as large families or low-income groups and those who have plans for modernising their old dwellings.

BRITISH BALANCE OF PAYMENTS

The fear that the U.S. recession and the fall in the earnings of primary producing countries would hit hard the resilience of the British economy has been proved false by the strident recovery it has made in the balance of payments position during the first six months of the current year. Britain's surplus stood at £334 million for the six months ended 30th June 1958, more than for any full year since the war, as against £118 million for the corresponding period of 1957. The lower import prices alone are said to have accounted for a surplus on visible trade of the order of £137 million, representing a record for this century. The fall in tramp shipping freight rates and the gradual recovery of oil earnings after the Suez crisis together yielded some net benefit. Besides, the decline in exports, anticipated as a result of the lower buying power of the primary producing countries, was not fully felt in the half-year.

The U.K. has gained not a little from the distinctly favourable terms of trade. The sharp drop in the commodity prices can be gauged from the fact that its imports during the period under review cost £191 million less than much the same volume had cost in the corresponding period last year, whereas export earnings dropped by only £29 million. The balance of invisible trade, excluding Government transactions, also moved up, as a result of higher net shipping earnings and net overseas earnings of oil companies. The Government transactions, on the contrary, registered a decline, mainly because of lower receipts from U.S. defence aid and offshore purchases.

It should be noted in this context that about three-quarters of the improvement in the current balance was with the rest of the sterling area, most of the change being in visible trade. The current balance with the dollar area also provided a sharp gain. Nevertheless, there was deterioration in the balance of trade with the O.E.E.C. countries. On long-term capital account, the net outflow in the half-year of £114 million may be regarded as a more normal level after several periods affected by special factors, such as the drawing on the U.S. Export-Import Bank loan and the postponement of capital repayments on the North American loans in July-December last year, and the free-market security transactions in the preceding half-years. The other sterling area countries raised £24 million on the London market during the period under review. Net investment by the U.K. in the rest of the sterling area in the six months was £127 million. There was a net flow of capital into the U.K. from the non-sterling world.

The total sterling balances held by the overseas countries at £3.902 million has remained more or less the same during the period. Of this amount, sterling area countries accounted for £2.624 million. The other financing items were favourable to the reserves and, together with the balance of current and long-term capital transactions of £220 million, led to a rise of £287 million in the gold and dollar reserves. The current balance of the rest of the sterling area with the non-sterling world was a deficit of £193 million. A sum of £131 million was earned from sales of gold in the U.K. and capital receipts from the non-sterling world were £184 million, yielding an overall surplus for the rest of the sterling area with the non-sterling world of £119 million.

A striking factor behind the improvement in the balance of payments of the U.K. is the increasing confidence in sterling. This has been amply demonstrated by the closing of "the Kuwait Gap" and the drop in acceptance credits in the U.K. Further proof is provided by such developments as the rebuilding of London balances by foreigners, the drop in sales of sterling throughout European markets and the reduction in speculative purchases of dollar commodities for sterling. There is no reason, however, to believe that the second half of the year will be as favourable to the U.K. as the first half. The provisional figures for July, August and September suggest that the addition to Britain's reserves will be at a slower pace.

The Prime Minister of Ceylon, Mr. Bandaranaike, has decided against nationalisation of foreign-owned tea and rubber estates. Conveying this decision to the Planters' Association, the Lands Minister said that, although nationalisation of estates was an election pledge, the Government felt it was foolish to take over developed lands when there were hundreds of thousands of undeveloped Crown land which could be exploited for economic betterment of the country.

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BASIS OF GERMAN ASSISTANCE

CAPITAL CAN BE HAD CHIEFLY FROM PRIVATE INVESTORS

From Our Special Correspondent

NEW DELHI 21*st October*

DELHI LETTER

DR. Ludwig Erhard, Vice-Chancellor and Minister of Economics of the Federal Republic of Germany, has just concluded his goodwill mission to India and is now on a similar mission to the other developing countries of East Asia. Here, in the Capital, he has created a massive impression of increasing Indo-German co-operation. This co-operation will be the result of a well-conceived and far-sighted policy of effective German assistance for developing (hitherto called 'underdeveloped') countries. Besides the German support to multilateral co-operation within the large international organisations in carrying out its obligations to developing countries, there is, in this policy, the positive element of bilateral arrangements, the objective of which is that the countries concerned will obtain quickly and directly the benefits of the achievements of German research and engineering.

In particular, this bilateral technical assistance programme contemplates co-operation on the basis of partnership between West Germany and a developing country. But development funds, under this programme, are made available only if the Government of the developing country concerned has itself decided which works and installations it wishes to establish and has expressly desired German assistance therefore. As a rule, under such an arrangement, the developing country will carry out that part which can be produced locally and involves no foreign currency, while the Federal Republic takes over that part for which the developing country would otherwise have to employ foreign exchange. No outright grants are involved here; only, the financial assistance rendered by Germany as a partner will cease after some years and the materials and equipment supplied will then become, without reservation, the property of the recipient country.

Two Projects

Two distinctive types of projects have been developed so far under this bilateral assistance programme. One is the establishment of "technical and economic training centres" in developing countries. These centres facilitate the training of local experts in their own country and in much greater numbers than would be possible by accepting students or trainees for instruction in West Germany. Such establishments so far planned include a technical college, industrial training centres, trade schools and other technical schools. The other type of project is the creation of "model establishments" in the developing countries. These establishments demonstrate good practice in their particular fields simultaneously with theoretical training. They include prototype workshops in the industrial sector and model agricultural communities. The latter, in particular, are intended to improve agricultural methods and general productivity on a co-operative basis. Besides these two types of projects, there are also plans for sending German instructors and experts to the developing countries and for training scholarship students in West Germany.

Financial Aid

The Federal Republic, it is authoritatively stated, realises that an effective contribution to development cannot be limited entirely to the aforementioned technical assistance. It should also include financial aid to ensure the necessary rate of investment. Both types of assistance are closely related to each other, since no technical contribution can be effective without sufficient capital being available for investment. This interrelationship, it is further stated, is clearly recognised in West Germany. But a necessary condition for the export of capital from Germany, it is emphasised, consists in the developing countries themselves providing the required basis for confidence in the stability and continuity of their economic development; it also implies that they make possible a more intense private investment within their boundaries by protecting such investments against seizure and by safeguarding transfer of profits.

Such export of capital from Germany can only be from the private sector of that country, for it has been a basic tenet of the Bonn Government's policy to leave decisions relating to capital investment to the free initiative of the individual. Although the Government is in a position to influence the flow of goods and currency by various political and economic measures, in the last analysis the critical decisions depend on commercial and, therefore, private considerations. The principal source of such efforts as export guarantees, medium and long-term credits and foreign investments by private firms has been the initiative of German private enterprise. In this connection, there is some frank criticism in Germany of the trend of an ever larger proportion of the credits placed at the disposal of developing countries being granted by foreign Governments, instead of being invested by private enterprise. Such credits lose thereby their commercial nature and begin to assume the character of subsidies.

Basic Principles

Here, therefore, is a background to the German policy in the matter of export of capital to developing countries. Some basic principles governing such foreign investment have also been spelt out as follows:—Imported capital should stand in reasonable proportion to the actual wealth of the receiving country, and should serve purposes of consumption only so far as is absolutely necessary to maintain the population's standard of living. It must be sufficiently large to guarantee the normal development of the whole complex of related branches of the given business enterprise. The investments made at any given time should correspond to the current condition of the receiving country in regard to roads, developed energy, etc. The investments should be of profit to the available sources of production factors and other aids, and should be limited to production set-ups for whose goods a long-term market seems assured. The amount of credit borrowed must depend also on the amortisation of existing projects.

If both sides agree to be governed by these considerations, it is stated, a "climate" can develop in which it will be easier for private enterprise in Germany to increase its foreign investments. The possible adoption, by a developing country like India, of measures aimed at reducing the risks of foreign investors by means of transfer guarantees, as well as protection against confiscation and sequestration, would do much to dispel the caution of many German exporters of capital. This way probably lies a greater measure of Indo-German economic co-operation.

TEXTILE EXHIBITION

A textile exhibition, called "The World of Fabrics," sponsored by 'Sanforized,' will be held in Bombay from 7th to 17th November. The purpose of the exhibition is to bring into focus the excellence of Indian mill-made cotton textiles. The exhibition will comprise two sections, stall display of fabrics and a daily fashion parade. It will show the developments achieved by Indian manufacturers in the field of cotton textiles. Twenty-four mills licensed to use the registered trade mark 'Sanforized' will display a vast variety of material in specially designed kiosks. Each kiosk will differ in appearance and atmosphere from its neighbour. The exhibits will cover a wide range of fabrics from simple poplins and useful wash and wear cottons to sophisticated prints.

The uses to which the cottons can be put will be demonstrated every evening at a fashion parade, called "Mirror of Fashion." This feature of the exhibition is directed to appeal to a cross-section of people—to men, women, and children, who wear either Indian or Western clothes. Designs for the parade were created by the international section of *Vogue*, New York, and executed by a local *couturiere*. Mannequins drawn from all communities will model day wear, evening wear, sports clothes, suits, coats, cocktail dresses, pyjamas and housecoats. The "World of Fabrics," it is said, will be unique in more than one respect. No sale of textiles will be transacted at the exhibition grounds. Its twofold purpose is to display the best of Indian manufactured cotton textiles and to translate their potential uses into eye-catching reality.

POINT OF VIEW

From Our Own Correspondent

LONDON, 17*th October*

LONDON LETTER

WHICH is more significant? The biggest ever recorded surplus on the balance of payments or the highest level of unemployment for seven years?

The news of both broke on the same day and while a part of the British Press found cause for rejoicing in the favourable balance, another part was more distressed with the figure of half a million unemployed. But the two things are different sides of the same medal and therein lies the danger. World recession and falling prices of primary products mean unemployment, on the one hand, and low import costs, on the other. It is as a result of the low import costs that the visible trade balance for the first half of this year showed an improvement of £162 million, but, unless the earned surplus is ploughed back by way of investments into the primary producing countries, the purchasing power of the latter is bound to fall sharply over the months ahead and that would obviously cause a collapse in the level of British exports. The favourable balance is, therefore, not soundly founded.

For the first half of this year, the visible trade surplus was £137 million and, in addition, there was a surplus on invisible account of nearly £200 million. The total favourable balance for the six months was thus £334 million. Against this, there was a net outflow of long-term capital of £114 million, which is more or less a normal level, and this leaves a net gain on trade account to the reserves of £220 million. Together with other items which moved favourably, the gold and dollar reserves rose by £287 million in the half-year.

For the whole year ended in June 1958, the picture is equally attractive. There was an overall surplus on visible trade of £106 million—an almost unheard of occurrence. In addition, the invisible trade balance was not less than £382 million. The total surplus was, therefore, £488 million, the highest figure to be achieved since balance of payments estimates have been officially prepared. Again, one must stress that the principal factor in the improvement is the fall in the payments for imports which were £191 million less in the first half of 1958 than a year earlier, mainly as a result of lower prices. This trend continues and imports on a c.i.f. basis in the third quarter of this year are £316 million against their level a year ago of £332 million *per month*. On the other hand, British exports at £261 million monthly average in the third quarter of this year were only £4 million less than a year ago. The visible trade balance was, therefore, £14 million per month better in the third quarter of this year than last.

About three-quarters of the improvement in the balance for the first half of 1958 was with the sterling area. There was also a sharp improvement in the current balance with the dollar area, and, again, it is noteworthy that exports to North America are being maintained in the third quarter of this year at the level of a year ago. It is only with the European countries that the British balance of trade has deteriorated.

In all this lies the explanation of the optimistic attitude which Mr. Macmillan and the Chancellor of the Exchequer, Mr. Amory, are taking towards the possibility of early convertibility. Incidentally, the total of sterling balances held by the sterling area in London fell by £76 million in the first half of this year. This was counter-balanced by an almost equal rise in the holdings of non-sterling countries. The latter are, of course, hot money, but the rise of nearly £300 million in the gold and dollar reserves should be able to cover a great deal of hot money, provided convertibility is not extended beyond the balances of overseas holders. It is indeed not likely to apply to the balances of British residents.—*All Rights Reserved.*

The Directors of Lloyds Bank Ltd. have announced a one-for-two scrip bonus and an enhanced dividend for the year 1958. The scrip issue is to be made by the capitalisation of £9,282,535 from the reserves. It is proposed to restore the reserve fund to its existing level at the end of the year. The final dividend of 5¾ per cent. now recommended is on the increased capital, bringing the total distribution for the year on the enlarged capital to 10 per cent., as against a corresponding distribution of 8¾ per cent. on the same capital for 1957.

This announcement is not an invitation to subscribe for shares but is issued for the purpose of giving information concerning the Company. The formal Prospectus dated 15th October, 1958, has been DELIVERED FOR REGISTRATION TO THE REGISTRAR OF COMPANIES, MADRAS, AS REQUIRED BY SECTION 60 OF THE COMPANIES ACT, 1956.

Subscription List will open on 27th October 1958, *and close at any time at the descretion of the Directors.*

Copies of the Prospectus and application forms can be had from the Official Brokers, or the Registered Office of the Company or the Bankers of the Company.

SOUTH INDIA VISCOSE LIMITED

(INCORPORATED UNDER THE COMPANIES ACT 1956)

COIMBATORE

AUTHORISED CAPITAL

6,00,000 Equity Shares of Rs. 100 each	Rs.	6,00,00,000
4,00,000 Cumulative Preference Shares of Rs. 100 each	,,	4,00,00,000
	Rs.	10,00,00,000

PRESENT ISSUE

3,50,000 Equity Shares of Rs. 100 each .. .. Rs. 3,50,00,000

Out of the present issue of Equity Share Capital of Rs. 3,50,00,000, the Textile Industry of South India, which is keenly interested in sponsoring this Undertaking, is subscribing for Equity Shares of the nominal value of about Rs. 1,00,00,000, i.e., about one lakh Equity Shares of Rs. 100 each.

The signatories to the Memorandum of Association and the Directors and their friends are subscribing for Equity Shares of the nominal value of Rs. 25,00,000, i.e., twenty-five thousand Equity Shares of Rs. 100 each.

Further, under the agreement with Italviscosa Eastern Trading S.P.A. of Milano (Italy), they have agreed to subscribe for Equity Shares of the nominal value of Rs. 85,50,000 and therefore, 85,500 Equity Shares of Rs. 100 each are reserved for allotment to them and/or to their friends, at par, after shipment of the machinery. Therefore, the balance of only 1,39,500 Equity Shares of Rs. 100 each, i.e., of the nominal value of Rs. 1,39,50,000 is now offered to the public at par in terms of this Prospectus, and Memorandum and Articles of Association of the Company, complete copy of which is open for inspection at the Registered Office of the Company at "Kamala Nilayam," Peelamedu, Coimbatore.

Payable as follows :

(1) On application Rs. 20 per share. On allotment Rs. 20 per share, payable within 30 days from the date of allotment.

(2) Balance of Rs. 60 per share will be payable in such calls as may be determined by the Directors. No call shall exceed Rs. 20 per share.

Note : Application for shares must be for a minimum of five shares and/or for multiples of five shares.

DIRECTORS

(1) **Sri Q. K. DEVARAJULU,** 2/239, Avanashi Road, Coimbatore. *Managing Agent :* The Lakshmi Mills Co., Ltd., and The Coimbatore Cotton Mills Ltd. *Director :* (1) The Rajalakshmi Mills Ltd., (2) Sivananda Mills Ltd., (3) The Premier Mills (CBE) Ltd., (4) Kothari Textiles Ltd., (5) The Travancore Bank Ltd., etc.

(2) **Sri R. K. KANDASWAMY,** B.A., B.Sc. (Tech.), A.M.C.T. (Manch.), 'Brindavan,' Trichy Road, Coimbatore. *Managing Agent :* The Vasanta Mills Ltd. *Director :* Cambodia Mills Ltd., etc.

(3) **Sri R. VENKATASWAMY NAIDU,** B.Sc. (Madras), B.Sc. (Tech.) (Manch.), 984, Peelamedu, Peelamedu P.O., Coimbatore. *Managing Agent :* (1) Radhakrishna Mills Ltd., (2) Coimbatore Murugan Mills Ltd. *Chairman :* (1) The Madras Industrial Investment Corporation Ltd. *Director :* (1) Tirumurti Mills Ltd., (2) East India Distilleries and Sugar Factories Ltd., etc.

(4) **Sri D. G. KOTHARI,** M.A., Business "Kothari House," 15, Sterling Road, Madras-34. *Director :* (1) Adoni Spinning and Weaving Co., Ltd., (2) Kothari Textiles Ltd., (3) Madras Industrial Investment Corporation Ltd., etc.

(5) **Mr. I. H. CAMERON,** Merchant, Race Course, Madurai. *Managing Director :* (1) A. & F. Harvey. *Director :* (1) The Madura Mills Co., Ltd., etc.

(6) **Sri K. SUNDARAM,** Landlord, Rasagundalu, Circuit House Road, Coimbatore. *Managing Agent :* (1) The Lakshmi Mills Co., Ltd., (2) Coimbatore Cotton Mills Ltd. *Director :* (1) The Radhakrishna Mills Ltd., (2) Vijayeswari Textiles Ltd., (3) Rajalakshmi Mills Ltd., etc.

(7) **Sri P. R. RAMAKRISHNAN,** Business, "Jothi," Race Course Road, Coimbatore. *Additional Managing Director:* (1) Jayalakshmi Mills Private Ltd. *Managing Director:* (1) Ramakrishna Industrials Private Ltd. *Director :* Radha Krishna Mills Ltd., etc.

(8) **Sri V. RAMASWAMI NAIDU,** Landlord, 131, Uppilipalayam, Singanallur. *Managing Agent :* (1) The Kadri Mills (CBE) Ltd.

(9) **Sri V. N. RAMACHANDRAN,** Businessman, D. No. 5, A.T.T. Colony, Coimbatore. *Managing Agent :* (1) The Premier Mills (CBE) Ltd.

(10) **Sri R. DORAISWAMI NAIDU,** Businessman, 1/10, Naranapuram, Coimbatore. *Managing Agent:* (1) Sri Ramakrishna Mills (CBE) Ltd.

(11) **Sri R. KRISHNASWAMY,** Businessman, Trichy Road, Singanallur P.O. *Managing Agent :* (1) Rajalakshmi Mills Ltd.

(12) **Sri S. R. P. PONNUSWAMY CHETTIAR,** Cloth Merchant, "Ram Prakash," Periasastri Road, S. Puram, Coimbatore. *Managing Agent :* (1) The Sivananda Mills Ltd.

(13) **Sri M. N. M. VEERABHADRAPPA CHETTIAR,** Bungalow Road, Near Avanashi Road, Tirupur. *Managing Agent :* (1) The Dhanalakshmi Mills Ltd.

BANKERS

(1) **THE CENTRAL BANK OF INDIA LTD., Coimbatore.**
(2) **THE BANK OF INDIA LTD., Coimbatore.**
(3) **THE BANK OF BARODA LTD., Coimbatore.**

LEGAL ADVISERS

Messrs. SUBBARAYA AIYAR, SETHURAMAN AND PADMANABHAN, Advocates, Pelatope, Mylapore, Madras-4.

AUDITORS

Messrs. M. S. KRISHNASWAMY AND JAGANNATHAN, Chartered Accountants, R. S. Puram, Coimbatore.

OFFICIAL BROKERS

Messrs. DALAL & CO., Stock, Share and Yarn Brokers, "National Insurance Building," Esplanade, Post Box No. 149, Madras-1.

REGISTERED OFFICE

"KAMALA NILAYAM,"

41, Avanashi Road, Peelamedu, Coimbatore.

The consent in writing of the above-named Bankers, Legal Advisers, Auditors and Brokers, to act in their respective capacities has been obtained and none of them has withdrawn the consent given.

OBJECTS

The Company was incorporated on 22nd August, 1957, generally for the purposes set forth in the Memorandum of Association, a copy of which is attached to this Prospectus, and in particular to undertake the manufacture of staple fibre, viscose rayon yarns and auxiliary chemical products and towards this end have entered into an agreement with Italviscosa Eastern Trading, via Borgonuovo, 14 Milano (draft of which, for purposes of identification has been signed by Dr. C. Rossi, representing the Italviscosa Eastern Trading, and Sri R. Venkataswami Naidu, for the South India Viscose Ltd., and is open for inspection at the Registered Office of the Company) for the supply of machinery on deferred payment terms, technical collaboration, etc. The terms and conditions of the agreement are set forth in detail elsewhere in this Prospectus.

MACHINERY SUPPLY AND TECHNICAL ASSISTANCE

The main processing Machinery which Italviscosa Eastern Trading S.P.A. have agreed to sell to the Company will be of the manufacture of the world-famous manufacturers of rayon and staple fibre plants, namely, SNIA VISCOSA, S.p.A. of Milan, Italy. Plants and machineries manufactured by them have been installed in factories all over the world. They have vast experience and technical knowledge and information in respect of the production of rayon yarn and staple fibre and their technical skill is indisputable and recognised by experts all over the world. They are themselves producers of rayon yarn and world including this country. As such, they have great knowledge and experience about market conditions in this country. They would accordingly be manufacturing the latest type of machinery and plant, suitable to the conditions of this country. Italviscosa Eastern Trading S.P.A. have also agreed with the Company to arrange for technical training of Indian personnel nominated by the Company, in the factories of the said Snia Viscosa in Italy. The Indian personnel of the Company will thus derive great benefit of the experience and technical skill afforded to them in the course of their training in Italy, in the works of Snia Viscosa S.p.A.

IMPORT LICENCE

The Company has secured Licence No. 002067/HQ/Non-Govt./C.G./CCICG dated 6-5-1958 from the Government of India for the import of machinery from Italy for the approximate c.i.f. value of Rs. 4,90,00,000 on deferred payment basis, for repayment starting from 1st April, 1961, and ending in November, 1964, with the interest payable for the deferred payment period arrived at Rs. 96,00,000, to total a sum of Rs. 5,76,00,000, and to be defrayed as under:

Rs. 85,50,000 to be subscribed by foreign suppliers as share capital for participation in the scheme.

Rs. 4,90,50,000 to be paid in a period of five years.

FINANCIAL REQUIREMENTS

The total cost of the proposed plant having a capacity for the manufacture of 10 tons a day of STAPLE FIBRE, 10 tons a day of RAYON FILAMENT YARN of average 120 deniers (with the possibility of manufacturing finer deniers also depending on the demand), 35 tons a day of Sulphuric Acid and 7.5 tons a day of Carbon Disulphide (all per day of 24 hours) has been estimated, including the working capital as follows:

		Rs.
1.	Payable to M/s. Italviscosa Eastern Trading, Milano, Rs. 4,50,00,000 towards f.o.b. value of plant and machinery, (on deferred payment basis) plus freight and insurance of Rs. 30,00,000 plus Interest of Rs. 96,00,000 on this deferred payment, i.e. a total of	5,76,00,000
2.	Customs Duty, etc.	30,00,000
3.	Cost of Land and Buildings	50,00,000
4.	Cost of equipment to be fabricated in India	75,00,000
5.	Cost of Erection and implementation Expenses	25,00,000
6.	Preliminary Expenses	2,00,000
7.	Brokerage and other share issue expenses	2,00,000
8.	Working Capital	80,50,000
	Total	8,40,50,000

SOURCES OF FUNDS

The above-mentioned cost of the project is proposed to be met as under:

		Rs.	Rs.
1.	Total amount due to be paid under the deferred payment arrangement inclusive of interest	5,76,00,000	
	Less—Share Capital participation by the Italian Firm and/or their friends	85,50,000	4,90,50,000
2.	By the issue of Equity Share Capital under this Prospectus (out of which Rs. 85,50,000 nominal value of shares is reserved for allotment, to M/s. Italviscosa Eastern Trading, Milano, and/or their friends)		3,50,00,000
	Total		8,40,50,000

PROSPECTS

Under an arrangement for the distribution of staple fibre, the selling price has been fixed at cost (including depreciation and selling charges) plus 12½ per cent. profit, or the market price, whichever is less, vide pages 13 and 14 of this Prospectus, under the heading "contracts." In the case of viscose rayon yarn, the entire output is to be sold on the market at about the prevailing prices. Therefore in arriving at the profit figures below, the Directors have reckoned at a profit of 12½ per cent. over the cost of production of staple fibre, while in the case of viscose rayon yarn, they have taken the cost at Rs. 2 10 per lb. and the selling price at Rs. 4, which is the ex-factory price of the other indigenous producers in India. The figures given below are on the assumption that the factory has been in full working at the capacity proposed right through a full year from 1960, and given normal trading conditions. Therefore, in the opinion of the Directors, based on broad estimates, the Company should be able to earn reasonable profits even from the first year of commercial production, sufficient not only to provide for repayment of instalments due under the deferred payment arrangements, but also pay a dividend to the shareholders.

	Rs.	Rs.
Sale Proceeds of 80,00,000 lbs. viscose RAYON YARN (average: Rs. 4.00 per lb. of 120 den. 1st quality, bright on cone)	3,20,00,000	
Less manufacturing cost of 80,00,000 lbs. of viscose RAYON YARN (average: Rs. 2 10 per lb. of 120 den. 1st quality, bright, on cones—(including depreciation and selling charges)	1,68,00,000	1,52,00,000
Sale Proceeds of 80,00,000 lbs. viscose STAPLE FIBRE (average: Rs. 1 40 per lb. of 1½ den. 1½" bright, bleached).	1,12,00,000	
Less manufacturing cost of 80,00,000 lbs. of viscose **staple fibre** (average: Rs. 1.25 per lb. of 1½ den. 1½" bright, bleached—(including depreciation and selling charges)	1,00,00,000	12,00,000
PROFIT		1,64,00,000

It will be seen from the profit estimates given above, that the profit estimated (subject to taxation) is a shade under 47 per cent. of the Equity Capital. New Industrial undertakings have the benefit of a five-year wealth tax exemption. The Company will also enjoy the special benefits available to new projects under the Income-tax Act as regards Development Rebate, Depreciation Allowances, etc. Therefore, all things going on as per schedule and programme, and provided the factory is in full working to its capacity for a full year, and given normal trading conditions, the Directors anticipate that the Company will be able to pay a dividend of 10 per cent. per annum to the Equity Shareholders.

MINIMUM SUBSCRIPTION

The programme for the import of machinery has been so arranged that the first set to arrive will be for the manufacture of Staple Fibre. The machinery for the manufacture of Rayon Yarns will be received after this. The import of all the machinery needed is spread over a period of eighteen months and is to be financed on a deferred payment basis. Hence, as aforesaid, the immediate capital needed to meet the cost of land and buildings, Customs duty, erection and fabrication in India (all at the initial stages), and the initial requirement of working capital, preliminary expenses, and brokerage and other share issue expenses all are estimated at Rs. 1,00,00,000, as under :—

		Rs.
1.	Cost of Land and Buildings immediately needed	25,00,000
2.	Customs Duty, etc., etc.	30,00,000
3.	Cost of Equipment to be fabricated (in the first stage) in India, and erection and implementation expenses	30,00,000
4.	Preliminary Expenses	2,00,000
5.	Brokerage and other Share Issue expenses	2,00,000
6.	Working Capital	11,00,000
	TOTAL	1,00,00,000

PRELIMINARY EXPENSES

The promoters of the Company, Sri R. Venkataswami Naidu and Sri G. K. Devarajulu, have been expending the amounts needed in the formation of the Company. Although the exact amount cannot be specified today, as there are other expenses to be incurred before the Company obtains the Certificate of Commencement of Business, the preliminary expenses are placed at about Rs. 2,00,000 and this will be paid to the promoters, who had incurred the expenditure, from and out of the share capital that is now being raised.

BROKERAGE

The promoters of the Company, Sri R. Venkataswami Naidu and Sri G. K. Devarajulu, have been assured by those connected with the Mill Industry of South India, particularly in and around Coimbatore, that subscriptions will be forthcoming to this issue from the Mill Industry of South India or their nominees to the nominal value of about Rs. 1,00,00,000, i.e., about 1 lakh Equity Shares. The signatories to the Memorandum and the Directors and their friends are subscribing for a nominal value of Rs. 25,00,000, i.e., 25,000 Equity Shares. **No Commission or Brokerage is payable to the promoters, Sri R. Venkataswami Naidu and Sri G. K. Devarajulu, in respect of their agreeing to get subscription for Equity Shares of the nominal value of about Rs. 1,25,00,000 mentioned above. No Commission or Brokerage is payable in respect of the 85,500 Equity Shares reserved for allotment, after the machinery is received, to Messrs. Italviscosa Eastern Trading and/or their friends.**

BROKERAGE will be paid at the rate of 1¼ per cent. to the OFFICIAL BROKERS, while the brokerage payable to the other recognised Brokers and/or Bankers, will be 1 per cent. on the nominal value of shares allotted on applications, bearing their rubber stamps.

DOCUMENTS

The following documents can be inspected at the Registered Office of the Company during the office hours from 10 a.m. to 5 p.m. on any working day.

(1) Memorandum and Articles of Association of the Company.

(2) Consent letter of the Central Government to this issue.

(3) Licence No. L/10(0488/57 given to this Company for the erection of L/19(7)15 a Factory with a capacity of 10 tons of Rayon Yarn and 10 tons of Staple Fibre a day.

(4) Licence No. 002067/HQ/NON-GOVT. C.G./CCICG dated 6th May 1958 obtained by the Company for the import of the capital goods.

(5) Draft of the agreement between this Company and Messrs. Italviscosa Eastern Trading, Milan, for purposes of identification duly signed by Dr. C. Rossi for the Italviscosa Eastern Trading, and Sri R. Venkataswami Naidu, for the South India Viscose Ltd.

(6) Draft of the agreement between the Company and the 19 (Nineteen Mills), *vide* pages 13 and 14 of this Prospectus, for the supply of staple fibre.

(7) Draft agreement to be entered with EFI Banca, Italy, for the deferred payments for the purchase consideration of the machinery.

GOOD RECOVERY IN BRITISH ECONOMY

DANGER OF INFLATION IF RISE IN WAGES OUTSTRIPS PRODUCTIVITY

NEVER do we come across in India a single occasion on which the three important personalities closely associated with the economy of the country, namely, the Finance Minister, the Governor of the Reserve Bank of India and a Stock Exchange President meet and speak from a common platform on subjects of topical importance, while this is an annual feature in Britain, and the occasion is provided by the banquet given by the Lord Mayor of London to bankers and merchants of the City of London at the Mansion House. This year's Mansion House banquet held last week was notable in two respects. First, this is the first time that Mr. Heathcoat Amory, in his capacity as Chancellor of the Exchequer, was a guest of honour. Secondly, unlike in the previous year, when the bankers and merchants met under less happy circumstances—it was only three weeks earlier that the British Bank rate had been stepped up to the crisis level of 7 per cent.—this year's banquet was held in a healthier climate, the intervening twelve months having proved, in many respects to be a period of marked progress for Britain.

As usual, the Chancellor of the Exchequer, the Governor of the Bank of England (Mr. C. F. Cobbold) and the Chairman of the London Stock Exchange (Sir John Braithwaite) were the main speakers. Those who had expected Mr. Amory, who for the first time addressed this gathering, to announce any notable relaxation of the restrictive policies introduced by his predecessor a year ago, would have been disappointed with his speech, the main burden of which was the note of warning on the effect of wage increases without a corresponding expansion in productivity. In fact, the Chancellor of the Exchequer made no secret of his anxiety over the increase in wages which, on an average over the past twelve months, was in excess of productivity. The Chancellor's views on this danger were fully endorsed by the Governor of the Bank of England.

Confidence in Sterling Restored

Reviewing the progress made by Britain during the past twelve months, the Chancellor pointed out that there had been a "very marked restoration of confidence in sterling," and expressed his satisfaction over the continuous rise in the sterling area's gold and dollar reserves, despite the seasonal pressure during autumn, although a third of this rise had been due to special borrowings. If Britain could continue to conduct its affairs with restraint and a full regard for sterling, the Chancellor hoped to be able to look back to 1957 and 1958 as a "decisive turning point" in the country's economic affairs. Another favourable indication of Britain's economic strength is the record balance of payments position achieved during the first half of this year—a surplus of £334 million, more in six months than in any twelve-month period since the war. These favourable developments owed much to the fall in import prices and the stability in the volume of U.K. imports. The Chancellor, however, hastened to warn that these conditions could not be expected to last. "Indeed, our exports are already falling; we shall have to work very hard to do anything like as well in the year to come, and we shall need a sustained and vigorous export effort."

Alongside these encouraging developments in the British economy there has been a further rise in wages, a fall in production and an increase in unemployment. Referring to the wage rise, without a corresponding expansion in output, Mr. Amory warned that, if a similar increase were to be repeated during the coming year, the result could not fail to involve an appeciable element of cost inflation. Britain could not afford to have inflation at present, when it was most important that its industry should continue to be competitive in world markets. "If, through increased costs, we price our exports out of the markets of the world," the Chancellor pointed out, "our balance of payments and the strength of sterling would once again be put in jeopardy."

Answering the criticism that the Government had deliberately created unemployment and a stagnant economy, the Chancellor declared that Government had always wanted to keep employment at as high a level as possible without endangering the foundations on which employment itself rests. He emphasised the importance of a stable currency and added that, since the war, very few, if any, countries had attained it. It would be extraordinary if Britain could do so without some sacrifices. One of the sacrifices undoubtedly was the small increase in unemployment of a little over 2 per cent. But this figure, in the face of a world-wide recession, the Chancellor claimed, was "a far lower figure than practically in any industrial country today and one which before the war would have been thought of as impossible of achievement.

Mr. Amory denied that British economy had become stagnant. In this connection, he pointed out that both investment and consumer expenditure had reached record levels and personal savings were also at a new high—in the last six months alone the investment in national savings had risen by over £100 million. The external position too had been steadily strengthened. Thus, he observed:

"Our objective has always been clear, as rapid a rate of growth as is sustainable, without a return to inflation. Economic growth comes mainly from growth of real capital; and our rate of investment is still at record levels, far above what was achieved before the war or at any time since. In 1938, investment took 13 per cent. of the gross national product; in 1957, it took 18 per cent. of a far larger total. A high proportion of this investment is in productive machinery and equipment—a higher proportion than in the United States. Moreover, the proportion of investment needed for mere replacement has gone down. The rate of real expansion—of net investment—has doubled since 1948. This is not stagnation. Consumption has continued to rise and in the first half of 1958 it has been about higher than a year ago."

Recent Steps

In these circumstances, the temptation for the Government to provide a greater stimulus to the economy cannot be considered as unnatural, but it must be said to the credit of the British Government that it did not allow this temptation to overcome caution, lest the fruits of the labour should be allowed to perish. No doubt, it took several steps to promote investment in the private sector, namely, the relaxation of the credit squeeze and the increase of 50 per cent. in the initial depreciation allowances to industries. These measures, along with the initiative of banks in encouraging "personal loans" and the reduction, and in some cases abolition, of initial deposits on hire purchase, the Chancellor was confident, would contribute to orderly expansion, with particular emphasis on investment in the private sector. "Of one thing I am completely confident," Mr. Amory averred, "the long-term prospects for British industry are now firmly based and new opportunities are opening out."

While this confidence did not induce the Chancellor of the Exchequer to announce any change in Government policy, he revealed a departure the Government felt it right to make. "In our latest review of public sector investment," he declared, "we have been able to permit a resumption, after a year's pause, of the increase in the total." The total investment in this sector during 1959-60 is likely to be quite appreciably higher than this year or last.

Mr. Cobbold was in favour of a more restrained policy, for he said that the monetary authorities must always be ready to moderate a saving in the economy in either direction, which, unless checked early enough, would always lead to trouble later. Over the long-term, the next decade or so, the Governor of the Bank of England was convinced that, in their task of helping to create conditions for sound and steady development, monetary authorities would be more often required to restrain than to force the pace. "With a new industrial revolution in full swing, with developing markets in Asia and Africa, with ever-increasing social programmes and with a prospect of continuing high defence expenditure," the Governor added, "the forces of longer-term expansion seem well assured."

Short-term Outlook

The short-term picture, according to Mr. Cobbold, is somewhat different. Describing this, he said:

"Happily the recession in North America seems to have turned more quickly than many anticipated. Nor has there been much sign of reduced consumption spending in Britain. But we may still have to feel more strongly the effects of the world-wide change in the last year or so from a seller's to a buyer's market. We may not yet have felt the full effects of lower commodity prices on some of our best customers' spending power. And the process of digesting recent capital development, coupled with the present less rapid extension of markets, has been having its effect on investment plans. I myself doubt whether some of the boom talk one has heard recently in the City is well founded. Whatever else may be uncertain, it is surely a fair guess that profits will be harder to come by than they were in the post-war period."

Thus caught between the horns of a dilemma, namely, the short-term and long-term aims, Britain, the Bank of England Governor desired, must "try to prevent the economy, only recently recovered from long years of overstrain, from running down fast or far, but in meeting this threat, we must not build in new hostages to inflation in later years." Emphasising the need for keeping a watch on costs, Mr. Cobbold added:

"We must try to encourage investment: but it should be in ways which will have early effect on efficiency rather than in ways which will involve snowballing commitments for expenditure in future years. We must try to maintain a high level of demand and of employment: but we must not allow costs to run ahead of production. Only if we come through the slacker period with our industry efficient and our prices competitive shall we be able to take our full share as world trade rises again."

No Large Increase in Credit

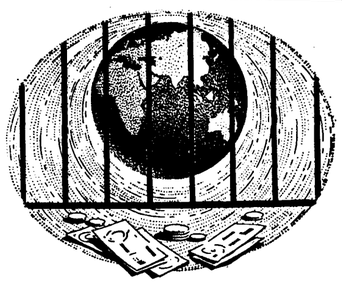
Referring to the relaxation of credit restriction in July last and the new developments in British banking, the Governor said that, consequent on the relaxation of credit squeeze, there had been "no violent upsurge in bank lending," but the first returns showed a significant increase for general purposes, an increase which, the Governor expected, might well go further. He welcomed the new link between the banking system and the hire-purchase industry, as one in the public interest, and said:

"I am sure that the banks have been wise to participate indirectly through specialist companies rather than attempt direct management of two quite different types of lending. Hire-purchase has come to stay as a permanent and important part of our financial machine. It would not have suited anybody for hire-purchase to have remained indefinitely outside the circle of the more traditional credit machinery.

"I do not, however, see this link-up with the banks as a solution of all the problems of the hire-purchase industry. It has grown very quickly, in large and small units. A more comprehensive organisation is needed within the industry, both to maintain safeguards for customer and depositor and also to provide the necessary statistical information. I hope that the contacts already existing between the Bank of England and the industry may be developed to our mutual benefit.

"It also seems to me in the public interest that the banks should now have resumed their normal individuality and competition in the services which they provide to their customers and in the way in which they choose to run their business. If each of the banks in its own way can encourage the banking habit in wider sections of the community they will be helping to strengthen the economy."

(Continued on page 702)



The World's Cashier

Providing a complete banking service in south and east Asia is only part of our business. A bank whose scope was limited to one such area could not have the wide knowledge of financial conditions possessed by our world-wide network of branches. With offices in Europe and the United States, the biggest bank established by the Far East for the Far East can indeed claim to be the World's Cashier.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

HEAD OFFICE: HONG KONG

BRANCHES IN INDIA
BOMBAY CALCUTTA

Offices in Europe and the United States and throughout the Far East

THE LABEL 'SANFORIZED' REGD TD MK

is stamped on the selvedge of every yard of cotton cloth which meets the rigorous anti-shrinkage standards set by the owners of the trade mark: Cluett, Peabody & Co. Inc., New York.

Now, almost every variety of cotton fabrics, drills, tussores, coatings, shirtings, gaberdines, suitings, including poplins, dyed and printed are labelled 'SANFORIZED'. When you buy cloth marked 'SANFORIZED', the fabric will not shrink out of fit.

The following mills are the licensees, and they manufacture different types of cotton cloth which is stamped with the label 'SANFORIZED'

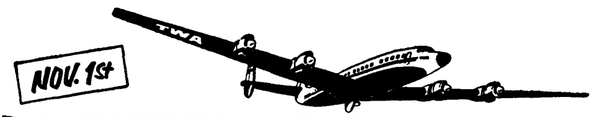
REGISTERED TRADE MARK
of CLUETT, PEABODY & CO. INC.

The Ahmedabad Cotton Mfg. Co. Ltd.
The Ahmedabad Jupiter Spg. Wvg. & Mfg. Co. Ltd.
Shri Ambica Mills Ltd.
Arvind Mills Ltd.
Aruna Mills Ltd.
Aryodaya Ginning & Mfg. Co. Ltd.
Bangalore Woollen Cotton & Silk Mills Co. Ltd.
Bombay Dyeing & Mfg. Co. Ltd.
Buckingham & Carnatic Co. Ltd.
Calico Mills Ltd.
Commercial Ahmedabad Mills Co. Ltd.
Elgin Mills Co. Ltd.
Gaekwar Mills Ltd.
Kohinoor Mills Co. Ltd.
Manekial Harilal Spg. & Mfg. Co. Ltd.
New Commercial Mills Co. Ltd.
New Shorrock Spg. & Mfg. Co. Ltd.
Rohit Mills Ltd.
Rustom Jehangir Vakil Mills Co. Ltd.
Sarangpur Cotton Mfg. Co. Ltd.
Standard Mills Co. Ltd.
Vijaya Mills Co. Ltd.
Vikram Mills Ltd.

Issued by Cluett, Peabody & Co. Inc., (Incorporated in the U.S.A. with limited liability) proprietors of the Registered Trade Mark 'Sanforized'. The use of the trade mark 'Sanforized' is permitted only on fabrics that meet this Company's rigid anti-shrinkage requirements.

FOR INFORMATION: 'SANFORIZED' SERVICE, 93, MARINE DRIVE, BOMBAY-2

SAN. 58. 10 EVEREST



JETSTREAM*

to and from India
on TWA's world-wide routes.

Fly the finest... Fly TWA
TRANS WORLD AIRLINES

* Jetstream is a service mark owned exclusively by TWA.

TWA/G/140

ISI QUALITY

★ ELECTRIC MOTORS: First manufacturer in India to receive ISI mark for quality

★ CABLES: A.C.S.R. & A.A.C. of ISI quality

Also, all Types and Capacities of Transformers, H.T & L.T Switch Gears, Control Gears and Machine Tools, Welding Transformers and Electric Tools

MANUFACTURERS

HINDUSTAN ELECTRIC CO. LTD.
20, GRAHAM ROAD,
BALLARD ESTATE,
BOMBAY 1.

CEILING ON CLOTH IMPORTS INTO U.K.

MOVE CONTRARY TO UNDERSTANDING REACHED AT MONTREAL

AS a result of negotiations which lasted for a fortnight between representatives of the British cotton industry and the Hong Kong textile interests, the latter have agreed in principle to the voluntary limitation of exports of all type of cotton goods to Britain. This is certainly not a surprise, because, as we had pointed out in one of our earlier issues (*vide* page 45 of *Commerce* dated 12th July 1958), since India and Pakistar. had yielded ground and had voluntarily agreed some time ago to limit their exports of textiles to Britain, provided a similar agreement was reached with Hong Kong, it was clear. that this little colony, politically subservient to Britain, could not, by itself, hold out for long. The fact that Lancashire's understanding with India and Pakistan was made valid and operative only when a similar agreement was reached with Hong Kong gave fresh impetus for Lancashire to press its demand. And, indeed, Lord Rochdale, leader of the Lancashire Cotton Board delegation to Hong Kong, pressed it hard. As Mr. John Clague, chairman of the negotiating committee representing the Hong Kong textile interests observed, the British delegation "drove a very hard bargain" and Lord Rochdale took "full advantage" of Hong Kong's goodwill towards Britain.

The negotiating body representing the Hong Kong textile interests submitted firm proposals for a three-year agreement providing for quotas on grey cloth, made-up goods and garments. The details of the proposal, especially the operative clauses and quota figures, have not yet been published. But a statement officially issued by the Hong Kong cotton interests soon after the conclusion of the talks said that the quotas represented a substantial sacrifice by Hong Kong and that they would stand irrespective of whether or not Britain also made limiting arrangements with India and Pakistan. The Hong Kong committee had unanimously agreed that, with a few minor exceptions, cloth and made up articles to be shipped against the ceiling shall be spun, woven or, where applicable, finished in the colony. Yarn-dyed cotton cloth towels and towelling would be excluded, but, if India and Pakistan felt that a quota was essential, Hong Kong would be prepared to negotiate a supplementary agreement covering these items.

Proposed Quotas

Although lacking official confirmation, reports indicate that Hong Kong's textile industry has laid down 97.6 million square yards as the minimum annual quota to which it would agree as the limit on its exports to Britain. This figure is in respect of grey cloth only while exports of finished textiles and ready-made garments will be in addition to this basic minimum of 97.6 million square yards. At the time of writing (21st October, 1958) these proposals are under consideration by the Cotton Board and its final decisions are awaited.

Addressing a conference of the U.K. Cotton Board arranged to discuss Lancashire's problems arising from the import of "cheap cotton goods" from India, Pakistan and Hong Kong, Mr. Harold Macmillan, the U.K. Prime Minister, hoped that the British industry's agreement with India and Pakistan on cotton imports would be rounded off by a satisfactory arrangement with Hong Kong. Certainly, he would indeed be very glad if the agreement materialised, because his Government had played a significant role to bring about the agreement between India and Pakistan and that now proposed with Hong Kong. Mr. Macmillan said that he was certainly aware of the problems of the industrially backward countries. For some of these countries, he admitted, the production and export of manufactured goods was vital to their development. The problem was how to reconcile, on the one hand, the fact that the desperate needs of the poorer countries in the Commonwealth could only be met if they could expand their exports with the risk that increased exports by them would threaten to disrupt long-established industries in the richer countries. Proceeding, Mr. Macmillan said that this was not merely an economic question but a political question of the first importance.

A right and fair solution to the aforesaid problem must, in our view, take into account as much the economic aspect as the political aspect. Persuading the underdeveloped countries to agree to voluntary limitation of their exports, which they do reluctantly, lest they should lose some of the more tangible benefits of their association with Britain in the Commonwealth, certainly does not take into consideration the economic aspect. It is surprising that the Lancashire textile interests should still persist in pressing their demand which runs counter to the spirit of the thesis accepted by the Commonwealth Economic Conference at Montreal. At this Conference, the Indian Finance Minister had urged that the industrially advanced countries should not impose restrictions on imports of manufactured goods from the less developed countries which were trying to industrialise themselves. The question posed was how could the poor countries pay for their imports of capital goods, if restrictions were placed on the exports of such items of manufacture as textiles on the ground that they adversely affected the domestic industries in the advanced countries, which, owing to a variety of factors, have lost the advantages they once possessed. This point of view was readily appreciated and supported by the Conference and even by the British delegation. Did the British spokesmen at the Conference really mean what they said or was it the expression of a pious sentiment knowing full well that it was going to be more honoured in the breach than in the observance? By supporting the attempts that have been made by Lancashire interests to secure for themselves virtually a closed market even after the Commonwealth Conference at Montreal, Mr. Macmillan has exposed himself to the charge of running with the hare and hunting with the hounds. As the leader of the British Government, it is surely his responsibility to win the support of British people for the decisions reached at the Commonwealth Conferences. Instead of doing so, he seems to be tacitly supporting and sustaining the pressures and moves that run counter to the spirit of such decisions.

Limitation of Exports

Limitation of exports, voluntary though it might be, is a step which the underdeveloped countries can ill afford at this juncture. As a result of unfavourable balance of trade and adverse terms of trade, consequent on the fall in prices of primary products, the primary producing countries are hard put to match their mounting volume of imports with their traditional export items. Industrially advanced countries like Britain, which depend on imported raw materials, have been the chief beneficiaries of the fall in prices of primary products. For instance, one of the main factors which contributed to the striking improvement in Britain's balance of payments in the first half of 1958—its surplus was as much as £334 million, a post-war record—was the fall in import prices. To insist, on top of this gain which has been at the expense of underdeveloped countries, that they should make a further sacrifice of even the little advantages they possess in certain items of export, is sheer selfishness.

No one denies that Lancashire too has its problems. But it must learn to adjust itself to the changed circumstances. After having held the field for more than a century, it must now persuade itself to recognise that there are other countries which can do better in the field of cotton textiles. It would not be too difficult for a country like Britain, having a very diversified export trade and a dynamic and flexible industrial structure, and where there is a high degree of mobility of capital and labour, to specialise in other fields which are still beyond the competence of underdeveloped countries to enter.

Reaction of British Press

It is gratifying to note that some of the leading British newspapers have displayed a better understanding of the real nature of the problem. Commenting on Mr. Macmillan's speech to the Cotton Board, the London *Times* said that "the British cotton industry must reconcile itself to the fact that it can look forward only to such an amount of special protection as will enable it to carry through some readjustment in an orderly manner, not to any policy of preserving the home market as its monopoly or preserving the industry at its present size as an end in itself."

Reminding Lancashire that it too had certain responsibilities, the *Times* added: "That the countries of the Commonwealth should be able to develop their trade with the West and especially with the mother country is a primary political and economic necessity and many of them cannot develop their trade and prosperity without exporting some kinds of manufactured goods." The *Manchester Guardian* declared that "the best that can be done is to smooth the path of an industry faced with the need for radical change. This is a bitter pill for Lancashire to swallow, but the more farsighted leaders of the industry are already thinking ahead to the use that may be made of breathing space. The future," according to the paper, "is likely to see a greater share of output in the hands of larger companies with more vertical integration. No one can say with assurance that it is possible to retain a large cotton textile industry in this country. But, if it is to be done, it can only be by exploiting our technical superiority to offer better quality, design and finish."

In a similar vein, the *News Chronicle*, another liberal daily, commented:

"Mr. Macmil'an made it quite plain that the interest we have in general trade expansion, especially in Western Europe and the Commonwealth, is far greater than the importance of any one British industry. The future of Lancashire depends on diversity in industry—not on clinging to cotton. Morally we have a duty to make it possib'e for the desperately poor peoples of Asia to raise their standards of living. Economically, Britain depends on international trade to live. Politically, it would be disastrous to return to restriction. If the arteries of trade between Britain and the Asian members of the Commonwealth were cut the whole conception of Commonwealth co-operation would collapse and communism would be the gainer."

NEW COTTON STRAINS

The work carried out at Surat under the auspices of the Indian Central Cotton Committee to evolve new cotton strains, is not only unique but is a'so, to some extent, different from that carried out at other cotton research centres, in that an attempt was made for the first time in India to hybridise the Asiatic varieties with the American types with a view to combining the hardiness of the former with the superior economic characters of the latter, by the use of the modern breeding technique. It is not possible, ordinarily, to cross the Asiatic varieties with the American species but, after a very strenuous effort, a few hybrid seeds were obtained and plants raised therefrom proved to be sterile. With a view to making these sterile plants fertile, resort was made to the application of an alkaloid known as colchicine. Subsequently, with the object of incorporating the economic characters and long staple, attempts were made to back-cross the hybrids with the acc'imatised American types available in the country. The progenies of the back-crosses have not yielded economic types and two of them which have gained immediate popularity are 170-Co. 2 and 134-Co. 2. M. Both the strains are now popularly known as Indo-American strains (Deviraj and Devitej) and mostly grown in Sabarkantha, Kaira, Panch Mahals, Baroda, Broach and Surat districts as a'so Deccan Canals area of Bombay State. 134-Co.2-M is particularly suited to the light soils of North Gujerat, while 170-Co.2 has been found suitable for black and deep *goradu* soils.

These two Indo-American strains have combined extra long staple of the American variety with the hardiness and adaptability of the Asiatic cottons. Further, they possess a high degree of resistance to pests and diseases compared to American types. Their superior qualities have earned for them a great popularity in the tract and their production has arisen from 40,000 bales in 1954-55 to about 120,000 bales in 1955-56. Notwithstanding the long-staple which these strains possess, it has been found that their spinning capacity is not very high, being adjudged suitable for spinning 36's highest standard counts under laboratory conditions. This has been attributed to the weakness of the fibre. As a result the strains have been utilised for spinning lower counts. There has, therefore, been some slight setback in their popularity particu'arly with the textile manufacturing industry. Attempts are, therefore, now being made at the Surat experiment station to isolate types with necessary fibre strength coupled with the required staple length.

COTTON SIZING

A process for controlling the tension of warp threads during the chemical processing of cotton has been developed by the British cot on industry's Research Association. It depends on the use of a new device which is said to provide for precise continuously adjustable control of the stretch or draft, applied during sizing to a warp as it passes between the squeezing rollers and the draw roller of the tape frame. The mechani m which was designed at the Shirley Institute, enables the draft to be pre-set or re-set during running to any desired value with an accuracy of plus or minus 0 1 per cent. Such accuracy of setting is not possible with the usual type of infinitely variable gear working alone. By combining this type of gear with a differential motion, as in the Shirley device, it is possible, it is claimed, to contract the speed change ratio of the system by any desired factor. The system is expected to enable the efficiency of the sizing of cotton to be considerably improved.

HONG KONG MILLOWNERS CAPITULATE

WORLD TRADE IN COTTON GOODS SHRINKS

From A Special Correspondent

MANCHESTER, 14*th October*

MANCHESTER LETTER

AFTER so many "alarms and excursions" about the Hong Kong talks, the comment which accompanied the report of their successful conclusion—"a miracle has been achieved"—was fully justified. To many people in Lancashire the apparent capitulation of the Colony's millowners at what seemed to be the eleventh hour of the discussions was somewhat inexplicable.

In some quarters, it has been contended that the Prime Minister's message had a bearing on the final phase of the negotiations. although the published text did not indicate any implied threat of Government action in the event of failure. The sudden switch from reported breakdown to a basis for agreement within 48 hours had an air of mystery about it.

Naturally, local textile traders are keenly interested in the details of the proposed pact, which has yet to be ratified. Some sections of the industry already take the view that any limitation of imports at, for example, the 1957 level is still too high to be of much value to Lancashire. On the other hand, the general opinion favours the imposition of some ceiling, in order to provide greater stability for the market at home and a basis on which producers can gauge their future machine activity.

Both Lord Rochdale and Mr. Macmillan can now face the industry's delegates at Harrogate this week-end with overwhelming confidence. Sniping there may be at individual aspects of the agreement, but, after so many years of campaigning for a degree of protection. the industry at large can hardly condemn either the Government or its negotiators for achieving at least a three-year standstill order, however the individual quotas are made up.

Without such an arrangement in prospect, the mood of the week-end conference would have been sternly critical. Many observers were forecasting an explosive undercurrent, only waiting to be brought into the open by an ill-judged comment.

Vital Talks

The three-man delegation of Lord Rochdale, Chairman of the Cotton Board, Sir Cuthbert Clegg, a Vice-President of the Cotton Spinners' and Manufacturers' Association, and Mr. James Broatch, Director General of the Cotton Board, reported on the negotiations at a full meeting of the Cotton Board in Manchester today (Tuesday).

Later details of the talks were being outlined to representatives of all sections of the industry who constitute a special Consultative Committee set up by the Cotton Board to consider the import problem.

A spokesman said it was unlikely facts and figures would be given at the end of the day about the quotas Hong Kong was prepared to accept and any of the conditions attached to them. It might well be, he said, that the industry's leaders would want to go back to their own organisations to discuss the proposals and contact might also be necessary with the Government.

From unofficial sources, a clearer picture of the situation is emerging; conflicting reports arriving from Hong Kong while the negotiations were in progress left Lancashire bewildered about just what was going on.

The situation seems to be that no agreement has been signed. The Lancashire delegation is believed to have returned with a provisiona. agreement which, of course, is subject to the industry approving the terms on which Hong Kong is prepared to do a bargain.

The industry is anxious to know by how much the delegation departed from its original position when it put forward fresh proposals to Hong Kong negotiators at a time when the talks appeared to be heading for breakdown. The underlying fear is that, although textile leaders in Hong Kong have indicated they have made a "sacrifice" to meet Lancashire's wishes, the "ceiling" figures on exports they are prepared to accept would make no material impact on the present problems of the United Kingdom cotton industry.

Some millowners fear Hong Kong may be willing only to limit shipments at about the current level. This would bring little comfort to Lancashire apart from, perhaps, providing a little more confidence from the knowledge that the volume of arrivals would not get any higher.

Export Survey

Confirming the opinions expressed by contributors in the *International Cotton Bulletin*, the latest statistical review published by the Cotton Board tabulates the decline in production and exports—an almost universal factor in cotton textile trading just at the moment. In the second quarter this year, there was a drop of about 6 per cent. in output in all major producing countries, as compared with the first three months of the year, whereas activity was about 9 per cent. lower than the corresponding quarter a year ago. France was the only important country where production showed any expansion on the 1957 level.

World trade in cotton fabrics declined by 16 per cent. in the second quarter, as compared with the same period last year. Hong Kong, significantly, was the only country to increase its shipments substantially over this period. Details of overseas trade attained by leading exporters of cotton, rayon and synthetic cloth during the first half of this year and last are shown in the table on this page.

Although Lancashire shipments showed a further decline during this period, other countries were equally affected by the general unwillingness of buyers to operate with any freedom. Japan's shipments were maintained as a result of very much improved business in the man-made fibre section, as cotton cloth exports were sharply reduced. At their current level, the quantity of Lancashire-made goods now being sent abroad is not very far in excess of those exported from France and Germany.

The Cotton Board's report has no fresh light to throw on the situation, most of the comments only accentuating the general gloom. Yarn output in August, allowing for working days lost through normal holidays, was 21 per cent. lower than in November 1957, while cloth production was 14 per cent. down.

As a sidelight on the talks between British and Far Eastern trade leaders on the future of imports, the Board refers to the concern expressed in American trade circles about the increasing threat of arrivals of made-up goods from Hong Kong. Several trade associations in the United States have urged the Washington Government to seek a voluntary limitation of exports on the same lines as the existing agreement with Japan.

The United States Government is to finance a five-year programme of fundamental research estimated to cost £76 000 at the Shirley Institute, Manchester, the headquarters of the British Cotton Industry Research Association. The work will centre on the weaving and finishing departments with the object of developing new or improved uses of American raw cotton.

The grants have been made available from funds at the disposal of the U.S. Department of Agriculture from the sale in this country of surplus agricultural products.

Financial backing expected to involve up to £100,000 is also to be given to the Association by the National Research Development Corporation for long-term research in the spinning department.—*All Rights Reserved.*

Trend of Exports: First Half of the Year (In million yards)

	1958			1957		
	Cotton	Rayon, etc.	Total	Cotton	Rayon, etc.	Total
U. K.	207.6	49.3	256.9	237.2	58.0	295.2
U. S.	220.9	72.0	292.9(*a*)	292.9	107.3	400.2
Japan	636.8	663.4	1,300.2	695.3	582.1	1,277.4
India	291.0	3.7	294.7	492.5	1.5	494.0
Holland	123.3	43.6	166.9	126.0	45.7	171.7
France	124.1	58.4	182.5(*a*)	169.8	70.8	240.6
Germany	56.0	48.0	104.0(*b*)	111.0	114.0	225.0
Italy	52.9	47.3	100.2(*a*)	50.4	62.2	112.6
Belgium	51.7	20.8	72.5(*b*)	121.0	40.0	161.0
Hong Kong	85.3	9.5	94.8(*a*)	95.6	17.3	112.9
Portugal	60.4	1.8	62.2	63.6	1.6	65.2

(*a*) Five months. (*b*) Three months.

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STOCKS OF GUNNIES DECLINE FURTHER

CONCERN OVER RAW JUTE PRICES

THE recent decision of the Committee of the Indian Jute Mills' Association to continue the minimum price agreement, entered into by its members towards the end of February this year, shows that, despite the sizable reduction in stocks of jute goods with mills in recent months, the industry is not yet out of the woods. Reviewing the recent trend of prices in the jute and gunny markets, the Committee found that there had been a persistent and unjustified depression of prices. In addition to maintaining the minimum prices, the Committee made a strong recommendation to the members of the I.J.M.A. to accelerate their purchases of raw jute to the extent of three months' consumption, as a step to arrest the unwarranted decline in prices. The Government of India, which is also said to be perturbed by the recent fall in prices, has expressed its approval of and full support for the decisions of the Committee of the I.J.M.A.

Since the announcement of the I.J.M.A. decision, there has been no improvement in the raw jute and jute goods markets, despite the more favourable statistical position as at the end of September and reports of larger burlap consumption in the U.S. during September. Prices continue to be depressed. This is attributed to heavy selling in the futures market, but this explanation only begs the question. There must be a cause for speculators preferring to sell rather than buy. What is it?

The stocks of jute goods with mills as at the close of last month show a further substantial fall, notwithstanding an expansion in output during the month. At 108,600 tons, the stocks are lower by 8,600 tons, as compared with those at the end of August. With this fall, the downward trend in stocks has been maintained for the third month in succession, having shrunk from the peak level of 134,000 tons at the close of June last. It will be recalled that the stocks with mills began to rise from November last onwards when they stood at a low of 71,000 tons and the upward trend was almost maintained till the end of June last, when the stocks stood at 134,000 tons, a rise of more than 50 per cent. in seven months. This increase has, no doubt, been partially wiped out by the reduction of 25 400 tons during the first quarter of the current year (1958-59), but they are still 31 600 tons more than those at the end of September last, as will be seen from the following comparative table:

(In tons)

	As on 30th September 1958	As on 31st August 1958	As on 31st July 1958	As on 30th September 1957
Hessian	17,000	19,000	19,900	30,300
Sacking	79,800	86,400	89,600	39,100
Others	11,800	11,800	12,400	7,600
Total ..	108,600	117,200	121,900	77,000

The decline in stocks during September was more precipitous than that noted in the previous month and was shared by both hessian and sacking. With the fall of 2,000 tons, hessian stocks have dwindled during the last three months by 14,000 tons and stand at the lowest level in recent years. At this level, the stocks represent only half a month's output. Sackings have dwindled by 6,600 tons on top of a decline of 3,200 tons in the previous month and the aggregate fall of 9,800 tons in two months has brought the sacking stocks equal to seven weeks' production.

As stated already, production of jute goods during the month of September went up by 2,100 tons, thus reversing the previous month's trend, when the output dwindled by 4 600 tons. The bulk of the increase in production, which is mainly to be accounted for by the increase in the number of hours worked at 197.5 to 209.0, has occurred in sacking, as the following comparative table shows:

(In tons)

	September 1958	August 1958	July 1958	September 1957
Hessian	35,900	35,400	35,300	33,700
Sacking	45,700	44,300	49,000	47,300
Others	5,700	5,500	5,500	5,000
Total ..	87,300	85,200	89,800	86,000

Though the increase in hessian output has been small, it has helped maintain the upward trend since June last and raise it to the highest level since April 1957. The rise of 1,400 tons in the output of sacking is in distinct contrast to the fall of 4,700 tons noted in the previous month.

The total production of jute goods for the first three months of the current year (1958-59) aggregates 262,300 tons, as compared with 253,800 tons in the corresponding period of 1957-58. Production in the first nine months of the current calendar year comes to 796,500 tons, which, as compared with that (761,700 tons) in the corresponding period of last year, represents a fall of 34,800 tons.

The decline in stocks with mills as at the end of September 1958, despite the higher production during the month, has been mainly due to the higher offtake of gunnies, as will be seen from the following figures of shipments (gross) based on bills of lading during the month:

(In tons)

		Bags	Cloth	Total
Hessian—				
September	1958	1,817.0	36,240.7	38,057.7
August	1958	6,300.8	29,163.1	35,413.9
September	1957	3,460.1	31,666.7	35,126.8
Sacking—				
September	1958	41,214.0	709.2	42,013.2
August	1958	31,358.1	292.3	31,615.4
September	1957	52,124.2	547.0	52,671.2

The break-down figures of despatches of gunnies from mills during the month under review also show an encouraging trend, as will be seen from the following table:

(In tons)

				(*For export*)		
				September 1958	August 1958	September 1957
Hessian	.. .. ..		..	30,234	34,862	36,685
Sacking	.. .. ..		..	44,977	39,328	47,602
Others	.. .. ..		..	3,404	3,444	1,960
		Total	..	80,615	66,634	86,147
				(*For internal consumption*)		
Hessian	.. .. ..		..	1,728	1,447	1,753
Sacking	.. .. ..		..	10,357	8,307	11,370
Others	.. .. ..		..	2,486	1,986	1,484
		Total	..	14,581	11,740	14,607
				(*Grand total*)		
Hessian	.. .. ..		..	37,962	36,309	38,438
Sacking	.. .. ..		..	52,344	47,635	58,972
Others	.. .. ..		..	4,890	5,430	3,444
		Total	..	95,196	89,374	100,764

With the increase in external as well as internal consumption during the month under review, the sharp fall noted in August has been made good to some extent. But the total despatches for export during the first three months of 1958-59 are lower, amounting to 246 200 tons, as against 254,400 tons in the corresponding period of 1957-58. There has, however, been a slight improvement in the deliveries for internal consumption from 37,200 tons to 40,400 tons.

Consumption of burlap in the U.S. during September is also reported to have gone up by 8.7 million yards to 75.7 million yards, in refreshing contrast to the slight decline of 1 million yards in the previous month. It is too early to draw any definite conclusion from this trend

(*Continued on page* 711)



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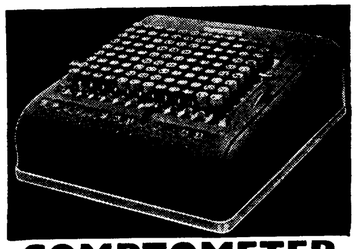

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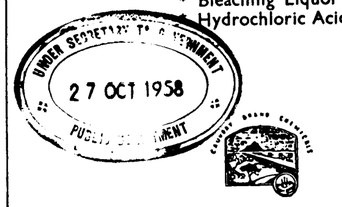

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INTERNATIONAL TEA AGREEMENT

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VERY little can be gathered from the brief *communique* issued by the representatives of the Ceylon and Indian tea industry at Colombo on the 10th October, to which a reference was made in our last issue. With such major producers as Indonesia, East Africa, Japan, China and Pakistan outside the Colombo conference, there was, however, need for restraint in any decision taken at Colombo. What representative producers in the two countries decided at Colombo was to agree in principle on the desirability of reviving the International Tea Agreement. Secondly, there seems to be an implicit understanding that an international agreement would not be practicable if it is to await the entry of every producing country into such an agreement. The Colombo conference had to face a number of questions not only likely to be asked by producers outside the two countries directly concerned but also producers within the two countries themselves.

The 1933 agreement was not the first but the third attempt at an international agreement for tea. But it was most successful and existed till March 1955. Tea has been one of the most important commodities in world commerce for more than a century and in India's trade with Britain it was by far the largest commodity of export. During the great economic depression of the early 'thirties, one of the commodities to be most severely hit was tea, and the International Tea Agreement of 1933 took its form from the world-wide recession in tea trade.

The world tea industry of 1933 was particularly well placed to reach quick agreement, because the leading world producers were controlled by two countries, namely, Britain and the Netherlands. The tea industry of India and Ceylon was controlled largely from London and the Indonesian tea industry was almost wholly owned and controlled from Amsterdam. An agreement between these two controlling interests could cover the world tea trade. The rest of the world tea trade comprised Japan and Chinese exports which formed an insignificant part of the total.

Change in Position

In 1958, the position is totally different. India, Ceylon, Indonesia and Pakistan, comprising the major producers, are independent to pursue their own policies even if the tea industry in all the four countries are owned and controlled by interests outside these countries. In fact, in all these producing countries, the Governments have come to take an intimate interest in the affairs of the tea industry and no agreement is possible without their co-operation and support. In other words, the place of decision has shifted from the West to the producing countries.

Many things have happened in the 25 years since the 1933 International Tea Agreement was signed. India has been divided and Pakistan now forms a separate country with its own rights for export quota. Indonesia suffered greatly during the war and produces only about 50 per cent. of what it did before the war. Ceylon's output has increased by 173 million lbs., a rise of 77 per cent. over what it produced in 1933. Ceylon's export has risen from 290 million lbs., in 1934 to 368 million lbs. in 1957, a rise of 70 per cent. or 149 million lbs. As for India, without Pakistan, the rise has been by 261 million lbs. in production and 89 million lbs. in export. Between these two countries, namely, India and Ceylon, there has been a total rise in production of 434 million lbs. Their combined exports have increased by 238 million lbs. In other words, these two countries between themselves have contributed to a world increase of over 50 per cent. since 1933 both in production and export.

The most startling increase in production and export has, therefore, taken place not in East Africa or any other part of the world but in India and Ceylon. The move for a world agreement should, of course, emanate from these countries, since both in terms of their industries, their respective national economies and the sizes of the trade they both control in the world impel them towards protective measures which would cover them both. It was, therefore, natural that India and Ceylon should have first got together and considered the possibility of an agreement relating to their most important item of export trade.

In the development of the tea industry in Ceylon and India, the principal characteristics were different. The tempo of expansion in production was also dissimilar. For instance, Ceylon's expansion of production was by 77 per cent. as against 63 per cent. of India. Ceylon's permitted export quota in 1933-34 was 228 million lbs., as against 368 million lbs. actually exported last year. Whereas Ceylon's exports increased by 70 per cent. during the 25-year period. India's export increased by only 26 per cent. Whereas in Ceylon, internal consumption rose from 6 to 30 million lbs., in India it increased from 66 to 238 million lbs. These vital changes posed dissimilar problems to the two countries. Although Ceylon's internal consumption rose by 24 million lbs., during the same period India's absorption increased by 172 million lbs. In other words, Ceylon's dependence on the growth of the internal market is considerably smaller than India's and, according to Ceylon, any evenly calculated rise in export quota between India and Ceylon for a new agreement would spell gigantic problems. Even if India fulfils her second Five-year Plan target of 700 million lbs. by 1961, she would have a home market capable of absorbing 250 million lbs., leaving the same 450 million lbs. for export, as in the past few years. For Ceylon a 400-million lbs. production by 1961 would leave her with an exportable surplus of at least 370 million lbs. So Ceylon's case is that she should allow an outlet for her increasing production. For India the question posed is whether an international agreement would be worthwhile, if each country is allowed to expand at will and then to demand a disproportionate increase in exports for the reason that their expansion has been greater than their neighbours. If, on the other hand, internal production is to be restricted, it would more severely hit India than other producers, because, in addition to maintaining its share in the world market, there is a lustily growing internal market of considerable expansive potential.

It was, therefore, natural that, while agreeing to the principle of a world agreement in tea, the *communique* issued by the representatives after their Colombo meeting could not expand into the details of an agreement.

East Africa

Another problem posed at Colombo was: What about other producing countries, particularly East Africa?

The development in East Africa has been drawing more attention in the rest of the tea world than the actual figures of production or export would seem to warrant. In 1934, East Africa had a total production of 10 million lbs. The territory exported 7 million lbs. in that year and retained 3 million lbs. for internal consumption. By 1957 the same territory was producing 73 million lbs. and it exported 66 million lbs. For internal consumption 7 million lbs. were retained. During the period, internal consumption advanced by 133 per cent. whereas production increased by 530 per cent. and export by 775 per cent. Expressed in percentages, the threat posed is alarming, but, taken as a percentage to world production and exports on the combined Indo-Ceylon production and export, the East African threat falls into more modest proportions. East Africa's total exports in 1957 formed only 8 per cent. and production 5 per cent. of the combined output of India and Ceylon in that year. It would, of course, be wrong to judge the East African threat merely by the present weight of output and export of this colony. To what extent could it expand? How soon would it be able to overtake the gigantic production levels of India and Ceylon?

It would be foolish to overlook the fact that East Africa is nearer to the Western markets where most of the tea is sold and, by geographical and political facts, East Africa enjoys certain advantages denied to both independent India and Ceylon. Another fact of considerable importance is that East Africa produces just the kind of common teas which is the hardest to move and forms the largest part of India's output. About 350 million lbs. of Indian common tea is pitted against 70 million lbs. of the same kind of tea from East Africa. The East African threat is, therefore, not evenly spread over to the total tea produced in India or Ceylon but against the limited quantity of common teas in India. The quantitative comparison, therefore, has to be related to the common teas in the two countries. Then, it is a more serious problem than a comparison of the total weight of production in the respective countries. It is calculated that, other things being equal, the freight rates, insurance and the cost of financing for a shorter duration in transit allows East African teas an advantage of 9d. to 1s. per lb. over Indian teas.

The abolition of the export duty in India would reduce the margin which works in favour of East Africa to about 3d. to 4d. a pound. Apart from the fiscal measures directly affecting tea and the natural advantage enjoyed by East African producers, there is the question that the simultaneous policy of maximisation of wages in India increases costs; the African producer has not to contend with such a problem.

India's Own Creation

The African producer is free to introduce innovations in mechanisation or the reorganisation of planting in such a way as would reduce the cost on manual labour. The Indian policy is diametrically opposed to such basic changes in employment. These and the general attitude to privately-owned enterprise, combined with indiscipline among labour, are forcing not only repatriation of capital invested in Indian tea gardens but directly contributing to the speed of development of the tea industry in East Africa. The East African competition is, therefore, something of India's own creation and it is not a mere inclusion of East Africa in a world agreement that would overcome the marginal advantage directly created for East African benefit by the various Indian and Ceylon policies. If the discussions on a world agreement bring these facts out to the full realisation of the Government of India, they would serve a salutary purpose. If these advantages were denied to East Africa, the quantitative weight of East African production and export would have very small influence on the exports of India and Ceylon.

Even if a world agreement cannot be contrived on the basis of export regulations or production in each country, there are several non-regulatory and beneficial activities possible within the framework of a world agreement. One is the organised collection of tea statistics and market intelligence and their periodical dissemination to the world community of tea producers. Another is economic research in tea. A third is the collection and dissemination of information on technological aspects of tea. A fourth is a world organisation for the promotion of tea consumption. A fifth is the study and representation on fiscal and restrictive practices affecting world tea trade and consumption. India is not in a particularly disadvantageous position even if its export quota is reduced in relation to Ceylon, for the reason that India has a much bigger potential of internal expansion than any other producing country. It is not beyond the ingenuity of Indian producers to arrive at a formula which would satisfy Ceylon's complaints on a comparative quota of 1933 being applied to 1958. The framework of a world tea agreement to which India can give shape should not be made infructuous merely for the reason that other producing countries have not joined this scheme at the initial stages.

COMMONWEALTH TEA TRADE

Consumption of tea per head in the United Kingdom in 1956 reached the highest level yet recorded—that of 10.1 lbs.—says a review of plantation crops just published in London by the Commonwealth Economic Committee. Of tea exports, the review notes that the record world figure for 1956 (1,140 million lbs.) largely reflected the increase in the Commonwealth, where consignments from India reached the new high level of about 524,000,000 lbs. The bulk of the recorded trade in tea continues to be carried on between Commonwealth countries. Supplies to the United Kingdom continue to represent one-half of world imports of tea—other Commonwealth countries and the United States together accounting for most of the remainder.

The report records some recovery in 1956 in imports of tea into Commonwealth countries as a whole (mainly as a result of the large shipments to the United Kingdom)—although the high figure of 1954 was not equalled. At the same time, consignments from Commonwealth producers reached a record level of 940,000,000 lbs.—shipments from India being particularly large—with the result that the export balance of the Commonwealth rose to one of the highest figures recorded. The report notes that, outside China, the bulk of the world's tea consumption is in the Commonwealth, the high level of use per head in the United Kingdom and the immense population of India making these two countries the greatest markets.

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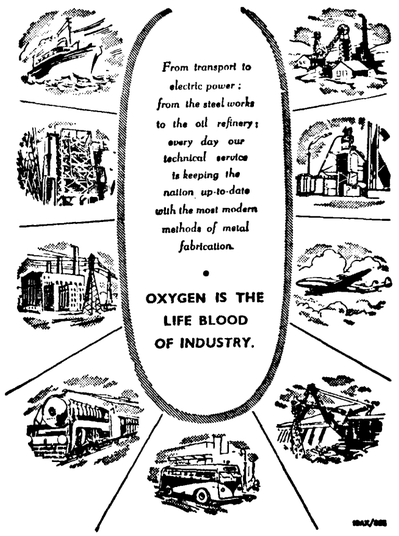

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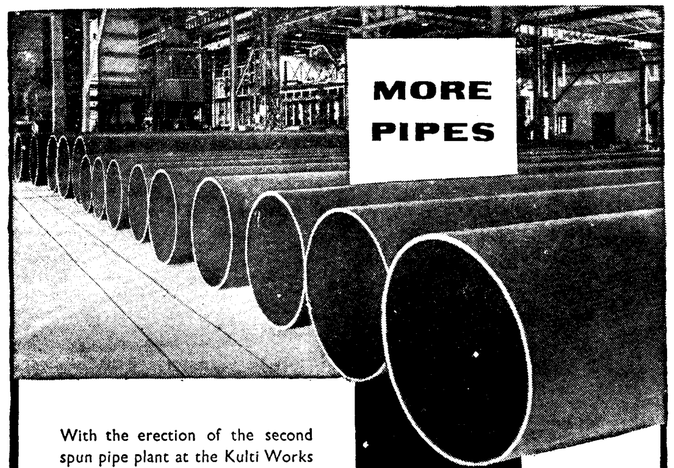

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ROLE OF PRIVATE ENTERPRISE IN ECONOMIC GROWTH

STATE MUST ENSURE HEALTHY COMPETITION AND NOT MONOPOLIES

By Neville N. Wadia

CHAIRMAN, BOMBAY DYEING AND MANUFACTURING CO., LTD.

THE object of economic growth in a democracy is to supply the material wants of a society, which already enjoys freedom of speech, association and religious worship. This is achieved by giving the maximum scope to the individual to develop his talents for the benefit of all concerned. In a totalitarian State, the primary object is political and military power, usually at the expense of the fundamental freedoms, the desires of the citizen being of secondary importance.

In a country wishing to develop rapidly, all must put their shoulders to the economic wheel. The totalitarian method would be to bind men and resources to its spoke and to sacrifice freedom ruthlessly and permanently to the pace of progress. Where freedom reigns, the rate of advance is subject to the limit, to which the people are prepared or can be persuaded to allow temporarily an encroachment on their liberty. In the early stages, when the effort required to turn the wheel is the greatest, the encroachment may be extensive but will only be tolerated if relaxation is assured as speed is gained.

The primary duty of the Government of any country is to show the way by presenting to the nation a carefully considered realistic plan, to guide and direct its efforts and to channel its financial resources into projects which should be given priority. It should keep a constant watch on signs of inflation, and in particular the amount of deficit financing.

The road to prosperity is so broad and long that there is little point in the argument as to what should be done by the State or the citizens on their own. Few will dispute that roads, railways and large irrigation works may be the concern of the State. For the projects which the Government decides to undertake it is most important that it should employ the best means to carry them out. While undoubtedly credit must go to the engineers who are responsible for the Bhakra Nangal dam, the fact that the Government of India engaged the most experienced man available is most praiseworthy. If the State devotes its attention to major schemes of this nature, it will find that it is as much as it can do with the limited financial and administrative resources at its disposal, besides performing its primary duty of governing the country. Turning to the other end of the industrial scale, none will dispute that light industry and consumer goods are best handled by private enterprise. Even where the picture is not so clear, the criterion should be: "Who can do it most efficiently, quickly and economically?"

Difficult Operation

Planning itself is no easy task, but implementing a plan is a most difficult operation. The shortage of good executives, technicians and skilled artisans immediately becomes apparent. It is, therefore, vitally important that every one of them must not only be utilised to the best advantage, but must be made enthusiastic enough to give of his best. Only the spirit of these men will lead the nation to economic victory.

Most projects in the private sector are designed to bear fruit in a comparatively short time, thus providing fresh capital for subsequent ventures. Only with more individuals striving to develop more industries can the wealth of a nation grow more rapidly. The financial resources, therefore, for the private sector must be generated from within, while those for the Government projects are derived from taxes and loans subscribed by private institutions and individuals.

Excessive draw off by these means will make the private sector anæmic and result in diminishing returns. On the other hand, inadequate transport due to lack of funds, may stifle distribution and cause indigestion. But the basic fact remains that, in a democracy, the Private Enterprise cow must be adequately fed, if she is to produce enough capital to meet all the needs of the nation.

As long as the wealth inside the country is insufficient to meet its capital requirements, it must be augmented by supplies from abroad. If these are made available on a Government level, there is the necessity of guarding against political strings. The international organisations, which are assembled here at this moment, offer alternative sources. One would like to see greater use being made of them. This could be brought about by larger contributions from their members, and by keeping rates of interest in line with those prevailing in the borrowing countries. Foreign private investment is completely free of political considerations, but must be weaned away from its preference to stay at home. If the climate is sufficiently attractive, there will be many joint ventures bringing in not only capital but the "know-how" essential to go with it. Capital in this form, of course, will be subject to the laws of the State, and the alterations made from time to time by its Parliament.

Basic Difference

To say that private enterprise is interested in industrial development is to utter a platitude. In underdeveloped areas, the State takes up industrial promotion with the object of covering the lag. Thus, both sectors have the same purpose. There is a vague feeling that the difference lies in the attitudes of the two to profits, that private industry alone is interested in profits and that State undertakings are, or should be, indifferent to them. This must not be so. Whether in private industry or in State enterprises, inability to make both ends meet and have a little over is a sure indication that something is wrong somewhere. Either it is bad management or there is some other consideration to which the objective of adequate returns is subordinate. And this is a point which cannot be too strongly emphasised—there is in industry no more important motive, which can be economically and basically justified and more honestly expressed than the profit motive. It is ironical that all too frequently a well-managed company is treated with suspicion, because it makes good profits; whereas a poorly run concern which loses money, often gets undeserved sympathy.

The benefits which a well-managed and prosperous industrial enterprise brings to everyone, are far and wide. What was a poverty-stricken village yesterday, is a flourishing small town today. Local raw materials are consumed in volume—ancillary workshops spring up to feed the main industry—subsidiary industries arise feeding on it. With more money to spend, the commercial life of the community grows apace. Products beyond the pockets of the previous inhabitants are now in daily demand. New shops spring up to supply them. More houses are built, and with the growth of the community come new schools, hospitals, roads and recreation. A middle class is born and with it ambition, initiative and enterprise anew. Who amongst us can appreciate what our home town looked like when our fathers were boys?

Private enterprise has many advantages. There are benefits for all who participate in it, whether he be investor, owner, technician, worker or consumer. The investor has the choice of spreading his investments, not only in the whole range of industries, but choosing which particular units suit his purpose best. Some may be interested in a steady income, others may look for capital appreciation. Whatever it may be he has the freedom to use his intelligence and to place his hard-earned savings with the concerns he trusts.

None will deny that management, in the private sector, is free to act and take prompt decisions. The ability of an executive to judge and operate in the markets in which he buys his raw materials or sells his finished products, is one of the greatest factors in the results of the year. A successful managing director must have the personality to lead his team, the knowledge to demand their respect and, after studying the facts and listening to the opinions of his lieutenants, the courage to take the right decision. He must be able to select and adopt new ideas, and organise their implementation. There are many qualities required to make a good executive, but few who have sufficient of them. That there is room at the top is true everywhere in every business, and there is no limitation to anyone proving his worth.

It is said that an ounce of practice is worth a ton of theory. Apart from the employment a private industry provides him, the technician is given the opportunity to test his theory and develop his individual talents. The confidence he gains with the respect for his opinions will strengthen his desire for constant improvement. What is of supreme value is the recognition which his worth is bound to receive in a free economy. So long as it is fully recognised in the concern where he is working he will not seek to go elsewhere. And so long as he is free to go elsewhere, the concern will give the fullest recognition to his worth. Without an alternative employer to go to, this advantage is denied to him.

State and Labour

The remarkably high standard of living of the worker in the industrially advanced democracies is due to the continually rising wages made possible by the share he has acquired in the prosperity of the industry in which he works. He has been free to demand and fight for his rights, and in the vast amount of cases agreement has been reached with a ready understanding between his representatives and those of management. When negotiation has failed, reference has often been made to a third party, usually the State. In a mature economy, direct negotiations are the rule, and third party awards, even when the third party is the State, are given with a view to healing wounds and surmounting emergencies. In the case of a Government-run organisation, reference to a third party is difficult, as the employer is the State. However strong the case of a particular section of Government workers for an increase in pay, the repercussions and the cost of applying that increase to all Government servants, frequently, makes even independent awards impossible to implement. Such decisions are difficult for the worker to appreciate, and lead to discontent and frustration.

Variety is the spice of life. No private concern can ignore this. Its object must be to please the customer just that much more than its competitor, and to keep ahead necessitates constant change. One of the greatest benefits to consumers is the choice made available by competition. Quality, price, style and pattern are all designed for their pleasure.

Value of Competition

Modern competition is a complex picture, consisting not only of these points, but such things as reputation, service, market research, advertising and public relations. But the advantages of competition would take many chapters to recount. Its use as a cut-throat weapon to eliminate all others in the field, is a thing of the past. Several countries have taken steps to ensure its continuation—the Anti-Trust Laws in America and the Monopolies and Restrictive Practices Act 1948, in England, are two good examples. Even the giants of industry in those countries dare not expose themselves to the law.

In advanced countries where competition abounds, the duty of the State is to ensure that the public are sold wholesome, healthy, hygienic and not fraudulent goods. As long as there is sufficient to meet the demand, price and quality take care of themselves.

The elimination of competition sets in train a series of undesirable consequences. It destroys the criterion by which production can be gauged. Without competition, there is no way of telling whether output is efficient or economic. The public must take what they are given, not choose what they like. Almost any quality has to be accepted at any price. No amount of self-criticism can replace the hard school of keen competition. Those, who have never been through it, belittle its value and display a false sense of achievement, when projects go into production years behind schedule at costs far exceeding the original estimates. A mentality is created which just assumes that some one must find the extra funds and little attempt is made to work within a capital or revenue budget. In the case of a private project, the management have to make do with the capital subscribed, and account for every penny to a board of experienced businessmen. Executives who are

(Continued on page 711)

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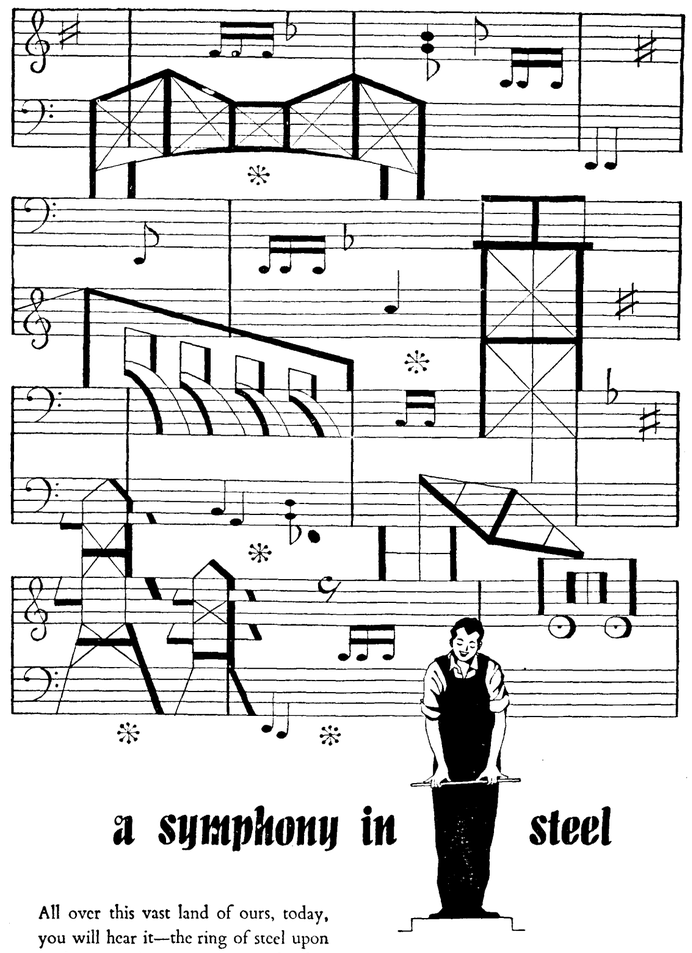

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ROLE OF SOCIAL SCIENTIST IN POLICY-MAKING

HIS LIMITATIONS ANALYSED

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RECENTLY in his Laski memorial lectures, Prof. D. R. Gadgil of Poona remarked that the Planning Commission had proved impotent and failed to insist on right policies, because, as an advisory body, it mixed itself up with the actual process of deciding public policies. This raises the basic issue of the relationship between the policy-making politician and the social scientist adviser. Some of the implications of this relationship are analysed below.

In all countries, and particularly in underdeveloped ones, the desire for rapid progress in all directions in the social field is intense. Enthusiasm and efforts to develop at a rapid pace characterise specially the newer democracies where inexperience in administration and in policy-making is very common. The pattern of the Indian Five-year Plans as evidenced from the current resources crisis and even the composition of the Planning Commission as commented upon by the Lok Sabha Estimates Committee (21st Report, April 1958) are examples of enthusiasm overstepping experience.

Constituents of Policy

Policy may be defined as the conscious and rational adjustment of the available means in a given environment to a given end. It may be either at the national level, i.e., public policy, or at the private level, i.e., business policy as in a corporation. Although the following analysis applies *mutatis mutandis* to both levels, the paper has in view policy at the public level.

In the course of policy-making three categories of problems arise, and these may be called the constituents of social policy. There is, first, the *foundational type* of policy, for instance, the socialist pattern of society, land reforms, and the Hindu code. This category of social policy affects the very basis of society. Next, we have the *structural type*, such as, changes in the tax system—introduction of expenditure and wealth taxes—deficit financing and free trade *versus* protection. This category touches, not the social base, but only the superstructure. Finally, there is the *adjustmental variety*, for example, changes in bank rate, volume of note issue, the rates of taxation, etc. Another way of looking at the constituents is on the time basis of the effects. Foundational policy is *secular* in approach, structural one is of the *long run* variety, and the adjustmental one pertains to the *short period*. Foundational policy affects the fundamental elements of society and is mostly qualitative. Its implications are multi-sided, bringing in different social sciences for the effectiveness of the analysis; thus, the socialist pattern may bring in the economist, public administrator, sociologist, and so on. Structural policy, relating to the details of economic and social organisation, is less fundamental and is both qualitative and quantitative, while the adjustmental type is very largely quantitative. Both in the formulation and in the operation of the former, fewer facets of social sciences are involved, while the latter, most often, is unicentred.

Whatever the variety of policy, the policy-maker, whether he is one or many, has neither the time nor the technical competence to weigh all the causes and effects. While he has the power to legislate and even to execute, he does not have the knowledge of the implications. He, therefore, has to depend on the technical man to advise him on important policy aspects—advisability, consequences, cost and so on. And here enters the social scientist with his knowledge and technique.

Role of Social Scientist

Any kind of policy involves three distinguishable stages. There is, first, the *preliminary stage of survey and collection*. A problem having been posed by the politician, (say, the role of the public sector), it is necessary to obtain a knowledge of the background in which the policy originates and is to operate, to delimit the problem and to size it up correctly and state it and to collect the relevant statistical and theoretical data. This is to get an idea of the main structure of the problem and would comprise the main elements of aim, situation and possible action. This is the stage where analysis predominates. Next comes the *planning and formulating stage*. This is a stage of synthesis; it deals with the dimensions of the solution in terms of its economic and social cost, the clarification and defining of the aim in terms of the alternatives, the assessment of the data and interactions in terms of time and space and the projection or forecasting of the extent to which the policy will succeed and affect the environment. For, all solutions, that is, policies, must be in terms of available resources and anticipated developments. The forecasting may be based on empirical data or on theoretical analysis of causal connections. Finally, there is *the stage of execution or operation of the policy*.

First Stages

The social scientist could help greatly in the first two stages in many ways. First, in pointing out the factors bearing on the policy, the interactions of different policies (e.g., effect of changes in the Hindu Code on the Estate Duty), the long- and short-range effects, the available means, alternatives to the policy, and the financial, cultural, social and political implications. Secondly, he could act as a link between the successive administrations, for, whether it is a democracy or a dictatorship, the policy-makers, by and large, tend to change. For instance, in Britain, the policy of nationalisation has undergone changes under the Labour and Conservative Governments. In India, the tax structure has been changing even basically with successive finance ministers. In the U.S.A. as well as in the U.S.S.R., changes may be noticed. In this process of change, the social scientist would act as a bridge and make any transition smoother even as the permanent Civil Service does in British administration. Thirdly, the social scientist could, in the process of advising, build models. One of the areas in policy-making where the social scientist can best—and perhaps, he alone—help is in the region of forecasting the cause and repercussions of the policy. Forecasting involves many difficulties such as unascertainable changes in data, but these can be resolved, specially in medium period forecasting up to, say, five years by studying available trends in population, consumption, etc., and by assumptions of rational behaviour. "Perhaps the best course is to be short on forecasting but long on assumption."

In the process of formulating, projecting and advising on policy, the social scientist, particularly the economist, could utilise 'models,' which merely reconstruct in a simplified way the existing situation, study the reactions and interpret back. While remembering that the multiform reality cannot be reproduced completely in the model to elucidate a concrete case and that statistical tests never can prove a certain causal relation to be true, the device is useful in defining and concretising the problem. The closer the reconstruction is to the real situation and the more significant variables it includes, the less invalid its suggestions would be. To perform these functions, the social scientist is better qualified than anybody else, by training, tradition, technique, objectivity and anonymity, so essential for a proper and all-sided assessment of the problem and the solution suggested.

Three Limitations

Although there is thus scope for a social scientist in the matter of tendering advice in policy-making, there appear to be some basic limitations to his effective achievements. These limitations are of three types. One is the intrinsic limitation of the social scientist's own knowledge; for instance, a problem like the socialist pattern of society or prohibition or land reforms is many-sided, both in its base and in its economic, legal, social and other implications. But the social scientist is becoming more and more of a specialist and is, for instance, either an economist or a lawyer or a sociologist and that too of a particular hue or branch. The value of advice of any one of these scientists, therefore, represents a very limited, partial and one-sided view of the problem, similar to the blind man's impressions of an elephant. As the whole is often greater than the parts put together, the politician policy-maker becomes really the final authority not only to decide but also to assess the aggregative effects of the policy. A second limitation is that it is not always that a policy-maker, who is mostly a politician, whether at the government or the legislature level, would care to accept the advice of the technical man simply because it is not in agreement with his own preconceptions.

There is, also, a third limitation arising from the hesitation of the technical man to speak out. The intellectual, interested in policy-making, is either one who enters the bureaucracy—for example, an economic adviser or a member of a panel, or one who is unattached, for example, a university man. The former exercises advisory and technical functions *within* a bureaucracy and has a staff function to perform. In such a performance certain restrictions arise. The first is in the process of recruitment of the intellectual. The story of underdeveloped countries is strewn with examples of the policy-maker selecting his technical staff not always for their scientific knowledge and experience and independence of judgment. Secondly, when an intellectual gets into a staff position, he naturally is affected by certain extraneous but personal factors. Being human, his own advancement and security influence his thought, advice and action. There are, next, institutional or group pressures.

Further, there is the effect of bureaucratisation on the scientists' outlook itself. In effect, this converts the intellectual in a bureaucracy into a technician, who has to accommodate himself to the higher powers, ceasing to be a policy adviser and becoming merely a translator of the policy-maker's purposes into a programme of action. Most often, he may provide information but not even indicate his opinion. He accepts a dependency relation to the executive. There is also the further limitation of indeterminacy in a social scientist's findings. By tradition, training and approach, the scientist is hesitant to draw definite conclusions because of the presence of innumerable and uncertain variables affecting the situation. Such indeterminacy, however desirable in a scientist, is a drawback in a policy-maker, so that the man of action that the policy-maker is, naturally overlooks any advice tendered.

There is the second category of the intellectual, the unattached university man, for in-

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NEW PRODUCTS AND PROCESSES

Tin-coating Cast Iron

A NEW process for tinning cast iron has been developed in the laboratories of the Tin Research Institute, England. Cast iron is a rather difficult material to tin because of its graphite content and in the past somewhat complicated processes have been used for this purpose. Moreover, the results achieved have not always been satisfactory. The new process, which is called the "Direct Chloride" process, is said to provide an uncomplicated solution to this problem. Its operation depends on preparing the castings by blasting with very fine grit coupled with the use of a special, but inexpensive tinning flux. The process may be used for tinning articles such as food-handling equipment, where a smooth hygienic coating is the first consideration. It can also be used for tinning cast iron bearing shells where a strong bond is the essential quality desired. Several companies in the U.K. and abroad are now using the process, which is said to be yielding satisfactory results.

Cotton Pulp

A new type of pulp for use in making cotton-content paper has been developed in the U.S. It is expected to be useful to paper manufacturers who have been using cotton rags as raw material but have been finding it increasingly difficult with the growing use of synthetic textile fibres, to obtain all-cotton rags. The new pulp is made from cotton linters, the fibres remaining on cottonseed after removal of the staple cotton. A chemical treatment is used to modify the natural molecule in the linters and obtain a tighter bond. As a result of the chemical modification process, stronger papers, it is claimed, can be produced than hitherto possible from pulps of this type.

Iron Ore Reduction

A method of reducing iron ore, which bypasses the blast furnace and may bring substantial savings in steel production costs, has undergone pilot plant tests and is said to be ready for commercial development in the U.S. A new corporation has been formed by the Republic Steel Corporation and the National Lead Company to promote the development. The process calls for reduction of iron ores under controlled atmosphere and temperature conditions in a rotary kiln. Temperatures are kept below the melting point of iron. Briquets containing from 90.7 to 97 per cent. iron, depending upon the type of ore, and ranging in weight from 5 to 25 lbs., are produced and, it is claimed, may be fed directly to open hearth, or electric furnaces.

Potassium Chloride from Sea Bitterns

A simple and economic process for the recovery of potassium chloride from sea bitterns, which are now largely allowed to go waste, has been developed at the Central Salt Research Institute, Bhavnagar. Bittern is the name given to the oily liquid which remains after the extraction of salt from sea water. India's annual production of sea salt is about three million tons. The bitterns let to waste after the recovery of sodium chloride have been found to contain appreciable quantities of potassium chloride and it is estimated that as much as 80 to 85 thousand tons of potassium chloride could be recovered from them. The researches carried out at the Bhavnagar Institute constitute the first and the most important step taken by the Government and the salt works in the country towards utilisation of this waste for the recovery of potassium chloride, which is widely used as a fertilizer in agriculture. The new process for winning potassium chloride from sea bitterns is as follows: The bitterns are concentrated to the required degree by solar evaporation and treated with lime slurry to precipitate the magnesium sulphate. The supernatant liquor containing mostly potassium chloride and chlorides of sodium and calcium is further concentrated until most of the sodium chloride and potassium chloride crystallise out. From the product, so obtained, potassium chloride is separated by further crystallisation.

Detecting Impurities in Drugs

An ionisation detecting instrument, which can identify large numbers of gases and vapours in parts per billion concentrations, has been developed in the U.S. It is said to work instantly. Concentration is measured in an ionisation chamber, excited by a radio-active substance. The new instrument is expected to be useful in detecting trace contaminants in drugs, chemicals, petrochemicals, petroleum, and certain steel metallurgical processes. In addition, it can be used for air pollution and industrial hygiene studies to detect, measure and control harmful toxic gases in and around plants. One large U.S. city is applying the device to determine the amount of toxic gases and vapours in the atmosphere and to enforce compliance with air pollution laws.

Detection of Ghee Adulteration

Here is a bit of good news for the housewife. She can now easily detect whether the quantity of *ghee* she got from her dealer is pure, as he says, or adulterated with *vanaspati* or other oils. This has been made possible with the help of a cheap and simple ghee testing kit devised by the Central Food Technological Research Institute, Mysore. The kit consists of a marked test tube, a sealed capsule containing a little acid, a sealed capillary containing some other chemicals, and a cutter. The testing itself is a simple process and can be easily understood and mastered. The main attraction of the kit, however, consists in its inexpensiveness. The entire kit (including chemicals) costs about eight nP and the recurring cost of each test does not exceed three nP.

SONE VALLEY PORTLAND CEMENT CO., LTD.

NO JUSTIFICATION FOR STATE TRADING IN CEMENT, SAYS MR. ANANDILALL PODDAR

ADDRESSING the Thirty-fifth Annual General Meeting of the Sone Valley Portland Cement Company, Ltd., held in Calcutta on 13th October 1958, Mr. Anandilall Poddar, Chairman of the Company, said that, now that the cement industry had proved its ability to meet the entire demand of the country at present and in the foreseeable future, the justification for the continuance of State trading in cement had to be reviewed.

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

"GENTLEMEN,

"I have much pleasure in welcoming you to this the Thirty-fifth annual general meeting of the Company.

"With your approval we shall take the notice convening this meeting, report of the Directors and the audited accounts, which have been circulated and are in your hands for some time, as read.

"I am glad to state that the activities of your Company have considerably grown and despite the very old plant and worn-out equipment which came to the lot of the present management, the production of cement increased to 177,210 tons, as against 174,630 tons during the previous year. There was no reason why this figure would not have gone upto 200,000 tons, had not production been paralysed for nearly three months due to strike in your quarries which solely feed the works with limestone, the main ingredient that goes to make portland cement.

Important Role of Cement

"Gentlemen, I need hardly invite your attention to the important role that cement has to play in the building up of the country. Cement is among the basic requirements not only for industrial growth but in other fields of planned development as well, and as such the steady achievement by this industry is one of the most encouraging features of development under the second Five-year Plan. The output of this material in 1951 was of the order of only 2.7 million tons which increased to about 4.8 million tons in 1956 and by 1957 the total production had exceeded 5.6 million tons. The current year has made a still better stride and I am inclined to predict that production by the end of this year should be in the vicinity of 7 million tons.

"In order to be able to play its due part in this programme of expansion, your Company had duly offered its services and, as you may be aware, the Government of India has been pleased to issue necessary licence for increasing its capacity by another 750 tons per day. Unfortunately, however, the desired progress could not be attained due to lack of financial resources mainly on account of the delay on the part of the Industrial Finance Corporation of India to sanction our application for a loan of Rs. 1 crore which is still under consideration for the last 25 months.

Problem of Accumulating Stocks

"Meanwhile, gentlemen, the cement industry has been facing a new problem of accumulating stocks and consequent slowing down of production. In your own factory, in recent months, we have to carry over huge stocks at times and we do not know how the needs of the nation can be duly met under present arrangement of distribution and pricing. As you know, the State Trading Corporation, which has taken over the responsibility of distributing the entire production of cement in the country, was originally instituted mainly with a view to equalising the prices of imported cement and indigenous cement by a process of unified control and price pool. Now that Indian cement has proved its ability to meet the entire demand of the country at present and in the foreseeable future, the justification for continuance of State trading in the commodity has to be reviewed and I may be pardoned, if I take this opportunity to invite the attention of the authorities to the same. The days of selling cement on telephone instructions while sitting in comfort in air-conditioned chamber are almost over and in the near future a high order of salesmanship, publicity and organisation for storage and distribution throughout the country, and possibly in some neighbouring countries, will have to be called for. There is yet another aspect of the trade which requires close study and research, viz., the scope for exploring new and hitherto unknown fields of consumption to tide over the present glut in the cement market.

"I welcome the announcement of a hundred-mile Express Highway to be constructed between Calcutta and Durgapore. Projects like this, apart from rendering a potent field for the utilisation of a good quantity of cement, go a long way in providing work to thousands of unemployed and at the same time, by linking the growing industrial townships to the big marketing centres, make it possible for a good portion of the finished products to be more conveniently and economically distributed. It is high time that the State Trading Corporation now fulfils its pledge to assist from out of its profits in the welfare schemes and improvements in and around cement works and let me hope the approach of roads to your Japla factory from the Grand Trunk Road, on the one hand, and the Ranchi Road, on the other, would be remodelled and reconstructed.

Excise Duty

"Another great handicap to which I must refer is the crippling policy of the Government in seeking to realise excise duties on an ever-increasing scale, which at present, has reached the figure of Rs. 24 per ton starting from Rs. 5 only a few years ago. This works out to more than 40 per cent. of Rs. 59 which is the retention price now fixed for your cement. This is a situation which can hardly be sustained when the buyer's market has already set in.

"On the recommendation of the Tariff Commission, the retention price of your cement has been increased by Rs. 4.75 per ton with effect from 1st July 1958. This increase barely covers the increased costs of production resulting from sharp rise in the cost of stores, spares and raw materials and of labour and administrative expenses generally. Further rise in the railway freight rates from the 1st October of this year has aggravated the situation all the more and representations have been made to the Tariff Commission to review the fixation of the retention price in the light of new conditions thus obtaining.

"I am glad to be able to inform you that your Company has arrived at a suitable agreement with labour under which it can be confidently hoped that complete industrial peace will be maintained and henceforth our work will proceed unhampered both at Japla factory, as also at the Baulia quarries.

Great Changes

"Gentlemen, great changes are happening in the world around us and events are taking place which should be an eye-opener to all. After the recent installation of military dictatorship in Pakistan the field of democracy from Cairo to Djakarta has been confined to India and Ceylon and the repercussions of the world situation and of the situation in Asia on our socio-economic life must be far-reaching. We are proud of India's stand for democracy, freedom and tolerance as much in our internal affairs as in our international relations. The maintenance of this stand has been possible only through the untiring efforts of our great leader, Pandit Nehru. In whatever field we are and however much we feel that certain measures of the Government require examination and review, I have no hesitation in extending our wholehearted support to the national and international policies pursued by our Government and I trust we shall be equal to the task for building up a happy and prosperous India.

"In the end, I must thank all the executives, and the staff both at the head office as also at the works. I need hardly say that their fate is bound up with the industry as much as ours and I have every hope that with our combined efforts we would be able to take a further march towards progress and prosperity and I am absolutely sure that God willing, I would be able to present a still better picture when we meet next.

"I thank you all."

Note:—This does not purport to be a record of the proceedings of the Annual General Meeting of the Company.

THE CALCUTTA ELECTRIC SUPPLY CORP. LTD.

TOTAL ENERGY SOLD HIGHER BY 107 MILLION UNITS

SIR HARRY BURN'S SURVEY OF ACTIVITIES

THE Sixty-first Annual General Meeting of the Calcutta Electric Supply Corporation Limited was held on 23rd October 1958 at Victoria House, Vernon Place, Bloomsbury Square, London, W.C.

Sir Harry Burn, K.B.E., A.C.A., the Chairman, presided.

The following is his statement, which had been circulated with the report and accounts:—

"In my last review I drew attention to the rules brought into force by the Government of India making it obligatory for our accounts to be made up to 31st March of each year instead of 31st December as was previously the case. It was, therefore, necessary to submit accounts covering the period of the 15 months that ended on 31st March 1957. The accounts now submitted cover the 12 months ended 31st March 1958, a fact to be borne in mind when studying the comparative figures shown in the revenue account and net revenue account.

"During the year under review there was an increase in demand from all classes of consumer. Comparison with the energy sold during the corresponding 12 months ended 31st March 1957, demonstrates the expansion that has taken place. The total energy sold increased from 1,394 million units to 1,501 million units, an increase of 107 million units.

Area of Supply and Power Sales

"The Company's area of supply covers 200 square miles. The approximate population in this area is 8½ million. As stated in last year's review, our constant aim and endeavour has been to supply power to run the wheels of industry and transport and also meet the increasing domestic requirements of our area of supply and thus make our contribution towards the prosperity and welfare of those who dwell and earn their livelihood in the City of Calcutta, its suburbs and in the industrial areas and municipalities which lie adjacent to the City.

"The bulk of the low tension load, both domestic and industrial, is concentrated in the heavily built-up areas of Calcutta itself, and also in Howrah on the opposite bank of the River Hooghly; whereas the high tension industrial load is spread over the whole area on both banks of the river and particularly so throughout the 20 odd miles from Calcutta and Howrah to the northern boundary of the area. Reference is made later on in this review to the commissioning during the year of the Bauria electrification scheme in the south-western portion of the area on the western bank of the river bringing further industrial load on to our system.

"Sales for power purposes cover industrial consumers, public water works, and small power for domestic purposes. Industrial consumption, most of which is supplied at high tension voltages, covers 90 per cent. of all power sales. The jute industry is the most important, accounting for 40 per cent. of high tension sales, consumption having increased from 331 million units to 359 million units. Trading conditions for the jute mills have again been difficult and the following extract from a recent Press note issued by the Indian Jute Mills Association is pertinent:—

"'The unrelenting competition from jute substitutes, the gradual introduction of new marketing methods such as bulk handling, the steady growth of jute manufacturing industries overseas—all these are indisputable facts, requiring no substantiation, and it is these factors which have dictated the policy of rationalisation and modernisation of the Indian jute industry.'

Industrial Consumption

"The mill closures that have taken place with the adoption of rationalisation have not resulted in a curtailment of the industry's total output and the impact on labour has been reduced to the minimum. Workers have been concentrated into the more efficient units just as loom hours have; the result has been no more jobs lost than would have disappeared in the normal process of wastage. Steel works and engineering workshops are next in importance with 21 per cent. of the total high tension sales. Consumption by cotton mills, chemical works, and paper mills is also of significance; the remaining high tension power consumers cover a broad cross-section of industry. In almost every case consumption has increased and I am glad to state that there were no major labour disturbances during the year. The increased demand for low tension industrial power reveals the activity of small works and factories, much expansion having occurred in the Calcutta and Howrah areas during the course of the last few years. It has been possible for the smaller concerns to manufacture many items which previously had to be imported; our sales increased from 85 million units to 91 million units. Consumption from public water works and sewage pumping rose from 65 million units to 73 million units and was mainly due to larger requirements from the Calcutta Corporation. There was again a marked increase from 43 million units to 50 million units in power sales for domestic purposes. Domestic power consumption has doubled during the last five years due to the growing use of domestic appliances and small air-conditioning units in private houses.

Sales

"The ordinary domestic and commercial load at the flat rate has grown steadily for some years past; 14 million more units were sold during the year, sales increasing from 199 million units to 213 million units. The increase is chiefly due to the construction of further houses and shops to the south of Calcutta and on the fringes of most small towns in the company's area of supply.

"Public lighting again shows a steady increase, reflecting the progress in the Calcutta Corporation's expansion programme. The Calcutta Tramways Company, Ltd. is the sole consumer for traction purposes and there is no immediate prospect of any increase in their demands upon us.

"There are seven distributing undertakings taking bulk supplies from the Company. Of the total sales of 44 million units 75 per cent. was supplied to the North Calcutta Grid of the West Bengal Government. Sales increased by 6 million units during the year.

"The increased consumption under special contracts was mostly due to sales of high tension energy under our special tariff to owners of large buildings. Sales increased from 44½ million units to 50 million units during the year. The special tariff gives considerable relief to our low tension network.

Expansion of Revenue

"The increased energy sold is reflected in the Company's revenues as can be seen from a comparison with the figures for the years 1954 and 1955 and the 15 months ended 31st March 1957, which are set out in the Directors' report. Receipts amounted to £7,467,390 (15 months 1956-57 £8,101,785). Apart from the receipts arising from the sale of energy, it will be seen from the revenue account that miscellaneous receipts show a large increase. Under this head has been included £43,120 for the hire of the jetty crane at our new Cossipore generating station for the unloading of steelwork required for the extensions to the Tata Iron and Steel Company. Expenditure, including the depreciation charge of £843,551, amounted to £5,577,904 (15 months 1956-57 £5,907,907 including depreciation £999,579).

Revenue Expenditure

"Coal prices and railway freights again increased and the average cost of coal per ton delivered to our stations during the year was 13 per cent. higher than during the 15 months ended 31st March 1957. This major item of expenditure amounted to nearly £2 000,000 and represents 72 per cent. of the total generation cost. Higher wages costs also had a significant effect. A new item of expenditure appears in the revenue account, namely, £569,560 for the cost of power purchased. This is the sum paid to the Damodar Valley Corporation for the bulk supply which they have afforded us since April 1957, and to which reference was made in my last review. Management expenditure has also been affected by higher wages costs. Another new item in the nature of an annual tax charge is £73.960 for the Wealth Tax that has been imposed from 1st April 1957, by the Government of India on companies, including overseas companies operating in India.

"The new appropriation in the net revenue account of £286,130 to development reserve has been made in accordance with an amendment to the Electricity (Supply) Act, 1948. It is equivalent to the special tax relief granted by the Government of India on new capital expenditure and can only be used for investment in the undertaking. The transfer of £144,166 from the net revenue account is the fifth and final appropriation to a special reserve as directed by the Government of West Bengal. The circumstances which gave rise to these appropriations have been explained at length in the Chairman's annual reviews for 1953 and 1954. The creation of this special reserve, now completed and built up from our reasonable return over a period of five years to the figure of £961,113, follows on the conditions laid down by the State Government in connection with special appropriations to this extent permitted by them during the years 1949 to 1952 under the Sixth Schedule of the Electricity (Supply) Act, 1948, to finance the expansion of the machinery of production.

Taxation

"The Company became an overseas trade corporation for purposes of income-tax and profits tax on 6th April 1957. The Finance Act 1957 exempted trading income (though not investment income) from income-tax and exempts any trade or business carried on by an overseas trade corporation from profits tax. Under the Act an overseas trade corporation will be liable for income-tax (subject to double taxation relief) on the amount of its trading profits applied in payment of dividends. Non-resident shareholders in overseas trade corporations will be entitled to repayment of income-tax relating to dividends paid out of exempt trading income.

"The United Kingdom taxation charge for the year amounted to £85,049 and was arrived at after making allowance for double taxation relief—as far as this is at present ascertainable—and adjusting an over-provision for taxation relating to previous years. In so far as the Indian tax position is concerned, the balance of unabsorbed depreciation allowances—to which I made reference in last year's review—has now been extinguished and a charge for tax arises in respect of the year's profits. Assessments are under appeal in respect of certain items of expense in dispute; nevertheless, pending the result of appeals which may not be known for a considerable time, the Board has made full provision in the accounts in accordance with the Electricity (Supply) Act for tax on the basis as now charged, which amounts to £378,693.

"The clear profit for the year is slightly less than the reasonable return to which the Company is entitled by the sum of £77,951 and this has been made good by a transfer from the tariffs and dividends control reserve permitted by the Electricity (Supply) Act, 1948. This small shortfall can be related to the new statutory provision which became effective from 1st April 1957 for the creation of a development reserve—to which I have already referred—which entailed a charge against revenue of £286,130.

"We have made the usual allocation for the contingency reserve fund as required by the Act and propose to make the normal contribution to the retiring gratuity fund. Provision has been made for the interest and sinking fund charges in connection with the debentures. In order to conserve our finances for the continued expansion of the Company's operations we have deemed it advisable to appropriate a sum of £225,000 to 'Special Appropriations' for plant expansion and replacements.

"The dividend on the preference stock and an interim dividend on the ordinary stock have been paid and we propose to pay a final dividend of 3½ per cent. (free of tax) on the ordinary stock, making 7 per cent. (free of tax) for the year. The balance left to be carried forward on net revenue account is £119,341.

Capital Expenditure

"The balance-sheet shows a considerable reduction in the bank overdraft. Capital expenditure during the year totalled nearly £1½ million and was almost entirely for our distribution system. Two large projects together costing over £900,000 were commissioned during the year, namely, the Howrah Receiving Station scheme and the Bauria Electrification scheme. The bulk supply that has been taken since April, 1957, from the Damodar Valley Corporation is fed from the Howrah Receiving Station into our 33,000 volts transmission system; our switchgear and cables for that project cost over £400,000. The Bauria scheme supplies energy to the south-western portion of the Company's licensed area on the western bank of the river Hooghly. This is the last area within our licence in which the main distribution system remained undeveloped. The current for this scheme is fed at 33 000 volts from the Howrah Receiving Station through 1½ miles of double circuit gas-filled cable, one of the first of its type to be laid in Asia, and thence by over 14 miles of double-circuit overhead line to three distribution stations. From those points some 10 miles of 6,000-volt cables lead to the new consumers, comprising seven jute mills and one cotton mill with an initial demand of 11.000 kilowatts. Another cotton mill and a foundry are also coming on to this supply and in the near future the total load in this new area will approach 20,000 kilowatts. It has been a difficult scheme to commission as communications are poor and much of the terrain is flooded for many months of the year. As a provision for the capital expenditure during the year there was available the sum set aside for depreciation, approximately £845,000, and the allocations to special appropriations for plant expansion and replacement, special reserve and development reserve, amounting to £655 000 thus making a total provision of £1½ million. Between 1st January 1951, and 31st March 1958, capital expenditure amounted to £9.400,000 and the depreciation provision together with reserves and special appropriations during the same period amounted to £9,200,000. I give these figures to demonstrate what has been done during recent years—within the limit of earnings permitted by the reasonable return on the capital base—to provide internal finance for the expansion of the Company's undertaking.

Visit to Calcutta

"In January and February of this year I was in Calcutta for a period of seven weeks and visited all sections of the Company's organisation and was afforded ample evidence of the care and attention which our officers and staff devote to their work in maintaining efficiency and promoting the interests of the Company.

"Our relations with the authorities continue cordial. I had the pleasure of meeting Dr. Roy, the Chief Minister, and discussed the affairs of the Company with him. Dr. Roy and his officers show a great interest in the Company's activities and fully appreciate all our problems. I also met leaders of commerce and industry in Calcutta.

"I took the opportunity of touring Calcutta and Howrah and the suburbs in order to see building developments which have taken place in those areas and on which I have made comment in this review.

"During the course of my stay I had the pleasure for a period of four weeks of the company of Mr. Hobson, a member of the Board and our Technical Adviser. Through the courtesy of the Chairman and Board of the Damodar Valley Corporation we, along with our Agent Mr. Macpherson, spent some days in going over the irrigation and hydro-electric projects of that Corporation and were thus able to get a first-hand picture of all that has been accomplished and of the magnitude of the schemes in hand. At the kind invitation of the West Bengal Government during the course of this tour, we visited the Damodar Barrage and the headworks of the irrigation and navigable canals; the latter, now under construction, will connect up with the River Hooghly some miles north of Calcutta. We were also taken over the coke oven gas plant and thermal power station, also in course of erection by the West Bengal Government at Durgapore. The tour was in all respects an interesting one and I wish to express my warm thanks to the officials of the Damodar Valley Corporation and the West Bengal Government for the hospitality shown to us.

Technical Training

"Our technical training scheme for the training of young Indian graduates in the United Kingdom has now been in operation for nearly 12 years. During the same period we have also given training in the United Kingdom to a number of our permanent Indian staff. There are usually at least four men under training at any one time; at present three men are on their way back to Calcutta after completion of their training, two men are in the United Kingdom and two men are about to arrive. We are grateful to the Electricity Council, the Central Electricity Generating Board, the Area Boards and the various manufacturing companies that provide facilities for this training.

Tribute to Staff

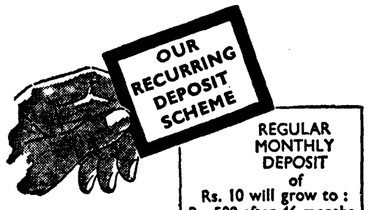
"I desire to express our thanks to the staff in Calcutta. The continued progress and development of the Company reflect the interest, efficiency and zeal which members of the staff and employees devote to the Company's affairs. Mr. Macpherson, our Agent in Calcutta, has carried out his onerous duties with great ability and in all respects has justified the confidence which the Board repose in him. To him and all members of our organisation, we express our high appreciation for the services rendered during the year. I also wish to record the Board's appreciation of the able manner in which Mr. Colley has discharged his responsible duties as Secretary."

The report and accounts were adopted.

Note:—The above statement is not a report of the proceedings of the Annual General Meeting referred to.

A proposal has been submitted to the International Council of Scientific Unions conference calling for "an international co-operative attack on the scientific problems of the Indian Ocean." The Special Committee on Oceanic Research, which advanced the survey idea, envisages participation of "at least 16 ships from 11 different countries" in "an international collaborative effort" during 1961-62. The combined scientific party would total about 125 persons, with at least 25 scientists from countries bordering the Indian Ocean. Final action on the survey proposal is yet to be taken.

The Oceanic Research Committee says marine physicists are interested in an opportunity to study the response of density layering and currents to the changing monsoon winds; marine biologists "are keenly interested in the high and varying productivity of different parts of the Arabian Sea," and geologists and geophysicists "have emphasised the lack of knowledge of the submarine topography, sediments and structure of this vast region." It was noted that, partly because of the Committee's "emphasis on the problem," the United States and the U.S.S.R. have undertaken preliminary explorations in the Indian Ocean during the International Geophysical Year (I.G.Y.), and further expeditions are being planned for 1959-1960. Because of a desire to climax this effort with a wider participation, other nations are urged to join in the 1961-62 undertaking on a year-long basis.



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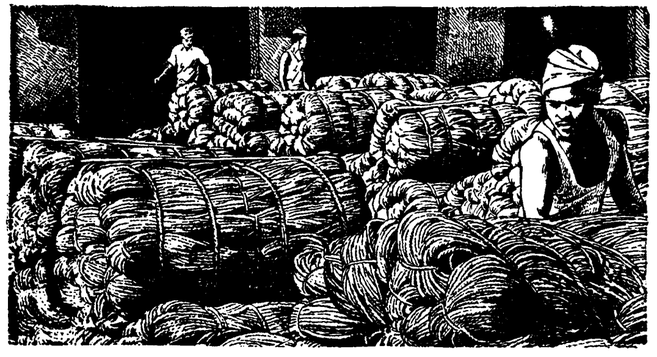

INDIA is the world's chief producer of coir and coir products, her yearly output being around 130,000 tons. More than half this output is exported, earning about ten crores of rupees in foreign exchange. The coir industry, which is exclusively South Indian, is concentrated in Malabar and Travancore-Cochin, and employs over six lakhs of workers.

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INCIDENCE AND DURATION OF INDUSTRIAL DISPUTES

CONCLUSIONS OF AN I.L.O. STUDY

THE disagreements and conflicts of interest in the modern industrial economy are reflected in industrial disputes which often lead to stoppage of work. Employers and workers in most industrial countries are constantly joining issue over such questions as a fair rate of pay, working conditions, output or productivity, the interpretation of contracts of employment or trade union privileges. These clashes are in themselves as old as mankind, but, in their present form, far from being a product of chance, they reflect a major development in society. Industrial disputes, in the broadest sense, have always existed, but the circumstances in which they arose and were resolved had nothing whatever in common with those of modern industrial disputes. A most significant thing about the latter is that, in society today, it is not only the routine everyday relations between employers and workers that are ordered and indeed regulated in some detail but also the exceptional relations arising out of disagreements, tension or loss of confidence between the parties. This, indeed, marks a great advance in the history of human relations and is no less significant because of the existence of certain lapses, which should rather be considered as exceptions confirming the rule.

Some revealing light on the incidence and duration of recent industrial disputes in 28 leading industrial countries* of the world is thrown by a study of this important subject by the International Labour Organisation. The main conclusions of the study are published in a recent issue of the *International Labour Review*. Since the data available for this purpose are sufficiently complete only for 28 countries, the study is confined to these countries. It may be noted that the number of man-days lost through industrial disputes in them since 1949 represented nearly 95 per cent. of the total man-days lost in the 61 countries and territories for which data are available.

Number of Days Lost

The figures assembled in respect of the 28 countries showed that the number of man-days lost through industrial disputes, which rose from 49 million in 1954 to 58.1 million in 1955, continued to increase in 1956 when it reached 73.5 million. In 1957, however, it fell back to around 55 million. Although it is high, the figure for 1956 is still well below that for 1949, 1950 or 1952 when it reached nearly 100 million. The 1957 figure is among the lowest for the post-war period. Table I on this page gives the total number of man-days lost through stoppage of work in the 28 countries during the period 1949 to 1957.

The number of workers involved in industrial disputes in the 28 countries rose from 7.9 million in 1954 to 8.9 million in 1955 and again to 9.8 million in 1956. The information available for 1957 is so fragmentary that it is not possible to calculate even an approximate total figure.

Country-wise figures are, indeed, revealing. For the United States, the average number of man-days lost through disputes between 1949 and 1950 was some 35 million per year. For the four countries, namely India, France, Japan and Italy, the corresponding figure was 5 million or more per year. These five countries together accounted, on the average, for about 80 per cent. of the total number of man-days lost through industrial disputes in the countries for which figures are available. For the United Kingdom, the average number of man-days lost per year was 2.2 million.

Duration of Disputes

As regards duration of disputes, a comparison of the figures for the number of workers involved in disputes and the number of man-days lost shows that they do not move in step. Thus, between 1949 and 1950, the number of workers involved in the 28 countries covered by the study fell from 13.8 to 10.6 million, that is, by 23.2 per cent., while the corresponding number of man-days lost fell only by 1.4 per cent. Moreover, between 1952 and 1955, the number of man-days lost fell by 34.4 per cent., whereas the number of workers involved rose sharply (by 29.8 per cent.).

For the 28 countries as a whole, the average annual duration of disputes between 1949 and 1956 remained less than 10 days (the average for the period being 7). The average duration varied widely from one country to another. For the years 1953-56, it was 23.2 in Canada, 18.2 in Norway, 17.3 in Sweden, 13.7 in the U.S., 12.6 in Ireland, 12.2 in the Philippines, 11.4 in Switzerland, 10.6 in Chile (for the period 1953-55 only), 10.5 in Hawaii, 10.2 in Argentina, 9 in Puerto Rico, 8.7 in India, 8.5 in Finland, 6.0 in Denmark, 6.3 in Israel, 6.2 in Belgium, 5.9 in Burma, 5.3 in the Federal Republic of Germany, 4.5 in the Netherlands, 4.2 in the U.K., 3.7 in Japan, 3.6 in Ceylon, 3.4 in Pakistan (for the period 1953-55 only) 2.7 in France, 2.5 in Italy, 2.4 in Australia, 1.6 in New Zealand and 1.6 in South Africa.

It will be seen that, in North America (Canada and the U.S.), Ireland, Norway and Sweden, industrial disputes have lasted far longer than in France, Italy, or Australia (between two and three weeks in the former, as compared with two to four days in the latter). This difference between one country and another is not simply a feature of the years 1953 to 1956. It is permanent. In some countries, the average duration of disputes is fairly constant and this is particularly striking in the case of the U.K. It is clear, too, that industrial disputes in Canada and the U.S. were much shorter during the Second World War than either before or after. The same is true of Australia and the U.K., but, since the average duration in these latter countries is usually shorter than in Canada or the U.S., the fall was naturally less sharp.

Causes Differ

The differences between the countries in the duration of industrial disputes are certainly due to a variety of reasons, in the main, probably to differences in their social, economic and legal systems. In countries such as France and Italy, widespread political or semi-political strikes involving large numbers of workers and lasting usually for 24 hours at the most have a very marked influence on the average duration. The Latin countries, on the whole, are more given to "warning-strikes" than the other countries. In Canada and the U.S., on the other hand, where the unions have substantial financial resources, a strike is more likely to be a fight to the finish; it may, perhaps, be called less readily but, once begun, it usually goes on till one side or the other is forced by economic pressure to give way.

The foregoing analysis is based on the figures for all disputes in each country, no distinction being drawn between the branches of economic activity in which they occurred. But, in actual fact, these disputes are generally due to working conditions, the structure of firms and the labour force, the type of relations between management and workers and the pattern of trade union organisation in each branch of the economy. These factors vary not only from one country to another but also from one industry to another. For example, sources of dispute in the mining industry, owing to its very special working conditions, are far more plentiful and varied than in other industries, because questions of safety, working conditions, health facilities, ventilation and working methods are more important in mining than elsewhere. Thus, in Canada, out of 14 major strikes which occurred in the coal mines in 1956, nine were concerned exclusively with working conditions. It is, therefore, worth analysing the trend of labour disputes in each branch of economic activity.

Substantial Increase

A break-down of man-days lost in 1956 in seven countries, namely, Australia, Canada, France, Japan, Italy, the U.K. and the U.S., which accounted for 84 per cent. of the total number of workers involved in the 28 countries under study and 80 per cent. of the man-days lost during the same period, shows that there was a substantial increase (22 per cent., as compared with 1955) in the number of man-days lost in manufacturing activity, though the total number of man-days lost in all branches of economic activity in these seven countries remained virtually unchanged. The proportion of days lost in manufacturing was higher in 1956 (70 per cent.) than during the whole of the remainder of the period under review, in which it did not exceed 60 per cent. This increase in the incidence of disputes in manufacturing, as compared with 1955, can be ascribed in part to the strikes which occurred in the United States iron and steel industry in July 1956. As regards other branches of economic activity, transport lost fewer working days in 1956 than in any year since 1949 and disputes in agriculture, commerce and services in the seven countries accounted for a relatively small number of working days in 1956. Lastly, though disputes in the mining industry were slightly larger than in 1954-55, they were far from causing the same loss in man-days as in the years from 1949 to 1952. Table II on this page gives the number of man-days lost through industrial disputes in various branches of economic activity in the seven countries.

A study of the comparative incidence of industrial disputes in each branch of economic activity deserves to be taken further than a mere statement of the absolute number of days lost. For example, the number of days lost in each branch of the economy should be related to the number of workers in that branch, in order to judge the relative incidence of disputes in each industry. These ratios have been calculated for mining, manufacturing, construction, and transport and communications.

TABLE I

Number of Man-days lost (Country-wise)

(In millions)

Year	France	India	Italy	Japan	United States	23 Other Countries	All 28 Countries
1949	7.1	6.6	16.6	4.3	50.5	11.1	96.2
1950	11.7	12.8	7.8	4.5	38.8	19.3	94.9
1951	3.5	3.8	4.5	6.0	22.9	11.2	51.9
1952	1.7	3.3	3.5	15.1	59.1	10.8	93.5
1953	9.7	3.4	5.8	4.3	28.3	9.8	61.3
1954	1.4	3.4	5.4	3.8	22.6	12.4	49.0
1955	3.1	5.7	5.6	3.5	28.2	12.0	58.1
1956	1.4	7.1	4.1	4.6	33.1	23.2	73.5
1957	3.3	5.7	4.5	3.3	15.5	22.7	55.0

TABLE II

Number of Man-days Lost (Industry-wise)

(In millions)

Branch of economic activity	1949	1950	1951	1952	1953	1954	1955	1956
Mining	25.2	14.9	7.6	18.3	5.4	2.9	3.7	4.7
Manufacturing	35.6	38.4	24.2	49.8	27.2	20.8	27.1	33.2
Construction	5.8	3.9	1.8	7.9	9.4	6.0	2.7	3.5
Transport and communications	3.7	5.8	4.2	5.3	7.4	3.6	7.7	2.5
Agriculture, commerce, services	12.4	5.6	2.6	4.0	3.3	4.5	5.8	3.8
All branches	82.7	68.6	40.4	85.3	52.7	37.8	47.0	47.7

*United States, France, India, Italy, Japan, Argentina (Buenos Aires), Australia, Belgium, Burma, Canada, Ceylon, Chile, Denmark, Finland, the Federal Republic of Germany, Hawaii, Ireland, Israel, the Netherlands, New Zealand, Norway, Pakistan, the Philippines, Puerto Rico, Sweden, Switzerland, the Union of South Africa and the United Kingdom.

INDO-JAPANESE TRADE RELATIONS

INDIA WAIVES PROTECTION PROVIDED BY ARTICLE 35 OF THE G.A.T.T.

THERE are unmistakable signs of a growing measure of friendliness and co-operation between India and Japan. The latest gesture in this connection has been the decision taken by India to waive the protection offered by Article 35 of the General Agreement on Tariffs and Trade (G.A.T.T.). India has thus extended full privileges of the most-favoured-nation treatment to Japan. This was formally announced by Mr. Nityanand Kanungo, Union Minister for Commerce, at the Geneva Conference of the G.A.T.T. last week. Although Japan became a contracting party to the General Agreement on 9th September 1955, 15 nations, particularly the members of the Commonwealth including India, invoked an escape clause (Article 35) to deny to Japanese exports the favoured-nation treatment to which all G.A.T.T. members are eligible. India's present move, no doubt, is of momentous significance not only from the point of view of trade relations between the two countries but also from that of the smooth functioning of the General Agreement.

Announcing the decision of the Government on the 16th inst., Mr. Kanungo stated that the decision, which reflects a fundamental change in India's foreign trade policy, became effective immediately. He pointed out that ever since the question of Japan's accession to the G.A.T.T. came up, the Indian delegation had throughout given its strongest support to the proposal. Nevertheless, if India had invoked Article 35, it was because of its natural concern over the newly developed indigenous industries and a fear of the intensive, and sometimes unfair, competition which Japan had offered to them in the past. But, in actual practice, India had all these years endeavoured to establish the most friendly and fair relations with Japan. Thus, it scrupulously avoided using against imports from Japan any measure not consistent with the Articles of the General Agreement. It never invoked Article 35 of the Agreement. This policy of friendliness yielded good results. Mr. Kanungo observed confidently:

"The experience we have gained through these years, the mutual understanding that the two countries have built up over this period and the fact that Japan has been demonstrating a sympathetic attitude to our industrial development have led us to the conclusion that we could and should remove the application of Article 35.

"It is our firm belief that this course will not be to the detriment of Indian industry and it is also our expectation that, should at any time a situation arise in which any specific problem affecting a particular industry arise, we shall be able to find a solution to it by mutual discussion between the two Governments and without taking any measures which will not be consistent with the Articles of the Central Agreement."

Confidence Justified

The Government of India's confidence in Japan is not misplaced. In recent years, Japan has conducted itself in an exemplary manner in the sphere of international trade. It has tried to be co-operative with all the countries and endeavoured to remove the stigma born of its bad practices in pre-war years. No country has complained of dumping by Japan in post-war years. Indeed, when a country thought imports of Japanese goods were tending to be excessive, the Government of Japan readily agreed to restrict their exports. Thus, it has accepted a ceiling on exports of cotton and woollen textiles to the U.S. and the U.K. Again, when complaints arose that Japanese manufacturers were indulging in piracy of patents, trade marks, designs and patterns, prompt steps were taken by the Japanese Government to prevent such malpractices. Today, it is not Japan which is resorting to unfair trade practices but the Communist world, notably Soviet Russia and China. It is common knowledge that Russia has nearly wrecked the International Tin Agreement and China is trying to oust India and Japan out of their markets in Asia for textiles.

In any case, the continuation of the reservation under Article 35 of the Agreement would not be in tune with the Indo-Japanese Trade Agreement signed in February last. The agreement provided for the most-favoured-nation treatment between the two countries in respect of a number of subjects including customs, tariff, imports and exports and foreign exchange transactions, entry, stay, travel, residence, all kinds of business and professional activities, and shipping and navigation. Japan, however, is not entitled to claim the benefit of preference or advantages accorded by India to adjacent countries in order to facilitate frontier traffic.

Under the agreement, each country undertook that, if it established or maintained a State enterprise wherever located, or grants to any enterprise or agency special privileges, such enterprise or agency would not, in its purchases or sales involving either imports or exports, act in a manner that would nullify or impair any benefits accruing to the other under the agreement. Such agencies or enterprises are required to make purchases or sales solely in accordance with commercial considerations, including price, quality, availability, marketability and other conditions of purchases or sales and shall afford to the enterprises of the country adequate opportunity in conformity with customary business practices to compete for participation in such purchases or sales.

It may be recalled, in this connection, that two other agreements—one regarding the supply of textile machinery on deferred payment basis and the other regarding grant of an 18 million yen (Rs. 24 crores) loan by Japan to India—were also signed simultaneously with the trade agreement. Japan has thus shown great interest in the economic development of this country and has been trying to help solve its foreign exchange crisis. Negotiations for the following three loans have already reached fairly advanced stages: (1) Fifty million dollars in yen for the purchase of Japanese capital goods for implementing India's second Five-year Plan, (ii) ten million dollars in yen for alleviating India's foreign exchange shortage, and (iii) an unspecified amount for the development of India's iron reserves. They are expected to be finalised in the near future.

Mutually Advantageous

There is thus a growing awareness on the part of both the countries of the need for strengthening economic and trade relations to their mutual advantage. Japan urgently requires at present an expanding market abroad for its products and an assured source of supply of raw materials for its industries. India, with its plans for economic development, will be able to meet both these requirements of Japan to a considerable extent. Closer economic co-operation between the two will, therefore, be to their mutual advantage and make a significant contribution to the growth of world trade.

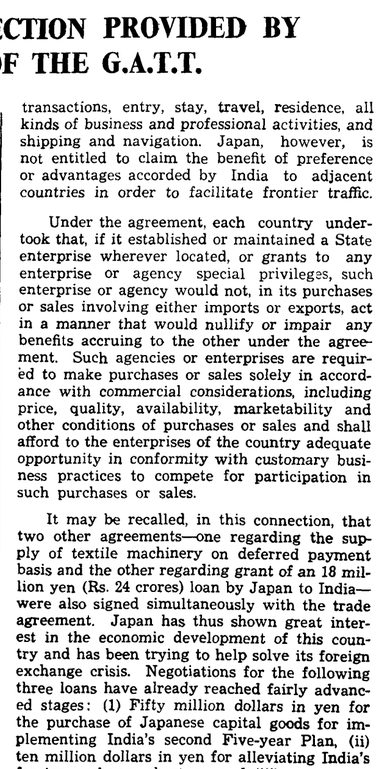
Incidentally, a brief reference to the trend of trade between India and Japan will be of some interest in this context. In more recent years India has had an unfavourable balance of trade with Japan, in contrast to the favourable balance it enjoyed during 1952-53 and 1953-54. The following table shows at a glance India's exports to and imports from Japan, as also the net result:

(In crores of rupees)

	Exports	Imports	Balance
Year ended March—			
1953	31.18	15.82	+15.36
1954	23.16	13.06	+10.10
1955	16.10	20.57	— 4.47
1956	13.15	33.37	—20.22
April-December, 1956	20.39	34.21	—13.82
Calendar Year 1957	27.21	54.42	—27.21
Four months ended April 1958	8.33	14.54	— 6.21

Admittedly, the deficit is likely to widen in the coming years in view of the anticipated rise in Japanese exports to this country of plant and machinery as well as other manufactured goods, including ships.

At one time, there used to be a lot of antipathy towards Japan among the business men of this country. But all that is past history. This is evident from the welcome accorded by them to the withdrawal of Article 35 of G.A.T.T. It is the result of both the good behaviour of Japan in the post-war years and of the keen interest evinced by the latter in India's economic development. It is to be hoped that nothing will induce Japan to revert to its pre-war trade practices and that the Government of India's action extending to Japan the full privileges of G.A.T.T. membership will be emulated by the other 14 members, so that Japan may have no cause for grouse against them. It is high time Japan was given full status in the comity of nations.



EXPORT PROMOTION

Free flow of trade, exchange of technical knowledge, sufficient incentives for export, intensive market research and extensive and intensive campaign of publicity for Indian products abroad are the fundamental pillars on which India could build her programme of export promotion, according to Mr. Werner Steltzer, a W. German expert. Mr. Steltzer, who has been invited by the Government of India for consultations regarding export promotion measures, observed, at a recent meeting of the Committee of the All-India Exporters' Association in Bombay, that Germany after the war passed through conditions similar to those prevailing in India today. Germany's balance of trade, particularly with the U.S., he averred was alarming. But Germany was able to stabilise and strengthen its trade, thanks to the co-operative efforts of the Federation of German Chambers of Commerce, the German Chambers of Commerce and the Government. He said that it was the result of intense labour in market research and publicity carried out in the U.S. by specialised agencies of Germany. They manufactured goods and delivered them in time according to people's tastes and requirements. Thus, Germany was able to earn and build up sound foreign exchange reserve.

As regards India's trade prospects with W. Germany, Mr. Steltzer pointed out that German importers were not fully informed about goods manufactured in India. The other handicaps were Indian exporters' apathy to maintain regular delivery and the tendency to make quick profit. He regretted that Indian businessmen were more import-minded than export-minded. He was of the opinion that, if proper approach was made, Germany offered a good market for Indian products, especially coffee, cashewnuts, manganese ore, iron ore, jute, cotton yarn, etc., and even small and medium-scale industrial products, including machinery.

An electrolytic copper refinery plant, with an installed capacity of 8,400 tons, is proposed to be set up at Ghatsila (Bihar) by the Indian Copper Corporation Ltd. The copper produced at present at Maubhandar, near Ghatsila, by the Corporation is fire-refined. It contains a comparatively high nickel content which is unsuitable for industries requiring copper for electrical purposes. The Government of India has already issued licence for starting the new plant, which is expected to be commissioned by 1961.

PROGRESS OF ALUMINIUM INDUSTRIES GOOD

HEAVY TAXATION HAS AFFECTED GROWTH OF NET PROFIT

THE performance of the Aluminium Industries Ltd. (Managing Agents: Messrs. Seshasayee Brothers (Travancore) Private Ltd., Kundara, Kerala State) during the year ended 31st March 1958 was highly encouraging. The Company's production of aluminium conductors, accessories, tools and aluminium rod were a record high. Turnover also showed a substantial increase. As is to be expected in such circumstances, the Company's profit staged a commensurate rise. The gross profit at Rs. 35.48 lakhs represented a notable rise of Rs. 11.16 lakhs or about 46 per cent. over that (Rs. 24.32 lakhs) for 1956-57. It was more than twice that of Rs. 16.96 lakhs for 1955-56.

The net profit, after making higher provisions for depreciation and taxation, was also higher at Rs. 10.58 lakhs, as compared with Rs. 9 02 lakhs for the previous year. But this is by no means a high record. In 1954-55, the Company made a net profit of Rs. 12.64 lakhs on sale proceeds amounting to Rs. 185.67 lakhs. The relatively modest increase in net profit was the result of the sharp rise in the incidence of taxation. For the year under review, a sum of no less than Rs. 14.63 lakhs was set aside as provision for taxation, as against Rs. 6.95 lakhs for 1956-57 and Rs. 6.30 lakhs for 1954-55. The latest provision, of course, includes Rs. 1.22 lakh to cover the shortfall in the amount reserved for tax liability in the previous year. Even then, it will be admitted that the incidence of tax has gone up tremendously. The Wealth Tax on the Company amounts to Rs. 35,873. In keeping with the growth in the Company's capital assets, depreciation was higher at Rs. 7.53 lakhs, as against Rs. 6.58 lakhs in the previous year. In view of the small rise in net profit and the need for maintaining the dividend on a capital enhanced by the issue of additional capital, the amount of profits ploughed back has been reduced from Rs. 4 lakhs to Rs. 2 lakhs. This has been done by maintaining the transfer to the dividend equalisation reserve at Rs. 2 lakhs. No amount has been appropriated to the general reserve which had been credited with Rs. 2 lakhs in the past year. The dividend has been maintained at the rate of 12½ per cent. per annum for the eighth year in succession. The amount required for this purpose is Rs. 8.75 lakhs, that is, Rs. 3.75 lakhs more than that a year ago. This is due to the fact that 400,000 shares of Rs. 10 each of the new issue which were called up in April and October 1957 also rank for proportionate dividend on the amounts paid up.

The following comparative table, giving the salient features of the Company's profit and loss account for the past four years, provides an idea of the Company's progress in recent times:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds	375.85	317.21	208.52	185.67
Closing stock	34.03	13.51	24.26	13.98
Manufacturing and other expenses	361.35	292.29	191.65	158.65
Gross profit	35.48	24.33	16.96	27.00
Managing Agents' commission ..	2.74	1.77	1.33	2.71
Depreciation	7.53	6.58	5.74	5.44
Taxation	14.63	6.95	2.50	6.30
Net profit	10.58	9.02	7.39	12.64
To reserves	2.00	4.00	3.75	10.00
Dividend	8.75	5.00	3.75	2.71
	(12½%)	(12½%)	(12½%)	(12½%)
Carry forward	0.50	0.66	0.65	0.76
How the money was spent (percentage each to total earnings)				
Raw materials	77.28	79.70	78.03	72.54
Repairs and maintenance ..	4.43	4.25	5.07	5.12
Selling expenses	1.68	1.57	1.81	1.33
Administration	1.13	0.77	0.93	1.73
Interest and bank charges ..	2.05	1.25	2.13	1.41
Employees	4.31	4.81	3.86	4.19
Depreciation	2.00	2.03	2.75	2.94
Government	4.30	2.58	1.88	3.93
Retained in business	0.49	1.42	1.74	5.35
Dividend	2.33	1.57	1.80	1.46

The Company's sale proceeds rose by Rs. 58.64 lakhs to Rs. 3.76 crores, representing an increase of 18 per cent. over the year. This, however, falls far short of the spectacular rise of Rs. 108.69 lakhs noted in the previous year. The slight fall in the pace of demand for the Company's products is reflected in the closing stocks which stood higher at Rs. 34.03 lakhs, as against Rs. 13.51 lakhs at the end of 1956-57. Production of bare aluminium conductors during the year under review amounted to about 22,300 miles, or a little over 7,700 tons, the highest so far achieved. The output of accessories, tools and aluminium rod were also at levels higher than those attained in previous years. In addition, about 1.3 million core-yards of covered aluminium conductors, a new product of the Company, were manufactured. All this was possible on account of the "fairly satisfactory" availability of raw materials, thanks to the assistance received from the Central Government. It is stated that the demand for the Company's products continued to be good.

Steady progress has been made in the construction of the Company's factories at Hirakud since the first breaking of ground in April 1957. According to the original schedule, the rod mill was to be commissioned towards the end of 1958 and the cable mill early in 1959. It was, however, subsequently decided to give priority to the completion and commissioning of the cable mill. The Directors expect to have the cable mill in operation by November 1958, with the rod mill coming into service around March 1959. The new share capital which was called up in April and October 1957 was fully utilised for financing the Hirakud project.

The balance-sheet as at 31st March 1958 shows that the reserves and surplus amount to Rs. 34.75 lakhs, supplementing a paid-up capital of Rs. 79.96 lakhs, all in ordinary shares of Rs. 10 each. The current liabilities stand at Rs. 168.74 lakhs and these include secured loans from banks of the order of Rs. 81.04 lakhs. The gross block of the value of Rs. 105.40 lakhs stands written down to Rs. 71.02 lakhs. The gross block includes additions during the year of Rs. 11.10 lakhs and Hirakud project at cost at Rs. 28.90 lakhs, besides other construction work in progress amounting to Rs. 2.43 lakhs. The current assets aggregate Rs. 212.42 lakhs and cover the current liabilities and the provision for taxation by a margin of Rs. 43.68 lakhs.

A commendable feature of the Directors' report and accounts is the inclusion of charts depicting the Company's progress which makes it easier to appreciate what has been achieved. The chart on shareholding shows that the Company has 1,062 shareholders with shares of the face value of Rs. 1,000 each, 703 holders with shares ranging from Rs. 1,001 to Rs. 5,000, 122 shareholders from Rs. 5,001 to Rs. 10,000, 73 shareholders from Rs. 10,001 to Rs. 20,000, 14 shareholders from Rs. 20,001 to Rs. 50,000, 13 shareholders from Rs. 50,001 to Rs. 1,00,000 and six shareholders from Rs. 1,00,000 and above.

The shares of the Company (Rs. 10 paid-up) are being currently quoted at Rs. 16.79 *ex-div.* at which rate and on the basis of the dividend for 1957-58, the yield is 7.44 per cent. per annum.

ROHTAS INDUSTRIES LTD.

The Directors of Rohtas Industries Ltd. have decided to capitalise Rs. 16,20,209 from the amount standing to the credit of the share premium account and Rs. 6,59,791 out of the general reserve and to issue the same in the form of fully paid ordinary bonus shares of Rs. 10 each in the proportion of one share for every 10 existing ordinary shares of Rs. 10 each, to those shareholders whose names stand registered in the Company's books as on 31st October 1958. The ordinary bonus shares will rank *pari passu* in all respects with the existing ordinary shares, except that they will not be entitled to any dividend declared for the financial year ended 31st March 1958. Requisite consent for the above issue has been obtained from the Controller of Capital Issues and the Industrial Finance Corporation of India.

The Directors of Tata Chemicals Ltd. have recommended the payment of dividend for the year ended 30th June 1958, at the rate of 75 nP per share on old ordinary shares, as against 80 nP per share paid for 1956-57 and at 3.125 nP per share on new ordinary shares (including interest payable out of capital at 4 per cent. per annum, amounting to 1.667 nP per share, as sanctioned by Government).

The Coorg Tea Company, Ltd. has decided to issue 16,000 fully paid equity shares of Rs 5 each as bonus in the ratio of one bonus share for every five equity shares held and to subdivide the equity shares of Rs. 5 each into shares of Rs. 2 each. The Government's sanction for the bonus issue has been obtained.

MORARJEE MILL'S GROSS PROFIT HIGHER

DIVIDEND RAISED SLIGHTLY

IN refreshing contrast to the adverse results disclosed by a number of cotton textile mills, the Morarjee Goculdas Spinning and Weaving Company, Ltd. (Managing Agents: Messrs. Piramal Sons Private Ltd., Bombay), has reported encouraging results in its working during the year ended 30th June 1958. Not only have the Company's sale proceeds improved, thus reversing the downward trend noted in the preceding two years, but its profit has also recorded a sizable rise over that for the previous year. The gross profit for the year under review at Rs. 34.11 lakhs, has risen by Rs. 12.20 lakhs from Rs. 21.91 lakhs earned in 1956-57. The net profit after providing for depreciation and taxation amounts to Rs. 11.21 lakhs, as against Rs. 12.46 lakhs in the previous year. It must, however, be noted that the figure of net profit for the year under review and for 1956-57 are not strictly comparable because of the changes in the provision for depreciation in respect of the two years, as will be explained shortly.

The year's provision for depreciation at Rs. 17.25 lakhs appears to be substantially higher than that of Rs. 6.97 lakhs set apart in the previous year. This is due to the fact that the provision for the year under review includes normal, special and extra shift allowances to which the Company is entitled on the capital expenditure incurred during the year, whereas the previous year's provision represented only normal depreciation. The Company was entitled to special and extra shift allowances in respect of 1956-57 also, but the provision for these had been transferred to and included in development rebate reserve. The provision for taxation has been raised from Rs. 1 lakh to Rs. 3 lakhs. The tax provision would have been higher but for the adjustment of Rs. 2.55 lakhs from the excess provision made in previous years.

Out of the net profit, the Directors have transferred Rs. 5.88 lakhs to development rebate reserve, as against Rs. 13.62 lakhs in the previous year. The latter amount, as already stated, included the accelerated depreciation allowance allowed under the Income-tax Act on the new capital expenditure incurred during that year.

The Directors have recommended an increase of one per cent. to 15 per cent. per annum in the dividend on ordinary shares for the year under review, besides the usual 4½ per cent. tax-free cumulative preference dividend, thus restoring the cut made last year. It should be noted, however, that this has been made possible only by drawing Rs. 3.20 lakhs from the general reserve.

The following comparative table presents some of the salient features of the Company's working during the past four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1958	1957	1956	1955
Sale proceeds	366 06	323 53	362 50	371.78
Closing stocks	121 96	106 32	73 90	81 68
Cotton consumed	159.10	158 95	146.44	166.76
Other raw materials, stores, fuel and power consumed ..	53 16	46 86	39 83	39.66
Wages and other expenses ..	136 01	128 68	117 40	135.11
Gross profit	34 11	21 91	39 72	19 87
Managing Agents' commission.	2 05	1 48	3 57	1.94
Depreciation	17 25	6 97	18 46	4.95
Taxation	3 00	1 00	8.00	1.11
Net profit	11 21	12 46	9 69	11.40
Transfer from general reserve ..	3 20	8 02	—	—
Transfer to reserves	5 88	13.64	—	4.20
Dividends—				
4½% preference	0 78	0 78	0 78	0.78
Ordinary	7 76	7 24	7 76	7 24
	(15%)	(14%)	(15%)	(14%)
Carry forward	0 22	0 23	1 41	0.27

It will be seen from the table above that the Company's sale proceeds of cloth, yarn and waste for the year have increased by Rs. 42.53 lakhs to Rs. 3.66 crores. Although the cost of cotton consumed has made only a modest rise, other raw materials, stores, fuel, etc., have increased by Rs. 6.30 lakhs and so also wages and other expenses by Rs. 7.33 lakhs. The rise of Rs. 15.64 lakhs in the clothing stocks is small, compared with that at Rs. 32.42 lakhs in the previous year and this evidently reflects the better offtake during the year under review.

The Company has a paid-up capital of Rs. 69 lakhs, made up of 17,250 4½ per cent. tax-free cumulative preference shares of Rs. 100 each and 51,750 ordinary shares of Rs. 100 each. Of this, as much as Rs. 34.50 lakhs of the ordinary capital and the entire amount of Rs. 17.25 lakhs of the preference capital represent amounts capitalised out of reserves in the past. Even after such large capitalisation, the reserves and surplus aggregate Rs. 41.22 lakhs. The current liabilities stand at Rs. 148.90 lakhs. Of these, secured loans from banks stand reduced from Rs. 115.90 lakhs a year before to Rs. 99.97 lakhs and unsecured loans from Rs. 2.62 lakhs to Rs. 73,909. The fixed assets stand well written down from Rs. 275.33 lakhs to Rs. 74.91 lakhs, the difference, namely, Rs. 200.42 lakhs, being the total depreciation provided up to the end of the year of review. The net written down value of the fixed assets includes Rs. 12.32 lakhs, being the cost of additions made to the gross block during the year under review. Of these additions, as much as Rs. 10.54 lakhs represent the amount spent on new plant and machinery alone. It may be of interest to know that in the previous year a sum of Rs. 30.09 lakhs had been spent by way of additions to the gross block. The current assets, which are large enough at Rs. 184.21 lakhs, cover the current liabilities and the provision for taxation by a wide margin. The financial position of the Company is, thus, quite satisfactory.

The Rs. 100 fully paid-up ordinary shares of the Company are currently quoted at Rs. 242 *cum-div.* and, on an *ex-div.* basis, offer a yield of 6.6 per cent. per annum, free of income-tax.

UNITED NILGIRI TEA ESTATES

Despite a record tea output, the profit of the United Nilgiri Tea Estates Company Ltd. (Managing Agents and Secretaries: Messrs. T. Stanes & Co., Ltd., Coimbatore) for the year ended 31st March 1958 shows a sizable decline from that earned in the previous year. There were two reasons for this somewhat paradoxical situation: a rise in the all-in cost of tea per lb. and a fall in selling price. The gross profit of the Company for the year under review at Rs. 11.76 lakhs is Rs. 5.65 lakhs lower than the Rs. 17.41 lakhs earned in 1956-57, to which level it had smartly risen from Rs. 12.33 lakhs for 1955-56. The net profit at Rs. 4.29 lakhs has also declined from Rs. 5.63 lakhs for the previous year and Rs. 6.22 lakhs for 1955-56. The net profit has been arrived at after making provision for Managing Agents' remuneration, depreciation and taxation. While the provision for depreciation has been slightly raised from Rs. 1.75 lakh a year ago to Rs. 1.90 lakh, that for taxation has been substantially cut from Rs. 8.80 lakhs to Rs. 4.77 lakhs. The fall in the profits had their unfavourable reaction both on the amounts allocated to the various reserves and on the distribution to shareholders. The transfer to development reserve has been pruned from Rs. 1 lakh to Rs. 60.000 and that to furlough reserve from Rs. 11,875 to Rs. 9.000. No amount has been allocated to gratuities reserve which had been the recipient of Rs. 55.000 in the previous year but a sum of Rs. 7,734 has been transferred to development rebate, as against nil. A dividend of 16 per cent. has been declared for the year under review. This is lower, as compared with 17½ per cent. for 1956-57 and 20 per cent. for 1955-56. The dividend absorbs Rs. 3.51 lakhs, leaving a sum of Rs. 1.20 lakh to be carried forward, as against Rs. 1.19 lakh brought in.

The Company's sale proceeds for the year under review at Rs. 34.49 lakhs show only a modest rise from Rs. 34 lakhs in the previous year, although they are substantially higher when compared with Rs. 27.73 lakhs two years before. As against this, expenses have increased from Rs. 19.93 lakhs to Rs. 24.90 lakhs and this has inevitably led to the decline in profit.

A total crop of 1,427.000 lbs. of made tea was harvested during the year, which exceeded the previous year's crop of 1,395,000 lbs. by as much as 32.000 lbs. This is stated to be the highest on record. The all-in cost of production of tea during the year was Rs. 1.82 per lb. as against Rs. 1.57 in the previous year. The average price realised was Rs. 2.42 per lb., as against Rs. 2.56 per lb. a year before. Thus, there was an increase of 25 nP per lb. in costs but a reduction of 14 nP per lb. in the selling price. The report states that the increase in costs is almost entirely due to extra costs of labour, wages, bonus, etc. The current year's crop is estimated at 1,400,000 lbs. to be produced at a cost of 152.15 cents on the Chemrai group of estates and 175.25 cents on Korakundah estate. The Company has a total area of 3,641.62 acres, of which tea in bearing accounts for 1,753.50 acres and immature and nurseries for 19.50 acres. The balance is taken up by timber, fuel and acacia (640.50 acres) and reserves, roads, buildings and waste (1,228.12 acres).

The Directors observe that the ever-increasing cost of production has assumed such serious dimensions that the agricultural operation of tea cultivation is fast becoming non-remunerative, while many other unorganised agricultural activities are still making attractive profits with the minimum capital outlay.

The Company has a paid-up capial of Rs. 21.93 lakhs, all in ordinary shares of Rs. 10 each. Its reserves and surplus aggregate Rs. 12.26 lakhs. The gross block of the value of Rs. 41.38 lakhs stands depreciated at Rs 27.68 lakhs. The current assets aggregate Rs. 18.18 lakhs, against which the current liabilities amount to only Rs. 11.66 lakhs.

The Rs. 10 paid-up shares of the Company are currently quoted at Rs. 18 *ex-div.*, at which rate the dividend for the year works out to a yield of 9 per cent. per annum.

Points From The Chair

Indonesian Economy

"YOU will remember that a year ago I pointed out how closely our fortunes were linked with those of the Indonesian economy. Since then, the Republic's difficulties have become even more acute, mainly as a result of the military and other measures taken to deal with the political strife which broke out last February in Sumatra and other parts of the archipelago. Despite severe restrictions on imports, the country's holdings of gold and foreign exchange are still at a dangerously low level, the cover at present being only a little over 7 per cent.: this is, of course, the reason why the Indonesian authorities have been most reluctant to sanction any remittances abroad, and why our sterling resources, even after the receipt of dividends and with considerably increased trading in London in 1958, remain so meagre."

C. JACKSON,
Anglo-Indonesian Plantations Ltd., London.

Mounting Production Costs

"In a business such as yours in which the finished product is processed from numerous raw materials obtained from many sources, the inflationary effect of present Government policies tends to multiply itself, and makes expansion in terms of real value more and more difficult. The cost of Indian sugar and glucose, the two main ingredients of high grade confectionery, are now twice the level of world prices, and with the addition of multiple sales and other taxes, and mounting costs of labour and distribution, your Company's products have become something of a luxury that only the better off consumer can afford to buy. The reassuring factor in this context is the expansion which can be looked for as a result of a continuing rise in the standard of living which will progressively enlarge the market for our products."

C. R. SRINIVASAN,
Parry's Confectionery Ltd.

State Trading in Cement

"The cement industry has been facing a new problem of accumulating stocks and consequent slowing down of production. In your own factory in recent months we have to carry over huge stocks at times and we do not know how the needs of the nation can be duly met under present arrangement of distribution and pricing. As you know, the State Trading Corporation which has taken over the responsibility of distributing the entire production of cement in the country, was originally instituted mainly with a view to equalise the prices of imported cement and indigenous cement by a process of unified control and price pool. Now that Indian cement has proved its ability to meet the entire demand of the country at present and in the foreseeable future, the justification for continuance of State trading in the commodity has to be reviewed and I may be pardoned if I take this opportunity to invite the attention of the authorities to the same. The days of selling cement on telephone instructions while sitting in comfort in air-conditioned chamber are almost over and in the near future a high order of salesmanship, publicity and organisation for storage and distribution throughout the country and possibly in some neighbouring countries will have to be called for."

ANANDILALL PODDAR,
Sone Valley Portland Cement Co., Ltd.

Replacing Obsolete Plants

"In the present competitive conditions, continued reluctance or inability to replace obsolescent plant can only lead to a worsening of this country's position in world markets and it would seem to me to be essential that the maximum possible encouragement should be given to industry to pursue a policy of early replacement with the latest types of productive machinery. On the export side, the American recession and the fall in prices of basic commodities have made selling in many markets more difficult. British exporters are, moreover, placed at a great disadvantage against increasingly strong foreign competition by the difficulty of meeting the requirements of many of our most promising export markets for extended payment terms. Government action aimed at providing long-term credits is urgently necessary to enable us to compete on an equal footing...."

J. FRYE,
B. Elliott & Co. Ltd., London.

Russian Tin Exports

"The rise in exports of Russian tin to the free world from 450 tons in 1956 to about 9.000 tons in 1957 and nearly double that rate in 1958 is significant. Imports of Russian tin into the United Kingdom in the second quarter of this year amounted to 2.090 tons compared with 629 tons for the corresponding period of last year. The average three months tin price for the second quarter of 1957 was £767 per ton; the price for the second quarter of the current year was £730 per ton. It seems strange that at the higher tin price only 629 tons were exported compared with 2.090 tons at the lower price. The only explanation to be assumed is that Russia intended to do her utmost to wreck the tin control scheme. Seeing that the major producers of tin are what are known as underdeveloped countries, it is hard to reconcile Russia's attitude with her much vaunted policies of helping underdeveloped countries. This furnishes another instance of how little reliance can be placed on her declared intentions."

J. H. RICH,
Tronoh Mines, Ltd., London.

COMPANY MEETINGS AND DIVIDENDS

EAST INDIAN COAL CO., LTD. Annual General Meeting, Calcutta, 5th November 1958. Dividend: Re. 1.00 per share (includes interim dividend of Re. 0.40 per share). Transfer books remain closed from 23rd October to 5th November 1958, both days inclusive

BARNAGORE JUTE FACTORY CO., LTD. Annual General Meeting, London, 5th November 1958. Dividend: *Nil*. Transfer books remain closed from 23rd October to 5th November 1958, both days inclusive.

BARAREE COKE CO., LTD. Annual General Meeting, Calcutta, 5th November 1958. Dividend: Re. 0.50 per share. Transfer books remain closed from 23rd October to 5th November 1958, both days inclusive.

ANGLO-INDIA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 5th November 1958. Dividend: Rs. 10.00 per share. Transfer books remain closed from 24th October to 5th November 1958, both days inclusive.

NUDDEA MILLS CO., LTD. Annual General Meeting, Calcutta, 5th November 1958. Dividend: 5 per cent. or Rs. 2.50 per share. Transfer books remain closed from 23rd October to 5th November 1958, both days inclusive.

GOUREPORE CO., LTD. Annual General Meeting, Calcutta, 5th November 1958. Dividend: 20 per cent. or Rs. 20.00 per share. Transfer books remain closed from 23rd October to 5th November 1958, both days inclusive.

INDIAN GALVANIZING CO. (1926) LTD. Annual General Meeting, Calcutta, 6th November 1958. Dividend: *Nil*. Transfer books will remain closed from 27th October to 6th November 1958, both days inclusive.

MACHINERY MANUFACTURERS CORPORATION LTD. Annual General Meeting, Bombay, 7th November 1958. Dividend: *Nil*. Transfer books remain closed from 24th October to 7th November 1958, both days inclusive.

MORARJEE GOCULDAS SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 8th November 1958. Dividend: Rs. 15.00 per share, payable from 17th November 1958. Transfer books remain closed from 20th October to 15th November 1958, both days inclusive.

HULDIBARI TEA CO., LTD. Annual General Meeting, Calcutta, 14th November 1958. Dividend: Re. 1.25 per share. Transfer books will remain closed from 1st to 14th November 1958, both days inclusive.

GANNON DUNKERLEY & CO., LTD. Annual General Meeting, Bombay, 10th December 1958. Dividend: Rs. 6.00 per share. Transfer books remain closed from 8th to 23rd December 1958, both days inclusive.

CALCUTTA TRAMWAYS CO., LTD. Annual General Meeting, London, 18th December 1958. Dividend: 2½ per cent. free of tax. Transfer books will remain closed from 5th to 18th December 1958, both days inclusive.

KUMARDHUBI ENGINEERING WORKS LTD. Dividend of Re. 0.45 per share, for the year ended 30th November 1957.

WESTERN INDIA PLYWOODS LTD. Dividend of Rs. 10.00 per ordinary share, i.e., 10 per cent. for the year ended 31st March 1958. Transfer books will remain closed from 1st to 8th November 1958, both days inclusive.

MYSORE LAMP WORKS LTD. Dividend of 9 per cent. or Re. 0.90 per share, for the year ended 31st March 1958. Transfer books remain closed from 18th to 30th October 1958, both days inclusive.

AMALGAMATED COFFEE ESTATES LTD. Dividend of 6 per cent. or Re. 0.60 per share, for the year ended 31st March 1958. Transfer books will remain closed from 7th to 14th November 1958, both days inclusive.

RADIO AND ELECTRICALS MANUFACTURING CO., LTD. Dividend of 11 per cent. (final) subject to Government sanction, for the year ended 31st March 1958. Transfer books will remain closed from 16th to 29th December 1958, both days inclusive.

NATIONAL ELECTRICAL INDUSTRIES LTD. Dividend of Rs. 4.50 per ordinary share, for the year ended 31st March 1958. Transfer books will remain closed from 31st October to 7th November 1958, both days inclusive.

KIRLOSKAR OIL ENGINES LTD. Dividend of Re. 1.00 per share, for the year ended 31st March 1958, payable on 21st December 1958. Transfer books will remain closed from 31st October to 21st November 1958, both days inclusive.

INDIA PAPER PULP CO., LTD. Dividend of 10 per cent. or Re. 1.00 per share, for the year ended 31st March 1958.

DELHI CLOTH AND GENERAL MILLS CO., LTD. Dividend of Rs. 2.00 per share, for the year ended 30th June 1958.

COMPANY REGISTRATIONS

WARANGAL INDUSTRIES PRIVATE LTD. (First Director: Mr. S. K. Nevatia) Business: Extraction of oil from copra, cotton seeds, etc. Authorised capital: Rs. 5,00,000. Private Company. Address: Jehangir Wadia Buildings; 51, Mahatma Gandhi Road, Fort, Bombay.

ADILABAD COTTON CO. PRIVATE LTD. (First Director: Mr. Fatehchand Jhunjhunwala) Business: Ginning, pressing and cleaning cotton, wool, jute, etc. Authorised capital: Rs. 5,00,000. Private Company. Address: Jehangir Wadia Buildings; 51, Mahatma Gandhi Road, Fort, Bombay.

ANGLO-INDIA JUTE RAISES DIVIDEND

PROFIT OF BARAREE COKE DECLINES

Anglo-India Jute Mills Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The accounts disclose a net revenue profit of Rs. 26,53,984 (Rs. 6,18,751) which is increased by sundry credits to Rs. 27,55,497 (Rs. 12,74,606). After providing for depreciation Rs. 12,00,000 (Rs. 10,00,000), wealth tax for assessment years 1957-58 and 1958-59 Rs. 1,24,715 and other taxation Rs. 78,791 (Rs. 2,528), there stands the sum of Rs. 15,29,812 (Rs. 8,02,270) on profit and loss account. After placing Rs. 5,00,000 (*nil*) to machinery replacement reserve and Rs. 21,000 (*nil*) to development reserve there remains the sum of Rs. 10,08,812 (Rs. 8,02,270) which the directors recommend should be dealt with as follows:—

In payment of dividend on preference share capital at the rate of 7 per cent. per annum (Rs. 7 per share) without any deduction for income-tax paid by the Company absorbing Rs. 2,80,000 (Rs. 2,80,000), in payment of dividend on ordinary share capital at the rate of 10 (7) per cent. per annum [Rs. 10 (Rs. 7) per share] without any deduction for income-tax paid by the Company absorbing Rs. 4,92,070 (Rs. 3,44,449) and leaving to be carried forward Rs. 2,36,742 (Rs. 1,77,821).

In accordance with the working time agreement of the Indian Jute Mills Association, the mills continued to work with 12½ per cent. of the looms sealed. More opportunities for profitable business were found in the year under review, but a decline in the price of manufactured goods to an unrealistic level became apparent towards the end of the period and resulted in the fixation of minimum prices by the members of the I.J.M.A. below which sales are not transacted.

In continuance of the policy of concentrating production in the modernised mills, Upper Mill was closed from 6th January, 1958 and the working transferred into Middle Mill. Arrangements have been made to dispose of the Upper Mill property. In order to achieve the most economical use of machinery, loom hours were purchased and some sealed looms were opened in the last quarter of the year. It is proposed to complete the modernisation of the preparing and spinning machinery of Middle Mill and an application has been made to the National Industrial Development Corporation for a loan for this purpose.

Considerable economies have been made in the working of the subsidiary, Messrs. Landale & Clark Ltd., and these should now lead to profitable operation whilst the Pakistan subsidiary has not traded since July 1957.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	89,20,700	Gross block	3,09,93,668
Reserves ...	72,21,000	*Less*—Depreciation ...	2,15,04,087
Provision for taxation ...	3,26,387	Net block ...	94,89,581
Liabilities ...	1,64,68,219	Stock-in-trade ...	1,35,89,407
Profit and loss account ...	2,36,742	Stores and spares ...	11,56,954
		Debts, deposits and advances ...	44,78,096
		Investments	41,27,651
		Cash	3,31,359
Rs.	3,31,73,048	Rs.	3,31,73,048

Bararee Coke Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The profit and loss account, after charging depreciation of Rs. 34,500 and after crediting adjustments in respect of the previous year totalling Rs. 1,56,412 shows a balance of profit of Rs. 2,22,354 (Rs. 2,60,765) to which has to be added provision for taxation no longer required Rs. 14,706 (*nil*), dividends forfeited, less paid Rs. 2,519 (*nil*), transfer from provision for doubtful debts Rs. 121 and the balance brought forward from the previous year of Rs. 70,917 (Rs. 20,136) making a total of Rs. 3,10,617 (Rs. 3,41,263 including Rs. 14,963 being adjustment in respect of material in process). Out of this sum there has been provided for taxation Rs. 1,25,000 (Rs. 1,60,000), written off renovation account Rs. 46,979 (*nil*), provided for doubtful debts Rs. 21,173 (*nil*) and written off for claims considered irrecoverable Rs. 121 (Rs. 865) leaving a balance available for disposal of Rs. 1,17,344 (Rs. 1,75,917 excluding dividends forfeited amounting to (Rs. 4,480). Out of this amount the directors recommend there should be paid a dividend on the share capital of 5 (8½) per cent. without any deduction for income-tax payable by the Company, absorbing Rs. 60,000 (Rs. 1,05,000) leaving a balance of Rs. 57,344 (Rs. 70,917) to be carried forward to the next account.

Manufacture and despatches during the year were as follows:—

	Manufactured	*Despatched*
	Tons	Tons
Coke	43,249	41,741
Tar and pitch	2,142	1,978
Sulphate of ammonia	347	357
	Gallons	Gallons
Benzol	5,008	5,121

The Award of the Industrial Tribunal, Bihar, to which a joint reference had been made with the Company's workers in respect of the dispute arising from the Award of the All India Industrial Tribunal (Colliery Disputes), published on 12th February, 1958, went beyond that of the Labour Appellate Tribunal in the case of the Coal Industry by not only adopting the latter's rate of wages but also continuing foodgrain supplies to the Company's labour at concessional prices, the cash equivalent of which concessions had a ready in effect been merged in these rates. This is a concession enjoyed by no other workers in this Industry and by reason of the continuance of the policy of Government-controlled selling prices for coke, the Company has now to bear the full additional cost without any compensation in the price realised for its product. Further, in expectation that a fair price increase would be allowed, the Company agreed to pay enhanced dearness allowance to its workers with effect from 1st April 1958, as provided in the Labour Appellate Tribunal Award; but in the event the increase permitted took account only of the revised price of coal, leaving the burden of increased labour costs to be absorbed entirely by the Company. While a working profit for the year ended 31st March last is disclosed in the accounts, it will be observed that to a substantial extent this is due to credit adjustments from the previous year and the position since that date has steadily deteriorated with the result that regular monthly losses are now being incurred.

Reference has been made in recent reports to an extensive repair programme to the Company's coke oven battery. The execution of this programme is now in progress and three rebuilt ovens are at present under heating preparatory to their going into production within the course of the next few weeks. Import licences for the full quantity of semi-silica coke oven blocks required have been granted and as materials come to hand, repairs are proceeding although, as yet, not at a sufficient pace to compensate for production losses involved through ovens going out of commission. It will be observed that the quantity of coke manufactured during the year ended 31st March last fell to 43,249 tons as compared with the figure of 54,782 tons in the previous year and 63,171 tons for the year ended 31st March 1956. It will be noted that such substantial falls in production must inevitably have a serious effect on the earnings of the Company's current working and it is not expected that production will reach a satisfactory economic level until the oven repair programme has been completed in approximately eighteen months' time. In the circumstances, it continues to be necessary to conserve the Company's liquid resources and the directors have therefore found it possible to recommend a dividend of only 5 (8½) per cent. on this occasion.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Gross block ...	35,13,891
Reserves ...	8,49,890	*Less*—Depreciation ...	33,46,842
Provision for taxation ...	37,189	Net block ...	1,67,049
Liabilities ...	7,63,382	Stock-in-trade and raw materials ...	5,07,557
Profit and loss account ...	57,344	Stores, etc. ...	6,55,431
		Debts, deposits and advances ...	10,70,769
		Investments	6,147
		Cash ...	5,00,852
Rs.	29,07,805	Rs.	29,07,805

Gourepore Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The profit for the year before charging depreciation amounts to Rs. 19,24,481 (Rs. 5,52,924) adding thereto:—Dividends forfeited Rs. 2,661 (Rs. 1,558), refund of income-tax for previous period Rs. 2,322 (Rs. 51,869) and provision for doubtful debts no longer required Rs. 4,212 (Rs. 35) making a total of Rs. 19,53,676 (Rs. 6,84,483 including Rs. 78,102 being amount written back in respect of Municipal tax). From this amount is deducted depreciation for the year of Rs. 4,81,151 (Rs. 4,40,436), dividends previously forfeited now paid Rs. 938 (Rs. 126), Pakistan taxation in respect of a previous period of Oil Mill Trading Rs. 25,556 (Rs. 1,35,923), wealth tax for the assessment year 1957-58 Rs. 16,036, development rebate reserve Rs. 20,030 (*nil*), provision for doubtful debts Rs. 15,337 (*nil*) and provision for major overhauls of machinery Rs. 43,607 (*nil*) leaving a credit balance of Rs. 13,31,021 (debit of Rs. 2,40,947). Adding to this the amount brought forward of Rs. 45,248 (Rs. 25,195) there is available for disposal a sum of Rs. 13,76,269 (Rs. 2,64,248 after transferring Rs. 2,50,000 from general reserve and Rs. 2,30,000 from general and dividend equalisation reserve). The directors propose that this sum be dealt with as follows:—

By payment of a dividend on preference shares of Rs. 6 per share or 6 per cent. per annum absorbing Rs. 1,59,000 (1,59,000) payment of a dividend on ordinary shares of Rs. 20 (Rs. 2,50) per share or 20 (2½) per cent. per annum Rs. 4,80,000 (Rs. 60,000), transfer to general reserve Rs. 4,50,000 (*nil*) and transfer to general and dividend equalisation reserve Rs. 2,40,000 (*nil*) leaving a credit balance of Rs. 47,269 (Rs. 45,248) to be carried forward.

No provision has been made for liability to wealth tax for assessment year 1958-59 as it is the opinion of the Board that this liability does not arise until 1st April 1958, after the period of the accounts under review.

Modernisation of the Mills' Spinning Departments is now virtually completed with beneficial results throughout the entire Mill economy.

The total cost of modernisation during the last two years has been Rs. 37,54 lakhs of which Rs. 15 lakhs was financed by the loan received from the National Industrial Development Corporation, the remaining Rs. 22,54 lakhs having been met from the Company's own resources. The directors consider that the reserve of Rs. 19 lakhs for machinery renewals and replacements has been fully utilised and have, therefore, considered it prudent now to transfer the Rs. 19 lakhs to general reserve. It will be noted from the accounts that effect has been given to this transfer.

In September of last year the new Carpet Backing unit of the Factory commenced production. This unit comprises 20 looms. In the early stages business was slow to build up and the unit contributed little to the profits of the year under review. The directors are pleased to be able to report, however, **that this section is now working to capacity and contributing its full share to the Mill's present prosperity.**

Trading for the current year has to date enabled reasonable profits to be earned, and prospects up to the end of 1959 are encouraging.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,50,000	Gross block	2,35,37,322
Reserves ...	32,06,464	*Less*—Depreciation ...	1,60,44,632
Liabilities ...	1,30,70,023	Net block ...	74,92,690
Profit and loss account ...	47,269	Machinery in stock and in transit ...	1,11,161
		Stocks ...	72,54,857
		Stores ...	9,91,850
		Debts, deposits and advances ...	9,19,445
		Investments	44,11,574
		Cash ...	1,92,179
Rs.	2,13,73,756	Rs.	2,13,73,756

Nuddea Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The profit for the year before charging depreciation amounts to Rs. 14,50,709 (loss of Rs. 4,24,886) to which is added dividends forfeited of Rs. 1,099 (Rs. 852) and refund of income-tax for previous period Rs. 6,884 (Municipal tax Rs. 24,952) making a total of Rs. 14,58,692 (debit of Rs. 3,92,082 excluding a credit adjustment of Rs. 7,000 in respect of post de-requisitioning expenses). After deducting depreciation for the year of Rs. 5,59,257 (Rs. 4,71,616), dividends previously forfeited now paid Rs. 69 (*nil*), transfer to development rebate reserve of Rs. 59,685 (*nil*) and provision for major overhauls of machinery Rs. 46,750 (*nil*) there is a credit balance of Rs. 7,92,931 (debit of Rs. 9,46,805 including Rs. 83,107 being retiring benefits paid to ex-employees). With the amount brought forward from the previous year of Rs. 20,195 (Rs. 17,000) there is available for disposal a sum of Rs. 8,13,126 (debit of Rs. 9,29,805). The directors propose that this sum be dealt with as follows:—

By payment of a dividend of Rs. 2.50 (*nil*) per share or 5 (*nil*) per cent. per annum, absorbing Rs. 3,33,975 (*nil*), by transfer to general reserve of Rs. 4,00,000 (*nil*) and leaving a credit balance of Rs. 79,151 (Rs. 20,195 after transferring a sum of Rs. 9,50,000 from general reserve) which the directors recommend should be carried forward.

No provision has been made for liability to wealth tax for assessment year 1958-59 as it is the opinion of the Board that this liability does not arise until 1st April 1958, after the period of the accounts under review.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills worked 48 hours a week throughout the period under review with 12½ per cent. of their registered complement of looms sealed.

Trading conditions throughout the year were more favourable than those that have been experienced for some considerable time past. This was particularly the case in heavy goods where the prices for sacking quality jute were for the most part at economic levels—particularly cuttings. The mills took full advantage of these conditions.

Modernisation of the Mills' preparing and spinning departments proceeded according to plan and the greatly improved working of the past year is largely the result of improved efficiencies and other economies made possible by the installation of this new equipment. While re-equipment of the light yarn section of the mill is virtually completed, 50 per cent. of the sacking weft until still remains to be converted to sliver spinning. It is hoped that this section will be completely modernised during 1959.

This modernisation during the last two years has been completed at a total cost of Rs. 43,92

(*Continued on page 699*)

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



THE
CENTRAL INDIA
INSURANCE COMPANY, LTD.
Head Office: INDORE

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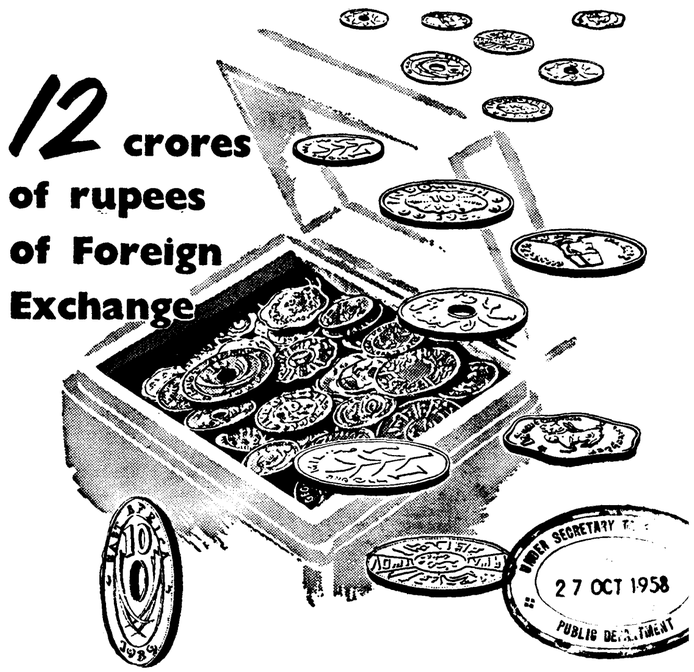
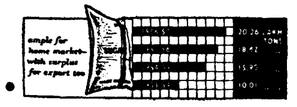


That was the beginning of exports by the Indian White Sugar Industry to earn foreign exchange. Geographically, India is within easy reach of sugar importing countries in the Middle, Near and Far East. In quality too, Indian Sugar compares favourably with that produced in other countries. With a better understanding of the industry's structure and problems and co-operation from the Government and consumer, the Industry can consolidate the position it has secured in the world market and improve it further to earn more foreign exchange: so vital for the progress of the Second Five Year Plan.

Today the White Sugar Industry provides scope for Indian capital investment of more than 100 crores of rupees; **it provides employment to** over 1,40,000 skilled and unskilled workers and 3,600 university educated men, their total earning representing 5% of the national wages and salaries; it supports 20 million cultivators; it constitutes 12% of the total value of production of major Indian industries; it contributes over 65 crores of rupees (@ Rs. 13.19 per maund) in levies to the national exchequer.

It offers even brighter prospects for the country. With a lighter burden with some of its present-day handicaps removed—this industry can contribute to achieving a more stable national economy. Its upward trend of production can continue to meet the needs of a growing home market and yet leave a surplus for export in order to earn foreign exchange.

Indian WHITE sugar ...



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THE INDIAN SUGAR MILLS ASSOCIATION

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Notice

THE CHAMPDANY JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting (being the Sixty-eighth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 2, Netaji Subhas Road, Calcutta, on Friday, 14th November, 1958, at 12 noon, for the following purposes:—

(1) To consider the Profit and Loss Account for the year ended 31st March, 1958, the Balance Sheet as at that date and the Reports of the Directors and the Auditors.

(2) To elect a Director in a place of a Director retiring by rotation.

(3) To consider and, if thought fit, to pass the following resolution which will be proposed as a Special Resolution:—

"That Mr. J. H. Jamieson be and is hereby appointed a Director of the Company."

Special Notice dated 30th September, 1958, of the intention to propose the foregoing as a Special Resolution has been received by the Company wherein it is stated that a Special Notice is given to satisfy the requirements of Sections 190 and 261(1)(f), (2) and (3) of the Companies Act, 1956 as Mr. Jamieson is an employee of the Managing Agents and whose appointment at this Meeting will require a Special Resolution.

(4) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

To consider, and, if thought fit, to pass with or without modification the following resolutions:

(5) (*As a special resolution.*) "That the Company do hereby approve of a contract or contracts, as the case may be, being entered into between the Company (hereinafter called "the Buyers") of the one part and James Finlay & Co., Limited, the Managing Agents of the Company (hereinafter called "the Sellers") of the other part, the material terms of which shall be—

1. The Sellers will sell and/or supply and the Buyers will buy and/or receive goods and services as set forth in the Schedule hereto at the price mentioned therein.

2. Delivery of the goods or the rendering of the services shall be made in accordance with the requirements of the Buyers.

3. The Buyers shall give notice to the Sellers of their requirements by an Advice Note.

4. Unless otherwise mutually agreed, the usual terms and conditions published by the Sellers and those commonly used in the trade or business carried on by the Sellers shall be applicable to any contract made in pursuance of this Resolution in so far as such terms and conditions or any of them relate to the Goods and Services.

5. Any dispute or difference between the Sellers and the Buyers relating to the terms of any contract shall be referred to arbitration in accordance with the Arbitration Act, 1940.

6. Any contract made in conformity with the foregoing shall be valid for a maximum period of five years from the 1st day of March, 1958, unless previously terminated by either party giving to the other one month's notice in writing.

7. It is hereby expressly declared that any sum received by the Sellers from the Buyers whether directly or indirectly by way of remuneration, rebate, commission, expenses or otherwise under the provisions of the foregoing shall not be or be deemed to be remuneration paid by the Buyers to Sellers as the Managing Agents of the Company within the meaning of Sections 198, 348 and 363 of the Companies Act, 1956."

SCHEDULE

Description	Quality	Quantity Annual, Maximum, Minimum	Price
1. Raw jute (including cuttings), machinery and mill stores, and all such other goods and products as are or may be set forth in any current catalogue, price list or other publication for the time being in force as may be issued from time to time by the Sellers in the ordinary course of their trade or business.	Such as may be prescribed by the Buyers.	Such as may be prescribed by the Buyers and which are sufficient for their reasonable requirements.	Fair market price realisable by the Sellers at the date of the order for the delivery specified or the current price for the time being in force or a price which is otherwise reasonable.
2. Sale and/or renting, hiring, leasing of land, buildings, premises (or part thereof), godowns and accommodation, clearing and forwarding and transport services.	Do.	Do.	Do.

(6) (*As a special resolution.*) "That the Company do hereby approve of a contract or contracts, as the case may be, being entered into between the Company (hereinafter called "the Sellers") of the one part and James Finlay & Co., Limited, the Managing Agents of the Company (hereinafter called "the Buyers") of the other part the material terms of which shall be—

1. The Sellers will sell and/or supply and the Buyers will buy and/or receive goods and services as set forth in the Schedule hereto at the price mentioned therein.

2. Delivery of the goods or the rendering of the services shall be made in accordance with the requirements of the Buyers.

3. The Buyers shall give notice to the Sellers of their requirements by an Advice Note.

4. Unless otherwise mutually agreed the usual terms and conditions published by the Sellers and those commonly used in the trade or business carried on by the Sellers shall be applicable to any contract made in pursuance of this Resolution in so far as such terms and conditions or any of them relate to the Goods and Services.

5. The price of the Goods and Services shall be paid to the Sellers within one month from the date of the actual delivery of the Goods or rendering of Services to the Buyers.

6. Any dispute or difference between the Sellers and the Buyers relating to the terms of any contract shall be referred to arbitration in accordance with the Arbitration Act, 1940.

7. Any contract made in conformity with the foregoing shall be valid for a maximum period of five years from the 1st day of March, 1958, unless previously terminated by either party giving to the other one month's notice in writing.

8. It is hereby expressly declared that any sum received by the Buyers from the Sellers whether directly or indirectly by way of remuneration, rebate, commission, expenses or otherwise under the provisions of the foregoing shall not be or be deemed to be remuneration paid by the Sellers to Buyers as the Managing Agents of the Company within the meaning of Sections 198, 348 and 363 of the Companies Act, 1956."

SCHEDULE

Description	Quality	Quantity Annual, Maximum, Minimum	Price
Hessian Cloth, Gunny Bags, Twine.	Such as may be prescribed by the Buyers.	Such as may be prescribed by the Buyers and which are sufficient for their reasonable requirements.	Fair market price realisable by the Sellers at the date of the order for the delivery specified.

The Share Register of the Company will be closed from 6th November to 14th November, 1958, both days inclusive.

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

2, NETAJI SUBHAS ROAD,
CALCUTTA, 16*th October*, 1958.

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

EXPLANATORY STATEMENTS

Resolutions Nos. 5 and 6

Section 360 of the Companies Act, 1956, prescribes, *inter alia*, that a company may by special resolution approve of any contract being entered into with its managing agent or any associate of the managing agent for the sale, purchase or supply of any property or rendering of service. Contracts of the nature referred to in force at the commencement of the Act, i.e., **the 1st April, 1956, in the matters referred to in Section 360 are deemed to terminate on the 1st March, 1958, unless previously determined and this is the effect of Section 361 of the Act.**

Contracts of the nature referred to existed between your Company and James Finlay & Co., Limited (the Managing Agents) relating to the purchase, sale or supply of goods and services. Such arrangements have been found convenient and in the interests and for the benefit of your Company. As these contracts expired by virtue of Section 361 of the Act on the 1st March, 1958, your Board of Directors considers it desirable that the same be renewed to have effect from that date. The special resolution sets out particulars of the transactions envisaged which may be affected by the provisions of Section 360 of the Act. The formal contracts in relation to the matters authorised by the special resolution will be dealt with by your Board of Directors as and when the occasion requires.

Interest of Directors and Managing Agents. The Directors and the Managing Agents of the Company are interested to the extent of their shareholdings of the Company as set out below.

Mr. S. Stevenson	... ...	11 Shares
,, B. Gill	... ...	10 ,,
,, K. P. Goenka	... ...	100 ,,
,, R. G. Edwards	... ...	10 ,,
,, J. H. Jamieson	... ...	10 ,,
James Finlay & Co., Limited (Managing Agents)	...	27,315 ,,

Notices

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 397, 398, 399, 404 AND 403 OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF RICHARDSON & CRUDDAS LTD.

BY AN ORDER OF THE CALCUTTA HIGH Court in the above matter, dated the 23rd April 1958, the undersigned has been confirmed as Special Officer to take charge of the affairs of the Company and manage the same.

The Special Officer is collecting materials for a report to the Calcutta High Court as to the shareholding in the above company. He will be grateful if parties holding share scrips will please notify to him the following particulars by the 31st October 1958:—

PARTICULARS

1. Face value of scrips.
2. Serial number of scrips and distinctive numbers of the shares.
3. Date and signature of Directors on scrips.
4. Any letter or document or evidence showing when the shares were registered or purported to be registered by the Company.
5. The title of the holder to the scrip, the name of the last transferor, date of acquisition by the present holder, and any other material particulars regarding the devolution of the shares.

A true copy of the scrip, together with any endorsement thereon, certified by the party applying should accompany the particulars. Original scrips should not be sent. It is proposed to arrange for inspection of the original scrips on behalf of the Special Officer at a later date.

The statement of particulars should be addressed to:—

"The Special Officer, Richardson & Cruddas Limited,

Hindusthan Buildings, 4, Chittaranjan Avenue,

Post Box No. 965, Calcutta-13,"

and superscribed "SHARES".

D. N. MITRA,
Special Officer.

Dated this 26th day of August, 1958.

THE KARANPURA DEVELOPMENT COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of The Karanpura Development Company Limited, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday, the 28th November, 1958 at 11 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1957 and to receive the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of a retiring Director.
3. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 14th November to 28th November, 1958, both days inclusive.

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

CALCUTTA, 9*th October*, 1958.

Note:—A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

ROHTAS INDUSTRIES LIMITED
DALMIANAGAR, BIHAR

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of the Company have decided to capitalise Rs. 16,20,209 from the Share Premium Account and Rs. 6,59,791 out of the General Reserve and to issue the same in the form of fully paid ordinary bonus shares of Rs. 10 each in the proportion of one fully paid ordinary bonus share of Rs. 10 each to the holders of every 10 existing ordinary shares of Rs. 10 each, whose names stand registered in the Register of Members of the Company on 31st October, 1958.

The ordinary bonus shares shall rank *pari passu* in all respects with the existing ordinary shares save and except that they will not be entitled to dividend declared in respect of the financial period of the Company ended 31st March, 1958.

Requisite consent from the Controller of Capital Issues and the Industrial Finance Corporation of India has been obtained.

By Order of the Board,

For SAHU JAIN LTD.,

A. P. JAIN,
Director,
Managing Agents.

15*th October*, 1958.

ROLE OF SOCIAL SCIENTIST IN POLICY-MAKING

(*Concluded from page* 688)

stance. He does not suffer from the limitations of the bureaucratic intellectual. He is not compelled to take up a particular type of problem nor is the direction of solution suggested to him by the politicians. Being independent, his values can clash with those of the man in power. Although, because of this freedom from restrictions, the unattached intellectual has greater freedom and objectivity in following up a problem and suggesting the solution, he himself is under some drawbacks. First of all, being outside the administration, he cannot fully size up a problem, since even such a small adjustmental problem of a quantitative character as raising the bank rate or increasing the export duties, has its own administrative and other implications, which only an insider in government can understand. In this respect, it is worth comparing, say, the American economists at Harvard and Columbia with their counterparts in India. Practically all the American economists have at one time or another been connected with the Administration. Naturally, therefore, the intellectual in India would tend to be theoretical, unrealistic, and even utopian. There is, secondly, the disadvantage that hibernation for a long time, especially in an environment where intellectual conflict and opportunities for adequate information are absent, would develop prejudices with regard to policies, and the intellectual might hug on to shibboleths and outworn policies, in spite of changing circumstances. Independence of judgment might become rigidity in views. There is, finally, the disadvantage that the unattached intellectual, being himself human, might find opposing the man in power not worthwhile. In other words, the intellectual, whether he is attached or unattached, may become, as Mr. A. D. Gorwala observes in his *Report on Public Administration*, "a courtier." This change in the social scientist's approach would further weaken his position, both in assessing a proposed policy and in offering an alternative to it.

The effectiveness of the scientist's role depends on three sets of conditions. First, it depends on the category of policy he deals with. The *foundational type* is multifaced and, therefore, cannot be effectively dealt with by a single social scientist or a group belonging to the same discipline, e.g., economists by themselves. Policy-making in this category becomes the function of a cross section of social sciences co-operating and, perhaps, others coming in too. The *structural type* of policies is the one where the social scientists of a particular hue can operate most effectively. For instance, changes in tax policy are largely the field of the economist or tax expert. The *adjustmental type* of policy (e.g., bank rate changes) is easily the field of a central banking expert. Very broadly, in the first type, social scientists can act only as a group, and even then, their effective contribution is limited; secondly, each type of social scientists can effectively operate on his own; and thirdly an individual intellectual can function.

The second set relates to the specificity of the problem. The scope to formulate a policy depends on the specificity of the policy-maker's aim, i.e., how vague or general is the aim? In a way, low specificity, i.e., greater vagueness, means large scope to the intellectual. Again, if the problem is merely a continuance of a decision, the scientist's role is limited. But even here, the intellectual can focus attention on alternative lines of action or designs of policy. Often the way in which data are presented may alter policy.

Policy-maker

The third set of factors influencing the role of the intellectual is in the intellectual himself. The scientist represents the tradition of precise knowledge, comprehensive outlook, intellectual freedom and objective judgment. The politician policy-maker is not always after truth and reality. The intellectual, particularly the bureaucratised one, is likely to follow this path, neglecting the purely scientific sphere for a subordinate and secondary position, and converting himself from a scientist to a 'research-worker.' "Whenever the scientist intervenes in contemporary issues," observes Prof. Apery, "he must bring with him the special qualities which attach to the calling: intellectual probity and the faculty of critical evaluation." This facet of the scientist is hardly appreciated by the policy-maker and often found inconvenient by the intellectual himself. Another 'internal' factor is largely technical. Successful policy-advice demands the ability to get quickly on a truth. This ability can be cultivated but needs comprehensive vision and the outlook and values of a mature man, and real familiarity with the main tools of analysis. A half-educated economist, it is said, is the source of erroneous judgments. One way of overcoming this limitation is to create a co-operative atmosphere by trying to learn from others. Recognise resistances in the policy-maker, and time and pace the communication of data and results in a way acceptable to him. Present the results in a positive manner, first emphasising the favourable aspects of current policy since concentration on weaknesses produces an avoidance reaction. Avoid insisting arbitrarily that the data are accurate and the design, foolproof. Give the policy-maker opportunity to "save his face."—*All Rights Reserved.*

COMPANY REPORTS

(*Concluded from page* 696)

lakhs of which Rs. 24.50 lakhs was financed by the loan received from the National Industrial Development Corporation, the remaining Rs. 19.42 lakhs having been met from the Company's own resources. The directors consider that the reserve of Rs. 12½ lakhs for machinery renewals and replacements has been fully utilised and have, therefore, considered it prudent now to transfer the Rs. 12½ lakhs to general reserve.

Trading for the current year has to date enabled reasonable profits to be earned, and prospects for the immediate future are not discouraging.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	66,79,500	Gross block	2,26,00,780
Reserves ...	17,31,396	*Less*—Depreciation	1,19,72,061
Liabilities ...	96,38,509		
Profit and loss account ...	79,151	Net block	1,06,28,719
		Machinery in stock and in transit	22,945
		Stocks ...	42,18,290
		Stores ...	12,02,316
		Debts, deposits and advances ...	14,98,687
		Investments	4,38,839
		Cash ...	1,68,760
	Rs. 1,81,78,556		Rs. 1,81,78,556

MONEY VERY COMFORTABLE

(From Our Own Correspondent)

BOMBAY, 22*nd October*

Activity in the short-term money market was extremely dull during the week under review. The seasonal demand for bank credit had not set in and, with a surfeit of funds in their tills, banks were all lenders in the inter-bank call money section. As a result, the interest rate in this section tended to decline further, with no borrowers at even 1½ per cent. Renewals were, however, said to have been done at 1½ per cent. The corresponding rate among the smaller Indian banks was 2 to 2½ per cent. House money at seven days' notice, however, continued to be quoted at 3½ to 3¾ per cent., with most of the business passing at the latter rate. The rates for short-term deposits were also unchanged at 3½ to 4 per cent.

For reasons stated in this column last week, there was no sale of Government of India 91-day Treasury Bills this week. Tenders for the auction to be held on the 28th inst., have been invited for Rs. 3 crores.

Minor variations in notes in circulation and notes held in the Banking Department are disclosed by the Reserve Bank of India statement for the week ended 17th October 1958. For the first time, after a lapse of five weeks, there has been a drop of Rs. 5 crores in foreign securities. A corresponding rise is noted in rupee securities. Balances held abroad (in the Banking Department) have gone up by Rs. 2.47 crores, so that the net decline in total foreign assets is Rs. 2.53 crores. These now stand at Rs. 179.74 crores. Deposits of the Central Government are lower by Rs. 1.46 crores, while those of other Governments show a rise of Rs. 17.29 crores. Deposits of banks too have gone up appreciably by Rs. 25.08 crores to stand at nearly Rs. 113 crores. Loans and advances to Government have declined by Rs. 4.18 crores, while other loans and advances show an increase of Rs. 92 lakhs. Investments disclose a substantial increase of Rs. 71.91 crores.

For the second week in succession, there has been a notable shift in the funds of banks from demand deposits to time deposits. The Scheduled banks' statement for the week ended 10th October 1958 shows a further drop of Rs. 10.97 crores in demand deposits (on top of a decline of Rs. 22.61 crores in the previous week) and a rise of Rs. 10.56 crores in time deposits, which had increased in the previous week by Rs. 18.34 crores. In contrast to the rise of Rs. 5.60 crores in the previous week, inter-bank borrowings have declined by Rs. 5.31 crores in the week under review. Advances are unchanged, while there has been a decline of Rs. 86 lakhs in bills purchased and discounted. Investments have been enlarged by Rs. 3.05 crores, while cash balances and money at call have dwindled by Rs. 10.48 crores and Rs. 6.23 crores, respectively.

The Gilt-edged market continued to be listless, with very little enquiries from institutional investors. Support from banks was conspicuous by its absence, despite the easy money conditions and the consequent surfeit of funds with them. Presumably, they are expecting the busy season to set in at any moment and, therefore, do not wish to lock up their surplus funds in Government securities. There was a further marking down in prices of some loans, while in other counters prices were more nominal in the absence of any business.

3 per cent. Conversion Loan continued to be on offer and declined by a further 35 nP to Rs. 73.25. 3 per cent. 1970-75 was dull at Rs. 90 *ex*-voucher. 3 per cent. 1966-68 had sellers at Rs. 94 and 3 per cent. 1963-65 5 nP lower at Rs. 96.55. 3 per cent. 1959-61 was also on offer at Rs. 99.75. Small buying enquiry was noted in 3½ per cent. 1962, but the quotation was unchanged at Rs. 99.15. 3½ per cent. 1961 was in demand at Rs. 100.05. 3½ per cent. 1963 shed 5 nP to Rs. 100 and 3½ per cent. 1964 was placed at Rs. 99.85 *ex*-voucher, as against Rs. 99.95 *cum*-voucher a week ago. 3½ per cent. 1965 showed no change at Rs. 99.65. 3½ per cent. 1967 at Rs. 98.85 and 3½ per cent. 1968 at Rs. 98.60. 3¾ per cent. 1967 was stagnant at Rs. 100.30 and 3¾ per cent. 1968 at Rs. 100.25. Among the 4 per cent. loans, 4 per cent. 1973 was in demand and rose by 5 nP to Rs. 100.35, following the Reserve Banks action in stopping sales of this loan. Activity was at a low ebb in State loans also.

There was a slight weakening of the rupee in terms of the U.S. dollar during the week under review, but towards the close a recovery set in. The trend was mainly influenced by the fluctuations in sterling abroad. Banks' selling rate for ready dollars rose from Rs. 476.75 to Rs. 477 per $100, before declining to Rs. 476.75 per $100. Likewise, banks' buying rate, after moving up from Rs. 473.25 to Rs. 473.75, closed lower at Rs. 473.50 per $100. In New York, spot sterling declined from $2.80-25/32-2.80-27/32 to $2.80-11/16-2.80⅜ before closing at $2.80-23/32-2.80-25/32. Three months' forward closed ¼c. lower on balance at $2.80-5/32-2.80-7/32. Transferable sterling was marked down from 279.15-279.20 to 279.10-279.15 cents.

TEA PRICES HARDEN

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, 16*th October*

There were 1,387,819 lbs. on offer in sale No. 30, which was held on Tuesday, 14th October. Once again teas from the Nilgiri district showed improvement in quality. At the other end of the scale, low medium and mediums were a little disappointing both in leaf and liquor. In spite of this, the market was very strong for all teas up to Re. 1.55. Medium teas met rather less enquiry and were considerably lower. There was keen competition for the good medium and best liquoring broken grades and these advanced in price. Similar fannings were firm and occasionally dearer. There was a useful enquiry for whole leaf grades and at times these sold at dearer rates. The strong demand for all tippy teas was maintained. The following are the quotations:—

Low medium Re. 1.55 to Re. 1.65; medium Re. 1.70 to Rs. 1.85; good medium Rs. 2.05 to Rs. 2.30 and quality Rs. 2.90 to Rs. 4.45.

London Market: *Sale of 13th October* 1958:—Buying selective. Assams irregular, but mostly lower. Others unchanged.

Sale of 14th October 1958:—Irregular and mostly easier.

Colombo Market: *Sale of 13th October* 1958:—Strong general demand. UVA quality declined, prices again substantially lower. Dimbula Dickoya brokens irregularly dearer, following quality. Corresponding fannings firm. All mediums 10 cents to 15 cents dearer. Low growns up 5 cents, Gulf types up 10 cents.

Sale of 14th October 1958:—Strong demand. Better liquoring sorts firm to dearer. Others steady.

Calcutta Market: *Export*:—73,658 packages. Strong general demand, especially for commonest.

Internal:—21,600 packages dust. Good general demand. Orthodox irregular up to 4 nP easier. Strong liquoring powdery firm to dearer. Darjeelings well supported at slightly dearer rates. Exportable C.T.Cs. steady. Poorer liquoring C.T.Cs. 10 to 20 nP easier.

Export Quota:—The market has remained steady throughout the week with a fair quantity of business going through at 3½ nP. The latest quotation shows a slightly dearer tendency with business being transacted at 3¾ nP.

Forthcoming Auctions:—Sale No. 31 will be held on Tuesday, 28th October 1958.

BULLION FIRM

(From Our Own Correspondent)

BOMBAY, 22*nd October*

After a setback early in the week under review, bullion prices staged a marked recovery and closed today around the highest levels for the week. The earlier decline was more marked in silver than in gold, due to bull liquidation on rumours that a former Princely State was in the market to sell a sizable quantity of the white metal. This affected gold also to some extent, but the undertone in the yellow metal still remained firm. From Monday onwards, there was a rally in both silver and gold on reports of good demand. Arrivals of Tibetan silver coins were scarce, while those of gold were a little higher. The good offtake of ready gold, however, kept the morale intact. Reports that China had revoked its cease-fire order gave an impetus to speculative activity pushing prices further up. The undertone at the close was firm.

Forward silver (27th October settlement) declined from Rs. 189 to Rs. 187-8, but soon staged a rally to touch Rs. 189-6 today. The closing was done at Rs. 189-3. The next settlement closed at Rs. 190-1, after a setback from Rs. 189-14 to Rs. 188-6.

Ready silver finished at Rs. 188-9, as against Rs. 188-4 a week ago, the week's lowest level being Rs. 186-12. The floating stocks of silver are placed at 1,200 bars. The daily average arrivals were about 40 bars (including unrefined metal), while the offtake was 10 bars on an average.

Gold for forward delivery (28th October settlement) improved from Rs. 109-7 to Rs. 109-14 early in the week, but the decline in silver brought the yellow metal also down to Rs. 109. This loss was made good in the subsequent recovery and forward gold (current settlement) closed at Rs. 109-14. The next settlement finished today at Rs. 110, as against Rs. 109-11 a week ago.

Ready gold improved from Rs. 109-7 to Rs. 110-3, at which level it commanded a premium over both the settlements. A week ago, ready was on par with the current settlement, but was quoted at a discount of As. 4 below the next settlement. The floating stocks of gold are estimated at 40,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was 3,000 tolas on an average.

There was no change in the New York price of silver at 90⅛c., while the London prices were raised again from 78¼d. to 78½d. for spot and from 78¼d. to 78⅝d. for forward. Gold declined from 250*s.* 2½*d.* to 250*s.*

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

	22-10-58	Highest	Lowest	15-10-58
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	110 3	110 4	109 2	109 7
Forward*	109 14	110 1	109 2	109 7
Sovereign	71 8	71 8	71 0	71 0
SILVER				
Ready (.996 fine Mint) ..	188 9	188 12	186 12	188 4
Forward†	189 3	189 6	187 8	189 0
London Silver Ready ..	78¼d.	—	—	78¼d.
London Forward	78¼d.			78¼d.
London Gold	250*s.*	250*s.* 1¼*d.*	250*s.*	250*s.* 2¼*d.*
New York Silver	90⅛c.	—	—	90⅛c.

*28th October settlement.
†27th October settlement.

COTTON FUTURES RECOVER TOWARDS CLOSE

(From Our Own Correspondent)

BOMBAY, 22*nd October*

After a sharp fall during the first half of the week, the cotton futures market picked up strength on Monday and staged a modest recovery. The recovery gathered momentum today. Most of the earlier losses were made up and the market closed at rates only slightly below last week-end quotations. The early reaction was due mainly to the onslaught of heavy liquidation by upcountry operators, following favourable weather news from the Punjab and Gujerat. The prospect of the new crop movement starting shortly gave fresh impetus to selling. Moreover, the categorical statement of Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, that there was no possibility of any further reduction in excise duty on cloth imparted further weakness to the market. Under pressure of selling, cotton futures prices sharply declined. The Jarilla March contract touched the lowest level of its career of Rs. 611.50 on Saturday. Some quarters were wondering whether the downward trend in cotton prices would not affect cotton production in the next season. They strongly felt that, in order to prevent a steep fall in prices, the Forward Markets Commission should impose a margin if prices fell below a certain level.

The Indian Central Cotton Committee was also reported to have made a similar suggestion and recommended to the E.I.C.A. that, just as the provision had been made in the by-laws of the E.I.C.A. to check an inflationary rise in price, provision shou'd also be made to prevent a steep fall in prices. This suggestion was considered by the E.I.C.A. at its weekly meeting on Friday. The news that the Board had decided at this meeting to maintain the *status quo* in this respect came as a disappointment to bulls. The recovery of the market on Monday and in subsequent sessions was due to the emergence of support induced by reports that the announcement regarding the export incentive scheme for textiles was imminent. Nothing so far materialised. But the expectation persists. The firmness of the side markets also imparted strength to cotton.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 613.50, as against the previous close of Rs. 621.25 and, after improving to Rs. 619.50 the next day, declined to Rs. 611.50 on Saturday. It recovered to Rs. 615 on Monday. The market was closed yesterday due to *Dassera*. Opening at Rs. 620.50 today, the contract improved to Rs. 621.25 before finishing at Rs. 618.75. The net loss over the week was Rs. 2.50.

The trend of prices of the contract is indicated below:

(In rupees per candy of 784 lbs.)

	22-10-58	*High*	*Low*	15-10-58
I.C.C. Moglai Jarilla (March 1959) ...	618.75	621.25	611.50	621.25

In the spot section, values suffered a further sharp break. Stray lots of quality cotton such as Laxmi-Jaydhar, Co2, 0394, and Berar received the attention of mills. Good enquiry was noted for new crop Khandesh Punjab 320F, Khamgaon, etc. But mills were hesitant to enter into firm commitments as they anticipated a further fall in prices when the crop started moving.

The export section was fairly active. Prices, however, looked down. Demand was noted for fine and superfine Bengals, Jarilla, 320F, Kala and Wagad. A sizable quantity of 320F was booked by shippers against sales to Hong Kong and the Continent.

In the foreign section, following the sharp fall in East African prices, mills evinced keen interest in these growths. Good business was reported in B.P. 52. Transactions were also put through in certain varieties of Sudanese cottons.

Importers are eagerly awaiting New Delhi's import quota announcement for cotton.

The Government of India has extended upto 30th November, the shipment period for importing 30,000 bales of cotton stapling 1.3/16" and above and 40,000 bales of cotton stapling 1.1/6" and above from soft currency areas against the quota announced on 6th August last. This was due to expire at the end of this month.

The latest available spot quotation—in rupees per candy of 784 lbs.—from Sewri are given below, the figures in brackets being last week-end rates. Bengal *Deshi* 560 (590), Berar Jarilla 600 (615), Khandesh 640 (665), Vijay 800 (800), Hubli Laxmi 840 (860), Jaydhar 765 (790). *Delivery contracts*: Bengal 565 (575), Mathia 558 (570).

The downward trend of cotton prices noted in the Karachi market during the last two weeks continued during the week under review also. Fears of the adverse effects of the prevailing political situation in Pakistan on cotton exports persisted. Overseas enquiries were few and far between. Weaker advices from upcountry centres and the anticipation that the new crop would start moving shortly imparted weakness to the market. N.T.R.G. January, which closed at Rs. 69-7 last week-end, receded to Rs. 68-5 while the March position shed over the week Re. 1-5 to Rs. 68-6. The spot section ruled easy. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi: Sind *Deshi* 64; Punjab *Deshi* 61; 4F Punjab Roller 67-5; S.G. 71-5; L.S.S. Punjab Roller 68-5; S.G. 72-5; N.T. Roller 71-5: New 74-5; S.G. 87-5.

The Alexandria cotton futures market ruled steady during the week. Export enquiries, especially from East European countries, imparted strength to the market which offset the downward pressure on prices exerted by new crop movements. The market, consequently, managed to maintain steady undertone. Nevertheless, the medium staple *Ashmouni* contracts met with profit-taking and its quotation declined. The following are the latest available quotations—in tallaris per lb.—from Alexandria: *Karnak*: November 72; January 72.10; *Ashmouni*: October 64.55; December 63.70.

The Karnak crop this season is reported to be about the same in quality and style as that of the previous season. Top grades are said to be scarce and command fancy premiums. However, high grades and medium ones are plentiful and relatively cheap while the lower grades are priced very attractively. On the whole, the Menoufi crop is considered to be disappointing and has produced very little of top grades. High grades are also scarce and dear. The Ashmouni crop has produced cotton the style and staple of which are better than that of last season. However, here also the high grades are scarce and their premiums have been advancing sharply. Giza has been described by a prominent shipper as "the most successful crop of this season. In grade style, and staple it is far better than any of the preceding crops." Ruling prices are considerably lower than those of last season.

Cotton values in Liverpool declined on increased hedge pressure and Commission House sellings. The distant delivery months of both the American and the American type contracts, in particular, met with sizable selling which reflected the prospect of large carryover stocks at the end of the current season and a bigger crop in the U.S. following the new cotton legislation. Sudan contracts were influenced by lower advices from Khartoum and rates receded. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October-November 24.30; December-January 24.30; March-April 23.85; May-June 23.55. *American cotton mixed growth contract*: October-November 24.82; December-January 24.50; March-April 24.20; May-June 23.95. *Sudan*: November-December 28.75; January-February 28.75; May-June 28.75.

Listless conditions prevailed on the New York Cotton Exchange during the week. Price fluctuations were narrow and turnover limited. Hedge selling against new crop movement was mostly absorbed in short-covering and scattered mill fixation. Weather reports were favourable but they exerted little influence on the market. Over the week, prices showed a slight improvement. The October contract went off the board on the 14th inst. at 35.74 cents.

The Agriculture Department announced on the 15th inst. the export sale, against bids received on the 13th, of 304,198 bales of U.S. Government-owned cotton at 28.85 cents per lb. basis middling inch cotton. At the previous sale of this cotton on 1st October, the Department sold 6,221 bales at 28.86 cents per lb. Net sales of this short-staple cotton since the 1958-59 disposal programme began on 12th May last aggregated 1,094,817 bales.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	21-10-58	14-10-58	7-10-58
Spot	36.20	36.25	36.20
October	—	35.74	35.76
December	36.11	36.09	36.20
March	36.58	36.57	36.67
May	36.31	—	—

YARNS RECEDE

(From Our Own Correspondent)

BOMBAY, 22*nd October*

A notable development in the yarn market during the week under review was the announcement of a new scheme for the equitable distribution of indigenous viscose yarn to art silk mills in the country. According to this scheme, the distribution of indigenous yarn will be made on a uniform basis to all powerlooms in the country at the rate of one pound per loom per shift during the *October-March* period. It is learned further that no preferential treatment will be allowed to old customers of art silk yarn manufacturers in regard to the quantity of yarn supplies. Supplies to units operating more than nine looms will be made at the rate of one pound per loom per shift actually worked between October 1957 and March 1958. Other units which operate nine looms or less will get supplies of yarn at the rate of 1.25 lb. per loom per day. These will be the maximum quantities which can be availed of by a mill from any one or all yarn producers in the country. Manufacturers of yarn will make distribution on the basis of 70 per cent. of their output directly to mills and the remaining 30 per cent. through the dealers.

Easy conditions prevailed in the yarn market during the week under review. Prices for both spot and forward deliveries staged a further decline. Despite this, turnover was at a low ebb due to apprehensions that there will be a further decline in prices. Staple fibre yarns forward deliveries fluctuated heavily and made a sizable drop from the previous week's levels. The fall was due to selling pressure from stockists, weak holders and upcountry buyers. Spot prices also declined. Demand for rayon yarn was also poor in view of the fact that the new scheme of distribution of indigenous yarn assured all powerloom factories of a uniform supply. There were also heavy arrivals against previous orders placed by actual users against their import licences. Buyers were, therefore, prone to insist on still lower prices. Trading in cotton yarns continued to remain depressed, thanks to absence of satisfactory offtake from consuming centres.

Staple fibre varns (40x2) October delivery was subjected to selling and declined by Rs. 9 to Rs. 610. December delivery dropped a like amount to Rs. 618. In the spot section, 40x2 Centurys receded by 5 nP to Rs. 3.23. Kohinoors shed 2 nP to Rs. 3.28. Citys were dull at Rs. 3.24. Among foreign yarns, Paramounts retreated by 6 nP to Rs. 9.75. Fujis were neglected at Rs. 9.61.

In the art silk yarn section, 120 Japan declined by 6 nP to Rs. 5.31. 150 Japan climbed down by 19 nP to Rs. 5.62. 120 Italy shed 25 nP to Rs. 5.75 and 150 Italy a like amount to Rs. 5.75. Among indigenous yarns, National Rayons 150 bright cones first grade eased by 9 nP to Rs. 4.41. 120 bright cones first grade were quoted 12 nP lower at Rs. 5.41.

Cotton yarns, eighty counts Mahendras were neglected at Rs. 69, as also Moderns at Rs. 72 and Finlays at Rs. 78. Among sixty counts, Finlays changed hands at Rs. 59, same as for last week. Forty counts Moderns were stagnant at Rs. 25. Minaxis, however, gathered 12 nP to Rs. 25.06. Among thirty counts Hinds were dull at Rs. 19.75. Twenty counts Moderns, however, gained 25 nP to Rs. 16.75. Among ten counts Moderns were quiet at Rs. 13.25. But Podars rose by 75 nP to Rs. 13.

The following table gives the prices of rayon staple fibre and cotton yarns quoted today, as compared with those a week ago:

	22-10-1958	15-10-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	5.31	5.37
150 Japan (per lb.)	5.62	5.81
120 Italy (per lb.)	5.75	6.00
150 Italy (per lb.)	5.75	6.00
Staple fibre yarn (per case of 200 lbs.)—		
40 s 2 October	610.00	619.00
40 s 2 December	618.00	627.00
40 s 2 Kohinoor (per lb.)	3.28	3.30
40 s 2 City (per lb.)	3.24	3.24
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	13.00	12.25
20s Modern	16.75	16.50
30s Hind	19.75	19.75
40s Minaxi	25.06	24.94
60s Finlay	59.00	59.00
80s Mahendra	69.00	69.00

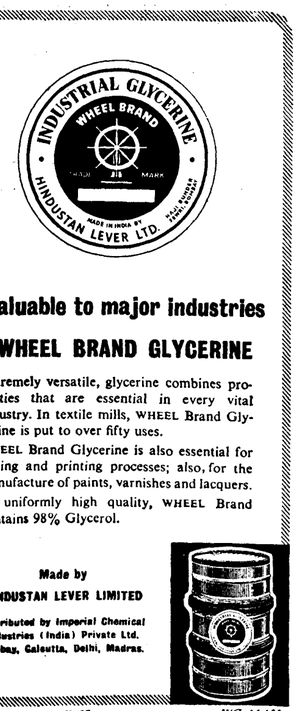
CASTOR WEAK

(From Our Own Correspondent)

BOMBAY, 22*nd October*

A mixed trend was witnessed in the local seeds market during the week under review. Groundnut was quiet for the major part of the week, thanks to heavy arrivals, though it tended to look up towards the close of the week. Linseed was steady. Castorseed, on the other hand, gave way on lack of support.

Groundnut February 1959 contract which stood at Rs. 163.75 last week-end came down to Rs. 161.87 on Saturday. It again moved up to Rs. 163.75 today. Bold ready fell from Rs. 39.50 to Rs. 38.00 over the week. Coromandel variety dropped in sympathy from Rs. 40 to Rs. 38.75. Khandesh quality likewise slumped by Re. 1 to Rs. 38.50. Groundnut oil ex-mill remained steady at the last week-end's closing rate of Rs. 21.50 until it fell to Rs. 21.37 on Monday; today's closing remains unchanged at this level. Railway receipts, after improving from Rs. 21.25 last Wednesday to Rs. 21.31 the next day, fell back to Rs. 21.25 on Friday. It again rose to Rs. 21.37 on Saturday and fell to Rs. 21.25 today.



Castorseed May 1959 contract retreated from Rs. 146.87 to Rs. 145.37. Ready Madras, which stood at Rs. 29.37 last week-end, sagged to Rs. 29, after having fallen to Rs. 28.87 on Monday. Kanpur quality fluctuated between Rs. 28.25 and Rs. 27.50 and finished at Rs. 28. Castor oil B.S.S. fell by 27 nP to Rs. 16.50 and commercial quality by 19 nP to Rs. 15.

Linseed May 1959 contract receded by 19 nP to Rs. 30.87. Remaining dull during the week, linseed oil fell to Rs. 17.32, a drop of 7 nP over the week. Cottonseed May 1959 contract fell from Rs. 102 to Rs. 101 on Friday. Having received some buying support, it rose to Rs. 104. Among other seeds, kardiseed bold ready continued to be steady at Rs. 22.50. It, however, fell to Rs. 22 today. Nigerseed Madras quality, which stood at Rs. 34 last week-end, declined to Rs. 33.75 today.

The following table shows the closing prices of oilseeds and oils today as compared with those of the two previous weeks:

	22-10-1958	15-10-1958	8-10-1958
	Rs.	Rs.	Rs.
Groundnut—			
Feb. 1959	163 75	163 75	164 25
Bold ready (per cwt.)	38 00	39 50	37 00
Linseed—			
May 1959	30 87	31 06	31 56
Bold ready (per cwt.)	34 25	34 00	34 00
Castorseed—			
May 1959	145 37	146 87	149 50
Madras (per cwt.)	29 00	29 37	29 50
Cottonseed			
Sept. 1959	104 00	102 00	102 50
*Groundnut oil**—			
Ex-mill ready (per quarter) ..	21 37	21 50	21 75
Castor oil—			
Commercial (per quarter) ..	15 00	15 19	15 62
Linseed oil—			
Ready	17 37	17 44	17 50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

PEPPER RALLIES

(Messrs. Parekh and Co.)

BOMBAY, 22*nd October*

Prices for Malabar black pepper, after fluctuating during the earlier part of the week, rallied in sympathy with the Cochin market where garbled for December delivery improved under pressure of short-covering, induced by the rumours that the U.S.S.R. was inquiring for a sizable quantity for shipment by steamers carrying machinery for the steel works on their return voyage.

Spot pepper in New York remained steady at $0.25 with buyers and sellers both awaiting new developments. Dealers there are often sending enquiries to feel the pulse of the Indian market as they seem to be anxious to buy both nearby and long delivery in view of reserved offerings both from Singapore and Djakarta. They are, however, reluctant to buy; they expect lower prices at the beginning of the harvesting season.

The Indonesian Government is reported to have revised higher its check price for Lampong. Disquieting news from the Far East, heavy rains in the coast and labour unrest in Kerala proved supporting factors.

Ungarbled at Cochin is nominally quoted at Rs. 562½ and ready garbled at Rs. 97.50. Forward market at Cochin is closed since 20th inst., and will reopen on the 23rd inst. Business for garbled in kerb at improved price is reported as shorts are covering December and January. The lowest and the highest for December and January delivery are Rs. 92½ and Rs. 91 and Rs. 96½ and Rs. 95 respectively. Calicut is steady at Rs. 590.

Singapore is reported steady at Str. $71 with sellers more reserved; they are unwilling to compete with Malabar which they think may naturally remain subdued, pending a clearer assessment of the new crop and its price trend.

The future of the market is uncertain but the undertone is better as sellers are reserved. Growers are reported to have only small holdings of old crop. The present lower price for ready garble is the result of liquidation by speculators and that for ungarbled is due to the fact that holders often come out to sell in anticipation of replenishing at lower price later on when the new crop arrives in the market. This is a normal feature of trading in transitional months.

Today's nominal quotations are: Ready delivery Rs. 73 per Bengal maund; October delivery Rs. 515-525; December Rs. 520-530; February Rs. 528-538 per candy of 5¼ cwts.

SUGAR STEADY

(From Our Own Correspondents)

BOMBAY, 22*nd October*

Thanks to the customary festival demand and the delay in the normal monthly release (this is expected to be announced next week), the sugar market presented a fully steady trend. Prices in the spot section were well sustained at the levels quoted a week ago. Arrivals during the week under review were also smaller, having been 6,000 bags, as compared with 10,200 bags in the previous week. There was no change in the ex-mill quotations.

The following are the closing rates (per bag) for the week:

Small grains: Rs. 105.50; medium grains: Rs. 108 to Rs. 111; large grains: Rs. 112 to Rs. 116.

* * * * *

HAPUR, 20*th October*

Sugar prices ruled quiet during the week, due to good supply position and poor outside demand. Prices of inferior quality were depressed. The old quota is nearly finished and the new is expected to be released soon. Crushing for the new season

has not yet begun in west U.P., but is expected in some factories by the end of the month.

While bold grain crystal sugar prices maintained its level in the Muzaffarnagar market, small grain prices continued depressed. The delay in the release of fresh quota resulted in a further fall in small grain crystal sugar prices. Bijnore E29 at Rs. 35.06 is still 75 nP per maund below the controlled price. Crushing operation with the factories will begin shortly. Some of the factories were not quoted as their stocks of the last released quota have exhausted and the latest mill delivery prices were: Iqba'pur (B29) Rs. 36-15, Khatauli (D28) Rs. 35-9, Lhaskar (B29) Rs. 37-2, Modinagar (B29) Rs. 37-2, Saharanpur (D28) Rs. 35-11, Raja (E29) Rs. 35-10.

Sugar prices ruled weak in the Kanpur market, due to selling pressure and the prevailing prices were: *Ex*-mill controlled Rs. 36-12 per maund, spot (per bag) C29 Basti Rs. 105, Gola and Burhwal Rs. 101-8, Wa'tergunj Tulsipur and Balrampur Rs. 101, Lakhimpur and Haragaon Rs. 100-12.

Khandsari prices ruled quiet during the week and production of *khandsari* has not yet begun. The Union Government has warned persons desirous of setting up *khandsari* units to refrain from setting up such units in or near the vacuum pan sugar factories, as that would adversely affect cane supplies and ultimately the production of refined sugar as well. *Khandsari* prices ranged between Rs. 32 and Rs. 34.50 per maund.

New *gur* arrivals have mounted to an average of 1,500 maunds per day and prices declined by Rs. 2 to Rs. 2.50 per maund during the week. New *gur* arrivals have substantially gone up in other smaller producing areas, but entire arriva's are being lifted by consumers due to good festive demand. Old *gur* stocks have exhausted and new *gur* arrivals will soon multiply. Prevailing prices were Rs. 21 to Rs. 22.50 per maund according to quality. New *gur* and *shakker* arrivals have also begun in the Muzaffarnagar market.

Latest advices from the producing areas of the South indicate that prices of *gur* there also registered some fall and were now quoted at Shrirampur Rs. 15 to Rs. 19.75, wet Rs. 11.75, Malunja Rs. 15.25, Koppergaon Rs. 15 to Rs. 21.50, new Rs. 18.50 to Rs. 23, Baramati Rs. 15 to Rs. 21, new Rs. 19 to Rs. 23, Ankapalli Rs. 16 to Rs. 19.50, Kolahpur Rs. 16 to Rs. 21 per maund.

Quietly easy conditions were witnessed in the *gur* future market during the week on continued bear pressure influenced by prospects of increased *gur* production. Opening at Rs. 14 last Monday, *gur fagun* declined in successive sessions to touch the lowest of the week at Rs. 13.34 and is today quoted at Rs. 13.43.

ARRIVALS OF HIDES SMALL

(From Our Own Correspondent)

MADRAS, 20th October

Arrivals of tanned hides and skins have been small, due to rainy weather conditions. U.K. trading has been small, because shippers and tanners have not been keen to book orders at lower levels. There were good enquiries for cow calf lower se'ections and buff calf all grades, but arrivals have been short and business booked was small. Tanned buff hides met with ready clearance from shippers to the U.S.

In the tanned skins section, the market was unchanged. In the October London public sales, prices of goat skins declined 3d. to 9d. on August levels, and 40 per cent. remained unsold. There was a fair attendance of the Home trade, but Continental buyers were smaller.

Sales of sheep skins commence today and the results are awaited with interest.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 20th October

During the week under review, market was fair. New arriva's in the hides and skin market were considerable. However, thanks to widespread floods and their aftermath, goods from western Uttar Pradesh were practically absent. The main transactions were done by the local tanners headed by Cooper Allens. The Madras dealers were active in goat and sheep. The latest quotations are as follows:—

Wet salted cow 1st grade Rs. 360 to Rs. 385 and 2nd grade Rs. 260 per score; wet salted buff 1st grade 1 lb. 11 ozs. and 2nd grade 1 lb. 14 ozs. per rupee; goat 1st grade Rs. 250 to Rs. 300 and 2nd grade Rs. 250 per 100 pieces; sheep 1st grade Rs. 250 to Rs. 300 and 2nd grade Rs. 150 to Rs. 200 per 100 pieces.

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, 20th October

Foodgrain prices continued steady during the week, barring maize the prices of which eased fractionally due to heavy arrivals from outside the State. Wheat prices continued steady, to be quoted at Rs. 24 per maund for average quality and up to Rs. 25 per maund for farm produce. Daily arrivals from the rural areas have slightly improved to an average of 50 maunds, but arrivals from outside were almost nil. The supply position of wheat, therefore, continues tight, but the consumers' demand has now shifted to maize which is comparatively cheaper. Preparation of land for *rabi* sowings is in full swing and it is now hoped that if it does not rain now, time'y sowings of *rabi* crops would be possible in most of the areas. Sowings of gram and peas has already begun.

Prices of rice eased by Re. 1 per maund during the week, thanks to increased arrivals of new rice in the market in larger quantities. In some of the water'ogged areas, standing rice crop has been adversely affected and latest prevailing prices are: *Basmati* sela Rs. 32 to Rs. 33, *mainpuri* Rs. 24.75, coarse quality Rs. 21 per maund. Gram prices registered an improvement of about Re. 1 per maund during the week, due to restricted supply position, as fresh gram stocks from Punjab are not available due to advance in gram prices there also and local stocks were seized by the State Government some time back. There is no open trading in gram. Bar'ey and *bejhar* prices also improved, as stocks were tight and fresh demand for seed purposes has begun. Maize is reaching here in heavy quantities and, despite good consumer demand, prices eased fractionally during the week. Last week-end prices were (in rupees per maund): Gram punjabi 18.50, barley 16.87, *bejhar* 16.75, maize 14.75 to 15, *jowar* 14.75, *guwar* 14.50.

Fast deteriorating stocks due to good export prospects from ports and demand for *dal* from Bombay and Madras accounted for grains in the prices of peas during the week. *Arhar* prices also improved and local stock is concentrated in one hand. Prices of other pulses also registered some gains during the week and week-end prices (in rupees per maund) were: Peas *dara* 17, peas farm quality up to 19, *khatti* 16, peas *dal* 19.25, *arhar* 21, *arhar dal* 26, *urd* 19 to 20, *moong* 27, *massor* 17.50. Stocks: Peas 20, *arhar* 80 *khatties*.

BANKING

(Concluded from page 678)

Another new development in the banking field is the scheme of personal loans introduced by some banks. Mr. Cobbold was of the view that it would be a long time before personal banks became a significant proportion of total bank advances. Yet another change in the British banking mechanics is the scheme for controlling bank credit, under which banks will be called upon by the Bank of England to maintain special deposits with it. This, in turn, will reduce the capacity of banks to create credit. Commenting on this scheme, Mr. Cobbold said:

"It has seemed to us that it would not be desirable to have recourse again, if we ran into a new inflationary period, to the system of requests to the banks to limit advances. That system has admittedly been effective in recent years, but as a lasting or recurring system it is open to objections to which several bank chairmen and I myself have often drawn attention.

"We felt, therefore, that pending the report of the Radcliffe Committee, some alternative means should be at hand to reinforce existing techniques, in case it again became necessary to restrict bank lending. Of the various possible devices, the special deposits scheme commended itself to us as being the most flexible, the most obviously monetary in form and the least open to possible abuse as a method of inflationary borrowing by Government from the banking system."

Mr. Cobbold agreed with the critics that none of these technical devices went to the main root of the problem or would of itself prevent inflation. The main purpose of this scheme, like that of any method of control over the assets of the banking system, he added, would be to help in preventing excess liquidity from having its secondary effects in blowing up the credit balloon. A large volume of special deposits maintained for long periods would ring a warning bell, precisely as abnormally high liquidity ratios had done in the recent past. Nor was this scheme in any sense an alternative to the policy of funding the floating debt, a policy which had met with considerable success in the past year and was being pursued with vigour.

FRENCH BANK RATE CUT

The Bank of France has reduced its Bank rate by ½ per cent. to 4½ per cent. with effect from the 16th inst. The 5 per cent. rate, which had been in effect since 12th August 1957, was the highest in the post-war period, having been raised by 1 per cent. immediately after the partial devaluation by 20 per cent. of the franc. It had been stepped up earlier in April 1957 from 3 per cent. The Government Bill rate, however, remains unchanged at 3 per cent. and the rate for advances against securities at 7 per cent. The rate for bank loans of amounts up to 10 per cent. in excess of the ceiling imposed on rediscounting operations by the Government last year is lowered from 8 to 7 per cent., while interest on loans in excess of 10 per cent. above the rediscount ceiling is unchanged at 10 per cent.

These moves are considered as the first steps to ease France's credit squeeze, which has been effective for 18 months and which is feared in some quarters as in danger of driving the economy of the country into recession. While money has been made slightly cheaper, there is no relaxation of the credit squeeze as such. For the restrictions on consumer credit and the ceiling on bank loans are still retained.

It will be recalled that, between July and November 1957, the rediscount ceiling was lowered by 35 per cent. and, in February 1958, banks were asked to limit their credit to the mean of those outstanding at the end of September and December 1957. It is, however, not up to the Bank of France either to relax consumer restrictions or to raise the rediscount ceiling. This must be done by the National Credit Council. This Council is due to meet at the end of the month. While it is expected by industries in general that the Council may relax the squeeze, it is more likely that the Council will adopt a cautious policy.

STATE BANK OF INDIA TO TAKE OVER JAIPUR BANK

Close on the heels of the decision of the Bank of Mysore Ltd. and the Travancore Bank Ltd. to become subsidiaries of the State Bank of India—this decision has been endorsed by the shareholders of the respective banks—the Directors of the Bank of Jaipur Ltd. have also accepted the advice of the Chairman of the State Bank of India to become the latter's subsidiary. Their decision is to be placed before the shareholders for consideration at a meeting to be held on 15th November 1958.

The State Bank Chairman had suggested that, with a view to putting an end to the uncertainty regarding the future of the State-associated banks in an integrated set-up and with a view also to subserving the interests of the public better, the State-associated banks might come to a voluntary arrangement with the State Bank of India consenting to work as subsidiaries of the State Bank.

The Bank of Jaipur has a paid-up capital of Rs. 50 lakhs (made up of 100,000 shares of Rs. 100 each, with Rs. 50 paid-up) as on 31st December 1957. Its reserves aggregate Rs. 25 lakhs and deposits amount to Rs. 9.37 crores. The Bank's advances and bill's stand, as on that date, at Rs. 5.42 crores, investments (at book value) at Rs. 2.98 crores and cash (including money at call) at Rs. 2.09 crores. The Rs. 50 paid-up shares are being quoted at Rs. 42.

THE INDIAN BANK LTD.

(ESTD. 1907)

Indian Bank Buildings, North Beach Road, MADRAS-1

23 LOCAL OFFICES

Branches covering the whole of South India

Branches also at: **Bombay, New Delhi, Calcutta, Colombo, Penang, Kuala Lumpur, Malacca and Singapore.**

Authorised Capital	Rs.	1,00,00,000
Issued and Subscribed Capital	Rs.	72,00,000
Paid-up Capital	Rs.	66,19,625
Deposits as on 30-6-1958	Rs.	38,00,96,415
Total Working Funds	Rs.	46,05,11,811

All types of banking business including foreign exchange transacted.

LONDON AGENTS: WESTMINSTER BANK LIMITED.

NEW YORK AGENTS: FIRST NATIONAL CITY BANK OF NEW YORK.

D. P. PARTHASARATHY,
Secretary.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 17th October 1958

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	51,32,35,000
(2) Other Governments	36,13,05,000
(b) Banks	112,97,45,000
(c) Others	114,36,00,000
Bills Payable	40,62,25,000
Other Liabilities	15,79,38,000
Rupees	484,20,48,000

Assets	Rs.
Notes	10,81,03,000
Rupee Coin	2,40,000
Subsidiary Coin	3,79,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	4,38,85,000
Balances held abroad*	15,07,22,000
Loans and Advances to Governments†	15,90,49,000
Other Loans and Advances	53,02,17,000
Investments	375,29,83,000
Other Assets	9,64,70,000
Rupees	484,20,48,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 97,00,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	10,81,03,000	
Notes in circulation	1544,79,61,000	
Total Notes issued		1555,60,64,000
Total Liabilities		1555,60,64,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	164,67,56,000	
Foreign Securities		
Total of A		282,43,59,000
B. Rupee Coin		138,80,24,000
Government of India Rupee Securities		1134,36,81,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1555,60,64,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept. 1939 (pre-war)	10th Oct., 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1545.16	1527.70	1542.45	1493.49
Notes held in Banking Department	35.05	10.08	28.37	11.49	20.41
Foreign Securities	59.50	169.68	169.68	169.68	321.65
Rupee Securities	87.39	1129.37	1129.37	1129.38	940.84
Banking Department					
Deposits of:					
Government of India	14.89	52.78	52.78	60.54	53.84
Other Governments	..	18.84	17.31	11.00	3.61
Balances held abroad	10.08	12.60	13.38	14.68	20.55
SCHEDULED BANKS					
Demand Liabilities	134.36	720.31 (23.08)†	737.36 (29.10)†	755.36 (20.49)†	725.48 (23.50)†
Time Liabilities	102.24	881.24 (39.11)†	869.90 (38.34)†	845.93 (36.77)†	624.79 (10.57)†
Borrowings from Reserve Bank	..	1.73 (1.11)‡	1.71 (0.97)‡	2.59 (1.71)‡	36.57 (28.70)‡
Borrowings from State Bank	..	3.28	3.81	3.46	6.49
Cash in India	6.70	88.36	40.54	39.92	43.13
Balances with Reserve Bank	25.17	86.07	94.38	86.37	84.61
Excess over statutory limits	15.52	32.44	40.12	31.67	35.84
Balances with other banks in current account in India	..	12.97	12.74	12.85	11.45
Money at call and short notice in India	..	51.26	57.48	54.35	45.92
Investments (at book value)	105.09	844.93	845.75	851.25	856.49
Advances and bills					
STATE BANK					
Deposits	87.76	444.72	444.39	438.83	355.04
Investments	51.99	251.97	250.42	245.23	151.82
Advances	30.35	164.87	162.66	165.13	161.14
Cash	14.69	37.15	46.77	40.72	44.55

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1955	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2½
Chile	Feb., 1957	4½	6
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	15th Aug., 1958	5	4½
Equador	13th May, 1948	7	10
Egypt	18th Nov., 1955	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1956	5	6½
France	16th Oct., 1958	5	4½
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	30th Sept., 1957	5	6
Italy	7th June, 1958	4	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	6	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1958	5	6½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	14th Aug., 1958	5	4½
U.S.S.R.	1st July, 1958	3	4
U.S.A.	12th Sept., 1958	1½	2†
West Germany	27th June, 1958	3½	3

† Except Federal Reserve Bank of Boston.

State Bank of India

Statement of Affairs for the week ended 17th October 1958

Capital and Liabilities	Rs.	Rs.
Capital:—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up; 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		491,73,80,000
Borrowings from Other Banking Companies, Agents, etc.		....
Bills Payable		5,44,80,000
Bills for Collection being Bills Receivable as per contra		1,08,13,000
Acceptances, Endorsements and Other Obligations per contra		1,25,38,000
Other Liabilities (including Inter-Office Adjustments)		10,59,44,000
Total	Rs.	522,36,55,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		57,69,51,000
Balances with other Banks		2,67,04,000
Money at Call and Short Notice		2,00,00,000
Investments:	Rs.	
Government and other Trustee Securities	241,77,65,000	
Other Authorised Investments	11,40,88,000	253,18,53,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	153,98,25,000	
Bills Discounted and Purchased	8,68,71,000	162,66,96,000
Bills Receivable being Bills for Collection as per contra		1,08,13,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,25,38,000
Premises less Depreciation		24,69,000
Furniture and Fixtures less Depreciation		98,75,000
Other Assets (including Inter-Office Adjustments)		39,57,56,000
Total	Rs.	522,36,55,000

Scheduled Banks*

Statement of Affairs for the week ended 10th Oct., 1958

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	23,08,22,000
(ii) Other demand liabilities	697,22,89,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	39,10,83,000
(ii) Other time liabilities	842,13,03,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	3,22,85,000
(ii) Time liabilities	5,00,000
Borrowings in India from the Reserve Bank of India‡	1,72,75,000 (1,10,50,000)
Cash in India	38,36,34,000
Balances with the Reserve Bank in India	86,07,33,000
Balances with other banks in current account in India	12,98,71,000
Money at call and short notice in India	51,25,61,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	594,71,11,000
Advances in India	725,91,00,000
Foreign Bills purchased and discounted in India	42,25,53,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	May		Two months, April and May	
	1958	1957	1958	1957
Import Duties:				
Revenue	8.28	12.65	16.62	25.89
Protective	1.47	1.01	3.26	2.16
On surplus disposals	—	—	—	—
Total import duties	9.75	13.66	19.88	28.05
Export Duties	1.48	1.26	3.31	2.53
Land Customs	0.13	0.30	0.20	0.50
Air Customs	0.10	—	0.16	—
Miscellaneous	0.18	0.08	0.30	0.18
Gross Total Customs	11.64	15.30	23.85	31.26
Refunds and Drawbacks	0.25	0.34	0.63	0.72
Net Customs	11.39	14.96	23.22	30.54
Gross Excise	26.75	21.53	51.78	38.13
Refunds	0.33	0.32	0.68	0.48
Net Excise	26.42	21.21	51.10	37.65
Net total of customs and excise†	37.81	36.17	74.32	68.19

† Net Customs plus net Excise.

State Bank of Pakistan

Statement of Affairs for the week ended 10th October 1958

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	70,50,02,000
(b) Provincial Governments	2,17,45,000
(c) Banks	16,90,25,000
(d) Others	5,41,40,000
Bills Payable	23,66,000
Other Liabilities	8,00,76,000
Rupees	109,23,54,000

Assets	Rs.
Notes	6,28,73,000
Rupee Coin	51,000
Subsidiary Coin	45,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	19,82,000
Balances held outside Pakistan*	20,98,41,000
Loans and Advances to Governments	7,26,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	3,68,15,000
Investments	62,75,02,000
Other Assets	8,06,45,000
Rupees	109,23,54,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	6,28,73,000	
Notes in circulation	327,92,43,000	
Total Notes issued	....	334,21,16,000
Total Liabilities	....	334,21,16,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	38,54,47,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	104,64,12,000
B. Rupee Coin	4,67,95,000	
Government of Pakistan Securities	218,99,03,000	
Internal bills of exchange and other commercial paper	....	223,66,98,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities:	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	334,21,16,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued: 32.99 per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 17th Oct., 1958		Week ended 10th October 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,25,157	69,28,49,000	3,43,877	70,88,94,000
Calcutta	2,11,000	79,08,00,000	1,91,000	66,35,00,000
Madras	94,876	10,48,06,578	1,06,099	11,04,04,158
All Centres—				
1956-57	..	..	46,06,000	87,24,35,00,000
1957-58	..	..	41,871,000	89,54,66,00,000
June, 1958	..	..	3,223,000	6,61,49,00,000
July, "	..	..	3,815,000	8,31,97,00,000
Aug., "	..	..	3,432,000	7,52,06,00,000

EXCHANGE RATES

	22nd October, 1958	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	476.75	477.00
Buyers T.T. Rs.	473.50	473.25
London on New York	$ 2.80⅜-2.80⅝	2.80⅜-2.80⅝
London on Paris	Fcs. 1,174⅜	1,174⅜
London on Berne	Sw. Fcs. 12.21¼-12.21½	12.20½-12.20¾
New York on London	$ 2.80⅜-2.80⅝	2.80⅜-2.80⅝

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952 53=100)

Particulars	Weight	4th Oct., 1958	27th Sept. 1958	5th Oct., 1957	August 1958	August 1957	Percentage of increase (+) or Decrease (—) in August 1958 as compared with August 1957	Financial Year Average 1957-58	Financial Year Average 1956-57
Food Articles	564	120.4	120.6	107.1	122.2	112.1	+ 7.2	106.4	106.3R
Cereals	192	113.7	113.5	101.7	113.0R	106.0	+ 7.1	101	94
Pulses	43	105.7	105.5	82.4	101.8R	87.2	+16.7	83	81
Fruits and Vegetables	23	123.6	122.9	107.9	123.9	141.9	—12.7	114	113
Milk and Ghee	84	107.8	107.0	107.6	109.6	109.0	+ 0.6	106	106
Edible Oils	47	130.6	133.9	128.0	129.2R	130.6	— 1.2	126	124
Fish, Eggs and Meat	17	111.9	114.4	96.3	114.4	102.1	+12.0	96	97
Sugar and *Gur*	45	135.6	135.6	111.8	136.2	110.4	+23.4	102	98
Others	50	157.0	157.7	128.0*	155.3	138.9	+11.8	121	122
Liquor and Tobacco	21	92.8	91.7	94.3	90.3	92.1	— 2.0	94.0	94.3
Tobacco	—	91.7	89.4	92.6	88.4	90.4	— 2.2	92	93
Fuel, Power, Light and Lubricants	98	115.8	116.0	115.2	116.0	115.0	+ 0.9	113.6	104.2R
Industrial Raw Materials	155	117.3	118.4	114.2	118.8	120.1	— 1.1	116.6	116.0
Fibres	61	105.9	105.9	112.9	110.9	121.5	— 8.7	118	116
Oilseeds	60	134.8	138.1	119.8	133.4	125.7	+ 6.1	120	120
Minerals	2	107.3*	107.3*	109.1*	107.3*	110.1	— 2.5	105	105
Others	32	107.0*	106.6	106.9	107.7	107.8	— 0.7	105	100
Manufactures	298	108.9	109.0	108.8	108.9	108.7	+ 0.2	108.1	108.3
Intermediate Products	41	110.6	111.4	108.7	112.2	108.8	+ 3.7	107.2	110.9
Finished Products	260	108.6	108.8	109.1	108.4	108.8	— 0.4	109.2	106.6
Textiles	147	103.9	103.8	108.4*	104.1	108.2	— 3.8	107	106
Cotton	—	111.8*	111.8	116.8	111.8	117.8	— 5.1	116	116
Jute	—	87.6	86.9	—	89.7	96.8	— 7.3	96	96
Woollen	—	105.9	105.9	103.0	105.9	103.0	+ 2.8	103	96
Silk and Rayon	—	96.3*	96.3*	82.6	95.7*	84.0*	+13.9	86	88
Metal Products	12	141.1	143.0	143.3	143.0	142.9	+ 0.1	141	30
Chemicals	20	107.9	108.8	98.9	106.1R	98.5	+ 7.7	96	92
Oil cakes	10	139.2	139.0	118.1	135.6	113.5	+19.5	115	106
Machinery and Transport Equipment	31	103.5	103.5	101.6	103.4	101.7	+ 1.7	102	99
Others	30	114.1	113.8	110.6	113.5	110.5	+ 2.7	110	101
All Commodities	1,000	115.9	116.1	108.7	116.0	112.0	+ 3.6	108.4	106.3R

NOTE.—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53=100]

Group and Sub-Group	Week ended 11th Oct., 1958	4th Oct. 1958	13th Sept., 1958	12th Oct. 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100 6	100 5	100 5	98 3
2. Government of India	100 5	100 4	100 4	98 0
3. State Government	101 5	101 4	101 3	100 0
4. Municipal, Port Trust, etc.	98 9	98 8	98 8	99 1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100 3	100 3	100 0	99 2
6. Plantations	100 1	100 1	100 1	100 1
7. Coal	99 6	99 6	99 6	99 6
8. Sugar	99 0	99 0	99 0	99 0
9. Cotton Textiles	98 1	98 1	98 0	100 3
10. Jute Textiles	91 5	91 5	91 5	93 0
11. General Engineering	98 5	98 2	98 2	96 6
12. Electricity Generation and Supply	97 1	97 1	97 1	96 7
13. Others	102 9	102 9	102 6	101 1
PREFERENCE SHARES—ALL INDIA.				
14. Total	88 0	87 9	88 0	88 2
15. Plantations	97 1	96 8	96 5	102 0
16. *Mining & Quarrying: Total* ●	88 1	88 5	88 1	88 0
17. Coal	74 3	74 5	75 6	79 0
18. *Processing and Mfg.: Total*	88 0	87 8	87 9	88 3
19. Sugar	89 1	89 1	89 4	94 3
20. Cotton Textiles	79 1	80 2	80 6	88 4
21. Jute Textiles	79 3	78 5	74 6	74 7
22. Iron and Steel	90 4	89 9	92 6	87 5
23. General Engineering	100 1	100 3	100 1	102 8
24. Basic Industrial Chemicals	88 2	88 2	86 0	83 4
25. Cement	98 2	97 5	97 5	96 8
26. Paper	85 8	85 7	84 6	91 3
27. *Other Industries: Total*	86 6	86 7	86 3	86 3
28. Electricity Generation and Supply	87 5	87 5	88 3	84 5
29. Trading	90 4	90 3	90 3	78 0
30. Shipping and Other Transport	84 8	84 5	87 0	84 9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	142 5	142 8	142 7	123 0
32. *Agriculture and Allied Activities: Total*	154 5	156 1	158 9	146 9
33. Tea Plantations	147 7	149 3	152 7	139 7
34. Coffee Plantations	214 4	218 4	222 5	176 6
35. Rubber Plantations	159 6	160 1	160 5	129 9
36. *Mining and Quarrying: Tea*	147 7	147 9	148 3	118 3
37. Coal	113 4	113 1	111 5	85 6
38. Other Mining	171 2	171 7	173 6	142 5
39. *Processing and Manufacturing: Total*	141 0	141 2	141 2	122 6
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†	128 6	128 8	128 6	119 1
41. Sugar	173 4	173 4	171 4	155 7
42. Cotton Textiles	116 0	116 5	118 7	120 1
43. Jute Textiles	84 2	84 6	80 0	63 3
44. Silk and Woollen	430 4	426 4	416 4	314 9
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total*	159 5	158 5	157 0	125 7
46. Iron and Steel	154 3	152 3	152 6	109 3
47. Transport Equipment	203 3	202 2	200 0	172 4
48. Electrical Machinery	155 4	153 6	146 3	160 1
49. Machinery other than Transport and Electrical	171 0	171 1	168 0	144 6
50. Basic Industrial Chemicals	128 8	128 8	127 0	109 5
51. *Processing and Mfg. (Others): Total*†	144 6	147 0	150 0	127 3
52. Cement	130 8	134 6	140 7	124 8
53. Paper	197 3	197 0	197 3	154 7
54. *Other Industries: Total*†	116 4	115 6	115 6	103 0
55. Electricity Generation and Supply	94 6	93 9	92 9	87 3
56. Trading	89 1	89 0	91 4	78 5
57. Shipping and Other Transport	141 1	139 4	143 6	122 6
58. Construction	245 8	242 6	237 2	198 2
59. *Financial: Total*	133 6	133 6	132 3	146 1
60. Banks	209 3	212 4	206 2	165 0
61. Insurance	125 8	125 8	130 0	101 2
62. Investment Trusts	92 5	92 9	93 4	84 0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	145 5	145 4	147 0	121 0
64. Calcutta	139 8	139 9	138 5	119 8
65. Madras	155 1	156 0	154 4	144 8
66. Delhi	167 6	169 3	168 5	147 2

●Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
● Including other mining.

IRON AND STEEL PRODUCTION (In tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,560	10,73,606	7,97,508
Do. 31st March, 1958	10,96,208	11,06,800	7,96,900
July 1957	88,300	82,300	66,600
Aug. "	88,700	85,500	63,100
Sept. "	88,600	92,500	71,700
July 1958	1,02,200	1,09,100	85,900
Aug. "	99,500	108,600	70,300
Sept. "	89,600	95,800	66,500
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,32,915	4,41,483
Do. 31st March, 1958	7,35,000	5,07,500	4,16,548
Three months ended Sept. 1957.	1,71,397	1,19,175	96,815
" " " Mar., 1958	1,99,529	1,33,163	1,06,501
" " " June 1958.	2,14,489	1,21,988	1,01,014
" " " Sept., 1958.	2,30,436	1,43,516	1,05,608

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of average Number of workers involved	Number of man-days lost
1956	1,928	715,180	6,992,040
1957	1,920	889,371	6,439,319
January 1958	147	56,492	271,125
February "	153	99,483	447,566
March "	167	86,468	519,254
April "	170	61,480	350,102
May "	160	87,567†	5,50 459†
June "	151	158,229 (a)	1,524,3354

† Not known in 16 cases. (a) Not known in 9 cases.
‡ In progress during the month § Not known in 10 cases.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* income (Rs.)
India†	'56-'57	397.32	..	11,019	284
Pakistan††	'56-'57	82.50	..	2,079	249
Burma	1956	19.90	Kyats 4,336	565	285
Ceylon	1956	8.28	..	475	587
Japan	1956	90.00	Y. 7,427,000	9,235	1,031
Philippines	1956	22.50	Ps. 8,325	1,985	894
New Zealand	1957	2.17	£ (N.Z.) 884	1,178	5,428
Australia	1957	9.60	£ (A.) 4,599	4,893	5,096
U.K.	1956	51.20	£ 10,445	21,847	4,267
U.S.A.	1956	168.90	$ 343,000	163,554	9,731
Canada	1956	16.00	$ 22,710	10,787	6,742
France	1956	43.00	F.Fr. 12,900,000	17,646	4,046
W. Germany	1956	51.40	Dm. 156,000	18,057	3,513
Italy	1956	48.10	Lr. 11,476,000	8,760	1,821
Norway	1956	3.46	Kr. 20,990	1,405	4,358
Sweden	1956	7.30	Kr. 44,580	4,127	5,655
Netherlands	1956	10.90	Gl. 29,490	3,215	2,977
Denmark	1956	4.46	Kr. 24,950	1,990	3,789
Switzerland	1956	5.00	Sw. Fr. 25,630	2,807	5,614

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,150	974	213	111	67	149	29	517	412	41	330	45	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	619	427	36	389	52	159
1957-58	14,335	2,389	1,225	214	104	52	217	25	596	504	39	476	47	194
July 1957	4,663	756	436	72	35	21	58	7	183	146	11	138	13	66
August "	5,791	957	539	94	39	25	67	8	226	183	13	177	19	81
September "	6,398	1,152	628	93	42	30	87	10	223	220	15	219	25	101
October "	8,056	1,366	736	107	46	34	109	13	241	263	19	261	31	122
November "	9,240	1,566	844	129	53	37	137	16	272	309	24	305	37	154
December "	10,506	1,766	941	152	64	40	162	18	354	360	29	350	43	166
January 1958	11,814	1,979	1,068	174	80	44	186	21	438	413	32	394	45	161
February "	13,011	2,172	1,123	191	93	49	202	23	519	456	36	435	46	178
March "	14,335	2,389	1,225	214	104	52	217	25	596	504	39	476	47	194
April "	1,238	220	111	23	9	4	15	2	34	45	2	40	1	15
May "	2,438	431	234	40	18	7	28	4	62	85	5	78	4	27
June "	3,541	628	355	56	25	9	36	5	88	127	7	112	7	42
July "	4,677	847	471	71	31	12	46	7	85	164	10	154	12	42

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.=2 M. G.) and incorporate revision in respect of earlier months. *Source*:—Ministry of Railways.
* Including sugarcane from November, 1955.

INDUSTRIAL PRODUCTION

Industries.		1957	Jan. to July 1957	Jan. to July 1958*	June 1958	July 1958*	July 1957
Major Industries—							
Coal	million tons	43.54	24 04	26 35	3.55	3.75	3 30
Steel (Ingots and Metal for castings)	..thousand tons	1,715	849†	854†	135	—	134
Yarn	..million lbs.	1,750	891†	819†	126	—	150
Cloth	..million yds.	5,317	2,709†	2,451†	359	—	459
Cement	..million tons	8 00	3 98	3 72	0.50	0.48	0.48
Jute	..thousand tons	1,060	594	624	82	90	88
Paper and paper boards	tons	210,132	102 414†	120,423†	19,184	—	17,511
Matches	cases	578,400	289,000†	292,100	50,000	—	47,900
Sugar	..thousand tons	2,088	1,476	4	4	6	2
Engineering and Electrical Industries—							20 77
Machine tools	..Value in lakhs of Rs.	250.56	105 84†	151 60†	25.29	—	3 03
Electric lamps	millions	33.15	15 14†	15 03†	2 39	14.70	16 59
Dry cells	millions	106 56	102 32	98 24	14 91	—	113,000
Power transformers	k.v.a.	1,219,200	567,600†	570,300†	75,800	—	43,400
Electric Motors	h.p.	499,200	212,200†	292,100†	45,400	—	15,676
Electric fans	Nos.	524,400	250,400†	314,100†	47,995	28,800	28,600
Radio receivers	Nos.	190,272	92,039†	97,432†	29,700	—	507
Storage batteries	Nos.	324,000	189,900	197,300	488	—	77
Copper conductors	tons	4,588	4,588†	3,732†	158	—	9 17
Winding wires	tons	1,092	51 04†	729†	9 37	—	17,900
Rubber and plastic ins. cables and flexibles	million yds.	106 20	89,800†	225,900†	76,800	—	0 41
Insulators—H.T.	Nos.	186,000	2 44†	2 77†	0 48	—	185
Insulators—L.T.	..million Nos.	4 50	2,336	2,833	419	311	—
Diesel engines—Vehicular	Nos.	3,336	1,946	11,462†	1,848	—	1,489
Do —Stationary	Nos.	16,548	7,241†				
Chemical Industries—							
Salt	..million mds.	66.70	77 33†	92 23†	24.18	—	6 07
Caustic soda	tons	42,705	24,422	21,200	4,855	5,202	3,125
Soda ash	tons	91,920	53,671	9,480	4,748	6,911	6,911
Chlorine liquid	tons	9,142	5,496	5,229	1,643	1,172	1,172
Bleaching powder	tons	2,925	2,240	1,720†	304	459	459
Bichromates	tons	1,745†	1,745†	105,537†	218	—	325
Sulphuric acid	tons	3,673	88,713†	76,898†	17,632	—	18,482
Superphosphate	tons	191,600	63,161†		13,849	—	16,666
Non-ferrous Metals—		141,600					
Aluminium	tons	7,771	3,800†	4,076†	686	—	665
Antimony	tons	502	268	315	56	45	58
Copper (virgin metal)	tons	7,548	4,531	4,402	665	692	670
Lead (virgin metal)	tons	3,174	1,577	1,775	198	288	264
Gold	..thousand ozs.	179	106	97	14	14	16
Miscellaneous (Minor) Industries—							
Sewing machines	Nos.	166,620	96,103	119,617	16,531	17,595	12,661
Bicycles	Nos.	909,522	361,616†	483,544†	72,203	—	63,486
Automobiles	Nos.	19,505	14,058	14,058	1,710	1,768	2,882
Cycle tyres and tubes	..million Nos.	8.45	9.63	1.35	1.52	1.18	
Motor tyres and tubes	..million Nos.	1.17	1.13	0.16	0.18	0.17	
Cheroots	..million Nos.	29,744	14,225†	15,208†	2,687	—	2,595
Plywood—Tea chests	..million sq. ft.	96.43	51 02†	44 57†	7.16	—	7 09
Plywood—Commercial	..million sq. ft.	21.62	16 08†	18 00†	2.81	—	2 71
Sheet glass	..million sq. ft.	16.61	23 04†	26 30†	3.41	—	2.26
Woollen manufactures { Worsted Fabrics / Worsted Yarn	million lbs.	15.79	8 20	10 22	1.49	1.43	1 38
Footwear—Western type (Leather)	million pairs	27.80	14 81	16 26	2.43	2.42	2.45
Footwear—Indigenous type (Leather)	million pairs	4.97	2.11†	2 19†	0.35	—	0.45
Alcohol—Industrial	..million Bulk galls.	6.27	1 54†	1 65†	0.24	—	0 29
Alcohol—Power Alcohol	..million Bulk galls.	8.50	4 24†	4 68†	0 64	—	0 62
		10.14	5.47†	5.03†	0 70	—	0.98
General Index—(Base 1951=100 Revised)		137.2	139.8‡	139 6‡	128 2	—	146.9

—Not Available.
* Figures are subject to revision month to month. † Upto June only. ‡ Average of first six months.
§Includes figures for Jammu and Kashmir.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

[Base: 1952-53=100,

Average of weeks ended Saturdays	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	83	114	100	102	107	110
1955-56	78	72	67	64	49	170	94	94	88	77	97	117	79	110	101	96	106	119
1956-57	97	88	123	122	71	165	101	95	100	80	111	153	111	97	114	95	116	131
1957-58*	126	88	114	126	68	164	109	110	107	92	106	133	108	96	128	95	116	143
August 1957	111	89	122	135	71	174	114	112	109	89	112	134	115	99	130	97	117	145
Sept. "	108	87	118	125	69	165	114	111	108	91	109	135	105	98	130	96	117	145
Oct. "	107	85	113	121	67	156	108	110	112	95	97	132	105	101	130	96	117	145
Nov. "	107	87	115	121	67	167	108	109	111	95†	101	132	104	102	130	97	116	145
Dec. "	102	86	109	117	65	157	99	109	110	96	108	129	102	104	130	98	115	147
Jan., 1958	101	86	102	114	64	162	101	117	106	95†	105†	101	101	100	130	99	116	148
Feb. "	99†	84	98	109	61	156	105	117	104	95	104	122	102	98	130	98	116	149
March "	100	84	94	110	63	152	107	118	106	93†	103†	120†	103	93	130	96	116	145
April "	103	86	94	111	65	158	110	118	111	91	102	126	107	97	130	98	114	145
May "	106	86	92	111	64	168	115	120	115	89	100	125	110	102	132	98	114	145
June "	111	93	100	123	74	177	121	124	128	89†	102	123	114	112	135	96	113	145
July "	115	97	106	127	83	192	119	124	138	90	100	124	120	126	135	98	111	145
Aug. "	118	101	109	128	90	176	116	121	145	87	99†	125†	125	128	135	90	111	145

* Provisional. Source: Reserve Bank of India Bulletin. † Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st to 15th September 1958 Bales	From 1st to 15th September 1957 Bales
Bombay Island—			**From Bombay Cotton Shipments to—**		
Cotton Receipts	Week ended 16th Oct., 1958 ..	8,527(J)	United Kingdom ..	235	—
	Corresponding week, 1957 ..	4,186 J)	Continent ..	765	—
	1st Sept. to 16th Oct., 1958 ..	78,051*	Hongkong ..	2,039	—
	Corresponding period, 1957 ..	78,642*	China ..	—	—
			Japan ..	17,488	525
Cotton Exports	Week ended 16th Oct., 1958 ..	6,333	U.S.A. ..	107	—
	Corresponding week, 1957 ..	425	Other Countries ..	625	—
	1st Sept. to 16th Oct., 1958 ..	21,209	Total to all foreign countries ..	21,309	525
	Corresponding period, 1957 ..	4,356	Coastal Ports ..	—	3,406(a)
Mill Consumption (Estimated)	1st Sept. to 16th Oct., 1958 ..	138,000	Total	21,309	3,931
	Corresponding period, 1957 ..	170,316			
Stock (with spinners, dealers and mills) in Bombay (Estimated)	On 16th Oct., 1958	515,423	**Cotton Exports from Bombay (by sea)**	During Aug., 1958‡	88,466§
	Corresponding date, 1957 ..	502,076		During Aug., 1957	1,802
				1st Sept., 57 to 31st Aug., 1958 ..	250,670K
				1st Sept., 56 to 31st Aug., 1957 ..	261,887
Consumption of Cotton—					
Indian	August 1958	370 390	**Cotton Pressed in India†** (In running bales)	Week ended 3rd Oct., 1958 ..	3,246
Foreign		44 839		Corresponding week, 1957 ..	6,021
India	Twelve months ended Aug., 1957-58	4,435,239		1st Sept., 57 to 31st Aug., 1957-58 ..	4,290 312
Foreign		565,650		Corresponding period, 1956-57 ..	5,072,512
Indian	Same Period 1956-57 ..	4,666,581	**Karachi (Pakistan)—**		
Foreign		567,468			
Stocks (Mills and Elsewhere)—			**Receipts**	1st Sept., to 2nd Oct., 1958 ..	189,668
Indian	As on 31st Aug., 1958	1,136 125		Corresponding period, 1957 ..	150,007
Foreign		138,927			
Indian	As on 31st Aug., 1957	1,120,458	**Exports**	1st Sept., to 2nd Oct., 1958 ..	101,422
Foreign		223,637		Corresponding period, 1957 ..	41,199

J By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (a) upto Sept., 1957
—Not Received. K—Includes 9,000 bales burnt by fire on 11-5-1958
‡ Includes Zoda and Yellow Pitlings, etc.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotations. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6	Mar. Sep.	114.00xd	100
BREWERIES AND SUGAR						
Bharat Sugar T.B.C.	5,00,000	1931	5	Dec. ..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	6	April ..	85.00	100
Carew & Co. T.F.R.C. ..	8,00,000	1875	6½	Mar. Sep.	88.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8	Feb. Aug.	107.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7	July Apr.	6.00	5
†East India Distilleries T.F.C.	£200,000	1897	7	Jan. July	16.00	£1
Gwalior Sugar T.R.C. ..	6,75,000	1940	7	Dec. ..	60.00	100
Do. (Non-redeem.)	5,00,000	1940	7	Dec. ..	60.00	100
Furtabpore Co. T.C. ..	6,00,000	1922	10	Oct. ..	13.50	10
Ramnuggur Cane T.F.C. ..	4,00,000	1933-36	6	Aug. ..	90.00	100
Ravalgaon Sugar	20,00,000	1943	6½	Oct. Apr.	69.70	100
South Behar Sugar T. ..	5,00,000	1936	7	Oct. ..	20.00	100
Travancore C.T.F.	15,00,000	1946	5	Dec. ..	7.25d	10
Upper Ganges T.F.C. ..	12,00,000	1932	5	Dec. ..	90.00N	100
Do. T.C.R.C. ..	15,00,000	1946	5	Dec. ..	70.00N	100
Walchandnagar T.F.C. ..	3,50,000	....	7	April May	118.75	100
COAL						
Borres T.F.C.	4,00,000	1896-97	6½	Oct. Apr.	89.00xd	100
Burrakur (1st) T.F.C. ..	22,99,800	1901-19	7	Apr. Oct.	101.00xd	100
Do. (2nd) T.C.	4,50,000	1946	6	.. ..	6.25xd	10
Equitable T.F.	4,00,000	1895	6	Mar. Sept.	100.00	100‡
Karanpura Collieries T.C. ..	9,89,500	1946	5½	.. ..	6.00N	75p.
††Khas Kajora C.	1,93,000	1931	5	Mar. Sept.	10.00N	10
New Beerbhoom T.F.C. ..	11,00,000	1920	7	Jan. July	11.00	10
Ondal T.F.C.	2,00,000	1898-99	6	Apr. Oct.	88.00	100
COTTON						
Ahmedabad Advance T.F. ..	10,00,000	1939	..	Apr. Oct.	83.00	100
Bangalore C.T.F.	6,00,000	1884	6	Jan. July	113.00	100
Basanti Cotton	5,00,000	1938	6½	.. ..	8.00	10
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	150.00	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	62.00	100
Broach T.F.	14,75,000	1919	7	June Dec.	56.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7½	Jan. July	121.25	100
Cambodina C.T.F.	1,00,000	1928	7	Apr. ..	108.00	100
Central India T.F. ..	50,00,000	1912	5	Apr. Oct.	845.00	495
Coimbatore Pioneer C.T.F. ..	1,00,000	1935	6½	June ..	91.75	100
Elgin	11,00,000	1912	8	May Nov.	105.00	100
Do. 'B' Pref.	4,20,000	1943	6	July Jan.	6.75	10
Elphinstone T.	25,00,000	1919	7	May Nov.	64.00	100
Emperor	20,00,000	1919	7	June Dec.	107.00	100
Kesoram	29,92,500	1947	4	Nov. ..	74.00	100
Khatau Makanji (2nd) T.F. ..	18,00,000	1937	6	Dec. ..	8.50	10
Kothari C.T.F.	10,00,000	....	6	.. ..	10.00N	5
Kothari 'B' (Pref.) ..	16,00,000	1896	5	.. ..	160.00	250
Lakshmi Cotton (Bombay) T. ..	17,25,000	1947	4½	Jan. ..	85.00	100
Morarjee Goculdas Spg. & Wvg.	3,00,000	1944	4½	.. ..	28.00	50
Myaore Spg.	1,74,64,700	1947	5	.. ..	74.50	100
National Rayon T.	8,00,000	1913	5½	Mar. ..	145.00	200
New Great T.	10,00,000	1943	4	Feb. ..	72.00	100
Podar Mills	10,00,000	1932	6½	Apr. ..	50.00	50
Rajalakshmi C.T.F.	15,00,000	1935	5	Apr. Oct.	86.00	100
Shree Nivasa Cotton	4,80,000	1944	4	.. ..	67.00	100
Sholapoor R.	32,00,000	1943	8	.. ..	78.25	100
Svadeshi T.F.	15,00,000	1935	5	Apr. Oct.	86.00	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	74.00	100
Travancore Rayon C.T.F. ..	50,00,000	....	5	May ..	7.65	10
Vasanta (1st) C.T.F.	3,00,000	1931	6½	Apr. Oct.	99.00	100
Do. (2nd) C.T.F.	1,50,000	1938	6	.. ..	88.00	100
Vishnu T.	15,66,500	1908	7	Apr. ..	440.00	500
ELECTRICS						
Andhra Valley Power Supply T.	49,84,000	1917	7½	May Nov.	1,067.50	1,000
Amalgamated Electric T.F. ..	24,15,000	....	5½	.. ..	89.00	100
Calcutta Electric	19,00,000	1909-11	5(4)	June Dec.	11.87	21
Cochin Electric T.	4,00,000	1935	7	June Dec.	103.00	100
Cochin Madras (1st) C.T.F. ..	22,00,000	1940	5½	Sept. Dec.	9.32	100
Do. (2nd) C.T.F. ..	5,00,000	1940	5½		9.17	10
Gujarat Electric Co. T.F. ..	5,00,000	1939	6½	Apr. ..	114 00	100
Tata Hydro Electric Power T.	89,28,000	1907	7	May Nov.	106.75	100
Tata Power T.	86,97,000	1918	7½	May Nov.	1,141.25	1,000
Tellore C.T.	1,25,000	1928	6	Dec. ..	7.25	10
ENGINEERING						
Arthur Butler (Muzaffarpore)	1,30,000	1919	7	Mar. ..	8.50	10
Burn & Co. Ltd. (1st)	13,00,000	1895-98	7	Feb. Aug.	120.00	100
Do. (2nd)	15,00,000	1902	6	Feb. Aug.	112.00	101
Indian Iron and Steel Co., Ltd. T.F.	2,69 95,400	1950	5	Dec. ..	101.00	100
Indian Standard Wagon	19,66,500	1918	7	June .

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. F.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund. reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciations is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1955	1956	1957	1958	Accounts Closed	Balance sheet
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BOMBAY CITY AND ISLAND																
50,00,000	5,37,500	1,01,25,505	44,03,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.40	2	0.19	0.19			12	Y.
40,40,000	24,00,000	1,40,93,494	78,99,035	17,302	M.	50,596	1,031	B. R. Cotton Mills	25 00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
2,80,98,000	3,42,86,683	7,96,30,951	3,93,39,419	39,706	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,484	3,646	Bombay Dyeing & Mfg. Co.	59.00	25	2 50*	2 50	2 50	0.75‡	12	Y.
10,00,000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	175 00	50	12 50	20 00	15 00	7 50	3	Y.P.
1,13,85,650	2,79,59,276	7,45,32,167	2,69,98,324	9,27,648	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	448 50	100	22 00	22.00	22 00	8.00‡	12	Y.
49,00,000	25,42,326	1,19,99,766	65,07,085	—33,08,097	V. Pilani (Chairman and Managing Director)										12	Y.
26,00,000	28,31,920	1 13 36 792	67 79 552	58.223	Cowasjee Jehangir & Co., Pvt. Ltd.	50,596	698	Colaba Land & Mill	30 50	100	*Nil*	*Nil*			12	Y.
28,00,000	26,37 709	90 59 554	54 08.586	66,029	Ramnarain Sons Private Ltd.	43,960	680	Coorla Spg. & Wvg.	137 50	100	7 50	12.50*	12.50*	12.50*	3	Y.
34,00,000	26,36,389	1 12 98,983	69,27 928	—11,15,096	Dawn Mills	81 39	50	Dawn Mills	50 00	50	15 00	—	7.50F	5.00	3	Y.
29,98,050	15,72,144	1,31,76,951	81,20,935	....	M.	240 00	200	Edward Textiles	240 00	50	15 00	15.00	*Nil*		12	Y.P
50,00 000	65 54 875	1,67 34,054	89 06,207	87 155	James Finlay & Co., Ltd.	45,996	886	Elphinstone Spg. & Wvg.	40 00	50	5 00	15 00	20 00		12	Y.
50,00,000	48,98,022	94,91,910	61,57,387	10,233	James Finlay & Co., Ltd.	45,996	784	Finlay Mills	281 50	100	20 00	15 00	15 00		12	Y.
11,24,000 } 16,000 }	1,23,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills.	183 75	100	15 00	15 00	350 00*	350 00	3	Y.P
									4,800 00	1,000	300 00	225 00	87.50*	87.50		
2,50,00,000	58,39,672	4,90,61,819	3,54,00,000	1,29,969	Agarwal & Co.	2,44,150	6,278	India United Mills	992 50	850	75 00	51 25			12	Y.
8,65,000 } 35,000 }	1,09,49,981	1,69,80,792	1,17,58,604	—1,16,454	M.	56,784	1,152	Indian Mfg.	1 12	0 1D.	0 94	0 98				
									4,350.00	1,000	0 19	0 18				
										800	200 00	200 00	325 00*	325 00	8	Y.P
99,85,000	47,84,646	3,32,60,641	2,39,44,370	30,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	150 00	150	150 00	150 00	162 50*	162 50		
1,00,00,000	1,13,27,791	3,67,75,376	2,34,94,794	57 791	Killick Industries Ltd.	1,20,504	1,846	Kobinoor Mills	179 50	100	12 00	10 00	10 00(c)	10 00	6	Y.
83,18,800	46 27,870	1 28 88,753	67 99 178	43 271	N. Sirur & Co. Private Ltd.	49,000	644	Modern Mills	268 00xd	100	18 00	8 00*	5 00'C'		12	Y.Z
51,75,000	42,39,896	2,75,32,726	2,00,41,588	21,603	Piramal Sons Private Ltd.	71,604	1,652	Morarjee Goculdas Spg. & Wvg.	45.00xN	50	8 00	15 00	14.00(c)	15.00	6	Y.Z
1,60,78,400	1,42,84 206	10,55,96,105	2,40,00,000	1,23 857	Chinai & Co. Private Ltd.			National Rayon Corporation	248.50	100	14 00	15 00	14 00*	14 00	12	Y.F
24,00,000	52,62,456	82,11,723	48 70 076	1,495	W. H. Brady & Co., Ltd.	45,944	482	New City of Bombay Mfg.	256 25	100	10 00	10 00	5.00		12	Y.
30 00 000	11 72,184	101 83 002	68 37 034	....	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	108.75	100	10 00	10 00	*Nil*		12	Y.F
48,00,000	55,51,580	1,69,40,494	1,24 50,874	3,59 718	Ramnarain Sons Private Ltd.	1,08,77,159	2,559	Phoenix Mills	217 00	100	10 00	10 00	12 50F	10.00	3	Y.
66 99,992	45,84,554	53 92 951	23 34 581	1,63 546	Podar Sons Private Ltd.	18,44,733	1,190	Phoenix Mills	117 50	100	10 00	12 00*	10 00		12	Y.F
10,00,998	....	23,94,122	18,44,733	—1,10,089	M.	2,52,600	930	Podar Mills	185 00	100	0 50	0 25(e)	*Nil*		12	Y.
37,76,100	1,19,98,715	2,11,34 514	1,36 87 248	1X 182	M. G. Investment Corp. Private Ltd.	94,684	2,127	Samoon Spg. & Wvg.	9 76	10	2 00	2 00	2 80		12	Y.
80,00,000	44 70,061	1 27 86,700	67 73 552	58 580	Marwar Textiles Agency) Pvt. Ltd.	77,486	1,620	Shree Niwas Cotton Mills	40 10	50	10 00	8.00	8.00		12	Y.F
42,00,000	98,80,478	1,95,86,294	79,34,101	8 089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	150 50	100	10 00	12 50	8.50	8.50	3	Y.
87,80,808	2 50 26,472	2,96 16,751	1 87,99 317	1,56 542	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	414 00	100	12 00	14 00*	9.00		12	Y.F
1,00,00,000	95,05,854	2,76,30,400	1,44,86 214	29,124	Tata Industries Private Ltd.	97,588	2,000	Svadeshi Mills	194 50	100	12 00	25 00	25 00		12	Y.F
26,00,008	65,12,465	1,52,27,488	96,52,715	26 062	James Finlay & Co., Ltd.	40,328	549	Swan Mills	365 00	100	*Nil*	4 00*	3 50*	2 00	12	Y.
65,57,875	53,20 412	2,18,76 840	90,53,601	17 255	Tata Industries Private Ltd.	70,832	1,500	Tata Mills	97 00	25	4.00	3.50*	2.00		12	Y.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,186	1,218	Western India Spg. & Mfg.	4,835.00	1,000	300.00	300.00	325.00*	325.00	3	Y.
AHMEDABAD																
40,00,000	31,81,987	1,72,25,924	68,65,344	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	170.00	100	7.00	12.00	5.00		6	Y.F
15 00 000	98 23,183	1,29 30,484	78,32,228	....	P. M. Hutheesing & Co., Ltd.	44,220	912	Arvind Mills	635 00	100	30.00	25 00	25.00		12	Y.
40,00,000	3,08 12,127	2,17,76,010	1,10,09,497	23 706	M.	96,010	2,516	Arvindra Ginning & Mfg.	970 00	100	25 00*	30 00*	35 00*		12	Y.
32,00,000	47,41,123	1,22,40,943	77 79 729	1,04,815	Mangaldas & Brother (Pvt.) Ltd.	45,936	992	Ayodaya Ginning & Mfg.	470.00	100	25 00*	30 00*	*Nil*		12	Y.
13,98,000	1,40,46,694	99,92 464	67,28 819	728	Lalbhai Dalpatbhai & Co.	67,588	1,614	Ajoka Mills	672 50	100	80.00	80.00	80.00		12	Y.
2,00,25,000	2,50,55,170	6,22,25,492	2,74,71,141	9,28,539	Kasturbhai and Pranlal Pvt. Ltd.	1,21,190	2,400	Calico	508 50	125	80 00	80 00	80 00	25.00	12	Y.
63,00,000	28,51,630	1,44 87 907	1,02 81,232	90,815	Triumphal Naigalla & Co., Ltd.	45,836	646	New Commercial Mills	468.75	250	90 00	100 00*	25.00*		12	Y.
58,00,000	91,84,187	1,53,45,568	1,07,86,296	92,673	Mahatlal Chandulal & Co.	61,108	1,037	New Shorrock Spg. & Wvg.	777 00	125	50 00	50 00	40.00*		12	Y.
15 00 000	64,39,775	69,48 065	55,66,655	....	Nutan Mills	39,560	973	Nutan Mills	397 50	100	20 00	20 00	20 00		12	Y.
80,00,000	1,08,57,183	1,07,39,454	66,60,480	105	Jagabhai Bhogilal Nanavaty & Co.	32,828	685	Raipur Mfg.	701.25	100	35.00*	35 00*	35 00		12	Y.
48 75,000	28,46,588	1,33,74,914	75,60,111	9 983	Lalbhai Dalpatbhai & Co.	35,196	965	Rohit Mills	185.00	100	*Nil*	8 00*	8 00*		12	Y.
57 94,988	2,88,74,166	2,17,82,370	1,17,57 907	1,76,461	M.	94,128	1,789	Shri Ambica Mills	648.00	50	27.00*	30.00*	25.00		12	Y.
29,25,000	69,50,033	1,00,70,053	79,48,312	18,846	Hasthalakshdas Kasidas & Co. Mahatlal Chandulal & Co. (Ahmedabad), Ltd.	39,648	720	Shorrock Spg. & Mfg.	455.00	100	25.00	30.00*	20.00		12	Y.
55,00,000	33,00,929	1,28,90,368	90,20,784	22,900	Haridas Ashavlal & Co., Ltd.	41,056	780	Vijaya Mills	597.50	500	35.00*	50.50*	40.00*		12	Y.
WEST BENGAL																
15,00,000	3,06,455	33,27,561	24,06,641	1,14,855	Calcutta Agency Private Ltd	13,044	356	Basanti Cotton Mills	6.50	10	0.50	0.60	0.60		12	Y.P
7,11,200 } 2,50,000 }	19,08,297	90,94,562	55,56,380	49,225	D. N. Bhattacherjee, Esq. (Mg. Director)	22,224	325	Bengal Luxmi Cotton Mill								
24,00,000	1,50,000	1,20,71,227	49,63,051	1,17,244	Kettlewell Bullen & Co., Ltd.	42,996	841	Bowreah Cotton Mills	35.00N	40	4.00	4.00	4.00		3	Y.
19,00,000	24,30,708	1,39,78,961	73,14,165	—1,96,543	Kettlewell Bullen & Co., Ltd.	42,541	1,023	Dunbar Mills	125 00	100	*Nil*	*Nil*	*Nil*		12	Y.
30,00,000	88,988	76,97,225	31,97,945	82,086	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	141.00	100	2.50	6.00	*Nil*		12	Y.
1,00,00,000	3,29,91,858	4,09,02,858	4,04,10,478	4,94,775	Birla Brothers Private Ltd.	75,040	1,902	Kesoram Cotton Mills	10 94	10	0 87	0 87	0.90		12	Y.
19,47,750 } 5,00,000 }	9,50,000	45,50,254	28,75,466	9,388	Hanuromal, Heeralal	23,086	795	Rampooria Cotton Mills	15.00N	10	1.00	1.00	0.75		6	Y.
									4.00N	1D	0.34	0.36	0.15			
SOUTH INDIA AND OTHER CENTRES																
11,96,600	5,57,619	29,87,104	19,19,230	16,613	Setna & Co.			Ashar Textiles Ltd.	217.00N	100	12.50	15.00	12.50		6	Y.
72,00,008	17,82,554	1,87,65,112	98,45,582	6,710	A. S. Trabilsee, Esq.	24,896	716	Aman Jahi Mills	58.90	100	3.50(e)	5.00	3.50		9	Y.
1,31,50,000	1,47,74,979	3,67,98,866	2,76,48,043	2,94,471	Binny & Co. (Madras), Ltd.	46,356	1,157	Bangalore Woollen, Cotton and Silk Mills	168.50	100	30.00	30.00	10.00'C'	4.00	12	Y.
35,00,000	99,61,544	1,33,11,127	1,06,74,337	2,64,725	Birla Brothers Private Ltd.	39,596	1,068	Birla Cotton Spg. & Wvg., Delhi	27 00N	10	3 00	3.00	1.50	1.50	3	Y.P.
1,78,47,800	2,99,22,000	6,82,67,945	4,09,47,472	1,92,471	Binny & Co. (Madras), Ltd.	1,20,288	2,762	Bombaywalla & Caranella	179 50	100	12 00	10 00	10 00	4.00‡	12	Y.
20,00,000	15,37,945	59 23,440	26,18,643	4	Peirce, Leslie & Co., Ltd.	27,524	4	Cambedia Mills	9 10	100	0 50	0 50	0 50(e)		3	Y.P.
15,00,000	5,11,580	76,05,050	53,88,579	1,08,342	Damodaran & Co.	20,000	561	Cassassore Spg. & Wvg.	187 50	100	12 00	15 00	20 00	12.50	12	Y.
30,00,000	33,43,836	59,57,015	29 97,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,524	561	Davangere Textiles	4 87	5	*Nil*	0 25	0 25	*Nil*	3	Y.P.
9,36,560	5,31,245	60,91,229	25,97,117	20,645	C. E. Srinivasan, Esq. (Chairman)	31,200	....	Cauvery Spg. & Wvg. Mills Ltd.	10 00	10	0 62	0 75	0.90	0.90	3	Y.P.
25,51,562	22,09,767	69 79 003	31 91 099	696	B. Bhasma Naidu & Co.	30,864	....	Coimbatore Cotton Mills	10 00	10	0 62	0 75	0.90		3	Y.
18,15,000	7,25,186	39,15,852	24,29 632	....	T. A. R. Chettiar Sons & Co.	23,340	199	Coimbatore Narayan Mills	150 00	100	25 00	25 00	9.00'C'		3	Y.P.
20,00,000	18,28,450	1,39,20,215	1,00,90 627	599	T. A. R. Naidu & Co.	25,920	....	Coimbatore Pioneer Mills	92 00	100	10 00	10 00	350 00*	350 00	12	Y.
50,70,000	....	5,076	1,37,90,104	88,52,968	R. G. S. Naidu & Co.	72,152	497	Coimbatore Spg. & Wvg.	250 00	100	20 00	20 00	20.00		12	Y.
46,87,500	37,24,725	2,42,19,708	1,84,96,844	—7,29,806	Tata Industries Private Ltd.	67,452	1,830	Central India	48 00	50	5 00	10.00	*Nil*		12	Y.
24,45,911	13,50,969	92,99,555	48,37,911	15,780	R. Hanumanthappa & Son	25,816	360	Davangere Cotton Mills	113 00	50	8.00	10.00	*Nil*		8	Y.
9,36,24,525	9,10,84,838	11,79,90,466	6,78,97,125	2,77,503	B. R. Charat Sam & Co. Private Ltd.	1,41,188	2,882	Delhi Cloth & General Mills	31.25	10	0 94	0 98	0.90		6	Y.F
1,00,000										5	2 25	2 50	2.00			
47,98,200	20,35,000	84,22,324	49,84,057	1 956	M. N. Chettiar & Sons	42,312	921	Dhanalakshmi Mills		2½	0 22	0 25	0 20		12	Y.
63,00,000	1,05,51 192	1,68,71,454	1,41,02,839	75,351	Begg, Sutherland & Co. Private Ltd.	48,452	1,196	Elgin Mills	172 00	100	10 00	10 00	10.00'C'		9	Y.
48,51,000	43 55,161	1 36,06,043	77 13 962	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,284	....	Gokak Mills	18 00	10	1 00	1 25	1.00		3	Y.
2,50,00,000	5,75,000	5,73,71,041	1,64,46,886	1,00,48,893	Birla Gwalior Private Ltd.			Gwalior Rayon	145 00	100	15.00	15 00	8.00		12	Y.
50,00,000	6,94,589	1,59,76,049	1,21,32,275	—11,77,284	K. L. Saksaria, Esq. (Chairman)	51,180	1,356	Indore Malwa United	14 90	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
5,00,000	10,66,553	35,50,221	20,68,005	....	G. V. Naidu & Co. Ltd.	23,784	....	Janardana Mills	103 00	100	9 00	11 00	6.00		12	Y.
15,54,000	15,02,999	57,13,997	33 88,095	7,013	Mr. Bhairavatan Damani (Managing Director)				66.00xd	50	10.00	10.00	3.00		12	Y.
4,61,55,200	8,24,56,294	4,34,59,294	2,18,54,080	2,63,847	Birla Gwalior Private Ltd.	39,512	512	Jam Shri Ranjitsinghji Jityaisaro Cotton	1,450 00	1,000	50 00	60.00	40 00		6	Y.
42,00,000	19,23 000	1,86,31,567	86,28,076	91,772	Kothari & Sons	41 040	360	Kothari Textiles	9 75	10	4 00§	0 55	0.55		3	Y.
32,00,000	63,39,457	1,84 50,874	1,25,78,615	2,994	M.	51,008	1,243	Lakhanai Cotton Mfg.	10 00	10	1 00	1 00	1 00		6	Y.
71,00,000	66,88,960	2,28,46,581	1,29,69,687	86,370	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	436 00	250	42 50	42 50	15.00	6.00	12	Y.
1,75,08,450	4,24,49,378	5,80,99,121	3,96,10,817	6,02,266	A. & V. Harvey Ltd.	4,88,000	....	Madura Mills	102 50	100	12 00	12 00	10 00	8.00	12	Y.
12,60,000	5,67,288	28,96,255	18,78,709	218	W. K. Bendi (Chairman)	25,596	108	Malabar Spg. & Wvg.	48 50	25	6 25	6.25	5.00	5.00	12	Y.
60,00,000	60,00,000	1,66,60,496	47 59,940	876	W. A. Beardsell & Co. (Private) Ltd.	29,556	602	Meetar Industries Ltd.	30.75	15	3.00	2 62	3.25		12	Y.
29,50,584	12 88 081	98,11,180	51,89,457	19 738	N. Sirur & Co. Private Ltd.	39,996	704	Samoon Spg. & Wvg.	90.00N	100	8.00	8.00			12	Y.
94,91,880	21,56,146	1,71,94 799	78,81,588	1,86 008	M.	52 408	962	Model Mills (Nagpur)	338.50	100	25 00	25 00	20.00	20.00	12	Y.
24,82,500	39,98,562	1 18,65,240	72,49,788	27,871	K. Sirur & Co. Private Ltd.	50,492	800	Mysore Spg. & Mfg.	60 00	100	6 00	6 00	*Nil*		12	Y.
19 61,750	....	2,81,15,541	17,82,314	8,966	K. Tippersirah (Chairman)	6,000	....	Mysore Spun Silk Mills	170 00	250	7 50(e)	7 50(e)	9.00*	5.00	3	Y.
87,33,200	39,39,981	1,78,89,344	67,86,083	....	M.	37,788	908	Osmanshahi Mills	80 00	50	6 00(e)	*Nil*	*Nil*		3	Y.
4,00 000A } 6,00 000B }	13,00,000	71,79,976	28,66,277	8,909	Bhaghyalakshmi & Co.	45,696	....	Palani Andavar Mills	43 50	100	2 50(e)	5.00(e)	*Nil*		9	Y.
16 60 700	....	35,52,644	19,72,637	—13,17,124	C. S. R. Mudaliar & Sons	27,960	....	Paakaja Mills Ltd.	121 00	50A	12 00	12 50	13 50		12	Y.
16 81,200A } 6,40,600B }	31,81,189	1,06,11,851	58,39,255	3,877	A. G. Gurusamy Naidu & Co.	59,364	800	Radhakrishana Mills	176 00	75B	15 00	22 50	13 50		12	Y.
19 84 278	20,55 750	76,37,878	32 62,483	....	B. R. Naidu & Sons	37,096	....	Rajalakshmi Mills	40 00	100	12 00	12 00	5 00		12	Y.
18 14,300	14,00,000	37,35,923	19,10 966	15,404	Ramco Asswales Private Ltd.	24,996	....	Rajapalayam Mills	60 00	100	10 00	10 00	4.50		12	Y.
22 32 880	11,50,000	53 72,976	22 15 902	5,286	Rayalaseema Development Co.	21,200	....	Rayalaseema Mills	129 00xd	100	10 00	10 00	12.00		3	Y.
15,90,000 } 10 000 }	2,69,010	3,15,04,564	2,05,50,756	—34,29,635	M.	96,252	2,322	Sholapoor Spg. & Wvg.	186 00	100	10 00	10 00	10 00		12	Y.
35,69,700	21,91,449	1,05,51,059	61,65,564	37 576	H. N. Pellegar, Esq.	30,744	292	Sri Krishnaraya Cotton Mills	400.00	1,000	*Nil*	*Nil*	*Nil*		3	Y.
18 80 000	3 62 40 700	1,02,21,810	75 33,414	29,20,627	Birla Brothers Private Ltd.	36,512	1,344	Sutlej Cotton Mills	67.50	500	6.00	7.00	7.00	4.50	3	Y.
17,50 000 O	2,26,23,071	5,28 86,103	1,97,81,847	2 64,970	M.	1,13,216	2,666	Swadeshi Cotton (Kanpur)	79 00N	10	6 00	6 00	6 00		12	Y.
1,87,50,000 PO									10.25	100	0 75	0.75	0.75			
1,50,00 000	60,00,000	3,88,81,208	1,98,18,492	1,78,216	Simoote & Sons (Travancore) Ltd.			Travancore Rayons	10 50	10P.O.	1 15	1.15	1.15		12	Y.
15,66 720	9 44,940	19,50,398	13,80,139	794	Mooljt Bamjee & Sons	18,000	....	Trichinopoly Mills	14.65	10	0 75	1.00	1.00		12	Y.
31,00 000	20,36 782	98,30 806	61,76,507	12,001	R. K. Chetty & Brothers	44,424	570	Vasanta Mills	11 75	100	1 00	1 15	0 90		12	Y.
23,66,000	13 73,770	1,88,96,083	1 17,44,883	—9,88,580	The Bombay Co. (Private) Ltd.	49,660	1,275	Vishnu Cotton	220 00	100	20 00	20 00	12 00		12	Y.
									100 00	100	8.00	8.00	*Nil*		12	Y.

* Includes bonus. † Subject to taxation. M=Managed by Board of Directors. X.R.=Ex-Right.
~ \Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. § On old capital. (e) Paid out of Reserves. F=For fifteen months ended 31st March. 19
‡ For Nine months ended 31st December 1957. 'C'=On increased Capi

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1955	1956	1957	1958	Accounts Closed	Balance sheet
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
CEMENT														
72,59,940	13,33,764	1,00,14,799	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10 65	B. 10	1.00*	1.00			12	Y.P.
59,85,555	....	1,55,92,861	....	12,928	M.	Ashoka Cement Ltd.	8 96	10	..	..	*Nil*		3	Y.T.
13,71,80,070	9,62,91,082	30,81 74,705	11,29,17,768	2,58,821	Cement Agencies (Private) Ltd.	Associated Cement Companies	162.00	100	10.00	10.00	9.00		7	Y.T.
3,07,44,575		1,23,58,448	16,77,717	779	Tendulkar Industries Private Ltd.	Bazaikot Cement Co., Ltd.	8 64	10	0.30	0.60	0.60		12	Y
1,44,10,795	53,35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	9 35	O. 10	1.25	1.25	1.20		12	Y.P.
5,00,000							2 63	D. 1	0 12	0 12	0.12			
1,01,94,750	30,37,736	2,18,27,299	73,38 865	71,092	Essen Private Ltd.	India Cements Ltd.	30 50	O. 25	1 87	2 06	2.06	2.25	3	Y.P.
7,50,000							6 20	D. 5	0 37	0 41	0.41	0.45		
1,80,00,000	4,00,000	4,72,60,133	89,99,750	21,36,411	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11 44	10	0 75	1 25	*Nil*		3	Y.P.
1,00,00,000	31 45,497	3,25,68,766	1,17,79,528	87,55,949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	12 56	10	1 25	1 25	1.60		12	Y.P.
1,34,20,240	48,94,785	3 15 77,855	1,29,16,661	2,23,856	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	143 50	100	8 50	9 00	9 00		12	Y.P.
75,00,000	17,70,000	2,18,91,926	1,54,88,889	18,727	M.	Sone Valley Portland Cement	5 84	5	0.30	0 15	0.30		12	Y.
50,00,000	6,00,000	1,04,84,565	48,33,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd.	9 40	10	0.62	0 60	0.60		12	Y.
CERAMIC; MINING AND QUARRYING														
50,50,275	8,45,000	1,20,18,973	35,41,847	20,913	Bharat Ram Bhagat & Co.	Bengal Potteries	4 00xd	2½	0.25	0.25	0.25		12	Y.
10,00,000	30 5 407	82,71,713	35,31,132	18,449	Bird & Co. Private Ltd.	Biara Stone Lime Co.	32.00	10	1.75	0 87	1 75	0.87i	3	Y.
21,31,300	£1,348,400	£2,621,717	£1,593,562	1,14,958	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4 00xd	Sh. 2	10 8d.*	4 8d.	4.32d		12	Y.
0,15,00,000	24,08,876	44,47,198	13,07,726	5,496	Bird & Co. Private Ltd.	Karanpura Development	13.00	10	1 00	*Nil*			6, 12	M.
F.5,00,000							3 00		*Nil*					
5,00,000	2,96,000	9,09,017	5,45,877	615	Mysore

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Refer-ence
						PAPER								
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	93.00	25	4.69	2.50	3.12	1.00	12	Y.P.
63,00,000	61,62,238	1,94,26,902	88,79,418	20,471	Andrew Yule & Co., Ltd. ..	India Paper Pulp	21 50	10	1.39-2/5	1.39-2/5	1.40	1.00	3	Y.
25,00,000	30,54,597	1,49,62,955	87,88,459	27,136	T. Shanmanna, Esq. (Chairman)	Mysore Paper Mills	17 75	10	0 75*	1 00*	1 00*	1 00	3	Y.
1,46,82,500	2,46,75,045	6,04,16,697	1,37,53,042	2,63,477	Birla Brothers Private Ltd. ..	Orient Paper	35 10	10	1 12	0 62	1 50		3	Y.
1,25,49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills ..	10 75	10	1 25	1 25	1 25		12	Y.P.
50,00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	13 00	O. 10	1 25	1 05	0 60		9	Y.
*A*10,00,000 / 2,18,55,240	48,43,060	3,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	13 00	A. 10	1 25	1 05	0 60		6	Y.
							13 44	10	1 25	1 05	0 50			
56,00,000A.							43 25	A. 10	2.00*	1.12*	2.37*			
56,04,800B. / 4,37,500P.O.	3,70,50,474	6,78,46,967	3,51,66,938	92,528	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	43 25	B. 10	2.00*	1.12*	2.37*		3	Y.
							4.25	P.O. 2½	0.25	0.12	0.25			
						SAW MILLS AND TIMBER								
13,09,998	22,68,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd. ..	Assam Saw Mills	3 00	3	*Nil*	*Nil*	*Nil*		9	Y.
50,00,000 / 42,00,000	3,81,14,271	4,60,47,879	1,88,08,404	1,83,542	Wallace & Co.	Bombay-Burmah Trading Corpn.	502 50	Old 125	37.50	40.00	40.00		5	Y.
							178 75	New 50	15.00	13.75	16.00			
20,00,000	20,43,037	19,96,436	18,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	44.25	10	3.00	3.00	2.75		9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	0,406	42,92,220	31,12,074	57,702	M.	Bairampur Sugar	9.00xd	5	0.06	*Nil*	0.25			Y.
12,00,000A / 3,00,000B.	29,80,260	55,40,881	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	120 00N	A. 100	10.00	10.00			4	Y.
							11 00N	B. 10	1.00	1.00				
19,40,050	8,75,000	38,83,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	11 69	7½	0.75	1.00	1.00		9	Y.
15,00,000	13,51,513	19,28,777	13,40,540	7,653	Cotton Agents Private Ltd. ..	Bharat Sugar	16 00N	10	1.50	1.50	1.50		6	Y.
32,00,000	25,22,515	1,45,76,657	98,94,338	—2,23,014	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8 19	10	0.25	*Nil*	*Nil*		6	Y.
30,00,000	54,30,509	1,65,39,057	93,52,334	—8,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	12 00	10	0.75	0.75	*Nil*		10	Y.
18,00,000	34,56,108	84,72,400	59,12,605	—9,43,163	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	18 81	10	1.50	1.00	*Nil*		6	Y.
9,58,252	2,59,762	25,14,152	16,98,883	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	10 00N	10	0.50	0.50			8	Y.P.
18,00,000	12,51,626	79,38,731	49,86,047	1,05,664	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	60 80	40	2.25	4.00	7.00		7	Y.P.
7,50,100	22,50,238	48,69,619	29,90,926	79,525	Cotton Agents Private Ltd. ..	New India Sugar Mills	60 80	40	2.50	2.50	2.50		6	Y.
11,00,000	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	28 00	10	2.50	0.37	0.37		5	Y.
1,88,80,000	17,34,264	2,05,94,990	....	....	John Lackham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	5 81	10	0.25	4.00	7.00		6	Y.
3,00,00,000	4,40,29,606	6,50,49,175	2,66,24,548	3,66,24,548	Mr. S. G. Khanna	Dyer Meakin Breweries	50 80	40	2.50	2.50	2.50		12	Y.P.
16,20,630	26,75,014	29,38,961	16,23,422	26,75,286	Bird & Co. Private Ltd. ..	Eastern Investments Ltd. ..	13 25	5	0.56	0.56	..		8	Y.P.
....	54,81,635	1,64,12,906	....	2,45,273	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	146 00	100	7.00	9.00	9.00		12	Y.P.
51,28,000	....	....	91,811	5,110	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	10 00cr	10	....	....	....		12	Y.P.
7,56,622	....	....	22,64,802	23,966		Godfrey Phillips India Ltd. ..	181 00	100	15.00	4.00	12.50	15.00	3	Y.
14,04,675	12,85,000	26,71,442	22,48,367	10,90,318	M.	F. H. G. Woodbine Parish, Esq.	50 00	10	2.00	2.00	1.50		3	Y.P.
40,00,000	40,00,000	62,99,740	13,961	1,88,896	Andrew Yule & Co. Ltd. ..	B. P. B. Syndicate	11 56	10	1.40	1.60	1.00		3	Y.
65,00,000	-84,20,910	29,25,473	93,24,688	74,215	Andrew Yule & Co. Ltd. ..	Great Eastern Hotel	250 00	250	6.25	15.00	15.00		3	Y.P.
30,00,000	18,17,354	63,08,821	24,48,541	9,36,841	Birla Brothers Private Ltd. ..	Hindustan Motors	8 08	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
4,06,13,250	18,37,496	5,26,95,205	2,21,77,722	7,25,182	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd. ..	16 00	10	0.9	1.00	0.50		12	Y.P.
2,84,58,900	1,17,58,800	7,87,48,612	2,41,77,722	41,81,883	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	30 63	10	1.25*	1.50*	1.50*		3	Y.P.
1,52,89,220	1,48,00,000	2,96,86,031	2,50,306	62,722	G. S. Mouiton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	17 50	10	0.50	0.62			3	Y.P.
8,27,970	6,03,000	16,74,906	....	....	R. G. C. Stephenson, Esq. (Mg. Director)									
2,00,00,000	....	....	....	....		Indian Oxygen Ltd.	22 37	10	....	....	1.00		9	Y.
						Imperial Tobacco Co. of India Ltd.	11 81	10	0.30	0.30	0.70	0.70	3	Y.
15,16,00,000	9,06,59,979	10,61,21,642	2,04,62,122	24,04,558	Mr. G. H. J. Clarke (Chairman)	Jardine Henderson	81 00	100	7.50	7.50	8.50		3	Y.P.
5,00,00,000	76,27,618	29,02,597	12,06,982	4,71,170	J. D. K. Brown, Esq. (Mg. Director)		300 00N	O. 100	23.50	6.00			12	Y.P.
40,00,000A. / 3,00,000B.	52,56,900	10,48,712	2,57,163	M.	McLeod & Co.			D.O. 10	1 75	0 30			9	Y.P.
1,45,23,500	90,58,231	22,54,424	14,97,332	2,35,312	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	30 50	10	1.81*	2.12*	1.75	1.75	3	Y.P.
1,18,00,000	1,29,00,151	2,84,27,676	1,01,16,487	16,62,796	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	90 37	10	2.50	2.50	3.00		3	Y.P.
		11,29,680	5,97,563	8,349	Mr. J. L. D'Sa (Chairman)	Mysore Lac Works	0.75	0.60	1.25	1.50	3	Y.		
6,56,250	6,92,500	16,47,599	10,18,129	43,554	M. Mallesharya, Esq. (Chairman)	Mysore Tobacco	14.75	10	1.00	1.50	1.50	3	Y.	
10,00,000	3,70,000	2,14,82,470	61,88,962	28,42,424	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	37.06	10	0.88	1.50	1.60	12	Y.P.	
2,00,00,000	92,38,506	77,84,523	42,87,426	2,67,636	Associated Industrial Development Co. (Private) Ltd. ..									
98,96,000	96,71,172			28,068	V. Ramakrishna Sons (Private) Ltd.	National Insulated Cable Co. ..	23.62	10	1.50*	2.00*	2.00		3	Y.P.
						National Rolling & Steel Ropes	12.00	10	0.60	0.60	1.00		3	Y.P.
40,00,000	20,00,000	56,22,809	17,66,013	24,266	Do.		14.25	10	....	....	1.00		12	Y.
3,60,000	6,60,000	50,21,760	28,60,528	1,80,392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.		5	....	....	0.50			
						National Tobacco Co.	18.12xd	10	0.60	0.70	0.90		12	Y.P.
70,97,000	82,99,261	1,26,70,061	65,79,251	8,87,736	B. N. Elias & Co. Private Ltd.	Phillips India Ltd.	15 12	10	*Nil*	*Nil*	*Nil*		12	Y.
1,25,00,000	42,21,731	89,43,253	38,40,874	69,842	P. C. Vink, Esq. (Mg. Director)	Rallis India Ltd.	97 75	100	7.50	10.00	12.00		12	Y.P.
1,25,00,000	4,58,466	1,22,20,543	60,06,534	—44,12,938	M. P. A. Paspatti, Esq.	Rohtas Industries	24.50	10	1.50	1.50	1.50		10	Y.P.
1,25,00,000	1,87,70,209	10,00,39,211	3,96,22,786	49,402	Sahu Jain Ltd.		100 00N	100	....	5.00	6.00			
4,72,200	81,886	81,11,857	6,29,199	19,106	Sathe Food India. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	50 00N	50	....	2.50	3.00		3	Y.P.
3,18,400							14 00	10	0.60	0.60	0.60		9	Y.P.
70,25,000	17,66,218	1,87,21,608	24,47,040	66,821	M.	Sen-Raleigh Industries	19.65	10	1.50	1.50	1.50		6	Y.P.
60,00,000	28,41,163	1,21,89,272	72,06,599	9,02,978	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	14.81	10	1.00	1.00	1.00		12	Y.P.
1,00,00,000	21,22,788	71,99,295	11,63,597	3,66,425	S. M. Smith Esq. (Mg. Director)	Shaw Wallace & Co., Ltd.	10 00N	10	1.00	1.25	1.25		12	Y.
13,92,000	96,15,571	1,18,44,068	16,55,796	2,212	J. K. Assets Private Ltd.	Sirpur Products Ltd.	4.05	10	*Nil*	*Nil*	*Nil*		12	Y.
6,66,880	19,925	14,83,995	5,18,563	—7,488	Ojala Bros. (Private) Ltd. ..	Travancore Ojala Glass	227 00	75	15 00	15 00	15 00		3	Y.
5,00,000	9,60,000	24,40,332	22 66 286	6,762	Vital Malya, Esq. (Chairman)	United Breweries								
						UNCLASSIFIED (Bombay)								
25,00,000	1,00,000	26,18,54§§	....	58,580†	M.	Devkaran Nanji Investment Co.	11.00	25	0.75	0.81	0.81		3	Y.
1,00,00,000	2,01,70,510	4,79,56,518	1,85,62,169	89,94,000	B. H. Turner (Chairman)	Hindustan Lever	24 80	10	....	1.25	1.40		12	Y.
31,07,000	16,29,510	1,09,22,253	67,14,407	14,066	Birla Brothers Private Ltd. ..	Hind Cycles	131 00	100	10.00	....	12 50‡		3	Y.P.T
14,98,840	4,61,906	33,87,568	21,55,554	14,066	Chocolate Manilal Private Ltd.	Industrial Investment Trust ..	79 00	100	4.50	5.00	5.00	3,001§	3	Y.
19,99,250	20,13,107	1,25,61,396§§	....	10,068	Premchand Roychand & Sons	Killick Industries	148 50	100	11.00	11.00	11.00	Rs	6	Y.
1,00,00,000	23,08,446	38,58,170	11,25,784	1,74,662	K. G. Mills, Esq. (Mg. Director)	Premier Automobiles	92 00	100	*Nil*	6.00	6.00		6	Y.T.
20,25,325A.O.	63,14,255	3,42,78,325	1,89,98,078	6,81,752	Aero-Auto Private Ltd. ..	Polson Ltd.	167 00	100	10.00	12.50	10.00		12	Y.P.
21,60,000	29,18,738	64,55,614	14,66,374	64,830	Polson Agencies Private Ltd.	United Motors (India) Ltd. ..	19.00	20	2.00	2.00	1.20		12	Y.
10,21,200	4,83,147	8,09,102	5,85,506	2,481	Sir Joseph Kay (Chairman)	Western India Match Co., Ltd.	195 00	100	11.00*	11.00*	11.00*		12	Y.
2,75,00,000	1,44,13,441	3,27,52,591	1,59,58,348	89,960	Mr. A. Hydari & Mr. S. Gothberg	W. H. Brady & Co., Ltd. ..	280.00	150	20.00	22.50	25.00		12	Y.
45,00,000	60,62,290	8,64,935	3,24,956	75,054	Sir Joseph Kay, K.B.E. (Mg. Director)									
						Other Centres								
57,50,000	1,99,56,718	3,81,21,462	86,9683	83,789	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd.	11.87	O. 10	*Nil*	0.50	0.90		3	Y.P.T
2,50,000							5.00	D. 24	*Nil*	*Nil*	*Nil*			
79,95,653	34,25,000	1,05,40,087	34,87,767	49,715	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd. ..	16 79xd	10	1.25*	1.25	1.25	1.25	3	Y.
50,00,000	36,20,717	84,97,877	22,60,383	3,61,299	Turner Morrison & Co. Private Ltd.	Aneelo Bros., Ltd.	20 81	10	2.00*	2.00*	1.80*		6	Y.
30,00,000	17,14,736	38,54,672	19,66,373	1,23,944	Mr. A. Hydari & Mr. B. Gothberg	Assam Match Co., Ltd.	17 25	10	1.25*	1.25*	1.25*		12	Y.P.T
20,00,000	36,94,600	1,05 12 088	39,58,422	9,29,966	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	40 75N	10	*Nil*	*Nil*	*Nil*		12	Y.P.
80,01,400	84,59,405	74,46,185	40,46,188	5,00,986	M.	Balmer Lawrie & Co., Ltd. ..	145 00	100	12 50	15 00	12 50		12	Y.
12,00,000	17,50,000	84,54,715	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	81 56	10	2.25	2.50	2.50		12	Y.
20,00,000	8,05,715	62,28,492§§	....	37,612	Lovelock & Lewis	Birds Investment Ltd.	12 50	10	1.25	1.25	..		9	Y.P.
97,97,020	38,11,814	1 15 02 202	42,92,212	2,18,164	K. Julius Scott, Esq. (Mg. Director)	Britannia Biscuits	17 69	10	1.00	1.00	1.00	1.20	3	Y.P.T
3,25 00,000	1,27,72,883	3,51,40,132	2,47,20,776	—11,25,910	M.	British India Corporation Ltd.	8 70	5	*Nil*	0.10	*Nil*		12	Y.P.
8,00,000	3,58,572	....	....	28,272	Andrew Yule & Co. Ltd. ..	Calcutta Hydraulic	43 00N	100	*Nil*	*Nil*	3 00		6	Y.
5,00,000	2,47,132	8,43,622	6,96,409	58,419	Andrew Yule & Co. Ltd. ..	Central Hydraulic	52 00N	100	5.00	6.00	10 00*		6	Y.
1,88,80,000	17,34,264	2,05,94,990§§	....	3,10,588	John Lackham, Esq. (Mg. Director)	Clive Row Investment	9 22	10	0 56	1.38	0 75	0.75	3	Y.P.T
3,00,00,000	4,40,29,606	6,50,49,175	2,66,24,548	32,22,645	Mr. S. G. Khanna	Dunlop Rubber Co. (India) Ltd.	31 62	10	1.50	1.50	1.62		12	Y.P.
16,20,630	26,75,014	29,38,961	16,23,422	26,75,286	Bird & Co. Private Ltd. ..	Dyer Meakin Breweries	13 25	5	0.56	0.56	..		8	Y.P.
....	54,81,635	1,64,12,906§§	....	2,45,273	S. Sankaran Esq. (Mg. Director)	Eastern Investments Ltd. ..	146 00	100	7.00	9.00	9.00		12	Y.P.
51,28,000	....	....	91,811	5,110	Macneill & Barry Ltd.	Enfield India Ltd.	10 00cr	10	....	....	....		12	Y.P.
7,56,622	....	....	22,64,802	23,966		Ganges Rope Co., Ltd.	181 00	100	15.00	4.00	12.50	15.00	3	Y.
14,04,675	12,85,000	26,71,442	22,48,367	10,90,318	M.	Godfrey Phillips India Ltd. ..	10 25N	10	2.00	2.00	1.50		3	Y.P.
40,00,000	40,00,000	62,99,740	13,961	1,88,896	Andrew Yule & Co. Ltd. ..	F. H. G. Woodbine Parish, Esq.	11 56	10	1.40	1.60	1.00		3	Y.
65,00,000	-84,20,910	29,25,473	93,24,688	74,215	Andrew Yule & Co. Ltd. ..	B. P. B. Syndicate	250 00	250	6.25	15.00	15 00		3	Y.P.
30,00,000	18,17,354	63,08,821	24,48,541	9,36,841	Birla Brothers Private Ltd. ..	Hindustan Motors	8 08	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
4,06,13,250	18,37,496	5,26,95,205	2,21,77,722	7,25,182	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd. ..	16 00	10	0.9	1.00	0.50		12	Y.P.
2,84,58,900	1,17,58,800	7,87,48,612	2,41,77,722	41,81,883	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	30 63	10	1.25*	1.50*	1.50*		3	Y.P.
1,52,89,220	1,48,00,000	2,96,86,031	2,50,306	62,722	G. S. Mouiton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	17 50	10	0.50	0.62			3	Y.P.
8,27,970	6,03,000	16,74,906	....	....	R. G. C. Stephenson, Esq. (Mg. Director)									
2,00,00,000	....	....	....	....		Indian Oxygen Ltd.	22 37	10	....	....	1.00		9	Y.
						Imperial Tobacco Co. of India Ltd.	11 81	10	0.30	0.30	0.70	0.70	3	Y.
15,16,00,000	9,06,59,979	10,61,21,642	2,04,62,122	24,04,558	Mr. G. H. J. Clarke (Chairman)	Jardine Henderson	81 00	100	7.50	7.50	8.50		3	Y.P.
5,00,00,000	76,27,618	29,02,597	12,06,982	4,71,170	J. D. K. Brown, Esq. (Mg. Director)		300 00N	O. 100	23.50	6.00			12	Y.P.
40,00,000A. / 3,00,000B.	52,56,900	10,48,712	2,57,163	M.	McLeod & Co.			D.O. 10	1 75	0 30			9	Y.P.
1,45,23,500	90,58,231	22,54,424	14,97,332	2,35,312	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	30 50	10	1.81*	2.12*	1.75	1.75	3	Y.P.
1,18,00,000	1,29,00,151	2,84,27,676	1,01,16,487	16,62,796	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	90 37	10	2.50	2.50	3.00		3	Y.P.
		11,29,680	5,97,563	8,349	Mr. J. L. D'Sa (Chairman)	Mysore Lac Works	0.75	0.60	1.25	1.50	3	Y.		
6,56,250	6,92,500	16,47,599	10,18,129	43,554	M. Mallesharya, Esq. (Chairman)	Mysore Tobacco	14.75	10	1.00	1.50	1.50	3	Y.	
10,00,000	3,70,000	2,14,82,470	61,88,962	28,42,424	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	37.06	10	0.88	1.50	1.60	12	Y.P.	
2,00,00,000	92,38,506	77,84,523	42,87,426	2,67,636	Associated Industrial Development Co. (Private) Ltd. ..									
98,96,000	96,71,172			28,068	V. Ramakrishna Sons (Private) Ltd.	National Insulated Cable Co. ..	23.62	10	1.50*	2.00*	2.00		3	Y.T
						National Rolling & Steel Ropes	12.00	10	0.60	0.60	1.00		3	Y.P.
40,00,000	20,00,000	56,22,809	17,66,013	24,266	Do.		14.25	10	....	....	1.00		12	Y.
3,60,000	6,60,000	50,21,760	28,60,528	1,80,392	K. N. Mookerjee (Mg. Director)	National Rubber Manufacturers Ltd.		5	....	....	0.50			
						National Tobacco Co.	18.12xd	10	0.60	0.70	0.90		12	Y.P.
70,97,000	82,99,261	1,26,70,061	65,79,251	8,87,736	B. N. Elias & Co. Private Ltd.	Phillips India Ltd.	15 12	10	*Nil*	*Nil*	*Nil*		12	Y.
1,25,00,000	42,21,731	89,43,253	38,40,874	69,842	P. C. Vink, Esq. (Mg. Director)	Rallis India Ltd.	97 75	100	7.50	10.00	12.00*		12	Y.P.
1,25,00,000	4,58,466	1,22,20,543	60,06,534	—44,12,938	M. P. A. Paspatti, Esq.	Rohtas Industries	24.50	10	1.50	1.50	1.50		10	Y.P.
1,25,00,000	1,87,70,209	10,00,39,211	3,96,22,786	49,402	Sahu Jain Ltd.		100 00N	100	....	5.00	6.00			
4,72,200	81,886	81,11,857	6,29,199	19,106	Sathe Food India. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	50 00N	50	....	2.50	3.00		3	Y.P.
3,18,400						Sen-Raleigh Industries	14 00	10	0.60	0.60	0.60		9	Y.P.
70,25,000	17,66,218	1,87,21,608	24,47,040	66,821	M.	Spencer & Co., Ltd.	19.65	10	1.50	1.50	1.50		6	Y.P.
60,00,000	28,41,163	1,21,89,272	72,06,599	9,02,978	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	14.81	10	1.00	1.00	1.00		12	Y.P.
1,00,00,000	21,22,788	71,99,295	11,63,597	3,66,425	S. M. Smith Esq. (Mg. Director)	Sirpur Products Ltd.	10 00N	10	1.00	1.25	1.25		12	Y.
13,92,000	96,15,571	1,18,44,068	16,55,796	2,212	J. K. Assets Private Ltd.	Travancore Ojala Glass	4.05	10	*Nil*	*Nil*	*Nil*		12	Y.
6,66,880	19,925	14,83,995	5,18,563	—7,488	Ojala Bros. (Private) Ltd. ..	United Breweries	227 00	75	15 00	15 00	15 00		3	Y.
5,00,000	9,60,000	24,40,332	22 66 286	6,762	Vital Malya, Esq. (Chairman)									

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,40,02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.
† Subject to taxation. F.—Hind Cycles. The latest dividend of Rs. 12-6 per share, is for fifteen months ended 31st March 1957. J.—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1956.
Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each, into shares of Rs. 50 each in 1956. The dividends for 1956 and 1957 are on shares of Rs. 250.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Refer-ence
							ASSAM								
4,45 700	9,60 019	15,95,432	5,76,688	....	McLeod & Co., Ltd.	325	Ambukie	28 75N	10	18 00A	4 75	5 00		12	Y.P.
2,76,500	5,71,500	11,19,547	3,89,793	22,120	M.	312	Amanda (Assam) Tea	21 00	10	7 50	1 00	2 00		12	Y.
7,00 000	6,43,250	12,23,233	3,34,393	49,669	Gillanders Arbuthnot & Co., Ltd.	440	Amanda Bag	18 50	10	8 00*	1 00	1 25		12	Y.
5,50,000	15,71,541	19,67,179	8,20,191	49,586	McLeod & Co., Ltd.	573	Bagmari	29 25	10	3 50	1 00	2 50	1 50	12	Y.
5,10,000	12,33,171	13,89,143	5,88,757	44,923	Andrew Yule & Co., Ltd. ..	377	Basmatia	18 00	10	8 00	1 50	2 00	1 75	12	Y.
4,95,000	3,59,240	11,50,973	9,25,073	64,213	National Tea Corporation ..	579	Batch	18 25xd	5	4 00	2 50	3 00	1 50	12	Y.
1,00,000	7,40,000	11,16,644	3,51,328	69,105	Gillanders Arbuthnot & Co., Ltd.	612	Bel Lan	24 00	10	10 00*	2 00	2 50		12	Y.
33,00,000	15,33,333	63,88,222	28,40,322	3,16,326

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,10,000	3,92,505	84,197	15,099	Planting Agencies (Private) Ltd.	Balmadies Plantations	3 75	2	0 30	0 21	0 45		5	Y.P.
26,91,379	17,00,000	56,38,212	6,78,584	29,944	Peirce, Leslie & Co., Ltd.	Cochin Maalur	6 55	3	0 45	0 75	0 52	0 30 'C'	2	Y.P.
22,50,000	31,00,000	39,79,846	3,06,541	1,21,826	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	33 50	10	1 80	2 50	4 00		6	Y.P.
71,55,000	56,13,038	1,25,54,785	26,69,076	1,13,211	B. C. Paterson, Esq.	Consolidated Coffee	27 25	10	2 25	2 00	4 00		6	Y.P.T.
4,00,000	5,27,422	10,43,962	53,995	8,519	Associated Planters Private Ltd.	Cottasaad Plantations	13 80xd	10	1 75*	1 50	1 75		6	Y.P.T.
19,00,000	9,30,543	29,08,448	5,85,748	48,584	A. V. Thomas & Co., Ltd. ..	Highland Produce	11 95	10	2 00	2 00	0 75		12	Y.P.
8,00,000	10,92,899	18,91,159	2,68,016	18,088	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	18 75	10	2 75	2 00	2 00		4	Y.P.
13,50,000	4,55,880	20,40,926	3,38,888	..	K. T. Thomas Kathanar, Esq. ..	Maiankara Rubber	20 00xd	10	2 25	3 25	2 25	1 70 'C'	3	Y.
40,50,000	28,79,387	80,92,726	9,49,414	1,48,976	A. V. Thomas & Co., Ltd. ..	Midland Rubber	12 80	10	2 50	2 00	2 00		3	Y.
5,85,000	4,06,000	18,43,851	2,26,134	22,019	A. V. George & Co., Ltd. ..	Nemmeny Rubber	15 10	10	1 50	1 50	0 75		12	Y.P.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	14 75xd	10	1 50	1 50	1 50		12	Y.P.T.
19,45,980	23,79,615	45,25,952	14,74,555	53,868	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	5 52	2	0 40	0 20	0 60		10	Y.P.T.
13,50,000	8,60,000	46,07,576	3,95,093	12,299	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	18 00	10	2 00	2 50	2 00		6	Y.
5,50,170	4,00,000	8,17,112	92,732	798	Peirce, Leslie & Co., Ltd., ..	Savannalai Estates Ltd.	3 55	2	1 00	1 50	0 30		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Patco Agencies	Sanganeshwar Coffee Estates Ltd.	2 73	2	..	..	..	0 18	3	Y.P.T.
10,80,000	2,01,000	22,44,528	1,59,959	9,040	East India Agencies Private Ltd.	Teakoy Rubber (India) Ltd. ..	7 25	10	0 60	0 60	0 60		3	Y.P.T.
2,50,000	2,75,000	6,73,150	38,399	33,547	A. V. George & Co., Ltd. ..	Thamarapally Rubber	26 50	10	3 00	3 00	3 00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1 72	1	0 12½	0 12½	0 05		9	Y.T.
6,00,000	33,742	7,80,885	1,41,528	1,270	Eapen Thomas, Esq. (Mg. Director)	Travancore Rubber	17 40	10	2 00	2 00	1 50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,06,554	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7 65	10	1 25	0 75	0 40		12	Y.P.
20,00,000	36,000	30,13,628	7,73,086	167	P. T. Thomas Esq. (Mg. Director)	Tropical Plantations Co.	21 50	25	4 00	3 00	1 00		12	Y.
2,20,000	4,29,600	9,26,785	83,552	..	A. V. George & Co. Ltd.	Udayagiri Rubber Co., Ltd. ..	11 15	10	0 60	0 75	0 60		12	Y.P.
5,80,010	5,80,959	9,55,500	27,217	872	M.	Valkundam (Travancore) Rubber ..	25.00xd	10	2 50	3 50	3 50J	1 25‡	12	Y.
6,95,000	1,47,259	13,88,336	39,744	10,289	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8 62	10	2 00	1 25	1 00		3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital. * Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	58,26,489	18,766	B. N. Elias & Co. Private Ltd.	879	Agarpara	10 75	10	0 62	0 25	0 25		3	Y.T.
6,00,000	10,81,600	59,82,765	40,52,871	1,66,651	McLeod & Co., Ltd.	456	Alexandra	145 00xd	100	10 00	10 00	10 00		12	Y.P.T.
80,00,000	5,25,000	1,25,28,740	95,78,601	—5,74,881	McLeod & Co., Ltd.	1,264	Alliance	107 00	100	6 00	Nil	Nil		5	Y.P.
49,50,700	72,21,000	3,09,93,668	2,15,04,087	2,36,742	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	220 00	100	3 50	3 50	7 00	10 00	3	Y.P.T.
60,00,000	72,00,924	1,49,82,554	62,17,403	3,215	Bird & Co. Private Ltd.	810	Auckland	141 00	100	3 50	Nil	2 00	5 00	3	Y.P.T.
20,00,000	24,84,715	98,59,961	67,55,861	1 18,223	Birla Brothers Private Ltd. ..	969	Bally	135 00	100	3 00	Nil	2 00	6 00	3	Y.P.T.
£275,000	£631,032	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman) ..	1,599	Barnagore	135 00	£5	sh. 15	Nil	Nil	Nil	12	Y.T.
25,00,000	26,27,123	37,66,495	58,10,416	Andrew Yule & Co., Ltd. ..	820	Belvedere	142 00	100	7 50	Nil	2 50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,78,255	Soorajmull Nagarmull	600	Bengal	10 00	10	1 12	1 00	Nil		6	Y.P.T.
91,26,000	2,26,05,284	4,09,60,115	1,66,74,197	24,155	Birla Brothers Private Ltd. ..	1,378	Birla	10 00	10	1 00	1 00	1 00		3	Y.T.
36,00,000	19,36,926	1,22,32,479	71,76,667	2,799	Andrew Yule & Co., Ltd.	991	Budge-Budge	121 00	100	7 50	Nil	Nil		10	Y.P.
7,47,980	....	44,85,103	32,75,522	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg.	7 00	10	Nil	Nil			12	Y.P.T.
18,00,000	25,21,284	87,77,057	46,40,856	529	Andrew Yule & Co., Ltd.	616	Caledonian	155 00	100	6 50	Nil	Nil		11	Y.P.
59,16,400	75,85,102	2,31,96,782	1,27,96,666	—5,45,989	James Finlay & Co., Ltd.	600	Champdany	112 00	100	10 00	2 00	Nil	Nil	3	Y.
15,95,000	21,59,382	85,02,301	58,78,175	5,857	Andrew Yule & Co., Ltd.	530	Cheviot	185 00	100	10 00	2 00	Nil		11	Y.P.
30,15,000	38,75,000	77,94,818	51,54,360	25,935	Shree Krishna Investment Co., Ltd	500	Chitavalsah	16 00	10	1 37	0 621	1 10		7	Y.P.
24,00,000	9,00,000	81,05,335	67,13,337	25,935	Bird & Co. Private Ltd.	869	Clive	14 25	10	1 25x	0 50	Nil		3	Y.P.
31,40,200	45,61,566	1,39,75,660	56 08,218	—12,92,367	Birla Brothers Private Ltd. ..	766	Dalhousie	108 00	100	4 00	Nil	Nil	Nil	3	Y.P.
22,00,000	87,22,179	82,37,454	48,90,760	4,243	Andrew Yule & Co., Ltd.	500	Delta	152 00	100	10 00	5 00	Nil		11	Y.P.
15,00,000	85,56,600	92,51,058	63,07,045	4,192	McLeod & Co., Ltd.	500	Empire	19 94	10	1 75	0 501	0 75		7	Y.T.
21,00,000	71,39,758	2,76,16,574	1,65,59,228	2,58,663	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd.	430 00N	100	15 00	10 00	10 00	20 00	3	Y.P.T.
21,00,000	18,00,000	1,25,79,765	68,50,852	1 96 479	Bangur Bros., Ltd.	1,014	Fort William	21 50	10	20 00	0 75K	1 50	1 50	3	Y.P.T.
84,32,100	....	2,11,07,224	1,32,88,825	—2,07,452	M.	1,709	Ganges Mfg.	67 00	100	2 50	Nil			3-9	H.P.
8,84,000	28,00,000	76,64,785	55,99,505	59,411	Shaw Wallace & Co., Ltd.	607	Gondalpara	650 00	800	Nil	50 00	00 00		12	Y.T.
24,00,000	32,00,164	2,35,37,322	1,60,44,832	47,260	Macneill & Barry Ltd.	1,894	Gourepore	362 00	100	15 00	2 50	2 50	20 00	3	Y.P.
40,00,000	65,68,233	1,32,37,420	67 67,864	3,19 478	Bangur Bros., Ltd.	1,078	Hastings	99 00	100	11 50	5 00	5 00	5 00	3	Y.P.
16,30,000	13,81,969	66,47,781	47,79,916	—2,95,253	Baijnath Bajoria	720	Hooghly	11 25	10	1 25	Nil			3	Y.
66,62,500	28,09,105	2,84,85,488	1,24,24,441	32,775	Jardine Henderson Ltd.	1,940	Howrah	21 50	10	0 37	0 25	Nil	Nil	3	Y.P.T.
52,50,000	29,37,124	2,28,21,907	1,57,81,907	1,14,396	Ramdutt Ramkissendas	2,272	Hukumchand	28 00	7 50	2 00	2 00	1 50	Nil	3	Y.P.T.
87,80,000	19,89,967	1,41,58,695	87,84,013	84,575	M.	700	India	15 19	12 50	4 69	4 69	9 37	15 62‡	3	Y.
24,00,000 } 'B'19,20,000	21,09,485	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhatty	{165 00	100	2 50	Nil	Nil		12	Y.P.T.
30,00,000 } 'B'24,00,000	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kankinarah	{161 00	'B' 100	2 50	Nil	Nil		12	Y.P.T.
21,00,000	53,00,000	1,35,45,052	58,77,786	58,701	McLeod & Co., Ltd.	703	Kelvin	{83 00	'B' 100	1 00	Nil	Nil		5	Y.P.
84,00,000	23,39,375	1,98,60,962	1,32,77,770	27,027	Anderson Wright Ltd.	1,580	Khardah	79 00	100	1 00	Nil	Nil		3	Y.P.
48,00,000	77,32,121	1,08,51,199	25,650	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	143 00	100	11 50	5 00	Nil		3	Y.P.T.
24,48,000	27,76,883	2,38,47,961	—9,32,635	Bird & Co. Private Ltd.	981	Lansdowne	174 00	100	18 00	6 00	Nil	5 00	3	Y.P.
28,00,000	40,40,600	1,48,98,880	—3,16,266	Bird & Co. Private Ltd.	840	Lawrence	131 00	100	7 00	Nil	Nil		3	Y.P.T.
81,65,200	25,29,991	1,88,72,973	1,38,72,169	4,00,000	M.	1,294	Magna	121 00	100	6 00	Nil	Nil		3	Y.
89,98,000	84,62,195	1,65,70,565	36,70,690	—13,06,719	M.	815	Nalhati	14 87	10	3 75	3 75	5 00	17 50	3	Y.
30,00,000	15,55,000	86,02,550	21,34,037	—1,55,256	Howrah Trading Co., Ltd. ..	428	Naskarpara	78 00	100	Nil	Nil	Nil		3	Y.P.T.
85,00,000	89,51,525	1,48,60,787	12,31,378	45,512	Andrew Yule & Co., Ltd.	852	National	13 31	10	1 25	Nil	Nil		10	Y.T.
56,25,000	27,56,575	91,37,661	21,92,842	2,35,601	McLeod & Co., Ltd.	816	Naihnarain Jute	22 12	10	1 75	0 75	0 75		10	Y.P.
85,50,000	2,56,31,171	4,68,32,243	1,06,48,884	—2,43,817	Sahu Jain Ltd.	1,786	New Central†	12 31	10	1 00	1 00	0 00		7	Y.P.T.
16,79,880	43,38,845	1,35,66,574	79,151	Bird & Co. Private Ltd.	867	Northbrook	14 50	10	1 50	1 50	1 50		12	Y.
66,79,500	17,31,396	1,29,60,760	1,19,72,061	5,061	Macneill & Barry Ltd.	1,962	Nuddea	18 19	10	1 50	Nil	Nil		3	Y.P.T.
24,91,000	32,04,049	76,55,435	52,45,690	7,049	Andrew Yule & Co., Ltd.	601	Orient	57 00	50	1 00	Nil	Nil	2 50	3	Y.P.
25,00,000	7,88,178	86,18,853	67,97,872	Andrew Yule & Co., Ltd.	460	Pandaveswar	151 00	100	9 00	2 00	Nil		11	Y.
20,00,000	10,824	29,80,989	9,24,708	—7,07,557	Birla Brothers Private Ltd. ..	306	Rameshwara	5 94	5	0 31	0 20	0 60		3	Y.T.
49,50,000	2,00,000	1,24,61,181	66,68,109	—46,26,692	Jardine Henderson Ltd.	1,276	Reliance	5 75	10	Nil	Nil	Nil	Nil	3	Y.P.
£689,000	£1,093,718	£1,245,244	£58,994	Thomas Duff & Co. (India) Ltd. ..	2,013	Ramnagar	7 50	10	Nil	Nil	Nil		12	Y.P.T.
30,00,000	19,14,910	1,21,72,885	48,032	Basaria More & Co., Ltd.	911	Shree Ambica	10 00	10	1 50	0 25	0 50		3	Y.P.
14,00,000	11,14,980	66,87,540	47,50,476	40,184	Hindustan Investment Corpn. Ltd.	401	Sorrah	11 50N	10	0 50	0 50	0 50		3	Y.P.
25,19,800	3,04,087	9,29,724	3,23,203	61,862	Bird & Co. Private Ltd.	660	Standard	17 25	10	1 50	1 50	1 50		12	Y.P.
£600,000	£925,119	£1,187,660	....	£83,548	Thomas Duff & Co. (India) Ltd. ..	1,794	Titaghur	106 00	100	10 00	1 00	Nil	5 00	3	Y.
35,98,600	48,33,681	1,05,53,316	42,51,394	56,837	Bird & Co. Private Ltd.	1,226	Union	197 00	100	10 00	1 00	Nil	15 00	3	Y.P.T.
£400,000	£688,035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	9 50	£1	8%‡‡				12	Y.P.
2,50,000	6,35,000	41,78,264	27,76,059	—4,16,285	McLeod & Co., Ltd.	447	Waverley	4 00	1	0 37	Nil	Nil		5	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,630	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields	22 69	10	1 37	0 50	1 25	1 25	3	Y.
12,00,000	8,49,890	35,13,891	33,46,842	57,344	Jardine Henderson Ltd.	Bararee Coke	13 37	10	1 46	1 10	0 37	0 50	3	Y.
4,49,380	88,000	9,89,102	8,59,580	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	5 88N	10	0 62	0 75			12	Y.
1,00,00,000	1,62,13,157	6,88,12,765	4,41,60,848	11,48,000	Andrew Yule & Co., Ltd.	Bengal Coal	286 50xd	100	$5.00*P	17 50	17 50		10	Y.P.
2,25,000	8 76,706	24,82,075	22,49,080	—1,39,041	Andrew Yule & Co., Ltd.	Bengal-Nagpur	12 50	10	Nil	Nil	Nil		12	Y.
40,00,000	10,28,269	1,44,83,027	77,98,407	3,150	Birla Brothers Private Ltd. ..	Bharat Collieries	7 19	10	0 62	0 62	0 60		3	Y.P.T.
7,15,000	10 13,765	49,50,946	24,84,101	—4 92,886	M.	Bhuiasbarasree	9 75N	10	Nil	Nil			12	Y.T.
7,50,000	24,50,150	46,69,896	27,71,129	26,931	F. W. Heilgers & Co. Private Ltd.	Borrea	19 69	10	2 00	1 50	0 75		12	Y.P.
90,92,480	1,70,33,767	4,87,67,222	1,99,85,072	96,599	Bird & Co. Private Ltd.	Burrakur	25 25	10	0 62	0 62	0 37		6, 12	H.P.T.
49,97,750	....	46,89,014	12,50,014	3,401	Hindustan Investment Corpn. Ltd.	Central India	8 44	10	0 25	0 50	0 50		3	Y.
3,00,000	13,90,590	49,56,445	33,71,353	22,820	M.	Central Kurkend	11 50	10	0 50	0 50			12	Y.
6,00,000	1,49,122	7,29,956(k)	....	10,537	F. W. Heilgers & Co. Private Ltd.	Charia	2 94	4	0 06	0 06	0 20		12	Y.
16,00,000	....	84,47,612	—67,585	Macneill & Barry Ltd.	Dhemo Main	8 69	10	Nil	Nil	Nil		12	Y.	
£240,000	£273,125	£1,070,037	£776,882	£19,431	Jardine Henderson Ltd.	East Indian	24 00	£1	3 00	2 50	1 50	1 00	4	Y.
29 68,760	93,28,027	4,84,84,587	2,13,99,700	59,782	Macneill & Barry Ltd.	Equitable	29 87	10	1 50	1 50	1 50		12	Y.P.T.
10,00,000	1,40,469	14,24,422	4,83,296	45,389	Webster's Agency Ltd.	Ghusick and Mualia	14 00	10	0 25	0 25			3	Y.
12,00,000	1,17,600	42,84,400	25,50,978	....	Killick Industries Ltd.	Hindr-Rampur	19 00	50	2 25	2 25	Nil		6	Y.P.
3,00,000	2,50,000	24,57,868	19,66 774	163	Macneill & Barry Ltd.	Hurriladih	15 00	10	2 50	1 50	Nil		12	Y.
3,50,000	3,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd.	Kalapahari	22 00	10	Nil	Nil	Nil	Nil	3	Y.
20,00,000	2,21,575	38,57,576	5,71,179	1,962	Bird & Co. Private Ltd.	Karanpura Collieries	122 00	100	2 50	5 00	Nil		3	Y.P.
5,00,000	19,66,401	49,75,401	39,04,335	1,68,572	Andrew Yule & Co., Ltd.	Katras Jharriah	70 75	10	4 50	6 50	6 50	6 50	1	Y.
11,00,240	68,886	16,86,967	10,94,163	18,871	H. V. Low & Co. (Private) Ltd.	Kurdi	2 75N	10	0 12	0 19			6	Y.
9,00,000	10,22,782	28,89,712	22,94,025	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	15 50N	10	0 12	0 12	0 12		4	Y.
7,48,240	2,25,000	13,48,802	9,99,749	55,358	Tantia Brothers Private Ltd.	Mastra	7 37xd	10	0 50	0 50	0 75		12	Y.
17,76,230	19,58,049	1,30,10,140	94,97,263	83,316	Andrew Yule & Co. Ltd.	New Beerbhoom	19 50	10	1 00	0 75	0 75		10	Y.P.
6,00,000	75,000	83,85,331	52,38,923	1,48,499	Octavius Steel & Co., Ltd. ..	New Manbhoom	11 37	10	Nil	Nil	0 50	1 50	3	Y.
1,15,000 } 1,87,500 }	3,85,824	13,05,989	9,24,181	25,543	Andrew Yule & Co., Ltd.	North West	{19.50xdN 19.5xd5N	7 50	1 37 1 08	1 50 1 12	1 50 1 12	1 50 1 12	3	Y.
7,50 000	15,69,648	3,97 666	2,77,666	41 941	F. W. Heilgers & Co. Private Ltd.	Ondal	11 75xd	10	1 00	0 75	0 50		12	Y.P.
8,34,000	20,000	22 49,387	9,96,591	3,080	Deepchand Kishenlal	Parasea	15 00	10	1 00	0 50			12	Y.P.T.
15,75 000	17 04 800	59,95 210	45,62,210	39 455	Shaw Wallace & Co., Ltd.	Pench Valley	24 81	10	1 50	0 70	2 00		3	Y.
22,99,500	26 66,861	1,87,25,021	91 86,982	29,060	B. N. Elias & Co. Private Ltd. ..	Ramagunga	15 00	10	0 62	0 37	0 75	2 00	3	Y.
12,50,000	6,88,882	42 17 417	32,31,916	24 549	Shaw Wallace & Co., Ltd.	Rewa	17 50	10	2 07	1 56	1 00		12	Y.
37,50 000	37,12,000	95 06,524	26,37 721	21 162	M.	Samla Collieries	10 25	10	1 00	1 25	0 90		12	Y.
2,50,000	1,96,802	13 78,480	12,21,227	21,070	M.	Searsole	5 00	7 50	0 75				1	Y.
2,80 000	9 25,096	29,24,442	19,99,221	45,188	Andrew Yule & Co., Ltd.	Seebpore	26 00	7	2 50	2 25	1 75		12	Y.P.
3,00,000	4,91 081	52,491	28,867	628	F. W. Heilgers & Co. Private Ltd.	Sendra	9 00	10	0 25	0 25	0 25		12	Y.T.
68,21,450	94,58,536	5 19,41,849	2,73,46,620	20,857	Industrial Trust Fund (Government of Andhra Pradesh)									
17,50 000	10,37,541	39,01,896	17,00,094	8,739	Bird & Co. Private Ltd.	Singareni	17 25xd	10	0 75	1 00			12	Y.T.
3,00 000	18,76,745	1 69,570	28,510	9 700	F. W. Heilgers & Co. Private Ltd.	South Karanpura	13 00	10	0 12	0 85	0 75		6	Y.
10,00,000	....	31 92 694	16,43,502	—5 92 997	M.	Standard	13 25	10	1 00	1 00	1 00		12	Y.
2,50 000	2,50 000	19 15,700	14 79 400	1,77,952	Williamson Magor & Co., Ltd.	Talcher	1 81	2.50	Nil	Nil			9	Y.T.
40,98 000	66,784	65,72,308	24,15 308	11,548	Hindustan Investment Corpn. Ltd.	Union	14 75	10	Nil	Nil	0 37		12	Y.
7,00,000	....	58,61,405	27,57,669	—3,49 103	Macneill & Barry Ltd.	Western Bengal	6 87	10	0 50	0 50	0 50		3	Y.
						West Jamuria	7 75	10	Nil	Nil	Nil		12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (a) Clive Mills have paid dividend at Rs. 10½ on bonus shares, for the year 1955. * Including bonus. (b) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. § On old Capital.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P.—Bengal Coal Co. Dividend for 1954 and 1955 are on shares of Rs. 500 each.
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 500 were split into shares of Rs. 100 each. 'C'—On increased capital.

MARKET GOSSIP

(*Concluded from page 671*)

as the most suitable one by the Italian technicians. During the first stage, the factory proposes to manufacture staple fibre, importing the main raw material, cellulose (disso'ving pulp). It will be followed by the production of rayon filament yarn. Imports of cellu'ose will be of the order of 7,500 tons per annum. At the second stage, the Company has a programme to produce dissolving pulp from cotton linters which will be used for the manufacture of staple fibre and dissolving pulp from eucalyptus and bamboo for the manufacture of rayon yarns.

While the entire output of viscose rayon yarn is to be sold in the market at the ruling price, the present estimated production of 8 million lbs. of staple fibre is to be al'otted to the various mills in the South sponsoring the Company under a special agreement with them. In the event of production of staple fibre exceeding 8 million lbs. per annum, the surp'us will be sold by the Company in whatever manner it thinks fit. The selling price of staple fibre has been fixed at cost (plus 12½ per cent. profit), or the market price, whichever is less. The entire output of viscose rayon yarn will be sold in the market at the ruling prices.

The financial outlay on the factory is estimated at Rs. 8.4 crores. Given normal trading conditions and, provided the factory works to capacity for a fu'l year, the Directors anticipate that the Company will be able to pay a dividend of 10 per cent. on its equity capital.

JUTE

(*Concluded from page 682*)

about the revival of the seasonal demand for burlap in that country, the chief market for Indian hessian. The total consumption up to the end of September is a shade lower at 617 million yards, as compared with 622 million yards a year ago. The total stocks of burlap at the close of last month show a decline, from 230 million yards (at the end of August) to 221.1 million yards; the corresponding figure a year before was 227 million yards.

These favourable trends in September have not brought any cheer to the market. For the ready positions are still quoted at a discount. More anxiety is felt over the low prices of raw jute. The reactionary trend in fibre is due to the expectations that the 1958-59 jute crop will be higher than the previous season's output. In fact, the All-India first estimate of jute for 1958-59 places the area under jute at 1,647,000 acres, an increase of 174,000 acres or 11.8 per cent. over the corresponding adjusted estimate of 1,473,000 acres for 1957-

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000	1,08,00,000	10,41,547	Allahabad Bank	362 00	100	18 00	18 00	18 00‡		12	Y.P.
14,50,000				181 00	50	9 00	9 00	9 00‡			
1,01,000				199 00	100	6 50	8 00	6 00			
39,75,595	18,04,000	1,910	Andhra Bank	91 00	85	4 54	5 59	5 10		6, 12	H.
1,00,00,000	1,28,00,000	4,10,731	Bank of Baroda	122 00	50	6 00‡	7 00	7 00		12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner	21 25	25	0 87	1 12	1 25	3 00‡	12	Y.
2,50,00,000	3,10,00,000	16,02,381	Bank of India	140 00	50	8 00	8 00	8 00	3 00‡	6, 12	R.L.Y.
50,00,000'A'				141 50	50 'A'	..	..	8 00	3 00‡		
15,30,375	29,00,000	52,270	Bank of Indore	63 00N	25	3 50	4 00	4 25		12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur	43 25	50	2 00	2 50	3 00		12	Y.
50,00,000	91,95,613	1,87,085	Bank of Mysore	369 00	100	16 00‡	16 00‡	16 00	8 00‡	12	Y.
15,00,000	40,00,000	44,768	Canara Bank Ltd.	86 00	50	5 00	5 00	5 00		12	Y.P.
7,50,000	13,55,000	5,670	Canara Banking Corporation Ltd.	77 00	50	5 50‡	5 00‡	5 00‡		12	Y.P.
5,82,930 'A'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	180 00	100'A'	12 50	15 00	15 00		12	Y.
23,787 'C'				1 71	1'C'	12½%	15%	15%			
2,62,11,375	4,03,60,821	18,44,046	Central Bank of India Ltd.	59 00	25	3 00	3 50	3 50	1 50‡	12	R.L.H.
62,42,375				60 80	25	3 00	3 50	3 50	1 50‡		
50,00,000	40,00,000	2,80,320	Devkaran Nanjee Banking Co.	46 25	50	2 50	3 00	3 00	1 25‡	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	36 37	5	0 87	1 37	1 06		12	Y.
1,25,00,000	6,93,000	21,048	Hindustan Commercial Bank	9 50	50	*Nil*	*Nil*			12	Y.
50,00,000	1,80,000	4,233	Hindustan Mercantile Bank	12 00	50	*Nil*	*Nil*	*Nil*		12	Y.
44,00,000	1,00,00,360	2,04,376	Indian Bank	218 00	100	12 00‡	13 00	15 00‡	6 50‡	6, 12	R.L.H.
22,40,000				179 50	80	7 75	9 75	12 00‡	5 20‡		
50,23,350	46,36,300	2,32,067	Indian Overseas Bank	157 00	100	7 50	10 00	10 00		12	Y.
10,00,000	10,25,000	33,502	Pandyan Bank Ltd.	31 00	25	1 87	1 87	1 87		12	Y.
1,25,00,000	1,10 00,000	4,51,904	Punjab National Bank	62 00	25	3 50	4 00	5 00	2 50‡	12	Y.
1,00,00,000	29,17,000	5,628	Travancore Bank	25 25	25	1 00	1 00	1 00		12	Y.
40,00,000	40,00,000	1,50,332	Union Bank of India	7 52	5	0 37	0 44	0 44		12	Y.
2,00,00,000	1,34,00,000	49,432	United Commercial Bank	69.00	50	2.75	3.50	3.75		12	H.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
£4,400,000	£5,700,000	£412,542	Chartered Bank	£2-4-4½	£1	15†	15†	15†		12	Y.
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,062,463	Hongkong and Shanghai Banking Corporation	£40‡	H.K.$125	5*	5*	12½*Z	1½*	12	Y.
£18,565,070	£18,000,000	£826,712	Lloyds Bank	£3-1-9	£1	12†	13†	13†		12	Y.
£2,940,000	£2,100,000	£231,452	Mercantile Bank Ltd.	£1-12-6	£1	14†	14†	18‡†		12	Y.
£2,851,563	£3,104,637	£355,589	National Overseas and Grindlays Bank Ltd.	£1-3-3	sh. 12½	15†	15†	15†		12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (I) Interim. * £ per share free of tax. xr—Ex-Right. Z.—The final dividend of £1-12-6 is on the increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	92.00	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90 00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100 15	27th December .. 1959-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November .. 1959-64
COAL						
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	87.00	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December .. 1969 (a)‡
COTTON						
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1807	89 00	15th November .. 1966 (b)
70,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	98.00	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	100 25	1st April .. 1967-72
13,71,000	5½	30th June and 31st December	Jayshree Textiles	1949	90.00N	1st January .. 1956-59
39,90,000	5	1st June	Tata Mills	1951	93.00	15th November .. 1960
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	90.00	31st March .. 1965 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	..	99 00	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	80 75	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90 00	31st December .. 1964 (a)
£4,048,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98 00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84 00	31st December .. 1970
13,30,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co., Ltd.	1951	91 00	30th June .. 1976 (a)
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	95 00	1st April .. 1959-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	93 50	30th September .. 1953-63
47,73,000	5	1st April and 1st October	Tata Power	1940	99 00	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power	..	86.00	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94 00	31st December .. 1969
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	97 00N	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	80 00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	96 75	1st October .. 1966-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	95.50	31st December .. 1960 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Azamara	1939	90 50	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91 00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	77 00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Benzal Jute Mill Co., Ltd.	1945	90 00	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	86 00	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88 50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90 00	31st March .. 1969 (a)
8,80,000	5	15th January and 15th July	Empire	1951	90 00	15th July .. 1966 (a)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	94 00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90 00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90 00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92 00	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	80 00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	85 00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	90 00	31st March .. 1967
10,00,000	8‡	31st January and 31st July	Waverley	1925	80.00	31st July .. 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	6	1st April and 1st October		1933	£74.10N	1st October .. 1974
6,50,000	8½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1959 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	96.25	1st September .. 1963
PLANTING						
11,25,000	6	31st March and 30th September	Nilgiri Tea	..	99 50	1st April .. 1958-68†
1,27,600	5½	31st March and 30th September	Teekoy	1944	100.00	31st March .. 1949-59
MISCELLANEOU						
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92 00	31st December .. 1965
28,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	85 00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	100 25	1st September .. 1964 60(a)§
2,00,00,000	5½	1st April and 1st October	Calcutta Oil Refining (India) Ltd.	1955	100 75	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85.00	1st February .. 1964
19,29,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	82.00	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78 00	15th September .. 1969
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	83 00	.. 1966
1,05,21,000	6	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	104 00	1st January .. 1971 (a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	100 50N	30th June .. 1969 (a)‡
18,00,000	5	2nd January and 2nd July	Mettur Chemical Industries	1949	83 00	30th September .. 1964
9,50,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1940	550 00	30th September .. 1974 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	405 00 (per note)	31st December .. 1972 (a) 30th September .. 1964
78,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	84.00N	1st April .. 1971
1,56,00,000	5½	30th June and 31st December	National Rayon	1955	100 50	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	91.50	31st March .. 1961 (a)
1,60,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91.00	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	100.75	1st May .. 1968 (a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. † With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after at January 1961.

WEEK'S STOCK EXCHANGE TREN

THE following quotations indicate the trend transactions on the Bombay Stock Exchar during the week ended 23rd October, 1958.

	Closing quotations 16-10-1958	High	Low	Closi quotati 23-10-1
TEXTILES	Rs.	Rs.	Rs.	Rs
Ahm. Adv. (100)	170.00	—	—	170
Apollo (2)	1.38	1.40	1 34	1
Bombay Dyeing (25)	58.20	59 20	57 70	58
Bradbury (50)	175 00	—	—	175
Central India (100)	87 00	91 00	87 00	90
Century Mills (100)	437.50	451 50	436 00	448
Colaba (100)	30 50	32 00	30 50	32
Edward Textile (200)	225 00xd	240 00	224 00	230
Elphinstone (50)	40.00	—	—	40
Finlay (100)	280.50	282 00	280 50	281
Gokak (100)	142 00	145 00	142 00	144
Ind. Untd. Deld. (1)	1 08	1 14	1 06	1
Ind. Untd. Ord. (10)	8 76	8 96	8 72	8
Indore Malwa (100)	102 50	104 00	102 00	103
Khatau (100)	178 75	179 50	178 00	179
Kohinoor (100)	267 50	271 00	265 50	266
Lakshmi (250)	440 00	435 00	432 50	435
Minerva Mills (100)	64.00	—	—	64
Model Nagpur (250)	167 50	170 00	167 50	169
Morarji (100)	243 00	240 00	242 00	240
Mysore (50)	80.00	90 00	86 00	90
National Rayons (100)	245 75	258 50	245 50	255
New City (100)	108 75	—	—	108
New Great (100)	212 00	217 00	212 00	217
Phoenix (100)	125 00	—	—	117
Podar Mills (100)	136 00	136 00	134 75	135
Sassoon Silk (10)	9	—	—	9
Sassoon Spg. (10)	39 00	40 10	39 00	40
Shahpur (1,000)	381 25	400.00	381 25	400
Shrinivas (100)	148 00	152 00	148 50	152
Simplex (50)	177 50	180 00	177 50	178
Standard (100)	408.00	418 00	409 00	414
Svadeshi (100)	187 00	196 00	185 00	192
Swan (100)	351 00	356 00	351 00	355
Tata Mill (25)	36 75	37.50	36.75	36
Vishnu (100)	100 00	—	—	100
Western India (1,000)	4,525.00	—	—	4,625
BANKS				
Bank of India (50)	138 25	140.00	138 25	140
Do. (New) (50)	140 00	141 50	139 50	141
Bank of Baroda (50)	121 00	122 00	121 00	121
Central (25)	57 70	59 30	58 00	59
Central 'A' (25)	59 00	60 80	59 00	60
Dena Bank (50)	46 00	46 50	45 75	46
Punjab National (25)	61 30	62 00	61 20	62
Union Bank (5)	7 36	7.60	7 36	7
United Com (50)	68 80	69 30	68 50	69
ELECTRIC COS.				
Ahmedabad (100)	99 60	99 50	99 00	99
Amalgamated (10)	11 32	11 38	11 20	11
Andhra Valley (1,000)	1,190 00	1,210 00	1,188 75	1,205
Bom. Sub-El. (100)	109 50xd	110 00	109 50	110
Surat (100)	117 50	118 00	117 50	117
Tata Hydro (100)	123 00	123 25	122 50	122
Tata Power (1,000)	1,257.50	1,258.75	1,250 00	1,250
INSURANCE COS.				
British India (10)	14 24	—	—	14
Empire of India (100)	240 00	—	—	240
Ind. Mercantile (20)	48 25	—	—	48
Jupiter (15)	6 40	—	—	6
New India (15)	47 50	48 75	47 00	48
Oriental (200)	3,800 00	—	—	3,800
Universal (10)	13 00	—	—	13
Vulcan (10)	19.52	20.52	19.76	20.
STEEL COS.				
Ind. Iron (10)	27 00	27.70	26 95	27
Tata Steel Ord. (75)	177.00	182.00	176 25	180.
SUGAR COS.				
Belapur (50)	309 00	316 50	309 00	315
Bijapur (10)	27 00	27 25	27 00	27
Phaltan (50)	174 00	179 00	176 00	178
Walchand Ind. (100)	287.50	290.00	287 00	290
CEMENT COS.				
Associated Cts. (100)	162 00	163 50	160 00	160
Dirvlay (100)	143.75	144.00	143 00	143
MISCELLANEOUS				
Alcock Ashdown (100)	273.75	280.00	277 50	281
Bom. Burmah (125)	490.00	503 50	488 00	499
Do. (New) (50)	172.50	178 75	172 50	178
Br. B. Petrol(4 sh.)	2 04	2 12	2 02	2
Br. I. Corpn. (5)	3.70	3 74	3 70	3
C. P. Riv. (100)	56.00	57 30	56 00	57
Hindusthan Motors(10)	7 80	8 16	7 80	8
Indian Copper (2 sh.)	3.94	4 08	3 94	4
Ind. Inv. Tr. (100)	78.50	79 00	78 70	78
Killicks (100)	149 00	149 00	148 00	148
Polson (100)	167 00	—	—	167
Pre. Automobiles (100)	88 50	93 00	88 00	90
Premier Con. (80)	224 00	241 50	224 25	239
Scindia (20)	21 76	22 16	21 68	21
G. I. S. Shipping (10)	27 10	28 00	27 20	27
Shri Rajat (10)	84 50	94 00	88 50	94
Tata Chemicals (10)	16 60	16 80	16 04	16
Tata Locomotive (100)	159 00xr	162 75	158 00	160
Tata Oil (2)	30 00	40 00	30 00	30
W. I. Match (100)	191 00	196 00	192 50	194

GOVERNMENT SECURITIES	16-10-1958 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	23-10-1 Rs.
2½% 1961	97 15	—	2 84	97
2½% 1960	99 00	—	3 81	99
2½% 1962	96 80	—	3 57	96
2½% 1976	85 20	—	4 08	85
3% 1959-61	99 70	3 34	3 10	99
3 % 1964	96 75	—	3 58	96
3 % 1963-65	96 60	3 75	3 52	96
3 % 1966-68	94 60	3 88	3 71	94
3 % 1970-75	90 05	4.06	3 80	90
3 % 1986 Con. Loan.	73 25	—	4 09*	73
4 % 1960-70	100 65	3 66	3 94	100
3½% 1961 N.P. Bonds	100 10	—	3 45	100
3½% 1964 N.P. Loan	99 05	—	3 50	99
3½% 1965 N.P. Bonds	99 70	—	3 55	99
3½% 1962	98 15	—	3 49	98
3½% 1967 N.P. Bonds	98 85	—	3 63	98
3½% 1974	98 30	—	3 80	98
3½% 1967 N.P. Bonds	100 40	—	3 70	100
4 % 1972 Loan	100 50	—	3 94	100
3½% 1963 N.P. Bonds	100 00	—	3 50	100
3½% 1968 N.P. Bonds	100 25	—	3 72	100
4 % 1973 Loan	100 30	—	3 98	100

BRITISH GOVERNMENT SECURITIES	Closing quotations 14-10-1958 £			Closi quotati 21-10-1 £
2½% Brit. Consols	52 ⅜	—	—	52
3 % Savings Bonds 1965-75	74 ¼	—	—	74
3 % War Loan 1955-59	90 ⅜	—	—	90
3½% War Loan	69 ⅛	—	—	68
4 % Victory Bonds 1976	95½	—	—	92
4% Funding 1960-90	87½	—	—	87

* Current Income. x.d.—Ex-dividend. xr.—Ex-Right.

COMMERCE

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

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CEILING ON LAND-HOLDINGS

IT is gratifying to find that the All-India Congress Committee at the meeting held at Hyderabad last week did not commit the mistake of straightaway deciding in favour of a ceiling on land-holdings. Instead, it wisely voted for a further study of the subject by adopting a resolution urging the appointment of a sub-committee to consider all aspects of agricultural production, including the aspect of land reforms having a bearing thereon. The sub-committee has been asked to submit its report to the A.-I.C.C. at its next session in Nagpur due to be held in January 1959. Some may regret the delay in coming to firm decisions on land reforms, as a state of suspense about the rights to land is an impediment to intensified agricultural production so essential for the rapid economic development of the country. But it is better to devote more time for a thorough study of the suggested reform than to hurry through dubious reforms from which a retreat will be a political impossibility. A few State Governments have already made some moves in the direction of fixing a ceiling on land-holdings, as, for instance, Andhra where a Bill, restricting the quantum of land that a farmer can own on the basis of a maximum annual income per family, is before the Select Committee of the State Legislature. These State Governments will doubtless find the A.-I.C.C. decision rather embarrassing. Nevertheless, they would be well advised not to proceed further, until the A.-I.C.C. comes to a final decision.

Ceiling on land-holdings is a reform far different from all the land reforms already implemented. There was good justification for abolishing *zamindars, jagirdars* and *inamdars* as also for eliminating other types of functionless intermediaries. There was also a need for regulating tenancies and rents payable to landlords, for there is no gainsaying the fact that the actual cultivator suffered from insecurity of tenure and had to pay a disproportionately large share of his produce by way of rent to owners of land. The Congress Governments in all the States had the general support of the public for these reforms. In fact, no fair-minded person could object to them, though, in the sphere of tenancy reforms, most of the State Governments have gone too far and have created a sort of vested interest among the tenants which is not conducive to efficiency in agriculture. It will be no exaggeration to say that the current rate of return on investment in land by a person who does not take to self-cultivation is of the order of six to eight per cent. This cannot be considered excessive, having regard to the hazards involved and the average tax-free returns that can be had on equities, and fixed-yielding industrial investments. Indeed, the return on the traditional form of investment in land has become so unattractive and risky that capital has to be coaxed, if it is to move into agriculture. The laws pertaining to agricultural debts have also made investors shy in lending to farmers, with the result that agriculture is suffering from shortage of both short-term and long-term capital. Institutional credit has not made any significant headway, though much has been spoken and written about it. All this has happened at a time when agriculture needs more capital for intensive cultivation, for converting dry land into wet land and for bringing fallow and culturable waste lands under the plough. There is thus urgent need for an impartial investigation of the effects of land reforms already implemented on agricultural production.

The imposition of a ceiling on land-holdings has neither economic nor moral justification. It is a reform that is sought to be introduced purely for political considerations. The Communists and the extreme type of Socialists have been advocating abolition of private property. A certain section of Congressmen seem to believe that the only way in which these extremists can be kept out of power is to steal their thunder by themselves initiating the reforms advocated by them. To do so is to indulge in political opportunism. It may enable the Congress Party to remain in power, but it will not necessarily lead to an improvement in agricultural productivity. Looked at from this point of view, ceiling on lands will not yield sustained results even as a political expediency. For, ultimately, it is only increased production that will bring about an improvement in the economic standards of the people. Accordingly, the Congress Party should be bold enough to give a correct lead to the people and expose the hollowness of the leftist ideals and reforms rather than allow itself to fall a victim to them.

Ceiling on land-holdings implies acceptance of a dangerous philosophy. It means placing a limit on incomes and wealth. Prime Minister Nehru himself has often expressed his opposition to such ceilings. But, on the subject of land reforms, he has been speaking in a contradictory fashion. He is reported to have told a closed session of Congress members at Hyderabad that he considered a ceiling on land as essential, though it would be wrong to limit incomes. It is hard to understand this statement, unless he meant that one was free to make as much as possible out of the specified size of land that one could own. Surely, this is not possible with all the laws on tenancy and land rent. Mr. Nehru contends that, from a social point of view, it is not good to have large farms. This is also not understandable, unless he means that a large landholder is an eyesore to the rural population and a cause of discontentment among them. But this reasoning tantamounts to placing a premium on the deplorable human weakness of jealousy. Further, if this policy is pursued in rural areas, urban areas cannot be free from it for long. It will soon give strength to the cry that a ceiling be placed on urban investments and incomes as well. And the only way in which that cry can be satisfied will be State capitalism.

A big landlord is neither a *zamindar* nor a *jagirdar*. He is a person who has come into possession of land either through his own or his forefathers' savings. In other words, he has paid for the lands he has. If he cultivates all the land himself, the country will be having the benefits of large-scale cultivation which invariably means higher productivity per acre. If he has leased out a part of his lands, there can be no exploitation of the tenants, because the tenancy laws and the growing conscience of their rights among the tenants will make it impossible for him to do so. Indeed, for all practical purposes, the tenants today are the virtual owners of land. If, however, there is exploitation in some parts of the country, this can be easily stopped through effective enforcement of tenancy laws. If a big landlord gets a large income, it can be siphoned off through taxation of incomes in the same way as the large non-agricultural incomes are taken care of. There is thus no reason to believe that a big landlord is an anti-social being in the society and that he, therefore, deserves to be eliminated by dispossessing him of all but a few acres of his land. It is true that those who are advocating land ceilings say that compensation should be paid for the excess land taken over from the owners. But, in actual practice, the compensation is unreasonably low, so low, indeed, that the reform is not different from expropriation. Even assuming for argument's sake that fair compensation will be paid, are there no better outlets for the resources involved which, ultimately, will have to come out of the pockets of taxpayers and/or the savings of the people? Has any attempt been made to calculate the financial resources that will be required for a land reform of this type? It may be argued that the compensation amount will be collected from those to whom the lands are redistributed. But this will involve considerable time lag, besides a lot of bad debts. It must not be forgotten that the land is to be given to the poor, that is, to those who will not have resources even for cultivating the land.

The assumption that the country is ridden with big landlords is not borne out by such facts as are available. It has been admitted by many in the Congress Party itself that ceiling on land-holdings is no solution to the problem of landless labour. Mr. Kala Venkata Rao, Revenue Minister for Andhra, who is piloting the Bill for placing a ceiling on land-holdings, agreed that "land hunger cannot be solved by this reform." "I do not think," he averred, "that even by expropriating all lands in India, land hunger can be satisfied on the basis of the present-day population." If, nevertheless, he chose to pilot the Bill on land ceilings, it was because he was convinced that it would lead to the abolition of disparities in income and wealth in the rural areas. Here is a clear admission of the ideological character of the reform. Again, the National Sample Survey conducted by the All-India Statistical Institute came to the following conclusion:

"If every household should have some land and the minimum is fixed at two acres, a simple calculation will show that the total area of land required for those who do not own land or own less than two acres, would be about 10 million acres. If the ceiling is fixed at 20 acres and all households owning more than 20 acres are required to hand over the area owned by them in excess of 20 acres, then the amount of land available for distribution would be about 63 million acres. In other words, the surplus land that can be acquired for redistribution on the basis of the comparatively low ceiling of two acres would be just sufficient for building up a ridiculously tiny holding of the size of two acres which itself is palpably uneconomic."

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We dare say that none can level the charge that the Statistical Institute has been inspired by the landholders or the champions of private enterprise to make the aforesaid observations.

The foregoing quotation ought to provide a convincing answer to those who argue, apparently knowing full well that there is not a large number of big landlords, that, if the ceiling on land is fixed at a sufficiently low level, it will solve the problem of landless labour to a considerable extent. And yet the Economic Secretariat of the A.-I.C.C. still makes this point. Thus, in a note officially circulated to the members of the A.-I.C.C. at Hyderabad last week, the following remark is found:

"..... the measures adopted by the State Governments in regard to the fixation of ceilings of existing land-holdings have been slow and halting, with the result that the surplus land available for redistribution among the landless labour will be insignificant. It will be possible to obtain a sizable surplus for redistribution only if the level of ceilings on land-holdings is on the low side. Fixing high ceilings would amount to the implementation of the letter of the law and not its spirit. This policy of low ceilings will have to be pursued on a more or less uniform basis in all the States."

It would have been helpful if the authors of this note had given concrete data to prove their contention.

There is enough evidence to show that, even in the Congress Party, opinion is sharply divided on the subject of ceiling on land. The fact that the A.-I.C.C. deferred a decision on it, pending the findings of a sub-committee, is proof of it. Further, the Agricultural Minister for Andhra, has publicly denounced the proposals for a ceiling on land. The Madras Government has rightly chosen to impose agricultural income-tax on large incomes in preference to a ceiling on land, though it has not stated that it has given up the idea. The U.P. Government, too, is not in favour of ceiling on land. In an interview to the Press about two months ago, the U.P. Revenue Minister stated that his Government was opposed to the Planning Commission's suggestion for fixing a ceiling of 50 acres on large holdings. He observed: "By fixing the upper limit of holdings at 50 acres, the Government can secure a total of only 570,000 acres. There are, on the other side, 6,000,000 tenants with uneconomic holdings and 800,000 landless agricultural workers. It is obvious, therefore, that distribution of the surplus acreage (available through ceiling) will not meet the gigantic problems of either converting the uneconomic holdings to economic or distribution of fresh economic holdings to the landless agricultural workers." Accordingly, the U.P. Government has preferred to subject large holdings to a graded scale of tax. The tax has been so fixed that, after a certain size of holding, retention of big estates becomes prohibitively expensive.

At the Hyderabad meeting of the A.-I.C.C. itself, several members expressed themselves against ceiling on land. Mr. Mahavir Tyagi said that, when the aim was to step up agricultural production considerably, they should not hurt those owning land but create the necessary enthusiasm among them for higher production. The Chief Minister of the Punjab asserted that a peasant whose land did not yield sizable production had no right to own it. The most impressive arguments against ceiling on land came from Mr. C. Subramaniam, the Madras Finance Minister. He pertinently asked as to why agricultural production had not increased to the extent expected, though 90 per cent. of the holdings in the country were in the hands of small peasant proprietors. He stated that productivity of small holdings was smaller than that of larger holdings, that, by cutting up large holdings and handing them over to landless labour, they would only be increasing the number of ryots who had no resources, and that the proposed reform of ceiling on land would, therefore, only intensify the problem of increasing agricultural production instead of solving it. These are wise words and reflect careful thinking. All that the sub-committee to be appointed by the Congress President has to do on this question is to concur with them and reject ceiling on land as a worthless reform.

AIR TRANSPORT

THE world has travelled a long way since the romance entitled "Round the World in Eighty Days" was written, for one can now complete a global tour in less than half of as many hours. In this annihilation of distance, air transport has made a unique contribution. Its speed, which is continuously increasing, has brought the world together in a way which would have seemed incredible only a few decades ago. The development of science and technology has been so fast that even interplanetary travel seems to be a possibility in the not distant future. And it looks as though the use of the phrase "to cry for the moon" to indicate something that cannot be had will lose its effectiveness.

There are many angles from which world history may be viewed. But, as Mr. Nehru, with his characteristic historical insight, pointed out in his address to the fourteenth session of the International Air Transport Association (I.A.T.A.), held at New Delhi this week, one of the most rewarding methods of study is to trace the impact of the gradual evolution of communications on the growth of civilisation. In the history of modern life and civilisation, a factor of great influence has been the development of air transport. And the I.A.T.A. has played a no mean part in developing air transport as an international means of communication. Perhaps, it is not without significance that the I.A.T.A.'s session is being held for the first time in an Asian country. This suggests how fast the world is shrinking. Appropriately enough, Mr. J. R. D. Tata who, as Mr. Nehru, in the course of a tribute to him, said, is "not only a pioneer in aviation in India but perhaps one of the very first pilots," was elected President of the session.

Established in 1945, the I.A.T.A. is intended mainly to promote better, safer and cheaper air travel for the peoples of the world. It is, therefore, the collective voice of the 85 international air carriers who account for over 90 per cent. of the world air traffic. It has been rightly described as an international pool of experience and information. It is the successor in function to the previous International Air Traffic Association, organised at The Hague at the commencement of regular air transport in 1917. It draws its legal existence from a special Act of the Canadian Parliament, passed in 1945. It is closely associated with the International Civil Aviation Organisation (I.C.A.O.) which was also established in 1945 as the international agency of Governments to lay down world standards for the regulation of civil aviation. The I.A.T.A. is a non-political and democratic organisation. Thus, each airline, irrespective of its size and standing, has a single vote in its councils. In many matters, and especially in those which require a binding agreement from members, the decisions must be taken unanimously, and, in most of these cases, the decisions cannot become effective without the concurrence of interested Governments. Each member thus carries a vote as well as a veto.

The I.A.T.A.'s expenses are met from fees paid by members, which are in proportion to the part of the total traffic they carry. Its administration is carried on under the Director-General from his head office at Montreal, while its Clearing House and Technical Liaison Office are housed in London and the administrative headquarters of its Traffic Conferences are located in New York, Paris and Singapore. Of the I.A.T.A.'s Committees, mention must be made of the Financial Committee, the Legal Committee and the Technical Committee. The Financial Committee's function is to examine the common financial problems, such as currency and exchange, taxation and insurance and also to settle the business between the airlines. The Legal Committee studies the growing volume of the new branch of law—the law relating to air transport. It also formulates and represents the views of airlines on the basic international conventions regulating the liability of air carriers. The Technical Committee and its annual Technical Conference deal with the engineering aspects of air transport equipment. No less important than these committees is the Clearing House set up by the I.A.T.A. in London. A ticket for air travel issued by any of the member-lines enables the holder to use any of the airlines. The accounts between the companies, arising from the use of this facility, are settled at the Clearing House. The growing importance of the services rendered by this agency will be evident from the fact that the monthly clearance totals have risen from an initial $728,000 in 1947 to over $30 million today.

Among the topics to which the I.A.T.A. has vigorously addressed itself is the subject of elimination of Governmental red-tape which often holds up the movement of goods and passenger transport. It is gratifying to note from the report submitted by Sir William P. Hildred, Director-General of the I.A.T.A., that the airlines' campaign against international red-tape has made good headway in many parts of the world. It would, however, appear that similar success has not attended its efforts in Asia. He said: "However, progress is being made in India whose tourism department is aware of what India has to gain from the development of tourist travel and appreciates the fact that tourists will go where travel is the easiest." Elimination of the need for passenger manifests on most flights in Europe and of visas for a large amount of tourist traffic between the countries of South and North America are some of the recent significant developments. The I.A.T.A.'s activities in the sphere of facilitation—the official name for international effort to reduce paper work and streamline the precedences of customs, immigration, public health and other authorities at airports—have served to increase the speed of transhipment and the onward march of cargo from airports. Asia, however, has a great deal to learn in the matter of simplifying these rules. It may well turn for its lessons to Europe where many countries have abolished the visa for tourists and written baggage and currency declarations; several countries have even abolished passport requirements for each other's nationals and introduced customs inspection on a sampling basis.

Although air traffic is increasing year by year—last year, the I.A.T.A.'s airlines, which operate under the flags of 50 nations and account for 90 per cent. of all scheduled world air traffic, flew some 1.3 billion miles, linked 3,500 cities, carried 65 million passengers, 270 million ton-miles of mail and 830 million ton-miles of cargo—the airlines are faced with losses in their operations. Sir William Hildred estimated the 1957 revenues at $4,100 million and operating expenses, at $4,050 million; this would leave a net margin of 1.2 per cent., as against 2.4 per cent. in the previous year. These overall figures, however, conceal individual losses. The prospect for the current year and immediate future years is particularly dark, what with the heavy investment in new jet airliners; the airlines now have on order almost 900 new jets and prop jets worth nearly $3,000 million. Sir William urged greater attention to the development of cargo traffic, because many piston-engined aircraft now carrying passengers and fill-in cargo would be put to all-cargo service when the jets replaced them. There will, as he pointed out, be "a flood of cargo space." Airlines will do well to consider how best this space can be utilised with advantage to themselves and world trade.

There are quite a few reasons why airlines continue to make heavy losses. In the first place the traffic is not increasing as fast as it should. Normally, it should increase at the rate of 15 per cent. per year. Not in all countries has this rate been maintained. Secondly, there is a slump in second-hand airlines which reduces the return from sale of old aircraft. Thirdly, the costs of operation are moving up. The Financial Committee's report pointed out that "at a time when the airlines are striving to hold the line on fares and rates, they have been hit by a tide of mounting costs and air navigation facilities charges, airport landing fees, higher taxes and the possible increased insurance rates threaten the industry in the months ahead." The introduction of jet aircraft has also created some new financial problems, for the heavy investment in this type of aircraft can yield an economic return only if the traffic increases rapidly.

In the final analysis, the solution of the problem of uneconomic operation of aircraft lies only in attracting larger volume of traffic. If operation costs were kept down and economies effected, without, of course, sacrificing safety, it might be possible to lower the fares. At present, in all countries, air travel is still a luxury which only a few can afford. Perhaps, far too much reliance is placed on speed, as if speed were an end itself. Again, it is necessary to tap vast populous areas of the economically underdeveloped world. This could be done only through a reduction in fares. It is noteworthy that the Executive Committee of the I.A.T.A., after referring to the fact that all airline operators were faced with grave financial problems and dilemmas, said: "Airlines must be ready to impress upon Governments that low fares make for general prosperity and, in particular, consequential benefits to the governments and the populations concerned." After all, so long as air travel remains a luxury beyond the reach of even men above average means, air transport must continue to face difficult financial conditions. Even air transport must pay its way before it can progress.

SHARE MARKETS STILL STEADY

INCHCAPE GROUP—KERALA PLANTATION STRIKE

THURSDAY, 5 P.M.

MARKET GOSSIP

BARRING cotton textiles, other scrips on the Stock Exchange have been ruling steady to firm. Textiles have been quiet because of the discouraging news from cloth markets. Offtake of cloth has failed to pick up and, despite fall in production by about 10 per cent. and reduction in the mill selling prices, stocks with mills are piling up. This is not surprising, as the fall in production has been nearly offset by the marked decline in exports. Even the Minister for Commerce and Industry said about a fortnight ago that he was puzzled by the plight of the cotton mill industry and that he did not know what to do. The share market in Bombay took an unduly optimistic view of the outlook for this industry and blindly went on marking up prices in the fond hope that the Government would come to its rescue. The consensus of opinion among those who are fully aware of the profit-margins on cloth is that at current levels most of the textile scrips are overrated. As for the other shares, the bullish fervour is not as strong as it was a week ago. Investment demand has slackened and speculators with heavy long positions appear to be making clever manœuvres to lighten their commitments without forcing the market against them. The rise in the value of some of the miscellaneous counters may be attributed to this development. There has also been some gradual selling by big investors of scrips of companies which are issuing new capital.

There has been a sudden spurt again in the value of Belapur shares. Apparently, some in the market are hoping that the Company would pay higher dividend for 1957-58, the financial results for which are due to be announced in a few days. Considering that the Company's production during the last crushing season was a little less than in the previous season and that manufacturing expenses were on the high side in all industries, it would be a matter for pleasant surprise if the market expectations of higher dividend were to materialise. Or, it may be, that some speculators might have pulled up this scrip, too, in order to create a favourable atmosphere for liquidating their holdings in other scrips.

* * * *

Prime Minister Nehru's reiteration of the socialist pattern of society as the goal of the Congress Party in his speeches at the Hyderabad meeting of the A.-I.C.C. last week was taken by the share markets calmly. Mr. Nehru, of course, gave no new definition of his concept of socialism and the markets have got accustomed to it. The feeling is that the socialist pattern is already in full implementation and that the worst has been done. Taxation is at the maximum level and nationalisation of existing industries and services has ceased to appeal to socialists all over the world. The only inference that one can draw from Mr. Nehru's statement at Hyderabad is that the prospect of any relief in the novel forms of taxation introduced on doctrinaire grounds during the past three years is slender. In this context, the following quotation from the note circulated by the A.-I.C.C. Secretariat to the members attending the Hyderabad session is of some importance:

"The existing system of taxation on the urban incomes is in the right direction and the expenditure, wealth and gift taxes, in addition to the estate duty, will gradually bring about greater equality in urban incomes. The present evasion and avoidance of taxes on a large scale will, however, have to be checked effectively."

It is not suggested that this review necessarily means that there will be no change in the fiscal policy of the Government in favour of investors. There are signs that some members of the Congress High Command at least are beginning to realise that people will become tired of ideological propaganda and policies, unless positive economic results are shown. They are, therefore, bound to exert their pressure on the policymakers in favour of more realism and to bring about a climate that will be conducive to increased production. The decision of the All-India Congress Committee that the highly controversial proposals for ceiling on land should be examined afresh is a heartening change in the attitude of the ruling party.

* * * *

The imposition of such redistributory taxes as wealth tax, capital gains tax, estate duty, gifts tax and expenditure tax on top of income-tax and super-tax at heavy rates has doubtless begun to yield results in the form of wider distribution of ownership of industries. Quite a few families have released their shareholding in companies owned by them to a large number of persons, mostly their friends and relations. A couple of months ago, for instance, a part of the shares of a leading sugar company in the Deccan, closely held as a family business, was quietly released to the public and listed on the Bombay Stock Exchange. This trend has become almost universal. A report from London, for instance, says that Lord Inchcape's family businesses in the East and elsewhere are being consolidated into a holding company, called Inchcape and Company, and introduced to the London Stock Exchange. The object of this move is "to protect Lord Inchcape's group against death duties." It is stated that Lord Inchcape and his family are selling only the minimum amount of shares necessary to obtain a stock exchange quotation. In the absence of such market value, the assets of the group will be valued on the basis adopted for private businesses when they come to be assessed for the purpose of estate duty. In that event, the burden will be so heavy that the whole group will disintegrate.

Of the share capital of Lord Inchcape's holding company amounting to £1.800,000, only £350,000 are being placed on the market at a price of 25s. which, on the basis of a dividend of 11 per cent., gives a yield of 8.8 per cent. per annum—a tempting rate, indeed, considering that first class shares in India today do not offer more than 5 per cent. per annum. That the Company's shares belong to the blue chip class will be evident from the fact that its 11 per cent. dividend is covered nearly twice by its net profit.

Besides the offer of aforesaid shares, the Company is also placing on the market £760,000 out of £850,000 of 6½ per cent. loan stock. The issue price is at par. The principal of the loan stock is covered 7½ times by assets and the interest on it is covered more than nine times by profit.

The aforesaid development in the London capital market is of some interest to India, because, of the net assets of Lord Inchcape's group, nearly a third—22.4 per cent., to be precise—is in this country. Perhaps not many in India know that the group's interests are varied and include the two well-known textile mills in the South, namely, the Buckingham and Carnatic Company and the Bangalore Woollen, Cotton and Silk Mills Company. The group has large interests in Pakistan too.

It is stated that the group has no intention of reducing its interests in India. This is significant of Lord Inchcape's confidence in the future of India. In fact, a spokesman of the group is reported to have said that, as and when the group grew further, its interests in India also might grow alongside new developments in other parts of the world.

* * * *

The chances of a conciliation and settlement of the labour dispute in Kerala plantations have brightened with the suspension, from 30th October to 3rd November, of the twenty-five-day-old strike by the Communist-led plantation workers in the High Range and other areas. The decision to suspend the strike has been taken, it is stated, consequent on the assurance given by the State Labour Minister that "the management is prepared for a negotiated settlement" and that he was convening a conference on 31st October to discuss all outstanding matters, including bonus for 1957. The strikers were so far adamant in refusing to call off the strike. Nor would they agree to refer the dispute to adjudication, as was suggested by the management of the estates and the I.N.T.U.C.-led Union. They have now agreed to a truce on lines similar to those adopted by Communist China in its war of nerves against K.M.T. China and the U.S.A. Their reason for doing so is their belief that the attitude of the management has changed, in that it is prepared "to settle the dispute through negotiations," that is, outside the court. How far this is true, time alone will reveal. Evidently, the Communists want to show to the workers that they are winning. Similar stunts tried by them at the T.I.S.Co. strike in Jamshedpur failed, because the Company and the State Government took a firm stand and refuse to recognise the Communists' claims. But, in Kerala, the Communists and the State Governments are hand in glove. It is noteworthy that the strike has not been withdrawn, but only suspended for a brief period of a few days. This means that the sword is kept hanging and is nothing short of pressure tactics. One fails to understand what sort of work can be done in an atmosphere of uncertainty and suspense.

The attitude of the State Government in having allowed the strike to continue for such a long time, involving heavy loss of precious foreign exchange to the country, to the workers by way of wages and to itself by way of agricultural income-tax, is deplorable and provides an object lesson to those workers who are misled. The workers' demands which led to the strike were not put forward by the Communist Union alone; they were raised by all the major trade union organisations, I.N.T.U.C., A.I.T.U.C., R.S.P., P.S.P., and others. But it is only the Communist Union that forced the strike.

The total number of demands are thirty, while some unions have added a supplementary set of another twelve demands. The main demands are:

1. Annual bonus for 1957 should be paid at the rate of 25 per cent. on the total emoluments of the workers.

2. Wages for the holiday availed by the workers on 1st May 1956 and 1957 should be paid.

3. Gratuity should be paid at the rate of one month's average wages to all workers at retirement and to the dependents of the employee in case of death.

4. Dependents of the permanent workers should be provided with employment.

5. Average wages should be paid for annual leave with wages (the average should be calculated on the basis of one year) with retrospective effect.

6. The rate of incentive wages for over-pounds both in tea and rubber should be enhanced.

7. Workers in tea estates should be supplied free of cost one pound of good tea per head.

8. Tappers' task should be fixed at tapping of two hundred trees per block in case of single pannel and hundred trees per block in case of double pannel and carrying latex not farther than four furlongs. No other items should be included in the tappers' task.

9. The employers' share in the contribution to workers' provident fund should be enhanced from the existing 6¼ per cent. to 8⅓ per cent.

There was no need for a strike or even a threat of strike, for all the major issues were already under consideration of special tripartite committees constituted by the Government. The question of wages and bonus was being studied by a special committee constituted for drawing up rational wage-rates and a formula for bonus in the plantation industry. All the major trade unions are represented on this Committee. Sometime ago, this Committee considered the question of bonus for 1957, but it was unanimously decided that the question should await the finalisation of a formula. When the question was again referred back by the State Government to the Committee, the latter did not alter its earlier decision. The Committee was almost at the end of its labour, but, in the absence of co-operation from the labour representatives, who did not attend the meetings regularly, it could not finish its work. The other issues were before the Government Tripartite Plantation Labour Committee, constituted for the purpose of securing negotiated settlements of disputed issues.

In utter disregard of these facts, the I.N.T.U.C. and the A.I.T.U.C. served notices of strike in the High Range (Munnar) area and implemented their decision on 4th October. On that day, the Chairman of the Kanan Devan Planters' Association agreed to submit four of the major issues for adjudication, if the strike could be withdrawn. While the I.N.T.U.C. Union agreed to the proposal and withdrew the strike, the Communist Union refused to join in the arrangement. The Planters' Association and the I.N.T.U.C. requested the Government to refer the four major issues for adjudication but to no purpose. The A.I.T.U.C. continued the strike, which spread to Mundakayam Valley on 13th October and to Peermade-Vandiperiyar on 15th October.

The State Government has not so far referred the matter for adjudication under Section 10(1) of the Industrial Disputes Act. Even the request of the Central Government to do so has been brushed aside. Even apart from the request by the Planters' Association and the I.N.T.U.C. to refer the matter for adjudication, the State Government should have done so after the strike started, as this was a major dispute detrimental to public interest. It is thus clear that the State Government failed to do its duty. It was interested more in helping the Communist Party to gain control of plantation labour than in ensuring industrial peace and preventing economic loss to the country as a whole.

At the Plantation Labour Committee meeting held after the strike started, the workers wanted *ad hoc* settlements across the table, even though they were aware that the issues under dispute were before the respective committees concerned. The A.I.T.U.C. flatly turned down the proposal to refer the disputes to adjudication. What is more surprising is that the State Labour Minister himself advised the Planters' Association to agree to *ad hoc* settlements. By doing so, he identified himself with the intransigent stand taken by the Communist Union.

The strike was also in utter disregard of the "Code of Conduct" drawn up at the Naini Tal Session of the Indian Labour Conference, as (1) the existing machinery for settlement of dispute was not utilised, (2) sufficient notice was not given before the strike was launched, and (3) the strikers resorted to violence to induce other unwilling workers to join the strike. It is claimed that, if peaceful conditions had prevailed, 90 per cent. of the workers would have reported for duty, as the majority of the workers belonged to the I.N.T.U.C. and did not want to participate in the strike. While the strike in the three areas referred to above continued, a general strike of all plantation workers in the State was called for on 25th October, but it was suspended the next day till 3rd November, "to create a peaceful atmosphere for settlement." Really speaking, this kind of pressure tactics amounts to intimidation and is not conducive to a fair settlement.

A notable feature of the strike is that it was called in the most strategic areas of the State. For the High Range and the Peermade-Vandiperiyar comprise the largest tea areas in Kerala, producing quality teas, and the Mundakayam Valley constitutes the richest rubber district in the State. The output in the High Range is approximately 800,000 lbs. of green leaf per day and the tea estates in this area support more than 31,000 workers. The strike in the Peermade-Vandiperiyar area was spread over 7,000 acres. In the Mundakayam Valley, where the strike started on 13th October, over 10,000 acres of rubber were involved. The cost of the strike in these areas cannot, therefore, be easily judged. A broad idea of the loss to the country can, however, be had from the fact that the suspension of the work in the High Range would cost the country Rs. 20 lakhs per week in foreign exchange alone. The loss resulting from a strike lasting more than a week would, it is stated, be very much more than might be apparent, because once plucking for more than a few days is given up, tea bushes have to be skiffed or pruned lightly and would not be ready for plucking again for about six weeks to come. According to Mr. J. R. Soutar, General Manager of the Kanan Devan Hill Produce Company, which owns 32 out of the 33 estates in the High Range, "most of the tea crop in the several estates have overgrown and, therefore, become useless. This is the best season for the quality production of tea, but they will have to prune the present bushes. This will mean loss of work for another three months, apart from the loss in foreign exchange of millions of rupees." The loss of rubber in Mundakayam Valley is esti-

(*Continued on page 748*)

SHARE MARKET FIRM

TEXTILES, HOWEVER, RULE QUIET

(From Our Own Correspondents)

BOMBAY, *30th October*

THE rally in the share market noted last week was extended further this week with a further spurt in values, except in the textile section which continued to be a drag on the whole market. The delay in the announcement of the Government's decision on the Textile Enquiry Committee's recommendations and on the export promotion scheme and the none-too-encouraging advices from the cloth trade chilled the enthusiasm of the operators in textile shares. Though there was no heavy selling pressure in these counters, prices gave way and this decline was accelerated by the profit-taking reaction in other sections during the last two days. Despite the setback lately, the undertone of the market remained bullish on good speculative activity induced by the bright outlook for industries in general. Keen support was in evidence in Bombay Burmahs, Belapurs, National Rayons, Premier Constructions, Larsen and Toubros, Mahindras, etc., which, as a result, scored smart gains over the week.

In the steel section, Tata Ordinaries were lifted up from Rs. 180.75 to a high of Rs. 185 on Tuesday, but, on heavy profit-taking, they slided down to Rs. 182.75 at the close today. The new shares gathered, over the week, Rs. 2 to Rs. 178. Indian Irons moved up to Rs. 27.80 from last week's closing of Rs. 27.55, but the subsequent reactionary trend brought them down to Rs. 27.40.

In sympathy with the general bullish trend, textiles too moved up early in the week, but this was not sustained in the absence of support. Bombay Dyeings picked up from Rs. 58.60 to Rs. 59.10, before receding to Rs. 58.10. The closing was done at Rs. 58.40. Centurys finished at Rs. 441.50, after gaining ground from Rs. 448 to Rs. 453. Kohinoors lost over the week Rs. 5.50 to Rs. 261. Central Indias were unchanged at Rs. 90, while Finlays dropped Re. 1.50 to Rs. 280, Gokaks Rs. 3 to Rs. 141 and Indu Ordinaries 36 nP to Rs. 8.56. Khataus were done Rs. 4 lower at Rs. 175. While Models were a fraction better at Rs. 170, Morarjee Mills were unchanged at Rs. 249 and New Greats at Rs. 217. Osmanshahis were a shade quiet at Rs. 43, while Azamjahis gained Re. 1.50 to Rs. 59. Shree Niwas Cottons had transactions Re. 1 lower at Rs. 151. Simplex were featureless at Rs. 177.25. Standards declined by Rs. 6 to Rs. 408, while Svadeshis improved by Rs. 2.50 to Rs. 194.50 and Tata Mills by 25 nP to Rs. 37.

Bank shares presented a mixed pattern, but the variations in prices were confined to a narrow range. Barodas rose by 75 nP to Rs. 122.50, while Centrals shed 70 nP to Rs. 58.30 and their new shares 50 nP to Rs. 60.30. Bank of Indias looked up a little to Rs. 140.50 and their new shares to Rs. 142.25. Punjab Nationals were a shade better at Rs. 62.50, while Union Banks lost 14 nP to Rs. 7.56. United Commercials were unchanged at Rs. 69.30.

Business in insurance shares was restricted. New Indias were prominent with a rise of Re. 1 to Rs. 49.50. Vulcans, which staged a spurt last week, suffered a reaction from Rs. 20.52 to Rs. 19.76. Indian Mercantiles were unchanged at Rs. 48.25, as also British India Generals at Rs. 14.24.

Electricity shares fluctuated within a narrow groove. Ahmedabad Electrics were fractionally lower at Rs. 99.20, as also Bombay Suburbans at Rs. 109.50. Surat Electrics were done at Rs. 114.50 *ex-div.* (final dividend: Rs. 4.50), as against Rs. 117.50 *cum-div.* a week ago. Tata Hydros were steady at Rs. 123 and Tata Powers at Rs. 1,250. Andhra Valleys, however, picked up Rs. 7.50 to Rs. 1,212.50.

Sugar shares were active. Belapurs were conspicuous with a rise of Rs. 7.50 over the week to Rs. 322.50; the highest level touched during the week being Rs. 326.50. Phaltans hardened by Rs. 2 to Rs. 180.50 and Maharashtra Sugars by Rs. 2.25 to Rs. 189.25. Changdeos were steady at Rs. 33.50, while Walchandnagars were marked up by Rs. 5 to Rs. 295. Cement shares were featureless. Associated Cements rose from Rs. 160.50 to Rs. 162.25 before giving way to Rs. 159.50. The new shares suffered a drop from Rs. 159 to Rs. 156.50. Digvijays were lower by Re. 1 at Rs. 142.50, Ashokas by 44 nP at Rs. 8.48 and Jaipur Udyogs by 28 nP at Rs. 11.20. In the engineering and mining group, Alcocks looked up by Rs. 2.50 at Rs. 283.75. Tata Locomotives attracted good attention and rose from Rs. 160 to Rs. 165.50, but reacted to close at Rs. 163.50. Premier Constructions were again prominent on interested buying, jumping up further from Rs. 239.25 to Rs. 255.25. Larsen and Toubros gained 32 nP to Rs. 17.40 and their Rights 24 nP to Rs. 5.52. Mahindras advanced by 72 nP to Rs. 18.28. Brady Engineerings changed hands at Rs. 62.50 and Cooper Engineerings Re. 1.50 higher at Rs. 127.50. Structural Engineerings advanced by Rs. 6.75 to Rs. 223. Shivrajpurs lost Re. 1 to Rs. 93 and Indian Coppers 4 nP to Rs. 3.98.

Premier Automobiles suffered a loss of Rs. 2 to Rs. 88.70 and Hindustan Motors were a shade quiet at Rs. 7.92. Scindias were in good form, though the closing levels were below the week's best. They advanced from Rs. 21.88 to Rs. 22.56 before giving way to Rs. 22.28. Great Easterns disclosed a gain of 25 nP at Rs. 28.15, while Bharat Lines were a fraction lower at Rs. 13.52.

In the miscellaneous group, Bombay Burmahs (old) provided the highlight with a jump from Rs. 499.50 to Rs. 524.00 on Tuesday. In the subsequent reaction, they came to Rs. 513.50. The Partly-paids dipped from Rs. 180.62 to Rs. 178.75. National Rayons were another prominent feature with a sharp rise from Rs. 255 to Rs. 263 before closing at Rs. 259.75. Gwalior Rayons were a shade better at Rs. 15, while Tata Chemicals were quiet at Rs. 16.36. Hindustan Levers changed hands 75 nP higher at Rs. 25.75. Tata Oils were quiet at Rs. 39.25. Killick Industries gained a rupee to Rs. 149, while Voltas lost Re. 1 to Rs. 142.25 and Wimcos Rs. 4 to Rs. 190.50.

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Madras Stock Exchange

MADRAS, *28th October*

A mixed trend prevailed in the Madras Stock Exchange during the week under review. Selective plantation shares attracted support early in the week, but towards the close buyers became hesitant and cautious. In fact, the shares of tea estates affected by the strike in Kerala came under pressure. The efforts made to call off the strike did not have any effect on the planting scrips, because of the apprehension about the strain on companies by the four-week-old strike, let alone the loss of foreign exchange to the country. Investors and speculators were not in a position to assess the additional financial burden that might be cast on them if the demands of labour, even partially, were to be met. Dull conditions characterised the textile section. The categorical statement made by the Union Minister for Commerce and Industry in his reply to the Kanpur industrialists that there would be no further reduction in the excise duty on cloth adversely affected the sentiment of operators. Sugar, electric and miscellaneous industrials were fully steady.

Among tea shares in the planting section, Twyfords evoked good support and climbed up by Re. 1.10 to Rs. 17.50. United Nilgiris rallied 56 nP to Rs. 18.56. Balanoors advanced by 50 nP to Rs. 17.75. Waterfalls improved by 19 nP to Rs. 3.72. Neelamalais gathered 3 nP to Rs. 4.96 and Kil Kotagiris 2 nP to Rs. 6.28. Peermades, on the other hand, declined by 75 nP to Rs. 21.50. Nonsuch Teas receded by 19 nP to Rs. 28.06, Haileyburias by 15 nP to Rs. 18.35 and Periakaramalais by 9 nP to Rs. 3.91.

In the rubber group, Nenmenys rallied from Rs. 15.10 to Rs. 15.62. Nilamburs and Kalpettas gained 25 nP each to Rs. 14.25 and Rs. 14, respectively. Thamaraipallys advanced by 50 nP to Rs. 27. Nellithanams strengthened by 10 nP to Rs. 13.10 and Teekoys by 5 nP to Rs. 7.30. T.R. & Ts declined by 30 nP to Rs. 7.35, Rajagiris by 25 nP to Rs. 18.65, Kallas by 13 nP to Rs. 4.95 and Midlands by 10 nP to Rs. 12.70.

Deals in coffee shares were put through at lower rates. Consolidated Coffees receded by 15 nP to Rs. 27.10. Anaparais eased by 13 nP to Rs. 5.42. Coffee Lands shed 10 nP to Rs. 33.40 and Badras a like amount to Rs. 4.40. Bababudins, however, put on 25 nP to Rs. 12.60.

In the textile section, R. C. Ambikais were pushed down by Rs. 6 to Rs. 118. Vijayeswaris slumped by Rs. 5 to Rs. 85. Vasantas dropped Rs. 2 to Rs. 228. Maduras declined by a rupee to a new low of Rs. 29.75. Loyals were quoted 25 nP lower at Rs. 34.25. Adonis softened by 5 nP to Rs. 7.75. Pankajas were dull at Rs. 40, Rajalakshmis at Rs. 68 and Ranga Vilas at Rs. 58. Venkatesas, on the other hand, advanced by Rs. 5 to Rs. 115. Metturs hardened by Re. 1.50 to Rs. 338.

In the sugar group, Cauverys provided a feature rising by Rs. 4 to Rs. 104. Deccans strengthened by 68 nP to Rs. 10.43 and Travancores by 37 nP to Rs. 11.90. Kirlampudis were steady at Rs. 48. Indias, however, lost 35 nP to Rs. 12.25.

Among miscellaneous industrials, T. Stanes and Standard Motors rose by 50 nP each to Rs. 25 and Rs. 11.50, respectively. Ashok Leylands moved up by 35 nP to Rs. 6.10. General Papers advanced by 25 nP to Rs. 12.50. Aluminium Industries by 61 nP to Rs. 17.40, Parry's Confectioneries by 23 nP to Rs. 3.93 and Spencers by 22 nP to Rs. 19.87. Textools, however, dropped a rupee to Rs. 200. Rallis were quoted 50 nP lower at Rs. 37.25.

Notice

THE BELAPUR COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the above Company will be closed from the 18th day of November 1958 to the 17th day of December 1958, both days inclusive.

By Order of the Board of Directors,

W. H. BRADY & CO., LTD.,

Managing Agents.

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

Mr. William Abel.

Messrs. Rajabali Hasom Paroo and Sons Ltd.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 30th October, 1958.

	Closing quotations 23-10-1958	High	Low	Closing quotations 30-10-1958
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170 00	170 00	166 25	166 25
Apollo (2)	1 38	1 40	1 36	1 36
Bombay Dyeing (25)	58 00	59 10	58 10	58 40
Bradbury (50)	175 00	175 00	135 00	135 00
Central India (100)	90 00	92 00	89 50	90 00
Century Mills (100)	448 00	453.00	440 50	441 50
Colaba (100)	32 00	32 00	31 75	31 75
Edward Textile (200)	230 00	—	—	230 00
Elphinstone (50)	40 00	—	—	40 00
Finlay (100)	281 50	282 00	278 00	280 00
Gokak (100)	144 00	144 00	141 00	141 00
Ind. Untd. Defd. (1)	1 12	1 14	1 08	1 13
Ind. Untd. Ord. (10)	8 92	8 88	8 36	8 56
Indore Malwa (100)	103 50	106 00	102 00	102 75
Khatau (100)	179 00	179 00	175 00	175 00
Kohinoor (100)	266 50	269 00	260 50	261 00
Lakshmi (250)	435 00	435 00	425.00	425 00
Minerva Mills (100)	64 00	—	—	64 00
Model Nagpur (250)	169 50	175 00	166 25	170 00
Morarji (100)	249 00	254 00	248 50	249 00
Mysore (50)	90 00	—	—	92 00
National Rayons (100)	255 00	263 00	254 50	259 75
New City (100)	108 75	—	—	108 75
New Great (100)	217 00	219.00	217.00	217 00
Phoenix (100)	117 50	—	—	117 50
Podar Mills (100)	135 00	—	—	135 00
Sassoon Silk (10)	9 76	—	—	9 75
Sassoon Spg. (10)	40 10	40.50	40.10	40 30
Sholapur (1,000)	400 00	—	—	400 00
Shrinivas (100)	152 00	151 00	150 00	151 00
Simplex (50)	178 00	179 00	177 00	177 50
Standard (100)	414 00	415 00	408 00	408 00
Svadeshi (100)	192 00	200.00	190 50	194 50
Swan (100)	355 00	—	—	355 00
Tata Mill (25)	36 75	38 00	36 50	37 00
Vishnu (100)	100 00	100.00	99.00	100 00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	140 00	141.00	140 00	140.50
Do. (New) (50)	141 50	142 50	141 50	142 25
Bank of Baroda (50)	121 75	122 75	121 50	122 50
Central (25)	59 00	59 00	58 00	58 30
Central 'A' (25)	60 80	60 50	60 00	60 30
Dena Bank (50)	46 25	46 25	45 00	46 00
Punjab National (25)	62 00	62 80	62 00	62 50
Union Bank (5)	7 60	7 60	7 52	7 56
United Com. (50)	69 30	69.30	68.50	69 30
ELECTRIC COS.				
Ahmedabad (100)	99 30	99 50	99.00	99 20
Amalgamated (10)	11 28	—	—	11 28
Andhra Valley (1,000)	1,205 00	1,216 25	1,202 50	1,212 50
Bom. Sub-El. (100)	110 00	110 00	109 00	109 50
Surat (100)	117 50	117 50	114 50	114 50xd
Tata Hydro (100)	122 50	123 00	121 25	123 00
Tata Power (1,000)	1,250.00	1,257.50	1,245.00	1,250.00
INSURANCE COS.				
British India (10)	14 24	—	—	14 24
Empire of India (100)	240 00	—	—	240 00
Ind. Mercantile (20)	48 25	—	—	48 25
Jupiter (15)	6 40	6 40	6 32	6 32
New India (15)	49 50	49 50	48 75	49 50
Oriental (200)	3,800 00	—	—	3,800 00
Universal (10)	13 00	—	—	13 00
Vulcan (10)	20.52	20.52	19.76	19.76
STEEL COS.				
Ind. Iron (10)	27.55	27.80	27.35	27.40
Tata Steel Ord. (75)	180.75	185.00	180.25	182.75
SUGAR COS.				
Belapur (50)	315.00	326.50	314.00	322.50
Bhopal (10)	27 20	27 05	27 20	27 00
Phaltan (50)	178.00	181 50	177 00	180 50
Walchand Ind. (100)	290.00	295.00	288.75	295.00
CEMENT COS.				
Associated Cts. (100)	160 50	162 25	159 50	159.50
Digvijay (100)	143.50	143.50	142.50	142.50
MISCELLANEOUS				
Alcock Ashdown (100)	281 25	288 75	278 75	283 75
Bom. Burmah (125)	499 50	524 00	498 50	513 50
Do. (New) (50)	178 75	—	—	178 75
Br. B. Petrol (4 sh.)	2 12	2 20	2 08	2 08
Br. I. Corpn. (5)	3 74	3 76	3.72	3 76
C. P. Rly. (100)	57 50	—	—	57 50
Hindusthan Motors (10)	8 04	8 08	7 92	7 92
Indian Copper (2 sh.)	4 02	4 08	3 96	3 98
Ind. Inv. Tr. (100)	78 70	80 00	78 50	79 00
Killicks (100)	148 00	149 25	148.00	149 00
Polson (100)	167 00	—	—	167 00
Pr. Automobiles (100)	90 70	91 80	88 50	88 70
Premier Con. (80)	239 25	260 75	239 00	255 25
Scindia (20)	21 88	22 56	21 04	22 28
G. E. Shipping (10)	27 90	28 85	27 90	28 15
Shivrajpur (10)	94 00	95 00	92 00	93 00
Tata Chemicals (10)	16 40	16 44	16 16	16 36
Tata Locomotive (100)	160 00	165 50	159 75	163 50
Tata Oil (25)	39 75	40 25	39 00	39 25
W. I. Match (100)	194.50	193 00	190 00	190.50

GOVERNMENT SECURITIES	23-10-1958	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	29-10-1958
	Rs.			Rs.
2½% 1961	97 15	—	3 54	97.15
2½% 1960	99.00	—	3 31	99 00
2½% 1962	96 80	—	3 57	96.80
2½% 1974	83 20	—	4 06	83 20
3% 1959-61 2nd Vict.	99 70	3.34	3 10	99 70
3% 1964	96 75	—	3 58	96 75
3% 1968-65	96 60	3.75	3 58	96 55
3½% 1966-68	94 05	3.88	3 71	94 05
3% 1970-75 1st Dev.	90 05	4.06	3 80	90 10
3% 1986 Con. Loan	73 20	—	4 10*	73 10
4% 1960-70	100 65	3.66	3 94	100 65
3½% 1961 N.P. Bonds	100 10	—	3 45	100 10
3½% 1964 N.P. Loan	99 90	—	3 50	99 90
3½% 1965 N.P. Bonds	99 70	—	3 55	99 70
3½% 1962	99 15	—	3 49	99 15
3½% 1967 N.P. Bonds	98 85	—	3 63	98 95
3½% 1974	98 80	—	3 89	98 80
3½% 1967 N.P. Bonds	100 40	—	3 70	100 40
4% 1972 Loan	100 50	—	3 94	100 50
3½% 1968	98 60	—	3 66	98 70
3½% 1963 N.P. Bonds	100 00	—	3 50	100 00
3½% 1968 N.P. Bonds	100 25	—	3 72	100 25
4% 1973 Loan	100 80	—	3 95	100 00

BRITISH GOVERNMENT SECURITIES

	Closing quotations 21-10-1958 £			Closing quotations 28-10-1958 £
2½% Brit. Consols	52 ⅛	—	—	52 ⅛
3% Savings Bonds 1965-75	74⅛	—	—	74⅛
3% War Loan 1955-59	99⅛	—	—	99⅛
3½% War Loan	68⅜	—	—	67⅛
4% Victory Bonds 1976	95⅛	—	—	95⅛
4% Funding 1960-90	87⅛	—	—	87⅛

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

NEWS IN BRIEF

THE first coke oven battery consisting of 65 ovens at Bhilai steel plant was heated up on 28th October.

The Working Committee of the All-India Congress Committee has authorised the President, Mr. U. N. Dhebar, to appoint a committee of experts to suggest social and economic objectives for the third Plan.

The All-India Handicrafts Board has decided to provide further financial assistance to handicrafts co-operative societies by advancing hem loans as working capital and granting subsidy for purchase of equipment and machinery.

Delhi has been included in the northern rice zone which at present comprises the Punjab and Himachal Pradesh. The step has been taken with the object of ensuring free flow of rice to Delhi from the Punjab and eliminating marked disparities in rice prices in this region.

A two-member official delegation from Denmark has arrived at New Delhi to discuss with the Finance Ministry the conclusion of a double taxation avoidance agreement. It may be recalled that preliminary discussions regarding this question were initiated last summer when an offical Indian delegation visited Denmark in the course of its tour of Europe.

The Government of India has decided to extend the validity period of the export quota of H.P.S. groundnuts upto the end of March 1959. It will be recalled that an export quota of 20,000 tons of groundnut oil and 10,000 tons of H.P.S. groundnuts had been released on 3rd June last, with allotments valid for shipment upto the end of September 1958.

The "cash-your-ideas" scheme introduced for the employees at the State-owned industrial coach factory at Perambur, Madras, is bringing an average of one suggestion from a member of the staff every day. Fifteen suggestions were qualified for awards during the first eight months of 1958 as against only three suggestions which received awards during the first two years.

The West Bengal Government has, under its anti-profiteering ordinance, fixed the maximum retail prices for wheat at 37 nP, wheat flour at 56 nP, *atta* at 41 nP and *suji* at 59 nP a seer. The maximum prices have already come into force in the Calcutta industrial area. The maximum prices to be charged by producers and wholesalers (except in the case of wheat) have also been fixed. For a maund of flour, a producer may charge Rs. 20.81 and a wholesaler Rs. 21.31; for *atta* Rs. 15 and Rs. 15.50; and for *suji* Rs. 22 and Rs. 22.50 respectively.

With a view to expediting the introduction of the metric system on Indian railways, arrangements are being made to set up "metric cells" at the Railway Board's office and the headquarters of zonal administrations. The maintenance of coordination among the various branches affected by change-over and careful planning to avoid confusion will be the main functions of the cells. Besides the setting up of these cells, the question of training the existing staff in various engineering stores and commercial branches, etc., is also engaging the attention of the railway authorities.

An agreement for the establishment of an oil refinery near Gauhati in Assam with a capacity of 750,000 tons was signed in Bucharest on 20th October between the Government of India and the Government of the Rumanian People's Republic. Mr. K. D. Malaviya, Union Minister for Fuel and Mines, who signed on behalf of the Indian Government, had talks with oil specialists and technicians to be deputed to India. It is said that not only Russia but also Italy is interested in assisting India in setting up the proposed second refinery for Assam's crude at Barauni in Bihar.

An official Indian trade delegation, led by Mr. K. B. Lall, Joint Secretary, Ministry of Commerce and Industry and Director-General of Foreign Trade, left New Delhi for Moscow, with a view to negotiating a new trade agreement between India and the U.S.S.R. It will hold talks with the representatives of the host country on possibilities of further developing bilateral trade between the two countries on a balanced basis. The existing five-year trade agreement is due to expire in December 1958. The delegation will also visit Poland and the German Democratic Republic for trade talks.

An agreement between India and the Federal German Republic for the establishment of a prototype production and training centre for small-scale industries at Okhla, New Delhi, has been signed on 25th October. The W. German Government will supply free of cost the plant and machinery for the centre, valued at about Dm. (Deutche marks) 3.15 million, and also provide about 25 technical experts for a period of three years, at an estimated expenditure of about Dm. 2 million. The Government of India will spend an equal amount in rupees towards the cost of land, buildings, Indian technicians, raw materials and stipends for trainees. Besides manufacturing prototypes of machines, the new centre will give training to technicians.

A new code of conduct, embodied in standing orders, has been prescribed for the sugar industry in the U.P., accommodating the viewpoints of both labour and industry. The new rules will be observed by every vacuum pan sugar factory in U.P. for one year in the first instance. Under the revised rules, facilities to labour fall under such headings as leave, play-offs, termination of service and disciplinary proceedings. The employers will find the new standing orders helpful in dealing with absenteeism and misconduct. Besides, the orders also bring the definition of the workman in the sugar factory in line with the description adopted in the Industrial Disputes Act and assure relief to apprentices by providing a time-limit to their training period.

A pilot project, designed to impart general education to industrial workers, will shortly be introduced by the Government of Bombay, under the auspices of the Institute for Labour Welfare Workers, Nigam. This is the first attempt of its kind in India. Its objectives are to improve the efficiency of workers, to promote better industrial relations, to enable workers to understand modern economic and other trends, and to discipline their mind and develop their thinking power and latent potentialities. A nominal fee of Rs. 2 per trainee will be charged for the full course. Classes will be held from 5-30 p.m. to 7 p.m. on three days in a week. The first three-month session will commence on the 17th inst. Successful trainees will be awarded the Bombay Workers' Education Certificate.

A sub-committee has been set up by the Steering Group on Wages which will analyse the problem of labour costs in relation to the cost of production in industry, in order to arrive at a satisfactory definition of "wage costs." This study is expected to take into account the export capacity of the country, especially in the light of present foreign exchange difficulties, the surplus required in industry for financing expansion and the cost of manufactured goods to the consumer. Further, a research programme on "Replacement costs in Indian industries" will be entrusted to the National Council of Applied Economic Research. The programme will cover the cement, jute, sugar and heavy chemical industries. The report will recommend appropriate methods of financing the replacement and modernisation needs of industries, generally, and export industries, in particular. Besides, it is expected to indicate a methodology applicable to similar studies elsewhere.

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From Abroad

The Ceylon Government has refuted rumours that it is considering devaluation of the rupee or revision of principles of taxation proposed in the last budget which includes new levies on wealth, expenditure and gifts.

The Government of Indonesia has seized all K.M.T. Chinese banks and placed their contents and documents under State control. The administration of the banks will be directed by an organisation already controlling Dutch banks taken over a year ago.

The West German motor output has gone up to 1,097,983 units in the first nine months of the current year, as against 886,570 units in the corresponding period last year. Exports stood at 534,440 units, as against 415,470 units. Thus, the proportion of total production exported rose from 46.9 per cent. to 48.7 per cent.

The State-owned North-Swedish Steelworks, Norrbottens Jarnverk, has received an order for 11,000 tons of rails from Sudan. Rails constitute a new product of the plant, which will eventually make Sweden self-supporting in this field. A delegation from Sudan, representing its industry and cotton growers, visited Stockholm last week.

Norwegian ship ladders made of aluminium are becoming more and more popular, and they are in increasing demand on the world market. The firm, Marine Aluminium, Haugesund, specialises in this field, and has so far supplied aluminium accommodation ladders to a fleet of 10 million tons. Its production capacity is now being expanded in order to cope with the heavy international demand.

The French Government has under consideration a proposal to establish a State investment company with an initial capital of Frs. 10 million for intensifying the oil exploration drive. It will be a financial holding company to supply the Government-controlled oil exploration concern, Bureau des Recherches de Petroles (B.R.P.), with all necessary funds required for oil exploration.



PERSONAL

MR. M. C. Chagla, India's Ambassador-designate to the U.S., left Bombay for London *en route* to Washington on Saturday, 25th October 1958.

Mr. J. Van der Gaag, the new Consul-General of the Netherlands to India, arrived in Bombay on 24th October to take charge of his assignment here.

Mr. Lewis L. Strauss has been named by President Eisenhower as the U.S. Secretary of Commerce, *vice* Mr. Sinclair Weeks, who has resigned.

Mr. K. D. Malaviya, Union Minister for Mines and Oil, returned to New Delhi on 25th October after a four-week tour of Russia, Eastern Europe Italy and Switzerland.

Mr. V. K. Krishna Menon, Defence Minister and leader of the Indian delegation to the U.N. General Assembly, returned to New Delhi from New York on 24th October.

Mr. B. R. Bhagat, Union Deputy Minister for Finance, left Bombay for Geneva *en route* to Canada on Monday last. He will be the leader of the Indian delegation to the Colombo Plan conference to be held at Seattle, U.S.A., on the 10th inst.

Sweden proposes to raise its contribution to the U.N. Technical Assistance Programme to Kr. 15 million, more than a threefold increase in its existing quota of Kr. 4.5 million. The sum will be distributed between the extended technical assistance programme and the special fund to be established under a recent decision by the U.N. General Assembly.

A new fastening device, described as "zipperless zipper," has been demonstrated at New York by its manufacturers, American Velcro, Inc. The fastener contains two strips of nylon fabric. One strip has thousands of tiny hooks; the other is a mass of tiny loops. When the strips are pressed together, the fastener closes, and opens when they are pulled out. The device is already being applied in clothing.

Successful development of nitro-paraffins as a substitute for motor fuel could double automobile and aircraft engine power output and cut engine size and weight by half, according to Mr. Ernest S. Starkman, an engineer of California University. The preliminary tests showed that the energy output of the compounds compared favourably with conventional petrol. He noted, however, that the compounds are at present relatively expensive.

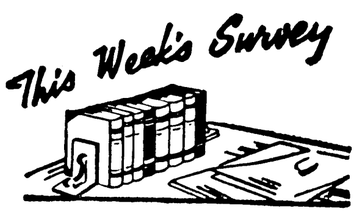
Oil sales in the U.K. is still above last year's level, despite falling industrial production and other unfavourable seasonal factors. But the rate of increase has been declining. Sales in the first half of 1958 were 30 per cent. higher than in the same period of 1957 but, by the end of September 1958 the improvement dropped to just over a quarter. The oil industry, however, seems to be confident that sales this year will be by 20 per cent. higher than in 1957.

World trade in manufactured articles was four per cent. lower, in terms of value, during the first half of the current year, as compared with the corresponding half in 1957. Smaller shipments from the U.S. accounted for 90 per cent. of the reduction. Britain's exports were lower by 2 per cent. but its share in world trade rose from 18.3 per cent. to 18.4 per cent. West Germany and Japan also were able to increase their share.

A loan of I.£20 million (£4 million sterling) is being made available by the U.S. Operations Mission in Israel to the Government of Israel for increasing the amount of credits available for the development of indigenous industries. The entire sum will be invested in non-voting 4 per cent. preference shares of the Israel Industrial Institution, a recently created industrial development bank. The loan, which represents funds obtained from the sale of U.S. agricultural products to Israel, will bring the capital of the Institution to I.£32 million.

An electric motor which has been operated for 1,000 hours at a temperature more than twice that of the burner on a kitchen stove—about 1,000 degrees Fahrenheit—has been demonstrated at Pittsburgh, U.S. Scientists of the Westinghouse Electric Research Laboratories said the motor foreshadowed continuous flight at near red heat. They believe the motor will have important uses in space travel and atomic energy. The motor uses insulating materials that withstand extreme temperatures together with a system of graphite bearings.

A floating exhibition of Swedish export products—the second of its kind and larger than the Swedish East-Asia Line's successful "Bali" expedition to Asian ports last year—is to tour South African and Portuguese East African ports next month. It has been arranged by the Swedish Transatlantic Line on board its newest merchant vessel, the 7,600 tons d.w. *Elgaren*, in collaboration with the General Export Association of Sweden. Some 250 exhibitors are taking part and the 175 individual displays represent a wide range of Swedish quality products from matches and paper to engines and motor cars.



LABOUR PROBLEMS

THE wave after wave of labour unrest now sweeping over the country does not augur well for India's economic future. In recent months, the strikes at Jamshedpur and in the major ports have caused considerable damage. There is no knowing what the strike in Kerala's plantations may mean to national economy. The final reckoning has still to be made. It was once believed that the Code of Discipline, which was adopted at the tripartite conference, held at Naini Tal, in May last, would be a preclude to a period of industrial peace. Events have falsified this hope. Small wonder, then, that the Union Labour Minister, Mr. Gulzarilal Nanda, in the course of his address at the seventeenth session of the Standing Labour Committee, held this week in Bombay, averred that "it would, of course, be worse than useless if the provisions of the Code are not implemented at all levels to the utmost extent possible." It would appear that the Government proposes to undertake case studies of strikes, with a view to determining where the responsibility for the breakdown of the Code lies and taking appropriate action in order to prevent recurrence of such breakdown. Such a survey may prove useful. But it should be clear that, unless labour leaders in this country are willing to eschew excessive demands and aggressively agitational methods, there can be no lasting industrial peace of the kind which is necessary in the interests of rapid material advancement.

Mr. Nanda did well to deprecate the undertaking of fasts by trade unionists and the frequent reference of labour issues to courts. He rightly suggested that fasts, undertaken by workers in order to bring pressure on employers, are a violation of the Code, because they constitute a form of "intimidation and direct action." He added: "It is being urged that recourse to such coercive acts is the direct outcome of the frequent approach by the employers to High Courts and the Supreme Court which cause excessive delays and frustration and thus undermine the confidence in these procedures. I do not brush aside this plea or deny its relevance but a hunger-strike or *satyagraha* can furnish no solution of this problem." He warned that, if they persisted in adopting these methods, it might "destroy the whole system of peaceful settlement of industrial disputes which has been labouriously built up during the last two decades." At the same time, he urged the employers and the workers to resist the temptation of going to Courts on the slightest provocation. Only important issues which cannot otherwise be resolved, as he pointed out, should be referred to courts.

Proceeding, Mr. Nanda referred to the movement for workers' participation in management. He said that it was "only on the basis of genuine partnership between workers and the management that peace in industry of a true and enduring kind can be established." He added:

"It will be recalled that, at my request, the workers' representatives agreed to drop their insistence on making such participation compulsory by law. What we are seeking to achieve through this new relationship between workers and management is not simply the absence of strife but positive collaboration for raising industry and the economy of the country to higher and higher levels. I had explained then that to me workers' participation in management which was going to be introduced on a voluntary basis in a number of establishments was not of the nature of an experiment. I have taken it for granted that it will become a universal feature of our industrial organisation in this country, and I am not anticipating a very long period to elapse before we arrive at this stage. I have had to say this now, because I am not satisfied with the rate of progress in this direction. Since the time of the Seminar in January this year, when 30 units enlisted themselves voluntarily for this scheme, only one-third of these units have so far constituted the Joint Management Councils."

Although the slow rate of progress in the implementation of the scheme for workers' participation may be deplored, it cannot be gainsaid that such participation has been rendered difficult by the attitude of labour itself. A period of industrial unrest is hardly the appropriate time for ushering in new changes in the relationship between employers and workers. Indeed, if the changes are introduced at the wrong moment—that is, before the relations between the two sides have become normal—the movement may receive a severe setback. Nor can one ignore the fact that, in the context of the continuing political bias in trade unions, the movement may easily take a political turn, and thereby lead to deplorable results from the point of view of the industry as well as the community. It is not so much the speed with which the reform is tried that matters as the success which attends it in the few centres where it is implemented. The saying that "slow and steady wins the race" applies to this labour reform more than to any other.

DOUBLE TAXATION

International movement of capital, incomes and profits will receive the impetus it deserves only if double taxation of incomes—that is, taxation of incomes in more than one country—is avoided. In the context of the great need for capital in many parts of the world and the importance of promoting free multilateral trade, the question of avoiding double taxation assumes a new significance. It may be useful to recall here that the history of this question is of comparatively recent origin and progress in solving the problems involved in avoidance of double taxation has been transferred by the economic disturbances in the inter-war, war and post-war years. The first model convention for avoidance of double taxation was formulated by the League of Nations in 1928; it took nearly eight years to hammer the convention into shape. The work of the League of Nations resulted in Model Conventions of Mexico (1943) and London (1946). Nevertheless, much remains to be done in this sphere. For one thing, there are many countries which have not adopted these conventions. Secondly, the increasing interdependence of national economies calls for fresh appraisal of the whole range of problems involved in eliminating double taxation.

Against this background, the work of the Fiscal Committee of the Organisation for European Economic Co-operation (O.E.E.C.), which was set up in 1956, will be widely welcomed. The Committee has done much commendable work in mapping out an area for possible agreement among member-countries of the O.E.E.C. Clearly, such agreement is absolutely necessary for that closer economic co-operation envisaged in the plans for economic integration of Western Europe. In its report entitled *The Elimination of Double Taxation*, the Committee reveals that it has reached agreement on the first four questions which it studied—(1) listing and definition of taxes on income and capital (including taxes on estates and inheritances) which should be covered by double taxation agreements; (2) concept of permanent establishment; (3) concept of fiscal domicile; and (4) tax discrimination on grounds of nationality or similar grounds.

The agreement reached on the first of these questions is intended to render the terminology and nomenclature relating to the taxes covered by each agreement acceptable and precise, to ensure identification of the taxes covered by the convention and to widen the coverage of the convention. The concept of permanent establishment is designed to ensure that industrial and commercial profits accruing to an enterprise of one of the contracting parties cannot be subject to tax in the other contracting State unless the enterprise carries on a trade or business in that other State through a permanent establishment situated therein. The concept of fiscal domicile is an essential concept in double taxation conventions, because it serves to determine the individuals and legal persons contemplated in them. The Committee has defined, under the expression "resident of a State," the individuals or legal persons who, under the natural law of that State, are liable to taxation therein by reason of the connection they may have with that State and has also laid down the consideration which must apply to an individual who is a resident of more than one State. The last topic, namely, tax discrimination, is not strictly related to the issue of double taxation. Nevertheless, the Committee feels that the principle of adhesion to the principle of "no discrimination" should be clearly embodied in double taxation conventions.

The Committee is now engaged in the study of other fiscal questions such as the taxation of income of shipping, inland water transport and air transport, taxation of personal services and income from immovable property and royalties, definition and apportionment of profits between the head office of an enterprise, its permanent establishments and its subsidiaries and taxation of interests and dividends. It is aware of the many difficulties which must be overcome before "co-ordination can be established and maintained in the complex field of international taxation relations." Nevertheless, it is confident that very "substantial results" can be obtained in the next few years. This confidence is based on its experience which suggests that there is "considerable identity" of views among member-countries of the O.E.E.C. over the measures to be adopted in order to avoid double taxation. In any case, the Committee hopes to be able to submit, by July 1961, a draft convention for the avoidance of double taxation in respect of taxes on income and capital as well as concrete proposals for its implementation. There is no doubt that the work of the Committee will prepare the way for multilateral fiscal agreements not only among O.E.E.C. countries but also in the rest of the world.

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AID FOR ASWAN DAM

The U.S.S.R. has, after blowing hot and cold for the last two years, made up its mind to grant sizable aid to the United Arab Republic for the construction of the Aswan High Dam. The proposed aid, in the shape of 400 million roubles (£33 million sterling) credit, is probably the biggest single investment undertaken by the U.S.S.R. outside the Red bloc. It will be utilised for the purchase of machines, equipments and other materials from the U.S.S.R. The Soviet loan, which equals more or less the sum once jointly offered but subsequently withdrawn by the U.S. and the U.K., is of vital significance to the economic development of the U.A.R.

The construction of the Aswan High Dam will doubtless provide a new impetus to the overall development of Egypt. The project will be located in southern Egypt, just south of the present Aswan Dam. It is expected to back up 140 to 216 billion c. yds. of Nile waters, irrigating an additional area of 2 million acres of arable land. Besides, the project seeks to generate hydro-electric power of about 10 billion kw. annually. The scheme was to be put through at an estimated cost of £500 million sterling, over a period of about 15 to 18 years. A relatively modest version of the plan, however, was formulated last year, envisaging the extension of the cultivable acreage only by one million acres over a period of five years. The first stage of this scheme, it is computed, will incur an expenditure of about 60 million pounds, foreign exchange components of which constitute about 50 per cent. Apparently, the promised loan from the U.S.S.R. will meet this part of the total cost.

It must, however, be admitted that, in order to cover the entire cost of the scheme in its original form, Egypt will have to tap other sources. For the Soviet loan covers only a fraction of the aggregate expenditure involved in the construction of the original blue-print for the dam. It remains to be seen whether any of the free countries will come forward to cooperate in the project. There is yet another bottleneck. When the project is commissioned the water that it will impound will flood large areas of adjoining Sudanese territory requiring evacuation of some Sudanese towns and villages. The two Governments have consistently been at loggerheads on this issue. It is to be hoped that both the countries will iron out their differences and work out an agreed formula which will expedite the construction work of the dam.

Per capita bank deposits in Switzerland is the highest in the world. Thus, as at the end of 1956, bank deposits in Switzerland were $899 per head of population, as against $708 in the U.S., $549 in Sweden, $453 in Great Britain, $233 in Belgium, $152 in Italy, $115 in France and $110 in Germany. In this comparison, however, it must be borne in mind that Switzerland is reputed to be the centre for a large amount of fugitive capital from several parts of the world.

AMERICAN LETTER

ECONOMIC RECOVERY RAPID

CONTINUED BOOM IN EQUITIES BAFFLES MANY

From Our Special Correspondent

NEW YORK, *24th October*

THE economic climate is improving rapidly. Steel production has risen from a 1958 low of about 50 per cent. of capacity to 75 per cent. Steel executives believe that if the 1959 models of automobiles, which are being presented to the public this month and next, result in many sales, the output of steel may reach 90 per cent. of capacity before the end of the year. It is, of course, completely unpredictable what the public will do. The standard models of the new cars are both wider and longer. The new Cadillac has now reached a size where public garages in major cities of the United States refuse to house it, because it takes too much room. General Motors and Ford, as stated before, work on the theory of planned obsolescence—more gadgets and more automation to whet the consumers' appetite.

Chrysler and the foreign car owners play up utility and economy. Some cars are now so low that it requires contortions to get in and out. Thus, Chrysler has devised a swivel arrangement for the two front seats which eliminates much of the contortions. It is sensible and practical, but just what will be the greatest sales incentive remains to be seen.

Other factors entering into the steel picture are rockbottom steel inventories record increases in building and construction and a definite gain in consumer buying, accompanied by a boost of instalment credit. This, however, has not slowed the accumulation of savings.

Up to this point, consumer buying favours soft goods rather than durables. Here are a few highlights. Private housing starts in September spurted to an annual rate of 1.2 million units, the highest since October 1955. This brought the rate for the first nine months of the year 7 per cent. ahead of the 1957 period.

Telephones Busy

The Bell Telephone system, headed by American Telephone and Telegraph Company, reported that, for the first time in 1958, the gain in telephone installations (700,000) exceeded that of a year ago. Long-distance calls jumped 5 per cent. Chain stores sales in September were 6.3 per cent. above those of a year ago. It was the biggest gain since November 1957. And August shipments of gas heaters, radios and television sets topped those of July.

Along with these developments, it is not surprising that rail freight traffic pushed into new high ground for the fifth consecutive week—at this writing. Car loadings aggregated 686 000 cars, the largest since November 1957. One railroad, the Chesapeake and Ohio, reported the highest September revenues in its history.

Overall industrial production climbed in September for the fifth straight month. Marked curtailment of automotive activity, owing to strikes and model changeovers, however, gave the Federal Reserve index a boost of only 1 point to 137 of the 1947-49 average.

Boom in Stock Exchange

Psychologically, one of the most bullish factors in the economy has been the rise of American stock prices on the various exchanges. Traders and investors alike are baffled, since the prospect of 1958 earnings hardly support such an upswing. Thus, it is no wonder that the short position on the New York Stock Exchange which is reported every mid-month is about double from what it was a year ago.

There are some plausible explanations for this rise in prices. One is the popular obsession that inflation is inevitable so far as the long-range is concerned. Another is the steady accumulation of investment plans and funds which grow by statutory contributions cumulatively.

Hence, one-third of all investors on the New York Stock Exchange today are institutional and unemotional. They practise dollar averaging and adjust their positions as readily in a declining as well as in a rising price trend. This has been one of the greatest cushions in either direction. One might surmise that short of a national or international catastrophe, the markets are, thus, panic-proof.

The recent increase in margin requirements to 90 per cent., outside of an immediate shakeout has had very little effect. The fact of the matter is that the inflation-consciousness has led to more and more buying of common shares rather than fixed income obligations. In the blue-chip area, a scarcity of investment media has been developing which is another reason for the price increases.

Bountiful Harvest

A more than bountiful harvest this year produced declines in wholesale food prices. They are now at a new 1958 low for the third successive reporting period. The reading this week is the lowest since November 1957. Conversely, there are surplus problems that Washington will have to cope with in the ensuing months. While some industries remain behind 1957 in earnings, others are considerably ahead. Grand Union, a food chain, for example, operated at a record in sales and profits in the six months ended 30th August 1958 and so did Proctor and Gamble. General Electric's third-quarter profits set a record for the period.

After the pessimism which was prevalent a short six months ago, it is astounding to find so much unqualified optimism. Said George M. Humphrey, Chairman of National Steel and former Secretary of the Treasury, "increased consumer buying has done the trick." A Federal economist jubilantly exclaimed, "there are no weak spots in business activity."

Retail executives from coast to coast say department and apparel stores throughout the nation are looking ahead to their biggest autumn and Christmas business in their history. Sales thus far in October are on the plus side. Moreover, all signs seem to point to an even higher rate of customer activity in November and December.

No Decline Seen

It is particularly significant that no retailer forecasts a decline for the rest of the year. Perhaps, this is natural, since this is normally the biggest buying season, anyway. The latest survey made shows this is the first time in 1958 that all store executives are agreed business would either match or top comparative 1957 figures for three consecutive months. Of course, the majority can be wrong, too.

In such an atmosphere, millions of U.S. voters will go to the polls early in November to elect State Governors and a goodly portion of Congressional representatives. There has been a big swing towards the Democrats in recent by-elections. Yet, President Eisenhower's personal popularity remains unimpaired. However, whether his current campaigning will influence voters towards other Republican candidates is another question. The President is regarded as very much above politics. He stands on his previous record as an historical figure, but not necessarily as a Republican hero. Besides, the differences in Democratic and Republican programmes are so diminutive that the average man hardly understands them.—*All Rights Reserved.*

U.S. INCOME SHOWS "SUBSTANTIAL" RISE

A slight mid-year rise in the national income and a substantial rise during the third quarter reflect the U.S. progress in economic recovery, according to its Commerce Department. National income for the second quarter is estimated at an annual rate of $352,500 million—a rise of about $2.000 million. National income estimates for the third quarter still await reports on corporate profits. It is "clear," however, that the larger part of the 1957-58 decline in national income has now been recovered. (National income is the aggregate earnings of labour and management, inclusive of taxes, in the production of goods and services required by the national economy.) Annual rate of employee compensation for the third quarter this year was $255.500 million—an increase of $4.500 million, or nearly two per cent., above the second quarter level. This advance wiped out about two-thirds of the previous reduction in this category.

Meanwhile, the Labour Department reports that consumer prices held the line in September for the second straight month, with lower prices for food, personal services and recreation. At the same time, the "take-home" pay of American workers and the buying power of that pay increased one per cent., because of the price stability and because of increased hourly earnings.

September "take-home" pay—pay remaining after deductions for federal income and social security taxes—hit a record average of $77.25 per week for workers with three dependants and a record average of $69.80 for single workers.

September spendable hourly earnings were some 65 cents higher than in August and about $1.80 above September a year ago, according to the Labour Department. In a statement commenting on the Labour Department report, President Eisenhower said:

"It shows that, for the second successive month, the retail cost of food to the American housewife is down. To be sure, some retail prices have gone up in recent months, but others are lower than they have been in a year or more. This means that the recent gains in weekly earnings of American workers represent real increases in buying power, not just offsets against higher prices These earnings have increased more than five per cent. since February. Their actual buying power is higher than it has been for well over a year and is 15 per cent. above what it was in 1952. Most important to all Americans, it confirms the fact that recovery is possible without inflation. We must preserve this stability in the value of the dollar without recourse to stifling controls."



ECONOMICS OF TRACTOR CULTIVATION

RESULTS OF ENQUIRY IN THE PUNJAB

From Our Special Correspondent

NEW DELHI, *28th October*

DELHI LETTER

IN the 10-year plan for food production recently publicised by four leading industrialists—Sir B. P. Singh Roy, Mr. Tulsidas Kilachand, Mr. C. H. Bhabha and Mr. B. M. Birla—mechanised farming on a large scale is visualised. The authors of the plan have, however, not gone into details regarding the economics of tractor cultivation. In this connection, a recent survey report issued by the Board of Economic Inquiry, Punjab (India), has acquired topical relevance.

It is stated at the outset of the report that "the desirability of introduction of tractor cultivation on a large scale is questioned by some from the point of view of employment, while there are others who doubt its utility from the point of view of costs. Both have good arguments to support their contentions. As against this, the number of tractors seems to be increasing daily. This adds to the conviction that tractors are economically a more paying proposition than bullocks, at least under certain circumstances. Therefore, the question deserves serious consideration. For this reason, it was thought fit to conduct an investigation into the working of a few farms cultivated with the help of tractors and thus find out how far tractor cultivation has justified itself on economic grounds. It was also intended to find out the difficulties faced by mechanised farms and ways and measures to overcome these difficulties.

In this report the accounts of two farms selected at village Khera near Jagadhri (District Ambala), where cultivation is carried on with the help of tractors, were studied. The period under study was one year, from 1st June 1954 to 31st May 1955. These farms are identified as Farm A and Farm B. The survey results regarding Farm A alone are given below. The report has also drawn pointed attention to some problems of tractor cultivation which would need to be solved, if mechanised farming is to succeed in Indian conditions.

Farm A: The net cultivated area of this farm during the period was 119.6 acres (including 10 acres taken on rent), the whole of the area being in one compact and consolidated block. The farm had three tube-wells installed in it and the whole area was irrigated. The gross area under crops (both food and commercial) was 146.7 acres, giving 122.6 per cent. intensity of cropping. The area cropped per permanent worker was 17.3 acres and the area cropped per pair of bullocks was 41.9 acres. As compared with purely bullock-operated farms, an average worker and a pair of bullocks thus controlled more area at the tractor-*cum*-bullock cultivated Farm A.

The cost of tractor cultivation at this farm has been worked out as Rs. 4.38 per working hour in general. It was also found that the costs per acre of performing different operations by tractors were less than by bullocks. The gross income from the farm during the year was Rs. 36,394 and the total expenditure Rs. 20,457, giving a net income of Rs. 15,937 for 119.6 acres or Rs. 166 per acre.

The most important single factor contributing towards the success of big farms is the success of their mechanisation. The organisation of big farms on modern lines is done with two aims in view: first, to have advantages of large-scale production and, secondly, to escape the drudgery of farming with animal labour alone. In certain other cases the aim of the landlord in organising big farms is self-cultivation of their lands. During investigation many types of difficulties of the tractor owners came to light, which need the maximum of thought for their solution. The following are the problems and the suggested solutions:

The repair of agricultural machinery and supply of spare parts is a problem which stands out conspicuously. All the tractor owners, including individuals and co-operative societies in the State, may be organised into some sort of organisation or co-operative society. There may be some membership fee. This organisation should carry out a census of all the farms which have mechanised cultivation and thus be in a position to see the overall position regarding total requirements of spare parts and repair facilities. This organisation should have a central office with a big workshop attached to it. Here it should give mechanical and operational training in driving the tractors and tube-well engines to the representatives of member farmers and to others who may feel interested in it for the sake of training for a job. This will help the farmers in understanding their machinery and will also give trained drivers to those who need to keep paid persons to operate their tractors.

In the Central Workshop, major repairs of a few tractors may be done and efforts should be made to explore as far as possible the scope for the manufacture of spare parts. This organisation for agricultural mechanisation should have regional workshops at convenient places where the tractor repairing should be done. These regional workshops may be located at district headquarters. In addition, there may be sub-regional workshops depending upon the number of tractors in a particular area. At these sub-regional workshops, there should be a team of mechanics and blacksmiths. The area of each field mechanic should not be large and may include at most 25 tractors. The member farmers should contribute towards the salaries of these mechanics.

The Price of Oils and Lubricants: The second point worth consideration is the price of oils and lubricants. Farming as such is not remunerative enough to pay the price of oils and lubricants which usually prevails in the market after competition with other industrial undertakings. This has long been established and, in most of the Western countries, special subsidies are given on oils and lubricants used for genuine agricultural purposes. In our country, instead of reducing the burden of taxation on oils used for agricultural purposes, the import duty has been further increased. This is telling upon the economy of mechanised farms and it seems only fair that the taxation structure is revised in favour of agriculture.

Supply of Trained Drivers and Mechanics: At present, the shortage of trained drivers and mechanics is a problem facing those who wish to have paid workers. Any person who can start the tractor engine and control the steering, claims to be a trained driver. The knowledge of working the implements and maintenance of tractors is considered superfluous. This is specially the case with people who are new entrants into the field of tractor farming. The result is that mishandling of the tractor brings about heavy financial losses in farming and may cause the eventual collapse of such farm. Special schools and training centres may be organised in the State where individuals may be given proper training in the use and handling of the machinery, namely, the tractors and the tube-wells. Such training classes may, with advantage, be started on big mechanised farms under the supervision of the Agriculture Department where, in addition to engine mechanism, knowledge of scientific farming may also be imparted. The people trained in these schools or training centres will, on return to their respective village, prove very useful and will help agricultural development on proper lines.

Reduction in Area of Fodder Crop: Another point worth consideration in tractor (mechanised) farming is the decrease in the area under fodder crops. Under conditions of bullock cultivation, a good proportion of the farmland is put under fodder crops. A part of this area becomes available for growing of commercial crops when the tractor is brought on the farm. There is thus an increase in the marketable surplus of the farm. This gives rise to the problems of proper utilisation of this area for the growth of commercial crops and the actual marketing of the produce to the best advantage of the cultivators.

(*Concluded from next column*)

the trend is sharply accentuated, then obviously production in this country will be affected. But a surplus of balance of payments can still emerge even though the balance is achieved at a much lower level of activity.—*All Rights Reserved.*

A NINE-MONTH TRADE PATTERN

From Our Own Correspondent

LONDON, *24th October*

LONDON LETTER

THE figures of Britain's overseas trade for the first nine months of the year are now available, and they present a most useful addition to the picture recently given of the balance of payments for the year ending last June. The addition of the third quarter of 1958 makes it possible to discover a trend which indicates that the year ahead is not likely to show as favourable a position as the year ending last June, but on the other hand it would be pessimistic to assume a rapid deterioration—unless, indeed, the economy as a whole takes a rapid turn for the worse. The visible deficit for the first nine months of this year averaged £33 million a month, against £57 million a month in 1957. The expression "visible deficit" in this context is, of course, the difference between imports on a c.i.f. basis and exports on a f.o.b. basis. Because if one simply takes the visible trade account as used for balance of payments purposes, then against the visible deficit of £172 million in the first six months of the year (difference between imports c.i.f. and export f.o.b.) the balance of payments on trade account shows a surplus of £137 million. A simple way of getting a true appreciation of the difference between this year and last is to take merely the change in the position—this shows a reduction of the visible deficit of £24 million a month or £216 million over the nine months to the end of September. The figures must, however, be broken down into quarters to realise what is happening. For the first quarter of this year, the visible deficit averaged £24 million a month, for the second quarter £33½ million a month and for the third quarter £41½ million a month. Even if one allows for the seasonal movement in these figures, there is a deterioration.

The explanation is to be found very largely in price movements. Eighteen months ago, import prices and freights stood at a peak level from which they fell about 10 per cent. to the beginning of this year. The fall continued for a further three months, since when the import index has been stable at about 98 per cent. of the level of 1954 and at an average of 9 per cent. below the level of a year ago. The *volume* of imports has remained around the level of last year, so that the gain in the import bill has been entirely on prices.

But, although the volume of imports has remained stable, its composition has changed significantly. Industrial material imports in the first nine months of this year have indeed been about 10 per cent. below their volume of a year ago. This has been due in part only to the running down of stocks; about 2 per cent. is attributable to the fall in the level of industrial production, comparing this year with last; and the rest reflects industry's view to a continuing decline in production activity. Some of the major industrial materials, for instance, cotton, wool, rayon pulp, jute, steel-making materials, steel, tin ore, soft wood and vegetable oils and oilseeds are down by a seventh or more in quantity.

On the other hand, imports of finished manufactures have continued to rise strongly this year and have totalled 10 per cent. above their level of a year ago. This reflects in part the increasing investment in plant and machinery and has been made possible by the progressive reduction in import restrictions.

Export prices have remained remarkably stable over the past year but the volume of exports, which had been rising in an unbroken curve for some four years, began to turn down just a year ago. Over 1958 to date, the fall in volume has been 4 per cent. but in the last few months it has, indeed, been as high as 6 per cent. The reduction has been spread generally over most markets though particularly Western Europe, but shipments to North America have happily continued to rise. The principal contributory to this has been the strength of the export trade in motor vehicles, shipments of which have been running about 4 per cent. above the level of a year ago.

The greatest weakness on the export side is naturally that the primary producing countries may be obliged drastically to cut down their purchases. Signs have been seen already in Australasia, South Africa and Latin America and, if

(*Continued in previous column*)



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U.S. BANK RATE RAISED FURTHER

NO MOVE TO RESTRAIN CREDIT FOR THE PRESENT

FOR the second time within a space of ten weeks, the U.S. Federal discount rate (corresponding to the Bank rate in India) has been stepped up. The first occasion was on 14th August last, when the Federal Reserve Board authorised the Federal Reserve Bank of San Francisco to raise its discount rate from 1½ per cent. to 2 per cent. effective on the following day. This was followed later on by the other Federal Reserve Banks with a similar increase. The second instance was the further rise of ½ per cent. to 2½ per cent. in the discount rates of five Reserve Banks, namely, Philadelphia, Richmond, St. Louis, Minneapolis and Dallas, on 23rd October 1958. This is expected to be followed by the other seven Reserve Banks, resulting in a general hardening of interest rates.

The stepping up of the U.S. discount rate was not unexpected. For banking circles in New York had been talking about the prospect of a further rise in the Bank rate during the past few weeks following the sharp jump in Treasury Bill rate and the widening disparity between this rate and the U.S. discount rate. The surprising element in the latest move is perhaps the extent of the rise. Judged by U.S. standards, a rise of ½ per cent. is considered high; the general expectation was only a rise of ¼ per cent. This is not, however, the first time that such a sharp increase has been effected. In August 1957, it will be recalled, the discount rate was stepped up by a similar extent to the peak of 3½ per cent. The first move in the direction of cheaper credit to arrest the recession and to stimulate business activity was made in November last, when the discount rate was cut from 3½ per cent. to 3 per cent. It was successively brought down, first to 2.75 per cent. in January this year, then to 2.25 per cent. in March and still further to 1.75 per cent. in April last. It was in August last that a reversal in the interest rate policy was made, following distinct signs of the flattening out of the recession and the resumption of business activity.

The latest increase in the U.S. discount rate, which is described in official circles as a "technical adjustment," does not necessarily mean that the Federal Reserve Board has simply followed the trend of interest rates in the market. For the hardening of the interest rates in general was itself due, to a large extent, to expectations of a change in the official monetary policy. It will be interesting to note here that the Treasury Bill rate has climbed up during the last three months from a low of 0.98 per cent. for the week ended 28th July last to a high of 2.93 per cent. (the highest rate since December last) on 10th October. The rate has since slightly tapered off to 2.8 per cent. This year's high of 2.93 per cent. is, however, very much lower than the 1957 peak of 3.64 per cent. touched in the week ended 19th October 1957, from which level it had slided down almost continuously to 0.98 per cent. in July this year. A feature of the recent trend in Treasury Bill rate is the widening of the gap between it and the discount rate, the former standing, prior to the latest increase in the discount rate, at more than one per cent. above the latter. This gap has since then been considerably narrowed down, consequent on the slight fall in the Treasury Bill rate and the rise in the Federal discount rate.

The rise in the Federal Reserve discount rate is expected to lead to an increase in the commercial banks' prime lending rate from 4 per cent. to 4½ per cent. and give a further push to Treasury Bill rate. It is difficult to foresee the effect of the upward trend in short-term rates on Government bonds. Normally, a rise in short-term rates would have a hardening effect on the long-term rates, thus leading to a decline in bond prices. But the bond market is already depressed due to fears of inflation. If the investors are convinced that the latest official move is another firm step to fight inflation and to safeguard the dollar, the bonds are likely to gather strength. In order to check undue credit expansion in the stock market, the Federal Reserve Board raised, on both the occasions, prior to the two successive increases in discount rates, the stock margin requirements. On 5th August last, the margin was raised from 50 per cent. to 70 per cent. and on the 15th ult. further to 90 per cent. The Federal Reserve Board is said to be reluctant to enforce any new restrictive moves at present, but the Vice-Chairman of the Board has warned that the Board might advocate a return to direct consumer credit controls, if there were another "radical easing of credit terms as in 1955, while credit demand and consumer spending were rising." There has, however, been no large-scale expansion of bank lending after the business recovery set in. On the contrary, the demand for bank loans is said to be surprisingly low, despite the business recovery. So far this year, the business loans of New York City banks, for instance, show a fall of $1,172 million to $10,623 million, as against a rise of $178 million to $11,649 million in the corresponding period of 1957. The recovery so far has not been of such magnitude as to offer a threat to price stability. Though national income is expected to reach record levels during Christmas, productive capacity is said to be still well above the demand and unemployment remains at a high level. In short, the present indicators show that there is no immediate threat to price stability.

While raising the Federal Reserve discount rate to 2½ per cent. the U.S. Government must have surely kept in mind the twin object of making money dear without making it scarce and of finding the sources for financing its large public debt. A sum of $80,000 million of old debt is due for repayment over the next year and the Government has to find some way of getting the money. The general expectation is that the Government may not enter the long-term capital market so long as the bond market remains depressed. The only other way is to borrow on a short-term basis for the time being. An indication of the official policy in regard to the Government's borrowing is provided by the recent successful marketing of special bills of the value of $3,500 million due for repayment in May and December 1959. This is no doubt only an expedient, but a confirmation of the Government policy will be found when the Treasury announces its borrowing programme in a few days' time.

U.S. EXPORT-IMPORT BANK

A special representative of the U.S. Export-Import Bank may soon be stationed in New Delhi to work out details of the $150 million credit extended to India in June as well as for lending to private concerns the rupee equivalent of $60 million from the sale proceeds of the latest P.L. 480 agreement, according to Mr. Samuel C. Waugh, the Bank's President. "This is the first time that we have considered stationing a representative of the bank outside Washington," Mr. Waugh said, "since India is half-way around the world from the U.S., and small industrialists here cannot be expected to send an agent to America to negotiate a loan from the bank."

Since the World Bank and the U.S. Development Loan Fund are better suited to extend credits in the public sector in India, he said, the Export-Import Bank will concentrate on making loans to the private sector, particularly medium-size industries. The Bank hoped to extend such loans to Indian industries through the guarantee of private Indian banks.

Answering a question, Mr. Waugh pointed out that his Bank was required by law to finance and encourage American exports, and as such it could not be expected to extend credits for purchase of capital equipment from other countries. Other countries able to sell capital goods to India, he said, were also financially quite sound now, and should be ready to extend any credit arrangements required by India.

Stressing the importance for a large country like India with a growing population to exert every effort to develop its agriculture to the point of self-sufficiency in food, he said the Export-Import Bank would sympathetically consider extending credits to projects in the private sector for setting up fertiliser or tractor-manufacturing plants.

The Bank had under study one or two projects in the private sector for possible loans, Mr. Waugh said, but he declined to discuss the nature of the projects. The scope of the Bank's future operations in India would depend on the ability of particular projects to make or save dollars, he said, inasmuch as the Bank made loans in dollars and collects repayment in dollars.

Discussing prospects of increased American private capital investment in India, he said that the "rather complex" tax structure of India frightened foreign business men not familiar with its impact on new ventures. He said he had discussions with Indian Government officials in this regard and they had agreed to study the question of simplification of the tax structure to attract more foreign private capital.

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The recent $238 million sale of U.S. reserve agricultural commodities to India will provide the Export-Import Bank with the equivalent of nearly $60 million in rupees for lending to private concerns in India, according to Lynn U. Stambaugh, First Vice-President and Vice-Chairman of the Bank. Sale of agricultural commodities to India is made under Public Law 480. A section of that law provides that the Export-Import Bank may receive, for lending, to certain types of firms, up to 25 per cent. of local currencies paid for such purchases. The agreement, which was signed on 25th September 1958, provides for financing the sale of 2,800,000 metric tons of wheat, 100,000 metric tons of corn and 200,000 metric tons of grain sorghums. The agreement also provides that the Indian rupees accruing under the agreement will be used for loans to the Indian Government for the financing of economic development projects, some grants and for meeting U.S. expenditure in India.

U.S. DEVELOPMENT LOAN FUND

The U.S. Development Loan Fund (D.L.F.) has approved loans or earmarked funds for projects aggregating $563,808,000 in the first year of operations which ended on 20th October 1958, including $75 million for a variety of projects in India. The D.L.F. has a lending fund of $698,680,000, all of which is expected to be obligated by early next year. Loan applications on hand are from 45 countries for a total of $1,549,397,000. As against this the approved loans are:

Ceylon: $3.25 million for railroad, road, and irrigation projects. *India*: $75 million for railway, road, cement and jute projects. *Israel*: $15 million for development projects. *Pakistan*: $70.2 million for water and sewage, electric, railway, harbour and multi-purpose projects. *Turkey*: $10 million for Industrial Development Bank. *Iran*: $40 million for its Development Plan Organisation Projects. *Liberia*: $3.19 million for sawmill and communication projects. *Sudan*: $10 million for a cotton textile mill. *Tunisia*: $2.4 million for a national railway project.

CENTRAL BANK FOR MALAYA

The Federal Legislative Council in Kuala Lumpur has passed legislation for setting up a Central Bank of Malaya. For the time being, the Bank's area of operation will be limited to the Federation, but the question of extending it to Singapore and other territories will be considered at a later stage. Its main functions include the issue of currency, the safeguarding of the currency and influencing credit to the benefit of the country. The Central Bank will also prescribe the minimum liquid assets which the commercial banks might hold. Besides, it is entitled to recommend to the commercial banks that they maintain a prescribed percentage of their deposits in the form of assets held in the Federation. The Central Bank, however, will not act as an issue bank until the present Currency Board ceases to have authority for this purpose.

AUSTRALIA BORROWS IN NEW YORK

Australia successfully floated last week in New York a Commonwealth cash loan of $25 million. The loan, which has a maturity of 25 years, bears interest at the rate of 5 per cent. and the issue price was 97½ per cent. The issue was over-subscribed.

A loan for a like amount was raised by Australia in New York in April this year, but the rate of interest was 4½ per cent. The higher rate offered for the latest loan was caused by the steep increase in yields of fixed-interest securities on the New York market this year. It may be noted that in 1954 Australia was the first foreign Government to borrow in New York since 1947, and since then it had raised $120 million of the $243 million borrowed by all foreign Governments combined.

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CORRESPONDENTS ALL OVER THE WORLD

STORY OF ITALY'S ECONOMIC REGENERATION

VAST STRIDES IN PETROCHEMISTRY

By The Correspondent of Swiss Bank Corporation, Basle

[There has been widespread publicity to the economic achievements of West Germany. While the progress of this continental country during the last 10 years has been astounding and much of the world's admiration for it is deserved, very little has been said and written about the remarkable post-war gains made by Italy, which had also suffered heavily during the war. It is true that Italy's achievements are less spectacular as compared with its Prussian neighbour, but they are remarkable nonetheless, having regard to Italy's deficiency in natural resources and the heavy odds it had to face in the initial post-war years. This will be evident from the article on this page, published by the kind courtesy of the Swiss Bank Corporation Bulletin. *This inspiring story of Italy's economic progress should be of particular interest to this country, because Italy, too, was a relatively less developed country as compared with others in the West. It is noteworthy that, in the underdeveloped Southern Italy, there has been a forty per cent. increase in agricultural productivity. Another notable achievement of Italy which holds out a lesson for India is in the field of petrochemicals, including fertilisers. We commend this article to the attention of our economic planners.—Ed.]*

BY almost superhuman effort, never relaxed, against odds that seemed all but insuperable less than 10 years ago, the Italian people, in their upward climb, have now reached that stage of economic achievement that justifies the belief in the feasibility of reaching the goal in view—a standard of living for all in Italy equal to that prevailing elsewhere in Europe.

In 1957, for the first time since World War II, the Italian balance of payments showed a surplus. Against a deficit of L. 482 milliards in the balance of trade, there was a surplus of L. 440 milliards in the balance of services, so that the net deficit in the balance on current account, L. 366 milliards in 1952 and L. 136 milliards in 1956, had shrunk to only L. 42 milliards in 1957. Taking into account foreign aid, which, in 1957, was only L. 76 milliards as against L. 82 milliards in 1956 and L. 151 milliards in 1952, the surplus in the balance of payments was L. 34 milliards.

Expressed in real terms, the gross national income in 1957 was 5.6 per cent. above that in 1956, in which year the rise was 4.1 per cent. *Per capita*, the national income rose steadily, year by year, from $296 in 1950 to $428 in 1957. In purchasing power, the increase in average income from 1948 to 1957 was 50 per cent.

Ten years ago, the handicaps that made a solution of the economic problems of Italy seem almost insoluble were:

1. *Overpopulation*: Owing to rapid natural increase, despite continuous emigration, the number of workers has always been about 2,000,000 more than could be gainfully employed. As fast as new jobs were created by the expansion of the economy, the number of workers in search of employment grew. In 1955, the population was 48 million. Today, the figure exceeds 50 million. By 1965, the number is expected to be 52.5 million and by 1975 54 million. Only continuous industrial expansion could absorb the increase.

2. *No abundant natural sources of raw materials exist*: Italy has only meagre supplies of coal of inferior quality and little iron ore of her own.

3. *Only about half the energy consumed is obtainable from sources inside Italy itself.* (O.E.E.C. 1956): All figures on the Italian energy balance, present and future, are necessarily only rough estimates, indicative in order of magnitude. The coal equivalent of the hydro-electric power generated in 1957 (32 milliards kw.h.) was about 13 million tons. Hydro-power accounts for about 30 per cent. of all energy consumed in Italy (O.E.E.C. 1956). The coal equivalent of the energy of all kinds consumed in Italy now is about 43 million tons. Of that, Italian coal accounts for only 1.1 million tons.

In 1947, sources of natural gas were discovered. This led to a swift expansion of many Italian industries, above all the chemical industries for which natural gas is not only a fuel but also a prime raw material. As natural gas is cheaper than other fuels, this facilitates Italian export. By 1956, the natural gas recovered and used as a fuel was equivalent to about 3.5 million tons of crude oil or 5 million tons of coal. By 1965, the output of natural gas is expected to be equivalent to 6.9 million tons of coal and by 1975 to 8.7 million. Experts, however, believe that these deposits of natural gas will be exhausted in about 25 years' time.

By 1965, when all sources of waterpower in Italy have been developed, the energy output from this quarter is expected to aggregate about 50 milliards kw.h., equivalent to about 21 million tons of coal. Natural gas and waterpower together would then yield the equivalent of about 28 million tons of coal, and in 1975 about 30 million, while the energy needs in 1965 are estimated at about 46 million tons and in 1975 at 84 million.

Up till now, the energy deficit of Italy has been covered by the import of coal and oil. Crude oil costs about the same in Italy as in the U.S.A., but coal costs in Italy three times as much. This imported energy must be paid for out of the proceeds of the export of industrial products. To be competitive on the world market, the price of Italian exports must be kept low. This will be difficult. For Italy must obtain most industrial raw materials from the same sources and at the same prices as her competitors. Obviously, production costs in Italy must be held very low. Large production units and low cost production plants must be installed, processes simplified and rationalised and the organisation of industry be modernised.

That, in brief, surveys the perpetual problem. What Italy has done to offset the lack of natural sources of raw materials is vividly illustrated by the gigantic strides made by the chemical industries since World War II. "Air, water, sand, salt, limestone and pyrites" were almost the only raw materials existing in abundance until the discovery in North Italy of natural gas—almost pure methane—in 1947. Research done since by Montecatini—the great Italian chemical concern—has led to the discovery of processes whereby methane could be converted into ammonia used for making synthetic fertilisers and plastics at prices lower than any in the world. In 1948, the aggregate value of products of the Italian chemical industry was L. 414 milliards at present prices. In 1957, the corresponding figure was L. 1160 milliards.

In 1953, a vast stride forwards was made through the Montecatini researches in petrochemistry, starting a revolution in the field of plastics. The raw material is the residue of the refining of crude oil. The development of the Italian oil refining industry which now has an approximate capacity of 30 million tons of crude per year—about half of the products of refinement being exported—has opened up new possibilities for the Italian chemical industry. Cheap synthetic products made from the residues of refining will take the place of many natural raw materials until now imported.

Polypropylene is the chemical, and Moplen the trade-name of the new plastic developed by Montecatini. Moplen is the lightest plastic ever made. Even at high temperatures, Moplen is highly resistant to heat, acids and alkalis and has excellent dielectric properties. The surface is extremely hard. Among its chief uses are for making: New synthetic fibres having all the characteristic properties of cotton and wool but costing only a fraction of these, very low-priced artificial rubber having quite exceptional properties, pipes and tubes for use in the building trades, to replace those of iron and steel, elastic film of great tensile strength, bottles, flasks, toys and parts for radio and television sets.

At Ravenna, where the new petrochemical works of the A.N.I.C. are situated, the output of artificial ruober of the conventional GR-S type made from natural gas is to be 60,000 and that of nitrogen fertilisers 750,000 tons yearly. Italy itself uses about 73,000 tons of rubber yearly, 27 per cent. of which is imported synthetic rubber. About 30,000 tons of the Ravenna output is destined for sale in Italy itself and 30,000 for export. Doubtless the expectation is that a large part of the surplus available for export will be saleable to the countries of the Common Market of Six.

Still more formidable is the problem of closing the ever-widening energy deficit. For a time, the increase in the output of natural gas and of hydro-electric power will help to check the increase of imports of coal and oil. But, after 1965, no great augmentation of the supply of natural gas or water-power is to be expected, whereas the continuous increase of export will augment the consumption of energy at a faster rate than ever.

Beyond all doubt, the only real solution of the energy-supply problem is to develop processes for the generation of nuclear power at economic cost. Recently, an Italian industrialist described the task as "a chase after cheap kw.h." One great handicap is the extremely heavy cost of nuclear research. Reactors built now would be solely for the purpose of conducting research. A reactor costs at least three times as much as a thermal power generating work, and takes quite four years to be built. So nuclear power for industrial use even in small quantities could not be expected before 1965.

Nevertheless, the problem is being attacked vigorously. As far back as 1955, the Edison-Volta—Societa Elettronucleare Italiana (S.E.L.N.I.), Milan, decided to build the first atomic power plant of high capacity, and chose the PWR-Yankee type fuelled with slightly enriched uranium. The State-owned E.N.I.-I.R.I. decided to build three reactors, one in North, one in Central and one in South Italy. Besides that, Montecatini and Fiat have joined forces to conduct nuclear research for industrial purposes. On 2nd May, 1958, Agip Nucleare di Milano signed an agreement with the Nuclear Power Plant Company of Great Britain for the delivery of a reactor of the Calder Hall type, to be completed by 1962.

As far back as 1950, the Italian Government began to grapple in earnest with the formidable task of raising the productivity of South Italy to the same level as that existing in the North. Government funds were made available through a special agency known as the Cassa del Mezzogiorno. Over a period of 15 years, the equivalent of $3,200 million was spent on land reclamation, drainage, water conservation, irrigation, road and railway building, construction of power works and industrial plant. Up till the end of 1957, expenditure totalled $1600 million, of which $238 million in loans had been furnished by the World Bank. Agricultural productivity has been raised by 40 per cent. This has stimulated a demand for industrial products of all kinds.

In the U.S.A., the potentialities of this new market for the sale of American products was immediately recognised. How American and Italian foreign trade has expanded in consequence is clearly shown by the steady development, year after year, of the Milan Trade Fair.

Number of Displays at the Milan Trade Fair

Year	Total	Foreign	Italian	German	American
1950	8,428	3,096	5,332	923	433
1954	12,336	3,585	8 751	1 196	579
1956	13 153	4 034	9,119	1,389	640
1958	13,315	3,378	9,937	1,148	621

Every year, the American collective display attracts larger and larger crowds because: (1) the American products displayed are chosen to stimulate the desire of Italian people for a higher standard of living, and (2) a large staff of American trade experts and practical business men are on hand offering their services, free of charge, to show Italian firms how to increase their sales in the U.S.A. At the American national display, in 1958, 50 American firms exhibited over 200 new products, seen for the first time outside the U.S.A. Skilled Italian-speaking demonstrators were in attendance. Over 50,000 people passed through the display daily. One upshot of these enterprising American methods was that in 1957 the volume of trade between the U.S.A. and Italy was an all-time record.

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Madras, 26th October, 1958

TEXTILE FEDERATION ON WAGES

LINK EMOLUMENTS TO PRODUCTIVITY

THE Central Wage Board for the Cotton Textile Industry, which is now engaged in evolving a wage structure for the industry, is certainly faced with a difficult task. For one thing, since the cotton mill industry is the largest employer of labour, accounting as it does for over 800,000 workers on its pay-rolls, any schedule of wages for the industry will have wide repercussions on the general level of industrial wages in India. Secondly, it is enquiring into the wage structure in the industry at a time when several units in the industry have either closed, or are about to close down and many other units continue to work at a meagre margin of profit and not a few of them are confronted with actual loss. Surely, the current period can by no means be regarded as a normal one for the industry. The time is hardly propitious for that elaborate and comprehensive examination of issues which must necessarily precede the establishment of correct norms for wages in India's premier industry.

Generally speaking, the wage structure in an industry should be related to the overall national level of wages, to the financial capacity of the particular industry and the level of productivity of the workers employed therein. Appropriately enough, the importance of these factors has been neatly emphasised in the comprehensive memorandum submitted to the Board by the Indian Cotton Mills' Federation. At the outset, the Federation has examined the financial capacity of the industry. It points out how the industry, as a whole, incurred heavy losses in 1957. The fact that in a brief period of seven months ended 31st July 1958, the Government found it necessary to adjust excise duties on three occasions is "an eloquent testimony to the serious plight in which the industry finds itself." Because of the continuing strain on the consumers' purse, thanks to the rise in food prices, the series of recent reductions in excise duty "have not helped the industry to do better than in the last two years."

Excise Duty

The annual revenue on the basis of the current scale of excise duties is placed at Rs. 48 crores or Rs. 20 crores more than the actual revenue in 1955-56 and Rs. 3 crores more than the calculated revenue on the basis of March 1956 rates. It is, however, true that the revenue on the present basis of excise duty is less than the Rs. 72 crores which the industry would have had to pay if the excise duty rates had been retained at the high September 1956 levels. But excise duty is not the only burden on the industry. In recent years, new burdens have come to stay, such as the special excise duty levied in lieu of sales tax which has resulted in an additional burden of Rs. 4 crores per year and sales tax imposed in some States on stores and materials (additional burden of Rs. 2 crores). Further, in the context of the consumer resistance to high prices, mills cannot pass on to the consumer the whole or the major portion of the burden. The reduction in excise duty was effected in the hope that it would prove to be of some relief to the mills. Judging from figures relating to accumulation of cloth stocks, this expectation has not materialised. At the end of September 1958, stocks with mills aggregated 592,800 bales (of 1,500 yards each), as against 565,200 bales at the end of June 1958 and 583,000 bales at the end of January last. The industry, as the Federation points out, is "still not out of the woods."

If internal offtake of cloth is sluggish, external offtake is no better. Exports of cloth, on the basis of actual export in the first half of the current year, are running at an annual total of 630 million yards, as against 854 million yards in 1957 and 788 million yards in 1956. The industry had to contend so far with competition from the U.K., Pakistan, Hong Kong and Japan. But it has now to contend with China too. In this connection, the Federation says: "When a formidable exporter like Japan has begun to quail before the Chinese onslaught and has started in terms of reducing its production so as to equate it to reduced demand, it is needless to dilate on the effects of Chinese competition on India."

In view, however, of the serious foreign exchange position with which the Indian economy has been confronted, the Federation points out, India should, far from being disheartened, actually treat these difficulties as a challenge to redouble its efforts to maintain, if not expand, its exports. In the Plan, cotton textiles are expected to earn for the country foreign exchange of the value of Rs. 75 crores per annum, as against the actual average of Rs. 65 crores in the last four or five years. If, instead of increasing exports of cotton textiles as visualised in the Plan, they suffer a precipitate fall, that will have serious repercussion on the country's economy. Even assuming that India is successful in securing foreign loans to meet the foreign exchange gap in part or in full, it would be essential in the interest of India's economy and, taking a long-term view, to make all-out efforts to increase India's exports, as otherwise "prospects for the Third Plan, with so many loans to be repaid, will be very bleak."

The Federation recalls that, since 1947, wages in India have increased from time to time "without due attention being paid to workload or productivity." In Bombay, the total wages increased from Rs. 69.87 (basic wage Rs. 34.50 and average D.A. for 26 working days Rs. 35.37) in 1946 to Rs. 123.56 (basic wage Rs. 49.56 and D.A. Rs. 74.00) in 1957 and still further to Rs. 134.74 (basic wage: Rs. 50.14 and D.A. Rs. 84.60) in October 1958. Apart from increase in wages, the mill workers have been granted several benefits such as provident fund, retrenchment or lay-off compensation, improvement in working conditions, gratuity, State Insurance scheme and paid holidays. The cumulative burden of these benefits per worker per month is estimated at Rs. 35.36—employers' contribution to State Insurance Scheme Rs. 1.68; bonus Rs. 7.50; provident fund Rs. 8.42; gratuity Rs. 3.12; leave with pay and four paid festival holidays Rs. 8.20 and retrenchment and lay-off compensation Rs. 6.46. Thus, the total monthly earnings of a worker in October 1958 aggregate about Rs. 170.12.

Minimum Wages

The minimum wages (including D.A.) in the textile industry compare favourably with the level of minimum wages in other industries. In other countries of the world, wages for textile workers are among the lowest as compared with other industries. The hourly earnings of textile workers in India in 1949 were 107 per cent. of the average hourly earnings of all industries whereas similar figures in other countries were: the U.S. 85; the U.K. 85; Japan 48 to 52 and Italy 86. The productivity of labour in Indian textile industry is of the lowest. In many cases, wage increases have been granted purely on psychological grounds. The industry has been insisting that wages should be linked with workloads, and duties of all occupations more clearly defined. The labour unions on historical or tactical grounds have been opposed to the idea. The Industry Tribunals, which should look to the future of the industry, have been reluctant to accept workload assessments by time and motion study experts and have dealt with these issues in an *ad hoc* manner. It is possible that the Industrial Tribunals may not be prepared to accept a particular finding of an expert. But to reject workload as a basis of determining wages appears to be an unsound practice. Even where Industrial Courts have fixed workloads on a rational basis, the workers have not implemented these decisions and have resorted to strikes.

Wage rates in the U.K., and the U.S.A. are very much higher than in India, but their wage cost per yard of cloth or per lb. of yarn are comparable, and in some cases, even less than India. As compared with Japan, India's wage cost per yard is at least 50 per cent. higher. The cost of wages in Hong Kong is very much lower. The wages of Indian workers "can be maintained at the present level and even increased, only through an increase in productivity, that is, by rationalisation of labour complements." Further, mills in upcountry centres have in the past been established on the basis of lower wages than mills in Bombay and Ahmedabad. However, they have been employing a very large number of workers and substantially more, as compared to the number of workers employed per spindle and per loom in Bombay and Ahmedabad. During recent years, there has been a steep rise in the wages in these centres and all the advantage of lower wages has been completely wiped out. In fact, they are today in a much worse position because the number of persons employed by them cannot be reduced without agreement with the unions and these agreements have been few and far between. The upcountry units are also not equipped to meet the changing demand, and have to struggle for their existence, caught as they are between high costs and distress sales.

The Federation emphasises that it is "not at all averse to paying higher wages; in fact, it is keen on raising the wage level, provided it is linked with higher productivity." To the extent that the industry is unable to replace its old and antiquated machinery by modern equipment, a worker must look after more machinery units than at present. An enduring solution of the problem, however, lies in a "quick replacement of obsolete machinery by modern machines." The Textile Enquiry Committee observed that "a large majority of the machines in existence today were installed more than 40 years back and have outlived their usefulness." It has also pointed out that, if such machinery is not replaced at an early date, its effect would be felt in the form of low production, bad quality of production, engagement of large number of workers and high cost of production. The Federation refers to the fact that the industry's rehabilitation requirement, according to the returns submitted to the Rehabilitation Commission, are in the region of Rs. 400 to Rs. 500 crores for purposes of bringing its machinery on par with that of the modern mills abroad. Although it is obvious that the industry cannot hope to undertake a rehabilitation programme on this scale, every effort must be made to enable the industry to undertake as large a portion of it as possible. Several specialised financing agencies have been established. Nevertheless, the industry must be enabled to have annual surpluses from which it can raise its own finance or pay due instalments on loans. This points to the directions in which the wage cost must be adjusted.

Taxation

Rehabilitation has to be financed from taxed profits. The rate of tax on companies which stood at 43.4 per cent. for six years (1951-52 to 1956-57) was raised to 51.5 per cent. in 1957-58. Wealth tax of ½ per cent. on paid-up capital and reserves has also been imposed. A much larger trading profit has, therefore, to be made in order to have the same retained profit as in earlier years. In all this analysis, no account has been taken of the rise in other elements of cost. The prices of stores, colours and chemicals have risen, thanks to severe curtailment of imports. Rates of electricity, coal, furnace oil and freight have gone up. The industry has thus been caught between a rise in costs and a fall in realisation, and from the present indications, it will be quite some time before the industry can earn at least its depreciation and development rebate. If further deterioration in the situation and closures of mills or shifts are to be averted, the cost of production must be brought down not only to increase the competitive position of the industry's products in the export markets, but also to bring its price within the means of the consuming public.

The Wage Board, therefore, has been urged by the Federation to "give a bold lead by definitely linking stipulated workloads to wages and give certain time to mills as well as employees to come to the specified workload." In the event of labour refusing to accept this workload and insisting on a lower workload, scales of wages as well as dearness allowance should be correspondingly reduced. In many centres, according to the Federation, the workloads are manifestly sub-normal—for instance, working of one loom to a weaver or a single side to a spinner. The Federation's submission is that where the workloads are sub-normal, they should be brought to a normal level without involving any additional remuneration. The present remuneration settled in most cases by Industrial Tribunals is a fair remuneration according to impartial opinion, but if the industry is not getting a fair day's work for a fair remuneration, it is only just that the workload should be brought to the normal level without any change in remuneration. The Federation further submits that where in relation to the present workloads there is a clear case for reducing basic wage rates, the Wage Board should not hesitate to make the necessary adjustment. In order, however, to maintain peaceful and harmonious industrial relations, the Federation would have no objection to the existing workers continuing to get the prevailing basic wage rates, the excess being treated as the personal pay of existing workers. As and when new workers come in, they will get wage rates fixed in relation to workloads.

MR. MACMILLAN'S ADDRESS TO MILLOWNERS

CHINA STEALS A MARCH OVER INDIA

From A Special Correspondent

MANCHESTER, 21st *October*

THE cotton trade's annual conference, held as usual at Harrogate and organised by the Cotton Board, was memorable this year for the presence of the Prime Minister and the speech he made to the assembled delegates. In view of the absence of any definite settlement in the negotiations continuing between Lancashire textile interests and Hong Kong, it was not expected that either Lord Rochdale, the Cotton Board Chairman, or the Premier would be able to deal with the matter on more than general lines.

MANCHESTER LETTER

Mr. Harold Macmillan urged the conference, which was attended by more than 1,000 textile executives, managers and trade union officials, to consider "some of the deeper issues involved." The threat to the future of the cotton industry from duty-free manufactured goods from the Asian Commonwealth sprang from the way in which the whole political and economic structure of the Commonwealth had developed. The Prime Minister continued:

"Some of these countries—independent members of the Commonwealth like India and Pakistan—are struggling with many social and political consequences of poverty and low standards of living. For them the production and export of manufactured goods is vital to their employment, their future and their development.

"We are going to have to face this difficult and human problem in the years ahead in many fields. How are we to reconcile, on the one hand, the fact that the desperate needs of the poorer countries in the Commonwealth can only be met if they can expand their trade, with the risk, on the other hand, that increased exports of manufactured goods will threaten to disrupt long-established industries in the richer countries, with honourable traditions of skill and effort?"

Not Only Economics

Stressing the political aspect of the problem, the Prime Minister referred to the new and powerful movements in Asia and Africa since the Second World War of nations determined to secure for themselves some of the benefits of modern science and technology. All this had led to great turmoil and confusion as well as much progress.

"These peoples have set their hearts on progress and, broadly, they admire and are keen to associate with any group of advanced peoples who are prepared to help them to achieve it. At the same time, the great powers have been ranged into two opposite groups, the Soviet State, its allies and satellites, and the groupings of the British Commonwealth, U.S., and their allies and friends.

"It is of vital importance to the future of our civilisation and indeed for its survival and of all that we believe in that these new communities should be drawn into our ambit and not repelled from it, and it is in this respect that the political concept of the Commonwealth has a unique role to play in the years that lie immediately before us. That this brings to us difficulties is, of course, true, but great as they are and harsh as they are in some of their incidence, they are not comparable with the disaster that we should suffer if this struggle for the soul of the uncommitted peoples were to go the wrong way."

Adjustments Needed

If these new territories were to raise their internal standards, they must both manufacture and export. Both in the short run and in the long run this, of course, would mean many adjustments in our country as well as in theirs.

The Montreal Conference emphasised how important it was that obstacles should not be placed in the way of the export of manufactured goods from the poorer Commonwealth countries. It also emphasised that, whenever problems arose, because sharp increases in such exports threatened to disrupt an established industry in the importing country, solutions should be found through consultations between the industries concerned directed towards an agreed and orderly evolution of the trade.

That was the proper Commonwealth way of doing things. That was the basis of our policy. "We do not believe," the Prime Minister said, "that the right way of settling arguments within the Commonwealth family is by threats."

A Simple Choice

During the course of the conference Mr. W. T. Winterbottom, President of the International Federation of Cotton and Allied Textile Industries, gave the industry a simple choice—"Get on or get out." Urging the need to get more in line with modern industrial methods, he said: "Now is our great chance to do this by taking immediate advantage of the technological changes which have taken place just at the time when the cycle of replacement of the Lancashire cotton industry is upon us."

Figures showed that the industry was faced with a problem of obsolescence and not one of redundancy, he added. On the basis of 750,000,000 lbs. being the quantity of cotton yarn required to satisfy minimum requirements in the future, an industry consisting of 10 million ring spindles would be needed—or 6,000,000 spindles on double shifts each of 38¾ hours.

At present, the spinning trade consisted of 10¼ million ring spindles, of which about 3½ million had been installed since the war. "I suggest the industry needs another three million spindles within the next five years," declared Mr. Winterbottom, "giving a total of 6½ million modern rings. It is essential to move on to shift working as early as possible. New machinery is expensive and must be worked intensively if capital costs are to be covered."

Assessing prospects, Mr. Winterbottom said: "Home market consumption is not likely to fall and should steadily rise, both through the growth in population and an improved standard of living. No substantial increase in exports can be foreseen, in spite of our most strenuous efforts; on the other hand, there is hardly any room for a further decrease."

"Big Buying" Dangers

The growing importance of big buyers in the distributive trade encouraged a vertical set-up in the industry, he continued. The most serious danger was that, if the bulk buyers should decide to support a policy of buying from the Commonwealth rather than from Lancashire, the effect on the home industry could be catastrophic.

Some of the more astute buyers were already breathing the words "Hong Kong" down the necks of spinners, weavers and knitters. Between the wars, it had been "Japan," but the effect was just the same. If the idea of a free economy was accepted, agreement over the limited field which had been the subject of the recent negotiations could not be regarded as the final answer to the problem. "First we had Indian goods in our home market, then Hong Kong, then Pakistan," said Mr. Winterbottom. "Is the queue to continue, with East Africa, the West Indies, Nigeria, Ghana?" he asked, amid applause.

Changes in marketing and distribution of textiles were discussed by Mr. Eric Kann, a Director of Marks and Spencer Ltd. He instanced several favourable factors which offered opportunities to the textile trade. More than five million families had a net income after tax of at least £750 a year, double the number in 1938. Spending on goods and services had been trebled in the last 20 years. Fashion consciousness had increased under the impact of films, radio and television and foreign travel had broadened the outlook of many potential consumers.

A significant change had occurred in the age composition of the population, he added. The post-war bulge was now entering the age group of greatest importance to the textile industry. By 1967, the number of young people between 19 and 29 years of age would be over a million higher than at present.

Hong Kong "Sensitive"

During a special question-and-answer session, Sir Cuthbert Clegg, Vice-President of the Cotton Manufacturers' Association and a member of the Hong Kong mission, said he found that the millowners in the Colony were extremely sensitive about criticisms of their trading tactics being "unfair." He believed that, if any agreement was reached, sentiment in Lancashire towards Hong Kong would rapidly alter.

Sir Alfred Roberts, Secretary of the Card-room Workers' Amalgamation, said the action committees which had been set up in several

(*Continued on page 745*)

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STABILISATION OF MARKETS FOR PRIMARY PRODUCTS

RECOMMENDATIONS OF G.A.T.T. EXPERTS

ELSEWHERE in this issue, *vide* page 736, we have summarised the findings of the panel of four economic experts, appointed by the members of G.A.T.T., on trends in international trade. We give below an account of the recommendations of the experts designed to improve the share of primary producing countries in an expanding world trade, as well as of their comments on the commercial policies adopted by the industrialised and less industrialised countries. This is a subject of vital importance to all those interested in the well-being of the world. The suggestions of the experts are sound and will go a long way towards improving the lot of underdeveloped countries, if they are implemented:

The avoidance of business cycles and the maintenance of a steady rate of domestic growth are the most important contributions which the highly industrialised countries can make to the stabilisation of the markets for primary products. Although the present recession in the United States has been somewhat more severe than other post-war recessions, it has been nothing like as severe as fluctuations in the inter-war period. All governments without exception now have the intention and the means of preventing serious depressions.

Nevertheless, the present recession in the United States has had serious effects, and action to prevent recessions can and should be further improved. A basic problem in the highly industrialised countries is to find ways to prevent inflation (particularly of the cost-push type), so that a high and growing level of production and employment can be maintained without a perpetual inflation of prices.

The less-developed countries may be able to make a modest contribution to the problem of general economic stabilisation through their own domestic financial policies.

International Liquidity

The present monetary reserves of countries outside the United States are now much lower, relatively to the value of their imports, than they were in 1937; but they are about as high as they were in 1928, and are now supplemented by increased liquidity through institutions like the International Monetary Fund and the European Payments Union. However, since countries are now less willing to deflate domestically as a means of meeting balance-of-payments deficits, they need higher international reserves than in the 1920's, in order to meet temporary strains without the use of exchange controls, import restrictions or exchange depreciations.

The last two recessions have not in fact caused a loss of reserves by the rest of the world to the United States. But the distribution of reserves among the other countries has become unbalanced. We think that an increase in international liquidity is desirable and consider that something like a doubling of the resources and drawing rights under the International Monetary Fund would be the best way to bring this about.

In considering the needs of various countries for increased liquidity through the International Monetary Fund, stress should be put upon the variability as well as the size of a country's international transactions. A country which relies on one or two primary products for the greater part of its export earnings may be subject to especially large variations.

Commercial Policy

Protectionist policies should, as far as possible, not be used to relieve the domestic and external pressures which arise during a temporary recession. It is desirable to supplement general stabilisation policies with measures for the stabilisation of particular commodity markets, where such measures are practicable and are innocuous on other grounds. But there are real practical difficulties in this field.

National measures designed to stabilise agricultural markets should, whenever possible, be based upon the "buffer-stock" principle (of buying into an official stock when the price is low and selling when the price is high) or upon the "variable levy-deficiency-payment" principle (of varying the rate of tax or subsidy in respect of the product concerned so as to keep the producer's net return steady) rather than upon the principle of stabilising domestic prices through controlling imports or exports.

A country which exports a primary product can stabilise the price received by its producers by operating a "buffer-fund" (by taxing exports when the price is high and using the funds so accumulated to subsidise exports when the price is low). The "buffer-stock" principle has the social advantage of carrying the product physically from a time when its value is low to a time when its value is high. There is no technical reason why an exporting country should not operate a combined "buffer-fund-buffer-stock" stabilising device.

Stabilisation devices should not be too ambitious. By supporting for a time a price which is really too high, the authorities may in the end actually de-stabilise the market, especially in the case of a buffer-stock which may be left with an unmanageable surplus stock for disposal. If practicable, a stabilisation scheme should cover a whole group of commodities in those cases in which the commodities are closely related in production or consumption.

International Commodity Agreements

We endorse the principle that international commodity agreements should allow for equal representation of importing and exporting countries, though this may have made it more difficult at times to reach agreement on such schemes. Provided that the technical problems did not become too great, agreement might be facilitated by simultaneous negotiation on a number of commodities, since a country which has an exporter's interest in one commodity often has an importer's interest in another.

Where costs of storage are not too heavy, a buffer-stock scheme has advantages over schemes based upon long-term contracts or export quotas. A buffer-stock is most likely to work successfully if its operations are not based on any rigid price formula. Serious attention might be paid to the possibility of getting close co-operative action between a number of otherwise independent national buffer-stocks covering a commodity or group of commodities. It is important that the main importing countries should take part in any such scheme; and these countries might publish the value of any stocks so held side by side with their reserves of gold and foreign exchange. The non-ferrous metals might prove suitable for such treatment.

Protectionism in Industrial Countries

A number of underdeveloped countries are now exporting low-priced manufactures, the markets for which depend upon moderation in industrial protectionism in the highly industrialised countries.

Agricultural protectionism in the industrial countries is the outcome of a complicated system of agricultural support schemes, whose object is stabilisation as well as protection. The most satisfactory measure of the degree of agricultural protectionism in such schemes would be a comparison between the total return actually received by the domestic farmer for his production and the return which would correspond to the ruling world price. We recommend that the F.A.O. and the G.A.T.T. should make a joint study of the possibility of measuring degrees of agricultural protectionism on these lines.

Since in North America and Western Europe as a whole net imports of agricultural products represent the relatively narrow margin by which their large domestic consumption exceeds their large, but not quite so large, domestic production, a relatively small restraint on domestic production or stimulus to domestic consumption could lead to a large percentage increase in their net imports. For this reason, much could be achieved by some moderate change in the direction of the agricultural policies of the highly industrialised countries.

A moderation of present high levels of agricultural protection should be accompanied by measures to improve the structure of land holdings, to ease the process of elimination of uneconomic forms of production, and to find alternative occupations for redundant agricultural workers.

The countries which would gain most from a moderation of agricultural protectionism in North America and Western Europe would be the outside producers of competing temperate-zone foodstuffs, such as cereals, meat, and dairy produce; and most of these countries are relatively rich. But there are some relatively poor countries which export such products; and there are also some products, such as tobacco, cotton, sugar, and oilseeds, whose production is protected or export is assisted in the highly industrialised countries and which are exported mainly by the poorer, underdeveloped countries.

Agricultural protectionism in the highly industrialised countries may actually benefit some outside countries at the expense of others. Subsidised exports are unreliable and hurt low-cost producers. Agricultural protectionism should, therefore, be moderated in exporting as well as importing countries, and should be combined with a shift towards giving economic aid to underdeveloped countries more and more in direct financial grants and less and less in the form of low-priced exports.

In order that agricultural protectionism may have the least adverse effect upon consumption, we would recommend, wherever possible, a shift away from "price-support" towards "deficiency-payments" methods of agricultural protectionism.

Buying agricultural products by official stockpiling agencies is often the best form of national stabilisation measure. But it is the worst form of national protective measure since it is likely to end in an unmanageable surplus stock. Where such stocks arise, as much care as possible should be taken to dispose of them by means which involve additional consumption and do not hurt the interests of competing low-cost producers. But the only basic cure is a moderation of the degree of protection and a shift to other forms of agricultural policy which do not involve continuous stockpiling.

Revenue Duties

The level of taxation on the main primary products, such as coffee, tea and tobacco, which are subject to revenue duties in the industrial countries of Continental Western Europe appears to be sufficiently high to act as a major restraint on consumption and import demand. There is little justification, other than the weight of fiscal traditions, to impose the main burden of taxation on non-competing imports in the form of "special internal taxes," less accessible to the bargaining process applicable to ordinary customs duties under G.A.T.T.'s rules. As long as this situation exists, the Havana Charter's rule for negotiation of revenue duties should be made applicable to the G.A.T.T. negotiations procedures.

Some of the reasons that render difficult a substantial moderation in policies of agricultural protectionism in industrial countries—namely, the political, social and security pressures in favour of protecting important sectors of domestic food production—are not generally applicable to *revenue duties*, which, moreover, bear particularly on the export potentiality of some of the "poorest" of the underdeveloped countries.

A substantial contribution could be made by the industrial countries, through the alleviation of revenue duties, to give to non-industrial areas better access to their markets and therefore assist them in securing larger export proceeds to finance the import requirements of their development programmes.

The application of protectionist measures in favour of their mining and oil industries limits access to the domestic market in some highly industrialised countries; and this reduces the earning capacity of primary producers, preventing them from enjoying their natural competitive advantage in that field.

European Economic Community

In so far as the European Economic Community leads to higher productivity and real incomes in Europe, it will tend to increase the European demand for raw materials and foodstuffs. There will also be some diversion of trade away from outside sources on to European sources. These dangers of trade diversion will be the less,

(i) the greater the number of countries covered by the common market;

(ii) the lower is the common tariff on goods imported from outside, and

(iii) the greater the range of commodities (agricultural as well as industrial) opened to free trade within Europe.

The agricultural arrangements in E.E.C. will be of special importance for the prospects of outside producers of primary products. The Treaty of Rome itself does not lay down in detail how the agricultural marketing arrange-

(*Continued on page 748*)

MOUNTING COAL STOCKS IN EUROPE

E.C.S.C. COUNCIL EVOLVES A PALLIATIVE

THE two-day meeting of the Council of Ministers of the six-nation European Coal and Steel Community, held recently in Luxemburg to discuss the crisis in the European coal industry and evolve a solution, had no easy task before it. After heated exchanges over the E.C.S.C. High Authority's accusation against Belgium for not having played its part in preparing for the end of the initial transition period in February last, the meeting decided upon certain measures, which are expected to go some way to solve the problem. The malady from which the E.C.S.C. member-countries are suffering is the mounting stocks of coal with them, due to large imports of cheaper U.S. and Polish coal and the decline in the demand for E.C.S.C. coal. The worst sufferer from this malady is Belgium, and, as a consequence, this member-country called for a meeting of the E.C.S.C. Council, with a view to persuading the other member-countries to declare a state of "manifest crisis." Such a declaration would, under the terms of the Schuman Treaty, enable the E.C.S.C. High Authority to ban imports of coal and impose restrictions on output. The High Authority and the other member-countries do not seem to have favoured such a drastic step. The Council of Ministers, however, decided to take some moderate steps to ease the situation.

In accordance with the decisions taken at the Council of Ministers' meeting, Belgium has agreed to set up a special commission consisting of the High Authority's nominees to chalk out a reorganisation scheme for its collieries within a week. The scheme involved concentration of workings and closure of uneconomic pits producing several million tons of coal per annum. In return for Belgium's undertaking to introduce reorganisation, it would receive help in three directions. They are: (1) The High Authority of the E.C.S.C. would provide aid up to $8 million towards financing additional stocks, provided the Government of Belgium also does the same. Other countries faced with a pithead stock problem are also eligible to participate on the same terms. (2) The Authority would use its good offices in the U.S. in an attempt to secure cancellation or deferment of deliveries under long-term contracts with Belgium. (3) If the coal supplied to Belgium by the other E.C.S.C. countries should exceed the present level of 200,000 tons per month, these countries would take action to prevent the increase and the Authority would sanction such action.

Probe into Import Policies

Another important step taken at the meeting to prevent a further deterioration in the position was to obtain a guarantee from the Netherlands and Italy, the two main importing countries within the Community, that they would not reduce their imports from the other member-countries below an agreed level. Yet another decision was to set up a commission to investigate the import policies of the six member-countries of the E.C.S.C., presumably with a view to evolving a co-ordinated policy in respect of imports.

The High Authority of the E.C.S.C., which has now been considerate enough to come to the rescue of the Community members, has, however, made bold to blame the Governments, as well as the colliery owners, for many of the present difficulties. Speaking at the six-nation European Parliament held last week at Strasbourg, M. Paul Finet, President of the High Authority, reviewed the remedial measures suggested by the High Authority to avoid such a situation at a time when the coal crisis had not reached high proportions. He blamed the Governments concerned for having failed to permit joint financing of stocks by rejecting the compensation scheme proposed by the Authority to aid the stocking of about 27 million tons and prevent short-time working. M. Finet also blamed the coal producers for not having used the facilities granted to them by the High Authority to reduce their prices to their competitors' levels without having to alter their published price lists. Commenting on the decisions of the Council of Ministers, the President of the High Authority, said that, of all the measures proposed by the High Authority prior to the meeting of the Council of Ministers, only one, namely, the maintenance of regular offtake by major consumers, had been taken decisively enough to ease the situation. "In general, the behaviour of the principal parties concerned—the Governments and the producers—had met neither the expectations of the High Authority nor the needs of the market." He, however, welcomed the Council's acceptance of the High Authority's proposals for limiting unemployment by collating import plans and by a limited measure of aid in financing additional stocks. The Governments had also agreed on the need for action on prices and a special sales effort to meet competition from other sources of energy. They had promised to do everything in their power to ensure that the consumers took as much coal from the Community during 1958-59 as they did in the preceding boom period.

The whole problem of the European coal producers, therefore, centres round the mounting level of stocks. It will, therefore, be of interest to record here the present stock levels in some of the countries and how the stocks came to be accumulated. The unsold stocks at the pitheads of the E.C.S.C. coal producers amount now to 22.2 million tons, having risen from 6.2 million tons at the end of 1957. If the stocks held by consumers are also included, the level would be at about 44 million tons; this represents nearly two months' internal consumption at 1957 levels. In Belgium, the stocks amount to 6 million tons or two months' supply. In France and Germany, pithead stocks stand at about 7 million tons each, but they represent a smaller proportion of total supplies.

Larger Imports

The main cause of the present surplus is the high level of imports. Imports from outside the six countries during 1957 aggregated 44 million tons, those from the U.S. alone being 38 million tons. In the last period of recession faced by the industry, imported coal amounted to no more than 13 million tons, of which 6 million tons came from the U.S. Total imports into the Community this year are still expected to reach 31 million tons, of which the U.S. alone would account for 26 million tons. The high level of imports during 1957 had become necessary, because output in the six countries, at 247 million tons, was less than the consumption amounting to 281 million tons. There were also some exports from the E.C.S.C. amounting to 5 million tons. Imports during the current year into the E.C.S.C. are necessary, as consumption is unlikely to fall below the output. Besides, U.S. coal has proved to be more competitive.

Normally, the cost of production of coal in the U.S. is cheaper than in Europe, but, on account of the high cost of transatlantic transport, its price in Europe used to be higher than European coal. The slump in freight rates, has, however, caused a fall in the price of U.S. coal in Europe to a level at which it can underquote European coal in any of the six E.C.S.C. countries. Another advantage which the U.S. has gained over the European coal producers is that it had entered into long-term contracts with the European importers for the supply of coal. During 1956, particularly during the Suez crisis, and during the early months of 1957, there was a shortage of coal. On expectation that this would continue, many German and Belgian importers entered into long-term contracts with the U.S. exporters for the supply upto, in some cases, 1960, in spite of the fact that U.S. coal at that time was costlier than European coal.

Threat from Fuel Oil

The effect of the accumulation, however, came to be felt in the first half of 1958, when the output of coal was higher than that in the corresponding period of 1957, while the trend of industrial production, in general, and of steel, in particular, tended to decline. Consumers, who had kept their stocks at a very high level throughout 1957, began to run down their stocks when it became clear that there would no longer be a shortage of coal and that prospects of an industrial recession could not be ruled out. There was, therefore, a fall in the offtake of European coal. Yet another factor for the fall in demand for coal is the increasing use of fuel oil. Though the threat from the latter to coal is of a long-term nature, the rate at which the consumption of fuel oil is going up is somewhat disquieting, the advantage in favour of fuel oil being that its energy content is much more than that of coal. In these circumstances, it remains to be seen whether the steps taken by the Luxemburg Conference would ultimately yield a satisfactory solution to the European coal problem.

COAL PRICES REDUCED

SEQUEL TO TRIPARTITE COMMITTEE'S DECISION

THE Government of India has revised the prices of coal and coke payable to the producers with effect from 17th October 1958. by effecting a cut in the price increase granted to them in May last. It will be recalled that the industry was given an increase of 75 nP per ton for coal and of Re. 1 for coke with effect from 17th May 1958, in order to meet the higher cost of enhanced dearness allowance payable to colliery workers with effect from 1st January 1958 in terms of the award of the Labour Appellate Tribunal, 1957. Since then, the colliery owners, miners and the Government have come to an agreement that the enhanced dearness allowance is payable from 1st April 1958 onwards, instead of from 1st January last. Accordingly, the increase in prices of coal and coke has been reduced to 41 nP and 55 nP, respectively. In revising the prices thus provision has been made for the enhanced dearness allowance which the industry will have to pay from 1st April 1958 to 31st March 1959, after adjusting the increase already granted from 17th May to 16th October 1958.

The Labour Appellate Tribunal, it may be noted, had awarded an increase of Rs. 4.87 per month in the dearness allowance of coal miners for a full month's work. In awarding this increase, the Tribunal laid down a scheme of variable dearness allowance, under which, if the average of the monthly figures of the all-India average consumer price index number for each half-year from January to June and from July to December of each year should rise by more than 10 points over 102, the dearness allowance of colliery workers for the succeeding half-year shall be raised by a flat amount of Rs. 4.87 per month for every such rise of 10 points. As the average index number for the half-year July to December 1957 had risen by more than 10 points over the base figure of 102, colliery workers became entitled to the enhanced dearness allowance from 1st January 1958. The industry could not, however, announce payment of the increased D.A. for the half-year ended 30th June 1958 until 17th May 1958 as the necessary data were not available, as we shall show presently.

Meanwhile, the workers had become restless over the non-implementation of the Tribunal's award and miners of about 600 coal mines in West Bengal and Bihar controlled by the I.N.T.U.C. and those controlled by the Colliery *Mazdoor Sangh*, had given notice of strike with effect from 19th May 1958. The delay in the payment of dearness allowance, it was explained by colliery owners. was due to the non-availability in time of the official statistics of consumer price index for every month up to December 1957, from which the average figure of index for the half-year had to be worked out for the purpose of paying D.A. In fact, it was only at the beginning of May last that the final revised figure of index number for December 1957 was available. When the figure was available, it was found that the average for the six months ended December 1957 stood at 113.2, more than 10 points above the basic figure 102.

Following the announcement of the payment of a D.A. of Rs. 4.87 per month, the Government increased the prices of coal and coke (except in the case of Assam where the Appellate Tribunal's Award was not applicable) by 75 nP and Re. 1 per ton respectively. with effect from the date of implementation of the award, that is, 17th May 1958. to enable the industry to bear the incidence of this enhanced D.A. The amount of increase in prices comprised the prospective cost of implementation of the award in respect of enhanced D.A. and an amount sufficient to cover the retrospective implementation from 1st January to 16th May 1958.

The problem of delayed payment of D.A. on account of the inevitable time lag involved in assessing the rise in consumer price index has been a perennial one. A solution was, therefore, sought by the industry. This was examined by the tripartite meeting of the Industrial Committee on Coal Mines held on 3rd August last and it was decided that in view of this difficulty. the increased dearness allowance payable to workers in terms of the Appellate Tribunal's award would thenceforth be payable only during the half-years 1st April to 30th September and 1st October to 31st March. instead of the half-years 1st January to 30th June and 1st July to 31st December in each year. It is in the light of this decision that the coal prices have been revised, as mentioned at the outset.

EFFECT OF STRIKE ON RUBBER PLANTATIONS

WORLD PRICES MOVE UP ON RUSSIAN BUYING

CONSUMERS of natural rubber in India are in a quandary now, thanks to the general strike of plantation workers in Kerala, on the one hand, and the upward trend in world prices of rubber, on the other. The strike began on 25th October 1958 and, after lasting for two days, remains temporarily suspended up to 2nd November, in order to give an opportunity to employers to negotiate and settle the dispute. The object of the strike is to secure for workers an increase in the quantum of annual bonus and provident fund contribution, provision for employment of all dependants of the permanent workers, etc. If the strike is resumed on 3rd November, it would seriously affect the supply of rubber to the rubber goods manufacturing industry and the gap can only be filled by an increase in imports. Larger imports of rubber would mean a drain on foreign exchange and dearer raw material because of the rise in world prices.

In the course of a statement on the effect of the strike on rubber, Mr. A. V. George, Vice-Chairman of the Rubber Board and a prominent planter, said that the present demand of workers, so far as the rubber estates were concerned, could be met only by increasing the controlled prices of rubber. If, however, the present demands of labour were met without a rise in the price of rubber, Mr. George added, the rubber estates would not be able to survive. This would ultimately end in the loss of the huge capital invested in the rubber plantations and the ruination of a large number of labour employed in these estates.

Country Cannot Afford

Mr. George pointed out that India imported over Rs. 6 crores worth of rubber during 1957. If the strike situation were to continue and spread, the domestic output would be affected during the months of peak production, thus necessitating more imports of rubber and drain of valuable foreign exchange, which the country could not afford at this critical stage. The Rubber Board Vice-Chairman made it clear that the present controlled price of rubber was fixed by the Government on the basis of the cost of production at a reasonable margin of profit as recommended by the Tariff Commission. Since the last revision of prices, the cost of production of rubber had soared due to rise in wages, provision of provident fund and other amenities, enhancement of the rate of income and agricultural taxes, etc. Mr. George, therefore, desired that, if the present demands of labour were to be met, a fresh enquiry by the Tariff Commission should be undertaken and the prices of rubber should be enhanced.

It may not be out of place to note here that India had to step up its imports of rubber last year by 50 per cent., that is, from 6,463 tons to 9,671 tons, as the domestic output did not go up very much—this aggregated 23,797 tons, as against 23,447 tons in 1956—while consumption rose from 28,996 tons to 30,865 tons. During the current year also, imports have been stepped up further, as the pace of increase in consumption is higher than that in production. Thus, imports during the first eight months of the year aggregated 7,728 tons, as against 5,895 tons in the corresponding period of 1957. Production during this period has risen only slightly from 12,882 tons to 13,671 tons, whereas consumption shows an increase from 20,335 tons to 22,871 tons. The next few months of the year usually constitute a period of higher production in rubber estates, as pointed out by Mr. George. Unless, therefore, the strike is averted by timely intervention of the authorities, production will fall short of last year's output.

Larger Imports at Dearer Prices

If such a contingency were to arise, India would have to import a much larger quantity of raw rubber and that too at a higher price than it paid during the last few months. For the price of natural rubber abroad has considerably gone up, particularly during the last few weeks, consequent on the widespread buying of all grades in the Malayan rubber market by the U.S., Russia, the U.K., China and Continental countries. There was, no doubt, a drop in consumption of rubber in Western countries, as a result of which the price in London fell from 27d. per lb. in the summer of 1957 to 21d. in April this year. The decline would have been more pronounced but for the Russian buying. Since then, there has been a recovery, the price moving up to 24d. towards the end of September. The rise was not, however, steady, the trend having been interrupted by fluctuations during the Iraq crisis. Thereafter, it moved up further to a high of 26½d. per lb. last week, but the closing on Saturday was a shade lower at 25⅞d. After a lapse of 14 months, the price in Singapore market crossed the 90 Malayan cent mark on the 15th inst., having gone up by about 7 cents in the course of a week. The latest price is 90½c.

Just as the Russian buying prevented a sharp reaction during the last recession, it has been mainly responsible for the minor boom in the last few weeks. A distinguishing feature of the recent Russian purchases is said to be that they are being made at rising levels, unlike the previous purchases when the U.S.S.R. was keen on low prices. The purchases are mainly confined to the Singapore market and, as such, prices there are quoted at a slight premium over the London quotation. The recent improvement in the prospects of American economy leading to increased demand from that country has provided another bullish factor.

Russian Offtake

During the first nine months of the year, Russia's direct purchases of rubber in the Malayan market are said to have aggregated 20,918 tons, as against 7,426 tons for the corresponding period of 1957, and China bought 64,036 tons, as compared with only 4,521 tons. Russia and China accounted for nearly 11 per cent. of the total offtake during this period. The offtake from the U.K. rose by 11 per cent. to 152,488 tons, while the U.S. purchases, at 82,421 tons, show a drop of 20½ per cent. Similarly, Japanese purchases are lower by 4.7 per cent. at 79,704 tons. According to the preliminary estimates of the International Rubber Study Group, the Russian imports of natural rubber during January-August period amounted to 139,250 tons, more than double last year's figure of 62,700 tons. Consequent on this heavy Russian buying, world consumption dropped by only 17,500 tons to 1,257,000 tons, despite a fall in the U.S. from 364,565 tons to 301,407 tons and in the U.K. from 115,416 tons to 113,816 tons.

The heavy Russian buying is presumably due to the fact that the Iron Curtain countries are far from self-sufficient in rubber supplies, despite the setting up of synthetic rubber plants in Eastern Europe. Even if the proposed synthetic rubber plant in Italy fructifies, it is quite possible that supplies to Russia from other countries will include Italian synthetic rubber. The short-term outlook for natural rubber thus depends on Russian buying and the trend of American economy, particularly the progress of the automobile industry. In the long run, if such heavy purchases push the price of natural rubber to unduly high levels, there will be a switch-over from natural to synthetic rubber. As the Russian buying has varied markedly from year to year, it is not wise to depend on their purchases. In short, the long-term prospects of natural rubber depend only on the general growth of world economy and its ability to keep prices more or less stable at a competitive level.

(Concluded from next column)

14,485 tons, compared to 18,102 tons at the end of 1956-57. Out of the total stocks at the close of 1957-58, hessian accounted for 4,058 tons, sacking for 10,177 tons and other goods for 250 tons. The corresponding figures for 30th June 1957 were 4,974 tons, 12,729 tons and 399 tons.

Exports of jute goods rose by 26,693 tons in 1957-58 to aggregate 107,928 tons over 81,235 tons in the previous 12 months. Out of the total exports during the season under review, hessian accounted for 33,747 tons, sacking for 73,801 tons and other goods for 380 tons. South Africa was the leading buyer during 1957-58 with an offtake of 47,955 tons, followed by the U.S. and Burma which took 15,942 tons and 12,029 tons, respectively. Among the other customers for Pakistani jute goods during the 1957-58 season, the more important were: Iran (4,243 tons), U.K. (4,206 tons), Belgium (4,007 tons), West Africa (3,939), Netherlands (2,835 tons) and East Africa (2,188 tons). Consumption of raw jute by the mills in East Pakistan during 1957-58 amounted to 941,000 bales, as compared with 809,000 bales in the previous year and 734,000 bales in 1955-56.

EXPORT PRICES FOR PAKISTAN JUTE

FLOORS REIMPOSED

THE Pakistan Government has fixed, with effect from 20th October 1958, the minimum export prices for various grades of raw jute on the basis of £90 per ton for export Firsts, c.i.f. U.K.-Continent. The minimum price for Narayanganj cuttings has been fixed at £34 per ton for overseas and at Rs. 65 per bale for India. It was only in September last that the Pakistan Jute Board reimposed the minimum prices for the export of jute cuttings to India, the U.K. and the Continent at the above levels, but evidently the change-over to Military Government since then and the abrogation of the country's Constitution made the P.J.B.'s decision ineffective. The minimum export price was originally fixed in January 1956. Since then, export prices for Narayanganj cuttings had gone below the minimum fixed by the Board.

No details are available as to how the minimum price scheme is to be enforced. If past experience is any guide, it offers no solution to the Pakistan jute industry's problem. Under the previous arrangements, the authorities found it difficult to stick to the minimum prices originally fixed by them and had to alter them daily on the basis of the prevailing market prices. They were invariably lowered, on account of the pressure of supplies, and at times the market prices ruled below the floor levels. This added to the uncertainty of the jute trade. In view of the difficulties involved in enforcing the minimum prices, it is doubtful whether the Pakistan Government's minimum price scheme would be a success.

The long-term outlook for the jute industry depends on the general world economic trends. If a high level of economic activity is ensured over a long time, then the jute industry can look forward to sustained prosperity. Even so, much depends on how far jute goods prove to be competitive with other substitute packaging materials and how far the industry takes up to new fields of production. For, in recent years, the introduction of cheaper paper bags and bulk handling methods have affected to a large extent the demand for jute bags. At the same time, the growers must be ensured a fair price, lest the cultivation of raw jute should be adversely affected.

The fixation of higher minimum export prices for raw jute and jute cuttings did not have any marked effect on the Calcutta jute market. No doubt, the sentiment was initially bullish, but prices fell back again. India has almost reached self-sufficiency in raw jute (including mesta) and is interested only to a limited extent in Pakistan's cuttings. The latter were quoting just before the fixation of export minimum prices at about Rs. 55 per bale, that is, Rs. 10 below the floor of Rs. 65 per bale. If freight, insurance and other incidental charges are added to the minimum, the landed cost of Pakistani cuttings in India would come to Rs. 88 per bale or Rs. 18 per maund. Even at this level, Pakistani cuttings would be slightly cheaper than the Indian raw jute of comparable quality, which is quoted at about Rs. 20 per maund. This price advantage should normally weigh with the mills in India, but the quantity of cuttings to be imported will depend on the licensing policy of the Government of India. At present, Indian mills are taking only the absolute minimum quantity of Pakistani cuttings. As the Government of India is keen on restricting imports, Indian mills have to increase their consumption of jungli Bihar jute of similar quality. It should also be noted, in this connection, that India is the only market for Pakistani cuttings, which will be difficult to be sold at controlled prices. The authorities have, therefore, to ensure that they are not smuggled into India.

PAKISTAN'S JUTE INDUSTRY

The jute industry in Pakistan is steadily expanding its foreign sales. Increased offtake overseas have enabled the industry to step up production of jute goods and yet close the season ended June 1958 with reduced stocks. Production of jute goods in 1957-58 recorded a sizable increase to 154,059 tons, as compared with 144,534 tons in the previous season and 130,209 tons in 1955-56. Out of the total production during the 1957-58 season, hessian accounted for 38,242 tons, sacking for 110,191 tons and other goods for 5,626 tons. The corresponding figures for 1956-57 were 35,682 tons, 105,356 tons and 3,496 tons, respectively. Notwithstanding the increase in total production of 9,525 tons in 1957-58, the jute mills in East Pakistan reported their end-season stocks lower at

(Continued in previous column)

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ROLE OF FOREIGN BUSINESS IN DEVELOPING COUNTRIES

ITS FUNCTIONS AND RESPONSIBILITIES

By J. L. S. Steel

DIRECTOR FOR ECONOMIC PLANNING, I.C.I. LTD., LONDON

[In our issue dated 18th October, we published Dr. Gunter Henle's paper on the Climate for Private Enterprise, contributed to the Panel discussion organised by the International Finance Corporation, at New Delhi. In the following week, we published the paper of Mr. Neville N. Wadia on the Role of Private Enterprise in Economic Growth. Another topic which was discussed at the meeting was the Responsibilities of Foreign Business in Developing Countries. Mr. J. L. S. Steel, Director for Economic Planning, Imperial Chemical Industries Ltd., London, led the discussion, with a paper in which he stressed the need for mutual respect between the foreign interests and the government of the country where they work. In view of the great importance of foreign capital to the development of economically backward countries, Mr. Steel's observations deserve wider publicity. The following is the text of Mr. Steel's address.—Ed.]

IN dealing with this subject, I am making the assumption that some special industrial project has been examined and found to be a sound economic proposition and the technical difficulties and commercial prospects of the enterprise have been carefully examined and the political risks assessed. The project as a whole, has been found acceptable to the authorities, and in harmony with the trend and pace of the country's economic development. Licences, if necessary, have been obtained. As a result of taking all these factors into consideration, a clear decision to go ahead has been reached.

I think then that the first responsibility of the parent organisation is to back the project with wholehearted support and to pursue it with resolution and determination, in spite of those minor setbacks that are bound to occur. Quite clearly, a decision of the kind I have described is of a long-term type, though conditions, perhaps political, may sometimes change so radically that a change in policy inevitably follows. Normally, however, investment in a developing country is intended and expected to be permanent.

From the earliest stages, endeavour must be made to persuade the developing country that a project or industry is an integral part of the economy of the country itself and not a vehicle for exploitation. The parent organisation should do everything possible to encourage, foster and sustain a sense of partnership and of mutual interest. It is not always easy to do this, and there is no common rule. Yet, I would suggest that some of the means of attaining this objective involve making the best use of local resources whether in the form of manpower, brainpower, locally produced raw materials and intermediates and, of course, local capital to the extent that it may be available and also prepared to take a part. Inevitably the parent organisation will normally supply expertise and technical knowledge of the processes involved. For this, a reward is naturally expected, which will normally take the form of a return on the capital investment and/or payment for technical knowledge, patent rights and know-how.

Return

Parent companies may also reasonably expect that the return on their investment will not be less than the return they might expect for a corresponding investment at home. It is a matter of general experience too, that in a number of cases losses in the early years may well have to be faced. This is something which should not deter the investor, but he will naturally take it into account when estimating the likely prospects of the concern.

As far as the utilisation of local resources in the form of manpower and brainpower is concerned, generally speaking the business should aim at providing employment for the nationals of the country concerned; but in the early stages, and in some cases for years after, key members of the staff may have to be provided from the parent organisation. The long-term objective should be to recruit and train nationals of the developing country, and in due course to promote them simply and solely on grounds of merit and calibre. In some developing countries, the rate of industrial development is faster than the build-up of the industrial tradition, and it is this that makes the assistance of staff, not necessarily "technical" in the narrow sense, from the parent organisation necessary for a number of years after the starting-up period. It is not very difficult to find men to go out on an initial assignment of, say, six months to three years in connection with the erection and starting up of a plant, provided they get the necessary incentive, but it may be quite a problem to find replacements to manage a going concern if it seems to them that they are really just training and providing experience for nationals of the developing country to take over their posts. Few people are enthusiastic about working themselves out of a job.

In order to obtain men of the right calibre to work in a developing country, particularly with a tropical climate quite different from that experienced at home, it is necessary to offer considerable inducements, over and above what might be called the basic remuneration for the post, especially to the young man who so often nowadays already has a family. If he is of first-class calibre, he should have no difficulty in getting a first-class job in his home country, and the sense of adventure which in years past encouraged young men to emigrate and start life in a new country, has been to some extent modified by progress of welfare States and changes in social structures at home. In any case, the individual who moves to a developing country is inevitably faced with a higher level of expense which results from living in unfamiliar, strange surroundings, and he must be provided with facilities and money for home leave, for the education of his children in his own country and other inevitable expenses. This means that the cost of sending an expatriate to a job in a developing country will be more than the corresponding pay of a national of that country, on the assumption they are both of equal calibre.

Gross Income

There will, therefore, be cases where the gross income on nationals of a developing country will be less than the gross income picked up by a foreigner in a similar position. Any undue or unfair disparity, however, is most unlikely to persist for any length of time, for the parent company itself will clearly have powerful economic reasons for training and appointing a national of the country as soon as one can be found who is wholly adequate for the job. Statutory obligations in regard to the employment of local nationals, whether as to the proportion by number or the proportion of the total salary and wage bill, do not contribute to operating efficiency. It is surely preferable for industry to be left to realise its obligation towards the employment of nationals of the country.

Industry in fact is compelled to adopt this attitude to the utmost possible extent for technical staff, owing to the shortage which exists in most countries of the Western world, quite apart from the very high cost of employing expatriate staff to which I have already alluded. Heavy capital expenditure, especially on projects in isolated locations, must be faced in respect of housing, educational facilities, medical services and other welfare items. The amount which it is necessary to budget for varies enormously from place to place and is clearly dependent on what may be already available from Government and municipal investment in the infrastructure, but these facilities are seldom cheap.

I can give one example from a works engaged in Africa in the extraction of natural mineral deposits, where the total expenditure on housing hospitals, schools and other welfare items amounted to over 60 per cent. of the original cost of the plant. It is not surprising, therefore, that the foreign investor feels that much of this is really the responsibility of the country in which he is investing his money, and he is only prepared to take the full responsibility willingly in cases where the factory is in an extremely isolated and wholly undeveloped area, where other industrial enterprises are most unlikely to go. It is perhaps not only the capital cost of these items which is of importance, but their running cost. I know of a factory, not a thousand miles from Delhi, where the annual cost of supplying medical services alone for the employees adds about 8 per cent. on the total wages bill.

Investment

The question is often raised as to the investment of profits made by a factory in the country concerned. Trading profits are normally split into three parts, namely, that taken by taxation, that retained in the business for expansion or replacement of plant, and that remitted overseas to the parent company. It is certainly the opinion in industry that industry itself is the best judge of allocation of profits. Statutory obligations in this respect are not welcome. It is, however, an undoubted fact, that a very high proportion of the profits earned by subsidiary companies is in practice retained in the business and used for expansion or replacement of fixed assets. In fact, this has become one of the most important single pieces of industrial investment. Yet to impose as an obligation, some arbitrary figure, would almost certainly act as a powerful deterrent to some potential investor. Other ingenious devices, such as high taxation on dividends or distributed profits may produce similar reactions!

I have been asked to say one or two words about the adjustment of the products of a factory to the special requirements of the overseas markets. The necessity for attention to the design of a product to meet the special requirements and tastes of a foreign market is as obvious as it is essential. It is perhaps less generally realised that quality standards should be as high as those adopted by the parent company in its home market.

In order to maintain and improve standards of quality, factory operation and development, exchange of visits should regularly take place between the top officials of parent organisation and those of its local subsidiary, whether expatriates or nationals of the country. It is highly desirable to have similar exchanges for senior technical personnel to ensure the continuance of the highest possible standards of technical efficiency, and also by some of middle seniority, whether in commercial positions or technical specialists. This is the best way of assuring an identity of outlook between the parent organisation and the overseas subsidiary and of ensuring that the parent organisation is kept fully informed of changes in conditions in the developing country.

As regards respect of customs, traditions and sensitivities of people in the country of operation, you will not expect me to discuss this subject in great detail, but I would like to emphasise the responsibilities of the parent organisation for the most careful selection of employees who are seconded to the overseas country and the need for proper qualifications and training and the right outlook on going overseas. This also applies to wives of the employees, who must be prepared to live the life of the new country in an appropriate fashion. I need hardly refer to the desirability of learning the local language, of studying something of its history and traditions and of the necessity to avoid any prejudice on account of race or religious belief. I am doubtful as to whether adequate facilities exist in the developed countries for what might be called a course of practical instruction on the problems which employees are bound to meet in the developing country. Such facilities should be extended to wives of the employees and might well take the form of short residential courses, in as informal an atmosphere as possible and covering subjects such as health, hygiene and general conduct. *Savoir faire* is not an inherited characteristic.

Local Investors

The extent to which local participation in a developing country can be encouraged clearly depends in the first instance on the existence of owners of capital able and willing to invest in manufacturing industry, as distinct from real estate, mineral rights etc. In furtherance of the general aim that the business should form an integral part of the economy of the foreign country, and should manifestly appear to be such, it is most desirable that any wish on the part of nationals for a financial participation should be recognised when it arises. If it is not recognised, results may be unhappy.

The extent to which local participation should be encouraged or agreed, must clearly depend enormously on the type of venture. In many cases, the parent organisation will not willingly allow its equity interest to fall below 50 per cent., for it will then lose effective control of the enterprise which has been built up by its own initiative. There will, however, be cases where a company from abroad will be content to hold a minority interest, possibly where this is accompanied by a royalty agreement or an agreement for the provision of technical service. Yet the making of arrangements which amount to a partnership with business interests in the developing country can give rise to awkward problems. Sometimes national and natural pride is against a minority holding on the part of the nationals of the developing country, yet 50-50 arrangements are often difficult to operate. There is clearly a need on both sides for recognition of both points of view and for agreement to be reached without jealousy and on a sensible practical basis. Statutory obligations regarding the proportion of local capital are not helpful. They are inevitably rigid and fail to take account of the extreme variation in circumstances in individual cases.

My remarks so far have been concerned primarily with foreign business in developing countries but some of the responsibilities to which I have alluded are equally applicable to business which arises from purely local enterprise. It is no less essential for local business to make the best possible use of local resources and in this way to make the maximum contribution to the economic welfare of the country. A long-term view must be taken; the "here-today-and-gone-tomorrow" outlook or "make-hay-while-the-sun-shines" policy may provide quick wealth for a few lucky ones, but does nothing to promote the well-being of the community on which it fastens.

Industry and State

The relations between local industry and Government are inevitably close in a developing country. One of the most important aspects is the need for mutual respect at all levels between those who have the conduct of local industry under their command and those who bear responsibility in the finance and trade departments of Government. The operations of trade and commerce are so complex that their tasks are often not easy to perform, but governments can help by assisting civil servants to obtain knowledge of the industries which they are in a position to influence in such a striking way. Local business may have in practice a greater proportionate responsibility in a developing country than in a highly industrialised one inasmuch as by its very nature it is helping to create the conditions in which the economic life of the community is itself involved. Above all things, it must aim at the development of the highest possible standard of honesty and integrity. It should encourage and, by its own actions assist the creation of a sound business code of conduct, based on straightforward dealing and the fulfilment of obligations freely entered into.

The responsibilities I have discussed are dependent upon and associated with other features of this Panel Discussion, particularly as regards the proper climate for private enterprise. It is quite unrealistic to expect industry to realise its responsibilities in full in the absence of a suitable background for the conduct of private industry. The exercise of responsibility by industry and the attitude of governments to private industry in developing countries thus forms a mutual exchange. Both elements are difficult to define or generalise about and both are in the process of development. But surely it can justly be claimed that industry, since the two great wars, has become alive to its responsibilities in overseas territories in a manner which did not exist before. This sense of responsibility has been developed notwithstanding setbacks from time to time in the form of expropriation or nationalisation default in meeting financial obligations and deliberate policies of currency inflation. Nothing can contribute more to the further development of the responsibilities on the part of private industry than the disappearance of features such as these. Clearly, the responsibilities of private industry are more likely to be fully recognised and fully carried out in a free atmosphere rather than in an atmosphere of edict, official persuasion or excessive controls.

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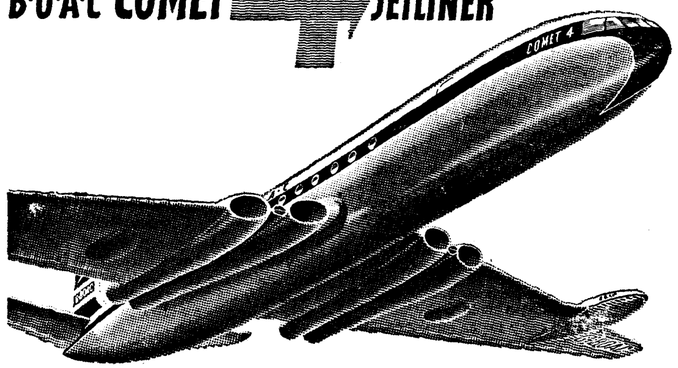

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ROAD TRANSPORT IN INDIA

HIGH TAXATION IMPEDES PROGRESS

THE amendment of the Motor Vehicles Act and the establishment of the Inter-State Transport Commission, together with the amendment of the State Bank Act (designed to facilitate the provision of credit for hire-purchase of vehicles) are some of the important measures which the Central Government has adopted in order to give a fillip to road transport. A great deal, however, remains to be done in the matter of removal of some of the inhibitory factors, such as the restrictions on the movement of vehicles, imposed by the Motor Vehicles Act and the Code of Principles and Practice, and the restrictions on permissible laden weight of vehicles, on the employment of truck/tractor-trailer combinations, and on private carriers. Insufficiency of viable transport units and delays in the issue of permits and the restrictions on movement imposed ostensibly in the interests of rail-road co-ordination are other discouraging factors.

By far the most important of the causes for the unsatisfactory pace of progress of road transport is the high taxation on motor vehicles and their operation. In its reply to the questionnaire issued by the Road Transport Reorganisation Committee (Chairman: Mr. M. R. Masani), the Indian Roads and Transport Development Association has clearly brought out the fact that taxation weighs too heavily on road transport. The taxation per vehicle, which stood at Rs. 611 in 1944-45, moved up to Rs. 1,906 in 1954-55 and now (for 1957-58) stands at Rs. 2,100. In 1956, the Study Group of the Union Ministry of Transport suggested an all-round reduction of 20 per cent. in the then existing level of taxes. "In today's conditions with an increase in the excise on motor fuels in 1957," the Association says, "we think that the reduction should not be less than 33 per cent. all round."

Receipts From Tax

It may be mentioned here that the total receipts from all taxes on motor vehicles during 1956-57, were about Rs. 79 crores. Of this amount, about Rs. 14.79 crores were on account of import duties on vehicles and thus became part of the Central revenues. Of the balance of Rs. 64 crores, about Rs. 22½ crores were spent on road maintenance and Rs. 4½ crores were contributed to the Central Road Fund, leaving about Rs. 37 crores as a net return to the Exchequer on the country's total investment in roads of about Rs. 456 crores by 1955-56. This works out to 8 per cent., as against 4 per cent. which is the return on the Railway's capital-at-charge (excluding that on strategic lines). Indeed, if the principle of equal treatment for all transport services were adopted, there is a case for a 50 per cent. reduction in taxes on road transport.

The Association has recalled that "every committee appointed by the Government, during the past seven years, which dealt with the question of taxation of motor vehicles directly or indirectly, has pointed out that the level of taxation in India is too high, there are far too many taxes, there is no uniformity in them and that the combination of these factors has been having a bad effect on the development of road transport." It adds: "These facts have been admitted at the Ministerial level also and yet, last year, the excise on motor fuels was raised by the Centre and recently, even a small reduction in prices as a result of a new agreement with the oil companies has been denied to the consumer!"

Many Taxes

At present, there is a large number of taxes on motor vehicles. These taxes are: (1) Motor vehicles—import duty, sales tax, registration fee, and vehicle tax (also wheel tax in cities like Bombay and Hyderabad) and excise on cars of 20 or more h.p. and carrying less than nine passengers, (2) tyres and tubes—excise duty and sales tax, in addition to import duty on raw materials, (3) parts and accessories—import duty and sales tax, (4) motor vehicle batteries—excise duty, (5) fuel-petrol, diesel and lubricants—import-excise duty and sales tax, (6) passengers and goods—taxed in some States, (7) tolls—in some centres, (8) octroi—at all cities in many of the States. The Association has stated that, except on Express Highways, tolls should not be collected, since they interfere with free movement. It is also against the imposition of octroi duties. In this connection, it observes: "The detention at octroi posts is a national waste which has to be avoided. It has been estimated by some people that such detention may work out to at least 10 per cent. of the time required by a vehicle per trip. If this time is saved, the country will require 10 per cent. less vehicles to carry the same volume of traffic." The Association has, therefore, suggested that a surcharge on sales tax be levied in lieu of octroi, the amount being equal to the present income from octroi. This suggestion, it further points out, was also made by the Taxation Enquiry Commission which said that it could be put into effect "when the sales tax system itself is well established and efficiently administered in the generality of States." The Association feels that now that the sales tax system has been in force for some years, the "time is ripe for this change."

Centralisation

The Association recalls that the Transport Commissioners Conference, held last year, recommended the centralisation of some taxes and the imposition of a ceiling on the tax on motor vehicles levied in States. It adds: "The Council of this Association has devoted considerable time to the study of this subject and is convinced that the only way to rationalise the present system of taxation is to centralise all taxes on motor vehicles, to specify authorities who should collect them on behalf of the Centre and to distribute the proceeds to States according to an agreed formula as in the case of income-tax." There is no doubt that, if this proposal were adopted in respect of at least the more important taxes on motor vehicles, it would eliminate the present diversity in the incidence and mode of taxation and thereby give a fillip to motor transport in the country.

METRIC SYSTEM IN OIL INDUSTRY

The petroleum industry in India is likely to change over to the metric system from 1st April 1960. A tentative decision to this effect was taken at a meeting of representatives of the industry held in the Ministry of Commerce and Industry in New Delhi last month. From the date of changeover, the metric units of weights and measures will be used for all purposes including sales, tenders and invoices. Quantities and prices will be shown in metric units. Service station equipment will be converted to the metric system. All meters, scales, weighing machines and weights and measures will be in metric units. Packages will be designed to hold a convenient quantity expressed in metric units. The entire accounting system will also be conducted in metric units.

Representatives of the industry, who had earlier suggested that the changeover should take place from 1st January 1962, said at the meeting that they would like to effect the changeover simultaneously with the Railways and the Central Board of Revenue with whom the industry had extensive dealings. Since the railways have decided to go over to the metric system from 1st April 1960 and the C.B.R. have also proposed to do so, the industry's representatives felt that the date for their changeover should be advanced. The industry would make preparations in the meantime for the changeover. These will include recalibration of petrol tanks at port terminals, of storage tanks at depots and service stations, railway tank wagons and tank trucks, education of the staff to make them conversant with the new weights and measures, laying down of standards for metal containers and installation of new dispensing pumps and other equipment.

The representatives of the industry stressed that foreign exchange should be made available for the purchase of equipment, particularly dispensing pumps, not indigenously available. They also emphasised that the two organisations with which they had intimate connection—the Railways and the Central Board of Revenue—should accept 1st April 1960 as the firm date for changing over to the new system. It was pointed out to them that the present foreign exchange position was very tight, but efforts would be made to meet their requirements as far as possible. For this purpose, the industry's representatives were asked to furnish details of the foreign exchange required and the equipment to be bought from abroad. An advisory Committee was set up at the meeting to study the problems involved in the changeover and keep in touch with the various Central, State and municipal agencies whose co-operation will be necessary to bring about a smooth changeover. Earlier, in his opening remarks, Mr. K. V. Venkatachalam, Joint Secretary, Ministry of Commerce and Industry, who presided, said that the first phase of changeover to the metric system had already begun. The petroleum industry, which occupied an important position in the country's economy, had to co-ordinate its programme of changeover with different Government agencies. He informed those present that a number of States had already introduced machinery to enforce the metric weights and measures while the remaining ones were in the process of doing so. Besides the representatives of the three major oil distributing companies and refineries and the Assam Oil Company, representatives of the Ministries of Steel, Mines and Fuel, Defence, Transport, Railways and Works, Housing and Supply and the Indian Standards Institution attended the meeting.

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WORLD ROAD TRANSPORT

Improvements in the procedure for the licensing of international goods transport by road and amendments to the Set of Rules and Annexes to the General Agreement were again considered by the Sub-Committee on Road Transport of the Inland Transport Committee of the United Nations Economic Commission for Europe which met last month at Geneva. It was decided that the model licences for international goods transport by road should be reviewed by the Working Party on the International Road Transport Regime with a view to their final drafting. On the question of the Set of Rules and Annexes to the General Agreement, it was decided to make a number of changes and additions, it being understood that, in practice, these modifications would apply when the General Agreement came into force. The present position is that four countries have signed the Agreement—Greece, France, Italy and Norway. The entry into force of the agreement requires the signature of five countries; the representatives of several countries stated that their Governments intended to sign in the near future, and it is then that the proposed changes will be made.

After studying a document pointing out the increased risks of accidents due to the non-observance of the regulation of hours of work in road transport, the sub-committee noted that, from the standpoint of road safety, it had by no means been proved that the number of accidents caused by heavy lorries was out of proportion to their mileage. From the standpoint of observance of social legislation, it recommended that Contracting Party Governments strengthen their control measures for the enforcement of national labour legislation in respect of the crews of road transport vehicles and take appropriate steps to ensure the application of the provisions of the General Agreement. It further decided to request the I.L.O. to study the question of prohibiting the driving of vehicles at night and on Sundays.

The sub-committee studied the measures to be taken for signposting of camping and caravan sites, road markings and the implementation of the European agreement on road markings, signals on priority vehicles, approach signs for level-crossings without gates or with half-gates, heavy vehicles, caravans and trailers and trailers coupled to motor cycles. With regard to weights and dimensions of vehicles, it requested the I.R.U. to prepare a study on the comparative operating costs per kilometre travelled under load by vehicles and combinations of vehicles designed for a maximum load of eight tons per axle, and by vehicles and combinations of vehicles designed for a maximum load of 10 tons per axle; it also suggested that a study be made of the problem of increases in expenditure likely to be occasioned by raising the maximum permissible weight per axle from eight to 10 tons.

The sub-committee, it is stated, would like to see the establishment of a European Agreement supplementing the 1949 Convention; the latter in fact covers the whole world and is drafted in general terms, which might be more closely defined in an agreement applying specifically to European countries. It also studied the question of a distinctive sign for vehicles in international traffic. There is a certain risk that metal plates alone may not allow of the identification of a vehicle's country of registration. It, therefore, expressed the view that if States considered it necessary for foreign vehicles to carry distinctive signs they should impose them by law and inflict penalties for infringements. It requested Governments and tourist associations to remind motorists of the need for the distinctive sign.

The detailed project report on Thermal Power Station in Neyveli of a capacity of 250,000 k.w., has been submitted by the representatives of the Soviet Government to the Government of India. The establishment of a thermal power station in Neyveli based on lignite was included in the agreement concluded between the two Governments on 9th November 1957. The agreement provides for a credit arrangement of 500 million roubles for setting up five industrial enterprises in India. The other enterprises to be established are: a heavy machine building plant, a coal mining machinery plant, an optical glass factory and enterprises for mining and treating of coal. The preparation of detailed project report was the preliminary step to have been taken by the Soviet organisations under the terms of agreement.

A flying research vehicle with no wings is being developed in Detroit, U.S.A., for the Army Transportation Corps by Chrysler Corporation. The double-rotor, ducted fan aircraft, 20 feet by 10 feet in size, is powered by a 350-horsepower, six-cylinder, air cooled engine. It will be able to carry a load of 1,000 pounds. Lift and flight are directed by using vanes to deflect the air stream to the direction desired.

NEW PRODUCTS AND PROCESSES

New Type of Coal Mine

SOVIET engineers have designed a new type of coal mine, in which the main processes, it is said, will be automatised and the miner's labour immensely lightened. According to Mr. A. Geskin, Chief Engineer of this coal mine project, the new mine will have a very large capacity up to 10,000 tons of coal will be mined per day. This is almost double the production capacity of the largest mines in existence. Some 4,000-5,000 men would be needed for working an ordinary mine of the same capacity. The new mine will be manned by a staff of only 1,100-1,200 men. In the new mine the coal is transported into the drift via the scraper. Here it passes along a system of belt-conveyers until it reaches the trolleys. The project stipulates that heavy 20-24-ton electric locomotives be used for hauling the coal instead of the existing 14-ton locomotives. Timbering in the longwall will also be conducted without the participation of the miners. Hydraulic propping will be used for this purpose which will automatically advance along the longwall. The coal will be hauled to the surface by a powerful skip whose capacity is much higher than existing ones. A dressing plant for the mine is being designed according to the new technology. All the sections will be controlled by the chief despatcher and his two assistants from a central control desk. The mechanisms themselves will signalise all possible break-downs and hitches. Besides, the despatchers will have a special TV installation with which it is planned to control the work of the main sections of the mine's equipment and the dressing plant. This new type of mine, it is said, will result in radical changes in the work of miners. There will be no tunnellers, coal hewers, loaders, timberers. They will be replaced by highly skilled assembly men, adjusters and technician-controllers. The work of the miners will be restricted to inspecting and servicing mechanisms. The men will remain on the surface. Machines will do the work underground.

Machine for Oil Exploration

Soviet designers claims to have produced what is called the world's first stationary automatic machine for determining exploitation duties for large oil and gas deposits. The machine makes it possible to study with great accuracy processes taking place deep in the earth, thousands of kilometres away, and to make forecasts about striking oil and gas. The machine shows not only the current condition at the deposit, but also determines the changes that will take place in the oil layers within five to six years.

New Translation Device

Development of an electronic "brain" that can convert English verbs directly into electronic instructions for computers has been reported by the U.S. Air Force. The machine, called A.I.M.A.C.O., or Air Material Command Automatic Compiler, was developed by technicians of Air Material Command (A.M.C.) at Dayton, Ohio, and scientists of the Sperry Rand Corporation. Though A.I.M.A.C.O's vocabulary is limited at the present time, Air Force scientists hope to increase its range to a much wider use of the English language. The importance of A.I.M.A.C.O. is that it eliminates manual translation of the spoken word to machine language. The device uses a giant computer to make the conversion electronically for itself and for such other electronic "brains" as the Remington Rand U.N.I.V.A.C.

Soluble Resin

A resin which is soluble in hydrocarbons such as toluene, xylene, aromatic naphthas and vetones has been developed by British Geon, London. The material, which is a solution resin consisting of vinyl chloride and vinylidene chloride, can be used in the production of protective coatings. Coatings which are deposited from the resin, which is called Geon 222, are said to be able to withstand corrosion by acids, alkalis, salt water, oils and greases. The coatings are claimed to have excellent adhesion to metal, wood, paper and other materials. They are also said to be easy to apply by techniques such as spraying, dipping, brushing and roll coating.

New Leak-proof Seal for Gas Cylinders

Where cylinders containing medical gases are used in hospitals and surgeries it is often a problem to ensure that no leakages occur. A new leak-proof seal for use with these cylinders has been developed by the Medical Division of British Oxygen Gases. Called the Bodok Seal, it is a washer of yielding material bonded to a reinforcing metal ring which prevents splaying. The ring, it is claimed, will resist corrosion, and the seal is designed to ensure that a leak-proof joint can be made without excessive lightening. The seals can be fitted to both cylinder yokes and regulators, and are easily removed.

Picture Tube for X-Ray Use

A new, improved picture tube for use in X-ray operations has been demonstrated in Cleveland, Ohio, U.S.A. The tube contains a fluorescent screen. As the X-rays go through the body and vital organs throw their shadow dimly on the screen, the image is changed from light into electrons which, in turn, are given an extra charge to boost their power. The electrons then produce the picture on the viewing end of the tube. The picture is said to be 350 times brighter than the image on the screen itself. The tube is being manufactured by Rauland Corporation, a subsidiary of the Zenith Radio Corporation.

MUKAND IRON AND STEEL WORKS LTD.

STEEL FOUNDRY'S CAPACITY TO BE EXPANDED

ADDRESSING the Twentieth Annual General Meeting of the Mukand Iron and Steel Works Ltd. held in Bombay on 24th October 1958, Mr. Kamalnayan Bajaj, Chairman of the Company, said that, in view of the keen competition faced by steel castings, the Company had started producing a wider variety and intricate types of castings, some of which were being made for the first time in India. He disclosed that the Government of India had approved of the expansion of the Company's steel foundry capacity from 5,400 tons to 7,800 tons per annum.

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

"LADIES AND GENTLEMEN,

"My cordial welcome to you all, and particularly to the new shareholders, to the twentieth annual general meeting of the Company. The accounts for the year ended 31st March 1958 and the Directors' report thereon have been in your hands. With your permission, I shall take them as read.

"You will be glad to know that the issue of new equity share capital of Rs. 20,47,250 was fully subscribed.

"Recently, there have been a series of political crises in a number of countries in Asia and the Middle East. The events in Burma and Pakistan, our immediate neighbours, are particularly of great significance to us. I sincerely hope that these changes may bring stability and prosperity to their people.

"It is encouraging to find that the advanced countries of the world are increasingly realising the imperative necessity of giving active aid to the underdeveloped countries to strengthen and stabilise the economy of the world. The stirring appeal made by our Prime Minister in his inaugural address at the joint meeting of the I.M.F., I.B.R.D. and I.F.C. at Delhi has created a profound impression among the leading economists, bankers and statesmen of the world.

Sound Economy

"In executing our second Five-year Plan, among other difficulties, we are confronted with a great shortage of foreign exchange. Moreover, our Government is unavoidably forced to spend large amounts of vital foreign exchange on food imports. In spite of these difficulties, it is heartening that the general economic position of our country is sound, and improving. Mr. Per Jacobsson, the Managing Director of the I.M.F., has said: 'India enjoyed a great advantage in her currency. Retention of a good currency is worth some sacrifice.' Mr. C. Douglas Dillon, Under-Secretary of State of Economic Affairs in the U.S.A., has expressed the opinion that the Indian rupee would become the hardest currency in the world in fifteen years. Mr. Eugene Black, President of the World Bank, has said that India has become 'the symbol of mankind's hope in economic development.' These statements, coupled with the large-scale aid assured to us by a number of countries, are indicative of the confidence in the inherent soundness of our economy and political stability. The recent successful foreign tour of our able Finance Minister has helped in further strengthening our economic ties with the outside world, and paved the way for a larger inflow of participating foreign capital into our country.

"There are indications that the target for steel production in the third Five-year Plan might be fixed at 15 million tons. This has been considered to be rather high. Steel is an essential item in every development scheme and, looking to our needs, it would indeed be good for us if this target can be attained. I am sure our planners would assess the target carefully in relation to our available resources at the appropriate time, so that unnecessary complications may not arise at a later stage.

Capacity to be Raised

"The pruning down of the second Plan and the slower tempo of its operations in several items, and, more particularly, the pegging of production of cement and railway wagons at lower levels, have resulted in some stagnation of demand for steel castings. Moreover, most of the older units are expanding their capacity and newer ones have commenced production. Steel castings are, therefore, facing keen competition. The Company, being alert to the situation, has already started producing a wider variety and more intricate types of castings, some of which are being made in India for the first time. You will be glad to know that the Government has approved of an expansion in our steel foundry capacity to 7,800 tons per year from the present 5,400 tons, and we are going ahead with the plans.

"The results of the rolling mills have shown further improvement. Our main difficulty has been the supply of billets, for which our country was dependent mostly on imports. When the T.I.S.Co's and I.I.S.Co's expansion plans are completed, and the three new steel plants start production, there will be substantial improvement of a lasting nature in the billets supply position. Meanwhile, arrangements for import of billets are being made by the Government, and it is hoped the situation will improve soon.

"The management of your Company have been taking effective steps to increase efficiency and productivity by carrying out considerable improvements in methods, plant facilities and layout. During the year, one of our Senior Executives has returned after attending the Middle Management Course at Harvard (U.S.A.) and two of our Technicians have successfully completed practical training in the U.K.

Accounts

"The loss of production due to breakdown in the steel plant for about three months, an increase of about Rs. 2 lakhs in the workers' emoluments, and a substantial cut by the Government in the conversion cost of rolled products resulting in a reduction of nearly Rs. 7.5 lakhs in earnings, have adversely affected the Company's profits. Moreover, several improvements which were made during the year resulted in temporary dislocation and loss of production. The benefits of these steps will accrue during the subsequent years. The Company has insured against loss of profits due to breakdowns in future. The Tariff Commission's report on conversion costs is expected and it is hoped we may get some relief.

"It is proposed that the dividend on ordinary and deferred shares be paid in *specie* by distributing fully paid ordinary shares of the Batala Engineering Company, Limited. After the partition of the country our factory at Lahore was lost, but by negotiations we were able to get the shares of B.E.Co. in exchange for this factory, and consequently B.E.Co. became a subsidiary of Mukands. Since then B.E.Co. has made considerable progress, and started paying dividends. With the proposed distribution, the benefit of such dividends will accrue to you directly in full. In my opinion, the interests of both the Companies would be served better, if B.E.Co. ceases to be a subsidiary of your Company.

"The Directors of the B.E.Co. have recommended a dividend of 7 per cent. on its shares for the year ended 31st March 1958. You will be entitled to this dividend to be declared at the ensuing annual general meeting of the B.E.Co.

Code of Conduct

"The recent tripartite conference of representatives of Government, employers and labour held at Naini Tal has recommended the amicable settlement of disputes by negotiations and voluntary arbitration and has also adopted a code of conduct for elimination of certain unhealthy practices, especially the rivalry of trade unions for winning the loyalty of labour by outbidding one another in making exorbitant demands and raising high hopes. I hope that these recommendations will help to create a healthier atmosphere and will be practised without reserve by all concerned for their common benefit.

"I am happy to state that the relations between the management and employees in your Company remained very cordial throughout the year. I express my appreciation and thanks to the executives, staff and workers for the efforts made by them during the year for the progress of the Company."

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

FIRE PREVENTION WEEK

ITS IMPORTANCE TO GENERAL INSURERS

FIRE prevention and fire fighting constitute a subject of utmost importance to insurance companies, apart from the national and individual interests involved in the prevention of fire damage and reduction in such damage. If fire hazards could be reduced to a minimum, it would certainly lead to lower claims against general insurers in the fire business. This in turn will enable them to make insurance cheaper and thereby to extend the protective cover wider. In fact, the only branch of business which sustains general insurance in India at present is the fire section. The other two branches, namely, marine and miscellaneous, are unremunerative and have of necessity to be subsidised by the fire section. Equally with other factors affecting the underwriting experience, a change in the rate of incidence of fire can mean much to insurers. Such a change can come only through the wider diffusion of the knowledge of fire prevention among the general public. From this point of view, the Fire Prevention Week, which is being observed in the first week of this month, should be of particular interest to general insurers.

Fire Hazards

The purpose of the observance of Fire Prevention Week is obviously to inculcate in the public a consciousness of the existence of fire hazards and the need to minimise them as far as possible. This is, however, a subject which has received very little attention in this country, despite the fact that the incidence of fire in India is by no means small. As industrialisation progresses rapidly and industrial units using highly inflammable chemicals and substances are established, fire hazards will increase greatly. Even in countries like Britain, where there is a well organised and efficient fire-fighting service in addition to voluntary non-profit-making organisations, such as the Fire Protection Association, offering technical and general advice on fire protection, the outbreak of fire is not uncommon. In fact, in Britain, there are between 200 and 300 expensive fires every year, costing over £10,000 each and the public fire brigades attend to over 10,000 fires in industry a year. It was estimated that, in 1956, the total damage due to such fires alone was £7 million. Each of them cost over £100,000 and one of these, involving a loss of over £1.4 million at a refrigerator works, was the largest loss ever suffered by the manufacturing industry in that country till that date. In February 1957, this figure was exceeded when a fire caused two million pounds damage to the stock and building of the main assembly shop at the Jaguar factory. A single fire in an American factory in 1953 cost £10 million. The extent of the damage caused by fire in India does not appear to have been measured in monetary terms, nor does it seem that even an approximate estimate of its magnitude has been made. But there can be no doubt that the incidence of fire and the losses resulting therefrom must be heavy.

Among the notable causes of fire is the ignition of dusts, and flammable liquids. Dusts and accumulations of rubbish present a common fire hazard, in that they can harbour smouldering, unobserved fires for long periods. An unextinguished cigarette falling in a heap of dust and other waste may start smouldering which may break into flame long after the premises have been left unoccupied. This is how many of the fires which are discovered in the early hours of the morning have been caused. Accidents in the use and handling of inflammable liquids are a very common cause of fires in industry. Even in very small quantities they are dangerous. In fact, accidents with small quantities are by far the most common, because insufficient attention is paid to the hazard. With very few exceptions, causes of fires can be attributed to a failure of the human element, careless use of a blow lamp or oxy-acetylene gas, lack of maintenance of electrical equipment resulting in a short circuit, etc. Others are less obvious, but nonetheless due to the failure of the human element such as the ignition of an accumulation of dust by a stray electric arc, spontaneous combustion in some chemical process and the discharge of static electricity in the transfer of flammable liquids.

The question of developing an adequate and efficient fire-fighting service in India had for long gone by default. Even as late as a couple of years ago, only a few big industrial and port towns had any organised fire-fighting service worth mentioning. Fire services in a few other places where they existed, were defective both in the matter of trained personnel and equipment. The majority of the towns and almost all villages were doing without any fire-fighting service at all. Fortunately, there has of late been a welcome awareness of the importance of fire prevention and the need for an efficient fire-fighting service. The most important step taken by the Government in this regard was the appointment, in 1950, of a committee of fire experts to study the question. The Committee recommended the establishment of a central institute for the training of fire fighters as a question of top priority, as there was hardly any place in the country for imparting systematic training in the techniques of fire fighting not only to the existing largely untrained service personnel but also to the increasing number of young recruits needed to man the expanding fire services. Accordingly, the National Fire Service College was established in July 1956. The College was temporarily housed at Rampur. Last year, it was shifted to its new and permanent home in Nagpur. The College has completed two years of existence. These two years were a period of intensive activity and rapid growth for this unique institution which is the first of its kind in India and, perhaps, the only organisation for systematic training of fire fighters in the whole of South-East Asia. During this short period, the institution has not only succeeded in building up a full-fledged training apparatus, but has also developed new techniques in the arduous and highly specialised art of fire fighting.

Rural Areas

It is obviously difficult to extend the benefits of fire insurance to rural areas. Whether these benefits are extended or not, rural areas are in need of fire-fighting services, considering that fire damage is not infrequent in these areas. But, as Mr. M. G. Pradhan, Commandant, National Fire Service College, points out, it is not easy to have fire services in rural regions, especially in centres situated at a great distance from towns. The only practicable solution is to take preventive measures and minimise the occurrence of fire accidents. He suggests that huts should be constructed, as far as possible, with non-combustible materials, such as thick mud, bricks or stones with roofs of metal, or asbestos sheets or tiles, particularly the portions around the kitchen fire and the roof above it. If split-bamboo is to be used in construction, it should be plastered with thick mud on both sides and limewashed to make it a little fire-resistant. Naked oil lamps or kitchen fires should never be allowed to burn when retiring to bed. Cigarette or *bidis*, as well as burning match sticks and kitchen fires, should be fully extinguished when done with. Straw and hay should be stacked away from the village roads or railway lines to avoid sparks falling on them. If fields are situated next to the roads or railway lines, a buffer belt of green field should be developed to keep the stacks at some distance. Hay stacks not more than 500 maunds in weight and 25 ft. in height should be built up and kept 60 ft. apart from each other or from other farm buildings.

Whenever waste material, grassland, rubbish, stubble, etc., are to be burnt, it should be done on a calm day while leaving enough space to serve as a fire break. To avoid spontaneous combustion, the newly-cut hay should be stacked from sides keeping a vertical opening through the centre which, before the stack is sufficiently high, should be filled in with loose straw. This will allow the internal heat to escape through the loose straw. All combustible storages such as fuel, wood, oils, paints, spirits, etc., should be kept in separate rooms detached from dwellings. Shopping areas and bazaars should be built with sufficient wide open spaces in between.

To deal with occasional accidental fires in rural areas, the villagers should be taught the elementary fire-preventive methods. The fright from their minds has to be removed as regards calling the fire service through the police or the village revenue officials assuring them that they would in no way be punished for such actions on their part. They should, on the contrary, be taught to consider this as their sacred duty to help their fellow villagers in their hour of peril. As soon as a fire has occurred, there should be an immediate alarm for far-off people to hear. Through fire buckets, dry sand or earth, fire beaters or brooms or fire bats of green twigs and shovels or spades, the fire can be fought. A few dwellings or huts around the fire may even have to be pulled down to achieve this object. Somebody should run up to the village police post or revenue official and give information to enable him to call the nearest available fire service, if possible. Fire-fighting implements such as stirrup pumps, buckets, scoops and rakes, fire beaters, hay knives, shovels and spades, etc., should be maintained at a central place, may be a *panchayat ghar* or a police post. A small payment for the maintenance of these equipment may be made to a group of young enthusiastic villagers who should occasionally visit the place of storage and clean the equipment so as to keep them in working order. These suggestions deserve to be implemented at least in some of the Community Development Project centres. This would help spread the knowledge of fire-fighting and awareness of fire risks in the rural areas.

EXEMPTIONS FROM STATE INSURANCE ACT

The Government of Bombay has exempted all factories situated in the area in which Chapters IV and V of the Employees' State Insurance Act 1948 are in force, and which are exclusively engaged in one or more of the manufacturing processes specified below or any other manufacturing process incidental to or connected with any of those processes, from the operation of the Act, except Chapter VA thereof, for a period of one year ending 30th September 1959. Re-drying unmanufactured leaf tobacco; rice milling; cold storage; salt manufacture; and oil mills, provided that the process of oil milling is subsidiary to any other manufacturing process which is seasonal and so long as the number of employees engaged in oil milling is less than 50.

The exemption also applies to factories exclusively engaged in any other manufacturing process carried on in a seasonal factory of the nature of cotton ginning, cotton or jute pressing, etc., as specified in section 2(12) of the Act. Chapter IV of the said Act deals with contributions of and their recovery from employers and employees, method of payment and general provisions related to it, etc., while Chapter V deals with various benefits accruing to the employees. Chapter V-A contains provisions regarding employer's special contributions and certain powers regarding the implementation of the Act.

Similar exemptions have also been granted to (*a*) any person employed directly by a principal employer or through an immediate employer on loading or unloading outside the factory or on loading or unloading of goods or material going out of or coming in at the factory gates or sidings, provided that if such person is employed directly by the principal employer continuously (but for breaks due to weekly or other holidays) for more than 15 days (including such holidays), the exemption will cease from the 16th day of the employment by the same principal employer; and (*b*) any person employed on work which is not ordinarily the work of the factory but is of a casual nature, that is, work which is not ordinarily carried on for more than 15 days in a calendar month and was not carried on for more than 60 days in the preceding calendar year; provided that any employee who is generally employed on any work other than that specified in (*a*) or (*b*) above shall continue to be covered under the Act irrespective of his temporary employment on the said work and also that, notwithstanding this exemption, any employee so exempted, shall continue to be entitled to such benefits under the Act to which he might have qualified on the basis of contributions paid before the date from which he gets exempted.

SICKNESS INSURANCE IN SWITZERLAND

The canton of Lucerne in Switzerland has introduced a compulsory sickness-insurance scheme for foreign workers employed in its territory. In Switzerland, there is no compulsory sickness insurance scheme covering the whole country. Under Article 2 of the Federal Act of 1911 respecting sickness and accident insurance, the cantonal and local authorities may declare sickness insurance compulsory either generally or for certain groups of the population, but only very limited use has been made of this possibility. As regards the canton of Lucerne, workers covered by the new Act must be members of an approved sickness fund. The insurance benefits comprise medical care (including hospital care) and allowances for incapacity for work of not less than 3 francs a day for men and 2 francs for women workers. Benefits are to be granted only so long as the worker is under treatment by a doctor practising in Switzerland. The waiting period for allowances in respect of incapacity for work may not exceed three days.

The insurance contributions imposed by the sickness fund of which the worker is a member are in principle to be paid by the worker. If the employer pays at least half the contribution he may deduct the allowance paid by the sickness fund in the event of incapacity for work from the wage paid while the worker is sick.

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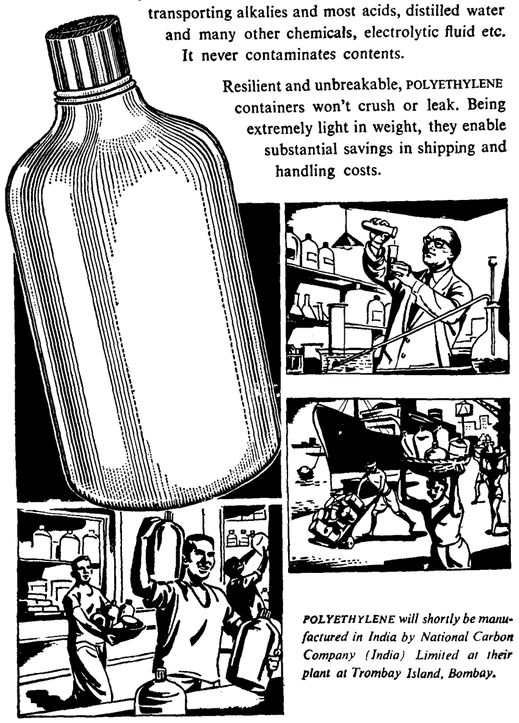
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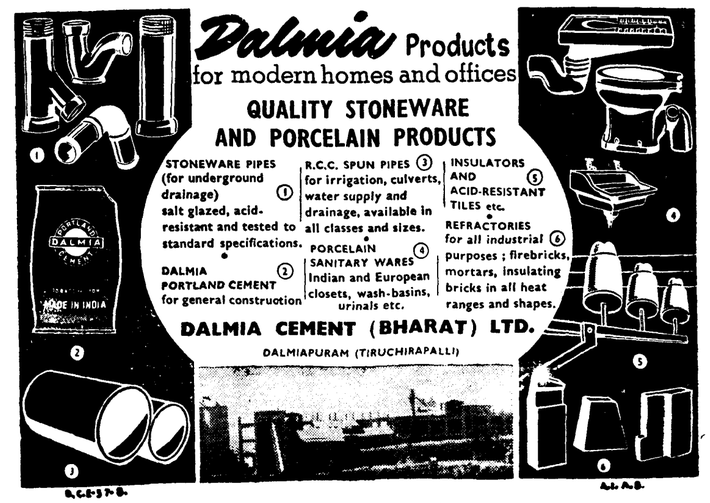

TRENDS IN INTERNATIONAL TRADE

ANALYSIS BY G.A.T.T. PANEL OF EXPERTS

AFTER a steady expansion in recent years, world trade began to suffer a setback from the third quarter of 1957. The recession continued in the first half of 1958 and all available indications are that it must have persisted in the third quarter also. Some in the West are confident that world trade will soon regain its upward momentum. The U.K. Chancellor of the Exchequer, for instance, averred in London last week that "the prospects for a resumption of the upward trend in world trade before long are pretty good." While we hope that this observation will not turn out to be mere wishful thinking, it must be mentioned here that the decline in international trade experienced in the past one year reflects the existence of some "disturbing elements," which, if not eliminated in time, will surely impede the progress of world trade and cause serious dents in the multilateral trading system. Some of these elements are: the prevalence of agricultural protectionism, expressed in restrictive measures in international trade in agricultural and food products, and the building up of large stocks of these products which have no outlet through the normal channels of trade; sharp variations in the prices of primary products, accompanied by wide fluctuations in the export earnings of primary producers; and finally the failure of the export trade of the underdeveloped countries to expand at a rate commensurate with their growing import needs. The problem is one that concerns both the developed and underdeveloped countries.

In this context, the report entitled "Trends in International Trade," embodying the views of a panel of experts, submitted to the thirteenth session of the G.A.T.T. held at Geneva in the latter half of October, is timely. It will be interesting to note that the panel consisted of four prominent experts. They are: Gottfried Haberler, Professor of Economics at Harvard University, U.S.A. (*Chairman*); James Meade, Professor of Political Economy, University of Cambridge, the U.K., Jan Tinbergen, Professor of Development Programming the Netherlands Institute for Advanced Economic Studies, Rotterdam, and Robert de Oliveira Campos, Director of the Brazilian National Bank for Economic Development and Professor of Economics at the University of Brazil. This panel of economists was appointed in November 1957 by the members of the G.A.T.T. to examine current trends in international trade, to glance into the future and to submit a report with suggestions for the removal of defects mentioned above.

Salient Features

The experts have made a thorough study of the problems and suggested a series of solutions. In this article, we propose to give a summary of the salient features of the recent trends in world trade while their recommendations are covered elsewhere in this issue.

The cause of commodity instability in international trade must be traced to both short-term and long-term fluctuations in their supply and demand position. The panel of economists has come to the conclusion that short-term fluctuations in the value of primary products, and, therefore, the export proceeds of the non-industrialised countries, taken as a whole, mainly reflect changes in prices rather than changes in volume. It, however, points out that the export proceeds which individual countries derive from specific commodities have varied as a result of fluctuations both in the volume and price. The changes in the volume reflect, according to the panel, not only the general business cycle, but also, *inter alia*, the particular conditions of supply prevailing in the exporting country and changes in the competitiveness of its production. Again, fluctuations in economic activity in the industrial countries have had their inevitable impact on the general price movement of primary products, taken as a whole. Such general price movements, however, have been far from uniform in respect of individual commodities. Since the end of 1955 (leaving aside the effects of the Suez crisis), the slowing-down in economic activity in North America and Western Europe has given rise to an average decline in the prices of primary products which in early 1958 reached 5 per cent. The adverse impact of this decline upon the position of non-industrial countries as a whole has been aggravated by the simultaneous rise—by about 6 per cent.—in the prices of manufactured goods.

The panel has viewed the long-term changes in world trade by a comparison of the developments in the 'fifties with those in the last 'twenties. Its study shows that the general structure of world trade had by the middle of the 1950's reverted to that of the late 1920's in several important respects. The growth in the volume of world exports between 1928 and 1955-57, however, fell considerably short of the growth in the world's commodity production. In other words, production rose faster than trade. The commodity composition of exports of non-industrial countries underwent a profound change during this period. Petroleum exports from the primary exporting countries rose nearly sixfold in volume between 1928 and 1955, the volume of exports of agricultural raw materials, tropical foodstuffs and minerals was about 40 per cent. higher, while non-tropical foodstuffs recorded a 15 per cent. decline. Indeed, these general tendencies were partly reinforced by the movement of prices which in 1955 were more than twice as high as in 1928 in respect of petroleum, tropical foodstuffs and minerals. The value of agricultural raw materials and non-tropical foodstuffs, on the contrary, was relatively lower, exceeding the 1928 level by about 75 per cent.

The primary producing countries have been classified into five categories, on the basis of their main export commodities, for, with the exception of some petroleum exporters, no country, according to the panel, relies exclusively on the export of any single commodity. The export proceeds of these five groups, in 1955, were: (1) roughly twice as large as in 1928 for the exporters of non-tropical foods and agricultural raw materials, (2) nearly four times as large as in 1928 for the exporters of tropical foodstuffs and minerals, and (3) about 12 times as large as in 1928 for the countries mainly exporting petroleum. It will thus be seen that petroleum producers have derived great benefits in recent years as a result of growth in international trade. Among these, the countries in West Asia stand foremost.

Two Other Factors

In addition to the commodity composition of exports, two other factors have had a significant influence upon export proceeds received by the non-industrial countries. First, the export earnings of group of "semi-industrialised countries" (Argentina, Brazil, Mexico, Australia, India, Union of South Africa, Finland, Yugoslavia) had between 1928 and 1955 risen only half as fast as those of "other non-industrial countries" taken together, that is, by 96 per cent. as compared with 176 per cent. Secondly, the export proceeds of those countries of the latter group which trade in "sheltered" channels (the countries belonging to the overseas sterling area and the territories associated with continental countries of W. Europe, as well as Cuba, have been considered as trading in "sheltered" channels) had developed much more favourably than those which do not enjoy a privileged position in their major export markets.

Since the late 1920's, the volume of imports into the non-industrial countries taken as a whole had risen more sharply than the volume of their exports. As the terms of trade of the non-industrial countries, though greatly improved since 1937-38, were in 1957 nevertheless at about the same level as in 1928, this divergent movement has been reflected in an increasingly adverse trade balance—in contrast with their large export surplus before the war. However, the petroleum exporting countries continued in post-war years to have a large export surplus—amounting in 1957 to one-third of their export proceeds. Among other non-industrial countries, the trade deficit exceeded the value of exports by about 10 per cent. in recent years, but rose to as much as 20 per cent. in 1957.

Transactions in Services

The non-industrial countries have also been in deficit on account of their international transactions in services, both in 1928 and in the 1950's. The flow of private long-term capital has, according to the panel, failed to develop in line with the value of world trade. But official grants and loans to the non-industrial countries have provided in total a substitute for private lending surpassing its previous level. The gold and foreign exchange reserves of the non-industrial areas taken as a whole were, just about as important in 1957 as they were in 1928, both in relation to the value of the trade of the non-industrial areas and in relation to world reserves.

The balance of payments position of the non-industrial areas as a whole is "not less sound than before the war," but this is not true of all the non-industrial countries. The position of some of them has deteriorated to such an extent as to be a source of anxiety. The main conclusions of the panel on the regional disparity in the balance of payments position are:

(1) The oil exporting countries have accumulated gold and foreign exchange reserves at a faster rate than most other countries. Also, they have attracted a large share of the private long-term capital flowing to the non-industrial areas.

(2) Among the remaining non-industrial countries, the semi-industrialised have had to face the greatest difficulties. Their reserves have been declining both in relative and in absolute terms during the post-war years. Only a small part of the total of official grants and loans has been directed towards these countries. As importers of private long-term capital, they maintained their share of the late 1920's but were affected by the comparatively lower level of private foreign lending.

(3) The position of the other non-industrial countries has undergone similar, though less pronounced, changes, but this group of countries has been receiving by far the largest share of international aid. However, within these areas the distribution of aid has been subject to political as well as economic considerations.

Main Findings

To sum up the main findings of the panel, its views on future import requirements and prospects for exports. Both cyclical and specific fluctuations have contributed to recent short-term movements in trade in primary products. Long-term developments in exports of such products are partly a consequence of the low average income elasticity of demand for these products. This has been further aggravated by the technological and structural factors such as the development of synthetic materials and the relative decline in the textile industries, though there have been some counteracting developments as, for instance, exploitation of bauxite, uranium, petroleum, etc. It is impossible, on the evidence now available, to conclude whether or not there has been an increase in agricultural protection in industrial countries in recent years. The imports of industrial countries have developed faster than world trade, and increasingly consist of capital goods. The terms of trade were more favourable to non-industrial countries in the post-war period than in 1938, but have turned against them recently though still on a level not far from the 1928 position.

The import requirements of non-industrial countries are likely to increase more quickly than the rest of world trade. This is especially so, if development programmes are carried out on a scale at least sufficient to avoid any further widening of the gap between incomes in the developed and the underdeveloped countries. The exports of non-industrial countries are very sensitive to internal policies of industrial countries and may well develop less quickly than the rest of the world trade. Finally, the panel has warned that it would be unwise to count on any improvement in the terms of trade of the non-industrialised countries to raise their ability to purchase imports. Admittedly, a permanent solution to the commodity problems that confront the primary producing countries can be found only by diversifying their economies and thus relieving them from their exclusive dependence on a few commodities for the great bulk of their export earnings.

AUTOMATIZED COW-SHED IN SWEDEN IMPROVES MILK QUALITY

Probably the most advanced of Swedish agricultural experiments—at least in the private sector—is the Simontorp farm in Skane, South Sweden. It is mainly an animal farm, and its most important product is milk. Breeding and feeding experiments are going on continuously, but what has made the farm particularly famous is its modern cow-shed, which is designed for the most exacting hygienic conditions. It is claimed that the bacterial content in the milk of Simontorp before pasteurization is only one-thousandth of that in average milk. In a deep-frozen state, it has been used on the Swedish American Line's vessels, and it is reported to have lasted four months in perfect condition on cruises.

The owner of Simontorp is Mr. Ruben Rausing, head of two large Swedish packaging firms, the Tetra Pak enterprise and A. B. Akerlund and Rausing. He set out as a farmer some 15 years ago,

(*Continued on page 748*)

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Published Reserves - - £2,271,884
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ADEN — ADEN (Crater)
INDIA — BOMBAY
IRAQ — BAGHDAD, BASRA
JORDAN — AMMAN, JERUSALEM
LEBANON — BEIRUT, TRIPOLI
LIBYA — BENGHAZI, TRIPOLI
PERSIAN GULF — BAHRAIN, DUBAI, KUWAIT (AND AHMADI), MUSCAT, QATAR (DOHA), SHARJAH
SAUDI ARABIA — ALKHOBAR (for DHAHRAN), JEDDAH
TUNISIA — TUNIS
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Chairman: SHRI RAMANLAL G. SARAIYA, O.B.E.
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PAID-UP SHARE CAPITAL: Rs.
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Subscribed by the Government of Bombay .. Rs. 81,00,000 — 1,25,00,000
RESERVE AND OTHER FUNDS .. .. — 53,00,000
TOTAL DEPOSITS .. .. — 12,00,00,000
WORKING CAPITAL .. .. over — 24,00,00,000
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Issued and Subscribed Capital - - - - Rs. 72,00,000
Paid-up Capital - - - - - Rs. 66,19,625
Deposits as on 30-6-1958 - - - - Rs. 38,00,96,415
Total Working Funds - - - - - Rs. 46,05,11,811
All types of banking business including foreign exchange transacted.
LONDON AGENTS: WESTMINSTER BANK LIMITED.
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D. P. PARTHASARATHY,
Secretary.

UNDER SECRETARY TO THE GOVT. OF INDIA
3 - NOV 1958
FINANCE DEPARTMENT

INDIA PAPER'S PROFIT DECLINES

EXCESSIVE TAXATION AND HIGHER PRODUCTION COSTS MAIN CAUSES

A SHARP rise in excise duty on paper, an unrealistic price control policy by the Government, a sizable increase in manufacturing costs, and a drop in production, consequent upon a change in the types of papers manufactured, have been cumulatively responsible for a decline in the profit of the India Paper Pulp Company, Ltd. (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) for the year ended 31st March 1958. The lower output during the year under review, as compared with that for the previous year, was due to the manufacture of a higher proportion of lightweight papers to meet market demands and also to the experimental manufacture of speciality papers as a prelude to the starting up of the third paper machine. Indeed, all the factors responsible for the setback in the Company's earnings were beyond the control of its management. It is true that proceeds from sales of paper were appreciably higher but they were not such as to offset the effects of other adverse factors. Accordingly, the gross profit at Rs. 14.57 lakhs has dropped by Rs. 5.24 lakhs from Rs. 19.81 lakhs for the previous year, to which level it had modestly increased from Rs. 19.17 lakhs for 1955-56. It is also a shade lower than Rs. 14.87 lakhs earned in 1954-55.

A larger sum of Rs. 5.47 lakhs as against Rs. 4.30 lakhs a year ago, has been set aside for depreciation. The fall in profit has naturally meant a reduction in the *direct* share of the Government. Thus, the provision for taxation, including Rs. 64,000 for wealth tax, takes up Rs. 4.05 lakhs, as against Rs. 6.25 lakhs in the previous year. But this fall has been more than offset by the striking increase in the excise duty paid by the Company. The net profit works out to Rs. 4.51 lakhs which is equal to only 60 per cent. of that (Rs. 7.51 lakhs) for the previous year. In fact, the fall would have been greater but for the provision of Rs. 64,000 for wealth tax being met out of taxation reserve. Lower profit has meant smaller distribution to shareholders. Thus, the dividend for the year under review is proposed to be cut to 10 per cent. from 14 per cent. paid for the preceding three years. Indeed, the net profit is so low that even for paying this attenuated dividend, the Directors have had to withdraw a sum of Rs. 1.75 lakh from the dividend equalisation reserve. In the previous year also, in order to maintain the dividend at 14 per cent., they had to deplete the reserves by a sum of Rs. 1.50 lakh, that is, Rs. 1 lakh from the general reserve and Rs. 50,000 from the dividend equalisation reserve. It is a sad commentary on the position of the paper industry that even a first class company like the one under review has had to draw upon its reserves for the second year in succession and that for ensuring nothing more than a modest return to shareholders. And, as we shall show presently, this is largely due to excessive taxation (both direct and indirect) and defective control over prices of paper.

The following comparative table shows at a glance the main features of the Company's results for the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sales of paper	105.86	99.10	93.65	80.37
Sales of by-products	0.84	0.66	0.43	0.07
Closing stocks	3.72	4.54	5.49	4.49
Manufacturing and other expenses	77.65	72.80	68.28	64.88
Excise duty	14.55	9.47	9.15	0.63
Gross profit	14.57	19.81	19.17	14.87
Managing Agents' commission ..	1.18	1.75	1.36	1.01
Provision for—				
Depreciation	5.47	4.30	5.60	4.75
Taxation	4.05*	6.25	5.65	2.55
	4.51	7.51	6.56	6.56
Net profit	2.39	1.50	0.30	0.33
Transfer from reserves	—	—	—	2.75
Transfer to reserves	6.30	8.82	8.82	4.20
Dividends	(10%)	(14%)	(14%)	(14%)
	0.29	0.33	0.14	2.11
Carry forward				

* Includes Rs. 64,000 for wealth tax met from taxation reserve built out of previous years' profits.

The table shows that the Company's sale proceeds of paper increased by Rs. 6.76 lakhs and crossed the one-crore mark to reach a total of Rs. 1.06 crore. As against this rise, manufacturing and other expenses increased by Rs. 4.85 lakhs and excise duty by Rs. 5.08 lakhs, both on a lower level of production. Indeed, the excise duty for the year under review at Rs. 14.55 lakhs equals the Company's gross profit at Rs. 14.57 lakhs. Since not all the rise in excise duty was covered by a corresponding increase in the selling price of paper, the result was a diminution in the profit margin of the Company.

The great handicaps under which the Company had to work during the year under review will be evident from the following quotation taken from the Directors' report:

"Production costs have again shown a significant rise, and for the latter part of the year under review were 7 naye paise per lb. more than for the corresponding period of the year ended 31st March 1957. Increases in the cost of raw materials, chemicals, coal and stores and higher labour charges have all been contributory factors. As the Bengal Electricity Duty (Amendment) Act, 1957, did not come into force until 1st February 1958, its effect is only partially reflected in these accounts, but it is estimated that, in a full year, the amount of additional duty payable by the Company under this Act will amount to approximately Rs. 1,40,000.

"In March 1958, the paper industry was compelled by rising costs to ask the Government of India for an average increase of 5 naye paise per lb. in the price of its supplies to Government, but Government was prepared to grant an increase of only 2 naye paise per lb. which was accepted by the industry under protest. At the same time, this Company and certain other companies increased the prices of their standard papers supplied to the civilian market by 3.5 naye paise per lb. Government has expressed the view that this price increase was excessive and it has recently been announced that the question of determining fair ex-mill and selling prices for the different varieties of paper manufactured in India has been referred by the Government of India to the Tariff Commission for its recommendations."

The Company's third paper machine came into production in June 1958. The Company has to rely on imported wood-pulp for its increased pulp requirements, pending the availability of pulp from the projected Assam pulp mill. This has enabled the Company, according to its Directors, to concentrate on the manufacture of special qualities of paper which have hitherto been imported. Negotiations for the finance and foreign exchange for the proposed pulp mill in Assam have reached an advanced stage.

The Company's balance-sheet as at 31st March 1958 reflects the progress of its development programme. Over the year, the gross block has gone up in value from Rs. 124.92 lakhs to Rs. 194.26 lakhs, an addition of nearly Rs. 70 lakhs. The total depreciation provided so far is Rs. 88.79 lakhs and the net block stands at Rs. 105.47 lakhs; a year ago, it stood at no more than Rs. 41.15 lakhs. This net addition of Rs. 64.32 lakhs to the block account has been financed by depleting the cash balances from Rs. 41.25 lakhs to a nominal figure of Rs. 99,789 and by taking unsecured loans amounting to Rs. 26.22 lakhs, of which Rs. 25.41 lakhs have been provided by the Managing Agents. Other current provisions and liabilities also have gone up by Rs. 6 lakhs to Rs. 33.45 lakhs. While the Company's expansion has thus affected its liquidity, it is noteworthy that current assets, aggregating Rs. 79.02 lakhs, exceed the total of current liabilities, provisions for taxation and dividends, and the unsecured loans by a comfortable margin of Rs. 19.35 lakhs. How has this been possible? The answer lies in the judicious policy of conservation of profits adopted by the management, a policy now being penalised by means of excessive taxation. The Company has a paid-up capital of Rs. 63 lakhs, all in ordinary shares of Rs. 10 each. This is supplemented by reserves and surplus aggregating Rs. 30.21 lakhs and share premium Rs. 31.61 lakhs. According to our classification, the reserves are almost equal to the paid-up capital.

The Directors say that they are considering the question of funding the Company's indebtedness.

The Rs. 10 paid-up shares of the Company are currently quoted at Rs. 21.50 *cum-div.* (final dividend 50 nP). On an *ex-div.* basis, the shares provide a yield of 4.8 per cent. per annum. On the basis of ruling equity yields, this may appear to be somewhat low, but it reflects the confidence of investors in the future. Apparently, they feel that when the expansion programme is completed and the Tariff Commission settles the question of fair price in an equitable manner, the Company's profit-margin would improve, enabling it not only to restore the cut in dividend but even to pay a little more.

TRAVANCORE SUGAR REPORTS LOWER PROFIT

DIVIDEND, HOWEVER, SAME

A MODEST decline in gross profit and a marked fall in net profit are the chief features of the financial results of the Travancore Sugars and Chemicals Ltd. (Managing Agents: Messrs. Parry and Company Ltd., Tiruvalla, Kerala State) for the year ended 30th April 1953, as compared with those for the previous year. Coming as it does, against the background of a sizable improvement in sales proceeds, the recession in the year's profit is primarily accounted for by a corresponding rise in manufacturing and other expenses, as well as heavy incidence of taxation. Thus, as against a rise of Rs. 15.58 lakhs in sale proceeds to Rs. 125.53 lakhs during the year under review, expenses have increased by Rs. 16.79 lakhs to Rs. 107.93 lakhs. Hence, the gross profit at Rs. 18.48 lakhs shows a decline of Rs. 1.09 lakh from Rs. 19.57 lakhs for the previous year. It, however, compares well with Rs. 11.43 lakhs for 1955-56. Besides the aforesaid factors, another that adversely affected the results of the Company was a fall in production of sugar from 11,908 tons to 8,362 tons, a drop of nearly 21 per cent.

The fall in net profit is sharp. At Rs. 6.15 lakhs, it is only about half of that (Rs. 12.27 lakhs) for 1956-57. This marked fall is due to the rise in the provision for taxation from a mere Rs. 2.85 lakhs to as much as Rs. 7.72 lakhs. Explaining this provision, the Directors state that, while, in the previous year, the assessable profits for taxation purposes were reduced by carrying forward income-tax depreciation allowances not absorbed in previous years, no such carry forward was available for the year under review and therefore provision for taxation has been made on the full assessable profit for the year. This actually amounts to Rs. 8.04 lakhs (consisting of Rs. 4.60 lakhs for income-tax, Rs. 3.04 lakhs for super-tax and dividend tax and Rs. 40,000 for wealth tax) or 64.7 per cent. of the net profit before taxation.

The amount set apart for depreciation on fixed assets is a shade higher at Rs. 2.96 lakhs. This provision exceeds, we are told, the amount allowed for income-tax purposes, the tax thereon amounting to Rs. 45,000 having been drawn from the taxation equalisation reserve specifically provided in past years for this purpose.

The fall in profits has compelled the Directors to transfer only a modest sum of Rs. 2.10 lakhs to the reserves, as against Rs. 8.20 lakhs a year ago. This year's transfers consist of Rs. 1.44 lakh to provision for current repairs to plant and machinery, Rs. 16,000 to capital reserve and Rs. 50,000 to general reserve. The allocations in the previous year were taxation equalisation reserve Rs. 6.75 lakhs, provision for current repairs to plant and machinery Rs. 1.20 lakh and capital reserve Rs. 25,000.

The dividend on ordinary shares is, however, being maintained at 10 per cent. per annum for the third year in succession. This requires Rs. 3 lakhs. The dividend on the 5 per cent. preference share capital takes up Rs. 75,000, leaving Rs. 1,07,287 to be carried forward as against Rs. 77,353 brought in.

The following table will give some idea of the Company's progress during the past three years:

(In lakhs of rupees)

	For the year ended 30th April		
	1958	1957	1956
Sale proceeds	125.53	109.95	58.76
Closing stock of work-in-progress and finished goods	37.53	41.87	27.30
Manufacturing and other expenses	107.93	91.14	48.21
Gross profit	18.48	19.57	11.43
Managing Agents' commission ..	1.65	1.67	0.77
Depreciation	2.96	2.78	2.64
Taxation	7.72	2.85	—
Net profit	6.15	12.27	8.02
Transfer to reserves	2.10	8.20	3.98
Dividends—			
5% preference	0.75	0.75	0.75
Ordinary	3.00	3.00	3.00
	(10%)	(10%)	(10%)
Carry forward	1.07	0.77	0.45
Cane crushed .. .. Tons	100,664	134,337	87,323
Sugar produced .. .. "	8,362	11,908	7,931
Sugar recovery	8.31%	8.80%	9.07%

For the Company, the 1957-58 crushing season commenced on 10th October 1957 and finished on 20th February 1958, aggregating in all 131 days for the season. The quantity of cane crushed was lower at 100,664 tons, as against 134,337 tons in the 1956-57 season. Likewise the production of sugar fell from 11,908 tons to 8,362 tons. The average recovery was 8.31 per cent., as compared with 8.8 per cent. in the previous season. The lower tonnage and the lower recovery during the year were, it is stated, mainly due to climatic conditions and serious flooding of cane fields. This was again responsible for the late start of the season. The quantity of sugar sold up to the end of the year under report was 9,613 tons including the previous year's carry-over stock, as compared with 9,598 tons in the previous year. Sales of spirits as also sales of pharmaceuticals were maintained at a satisfactory level and, in regard to the latter, the year's working showed slightly better profits than in the previous year.

The balance-sheet as at 30th April 1958 shows that the Company's paid-up capital stands at Rs. 45 lakhs, composed of Rs. 15 lakhs in 5 per cent. cumulative preference shares of Rs. 10 each and Rs. 30 lakhs in ordinary shares of Rs. 10 each. The reserves and surplus aggregate Rs. 24.92 lakhs, of which the taxation equalisation reserve accounts for Rs. 12.40 lakhs. The current liabilities amount to Rs. 30.19 lakhs, including a provision of Rs. 10.78 lakhs for taxation and Rs. 3.75 lakhs for the proposed dividends. The gross block of Rs. 65.43 lakhs stands written down to Rs. 37.90 lakhs. The current assets aggregate Rs. 62.05 lakhs and are equal to more than twice the current liabilities and provision for taxation.

The Rs. 10 paid-up ordinary shares are currently quoted at Rs. 11.60 *cum-div.* and, on an *ex-div.* basis, provide a yield of 9.4 per cent. per annum.

JAY ENGINEERING'S RESULTS ENCOURAGING

The year ended 31st March 1958 was one more highly successful year for the Jay Engineering Works Ltd. [Managing Agents: Messrs. Madan Mohanlall Shriram & Co. (P.) Ltd., New Delhi]. The increase in production of both sewing machines and fans was fully maintained. Manufacture of heavy industrial machines was started. Sale proceeds made further rapid strides. The Company's profit also showed a rise which was fully in keeping with the encouraging trend in production. Indeed, the financial results would have been far more encouraging had it not been for the sharp rise in the cost of raw materials consumed and in other expenses relating to production and management.

The gross profit at Rs. 62.82 lakhs represents an advance of Rs. 7.20 lakhs from Rs. 55.62 lakhs for 1956-57. It is also Rs. 20.31 lakhs better than Rs. 42.51 lakhs for 1955-56. The net profit has jumped up from Rs. 17.76 lakhs for the previous year to Rs. 24.07 lakhs. This is after raising the provision for depreciation from Rs. 15.53 lakhs to Rs. 19.09 lakhs but after lowering that for taxation from Rs. 18 lakhs to Rs. 14.45 lakhs.

Although the profits have increased, the dividend on the ordinary shares has been lowered to 12 per cent. from 15 per cent. for the previous year, to which level it had been raised from 10 per cent. two years ago. It should, however, be noted that the year's dividend is on a higher capital. Although the rate of dividend has been lowered, the Directors have transferred a sum of Rs. 15.70 lakhs to the reserves, as against only Rs. 8.50 lakhs allocated in the previous year. The allocations made this year include Rs. 12.90 lakhs (Rs. 8.50 lakhs in 1956-57) for general reserve and Rs. 2.80 lakhs for development rebate reserve.

The table appended below will give a broad idea of the Company's progress during the past three years:

(In lakhs of rupees)

	For the year ended 31st March		
	1958	1957	1956
Sale proceeds	468 33	386 57	302 83
Hire-purchase sales	3 27	2 93	2 48
	57.19	51.52	49.66
Closing stocks			
Materials, labour and other overheads	53 40	49 20	22.02
Raw materials consumed ..	163 22	111 19	285 81
Other expenses	306 75	275 80	
	62 82	55 62	42.51
Gross profit	5 21	4 33	3.89
Managing Agents' Commission ..	19 00	15 53	11 36
Depreciation	14 45	18 00	9.35
Taxation	24 07	17 76	17.01
Net profit	15.70	8.50	14.00
Transfer to reserves			
Dividends—	0 34	—	—
7% Preference	8 23	9 11	4 05
Ordinary	(12%)	(15%)	(10%)
	0 02	0.22	0.07
Carry forward			

Sale proceeds during the year (excluding hire-purchase sales) made a substantial rise of Rs. 81.76 lakhs to touch a high of Rs. 4.68 crores. But, as stated earlier, this commendable improvement was neutralised to a considerable extent by the sharp rise of Rs. 52.03 lakhs in the cost of raw materials consumed and Rs. 30.95 lakhs in other expenses. It is interesting to know that, in spite of increased cost of production, the Company reduced the price of its sewing machine from Rs. 175 to Rs. 160 with effect from 1st January 1958.

Referring to the Company's activities during the year under review and the progress achieved thus far, the Directors observe:

"The fan factory has been completely removed to the new area and is working satisfactorily. The shuttle plant is running quite satisfactorily. The

(Continued on page 741)

Points From The Chair

Power Consumption

"IN almost every case consumption has increased and I am glad to state that there were no major labour disturbances during the year. The increased demand for low tension industrial power reveals the activity of small works and factories, much expansion having occurred in the Calcutta and Howrah areas during the course of the last few years. It has been possible for the smaller concerns to manufacture many items which previously had to be imported; our sales increased from 85 million units to 91 million units. Consumption from public water works and sewage pumping rose from 65 million units to 73 million units and was mainly due to larger requirements from the Calcutta Corporation. There was again a marked increase from 43 million units to 50 million units in power sales for domestic purposes. Domestic power consumption has doubled during the last five years due to the growing use of domestic appliances and small air-conditioning units in private houses."

SIR HARRY BURN,
Calcutta Electric Supply Corp. Ltd.

Labour Legislation

"The Governments have further endeavoured to enforce vast and rapid improvements in conditions for labour, largely beyond the capacity of employers engaged in the tea and rubber plantation industries to meet, especially having regard to the relatively enormous sums exacted by the Governments by way of taxation. To force, in effect, owners of estates to borrow money (whether from Governments or otherwise) to meet the oppressive demands upon them is surely the road to ruin, not only of the individual owners but of the industry as a whole. Private enterprise cannot live if its life blood is withdrawn in endeavouring to meet impossible demands and it seems strange that the main concern of Governments in India in enacting labour legislation is to benefit almost entirely those who are already in employment, who constitute only a relatively small percentage of the total population—without equal regard for the fate of the great majority of the population who are without any regular employment."

H. W. HORNER,
Malayalam Plantations Ltd.

Steel Production

"There are indications that the target for steel production in the third Five-year Plan might be fixed at 15 million tons. This has been considered to be rather high. Steel is an essential item in every development scheme and, looking to our needs, it would indeed be good for us if this target can be attained. I am sure our Planners would assess the target carefully in relation to our available resources at the appropriate time, so that unnecessary complications may not arise at a later stage. The pruning down of the second Plan and the slower tempo of its operations in several items, and more particularly the pegging of production of cement and railway wagons at lower levels, have resulted in some stagnation of demand for steel castings. Moreover, most of the older units are expanding their capacity and newer ones have commenced production. Steel castings are, therefore, facing keen competition."

KAMALNAYAN BAJAJ,
Mukand Iron and Steel Works Ltd.

Textile Industry

"The reasons for the difficult trading conditions encountered during the second half of the year are complex, but it would seem as if the general decline in economic activity throughout the world has been more pronounced in textiles and clothing than in most other branches of industry. The widespread lack of confidence, the severe fall in wool prices, in some countries balance of payments difficulties and, particularly in the United Kingdom, the intensification, until recently, of credit restrictions, have together induced a widespread policy of stock reduction resulting in lower activity throughout the world. These trends have been followed automatically by a decline in employment in many countries, which has again worsened the situation. It would be premature to anticipate any solid improvement in textile trade until such time as confidence is strengthened and world economic situation generally shows a more certain upward trend."

THE RT. HON. LORD ROCHDALE,
Kelsall & Kemp Ltd., Rochdale

Code of Conduct

"One of the provisions recently added to the Code is the rule that requires collection of premiums prior to commencement of risk. This rule, although introduced only recently, has worked quite satisfactorily. The same cannot, however, be said about the other provisions of the Code. To my mind, the lack of success with regard to the other provisions is due mainly to the kind of unsuitable machinery that has been set up for implementing the Code and partly to some defects inherent in the Code itself. No voluntary scheme can succeed without the willing acceptance and active participation of the parties concerned. A sense of responsibility for the proper observance of the Code can be fostered only when the companies concerned are made to take a part direct or indirect in the administration of its provisions. This feature is entirely absent in the machinery that has been created for implementing the Code. The Code suffers also from over-elaboration and, at the same time an underestimate of the evils that can flow from some of its permissive provisions. The result is that the very evils which the Code is designed to eradicate are allowed to thrive under different colours."

M. CT. MUTHIAH,
United India Fire & General Insurance Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

BARNAGORE JUTE FACTORY CO., LTD. Annual General Meeting, London, 5th November 1958. Dividend: *Nil.* Transfer books remain closed from 23rd October to 5th November 1958, both days inclusive.

INDIAN GALVANIZING CO. (1926) LTD. Annual General Meeting, Calcutta, 6th November 1958. Dividend: *Nil.* Transfer books remain closed from 27th October to 6th November 1958, both days inclusive.

NATIONAL ELECTRICAL INDUSTRIES LTD. Annual General Meeting, Bombay, 7th November 1958. Dividend: 9 per cent. or Rs. 4.50 per share, payable on or before 22nd December 1958. Transfer books remain closed from 31st October to 7th November 1958, both days inclusive.

COCHIN STATE POWER AND LIGHT CORPORATION LTD. Annual General Meeting, Ernakulam, 7th November 1958. Dividend: Re. 0.90 per share (includes interim dividend of Re. 0.40 per share). Transfer books remain closed from 1st to 7th November 1958, both days inclusive.

MACHINERY MANUFACTURERS CORPORATION LTD. Annual General Meeting, Bombay, 7th November 1958. Dividend: *Nil.* Transfer books remain closed from 24th October to 7th November 1958, both days inclusive.

TRAVANCORE SUGARS AND CHEMICALS LTD. Annual General Meeting, Pamba River Factory, Tiruvalla, 14th November 1958. Dividend: 10 per cent. or Re. 1.00 per share. Transfer books remain closed from 31st October to 14th November 1958, both days inclusive.

CHAMPDANY JUTE CO., LTD. Annual General Meeting, Calcutta, 14th November 1958. Dividend: *Nil.* Transfer books will remain closed from 6th to 14th November 1958, both days inclusive.

HULDIBARI TEA ASSOCIATION LTD. Annual General Meeting, Calcutta, 14th November 1958. Dividend: Re. 1.25 per share. Transfer books remain closed from 1st to 14th November 1958, both days inclusive.

INDIA PAPER PULP CO., LTD. Annual General Meeting, Calcutta, 17th November 1958. Dividend: Re. 1.00 per share (includes interim dividend of Re. 0.50 per share). Transfer books will remain closed from 4th to 17th November 1958, both days inclusive.

TATA CHEMICALS LTD. Annual General Meeting, Bombay, 18th November 1958. Dividend: 75 nP per share, on old ordinary shares and 3.125 nP per share, on new ordinary shares, payable on and after 20th November 1958. Transfer books remain closed from 6th October to 3rd November 1958, both days inclusive.

KIRLOSKAR OIL ENGINES LTD. Annual General Meeting, Poona, 21st November 1958. Dividend: 10 per cent. or Re. 1.00 per share, payable on and after 21st December 1958. Transfer books remain closed from 31st October to 21st November 1958, both days inclusive.

KUMARDHUBI ENGINEERING WORKS LTD. Annual General Meeting, Calcutta, 27th November 1958. Dividend: Re. 0.45 per share, payable on or after 15th December 1958. Transfer books will remain closed from 13th to 27th November 1958, both days inclusive.

KARANPURA DEVELOPMENT CO., LTD. Annual General Meeting, Calcutta, 28th November 1958. Dividend: *Nil.* Transfer books will remain closed from 14th to 28th November 1958, both days inclusive.

GANNON DUNKERLEY & CO., LTD. Annual General Meeting, Bombay, 10th December 1958. Dividend: Rs. 6.00 per share. Transfer books will remain closed from 8th to 23rd December 1958, both days inclusive.

GREAT EASTERN SHIPPING CO., LTD. Annual General Meeting, Bombay, 12th December 1958. Dividend: Re. 1.80 per share, on old ordinary shares and Re. 0.90 per share, on new ordinary shares, payable on 15th December 1958. Transfer books will remain closed from 3rd to 27th November 1958, both days inclusive.

CALCUTTA TRAMWAYS CO., LTD. Annual General Meeting, London, 18th December 1958. Dividend: 2½ per cent. free of tax. Transfer books will remain closed from 5th to 18th December 1958, both days inclusive.

AHMEDABAD ELECTRICITY CO., LTD. Final dividend of Rs. 4.00 per share, for the half-year ended 31st March 1958 (making 6½ per cent. for the year), payable on 28th November 1958. Transfer books will remain closed from 3rd to 27th November 1958, both days inclusive.

BOMBAY BURMAH TRADING CORPORATION LTD. Interim dividends of Rs. 7.50 per share, on shares of Rs. 125 each and Rs. 3.00 per share, on shares of Rs. 50 paid up, payable on and after 24th November 1958. Transfer books remain closed from 31st October to 7th November 1958, both days inclusive.

COOPER ENGINEERING LTD. Dividend of Rs. 10.00 per share (includes bonus), for the year ended 30th June 1958, payable on 8th December 1958. Transfer books will remain closed from 17th to 27th November 1958, both days inclusive.

BENGAL FLOUR MILLS CO., LTD. Interim dividend of 12½ per cent. for the year ended 31st December 1958, payable on or after 14th November 1958. Transfer books will remain closed from 3rd to 14th November 1958, both days inclusive.

DAVANGERE COTTON MILLS LTD. Dividend of 9 per cent. or Rs. 9.00 per share, for the year ended 31st March 1958, payable on 17th November 1958. Transfer books will remain closed from 4th to 17th November 1958, both days inclusive.

T. STANES AND CO., LTD. Interim dividend of 7 per cent. or Re. 0.70 per share, for the year ending 30th September 1958. Transfer books remain closed from 1st to 15th November 1958, both days inclusive.

INDIAN GALVANIZING FARES BETTER

EAST INDIAN COAL BEING MECHANISED

Indian Galvanizing Co. (1926) Ltd.

THE directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1957.

The profit for the year (including items relating to previous years) after providing for depreciation, was Rs. 3,49.237 (loss of Rs. 5,96,840) to which is added the balance brought forward from 1956 of Rs. 90.223 (Rs. 41,267) making a total of Rs. 4,39,460 (debit of Rs. 5.55.573. Against this debit balance the directors have transferred Rs. 2,30.000 from stock reserve and a sum of Rs. 4,32,743 being provision for taxation no longer required—written back, leaving a credit balance of Rs. 1,07,170. The Board recommends the payment of a dividend of 6 per cent. on cumulative preference shares amounting to Rs. 16,947 (Rs. 16,947) leaving a balance of Rs. 4,22,513 (Rs. 90,223) to be carried forward.

No provision has been made for liability to wealth tax. Payment of wealth tax is not considered to be a charge against current profits of the Company, and the Board therefore intends to charge against reserves any payment made in respect of such assessments.

Operations.—The profit is entirely attributable to the increased output and satisfactory working of the Bombay factory. In its circular letter of 24th April 1958 the Board advised members of the decision to close the Calcutta factory. In consequence, a heavy liability has been incurred in respect of retrenchment compensation and for this reason the Board is unable to recommend any dividend on the ordinary shares.

Plans for the profitable utilisation of the Company's assets have already been announced. At the extraordinary general meeting held on 23rd July 1958, a resolution was passed which empowers the Board to sell or otherwise dispose of the whole of the undertaking of the Company. Applications have been made to the Central Government for licences for the new companies which it is proposed will acquire the assets of the Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,77,040	Gross block	48,08,664
Reserves ...	4,35,000	*Less*—Depreciation ...	28,13,944
Liabilities ...	55,73,850		
Profit and loss account ...	4,22,513	Net block ...	19,94,720
		Stock-in-trade	38,64,582
		Stores, spare parts and loose tools	2,65,517
		Work-in-progress ...	10,83,900
		Goods-in-transit ...	52,587
		Debts, deposits and advances ...	29,53,196
		Investments	10,765
		Cash ...	1,83,136
Rs.	1,04,08.403	Rs.	1,04,08,403

East Indian Coal Co., Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. Jardine Henderson Ltd., Calcutta) present the audited accounts of the Company for the year ended 30th April 1958.

After making allowance for depreciation and provision for taxation for the year, the year's working has resulted in a net profit of £11,766 (£4,730) to which has to be added the amount at credit of profit and loss account at 30th April 1957, viz., £26,677 (£58,922) making a total of £38.443 (£63.652). Out of this sum there has been provided for wealth tax for previous years £1,012 (£9.975 including Indian income-tax and super-tax amounting to £6,750; leaving a balance available for disposal of £37.431 (£53.677).

The interim dividend paid on 25th April 1958 at 40 (50) naye paise per share, on 240.000 shares, without any deduction for Indian income-tax payable by the company, absorbed £7.200 (£9,000). The directors recommend a final dividend for the year at 60 naye paise (Re. 1.00) per share on 240.000 shares, without any deduction for Indian income-tax payable by the Company, absorbing £10,800 (18,000) leaving a balance at credit of profit and loss account, to be carried forward, of £19,431 (£26.677).

Raisings for the year at 524.535 tons decreased by 36.515 tons as compared with the previous year. Despatches were lower at 468.747 tons against 562.446 tons in the previous year—a decrease of 93.699 tons. Stocks of coal at the collieries have increased by 31,430 tons. The Coal Board has fixed the output target for the Company's collieries at 606,000 tons for 1958, against 564,000 tons for 1957.

As was stated in the report for the previous year, the Company's working was not profitable for the first half of the year now under review, due principally to reduced output. Though an improvement in raisings, as was forecast in that report, was obtained, persistent technical difficulties at the collieries limited its extent and over the full year the results have been disappointing although, with a reduced provision for taxation, the net profit in fact shows a slight increase.

The Company was again faced with a liability for retrospective wage increases, for which it has had to make provision from past retained profits and although the increase in price given to compensate for the cost of implementation of the Labour Appellate Tribunal Award was effective over the greater part of the year, the proceeds thereof were not sufficient to meet the cost of the necessary provisions. So long as inadequate sale prices are a continuing factor in the Industry, the earning of profits must remain subject to considerable uncertainty. The Coal Price Revision Committee, to the setting up of which reference was also made in the previous Report, has not yet concluded its deliberations and it is not possible to anticipate its findings. The necessity of an immediate price increase sufficient both to meet the increased cost of practically every item involved in coal production (of which only direct wages have in the recent past been taken account of by Government in framing and executing its price policy), and to leave a sufficient margin of profits for retention in the business to provide some part of the finance called for to meet the development requirements of the Second Five-year Plan is, however, strikingly apparent in the case of this Company's collieries.

The Company's mechanisation and expansion schemes are continuing to progress and have been scheduled for completion in 1961, although it is expected that their effects on profitability will be reflected in increasing degree before then. Work has started on the implementation of the sand stowing scheme for Bararee Colliery and all contracts for the first phase have been placed. Provided that the import of essential plant is not unduly delayed by import restrictions and that steel is made available to meet requirements for local manufacture, it is planned to have stowing in operation by mid-1959. Negotiations are meanwhile continuing with the Coal Board for a loan to meet the cost of this scheme and permission has been obtained from the Central Government to borrow the required amount.

The wagon supply position so far as this Company was concerned was unsatisfactory at various times during the year, particularly on the South Eastern Railway and it is clear that a further period may lapse before these difficulties are overcome to an extent which will enable the increased raisings which are projected to be despatched without involving accumulation of stocks.

While at this stage it is difficult to give any reliable forecast regarding profit prospects for the current year, it can be stated that to date raisings are appreciably up over the corresponding months of last year, with a consequent improvement in trading results. Continuance of this improvement is, however, contingent on the transport situation, a factor over which the Company has no control; but stocks which continued to increase until the end of June are now showing a slight seasonal decline. In view, however, of the difficulties confronting the Industry generally and the Company's development and stowing commitments, the directors consider it prudent to continue their policy of conserving the Company's resources and it is for this reason that they have again reluctantly had to recommend a reduced dividend.

Accounts in brief are as under:—

Liabilities	£	Assets	£
Capital ...	240.000	Gross block ...	1.070,637
Reserves ...	362.875	*Less*—Depreciation ...	776,882
Liabilities ...	244,112		
Profit and loss account ...	19,431	Net block ...	293.755
		Stock of coal	62,079
		Stores ...	93.054
		Debts, deposits and advances	367,636
		Investments ...	36,992
		Cash	12,902
£	866,418	£	866,418

Machinery Manufacturers Corporation Ltd.

The directors of the above Company (Managing Agents: Messrs. Mahindra and Mahindra Ltd., Bombay) present the audited accounts of the Company for the year ended 31st March 1958.

The profit for the year after providing for development rebate Rs. 46.644 (*nil*) and wealth tax Rs. 24.507 (*nil*) amounts to Rs. 8.95.629 (Rs. 9,72,445). Of this amount depreciation for 1956-57 absorbs Rs. 5.06,503 (Rs. 5.96,279) leaving an available balance for disposal of Rs. 3,89,126 (Rs. 2.76,166 from which the directors have paid arrears of dividends on special cumulative 4½ per cent. preference shares upto 31st March 1954 absorbing Rs. 1 12,500 and on cumulative 4 per cent. preference shares upto 31st March 1954 absorbing Rs. 55,818: leaving a balance to be carried forward of Rs. 1.07,848) which the directors recommend to be carried forward.

Operations.—The activities of the Corporation in the various spheres during the year under review were characterised by uneven trends. While there was marked improvement in manufacture and despatch, new orders declined considerably. Sonal Works manufactured 646 cards as against 565 in the previous year; 614 cards were despatched as against 545 last year. While the performance under manufacture and despatch shows improvement, new orders booked during the year dropped to 419 cards as against 614 in the previous year.

The halting supply of pig iron to which attention was drawn in last year's report continued throughout the year and proved to be one of the major obstacles in reaching the 75 card target, thereby imposing an extra burden of expenditure relating to the additional personnel and plant facilities commissioned for the higher production target. The year's trading results, therefore, reflect this imbalance.

The Company's Foundry has maintained its progress and during the year under review it produced approximately 900 tons of grey iron castings. The expansion of the Foundry which was referred to last year is under way. Of the total sum of Rs. 15 lakhs needed for the full expansion of the Foundry, the Corporation received a loan of Rs. 9 lakhs from the Industrial Finance Corporation in February 1958.

Under directions of Government's textile planners, various steps taken during the last two years were completed and resulted in the Company being ready early this year with a full complement of tools and trained operatives for production of 100 cards per month. But the programme never came into effective operation as the Company's order book position started to deteriorate from the autumn of 1957 and the plan to step up production was completely frustrated. If the licensing policy affected orders in past years, the situation was aggravated during the year by the serious depression in the country's textile industry. This has influenced the Company's sales and from the latter half of the year under review not only the number of new orders dwindled sharply, but frequent requests were received for cancellation and postponement of delivery. Out of 419 cards for which orders were booked during the year, no less than 264 have been postponed for an indefinite period.

Finance.—From the beginning of 1958 the overall position of the Company has become critical. Fresh orders of any volume are not forthcoming, and there continues a steady flow of requests from mill clients for cancellation, for deferred deliveries and deferred payments. The financial resources of the Company have been extended to the utmost. Since the year ended the Company reluctantly changed its Bankers, as the Lloyds Bank Limited were unable to grant increased credit facilities against liquid assets of the Company which were substantial. The directors are pleased to record that the United Bank of India Limited, the Corporation's new bankers, have come forward to assist the Company at this critical juncture. The directors are fully alive to problems of finance as well as of diversification, which will give the Company security against cyclical fluctuations in the demand for carding engines. In view of the investments of the Government of India in the Company, representations have been made to the Government drawing their attention to the present predicament of the Company both in the matter of cash and lack of orders. A detailed proposal has been submitted to the Government indicating the manner in which assistance is required by way of short-term financial aid as well as in the matter of development and diversification. The request involves reorganisation of the Company's present capital structure.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	80,77,325	Gross block	1,36.84,630
Reserves ...	14,88,944	*Less*—Depreciation ...	41,30.618
Provision for wealth tax	24.507		
Liabilities ...	97,33,058	Net block ...	95.54.012
		Stock-in-trade	25,62,287
		Stores and spare parts etc. ...	19,36.283
		Work-in-progress ...	11,95,640
		Debts, deposits and advances ...	11,84.960
		Investments	21.445
		Cash ...	8.64,442
		Miscellaneous expenditure	76,129
		Profit and loss account ...	19.28.636
Rs.	1,93,23,834	Rs.	1,93,23,834

Clive Row Investment Holding Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The accounts show a profit, after charging all expenses, of Rs. 17,27,004 (Rs. 10,61.532) of which taxation provision requires Rs. 6.92.000 (Rs. 4,80.000) leaving a balance of Rs. 10,35.004 (Rs. 5,81,532). The balance brought forward from last year was Rs. 8,16.584 (Rs. 12.76.052) making a total available for appropriation of Rs. 18.51.588 (Rs. 18,57,584). An interim dividend of 25 (25) nP per share was paid on 12th April 1958, absorbing Rs. 3,47,000 (Rs. 3.47.000) and the directors now propose a final dividend of 50 (50) nP per share absorbing Rs. 6,94,000 (Rs. 6,94,000) leaving a balance to be carried forward of Rs. 8,10.588 (Rs. 8,16.584). As forecast in last year's report, the results for the year reflect the higher dividends received in respect of the tea industry's 1956 season. Dividends from the Company's investments in coal and miscellaneous companies continue to be satisfactory, but the difficult times through which the jute industry is passing have had their effect on the Company's income from its jute investments.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,38.80,000	Investments	2,05,94,990
Reserves ...	17,34,264	Loans and advances ...	12,49 559
Provision for taxation ...	11.08.854	Cash ...	15,787
Liabilities ...	43.26,630		
Profit and loss account ...	8.10.588		
Rs.	2.18.60.336	Rs.	2.18.60.336

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

Notices

RESERVE BANK OF INDIA

APPLICATIONS ARE INVITED FOR THE following posts in the various departments of the Reserve Bank of India:—

(A) POSTS AND SCALES OF PAY

Rural Credit Officers, Agricultural Credit Department—Rs. 375-55-815 E.B. 55-925-60-1,045.

Probationary Assistants—Rs. 250-25-450 E.B. 25-650.

Economic Assistants, Agricultural Credit Department—Rs. 175-12.50-300 E.B. 20-440.

Note.—Candidates possessing exceptionally good qualifications and experience of value to the Bank may be given a higher starting pay in the prescribed scales.

In addition to pay, the selected candidates will be eligible to draw local pay, house allowance and dearness allowance at the rates prescribed by the Bank from time to time.

(B) AGE LIMITS AS ON 1st NOVEMBER 1958

Rural Credit Officers—Candidates should not ordinarily be over 30 years of age but the age limit may be extended upto 35 years in the case of candidates with exceptionally good qualifications and/or experience of value to the Bank.

Probationary Assistants—Between 21 and 24 years.

Economic Assistants—Between 18 and 24 years.

The maximum age-limit is relaxable but not beyond 30 years in the case of—

(1) Probationary Assistants, possessing special qualifications and experience of value to the Bank,

(2) candidates with approved war service,

(3) ex-employees of Banking Institutions whose services had to be terminated for reasons of economy or as a result of the Banks going into liquidation,

(4) personnel retrenched from the Government Offices after *at least* one year's service applying through Employment Exchanges, and

(5) candidates belonging to the Scheduled Castes or Scheduled Tribes.

(C) QUALIFICATIONS

1. Rural Credit Officers, Agricultural Credit Department

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

2. Probationary Assistants, Agricultural Credit Department

Applicants should possess a first or high second class Master's degree of an Indian or Foreign University in Economics, Sociology or other Social Sciences or in Commerce. Special study or knowledge of rural economics or rural sociology will be an additional qualification; so also will be the experience gained in a responsible position in a Co-operative Department or in a Co-operative Institution. Due weightage will be given to the successful completion of the courses organised by the Central Committee for Co-operative Training at its training centres.

3. Economic Assistants, Agricultural Credit Department

Applicants should possess a high second class Master's degree or a first class Bachelor's degree in Economics or Commerce of an Indian or Foreign University and have practical experience in the Co-operative Department of any State in India or abroad or in a Co-operative Institution of standing. Specialised study in Rural Sociology will be an additional qualification. Due weightage will be given to the successful completion of the courses organised by the Central Committee for Co-operative Training at its training centres.

Note.—Experience in community development, small-scale and cottage industries, marketing, training and publicity, etc., will be given due weightage for the posts in the Agricultural Credit Department *and especially for the posts of Rural Credit Officers* and knowledge of regional languages such as Hindi, Bengali, Oriya, Kannada, Marathi will be an additional qualification.

4. Probationary Assistants, Department of Research and Statistics

Applicants should possess a first or high second class Master's degree in Economics or Agricultural Economics or Commerce of an Indian or Foreign University. A period of research work in one or more of the subjects, viz., (*a*) Agricultural Economics, (*b*) Co-operation, (*c*) Rural Sociology or experience of field investigation work, or experience gained in a responsible position in a co-operative institution or co-operative department will be considered as an additional qualification.

5. Probationary Assistants in Department of Banking Operations and on the General Side

Applicants should have a brilliant academic record with a first or high second class Master's degree of a recognised Indian or Foreign University in Economics, Commerce, Banking, Accountancy or Law as a special subject. Preference will be given to the candidates possessing practical experience of commercial banking in a supervisory capacity and who have passed the Institute of Bankers' Examination.

THE BOARD WILL INSIST ON A VERY HIGH STANDARD OF SUITABILITY IN MAKING SELECTIONS FOR THE ABOVE POSTS AND ONLY CANDIDATES WHO POSSESS GOOD ACADEMIC QUALIFICATIONS AND ADEQUATE EXPERIENCE OF THE TYPE SPECIFIED ARE ADVISED TO APPLY.

2. Candidates selected must be prepared to serve in any office of the Bank in India and to undertake tours when required.

3. Candidates who wish to apply for more than one category of posts must submit *separate applications accompanied by separate application fees and should clearly indicate the post and the department for which they have applied.*

Applicants for all the above posts except Economic Assistants must remit with their applications a fee of Rs. 7.50 for each category of post in each department by cheque or bank draft on a *Scheduled Bank* payable at Bombay or by postal order. Applicants for the posts of Economic Assistants must remit a fee of Rs. 2.00. *The application fee is in no case refundable.* Bona fide refugee candidates *not in employment* applying through the Employment Exchanges are exempted from payment of application fees while in the case of candidates belonging to Scheduled Castes/Scheduled Tribes, the fee will be reduced to 1/4th.

Applications in the candidate's own handwriting in the prescribed forms obtainable from the Reserve Bank's offices at Bombay, Calcutta, Kanpur, New Delhi, Nagpur, Madras, Bangalore, Lucknow and Trivandrum accompanied by copies (*originals should not be sent*) of *at least* two testimonials, *and copies of statements of marks secured in Graduate and Post-Graduate Degree examinations* should be forwarded to the Secretary, Central Recruitment Board, Reserve Bank of India, Central Office, Post Box No. 406, Bombay No. 1, so as to reach him on or before the 22nd November 1958.

Candidates should also indicate in their applications whether they had applied previously for a similar post in the Reserve Bank and if so, with what result.

Candidates already in service must submit their applications through their employers. Candidates belonging to Scheduled Castes/Scheduled Tribes should mention this fact prominently on their applications and also enclose a copy of certificate to that effect from a competent authority.

4. Appointments will be subject to candidates being found medically fit for service in the Bank.

5. If any candidate desires to have his application acknowledged, he should send it by "Registered Post Acknowledgement Due." Apart from those who may be specially called, interviews will not be granted to candidates nor will the Bank enter into correspondence with them.

6. Canvassing will be regarded as disqualification.

THE SINGARENI COLLIERIES COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-seventh Annual General Meeting of the Shareholders of The Singareni Collieries Company, Limited, will be held on Monday the 24th November 1958, at 4-00 p.m., at the Registered Office of the Company, "Meher Manzil," Khairatabad, Hyderabad-Deccan, to transact the following business:—

1. To confirm the minutes of the Thirty-sixth Annual General Meeting of the Company held on 30th December 1957.
2. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1957.
3. To sanction the declaration of a Dividend.
4. To note the Charities and Donations paid by your Directors.
5. (*a*) To elect a Director in place of Shri S. J. Tarapore, who retires by rotation under Section 256(1) and (2) of the Companies Act, 1956 and Article 93 of the Articles of Association of the Company and is eligible for re-election if exempted from the age limit of 65 by a resolution of the General Meeting in accordance with Section 281 of the Companies Act, 1956, and, if thought fit, to pass the following Resolution of which special notice as required under Section 281 of the Companies Act, 1956 has been received by the Company:—

   "RESOLVED that Shri S. J. Tarapore, who has attained the age of 65 years and who retires by rotation be and is hereby re-elected a Director of the Company and it is hereby declared that the age limit for Directors prescribed under Section 280 of the Companies Act, shall not apply to him."

   (*b*) To appoint Directors in place of:—
   (i) Shri M. R. Patny
   (ii) Shri R. Prasad

   who retire in accordance with Section 256(1) and (2) of the Companies Act, 1956 and Article 93 of the Articles of Association of the Company, and being eligible, offer themselves for re-election.
6. To note that sanction of the Central Government, under Section 619 (2), has been received for the appointment of Messrs. S. B. Billimoria & Co., as Auditors of the Company for the current year on a remuneration of Rs. 6 000 plus travelling and out-of-pocket expenses as fixed by the Central Government.
7. To transact any other business that may be brought forward by the Chairman.

Notes.—1. The Transfer Books of the Company will remain closed for the purpose of Dividend from 10th to 24th November 1958 (both days inclusive).

2. Subject to the Directors' recommendation being accepted, Dividend Warrants will be posted on 24th December 1958.

3. Shareholders are requested to give immediate notice to the Company of any change of address.

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

By Order of the Board,

For and on behalf of
THE SINGARENI COLLIERIES CO., LTD.,
Industries (I.F.) Department,
Government of Andhra Pradesh,

R. DWARKA PERSHAD,
Secretaries and Treasurers.

"MEHER MANZIL,"
KHAIRATABAD P.O.,
HYDERABAD-DN., *17th October*, 1958.

Explanatory Statement of the Resolution under item 5(a)

(as required by Section 173 of the Companies Act, 1956)

Shri S. J. Tarapore who retires by rotation and offers himself for re-election has attained

the age of 65 years and accordingly his re-appointment, as Director requires to be approved by the Company in General Meeting under Section 281 of the Companies Act, 1956.

Shri S. J. Tarapore who is a retired Superintending Engineer of the Government has been a Director of the Company since 1948 and was Operative Director from 1948 to 1950. He has had considerable knowledge and experience of the working of the Company. Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company from a Member of his intention to move a Resolution at the Annual General Meeting.

NOTICE

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

ROHTAS INDUSTRIES LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the members of the above named Company will be held at the Registered Office of the Company at Dalmianagar on Saturday, the 15th November, 1958, at 11-30 a.m., to consider and if thought fit, to pass, with or without modification the following resolutions, which will be proposed as Special Resolutions, namely:—

1. "Resolved that a sum of Rs. 16,20,209 being the amount of Share Premium and Rs. 6,59 791 being portion of the undivided profits of the Company standing at the credit of the General Reserve be capitalised and that this amount be used as a Capital Bonus which shall be applied for and on behalf of the holders of 22,80,000 Ordinary Shares of Rs. 10 each being the existing Paid-up Capital of the Company, in payment in full for 2,28,000 new Ordinary Shares of Rs. 10 each and that such 2,28,000 new Ordinary Shares created as fully paid up shall be accordingly allotted to such persons respectively in the proportion of one new Ordinary Share to the holders of every 10 existing Ordinary Shares standing registered in the Register of Members on the 31st day of October, 1958 and that the said new shares so distributed shall rank in all respects *pari passu* with the existing Ordinary Shares save and except that they will not be entitled to dividend declared in respect of the financial period of the Company ended 31st March, 1958, and shall also be treated for all purposes as an increase of the Subscribed and Paid-up Capital of the Company."

2. "Resolved that pursuant to the above resolution and in satisfaction of the said Capital Bonus, the Directors be and they are hereby directed to allot and distribute 2,28,000 new Ordinary Shares of Rs. 10 each credited as fully paid up amongst the persons whose names stand registered in the Register of Members of the Company on the 31st day of October, 1958 as holders of the 22,80,000 existing Ordinary Shares of the Company in the proportion of one such new share of Rs. 10 each for every 10 existing Ordinary Shares of Rs. 10 each so registered in their names with the proviso that in the case of non-resident shareholders the allotment and distribution of newly created Bonus Shares shall not be made until such time as sanction is obtained from the Reserve Bank of India in this connection."

3. "Resolved that for the purpose of giving effect to the above the Directors are empowered to settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificates on such terms as the Directors consider proper."

The Share Transfer Books of the Company will remain closed from 31st October to 15th November, 1958, both days inclusive.

By Order of the Board,
For SAHU JAIN LTD.,
A. K. JAIN,
Managing Director,
Managing Agents.

CALCUTTA, 18*th October*, 1958.

N.B.—A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

EXPLANATORY NOTE

Necessary consent for the issue of Bonus Shares by capitalisation from the Share Premium Account and a portion from the General Reserve as aforesaid has been obtained from the Controller of Capital Issues. Requisite approval has been also obtained from the Industrial Finance Corporation of India.

An application has been made to the Reserve Bank of India seeking their consent for allotment of Bonus Shares to the non-resident shareholders.

The interest of the Directors and the Managing Agents of the Company in the proposed issue shall be to the extent of the shares they will receive in proportion to their holdings.

THE INDO BURMA PETROLEUM COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of the above Company have declared an Interim Dividend of Re. 1.00 (Rupee one) per share (free of Income-tax) on the Ordinary Share Capital for the year ending 31st December 1958, payable on the 28th November 1958 to those members whose names appear on the Register of Members as on 14th November 1958.

The Ordinary Register of Members of the Company will remain closed from the 14th November 1958 to 27th November 1958, both days inclusive.

By Order of the Board,
STEEL BROTHERS & COMPANY LIMITED,
Managing Agents.

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA, 30*th October*, 1958.

THE AHMEDABAD ADVANCE MILLS LIMITED

NOTICE

THE TRANSFER BOOKS OF THE COMPANY will be closed from Monday, the 24th November 1958 to Tuesday, the 23rd December 1958, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents.
T. V. BADDELEY,
Director.

BOMBAY, 24*th October* 1958.

THE MYSORE COFFEE ESTATES LIMITED

No. 18, Second Cross Road, Shankarapuram BANGALORE-4.

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Fifteenth Annual General Meeting of the Shareholders of THE MYSORE COFFEE ESTATES LIMITED, will be held on THURSDAY the 20TH NOVEMBER 1958 at 4-30 p.m., at the Mysore Chamber of Commerce Building, Kempegowda Road, Bangalore-9, to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st March 1958 with the Auditors' Report thereon.
2. To declare a Dividend.
3. To elect Directors in place of:—
   (*a*) Sri Dhirajlal Maganlal Dalal who retires by rotation and being eligible, offers himself for re-election.
   (*b*) Sri V. M. P. Muthuswamy who retires by rotation and being eligible, offers himself for re-election.
   (*c*) Sri S. Ramanathan who retires by rotation and being eligible, offers himself for re-election.
4. Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company from shareholder that the age limit of 65 years under Section 280 of the Companies Act, 1956, should not be made applicable to Sri K. Srinivasa Iyer who is Ex-Officio Director, being the Managing Director of the Managing Agency Company as he attains the age of 68 on 19-11-1958, and Special Notice of the following resolution for exempting Sri K. Srinivasa Iyer from Age limit as required under Section 281 of the Companies Act 1956, is hereby given:

   "Resolved that the Age limit of 65 years prescribed under Section 280 of the Companies Act 1956, shall not apply to Sri K. Srinivasa Iyer, Ex-officio Director, being the Managing Director of the Managing Agency Company, who attains the age of 68 on 19-11-1958."

   (*Vide* Explanatory Statement sent to the Shareholders individually.)
5. To appoint Auditors for the year 1958-59 and to fix their remuneration.

Messrs. Sankaran and Raman, Chartered Accountants, Madras, retire and are eligible for reappointment.

The Share Transfer Books of the Company will be closed from 10th November to 20th November 1958, both days inclusive.

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

BANGALORE, 30*th September*, 1958.

Note:—The Board of Directors have recommended a Dividend of 15 per cent. on the paid-up Capital of the Company and the Dividend, if sanctioned by the General Body, will be made payable on and after the 25th November 1958. The Dividend Warrants will be posted to those shareholders whose names stand on the Register as on 10th November 1958.

Shareholders are requested to notify immediately any change in their address to the Company.

Any Shareholder who is unable to attend personally is entitled to appoint another person as his proxy to attend and vote instead of himself, and the proxy need not be a member of the Company. Such proxy should be registered with the Company at least 48 hours before the time fixed for the meeting.

COMPANY AFFAIRS

(*Concluded from page 739*)

bobbin case plant has been installed and has started working, although it will take time to come into full production. We have started the manufacture of our heavy industrial machine. The production is steadily increasing. We hope by December 1958, we will be able to produce 200 Nos. machines a month, and according to our information, India's total requirement is not above that figure. We, however, propose to increase the production and start exporting the same. We are also very glad to say that we have succeeded in making prototype of automatic zig-zag machine, and we will not have to pay any royalty or the price of know-how, or profit in partnership to any foreign firm. The work of preparing the drawings, tools, jigs, etc., has been taken in hand, and it is hoped that after about six months of receiving the licence for certain machine tools from the Government, it will be possible to produce these machines both for Indian and foreign markets. The special feature of this machine is that on the same machine innumerable designs can be made with the greatest ease.

"We are also glad to report that we have succeeded in getting orders from many highly industrialised countries such as America, Canada, Australia, New Zealand, England, Holland, Belgium, Italy, Yugoslavia, etc. In some cases, the orders are sample orders, and we hope once the sample consignments reach them, we will get repeat orders. We have sold to America through Yugoslavia 47,500 Nos. sewing machines."

During the year under review, the Company's paid-up capital was raised from Rs. 60.75 lakhs to Rs. 99.14 lakhs. The Company issued additional ordinary capital in 30.149¼ shares of Rs. 100 each on which Rs. 50 have been called up. It also issued, for the first time, redeemable cumulative preference capital carrying interest at 7 per cent. tax-free. The number of shares issued was 50,000 but the actual number subscribed and paid-up is 32,333⅓ of Rs. 100 each. The Company's reserves and surplus aggregate Rs. 52.17 lakhs. It has a debenture liability of Rs. 62.05 lakhs carrying interest at rates varying from 5 per cent. to 6½ per cent. The current liabilities stand at Rs. 256.19 lakhs, of which application money on preference shares and calls in advance on equity shares amount to Rs. 4.89 lakhs. The gross block of a value of Rs. 284.91 lakhs, including additions during the year of Rs. 57.96 lakhs, stands written down to a book value of Rs. 188.85 lakhs. In addition, machinery in transit accounts for Rs. 1.36 lakhs. The current assets aggregate Rs. 279.35 lakhs and exceed the current liabilities and the provision for taxation by a comfortable margin.

The Rs. 100 fully paid-up shares are currently quoted at Rs. 182 ex-div. at which rate, and on the basis of the year's dividend, the yield is 6.6 per cent. per annum.

TREASURY BILL RATE DECLINES

(From Our Own Correspondent)

BOMBAY, 29*th October*

Distinctly easy conditions continued to prevail in the short-term market for yet another week. There was no sign of any revival of seasonal demand for funds and the surplus money with banks was diverted partly to the Gilt-edged market, which looked up a bit during the week, and partly to Central Government Treasury Bills. There was very little activity in the inter-bank call money section and the common rate among the Exchange banks and big Indian banks was at 1½ per cent. Some business was reported done towards the close of the week even at 1¼ per cent., but this was after the clearing hours. The corresponding rate among the smaller Indian banks was 2-2½ per cent. House money at seven days' notice was placed at 3½ to 3¾ per cent. while short-term deposits for one to six months were offered 3½ to 3¾ per cent.

The conditions prevailing in the short-term money market are fully reflected in the results of 91-day Treasury Bill sales held yesterday. As against an invitation for Rs. 3 crores, the total amount offered was Rs. 8.75 crores, the largest amount to be tendered since the resumption of Treasury Bill sales in the first week of August last. The previous highest was Rs. 6.60 crores in the last week of August, against an invitation for Rs. 3 crores. Tenders at Rs. 99.380 were accepted in full and those at Rs. 99.375 were allotted approximately 31 per cent. The average rate of accepted tenders was 2.489 per cent., the lowest rate so far; the immediate previous rate was 2.521 per cent. In view of the heavy offerings, the authorities have stepped up the amount of tenders for next week to Rs. 4 crores.

For the second week in succession, the Reserve Bank of India's statement relating to the week ended 24th October 1958 show no notable variations in notes in circulation and notes held in the Banking Department. Foreign securities and rupee securities are also unchanged, while balances held abroad (in the Banking Department) are slightly lower by Rs. 33 lakhs. Deposits of the Central Government have declined further by Rs. 2.32 crores and those of other Governments by Rs. 4.16 crores. A sharp rise of Rs. 28.18 crores is noted in deposits of banks. On the assets side, investments are up by Rs. 1.57 crore, while Government Treasury Bills purchased and discounted show a drop of Rs. 4.29 crores.

The Scheduled banks' statement for the week ended 17th October 1958 shows a further drop of Rs. 2.59 crores in demand deposits of banks and an increase of Rs. 8.22 crores in time deposits. With this rise, the time deposits have gone up during the past four weeks by as much as Rs. 45.10 crores, while demand deposits have dwindled by Rs. 39.04 crores. The time deposits of banks now stand at over Rs. 850 crores, that is Rs. 155 crores above the demand deposits, a phenomenon not seen in the history of banking in India. Barring an outstanding balance of Rs. 28 lakhs, the Scheduled banks' borrowings have all been repaid. Banks' advances have declined by Rs. 1.53 crore, while bills purchased and discounted are up by Rs. 92 lakhs. Cash balances are higher by Rs. 2.72 crores, while money at call and short notice have declined by Rs. 2.64 crores.

The Gilt-edged market ruled steady with a slight change in sentiment for the better, on revival of institutional support. The demand was, however, restricted and the volume of business was, as a consequence, small. Select counters showed an improvement in prices varying from 5 nP to 10 nP. 3 per cent. 1986 Conversion Loan, however, continued to be on offer 10 nP lower at Rs. 73.15. 3 per cent. 1970-75 had buyers 5 nP higher at Rs. 90.05. 3 per cent. 1966-68 declined by 5 nP to Rs. 93.95, but recovered to close at Rs. 94. 3 per cent. 1964 gathered 5 nP to Rs. 96.65, while 3 per cent. 1963-65 was unchanged at Rs. 96.55. 3 per cent. 1959-61 dropped by 5 nP to Rs. 99.70, at which level the Reserve Bank of India appeared as a buyer. The Reserve Bank of India was also a buyer of 2½ per cent. 1960 at the quoted rate of Rs. 99. 2½ per cent. 1961 hardened by 5 nP to Rs. 97.15. 3½ per cent. 1961 had buyers, but the quotation was unchanged at Rs. 100.05. There were enquiries for 3½ per cent. 1964 and 1965, which as a result gained 5 nP each to Rs. 99.90 and Rs. 99.70, respectively. 3½ per cent. 1967 and 3½ per cent. 1968 moved up by 10 nP each to Rs. 98.95 and Rs. 98.70, respectively. 4 per cent. 1972 hardened by 10 nP to Rs. 100.60 and 4 per cent. 1973 by 25 nP to Rs. 100.60. Enquiries for State loans were limited.

There was a further weakening of sterling abroad and this was reflected in the rise in Banks' selling rate of U.S. ready dollars in Bombay from Rs. 476.75 to Rs. 477.00 per $100. Banks' buying rate was, however, unchanged at Rs. 473.50 per $100. In New York, spot sterling declined from $2.80.23/32-2.80.25/32 to $2.80.19/32-2.80.21/32. Three months' forward shed 5/32c. to $2.80-2.80.1/16, while transferable sterling improved from 279.10-279.20 cents to 279.25-279.35 cents before falling back to 279.15-279.25 cents.

WHEAT TOUCHES NEW HIGHS

(From Our Own Correspondent)

HAPUR, 27*th October*

Foodgrain prices continued steady to firm during the past week, mostly influenced by tight supply position and fresh demand for seeds. Fast dwindling stocks and firm advices from the ports following exports accounted for sharp gains in pulses. Oil and seeds market, however, was quiet.

Wheat prices here touched new heights to be quoted now at Rs. 25 per maund for average quality and upto Rs. 26.50 for farm produce. Daily arrivals from the rural producing areas continue small at an average of 50 maunds and sales through fair-price shops are attracting great rush, though the quantity and quality offered for sale are very poor. Demand for seeds is not being met fully, as the Government seed godowns are not supplying seed in sufficient quantity and good quality wheat for seed is not available in the open market. Preparation of *rabi* sowings is in full swing, thanks to sunny weather and westerly winds which has dried up large tracts of land which was hitherto waterlogged. Sowings of peas and coarse grains are brisk.

Rice prices registered further fall during the week, due to increase in new crop arrivals. The bumper rice crop is reported to have relieved the difficult food situation in east U.P. to a considerable extent and here, in west U.P. also, heavy arrivals of new rice and maize have gone a long way towards checking the further rising trend in grain prices. Week-end prices of rice were: Basmati sela Rs. 32 to Rs. 33, mainpuri Rs. 23.50, coarse quality Rs. 20 per maund.

Gram prices registered fresh gains to touch new heights on account of paucity of stocks and non-availability of supplies from the Punjab side. Barley and *bejhar* prices also improved further, as fresh demand for seeds in an understocked market has acted as a bullish factor. Maize, however, is reaching here in heavy quantities from outside and local stocks have swelled to 30.000 maunds, and, despite good consumer demand, prices eased slightly. *Jowar* and *guwar* prices were quiet and week-end quotations (in rupees per maund) were: Gram punjabi 19.50, barley 17.50, *bejhar* 17.50, maize 14.50 to 15, *guwar* 14.75, *jowar* 14.25.

Sharp gains were recorded in the prices of peas and *arhar* during the week, due to fast dwindling stocks. A ban on the export of gram and pulses from U.P. to other States has been demanded by the State Government from the Centre. Prices of other pulses also hardened in sympathy with peas and *arhar* and week-end prices (in rupees per maund) were: Peas *dara* 17.50, *khatti* 17, farm quality 19.50, peas *dal* 20.50, *arhar* 21.75, *khatti* 21, *arhar dal* 22.50, *urd* 20, *moong* 28, *massoor* 18.

Oil and seeds ruled quiet to be quoted now at: Sarson Rs. 26.50, oil Rs. 69 to Rs. 70, cake Rs. 13.31, tara Rs. 22, cottonseed Rs. 14.50, groundnut *desi* Rs. 20, oil Rs. 67, cake Rs. 11.50. kapas Rs. 25 to Rs. 26. Arrivals about 125 maunds daily.

BULLION BUOYANT

(From Our Own Correspondent)

BOMBAY, 29*th October*

Buoyant conditions prevailed in the bullion market during the week under the leadership of gold, prices made a further headway, but towards the close, there was profit-taking which erased a part of the earlier gains. The increasing pace of pre-*Diwali* offtake, expectations of a further broadening of demand as the season progresses and the diminished flow of unauthorised gold gave a fillip to speculative forces in the yellow metal. The sentiment in silver remained in fact in sympathy with gold. Despite the pressure of large arrivals from uncountry centres, the absence of supplies of Tibetan coins provided another helpful factor. Nevertheless, the "bears" in silver had the upperhand in the settlement which matured yesterday and managed to extract heavy penalties from the bulls, the backwardation charges having widened from As. 14-15 to Re. 1-3 at the close of the settlement. As the backwardation charges crossed Re. 1 on Monday this week, the bears had to pay a margin of Rs. 1,000 per bar on their outstanding sales in that settlement.

Silver forward delivery (28th October settlement) advanced from Rs. 189-3 to Rs. 189-15 before reacting to Rs. 189-4 at the close of the settlement. The next settlement (27th November) moved up from Rs. 190-1 to Rs. 190-15, but profit-taking towards the close brought it down to Rs. 189-9.

Ready silver shed on balance As. 4 to Rs. 188-5, after hardening to Rs. 189-11. The floating stocks of silver are estimated at 1.200 bars. While the daily average arrivals amounted to 45 bars (including unrefined metal), the offtake was no more than 12 bars per day.

Gold for forward delivery (27th October settlement) improved from Rs. 109-14 to Rs. 111-5, before the settlement ran out at Rs. 110-12. The next settlement hardened from Rs. 110 to Rs. 111-7, but, at the close, it drifted down to finish at Rs. 110-14.

Ready gold hardened from Rs. 110-3 to Rs. 111-10, but the closing was a shade lower at Rs. 111-2. The floating stocks of gold are reported to be 30,000 tolas. The daily average arrivals was 3,000 tolas, which was matched by a corresponding offtake.

In New York, silver was unchanged at 90¼c., while in London there was a decline of ¼d. to 78¼d. for spot and of ⅜d. to 78¾d. for forward. Gold moved between 250s. ¼d. and 249s. 11¾d.

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

	29-10-58	Highest	Lowest	22-10-58
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (99 fine Mint) ..	111 2	111 11	110 1	110 3
Forward*	110 14	111 7	109 14	110 0
Sovereign	72 0	72 0	71 8	71 8
SILVER				
Ready (.996 fine Mint) ..	188 5	190 11	188 4	188 9
Forward†	189 0	190 15	189 8	190 1
London Silver Ready ..	78¼d.	—	—	78¼d.
London Forward	78¼d.	—	—	78¼d.
London Gold	250s. ¼d.	250s. ¼d.	249s. 11¾d.	250s.
New York Silver	90¼c.	—	—	90¼c.

*26th November settlement.
†27th November settlement.

SHARP FALL IN COTTON

(From Our Own Correspondent)

BOMBAY, 29*th October*

During the week under review, the local cotton market witnessed a sharp decline in prices. This is attributed in the main to two factors. In the first place, the reported decision of the Government to abandon the currency retention scheme for promoting cloth exports came as a damper to the market which had for sometime now expected such a scheme to be put into effect. Secondly, cotton men's minds were dominated by the emergency meeting of the Indian Cotton Mill Federation which is being held today to discuss the "crisis" in the textile industry, arising out of the large-scale accumulation of cotton piecegoods. Stocks of cloth, it is stated, aggregate over 800,000 bales, as compared with slightly over 500,000 bales in May last. The millowners, it is stated, will consider measures designed to bring about a phased reduction in cloth production ranging from 7 to 10 per cent. The scheme might take the shape of either reducing working hours or closure of third shift or some other form. Any such scheme designed to curtail production will certainly affect adversely the demand for cotton.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 615.50, as compared with the closing of Rs. 618.25 last week and moved up on unfavourable weather reports and on hopes of early announcement of export promotion schemes to Rs. 620.50 on the same day. This recovery, however, proved short-lived. On the 24th inst. it moved down to Rs. 614.75, having fluctuated between Rs. 618.50 and Rs. 614.75. Some recovery ensued, thanks to the support at lower levels and the contract improved to Rs. 617.00 on the following day. A definite downward trend emerged from the beginning of the 27th inst., when the contract, after opening at Rs. 611.50, declined to Rs. 607.25 before closing at Rs. 608.25. In the following two days, the downward trend was more marked. The contract fluctuated between Rs. 609.50 and Rs. 599.00 and closed today at the lowest level of the week, namely, Rs. 599.00. The following table indicates the trend of prices during the week:

(In rupees per candy of 784 lbs.)

	29-10-58	*High*	*Low*	22-10-58
I.C.C. Moglai Jarilla (March 1959) ...	599.00	620.50	599.00	618.25

In the spot section, mill and export enquiry remained subdued. Some business was done in small quantities of staple varieties, but mills were buying on hand-to-mouth basis.

The trade has welcomed the Government's decision to increase the quantity allowed for export of old cotton of 1957-58 and earlier seasons, stapling not above 25/32" (other than Bengal Deshi) on "first-come-first-served" basis from 30.000 bales to 50,000 bales subject to an individual quantitative ceiling of 10 per cent. of the quantity allowed. The procedure for the grant of export licences will remain the same as the one announced in August and September last.

The latest available spot quotation—in rupees per candy of 784 lbs.—from Sewri are given below, the figures in brackets being last week-end rates. Bengal *Deshi* 500 (560). Berar Jarilla 580 (600), Khandesh 620 (640). Vijay 785 (800). Hubli Laxmi 810 (840), Jaydhar 740 (765). *Delivery contracts*: Bengal 560 (565), Mathia 550 (558).

In the absence of any encouraging news, the Karachi cotton market receded. There were fears of the possible effects of the prevailing political situation on exports of cotton in Karachi. N.T.R.G. January receded from Rs. 66-13 to Rs. 65-4 and March from Rs. 66-15 to Rs. 65-8. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi: Sind *Deshi* 62-8; Punjab *Deshi* 59-8; 4F Punjab Roller 64-4; S.G. 68-4; L.S.S. Punjab Roller 65-4; S.G. 69-4; N.T. Roller 68-4; New 69-12; S.G. 77-4.

A steady trend was witnessed in the Alexandria cotton market. A good offtake from Russia and East European countries has been reported. The total supply of cotton for the 1958-59 season has been placed at 1.60 million bales (of 720 lbs. each), consisting of a crop of 1.35 million bales and carryover stocks of 273.000 bales. Of the carryover stocks, the Egyptian Cotton Commission is estimated to hold 141,800 bales. made up of 73.300 bales of previous crop and 68,500 bales of 1957-58 crop. The following are the latest available quotations—in tallaris per lb.—from Alexandria: *Karnak*: November 72; January 72; *Ashmouni*: December 61.90.

Renewed hedge selling pressure and absence of outside interest depressed the Liverpool cotton market. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October-November 23.82; December-January 23.85; March-April 23.60; May-June 23.30. *American cotton mixed growth contract*: October-November 24.30; December-January 23.90; March-April 23.60; May-June 23 30. *Sudan*: November-December 28.25; January-February 28.25; May-June 28.25.

Fluctuations remained narrow in the New York cotton market. The market was featureless for the major part of the week. Traders believe that despite the movement of the cotton crop which is reaching peak proportions, hedging in futures remains very limited as farmers are placing a large part of their ginnings into the loan or holding them off the market for higher prices.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	28-10-58	21-10-58	14-10-58
Spot	36.25	36.20	36.25
October	—	—	35 74
December	36.15	36.11	36.09
March	36.42	36.58	36.87
May	36.36	36.31	—

YARNS WEAK

(From Our Own Correspondent)

BOMBAY, 29th *October*

Conditions in the yarn market continued to be easy during the week under review. Turnover was limited. For, operators were not inclined to enlarge their commitments due to fears of a further decline in prices. Towards the close of the week, however, there were some signs of returning confidence, possibly due to hopes that with the approach of *Diwali* and the New Year, demand would revive. Staple fibre yarn prices continued on their downward trend. Offtake from consuming centres was still not satisfactory. This was aided further by reports of accumulation of stocks with several mills throughout the country. In sympathy with staple fibre yarn, prices of rayon yarn also declined. There was no dearth in regard to supplies as arrivals of imported yarn against previous orders placed with foreign countries were getting heavier. Output from indigenous manufacturers was also received in larger quantities. In the result, prices received a further setback. Cotton yarns were dull as offtake from internal markets was slack. Handloom weavers were not prepared to augment their purchases until they were able to dispose of at least some of their accumulated stocks of cloth.

Staple fibre yarns (40 x 2) October delivery encountered selling and declined by Rs. 12 to Rs. 598. December delivery dropped Rs. 9 to Rs. 609. In the spot section, 40 x 2 Citys receded by 5 nP to Rs. 3.19. Kohinoors retreated by 6 nP to Rs. 3.22. Centurys shed 4 nP to Rs. 3.19. Among foreign yarns, Paramounts were neglected at Rs. 9.75. Fujis, however, gained 20 nP to Rs. 9.81.

In the art silk yarn section, 120 Japan declined by 12 nP to Rs. 5.19. 150 Japan eased by 6 nP to Rs. 5.56. 120 Italy and 150 Italy were both stagnant at Rs. 5.75 each. Among indigenous yarns, National Rayons 150 bright cones first grade climbed down by 10 nP to Rs. 4.31. 120 bright cones first grade were quoted 22 nP lower at Rs. 5.19.

Cotton yarns, ten counts Podars declined by 75 nP to Rs. 12.25. Moderns were neglected at Rs. 13.25. Among twenty counts, Moderns were dull at Rs. 16.75. Thirty counts Hinds shed 25 nP to Rs. 19.50. Among forty counts Minaxis eased by 6 nP to Rs. 25. Moderns were quiet at Rs. 25. Sixty counts Finlays changed hands at Rs. 59, same as for last week. Among eighty counts Mahendras dropped a rupee to Rs. 68. Moderns were on offer at Rs. 72. Finlays, however, gained a rupee to Rs. 79.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week ago:

	29-10-1958	22-10-1958
Art silk yarn (per case of 200 lbs.)—	Rs.	Rs.
120 Japan (per lb.)	5.19	5 31
150 Japan (per lb.)	5 56	5 62
120 Italy (per lb.)	5 75	5 75
150 Italy (per lb.)	5.75	5.75
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 October	598 00	610.00
40 x 2 December	609 00	618.00
40 x 2 Kohinoor (per lb.)	3 22	3.25
40 x 2 City (per lb.)	3.19	3.24
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.25	13.00
20s Modern	16 75	16 75
30s Hind	19 50	19 75
40s Minaxi	25 00	28 06
60s Finlay	59 00	59 00
80s Mahendra	68.00	69.00

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 29th *October*

Easy conditions prevailed in the local oilseeds market during the last week. Presenting a distinctly firm trend during the initial sessions, the market staged a relapse on Monday, which showed no signs of abatement till today. The groundnut section ruled particularly buoyant in the beginning, but it subsequently lost ground. The other varieties of oilseeds and oils witnessed similar conditions.

The Government of India has decided to extend the validity period of the export quota of H.P.S. groundnuts only up to the end of March 1959, according to an announcement by the Chief Controller of Exports last Saturday. On 3rd June, Government released a quota of 20,000 tons of groundnut oil and 10,000 tons of H.P.S. groundnuts for export with allotments valid for shipment up to the end of September 1958. As was expected, this measure had little effect on the market.

Groundnut February 1959 contract which stood at Rs. 163.75 last week-end receded to Rs. 163.60 on the following day but forged ahead to Rs. 165.12 on Saturday, thanks mainly to the tight ready position which inspired bulls to support the market at lower levels. The position was further strengthened by persistent bear covering and strong buying support. Groundnut declined subsequently, as a result of lack of buying support from *vanaspathi* producers and heavy arrivals of new crop groundnuts. The price slumped to Rs. 162.12 today. Bold ready moved up from Rs. 38.00 to Rs. 38.50 only to touch a low of Rs. 37 at the close of the week. Coromandel spurted from Rs. 38.75 to Rs. 39.50 on Saturday and subsequently receded to finish at Rs. 37.37. Khandesh quality was active till Saturday when it closed at Rs. 39.37. It, however, fell to Rs. 37.37 today. Groundnut oil ex-mill ruled steady in the initial stages, presumably because of frantic *Diwali* demand. It subsequently declined to Rs. 20.87, as against Rs. 21.37 last week-end. Railway Receipts fell from Rs. 21.25 to Rs. 20.56 over the week.

Castorseed May 1959 contract was subdued for most part of the week. It fell by Re. 1 to Rs. 144.37 today. This was mainly due to liquidation by bulls and bear pressure. It is reported that the Conference Lines have decided to reduce the freight for oil by $5 per ton with immediate effect till 31st December 1958. It had no appreciable effect on the market owing to the marked disparity in prices prevailing here and in the U.S. Ready Madras, which stood at Rs. 29.00 last Wednesday, declined to Rs. 28.87 today, after climbing to Rs. 29.31 on Saturday. Kanpur quality fell by 15 nP over the week, to Rs. 27.75. Castor oil B.S.S. fluctuated within narrow ranges to close at Rs. 16.50. Commercial quality too showed irregular movements, but recovered to the last week-end level of Rs. 15.00.

Linseed May 1959 contract fell from Rs. 30.87 to Rs. 30.56 today. Linseed was quiet, despite shortage of supply and reports of Australian tenders for linseed oil. Bold ready, after rising by 25 nP from last week's quotation of Rs. 34.25, relapsed to Rs. 34.25 today. Linseed oil remained dull during the week on account of lack of fresh buying support. Today, however, it improved to Rs. 17.75, as compared with Rs. 17.62 last week.

Cottonseed May 1959 contract recorded some revival of activity. It moved up from Rs. 104.00 to Rs. 105.25 on Monday. However, it declined to Rs. 104.75 yesterday though it recovered to Rs. 104.00 today.

Among other seeds, kardiseed bold ready was quoted at Rs. 22 throughout the week, though today it declined by 25 nP to Rs. 21.75. Nigerseed Madras quality continued to be firm during the week. It, however, fell to Rs. 33.50 today, as against Rs. 33.75 last Wednesday.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	29-10-1958	22-10-1958	15-10-1958
	Rs.	Rs.	Rs.
Groundnut—			
Feb. 1959	162 12	163 75	163 75
Bold ready (per cwt.)	37 00	38 00	39 50
Linseed—			
May 1959	30.56	30 87	31 06
Bold ready (per cwt.)	34.25	34 25	34 00
Castorseed—			
May 1959	144.37	145 37	146 87
Madras (per cwt.)	28.87	29 00	29 37
Cottonseed—			
May 1959	104 00	104 00	102 00
Groundnut oil—			
Ex-mill ready (per quarter)	20.87	21 37	21 50
Castor oil—			
Commercial (per quarter)	15 00	15 00	15 19
Linseed oil—			
Ready	17 75	17 87	17 44

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

SUGAR STEADY

(From Our Own Correspondents)

BOMBAY, 29th *October*

The sugar market witnessed fully steady conditions as a result of the normal *Diwali* demand. Prices were fully maintained at levels reported last week. The undertone of the market is quite healthy. The Union Food Ministry announced the monthly release of 1.65 lakh tons of sugar soon after we went to press last week.

Arrivals by rail in the city during the week under review amounted to 11,400 bags. The prices for small, medium and large grain sizes are: Rs. 106, Rs. 108-Rs. 110 and Rs. 111-Rs. 117 per bag, respectively.

Ex-mill quotations in the Bombay Deccan mills were fairly steady. A few factories in the Deccan area have already commenced crushing and it is reported that at least six more mills will go into production before the next week is out.

* * * *

HAPUR, 27th *October*

Sugar prices ruled quiet during the week-end, following the release of a fresh quota of 160,000 tons for free sale by the Government. Superior quality sugar continued to be in good demand, while inferior quality small crystal was quoted by some factories at below the controlled price. Crushing for the new season in west U.P. has not yet begun, but some of the factories will commence crushing in the first week of November.

Sugar ruled quiet in the Muzaffarnagar market also, where the latest prevailing ex-mill delivery prices are: Amroha (D29) Rs. 35.31, Seohara (D28) Rs 35 37, Saharanpur (D28) Rs. 35 69, Kashipur (D28) Rs. 35.25. Rajakashaspur (E29) Rs. 35.62. The sugar market at Kanpur was active, due to festival demand. The prevailing prices at the time of writing were: Ex-mill controlled Rs. 36-12 per maund, spot per bag (C29) Basti Rs. 105, Gola Rs. 102-4, (D29) Gola and Burhwal Rs. 101-14, Waltergunj, Tulsipur and Balrampur Rs. 101, Lakhimpur and Hargaon Rs. 100-12.

Khandsari prices ruled quiet during the week and new production will begin after two weeks. Prices ranged between Rs. 30 and Rs. 34 per maund according to quality.

New *gur* arrivals here have mounted to an average of 5,000 maunds, but, due to good outside demand, prices have stayed steady and as yet there is no stock building. Arrivals are expected to multiply soon, as the land vacated from cane crop will be available for sowing *rabi* cereals. Prevailing prices are: Rs. 20 to Rs. 23 per maund.

The first All-India acreage report of cane for the year 1958-59 puts the area under sugarcane at 4,795,000 acres which shows a fall of 4.7 per cent. for the previous year at 5,031,000 acres.

The latest advices from the producing areas in the South gives the following information of *gur* prices in various markets: Shrirampur *gur* Rs. 14 to Rs. 19, wet Rs. 11, Malunja *gur* Rs. 14.50, Koppergaon *gur* Rs. 14 50 to Rs. 20, new Rs. 18 to Rs. 22. Arrivals daily 500 maunds. Baramati *gur* Rs. 14 to Rs. 22, new Rs. 18 to Rs. 22.50. Arrivals daily about 100 maunds, Ankappalli *gur* Rs. 15.50 to Rs. 19, Kolhapur *gur* new Rs. 18 to Rs. 24.50. Arrivals 1,000 maunds daily.

In the futures section, *gur* registered a steady trend in line with ready prices. *Gur* Fagun having opened at Rs. 13.43 last Monday and, after touching the lowest for the week at Rs. 13.41 the same day, improved in successive sessions to close at Rs. 13.62. The highest level for the week was Rs. 13.77.

STRONG DEMAND FOR TEA DUSTS

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, 25th *October*

500,034 lbs. were on offer in dust sale 'V', which was held on Thursday 23rd October. The slightly smaller, but useful, selection of teas met a very strong general demand. The lowest descriptions which were the strongest feature of the sale, showed advances of up to 20 naye paise over valuation. All other teas were irregularly 10 to 15 naye paise dearer.

London Market: Sale of 20th October 1958:—Good demand, with prices closely following quality. Orthodox Assams a strong feature.

Sale of 21st October 1958:—Generally steady. Poorest sometimes easier.

Colombo Market: Sale of 20th October 1958: Quieter demand. Uvas again lower following quality. Dimbula Dickoya B.O.Ps down 20 to 30 cents. Corresponding fannings frequently more. Mediums declined 10 to 15 cents. Lowgrowns opened barely steady, closed firmer.

Sale of 21st October 1958:—Stalky broken mixeds lower. All dusts strong. Demand generally dearer. Other off grades good demand steady.

Calcutta Market:—No sale this week.

Export Quota:—Due to holidays in Calcutta, the market has been fairly quiet, and not much business has been transacted. The latest quotation is sellers 3¼ nP, buyer 3¼ nP with last business going through at 3¼ nP.

Forthcoming Auctions:—Dust sale 'W' will be held on Tuesday 4th November 1958.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:

"*Sale No.* 31:—1,725,000 lbs. Good general demand, particularly for low mediums, which are steady. Improved medium and good medium brokens dearer, but fannings weak. Best liquoring highgrown below valuations."

JUTE GOODS BETTER

(From Our Own Correspondent)

CALCUTTA, 28th *October*

After the *Durga Pooja* holidays, the jute markets reopened on Thursday last, and, since then, jute goods were steady, but, in the absence of support from mills, raw jute was quiet. The fixation of higher minimum prices for raw jute for export in Pakistan a week ago noted here, but this has no significance as far as India is concerned. For India's production of fibre is considered more than sufficient to meet internal needs during this year, and also, in view of the Government of India's understandable anxiety to ensure that mills consumed the indigenous jute to the maximum extent possible, imports from Pakistan are severely restricted and confined only to cuttings. It was noted that Pakistan had raised the price of cuttings to Rs. 65 per bale from Rs. 55. Even after adding transportation and other charges, including insurance, etc., Pakistani cuttings should still be cheaper as compared with the equivalent variety of Indian jute. Therefore, jute circles here felt that the rise in export prices in Pakistan would affect cost of production in Dundee, and, in this view, Pakistan's action was bound to be of indirect "protection" to Indian jute goods in foreign markets. At the same time, there was also an apprehension here that the increase in prices might lead to a curtailment of export of raw jute from Pakistan and thereby indirectly encourage substitutes and bulk handling.

Mills here felt that any further decline in raw jute prices in India should be avoided, as this would have a disastrous effect on the next season's crop and Indian dependence on Pakistan would be revived. Viewed thus, it was good that the increase in Pakistani prices steadied sentiment in jute goods here on Thursday last. An uptrend set in both heavy goods and hessian, and ready B. twills hardened to Rs. 96.65 from Rs. 96.10, and ready hessian 40"x10 oz. to Rs. 42.20 from Rs. 41.70. China was a heavy buyer of heavy Cee bags for the near delivery position. The earlier report that burlap consumption in the United States in the month of September rose by nine million yards to 76 million yards was still having a bullish effect, although support from American buyers was restricted. Also, burlap stocks in the U.S. at the end of September were lower by eight million yards at 222 million yards. On Friday, business was done in cornsacks on Australian account, and it was anticipated that more orders from Australia for this variety were in the offing. It was also anticipated that Government of India's requirements for heavy goods in the near future would be considerable. Unless these expectations materialised, the statistical position in heavy goods would continue to be unsatisfactory. Over the week-end, hessian 40"x10 oz. hardened to Rs. 42.40, and in sympathy ready B. twills at Rs. 96.85 added a few nP.

An event noted here with satisfaction in the week was the departure of a jute delegation on 18th October to Australia, New Zealand and the Far East on a five-week tour, with a view to examine if sales of Indian jute goods to these countries could be stepped up. As these countries mainly consumed different varieties of sacking goods, any improvement in their offtake from Calcutta would ease the statistical position of heavy goods. The delegation is rightly headed by the Chairman of the Indian Jute Mills' Association, Mr. J. I. Jamieson, who said, on the eve of the delegation's departure from here, that the delegation would compare cost of production in India with the cost of production in the visiting countries. The chief task of the delegation would be to assess both the short and the long-term aspects of business in jute goods, in addition to studying economic developments in these countries. It would be remembered that the I.J.M.A. sent a similar delegation to the above countries in 1953, and the very valuable contacts it made in the countries visited by it were of considerable help to the jute industry and trade here. Similarly, it was hoped here that the present delegation's attempt to increase exports would be crowned with success.

Raw jute prices were quiet, although there was business done here and there. Assam bottoms were quoted at Rs. 23.25 against Rs. 23 prior to the holidays. Sellers were anxious to do business.

* * * *

The need for a centralised control organisation to handle the jute market in Pakistan was stressed by Mr. Ghulam Faruque, Chairman of the Pakistan Industrial Development Corporation, at a Press Conference in Dacca last week-end. This, according to him, would arrest jute prices from declining and put the market on a stable footing. He attributed the recent lull in the Pakistan jute market and the consequent fall in its prices to lack of co-operation and understanding among various organisations dealing in jute. The P.I.D.C. chairman pointed out that strong centralised control bodies were functioning in countries like the U.K. and Belgium, against which the various organisations in Pakistan had to work. He was of the view that there was great scope yet for expansion of the jute market abroad. This could be achieved only through a centralised control organisation.

METALS FIRM

(From Our Own Correspondent)

CALCUTTA, 28th *October*

The week under review in the metal market was a very short one in view of the *Pooja* holidays. Even so, the earlier uptrend following the news of delay in the announcement of the import policy continued, and consumer support was significant. Reports that there was a possibility of the State Trading Corporation becoming the main importer of non-ferrous metals were circulating. The rumour that the import policy would be more beneficial to actual users than established importers also hardened sentiment of stockists. A strong feature was provided by electrolytic zinc which rose to Rs. 74.50 from Rs. 72.75. There was good demand, as the poor nature of arrivals and the uncertainty in import policy caused anxiety among consumers, who were desirous to keep adequate stocks. Further, London advices alerted industrial consumers here. Lead was also fully firm, and the quotation was above Rs. 70, as against Rs. 68.50 in the previous week. Shortage of supplies, as well as good demand on Government account, contributed to the uptrend. On the other hand, tin was featureless, in view of good arrivals. Higher advices from both London and New York in copper were noted here. In the U.S. custom smelters increased the price by 1 cent to 28½ cents per lb.

KIPS DULL

(From Our Own Correspondents)

MADRAS, 27th *October*

The Madras kip market was stagnant. Arrivals were small and prices unchanged. Shippers were unable to buy at lower prices in order to fall in with U.K. importers' bids. Shipment business consequently remained small. Demand for lower selections for inland trade revived and prices were firm.

There was good call for tanned buff hides from exporters to U.K.-U.S. and prices were steadier.

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In the tanned skins section, the market was unchanged. Buyers were asking lower prices which tanners resisted. Shipment business was small.

In the London public auctions, demand for sheep was irregular. Lightweights were in moderate demand, but other lines declined 3d. to 6d. as compared with August levels were sold.

* * * *

KANPUR, 27th *October*

During the week under review, the condition of the local hides and skins market was more or less stable. The volume of the new arrivals was considerable. Floods in the Western Uttar Pradesh region having subsided, there was in the market a fair proportion of goods of that area. Madras dealers were lukewarm during the week, whereas the country tanners were active. The main purchases of cow and buff and goat were effected by the local tanners and the exporters. The latest quotations are as follows:

Wet salted cow 1st grade Rs. 360 and 2nd grade Rs. 275 per score, wet salted buff 1st grade 1 lb. 12 ozs. and 2nd grade 1 lb. 14 ozs. per rupee, goat 1st grade Rs. 275 and 2nd grade Rs. 250 per 100 pieces, sheep 1st grade Rs. 250 to Rs. 300 and 2nd grade Rs. 200 per 100 pieces.

MANCHESTER LETTER

(*Concluded from page* 725)

Lancashire towns to stimulate the use of locally-made cloth shou'd not be disbanded in the event of an agreement being signed with the Eastern countries involved. There would still be the same necessity to urge local authorities and other big buyers of textiles to keep on purchasing Lancashire cloths.

Mr. Ernest Thornton, M.P. for Farnworth, spoke of the growing strength of the Chinese cotton industry both in the production of raw cotton and finished goods. Quoting figures of current output of 7.000 million yards of cloth annually, he said that China was already a bigger producer than India and planned an expansion to 10,000 million yards by 1962. "They will be able to flood the Asian markets with textiles," he warned, "and then Hong Kong will be all the more dependent on the British home market."—*All Rights Reserved.*

The world cotton output will go up by 2.1 million bales to 42.3 million bales in the 1958-59 crop year and would exceed consumption by one million bales, thereby reversing a two-year trend, according to a forecast by the U.S. Agricultural Department. Increases are expected from the U.S., Sudan, Egypt, Mexico, Uganda, the U.S.S.R. and Communist China.

The Soviet bloc countries accounted for more than 57 per cent. of Egyptian cotton exports since the season began in 1st September, as compared with about 17 per cent. during the corresponding period last year. China and the Soviet Union have taken 22 per cent. and 20 per cent. respectively, of the total cotton exports. The aggregate exports were as much as 256,000 kantars, as against 64,000 kantars. About 72 per cent. of the total exports consisted of long staples.

A ceiling on profits earned by the trade on textile goods in East Pakistan has been fixed under an agreement reached at a conference of representatives of the Martial Law Administration, the provincial Government and members of the Price Advisory Committee. Items listed include cotton, silk and woollen piecegoods manufactured in East and West Pakistan as well as those imported. Prices, based on these profit ceilings varying from 3 per cent. to 10 per cent., came into force from 27th October.

Notice

THE MYSORE COFFEE ESTATES LIMITED

No. 18, Second Cross Road, Shankarapuram BANGALORE-4.

To

ALL SHAREHOLDERS

Special Notice of Resolution under Sections 224 and 225 of the Companies Act, 1956, Regarding the appointment of Auditors for the year 1958-59.

NOTICE IS HEREBY GIVEN THAT (1) SRI D. V. Dasappa and (2) Sri S. Ramanathan, shareholders, have given notices intending to move at the next Annual General Meeting of the Company to be held on 20th November 1958, Resolutions with regard to the Appointment of Auditors of the Company for the year 1958-59.

The respective Notices and Proposed Resolutions are as under:

1. Notice dated 18th October 1958 from Sri D. V. Dasappa, Coffee Planter, Belagunda Estate, Somwarpet, Coorg:—

   "Take notice that I, D. V. Dasappa, a member of the Company, intend pursuant to Sections 224 and 225 of the Companies Act 1956, moving the following resolution at the coming Annual General Meeting to be held on the 20th November 1958.

   'RESOLVED to appoint Messrs. Brahmayya & Co., Chartered Accountants, Mysore Sugar Company Buildings, Jayachamaraja Road, Bangalore-2, as the sole Auditors of the Company to hold office until the conclusion of the next Annual General Meeting.'"

2. Notice dated 20th October, 1958, from Sri S. Ramanathan, 7, Narasimharaja Road, Bangalore:—

   "I hereby give you notice pursuant to Sections 224 and 225 of the Companies Act 1956, that I intend proposing the following Resolution regarding appointment of Auditors at the forthcoming Annual General Meeting of the Company to be held on 20th November 1958:

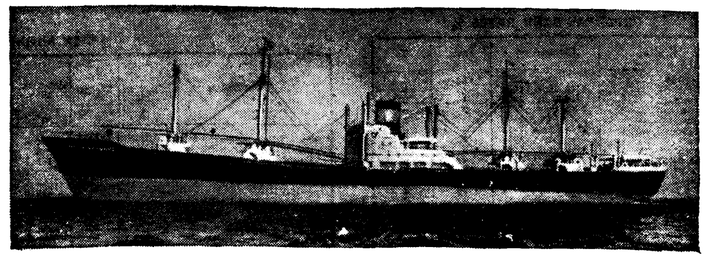
   "RESOLVED that Mr. J. Srinivasan, A.C.A., Chartered Accountant, 24/1, Narasimharaja Road, Bangalore-2, be appointed as the Auditor of the Company either solely or jointly with the retiring Auditors or with any other Auditor or Auditors for the Accounting year 1958-59 on such terms and conditions as may be decided at the Meeting.'"

FOR THE MYSORE COFFEE ESTATES LTD.,

PAVAN & CO. PRIVATE LTD.,

Managing Agents.

Date: 26th *October* 1958.



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MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 24th October 1958

BANKING DEPARTMENT

Liabilities	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		25,00,00,000
National Agricultural Credit (Stabilisation) Fund		3,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		49,00,27,000
(2) Other Governments		31,96,59,000
(b) Banks		142,05,37,000
(c) Others		114,47,83,000
Bills Payable		15,08,26,000
Other Liabilities		16,44,44,000
	Rupees	482,02,76,000

Assets	Rs.	Rs.
Notes		11,26,74,000
Rupee Coin		2,89,000
Subsidiary Coin		3,90,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		9,99,000
Balances held abroad*		14,74,10,000
Loans and Advances to Governments†		16,24,97,000
Other Loans and Advances		53,05,80,000
Investments		376,86,52,000
Other Assets		9,08,05,000
	Rupees	482,02,76,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item " Other Loans and Advances " includes Rs. 97,00,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	11,26,74,000	
Notes in circulation	1544,70,02,000	
Total Notes issued		1555,96,76,000
Total Liabilities		1555,96,76,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	164,67,56,000	
Total of A		282,43,59,000
B. Rupee Coin		139,16,81,000
Government of India Rupee Securities		1134,36,36,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1555,96,76,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	17th Oct., 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1544.80	1545.16	1529.73	1483.81
Notes held in Banking Department	35.05	10.81	10.08	25.61	80.54
Foreign Securities	59.50	164.68	169.68	169.68	311.71
Rupee Securities	37.39	1134.37	1129.37	1129.88	950.78
Banking Department					
Deposits of :					
Government of India	14.89	51.32	52.78	53.18	50.02
Other Governments		26.13	18.84	20.83	6.35
Balances held abroad	10.08	15.07	12.60	15.31	18.78
SCHEDULED BANKS					
Demand Liabilities	134.36	718.85	720.31	758.46	730.41
		(24.21)†	(23.08)†	(24.77)†	(24.68)†
Time Liabilities	102.24	888.00	881.24	843.04	627.15
		(37.60)†	(39.11)†	(37.79)†	(13.11)†
Borrowings from Reserve Bank	..	1.45	1.78	5.37	31.19
		(0.97)‡	(1.11)‡	(3.43)‡	(26.81)‡
Borrowings from State Bank	..	2.96	3.28	4.30	5.86
Cash in India	6.70	38.94	38.36	40.86	42.02
Balances with Reserve Bank	25.17	88.22	86.07	89.84	96.83
Excess over statutory limits	15.52	34.52	32.44	35.06	47.77
Balances with other banks in current account in India	..	13.22	12.97	12.34	11.40
Money at call and short notice in India	..	48.62	51.26	54.42	47.86
Investments (at book value)		594.90	594.71	588.14	385.09
Advances and bills	108.09	844.32	844.93	850.82	859.72
STATE BANK					
Deposits	87.76	491.74	444.72	442.78	353.35
Investments	51.99	253.19	251.97	246.65	151.83
Advances	30.35	162.67	164.87	164.43	162.64
Cash	14.69	60.36	37.15	48.29	54.44

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th May, 1958	4	5
Belgium	3rd July, 1958	4	3½
Bolivia	30th Sept., 1940	5	6
Burma	Feb., 1948	..	2
Ceylon	11th June, 1954	2	2½
Chile	Feb., 1957	4½	6
Colombia	18th July, 1958	5	4
Costa Rica	1st April, 1954	4	5
Denmark	15th Aug., 1958	5	4½
Equador	18th May, 1948	7	10
Egypt	18th Nov., 1957	3½	3
El Salvador	April, 1957	3	4
Finland	20th April, 1958	5	6½
France	16th Oct., 1958	5	4½
Greece	May, 1954	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	2
Ireland	30th Sept., 1957	5	6
Italy	7th June, 1958	4	3½
Japan	8th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	10th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	4	3½
South Africa	29th Sept., 1955	4	4½
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1956	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	14th Aug., 1958	5	4½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	12th Sept., 1958	1½	2½
West Germany	27th June, 1958	3½	3

† Except Federal Reserve Bank of Boston.

State Bank of India

Statement of Affairs for the week ended 24th October 1958

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up :		
5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		483,91,42,000
Borrowings from Other Banking Companies, Agents, etc.		5,74,49,000
Bills Payable		....
Bills for Collection being Bills Receivable as per contra		96,76,000
Acceptances, Endorsements and Other Obligations per contra		1,25,93,000
Other Liabilities (including Inter-Office Adjustments)		16,77,33,000
Total .. Rs.		520,90,93,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		85,51,06,000
Balances with other Banks		296,58,000
Money at Call and Short Notice		2,33,33,000
Investments :		
Government and other Trustee Securities	241,78,98,000	
Other Authorised Investments	11,40,38,000	
		253,19,86,000
Advances :		
Loans, Cash Credits, Overdrafts, etc.	152,63,62,000	
Bills Discounted and Purchased	9,03,41,000	
		161,67,03,000
Bills Receivable being Bills for Collection as per contra		96,76,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,25,93,000
Premises less Depreciation		1,24,70,000
Furniture and Fixtures less Depreciation		1,00,14,000
Other Assets (including Inter-Office Adjustments)		10,75,54,000
Total .. Rs.		520,90,93,000

Scheduled Banks*

Statement of Affairs for the week ended 17th Oct., 1958

	Rs.	Rs.
Demand Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		24,21,40,000
(ii) Other demand liabilities		694,63,87,000
Time Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		37,65,59,000
(ii) Other time liabilities		850,34,85,000
Borrowings in India from the State Bank and/or a notified bank :		
(i) Demand liabilities		2,00,72,000
(ii) Time liabilities		5,00,000
Borrowings in India from the Reserve Bank of India†		1,44,95,000 (97,00,000)
Cash in India		38,94,28,000
Balances with the Reserve Bank in India		88,21,58,000
Balances with other banks in current account in India		13,22,15,000
Money at call and short notice in India		48,61,72,000
Investments (at book values) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		594,90,29,000
Advances in India		724,38,23,000
Inland Bills purchased and discounted in India		70,74,11,000
Foreign Bills purchased and discounted in India		43,20,11,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	May		Two months, April and May	
	1958	1957	1958	1957
Import Duties :				
Revenue	8.28	12.65	16.62	25.89
Protective	1.47	1.01	3.26	2.16
On surplus disposals	—	—	—	—
Total import duties	9.75	13.66	19.88	28.05
Export Duties	1.43	1.26	3.31	2.53
Land Customs	0.13	0.30	0.20	0.50
Air Customs	0.10	—	0.16	—
Miscellaneous	0.13	0.08	0.30	0.18
Gross Total Customs	11.54	15.30	23.85	31.26
Refunds and Drawbacks	0.25	0.34	0.63	0.72
Net Customs	11.29	14.96	23.22	30.54
Gross Excise	26.75	21.53	51.75	38.13
Refunds	0.33	0.32	0.68	0.48
Net Excise	26.42	21.21	51.10	37.65
Net total of customs and excise†	37.81	36.17	74.32	68.19

† Net Customs plus net Excise.

State Bank of Pakistan

Statement of Affairs for the week ended 17th October 1958

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	71,56,94,000
(b) Provincial Governments	71,15,000
(c) Banks	15,85,85,000
(d) Others	5,05,87,000
Bills Payable	10,86,000
Other Liabilities	8,68,34,000
Rupees	108,68,01,000

Assets	Rs.
Notes	5,24,96,000
Rupee Coin	47,000
Subsidiary Coin	40,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	22,92,000
(c) Government Treasury Bills	21,51,69,000
Balances held outside Pakistan*	6,50,00,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	4,16,60,000
Other Loans and Advances	62,83,04,000
Investments	8,07,93,000
Other Assets	....
Rupees	108,68,01,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	5,24,96,000	
Notes in circulation	328,97,91,000	
Total Notes issued	....	334,22,87,000
Total Liabilities	....	334,22,87,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	38,54,47,000	
India Notes representing assets realisable from the Reserve Bank of India	43,02,30,000	104,64,12,000
B. Rupee Coin	4,69,66,000	
Government of Pakistan Securities	218,99,03,000	
Internal bills of exchange and other commercial paper	....	223,68,69,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,61,000	5,90,06,000
Total Assets	....	334,22,87,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 32.99 per cent.

EXCHANGE RATES

		29th October, 1958	Previous week
Bombay on London—			
Sellers T.T. D.D. 5pot.	s.	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	s.	1-4⅛	1-4⅛
Buyers T.T. 10 to 12 months	s.	1-4⅛	1-4⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476.75	476.75
Buyers T.T.	Rs.	473.50	473.50
London on New York	$	2.80¼-2.80¼	2.80¼-2.80¼
London on Paris	Fcs.	1.1764	1.1764
London on Berne	Sw. Fcs.	12.22½-12.22½	12.21½-12.21½
New York on London	$	2.80¼-2.80¼	2.80¼-2.80¼

CLEARING HOUSE RETURNS

Centre	Week ended 24th Oct., 1958		Week ended 17th October 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,84,859	57,64,78,000	3,25,157	69,28,49,000
Calcutta	1,09,000	40,31,00,000	2,11,000	79,08,00,000
Madras	65,209	6,52,42,056	94,876	10,48,06,578
All Centres—				
1956-57	..	..	40,008,000	87,24,35,00,000
1957-58	..	..	41,871,000	86,54,50,00,000
June, 1958	..	..	3,223,000	6,61,49,00,000
July, "	..	..	3,815,000	8,31,97,00,000
Aug., "	..	..	3,482,000	7,52,06,00,000

† Net Customs plus net Excise.

INDEX NUMBERS OF WHOLESALE PRICES (Base: 1953-53= 100)

Particulars	Weight	4th Oct., 1958	27th Sept. 1958	5th Oct., 1957	August 1958	August 1957	Percentage of Increase (+) or Decrease (−) in August 1958 as compared with August 1957	Financial Year Average 1957-58	Financial Year Average 1956-57
Food Articles	684	120.4	120.6	107.1	120.2	112.1	+ 7.2	109.4	102.3R
Cereals	192	112.7	113.0	101.7	113.0R	106.0	+ 7.1	101	96
Pulses	43	105.7	105.5	82.4	101.8R	87.2	+16.7	83	81
Fruits and Vegetables	28	123.6	122.9	107.9	123.4	111.9	+12.7	114	113
Milk and Ghee	84	107.8	107.6	107.6	109.6	109.0	+ 0.6	108	100
Edible Oils	47	130.6	133.9	128.0	129.2R	130.8	− 1.2	126	125
Fish, Eggs and Meat	17	111.9	114.4	96.3	114.4	102.1	+12.0	98	97
Sugar and Gur	45	135.6	135.6	111.3	135.2	110.4	+22.4	108	98
Others	50	157.7	155.3	128.0*	155.3	135.8	+14.4	131	125
Liquor and Tobacco	21	92.8	91.3	94.3	92.8	94.4	− 2.0	94	93
Tobacco	—	—	91.1	89.4	92.0	93.4	− 0.9	113.6	104.2R
Fuel, Power, Light and Lubricants	98	118.5	118.5	118.6	118.5	120.1	− 1.1	118.5	116.0
Industrial Raw Materials	185	117.3	118.4	114.2	118.8	120.1	− 1.1	118	116
Fibres	61	106.9	106.9	112.9	110.9	121.5	− 8.7	118	116
Oilseeds	60	134.8	138.1	119.8	133.4	125.7	+ 6.1	120	120
Minerals	3	107.3*	107.3*	109.1*	107.3*	110.1	− 2.5	108	98
Others	32	107.0*	106.0	106.6	106.9	107.7	− 0.7	106	109
Manufactures	230	108.8	109.0	108.8	108.8	108.7	+ 0.1	108.1	106.1
Intermediate Products	241	110.5	111.4	104.7	112.2	108.2	+ 3.7	107.3	110.9
Finished Products	240	108.6	108.6	109.1	108.4	108.8	− 0.4	108.2	106.6
Textiles	147	103.9	103.8	108.4*	104.1	108.2	− 3.8	107	106
Cotton	—	111.8*	111.8	116.3	111.8	117.3	− 5.1	116	116
Jute	—	87.5	86.9	—	87.5	96.8	− 7.8	96	96
Woollen	—	105.9	105.9	108.0	105.9	108.0	+ 2.8	106	98
Silk and Rayon	—	96.3*	96.3*	82.6	95.7*	84.0*	+13.9	86	86
Metal Products	12	143.1	143.0	143.3	143.0	142.9	+ 0.1	141	140
Chemicals	50	107.9	108.8	98.9	106.1R	98.5	+ 7.7	96	93
Oil cakes	10	139.2	139.0	118.1	135.6	113.5	+19.5	118	109
Machinery and Transport Equipment	31	108.5	108.5	101.6	109.4	101.7	+ 1.7	102	99
Others	30	114.1	113.8	110.6	113.5	110.5	+ 2.7	110	101
All Commodities	1,000	115.9	116.1	108.7	116.0	112.0	+ 2.0	109.4	106.8R

NOTE.—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-groups to arrive at that group index. R—Revised. * Provisional. — Not available.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53=100]

Group and Sub-Group	Week ended 18th Oct., 1958§	11th Oct., 1958	20th Sept., 1958	19th Oct., 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.4	100.6	100.5	98.3
2. Government of India	100.3	100.5	100.4	98.0
3. State Government	101.5	101.5	101.3	100.0
4. Municipal, Port Trust, etc.	98.9	98.9	98.8	99.1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.3	100.3	100.2	99.1
6. Plantations	100.1	100.1	100.1	100.1
7. Coal	99.6	99.6	99.6	99.6
8. Sugar	99.0	99.0	99.0	96.9
9. Cotton Textiles	98.1	98.1	98.1	100.3
10. Jute Textiles	91.5	91.5	91.4	93.0
11. General Engineering	99.6	98.5	98.2	96.4
12. Electricity Generation and Supply	97.1	97.1	97.1	96.6
13. Others	102.9	102.9	102.9	100.8
PREFERENCE SHARES—ALL INDIA.				
14. Total	88.2	88.0	88.1	88.1
15. Plantations	97.4	97.1	96.7	102.9
16. *Mining & Quarrying: Total@*	87.0	86.3	86.1	86.5
17. Coal	75.8	74.3	75.6	79.2
18. *Processing and Mfg. : Total**	89.1	89.1	88.2	93.3
19. Sugar	79.0	79.0	80.2	88.4
20. Cotton Textiles	79.5	79.3	79.5	77.4
21. Jute Textiles	90.7	90.4	92.9	87.6
22. Iron and Steel	101.3	100.8	100.7	102.9
23. General Engineering	89.0	88.2	88.0	83.4
24. Basic Industrial Chemicals	96.7	96.2	95.9	96.5
25. Cement	85.9	85.8	85.4	91.3
26. Paper	85.5	85.6	86.1	83.0
27. *Other Industries : Total**	88.4	87.5	88.2	84.6
28. Electricity Generation and Supply	80.3	80.3	80.3	77.4
29. Trading	85.4	84.6	83.5	85.1
30. Shipping and Other Transport	142.6	142.5	144.3	122.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	142.6	142.5	144.3	122.9
32. *Agriculture and Allied Activities : Total**	155.0	154.5	159.5	142.6
33. Sugar	148.3	147.7	152.2	140.4
34. Tea Plantations	215.4	214.4	222.9	180.2
35. Coffee Plantations	160.9	159.6	162.2	133.2
36. Rubber Plantations	147.2	147.7	150.5	118.8
37. *Mining and Quarrying : Total*	115.3	113.4	111.2	94.4
38. Coal	169.0	171.2	177.2	140.5
39. Other Mining	141.2	141.9	143.9	122.3
40. *Processing and Manufacturing : Total*	126.3	126.0	130.4	118.8
41. Sugar	172.4	173.4	176.5	156.5
42. Cotton Textiles	114.9	116.0	117.1	97.3
43. Jute Textiles	84.5	84.2	83.7	63.3
44. Silk and Woollen	435.8	430.4	426.4	309.0
45. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	160.6	159.5	160.0	125.4
46. Iron and Steel	155.7	154.3	154.6	108.5
47. Transport Equipment	204.4	203.3	205.9	172.3
48. Electrical Machinery	159.2	155.4	147.0	161.0
49. Machinery other than Transport and Electrical	173.2	171.0	170.9	144.4
50. Basic Industrial Chemicals	128.4	128.8	128.1	109.2
51. *Processing and Mfg. (Others) : Total**	144.3	144.6	149.7	127.5
52. Cement	129.8	130.8	139.4	124.5
53. Paper	197.0	197.3	197.7	131.3
54. *Other Industries : Total**	117.4	116.4	116.4	102.9
55. Electricity Generation and Supply	95.2	94.6	93.2	87.3
56. Trading	143.2	141.1	143.5	122.1
57. Shipping and Other Transport	244.8	245.8	247.1	198.8
58. Construction	183.0	183.6	184.0	145.9
59. *Financial : Total*	208.2	209.3	208.6	164.3
60. Banks	126.5	125.6	130.1	102.3
61. Insurance	92.5	92.5	92.6	84.6
62. Investment Trusts	....	....	....	....
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	145.4	145.5	149.3	120.4
64. Calcutta	139.7	139.3	139.5	119.5
65. Madras	156.9	156.7	156.1	146.1
66. Delhi	166.8	167.6	169.4	148.0

*Including 'Miscellaneous.' † Including 'Edible and Vegetable oils.'
@ Including other mining. § Provisional.

IRON AND STEEL PRODUCTION (In tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,180	10,73,600	7,97,500
Do. 31st March, 1958	10,98,306	11,06,800	7,86,900
July 1957	88,300	88,800	66,600
Aug. "	88,700	85,500	63,100
Sept., "	88,600	92,500	71,700
July 1958	1,02,200	1,06,100	82,500
Aug. "	99,500	108,600	70,300
Sept., "	89,600	95,800	66,500
Indian Iron and Steel Co., Ltd.	6,95,156	5,82,515	4,41,482
Year ended 31st March, 1957	7,33,945	5,97,580	4,10,868
Do. 31st March, 1958			
Three months ended Sept. 1957	1,71,397	1,19,172	96,815
" " " Dec., 1957	1,99,838	1,33,642	1,06,591
" " " March, 1958	1,61,469	1,21,985	1,01,014
" " " Sept., 1958	2,30,426	1,45,516	1,05,803

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of average Number of workers involved	Number of man-days lost
1956	1,203	715,180	6,992,040
1957	1,020	880,771	8,429,819
January 1958	157	56,492	371,125
February "	157	99,482	447,586
March "	163	85,482	818,864
April "	160	61,482	5,30,162
May "	163	57,657	5,50,459
June "	168	161,711 (b)	15,29,248 (c)
July "	133	91,104 (a)	855,487 (a)

(a) Not known in 2 cases. (b) Not known in 5 cases.
(c) Not known in 6 cases.
‡ In progress during the month

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of Crores	Per capita Income (Rs.)
India†	'56-'57	387.68	..	11,010	284
Pakistan††	'56-'57	81.80	..	2,079	249
Burma	1956	19.80	Kyats 4,238	845	2565
Ceylon	1956	9.38	..	1,345	287
Japan	1956	92.20	Y. 7,427,900	9,283	1,031
Philippines	1956	2.17	$ (N.Z.) 884	4,802	2,046
New Zealand	1957	2.60	£ (A.) 1,599	2,003	4,287
Australia	1957	9.39	£ 16,465	21,943	4,267
U.S.A.	1956	168.00	$ 343,600	163,554	9,731
Canada	1956	16.00	$ 22,710	10,787	6,742
France	1956	43.60	Fr. Fr. 18,900,000	17,849	4,046
W. Germany	1957	51.40	Dm. 158,000	18,057	3,513
Italy	1956	48.10	Lr. 11,476,000	8,760	1,821
Norway	1956	3.46	Kr. 20,900	1,405	4,058
Sweden	1956	7.30	Kr. 44,580	4,127	5,653
Netherlands	1956	10.90	Grs. 25,400	3,215	2,977
Denmark	1956	4.46	Kr. 24,950	1,969	3,799
Switzerland	1956	5.00	Sw. Fr. 28,830	3,807	5,614

*Estimates of all incomes

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1923=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	237	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	104	243	275	322	95	103	349	109	105	104	102	112	100	114
1954 "	101	253	244	294	95	99	327	100	91	93	93	102	98	106
1955 "	98	235	217	246	78	95	321	99	99	88	87	98	88	102
1956 "	106	253	244	316	89	105	347	111	109	95	96	106	106	114
1957 "	111	269	259	339	94	112	364	116	114	99	103	115	107	126
1957														
March "	107	256	254	330	91	110	348	114	114	99	99	107	105	122
April "	108	258	256	338	89	110	345	114	112	95	102	110	107	123
May "	110	263	257	337	92	111	352	114	114	96	104	113	108	126
June "	112	270	259	339	93	112	371	115	115	98	103	113	111	127
July "	112	276	263	345	96	112	371	116	115	98	103	119	109	129
1958														
March "	110	281	253	298	89	115	368	119	108	96	102	119	105	128
April "	111	289	261	295	91	116	366	119	107	98	100	118	104	128
May "	113	287	263	295	93	117	371	120	108	97	101	119	107	129
June "	116	295	273	307	98	117	378	121	111	101	103	120	113	130
July "	119	407	285	317	101	118	392	125	116	105	103	122	114	130
August "	120†	404	288	322	..	..	..	..	116	106	106	125	117	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A	7-Year B	12-Year B	12-Year National Plan Savings Certificates C	Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½%	4% C	15-Year Annuity Certificates G	Total
	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Outstandings		Outstandings	Receipts	Outstandings	Receipts	Outstandings	Outstandings Rs. E
1952-53	6.33	3.56	84.17	..	..	112.35	92.06	..	−31.97	26.64	..	..	146.58	211.98
1953-54	5.91	4.26	194.28	..	..	117.37	196.23	..	−34.28	33.11	..	..	152.71	252.96
1954-55	4.70

MARKET GOSSIP

(*Concluded from page 715*)

mated at 20,000 lbs. per day. If the strike had continued or is resumed on 3rd November, the loss on account of fall in rubber production would be very much greater, as the months of September to December constitute a period of high yields.

In view of all this and the heavy loss to the workers themselves, it is to be hoped that the present negotiations will prove fruitful and normal work on the plantations will be resumed soon.

* * * *

Norwegian banks have introduced a new kind of cheque, called a cash cheque, which may be drawn on an interest-bearing savings account. The new system, introduced last month (October), is said to be the only one of its kind in the world. Any holder of a savings account may draw "cash cheques" for upto Kr. 2,000 (£200). The cheques have a face value of Kr. 50, 100 and 300 and the banks guarantee payment on them. Like a traveller's cheque, the "cash cheque" has to be signed by the owner both when it is issued and when it is cashed. The banks regard the new cheque as a combination of an ordinary cheque, a traveller's cheque and a bank remittance.

STABILISATION OF MARKETS FOR PRIMARY PRODUCTS

(*Concluded from page 726*)

ments and the long-term contracts of the E.E.C. will be applied; but it is important that they should not be so applied as to reduce the European demand for imported agricultural products.

The association of the overseas territories with the E.E.C. gives rise to the danger that the European demand for tropical foodstuffs and beverages from outside sources will be reduced. Other regional trading arrangements must be judged on the same principles as the E.E.C.; and it is of special importance, therefore, that the E.E.C. should operate in a "trade-creating" and not a "trade-diverting" manner.

Conclusion

We have discussed at some length a number of important measures which might be taken to improve the prospects in international trade of the primary producing countries. Our main recommendations are:

The extension of more economic aid;

more adequate domestic measures against business recessions;

the provision of greater international liquidity;

the provision of funds for buffer-stock action;

a reduction of certain revenue duties in countries consuming tropical foodstuffs and beverages;

a moderation of agricultural protectionism in Western Europe and North America;

a shift of methods of agricultural protection in such countries away from price support towards deficiency-payment systems;

a reduction of protection against the import of minerals, and

the avoidance of trade-diverting measures in regional economic arrangements such as the European Economic Community.

Policies Adopted by Industrial Countries

It will be observed that the implementation of these recommendations requires action primarily (and in some cases solely) by the highly industrialised countries. We would like to stress the fact that, even so, the great majority of these measures would be to the long-term interest of the highly industrialised countries as well as of the primary producing countries.

The highly industrialised countries require a steady and expanding market for their products in the other countries of the world, and measures which will expand and stabilise the markets for primary products in the industrialised countries will encourage the primary producing countries to expand their exports of primary products to, and their exports of manufactures from, the highly industrialised countries, to the general benefit of both groups of countries.

There is at present a special circumstance which reinforces this view. Many of the primary producing countries are of the opinion that the rules and conventions which are at present applied to commercial policy and international trade show a lack of balance unfavourable to their interest. The main development which has brought this feeling to a head is the continued application of quantitative restrictions against imports of agricultural products by a number of highly industrialised countries, who are no longer in balance-of-payments difficulties. The G.A.T.T. rules permit quantitative import restrictions on balance-of-payments grounds, but not on agricultural grounds, and, so long as this situation persists, the exporters of competing agricultural products can legitimately claim that they are not getting the treatment for which they bargained when they first became contracting parties to G.A.T.T.

This feeling is reinforced by the prospect that, in the European Economic Community, one set of rules may be applied to industry, but another to agriculture. Combined with this is the feeling that subsidies to production are in fact much more easily used by rich countries to promote their agriculture and mining than by poor countries to promote their industry, and that the fact that general subsidies to production are permissible thus works unfairly to the advantage of the rich, highly industrialised countries. Similarly, domestic revenue duties are a more important obstacle to the expansion of the sale of some agricultural products (in particular, tropical beverages) in the industrial countries than they are to the expansion of the market for industrial products in the primary producing countries; and difficulties in the way of bringing revenue duties into tariff negotiations thus act as a special limitation on the expansion of export markets for the primary producing countries.

Moreover, many primary producing countries feel that, in tariff negotiations, insufficient account is paid to the fact that a reduction of duty on the import into a primary producing country of manufactured products for which the demand is responsive to a fall in the price may have a considerably greater effect upon trade than an equal reduction of a duty on the import into an industrialised country of a primary product for which the demand is not very responsive to a reduction of price.

Without attempting to pass judgment on every detail of these arguments, we believe that there is substance behind this feeling of disquiet on the part of exporters of primary products. If it is not met in negotiation by the importers of primary products, the general system of clearing the channels of trade by a general all-round negotiated reduction of trade barriers (a system which is typified by the G.A.T.T.) may suffer a serious setback; and this would certainly be to the disadvantage of the highly industrialised as well as of the primary producing countries.

While the underdeveloped primary producing countries have valid reasons for making a rather freer use of trade controls than the highly industrialised countries, in a number of cases protective policies have been carried too far by these countries; and these countries also have used for the protection of their industries a number of special weapons which are not normally the subject of negotiation with other countries. We have not examined in any detail these problems of protectionism in the non-industrial countries.

We would, however, like to express one general conclusion. The underdeveloped primary producing countries have an interest in obtaining from the highly industrialised countries aid and easier access to markets for their exports. The highly industrialised countries have an interest in the effects upon trade of these economic development policies of the underdeveloped primary producing countries. The only chance of a successful outcome is a negotiated settlement, involving a gradual shift away from undesirable policies on both sides. This is without question to the long-term advantage of both; but it requires on both sides a broad-minded approach as to the elements in their total economic and financial policies which they would be willing to make the subject of international discussion and negotiation.

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COMMERCE AND INDUSTRY

(*Concluded from page 736*)

without having previous professional knowledge as a breeder or arable-farmer. He maintains that thanks to his complete inexperience, he came to the task with an open mind, ready to try out any new ideas without regard to what had previously been done in this field.

The cow-shed has such unusual features as a grooved rubber flooring covering the entire floor space and so treated as to have no bacteria-collecting cracks or joints. All joints are vulcanized together. The cows lie down directly on the rubber flooring and there is no litter in the stalls. Every 15 minutes the dung is washed away automatically, disappearing into a special air-tight concrete tank, where it is treated so as to be available for manuring directly. By means of a slight electric-shock system, the cows are made to withdraw from the stall into the manure groove when they arch their backs to leave-off the dung.

The building which contains 200 cows, is constructed of prefabricated light concrete. It has no windows, but is lit by a lantern roof. A ventilation system is built into the roof. Five large tower silos are connected with the cow-shed through a feed room containing special concentrated-feed pockets and a chopper and mixer. Feed is distributed by means of stainless-steel containers suspended in the ceiling and driven electrically.

The transportation of the milk from milking machine to consumer-packed product is achieved without contact with the air. Milk pails and tanks are carefully sterilised between uses and the milk —after being pasteurised and homogenised—is sucked directly into sterile Tetra Pak paper-plastics containers for distribution to the consumers. The hygienic arrangements include regular veterinary inspection of the animals by a resident veterinary surgeon, and the staff are subjected to regular medical survey.

The Simontorp farm is run on strictly economical principles, and Mr. Rausing is continuously experimenting with the crops, in order to get the best paying production. He has found that it is not economical to let the cattle graze and, therefore, even in summer, feeds them at special outdoor pens, while the fields are used for the production of leguminous and other high-yielding crops. Tank wagons, with specially designed distributors and earthing discs, are used for manuring the fields, the dung being pumped up into the tanks from the central manure tank below the cow-shed. The new system is thus put to a very rational use with a minimum of labour.

NORTHERN CUSTOMS UNION PROPOSED

Concrete proposals for the establishment of a duty-free Northern market for a range of goods have been put forward in a supplementary report issued by the Northern Economic Co-operations Committee. Among the goods listed are iron- and metal-ware, cars, textiles, leather goods, ceramics and glassware, chocolate, tobacco, fish and fish products. The question of including agricultural products is meanwhile being postponed pending clarification of a European Free Trade Area.

The report also contains a statement as regards the attitude of a Northern Customs Union in relation to a European Free Trade Area, and stresses that the Northern countries, by taking a united stand, will strengthen their position during negotiations with other countries in the proposed Free Trade Area, and that a Northern Customs Union will have an independent importance also within a free trade area. This supplementary report, together with the main report published in 1957, will be discussed at the forthcoming meeting of the Nordic Council to be held in Oslo in November.

FIVE "MUSTS" FOR GROWTH OF FOREIGN INVESTMENT

If outside private investment is to contribute to the prosperity of countries rich in natural resources, there are five major points that must be kept in mind, according to the October issue of *Oil Progress*, quarterly Caltex publication. They are:

1. There must be a more widespread recognition of what foreign investment does in building up a nation's economy and standard of living. There is more than tax revenue to be considered—local businesses are created, technical and managerial skills are developed, foreign exchange is generated.

2. Local governments must adopt consistent and equitable policies toward foreign investors. Under the best of conditions, risks for the investor are great. But strict adherence to contracts freely entered into between Governments and investors, regardless of shifts in political winds, will do much to aid the free flow of capital.

3. There is a need for adequate and effective legal recourse for settling honest differences of opinion between Government and investor.

4. It must become clear that overlapping efforts of private capital and public funds only impede economic development. The Government's field should be in roads, harbours, irrigation, public health, and social amenities; the foreign investor in development of resources, and production of consumer goods. Where Government competes with domestic industry or foreign investor, orderly economic growth is hampered.

5. There is a world-wide need for relaxation of trade barriers, since short-sighted protectionist policies dam up the channels through which trade must move to world markets. The European Common Market is a good start in removing tariff walls.

"Attainment of these few objectives," *Oil Progress* concludes, "will by no means remove all the obstacles to continued foreign investment growth. Their realisation, however, even in part, will go far to reduce attendant risks for the investor to the level inherent in any business enterprise."

COMMERCE

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

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Commerce

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OUTLOOK FOR TEXTILE INDUSTRY

THERE has been no improvement in the plight of the cotton textile industry. On the contrary, it seems to have worsened. The hope that, following the relief given in excise duty in July last, the mills would fare better has not materialised. Stocks of cloth with mills at the end of May 1958 stood at 504,800 bales of 1,500 yards each, the lowest level since the end of 1957, when they were at 660,000 bales. Since then, they have steadily risen, excepting for a slight fall in August. Thus, they were 565,200 bales at the end of June 1958, 580,900 bales at the end of July, 576,200 bales at the end of August and 592,800 bales at the end of September last. These figures cover cloth sold by mills but delivery not taken by traders and also cloth unsold. Both the categories have accounted for the rise. The monsoon months usually constitute the slack period for the cloth trade and conclusions based on stock figures pertaining to this period necessarily require to be qualified. But the trend of trading in October, when the demand for cloth usually looks up on account of *Pooja* and *Diwali*, has not been as encouraging as it ought to have been. Moreover, the fact that stocks have been rising despite fall in production has disheartened many producers. In the first nine months of 1958, production of yarn was at the annual rate 1,662 million lbs., as against 1,780 million lbs. in 1957, a year of record production. The fall works out to a little over 6 per cent. During the same period, production of mill-made cloth was at the annual rate of 4,900 million yards, as compared with 5,317 million yards in 1957, a drop of 417 million yards or 7.8 per cent. A part of the accumulation in stocks is explained by the recession in exports from 854 million yards in 1957 to an annual rate of 630 million yards in the first eight months of the current year. The slump is not confined to composite mills alone. It has spread to other sectors also, namely, spinning mills, handlooms and powerlooms.

It is hard to say whether or not the present position of the cotton textile industry is comparable to the darkness before dawn. The short-term prospects of this industry are more closely linked than those of any other to the fluctuations in the general economy of the country as well as of the world. During the last two years, that is, ever since the Government launched its campaign to restrain consumption of cloth, the offtake has been running at a slower pace. This has coincided with the fall in agricultural production, particularly in the output of food. There are sufficient indications that, in the 1958-59 season, agricultural output will be better. Accordingly, it is just possible that the coming months may witness a rise in the offtake of cloth. Further, many people, who had deferred fresh purchases of cloth for some reason or other, may find it necessary to replenish their wardrobes. The cycle may thus change for the better. The next four months are crucial for the industry.

It will be interesting to note, in this connection, that there is a school of thought which contends that there has been no perceptible fall in the consumer offtake and that most of the present difficulties of the industry are the result of (a) its exaggerated expectations of the rate of rise in *per capita* consumption, (*b*) the overoptimistic trading in cloth during 1955 and the first eight months of 1956 which itself is traceable to the widely held fear of scarcity, and (*c*) the steep rise in excise duty in September 1956 which precipitated the consequences of a bull market and made its correction a very painful affair. In this process of correction, the trade has suffered so heavily that it is unwilling to carry any sizable stock. This, it is said, is the main reason why the mills have to nurse a larger volume of stocks now. Accordingly, it is argued that it will not be desirable to seek a solution in terms of lower production.

Two more arguments are advanced in support of this view. One is that a cut in production will reduce the surplus available for export and thereby encourage producers not to attempt the difficult task of winning and sustaining export markets. The other is that, in the context of heavy expenditure envisaged under the second Plan, a good part of which is being deficit-financed, it will be inadvisable to curtail production and prune the supply of an essential item like cloth. Plentiful supply of cloth, it must be noted here, is an anti-inflationary weapon. It is needless to add that the rise in cost of living during the past twelve months would have been higher than it was had there been a scarcity of cloth too. These are sound arguments. Just as millowners and traders were inclined to be too optimistic in 1955 and 1956, so also they may be unduly pessimistic now. This is borne out, to some extent, by the fact that most of them have now quietly accepted the Joshi Committee's view that the *per capita* consumption of cloth is unlikely to exceed 17.5 yards even by the end of the second Plan period (that is, March 1961), as against the Planning Commission's estimate of 18 yards and their own figure of 22 yards by which they were swearing even at the commencement of this year. It is now four months since the report of the Joshi Committee was published. Not one millowner has cared to refute its conclusion on the issue of *per capita* consumption in the coming years.

Whether or not any of the aforesaid considerations weighed with the Committee of the Indian Cotton Mills' Federation in rejecting, last week, the suggestion for an organised cut in production, we do not know. But we have not the least doubt that the Committee was right in nipping in the bud all thoughts of a restrictive negative approach. For some weeks before this decision was taken, some millowners were seriously canvassing support for a concerted attempt by the industry as a whole to restrict mill production of cloth by sealing a certain percentage of looms and spindles. They naively argued that this remedy was being successfully adopted by the jute textile industry, ignoring the fact that there are serious structural and locational differences between the two industries. Further, it must be remembered that not all are agreed that the remedy tried by the jute industry to regulate production was a sound one. Apart from that, the application of this remedy to the cotton mill industry would amount to compelling the efficient units to shoulder the burden of inefficient ones. It would surely be a case of placing a premium on inefficiency and dishonesty, while penalising efficiency and honesty. There is absolutely no case for asking a mill, which has taken the trouble of investing large sums in modernisation, doing market research and spending large sums on publicity in

order to popularise its products, to curtail its production, so that another mill which has not bothered to do any of these things may survive. Again, the step proposed tantamounts to forcing the consumer to pay more by inducing artificial scarcity. Two other suggestions having the objectives of an organised cut in production were that all mills should close for a specified period, say, for a fortnight, by giving the workers a paid vacation or abolish one shift. These too suffer from the same defects, though they may not be as bad as the first one to be tried, albeit as a palliative, in a very desperate situation.

The Committee of the Indian Mills' Federation rightly feels that "unless the present high cost of production is brought down, it is going to be difficult for the industry to get out of the malaise from which it is suffering." It is essential to bring down costs for stimulating both domestic demand and exports. The fall in exports so far during the current year, despite plentiful supplies, clearly shows that mere availability is no guarantee that exports will be maintained at previous levels, let alone increased. It will be recalled that one of the objectives of the Government in nearly doubling the excise duty in 1956 was to compel mills to sell their production for export rather than for domestic consumption. The failure of this device is patent now. In fact, its adoption has brought about disastrous results, as subsequent events have shown. The best means of developing export trade is to enable the mills to increase their competitive capacity not through such pseudo-incentive methods as currency retention clauses but through a real reduction in their cost of production.

The question to which the industry and the Government have, therefore, to address themselves now is: How to bring down production costs? The cost is made up of various elements, such as raw materials, stores, fuel, freights, wages and administrative expenses. Now, which of these elements is amenable to a cut without impairing the incentives necessary for ensuring their adequate supply? The price of cotton has fallen appreciably during the past few weeks on reports of an impressive increase in production. This should help the mills to a considerable extent. But a marked fall in the price of cotton will not only affect the capacity of its growers to buy cloth but also its production in the coming season. Most of the stores are in short supply and the prospects of their prices coming down are limited. Prices of fuel are controlled by the Government which is unwilling to accept a lower level of taxation on such items as oil and electricity. Freight rates have gone up, reflecting the general inflationary pressures in the country. In the context of labour's present mood and high cost of living, to talk of a reduction in wages, or in amenities to workers, is to indulge in unrealism. All that one can work for is a fall in dearness allowance through a reduction in cost of living. But at the moment this does not appear to be a possibility in the near future. The same is true of administrative expenses, too.

The only other alternative is to effect economies by introducing modern machines. One thus comes to the much discussed subject of rationalisation of production and modernisation of machinery, including introduction of automatic looms. This is more easily said than done. In the first place, labour has practically vetoed the adoption of this solution by putting forward impossible demands and conditions. If any worthwhile progress is to be made in this direction, if the level of employment and wages are to be maintained, and if the mill industry is to make its contribution to the country's economic growth by providing fresh savings, labour must give up its obstructive policies and readily co-operate with employers. Indeed, it is labour which ought to insist upon employers introducing modern machines, as is being done in other parts of the world, including the Communist countries. The fact that it does not do so is a commentary on its backwardness and the short-sightedness of its leaders, who seem to think that the only way by which they can retain their hold over the rank and file is to keep up a continuous flow of disputes, whether relevant or irrelevant. The time is fast coming when they will have no workers to lead, unless they turn a new leaf and recognise the irrefutable economic fact that no source of employment can be kept alive for ever, unless what is produced is sold at a profit.

In some of these respects, the Government is no different from labour leaders; some of the Ministers today were themselves labour leaders once. Here is a second handicap to modernisation of cotton mills. The Government wants to please not only labour leaders but also those who claim to represent handloom weavers and *charka* spinners. Its policy towards the cotton mill industry is governed not by hard economic facts but by political sentiments most of which are the creations of the party in power. Even where it allows modernisation of weaving, it imposes so many impractical conditions that no producer is willing to go in for new machinery. The Government's resolution, announced this week, on the recommendations of the Joshi Committee on this particular question shows a slight change for the better. But it does not go far enough. It has recognised that the introduction of automatic looms for increasing the competitive capacity of the industry in export markets should be accelerated as suggested by the Committee. This, however, is only a partial recognition of the advantages of modernisation of weaving, for the Government is still unwilling to permit domestic consumers, who take up 80 to 84 per cent. of mill production, the benefits of automatic looms.

A third handicap to modernisation of mills is lack of foreign exchange. Not all the types of modern textile machinery are produced in the country nor are even those that are made adequate, both quantitatively and qualitatively, for the industry's needs. Again, the indigenous textile machinery producers themselves will need foreign exchange for buying some of their requirements abroad, in order to meet the accelerated demand for machines from the mills. A fourth handicap is shortage of rupee funds with mills. Even if the Government is prepared to help them to get a part of the finance, the mills should be able to provide at least a substantial part of it from their own resources. This means that they must be enabled to make a profit which will contain a margin for covering a part of the cost of modernisation.

Even supposing that by some magic all these impediments are quickly overcome, it will take a fairly long time, say, a few years, for rationalisation and modernisation to be successfully completed. They do not, therefore, provide an immediate solution to the industry's present plight. The cloth that is piled up in the mills' godowns must be made to move. And this will not be possible, unless confidence among traders is revived. It is obvious that no amount of credit facilities will do the trick, unless they get that confidence. They will be lacking in that confidence, so long as excise duty is retained at levels which are out of tune with current economic conditions. As a tactical move at least, the Government could announce a substantial reduction in excise duty for a specific period, say, for the next four months and raise it again after this period is over. This will help the mills to reduce the stocks to normal levels, as it will encourage the dealers to resume their normal function. Once the excess stocks are worked off and move into consumption, the present imbalance will be automatically corrected. If, at the same time, steps are taken to implement rationalisation and modernisation on realistic lines, the cotton mill industry may be placed on a sound economic base. If, on the other hand, the Government chooses to follow its present policy of "no more reduction" in excise duty, there is little hope of the industry attaining stability in the foreseeable future or in an orderly fashion. Further, in a year of plentiful supply of cotton, which the 1958-59 season promises to be, this policy of stubbornness will hurt the cotton grower badly. Indeed, there are already signs of this happening. Is it the intention of the Government that the cotton grower should bear the brunt of the tax burden on cloth?

JET TRAVEL

AIRMEN'S minds today are dominated by what the jet age may have in store for them. It is now widely recognised that the jet era is definitely with us to stay. The pure jet plane and the prop-jet plane (a combination of both pure jet and conventional piston plane) are going to revolutionise the world of transport. The world is likely to shrink by 40 per cent. through the introduction of jet air transport. A typical jet plane cruises at over 500 miles per hour at an altitude of over 36,000 feet. Speed is easily one of the jet's most striking characteristics. Actual flight hours in a jet for a trip round the world, some 24,000 miles, will be about 32 hours or 2 hours less than today's scheduled flying time from New York to Bombay. This high speed may well play strange tricks of time with a jet traveller who may find himself served with breakfast at his starting point as well as destination. Thus, a jet-liner, leaving New York at 7 a.m., may arrive 4½ hours later in California where it is only 8-30 a.m. and still breakfast time. The jet will travel at an attitude of six to eight miles above sea level so that the most turbulent weather clouds will be at least 20,000 feet below. Altitude sensation will be erased by the pressurised cabins of the planes. Further, the jet age, according to all accounts, promises to be safer than even the piston-engine era, now drawing to a close. In any case, the passenger in the jet plane, it is stated, can board the plane with the assurance that the powerful engines that carry him through space have been subjected to most rigorous ground and flight tests. In what follows, the features of a jet like the B-707 are compared with those of a conventional plane like the DC-7C, in brackets:

Cruising speed 575 miles per hour (353 miles per hour); passenger capacity: 86 first class (56 first class); 143 tourist class (76 tourist class); 165 economy class (104 economy class); overall length 144 ft. 6 in. (113 ft. 4 in.); fuel capacity 17,398 gallons (7,824 gallons); maximum gross weight 247,000 lbs. (143,000 lbs.); cargo space 1,670 c.ft. (651 c.ft.); payload 40,000 lbs. (20,000 lbs.); operating altitude 25,000 to 40,000 ft. (20,000 to 25,000 ft.); range 4,400 miles (5,000 miles).

The introduction of jet aircraft poses several new problems, both physical and financial. Among the physical problems mention must be made of the alteration in runways which will now have to be lengthened in order to provide for the operation of jet aircraft. The jet has higher floor level which implies that higher loading stands have to be provided. Again, because the jet consumes more petrol than an ordinary piston-engined plane—the former consumes 2,000 gallons per hour, as against 400 by the present piston-engined planes—there is need for rapid work in the matter of reducing the waiting time for a plane. An inevitable concommitant of jet transport is the increased noise which makes it an irritating experience for the community. Noise suppressors are being built in order to tackle this problem. Finally, because the jet can travel very fast, there is the possibility that it will be widely used for the carriage of perishable commodities. If it is so used, there will be need to erect more storage accommodation.

By far the most intractable problem is that of financing the change-over to jet aircraft. Each of the pure jet planes, it is stated, will range in cost from $4 million to $6 million or more than double the cost of the latest model piston-engined planes. Turbo-props will cost between $2 million and $3 million each. To finance the jet age, the airlines will have to press into service all their internal sources of income and reserves as well as external sources. In the U.S. alone, the jet age will cost some $2,800 million for equipment and facilities in the next five years, almost double the valuation of all U.S. airlines equipment today. As Mr. J. R. D. Tata pointed out, at no time since commercial aviation began have such significant and costly changes taken place as will take place during the next two years when new fleets of jet and turbo-prop aircraft will come in. At the same time, fleets of piston-engined aeroplanes, still capable of many years of reliable and economic service, are being rendered obsolete. Mr. Tata rightly observed that the process of change-over imposes a serious financial strain on the airlines. In view of the large investment needed for ushering in the jet age, the question arises whether the airlines will not be justified in raising fares and freights. At the conference of the International Air Transport Association, held at New Delhi, the representatives of the various airlines were evenly divided on the issue of imposing a surcharge for travel in jet planes. It would appear those who favour the levy of surcharge suggested that travellers by jet planes should pay at least 10 per cent. more than what they are paying now. However, no decision was reached on this question. A final decision is likely to be taken before 31st March 1959 so that it would be enforced during the next financial year. Clearly, it is a very difficult question. Only experience can possibly show a way out of the difficult impasse. It is necessary to balance the need for earning a reasonable return on investment against the equally imperative need for making larger and larger sections of world population air-minded through attractive levels of air fares. The jet age may be expected to solve its physical problems without much difficulty. It is the financial weather that may prove somewhat inclement for the jet

SHARE MARKET RULES STEADY

BELAPUR DIVIDEND—WAGE STRUCTURE IN STEEL INDUSTRY—TATA-MERCK VENTURE

THURSDAY, 5 P.M.

THE share market has turned steady once again, after the setback from last week's closing levels. There has been a moderate recovery in prices during the last three days under the leadership of steel shares, which provide the main prop of the market. Steels have derived strength from the encouraging production figures of Tata Iron and Steel Company, Ltd., for the month of October 1958, which provide an indication that the Company's expansion programme has started yielding results. The Company's output of saleable steel for the month amounts to 76,900 tons, an increase of 10,400 tons over that in the previous month and of 17,900 tons over that in the corresponding month of last year. It is encouraging to note that this is the highest output in any month in recent years, if not an all-time record. If this trend is maintained during the rest of the current year, the output for the whole year can be expected to be sizably higher than in the previous year, despite the substantial fall in output in May last due to strike.

MARKET GOSSIP

Indian Irons have also been encountering some speculative support, particularly from Calcutta, on rumours that the Company has received or is about to receive sanction from the Controller of Capital Issues for the proposed issue of bonus shares out of the share premium account. The belief is held that, in addition to the issue of bonus shares from the share premium account, the Company may capitalise its reserves. These hopes have arisen out of a misreading of Mr. Biren Mookerjee's statement. The I.I.S.Co. Chairman is clear on this point. "Our reserves," he says, "which are already substantial in relation to capital, will increase from year to year as profits are set aside to provide for repayment of our heavy indebtedness and it would normally be the policy of your Directors that a part of these reserves should be capitalised from time to time by means of bonus issues. The present penal tax on bonus shares, however, effectively precludes such a course being taken and the bonus issue for which application has now been authorised, being made out of the share premium account and not accordingly attracting the tax, represents the maximum extent to which the problem can, under the existing taxation structure of the country, be resolved." In other words, Mr. Mookerjee has ruled out the possibility of capitalising the reserves, so long as the penal tax on bonus issue continues. The prospect of this tax being abolished or reduced is not yet in sight.

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The announcement of the eagerly awaited dividend of the Belapur Company, Ltd., last evening was greeted by the share market today with an appreciation of Rs. 3.50 to Rs. 322.50 in the price of its shares. This rise wiped out the loss made in the earlier sessions of the week. The Directors of the Company have recommended a distribution of Rs. 20 per share (or 40 per cent.) for the year ended 30th September 1958, as against Rs. 18 per share paid for 1956-57. Though an increase in distribution by the Company was generally anticipated by the market, the surprising element of the Directors' announcement is that, instead of a straight rise in dividend, they have proposed to split the distribution into a dividend of Rs. 18 per share and a cash bonus of Rs. 2 per share. In doing so, they have evidently chosen to toe a cautious line which has been a feature of their dividend policy.

This is the second year in succession for which the distribution on the present capital is being raised. Last year, the dividend was raised from 32 per cent. paid for 1955-56 on the increased capital of Rs. 70.50 lakhs, raised in February 1956 by the capitalisation of Rs. 23.50 lakhs and the issue of one-for-two bonus shares—the the bonus shares ranking for dividend for only six months of the year—to 36 per cent. per annum. In recommending a higher distribution for the year under review, the Directors have kept up the Company's excellent dividend record. For during the last nine years, the dividend has not been pruned. The last occasion when the dividend was cut was in 1949, that is from 18.65 per cent. to 16.75 per cent. for the year 1948-49, following a 50 per cent. drop in the Company's net profit. Since then, the dividend has been either raised, when profit permitted and the prospect of the higher dividend being maintained appeared good, or maintained despite the fluctuations in profits.

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If Mr. Biren Mookerjee, Chairman of the Indian Iron and Steel Company, Ltd., did not draw a reassuring picture of the outlook for heavy industry, in general, and the steel industry, in particular, in his annual statement to the shareholders, it was because he preferred to look at the shape of things to come with clear-eyed realism. He did not hazard a forecast for the steel industry nor did he feel it safe to predict economic, financial and industrial trends in the country. But he felt reasonably sure that the future of the steel industry, as far as the portents already present indicated, was uncertain. This, according to him, was mainly due to the "absence of the correction of adverse circumstances which persisted in many directions." Some of these were the direct result of the Government's injudicious policies; others, although they did not flow directly from Government policies, were fraught with more dangerous possibilities.

But the most hazardous and a grave hindrance to industrial production, according to the Chairman, was the almost daily occurrence, frequently accompanied by violence, of strikes in industry, transport, administrative and other services. The Company's production during the year ended 31st March 1958 was adversely affected by the growing lack of discipline on the part of workers generally and the marked deterioration in the effort put forth by them. For instance, although the new open hearth furnace 'E' contributed an output of more than 20,000 tons, the total production of ingots in 1957-58 fell short by approximately 25,000 tons, as compared with the previous year.

He disclosed that, as a result of the strike in February last, the completion of expansion programme of the Company would be delayed, involving a loss of foreign exchange to the tune of Rs. 5 crores. Some of the more recent strikes were organised by the Communist Party for political purposes and for supplanting existing recognised unions. The lack of effective measures to reduce the cost of living, to produce more food and to augment the supply of cheap cloth, housing and other indispensable necessities of life, according to Mr. Mookerjee, fostered an atmosphere in which labour indiscipline thrived.

Warning against arbitrary rise in wages, Mr. Mookerjee observed that increase in money wages was no remedy for the rising cost of living. It merely accentuated inflation. The grant of increased wages, irrespective of productivity, to some industries or services which appeared to have become a corollary to a strike could, he averred, only encourage disruption in other industries and the vicious circle, instead of breaking, would continue to grow larger, paralysing in turn every national activity.

He, therefore, rightly emphasised the need for a uniform formula for the determination of wages in the industry as a whole. The industry, as is common knowledge, is at present saddled with a most complicated wage structure which is the result of many divergent tribunal and adjudication awards. This, Mr. Mookerjee said, "threatens to entirely disrupt the wage and cost structure in the industry." As the State-owned units started production, the position within the industry would, in the absence of a uniform formula for a wage structure, "possess the makings of a labour agitator's paradise and lead to most serious adverse consequences on production." Further, as a large part of the huge capital expenditure involved in the industry constituted foreign liabilities, if production did not progress as per schedule, the consequences will be disastrous. From this point of view, the plea for a wage tribunal made by Mr. Biren Mookerjee, deserves utmost consideration. He said that a statutory wage-fixing tribunal should be set up without delay to determine a wage structure on the basis of (1) an evaluated basic wage in relation to productivity and world standards for each particular class of work which would consolidate most of the multifarious allowances now being given by the private sector, (2) a zonal dearness allowance, (3) an incentive bonus and (4) an annual bonus based on the financial results achieved.

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The requirements of drugs and pharmaceuticals for a country of the size and population of India are very large. The effective demand is, however, dependent on the facilities available for medical treatment and the cost of the drugs. The medical facilities available to people at present are by no means adequate and the cost of the drugs is certainly not within the means of the common man. With the expansion of medical facilities and the increase in population, the demand for drugs can be expected to rise appreciably during the next few years. The demand for some of the essential drugs would also increase very much, if they could be made available at cheaper prices. Up to the beginning of the second Five-year Plan, the development of the drug industry was confined to the manufacture of simple drugs and the processing or refining of imported intermediates and penultimate products. Under the second Five-year Plan, however, steps were taken to expand production of penicillin and other antibiotics. Several other schemes were also undertaken in the private sector for expanding the production of various other drugs.

The progress of the programmes undertaken so far has no doubt been satisfactory, but this still leaves a vast field uncovered. The main difficulty that retards the progress of the drug industry is the paucity of basic chemical industry to supply the needs of synthetic drug manufacture. The production of these drugs also calls for a high degree of technical know-how and experience.

A big step forward taken in this direction lately is the proposal to set up a factory for the manufacture of the drugs and pharmaceuticals of the well-known American firm of Messrs. Merck, Sharp & Dohme International of New York. The factory will be owned by Merck Sharp & Dohme (India) Private Ltd. which is being promoted in association with Tata Sons Private Ltd. The Company will be a subsidiary of the American firm. The Government of India has approved of the project and granted a licence to the U.S. firm. The new Indo-U.S. venture will not only provide a closer link in the industrial relationship between the two countries but constitute the largest drug manufacturing operation in India in the private sector, the only other comparable firm being the Government-owned Hindustan Antibiotics Ltd.

The authorised capital of the Company will be Rs. 4.2 crores and the paid-up capital Rs. 2.1 crores. The paid-up capital will be shared by Mercks and Tatas and their associates in the ratio of 60 : 40. The American firm will make its investment in U.S. dollars or their equivalent. The new company will, in the first instance, manufacture Vitamin B12 and steroids together with many of its well-known pharmaceutical products. The initial manufacture, which will be carried on in temporary premises at Tardeo, Bombay, is scheduled to commence early next year. When the permanent plant, which will be situated at Thana, is completed, it will provide for more basic production of Vitamin B12 and steroids, sulfa drugs, chlorothiazide—Mercks' important new drug for use in the treatment of heart disease and high blood pressure—and other medicinals. The new facilities will include a flexible production unit adaptable to production of a wide variety of organic chemicals. Such a provision will enable the Company to produce immediately in India any new drugs that will be discovered in Mercks' research laboratories in future.

The House of Merck, Sharp & Dohme has a well-earned reputation, not only in the U.S. but all over the world, as one of the pioneers in the field of vitamins, steroids, sulfa drugs and antibiotics, and many of the currently used products were first discovered in their research laboratories. The Company is spending Rs. 7 crores per annum on research directed towards the discovery of new products of benefit to the health and nutrition of man as well as animal and also for the improvement of agriculture. The benefits of this research will be available to India immediately, as a result of Tata's association with the American firm. It is noteworthy that the new Company proposes to have a research laboratory of its own to conduct research primarily for the development of drugs uniquely needed in India and for processes using raw materials most available in this country.

EQUITIES RECOVER AT CLOSE

UNDERTONE STEADY

(From Our Own Correspondents)

BOMBAY, *6th November*

THE share market staged a recovery during the latter part of the week under review, after suffering an earlier setback. The earlier recession was attributed to lack of support and liquidation, particularly in textiles. The market failed to be inspired by the liberalisation of import policy, which permits import of raw materials and spares for industries and maintains—even liberalises in some cases—the special facilities for exporting industries. For instance, mills exporting cloth have been allowed special facilities in respect of their requirements of dyes, chemicals, machinery and cotton up to a certain percentage of their export earnings. The allotment in regard to imports of machinery will be made substantial if the deferred payment arrangements extend over a period of five years on an agreed basis. Large quantities of imported cotton will be made available to those who are able to bring about an increase in exports of cloth. These measures did not make any impression on the market. Reports that the outlook for the cement industry was not bright, thanks to the decline in offtake and the accumulation of stocks, also subdued sentiment. The Government's decision on the Textile Enquiry Committee's report was well received, but it remains to be seen how far the liberalisation of advances to the trade against cloth stocks will result in a lessening of the burden on mills and lead to the quicker movement of stocks.

In the last three days, however, sentiment was slightly better under the leadership of steels. The encouraging production figures of the T.I.S.Co. for the month of October and reports that some of the mills had lately been able to sell large quantities of cloth provided the bullish factors. Prices, therefore, staged a good recovery, closing levels, being well above the week's low.

In the steel section, Tata Ordinaries receded from Rs. 182.75 to Rs. 179.25 before improving to close at Rs. 182. Their new shares were lower by Re. 1.50 at Rs. 176.50. Indian Irons were marked down earlier in the week from Rs. 27.40 to Rs. 26.80, but strong buying from Calcutta lifted them up to Rs. 27.60 at the close.

In the textile section, Bombay Dyeings shaded off from Rs. 58.40 to Rs. 57.90, but, in tune with the general trend of the market, gained to Rs 58.60. Centurys dipped from Rs. 441.50 to Rs. 433, but the loss was partially made good when the shares finished today at Rs. 438.75. Kohinoors were subdued, coming down from Rs. 261 to Rs. 254.50. They, however, gained ground to Rs. 258 at the close. Central Indias lost over the week Rs. 3 to Rs. 87, Edward Textiles Rs. 2.50 to Rs. 227.50 and Gokaks Re. 1 to Rs. 140. Indu Ordinaries were better by 28 nP at Rs. 8.84. Indore Malwas declined by Re. 1.75 to Rs. 101 and Models by Rs. 2 to Rs. 168. Morarjee Mills were quiet at Rs. 248. Simplex shed over the week Re. 1.25 to Rs. 176 and Standards Re. 1 to Rs. 407. Svadeshis looked up, gaining over the week Rs. 2 to Rs. 196.50, while Tata Mills were a fraction lower at Rs. 36.75.

In the sugar group, Belapurs were quiet in the earlier part of the week, moving down from Rs. 322.50 to Rs. 317, but the announcement of a higher dividend of Rs. 20 per share, including a cash bonus of Rs. 2, pushed them up to Rs. 322.50. Changdeo Sugars were unchanged at Rs. 33.50, while Phaltans lost Rs. 2.50 to Rs. 178 and Walchandnagars Rs. 4 to Rs. 291. Kesar Sugars gained by 70 nP to Rs. 61, while Maharashtra Sugars declined by Rs. 4 to Rs. 185.25. Among cements, Associated Cements gave way from Rs. 159.50 to Rs. 154 50 before improving to Rs. 157.50 at the close. Their new shares were unchanged at Rs. 156.50. Digvijay Cements declined from Rs. 142.50 to Rs. 138 50. Orissa Cements lost 28 nP to Rs. 12.32, Dalmias 44 nP to Rs. 9.40 and Jaipur Udyogs 44 nP to Rs. 10.76. In the engineering and mining group, Alcocks suffered a drop of Rs. 6.25 to Rs. 277.50, while Tata Locomotives, after dipping from Rs. 163.50 to Rs. 158, improved to close at Rs. 160.50. In contrast to the sharp rise noted in the previous two weeks, Premier Constructions declined by Rs. 4.25 to Rs. 251. Larsen and Toubros were quiet at Rs. 17.08 and their Rights at Rs. 5.36. Mahindras were dull at Rs. 18.32, while Brady Engineerings were marked down by Re. 1.50 to Rs. 61. Indian Coppers were unchanged over the week at Rs. 3.98, while Shivrajpurs disclosed a loss of Re. 1 at Rs. 92.

Scindias were a shade quiet declining from Rs. 22.28 to Rs. 21.84 and Great Easterns, too, drooped 35 nP to Rs. 27.80. Bharat Lines were unchanged at Rs. 13.52. Premier Automobiles were featureless at Rs. 88.50, as also Hindustans at Rs. 7.84.

In the miscellaneous group, Bombay Burmahs (Old) receded from Rs. 513.50 to Rs. 500 before recovering partially to Rs. 507 at the close, while their partly-paids were unchanged at Rs. 178.75. National Rayons lost ground from Rs. 259.75 to Rs. 252.50, but soon recovered to close at Rs. 256. Gwalior Rayons had business 28 nP lower at Rs. 14.72. Tata Chemicals were a shade quiet at Rs. 16.20, while Hindustan Levers picked up 60 nP to Rs. 26.35. Tata Oils showed no change at Rs. 39.25, but Voltas were marked down by Re. 1.75 to Rs. 140.50. Killick Industries were dull at Rs. 148.50. W. H. Bradys provided a feature with a jump of Rs. 16.25 to Rs. 297.50. Wimcos were steady at Rs. 190.25. Dhrangadhra Chemicals were done Re. 1.50 lower at Rs. 101.50, while their new shares gained Re. 1 to Rs. 100.

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Calcutta Stock Exchange

CALCUTTA, *5th November*

The Calcutta Stock Exchange reopened on Wednesday last, after the long spell of *Pooja* holidays, on a firm note. However, soon an irregularly lower trend set in and on the whole quotations were lower on balance. The one exception to the general trend was provided by jute shares which were bought at hardening rates throughout the week. For, it was believed that jute mills were working more satisfactorily than in the previous accounting period, and the announcement of higher fibre prices in Pakistan and the consequent upward revision in yarn and cloth prices in Dundee meant that the Indian goods gained further competitive strength in foreign markets. An encouraging view was taken of the import policy, which provides for marginal increase in the import of raw materials. It was hoped that the special schemes for the textile industry would stem the decline in cloth exports. Of more importance to Calcutta in the import policy was the reduction in the import quotas of certain engineering goods and chemicals, the indigenous production of which had increased. Already, import restrictions were aiding certain domestic industries, but this factor did not have any effect on trading during the week. This was because of the expectation that this advantage might not be reflected in working results of companies, thanks to higher taxation and increasing cost of production. The earlier report of increased profits in the working of the Indian Iron and Steel Company, Ltd., for the year ended March last evoked enthusiasm for a time in the speculative counters which subsequently came under pressure. Coals were still groaning under the disappointment caused by the Government's decision to prune the increase in coal and coke prices granted earlier from 75 nP and Re. 1 to 41 nP and 33 nP., respectively. In this background, the Union Railway Minister's assurance of improvement of transport facilities for movement of coal from pitheads was hardly noted.

As stated, jutes improved sizably and the most important gains are as follows:

Scrip	Week's Quotations		Gain Plus
	Opening	Closing	
	Rs.	Rs.	Rs.
Alliance	106	109	3
Champadany	115	128	13
Caledonian	153	180	27
Cheviot	185	197	12
Belvedere	146½	157	10½
Delta	165	172	7
Gourepore	362	367	5
Kamarhatty	165	179	14
Kanknarrah	87	95	7
Lansdowne	121	138	17
Kinnison	174	183	9
Nalhatti	77½	78½	1
Khardah	148	153	5

Coals lacked enthusiasm and reflecting the general trend Burrakurs moved down to Rs. 18.50 from Rs. 19.00. Central Indias at Rs. 8.06 were lower by a few nP and Pench Valleys declined to Rs. 24.75 from Rs. 25. South Karanpuras finished quiet at Rs. 12.94, as against Rs. 13.00 earlier. Dhemo Mains, at Rs. 9, and Equitables, at Rs. 30, recorded a fractional improvement.

Engineering shares were lower on profit-taking. Indian Irons opened at Rs. 27.47 and gradually fell to Rs. 26.95. Jessop & Cos. declined to Rs. 25.87 from Rs. 26, but soon regained to rise to Rs. 26.12. Texmacos eased to Rs. 22.10 from Rs. 22.65. On the other hand, Burn & Cos. were supported at Rs. 384, as against Rs. 378 earlier.

Teas attracted little buying. At Rs. 15.75, Terpores were lower fractionally. Ranicherras lost to Rs. 15.75 from Rs. 16.62. Patrakolas were pushed down to Rs. 156 from Rs. 159.

Selected features were recorded in the miscellaneous industrials section. Titaghur Papers realised Rs. 44.12, as against Rs. 43.87 earlier. Metal Boxes were in request and rose to Rs. 31.62 from Rs. 30.87. Hindusthan Levers moved up to Rs. 26.31 from Rs. 25.12. National Cables firmed up to Rs. 34.19 from Rs. 33.97. National Pipes and Tubes, a new entrant, were brought to business at Rs. 15.44 and remained fully firm at that level on expectations of encouraging dividend for the year ended September last. Indian Oxygens were at one time as high as Rs. 24.50 before closing at Rs. 23.62, while Orient Papers, after being higher at Rs. 36, closed at Rs. 34.50.

Madras Stock Exchange

MADRAS, *4th November*

Easy conditions prevailed in the Madras Stock Exchange during the week under review. Transactions put through were small and prices showed moderate losses. Select plantation shares attracted some enquiries but the price trend was generally lower. Although prospects of a settlement of the labour unrest in the Kerala plantations appeared bright, operators were chary of enlarging their commitments on fears that, in view of the active support extended by the State Government to the workers, further recrudescence of trouble might follow. Textiles were distinctly easy. The announcement by the Government of India of its scheme for promoting export of textiles failed to enliven sentiment, as it fell short of market expectations. In sympathy with planting and textile scrips, miscellaneous industrials were dull. The sugar and electricity sections, however, proved an exception to the general trend.

Among tea shares in the planting section, Peermades were marked down by Re. 1.13 to Rs. 20.37. Hailey burias receded by 25 nP to Rs. 18.10. Nonsuch Teas declined by 31 nP to Rs. 27.75. Chembras eased by 15 nP to Rs. 3.70. Alageswars shed 3 nP to Rs. 2.62. United Nilgiris were quoted 31 nP lower at Rs. 18.25. Neelamalais were a shade lower at Rs. 4.95. Mlamallays were neglected at Rs. 36, Nilgiris at Rs. 7.80 and Stanes at Rs. 14.80. Amalgamateds at Rs. 14.80. Cottanads, on the other hand, were marked up by Re. 1.20 to Rs. 15, on special support. Coonoors rallied by a rupee to Rs. 26.

In the rubber group, Vaikundams fell by 80 nP to Rs. 24.20. Highlands declined by 40 nP to Rs. 11.50. T.R. & Ts receded by 25 nP to Rs. 7.10, Teekoys by 15 nP to Rs. 7.15, Pullangodes by 5 nP to Rs. 1.63 and Puthuttotams by a like amount to Rs. 2.93. Kalpettas eased by 25 nP to Rs. 13.75 *cum-div.*, reflecting disappointment of operators over the cut in dividend to 10 per cent. for the year ended 30th April 1958, as against 20 per cent. in the previous year. Midlands have declared a dividend of 10 per cent. for the year ended 31st March 1958, as against 20 per cent. a year ago, and the shares were quoted 14 nP lower at Rs. 12.56 *cum-div.*

In the coffee group, Sangameswars receded by 6 nP to Rs. 2.70. Ouchterlonys eased by 4 nP to Rs. 5.43 and Sheveroys by 2 nP to Rs. 2.10. Coffee Lands were neglected at Rs. 33.40.

Textiles, as stated earlier, were subjected to heavy selling. Anglo-French were pushed down by Rs. 4 to Rs. 72. Coimbatore Pioneers climbed down by Rs. 3 to Rs. 247. Lakshmis, Metturs, and Radhakrishnas shed Rs. 2 each to Rs. 100.50, Rs. 336 and Rs. 139, respectively. Bangalore Woollens eased by Re. 1.50 to Rs. 167, Buckinghams by a rupee to Rs. 178.50. Coimbatore Spinnings by 88 nP to Rs. 47.12, Loyals by 75 nP to Rs. 33.50 and Maduras by 25 nP to Rs. 29.50. Rajalakshmis, however, put on a rupee to Rs. 69.

Among miscellaneous industrials, Textools dropped a rupee to Rs. 199. Orissa Cements lost 25 nP to Rs. 12.35 and Dalmia Cements 20 nP to Rs. 9.75. Ashok Leylands shed 15 nP to Rs. 5.95, Travancore Cements 8 nP to Rs. 9.27 and Mysore Papers 5 nP to Rs. 17.60. Rallis, on the other hand, spurted by Re. 1.75 to Rs. 39.

Notice

THE CONSOLIDATED COFFEE ESTATES (1943) LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Pollibetta, South Coorg, at 10.30 a.m. on Friday the 28th November 1958, when the following Resolution will be moved as a Special Resolution.

SPECIAL RESOLUTION

RESOLVED that Mr. E. R. W. Walker be permitted to continue to hold a place of profit in the Company as the Field Manager from the 17th October 1958 from which date he has been co-opted as a Director of the Company by the Board of Directors in place of Mr. M. S. Mandanna resigned.

By Order of the Board,

THE CONSOLIDATED COFFEE ESTATES (1943) LTD.,

C. I. MACHIA,
Secretary.

Note:—1. Any member of the Company entitled to attend and vote at the meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself.

2. Individual notices and the explanatory statement under Section 173 of the Companies' Act 1956 are being despatched separately to all shareholders.

POLLIBETTA, 3rd *November* 1958.

NEWS IN BRIEF

LARGE reserves of coal capable of yielding about 200 million tons have been located near Kamptee, Nagpur.

Foodgrains sold through Government fair price shops in U.P. which were hitherto subject to payment of exemption fee, have been granted total exemption from sales tax. Foodgrains sold through other shops will, however, continue to be liable to payment of the requisite exemption fee.

The Government of India has recently issued a licence for the establishment of a factory at Baroda for manufacturing earthmoving equipment like bulldozers, angle dozers and scopp dozers and construction machinery such as concrete mixers and self-priming pumps. The Government of Bombay has acquired about 50 acres of land for this factory. The factory is under *construction* on this site.

The installation of 200 new telephone lines in Jaipur City, Rajasthan, will be undertaken shortly by the Post and Telegraphs Department, in pursuance of the recommendation made by the Telephone Advisory Committee of Jaipur Division. Equipment for the conversion of the present manual telephone system in the city into an automatic one is being received and it will take about a year to complete the installations.

The total output of iron ore in India was lower at 430,000 tons in the month of August last, as against 450,000 tons in the preceding month. The largest output was reported from Bihar and Orissa with 170,000 tons and 138,000 tons, respectively. Mysore, Madhya Pradesh and Andhra Pradesh accounted for 63,000 tons, 33,000 tons and 11,000 tons, respectively. During the month 294,000 tons of iron ore were despatched to the iron and steel plants and 140,000 tons to the exports markets.

The Government of India has announced an average increase of Rs. 20 and Rs. 5 per ton in the retention prices of steel and pig iron, respectively, payable to the Mysore Iron and Steel Works. The increase will be applicable to the period 1st April 1955 to 31st March 1959. It may be recalled that in July 1956, the Government had announced the retention prices at Rs. 405 per ton of steel and Rs. 195 per ton for Standard Foundry Grade I Pig Iron, effective from 1st April 1955.

The Rs. 10.75-lakh milk union scheme of the Madhya Pradesh Government, envisaging supply of 250 maunds of milk per day for the State capital, has been approved by the Union Government. The scheme will be taken up in two stages. The first stage will consist of construction of a building and installation of a pasteurisation plant. In the second stage, 10 co-operative societies of milkmen will be established. The pasteurisation plant will be received as a *gift from the U.S.* under the Technical Co-operation Mission Programme.

The U.P. Government is reported to have approached the Government of India for locating in U.P. four of the five drug and pharmaceutical projects, now under negotiation with the U.S.S.R. The State Government has claimed that special facilities are available in the various parts of U.P. Essential raw materials are also easily available in the State, which include medicinal plants and herbs, alcohol and allied products. The Central Drug Research Institute, located at Lucknow, is cited as an additional advantage.

The U.P. Government has earmarked a sum of Rs. 1.21 crore for distribution as *taccavi* loans among cultivators to be utilised for minor irrigation works as part of the current *rabi* campaign in the State. Of the total amount provided, Rs. 18 lakhs are proposed to be spent on the construction of masonry wells, Rs. 6 lakhs on boring of wells, Rs. 5 lakhs on installation of persian wheels, Rs. 15 lakhs on subsidising the construction of private tube-wells and Rs. 6 lakhs for the construction of new *bundhies* and for repairing of old ones. The residue of Rs. 65 lakhs will be given in *taccavi* to farmers in such areas in the districts of Gorakhpur, Basti, Faizabad, and Ghazipur where *chaks* have already been formed.

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From Abroad

The Indonesian Government has decided to nationalise all Dutch business enterprises in the country.

A 4,350-mile oil pipeline linking the European region of Soviet Russia with the Asian region is under construction.

Yugoslavia has applied for an associate membership of the G.A.T.T., instead of continuing its present status as an observer.

Pakistan has been sanctioned a loan of $60.5 million by the U.S. Development Loan Fund. This brings the total loan granted by the Fund to Pakistan to $70.2 million.

The restrictions over hire-purchase and rental agreements in the U.K. have been lifted with effect from 29th October. Goods which had remained subject to control were, in the main, cars and radio and television sets.

The Martial Law Administrator of East Pakistan has prohibited any agreement whatsoever for conversion of Pakistani currency into foreign currency or the transfer of Pakistani money, securities, etc., to any foreign country except with the permission of the State Bank of Pakistan.

A new laboratory, Nuclear Metals Incorporated, described as the world's largest, devoted to privately financed metallurgical research and development, has been opened at Massachussets (U.S.) recently. The Company so far has had such tasks as development of uranium melting techniques and missile nose cone materials for re-entry into the earth's atmosphere.

Electrical washing machines are becoming an important element of household mechanisation in W. Germany. Last year's production value of the 1.4 million washing machines aggregated 433 million DM., 8.4 times more than in 1952. In the first seven months of the current year there has been another rise of about 23 per cent., as against the comparable period last year. Every tenth W. German household is estimated to have an electrical washing machine by now.

A new trade agreement is expected to be signed between Japan and W. Germany, following the visit of Prof. Erhard, W. German Chancellor, to the former country. It will evolve measures to redress Japan's unfavourable trade balance with Germany. Japan's export to Germany accounted for £21 million in 1957, whereas its imports during the same period were as much as £51 million. This gap is apparently due to the severe restrictions Germany has imposed on Japanese sundries and textile exports.

Price controls on imported goods, indigenous manufactures and selected foodgrains will be introduced with effect from 17th inst. in Pakistan. The ceiling on retail prices of imported goods is placed at the level of landed costs plus percentages varying from 20 to 50. For goods manufactured in Pakistan, ex-mill price will be so fixed as to allow a tax-free dividend of not more than 6½ per cent. to the producers. Retail prices of goods manufactured in Pakistan will not be permitted to exceed the ex-mill prices plus percentages varying from 20 to 50.

Hellenic Lines Limited has announced that on 15th October 1958 the keel was laid in the shipbuilding yard of Rheinstahl Nordseewerke in Emden, W. Germany, for the ninth of a series of 11 new cargo liners augmenting the Company's fleet. This vessel will have a deadweight capacity of 10,800 tons. Diesel engines of 8,000 h.p. will enable the vessel to maintain a service speed of 17 knots. This vessel and two sister ships will be delivered by the same yard in 1959 to join the other modern vessels of Hellenic Lines Limited in the regular cargo services maintained by the Company from the U.S.A. Gulf and North Atlantic ports to the Mediterranean, Red Sea, Persian Gulf, Pakistan, India, Ceylon and Burma.

PERSONAL

DR. S. Radhakrishnan, the Union Vice-President, left Bombay on 30th October for Paris to attend a meeting of the U.N.E.S.C.O. there.

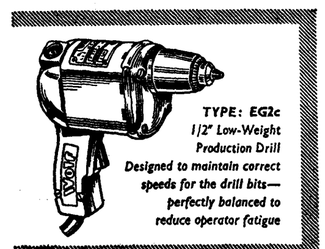
Mr. J. N. Khosla, Ambassador-designate to Indonesia, left New Delhi for Djakarta last Saturday to take up his new assignment.

Messrs. Maneklal Ujamshi, Jivanlal Chhotalal and Biharilal J. Nevatia have been elected President, Vice-President and Honorary Secretary, respectively, of the Bombay Sugar Merchants' Association.

Dr. W. T. Kroese, Managing Director of the Royal Textile Mills, Netherlands, has been appointed President of the International Federation of Cotton and Allied Textile Industries.

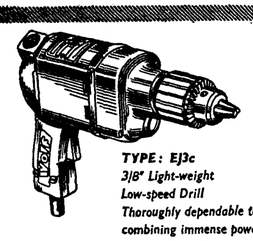
Mrs. Vijayalakshmi Pandit, Indian High Commissioner for the U.K., who has been concurrently appointed Indian Ambassador to Spain, presented her credentials to General Franco at Madrid on 30th October.

Mr. Fergus Roy Perry and Mr. Frank Harvey Foster, two U.K. technological experts, are expected to arrive in India shortly under the Technical Co-operation Scheme of the Colombo Plan. Mr. Perry, an electrical engineer of the Metropolitan-Vickers Electrical Company, will conduct post-graduate teaching and research in high-voltage cables and insulation at the Indian Institute of Science, Bangalore. Mr. Foster, a noted architect, will organise post-graduate courses and research in the architecture and regional planning department of the Indian Institute of Technology at Kharagpur.

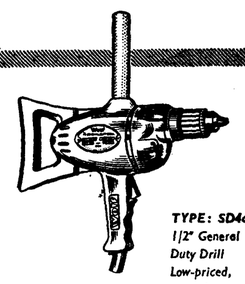


TYPE: EG2c
1/2" Low-Weight Production Drill
Designed to maintain correct speeds for the drill bits—perfectly balanced to reduce operator fatigue

A FINE PRODUCTION TEAM



TYPE: EJ3c
3/8" Light-weight Low-speed Drill
Thoroughly dependable tool combining immense power and stamina with extra lightness and portability



TYPE: SD4c
1/2" General Duty Drill
Low-priced, rugged, versatile

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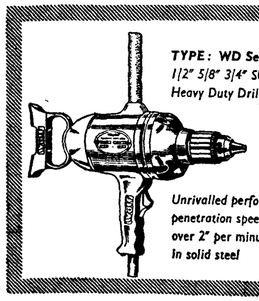
Portable Electric Drills
Worldwide reputation for performance, efficiency, reliability
NOW MADE IN INDIA
"Wolf the work"



TYPE: WD Series
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Unrivalled performance—penetration speeds of over 2" per minute in solid steel

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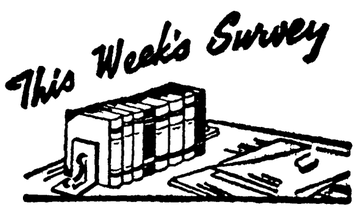

GOVERNMENT'S DECISION ON JOSHI COMMITTEE'S REPORT

THE Government has done well to accept some of the principal recommendations of the Textile Enquiry Committee (Chairman: Mr. D. S. Joshi). In particular it has recognised the need for modernisation of equipment in mills. This was one of the chief points made out by the Joshi Committee. However, as has been pointed out in our leading article this week, it may be wondered whether, in the absence of a more comprehensive policy for modernisation of textile machinery, it will be possible to set textile matters right. The Government's decision gives the impression that the authorities have accepted modernisation as a grudging concession to some disagreeable necessity rather than as a positive good for the industry. The Government agrees with the views expressed by the Committee that "our exports will continue to fall steeply unless we export cloth produced on automatic looms." It feels that a proper psychological climate should be created within the country in order to facilitate the introduction of automatic looms within a specified period. It is hoped that it would be possible to evolve a simple procedure for such replacement on a phased programme in an accelerated manner.

A source of great concern alike to the Government and the industry is the large number of mills which have ceased working. On this question, the Government has accepted the suggestion made by the Committee. It may be recalled that the Joshi Committee pointed out that the main reason for closure of mills seemed to be bad condition of machinery, in many cases neglected continuously without proper attendance and repairs and replacement. In order to enable the closed mills to reopen, particular stress is laid by the Government on the need for replacing outmoded and obsolete machinery and for the proper balancing of uneconomic units. The Government, however, is of the opinion that the managements have contributed in large measure to the present state of affairs. It expresses the hope that, in future, they will take care to see that deterioration is not allowed, thereby obviating the necessity for intervention by the Government. As regards the major recommendation of the Enquiry Committee, namely, the establishment of an autonomous corporation to take over the management of textile mills if such a course is absolutely essential, the Government feels that such a body is neither necessary nor desirable. It is pointed out that the intention of the Government is to assist the various mills that may be in difficulties and help them to stabilise their position. The Government, it is stated, would have to concentrate its attention on this aspect rather than on the creation of an autonomous corporation for taking over closed units. Referring to the Committee's observations on the levy of sales tax on cloth, the Government states that it would not be proper to fetter the discretion of the State Governments. The practice in regard to grant of concession on the supply of raw materials to industry varies from State to State. The Government, therefore, feels that the State Governments should maintain the *status quo* in regard to this concession. Every possible assistance and facility, it is further stated, would be given by the Government for the promotion of exports of cloth and yarn.

A notable decision is the one relating to the setting up of an Advisory Committee. The Government has decided to constitute a committee to advise the Textile Commissioner on matters vitally affecting the industry as a whole or any unit in particular. The proposed Advisory Committee will be representative of all interests and of important textile centres. Along with this Committee, a Rationalisation Sub-committee will also be set up which, assisted by Regional Sub-committees, will advise the Government on policies and principles governing rationalisation. The Government has also accepted the recommendation of the Committee in respect of setting up a machinery for a more continuous and sustained study in the field of marketing intelligence and research for cotton textiles. But it is pointed out that this should be the legitimate function of the industry itself. As regards the problem of uncleared stocks with the mills, the Government feels that the total stocks with the entire trade have shrunk considerably; in order to facilitate normal free movement of stocks, the trade has been urged to co-operate with the industry by increasing its holdings. At the same time, the Government has recognised the need for allowing adequate and even liberal credit facilities to the industry. It is proposed to request the banks to extend such facilities to mills. It is to be hoped that the necessary credit facilities will be forthcoming not only to the mills but also to genuine traders in cloth so that the burden of accumulated stocks could be eased.

ECONOMIC CONTROLS IN U.K.

The well-known political maxim warns us that power corrupts; absolute power corrupts absolutely. Nevertheless, in times of emergency, like war, the Executive is compelled to assume virtually unlimited powers of control. There is, however, no excuse for its continued existence in a free country during peace-time. Small wonder, then, that the U.K. has decided in favour of doing away with certain emergency powers of economic controls, bestowed on the Government under the war-time Defence Regulations. The U.K. Government introduced a Bill—the Emergency Laws (Repeal) Bill—in Parliament to this effect last week. This seeks to prevent future Governments from enforcing widespread economic controls without the explicit sanction of Parliament. Explaining the new Bill, the White Paper says:

"The Bill does not itself complete the process of reducing or revoking emergency powers, though the powers still exercised are few. What it does is to establish that powers should not exist in peacetime, unspecified as to their scope and purpose, which a Government might use at its discretion without the explicit authority of Parliament. It represents an affirmation of the principle that Parliament should be asked to grant only specific powers for specific purposes."

There are 13 substantive defence regulations in force at present. Of these, only three will be allowed to lapse without replacement. These three cover control over the carriage of goods by sea, or voyage licensing, the setting up of the Industrial Disputes Tribunal, the end of which has already been announced, and the control of cultivation and termination of agricultural tenancies. Another batch of four regulations have already been replaced by the Land Powers (Defence) Act, 1958, and by the Open Cast Coal Act, 1958. The Factories Bill, which will be introduced in this session, will replace the fifth regulation.

The new Bill has sought to reserve the rest of five regulations, regarded as "essential," to be exercised by the Government without any alteration. They include: Defence (General) Regulation 55, covering general power to control industry for wide purposes and the provision empowering the Government to secure the necessary information for the same purpose; and 55 AB giving power to control prices of goods and services. Also remaining are Defence (Finance) Regulation No. 2A, which enables the Government to impose certain controls in addition to those in the Exchange Control Act, 1947 and Defence (Armed Forces) Regulation No. 6 giving authority for employing members of the armed forces on agricultural or other urgent work of national importance. The powers available under the amended Ministry of Supply Act 1939, it is stated, will be severely restricted. Except for the power to trade in jute and jute goods, the Minister's trading powers will be abandoned and he will no longer be able to use his defence powers in competition with civil industry. Besides, the power to control transfers of ships under the Ships and Aircraft (Transfer Restriction) Act, 1939, will be reduced to apply only for defence purposes.

No doubt, these measures have once again sought to bring into prominence the supremacy of Parliament over the Executive in matters of exercising economic controls. One, however, fails to know why the Government waited for over a decade after the war to repeal these controls. The express purpose of the step is presumably to make it impossible for a future Labour Government to resort to economic controls "at the flick of a switch." The fact remains, however, that, as things stand, these powers now diminished could be widened, if any Government intends seriously to do so.

Another Bill, namely, the Town and Country Planning Bill, introduced by the Government, has evoked wide interest in the U.K. According to it, compensation for land compulsorily purchased by the State will be based on current market values. In other words, the owner of the land will get the very amount he will be offered in the open market. Market value in this case will take into account the use allowed by the planning authorities and the use to which the purchasing authority intends to put the land. Hitherto, compensation was paid on the basis of the current market value of the land for its existing use plus whatever potential value the land had for development in 1947. The new Bill, it is hoped, will relieve the owners of land, particularly of those regions on the fringes of developed areas, of many hardships to which they were subjected hitherto. It is also expected that the number of compulsory acquisitions will now be reduced, for, the owners of land will be more willing to sell to the State on the improved compensation terms. These two Bills, it must be admitted, are bound to have considerable popular appeal, as they are particularly liberal in character.

AIR TRAVEL

The decision to make earnest efforts to reduce the costs of air transport operation with a view to reducing the fares and rates to the lowest possible level was taken at the 14th Annual General Meeting of the International Air Transport Association (I.A.T.A.) which concluded its five-day session at New Delhi last week. Explaining the results of the discussions at this session, the President of the I.A.T.A., Mr. J. R. D. Tata, in the course of a Press conference at New Delhi, said that world airlines would explore every new development which promised important increases in economy and efficiency. He added that they would also continue, in co-operation with Governments, to work for the simplification of formalities which still hampered the international movement of passengers and cargo. Mr. Tata said that every possible effort would be made to persuade Governments to adopt and implement a policy of positive control of air space which would put both military and civil traffic under the same regime in any given area.

As Mr. Tata himself pointed out, the holding of the I.A.T.A. session in New Delhi has enabled the managements of the world's airlines to have an opportunity to see something of India and of what it offered to the world tourist. He gave the assurance that the airlines would continue to encourage every development which assisted the growth of international tourist traffic as a primary source of benefit to national economies. It is gratifying to note that the next session of the I.A.T.A. will be held in another Asian country, namely, Japan. The next session will commence on 12th October, 1959, at Tokyo, under the presidentship of Mr. S. Yanagita, head of the Japanese Airlines.

To revert to the I.A.T.A. session at New Delhi. It adopted two resolutions relating to air space control and collision convention. By one of the resolutions, it urged all States as also the International Civil Aviation Organisation (I.C.A.O.) to take all available means to provide a system or systems of positive air space control over national territory and over the high seas, which might ensure that both military and civil aviation could perform their tasks under a single Air Traffic Control Authority in the respective air traffic control areas. The resolution added that the various airlines should approach their respective Governments to give this matter their immediate attention in order to ensure that adequate steps were taken towards achieving this essential co-ordination, both nationally and internationally. The other resolution requested the Legal Committee of the I.C.A.O. to give first priority to the preparation of a draft Collisions Convention to be submitted to a diplomatic conference and thereafter to the several States for ratification. The scope of such a convention, the resolution added, should include both civil and State aircraft. The meeting elected various technical committees for the next year.

DEVELOPMENT OF PORTS

The importance of port development to a country's industrial advancement can never be too strongly stressed. Appropriately enough, the Union Government is fully seized of the need for developing Indian ports. A graphic description of the measures taken by the Centre towards achieving this objective was given by the Union Minister for Transport and Communications, Mr. S. K. Patil, in his inaugural address at the seventh meeting of the National Harbour Board, held at Madras last week.

Tracing the course of developments since the last meeting of the Board, the Minister pointed

(*Continued on page 781*)





1,50,000 seers of milk every day!

Modern dairies, equipped with the latest processing units, are fast replacing the old, unhygienic systems of milk distribution—are supplying more and more people with wholesome, pasteurised milk.

Among other important projects of the Second Plan, are the Government's large-scale milk supply schemes. And Larsen & Toubro Limited are proud to have helped in this by planning and installing 44 model dairies—some of them the largest in the country. The Kaira Dairy plant at Anand, for instance, processes 1,50,000 seers of milk every day —enough for 1,92,000 families—produces butter, milk powder, ghee, condensed milk and casein.

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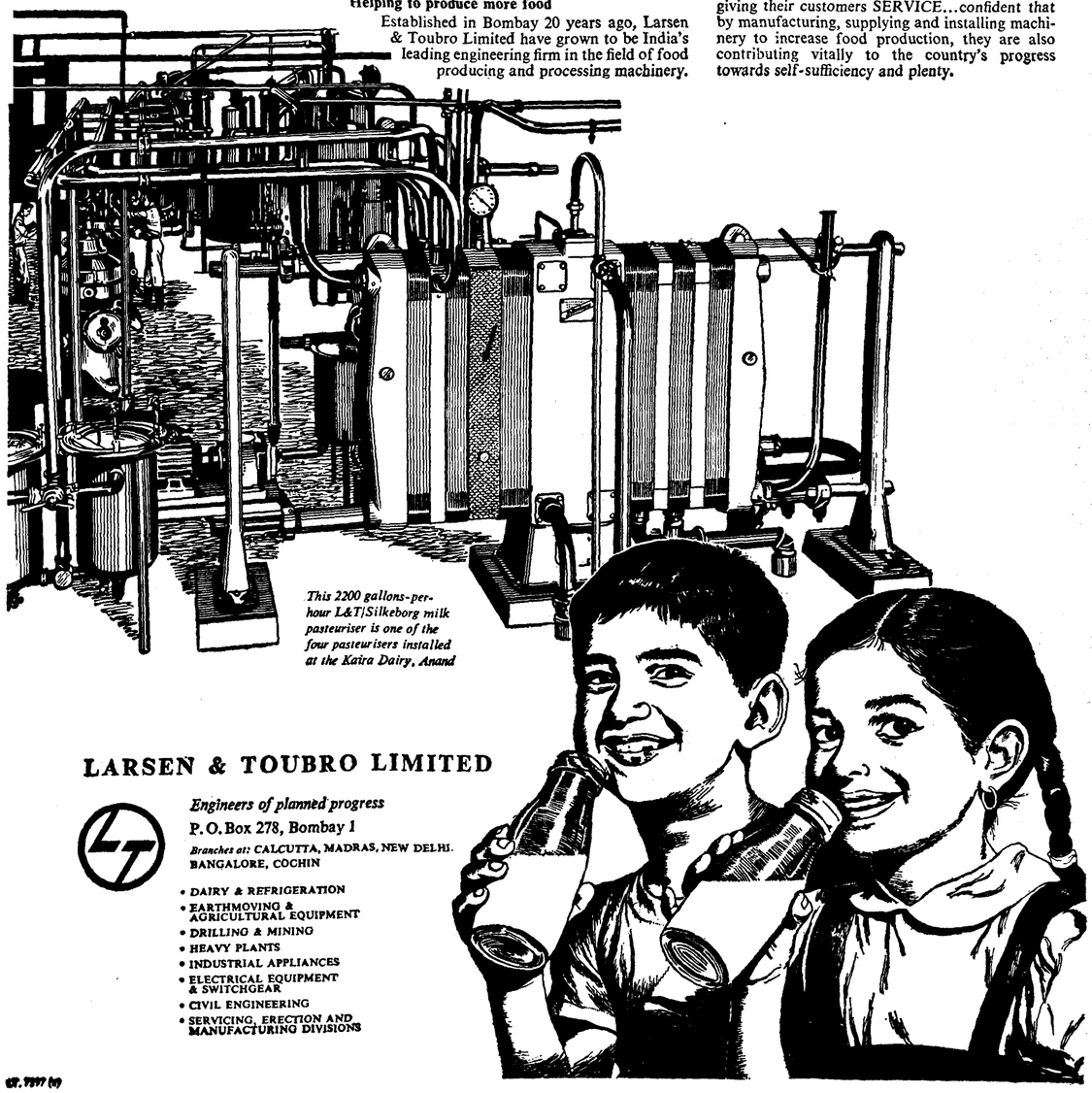

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CT. 7997 (9)

IMPORT POLICY FOR CURRENT LICENSING PERIOD

ACTUAL USERS URGED TO SUBMIT ALL RELEVANT INFORMATION

From Our Special Correspondent

NEW DELHI, *4th November*

DELHI LETTER

THE import policy, just announced for the current licensing period (October 1958—March 1959), involves only marginal adjustments in the matter of imports of industrial raw materials. This has all along been expected. The present foreign exchange allocation of Rs. 150 crores for this purpose is only a shade higher than that in the previous half-year, the increase being about Rs. 4 crores. Even this increase is the result of further concessions to exporting industries. As the recently negotiated foreign aids and loans cover prior commitments, there is little prospect of any additional imports of raw materials and spares being financed from that source. In the circumstances industrial production in general will, at best, be maintained at the same level as in the previous six-month period.

In the Press note issued by the Ministry, it is stated that "during the current half-year, while the foreign exchange resources available for maintenance of the economy have not increased by any significant figure, some relief is likely on account of the availabilities from the Development Loan Fund and the Export-Import Bank Loan and additional imports on rupee payment." This statement could be interpreted to mean that additional imports of industrial raw materials and spares would be possible. Surely, such relief as is expected cannot come from sources other than rupee-payment arrangements with some countries because those other sources are predominantly tied to the financing of imports of capital goods and equipment. What is probably meant here is the level of commercial imports in a broader sense and not in the specific sense of raw material imports, for what is referred to here is the "maintenance of the economy" and not the maintenance of the level of industrial production.

Industrial Production

Industrial production will be maintained at about the same level as in the previous six-month period if, as the Commerce and Industry Ministry has promised, the actual users' applications received in response to the public notice of September last come to be disposed of expeditiously "to facilitate an even flow of raw materials." While the maintenance of the general level of industrial production may thus be possible, it looks as though this would involve expanded production in some newer or exporting industries and reduced production in older industries.

The Commerce and Industry Ministry's Press note has described the main features of the new import policy as follows:

"As during the last licensing period, it is proposed to give special facilities to the exporting industries. A licensing scheme to help exporting textile mills and handloom co-operatives to import their requirements of dyes, chemicals and machinery is being announced separately. Under this scheme, special licences will be issued to the exporting mills upto a certain percentage of their export earnings for imports of dyes and chemicals. A substantial amount will also be made available to mills for modernising their machinery provided they are able to obtain this machinery on deferred payments, spread over five years. Raw cotton will continue to be licensed as hitherto but a certain proportion thereof will be allowed to be imported by exporting mills direct subject to such conditions as may be prescribed by the Textile Commissioner.

"Quotas have been reduced for certain items on account of greater availability from indigenous production as in the case of ball bearings, electric motor starters, certain chemicals, engineering items like twist drills, metal working saws. For textile dyes and chemicals, quotas have been reduced on account of additional direct licensing to exporting mills as mentioned above. The quota for camphor has been deleted and the quotas for betelnuts and cloves have been reduced.

"Quotas have been increased for spares of a few important items, e.g., earth-moving equipment, refrigeration and air-conditioning machinery, etc. Quotas have also been enhanced for certain types of tools and some chemicals. Small quotas have been given for packing and wrapping papers, artificial silk yarn, plate glass, etc., quotas for which were *nil* last half-year. Imports of milk foods for infants, timepieces, liquid paraffin, photographic goods and X-ray films have been somewhat liberalised.

"In the case of non-ferrous virgin metals like copper, zinc and lead, quotas have been withdrawn, but provision has been made to ensure adequate supplies to actual users both in the scheduled as well as non-scheduled sectors. There need be no apprehension regarding shortages in the case of these items. In the case of metal scraps—copper scraps, brass scraps and German silver scraps—quotas have been provided for the established importers.

"Even though specific mention has not been made in the Red Book, import will be allowed upto a limited footage of exposed cinematographic films from countries having special rupee payment arrangements with India.

"It is hoped that this import policy will help maintain the economy of the country and at the same time step up the level of exports by providing greater facilities to exporters who have a very important role to play in the future economy of the country."

The Press note has referred to the possibility of expeditious processing of actual users' applications. Actual users, it is stated, have been defined as those who require raw materials or accessories for use in an industrial manufacturing process. The additional condition (which has been in operation since July-December 1952) limiting the scope of actual users to undertakings employing not less than 50 workers, will not be enforced strictly during the current licensing period.

It has been noticed, according to the Ministry, that in a large number of cases the disposal of actual users' applications for import licences for raw materials, or plant and machinery/equipment is delayed as no prior reference is made by applicants to indigenous producers to check up the indigenous availability of the articles applied for. In order to facilitate expeditious disposal of applications, all applicants seeking import of either capital goods or other stores for industrial projects should ensure that their requirements cannot be met from the firms whose names are given in the *Handbooks of Indigenous Manufacturers* published separately by the Development Wing. Factual evidence indicating the inability of such manufacturers to meet the applicants' requirements should also be attached to the application.

Raw Materials

The licences for raw materials will ordinarily, be issued on the basis of certified requirements for six-months' consumption; but the certified requirements will be scrutinised by the licensing authority and an appropriate reduction will, where necessary, be made after taking into account the following factors:

(i) the stock held on the date of application and the expected arrivals against licences in hand;

(ii) the quantum of imports likely to be available through commercial channels;

(iii) the quantum of similar goods or substitutes likely to be available from indigenous sources; and

(iv) the past imports of the item in question by the actual users.

Normally, the applications from actual users who are applying for the first time would be rejected. In the case of actual users who have been making imports of the items in question against actual users' licences granted to them against earlier periods, licences in excess of their average past imports will not normally be granted.

It has been reported that a number of actual users have diverted to other channels/or uses the raw materials and consumable stores licensed for use in their factories. Attention of the actual users is drawn to the condition which is endorsed upon each licence to the effect that the goods will be utilised only for the purpose for which they have been obtained, in the licence-holder's factory, and that no portion thereof will be sold to, or permitted to be utilised by, any other party. Steps are being taken to ensure that this condition is strictly observed. If any holder of a licence infringes the aforesaid condition, he will be liable to be debarred from obtaining any licences in future, without prejudice to any other action which may be taken under the Imports and Exports (Control) Act, 1947, and the Imports Control Order, 1955.

Actual user applications will not be entertained and should not be made for raw materials, etc., required for the manufacture of new items unless a licence for such manufacture has been obtained under the Industries (Development and Regulations) Act, 1951. When making applications, actual users should certify that the raw materials, etc., for which they are applying, are not intended to be utilised in the manufacture of new items for which a licence has not yet been obtained under the aforesaid Act.

In view of the low level of quotas for established importers, licences for actual users will continue to figure substantially in the current licensing period. If there is to be an even flow of industrial raw materials, spares and accessories, actual users' applications, as the Commerce and Industry Ministry has itself pointed out, should not omit any relevant information. It is stated that, very often, the disposal of actual users' applications is delayed on account of the failure on the part of applicants to provide all the information called for.

SMALL INDUSTRIES

Orders for more than Rs. 84 lakhs for the supply of goods to Government Departments have been secured for small-scale industries with the assistance of the National Small Industries Corporation in the first six months of the current financial year. The Corporation has been set up by the Government of India to provide marketing and other assistance to small industries. The items reserved for procurement exclusively from small-scale units include padlocks, metal boxes, signboards, metal buttons, badges, belt leather, cash bags, chappals and sandals, leather boxes, and leather bags. Efforts are being made to add some more items to this list. There are also other items which can be procured both in the large-scale and small-scale sectors. For items in this group small units are given a price preference up to 15 per cent. over the acceptable quotations received from large-scale units, depending on the merits of the goods.

During the period under review, 1,220 small-scale units, considered capable of supplying various stores required by Government Purchase Departments, were enlisted with Small Industries Service Institutes. With this the total number of units on the list comes to 2,980. Sales of products of small industries, effected through the mobile vans of the Corporation fetched about Rs. 1.5 lakhs during the first half of 1958-59. In addition, sales through the wholesale depots set up by the Corporation, during the period, were valued at over Rs. 4.67 lakhs.

Under the van operation scheme, launched towards the end of 1955, there are now three vans operating in each of the four regions with headquarters at Bombay, Calcutta, Delhi and Madras. The wholesale depots help solve some of the marketing difficulties peculiar to small industrialists, such as the limitations imposed by lack of standardisation and lack of trade names. There are seven wholesale depots, at Agra for leather footware, at Khurja for pottery, at Bombay for paints and varnishes, at Calcutta for hosiery, at Renigunta for glass beads, at Aligarh for locks and hardware and at Ludhiana for sewing machines, cycles and woollen hosiery.

INTERMEDIATE PORTS DEVELOPMENT COMMITTEE

The Government of India has constituted a committee, known as the Intermediate Ports Development Committee, for the selection of suitable intermediate ports in India for intensive development in order of priority. The Committee will also determine the extent of development required at these ports as well as allied transport developments, having regard to the needs of the entire area to be served, and the financial implications involved. In the selection of ports for intensive development, the Committee will take into account broad national considerations as well as regional requirements—engineering aspects with emphasis on economy of construction and maintenance and traffic potential of the hinterland and transport costs.

Mr. H. P. Mathrani, Development Adviser and ex-officio Joint Secretary in the Union Department of Transport, will be the Chairman of the Committee. The other members are: Mr. K. P. Ranganathan, Deputy Secretary in the Department of Transport; Mr. D. Sandilya, Joint Secretary in the Ministry of Commerce and Industry; a representative of the Ministry of Railways: Mr. K. N. Srinivasan, Chief Engineer, Madras Port Trust; Mr. M. S. Venkataraman, Administrative Officer, Cochin Harbour; Mr. H. P. Oza, Principal Port Officer and Engineer, Bombay State; Captain M. L. Advani, State Port Officer, Mysore State; Mr. C. Sankunni, State Port Officer, Madras State, Mr. L. T. Yettie, State Port Officer, Andhra Pradesh; Mr. G. Madhavan, I.A.S., Secretary to the Government of Kerala; Dr. H. B. Mohanty, ex-officio Additional Secretary to the Government of Orissa, and Commissioner to the Port of Pardip and Mr. S. N. Haji, Bombay representative of shipping interests Mr. I. G. Chacko, Officer on Special Duty (Minor Ports), Department of Transport, will be Member Secretary. The Committee will submit its recommendations before July, 1959.

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XI

COMMERCIAL BANKS IN AUSTRALIA

NOTABLE CHANGE IN ROLE IN POST-WAR YEARS

AS in many countries of the world, the role of commercial banks in Australia during the earlier years of development, particularly up to the thirties of the present century, was largely confined to the acceptance of deposits and providing loans to customers. Banks were the traditional lenders of capital to individuals and companies for development purposes. A notable feature of bank advances in those years, especially to primary producers, was that they were, in theory, repayable at call, but, in practice, they tended to be of a long-term nature depending upon the seasonal requirements of the borrowers. Up to 1939, the Australian banks were the main source of capital to industries. The war and post-war years brought about a significant change in the role of banks from the traditional pattern. The post-war period, in particular, has seen marked changes in the type of business undertaken by the trading banks, an interesting account of which is given in the October *Quarterly Survey* of the Australian and New Zealand Bank Ltd.

The most notable change is that the Central Bank has concentrated consistently on the necessity of the trading banks limiting their activities, as far as reasonably possible, to the supply of working capital, leaving market sources to provide funds for fixed capital purposes. The effect of this development has been to control trading bank liquidity and to limit bank lending to a narrower sector of the capital market, thus encouraging the provision of fixed capital by the market mechanism outside the banking system. Striking a note of warning on the possible danger of such restriction, the *Survey* observes: "While negligible in times of business activity, the dangers could assume significant proportions in periods of business recession. The authorities would be well advised to bear this in mind before pressing too hard for continued restriction of bank lending."

The spread of banking habit has emphasised the growing importance of the account-keeping function of the banking system. To many, the keeping of a bank account provides far more than a convenient method of payment; it carries with it significant ancillary services, the most important of which is the availability of bookkeeping facilities which provide a permanent record of individual transactions. In recent years, banks in Australia have extended their range of services, with a view to attracting more deposits. The new facilities, to mention only a few, are comprehensive travel services, advice on business development, nominee and registrar departments. These are, however, only changes in the internal functions of banks. "There have been other far-reaching changes in the capital market which are causing fundamental readjustments in the banking system, the earliest of which is the growth of hire-purchase finance and the extension of borrowings by the major companies specialising in this form of activity.

The expansion of hire-purchase finance naturally led to a broadening of the activities of the hire-purchase financing houses in the capital market, more so when the Central Bank restricted bank advances for this purpose, with a view to controlling inflationary pressure. By offering to borrow against debentures and similar securities, for varying terms, at relatively attractive rates of interest, the hire-purchase finance companies successfully tapped the growing volume of short-term funds which hitherto had little outlet. However, banks in Australia came to be closely associated with this type of business. Giving an account of this, the A. and N. Bank *Survey* says:

"The reaction of the trading banks to this new set of circumstances, when it came, was definite and to the point. All the major trading banks entered into close association with a hire-purchase institution, by acquiring a share in the capital structure, or, in one case, by establishing a wholly-owned subsidiary. This step was logical. Hire-purchase is a rapidly growing field of activity, closely associated with banking. It is worthy of note that, in the United States, some 40 per cent. of the total hire-purchase business of the country is handled direct by the banks. By maintaining close association with one of the important institutions operating in this field, each bank can ensure that it will retain its share of the funds, which might otherwise drain away from it through transfers from term deposits with the banks to short-term investments with hire-purchase finance houses. Finally, close association with a hire-purchase organisation has enabled the banks to add a further substantial service to the growing list of services offered by them to attract the public."

The second major extension of trading banks' activities in Australia has been into the savings bank field. This is only a natural development. Trading banks in the U.S. and Canada have long been closely associated with savings through their own savings bank departments and this movement has long been delayed in Australia. The savings bank operations are controlled by restrictive clauses in the licences under which new savings banks operate in order to ensure that these banks adhere to the established pattern of savings bank operations.

The latest development, which is likely to affect the Australian banking structure more fundamentally, is the move to establish a discount house system. This system, when completed will, as the A. and N. *Survey* points out, take Australia, in one long stride, from a country with a developing, but still more or less immature, monetary and banking system, to one with a sophisticated financial organisation of the type which has been developed in the older economies of the Western world. Commenting on the prospect of this move, the *Survey* adds:

"The move holds out the prospect of providing a service of considerable importance to the trading banks themselves, as well as mobilising funds for the capital market. Discount houses have, as their objective, the gathering for investment of short-term funds, including even money borrowed on overnight, day-to-day and weekly terms. These are now in Australia the early signs of specialised institutions appearing, such as those operating in the old-established and highly developed money market of London, aimed at tapping all possible resources of short-term, idle funds and ensuring that they will be used to advantage, even though for a matter only of hours.

"There are, however, a number of pre-requisites, which must be fulfilled before such a system could be developed to full maturity and form a major part of the financial mechanism. The most important of these pre-requisites is that the Central Bank must accept, unequivocally, the role of lender of last resort. A highly specialised, short-term money market cannot hope to function properly unless the members of the market have, in the background, a lender to whom they can always turn, if they are faced with the necessity of realising their investments to meet an unexpected calling up of funds placed with them."

Another major step which the A. and N. Bank advocates for the development of the Australian short-term money market, is the issue of Treasury Bills to the public. The issue of these bills has so far been restricted to the Central Bank, which, in turn, will issue them only to the trading banks, when the latter have large surplus funds for investment in these bills. These bills carry interest at the rate of only one per cent. per annum (as against 2.458 per cent. in India at this week's auctions) and their volume fluctuates during the financial year. Explaining the advantages arising out of a broadening of the market for Treasury Bills, the A. and N. Bank observes:

"There is a large volume of Commonwealth bonds maturing in 1958-59. By issuing Treasury Bills and short-dated Commonwealth bonds, it should be possible for the Treasury to convert a relatively large part of the maturing loans to new securities, carrying considerably lower rates of interest than those which would have to be offered for long-term loans. Thus, even though the rate on Treasury Bills would have to be considerably higher than the existing rate, the Treasury may well make an overall saving on the whole transaction.

"There is a further important reason why it would be desirable to broaden the market for Treasury Bills and extend their issue beyond the banking system. Each year, the ebb and flow of Treasury Bills constitutes a problem for the Australian trading banks."

The need for special measures to safeguard the banking system against undue liquidity during the period of heavy tax gathering, such as in the U.S., where in such emergencies the Treasury places funds on deposit with the trading banks, is advocated by the A. and N. Bank. The Bank feels that a short-term money market should be useful in this connection. "There is every reason to expect, as well," the Bank adds, "that, as discount houses become more firmly established in Australia, they will grow increasingly interested in commercial bill transactions. Here, too, it seems probable that they will be able to assist and provide added elasticity to the banking system." But the more important factor in materially influencing the liquidity of the banking system is the technique of making the short-term Government securities available to the discount houses. Elaborating this point, it says:

"If the securities were issued to the discount houses direct by the Central Bank, out of its existing holdings, the cash resources of the trading banks would be reduced, because the discount houses would pay for them by cheques drawn on their own banks, and these would be debited through the Clearings to the accounts of those banks at the Central Bank. From the trading banks' point of view, it would be preferable, if short-term loans to discount houses were to form a part of their investment portfolios, that the Central Bank should agree to these loans being included among L.G.S. assets. If the discount houses buy the desired securities from existing holders, the funds will remain in the banking system, because those holders will pay the proceeds of sales of the securities into their bank accounts."

In conclusion, the Bank points out that, from a long-term point of view, shortage of capital will undoubtedly be one of the major pre-occupations of Australia and any development, such as a short-term money market, which assists in mobilising capital resources, is to be welcomed.

U.K. INVESTMENT IN FIRST HALF OF 1958

Investment in factories, plant and machinery in Britain rose by 3½ per cent. in the first half of this year, as compared with that in the first six months of 1957, according to the quarterly estimates of national income and expenditure published in the October issue of *Economic Trends*. Further key figures of spending and production in the first half of this year compared with the same period a year ago show a decrease of 1 per cent. in production and of 2 per cent. in Government and local authority expenditure, and an increase of 2½ per cent. in purchases of consumer goods and services. All these figures are in real terms, that is, they exclude price changes.

In the second quarter of this year, compared with the same period a year ago, investment in factories, plant and machinery rose by 3 per cent., and wages and salaries were up 4 per cent. (the lowest increase for some years). These quarterly estimates of national income and expenditure, it is pointed out in London, are part of the new series of more up-to-date economic indicators which the Central Statistical Office now issues.

Among the more interesting of the indicators are the facts that the 4 per cent. increase in wages and salaries was the lowest for some years, and that personal saving in the first half of this year was about 11 per cent. of disposable income, which was at approximately the same high level as a year earlier. These two facts give some measure of the success of the Government's policy in checking inflationary trends during the period covered.

AID TO CANADIAN GOLD MINES

A Bill passed recently by the Canadian House of Commons provides for the continuance of cost-aid payments to Canadian gold mines through 1960 and an increase of 25 per cent. in the scale of payments, retroactive to January 1958. The 25 per cent. increase will be aided to the amount of aid computed according to the present formula. This formula provides a cost-aid of two-thirds of the amount by which the cost of production exceeds $26.50 per ounce, and is being granted on two-thirds of the output of all mines whose revenue is derived at least 70 per cent. from gold production. Cost-aid payments have been around $9 million during each of the past three years. Payments in 1958 are estimated at approximately $12 million.

GOLD OUTPUT IN RUSSIA

Gold production in the U.S.S.R. is to be increased by improving methods of production and by mining high-grade deposits which have been kept in reserve for future exploitation. Soviet gold reserves were estimated by the Federal Reserve Bank of New York in 1949 at about $2,625 million, and by Samuel Montagu & Co. early in 1955 at $7 billion. Production in the three-year period 1955-57 is estimated at $1,750 million: as U.S.S.R. gold exports during this period were about $550 million, reserves in 1958 are likely to exceed $8 billion.

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BRITISH TEXTILE MACHINERY INDUSTRY

SOME LATEST DEVELOPMENTS

By A. Tayler

THE most important event of 1958 for Britain's textile machinery industry is the *Textile Recorder* International Exhibition of Textile Machinery and Accessories, at Belle Vue, Manchester, held from 15th to 25th October. Taking part in the event were 350 exhibitors from 14 countries, occupying more than 150,000 sq. ft. of exhibiting space. Machinery, accessories and ancillary equipment for every section of the textile industry, other than knitting machinery, were displayed, including many entirely new machines manufactured in the United Kingdom.

One of the most interesting exhibits in the machines for the preparatory and spinning section of the industry was the "Clean-o-matic" blowroom line. This new machine comprises a completely new blowroom line, specially designed to produce laps of maximum openness, cleanliness and regularity. Interesting features are automatic doffing, automatic waste removal, pressure lubrication and electro-magnetic control. The hopper opener, developed by Tweedales and Smalley Ltd. in conjunction with the British Cotton Industry Research Association, is a new approach to the problems of pre-opening and pre-cleaning cotton. Embodying many modern engineering developments, this blowroom line provides trouble-free running, better working conditions for the operative and lower wage costs.

The "Hartford" high-production combing machine, developed by Platt Brothers (Sales) Ltd., is a six-head machine with an output of up to 44 lbs. per hour. Laps of 20 to 40 pennyweights may be processed and slivers of 40 to 60 grains per yard produced with either single coiling or bi-coiling. Excellent fibre fractionation, two-over-one drafting at the draw box, master settings for nipper and top combs, automatic lubrication and sensitive stop motions, are some of the features of this machine which has been designed for operational simplicity and reduced maintenance.

"New Bradford" System for Worsted

Developments in worsted drawing and spinning were featured in the exhibit of Prince-Smith and Stells Ltd. The full range of machines in their "New Bradford" system comprises a Raper autoleveller intersecting gill with delivery into large diameter coiler can, a Raper autoleveller drawbox, 10¼-in. pitch with 14-in. by 7-in. bobbins, and a drawing finisher of 8-in. pitch with 10-in. by 5-in. bobbins. With this system of only three operations, level rovings are produced for "Ambler Superdraft" spinning.

Also demonstrated by this maker was the "Megaflex"—Ambler "Superdraft" ring spinning frame, model K.M.F.2, a 3¾-in. pitch, large package-ring spinning machine incorporating Ambler "Superdraft" and embodying the latest design improvements—including automatic underwinding. The machine employs the "New Bradford" system for weaving and hosiery yarns. The Ambler "Superdraft" spinning is the only method enabling the full count range to be spun from one roving weight.

A new sizing unit from Joseph Hibbert and Company, Ltd., seen by the trade for the first time, has been developed with a view to simplicity of operation, ease of maintenance and high-production potential considerations. It comprises three units, a model A4 headstock (28-in. diameter beam), a multi-can drier (63 in. on face of can), and a 56-in. double roller size applicator.

The new type headstock incorporates a patented mechanical drive, which provides a constant predetermined tension throughout the build-up of the beam, operating over a ratio of bare barrel diameter to full diameter of up to 1:5.5, and supplied to work with bare barrel diameter from 4 in. to 5 in., 5 in. to 6 in., and so on.

The only electrical equipment is a squirrel-cage motor and its associated control gear. A hydraulic variable-speed gear is employed to control the machine speed and provide any winding speed within the range of 0 to 100 yds. per minute.

Shirley Automatic Loom

Several of the machines displayed at the exhibition owe their origin to Britain's textile research institutes. Of particular interest is the Shirley automatic loom which has been developed by the British Cotton Industry Association in collaboration with the well-known firm of Wilson and Longbottom Ltd.

This is undoubtedly a machine of outstanding interest and of completely new design, being intended primarily, but not exclusively, for weaving a wide range of filament man-made fibre yarns. The loom has a 48-in. reed space and is equipped with a 16 shaft, fully positive, low-built dobby and a two-box weft mixing motion with stationary battery. Among new refinements is a much improved and simplified picking mechanism and a special pneumatic picking stick buffer motion. Suction weft control enables low weft tensions to be used without danger of slack picks arising—a feature of particular importance in the weaving of delicate and fine wefts.

Another improvement is the cloth take-up motion with optional extended roller. The loom sides are of the box type in which are contained the majority of the loom mechanisms; another feature of the machine is the late operating centre weft fork. This United Kingdom loom is covered by more than 60 world-wide patents.

To demonstrate the principles and possibilities of fluid bed drying machines, a development which is the outcome of extensive research in the British Royal Research Association's laboratories, four exhibits had been arranged.

One of them was a pilot plant fluid bed drying machine, in which the steam-heated fluid bed was shown drying a fabric 12-in. wide. The function of the exhibit—which is not commercially available—was to demonstrate the good heat-transfer properties of fluid beds.

Then there was a pilot plant double-pass fluid bed which demonstrated another possible design of fluid bed machines.

The third exhibit was a small open fluid bed, showing the physical and mechanical properties of fluid beds of small particles.

The fourth item was a demonstration piece showing the comparative heat transfer properties of air and a fluid bed.

As is well known, the firm of Standfast Dyers and Printers Ltd., has become famous for its molten metal dyeing inventions. On the firm's stand were two machines. One was a single-strand, patent, continuous molten metal vat dyeing range for narrow fabrics up to 1¼ in. wide. Designed for the dyeing of tapes and ribbons in fast colours, the machine also offers facilities for quick change of shade. For bulk lots, a multi-strand machine is available which will dye up to 12 strands simultaneously.

Also to be seen was a combined padding and molten metal dyeing machine for the determination of dye recipes for use on the continuous dyeing ranges. This permits dye solutions to be made up in anticipation of the requirements of the large machines, which can thereby be maintained in continuous operation.

INCENTIVES FOR TEXTILE EXPORT

A scheme providing for incentives to textile exporting mills and handloom co-operatives was announced by the Government of India last week. Under the scheme, special licences will be issued to the exporting mills upto a certain percentage of the export earnings for import of dyes and chemicals. A substantial amount, it is stated, will also be made available to mills for modernising their machinery, provided they are able to obtain this machinery on deferred payments, spread over five years. The mills will have to give an undertaking for improving the quality of their manufacture and for increasing their exports.

As regards raw cotton, the official announcement said that it would continue to be licensed as hitherto. But a certain proportion of it would be allowed to be imported by exporting mills direct subject to such conditions as might be prescribed by the Textile Commissioner.

The announcement said that mills exporting cotton textiles and yarn would be granted licences for import of coal-tar dyes, textile chemicals and gums, specified in the import licensing notification. Licences would be issued on the following basis:

(1) Against exports of grey cloth or yarn upto four per cent. of the f.o.b. value of exports and upto eight per cent. of the value in the case of exports to the U.S., West Germany and Scandinavian countries;

(2) against exports of dyed or processed cloth upto six per cent. of the f.o.b. value of the exports and upto eight per cent. in the case of exports to the U.S., West Germany or Scandinavian countries.

The All-India Handloom Fabric Society, the State apex societies of handloom weavers and other co-operative organisations dealing with weavers, would be granted licences for the import of cotton yarn of counts 100 or above and of textile dyes specified in the annexure to the public notice equal to 10 per cent. of the f.o.b. value of the exports of handloom cloth. Licences would be granted only once in a quarter on the basis of exports affected in the preceding quarter and will be subject to the conditions applicable to actual users' licences.

As regards the import of textile machinery for spinning yarn, for weaving cloth or for processing and finishing the woven products, licences would be granted to such mills exporting cloth or yarn which give an undertaking to the Textile Commissioner, Bombay, for improving the quality of their manufacture and for increasing their exports. The textile machinery intended for modernisation and/or rehabilitation of the productive equipment in the mill, would be allowed subject to the condition that the prior approval of the Textile Commissioner is obtained as regards the type or kind of the machinery sought to be imported.

The machinery would be allowed to be imported from any country in the dollar and soft currency areas against deferred payment terms on the basis that not more than 20 per cent. of the cost of the machinery would be allowed to be paid in cash of the five years following the issue of the licence. Such machinery could also be allowed to be imported from the U.S. against the Export-Import Bank loan subject to such conditions as might be prescribed from time to time under the Export-Import Bank programmes.

Automatic looms of a type of quality not at present in indigenous production, would be allowed to be imported under the above scheme. Where the looms were intended for replacement, they would be allowed to be imported subject to such conditions as might be prescribed by the Government from time to time. If such automatic looms were required for installation in addition to existing looms, then import would be allowed subject to the fulfilment of the conditions mentioned above, and in addition, an undertaking to the effect that the entire production from the additional automatic looms would be exported in addition to at least 50 per cent. of exports made by the applicant mill in any of the three years, 1954, 1955 or 1956.

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PROSPECT OF AID TO COTTON MILL INDUSTRY

LIVERPOOL MARKET HELD AN ANACHRONISM

From A Special Correspondent

MANCHESTER, 28th October

MANCHESTER LETTER

TRADE union leaders in the Lancashire cotton industry decided to summon a special meeting of delegates representing more than 200,000 cotton workers immediately a report is received from the Cotton Board on the outcome of the negotiations now in progress with Hong Kong on the question of textile shipments to the United Kingdom. This was announced by Mr. James Milhench, Secretary of the United Textile Factory Workers' Association, after a meeting at Manchester.

The trade union leaders will then decide what further action is called for on the part of the unions. Officials at the meeting refused to comment on the voluntary limit reported to have been submitted to the Cotton Board delegation by the Hong Kong industry.

Meanwhile, the mists have closed down again on the negotiations after a further meeting of the consultative committee, sponsored by the Cotton Board which authorised the three former negotiators to continue their discussions with Hong Kong. Lord Rochdale, Chairman of the Cotton Board, would disclose no details of the arrangements except that they would be continued at long range. It is understood that there is no intention of resuming direct conversations with textile leaders in the Far East. Speculation on the developments has been widespread in the mill towns but it seems the cloud of secrecy will encompass any further exchange of cables for some little time ahead.

Aid at Last?

Whatever the outcome of the further negotiations, Lancashire traders did get a crumb of comfort from the Prime Minister during the course of questions he answered following his speech at the Cotton Board's conference. Mr. Macmillan did not preclude financial assistance to the industry.

A speaker drew his attention to the help being offered to the shipbuilding industry in the shape of tax concessions under certain conditions. Could the cotton industry hope for similar treatment, he asked, especially if spinners and weavers scrapped their old machinery and made every effort to raise their efficiency. The Prime Minister's answer was encouraging. Without assuming the mantle of the Chancellor of the Exchequer, he suggested that an approach should be made to the Government urging that tax concessions should be accorded to those industries which could make out a case for special treatment.

Alternatively, direct Government aid could be sought to finance reorganisation schemes and internal re-arrangement within an industry. If such an appeal was put forward, the Premier promised, it would receive the Government's careful and sympathetic consideration.

Liverpool's Future

Amid the welter of words which invariably arises from any conference which lasts for a full week-end, certain aspects of the topics under review must get submerged in the discussion of particular problems. The imported cloth situation so dominated the recent conference at Harrogate that even Mr. W. T. Winterbottom's scheme to "cut out the dead wood" had to play second fiddle.

Another part of his paper created interest in some directions but was overlooked by many of those who were engaged in the producing and processing branches. This referred to the future of raw cotton marketing in this country, about which there was keen and uncompromising controversy up to a few years ago.

It has become increasingly clear that many sectors of the industry now regard the Liverpool Cotton Market as an anachronism. Hints have been thrown out that the system of operating futures markets no longer fits in with current conditions and despite all the efforts of the Liverpool Cotton Association the position of raw cotton trading has declined noticeably over the past 12 months. Mr. Winterbottom referred to the economic importance of the raw material to producer countries which had made Government interference in prices and marketing almost universal.

Mr. Winterbottom said: "In sharp contrast to this state of confusion is the outstanding simplicity of trade in man-made fibres." He added: "Prices are stable over long periods and supplies are available with complete regularity without the need for carrying large stocks. Unless Government interference with the marketing of cotton, especially in the United States, Egypt and the Sudan, becomes more practical and realistic, this trend is bound to continue. Then perhaps some means can be found to provide adequate hedging facilities."

Alternative Procedure

The sharply contracting industry in Lancashire was scarcely in need of a futures market of the size in operation before the war, Mr. Winterbottom continued. The only satisfactory hedge against fluctuations in raw cotton prices was a healthy order book and post-war experience had suggested that a spot stock of cotton was no longer essential for trading conditions in which spinners and manufacturers had few orders.

The alternative, already practised under the post-war Labour Government, was the establishment of a Raw Cotton Commission, whose revival has already been advocated by Mr. Harold Wilson, M.P., in his "Plan for Cotton." To this, Mr. Winterbottom replied: "It is high time that this idea was exploded and that energies were devoted to looking over other alternatives."

Other European countries, he pointed out, were supporting cotton industries at least as prosperous as that in Britain without the help of their own futures market or of State buying. The one that looked most helpful to him was that used in France where the Inland Revenue Authorities allowed profits on raw cotton price fluctuations in one year to be carried forward and set against losses in future years. Over a period these speculative profits and losses would cancel each other out, he asserted.

It could hardly be expected that these comments would be received without some justifiable alarm by members connected with raw cotton affairs who attended the conference. Several speakers urged some clarification of his views and were unconvinced that either futures or spot markets could be withdrawn without creating a vacuum adversely affecting the spinning and weaving trades. Both Sir Cuthbert Clegg and Col. Whitehead agreed that the provision of a spot market was most desirable, although it was admitted that the larger combines could carry on more effectively without such facilities than the smaller units in the industry.

A Losing Battle

It was generally accepted, however, that the current situation, particularly in the United States, was the major factor in restricting the activities of raw cotton markets both here and abroad and that, while existing policies were pursued, the markets were fighting a losing battle.

As an indication of the problems involved, some raw cotton experts in Liverpool have had to discontinue their classes for trainees which have been in progress each week since 1951. Their confidence that the market would be reopened was justified but in the ensuing years the situation has so deteriorated that the number of men ready to learn the intricacies of raw cotton trading has declined to a marked extent.

Trade chiefs in another section of the Lancashire textile industry are wondering how to scale down their plant as trade tapers off. This time it is the finishers—they dye, bleach and print the textiles the spinning and weaving mills produce—who are taking a closer look at their future size.

Mr. Roger Lee, Chairman of the Calico Printers' Association, called the trade to action last week. "I suggest that urgent action must be taken by all sections of the finishing trade to deal with this problem of redundancy," he told the annual meeting in Manchester. He added: "We are not proposing to deal with this problem alone. But we are willing and anxious to co-operate with other firms in both the calico printing and dyeing industries."

Two months ago, the Association shut the printing section of its Broad Oak works employing 350 workers at Accrington—"one of the greatest tragedies we have had to face," said Mr. Lee. He explained after the meeting that the Association would be putting forward a concrete scheme for gradually dealing with the redundant plant in the textile finishing trade which would eventually mean more economic textile printing.—*All Rights Reserved.*

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STRUCTURAL PROBLEMS FACING G.A.T.T.

NEED FOR RELAXING CURBS ON EXPORTS FROM UNDERDEVELOPED COUNTRIES

THE General Agreement on Tariffs and Trade (G.A.T.T.) has, during the short span of its existence of well over a decade, become a major force to be reckoned with in the realm of international trade. By endeavouring to safeguard the post-war world from relapsing into destructive and discriminatory national economic policies, it has filled a great need. It has furnished a uniform code of conduct for the constituent members, serving as a guide to commercial policies. The General Agreement has, thus, sought to dedicate itself to the task of strengthening and stabilising world trade by providing an instrument of co-operation, based on empirical methods. Further, it has tackled strange, and often complex, problems in a fast changing world. The pattern of world trade itself tends to change, giving rise to knotty structural problems. For instance, the various schemes for regional alliances currently being worked out and the restrictive import policies pursued by certain countries are bound to have considerable influence on the nature and growth of international trade. Appropriately enough, Mr. L. K. Jha, Chairman of the Contracting Parties of the G.A.T.T., in his opening speech at its plenary meeting held at Geneva recently, drew pointed attention to the new challenges—both political and economic—which the organisation has to face at present.

Mr. Jha made particular reference to the Treaty of Rome, which conceives the evolution of a common market for six European countries. It appeared to be an energetic move towards liberalisation of trade for which the G.A.T.T. had always stood. He hastened to add, however, that a good deal of concern had been expressed about the possible impact of the application of some of the provisions of this Treaty on the trade of countries outside the Six. He pointed out that these six countries had given assurance that it was their intention to contribute to the expansion of trade generally and, therefore, they looked forward to taking a vigorous part in the activities of the G.A.T.T. directed towards this end. It is gratifying to note that these countries have agreed to consult the G.A.T.T. about the problems that will crop up as the Common Market begins to be realised.

Regional Developments

Mr. Jha also referred to the similar movement towards the regional liberalisation of trade through the initiation of discussion among a broader group of European countries to form a Free Trade Area, and such other movements developing in other regions. As he pertinently observed, these important steps in the direction of freeing trade must be accompanied by a vigorous pursuit of the efforts of the G.A.T.T. towards the liberalisation of trade in its broader framework. Apparently, the harmonisation of regional and broader programmes which is engaging the attention of the G.A.T.T. is a move in this direction. Such efforts, according to him, will lead to a climate of expansion which will facilitate adjustments necessary to take account of the various developments towards regional organisations.

Another important matter with which he dealt at some length was the failure of the less developed countries to develop their trade as rapidly as the more advanced nations and to keep pace with their own growing needs. In this connection, he said:

"Very substantial efforts are being made in various international organisations to promote and assist this process and to bring about a flow of capital and skills which are essential to it. It remains, however, a hard fact that the success of this effort depends to a very large degree on the ability of the less developed countries to expand their exports, and thus increase their earnings of the foreign exchange needed to finance the growing volume of imports. The efforts of the less developed countries themselves will be unavailing unless other countries, and especially the highly industrialised countries, are sensitive to the urgent necessities of those less favourably placed, and endeavour in their own policies to facilitate, so far as lies in their power, the export trade of the less developed countries. Whilst I cite this as a necessity in the name of economic development, we should not forget that this is also a policy in the enlightened self-interest of the industrial areas themselves, since the developing countries are in themselves important markets and offer the brightest promise for continuous expansion in the future."

Speaking about the recession in the U.S.A., which has now subsided, he considered it legitimate to claim some credit for the G.A.T.T. that "on more than one occasion when there has been a threat of a recession there has been no general intensification of restriction on imports." At any rate, there have been certain developments, especially in the case of non-ferrous metals, which give room for anxiety. The instability in the commodity markets, often reflecting the slowing down of activity in the industrial countries, compels the primary producing countries to introduce certain restrictions. In this connection, Mr. Jha observed:

".... Then again one must not forget that a decline in business activity in a major industrial country even when it is not accompanied by an increase in import restrictions can and does have serious effects on the world outside and reduces the export earnings of many countries, particularly primary producers. If, as a result, any country gets into serious difficulties, not only does it have to take action to restrict its imports, but it also might resort to short-term remedies of doubtful value. Thus, some countries are driven to bilateral arrangements in an effort to sustain exports and to provide for the imports essential to the economy. Then again in such a situation, nations often turn to the grant of subsidies and other similar devices in the hope of improving their export trade. The fact that many countries are outside the G.A.T.T. and not subject to its discipline makes the temptation for seeking such remedies even stronger. It is, for these reasons, of the utmost importance from the point of view of all of us that we should apply our minds to the special problems of trade in primary products, particularly its instability. It is, I think, a mistake to imagine that this instability affects the trade of the primary producers only. Their partners in trade are also equally though less obviously affected."

Agricultural and Food Products

Another problem that confronts the G.A.T.T. is the tendency on the part of many countries to disregard its provisions in respect of trade in agricultural and food products. For reasons which are well known, most countries feel a need to take special measures for the protection of agriculture. Mr. Jha is of the opinion that unless G.A.T.T. can find a *modus vivendi* which is acceptable both to countries relying heavily on exports of agricultural products as well as to the industrialised nations, "the prospect of maintaining a world-wide multilateral trading system is doomed."

While the broad contours of the structural problems in world trade are thus set out in the Chairman's speech, a detailed picture of how these problems affect particularly the underdeveloped economies is brought out in a subsequent speech by Mr. N. Kanungo, Minister of Commerce of India and the leader of the Indian delegation. He concentrated his attention on the line of policy and action which should be pursued to accelerate the pace of economic development in these countries. He hoped that, as in other international conferences, the Contracting Parties of the G.A.T.T. would agree upon policies affecting trade which would give underdeveloped countries "a chance to survive." Almost all the underdeveloped countries had to face serious balance of payments crisis, when they set about increasing investment in their respective countries. This was aggravated by the unfavourable terms of trade. A lasting solution would have to be found by stepping up exports from underdeveloped countries. Discussing this question, Mr. Kanungo said:

"Countries in the course of economic development have a chronic tendency to run into difficulties of balance of payments. This is because, for their development programmes, they must rely heavily on imports of capital goods as well as techniques. Another factor is the upsurge in demand for all kinds of things, which follow the slightest increase in national income and which must, until domestic production goes up, be met by imports if a serious inflation is not to result therefrom. Under Article XVIII of the G.A.T.T., this problem has been specifically recognised. The same article also draws attention to a contributory factor in the balance of payments difficulties of underdeveloped countries, namely, the instability in their terms of trade. This results from the violent fluctuations to which commodity prices are subject. A solution which Article XVIII has to offer is of a negative kind. The permission to restrict imports, though essential, only results in a shrinking of world trade rather than its expansion which is what the G.A.T.T. stands for. A real solution should be sought through measures which will increase the exports of underdeveloped countries rather than through steps to enable them to curtail their imports."

Mr. Kanungo sought to highlight the fact that the quantitative restrictions on trade imposed by the advanced countries still continued to hamper and limit the volume of exports to these countries from the underdeveloped countries. The advanced countries had been generous enough to help the latter countries, particularly in financing their development programmes. It was not too much to ask of them that they should not prevent the less developed countries from earning what they could from their meagre exports. Stressing the need for eliminating such restrictive measures, he observed:

"I appreciate that these restrictions are the result of a desire to protect their domestic industry. We cannot obviously question their right to do so. But there are two points which I must make. First of all, protection through quantitative restrictions is not permissible under the G.A.T.T. Time and again, our near neighbour, Ceylon, has come to the Contracting Parties to get special authority to impose quantitative restrictions in order to help her young industries. If countries in Europe and America, rely on this form of protection for industries, in which they were the pioneers, the whole basis of the General Agreement is undermined.

"The second observation that I would permit myself is that by protecting these industries in this fashion, they are in effect preventing the expansion of their capital goods industries. For, if we could earn more by exporting cotton textiles, jute fabrics and other similar products to Europe, we could import even more of plant and machinery. It is this exchange of goods, and the belief that it leads to greater prosperity which is the very foundation of the General Agreement. I recognise that problems of transition will arise. We should certainly think of ways and means of making the process less painful. But, to attempt to resist such change is in fact to prevent the expansion of international trade and to slow down the process of economic development. In any event, I do hope that when governments in the more prosperous parts of the world find themselves moved by the possible short-term distress which the shrinking of an old established industry might cause, they would not forget the conditions in which the vast majority of human beings are still living in the twentieth century while determining their domestic policies."

Many of the impediments which the underdeveloped countries face in the expansion of their export trade, according to Mr. Kanungo, arose not from the desire of the more advanced nations to help their domestic industry but because of the pursuit of traditional lines of fiscal and revenue policy. Referring to effects of high taxes on tropical foodstuffs and beverages on the economies of underdeveloped countries, Mr. Kanungo said:

"These high duties on tea, coffee and sugar inhibit their consumption and reduce the export earnings from them. I have been told that one of the difficulties in the way of the more advanced nations investing enough in the underdeveloped countries is the high and rising level of domestic consumption. I accept this point as legitimate. But I would urge that if domestic consumption in the advanced countries has to be curtailed, it should not be of the products on which the underdeveloped nations are so much dependent. These duties are not negotiable under the G.A.T.T., but a reduction in them is very necessary if international trade between the developed and underdeveloped countries is to be balanced at higher rather than lower levels.

"I would, therefore, hope that this meeting of Ministers will agree that as a matter of general policy, the developed countries should facilitate the export of goods—whether they are manufactured articles or raw materials, agricultural products or mineral—from the less developed areas of the world and that they should review their policies of protection to domestic industry and taxation of the domestic consumer, with due regard to the advantages, economic, social and political, to the world as a whole, of an improvement in the low standards of living in the underdeveloped countries."

Unfair Competition

Alluding to the various unfair means of competition still adopted by a few countries in the world, Mr. Kanungo observed:

"We have, in our thinking on the subject, always made a distinction between competition from a country whose costs of production are low and competition which is based on unfair commercial practices. We wonder that the former, whether it is due to cheap labour or to more efficient machinery or more economic production of raw materials is a form of fair competition, against which no discriminatory measures can be taken. On the other hand, when exports are pushed without regard to domestic costs merely for the sake of capturing a particular market or earning a particular currency, then a situation arises in which goods can be said to be sold at artificially distorted prices to which the point made by my colleague from Germany could legitimately apply. There is in the world today growing evidence of competition of this kind. In the main, it arises outside the countries which belong to the G.A.T.T., but it nevertheless affects our trade in the most serious way. While measures can be taken in such circumstances to protect domestic industries in the domestic market, third countries naturally turn to the cheapest source of supply with some enthu-

(Continued on page 781)

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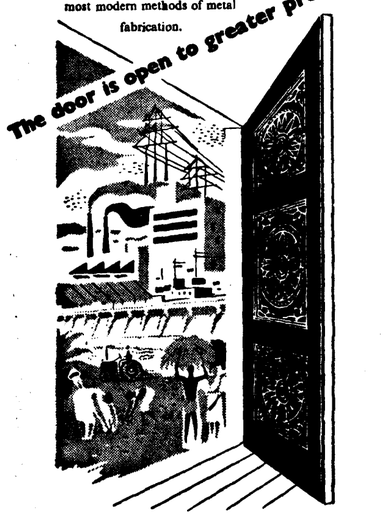

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INTERNATIONAL SUGAR AGREEMENT

BRAZIL, PERU AND INDIA JOIN

THE thirty-three-day deliberations of the International Sugar Conference, convened under the auspices of the United Nations and held in Geneva, concluded on 24th October last, after adopting unanimously the 48-article International Agreement for regulating world sugar prices through a system of export quota. This agreement will replace the existing one, due to expire at the end of December 1958, and will remain in force for a further period of five years. The new agreement is, in principle, the same as that of the current one and even maintains the existing level of prices at which the quota system will operate. The negotiations, which resulted in the signing of the new agreement, were mainly devoted to ensuring the maintenance of the existing quotas among the present producer-members. If, however, there is an expansion of world trade as a result of new importers joining the agreement, the expansion should, according to the agreement reached at the Conference, be shared by new exporters who join the agreement.

There are, however, some distinguishing features in the new agreement, the most important being that it covers a wider area, following the accession of Brazil, Peru and India as new members to the agreement. These three countries are not signatories to the existing one. Thus, the efforts of the members of the current agreement to include Brazil and Peru, two of the major exporters of sugar in the world, accounting as they did in 1957 for 800,000 tons of the world supplies to the free market, have been successful. It is claimed that the absence of these two countries, as well as some others, which supplied no less than 1.8 million tons in the aggregate, or 29 per cent. of the total, to the free market last year, was mainly responsible for the unsuccessful working of the 1954 agreement, due to expire at the end of 1958.

It will be recalled that the existing agreement, before it was amended in 1956, provided for the regulation of exports from producing countries, with a view to keeping the world price within the range of 3.25 to 4.35 cents per lb. This was to be achieved by estimating the world requirements and fixing each year initial export quotas that would be in line with the estimated requirements. These export quotas would be modified in accordance with price movements in the markets. This stabilisation mechanism worked successfully for about two years until November 1956, with prices being maintained around the floor of 3.25 cents. There was a decline in world stocks from 13.9 million tons to 12 million tons, thus eliminating what was considered to be surplus stocks. At the same time, world consumption rose from 36 million to 41 million tons.

From November 1956 onwards prices began to harden, mainly on account of the Suez incident. The International Sugar Agreement was amended, replacing the price ranges by a provision for automatic quota adjustments at points within the price range of 3.12 cents to 4 cents. It was also stipulated that all quotas and limitations on exports should become inoperative, should the price cross 4 cents per lb. In the meantime, the price reached a peak of 6.85 cents per lb. in April 1957 and remained at about that level till July 1957. However, by the time the amended sugar agreement came into force, the demand and supply position had changed markedly in favour of buyers and the free market prices had begun to fall steadily. The downward trend continued till February 1958 after which prices began to stabilise at about 3.50 cents per lb. The participation of Brazil and Peru to the new agreement should, it is hoped, contribute a great deal to the stabilisation of world prices.

As already pointed out, there has been no change in the level of prices at which the quota system will operate. Explaining the reason for keeping the price level unchanged, the Chairman of the Conference, Mr. Eric Roll of the British Board of Trade, said that a short-term view of the high prices reached in 1957 might have warranted a change in the ceiling price. However, a long-term consideration of the market fluctuations justified the intervening price levels remaining unchanged. A new element has, however, been introduced in the price mechanism. This is as follows:

"When the prevailing price exceeds 3.75 cents pound, the Sugar Council will meet to consider the market situation and to take appropriate action. In the absence of an agreement by the Council on the action to be taken, the quotas in effect shall be increased by 2½ per cent. If, after action decided by the Council has been taken, or if after the quotas are increased by 2½ per cent., the prevailing price still continues above 3.75 cents, then the Council will meet again for further consideration. When the prevailing price falls below 3.75 cents the quotas shall be restored to the level at which they were before the above-mentioned increase.

"If the prevailing price is below 3.25 cents, the quotas shall be reduced by 2½ per cent. and the Council will meet within seven days to decide whether any further reduction shall be made. If they cannot agree, the percentage of the reduction shall be raised to 5 per cent. provided that reductions do not take the quotas below 90 per cent. of the basic export tonnages, unless the prevailing price is below 3.15 cents, in which case further reduction may be made."

The main object of the aforesaid arrangement is clear. It is to make the agreement more effective than it has been so far by taking appropriate steps for regulating the flow of the commodity into world trade. The new levels at which certain action has to be taken are something like warning bells. If the warning is not heeded, the automatic provisions built into the agreement will operate. With this safety device and with the inclusion of two more important producers, the new agreement promises to fare better than the one due to expire shortly.

In order that the market regulated by this agreement should be better equipped to face situations of scarcity, the immediate stocks to be held by the producing countries have been raised from 10 to 12½ per cent. of the annual production. The maximum allowed is 20 per cent.

A new article has been added to the agreement which provides for multilateral arrangements.

As already stated, India is a new member of the Sugar Agreement and has been allocated an export quota of 100,000 tons. The following are the basic export quotas for the first three years:

Country	Quota Tons	Country	Quota Tons
Belgium (including Belgium Congo) ..	55,000	India	100,000
Brazil	550,000	Indonesia	850,000
Colombia	5,000	Italy	20,000
Cuba	2,415,000	Mexico	75,000
Czechoslovakia ..	275,000	Netherlands ..	40,000
Denmark	75,000	Peru	490,000
Dominican Republic ..	655,000	Philippines ..	25,000
East Germany ..	150,000	Portugal (including overseas territories	20,000
Formosa	655,000	Poland	220,000
France	20,000	Turkey	10,000
Haiti	45,000	Soviet Union ..	200,000
Hungary	40,000		

India has become a signatory to the World Sugar Agreement not because it has surplus sugar to export, nor are its exports going to influence world prices. It has forced itself to become an exporter on a small scale, just to earn some foreign exchange. Even to export a few thousand tons it has had to sacrifice a sizable amount of internal resources. Further, it is doubtful whether India will be able to utilise even its full quota of 100,000 tons. For its average cost of production is much higher than world prices. Even the maximum price of 4 cents per lb. is not high enough to enable India to export sugar except at a loss. The only helpful factor is that the likelihood of a further depression in world prices is less than in the past, thanks to the coming in of Brazil and Peru, which, together with the leading exporter of sugar in the world, namely, Cuba, account for more than 50 per cent. of the total world export quota.

SUGAR PRODUCTION AND STOCKS

The total sugar production in India up to 30th September, 1958, according to the Indian Sugar Mills Association, was 1,972,000 tons, as against 2,024,000 tons during the corresponding period of last season.

The offtake of sugar from factories during the month of September 1958 was 190,000 tons (including despatches for exports), as against 143,000 tons (including despatches for exports) during the corresponding period last season. This brings the total despatches from factories upto 30th September 1958 to 1,895,000 tons, as against 1,942,000 tons (including despatches for exports) during the same period last season.

The total closing stock of sugar with factories on 30th September 1958, was 517,000 tons, as against 624,000 tons on the same date last season.

RELEASE OF SUGAR FOR SALE IN FREE MARKET

The Government of India has released a further quantity of 165,000 tons sugar for sale in the free market from 1957-58 season's production.

In case of factories in U.P., North Bihar and Punjab, the sales are to be effected at prices not higher than the ex-factory price fixed in the Government of India notification dated 30th July 1958.

COAL INDUSTRY IN THIRD PLAN

ASSESSMENT OF TECHNICAL PERSONNEL

MANPOWER has been rightly described as a nation's first resource; much more so is technical manpower. This does not belittle the importance of material resources. In fact, the Planning Commission, while drawing up the second Five-year Plan, had realised that effective utilisation of material and human resources was of vital significance in planning. It was also conscious of the fact that, in order to achieve the requisite tempo of development, it was essential that the task of matching human resources, on the one hand, with material resources, on the other, should be taken up with as much precision as may be possible. The need for assessing requirements and availabilities of technical personnel was keenly felt in 1953 when it was found that the employment situation had deteriorated and at the same time, non-availability of sufficient technical manpower came in the way of expanding employment opportunities. An effort in this direction was made earlier by the Scientific Manpower Committee, but its assessment had been made before the first Five-year Plan was drawn up. As the first Plan progressed, its provisions relating to the facilities for training in different fields were further enlarged, resulting in an improvement in the situation at the beginning of the second Plan.

During the second Five-year Plan period, steps were no doubt taken to meet shortages of manpower at supervisory levels, to organise apprenticeship schemes of training on a large scale in the public and private enterprises and to extend training facilities in business management in universities and other institutions. Despite these efforts, it is common knowledge that there is a shortage of technical manpower in the country, which along with the paucity of other material resources, is retarding the progress of the second Plan. So far as the mining industry is concerned, an acute shortage of mine surveyors and managers is being felt. Unless something is done urgently to train larger numbers, the shortage of technical personnel is bound to interfere with the implementation of mineral plans. But this needs a proper assessment of the country's requirements well ahead of the actual utilisation of such manpower.

The Production and Preparation Committee of the Coal Council of India has, therefore, done well in taking steps to assess, much in advance, the technical and other manpower requirements during the third Five-year Plan. The Committee's assessment is based on the tentative target of 100 million tons of coal production fixed for the next Plan. The additional production of 40 million tons during the third Plan period will come mostly from 120 new mines that are proposed to be opened. Of this, 14.5 million tons will come from open cast mines and 25.5 million tons from underground ones. In order to handle this additional production, the Committee estimates that no less than 3,000 additional mine managers will be required by the end of 1965-66.

According to the Committee, 150 drills will be required for the third Plan period. To man these drills about 132 geologists and 2,070 drilling engineers and other personnel will be necessary. The Committee believes that recruitment and training of these personnel will not present any serious problem. Further, it has estimated that 4,120 engineering personnel are required, besides 470 graduate engineers and 3,610 supervisors. These technical personnel will be needed for purposes of coal production alone.

There is another section of the industry, namely, coal washeries, which requires separate class of engineers, whose services will be required in an increasing measure. The coal preparation engineers, as they are called, who are to take charge of the washeries, can, it is stated, be selected from mechanical engineers or mining engineers and should be given a course of intensive training abroad, as facilities for such training in India are meagre. The Committee estimates that about 60 coal preparation engineers and about 300 supervisors will be needed by 1965-66. Besides, the Committee says, about 13,200 junior technical personnel, that is, surveyors, overmen, sirdars, shot-firers, etc., will be needed.

As regards the requirements of lower technical personnel, out of the 14 training centres recommended in 1955, arrange-

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DISPUTE IN KERALA PLANTATIONS

CONCILIATORY TALKS ADJOURNED—BRITISH PLANTERS' IMPRESSIONS

THE talks between the representatives of the plantation industry in Kerala and those of the workers' unions, in regard to the dispute in the industry, held in Ernakulam on 31st October and 1st November, under the auspices of Mr. T. V. Thomas, Labour Minister of the State, proved inconclusive. It was decided that the discussions on the disputed issues, namely, increased bonus for 1957 over and above the 4 per cent. already paid by the managements and other demands of labour—a list of the main demands was given in our previous issue—should be resumed on 6th inst. Meanwhile, a three-member Committee, consisting of the Labour Minister and a representative each of the planters and workers, will make a sample scrutiny of the trading results of ten plantation companies, five suggested by employers and five suggested by employees. A factual statement will be prepared and a discussion will be initiated on 6th inst. This scrutiny is for the purpose of discussing the question of bonus. The other outstanding issues will also be taken up for discussion on the 6th inst. and, if possible, an overall statement covering a period of three years will be made. This suggestion made by the Labour Minister was unanimously accepted by both the planters and workers. The resumption of conciliatory talks on the 6th inst. would mean that the suspension period of the strike would be extended till the talks yield some result.

British Planters' Views

Despite the suspension of the strike, the situation in the High Range is said to be tense. Reports of scuffles between the erstwhile strikers and workers in other estates and sabotage continue to come in. If the present conciliatory talks are to succeed, the Government should take steps to maintain law and order in the estates and to ensure safety of life and property. It will be interesting to record, in this connection, the impressions of three Directors of the English and Scottish Joint Co-operative Wholesale Society Ltd., U.K., who have just made an on-the-spot study of the situation in Kerala plantations. They were on a month's visit to India, inspecting the tea estates and other properties in Assam, Madras and Kerala States, and have left for Ceylon, where they are expected to make a similar inspection of the properties in that island.

In the course of a Press note issued on the eve of their departure to Ceylon, the three Directors expressed the view that a much firmer hand was required to keep union activities legitimate and reasonable. "At present, union leaders," the Press note added: "are permitted to vilify the managements with impunity and to call for strike or go-slow action on little or no excuse and without giving the required notice. While labour officials will take up the vaguest complaint by unions and require the presence of managers at points distant from their estates, despite complete written explanations, the representations of the management are, in the main, either ignored or rejected by the local labour officers. Until such time as the officers of the Labour Department learn to be strictly impartial, there is bound to be indiscipline in the ranks of the workers."

No Justification for Strike

The Directors of the E. and S. Joint Co-operative Wholesale Society Ltd. felt that neither in Madras nor in Kerala was there any justification for the present strikes and threatened strikes. In Madras, both the 1957 bonus question and the *maistry* question were under discussion on a governmental level and in Kerala all the major demands were being examined by Government-constituted committees. The impression was that the majority of labourers had no grievances and had no desire to strike and that the present situation had been brought about by the tactics of the extremists, i.e., the Communists. They added that with the openly expressed approval of the Communist Minister for Labour, the Communist unions in Kerala were completely out of hand.

The touring British planters referred to a few other problems concerning the plantations, in general, and tea, in particular. Commenting on the tax burden on plantations, they observed:

"Taxation by the Central Board of Revenue is regarded as reasonable; made on logical assessments. Taxation by Madras State in the form of agricultural income-tax would also be reasonable if assessments were made by accepting those of the Central Board of Revenue. Made by local agricultural income-tax officers, however, unfair and unjust assessments are often made, which necessitate long-drawn-out appeals before they can be rectified. In Kerala, the pattern of agricultural income-tax assessment is obviously designed to inflict penal taxation on the large concerns and, if unchecked, will inevitably mean closure or fragmentation."

They, therefore, suggested that the Centre should either take over the levy of agriculture income-tax or insist on the States (*a*) accepting the Central assessment and (*b*) levying tax equitable on both large and small concerns.

Quality of Tea Must be Raised

The British planters are of the opinion that the solution to the difficulties of gardens producing poor quality teas does not lie in a restriction of their production put in an improvement of the quality of tea. In this connection, they observe:

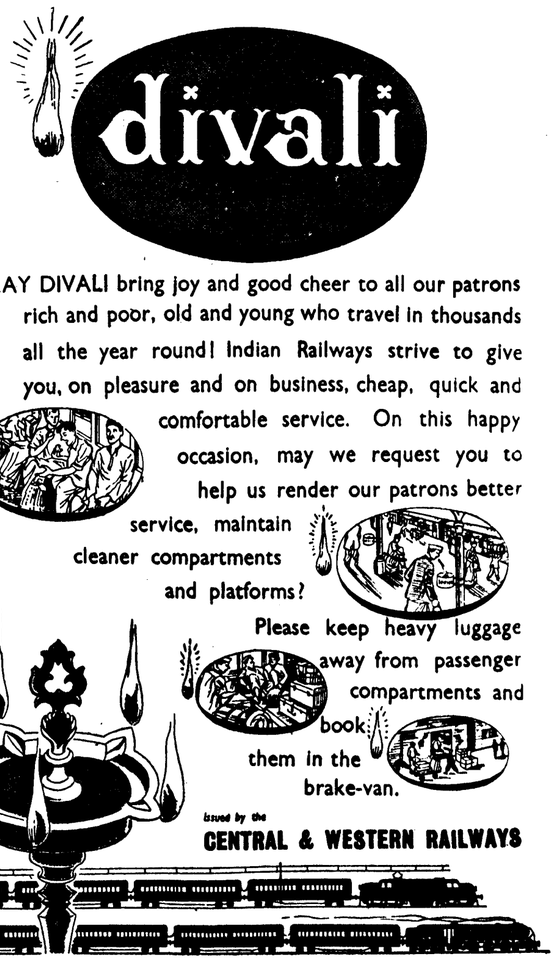
"While the difficulties of the gardens producing poor quality teas are appreciated, it is nevertheless a fact that, especially in South India, any teas conforming to a reasonable standard of quality will find a profitable sale and it is our opinion that the solution to the present situation is, in the first place, an improvement in quality, which in itself will bring about a reduction in production and, in the second place, a further relaxation of taxation.

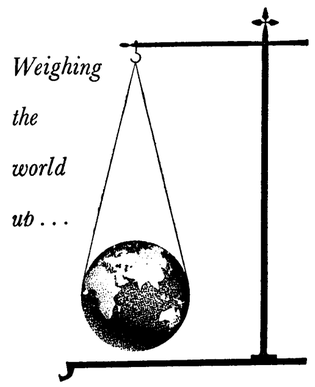
"For India and Ceylon, and possibly Pakistan, to conclude an agreement to restrict production in the hope of improving world markets is an open invitation to the new producing countries and Indonesia, China and Japan to step up their production of export teas."

The general outlook for the plantation industry, according to the touring British planters, is not bleak. In fact, they see no reason why the industry should not only survive but prosper, provided the Government of India and the State Governments take a realistic view as to what taxation the industry can stand, take a firm line with unruly elements in the trade unions and ensure that both unions and management get a fair deal at the hands of the Labour Department.

The Planters' view that the present labour trouble in Kerala plantations had the backing of the State Government is not without foundation. In fact, the Government spokesmen have made no secret of it. Speaking at the 38th anniversary of the All-India Trade Union Congress held in Palghat on 31st October, Mr. E. M. S. Namboodripad, Chief Minister of Kerala, said that he and his Government fully endorsed the view of the State's Labour Minister, Mr. Thomas, that the strike in the High Range was completely justified and that the Government primarily stood for all the just rights of workers and was prepared to go the whole hog to protect the interests of not only the workers in the plantations but of all the working classes and the agriculturists as well. He added: "It is wrong to say that the Government of Kerala is supporting a wrong case. The agitation of plantation labourers at Munnar and other estates is for getting their legitimate grievances redressed, and it is the duty of managements to concede these rights of the labourers instead of forcing them to strike work." Mr. Namboodripad was sure that the management had erred in refusing to concede the legitimate demands of the workers. The Government of Kerala had recognised the demand of workers as "reasonable and right."

It is a pity that the Government, instead of holding the scales even as between employees and workers, as any Government should do, is taking a partisan interest on the side of labour. The Kerala Chief Minister's stand, quoted above, is certainly not helpful to bring about a settlement between the workers and the management, particularly when his Government is represented in the conciliatory talks. With Government backing to the workers, it will not be surprising if these talks ultimately end in failure and the strike is resumed.





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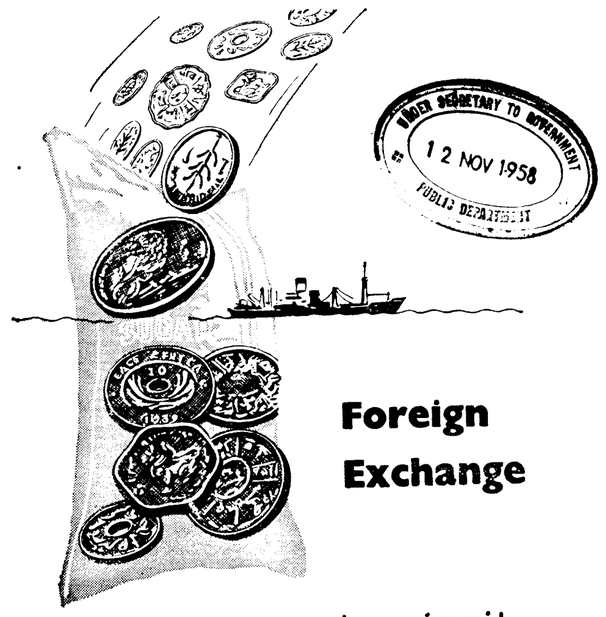

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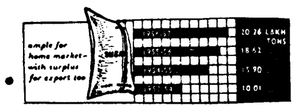

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POWER DEVELOPMENT AND BOMBAY STATE ELECTRICITY BOARD

NEED FOR A REALISTIC POLICY

THE Administration Report of the Bombay State Electricity Board for the year 1956-57 records a deficit of Rs. 12.5 lakhs for the year (after taking into account interest and depreciation charges), as against a deficit in the budget estimates of Rs. 24 lakhs. This improvement in the actual deficit has been due "to the early completion of the revenue-yielding major grid schemes and extensions thereto" and to "the renovation or closing down of some of the old and uneconomical diesel power stations and connecting them to the grid system." This somewhat satisfactory picture has since been vitiated by the comparatively more uneconomic electricity schemes in the Vidarbha, Saurashtra, Kutch and Marathawada forming part of the new Bombay State Electricity Board constituted subsequent to the reorganised bilingual Bombay State coming into being.

Because of its delayed presentation, the report embodies estimated figures of capital structure and revenue receipts and expenditure covering the entire State. The revenue estimates for the year 1957-58 (including Chola Power House), covering the entire State, has been reckoned at *minus* Rs. 48,64,939 (after taking into account all revenue expenditure—including contingencies—and capital charges covering interest and depreciation). This deficit is expected to be brought down to *minus* Rs. 40.78 lakhs during 1958-59 (excluding Chola Power House sold to the Central Railway).

The weakest links in the chain are the Vidarbha and Saurashtra Systems, as, unlike other areas where the deficits would be smaller in 1958-59, as compared with the previous year, the revenue estimates reflect an accentuation of deficits in Vidarbha and Saurashtra from *minus* Rs. 20.65 lakhs and *minus* Rs. 11.46 lakhs to *minus* Rs. 29.09 lakhs and *minus* Rs. 12.55 lakhs, respectively.

Board's Difficulties Increase

The need to proceed with rural electrification has added to the Board's difficulties, and, consequently, "substantial annual deficits would be a recurring feature" of the Board's budget. Annual subsidy from the State Government is, therefore, unavoidable; otherwise the Board would be obliged to meet the recurring deficits from loan funds advanced by the State Government which would have the effect of curtailing "not only the rural electrification schemes but also other schemes of the Board."

As against a request for a loan of Rs. 900 lakhs to cover development for 1958-59, the anticipated sanction from Government for the year was Rs. 575 lakhs. In addition, a sum of Rs. 24 lakhs was expected to be available from the Agricultural Department for giving service connections for agricultural pumps.

The total capital structure of the enlarged Bombay State Electricity Board as at 1st April 1957 was of the order of Rs. 3,112 lakhs, the breakdown area-wise being:

	(Rs. in lakhs)
Old Bombay area (excluding Karnatak)	1,391
Vidarbha area	1,205
Saurashtra area	458
Kutch area	35
Marathawada area	23
Total ..	3,112

With a plant capacity of 173,754 kw., and a maximum demand of 154,612 kw., the Board sold during the year 59,19,13,014 kw.h.

The budget estimates for 1958-59 give a summarised position of the capital expenditure during the second Five-year Plan commencing from 1st April 1956, in the following terms:

	(Rs. in lakhs)
Bombay area	1,130 65
Vidarbha area	819 91
Kutch area	174 10
Marathawada area	37 72
Saurashtra area	475 00
Total ..	2,637 38

With rural electrification being generally uneconomic, the Board has endeavoured to introduce a measure of realism in respect of schemes not sanctioned for inclusion in the second Five-year Plan. This has taken the form of the Board formulating a somewhat practical scheme. The scheme is to apply in respect of small towns and villages which are "within a distance of 10 miles from the Board's nearest supply point." Its highlights are:

(a) In respect of villages within a distance of 1 mile of the existing high tension distribution line, a guarantee is forthcoming for a minimum of at least three consumers inclusive of street light per L.T. and H.T. pole totally erected for the village, and in addition an agricultural and/or industrial load of at least 15 h.p. is guaranteed. Further, the cost of electrification for all purposes on transmission and distribution lines and service connections to be borne by the Board does not exceed Rs. 25,000 per village.

(b) In respect of villages and towns situated at a distance exceeding one mile, but not exceeding five miles, the requisitionists agree to bear initially the full cost of the transmission line and transformer substation, etc., as in the form of an interest-free loan, refundable in equal instalments after five years' deposit period, that the cost is not more than Rs. 50,000 to Rs. 1 lakh (depending upon the size of the town), that the estimated agricultural and industrial load is not less than three times the number of L.T. distribution poles in the town.

(c) As far as towns and villages at distances exceeding 10 miles, an interest-free deposit is given to the Board equal to the total cost of the transmission line from the Board's nearest point of H.T. supply, the amount being repayable by the Board without interest in five annual instalments after the expiry of the five years' deposit period, and that the total cost of the transformer stations and lines in the town does not exceed Rs. 1 lakh.

The above, in brief, are the salient features of the working of the Bombay State Electricity Board and it may be appropriate here to touch upon some thoughts which the statistics outlined above engender.

The losses have been explained by the Board in its report as being due to the fact that "with all remunerative urban areas in the State already covered by the various licences granted by Government, only the unremunerative rural areas are left to the Board for development." While such a sweeping justification is not without some basis, it would be a policy of despair if concrete practical remedies are not formulated so as to bring down the deficits progressively and make the financial working of the Electricity Board as a whole viable as quickly as possible. Otherwise, the Board will be only giving away capital to consumers.

General Principles

It would be appropriate to make a reference here to the general principles governing the State Electricity Board's finances laid down in the Electricity Law. Section 59 of the Electricity (Supply) Act stipulates that the Board "shall not, as far as practicable .... carry on its operations under this Act at a loss. . . ." The section further casts an obligation on the Board to "adjust its charges from time to time" having regard to the basic stipulation mentioned earlier. The law also provides, under section 68, for a depreciation reserve to be set up by the Electricity Board and this is to conform to the scale of levies prescribed in the Seventh Schedule to the Electricity (Supply) Act—a common feature applicable to the entire electric supply industry.

That supplies to rural areas are unremunerative, at least in the initial years, is an accepted principle by all concerned, but, nevertheless, it is only appropriate that the State Electricity Board, while giving due regard to the objective of the legislation, which is to take measures conducive to the electrical development of the country, should give adequate weight to the general principles governing its finances, namely, not to run, as far as possible, at a loss. Maybe, the two approaches are contradictory for the present.

The generally accepted position here is that a public utility, whether operated by a licensed undertaking or by a statutory corporation, should not stray on to dangerous ground involving political or sociological considerations in determining its rate-making policy.

One practical consideration here is that the existing supply systems could be encouraged to extend into the surrounding rural areas, if necessary by offering some financial assistance. After all, whichever authority proceeds with electrification, the return on capital is now strictly controlled by law. The test here should be that expansion should be undertaken by the authority who is best situated and who could do the work cheapest and not be influenced by doctrinaire considerations.

Dealing with rates for electricity, there is always loose talk about 'cheap' power. Although electricity prices have increased in some power systems, the increase is appreciably smaller than that of the general cost of living index, so that, in comparison with the immediate post-war situation, electricity is still relatively very cheap. Another point to be made here is that, with increased cost of new plant and equipment, charges for electricity cannot but increase, in that efficiencies incidental to more modern plant and greater operational economy are not sufficient to bridge the gap, at least in the context of the sizes and pressures of plant the country's economy could at this stage justify.

Repercussions

The economic and social repercussions of increasing electricity rates, it would appear, have been exaggerated and, in this connection, it may be relevant to refer to a recent study made in Australia. On the basis of a 25 per cent. increase in electricity price, the impact on various consumers has been reckoned as follows:

	Per cent.
Domestic consumption	0 3
Agriculture	0 3
Industry (average)	0 6
Iron and steel	1.0
Paper-making industry	1.0
Fertiliser industry (nitrates)	2.0
Electro-chemical industry	4.4

Surely this increase is bearable, if, in the process, an important basic industry like electric supply is placed on a sound footing. The continuous losses sustained by the Electricity Board will have unwelcome economic and other effects, and it is, therefore, only proper that the State should come to the Board's assistance by subsidies instead of compelling the Board to continue supplying power at a price which no longer covers the cost. Such a solution would bear a healthy resemblance to the economic situation without endangering the profitability of an important sector of the electric supply industry.

Summing up, the important point to be borne in relation to the general principles governing the Board's finance is that the task of extending electric supply service to less unremunerative areas is Herculean. While this task should not be lost sight of, economic realities, circumscribed as they are by availability of resources, postulate that plans for power supply service in rural areas should match real demand and should be tailored to induce greater productivity and not attempt at what is spectacular. Unless the State Electricity Board takes a realistic view of the issues involved, there is little prospect of the Board attaining a measure of viability for a considerable time to come.

ROLE OF SIMON-CARVES IN INDIAN STEEL INDUSTRY

The second Five-year Plan envisages a three-fold increase in the production of steel in India. This is a very ambitious plan, indeed, involving an expenditure of about Rs. 600 crores. But judging from the progress made so far, it looks as though the aimed target of six million tons steel will be reached by 1961 or 1962.

The history of Simon-Carves' activities in India is very intimately connected with the Indian steel industry and the firm is proud of having played a not insignificant role in the development of this industry. 1958 is a particularly significant year, since the first coke oven battery was built by Simon-Carves at Giridih, for the East Indian Railway, exactly 50 years ago. Since then, the firm has been engaged in building coke oven batteries for various steelworks and collieries. This half a century of construction work in India by the firm is indicative of the trust placed in Simon-Carves by the Indian industrialists.

At present, practically all the steel in India is made with coke from Simon-Carves ovens. With the completion of work in hand at Burnpur, Jamshedpur and Durgapur, the number of Simon-Carves coke ovens in India will be well over 1,000, with a total carbonising capacity of 6 million tons of coal per year. With the exception of one small battery at Jamshedpur, the firm has been responsible for the design and erection of all the coke oven batteries at the two exising steelworks at Burnpur and Jamshedpur as well as for the new steelworks at Durgapur. It is estimated that, even after the completion of the three new steelworks in the public sector now under construction, about 70 per cent. of the entire Indian steel will still be made from coke produced in Simon-Carves ovens. By the end of the second Five-year Plan, India is expected to produce six million tons of steel per year, out of which about four million tons will use coke from Simon-Carves ovens.

In addition to coke ovens, Simon-Carves have built in India many other plants required for a modern steelworks, for example, coal handling plants, coal washery, soaking pits, calcining plant, steel melting shop and by-product plant. In view of the not unlimited reserves of good coal, there is bound to be greater emphasis on coal washeries in the future.

Among the other specialities of this firm, mention may be made of sulphuric acid and other chemical plants, power plant including nuclear power plant as well as effluent treatment plants.

As a result of 50 years' experience with the Indian conditions, the firm has steadily increased the proportion of materials bought from Indian firms and, at present, only specialised equipment need be imported. In some of the recent coke oven installations in India, the cost of the imported equipment is estimated to be only about 40 per cent. of the entire equipment cost. The use of indigenous materials has involved close co-operation with various Indian manufacturers to ensure that the resultant parts are suitable for the arduous duties inevitable in coke oven operation. In particular, in the field of refractories, the Indian brickmakers are now able to make silica and fireclay shapes to stringent specification limits and these are equivalent in quality to any in the world. In addition to these most of the fabricated steel and castings are also obtained locally.

It has been the practice of Simon-Carves to build their coke oven plants in India with Indian labour and supervision and to provide only a minimum force of experts for supervision from the United Kingdom. These experts are in general control of the overall direction of that work on the site which is in their own field. All the work is done under their direct control and the majority is supervised by Indian engineers and foremen who have considerable experience of building Simon-Carves coke oven plants in India and have been connected with them for a number of years. Simon-Carves have at their disposal, therefore, an efficient and mobile nucleus of skilled men in India, all available at short notice.

As indicated earlier, with the exception of one small battery at Jamshedpur, the firm has been responsible for the design and erection of all the coke oven batteries at the two existing steelworks at Burnpur and Jamshedpur as well as for the new steelworks at Durgapur. Thus, out of the five large steelworks operating at the end of the present Plan period, Simon-Carves would have built almost all the coke ovens for three of them.

The last battery forming part of the Indian Iron and Steel Company Limited's 1953 extension was lit up, one month ahead of schedule, on 5th August, and started pushing coke on 8th October. About a month later, the last phase of the extensions at the Tata Iron and Steel Company Ltd., Jamshedpur, was completed, when the rebuilt battery No. 3 was lit up.

At the Durgapur steelworks, the firm is responsible for the following sections of the plant, in addition to the coke ovens and coke handling plant:

Coal washery, blending and handling plant, by-product plant, including sulphuric acid plant, and benzol rectification and tar distillation plants, power station including boilers, turbo-blowers and turbo-alternators, and inter-connecting services throughout the steelworks for gas, steam and tar.

When the plant is in full production, about 5,200 tons of coal will be carbonised per day and the resulting 75 million cubic feet of gas per day is expected to yield the following by-products (per day):

Ammonium sulphate 57 tons, benzene 6,240 gallons, toluene 885 gallons, xylene 180 gallons, solvent naptha 145 gallons and crude tar 155 tons.

The sulphuric acid will be produced in a contact type plant with a capacity of 60 tons per day. The power plant will consist of three 5,000 kw. turbo-alternators with provision for the future installation of one 20,000 kw. unit.

GLOBAL HARNESSING OF SUN'S ENERGY

The first world survey of solar radiation—the harnessing of the sun's rays to heat or cool homes, cook food, operate factories, generate electricity, irrigate arid land and drain swamps—will be undertaken in two years. The survey will be made by two U.N. agencies—the U.N. Educational, Scientific and Cultural Organisation (U.N.E.S.C.O.) and the World Meteorological Organisation, according to the current issue of the U.N.E.S.C.O. *Courier* discloses.

The most suitable sites for plants to capture the energy which the sun spills on the earth's surface, estimated to be equivalent to 4,690,000 horsepower per square mile, will be studied.

Though there is no cheap and simple instrument for measuring solar energy, the U.N.E.S.C.O. will provide funds to develop such an instrument as well as for testing other solar energy equipment.

The U.N.E.S.C.O. magazine reviews solar energy projects in Israel, the Soviet Union, the French Pyrenees, the Sahara Desert, the United States and other areas.

Westinghouse Electric scientists in the U.S. claim that uranium has yielded a new "family" of compounds which are unique in science. The new compounds belong to a group of substances called superconductors. They are capable of permitting an electric current, once started in them, to flow in undiminished and continued strength. They are already being used in midget computers of the type useful for space rockets. The superconductors are known as inter-metallic compounds and are alloys of uranium and another metal.



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THE INDIAN IRON AND STEEL COMPANY LTD.

SIR BIREN MOOKERJEE'S ANALYSIS OF FACTORS LEADING TO LOWER OUTPUT

"OUTLOOK FOR THE INDUSTRY UNCERTAIN"

THE Annual General Meeting of the Indian Iron and Steel Company, Limited, will be held at 12, Mission Row, Calcutta, at 3 p.m. on Friday, 28th November 1958. The following statement by the Chairman, Sir Biren Mookerjee, has been issued to the shareholders along with the Directors' report and audited accounts for the year ended 31st March 1958:—

"It has been the custom in the past for the Chairman in a speech at the annual general meeting to supplement the Report of the Board of Directors with additional information regarding the year under review and to deal at the same time with matters affecting the general interests of the Company. It is, however, thought that it would be more advantageous to shareholders and assist in a better understanding of the accounts and the position of their Company that this further information should be made available to them at an earlier date. The innovation is, accordingly, being introduced this year by issuing this statement which will take the place of my previously customary speech and will enable shareholders to attend the annual general meeting with a fuller knowledge of matters affecting their interests. If this meets with general approval, it is intended to adopt this procedure in future years.

Production

"There was a reduction in the production of saleable steel of no less than 31,679 tons in 1957-58, compared to that in 1956-57, as has been stated in the Directors' report. I shall now explain some of the more important causes which led to that result. There was an unavoidable diminution in the use of purchased steel scrap during the year on account of difficulty of procurement which largely accounts for the fall in the output of ingots relative to the increased availability of hot metal. The output ratio of saleable steel has registered a decrease due to the fact that in 1957-58 more steel was produced in fully finished form, commanding a higher realisation price but involving naturally a lower overall yield per ton of ingot.

"As foreshadowed last year, the disorganisation of production by reason of the extension works gradually increased throughout the year and has since reached the point where the maximum effect on current production is being felt. It has to be realised that the new constructional works have involved diversions of normal supply routes for raw materials, the reorganisation of the movement of semi-processed and other materials within the works, interference with the distribution of gas, water and power and a general congestion of the entire works area. This has been inevitable and, looking back, I may say that it reflects the greatest credit on all concerned that, for so long a period of the construction, the effect on production has been kept at such a remarkably low level.

Lack of Discipline

"Another factor of a graver character, however, operated during the year under review to affect adversely production. This was the growing lack of discipline on the part of the workers generally and the marked deterioration in the effort put forth by them. We are, together with the other main producer, being made to suffer by reason of Communist plans to foster discord in an endeavour to supplant the recognised labour unions. What this effort to gain control of a key industry can lead to has been demonstrated in a most unfortunate form by the chaotic conditions that were brought about at the Jamshedpur Works of the Tata Iron and Steel Company, Ltd., in May last. In our own case, there were seven sporadic strikes and a two-day lightning strike in the melting shop earlier in the year. It is most disappointing that the workers who had previously established such a good record of production in this section in the face of many difficulties, should have allowed themselves to be led astray by agitation. In their case unrest centres primarily around the question of production bonus which they claim should be based on total shop output irrespective of additions to the capacity of the plant, a proposition which is clearly untenable.

"The result of these factors will be apparent from the production figures set out in the Directors' report from which it will be seen that, although the new open hearth furnace 'E' contributed an output of more than 20,000 tons, the total production of ingots in 1957-58 fell short by approximately 25,000 tons compared to the previous year. This is a regrettable state of affairs and I can only express the hope that the workers will quickly come to realise where their true interests lie and to appreciate that to allow themselves to be swayed by political agitators can result only in detriment to their own welfare and the complete disruption of the country's planned progress.

Strike

"In February 1958, there was a strike of workers employed by the contractors engaged on the construction of the 1953 and 1955 extensions which lasted from 24th February to 21st March and spread to the Company's own contract labour both at Burnpur and Kulti, the ostensible issue being the question of permanency of employment. This had a further detrimental effect on plant operation by reason of increased disorganisation and the general lowering of morale throughout the works. The consequences of this strike will delay the completion date of the expansion programme and it is estimated will involve a loss in foreign exchange to Government to the extent of some Rs. 5 crores.

"With the virtual completion of the first stage of the 1953 extensions, the melting shop capacity is now approximately 62,500 tons of ingots per month, against which production is only averaging some 44,000 tons, as a result of the unsatisfactory and continuing conditions I have explained above. In terms of the imported cost of the equivalent saleable steel this means a loss of foreign exchange to the country of approximately Rs. 95 lakhs for every month that these conditions continue.

Employees' Welfare and Emoluments

"In the Chairman's speech of last year a full account was given of the Company's policy in respect of its employees' emoluments in cash and the many free amenities at Burnpur, Kulti and the Ore Mines. At the same time, information was given to you as regards minimum and maximum daily and monthly earnings of several classes of your Burnpur employees. Since then a general increase has been made in the rate of dearness allowance to all workers and a considerable improvement effected in the scale of incentive bonus payable to departments of the iron section to bring this more in line with that applicable to the steel section. In the case of the steel section, it is disappointing to record that, despite the high scale of incentive bonus, production was such that the bonus earned by the workers showed appreciable decline in all departments with the exception of the sheet mills, the creditable performance of which beat all previous records and enabled the workers to earn a higher production bonus than ever before.

Housing

"Up to the end of March 1958 approximately a crore of rupees had been spent on the provision of additional housing accommodation. The Company's programme for 1958-59 is set at an expenditure of some Rs. 88 lakhs. It is the policy of the Company to continue the extension of housing facilities subject to the availability of finance, building materials and labour.

"In lieu of quarters the Company continues normally to pay a monthly house allowance.

Medical Facilities

"Your Board attach great importance to the provision of amenities in kind to the Company's workers and perhaps that in which we take some pride is the provision of free medical services not only for the workers themselves but also for their families and dependents. Although very adequate medical facilities are maintained at Kulti, the ore mines and the collieries, under constant supervision from headquarters, the centralised medical services are located at Burnpur where we have now a hospital which will compare favourably with any in the country. Under the supervision of the Chief Medical Officer, Major General P. P. Chowdhry, the hospital is manned by a staff of fully qualified medical officers and with the recent enlargement is now equipped with 260 beds. The growth of the medical services will be apparent from the following statement of the number of patients treated:

	1956	1957
Indoor	35,985	56,691
Outdoor	152,389	214,896

"While the work of the medical department is, of course, intended primarily for the benefit of employees and their families, the expansion of the Company's activities has inevitably brought with it responsibilities extending considerably further. Satellite townships have arisen in the works neighbourhood and for the protection of the Company's workers and their families it has been found necessary to undertake the task of epidemic control in these areas involving widespread inoculation and vaccination against cholera and small-pox and the control of mosquito and other disease-carrying pests.

Kulti

"Under the 1955 extensions programme, it was decided that, with the large amount of pig iron available from the two additional blast furnaces at Burnpur and from the blast furnaces of the Government plants, the two old, obsolete and uneconomic blast furnaces at Kulti with their coke ovens and ancillary plant would be scrapped and the requirements of the Kulti foundries met from Burnpur. With the bringing into operation of No. 3 blast furnace at Burnpur on 11th October 1958, one of the Kulti furnaces was accordingly closed down and this will be followed by the closing down of the second towards the end of 1958 to synchronise, as nearly as possible, with the bringing into operation of the blast furnaces at two of the Government plants. Workers affected, who are not absorbed at Burnpur, will receive full retrenchment compensation and the services of these men have been offered for the manning of the Government plants, which have, therefore, the opportunity of commencing operations with a solid nucleus of trained and experienced workers. It is disappointing under these circumstances to have to record that the closure of the first Kulti blast furnace was seized upon by Communist elements to incite general unrest leading even to attempted interference with the inauguration ceremony of the new No. 3 blast furnace at Burnpur, performed by the wife of an American official closely associated with the World Bank. Our thanks are due to the authorities, both of Delhi and West Bengal, for the prompt measures taken to ensure that these plans were thwarted and the good name of the country preserved with an institution that has done so much for the development of India.

Future Prospects

"It will take a bolder person than a mere business man, who is not a politician, to venture on any forecast of the future of this key industry or of the trend of economic, financial or industrial development of the country as a whole. This much, however, I think, can be reasonably said, that the prospect is uncertain in the absence of the correction of adverse circumstances which persist in many directions, of which I would mention a few. The most hazardous and a grave hindrance to industrial development is the almost daily occurrence, frequently accompanied by violence, of strikes in industry, transport, administrative and other services. It cannot be denied that some of the more recent strikes have been organised by the Communist Party for political purposes and for supplanting existing recognised unions. The material for these and other strikes is greatly fostered by the lack of effective measures to reduce the cost of living, to produce more food and to augment the supply of cheap cloth, housing and other indispensable necessaries of life.

"The present level of direct taxation, both corporate and individual, has, undoubtedly, destroyed incentive to a great extent and reduced the desire to earn more and to save for industrial investment to a negligible factor. The heavy burden of indirect taxation, both Central and State, is borne almost entirely by the common man who falls an easy victim to the promises and propaganda of careerist labour leaders.

"Whatever the foreign aid by way of loans, gifts or technical assistance may be, it will not help India to achieve the overemphasised and unduly speedy development of its heavy industries, whether in the public or in the private sector, unless immediate and adequate remedial measures are set in train to counteract the general sense of frustration now prevalent in all classes of the people of this country.

"The worker must feel that he and those dependent upon him have security and a reasonable condition of life. Increase in money wages is no remedy and merely tends to the creation of more inflation. The grant of increased wages, irrespective of productivity, to some industries or services which appears to have become a corollary to a strike can only encourage disruption in other industries and the vicious circle, instead of breaking, will continue to grow larger, paralysing, in turn, every national activity.

Uniform Formula for Wages

"In the case of the steel industry, there will be a very large increase in the number of workers when the Government plants in the public sector come into operation, and it would seem essential that, if future labour unrest is to be eliminated, there must be a uniform formula for the determination of wages for the industry as a whole. As a legacy from the past, existing producers are already saddled with a most complicated wage structure which has been activated by the many divergent Tribunal and Adjudication Awards in the face of constant demands for greater emoluments, in addition to new demands of every description. This threatens to disrupt entirely the wage and cost structure of the industry. With the advent of the Government plants, the position within the industry would, in the absence of a uniform formula for a wage structure, possess the makings of a labour agitator's paradise and inevitably lead to most serious adverse consequences on production. If the tremendous capital expenditure incurred on the expansion of the country's heavy industries does not produce the relevant increase in production, the consequences may well be disastrous. Apart from internal considerations, a fact which must not be lost sight of is that a large part of the expenditure involved will be represented by foreign liabilities which must be repaid. Repayment of these liabilities, together with the building up of the sadly depleted foreign exchange balances, can only be achieved by exports. This being so, it is absolutely essential, as a first step, that a statutory Wage Fixing Tribunal be set up without delay to determine a wage structure on the basis of (a) an evaluated basic wage in relation to productivity and world standards for each particular class of work, which would consolidate most of the multifarious allowances now being given by the private sector; (b) a zonal dearness allowance; (c) an incentive bonus; and (d) an annual bonus based on the financial results achieved.

Accounts

"Whatever may be one's views on the equity of the new levies on companies, wealth tax now finds its place in the profit and loss account for the first time as an added burden on profits, in addition to the heavy rates of current corporate taxation. The Act relating to this new imposition makes a provision for two years necessary in the accounts under review, by reason of the fact that it was passed in September 1957 with retrospective effect.

"Regarding the amounts of Rs. 16,50,000 and Rs. 1,04,83,856 set aside from profits to development reserve (tax rebate) and development rebate reserve (statutory), respectively, I would explain that it has always been our practice voluntarily to place to reserve the tax saving arising by reason of the allowance of development rebate in respect of new plant installed and the two amounts in total represent the tax saving on this account in respect of the year under review. The Finance Act, 1958 has, however, introduced a provision that in respect of plant installed after the 31st December 1957, a prerequisite to the grant of development rebate shall be that an amount equal to 75 per cent. of such rebate shall be charged in the profit and loss account and set aside to reserve. The transfer of Rs. 1,04,83,856 to the statutory reserve has, accordingly, been made in terms of this requirement and after allowance for this sum the balance of the tax saving for the year amounting to Rs. 16,50,000 has been set aside to development reserve (tax rebate). In future, it will be necessary to set aside to reserve 75 per cent. of the entire development rebate claimable in respect of plant installations for any year in order to qualify for the tax remission. At current rates of taxation the tax remission amounts to 51½ per cent. of the development rebate and it is, accordingly, difficult to understand why the compulsory reserve transfer should have been enacted at 75 per cent. although this represents a considerable improvement on the rate of 100 per cent. that was proposed in the original Finance Bill.

Development Reserves

"In the past, we have maintained a number of separate reserve accounts relating to various aspects of the general development of the Company's undertaking. It is considered unnecessary to continue to maintain this segregation and, as you will see from Schedule B to the balance-sheet, a number of accounts have now been amalgamated under the head of general development reserve. To this reserve has also been transferred the balance standing on the Kulti blast furnaces plant rehabilitation reserve, in view of the decision taken under the 1955 extension programme to close down these two very old and uneconomical furnaces with their ancillary plant before the end of the current year and to supply pig iron to Kulti from Burnpur.

"Consequent upon the redemption of the 4¾ per cent. first mortgage sterling debentures, the balance of Rs. 66,03,147 standing to the credit of the debenture sinking fund on the 31st March 1957 has now been transferred to general reserve.

"In the Chairman's speech last year there was fully explained the reason for the maintenance of the taxation contingencies reserve and the principles governing the write back to profits from this account. As a result of the special depreciation allowable for the year under review, a sum of Rs. 41,00,000 has been credited to the reserve, while the amount to be brought back to profits in respect of the calculated adjustment upto the 31st March 1958 is Rs. 14,00,000.

Capital Structure

"The balance-sheet now presented shows the effect of the changes mentioned in the 1957 report of your Directors. Following upon the release by the trustees of the mortgaged properties, the former charge securing the 4¾ per cent. first mortgage sterling debentures disappears from the schedule of secured loans, the small balance of debentures not yet surrendered for repayment being now included in Schedule D under the head 'Debentures of past issues redeemed but not paid.' As a result of the rights issue of ordinary shares last year, the subscribed capital of the Company is increased to Rs. 13,06,69,560 by inclusion of the par value Rs. 5,18,37,080 of the rights shares, while the share premium account is raised to Rs. 2,42,88,327 by inclusion of the premium of Rs. 3.50 per share at which these shares were issued. Requests have been received from a number of shareholders that the share premium account should be utilised for an issue of bonus shares. Your Directors are in full agreement and I am pleased to confirm that, as already publicly notified, the Board have authorised application to be made to Government for their consent to the capitalisation of the major portion of the share premium account to cover an issue of bonus shares in the proportion of one bonus share for every five ordinary shares held at a date to be determined in due course by the Board of Directors, with the intention that the new shares shall rank in all respects *pari passu* with the existing ordinary shares, save and except that they will not participate in any distribution of dividend in respect of any period ending on or before 31st March 1959.

Policy in Respect of Bonus Issue

"This bonus issue, however, touches only the fringe of the problem of the Company's capital structure. It is desirable that a reasonable relationship should be maintained between share capital and reserves and that, in turn, share capital should reasonably reflect the value of the net assets of the undertaking. Our reserves, which are already substantial in relation to capital, will increase from year to year as profits are set aside to provide for repayment of our heavy indebtedness and it would normally be the policy of your Directors that a part of these reserves should be capitalised from time to time by means of bonus issues. The present penal rate of tax on bonus shares, however, effectively precludes such a course being taken and the bonus issue for which application has now been authorised, being made out of the share premium account and not accordingly attracting the tax, represents the maximum extent to which the problem can, under the existing taxation structure of the country, be resolved.

"Since the close of the year under review, the security for the second loan of $20,000,000 from the World Bank has been legally constituted. The security takes the form of a first mortgage of the Company's undertaking as security for bonds issued or deemed to be issued against withdrawals on loan account and has been merged with the security for the first loan of $31,500,000, so as to constitute security for a single consolidated series of bonds to the extent of the equivalent of $51,500,000 issuable against withdrawals on both the loan accounts. In this connection, I would express our appreciation of the action of the Government of India and the State Bank of India as holders of the equal ranking second charges in having agreed to the introduction of the further charge of $20,000,000 ranking in priority to their own security.

Share Holdings

"As a matter of interest, I have had an analysis made of the Company's share registers at the 31st March 1958. The position disclosed is illuminating as showing the wideness of distribution of the share capital and is summarised in the following table:—

Ordinary Shares			Preference Shares		
Number of shares held	Number of holders	Percentage	Number of shares held	Number of holders	Percentage
1 to 100 ..	5,489	41.58	1 to 10 ..	2,573	49.25
101 to 500 ..	5,693	43.12	11 to 50 ..	1,981	37.91
501 to 1,000 ..	1,110	8.41	51 to 100 ..	401	7.67
Over 1,000 ..	909	6.89	Over 100 ..	270	5.17
Total ..	13,201	100.00	Total ..	5,225	100.00

Acknowledgments

"In conclusion, I should like to express on behalf of your Board our appreciation of the services rendered by the General Manager, Mr. J. McCracken, his senior executives and other supervisory staff throughout the year under the very difficult and frustrating circumstances that have existed."

THE BRITISH INDIA GENERAL INSURANCE
COMPANY, LIMITED
(INCORPORATED IN INDIA)
TRANSACTS
FIRE - MARINE - MOTOR
Head Office:
MEHTA HOUSE, APOLLO STREET, BOMBAY
Chairman: JAL H. MEHTA
General Manager: M. S. DASTUR

INGREDIENTS OF FREE ENTERPRISE

ROLE OF MANAGEMENT REVIEWED

By Vicente de Paula Ribeiro

PRESIDENT, D. L. R. PLASTICOS DO BRASIL, S.A.

[In the following address, which was delivered at the I.F.C. Panel Discussion, to which our readers' attention has been drawn by means of three articles published in our issues dated 18th October, 25th October and 1st November, the speaker, Mr. Vicente de Paula Ribeiro, President, D. L. R. Plasticos do Brasil, discusses the ingredients of free enterprise and the role of management therein. He emphasises that "when human dignity is served and honoured everywhere, then there will be freedom and peace in the world." He also urges the need for co-operation between capital and labour and holds that management is the key to successful private enterprise.—ED.]

IN our daily business life, we come across problems that do vary in form. We, in Brazil, at this stage of development, are concerned with difficulties different from those of business men in England, Germany, the United States and India. However, there is one challenge beneath our various problems which is the same for all of us. It is the decisive battle for human justice and freedom that is being waged in all parts of the world. And the front equally important with all others—which particularly calls for our experience, skill and courage—is the economic front. Our greatest power weapon on this economic front is private enterprise. I have no doubts, moreover, that its driving force can develop the tremendous unutilised human and natural resources throughout the world, suitably improving living conditions for mankind in the less or underdeveloped areas, to a standard compatible with our basic beliefs of human dignity. When human dignity is served and honoured everywhere, then there will be freedom and peace in the world.

The dynamic force of private enterprise is strengthened considerably by initiatives such as the International Finance Corporation, with the purpose of furthering economic development in less developed member-countries by investing—without government guarantee—in association with private business. Thus it accelerates its spread and process of growth by acting as a catalyst. Let us analyse here how private enterprise should work at its best.

Management

Under the modern industrial system, business seems no longer to be stimulated principally by markets. It now acts in the role of the stimulant. It is highly competitive, ever growing and changing in the continuous search for new ways and means to stimulate markets and create new ones. No business can expect to survive by remaining as it is today. It can no longer hope to be nursed passively by making a product and allowing the customer to buy it. It must promote sales with skill and initiative. It is, in fact, becoming highly complex. The complexity and the growing inter-dependence of private business with human, social, political and economic problems, has given rise to the need for the professional manager, who will inexorably take the place of the traditional owner-manager.

Management nowadays must embrace all of the many elements of business. It goes far beyond technical skills or "know-how" in research, engineering or development. In the sense of planning ahead on short or long term, it is the "know-what"; and as business requires constant changes to meet competition, it is the "know-when." To "know-what," to "know-when" and to "know-how" that is the challenge! Good management is in far shorter supply than capital everywhere.

Capital is universal, basically speaks one and the same language, performs only one job. Because it is sophisticated, cautious and wise, capital becomes apparently more scarce as it withdraws itself from less selective purposes and searches for better opportunities in productive enterprises in places where the climate and conditions are best, so that it can build, produce and earn a profit. Capital, in varying amounts and forms, exist almost everywhere. It is principally up to private enterprise through good management to induce it into useful employment.

In newly industrialised countries, such as Brazil, this process of inducement is a slow one which requires patience and tenacity. A new investor is usually more concerned with a record of existing capital investments. In Brazil, because such investments are of recent origin, the capital market is even more competitive. However, the more critical shortage still remains in good, competent, well-trained managers.

In a free competitive economy, good management will succeed. It is the top brass in the battlefield of the economic front. It is, therefore, fundamental to multiply the number of effective managers throughout the world. Much has been accomplished already through important initiatives by governments, private industry, trade associations, educational institutions and private foundations. Much more must be done, particularly by the industrialised countries, to assist underdeveloped nations.

Know-how

Technological know-how is quickly becoming a kind of universal currency. It has contributed the most in speeding up the process of economic growth in less developed countries, and it is, with the free world, promoting effectively the economic integration among nations. The immense, almost incredible, advance of technology in the last 50 years has polarised the material needs of modern life into the form of certain commodities that have become intimately woven into the complex texture of our civilisation. Many commodities, once considered luxuries, have become necessities. As they become necessities, the urge for speeding up economic development is emphasised to the point of restlessness.

In Brazil, in all fields—power, fuel, transportation, food processing and marketing, electronics, textiles, clothing, home appliances and so many others—business men are firmly and resolutely meeting the challenge. However, the main tool of our industrial development has been the imported technological "know-how" from the more industrialised nations.

We, in Brazil, realise the infinite importance of such "know-how" which is the fruit of countless years of inventiveness, research and engineering. As a result we have put in the market all kinds of products, locally manufactured, which would look quite familiar to you and will prove to be quite similar in quality. This technological co-operation between private enterprises from different parts of the free world has created a highly useful and profitable partnership and makes accessible to less developed areas the treasure of the best research and engineering resources. Thus it accelerates progress, improves living conditions and standards, increases employment, and ultimately, to a great extent, promotes the integration of economies through sound international understanding and partnership.

However, here again, management appears as the key to success. Caution must be taken in assuming that a particular technique or machine that performs well in one nation is the best for another.

Research of Local Conditions

Technology requires research of local conditions. It demands from management a broad view of the country in which it is operating, an assessment of immediate and long-term probabilities in relation to wages, purchasing power, marketing possibilities, capital requirements and earning prospects. Only too often, modern machinery, efficient in one country, cannot compete with the relatively low wages of another country; and only too often automation techniques successfully adopted in one nation multiplies the output to the point of making marketing impossible in another. The proper balancing of these factors to meet the adequate belongs to the "know-what" in close co-operation with the "know-how." But what is adequate today may soon become inadequate. Here the "know-when" has to keep management in readiness to change.

Here again, it might be opportune to emphasise the importance of the partnership between private enterprises through various existing types of agreements to provide manufacturing licences and technical assistance. The availability of such help to enterprises in less developed countries grants the licensee some security of continuity and keeps him up-to-date with developments and research in his particular field. This provides management with a broad outlook into the future and enables planning ahead necessary changes.

Because business is ever growing, ever changing, it is imperative, in order to meet the burden of expansions and adaptations, to keep the enterprise in a healthy financial condition. In underdeveloped countries, the task is not always easy for management. Inflation and artificial monetary practices by some governments result often in deceiving circumstances that distort figures and create the illusion of profits that might really turn out to be losses.

Besides, inflation might drive the enterprise to higher brackets of income-tax as currency depreciates and nominal figures rise accordingly, with the ill effect of crippling the normal process of capital formation through excessive taxation. The impact of inflation on replacement costs must keep management alert to promptly readjust prices and financially prepared to re-equip plants and replenish inventories. This vigilance can be effective only through sound financial control.

Good bookkeeping is essential within the complexity of modern business. It tells you where you've been, where you are and where to go. However, bookkeeping is more of an art than a science. Often, figures tend to be interpreted too dogmatically and formally. The art of bookkeeping, as we know it today, was born in Scotland and is still in kilts. I heard once this is why in most communities throughout the world one will find a St. Andrew's Society even before a bank is established.

I venture to say that it should be less conservative at times, in order to meet special or local circumstances. Only too frequently one must adapt patterns utilised elsewhere to meet the reality in one's own country. For example, special care must be taken by management to provide suitable reserves and depreciation charges to offset the effects of inflation. All in all, sound bookkeeping and audits are still one of the most important and effective tools for efficient management. It is the compass that makes it possible to guide the ship to profitable destinations. Only by knowing how and when profits are being made, can one effectively promote sales.

Salesmanship

Sales promotion is the most dynamic of management activities. Once an art, it is becoming more and more of a science. It requires continuous market study and research and involves conquering the loyalty of consumers who are free to make choices between competitive goods and services. It is intimately connected to advertising which today is world-wide in the hands of professionals and demands very specialised skills. It is an expensive service and must be carefully planned and weighed within price possibilities and policies.

However professional they may be, advertising men need the close and expert co-operation of management because there is no better substitute for its experience in its own business field. This is true also for market research. Although at times management might retain the services of professional researchers, practice has shown us, in our own particular fields, that only by properly assisting them are the results effective and useful. Specialists might provide certain research pattern acquired through experience in different fields and supply adequate personnel to perform the job. However, the most essential information to guide researchers in their surveys must nearly always be provided by management.

Market study and research must be a permanent job. It enables business to increase its sales and profits through better promotion, contributes towards an expanding volume of trade and aids significantly the general economic growth. This economic growth will ultimately translate itself into welfare of individuals and their families through gains in the betterment of health, food, housing, education and culture, which only an increased income can make possible. Private enterprise bears a great responsibility to community and country.

Welfare

A sound and expanding private economy means a great deal more in terms of individual welfare than government programmes. Truly, it is frequent nowadays that governments must heavily contribute for the development of economic infrastructures, particularly in power and transportation. However, in most instances, the necessity of government promotion is not

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PROTECTION TO ANTIMONY INDUSTRY

EXISTING DUTY TO BE REDUCED BY 25 PER CENT.

THE antimony industry will continue to receive tariff protection. In pursuance of the recommendation made by the Tariff Commission, the Government of India has decided that protection granted to the industry should be extended by a further period of five years ending 31st December 1963, subject to a review of the position by the Commission in 1961. The protective duty on antimony will, however, be reduced from the existing rate of 60 per cent. *ad valorem* to 45 per cent. *ad valorem* or Rs. 45 per cwt. whichever is higher. The reduction of customs duty has already come into force with effect from 27th October 1958. Protective duty on crude antimony will be continued at the existing rate of 25 per cent. *ad valorem*. The Government has taken note of certain other recommendations of the Commission for assistance to the industry and will take suitable steps to implement them as far as possible.

The Star Metal Refinery Private Ltd., Bombay, is the only manufacturer of antimony in the country. Its annual rated capacity is 1,000 tons on triple-shift basis. The Refinery is at present working only two of its precipitation furnaces for maintaining output of Star Metal at around 600 tons. It produced 588.70 tons of antimony in 1956, 502.10 tons in 1957 and 270 tons in the first half of the current year. The Company has plans to install two more precipitation furnaces to keep them ready for commissioning in case domestic demand rises above 600 tons per annum. Further, the Refinery has been selling its products at prices which are somewhat lower than the landed costs of antimony from the cheapest source. The Commission has, therefore, held the view that "so long as the indigenous industry is meeting the internal requirements at fair prices, there is no need to import antimony metal beyond what is essential for national economy." It may be noted that ever since protection was accorded to this industry, it has endeavoured to secure antimony ore at economic prices. The average price of the ore per cwt. of metal is lower than the c.i.f. price of imported antimony metal.

Supply of Ore

The antimony industry was started with the object of exploiting indigenous ore at Chitral with active assistance and encouragement of the Government. Unfortunately, no sooner had the Company got into stride than partition was brought about and ore mines were left in Pakistan. In spite of repeated efforts it was not possible to obtain ore from that source and the Company lost both its investment in the mines and the principal advantage of securing ore at economic prices. The industry has been protected (since 1947) because it produces a strategic material which is used by railways and other departments and important industries in the country.

In the resolution of the Government, the attention of the Star Metal Refinery Private Ltd. has been invited to the Commission's recommendation that it should reorganise its financial position as early as possible, but, in any case, before 30th June 1959, and report the same to the Commission. The financial position of the Company has "continuously deteriorated" during the past three years. The Commission had recommended in 1954 that the Company should fix the price on the basis of the then existing landed cost of imported antimony. Consequently, it reduced its price from Rs. 187 to Rs. 167-8 per cwt. in March 1955. The price had been fixed in relation to landed cost of antimony from European sources and the protective duty was also determined on the basis of landed cost of imports of metal received from Belgium. Subsequently, however, China emerged as a supplier of antimony at very cheap rates. The Company was forced to bring down its price to Rs. 162-8. The Commission in 1956 worked out the fair selling price of the indigenous product at Rs. 166 per cwt. which was exclusive of selling expenses and recommended the imposition of protective duty at 60 per cent. But the Company, owing to various "moral as well as psychological reasons," did not consider it expedient to raise the price. This has, no doubt, accounted for a major portion of the loss suffered by the Company. The Commission has pointed out that a part of the loss was due to heavy interest charges which the Company had to incur on borrowings to carry on its business. There is thus an imperative need to reorganise the present "unstable and unsound" financial position.

As regards selling prices, the Commission has impressed upon the manufacturers the necessity to fix them in fair relation to costs. It has been said that most of the consumers were satisfied with the selling prices of the Company. A comparison of the landed costs of imported antimony and the prices charged by the Refinery shows that the prices charged by the indigenous producer were considerably lower than the landed costs. On the basis of cost investigation, the Commission has concluded that a fair selling price of Rs. 156.50 per cwt., which provides Rs. 3 as selling commission, is reasonable. The Commission has also recommended that the Star Metal should try to maintain a stock of about 30 tons of antimony metal and submit every month to the Commission, along with the statements of production, sales, stocks of metal and selling prices, reports of stocks of ore, prices at which ore is purchased, country of origin and other relevant information so as to enable the Commission to keep a continuous watch over selling prices of antimony metal produced by it. In order to ensure an efficient distribution system, the Government Departments have been asked to plan their orders for antimony and its alloys from year to year in an even manner.

The Tariff Commission has estimated that the average domestic demand is about 600 tons at present. It is expected to rise to 700 to 800 tons in the next three years. This has been computed on the basis of the actual deliveries in the past two years (both indigenous production and imports) and the current trends in consumption of virgin metal. In this connection, the Commission has observed that if the demand for virgin antimony metal rises owing to increased tempo of industrialisation, the Star Metal would be in a position to meet it by increasing its output.

Major Problem

"The major problem that confronts the industry, as already indicated, is with regard to the availability of its raw materials. The principal raw materials required for the production of antimony metal are antimony ore, soda ash, iron scrap, and furnace oil. The supply position of iron scrap, soda ash and furnace oil has been fairly satisfactory. The Star Metal depends on imports for its entire requirements of antimony ore. It has imported the ore mainly from Bolivia, Peru, Iran and Turkey. It has managed to locate a new source last year in Australia. Although there has thus been no great difficulty in obtaining regular supplies, the stability of the industry depends upon securing supplies of ore from indigenous sources. The Commission has recommended that the Geological Survey of India sould give the highest priority to the further work to be done at Kolari area (Nagpur) so as to prove the possibility of commercial exploitation of the ore from there and that the Government should invoke the relevant provisions of the mining licence and ensure that the present lessee carries out his obligations regarding prospecting and exploitation of antimony ore in Kolari without any delay, and if he fails to do so, the licence should be transferred to another who is prepared to operate it.

The quality of the antimony metal produced by the Star Metal is reported to be generally satisfactory. Its metal conforms to the Grade C in the tentative standard specification published by the Indian Standards Institution. The Company claims that it has the necessary equipment and technical experience to produce antimony of Grades B and A in conformity with the latest version of the Standard.

Imports of antimony were 78 tons (valued at Rs. 1.70 lakh) and 21.21 tons (Rs. 0.89 lakh) in 1956 and 1957, respectively. The bulk of the imports during the last two years were from China. In order to assess the quantum of protection needed by the domestic industry, the Commission has adopted the latest and actual c.i.f. price of Rs. 103.00 per cwt. The fair exworks price of indigenous antimony is computed at Rs. 153.50 per cwt. The landed cost exduty of the imported antimony (including clearing charges Rs. 5.15 per cwt.) aggregated Rs. 108.15. The difference between the two prices is Rs. 45.35. Expressed as a percentage of c.i.f. price, it works out at 44.03 per cent. It is on this basis that the Commission recommended the reduction in existing duty of 60 per cent. *ad valorem* to 45 per cent. *ad valorem* or Rs. 45 per cwt. whichever is higher.

REPORT ON CUSTOMS REORGANISATION SUBMITTED

The Customs Reorganisation Committee has submitted the main parts of its report, including the recommendations that it was requested to make in its terms of reference, to the Government of India on 31st of October 1958. It has dealt with practically all aspects of the work at present performed by the Customs organisation and the first volume of this report contains separate and self-contained chapters on such subjects as tariff structure, import trade controls, valuation for duty purposes, assessment of mixed goods, bills of entry, cargo examination, analytical tests, detentions of goods, guarantees and bonds, bonded warehousing, foreign postal parcels, stores for Government organisations, exports, drawback, tourist and passenger traffic, penal proceedings, steamer agents, air traffic problems, custom house agents, advisory bodies, information services and public relations, improvements in the entire customs organisation to achieve more efficient performance, and other important subjects including special features of land customs.

The Customs Reorganisation Committee, it will be recalled, was appointed by the Ministry of Finance, Government of India on 23rd January, 1957. It consisted of Mr. F. C. Badhwar (retired Chairman, Railway Board), Managing Director, Messrs. Bird & Co., New Delhi; Mr. S. M. Shah, President, All-India Importers' Association, Bombay; Mr. E. J. Benjamin, Director, Messrs. Robert MacLean & Co., Calcutta, and Mr. W. Saldanha, Officer on Special Duty, Central Board of Revenue, New Delhi. While Mr. Badhwar was Chairman, Mr. V. S. Ramaswamy, Assistant Collector of Customs, was the Secretary of the Committee.

While it took some time to provide the Committee with office accommodation and a secretariat, the members of the Committee met informally and decided on the form and scheme of the enquiry. It was realised that the interests affected by the customs organisation were not only importers, exporters, passengers and tourists, but also agencies concerned with steamers and airlines, shipping and clearing operations, and travel arrangements. Likewise, on the side of Government, organisations such as the Chief Controller of Imports and Exports, the Port Authorities, the Foreign Post Office, the Reserve Bank of India, Government Purchase Departments, Government departments engaged in commercial activities, public corporations, foreign diplomatic missions and U.N. agencies, are closely concerned or linked with the customs operation. It was, therefore, decided to prepare two sets of questionnaires, one for the trading public and the other for Government departments, in order to collect the fullest data and suggestions in regard to customs problems.

The size and scope of the enquiry as it emerged from the voluminous material collected was large and wide, and it soon became apparent that considerably more time than originally scheduled would be required to ensure a through analysis and detailed study of the data; in addition, there was the obvious need for personal discussions on important points with representatives of numerous Chambers and Trade Associations, Port Commissioners as well as of Custom Houses and many other Government Departments. At the same time, the Committee's programme had to be designed to fit in with the commitments of members in connection with their own business occupations. It, therefore, became necessary for Government to extend the life of the Committee first to the 30th April 1958 and later to the 31st October 1958.

Subjects of general interest were contained in material on certain points received through the foreign missions at New Delhi and direct from trade interests abroad. This was supplemented by discussions which the Committee's Chairman held with the authorities in the U.K., Eire, France, Germany and Italy in the course of his visit to Europe in connection with the London session of the Commonwealth Chambers of Commerce in the summer of 1957.

The Committee held 21 official meetings and had several other discussions with representatives of different commercial organisations and Government Departments, the Collectors of Customs and the Director of Inspection, Customs and Central Excises. The Chairman and individual members also held informal consultations with representatives of various Ministries, Port Commissioners, Custom Houses and trade interests. Visits were paid to main ports and the customs organisational set-up and its working were examined in detail on the spot.

During the course of the enquiry, certain urgent and important matters of public interest were stressed and the Committee felt it necessary to give these priority consideration. As a result, advance recommendations were submitted to Government regarding them, so that immediate reforms could be introduced.

The Report is divided into three volumes. Volume I is practically self-contained and constitutes the main report. Volume II contains purely procedural arrangements which the Committee have proposed mainly in implementation of their main proposals in Volume I. Volume III contains the texts of the Committee's advance recommendations, copies of its questionnaires, lists of Chambers and Associations who furnished data. It also includes certain other information such as the lists of organisations and officers interviewed, which will serve to indicate the compass of the investigation undertaken by the Committee.

TATA CHEMICALS' SALES IMPROVE

PROFIT, HOWEVER, DECLINES

THE working of the Tata Chemicals Ltd. (Managing Agents: Tata Industries Private Ltd., Bombay) during the year ended 30th June 1958 has yielded results which differ from the encouraging performance noted in the previous year in one important respect, namely, profit. Despite a satisfactory record of production and a sharp rise in sale proceeds, the profit has suffered a marked fall. The sale proceeds for the year under review shot up by as much as Rs. 76.11 lakhs or 29 per cent. to a new high of Rs. 3.42 crores. It may be noted here that, in 1956-57, the rise in sale proceeds was only Rs. 27.43 lakhs and that in 1955-56 was no more than Rs. 19.33 lakhs. Thus, the pace of growth in sales was substantially greater than in the preceding two years. And yet the gross profit has fallen from Rs. 54.79 lakhs for 1956-57 to Rs. 45.98 lakhs, a drop of 16 per cent. Such a decline in profit, as in the case of several leading companies reviewed in these columns in recent weeks, is due to higher manufacturing charges, consequent on increases in the cost of coal, coke, furnace oil, packing materials, wages and salaries, etc., that is, factors over which the management has no control. The fall in profit has resulted in a curtailment in the dividend level from 8 per cent. to 7½ per cent. Indeed, even payment of this lower distribution has been possible only with the help of a withdrawal of Rs. 2.80 lakhs from the general reserve.

Although the profit has declined, the Government's share in the Company's earnings does not show any reduction. On the other hand, it has gone up. Thus, the provision for taxation had been stepped up from Rs. 7.97 lakhs to Rs. 12.42 lakhs. The latter amount is inclusive of Rs. 1.48 lakh for wealth tax. The provision for depreciation has been lowered from Rs. 26.56 lakhs to Rs. 17.25 lakhs, thereby more than offsetting the increase in the tax provision. Nevertheless, because of the bigger fall in gross profit, the net profit is lower at Rs. 13.45 lakhs, as compared with Rs. 17.45 lakhs for 1956-57. In fact, it is the lowest for the past four years and is insufficient to cover the dividend on the 5 per cent. preference shares and the proposed ordinary dividend both of which require Rs. 13.66 lakhs. The net profit, it will be interesting to note, is equal to only 3.8 per cent. of sale proceeds.

The reduced dividend of 7½ per cent. on ordinary shares is equal to that paid for 1955-56, that is, the maiden dividend declared as many as 17 years after the Company's inception. No wonder that the short-lived increase of ½ per cent. in the dividend last year has greatly disappointed the investors and belied the optimistic expectations of the share market. It must, however, be noted that the Directors have proposed a small payment at the rate of 3.125 nP per share on the new ordinary shares (including interest payable out of capital at 4 per cent. per annum, amounting to 1.667 nP per share, as sanctioned by Government). A sum of Rs. 2.30 lakhs, equivalent to 75 per cent. of the development rebate earned from 1st January 1958, has been transferred to the development reserve, as against Rs. 3 lakhs made in the previous year. The provision for retiring gratuities has been lowered from Rs. 50,000 to Rs. 25,000. A provision of Rs. 10,000 has been made as reserve for bad and doubtful debts, as against *nil*. The total amount thus retained in the Company's business out of the profit for the year under review is Rs. 2.55 lakhs. But this addition has been more than neutralised by the withdrawal of Rs. 2.80 lakhs from the general reserve, as mentioned earlier.

The following table brings out the salient features of the Company's results for the past four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1958	1957	1956	1955
Sale of products	341 70	265 59	238.16	218.83
Other income	7 52	7 33	5 87	3 67
Closing stock of finished goods	36 28	40 97	31.40	22 24
Raw materials, stores etc. consumed	101 26	88 33	77 64	61 13
Expenses	201 99	132 79	131 41	106 99
Gross profit	45 98	54 79	43 76	33 17
Managing Agents' Commission	2 86	2 81	2 01	1 62
Depreciation	17 25	26 56	25 00	18 00
Taxation	12 42	7 97	—	—
Net profit	13 45	17 45	16 84	13 55
Transfer from reserves	2 80	—	0 02	—
To reserves	2 55	3 50	3 60	0 05
Dividend—				
5% preference	2 00	2 00	2 00	13.50*
Ordinary	10 66	11 50	10 50	—
	(7½%)	(8%)	(7½%)	
Carry forward	0 04	0 39	0 54	0.87

* For 4½ years ended 30th June 1956.

The Directors state that, during the year under review, the production of soda ash which was maintained at 160 tons per day would have been higher but for major repairs in the latter half of the year to some of the units of the plant which had been subjected to heavy wear and tear on account of continuous operation. The Government of India allocated to the Company 5,000 tons of imported soda ash for sale, thus releasing an equivalent quantity of the Company's own ash for the manufacture of chemical caustic soda. The output of electrolytic caustic soda showed a small increase as a result of additional cells being put into operation. The Directors, however, state that since the fair prices of the Company's principal products, namely, soda ash and caustic soda, had been fixed by the Tariff Commission, it was not possible to pass on any part of this increase in costs to the consumers.

Referring to the Company's operations during the year under review and to some of the projected new activities that it has in view, the Directors observe thus:

"The benzene hexachloride plant worked throughout the year, and, owing to a growing demand for this product, an expansion of the plant has been taken in hand and is expected to be completed early in 1959. The copper oxychloride plant was first commissioned in November 1957, while the total production of salt increased by as much as 40 per cent. which was a new record for the Company. The output of bromides was adjusted to the offtake in the country, and the manufacture of a new bromine product, ethylene dibromide, was undertaken on a small scale at the instance of Tata-Pison. This is used as a fumigant for protecting foodgrains in storage against vermin and insects. Additions are also being planned to the bromine and hydro-chloride acid plants.

"Projects for the manufacture of copper sulphate, ferric chloride and caustic potash have been approved by the Government of India and sanctioned by the Board. Some of these products are expected to be put on the market in the current year."

The schemes referred to above would naturally involve a large financial outlay. Alluding to this aspect, the Directors point out that the expansion schemes, which had been estimated in the previous year to involve an expenditure of Rs. 424 lakhs, is now expected to increase to about Rs. 510 lakhs owing to the inclusion of new projects and also because the plant and equipment required for the expansion of the soda ash and allied plants have had to be purchased in the U.S.A. In this connection, it is noteworthy that the Company obtained an allocation from the Government of India of Rs. 1 crore of dollar exchange out of the loan granted by the Export-Import Bank of the U.S.A. In terms of these arrangements, the Company has placed orders in the U.S.A. for the bulk of the plant required for the expansion programme.

One of the greatest handicaps of the Company is the inadequate supply of fresh water. Since this factor has a great say on the Company's profit-margin, readers will be interested in the following observations of the Directors:

"After last year's failure which led to a serious water shortage, the monsoon this year was extremely good and both the main reservoirs at Bhimgaja and Mithikhadi overflowed. The water-supply position is now assured until the next monsoon and is adequate for meeting the Company's increasing requirements. Long-term measures for dealing with this recurring problem in accordance with the advice given by our experts are now before the Government of Bombay for consideration and approval before they can be implemented."

The Company's distribution of revenue shows that, in 1957-58, materials consumed accounted for 45.58 per cent., employees 18.09 per cent., freight and handling 8.39 per cent., administration 7.92 per cent., Government 7.14 per cent., depreciation 5.43 per cent., proposed dividends 4.29 per cent., repairs and renewals 2.41 per cent. and reserves 0.75 per cent.

According to the Company's balance-sheet as at 30th June 1958, its paid-up capital stands raised from Rs. 199.96 lakhs a year before to Rs. 255.96 lakhs on account of issue of new capital. In January last, the Company issued 1,120,000 new ordinary shares of Rs. 10 each, on which Rs. 5 have been called up. This issue was oversubscribed. The Company now has 1,399,599 old ordinary shares of Rs. 10 each fully paid, 1,120,000 new ordinary shares of Rs. 10 each of which only Rs. 5 is paid-up and 59,970 preference

(Continued on next page)

KIRLOSKAR OIL ENGINE DOES WELL

ADDITIONAL CAPITAL ISSUED

ENCOURAGING results are disclosed by the audited statement of accounts of Kirloskar Oil Engines Ltd. (Managing Agents: Messrs. Kirloskar Sons & Co., Poona) for the year ended 31st March 1958. There has been a sizable rise in the Company's sales over the year, the gross profit has gone up by more than a third, that is, from Rs. 15.56 lakhs to Rs. 20.99 lakhs, a sizable addition has been made to the reserves and the dividend is being stepped up again from 9 per cent. to 10 per cent.

With the rise of Rs. 5.43 lakhs during the year, the gross profit has nearly trebled itself in three years. In conformity with the rise in the gross profit, the net profit also has increased, that is, from Rs. 3.39 lakhs earned a year ago to Rs. 8.08 lakhs. The provision for depreciation at Rs. 2.37 lakhs is lower, as compared with Rs. 6.89 lakhs for the previous year, but the latter amount is inclusive of Rs. 4.80 lakhs, being arrears of depreciation in respect of previous years. The provision for taxation has been raised from Rs. 4.02 laks to Rs. 8.69 lakhs and this includes Rs. 44,116, representing taxation payments in respect of the previous year, including wealth tax. The better profits for the year under review have not only enabled a larger allocation being made to the various reserves but have also resulted in a modest upward revision in the rate of dividend distribution. Thus, after transferring Rs. 1.25 lakh to Mr. L. K. Kirloskar's Memorial reserve, the Directors have been able to allocate Rs. 4.30 lakhs to the reserves, as against only Rs. 1.50 lakh made a year ago. This consists of Rs. 57,500 to development rebate reserve, Rs. 250 to general reserve No. 1, Rs. 2.50 lakhs to general reserve No. 2 and Rs. 1.23 lakh to deferred taxation reserve. The dividend has been raised to 10 per cent. from 9 per cent. for the previous year, to which level it had been successively stepped up from 5 per cent. paid in 1954-55.

The following comparative table will give an idea of the Company's progress during the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds	133.87	99.38	67.51	56.76
Closing stocks of process stock and finished engines	16.45	9.11	30.49†	24.75†
*Manufacturing and other expenses	120 70	88 09	68.56	47 91
Gross profit	20 99	15 56	10 77	7 11
Managing Agents' commission	1 85	1 26	1.31	0.77
Depreciation	2 37	6 89	3.06	1.96
Taxation	8.69	4.02	—	—
Net profit	8.08	3 89	7.41	4.98
Transfer from dividend suspense	—	0.02	—	—
Previous losses written off	—	—	4.64	8.18
L. K. Kirloskar memorial reserve	1.25	—	—	—
Transfer to reserves	4 80	1.50	1.00	—
Dividends	2 42	2 17	1 44	1 20
	(10%)	(9%)	(6%)	(5%)
Carry forward	0.17	0.07	0 32	—4.64

† Include also stores.
* Approximate.

The Directors state that the production of diesel engines recorded a marked progress during the year and that the demand for engines is continuing to be satisfactory. This is reflected in the further rise in sale proceeds from Rs. 99.38 lakhs in 1956-57 to Rs. 1.34 crore in the year under review, representing a rise of Rs. 34.49 lakhs over the year. Construction work of the new factory building which the Company is putting up for housing some of its expansion schemes is expected to be completed within a few months.

Encouraged by the good progress made by it in recent years, the Company has undertaken several expansion schemes, namely, increasing the production of the present range of engines, developing the manufacture of bi-metal bearings and bushes and also taking up the manufacture of engines in the range of 50 to 200 h.p. In order to finance the expansion schemes, the Directors have, in the first instance, issued a few weeks ago additional capital to the extent of Rs. 12.50 lakhs. The issue is made up of 125,000 ordinary shares of Rs. 10 each and has been offered to the existing shareholders in proportion to their holdings.

The paid-up capital of the Company as at 31st March 1958 stands at Rs. 24.23 lakhs, all in ordinary shares of Rs. 10 each. As against this, its reserves and surplus aggregate Rs. 10.23 lakhs. The current liabilities and provision for taxation have gone up substantially from Rs. 52.21 lakhs to Rs. 86.16 lakhs. This is mainly due to the increase in credit availed of to provide working capital and to finance expansion schemes. While the secured loan from the I.F.C. of India has declined from Rs. 14 lakhs to Rs. 12 lakhs, loans from banks have risen from Rs. 15.31 lakhs to Rs. 32.29 lakhs. Unsecured loans too are higher at Rs. 11.14 lakhs, as against Rs. 2.78 lakhs a year ago. The gross block of Rs. 48.81 lakhs stands written down at Rs. 28.14 lakhs. Additions during the year were of the order of Rs. 8.60 lakhs. Besides this, building works under construction account for Rs. 5.57 lakhs. The current assets aggregate Rs. 86.91 lakhs and are just enough to cover the current liabilities and the provision for taxation.

The Rs. 10 paid-up shares of the Company are currently quoted at Rs. 17.52 *cum-div.* and on an *ex-div.* basis, the yield on the shares works out to 6.05 per cent. per annum.

NATIONAL ELECTRICAL INDUSTRIES LTD.

A rise in sale proceeds and a modest improvement in the gross profit are the features characterising the working of the National Electrical Industries Ltd. [Managing Agents: Messrs. Navin, Kumar, Hansraj (Private) Ltd., Bombay] during the year ended 31st March 1958. The Company's gross profit for the year under review at Rs. 6.65 lakhs stands slightly higher, as compared with Rs. 6.21 lakhs for both 1955-57 and 1955-56. The net profit has also improved, that is, from Rs. 1.89 lakh in the previous year to Rs. 2.23 lakhs. This is arrived at after providing for Managing Agents' commission, depreciation and taxation. A sum of Rs. 1.21 lakh has been provided for depreciation, as against Rs. 1.24 lakh in the previous year. The provision for taxation, which also includes wealth tax, takes up Rs. 2.60 lakhs, as against Rs. 2.50 lakhs.

Adding the sum of Rs. 20,852 brought forward from the previous year and refund of income-tax for the years 1948-49 and 1955-56, amounting to Rs. 1,805, to the net profit, there is a total amount available for appropriation of Rs. 2.46 lakhs. From this, the Directors have transferred Rs. 1.30 lakh to the reserves, as against Rs. 1.10 lakh a year ago. This consists of Rs. 15,010 transferred to development rebate reserve, Rs. 90,000 to dividend equalisation reserve and Rs. 25,000 to depreciation reserve. The allocations in the previous year were: reserve fund Rs. 50,000 and contingencies reserve (including gratuity) Rs. 60,000.

The Directors have declared a dividend of 9 per cent. on the ordinary shares for the year under review which is the same as that paid in the previous year. The dividend on the 4½ per cent. tax-free cumulative preference shares absorbs Rs. 24,390 and on the ordinary shares Rs. 69,993, leaving a sum of Rs. 21,600 to be carried forward.

Both production and sales made satisfactory progress during the year under review, having improved from Rs. 68.72 lakhs and Rs. 68.36 lakhs, respectively, in 1956-57 to Rs. 75.80 lakhs and Rs. 74.95 lakhs. The cost of raw materials consumed has increased from Rs. 44.26 lakhs to Rs. 48.23 lakhs. Other expenses, however, have slightly decreased from Rs. 20.47 lakhs to Rs. 19.93 lakhs. Closing stocks are also a shade lower at Rs. 10.84 lakhs as compared with Rs. 11.79 lakhs at the end of 1956-57.

The Company has a paid-up capital of Rs. 13.30 lakhs, made up of Rs. 5.42 lakhs in 4½ per cent. tax-free cumulative preference shares of Rs. 100 each and the balance in ordinary shares of Rs. 50 each. This is supplemented by reserves and surplus aggregating Rs. 7.93 lakhs. The Directors have transferred the sum of Rs. 3.10 lakhs, treated hitherto as contingencies reserve, to a new modernisation and rehabilitation reserve. Secured loans from the I.F.C. against mortgage of machinery, materials, etc., account for Rs. 7.15 lakhs and from bank for Rs. 4.49 lakhs. The other current liabilities and provisions stand at Rs. 24.58 lakhs. The gross block of Rs. 24.49 lakhs stands written down to a book value of Rs. 14.13 lakhs. The current assets aggregate Rs. 43.32 lakhs.

The Rs. 50 fully paid up shares are being currently quoted at Rs. 75 *cum-div.* and on an *ex-div.* basis, the yield is 6.3 per cent. per annum.

(Concluded from previous page)

shares of Rs. 100 each fully paid, carrying 5 per cent. cumulative dividend. In view of the chequered career the Company has had, its reserves and surplus are very small, being no more than Rs. 17.23 lakhs. Even this includes Rs. 7.62 lakhs belonging to the share premium account. The Company has a debenture liability amounting to Rs. 25 lakhs. Secured loans (other than the debentures) account for Rs. 15.40 lakhs and unsecured loans for Rs. 110.78 lakhs. The other current liabilities and provisions for taxation, dividend, etc., amount to Rs. 102.69 lakhs, having increased from Rs. 82.34 lakhs a year before. The current assets aggregate Rs. 241.21 lakhs. The gross block of the value of Rs. 457.36 lakhs has been depreciated by Rs. 171.48 lakhs to a book value of Rs. 285.87 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 16.28 *cum-div.* On an *ex-div.* basis, the yield works out to 4.8 per cent. per annum, free of tax.

Points From The Chair

Future Prospects for Industries

"IT will take a bolder person than a mere business man, who is not a politician, to venture on any forecast of the future of this key industry or of the trend of economic, financial or industrial development of the country as a whole. This much, however, I think, can be reasonably said, that the prospect is uncertain in the absence of the correction of adverse circumstances which persists in many directions of which I would mention a few. The more hazardous and a grave hindrance to industrial development is the almost daily occurrence, frequently accompanied by violence, of strikes in industry, transport, administrative and other services. It cannot be denied that some of the more recent strikes have been organised by the Communist Party for political purposes and for supplanting existing recognised unions. The material for these and other strikes is greatly fostered by the lack of effective measures to reduce the cost of living, to produce more food and to augment the supply of cheap cloth, housing and other indispensable necessaries of life. The present level of direct taxation, both corporate and individual, has undoubtedly destroyed incentive to a great extent and reduced the desire to earn more and to save for industrial investment to a negligible factor. The heavy burden of indirect taxation, both Central and State, is borne almost entirely by the common man who falls an easy victim to the promises and propaganda of careerist labour leaders. Whatever the foreign aid by way of loans, gifts or technical assistance may be, it will not help India to achieve the over-emphasised and unduly speedy development of its heavy industries, whether in the public or in the private sector, unless immediate and adequate remedial measures are set in train to counteract the general sense of frustration now prevalent in all classes of the people of this country."

SIR BIREN MOOKERJEE,
Indian Iron and Steel Co., Ltd.

Renault Vehicle Exports

"In 1957 Renault exported 91,060 vehicles to countries outside the franc area, representing over 29 per cent. of total output. In effect, the number of vehicles exported increased by 69.5 per cent. over the previous year. By exporting 48.2 per cent. of the total of French vehicles sold outside the franc area—51 per cent. of the percentage is confined to cars alone—the Corporation consolidated its position as the leading French motor-car exporter, a position which it has held since 1949. By so doing, it also amply fulfilled its self-imposed export quota under the agreement which, in common with other motor manufacturers, it had made with the Government at the beginning of the year. This required the manufacturers not only to maintain the export ratio achieved in 1956 but to export at least two-thirds of any subsequent increase in output. Renault's exports in fact accounted for 90 per cent. of the increase in production achieved during the year."

M. PIERRE DREYFUS,
Regie Nationale des Usines Renault.

Taxation

"Sometimes one is at a loss to understand the working of the political brain, whether national or local. For example, although this is not strictly speaking a question of taxation, what can be said for the mentality of the Borough of Barking, who on 4th February 1958 asked for tenders for porcelain enamel baths, and specified that they were to be of Hungarian manufacture and to be made to British Standard Specification 1189? In other words, apparently a deliberate attempt to put British workers out of a job, and increase the costs of the British product, because any reputable British bath manufacturer could supply baths to this requirement. It would be very interesting to know whether the houses for which these Hungarian baths were required were subsidised in any way from public funds, which of course can only come from taxation. Taxes are part of a company's cost of living, and only when they are paid can a company begin to show a net profit. If a company cannot make a profit, it cannot stay in business and provide jobs."

J. E. V. JOBSON,
Qualeast Limited (Derby).

Wolfram Prices

"In order to illustrate this feature of the wolfram market I may mention that, whereas the prices of copper, lead and zinc fell between 1st January 1957 and 1st September 1958, by 24 per cent., 39 per cent. and 36 per cent. of their respective prices at the former date, the price of wolfram fell during the same period by no less than 72 per cent. The general fall in metal prices has caused difficulties for most producers of base metals, but, as the above figures show, their difficulties have been small compared with those which wolfram producers have had to face. The high wolfram prices of recent years, the effect of which was intensified by long-term Government contracts at high fixed prices, brought many high cost producers into the market and led to the opening up of entirely new areas, the additional supplies from such source, made a severe drop in the price inevitable as soon as world demand began to fall. Most of these high cost producers have now been compelled to close their mines, but offerings of wolfram from Bolivia, where wolfram is largely a by-product of tin production and from Southern Korea, and of various tungsten products from behind the Iron Curtain, have been sufficient during recent months to satisfy the limited demand."

F. GATES,
Beralt Tin and Wolfram Ltd., London.

COMPANY MEETINGS AND DIVIDENDS

CHAMPDANY JUTE CO., LTD. Annual General Meeting, Calcutta, 14th November 1958. Dividend: *Nil*. Transfer books remain closed from 6th to 14th November 1958, both days inclusive.

TATA CHEMICALS LTD. Annual General Meeting, Bombay, 18th November 1958. Dividend: 75 nP per share, on old ordinary shares and 3.125 nP per share, on new ordinary shares, payable on and after 20th November 1958. Transfer books were closed from 6th October to 3rd November 1958, both days inclusive.

MYSORE COFFEE ESTATES LTD. Annual General Meeting, Bangalore, 20th November 1958. Dividend: 15 per cent. Transfer books will remain closed from 10th to 20th November 1958, both days inclusive.

DIBRUGARH CO., LTD. Annual General Meeting, Calcutta, 20th November 1958. Dividend: Rs. 2.50 per share. Transfer books will remain closed from 11th to 20th November 1958, both days inclusive.

HINGIR-RAMPUR COAL CO., LTD. Annual General Meeting, Bombay, 21st November 1958. Dividend: *Nil*. Transfer books remain closed from 3rd to 21st November 1958, both days inclusive.

HATTIKHIRA TEA CO., LTD. Annual General Meeting, Calcutta, 21st November 1958. Dividend: *Nil*. Transfer books will remain closed from 17th to 21st November 1958, both days inclusive.

KIRLOSKAR OIL ENGINES LTD. Annual General Meeting, Poona, 21st November 1958. Dividend: 10 per cent. or Re. 1.00 per share, payable on and after 21st December 1958. Transfer books remain closed from 31st October to 21st November 1958, both days inclusive.

SINGARENI COLLIERIES LTD. Annual General Meeting, Khairatabad, Hyderabad-Deccan, 24th November 1958. Dividend: 15 per cent. or Re. 1.50 per share. Transfer books will remain closed from 10th to 24th November 1958, both days inclusive.

AHMEDABAD ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 26th November 1958. Dividend: Re. 4.00 per share final (making 6½ per cent. for the year), payable on and after 28th November 1958. Transfer books remain closed from 3rd to 27th November 1958, both days inclusive.

DEJOO VALLEY CO., LTD. Annual General Meeting, Calcutta, 27th November 1958. Dividend: Rs. 2.00 per share. Transfer books will remain closed from 18th to 27th November 1958, both days inclusive.

TYROON TEA CO., LTD. Annual General Meeting, Calcutta, 27th November 1958. Dividend: Rs. 3.00 per share. Transfer books will remain closed from 18th to 27th November 1958, both days inclusive.

TELOIJAN TEA CO., LTD. Annual General Meeting, Calcutta, 27th November 1958. Transfer books will remain closed from 20th to 27th November 1958, both days inclusive.

KUMARDHUBI ENGINEERING WORKS LTD. Annual General Meeting, Calcutta, 27th November 1958. Dividend: Re. 0.45 per share. Transfer books will remain closed from 13th to 27th November 1958, both days inclusive.

DELHI CLOTH AND GENERAL MILLS CO., LTD. Annual General Meeting, Delhi, 27th November 1958. Dividend: Rs. 2.00 per share. Transfer books will remain closed from 14th to 27th November 1958, both days inclusive.

KARANPURA DEVELOPMENT CO., LTD. Annual General Meeting, Calcutta, 28th November 1958. Dividend: *Nil*. Transfer books will remain closed from 14th to 28th November 1958, both days inclusive.

BOMBAY CYCLE AND MOTOR AGENCY LTD. Annual General Meeting, Bombay, 28th November 1958. Dividend: Re. 1.00 per share, payable on and after 2nd December 1958. Transfer books will remain closed from 14th to 28th November 1958, both days inclusive.

BROOKE BOND ESTATES INDIA LTD. Annual General Meeting, Calcutta, 28th November 1958. Transfer books remain closed from 1st to 28th November 1958, both days inclusive.

BLUE MOUNTAIN ESTATES LTD. Annual General Meeting, Madras, 5th December 1958. Dividend: Re. 0.25 per share or 12½ per cent., payable on 6th December 1958. Transfer books will remain closed from 21st November to 5th December 1958, both days inclusive.

WATERFALL ESTATES LTD. Annual General Meeting, Madras, 5th December 1958. Dividend: 12½ per cent. or Re. 0.25 per share, payable on 6th December 1958. Transfer books will remain closed from 21st November to 5th December 1958, both days inclusive.

GREAT EASTERN SHIPPING CO., LTD. Annual General Meeting, Bombay, 12th December 1958. Dividend: Re. 1.80 per share, on old ordinary shares and Re. 0.90 per share, on new ordinary shares, payable on 15th December 1958. Transfer books remain closed from 3rd to 27th November 1958, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Interim dividend of Re. 1.00 per share, free of income-tax, on ordinary shares, for the year ending 31st December 1958. Transfer books will remain closed from 14th to 27th November 1958, both days inclusive.

INDIAN CABLE CO., LTD. Dividend of 15 per cent. on ordinary shares (includes a cash bonus of 2½ per cent.) free of income-tax for the year ended 31st March 1958.

CHAMPDANY JUTE REDUCES LOSS

PROFIT OF BIRLA COTTON DECLINES

Champdany Jute Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. James Finlay and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The accounts show a profit of Rs. 1,78,054 (loss of Rs. 26,43,053) after charging Rs. 8,53,019 (Rs. 8,93,779) for depreciation and taking credit for the following extraneous items:—reserve for taxation contingencies Rs. 78,026 (*nil*) and refund of West Bengal sales-tax in respect of previous years Rs. 1,37,370 (*nil*). The net debit balance of Rs. 7,24,043 (Rs. 26,43,053) in the profit and loss account at the commencement of the year has now been reduced to Rs. 5,45,989 (Rs. 7,24,043 after taking into account the credit balance brought forward of Rs. 19,010 and transferring Rs. 19,00,000 from general reserve) and is being carried forward.

Despite the absence of any revenue surplus, it has been necessary to raise a "Development Rebate Reserve" to the extent of Rs. 14,250; this statutory reserve is in conformity with the provisions of Section 10 (2) (vib) of the Indian Income-tax Act, 1922, as amended by the Finance Act, 1958.

General.—During the earlier months of the year under report the market prices of raw jute and those obtainable for manufactured goods remained at, on the whole, unprofitable levels and the Company consequently continued to work at a loss during those months. Later these price levels changed to the extent that the Company was able to work at a small profit which did not quite balance the losses incurred during the earlier months of the financial year. Manufacturing costs continue to be kept as low as possible.

Arising out of the investigation which the directors and the managing agents had made into the running of the Mills it was decided to operate the new preparing and spinning machinery at Champdany Mill on three shifts per day instead of two shifts as heretofore and to transfer the machinery thus rendered surplus from Champdany to Wellington Mill where it would eventually be operated also on three shifts. It was also decided to complete the modernisation of the preparing and spinning departments of Wellington Mill on a triple shift basis and this work is now in hand. By operating the preparing and spinning departments of both Mills on three shifts per day the maximum possible use of the smallest amount of the latest machinery is made possible, and in addition substantial quantities of valuable machinery have been made available for disposal. The directors are confident that when this work is completed, probably by the end of September 1959, a marked reduction in manufacturing costs will be achieved.

In accordance with the provisions of the Indian Jute Mills Association working time agreement the unsealed looms at both mills worked 48 hours per week. 12½ per cent. of the total loomage at each mill continues to be sealed in accordance with the provisions of the working time agreement. As mentioned above the preparing and spinning departments at Champdany Mill are working three shifts. The preparing and spinning departments at Wellington Mill are presently working a double shift and it is intended that these departments will operate on three shifts whenever progress in the transfer and direction of machinery allows.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	59,16,400	Gross block	2,31,96,782
Reserves ...	75,85,462	*Less*—Depreciation	1,27,96,666
Liabilities ...	42,99,410		
		Net block ...	1,04,00,116
		Stock ...	38,28,840
		Stores and spare parts	9,46,790
		Debts, deposits and advances ...	18,33,176
		Investments	2,06,600
		Cash ...	39,761
		Profit and loss account ...	5,45,989
Rs.	1,78,01,272	Rs.	1,78,01,272

Birla Cotton Spinning and Weaving Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers Private Ltd., Delhi) submit the audited accounts of the Company for the year ended 31st March 1958.

The profit and loss account shows a surplus of Rs. 11,32,321 (Rs. 28,59,166). Out of this amount provision has been made for depreciation Rs. 7,04,395 (Rs. 7,04,486), for development rebate reserve Rs. 76,000 (Rs. 77,000) and for taxation Rs. 2,50,000 (Rs. 15,75,000) leaving a sum of Rs. 1,01,926 (Rs. 5,02,680). To this amount is added the balance brought forward from the last year of Rs. 8,768 (Rs. 5,56,088). Indian State profits transferred Rs. 1,79,636 (*nil*) and dividend on fractional shares not payable Rs. 57 (*nil*) making a total available for disposal of Rs. 2,90,387 (Rs. 10,58,768). The directors recommend dividend on 3,50,000 ordinary shares of Rs. 10 each at 75 nP (Re. 1.50) per share, free of tax absorbing Rs. 2,62,500 (Rs. 5,25,000) leaving a balance of Rs. 27,887 (Rs. 8,768). With the Jaipur branch profits not transferred to Head Office amounting to Rs. 76,320 (*nil*), the total balance to be carried forward to next account will be Rs. 1,04,207 (Rs. 8,768 after paying Rs. 5,25,000 as dividend for the year ended 31st March 1956).

The working results of the textile mills are not considered satisfactory. The heavy incidence of excise duty on mill cloth and increase in the cost of production without corresponding increase in selling prices adversely affected the profits. Since the close of the year the Government of India has granted some relief by way of reduction in excise duty and it is hoped the current year's working will not show any further deterioration. Still much has to be done by the Government if the textile industry is to be got out of the present difficulties. The Company's tent factory and the ginning and pressing factory at Malout worked satisfactorily.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,000	Gross block	1,41,25,225
Reserves ...	74,79,507	*Less*—Depreciation	1,10,21,274
Provision for taxation ...	52,74,222		
Liabilities ...	91,19,184	Net block ...	31,03,951
Profit and loss account ...	1,04,207	Machinery and plant under erection ...	9,52,049
		Stock-in-trade	56,79,915
		Stores ...	11,60,238
		Raw materials	58,40,944
		Stock-in-process ...	1,41,562
		Other assets	7,126
		Debts, deposits and advances ...	59,39,471
		Investments	20,56,051
		Cash ...	5,95,813
Rs.	2,54,77,120	Rs.	2,54,77,120

Rajapalayam Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Ramco Agencies Private Ltd., Rajapalayam) present the audited accounts of the Company for the year ended 31st March 1958.

After deducting all expenses and providing for depreciation a sum of Rs. 1,86,578 (Rs. 1,86,823) the year's working has resulted in a net profit of Rs. 1,83,582 (Rs. 7,74,977). Out of this, a sum of Rs. 15,350 (Rs. 26,367) has been disbursed by way of donation leaving a balance of Rs. 1,68,232 (Rs. 7,48,610). Adding to this a sum of Rs. 15,404 (Rs. 10,510) being the balance of profit brought forward from last year, the total amount available for allocation is Rs. 1,83,636 (Rs. 7,59,120). The directors recommend to allocate the same as follows:—

To pay a dividend at 8 (12) per cent. (tax free) absorbing Rs. 1,29,144 (Rs. 1,93,716), to transfer to employees' gratuity reserve Rs. 10,000 (*nil*) and to provision for taxes Rs. 44,492 (Rs. 3,50,000 for provision for taxes, and Rs. 2,00,000 to machinery replacement reserve leaving to be carried forward the balance of Rs. 15,404).

During the year under report, the prices of cotton were ruling steady at high levels while yarn prices were falling down day by day. Further, yarn stocks were not moving freely especially during the latter half of the year. The Mills had therefore to sell its yarn at reduced rates. These factors have accounted for the fall in profits.

The directors state that good progress has been made in the expansion programme since the last report. Blow-room, carding and preparatory machineries have been erected and are now under trial running. As for ring frames, the Mills have received only part supply from the manufacturers. The directors are planning to start production in the new mills with the available ring frames and hope to complete the first stage of expansion within a few months.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,14,300	Gross block	58,40,286
Reserves ...	14,00,000	*Less*—Depreciation ...	20,95,405
Provision for taxation ...	78,532		
Liabilities ...	36,79,184	Net block ...	37,44,881
		Stock-in-trade	20,28,141
		Stores etc. ...	2,00,790
		Debts, deposits and advances ...	6,95,945
		Investments	30,528
		Cash ...	71,731
Rs.	67,72,016	Rs.	67,72,016

Tirupati Cotton Mills Ltd.

The directors of the above Company (Chairman: Mr. C. R. Srinivasan, Madras) present the audited accounts of the Company for the year ended 31st March 1958.

The directors state that the Mill was inaugurated with the first instalment of 6,000 spindles by the Hon'ble Chief Minister of Andhra Pradesh on 29th August 1957. Since then the remaining 6,000 spindles also have been commissioned and as on date the mill is working with the full complement of 12,000 spindles.

The general recession in the yarn markets resulted in the Mills not being able to get the anticipated margin. The Mills are mainly producing 20s yarn. In September 1957 the average selling price was Rs. 17-6-0 per bundle of 10 lbs. which by December 1957 gradually fell to Rs. 16-2-0 per bundle of 10 lbs.

Further, delivery of Texmaco ring frames having been delayed till March 1958. The Mills could work only 6,000 spindles during the period under report and such working was highly uneconomical. The directors are still awaiting delivery of some of the preparatory machinery of indigenous manufacture which is very necessary for an efficient working with the full complement of 12,000 spindles.

The yarn produced by the Mills has acquired a reputation for quality almost from the inception and is well in demand in the surrounding handloom centres. It shall be the directors' constant endeavour to maintain high standards in the quality of yarn.

The directors are confident that with the full complement of 12,000 spindles and increased production, the working of the mill during the current year will yield better results.

The Company has now availed itself of a total loan of Rs. 18,00,000 from the Industrial Finance Corporation of India. There is a balance of Rs. 1,50,000 to be received as and when the directors raise the paid-up capital to Rs. 22,50,000.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,62,195	Gross block	37,84,098
Liabilities ...	34,81,998	Stock-in-trade	12,06,295
Profit and loss account ...	1,000	Stores, spare parts and loose tools	2,79,817
		Debts, deposits and advances ...	1,07,733
		Investments	10,175
		Cash ...	11,913
		Miscellaneous expenditure and losses	45,162
Rs.	54,45,193	Rs.	54,45,193

Barnagore Jute Factory Co., Ltd.

The directors of the above Company (Secretaries: Messrs. McLeod Russel & Co., Ltd., London) present the audited accounts of the Company for the year ended 31st March 1958.

The profit for the year amounts to £39,291 (loss of £122,694) against which has to be placed depreciation of fixed assets £61,676 (£68,053) and provision for doubtful debts £8,669 (£14,039) making a net loss of £31,054 (£204,786). From this is deducted refund of profits tax distribution charge 1956 £750 (*nil*) and profit on sale of land £11,030 (£3,096) leaving a debit balance of £19,274 (£142,597 after deduction provision for taxation no longer required of £44,654 and £14,439 being rent receivable in respect of previous years.) To this amount has to be added the debit balance brought forward from 31st March 1957 of £156,293 (£13,696) making a total debit balance £175,567 (£156,293) which has been deducted from the revenue reserves as shown in the accounts.

Compared with the previous year, trading conditions have shown some improvement and the trading profit, as shown in the profit and loss account, of £40,394, before providing for depreciation, has been achieved after making non-recurring payments, amounting to £29,000, in the form of retrenchment benefits and gratuities to workers rendered surplus by the operation of the new machinery. Payments in respect of retrenchment will not continue on this scale in future.

The fullest advantage of the new machinery was taken throughout the year by concentrating all production in East Mill and working the mill machinery on a triple shift with a double shift in the weaving department. This procedure has proved satisfactory and the South Mill buildings and equipment are now considered surplus to the Company's requirements and negotiations are proceeding to dispose of these surplus assets.

Although the Government of India have not yet reached their target of self-sufficiency in jute within India, the increased availability of the raw material and the realisation by the market that the current year's crop would prove comparatively plentiful has resulted in raw jute prices being maintained at a level at which it has generally been possible in recent months to buy jute and sell goods simultaneously at a profit. It will be appreciated, however, that the Industry, being largely dependent on the export of its products overseas, is particularly vulnerable to any general recession in the volume of international trade throughout the world.

The over-all hessian stock position is satisfactory but there has been a gradual rise in stocks of sacking goods. They do not appear, however, to have reached a level at which they are likely to constitute a danger to the price structure of the market. Having regard to all these factors, the directors feel it is possible to expect some further improvement in the results of the Company during the ensuing twelve months.

Accounts in brief are as under:—

Liabilities	£	Assets	£
Capital ...	475,000	Gross block*	1,640,294
Reserves* ...	455,465	*Less*—Depreciation ...	987,467
Liabilities ...	775,115	Net block ...	652,827
		Stock and stores ...	707,390
		Debts, deposits and advances etc.	313,794
		Investments	16,033
		Cash ...	15,536
	£1,705,580		£1,705,580

*Reserves are shown after deducting the debit balance in the profit and loss account amounting to £175,567.

Huldibari Tea Association Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

General.—Drought condition early in the season retarded growth and a crop of 17,36,848 pounds of tea was made as against 17,53,608 pounds in the previous year. The total net average sale price was Re. 1.59 (Re. 1.87) per pound and the working cost per pound of tea produced was Re. 1.43 (Re. 1.35). Market conditions were unfavourable for common teas which to a considerable degree sold below production costs.

Government introduced a compulsory provident fund scheme for plantation labour with effect from May 1957, which together with the high price of concession foodstuff enhanced the working cost.

The gross profit for the year is Rs. 2,79,892 (Rs. 8,77,547) out of which the directors have provided Rs. 72,434 (Rs. 2,06,755) for taxation less an adjustment of Rs. 71,595 on account of previous years and Rs. 1,06,901 (Rs. 1,17,705) for depreciation and replacement of assets. Allowing for these and the other adjustments shown, there is a net profit of Rs. 1,36,559 (Rs. 4,69,124) and a total balance of Rs. 2,38,802 (Rs. 5,68,493) on this account. Out of this the directors have allocated Rs. 25,000 (Rs. 2,35,000) to renewals and additions reserve leaving a balance of Rs. 2,13,802 (Rs. 3,08,493) which, the directors propose to deal with as follows:—

To pay a dividend of 12½ (25) per cent. free of income-tax absorbing Rs. 1,03,125 (Rs. 2,06,250) and to carry forward to 1958 Rs. 1,10,677 (Rs. 1,02,243).

Estimates for 1958 have been based on a crop of 21,500 maunds of tea at a total cost of Rs. 25,33,044, equal to Re. 1.47 per pound.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,25,000	Gross block ...	22,13,183
Reserves ...	18,53,650	*Less*—Depreciation ...	9,84,183
Provision for taxation ...	1,23,237		
Liabilities ...	6,73,088	Net block ...	12,29,000
Profit and loss account ...	1,10,677	Stock of tea ...	10,63,873
		Stores and spare parts	2,94,541
		Debts, deposits and advances ...	2,05,411
		Investments	1,66,867
		Cash	6,25,960
Rs.	35,85,652	Rs.	35,85,652

Basmatia Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts show a profit after charging all expenses, of Rs. 1,94,580 (Rs. 2,85,381) of which taxation provision requires Rs. 89,000 (Rs. 1,22,000) leaving a balance of Rs. 1,05,580 (Rs. 1,63,381). The balance brought forward from last year was Rs. 53,593 (Rs. 66,736) and excess tax provisions in previous years written back amounted to Rs. 25,000 (*nil*) making a total available for appropriation of Rs. 1,84,173 (Rs. 2,30,434). The directors have transferred to general reserve Rs. 50,000 (Rs. 75,000). The directors now recommend payment of a dividend on the ordinary shares at Re. 1.75 (Rs. 2.00) per share absorbing Rs. 89,250 (Rs. 1,01,841) leaving a balance to be carried forward of Rs. 44,923 (Rs. 53,593).

Wealth tax in respect of the years ended 31st December 1956 and 31st December 1957, is estimated to amount to Rs. 9,595 and this has been provided for by transfer from general reserve.

A record crop of 8,593 maunds was sold at an average price of Rs. 2.08 per lb. This compares with a crop of 7,104 maunds in season 1956, which sold at an average price of Rs. 2.57 per lb.

Estimates for the current season have been framed for a crop of 8,500 maunds to cost Rs. 12,66,596 and, provided normal conditions prevail, it is expected that a crop of approximately the estimated amount will be secured.

In the report of the directors for the year ended 31st December 1956, members of the Company were advised of the application which had been made to the Controller of Capital Issues for permission to capitalise a sum of Rs. 5,10,000 out of the amount standing to the credit of general reserve. In October 1957, a letter was received from the Controller of Capital Issues sanctioning the bonus issue applied for. Since then the Board have given the matter careful consideration, but in view of the present level of tax on bonus issues, have decided to take no action for the present.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,10,000	Gross block	13,89,143
Reserves ...	10,25,405	*Less*—Depreciation	5,88,787
Provision for taxation*	1,18,737		
Liabilities ...	5,38,549	Net block	8,00,356
Profit and loss account ...	44,923	Stock of tea	7,69,186
		Stores, loose tools, etc.	1,24,430
		Debts, deposits and advances ...	1,85,217
		Investments	77,497
		Cash ...	2,80,928
Rs.	22,37,614	Rs.	22,37,614

*Includes provision for wealth tax of Rs. 9,595.

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

Notice

INDIA STEAMSHIP COMPANY LIMITED

ORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Ordinary General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, "India Steamship House," 21, Old Court House Street, Calcutta, on Monday, the 22nd December, 1958, at 4 p.m., in order to transact the following business:

(1) To receive the Directors' Report and audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1958.

(2) To sanction payment of dividend on Preference Shares as recommended by the Directors for the year ended 31st March, 1958.

(3) To sanction payment of dividend on Ordinary Shares as recommended by the Directors for the year ended 31st March, 1958.

(4) To appoint a Director in place of Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), who retires by rotation and is eligible for re-appointment and to consider, and if thought fit, to pass the following resolution of which a Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and the relative Explanatory Statement concerning which is annexed hereto as required by Section 173 of the said Act.

RESOLVED that pursuant to the provisions of Section 281 of the Companies Act, 1956, Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), who has attained the age of 71 years and who retires by rotation, be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for the Directors prescribed under Section 280 of the said Act shall not apply to him.

(5) To consider, and if thought fit, to pass the following resolution as Special Resolution, in respect of Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), a Special Notice for which as required by Section 261 of the Companies Act, 1956, has been received by the Company and the relative Explanatory Statement concerning which as required by Section 173 of the said Act is annexed hereto.

RESOLVED that pursuant to the provisions of Section 261 of the Companies Act, 1956, Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), a Director of the Company who is also a Director and Member of Messrs. Lionel Edwards (Private) Ltd., the Managing Agents of the Company and thereby an associate of the Managing Agents, be and is hereby re-appointed a Director of the Company.

(6) To appoint a Director in place of Maharajadhiraja Sir Udaychand Mahtab Bahadur of Burdwan, K.C.I.E., who retires by rotation and is eligible for re-election.

(7) To appoint a Director in place of Mr. S. C. Roy who retires by rotation and is eligible for re-election.

(8) To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from 1st December, 1958, to 22nd December, 1958, both days inclusive.

By Order of the Board,
A. MUKERJI,
Assistant Secretary,
India Steamship Company Ltd.

CALCUTTA, *1st November,* 1958.

The dividend if sanctioned will be made payable to those Shareholders whose names stand on the Register of the Company, on the 1st December, 1958, and the Dividend Warrants will be posted from the 20th January, 1959, onwards.

N.B.—A member entitled to attend and vote is entitled to appoint a proxy and the proxy so appointed need not be a member of the Company.

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

(1) In respect of Item No. 4 of the Notice of the Annual General Meeting, Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), has attained the age of 71 years and hence this needs your approval by a resolution in respect of which a Special Notice has been received from a Shareholder in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. Sir A. Ramaswami Mudaliar joined the Board of Directors of the Company in 1947. During the long period of his association with the Company he has rendered very valuable service to the Company and it is in the interest of the Company that the Board should avail of his valuable advice which is of great asset to the Company, by retaining him as a Director of the Company.

(2) In respect of Item No. 5 of the Notice of the Annual General Meeting, a Special Notice has been received from a Shareholder of the Company as required by Section 261, proposing that the appointment of Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), as a Director, be made and/or be approved in accordance with the provisions of the Companies Act. The Managing Agents of the Company, Messrs. Lionel Edwards (Private) Ltd., have the right to appoint two Directors as ex-officio Directors of the Company. Mr. G. K. Khemka and Mr. K. M. Naik are the two ex-officio Directors of the Company. Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), became a Director of the Company in the year 1947, and has for the last several years been associated as one of the Directors of the Managing Agents, who are entrusted with the management of the affairs of the Company and of which he has been the Chairman since the date of his appointment. As it is in the interest of the Company that it should continue to receive the benefit of his valuable advice and guidance, it is desirable that his appointment as a Director be made and/or approved by a special resolution in accordance with the provisions of Section 261 of the Act.

SALT FARMING IN THE U.S.

In the State of Utah is a brilliant blue lake about 75 miles long and 50 miles wide. This is the Great Salt Lake, or inland sea, whose waters have eight times more salt than the ocean, and the salt is so buoyant that no one can sink in the lake. Geologists have estimated that there are about 5 billion tons of salt in the lake, or enough to supply the world for a thousand years. Water from mountain streams and melting snow pours into the lake but escapes only by evaporation. The lake has no outlet.

In 1847, when the first Mermon settlers came into the Salt Lake Valley, they began to take salt from the lake waters, using crude methods. Now a large salt "farm" has been established, and salt is harvested as other farmers harvest their crops. Salt water is taken out of the lake in the spring, left to dry out in the long hot summer days, and brought in to the factory in autumn. Large pumps take the water from the lake at the rate of 10,000 gallons a minute, and pipes or flumes carry it to the salt farm four miles away. The water is then left in what are called evaporation beds during the summer months. When the sun has evaporated all the water, it is covered with fresh water. When this water has evaporated pure salt is left. Then the harvest begins. Tractor-drawn ploughs break up the beds of rocklike salt. Harvesting machines follow with mechanical buckets which scoop up the salt, 700 lbs. at a time, and pile it in huge piles.

The salt piles are left for several months, then loaded in cars and taken to the factory where the salt is dried and cooled in huge revolving drums. It then enters a rotary dryer where a hot flame takes the moisture from the salt. After the salt has been heated, dried and cooled, it is crushed and screened to the proper size grains for its intended use. Iodine is added to the salt used to season food, and calcium phosphate is added to salt used for cattle.

There are more than 14,000 known uses for salt and for the 34 elements which come from salt. In the medical world, salt is used to help make insulin, and in manufacturing other medicines and drugs. It is used to season food, to cure meat, and to preserve vegetables. Industry uses salt in making soap, plastics, cloth, and to bleach paper. Cows must have salt to give milk. The need for salt has influenced history. Wars have been caused by taxes on salt. Towns and cities have risen near salt deposits. Salt has been used by many countries as a medium of exchange. Neither men nor animals can live without it.

Notices

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting (being the Forty-first Ordinary General Meeting) of the Company will be held at the Registered Office, 12, Mission Row, Calcutta, at 3 p.m. on Friday, the 28th November 1958, for the following purposes:

1. To receive and adopt the audited Accounts for the year ended 31st March 1958, and the Directors' and Auditors' Reports thereon.
2. To confirm as the final dividend for the year ended 31st March, 1958, the interim dividend on the Ordinary shares declared by the Board on the 12th August, 1958.
3. To appoint Directors in place of those retiring.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

To consider, and, if thought fit, to pass the following Resolution as a Special Resolution.

"That Article 113 of the Articles of Association of the Company be altered in manner following:—

The first two sentences in lines 1 to 13 shall be deleted and the following substituted therefor:—

Remuneration of Directors.—"Unless otherwise determined by the Company in General Meeting each Director shall be paid out of the funds of the Company by way of remuneration for his services in attending Meetings of the Directors a fee of Rs. 100 for each Meeting attended by him. Each Director shall also be entitled to receive a share of a commission (to be divided among the Directors in such manner as the Directors may determine and in default of such determination equally) of one per cent. of the net profits of the Company computed in the manner referred to in sub-section (1) of Section 198 of the Companies Act, 1956 in any financial year. The commission payable to the Directors shall be payable for a period of five years up to and including the financial year ending on the 31st March, 1961, but this provision may be renewed or reviewed from time to time in accordance with the provisions of any statutory enactment from time to time in force and applicable thereto."

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

By Order of the Board,

MARTIN BURN LIMITED,

F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

CALCUTTA, 4*th November*, 1958.

N.B.—Explanatory Statement for Resolution No. 5 as required by Section 173 of the Companies Act, 1956, has been sent to all shareholders.

THE AMALGAMATED ELECTRICITY COMPANY, LIMITED

THE REGISTERS OF MEMBERS AND transfer books of the Company will be closed from 8th to 25th December, 1958, both days inclusive, in connection with Final Dividend for the second half-year ended 31st March, 1958, payable on or after 26th December, 1958.

By Order of the Board,

For THE AMALGAMATED ELECTRICITY CO., LTD.,

FOR N. C. JAVERI & CO.,

N. C. JAVERI,
Partner,
Managing Agents.

BOMBAY, 30*th October* 1958.

THE KARANPURA COLLIERIES LTD.

NOTICE IS HEREBY GIVEN THAT THE Fortieth Annual General Meeting of THE KARANPURA COLLIERIES, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Saturday, the 29th November, 1958, at 10-30 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 28th February, 1958, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 15th to the 29th November, 1958, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 30*th October*, 1958.

Note.—(*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 6th December, 1958, to those shareholders so entitled whose names appear in the Company's books on the 29th November, 1958, or to their mandatees. No application for Dividend Warrants will be necessary.

THE KARANPURA COLLIERIES LIMITED

AT A MEETING OF THE BOARD OF DIRECtors held on Thursday the 30th October, 1958, the following dividends were recommended to be paid for the year ended 28th February, 1958.

Cumulative (taxable) Preference Shares—5½ per cent. per annum after deduction of Income-tax payable by the Company.

Ordinary Shares—5 per cent. per annum without any deduction for Income-tax payable by the Company.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, 30*th October*, 1958.

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LIMITED TIRUCHIRAPALLI

NOTICE

1. The Directors have sanctioned the payment of an *ad-interim* tax-free dividend for the year 1958-59 of 4½ per cent. on Ordinary shares and also usual dividends of 2¾ per cent. on Preference shares.

2. The warrants will be made out in the names and addresses of shareholders standing registered in our books as on 22nd November 1958 or their mandatees and posted on and after 17th December 1958. The shareholders are requested to notify immediately any change of their address to the Company.

3. The Register of Members and share transfer books of the Company will be closed from 22nd November 1958 to 5th December 1958 (both days inclusive).

N.B.—Holders of blank transfers are advised to have the shares registered in their names in time before closure of books.

By Order,

SESHASAYEE BROTHERS PRIVATE LTD.,
Managing Agents and Chief Engineers.

TIRUCHIRAPALLI, 31*st October* 1958.

THE VELLORE ELECTRIC CORPORATION, LIMITED

Registered Office: MADRAS

NOTICE OF THE 29th ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 29TH ANNUAL GENERAL MEETING of the Shareholders of THE VELLORE ELECTRIC CORPORATION LIMITED will be held at the registered office of the Company, 20, Second Line Beach, Madras-1, on Monday the 15th December, 1958, at 12-30 p.m. to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Statements of Account of the Company for the year ended 31st March, 1958.
2. To declare a dividend on Preference and Ordinary Shares.
3. To elect Directors.
4. To appoint Auditors for the year 1958-59 and fix their remuneration.
5. To transact any other business that may be brought up before the meeting.

The Share Transfer Books of the Company will remain closed from 5th December, 1958 to 15th December, 1958 (both days inclusive).

By Order of the Board,

For CHANDRIE & Co. (PRIVATE) LTD.,

S. VENKATARAMAN,
Director,
Managing Agents.

MADRAS, 31*st October* 1958.

N.B.—(*a*) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not necessarily be a member of the Company.

(*b*) The Dividend when sanctioned will be paid on or after 22nd December, 1958 to those shareholders whose names stand on the Register of Members on 4th December, 1958.

THE INDIAN CABLE COMPANY LIMITED

THE DIRECTORS HAVE DECIDED TO recommend at the next Annual General Meeting of the Shareholders, Dividends for the year to 31st March 1958, as follows:—

(*a*) Dividend on Cumulative Participating Preference Shares at 12½ per cent. free of Income-tax.

(*b*) Cash Bonus on Cumulative Participating Preference Shares at 2½ per cent. free of Income-tax.

(*c*) Dividend on Ordinary Shares at 12½ per cent. free of Income-tax.

(*d*) Cash Bonus on Ordinary Shares at 2½ per cent. free of Income-tax.

Note.—Ordinary Shares issued as Rights or Additional Shares during the year are not eligible to participate in the above Dividend and Cash Bonus.

By Order of the Board,

B. J. WOODLEY,
Chairman.

CALCUTTA, 30*th October* 1958.

COAL

(*Concluded from page 764*)

ments have been made to open 11 schools only, that is, four by the N.C.D.C. and seven by the Ministry of S.R. and C.A. and the question of starting the remaining three schools is yet to be decided. The N.C.D.C has already started four schools, one each at Giridih, Kargali, Talcher and Kurasia for the training of fitters, foremen, supervisors, overmen, shot-firers. Of these four schools, only one is imparting training to surveyors. The first batch of 592 trained personnel will be available by 1959. The N.C.D.C. schools are residential schools at the collieries and it will not, therefore, be difficult to give practical training to students. The schools operated by the State Governments are said to be situated in the coalfields, but at a little distance from the mines. It has, therefore, been found that necessary arrangements should be made for practical training of the trainees at these schools, as well as those to be operated by the industry.

MONEY RATES DECLINE

(*From Our Own Correspondent*)

BOMBAY, 5*th November*

The response to this week's sale of 91-days' Government of India Treasury Bills provided an indication of the persistence of easy conditions in the short-term money market. As against an invitation for Rs. 4 crores, the amount offered aggregated Rs. 10 crores, as compared with Rs. 8.75 crores in the previous week against Rs. 3 crores invited. The average rate of accepted tenders showed a further drop from 2.489 per cent. to 2.458 per cent., per annum. Tenders for next week are unchanged at Rs. 4 crores.

Barring a slight pre-*Diwali* demand towards the close of the week, the short-term money was devoid of any activity. The inter-bank call money rate declined from 1¼ per cent. to 1¼ per cent. per annum among the Exchange banks and big Indian banks, but even at the lower level banks were not interested in borrowing. The rate among the smaller Indian banks was 2 per cent. House money at call continued to be quoted at 3½ to 3¾ per cent. and short-term deposits at 3½ to 2¾ per cent. for one to six months.

A contraction of Rs. 10.26 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 31st October 1958. Notes held in the Banking Department are higher by Rs. 11.44 crores and the consequent rise of Rs. 1.18 crore is covered by small increases in rupee securities and rupee coin. The Central Government's deposits have enlarged by Rs. 22.75 crores, presumably due to month-end receipts. Deposits of banks have declined by Rs. 31.37 crores in contrast to the rise of Rs. 29.18 crores noted in the previous week. On the assets side, the only notable feature is the drop of Rs. 15.08 crores in investments.

The Scheduled banks' statement for the week ended 24th October 1958 discloses a substantial rise of Rs. 24.84 crores in demand deposits and of Rs. 18.98 crores in time deposits. While advances have gone down by Rs. 8.10 crores, bills purchased and discounted are higher by Rs. 4.09 crores, investments by Rs. 5.95 crores and cash balances by Rs. 49 33 crores. Money at call and short notice has also risen by Rs. 1.73 crore.

The Gilt-edged market continued to rule steady, with a further slight marking up of prices in selected counters. The volume of business was, however, small, in the absence of any sustained buying. Despite the continued easy money conditions, institutional support was conspicuous by its absence. 3 per cent. 1986 Conversion Loan had sellers at Rs. 73.15. The Reserve Bank of India continued to be a buyer of 2½ per cent. 1960 at Rs. 99 and of 3 per cent. 1959-61 at Rs. 99.70. 3 per cent. 1963-65 had buyers 5 nP lower at Rs. 96.60 and 3 per cent. 1964 at Rs. 96.65. 3 per cent. 1966-68 was unchanged at Rs. 94, while 3 per cent. 1970-75 gathered 5 nP to Rs. 90.10. 3½ per cent. 1961 hardened by 5 nP to Rs. 100.10 and 3½ per cent. 1963 by a similar extent to Rs. 100.05. 3½ per cent. 1964 found sellers at Rs. 99.90 and 3½ per cent. 1965 at Rs. 99.70. 3½ per cent. 1967 was unchanged at the Reserve Bank's selling price of Rs. 98.95. 3½ per cent. 1968 was on offer at Rs. 98.70 and 3½ per cent. 1967 20 nP higher at Rs. 100.50. 3½ per cent. 1968 picked up 15 nP to Rs. 100.40. The Reserve Bank was a seller of 4 per cent. 1972 10 nP higher at Rs. 100.70. State loans too were dull, with no activity.

In the foreign exchange section, the slight improvement in sterling abroad imparted strength to the rupee. Banks' selling prices of ready dollars declined from Rs. 477.00 to Rs. 476.75 per $100 and their buying price from Rs. 473.50 to Rs. 473.25 per $100. In New York, spot sterling gained from $2.80.19/32-2.80.21/32 to $2.80.23/32-2.80.25/32 Three months' forward was unchanged over the week at $2.80-2.80.1/16, while transferable sterling improved from 279.15-279.25 cents. to 279.30-279.40 cents.

FOODGRAINS QUIET

(*From Our Own Correspondent*)

HAPUR, 3*rd November*

Quiet conditions were witnessed in the foodgrain market during the week under review, due to increasing pressure of new *kharif* crop arrivals, although renewed demand of *rabi* sowings was also being felt. Wheat prices here ruled steady at almost unchanged price level of Rs. 24.50 per maund for average quality and up to Rs. 25.50 for farm produce. Arrivals were slightly better both from rural areas and also by road from unauthorised sources. The State Government is trying to increase supplies and the wheat saved by restricting its sale in the rural areas of east U.P. is being diverted to western districts where more fair-price shops are being opened. Sowings of *rabi* crop still continue in full swing and will finish in a week's time.

Harvesting of paddy is nearly finished and new crop rice is reaching the markets in increased quantities. Prices of superior quality improved slightly, while those of inferior quality were mostly unchanged at: basmati sela Rs. 33 to Rs. 34, mainpuri Rs. 23.25, coarse quality Rs. 20 per maund. Gram prices were slightly depressed during the week due to fall in demand which is now being concentrated to new maize crop. Barley and bejhar prices also declined slightly. Maize is reaching here in large quantities from outside destinations and local stock has increased to about one lakh maunds. Demand is fairly heavy, but under pressure of arrivals, prices have declined fractionally. Jowar and guwar prices ruled quiet and prices (in rupees per maund) were: gram Puniabi 19, barley 17.50, bejhar 17.50, maize 15 to 15.50, jowar 14.37 and guwar 14.25.

Peas ruled quietly steady during the week as local stocks left were poor at 5 *khatties*. Arhar continued to attract good demand in the form of pulses and barring Hapur, arhar stocks in other centres have gone down considerably. Prices of other pulses were quietly easy during the week due to better supplies in the market and prices (in rupees per maund) were: peas dara 18, farm quality 19.50, peas dal 19.75, khatti 17.50, arhar 21.75, arhardal 26.25, urd 19.25, moong 23 to 24.50, massoor 18; stocks peas 5; arhar 70 *khatties*.

Oil and seeds market was depressed during the week in the absence of new driving forces and prices eased slightly in all sections to be quoted now at: Sarson Rs. 26, oil Rs. 68, cake Rs. 13.50, groundnut *desi* Rs. 19.25, oil Rs. 65.50, cake Rs. 11.50. *Kapas* arrivals were at an average of 150 maunds daily and latest prices were upto Rs. 26 per maund for best quality. Cottonseed was quoted at Rs. 14.12 and tara Rs. 22 per maund. *Vanaspati* oil futures and cake baisakh eased in line with ready prices at *Vanaspati* Rs. 36.8 and cake baisakh Rs. 10.40.

GOLD SPURTS AT CLOSE

(*From Our Own Correspondent*)

BOMBAY, 5*th November*

A spurt in gold price today was the main feature of the trading in the bullion market during the week under review. Trading during the week was dull with fluctuations confined to a narrow range. Despite the approach of *diwali* demand in both silver and gold was low. Rumours to the effect that duty for import of Tibetan coins had been paid and weaker advices from Calcutta kept the sentiment in silver subdued. Persistent large arrivals of unrefined metal without any corresponding expansion in offtake provided another dampening factor in silver.

Gold, too, was docile during the major part of the week under review, in the absence of any expansion in offtake; in fact, there was a slight contraction in demand in the ready section. Today, however, the yellow metal firmed up, on reports of a haul of a large quantity of contraband gold in Karachi, which it was feared would have otherwise found its way to India. Bulls were somewhat active on this account.

Silver forward (27th November settlement) slowly receded from Rs. 189-9 to Rs. 188-10. After a slight improvement to Rs. 189 on Monday, the white metal reacted again to Rs. 188-10 at the close today.

Ready silver softened from Rs. 188-5 to Rs. 187-7 before closing at Rs. 187-8. The floating stocks of silver are reported to be 1,200 bars. While the daily average arrivals were of the order of 70 bars (including unrefined metal), the offtake was no more than 10 bars per day.

Gold for forward delivery (26th November settlement) gave way from Rs. 110-14 to Rs. 110-5 on Monday, before shooting up to Rs. 111-7 today. The closing was done at Rs. 111-4.

Ready gold came down from Rs. 111-2 to Rs. 110-7 before improving to close at Rs. 111-6. The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was slightly lower at 2,500 tolas.

In New York, silver was unchanged at 90.½c., while London prices were reduced again from 78¼d. to 78*d.* for spot and from 78¼*d.* to 77⅞*d.* for forward. Gold improved from 250s. ¼*d.* to 250s. 2*d.*, before finishing at 250s. 1¼*d.*

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

	5-11-58	Highest	Lowest	29-10-58
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	111 6	111 9	110 7	111 2
Forward*	117 4	111 7	110 5	110 14
Sovereign	72 4	72 4	71 12	72 0
SILVER				
Ready (.996 fine Mint) ..	187 8	188 2	187 7	188 5
Forward†	188 10	189 6	188 9	189 9
London Silver Ready ..	78*d.*	78¼*d.*	78*d.*	78¼*d.*
London Forward	77⅞*d.*	78*d.*	77⅞*d.*	78⅛*d.*
London Gold	250s. 1¼*d.*	250s. 2*d.*	250s. 1¼*d.*	250s. ¼*d.*
New York Silver	90¼c.	—	—	90¾c.

*26th November settlement.
†27th November settlement.

GOOD DEMAND FOR QUALITY TEAS

(*From Our Own Correspondent*)

CALCUTTA, 4*th November*

A mixed trend was in evidence during yesterday's export sales, when offerings aggregated 64,901 chests. The general demand was good, and "teas for price" were keenly sought. The strongest feature of the sales was provided by whole leaf grades, particularly of Assam origin. There was also good demand for the lots possessing bright liquors in orthodox B.O.Ps and O.Fs, but other categories in these varieties eased by 10 to 20 nP. An easy trend was recorded in plain and low medium B.Ps and fannings, while the lots possessing better liquoring and fannings were sold at higher rates. Among C.T.Cs, withdrawals were heavy as the price receded by 35 nP. Legg cut teas also recorded a declining trend. Darjeelings received fair interest.

The quotations in rupees per lb. were: Best Assam C.T.C. fannings 2.50 to 2.70, best Assam C.T.C. B.P. 2.30 to 2.40, clean black pekoe 2.04 to 2.12, medium fannings 1.95 to 2.05, medium B.P. 1.90 to 1.95, plain fannings 1.84 to 1.90, and plain B.P. 1.70 to 1.76.

Export quota changed hands at 2¾ nP. Towards the close the rate hardened to 3 nP.

SLIGHT RECOVERY IN COTTON

(*From Our Own Correspondent*)

BOMBAY, 5*th November*

After last week's sharp decline in prices which continued during the earlier part of the week under review, there was a slight improvement in the last two days of the week. This improvement is attributed to some support which was forthcoming at lower levels and also to rumours of prospects of early abolition of export duty in cotton. There were also reports of crop damage from certain cotton-growing regions. The Export Promotion Scheme which was announced this week has not been received with any great enthusiasm. It is believed that this scheme by itself will not ensure larger consumption of cotton by mills. An encouraging factor from the point of view of the cotton market is that the Committee of the Indian Cotton Mills' Federation, at its meeting held in Bombay on 29th October 1958, has rejected the proposal for a cut in textile production which appears to have been suggested by a certain section of the cotton mill industry. The Committee unanimously felt that unless the present high cost of production was brought down, it was going to be difficult for the industry to improve its position.

I.C.C. Moglai Jarilla March 1959, after opening the week at Rs. 600.50, improved to Rs. 607.75 the same day. On Friday the market was closed due to the death of a member. On 1st November, the market witnessed a sharp decline in prices, the contract declining to Rs. 593.50. On 3rd November it opened at Rs. 596.50 and moved up to Rs. 598.50 on the same day and still further to Rs. 601.75 on the following day. Today, the market was particularly buoyant, the contract touching a high of Rs. 607.75 before closing Rs. 607.25. The following table indicates the trend of prices during the week:

(In rupees per candy of 784 lbs.)

	5-11-58	*High*	*Low*	29-10-58
I.C.C. Moglai Jarilla (March 1959) ...	607.25	607.75	593.50	599.00

In sympathy with the forward section, the spot section also was steady. Some business was done in staple varieties. The latest available spot quotation—in rupees per candy of 784 lbs.—from Sewri are given below; the figures in brackets being last week-end rates:

Bengal *Deshi* 570 (500); Berar Jarilla 640 (580); Khandesh 725 (620); Vijay 785 (785). *Delivery contracts*: Bengal 565 (560); Mathia 555 (550).

A slight improvement has been recorded from the Karachi cotton market. N.T.R.G. January improved from Rs. 65 to Rs. 65-4 and March from Rs. 65-5 to Rs 65-11. The following are the latest available quotations—in rupees per maund of 82 lbs—for a few popular varieties of Pakistani cotton prevailing at Karachi:

Sind *Deshi* 61; Punjab *Deshi* 58; 4F Punjab Roller 64-14; S.G. 68.14; L.S.S. Punjab Roller 65.14; S.G. 69-14; N.T. Roller 68-14; New 79-2; S.G. 75-14.

Steady conditions prevailed in the Alexandria cotton market during the week under review. Total export sales in new crop up to 15th October aggregated 208.656 bales of 720 lbs. each, as compared with 146,529 bales in the corresponding period in the previous year. The following figures give the export sales of new crop with figures for the sales of previous season's crop:

Karnak: 17,850 (35.361); Menufi 106,243 (35.361); Giza 30 7,193 8,584); *Ashmouni* 51.377 (55,969); Dandera and others 25,993 (859)—Total 208,656 (146,529).

The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: November 72.00; January 72.00. *Ashmouni*: December 63.55; February 63.17.

Dull trading with continued offerings led to some decline in the Liverpool cotton market. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October-November 22.00; December-January 23.60; March-April 23.40; May-June 23.15. *American cotton mixed growth contract*: October-November 22.13; December-January 23.65; March-April 23.35; May-June 23.10. *Sudan*: November-December 28.25; January-February 28.25; May-June 28.25.

Fluctuations continued to be narrow in the New York cotton market with routine trade buying orders. Weather in the cotton-growing regions is reported to be dry but cold. The latest crop survey by a leading spot firm indicates that cotton picking has made good progress over virtually the entire belt. Ginnings during October were at a record pace with 55 to 60 per cent. of the crop already harvested in the central belt.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	3-11-58	28-10-58	21-10-58
Spot	36.35	36.25	36.20
December	36.32	36.15	36.11
March	36.73	36.62	36.58
May	36.51	36.36	36.31

YARN STEADY

(*From Our Own Correspondent*)

BOMBAY, 5*th November*

After witnessing easy conditions lasting over several weeks, the yarn market ruled steady during the week under review. The announcement by the Government of the new import policy for the period October 1958-March 1959 would appear to have had no effect on the market. The steadiness was induced by the approach of *Diwali* and the New Year and the prospects of better offtake dur-

ing that period. Stocks at many of the consuming centres were also reported to be lower.

In the art silk yarn section, 120 Japan was steady at Rs. 5.19, and 120 Italy at Rs. 5.75. Among indigenous yarns, National Rayons 150 bright cones first grade improved by 16 nP to Rs. 4.47.

Staple fibre yarns (40x2) December delivery was a shade lower at Rs. 606, as against Rs. 609 last week-end. In the spot section, 40x2 Kohinoors climbed up by 6 nP to Rs. 3.28 and Citys by 3 nP to Rs. 3.22.

In the cotton yarn section, ten counts Moderns were maintained at Rs. 13.25 as also forty counts Moderns at Rs. 25. Among eighty counts Mahendras went up by 50 nP to Rs. 68.50.

The import policy for artificial silk yarn to established importers for the period October 1958-March 1959 period was announced on the 31st October. Under this policy, 5 per cent. quota of art silk yarn for six months has been given to established importers. Established importers should notify the Textile Commissioner, Bombay, the actual import of art silk yarn effected by them against their quota licences granted to them in the October 1958—March 1959 period, and its sales should be made at the prices fixed by him. Imports of goods now prohibited are: (*a*) art silk yarn of deniers between 101 and 119, 121 and 149 and 151 and 160; (*b*) double and fourth quality yarn; (*c*) art silk thread; (*d*) acetate yarn of 120 and 150 deniers; (*e*) bright viscose yarn of 150 deniers.

Acetate yarn, both of bright and dull quality of 120 and 150 deniers, can be allowed to be imported only up to 10 per cent. of the face value of the licences. Import of 120 deniers bright will not be allowed more than 10 per cent. of the face value of the licences.

The import of staple fibre yarn under the above licences is banned. However, staple fibre yarn of 80 counts and above on an *ad hoc* basis may be allowed in consultation with the Textile Commissioner. Normally, licences of actual users will be valid only for the import of art silk yarn. Request for import of synthetic yarn against these licences can be considered only on an *ad hoc* basis in consultation with the Textile Commissioner. Such permission will not, however, be granted for a value higher than 15 per cent. of the licences for the current licensing period. Such permission will be granted only to those mills which have used such yarns in the past or have installed special equipment for such synthetic yarns. A specific ceiling has also been set apart for licensing of art silk yarn under the Export Promotion Scheme.

A quota of 7½ per cent. for six months has been fixed for the import of combed cotton yarn of 80 counts and above. The quota licences will be subject to the condition that the established importers will ensure that goods imported against their licences are sold by them and/or their agents at prices not exceeding the pre-October 1958 level.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week ago:

	5-11-1958	29-10-1958
Art silk yarn (per case of 200 lbs.)—	Rs.	Rs.
120 Jaran (per lb.)	5.91	5.91
150 Jaran (per lb.)	5.44	5.56
120 Italy (per lb.)	5.75	5.75
150 Italy (per lb.)	5.62	5.75
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 October		596.00
40 x 2 December	606.00	609.00
40 x 2 Kohinoor (per lb.)	3.28	3.22
40 x 2 City (per lb.)	3.22	3.19
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.25	12.25
20s Modern	16.75	16.75
30s Hind	19.00	19.50
40s Minaxi	24.91	25.00
60s Finlay	59.00	59.00
80s Mahendra	68.50	68.00

LANDSLIDE IN OILSEEDS

(From Our Own Correspondent)

BOMBAY, 5*th November*

Distinctly bearish conditions prevailed in the local oilseeds market during the week under review. Lack of foreign demand and heavy arrivals brought about a landslide in prices of oilseeds. The bearish undertone that prevailed in the spot market aggravated the declining trend in futures.

Groundnut February 1959 contract suffered a serious setback during the week. While the tight ready position offered good support during the previous week, the tables were turned against buyers abruptly and prices continued to slump during the major part of the week. Arrivals from Khandesh and Mysore were large. Buyers were hesitant in view of the expectations of a sizable fall in prices, especially after *Diwali*. As a result, groundnut February contract which stood at Rs. 162.12 last Wednesday slumped to Rs. 160.75 today. Bold ready fell from Rs. 37 to Rs. 34.50. Coromandel variety, similarly, declined from Rs. 37.37 to Rs. 35.12. Khandesh quality receded, in sympathy, from Rs. 37.37 to Rs. 34.50. Groundnut oil ex-mill, after fluctuating within a narrow range, receded from Rs. 20.87 to Rs. 18.62. Railway receipt lost a like amount to finish at Rs. 18.50.

Castorseed May 1959 contract moved down considerably over the week owing to lack of any fresh buying support. The marked disparity between the futures prices of groundnut and castorseeds would appear to have brought selling in the latter. The reduction of freight rates by $5 per ton effected by the U.S. Conference Lines, it was expected, would bring about a revival of U.S. demand for castor oil. These hopes have not so far materialised and this affected sentiment in castorseed. At any rate, castorseed came down from Rs. 144.37 to a low of Rs. 140.75. Ready Madras finished today at Rs. 28.25, as against Rs. 28.87 a week before. Kanpur quality, which stood at Rs. 27.75, relapsed to Rs. 27.12. Castor oil B.S.S. declined from Rs. 16.50 to close at Rs. 16.25. Commercial quality fell by 50 nP to Rs. 14.50.

Linseed May 1959 contract continued to be subdued throughout the week and the quotation dropped from Rs. 30.56 to Rs. 29.94 today. Rumours regarding fresh Australian orders were in the air, and in spite of these expectations, prices failed to hold ground. Bold ready fell from Rs. 34.25 to Rs. 33.75. Linseed oil fell from Rs. 17.75 to Rs. 17.56.

Cottonseed February 1959 contract, after ruling dull throughout the week, closed at Rs. 103.50, as against Rs. 104.00 last week-end. Among other seeds, kardiseed bold ready receded by 25 nP to Rs. 21.50 today, as compared with last Wednesday. The Government of India has extended the validity period of the export quota of 5,000 tons of kardiseeds released on 23rd July 1958, up to the end of March 1959. A press note issued in this connection says that nigerseed and kardiseed, the export of which was licensed hitherto on "first-come-first-served" basis, would hereafter be allowed to be exported against registration of contracts entered into with foreign buyers with the port officers concerned. Exporters found to have registered non-genuine contracts will render themselves liable to blacklisting. This announcement had no effect on the prices of kardiseed. Nigerseed Madras quality was subjected to irregular movements and declined from Rs. 33-50 to Rs. 33.00 over the week.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	5-11-1958	29-10-1958	22-10-1958
Groundnut—	Rs.	Rs.	Rs.
Feb. 1959	160 75	162 12	163 75
Bold ready (per cwt.)	34 50	37.00	38.00
Linseed—			
May 1959	29 94	30.56	30.87
Bold ready (per cwt.)	33 75	34.25	34 25
Castorseed—			
May 1959	140 75	144 37	145 37
Madras (per cwt.)	28 25	28.87	29.00
Cottonseed—			
Feb. 1959	103 50	104.00	104.00
Groundnut oil—			
Ex-mill ready (per quarter) ..	18 62	20 87	21.37
Castor oil—			
Commercial (per quarter) ..	14 50	15.00	15.00
Linseed oil—			
Ready	17 50	17.75	17.87

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

SUGAR FIRM

(From Our Own Correspondents)

BOMBAY, 5*th November*

In the context of low spot stock position and active festive demand for sugar, spot values ruled very firm during the week under review. Ex-mill values are fully maintained with the notable exception of one prominent Deccan miller who has slashed his ex-mill price in 'D' grade sugar to Rs. 101.25 which happens to be the lowest price available in Bombay-Deccan area.

Arrivals of indigenous sugar into the city by rail amounted to 22,100 bags and the prices for small, medium and large grain sizes are: Rs. 107, Rs. 108-109.50 and Rs. 110-Rs. 117 per bag respectively.

The undertone of the market is fully steady.

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HAPUR, 3*rd November*

Sugar prices ruled quietly steady, thanks to pre-*Divali* demand. The supply position was reported satisfactory. Crushing for the new season here in west U.P. is to start shortly in some factories. Latest prevailing prices for crystal mill delivery wholesale in the Muzaffarnagar market were: Deoband C29 Rs. 35.25 to Rs. 36. (damaged quality), Amroha D29 Rs. 35.81, Bijnore E29 Rs. 35.56, Seohara C29 Rs. 36.37, Dhampur D29 Rs. 35.62, Kashipur D28 Rs. 35.62.

Sugar prices in the Kanpur market remained steady on renewed demand and prevailing prices were: Ex-mill controlled Rs. 36.12 per maund. Spot per bag C29 Basti Rs. 105, Gola Rs. 102-4, D29 Gola and Burhwal Rs. 101-4, Waltergunj, Tulsipur and Balrampur Rs. 101, Lakhimpur and Hargaon Rs. 100-12.

Khandsari prices ruled quietly steady. New production has not yet begun as crushers prefer to manufacture *gur* due to prevailing high prices. *Khandsari* prices ranged between Rs. 29 and Rs. 35 per maund according to quality.

New *gur* arrivals have mounted to an average of 5,000 maunds daily, but due to good demand from consuming areas, prices are steady. Total arrivals from the beginning of the current season were put at 45,000 maunds, the corresponding figure last year being 21,000 maunds. High prices are the main attraction for producers to manufacture *gur*. Prevailing prices were: Rs. 20 to Rs. 22.50 per maund according to quality.

Gur arrivals in the Muzaffarnagar market have gone up to an average of 2,000 maunds of *gur* and equal amount of *shakker* and latest prices were: *Gur* chakku Rs. 22 to Rs. 23 per maund, Khaupapar Rs. 22 to Rs. 23, *shakker* dara Rs. 24 to Rs. 27, masala Rs. 27 to Rs. 28.

Gur future prices ruled steady during the week in heavy speculative bouts of buying and selling. Opening at Rs. 13.62 on Monday last, *gur* delivery, after touching the highest of the week at Rs. 13.87, was today quoted at Rs. 13.71.

PEPPER STEADY

(Messrs. Parekh and Co.)

BOMBAY, 5*th November*

Pepper in Bombay is much below replacing parity. Hence, Malabar black pepper, both in specific delivery and in A.S.T.A. ruled steady. December and February specific delivery moved between Rs. 500 and Rs. 520 and Rs. 510 and Rs. 530 respectively. Cochin ruled steadier under support by the bulls who in anticipation of sizable demand from the U.S.S.R. in the near future, were continuous buyers for garbled for December in the forward ring. Improvement in the imported spices in view of the New Import Policy proved a supporting factor.

Though bears are making exaggerated estimates of the new crop of Malabar pepper, analysts put it at not more than 26,000 tons. Exportable quality of the new crop is not likely to come in the market before the end of November. Bears are cautious when making short sales in December delivery.

The overall import from Singapore and India into the U.S. during September was in the vicinity of 760 tons which was much below the monthly requirements of about 1,500 tons during the autumn. Spot in New York failed to improve in view of the grinders lack of interest in expectation of lower prices when the new crop Malabar starts moving in the market.

Singapore is reported firm. Sarawak Black is quoted at Str.$73 and white at S.r.$126. There are inquiries from the Continent for Sarawak white and black as traders there have not bought pepper for a long time now. Pressure of arrivals from Lampong is reported to be on the wane. Russia is likely to make purchases of Lampong on barter basis with Indonesia as China did in rubber.

The future of pepper appears to be promising as the over-all supply is likely to prove short of the world requirements. It is only a question of time before this factor asserts itself against sentiment.

Ungarbled at Alleppey and Cochin is quoted highest and lowest at Rs. 575 and Rs. 550 respectively. Calicut moved between Rs. 580 and Rs. 600.

In A.S.T.A. December was done at $0.23½ and November at $0.24. In specific delivery, December, after going down to Rs. 500, improved to Rs. 520.

Today's nominal quotations are: Ready Rs. 72 per Bengal maund; December 1958 Rs. 520-25 and February 1959 Rs. 527-32 per candy of 5¼ cwts.

LOW MEDIUM TEAS IN GOOD DEMAND

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 30*th October*

1,722.044 lbs. were on offer in Sale No. 31 which was held on Tuesday 28th October. Teas from the Nilgiri district continued to be very useful with some flavoury types on offer. Low medium teas generally showed improvement. The sale opened to a good general demand, particularly for low medium types, which were steady. The improved medium and good medium brokens were dearer, but the equivalent fannings were a weak feature of the sale. Best liquoring highgrowns met with some support, but sold below valuation and buyers followed quality closely. Whole leaf teas met with a useful enquiry and were irregularly dearer. Tippy teas met some competition, but prices were barely steady. The quotations were: Low medium Re. 1.55 to 1.65; medium Re. 1.70 to 1.95; good medium Rs. 2.10 to 2.40; and quality Rs. 2.90 to 4.75.

The average price realised in sale No. 31 was Rs. 2.18 per lb., as against Rs. 2.25 in the previous sale and Re. 1.86 per lb. in the corresponding sale of last year.

London Market: Sale of 27th October 1958.—Best C.T.C. and orthodox Assams strong to dearer. Poorest sorts irregular and sometimes easier.

Sale of 28th October 1958.—Irregular and easier.

Colombo Market: Sale of 27th October 1958.—Strong active demand. All kinds dearer, Dimbula Dickoya brokens up 20 to 30c., mediums up 10 to 15c., small leaf lowgrown brokens up 10c., Gulf types up 15 to 20c.

Sale of 28th October 1958.—Best dusts barely steady. All other off grades strong demand firm to dearer.

Calcutta Market.—No sale this week.

Export Quota.—The market has been rather quiet during the week, and our last business was done at 3 nP. At present, there are sellers at 3¼ nP and buyers at 3 nP.

Forthcoming Auctions.—Sale No. 32 will be held on Wednesday, 12th November 1958.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:—

"*Dust sale W.*—425,000 lbs. Strong but irregular demand. Coloury mediums dearer. Others steady, except best liquoring, which are easier."

JUTE GOODS IMPROVE

(From Our Own Correspondent)

CALCUTTA, 4*th November*

While there was a small improvement in the prices of jute goods, the fibre market was extremely quiet during the week under review. An encouraging sign relating to jute goods was that U.S. buyers were now gradually increasing their activity. This was in accordance with earlier expectations and went to show that industrial activity in the U.S. was picking up. The report of increased burlap consumption for the month of September and the decline in stocks in the United States continued to encourage sentiment. The price of hessian improved and, in sympathy, a fractional improvement was also noted in the prices of heavy goods. Even at the higher level the price of ready B. twills was below the I.J.M.A. minimum level. Reports that buying interest in hessian from Argentina was developing also enlivened sentiment. Already, hessian stocks were pitiably low, and the statistical position continued to be of standing strength. This suggested the need for more sacking looms to be transferred to hessian. This shift has been in progress since the past three months, but its effect on the sacking goods statistical position has been negligible.

Production figures for the month of October, as well as stock details as at the end of last month, are awaited with interest, but the likely decline in production on account of the holidays for the *Pooja* spell was also a factor which contributed to a better trend in sacking goods, although business with foreign countries was negligible. It was noted here that following the recent announcement of increased prices for raw jute for export in Pakistan, cloth and yarn prices were revised by manufacturers in Dundee. Even before this increase, producers in Dundee and other countries were unable to meet competition from India. In view of this it is expected that export of jute goods from Calcutta should considerably increase within the next few months. There is a section of the trade here which believe that the improvement would be by such an extent as to force mills to increase production by putting into operation the sealed looms also. Such an eventuality cannot, however, be expected in the near future, since the current stock of sacking goods with mills represents production of a few months.

After the *Lakshmi Pooja* holidays, the markets reopened on Wednesday last on a steady note in jute goods, hessian 40" 10 oz., at Rs. 42.55, being quoted higher than the rate prevailing on the eve of the holidays. The hardening tendency was due to increased activities in the futures market. However, at these levels business did not follow, and on Thursday hessian 40" 10 oz. declined to Rs. 42.35 and B. twills to Rs. 95.85. At this stage, buying interest developed in B. twills, the ready position of which improved to Rs. 96.45. Ready hessian 40" 10 oz., although unchanged, was steady at Rs. 42.35. This was on Friday. Over the week-end, prices for both the constructions improved, hessian 40" 10 oz. being quoted at Rs. 42.75 and B. twills at Rs. 96.60. On good reports from futures, hessian 40" 10 oz. rose yesterday to Rs. 97.00, and on new business in heavy Cee with China, ready B. twills hardened to Rs. 43.10.

With little or no buying support, raw jute was featureless. Assam bottoms gave way to Rs. 22.75 from Rs. 23. and Daissee bottoms to Rs. 25 from Rs. 25.50. The announcement of higher prices in Pakistan did not have any effect on raw jute prices here. However, it was time that prices of raw jute here improved, and growers rewarded for the bumper crop which has made India self-sufficient in this season. Since most of the crop in Pakistan had passed away from growers' hands to Pakistani cultivators. The latest quotations for the different varieties of raw jute here for November-December delivery are:—

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
District	30.00	27.00
Northern	30.00	27.00
Indian:		
Northern	24.50	22.00
Assam	25.25	22.75
Orissa	27.75	25.25
Desal	23.75	21.25
Murshidabad	23.00	20.50
Jundil	22.50	20.00
Daisee	25.50	24.00
Uttar Pradesh	22.50	20.00
Daisee mesta	23.00	20.50
Bimli f.a.q.	.. ..	20.50
Pucca bales 1st marks	.. ..	150.00

METALS HARDEN

(From Our Own Correspondent)

CALCUTTA, 4*th November*

Prices of base metals registered a sharp rise during the week under review, mainly due to higher demand. The market was disappointed with the latest import policy for the six months to March 1959, announced on Friday last. The cancellation of quotas in respect of copper, zinc, and lead (all virgin) was regretted, as this would put out of business the established importers. Only actual users, both in the scheduled and non-scheduled industries, would in the future be granted licences for the import of the abovementioned metals in virgin form, and this would mean very little need for market dealings in the virgin metals. The established importers would have to get themselves busier with importing scraps, since they have been allowed quotas for importing scraps of copper, brass and German silver. Recently, industrial consumers obtained licences for the import of copper, brass, nickel and other metal scraps. The point mentioned in market circles was that the established importers had gained considerable experience in the import of virgin metals. Not to make use of their experience would be a loss to the actual consumers. It was hoped, therefore, that actual users getting licences could entrust the actual import operations to the established importers. Such a method would save the actual users much valuable time, and might prove to be of mutual benefit. It was realised here that, unless licences for actual users were issued with speed and acumen, shortages could not be avoided. The Government's policy announcement no doubt stated that the procedure for submission of application forms had been revised with a view to speeding up the issue of licences.

In electrolytic zinc, there was good demand and transactions were plentiful. In the result, the price shot up to Rs. 82 from Rs. 78.50. A shortage was naturally felt, although fresh arrivals were anticipated. The fact that the Bombay price was a few points lower than the Calcutta rate diverted some business from here to that centre, but a fair quantity from Bombay was on the way to Calcutta to participate in the higher price. From Rs. 69.50, lead hardened to Rs. 72.00, mainly in sympathy with zinc. The price for copper in both New York and London was moving up, due to loss of production in the Rhodesian mines on account of the strike, and to labour troubles in some mines in Canada and the United States. Locally, tin was steady at Rs. 567, as against Rs. 556 earlier. Demand was, however, dull, but the improvement in the price was due to higher advices from Singapore and London.

LINSEED QUIETLY STEADY

(Messrs. A. Bradley and Co.)

CALCUTTA, 3*rd November*

Owing to the intervening holidays, trading has been almost at a standstill; prices have shown hardly any change, but the undertone has remained quietly steady. Present stagnant conditions are the outcome of scarcity of seed and lack of crushing parity. None of the larger crushers are operating with a resultant local shortage of oil and oilcakes. The oil market has suffered a further setback and the local demand is negligible following a sharp decline in mustard oil prices. It is reported that Bombay shippers have made some sales to Australia at marginal prices. The latest quotations are as follows: Ready Rs. 25-14 and November Rs. 25-12 per maund.

BRISK DEMAND FOR KIPS

(From Our Own Correspondents)

MADRAS, 3*rd November*

U.K. enquiries for kips have been brisk; and on certain lines half to one penny per lb. advance has been paid. Demand continued selective and emphasis was on light weights and lower grades. Due to the military regulations in Pakistan, raw stocks from East Pakistan have not been available for E.I. tanners. In North India, merchants have been holding their raw stocks for higher prices. Prospects of obtaining higher prices from the U.K. are not bright, because sales of finished leather in U.K. have been slow.

There were good enquiries for lower grade tanned hides and calves for inland trade, and prices improved a little which prevented sales to the U.K. There was some buying of buff hides and calves from exporters to the U.S.

Prices of tanned goat skins were steady though shipment business was small. Arrivals of medium tannage sheep skins have been large and prices look weak.

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KANPUR, 3*rd November*

During the week under review the hides and skins market ruled steady. The trend of prices as far as the main categories of wet salted cow and buff were concerned was upward. There was a keen demand for superior buff as well as the fresh goats and sheep. The main purchasers were the local tanners and Madras dealers. The latest quotations are as follows:—

Wet salted cow, 1st grade Rs. 400, 2nd grade Rs. 360 and 3rd grade Rs. 275 to Rs. 300 per score; wet salted buff, 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. 1 oz. per rupee; goat, 1st grade Rs. 375 and 2nd grade Rs. 350 per 100 pieces; sheep, 1st grade Rs. 350 and 2nd grade Rs. 300 per 100 pieces.

SURVEY

(Concluded from page 754)

out that port operation and development had been the subject of study by two expert missions from abroad. The first mission deputed by the U.K. Government under the Colombo Plan in October 1957 visited the major ports of Calcutta, Bombay, Visakhapatnam and Madras and gave advice on cargo handling and other port operational problems. Accordingly, orders for a large portion of the equipment recommended by the mission were placed by a special purchase mission headed by the Transport Secretary. One of the important recommendations made by the U.K. mission was the appointment of general managers for port administrations in order to co-ordinate the activities of the heads of departments and enable the chairmen of the port trusts to give more time to important matters of policy. Such an officer was appointed at Calcutta and recently in Bombay. Appointments at other ports are expected to follow.

The second mission was an expert team sent by the World Bank to make an on-the-spot study of the development projects of the ports of Calcutta, Madras, Visakhapatnam and Bombay. The mission came in response to the application made by the Government of India to the Bank for a loan to cover the foreign exchange component of the expenditure estimated at Rs. 40 crores. Negotiations with the Bank for the grant of loan to the above ports proved successful and agreements were executed between the Bank and the two port authorities of Calcutta and Madras. The loans were for an amount of 29 million and 14 million dollars in various foreign currencies to the two port authorities of Calcutta and Madras, respectively. These loans carry interest at the rate of 5½ per cent. per annum, a commitment charge of ¾ per cent. per annum on the amount of loan not withdrawn from time to time and are repayable in 15 years commencing from 1st April 1963. The loans have been guaranteed by the Government of India. The Minister stated that the foreign exchange requirements of practically the entire development programmes of the two ports would be met by these loans.

The requirements of Bombay and Visakhapatnam ports were not taken up for consideration by the Bank. The reason for excluding the latter port was that it was not run by an independent statutory port authority but administered by the Central Government and hence the question of the Bank giving a loan to that port did not arise. The Minister, however, hastened to add that the provision of facilities for stepping up ore exports through Visakhapatnam port would be covered by aid of Rs. 2 crores from the U.S. President's Asian Development Fund. He said that the balance of the requirements for the port would be met from the free resources, "meagre though they may be." As regards Bombay, the main outlay is on two large schemes—dredging of the main harbour channel and the modernisation of Prince's and Victoria Docks. The World Bank Mission opined that these schemes were not ripe enough for the consideration of a loan from the Bank. It would appear that the trustees have been asked to formulate and finalise their schemes quickly for presentation to the Bank. The Minister revealed that the Government was securing foreign assistance to the extent of five million dollars for the purchase of two suction dredgers for Bombay port and three dredgers for catering to the dredging requirements of the new major port of Kandla and of a selected number of minor ports.

As regards Kandla and Cochin, the Minister observed that the first stage in the development of Kandla port comprising the construction of four cargo berths and allied facilities was practically over and that the construction of two additional berths for facilitating the export of the new-found ore from Rajasthan had been taken up. The Cochin port administration had made good headway with the execution of the schemes covered by the Plan and it was thought that almost the entire plan programme of the port would be executed by the middle of 1960.

The Minister also disclosed that the Government had decided to constitute a dredger-*cum*-survey launch pool consisting of three dredgers, a fleet of survey launches and other equipment costing over Rs. 2 crores to deal with the problem of siltation. Each of the dredger units would be based at the ports of Kandla, Bombay and Visakhapatnam and would be employed for undertaking dredging work at Kandla and at selected intermediate ports, numbering eighteen. When the dredging, as contemplated, was carried out, the minor ports would be able to come to the aid of major ports in times of congestion and other difficulties. A few of the minor ports were being developed to the requisite standard so as to cater to the requirements of additional ore export traffic. It is noteworthy that, when the works now contemplated are executed, the port capacity will rise to a level of about 40 million tons.

MEASURES TO CURB RISING PRICES OF DYES

A meeting of the manufacturers, established importers and consumers of coal-tar dyes was held in Bombay on the 30th October, Mr. D. S. Joshi, Textile Commissioner, presiding. They discussed ways and means of curbing the rapidly rising prices of imported dye-stuffs and the possibility of controlling the imported articles at reasonable rates based on c.i.f. rates. A small sub-committee was appointed to frame a code of fair trade practices for the industry. The recommendations made by the working group set up earlier were accepted. The meeting adopted its principal recommendation that steps should be taken to ensure that mills and other consumers did not hold stocks of dyes of more than two months' consumption in view of the increased availability of indigenous production.

In order to ensure increased production of certain items, particularly the solubilised vat dyes, the meeting felt that adequate provision should be made to secure raw materials. The working group had suggested that raw materials should be procured for items like fast colour salts, fast colour bases and some naphthols. It was also suggested that the small-scale manufacturers of dyes should be assured of adequate supply of raw materials.

The meeting suggested that the indigenous producers and established importers should broad-base their pattern of distribution particularly of items which are in short supply. The office of the Textile Commissioner will periodically scrutinise consumption trends and advise producers regarding the need for modifying the pattern of production.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 31st October 1958

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		25,00,00,000
National Agricultural Credit (Stabilisation) Fund		3,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		71,75,48,000
(2) Other Governments		32,12,32,000
(b) Banks		110,68,46,000
(c) Others		115,01,59,000
Bills Payable		16,90,58,000
Other Liabilities		19,11,18,000
	Rupees	478,59,61,000

ASSETS	Rs.
Notes	22,70,74,000
Rupee Coin	2,44,000
Subsidiary Coin	4,32,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	11,99,000
Balances held abroad*	13,75,45,000
Loans and Advances to Governments†	16,87,39,000
Other Loans and Advances	53,35,39,000
Investments	361,78,73,000
Other Assets	9,93,16,000
Rupees	478,59,61,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 92,00,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	22,70,74,000	
Notes in circulation	1584,44,22,000	
Total Notes issued		1557,14,96,000
Total Liabilities		1557,14,96,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	164,67,56,000	
Total of A		282,43,59,000
B. Rupee Coin		140,01,02,000
Government of India Rupee Securities		1134,70,35,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1557,14,96,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	24th Oct., 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1544.70	1544.80	1515.98	1486.20
Notes held in Banking Department	25.05	11.27	10.81	40.80	27.77
Foreign Securities	89.50	164.68	164.68	169.68	211.71
Rupee Securities	87.39	1134.85	1134.87	1129.87	950.78
Banking Department					
Deposits of :					
Government of India	14.89	49.00	51.32	48.54	52.55
Other Governments	..	31.97	36.18	26.11	11.02
Balances held abroad	10.66	14.74	15.07	14.21	15.89
SCHEDULED BANKS					
Demand Liabilities	124.36	743.81	718.85	755.83	761.06
		(24.53)†	(24.21)†	(23.02)†	(23.00)†
Time Liabilities	102.24	907.87	888.00	850.10	638.56
		(38.55)†	(37.66)†	(36.87)†	(13.37)†
Borrowings from Reserve Bank	..	1.81	1.45	1.56	29.77
		(0.97)‡	(0.97)‡	(1.08)‡	(27.63)‡
Borrowings from State Bank	..	2.39	2.96	3.79	6.41
Cash in India	6.70	42.33	38.94	38.71	47.75
Balances with Reserve Bank	26.17	134.15	88.22	100.22	95.77
Excess over statutory limits	15.52	78.80	34.52	45.43	44.94
Balances with other banks in current account in India	..	13.49	13.22	12.54	11.76
Money at call and short notice in India	..	50.84	48.62	53.56	49.77
Investments (at book value)	..	600.85	594.90	590.52	394.15
Advances and bills	106.09	840.32	844.32	841.54	867.20
STATE BANK					
Deposits	27.76	483.91	491.74	446.10	367.00
Investments	51.99	253.20	253.19	248.55	154.19
Advances	20.25	161.67	162.67	161.17	165.64
Cash	4.60	88.48	80.36	48.65	62.59

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3½	6
Austria	17th Nov., 1954	4½	5
Belgium	3rd July, 1958	4	3½
Bolivia	20th Sept., 1956	5	6
Burma	Feb., 1948	3	2
Ceylon	11th June, 1958	3	3½
Chile	Feb., 1957	44	6
Colombia	18th July, 1958	5	4
Costa Rica	1st April, 1958	4	5
Denmark	15th Aug., 1958	5	4½
Equador	13th May, 1948	7	10
Egypt	15th Nov., 1947	3	4
El Salvador	April, 1957	4	3½
Finland	20th April, 1958	5	6½
France	16th Oct., 1958	5	4½
Greece	May, 1946	10	3
India	16th May, 1957	3½	4
Indonesia	1st April, 1958	4	3
Ireland	30th Sept., 1957	5	4
Italy	7th June, 1958	4	3½
Japan	9th May, 1957	7.67	8.40
Mexico	4th June, 1942	4	4½
Netherlands	13th June, 1958	4	3½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1958	3½	3½
Pakistan	1st July, 1948	3	4
Peru	15th Nov., 1947	5	6
Philippines	12th Jan., 1944	3	4½
Portugal	29th Sept., 1948	4	3½
South Africa	22nd July, 1958	4	4½
Spain	3rd May, 1958	4½	4
Sweden	15th May, 1957	4	4½
Switzerland	Feb., 1948	1½	2½
Thailand	9th June, 1958	4½	4
Turkey	14th Aug., 1958	5	4½
United Kingdom	1st July, 1958	3	4
U.S.S.R.	23rd Oct., 1958	2	2½
U.S.A.	27th June, 1958	3½	3
West Germany			

State Bank of India

Statement of Affairs for the week ended 31st October 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up :		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		476,28,91,000
Borrowings from Other Banking Companies, Agents, etc.		5,58,52,000
Bills Payable		
Bills for Collection being Bills Receivable as per contra		2,03,10,000
Acceptances, Endorsements and Other Obligations per contra		1,33 02,000
Other Liabilities (including Inter-Office Adjustments)		10,91,07,000
Total .. Rs.		506,39,62,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		53 94,38 000
Balances with other Banks		2,88,36,000
Money at Call and Short Notice		2,13,33,000
INVESTMENTS :	Rs.	
Government and other Trustee Securities	257,12,86 000	
Other Authorised Investments	11,50,88 000	
		268,63,74,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	151,75,41,000	
Bills Discounted and Purchased	10 30,87 000	
		162,06,28,000
Bills Receivable being Bills for Collection as per contra		2,03,10,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,33,02,000
Premises less Depreciation		1,24,75,000
Furniture and Fixtures less Depreciation		1,00,10,000
Other Assets (including Inter-Office Adjustments)		13,12,56,000
Total .. Rs.		506,39,62 000

Scheduled Banks*

Statement of Affairs for the week ended 24th Oct., 1958

	Rs.	Rs.
Demand Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		24,32,85,000
(ii) Other demand liabilities		719,48,28,000
Time Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		38,54,78,000
(ii) Other time liabilities		869,32,53,000
Borrowings in India from the State Bank and/or a notified bank :		
(i) Demand liabilities		3,34,14,000
(ii) Time liabilities		5,00,000
Borrowings in India from the Reserve Bank of India‡		1,58,80,000 (97,75,000)
Cash in India		42,33,27,000
Balances with the Reserve Bank in India		134,15,36,000
Balances with other banks in current account in India		13,48,56,000
Money at call and short notice in India		50,84,39,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		600,85,02,000
Advances in India		716,27,90,000
Inland Bills purchased and discounted in India		79,66,71,000
Foreign Bills purchased and discounted in India		44,88,41,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	May		Two months, April and May	
	1958	1957	1958	1957
Import Duties :				
Revenue	8 28	12 65	16 62	25 89
Protective	1 47	1 01	3 26	2 16
On surplus disposals	..	..	..	..
Total import duties	9 75	13 66	19 88	28 05
Export Duties	1 48	1 26	3 31	2.53
Land Customs	0 13	0 30	0 20	0 50
Air Customs	0 10	..	0 16	..
Miscellaneous	0 18	0 08	0 30	0 18
Gross Total Customs	11 64	15 30	23 85	31 26
Refunds and Drawbacks	0 25	0 34	0 63	0 72
Net Customs	11 39	14 96	23 22	30 54
Gross Excise	26 75	21 53	51 78	38 13
Refunds	0 33	0 32	0 68	0 48
Net Excise	26 42	21 21	51 10	37 65
Net total of customs and excise†	37 81	36 17	74 32	68 19

† Net Customs plus net Excise.

State Bank of Pakistan

Statement of Affairs for the week ended 24th October 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	66 66,75,000
(b) Provincial Governments	3,87,11 000
(c) Banks	17,15,27,000
(d) Others	5,46,11,000
Bills Payable	20,27,000
Other Liabilities	9,72,45.000
Rupees	111,07,96,000

ASSETS	Rs.
Notes	9,80,39,000
Rupee Coin	58,000
Subsidiary Coin	41,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	28,14,000
Balances held outside Pakistan*	17,26,64,000
Loans and Advances to Governments	5,78,00.000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	7 02,10,000
Investments	63,82,01,000
Other Assets	8,09 74,000
Rupees	111,07,96,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9 30,39,000	
Notes in circulation	329,98,86,000	
Total Notes issued	....	339,29,25,000
Total Liabilities	....	339,29,25,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion—	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	44,03,43,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
		110,13,08,000
B. Rupee Coin	4,76,04,000	
Government of Pakistan Securities	218,50,07,000	
Internal bills of exchange and other commercial paper	....	
		223,26,11,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02 000	
Sterling Securities	4,40 63 000	
Government of India Securities	1,00 90,000	
Rupee Coin	29,51 000	
		5,90,06,000
Total Assets	....	339,29,25,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 34.11 per cent.

EXCHANGE RATES

		5th November, 1958	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months	s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	s.	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477.00	476.75
Buyers T.T.	Rs.	473 25	473 50
London on New York	$	2.80¾-2 80¾	2.80¾-2 80¾
London on Paris	Fcs.	1.1761	1.1764
London on Berne	Sw. Fcs.	12 22½-12 23½	12 22½-12 22½
New York on London	$	2 80½-2 80½	2.80¾-2 80¾

CLEARING HOUSE RETURNS

Centre	Week ended 31st Oct., 1958		Week ended 24th October 1958	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,22,432	60,84 89 000	2,84 859	57,64,78,000
Calcutta	1,29,000	63,26,00 000	1,09 000	40,31,00 000
Madras	98,299	11,01,32,554	85 209	6,52,42,056
All Centres—				
1956-57	..	..	46,00 000	87,24,35,00,000
1957-58	..	..	41,67 000	89,54,66,00,000
June, 1958	..	..	3,23,000	6,61 49,00,000
July, "	..	..	3,815 000	8,31 97 00 000
Aug., "	..	..	3,482,000	7,52 06,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	18th Oct., 1958	11th Oct., 1958	19th Oct., 1957	September 1958	September 1957	Percentage of Increase (+) or Decrease (—) in Sept., 1958 as compared with Sept., 1957	Financial Year Average 1957-58	Financial Year Average 1956-57
Food Articles	564	122.1	121 3	107 8	121 2	108 8	+11 7	109.6	102.52
Cereals	192	113 3	113 9	102 9	114 6R	120 6	— 5 9	101	96
Pulses	48	110 0	108 2R	83 4	105 1	85 1	+26 5	82	113
Fruits and Vegetables	23	128 5	124 8	108 4	124 9	117 0	+ 6 8	108	102
Milk and Ghee	44	112 2	111 7	105 3	108 7	109 1	— 0 4	105	100
Edible Oils	47	131 8	131 1	128 9	132 7	123 8	+ 3 0	126	122
Fish, Eggs and Meat	17	110 0	112 2R	96 8	115 2	102 1	+12 8	98	96
Sugar and Gur	48	137 2	132 6	112 3*	135 4	110 5	+22 4	106	103
Others	53	150 2	157 6	130 9	157 2	129 2	+21 7	121	122
Liquor and Tobacco	21	92 8	92 8	90 8	90 9	93 7	— 3 0	94 0	94
Tobacco	..	91 1	91 1	94 2	89 0	92 0	+ 3 3	90	92
Fuel, Power, Light and Lubricants	36	115 7	115 6	115 2	116 0	111 6	+ 3 9	112 0	104 KR
Industrial Raw Materials	156	117 5	117 1	114 5	118 6	118 4	+ 3 1	116 5	110 0
Fibres	61	106 7*	104 3	113 1	108 0	114 8	— 5 9	110	116
Oilseeds	60	138 5	136 1	120 0	137 3	125 4	+12 5	129	120
Minerals	5	105 2	105 2*	109 1	105 2R	106 6	— 2 2	105	102
Others	32	106 6*	106 6	107 0	106 4	107 0	— 0 6	106	105
Manufactures	236	106 9	106 9	106 9	106 9R	106 7	+ 0 2	106 1	100 3
Semi-finished Products	91	110 7	110 7	108 2	110 7	107 3	+ 3 2	107	110 5
Finished Products	145	103 4	103 4	105 4	103 5	106 9	— 3 2	105 9	100 6
Textiles	147	103 4	103 4	105 6	103 5	106 5	— 2 8	107	102
Cotton	..	—	111 1*	111 6*	111 8	117 0	— 4 4	110	116
Jute	..	—	87 9	91 0	100 0	87 2	+14 7	95	86
Woollen	..	—	106 9	106 0	103 0	106 1	— 2 8	103	98
Silk and Rayon	..	—	94 7*	98 3*	82 6*	96 0*	—13 5	88	99
Metal Products	12	143 1	143 1	148 3	143 0	148 3	— 3 5	141	96
Chemicals	33	107 0	107 7	105 7	106 4R	99 8	+ 6 7	102	105
Oil cakes	10	143 2*	141 5	120 1	137 0	114 2	+20 0	115	102
Machinery and Transport Equipment	51	103 5	103 5	102 3	103 5	101 7	+ 1 8	102	99
Others	30	113 9	113 9	111 2	113 8	110 5	+ 3 0	110	101
All Commodities	1 000	116 7	116 3	109 1	116 5	109 5	+ 6 4	109 4	103.22

Notes:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

GROP FORECASTS

Crop	Fore-cast	(In thousand acres) 1957-58	(In thousand acres) 1956-57	(In thousand tons) 1957-58	(In thousand tons) 1956-57
Cereals—					
Rice	final	79,027	79,320	24,821	28,282
Wheat	final	29,657	33,580	7,654	9,314
Jowar	final	41 411	40,367	8,056	7,249
Bajra	final	27,453	27,884	3,565	2,888
Barley	final	7,531	8,726	2,175	2,827
Maize	final	9,762	9,197	3,064	3,009
Ragi	final	5,897	5,831	1 716	1,715
Small millets	final	11,979	12,230	1 759	1,984
Total cereals	final	212,717	217 135	52,810	57,245
Pulses—					
Gram	final	22,405	24 265	4,754	6 264
Tur	final	5,598	5 686	1,396	1,954
Other Kharif pulses†	final	15,832	16,484	1,401	1,515
Rabi pulses†	final	10,820	11,780	1,665	1,770
Total pulses	final	54,655	58,215	9,216	11,503
Total foodgrains	..	267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut	final	14,457	13,450	4,271	4,200
Castorseed	final	1,325	1,415	97	124
Sesamum	final	5,268	5,446	363	442
Rape and Mustard	final	6,050	6,311	905	1,026
Linseed	final	3 318	4,156	271	384
Total oilseeds	final	30,418	30,778	5,907	6,176
Fibres—					
Cotton*	final	20,158	19,893	4 753	4,735
Jute A.	final	1,754	1,908	4,088	4,288
Mesta A.	final	726	733	1,211	1,478
Other crops—					
Potato	final	702†	691††	1,674†	1,830††
Sugarcane	final	5,021	5,057	63 954	66,998
Ginger (Dry)	final	39	39	14	15
Pepper (Black)	final	229	221	26	27
Chillies (Dry)	final	1,534	1,476	355	342
Tobacco	final	1,022†	1,013††	295††	295††

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A: In thousand bales of 400 lbs. each. † Refers to 1956-57.
†† Refers to 1955-56.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	Jan. to Dec. 1956	Jan. to July 1958	Jan. to July 1957
Exports	637.74	58,804	311.65	367.01
Re-exports	5.11	7.36	4.85	2.51
Total Exports	642.85	595.80	316.50	369.52
Imports	1025.83	813.68	456.34	578.48
Overall Balance of Trade	—382.97	—218.06	—140.54	—208.96
Exports—				
Tea	123.40	142.43	58.82	58.94
Jute yarns and manufactures	114.48	112.82	58.43	66.17
Cotton yarns and manufactures	68.58	62.23	30.23	42.90
Metallic ores and scrap iron or steel for re-manufacture	49.89	23.36	20.00	30.10
Cotton, raw and waste	18.66	25.09	12.49	15.30
Oils—vegetable, mineral and animal	19.31	24.81	8.50	11.86
Fruits and vegetables	18.60	18.03	11.36	10.80
Tobacco	12.83	13.30	12.91	10.11
Mica	8.67	8.75	5.30	5.24
Wool—Raw	11.73	10.64	5.57	6.33
Gums, resins and lac	8.59	11.19	4.60	5.33
Spices	8.43	9.56	5.07	5.51
Hides and skins, raw	6.99	8.07	4.48	4.69
Imports—				
Machinery of all kinds	232.97	150.12	112.61	127.03
Metals—Iron and steel and manufactures thereof	146.98	122.40	55.78	94.81
Oils—vegetable, mineral and animal	113.38	74.69	45.71	61.65
Cotton raw and waste	45.62	53.61	21.40	35.32
Chemicals, drugs and medicines	76.77	43.14	35.88	47.56
Electrical goods and apparatus	61.14	20.15	30.14	32.57
Paper, pasteboard, etc.	13.11	15.99	4.42	7.62
Vehicles (excluding aircraft, ships and boats)	71.35	60.91	26.93	40.51
Fruits and vegetables	21.27	12.66	9.06	12.22
Spices	2.93	3.10	1.47	1.72
Dyes and colours	13.37	16.37	4.54	8.93
Woollen and worsted fabrics	1.31	2.18	18	74
Cotton fabrics	2.37	2.39	54	1.46

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During August, 1958	85.2
	Corresponding month, 1957	81.9
	Two months ended Aug., 1958	175.0
	Corresponding period, 1957	167.8
Stocks	At the end of August, 1958	117.2
	Corresponding month, 1957	92.5
	DESPATCHES OF GUNNIES‡	(In 000 tons)
For Export Purpose	1956-57	866 6
	1957-58	848 9
	July 1957	81.9
	July 1958	89.4
For Internal Consumption	1956-57	181 9
	1957-58	201.2
	July 1957	12.8
	July 1958	14.3
	RAW JUTE	(In lakh bales)
Consumption by Mills	August, 1958	4 94
	Corresponding month, 1957	4 75
	Two months ended Aug. 1958	10.15
	Corresponding period 1957	9.73

‡ In metric tons.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1955-56	715	8,805 3	7,185 8
1956-57	769	9,877 8	8,168 1
1957-58	834	11,176.9	9,011.1
April 1957	770	901 4	734 5
May "	793	952 2	756 7
June "	799	898.4	726 1
April 1958	841	1 003 6	810.5
May "	766	1,045 5	833 8
June "	773	1,014 3	810.7

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. † Including purchases from non-electric utilities.
‡ At the end of period. §§ At the end of period.
Source:—Central Water and Power Commission.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1956-56	12,751	2,120	974	213	111	67	149	29	517	412	41	350	45	148
1956-57	13.586	2,265	1,023	219	108	58	207	24	619	437	39	380	52	189
1957-58	14,335	2,389	1,225	214	104	52	217	25	596	504	39	476	47	184
July 1957	4,663	756	438	72	35	21	58	7	183	145	11	138	18	63
August "	5,781	957	539	84	39	25	67	8	208	183	13	177	19	81
September "	6,893	1,152	638	93	42	30	87	10	223	220	15	219	25	101
October "	8,056	1,366	736	107	46	34	109	13	241	253	19	261	31	139
November "	9,240	1,566	844	129	53	37	137	16	273	309	24	302	37	134
December "	10,506	1,766	941	152	64	40	162	18	354	360	28	350	42	146
January 1958	11 814	1,979	1,038	174	80	44	186	21	438	413	32	394	45	161
February "	13 011	2,172	1,123	191	93	49	202	23	519	454	35	435	46	176
March "	14,335	2,389	1,225	214	104	52	217	25	596	504	39	476	47	184
April "	1,238	220	111	23	9	4	15	2	34	45	2	40	1	15
May "	2,438	431	234	40	18	7	28	4	52	88	5	78	4	27
June "	3,541	628	355	56	25	9	36	5	66	127	7	112	7	33
July "	4,677	847	471	71	31	12	46	7	85	164	10	154	12	43

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B, G.=2 M. G.) and incorporate revision in respect of earlier months. *Source*:—Ministry of Railways.
* Including sugarcane from November, 1955.

INDUSTRIAL PRODUCTION

Industries.	1957	Jan. to July 1957	Jan. to July 1958*	June 1958	July 1958*	July 1957
Major Industries—						
Coal	48.54	24 94	26 35	3.55	3.75	3.30
Steel (Ingots and Metal for castings)	1,715	849†	854†	135	—	134
Yarn	1,780	891†	819†	126	—	150
Cloth	5,317	2,709†	2,451†	388	—	459
Cement	5 46	3 08	2 72	0.50	0.43	0.43
Jute	1,030	594	624	82	90	85
Paper and paper boards	210,122	102 414†	120,423†	19,184	—	17,511
Matches	578,400	289,000†	292,100	50,600	—	47,900
Sugar	2,068	1,503	1,470	4	4	2
Engineering and Electrical Industries—						
Machine tools	250 59	105.84†	151 60†	25.29	—	20.77
Electric lamps	33 15	15 14†	15 03†	2 39	—	3.03
Dry cells	106 56	102 32	93 24	14.91	14.70	16 59
Power transformers	1,219,200	567,600†	570,300†	78,800	—	113,000
Electric Motors	469,200	212,200†	292,100†	50,000	—	43,400
Electric fans	250,500†	314,100†	45,400	—	15,676	
Radio receivers	190,272	92,039†	97,432†	17,995	28,800	28,800
Storage batteries	334,000	189,900	197,300	29,700	—	507
Copper conductors	8,556	4,568†	3,732†	438	—	77
Winding wires	1,022	450†	729†	153	—	9 17
Rubber and plastic ins. cables and flexibles	million yds.	103 30	51 04†	53 85†	9 37	—
Insulators—H.T.	180,000	39,800†	225,900†	76,800	—	0.41
Insulators—L.T.	million Nos.	4 59	2 44†	2 77†	0 48	—
Diesel engines—Vehicular	Nos.	3,336	1,946	2,533	419	311
Do —Stationary	Nos.	16,548	7,241†	11,462†	1,848	—
Chemical Industries—						
Salt	million mds.	96 79	77 33†	92 23†	24.18	—
Caustic soda	tons	42,708	24,422	31,200	4,855	5,202
Soda ash	tons	91,950	53,671	50,547	6,291	4,748
Chlorine liquid	tons	15,096	9,142	9,480	1,383	1,173
Bleaching powder	tons	5,340	2,925	3,529	304	594
Dichromates	tons	2,872	1,745†	1,720†	218	—
Sulphuric acid	tons	191,668	88,712†	106,537†	17,622	—
Superphosphate	tons	141,600	63,161†	78,586†	13,849	—
Non-ferrous Metals—						
Aluminium	tons	7,771	3,800†	4,074†	686	—
Antimony	tons	502	268	315	56	45
Copper (virgin metal)	tons	7,848	4,531	4,402	665	692
Lead (virgin metal)	tons	3,174	1,577	1,775	198	288
Gold	th

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53=100]

Group and Sub-Group	Week ended 25th Oct., 1958§	18th Oct., 1958	27th Sept., 1958	26th Oct., 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.4	100.4	100.5	98.2
2. Government of India	100.3	100.3	100.4	98.0
3. State Government	101.5	101.5	101.3	100.0
4. Municipal, Port Trust, etc.	99.0	98.9	98.8	99.1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.3	100.3	100.3	99.0
6. Plantations	100.1	100.1	100.1	100.1
7. Coal	99.6	99.6	99.6	99.6
8. Sugar	99.0	99.0	99.0	96.9
9. Cotton Textiles	98.2	98.1	98.1	100.3
10. Jute Textiles	91.5	91.5	91.5	93.0
11. General Engineering	99.8	99.8	98.2	96.4
12. Electricity Generation and Supply	97.1	97.1	97.1	96.6
13. Others	102.9	102.9	103.0	100.7
PREFERENCE SHARES—ALL INDIA.				
14. Total	98.3	98.2	98.4	98.1
15. Plantations	97.6	97.4	96.9	102.8
16. *Mining & Quarrying: Total*@	87.0	87.0	86.0	87.8
17. Coal	75.9	75.9	75.6	79.5
18. *Processing and Mfg.: Total**	88.4	88.2	88.4	88.4
19. Sugar	89.1	89.1	89.1	93.3
20. Cotton Textiles	78.9	78.9	80.2	88.4
21. Jute Textiles	79.6	79.6	77.5	74.6
22. Iron and Steel	91.3	90.7	92.7	88.1
23. General Engineering	101.3	101.3	100.3	102.7
24. Basic Industrial Chemicals	89.3	89.0	87.3	82.7
25. Cement	98.7	98.7	96.1	96.4
26. Paper	85.9	85.9	85.2	91.3
27. *Other Industries: Total**	85.7	85.5	86.3	82.8
28. Electricity Generation and Supply	87.5	87.4	88.4	84.4
29. Trading	80.3	80.3	80.4	77.1
30. Shipping and Other Transport	85.4	85.4	84.3	85.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	143.5	142.7	144.7	122.7
32. *Agriculture and Allied Activities: Total**	155.7	155.1	157.8	141.7
33. Tea Plantations	148.9	148.4	150.4	140.2
34. Coffee Plantations	216.0	215.4	221.4	180.4
35. Rubber Plantations	159.0	160.9	162.3	132.5
36. *Mining and Quarrying: Total*	148.4	146.9	149.4	118.9
37. Coal	115.4	115.4	112.6	87.3
38. Other Mining	171.1	168.5	174.6	140.6
39. *Processing and Manufacturing: Total*	142.1	141.2	143.5	122.1
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	128.9	128.3	130.9	118.5
41. Sugar	173.2	172.4	176.4	156.4
42. Cotton Textiles	115.2	114.9	118.9	119.0
43. Jute Textiles	84.8	84.8	84.7	63.9
44. Silk and Woollen	441.7	433.8	435.5	307.4
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	162.5	160.7	161.3	125.3
46. Iron and Steel	158.2	155.7	155.5	108.3
47. Transport Equipment	206.4	204.4	206.9	171.7
48. Electrical Machinery	159.6	159.6	155.2	162.8
49. Machinery other than Transport and Electrical	174.3	173.1	173.2	144.0
50. Basic Industrial Chemicals	128.8	128.4	129.1	109.2
51. *Processing and Mfg. (Others): Total**	144.4	144.4	148.6	127.1
52. Cement	129.8	129.7	137.4	122.7
53. Paper	197.0	197.0	197.4	159.0
54. *Other Industries: Total**	118.1	117.4	116.4	103.0
55. Electricity Generation and Supply	95.3	95.1	93.6	87.5
56. Trading	89.4	88.9	91.8	79.4
57. Shipping and Other Transport	144.2	143.2	142.3	122.8
58. Construction	251.1	244.7	248.0	197.0
59. *Financial: Total*	183.9	183.1	187.1	148.2
60. Banks	209.3	208.3	213.2	161.5
61. Insurance	127.8	126.5	129.0	109.4
62. Investment Trusts	92.5	92.5	92.5	88.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	147.4	145.4	149.3	119.9
64. Calcutta	—	139.8	140.5	119.5
65. Madras	155.6	155.1	156.3	146.1
66. Delhi	167.8	166.8	169.8	146.6

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.'
@ Including other mining. § Calcutta Stock Exchange—closed during the week.

IRON AND STEEL PRODUCTION (*In Tons*)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,78,600	7,97,500
Do. 31st March, 1958	10,98,300	11,06,800	7,85,900
Aug., 1957	85,500	93,500	63,100
Sept., ,,	88,600	92,500	71,700
Oct., ,,	95,100	96,500	59,000
Aug. 1958	99,500	1,08,600	70,300
Sept., ,,	93,500	95,600	66,500
Oct., ,,	94,200	96,400	76,900
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,32,315	4,41,483
Do. 31st March, 1958	7,85,945	5,07,580	4,10,558
Three months ended Sept. 1957.	1,71,397	1,19,172	96,815
,, ,, ,, Mar. 1958.	1,93,839	1,36,554	1,06,501
,, ,, ,, June 1958.	2,14,469	1,21,988	1,01,014
,, ,, ,, Sept. 1958.	2,30,486	1,48,516	1,05,608

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1956	1,203	715,130	6,992,040
1957	1,630	889,371	6,948,000
January 1958	147	56,492	371,125
February ,,	152	99,482	447,586
March ,,	167	88,462	815,824
April ,,	170	61,489	5,30,162
May ,,	160	57,557†	5,60,459†
June ,,	151	155,229(a)	1,524,555(b)

† Not known in 16 cases. (a) Not known in 9 cases.
‡ In progress during the month. (b) Not known in 10 cases.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'56-'57	387.68	..	11,010	284
Pakistan††	'56-'57	83.50	..	2,070	249
Burma	1956	19.80	Kyats 4,336	565	285
Ceylon	1955	8.88	..	475	567
Japan	1956	90.00	Y. 7,427,000	9,283	1,031
Philippines	1956	22.20	Fr. 8,335	1,965	894
New Zealand	1956	2.17	£(N.Z.) 884	1,178	5,428
Australia	1957	9.60	£(A.) 4,599	4,893	5,096
U.K.	1956	51.20	£ 16,465	21,953	4,287
U.S.A.	1956	168.09	$ 343,500	163,554	9,731
Canada	1956	16.00	$ 22,710	10,787	6,742
France	1956	43.60	Fr.F.13,990,000	17,640	4,046
W. Germany	1957	51.40	Dm. 185,000	18,057	3,513
Italy	1956	48.10	Lr. 11,476,000	8,760	1,821
Norway	1956	3.46	Kr. 20,990	1,408	4,358
Sweden	1956	7.80	Kr. 44,880	4,127	5,653
Netherlands	1956	10.80	Fl. 29,400	2,215	2,977
Denmark	1956	4.46	Kr. 24,950	1,690	3,789
Switzerland	1956	5.00	Sw. Fr. 25,630	2,807	5,614

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
	(1949=100)	Base June (1934=100)	Base July (1927=100)	Base January (1928=100)	Base (1949=100)	Base (1949=100)	Base August (1939=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 ,,	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 ,,	101	359	244	294	85	99	327	106	105	91	95	102	98	105
1955 ,,	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 ,,	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 ,,	111	369	256	339	94	112	364	116	114	99	103	115	107	126
May 1957	110	376	263	345	96	111	352	114	114	96	103	113	108	126
June ,,	112	356	254	330	91	112	371	115	115	98	105	113	111	127
July ,,	112	356	256	333	89	112	371	116	115	98	106	119	109	128
August ,,	113	377	265	347	98	113	375	115	118	99	105	120	108	128
September ,,	114	375	262	338	97	113	378	115	113	100	106	121	106	128
May 1958	113	387	263	295	93	117	371	120	108	97	101	119	107	129
June ,,	116	395	273	307	98	117	378	121	111	101	103	120	113	130
July ,,	119	407	285	317	101	118	392	125	116	105	103	122	114	130
August ,,	120†	404	288	322	..	..	403	..	117	108	106	125	111	..
September ,,	..	404	289	327	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A	National Savings Certificates 7-Year B	National Savings Certificates 12-Year B	12-Year National Plan Savings Certificates C	Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F	10-Year Treasury Savings Deposit Certificates 4% C	15-Year Annuity Certificates G	Total	
	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings Ings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,08	—31,07	25,64	..	..	146,88	211,98
1953-54	5,91	4,26	104,38	..	..	117,37	106,29	—34,20	32,11	..	..	162,71	252,06
1954-55	4,70	4,99	124,64	..	..	116,35	7,38	—36,35	37,15	..	55	54	177,35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	45	95	203,53	380,04
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	43	1,32	225,88	440,17
1957-58	2,22	4,73	143,49	71,42	71,44	179,89	213,94	23,11	—39,72	43,58	568	547	63	1,87	264,54	510,26
1957																
November	2,48	5,14	153,40	6,48	32,82	13,25	202,58	24,47	—39,38	43,96	49	3,06	2	1,49	20,24	469,40
December	2,43	5,06	151,07	6,41	39,23	13,00	202,55	24,14	—39,47	43,89	46	3,47	2	1,50	19,90	473,84
1958																
January	2,37	4,94	148,57	7,95	47,18	13,88	202,64	23,77	—39,55	43,80	68	4,08	18	1,68	22,68	478,93
February	2,31	4,83	146,14	10,24	57,42	14,22	203,12	23,45	—39,62	43,69	74	4,81	9	1,76	22,29	487,53
March	2,22	4,73	143,49	14,00	71,44	23,38	213,94	23,11	—39,72	43,58	70	5,47	12	1,87	42,22	509,85
April	2,15	4,65	141,35	9,56	78,00	15,27	214,27	22,85	—39,81	43,47	77	6,15	11	1,97	22,71	514,86
May	2,07	4,55	139,27	5,84	83,83	15,22	212,69	22,58	—39,89	43,37	57	6,72	5	2,01	21,68	517,09
June	2,01	4,47	137,48	5,03	88,81	14,51	213,08	22,39	—39,97	43,29	88	7,12	3	2,03	19,95	520,68
July	1,96	4,38	135,22	5,49	94,66	16,04	215,16	22,19	—40,05	43,17	47	7,68	5	2,07	22,49	526,44
Aug.	..	..	..	..	..	..	..	..	..	43,03	45	8,11	5	2,10	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1958. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.65
3 % Loan	1938-39	116,17,46,000	1963-65	96.55
3 % Loan	1950	80,32,10,000	1964	96.75
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	94.05
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90.20
3 % 2nd Y. Loan	1945	1,13,65,54,000	1969-71	91.90
2½ % Loan	1946	45,68,07,000	1960	99.00
2½ % Loan	1946	57,00,69,000	1961	97.15
2½ % Loan	1946	1,17,17,49,000	1972	93.70
2½ % Loan	1947	75,86,72,000	1962	96.80
3½ % N.P. Bonds	1953	75,29,00,000	1961	100.10
3½ % N.P. Loan	1954	1,58,17,90,000	1964	99.90
3½ % P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99.70
3½ % Loan	1956	87,27,36,000	1962	99.15
3½ % N. P. Bonds	1956	33,81,83,000	1967	98.95
3½ % Loan	1956	66,63,53,000	1974	98.30
3½ % N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100.50
4 % Loan	1957	49,17,27,000	1972	100.70
4 % Loan	1958	58,06,00,000	1963	100.05
3½ % Loan N.P.B.	1958	34,34,00,000	1968	100.25
4 % Loan	1958	49,47,00,000	1973	100.60
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34,000	M.	73.25
3% Loan	1946	2,48,91,57,000	K.	73.10
STATE LOANS				
4 % Andhra	1955	5,00,000	1st Sept. 1967	99.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	99.30
4½ % Andhra	1958	5,00,00,000	15th July 1970	100.10
3 % Bombay	1940	5,49,56,000	1st Aug. 1962	99.25
3 % Bombay	1950	2,83,50,000	31st July 1960	99.20
3½ % Bombay	1951	2,87,58,000	17th Sept. 1962	98.25
4 % Bombay	1953	5,19,35,000	15th July 1963	100.00
4 % Bombay	1952	9,45,95,000	1st Aug. 1964	100.00
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	99.70
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	98.50
4½ % Bombay	1957	8,57,28,000	16th Sept. 1969	101.00
4½ % Bombay	1958	10,00,00,000	15th July 1970	100.90
4½ % Bombay	1958	5,00,00,000	15th July 1970	100.70
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	99.35
4 % Bihar	1956	11,41,00,000	3rd Sept. 1968	99.10
4½ % Bihar	1958	2,50,00,000	15th Oct. 1970	99.10
3½ % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99.00
3½ % Cochin	1956	30,00,000	1st June 1956-61	98.00
3½ % Travancore-Cochin Bridge (New)	1956-57	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	99.40
4 % Hyderabad	1956	2,12,50,000	3rd Sept. 1968	99.40
3 % Madras	1939	1,33,96,000	21st June 1959	99.30
3 % Madras	1945	2,78,44,000	14th Sept. 1960	98.85
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	97.75
4 % Madras	1950	4,36,35,400	21st July 1960	98.95
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	98.75
4 % Madras	1953	10,33,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	99.40
4½ % Madras	1956	13,83,56,000	3rd Sept. 1968	99.35
4½ % Madras	1958	5,00,00,000	15th July 1970	100.15
3 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-58	101.25
3 % Mysore(f)	1936	5,99,73,000	30th Apr. 1956-61	99.30
4 % Mysore	1953	3,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99.40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	99.30
4½ % Mysore	1957	3,33,78,000	16th Sept. 1969	100.50
4½ % Mysore	1958	5,00,00,000	15th July 1970	100.25
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	98.50
3 % M.P.	1950	1,01,45,000	31st July 1960	98.40
3½ % M.P.	1951	1,02,19,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,15,000	1st Sept. 1967	99.20
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	99.10
4½ % M.P.	1958	2,00,00,000	15th July 1970	100.00
3 % Saurashtra	1953	3,61,85,500	1st Sept. 1967	99.40
4 % Saurashtra	1956	2,74,34,000	3rd Sept. 1968	99.30
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99.10
4% Trav. Cochin	1956	3,22,38,000	3rd Sept. 1968	98.25
3 % U.P.Z.A	1953	41,44,79,000Z		48.25
3 % U.P.	1938	1,55,59,000	15th Sept. 1961-66	91.00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98.80
2½ % U.P.	1946	2,16,39,000	1st Sept. 1961	97.60
2½ % U.P.	1951	1,67,98,000	17th Sept. 1962	96.25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.00
4 % U.P.	1953	8,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,39,15,000	1st Sept. 1967	99.40
4 % U.P.	1956	9,61,56,000	3rd Sept. 1968	99.30
4½ % U.P.	1958	7,00,00,000	15th July 1970	100.05
4 % Rajasthan	1956	8,14,19,000	3rd Sept. 1968	99.10
4½ % Rajasthan	1958	2,50,00,000	15th July 1970	100.95
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	99.10
4½ % Orissa	1958	3,00,00,000	15th July 1970	99.95

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	96.10N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
1,13,00,000	4	1913*	1960	D
14,38,400	4	1914	1974	96.00N
80,00,000	4	1918	1974	96.00N
88,25,000	4	1914	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
19,25,000	3½	1926*	1959	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
40,00,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,300	4	1914	1974	97.75
76,90,100	4	1916	1975	97.75
1,50,00,000C	3††	1921	1981	82.00
68,02,300C	4	1921	1981	144.00
60,00,000	4	1931	1991	95.00
60,00,000	3½	1935	1965	97.50
25,00,000	3	1938	1963-68	90.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1947	2008	74.00
50,00,000	3	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1949	1959	98.50
1,00,00,000	3	1949	1959	96.50
1,00,00,000	3	1950	1960	97.25
1,00,00,000	3	1950	1960	97.25
1,00,00,000	3	1951	1961	91.75
1,50,00,000	3½	1953	1961	98.50
40,00,000	4	1953	1963	100.00
40,00,000	4	1953	1983	97.50
90,00,000	4	1954	1984	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	98.25
STERLING LOANS				
£802,600	5	1928	1958-83	£80.00
£901,000	5	1924	1954-84	£80.25
£335,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,43,275	3½	1947	1977	
9,88,00011	3	1947	1977	A
3,00,00011	3	1949	1979	
45,00,00011	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
80,00,000	4	1902	1962	
30,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75
30,00,000	4	1906	1966	N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
25,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
25,00,000	4	1916	1976	N
40,00,000	5	1916	1957-78	118.90
66,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
28,00,000	4	1927	1961-70	96.00N
10,00,000	4	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£388,000		1910	1970	£95.50N
CALCUTTA				Rs.
25,00,000	5½	1929	1959	103.00
50,00,000	4	1934	1964	94.00
35,00,000	4	1935	1965	94.00
30,00,000	3	1936	1966	90.00
50,00,000	3	1937	1982	91.00
20,00,000	3	1938	1963-68	90.00
50,00,000	3	1941	1991	99.25
1,02,00,000	4	1956	1968	99.00
50,00,000	4½	1958	1968	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1920	1980	113.00N
25,00,000	5	1928	1958	101.00
26,21,500	5	1929	1959	101.00
2,25,00,000	3½	1947	1977	84.50
2,50,00,000	3½	1949	1979	84.50
4,00,00,000	3½	1950	1965	98.50
2,50,00,000	4	1950	1980	98.50
2,00,00,000	3½	1951	1966	98.50
1,30,00,000	4	1953	1983	98.00
1,00,00,000†	4	1953	1966	98.00
1,00,00,000†	4	1954	1966	98.00
2,50,00,000	4	1955	1967	98.00
1,50,00,000	4	1956	1968	100.15
2,00,00,000	4½	1958	1970	100.10
400,00,000	4½			
CALCUTTA				Rs.
26,00,000	5	1928	1958	100.00
25,00,000	5	1929	1958	100.00
10,00,000	5½	1932	1963	94.00
33,91,000	3½	1936	1966	90.00
60,00,000	3	1938	1968	90.00
47,50,000	3	1942	1972	98.50
17,54,400	3½	1942	1972	98.00
21,10,000	3½	1951	1961	97.50
16,35,000	3½	1951	1966	99.25
66,88,000	3½	1951	1966	99.25
97,36,000	4	1958	1979	100.00
72,50,000	4½	1958	1985	
2,22,72,000	4½	1958	1970	100.00
87,00,00,000	4½	1958		
MADRAS				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100.00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	99.10
3½ % W. Beng

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations. x.d.=Ex. Dividend. c.d.=Cum. Dividend. *i*=Interim Dividend. *f*=Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciations is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share: 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
50,00,000	5,37,500	1,01,35,505	44,08,340	4,86,855	Rajputana Textl. (Agencies) Pvt. Ltd.	56,468	896	Apollo Mills	1.34	2	0.19	0.19			12	Y.
40,00,000	24,90,000	1,40,93,494	78,99,035	17,905	M.	50,596	1,081	B. B. Cotton Mills	25.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T
2,50,98,000	3,42,88,483	7,95,30,951	3,03,39,819	86,706	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,22,480	3,646	Bombay Dyeing & Mfg. Z	58.30	25	2.50*	2.50	2.50	0.75‡	12	Y.
10,00,000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd. ..	44,784	660	Bradbury Mills	133.00	50	12.50	20.00	15.00	7.50	3	Y.P
1,13,85,650	2,79,59,276	7,45,32,167	2,69,98,324	9,27,543	Birla Brothers Private Ltd. ..	1,26,752	2,752	Century Spg. & Mfg.	436.50	100	22.00	22.00	22.00	8.00	12	Y.
49,00,000	25,42,826	1,19,99,766	65,07,085	—83,06,037	V. J. Pilani (Chairman and Managing Director)	50,596	696	Colaba Land & Mill	32.00	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	23,31,920	1,13,86,792	67,79,552	58,223	Cowasjee Jehangir & Co., Pvt. Ltd.	35,984	680	Cowrie Spg. & Wvg.	137.50	100	7.50	12.50*	12.50*	12.50*	3	Y.
28,00,000	26,37,709	90,59,554	54,08,586	66,029	Ramnarain Sons Private Ltd.	43,960	564	Dawn Mills	81.50	50	15.00	—	7.50‡	5.00	3	Y.
34,00,000	26,36,389	1,12,98,983	69,27,928	—11,15,096	Puranmal Bubna Sons	46,668	928	Edward Textiles	227.50	200	18.00	15.00	15.00		12	Y.
29,95,050	15,72,144	1,31,76,951	81,20,935	....	M.	45,996	856	Elphinstone Spg. & Wvg. ..	40.00	50	5.00	15.00	*Nil*		12	Y.P
50,00,000	55,54,875	1,67,34,064	99,06,207	87,158	James Finlay & Co., Ltd. ..	52,528	784	Finlay Mills	277.00	100	20.00	20.00	20.00		12	Y.
50,00,000	48,96,022	94,91,910	61,37,587	10,283	James Finlay & Co., Ltd. ..	45,768	1,018	Gold Mohur Mills Ltd. ..	185.00	100	15.00	15.00	15.00		12	Y.
11,34,000	1,28,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills.	4,800.00	1,000	300.00	325.00	350.00*	350.00	3	Y.P.
16,000									992.50	250	75.00	81.25	87.50*	87.50	3	
2,50,98,000	56,39,672	4,90,61,819	3,54,00,000	1,29,969	Agarwal & Co.	2,44,150	6,278	India United Mills	98.75	100	0.94	0.92			12	Y.
									1.12	0 1D.	0.19	0.16			3	
5,65,000	1,09,49,981	1,69,30,792	1,17,58,604	—1,16,454	M.	56,784	1,152	Indian Mfg.	4,850.00	1,000	300.00	300.00	325.00*	325.00	3	Y.P.
35,000										500	150.00	150.00	162.50*	162.50		
59,55,000	47,84,646	3,32,60,641	2,39,44,370	30,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	173.50	100	12.50	10.00	10.00(e)	10.00	6	Y.P.
1,00,00,000	1,18,27,791	3,67,76,376	2,84,94,794	52,791	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	258.00	100	18.00	18.00	18.00	4.00‡	12	Y.
23,18,800	46,27,870	1,25,83,753	67,99,178	42,271	N. Sirur & Co. Private Ltd. ..	49,000	644	Modern Mills	45.00N	50	8.00*	8.00*	8.00(f)		12	Y.P.
51,75,000	42,39,896	2,75,32,726	2,00,41,588	21,603	Piramal Sons Private Ltd. ..	71,604	1,652	Morarjee Goculdas Spg.& Wvg.	248.00	100	14.00	15.00	14.00(e)	15.00	6	Y.P.
1,00,58,400	1,42,58,205	10,55,96,105	8,40,00,000	1,23,937	Chinai & Co. Private Ltd. ..	..	..	National Rayon Corporation	254.75	100	12.00	14.00*	14.00		12	Y.P.
24,00,000	25,62,456	92,11,723	48,70,078	1,495	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	108.75	100	10.00	10.00	5.00		12	Y.P.
30,00,000	11,72,194	101,83,002	63,37,034	....	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	217.00	100	10.00	10.00	*Nil*		12	Y.P.
45,00,000	55,51,580	1,69,40,494	1,08,77,159	3,59,718	Ramnarain Sons Private Ltd. ..	69,232	1,190	Phoenix Mills	117.50	100	10.00		12.50F	10.00	3	Y.
40,80,000	45,84,584	58,92,841	23,34,561	1,83,545	Podar Sons Private Ltd.	32,600	930	Podar Mills	135.50	100	12.00*	12.00*	10.00		12	Y.P.
10,00,000	....	23,94,122	18,44,733	—1,10,689	M.	..	..	Sassoon & Alliance Silk Mfg.	9.75	10	0.50	0.25(e)	*Nil*		12	Y.
37,70,100	1,19,98,715	2,11,84,514	1,36,87,248	12,182	M. G. Investment Corp. Private Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	40.00	10	2.00	2.00	2.00		12	Y.
30,00,000	44,70,061	1,27,66,700	67,73,552	58,530	Shree Niwas Cotton Mills ..	44,760	1,620	Shree Niwas Cotton Mills ..	149.00	100	12.00	12.00	8.00		12	Y.P
42,00,000	59,80,478	1,95,96,294	79,84,101	8,089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	176.00	50	10.00	12.00	8.50	8.50	3	Y.
37,80,000	2 50,26,472	2,06,16,751	1,87,99,317	1,55,642	Mafatlal Gagalbhai & Sons ..	97,588	2,409	Standard Mills	405.00	100	20.00	22.50*	22.50*		12	Y.P.
1,00,00,000	95,03,854	2,76,30,400	1,44,86,214	29,124	Tata Industries Private Ltd. ..	72,256	2,000	Svadeshi Mills	193.50	100	12.00	14.00*	9.00		12	Y.P.
35,00,000	58,12,485	1,52,27,488	94,52,715	26,062	James Finlay & Co., Ltd. ..	40,828	549	Swan Mills	355.00	100	25.00	25.00	25.00		12	Y.
65,87,875	53,20,412	2,18,16,840	90,58,601	17,925	Tata Industries Private Ltd. ..	70,332	1,800	Tata Mills	86.50	25	4.00	8.50*	5.00		12	Y.T.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,136	1,212	Western India Spg. & Mfg.	4,525.00	1,000	300.00	300.00	325.00*	325.00	3	Y.P

AHMEDABAD

49,00,000	31,31,987	1,73,35,924	68,55,244	11,155	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	150.00	100	7.00	12.00	5.00		6	Y.P.T
15,00,000	98,23,183	1,29,00,836	73,32,228	....	P. M. Hathesaing & Co., Ltd. ..	44,220	912	Arvna Mills	635.00	100	80.00	25.00	25.00		12	Y.P.
40,00,000	3,03,12,127	2,17,78,010	1,10,56,897	26,706	M.	66,412	1,216	Arvind Mills	963.00	100	35.00*	35.00*	35.00*		12	Y.P.
22,00,000	47,41,123	1,22,40,043	77,79,729	1,04,815	Manganlas & Brother (Pvt.) Ltd. ..	35,908	892	Ayodaya Ginning & Mfg. ..	470.00	200	25.00*	30.00*	*Nil*		12	Y.P.
13,00,000	1,40,46,694	99,92,464	67,25,819	728	Lalbhai Dalpatbhai & Co. ..	35,856	914	Asoka Mills	635.00	100	30.00	30.00	30.00		12	Y.P.
26,25,000	2,60,65,170	6,22,25,491	2,74,71,141	9,28,539	Karamchand Premchand Pvt. Ltd.	1,39,120	2,400	Calico	498.50	125	30.00	30.00	30.00	25.00	3	Y.P.
43,00,000	25,81,630	1,44,87,907	1,02,61,820	20,815	Tricumlal Bhoglial & Co., Ltd. ..	45,336	866	New Commercial Mills	463.75	250	60.00	100.00*	25.00*		12	Y.P
52,00,000	91,54,187	1,55,42,968	1,07,98,296	92,678	Mafatlal Chandulal & Co., Ltd. ..	50,100	907	New Shorcrook Spg. & Wvg. ..	900.00	125	35.00	40.00*	30.00		12	Y.
15,00,000	54,29,775	69,45,065	35,56,652	....	Jagabhai Bhoglial Nanavaty & Co.	25,560	572	Nutan Mills	397.50	100	30.00	20.00	20.00		12	Y.P.
20,00,000	1,06,87,122	1,07,88,484	66,60,480	105	Lalbhai Dalpatbhai & Co. ..	32,822	626	Raipur Mfg.	690.00	100	35.00*	35.00*	35.00*		12	Y.P.
48,75,000	25,61,785	1,73,80,111	1,05,16,146	9,983	M.	65,196	948	Rajnagar Mills	130.00	100	*Nil*	8.00*	8.00*		12	Y.P.
57,96,800	2,88,74,166	2,17,82,870	1,17,57,907	1,76,451	Harivallabhdas Kalidas & Co.	94,128	1,789	Shri Ambica Mills	832.00	50	27.00*	80.00*	25.00		12	Y.P.
29,25,000	69,60,633	1,00,70,063	78,48,512	18,846	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	729	Shorcrook Spg. & Mfg. ..	467.50	100	25.00	30.00*	20.00		12	Y.
35,00,000	38,00,929	1,28,90,368	90,20,784	23,200	Haridas Ashrailal & Co., Ltd. ..	41,056	736	Vijaya Mills	598.75	500	35.00*	50.00*	40.00*		12	Y.P

WEST BENGAL

15,00,000	3,05,459	33,27,551	24,08,641	1,14,855	Calcutta Agency Private Ltd ..	13,044	356	Bansati Cotton Mills	6.50	10	0.50	0.60	0.60		12	Y.P.T.
7,11,280	16,08,297	80,04,522	55,58,258	49,225	D. N. Bhattacharjee, Esq. (Mg. Director)	23,216	825	Bengal Luxmi Cotton Mill ..	35.00N	40	4.00	4.00	4.00		3	Y.P.
8,80,620																
24,00,000	1,50,000	1,20,71,237	40,68,051	1,17,244	Kettlewell Bullen & Co., Ltd. ..	43,960	841	Howrah Cotton Mills	141.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
19,00,000	24,30,708	1,39,78,961	73,14,165	—1,56,242	Kettlewell Bullen & Co., Ltd. ..	42,944	522	Dunbar Mills	8.12	10	*Nil*	0.37	0.50		12	Y.T.
50,08,000	35,968	76,97,925	21,97,945	82,986	Birla Brothers Private Ltd. ..	4,852	206	Jay Shree Textiles Ltd. ..	10.62xd	10	*Nil*	0.87	0.50		12	Y.T.
60,00,000	2,29,91,250	4,00,62,535	1,46,10,478	4,94,772	Birla Brothers Private Ltd. ..	75,040	1,992	Kesoram Cotton Mills	16.62xd	10	0.87	1.00	0.75		3	Y.P.
3,47,750	9,50,000	48,59,254	22,75,466	9,888	Hazaresmal Nemraj	23,084	795	Rampooria Cotton Mills ..	16.00N	10	1.00	1.00	0.75		6	Y.
5,00,000D									4.00N	1D	0.34	0.26	0.15			

SOUTH INDIA AND OTHER CENTRES

11,88,000	5,57,619	29,57,104	19,13,299	16,613	Setna & Co.	24,560	..	Ashar Textiles Ltd.	217.00N	100	12.50	15.00	12.50		6	Y.
75,00,000	17,82,554	1,87,65,113	68,45,588	6,716	C. S. Tyabjee, Esq.	36,196	716	Assam Jahi Mills	59.00	100	3.50(e)	5.00	3.50		9	Y.
1,31,50,000	1,47,74,679	3,67,96,866	2,78,43,043	2,96,471	Binny & Co. (Madras), Ltd. ..	46,550	1,157	Bangalore Woollen, Cotton and Silk Mills	107.00	100	30.00	30.00	10.00*C	4.00‡	12	Y.P.
35,00,000	74,79,507	1,41,25,225	1,10,21,274	1,04,207	Birla Brothers Private Ltd. ..	29,896	1,088	Birla Cotton Spg. & Wvg., Delhi	27.00N	10	3.00	1.50	0.75		12	Y.P.
1,78,47,800	3,99,20,000	5,93,57,943	4,19,97,478	1,93,471	Binny & Co. (Madras), Ltd. ..	1,20,288	2,762	Binny Mills (Z) Carnatic ..	178.50	100	10.00	10.00	10.00	4.00‡	12	Y.P.T
90,00,000	15,37,935	59,23,440	25,18,048	....	Petrie, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	8.60	10	0.50	0.50	0.50(e)		3	Y.P.
15,00,000	5,11,500	53,88,679	29,91,389	1,06,342	Damodaran & Co.	20,400	..	Cauvanore Spg. & Wvg. ..	137.50cd	100	12.00	15.00	20.00	12.50	3	Y.
80,00,000	33,43,238	76,08,950	59,57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,924	561	Cawnpore Textiles	4.87	5	*Nil*	0.25	*Nil*		12	Y.
9,86,560	5,81,645	60,81,289	25,97,117	60,646	G. R. Srinivasan, Esq. (Chairman)	16,200	..	Cauvery Spg. & Wvg. Mills Ltd.	10.00	10	0.62	0.75	0.90	0.90	3	Y.P.T.
28,31,353	22,09,767	69,79,002	31,91,699	606	R. Bheema Naidu & Co. ..	30,564	..	Coimbatore Cotton Mills ..	153.00	100	25.00	25.00	9.00*C		12	Y.P.
13,19,000	7,26,186	80,16,533	24,29,633	....	T. A. R. Chettiar Sons & Co. ..	25,840	100	Coimbatore Murugan Mills ..	92.00	100	20.00	12.00			12	Y.P.
20,00,000	18,23,450	80,37,151	44,00,671	599	T. R. N. Naidu & Co.	30,228	..	Coimbatore Pioneer Mills ..	247.00	100	20.00	20.00	20.00		12	Y.P.
30,76,900	5,076	1,37,90,104	88,52,968	—7,29,506	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	47.12	50	6.00	10.00	*Nil*		6	Y.
46,87,500	27,24,785	2,42,10,708	1,84,86,384	....	Tata Industries Private Ltd. ..	67,452	1,630	Central India	86.00	100	8.00	*Nil*	*Nil*		6	Y.P.
25,00,661	19,55,000	1,04,50,142	44,85,815	21,830	R. Ramanagoutha & Son ..	23,816	300	Davangere Cotton Mills ..	113.00	100	9.00	9.00	9.00	9.00	6	Y.
3,39,36,252											2.00	2.00	2.00		3	
1,00,563	3,16,34,236	11,79,09,463	6,78,07,135	2,77,563	B. R. Charat Ram & Co. Private Ltd.	1,41,180	2,552	Delhi Cloth & General Mills ..	29.75	2½	0.22	0.25	0.30		12	Y.
47,96,256	26,26,002	84,25,124	49,84,057	1,065	M. N. Chettiar & Sons ..	42,912	201	Dhanalakshmi Mills	172.00	100	30.00	25.00	10.00*C		9	Y.
68,99,000	1,96,35,145	1,61,12,339	1,41,98,339	78,251	Begg, Sutherland & Co. Private Ltd.	46,445	1,196	Elgin Mills	13.00	10	1.00	1.25	1.00		12	Y.
49,81,000	42,55,161	1,86,06,943	77 18,983	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,256	..	Gokak Mills	140.00	100	15.00	15.00	6.00		3	Y.P.
2,50,00,000	8,75,000	5,73,71,041	1,64,46,856	1,00,46,993	Birla Gwalior Private Ltd. ..	..	..	Gwalior Rayon	14.84	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
50,00,000	6,94,589	1,29,76,949	1,21,82,278	—11,77,234	K. L. Saksaria, Esq. (Chairman)	51,180	1,356	Indore Malwa United	102.00	100	9.00	11.00	6.00		12	Y.
5,00,000	10,66,553	35,00,231	20,58,005	4,172	G. V. Naidu & Co., Ltd. ..	23,784	..	Jasardasa Mills	66.00	50	10.00	10.00	3.00		3	
15,84,000	15,02,509	57,13,937	33,88,096	7,012	Mr. Bhaktavatsan Damani (Managing Director)	20,212	512	Jam Shri Ranjitsinghji ..	1,450.00	1,000	50.00	60.00	40.00		6	Y.
4,63,65,800	3,05,67,516	4,59,43,795	3,29,32,899	3,47,483	Birla Gwalior Private Ltd. ..	54,278	1,880	Jiyajeerao Cotton	9.76	10	4.00‡	0.25	0.15	0.25	6	Y.P.
42,00,000	19,25,000	1,66,81,447	98,28,076	91,772	Kothari & Sons	49,012	900	Kothari Textiles	11.10	10	1.00	1.00	1.00		12	Y.P.
82,00,000	63,39,487	1,84,50,574	1,28,78,615	2,264	M.	51,068	1,243	Lakhabai Cotton Mfg.	425.00	250	42.50	42.50	15.00		12	
71,00,000	66,86,960	2,28,46,331	1,29,89,687	86,370	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	100.50	50	12.50	12.50	10.00	6.00	3	Y.
									48.50	25	6.25	6.25	5.00	3.00		
1,75,08,488	4,94,40,272	5,90,26,121	3,96,10,817	6,82,366	A. & F. Harvey Ltd.	4,58,000	..	Madura Mills	50.50	15	3.00	3.00	3.25		12	Y.
15,00,000	1,67,562	29,06,258	12,74,700	213	V. K. Ramli (Chairman) ..	22,892	109	Malabar Spg. & Wvg.	90.00N	200	*Nil*	8.00			12	Y.
60,00,000	69,00,000	69,00,000	45,60,296	47,79,946	W. A. Beardsell & Co. (Private) Ltd.	25,656	608	Meiter Industries Ltd. ..	336.00	100	35.00	45.00	20.00	20.00	12	Y.
29,80,884	12,88,081	93,11,180	51,39,447	19,733	N. Sirur & Co. Private Ltd. ..	39,996	704	Minerva Mills	60.00	10	2.00	2.00	*Nil*		12	Y.
94,91,850	21,56,146	1,71,94,769	78,81,883	1,86,008	M.	52,408	982	Model Mills (Nagpur)	166.25	250	7.50(e)	7.50	7.50		6	Y.P.
42,00,000	59,96,562	1,19,65,759	72,49,786	27,671	N. Sirur & Co. Private Ltd. ..	50,492	800	Mysore Spg. & Mfg.	92.00	50	6.00(e)	9.00*	9.00*	5.00	3	Y.
13,61,780		29,13,641	17,23,151	1,264	K. Tiyaverakan (Chairman)	6,000	..	Mysore Spun Silk Mills ..	6.25N	10	*Nil*	*Nil*	*Nil*		9	Y.
37,23,200	39,29,981	1,73,33,344	67,36,083	....	M.	57,788	968	Ooty Mills	43.00	100	10.00	10.00	*Nil*		9	Y.
4,00,000A	13,00,000	71,79,976	28,66,277	8,009	Bhagkyalakshmi & Co. ..	45,009	..	Palani Andavar Mills	121.00	50A	12.00	15.00	9.00		12	Y.P.
6,00,000B									176.50	75B	18.00	22.50	15.50			
15,00,000	....	35,52,644	19,72,637	18,17,124	C. S. R. Mudaliar & Sons ..	27,960	..	Pankaja Mills Ltd.	39.00	100	4.00(e)	*Nil*	*Nil*		12	Y.
16,61,200A	31,21,189	1,06,11,851	58,59,255	3,877	A. G. Guruswamy Naidu & Co.	59,364	960	Radhakrishna Mills	139.00	102A	20.00	20.00	12.00		12	Y.
8,40,600B									71.00	50B	10.00	10.00	6.00			
19,58,275	30,55,750	76,97,278	32,62,433	....	B. R. Naidu & Sons	37,096	..	Rajalakshmi Mills	69.00	50	10.00	7.50	4.50		3	Y.
16,14,800	14,00,000	58,40,286	20,95,405	....	Ramco Agencies Private Ltd.	24,966	..	Rajapalayam Mills	128.00cd	100	10.00	10.00	12.00	8.00	3	Y.
22,32,660	11,50,000	58,72,976	29,15,902	5,286	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	166.00	100	10.00	10.00	10.00		12	Y.
15,00,000	2,69,010	3,15,04,564	2,05,50,756	—84,29,625	M.	56,222	1,232	Sholapoor Spg. & Wvg. ..	425.00	1,000	*Nil*	*Nil*	*Nil*		3	Y.P
10,000										500						
36,69,700	21,91,449	1,05,51,056	61,65,564	27,576	H. N. Pallegar, Esq.	30,744	292	Sri Krishnarajendra Mills ..	67.50	50	5.00	7.00	7.00	4.50	3	Y.
12,00,000	3,62,40,700	1,08,21,810	78,59,414	29,99,630	Birla Brothers Private Ltd. ..	56,212	1,344	Sutlej Cotton Mills	79.00N	10	6.00	6.00	6.00		3	Y.
17,50,000 O	2,36,28,071	5,28,86,193	1,97,21,347	2,64,970	M.	1,12,216	2,888	Swadeshi Cotton (Kanpur) ..	10.25	100	0.75	0.75	0.75		12	Y.P.
									10.50	10F.D.	0.75	1.15	1.15		3	
1,00,00,000	60,00,000	3,58,81,292	1,96,18,492	1,78,216	Electric & Sons (Travancore) Ltd...	..	..	Travancore Rayons	14.90	10	0.75	1.00	1.00		12	Y.P.
13,56,780	9,48,949	19,56,299	13,60,132	794	Moolji Ranjee & Sons	15,000	..	Trichinopoly Mills	11.62	10	0.90	1.12	0.90		12	Y.P.
21,00,000	20,86,788	36,30,866	31,76,507	12,000	R. K. Chetty & Brothers ..	44,424	370	Vasanta Mills	226.00	100	20.00	20.00	15.00		12	Y.P.
62,50,000	18,73,770	1,38,96,083	1,17,44,083	—9,55,569	The Bombay Co. (Private) Ltd.	49,660	1,275	Vishnu Cotton	101.00	100	8.00	8.00	*Nil*		12	Y.P

‡ Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (e) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.
*Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. § On old capital. ‡ For Nine months ended 31st December 1957. 'C'—On increased Capital.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share: 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
						CEMENT								
72,59,940	18,33,764	1,00,14,709	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd. ..	Andhra Cement Co.	10.50	B. 10	1.00*	1.00			12	Y.P.
59,85,555	....	1,55,92,861	....	12,925	M.	Ashoka Cement Ltd.	8.48	10	..	..	*Nil*		3	Y.T.
12,71,20,070	9,62,91,082	20,81,74,705	11,29,17,763	2,58,821	Cement Agencies (Private) Ltd. ..	Associated Cement Companies ..	157.00	100	10.00	10.00	9.00		7	Y.T.
5,07,44,675														
83,92,887	....	1,23,58,448	16,77,717	779	Tesdulkar Industries Private Ltd. ..	Bagalkot Cement Co., Ltd. ..	8.84	10	0.30	0.80	0.60		12	Y
1,44,10,795	58,35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd. ..	Dalmia Cement (Bharat) ..	9.75	O. 10	1.25	1.25	1.20		12	Y.P.
5,00,000							2.63	D. 1	0.12	0.12	0.12			
1,09,79,135	80,37,736	2,18,27,299	73,38,865	71,092	Rasen Private Ltd.	India Cements Ltd.	—	O. 25	1.87	2.06	2.06	2.25	3	Y.P.
							5.70xr	D. 5	0.37	0.41	0.45			
1,50,00,000	4,00,000	4,72,60,133	89,99,750	21,36,411	Sahu Jain

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
PAPER														
45,00,000	37,01,841	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	93 00	25	4 69	2 50	3 12		12	Y.P.
68,00,000	61,52,238	1,94,20,902	88,79,418	29,471	Andrew Yule & Co., Ltd. ..	India Paper Pulp	21 00	10	1 30-2/5	1 30-2/5	1 40	1 00	3	Y.
25,00,000	30,51,507	1,49,52,955	87,38,459	27,196	T. Shanmanna, Esq. (Chairman)	Mysore Paper Mills	17 00	10	0 75*	1 00*	1 00*	1 00	3	Y.
1,46,52,500	2,46,75,045	6,04,16,697	1,37,53,042	2,63,477	Birla Brothers Private Ltd. ..	Orient Paper	34 40	10	1 12	0 62	1 50		3	Y.
1,25,49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills ..	16 75	10	1 25	1 25	1 25		12	Y.
50,00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	13 00	O. 10	1 25	1 05	0 60		9	Y.P.
1,10,00,000							13 00	A. 10	1 25	1 05	0 60			Y.P.
2,18,55,240	48,43,060	3,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	13 00	10	5 00‡	0 50	0 50		6	Y.P.
6,00,000A.							44 12	A. 10	2 00*	1 12*	2 37*		9	Y.P.I
6,04,300B.	3,70,50,474	6,78,46,967	3,51,66,938	92,528	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	44 12	B. 10	2 00*	1 12*	2 37*			
47,500P.O.							4 25	P.O. 2½	0 25	0 12	0 25			
SAW MILLS AND TIMBER														
13,99,998	22,88,889	32,79,430	18,61,671	—4,90,122	Bird & Co. (Private) Ltd. ..	Assam Saw Mills	3 06	₹3	Nil	0 40	Nil		9	Y.
50,00,000	3,81,14,271	4,60,47,879	1,88,08,404	1,83,542	Wallace & Co.	Bombay-Burmah Trading Corpn.	505 00	Old125	37 50	40 00	40 00	7 50‡	5	Y.
42,00,000							178 75	New50	15 00	13 75	16 00	3 00‡	9	Y.
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	44 25	10	3 00	3 00	2 75			
SUGAR (U.P. and Bihar)														
14,00,000	0,406	42,92,220	31,12,074	57,702	M.	Balrampur Sugar	9 00xd	5	0 06	Nil	0 25		4	Y.
12,00,000A	29,80,260	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	120 00M	A. 100	10 00	10 00				Y.
3,00,000B.							11 50M	B. 10	1 00	1 00			9	Y.
10,49,050	8,75,000	33,83,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	11 00	7½	0 75	1 00	1 00		6	Y.P.
15,00,000	13,61,518	19,28,777	13,40,540	7,663	Cotton Agents Private Ltd. ..	Bharat Sugar	16 00M	10	1 50	1 50	1 50		6	Y.
32,00,000	25,22,515	1,45,76,657	98,94,338	—2,23,014	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8 19	10	0 25	Nil	Nil		6	Y.
90,00,000	54,39,509	1,65,39,057	93,52,334	—3,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	12 00	10	0 75	0 75	Nil		10	Y.
18,00,000	54,56,103	84,72,400	69,12,695	—3,43,163	Begg, Sutherland & Co. Private Ltd.	Champaran Sugar	18 81	10	1 50	1 00	Nil		6	Y.
9,58,252	2,59,762	25,14,152	16,96,388	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	10 00N	10	0 50	0 50			7	Y.
18,00,000	12,51,628	79,38,731	49,86,047	1,08,564	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	60 30	40	2 25	4 00	7 00		6	Y.
7,92,100	22,50,238	48,69,319	26,90,228	79,825	Orient Agents Private Ltd. ..	New India Sugar Mills ..	28 00M	10	2 50	2 50	2 50		6	Y.
11,00,000	4,45,000	47,92,961	28 66,316	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	5 81	10	0 25	0 37	0 37		5	Y.
13,21,100	49,91,797	78,75,775	27,02,363	6,855	Cotton Agents Private Ltd. ..	New Swadeshi Sugar Mill ..	250 00	100	20 00	20 00	20 00		6	Y.
38,275							50 00M	25	5 00	5 00	5 00			
77,48,500	64,48,618	2,15,99,028	1,18,26,000	35,816	Cotton Agents Private Ltd. ..	Oudh Sugar	145 00	100	11 00	11 00	12 50		7	Y.
12,00,000	12,69,374	31,96,494	21,49,459	24,562	Narang Bros. & Co. Private Ltd.	Punjab Sugar	80 00N	100	6 00				9	Y.
9,00,000	19,54,146	43,88,000	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	18 50	10	0 75	0 75	Nil		10	Y.
62,50,400	48,34,490	91,99,785	51,42,084	89,548	Govan Bros. (Rampur) Private Ltd.	Rana Shund Sugar	19 75	10	1 50	1 50	1 50		6	Y.
6,00,000	6,21,982	28,74,393	22,31,981	2,175	M.	Ryam Sugar	19 25	10	Nil	1 75	1 50		6	Y.
11,99,000	16,38,214	47,23,388	25,13,422	—2,20,858	M.	Samastipur Central Sugar ..	13 00	10	Nil	1 75	Nil		7	Y.P.
29,88,800	22,68,560	1,47,99,287	73,09,801	47,008	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9 81	10	1 75	1 00	1 00			
10,02,115	24,660	29,45,808	14,35,401	—4,16,357	H. K. Ghosh, Esq., and R. N. Datta Esq. (Managing Directors)	Sitalpore Sugar	2 37	10	Nil	Nil	Nil		6	Y.
15,89,000	12,52,481	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	11 62	10	1 00	1 00	0 50		6	Y.P.I.
3,15,000O.							0 75N	O. 10	Nil				10	
4,40,000D.	46,462	29,66,380	11,46,770	—16,87,907	M.	South Behar Sugar	0 50N	D. 25	Nil				6	Y.P.
8,00,000	84,74,848	1,37,30,247	80,57,754	9,663	Cotton Agents Private Ltd. ..	Upper Ganges Sugar	35 00N	10	2 50	3 00	5 00		6	Y.
16,00,000	9,16,589	38,80,335	27,24,251	29,751	M.	United Provinces Sugar ..	13 25	10	1 50	0 50	0 75		9	Y.
Other Centres														
20,00,000	19,50,000	76,27,620	18,97,501	15,070	Rangaroo & Co.	Andhra Sugars Ltd.	17 00	10	0 50	1 00	1 25		9	Y.
70,49 850	1,18,43,608	1,50,47,702	1,06,77,187	9,00,368	W. H. Brady & Co., Ltd. ..	Belapur Company	310 00	50	16 00	16 00	12 00		9	Y.P.
17,50,000	12,66,285	41,35,701	28,04,315	30,827	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	{ Bhopal Sugar Industries Ltd.	27 00	10	1 00	1 50	2 00		9	Y.
37,50,000	16,15,171	79,19,406	50,40,255	31,529		{ Shree Chandeo Sugar ..	33 00	12.50	2 00	3 00	2 25		9	Y.P.
39,84,000	47,43,760	1,15,18,224	62,38,314	1,16,220	Parry & Co. Ltd.	Deccan Sugar & Abkhari ..	10 50cd	5	0 50	0 75	0 75		9	Y.P.
£ 549,960	£ 1,197,467	£ 1,387,940	£ 701,485	£ 52,719	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	30 10	£ 1	Sh. 4	Sh. 5	Sh. 5	Sh. 11	6	Y.P.
15,93,900	16,66,419	43,80,767	25,77,714	6,991	Sir J. P. Srivastava & Sons (M.P.) Ltd.	Dwarkee Sugar	88 00	100	Nil	6 00	10 00		6	Y.P.
63,98,200	11,02,669	73,71,515	18,88,285	46,085	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12 25	10	1 60	1 12	1 00		9	Y.P.
23,17,770	15,75,871	94,06,432	12,67,310	6,611	R. S. Ind. Corpn. Private Ltd.	Jaypore Sugar	18 00	10	1 00	1 00	1 00		6	Y.P.
10,52,200O.	88,00,000	2,48,45,158	41,94,129	28,068	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	120 00	0.100	7 50	7 50	7 50		6	Y.P.
3,97,190D.							184 00	D. 10	10 00	10 00	10 00			
67,50,000	38,21,978	1,22,47,688	57,87,087	26,422	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q ..	188 00			100 00*	100 00*		9	Y.
21,79,280	86,24,048	1,54,89,102	89,25,545	2,10,485	E. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	49 40	10	2 00	2 00	2 00		9	Y.
50,00,000	53,21,430	1,16,58,154	67,80,241	1,47,389	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	176 00	50	8 00	9 00	12 00*		9	Y.P.I
16,59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright Ltd. ..	Ramnugger, Cane and Sugar ..	21 06	10	1 00	1 00	1 00		6	Y.P.I
20,00,000O.	42,07,214	1,04,79,940	59,80,787	70,875	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm ..	197 50	O. 50	9 00	12 00	12 00		9	
4,00,000D.							80 00N	D. 10	0 07	0 70	2 75			
90,00,000	23,85,000	65,43,339	27,52,338	1,07,287	Parry & Co., Ltd.	Travancore Sugars	11 90cd	10	0 75	1 00	1 00	1 00	7	Y.P.
1,01,00,000	1,16,97,173	2,71,49,027	1,06,46,122	1,72,956	Walchand & Co. Private Ltd.	Walchandnagar Industries ..	291 00	100	18 00	21 00	21 00		9	Y.P.I
TRANSPORT														
20,00,000	99,30,970	1,22,58,916	19,44,277	56,887	Andrew Yule & Co., Ltd. ..	Bengal-Assam Steamship Co. ..	101 00	100	7 50	7 50	5 00		10	Y.P.
1,00,00,000	27,28,000	4,10,96,541	1,62,42,562	4,06,086	Dimbaw (Private) Ltd. ..	Bharat Line J.	13 48	10	5 00	6 00	12 00*		13	Y.
96,00,000	1,42,35,063	4,90,84,846	86,21,845	1,83,580	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	27 85	10	Nil	1 00	1 50		6	Y.P.
£665,580	£997,789	£5,665,834	£2,428,068	—£106,393	Kilburn & Co. Private Ltd. ..	India General Navigation & Rly. Co.	58 00	£10	Sh. 10	Nil			12	Y.P.
2,25,00,000	1,74,74,222	12,75,96,545	2,68,26,759	2,70,992	Lionel Edwards (Private) Ltd.	India Steamship Co.	13 06	10	Nil	1 00	1 00		6	Y.P.
9,40,19,673	10,85,51,343	27,66,45,371	5,75,90,813	5,84,105	M.	Scindia Steam Navigation Co. ..	21 88	20	0 50	1 00	1 25		6	Y.T
2,40,800O.	21,67,472	12,59,963	8,41,760	1,88,400	R. B. Alyar, Esq. (Manager) ..	Watford Transport Ltd.	2 00	O. 1	0 14	0 14	0 14		12	Y.
8,10,200P.O.							1 62	P.O. 1	0 12	0 13	0 13			
UNCLASSIFIED (Bombay)														
23,00,000	1,00,000	26,18,545‡	...	58,589†	M.	Devkaran Nanji Investment Co.	11 00	25	0 75	0 81	0 81		9	Y.
87,00,000	2,01,70,510	4,79,59,813	1,35,69,189	69,94,000	L. H. Turner (Chairman)	Hindustan Lever	26 35	10	...	1 25	1 40		12	Y.
31,07,000	16,25,010	1,09 45,383	67,14,407	14,986	Birla Brothers Private Ltd. ..	Hind Cycles	129 00	100	10 00	...	12 50‡		9	Y.P.
14,98,840	4,61,996	33,87,568	21,55,554	10,066	Choonilal Manilal Private Ltd.	Estrela Batteries	89 00	50	2 00	3 00	3 50*	3 00	6	Y.
99,99,250	20,13,147	1,25,61,296‡‡	...	1,74,653	Premchand Roychand & Sons	Industrial Investment Trust ..	78 50	100	4 50	5 00	5 50		12	Y.
1,00,00,000	28,09,446	88,88,172	11,25,784	2,756	K. G. Milne, Esq. (Mg. Director)	Kilick Industries	148 50	100	11 00	11 00	11 00		6	Y.T
20,25,325‡	69,14,265	3,42,78,324	1,99,99,078	6,31,752	Aero-Auto Private Ltd. ..	Premier Automobiles	88 50	100	Nil	6 00	6 00		6	Y.P.
21,60,000	29,18,788	64,85,614	14,68,374	64,380	Poison Agencies Private Ltd. ..	Poison Ltd.	165 00	10	10 00	12 50	10 00		12	Y.P.
10,21,200	4,89,147	8,09,102	3,88,506	2,461		United Motors (India) Ltd. ..	19 00	20	2 00	2 00	1 20		12	Y.
2,75,00,000	1,44,15,441	3,87,52,991	1,68,66,548	39,860	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	190 00	100	11 00*	11 00*	11 00*		12	Y.
45,00,000	60,62,290	5,54,985	3,24,956	75,054	.. ..	W. H. Brady & Co., Ltd. ..	281 00	150	20 00	23 50	25 00		12	Y.
Other Centres														
37,50,000	1,99,56,712	3,81,21,462	36,96.8 1	2,33,759	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	11 87	O. 10	Nil	0 50	0 90		9	Y.P.
2,50,000							9 00	D. 2½	Nil	Nil	Nil			
79 95 653	84,25,000	1,05 40,087	34 87 787	49,715	Teshaseyee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd. ..	17 50xd	10	1 75*	1 25	1 25	25	6	Y.
30,00,000	86,20,717	2,66,60,382	34,97,977	3,61,299	Turner Morrison & Co. Private Ltd.	Anzelo Bros., Ltd.	21 25	10	2 00*	2 00*	1 50*		6	Y.
30,00,000	17 14,786	38,54,872	19,66,372	1,83,944	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	17 00	10	1 25*	1 25*	1 25*		12	Y.
20,00,000	35,94,600	1,06 12,033	39,58,422	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	6 75N	10	0 40	0 50	0 60		3	Y.P.
80,01,400	84,59,406	74,46,138	40,66,183	5,00,986	M.	Bahmer Lawrie & Co., Ltd. ..	144 00	100	12 50	15 00	12 50		12	Y.
12,00,000	17,55,000	34,55,745	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	31 56	10	2 25	2 50	2 50		12	Y.
20 00 000	8,05,715	62 28 492‡‡	...	37 612	Lovelock & Lewis	Birla Investment Ltd.	18 50	10	1 25	...	...		9	Y.I
45 97,020	38,11,814	1,15 02 202	42,92 212	2 18,164	H. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	18 12	10	1 00	1 00	1 00	1 80	12	Y.P.
2,25 00 000	1,27 72,883	3,51 67,152	2,42 27,176	—11 35,170	M.	British India Corporation Ltd.	3 75	5	Nil	0 10	Nil		12	Y.
3,00 000	3,25,572	13,981	13,858	28,272	Andrew Yule & Co. Ltd. ..	Calcutta Hydraulic	43 00N	100	Nil	Nil	9 00		6	Y.
5,00,000	2,47,182	8,48,622	6,98,409	35,418	Andrew Yule & Co. Ltd. ..	Central Hyselite	23 00N	100	5 00	6 00	10 50*		6	Y.
1,86,80,000	17,34,264	2,05,94,990‡‡	...	8,10,585	Andrew Yule & Co. Ltd. ..	Olive Row Investment	9 62	10	0 56	1 88	0 75	0 75	3	Y.
3,00,00,000	4,40,29,406	6,00,00,175	2,66,24,548	22,22,643	John Lueckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	80 62	10	1 50	1 50	1 62		12	Y.P.
16 20 680	26 75,014	29 38,961	16,23,422	38,736	Dyer Meakin Breweries ..	Mr. K. G. Khanna	13 25	5	0 56	0 56	...	...	12	Y.I
51 28 000	54,81,685	1,04,12,906‡‡	...	2,42,272	Eastern Investments Ltd. ..	Bird & Co. Private Ltd. ..	146 00	100	9 00	9 00	9 00		12	Y.I
14,04,675		22 64,562	91,811	5,110	Enfield India Ltd.	M.	10 00cr	10	...	...	...		12	Y.I
14,00,000	10,35,000	36,71,778	20,74,954	32,966	Ganzee Rope Co., Ltd.	Sankaran Esq. (Mg. Director)	280 00	100	15 00	4 00	12 50	15 00	12	Y.
40,00,000	4,00,000	63,89,740	32,48,367	10,90,318	Godfrey Phillips India Ltd. ..	Macneill & Barry Ltd.	19 25N	10	2 00	2 00	1 50		13	Y.I
65,00,000	34,20,910	23,25,478	10,66,986	1,88,398	Gillanders Arbuthnot & Co., Ltd.	M.	12 06	10	1 40	1 50	1 00		3	Y.I
30,00,000	15,17,354	68,06,815	36,24,668	74,215	P. E. G. Woodbine Parish, Esq.	Great Eastern Hotel	250 00	250	6 25	15 00	15 00		3	Y.
4,96,13,250	13,87,499	5,26,95 200	2,25,48,541	9,88,841	B. P. R. Syndicate	Hindustan Motors	7 76	10	Nil	Nil	Nil	Nil	3	Y.I
3,44 58,900	1,17 58,800	7,37 43,612	3,21,77 728	41,51,553	Birla Brothers Private Ltd. ..	Indian Aluminium Co., Ltd. ..	15 56	10	0 9	1 00	0 60		3	Y.I
1,52 89 220	1,46,33,000	2,26,96,031	26,85,098		K. C. Mahindra, Esq. (Chairman)	Indian Cables	80 37	10	1 25*	1 50*	1 50*		3	Y.P.
8,27,670	6,03,000	16,74,908	9,50,806	62,722	B. J. Woodley, Esq. (Mg. Director)	Indian Rubber Manufacturers ..	17 50	10	0 50	0 62			3	Y.I
2,00,00,000	....	....	....	....	G. S. Moulton & Co. (India) Ltd.									
15,16,00,000	9,06,59,979	10,61,31,542	2,04,62,122	24,04,558	B. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	23 62	10	...	...	1 00		3	Y.
2 00,00,000	76,27,615	39,02,397	12,08,932	4,71,170		Imperial Tobacco Co. of India Ltd.	12 19	10	0 30	0 30	0 70	0 70	3	Y.I
40,00,000O.	82,86,900	48,58,407	10,48,712	2,57 153	Mr. G. H. J. Clarke (Chairman)	Jardine Henderson	61 00	100	7 50	7 50	2 50		3	Y.I
5,00,000D.					J. D. K. Brown, Esq. (Mg. Director)		300 00N	O. 100	22 50	6 00			12	Y.I
1,45,23,500	90,56,631	25,54,484	14,97,332	2,35,312	M.	McLeod & Co.	—	D.O.10	1 75	0 80			9	Y.I
1,15,00,000	1,29,00,151	2,84,27,676	1,01,16,487	16,62,798	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	29 25	10	1 81*	2 12*	2 12*	1 75	3	Y.I
6,56,250	6,92,500	11 29,550	5,97,382	8,349	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	31 37	10	1 25	1 62	1 75		3	Y.I
10,00,000	2,70,000	8,47,599	10,18,129	43,554	M. Mallesbayya, Esq. (Chairman)	Mysore Tobacco	17 75cd	10	0 75	1 00	1 25		3	Y.
2,00,00,000	83,55 505	2,14,85,470	61,33,902	28,42,424	J. B. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	15 10cd	10	1 00	1 50	1 50		6	Y.
59,96,000	98,71,172	77,84,523	42,87,426	2,67,636	Associated Industrial Development Co. (Private) Ltd. ..		28 37	10	0 32	1 50	1 40		12	Y.
40,00,000	20 00,000	86,22,809	17,66,013	24,266	Do.	National Insulated Cable Co. ..	34 50	10	1 50*	2 00*	2 00		3	Y.I
5,00,000	6,00,000	50,21,760	23,60,528	1,80,892	K. N. Mookerjee (Mg. Director)	National Rolling & Steel Repos	12 06	10	0 60	0 60	0 60		3	Y.I
79 97,000	68,89,261	1,33,70,061	55,79,961	8,87,736	B. N. Elias & Co. Private Ltd.	National Rubber Manufacturers Ltd.	14 25	10	...	...	0 50		12	Y
2,20,00,000	42,21,751	89 43,238	33 40,874	63 842	P. C. Vinh. Esq (Mg Director)		5	5	27	...	0 50			
2,25,00,000	4,83,496	1,22,26,543	60 08,534	—44,12,938	M. P. A. Paspatti, Esq. ..	National Tobacco Co.	12 75	10	0 80	0 70	0 90		12	Y.P.
2,28,00,000	1,87,70,209	10,60,89,211	3,96,22,768	49,402	Sahu Jain Ltd.	Phillips India Ltd.	16 12	10	...	...	0 90		6	Y.
4,78,200	51,886	81,11,667	6,29,199	19,106	Sathe Food Inds. (Private) Ltd.	Ralhs India Ltd.	12 25	100	Nil	Nil	Nil		3	Y.
5,15,400						Rohtas Industries	23 37	10	1 50	1 50	1 50		10	Y.P
70,00,000	17,66,818	1,67,21,606	24,47,040	66,221	M.	Sathe Biscuit and Chocolate Co., Ltd.	100 00N	100	...	6 00	6 00		3	Y.
40,00,000	88 41,168	1,21,86,272	72,06,586	9,02,978	C. W. Stephenson, Esq. ..		50 00N	50	...	3 00	3 00			
75,00,000	31 22 788	71 93,395	11,88,597	3,88,422	S. M. Smith Esq. (Mg. Director)	Sen-Raleigh Industries	13 00	10	0 60	0 60	0 60		9	Y.
15,00,000	96,15,371	1,18,44,098	18,45,796	3 212	J. K. Agents Private Ltd. ..	Spencer & Co., Ltd.	19 67	10	1 50	1 50	1 50		6	Y.
15,00,000	19 025	14,85,995	5,18,582	—7,428	Ogale Bros. (Private) Ltd. ..	Shaw Wallace & Co., Ltd. ..	15 12	10	1 00	1 00	1 00		12	Y.
9,98,380	9,60 000	24 40,322	22 66 926	6 922	Vital Mallya, Esq. (Chairman)	Straw Products Ltd.	10 00N	10	1 00	1 25	1 25		12	Y
6,00,000						Travancore Oxide Glass ..	4 06	100	Nil	Nil	Nil		12	Y
						United Breweries	100 00	75	15 00	15 00	15 00		12	Y

* Includes bonus. ‡ On old capital. § Excludes Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.

M.—Managed by Board of Directors. ‖ Investments at cost.

Subject taxation. F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957. J.—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1956.

Q Mahasmitra Sugar has sub-divided its shares of Rs. 250 each, into shares of Rs. 50 each in 1956. The dividends for 1956 and 1957 are on shares of Rs. 250

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
ASSAM															
4,45,700	9,69,019	15,95,482	5,76,688	....	McLeod & Co., Ltd.	325	Amluckie	28 75N	10	18 00A	4 75	5 00		12	Y.P.
2,76,500	5,71,500	11,19,527	3,80,783	22,120	M.	312	Ananda (Assam) Tea	21 00	10	7 50	1 00	2 00		12	Y.
7,00,000	6,43,250	13,23,333	3,34,393	49,669	Gillanders Arbuthnot & Co., Ltd.	440	Ananda Bag	18 50	10	8 00*	1 00	1 25		12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Bashmari	20 69	10	3 50	1 00	2 50	1 50	12	Y.
5,10,000	12,33,171	13,89,143	5,88,737	44,922	Andrew Yule & Co., Ltd. ..	377	Basmatia	26 25	10	3 00	1 50	2 00	1 75	12	Y.
4,05,000	3,59,210	14,59,973	9,23,973	64,213	National Tea Corporation ..	579	Bateli	18 25xd	5	4 00	2 50	3 00	1 50	12	Y.
6,40,000	7,40,000	11,16,644	3,51,328	69,105	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	23 12	10	10 00*	2 00	2 50		12	Y.
33,00,000	15,33,333	63,88,222	28,40,322	3,16,326	Williamson Magor & Co., Ltd.	3,967	Bishnauth	20 75	10	5 50	2 00	2 00		12	Y.
6,00,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	2,10,000	2,92,505	84,197	15,099	Planting Agencies (Private) Ltd...	Balmadies Plantations	3 70	2	0 30	0 21	0 45		5	Y.P.
26,91,279	17,00,000	56,38,212	6,78,584	29,944	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	5 43	3	0 45	0 75	0 52	0.50'C'	2	Y.P.
22,50,000	31,00,000	39,79,946	3,06,541	1,21,925	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	33 40	10	1 80	2 50	4 00		6	Y.P.
71,55,000	56,13,036	1,25,54,765	26,69,076	1,13,211	R. C. Paterson, Esq.	Consolidated Coffee	27 10	10	2 25	2 00	4 00		6	Y.P.T.
4,00,000	5,87,423	10,43,962	52,905	8,519	Associated Planters Private Ltd.	Cottanad Plantations	15 00xd	10	1 75*	1 50	1 75		3	Y.P.T.
18,00,000	9,30,543	29,08,448	5,85,748	48,584	A. V. Thomas & Co., Ltd. ..	Highland Produce	11 50	10	2 00	2 00	0 75		12	Y.P.
8,00,000	10,92,399	18,91,159	2,53,016	18,088	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	12 50	10	2 00	2 00	2 00		4	Y.P.
13,50,000	4,55,880	20,40,926	3,38,888	..	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	18 75ed	10	2 75	2 00	2 00	1.70'C'	4	Y.
40,50,000	28,79,387	80,92,726	9,49,414	1,48,976	A. V. Thomas & Co., Ltd. ..	Midland Rubber	18 30xd	10	2 25	3 25	2 25		3	Y.
2,25,000	4,16,000	15,43,851	2,26,134	22,019	A. V. George & Co., Ltd. ..	Nennemy Rubber	15 72	10	1 50	1 50	0 75		12	Y.
2,00,000	3,06,500	9,44,297	1,14,755	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	15 00xd	10	1 50	1 50	1 50		12	Y.P.T.
19,45,920	23,79,615	45,25,952	14,74,565	53,868	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	5 43	2	0 40	0 20	0 60		10	Y.P.T.
13,50,000	8,60,000	45,07,576	3,95,093	12,299	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	18 65	10	2 00	2 50	2 00		6	Y.
5,50,170	4,00,000	9,17,112	92,732	796	Peirce, Leslie & Co., Ltd. ..	Savanalai Estates Ltd.	8 60	2	1 00	1 50	0 30		11	Y.
12,00,000	1,00,000	17,43,035	35,695	..	Patco Agencies	Sanjameshwar Coffee Estates Ltd.	2 70	2	..	..	..	0.18	3	Y.P.T.
10,00,000	3,01,500	22,44,528	1,59,859	9,940	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	7 15	10	0 90	0 90	0 60		8	Y.P.T.
2,50,000	2,75,000	5,73,150	38,399	83,647	A. V. George & Co., Ltd. ..	Thamarapally Rubber	27 00	10	3 00	3 00	3 00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1 72	1	0 12½	0 12½	0 05		5	Y.T.
6,00,000	33,742	7,80,835	1,41,328	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	17 40	10	3 00	2 00	1 50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,843	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7 10	10	1 25	0 75	0 40		12	Y.P.
20,00,000	80,000	80,15,528	7,73,066	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co	21 50	25	4 00	3 00	1 00		12	Y.P.
2,20,000	4,29,600	9,26,785	83,552	..	A. V. George & Co., Ltd. ..	Udavagiri Rubber Co., Ltd. ..	11 15	10	0 60	0 75	0 60		12	Y.P.
8,80,010	5,90,669	9,58,500	27,217	872	M.	Vakundam (Travancore) Rubber ..	24 20	10	2 50	3 50	3 50J	1.25	12	Y.P.
6,95,000	1,47,259	13,88,336	39,744	10,289	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8 62	10	2 00	1 25	1 00		8	Y.P.T.

J—Final dividend of Rs. 1·50 is on the increased capital. * Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	No. of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	53,26,489	18,786	B. N. Elias & Co. Private Ltd.	879	Agarpara	10 81	10	0 62	0 25	0 25		3	Y.T.
6,00,000	10,81,600	59,82,765	40,52,871	1,66,661	McLeod & Co., Ltd. ..	464	Alexandra	145 00xd	100	10 00	10 00	10 00		12	Y.P.T.
30,00,000	5,25,000	1,25,28,740	95,78,601	—5,74,381	McLeod & Co., Ltd. ..	1,284	Alliance	110 00	100	6 00	Nil	Nil		5	Y.
49,20,700	72,21,000	3,09,93,668	2 15,04,087	2,36,743	Duncan Brothers & Co., Ltd.	2,561	Angio-India	229 00	100	3 50	3 50	7 00	10 00	3	Y.P.
40,00,000	32,80,924	1,49,82,554	63,17,403	3,215	Bird & Co. Private Ltd. ..	810	Auckland	145 50	100	10 00	1 00	Nil	5 00	3	Y.P.
20,00,000	24,84,715	98,59,961	67,55,861	1 18,223	Birla Brothers Private Ltd.	960	Baby	195 00	100	3 50	Nil	2 00	6 00	3	Y.P.
£275,000	£531,032	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman)	1,589	Barnagore	139 00	£5	sh. 15	Nil	Nil	Nil	3	Y.P.
25,00,000	26,27,128	47,66,496	53,10,415	6,111	Andrew Yule & Co., Ltd. ..	820	Belvedere	155 00	100	7 50	Nil	2 50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull ..	1,000	Bengal	10 00	10	1 12	1 00	Nil		6	Y.P.
91,25,000	2,26,05,284	4,09,60,115	1,66,74,127	24,155	Birla Brothers Private Ltd.	1,373	Birla	19 89	10	1 00	1 00	Nil	1 00	3	Y.P.
36,00,000	19,86,926	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	130 00	100	7 50	Nil	Nil		10	Y.P.
7,47,880	..	44,38,102	32,72,622	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg. ..	7 00	10	Nil	Nil	Nil		12	Y.P.T.
18,00,000	25,21,284	87,77,057	45,40,856	529	Andrew Yule & Co., Ltd. ..	614	Caledonian	170 00	100	Nil	Nil	Nil		11	Y.P.
59,16,400	75,85,402	2,31,96,782	1,27,96,566	—5,45,989	James Finlay & Co., Ltd. ..	600	Champdany	128 00	100	10 00	2 00	Nil		3	Y.
15,95,000	21,56,295	56,02,801	56,78,175	5,857	Andrew Yule & Co., Ltd. ..	880	Cheviot	198 00	100	10 00	2 00	Nil		11	Y.P.
30,15,000	35,75,000	77,94,218	51,54,350	78,099	McLeod & Co., Ltd. ..	960	Chitavalsah	16 00	10	1 37	0 62	1.10		7	Y.P.
24,00,000	9,00,000	81,05,335	67,13,287	25,935	Shree Krishna Investment Co., Ltd	960	Ganges	14 25	10	2 62a	0 62			3	Y.P.
31,49,200	45,61,556	1,39,75,660	56 08,218	—12,92,367	Bird & Co. Private Ltd. ..	766	Dalhousie	125 00	100	4 00	Nil	Nil	Nil	3	Y.P.T.
25,00,000	87,23,179	82,37,464	46,90,769	4,348	Andrew Yule & Co., Ltd. ..	779	Delta	171 00	100	10 00	5 00	Nil		11	Y.P.
15,00,000	35,56,600	92,51,058	63,07,045	4,192	McLeod & Co., Ltd. ..	960	Empire	20 25	10	1 25	0 50	0 75		7	Y.T.
21,00,000	71,39,758	2,76,16,574	1,65,59,223	2,58,958	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd. ..	430 00N	100	15 00	10 00	10 00	20 00	3	Y.P.T.
21,00,000	18,00,000	1,25,79,765	63,50,852	1 96 479	Bangur Bros., Ltd. ..	1,914	Fort William	290 00	10	21 50	0 75	1 50	1 50	3	Y.P.
84,82,100	..	2,11,07,224	1,32,88,825	—2,67,482	M.	1,709	Ganges Mfg.	70 00	100	2 50	Nil			2.9	H.P.
10,80,000	28,00,000	76,64,785	55,99,505	39,411	M.	667	Gondalpara	650 00	500	50 00	60 00	60 00		12	Y.T.
24,00,000	32,06,464	2,35,37,322	1,60,14,532	47,269	Mantelli & Batty Ltd. ..	1,264	Gourpore	370 00	100	15 00	5 00	15 00	20 00	3	Y.P.
40,00,000	65,58,233	1,82,37,430	97 67,884	2,19,473	Bangur Bros., Ltd. ..	1,078	Hastings	99 00	100	11 50	5 00	5 00	5 00	3	Y.P.
16,80,000	13,61,969	66,47,781	47,79,916	—2,96,253	Ballarpah Rajoria	720	Hooghly	11 25	10	1 25	Nil			3	Y.P.
98,62,500	28,09,105	2,84,85,488	1,24,24,441	22,775	Jardine Henderson Ltd. ..	1,940	Howrah	21 31	10	0 37	0 25	Nil	Nil	3	Y.P.T.
52,50,000	28,37,124	2,92,21,907	1,57,51,907	1,14,896	Ramdutt Ramkissendas ..	2,272	Hukumchand	21 75	7.50	2 00	2 00	1 50		3	Y.P.T.
97,50,000	19,39,987	1,41,56,005	87,54,018	M.	M.	790	India	10 94	12.50	1 50	1 50	1 50	15.62½	3	Y.
24,00,000 } 3'19,20,000 } 30,00,000 }	21,09,485	1,96,91,608	1,14,05,980	—18,68,113	Jardine Henderson Ltd. ..	1,797	Kamarhatty	{178 00 'B' {172 00 'B'	100 100	2 50	Nil Nil	Nil Nil		12	Y.P.T.
3'24,00,000 } 1,50,000 }	9,78,967	1,76,13,612	97,33,167	—41,66,784	Jardine Henderson Ltd. ..	1,857	Kankinarah	{92 00 'B' {90 00	100 100	2 50 1 00	Nil Nil	Nil Nil		12	Y.P.T.
21,00,000	53,00,000	1,35,45,052	98,77,786	98,701	McLeod & Co., Ltd. ..	702	Kelvin	228 00	100	17 50	5 00	9 00		3	Y.P.
64,00,000	28,33,575	1,96,60,722	1,22,06,779	27,007	Anderson Wright Ltd. ..	1,686	Khardah	153 00	100	11 00	5 00	5 00		3	Y.P.
48,00,000	77,22,321	3,55,47,961	1,08,51,199	25,050	F. W. Heilgers & Co. Private Ltd.	1,560	Kinnison	116 00	100	10 00	6 00	Nil	5 00	3	Y.P.T.
24 48,000	27,76,883	1,28,67,077	58,39,647	—9,82,685	Bird & Co. Private Ltd. ..	921	Lanadowne	138 00	100	7 00	Nil	Nil	Nil	3	Y.P.
28,00,000	40,49,600	1,48,98,586	66,75,920	—8,16,201	Bird & Co. Private Ltd. ..	840	Lawrence	122 00	100	6 00	Nil	Nil		3	Y.P.T.
21,65,200	35,39,393	1,33,72,189	1,03,72,169	M.	M.	1,294	Meghna	15 87	10	2 75	2 75	6 00	17.50§	3	Y.
29,98,900	24,82,196	1,65,70,565	36,70,690	—19,06,719	M.	818	Naihati	78 50	100	Nil	Nil			3	Y.P.T.
20,00,000	15,55,000	36,02,650	21,34,037	—1,65,366	Howrah Trading Co., Ltd. ..	425	Naskarpara	13 81	10	1 25	Nil			10	Y.T.
66,00,000	39,51,326	48,49,787	12,81,378	19,804	Andrew Yule & Co., Ltd. ..	825	National	22 62	10	1 75	0 75	0 75		10	Y.P.
26,25,000	27,55,372	31,27,861	21,92,842	43,512	McLeod & Co., Ltd. ..	316	Nellimarla Jute	12 31	10	1 00	..	0 50		7	Y.P.T.
28,50,000	2,86,31,171	4 08,32,342	1,06,43,554	3,25,601	Sahu Jain Ltd.	1,705	New Centralt	14 44	10	1 50	1 50			12	Y.P.
16,79,880	43,38,845	1,35,66,574	91,41,218	—2 43,817	Bird & Co. Private Ltd. ..	547	Northbrook	18 19	10	1 50	1 50	Nil	Nil	3	Y.P.T.
66,79,500	17,91,396	2,26,00,780	1,19,72,061	79,151	Macneill & Barry Ltd. ..	1,092	Naddea	58 00	50	1 00	Nil	Nil	2.50	3	Y.P.
24,91,000	23,04,049	76,55,438	52,45,690	5,981	Andrew Yule & Co., Ltd. ..	601	Orient	150 50	100	9 00	2 00	Nil		11	Y.
25,00,000	7,58,178	86,18,353	67,97,372	7,049	McLeod & Co., Ltd. ..	400	Presidency	6 12	5	0 31	0 20	0 30		7	Y.T.
22,00,000	10,284	29,00,419	9,24,705	—7,07,857	Birla Brothers Private Ltd.	508	Rameshwara	6 75	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	2,00,000	1,24,61,131	66,68,109	—46,28,693	Jardine Henderson Ltd. ..	1,276	Reliance	8 06	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£569,000	£1,098 713	£1 245,244	....	£58 994	Thomas Duff & Co. (India) Ltd.	2,018	Ramnagar	10 00	£1	8% 1½	..	..	..	12	Y.P.
80,00,000	18,14,910	1,21,72,882	85,21,532	48,082	Razaria More & Co., Ltd. ..	911	Shree Ambica	11 50N	10	0 50	0 25	0 50		3	Y.P.
14,00,000	11,14,960	66 67,542	47,50,476	49,154	Hindustan Investment Corpn. Ltd.	401	Sreerah	17 25	10	1 50	1 50	1 50		12	Y.P.
25,19,600	3,04,087	9,29,724	3,23,208	61,862	Bird & Co. Private Ltd. ..	550	Standard	106 00	100	1 00	Nil	Nil	5 00	3	Y.P.
£400,000	£926 119	£1,137,666	....	£33,548	Thomas Duff & Co. (India) Ltd.	1,794	Titaghur	9 62	£1	8% 1½	..	..	..	12	Y.P.
35,98,600	48,33,581	1,05 53,816	42,51,394	56,387	Bird & Co. Private Ltd. ..	1,275	Union	132 00	100	10 00	1 00	Nil	15 00	3	Y.P.T.
£400,000	£588,038	£1,124,919	....	£30,501	Thomas Duff & Co. (India) Ltd.	1,331	Victoria	9 50	£1	8% 1½	..	..	..	12	Y.P.
2,50,000	6,35,000	41,78,264	27,76,059	—4,16,285	McLeod & Co., Ltd. ..	447	Waverley	4 00	1	0 37	Nil	Nil		8	Y.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,680	1,04,15,686	75,57,866	40,639	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	22 25	10	1 37	0 50	1 25	1 25	3	Y.
12,00,000	8,49,890	35,18,891	33,46,842	57,344	Jardine Henderson Ltd. ..	Bararee Coke	13 37	10	1 46	1 10	0 37	0 50	3	Y.
4,49,350	86,000	9,58,102	9,69,530	1,317	Kalyanji Mavji & Co. ..	Bengal-Bhatdee	5 88N	10	0 62	0 75			12	Y.
4,00,00,000	1,82,18,787	6,88,15,762	4,41,66,343	11,48,086	Andrew Yule & Co., Ltd. ..	Bengal Coal	291 00	100	35 00'P	17 50	17 50	10 00	12	Y.P.
2,25,000	3 76,706	24,82,078	22,49,089	—1,20,041	Andrew Yule & Co., Ltd. ..	Bengal-Nasper	12 50	10	Nil	Nil	Nil		12	Y.
40,00,000	10,32,299	1,44,32,027	77,50,407	2,129	Sahu Jain Ltd.	Bharat Collieries	7 19	10	0 62	0 62	0 60		6	Y.P.T.
7,15,000	10,15,175	48,30,948	34,54,101	—4 92,588	M.	Bhulanbarasee	8 00	10	Nil	Nil			12	Y.T.
7,50,000	24,50,150	68,58,996	27,75,139	58,661	F. W. Heilgers & Co. Private Ltd.	Borrea	19 89	10	2 00	1 50	0 75		12	Y.P.
90,92,480	1,70,33,767	4,87,67,228	1,99,68,078	86,229	Bird & Co. Private Ltd. ..	Barrakur	18 50	10	0 62	0 65	0 37		6, 12	H.P.T.
49,97,750	..	46 99,014	12 99,014	3,401	Hindustan Investment Corpn. Ltd.	Central India	8 16	10	0 25	0 50	0 50		3	Y.
5,00,000	13,90,590	69,54,445	39,71,358	89,220	M.	Central Kurhead	11 50	10	0 50	0 50			12	Y.
6,00,000	1,49,122	7,29,925(b)	....	10,587	F. W. Heilgers & Co. Private Ltd.	Churia	2 94	4	0 06	0 06	0 20		12	Y.
16,00,000	..	24 47,612	21,89,980	—97,588	Macneill & Barry Ltd. ..	Dhemo Main	8 94	10	Nil	Nil	Nil		12	Y.
£240,000	£273,125	£1,070,837	£776,382	£19,421	Jardine Henderson Ltd. ..	East Indian	24 00	£1	2 00	2 50	1 50	1 00	4	Y.
29 68,760	98 25,027	4,84,54,567	2,12,09,799	98,722	Macneill & Barry Ltd. ..	Equitable	30 00	10	1 50	1 50	1 50		12	Y.P.T.
10,00,000	1,42,466	14,24,422	4 62 726	45,289	Bhattar's Assacy Ltd. ..	Ghusick and Mualia ..	14 00	10	0 25	0 25			3	Y.
12,00,000	55,000	43,00,791	26,54,350	—6,84,206	Killick Industries Ltd. ..	Hingir-Rampur	19 00	50	2 25	2 25	Nil	Nil	6	Y.
8,00,000	2,50,000	24,37 998	19,66,774	78,099	Macneill & Barry Ltd. ..	Hurriadih	15 00	10	2 50	1 50	Nil		12	Y.
3,50,000	2,55,964	14,76,413	7,56,154	—1,79,352	Shree Krishna Investment Co., Ltd	Kalyanbari	25 00	10	Nil	Nil	Nil	Nil	3	Y.P.
20,00,000	2,21,575	33,37,576	5,71,179	1,062	Andrew Yule & Co., Ltd. ..	Karanpura Collieries ..	125.00	100	2 50	5 00	Nil		3	Y.
5,00,000	19,06,061	40,73,491	20,04,535	1,66,573	Bird & Co. Private Ltd. ..	Kasra Jherriah	70 75	10	4 50	6 50	6 50	6 50	1	Y.
11,00,240	88,356	16,56,967	10,94,198	13,571	Andrew Yule & Co., Ltd. ..	Kesarel	2 75N	10	0 12	0 19			6	Y.
9,00,000	10,22,762	33,39,712	22 94,028	2,568	M. Y. Low & Co. (Private) Ltd.	Lakurka	15 50N	10	0 12	0 12	0 12		4	Y.
7,48,240	2,55,000	21,48,192	9,89,789	55,258	M. Y. Low & Co. (Private) Ltd.	Lodna	7 31xd	10	0 50	0 50	0 75		12	Y.P.
17,75,230	19,58,049	1,30,10,149	94,97,293	88,316	Andrew Yule & Co., Ltd. ..	New Beerbhoom	19 50	10	1 00	0 75	0 75		10	Y.P.
6,00 000	75,000	83,35,331	22,39,923	1,48,499	Ostavius Steel & Co., Ltd. ..	New Maubhoom	12 00	10	Nil	Nil	Nil		9	Y.
1,15,000 } 1,47,500 }	3,85,824	18 05,389	9,24,181	25,548	Andrew Yule & Co., Ltd. ..	North West	{10.50xdN {8.8xd&b	10 7.50	1 37 1 06	1 50 1 12	1 50 1 12	1 50 1 12	3	Y.
7,50,000	15,09 648	3,07 666	2,77,666	41 941	F. W. Heilgers & Co. Private Ltd.	Ondal	11 75xd	10	1 00	0 75	0 50		12	Y.P.
3,34,000	20,000	23 49,367	9 96,981	3,680	Thapchand Kishanlal ..	Parsora	15 00	10	1 50	1 50			12	Y.P.T.
15,75 000	17,04 800	50,95 210	42,09,210	96 465	Shaw Wallace & Co., Ltd. ..	Panch Valley	24 75	10	1 50	0 70	2 00	2 00	3	Y.
22,99,360	21,96,361	1,57,75,021	91 86,992	29,066	R. N. Elias & Co. Private Ltd.	Ramagunge	16 12	10	0 62	0 37	0 75		3	Y.
13,50,000	6,83 355	42 17 417	22 21,916	34 549	Shaw Wallace & Co., Ltd. ..	Rewa	17 50	10	2 07	1 50	1 50		12	Y.
37 50 000	37,12,000	95,05,524	26,37,721	21 162	M.	Samla Collieries	10 25	10	1 00	1 38	0 90		12	Y.
2,60,000	1,96,802	13 78,480	12,21,297	21,076	M.	Searsole	5 00	2.50	0 75				1	Y.
2,50,000	3,25,096	29,54,642	19 99,721	45,186	Andrew Yule & Co., Ltd. ..	Seebpore	26.00	7	2 50	2 25	1 75		12	Y.
8 00.000	4,91 081	52,491	29,867	623	F. W. Heilgers & Co. Private Ltd.	Sendra	9.00	10	0 25	0 25	0 25		12	Y.
13,21,450	94,86,696	8 19,41,849	2,79,46,020	20,567	Industrial Trust Fund (Government of Andhra Pradesh)	Singareni	17 25xd	10	0 75	1 00			12	Y.T.
17,50 000	10,37,541	39,01,896	17,00 094	8,789	Bird & Co. Private Ltd. ..	South Karanpura	18 44	10	0 12	0 25	0 75		3	Y.
3,00,000	13,76,745	1 69 870	28,510	9 760	F. W. Heilgers & Co. Private Ltd.	Standard	15 25	10	1 00	1 00	1 00		12	Y.
10 00.000	....	31 92 764	16 43,502	—6 62 977	M.	Talcher	1 81	2.50	Nil	Nil			9	Y.T.
3,50,000	2,60 000	19 15,700	14 79,400	1,77,962	Williamson Magor & Co., Ltd. ..	Union	14 75	10	Nil	Nil	0 37		12	Y.
60,96 000	56,784	65 72,308	24,19,808	11,843	Hindustan Investment Corpn. Ltd.	Western Bengal	8 62	10	0 50	0 50	0 50		12	Y.
7,00,000	....	58,61,406	27,57,089	—3,69,109	Macneill & Barry Ltd.	West Jamuria	7.75	10	Nil	Nil	Nil		12	Y.

M—Managed by the Board of Directors. ‡ Less income-tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year 1955. * Includes bonus. (R) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954 § On old Capital.
‡—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. F.—Bengal Coal Co. Dividend for 1954 and 1955 are on shares of Rs. 200 each.
For 1956 the dividend of Rs. 17·6 includes an interim dividend of Rs. 7·5 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

GROWTH OF CORPORATE FINANCE

RESERVE BANK'S SURVEY

AN article published in the October 1958 issue of the *Reserve Bank of India Bulletin* analyses the balance-sheets and profit and loss accounts of 1,001 companies for the years 1955 and 1956. A similar article, based on statistics pertaining to the finances of 750 public limited companies for the years 1950-55, was published in the September 1957 issue of the *Bulletin*. But as these statistics did not include many large public limited companies, which started functioning during the first Plan period, and also some very large private limited companies converted into public limited companies during the same period, the scope of the analysis has now been enlarged by including such companies. The new series of statistics pertain to 1,001 companies, comprising approximately three-fourths of the sector covered. Many important series relating to rates of capital formation, profits, etc., obtained by the present analysis for the years 1955 and 1956, are shown along with those of the earlier sample of 750 companies for the years 1951 to 1955 for purposes of comparison.

The study reveals a very marked increase in assets, which carried the rate of the increase of both fixed assets and inventories to the highest level for the post-war period. This expansion was accompanied by a sizable rise in sales, profits, tax provision and dividends, with virtually no change in retained profits. In the financing of capital formation, a feature was the emergence of external sources, in place of internal sources, as the major contributing factor.

The following table gives the chief indicators of the growth of the 1,001 companies:

Growth of the 1,001 Companies

(Amount in crores of Rs.)

	1955	1956	Percentage Increase
Paid-up capital plus free reserves (net worth) at the end of the year ..	7,42	8,09	9.1
Gross Fixed Assets at the end of the year ..	9,32	10,65	14.3
Net Fixed Assets at the end of the year ..	5,25	6,21	18.2
Inventory at the end of the year ..	4,17	5,06	21.4
Total Assets (net) at the end of the year ..	14,20	16,38	15.3
Total Income during the year ..	16,03	18,19	13.5
Sales during the year ..	13,88	15,51	11.8
Profits before tax during the year ..	1,17	1,28	9.7
Profits after tax during the year ..	66	70	5.0
Dividends during the year ..	39	42	9.0
Retained profits during the year ..	28

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000	1,08,00,000	10,41,547	Allahabad Bank	362·00	100	18 00	18 00	18 00‡		12	Y.P.
14,50,000				181 00	50	9 00	9 00	9 00‡			
1,01,000	18,04,000	1,910	Andhra Bank	109 00cd	100	6 50	8 00	6 00		6, 12	H.
39,75,595				91 00cd	85	4 54	5 59	5 10			
1,00,00,000	1,28,00,000	4,10,731	Bank of Baroda	122·25	50	6 00‡	7 00	7 00		12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner	21 52	25	0 87	1 12	1 25	3 00‡	12	Y.
2,50,00,000	8,10,00,000	16,02,381	Bank of India	139 50	50	8 00	8 00	8 00	3 00‡	6, 12	R.L.Y.
50,00,000'A'				142 50	50'A'		..	8 00	3 00‡		
15,30,375	29,00,000	52,270	Bank of Indore	63 00N	25	3 50	4 00	4 25		12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur	43 00	50	2 00	2 50	3 00		12	Y.
50,00,000	91,95,613	1,87,085	Bank of Mysore	308 00	100	16 00‡	16 00‡	16 00	8 00‡	12	Y.
15,00,000	40,00,000	44,758	Canara Bank Ltd.	86 00	50	5 00	5 00	5 00		12	Y.P.
7,50,000	13,55,000	5,670	Canara Banking Corporation Ltd.	77 00	50	5 00‡	5 00‡	5 00‡		12	Y.P.
5,82,930 'A'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	180 00	100'A'	12 50	15 00	15 00		12	Y.
28,787 'C'				1 71	1'C'	12½%	15%	15%			
2,62,11,375	58,30	18,44,046	Central Bank of India Ltd.	58 30	25	3 00	3 50	3 50	1 50‡	12	R.L.H.
52,42,375	4,03,50,821			60 00	25	3 00	3 50	3 50	1 50‡		
50,00,000	40,00,000	2,80,320	Devkaran Nanjee Banking Co.	45 75	50	2 50	3 00	3 00	1 25‡	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	38 37	5	0 87	1 37	1 06		12	Y.
1,25,00,000	6,93,000	21,046	Hindustan Commercial Bank	9 50	50	Nil	Nil			12	Y.
50,00,000	1,80,000	4,228	Hindustan Mercantile Bank	12 00	50	Nil	Nil	Nil		12	Y.
44,00,000	1,00,00,360	2,04,376	Indian Bank	218 00	100	12 00‡	18 00	15 00‡	6 50‡	6, 12	R.L.H.
22,40,000				179 00	80	7 75	9 75	12 00‡	5 20‡		
56,23,350	46,36,300	2,32,067	Indian Overseas Bank	155 00	100	7 50	10 00	10 00		12	Y.
10,00,000	10,25,000	88,502	Pandyan Bank Ltd.	30 75	25	1 87	1 87	1 87		12	Y.
1,25,00,000	1,10,00,000	4,51,904	Punjab National Bank	59 80	25	3 50	4 00	6 00	2 50‡	12	Y.
1,00,00,000	29,17,000	5,628	Travancore Bank	25 35	25	1 00	1 50	1 25		12	Y.
40,00,000	40,00,000	1,50,332	Union Bank of India	7 48	5	0 37	0 44	0 44		12	Y.
2,00,00,000	1,34,00,000	49,482	United Commercial Bank	69 00	50	2 75	3 50	3 75		12	H.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
£4,400,000	£5,700,000	£412,542	Chartered Bank	£2-5-0	£1	15†	15†	15†		12	Y.
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,062,468	Hongkong and Shanghai Banking Corporation	£41½	H.K.$125	5*	5*	12½*Σ	1½*	12	Y.
£18,565,070	£18,000,000	£826,712	Lloyds Bank	£5-4-0	£1	12†	13†	13†		12	Y.
£2,940,000	£2,100,000	£231,452	Mercantile Bank Ltd.	£1-12-3	£1	14†	14†	18‡†		12	Y.
£2,851,563	£3,104,637	£355,589	National Overseas and Grindlays Bank Ltd.	£1-4-0	sh. 12½	15†	15†	15†		12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (I) Interim. * £ per share free of tax. xr—Ex-Right.
Σ.—The final dividend of £1-12-6 is on the increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	92.00	1st June .. 1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	90 00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100 15	27th December .. 1958-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November .. 1959-64
COAL						
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	87.00	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1958	100.00	14th December .. 1969 (a)‡
COTTON						
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	89.00	15th November .. 1966 (b)
70,00,000	5	1st April and 1st October	Buckingham and Carnatic	1962	98 00	1st March .. 1972 (a)
40,00,000	6	15th June and 15th December	Gokak Mills	1957	100 35	1st April .. 1967-73
13,71,000	5½	30th June and 31st December	Jaykisor Textiles	1949	90.00N	1st January .. 1956-59
39,90,000	5	1st June	Tata Mills	1951	98.00	15th November .. 1960
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	90.00	31st March .. 1965 (a)
1,25,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		99.00	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98.75	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£4,048,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84.00	31st December .. 1970
12,80,000	5	1st January and 1st July	Sijua (Dherjian) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1958-68
47,75,000	5	1st April and 1st October	Tata Power	1940	99.00	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power		86.00	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	97 00N	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	80 00	31st May .. 1971
9,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	96.75	1st October .. 1956-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	96.50	31st December .. 1960 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	90.50	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91 00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	77 00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90.00	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	86.00	31st July .. 1959
10,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1950	88 50	30th June .. 1960
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90 00	31st March .. 1969 (a)
5,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	94 00	31st March .. 1970
35,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90 00	31st March .. 1964 (a)
35,00,000	5½	30th June and 31st December	Nalhati	1952	90 00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92 00	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	80 00	31st December .. 1954
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	88 00	30th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	90 00	31st March .. 1967
10,00,000	5½	31st January and 31st July	Waverley	1925	80.00	31st July .. 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£74.10N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Kalakhal-Lalabazar Railway	1945	85.00	31st December .. 1959 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
1,14,12,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	96.25	1st September .. 1963
PLANTING						
11,25,000	6	31st March and 30th September	Nilgiri Tea		90.50	1st April .. 1958-68†
1,27,600	6½	31st March and 30th September	Tookay	1944	100.00	31st March .. 1949-59
MISCELLANEOUS						
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1942	92.00	31st December .. 1965
28,80,000	4½	1st January and 1st July	Associated Hotels of India	1942	85 00	31st December .. 1962
1,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	100 25	1st September .. 1964-69(a)¶
1,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	100 75	1st October .. 1970
21,00,000	5½	1st February and 1st August	Cheerakhee Properties	1918	88 00	1st February .. 1964
19,29,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	82 00	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	76 00	15th September .. 1960
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	88 00	.. 1966
1,05,21,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	104 00	1st January .. 1971 (a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	100 50N	30th June .. 1969 (a)‡
15,00,000	6	2nd January and 2nd July	Mettur Chemical Industries	1949	83 00	30th September .. 1964
9,53,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1948	550 00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	465 00 (per note)	31st December .. 1976 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	84 00N	1st April .. 1971
80,00,000	5½	30th June and 31st December	National Rayon	1955	100 50	30th June .. 1965-70
00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	91 50	31st March .. 1961 (a)
00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91 00	31st December .. 1959
00,00,000	6½	1st May and 1st November	Standard-Vacuum Refining Co. India. Ltd.	1958	100 75	1st May .. 1968 (a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
† With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. ‡ Any debenture outstanding on 1-6-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice.
†† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREN

THE following quotations indicate the trend transactions on the Bombay Stock Exchar during the week ended 6th November, 1958.

	Closing quotations 30-10-1958	High	Low	Closi quotat 6-11-
TEXTILES	Rs.	Rs.	Rs.	Rs
Ahm. Adv. (100)	166·25	166·25	150·00	150
Apollo (2)	1 36	1 36	1 34	1
Bombay Dyeing (25)	58 40	59 00	57 00	58
Bradbury (50)	135 00	—	—	135
Central India (100)	90 00	89 50	86 00	87
Century Mills (100)	441 50	442 00	433 50	438
Colaba (100)	31 75	32 00	31 00	31
Edward Textile (200)	230 00	230 00	225 00	227
Elphinstone (50)	40 00	—	—	40
Finlay (100)	280 00	279 50	276 00	277
Gokak (100)	141 00	141 50	139 50	140
Ind. Unit. Defd. (1)	1 12	1·14	1·10	1
Ind. Unit. Ord. (10)	8 56	8 84	8 56	8
Indore Malwa (100)	102 75	103 00	101 00	101
Khatau (100)	175 00	175 00	173 50	173
Kohinoor (100)	261 00	262 00	254 50	258
Lakshmi (250)	425 00	—	—	425
Minerva Mills (100)	64 00	—	—	64
Model Nagpur (250)	170 00	169 00	166 25	168
Morarji (100)	249 00	249 00	247 50	248
Myrade (50)	92 00	—	—	92
National Rayons (100)	259·75	260 00	252 50	256
New City (100)	106 75	—	—	106
New Great (100)	217 00	—	—	217
Phœnix (100)	117 50	—	—	117
Podar Mills (100)	185 00	185 50	185 00	185
Sassoon Silk (10)	9 76	9 92	9 76	9
Sassoon Spg. (10)	40 00	—	—	40
Sholapur (1,000)	400 00	—	—	425
Shrinivas (100)	151 00	151 00	149 00	149
Simplex (50)	177 25	177 00	175 00	176
Standard (100)	408 00	408 00	405 00	407
Svadeshi (100)	194 50	198 50	189 50	196
Swan (100)	355 00	355 00	348 00	355
Tata Mill (25)	87 00	87 25	86 50	86
Vishnu (100)	100 00	—	—	100
Western India (1,000)	4,525.00	—	—	4,525
BANKS				
Bank of India (50)	140 50	140 50	139 00	139
Do. (New) (50)	142 25	143 00	141 50	141
Bank of Baroda (50)	122 50	122 75	121 50	122
Central (25)	58 30	58 30	57 70	58
Central 'A' (25)	60 30	60 30	59 50	59
Dena Bank (50)	46 00	46 00	45 50	45
Punjab National (25)	62 50	62 50	59 00	59
Union Bank (5)	7 56	7 56	7 45	7
United Com. (50)	69 80	69 50	68 70	69
ELECTRIC COS.				
Ahmedabad (100)	99 20	99 80	99 00	99
Amalgamated (10)	11 25	—	—	11
Andhra Valley (1,000)	1,212 50	1,212 50	1,207 50	1,207
Bom. Sub-Bl. (100)	109 50	110 50	110 00	110
Surat (100)	114 50xd	115 50	114 50	115
Tata Electric (100)	123 00	123 00	120 50	123
Tata Power (1,000)	1,250.00	1,250.00	1,237.50	1,243
INSURANCE COS.				
British India (10)	14 24	—	—	14
Empire of India (100)	240 00	—	—	240
Ind. Mercantile (20)	48 25	48.25	47.25	47
Jupiter (15)	6 32	7.00	6 32	7
New India (15)	49 50	49.75	48 25	48
Oriental (200)	3,800 00	—	—	3,800
Universal (10)	13.00	—	—	13
Vulcan (10)	19.76	—	—	19
STEEL COS.				
Ind. Iron (10)	27.40	27.60	26.80	27
Tata Steel Ord. (75)	182.75	183.50	179.25	182
SUGAR COS.				
Belapur (50)	322.50	324.00	317.00	322
Bhopal (10)	27 50	27 50	27 40	27
Dhampur (50)	180 50	180 00	174.50	178
Walchand Ind. (100)	295.00	292.50	290.00	291
CEMENT COS.				
Associated Cts. (100)	159.50	160.00	154.50	157
Digvijay (100)	142.50	142.50	138.50	138
MISCELLANEOUS				
Alcock Ashdown (100)	283 75	283.75	275.00	277
Bom. Burmah (125)	513 50	514.50	500.00	507
Do. (New) (50)	178 75	—	—	178
Br. B. Petrol (4 sh.)	2.08	2.08	2.00	2
Br. N. Corpn. (5)	3 76	3.76	3.70	3
C. P. Ry. (100)	57 00	—	—	57
Hindusthan Motors (10)	7 92	7.92	7 72	7
Indian Copper (2 sh.)	3 08	3 08	2 92	3
Ind. Inv. Tr. (100)	79 00	79 00	78 50	78
Killicks (100)	149.00	149.50	148.00	148
Polson (100)	167.00	167.00	160.00	160
Pre. Automobiles (100)	98 00	98.00	97 50	98
Premier Con. (50)	255 25	255 75	245.50	251
Scindia (20)	22 28	22.36	21 68	21
G. E. Shipping (10)	28 16	28 25	27 80	27
Shivajipur (10)	93 00	93 00	91 50	92
Tata Chemicals (10)	16 36	16 36	16 08	16
Tata Locomotive (100)	163 50	163 00	158 00	160
Tata Oil (25)	39 25	39.75	38 00	39
W. I. Match (100)	190.50	190.75	189.25	190
GOVERNMENT SECURITIES	29-10-1958	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	6-11-
	Rs.			Rs
2½% 1961	97.15	—	2 64	97
2½% 1960	99 00	—	3 51	99
2½% 1962	96.80	—	3 57	96
2½% 1976	88.20	—	4 06	88
3% 1960-61 2nd Viet.	99 70	3 34	3 10	99
3% 1964	96 75	—	3 56	96
3% 1963-65	96 65	3.76	3 52	96
3% 1965-68	94 05	3 85	3 71	94
3% 1970-75 1st Def.	90 20	4·04	3 79	90
3% 1966 Con. Loan.	73 10	—	4 10*	73
4% 1960-70	100 65	3.96	3 94	100
2½% N.P. Bonds	100 10		3 48	100
2½% 1964 N.P. Loan	99 90		3 50	99
2½% 1965 N.P. Bonds	99 70		3 56	99
2½% 1962	99 15		3 49	99
2½% 1967 N.P. Bonds	98 95		3 62	98
2½% 1974	98 80		3 80	100
2½% 1967 N.P. Bonds	100 50		3 69	100
4 % 1972 Loan	100 70		3 93	100
2½% 1968	99 70		3 66	100
2½% 1968 N.P. Bonds	100 05		3 67	100
2½% 1966 N.P. Bonds	100 55		3 62	100
4 % 1978 Loan	100 60		3 96	

BRITISH GOVERNMENT SECURITIES

	Closing quotations 28-10-1958 £			Clos quota 3-11- £
2½% Brit. Consols	62⅛	—	—	
3 % Savings Bonds 1965-75	74⅜	—	—	
3 % War Loan 1955-59	99⅜	—	—	
3½% War Loan	69⅜	—	—	
4 % Victory Bonds 1976	95½	—	—	
4 % Funding 1960-90	87⅜	—	—	

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Rig

COMMERCE

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

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MORE REGIMENTATION AHEAD?

IGNORING the advice of the Planning Commission, the Central and State Governments have decided that the public sector's outlay on the second Plan shall be Rs. 4,500 crores. This is the meaning of the decision reached by the National Development Council at its two-day session held at New Delhi early this week, for the Council consists of Central Ministers and the Chief Ministers of all State Governments. It is, therefore, the highest body competent to take final decisions on issues of national importance. Nevertheless, it sounds rather unrealistic that the recommendations of the Planning Commission, of which the Prime Minister, the Finance Minister and the Labour Minister are the principal members, should have failed to weigh with the Council, of which also they are members. There is, however, no need for surprise at this incongruity, as such things are not rare in this country. Indeed, this has been the feature of the second Plan right from the beginning and the virtue of flexibility has been quoted in support of it. "Aim high; never mind, if you fall and break your limbs in your attempts to reach the goal." This has been the policy of the Government. The risk of not being able to reach even a relatively modest goal as a result of injury to the limbs has not deterred it. And those who sounded a note of caution to this effect have been scoffed at. Nor has the Government's experience in the past three years made any impression on this policy.

It may be argued that the Council's decision to stick to the figure of Rs. 4,500 crores reflects a new determination to carry the Plan through. But this argument is not very convincing in the light of the Planning Commission's reasons for pitching the target at a lower figure and of the professed inability of State Finance Ministers to raise additional resources through taxation. It may be recalled that, in the Planning Commission's appraisal of resources placed before the National Development Council in May last, the total resources at the Centre and the States for the five-year period was worked out at Rs. 4,260 crores. Yet the Council decided that the total outlay should be maintained at Rs. 4,800 crores, but that the Plan be divided into two parts, Part A of the Plan involving an outlay of Rs. 4,500 crores and Part B with an outlay of Rs. 300 crores. It was stated that Part A would include projects and programmes directly related to an increase in agricultural production, "core" projects and projects which have reached an advanced stage and other "inescapable" schemes. The rest of the projects and programmes would constitute Part B of the Plan. It was understood that the latter part would be taken up as and when additional resources became available. But even Part A was fixed at a level Rs. 240 crores in excess of the then estimated available resources, including a provision of no less than Rs. 1,200 crores to be raised through deficit financing. It was, therefore, obvious that there was no chance at all of Part B being taken up for implementation before March 1961, the end of the second Plan period. Now none talks about Part B, and Part A has become synonymous with the second Plan. Indeed, towards the close of September, Mr. Gulzarilal Nanda, Minister for Planning and Labour, firmly told Parliament that the Government had no intention of exceeding the limit of Rs. 4,500 crores. By that, he virtually meant that Part B had been abandoned. Almost everyone knew that this would happen. And yet why was Part B created by the National Development Council? Why were not the people straightaway told that the second Plan of the public sector had had to be cut to Rs. 4,500 crores? Politics, the desire to save face, was the only obvious answer.

In September and October last, the Planning Commission reviewed the position, held talks with the State Governments and tried to estimate the outlay and resources for the next two years—that is, 1959-60 and 1960-61—in the light of performance so far since the commencement of the second Plan. Following this study, the Commission has come to the significant conclusion that it will not be safe to resort to deficit financing to the tune of Rs. 1,200 crores, as was expected in May last. It has given several pertinent reasons for holding this view. It may be noted here that, of the total outlay of Rs. 1,496 crores in the first two years of the Plan (Rs. 635 crores in 1956-57 and Rs. 861 crores in 1957-58), nearly half or about Rs. 702 crores were found through deficit financing. The outlay in the third year (1958-59) of the Plan is estimated at Rs. 960 crores, of which Rs. 220 crores are to be found through deficit financing. This means that, in the first three years of the Plan, deficit financing will have been of the order of Rs. 922 crores. Actually, it will be a little more, as a good part of the larger borrowings this year are of an inflationary nature, in that they have not been met from the savings of the people but from the deposits of commercial banks. If the May estimate of Rs. 1,200 crores to be found through deficit financing for the whole five-year period were to be retained unchanged, it would mean that not less than Rs. 280 crores should be found through created money in the fourth and fifth years. The price situation is not favourable for such a large dose of deficit financing.

The Planning Commission has rightly argued that, with prices at the present high levels and with growing pressures for increase in wages and salaries, it is necessary to avoid further deficit financing. Further, there is no longer the "cushion" of sterling balances to take care of the inflationary impact of deficit financing. Having said all this, the Commission has still provided for deficit financing of Rs. 1,092 crores for the five-year period, that is, Rs. 170 crores for the last two years of the Plan, on the basis of our aforesaid calculation of such financing in the first three years. Even this provision is on the high side. Apparently, the Commission has proceeded on the assumption that, in the next two years, there would be a substantial increase in food production and that prices of foodgrains would register a distinct fall. Although there are signs that the supply of food in the 1958-59 crop year would be slightly better and that food prices might come down to some extent, these assumptions are big. Accordingly, the estimates of the extent to which the country can safely go in for deficit financing are just guestimates. They are no less than a gamble. The fact that the Commission has placed the estimate of deficit financing at Rs. 1,092 crores, instead of in a round figure of Rs. 1,000 crores or Rs. 1,100 crores, shows that it has drawn up the resources budget not on the basis of what might be available but on the basis of the minimum amount required.

Even on the basis of this guestimate of Rs. 1,092 crores as the safe limit for deficit financing for the whole five-year period, the Commission has come to the conclusion that the outlay on the Plan could be no more than Rs. 4,220 crores, as against its May estimate of Rs. 4,260 crores. In doing so, it has taken Rs. 1,100 crores as external assistance and Rs. 2,028 crores as domestic resources, the corresponding figures in the estimate of last May being Rs. 1,038 crores and Rs. 2,022 crores, respectively. It will thus be seen that there has been a substantial increase of Rs. 62 crores in external assistance, a striking indication of the friendly interest in, and genuine concern for, India by foreign countries, especially those belonging to the free world. The increase in domestic resources is shown exclusively under those raised by the Centre. The States' share has actually fallen by Rs. 65 crores, from Rs. 774 crores to Rs. 709 crores, that is, by an amount which more than neutralises the increase in the estimated external assistance.

It will be noted from what has been stated so far that the earlier assumption of the resources that could be raised by State Governments has turned out to be too generous to be wholly true and that the scope for deficit financing is restricted to a far greater extent than was naively assumed six months ago. Even the latest revised estimate of the limit for created money errs on the high side. There could be no appreciable fall of a sustained nature in price levels if there were to be deficit financing of the order of Rs. 170 to Rs. 200 crores in the last two years of the Plan, for that would almost neutralise the impact on prices of the probable increase in agricultural production not only in the current season but also in the subsequent ones. Thus, the Planning Commission's condition, reiterated by the Finance Minister at the meeting of the National Development Council, that further deficit financing can be undertaken only if prices are brought down, is unlikely to be fulfilled in the spirit in which it is made. It will also be noted that the gap between the estimated resources and the investment target has widened from Rs. 240 crores in May last to Rs. 280 crores. Notwithstanding all this, the Council has decided, as mentioned at the outset, on an investment outlay of Rs. 4,500 crores for the public sector.

Is this a realistic decision? The Council seems to say that it is. Its reasons are the following:

(1) It has been decided that the wholesale trade in foodgrains should be socialised. By implementing this decision, food prices can be brought down.

(2) In order to energise the drive for more food production, a new and expanded programme of co-operative development on the basis of village co-operatives has to be formulated.

(3) The Governments, both at the Centre and in the States, could and should make determined efforts for achieving economies in construction costs. A saving of 10 per cent. in costs, the Prime Minister said, would yield a saving of over Rs. 400 crores which could more than wipe out the aforesaid shortfall in resources.

(4) The drive for savings should be intensified. The suggestion for securing compulsory contributions to saving schemes was discussed

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by the Council and it was agreed that Chief Ministers and State Governments would examine the suggestion in favour of compulsory savings and that the subject should be considered at the next meeting of the Council.

Almost every one of the aforesaid proposals means a move towards further regimentation of the economy. This was what this journal feared when the Plan was drawn up on overambitious lines. It is said that, if the community is not prepared to accept this democratic form of regimentation in order to give the economy the minimum start necessary to bring about a large-scale industrial revolution, the alternative would be the much detested totalitarian form of regimentation, meaning thereby Communism. That is a hard choice to make. But the more important question is whether the further controls and compulsion envisaged in the proposals mentioned above will be successful and yield results in good time, so that the "core" of the Plan at least can be saved. We have our own doubts, but would be glad, indeed, if they turned out to be baseless.

By socialisation of wholesale trade in foodgrains, the Council meant "that the main wholesale traders in every State should be licensed and should undertake operation on behalf of the State Government who would take from them such proportion of their purchases as might be considered necessary." In other words, the wholesale traders in foodgrains would be reduced to the status of Government servants. If this proposal is to yield the results expected of it, steps should be taken to implement it immediately. Even then its success remains to be seen. No amount of controls will solve the problem of scarcity. Increase in production is the only effective remedy. Without going into the merits of the suggestion pertaining to co-operation, it looks as though it cannot be effectively implemented in time to be of any use for the second Plan. Economy in construction costs has been talked about for a long time and hardly anything has come out of it. If the present financial stringency were to force better results, it would be a real blessing. But a 10 per cent. saving will yield only Rs. 200 crores and not Rs. 450 crores, as nearly Rs. 2,500 crores out of the Rs. 4,500 crores have already been spent. Attempts to introduce compulsory savings in the past came to naught and there is no reason to think they will succeed in future, what with the sharp increase that has taken place in the cost of living and the heavy additions to taxation during the past three years. Indeed, to talk of compulsory savings, when deficit financing to the tune of Rs. 900 crores has already been incurred and another Rs. 200 crores is contemplated, is to indulge in euphemism. What else are deficit financing and excessive taxation of all sorts if they are not forced savings?

AGRICULTURAL ADMINISTRATION

FEW aspects of India's administration have received less notice than agriculture. This is deplorable, considering that agriculture is still the mainstay of Indian economy. Since the Royal Commission probed into agricultural problems in 1928, no important body enquired into these issues. And even the Royal Commission's report was never implemented in full. The result is that agriculture has continued to be the most under-administered of India's services. The reasons are many but not far to seek. In the first place, there is in all Governments an attitude which allows sleeping dogs to lie. The vast majority of farmers in India are not a slogan-shouting lot and so far have had less political pull than their confreres in other countries. They can, therefore, be neglected without serious political loss. Secondly, Indian agriculture seldom comes into prominence except in years of food shortage. And, when the emergency has been tided over, the authorities relapse into their traditional mood of masterly inactivity. Thirdly, it is somehow thought that, if plans are good on paper and resources are made available, agriculture will be able to deliver the goods. It is seldom realised that the best laid plans of men may go awry, if they are not well administered. The result of these and other factors has been that Indian agricultural administration, like the per-acre yield, has remained stagnant. With a dry-as-dust, unimaginative outlook, the administration betrays all the signs of senility. Some shock treatment which will inspire in it a healthy awareness of its responsibilities and some transfusion of new and more vigorous blood are clearly indicated. To delay this treatment any longer is criminal folly which will condemn Indian agriculture to exasperating backwardness.

Against this background, the Report of the Agricultural Administration Committee (Chairman: Raja Surendra Singh, Adviser, Agricultural Production, Union Ministry of Food and Agriculture) will be widely welcomed, for it spotlights the major weak spots in the administration and suggests concrete measures for toning up the departments. Its detailed recommendations will naturally require further consideration at State levels before they are implemented. But its general approach is characterised by a commendable zeal for reform of a service which is notoriously moribund, antiquated and fast developing into an *ancien regime*. The Committee deserves much credit for its forthright and clear analysis of the problem and its constructive suggestions which should go a long way towards making the administration a valuable lever for upgrading Indian agriculture. The Committee, it may be recalled, was set up in February, this year, following the conference of State Ministers of Agriculture, at Srinagar, in October 1957. It was decided at this conference that a committee should be appointed to recommend a model agricultural organisation in the States. By its terms of reference, the Committee was asked to suggest simplification of administrative and financial procedures in order to expedite the implementation of agricultural production schemes and to suggest a model agricultural organisation in the States.

The Committee's Report carries a powerful indictment of the way the agricultural administration has been allowed to drift. In the course of its enquiry, it was "struck by the prevailing low morale among the agricultural services and the frustration arising from the belief that agriculture hardly ever received the attention that it deserved, was treated in the past and is still being treated as a 'minor' department, only to be remembered in times of national emergency of food shortage." The Committee quotes approvingly the view that the "problem of increasing agricultural production in India is more an administrative problem than a technical one." It also quotes Dr. Esminger of the Ford Foundation to the effect that "there seems to be an almost total absence of any sense of urgency about increasing food production," and that "the conviction that the present agricultural methods must be changed and that it is the crucial business of the Agricultural Departments to change them does not seem to have taken hold."

The cavalier fashion in which the State Agricultural Departments have been handled will become clear from the fact that a large proportion of the posts, varying from 30 to 80 per cent., is treated as "temporary;" promotions are few and far between, and are given largely on the basis of seniority and seldom on the basis of merit. In this connection, the Committee observes: "Many who are competent have to struggle against a cumbersome and outmoded administrative machinery which not only makes it futile to strive to be competent but even encourages and promotes mediocrity, bestows on them responsibility without authority over either the budget or the individuals placed under them, wastes precious weeks and months in perfecting procedural niceties, relegates the field and the scientific worker to the domain of paper, files and accounts and denies technical leadership and recognition in the field of his specialisation." This is a sad commentary on the state of the agricultural administration in the country.

That the Committee's observations have not been formed on the spur of the moment is borne out by the fact that similar views have been expressed by the Indo-American Team on Agricultural Research. The Team observed that, though there was no question about the general competence of the non-technical men in agricultural services, their "knowledge of the deep-seated problems of agriculture was largely superficial and they could not provide the leadership and understanding necessary for the handling of the important technical matters in agriculture." According to the Committee, there are, at present, only a handful of senior competent officers available in the Departments of Agriculture and the gap between them and those who can take over after them is a "disconcertingly wide one." The country, it is stated, suffers from an "acute shortage of experienced agricultural officers who possess vision, initiative and drive." Its broad conclusion is that "technological competence and administrative efficiency are not at the level to be expected and the morale of the Departments of Agriculture is generally low." "Strong agricultural departments," it notes, "cannot be built up with third class human material."

Clearly, the first step towards the reorganisation of the agricultural services is to inculcate in the Government, the legislators, the Press and the public a sense of the importance of these services. The Committee deplores that "willingness to recognise the Agriculture Department as a major and important department appears to be still lacking." So long as this attitude persists there can be no hope of rapid improvement in agricultural production. What is necessary is for the Central and State Governments to declare that they attach the highest importance to the Agricultural Departments and that nothing less than the best talent should be attracted to them. The Committee has rightly suggested that the creation of an All-India Agricultural Service, with scales of pay and prospects on par with the I.A.S., would raise the "morale and efficiency of the agricultural services." We know that there are strong regional prejudices to the creation of such a service. But they should be made to yield to broader national considerations. While there might be some inevitable delay in reaching a decision on this question, it should be possible to reach early decisions on several other recommendations of the Committee, including those which relate to upgrading the intellectual level and broadening the experience of the existing incumbents in the Agricultural Department. Thus, the Committee has suggested the organisation of refresher courses and of job training, the supply of scientific periodicals to the staff and the institution of a system of periodical examination for purposes of selection for higher posts. A somewhat long-term suggestion, though no less important than any other, is that only those who have the necessary aptitude should be admitted to agricultural colleges. But, if the best talent is to be attracted to these institutions, the aspiring young men ought to be certain that their emoluments will not be less than those available in other services. This implies a reorganisation and upgrading of the salary scales in the Agricultural Department. Elaborate suggestions on this aspect of the problem have been made by the Committee. They deserve urgent scrutiny and implementation. The future of Indian agriculture will depend on the calibre and the enthusiasm of the young men who enter the agricultural institutions.

So much for what might be called the "personnel" aspect of agricultural services. Obviously, important as are the right personnel, the entire system too should be improved if the right men are not to be frustrated. The evolution of appropriate administrative procedures has received the attention of the Committee. Much emphasis is laid on co-ordination in "mind and action." For co-ordination to operate successfully, it is insisted that adequate authority and power should be vested in the co-ordinating body at all levels. The Committee deplores that inspection and supervision of the right sort have not been evolved and that they deal with procedures, accounts and irregularities rather than with technological standards. The Agricultural Departments, it is stated, should evolve plans for increasing agricultural production in every village, rather than remain content with executing the targets for distribution of seeds and fertilisers. If integrated plans for increasing agricultural output in each village are executed, the "targets prescribed for the second Five-year Plan will be taken care of automatically."

The familiar drawback in Government expenditure, namely, the concentration of the bulk of expenditure in the last quarter of the official year, is to be found in agricultural services too. A certain measure of relaxation of the rigour of financial procedure, enhancement of spending powers of officers, and organisational improvement in the shape of posting of internal financial advisers in State Agricultural Departments are advocated. This reform is particularly necessary in the agricultural sphere in which seasons cannot be made to wait on the slow-moving official routine.

In the context of continuing urgency of the need for increasing agricultural production, the reorganisation of State agricultural departments brooks no delay. It is of the utmost importance that the Committee's report should be considered at the highest levels, preferably at a conference of State Agriculture Ministers or State Directors of Agriculture and a phased scheme for its implementation is put into effect immediately. Resolute and prompt action on the lines suggested by the Committee will help improve Indian agricultural administration to a level of competence which will do justice to the country's major occupation.

TREND OF COMMODITY MARKETS IN INDIA AND ABROAD

STOCK EXCHANGE TURNS EASY

THURSDAY, 5 P.M.

MARKET GOSSIP

TRADING on the *Moorat* day has ceased to be of any great significance for some years now. Business done on that day is only of a token nature and does not represent any indication of the possible trend in the Hindu new year. In these days of socialist pattern, with the State interfering in every sector of economic activity, astrologers and chartists are at a great discount. The economic analysts are no exception, for, in view of the unpredictable nature of politicians, it is not easy for them to make any reasonable forecast of the future on the basis of available information on current trends. Even the volume of token business on the *Moorat* day has tended to shrink year after year, for more and more among the operators do not attach much importance to it. In fact, the younger generation is tending to regard the day as a holiday to be spent in more enjoyable places than in the trading rings of city markets.

Moorat trading this year was a dull and colourless affair in the share and bullion markets. The cloth market was a little more active than in the past year, apparently because some of the mills, burdened with heavy stocks, wanted to make the best use of this auspicious day by making tempting offers at lower prices. The increase in turnover on that day did not represent any cheerful view of the future. It made a false impression on the cotton market that day. This is evident from the easier trend depicted by raw cotton in today's trading.

* * * *

Almost all commodity markets in India are presenting a drooping trend now, because of expectations of bigger crops. This is particularly true of raw jute, the prices of which have gone down to levels which are the lowest to be seen since 1947. Indeed, these extremely low levels appear to be a source of concern to jute mill owners instead of gratification, for they are worried that, with rice fetching attractively high prices, farmers may switch over from jute to rice next year. If they do so, the price pendulum will swing far to the other side, which, in turn, will upset the outlook for jute manufactures. Obviously, wide fluctuations in prices of raw materials are not in the interests of any manufacturing industry, but it is even more so in the case of the jute industry which has to compete with strongly entrenched substitutes.

The story of raw cotton is not far different. It is true that prices at the time of writing are perceptibly above the lowest levels recorded last week, but they are also well below those touched on the *Moorat* day. Crop reports are encouraging. The latest estimates speak of a crop of about 5.4 million bales and weather reports are on the whole satisfactory. A bigger cotton crop is being harvested at a time when the mill industry is passing through a difficult time. Unless the Government takes off the restraints imposed by it on consumption of mill cloth, the cotton-grower will be badly hit this year. As compared with the prices prevailing a year ago, spot cotton varieties have sustained a fall of about Rs. 100 to Rs. 125 per candy in the short-staple group and about Rs. 130 to Rs. 150 per candy in the medium and long-staple groups. In fact, the heaviest fall has occurred in 13/16" and 23/32" varieties. Mills and traders know very well that the crop this year is a bigger one, that the demand for cloth is not picking up and that stocks of cotton at the end of the season will be in the neighbourhood of 2.5 million bales. None of them, therefore, is in a hurry to accumulate stocks. Moreover, quite a number of traders are said to have suffered heavy losses during the closing stages of the past season and are, therefore, reluctant to invest in the new crop.

There are reports of larger crop in oilseeds also. There has already been a sizable fall in this commodity, but it has not gone far enough. Since the prices of edible oil have considerable influence on cost of living, a further fall in them will be welcome and check the inflationary pressure. Moreover, as this commodity had gone up unduly high last year, a decline in its value will represent nothing more than a long overdue correction.

Among other commercial crops the prices of which are going down are pepper, tea and coffee. Notwithstanding labour unrest in Kerala plantations and the loss of production in the High Ranges, there was a heavy fall in prices of teas at Calcutta this week. Neither the world markets nor the domestic markets for these plantation products show signs of improvement in the near future.

It is a good sign that prices of foodgrains, sugar and *gur* are also going down. There is an urgent need for them to recede to more healthy levels. It is unnecessary for the authorities to take any steps for the present to arrest the downward trend in the prices of any of these food articles. A sizable increase in food production is indicated by unofficial crop reports, but it is unlikely to be so large as to cause a slump in prices.

After being listless on the *Moorat* day, the share market has turned easy. During *Moorat* trading, movements in prices were negligible, indicating thereby that operators did not expect any exciting developments in the near future. Today, when they began to function after taking two consecutive holidays, some of them became somewhat uneasy. The bulls preferred to reduce their commitments. A few big operators who had entered the market only recently were seen getting out in a hurry even at a small loss to themselves. The vast majority of counters have finished the week with losses, the closing rates being the lowest for the week in the case of almost all the leading scrips. Even Belapurs sustained a fall, despite the increase in the proposed distribution from Rs. 18 to Rs. 20 per share for 1957-58.

We would list the following as the reasons for the change in the tone of share market:

(1) Some time ago, the Reserve Bank issued a general, mild warning to banks that they should not help unhealthy speculation in share markets. It has now asked all the scheduled banks to explain the extent to which they are financing *badlas* in shares, the way in which such financing is shown in their books and the names of scrips against which they have been giving credit. This is interpreted in market circles as a preliminary to an attack on excessive speculation in shares. The Reserve Bank, it may be noted, has powers to extend selective credit control to advances against shares also.

(2) Reports from Calcutta show that the bulls in Indian Irons had to pay high carry forward charges: these worked out on an average to an interest rate of 10-11 per cent. per annum.

(3) The deliberations of the National Development Council contradicted the earlier report that the authorities would prune the Plan further. The Council has made it clear that the public sector's investment under the second Plan would not be below Rs. 4,500 crores and that both the Centre and the States should intensify their efforts at raising resources. The State Chief Ministers have agreed to study proposals for introducing compulsory savings and report favourably at their next meeting. In such an atmosphere, the chances of a reduction in taxation are practically *nil*. In fact, Mr. Morarji Desai, Union Finance Minister, told a public gathering in Bombay on Tuesday this week that there could be no reduction in the tax burden in the foreseeable future.

(4) The short-term money market has suddenly begun to show signs of stringency, with inter-bank call money rate shooting up from 1½ per cent. to 2½ per cent. Considering reports of larger agricultural crops, some bankers expect that the busy season which has just commenced will not be as bad as many seem to believe.

(5) The Congress Party has, once again, started talking about ideological reforms, especially for the rural sector. The principle of ceiling on agricultural lands has been finally endorsed by the leaders at the top and the need for enforcing it at an early date has been stressed. Ordinarily, this should act as a bullish factor for shares, but the spirit of reform is such that its effect on urban incomes may be the opposite. There is strong pressure on the Congress Party to apply a ceiling on urban incomes also, so that there may be no invidious distinction between the rural and urban sectors. Nothing immediate may come out of this move, but it is a straw in the wind. Prime Minister Nehru has already decried the tendency to pay big salaries to the administrative personnel in the private sector. He considers it as an unIndian tradition and blames the foreign employers for setting a bad example! He has also said, in effect, that foreign assistance is welcome, but not foreign advice. Another significant decision of the National Development Council is to "socialise" the wholesale trade in foodgrains. All these straws in the wind suggest that the hope that the various speeches made at the Fund-Bank meetings a month ago will influence the leaders of the Congress Party in favour of private enterprise is unlikely to materialise. The fact that, at its meeting this week, the National Development Council paid no attention whatever to the private sector side of the second Plan is an indication of the mind of the powers-that-be.

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The remarkable recovery in the world's leading stock exchanges, the London and New York markets, continues to attract the attention of financial experts. At this time, last year, world economy was confronted by the American recession which threatened to assume menacing proportions. The threat has virtually disappeared, yielding place to a buoyancy which would have appeared improbable only a few months ago. The *Financial Times* index number of industrial equities (Base: 1st July 1935=100) has touched a high of 212.1 as against the low of 154.4 recorded in February last and 165.2 a year ago. The Standard and Poor's index of American industrials (Base: 1941-43=10) is now standing at 56.24 as compared with a low of 42.76 this year. All this improvement reflects the confidence which has returned to the stock exchanges in these two important centres of world economic activity.

Although world commodity prices show no such remarkable improvement over the past 12 months, they have undoubtedly advanced sizably in the last few weeks. The *Financial Times* index number of commodity prices (Base: 1st July 1952=100) stands at 81.73, as compared with 78.83 and 82.07 a month and a year ago; the corresponding figures for the Dow Jones index (Base: 1924-26=100) are 160.25; 156.44 and 164.44. The overall index numbers conceal several individual variations. Notable instances of a strident increase in prices in the last few days are furnished by copper, lead, zinc and rubber. The recent upsurge in copper is attributed to a strike in the Rhodesian mines and a similar movement in lead and zinc to a demand from the U.S. The rise in rubber is a sequel to Russian buying. The following are the prices of a few commodities in the London market with figures in brackets indicating the prices a year ago:

(Prices per ton)

Aluminium £180 (£197); copper £257½ (£190); lead £76.11/16 (£86½); tin £763¾ (£730½); zinc £75½ (£68¾); jute £90 (£116); sugar £30⅝ (£32⅜); coffee (per cwt.) £226 (£255); cotton Am. Middling (per lb.) 25.20*d*. (26.70*d*.).

The outlook for commodities is determined—apart from supply considerations—by the state of the demand in the U.S. and Europe. So far as the U.S. is concerned, there is no doubt that the worst of the recession is now over. But European industry has not recovered very fast. This is an uncertain factor for commodities, especially in Asia for which Europe offers the largest market. Discussing the outlook for them, the London *Economist* points out that industrial output in western Europe reached its peak in the first quarter of this year, fifteen months after the United States had reached its peak; a slight fall in the second quarter has almost certainly continued into the third quarter. Though personal consumption has held up, expenditures on new plant and equipment in most European countries have declined, stockbuilding has slowed down and exports have fallen. A recent survey by the Economic Commission for Europe suggested that a renewed rise in total activity could only come from the rising trend of construction and Government expenditures. It said: "Whether they will suffice during the last part of the year to neutralise the downward pull in other fields, particularly industrial investment and exports, is doubtful." The further reflationary steps just taken in Britain, according to the journal, do not appreciably affect that judgment.

The journal, therefore, avers that it would be prudent for the primary producing countries to assume that the recovery in the United States will be party offset by a slight—not a severe—recession in Europe. In that event, commodity prices as a whole could still rise further, but not fully to match the rise in American demand. The main factors in favour of the primary producers are that stocks in consuming countries generally are not high, and that current rates of consumption of some commodities, notably copper, tin and rubber, are running comfortably ahead of world production. In the United States, the rebuilding of stocks is well under way; in Britain, the rate at which total stocks and work in progress were being increased was much lower in the first half of this year than it was in the first half of 1957, and at the end of June the volume of stocks was only 3 per cent. higher than a year ago.

As regards individual commodities, the outlook, according to the *Economist*, is mixed. Copper prices are unlikely to suffer from the ending of the Rhodesian strike, though any further rise will be held in check by increases in production. Tin prices "look reasonably safe." Lead and zinc prices are unlikely to hold their present levels, unless the producing countries, individually or collectively, make further cuts in production to offset import restrictions in the U.S. Natural rubber may not suffer through falling off in Russian buying, because American consumption will be substantially larger next year than this year. Analysing the prospects for other commodities, the journal observes:

"For coffee and tea, and for the fibres and grains, the prospect is not bright. Prices of coffee have fallen by roughly a fifth this year in face of the large surplus; the best that can be hoped for is that the agreement of Central and South American producers to restrict exports will avert a collapse in prices. World production of tea has increased this year and prices even of some better qualities have weakened. Cotton and wool are still suffering from the world-wide recession in the textile industries. Though some recovery may be in prospect, it may not do cotton much good. Nearly all growths of raw cotton produced outside the United States are selling well below the U.S. export price, mainly owing to fears that the subsidy on American cotton will be increased. Such price-cutting in turn makes it harder for the American Government to resist an increase in subsidy. And the new cotton legislation in the United States promises to bring about a larger crop, and lower prices, in 1959-60. Prices of wheat and coarse grains can hardly rise much in face of the massive surplus in the United States."

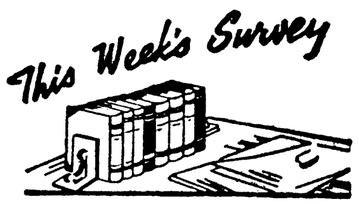
In conclusion, the *Economist* holds that the outlook for commodities, if not wildly exciting, is far from gloomy. Industrial output in W. Europe might revive in spring, even if it suffers a mild downturn in winter. On the whole, primary producers, it is stated, may fare better next year than in the current year.

* * * *

There is a paragraph in the latest Directors' report of the Ahmedabad Electricity Company Ltd. which is intriguing. It says: "Mr. K. G. Milne, Ex-officio Director and Chairman, resigned and Mr. P. D. C. R. Clark was appointed in his place in September 1958. Mr. E. D. Sheppard also resigned his seat on the Board in September 1958, and the Board have placed on record their appreciation of the services rendered by these gentlemen to the Company." The report is dated 23rd October 1958.

It will be seen from the aforesaid quotation that both the gentlemen resigned in the same month, and that only a few weeks before the Directors' report was signed. Both are senior members of the well-known managing agency house, Messrs. Killick Industries Ltd. Neither of them has retired from India and so far as our

(*Continued on page 820*).



CEILING ON LAND

THE movement for the imposition of ceiling on land has gained some fresh strength, thanks to the support lent to it by the Agricultural Production Sub-Committee of the All-India Congress Committee. One thought that the urgency of the need for increasing food production would induce the authorities to soften the emphasis on ideological land reforms. Apparently, nothing will deflect them from the principle of cutting up large holdings in land. Not even the thought that the time and energy spent in implementing a ceiling on land could be more fruitfully employed in other directions seems to weigh with them. Indeed, the Agricultural Production Sub-Committee of the A-I.C.C., according to reports from New Delhi, has insisted that legislation fixing ceilings on land must be expedited.

Mr. Nehru's agricultural thinking is still in favour of small peasants working under a system of co-operatives. At his Press conference this week, he said that there were only two ways of food production; "one was the way of big efficient landlords using modern techniques and the other efficient peasants working in co-operatives." He said the first one might produce good results but, "relatively speaking, it is oppressive to the peasantry." He added: "Therefore, we are driven to the second alternative. We have to consider not only food production but also human advance." He admitted that the imposition of a ceiling on land would naturally result in the cutting up of some of the large farms, "as it should, as it is meant to." Apart from this, the basic problem in India, he said, was that of very small holdings of one, two or three acres; the infinite number of small holdings should work co-operatively so that they could get the advantage of modern methods of farming.

The imposition of a ceiling on land will create more problems than it will solve—that is, if it solves any at all. If it is recognised that the real problem in this country is fragmented holdings, and not large estates, the solution for the problem of raising agricultural output will be seen to lie in creating the necessary enthusiasm among the peasants and making available the facilities they need, such as credit, superior seeds, fertilisers and marketing facilities. By reducing large holdings, the Government will be adding to the problem of fragmented plots, and creating a new problem in the shape of equitable distribution of surplus land. Besides, to dispossess a big landlord is fraught with serious social consequences which urban residents, with their relatively regimented life, can never fully appreciate.

Yet another defect in the Congress agrarian plan is its pathetic faith in co-operative farming. It is somehow thought that all the present ills of agriculture arise from peasant proprietorship and that co-operative farming would put an end to them. The diagnosis is fallacious and the remedy that is suggested is by no means an efficacious one. Experience in India shows that co-operative farming is no solution to our agrarian problems. This is confirmed by a survey conducted recently by the Punjab Government. According to a report from Jullundur, more than two-thirds of the registered co-operative farming societies—this is, by any reckoning, a large proportion—have been found to be "bogus" organisations. The survey disclosed that most of the 670 societies surveyed were a mere "family show" in which members belonging to a family formed themselves into a co-operative society. People in the rural areas have now found that co-operation is the road to personal prosperity at the expense of the taxpayer and the community.

In the course of a forthright article on co-operation, in *Kurukshetra*, Mr. S. S. Puri, the Registrar of Co-operative Societies in the Punjab, warns that "perversion of co-operative ideology has begun to manifest itself in various forms." Fiscal relief and other concessions have led to what the author rightly calls the "growing menace of spurious brand of co-operation." The promoters of "pseudo-co-operatives," it is stated, have been motivated by the consideration that the co-operative form of organisation may enable them to circumvent various unwelcome laws. It would appear that this is particularly true of co-operative farming societies which are formed with a view to getting over the "legal provisions relating to ceilings on land or to avoiding the full impact of tenancy legislation." He observes:

"From what has been stated above, it is evident that at least a part of the zeal for co-operation in India these days has a tainted source. It is arising from the general awareness that the co-operative form of organisation is a favoured child of Government. This is reinforced by the consideration that the co-operatives are understood to represent a certain degree of moral superiority and business integrity. This reputation has conduced to the development of pseudo-co-operatives not only in India but even in foreign countries. In this connection, W. P. Watkins has pertinently observed that 'the very success of the co-operative movement and its good standing amongst the common people offer temptation to those who would exploit, for their own ends, the good repute of the word 'co-operative' and profit by sailing under the co-operative flag.' . . . About religion it has been said: 'Men may write about it, speak about it, fight and even die for it, but very few live by it.' Co-operation in India is in the danger of being placed in the same category."

This pernicious trend towards pseudo-co-operation will get fresh momentum through the continuing emphasis on Government-sponsored co-operation. In particular, the imposition of ceilings on land will intensify this trend which, in its turn, will breed a new class of social parasites and destroy that personal interest in cultivation which alone can lead to enduring increase in agricultural production.

SMALL-SCALE INDUSTRIES

The view that, if the projects included in the "core" of the Plan were essential to national development, the small-scale industries formed the "core" of employment in the country was expressed by Mr. Manubhai Shah, in the course of his speech at the twelfth meeting of the All-India Small-scale Industries Board, held at Shillong, last week. Reviewing the progress of small-scale industries, he pointed out that production in these industries had gone up by 200 to 300 per cent. in the last three years. They, however, faced a real handicap in the shape of acute shortage of raw materials, particularly steel and non-ferrous metals. The Union Government, according to Mr. Shah, is determined to give preferential treatment to the small industries in the matter of import of raw materials, plant and equipment.

Among the measures taken by the Government in order to give a fillip to small-scale industries, mention must be made of the scheme for establishment of industrial estates. At present, 72 industrial estates have been sanctioned. Of these, 43 are under construction. Some 580 factories have started functioning already. The establishment of an additional 38 estates is under consideration, which will bring the total number of such estates to 110. Further, the Government proposes to set up several full-fledged major research institutes for small industries. By 1959, 14 such institutions, one for each State, will have been established. They will serve as centres of extension service for the development of small-scale industries. A technical centre will also be located at some industrial estate in each State. The Indo-German Machine Tool Prototype Centre at Okhla (Delhi) will be ready by 1960. Work on the T.C.M. Centre, Rajkot, is in progress. The establishment of a foundry and light engineering centre in Calcutta is the subject of negotiations between India and Japan. A Swiss team is expected in India for discussing the project for a technical training centre for watch industry. The French Government has offered its co-operation for setting up a precision instrument production centre at Guindy (Madras), while an Indo-Polish small industries centre is under study. A few other projects with foreign collaboration are under consideration. It is expected that, in the next two or three years, each State will have one specialised centre for the development of small-scale industries.

As Mr. Shah himself pointed out, an important reason justifying special treatment of small-scale industries is that they "provide spread of technology." If the industries are to perform this function they must not be allowed to remain a museum of antiquated technology but should be encouraged to use all available modern equipment. From this point of view, it is gratifying to note that the Government proposes to set up a "Board for Promotion of Small Inventions" which will award prizes ranging from Rs. 1,000 to Rs. 25,000 to successful inventors of new equipment and machines. This body should be able to provide considerable impetus to latent inventive genius of our technical men and engineers.

TOWARDS BETTER WOOLLEN GOODS

The technique of production employed in the woollen industry in India, particularly those in the cottage sector, stand in need of immediate reorientation, if the quality of its products is to improve. There is no doubt that the domestic demand for woollen goods, notwithstanding the fact it is at a relatively low level at present, is bound to go up in years to come. But an increase in production designed to meet the demand must be accompanied by an improvement in quality. In this context, the observations on the problems and prospects of our domestic industry made by Mr. H. K. P. Wood, Chairman of the International Wool Secretariat, during his recent visit to India, are quite pertinent. He has rightly emphasised the need for introducing new techniques in the industry.

The problem of rationalising the industry on modern lines is by no means an easy task. This is so, especially because of the prevalence of a large number of cottage units in the country, employing about 500,000 workers. Mr. Wood is aware of the magnitude of the problem of mechanisation in this sector, given to age-old and outmoded methods of production. He is of the opinion that the existing process of men treading on woollens is very slow and cannot help in the economic production of good cloth.

It is gratifying to hear from Mr. Wood that the International Wool Secretariat proposes to teach advanced methods of knitting and other woolcrafts in the villages through the existing Government training centres and provision of visual aids which will enable uneducated villagers to learn the craft easily. This campaign is bound to be of great value in raising the productivity and income of this important cottage industry. It may be mentioned here that carpets and rugs produced in this sector account for the major share of India's earnings from woollen products. The woollen mill industry, though relatively better placed and better organised, cannot be said to have set up standards comparable to those in advanced countries. In the opinion of Mr. Wood, much has to be done before India's wool and wool textile industries can be put on "a fully economic and up-to-date basis."

The International Wool Secretariat has done much to promote new techniques in the last 21 years of its existence. It has invented new processes such as solvent carrier dyeing, durable pleating and shrink proofing. During the past year, the programme of research supported by the Secretariat reached record proportions. There were 53 individual holders of scholarships and fellowships in Europe and the U.K. working on a wide range of wool topics. It would appear that the Secretariat proposes to establish a fellowship in India as part of its broad plan to assist in the development of its wool industry.

At present, India produces chiefly good hard wool from which only carpets can be made. But, as Mr. Wood pointed out, there is no reason why India should not produce soft pliable wool by adopting improved methods of sheep breeding. The absence of production of soft pliable wool has been a serious handicap to the wool textile industry in India. If such wool were produced indigenously, India could achieve a large degree of self-sufficiency in woollen goods.

COLOMBO PLAN

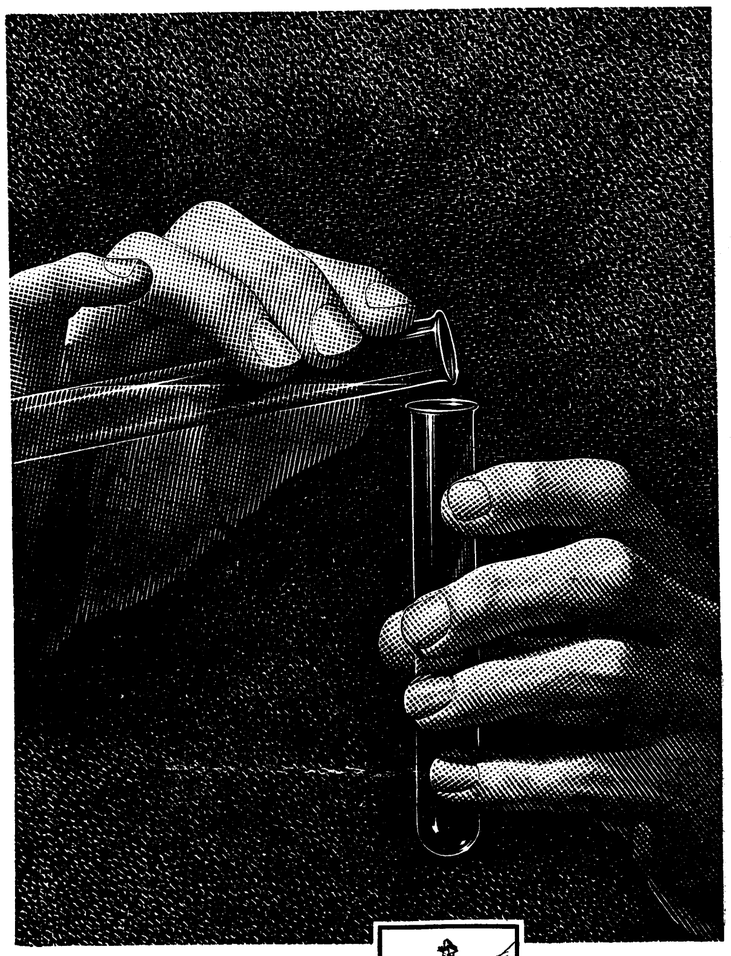
The five-point "programme for progress" outlined by President Eisenhower in the course of his address to the 18-nation annual meeting of the Colombo Plan Consultative Committee which opened in Seattle (U.S.A.) on the 10th inst. is a measure of the U.S. Administration's interest in the co-operative effort of the Colombo Plan countries to better the lives of their people through economic development. The measures proposed by him constitute a comprehensive programme for assisting the economic development of the Colombo Plan countries. The programme, which takes cognizance of the urgent problems of the region, is a thoroughly practical approach towards their solution. It is addressed, in the main, to five major requirements for economic development, namely, expanded international trade, technical skill, private investment, normal bankable loans, and finances to cover other sound projects which will afford the borrower flexibility regarding terms of payment.

(Continued on page 820)



Men and Oil No. 2

THE CHEMIST



In many ways, the oil industry is a pure application of chemical knowledge. From the earliest stages of exploring for new oil deposits, through to controlling the great refineries, the chemist is a key man.

He examines rocks and oil shows collected during exploration, helps in drilling and cementing operations and assists in the interpretation of electrical well logs to identify oil and gas bearing zones. He also analyses formation fluids and oil-bearing reservoirs in order to estimate the total amount of oil recoverable from an oilfield, and studies means for improving the recovery efficiency.

The chemist, again, controls the technical operation of the refinery. At Digboi, for example, chemists are responsible for the production on specification of more than 100 products. From the Assam crude oil, the main products are motor spirit, kerosines, diesel, lubricating oils, and various grades of waxes. The chemist is also concerned with other products such as mineral turpentine, jute batching oil, tea drier oil, bitumen—all these being vital to India's economy.

Chemists in the oil industry must, therefore, possess very high qualifications. Indian chemists play an important role in the working of the Assam Oil Company.



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DEFICIT FINANCING TO BE CUT

From Our Special Correspondent

NEW DELHI, 11*th November*

THE National Development Council, at its latest session here over the week-end, has decided that the size of the second Plan in the public sector be limited to Rs. 4,500 crores at current prices. The Planning Commission's estimate—the latest—is that total resources would be only Rs. 4,220 crores. As the Council has also decided to have a cut of about Rs. 200 crores in the total provision (Rs. 1,200 crores) for deficit financing, the actual five-year outlay would be of the order of only Rs. 4,000 crores on the assumption that resources might not be found in their entirety to match the financial target of Rs. 4,500 crores. But the Council has made no such assumption, because there is still the vague hope that a gap of the order of Rs. 500 crores in resources could somehow be covered. How this gap is going to be covered is, however, not clear, despite the various suggestions considered at the Council's session.

DELHI LETTER

One of the suggestions accepted by the Council is to examine the feasibility of compulsory savings on a national basis; this is to be done at the Council's next session in the light of the State Chief Ministers' views. Another suggestion is that economies in the construction costs of buildings be achieved to the extent of at least 10 per cent.; this is to be done, according to a decision of the Council, by constructing fewer and cheaper buildings. Construction of new and large buildings in the Community Development areas is to be avoided as much as possible; wherever they have to be unavoidably constructed, they are to use local materials and their construction need not be entrusted to the Public Works Department which has higher standards and specifications. At the same time, the need for saving steel has been recognised; in this connection, the Council has suggested that the purposes for which steel might be used should be specified. But the suggestions regarding the possible wider application of the compulsory provident scheme and the issue of prize bonds have not taken any concrete shape. It looks as though the only feasible suggestion among these, as far as the last two years of the Plan are concerned, is to achieve a measure of economy in the construction costs of buildings. And it is extremely doubtful if any compulsory savings scheme can be instituted on a national scale, for, in the absence of a lower price level than what prevails now, it might only engender widespread resentment.

Ceiling on Deficit Financing

The most sensible decision taken by the Council is to limit deficit financing to a maximum of Rs. 1,000 crores in the entire five-year period. The views expressed by the Federation of Indian Chambers of Commerce and Industry in a brochure (entitled *Internal Resources and the Second Plan*) circulated and publicised on the eve of the latest session of the National Development Council do not appear to have found favour with the authorities. These views, incidentally, are as follows:

"The proposed level of resources to be created by deficit financing during the Plan period was Rs. 1,200 crores. . . . The budgetary deficits in the first two years of the Plan amounted to about Rs. 700 crores—Rs. 640 crores at the Centre and Rs. 60 crores in the States. The estimates for 1958-59 come to a total of Rs. 215 crores, out of which about Rs. 190 crores will be financed by the Centre. Thus the annual average for the first three years has been over Rs. 300 crores; *by and large there have been no untoward developments in the general prices situation and it may be quite safe to reach the target of deficit financing if the necessary precautions are taken* (italics mine).

"The recent rise in prices has mainly been confined to food articles and industrial raw materials. Much depends on maintaining the food prices at reasonable levels for holding the general price line; it is unfortunate that even a small short-term shortfall in food production tends to have a magnified effect on prices all round."

In view of the rise in prices in the current year, it may be that the Council's revised target of Rs. 1,000 crores for deficit financing will have been fully reached by the end of March 1959. In which case, there could be no further deficit financing in the last two years of the Plan. And this would mean that the sound advice of the World Bank and the International Monetary Fund has at last found favour with the Government of India. If the Council's decision regarding deficit financing is final, it would be good in its own way. It would ensure the success of public loan flotations as in the current year. The spectacular increase in the last one year and more in deposits with the banks, it may be recalled in this connection, has been attributed to the heavy deficit financing in the first two years of the Plan. If the injection of created money in the third year is also taken into account, it may be that the individually-owned deposits will go up further and ensure the success of loan flotations in the remaining years of the Plan. Incidentally, only a possible enquiry by the Reserve Bank of India into the ownership of deposits according to income groups could show whether or not the inflation resulting from created money has made the rich richer.

Federation's Views

There is *prima facie* evidence that it has, although the Federation of Indian Chambers of Commerce and Industry has slurred over this aspect of the matter in its latest brochure. Says the Federation:—

"... the (loan) results of 1958-59 seem to be quite encouraging. However, it should be noted that the comparative success of these flotations stems from a not-too-healthy feature, viz., *surplus funds with banks on account of a slackening of economic activity* (italics mine).

"Small savings have failed to register any marked increase, particularly in the rural and semi-urban areas as well as in secondary and tertiary employment. The need for having an efficient and economical organisation to mop up these savings-potential is recognised since the past few years but hardly any progress has been made."

The Federation's contention seems to be that the deposits with banks, by and large, do not represent savings while there are considerable untapped savings elsewhere. If that is so, the question is much too crucial to be answered one way or the other without a careful examination. It is to be regretted that the Federation has aired vague and unsubstantiated generalisations.

If the Federation's plea in the matter of deficit financing has not found favour with the National Development Council, its uninformed contention that "although half of the national income originates in the agricultural sector, its contribution to the pool of national resources is hardly 10 per cent." is not likely to fare any better. If at all there are any substantial savings that can be tapped from the agricultural sector, they can only be with substantial landowning families with 25 acres and more each who have larger marketable surpluses than medium or small landowning families. Such substantial landowning families (excluding non-resident landholders) number, according to the National Sample Survey Report on Landholdings, 2,305,000 with about 106 million acres of land. How much savings these landowning families may have after taking into account their cost of living which is determined, among others, by their long-accustomed standard of living and whether these savings would not have to be used for the much needed reinvestment in their lands, are matters which call for closer examination. Very often it would be misleading to go by percentages, the more so when the Federation is not sure of its ground.

PROTECTION TO SODA ASH INDUSTRY EXTENDED

The Government of India's resolution on the Tariff Commission's Report (1958) on the continuance of protection to the soda ash industry has been published in the *Gazette of India* dated 8th November 1958. According to that resolution, the Government has accepted the Tariff Commission's recommendation that protection to the industry should be continued for three more years, that is, till 31st December, 1961, and that the existing rates of protective duty, namely, Rs. 4.25 per cwt. (if manufactured in a British Colony), and Rs. 5.75 per cwt. (if not manufactured in a British Colony), should remain in force till that date.

The Government has taken note of certain other recommendations of the Commission for assistance to the industry and will take suitable steps to implement them as far as possible.

PROGRAMME FOR PROGRESS

From Our Own Correspondent

LONDON, 7*th November*

THE August index of production has just been published. This shows a fall of over three per cent., as compared with August a year ago and follows a fall of two per cent. in July. The turn of the economic tide is not yet. On the other hand, the end-October gold and dollar reserves show a jump of £20 million to a new high of £1,130 million.

LONDON LETTER

No wonder then that the British Chancellor could speak of "Operation Confidence"—meaning deflation—as having now to be followed by "Operation Re-expansion." "In one action after another," he said this week, "we have moved to set the economy expanding again. Bank rate is down from 7 to 4½ per cent. The limit on bank advances has gone and capital issues control has been eased. Initial allowances (tax relief) have been increased. Hire-purchase controls have been taken off. Public investment will start rising again. There is special help for the areas of relatively high unemployment. Overseas—where expansion matters most—there are to be new Commonwealth loans to help finance our exports, and international measures are in prospect that will increase world lending and enlarge credit. All this adds up to a considerable stimulus . . . what we want is reflation and not re-inflation . . . there is already some evidence of increased demand building up in the system. Business confidence has never shown much sign of weakening, and, as cheaper and easier money gets around, we shall begin to see the consequences."

Here we have both the Government's analysis of the economic situation and what they have done to apply a stimulus. But one looked in vain in the Queen's speech for any suggestion of direct measures. Indeed, the principal proposal of Her Majesty's Ministers was to complete the post-war dismantling of those emergency powers which give the Government wide economic control. There are thirteen of these emergency powers left—thirteen years after the end of the war. Eight of these are due to be abolished in the coming year and the remaining five are now to go as soon as new legislation can be introduced. And such new legislation is not in any case to be effective beyond 1964. As these powers go, the Government will not be able, for example, to impose price controls or to licence new building without going to Parliament and getting a special measure enacted. And, since Ministers are notoriously slow to seek powers from Parliament, it is evident that, as far as this Government is concerned, *laissez faire* is going to be the way out of the present recession.

Other measures in the Queen's speech provided for paying current market prices to the owners of land compulsorily purchased for some public purpose. In the past, such landowners have suffered—in 1957 they were underpaid about £10 million.

In order to ensure no financial brakes on new building, the Government is to make advances to building societies, enabling them to lend more money on new houses and thus increase the numbers of private dwelling house owners.

A realistic measure proposed is direct assistance to small farmers—mainly through limited-term loans—to help them make their holdings viable economic units. This measure will—or ought—to take the small farmers lobby out of the annual negotiations between Government and farmers about the right amount of subsidy assistance. Too much money has gone to help efficient farmers on the grounds that the same rates of subsidy were necessary for smaller and, presumably, less efficient men.

All in all, it does not look as if the Government will feel it necessary to do more than make lots of money available cheaply and rely upon business confidence to do the rest.—*All Rights Reserved.*

AMERICAN LETTER

ECONOMIC RECOVERY WELL MAINTAINED

ORDERS PLACED WITH INDUSTRIES UP

From Our Special Correspondent

NEW YORK, 4*th November*

THE pick-up in business has been well maintained so far. Thus, nearly everyone expects that the recovery will carry well into 1959. October sales in New York City's big department stores and their suburban branches throughout the New York and north-eastern New Jersey metropolitan area rose to the highest levels in history for that month. The gain in New York City in relation to October 1957 was 7 per cent. and for the entire metropolitan area it was 11 per cent. Public buying was particularly concentrated in soft goods.

This has given a boost to textiles, generally, and many stores are complaining that they may be running short of inventories in the forthcoming holiday season. Promotions have been effective where they had not been so a short few months ago, attesting to public confidence in the future.

Even the automobile industry has been blessed with good public demand. This, coupled with wild-cat strikes, has put a pinch on the new supply of cars in some areas where only a few weeks ago showrooms were overflowing.

Steel output in the first week of November was running at 75 per cent. of capacity, which compares with 79.7 per cent. a year ago. If popular demand for automotive products continues, steel production is apt to break through last year's levels in the near future.

Generally speaking, interest rates are still firming, prompted by another boost in the Federal Reserve discount rate. There are the usual complaints about it and some appear justified.

Mortgage money, for example, is getting tighter and this could very well lead to a slackening of now booming construction activity. But every one at Washington and throughout the country is so afraid of inflation that the risks involved in tightening credit are being taken.

With declining outdoor activities in the northern part of the United States, there has recently been an overall decline in employment. The October employment figure was 64.6 million, against 65.4 million in September and 65.7 million in October 1957. Registered unemployed last month were off, however, to 4.1 million, against 4.7 million in the preceding month and 2.6 million in October 1957.

Consumer income continues its miraculous rise. At the mid-October reporting date, it stood at $357,500 million, as compared with $356,100 million in September and $351,400 million in October 1957.

The decline in inventories has been quite healthy. In terms of dollars, stocks on hand have declined 10 per cent. in the last 12 months' period. Early in November, inventories were reported at $48,900 million, as compared with $53,600 million a year ago.

The stock market is, perhaps, the most confusing aspect of the U.S. economy. Although there are intermittent setbacks, the upward price movement continues. Wall Street is extremely jittery. This state of mind is best illustrated by the fact that the short position in stocks on the New York Stock Exchange is now double that of a year ago. As indicated in these columns before, two major influences are at work. One is the obsession with inflation and the other is an actual shortage of securities *vis-a-vis* accumulating funds. Nevertheless, brokers and traders are scared at the time of writing.

On account of the extraordinary large volume of trading, for some brokers October commission volume was the largest monthly income they ever had. Hence, year-end bonuses should be rich this year. The bond markets, too, have been better.

All this has created a receptive mood for the November U.S. Treasury operations which are of considerable magnitude. Yields on Government securities have now slipped back to where they were earlier this fall. The last time, the Treasury was quite generous in pricing its new issues, such as 3¼ per cent. bills and 3¼ per cent. notes.

Lower rates clearly are in order for this month's new borrowing of $3,000 million and a $12,200 million refunding. Secretary of the Treasury Robert B. Anderson will fix the terms of the offerings only after he gets the recommendations of his commercial and investment banker advisory groups. The insurance companies and savings banks also contribute their opinions of investment requirements. After all is said and discussed, Mr. Anderson still has to make up his own mind as to what is proper under the circumstances.

Apropos my previous remarks regarding the constant growth of investment funds, it may be observed as just one example that total combined assets of the 146 open-end investment companies and 24 closed-end ones which are members of the National Association of Investment Companies passed the $13,000 million mark during the third quarter of the year and totalled $13,283 million on 30th September. They were $11,984 million on 30th June and $10,280 on 30th September 1957. Shareholder accounts for member-companies totalled 3,777,262, against 3,169,812 12 months previously.

On the industrial front, it may be noted that orders placed with factories in September marked the first time this year that such volume was ahead of the same month a year ago. The volume in September came to about $26,800 million on a seasonally adjusted basis. This compares with $26,100 million in August and $26,600 million in September 1957. Primary metal and machinery producers were the chief beneficiaries. There is no indication that this pick-up in orders is Government-supported. In fact, there was a slump that month in defence orders for aircraft and other automotive equipment. Building materials, rubber, petroleum products and textiles also gained from this private spending.

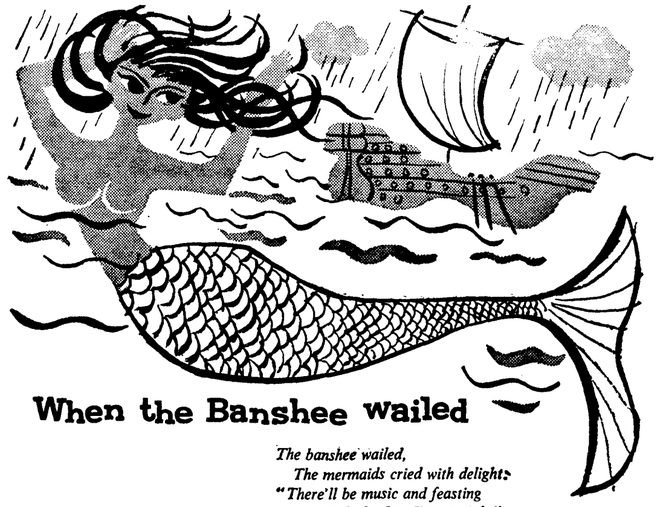
However, there is not wholly unadulterated optimism. Persistent unemployment substantially over and above previous years' levels is generally expected. Then, there are lagging industrial profit margins. There may be a moderate farm recession owing to a plethora of crops. Managements show no inclination to rush into new expansionary projects which would require large increases in expenditures for plant and equipment.

There is a general desire to play things safe, to make do with the present pay-roll by means of greater efficiency. This is prompted by smaller profit margins and reduced liquidity of corporate and bank balance-sheets.

The November elections in the U.S., in which a number of new faces appeared on the political horizon, brought no particular surprises. The outcome will have very little effect on business. Government spending will remain big and so will defence orders. Public projects will remain very high on the agenda. In short, very few changes may be forecast at this time.—*All Rights Reserved.*

There may be 272.6 million persons in the United States by 1980, nearly 100 million more than at present, according to the U.S. Census Bureau. The population on 1st July 1958, was about 174.5 million. In a book forecasting future U.S. population based on four different birth rates, the bureau estimated that, if the birth rate over the next 22 years is 10 per cent. above the current rate, the population in 1980 will be 272.6 million. There will be three million more women than men in 1980, compared with 1.5 million more women today, the Census Bureau reported.

Estimates are based on the assumption that there would be no unusual circumstances such as epidemic, war, or depression which would kill off great numbers of persons or reduce the birth rate. If the birth rate continues at the current level, the population in 1980 will be about 260 million. If it drops to the average rate in 1949-51 period the population will be 245.5 million; if it falls to the second world war rate it will be 231 million.



PATTERN OF SCHEDULED BANKS' DEPOSITS AND ADVANCES

SEASONAL FALL IN CREDIT GAINS MOMENTUM

IT is too early to say whether the slight rise in the demand for funds in the short-term money market noted last week marks the setting in of the traditional busy season, already delayed by two weeks. The trend of advances of Scheduled banks during the next few weeks will alone provide the answer. Meanwhile, the resources of banks have swelled to such an extent that they are well placed to meet a substantial expansion in the demand for credit during the 1958-59 busy season. In fact, banks can easily provide additional credit of the same magnitude as that witnessed during the busy seasons of 1955-56 and 1956-57, when bank advances rose by Rs. 165 crores and Rs. 148 crores, respectively, and that, too, without touching the high level of credit ratio registered in those seasons much to the discomfiture of Scheduled banks and the Reserve Bank of India. It is true that the level of bank advances at present is much higher than that at the end of the busy season 1955-56, but the spectacular accretion to bank deposits since then has made a lot of difference. Thus, assuming that the total net deposits will remain at well over Rs. 1,500 crores during the busy season, even a thousand crores of bank advances would only mean a credit ratio of no more than 66⅔ per cent., which is about 8 per cent. below the peak of 74.5 per cent. witnessed in April 1957. Indeed, even if the deposits were to fall to Rs. 1,400 crores, a thousand-crore of bank credit would mean a credit ratio of only 71 per cent. In addition, banks can supplement their resources by borrowings from the Reserve Bank which are practically *nil* now, as against Rs. 30 crores at the commencement of the last busy season and Rs. 58 crores at that of the 1956-57 busy season.

A better idea of the aforesaid statement can be had from the following table showing the position of bank deposits and advances at the beginning and end of the past few seasons:

(In crores of Rs.)

	Net deposits	Advances	Credit ratio %
24th October,1958	1,588.80	840.31	52.9
25th April, 1958	1,512.11	956.48	63.2
25th October 1957	1,363.55	867.20	63.6
26th April 1957	1,320.52	909.09	74.5
26th October 1956	1,087.41	760.67	70.0
27th April 1956	1,062.93	757.00	71.2
28th October 1955	1,020.98	592.52	58.0

It will be seen from the above table that, in the course of the last three years, while bank deposits have risen by Rs. 568 crores, advances are up by only Rs. 248 crores. Also, during the slack season of 1958, bank advances have declined by about Rs. 116 crores which is much more than the rise of Rs. 89 crores in the last busy season and very much more than the decline of Rs. 42 crores in the slack season of 1957. In the slack season of 1956, there was, in fact, a slight rise in bank credit.

The slow pace of rise in bank credit during the last busy season and the sharp fall during the subsequent slack season are due to many factors, such as selective credit control exercised by the Reserve Bank, lower agricultural production, drastic cut in imports and the slowing down in the pace of industrial production. These trends are fully reflected in the fortnightly analysis of secured advances of Scheduled banks conducted by the Reserve Bank of India. Such an analysis for the slack season of 1958 (figures for which are available, at the time of writing, only up to the week ended 12th September 1958) shows that secured advances accounted for Rs. 93 crores in the decline of bank credit upto that date, the fall in the corresponding period of 1957 slack season being Rs. 52 crores only. The decline in secured advances during the whole of the slack season 1957 (that is up to the last week of October) was actually smaller being Rs. 37 crores, as against a rise of Rs. 88 crores in the subsequent (1957-58) busy season and of Rs. 129 crores in the previous (1956-57) busy season. The comparative table at the foot of column 1 presents the pattern of variations in secured advances of banks classified according to their collateral during the last four seasons.

Variations in Secured Advances of Scheduled Banks

(In crores of rupees)

Name of security	Slack Season* 1958	Slack Season* 1957	Busy Season† 1957-58	Busy Season† 1956-57
1. Foodgrains ..	—11.03	—16.81	+ 9.15	+18.06
(a) Paddy and rice ..	—10.26	—17.41	+ 9.75	+17.78
(b) Wheat and other grains ..	— 0.77	+ 0.60	— 0.60	+ 0.28
2. Industrial raw materials ..	—51.37	—32.52	+52.44	+50.05
(a) Cotton and *Kapas* ..	—28.23	—17.21	+35.02	+34.20
(b) Groundnut ..	— 0.43	— 8.93	+ 9.67	+10.10
(c) Other oilseeds ..	— 6.90	— 0.45	+ 6.89	+ 6.27
(d) Raw jute ..	— 7.38	— 5.47	+ 0.04	+ 7.61
(e) Hides and skins ..	— 0.03	— 0.46	— 0.08	+ 0.87
3. Plantation crops ..	+ 0.45	— 2.58	+ 3.04	+ 3.15
4. Manufactures and minerals ..	—32.33	— 2.46	+14.78	+54.61
(a) Sugar and *gur* ..	—30.32	—20.39	+35.20	+28.78
(b) Cotton textiles ..	+ 1.53	+ 4.47	— 0.22	+16.34
(c) Jute textiles ..	— 0.06	— 1.63	— 4.09	— 0.74
(d) Other textiles ..	+ 4.16	+ 1.89	— 1.35	— 0.19
(e) Iron, steel and engineering products ..	— 4.46	+13.64	—12.57	+ 6.31
(f) Metals and metal products	+ 0.72	+ 0.27	— 3.14	— 1.38
(g) Coal and minerals ..	— 1.79	— 0.47	+ 0.69	+ 2.25
(h) Chemicals, dyes, etc. ..	— 2.11	— 0.19	+ 0.18	+ 3.24
5. Other securities ..	+ 1.19	+ 2.01	+ 7.62	+ 5.98
Total ..	—93.08	—52.36	+87.92	+128.89

* From last Friday of April to second Friday of September only.
† Last Friday of October to last Friday of April of the following year.

Almost all the major groups of securities have shared the fall during the latest slack season, the largest decline being in advances against industrial raw materials (Rs. 51.37 crores). This wipes out very nearly the rise in this item during the last busy season. This is followed by manufactures and minerals (Rs. 32.33 crores) and foodgrains (Rs. 11.03 crores). A security-wise analysis of advances against manufactured goods shows that sugar and *gur* account for the largest fall (Rs. 30.32 crores), evidently due to their seasonal character. Further, the control on advances against sugar was made more strict in July last, in view of the rising trend in prices noted then, by raising the minimum margin required in respect of each credit limit and advance against security of sugar from 35 per cent. to 45 per cent. This restriction was made applicable to advances to both traders and factories. The pace of increase in advances against cotton textiles slowed down, as compared with the previous slack season. In contrast to the decline of Rs. 1.35 crore in the last busy season, advances against silk, art silk, woollen, etc., recorded a rise of Rs. 4.16 crores during this year's slack season. The downward trend in advances against iron, steel and other engineering products noted in the 1957-58 busy season, due to severe import restrictions, persisted in the following slack season also, albeit at a much slower pace. The cut in imports is also reflected in the drop in advances against chemicals, dyes, etc.

Advances against industrial raw materials show a much sharper fall in the slack season of 1958 than in the 1957 season, mainly on account of the decline of Rs. 28.23 crores in advances against cotton and *kapas*. The decline under this item in the corresponding period of 1957 was Rs. 17.21 crores. The other notable items of raw materials where the pace of decline in advances was greater than that in the past year, are groundnut, other oilseeds and raw jute.

The decline of Rs. 11.03 crores in advances against foodgrains is much more than the rise in the busy season 1957-58. This is evidently due to the continued restriction on advances against foodgrains, particularly in the surplus States. The directive issued by the Reserve Bank in December 1957, in supersession of the earlier one issued in June 1957, was extended to be effective up to the end of October 1958, by an order issued in June 1958. Under this directive, banks were asked to restrict their advances to certain levels. Subsequently, (in September last), the provisions of the credit control were made more strict, in view of the rising trend in prices of wheat.

With selective credit controls continuing and with large deposits at their command, the banks' problem today is one of profitable utilisation of their resources. The burden of carrying high interest-bearing deposits has proved very heavy for banks during the current year and is expected to be reflected in their profits for the year. It will be recalled that the profits of all major banks for the half-year ended 30th June 1958 suffered a setback and this is likely to be more pronounced in the current half-year, as a result of the sharp fall in advances.

BILL MARKET SCHEME TO AID EXPORTS

During the last few months, the Government of India has announced several measures to promote and expand the country's exports. The latest step in this direction is the extension of the Reserve Bank's Bill Market Scheme to cover export bills in order to enable banks to provide finance to exporters on a liberal scale. This is in pursuance of the Export Promotion Committee's recommendation that "commercial banks should be enabled to rediscount increasingly through increased credits made available to them by the Reserve Bank." The scheme has been introduced on an experimental basis up to the end of September 1959. To begin with, the facilities under this scheme will be made available only at the Bombay and Calcutta offices of the Reserve Bank of India in regard to banks' loans against export bills at these centres.

The scheme is restricted to scheduled banks which are eligible to borrow under the Bill Market Scheme and which are authorised dealers in foreign exchange. As in other cases of advances under the Bill Market Scheme, accommodation under this scheme will be granted to eligible banks against the security of usance promissory notes/bills of their constituents in terms of Section 17(4)(c) of the Reserve Bank of India Act. The usance promissory notes should, however, arise out of loans granted by banks to their constituents against the security of export bills as have a usance of not more than 90 days and are drawn on any place in any country outside India which is a member of the International Monetary Fund.

In order that smaller exporters may also get benefit under the scheme, the minimum limit of a loan to be given to a bank at a time has been fixed at Rs. 2 lakhs and that of a promissory note at Rs. 20,000, as against Rs. 5 lakhs and Rs. 50,000 respectively, in the case of other advances under the Bill Market Scheme. The rate of interest charged on advances under the scheme will be the same as is applicable to other advances under the Bill Market Scheme (i.e., 4 per cent. per annum at present), but the Reserve Bank will bear half the cost of stamp duty on the usance promissory notes lodged with it. The effective rate of interest on advances under this scheme will thus work out to 4.10 per cent., as against 4.20 per cent. in the case of other advances under the Bill Market Scheme.

STERLING AREA RESERVES SHOW SIZABLE INCREASE

The central gold and dollar reserves of the sterling area rose by $54 million during October and stood at $3,174 million on 31st October. A sum of $28 million was paid to the European Payments Union (E.P.U.) in respect of September, and $3 million to creditors of the Union in bilateral settlements. On the provisional figures for the month, the United Kingdom had a deficit of £12 million with E.P.U. in October. This will fall to be settled in November as to 75 per cent. in gold or dollars and as to 25 per cent. by increase in the debt to the Union.

The October result is considered in London as a satisfactory one, particularly when account is taken of the $31 million paid to E.P.U. in respect of September. It is the thirteenth consecutive rise in the reserves, which now stand at their highest level since December 1951, and the size of the increase—compared with recent months—reflects the movement of the sterling area trade and payments system into a more favourable seasonal period after the pressures of the summer months. It is, however, some measure of the current strength of sterling that the reserves have actually recorded increases during the period of normally advanced payments movements. The E.P.U. result is also satisfactory, having regard to the time of the year, and, as in the case of the central reserves, foreshadows the growth of more favourable seasonal factors.

MR. COBBOLD'S TERM EXTENDED

The Queen has approved of the re-appointment of Mr. Cameron Cobbold as Governor of the Bank of England for a third term of five years, with effect from 1st March 1959. By next spring, Mr. Cobbold, who is 54, will have completed 10 years' service as Governor and a total of 21 years as a full-time member of the Court of the Bank.

Mr. Cobbold, it is understood, did not wish to serve for a further term of office, but agreed to do so, because of the desirability that there should not be a change of Governor before the Radcliffe Committee concludes its investigation into the credit-system. He allowed his name to go forward on an informal understanding that, save in exceptional circumstances, he will not be expected to complete the full five-year term.

The Radcliffe Committee, it will be recalled, was set up at the time of the 1957 budget to inquire into the working of the monetary and credit system and to make recommendations on it.

SMALL SAVINGS COLLECTIONS

A remuneration of one per cent. of the periodical collections of small savings will in future be paid to such employers and trustees of the provident funds as make the collections on behalf of their employees or members of the provident fund, as the case may be. The remuneration is payable in the cases where there is a regular arrangement for small savings collections and public savings demonstrably benefit from them and is designed to meet the cost of collection of the collecting parties.

No such reimbursement is, however, admissible to employers and trustees for deductions made towards investment in Treasury Savings Deposit Certificates, Annuity Certificates and Post Office Savings Bank, nor would any commission be paid in respect of collections routed through internal agents or other agents, even if the employer deducts the amount from the wages or bonuses.

With the increase of ½ per cent. in discount rate by the Federal Reserve Bank of New York, on 6th November 1958, the discount rate of all the twelve members of the U.S. Federal Reserve System has become uniform at 2½ per cent.

INDIA GETS A NEW INDUSTRY

COLLABORATION WITH I.C.I. BEARS FRUIT

ON Wednesday, 5th November 1958, a new industry of considerable importance was born in India. The scene of its birth was Gomia, a small rustic village nestling among the picturesque jungle-clad little hills in the Damodar Valley area of Bihar. The industry was commercial explosives, falling under the group of chemicals. Appropriately enough, the inaugural ceremony was performed by no less a person than the President of India, Dr. Rajendra Prasad, who specially came down to Gomia, all the way from New Delhi, for this purpose.

This new industrial unit belongs to a joint-stock company, called the Indian Explosives Ltd., jointly owned by the Government of India and Imperial Chemical Industries Ltd., London. The Government holds 20 per cent. of the equity capital and I.C.I. the remaining 80 per cent. There are six directors on the Board of the Company, of which one represents the Government and five represent I.C.I. The Chairman of the Company is Mr. J. M. Lall, an Indian Chartered Accountant who holds the unique distinction of being the chief of I.C.I. in this country. The authorised capital of the Company is Rs. 4 crores. So far, approximately Rs. 5 crores have been invested in fixed and floating assets. This figure is expected to rise to Rs. 7 to 8 crores in two or three years, when further extensions are completed. It will thus be seen that, in terms of capital invested alone, this is an industrial project of great magnitude.

The manufacture of commercial explosives is a great industry on other merits too. The commercial explosives are used for blasting purposes and, therefore, constitute a vital raw material for all those construction projects in which blasting has to be done. And these include such basic industries as coal, cement, steel and the building of big irrigation-power works, roads, rails, bridges, harbours, airports, tunnels, etc. As Mr. Lall pointed out in his speech on the occasion of the opening ceremony of Gomia Works last week, "construction needs power, and blasting explosives provide the power in a convenient and economic form. Power to shift rock and earth and to mine coal and iron ore and other minerals—that is the true product of this factory."

The following extract from the illustrative brochure produced by the Company for the inaugural function clearly brings out the key role of Gomia Works in the economic development of India:

"The contribution of explosives can be appreciated if one examines the second Five-year Plan. This envisages that Rs. 7,200 crores will be spent in the public and the private sectors—about half of it on industries and projects which use explosives, such as mining, irrigation and power, transport and communications. These industries will create new employment opportunities for more than a million people in this country.

"The mining industry has always been the major consumer of explosives. During 1956-66, the use of high explosives is expected to increase by four times, to increase the annual output of coal two and a half times and the output of limestone and iron ore by six to seven times.

"The next largest users are limestone quarries. Ninety per cent. of their output is used in the cement industry and most of the remainder in iron and steel. Production will be increased very rapidly as the demand for cement grows. The 1950-51 output of 2.7 million tons is scheduled to rise to 13 million tons in 1960-61 and to 31 million tons in 1975-76.

"The steel industry depends on powerful explosives for the production of iron ore, which is among the hardest deposits encountered by the explosives engineer.

"Other important mining industries are gold, copper, mica, bauxite and manganese ore. In 1956, 3,900 tons of explosives were used in all mining, including coal, etc., and in 1960 the second Plan envisages consumption being increased to 8,000 tons.

"Since the first Plan started, explosives have found a new field of application in the Central and State multipurpose projects. Major schemes include the Bhakra Nangal project and the Rihand Dam in the north, the Hirakud project and the Damodar Valley scheme in the east, the Koyna project and the Chambal project in the west and, in the south, the Tungabhadra and the Nagarjunasagar projects.

"Explosives are also being increasingly used in building railways, foundations for bridges, in driving tunnels, in developing harbours and excavating sites for airports. One important road project will improve communications with Kashmir. Twin tunnels each 1,200 ft. long are being blasted through solid rock at an altitude of 8,000 ft. in the Banihal Pass. One of these tunnels is already complete and will provide an all-weather route to Srinagar.

"Application of explosives in seismic prospecting work is a well-established and dependable method which has proved invaluable in locating oil and water-bearing strata, minerals and ores, and for determining depths of geological formations.

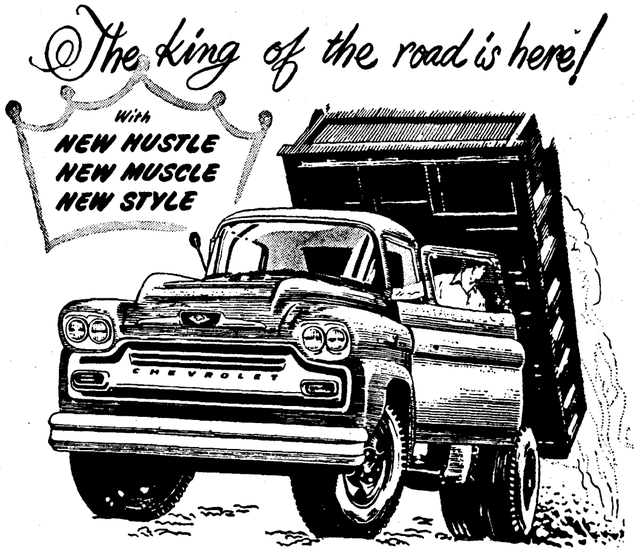
"In all these fields of activity, the new Gomia Works will play its part. Explosives made here will help engineers throughout the country to build the new India more quickly, more efficiently."

It will thus be noted that the Indian Explosives Ltd. is producing an indispensable product and will make a significant contribution to India's desire to attain economic self-reliance. All these years, this country has been dependent upon foreign countries, mostly Britain, for the supply of commercial explosives. It is estimated that, in the first full year's work, the new industry will save over Rs. 1.50 crore in foreign exchange. The growing demand for commercial explosives will be evident from the fact that, even before the plant came into operation, the Company found it necessary to raise the production target substantially from the original figure of 5,000 tons per annum. The factory as it stands today will produce over 7,000 tons per annum. Further, a plant to make safety fuse for use with explosives is under construction and plans for other explosive accessories are in hand.

The factory at Gomia is an absolutely modern one, with all the latest devices for making explosives incorporated in it. Special mention must be made here of the Biazzi nitroglycerine plant, fabricated in Switzerland. Gomia has the distinction of housing the first such plant in the whole of Asia. This elegant unit represents the acme among the equipments for producing very sensitive types of explosives by a continuous and virtually automatic process. The acid plants and the cartridging machines, in fact, the whole factory, are typical of the most up-to-date chemical engineering practice.

It is noteworthy that more than 90 per cent. of the factory's raw materials will be indigenous. Indeed, the reason why Gomia was chosen as the site for this factory is that it is not far away from the sources of raw material, apart from being within India's principal industrial belt and source of mineral wealth which provide the chief outlets for the finished products. Gomia is literally on the edge of India's largest coalfields, where the biggest markets for industrial explosives are found. The main raw material, liquid ammonia, is supplied by the fertiliser factory at Sindri which is only 50 miles away from Gomia. Glycerine, another principal raw material, comes from soap manufacturers in Calcutta. The Konar Dam lies only a few miles ahead of Gomia and the controlled flow of the river Konar provides a steady supply of water. Power is available in plenty from the

(*Continued on page* 820)



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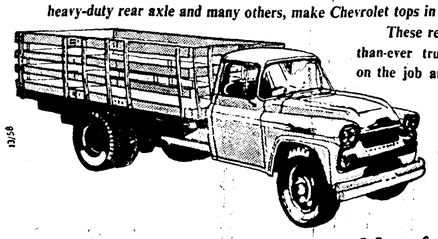

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STANDARD COTTONS OF 1956-57

FIBRE AND YARN TEST RESULTS

THE results of various fibre and yarn tests carried out on the standard Indian cottons of the 1956-57 season at the Technological Laboratory of the Indian Central Cotton Committee indicated that, as compared with the test results of the 1955-56 cottons, three out of the 21 standard cottons tested registered definitely better results, 11 showed approximately the same results while seven showed definitely poorer results. The varieties which showed better results were M.C.U.1 Winter, Karunganni 5 and Parbhani-American. Surat 1027 A.L.F., Vijay, Kalyan, Virnar, H 420, Gaorani 12, Jaydhar, L.S.S., 320 F., Cambodia Co2 and Karunganni maintained their performance. The seven varieties which registered a decline in spinning value were Vijalpa, Buri 0394 and Gaorani 6 from Bombay State, Laxmi and Westerns I from Mysore State, M.C.U.2 (Summer) from Madras State and Nandyal 14 from Andhra. The test results on these cottons are embodied in detail in a bulletin entitled *Technological Reports on Standard Indian Cottons*, 1957, by Dr. R. L. N. Iyengar, Director, Technological Laboratory, Bombay, published by the Indian Central Cotton Committee. The report also contains extensive data regarding the test conducted on each variety of cotton, giving agricultural details, the grader's valuation report, spinning master's report, and complete information regarding waste percentage, yarn breakage and the fibre and yarn test results.

Standard cottons, as is common knowledge, are cottons which are kept as standards of reference for gauging the improvement in quality of cotton grown in the various tracts. They represent certain improved varieties which are definitely superior to those grown in any particular cotton area. They are selections made by cotton breeders at the various experimental stations and are grown each season from selected seed under as nearly the same conditions as possible. It may be noted in this connection that in 1955-56, standard cottons covered 52 per cent. of the total area under cotton cultivation in India.

Objects of Testing

The general objects of setting up such standards are fourfold: (1) to prepare a series of standards by which other cottons, newly evolved by the cotton breeders, could be judged, (2) to determine the extent to which seasonal variations in climatic and other factors affect the standard cottons, (3) to assist the marketing of these cottons by providing the cotton trade with detailed information concerning them, and (4) to accumulate data with the object of finding relationships between the fibre properties of cotton and its spinning value.

All standard cottons do not, however, continue to be standard for all time but they change from time to time as and when new and improved varieties are produced which replace the old ones. It may also be borne in mind that these standards have no relation with the trade standards which generally depend on the grade of cotton, i.e., its trash content, colour and staple.

The current list of standard cottons maintained by the Indian Central Cotton Committee contains 21 varieties which covered an area of 10.55 million acres. The following table gives the varieties included in the list, together with the area under cultivation:

Variety.	Area under cultivation (1955-56)
	Acres
Bombay—	
Vijalpa (2087)	642,000
Surat 1027 ALF	*Nil*
Vijay	1,054,000
Kalyan	730,000
Virnar (197-3)	2,148,000
Madhya Pradesh—	
H. 420	761,000
Buri 0394	225,000
Hyderabad—	
Gaorani 6	670,000
Gaorani 12	480,000
Mysore—	
Jaydhar	881,000
Laxmi	1,414,000
Westerns 1(41)	150,000
Punjab—	
Punjab American L.S.S.	180,000
P. A. 320F	497,000
Madras—	
Cambodia Co2	84,000
M.C. U1 (Summer & Winter Crop)	243,000
M. C. U2 (Summer)	20,000
Karunganni K 2	225,000
Karunganni K 5	120,000
Andhra—	
Nandyal 14 (Northerns)	35,000
Parbhani Amer can	134,000
Total	10,552,000

As regards past performance of standard cottons, those for 1930-31 gave, on the whole, much better performance than those of 1929-30, but this improvement was not maintained in the following seasons. The setback, however, proved temporary and the 1932-33 cottons registered better performance than those of 1931-32. This improvement was maintained in the following two seasons, and in 1934-35 the cottons yielded generally even better results than in the previous season. Thus, in a majority of cases, these cottons registered a steady improvement from 1930-31 to 1934-35. This improvement, however, suffered a setback in the 1935-36 season, from which there was a welcome change for the better in the 1936-37 season. The 1938-39 season witnessed an improvement in a few cases but this was offset by a decline in the performance of a larger number of cottons, while the 1939-40 season indicated a general improvement in most cases. This improvement was not maintained in 1940-41, but the 1941-42 season had given better results than the previous one which has been generally maintained in the next six seasons, 1942-48, but there was a setback in 1948-49 which was partially recovered in 1949-50. This recovery was to a certain extent maintained in the next five seasons, 1950-55, but it received a setback in the 1955-56 season. As regards the 1956-57 season, as noted above, the majority of cotton maintained their performance, three varieties showed better results, while the remaining seven indicated definitely poorer performance.

NEW COTTON STRAIN FOR U.P.

Uttar Pradesh is an important cotton-producing State. The area at one time under cotton in this State was as high as 1,049,000 acres, though in recent years this has dwindled to about 150,000 acres. However, with the release of improved varieties of cotton which can prove remunerative to the growers, there appears great scope for expansion of area and increase in production.

The Indian Central Cotton Committee had as far back as 1938 sanctioned a scheme for undertaking research work for the improvement of cotton in this State. As a preliminary step, a very extensive survey of the indigenous cotton-growing areas was conducted and two important strains, namely, C. 402 and C. 520, were isolated. They were under distribution for some years. Of the two, C.520 was found to be the most promising and it gained popularity not only in Uttar Pradesh but also in the neighbouring State of Rajasthan. However, selection work was continued with a view to improving the yield, staple lengths and spinning performance. It was found that another selection obtained from the survey material known as strain 35/1 was superior to C. 520 in acre yields and also in staple length and spinning performance. Consequently, the extra income obtained by cultivating 35/1 was estimated at about Rs. 34 over that obtained for C. 520 at Kanpur. The strain was thereafter tried on cultivators' fields in different localities and found to be consistently better than any other strain included in the trials.

The Indian Central Cotton Committee is at present financing a scheme for seed distribution and extension of improved cotton 35/1 in Uttar Pradesh since 1950 and it is estimated to have covered an area of 45,000 acres in 1955-56 and 64,000 acres in 1956-57. The estimated additional income that accrued to the cotton growers of this variety was estimated at Rs. 8,04,873 in 1955-56 and Rs. 10,49,350 in 1956-57. The object of the scheme is to cover an area of about 150,000 acres, with the improved cotton variety 35/1 in the districts of Meerut, Muzaffarnagar, Bijnor, Saharanpur and Moradabad. Arrangements are being made to declare the two districts of Muffarnagar and Meerut as a "protected area" for 35/1 cotton and the Cotton Control and the Cotton Transport Acts are intended to be passed as soon as sufficient seed in the two districts referred to had been collected. When the purity of this cotton is ensured, it is expected that growers will obtain better returns than what they are obtaining at present.

COTTON EXPORTS

The new cotton season, namely, 1958-59, would appear to have commenced on an optimistic note as far as cotton exports are concerned. Shipment of cotton from India during the first month, that is, September 1958, for which alone complete figures are available, showed a sharp improvement, as compared with the corresponding period of the previous season. It was as much as 24,335 bales (of 400 lbs.) as against a mere 1,875 bales shipped in the same month of last season. Destination-wise, Japan accounted for the bulk, its share being 19,025 bales. The Continent of Europe and Hong Kong accounted for 2,079 bales and 2,039 bales, respectively. The U.K. and U.S. took 285 bales and 282 bales, respectively, while others accounted for 625 bales.

TEXTILE-EXPORT INCENTIVE SCHEME

The Government of India has issued a clarification of the concessions announced by it on 31st October for importing coal-tar dyes, textile chemicals, and textile machinery against export of cotton textiles, yarn, etc. A notification in the *Gazette of India Extraordinary* says that import licences will be granted only in favour of the manufacturing textile mills against the sum total of their exports effected either directly by them or through their commission agents and/or other exporting houses. Registered processors will also be eligible to receive import licences against exports of processed mill cloth shipped by them. The mills which have manufactured such cloth will not be able to claim import licences.

Imports of coal-tar dyes and textile chemicals, etc., the notification adds, are intended primarily for consumption by the manufacturing mills. In cases, however, where the quantities imported are found to be in excess of their actual requirements, the licensees may effect the sale of such surplus quantities in favour of any other manufacturing mill for its actual use. This will, however, be subject to the condition that the transaction should be reported with sufficient details about stocks, quantities, and prices involved to the Textile Commissioner within seven days of the deal. Exports made in the three months, July to September 1958 will form the basis for issue of licences during the current quarter, namely, October to December, whereas exports made during the current quarter will be taken into account for issuing licences in the next quarter, January to March 1959.

The clarification has been generally welcomed by the trade. It has removed the earlier impression that only mills would be permitted to take advantage of the concessions. The trade has noted with satisfaction that import licences will be issued to mills against export not by them alone but by their commission agents and exporters too.

The ban on the import of all fully-manufactured wool items continues under the new import licensing policy for October 1958-March 1959. The decision has been taken in view of the continued shortage of foreign exchange. Actual users of raw wool, tops, noils and shoddy will be granted import licences with the prior approval of the Textile Commissioner. Licences will be granted to the extent of 12 months requirements, as was announced in the previous period. Licences for wool yarns (excluding handknitting wool) may be granted to actual users subject to application being considered by the Joint Chief Controller of Imports, Bombay, in consultation with the Textile Commissioner. Such licences would be valid for six months.



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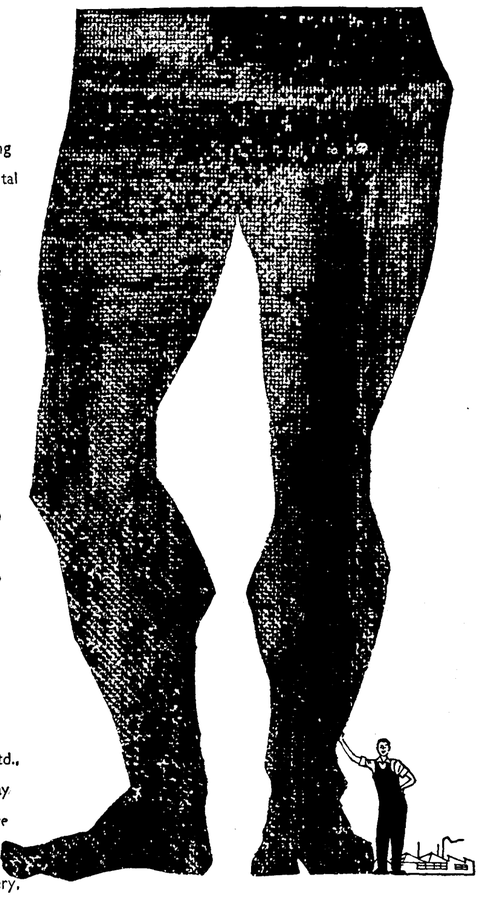
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MILL CLOSURES IN LANCASHIRE

STREAMLINING OFFICE PROCEDURE IN INDUSTRY

From A Special Correspondent

MANCHESTER, *4th November*

IN the earlier part of 1958 at least, Lancashire mills were being permanently closed at the rate of two a week, so that such news, however disquieting, became something of a commonplace. During the summer months, the rate of closures slackened, partly because of the automatic reduction in output due to the holiday season.

MANCHESTER LETTER

As the weeks passed by without any improvement in the trading position, however, it became obvious that further contraction must follow as output was so seriously in excess of demand. Now, the doors of more mills are closing behind the last operatives to work in them and it would be unimaginative to suggest that these will be the only ones to be so affected in the months ahead.

Local newspapers have carried reports of pending mill closures with such regularity that they tended to be overlooked except by those directly involved. The grim situation came back into the public eye last week when two of the larger groups in the trade announced concentration measures on successive days.

The need to shut such big units as those closed at Reddish by the Fine Spinners group, and the similar procedure adopted by Combined English Mills at Bolton, focussed the attention of the outside world on Lancashire's miseries yet again. Figures showing the full story of the loss of mills in Lancashire this year have yet to be published, but the loss in manpower is sufficiently drastic to provide an accurate guide to the number of idle buildings.

New Facts Told

It would be both improper and injudicious to comment on the progress of the investigation into the Yarn Spinners' Agreement which is at present being conducted by the Restrictive Practices Court. The trade as a whole must wait for a decision to be announced; this may well be delayed until near the year-end, as the hearing is expected to last for several weeks.

Certain information has been given during the hearing which throws considerable light on current trading conditions. For instance, it has been stated that the total forward commitments of spinners are around 200,000,000 lbs. of raw cotton, equivalent to an average of £20,000,000. This means approximately £100,000 per company and £200 per worker in the industry, roughly equal to three months' wages. Another interesting aspect brought out in the hearing was that spinning mills had spent £51,000,000 on modernisation and re-equipment during the past eight years, including £44,000,000 on plant and machinery.

That the cotton industry's labour force is far older than the average in other trades is no secret. Details now given indicate that men under 30 in the spinning trade represent 22 per cent. of manpower, against 37 per cent. in British industry generally. From 30 to 34 the figure is 24 per cent. against 33 per cent., while male workers of 45 and over represent 54 per cent. of the labour force, against 40 per cent.

Equivalent figures for female labour are 27 per cent. under 30 in spinning, against 41 per cent. in all British industry; those from 30 to 34 account for 29 per cent. against 28 per cent., and women of 45 and over represent 44 per cent. in spinning against 31 per cent. in other trades.

Other information about the loss of labour included the statement that after the 1952 slump only 40 per cent. of male operatives in spinning who were then laid off went back to the industry, while after the 1955-56 recession not one of the males then laid off went back. The number of unemployed women in the cotton industry in the North-West last year was six times the total number of other unemployed women in the region.

Not All Pessimists

In spite of dwindling trade in cotton products and recent reports of mill closures, Major J. A. Barber-Lomax, Chairman of the £3,000,000 Barber Textile Corporation, of Bolton, is not despondent. In his annual report he says: "It can reasonably be expected that the present poor demand will not exist over a long period."

The relaxation of the credit squeeze and a revival in confidence in cotton price levels could cause an improvement in trading conditions now long overdue, he adds. During the past year, the group spent £134,185 on new machinery and at the end of July had outstanding commitments of £81,051 for further items of new machinery.

Trading conditions during the 12 months had been very difficult, Major Barber-Lomax points out, particularly during the latter half-year. Weaving profits were poor due to unremunerative price levels set by the large quantity of cheap cloth and made-up goods coming in duty-free and without restriction from India and Hong Kong. Several spinning mills in the group had to reduce production and stop machinery owing to paucity of demand.

Another reason for buyers holding back orders was the investigation by the Restrictive Practices Court of the minimum price scheme for cotton yarns operated by the trade to avoid cut-throat competition and to give stability to the industry.

Combined net profit of the group for the year ended 31st July was £96,576 against £179,203 in the previous year. This reduction is attributed to the general recession in the cotton trade, shortage of demand, the credit squeeze and uncertainty of the level of raw cotton prices. A final dividend of 5½ per cent. is recommended on the ordinary shares making 11 per cent. for the year on capital as increased by a one-for-nine bonus distribution against the equivalent of 13½ per cent. for the previous year. The amount carried forward is raised by £43,700 to £331,205.

The position of preference shareholders of Vantona Textiles Ltd., the Manchester group with mills in the Bolton area, had been strengthened by the merger with Everwear Candlewick during the past year, the Chairman, Mr. Roland Dunkerley, said at the annual meeting in Manchester. Although the textile trade was in the doldrums at the moment, he believed the merger would be very beneficial for the group as a whole.

Drastic revision of the whole of the facilities of the group had been undertaken, he continued, since the merger, and a great deal was being done to enable the Company to march steadily forward with strength.

In the next few weeks, Mr. Dunkerley added, the group intended to put on the market some new products which would be something quite different. They would provide a "new look" in household textiles and included a cotton terry towelling which dried dishes with great absorbency, and a new bedspread.

The use of the term "productivity" has spread rapidly during the past decade and the devotees of the cult have made rapid strides in convincing most industrialists that much can be done to improve their rate of output by introducing well-thought-out schemes to encourage efficiency. The Cotton Board's own Productivity Centre has been far from backward in interpreting modern ways of improving mill methods and urging their wider adoption throughout the industry.

Office System

In the past, however, the Centre has been chiefly concerned with organising work-study training courses in the production departments of the mills. More emphasis is now being laid on office systems and procedures which are just as important to individual companies in order that the skill of the operatives should not be wasted at administrative level.

To encourage the use of work-study methods in the offices of spinning and weaving mills, the first of a series of courses is to be held later this month at the Centre. The intention is to simplify office procedure by streamlining existing methods and modernising systems which, like many others, can grow somewhat rusty with the years.—*All Rights Reserved.*

U.K'S WOOL TOP EXPORTS

Exports of wool tops from the United Kingdom are heading for a new record. At the end of nine months—according to the Trade and Navigation Accounts issued recently—they aggregated 66.4 million lbs. or nearly 3 million lbs. more than in the corresponding period of last year. If the recent rate of export can be maintained, the total for the year should exceed last year's record total of 83.2 million lbs. An important factor in this year's expansion is the considerable increase in shipments of tops to China. That country has thus far taken nearly 20 per cent. of Britain's total exports of tops this year, and the 12.6 million lbs. of tops shipped to China to date is 50 per cent. more than the total supplied to it during the whole of 1957. China is by far the largest customer for tops from Britain, the two next largest being India and Canada with 8.8 and 8.7 million lbs. respectively. Imports of raw wool into the United Kingdom continue to reflect the difficult trading conditions which have characterised much of the year. In nine months of 1958, they amounted to 454 million lbs. (actual), as compared with 530 million lbs. in the corresponding period of 1957. The term "actual" means that greasy wool is recorded at its greasy weight and scoured wool at its scoured weight.

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The Directors have decided to offer with right of renunciation for subscription at par 10,000—7 per cent. Tax-free Redeemable Cumulative Preference Shares of Rs. 100 each and 15,000 Ordinary Shares of Rs. 100 each to the Registered holders of Ordinary Shares whose names would appear on the Register of Members on the 13th day of November, 1958, in the proportion of 2 (Two) Preference Shares and 3 (Three) Ordinary Shares for every ONE existing Ordinary Share then held. The Shareholders are also given the right to apply for additional shares, the allotment of which will be at the absolute discretion of the Directors.

RIGHTS ATTACHED TO DIFFERENT CLASSES OF SHARES IN RESPECT OF CAPITAL AND DIVIDEND

The Preference Shares carry the right of fixed cumulative preferential dividend of 7 per cent. per annum tax-free on the Capital for the time being paid-up or credited as paid-up thereon. The holders of the said redeemable Preference Shares shall also have right in the event of winding-up to be paid all arrears of preferential dividends earned, whether declared or not, down to the commencement of winding-up and also to be repaid the amount of Capital paid-up or credited as paid-up on the Redeemable Preference Shares in priority to any payment in respect of the Ordinary Shares but shall not be entitled to any other rights in the profits or assets of the Company nor confer any voting rights.

As regards redemption, the Company may at its option after the expiry of five years from the date of issue, from time to time, redeem the said shares or so many of them as the Company may think fit, by giving not less than six months' notice of its intention to do so. If all the shares shall not be intended to be redeemed at one and the same time, the shares to be redeemed shall be determined by drawings. Notice of the intention to redeem shall be given at such time and in such manner and the drawing will be made in the presence of such person or persons and at such time and place as may be fixed by the Directors of the Company.

The new Ordinary Shares, for all purposes, shall rank *pari passu* with the existing Ordinary Shares of the Company save and except that the new Ordinary Shares shall not confer on the holders thereof any right to any dividend on the Ordinary Shares declared in respect of any Accounting year of the Company ended on or before 30th June, 1958.

VOTING RIGHTS

Subject to the provisions of the Companies Act, 1956 on a show of hands every member present in person or by proxy shall have one vote and upon a poll every member present in person or by proxy shall have one vote for every Ordinary Share held by him.

COMPANY'S ACTIVITIES

The Company was floated in the year 1953 and its Works are situated at Rishra, District Hooghly (11 miles from Calcutta). It manufactures Jute Baling Hoops and is catering the entire requirements of the Jute Mills in India, imports having been totally stopped. It has recently expanded its activities by starting the manufacture of Cold Rolled Strips, Box Strapping and Steel Wire Ropes which were hitherto imported from outside India. By manufacture of these very much needed engineering products, the Company is saving vitally needed foreign exchange of the country.

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Year ended June	*Rate of Dividend* Per cent.
1954 (for 23 months)	25
1955	12½
1956	12½
1957	12½

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UNREST IN KERALA PLANTATIONS

COMMUNISTS' BID TO ESTABLISH CONTROL OVER WORKERS

THE Communist Party in Kerala is caught with the backlash of its own whip. It said too many things as an opposition party which today as the Government party it cannot fulfil. It cannot curb its followers who are clamorously demanding what they were promised. Its followers were trained in organised agitation and violence and they are now practising what they have been taught. Nothing could have embarrassed the Communist Government at Trivandrum more than the shootings on the High Ranges. Firing at labour in a Communist State is no new thing but Kerala is a special case. Here its Chief and other Ministers had made the working class its privileged citizens. Soon after the Communists took over power, they proclaimed that, in a dispute between workers and managements, the Government would always be on the side of the workers. They reconstructed history to establish that the police has been used in the past (prior to the Communist rule) to suppress working class and popular "movements" and promised that the police would not be used for such purposes whatever the form of the "movement." They released party men convicted and sentenced for crimes from the prisons to show how safe it is to commit a crime so long as party objectives are served and the party is in power.

As soon as the Communists came to power, they turned attention first to the consolidation and expansion of their hold on labour. Plantations were the largest field of labour activity because of its size. There are in Kerala some 160,000 workers in the industry, apart from about 30,000 in tertiary services. Bringing them under Communist sway was an attractive proposition, and most of the plantations scattered through the hilly districts of Kerala were subjected to a vigorous campaign of agitation, violence where there was resistance, intimidation, obstruction, assault and general disorderliness and hooliganism. Managements complained that there was very little of police help and that there was no protection against violence and destruction to property. The Chief Minister waited till 23rd July 1957, and then issued his famous statement in regard to the role of the police. It was indeed the Government's policy statement in regard to the role of the police in a Communist State, in the face of Communist-inspired and led agitation. This confirmed the general belief that the police has been given instruction not to interfere with labour action, unless it actually resulted in violence. In other words, the preventive functions of the police have been taken away and they were to enter the scene after a crime was committed. This allowed intimidation, obstruction and trespass to continue unabated on plantations in sufficient measure to cow down rival unions, render managements helpless and extend the sphere of Communist influence.

That violence has been let loose as a favourite tool of Communist expansion in Kerala cannot be doubted. The cheek of a rival union worker was gashed open on Wallardie Estate on the 12th July 1957. This was only one incident in the wave of Communist violence in plantations at the time. Estate managers were assaulted and before they could reach the police stations to prefer a complaint the activists would have already brought a dozen to the station to make charges against the affected planter. A mob of 350 were collected and lines inhabited by members of a rival union were stoned for 2½ hours until the roofs were smashed and 14 were injured inside the lines. There have been nine murders in or near estates and innumerable cases of wounding and maiming. At Arnakal, a worker walked up to a member of the staff supervising feld work and hacked off his arm. At Glenmary the grisly method of agitation was placing a corpse on the verandah of the estate manager's residence in the dead of night. At Guderale, a supervisor was attacked with a billhook three weeks ago and four stitches had to be put into the wound on his head. Rival union offices have been ransacked, inmates beaten up and the office files set fire to with impunity. While the Union Minister for Labour was listening to a deputation of planters at the Government House at Kottayam on 25th September 1957, a mob was forcing the release of a worker charged with rubber theft at Mundakayam, 30 miles away. On the day after the ministerial party had passed through Mundakayam, the assistant manager of the same estate was beaten up mercilessly.

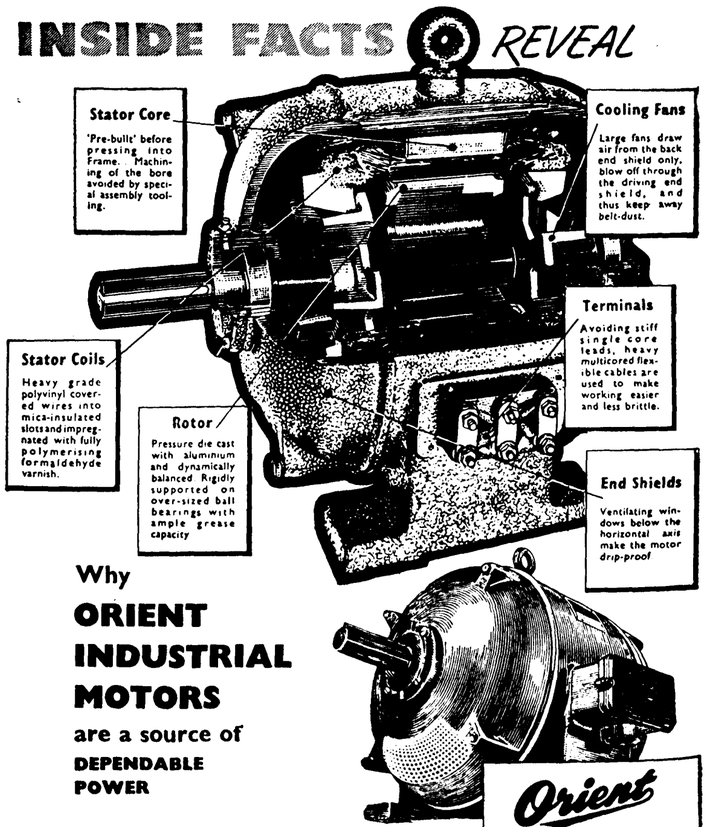
The adverse publicity the party was receiving outside the State had a sobering effect on it and special measures were taken to curb the enthusiasm of party activists in plantation areas. By then violence was begetting violence and rival unions were getting into the habit of organising counter-demonstrations. However, the Devicolam by-election was preceded by comparative calm and the few incidents reported emanated from other labour groups.

For sometime, the party organisers in the plantation belt have been feeling restive and their representatives on the Plantation Labour Committee, an organisation set up by the Government to discuss industrial relations in plantations, ostentatiously resigned from the Committee. This was in September 1958 and, in the third week of that month, there appeared demand notices listing some 42 demands and the threat to strike unless the demands were met. The earliest to start a strike from the date of the notice was on 8th October but the strike in Munnar actually began on 4th October. Labour politics of Kerala plantations precipitated the strike and there followed all the unrest and violence which culminated in the firing on Nettigudi Estate, about seven miles from Munnar, by the police on a Communist mob in which nine constables were injured.

The Communist Union's notice contained four important demands relating to increased contribution to provident fund, increased bonus, increased holidays with pay and gratuity. For agricultural labour, plantation workers have a privileged position not matched even by industrial labour in India. It was early this year that their wages were increased by direct negotiations and the agreement is to run for five years. Substantial increases to staff salary scales and other terms were given under another agreement. Last year, plantation labour were brought under provident fund benefits. What upsets many planters is that those who have been trying to bring about a liberal settlement for some years are now no longer taken seriously, because the industry is finding that one series of settlements is promptly followed by a new catalogue of demands. But the impact of Communists' demands was different on the other unions in the State. It seemed to them as if the Communists were stealing the thunder. Munnar is the nerve-centre of the vast Kanan Devan planting district with some 33 estates and 28,000 workers. There the faction-ridden I.N.T.U.C.-led unions had found some semblance of unity under the direct presidency of the I.N.T.U.C. President only a few weeks ago. In order to reassert its position, the I.N.T.U.C. Union immediately went on strike on the 4th October. The Communist Union followed immediately. The Communist tactics again put the I.N.T.U.C. Union into a disadvantageous position. So, the latter negotiated for a settlement with the management for the reference of the major issues to adjudication and the management agreed to it by the morning of 5th October. A joint application under Industrial Disputes Act 10(2) was made by the management and the I.N.T.U.C. Union, as the Communist Union preferred to go on with the strike. The application is still pending before the State Government. The I.N.T.U.C.-led Union workers were willing to go back to work, but, by then, it was clear that not the demands on managements, but the strength of each union was at issue. The Communists were obviously well prepared for a show-down. They had six or seven loudspeaker-equipped vehicles patrolling the estates with relays of drivers exhorting workers to leave the fields and factories, rushing union-toughened picket men from one point to another to drive workers away from

(Continued on page 820)

INSIDE FACTS REVEAL



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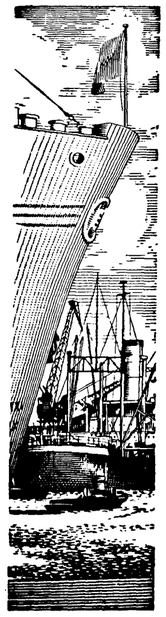

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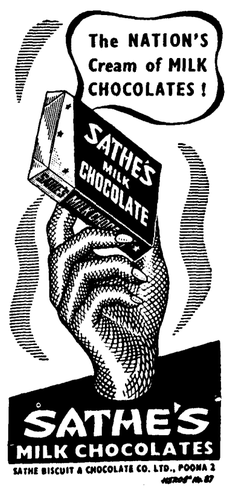

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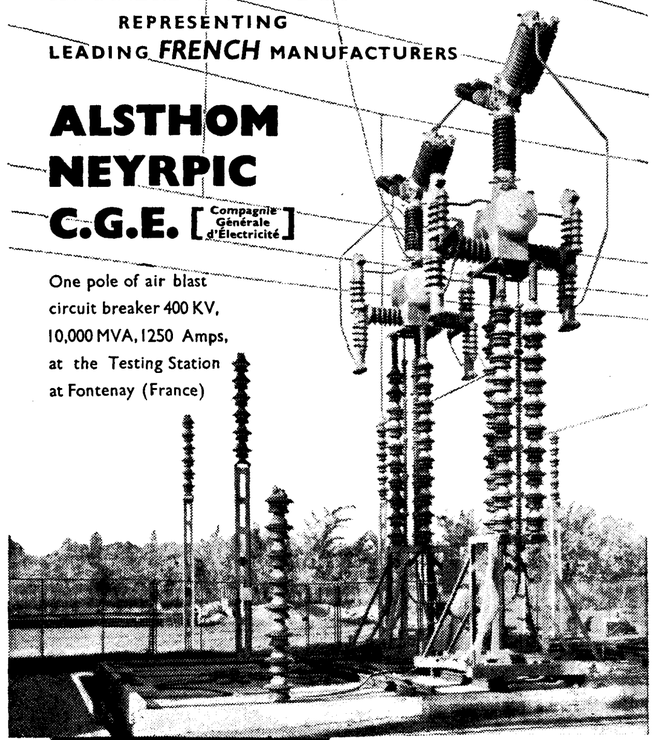

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SISTA'S-B-122

OPERATING PROFIT OF AIR-INDIA INTERNATIONAL DECLINES

EFFECT OF FOREIGN EXCHANGE RESTRICTIONS

A DECLINE in operating profit, despite an increase in operating revenues, is disclosed by the annual report and accounts of the Air-India International Corporation (General Manager: Mr. B. R. Patel) for the year ended 31st March 1958. The operating revenues for the year under review were Rs. 10.82 crores, as compared with Rs. 9.65 crores in the previous year. The increase in operating revenue did not, however, keep pace with the rise in capacity-ton miles which advanced by nearly 16.3 per cent. This has resulted in the decline in operating profit which aggregated Rs. 71.67 lakhs, as against Rs. 87.90 lakhs in the previous year. This drop, it is stated, was largely due to the loss of traffic resulting from severe restrictions imposed by the Government since early 1957 on the issue of foreign exchange for travel purposes. An increase in service frequency along certain routes, the reorganisation of the Corporation's fleet and steady progress in the creation of facilities for the operation of jet fleet by 1960 are among the notable features of the working of the Corporation in 1957-58.

Profit

The fall in operating profit is, as already stated, to be attributed to the decline in load factor from 64.3 per cent. in 1956-57 to 59.1 per cent. in 1957-58. It may be mentioned here that load factor is the ratio of revenue-ton miles to capacity-ton miles; the former is the product obtained by multiplying the capacity (in tons) available for passengers, mail, and cargo by the distance in miles flown by aircraft, while the latter is revenue load of passengers, mail and cargo in tons multiplied by the distances flown in miles. The following table gives the salient features of the Corporation's operating and traffic statistics during the three years 1955-56, 1956-57 and 1957-58:

Operating Statistics

	1957-58	1956-57	1955-56
Revenue hours flown	26,306	23,808	19,696
Revenue miles flown (millions) ..	6.719	5.973	4.909
Capacity-ton miles (") ..	50.657	43.567	35.242
Revenue-ton miles (") ..	29.988	27.927	19.635
Of which Passenger	21.247	19.491	13.927
Mail	2.690	2.520	1.777
Revenue passenger miles (millions)	247.232	224.525	158.116
Load factors (Per cent.)			
Passenger	61.5	67.3	57.0
Overall	59.1	64.3	55.3
Revenue passengers ..	88,312	79,825	56,445
Mails carried (lbs. in millions) ..	1.475	1.354	0.975
Revenue cargo (") ..	3.302	3.256	2.288
Operating profit (Rs. in lakhs) ..	71.67	87.90	6.54
Operating revenue per C.T.M. ..	2.137	2.215	1.920
Operating cost per C.T.M. ..	1.995	2.013	1.901
C.T.M. per employee	12,387	11,897	11,292

The Corporation's non-operating revenue aggregated Rs. 111.68 lakhs, as against a deficit of Rs. 8.06 lakhs in 1956-57, the large surplus in the year under review being due to sale of its Constellation fleet and related spares. This, together with the operating profit of Rs. 71.07 lakhs, made a total of Rs. 183.35 lakhs. After taking into account the previous year's carry forward of Rs. 1.21 lakh and providing for deferred taxation to the tune of Rs. 57.25 lakhs, there was a disposable surplus of Rs. 127.31 lakhs. A sum of Rs. 41.50 lakhs has been transferred to equipment renewals reserve (as against Rs. 36.00 lakhs in the previous year). This amount, it is stated, is equivalent to interest at 4 per cent. on the Government's investment in the Corporation and the appropriation has been made in accordance with the "Government's wishes on the subject." Insurance fund absorbs Rs. 9.66 lakhs, while a sum of Rs. 6 lakhs has been utilised for writing off the balance of development expenditure. The additional depreciation on fleet claims Rs. 69.23 lakhs—this is an innovation in accounts—leaving a balance of Rs. 92,000 to be carried forward.

Explaining the provision for additional depreciation, the Directors observe:

"The Corporation has up to the present provided annually for depreciation on the basis of an assumed economic life for its equipment. As the re-sale value of long-range, multi-engined, pressurised aircraft has, ever since the war, remained at an abnormally high level owing to a world-wide shortage of such equipment, the provision for depreciation made from revenue each year by the Corporation proved to be more than adequate. However, with the impending introduction of large fleets of new jet airliners throughout the world, the market for second-hand piston-engined aircraft has already considerably weakened and it may be expected that re-sale values will drop substantially in the years to come as piston-engined fleets become increasingly surplus to requirements. The Board, therefore, consider it necessary, or at least prudent, to provide for additional depreciation on the fleet as rapidly as circumstances permit. In line with this policy, the Board have set aside to depreciation over and above the amount of Rs. 106.90 lakhs charged for the year to the profit and loss account, an additional amount of Rs. 69.23 lakhs available from the net surplus (after providing for deferred tax thereon) on the sale of the Constellation fleet. In addition, the Board have transferred the balance of Rs. 12.06 lakhs standing to the credit of the capital reserve to the depreciation fund which now stands at the figure of Rs. 335.50 lakhs, as against a gross block of Rs. 1,051.00 lakhs."

The Corporation's balance-sheet total has increased from Rs. 19.75 crores to Rs. 22.83 crores as on 31st March 1958. Assets include capital expenditure, including works-in-progress, of Rs. 10.68 crores, Boeing-707 project (Rs. 1.29 crore), spares and stores (Rs. 2.90 crores) and cash (Rs. 2.52 crores). On its liabilities side, the Corporation, besides a capital of Rs. 13.23 crores, has reserves aggregating Rs. 1.21 crore and provision for depreciation, obsolescence and doubtful debts amounting to Rs. 3.90 crores and for deferred taxation Rs. 1.17 crore. Loans and debentures account for Rs. 1.09 crore and other liabilities for Rs. 2.21 crores. Against the loans of $16.8 million (Rs. 8.00 crores) negotiated in the U.S. to meet the dollar content of the Boeing project, the total amount withdrawn upto the end of the year was $2.3 million (Rs. 1.09 crore). During the year under review, the Corporation received from the Government a sum of Rs. 47.94 lakhs on capital account in respect of various projects, while it refunded to the Government Rs. 47.44 lakhs. The 4 per cent. 1949-59 debentures amounting to Rs. 9.04 lakhs were redeemed during the year. The five-year moratorium on the payment of interest on Government's investment in the Corporation expired on 31st July 1958. It would appear that, at the instance of the Corporation, the question of further extension of moratorium upto the end of 1965 is under the consideration of the Government.

Fleet

The Corporation has disposed of its three 749A aircraft and equipment for $4.2 million (Rs. 2.00 crores) and placed orders for two Super-Constellations worth $4.2 million. The Corporation's fleet consists of 10 standard-sized units which, it is stated, ensure "greater flexibility and better utilisation." An agreement made during the year with K.L.M. and Air-France for the interchange of spares and tools is now in operation in Beirut, Delhi, Calcutta, Hong Kong, Bangalore and Tokyo. This arrangement, according to the Directors, has "resulted in economies and brought about greater understanding and co-operation between the participating airlines." Negotiations for enlarging the scope of this agreement to include power plants are proceeding. Work on the centralised workshop project has made good progress.

Summing up the results of the Corporation's working during the year under review, the Directors note that the year was "mainly one of further consolidation of the large expansion of capacity effected in 1955-56." In the meantime, the programme for setting up the additional facilities and creating the organisation required for the operation of the Boeing jet fleet early in 1960 has been set in motion. In this connection, the Directors observe:

"Apart from introducing entirely new types of aircraft and engines, requiring techniques and procedures in operation, maintenance and traffic handling materially different from those applicable to piston-engined operations, the Boeing project will involve an expansion of nearly a hundred per cent. in our annual capacity, expressed in terms of ton-miles offered for sale. How quickly the additional capacity can be filled will depend, amongst others, on some important factors beyond our control, such as the numbers and types of services offered and the corresponding pattern of fares adopted by the international air transport industry as a whole. It is a sobering thought that an increase in total capacity at least equal to our own, will take place simultaneously in almost every international airline in the world, as about two billion dollars (Rs. 950 crores) worth of new gas turbine-engined aeroplanes are added to the existing piston-engined fleets. The drastic increase in traffic required over a short period to provide an economic load factor on the greatly expanded aircraft capacity cannot be expected to come solely from the normal annual growth in total world travel or from the additional growth of traffic resulting from the extra speed of the new planes. A good part of the extra traffic must also be sought from strata of the travelling public which today cannot afford air transport."

The next few years, as Mr. J. R. D. Tata, Chairman of the Corporation, said, at the recent annual meeting of the International Air Transport Association, are going to be "crucial" for the air transport industry. In this connection, it is gratifying to note what the Directors have to say on the tasks ahead of the Corporation: "The maturity and professional competence of our organisation, coupled with the soundness of our financial position, built up over the last few years, should enable us to ride out any storm which may temporarily threaten the air transport industry in the coming difficult years." If Air-India International has to carve out an important place in the world's air map, it should not only maintain but improve its high traditions of service. At the same time, it should increase its technical equipment and personal, so that it could brave the rough weather of the jet age. No less important is the need for keeping the costs of operation under perpetual scrutiny, which alone can enable it to maintain attractive levels of fares and freights and thereby widen the market it serves.

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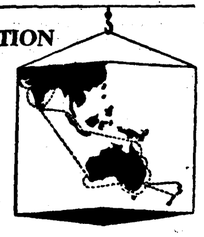

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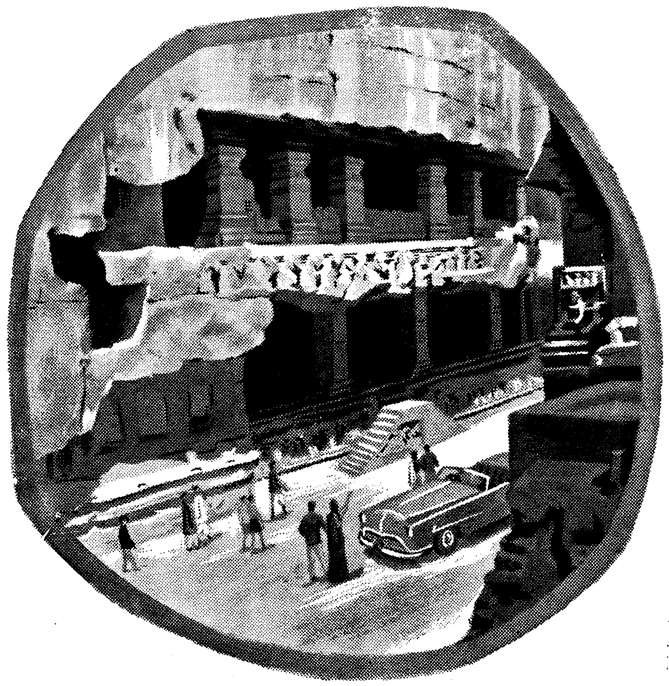

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EFFORTS TO INCREASE EXPORTS YIELDING RESULTS

CHAIRMAN, MR. GOPIKISAN PIRAMAL, REVIEWS TEXTILE INDUSTRY'S PROBLEMS

THE Eighty-seventh Annual General Meeting of the Morarjee Goculdas Spinning and Weaving Company, Ltd., was held in Bombay on 8th November 1958. Addressing the shareholders on the occasion, Mr. Gopikisan Piramal, Chairman of the Company, made a brief analysis of the factors which adversely affected the textile industry and agreed with the Joshi Committee recommendation that there was need for a sustained and continuous study in the field of marketing research by the industry. He was of the view that this could not be undertaken by individual units. There must, therefore, be a concerted effort by all the units.

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

"GENTLEMEN,

"It is a pleasure to welcome you all to the eighty-seventh annual general meeting of the Company and place before you the Directors' report, audited accounts and the balance-sheet of the Company for your consideration and adoption.

"Today, we meet in an atmosphere laden with grief and sorrow on account of the sad and sudden demise of Seth Piramalji, the senior-most member of the Managing Agency firm of your Company. He was the inspiring spirit in the management of the affairs of your Company over the past 24 years. Many of you will remember that before the mill was taken over by Messrs. Ganesh Narayan Piramal in 1934, there was a serious economic crisis all round and this mill was in a most difficult position. The wages of the workers and the salary of the staff were not paid and even the bills of cotton and stores could not be regularly paid. The state of affairs of the mills was quite discouraging when it was taken over, mainly at the instance of the late Seth Piramal. It was in a very great measure due to his business acumen that the Company is steadily marching on the path of progress irrespective of difficult times and enjoys the position of prominence that it does today. In his death the Company and its employees have suffered an irreparable loss. As a mark of respect to the deceased, your Company was closed for a day and the workers also abstained from work on the subsequent day.

Company's Working

"I shall now report to you on the working of your Company. We are in the happy position of having done creditably well in the year ended 30th June 1958. The profit of the Company has recorded a sizable rise over that of the previous year. The gross profit for the year under review, at Rs. 34.11 lakhs, has risen by Rs. 12.20 lakhs from Rs. 21.91 lakhs earned in the previous year. Your Directors have provided for depreciation of Rs. 17.25 lakhs and Rs. 5.88 lakhs for development rebate for the period under review, as permissible under the Income-tax Act.

"You will observe from the balance-sheet that the fixed assets of your Company stand well written down from Rs. 275.33 lakhs to Rs. 74.91 lakhs, the difference, namely, Rs. 200.42 lakhs, being the total depreciation provided up to the end of the year of review. The net written-down value of the fixed assets includes Rs. 12.32 lakhs, being the cost of additions made to the gross block during the year. You may be aware that a sum of Rs. 30.09 lakhs had been spent by way of additions to the gross block in the previous year. I need not point out to you that these figures speak for themselves the financial soundness of the Company.

"Your Company is quite alive to the present-day need for the promotion of exports in order to earn more foreign exchange to finance the second Five year Plan. Efforts were made to increase the exports of our products by sending representatives to various customer-countries and I am glad to report that these efforts are yielding results.

"A Director of your Company was recently deputed to Japan for the purchase of more machineries and also to study the latest development and techniques.

"I shall now refer to the general economic trends of the year having relevance to our industry, which constitutes the oldest and the largest mechanised enterprise in India.

Industry is Ailing

"Though the wonderful world of textiles is now at the beginning of a challenging and dynamic age, the industry itself today is ailing and restless. It is true that this ailment is not peculiar to the industry in our country alone, but is a common feature all over the world. Right from the United States to Japan, the industry has had a setback during the year under review. Last year, on this occasion, I had referred to the drastic increase in excise duty, the burden of which proved to be more than what it could bear. I believe, that it was not only the extent of the duty levied that mattered, but that the time also was most inopportune. That proved to be the turning point in the textile trade. The industry was doing well enough for some time past when the levy forced it into a difficult situation. General conditions all over the world were becoming unhelpful and that levy proved to be the last straw that broke the camel's back. It ruined the morale of the industry and trade. The course of events during the year that followed bear out my statement.

"The Government too appreciated the situation, but rather belatedly. Though the excise duty has been reduced thrice during the last few months, it has not helped much. All that it has done is to reduce the speed of decline to some extent. Besides, the way these duties were brought on was rather tactless, and this created uncertainty in minds of the traders, wholesalers and retailers, who used to share the risks with the manufacturers by carrying substantial stocks. They are now hesitant to perform one of the prime duties of the middlemen. I may say that it is due to this bad forecasting and lack of planning that a wrong decision was taken which created this anomaly in the Indian economy, that while additional purchasing power was being created by the implementation of the Plan, the industry producing one of the most essential articles of existence, i.e., cloth, should have been forced into such a state. I agree that nature too has not been very co-operative, and the crops of foodgrains have been failing successively for the last few years. But this does not detract from the fact that Government's textile policy was totally innocent of the foresight and the nice balancing of considerations that constitute policy-making.

Export Markets Affected

"Besides the home market, the export markets are being adversely affected. All the under-developed countries are trying to start off on the road of industrialisation, and the first industry to begin with is usually textiles. During the year under review, communist China has invaded Asian markets by selling cotton piece-goods at low prices coupled with long credit terms and a flood of advertisement and propaganda. It is only a totalitarian country that can afford to do so, for obvious reasons.

"The challenge of man-made fibres is the other factor that the Indian textile industry has to take into account. We have not yet acquired the technique, know-how or equipment for producing the various man-made fibres, which are potent competitors of cotton, on which most of our textile industry is relying for the present.

"The biggest challenge facing our industry is modernisation of plant and equipment. Recently, our Government has also announced a policy for the modernisation of the textile industry. I am happy to report that we have met this challenge squarely and hope to keep on meeting it successfully.

"Management is the most single important factor that makes all the difference between the success and failure of an industrial unit. A scientifically trained and proficient management cadre is imperative in order to keep pace with the upheaval in our industry. I am happy to report that we have sponsored candidates for the post-graduate diploma course in business management, industrial administration and foreman supervisory training course. I have mentioned this only to bring to your notice that your Company is awake to the necessity of scientific management.

Textile Enquiry Committee's Report

"It is a happy sign that our Government appreciated the general situation and appointed the Indian Cotton Mills Industry Enquiry Committee under the chairmanship of Shri D. S. Joshi (Textile Commissioner) to study the problems facing the industry with a view to diagnosing the causes and to exploring and suggesting remedial measures. The Committee has submitted its report, which I trust, you have all gone through. The Government has started moving on the basis of these recommendations. I will draw your attention to only one of the recommendations which states: 'The question of the marketing of cloth forms an important field which guides producers in the changing tastes and preference of consumers. Marketing intelligence or research is an indispensable adjunct. There is a need for more continuous and sustained study in this field which may be undertaken by the industry and the Textile Commissioner's organisation.' I entirely agree with the views expressed therein, but I am of the opinion that this task cannot be performed by individual units, and I, therefore, feel that the Indian Cotton Mills' Federation, the Textile Commissioner and such other organisations must move together in the matter and co-operate.

"A further factor which continues to hamper our progress is the continuous rise in the cost of production, thereby increasing the burden on the industry. Foreign exchange stringencies have subjected stores items such as dyes and chemicals to high prices and scarce availability.

"After having detailed to you broadly the handicaps facing the industry, I would like to repeat that this year's progress of your Company could have been achieved only due to the willing and active co-operation of the people here—the administrative, technical and production personnel of the Company. Our personnel relations have been quite happy and cordial. I am sure you will join me in an expression of thanks to them all on this occasion. In the end, gentlemen, allow me to thank my colleagues on the Board and you all sincerely for the kind co-operation extended to me.

"With these words I move that the Directors' report and the audited statements of accounts for the year ended 30th June 1958, already circulated amongst the shareholders of the Company, be and are hereby adopted."

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

SUBSIDISED INDUSTRIAL HOUSING

The Union Ministry of Works, Housing and Supply, has sent a communication to all State Governments to the effect that projects formulated by employers under the Subsidised Industrial Housing Scheme will in future be technically scrutinised, sanctioned and processed by the State Governments themselves instead of being recommended by them to the Ministry. In pursuance of this decision, all employers who applied recently to the Ministry for financial assistance, are being advised to approach the State Government within whose jurisdiction the construction is contemplated. Similarly, projects now under the Ministry's consideration are being transferred to the State Governments for further action. The Ministry is also considering the question of transferring to the State Governments the processing of the projects submitted by private employers and already sanctioned by it.

The State Housing Ministers who met recently in conference at Darjeeling felt that the response from employers in the matter of constructing houses for their workers was poor. They noted that the efforts made by the States to secure the co-operation of employers had not met with any appreciable success. The conference was of the view that, unless employers could be persuaded to co-operate in the scheme, some measure of compulsion might have to be introduced. It was, however, hoped that the employers would be persuaded to take advantage of the liberalised terms now offered, namely, increase in the quantum of financial assistance, relaxation in the mode of disbursement of funds, longer period of repayment of loans and facility to obtain sanctions to their projects from the State Government. It was suggested that the results achieved should be watched for a year and the question of introducing an element of compulsion taken up for consideration, if necessary, at the next conference.

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TARIFF PROTECTION TO COCOA AND CHOCOLATES TO GO

BAN ON IMPORTS, THE REASON

NORMALLY, an industry enjoying tariff protection is deprotected either when it has attained adequate competitive capacity comparable with its foreign confreres or when it has failed to fulfil its obligations as a recipient of protection. Neither of these reasons is applicable to the cocoa powder and chocolate industry. And yet this industry is to lose protection with effect from 1st January 1959, a verdict of the Tariff Commission fully accepted by the Government. The Commission's reason is that there is no point in extending protection, as imports of cocoa powder and chocolate are not allowed for balance of payments considerations. This may be a practical way of looking at the problem, but what does the country lose if tariff protection is retained? Further, by importing this new criterion, the Tariff Commission is speculating on the prospects of balance of payments situation. Supposing that balance of payments position improves and imports of cocoa and chocolates are allowed, the industry will have to come to the Commission again with a plea for reimposition of tariff protection. The Commission will then have to waste its time and effort in undertaking a fresh study of the problem. Indeed, since the Commission knew that there was a ban on imports of the industry's products, it could have very well dispensed with its last enquiry and straightaway told the industry that the question of extending the period of protection (beyond 31st December 1958) would be taken up if and when the ban on imports were lifted.

Be that as it may, the history of protection for the industry, as well as the industry's position and problems may be briefly stated.

The industry was granted protection, for the first time, in 1947, following an enquiry by the then Tariff Board. The revenue duty of 30 per cent. *ad valorem* on cocoa powder and covering chocolate prevailing at that time was converted into a protective duty at the same rate and the period of protection was initially fixed to cover up to 31st March 1950. In addition, assistance was given to the industry by remitting in full the import duty of 30 per cent. *ad valorem* on cocoa beans. Subsequently, there were three tariff enquiries, in 1949, in 1954 and 1956. And each time protection was extended. According to the last enquiry and recommendation, protection is to expire on 31st December 1958.

Since the enquiry in 1956, the industry has been making fairly satisfactory progress. At present, there are two units, namely, Cadbury-Fry (India) Private Limited, Bombay, and Sathe Biscuit and Chocolate Company, Ltd., Poona, which are engaged in the commercial production of cocoa powder and chocolate from cocoa beans. Two more producers, namely, Dr. Writer's Chocolates and Canning Company, Bombay, and Parry's Confectionery Ltd., Madras, have capacities to manufacture chocolate from cocoa beans and are producing that article on a small scale. In addition, there is a number of units engaged in the manufacture of confectionery from covering chocolate or in processing covering chocolates into eating chocolates. The following table shows the present annual rated capacity of the major units per single shift, as compared with the position at the time of the last enquiry in 1956:

(Volume: In tons)

Name of the company	Covering chocolate		Cocoa powder	
	1956	1958	1956	1958
Sathe Biscuit and Chocolate Co., Ltd.	450	450	150	150
Cadbury-Fry (India) Private Ltd.	340	340	125	125
Dr. Writer's Chocolate and Canning Co.	*Nil*	15	*Nil*	*Nil*

It should be noted in this connection that the capacity of Cadbury-Fry has already gone up to 300 tons of cocoa powder and 500 tons of covering chocolate per single shift. The firm's application for recognition of its higher capacity is under consideration by the Government. Besides, Dr. Writer's Company has installed certain plant and machinery which are stated to have raised its capacity on single shift to 132 tons of covering chocolate. It proposes to apply for Government recognition of this higher capacity.

Production, however, fell far short of the installed capacity. The representative of Cadbury-Fry stated at the enquiry that owing to initial difficulties connected with the starting of the new plant, his Company's capacity could not be fully utilised in the first half of 1957. During the latter half, acute shortage of raw materials accounted for the under-utilisation of capacity. The other producers could not utilise their capacity for lack of demand for their products. Recent trends in actual production are indicated in the following table:

(Volume: In tons)

Name of the unit	Production		
	1956	1957	1958 (January-April)
COCOA POWDER			
Sathe Biscuit and Chocolate Company Ltd.	33.00 (not in production)	41.00	9.00
Cadbury-Fry (India) Private Ltd. ..		118.62	33.45
Total ..	33.00	159.62	42.45
COVERING CHOCOLATE.			
Sathe Biscuits	73.00 (not in production)	64.00	14.00
Cadbury-Frys		256.81	87.88
Dr. Writer's Chocolates	0.70	1.91	0.15
Total ..	73.70	322.72	102.03

There are, as usual, varying estimates of demand for cocoa powder and chocolate. The Tariff Commission itself has placed the demand for 1958 at 300 tons of cocoa powder and 350 tons of chocolate. The representative of Cadbury-Fry was optimistic that, given adequate supplies of raw materials, he would be able to market 300 tons of cocoa powder and 400 tons of chocolate, but, as import of beans has been severely restricted, he could not hope to produce more than 100 tons of cocoa powder and 250 tons of chocolate. On the basis of production upto April 1958 and other latest information, the Commission has placed the production for 1958 at 150 tons of cocoa powder and 300 tons of chocolate. As regards future demand, the Commission received estimates ranging between 400 tons and 1,000 tons (including both cocoa powder and chocolate) for 1961. The Commission, however, considers it rather impossible to project any demand for these products in 1961, as their supply is bound to be restricted, owing to severe restrictions on imports of beans.

It is said that the quality of indigenous cocoa powder and chocolate has improved since the last tariff enquiry in 1956, and that it can now compare favourably with that of imported products. All the producers, it is stated, are keeping themselves up-to-date with technological developments in other countries.

The major problem facing the industry continues to be one of short supply of the raw materials, namely, cocoa beans, which are not available from indigenous sources and have, therefore, to be imported. Cadbury-Fry obtains its supplies from Ghana through its foreign associates, while Sathe and Dr. Writers import their requirements from Ghana, Brazil and Ceylon. Attempts are, however, being made to start indigenous cultivation of cacao, but even if they succeed in the near future, it will take several years for the cacao plantation to yield beans. Incidentally, it will be interesting to note, in this connection, that Mr. Urquhart, a former Director of Agriculture, Gold Coast, Ghana, was invited by the Indian Council of Agricultural Research to investigate possibilities of cultivation of cacao in this country. He came to India in May last and toured the States of Madras, Kerala and Tripura. He is of the view that Forastero type of cacao, namely, amelonado and upper amazon and hybrids of amazon, are the best types of cacao that could be cultivated in parts of South India. He appeared to entertain no doubt whatever that there are large virgin tracts in South India where the soil and climate are suited to cacao and that enough cacao could be grown to provide sizable quantities not only for meeting the internal requirements in full but also for export. The Tariff Commission had a special meeting with him and after discussing the problem of growing cacao in this country has recommended that steps should be taken to ensure that the examination of Mr. D. H. Urquhart's report on cacao cultivation is completed as quickly as possible and that, if his recommendations are acceptable to Government, they are implemented without any loss of time. If Government decide, on Mr. Urquhart's report, to develop cacao plantation, it may also consider the question whether, in order to achieve quick and satisfactory results, an assurance should be given to the cacao plantation industry that, if it is run on sound lines and is able to produce beans of grades required by the cocoa powder and chocolate industry, it will be given protection against unfair competition from abroad.

Imports of cocoa powder and covering chocolate, other than confectionery, have been banned since 1st January 1957. As regards beans, licences are issued on an *ad hoc* basis to actual users. In 1956, imports of cocoa powder and covering chocolate aggregated 128.85 tons valued at Rs. 5.78 lakhs, as against 269.65 tons, valued at Rs. 8.19 lakhs in 1951.

The other principal recommendations of the Tariff Commission are:

The present concession of duty-free import of cocoa beans should continue.

Whatever exchange quotas are fixed from time to time for the import of cocoa beans should be distributed amongst the existing units in such a way that each unit receives licences commensurate with its requirements for economic operation.

No new or additional capacity for the processing of cocoa beans should be established in the country, so long as the existing installed capacity is not fully utilised.

The Central Government has accepted the Commission's recommendation pertaining to im-

(*Continued on page 815*)

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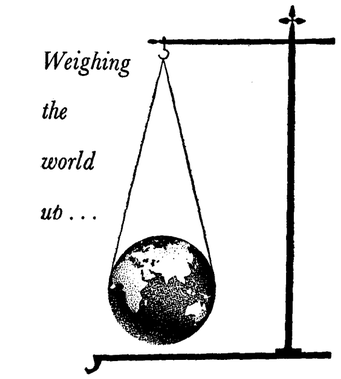

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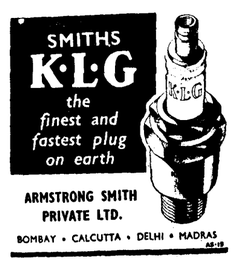

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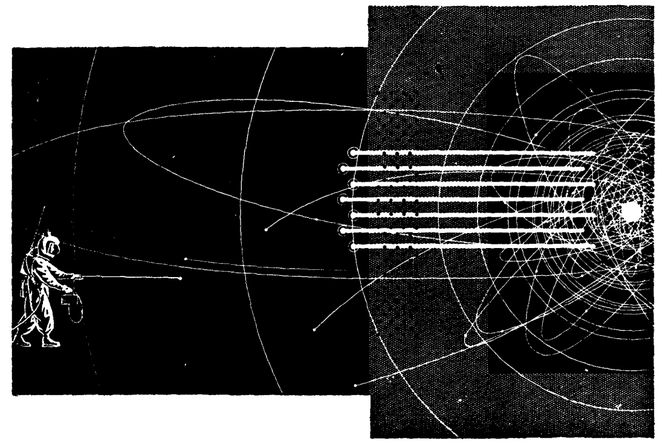

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INDIAN IRON'S GROSS PROFIT SHRINKS FOR SECOND YEAR IN SUCCESSION

PRODUCTION, TOO, FALLS—OUTPUT BELOW CAPACITY

THE recent speculative activity in Indian Iron scrips has been mainly inspired by two beliefs. One is that, when the expansion plans are fulfilled, the total profits would go up and with that the dividend too. The other is the future prospect of the Company issuing bonus shares through capitalisation of reserves, as and when they swell in the years to come. They would appear to have overlooked some of the basic factors which were responsible for the setback in the Company's working during the year ended 31st March 1958—both production and earnings have fallen to the lowest levels in the past three years—and which are likely to affect future results as well, unless corrective measures are taken in time. It is the presence of these factors that made Mr. Mookerjee forecast an uncertain outlook for this key industry, in particular, and for the whole economy of the country, in general.

To take the results of the Company for the year 1957-58. The total production of steel suffered a drop of nearly 6 per cent., that is from 976,036 tons to 919,622 tons. The output of saleable steel, in particular, fell by no less than 31,679 tons to 412,042 tons. With this decline, the Company's output of saleable steel shrank by 48,971 tons in the last two years. The production of both steel ingots and saleable steel for the year under review was the lowest in the last three years. The output of steel ingots dropped from 532,315 tons in 1956-57 to 507,580 tons, mainly due to the unavoidable diminution in the use of purchased steel scrap during the year, on account of the difficulty of procurement. The output ratio of saleable steel recorded a decrease due to the fact that, in 1957-58, more steel was produced in fully finished form commanding a higher realisation price, but involving naturally a lower overall yield per ton of ingot.

It is, of course, true that, during a period of large-scale extensions to plant, output would be generally lower. It is gratifying to hear that the disorganisation of production by reason of the extension works has reached the point where the maximum effect on current production has already been felt. But it is not this factor alone that was responsible for the decline in production in 1957-58. Another factor of a "graver character," as Mr. Mookerjee pointed out, operated during the year to affect the production adversely. This was the growing lack of discipline among the workers generally and the marked deterioration in the effort put forth by them.

The smooth progress of both the 1953 and 1955 extension programmes was interrupted by a strike of the contractors' labour lasting from 24th February to 21st March last and this spread to the Company's own contract labour both at Burnpur and Kulti. The disorganisation caused is said to have inevitably delayed the completion of extension programmes by a period longer than the duration of the strike itself. It is also estimated to involve a loss of foreign exchange to the extent of about Rs. 5 crores.

Two more large open hearth furnaces in the melting shop are to be commissioned and this is to be done in the months of November and December this year, thus completing the 1953 extension programme. With the virtual completion of this programme, the capacity of the Company's melting shop now stands at 62,500 tons of ingots per month, but production is running only at about 44,000 tons on an average, as a result of the unsatisfactory and continuing conditions referred to above. The fall in the Company's output is duly reflected in the despatches of steel and earnings for 1957-58. Despatches of steel, which had dropped from 451,591 tons (in 1955-56) to 420,477 tons in 1956-57, further went down to 403,978 tons in the year under review, the lowest level since 1953-54.

The gross profit for the year under review amounts to Rs. 7 crores, representing a fall of Rs. 58 lakhs. This is on top of a decline of Rs. 60 lakhs suffered in the previous year. The net profit is, however, higher at Rs. 3.70 crores, as compared with Rs. 2.73 crores earned in 1956-57, but is still a shade lower than that (Rs. 3.75 crores) for 1955-56. These profits have been arrived at after taking into account a sum of Rs. 1.22 crore being the retrospective increase in steel retention prices, following the further increase of Rs. 14 per ton notified by the Government on 13th October 1958 and effective for the five-year period 1955-56 to 1959-60. It will be recalled that, in May 1957, the Government of India granted a provisional increase of Rs. 46 per ton in the retention price to offset the enhancement of the excise duty on steel ingots from Rs. 4 to Rs. 40 per ton, pending revision of the retention price to cover the higher cost on account of increases in railway freight, cost of coal and other raw materials and the rise in other charges. It is to cover the higher cost on account of these that the increase of Rs. 14 per ton was granted last month. Along with this, the Company was authorised to claim, with effect from 16th May 1957, adjustment in respect of the increase in excise duty at the rate of Rs. 45.74 per ton on the quantity of steel despatched from that date.

It is on account of the delay in announcing the retention prices that the Company postponed the presentation of the year's accounts to the shareholders by three months, as it was not considered desirable to work on estimates having regard to the magnitude of the sum involved. In order to avoid keeping the shareholders under suspense, the Directors declared an interim dividend of 10 per cent. in August last, but they made it clear that there was no intention to pay any final dividend. The Company has put forward further claims for adjustment of the retention prices of steel and pig iron and these are pending with the Government.

The rise in net profit noted above is due to a substantial cut in the provision for taxation from Rs. 3.19 crores to Rs. 1.62 crore, on account of the large tax allowances in respect of the new plant. The latter sum includes a sum of Rs. 27.40 lakhs being the provision for wealth tax in respect of the years 1956-57 and 1957-58, the liability on this account for the previous year being Rs. 11.73 lakhs. In view of the large additions to fixed capital expenditure during the latter part of the year, the provision for depreciation has been stepped up by Rs. 5 lakhs to Rs. 1.40 crore. The net profit has been supplemented by a sum of Rs. 14 lakhs transferred from the taxation contingency reserve.

In accordance with the recommendation of the former Tariff Board, a sum of Rs. 45.10 lakhs (same as in the previous year) has been transferred to the plant rehabilitation reserve and in terms of the Company's agreement with the Government a sum of Rs. 26.13 lakhs (Rs. 23.69 lakhs) has been added to the extensions special reserve. The Directors have also created a development rebate reserve (statutory by allocating Rs. 1.05 crore from the year's profit, in order to qualify for tax remission in respect of development rebate claimable on plant installed after 31st December 1957. After allowance for this, the balance of tax saving, amounting to Rs. 16.50 lakhs (Rs. 9.50 lakhs) in respect of the development rebate allowable on plant installations for the whole year under review, has been transferred to the development reserve (tax rebate). It is stated that, in future, the Company will have to set aside to the statutory development rebate reserve 75 per cent. of the entire development rebate claimable in respect of plant installations for any year in order to qualify for the tax remission. At current rates of taxation, the tax remission is said to work out to 51½ per cent. of the development rebate, but the Finance Act 1958 requires companies to set aside 75 per cent. of the development rebate claimable to the statutory reserve. To provide additional finance towards the cost of the expansion programmes and the due repayment of the indebtedness that is being incurred, the Directors have strengthened the general reserve by Rs. 32.97 lakhs (as against *nil* in the previous year).

These appropriations leave a balance of Rs. 1.18 crore out of the year's profit. From this sum, the Directors have set aside Rs. 1 crore to the general development reserve and replenished the distributable sum by transferring a similar sum from the profit earned in 1954-55. Explaining the object of these transfers, the Directors observe in their report as follows:

"Owing primarily to the very large allowances for taxation purposes in connection with the new plant installed, the percentage of taxable profits to gross book profits for the year is approximately 48 per cent. only. In order that this position should not operate to the disadvantage of shareholders in relation to their current dividends, Rs. 1 crore of the profits for the year has been transferred to general development reserve and a like amount which was set apart out of the profits for the year ended 31st March 1955 and credited to the works and ore mines new extensions reserve has been written back to the profit and loss appropriation account. The interim dividend at the rate of 10 per cent. on the ordinary share capital amounting to Rs. 1,03,67,416 and the dividend for the half-year ended 31st March 1958 on the preference share capital amounting to Rs. 6,74,885 are accordingly payable out of the sum of Rs. 1 crore so transferred to the profit and loss appropriation account and Rs. 10,42,301 out of the profits of the year under review. Dividend on the preference share capital for the half-year ended 30th September 1957 amounting to Rs. 6,74,885 has been paid out of the profits for the year ended 31st March 1958."

The following comparative table gives a bird's-eye view of the Company's progress in recent years:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds (including items used in works)	35,04 53*	30,62 96	30,44 88	27,35.41
Other income	51.64	42 40	26.92	23.96
Closing stocks of manufactured goods and work-in-process	353.73	3,01 51	2,10 59	2.77.33
Raw materials and stores and spares consumed	11,52 19	9,05 38	8,81 68	20,81·89
Other expenses†	17,56 31	14,42 73	13,05 11	6,77.29
Gross profit	6,99 88	7,58 16	8,18 27	
Managing Agents' commission	27.71	30 90	35.58	35.79
Provision for—				
Depreciation	1,40 00	1,35 00	1,20 00	1,20.00
Taxation	1,61 65	3,19 00	2,88 00	2,25.00
Net profit	3,70 52	2,73 26	3,74 69	2,96.90
Transfer from reserves	1,14 00	47 00		
To reserves	3,66 54	2,50 30	3,09 51	2,29.51
Dividends—				
5% preference	13 50	13 50	13 50	13.50
Ordinary	1,03 67 (10%)	51 84 (10%)	51 84 (10%)	51.84 (10%)
Carry forward	9 94	9 13	4 49	4 64
	Tons	Tons	Tons	Tons
Production—				
Pig iron	733,945	695,156	706,986	715,601
Steel ingots	507,580	532,315	518,505	528,118
Saleable steel	412,042	448,721	452,910	461,013
Despatches—				
Pig iron	619,689	578,113	633,485	646,251
Steel	403,978	420,477	451,591	449,050

* Include retrospective increase in steel retention prices.
† Include provision for repairs and renewals.

A comparative study of the distribution of the Company's revenues during the two years 1956-57 and 1957-58 shows that the share of materials consumed has risen from 29.1 per cent. to 31.1 per cent. and that of working expenses from 16.6 per cent. to 21.4 per cent., while employees accounted for (in the year under review) 22.3 per cent., as against 23.5 per cent. in the previous year. The distributable profit has shrunk from 2.2 per cent. to 0.5 per cent. and administrative expenses from 1.2 per cent. to 0.9 per cent. In absolute terms, employees accounted for Rs. 7.94 crores in 1957-58, as against Rs. 7.29 crores in the previous year, the sharpest rise being seen in their salaries and wages, which have gone up by Rs. 45 lakhs.

The balance-sheet of the Company as on 31st March 1958 shows that reserves and surplus aggregate Rs. 17.23 crores (including Rs. 2.43 crores standing to the credit of share premium account), as against a paid-up capital of Rs. 13.07 crores and a net block of Rs. 23.67 crores. (Gross block Rs. 33.94 crores *minus* depreciation Rs. 10.27 crores.) It is these large reserves, as well as the prospect of further accretion to them in the coming years and the need for maintaining a proper balance between the capital account and the block account that have given rise to hopes of a further bonus issue in the market even after the proposed capitalisation of the share premium account is formally completed. The Company's secured loans have gone up by over Rs. 7 crores to Rs. 17.80 crores and unsecured loans (representing special advance from the Government of India) from Rs. 7.39 crores to Rs. 10.18 crores. Of the secured loans, the loan from the World Bank utilised so far accounts for Rs. 13.48 crores (out of the two loans aggregating $50.02 million granted by the World Bank). The current liabilities and provisions aggregate Rs. 17.41 crores. The capital work-in-progress amounts to Rs. 14.75 crores and other assets aggregate Rs. 37.26 crores.

The Rs. 10 paid-up ordinary shares are currently quoted at Rs. 27.35. At this rate and on the basis of a dividend of Re. 1 per share, the yield on them works out to about 4.4 per cent. per annum, after making allowance for the bonus right that is pending.

JIYAJEERAO MILLS PROFIT DOWN

FINANCIAL POSITION IMPRESSIVE

A TYPICAL example of the victim of slump in the cotton textile industry is provided by the working of the Jiyajeerao Cotton Mills Ltd. (Managing Agents: Messrs. Birla Gwalior Private Ltd., Birlanagar, Gwalior) during the year ended 31st March 1958. On account of a perceptible increase in cost of production, due to a rise in the price of cotton, stores, coal and dearness allowance to workers, in the face of a fall in sales realisations, the Company's profit curve has experienced a sharp downward trend. Indeed, there has been a landslide in the Company's profits in the past two years. The gross profit for the year under review at Rs. 43.58 lakhs shows a fall of Rs. 37.46 lakhs from Rs. 81.04 lakhs for the previous year. It is again less than half of Rs. 102.61 lakhs for 1955-56. The decline over the past two years is thus as much as over Rs. 59 lakhs or 57.5 per cent. The net profit, however, is slightly higher at Rs. 24.11 lakhs, as against Rs. 23 lakhs for 1956-57. But this is due to a substantial cut in the provision for depreciation from Rs. 21.20 lakhs to Rs. 16.33 lakhs and no provision at all for taxation, for which purpose Rs. 30 lakhs were set aside in the previous year. But the Directors have transferred Rs. 32.35 lakhs from the general reserve to the taxation reserve after taking into consideration the up-to-date tax liability, including the liability for the year under report.

In view of the fall in earnings, the dividend, which was only 3½ per cent. for the previous year, has been lowered further to 2½ per cent. for the year under review. It may be noted that, in 1956-57, the Company had to declare an additional dividend of 2.2/5 per cent. for the year ended 31st March 1956 under Section 23A(4) of the Income-tax Act which absorbed Rs. 11.13 lakhs. In order to meet this additional liability, the Company had to withdraw Rs. 10 lakhs from the tax provisions made during that year. Hence, no amount could be transferred to the reserves. For the year under review, however, a sum of Rs. 5.63 lakhs has been allocated to development rebate and another Rs. 25,000 to provision for contingencies. It is stated that the development rebate in the previous year was included in the amount provided for depreciation.

The following comparative table, presenting some of the salient features of the Company's working during the past four years, will provide an idea of its progress:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds of cloth, yarn, waste, etc.	467.56	496.04	507.53	422.70
Sales of raw materials, etc.	27.36	30.51	28.73	8.70†
Other income	18.84	20.50	17.69	7.25
Closing stocks	66.25	61.29	42.41	63.35
Raw materials, etc., consumed	213.73	222.48	199.09	407.82
Other expenses	234.05	274.31	198.62	407.82
Gross profit	43.58	81.04	102.61	51.00
Managing Agents' remuneration	3.14	6.84	10.15	8.69
Provision for—				
Depreciation	16.33	21.20	19.01	20.72
Taxation	—	30.00	47.25	10.00
Net profit	24.11	23.00	26.20	11.59
Transfer from reserves	—	10.00	0.38	—
Transfer to reserves	5.88	—	7.98	—
Dividends—				
5½% cumulative preference	5.65	5.50	3.21	—
Ordinary	11.50 (2½%)	27.36 (3½%)	14.49 (3½%)	12.36 (2½%)
Carry forward	3.47	2.49	2.34	1.43

† Other Sales.
‡ Additional dividend for 1955-56.

It will be seen from the table that sale proceeds of cloth, yarn and waste have progressively declined, from Rs. 5.07 crores in 1955-56 to Rs. 4.96 crores in the following year and further down to Rs. 4.67 crores during the year under review. Sales of raw materials, etc., have also fallen from Rs. 30.51 lakhs a year ago to Rs. 27.36 lakhs, as also other income from Rs. 20.50 lakhs to Rs. 18.84 lakhs. The Directors say that replacement of sales tax by an additional excise duty in December 1957 gave rise to difficulties and confusion in trade circles. Consequently, the offtake was less and stocks accumulated. The decline in the cost of raw materials consumed and in other expenses, as disclosed by the table above, apparently reflects the setback suffered by the Company in its manufacturing activities.

The Directors' report states that the construction of the soda ash and caustic soda factory at Porbandar is making good progress. According to the original plan, the factory should have commenced production during the year under review itself. But this could not be on account of late delivery of machinery. It is noteworthy that, besides the capital expenditure on the construction of this factory at Porbandar, the Company has spent about Rs. 20 lakhs on expansion, renewal and modernisation of its plants, machinery and buildings at Gwalior.

An impressive financial position is disclosed by the Company's balance-sheet as at 31st March 1958. The paid-up capital stands at Rs. 571.18 lakhs, having gone up from Rs. 563.65 lakhs as at the end of 1956-57 following the second issue of 7,531 5½ per cent. tax-free cumulative redeemable preference shares of Rs. 100 each. This is supplemented by reserves and surplus aggregating Rs. 309.14 lakhs, of which the general reserve alone accounts for Rs. 287.41 lakhs. The book value of gross block is shown at Rs. 459.44 lakhs and total depreciation provided up to the end of the year of review comes to Rs. 329.33 lakhs, so that the net block is Rs. 130.11 lakhs. Additions to gross block during the year were of the order of Rs. 20.30 lakhs. Assets under construction at the Company's branch at Porbandar amount to Rs. 205.12 lakhs. While current assets aggregate Rs. 717.94 lakhs, of which investments in shares and Government securities at or under cost are Rs. 403.66 lakhs, cash and bank balances are a little under Rs. 13 lakhs. Of the investments just mentioned, Gilt-edged securities account for Rs. 116.02 lakhs and quoted shares for Rs. 151.95 lakhs, of which all but Rs. 31,000 are in equities. The market value of Gilt-edged securities and quoted shares is Rs. 275.45 lakhs, that is, Rs. 7.48 lakhs more than the book value. The investments in unquoted shares are Rs. 135.69 lakhs, of which nearly Rs. 75 lakhs are in the preference shares of Gwalior Rayon.

The Rs. 10 fully paid-up ordinary shares are currently quoted at Rs. 9.76 *cum-div.* On an *ex-div.* basis, the yield works out to 2.62 per cent. per annum.

COMMERCE AND INDUSTRY

(*Concluded from page 812*)

ports of beans. It has taken note of the others and promised to implement them as far as possible.

The Commission also worked out the fair ex-works prices of indigenous products and landed costs of imported products. On this basis, the rates of duties which will be required to protect the domestic industry from foreign competition will be 27 per cent. in the case of cocoa powder and 48 per cent. in the case of covering chocolate, which are slightly lower than the current rates of protective duty, namely, 35 per cent. *ad valorem* on cocoa powder and 50 per cent. *ad valorem* or Re. 1 per lb., whichever is higher, on covering chocolate. These calculations are, however, only of academic interest, as it has been decided to withhold protection for reasons mentioned at the outset.

GLASS AND CERAMIC RESEARCH

A chunk of dazzling, crystal-clear optical glass is a star attraction at the science pavilion, organised by the Council of Scientific and Industrial Research, in the India-1958 Exhibition. The optical glass has been made for the first time in the country at the Central Glass and Ceramic Research Institute, New Delhi. Certified as "A" grade by the Ordnance Factory, Dehra Dun, this glass is eminently suitable for optical instruments. Another product, developed in the laboratory and on display at the pavilion, is the foam glass, featherlight, multicellular, heat-insulating material which can replace imported cork used as an insulating material in refrigerating plants.

Mica brick is yet another product with a fascinating research and development history. Mica, a waste material accumulating as dumps in the vicinity of mica mines, has been processed for the production of bricks. These bricks, on account of their remarkable heat insulation properties, are invaluable for conserving heat in high temperature furnaces. Vermiculite bricks, made from imported vermiculite, were in use till now. The commercial production of mica bricks has already begun at a factory in Bhilwara, Rajasthan.

As a result of the research work carried out by the Institute, the bangle industry in Ferozabad, the largest unit in India, has now introduced a new process for utilising the indigenously available colourant, copper, in the manufacture of bangles, instead of the expensive imported selenium metal. This process has also been adopted in the production of red signal glasses, used for railway and traffic signals. Besides, the boron-free enamels developed by the Institute displayed in the Exhibition is capable of being used in enamelware production, with performance comparable to the conventional boron enamels.

SINGARENI COLLIERIES

RECORD OUTPUT AND PROFIT

THE year ended 31st December 1957 would appear to have been the most favourable one so far for the Singareni Collieries Company, Ltd. (Secretaries and Treasurers: Industries (I.F.) Department, Government of Andhra Pradesh, Hyderabad-Deccan). The Company's output of coal during the year exceeded all the previous levels and touched a new record. Despatches and sale proceeds, too, registered substantial improvements over the previous years. Gross profit also touched a new peak in the Company's history. The shareholders will doubtless be glad to know that the dividend has been raised further to 15 per cent. from 10 per cent. for the previous year and 7 per cent. for 1954. The dividend for the year under review is the highest that the Company has declared so far, the previous highest being 10 per cent. paid for 1956. The highly encouraging results for the year under review were due to (*a*) implementation of plans for expansion, (*b*) satisfactory supply of wagons for the movement of coal and (*c*) maintenance of cordial labour relations.

The gross profit at Rs. 61.68 lakhs is Rs. 9.04 lakhs higher than Rs. 52.64 lakhs for 1956. It is Rs. 8.28 lakhs better than the erstwhile record of Rs. 53.40 lakhs established in 1955. After making a higher provision of Rs. 38.18 lakhs for depreciation, as against Rs. 35.94 lakhs, and Rs. 8 lakhs (including wealth tax) for taxation, as against Rs. 7.75 lakhs in the previous year, the net profit also stands appreciably higher at Rs. 15.50 lakhs, as compared with Rs. 8.95 lakhs for 1956. The provision for payment of bonus to staff other than workers has been slightly raised from Rs. 1.75 lakh to Rs. 1.93 lakh. The dividend equalisation fund gets a higher amount of Rs. 3.50 lakhs, as against a mere Rs. 75,000 allocated a year ago. In addition, a sum of Rs. 32,073 has been provided for doubtful debts and another Rs. 30,000 for obsolescence (stores) as against *nil*.

The following comparative table shows at a glance the Company's progress during the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1957	1956	1955	1954
Sale proceeds (net)	455.28	357.39	311.50	293.22
Colliery and other expenses	428.82	334.46	278.96	253.78
Gross profit	61.68	52.64	53.40	42.28
Depreciation	38.18	35.94	32.12	25.53
Taxation	8.00	7.75	7.50	7.70
Net profit	15.50	8.95	13.78	9.00
Provision for bad and doubtful debts	0.32	—	—	0.05
To reserves	3.80	0.75	2.75	1.00
To bonus (other than to workers)	1.93	1.75	1.75	1.50
To dividend	9.48 (15%)	6.32 (10%)	4.74 (7½%)	4.42 (7%)
Carry forward	0.17	0.21	0.07	—4.47

The Company's output of coal during the year under review amounted to 1,919,414 tons, as against 1,272,000 tons in 1953, 1,458,000 tons in 1954, 1,526,000 tons in 1955 and 1,681,000 tons in 1956. Despatches of coal during the year amounted to 1,815,601 tons, as compared with 1,566,000 tons in 1956 and 1,462,000 tons in 1955.

The reserves and surplus of the Company as at the end of 1957 amount to Rs. 104.44 lakhs, as against a paid-up capital of Rs. 63.21 lakhs, all in ordinary shares of Rs. 10 each. The provision for taxation stands at Rs. 11.76 lakhs. The current liabilities (excluding employees' provident fund contributions amounting to Rs. 11.67 lakhs) aggregate Rs. 336.02 lakhs, of which Rs. 120.76 lakhs represent loans from the Government of Andhra Pradesh secured by mortgage and hypothecation of the entire immovable and movable assets and Rs. 10 lakhs unsecured loans from the Government of India. The gross block of the value of Rs. 558.11 lakhs, including additions during the year of Rs. 90.42 lakhs, has been written down to a book value of Rs. 296.48 lakhs. The current assets aggregate Rs. 230.62 lakhs.

The Rs. 10 fully paid-up shares are being currently quoted at Rs. 17.25 *cum-div.* and, on an *ex-div.* basis, the shares provide a yield of 9.5 per cent. per annum.

DAVANGERE COTTON REPEATS DIVIDEND

SHARP FALL IN PROFITS OF HASIMARA TEA

Davangere Cotton Mills Ltd.

THE directors of the above Company (Managing Agents: Messrs. R. Hanumanthappa & Son, Davangere) present the audited accounts of the Company for the year ended 31st March 1958.

The result of the Company's operations during the year ended 31st March 1958 is a profit of Rs. 6,40,900 (Rs. 12,51,663) after providing Rs. 4,87,882 (Rs. 5,42,563) for depreciation on the fixed assets. Out of this profit a sum of Rs. 1,853 (Rs. 4,203) has been expended towards donation, and with the sum of Rs. 15,780 (Rs. 18,235) brought forward from the previous year, the balance of profit available is Rs. 6,54,827 (Rs. 12,65,695), which the directors propose to appropriate as follows:—

To general reserve Rs. 25,000 (Rs. 3,50,000), to reserve for development rebate Rs. 1,30,000 (*nil*), to reserve for repayment of mortgage loan Rs. 2,50,000 (*nil*), to payment of dividend for the year ended 31st March 1958 at 9 (9) per cent. per annum, on the paid up share capital, free of income-tax, absorbing Rs. 2,27,997 (Rs. 2,19,915) and to carry forward to next year Rs. 21,830. (Rs. 15,780 after providing Rs. 6,80,000 for income-tax, super-tax and wealth-tax).

During the financial year under consideration, the textile industry, in general, had to face many adverse situations. The incidence of high central and state Government taxes, the continued increase in the cost of manufacture and the poor demand from the consuming centres, resulted in accumulation of stocks with the Mills and consequent slashing down of prices. It is however a matter of satisfaction to report that in spite of these adverse factors the Company was able to dispose of the entire production, though at a lower margin of profit and also to reorganise their sales programme to meet the continued heavy demand from the consuming centres.

The Central Government has since taken measures to assist the industry by reduction of excise duty coupled with replacement of sales-tax by additional excise duty. It is hoped that these concessions will enable the industry to return to normal trading conditions.

The expansion programmes of the Company have almost been completed, except for 5,616 spindles to be received from the Indian manufacturers. But for the delay in the supply of machinery by the local manufacturers, the whole scheme would have been completed well before the end of the year. However the directors are confident of completing the project before the end of December 1958.

As the shareholders are aware, sanction was accorded for the issue of 5,536 shares. Out of these, the directors have since assigned 5,197 shares and also provided for the payment of dividend for the year in terms of Article 358 of the Articles of Association of the Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	26,90,661	Gross block	1,04,60,142
Reserves ...	19,55,000	*Less*—Depreciation ...	44,85,815
Provision for taxation ...	33,876		
Liabilities ...	76,23,553	Net block ...	59,74,327
Profit and loss account ...	21,830	Stock-in-trade ...	42,89,246
		Stores, spares, etc. ...	5,49,330
		Debts, deposits and advances ...	14,55,116
		Cash ...	56,901
Rs.	1,23,24,920	Rs.	1,23,24,920

Hasimara Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport & Co. Private Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1957.

General:—Drought condition prevailed early in the season and a crop of 54,11,891 pounds of tea was made compared with 57,23,159 pounds in 1956, the crop being disposed of entirely on the Calcutta Auctions. The total net average sale price per pound of tea for teas realised from Hasimara divisions was Re. 1.82 (Rs. 2.00) and for Tumsong estate Rs. 3.32 (Rs. 3.31). The total working costs per pound of tea produced was as follows:—Hasimara divisions Re. 1.62 (Re. 1.56) and Tumsong Rs. 2.94 (Rs. 2.76).

The gross profit for the year is Rs. 10,40,053 (Rs. 27,17,751). The directors have transferred Rs. 3,25 000 (*nil*) from the general reserve and have provided Rs. 1,50 000 (Rs. 3,00,000) for bonus to labour, Rs. 5,37,079 (*nil*) for taxation (including an adjustment of Rs. 4,31,408 payable on account of previous years, against a substantial part of which appeals have been made) and Rs. 4,63,808 (Rs. 5,60,436) for replacements and depreciation of assets. Allowing for these and the other adjustments shown there is a credit balance of Rs. 2,50,920 (Rs. 14,75,344) and a total credit balance of Rs. 6,26,371 (Rs. 18,46,451) on this account which the directors propose to deal with as follows:—

To pay the preference dividend for 1957 absorbing Rs. 21,000 (Rs. 21,000), to pay a dividend of 7½ (22½) per cent. on the ordinary shares absorbing Rs. 2,40,000 (Rs. 7,20,000) and to carry forward to 1958 Rs. 3,65,371 (Rs. 3,75,451 after transferring Rs. 80,000 to staff reserve; Rs. 2,50,000 to general reserve and Rs. 4,00,000 to renewals and additions reserve).

Estimates for 1958 have been based on a total crop of 73,300 maunds at a total cost of Rs. 95,48,155, equal to a revenue cost of production of Rs. 1.63 per pound of tea.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,000	Gross block	1,05,55,381
Reserves ...	55,67,967	*Less*—Depreciation ...	50,96,452
Provision for taxation ...	6,50,596		
Liabilities ...	20,27,013	Net block ...	54,58,929
Profit and loss account ...	3,65,371	Stock of tea	29,48,488
		Stores and spare parts	11,52,802
		Debts, deposits and advances ...	10,05,003
		Investments	5,78,839
		Cash ...	9,66,886
Rs.	1,21,10,947	Rs.	1,21,10,947

Gielle Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport & Co. Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

General.—A short rainfall during the year and severe red spider affected crop and a total of 2,33,481 (2,28,183) pounds of tea was made against an estimate of 2,56,000 pounds. Quality generally was lacking, despite finer plucking, no good teas were made and with adverse market conditions, the net average sale price fell substantially. The total net average sale price per pound of tea was Rs. 2.68 (Rs. 3.01) and the total working cost per pound of tea produced was Rs. 2.80 (Rs. 2.69).

The State provident fund scheme was applied to plantation labour with effect from May, 1957 and this and the short crop made enhanced working costs.

The working for the year shows a loss of Rs. 26,929 (gross profit of Rs. 70,718) and after allowing for depreciation of assets, Rs. 24,568 (Rs. 32,273) and the other adjustments shown, there is a net loss of Rs. 51,717 (net profit Rs. 20,043) and a final debit balance on this account of Rs. 57,639 (Rs. 5,922) which is carried forward to 1958.

Estimates for 1958 have been based on a crop of 3,100 maunds of tea at a total cost of Rs. 6,52,314, equal to Rs. 2.63 per pound.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Gross block	7,99,665
Reserves ...	2,42,096	*Less*—Depreciation ...	2,97,665
Provision for taxation ...	10,326		
Liabilities ...	2,03,336	Net block ...	5,02,000
Profit and loss account ...	6,769	Stock of tea	1,37,898
		Stores and spares ...	58,180
		Debts, deposits and advances ...	99,969
		Investments	48,261
		Cash ...	16,219
Rs.	8,62,527	Rs.	8,62,527

Tycoon Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1957.

The season's working resulted in a profit, after providing for depreciation for 1957, of Rs. 3,91,352 (Rs. 11,80,038) to which must be added the balance of profit brought forward from 1956 of Rs. 86,908 (Rs. 98,341) making a total of Rs. 4,78,260 (Rs. 12,78,379). From this amount must be deducted depreciation in respect of previous year Rs. 42,317 (*nil*), adjustment account Rs. 59,581 (Rs. 7,643), provision for taxation Rs. 1,20,000 (Rs. 4,35,424) and loss on farming Rs. 13,718 (Rs. 14,166) and leaving a balance of Rs. 2,42,644 (Rs. 8,20,908 after writing off Rs. 238 on stores). From this amount the directors have set aside to general reserve Rs. 50,000 (Rs. 5,00,000 to buildings and machinery reserve) leaving an available balance of Rs. 1,92,644 (Rs. 3,20,908) which, the directors recommend, should be dealt with as follows:—

In payment of a dividend for the year ended 31st December 1957, at the rate of Rs. 3.00 (Rs. 4.50) per equity share on 52 000 equity shares, absorbing Rs. 1,56,000 (Rs. 2,34,000) and leaving to be carried forward Rs. 36,644 (Rs. 86,908).

The saleable crop weighed out at 16,082 (15,118) maunds against the revised estimate of 16,366 maunds and was disposed of at an average price of Rs. 2.16 (Rs. 2.90) nP per lb.

Estimate 1958.—Due to adverse weather conditions experienced early in the season, the saleable crop for season 1958 is expected to amount to 15,000 maunds.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,20,000	Gross block	33,37,954
Reserves ...	21,50,250	*Less*—Depreciation ...	14,35,604
Provision for taxation ...	7,55,606		
Liabilities ...	9,92,515	Net block ...	19,02,350
Profit and loss account ...	36,644	Work-in-progress ...	5,04,755
		Stock of tea	10,84,047
		Stores, spares, etc. ...	4,16,826
		Debts, deposits and advances ...	2,22,419
		Investments	59,581
		Cash ...	2,65,037
Rs.	44,55,015	Rs.	44,55,015

Dejoo Valley Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1957.

The season's working resulted in a profit, after providing for depreciation for 1957, of Rs. 1,14,388 (Rs. 2,58,574) to which must be added the balance of profit brought forward from 1956 of Rs. 33,446 (Rs. 42,144) making a total of Rs. 1,47,834 (Rs. 3,00,718). From this amount must be deducted depreciation in respect of previous year Rs. 24,746 (*nil*), adjustment account Rs. 1,627 (*nil*) and provision for taxation (including provision for wealth-tax Rs. 45,000 (Rs. 81,136) leaving a balance of Rs. 76,461 (Rs. 2,19,446 after writing off Rs. 136 for stores, etc.) From this amount the directors have set aside to general reserve Rs. 25,000 (Rs. 1,50,000 to buildings and machinery reserve) leaving an available balance of Rs. 51,461 (Rs. 69,446) which, the directors recommend, should be distributed as follows:—

In payment of a dividend for the year ended 31st December 1957, at the rate of Rs. 2.00 (Rs. 3.00) per ordinary share on 12,000 ordinary shares, absorbing Rs. 24,000 (Rs. 36,000) and leaving to be carried forward Rs. 27,461 (Rs. 33,446).

The saleable crop weighed out at 4,045 (4,093) maunds against an estimate of 4,900 maunds and was disposed of at an average price of Rs. 2.42 (Rs. 2.76) nP. per lb.

Estimate 1958.—The saleable crop for season 1958 is now expected to amount to 5,000 maunds.

The smaller crop made in 1957 was due to drought and adverse weather conditions.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,20,000	Gross block	9,14,733
Reserves ...	6,00,426	*Less*—Depreciation ...	3,11,538
Provision for taxation ...	2,92,090		
Liabilities ...	1,84,025	Net block ...	6,03,195
Profit and loss account ...	27,461	Work-on-progress ...	55,916
		Stock of tea	2,71,528
		Stores, etc. ...	1,12,542
		Debts, deposits and advances ...	1,20,496
		Investments	2,099
		Cash ...	58,226
Rs.	12,24,002	Rs.	12,24,002

Seeyok Tea Co., Ltd.

The directors of the above Company (Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1957.

The accounts show a profit of Rs. 1,20,730 (Rs. 43,810). After adding the amount brought forward of Rs. 671 (Rs. 1,861) from the previous year, the profit and loss account shows a credit balance of Rs. 1,21,401 (Rs. 45,671). The directors recommend that this amount be appropriated as follows:

To transfer to the revenue reserve Rs. 45,000 (Rs. 45,000), transfer to the development reserve Rs. 15,000 (*nil*), transfer to the building and machinery reserve Rs. 15,000 (*nil*), transfer to the taxation reserve Rs. 12,000 (*nil*) and to pay a dividend on the ordinary shares at 10 (*nil*) per cent. tax-free, for the year ended 31st December 1957 absorbing Rs. 30,000 (*nil*), leaving a balance to be carried forward to the next year's account of Rs. 4,401 (Rs. 671).

Results of the season's working were satisfactory. Crop weighed out at 2.405 maunds as compared with 2,470 maunds in 1956, but the average selling price was Rs. 2.91 as against Rs. 2.82 per lb. in previous year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Gross block ...	5,53,461
Reserves ...	3,06,462	*Less*—Depreciation ...	1,82,549
Provision for taxation ...	23,397		
Liabilities ...	69,915	Net block ...	3,72,912
Profit and loss account ...	4,401	Stock-in-trade	1,19,354
		Stores & supplies ...	33,158
		Debts, deposits and advances ...	24,322
		Cash ...	1,54,429
Rs.	7,04,175	Rs.	7,04,175

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

Notices

THE BELAPUR COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE thirty-ninth Annual General Meeting of the Belapur Company, Limited, will be held on Wednesday, the 17th day of December, 1958, at 4-00 p.m. (S.T.), at the Registered Office of the Company, Brady House, 12-14, Veer Nariman Road, Bombay, to transact the following business:

1. To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th September 1958.
2. To declare a Dividend.
3. To elect a Director in place of Mr. Krishnaraj M. D. Thackersey who retires by rotation but offers himself for re-election.
4. To elect a Director in place of Mr. Maneklal Premchand, who has attained the age of 69 years and who retires by rotation but who offers himself for re-election, and to consider and if thought fit to pass the following, of which special notice has been received by the Company and is hereby given, as a special resolution:

   "That Mr. Maneklal Premchand, who retires by rotation be and is hereby appointed a Director of the Company and that the age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to him."

The reasons which make this resolution necessary are set out in the statement of material facts annexed to this notice which shall be deemed to be incorporated in this notice.

5. To appoint Auditors for the current year and to fix their remuneration.

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

By Order of the Board of Directors,

per pro W. H. BRADY & Co., LTD.,

F. EDWARDS,
Technical Adviser,
Managing Agents.

BOMBAY, *5th November*, 1958.

Notes: (i) The Transfer books of the Company will be closed from the 18th day of November, 1958 to the 17th day of December, 1958, both days inclusive.

(ii) The Dividend when declared will be made payable through the Bank of India, Ltd., Fort, Bombay, and will be negotiable at par at all its Indian Branches on and after the 3rd day of January, 1959. The Dividend Warrants will be posted to those Shareholders whose names stand on the Company's Register on the 17th day of December, 1958.

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

Mr. William Abel.

Messrs. Rajabali Hasom Paroo and Sons Ltd.

ANNEXURE

Statement of material facts and reasons in respect of items of special business in the accompanying Notice dated the 5th November, 1958.

Item No. 4: Mr. Maneklal Premchand, who retires by rotation and is eligible for re-election, has attained the age of 69 years and hence he can only be re-elected as a Director by a special resolution, notice of which has been received by the Company, in accordance with the requirements of Sections 190, 280 and 281 of the Companies Act, 1956. Mr. Maneklal Premchand has been associated with the Company as a Director for some years and his wide and varied experience have been most valuable to the Company during that time. It is therefore considered desirable that this association should be continued.

THE WEST COAST ELECTRIC SUPPLY CORPORATION, LTD.

Registered Office—Madras-1.

NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 24th Annual General Meeting of THE WEST COAST ELECTRIC SUPPLY CORPORATION, LTD., will be held at the Registered Office of the Company at No. 20, Second Line Beach, Madras-1, on Monday the 15th December, 1958, at 12 Noon.

AGENDA

1. To consider and adopt the Directors' Report and Audited Accounts for the year ended 31st March, 1958.
2. To declare Dividend on Preference and Ordinary Shares.
3. To elect Directors in the place of those retiring.
   (a) To appoint a Director in the place of Sri M. Subbaraya Aiyar who retires by rotation and to consider and if thought fit, to pass the following resolution which will be proposed as a Special Resolution of which a Special Notice as required by Sections 261 and 281 of the Companies Act, 1956, has been received by the Company.

   "RESOLVED that the age limit under Section 280 of the Companies Act, 1956 shall not apply to Sri M. Subbaraya Aiyar who is aged 73 years and that he be appointed a Director of the Company by this Special Resolution as required under Section 261 of the Companies Act, 1956 notwithstanding the fact that he is an Associate of Messrs. Chandrie & Co. Private Ltd., who are the Managing Agents of this Company."

   (b) To appoint a director in the place of Sri S. Viswanatha Mudaliar who retires by rotation and to consider, and if thought fit, to pass the following Resolution which will be proposed as a Special Resolution of which a Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company.

   "RESOLVED that Sri S. Viswanatha Mudaliar who is a Director and a member of Messrs. Chandrie & Co. Private Ltd. (the Managing Agents of the Company), be and hereby is appointed as a Director of this Company by this Special Resolution as required under Section 261 of the Companies Act, 1956."
4. To appoint Auditors for the year 1958-59 and fix their remuneration.
5. Any other subject that may be brought up before the Meeting.

The Share Transfer Books of the Company will remain closed from 1st December, 1958 to 15th December, 1958 (both days inclusive).

By Order of the Board,

FOR CHANDRIE & Co. (PRIVATE) LIMITED,

S. VENKATARAMAN,
Director,
Managing Agents.

20, SECOND LINE BEACH,
MADRAS-1, *31st October*, 1958.

N.B.—(*a*) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(*b*) The Dividend when sanctioned will be paid on or after 15th December, 1958 to those members whose names stand on the Register of Members on the 30th November, 1958.

(c) The Explanatory Statement concerning the Special Resolutions referred to in items 3 (*a*) and (*b*) above have been posted to the members individually.

THE MEGNA MILLS COMPANY LIMITED

NOTICE OF INTERIM DIVIDEND

THE BOARD OF DIRECTORS OF THE above Company have sanctioned payment of an Interim Dividend on the Ordinary Shares at the rate of 50 naye paise per share (without deduction of Income-tax) in respect of the year ending 31st March, 1959, payable to those Members whose names appear in the Company's Registers on the 15th December, 1958, as the Registered Holders of Ordinary Shares.

The Share Transfer Books of the Company will be closed from 1st December, 1958, to 15th December, 1958, both days inclusive.

As the Members are aware, the following Resolutions were passed at the Annual General Meeting of the Company held on the 29th September, 1958:—

(*a*) That the conditions of the Memorandum of the Company be altered in manner following, that is to say—

That each of the existing Ordinary Shares of Rs. 100 each in the authorised capital of the Company be sub-divided into 10 shares of Rs. 10 each and that the 8,16,520 issued Ordinary Shares of Rs. 10 each resulting from such sub-division be credited as fully paid up.

(b) That the existing Certificates of Shares be called in by the Directors and cancelled and that new Certificates be issued subject to the terms and conditions of the Articles of Association.

Pursuant to the above the Members are requested to send their Share Certificates to the Company to enable the Company to issue new Shares Certificates after sub-division in their favour in terms of the aforesaid Resolutions.

By Order of the Board,

A. D. A. ALEXANDER,
Secretary.

16, STRAND ROAD, CALCUTTA,
Dated the 7th November, 1958.

THE INDIA JUTE COMPANY LIMITED

NOTICE OF INTERIM DIVIDEND

THE BOARD OF DIRECTORS OF THE above Company have sanctioned payment of an Interim Dividend on the Ordinary Shares at the rate of 62 naye paise per share (without deduction of Income-tax) in respect of the year ending 31st March, 1959, payable to those Members whose names appear in the Company's Registers on the 15th December, 1958, as the Registered Holders of Ordinary Shares.

The Share Transfer Books of the Company will be closed from 1st December, 1958, to 15th December, 1958, both days inclusive.

As the Members are aware, the following Resolutions were passed at the Annual General Meeting of the Company held on the 29th September, 1958:—

(*a*) That the conditions of the Memorandum of the Company be altered in manner following, that is to say—

That each of the existing Ordinary Shares of Rs. 125 each in the authorised capital of the Company be sub-divided into 10 shares of Rs. 12.50 nP each and that the 6,98,400 issued Ordinary Shares of Rs. 12.50 nP each resulting from such sub-division be credited as fully paid up.

(b) That the existing Certificates of Shares be called in by the Directors and cancelled and that new Certificates be issued subject to the terms and conditions of the Articles of Association.

Pursuant to the above the Members are requested to send their Share Certificates to the Company to enable the Company to issue new Share Certificates after sub-division in their favour in terms of the aforesaid Resolution.

By Order of the Board,

A. D. A. ALEXANDER,
Secretary.

16, STRAND ROAD, CALCUTTA,
Dated the 7th November, 1958.

MONEY RATES STIFFEN

(From Our Own Correspondent)

BOMBAY, 13*th November*

The short-term money market was active during the week under review and conditions were somewhat stringent. Thanks to the heavy subscriptions to the Treasury Bills and the broadening of the traditional *Diwali* demand for credit, there was a substantial shrinkage of the floating funds and banks turned out to be borrowers. The stringency persisted even after *Diwali*, but market circles are unable to say whether this marks the onset of the busy season.

Interest rates hardened and this was more perceptible in the inter-bank call money section, where the rate hardened from 1¼ per cent. quoted a week ago to 2¼ per cent. A sizable business was reported done today even at 2½ per cent. The corresponding rate among the smaller Indian banks was 2½-2¾ per cent., as against 2 per cent. a week ago. House money on 7 days' notice, as well as short-term deposits, was quoted at 3½ to 4 per cent.

This week's sale of ninety-one days' Treasury Bills amounting to Rs. 4 crores brought an offer of Rs. 7.20 crores. Tenders at Rs. 99.390 and above were accepted in full, the average rate of accepted tenders being 2.430 per cent., as against 2.458 per cent. per annum in the previous week. In addition to this usual sale, intermediate Treasury Bills were also sold to the extent of Rs. 3.50 crores from 5th to 7th November at the fixed rate of Rs. 99.401 per cent. This meant a yield of 2.396 per cent. per annum, which is lower than that obtained in the regular sales. Sales of intermediates are being held this week also (between the 11th and 15th inst.) at Rs. 99.406 per cent., giving a still lower yield of 2.376 per cent. per annum. Tenders for next week is unchanged at Rs. 4 crores. Maturities during the week under review aggregated Rs. 2 crores.

An expansion of Rs. 38.11 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 7th November 1958. Notes held in the Banking Department are lower by Rs. 11.08 crores. The rise in total notes issued, of the order of Rs. 27.03 crores, is covered by an increase of Rs. 30.02 crores in rupee securities and a drop of Rs. 2.99 crores in rupee coin. Foreign securities are unchanged at Rs. 164.67 crores, while balances held abroad are a fraction better, so that the total foreign assets stand at Rs. 178.89 crores. Deposits of the Central Government have declined by Rs. 9.54 crores and those of other Governments by Rs. 12.73 crores. Deposits of banks have dropped further by Rs. 27.85 crores, on top of a decline of Rs. 31.37 crores in the previous week. A rise of Rs. 3.49 crores is noted in loans and advances to Governments and of Rs. 3.38 crores in other loans and advances. Investments have gone down by as much as Rs. 50.59 crores. This is apparently due to the transfer to the Issue Department.

The Scheduled banks' statement for the week ended 31st October 1958 discloses a sharp fall of Rs. 30.29 crores in demand deposits and a rise of Rs. 18.78 crores in time deposits. On the assets side, advances and bills purchased and discounted are lower by Rs. 1.46 crores, while an addition of Rs. 17.58 crores is noted in investments. Cash balances have shrunk by Rs. 29.75 crores and money at call and short notice by Rs. 2.18 crores.

The Gilt-edged market ruled dull and the volume of business was small. Enquiries were confined to select counters and, in the absence of any offerings, despite the stringent conditions in the money market, the undertone was steady. The Life Insurance Corporation was reported to have bought some 4¼ per cent. State Loans, which kept sentiment in this section intact. 3 per cent. 1986 was done at the unchanged rate of Rs. 73.15. 3 per cent. 1963-65 was in demand and it hardened by 5 nP to Rs. 96.65. 3 per cent. 1964 was unchanged at Rs. 96.65 and 3 per cent. 1966-68 at Rs. 94. 3 per cent. 1970-75 picked up 10 nP to Rs. 90.20 while 3½ per cent. 1961 was stagnant at Rs. 100.10, 3½ per cent. 1963 was placed 5 nP lower at Rs. 100. 3½ per cent. 1965 held its ground at Rs. 99.70, 3½ per cent. 1967 at Rs. 98.95 and 3½ per cent. 1968 at Rs. 98.70. 3¾ per cent. 1967 was quoted at Rs. 100.50 and 3¾ per cent. 1968 at Rs. 100.40. 4 per cent. 1972 and 1973 were held at Rs. 100.70 and Rs. 100.60, respectively. Among State loans, 4½ per cent. Madras 1970 gained 10 nP to Rs. 100.25, Andhra 1970 5 nP to Rs. 100.15 and U.P. 1970 5 nP to Rs. 100.10. Madhya Pradesh and Bihar 1970 rose by 10 nP each to Rs. 100.

There was a slight weakening of the rupee in terms of the U.S. dollar, in consonance with the lower trend in sterling in New York. Banks' selling rate of ready dollar rose from Rs. 476.75 to Rs. 477 per $100 and their buying rates from Rs. 473.25 to Rs. 473.75 per $100. In New York, spot sterling dropped from $2.80.23/32-2.80.25/32 to $2.80.9/16-2.80⅝. Three months' forward shed ⅛c. to $2.79¼-2.78.15/16, while transferable sterling rose over the week from 279.30-279.40 cents to 279.40-279.50 cents.

LINSEED QUIET

(Messrs. A. Bradley and Co.)

CALCUTTA, 11*th November*

There has been very little change, but owing to the poor demand for seeds and oil, a slightly easier tone has developed. Availability is still scarce, and with only limited enquiries from local crushers business has been negligible. In the oil market, with no appreciable stocks held by either manufacturers or dealers, prices have not shown much decline; the tendency, however, is quiet with sellers more in evidence than buyers.

The latest quotations are as follows: Ready Rs. 25-12 and November Rs. 25-10 per maund.

GOLD STEADY

(From Our Own Correspondent)

BOMBAY, 13*th November*

The exuberance and gaiety usually associated with *Diwali* festival were conspicuous by their absence in the bullion market during the *Moorat* session held on Monday last. Trading was dull and price fluctuations were narrow. The earlier sessions of the week and the subsequent session held today were no different. The only feature of the week's trading was the steady tone maintained by gold, while silver ruled quiet. Heavy selling by a leading Calcutta operator, who was reported to have lost heavily in commodity markets, and slackness in offtake were the main bearish factors in silver. In gold, too, the seasonal demand had become slack and was not very much more than the quantum of arrivals.

Forward silver (27th November settlement) shaded off from Rs. 188-10 to Rs. 187-11 early in the week. After a rise to Rs. 188-3, it reacted to Rs. 186-14 today. The closing was done at Rs. 187-3. The next settlement declined from Rs. 189-8 to Rs. 187-13 before closing at Rs. 188-2.

Ready silver was marked down over the week from Rs. 187-8 to Rs. 186-12. The floating stocks of gold are reported to be 1,300 bars. The daily average arrivals were of the order of 60 bars, including unrefined metal, while the offtake was no more than 10 bars per day on an average.

Gold for forward delivery (26th November settlement) was quiet early in the week, declining from Rs. 111-4 to Rs. 110-15, but it slowly recovered to finish at Rs. 111-9 today. The next settlement gained over the week from Rs. 111-5 to Rs. 111-12.

Ready gold moved up from Rs. 111-6 to Rs. 112-1, but closed lower at Rs. 111-13. The floating stocks of gold are estimated at 30,000 tolas. The daily average arrivals were 2,900 tolas, while the offtake was 3,100 tolas per day on an average.

In New York, price of silver was reduced from 90¾c. to 90¼c. In London, too, spot silver declined from 78d. to 77⅛d. and forward from 77⅛d. to 77⅛d. Gold was a little erratic, but gained on balance ⅜d. to 250*s.* 2*d.*

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

	13-11-58	Highest	Lowest	5-11-58
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	111 13	112 1	111 1	111 6
Forward*	111 9	111 13	110 15	111 4
Sovereign	73 0	73 0	72 4	72 4
SILVER				
Ready (.996 fine Mint) ..	186 12	187 7	186 12	187 8
Forward†	187 3	188 3	187 11	188 10
London Silver Ready ..	77⅛d.	77⅛d.	77⅛d.	78d.
London Forward	77⅛d.	77⅛d.	77⅛d.	77⅛d.
London Gold	250*s.* 2*d.*	250*s.* 2*d.*	250*s.* 1⅛*d.*	250*s.* 1⅛*d.*
New York Silver	90¼c.	—	—	90⅝c.

*26th November settlement.
†27th November settlement.

STRONG DEMAND FOR TEA DUSTS

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 6*th November*

The catalogues for dust sale 'W' which was held on Tuesday, 4th November aggregated 428,496 lbs. The smaller, but nevertheless useful, selection of teas met with a strong, but irregular, demand. Coloury mediums met with useful competition and were dearer. Other descriptions met with some demand and were steady on last rates. The sole exception were best liquoring dusts which were generally easier.

The average price realised in dust sale W was Re. 1.81 per lb., as against Re. 1.77 in the previous sale and Re. 1.56 in the corresponding sale of 1957.

Export Quota:—The market has been very quiet for the last week, with very little business being transacted. The latest quotation is sellers 2¾ nP, buyers 2¼ nP and last business was done at 2½ nP.

Forthcoming Auctions:—Dust sale 'X' will be held on Tuesday, 18th November 1958.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:—

"*Sale* 32.—1,700,000 lbs. Less demand medium, and medium barely steady. Improved quality good medium strong, but best liquoring highgrowns lower following quality."

KIPS FIRM

(From Our Own Correspondent)

MADRAS, 10*th November*

The Madras kip market was firmer during the week following several U.K. enquiries, and ½d. to 1d. advance was recorded on certain lines. As tanners were not able to get sufficient raw stocks in North India, they were not keen to book at U.K. levels. Inland demand for low grade hides and calves revived and prices were firm. Arrivals of cow calf and buff calf were small.

Lightweight goat skins were in good demand, while medium weights were unchanged and heavy weights weak.

Shipments during October 1958 were: U.K. 2,478 bales tanned cow hides, 171 tanned cow calf, 35 tanned buff hides, 204 tanned buff calf, 631 tanned goat skins, 298 tanned sheep skins; Continent, 347 bales tanned goat skins and 161 tanned sheep skins; the U.S., 115 bales tanned buff hides, 11 tanned buff calf, 92 tanned goat skins and Japan, 275 bales tanned sheep skins.

COTTON MOVES UP FURTHER

(From Our Own Correspondent)

BOMBAY, 13*th November*

The recovery in cotton futures witnessed towards the close of last week gathered momentum during the week under review. The feeling of operators that the recent fall in prices was too sharp, the clarification issued by the Government regarding the textile export incentive scheme and the expectation of enlarged pre-*Diwali* cloth offtake, etc., prompted a large volume of short-covering and some fresh bull support. These considerations, together with reports that about 100,000 bales of piecegoods were sold in the *Mulji Jetha* market in *Moorat* session, influenced the trend of prices in *Moorat* trading in cotton futures which took place between 5-30 p.m. and 9 p.m. on Monday. The market developed firmness early in the session. Higher levels, however, met with selling with the result that prices suffered a break. Sentiment was also influenced by reports that mills sold cloth at a substantial discount. The Jarilla March contract which was quoted at Rs. 609.25 at the beginning of the *Moorat* session improved to Rs. 611.50, before closing lower at Rs. 608.25, registering a net loss of Re. 1. With the outlook for raw cotton remaining bearish, the *Moorat* session lacked the customary gaiety and business put through was comparatively small. Turnover approximated 8,000 bales. The market was closed on Tuesday and Wednesday on account of *Diwali* and Hindu New Year, respectively. The market ruled fully steady in today's session.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 604.50 and improved on short-covering and fresh support to Rs. 612 on Saturday. In the *Moorat* session, as noted above, the contract, after an initial firmness, eased towards the close. Commencing today's session at Rs. 609.75, the contract improved to Rs. 609.75 before finishing at Rs. 608.50. The trend of price of the contract is indicated below:

(In rupees per candy of 784 lbs.)

	13-11-58	*High*	*Low*	5-11-58
I.C.C. Moglai Jarilla March 1959 ...	608.50	612	602	607.25

Moorat trading in the spot market was done today. The session was active throughout. Prominent mill groups purchased substantial quantities of new crop cotton. Turnover approximated twenty to twenty-five thousand bales. The export and import sections were quiet.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri, the figures in brackets being last week-end closings: Bengal *Deshi* 575 (570); Berar Jarilla 640 (640); Khandesh 715 (725); Vijay 800 (785).

Delivery contracts: Bengal 568 (565); Mathia 560 (555).

Easy conditions prevailed in the Karachi cotton futures market during the week. Foreign enquiries were few and far between. Lower spot advice, following new crop arrivals, adversely affected sentiment in the futures section. N.T.R.G. January declined from Rs. 65-4 last week-end to Rs. 63-6 and the March position shed Re. 1-5 to Rs. 64-6. The spot section also ruled easy.

A mixed trend was witnessed on the Alexandria cotton exchange during the week. While the long-staple Karnak contracts ruled fully steady, the medium-staple Ashmouni contracts suffered a break in prices on profit-taking. It would appear that the long-staple positions have stabilised around the figure of 72 tallaris per lb. The spot market continued to witness fair activity. Premiums were, however, more or less unchanged. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week-end closings.

Karnak: November 72.02 (72.00). January 72.10 (72.00). *Ashmouni*: December 62.95 (63.55); February 62.75 (63.17).

Cotton futures values in Liverpool drifted lower during the week under pressure of heavy hedge offerings against large purchases of East African cotton. The declining trend of spot prices also accelerated the downward trend. Sudan contracts were easy due to increased hedge selling. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one-inch staple contract: December-January 22.95; March-April 22.80. *Sudan*: November-December 26.25.

The most important development of the week as far as the New York futures market was concerned was the publication by the Department of Agriculture, on the 8th inst., of the fifth crop forecast for the season. The Department put the season's Government restricted crop at 11,764,000 bales (of 500 lbs.). This was 89,000 bales more than last month's estimate of 11,675,000 and compared with last season's crop of 10,964,000 bales and the ten-year (1947-56) average of 14,136,000 bales. The yield per acre was estimated at 472 lbs. per acre, as compared with 469 lbs. forecast last month and last season's figure of 388 lbs.

The higher crop forecast and favourable weather news prompted liquidation and hedge selling in the New York cotton futures market and prices sagged.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	12-11-58	3-11-58	28-10-58
Spot	36.30	36.35	36.25
December	36.02	36.32	36.15
March	36.48	36.73	36.62
May	36.17	36.51	36.36

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 13*th November*

Moorat trading in the yarn market on Monday this week was characterised by dull conditions. Trading was more of a formal nature to mark the auspicious occasion. The turnover was limited. Art silk yarns receded in view of expectations of enlarged supplies by incoming steamers as a result of import licences granted against exports of fabrics. The grant of a 5 per cent. quota to established importers for the import of art silk yarns during the current licensing period was also expected to further ease the supply position. Trading in staple fibre yarns was dull. Transactions were meagre since dealers were expecting the prices to decline further. As against this, cotton yarns were steady. This was aided by the drastic cut in the import quota for cotton yarns to established importers from 25 per cent. to 7½ per cent. during the October 1958-March 1959 licensing period.

As compared with last week's quotations, staple fibre yarns (40x2) December delivery dropped Rs. 2 to Rs. 604. In the spot section, 40x2 Kohinoors receded by 6 nP to Rs. 3.22. Centurys were neglected at Rs. 3.19. Among foreign yarns, Paramounts were dull at Rs. 9.75 and Fujis at Rs. 9.81.

In the art silk yarn section, 120 Japan climbed down by 16 nP to Rs. 5.03. 150 Japan eased by 7 nP to Rs. 5.37. 120 Italy retreated by 13 nP to Rs. 5.62. 150 Italy, however, gathered 13 nP to Rs. 5.75. Among indigenous yarns, National Rayons 120 bright cones first grade were quiet at Rs. 5. But 150 bright cones first grade gained 12 nP to Rs. 4.39.

In the cotton yarn section, among ten counts, Moderns were steady at Rs. 13.25 and Podars at Rs. 12.25. Twenty counts Moderns were fully maintained at Rs. 16.75. Among thirty counts, Hinds were unchanged at Rs. 19. Forty counts Minaxis gained 9 nP to Rs. 25. Moderns changed hands at Rs. 25, same as for last week. Among sixty counts, Finlays rallied by a rupee to Rs. 60. Eighty counts Moderns were firm at Rs. 71, as also Finlays at Rs. 79.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those eight days ago:

	13-11-1958	5-11-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	5.03	5.19
150 Japan (per lb.)	5.37	5.44
120 Italy (per lb.)	5.62	5.75
150 Italy (per lb.)	5.75	5.62
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 December	604.00	606.00
40 x 2 Kohinoor (per lb.)	3.22	3.28
40 x 2 City (per lb.)	—	3.22
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.25	12.25
20s Modern	16.75	16.75
30s Hind	19.00	19.00
40s Minaxi	25.00	24.91
60s Finlay	60.00	59.00
80s Mahendra	—	68.50

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 13*th November*

The oilseeds market ruled easy during the week. The declining trend noticed last week continued to persist. Groundnuts and castorseeds receded considerably. Large arrivals, lack of overseas demand and hesitant buying led to a fall in prices in oilseeds in general. Cottonseed, however, was steady. So was linseed. The market remained closed on Tuesday and Wednesday, on account of *Diwali*.

Moorat session on Monday was characterised by distinctly easy trends. Heavy arrivals of oilseeds and reports of good crops adversely affected the sentiment, giving rise to scattered selling and lack of buying support. Groundnuts declined. Castorseeds and oils also lost ground. Bear selling and bull liquidation led to a sharp fall in the value of castorseed. This was aggravated by the absence of any encouraging advice from abroad for oils. The successive lower offerings of Indian castor oil to the U.S. seem to be of no avail, in view of the marked disparity in Indian and foreign oil prices. Linseed was subdued as a sequel to liquidation and lower upcountry advices. In contrast, cottonseed ruled steady, thanks to bear covering and good demand from crushers.

Groundnut February 1959 contract, after having fluctuated within narrow ranges, came down from Rs. 160.75 during the last week-end to Rs. 159.25 today. Substantial bear-covering and upcountry support accounts for the relatively steady prices in futures during the initial sessions. Subsequently, however, the market gave way. Bold ready in the absence of fresh buying support declined from Rs. 34.25 to Rs. 33.50; Coromandel ready from Rs. 34.87 to Rs. 34.00; and Khandesh quality from Rs. 34.87 to Rs. 33.75. Groundnut oil ex-mill which stood at Rs. 18.00 last week-end, sagged to close at Rs. 18.00. Railway receipt also fell in sympathy from Rs. 18.37 to Rs. 17.87.

There was a notable deterioration in the castorseed section. Castorseed May 1959 contract continued to slump during the week, its price having fallen from Rs. 140.75 to touch a new low of Rs. 138.75 on Monday. It has, however, rallied to Rs. 138.87 today. Ready Madras moved down from Rs. 28.25 to finish at Rs. 27.62. The prices of Kanpur quality also relapsed from Rs. 27.12 to Rs. 26.50. There were fresh rumours that the U.S. Conference Lines would reduce the freight rates still further. It was also reported that Brazil is not likely to influence the market substantially, in view of its lower crop estimates and its obligations to supply large quantities of oil to the U.S.S.R. There was, however, no perceptible improvement in the prices of oils. The U.S. buyers are reported to have rejected Indian offerings of commercial oil at 12.75 cents, as Brazil continues to quote lower prices. Castor Oil B.S.S. moved down from Rs. 16.25 to Rs. 16.00 and commercial quality from Rs. 14.50 to Rs. 14.37.

Linseed May 1959 contract was irregular. The quotation rose from Rs. 29.94 to Rs. 30.00 on Friday. But it subsequently receded and closed today at Rs. 29.75. Rumours of fresh orders from abroad tended to influence sentiment, while the large arrivals set off a reaction in prices. Bold ready which stood at Rs. 33.75, after narrow fluctuations, advanced to Rs. 34 today. Linseed oil fell from Rs. 17.56 to Rs. 17.50.

Cottonseed ruled more or less steady over the week on good buying support. Cottonseed February 1959 contract rallied from Rs. 103.50 to Rs. 105.75. Among other seeds, kardiseed receded by 50 nP to Rs. 21. Nigerseed Madras quality declined by 88 nP to Rs 32.12 over the week.

The following table shows the closing prices of oilseeds and oils today, as compared with those of two previous weeks:

	13-11-1958	5-11-1958	29-10-1958
	Rs.	Rs.	Rs.
Groundnut—			
Feb. 1959	159 25	160.75	162.12
Bold ready (per cwt.)	33.50	34.50	37.00
Linseed—			
May 1959	29.75	29 94	30.56
Bold ready (per cwt.)	34 00	33.75	34.25
Castorseed—			
May 1959	138.87	140.75	144.87
Madras (per cwt.)	27.62	28.25	28.87
Cottonseed—			
Feb. 1959	105 75	103.50	104.00
*Groundnut oil**—			
Ex-mill ready (per quarter) ..	18 00	18.62	20.87
Castor oil†—			
Commercial (per quarter) ..	14 37	14.50	15.00
Linseed oil†—			
Ready	17.50	17.56	17.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

STRONG DEMAND FOR TEA DUST

(From Our Own Correspondent)

CALCUTTA, 11*th November*

There was no surprise here in the reported increase in the U.K. tea stocks to 128 million lbs. in the week ended 31st October from 121 million lbs. in the previous week. For, tea shipments from the Calcutta port have been heavy since the past two months and continue to be so. During the past week also, ready vessels to the U.K. were loaded with fair quantities of tea. That this feature would continue for some time more was indicated by the continued heavy despatches from upcountry gardens to Calcutta.

In the internal sales held on Wednesday last, offerings of dusts, amounting to 21,477 chests, met with strong general demand. Legg-cut Dooars rose by 2 nP to 4 nP with the stronger liquoring powdery teas in the orthodox varieties receiving fair attention. Keen competition was offered to a few selected lines of grainy exportable teas, prices of which as a result rose above valuations. Among C.T.Cs. mediums fell by 10 nP and the better liquoring teas by 20 nP. The quotations were: Best Assam C.T.C. Rs. 2.80 to 3.10 (nominal); medium Assam C.T.C. Rs. 2 to 2.20, medium Assam grainy dust Re. 1.88, and medium Dooars Re. 1.86.

Leaf on offer totalled 1,585 chests. General demand was good, but C.T.Cs declined.

Export quota changed hands at 2½ nP but soon sellers raised the price to 2¾ nP; at this stage buyers withdrew and offered only 2¼ nP.

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, 11*th November*

Steadier conditions were in evidence in the jute goods market during the week under review following increased overseas interest, bear-covering in the futures market and the announcement of a small decline in the stock of jute goods. Raw jute prices also registered a small improvement, but the fall in prices which cultivators were getting continued to cause anxiety in official as well as industry circles. Undoubtedly, this year's crop has been so high that the decline in prices has been more rapid and much more appreciable for this time of year than in the past, and even the cultivators, who generally had more holding power and usually waited till a few months of the jute season expired, got nervous on the fear that the movement in prices would be entirely different this season from previous years, in view of the abundant nature of the crop. Prices in the mofussil have moved down by such an extent that cultivators, pressed by cash needs and fear, are parting with their produce below the minimum cost of production. It was feared here that cultivators who had converted considerable land from paddy to jute would start the reverse process in the next sowing, and that this might as well make India once again dependent on Pakistan. Mills realise the seriousness of the situation, and mills have, therefore, increased their buying activity to which should be attributed this week's improvement in prices.

The fixation of minimum prices for jute goods by the I.J.M.A. has been an indirect support to raw jute prices. However, it has been apparent that these steps have not been sufficient to ward off depression from the mofussil trading centres. The position of farmers has become so bad that the State Government was reported contemplating recommending to the Centre to fix minimum prices. The Government of India's view would apparently appear to be opposed to this move, since New Delhi thought that to fix minimum prices for raw material to an industry which exported 80 per cent. of its products could not be a wise move. However, it was pointed out here that, if the Indian Jute Mills' Association could adhere to a minimum price policy in respect of jute goods—it should be remembered that India's production of jute goods is mainly exported and selling prices are determined through competition in foreign markets—minimum prices for raw jute also could work. Unfortunately, growers are not so well organised as the industry, but one welcome aspect which is likely to lead to the fixation of minimum prices here is the higher prices fixed in Pakistan and the subsequent rise in Dundee for jute cloth and yarn. Reportedly, this step in Pakistan has increased the competitive position of Indian jute goods.

The feature of the week's trading was the shortage of ready hessian, although there had been little demand for forward hessian, prices of which were much below those for spot. On Tuesday last, fair covering business was done and the futures market was very active. In the result, ready hessian 40" 10 oz. was steadier at Rs. 43.25. Heavy goods were, however, neglected, and the price for ready B. twills at Rs. 96.50 was lower fractionally. On Wednesday, prices for heavy goods shot up due to heavy buying in the futures market. Ready B. twills hardened to Rs. 97.10 and hessian 40" 10 oz. ready improved to Rs. 43.50. Reports from New York were highly encouraging, and this also aided sentiment here. Further, on Thursday, reports were circulating that Government would shortly be in the market for B. twills. B. twills improved further to Rs. 97.35, and hessian 40" 10 oz. to Rs. 43.80. At this stage, stock figures, as at the end of October, were announced. The total, at 107,100 tons, represented a decline of 1,900 tons from the previous month. While hessian increased by 800 tons to 17,800 tons and miscellaneous constructions by 400 tons to 12,200 tons, sacking fell by 3,100 tons to 77,100 tons. By the week-end, hessian 40" 10 oz. rose to Rs. 44.05, while B. twills at Rs. 97.25 were quiet. The market was closed yesterday on account of *Diwali* and *Kali Pooja*.

The improvement in raw jute market took the rate for Assam bottoms up to Rs. 23.25 from Rs. 22.75 November-December delivery. Mills showed fair interest. Sellers were reserved, and there was no change in the quotation for Daisee bottoms at Rs. 24.75 per maund.

FURTHER RISE IN BASE METALS

(From Our Own Correspondent)

CALCUTTA, 11*th November*

Base metals registered a further rise in prices during the week under review. Consumer demand was high, thanks to the import policy according to which the established trade can no longer import non-ferrous metals in virgin form. The trade is greatly disappointed, and has lost no time to make urgent representations to New Delhi. It was urged that it was wrong that the established trade should oppose issuance of licences to actual users, but that what quota Government could allot should be shared by all kinds of importers. The established trade had gained much valuable experience in world markets, and thus it was in a position to assess from where to import so that only the minimum foreign exchange was spent. Unfortunately for the metal-processing industries, the announcement of the import policy coincided with an upward spiral in prices in the principal world markets. In the result, what virgin metals are available with stockists are in keen demand both by consumers and other interested parties, although the Government has stated that import licences to actual users will be issued with speed. That explained the continued rise in local quotations. As a result of the representation made by the trade, it was expected that the Government would review the policy. The general expectation was that, for some time to come, the price of copper in both London and New York would continue to rise. For, irrespective of whether the strikes in one of Canada's big nickel plants and in the Rhodesian copper belt ended or not, the loss of production would have its impact in both demand and prices. Moreover, demand in the U.S. had broadened with the arrest of economic recession, and it was reported that Europe and Russia needed fresh purchases.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 10*th November*

Quiet conditions were witnessed in foodgrain prices during the past week, mainly influenced by pressure of arrivals of new *kharif* grains in the market. The food situation as a whole in the State of U.P. has improved, due to these increased arrivals, and the Centre has also raised the State Government's quota during this month to 89,000 tons. The State Government's stock position would be improved and arrangements are being made to sell milo and maize through fair-price shops at 3 seers 4 chs. per rupee.

Wheat prices at Hapur eased slightly during the week to be quoted now at Rs. 24.25 per maund for average quality and up to Rs. 25.25 for farm produce, thanks to increased arrivals both from authorised and unrevealed sources. Entire arrivals are being lifted by consumers and also for seed purposes. Sowings of *rabi* crop is still in full swing and barring small tracts of land still water-soaked, all available land will be sown for *rabi* grains in time, as weather in the last fortnight has been very favourable. Rice prices eased during the week by about Re. 1 per maund as increased quantities of new paddy and rice is reaching the market, and week-end prices were: Rice *basmati* Rs. 32.50, *mainpuri* Rs. 22.25, paddy Rs. 12.75 per maund.

Gram prices registered modest decline during the week due to fall in ready demand and pres-

sure of new maize arrivals in the market. Barley and *bejhar* prices also sought lower levels as demand for seed purposes has subsided and consumer demand is being concentrated to maize. Maize is still reaching here in heavy quantities and local stock has swelled to about 110,000 maunds and, despite good consumer demand, prices have eased fractionally during the week. *Jowar* and *guwar* prices ruled quiet and week-end prices (in rupees per maund) were: Gram, 18.75, barley 17, *bejhar* 17, maize 14.75 to 15.12, *jowar* 14, *guwar* 14.25.

Peas and *arhar* prices eased during the week, due to poor outside demand and local stocks were mostly unchanged. Prices of other pulses were also depressed in sympathy and week-end prices (in rupees) were: Peas *dara* 17.25, farm quality 19.37, peas *dal* 18.75, *arhar* 20.62, *arhar* dal 25.50, *urd* 19, *moong* 23 to 24.50, *massor* 18.

SUGAR QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 10*th November*

Sugar prices ruled quietly steady during the week, due to good festive *Diwali* demand. Crushing for the new season has started in some factories in west U.P. and latest *ex*-mill prices in the Muzaffarnagar market are: Deoband C29 (damaged), Rs. 35.50 to Rs. 36, Seohara D29, Rs. 35.97, Amroha D29, Rs. 35.81, Bijnore E29, Rs. 35.62, Shamli A29, Rs. 37.75.

Activity in sugar was on the wane in the Kanpur market and latest prices are: *Ex*-mill controlled Rs. 36-12 per maund, spot (per bag) Basti Rs. 105, Gola Rs. 102-8, D29 Burhwal Rs. 102-4, Gola Tulsipur and Balrampur Rs. 101-12, Waltergunj Rs. 101-8, Hargaon and Lakhimpur Rs. 101-4.

Khandsari prices ruled quiet and new production will soon begin. Prices ranged between Rs. 34 and Rs. 28 per maund according to quality.

New *gur* prices declined by Rs. 2 to Rs. 3 per maund during the week to be quoted now at Rs. 20 per maund for best quality, due to heavy arrivals which mounted to an average of 7,000 maunds here. Arrivals here from the beginning of the season were put at 100,000 maunds which were substantially heavy when compared to the corresponding figure last year of 50,000 maunds, when *gur* was quoted at Rs. 14.50 per maund. The heavy arrivals this year has been due to the prevailing high prices of *gur*. *Gur* arrivals also mounted to an average of 15,000 maunds daily in the Muzaffarnagar market where prices eased during the week to be quoted at: *Chaku* new Rs. 18 to Rs. 20, *pansera* Rs. 18 to Rs. 19, *khaurpapar* Rs. 18.50, *shakker dara* Rs. 18 to Rs. 21, *masala* Rs. 22 per maund.

Gur futures also registered an easy trend in line with ready prices and *gur fagun* having opened at Rs. 13.71 last Monday was quoted near the lowest level of the week, at Rs. 13.49, on Saturday closing. Futures were closed today on account of *Diwali*.

MARKET GOSSIP

(Concluded from page 795)

information goes, do not intend to retire in the near future. It is strange that they should have resigned from the Board, especially as the Company has plans for expansion for which their experience and knowledge will be highly valuable. Mr. Milne, in particular, is well known for his expert knowledge of the affairs of electricity industry and has served the Company for well over two decades. What were the circumstances that compelled Mr. Milne and his colleague Mr. Sheppard to resign from the Board? It is a fair guess that there must have been serious differences between these two and other members of the Company's Board.

Several shareholders of the Company are already concerned over this development and we have no doubt that the more enterprising among them are bound to elicit information on the mystery surrounding these resignations. Consequently, one can expect the annual meeting of the Company, scheduled to be held on Wednesday, 26th November 1958, to be an interesting affair.

SURVEY

(Concluded from page 796)

The President said that the U.S. wished to pursue these measures energetically and that U.S. economy was expanding rapidly after its emergence from a brief period of readjustment. Its expanding resources should, therefore, permit vigorous prosecution of the programme. The programmes proposed, he added, was one in which not only the United States but any other free countries might participate. He expressed the hope that all countries would co-operate in assuring expansion of trade and in relaxing restrictions which had hindered its flow. To maintain a healthy world economy and the demand for primary commodities, there must be a high and expanding level of economic activity in the free world. The President was fully aware of the problems of primary producing countries arising out of falling commodity prices. He assured the meeting that, where special difficulties arose with respect to particular primary commodities, the U.S. was prepared to join in the discussion of such problems to see whether a solution to it could be found.

The President's programme, as was to be expected, was acclaimed by the delegates. Mr. B. R. Bhagat, Deputy Finance Minister and leader of the Indian delegation, observed that it was "not only a comprehensive programme but also a practical approach towards a solution of the burning problems of the area, the eradication of poverty and want." Particularly welcome was the President's reference to the need for increased trade through relaxation of restrictions and his appreciation of the problems of primary producing countries. Though the President's speech contained a promise of still greater aid and a programme on which to base the U.S. policy in this respect, there was a feeling among the delegates that the President would adopt a cautious attitude in committing the U.S. to definite financial outlays as he had to ascertain the mood of the Congress.

INDIA GETS A NEW INDUSTRY

(Concluded from page 801)

Bokaro thermal station of the D.V.C. which is within sight of Gomia. So far as transport is concerned, the factory is well served by the Eastern Railway. The works, administrative offices and housing for staff are spread over an area of 2,000 acres of hilly jungle. Since very little of this land was cultivable, the new industry has not deprived agriculture of anything and has not displaced anybody in the village. On the contrary, it has brought to them new sources of wealth and knowledge. Very soon, Gomia will be a modern town, without losing any of its rural character.

The Indian Explosives Ltd. is a typical venture of Indo-British economic co-operation. I.C.I. came to India as traders. Today, it is the largest manufacturer in the field of chemicals, though its trading activities are still quite sizable. It is interesting to note that this British company began its association with India as an importer and distributor of commercial explosives, the very product that is now being manufactured at Gomia.

The I.C.I. has provided not only the bulk of the capital needed by the Indian Explosives Ltd. but also all the technical know-how, besides assuming the responsibility for management. It is giving high priority to the question of Indianising both the technical and administrative personnel. The following quotation from Mr. Lall's speech will show what is being done in this important respect:

"To operate these schemes, we are engaging Indian technicians as rapidly as we can find men of the necessary high calibre. We are sending many of them for training overseas and, with the assistance of Government, we have brought out key technologists from our parent organisation for short periods to accelerate the pace of development and to communicate their experience to our new recruits, so that they can take their places in management as soon as possible. In many cases now, the greater part of the design of these new projects can be undertaken in India, with consequent saving both in time and foreign exchange. In the last two years, we have engaged 81 Indian officer technicians; 56 of these have foreign qualifications and 23 have been trained in I.C.I. factories in the U.K. and Australia. And here I might point out that the association of I.E.L. and our other companies in India with the parent I.C.I. organisation makes available to us within our sphere the technology not merely of the U.K. but of the whole Commonwealth and many other countries as well."

The Company has done its best for the comfort and convenience of its staff by providing beautiful and spacious houses, a large modern hospital, generous facilities for recreation and suitable arrangements for the education of workers' children. So well impressed was the President of India with all these arrangements that he paid a fine compliment to the Company's management. He said:

"I have been impressed by the details of production and your well-thought-out plans of construction of the factory premises and staff quarters. A good deal of thinking has gone in the planning of the whole estate and in it you have given importance not only to safety and security measures but also to the amenities that the workers should enjoy. It is not only in respect of technical equipment and technological processes that this factory is going to be modern and up-to-date; it may well be a model industrial undertaking with regard to the residential, recreational and other facilities also which you propose to provide to your staff."

A singular feature of the Indian Explosives Ltd. is that it is the first example of Indo-British collaboration, where a large foreign industrial organisation in the private sector has joined hands with the public sector, for implementing the plans for raising the standard of living of the people. It is to be hoped that there will be several instances of such collaboration between the two sectors in the fairly large number of heavy industries that are now exclusively owned and managed by the Government.

PLANTING

(Concluded from page 806)

the fields and a hard core of activists to organise musclemen in each estate. The clashes were between willing workers and small groups of Communist activists on each estate ready for anything upto violence. On 7th October, strong-arm groups went to the other side of Munnar town and belaboured the I.N.T.U.C. office staff, ransacked their office and beat up one of the leaders present. The same day oil worth about Rs. 2,000 was drained off a transformer and put out of function some six estates dependent on power supply from this transformer. Obstruction, assault and intimidation swept over a whole district and it was a miracle how some 12,000 workers actually harvested any crop during the days from 6th October.

October is a high flush month in tea. Some of the finest autumnal flush is harvested during October. The crop is heavy and fetches good prices unlike the monsoon flush of April and May. October crop is mostly exported and a week's crop from the High Ranges brings in about Rs. 20 lakhs in foreign exchange. That is not the only loss. Well over a quarter of that goes to the Union and State exchequers as revenue for taxes and duties on tea. Next year's bonus question will be even more difficult, because the companies operating in this district have lost heavily.

The strike is spreading to other districts where Communists have a foothold. The rubber centre of Mundakayam is one such. Last week, the district was losing 10,000 lbs. of rubber per day. India is spending her thin foreign exchange resources (Rs. 11 crores in 1957) to make up for our shortage of raw rubber. The strike will hit national economy precisely where it is most painful.

The present situation was in the making for some time. The issue is: which party has the greater following in the plantations? The disruption of an industry, damage to national economy, suffering of individual workers, undermining of industrial efficiency, none of them matter.

The State Government, whether Janus-faced or pressured by the party's labour wing, is following an equivocal policy. In order to deal with industrial relations, it set up a number of committees of enquiry and boards. Three such committees are directly related to the plantation industry. One has been dealing with the major issues raised by the Communist-led unions in their general demands presented in September. Another committee is engaged in framing a policy on the future of the *Kangany* system. The Plantation Labour Committee is a standing committee to consider and resolve disputes that might arise in the normal course of the industry's functioning. All labour unions are represented on all the committees. Why did the Communist unions think it necessary to by-pass these committees and resort to direct demands and action? What steps were taken by the State Government and its party to guide their labour activists back to the constitutional paths, leading to the committee rooms of the State-sponsored Plantation Wages and Bonus and other Committees? Or was it a strategy-dictated application of pressure at different points of the defensive perimeter of the opposition parties in Kerala? Anyone who is not for Communists is taken as their opposition and planters are therefore lumped with the opposition in Kerala.

In the whole confused mess of the tangled purposes and actions, the one significant item is the inexplicable delay in referring the issues of the dispute to adjudication. Such a reference on a joint application of the management and the I.N.T.U.C.-led Union would tantamount to accepting the I.N.T.U.C. unions as representing the majority of workers. Twenty-six days of frantic activities have gone on since the 4th October, in order to avoid accepting that proposition. In whose interest is the Kerala Government's persistent refusal to refer the dispute to adjudication?

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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ROAD TRANSPORT—MORE TRUCKS AND CUT IN TAXATION NEEDED

INDIA'S transport system consists of railways, airways, coastal shipping, inland navigation and roads. The first two of these are nationalised enterprises. The next two are in the private sector. The last one is operated mostly by the private sector and partly by the public sector. It must be noted here that, in road transport, the public sector's participation is confined to motor transport and does not include bullock carts. For transport within the country, water affords only limited scope. The cut in the allotment in the second Five-year Plan for this mode of transport from Rs. 3 crores to Rs. 1.42 crore has reduced the scope for utilisation of water transport. Nevertheless, the Government is stated to be considering the recommendation of the Inland Water Transport Committee—popularly known as the Gokhale Committee—for improving inland water transport. In any case, the bulk of internal transport is shared by the railways and road transport. And, in the context of the admittedly limited capacity of the railways to lift all the traffic, mechanised road transport must be enabled to carry a larger proportion of the traffic.

There is yet another reason why road motor transport should come into its own. After all, roads imply a large investment which can yield an economic return only if they are fully utilised. It has been estimated that roads represent an investment of some Rs. 726 crores. The railways too constitute a national investment. But they are relatively more fully occupied. And, as Mr. A. D. Wenzel, President of the Indian Roads and Transport Development Association, pointed out, in the course of his speech at the latest annual general meeting of the Association, there need be no undue concern over road-rail competition. Mr. Wenzel said:

"Generally speaking, the railway freight structure in this country is such that, according to reliable estimates, more than 90 per cent. of the railway goods traffic is below the average economic operation of road transport. Of the remainder, a certain percentage will likewise be carried by rail, as it is in bulk and between destinations that the railways directly connect. With this in mind, there seems to be little reason for undue concern about competition between the railways and roads and no genuine justification exists for continuing restrictions on road transport. Freight rates in themselves are not the only consideration between the use of one form of transport *versus* another. If they were, then air transport would never have started, let alone made the substantial progress that it has upto the present time. In many cases, road and, for that matter, air transport will be preferred to rail or water transport even at their higher rates, because they are more suitable, convenient and sufficient. In particular, both are faster, since a road truck travels about three times as fast as a railway wagon, and an airplane many times faster. With the growing industrialisation of India, efficiency and suitability will become even greater factors in transport than they have been in the past and we feel that industry and all other sectors of the country's economy must be absolutely free to use the transport most suitable to their needs and likewise that this transport be freely available."

The development of road transport depends partly on the construction of new roads and the upgrading of the capacity of the old. It is gratifying to note that the Nagpur Road Plan, which aimed at raising the country's road mileage from 220,000 miles to 331,000 miles by 1963 is likely to be exceeded by 44,000 miles by 1960-61 itself. Any satisfaction arising from this quantitative achievement has, however, to be tempered by the consideration that several bridges have still to be built and the surface improved along many routes. Meanwhile, efforts are being made to draw up a road plan which will be in keeping with the developing character of India's economy. The chief engineers of the States, who met recently in Bombay, have prepared a road plan for a 20-year period, 1960-61 to 1980-81. The plan seeks to raise the mileage of roads from 379,000 to 657,000, with a provision of two-lane carriageways on National Highways and of stronger bridges in the various classes of roads. The plan also aims at doubling the intensity of roads from 0.26 to 0.52 mile per square mile of territory. Although this target is about half the intensity in the U.S. and less than one-fourth in the U.K., it represents a considerable advance over the present intensive use of roads in India.

It must be admitted that there has been a welcome realisation on the part of the Government that road transport deserves greater attention and support. On the purely administrative side, the Government has reorganised the advisory bodies on road transport. The former Transport Advisory Council, the Control Board of Transport and the Standing Committee of the Central Board of Transport have been replaced by the Transport Development Council, the Road and Inland Water Transport Advisory Committee and the Central Transport Co-ordination Committee. The Council is a purely Governmental body, consisting of the Union and States Ministers dealing with, or in charge of, the transport departments in their respective jurisdictions. It is a high-level body to advise the Government of India on all matters of policy relating to roads and road transport as well as inland water transport. The Road and Inland Water Transport Advisory Committee is designed to deal with problems relating to roads, road transport and inland water transport and make recommendations to the Transport Development Council for final decisions. The Co-ordinating Committee deals mainly with issues relating to co-ordination of transport.

Apart from setting up these bodies, which have a purely administrative significance, the Government has adopted a series of measures with a view to providing a fillip to road transport. The amendment of the Motor Vehicles Act and the establishment of the Inter-State Transport Commission, together with the amendment of the State Bank Act (designed to facilitate the provision of credit for hire-purchase of vehicles) are some of the measures, adopted recently by the Government, in order to ensure that motor transport comes into its own. The Government has also appointed an *ad hoc* committee, under the chairmanship of Mr. M. R. Masani, to conduct a comprehensive enquiry and make recommendations for the reorganisation

of the transport administration in the States. Nevertheless, there are several impediments to the more rapid expansion of road transport. The restrictions on the movement of vehicles, on their permissible laden weight and on truck-trailer combinations are only a few of the handicaps the industry has to face. More important than these are the high taxation on motor vehicles and the threat of nationalisation of transport. On both these issues, the Union Minister of State in the Ministry of Transport, Mr. Raj Bahadur, had some notable observations to make in his address to the first meeting of the Road and Inland Water Transport Advisory Committee, held last week at New Delhi. Mr. Raj Bahadur said that the Government of India had advised the State Governments not to "embark upon any scheme of nationalisation of goods transport till the end of the third Plan period, 1965-66." This had been done in order "to infuse a sense of security in the transport operators in the private sector." The case for nationalisation of goods transport rests on very insecure grounds. The State Governments will do well to abandon all thoughts of taking over goods transport. A categorical assurance on these lines will go a long way towards encouraging prospective entrants into the sphere of road transport and stimulating the movement towards the formation of viable goods transport units.

The other problem, namely, high taxation on motor vehicles, as Mr. Raj Bahadur himself confessed, continues to be as intractable as ever. Mr. Raj Bahadur said:

> "There are many impediments in the way of proper development of road transport, such as the heavy taxation on motor vehicles, restrictive licensing policies and restrictions on the free movement of motor vehicles. In regard to the vexed question of taxation, I have to state, with some regret, that, for the last many years, we have been striving in two main directions—to fix a ceiling for their incidence and to simplify the system of their collection, but, unfortunately, our efforts have not met with much success. The position has remained almost unchanged. This is not good at all. High-level conferences of this nature ought to produce positive results. I, therefore, appeal to you to make an earnest effort to resolve the stalemate. You may suggest a solution that may be the best as well as the most practicable."

The Committee has responded to the call of Mr. Raj Bahadur by adopting a constructive approach to taxation. It has urged the State Governments to take steps to consolidate the various motor vehicle taxes and fees and centralise their collection. It has also recommended that the ceiling on motor vehicle taxation should be fixed at 75 per cent. of the total existing rates in Madras State and that indirect taxes should be progressively eliminated. The need for abolishing double taxation in States was emphasised by the Committee. In this connection, the Committee did well to stress that the principle of single-point taxation should be accepted and acted upon in all States and to urge the States, which had not accepted the principle, to agree to it and implement it.

It is a pity that, despite repeated efforts by the Central Government and the ably argued memoranda submitted by the road transport interests, the taxation of motor vehicles continues to be intolerably heavy. The taxes per vehicle now amount to as much as Rs. 2,100, as against Rs. 1,906 in 1954-55 and Rs. 611 in 1944-45. Nearly all committees, which have gone into the question of taxation of motor vehicles, have recommended that the burden should be reduced. In 1956, the Study Group of the Union Ministry of Transport suggested an all-round reduction of 20 per cent. in the then existing level of taxes. Since then, the tax burden has increased, so that there is, in fact, a valid case for a larger reduction than the one suggested by the Study Group. In the interests of the development of road transport, it is high time the State Governments conceded the demand for a substantial reduction in taxation on motor vehicles.

Among the other recommendations of the Committee, mention must be made of the one which stresses the need for facilitating an increase in the number of goods vehicles and their unrestricted operation. The Committee said that goods vehicles should be allowed to operate freely within a State. Again, once the allocation of vehicles has been made on an inter-State route, the operation of vehicles on that route should not be restricted. Again, the Committee pleaded for a 100 per cent. increase in the existing number of goods vehicles during the Plan period. The implementation of this recommendation will naturally depend upon increased suppy of vehicles. Domestic production in the current year has actually fallen to an annual rate of 10,200 trucks from 11,900 trucks in 1957. This fall in output does not augur well for the future of road transport, especially considering that the demand for trucks is expected to reach 40,000 by 1960-61. Clearly, special efforts must be made towards increasing the output of vehicles. This ought to be the first claim on the attention of transport planners.

THE GIANT VS. THE PIGMY

IN a verbal combat between the squirrel and the mountain, according to an old fable, the former had the last word by insisting that, if it could not carry a forest on its back, the latter could not crack a nut. Perhaps, poetic justice demanded a clever retort from the squirrel to match the immense strength of the mountain. An impartial tribunal, however, would have dismissed the case without costs, holding that the mountain and the squirrel had each an important place in Nature's mysterious economy. It is not known whether the mountain has ever since raked up the quarrel. Only, a modern version of the controversy has been touched off by Mr. Nehru's indignant protest against "the disease of giganticism" in planning. The occasion was the annual meeting of the Central Board of Irrigation and Power, where Mr. Nehru deplored the emphasis on large irrigation projects; he pointed out that it was "the thousands of small projects, schemes and dams, waiting to be built, that will change the face of the country."

Mr. Nehru's indignant denunciation of "giant" projects must have come as an unpleasant surprise to those who have known his own earlier enthusiasm for these enterprises which he has often described as national shrines, as centres of national pilgrimages. If Mr. Nehru's intention was to shift the emphasis to minor irrigation, he might have done so without necessarily condemning the larger irrigation projects. As it is, he has given the impression that, nowadays, his approach to planning is guided by emotion, rather than reason. The fact is that large irrigation projects are not strictly comparable with minor irrigation projects. The former are multi-purpose projects, embracing a wide range of purposes, including irrigation, hydro-electric power and flood control. The minor irrigation works have no doubt a vital role to play in harnessing local enthusiasm and effort and have the additional advantage of immediate results at relatively less cost. But it is well to remember their twin defects. In the first place, apart from the fact that they are not multi-purpose projects, they have little value in periods of prolonged drought, of failure of monsoon in one year, let alone two or three successive years. Secondly, their success depends upon an efficient country-wide agricultural organisation which, as the recent report on Agricultural Administration showed, is sadly lacking at present.

It is, therefore, well to recognise that minor irrigation is a valuable adjunct to, not necessarily an adequate substitute for, major irrigation. The emphasis on large multi-purpose projects need not be whittled down merely for the sake of extending minor irrigation. No serious diversion of funds from major irrigation projects is implied in concentration of attention on minor irrigation schemes. If major irrigation projects have earned a bad name now, the blame cannot be laid at the doors of technologists or engineers. Actually, it is the politician who has whipped up much uncritical enthusiasm for these projects. Political leaders at the State level are often allured by the big and the spectacular, rather than by the modest and the enduring, projects. It is they who seek to convince others that life is not worth living without an oil refinery, a steel plant or a major irrigation project within their respective States. What is now necessary is to preserve a proper perspective in planning. A balanced approach which will strike a mean between major and minor projects will ensure that the advantages of both varieties of projects accrue to the nation.

In the matter of maintenance, both minor and major irrigation projects have their own characteristic problems. The minor projects need constant attention, in order to see that they do not fall into disrepair. Major projects are relatively easy to maintain because expert attention is available on the spot. Nevertheless, they call for high engineering skill at the stages of planning and maintenance alike. At the stage of planning and execution of these projects, as Mr. M. S. Thacker pointed out, in the course of his presidential address to the annual meeting of the Central Board of Irrigation and Power, it is necessary to collect precise data on rainfall, river flow, sedimentation, water discharge, groundwater level, subterranean drainage, surface evaporation, geology and topography of dam sites. Again, the blocking of natural flow of rivers brings in its wake such problems as silting up of impounded water stretches and water-logging in fields. Mr. Thacker pointed out that the sedimentation of reservoirs and alterations in the regime of rivers lower down are problems which require great attention. He added: "Another problem demanding attention is the loss of water in reservoirs through evaporation, seepage and deep percolation." In this connection, he cited the example of the Ganga canal in the U.P., where investigation revealed that, of the total supply diverted into the canal, 15 per cent. was lost in the main canal, 7 per cent. in the distributaries and 22 per cent. in the village watercourses. The prevention of such waste in the canal waters is a matter that should engage the attention of engineers.

Clearly, both major and minor projects have their major and minor problems in planning, execution and maintenance. The scope for extension of both varieties of projects is vast in a country which is fortunately blessed with not inconsiderable sources of water-supply. The fact that they are not evenly distributed all over the country implies that, wherever they are available and can be harnessed for purposes of irrigation and power, no effort should be spared for their execution. In terms of annual run-off, Mr. Thacker estimated India's water-supply at 1,357 million acre feet and, in terms of power potential, at 40 million kilowatts. Of this, only 6.9 per cent. is employed for irrigation purposes and only 3 per cent. for power generation. Surely, there is scope for reaching a higher level of utilisation of India's water wealth.

MR. DIEFENBAKER'S VISIT

THE Canadian Prime Minister, the Rt. Hon. John G. Diefenbaker, who arrived in New Delhi this week, is a distinguished guest of this country for about a week. As a member of the Commonwealth, India has special reasons to extend a cordial welcome to Mr. Diefenbaker who, as is well known, is among the best exponents of the Commonwealth concept. "The unity of the Commonwealth," he said at the recent Commonwealth Conference, "is in the things of the spirit and in a common adherence to the inheritance of political institutions." He added: "It is an association that is inclusive, not exclusive. It is ever-expanding, with the emergence of new nations into independence." Last year, he declared that his country was privileged to be able to extend a helping hand to those members of the Commonwealth who, through no fault of their own, had fared less well in the material things of life than in others. Appropriately enough, the first note he struck in his Press conference this week, at New Delhi, was economic co-operation between Canada and India. After describing the friendliness shown to him by India as "unforgettable," he spoke of Canada's desire to assist in the Five-year Plan and Colombo Plan on a continuing basis and pledged his Government to doing everything possible to strengthen the ties between the two countries.

Canada has given generous economic assistance to India. Such assistance is estimated at $167 million. Much of this has gone into specific projects under the Colombo Plan. The projects include transport, hydro-electric and atomic reactor. The Kundah project in Madras and the Canada-India reactor at Trombay are two most notable instances of Canadian assistance to India. Two loan agreements for supply of Canadian wheat have been concluded between the two countries. Under the first, Canada has agreed to make available $24.5 million worth of wheat, while, under the second, $8.8 million worth of wheat will be supplied. The terms of the loans reflect Canada's appreciation of India's balance of payments difficulties. Besides the fact that they carry a modest rate of interest, about 4½ per cent., the loan agreements provide that no principal will be payable in the first two years and the entire loan is to be repaid over a seven-year period. Again, India is bound to benefit by Canada's announcement, made recently, of a 50 per cent. increase in its assistance under the Colombo Plan and of its willingness to place such assistance on a firm three-year basis. This stems from Canada's keen interest in the economic development of the Commonwealth.

BIG BLOCK OF INDIAN IRONS SOLD

TEA EXPORT DUTY—SYNTHETIC RUBBER—SHELLAC RAW COTTON

THURSDAY, 5 P.M.

FOR the second week in succession, equities have retreated on a wide front. Almost all scrips have sought lower levels. In addition to the causes mentioned in these columns last week, two additional factors emerged this week in favour of sellers. One was the report that the Government would ask the cotton mills to curtail production to solve the problem of excess stocks. It would appear that, on this question, the Government does not see eye to eye with the leading representatives of mill-owners who only the other day rejected the plea of a section of millowners that there should be a uniform reduction in the output of all mills. The Minister for Industry, Mr. Manubhai Shah, is credited with the view that the cotton mill industry must seek its salvation on lines similar to that followed by the jute mills. High-level talks are scheduled to take place between the Government and the representatives of industry this week-end for exploring a way out for the industry's difficulties. Instead of imparting strength to textile shares, this news has only tended to depress them further. Apparently, some in the market believe that the suggested solution will place the well-managed, efficient mills at a disadvantage *vis-a-vis* the ill-managed and uneconomic units.

MARKET GOSSIP

The second new factor that has accentuated the downward trend is the report that the Dalhousie Holding Company, Calcutta, has unloaded 200,000 shares of Indian Irons, thereby adding to the already large floating stock of this scrip. This news has caused misgivings about the ability of parties, who are already long in Indian Irons to the extent of several lakhs of shares, presumably with the help of borrowed money, to stick to their holdings for long. It may be noted that, when the Steel Corporation of Bengal was amalgamated with the Indian Iron and Steel Company, Ltd., in 1952-53, the latter company had to hold, in a suspense investment account, its own shares amounting to 880,000, being the equivalent of 1,100,000 shares of "SCOB" held by it. Following the doubling of its paid-up capital through the issue of new shares a couple of years ago, this special holding must have doubled to 1,760,000 shares. This holding is bound to increase by one-fifth to 2,112,000 shares when the capitalisation of share premium account fructifies. All these shares are held by the Dalhousie Holding Company for the I.I.S.Co. With the I.I.S.Co. requiring more funds, there is no reason why it should not gradually cash this investment. According to reports in market circles, a big block of this holding was first offered to the Life Insurance Corporation at Rs. 27 per share, only to be turned down by it.

The aforesaid report has two implications. One is that the L.I.C. is unlikely to buy Indian Irons, at any rate for the present, at Rs. 27 or above. The other is that there may be further sales, from time to time, by the Dalhousie Holding. There are, however, unconfirmed (perhaps, unreliable) reports that the I.I.S.Co management will shortly issue a clarification on this subject and give an assurance that no further sales would be made. It remains to be seen whether this is wishful thinking or a fact.

Shares of electricity companies have been ruling quiet for some days now. It is said that the new Bill seeking to amend the Indian Electricity Act of 1910 has given rise to apprehensions that the way is being prepared to nationalise electricity undertakings. The reiteration of the demand for nationalisation by some of the left-wingers has strengthened these fears. The amending Bill, however, has no such objective. What the new Bill is seeking to achieve is to revise the provisions of the old Act to suit certain technical features governing supply of power and which are applicable to "licensees at large with the law enacted in 1948."

• • • •

The Bank rate in the U.K. has been reduced by a further ½ per cent. to 4 per cent. It was only on 14th August last that the rate was lowered from 5 per cent. to 4½ per cent. This is the fifth cut in the British Bank rate after it was suddenly raised from 5 per cent. to 7 per cent. in September 1957. The first reduction from this peak took place in March 1958 when it was fixed at 6 per cent. It was brought down to 5½ per cent. in May 1958 and to 5 per cent. in the following month. It was only about a week ago that Mr. Derick Heathcoat Amory, the Chancellor of the Exchequer, said at Bristol that the favourable trade returns for October 1958 were the latest sign that Britain's economic affairs were on a firm basis. He added: "The economy is in sounder shape today than for many a year. Our currency is strong, our industry competitive, and the price level at present relatively stable." Stating that the mood of business generally was one of confidence in the future, the Chancellor said that they would be careful not to generate another inflationary movement. He said that, if he were to see signs of that danger at any time, he would not hesitate to take what counteraction was necessary. This is the background against which today's reduction in the Bank rate has to be viewed. It is clear that, in the opinion of the U.K. Government, the main economic issue facing it is not risk of inflation but risk of a recession.

The news of lower British Bank rate has not had any significant effect on Dalal Street.

• • • •

The plea made by some members of Parliament early this week for a further reduction in the export duty on tea came as a surprise to us, because it was contrary to recent trends. Hitherto, the vast majority of members of Parliament have invariably pleaded for an increase in taxation. What made the surprise a pleasant one was the fact that the plea for a larger cut in tea export duty was made by Congress men, socialists and an independent who is no friend of the business community. Even the communists did not oppose this plea. None was opposed to the relief which the Centre had already given. A Congress man from West Bengal went to the extent of advocating complete abolition of export duty on tea. In fact, almost all who spoke on this subject were in favour of further relief in export duty, as they realised that Indian tea was losing its competitive advantage rather rapidly. The occasion for these statements was provided by the debate on the Tea (Alterations in Duties of Customs and Excise) Bill introduced to secure Parliament's sanction to the changes in the export and excise duties made by the Government a few weeks ago with the object of pushing up exports of common teas which were finding it difficult to compete in world markets with similar teas from other countries.

It will be recalled that, after deliberating for over fifteen months, the Government hit upon an ingenious device for giving relief to common teas without sacrificing much of its reveune through export and excise duties. This it did on 28th September 1958 by introducing the aforesaid Bill before Parliament adjourned. The Central duties on tea consist of an export duty, an excise duty and an export cess. The export cess was Rs. 4 per 100 lbs. till 1st June 1958, when it was cut to Rs. 2 per 100 lbs. On the same day, the excise duty was also reduced from 6 nP to 3 nP per lb. on loose tea. The excise duty on tea packets upto 60 lbs., which was 25 nP per lb., was left unchanged. The export duty was on a slab system based on world prices—by which it was actually meant London prices. The slab system began on 1st March 1955 and had five slabs, with a minimum and maximum duty of 25 nP and 75 nP. A year later, the slabs were reduced to four by merging the second and third slabs into one and fixing the rate for this slab at 38 nP. The revised slabs were as follows:

Price per lb.	*Duty per lb.*
Upto Rs. 2.50	25 nP
Rs. 2.51 to Rs. 4.00	38 nP
Rs. 4.01 to Rs. 4.75	62 nP
Above Rs. 4.75	75 nP

In actual practice, "world" prices of tea moved in such a way that, throughout 1956-57, the export duty remained at 38 nP., excepting in December 1956 and January 1957, when it was fixed by the Government at 50 nP, instead of at 62 nP according to the slab. The rate continued to be at 38 nP right through 1957-58 and upto 27th September 1958, except in May, June and July 1957, when it came down to 25 nP.

Under the aforesaid system, no excise duty was payable on tea that was exported. The duties payable were the same on all grades of teas, whether they were fine, medium or coarse. But the prices realised by them varied to a considerable extent; the finer the tea, the better was the price. Consequently, the incidence of duties, especially the export duty, weighed heavily on teas that fetched lower prices.

Another defect in the slab system of export duty was the susceptibility of duty to fluctuate widely and frequently. This proved extremely irksome to overseas buyers and hindered the free and normal flow of tea exports. Although these defects were realised by the Government long ago and the industry's plea for rationalisation and relief was recognised as relevant, a solution was not found till seven weeks ago. The difficulty was due to the impracticability of distinguishing the different grades of tea for the purpose of levying duties in a way which would not lead to evasion. Finally, in September last, a way out was found as follows:

(1) The slabs for export duty were reduced to three:

Price per lb.	*Rate per lb.*
Upto Rs. 2.50	25 nP
Rs. 2.51 to Rs. 4.75	26 nP
Above 4.75	30 nP

By extending the second slab to cover a wide margin and reducing the duty applicable to it to 26 nP, the Government answered both the criticisms, namely, that the rate was unduly high and that the possibility of fluctuations in the duty hampered the free flow of exports. Trade circles expect that the export duty will now remain stable for a very long time at 26 nP per lb. and have welcomed this innovation.

(2) At the same time, the excise duty on loose tea, which had been uniform till then, was divided into three grades by distinguishing the tea-growing areas into three zones, the division being approximately on the basis of grades of tea. The single rate of 6 pies per lb.—the reduction made on 1st June was only temporary—yielded place to three, 2 nP, 4 nP and 10 nP, depending on whether the tea was grown in Zone I or Zone II or Zone III. In other words, the finer tea paid the highest excise duty, the medium tea paid the middle rate and the lowest grade tea paid the lowest rate. In addition, it was said that the maximum rate of excise duty leviable at any time would be 19 nP. The packed tea was to bear an additional excise duty of 21 nP per lb.

(3) The revised excise duty was made applicable to exports also. The result was that the net relief was only 2 nP to finer tea, 8 nP to the next lower grade tea and 10 nP to the cumbrously described common teas. By doing so, the Government extended to tea also its recent policy of asking the domestic consumer to meet the cost of measures taken for stimulating exports. The revised excise duty on fine teas, especially packed teas, is prohibitive to domestic consumers.

The method adopted to rectify the defects in the original basis of levying export and excise duties is about the best that could be evolved, though it is by no means perfect and many holes can be easily picked. So far as the extent of relief afforded is concerned, the consensus of opinion is that it is inadequate. The relief given to the industry is only Rs. 1.5 crore out of a total burden of about Rs. 22.50 crores in the form of export and excise duties alone. It was this point that was stressed by several members of Parliament.

The Government, however, firmly stuck to its September decision and would not agree to any further reduction in export duty. The Minister for Revenue and Civil Expenditure, Mr. B. Gopala Reddy, contended that the relief given to common teas was adequate and that those who argued that Indian teas would not be able to hold their own in export markets were spreading alarmist views. He stated that there had been no fall in exports so far this year and was confident that they would be substantially higher. If India gave further relief in export duty, its competitors like Ceylor could do the same thing. It would, therefore, gain little by way of exports, needlessly confer a benefit on the foreign consumer and lose a substantial amount of revenue. He, however, added that the Government would keep a close watch on the export position and would not hesitate to give more relief if warranted by a change in the situation. Whatever be the merits of his arguments, he succeeded in getting the consent of the Lok Sabha for the Bill, without yielding anything.

Mr. Gopala Reddy was right in saying that exports of tea in the current year have so far not suffered. But, in this matter, one has to look forward and not to the past. World production of tea is going up and new competitors are emerging. Besides East Africa, China also is offering stiff competition. India will miss the bus, if the Government is to pursue the policy of reducing export duty only after a setback in its exports of tea is proved. Already, India's tea exports to the biggest market, namely, Britain, has fallen to a considerable extent. Another important point to be borne in mind is that the profit-margin of most tea companies has shrunk heavily, owing to higher cost of production in the face of lower prices realised on the sale of their crop. Their financial position is steadily deteriorating, leaving little or no resources for replanting, expansion, and modernisation of factories. These trends will gravely undermine their capacity to compete effectively and to hold India's pre-eminent position in the world tea trade. The tea industry today is reaping the benefits of large amounts spent on improving the gardens in the early post-war years. This advantage will peter out in the next few years, unless it is enabled and encouraged to plough in fresh resources for improvement and maintenance of its basic assets. Mr. Gopala Reddy deplored the tendency on the part of some to take an "alarmist view" of the position of Indian tea. But equally undesirable is the tendency of Government spokesmen to take a complacent view of the future for this industry, ignoring the clear writing on the wall.

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The decision of the Government of India to permit the private sector to set up a synthetic rubber plant at Bareilly in Uttar Pradesh, as disclosed by Mr. Manubhai Shah, Union Minister for Industry, while inaugurating the Development Council for Alcohol and Fermentation Industries at New Delhi on Monday this week, will be widely welcomed. The project was originally included in the industrial development programme (1956-61) of the public sector. Even before the programme was formulated, the Ministry of Commerce and Industry had undertaken certain preliminary investigations in connection with the development projects to be processed by the National Industrial Development Corporation. The implementation of the project was, however, deferred on account of foreign exchange shortage and larger rupee expenditure commitments for several other projects. It is these factors which have now compelled the Government to allow the private sector to go ahead with the project. If the decision had been taken earlier, the project would have probably been completed and actual production started.

Details regarding the project are not known. From Press reports, it is, however, gathered that three firms are collaborating in setting up the plant. The name of Goodyear Tyre and Rubber Company of India Ltd. is mentioned as being one of the firms. The total capital outlay on the project is put at about Rs. 17 crores and employment potential at nearly 10,000 persons. Preliminary steps, according to Mr. Manubhai Shah, are already in hand and the factory is expected to go into production early in the third Five-year Plan period.

The establishment of the synthetic rubber plant is of very great importance for three reasons. First, to the extent synthetic rubber is produced, the gap between requirements and supplies of natural rubber can be narrowed. The gap at present is of the order of 14,000 tons and is bound to widen

(*Continued on page 863*)

EQUITIES RULE QUIET

TEXTILES HEAVILY MARKED DOWN

(From Our Own Correspondents)

BOMBAY, 20*th November*

THE share market ruled quiet during the week under review, with a further all-round marking down of values. The decline was particularly marked in textiles, sugars, engineerings and some prominent miscellaneous counters. After a temporary steadiness on the last day of the previous settlement, the market suffered a setback in the new account which commenced on Monday on heavy bull liquidation and bear selling. The uncertain political situation in Pakistan and sales of huge blocs of Indian Iron shares in Calcutta and Bombay on behalf of a holding company in Calcutta depressed sentiment further.

In the steel section, Tata Ordinaries retreated from Rs. 177.75 to Rs. 173.50 yesterday, but, with the abatement of selling pressure, they rallied to close at Rs. 176. The new shares were marked down over the week by Re. 1.75 to Rs. 172. Indian Irons looked up a little from Rs. 26.85 to Rs. 27.05 early in the week, but receded to touch a low of Rs. 25.60 yesterday. Today, however, they staged a minor recovery to Rs. 26.05 before closing at Rs. 25.90.

In the textile section, Bombay Dyeings dropped from Rs. 58 to Rs. 56.40 and after improving to Rs. 57, closed today at Rs. 56.80. Centurys suffered heavily with a decline from Rs. 433.75 to Rs. 423.50 before finishing at Rs. 426.25. Kohinoors dipped from Rs. 256.50 to Rs. 248. Central Indias lost Re. 1 to Rs. 85, Finlays Rs. 7 to Rs. 268 and Gokaks Rs. 6.50 to Rs. 132. Indore Malwas shed Rs. 2 to Rs. 102 and Models Rs. 6.25 to Rs. 167.50. Morarjee Mills were done at Rs. 235 *ex-div.* (dividend Rs. 15), as against Rs. 250 *cum-div.* a week ago. New Greats were depressed at Rs. 211, having come down from Rs. 219. New City Mills were unchanged at Rs. 95. Simplex Mills changed hands today at Rs. 170.50, as against Rs. 176 a week ago. Standards lost no less than Rs. 9 over the week to Rs. 395. Svadeshis Rs. 2 to Rs. 189 and Tata Mills Re. 1.50 to Rs. 35.

Bank shares followed the general pattern. Barodas shed a rupee to Rs. 121, Central Banks 30 nP to Rs. 58.20 and their new shares Re. 1 to Rs. 59. Punjab Nationals were done Rs. 6 lower at Rs. 55. While Union Banks were unchanged at Rs. 7.52, United Commercials had business a fraction lower at Rs. 68.

The highlight of the insurance section was provided by New Indias. The announcement of an interim dividend of Rs. 2 per share (of Rs. 15 each) for the year ending December 1958 was greeted by the market with a jump in the shares from Rs. 49.25 to Rs. 55.50. No interim dividend was paid by the Company in respect of the previous year, but a distribution of Rs. 3 per share was made for the year. Vulcans picked up 24 nP to Rs. 19.76, while Indian Mercantiles shed 25 nP to Rs. 47.25.

Electricity shares were subdued. Ahmedabad Electrics were done 30 nP lower at Rs. 99 and Bombay Suburbans 75 nP down at Rs. 110.50. Surat Electrics shed 50 nP to Rs. 114, while Poona Electrics changed hands at Rs. 111.25, as against the previous transaction at Rs. 117.50. Tata Hydros were also a shade lower. Andhra Powers gave way from Rs. 1,210 to Rs. 1,190 and Tata Powers from Rs. 1,237.50 to Rs. 1,197.50.

In the sugar group, Belapurs retreated from Rs. 319 to Rs. 308.50, thus maintaining the previous week's downward trend. The cumulative loss in the last two weeks is Rs. 14. Changdeos were a shade quiet at Rs. 32.75, while heavy declines were recorded in Phaltans and Walchandnagars, the former losing over the week Rs. 7.50 to Rs. 166.50 and the latter Rs. 7 to Rs. 283. Maharashtra Sugars receded from Rs. 185 to Rs. 178.

In the cement section, Associated Cements moved down from Rs. 155.50 to Rs. 152.25, but the loss was nearly made good when the shares improved to Rs. 154.50 today. Digvijays, however, lost Rs. 5.50 to Rs. 134. Orissa Cements dropped 28 nP to Rs. 11.96, Ashokas 84 nP to Rs. 7.50 and Jaipur Udyogs 36 nP to Rs. 10.32.

Engineering and mining shares, too, were depressed. Alcocks were conspicuous with a decline of Rs. 12.50 to Rs 257.50. Tata Locomotives gave way from Rs. 157 to Rs. 151.50, but they staged a partial recovery to Rs. 154.50 towards the close. Their Rights were quoted today at Rs. 43. Premier Constructions lost on balance Rs. 5.50 to Rs. 236. Larsen and Toubros were 16 nP lower at Rs. 17. Mahindras had business at Rs. 18.76, as against Rs. 18.80 a week ago. Cooper Engineerings provided an exception with a rise of Rs. 3 to Rs. 127. Shivraipurs lost ground from Rs. 4.90 to Rs. 86 and Indian Coppers from Rs. 3.90 to Rs. 3.80.

Scindias were relatively more steady, moving between Rs. 21.36 and Rs. 20.92. The closing was done at Rs. 21.16, representing a drop of 12 nP over the week. Great Easterns were marked down by 65 nP to Rs. 26.60. Bharat Lines were steady at Rs. 13.90. Premier Automobiles followed the general trend with a decline from Rs. 87.50 to Rs. 86. Hindustan Motors lost 50 nP to Rs. 7.16.

In the miscellaneous group, Bombay Burmahs (old) retreated from Rs. 495 to Rs. 480 before recovering to Rs. 485. Their Partly paid-ups shed over the week Rs. 2.50 to Rs. 178.75. National Rayons were conspicuous with a fall of Rs. 8.75 to Rs. 241.75 over the week; the lowest level touched during the week was Rs. 238.50. Gwalior Rayons declined by 56 nP to Rs. 14.16. Tata Chemicals lost 20 nP to Rs. 15.64 and Tata Oils Re. 1.75 to Rs. 37.25. Hindustan Levers had business 88 nP lower at Rs. 25 and Ceats Re. 1.50 down at Rs. 65.50. Killick Industries were unchanged at Rs. 148, while Wimcos gave way from Rs. 190.25 to Rs. 187.50.

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Calcutta Stock Exchange

CALCUTTA, 19*th November*

The week under review after *Diwali* was a quiet period for the Stock Exchange. All sections, including jutes, sagged and there was a fall in business too. The indication given by the Finance Minister, Mr. Morarji Desai, that there was going to be no lessening of the tax burden cautioned the otherwise enthusiastic buyers. Earlier, in view of the New Delhi report that the target for expenditure under the Plan would remain unaltered at the originally estimated figure of Rs. 4,500 crores, led to some expectation of relief in taxation. That this expectation was not correct led to hasty profit-taking. The recession in Indian Irons was attributed to reports that a large block of the shares was sold by an institutional holder. For a time, jute shares continued to advance, but became dull in consonance with the general dullness. Further, the reported possibility of Government permitting fibre exports caused bearishness as that would put up raw material prices, thus raising mills' cost of production. Coal shares were featureless, and the report of the Price Revision Committee was awaited. Tea shares trod a dull path following the lower prices in auctions. Note was taken of the tea industry's case for greater relief for common teas put forward in Parliament on the discussions on the Bill to revise the customs and excise duties.

Among coals, Burrakurs sagged to Rs. 17.25 from Rs. 18.37, but subsequently staged a recovery to Rs. 17.31. East Indians, after recovering to Rs 23.25 from Rs. 25.57, gave way to Rs. 23.19. Equitables were unchanged at Rs. 30. Pench Valleys realised Rs. 24.87, as against Rs. 24.75 earlier, but closed quiet at Rs. 24.50. New Beerbhooms were fractionally lower at Rs. 19.19.

Jutes disclosed a hardening tendency early in the week, but gave way subsequently. Agarparas improved to Rs. 12.06 from Rs. 11.70, but eased to Rs. 12.50. Kinnisons fell to Rs. 190 from Rs. 196, while Fort Glosters rose to Rs. 464 from Rs. 430. Aucklands had buyers at Rs. 166, as against Rs. 160 earlier, but soon the gain was lost. Naihattis fell to Rs. 87.50 from Rs. 95, and New Centrals to Rs. 13.62 from Rs. 13.75. Ganges were done at Rs. 77, as against Rs 78 previously and Howrahs at Rs. 20.56, as against Rs. 21.50.

In the engineering section, Indian Irons opened at Rs. 27.32, and gradually gave way to close at Rs. 26.26. Following suit, Texmacos sagged to Rs. 21.40 from Rs. 22.00. For the year ended November last, owing to a decline in profit in the working of the Kumardhubi Engineering Works Ltd., the dividend has been lowered to 15 per cent. from 20-2/3 per cent., and this explained the recession in the quotation of these shares to Rs. 8.85 from Rs. 9.12. Braithwaite & Cos. were unchanged at Rs. 31.25.

Although teas were generally neglected, the section was not devoid of features. Thus, while Hattikhiras eased to Rs. 12.06 from Rs. 12.31 and Methonis to Rs. 18.87 from Rs. 19.00, Banarhats picked up to Rs. 285 from Rs. 282 and Basmatias to Rs 28.12 from Rs. 27.56.

Miscellaneous industrials were quiet. At Rs. 29.37, Dunlop Rubbers were fractionally lower and National Cables eased to Rs. 33.50 from Rs. 34.25. National Pipes, after being lower at Rs. 15.06, staged a rise to Rs. 15.56. Indian Coppers were unloaded in larger lots and the rate, therefore, gave way to Rs. 3.80 from Rs. 3.92. Despite better prospects for the paper industry, Orient Papers lost to Rs. 33 from Rs. 33.70 and Tiaghur Papers to Rs. 43.50 from Rs. 44.12. India Steamships remained unchanged at Rs. 14.06. Martin Burns improved to Rs. 30.69 from Rs. 29.75, but receded to Rs. 29.50

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Madras Stock Exchange

MADRAS, 18*th November*

Barring the textile section, which ruled depressed, the Madras Stock Exchange depicted a steady trend during the fortnight under review. Despite continued labour unrest in the Kerala plantations, planting shares generally received support. Selected tea shares were particularly firm on reports of rising exports and better prices. Electric shares were fully steady. Sugars and Breweries received some investment enquiries, as also selected miscellaneous shares. Textiles, as already stated, were depressed, thanks to persistent reports of heavy accumulations of yarn and cloth. Even the drastic cut in import quota for cotton yarns to established importers from 25 per cent. to 7½ per cent. during the October-March licensing period failed to have any effect.

Among tea shares, Devasholas firmed up by 40 nP to Rs. 22.25. United Nilgiris improved by 35 nP to Rs. 17.90. Kil Kotagiris rose by 28 nP to Rs. 6.56. Cottanads gathered 25 nP to Rs. 15.25. Parksides were, however, down by 30 nP to Rs. 22.10 *cum-div.* Twyfords by 25 nP to Rs. 17.50 and Nilgiris by 10 nP to Rs. 7.70.

In the coffee group, Consolidated Coffees rallied 50 nP to Rs. 27.60. Anaparais gained 20 nP to Rs. 5.75 *cum-div.* Coffee Lands put on 15 nP to Rs. 33.55. Savamalais gained a like amount to Rs. 3.75. Kumergodes hardened by 3 nP at Rs. 7.10. Ouchterlonys were done a shade higher at Rs. 5.45. Bababudins found buyers at Rs. 12.60.

Among rubber shares, Be Bes strengthened by 25 nP to Rs. 4.00. Teekoys picked up 10 nP to Rs. 7.25. Thamrapallys were steady at Rs. 27.00. Highlands, however, lacked support and shed 35 nP to Rs. 11.15. Midlands receded by 11 nP to Rs. 12.45 *cum-div.* T.R. and Ts were done 10 nP lower at Rs. 7.00.

Deals in textile shares were put through at reduced rates. R.C. Ambikais fell by Rs. 13 to Rs. 105.00. Vasantas dropped Rs. 6 to Rs. 220. Dhanalakshmis climbed down by Rs. 7 to Rs. 165. Buckinghams and Anglo-Frenchs were quoted Rs. 4 lower at Rs. 174 and Rs. 68, respectively. Metturs shed Rs. 4 to Rs. 332. Coimbatore Cottons dropped a like amount to Rs. 149. Premiers found buyers Rs. 5 lower at Rs. 127. Radhakrishnas and Rajalakshmis receded by Rs. 2 each to Rs. 141 and Rs. 67 respectively.

Sugars and breweries received support. Cauverys put on Rs. 2 to Rs. 108. E.I.D. gained 30 nP to Rs. 30.40. Deccans were better by 12 nP at Rs. 10.87 *cum-div.*

In the miscellaneous section, Binnys evoked good enquiries and improved by Rs. 3 to Rs. 170. Rallis rallied Rs. 3.50 to Rs. 42.50. Hindustan Levers put on Re. 1.80 to Rs. 26.30. General Papers were done 50 nP higher at Rs. 13.25. Sen-Raleighs moved up by 60 nP to Rs. 14.50. Andhra Cements, on the other hand, receded by 40 nP to Rs. 10.10. F.A.C.Ts declined by a like amount to Rs. 7. Metur Chemicals shed 25 nP to Rs. 11.60.

KHANDELWAL FERRO ALLOYS LTD.

India has long been known for its huge reserves of manganese ore. It is the second largest supplier of the ore to world markets. It now bids fair to break new ground and emerge as an exporter of ferro-manganese, with the establishment of the plants to convert the ore into the indispensable alloy for the manufacture of steel. Recognising the importance of the industry, the Government of India has assigned a high priority to it under the second Five-year Plan and has given licences to half a dozen *entrepreneurs* in the private sector for the establishment of ferro-manganese plants with an aggregate capacity of 160,000 tons. Of the six units sanctioned, three have already gone into production, and two are in the process of being established. The sixth one, with a capacity of 30,000 tons, is to be set up by Khandelwal Ferro Alloys Ltd., a public limited company promoted by Messrs. Ramprasad Beharilal and Sons and Khandelwal Brothers Private Ltd., both of them having considerable experience as exporters of manganese ore and importers of steel and having wide contacts in the world market for ferro-manganese.

The total capital cost of Khandelwal's project is Rs. 1.15 crore. To meet this and provide some working capital, Khandelwal Ferro Alloys Ltd. proposes to enter the capital market shortly with an issue having a face value of Rs. 1.50 crore, made up of 100,000 ordinary shares of Rs. 100 each and 50,000 7 per cent. tax-free redeemable cumulative preference shares of Rs. 100 each. Of this, the promoters, the Directors and their friends have already taken up 65,000 ordinary shares. The balance of 35,000 ordinary shares and the entire preference shares will be available for public subscription. In respect of the ordinary shares, the Company has received sanction from the Controller of Capital Issues to call in only 50 per cent. in the first instance and the Company proposes to call the balance only when necessary after the factory goes into production. The Company has the option to redeem the preference shares at par after five years from the date of issue in such parts as the Directors may decide from time to time by drawing lots. All the preference shares are, however, redeemable within 10 years from the date of issue.

The plant will be located adjacent to the Kanhan railway station, 12 miles from Nagpur, a place which is claimed to be ideal from the point of view of accessibility to raw material sources, water supply, transport facilities, etc. Orders have already been placed with a Norwegian manufacturer for the supply of an electric furnace, the payment for which will be on deferred credit basis.

In view of the abundant supply of manganese ore, the manufacture of ferro-manganese in India should be an economic one. The marketing of it abroad, it is said, will provide a high profit margin. Out of the total capacity of 160,000 tons (of all the six plants) about 60,000 tons will be required for indigenous steel production and the balance of 100,000 tons will be available for export. Khandelwal Ferro Alloys Ltd. has already entered into a forward sale agreement with an American firm for the sale of its entire output of 30,000 tons for a period of 7½ years. The agreement also provides for a "floor" price for the Company's ferro-manganese for a period of 4½ years, subject to an upward revision of price in accordance with the prevailing international market prices. Thus, the Company is assured of protection from possible adverse international market fluctuations and a minimum remunerative price for its production is guaranteed.

The Board of Directors of the Company is headed by Dr. A. Ramaswami Mudaliar. The Managing Agents are Khandelwal Industries (Private) Ltd. The Company is fortunate in acquiring the services of Mr. K. Sadagopan (till recently Chief Administrative Officer of the Government-owned Integral Coach Factory, Madras) as General Manager.

NEWS IN BRIEF

THE Government of West Bengal proposes to take over the wholesale trade in foodgrains, as suggested by the National Development Council recently.

The Madhya Pradesh Government has decided to acquire all rice stocks in the State, without in any way interfering with the normal retail trade.

The Government of Bombay has sanctioned the opening of 35 rural family planning centres in various parts of the State during the current financial year.

A thermal power plant will be set up in the Neyveli Lignite Project, Madras, by the Government of India with the collaboration of the U.S.S.R. The plant is estimated to entail a capital outlay of over Rs. 10 crores.

The annual general meeting of the Associated Chambers of Commerce of India will take place at Royal Exchange, Calcutta, on 5th December next. Mr. Morarji R. Desai, Union Finance Minister, will be the principal guest at the meeting.

In pursuance of the recommendations made by the Tariff Commission, the Government of India has decided to extend protection to the sericulture industry for a further period of five years ending 31st December 1963. The existing concession of duty-free imports of silkworm seed also will be continued.

A showroom to display a wide range of India's manufactured products is proposed to be set up by the Government of India in Afghanistan, with a view to promoting trade between the two countries. Details of this scheme were discussed with Mr. Ghulam Mohammed Sherzad, Afghan Minister of Trade and Commerce, during his visit to New Delhi last week.

A master plan for irrigation in Bihar has been drawn up by the Irrigation Department of the State Government. The proposed plan is concerned exclusively with the development of irrigation (and not with other water utilisation schemes like power production) which, it is claimed, will provide water to about 10 million acres in the State.

As a measure of export promotion, the Government of India has decided to allow drawback of customs duty paid on imported materials used in the manufacture of alabaster articles, cigar wrapper tobacco and artificial silk hosiery and garments exported from India. Rebates of customs and Central excise duty paid on materials used in the manufacture of piperzine syrup and certain steel products will also be made on export.

In order to implement an expeditious programme of restoring about 25,000 tanks in the four southern States of Andhra Pradesh, Kerala, Madras and Mysore, the Government of India has sanctioned an outlay of Rs. 25 lakhs for each State in the remaining four months of the current financial year. This sum is over and above the Rs. 300 lakhs originally provided. The additional allocation will be spent mostly for digging wells, extending power lines to lift irrigation and building small anicuts and pick-ups.

A new public corporation to set up and run the central heavy machine building plant and allied projects will shortly be constituted in India, with Dr. A. Nagaraja Rao, at present Chief Industrial Adviser to the Union Government, as chairman. The proposed undertaking will have an eventual capital of Rs. 200 crores. It will be the second largest Corporation in the country, the first being Hindustan Steel, with a share capital of over Rs. 400 crores. In addition to the machine building plant at Ranchi, the Heavy Engineering Corporation will be in charge of the foundry forge project, the heavy machine tool project and the coal mining equipment manufacture project.

An agreement has been reached between the Governments of Madras and Kerala over the Parambikulam river water. Under the agreement the Parambikulam Irrigation project, included in the second Plan, will be undertaken by the Madras Government at an estimated cost of Rs. 35 crores. The project covers construction of a dam in the upper reaches of the river, a long tunnel through the ghats to divert the water to the Madras border, another dam across the Aliyar river and a link between the two reservoirs. The Madras Government has agreed to ensure that this project will not hamper in any way the successful execution of Kerala's Sholayar river hydel project.

A central Board for Workers' Education has been constituted by the Government of India. It will hold its first meeting in New Delhi early next month. The Board, consisting of representatives of employees' and workers' organisations, educational institutions and Government, will lay down policy in regard to the scheme of workers' education and will administer the scheme. It will also organise programmes to provide instruction to workers in trade union consciousness, conduct of union-management relations, working of the industry and observance of the Code of Discipline in industry. Besides, arrangements will be made by the Board to give training to adequate staff for implementing the programme. It may be noted that a sum of Rs. 60 lakhs has been set apart for the workers' education scheme in the second Five-year Plan.

As a result of the negotiations which took place between West Germany and India, an arrangement supplementary to the trade agreement of 8th October 1956, the validity of which was extended upto 31st December 1959, has been signed by the two Governments. The arrangements reached provide for an increase in the exchange of commodities. West Germany will supply to India machine tools, polygraphic machinery, products of precision of the mechanical and optical industries, electrical equipments, textile machinery, as well as fertilisers, films, and a number of other industrial raw materials and equipments. The payment arrangements have been modified to provide for a central clearing account, so that the rupees earned by exports of goods from the German Democratic Republic are utilised for the import of Indian products. West Germany will import from India tea, coffee and preserved fruit, raw materials, semi-processed and finished products of the textile and leather industries as well as other consumer goods and handicrafts in 1959.

With the arrival of 16,035 long tons of American wheat in the Alexandra Docks on Monday, the total U.S. wheat unloaded in Bombay under the P.L. 480 commodities agreement between the two countries amounted to two million tons. The first P.L.-480 agreement was signed in August 1956. Two new P.L.-480 agreements were signed by the two countries early this year. Under these agreements the U.S. will provide India with 8,007,500 metric tons of foodgrains valued at Rs. 246.25 crores. Of this, wheat alone accounts for 7,307,500 tons (valued at Rs. 222.00 crores), rice for 200,000 tons (Rs. 13.20 crores), maize for 200,000 tons (Rs. 5.05 crores) and millet for 300,000 tons (Rs. 6.00 crores). From August 1956 to 30th September 1958, nearly 3,675,607 long tons of wheat had arrived at the various ports of India. Imports of rice and millet were about 194,177 long tons and 12,236 tons, respectively. In addition, India has received substantial quantities of milk powder, cotton and tobacco under the agreement.

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From Abroad

Soviet and Egyptian airlines have signed an agreement on reciprocal air service between the two countries.

India topped the list of buyers of British aircraft during the first nine months of this year. Its purchases were valued at £14,917,584. Canada ranked second, with £13,331,199, and the U.S. third, with £9,680,009.

The British Board of Trade has published the Commonwealth Preference Regulations 1958 which lay down the conditions for eligibility under the Commonwealth Preference scheme. The regulations will come into force on 1st January 1959 and will replace the current regulations.

West German steel makers hope to receive orders amounting to DM. 250 million from the recent deal signed between the Argentine Government and a representative of August Thyssen Huette, involving an order of DM. 650 million. It will be shared among the six members of the Coal and Steel Pool.

A new chemical adhesive which reportedly can glue metal to rubber, enamel to rubber, and plastic to glass is being marketed by Eastman Chemical Products, Inc., a subsidiary of the Eastman Kodak Company, U.S. The adhesive is so strong that only a drop is needed to weld two heavy pieces of any material.

A process of manufacturing foamed metal lighter than cork or balsa wood and capable of floating on water has been developed by a company at Madison, U.S. In the process, bubbles of air are trapped within the structure of aluminium. It is expected that the product will be used in light construction and for telephone poles, rafts and furniture.

Visitors to the National Chemical Exposition in Chicago watched a demonstration of a tooth filling method which by-passes use of the dentist's drill. A liquid plastic was poured into a tooth crack and, in a few seconds, formed a hard surface. The surface, easy to clean, is said to seal the tooth so completely that no further decay takes place.

The Scandinavian Air Services and Air France have concluded a five-year pool agreement on traffic between Scandinavia and France. The agreement came into effect on 1st November. During the winter season, there will be two services each way daily on the Stockholm-Copenhagen-Paris route. Both the S.A.S. and Air France are planning to use the French-built Caravelle jet airliners on this route.

Two leading U.S. dairy companies have formed a Corporation to make dry milk products available for the first time to millions of people in developing areas of the world. The two firms have assigned to the new company all their patents for manufacture of instant non-fat milk, instant flavoured milk and related instant milk products. The patents will be made available to other companies in the U.S. and Canada and to about 20 leading nations under international treaty.

In the U.S., aircraft owned by individuals or by private business concerns outflew the domestic scheduled airlines in 1957. General aviation aircraft (business, commercial, instructional, pleasure and miscellaneous) flew 10.9 million hours and travelled 1,400 million miles. By comparison, the airlines on scheduled domestic flights flew 3.6 million hours for a total of 785 million miles. Business and pleasure flying accounted for the largest mileage in the general aviation category.

Work has started in New York on a $22.5 million housing project for middle-income workers which is being financed by the Hatters, Painters and the Brotherhood of Electrical Workers Union. The project is being undertaken both as an investment and as a means of providing needed housing for workers and their families. It is the fourth major housing development to be undertaken by labour unions in the New York area in recent years.

The continents of Asia and Africa have shown significant increases in commercial fishing since 1938, according to the Food and Agriculture (F.A.O.) *Yearbook of Fishery Statistics* published this week. During the period, Africa's fishing tonnage increased from 520,000 to 1,860,000 and Asia's from 9,360,000 to 12,880,000. The *Yearbook* noted that the world total commercial fish catch is still increasing and is now about 30 million metric tons a year.

The French Government has approved of the Saharan oil code. Its main provisions confirm previously existing arrangements. The code seeks to award permits to prospect for five years at the end of which period half the prospecting area has to be relinquished. The concession, which will be granted only when oil is struck, will then be extended to 50 years. The French State retains discretion in awarding permits and controls the percentage of foreign capital of prospecting companies. Profits are shared equally between the State and the Company.

Norrbottens Jarnverk, the State-owned iron and steel works at Lulea, North Sweden, has decided to carry through a large-scale expansion programme, which will require investments of some Kr. 83 million (£5.7 million). The scheme includes installation of a so-called Sendzimir hot-rolling mill, with a capacity of 90,000 tons per annum. It will later be supplemented by a cold-rolling mill and a tin-plating plant. It is said that a substantial part of the Kr. 83 million investment will be financed by the Company itself and by loans from private credit institutions.

Britain's power output has been given a further boost with the opening of a 600MW-station at Castle Donnington in the north Midlands. The station has six turbo-alternators, and each of the huge boiler units has a rating of 830,000 lb. of steam per hour. One of a chain of large power stations being built along the banks of Britain's River Trent, Castle Donnington power station has the reputation of representing the biggest single step forward in power-generation technique up to this time. It embodies the latest techniques for capital economy and high performance.

The Trans World Airlines' Jetstream Flight No. 791 operating from Manila to New York passed through Bombay early morning on 16th November, creating a new record flight timing between Manila—Bangkok and Bangkok—Bombay. The Jetstream flew from Manila to Bangkok in 4 hours, 30 minutes and then from Bangkok to Bombay in 6 hours 26 minutes. Trans World Airlines have introduced the long-range Jetstreams on their Far Eastern routes through Bombay, covering Colombo, Bangkok and Manila, twice weekly in either direction.

PERSONAL

MR. M. C. Chagla, Indian Ambassador to the U.S.A., has been concurrently accredited as Minister of India to Cuba.

Mr. D. E. Phelips and Mr. G. J. Asher have been elected President and Vice-President, respectively, of the Cochin Chamber of Commerce for the year 1958-59.

Mr. John Diefenbaker, Prime Minister of Canada, who is now on a world tour, arrived in New Delhi on the 18th inst. and is expected to leave on the 24th inst.

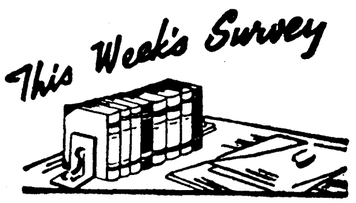
Dr. Jivaraj Mehta, Bombay's Finance Minister and leader of the Indian delegation to the International Conference on Social Work, left Bombay for Tokyo on Sunday last.

Mr. Rajeshwar Dayal, a member of the U.N. Observer Team in Lebanon and India's High Commissioner-designate to Pakistan, arrived in Bombay from Beirut on the 16th inst.

Mr. V. K. Krishna Menon, India's Defence Minister, left Bombay on the 13th inst. for London *en route* to New York to lead the Indian delegation to the United Nations.

Mr. E. J. Ellis arrived in Bombay from Colombo on 20th inst. to take up his appointment as Regional Information Officer, British Information Services, Bombay; he succeeds Mr. John Hyde, who left for the United Kingdom in September this year.

Mr. C. F. Cobbold, Governor of the Bank of England, left London on the 14th inst. on a one-month semi-world tour. He will visit Singapore, Malaya, Hong Kong, Japan, the U.S. and Canada, where he is expected to discuss several monetary questions with the authorities of the countries concerned.



LABOUR UNREST

THE persistence of chronic industrial strife in various key segments of the economy, even after the evolution of the code of conduct for industrial discipline and the enactment of several measures of labour welfare legislation, underlines the most important, but not sufficiently recognised, fact that discipline, whether it be among workers, students or the general public, cannot be instilled by legislative fiat. It has to grow from within, from a feeling of responsibility to the community and be nurtured by wholesome education on right lines. No legislation, however elaborate and well-thought-out, can establish industrial peace, unless workers, their unions and leaders agree to abide by a socially desirable code of conduct in letter and spirit.

A great deal of responsibility rests in this regard on politicians and trade union leaders professing to champion the cause of the working class. They must take it upon themselves as their duty to educate workers in their rights as well as responsibilities. Unfortunately, workers in this country seem to have been told too often and too much of their rights, with little regard having been paid to the other side of the medal, namely, their responsibilities. Day in and day out, the idea is dinned into their ears by politicians and careerist trade unionists that they are the victims of exploitation and a vicious conspiracy to deprive them of their deserts. The aim, it can be easily discovered, is not to secure to the workers higher wages and better working conditions, but to reap political gains for the party they represent. Further evidence that their intentions are mainly political—any advantage workers gain in the process being only purely incidental—is provided by the fact that the more organised and politically conscious a section of workers is, such as urban workers, the more keen the bid among political parties to gain control over them. In the result, rural labour, which deserves infinitely more sympathy than its much-flattered and most-favoured urban confreres, stands practically neglected in respect of organisation, wages, conditions of work, etc.

The evil effect of this unhealthy influence and misdirected education have already started manifesting themselves in the most undesirable way, and at a time when the nation is passing through one of the most critical periods of its development. Neither appeals to patriotism nor to their self-interest seem to be of little avail to stem the rot that has already set in.

It is, therefore, only natural if those who have no vested interests in the gains or losses of one political party or other but have only the interest of the country at heart, are pained at this undesirable trend. It is also not surprising if a few of the more sensitive souls among them are indignant at it. Mr. Gulzarilal Nanda, Union Minister for Labour, who has devoted the best part of his life towards building up a healthy trade union movement in the country, and who is, in a large measure, responsible for much that is healthy in the trade union laws and movement in the country, seems to have been in this mixed mood, when he addressed a conference organised by the Punjab Labour Advisory Board at Chandigarh. What he said on this occasion is of the utmost importance to the economic progress of the country.

Mr. Nanda, obviously indignant at the irresponsibility indulged in by certain sections of trade unions, thought it necessary to give a stern warning that the Government would not be cowed down by stoppage of work, hunger-strikes, and ugly demonstrations aimed at undermining industrial peace in the country. He correctly diagnosed much of the trouble in the labour field, when he pointed to (and deprecated) the tendency among certain unions to ignore the interests of workers and to utilise them for political ends. He said that violent and unseemly demonstrations did not fit into a progressive society and that those who encouraged disruptive activities were, in fact, deceiving the workers and frittering away their energies without getting them any benefit.

Mr. Nanda deplored, very rightly, the role of certain trade unionists who dangled the carrot of higher wages before workers in an effort to outbid rival organisations, when it was well known that the capacity of the employers to pay was limited. The correct approach to the question of improving the lot of workers, Mr. Nanda pertinently pointed out, was for labour to help in stepping up production which alone could usher in a period of prosperity for the nation. Unless this basic economic fact is sufficiently recognised by all concerned, the present *malaise* of industrial discord is bound to persist, with benefit to none.

In this connection, the recent constitution of a Central Board for workers' education by the Government of India is to be greatly welcomed. The Board will be a central organisation for laying down the policy for and administering the scheme of workers' education. The Board will consist of representatives of employers' and workers' organisations, educational institutions and Government. It will organise programmes to provide instruction to workers in trade union consciousness, conduct of union-management relations, working of industry and observance of the code of discipline in industry. The Board will also arrange for training of teachers and programme administrators to carry out the scheme and prepare suitable material in various languages for the education of workers. It is to be hoped that care will be taken to see that instruction includes as much emphasis on responsibilities as on rights of labour.

CO-OPERATION IN THE PUNJAB

The Co-operative Movement in India can be said to have at least a history of over half a century. It is not, therefore, a Movement in its infancy. But if, in spite of official patronage and guidance, it has not succeeded and if its performance has been juvenile, it is because of its limitations in the Indian context. A periodical review of the progress of co-operation will certainly reveal the defects and enable remedial measures to be taken.

The Board of Economic Inquiry in the Punjab has, therefore, done well to make a study of co-operative farming societies in the Punjab. Its report sheds some revealing light on the working of these societies. Although the official summary of the conclusions of the Board released to the Press does not give complete information, what it tells is sufficiently disturbing.

In the Punjab, there were 279 societies with a membership of 4,425 at the end of June 1955. Under the present study, 48 of the co-operative farming societies were surveyed in different districts of the State. It was found that 26 societies forming 54 per cent. of the total surveyed were organised on owned lands, although, in a few cases, land had also been taken on rent. Ten societies were run entirely on rented lands. Some 12 societies, forming 25 per cent., were reported as not doing joint farming at the time of investigation. The majority of these had failed after trying joint farming. Among the landowners' co-operative farming societies, 32 per cent. of the members were women, and 49 per cent. of the members had no land in the societies. In almost all cases, cultivation was done with the help of tractors and other machinery. Further, the societies have been mainly organised by big landlords or by those who are well connected. Most of the field work is done by hired workers in such societies.

The ex-servicemen's tenant societies were engaged, till the time of investigation, in the clearance of jungles from their areas. The work was mostly done by individuals or small groups. Absenteeism and lack of proper housing and irrigational facilities were the chief hindrances in the way of the smooth working of ex-servicemen's societies. In some cases, red-tape in the release of grant money was also causing hardships among the workers. Tenant societies of civilians were mostly run by paid workers. A few among the members did the supervisory work while the others were just sleeping partners.

In the societies not doing joint farming at the time of investigation, one society was doing credit business. It never had the intention of doing joint farming. Another two had not yet started working. Nine societies had failed in joint farming after trying it for some time. The chief cause of failure was the inexperience of members in mechanised and scientific farming which resulted in losses in certain cases. In some cases, the societies undertook projects too big for their resources which they could not manage efficiently. These failures, coupled with the general lack of organisational skill among the cultivating class, are responsible for a deep set notion among the villagers that co-operative farming can never succeed. This attitude, the study points out, can be changed only by demonstration of the actual working of model farming co-operatives. For this, according to it, something more than the mere organisation of societies will have to be done. To get full benefit, the farmer must have co-operative facilities for marketing, storage and processing, in addition to production.

This is certainly true and none can dispute it. But the same refrain has been heard right from the moment the idea of development of Indian agriculture on sound lines was born. And the situation has not improved. One wonders if there is not something fundamentally wrong with the Movement or the way it is guided.

OCCUPATIONAL HEALTH

The concept of occupational health is today much broader than it was some years ago. Thus, occupational health now not merely concerns with the pathological conditions arising in industry due to the nature of employment but also pays utmost importance to team work amongst various specialities such as medicine, psychology and personnel management. This aspect was well brought out by Mr. Jehangir Ghandy, Chairman of the Reception Committee, Second Asian Conference of Occupational Health, in his speech at the Conference held in Calcutta the other day. The need for such team work, Mr. Ghandy said, would be apparent from the fact that occupational diseases accounted for just 10 per cent. of the man-days lost through absenteeism in industry, while the balance of 90 per cent. was due to non-industrial diseases and injuries.

Expressing opinions more or less similar, Dr. A. B. Roy, West Bengal's Health Minister, who inaugurated the Conference, emphasised the importance of occupational health in the context of the industrial expansion programme. He declared that occupational health should not only concern itself with the prevention of diseases and reduction of industrial hazard but also promote educational schemes among workers. It is scarcely necessary to point out that physically and mentally alert workers are an asset to any industry.

In his address, Mr. Ghandy drew particular attention to the rapid, unplanned urbanisation, the one common problem arising from industrialisation that India has faced in common with other Asian countries. It was here that the speaker alluded to the housing shortage. According to him, in the 20 years from 1931 to 1951, India's urban population rose by 28.7 million, while housing went up by only 3.5 million units; the housing shortage in 1951 was estimated at 2.5 million units. Much effort has no doubt been made in the provision of housing facilities since the first Five-year Plan began, but the problem continues to be as intractable as before, thanks to further urbanisation.

Another problem confronting the Asian countries is that relating to rapid population growth. There is no exaggeration whatever in the statement of Mr. Ghandy that we can hardly expect any rapid improvement in standards of living, because the sharp increase in population reduces the proportion of current income that can be devoted to capital formation. Surely, there is, as Mr. Ghandy observed, no ideological dispute on the basic question of family planning. It may be noted here that such planning is being encouraged in Communist China just as in democratic India, the problem confronting both being similar.

HEAVY ELECTRICAL PROJECT

Although the Heavy Electrical Equipment Project was mooted four or five years ago, it was not until Saturday last week that the foundation-stone of the factory's main building at Bhopal was laid. The measures for the establishment of the Project had been envisaged in the second half of the first Plan. The preliminary work connected with the assessment of demand, demarcation between the public and the already existing private sector, and selection of technical consultants for the execution of the Project had even been completed by the end of that Plan. The snail's pace at which the implementation of the Project has progressed is a commentary on the so-called dynamism of the

public sector. It is to be hoped that the implementation of the project will be more rapid, at least in the future.

Now that the foundation-stone has been laid, earnest efforts should be made to complete the Project in as short a time as possible, for any delay in its implementation carries the risk of further "inflation" in capital outlay. Already, the overall investment on the project is put considerably higher than the original estimate—Rs. 61 crores, to be precise, as against Rs. 25 crores. Mr. Lal Bahadur Shastri, who laid the foundation-stone, did well to urge the reduction in the time gap between the three phases of the Project. Emphasising that every day was a valuable one and that no avoidable loss of time should be incurred, he offered to find as much steel as was needed for the Project, if the Project authorities would see to it that the time gap was reduced.

The aforesaid aspect must be specially mentioned, considering that huge sums of money—estimated at Rs. 22-23 crores—are being spent every year on imports of electrical equipment from abroad. This, as Mr. Shastri pointed out, is certainly a heavy drain on the foreign exchange resources and can be saved, if production in the Bhopal factory is expedited.

The foundation-stone-laying ceremony of the factory marks the beginning of the first phase of the Project and is expected to be completed during the early years of the third Five-year Plan, though a recent Press report says that the factory will go into production sometime in 1960. The first phase of the Project is believed to cost Rs. 28.7 crores, including a sum of Rs. 20 crores which represents the cost of factory (this will have two blocks—foundry and maintenance), tools and service. Of the latter sum of Rs. 20 crores, foreign exchange expenditure accounts for Rs. 6 crores. The Associated Electricals Industries Ltd. (A.E.I.), the consultants for the Project, is supplying the equipment on credit under a deferred payment system.

In its first phase, the Bhopal factory will manufacture switch gears, control gears, transformers and capacitators which, it is said, will result in a saving of Rs. 6 crores of foreign exchange annually. On the completion of the Project, the capacity for the production of different items of electrical equipment is expected to be as under:

- Hydraulic turbines and generators—175,000 kw. per annum.
- Generators for diesel sets—34,000 kw. per annum.
- Transformers 33 KV and above—500,000 KVA per annum.
- Current and potential transformers—Suitable numbers.
- Static capacitators—54,000 KVA per annum.
- A.C. circuit breakers—11 KV and above.
- D.C. circuit breakers—Suitable numbers.
- Switchboards and control desks—Suitable numbers.
- Direct current machines, generators and exciters, welding generators and motors—7,000 kw. per annum. The required number of units is 2,000 h.p. per annum.
- Traction motors, apparatus and equipment—75,000 h.p. per annum.
- A.C. industrial motors, ratings of 200 h.p. and above—50,000 h.p. per annum.
- Industrial motor control—Within the range of motor ratings for State Factory.

The Heavy Electrical Project will draw heavily on the available technical personnel. In the report of the Technical Consultants, the personnel requirements estimated in different categories are: administrative, 735; supervisory or trade personnel, 5,715; skilled technical, 4,550, and semi-skilled and unskilled, 6,200. The Consultants' agreement with A.E.I. provides for the preparation of a scheme for the training of Indian personnel after taking into account facilities available in existing workshops and advice on the establishment of a training centre.

The Project authorities have decided to start a training school immediately. The programme of training will begin in January 1959, when the first batch of 900 trainees will be admitted to the school. Already, 50 trainees who will occupy higher directional posts in the factory are undergoing training in A.E.I.'s factories in the U.K. The emphasis laid on training of workers is, as Mr. Shastri rightly declared, very commendable. It is needless to say that, only if the workers in the different branches of the factories are given adequate and proper training, will the quality and the output of heavy electrical equipment improve to desirable standards.

INDO-SOVIET TRADE PACT

Judged by the events of the past few years, it looks as though the U.S.S.R. is bent on stealing a march over the West in expanding its relative share in international trade. The U.S.S.R. has, in the last four or five years, made rapid strides in expanding trade with the non-communist world, particularly with Finland, the U.K., France, W. Germany and India. Indeed, India signed its first trade pact with the U.S.S.R. as early as 2nd December 1953, which has led to a phenomenal rise in the volume of trade between the two countries. Further, the U.S.S.R. has made available to India a credit for about Rs. 63 crores for the installation of the Bhilai steel plant and promised further credit for financing heavy machine-tools industry and the power project at Neively in South India. Viewed

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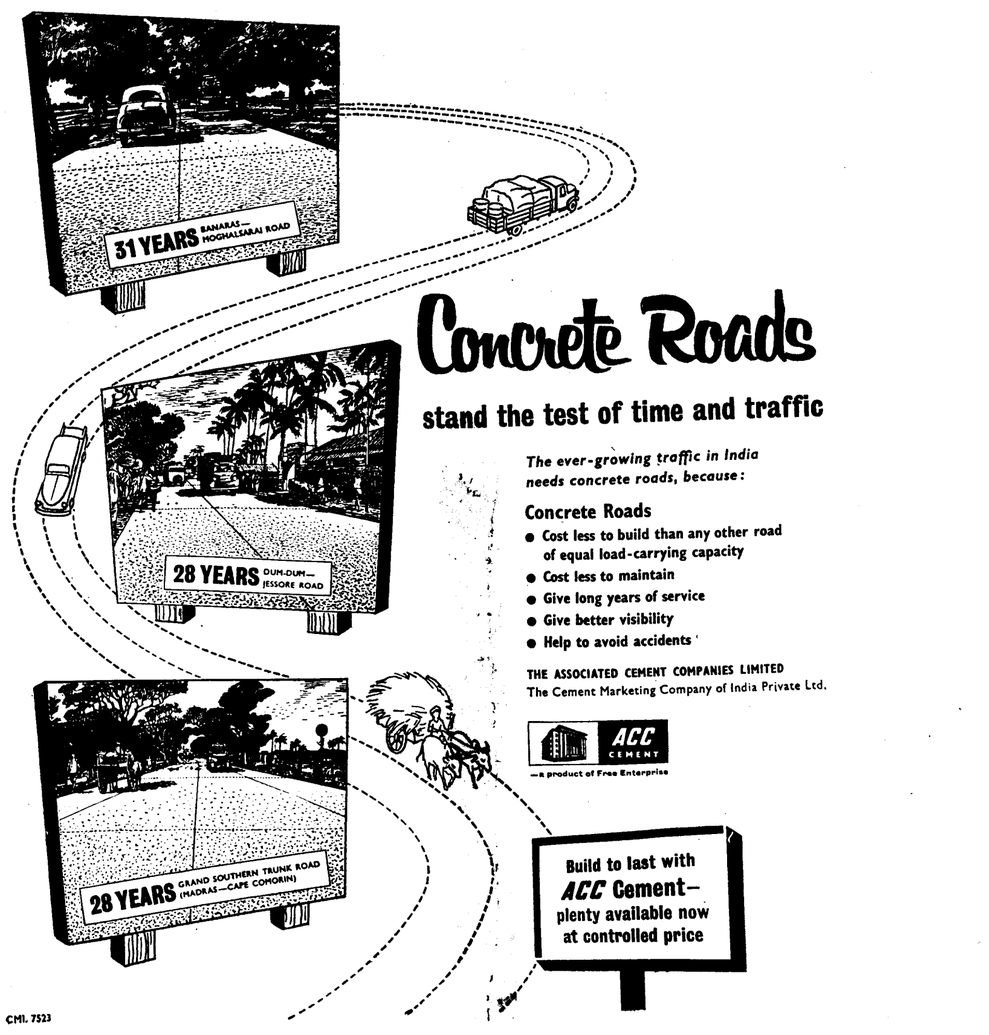

IRRIGATION AND POWER DEVELOPMENT

MR. NEHRU'S REMARKS SURPRISING

From Our Special Correspondent

NEW DELHI, 18*th November*

THE Planning Commission is setting up Study Groups as the first step in the formulation of the third Plan, and the question of priorities is slowly cropping up. Mr. Nehru who gave the lead in the matter of assigning high priorities to major irrigation and power projects and large industries in the first two Plans, has just stated that small irrigation projects and small industries spread all over the country would be preferable to half a dozen big projects in a few places. The Prime Minister's changed stand, to which he gave expression yesterday at the annual meeting of the Central Board of Irrigation and Power, should have come as a rude shock to the assembled engineers. After having encouraged the engineers and the country to think in terms of gigantic projects, it was indeed surprising that Mr. Nehru should have condemned outright the immense work of the last ten years in these words:

DELHI LETTER

"We are suffering from the disease of *gigantism*—showing off and doing things that way. It is a dangerous outlook. . . . Waterlogging and silting have resulted from construction of big irrigation projects. It is a bad show altogether. Something has gone wrong with our thinking. I do not know what this is due to. But my submission is that the engineers' work is not just confined to building the canals and things of that kind. They must think in terms of social and economic and human consequences. If doing one good work leads to consequences which are harmful, then the original work has not been done properly."

Major Irrigation

There is wisdom in this forthright condemnation, but it is wisdom after the event. Both politicians and engineers were responsible for the emphasis on major irrigation from the beginning. It is, therefore, hardly fair to single out the engineers for criticism and make them the scapegoats. After all, the emphasis on major projects has been more on power generation than on irrigation, and it is unfortunate that Mr. Nehru has forgotten to recognise that the hydro-power part of major projects has, by and large, come to earlier fruition than their irrigation part. That cheap hydro-power could be mostly produced on a large-scale only from major reservoirs, which could also provide water for irrigation, has all along been the guiding principle in this country. As it will be largely impossible to produce otherwise hydro-power on a large-scale in the conditions of this country one wonders if Mr. Nehru's present rethinking would involve greater emphasis on alternative methods of power generation. It looks as though ideas regarding irrigation and power are now thrown into the melting-pot. In his present mood of disappointment over major projects, Mr. Nehru appears to be swinging to the other extreme. Or, perhaps, he expects that a balance will be struck between big and small projects.

Swing in Pendulum

Whatever be the Prime Minister's expectation, Prof. M. S. Thacker at least should have intelligently anticipated the swing in the pendulum in the light of the controversy in the last one year and more, and faced the mounting criticism with reasonably convincing answers. He has, instead, chosen to say in his presidential address to the annual meeting of the Central Board of Irrigation and Power: "The blocking of the natural flow of rivers and streams for creating artificial lakes has brought in its wake several new problems and aggravated some of the known ones. Silting up of impounded water stretches, waterlogging in fields, soil erosion, flood damage, and changes in river course are among them. I do not propose to deal with all these problems in great detail today; but I must emphasise the need for their systematic investigation." By referring to these knotty problems in the way he has done, Prof. Thacker has unwittingly provided further grist to the mill of controversy. It is, again, unfortunate that only recently Mr. Kanwar Sain, Chairman, Central Water and Power Commission, stated that "the full benefits of the projects constructed so far have not yet been realised, as full development of irrigation takes usually 10, even 20 years after the project works have been completed."

Targets

In the circumstances, Prof. Thacker's reference to the target of 87 million acres of irrigated area (including the old and the new areas) by 1961 can only be described as wishful. Again, Prof. Thacker expects a total generating capacity of 15 million kilowatts by 1966, while Mr. Kanwar Sain himself has formerly estimated the maximum demand for power at 7.23 million kilowatts by 1966 and 11.06 million kilowatts by 1971. In this connection, the originally estimated Statewise maximum demand for power may be known from the following table:

State	Total simultaneous or aggregate demand in kw.	
	1965-66	1970-71
Andhra	402,467	595,020
Assam	51,752	77,972
Bengal (West)	1,078,000	1,565,200
Bihar	660,100	1,086,100
Bombay	1,574,230	2,351,474
Jammu and Kashmir	41,838	56,470
Kerala	289,730	457,040
Madhya Pradesh	402,439	407,699
Madras	587,925	766,295
Mysore	543,609	899,198
Orissa	287,100	442,720
Punjab	349,765	383,880
Rajasthan	156,922	269,652
Uttar Pradesh	607,522	1,128,335
Andaman and Nicobar Islands	885	1,173
Delhi	186,900	221,600
Himachal Pradesh	10,965	21,429
Manipur	1,120	1,464
Pondicherry Settlements	18,372	28,831
Tripura	1,320	1,904
Total	7,232,961	11,055,456

Prof. Thacker's view is that "the revision of the target for power generation to 15 million kilowatts by 1966, as against 7 million kilowatts originally planned, illustrates the fact that, in a developing economy, the power demand often exceeds anticipation." It is by no means clear that either projection of demand for power has been made on a sound and reliable basis. It looks as though, in the projection of demand for power at 15 million kilowatts by 1966, there is a larger element of what is eminently desirable than of what is feasible or what might be really needed. It has only to be recalled, in conclusion, that Mr. Kanwar Sain himself has estimated the financial implications of the higher target for power (which, may it be clearly noted, is mostly inseparable from major reservoir projects) as follows:

"Even assuming a modest figure of Rs. 300 for storing and distributing water necessary to irrigate *one* acre of land and distribution of *one* kilowatt of hydro-power, the total amount for providing irrigation facilities for 50 million acres and for generating and distributing 15 million kilowatts of power will mean a capital investment of Rs. 4,500 crores, *exclusive of utilisation cost which will be much more*" (italics mine).

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basis on which the two groups of countries are likely to agree, and the so-called group of eleven countries outside the Common Market are hardly homogeneous. Greece, Turkey, Portugal and Switzerland are hardly integrable countries. Austria might well come into the Common Market later on. This leaves the Scandinavian group, who are closely associated already, and the United Kingdom. Clearly, the Common Market countries feel that strength in negotiation with the United Kingdom is on their side. But, if Britain is to be left alone in Europe, is it too late for her to turn outside and build up again the dismantled sterling area as a vast region where common investment and trade policies are still possible? Those who object that this will antagonise the Americans must then be asked: would they prefer Britain, in the long term, to become an economic American satellite?—*All Rights Reserved.*

NO FREE TRADE AREA

From Our Own Correspondent

LONDON, 15*th November*

THE British Government's attempts to secure a place for itself and the periphery countries of Western Europe in the new Central European economy have failed. The six countries of the Common Market (France, Benelux, West Germany and Italy) are to go on their own way towards economic integration from 1st January 1959 and the countries outside the Common market are to accommodate themselves to it as best they can.

LONDON LETTER

The Common Market countries will all have the same tariffs towards the outside world, and, while this will mean lower tariffs towards each other until all such tariffs are ultimately abolished, it will also mean higher tariffs in some cases for some member-countries to the outside world. Add to this the reduction in production costs within the Common Market as a result of economic integration and the fears of the countries outside these six that their exports will be frozen out can be understood. But this is bound to take time, though there is an immediate danger of higher tariffs. Even more specifically, on 1st January, the six countries of the Common Market will make their first cut of 10 per cent. in the tariffs between themselves, and this will immediately handicap the competition of British exports to the countries concerned.

Two Camps?

There is also, of course, the fear which looms so large in the minds of the British Government that, even if there is no trade war between the Common Market countries and the rest of Europe, the whole concept of the Organisation for European Economic Co-operation will break down as Europe finds itself in two camps.

The Free Trade Area was envisaged as an association of other countries with the Common Market, against which tariffs would not be raised and between the countries of which and the Common Market there would be progressive tariff reduction; the ultimate aim being, as the name implies, to have an area within which trade would be very substantially free. British policy provided the main stumbling block towards the realisation of such a free trade area (although Britain was foremost in demanding such an area), inasmuch as Britain wished to exempt agricultural produce and to retain Commonwealth preferences. But demand for agricultural exemption has since been largely given up. It is not known precisely what this means, but, in the words of Mr. Maudling, the British Minister in charge of the negotiations in Paris, Britain "has moved a great way" in amending her original policy, though the concept of Commonwealth preference has been retained.

Complaint of France

The French now appear to be complaining that the British proposals did not provide for a common external tariff for the whole Free Trade Area. This, however, can only refer to the British insistence on a measure of Commonwealth preference, since, if the whole Free Trade Area had a common tariff, it would virtually be an extension of the Common Market. The French are nevertheless saying that, although they see no purpose in pursuing the idea of a Free Trade Area associated with them on the basis of the present British proposals, they are prepared to go on exploring, but they are not prepared to postpone the entry into force of the Common Market on 1st January next.

The root of the trouble is that, while the United Kingdom Government has thought of the Free Trade Area simply in terms of tariff policy the Common Market countries think in terms of their own complete economic integration which means common investment policies and common social policies designed to achieve a common standard of living. They project this concept into the suggested Free Trade Area; but Britain is not at all ready for this sort of integration, even if it was in her long-term interests to unify herself so completely with Europe.

But Britain could have led the O.E.E.C countries towards a common investment policy. Perhaps, she still could organise such a policy in conjunction with the Common Market, but, if she cannot do this, then there seems to be no

(Continued in previous column)



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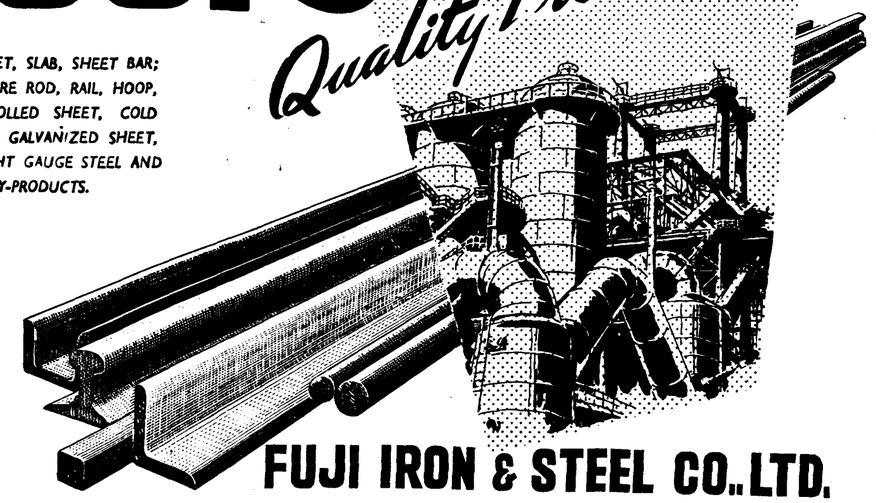

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SMALL SAVINGS LAG BEHIND

CUMULATIVE TIME DEPOSIT SCHEME TO BE INTRODUCED

THE fourth meeting of the National Savings Central Advisory Committee which was held at New Delhi on 15th November 1958 has served to focus public attention on the need for making people more savings-conscious and to augment internal resources through small savings at a greater pace than is being done now. The meeting, presided over by Mr. Tika Ram Paliwal, M.P., Chairman of the Committee, reviewed the progress of small savings during the first half of the current financial year and discussed measures to step up the small savings drive in the country.

The progress of small savings during the current year is of some special significance, in that it was only during 1957-58 that the Government took a number of measures to provide additional incentive for investments in small savings. Thus (1) the rates of interest on the various small savings investment were raised with effect from 1st June 1957; (2) the facility of allowing withdrawals by cheques in post office savings banks was introduced; (3) a scheme of gift coupons for presentation on auspicious occasions was also introduced on 1st July 1957, these coupons being made available in convenient denominations of Rs. 5, Rs. 10, Rs. 50, Rs. 100 and Rs. 1,000 and exchangeable for 12-year National Plan Savings Certificates; and (4) the formula for sharing the collections of small savings was further liberalised in favour of the States, so as to induce State Governments to take more interest in the small savings drive. Perhaps, as a result of these measures, the total collections of small savings in 1957-58, according to the Planning Commission's *Reappraisal of the Second Five-year Plan*, amounted to Rs. 69.6 crores, as against an earlier estimate of Rs. 55 crores, and the actual collections of Rs. 59 crores in the first year of the second Plan. "In the first four months of the current year," the Commission added, "the net receipts have not been encouraging, but it is hoped that the collections will improve in the later months." The figures of net collections during the first half of the current financial year (April-September 1958), which are available now, are distinctly better than those for the corresponding period of 1957, having gone up from Rs. 22.03 crores to Rs. 27.81 crores. The State-wise collections during the first half of 1958-59 are:

(In crores of rupees)

State	Amount	State	Amount
Bombay	8.30	U.P.	1.02
W. Bengal	4.88	Madras	0.91
Bihar	2.42	Mysore	0.82
Punjab	1.84	Orissa	0.49
Andhra	1.56	Kerala	0.44
Assam	1.38	Himachal Pradesh ..	0.22
Delhi	1.12	Jammu and Kashmir ..	0.14
Madhya Pradesh	1.10	Tripura	0.07
Rajasthan	1.05	Manipur	0.02

On the basis of the first six months' performance, the total collections for the whole year work out to about Rs. 56 crores. But such reckoning is not correct, for in the subsequent six months better results might be obtained. If one were to study the progress made in 1957-58, one would find that, while in the first six months of that year, the collections aggregated Rs. 22 crores, the total for the whole of that year came to Rs. 69.6 crores. But even assuming that the collections for the whole of the current year come to last year's level or even exceed it by a few crores, it will still leave a large gap to be covered to reach the original target of Rs. 100 crores per annum set in the second Five-year Plan. On the assumption that the 1958-59 collections would come to about Rs. 70 crores (same as in 1957-58), the total for the first three years would work out to less than Rs. 200 crores. This would leave a gap of Rs. 300 crores to be made good in the next two years of the Plan or Rs. 150 crores per annum, that is, more than twice as much as the collections assumed for the current year. While the task of fulfilling this target itself is thus a stupendous one, the Planning Commission has reiterated its earlier suggestion in the latest note submitted to the National Development Council a fortnight ago that, in addition to the original target of Rs. 500 crores, a sum of Rs. 60 crores should be raised by way of loans and small savings (mainly the latter) to cover a part of the shortfall of Rs. 280 crores in the resources for the Plan. The Commission is of the view that there is scope for substantially higher collections than in the first two years of the Plan and the small savings movement has to be organised on a national scale. This suggestion means that at least Rs. 175 crores, if not Rs. 180 crores, per annum will have to be raised through small savings in the last two years of the Plan. Is this a feasible proposition?

The National Savings Central Advisory Committee discussed at its meeting last weekend the various suggestions and recommendations made by the State Advisory Committees and the Central and State Advisory Boards of the Women's Savings Campaign to make small savings more attractive. One of the suggestions considered was that appeals should be made to employers, chambers of commerce and other institutions to encourage the formation of savings groups among their employees. It was decided to simplify the procedure regarding the identity slips and identification of investors at post offices. The Committee also considered the findings of an opinion survey made by the Reserve Bank among postmasters into the causes of decline in savings and suggestions made by them to improve the machinery of collection. Unfortunately, the results of the opinion survey have not been made public.

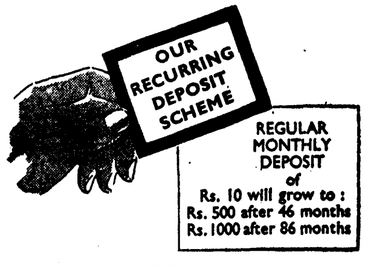
Meanwhile, the National Savings Organisation has decided to introduce a new scheme, known as cumulative time deposit scheme, throughout the country. The scheme is expected to come into force from the beginning of next year. The details of the scheme have not yet been finalised, but the main features of it are stated to be as follows:

A monthly deposit of Rs. 5, 10, 20, 50, 100 or 200 at a post office for a period of five years or 10 years will secure "a substantial return" at the end of the period. For instance, on a monthly deposit of Rs. 20 a depositor will get back Rs. 1,300 after five years or Rs. 2,900 after 10 years and proportionate sums for other monthly deposits. The interest part of the amount to the credit of the depositor, which will be returned at the end of the scheme, will be free of income-tax.

Regular deposits can be made at any time during a calendar month. The nearest post office with a savings bank will issue a pass book and deposits will be accepted even without the production of the pass book. Any adult or two adults jointly and a guardian on behalf of a minor can open an account and the limits are Rs. 100 per month singly or Rs. 200 per month jointly in a ten-year deposit account or Rs. 200 per month singly or Rs. 400 per month jointly in a five-year deposit account. The legal heirs or survivors can continue the account to maturity or discontinue further deposits and get a proportionate amount on maturity or take an immediate cash value at specified rates. It is pointed out that those in trade or business or in service without the benefit of provident fund can make this deposit scheme serve the purpose of a provident fund.

The double benefit of the scheme is, it is pointed out, that while savings under this scheme assist the depositor in planning for specific needs arising in the future, the country would also benefit by it and the money would go to finance the Five-year Plans of the Government.

A feature of the scheme is that withdrawals of sums in multiples of Rs. 10 subject to a limit of 50 per cent. of the deposits are allowed once in the case of a five-year account and twice in the case of a ten-year account after the account has been in operation at least for one-year. The amount withdrawn with compound interest thereon at 6 per cent. per annum will be deducted from the amount payable under the account.



I.F.C. TO ISSUE BONDS

Addressing the tenth annual general meeting of the Industrial Finance Corporation of India held on 27th September last, Mr. K. R. K. Menon, Chairman of the Corporation, indicated that "we intend to try and raise loans from the open market this year also, as we did last year." The Corporation has now announced its decision to enter the capital market next week for a four-crore loan. The loan, the subscription list for which will open on the 24th inst. and close on the 29th or earlier, will be in the form of bonds with a maturity of 10 years and will carry interest at 4½ per cent. per annum. The issue price will be Rs. 99 per cent.

The I.F.C. bonds are guaranteed by the Central Government in regard to repayment of capital and payment of interest and are also approved securities under the Indian Trusts Act, the Insurance Act and the Banking Companies Act. They are eligible securities, as well, for the purposes of advances to Scheduled banks by the Reserve Bank of India under section 17(4) (a) of the Reserve Bank of India Act. The Corporation will shortly be making applications to the stock exchanges for permission to deal in, and for official quotation for, these bonds. This will doubtless provide greater negotiability for these bonds.

The timing of the issue may appear somewhat belated, in that a substantial portion of the floating funds in the money market has been absorbed during the last three months by the Government of India. Nevertheless, the issue can be expected to be taken up. For, after a temporary pull due to *Diwali* demand, the money market has again turned comfortable. Further, certain institutional investors have agreed in advance to subscribe to a substantial extent and the Corporation expects the general public, too, to contribute liberally to its new issue.

The I.F.C. has already issued two series of bonds for an aggregate sum of Rs. 12.37 crores, of which the last issue (10-year bonds) was made in November 1957 for Rs. 4.56 crores and the earlier one was in 1949 for Rs. 7.81 crores (carrying interest at 3½ per cent. and maturing in 1964). It will be interesting to note that last year's issue was intended to raise Rs. 4 crores, but the Corporation actually took up Rs. 4.56 crores. While the 1957 issue was privately placed and was kept on tap, the latest one is open for public subscription by individual investors, but will be kept open only for six days or even less if the issue is fully subscribed. Whereas the rate of interest on this year's bonds has been reduced by ½ per cent. to 4½ per cent., the issue price is unchanged at Rs. 99 per cent., at which rate the current yield on them works out to 4.29 per cent. and the redemption yield to 4.38 per cent., as against 4.55 per cent. and 4.63 per cent. on last year's bonds at the time of issue. The reduction in the rate of interest is evidently due to the change in the money market conditions in favour of the borrower during the last one year and the good demand for these bonds by institutional investors, trusts, provident funds, etc. For instance, the 4½ per cent. bonds of the Corporation are said to be in keen demand, so much so that they are not available even at the par value of Rs. 1,000 (which is, however, a nominal quotation in the absence of any business).

The new issue is intended to augment the Corporation's resources to meet the growing volume of demand for accommodation. It has so far sanctioned loans exceeding Rs. 63 crores. The disbursement of loans is also proceeding at a rapid pace, the amount disbursed during the last two years alone being of the order of Rs. 18 crores. The financial results of the Corporation have been encouraging, inasmuch as it has been paying the guaranteed dividend of 2½ per cent. on its shares out of its own profits during the last two years and has not relied on the Government subvention. What is more, it was able to return out of the 1957-58 profit, a sum of Rs. 5.45 lakhs to the Government towards the subvention drawn for payment of dividend during the earlier years.

LIFE INSURANCE INVESTMENT POLICY

A CRITICISM AND A POSSIBLE ALTERNATIVE

By P. V. Krishnamurthy

WE have it on good authority that the Government nowadays is in the hands of some tired and uninspired people, following the line of least resistance. There could be no better proof of that statement than the so-called new investment policy of the Life Insurance Corporation. Far from being anything like a new policy, it seems to be just a new resolution to be law-abiding on the part of our satanic civilians who have made a mess of Indian insurance, and their actuarial courtiers, who have been accustomed till now to enjoy being lawless for the benefit of their business friends, covering it up with indiscriminate use of such fine words as "being practical," "flexible," and so on.

We are also told that Section 27A of the Insurance Act, which the authorities have once again decided to abide by, subject to minor modifications, is something which has stood the test of time, both as regards freedom given, and the restrictions imposed. What test? What time? This section came into force only at the end of 1950, while nationalisation burst in in 1956, and the returns of the working of the section were not then available or scrutinised even for full five years. If the "test of time" was established in such a short period, one may well ask, where was the need for nationalisation, precipitated as it was by the Bharat Insurance Company scandal? Another "test of time" was the Mundhra scandal, when the Corporation claimed to be observing Section 27A *de facto*.

Or, is it after all the authorities' way of confessing that, while the section itself was not so bad at all, it was its administration that was so weak as to lead to the above events, as indeed it was alleged by some business interests, who first promoted the weakness of the administration by their wire-pulling in influential places, and then began to cry about it when the nemesis of nationalisation came. People, who talk now of what happens when the king starts trading, might remember how it is often the result of the traders themselves playing king-makers and law-breakers in their own various clever ways of private enterprise.

No Greater Protection

Be that as it may, it is obvious that the so-called new policy is no guarantee whatever that it will not lead to a repetition of the scandals which have provoked its birth. The condition of Section 27A, permitting investment in ordinary shares of a company, if it has paid 4 per cent. dividend over five out of the last seven years, could be satisfied by many a company, as the British India Corporation did at some point of its existence, even when the investment would be unsound on other grounds. What guarantee is there that such unsound investment will not continue, especially when "experienced" actuaries forget, under the pressure of their civilian or business patrons, the first text-book maxim of looking to the type of people behind the transaction? The Controller will not be able to go beyond the conditions of Section 27A, nor imagine all that the returns to him hide.

So, while the new policy offers no greater protection than hitherto to the policyholder, it has not even the merit of fulfilling the primary object of nationalisation. It was Mr. C. D. Deshmukh who said, in his famous broadcast announcing, Nasser-like (and contrary to the Prime Minister's protestation at that time that our ways are different from Nasser's), the following as the first reason for nationalisation:

"The Planning Commission drew attention to the necessity of fitting increasingly into the scheme of development visualised for the economy as a whole the banking system and in fact the whole mechanism of finance, including insurance, the stock exchanges and other institutions connected with investment. For, it is only thus they said, that the process of mobilising savings and utilising them to the best advantage becomes socially purposive. Principally, with a view to ensuring the spread of banking and credit facilities to the rural areas, the Imperial Bank of India was nationalised last year. *The nationalisation of life insurance is a further step in the direction of more effective mobilisation of the people's savings.* It is a truism which cannot too often be repeated, that a nation's savings are the prime mover of its economic development. With a second Plan in the offing, involving an accelerated rate of investment and development, the widening and deepening of all possible channels of public savings has become more than ever necessary. Of this process, the nationalisation of insurance is a vital part."

Again, Mr. Deshmukh went on to say:

"On the one hand, there has been a very general demand for the nationalisation of the entire insurance industry. On the other hand, the chairman of a large number of insurance companies have set out *in extenso* all the arguments that could possibly be adduced against nationalisation, and have endeavoured to show that insurance of every form can flourish best only under private enterprise and with the stimulus of competition. It is obvious that, in a short talk such as this, I cannot enter upon a discussion of these arguments and to explain why they have failed to satisfy us, and why we have, in spite of them, come to the conclusion that nationalisation of life insurance is *essential for the implementation of our Plan* and, therefore, required in the public interest." (Italics mine).

Be Plan-conscious

It is obvious from the above policy declaration that the new investment policy is to be judged by the extent to which it helps the implementation of the Plan, and not merely by the fact that Section 27A is so belatedly made applicable to the Corporation, as required by the Life Insurance Corporation Act. It is, indeed, unfortunate that Mr. Deshmukh, in his hurry over the Bombay issue, which perhaps had something to do with his sudden somersault over the nationalisation issue, since the days of his stewardship of the Reserve Bank, failed to see to what extent this high objective as set out in his declaration above was left unimplemented by the provisions of the L.I.C. Act. He had obviously no time whatever to think out how best to ensure that the life insurance funds will be available for the implementation of the Plan, for which they were considered vital, and that the mere application of Section 27A would hardly achieve that object.

Not only that, he also forgot his own learning from other countries that "wherever there has been a wholehearted attempt by the State, nationalisation has been an unqualified success .... failures, wherever they occurred, have been due to the half-hearted manner in which the experiments were tried." Apparently, events so far do not show that the implicit *sine qua non* of the wholehearted attempt has yet come to be made, judged especially by his own acceptance of an insurance potential of Rs. 8,000 crores to be achieved in about 10 years or so. (Not that this Rs. 8,000 crores stands scrutiny in the light of the implications of the great maldistribution of incomes in this country; and if it did, there is no reason why it should not go up to Rs. 10,000 crores, since we have 10 crores of earners from whom we are to expect the average sum insured of Rs. 1,000 per policy.) In any case, the first test of the success of nationalisation is how much it achieves the first object of helping the implementation of the Plan.

Remembering, therefore, this need to be a little Plan-conscious in thinking about what the correct investment policy should be, one becomes rather curious that there should be so much talk at all about a separate policy for the investment of Life Insurance funds. After all, what is the Plan itself but an investment policy for all the available internal and external resources, both in the public and the private sectors? Life Insurance funds are just one item of the internal resources, just like budget surpluses, borrowings, small savings, etc. Do we have a separate investment policy for each of these? Or is it contended that Life Insurance funds are something surplus to our internal resources which can be used for non-Plan investments? If so, the very bottom of Mr. Deshmukh's case for nationalisation is knocked out!

Birla Delegation

This isolation of Life Insurance funds from the direct needs of the Plan becomes rather ridiculous at a time when one hears so much on all sides, the latest being from the Reserve Bank in its recent report and also the Planning Commission, about the shortage of internal finance for the Plan. Last year, the Birla delegation on its return from America, made a big point of the shortage of internal finance for the private sector, and argued that, if only they could be sure of internal finance, they had no difficulty in getting all the foreign exchange they needed from their friends abroad. Why then use the internal finance available in the shape of Life Insurance funds for chasing the stock exchange, instead of using it all for new schemes of investment that fit into the Plan, both in the public and the private sectors, in the proportions allotted to each?

This does not necessarily mean that the interests of the policyholders should suffer in any way, at least not in comparison with the present policy. It is surprising that the Government have not yet thought of a machinery by which they could ensure the direct use of Life Insurance funds in the implementation of the Plan, without endangering the interests of the policyholders. If they had no other idea than to apply Section 27A as they have done now, it is really a case of much ado about nothing, a great fall from the sublime of Mr. Deshmukh's speech, to the ridiculous of the present policy.

It will no doubt be claimed that the purchase of investments on the stock exchanges is as good as helping the private sector for the internal finance it needs. What really happens is that the nationalised Corporation collects the savings of the people in the name of the development of the country and, instead of using the savings directly for development in terms of the Plan, it is handed over on the stock exchanges to a lot of de-savers in the remote hope that these de-savers would care for the Plan much more than the Government itself does. Nothing is impossible, but, if Government could trust private de-savers to finance the Plan this way, why not let them collect the savings too in the first stage? It can only follow on this basis that Government or their advisers are no longer enthusiastic about nationalisation, at least in the sense of its being essential for the Plan, as enunciated by Mr. Deshmukh. But they have not yet said so.

Other Savings

Life insurance funds are no doubt sacred in the interests of policyholders, but they are no more sacred than the provident funds of employees, or the small savings collected by Government. If those funds can be used directly for the Plan purposes in the public sector, why can we not devise a machinery even for Life Insurance funds, for their direct utilisation in both the public and the private sectors? To the extent these funds are invested in Government securities, this is already achieved in respect of the public sector, and all that remains is to think of a proper machinery for the private sector, without having to go through the stock exchange, which serves a different purpose altogether.

If the L.I.C. is going to reach its full potential of Rs. 8,000 or Rs. 10,000 crores as the case may be, or even half of those sums, which may be considered more realistic, remembering the implications of the great maldistribution of incomes in this country, it will not be long before life insurance development will clash with small savings development, and the two will have to be co-ordinated on a complementary basis, under a single agency, unless we are to have the same old story of wasteful competition once again. As it is, the Corporation still seems to be confining its attention to the relatively richer classes, since, despite the beginning made about *Janata* policies, the average sum insured per policy, as stated recently by its Chairman, has gone up from about Rs. 3,100 to Rs. 3,500. The test of its reaching the poor more than the rich is when the average sum insured per policy goes down towards Rs. 1,000.

This means, then, that, so long as the present state of affairs lasts, the life insurance savings of these relatively richer classes are to be dealt with differently as compared with provident fund accounts and small savings, so that the latter are to bear all the sacrifices for the Plan while Life Insurance funds are to be used to chase the stock exchange for getting a greater return for these rich men's savings. If, in future, Life Insurance development and small savings development become more and more co-extensive over the same section of the population, this question of treating the Life Insurance funds differently is bound to lead to anomalies, to the detriment of either or both. This obvious discrimination in favour of the relatively rich will not be tolerated. So it seems necessary from every point of view to think of a different investment policy for Life Insurance funds which would better achieve the object of nationalisation, without prejudicing the interests of policyholders. Probably, the same policy can also be applied for the employees' provident funds and small savings, so that those too can have the benefit of a higher yield, just like Life Insurance funds, in return for the common contribution they all make to the Plan.

The purpose of stabilising exchanges is to be ruled out altogether as a primary object, according to all shades of opinion now. Nobody

knows that stock exchanges will collapse or be unworkable if the Life Insurance Corporation did not operate regularly on the stock exchange. As for emergencies, it is the responsibility of not the Corporation, but of the Government towards not only the Coporation but all private investors, particularly the small ones, to keep the stock exchanges stabilised to the extent necessary for the economy, as a part of the overall regulation of investment institutions referred to by Dr. Deshmukh. Government could use for this purpose, whenever it is wise to do so, all the funds at its disposal and not merely Life Insurance funds, at the expense of the Corporation, especially when the lack of stability is the result of Government's own policy. This is not a suggestion for Government speculating on the stock exchange, but for discriminate support, as and when necessary, for particular scrips, in the same way it is done for Government securities, but all this is outside the field of the Life Insurance Corporation.

As already stated, to the extent Life Insurance funds are invested in Government securities, they are available for the Plan directly in return for a guaranteed yield over a number of years. Alternatively, in the Postal Life Insurance Fund, and till recently in some of the State Life Insurance funds, Government used to take over the investible balances from time to time in return for a guaranteed yield. Recently, the Corporation has arranged for the balances with State Governments to be exchanged into terminable securities over a number of years, no doubt for good reasons.

Alternative Outlined

It seems to the writer that the best way to utilise these funds in the private sector also would be to follow a method similar to the above arrangement. Government could form a fund, called the Private Sector Finance Fund, to which all sums available for the private sector from Life Insurance funds could be taken over in return for a guaranteed yield over a certain number of years, the yield being reviewed, once again, at the end of the term. The guaranteed yield will naturally have to be higher than the yield on Government securities, more in line with the current yield at the time of taking over the funds, on first class debentures, preference shares and ordinary shares, the yields of which are periodically calculated by the Reserve Bank. A weighted average of these yields with x% for debentures, y% for preference shares, z% for ordinary shares could be calculated periodically, and the weighted average yield should be guaranteed to the Corporation, according to the yield prevailing in the month or quarter in which the funds are taken over.

This idea of guaranteeing a yield to the Corporation allotted to and taken over for the Private Sector Fund introduces no new revolutionary principle requiring much clarification or justification. For 50 per cent. of the funds taken over for the public sector, this is already being done.

Actually, the percentage of new funds taken over for the private sector may, in fact, be more than 50 per cent. for a number of years to come, if the 50 per cent. condition for investment in Government (or approved) securities applies only to the total (not new) investments of the Corporation. Section 27A lends itself to this interpretation. In the total investments of the Corporation, the share of Government or semi-Government securities is now much more than 50 per cent., near 70 per cent., so that all new investments may be in the private sector, till the share of Government securities in the total comes down to 50 per cent. However, it is assumed that this is not intended, as Government is not likely to allow its borrowings to suffer to this extent.

Again, the principle of a guaranteed yield is implicit in the Government's guarantee of the sum insured, the yield here being the one assumed in the construction of premiums. So, going a step further, and guaranteeing a reasonable yield in respect of the funds taken over for the private sector also, should not shock the mind, especially if it is essential for implementing the primary object of nationalisation.

Need for Scrutiny

As these funds are taken over to the Private Sector Fund, Government could invite the private sector to submit all its schemes for investment in terms of the Plan for necessary scrutiny and sanction to them all the internal finance they require. Even today, schemes of the private sector come up for some scrutiny, under the Control of Capital Issues, and the Industrial Development and Regulation Act, but these scrutinies are non-committal on the part of the Government in many ways. This new scrutiny for the purpose of providing the internal finance required by the private sector, will have to be thorough, and similar to the scrutiny, to which the schemes of the public and the private sectors are submitted, by the foreign lenders, e.g., the World Bank.

It is possible that the private sector will not readily take to this idea on the plea that it does not want more Government, scrutiny, and possibly indirect control (though heaven knows that there is so little scrutiny in this country, as compared with the U.S.A. standards, even in the initial step of committing private enterprise to its pretentions in the shape of detailed, true, and punctual returns), as the provider of internal finance. Well, it is for the private sector to make the choice. If its story is true that it could do a lot more but for the lack of internal finance, it should rather jump for this idea, instead of objecting to it. The fear of indirect Government control is no more here than under the present policy under which the Corporation can take up 30 per cent. of the shares of any one company, and the Government may authorise it to take up even more.

No doubt the private sector would prefer its shareholders to be a scattered and helpless lot, whom, in the best cases, it treats like a pocket-borough, which is to play its role as a rubber stamp of the men in power in return for some dividend, if even that, irrespective of how the business is being conducted. But whether, in preference for such a scattered body of shareholders, the private sector would rather go without the requisite internal finance than get it through Government and go ahead with its own schemes with confidence in their merit, is for it to consider. At least, it can no longer say it could do this or that but for the lack of internal finance.

Separate Account

It will be for the Government to keep an account of all guaranteed payments of interest to the Corporation on behalf of the private sector, including in this context its own private limited companies, and credit to the same account the dividends received at a later stage from the various companies which it finances from the Private Sector Fund. This account will no doubt be in the red to start with, but, after a number of years, as the investment schemes financed by these funds begin to yield dividends, it must turn into the black within a decade or two. To doubt this is to doubt the Plan itself, or the quality of the scrutiny of the schemes before they are financed, or their sound working later under the management of the private sector, and the supervision of Government. Ultimately, everything depends on the character of the people. As and when the guarantee account gets into the black, there will be an opportunity for reconsideration as to whether the investment in the established industries should remain with the Government, through the Private Sector Fund, or how else they should be disposed of, and what variations should be made in the return guaranteed to the L.I.C.

The proposal thus far ensures that life policyholders will share in the rising prosperity of the country though they can no longer hope to have any profits of short-term speculation, or of taking advantage of opportunities to stabilise the market, etc., just as they will be spared the losses inherent in such operations. If they do not get anything more than their legitimate share of the rising general prosperity of the country, it is not the fault of this investment policy, but the inevitable result of the nationalisation policy for the benefit of the Plan. It may be that a few companies under private enterprise could do a little better at the expense of the rest of the country, but it is the very object of nationalisation and the socialistic pattern we are committed to, to prevent a few benefiting at the expense of many. What matters is that the yield to the life policyholders on this basis would not be any less than the overall yield of all life insurance companies for the whole country under a rigorously enforced Section 27A. Or again, the return to the policyholders will not be any less than the overall yield obtained by policyholders in other advanced countries like the U.S.A., the U.K., Canada, Australia, etc., under the 'free' investment policy pursued by life insurers of those countries. Even in the U.S.A., permission to invest in ordinary shares is only of recent origin, and it is utilised by companies only to a small extent. Debentures and preference shares predominate there. Anyway, the main question to be remembered from the policyholder's point of view in all such comparisons is not the percentage of investments in various categories but the overall average yield which the policyholders of that country get. On this test, policyholders will have nothing to complain of, by following the alternative suggested.

Business Principles

The question still remains whether this will ensure the maximum profits due to the policyholders in terms of the "business principles" which the Corporation is expected to follow. In the first place, the subjection of the Corporation to the conflicting requirements of (*a*) the needs of the community, (*b*) business principles, and (*c*) the interests of policyholders is itself rather questionable. The first two are also vague and liable to various interpretations.

The question of overall interest in the community is really a matter for Government, and it should be the Government's business to give directives to the Corporation whenever it wants to do something for the good of the community overriding the policyholder's interests.

As regards business principles, it is taken to be the same as maximisation of earnings, but one would think it no part of nationalisation to maximise earnings somehow as private enterprisers profess to do. This is really a poor view of business principles which are nowhere defined exactly. The correct approach to these business principles could be found in the address delivered by Mr. Henry R. Luce, Editor of *Fortune*, to an international association of business men, which was published in the August 1957 issue of *Fortune*, under the heading "The Character of the Businessman." He referred to the unflattering meanings attached to the words 'business' and 'businessman,' and emphasised the need for truth-telling—downright rugged truth-telling. He also pleaded recognition for the fact that every aspect of business had an element of public interest in it, wherefore all business transactions should be capable of standing, and stand public scrutiny.

Business men in this country, at least insurance ones, even the best of them, need this advice no less than those whom Mr. Luce addressed, and if business principles are understood in this sense, it would be something different than merely maximising earnings. Probably a better requirement in place of the vague and discredited business principles would be to insist on an actuarial soundness, remembering, and if necessary clarifying that actuarial soundness includes equity to the individual policyholder, and economy of management, with justice to the staff.

As it stands, business principles, alias maximisation of earnings, could in practice be very inconsistent with the objects of nationalisation and the socialist pattern. As a matter of fact, the writer knows how a member of the Forum of Free Enterprise suggested that the *Fortune* article be published as a Forum pamphlet, as a break from the stereotyped criticisms of Government, with a cleverer-than-thou attitude, as if all wrong was on one side only. Some introspection, some turning of the searchlight towards yourself, would do good sometimes and create the necessary balance. But the Director of the Forum dared not hold this mirror to his face. When that is the attitude of business men to business principles, the Corporation could also catch the infection.

Actually, it does not yet seem to have shaken off its inheritance in this respect, judged by the poor and belated information given out, about its operations. Why can it not take a leaf out of the book of the Reserve Bank and the Scheduled banks, by giving out comprehensive information regularly on a weekly or monthly time-table, instead of compelling the public to wait on some stray speeches or question in Parliament?

Craze for Bonuses

Coming again to the question of policyholders' interests, the only answer to any remaining cry that policyholders' bonuses will suffer by utilising the life funds for the benefit of the Plan, even with a guaranteed higher yield commensurate with those yielded by debentures, preference and ordinary shares, is to ask the counter-question as to what is the proper place of these so-called profits in life insurance. It is a negation of the principle of insurance to give an exaggerated importance to these profits. As a matter of fact, insurers themselves used to argue, in the past, while asking for tax-concessions, and Government have conceded it, that these profits are no profits at all, but only a return of the excess premiums paid by the so-called with-profit policyholders as a cushion against unforeseen contingencies. How such tax concessions, asked for and given in the name of small-policyholders, were utilised not wholly for them, but for benefiting the big-policyholders also, without the clever civilian ridden-Government, in unholy alliance with business men, lifting a finger for the small man, is a separate story by itself.

The bonus craze was something introduced by the private sector for its own purposes, giving a secondary place to the main object of insurance, as indeed the leaders of the private sector themselves used to say with all flourish when they were deploring the bonus competition years ago. Its spokesmen cannot forget it now, just because they would like the Corporation to continue work on the old system in the name of business principles.

The problem should be faced, therefore, that there is no warrant whatever in the nationalised set-up for continuing the myth of the with-profit policy which is really just a higher premium policy for the privilege of participation in profits. But, in the nationalised set-up, where all policies are guaranteed by the Government in respect of the sum insured, why should any policyholder pay a higher premium merely for the privilege of participation in profits? In principle, all new policies should be issued at the current non-profit rates and all policies should participate in profits, according to their respective contribution to the same. Distribution of profits on the Contribution Method has been in vogue for a long period in the U.S. and Canada, and there is no reason why we in India should remain wedded to the British reversionary bonus system, and habituated to that, or otherwise, maintain this fiction of with-profit policies, even while it is no longer necessary. No doubt with-profit policies continue in the U.S. and Canada, but they have no nationalised insurance there.

It would be useful to recall, in this connection, how these with-profit policies arose in the beginning of life insurance under private enterprise. Shareholders' funds were small, life insurance funds were growing fast, and fluctuations in the fortunes of life insurance funds in respect of mortality interest or expenses were too big proportionately to be borne by the shareholders. So the device is invented by which life-policyholders were charged an extra premium called the bonus loading, without any definite corresponding liability attaching to the insurer, but, instead, a right to participate in the profits was conceded to the policyholder. Policyholders thus came to bear themselves the burden of the fluctuations in the management experience, and things outside management control, and got back in the shape of bonuses whatever remained at the end of certain periods, according to the quality of the management. Shareholders, though they bore very little risk, continued to reap fat dividends at the cost of the growing life insurance funds at a rate unheard of in any other risk enterprise, commensurate with the risk taken, as was evidenced ultimately by the huge dividends and compensations given, e.g., in the case of the Oriental. Just another case of so few benefiting so much at the expense of so many for so little, and how!

Anyway, all that is now a story of the past, and what matters now is that, with Government guarantee of the sum insured, there is no justification whatever for maintaining the fiction of the present with-profit policies, and then for their sake have an investment policy which does not serve the primary object of nationalisation.

Existing With-profit Policies

If this idea of abolishing the present type of with-profit policy is accepted, it would call for a consequential measure in respect of the existing with-profit policies issued in the past. A once-for-all solution would be to increase the sum insured of the existing with-profit policies in proportion to the difference between the with-profit premiums they pay now, and the corresponding non-profit rates for the remaining term of the policy as at the last valuation. This is an actuarial problem that is easily solved. Where there is no definite term for the policy, as for the relatively small number of the whole-life policies, a notional term can be found which does adequate justice to those policyholders. The main thing is to see that all these policyholders get a once-for-all increase in the sum insured, commensurate with the excess premiums they are paying, after allowing for the bonuses already declared on the policies.

With the current with-profit policies adjusted as above, the present distinction between with-profit and non-profit policies will be abolished, and all new policies will be issued at the current non-profit rates, and all these policies, old and new, will be eligible to participate in the genuine profits that arise in future by way of improvement in mortality, savings in expense, and an interest yield higher than that assumed in the constructions of premiums.

Government could claim as a guarantor of the sum insured that the right to participate in profits should be abolished altogether, and all profits should go to the taxpayer in return for the guarantee given by him. But whether Government would care to go to this length is a matter for itself to decide. Since policyholders have no voice in the construction of premiums at all, or in the management, it is but right that they should continue to share in the real profits that arise after the elimination of the artificial profits, consisting purely of the excess premiums (called the bonus loading) charged on the present with-profit policies. Competition in private enterprise at least brought the premiums down and Government guarantee is the price paid for the elimination of competition.

Once the profit policies are rationalised as above, the cry of maximising earnings for the sake of profits also loses its force. Policyholders should be content with having their sums insured, guaranteed and getting their legitimate share in the rising prosperity of the country, just like all other savers—including those relatively poorer than themselves, all contributing to the development of the country in terms of the Plan.

The object of this article would be served if it stimulates thinking on how to make Life Insurance funds directly available to meet the

(*Continued on page 863*)

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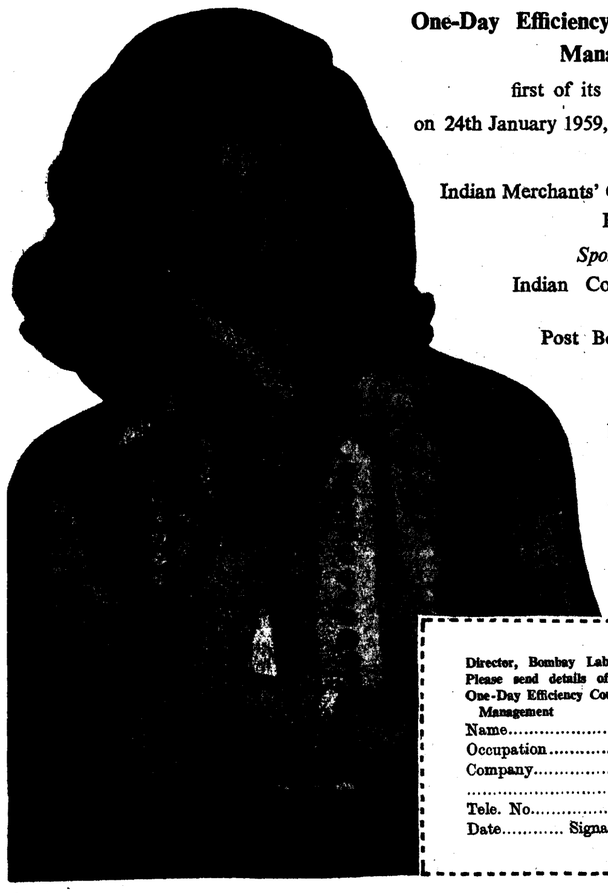

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COTTON CLOTH IMPORTS INTO U.K.

LATEST ON "CEILING" REVIEWED

IT looks as though the protracted negotiations held by Lancashire millowners with the textile interests of India, Pakistan and Hong Kong on the question of duty-free exports of textiles from these countries to Britain have almost resulted in agreements. While the cloud of secrecy continues to hang on the exact details of the agreements, the scattered Press reports from Hong Kong and Lancashire aver that all the three Asian countries mentioned above have not only accepted the principle of voluntary limitation on textile exports to Britain but also agreed on the maximum quantum of goods that could be exported to the U.K. Thus, the annual ceilings on exports agreed to by India and Pakistan are said to be 140 million square yards and 35 million square yards, respectively; the ceilings cover made-up goods, as well as grey and finished cloth, retained for consumption in Britain, but excludes yarn. The corresponding figure proposed by Hong Kong is 150-160 million square yards (including made-up goods) in the first year of the agreement, 165-175 million square yards in the second year and 175-185 million square yards in the third year. As against this proposal of Hong Kong, Lancashire is said to have put forward a counter-proposal envisaging a flat rate for the three-year period rather than progressively rising ceilings. The final outcome of this offer is still kept as a secret.

The following table compares the proposed ceilings on exports of textiles from India, Pakistan and Hong Kong with the actual imports into Britain during the last three years:

(In million square yards)

	Grey cloth	Finished cloth	Made-up goods	Total
India—				
1956	85	5	8	98
1957	128	3	8	139
1958*	82	7	5	94
Ceiling	..	..	..	140
Hong Kong—				
1956	47	2	35	84
1957	60	4	38	102
1958*	87	3	46	137
Ceiling—				
1st year	..	..	..	150-160
2nd year	..	..	..	165-175
3rd year	..	..	..	175-185
Pakistan—				
1956	6	..	..	6
1957	6	..	..	6
1958*‡	1	..	..	1
Ceiling	..	..	..	35

* First nine months at annual rate.

SOURCE:—*The Economist*, London.

The above figures show that the proposed ceilings for exports of cotton cloth from Hong Kong and Pakistan to Britain are well above the actual exports during the year 1957, while, in the case of Indian exports, the ceiling is higher by just one million square yards. It is true that the ceiling proposed by Hong Kong, described as "expansionist" and not restrictive, has not been finally accepted by Lancashire millowners; as already stated, these millowners have made a counter-proposal envisaging a flat ceiling for the three-year period. But there are indications that this flat ceiling will be "a generous one," being close to Hong Kong's offer. If such indications were to prove correct, would the Indian millowners come out with a plea for a corresponding upward revision in the ceiling on their exports?

Ceiling Not Justified

Viewing the issue as a whole, however, this journal is opposed to enforcement of any limitation on cotton goods exports from India to Britain, and indeed, to any industrially advanced country. That there is no justification for imposing such restrictions on the poor countries in Asia has been clearly recognised by the leaders of the Western world. The solution sought to be enforced is in the interest of neither the Asian countries nor Lancashire. It will only buttress the uneconomic and inefficient manufacturers in both the exporting and importing countries. Many commentators in Britain itself admit that a mere limitation on imports of textiles into their country will not solve the difficulties of Lancashire mills. For the difficulties are of a fundamental nature. To quote the London *Economist*:

"Despite all the contraction of the industry in recent years, too many obsolete mills remain in operation, and too few thoroughly modern mills are working two shifts (in spinning) or three shifts (in weaving). . . . In any case, too much attention could be paid to the theoretically right size for the industry and to optimum mechanical efficiency. Salesmanship, design and styling, and imaginative exploitation of the new fibres and blended fibres are equally important. In spite of the excellent examples set by some firms—recently recognised by the awards won at the International Fabric Exposition in California—not all Lancashire is proficient in these qualities, nor are all the mechanically efficient mills. Contraction of the cotton industry is bound to continue, and Lancashire's job is to ensure that, with a smaller industry, it makes better cottons at lower cost than its comparable competitors."

This is certainly a correct assessment of the problem. If Lancashire succeeds in eliminating imports of cotton goods into the U.K. through the sheer weight of its efficiency, none can complain about it. Further, it will provide an object lesson to the cotton mill industry and the Government of India both of which vie with each other in placing a premium on uneconomic means of production under varying and various pretexts.

Ceiling for Hong Kong

Be that as it may, the Hong Kong Textile Committee—this consists of the leaders of the industry—has reluctantly accepted in principle the voluntary ceiling on exports to Britain as proposed by the Cotton Board. At its meeting held in Hong Kong on the 7th inst., the Committee decided to ask the Hong Kong Government to ratify and administer any voluntary agreement with the British Cotton Board for the limitation of the Colony's textile exports to Britain. It also decided to seek an assurance that, if the Lancashire quota proposal were accepted, Britain would not use this as a precedent for seeking limitations on other products. This is undoubtedly a wise step on the part of the Committee, for there is justification for seeking such assurance from Britain. Let it not be forgotten that the move made by the cotton mills in Lancashire is not the first of its kind in Britain. The jute mills in Dundee have long been enjoying similar protection against imports from Commonwealth countries. Did the millowners in India seek any such assurance from Britain, before agreeing to accept a ceiling on the exports of their manufactures to that country? We wonder. The thoughtfulness of Hong Kong millowners is commendable.

The Hong Kong Government has since given its approval to the proposal of the Committee to administer an export ceiling pact with Lancashire. The spinning and weaving sections are now discussing separately the problems on how such a ceiling would operate and how to distribute it fairly among the manufacturers. In particular, those who have been using imported Pakistan yarn over many years, it is said, want clarification. Further discussions of the Committee were held on Tuesday this week, but their outcome is not known at the time of writing.

Meanwhile, on the question of certifying the origin of textile exports, the Hong Kong Government is said to be doing "its level best" to apply strict rules of audit check. According to a member of the British Parliamentary delegation which is studying the Hong Kong industry, the problem is to ensure 100 per cent. adherence with a congested area, a long coastline, a roving population and varying standards of business morality.

The Government of India has accepted the Tariff Commission's main recommendation to discontinue protection granted to the artificial silk and cotton and artificial silk mixed fabrics industry with effect from 1st January 1959. The Government has taken note of the Commission's other recommendation that the Textile Commissioner, while taking appropriate steps to bring all powerlooms in legitimate operation to his register, should discourage the installation of discarded looms, and suitable steps, we are told, will be taken to implement it as far as possible.

(Concluded from next column)

or less unanimous that the Board did not enjoy the confidence of the trade and was incapable of bringing about any improvement in the affairs of the Association. Consequently, the Board of the Association was superseded by a Government-nominated Board for a period of four months. Later, a new Board was elected which devised ways and means of resuscitating the Association at the end of the year. Several amendments to the by-laws of the Association were suggested by the Board, with a view to providing better facilities for trading.

FUTURES TRADING IN COTTON

F.M.C.'S REVIEW

THE section on regulation of cotton markets contained in the Annual Report of the Forward Markets Commission for the year 1957 gives a review of the trend of the markets during the year, the various steps taken by the Commission to regulate trading in the commodity in Bombay, Ujjain and Indore and a vigorous defence of these measures. It also refers to the deterioration in the affairs of the Central India Cotton Association, Indore, the reasons thereof and how the Commission dealt with the situation. Of particular interest is the reference in the report to the measures taken to improve the representative character of the East India Cotton Association, Bombay. It is common knowledge that, since the responsibility for continuous regulation of the trade lies primarily on the governing bodies of recognised associations, it is essential to ensure the representative character of the bodies by earmarking seats on them for different panels and by providing panel-wise election to such seats. When the East India Cotton Association was recognised under the Forward Contracts (Regulation) Act in June 1955, the Commission permitted the existing system of grouping members and the manner of election to the Board to continue for the time being, pending a closer examination of its working.

Despite the nominal existence of the panel system at the Association, the interests concerned with the actual handling of the commodity continued to have a feeling that they did not get adequate representation on the Board of Directors, because of the numerical preponderance of brokers who numbered more than 400 out of the total membership of about 740 and who exerted undue influence in the election of representatives from other panels as well, thanks to the system of general franchise in practice by the Association. The Commission had received several complaints about the working of the panel system. The Forward Contracts (Regulation) Act was amended empowering the recognised associations to make suitable provisions in their rules for panel-wise classification of their members and representation of such panels on their governing bodies.

Panel System

The Board of the Association, at the instance of the Commission, finalised the proposals for the revision of the panel system. The main amendments suggested were: (1) full members of the Association should continue to be divided into three panels, namely, buyers, sellers and brokers; (2) the strength of the Board should be raised to 26; (3) for filling up the vacancies in the different panels arising from annual panel-wise retirement of directors, a dual system of election was proposed. The manner of election suggested was a compromise between the system of general franchise under which the E.I.C.A. was already working and the system of panel-wise franchise which the Commission considered desirable.

As regards the Central India Cotton Association, Indore, the Commission points out that the general working of the Association was far from satisfactory. There were mass resignations of members at the Indore ring and payments crisis at the Ujjain ring; certain principal operators failed to honour their obligations to the clearing house at the latter place. The deterioration in the affairs of the Association, according to the Commission, arose partly from the fact that, throughout 1957, there was intense jealousy and rivalry between the trading interests of Indore and Ujjain. At the time of recognition of the Association, it was hoped that the establishment of two rings, one at Indore and the other at Ujjain, managed by a single Board of Directors, would go some way towards bringing about *rapprochement* between the two centres and the Board would function effectively; but this expectation did not materialise. The Board often failed to function as a homogeneous body and individual directors failed to rise above their personal loyalties and parochial interests. Although the articles and by-laws were often violated by some members, the Board did not take any action against them. When the trading at both the rings came more or less to a standstill from April 1957, the financial position of the Association had deteriorated. Opinion amongst the trading public at Ujjain and Indore was more

(Continued in previous column)

TREND TOWARDS COTTON MILL MERGERS AND ABSORPTIONS REVIVES

TEXTILE SITUATION IN WEST AFRICA

From A Special Correspondent

MANCHESTER, *11th November*

FULL twelve months have now gone by without any sign of more than routine activity in cotton goods in the United Kingdom. At this time a year ago, producers were just beginning to become apprehensive about the failure of customers to follow up their sustained buying movement which caused a sudden summer spending spree. Subsequently, no progress has been made and the order lists held have dwindled almost to extinction.

MANCHESTER LETTER

So much is past history—and not particularly pleasant history at that. The situation of most producers in the industry is now severely strained, and the resources of individual firms are being depleted by drastic curtailment of output. As a result, it is not surprising that the trend towards mergers and absorptions has revived once more. Rumours of pending negotiations between relatively big firms crop up from time to time, and occasionally, a deal is completed. Within the past week or two, proposals for the acquisition of British Van Heusen Ltd. by Amalgamated Cotton Mills Trust Ltd. and the Lilac Mill by the Fine Spinners and Doublers Ltd. have been put forward. Such events, coupled with the elimination of uneconomic plants by some of the larger groups, are a clear indication of things to come.

The weaving section of the Lancashire cotton industry has always been noted for its relatively few public companies among a large number of privately-owned family businesses; the spinning section has been predominantly a public sector, with a fair sprinkling of single unit mills still operating successfully, despite the competition of the larger combines. Lately, the number of independent spinning mills has diminished either by liquidation or by absorption and, although it would be rash to predict that the groupings would completely swallow up all other firms within the next few years, the tendency towards more amalgamations is unmistakable.

"Big Buying" Trends

Such developments are not taking place solely in the productive branches; the distributive end of the trade is not immune from this influence. The number of small merchant firms is certainly very large, but the "big buyers," to which Mr. W. T. Winterbottom addressed some comments at Harrogate, have a very responsible part to play in maintaining the future well-being of the trade.

Ever since the home market assumed the increasing importance it now holds in relation to the activity of the mills, the policy of the major chain stores and other prominent consumers has had a vital bearing on the whole cotton textile situation. Efforts to persuade such customers to maintain an even flow of demand have not been entirely successful, but it must be admitted that, for every buyer, there comes a time when hasty purchases may be unremunerative.

Several matters which have been keenly exercising the minds of customers for months past are perhaps due to be resolved before very long. That confidence should be regained to get supplies on the move again is the essential factor. "Waiting for something to turn up" is a dreary experience for all concerned but signs are not lacking that some relief may be at hand.

Garment Workers' Move

The National Union of Tailors and Garment Workers announced this week that it was considering promoting a special trade union label for attaching to garments as part of the campaign to persuade shoppers to buy only textiles which have been manufactured in this country. Attacking "sweatshop" products from Asia in a union report, Mr. John E. Newton, General Secretary, said:

"We recognise that the labelling of goods 'Empire-made' may not be sufficient indication of the place of origin. We feel sure that the 8,000,000 trade unionists in this country, once they understand the circumstances, will welcome some indication on garments showing that they are made under good conditions of employment. We do not doubt that they will realise that the purchase of imported garments made under sub-standard working conditions may, in the long run, affect their own standards of employment."

Higher Pay

Maintenance mechanics and electricians employed in the Lancashire textile finishing industry have been given wage increases under a new agreement negotiated in Manchester. Both receive an extra 2d. an hour, equal to 7*s.* 4d. a week more for mechanics on the basis of a 44-hour week and 7*s.* 6d. for electricians on the basis of a 45-hour week.

Selling To West Africa

Those countries which nowadays purchase 30,000,000 yards of cotton cloth from Lancashire annually are relatively few. In 1957, only Australia, South Africa, New Zealand and Nigeria came within this category.

With this background in mind, the situation in West Africa is worth consideration; details of current trends are disclosed in an article from the *Nigeria Trade Journal* quoted by the *Empire Cotton Growing Review*. The rapid rise in the standard of living in this area since the last war has been reflected in greatly increased imports of textiles. Although cotton goods have played their part in the overall increase during the last two years, their popularity has shown a marked decline in favour of textiles woven from man-made fibres, particularly rayon goods.

An erratic trend has taken place in cotton cloth imports in recent years partly due to the fluctuations in the size of Nigeria's major export crops. Difficulties during the war and then a shortage of supplies immediately following hostilities kept the volume of imports at a considerably lower level. Another important factor has been the impact of materials made from synthetic fibres on the cotton trade. In 1956, imports of cotton goods fell from the previous year's all-time record of over 200,000,000 square yards to less than 150,000,000 square yards. Cottons were actually eclipsed in volume by rayons for which a consumer preference had been steadily growing since the end of the war. Sources in close touch with Nigerian trade believe that rayons will continue to gain in popularity but even rayon is likely to lose ground to other synthetic materials as these become more competitive in price.

Compared with conditions some 25 years ago, the value of cotton cloth imports into Nigeria has increased from little more than £2,000,000 to the current level of around £14,000,000. The peak purchasing period was in 1952 when goods valued at nearly £25,000,000 were obtained at an average price of 29*d.* per square yard.

Sources of Supply

India provided 70 per cent. of Nigerian imports of cotton grey cloth last year. In bleached goods, Lancashire obtained 28 per cent. of the trade, followed by India with 23 per cent. and Japan with 13 per cent. Most of the piece-dyed trade went to Lancashire, which provided 44 per cent. and Japan 23 per cent., but Japanese prints accounted for 39 per cent. of the business, with the Netherlands supplying 32 per cent. and Lancashire 23 per cent. In coloured woven goods, India held the major place with 62 per cent. of imports.

The use of rayon piecegoods in the area has increased from 84,000,000 square yards in 1954 to 150,000,000 yards last year. The report comments on the growth of textile trading arising from the post-war upsurge of national feeling shown by the popular reversion to the wearing of traditional native dress, which requires substantial quantities of cloth.

At present, the 34,000,000 people in Nigeria consume on average less than ten yards of cloth per head annually. So long as there is no falling off in the current level of prosperity, the demand for textiles should continue to grow.

Free Trade in Textiles

Not many months ago discussions on the effect of the European Common Market and the proposed Free Trade Area were all the rage. Few company chairmen with textile interests omitted a comment on the plan from their annual statements and most were apprehensive of the consequences. The clamour has lately died down despite the formal establishment of the European Economic Community from the beginning of the current year. Difficulties which are now being encountered in connection with the collateral Free Trade Area in Europe, in which Britain is a prime mover, may hold back the negotiations but it is reasonable to assume that in time some form of Free Trade Area will be achieved.

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COAL PRODUCTION SLOWS DOWN

IMPORT RESTRICTIONS MAY AFFECT PRODUCTION FURTHER

THE statistics relating to raisings and despatches of coal up to the end of August 1958, the latest month for which figures are available, show that the upward trend in both noted in the previous four years is being maintained, but the pace of increase in output is slower than that in 1957. Thus, the total production during the first eight months of the current year amounts to 29.64 million tons, as compared with 28.32 million tons and 26.13 million tons in the corresponding periods of 1957 and 1956, respectively. In other words, the extent of increase in output up to the end of August this year was 1.32 million tons, as against 2.19 million tons in the first eight months of 1957. The break-down figures of output for the private and public sectors are not available for the whole of this period, but figures relating to the first half of the year show that the private sector accounted for, as is only to be expected, the bulk of the rise in output.

Total despatches during the period under review show an improvement to 26.50 million tons, having gone up from 24.81 million tons in the corresponding period of 1957 and 23.14 million tons during January-August 1956. A notable feature of the trend of despatches is that, while in 1957 the rise in despatches (1.67 million tons) lagged behind that (2.19 million tons) in raisings, during the current year, such (1.69 million tons) has outpaced the expansion (1.32 million tons) in output. This is due to the improvement in loadings, accompanied by the slower pace of increase in raisings.

The following comparative table shows the monthly trend of raisings and despatches during the first eight months of 1958 and 1957:

(In million tons)

	1958		1957	
	Raisings	Despatches	Raisings	Despatches
January	3.701	3.326	3.667	3.136
February	3.712	3.048	3.519	2.851
March	3.701	3.354	3.668	3.249
April	3.802	3.482	3.726	3.184
May	3.584	3.374	3.794	3.197
June	3.554	3.106	3.330	2.915
July	3.749	3.368	3.296	3.045
August	3.539	3.478	3.376	3.239
Total Jan.-Aug.	29.642	26.501	28.321	24.806

The overall transport situation for movement of coal shows an improvement, as stated already, the daily average loading for the first nine months of the year being 3,804 wagons, as against 3,643 wagons in the corresponding period of 1957, as will be seen from the following table:

Month	(Wagons per day) 1958	1957
January	3,716	3,533
February	3,713	3,586
March	3,805	3,726
April	4,018	3,786
May	3,843	3,587
June	3,685	3,354
July	3,901	3,576
August	4,101	3,794
September	4,176	3,847
Average ...	3,884	3,643

It is now generally accepted that the target of 60 million tons fixed for the second Five-year Plan will not be reached within the Plan period and that there will be shortfall of three to four million tons, though the collieries in the private sector have affirmed that they will be able to reach their target of 45 million tons. In fact, they had submitted plans to the Government and offered to raise as much as 65 million tons (that is, 30 million tons above the level of production at the end of the first Five-year Plan) by the end of the second Plan period, provided they were given adequate transport facilities and licences for stores, plant and machinery. But the Government of India, for reasons best known to itself, turned down this offer and decided that production in the private sector should be limited to 45 million tons by 1960-61 and that it should be confined to the existing workings and immediately contiguous areas. In view of this restriction, it is feared that production in the private sector during the third and the subsequent plans will automatically go down.

A fresh difficulty in achieving even the present target of 45 million tons in the private sector has now cropped up, on account of the drastic import restrictions. At a meeting of the Progress Review Committee of the coal industry held at Calcutta recently, under the chairmanship of Mr. P. M. Nayak, Coal Controller, representatives of the private sector in the industry represented that, in view of the difficulties in getting import licences for machinery and spares, etc., they were unable to keep up the tempo of production as committed under the second Five-year Plan. They submitted that the time had come when the Ministry of Steel, Mines and Fuel should take up the issue at a high level; otherwise, the private sector would find itself in a serious quandary. Mine inspectors, it is stated, insist, during their inspection, on installation of machinery consistent with the new Coal Mines Regulations, and, if this condition is not observed, mining operations are stopped. The colliery representatives, therefore, said that the situation required quick action.

According to the Government spokesman, licences to the value of Rs. 58 lakhs had so far been issued and more applications to the extent of over Rs. 1.5 crore were pending due to foreign exchange difficulties. The industry was, however, asked to avail itself of the loan from the Export-Import Bank, U.S., but its objection to this offer was that the prices of American machinery were far higher than those available from the U.K. and the Continent. The Ministry of Commerce and Industry would, however, appear to be inducing collieries to obtain their requirements of machinery from the U.S. alone, apparently because the Government is anxious to use the credit given by the Export-Import Bank. While stressing the need for making available the required machinery in time, it was agreed at the Progress Review Committee that some literature on the available American machinery should be obtained from the U.S. Trade Commissioner in India and from the National Coal Development Corporation.

The rates and conditions for the carriage of coal and coke have been revised with effect from 1st October 1958. Accordingly, all coal/coke dealers in Bombay State are being permitted to charge their customers this increment in the Railway freight on their sales of coal and coke out of consignments despatched from the collieries on and after 1st October 1958.

In June 1958, all coal and coke dealers were permitted to charge increase of 75 nP per ton on sales of steam coal and Re. 1 per ton on sales of hard coke and soft coke on account of increases in ex-colliery prices. With effect from 17th October 1958, the Central Government has decreased the ex-colliery prices of steam coal by 34 nP per ton and of soft coke and hard coke by 45 nP per ton. All coal/coke dealers in Bombay State are, therefore, being permitted to charge their customers an increase of only 41 nP per ton on sales of steam coal and 55 nP per ton of sales of soft coke and hard coke out of consignments despatched from the collieries on and after 17th October 1958. The dealers are being instructed to show the above increases separately in their bills and cash memoranda.

The Last Phase

THE COMMISSIONING OF THE NEW Rs. 70-million Blast Furnace in Jamshedpur in October marks the beginning of the end of the expansion programme started in December 1955 to double Tata Steel's capacity to two million tons a year.

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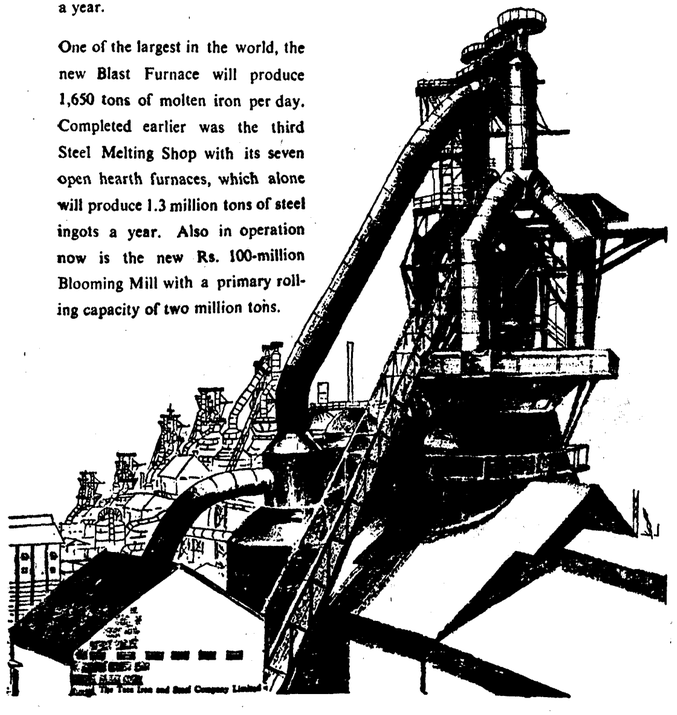

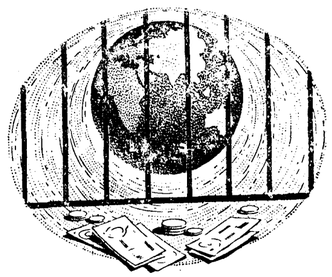

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SHARP FALL IN OUTPUT OF JUTE GOODS

STOCKS TOO DECLINE—ANXIETY OVER RAW JUTE PRICES DEEPENS

A FALL of 5,500 tons in the output of jute goods is the main feature of the working of jute industry during the month of October 1958. The stocks with mills at the end of the month, too, were lower, but by a much smaller extent than that in production. This indicates that despatches from mills during the month must have been on a much reduced scale than in September. The total production during the month amounted to 81,800 tons, as compared with 87,300 tons in the previous month and 83,500 tons in October 1957, and is the lowest monthly output since June 1957.

The decline in production is due to fall in the number of hours worked from 209 to 192, consequent on the *Pooja* holidays, and is shared by all classes of goods. Hessian has shrunk from 35,900 tons to 33,300 tons, the lowest level for the last four months. At this level. the hessian output represents 40.7 per cent. of the total production, as against 41.1 per cent. in the previous month and 38 per cent. a year ago. Sacking production has declined from 45,700 tons to 43,000 tons (a level not seen since June 1957), but its ratio to total production is a shade higher at 52.5 per cent., as against 52.3 per cent. in September, though it is substantially lower than that (56.4 per cent.) in October 1957. The decline in the ratio of sacking output to total and the rise in that of hessian indicates the diversion of some of the looms from sacking to looms during the last few months, consequent on the accumulation of the heavy goods with mills. "Other varieties" have shrunk by 200 tons, as will be seen from the following comparative table of production of gunnies:

Production of Jute Goods
(In tons)

	Oct., '58	Sept.,'58	Aug., '58	Oct., '57
Hessian	33,300	35,900	35,400	31,700
Sacking	43,000	45,700	44,300	47,100
Others	5,500	5,700	5,500	4,700
Total ..	81,800	87,300	85,200	83,500

The total production during the first ten months of the calendar year amounts to 878,300 tons, an increase of 33,100 tons over that in the corresponding period of 1957. This increase is accounted for by sacking, which has gone up by 47,500 tons to 488,300 tons, and by "other manufactures" which have gone up by 3,200 tons. Production of hessians has, however, fallen by 17,600 tons to 331,200 tons.

Stocks of gunnies with mills at the end of October aggregated 107,100 tons, as against 109,000 tons a month before. This decline of 1,900 tons is much less than that noted in September. Nevertheless, this is the fourth month in succession when stocks have fallen, the cumulative reduction during this period being 26,900 tons. Variety-wise, stocks of hessian have risen by 800 tons to 17,800 tons, thus reversing, albeit slightly, the downward trend in the previous three months when they declined from 31,000 tons to 17,000 tons, while those of sacking have shrunk by 3,100 tons to 77,100 tons, thus maintaining the downward trend for the third consecutive month. Notwithstanding this decline, stocks of sacking are higher by 39,600 tons over the year. "Other manufactures" also have gone up by 400 tons to 12,200 tons, an increase of 3,200 tons as compared with those at the close of October 1957. The following table shows the stock position at the end of the last three months, as also at the close of October last year:

Stocks of Jute Goods
(In tons)

	As on 31st Oct., '58	As on 30th Sept. '58	As on 31st Aug., '58	As on 31st Oct., '57
Hessian	17,800	17,000	19,000	29,500
Sacking	77,100	80,200	86,400	37,500
Others	12,200	11,800	11,800	9,000
Total ..	107,100	109,000	117,200	76,000

The total stocks at the end of last month represented over five weeks' production. Of these, hessian stocks constituted 16.6 per cent., as against 38.8 per cent. a year before. Sacking accounted for 71.9 per cent. and "other varieties" for 11.4 per cent., the corresponding figures at the close of October 1957 being 49.3 per cent. and 11.9 per cent., respectively.

There has been a substantial decline in shipments of jute goods during the month under review, as will be seen from the following table:

(In tons)

	Bags	Cloth	Total
Hessian			
October 1958	2,825.1	25,719.7	28,544.8
Sept.	1,817.0	36,240.7	38,057.7
October 1957	6,300.8	29,103.1	35,403.9
Sacking			
October 1958	32,438.6	589.4	33,028.0
Sept., ...	41,314.0	799.2	42,013.2
October 1957	31,358.1	292.3	31,650.4

Despite the sizable fall in stocks of manufactured goods with mills, the overseas orders for them are not encouraging enough to induce mills to increase their offtake of raw jute. At the same time, reports about raw jute crop place the size of the crop at a high level. Consequently, there has been a setback in raw jute prices to levels which are the lowest for many years. This is causing anxiety not only to growers and traders but to mills. No doubt, the I.J.M.A., with a view to arresting the downward trend, asked its member-mills in September last to lend support to the market by accelerating their purchases to the extent of three months' consumption. This was followed by the declaration of a state of emergency by the East India Jute and Hessian Exchange Ltd. The Exchange also ordered that any sale in the futures market below Rs. 22.50 per maund had to be covered with an additional margin deposit of Rs. 2.25 per maund. Though these measures have, no doubt, brought some steadiness to the market, the prospect of a large crop during the 1958-59 season is restricting buyers.

According to some circles, the bid to attain self-sufficiency in raw jute is said to have led to indiscriminate sowing and, unless effective measures are taken in time to regulate sowings, the debacle in fibre prices may, it is feared, affect the 1959-60 crop as well. The representatives of jute growers have made several suggestions to arrest the decline in prices. While some have favoured the fixation of effective "floor" prices for raw jute at a level which would give them an economic price, the Bengal Jute Dealers' Association, Calcutta, has suggested that the Government of India should allow export of limited quantities of raw jute. In the course of a statement, the Association points out that there had been a record production of 6.5 million bales of jute (including mesta) this year, but the prices had fallen to between Rs. 15 and Rs. 17 per maund from about Rs. 25.50 at this time last year. The present price, it is stated, is below cost of production and unless growers are assured of economic return, they will switch over to production of other crops.

While the Central Government is said to be against fixation of minimum price for raw jute, the prospects for exports of raw jute, even if allowed by the Government, are bleak. For the bulk of India's raw jute is of a coarser quality than that of Pakistan and it will, therefore, be difficult to find an overseas buyer. But there is no reason why an attempt should not be made if, in certain varieties of jute, there is a real surplus, as is contended by a section of the trade. India, of course, cannot afford to export its limited production of superior quality fibre. If it does, it will only increase its dependency on Pakistan for this quality. Even now, India will have to buy anything between 700,000 and 1,000,000 bales of high grade Pakistani jute, because this variety is not grown by it. Due to geographical and climatic limitations, India cannot hope to attain complete self-sufficiency in all the varieties of raw jute required by its mills. Exports of certain coarse varieties of raw jute, if successful, will enable India to find a part of foreign exchange required to pay for imports of high grade Pakistani jute and also help stabilise the domestic prices of raw material.

East Pakistan has sunk crores of rupees on the so-called jute support scheme, which was introduced in 1952-53, according to Maj.-Gen. Umrao Khan, Martial Law Administrator of East Pakistan. The idea of price support was to help jute growers, but, in reality, cultivators never got any tangible relief. Disclosing this fact, in the course of a broadcast talk last week, Maj.-Gen. Umrao Khan said that the benefit was derived by middlemen and exporters. Out of the total investment of Rs. 18 crores on this scheme, he added, as much as Rs. 11 crores was declared as net loss.

RUSSIA BUYS MORE INDIAN TEA

LARGER CROP IN NORTH INDIA

THE North Indian tea market has just completed six months of the current season beginning from 1st May 1958, and a review of the market conditions during the first half of the season (May-October 1958) presents a satisfactory picture, despite the generally gloomy prospects for common teas early in the season. The mid-season study, presented by Messrs. J. Thomas & Co. Private Ltd., Calcutta, in their monthly report for November 1958, shows that the movement and disposal of tea were, on the whole, swift and the volume of exports up to the end of October, as well as the prices fetched at Calcutta sales, recorded an improvement as compared with those in 1957.

Throughout this period, the demand for North Indian tea from the U.K. was encouraging and domestic buying, too, was active. In fact, according to Messrs. Thomas and Company, it was mainly as a result of the sustained home demand that the price of common and low medium teas did not go down below Re. 1.70 per lb. The U.S.S.R. is also stated to have "operated on a heavier scale than during the previous season and teas suitable for this market enjoyed some excellent sales." The main beneficiary of the heavy Russian buying was Darjeelings, as no other market could compete with Russia at the level of prices the latter was willing to offer for these teas. The strong Russian buying resulted in a short supply of good orthodox Assams, which consequently realised prices well above last year.

Analysing the general trend of prices, Messrs. Thomas and Company observe that the season opened with common and low medium teas quoting at about Re. 1.85 per lb. As the season progressed, offerings at sales became heavier and the price steadily declined to Re. 1.70 by the end of August. There was a reversal of this trend in September and prices firmed up. There was a further recovery in October, with the result that there was little tea on the market below Re. 1.75 per lb., as compared with Re. 1.60 in 1957. Thus, "the usual seasonal decline in prices which sets in with the arrival of rains, teas on the market has so far been averted."

As in the previous season, the market for C.T.C. teas, the report says, opened strong and "some fancy prices were paid for the best offerings up to the middle of August." Thereafter, there was a setback and the market for these teas began to decline rapidly. The price level for the majority of the offerings at the end of October, however, was decidedly lower than in 1957. This was evidently due to a "glut of medium and inferior C.T.C. teas on this market," following the conversions to C.T.C. manufacture. Uttering a note of caution on the danger of this switch-over, if continued, Messrs. Thomas and Company say:

"Although conversion to C.T.C. manufacture may have proved profitable in the past years, a stage may have been reached when there is rather more of this kind of tea than the market can readily absorb. The situation needs to be carefully watched and, should the present trend continue, marginal estates with insufficient machinery would be well advised to discontinue C.T.C. manufacture."

The weekly offerings of dusts during the current season so far were somewhat larger than usual, but, in view of the satisfactory demand, the average prices realised compared favourably with those of the previous season. The prices for medium Dooars, for instance, were consistently higher than in 1957 and, at the end of October, common dusts were dearer by nearly 20 nP.

The following comparative table, showing the monthly averages of all export and dust teas sold on the Calcutta market and average prices realised therefore, up to the end of October:

	Export				Dusts			
	1958		1957		1958		1957	
	Chests	Average price	Chests	Average price	Chests	Average price	Chests	Average price
		Rs.		Rs.		Rs.		Rs.
May ..	14,669	2.88	16,438	3.09	126	2.27	....	....
June ..	48,665	2 48	48,378	2 06	57,506	2.06	12,085	1.60
July ..	130,174	3 02	197,844	2.79	71,684	2 00	44,809	2.04
August ..	182,885	2 65	212,527	2 49	99,243	2 03	73,294	1.90
September	299,729	2 44	226,321	2 84	44,009	2.05	78,719	1.85
October ..	145,467	2 28	171,909	2.18	273,258	2.03	63,830	1.91
Total ..	815,559	2 58	803,412	2.42			272,737	1.90

(Continued on page 863)

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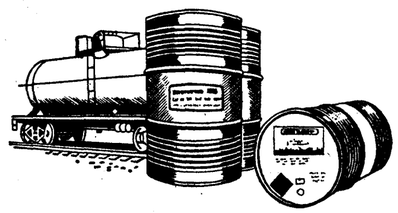

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INDIA'S SEARCH FOR MINERALS

RS. 15-CRORE DEVELOPMENT CORPORATION TO BE SET UP

THE growing demand for mineral products in the country serves to emphasise the importance of a vigorous prospecting campaign. India, as is well known, is deficient in a wide range of minerals, particularly non-ferrous metals and oil. Much concerted effort has been made to locate reserves of these minera's. Nevertheless, a great deal remains to be done. What the country needs is a sound mineral policy which will encourage private prospecting. It is true that the original rigour of this policy, which gave insufficient recognition to what the private sector could do, has been modified in some respects in recent months. But this policy has to be more actively pursued before it can yield results.

Although the Government came on the mining scene only recently, it has had some notable achievements to its credit. The tempo of coal mining, it is stated, is being stepped up, so that the public sector could reach the target of additional 10 million tons set for it. The existence of additional gold reserves in Kolar gold area, according to Dr. B. C. Roy, Director of the Geological Survey of India (not the Chief Minister of West Bengal), has been proved. The reserves are believed to be "appreciable." A detailed investigation of copper ore has been carried out in the Singhbhum district of Bihar. Further exploration has been undertaken in the Hebri copper belt in Rajasthan where "very promising" results have been obtained. Investigation in Andhra and the Himalayan regions of the Uttar Pradesh is now in progress. Drilling operations for coal have been launched in the Godavari Valley in Andhra and the Karanpura region in Bihar. A few fields rich in manganese ore have been located in Nagpur and Bhandara districts of Bombay and Madhya Pradesh.

Oil Prospecting

By far the most intensive among the prospecting operations is the one that has been carried out in the country for locating oil reserves. Much interest attaches to this development. For the demand for oil is now being met largely by imports, so that any discovery of new oil reserves will save the country much precious foreign exchange. At present, India's oil requirements have to be met through imports valued at Rs. 100 crores, of which crude oil accounts for some Rs. 40 crores and kerosene for Rs. 19 to 20 crores. In 1956, the Thacker Committee on coal assessed the total energy consumption of India at 225 million tons (coal equivalent), of which commercial energy accounted for only 20 per cent. Of the commercial energy, oil met only 12 per cent. of the country's requirement, coal nearly 83 per cent. and power about 5 per cent. On a conservative estimate, the Committee, on the basis of a 10 per cent. increase in the utilisation of commercial energy, assessed the requirements of such energy at 396 million tons (coal equivalent) by 1975. It also estimated the total oil requirement by 1975 at 40 million tons, as against the present requirements of about 7 million tons. Even by 1961, it has been estimated that India would have to spend some Rs. 142 crores on imports of oil. The Estimates Committee observed that the magnitude of the oil imports which would be needed in the context of the country's economic expansion "would clearly indicate the importance and urgency of making determined attempts to find oil and gas in the country as sources of energy, since the alternative is to slow down the proposed rate of industrial progress."

Reserves

Sustained efforts have been made to discover oil by the private agencies and the Government-owned Oil and Natural Gas Commission. In Assam, oil reserves have been located by the Burmah Oil Company. The State-owned Commission has been carrying on drilling operations in Jwalamukhi, Sibsagar and Cambay. Among these centres, Cambay has shown considerable promise. The Commission has located three oil-bearing strands at various depths at Lunej (Cambay). The well which has been drilled in that centre, has touched the Deccan strata. The next step is to provide a "casing" to the well. This will be followed by certain productive tests which will throw light on the commercial value of the present well. Two more wells will be dug in a year's time. Until all these steps have been taken, it cannot be said that drilling in Cambay area has yielded successful results.

During the last few days, reports from Baroda have been claiming that oil has been noticed at one of the experimental drilling sites at Vadser (four miles from Baroda), where a team of Indian experts has been carrying on investigations for the last six months. The Union Minister for Mines and Oils, Mr. K. D. Malaviya, in the course of a statement issued last week, said that the Oil and Natural Gas Commission had been drilling experimental holes in and around the city of Baroda for the last six months to obtain information regarding the subsurface geology of the area following indications of gas in some old tube wells in the town; the drilling programme was intensified after the discovery of oil in Lunej (Cambay). Till now, 12 shallow wells had been drilled in and around the city. While testing the twelfth well, oil was noticed in a horizon at a depth of about 105 metres. Mr. Malaviya said: "While the indications of oil have encouraged the technicians of the Commission in their programme of exploration, no premature hopes should be built around the discovery which should be received with caution. This does not necessarily establish that oil occurs in this region in commercial quantities. Further drilling will be necessary and the Commission are already intensifying their programme of exploration of the region. But for the excitement and jubilation caused by this discovery, I would have waited for a few more weeks to share the news with my countrymen till a clearer picture emerged. Nevertheless, this discovery tends to confirm the expectation of oil over a more extensive area than indicated by the discovery of the Lunej well."

This is a very carefully worded statement. What is confirmed by the discovery is not the existence of oil but only expectations of its existence. It is, therefore, premature for the country to congratulate itself. The oil exploration operations in Gujerat have yet to yield concrete results.

Demand for Oil

As stated at the outset, the demand for oil is growing every year. A considerable part of this demand is now being met through imports. Except for Digboi, the other three refineries—Burmah-Shell, Stanvac and Caltx—are refining imported crude oil. Although these refineries do save some foreign exchange, the fact remains that crude oil has to be imported. Plans for setting up two refineries in the public sector have been drawn up, one at Gauhati with a capacity of 750,000 tons and the other at Baruni (Bihar) with a capacity of 1,500,000 to 1,700,000 tons. The Gauhati refinery will, it is said, work with Rumanian collaboration. No details of the arrangement with Rumania have been given to the public. No decision has yet been taken with regard to foreign collaboration for Baruni refinery. Although these refineries, when they are set up, will go some way towards increasing the oil processed in the country, it is through location of fresh sources of supply that the country can reduce its foreign exchange expenditure. In the absence of fresh discovery of oil, India's imports of crude oil will grow in the context of the increasing demand for oil and oil products. In this connection, it is gratifying to note that the Petroleum Consumers' Advisory Council, which met early this month under the chairmanship of Mr. K. D. Malaviya, the Union Minister for Steel, Mines and Fuel, decided that long-term forward estimates of the country's requirements of petroleum products should be prepared. It also decided that all possible economy should be exercised in the consumption of petroleum products, with a view to reducing the drain on foreign exchange. It would appear that several suggestions were made for reducing the growing imbalance between consumption of motor spirit and high-speed diesel oil. The imbalance in regard to the various petroleum products, according to Mr. Malaviya, existed in all countries; only, it was more keenly felt in an economically backward economy like India's. A suggestion that was made for the purpose of reducing the imbalance in the utilisation of petroleum products was that increasing use should be made of furnace oil which is available in sufficient quantity. In the final analysis, however, the problem could be solved only through locating and exploiting new oil reserves. This is what gives the continuing efforts towards locating oil resources a national significance.

A New Body

A major decision in the sphere of Government's mineral policy is the announcement relating to the setting up of a new body entitled the National Mineral Development Corporation (N.M.D.C.), with an authorised capital of Rs. 15 crores for the exploitation of minerals in the public sector. The functions of the Corporation, according to a statement made by Mr. Malaviya at a Press conference, held at New Delhi last week, will be to take over all mining of minerals included in Schedule "A" of the Industrial Policy Resolution. It may be mentioned here that this Schedule, which refers to the economic sphere of the State, includes such minerals as coal and lignite, mineral oils, iron ore, manganese ore, chrome ore, gypsum, sulphur, gold and diamond, copper, lead, zinc, tin, molybdenum and wolfram and atomic minera's. To start with, the Corporation will undertake exploitation of iron ore in Kiriburu and other strategic minerals like copper, zinc, lead and sulphur pyrites. Existing mining operations of the private sector will not be disturbed. *But licence for their extension will normally not be given.* The Corporation will have power to set up subsidiary companies. Mr. Malaviya said that, if the private sector would like to associate itself with the Government in the exploitation of minerals on Government terms, its association would be considered. The personnel of the N.M.D.C. is expected to be announced in a couple of weeks. It will have a board of directors, consisting of officials and non-officials.

Mr. Malaviya emphasised that priorities for the development of minerals would depend on the demand for minerals. For instance, there was a great demand for iron ore, sulphur and copper ores. Copper mining would be started in the third Plan, though a beginning would be made in the current Plan period itself. Polish experts were willing to help India in regard to copper mining; a Polish team would be coming to India soon. The Government would shortly start exploiting sulphur pyrites. With regard to zinc and lead, the output of Zawei mines in Rajasthan was not satisfactory; they now mined 400 tons per day, as against a target of 1,000 tons. Diamond deposits in Panna were extensive; they would be fully exploited. A survey of the Bastar area in Madhya Pradesh would be undertaken soon. The Minister hoped that, in the not too distant future, India would be able to produce 10 million tons of iron ore. Under the present programme, the target for the second Plan was only six million tons, out of which India had already agreed to supply 2 million tons to Japan. He also revealed that both Italy and Austria were very anxious to purchase Indian iron ore and that it would be examined in detail later.

Monolithic

It is not clear why a monolithic corporation has been found necessary for the exploitation of minerals. In the first place, the problem of prospecting for minerals in a vast country like India, differs from region to region. A corporation, controlled by the Government, would not be able to cope with its tasks. Secondly, the position has been made worse by the Government's decision not to grant further licences to the private sector. This means that all further exploration for minerals, listed in Schedule A, will be undertaken only by the State. Has the Government the necessary resources and personnel? Presumably, even the limited "success" in Cambay has encouraged the Government to adopt an inflexible attitude. This is unfortunate from the point of view of wider national interests. This attitude is also opposed to the sober views expressed by the Estimates Committee. Referring to mineral oil, the Committee, while not denying the validity of the Industrial Policy Resolution, emphasised that "while direct exploration, etc., by Government agencies should continue and in fact should steadily expand for some years to come, private concerns should, to the extent possible, be given licences to undertake exploitation work, with or without Government participation." This advice, which is applicable to all minerals, has been unceremoniously rejected by the Government. The establishment of the Corporation, with wide powers to engage itself in the unchartered mineral sea, spells danger to the future of mineral exploitation in the country. The Government should at least ensure that private agencies are not prevented from making their contribution to mineral discovery and exploitation.

NEW PRODUCTS AND PROCESSES

Advance Determination of Sex of Cattle

A METHOD for determining in advance the sex of cattle and other domestic animals by means of separating centrifugally the female and male producing spermatozoa has been developed by Professor Per Eric Lindahl, of the Zoophysiological Institution at Upsala, Sweden. *It is based* on theoretical principles presented in 1946 by an American scientist Mr. Newton Harvey who, however, never completed his researches. The method, which has not yet overcome some practical problems fo not injuring the sperm cells in the process, is nevertheless, according to the Professor very promising. The determination of sex in the progeny is not the only practical value to be derived from the new process. It facilitates a quick propagation of certain propitious lineages in cattle breeding. The institution is also engaged in basic research on sperm killing preparations. This work is done in collaboration with a British organisation. At the Upsala centre a new method has been evolved for photographic registration of the reactions of the sperm to certain poisons. A group of the Institution's researchers is studying methods of influencing the capacity of agglutination of the spermatozoa, which may prevent fertilisation and thus be important as a means of limiting the birth rate.

Producing Steel "Directly" from Iron Ore

A process which is said by the scientists responsible for developing it to be capable of producing steel "directly" from iron-ore has been developed by the East China Chemical Engineering Institute. Few details of the operation of the process have been released, but it is reported that it renders it necessary to convert the iron-ore into pig iron as an initial stage of steel production. One of the essential raw materials for the operation is said to be natural gas, which provides the heat which is applied to the iron-ore and then, subsequently, to the conversion of the extracted liquid iron during its conversion into steel. As a result of the design of the plant—which has been tried out, it is claimed, on a pilot plant scale—the use of blast furnaces is said to be eliminated. Although very rapid speeds of processing the iron-ore and converting it into steel are claimed, the efficiency of operation of the process is believed to be relativly low.

Better Rubber

A series of synthetic rubber films based on the use of nitrile rubber latex which are said to have both excellent clarity and better physical properties have been developed in the U.K. The films are said to be suitable for leather finishes, paper sizing and finishing and for use where abrasion-resistant tough coatings are required. The production of the films depends on the use of a new curing system which employs sodium aluminate, which is a relatively cheap material and one that is easy to use. The use of sodium aluminate also has the advantage that it gives the film heat-resistant and light-resistant properties equivalent to those given by zinc oxide. The addition of mercaptobenzthiazole during the curing process when sodium aluminate is used improves these two characteristics, it is claimed, to an extent where they significantly exceed those produced by conventional curing processes.

Heavy-duty Plastic Covering

A new heavy-duty plastic coating has been developed in Britain. Comprehensive trials are said to have shown that the material can be applied, under adverse weather conditions, without there being any likelihood of subsequent failure. The new coating is based on the use of epoxy resins. Although a number of epoxy-based protective coatings have been developed in the past, many of them are said to have a relatively high proportion of failures when applied in adverse weather conditions. The latest coating, which is called Epiglo G, can be used on a very wide range of surfaces, including steelwork, concrete, brickwork and wood. It can be sprayed or painted on with a brush, or applied by dipping techniques.

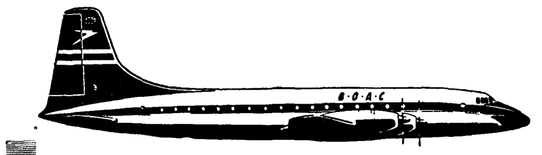
High-speed Teletypewriter

A teletypewriter which prints 3,000 words a minute has been exhibited at New York by the United States Army. The machine consists in part of an electronic gun that shoots the letters onto a special paper. After a volley of words, each line of text passes over powdered ink and a heated roller. The words appear a split second later. In theory, the device could operate at a speed of half a million words a minute. Such speed will remain theoretical, however, until someone finds a way of running paper through the machine fast enough to keep up with the speedy flow of words.

Preventing Staining

A process for using fluorocarbon compounds to proof coloured shoes and fabrics against staining by oils and water-based staining agents has been developed for U.K. commercial application. The system can be applied, the scientists responsible for developing it claim, for use with both textile covered and leather shoes. It can also be applied to textiles.

The effectiveness of the treatment is said to be such that even dirty oil can be removed from the coated shoes, or textiles, in a few moments without leaving behind a grease ring of any sort. The operation of the process depends on the fact that certain types of fluoro-carbon chemicals will resist attack not only from oils, but also from water-borne oil compounds such as salad cream, or other sauces. Neither gravy, nor spilt cocktails will stain, it is claimed, the treated fabrics, or leathers.



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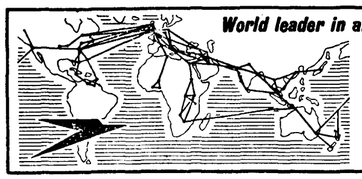

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BOMBAY AND KANPUR FACTORIES TO BE EXPANDED

THE Fifty-seventh Annual General Meeting of the Bengal Chemical and Pharmaceutical Works Ltd., was held in Calcutta on 10th October 1958. Addressing the shareholders on the occasion, Dr. B. N. Ghose, Chairman, stated that the lockout in the Company's Bengal factory (due to labour trouble), continued rise in manufacturing cost, curb on import of raw materials, absence of facilities to produce basic chemicals, transport difficulties and congestion in the Calcutta port were the main factors which made the year ended 31st March 1958 a difficult one for the Company.

The following is the full text of Dr. Ghose's speech:

"GENTLEMEN,

"On behalf of the Board of Directors I have great pleasure in extending to you a cordial welcome to this meeting.

"It is with deep regret that we have to record the loss which we have suffered in the death of Mr. T. C. Ray, our Chairman of the Board of Directors, which took place on 21st January 1958. He was on your Board since 1940. His wise counsel was always available to the interest of the Company and he is greatly missed by all of us.

"The Directors' report and audited accounts for the year ended 31st March 1958 have been in your hands for sometime and, with your permission, I will take them as read.

"During the year, we had to face an extremely difficult labour situation. It is unfortunate that the strained relations with labour had resulted in three and half months of lockout and strikes with consequent loss of business to a considerable extent. In this connection I might tell you that the demand of increase in D.A. made by the labour last year is pending before the Supreme Court and the cases relating to the dismissal of the five labour leaders along with twelve charge-sheeted workers in connection with the last lockout and strikes are pending before the Tribunal. I cannot go into the details of the lockout and strikes as the matter is *sub-judice*.

Bombay and Kanpur Factories

"Gentlemen, after all these experiences your Board of Directors, in order to keep up the production and maintain the sale thereof, has decided to expand the Bombay and Kanpur factories without much loss of time. During the strike period both our Bombay and Kanpur factories gave their maximum output and we tried to meet the demands of our customers as best as we could. The effect of loss of business due to this year's strike will be felt in the current year's account.

"Apart from the labour troubles, last year has been a difficult year with the Company. There was continued rise in manufacturing cost, as the prices of raw materials were on the increase due mainly to rigid import policy of the Government. There was no dearth of orders from our customers, but want of basic materials was our difficulty. Salaries and wages continued to increase. Increase in D.A. and increase in contribution of provident fund on D.A. were amongst the other causes of increase in cost of production. The rate of taxation on profits has also, been highest in history.

Basic Chemicals

"Our Government, instead of giving priority to steel, should now turn its attention to other industries, for example, manufacture of basic chemicals, modern antibiotics, sulpha group of drugs, etc., which are needed by our country and are imported in large quantities. Very recently a Russian team came to explore the possibilities of manufacturing basic chemicals, etc., in our country and visited our factory. A few years back another team of experts from Russia also visited our factory, but we never heard anything about their report. I hope we shall have the privilege of being acquainted with the report of the Russian experts made this time and the Development Department will give effect to the suggestions made by them.

"Our transport problem has been solved to a great extent by private road transport concerns who carry our goods quickly and efficiently to distant places like Patna, Muzaffarpur, Kanpur and various other places from godown to godown quite safe and sound. Insurers are now readily covering such carriage of goods. We have not to complain any longer over the problem of despatch by railways. But our difficulty of getting shipping space is still continuing, in spite of our best efforts and this hampers to some extent our overseas trade. The present system of analysing and checking by the authorities of our drugs and chemicals after the goods have been sent to the jetties for export is also contributing to our export difficulty. We shall be thankful if the authorities would be good enough to devise easier and quicker methods for such analysis and checking, so that the goods are not unduly held up.

"Congestion in the Calcutta port, serious delay in clearance of vital raw materials, pilferages and thefts, unusual delay in the analysis of raw materials by the authorities concerned have hampered our planned production.

Import Policy

"If the import policy for essential basic raw materials could be more liberal and licences could be granted on a longer basis to the actual 'users' in preference to the 'established importers,' our production planning could be solved and we could expand our export business further in the countries of the Middle East and Near East.

"I would further request the Government to revise the present structure of duty on basic raw materials. I feel, there should be an overall reduction.

"During the year, there was good demand for our products, but we were not able to meet such demands to the full extent due to the reasons that have been stated before.

"I can assure you, gentlemen, that your Company has continued to maintain its position and reputation. Our products are all standardised and are known in the market to be of the highest purity and quality. When the Russian experts visited our factory last month they remarked that 'this is the only factory in India where we have seen raw materials coming in at one end and finished products going out at the other.'

New Production Lines

"I am glad to be able to inform you that our new alum plant at Panihati factory is now working in three shifts and we are producing approximately 30 tons of ferro alum a day which is the maximum capacity of the plant. Our two sulphuric acid plants are also working in three shifts. Still we are not being able to meet our demands.

"We have modernised our biology department by equipping it with automatic plants and having it fully air-conditioned. This has entailed a cost of about Rs. 2½ lakhs and we hope that the improved method of production and increase in output would bring us profits.

"Shareholders must have found it difficult to follow the accounts as given in the annual report. This has been drawn up under provisions of the new Companies Act, 1956 which have made the accounts very complicated.

"This year, you will find that no provision has been made separately for Acharya Prafulla Chandra Research Fund, but, as in other years, an equal amount will be spent for the purpose from our current year's income without earmarking any specific fund therefor. This has been done under advice of the auditor. Besides this provision for research work, we donate Rs. 3,000 to the School of Tropical Medicines for researches to be carried on by a research scholar under the Director of the School of Tropical Medicine. We also donate Rs. 3,000 for research work to be carried on in the University College of Science.

Profit and Loss Account

"Our net profit for the year compares favourably with that of last year and our sales recorded a further increase.

"Gentlemen, you will be glad to find that your Directors have recommended a dividend of 6 per cent., free of income-tax, on all ordinary shares, although our Maniktala and Panihati factories were closed for full one month on account of lockout and strike respectively during the year under review.

"Building up of our reserves has been maintained.

"Under the head 'consumption of raw materials' you will notice an increase as compared to last year's figure. This is because of increase in the price of raw materials as I have indicated before.

"'Bad debts' also show a big increase, as debts due from all parties beyond 1st April 1955 have been included under this head, though they contain many debts which are realisable as some of the parties are different departments of the Government, public dispensaries, etc.

"We have tried our best to effect economy, but certain factors being beyond our control such economy could not be all round.

"In freight and transport charges, though there has been an increase of 6¼ per cent. for consignments below 20 maunds on goods by railway transport and on parcels (which constitute the majority of our transactions), there has been a reduction by Rs. 63,000 approximately.

"In printing, stationery, postage, telegrams and telephones, etc., though there has been, as you are all aware, an all-round increase, we have effected some reduction.

Balance-sheet

"Current assets show a decrease. We have been showing so long the amount in the provident fund as assets of the Company. This amount does not really belong to the Company and so under the provisions of the new Companies Act, the sum of about Rs. 29 lakhs standing in the provident fund has not been included in our assets.

"Reserve and surplus show a decrease which is due mainly to deduction of provident fund assets as above stated.

"Secured loans show a decrease of about Rs. 11¼ lakhs due to there being no bank overdraft.

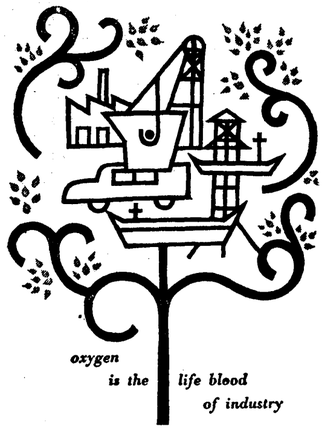
"Unsecured loans show an increase mainly due to increase in trade deposits and advances. There has been an increase in the income-tax provisions as there has been an increase in profit.

"Current liabilities, therefore, show an increase of about Rs. 4½ lakhs which have been provided for income-tax and wealth tax.

"I should finish my statement with an expression of grateful thanks to those officers, staff and workers of the Company who have rendered valuable services. I would also thank my colleagues for their ungrudging help and our customers for their unfailing co-operation, without which successful results could not have been achieved.

"I would be failing my duty, if I do not acknowledge with gratitude the help, advice and protection that we received from the Government during those critical days of the lockout and strike period."

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



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PROTECTION FOR SODA ASH EXTENDED

SELF-SUFFICIENCY TO BE REALISED BY 1961

CHEMICALS have an important role to play in a developing economy such as India's. Appropriately enough, there has of late been a growing realisation in the country of the importance of achieving at least self-sufficiency in pharmaceuticals and heavy chemicals, if not of developing export markets. In this context, it is gratifying to hear that the Government has accepted the Tariff Commission's recommendation that protection to the soda ash industry should continue for three more years, that is, till 31st December 1961, at the existing rates, standard and preferential, of duty. The existing units making soda ash have registered substantial progress during the past few years and a number of new units are also coming into being. It is thus necessary to continue protection to them "until self-sufficiency to meet the country's requirements of soda ash is achieved sometime in 1961."

The soda ash industry, it may be recalled, has been enjoying tariff protection since 1949. The last tariff enquiry was conducted in 1955 and protection was recommended up to 31st December 1958. It was also recommended that, based on the tariff value of Rs. 14 per cwt., the standard rate of protective duty should be brought down to 30 per cent., the preferential rate being fixed in accordance wtih the Indo-U.K. Trade Agreement. It was further suggested that specific rates of duties should be fixed in preference to *ad valorem* rates. The Government accepted these recommendations and fixed the duties at the specific rates of Rs. 5-10 per cwt. standard and Rs. 4-3 per cwt. preferential with effect from 25th June 1955. By the Finance (No. 2) Act, 1957, the rates of duty were later revised to Rs. 5.75 per cwt. standard and Rs. 4.25 per cwt. preferential. These rates are to continue for three more years from the end of 1958, as mentioned above.

Existing Capacity

The Tata Chemicals Ltd., Bombay, and the Dhrangadhra Chemical Works, Ltd., Bombay, continue to be the only two units engaged in the manufacture of soda ash. The present capacity of the Tata Chemicals is 72,000 tons per annum on the basis of 200 tons per day calculated for 360 days. The Company has, we are told, plans to double its present capacity in stages to be completed by 1961. The present capacity of Dhrangadhra Chemicals is 43,200 tons per annum on the basis of 120 tons per day, calculated for 360 days. It has already installed equipment with a view to increasing its capacity to 150 tons per day or 54,000 tons per annum. The increased production will not, however, be possible until April 1959, when additional power supply to the extent of 330 kw. will be available from the Bombay Electricity Board.

Three new units have already been licensed for the manufacture of soda ash, namely, Saurashtra Chemicals, Porbandar (which is a subsidiary of the Jiyajirao Cotton Mills Ltd., managed by Birla Bros.), Sahu Chemicals, Moghalsarai, and Khan Bahadur H. M. D. H. Bhiwandiwalla & Co., Bombay. The construction of buildings of Saurashtra Chemicals and erection of its plant and machinery have reached a fairly advanced stage. Commencement of production is, however, subject to the installation of a Government power house which is to supply the requirements of power and steam. According to the Development Wing of the Commerce and Industry Ministry, this unit is likely to go into production in the second quarter of 1959. It proposes to manufacture 200 tons of soda ash per day (or 72,000 tons per annum), out of which 100 tons would be converted into caustic soda. The second unit, namely, Sahu Chemicals, did not care even to reply to the questionnaire issued by the Tariff Commission. This Company has, however, acquired the land required and is erecting the factory, with a capacity of 120 tons per day or 43,200 tons per annum. It is expected to commence production in the second half of next year. The third one, namely, Bhiwandiwalla & Co., proposes to establish a plant with a capacity of 200 tons per day or 72,000 tons per year. It would appear that the unit will start production by 1961, but upto the date of the Tariff Commission's report had not finalised negotiations in any direction.

Production of soda ash has been steadily increasing for the past few years. This trend is bound to continue in the years to come. The following table provides figures of actual production during 1956 and 1957 and estimated production for the whole of 1958, 1959 and 1960.

(In tons)

	1956	1957	1958	1959	1960
Tata Chemicals ..	53,340	58,820	59,000	63,000	87,000
Dhrangadhra Chemicals ..	30,893	33,944	35,000	51,300	54,000
Saurashtra Chemicals	Nil	Nil	Nil	35,000	69,000
Sahu Chemicals ..	Nil	Nil	Nil	10,000	36,000
Total ..	84,233	92,764	94,000	159,300	246,000

As regards heavy soda ash, the Tata Chemicals Ltd. has a plan to produce 80 tons of heavy soda ash per day as part of its expansion programme. In the first instance, it proposes to install necessary equipment to manufacture 50 tons of heavy ash per day by about the end of 1959 and increase it to 80 tons per day in 1961. We are also told that the entire production of soda ash at Sahu Chemicals will be of the heavy variety.

There has been a rapidly growing domestic demand for soda ash. The total availability (indigenous products and imports) of soda ash in the country amounted to 177,475 tons in 1957, as against 99,629 tons in 1951, 142,837 tons in 1954 and 175,229 tons in 1955. The major consumers of soda ash are glass industry, silicate industry, textiles, paper, bichromates, sodium bicarbonate, other chemicals and miscellaneous industries, chemical caustic soda and *dhobis* and laundries. After ascertaining the needs of each of these important consumers, the Tariff Commission has estimated the demand for soda ash in 1958, 1959 and 1960 at 179,000 tons, 204,000 tons and 239,000 tons, as under:

(In tons)

	1958	1959	1960
Glass industry	44,000	49,000	56,000
Silicate industry	16,000	18,000	20,000
Textile industry	9,500	9,800	10,000
Paper industry	4,000	4,500	5,000
Bichromates industry	4,000	4,500	5,000
Sodium bicarbonate	5,200	6,500	7,000
Other chemicals, miscellaneous industries and brine purification.	10,700	13,700	17,000
Chemical caustic soda industry ..	9,600	20,000	40,000
Dhobis and laundries	76,000	78,000	79,000
Total ..	179,000	204,000	239,000

The glass industry and bichromates, industry both use heavy ash. Their demand for for heavy ash during 1958, 1959 and 1960 will be 48,000 tons, 53,500 tons and 61,000 tons respectively. The balance of the demand will be for light soda ash and will aggregate 131,000 tons for 1958, 150,500 tons for 1959 and 178,000 tons for 1960.

Raw Materials

The raw materials required by the industry are salt, limestone, ammonium sulphate, sodium sulphide, sulphur and furnace oil and soda ash for brine purification. The fuels required are hard coke, coal and furnace oil. The industry has been experiencing difficulties in getting these raw materials in adequate quantities at a reasonable price.

The Tariff Commission had suggested in 1955 that the existing producers should take steps to bring down their cost of production through economy in the use of raw materials, introduction of better types of equipment and improvement in quality. The Tariff Commission is of the view that their performance has fallen short of its expectations, especially in regard to the use of raw materials. There has, however, been a general improvement in the quality of the product. Commenting on this subject, the Commission says:

"The manufacturers have stated that they are taking necessary steps to control the quality of the product so as to meet the standards specified by the Indian Standards Institution. The only complaints which they have received are in relation to the dull colour of the product and the higher moisture content. These deficiencies result from the very nature of soda ash which is subject to the weathering action of atmosphere containing moisture and carbon dioxide. Soda ash absorbs moisture and is decomposed to a small extent to sodium bicarbonate due to the presence of carbon dioxide in the atmosphere and this decomposition imparts a dull colour to the product. For almost all purposes this weathering is of no consequence as it does not affect the quality of the product. It has been suggested by Tata Chemicals that such of the consumers who require the product free from any weathering action may purchase their requirements in airtight packings such as drums."

Besides tariff protection, the industry has been enjoying the benefit of quantitative restrictions on imports necessitated by shortage of foreign exchange. Even the limited imports are strictly regulated. From the beginning of 1955 they were channelled through two importers—*cum*-distributors appointed by the Government. This was done, in order to prevent speculation and other undesirable activities in a scarce, essential commodity such as soda ash. Imports of heavy soda ash were arranged through Imperial Chemical Industries (Private) Ltd. Since 1st July 1956 imports of light soda were allowed only through the State Trading Corporation, which appointed four distributors, namely, Imperial Chemical Industries (India) Private Ltd., Tata Oil Mills Company Ltd., Chemical Importers and Distributors (Private) Ltd. and Chemical and Alkali Distributors Ltd. Actual imports of soda ash are indicated in the following table along with indigenous production:

(In tons)

Year	Indigenous production	Imports	Total
1951	47,528	52,101	99,629
1952	43,372	112,147	155,519
1953	56,833	35,506	92,339
1954	48,293	94,544	142,837
1955	77,272	65,985	143,257
1556	84,233	90,996	175,229
1957	92,764	84,711	177,475

The Tariff Commission has computed the fair ex-works price (plus freight disadvantage) of soda ash at Rs. 16.83 per cwt. The landed cost (ex-duty) of the product is shown at Rs. 8.86 per cwt. The difference between the fair ex-works price and landed cost ex-duty is Rs. 7.97, or as much as 96 per cent. of its c.i.f. price of Rs. 8.30. Thus a specific protective duty (standard) of Rs. 7.97 per cwt. of soda ash is required to meet the present situation as against the existing duty of Rs. 5.75 per cwt. The Commission, however, feels that it is not necessary to raise the level of protective duty. It has given a detailed explanation in support of this conclusion. One of the reasons mentioned is the limited and strictly regulated import of the product.

An important recommendation of the Commission relates to the need for ensuring satisfactory distribution of the product. The Commission has urged that arrangements should be made to import light soda ash to the extent of about 37,000 tons in 1958 and heavy soda ash to the extent of about 48,000 tons in 1958, 44,000 tons in 1959 and 7,000 tons in 1960. Apart from ensuring the importation of these quantities, efforts should be made to regulate their arrival and supply in an even manner.

RICE CROP OUTLOOK

Prospects for the 1958-59 rice harvest in Asia are particularly bright; according to the *Grain Bulletin* just published by the Commonwealth Economic Committee. Trade in rice in 1958, according to the journal, is now little below that a year earlier, the fall in shipments from Burma and Thailand and from Western Hemisphere countries being offset by larger consignments from other Asian countries.

One distinguishing feature of the trade in rice has been the appearance of Chinese rice in the world market. Thai export prices showed some further rise in September, but U.S. quotations showed little change.

Yields from the Indian autumn crop are described as "fairly good." The Chinese autumn crop is estimated at 57 000.000 tons—40 per cent. higher than last year—while the total rice crop is expected, with favourable weather conditions, to reach 180,000.000 tons, as compared with about half that total in 1957-58. About one-third of the crop remains to be harvested. The crop in Indonesia is expected to equal the large figure of 1954. Prospects in Thailand also continue to be good.

In Formosa, where a target of 2 500 000 tons of paddy has been set for 1958-59, the first crop is estimated at 1,221.000 tons—about 25 000 tons higher than last year. From Japan there are reports of a typhoon, but the extent of the damage is not yet known. The yield per acre in Australia this season is expected to be increased by 10 per cent. by the use of a newly introduced American variety which also shows greater resistance to cracking.

Details of trade in rice so far in 1958 indicate that exports are now running at a level a little below that of 1957. Shipments from Thailand during the first eight months of the year totalled 900.800 tons, as against 1,153,200 tons a year earlier, while those from Burma in January-July fell from 1,147,300 to 939.800 tons. Other Asian countries showed some increase in exports, those from Cambodia and South Viet-Nam in January-June rising from 118.600 tons and 84,000 tons to 154.700 tons and 108,700 tons, respectively.

Exports from Formosa in this period increased from 44.800 tons to 105,700 tons, while Malayan consignments in January-July rose from 65,300 tons to 134,500 tons. The rice export trade of China, as indicated by the trade figures of importing countries, has risen in the first seven months of this year to over 240.000 tons—about three-fifths greater than in the corresponding period of 1957. Shipments from the United States during January-July were reduced from 515.400 tons to 340,200 tons, and those from British Guiana fell from 25.500 tons to 8.900 tons.

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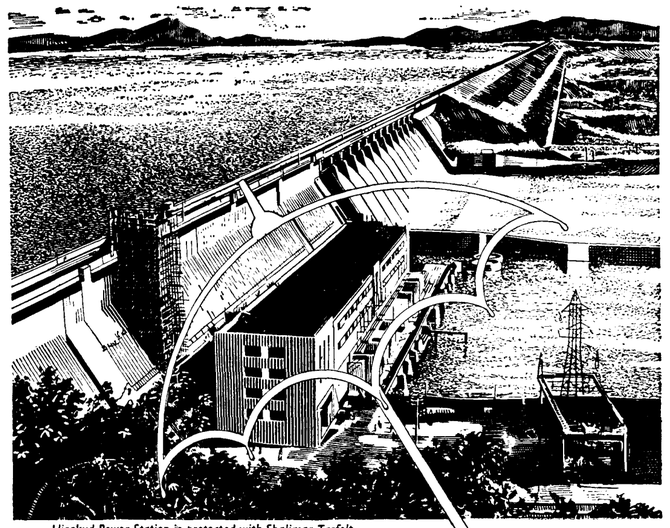
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DELHI CLOTH AND GENERAL MILLS FARE BETTER

RESERVES STRENGTHENED—DIVIDEND MAINTAINED

VIEWED against the general background of fall in profits, or no profits at all in some cases of the textile industry, the performance of the Delhi Cloth and General Mills Company, Ltd. (Managing Agents: Messrs. Bharat Ram Charat Ram & Co. Private Ltd., New Delhi) during the year ended 30th June 1958 must be regarded as encouraging. It is true that the D.C.M. is more like a holding company than one engaged solely in textiles, as it is a producer of (1) sugar and its by-products, (2) such heavy chemicals as caustic soda, acids and fertilisers, and (3) *vanaspati*. But textiles account for a major portion of the Company's business. Further, while sugar and chemical industries fared well in the year under review, *vanaspati* had a difficult time owing to inadequate supply and, consequently, high cost of raw materials. The Company's results for 1957-58 are, therefore, highly creditable to the Company's management.

The Company's profit—both gross and net—for 1957-58 is better than that for 1956-57. The dividend has been maintained, albeit at the modest rate of 8 per cent. A higher dividend could have been recommended by the Directors, but they have wisely chosen to strengthen the reserves, thereby following an appropriation policy in keeping with the advice of the Government.

The gross profit for the year under review works out to Rs. 228.97 lakhs, showing a small improvement of Rs. 1.88 lakh over Rs. 227.09 lakhs for the previous year. Although this improvement is by no means significant, especially as compared with the impressive rise of over Rs. 1.50 crore in sales proceeds and of a little over Rs. 3 lakhs in other income, it has the merit of having reversed the downward trend noted in the Company's earnings in the preceding three years in succession. It may be noted that the Company had earned a record gross profit of Rs. 324.39 lakhs in 1953-54. From this level, it steadily declined to touch a low of Rs. 227.09 lakhs in 1956-57, a fall of as much as Rs. 97.30 lakhs during a short period of three years.

As against the meagre rise in gross profit, the net profit at Rs. 68.27 lakhs is Rs. 30.64 lakhs higher than Rs. 37.63 lakhs for the preceding year. This is due to the substantial reduction in the provision for taxation and to some extent for depreciation as well. Thus, the taxation account has been credited with only Rs. 59.18 lakhs, as compared with Rs. 80.68 lakhs a year before. The amount reserved for depreciation has been lowered from Rs. 97.16 lakhs to Rs. 88.91 lakhs. But it is noteworthy that the entire rise in net profit, plus something more, has been ploughed back. Thus, the Directors have allocated a sum of Rs. 36.10 lakhs to reserves, as against nothing at all in the previous year. This allocation comprises Rs. 20 lakhs to development reserve and Rs. 16.10 lakhs to development rebate reserve. The dividend to ordinary shareholders has only been maintained, as stated at the outset, at the rate of 8 per cent. paid for 1956-57, to which level it had been lowered from 10 per cent. for 1955-56, after having been stepped up from 9 per cent. per annum for the preceding two years.

The following comparative table gives a bird's-eye view of the Company's progress in the past four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1958	1957	1956	1955
Sale proceeds	29,41.60	27,84.38	23,61.13	18,86.51
Other income	15.03	11.96	12.94	14.81
Closing stocks	4,68.02	4,84.43	4,64.96	4,45.68
Manufacturing, trading establishment, and other expenses† ..	27,11.26	25,88.72	21,40.07	18,28.44*
Gross profit	2,28.97	2,27.09	2,53.28	2,68.96
Managing Agents' remuneration	12.61	11.62	15.84	16.55
Depreciation	88.91	97.16	73.67	66.00
Taxation	59.18	80.68	99.70	1,05.00
Net profit	68.27	37.63	64.57	76.41
To donations and charity ..	—	6.00	—	—
To reserves	36.10	—	57.20‡	45.00
Dividends—				
Preference	2.99	2.99	2.99	1.73
Ordinary	27.15	27.15	33.04	30.54
	(8%)	(8%)	(10%)	(9%)
Carry forward	4.81	2.78	1.29	0.83

* Approximate.
† Including excise duties.
‡ Includes provision for contingencies.

The gross sale proceeds for the year under review amounted to Rs. 29.42 crores, having risen from Rs. 27.84 crores for the previous year and Rs. 23.61 crores two years earlier. Other income has also increased from Rs. 11.96 lakhs in 1956-57 to Rs. 15.03 lakhs. As against these increases, manufacturing, establishment and other expenses advanced by Rs. 1.22 crore to Rs. 27.11 crores, due mainly to the high cost of raw materials consumed. Another significant factor responsible for the swelling of expenses was the expenditure relating to excise duties. On sugar alone, excise duty and sugarcane cess claimed Rs. 273.42 lakhs of the Company's revenue, as against Rs. 211.46 lakhs in 1956-57.

The rising costs and lower selling prices which have been the feature of the textile industry for the past two years has affected this Company's mills as well. The changing policy of the Government with regard to excise duty caused widespread uncertainty in the cloth markets. It is, however, gratifying to hear that the Company's mills at Lyallpur have shown satisfactory results. Schemes with regard to its renovation and modernisation are in hand. The working of the confectionery and the distillery plants was normal as also the sugar factories which did well during the year. The Directors state that, owing to the discriminatory policy in the matter of excise duty and cane cess amounting to about Rs. 13 per maund in favour of *khandsari* sugar, the production of *khandsari* is rapidly going up. They, therefore, fear that, in the coming years, *khandsari* sugar could be a serious threat to the white sugar industry. The chemical units of the Company showed all-round improvement during the year. It is proposed to further increase substantially the capacities of the Company's caustic soda, acids and fertiliser plants in the coming years. Despite higher production and better efficiency, the *vanaspati* section continued to be unstable, "on account of the basic speculative nature of the market for oil and *vanaspati*," according to the Directors.

A chart contained in the Directors' report on the Company's distribution of revenue for 1957-58 indicates that raw materials took up 61.7 per cent. of revenue, employees 15.8 per cent., Government 11.3 per cent., depreciation, development rebate, etc., 3.6 per cent., sales expenses 3.5 per cent., administration and operation, etc., 2.3 per cent., dividends 1 per cent., and reserves 0.8 per cent.

The Company's paid-up capital at Rs. 408.66 lakhs is made up of 1,353,449 ordinary shares of Rs. 25 each, 40,225 ordinary shares of Rs. 2-8 each and the balance in four categories of cumulative preference shares of Rs. 25 each of which only Rs. 10 per share has been called up on the fourth cumulative preference shares. Calls paid in advance amount to Rs. 2.09 lakhs. Reserves and surplus aggregate Rs. 364.35 lakhs. There is a debenture liability of Rs. 100 lakhs carrying interest at 5½ per cent. Secured loans and advances from banks have been reduced from Rs. 507.51 lakhs to Rs. 431.47 lakhs. Unsecured loans, including provident fund, fixed and other deposits, on the other hand, have increased from Rs. 181.01 lakhs to Rs. 206.25 lakhs. Other current liabilities, including the provision for taxation at Rs. 101.97 lakhs, account for Rs. 263.17 lakhs. The total of all current liabilities amount to Rs. 900.89 lakhs. The current assets aggregate Rs. 1,242.62 lakhs. The gross block of the value of Rs. 1,281.27 lakhs, including additions during the year of Rs. 111.48 lakhs, has been written down to Rs. 533.37 lakhs.

The Rs. 25 paid-up ordinary shares of the Company are being nominally quoted at Rs. 30.50 *cum-div.* On an *ex-div.* basis, the shares provide a yield of 7.01 per cent. per annum.

JESSOP & CO., LTD.

In the course of our review of Jessop and Company's working during the year 1956-57, published in *Commerce* dated 18th October 1958 (vide page 658), it was stated that "the Company had paid a dividend of 12½ per cent. for 1955-56 as against 30 per cent. for 1954-55 . . . the dividend of 12½ per cent. for 1955-56 was on a higher capital of Rs. 102 lakhs. . . ." This is not correct. Though the Directors had recommended a distribution of 12½ per cent. for 1955-56, the shareholders agreed at the annual general meeting to forgo the dividend for the year in the interests of the Company. Accordingly, no dividend was paid for 1955-56.

AHMEDABAD ELECTRIC'S PROGRESS STEADY

EARNINGS IMPROVE

THE Ahmedabad Electricity Company Ltd. (Managing Agents: Messrs. Killick Industries Ltd., Bombay) has had one more year of satisfactory operations in terms of both profit and turnover. The year pertains to the twelve months ended 31st March 1958. Revenue from sale of energy has increased further and so has its profit. Both these factors indicate that the Company had steadily maintained the upward trend in progress witnessed in the preceding years. The results for 1957-58 are not strictly comparable with those for the previous accounting period as it covered a period of only six months, that is, 1st October 1956 to 31st March 1957. It may be remembered that the Company had to change its year of accounting from 30th September to 31st March in order to comply with the provisions of Rule 26 of the Indian Electricity Rules, 1956. It should, however, not be difficult to form an idea of its progress since the Company's working preceding the six months referred to above is for a full one-year period. The gross profit at Rs. 117.03 lakhs is slightly better than twice that at Rs. 58.12 lakhs for the half-year ended March 1957. It is also Rs. 5.50 lakhs higher than Rs. 111.53 lakhs for the year ended September 1956. The net profit, after providing Rs. 44.28 lakhs for depreciation, as against Rs. 22.05 lakhs last half-year and Rs. 5 lakhs for wealth tax, as against Rs. 4.80 lakhs for wealth tax and Rs. 13,400 for other taxes, amounts to Rs. 63.59 lakhs, as against Rs. 28.68 lakhs for the half-year ended March 1957. It will thus be seen that the net profit for the year under discussion is much more than twice that for the previous half-year. The Directors have recommended a final dividend of Rs. 4 per share which, together with the interim of Rs. 2.50 per share paid earlier, works out to 6½ per cent. for the year, which was the rate for the half-year ended March 1957 and the year 1955-56. The Company had paid a dividend of 5 per cent. for 1954-55.

In order to maintain the dividend at 6½ per cent., the Directors have had to draw some amount from the reserve this year also. Accordingly, they have withdrawn Rs. 2.07 lakhs from the dividend equalisation reserve. Out of the net profit, a sum of Rs. 3.47 lakhs has been transferred to contingencies reserve, as against Rs. 3.40 lakhs allocated a year ago. The employees' retiring gratuities reserve gets a higher allocation of Rs. 3.66 lakhs, as against Rs. 2.65 lakhs. In addition, the development reserve has been credited with Rs. 1.30 lakh, as against nothing in the half-year ended March 1957.

Although the reserves have received an aggregate amount of Rs. 8.43 lakhs, in actual effect they amount to only Rs. 6.36 lakhs if allowance is made for the withdrawal of Rs. 2.07 lakhs from dividend equalisation reserve. This position is, however, better as compared with that a year earlier when as much as Rs. 6.20 lakhs were taken from the dividend equalisation reserve, as against an addition of only Rs. 6.05 lakhs to the reserves, thereby resulting in a net depletion of reserves to the tune of Rs. 15,000.

The following comparative table shows at a glance some of the relevant features of the Company's working during the year ended March last, against the background of its results for the half-year ended March 1957 and the two years ended 30th September 1956:

(In lakhs of rupees)

	For the year ended 31st March 1958	For half year ended March 1957	For the year ended 30th September	
			1956	1955
Earnings from sale of energy ..	399.99	177.89	386.46	299.18
Other income	7.45	3.58	2.95	5.81
Expenses	290.39	123.30	278.08	199.03
Gross profit	117.03	58.12	111.53	75.96
Managing Agents' commission.	4.10	2.46	5.37	1.80
Depreciation	44.28	22.05	44.05	36.84
Taxation	5.00*	4.93	—	—
Net profit	63.59	28.68	61.21	35.12
Transfer from dividend equalisation reserve ..	2.07	6.20	8.44	6.00
Promotion, share capital and other expenses written off ..	0.27	0.40	0.42	0.36
Transfer to reserves	3.47	3.05	13.46	3.83
Dividend	56.86	28.43	55.77	37.93
	(6½%)	(6½%)	(6%)	(5%)
Carry forward	Rs. 857	Rs. 1158	Rs. 440	Rs. 195

* Provision for wealth tax.

Sales of energy during the year under review amounted to 630.63 million kw.h., as against 548.69 million kw.h. for 1955-56 and 485.98 million kw.h. for 1954-55. During the year under review, 5,057 new consumers were connected, bringing their total number to 57,114. This includes 115 large high tension consumers and the North Gujarat Grid. Referring to the Company's progress in generating capacity, its transmission and distribution system, etc., the Directors state thus:

"With the exception of No. 5 (Asea) turbo-alternator which met with a mechanical failure in April 1957, the plant at Sabarmati has been kept in good operating condition and has given excellent service. The No. 5 set has since been thoroughly repaired and overhauled and is now operating satisfactorily. There has been no change in the total generating capacity which stood at 142,500 kw. The peak load at the station increased by 15,200 kw. to 128,600 kw. of which the North Gujarat Grid scheme accounted for 28,050 kw. showing an increase of 5,800 kw. over last year.

"During the year, 9.31 miles of H.T. mains and 19.25 miles of L.T. mains were laid. In addition, the H.T. ring mains were reorganised which involved replacing some 2 miles of cables by cables of a larger capacity. There has been no change in the 66 kv. system which remains at 27.91 miles. Two switch houses and four substations for general supply purposes and eight substations for rural electrification were erected and commissioned during the year."

The balance-sheet as at 31st March 1958 shows that the Company's paid-up capital is unchanged at Rs. 874.78 lakhs, all in ordinary shares of Rs. 100 each. As against this, the reserves and surplus aggregate only Rs. 79 lakhs. The comparatively low position of the reserves in relation to the paid-up capital is due to the large amount of additional capital raised by the Company in recent years to finance its large development schemes. Secured loans consisting of 4½ per cent. mortgage debentures, redeemable in June 1960, amount to Rs. 200 lakhs. The gross block of Rs. 13.90 crores, including additions during the year of Rs. 34.10 lakhs, stands written down at Rs. 10.76 crores. Capital work-in-progress (including plant and machinery in transit) amounts to Rs. 39.76 lakhs. Miscellaneous expenditure and losses account for Rs. 6.19 lakhs. The current assets aggregate Rs. 169.05 lakhs (of which cash and bank balances account for Rs. 12.18 lakhs only) and cover the current liabilities amounting to Rs. 137.77 lakhs by a sizable margin.

The Rs. 100 fully paid-up shares of the Company are currently quoted at Rs. 99.30 *cum-div.* (final dividend Rs. 4) and, on an *ex-div.* basis, the yield is 6.8 per cent. per annum.

WORKING OF COMPANIES ACT IN SOUTHERN REGION

During the quarter ended 30th September 1958, 45 companies with an authorised capital of Rs. 89.60 lakhs were registered in the Southern Region comprising the four States of Madras, Andhra Pradesh, Mysore, and Kerala and all of them are private limited companies. The total investment during the period by way of increase in the paid-up capital of companies aggregated Rs. 221.12 lakhs. The largest number of flotations has been under the category of chit or *kuri* business which has accounted for 8 companies, followed by motion picture production and distribution business which has accounted for 5 companies.

During the period under review 79 companies, including a banking company and an association not for profit, went into liquidation and the total paid-up capital of the companies concerned was Rs. 83.75 lakhs. 28 companies were struck off the Register of Companies as defunct and the paid-up capital involved was Rs. 3.28 lakhs. A private company and a banking company have been restored to the Register of Companies.

APPLICATION FORMS UNDER COMPANIES ACT AMENDED

The basic form for companies to apply to the Central Government for approval of any matter specified in Section 411 (b) of the Companies Act has been amended by the Government. This has been done to provide, among other things, for the submission by companies of additional data relating to remuneration payable to relatives of managing directors, commissions and other earnings of managing agents under the relevant sections of the Companies Act.

Under the Companies Act, every company seeking approval of the Central Government in respect of any matter specified in Section 411 (b) of the Act is required to submit its application in the basic form No. 25 of Annexure A to the Companies (Central Government's) General Rules and Forms, 1956. Notifications amending the basic form have been published in the *Gazette of India*. Forms 28 and 29 have also been amended in certain respects.

A BOOK ON COMPANY LAW

Readers of *Commerce* will be happy to know that the series of articles on Company Law by Mr. F. R. Ginwalla, which appeared in this journal in eight successive weeks ended 21st June 1958, has now been published in book form. Entitled *Company Law and Problems of Corporate Enterprise*, the book can be had from Messrs. N. M. Tripathi Private Ltd., Bombay. It carries all the articles, revised and supplemented by additional information and index to sections and a general index. Mr. D. L. Mazumdar, Secretary to the Government of India, Department of Company Law Administration, has contributed the foreword to the book.

BELAPUR CROSSES THE PEAK

PRODUCTION AND PROFIT FALL—FINANCES IMPROVE FURTHER

IT is already well known that, for the year ended 30th September 1958, the Directors of the Belapur Company, Ltd. (Managing Agents: Messrs. W. H. Brady & Co., Ltd., Bombay) have recommended a dividend of Rs. 18 per share *plus* a bonus of Rs. 2 per share or a total of Rs. 20 per share of Rs. 50 each, equivalent to 40 per cent. per annum. This is undoubtedly a record in the Company's history. Excepting in this one respect, the results for 1957-58 are well below the best and have failed to come up to the records established in 1956-57. Indeed, the profits are the lowest since 1953-54. Sugar production was down by 10 per cent., while expenses kept up their upward trend. The profit is still large enough to cover in full the increased distribution to shareholders. Only, the transfers to reserves have not been maintained at the generous levels of the previous years.

The following comparative table shows at a glance how the Company fared in 1957-58, as compared with three preceding years:

(In lakhs of rupees)

	For the year ended 30th September			
	1958	1957	1956	1955
Sale proceeds of sugar (gross) ..	216.58	189.42	148.12	141.70
Other income	4.30	3.58	3.02	2.30
Closing stocks	34.49	47.68	48.69	32.46
Manufacturing and other expenses	81.52	76.09	73.78	71.75
Excise duty and sugarcane cess	69.13	42.94	28.28	24.89
Gross profit	57.04	77.96	60.32	59.36
Managing Agents' commission .	5.40	7.44	6.07	5.98
Provision for—				
Depreciation	2.77	2.57	3.16	4.19
Taxation	17.25	20.00	17.75	14.50
Net profit	31.02	47.95	33.34	34.69
Excess provision written back	8.27	0.71	..	..
Transfer to—				
Reserve fund	11.81	10.00	8.00	7.00
Other funds	..	10.80	7.00	12.00
Dividend	28.20	25.38	18.80*	15.04
	(D. 36% +B.4%)	(D 36%)	(D. 32%)	(D 32%)
Carry forward	2.88	3.00	0.53	0.99

* Dividend of Rs. 16 per share on the old shares and Rs. 8 per share on the new bonus shares ranking for dividend from 1st April 1956.

It will be noted that, though sugar production was lower by about 10 per cent., sale proceeds were higher by Rs. 27.16 lakhs. This is due partly to the higher opening stocks—the value of closing stocks shows a drop of Rs. 13.19 lakhs—and partly to the inflation in the cost of producing sugarcane and making sugar and, above all, to the steep increase in excise duty. In fact, the increase in excise duty and sugarcane cess alone is as much as Rs. 26.19 lakhs. It is, therefore, no wonder that the gross profit has markedly fallen, from the peak of Rs. 77.96 lakhs established in 1956-57 to Rs. 57.04 lakhs, a decline of nearly Rs. 21 lakhs or about 27 per cent.

Lower profit has naturally meant lower tax provision and managing agency commission. The transfer to depreciation has, however, been raised slightly.

After the aforesaid essential provisions, the net profit works out to Rs. 31.62 lakhs. This is Rs. 16.33 lakhs, or 33 per cent., smaller than that for the preceding year and is the lowest to be recorded since 1953-54 in which year a net profit of Rs. 30.74 lakhs was made. Low as it is, it is sufficient, as stated at the outset, to cover the 40 per cent. distribution to shareholders, requiring Rs. 28.20 lakhs.

As will be seen from the table, a sum of Rs. 11.81 lakhs has been credited to the reserve fund, that is, to general reserve, but nothing to other reserves. The total amount ploughed in is the lowest for the past several years. It must be noted that, as against Rs. 11.81 lakhs added to the reserve fund, a sum of Rs. 8.27 lakhs has been withdrawn from taxation reserve (shown in the balance-sheet under liabilities and provisions) representing excess provision made in previous years. Accordingly, the net accretion to total reserves is only Rs. 3.54 lakhs.

The relatively small addition to reserves and the payment of a higher dividend need not be regarded as contrary to the sound appropriation policy pursued by the Company's management hitherto. For the Company's reserve position is strong, as we shall presently show. If, however, the Company is not to evoke the envy of others and avoid misunderstanding among politicians, the vast majority of whom are socialists, it must think of investing its reserves in new lines of manufacture which will justify expanding its capital base. There are quite a few directions in which a financially strong sugar company, with its own sugarcane plantation, can expand. It is to be hoped that this question will receive the attention of Belapur's Board of Directors. If the Company does not evolve a positive policy in this respect, it will strengthen the hands of those critics who contend that private enterprise in India is not dynamic.

The fall in sugar production is due, according to the Directors of the Company, to unusually hot weather and shortage of rains, both of which combined to result in a lower tonnage of sugar per acre. Another interesting point disclosed by the Directors' report is that the Company exported its full quota of 503 tons of sugar under the Government scheme and that, if it had sold this sugar in the domestic market, its profit would have been better.

The balance-sheets of the Company in the past have always made pleasant reading, disclosing, as they did, a sound financial position. The latest one, as at the end of 30th September 1958, is no exception. Incidentally, few companies in India publish their balance-sheets and profit and loss and appropriation accounts within 45 to 50 days of the end of the financial year and pay dividends within three months. A sound financial position, a good dividend record and, what is more, prompt payment of dividend—it is these three factors that enable the Company's shares to hold a prominent position among the blue chips of India.

To revert to the Company's latest balance-sheet. The paid-up capital is unchanged at Rs. 70.50 lakhs. Reserves and surplus have gone up from Rs. 121.44 lakhs to Rs. 136.15 lakhs, and are very nearly double the paid-up capital. Of these reserves, general reserve alone stands at the impressive level of Rs. 113.37 lakhs. Gross block aggregates Rs. 103.92 lakhs, of which Rs. 3.45 lakhs represent additions made in 1957-58. These have been well depreciated; the total amount of depreciation provided is Rs. 58.72 lakhs, so that the net block is no more than Rs. 45.20 lakhs. Current liabilities and provisions amount to Rs. 65.87 lakhs. Over the year, they have declined by Rs. 24.26 lakhs. The current assets total Rs. 227.32 lakhs, providing a 3½-fold cover to current liabilities and provisions. Of the current assets, cash balances alone amount to Rs. 85.05 lakhs and investments in Gilt-edgeds a little over Rs. 23 lakhs. The rest are stores, spares, etc. (Rs. 28.17 lakhs), stocks (Rs. 34.49 lakhs), crop-in-progress (Rs. 48.05 lakhs) and book debts (Rs. 7.58 lakhs). It will thus be seen that, over the year, reserves and surplus have expanded, while liabilities have fallen. In other words, the Company's financial position has become stronger.

The Rs. 50 paid-up shares of the Company are currently quoted at Rs. 315 *cum*-dividend, to give a yield of a little over 6.6 per cent. per annum.

COMPANY REGISTRATIONS

FILMALAYA PRIVATE LTD. (First Director: Mr. S. Mukherjee.) Business: Production and exhibition of cinematographic films. Authorised capital: Rs. 5,00,000. Private company. Address: 'Grotto Villa', 2nd Floor, Hasnabad Lane, Santacruz, Bombay.

POISAR UDYOG PRIVATE LTD. (First Director: Mr. Harendra Ratilal Aslot.) Business: Manufacturers and dealers in motor vehicles. Authorised capital: Rs. 5,00,000. Private company. Address: Poisar, Borivili, Bombay.

BAKHTAWAR CONSTRUCTION CO. PRIVATE LTD. (First Director: Mr. N. M. Irani.) Business: To take over the business of "Associated Construction Corporation." Authorised capital: Rs. 5,00,000. Private company. Address: 134-136, Zaveri Bazar, Bombay 2.

COOPER ENGINEERING PAYS MORE

PROFIT OF KUMARDHUBI ENGINEERING LOWER

Cooper Engineering Ltd.

THE directors of the above Company [Managing Agents: Messrs. Walchand & Co. (Private) Ltd., Bombay] present the audited accounts of the Company for the year ended 30th June 1958.

The net profit for the year after providing Rs. 4.80,000 (Rs. 2.33,000) for taxation and Rs. 2,28,100 (Rs. 2,24,786) for depreciation amounts to Rs. 5.34,108 (Rs. 2,06,935) to which is added the amount brought forward from the previous year of Rs. 67,219 (Rs. 95,198) making a total of Rs. 6,01,327 (Rs. 3.02,133). The directors have allocated for development and special depreciation reserve Rs. 2,35,800 (Rs. 58.514) and for general reserve Rs. 50,000 (*nil*). The directors now recommend payment of a dividend on ordinary shares at 7 (7) per cent. plus 3 (*nil*) per cent. as bonus without deducting income-tax absorbing Rs. 2.52.000 (Rs. 1,76,400) leaving a surplus to be carried forward of Rs. 63.527 (Rs. 67,219).

The directors are pleased to inform that the Company has maintained the progress in sales of its products during the year under report. There is good demand for oil engines, machine tools and looms.

The directors are also glad to state that this year marks the completion of 25 years of manufacture of the diesel oil engines by the Company at Satara Road Factory.

The Company had taken part in the Exhibition held at Damascus and also sent one engine and pump for exhibition in the Government of India Show Room at Jeddah (Saudi Arabia) which created a good impression.

During the year under report, the Company has stepped in export of oil engines and pumps to Middle East and Far East countries. The Central Government has given permission to the Company to manufacture planing machines in collaboration with foreign manufacturers.

The Company has received sanction from the Controller of Capital Issues to issue shares and/or debentures of the total value of Rs. 20 lakhs. The matter is under consideration. The shares of the Company have been listed on the Stock Exchange, Bombay, with effect from 17th January 1958.

The income-tax assessments of the Company are completed upto year ending 30th June 1954. The Company has gone in appeal in respect of the assessment for the year ending 30th June 1954.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25.20,000	Gross block	63,79,715
Reserves ...	15,52,954	*Less*—Depreciation	39,90,625
Provision for taxation ...	6,27,007	Net block ...	23.89,090
Liabilities ...	49,17,864	Stock-in-trade	35,34,672
Profit and loss account ...	63,527	Stores and tools ...	9.92,953
		Goods-in-transit ...	1,31,166
		Debts, deposits and advances ...	21,36,823
		Investments	1,35,468
		Cash ...	3,61,180
Rs.	96,81,352	Rs.	96,81,352

Kumardhubi Engineering Works, Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 30th November 1957.

The profit and loss account after providing for all charges and making provision of Rs. 7,21,000 (Rs. 7,25 000) for taxation, Rs. 92.266 for wealth tax and Rs. 2.85,718 (Rs. 2.60,124) for depreciation, shows a profit of Rs. 5.69,214 (Rs. 8,88,675) to which is added the balance brought forward from the previous year of Rs. 25,110 (Rs. 21,425) making a total of Rs. 5,94,324 (Rs. 9.10,100). From this is deducted the amount transferred to reserve for bad and doubtful debts Rs. 18.895 (Rs. 24,062), reserve for tax contingency Rs. 80,000 (Rs. 88,000), development rebate reserve Rs. 11,000 (Rs. 57,000) and reserve for plant renovation Rs. 1,25,000 (Rs. 2.75 000) leaving an available balance of Rs. 3.59,429 (Rs. 4.66,038). The directors propose to dispose of this amount as follows:—

By payment of a dividend on the preference shares of 5 per cent. per annum without any deduction for income-tax payable by the Company absorbing Rs. 60 000 (Rs. 60,000), by payment of a dividend on the ordinary shares at the rate of 45 (62) naye Paise per share without any deduction for income-tax payable by the Company absorbing Rs. 2,76,480 (Rs. 3.80 928) and by carrying forward Rs. 22 949 (Rs. 25,110).

Referring to the observations in the auditors' report for the year ended 30th November 1948, the directors decided to revalue the fixed assets of the Company to a figure corresponding more closely to market values at that time by the addition of the sum of Rs. 12,93,000 and to create a reserve of similar amount named reserve for revaluation of assets, which would be used specifically for the purpose of making adjustments in the future value of the fixed assets.

The directors, therefore, feel that it is necessary to calculate depreciation on actual cost only and that, if a lower valuation of the fixed assets of the Company is called for in the future, a suitable adjustment may be made by utilising the above reserve.

General.—The Company's reduced profits occur for two main reasons. Lack of steel does not permit the Structural Shop to function at its best, and the change in pattern of demand for steel castings for wagon builders has required considerable expansion of the Company's Foundry layout, which expansion is not yet completed, with the result that during 1957 and 1958 the production capacity has been curtailed.

In addition, during the year there has been a marked deterioration in discipline in the ranks of labour and so far it has not proved possible to persuade them that decreased production inevitably long-term means less wages.

A quite impossible demand was put forward, but there are signs that a more reasonable mood may be appearing and a recently signed agreement covering these demands has indicated a willingness to abide by a code of conduct which should prove a basis for building up happier relations in the future.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,43,200	Gross block	72,53,319
Debentures	10,00,000	*Less*—Depreciation	26,62,252
Reserves ...	54,56,724	Net block ...	45.91,067
Provision for taxation ...	10.66.617	Capital jobs-in-progress	9,15,410
Provision for wealth-tax	92,266	Stores and loose tools	43.95,207
Liabilities ...	61,03,269	Work-in-progress ...	22,48,251
Profit and loss account ...	22.949	Debts, deposits and advances ...	43.74,703
		Investments	1,91,059
		Cash ...	69,319
Rs.	1,67,85,016	Rs.	1,67,85,016

Karanpura Development Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird & Co., (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 31st December 1957.

General Report.—In 1955 the Coal Commissioner's organisation advised the managing agents that, apart from the actual areas which the Company proposed to work itself in the near future, the remainder of the Karanpura Coal Field would be developed in the Public Sector. In response, it was intimated to Government that the Company had decided to work Gidi A and Saunda B through its own resources and preliminary arrangements were made accordingly. At the same time, as an indication of the directors' desire to co-operate with Government, various geological reports, etc., covering a number of other areas, over which the Company held mining leases, were made available to the Coal Commissioner's staff at their request. This data represented results obtained after many years of detailed work, and substantial expenditure, and has not been returned.

In 1958 the Government of India notified the acquisition of Gidi A, Saunda B and Bacchra (held on mining lease by the Borrea Coal Co., Ltd.), under the Coal Bearing Areas Acquisition Act. This action has left the Company with the liability of minimum royalty on the remaining areas, while the Company is now prohibited from either working them itself or from sub-leasing them to others. This matter has now been taken up with the Government of India and it is hoped that an equitable solution will be arrived at.

Bihar Land Reforms (Amendment) Act, 1958.—The Bihar State Government, which formally recognised the Company's title to all these areas as recently as 1956, is now seeking under the Bihar Land Reforms (Amendment) Bill, 1958, to acquire the Company's royalty rights. If the Bill under preparation for presentation in the Bihar Vidhan Sabha is passed in its draft form, it is feared that any compensation that is likely to be paid will be trivial in amount and non-negotiable in form.

The average return to shareholders on their investment, since the inception of this Company, has not been higher than could have been realised without any risk from Government Securities. The Company's expectations that the Karanpura Coal Field would one day play an important part in the industrial development of the country are in the process of being fulfilled but the Company, which undertook all the preliminary surveys and other work in connection with prospecting, proving, planning, etc., while waiting for Railway facilities and markets to develop, over a period of 35 years, is now, unfortunately, debarred from further association with such development. It is to be hoped however that the Government of India will agree to compensate the Company on a just and adequate basis for the expenditure of time, money and effort it has incurred.

Raising and despatches.—During the period 995,323 (8.77,515) tons of coal were raised and 9.94,390 (9,10,836) tons yere despatched.

The profit and loss account after providing for charges and making provisions of Rs. 1.30.509 (*nil*) for taxation, Rs. 15.300 (*nil*) for wealth tax and Rs. 10.150 (Rs. 11.519) for depreciation including the sum of Rs. 5.496 (Rs. 17,839) brought forward from the previous year, shows an available balance of Rs. 1.75.861 (debit of Rs. 34.504. Against this the directors transferred Rs. 2.00.000 from general reserve; leaving a credit of Rs. 1.65.496. From this amount the directors have provided Rs. 1.60.000 as taxation for the previous year and carried forward a credit balance of Rs. 5,496). In view of the uncertainty of the future, both as regards the Company's royalty income and its capital assets, it has been decided by the directors to recommend that no dividend be paid from the profits of the year under review but that the matter be reviewed later in the light of developments.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Gross block	44,55,177
Reserves ...	24,41,770	*Less*—Depreciation	13,17,876
Provision for taxation ...	52,544	Net block ...	31,37,301
Provision for wealth-tax	15,300	Work-in-progress ...	2,247
Liabilities ...	31,31,330	Stock-in-trade	27,308
Profit and loss account ...	1,75,861	Coal stock ...	30
		Stores ...	56,060
		Debts, deposits and advances ...	7,59,023
		Investments	20,05,500
		Cash ...	18,29,336
Rs.	78,16,805	Rs.	78,16,805

Hingir-Rampur Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Killick Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th June 1958.

Output.—The year's output amounted to 70,653 tons, which was won entirely from No. 11 Pit. This figure is not comparable with that of 178,950 tons for the preceding year as the lockout declared on the 17th June 1957 was lifted only on 31st October 1957 and production recommenced on 20th November 1957. Moreover the previous year's production was won from two pits, of which No. 10 Pit had to be abandoned on account of flooding by Hirakud Dam waters last year.

Sales.—The total sales for the year were 63,424 tons; for the reasons given in the preceding paragraph, despatches only restarted on 25th November 1957, and, therefore, this figure cannot be compared with that of the previous year amounting to 164,360 tons.

Coal prices.—In terms of Para 74 of the Labour Appellate Tribunal Decision, colliery workers became entitled to a flat increase in dearness allowance of Rs. 4.87 per head per month from January 1958, consequent on a rise in the cost of living index figure by 10 points over 102. To meet this additional expenditure, the Central Government has sanctioned a uniform increase of Re. 0.75 per ton in the price of coal for a period of six months with effect from 17th May 1958, after which the position would be reviewed. Thus the controlled prices for the Company's steam and slack coals are at present Rs. 21.81 and Rs. 20.81 per ton respectively.

Development work.—It was reported last year that No. 10 Pit had to be closed owing to flooding by waters from the Hirakud Dam. Consequently, energetic steps are being taken to develop two new districts in No. 11 Pit, in order to increase raisings as far as possible. It is hoped ultimately to restore raisings to the original level.

Unfortunately, the negotiations with the Central and State Governments on the question of compensation on account of the flooding of the surface area above No. 10 Pit workings did not produce the desired result, in consequence of which the Company had no recourse but to file a suit against the Central Government and the State Government of Orissa in the Court of the Sub-Judge, Sambalpur, on 8th September 1958 for damages and other reliefs amounting to approximately Rs. 29,52.000.

The directors are glad to report that the Hirakud Electric Grid has started supplying energy to the colliery from 4th August 1958, and the Company's generating equipment which has now become redundant, will be disposed of in due course.

Building programme.—The sub-station building for the utilisation of power from the Hirakud Grid was the only building work undertaken during the year. It has subsequently been completed and is at present in use.

The results of the year's working, after setting aside a sum of Rs. 1,35,483 (Rs. 1,78,230) for depreciation and amortisation, show a loss of Rs. 6,52,271 (Rs. 5,535). Adding thereto the loss brought forward from the previous year amounting to Rs. 4.391 (credit of Rs. 1,144) and deducting Rs. 1,911 (*nil*) and Rs. 20,545 (*nil*) credited back in respect of managing agents' commission and selling agents' brokerage, respectively, for the previous year, there is left a balance of loss of Rs. 6,34,206 (Rs. 4,391) which is carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00.000	Gross block	43,00.791
Reserves ...	65.000	*Less*—Depreciation ...	26.55.359
Provision for taxation ...	1.07.127	Net block	16,45,432
Liabilities ...	14,01,120	Work-in-progress ...	49,795
		Stock of coal	11,328
		Stores and spares ...	6,99.187
		Debts, deposits and advances ...	5,46.232
		Investments	2.915
		Cash ...	41,152
		Profit and loss account ...	5,77.206
Rs.	35,73,247	Rs.	35,73,247

Teliapara Tea Co., Ltd.

The directors of the above Company (Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The accounts disclose a net working profit of Rs. 2,25,738 (Rs. 8,28,828) of which the profit from Teliapara amounts to Rs. 1,04,499 (Rs. 5,08,629) and Satchurie Rs. 1,21,239 (Rs. 3,20,199). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 50,000 (*nil*) from buildings and machinery reserve, there is a balance at credit of the profit and loss account amounting to Rs. 91,499 (Rs. 2,72,429). It is proposed to pay a dividend of 6 (15) per cent. and to carry forward Rs. 37,499 (Rs. 62,429).

The provision for taxation is relatively high because additional super tax had to be provided for two dividends, i.e., seasons 1955 and 1956, paid during the year. The provision for tax on notional exchange profits, made in the accounts for season 1956 and referred to in the last report, is also retained since the Pakistani authorities have not yet clarified their policy with regard to this so-called exchange profit.

Every effort is still being made to secure remittance of the Company's Pakistani trading profits but in existing circumstances it would be unwise to expect any substantial transfer of funds to this country in the immediate future.

The crop from Teliapara estate amounted to 4,46,800 (6,56,880) pounds and from Satchurie estate the crop was 3,33,230 (4,41,200). The average selling prices obtained for the teas were as follows—Teliapara Rs. 2.06 (Rs. 2.10) per pound and for Satchurie Rs. 2.00 (Rs. 2.02) per pound.

Estimates for 1958 provide for a total crop of 10,40,000 lbs. at an outlay of Rs. 15,95,260, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Gross block	19,20,187
Reserves ...	20,73,827	*Less*—Depreciation ...	6,18,208
Provision for taxation ...	10,84,531	Net block ...	13,01,979
Liabilities ...	2,89,062	Stock-in-trade	5,22,763
Profit and loss account ...	37,499	Stores and supplies ...	2,93,321
		Loans and advances ...	1,38,736
		Investments	48,981
		Cash ...	20,79,139
Rs.	43,84,919	Rs.	43,84,919

Hatikhira Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1957.

A crop of 16,239 (16,910) maunds of tea was manufactured and disposed of for sale in Calcutta for export 14,809 maunds and for sale in Calcutta for internal consumption 1,430 maunds. The teas realised an average price of Re. 1.67 as compared with Re. 1.77 per lb. obtained for the previous season's crop. The Company's export quota for season 1957 was 13,134 maunds.

Adverse climatic conditions were again responsible for the relatively small crop produced. The year 1957 opened with a severe drought in Cachar and this condition recurred towards the end of the season. Crop prospects for the current season are much better.

The revenue account shows a loss of Rs. 9,008 (profit of Rs. 1,79,666) and after adding to this gratuity and pension Rs. 4,867 (Rs. 5,491), managing agents' remuneration Rs. 25,000 (Rs. 40,450), depreciation Rs. 61,275 (Rs. 1,12.653), initial contribution to super-annuation fund Rs. 16,437 (*nil*), short provision for taxation in respect of previous year Rs. 5,000 (*nil*) and provision for wealth tax for 1956 Rs. 4,000 (*nil*), there is a net loss for the year of Rs. 1,25,587 (credit of Rs. 68,911 after adjustments). After deducting from this the adjusted credit balance of Rs. 18,736 (Rs. 14,113) brought forward from the previous year, there is a debit balance of Rs. 1,06,851 (credit balance of Rs. 83,024 from which a dividend of 5 per cent. was paid absorbing Rs. 63,000 leaving to be carried forward Rs. 20,024) on profit and loss account, which is carried forward.

The estimates for season 1958 have been framed for a crop of 20,000 maunds of tea at a total cost of Rs. 23,33,329 which excludes capital expenditure amounting to Rs. 98,171.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,60,000	Gross block	30,19,522
Reserves* ...	10,43,149	*Less*—Depreciation ...	12,69,051
Provision for taxation ...	35,812	Net block ...	17,50,471
Liabilities ...	4,84,920	Stock-in-trade	5,15,595
		Stores ...	3,14,280
		Debts, deposits and advances ...	2,01,568
		Investments	1,000
		Cash ...	40,967
Rs.	28,23,881	Rs.	28,23,881

*Reserves are shown after deducting the debit balance of Rs. 1,06,851 in the profit and loss account.

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

Notices

THE INDIAN CABLE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-ninth Annual General Meeting of the Shareholders of The Indian Cable Company Limited, will be held at the Registered Office of the Company, 9, Hare Street, Calcutta on Monday, the 22nd December 1958, at 11 o'clock in the forenoon, for the following purposes:—

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1958.
2. To declare Dividends.
3. To elect a Director.
4. To re-appoint the firm of Messrs. Lovelock and Lewes of 4, Lyons Range, Calcutta, Auditors of the Company for the current year and to fix their remuneration.

AS SPECIAL BUSINESS

5. (*a*) In pursuance of Section 228 (1) of the Companies Act, 1956, to appoint the firm of Messrs. A. F. Ferguson & Co. of Bombay for the purpose of auditing the accounts of the Factory at Tatanagar and the Branch Offices of the Company at Bombay, Ahmedabad, Ambala, Jamshedpur, Kanpur, Nagpur, New Delhi and Secunderabad,

and to fix their remuneration.

(*b*) In pursuance of Section 228 (1) of the Companies Act, 1956, to appoint the firm of Messrs. Fraser and Ross of Madras for the purpose of auditing the accounts of the Branch Offices of the Company at Madras, Bangalore and Coimbatore,

and to fix their remuneration.

TO CONSIDER and if thought fit pass the following resolution with or without modification:—

AS AN ORDINARY RESOLUTION

6. "That the accounts of the Branch Office of the Company at Karachi, Pakistan, be not audited under the provisions of Section 228 (1) of the Companies Act, 1956."

The Share Transfer Books of the Company will be closed from the 8th December 1958 to the 22nd December 1958, both days inclusive.

Dividends, if any, declared at this Meeting will be payable to Shareholders registered on the Company's Books on the 22nd December 1958 or their mandatees.

By Order of the Board,
B. J. WOODLEY,
Chairman.

9, HARE STREET,
CALCUTTA, *14th November* 1958.

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

THE INDIAN CABLE COMPANY LIMITED

THE COMPANY ISSUED AN ALLOTMENT Letter No. 4099 dated 21st August 1958 in respect of Ordinary Shares Nos. 2316568-2316582 (both inclusive) in favour of Sri Kanailal Mukherjee of Piyari Bhaban, 3 Lake View Road, Calcutta. This Allotment Letter was so issued through an oversight and the Company will not therefore recognise any dealings in the same.

FOR THE INDIAN CABLE COMPANY LIMITED,
B. J. WOODLEY,
Chairman.

9, HARE STREET,
CALCUTTA, *15th November* 1958.

THE DAWN MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held on Thursday the 4th December 1958, at 5-00 p.m. (S.T.), at the Registered Office of the Company, State Bank Building Annexe, Bank Street, Fort, Bombay, to transact the business specified in the Notice dated 3rd November 1958 already forwarded to the Shareholders.

FOR THE DAWN MILLS CO., LTD.,
RAMNARAIN SONS, PRIVATE LTD.,
Agents,
RAMNIVAS RAMNARAIN,
Director.

THE BRADBURY MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held on Friday the 5th December 1958, at 5-00 p.m. (S.T.), at the Registered Office of the Company, State Bank Building Annexe, Bank Street, Fort, Bombay, to transact the business specified in the Notice dated 3rd November 1958 already forwarded to the Shareholders.

FOR THE BRADBURY MILLS LTD.,
RAMNARAIN SONS, PRIVATE LTD.,
Agents,
RAMNIVAS RAMNARAIN,
Director.

SHREE GOPAL PAPER MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of the Company have declared an interim dividend of Rs. 4 (free of Income-tax) per first preference share and an interim dividend of 62 nP (free of Income-tax) per ordinary share for the current year 1958, and an interim dividend of 7 per cent. per annum (tax-free) on second preference shares for the period ended 30th June 1958 for the year 1958. The dividend warrants will be made out in the names and addresses of the members standing registered in the Books as on 25th November, 1958 and/or their mandatees.

Register of members and share transfer books of the Company will be closed from 25th November, 1958 to 5th December, 1958 (both days inclusive).

Holders of Blank Transfers are advised to have the shares registered in their names any time before the closing of the books.

By Order of the Board,
KARAM CHAND THAPAR & BROS.
PRIVATE LIMITED,
Managing Agents.

12, INDIA EXCHANGE PLACE,
CALCUTTA-1,
Dated the 12th November, 1958.

INDO-BRITISH TRADE

The aggregate value of trade between India and the U.K. was at a lower level during the first three quarters of the current year, as compared with the corresponding period last year. The value of India's imports from the U.K. fell from £135,085,000 to £116,355.000 and its exports from £116,981,000 to £94,739,000. India's exports of tea, the principal export item to the U.K., declined from £58,866,000 to £44,783,000. Similarly, exports of leather and manufactures and dressed furs receded from £10,671,000 to £7,221.000 and miscellaneous textile manufactures from £9,358,000 to £8,244,000. Shipments of tobacco and tobacco manufactures, however, improved a little from £6,524,000 to £8,789,000.

Although the value of total imports of India from the U.K. declined appreciably during the period under review, that of machinery (other than electric) remained more or less steady at £34,086,000, as against £34,429,000. There was, however, a perceptible fall in the value of imports of electric machinery, apparatus and appliances which aggregated £13,612,000, as against £17,339,000. Likewise, India's purchase of manufactures of metals from the U.K. was lower at £9.885,000, as compared with 12,953.000. In contrast, its intake of British vehicles and aircraft moved up by no less than £8.674.000 to £20.817.000.

Notices

PHILIPS INDIA LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

to be held on

Saturday the 13th day of December 1958

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the abovenamed Company will be held at the premises of the Bengal Chamber of Commerce and Industry, Room No. 1, 6 Netaji Subhas Road, Calcutta 1, on Saturday the 13th day of December 1958, at 11-30 a.m., for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution:

"That, as recommended by the Directors, a further dividend of 1.4 per cent. (free of Indian income-tax) be declared for the year ended December 31, 1957, by way of addition to the dividend already declared at the Annual General Meeting of the Company held on September 27, 1958, and be payable to those persons whose names appear as members in the register of members of the Company as on December 13, 1958."

The share register of the Company will be closed from December 1, 1958, to December 13, 1958, both days inclusive.

Dividend Warrants will be sent to registered shareholders or to their mandatees, registered in the books of the Company on December 13, 1958. Powers of Attorney, etc., where necessary should be submitted with completed deeds for transfer registration before the transfer books are closed.

By Order of the Board,

P. C. VINK,
Chairman and Managing Director.

7 JUSTICE CHANDRA MADHAB ROAD,
CALCUTTA 20, *November 7, 1958.*

Note:—A member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself. Such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

EXPLANATORY STATEMENT

Consistent with the dividend policy announced by your Company in the Prospectus published last year and having regard to current requirements in financing various expansion projects in the industrial field, your Directors recommended that a dividend of 2 per cent. should be declared out of the profits for the year ended December 31, 1957, at the Annual General Meeting held on September 27, 1958. At the time the dividend of 2 per cent. was recommended representations had been made to Central Board of Revenue as to the application to the Company of Section 23A of the Indian Income-tax Act in order to obtain confirmation that a dividend of 2 per cent. out of the profits for the year ended December 31, 1957 would fulfil the requirements of the section. The Central Board's reply has now been received and has led your Directors to conclude that it is desirable to declare a further dividend amounting to 1.4 per cent. out of profits for the year ended December 31, 1957, in addition to the dividend of 2 per cent. already declared, the balance of the undistributed profit of Rs. 63,842 being supplemented for the purpose by transferring to the Profit and Loss Account the Contingency Reserve amounting to Rs. 3,00,000.

It will be appreciated that the payment of such additional dividend absorbing Rs. 3,08,000 will affect your Company's liquid position which factor may have to be taken into account when your Directors come to consider the amount of dividend to be recommended in respect of the current year.

The Directors of your Company are or may be deemed to be interested in the above recommendation by virtue of their respective shareholdings in the Company. These shareholdings and the respective amounts which the Directors will each receive by way of additional dividends if this recommendation is adopted are as follows:

	Number of shares held	Amount of additional dividend
		Rs.
Mr. P. C. Vink ...	3	.42
„ D. P. Dundердale	1	.14
Dr. P. K. Kapre ...	1,001	140.14
Mr. H. R. Vorstman	1	.14
„ J. Zantman ...	1	.14

AIR-INDIA LIMITED

(In Voluntary Liquidation)

A GENERAL MEETING OF THIS COMPANY will be held in the Board Room, 4th Floor, Bombay House, Bruce Street, Fort, Bombay, on Tuesday, 16th December, 1958, at 5 p.m., when in accordance with the provisions of Section 496 of the Companies Act, an account of the acts and dealings of the Liquidators and of the conduct of the winding-up for the year ended 30th September, 1958, will be laid before the Meeting together with the prescribed form of statement with respect to the proceedings in and the position of the liquidation.

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

AIR-INDIA LIMITED
(In Voluntary Liquidation)
By Order of the Liquidators,
K. C. BAKHLE,
A Liquidator.

NEW INDIA ASSURANCE BUILDING,
MAHATMA GANDHI ROAD, FORT,
BOMBAY 1, *22nd November*, 1958.

To all Shareholders of Air-India Limited (In Voluntary Liquidation) and particularly to:—

Atmaram Shivarao Kalambi, Joseph Theofilus Almeida, Amrutha Pandu, Miss Candida Dhunbai Backhaus, Bashir Niazi, Alan Joseph Chaves, Chulananda Upali de Silva, Ginigalgodage Peeton De Silva, Mrs. Doulat Khanum, Arthur Horace Sidney Fernandes, Farrokh Erachshaw Shroff, Leslie Neeve Flatt, Sydney Joseph Fernandes, Gunja Man Singh, Donald Reginald Cavendish Hartley, Karson Narain, Kaikhoshro Pherozeshah Mehta, Mrs. Mary Kostka, Stanislaus Lawrence Maxim Lobo, Mrs. Mariam Ahmed Jaffer, Wilhelm A. E. Molamure, Mir Maqbook Mahmood, M. Nizamuddin, Miss Margaret Mardall, Maneck Ardeshir Sohrab Dalal, Placidus Joseph Leslie Menezes, Natuvilmatam Subramania Raman, John Cecil Trevor Pereira, Anthony Francis Pinto, J. C. K. Peterson, Sanmugam Dharma, Mrs. Savitri Dahyalal Daftary, Samuel Taylor, Jose Vaz, Vasant Nagesh Shirodkar.

AIR-INDIA INTERNATIONAL LIMITED

(In Voluntary Liquidation)

A GENERAL MEETING OF THIS COMPANY will be held in the Board Room, 4th Floor, Bombay House, Bruce Street, Fort, Bombay, on Friday, 19th December, 1958, at 5 p.m., when in accordance with the provisions of Section 496 of the Companies Act, an account of the acts and dealings of the Liquidators and of the conduct of the winding-up for the year ended 30th September, 1958, will be laid before the Meeting together with the prescribed form of statement with respect to the proceedings in and the position of the liquidation.

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

AIR-INDIA INTERNATIONAL LIMITED,
(In Voluntary Liquidation)
By Order of the Liquidators,
K. C. BAKHLE,
A Liquidator.

NEW INDIA ASSURANCE BUILDING,
MAHATMA GANDHI ROAD, FORT,
BOMBAY, 1, *24th November*, 1958.

To all the Shareholders of Air-India International Limited (In Voluntary Liquidation) and in particular to:—

Arrokkiam Arulsamy Pillai, Mrs. Annaledchumy Theagarajah, Ahmedkhan Hajee Goolab Khan, Adi Bejan Tata, Bai Laxminarayan Rao, Don Edwin Dewendra, Camilo de Souza, Fahimmuddin Ahmed Noori, Mrs. Alice Fonseca, Galwadau Acharige Charles Hamy, Habib Haji Mohamed Derdiwala, Harendra Chandra Lahiri, Jagadamba Kumari Debi, Jehangir Bejan Tata, Maxim Lobo, Mushtaq Ahmed Dodhy, Kudaliyar Samuel Kanapathipillai Appadurai, Mr. Frederick Vincent Mascarenhas, Miss Nina Jehangir Gorwalla, Mrs. Naja Bejan Tata, Prabhudas Girdhardas Mehta, John Cecil Trevor Perera, Phiroze Bejan Tata, Rehmankhan Peerkhan, Rameshchandra Ranchodbhai Patel, Jose Estevam Silveira, Santdas Kushiram Kirpalani, Sam Bejan Tata, Sagoon Jayadeo Dhond, Venetexa Srinivasa Sinai Dempo, Mrs. Usha P. Godbole, George Harvey Woodhouse, Dr. Ujagar Singh.

THE CENTRAL INDIA COALFIELDS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held on Thursday the 11th December, 1958, at 3.00 p.m., at the Registered Office of the Company at 8, India Exchange Place, Calcutta, to transact the business as per the Notice dated the 6th November 1958, sent along with the Balance Sheet and Profit and Loss Account to the Shareholders of the Company separately.

The Share transfer books of the Company shall remain closed from 20th November 1958 to 11th December 1958, both days inclusive.

By Order of the Board,
HINDUSTHAN INVESTMENT CORPORATION LIMITED,
Managing Agents.

8, INDIA EXCHANGE PLACE,
CALCUTTA 1, *6th November*, 1958.

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

(b) If dividend on shares as recommended by the Directors is passed at the meeting, the same will be sent to the registered shareholders whose names appear in the Company's register on 11th December 1958 or to their order or to their bankers.

THE TITAGHUR PAPER MILLS COMPANY LIMITED

NOTICE OF FINAL DIVIDENDS

THE BOARD OF DIRECTORS OF THE above Company has recommended payment of the following FINAL Dividends in respect of the Company's Financial year ended 31st March, 1958, without any deduction for Income-tax payable by the Company:—

On 1st Cumulative Preference Shares—8% per annum.
On 2nd Cumulative Preference Shares—4½% per annum.
On Preferred Ordinary Shares—10% per annum.
On 'A' and 'B' Ordinary Shares—Dividend 0/88 nP per share and Bonus 0/37 nP per share.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *12th November*, 1958.

THE CALCUTTA ELECTRIC SUPPLY CORPORATION LIMITED

(Incorporated in England)

DRAWING OF 5 PER CENT. RUPEE DEBENTURE STOCK 1970 FOR REDEMPTION

HOLDERS OF 5 PER CENT. DEBENTURE Stock (Indian Issue) are hereby advised that a Drawing will be held on Thursday the 4th December, 1958, at 10.30 a.m.

Notice is hereby given that the Indian Debenture Register will be closed for a period of 10 days from 25th November to 4th December, 1958, both dates inclusive.

By Order of the Board,
I. A. MACPHERSON,
Agent.

VICTORIA HOUSE,
CALCUTTA, *11th November*, 1958.

MONEY TURNS EASY

(From Our Own Correspondent)

BOMBAY, *19th November*

The pull on the short-term money market noted last week proved to be a temporary feature and conditions turned comfortable again this week. This shows that the seasonal demand for credit to finance movement of crop and other trade requirements has not yet started in right earnest, even four weeks after the commencement of the usual busy season. The return of funds to banks was so large this week that they all became leaders. Inter-bank call money among Exchange banks and big Indian banks, which was bid up to 2¼ per cent. on Friday last, slumped to 1¼ per cent. lenders over today. Some transactions were reported even at 1½ per cent. The rate among the smaller Indian banks did not, however, decline much, the common rate being 2¼ per cent. House money at seven days' notice was taken up 3½ to 3¾ per cent. and short-term deposits at 3½ to 4 per cent.

Despite the change for the better in the conditions, the response to this week's Treasury Bill tenders was not as encouraging as in the previous week. As against an invitation for Rs. 4 crores, the amount offered this week aggregated Rs. 5.02 crores, the corresponding amount in the previous week being Rs. 7.20 crores. Tenders at Rs. 99.390 were accepted in full and those at Rs. 99.385 allotted approximately 83 per cent. The average rate of accepted tenders was 2.458 per cent. per annum.

After a lapse of three weeks, during which period the sales were at the rate of Rs. 4 crores per week, the authorities have reduced the amount for next week to Rs. 3 crores. In addition, the Reserve Bank of India has announced that intermediate sales at Rs. 99.401 per cent. will be held from 19th to 22nd November. There were no sales of these bills last week, though they had been offered.

The Reserve Bank of India statement for the week ended 14th November 1958 shows a further rise of Rs. 13.37 crores in notes in circulation, bringing the cumulative expansion in the last two weeks to Rs. 51.48 crores. Notes held in the Banking Department are lower by Rs. 4.30 crores, resulting in a rise of Rs. 9.06 crores in total notes issued. This is covered by an increase of Rs. 10 crores in rupee securities and a small contraction of Rs. 94 lakhs in rupee coin. In the Banking Department, deposits of the Central Government are higher by Rs. 1.12 crore, while those of other Governments have declined by Rs. 1.22 crore. Deposits of banks, too, have gone down by Rs. 2.95 crores. Balances held abroad show a rise of Rs. 4.11 crores, bringing the total foreign assets to Rs. 183 crores. A rise of Rs. 1.89 crores is noted in loans and advances to Governments and of Rs. 1.55 crore in other loans and advances. Investments have been further reduced by Rs. 8.67 crores, bringing the aggregate reduction in the last three weeks to Rs. 74.34 crores.

A contraction of Rs. 7.06 crores in demand deposits and of Rs. 1.06 crore in time deposits is disclosed by the Scheduled banks' statement for the week ended 7th November 1958. Borrowings from the Reserve Bank have gone up by Rs. 2.40 crores. Advances and bills purchased and discounted together show a rise of Rs. 5.70 crores. Investments have been further enlarged by Rs. 22.03 crores and this is reflected in a fall of Rs. 25.38 crores in total cash balances. Money at call and short notice has, however, gone up by Rs. 2.12 crores.

The main feature of the trading in the Gilt-edged market during the week was a spurt in the prices of 4 per cent. and 4½ per cent. State loans. There was good institutional enquiry for 4 per cent. issues and the Life Insurance Corporation was reported to have shown interest in 4½ per cent. loans. There was a general scarcity of floating stocks and this gave an additional fillip to prices. Central Government loans were dull with limited enquiries. There were no changes in quotations and whatever business passed was done only at quoted rates, 3 per cent. 1986 Conversion loans had buyers at Rs. 73.15 and 3 per cent. 1970-75 at Rs. 90.20. 3 per cent. 1966-68 had enquiries at Rs. 94. Small business was done in 3 per cent. 1964 and 1963-65 at Rs. 93.65. 3½ per cent. 1964 had sellers at Rs. 99.90, while 3½ per cent. 1965 was in demand at Rs. 99.70. Among State loans, 4 per cent Bombay 1964 gained 15 nP to Rs. 100.15 and 1967 20 nP to Rs. 99.90. West Bengal 1964 was marked up by 10 nP to Rs. 99.95 and 1967 by a like extent to Rs. 99.40. Madras 1967 and 1968 gained 5 nP each to Rs. 99.45 and Rs. 99.40, respectively. Andhra 1967 put on 5 nP to Rs. 99.45 and 1968 10 nP to Rs. 99.40. U.P. 1968 improved by 5 nP to Rs. 99.35 and 4½ per cent. 1970 rose by 10 nP to Rs. 100.20.

During the week under review, sterling gained some strength in terms of the U.S. dollar. In New York, spot sterling hardened from $2.80.9/16-2.80⅝ to $2.80.31/32-2.80.23/32 and three months' forward from $2.79¼-2.79.15/16 to $2.80.1/8-2.80.3/16. Transferable sterling advanced from $279.40-$279.50 cents to 279.55-279.65 cents.

LINSEED DULL

(Messrs. A. Bradley and Co.)

CALCUTTA, *17th November*

The linseed market remains dull with little price movement and very limited activity. Seeds prices are maintained, owing to poor supplies. Demand, however, has been negligible, with most of the local millers either closed or crushing other oilseeds. Demand for oil is very poor and absence of goods in the hands of either manufacturers or traders has not affected the prices owing to lack of enquiries from both consumers and dealers.

The latest available quotations are: Ready Rs. 25-14 and November Rs. 25-12 per maund.

SPURT IN BULLION

(From Our Own Correspondent)

BOMBAY, *19th November*

The bullion market, which ruled dull throughout last week including the *Moorat* session, was livelier during the week under review, with a spurt in the prices of both gold and silver. In fact, gold touched a new high level since May last. The rise followed speculative buying, especially by up-country traders, induced by virtual stoppage of smuggling from Pakistan and firmness of commodity markets. The white metal advanced under speculative support. The ready demand was good, while offerings were limited. There was also sizable bear-covering. The net gain in prices over the week would have been more marked but for profit-taking in the middle of the week on reports of import duty payment on 80,000 Tibetan coins at Kalimpong.

Forward silver (27th November settlement) opened at Rs. 187-6 and gradually moved up to Rs. 189-4 today and closed at Rs. 189. The next settlement advanced from Rs. 188-2 on Thursday to Rs. 189-15 today. The *badli* remained unchanged at As. 15 against bulls.

Ready silver encountered good support and registered a gain of Rs. 2-3 over the week, today's closing rate being Rs. 188-15. The daily average arrivals were of the order of 19 bars, while the offtake was 11 bars per day on an average. The floating stocks of silver are reported to be 1,300 bars.

Gold for forward delivery (26th November settlement) hardened from Rs. 111-9 to Rs. 113-5 yesterday and, after receding to Rs. 112-12-6 today, wound up at Rs. 112-15. The net rise over the week was thus Re. 1-6. The next settlement, which stood at Rs. 111-12 on Thursday, was quoted at Rs. 112-10 today. The *badli*, which was As. 3 against bulls last week, turned in favour of them in the course of the week and stood at As. 5 today.

Ready gold hardened from Rs. 111-13 to Rs. 113-10-6 before finishing at Rs. 113-3. The premium on forward, after widening from As. 4 to As. 7, finished unchanged at As. 4. The daily average arrivals were 4,000 tolas, while the offtake was 3,500 tolas per day on an average. The floating stocks of gold are estimated at 30,000 tolas.

In London, spot silver eased from 77¼d. to 77⅛d. and forward from 77¼d. to 76⅞d. Gold fluctuated between 250s. 2½d. and 250s. 1½d. before closing at 250s. 1½d. The price of silver in New York was unchanged at 90½c.

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

	19-11-58	Highest	Lowest	13-11-58
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	113 3	113 10½	112 0½	111 13
Forward*	112 15	113 5	111 12½	111 9
Sovereign	73 4	—	—	73 0
SILVER				
Ready (.996 fine Mint) ..	188 15	189 1	187 0	186 12
Forward†	189 0	189 4	187 5	187 3
London Silver Ready ..	77¼d.	77¼d.	77¼d.	77¼d.
London Forward ..	76⅞d.	77¼d.	76⅞d.	77¼d.
London Gold ..	250s. 1½d.	250s. 2½d.	250s. 1½d.	250s. 2½d.
New York Silver ..	90½c.	—	—	90½c.

*26th November settlement.
†27th November settlement.

GOOD DEMAND FOR HIDES

(From Our Own Correspondent)

KANPUR, *17th November*

During the week under review, the hides and skins market tended to be stable. Demand for upper grade cow and buff was strong. There was a slight fall in the prices of lower grade cow. The Madras dealers were keen buyers of goat and sheep with an inclination for fresh ones from the butchers. The main purchases of heavy stuff goods were the local tanners. Supply position was quite satisfactory.

The latest quotations are: Wet salted cow 1st grade Rs. 375 and 2nd grade Rs. 350 per score; Wet salted buff 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. per rupee; Goat 1st grade Rs. 375 and 2nd grade Rs. 350 per 100 pieces; Sheep 1st grade Rs. 350 and 2nd grade Rs. 300 per 100 pieces.

HIDES FIRMER

(From Our Own Correspondent)

MADRAS, *17th November*

Arrivals of tanned cow hides and calves were moderate and clearance slow during the week under review. Prices locally ruled firmer and sellers were quoting two pence above U.K. levels. Trading was difficult with U.K. importers who had been sternly resisting higher prices demanded at origin. Increased prices, however, were established on certain marks of cow hides and buff calf skins.

In the tanned goat skins section, E.I. tanners found that prices in the raw centres were hardening. They were, therefore, not willing to sell their output at below replacing costs. There was a difference of 3d. between the buyers and sellers which prevented business. There was brisk demand for medium class sheep skins and the market was steadier.

COTTON FUTURES FIRM

(From Our Own Correspondent)

BOMBAY, *19th November*

The steady upward trend noted in the cotton futures market earlier in the week under review flared up into a bullish fervour on Monday, following the announcement on Sunday night of an export quota for 250,000 bales of cotton and reduction in export duty on all varieties of cotton stapling upto 25/32", including Bengal *Deshi*, from Rs. 50 to Rs. 25 per bale. While the duty reduction was not unexpected—it was anticipated for a long time—the generous quota of 250,000 bales certainly took the trade by surprise, coming as it did not long after the season's first quota for a like amount issued on 7th October. The present quota comprises 100,000 bales of Bengal *Deshi* 100,000 bales of cotton up to ¾" staple and 50,000 bales of cotton of stapling below ¾".

The trader's reaction to the announcement was reflected in a spurt in futures prices of as much as Rs. 15 from Saturday's closing of Rs. 615.75 to Rs. 630.75 on Monday. They felt that, now that 500,000 bales of cotton had been released for export, foreign buyers would be assured of continuity in supplies. Further, since the uncertainty regarding the export duty had been removed, foreign demand, it was expected, would pick up soon. This prompted large-scale support with the result that the market staged an impressive rally. A better trend in cloth offtake and enlarged spinner enquiries in the ready section imparted further strength to the market. The rise would appear to have been too sharp as it was followed the next day by a technical reaction and a break in values. Profit-taking led to a further fall in prices today. A part of the earlier gain was erased. Nevertheless, today's closing was Rs. 12.25 higher than last week-end quotation.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 606.50 and steadily advanced to Rs. 615.75 on Saturday, and to Rs. 630.75 on Monday but fell back to Rs. 622.50 yesterday. Commencing at Rs. 625.50 today, the contract improved to Rs. 629.50 before closing lower at Rs. 620.75. The net gain over the week was Rs. 12.25.

The trend of prices of the contract is indicated below:

(In rupees per candy of 784 lbs.)

	19-11-58	*High*	*Low*	13-11-58
I.C.C. Moglai Jarilla (March 1959) ...	620.75	630.75	606	608.50

In the spot section, prices recorded gains. Activity was better but mills were still keeping off the market as the heavy accumulation of cloth stocks with them prevented them from making large purchases. New crop cotton continued to evoke moderate enquiries.

In the export section, following the quota announcement, prices of Bengal *Deshi* and other exportable varieties firmed up. The reaction of the foreign buyers to the quota and the duty reduction has not so far been fully assessed. Even after the reduction in duty, Pakistani *Deshi* varieties are said to be cheaper than comparable Indian cotton.

Although the immediate outlook for export is not considered bright, shippers are confident that foreign demand would revive and that the quota would be fully absorbed in due course.

The foreign section was quiet. Some enquiry was noted for Sudanese varieties following the reported reduction in the reserve prices of the Gezira Board. Importers consider the Government's silence over the question of U.S. cotton imports intriguing. The U.S. Government has already issued purchase authorisation in favour of India, covering about 78,000 bales of 'aid' cotton. They wonder why an announcement regarding imports is delayed so long, especially when the industry is starved of foreign cotton supplies.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week-end closings:

Bengal *Deshi* 600 (575); Berar Jarilla 665 (640); Khandesh 735 (715); Vijay 830 (800). *Delivery contracts*: Bengal 572 (568); Mathia 568 (560).

The Karachi cotton futures market, after a weak start, gathered strength towards the close of the week on speculative support induced by hopes that, since the Government of India released a large export quota and reduced the export duty on cotton, Pakistan might also follow suit. N.T.R.G. January improved from Rs. 63-6 last week-end to Rs. 63-12 and the March position gained Annas 8 to Rs. 64-14. The following are the latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 57; Punjab *Deshi* 53-8; 4F Punjab Roller 61-10; S.G. 65-2; L.S.S. Punjab Roller 62.10; S.G. 66-10; N.T.R.G. New 65-10; S.G. New 76-2; 289F Punjab L.G. 68-2; New 70-2; S.G. 77-10; New 79-10.

Steady conditions prevailed in the Alexandria cotton futures market during the week. Fluctuations were narrow and turnover limited. The Karnak contracts were maintained at the 72 tallaris per lb. level. The Ashmouni contracts moved slightly higher on short-covering. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: November 72.01; January 72.07; March 72.08. *Ashmouni*: December 63.10; February 62.80.

The Sudan Gezira Board has announced its much-awaited Private Treaty sales policy. In accordance with this announcement, effective from the 12th inst., the present public auctions will continue from Tuesday to Friday; the reserve prices will be declared every Saturday morning. The Board will be prepared to consider offers from bulk buyers but will reserve absolute discretion regarding the extent of such private treaty sales. The unsold stocks of long-staple cotton in the Sudan are

reported to be of the order of 241,902 bales, comprising 87,864 bales of 1958 Gezira crop, 116,038 bales of 1957 crop and 38,000 bales of 1957 and 1958 Private Estate crop. The Sudan Gezira Board has also reduced its reserve prices on cotton.

Cotton values in Liverpool made modest gains during the week. A fair volume of mill fixation and trade buying more than offset the hedge offerings against recent purchases of East African cotton. The rise in price would have been more marked but for fears of higher U.S. export subsidy, following the fall in U.S. exports during the first quarter of the current season, as compared with the corresponding period of the previous season. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: December-January 23.35; March-April 23.10; May-June 22.80; July-August 22.05. *American cotton mixed growth contract*: December-January 23.85; March-April 23.45; May-June 22.95; July-August 22.05. *Sudan*: November-December, January-February, May-June 26.75.

New York cotton futures marked ruled subdued during the week. Prices sagged on increased hedge pressure against new crop purchases. The lower export figure for the first quarter of the season also adversely affected sentiment.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	18-11-58	12-11-58	3-11-58
Spot	36.20	36.30	36.35
December	35.91	36.02	36.32
March	35.39	36.48	36.73
May	36.12	36.17	36.51

STAPLE FIBRE YARN RALLIES

(From Our Own Correspondent)

BOMBAY, 19*th November*

Barring staple fibre yarns which ruled distinctly firm, the yarn market presented an easy trend during the week under review. Art silk yarns encountered persistent selling on expectations of larger supplies following the recent issue of import licences against exports of piecegoods and grant of 5 per cent. import quota to established traders. Cotton yarns were generally dull. Fine and superfine counts, however, were well supported, the main reason being the drastic cut in import quotas from 25 per cent. to 7½ per cent. for the current licensing period. Staple fibre yarns evoked good buying enquiries and registered an improvement in prices. It was reported that the mills were not able to make sales in large quantities, pending the finalisation of allotment of definite quotas for raw staple fibre by the indigenous producers.

Art silk yarn prices suffered a setback. 120 Japan dropped 25 nP to Rs. 4.75. 150 Italy fell by 25 nP to Rs. 5.50. 150 Japan declined by 12 nP to Rs. 5.25 and 120 Italy by 7 nP to Rs. 5.55. Among indigenous yarns, National Rayons 120 bright cones first grade climbed down from Rs. 5 to Rs. 4.50, 150 bright cones first grade lost 9 nP to Rs. 4.50.

Staple fibre yarn (40 x 2) December delivery met with good support and rallied Rs. 15 to Rs. 619. February position gained Rs. 6 over the week, the closing quotation today being Rs. 626. Spot (40 x 2) Kohinoors gathered 3 nP to Rs. 3.25. Centurys were fully maintained at Rs. 3.19. Foreign yarns (80 x 2), however, lacked support and tended to move down. Paramounts eased by 9 nP to Rs. 9.66. Fujis shed 12 nP to Rs. 9.69.

In the cotton yarn section, ten counts Podars lost 6 nP to Rs. 12.19. Moderns were quiet at Rs. 13.25. Thirty counts Hinds receded by 24 nP to Rs. 18.76. Among 40s, Minaxis dropped 56 nP to Rs. 24.44, while Moderns gathered 25 nP to Rs. 25.25. Sixty counts Finlays were keenly sought, the rate advancing by Rs. 2.50 to Rs. 62.50. Eighty counts Moderns put on 25 nP to Rs. 71.25. Finlays were firm at Rs. 79.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those six days ago:

	19-11-1958	13-11-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	4.75	5.00
150 Japan (per lb.)	5.25	5.37
120 Italy (per lb.)	5.55	5.62
150 Italy (per lb.)	5.50	5.75
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 December	619.00	604.00
40 x 2 Kohinoor (per lb.)	3.25	3.22
40 x 2 Century (per lb.)	3.19	3.19
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.25
20s Modern	—	13.75
20s Hind	18.76	19.00
40s Minaxi	24.44	25.00
60s Finlay	62.50	60.00
80s Modern	71.25	71.00

OILSEEDS STEADY

(From Our Own Correspondent)

BOMBAY, 19*th November*

The oilseeds market was characterised by cheerful sentiment during the week under review after a prolonged spell of lull both in spot and futures. A major development of the week is the new export quota for oilcake allowed by the Government. The Government of India has decided to release a further quota of 20,000 tons of groundnut oil cake (expeller variety) for export during the period ending March 1959, according to a trade notice issued on 13th inst. by the Joint Chief Controller of Exports. It adds that established shippers will be given a quota equal to 20 per cent. of their basic exports, subject to a maximum of 400 tons per shipper from all the ports. Shipments will be allowed up to the end of March 1959. This aided the sentiment considerably.

Groundnut February 1959 contract which stood at Rs. 159.25 last Thursday spurted to Rs. 163.87 on Monday. It fell to Rs. 162.75 yesterday but it recovered today to Rs. 164.37. The modest revival in the spot demand, and reports of a small crop gave a fresh momentum to the bullish sentiment that prevailed in the futures market, following the announcement of Government's decision to allow substantial exports of groundnut oilcake. Bold ready, after fluctuating within narrow ranges, closed today at Rs. 33.50. Coromandel ready improved from Rs. 34.00 to Rs. 34.12 and khandesh quality from Rs. 33.75 to Rs. 34.25. Groundnut oil ex-mill also moved up in sympathy, its quotation having gone up from Rs. 18.00 to Rs. 18.25. Similarly, railway receipts improved moderately from Rs. 17.87 to Rs. 18.25.

The castorseed section ruled distinctly firm on reports that a sizable business, was put through with the U.S.A. in castor oil at 12.25 cents per lb. for December shipment. On substantial buying support castorseed May 1959 contract made rapid headway from Rs. 138.87 last week-end to Rs. 143.00 today. Ready Madras moved up from Rs. 27.62 to Rs. 28.50 and Kanpur quality from Rs. 26.50 to Rs. 27.12. Similarly, castor oil B.S.S. advanced by 31 nP to Rs. 16.37, and commercial quality by 19 nP to Rs. 14.56. Linseed May 1959 contract rallied in sympathy with other oilseeds and was higher today at Rs. 30.44, as against Rs. 29.75 last week-end. Bold ready fluctuated within narrow range and declined by 25 nP to Rs. 33.75. Linseed oil declined slightly from Rs. 17.50 to Rs. 17.37.

Distinctly bullish trends prevailed in the cottonseed section. Cottonseed February 1959 contract spurted by Rs. 6.25 to touch a peak of Rs. 112.00. This has been mainly due to the recent strident recovery in the cotton market. There was good buying support as well. Among other seeds, kardiseed remained steady at the closing rate of last week-end, that is, Rs. 21.00. Nigerseed Madras quality, however, fell from Rs. 32.00 to Rs. 31 today.

The following table shows the closing prices of oilseeds and oils today, as compared with those of two previous weeks.

	19-11-1958	13-11-1958	5-11-1958
	Rs.	Rs.	Rs.
Groundnut—			
Feb. 1959	164 37	159 25	160.75
Bold ready (per cwt.)	33.50	33 50	34.50
Linseed—			
May 1959	30.44	29 75	29 94
Bold ready (per cwt.)	33.75	34 00	33.75
Castorseed—			
May 1959	143 00	138 87	140.75
Madras (per cwt.)	28.50	27.62	28.25
Cottonseed—			
Feb. 1959	112.00	105 75	103.50
*Groundnut oil**—			
Ex-mill ready (per quarter) ..	18.25	18 00	18.62
Castor oil†—			
Commercial (per quarter) ..	14.56	14 37	14.50
Linseed oil†—			
Ready	17.37	17 50	17.56

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

SUGAR STEADY

(From Our Own Correspondents)

BOMBAY, 19*th November*

The sugar market ruled steady during the week under review. Demand for small grain sugar from the Malabar coast was quite active. There were rumours of the I.S.M.A. making sizable purchases of medium grain sugar from Bombay-Deccan mills and traders at open market prices for shipment before the end of the month. There were also rumours of a slight delay in the normal monthly release, as a result of adjustment for the previous *ad hoc* releases.

Arrivals of sugar grain into the city during the week aggregated about 11,400 bags. An equal quantity arrived by trucks. Small grain was quoted at Rs. 106 per bag, medium grain at Rs. 107-Rs. 109, and large grain at Rs. 111-Rs. 118.

HESSIAN IMPROVES

(From Our Own Correspondent)

CALCUTTA, 18*th November*

A mixed trend was in evidence in the jute markets during the week under review. For, while hessian prices forged ahead following continued buying pressure in futures and a further improvement in the hessian statistical position, heavy goods were quiet and closed lower on balance, consequent on restricted buying interest and a not too encouraging stock position. So far as the raw jute market was concerned, mills purchased fair quantities in an attempt to stem the decline in prices, but since the offers far exceeded demand no improvement in the price trend was in evidence. This increased the anxiety in official circles. For, if growers were dissatisfied and failed to realise even a small profit, much jute land would go over to paddy growing and in the next season there would be acute scarcity of raw jute. The West Bengal Government is naturally seized of the importance of this problem, and it is understood that high level discussions have taken place in this connection. Trade circles considered it possible that, it having been proved that local buying would not alone lift up the prices, the Government of India would now be inclined to permit exports of the Indian varieties as unwanted by mills. Although mills in foreign countries require the best fibre which is only available in Pakistan as being surplus to it, the Indian inferior varieties in the quantities unwanted by mills here could be mixed up by Dundee manufacturers in certain proportions. Further, the Dundee industry had been so dissatisfied with the export-price policy of Pakistan that it would much desire India to export raw jute at least in token quantities in order to stabilise prices. Another possibility mentioned here was fixation of minimum prices. To enforce minimum prices, machinery is required and other problems may as well arise. Hence trade circles pointed out that export of raw jute was the better solution of the two. It is more than a month since the downtrend set in, and already growers in panic have disposed of considerable portion of their produce at the declining levels. Delay in action on New Delhi's part would mean further loss to growers.

An important event of the week was the discussion which the Forward Markets Commission, under the chairmanship of Mr. W. R. Natu, had with the Committees of the Indian Jute Mills Association and the Gunny Trades Association on the question of regulation of transferable specific delivery contracts in raw jute and jute goods. The Commission desired to bring the above contracts, which the Government of India temporarily exempted in April last when the futures trading was inaugurated, within the scope of the East India Jute and Hessian Exchange in order to establish an effective forward market on a long-term basis. The Commission explained the different aspects of the problem, and it is understood that soon the necessary by-laws and regulations would be ready.

Although the market was officially closed on Tuesday last, nominal quotations were available. Hessian 40" 10 oz. was quoted at Rs. 43.45 and B. twills at Rs. 97.50. On Wednesday, prices eased fractionally, following the announcement of lower shipment figures for the month of October. Hessian shipments at 26,000 tons were lower by 10,000 tons. and sacking shipped amounted to only 33,000 tons, as against 38,000 tons in September. As a result, the publication of lower output figures for the month received little attention. Total production amounted to 81,800 tons, as against 87,300 tons in September, and the decline was due to lower working hours, in view of the *Pooja* holidays. Compared to September, it was noted that the proportionate output of hessian declined to 40.7 per cent. from 41.1 per cent., while that of sacking goods increased to 52.6 per cent. from 52.3 per cent. This suggested that mills had not only discontinued transferring hessian looms to sacking, but that in October a reverse process was in motion. This was surprising, in view of the need to lessen sacking stocks and of increasing hessian. However, it is hoped that this would prove only a temporary feature, and thus the output figures for the current month would receive added interest. Hessian 40" 10 oz. fell to Rs. 43.35 and B. twills to Rs. 97.25. On Thursday, a further decline to Rs. 43.25 and to Rs. 96.95, respectively, was recorded, despite the fact that hessian was bought by Argentina and there was covering business on this score. At this stage, reports of steady burlap market in New York were received and this was soon followed by the announcement of a 2-million-yard increase in U.S. consumption of burlap in October. The effects of these reports on Friday were that hessian 40" 10 oz. shot up to Rs. 44.10. In the absence of business, B. twills sagged to Rs. 96.50. Yesterday, on account of selling pressure, hessian 40" 10 oz. fell to Rs. 43.75 and B. twills to Rs. 96.

Raw jute was weak. Mills continued to buy, but purchases were not enough to stem the decline in prices. Sellers were on the increase. Assam bottoms fell to Rs. 22.50 from Rs. 23.25. The latest quotations for ready delivery jute are:

	Middles Rs.	*Bottoms* Rs.
Pakistan:		
District	30.00	27.00
Northern	30.00	27.00
Indian:		
Northern	24.00	21.50
Assam	25:00	22.50
Orissa	27.00	24.50
Desal	23.00	21.00
Murshidabad	22.50	20.00
Jungli	22.00	19.50
Daissee	25.75	23.25
Uttar Pradesh ...	22.00	19.50
Daissee mesta ...	20.50	20:00
Bimli f.a.q.	20.25	

* * * *

Australia's expanding primary and secondary production shows that she will remain one of the biggest buyers of India's jute goods, said the Chairman of the Indian Jute Mills Association, Mr. J. I. Jamieson, in Canberra recently. Mr. Jamieson is leading a four-man trade delegation sponsored by the Indian Jute Mills Association. The other members of the delegation are the Jute Commissioner of the Indian Ministry of Commerce and Industry, Mr. A. P. Mathur; the Vice-Chairman of the Indian Jute Mills Association, Mr. D. P. Goenka; the Chairman of the Calcutta Jute Fabrics Shippers' Association, Mr. D. Duncan-Smith; and the Deputy Secretary of the Bengal Chamber of Commerce and Industry, Mr. T. R. Crook. They were accompanied by Mr. H. A. Suja, Indian Trade Commissioner in Sydney. The delegation arrived in Australia on 22nd October for a five-week visit.

Mr. Jamieson said that India hoped to share in Australia's economic development. "We are looking at the present market situation and attempting to assess future trends and prospects." Mr. Jamieson added that what the delegation had already learned indicated that Australian buying of jute goods would at least remain at its present level of 100,000 tons a year—10 per cent. of India's jute production. There were signs that it could be expanded. "Bulk handling and synthetics have effected India's jute markets, but we feel that the increased production in Australia, coupled with the modernisation of India's jute industry, and India's new-won self-sufficiency in raw jute, will offset this trend."

The trade mission is a follow-up of the one that visited Australia and New Zealand in 1953. The Vice-Chairman of the Indian Jute Association, Mr. D. P. Goenka, who is a member of the present delegation, was a member of the first mission also. "Much expansion has taken place in Australia since 1953," Mr. Goenka said. "Australia has grown in almost every way. The country's progress is really impressive."

During their current stay members of the delegation have had talks with Government officials in Canberra, Sydney, Melbourne and Adelaide. Thereafter they leave for New Zealand and East Asian countries. In Melbourne, the delegation discussed Australian jute requirements, particularly those of the wool trade. Wool-selling brokers and members of the Melbourne Corn Exchange discussed the manufacture of jute woolpacks. "Five years is too long to be out of personal contact with consumers," Mr. Jamieson said. "We hope to visit Australia more regularly in future."

PEPPER IMPROVES

(Messrs. Parekh and Co.)

BOMBAY, 19*th November*

We did not issue our usual weekly letter on Malabar pepper during the week ending 12th November 1958, it being Hindu New Year. There was a holiday feeling in the market during the entire period and fluctuations were very narrow.

During the early part of the week, Malabar black pepper ruled easy in sympathy with Singapore which reacted sharply after a spectacular advance in white and sympathetic improvement in black. Specific delivery in December at Bombay came down to Rs. 493. Garbled at Cochin went down to as low as Rs. 93. after touching the highest at Rs. 98 per cwt. for December delivery. Ungarbled touched Rs. 525. In the later part, however, market showed small improvement, following buying support by bulls who were expecting sizable Russian buying in the near future.

News of a five-year trade pact with the U.S.S.R. and possible "swing credit" arrangement with other East European countries proved supporting factors. The important news of the week was the Conference on Co-operative Marketing of spices at Trivandrum and its decision that inter-State and export trade in spices would be handled by the All-India Co-operative Marketing Federation in liaison with the State Trading Corporation. The final result of the recommendations will be worth watching.

Recent rains in the pepper belt in North Malabar improved the prospects of Tellicherry pepper. The overall estimate of the new crop is now placed at 27,000 tons. Light pepper has started coming to Calicut which means the harvesting of Tellicherry pepper will be much earlier than usual.

Arrivals of new crop at Cochin and Alleppey are increasing and unless sizable buying support from Russia is forthcoming very soon the market may go down further; America is buying on hand-to-mouth basis and sizable unsold consignments from Indonesia are acting as a check on the New York market.

New York spot came down to $0.24¼. After buying November and December-January at $0.23, dealers there are now indicating $0.22½. At the time of writing, the market is reported steadier at Cochin. Ready garbled is quoted at Rs. 94, December at Rs. 93.50 and January at Rs. 92.50 and ungarbled at Rs. 537.50 per candy. Calicut is quoting Rs. 580 for ungarbled.

Today's nominal quotations are: Ready delivery Rs. 71 per Bengal maund; December Rs. 503-508 and February Rs. 510-515 per candy of 5¼ cwts.

DEMAND FOR TEA WEAKENS

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 14*th November*

There were 1,617,420 lbs. on offer in sale No. 32, which was held on Wednesday 12th November. The quality of high grown teas showed a slight seasonal decline, but teas from the Anamallais district showed an improvement, both in leaf and liquor. The market opened to less demand, and weakened as the sale progressed with export orders limited. Low medium and medium descriptions were barely steady, although the poorer types were firm. The improved quality good mediums met a strong demand, and were irregularly dearer. Best liquoring highgrowns were lower following quality, and prices were irregularly 25 to 35 nP below last rates. Whole leaf teas met with useful support, and were fully firm. Tippy teas did not meet with the same competition as in previous weeks, and were generally easier. The quotations were: low medium Re. 1.55 to 1.65; medium Re. 1.65 to 1.85; good medium Rs. 2.00 to 2.35 and quality Rs. 2.60 to 4.10.

London Market: *Sale of 10th November* 1958:— Better demand with prices firm to dearer.

Sale of 11th November 1958:—Fully firm to dearer.

Sale of 12th November 1958:—Plain tea again lower; others steady.

Colombo Market:—Strong demand. Highgrowns irregular, but generally dearer. Mediums fully firm. Lowgrowns firm to slightly dearer. Offgrades strong. All dusts and liquoring fannings dearer. Others fully firm.

Calcutta Market: *Export*:—Good general demand. Teas for price and whole leaf fully firm. Plain fannings well supported. Good medium Assams slightly easier. C.T.Cs again weak feature.

Internal:—19,500 packages dust. Strong general demand orthodox 2 nP dearer. C.T.Cs irregular. Top with few best continuing firm. Internal leaf good general demand at slightly easier rates.

Export Quota:—The market continues to be quiet, and last business was done at 2 nP. The latest quotation is sellers 2¼ nP and buyers 2 nP.

Forthcoming Auctions:—Sale No. 33 will be held on Tuesday, 25th November 1958.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:

"*Dust Sale*:—650,000 lbs. Less demand; prices irregularly 15 to 20 nP lower for milled and low medium. Others irregularly 10 nP lower."

TEAS FOR EXPORT DECLINE

(From Our Own Correspondent)

CALCUTTA, 18*th November*

Although there was good general demand during the export auctions held yesterday, prices fell. This was attributed to the psychological effect of the increase of 11.3 million lbs. in the output of North Indian gardens during October. With this increase, the crop up to October 1958 was higher by 14.8 million lbs. However, a closer study of statistics revealed that during last year the crop here was exceptionally lower, owing to adverse weather and other factors, and as such comparison of this year's output with last year's would not show the real state of supply.

It was believed that when output figures for November and December would be obtained for the whole of India, the year's output would not after all amount to even that of 1957. Another adverse factor for this week's lower prices was the lower demand in Mincing Lane auctions following an increase in U.K. stocks to 131 million lbs. in the week ended 7th November from 128 million lbs. In contrast, the Colombo auctions held last week, witnessed a gain in prices following keener demand from overseas buyers, particularly the American.

So far during this season, demand and prices both for export and internal auctions had been satisfactory, and the better quality teas were not expected to present any problem. The inferior teas, however, continue to be a worry, and their excessive supply is reflected by the gradual decline in prices.

Export offerings yesterday amounted to 71,230 chests. Although there was good demand, prices realised were lower. Orthodox medium Assam B.O.Ps and O.Fs declined by 10 to 20 nP, medium B.Ps and P.Fs by 10 nP, and "teas for price" and plain brokens by 2 to 6 nP. Plain fannings, though in better demand, tended to fall. C.T.Cs declined irregularly by 10 to 15 nP followed by withdrawals. Legg-cut teas were pushed down by 8 nP. In whole leaf grades, excepting the well twisted pekoes, prices of which improved, other lots shared the general market trend. Darjeelings received little attention with prices easing. The rates were: best Assam C.T.C. fannings Rs. 2.20, best Assam C.T.C. B.P. Rs. 2.05, clean black pekoe Rs. 2.00 to 2.10, medium fannings Re. 1.88 to 1.92, plain fannings Re. 1.80 to 1.86, and medium B.P. Re. 1.80.

Business was done in export quota at 1¾ nP, when the price declined to 1½ nP.

In the internal sales on Thursday last, dusts on offer amounted to 19,495 chests. The general demand was good, and the feature was the higher prices realised by orthodox teas, of which the grainy exportable teas received more attention, keen competition was offered to the legg-cut Dooars, prices of which rose above valuations. Among C.T.Cs, medium kinds eased by 15 nP, but the poorest fibrous teas were firm at valuations. The quotations were: medium Assam C.T.C. Rs. 2.00 to 2.20, best Assam C.T.C. Rs. 2 80 to 3.10 (nominal), medium Dooars Re. 1.88, and medium Assam grainy dust Re. 1.90.

Leaf offerings amounting to 2,310 chests realised lower prices, despite good demand.

BASE METALS RISE FURTHER

(From Our Own Correspondent)

CALCUTTA, 18*th November*

Following continued tightness in supplies, base metals have recorded further gains in the past week. Thanks to the short-sighted import policy relating to virgin metals, acute scarcity prevails and there has been inevitable uptrend in prices. It is thought that it would not be until two months before fresh supplies would reach actual users under the current import policy. This interval will naturally add to scarcity.

Electrolytic zinc has reached a high of Rs. 92, after opening at Rs. 85. Dealings are, however, restricted, as there is not sufficient supply of metal. The stock position in Bombay, however, is better as the price there is only Rs. 88 and upcountry orders find their way to Bombay. Zinc prices in both London and New York are hardening. During the week, Tatas were again in the market with a tender for 1,500 tons of zinc. Tin has risen from Rs. 564 to Rs. 584, despite easier trend on the London Metal Exchange where ready tin has sagged from £763 to £755½ and 3 months from £763 to £758. In contrast to zinc, tin in Bombay at Rs. 600 is higher than in Calcutta and, even so, Calcutta has not received upcountry attention. Virgin lead has been pushed up to Rs. 84 from Rs. 78, with Bombay reporting even a higher rise at Rs. 87. The supply position is causing anxiety. It is noted that, in both London and New York, copper has declined. On the London Metal Exchange, spot copper has given way to £243½ from £260 and three months to £234½ from £246¾.

How banking serves the SPICES INDUSTRY



There is tremendous demand throughout the world for pepper and cardamoms and South India produces the bulk of these spices. One-third of the entire world demand for pepper is grown between Karwar and Cape Comorin; and in 1951-52, India's exports earned more than Rs. 27 crores.

Within the last ten years there has been a remarkable increase in cardamom growing, particularly in the South Indian states of Mysore and Coorg, and the districts of Madura, Tinnevelly, Malabar and Coimbatore.

The Indian spices industry has a happy future, and banking will naturally help to expand and improve it. The facilities and guidance of a good bank, such as the availability of ready funds when needed and the collection of dues from any part of the country, have become part of efficient organisation in every industry.

We at Palai are proud that many spice growers of South India employ the *complete* banking service we offer:

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Confidential Credit Reports, etc.

If you have business interests in the South, it will pay you to open an account with us. Our 24 branches are strategically located, 22 in important South Indian business centres and two in Delhi and New Delhi; and we have correspondents in all important Indian cities. We offer a fully comprehensive banking service at each office.

Our clients can make deposits at any of our correspondent banks, situated in all important Indian towns and have the amounts credited to their accounts at any of our branches.

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MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 14th Nov., 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	63,33,26,000
(2) Other Governments	18,17,22,000
(b) Banks	79,88,20,000
(c) Others	114,48,02,000
Bills Payable	14,67,33,000
Other Liabilities	20,07,00,000
Rupees	425,61,03,000

ASSETS	Rs.
Notes	7,32,16,000
Rupee Coin	2,59,000
Subsidiary Coin	4,65,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	4,68,64,000
Balances held abroad*	18,32,54,000
Loans and Advances to Governments†	22,25,37,000
Other Loans and Advances	58,28,24,000
Investments	302,52,10,000
Other Assets	10,14,58,000
Rupees	423,61,03,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 96,00,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,32,16,000	
Notes in circulation	1585,92,40,000	
Total Notes issued		1593,24,56,000
Total Liabilities		1593,24,56,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	164,67,56,000	
Total of A		282,43,59,000
B. Rupee Coin		126,08,26,000
Government of India Rupee Securities		1174,72,71,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1593,24,56,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	7th Nov., 1958	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1572.56	1534.44	1545.16	1490.96
Notes held in Banking Department	25.05	11.63	22.71	10.06	22.45
Foreign Securities	89.50	164.66	164.66	199.66	301.77
Rupee Securities	57.82	1264.73	1284.70	1239.37	960.71
Banking Department					
Deposits of :					
Government of India	14.89	62.21	71.75	62.78	54.86
Other Governments		19.39	32.12	18.84	6.16
Balances held abroad	16.98	14.22	13.75	12.60	19.42
SCHEDULED BANKS					
Demand Liabilities	134.96	705.84	712.35	720.31	738.80
		(23.20)†	(22.10)†	(23.06)†	(19.77)†
Time Liabilities	102.84	926.62	927.30	881.24	665.58
		(39.58)†	(39.09)†	(39.11)†	(14.37)†
Borrowings from Reserve Bank	..	4.67	2.26	1.78	22.91
		(1.17)‡	(0.92)‡	(1.11)‡	(21.08)‡
Borrowings from State Bank	..	4.29	2.87	2.22	5.47
Cash in India	6.76	39.97	40.01	38.36	33.92
Balances with Reserve Bank	26.17	81.79	106.73	86.07	94.75
Excess over statutory limits	15.82	28.00	52.57	32.44	44.79
Balances with other banks in current account in India	..	12.94	13.85	12.97	11.38
Money at call and short notice in India	..	80.20	48.17	51.26	52.04
Investments (at book value)	169.69	640.45	618.48	594.71	407.80
Advances and Bills		844.55	838.55	844.98	854.28
STATE BANK					
Deposits	37.76	475.84	476.29	444.72	365.45
Investments	51.92	284.51	288.64	251.97	164.08
Advances	99.85	164.94	162.06	164.97	161.40
Cash†	14.69	41.13	55.83	37.15	47.98

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

State Bank of India

Statement of Affairs for the week ended 14th Nov., 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL :		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		480,17,69,000
Borrowings from Other Banking Companies, Agents, etc.		16,00,000
Bills Payable		6,06,65,000
Bills for Collection being Bills Receivable as per contra		2,18,29,000
Acceptances, Endorsements and Other Obligations per contra		1,29,08,000
Other Liabilities (including Inter-Office Adjustments)		11,65,04,000
Total	Rs.	513,77,75,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		32,36,50,000
Balances with other Banks		2,34,91,000
Money at Call and Short Notice		2,46,66,000
INVESTMENTS :	Rs.	
Government and other Trustee Securities	274,62,67,000	
Other Authorised Investments	11,65,90,000	
		286,28,57,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	153,93,74,000	
Bills Discounted and Purchased	12,02,66,000	
		165,96,40,000
Bills Receivable being Bills for Collection as per contra		2,18,29,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,29,08,000
Premises less Depreciation		1,34,76,000
Furniture and Fixtures less Depreciation		1,01,39,000
Other Assets (including Inter-Office Adjustments)		18,21,19,000
Total	Rs.	513,77,75,000

Scheduled Banks*

Statement of Affairs for the week ended 7th Nov., 1958

	Rs.
Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank†	23,20,25,000
(ii) Other demand liabilities	682,13,89,000
Time Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank†	39,57,68,000
(ii) Other time liabilities	887,04,47,000
Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities	4,23,54,000
(ii) Time liabilities	5,00,000
Borrowings in India from the Reserve Bank of India†	4,66,55,000 (1,17,00,00)
Cash in India	39,97,02,000
Balances with the Reserve Bank in India	81,79,81,000
Balances with other banks in current account in India	12,94,42,000
Money at call and short notice in India	50,29,04,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	640,46,08,000
Advances in India	718,34,50,000
Inland Bills purchased and discounted in India	81,19,51,000
Foreign Bills purchased and discounted in India	45,01,16,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
1958				Rs.	Per cent.
26th August	3.00	6.60	3.00	2.520	99.364
2nd September	3.00	4.01	3.00	2.518	99.370
9th September	3.00	3.95	3.00	2.522	99.365
16th September	2.00	2.75	2.00	2.524	99.365
23rd September	2.00	2.35	2.00	2.523	99.365
30th September	2.00	2.45	2.00	2.527	99.355
7th October	3.00	3.20	2.00	2.525	99.365
14th October	2.00	2.90	2.00	2.521	99.365
21st October	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
28th October	3.00	8.75	3.00	2.489	99.375
4th November	4.00	10.00	4.00	2.458	99.385
5th to 7th November *	3.50	—	3.50	2.396	99.401
10th November	4.00	7.20	4.00	2.480	99.390
18th November	4.00	5.05	4.00	2.485	99.385
Total amount outstanding	37.50	..	37.50	..	..

* Intermediate Bills sold

State Bank of Pakistan

Statement of Affairs for the week ended 7th November 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	72,63,47,000
(b) Provincial Governments	2,42,41,000
(c) Banks	14,58,85,000
(d) Others	5,47,27,000
Bills Payable	54,58,000
Other Liabilities	10,00,58,000
Rupees	111,62,31,000

ASSETS	Rs.
Notes	5,78,02,000
Rupee Coin	54,000
Subsidiary Coin	44,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	35,14,000
Balances held outside Pakistan*	8,18,84,000
Loans and Advances to Governments	6,60,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	15,36,93,000
Investments	67,00,92,000
Other Assets	8,40,48,000
Rupees	111,62,31,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	5,78,02,000	
Notes in circulation	341,11,95,000	
Total Notes issued	....	346,84,97,000
Total Liabilities	....	346,84,97,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	50,76,07,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,80,000	
		116,85,72,000
B. Rupee Coin	4,31,77,000	
Government of Pakistan Securities	219,77,42,000	
Internal bills of exchange and other commercial paper	....	
		224,09,19,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :		
Gold Coin and Bullion	19,03,000	
Sterling Securities	4,40,53,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,81,000	
		5,90,06,000
Total Assets	....	346,84,97,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 35.31 per cent.

EXCHANGE RATES

		19th November, 1958	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£.	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months	£.	1-5⅝	1-5⅝
Buyers T.T. spot to nine months	£.	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	£.	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477.00	477.00
Buyers T.T.	Rs.	472.50	472.50
London on New York	$	2.80⅜-2.80⅝	2.80⅜-2.80⅝
London on Paris	Fcs.	1.1762	1.1762
London on Bonns	Bel. Fcs.	13.34⅛-13.34½	13.34⅛-13.34
New York on London	$	2.80⅜-2.80⅝	2.80⅜-2.80⅝

CLEARING HOUSE RETURNS

Centre	Week ended 14th November, 1958 Number of Cheques	Amount Rs.	Week ended 7th November, 1958 Number of Cheques	Amount Rs.
Bombay	3,10,626	45,87,94,000	3,37,299	78,58,37,000
Calcutta	1,40,000	48,42,00,000	1,74,000	79,03,00,000
Madras	77,208	8,48,19,602	98,610	11,58,59,121
All Centres—				
1956-57	..	..	46,08,000	87,24,35,00,000
1957-58	..	..	41,071,000	89,54,56,00,000
July, 1958	..	..	2,815,000	8,31,97,00,000
Aug., „	..	..	2,422,000	7,52,06,00,000
Sept., „	..	..	2,557,000	8,08,05,00,000

INDEX NUMBERS OF WHOLESALE PRICES (Base: 1952-53=100)

Particulars	Weight	1st Nov., 1958	25th Oct., 1958	2nd Nov., 1957	September 1958	September 1957	Percentage of increase (+) or decrease (—) in Sept. 1958 as compared with Sept., 1957	Financial Year Average 1957-58	1956-57
Food Articles	306	121.5	121.5 R	107.0	121.2	108.5	+11.7	109.4	108.3R
Cereals	192	113.5	113.3	102.0	114.6R	120.6	— 5.0	106	96
Pulses	21	115.0	115.1	98.1	95.6	87.1	+9.8	92	91
Fruits and Vegetables	26	118.1	117.3 R	115.3	124.9	117.4	+6.4	118	121
Milk and Ghee	64	109.7	110.0	106.2	106.7	109.1	— 0.4	108	108
Edible Oils	27	131.1	130.9	130.0	130.7	128.5	+1.8	130	130
Fish, Meat and Meat	10	111.1	109.5	99.4 R	114.3	109.1	+4.8	110	107
Sugar and Gur	45	127.5	127.6	108.6	135.4	110.6	+22.4	122	108
Others	20	162.8*	160.9* R	131.7	157.2	129.5	+21.7	137	133
Liquor and Tobacco	31	99.6	99.6	99.6	99.6	99.6	0.0	99.6	99.6
Tobacco	—	99.4	91.7	99.0	99.0	99.0	— 3.3	99	99
Fuel, Power, Light and Lubricants	93	115.5	115.1	114.3	116.6	116.6	+0.0	112.6	106.2R
Industrial Raw Materials	196	115.6	115.8	114.7	115.0	116.4	+5.1	116.5	116.5
Fibres	61	108.5	104.2	118.2	108.0	114.6	— 5.9	110	116
Oilseeds	69	128.6	128.1	121.5	127.8	130.6	+13.8	130	130
Minerals	2	100.9*	100.9*	108.7*	104.2R	100.0	— 2.3	103	103
Others	64	107.4*	107.1* R	107.2	106.4	107.0	— 0.4	106	102
Manufactures	255	106.5	106.5	106.8	106.8R	106.7	+0.2	106.1	104.1
Intermediate Products	61	108.8	108.3	108.8	111.6	107.1	+4.8	107.3	110.3
Finished Products	200	105.4	105.4	105.7	106.3	106.8	— 0.5	106.2	103.6
Textiles	147	108.5	108.9	108.0	108.8	108.5	— 0.3	107	102
Cotton	—	111.1*	111.1*	116.4	111.6	117.0	— 4.6	116	108
Jute	—	67.0*	67.0*	99.6	67.8	99.8	—11.8	86	86
Woollen	—	105.9	105.9	103.0	105.9	103.0	+2.8	103	98
Silk and Rayon	—	95.1	94.7*	81.8*	96.0*	83.1*	+15.5	90	88
Metal Products	12	148.1	148.1	148.4	148.0	148.8	— 0.5	141	99
Chemicals	30	107.8	107.4 R	99.9	106.4R	98.8	+7.7	98	98
Oil cakes	10	145.5	145.9*	124.6	137.0	114.3	+19.9	115	103
Machinery and Transport Equipment	21	105.6	105.6	102.3	103.5	101.7	+1.8	102	98
Others	20	113.6	113.8	111.4	113.8	110.5	+3.0	110	101
All Commodities	1,000	116.0	116.2 R	109.8	119.5	109.5	+9.4	109.4	106.2R

Note:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. —Not available.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	5
Austria	17th Nov., 1955	4.50	5
Belgium	Aug., 1958	3.75	3.50
Bolivia	30th Sept., 1948	5	6
Burma	Feb., 1952	3	2
Ceylon	11th June, 1954	2	2.50
Chile	Feb., 1957	45	6
Colombia	19th Dec., 1957	5	6
Costa Rica	1st April, 1954	4	5
Denmark	15th Aug., 1958	5	4½
Ecuador	1st Nov., 1948	7	10
Egypt	15th Nov., 1957	4½	3
El Salvador	April, 1957	3	4
Finland	28th April, 1958	5	4½
France	10th Oct., 1958	5	4½
Greece	May, 1954	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	June, 1958	5.50	5
Italy	7th June, 1958	4	3.50
Japan	June, 1958	8.40	7.67
Mexico	4th June, 1942	4	4½
Netherlands	14th Nov., 1958	3.50	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1958	2.50	3.50
Pakistan	1st July, 1948	..	3
Peru	12th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	3	4
South Africa	29th Sept., 1955	4	4½
Spain	22nd July, 1957	4½	5
Sweden	2nd May, 1958	3	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	9th June, 1958	4½	6
United Kingdom	14th Aug., 1958	5	4½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Oct., 1956	3	3½
West Germany	27th June, 1958	3½	5

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1957-58	1956-57	(In thousand tons) 1957-58	1956-57
Cereals—					
Rice	final	79,027	79,320	24,821	28,282
Wheat	final	29,657	33,580	7,654	9,314
Jowar	final	41,411	40,367	8,066	7,249
Bajra	final	27,453	27,884	3,565	2,885
Barley	final	7,531	8,726	2,175	2,827
Maize	final	9,762	9,197	3,064	3,009
Ragi	final	5,897	5,831	1,716	1,715
Small millets	final	11,979	12,230	1,759	1,964
Total cereals	final	212,717	217,135	52,810	57,245
Pulses—					
Gram	final	22,405	24,265	4,764	6,264
Tur	final	5,598	5,686	1,396	1,954
Other Kharif pulses	final	15,832	16,484	1,401	1,515
Rabi pulses	final	10,820	11,780	1,665	1,770
Total pulses	final	54,655	58,215	9,216	11,503
Total foodgrains		267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut	final	14,457	13,450	4,271	4,200
Castorseed	final	1,325	1,415	97	124
Sesamum	final	5,268	5,446	363	442
Rape and Mustard	final	6,050	6,311	905	1,026
Linseed	final	3,318	4,156	271	384
Total oilseeds	final	30,418	30,778	5,907	6,176
Fibres—					
Cotton*	final	20,158	19,823	4,763	4,735
Jute A.	final	1,754	1,908	4,983	4,533
Mesta A.	final	726	733	1,211	1,478
Other crops—					
Potato	final	702†	691††	1,674†	1,830††
Sugarcane	final	5,021	5,057	63 954	66,998
Ginger (Dry)	final	39	39	14	15
Pepper (Black)	final	229	221	26	27
Chillies (Dry)	final	1,534	1,476	355	342
Tobacco	final	1,022†	1,013††	306†	295††

Source: Ministry of Food and Agriculture. ‡ Excluding Tur.
* In thousand bales of 392 lbs. each. † Excluding Gram and Tur.
A. In thousand bales of 400 lbs. each. † Refers to 1956-57.
†† Refers to 1955-56.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	1956	Jan. to August 1958	1957
Exports	637.74	612.96	360.42	426.88
Re-exports	5.11	6.21	5.79	2.89
Total Exports	642.85	619.17	366.21	429.77
Imports	1025.82	821.46	512.77	559.11
Overall Balance of Trade	—382.97	—202.29	—146.56	—228.34
Exports—				
Tea	123.40	142.43	73.53	71.65
Jute yarns and manufactures	114.48	112.52	68.38	77.05
Cotton yarns and manufactures	68.58	62.23	33.71	48.14
Metallic ores and metal scrap	49.80	23.86	22.23	34.78
Coal, raw and waste	18.66	25.09	14.27	15.97
Oils—vegetable, mineral and animal	19.31	24.51	9.34	13.65
Fruits and Vegetables	18.60	18.03	12.83	12.24
Tobacco	12.58	13.30	14.21	10.94
Mica	8.57	5.75	6.11	5.97
Wool—Raw	11.73	10.64	6.36	9.17
Gums, resins and lac	8.59	11.19	5.15	6.02
Spices	8.43	9.56	5.62	6.06
Hides and skins, raw	6.99	6.07	4.82	5.38
Imports—				
Machinery of all kinds	232.97	150.12	126.42	144.71
Iron and Steel	146.98	122.49	62.46	107.31
Oils—vegetable, mineral and animal	113.38	74.69	51.51	70.05
Cotton, raw and waste	48.62	53.61	23.36	37.80
Chemicals, drugs and medicines	76.77	43.14	40.45	54.23
Electrical goods and apparatus	61.14	20.15	33.71	37.75
Paper, pasteboard, etc.	13.13	13.99	5.15	9.23
Vehicles (excluding aircraft, ships and boats)	71.35	69.91	33.38	45.21
Fruits and vegetables	21.27	13.66	9.97	13.39
Spices	2.93	1.83	1.99	2.04
Dyes and colours	13.57	16.37	5.53	9.77
Woollen and worsted fabrics	1.31	2.16	21	84
Cotton fabrics	2.37	2.30	63	1.65

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During October, 1958	81.8
	Corresponding month, 1957	83.5
	Four months ended Oct., 1958	344.1
	Corresponding period, 1957	344.2
Stocks	At the end of October, 1958	107.1
	Corresponding month, 1957	76.0
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1956-57	852.9
	1957-58	852.6
	Sept., 1957	80.6
	Sept., 1958	86.2
For Internal Consumption	1956-57	179.0
	1957-58	198.0
	Sept., 1957	14.6
	Sept., 1958	14.6
	RAW JUTE	(In 000 bales)
Consumption by Mills	October, 1958	474
	Corresponding month, 1957	454
	Four months ended Oct. 1958	1,972
	Corresponding period, 1957	1,929
	1956-57	6,072
	1957-58	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

		No. of Concerns §	Units Generated‡	Total Units Sold
1955-56		715	9,266.5	7,126.8
1956-57		769	9,977.3	8,182.1
1957-58		834	11,176.9	9,011.1
May	1957	794	922.2	756.7
June	„	799	888.4	728.1
July	„	809	922.3	743.9
May	1958	766	1,045.5	833.8
June	„	773	1,014.3	810.7
July	„	791	1,056.7	846.0

* Excluding railway, military and tramway power stations. Static power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. *Source*:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	320	48	148
1956-57	13,586	2,265	1,022	219	104	58	207	24	196	427	39	329	52	190
1957-58	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
August 1957	5,781	957	539	84	39	25	67	8	103	183	13	177	19	81
September „	6,893	1,152	628	93	42	30	87	10	118	220	15	219	25	101
October „	8,066	1,366	736	107	45	34	109	13	135	263	19	261	31	132
November „	9,240	1,566	844	129	53	37	137	16	149	309	24	322	37	184
December „	10,506	1,766	941	152	64	40	162	18	163	360	28	350	42	148
January 1958	11,814	1,979	1,083	174	80	44	186	21	177	413	32	394	45	161
February „	13,011	2,172	1,123	191	93	49	202	23	194	456	36	435	46	178
March „	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
April „	1,258	220	111	23	9	4	15	2	15	45	2	40	1	15
May „	2,438	431	234	40	13	7	31	3	31	88	5	78	4	27
June „	3,541	628	355	56	25	9	38	5	46	127	7	112	7	38
July „	4,666	831	511	71	31	12	46	7	63	164	10	154	12	43
August „	5,823	1,077	581	83	37	15	58	8	72	202	12	200	17	55

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.-2 M. G.) and incorporate revision in respect of earlier months. *Source*:—Ministry of Railways.

INDUSTRIAL PRODUCTION

Industries		Jan. to July 1957	Jan. to July 1958*	June 1958	July 1958*	July 1957
Major Industries						
Coal	million tons	4.94	26 35	3.55	3.75	3.30
Steel (Ingots and Metal for castings)	thousand tons	849†	854†	135	—	134
Yarn	million lbs.	891†	819†	128	—	150
Cloth	million yds.	2,709†	2,421†	388	—	459
Cement	million tons	3.08	3 72	0.50	0.48	0.42
Jute	thousand tons	1,080	594	624	90	98
Paper and paper boards	tons	118,115	102 414†	120,423†	19,184	17,511
Matches	gross	578,400	239,000†	292,100	50,000	47,900
Sugar	thousand tons	2,068	1,563	1,476	4	2
Engineering and Electrical Industries—						
Machine tools	Value in lakhs of Rs.	258.50	105.84†	151 60†	25.29	20.77
Electric lamps	millions	33.15	15 14†	15 08†	2.39	3.05
Dry cells	millions	166.56	102 32	98 24	14.91	16.89
Power transformers	K.V.A.	1,219,200	567,000†	570,300†	75,800	113,000
Electric Meters	h.p.	499,200	212,200†	292,100†	50,000	48,400
Electric fans	Nos.	834,400	250,600†	314,100†	48,400	15,678
Radio receivers	Nos.	190,575	92,039†	97,457†	17,995	28,900
Storage batteries	Nos.	334,000	180,900	197,300	29,700	507
Copper conductors	tons	5,556	4,568†	3,732†	488	77
Welding wires	tons	1,092	450†	732†	153	9 17
Rubber and plastic ins. cables and flexibles	million yds.	103.20	51 04†	53 85†	9 37	17,900
Insulators—H.T.	Nos.	186,000	89,800†	225,900†	76,800	0 41
Insulators—L.T.	million Nos.	4.59	2 44†	2 77†	0 48	185
Diesel engines—Vehicular	Nos.	3,256	2,535	419	311	—
Do —Stationary	Nos.	10,545	7,241†	11,462†	1,848	1,439
Chemical Industries—						
Salt	million mds.	98.76	77 33†	92 23†	24.13	6.07
Caustic soda	tons	42,706	24,422	31,200	4,855	5,202 3,125
Soda ash	tons	91,920	53,671	50,647	6,291	4,748 6,911
Chlorine liquid	tons	18,006	9,142	9,480	1,381	1,543 1,172
Bleaching powder	tons	5,540	2,925	3,529	504	450
Bichromates	tons	3,672	1,745†	1,720†	218	325
Sulphuric acid	tons	191,668	88,712†	106,537†	17,823	18,452
Superphosphate	tons	141,000	62,161†	79,380†	13,549	16,666
Non-ferrous Metals—						
Aluminium	tons	7,771	3,800†	4,074†	686	665
Antimony	tons	508	248	215	56	45 58
Copper (virgin metal)	tons	7,848	4,581	4,402

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series

[1952-53 = 100]

Group and Sub-Group	Week ended 8th Nov., 1958	1st Nov., 1958	11th Oct., 1958	9th Nov. 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100 4	100 3	100 6	98 2
2. Government of India	100 2	100 2	100 5	98 0
3. State Government	101 5	101 5	101 5	100 0
4. Municipal, Port Trust, etc.	99 0	99 0	98 9	99 1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100 4	100 6	100 3	99 1
6. Plantations	100 1	100 1	100 1	100 0
7. Coal	99 6	99 6	99 6	99 6
8. Sugar	99 0	99 0	99 0	96 9
9. Cotton Textiles	98 2	98 2	98 1	100 3
10. Jute Textiles	91 5	91 5	91 5	93 0
11. General Engineering	100 4	100 4	98 5	95 9
12. Electricity Generation and Supply	97 1	97 1	97 1	96 6
13. Others	102 9	102 9	102 9	101 0
PREFERENCE SHARES—ALL INDIA.				
14. Total	88 1	88 4	88 0	87 6
15. Plantations	97 8	97 6	97 1	102 3
16. *Mining & Quarrying: Total*@	88 5	87 1	86 1	87 5
17. Coal	79 0	76 3	74 3	79 9
18. *Processing and Mfg.: Total**	88 0	88 4	88 0	87 7
19. Sugar	89 1	89 1	89 1	93 2
20. Cotton Textiles	78 6	78 7	79 1	88 7
21. Jute Textiles	79 4	79 4	79 3	74 7
22. Iron and Steel	90 1	91 6	90 4	87 0
23. General Engineering	102 2	101 8	100 8	102 4
24. Basic Industrial Chemicals	87 9	89 3	88 2	82 3
25. Cement	98 9	98 7	98 2	96 6
26. Paper	95 9	95 9	95 8	91 3
27. *Other Industries: Total**	85.7	85.9	85.6	82 9
28. Electricity Generation and Supply	87.5	87 6	87.5	84.8
29. Trading	80 6	80 7	80 3	76 7
30. Shipping and Other Transport	85 4	85 5	84.8	85.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	143 2	144 1	142 5	124.4
32. *Agriculture and Allied Activities: Total**	155 9	158 7	154 5	145 2
33. Tea Plantations	149.7	150 0	147 7	143 7
34. Coffee Plantations	215 4	215 9	214 4	183 8
35. Rubber Plantations	154 6	156 0	159 6	133 0
36. *Mining and Quarrying: Total*	145 5	146 9	147 7	122 4
37. Coal	113 3	114 4	113 4	89 0
38. Other Mining	167 6	169.2	171.2	145.3
39. *Processing and Manufacturing: Total*	141.7	142 7	141.0	123 4
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	129 1	129 4	128 6	119 1
41. Sugar	174 0	174 3	173 4	157 6
42. Cotton Textiles	113 7	114 6	116 0	119 0
43. Jute Textiles	91 3	87 5	84 2	90 5
44. Silk and Woollen	439 6	445 3	430.4	305.7
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	152 3	153 2	159 5	128 1
46. Iron and Steel	157 6	159 1	154 3	112 5
47. Transport Equipment	204 4	206.2	203.3	172 5
48. Electrical Machinery	163 6	162.4	155.4	165.2
49. Machinery other than Transport and Electrical	175 0	174 9	171 0	146 6
50. Basic Industrial Chemicals	128 6	129 1	128.8	106 2
51. *Processing and Mfg. (Others): Total**	142 0	144 8	144.6	127 9
52. Cement	125 9	129 1	130 8	122 4
53. Paper	195 5	197 1	197 3	162 1
54. *Other Industries: Total**	118 7	119 0	116 4	104 1
55. Electricity Generation and Supply	95 9	95 8	94.6	88 4
56. Trading	39 9	39 7	39 1	30 5
57. Shipping and Other Transport	142 9	144 9	141 1	124 1
58. Construction	258 0	260 7	245 8	199 5
59. *Financial: Total*	144 2	144 4	143 6	147 3
60. Banks	209 7	209 6	209 3	165 4
61. Insurance	126 3	127 7	125 6	108 0
62. Investment Trusts	94 6	94.4	92.5	84.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	145 9	147 8	145 5	121 2
64. Calcutta	140 6	140 5	139 3	122 0
65. Madras	154 9	155 8	155 1	146 0
66. Delhi	166 3	167 4	167.6	148 6

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,73,600	7,97,500
Do. 31st March, 1958	10,98,300	11,06,800	7,86,000
Aug., 1957	88,700	85 500	63,100
Sept., "	88 600	92,500	71,700
Oct., "	95,100	96,500	69,000
Aug. 1958	99 500	1,08,600	70,300
Sept., "	89,600	95,800	66,500
Oct., "	94,200	96,400	76,900
Indian Iron and Steel Co., Ltd.			
Year ended 31st March 1957	6,95,156	5,32,315	4,41,483
Do. 31st March, 1958	7,33,945	5,07,580	4,10,558
Three months ended Sept. 1957.	1,71,397	1,19,172	96,815
" " " Mar. 1958.	1,92,548	1,33,563	1,08,501
" " " June 1958.	2,14,469	1,21 988	1,01,014
" " " Sept 1958.	2,30,436	1,43,516	1,05,603

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Nmuber of man-days lost
1956	1,203	715 130	6,992,040
1957	1,630	889,371	6,429,319
January 1958	147	56,492	371,125
February "	152	99,482	447,586
March "	167	85,462	818,824
April "	170	61,489	5,30,162
May "	180	57,857†	5,60,450†
June "	151	156,229(a)	1,524,335(b)

† Not known in 16 cases. (a) Not known in 9 cases.
‡ In progress during the month. (b) Not known in 10 cases.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'56-'57	387 68	..	11.010	284
Pakistan††	'56-'57	88 50	..	2,079	249
Burma	1956	19 80	Kyats 4,336	565	285
Ceylon	1956	8 38	..	475	567
Japan	1956	90 00	Y. 7,427,000	9.283	1,031
Philippines	1956	22 20	Ps. 8,335	1,985	894
New Zealand	1956	2 17	£ (N.Z.) 884	1,178	5,428
Australia	1957	9 60	£ (A.) 4,599	4,893	5,096
U.K.	1956	51 20	£ 16,465	21,953	4,287
U.S.A.	1956	168 09	$ 343,690	163,554	9,731
Canada	1956	16 09	$ 22,710	10,797	6,742
France	1956	43 60	F.Fr.13,990,000	17 640	4,046
W. Germany	1957	51 40	Dm. 158,000	18,057	3,513
Italy	1956	48 10	Lr. 11,476,000	8,760	1,821
Norway	1956	3 46	Kr. 20,990	1,408	4,358
Sweden	1956	7 30	Kr. 44,580	4,127	5,653
Netherlands	1956	10 80	Grs. 25,400	3,215	2,977
Denmark	1956	4 46	Kr. 24,950	1,990	3,749
Switzerland	1956	5 00	Sw. Fr. 25,630	2,807	5,614

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949 = 100)	Bombay Base June (1934 = 100)	Ahmedabad Base July (1927 = 100)	Sholapur Base January (1939 = 100)	Kanpur Base (1949 = 100)	Nagpur Base (1949 = 100)	Calcutta Base August (1939 = 100)	Madras City Base (1949 = 100)	Delhi Base (1949 = 100)	Ajmer Base (1949 = 100)	Gauhati Base (1949 = 100)	Jamshedpur Base (1949 = 100)	Jabalpur Base (1949 = 100)	Bangalore Base (1949 = 100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	(f)	115
1953 "	106	363	275	325	95	103	340	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	105
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	250	339	94	112	364	116	114	99	103	115	107	126
May 1957	110	376	263	345	96	111	362	114	114	99	103	113	108	125
June "	112	356	254	330	91	112	371	115	115	98	105	113	111	127
July "	112	356	256	333	89	112	371	116	115	98	106	119	109	129
August "	113	377	265	347	98	113	375	115	118	99	105	120	108	128
September "	114	375	262	338	97	113	378	115	113	100	106	121	106	128
May 1958	113	387	263	295	93	117	371	120	108	97	101	119	107	129
June "	116	395	273	307	98	117	378	121	111	101	103	120	113	130
July "	119	402	285	317	101	118	392	125	116	105	103	122	114	130
August "	120†	404	288	322	103	118	403	126	117	108	106	125	111	132
September "		404	289	327	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	10-Year Treasury Savings Deposit Certificates 4% G Receipts	10-Year Treasury Savings Deposit Certificates 4% G Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings H
1952-53	6,83	3,26	34,17	..	..	113.35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,98
1953-54	5,91	4,26	104,38	..	..	117,37	106,39	..	—34,20	32,11	..	..	..	..	152,71	252,96
1954-55	4,70	4,99	124,84	..	..	134,94	130,88	7,38	—36,36	37,15	..	..	55	54	177,35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	203,53	380 04
1956-57	3,00	6,01	163,88	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	1,32	1,25	225,88	440,17
1957-58	2,22	4,73	143,49	71,45	71,43	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	264,34	509,77
1957																
December ..	2,43	5,06	151,07	6,41	39,23	13,00	202,55	24,14	—39,47	43,89	46	3,47	2	1,50	19,90	473,34
1958																
January ..	2,37	4,94	148,57	7,95	47,18	13,88	202,54	23,77	—39,55	43,80	68	4,08	18	1,68	22,68	478,98
February ..	2,31	4,83	146 14	10,24	57,42	14,22	203,12	23,45	—39,62	43,69	74	4,81	9	1,75	25,29	487,58
March ..	2,22	4,73	143,49	14,03	71,45	23,38	213,91	23,11	—39,73	43,58	70	5,47	12	1,87	42,20	509,77
April ..	2,15	4,65	141,35	6,56	77,99	15.27	214.24	22.85	—39,82	43,47	77	6,15	11	1,97	22,71	514,78
May ..	2,07	4,55	139,27	5,84	83,82	15.22	212,66	22.58	—39.90	43.37	57	6,72	5	2,01	21,68	517,01
June ..	2,01	4,47	137,48	5,03	88,80	14,51	213,05	22.39	—39,98	43,29	38	7,12	3	2,03	19,95	520,80
July ..	1,96	4,38	135,22	5,49	94.65	16,04	215,13	22.19	—40 06	43,17	47	7,63	5	2,07	22.49	526,36
Aug. ..	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	—40,13	43,03	45	8,11	5	2,10	21,10	532,75
September ..										42,99	41	8,55	5	2,15	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100 65
3 % Loan	1938-39	116,17,46,000	1963-65	96 70
3 % Loan	1950	30,32,10,000	1964	96 75
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	94 05
3 % Dev. Loan	1945	1,15,12,83,000	1970-75	90 25
3 % 2nd V Loan	1945	1,13,65,64,000	1959-61	99 70
2½% Loan	1946	45,63,07,000	1960	99 00
2½% Loan	1946	67,50,69,000	1961	97 15
2½% Loan	1946	14,77,48,000	1976	83 20
2½% Loan	1947	75,86,72,000	1962	96 80
3½% N.P. Bonds	1953	75,29,00,000	1961	100 10
3½% N.P. Loan	1954	1,58,17,90,000	1964	99 90
3½% N.P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99 70
3½% Loan	1956	87,27,36,000	1962	99 15
3½% N.P. Bonds	1956	83,81,83,000	1967	98 95
3½% Loan	1956	66,63,53,000	1974	98 30
3½% N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100 50
4 % Loan	1957	49,17,27,000	1972	100 70
3½% Loan	1958	58,06,00,000	1963	100 00
3½% Loan N.P.B.	1958	84,34,70,000	1968	100 40
4 % Loan	1958	49,47,00,000	1973	100 65
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,84,000	M.	73.00
3% Loan	1946	2,48,91,37,000	K.	73,15
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	99 45
4 % Andhra	1956	6,66,15,000	3rd Sept. 1968	99 40
4½% Andhra	1958	5,00,00,000	15th July 1970	100 15
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	99 60
3 % Bombay	1950	2,83,00,000	31st July 1962	99 60
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98 30
4 % Bombay	1953	5,19,35,000	15th July 1963	100 20
4 % Bombay	1952	3,35,35,000	1st Aug. 1964	100 15
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	99 90
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	98 50
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	101 00
4½% Bombay	1958	5,00,00,000	15th July 1970	100 90
4½% Bombay	1958	5,00,00,000	15th July 1971	100 70
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	99 35
4 % Bihar	1956	2,41,00,000	3rd Sept. 1968	99 10
4½% Bihar	1958	2,50,00,000	13th Oct. 1970	99 90
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99 00
3½% Cochin	1936	30,00,000	1st June 1956-61	98 00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94 12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	99 40
4 % Hyderabad	1956	2,13,02,000	3rd Sept. 1968	99 30
4 % Madras	1939	1,23,98,000	21st June 1959	99 30
3 % Madras	1945	2,78,44,000	14th Sept. 1960	98 85
2½% Madras	1946	3,31,77,200	1st Sept. 1961	97 75
3 % Madras	1955	4,38,25,400	31st July 1960	98 85
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98 75
4 % Madras	1953	10,33,71,000	15th July 1963	100 05
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 00
4 % Madras	1955	10,47,17,900	1st Sept. 1967	99 45
4 % Madras	1956	13,33,56,000	3rd Sept. 1968	99 40
4½% Madras	1958	5,00,00,000	15th July 1970	100 25
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	101 25
4 % Mysore(f)	1936	5,00,12,000	30th Apr. 1956-61	99 30
4 % Mysore	1953	3,33,47,000	15th July 1963	100 00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99 40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	99 40
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	100 45
4½% Mysore	1958	5,00,00,000	15th July 1970	100 25
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93 65
3 % M.P.	1950	1,01,45,000	31st June 1960	98 60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 00
3 % M.P.	1953	1,10,18,000	15th July 1963	99 75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	99 20
4 % M.P.	1956	2,58,42,000	3rd Sept. 1968	99 15
4½% M.P.	1958	2,00,00,000	15th July 1970	100 10
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	99 40
4 % Saurashtra	1956	2,71,84,600	3rd Sept. 1968	99 40
4% Trav. Cochin	1953	3,25,61,000	15th July 1963	99 10
4% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	98 25
2½% U.P.Z.A	1952	41,44,79,000‡	..	48 25
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98 80
3 % U.P.	1946	2,16,39,000	1st Sept. 1961	97 60
3½% U.P.	1951	1,87,36,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100 00
4 % U.P.	1953	5,58,25,000	15th July 1963	100 00
4 % U.P.	1955	9,39,15,000	1st Sept. 1967	99 40
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	99 35
4½% U.P.	1958	7,00,00,000	15th July 1970	100 20
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	99 15
4½% Rajasthan	1958	2,50,00,000	15th July 1970	100 10
4 % Orissa	1956	3,89,34,000	3rd Sept. 1968	99 15
4½% Orissa	1958	3,00,00,000	15th July 1970	100 10

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	96.25
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
74,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	96.25
40,00,000	5	1914	1975	96.25
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	97 75
76,90,100	4	1915	1975	97 75
1,50,00,000C	3††	1921	1981	82 00
68,02,300C	6‡	1921	1981	144 00N
60,00,000C	4	1931	1991	95 00
60,00,000	3½	1935	1965	97 50
25,00,000	3	1938	1963-68	90 00
50,00,000	3	1945	2005	74 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84 75
50,00,000	3	1946	2006	74 00
50,00,000	3	1947	1977	79 50
50,00,000	3	1948	1978	83 75
50,00,000	3	1949	1959	98 50
1,00,00,000	3	1949	1959	98 50
50,00,000C	3	1950	1980	82 00
1,00,00,000	3	1950	1960	97 25
1,00,00,000	3	1950	1960	97 25
50,00,000	3	1951	1981	81 75
1,50,00,000	3½	1953	1961	98 50
50,00,000	4	1953	1963	100 00
50,00,000	4	1953	1983	97 50
50,00,000	4	1955	1985	97 50
77,00,000	4	1956	1986	97 25
78,00,000C	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99 50
1,30,00,000	4½	1958	1988	98 25
STERLING LOANS				
£892,600	5	1923	1963-83	£80 00
£901,000	5	1924	1954-84	£80 25
£835,100	5½	1932	1962	£91 00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
3,00,00011	3½	1947	1977	
3,00,00011	4	1949	1979	
45,00,00011	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75
20,00,000	4	1906	1966	N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
25,00,000	4	1916	1976	N
40,00,000	5	1919	1957-79	118 00
66,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50N
£888,000		1910	1970	£95.50N
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	102 00
50,00,000	4	1934	1964	99 00
35,00,000	3½	1935	1965	94 00
30,00,000	3	1936	1966	90 00
50,00,000	3	1937	1962	91 00
20,00,000	3	1938	1963-68	90 00
80,00,000	4	1952	1962	99 25
1,02,00,000	4	1956	1968	99 00
50,00,000	4½	1958	1968	99 75

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,00,000	4	1913-18	1974	97 00
10,00,000	5	1920	1980	113.00N
25,00,000	5	1928	1958	101 00
26,21,500	5	1929	1959	101 00
8,25,00,000	3½	1947	1977	84 50
2,50,00,000	3½	1949	1979	84 50
4,00,00,000	3½	1950	1965	93 00
2,50,00,000	4	1952	1964	99 00
2,00,00,000	3½	1951	1966	97 40
1,30,00,000	4	1953	1963	99 00
1,00,00,000†	4	1952	1964	98 50
1,00,00,000†	4	1954	1968	98 00
2,50,00,000	4	1955	1967	98 50
1,50,00,000	4	1956	1968	98 50
2,00,00,000	4½	1957	1969	100.20
400,00,000	4½	1968	1970	100.15
Rs.		**CALCUTTA**		Rs.
36,00,000	5	1928	1958	100 0
25,00,000	5	1929	1958	100 00
10,00,000	5½	1932	1962	108 00
33,91,000	3½	1925	1965	94 00
60,00,000	3	1936	1966	90 00
47,50,000	3	1938	1963	90 0
17,64,400	3½	1942	1959	96 5
21,10,000	3½	1942	1972	92 5
16,33,000	3½	1951	1961	97 5
66,88,000	3½	1951	1966	97 50
97,36,000	4	1952	1962	99 25
72,50,000	4½	1954	1979	100 00
2,22,72,000	4½	1955	1985	
87,00,00,000	4½	1958	1970	100 00
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107 00N
15,00,000	3½	1952	1962	107 50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1

STOCK & SHARE QUOTATIONS

Abbreviations :—D. = Deferred shares. P.O. = Preferred Ordinary shares. Y. = Accounts published yearly. H. = Accounts published half-yearly. P. = Company has Preference shares. T. = Company has Debentures. N. = Nominal quotations. x.d. = Ex. Dividend. c.d. = Cum. Dividend. i = Interim Dividend. f = Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciations is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend per Ordinary Share: 1955	1956	1957	1958	Accounts Closed	References
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BOMBAY CITY AND ISLAND																
50,00,000	5,37,500	1,01,25,506	44,08,340	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	896	Apollo Mills	1 24	2	0.19	0.19	*Nil*		12	Y.
46,80,000	24 80,000	1,40 93,494	78,99,035	17,302	M.	50,508	1,031	B. E. Cotton Mills	25 00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,86 98 000	3,42,88,483	7,96,80 951	3,93 39 819	85 708	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,48.	3,646	Bombay Dyeing & Mfg. Z	56 00	25	2 50*	2 50	2 50	0 75i	12	Y.
10,00 000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	135 00	50	12 50	20.00	15 00	7 50	3	Y.P
1,13,85,650	2,79,59,276	7,45,37,167	2 69,86,324	9,27,548	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	427.50	100	22.00	22.00	22.00	8.00i	12	Y.
26,00,000	28,31,920	1 13 36,792	67 79 552	58,223	Cowasjee Jehangir & Co., Pvt. Ltd.	50,596	696	Colaba Land & Mill	33 00	100	*Nil*				12	Y.
28,00,000	26,37 709	90,59,554	54,08,586	66,029	Coorla Spg. & Wvg.	30,984	680	Coorla Spg. & Wvg.	137 50	100	7.50	12.50*	12.50*	12.50*	3	Y.
34 00,000	26,36,389	1 12 98,983	69,27,928	—11,15,096	Dawn Mills	43,950	1,000	Dawn Mills	268 00	50	15.00		7.50T	5.00	3	Y.
29,98,050	15,75,144	1,31,76,951	81,20,935		Puranmal Bubna Sons	46,668	928	Edward Textiles	220 00	200	18.00	15 00	15.00		12	Y.
50,00 000	65,54,875	1,67 34,054	89 06,207	97 155	M.	45,996	886	Elphinstone Spg. & Wvg.	36 00	50	5.00	15 00	*Nil*		12	Y.P
50,00,000	48,98,022	94,91,910	61,37,387	10,233	James Finlay & Co., Ltd.	52,528	784	Finlay Mills	268 00	100	20 00	20 00	20 00		12	Y
11,54,000	1,23,22,269	1,89,27,232	1,29,07,094	—5,87,028	James Finlay & Co., Ltd.	45,768	1,018	Gold Mohur Mills Ltd.	185.00	100	15 00	15 00	15.00		12	Y.
16,000					M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills.	4,800 00	1,000	800 00	225 00	350 00*	350 00	3	Y.P.
									992.50	250	75 00	81.25	87.50*	87.50		
2,50,00,000	56,39,672	4,90,61,319	3,54,00,000	1,29,969	Agarwal & Co.	2,44,150	6,278	India United Mills	8 52	0 100.	0 94	0 92			12	Y.
									1 10	0 1D.	0 19	0 18				
8,65,000	1,09,49,981	1,69,80,792	1,17,58,604	—1,16,454	M.	56,784	1,152	Indian Mfg.	4,850.00	1,000	800 00	800 00	825.00*	825 00	3	Y.P
35,000									—	500	150 00	150 00	162 50*	162 50		
59,85,000	47,84,646	3,32,60,641	2 39,44,370	30,411	Khatau Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatau Makanji Spg. & Wvg.	162 50	100	12 00	10.00	10 00(c)	10.00	6	Y.P.
1,00,00,000	1,13,27,791	3,67 76,376	2,84 94 794	52 791	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	249 00	100	18 00	18 00	18 00	4.00i	12	Y.
33,18 800	46 27,870	1 28,83,758	67,99 178	43 271	N. Sirur & Co. Private Ltd.	49,000	644	Modern Mills	40 00	50	8 00*	8 00*	5 00(c)		12	Y.P.
51,75 000	42,39,896	2 75,32,726	2,00,41,588	21,603	Piramal Sons Private Ltd.	71,804	1,652	Morarjee Goculdas Spg. & Wvg.	235 00xd	100	14 00	15 00	14.00(c)	15.00	6	Y.P.
1,60,83,400	1,42,55 205	10,55,96,105	5,40,00,000	1,23 937	Chinai & Co Private Ltd.			National Rayon Corporation	243 00	100	12 00	14 00*	14.00		12	Y.P.
24,00,000	25,32,456	92,11,723	48,70,075	1,496	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	95 00	100	10 00	10 00	5.00		12	Y.
30 00 000	11 72,184	101 83,002	68 37 084		W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	211 50	100	10 00	10.00	*Nil*		12	Y.P.
48,00,000	55,51,580	1,69,40,494	1,08,77,159	8,59 718	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	117 30	100	10 00		12 50F	10.00	3	Y.
60 00,000	45,54,554	58 92 841	25,54,581	1,53 846	Podar Sons Private Ltd.	52,000	980	Podar Mills	134 00	100	12.00*	12 00*	10 00		12	Y.P.
10,00,000		23,94,122	18,44,733	—1,10,689	M.	9,776		Sassoon & Alliance Silk Mfg.	9 75	10	0 50	0 25(c)	*Nil*		12	Y.
87,78,100	1,19,98,715	2,11,84 514	1,36 87 248	12 182	M. G Investment Corp. Private Ltd.	94,884	2,127	Sassoon Spg. & Wvg.	40 30	10	2.00	2.00	2.00		12	Y.
80,00,000	44,70,061	1,27,66,700	67,73 562	68,580	Marwar Textiles Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	148 00	100	12 00	12 00	8.00		12	Y.P.
42,00,000	36,80,478	1,99,56,294	79,84,101	8 080	Forbes F. Campbell & Co. Pvt. Ltd.	48,940	1,274	Simplex Mills	172 50	50	10 00	12 00	8.50	8.50	3	Y.
87,80,000	2 60 26,472	2,96 16,751	1 87,99,317	1,55,642	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	397 00	100	20 00	22 50*	22.50*		12	Y.P.
1,00,00,000	95,03,864	2,76,30,400	1,44,86,214	29,124	Tata Industries Private Ltd.	72,236	2,000	Svadeshi Mills	187.25	100	12 00	14 00*	9.00		12	Y.P.
98,80,000	55,13,465	1,85,27,488	96,52,715	26 062	James Finlay & Co., Ltd.	49,328	540	Swan Mills	351 00	100	25.00	25.00	25.00		12	Y.
65,57,875	53,20 412	2,18,16 540	90,55,601	17 925	Tata Industries Private Ltd.	70,832	1,800	Tata Mills	84.75	25	3.00	3.50*	2.00		12	Y.P.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,126	1,212	Western India Spg. & Mfg.	4,525 00	1,000	800.00	800.00	825.00*	825.00	3	Y.P
AHMEDABAD																
40,00,000	31,21,987	1,73,25,924	66,55,544	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	150 00	100	7 00	12.00	5.00		6	Y.P.
15 00,000	26 23,183	1,03,00,836	73,32,228		P. M. Rutheering & Co., Ltd.	44,220	912	Arvna Mills	597.50	100	30.00	25 00	25 00		12	Y.P.
40,00,000	3,08,13,527	2,17,78,010	1,10,66,897	28 706	M.	56,412	1,516	Calico	960 00	100	40.00	40 00	35.00*		12	Y.P.
22,86,000	47,41,122	1,22,40,943	77,79,729	1,04,815	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	470.00	200	25.00*	30 00*	*Nil*		12	Y.P.
12,00,000	1,40,45,694	99 92 464	67,28 819	61,289	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	660 00	100	30.00	30.00	30.00		12	Y.P.
2,05,25,000	2,50,35,170	6,22,25,491	2,74,71,141	9,28,539	Karamsad & Pramshaw Pvt Ltd.	1,01,193	2,424	Calico	508.00	125		30.00	30 00		3	Y.P.
68,00,000	23,51,880	1,44 37 997	1,02 61,526	20,815	Trikamlal Bhogilal & Co., Ltd.	45,336	866	New Commercial Mills	451.25	250	80.00	100.00*	25 00*	25.00	12	Y.P.
86 00,000	91,84,157	1,55,49,565	1,07,58,296	92,673	Mafatlal Chandulal & Co., Ltd.	61,100	907	New Shorrock Spg. & Wvg.	790 00	125	35.00	40 00	30 00		12	Y.
15 00 000	64,39,777	1,03,98,463	55,54,162		Jamnalal Bhagtiar Nanavaty & Co.	25,540	572	Nutan Mills	397 50	100	20.00	20.00	20 00		12	Y.P.
30,00,000	1,08,57,122	1,07,28 484	66,60,480	103	Lalbhai Dalpatbhai & Co.	32,828	625	Sarangpur Mfg.	700.00xR	100	35.00*	35.00*	35.00*		12	Y.P.
48,75,000	28,46,566	1,33,74,914	78,50,111	9,963	M.	35 196	648	Rohit Mills	130 00	100	*Nil*	8 00*	8 00*		12	Y.
87 98,200	2,88,74,168	2,17,82,270	1,17,57 907	1,76,413	Harivallabhdas Kalidas & Co.	94,128	1,789	Shri Ambica Mills	635.00	50	27.00*	30.00*	25.00		12	Y.P.
29,25,000	99,00,633	1,00,70,053	73,45,812	18,246	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	729	Shorrock Spg. & Mfg.	455.00	100	25.00	30.00*	20.00		12	Y.
35,00,000	38,00,929	1,28,90,268	90,20,784	22,800	Haridas Achratlal & Co., Ltd.	41,056	780	Vijaya Mills	582.50	500	35.00*	50.50*	40.00*		12	Y.P
WEST BENGAL																
15,00,000	3,06,455	38,27,561	24,06,641	1,14,855	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	6.22	10	0.50	0.60	0.60		12	Y.P.
7,11,280	10,08,297	80,04,522	55,58,258	49,225	D. N. Bhattacherjee Esq. (Mg. Director)	33,336	935	Bengal Luxmi Cotton Mill	35.00N	60	4.00	4.00	4.00		3	Y.P.
2,00,620																
24,00,000	1,50,000	1,20,71,237	49,68,081	1,17,244	Kettlewell Bullen & Co., Ltd.	42,990	841	Bowreah Cotton Mills	125 00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
19,00,000	24,30,705	1,39,78 961	73,14,166	—1,96,242	Kettlewell Bullen & Co., Ltd.	42,944	1,032	Dunbar Mills	135.00	100	2.50	6.00	*Nil*		12	Y.P.
50,05,000	8a,968	76,97,225	21,97,815	82,866	Birla Brothers Private Ltd.	41,353	806	Jay Shree Textiles Ltd.	7.94	10	*Nil*	0.37	0.50		12	Y.P.
1,50,00,000	2,29,91,250	4,06,02,883	1,40,10,478	4,94,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	11.00	10	0 87	1.00	0.75		3	Y.
19,47,7800	9,50,000	48,59,254	28,75,466	9,388	Hasareemul Neeralal	23,036	795	Rampooria Cotton Mills	15 00N	10	1.00	1.00	1.00			Y.
5,00,000D									4.00N	1D	0.34	0.36	0.15			
SOUTH INDIA AND OTHER CENTRES																
11,98,600	5,57,019	20,87,104	19,12,220	16,013	Setna & Co.			24,800								
72,00,000	1,87,56,554	1,87,65,118	98,45,582	6,710	C. S. Tyabjee, Esq.			36,136								
1,21,50,000	1,47,74,679	3,67,98,866	2 76,43,043	2,90,471	Binny & Co. (Madras), Ltd.			46,250	1,157	Bangalore Woollen, Cotton and Silk Mills	167.09	100	20.00	20.00	10.00'C'	4.00i	12	Y.P.
35,00,000	74,79,507	1,41,25,225	1,10,21,274	1,04,207	Birla Brothers Private Ltd.			39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	26.25xdN	10	2.00	1.50	1.50	0.75	3	Y
1,78,47,800	2,99,20,000	6,98,67,948	4,19,97,472	1,92,471	Binny & Co. (Madras), Ltd.			1,20,288	2,762	Buckingham & Carnatic	174 00	100	10 00	10 00	10.00	4.00i	12	Y.P.
20,00,000	15,37,985	50 23,440	26 18,048		Peirce, Leslie & Co., Ltd.			37,536		Cambodia Mills	7.50	10	0 50	0 50	0 50(c)		12	Y.P.
15 00,000	5,11,540	53,88,579	29 91,389	1,06,342	Damodaran & Co.			20,600		Cannanore Spg. & Wvg.	131.00xd	100	12.00	15 00	20 00	12.50	3	Y.
80,00,000	33,43,336	1,97,05,060	1,29,57,015	11,053	Jagg. Sutherland & Co. Private Ltd.			27,024	591	Cawnpore Textiles	4.87	5	*Nil*	0 25	0 25	*Nil*	12	Y.
9,56,560	5,31,645	50,81,289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)			31,200		Cauvery Cotton Mills Ltd.	21 00	10	0 62	0 75	0 90	0.90	3	Y.P.
25,21,262	22,09,767	69 79 002	31,91 699	696	R. Bheema Naidu & Co.			30,564		Coimbatore Cotton Mills	149 00	100	25 00	25 00	9.00'C'		12	Y.
13,15,000	7,25,195	39,16,552	24,29,583	180	T. A. R. Chettiar Sons & Co.			25,840		Coimbatore Murugan Mills	92 00	100	20.00	12 00			12	Y.P.
20,00,000	18,28,450	80,21,737	44,09,021	599	Coimbatore Pioneer Mills			28,926		Coimbatore Spg. & Wvg.	245 00	100	20.00	20 00	20.00		12	Y.P.
20,76,900	5,076	1,37,90 104	88,52,968	—7,29,806	E. G. S. Naidu & Co.			72,186	407	Coimbatore Spg. & Wvg.	47 00	50	8 00	10 00	*Nil*		12	Y.
46,87,500	27,24,758	2,42,10,708	1,54,86,864		Tata Industries Private Ltd.			67,452	1,620	Central India	85.50	100	3.00	*Nil*	*Nil*		6	Y.P
29,90,661	19,55,566	44,53,615	24,53,615	21,880	R. Hanumanthappa & Son			28,816	365	Davangere Cotton Mills	113.00	100	9.00	9.00	9 00	9.00	3	Y.
3,35,35,225	3,10,24,880	11 79,99,468	6,78,07,185	2,77,593	B. B. Charan Ram & Co. Private Ltd.			1,41,180	2,356	Delhi Cloth & General Mills	30.50	10	2.50	2.50	2.50		6	Y.P.T
1,00,563																
47,96,396	26,25,000	84,28,224	49,84,057	1 968	M. N. Chettiar & Sons			42,212	901	Dhanasukhlalshai Mills	165 00	100	80 00	25 00	10.00'C'		12	Y.
63,00,000	1 05,55 192	1,59,12,424	1,41,98,339	75,881	Begg, Sutherland & Co. Private Ltd.			48,452	1,196	Elgin Mills	12 75	10	1.00	1.25	1.00		12	Y.
48,81,000	43,55,161	1,36,06,042	77 13,982	4,172	Forbes, Forbes Campbell & Co., Ltd.			74,286		Gokak Mills	132.00	100	15 00	15 00	8.00		9	Y.P.
2,50,00,000	8,75,000	5,73,71,041	1,54,46 856	1,00,48,693	Birla Gwalior Private Ltd.					Gwalior Rayon	14 60	10	*Nil*	*Nil*	*Nil*		12	Y.P.
9,00,000	6,94,589	1,59,76,949	1,21,82,273	—11,77,234	K. L. Sekseria, Esq. (Chairman)	51,180	1,356	Indore Malwa United	103.00	100	9.00	11 00	6.00	*Nil*	3	Y.
8,90,000	10,66,553	85,50 221	20,68,005		G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	66.00	50	10.00	10.00	3.00		12	Y.
15,54,000	15,02,599	57,18,987	33 88,995	7,012	Mr. Bhanvarsian Damani (Managing Director)	20,212	512	Jam Shri Ranjitsinghji	1,450.00	50	60.00	60.00	40 00		12	Y.
4,63,65,300	3,05,67,516	4,59,43,795	3,29 32,899	3,47,483	Birla Gwalior Private Ltd.	54,576	1,680	Jiyajeerao Cotton	9 76	1,000	4.00i	0 55	0.35	0.25	6	Y.P.
42,00,000	19 25 000	1,05,51,667	38,29,076	91,772	Kothari & Sons	41 040	800	Kothari Textiles	10 00	10	1 00	1 00	0 50		6	Y.P.
82,00,000	63,39,487	1,84 50,874	1,25,76,615	2 294	M.	41,098	1,248	Lakshmi Cotton Mfg.	420 00	250	42 50	42 50	15.00	15.00	12	Y.P.
71,00,000	66,85,960	2,25,46,381	1,29,69,687	56,370	G. K. Naidu & Co.			1,06,600	201	Lakshmi Mills	98 50	50	12 50	12 50	10 00	6.00	3	Y.
1,75,02,480	4,24,40,278	5,20,39,121	3,96,10,817	6,92,368	A. & F. Harvey Ltd.			4,83 000	100	Madura Mills	46 75	25	6 25	6 25	5.00	2.00	12	Y.
12,00,000	5,67,502	68,68,352	38,70,706	213	V. S. Krodi (Chairman)			29,592		Manekbar Spg. & Wvg.	29 25	15	3.00	2 62	2.25		12	Y.
60,00 000	69,00 000	66,80,298	47 59,940	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	90 00N	200	*Nil*	8.00			12	Y.
29,80,884	12,88 081	93,11,180	51,89,487	19,738	N. Sirur & Co. Private Ltd	39,896	704	Minerva Mills	322.00	100	35.00	42.50	20.00	20.00	3	Y.
94,91,850	21,56,146	1,71,94,769	78,91,528	1,85,008	M.	52,408	962	Model Mills (Nagpur)	60 00	50	6.00	6.00	*Nil*		12	Y.
24,85,500	39,98,562	1 13,65,249	72 49,736	27,671	N. Sirur & Co. Private Ltd.	50,492	800	Moore Spg. & Mfg.	167.50	250	7.50(e)	7.50	4.50		3	Y.
18,61,780		29,12,641	17,58,314	3,966	K. Tipperudriah (Chairman)	6,000		Mysore Spun Silk Mills	91 00	50	6.00(e)	9.00*	9.00*	5 00	3	Y.P.
87,33,200	39,29,981	1,73,83,244	67,86,663		M.	37,788	902	Osmanshahi Mills	6 25N	100	*Nil*	*Nil*	*Nil*		3	Y.
4,00 000A	13,00,000	71,79,976	26,64,278	8,900	Bhaghyalakhmi & Co.	45,600		Palani Andavar Mills	42.50	100	2.50(e)	2.00(e)	*Nil*		3	Y.P
6,00 000B									121.00	50A	12.00	15.00	9.00		12	Y.P.
15 00,000		35,52,644	19,72,637	—13,17,124	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	176 50	75B	18.00	22.50	13.50			
16 81,200A	31,21,189	1,06,11,851	58,30,265	3,877	A. G. Gurusamy Naidu & Co.	59,264	800	Radhakrishna Mills	38.00	100	4.00(e)	*Nil*	*Nil*		12	Y.
8 40,800B									141.00	100A	20.00	20.00	12.00		12	Y.
10 58 275	30,55 750	76,37 378	32 62 433		B. B. Naidu & Sons	37 096		Rajalakshmi Mills	71 00	50B	10.00	10.00	6.00			
16,14,300	14,00,000	58,40,286	20,95,405		Ramco Arcmcies Private Ltd.	24,996		Rajapalayam Mills	67 00	50	10.00	7.50	4.50		12	Y.P
77 82,800	11,50,000	58 72,976	23 15,892	25,286	Rayalaseema Development Co.	21,200		Rayalaseem.. Mills	121 00xd	100	10.00	10.00	12.00	8.00	3	Y.
15,90,000									108 00	100	10.00	10.00	10.00		12	Y.
10 000	2,69,01.	3,15,04 564	2,05 50 750	—34,29,635	M.	99,232	2,232	Sholapoor Spg. & Wvg.	425.00	1,000	*Nil*	*Nil*	*Nil*		3	Y.P
36,69 700	21,91,449	1,05,51,059	61 65,564	37 576	H. N. Pallegar, Esq.	30,744	792	Sri Krishnarajendra Mills	67 50	500	5.00	7.00	7.00	4.50	3	Y.
16,80 000	3 62 40 700	1 02 21,310	75 33,414	29,39,630	Birla Brothers Private Ltd.	86,212	1,244	Suteja Cotton Mills	81 90N	10	6.00	6.00	6 00		3	Y.
17,50 000 O	2,36,28,071	5,28 86,193	1 97,31,347	2 64 970	M.	1,12,216	2,098	Swadeshi Cotton (Kanpur)	10 25	100.	0 75	0 75	0 75		12	Y.P.
57,50,000 PO									10 25	10P.O.	1 15	1 15	1 15			
1 00,00,000	60,00,000	3,88,81,393	1,95 13,492	1,78 216	Emcrts & Sons (Travancore) Ltd.				15 85	10	0 75	1 00	1 00		12	Y.P.T
13,98 730	9,45,940	19,58,239	13,60,120	794	Moolji Ramjee & Sons	18,000		Trichinopoly Mills	11 62	10	0 90	1 12	0 90		12	Y.P
21,00 000	39,86 738	86,30 895	51,76,507	12,000	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	220 00	100	20.00	20 00	12.00		12	Y.P
82 00 000	18 73,770	1 85,96,083	1 17 44,692	—9,85 569	The Bombay Co. (Private) Ltd.	49,660	1,375	Vishnu Cotton	98 00	100	8.00	8.00	*Nil*		12	Y.P.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.
(c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.
‡ For Nine months ended 31st December 1957 'C'—On increased Capital.
§ On old capital.
y—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1955	1956	1957	1958	Accounts Closed	References
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
CEMENT														
72,59,940	18,33,764	1,00,14,799	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10.10	B. 10	1.00*	1.00			12	Y.P
59,85,555	....	1,55,92,861	....	12,028	M.	Ashoka Cement Ltd.	7.68	10	..	..	*Nil*		3	Y.T.
13,71,80,070	9,62,91,082	30,81,74,705	11,29,17,763	2,58,321	Associated Cement Companies	Associated Cement Companies	154 50	100	10.00	10.00	9.00		7	Y.T.
3,07,44,575														
88,92,587	....	1,23,58 448	16,77,717	779	Teadulkar Industries Private Ltd.	Bazaikot Cement Co., Ltd.	8.64	10	0.30	0.60	0.60		12	Y
1,44,10,795	53 35,980	1,12,34,457	45,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	9.30	O. 10	1.25	1.25	1.20		12	Y.P.
5,00,000							2.63	D. 1	0 12	0 12	0.12			
1,09,79,135	30,37,736	2,18,27,299	73,38 865	71,092	Essen Private Ltd.	India Cements Ltd.	—	O. 25	1.87	2.06	2.06	2.25	8	Y.P.
							5.60xr	D. 5	0 87	0.41	0.41	0.45		
1,50,00,000	4,00,000	4,72,60,133	89,99,750	21,36,411	Sahu Jain Ltd.	Jaipur Udyog Ltd.	10.32	10	0.75	1.25	*Nil*		3	Y.P.
1,90,00,000	31 43,497	3,25,68,768	1,17,79,528	87,55,949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	11.92	10	1.25	1.25	1.50		12	Y.P.
1,34,20,200	48,94,785	3,55,77,865	1,29,16 661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	134.00	100	8.50	9.00	9.00		12	Y.P.
75,00,000	17,70,000	2,18,91,926	1,54,88 869	18,727	M.	Sone Valley Portland Cement	5.50	5	0.30	0.15	0.30		12	Y.
50,00,000	6,00,000	1,04,84,565	48,33,451	3,24,681	Essel (Private) Ltd.	Travancore Cements Ltd.	9.25	10	0.62	0.60	0.60		12	Y.
CERAMIC; MINING AND QUARRYING														
50,59,275	8,45,000	1,20,18,973	35,41 847	20,913	Bharat Ram Bhagat & Co.	Bengal Potteries	4.00xd	2½	0.25	0.25	0.25		12	Y.
10,00,000	30,51,407	62,21,712	35,31,132	18,440	Bird & Co. Private Ltd.	Biura Stone Lime Co.	32.00	10	1.75	0.87	1.75	0.87i	3	Y.
£1,371,300	£1,348,400	£2 621,717	£1,593,562	1,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3.80	Sh. 2	10 8d.*	4.85d.	4.32d		12	Y.
0,15,00,000	24,41,770	44,55,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	12.44	10	1 00	*Nil*	*Nil*		6, 12	H.
2,50,00,000									3 00

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
PAPER														
45,00,000	37,01,841	2,14,69,697	1,60,54,697	66,840	M.	Bengal Paper Mills	93·00	25	4·69	2·50	3·12		12	Y.P.T.
68,00,000	61,52,258	1,04,26,902	88,79,418	29,471	Andrew Yule & Co., Ltd. ..	India Paper Pulp	20·44	10	1·39-2/5	1·39-2/5	1·40	1·00	3	Y.
25,00,000	30,54,507	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17·65	10	0·75*	1·00*	1·00*	1·00	3	Y.
1,46,82,500	2,46,75,045	6,04,16,997	1,37,53,042	2,63,477	Birla Brothers Private Ltd. ..	Orient Paper	32·90	10	1·12	0·62	1·50		3	Y.P.T.
1,25,49,570	74,23,277	1,85,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills ..	16·75	10	1·25	1·25	1·25		13	
50,00,000	7,29,128	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	13·00	Q. 10	1·25	1·05	0·60		9	Y.P.
'A'12,80,000							13·00	A. 10	1·25	1·05	0·60			
$ 8,16,55,240	48,48,060	3,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	12·80	10	5·00‡	0·50	0·50		6	Y.P.
$6,00,000A.							43·50	A. 10	2·00*	1·12*	2·37*			
$4,04,800B.	3,70,50,474	6,78,46,967	3,51,66,938	92,528	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	43·50	B. 10	2·00*	1·12*	2·37*		8	Y.P.
4,37,500P.O.							4·25	P.O. 2½	0·25	0·12	0·25			
SAW MILLS AND TIMBER														
18,99,998	22,88,889	32,79,430	18,61,671	—4,90,122	Bird &Co. (Private) Ltd.	Assam Saw Mills	2·94	2	*Nil*	*Nil*	*Nil*		9	Y.
30,00,000	3,81,14,271	4,60,47,879	1,88,08,404	1,83,542	Wallace & Co.	Bombay-Burmah Trading Corpn.	485·00	Old125	37·50	40·00	40·00	7·50‡	5	Y.
42,00,000							178·75	New50	15·00	18·75	16·00	3·00‡		
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	44·50	10	3·00	3·00	2·75		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	0,406	42,92,220	31,12,074	57,702	M.	Balrampur Sugar	9·50	5	0·06	*Nil*	0·25			Y.
12,00,000A	29,80,280	55,40,831	36,32,435	12,12,000	Narang Bros. &Co. Private Ltd.	Basti Sugar	180·00N	A. 100	10·00	10·00			4	Y.T.
3,00,000B							11·50N	B. 10	1·00	1·00				
19,49,060	8,75,000	33,83,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	11·69	¾	0·75	1·00	1·00		9	Y.
15,00,000	13,51,518	19,28,777	13,40,840	7,658	Cotton Agents Private Ltd. ..	Bharat Sugar	16·00N	10	1·50	1·50	1·50		6	Y.P.T.
32,00,000	25,22,515	1,45,76,657	98,94,338	—2,23,014	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8·50	10	0·75	*Nil*	*Nil*		10	Y.
30,00,000	54,39,509	1,85,39,057	93,52,354	—8,35,790	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	12·25	10	0·75	0·75	*Nil*		10	Y.
15,00,000	34,56,103	94,72,400	59,12,706	—3,43,183	Begg, Sutherland & Co. Private Ltd.	Deoria Sugar	18·25	10	1·50	1·00	*Nil*		6	Y.T.
9,58,252	2,59,782	25,14,152	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd.	Kesar Sugar	10·00N	10	0·50	0·50			7	Y.P.
18,00,000	12,51,626	79,38,731	49,86,047	1,05,664	Mr. Tulsidas Kilachand (Chairman)	Mawana Sugar	61·00	10	2·50	2·50	2·50	0·75	6	Y.P.
15,00,000	22,50,288	48,99,619	29,90,975	1,05,664	Cotton Agents Private Ltd.	New India Sugar Mills ..	28·00	10	2·50	2·50	2·50		6	Y.
11,00,000	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	5·75	10	0·25	0·37	0·37		5	Y.
18,21,100	49,91,797	78,75,775	27,02,363	6,855	Cotton Agents Private Ltd. ..	New Swadeshi Sugar Mill ..	50·00N	25	5·00	5·00	5·00		6	Y.
38,75							145·00	100	11·00	11·00	12·50		7	Y.P.
77,48,500	64,48,618	2,15,99,028	1,18,25,000	85,816	Cotton Agents Private Ltd. ..	Oudh Sugar	90·00N	100	6·00				10	Y.
12,00,000	12,69,874	31,96,494	21,49,459	24,662	Narang Bros. & Co. Private Ltd.	Punjab Sugar	15·50	10	0·75	0·75	*Nil*		10	Y.P.
9,00,000	19,94,146	43,98,090	32,94,228	15,262	Begg, Sutherland & Co. Private Ltd.	Puraikpore Co.	13·75	10	1·50	1·50	1·50		10	Y.
66,50,000	48,34,090	81,89,783	31,42,984	89,543	Govan Bros. (Rampur) Private Ltd.	Rasa Bukaul Sugar	19·25	10	*Nil*	1·75	1·50		6	Y.P.
8,00,000	6,21,932	28,74,398	23,21,931	2,178	M.	Ryam Sugar	19·25	10	1·50	1·75	*Nil*		6	Y.
11,99,000	16,38,214	47,23,588	28,19,423	—2,20,353	M.	Ramasipur Central Sugar ..	12·50	10	*Nil*	1·75	*Nil*		7	Y.P.T.
39,88,800	22,63,560	1,47,99,227	73,09,801	47,606	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9·50	10	1·75	1·00	1·00		7	Y.
10,02,115		24,560	20,48,356	14,85,401	H. K. Ghosh, Esq., and B. N. Datta Esq. (Managing Directors)	Sitalpore Sugar	2·37	10	*Nil*	*Nil*	*Nil*		6	Y.
						Shri Sitaram Sugar	11·62	10	1·00	1·00	0·50		8	Y.
15,99,000	13,52,421	35,59,550	20,56,359	40,566	M.		0·75N	O. 10	*Nil*				10	Y.P.T.
9,15,000	46,462	29,66,360	11,46,770	—16,27,907	M.	South Bihar Sugar	1·50N	D. 25	*Nil*					
4,40,000D.							35·00N		2·50	3·00	5·00		9	Y.P.
8,00,000	34,74,345	1,27,20,247	80,57,754	9,663	Cotton Agents Private Ltd. ..	Upper Ganges Sugar	13·25	10	1·50	0·50	0·75		9	Y.
16,00,000	9,16,389	53,80,385	27,94,351	39,751	M.	United Provinces Sugar ..								
Other Centres														
20,00,000	19,50,000	76,27,620	18,97,501	15,070	Ramgoan & Co.	Andhra Sugars Ltd.	17·00	10	0·50	1·00	1·25		9	Y.
70,49,650	1,33,29,508	1,53,99,065	1,09,75,700	2,86,214	W. H. Brady & Co., Ltd.	Belapur Company	310·50	50	15·00	16·00	15·00	20·00*	9	Y.
17,50,000	13,56,395	41,35,701	28,06,815	30,827	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	{Bhopal Sugar Industries Ltd. {Shree Chandra Sugar	27·50	10	1·00	1·50	2·00		9	Y.P.
37,50,000	16,15,171	76,19,406	50,40,355	31,529			28·00	10	1·50	2·00	2·25		5	Y.P.
39,94,000	47,45,760	1,15,18,224	66,26,514	1,16,220	Parry & Co. Ltd.	Deccan Sugar & Abkhari ..	10·87cd	5	0·50	0·75	0·85	Sh 11	9	Y.P.
$ 640,960	$ 1,197,467	$ 1,597,940	$ 701,485	$ 52,719	Parry's Holdings Private Ltd.	Best India Distilleries & Sugar	30·40	£1	Sh. 4	Sh. 3	Sh. 3		9	Y.P.
15,98,900	15,86,419	48,80,767	28,77,714	6,921	Sir J. P. Srivastava & Sons (M.D.) Ltd.	Gwalior Sugar	88·00	100	*Nil*	5·00	10·00		9	Y.P.
63,96,200	11,02,669	78,71,515	18,58,586	6,065	India Sugar Agencies Private Ltd.	India Sugar and Refineries	13·45	10	1·40	1·12	1·00		9	Y.P.
22,17,770	18,75,871	94,06,488	12,67,810	6,611	B. B. Ind. Corpn. Private Ltd.,g.	Jeypore Sugar	15·00	10	1·00	0·60	0·60		9	Y.P.
10,52,5000.							150·00	0.100	7·50	7·50	7·50		6	Y.P.
2,87,190D.	88,00,000	2,48,45,186	41,94,129	28,068	V. Ramakrishna&Sons(Private)Ltd.	K. C. P. Ltd.	10·00	D. 10	10·00	10·00	10·00			
67,50,000	33,21,978	1,22,47,622	57,87,067	36,422	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	180·00	50	..	100·00*	100·00*		9	Y.P.
21,79,280	20,24,045	1,41,59,102	89,25,545	2,10,465	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	43·00	10	2·00	2·00	2·00		9	Y.
50,00,000	59,31,480	1,16,86,154	67,80,841	1,47,290	Mafatlal, Apte and Kantilal Pvt., Ltd.	Phaltan Sugar	166·00	50	8·00	9·00	12·00*		8	Y.P.T.
16,59,520	40,00,000	99,42,584	33,62,990	2,98,300	Ramnagar Sugar Co. Ltd.	Ramnagar, Cane and Sugar ..	20·81	10	2·00	2·00	1·50			
20,00,00000.							136·25	Q. 50	9·00	12·00	12·00		9	Y.P.T.
2,00,00000.	42,07,214	1,04,79,940	59,30,727	70,575	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	60·00N	D. 10	2·00	2·00	2·75		9	Y.P.T.
4,00,00000.							20·00cd	D. 10	0·75	1·00	1·00	1·00	7	Y.P.T.
30,00,000	22,85,000	65,42,339	37,52,332	1,07,287	Parry & Co. Ltd.	Travancore Sugars	289·25	100	18·00	21·00	21·50		9	Y.P.T.
1,01,00,000	1,16,87,178	2,71,48,027	1,06,66,128	1,75,956	Walchand & Co. Private Ltd.	Walchandnagar Industries ..								
TRANSPORT														
20,00,000	29,20,970	1,22,58,916	19,44,277	‖96,287	Andrew Yule& Co. Ltd. ..	Bengal-Assam Steamship Co. ..	108·00	100	7·50	7·50	5·00		10	Y.P.
1,00,00,000	27,28,000	4,10,96,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd.	Bharat Line J.	13·56	10	5·00	6·00	12·00*		12	Y.
96,00,000	1,42,55,063	4,90,84,346	86,21,345	1,83,530	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	26·00	10	*Nil*	1·00	1·50		9	Y.P.
						India General Navigation & Rly. Co.	46·00	£10	Sh. 10				12	Y.P.
5655,580	$997,729	65,665,334	62,426,026	—$106,393	Kilburn & Co. Private Ltd.	Kemel,Edwards (Private) Ltd.	14·00	10	*Nil*	1·00	1·00		3	Y.P.
2,25,00,000	1,74,74,325	12,76,96,845	2,68,26,762	2,70,964	M.	Scindia Steam Navigation Co. ..	21·06	20	0·50	1·00	1·25		6	Y.T.
9,40,19,975	10,86,51,343	27,60,45,571	5,76,09,813	5,54,102	M.J.	Walford Transport Ltd.‡ ..	2·00	Q. 1	0·14	0·14	0·14		12	Y.
6,40,2000.	21,67,472	12,50,963	8,61,760	1,35,400	B. R.Palyes,Esq. (Manager) ..		1·75	P.O. 1	0·12	0·12	0·12			
2,10,260P.O.														
UNCLASSIFIED (Bombay)														
25,00,000	1,00,000	29,13,54299	Q	16,5299	M.	Devkaran Nanji Investment Co.	11·00	25	0·75	0·81	0·81		12	Y.
57,00,000	2,01,70,510	4,79,99,316	1,95,66,169	60,94,000	R. H. Turner (Chairman)	Hindustan Lever	25·80	10	..	1·25	1·40		12	Y.
31,27,000	16,59,510	1,09,45,761	67,14,407	14,066	Birla Brothers Private Ltd.	Hind Cycles	128·50	100	10·00	..	12·50F		12	Y.P.
14,96,840	4,61,986	23,97,565	21,55,584	10,066	Choonilal Manklal Private Ltd.	Metrix Batteries	30·25	10	2·00	2·00	2·50*	2·00	12	Y.
99,99,250	20,13,147	1,25,61,39698		1,74,622	Promotion & Development Trust	Industrial Investment Trust ..	50·50	100	14·50	5·00	5·00		12	Y.P.
1,00,00,000	25,06,445	1,25,61,39698	11,35,784	2,765	Killick Industries	K. G. Mitra, Esq. (Mg. Director)	148·00	100	11·00	11·00	11·00		6	
30,39,2881.O.	68,14,265	3,43,78,824	1,99,98,078	6,81,758	Asro-Auto Private Ltd.	Premier Automobiles	85·00	100	*Nil*	6·00	6·00		12	
21,60,000	29,18,788	64,65,614	14,66,874	64,850	Pelcon Agencies Private Ltd.	Pelcon Ltd.	160·00	10	10·00	12·50	10·00		12	
10,51,200	4,83,147	8,09,108	3,01,508	5,481		United Motors (India) Ltd. ..	15·00	20	2·00	2·00	1·25		12	
2,75,00,000	1,44,13,441	3,97,33,891	1,08,58,948	89,860	Mr. A.Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	187·00	100	11·00*	11·00*	11·00*		12	Y.
45,00,000	60,62,290		5,84,965	75,054		W. H. Brady & Co., Ltd. ..	265·50	150	30·00	22·50	25·00		12	Y.
Other Centres														
57,50,000	1,99,56,718	9,81,21,462	86,96 8 1	62,32,750	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	11·75	Q. 10	*Nil*	*Nil*	0·50			Y.P.T.
2,50,000							5·00	D. 25	*Nil*	*Nil*	*Nil*		3	
79,95,558	24,25,000	1,05,40,087	24,37,767	49,715	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd. ..	17·20	10	1·25*	1·25	1·25	·25	3	Y.
80,00,000	96,20,717	24,97,377	23,60,333	3,61,289	Turner Morrison & Co. Private Ltd.	Angalo Bros. Ltd.	20·62	10	2·00*	2·00*	1·50*		12	Y.
80,00,000	17,14,786	32,54,572	19,96,372	1,63,944	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	17·12	10	1·25*	1·25*	1·25*		12	Y.
20,00,000	36,94,600	1,05,12,083	48,53,467	2,52,994	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	7·00N	10	0·50	0·50	0·50		12	Y.P.T.
80,01,400	64,59,405	74,46,138	40,46,128	5,00,886	M.	Balmer Lawrie & Co., Ltd. ..	149·00	100	12·50	15·00	12·50		12	Y.
12,00,000	17,56,000	34,55,743	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd.	61·50	10	2·25	2·50	2·50		12	Y.
20,00,000	6,05,715	63,28,49288		37,612	Lovejoy & Lewis	Birla Investment Ltd.	11·50	10	1·00	1·00	1·00	1·50	2	Y.P.
45,97,020	28,11,164	1,15,20,370	43,99,512	2,16,164	Sir Julian Scott, Bart. (Mg. Director)	Britannia Biscuit Co. Ltd. ..	8·70	5	*Nil*	0·10	*Nil*		12	Y.
4,38,00,000	1,27,72,883	2,51,40,182	2,47,20,776	—11,85,910	M.	British India Corporation Ltd.	45·00	100	*Nil*	*Nil*	*Nil*		6	Y.
3,00,000	2,56,872	13,961	13,956	28,272	Andrew Yule & Co. Ltd. ..	Calcutta Electric	48·00N	100	5·00	6·00	10·00*		6	Y.
5,00,000	2,47,182	3,43,662	6,96,409	38,318	Andrew Yule & Co. Ltd. ..	Calcutta Riverside	9·87	10	0·62	1·88	0·75	0·75	2	
1,25,00,000	17,54,384	2,05,94,990		3,10,520	Andrew Yule & Co. Ltd. ..	Olive Ray Investment	20·37	10	1·50	1·50	1·88		12	Y.P.T.
3,00,00,000	4,40,29,036	6,80,49,175	2,66,24,542	22,32,642	John Lankham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	51·75	10	1·50	1·50	1·50		12	Y.
16,20,630	20,75,014	29,39,941	10,29,422	39,726	Mr. K. G. Khanna	Dunlop Rubber Exports Ltd. ..	148·00	100	9·00	9·00	9·00		12	Y.P.
21,25,000	54,81,685	1,64,12,20698		2,43,272	Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	10·00cd	10	..	..	..		12	Y.P.
14,94,675		22,64,362	91,311	3,110	S. Ramkissen Esq. (Mg. Director)	Hindoo India Ltd.	130·00	100	15·00	4·00	12·50	15·00	12	Y.
14,00,000	10,35,000	35,71,778	20,74,864	32,690	Mansell & Beary Ltd.	Gladstone Lyall & Co. Ltd. ..	19·50N	10	2·00	2·00	1·50		12	Y.P.
40,00,000	40,00,000	63,98,742	32,48,267	10,49,000	M.	Godfrey Phillips India Ltd. ..	11·94	10	1·40	1·50	1·00		12	Y.
65,00,000	44,30,910	99,55,478	10,66,988	1,62,388	P. R. G. Woodhire Parkin, Esq.	Gillanders Arbuthnot & Co., Ltd.	260·00	250	45·00	15·00	15·00		12	Y.P.
30,00,000	18,17,854	38,03,621	19,54,988	74,215	P. F. Wyndham	Grand Eastern Hotel	7·20	10	*Nil*	*Nil*	*Nil*	*Nil*	3	
4,98,12,250	13,97,409	8,60,02,300	2,56,62,941	9,96,161	Hindustan Motors Private Ltd.	Hindustan Motors	15·19	10	0·9	1·00	0·60		12	
2,54,35,900	1,17,25,500	1,97,61,425	8,21,77,725	2,96,161	S. P. Mukherjee, Esq. (Chairman)	Indian Aluminium Co., Ltd. ..	20·50	10	1·25*	1·25*	1·50*		12	
1,52,50,220	1,46,00,000	2,56,86,031	30,86,086	41,21,869	S. P. Woolley, Esq. (Mg. Director)	Indian Cables	17·60N	10	0·50	0·62			12	
8,27,976	6,08,900	16,74,936	9,05,900	62,778	S. S. Mundra Esq. (Public) Ltd.	Indian Rubber Manufacturers								
2,00,00,000	....	....	....	....	S. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	22·25	10	..	..	1·00		9	
15,16,00,000	9,06,59,970	10,61,21,642	2,04,08,122	54,04,856	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	13·00	10	0·30	0·30	0·75	0·75	9	
2,00,00,000	76,27,815	89,02,397	15,05,982	4,71,170	Mr. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	78·00	100	7·50	7·50	2·50		9	
44,00,00000.							200·00N	Q. 100	22·50	8·00			12	Y.P.
8,00,0000.	82,86,900	48,53,407	10,43,718	2,87,153	M.	MaLeod & Co.	29·50	D.0.10	1·75	2·25				
1,45,23,500	90,58,831	22,64,454	14,97,233	2,84,213	V. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	28·12	10	1·81*	2·12*	2·12*		9	Y.P.
1,18,60,000	1,29,00,181	2,04,27,676	1,01,15,567	2,87,675	V. Chenevix Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	17·75cd	10	1·25	1·62	1·75	1·75	9	
2,56,180	6,92,000	11,29,260	5,97,268	5,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	15·00cd	10	1·00	1·50	1·50		9	
10,00,000	3,70,000	18,47,590	10,13,139	43,554	M. Mackenzie, Esq. (Chairman)	Nicholas Piramal	37·19	10	0·33	1·50	1·50		12	
2,00,00,000	88,55,506	2,14,82,470	61,25,982	28,43,434	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.								
59,96,000	98,71,172	77,54,522	42,57,426	2,67,286	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co. ..	33·69	10	1·50*	2·00*	2·00		9	Y.P.
					Do.	National Rolling & Steel Repos	13·62	10	0·50	0·50	0·50		6	
40,00,000	20,00,000	56,23,809	17,56,018	94,926			14·25	10	..	..	..		12	Y.
8,00,000	6,00,000	50,21,760	28,60,836	1,80,992	National Rubber Manufacturers Ltd.		5							
					K. N. Mookerjee (Mg. Director)	National Tobacco Co.	13·88	10	0·50	0·70	0·88		12	Y.P.T.
79,97,000	68,89,261	1,26,70,061	65,79,261	5,87,796	B. N. Elias & Co. Private Ltd.	Phillips India Ltd.	16·19	10	1·00	1·00	1·00		12	Y.P.T.
2,20,00,000	42,21,721	99,43,228	58,40,974	63,948	Mr. G. Vish. Rao (Mg. Director)	Rallis India Ltd.	44·00	100	*Nil*	*Nil*	*Nil*		6	
2,25,00,000	51,79,280	1,54,48,192	1,01,68,584	—44,12,986	M. P. A. Pappaiil, Esq.	Rohtas Industries	28·00	10	1·50	1·50			10	Y.P.T.
2,25,00,000	1,97,70,209	10,80,39,811	3,99,22,708	49,402	Sahu Jain Ltd.									
2,53,00,000						Sathe Biscuit and Chocolate Co., Ltd.	50·00N	100	..	2·50	3·00		9	Y.P.
4,73,200	51,286	31,11,657	6,29,199	19,106	Sathe Food Inds. (Private) Ltd.		50·00N	50	..	2·50	3·00			
5,18,400						Sen-Raleigh Industries	14·87	10	0·50	0·50	0·50		12	Y.
70,00,000	17,56,813	1,67,31,606	24,47,040	66,821	M.	Spencer & Co., Ltd.	20·00	10	1·50	1·50	1·50		12	Y.
40,00,000	88,41,163	1,21,90,272	72,08,960	9,02,972	C. M. Shaikh Esq. (Mg. Director)	Shaw Wallace & Co., Ltd. ..	15·00	10	1·00	1·00	1·00		12	Y.
75,00,000	21,22,788	71,32,326	11,05,597	2,65,425	T. K. Agents Private Ltd. ..	Straw Products Ltd.	16·00N	10	1·00	1·25	1·25		12	Y.
15,00,000	96,15,971	1,13,44,096	16,66,794	3,213	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	9·12	10	*Nil*	*Nil*	*Nil*		6	
9,98,380	19,925	14,85,995	5,15,566	—7,482	United Breweries	Vital Malya, Esq. (Chairman)	250·00cd	75	15·00	18·00	18·00		6	Y.P.
5,00,000	9,60,000	24,40,322	22,66,226	6,023										

M.—Managed by Board of Directors. ‖ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.
† Subject to taxation. F.—Hind Cycles. The latest dividend of Rs. 12·8 per share, is for fifteen months ended 31st March 1957. J—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958.
Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each, into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
ASSAM															
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	29·50N	10	18 00A	4·75	5 00	1·00	12	Y.P.
2,76,500	5,71,500	11,19,537	3,89,763	49,669	Gillanders Arbuthnot & Co., Ltd.	440	Ananda Bag	21 00	10	7 50	1 00	2 00		12	Y.
7,00,000	6,43,250	12,23,233	3,34,393	49,886	McLeod & Co., Ltd.	573	Bachmari	18 50	10	8 00*	1 00	1 25		12	Y.
5,50,000	13,71,541	19,67,179	5,88,787	44,923	Andrew Yule & Co., Ltd.	377	Basmatia	20·50xd	10	3 50	1 00	2 50	1 50	12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	National Tea Corporation	579	Bateli	28·12	10	8 00	1 50	2 00	1 75	12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	69,105	Gillanders Arbuthnot & Co. Ltd.	612	Betjan	19 00	10	1 90	*Nil*	*Nil*		12	Y.
6,40,000	7,40,000	11,16,644

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	2,10,000	3,92,505	84,197	15,009	Planting Agencies (Private) Ltd.	Balmadies Plantations	3.72cd	2	0.30	0.21	0.45		6	Y.E.
26,91,279	17,00,000	56,38,212	6,78,584	29,944	Peirce, Leslie & Co., Ltd.	Cochin Malabar	31.50	3	0.45	0.75	0.52	0.30°C'	2	Y.E.
22,50,000	31,00,000	29,79,846	3,06,541	1,21,826	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	33.55	10	1.80	2.50	4.00		6	Y.E.
71,55,000	56,13,038	1,26,54,766	26,69,076	1,13,211	R. C. Paterson, Esq.	Consolidated Coffee	27.60	10	2.25	2.00	4.00		6	Y.E.T.
4,00,000	5,87,423	10,43,902	53,995	8,519	Associated Planters Private Ltd.	Cottanad Plantations	16.25	10	1.75*	1.50	1.75		3	Y.E.T.
18,00,000	9,30,543	29,08,448	5,85,748	48,584	A. V. Thomas & Co., Ltd. ..	Bichland Produce	11.15	10	2.00	2.00	0.75		12	Y.E.
8,00,000	10,92,899	18,91,159	2,63,016	18 088	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	18 75cd	10	2.75	2.00	2.00		4	Y.E.
13,50,000	4,55,880	20,40,926	3,88,988	..	K. T. Thomas Kaibanar, Esq. ..	Mannalara Rubber	18 30	10	2.25	2.25	2.25	1.70°C'	3	Y.
40,50,000	28,79,387	80,92,726	9,49,414	1,48,976	A. V. Thomas & Co., Ltd. ..	Midland Rubber	12 65cd	10	2.50	2.00	2.00		3	Y.
2,25,000	4,06,000	15,43,851	2,26,134	22,019	A. V. George & Co. Ltd. ..	Nenmeny Rubber	15 72	10	1.50	1.50	0.75		12	Y.E.
2,00,000	3,06,500	3,44,297	1,14,735	2,437	Associated Planters Private Ltd.	Nilambur Rubber Co.	15 00	10	1.50	1.50	1.50		12	Y.E.T.
19,45,980	23,79,615	45,25,952	14,74,565	53,868	Peirce, Leslie & Co., Ltd. ..	Onekeriony Valley Estates ..	5 45	2	0.40	0.20	0.60		10	Y.E.T.
13,50,000	8,00,000	45,07,576	3,95,093	12,299	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	18.65cd	10	2.00	2.50	2.00		6	Y.
5,50,170	4,00,000	8,17,112	92,732	796	Peirce, Leslie & Co., Ltd., ..	Savamalai Estates Ltd.	8 75	2	1.00	1.50	0.30		11	Y.
12,00,000	1,00,000	17,45,038	85,695	..	Patco Agencies	Sanganmeshwar Coffee Estates Ltd.	2.70	2	..	..	..	0.18	3	Y.E.T.
10,00,000	3,01,600	22,44,528	1,50,659	9,940	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	7 25	10	0.90	0.50	0.60		3	Y.E.T.
2,50,000	2,75,000	5,73,150	38,899	23 647	A. V. George & Co., Ltd. ..	Thamarapally Rubber	27 00	10	3.00	3.00	3.00		12	Y.E.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1 63	1	0.12½	0.12½	0.06		9	Y.E.
6,00,000	33,742	7,80,885	1,41,928	1,270	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	17 40	10	2.00	2.00	1.50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,06,554	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7 00	10	1.25	0.75	0.40		12	Y.E.
20,00,000	86 000	30,13,628	7,73,086	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	21.50	25	4.00	3.00	1.00		12	Y.
2,20,000	4,29,552	9,26,786	85,552	..	A. V. George & Co., Ltd... ..	Udagamandi Rubber Co., Ltd. ..	11 15	10	0.60	0.75	0.60		12	Y.E.
8,80,010	5,90,569	9,56,500	27,217	..	M.	Valkundam (Travancore) Rubber ..	24.25	10	2.50	2.50	2.50J	1.25i	12	Y.
6,95,000	1,47,259	13,88,336	39,744	10,289	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.62	10	2.00	1.25	1.00		3	Y.E.T.

J—Final dividend of Re. 1.50 is on the increased capital. * Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	No. of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	53,26,489	16,786	B. N. Elias & Co. Private Ltd.	879	Agarpara	11.50	10	0.62	0.25	0.25		3	Y.E.
6,00,000	10,31,800	59,82,755	40,52,871	1,06,651	McLeod & Co., Ltd. ..	456	Alexandra	145.00xd	100	10.00	10.00	10.00		12	Y.E.T.
20,00,000	8,25,000	1,25,25,740	98,73,601	—5,74,281	McLeod & Co., Ltd. ..	1,264	Alliance	118 00	100	6.00	Nil	Nil		6	Y.E.
49,20,700	72,31,000	3,09,93,668	2,15,04,087	2,86,742	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	224 00	100	3 50	3.50	7.00	10.00	3	Y.E.
40,00,000	32,50,924	1,49,82,554	68,17,408	3,215	Bird & Co. Private Ltd. ..	810	Auckland	159 00	100	10.00	1.00	Nil	5.00	3	Y.E.T.
20,00,000	24,84,715	98,29,961	67,85,861	1,15,223	Birla Brothers Private Ltd. ..	969	Baily	201 50	100	2.50	Nil	2.00	6.00	3	Y.E.
£275,000	£631,032	£1,540,294	£387,467	—£175,567	Sir John H. Burder (Chairman) ..	1,889	Barnagore	148 00	£5	sh. 15	Nil	Nil	Nil	3	Y.E.
28,00,000	26,27,123	97,86,495	53,10,415	6,111	Andrew Yule & Co., Ltd. ..	820	Belvedere	158 50	100	7.50	Nil	2 50		12	Y.E.
45,00,000	29,71,745	86,94,991	35,42,923	—5,78,255	Soorajmull Nagarmull	602	Bental	11 62	10	1.12	1.00	Nil		6	Y.E.T.
21,26,000	2,26,06,284	4,09,60,115	1,66,74,127	24,156	Birla Brothers Private Ltd.	1,973	Birla	201 19	100	1.00	1.00	1.00	1.00	3	Y.E.
36,00,000	19,36,926	1,22,32,479	71,78,057	2,799	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	140 00	100	7.50	Nil	Nil		10	Y.E.
7,47,380		44,86,108	26,72,622	—2,12,291	Dayaram & Sons	502	Calcutta Jute Mfg. ..	7 00	10	Nil	Nil			12	Y.E.T.
18,00,000	25,21,234	67,77,057	48,40,554	939	Andrew Yule & Co., Ltd. ..	616	Caledonian	195 00	100	6.50	Nil	Nil		11	Y.E.
59,16,400	75,85,462	2,31,96,782	1,27,96,656	—5,45,989	James Finlay & Co., Ltd. ..	800	Champdany	181 00	100	10 00	2.00	Nil	Nil	3	Y.
15,06,000	21,56,282	85,02,301	56,75,175	5,557	Andrew Yule & Co., Ltd. ..	580	Cheviot	219 00	100	10.00	2.00	Nil		12	Y.
80,15,000	33,75,000	77,94,818	51,54,350	73,009	McLeod & Co., Ltd. ..	900	Chitavalsah	16.31	10	1.37	0.62½	1.10		7	Y.E.T.
24,00,000	9,00,000	81,06,338	67,13,337	25,985	Shree Krishna Investment Co., Ltd	969	Clive	14 50	10	1.25i	0.50			3	Y.E.
81,49,200	45,61,566	1,39,75,669	56 08,218	—12,92,867	Bird & Co. Private Ltd. ..	766	Dalhousie	147 00	100	4.00	Nil	Nil		3	Y.E.T.
28,00,000	37,22,179	82,37,464	48,90,760	4,248	Andrew Yule & Co., Ltd. ..	779	Delta	172 00	100	10.00	5.00	Nil		11	Y.E.
15,00,000	38,56,000	57,21,062	48,07,044	4,198	McLeod & Co., Ltd. ..	500	Empire	30.50	10	1.25	0.50i	0.75		7	Y.E.T.
21,00,000	71,39,758	2,75,16,876	1,65,59,223	2,55,053	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd. ..	430.00N	100	15.00	10.00	10.00	20.00	3	Y.E.T.
81,00,000	18,00,000	1,25,79,765	63,50,853	1 96 479	Bangur Bros., Ltd.	1,014	Fort William	32 50	10	20.00	0.75E	1.50	1.50	3	Y.E.
£4,32,100		2,11,07,224	1,32,58,225	—2,67,452	M.	1,709	Ganges Mfg.	77 00	100	2.50	Nil			3	Y.E.
10,80,000	28,00,000	76,64,765	55,99,505	29,611	M.	607	Gondalpara	650 00	500	Nil	50.00	60.00		3	H.E.
24,00,000	32,06,464	2,85,37,222	1,60,44,533	47,269	Macneill & Barry Ltd.	1,904	Gourepore	356 00	100	15.00	5.00	2.50	20.00	12	Y.E.
40,00,000	35,06,233	1,32,37,490	67 67,854	3,19,472	Bangur Bros., Ltd.	1,078	Hastings	99 00	100	11.50	5.00	5.00	5.00	3	Y.E.T.
16,20,000	18,61,969	66,47,731	47,79,916	—2,96,253	Ballinath Bajoria	720	Hooghly	11 25	10	1.25	Nil		Nil	3	Y.E.
65,62,500	28,09,105	2,24,85,486	1,54,54,441	92,775	Jardine Henderson Ltd.	1,940	Howrah	20 56	10	0 37	0.25	Nil		3	Y.E.T.
82,50,000	39,02,650	1,57,91,907	1,14,896	—7,07,557	Ramkrittt Ramkissendas	2,272	Hukumchand	23 62	10	7.50	2.00	1.50		3	Y.E.T.
57,30,000	19,39,967	1,41,58,095	87,84,018	84,575	M.	790	India	16 25	12.50	4.69	4.69	9.37	15.62½	3	Y.
24,00,000 }	21,09,486	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.	1,797	Kamarhaty	{170 00	'B' 100	2.50	Nil	Nil		12	Y.E.T.
B'19,20,000 }								{172 00	100	2.50	Nil	Nil			
80,00,000 }	9,73,967	1,76,13,612	97,33,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kankinarrah	{ 96 00	'B' 100	1.00	Nil	Nil		12	Y.E.T.
B'24,00,000 }								{ 96 00	100	1.00	Nil	Nil			
31,00,000	33,00,000	1,53,45,053	86,77,736	86,701	McLeod & Co., Ltd.	708	Kelvin	268 00	100	17.50	5.00	9.00		3	Y.E.
84,00,000	29,33,375	1,96,60,992	1,22,08,770	27,027	Anderson Wright Ltd.	1,580	Khardah	167 00	100	13.00	6.00	3.00		3	Y.E.
48,00,000	77,32,121	2,88,47,961	1,06,51,199	25,650	F. W. Heilgers & Co. Private Ltd.	1,240	Kinnison	190 00	100	18.00	6.00	Nil	5.00	3	Y.E.T.
24,48,000	27,76,888	58,27,822	38,39,047	—9,32,685	Bird & Co. Private Ltd.	921	Lansdowne	140 00	100	7.00	Nil	Nil	Nil	3	Y.E.
28,00,000	40,49,000	60,75,920	46,43,686	—8,13,081	Bird & Co. Private Ltd.	1,033	Lawrence	133 00	100	7.00	Nil	Nil	Nil	3	Y.E.T.
31,65,200	25,29,291	2,22,28,973	1,38,72,169	4,00,000	M.	1,294	Megna	15.62	10	3.75	3.75	5.00	17.50§	3	Y.
29,98,900	24,62,196	1,65,70,568	98,70,699	—18,06,719	M.	815	Naihati	87 50	100	Nil	Nil	Nil		3	Y.E.T.
20,00,000	15,00,000	95,02,650	21,34,037	—1,65,206	Howrah Trading Co., Ltd.	456	Nasharpara	14 25	10	1.25	Nil			10	Y.E.
35,00,000	39,51,326	48,49,737	12,81,373	19,604	Andrew Yule & Co., Ltd. ..	852	National	23 00	10	1.75	0.75	0.75		10	Y.E.
36,25,000	27,55,572	81,27,881	21,92,842	48,512	McLeod & Co., Ltd.	816	Nellimarla Jute	13.00	10	1.00	....	0.00		7	Y.E.T.
86,50,000	2,86,31,171	4,66,32,348	1,06,42,584	2,85,901	Sahu Jain Ltd.	1,765	New Central#	13.62	10	1.50	1.50			12	Y.E.
16,79,850	43,39,845	1,85,66,574	61,41,213	—2 43,817	Bird & Co. Private Ltd.	567	Northbrook	19.75	10	1.50	1.50	Nil	Nil	3	Y.E.T.
66 79,500	17 81,396	2,26,00,780	1,19,72,061	79,151	Macneill & Barry Ltd.	1,092	Nuddea	57 00	50p	1.00	Nil	Nil	2.50	3	Y.E.
24,91,000	23,04,049	76,55,438	52,45,990	5,981	Andrew Yule & Co., Ltd. ..	601	Orient	163 00	100	9.00	2.00	Nil		11	Y.
25,00,000	7,85,173	56,19,358	47,97,572	7,049	McLeod & Co., Ltd.	400	Presidency	6 75	10	0.25	0.25	0.50		7	Y.E.
20,00,000	10,324	29,80,989	9,24,705	—7,07,557	Birla Brothers Private Ltd.	305	Rameshwara	6.50	10	Nil	Nil	Nil	Nil	3	Y.E.
49,50,000	2,00,000	1,24,61,181	66,63,109	—46,26,693	Jardine Henderson Ltd.	1,276	Reliance	8.56	10	Nil	Nil	Nil	Nil	3	Y.E.T.
£469,000	£1,005,713	£1,545,144	....	£58,994	Thomas Duff & Co. (India) Ltd...	2,018	Ramnagar	10 00	£1	6%,11				12	Y.E.
80,00,000	18,14,910	1,21,72,882	85,21,582	48,082	Bazaria More & Co., Ltd. ..	911	Shree Ambica	11 50N	10	0 50	0.25	0.50		3	Y.E.
14,00,000	11,14,980	66 87,540	47,50,476	40,154	Hindustan Investment Corpn. Ltd.	401	Soorah	19.75	10	1.50	1.50	1.50		12	Y.E.
25,19,500	3,04,087	9,29,724	3,23,203	61,802	Bird & Co. Private Ltd.	106	Standard	106 00	100	1.00	Nil	Nil	5.00	3	Y.E.
£400,000	£925,119	£1,187,050	....	£33,548	Thomas Duff & Co. (India) Ltd...	1,794	Titaghar	9 62	£1	8%,11				12	Y.E.
35,98,500	48,33,581	1,05,53,816	42,51,394	56,837	Bird & Co. Private Ltd.	1,326	Union	213.00	100	10 00	1.00	Nil	15.00	3	Y.E.T.
£400,000	£688,035	£1,124,819	....	£80,501	Thomas Duff & Co. (India) Ltd...	1,831	Victoria	9 50	£1	8%,11				12	Y.E.
2,50,000	6,35,000	41,78,364	27,76,069	—4,16,286	McLeod & Co., Ltd.	447	Waverley	4.50	1	0.37	Nil	Nil		6	Y.E.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,680	1,04,15,666	75,57,686	40,699	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	22.25	10	1.87	0.50	1.25	1.25	3	Y.
12,00,000	3,49,990	35,13,991	23,45,843	57,344	Jardine Henderson Ltd.	Bararee Coke	11.50	10	1.16	1.10	0.37	0.50	3	Y.
4,49,350	88,000	9,25,102	5,99 580	1,317	Kalyanji Mavji & Co.	Bengal-Jhatdee	5 00N	10	0.62	0.75			12	Y.
1,90 00,000	1,62,13,157	6,88,12,765	4,41,60,343	11,48,099	Andrew Yule & Co., Ltd. ..	Bengal Coal	274 00	100	$5.00*P	17.50	17.50		10	Y.E.
5,25,000	9,76,706	24,49,090	22,49,090	—1,90,041	Andrew Yule & Co., Ltd. ..	Bengal Nagpur	12 50	10	Nil	Nil	Nil		12	Y.E.
40,08,000	10,28,299	1,44,83,027	77,59,407	2,129	Sahu Jain Ltd.	Bharat Collieries	7 12	10	0.62	0 62	0.00		4	Y.E.T.
7,15,000	10,16,172	49,80,946	34,84,101	—4 97,536	M.	Bhulanbarares	9 75N	10	Nil	Nil			12	Y.E.
7,50,000	24,50,150	45,60,996	27,71,129	95,951	F. W. Heilgers & Co. Private Ltd.	Borrea	19 25	10	2.00	1.50	0.75		12	Y.E.
99,22,480	1,70,33,767	4,87,07,723	1,99,56,078	86,239	Bird & Co. Private Ltd. ..	Burrakur	17 81	10	0.62	0.62	0.37		4, 12	H.Y.E.
49,97,758	....	48,39,014	12 80,014	3,401	Hindustan Investment Corpn. Ltd.	Central India	8 19	10	0.25	0.50	0.50		3	Y.
3,00,000	13,90,590	49,56,445	35,71,958	22,220	M.	Central Kurkend	10 75N	10	0.50	0.50			12	Y.
6,00,000	1,49,128	7,39,98(xx)	....	10,587	F. W. Heilgers & Co. Private Ltd.	Churia	9 94	4	0.00	0.00	0.20		12	Y.
16,00,000	....	44,47,612	31,26 998	—87,586	Macneill & Barry Ltd.	Dhemo Main	8 75	10	Nil	Nil	Nil		12	Y.
£240,000	£278,125	£1,070,637	£776,882	£19,481	Jardine Henderson Ltd.	East Indian	22 25	£1	2.00	2.50	1.50	1.00	4	Y.
29 68,760	98,25,027	4,84,84,997	3,12,09,700	86,723	Macneill & Barry Ltd.	Equitable	30.00	10	1.50	1.50	1.50		12	Y.E.T.
10,00,000	1,40,469	14,24,422	4 82,290	48,380	Bhatter's Assocy Ltd.	Ghusick and Muslia	14 00N	10	0.25	0.25			3	Y.
12,00,000	65,000	42,00,791	26,55,359	—6,34,206	Killick Industries Ltd.	Hingir-Rampur	19.00	50	2.25	2.25	Nil	Nil	6	Y.E.
3 00,000	2,50,000	24,57 868	19,66 774	164	Macneill & Barry Ltd.	Jhurriadih	16.87	10	2.50	1.50	Nil		12	Y.
3,60,000	3,85,964	14,79,355	7,56,154	—1,79,329	Andrew Yule & Co., Ltd. ..	Kalapahari	22 00	10	Nil	Nil	Nil	Nil	3	Y.
20,00,000	2,21,575	33,57,575	5,71,179	1,962	Bird & Co. Private Ltd.	Karanpura Collieries	120 00	100	2.50	5.00	Nil		3	Y.E.
5,00,000	19,06,081	40,73,401	20,04,335	1,65,572	Andrew Yule & Co., Ltd.	Katras Jherriah	71.00	10	4.50	0.50	0.50	0.50	1	Y.
11,00,240	7,65,597	14,85,997	10,94,188	18,971	H. V. Low & Co. (Private) Ltd.	Kusedi	9.75N	10	0 12	0.12			6	Y.
9 00,000	10,22,762	29,39,712	22 94,028	3,946	H. V. Low & Co. (Private) Ltd.	Lakurka	15 50N	10	0 12	0 12	0.12		6	Y.
7,68,240	2,25,000	18,43,892	9,80,780	55,256	Tantia Brothers Private Ltd.	Nastra	7 50	10	0 50	0.50	0.75		12	Y.
17,76,250	19,58 049	1,30,10,149	94,97,288	29,316	Andrew Yule & Co., Ltd. ..	New Beerbhoom	19.19	10	1.00	0.75	0.75		10	Y.E.
6,00 000	75,000	32,35,821	23,38,923	1,43,499	Octavius Steel & Co., Ltd. ..	New Mashkoom	12.12	10	Nil	Nil	0.50		3	Y.
1,15,000 }	3,55,524	12,05,329	9,24,181	25,548	Andrew Yule & Co., Ltd. ..	North West	{ 20 25	10	1.87	1.50	1.50	1.50	3	Y.
1,87,500 }							{ 16 87	7.50	1.03	1.13	1.13	1.13		
7,50,000	15,09 645	2,97 666	2,77,666	41,941	F. W. Heilgers & Co. Private Ltd.	Ondal	15 00	10	1.00	0 75	0.50		12	Y.E.
3,34,000	50,000	22,49,887	3,36,501	3,080	Deepchand Kishenlal	Parasea	15 00	10	1.00	0.50			12	Y.E.
19,75 000	17,04,800	59,95,210	42,69,210	96 465	Shaw Wallace & Co., Ltd. ..	Pench Valley	24 50	10	1.50	0 75	2.00	2.00	3	Y.
29,99,800	25 66,861	1,87,25,021	91 86 862	29,049	B. N. Elias & Co. Private Ltd.	Ramagunga	15.00	10	0 62	0.37	0.75		3	Y.
18 80,000	42,17,417	3,59 285	32,11,910	24 549	Shaw Wallace & Co., Ltd. ..	Rewa	17 50	10	2 07	1.88	1.40		12	Y.
97,50,000	37,12,000	95,06,524	36,37,721	21 162	M.	Samla Collieries	10 25	10	1 00	1.88	0.00		12	Y.
2,80,000	1,98,802	18 78,480	12,21,297	21,076	M.	Searsole	5 00N	2.50	0.75				1	Y.
2,80,000	9 25,098	29,24,442	19,96,221	45,185	Andrew Yule & Co., Ltd. ..	Seebpore	27 00	5	2.50	2.25	1.75		12	Y.E.
2,80,000	2,20,000	52,491	29,867	628	F. W. Heilgers & Co. Private Ltd.	Sendra	9.50	10	0.25	0.25	0.25		12	Y.E.
8,00,000	4,91,981	....	....	....	Industries (I. P.) Department (Govt. of Andhra Pradesh) ..									
63,21,450	1,04,26,883	5,58,10,811	2,61,62,810	....	Singareni		17.25xd	10	0.75	1.00	1.50		12	Y.E.
17,50,000	10,37,541	39,01,206	17,00,694	8,739	Bird & Co. Private Ltd.	South Karanpura	12.50	10	0.12	0.25	0.75		3	Y.
3,00,000	12,76,745	1 09 970	28,510	9 760	F. W. Heilgers & Co. Private Ltd.	Standard	15.94	10	1.00	1.00	1.00		12	Y.
10,00,000		31 92 694	18,43,502	—6 62,937	M.	Talcher	1.81	2.50	Nil	Nil			9	Y.
2,50,000	2,80 000	19 15,700	14,79 400	1,77,262	Williamson Magor & Co., Ltd. ..	Union	14.75	10	Nil	Nil	0.37		12	Y.
2,50,000	....	65 72,308	24,15,306	11,543	Hindustan Investment Corpn. Ltd.	Western Bengal	9.50	10	0.50	0.50	0.50		3	Y.
40,98 000	66,784	58,61,405	27,57,669	—3,49,106	Macneill & Barry Ltd.	West Jamuria	7.75	10	Nil	Nil	Nil		12	Y.
7,00,000	....	....	....	....										

M—Managed by the Board of Directors. ‡ Less income-tax. (z) Clive Mills have paid dividend at Rs. 10½ on bonus shares, for the year 1958. * Including bonus. (k) Investments.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co. with effect from 1st December 1954. ‖ On old Capital.
K—Fort William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P—Bengal Coal Co. Dividend for 1954 and 1955 are on shares of Rs. 100 each.
For 1958 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 500 were split into shares of Rs. 100 each. §—On increased capital.

(*Concluded from page 827*)

against this background, there is little that is strange about the five-year trade agreement signed between the two countries on Sunday last in Moscow. This followed the recent discussions between the representatives of the U.S.S.R. and the Indian delegation led by Mr. K. B. Lall, Director General of Foreign Trade. An important adjunct to the pact indicates that the U.S.S.R. has agreed to purchase Indian goods for the sums due from India in 1959 in repayment of Soviet credits granted to this country. This new pact, which seeks to further trade relations and extend the volume of commerce between the two countries to the "maximum extent possible," constitutes an important stage in the development of Indo-Soviet economic intercourse.

The new agreement is virtually an extension of the existing trade pact. There are, however, two notable additional provisions in the agreement. In the first place, the agreement provides, specifically, for the reciprocal application of the most-favoured-nation treatment in the trade between the two countries. Secondly, it seeks to establish a clearing account without necessitating the conversion of the rupees, in which our payments will be made for Soviet goods, into sterling or any other currency, as has been the case hitherto. Obviously, this is designed to ensure a balanced trade between the two, without any expenditure of foreign currency. This arrangement, according to Mr. Lall, will eliminate artificial barriers to the expansion of imports from and exports to Russia. Clearly, the system differs from the trade accounting with the countries of the sterling area where foreign currency has to be paid. The Indo-Soviet trade will thus turn out to be a system of barter in practice, involving a wide range of goods.

Under the agreement, India will import from the U.S.S.R. various capital goods, industrial raw materials and oil. They include drilling equipments, equipments for the coal industry, equipments for irrigation projects, various machine tools and instruments, tractors and farm machinery, ferrous rolled stock, non-ferrous metals, fertilisers, dyes, cellulose, paper, asbestos and other industrial materials and products, oil products, cereals, films, printed matter and other goods. India's exports to the U.S.S.R. will consist of such traditional exports as tea, spices, skins and hides, wool, tobacco, shellac, cashew nuts, vegetable and essential oils, as well as manufactures including specifically jute fabrics and sacks, leather goods, including footwear, woollen fabrics,

Calcutta at Rs. 59 per maund, as against Rs. 85 a year before and Rs. 163 in November 1955. What is worse, Indian lac is fetching lower prices in foreign markets, thanks to keen competition from Thailand in world markets and fast developing synthetic substitutes. During the first eight months of 1958, a maund of lac exported abroad earned on an average Rs. 87, which compares very unfavourably with Rs. 99 in the corresponding period of last year; the total value of exports was Rs. 418.93 lakhs (481.014 maunds), as against Rs. 484.80 lakhs (492.073 maunds).

The sharp fall in the prices of lac, a recent report from Jamshedpur avers, has forced the producers to sell their product at reduced rates in the absence of alternative markets and, ultimately, to close their factories. Already, as many as 35 units out of the 45 existing in the Palamau district of Bihar State are said to have closed down "throwing thousands of workers out of employment." Drawing the attention of the authorities to the continued instability in lac trade, the Palamau District Shellac Association has strongly pleaded for the maintenance of parity between internal and export prices and creation of an agency for purchasing and storing lac products.

This is not the first time that such suggestions have been made. Many months ago, no less an institution than the National Council of Applied Economic Research, New Delhi, recommended the fixation of maximum-minimum prices for lac and establishment of a statutory body to enforce price controls by devising suitable measures. But somehow, the Government has not done anything about them. Only it has set up the Shellac Export Promotion Council. If the Council is to carry out satisfactorily the task entrusted to it, it must take energetic steps to ensure stability in prices. The need for such stability is all the greater considering that the total available supply of lac in the world is expected to be 55,000 tons in 1961, a quantity which will be far above the projected world consumption of 46,000 tons. Thailand alone is reported to be making renewed efforts to augment its lac exports to 20,000 tons in the next two or three years.

* * * *

The long-awaited reduction in export duty on cotton has at last been announced. The Government of India notified on Sunday its decision to reduce, with immediate effect, the duty on raw cotton from Rs. 50 to Rs. 25 per bale. The varieties which stand to benefit from this cut are Bengal *Deshi*, Mathia, Kalagin, Dholleras, Central India *Deshi*, C.P. I and II, Oomra *Deshi* and other varieties of stapling up to and inclusive of 25/32". An export quota for 250 000 bales (of 400 lbs. each) comprising 100.000 bales of Bengal *Deshi*, 100,000 bales of cotton not above ¾" staple, 50 000 bales of cotton of staple length ¾" and below was also simultaneously released.

While the duty reduction had been anticipated for a long time, the generous quota of 250.000 bales came as a pleasant surprise to the trade. Not that a quota of this magnitude was entirely unexpected. There was every reason to believe that, considering the bleak textile outlook, the downward trend in mill consumption of cotton, the higher carryover at the beginning of the season and the prospects of a good crop indicating a comfortable supply position, the Government would persuade itself to release substantial quantities for export, especially in view of the urgent need to augment the foreign exchange earnings. Further, various expert bodies such as the Cotton Advisory Board, the Indian Central Cotton Committee and a number of trade associations had urged the Government to make known its policy and to release sufficiently large quantities for export early in the season. The only surprise, therefore, was that the present quota should have come close on the heels of the previous one for a like amount which was released on 17th October. Thus, in all, 500 000 bales of cotton have been issued so far in this season for export. This comprises 250 000 bales of Bengal *Deshi*, 200.00 bales of cotton not above ¾" in staple and 50.00 bales of cotton stapling ¾".

The trade has greeted both the quota and the duty reduction with cheers. The reduction in export duty is regarded as a belated step which has cost the country dearly by way of loss of export business. The indecision on the part of the Government of India was a boon to Burma and Iraq, not to mention Pakistan. Nevertheless, better late than never. More than the reduction in duty, the ending of uncertainty regarding it is considered more welcome. For, ever since the talk of the possibility of a reduction in the duty had started, foreign buyers were keeping off the market in the hope that it might materialise. The suspense has now happily come to an end. The release of a large quota, traders note, will assure a steady supply to foreign buyers and enable them to plan their purchases in advance.

The reaction of the market to the news was reflected in a sudden spurt in the price of the Jarilla contract on Monday by as much as Rs. 25 over Saturday's closing of Rs. 605 25. The spot prices of exportable varieties also firmed up by Rs. 5 to Rs. 10 per candy. After this initial bullish reaction, the market tended to depict a quiet trend, with the contract quoting at Rs. 625. This is probably a technical reaction, but a sustained steady trend can follow only if the domestic textile industry is able to step up its rate of production.

As regards the prospects for export, the consensus of opinion among shippers is that, while the immediate outlook is gloomy, the distant prospects are not unencouraging. Foreign demand so far has been very slack and buyers are reluctant to make large purchases. Competition from Pakistan is keen. Even after making allowance for the duty reduction, which works out to 1.15*d* per lb., Pakistan *Deshi* is still cheaper than comparable Indian cotton by about a penny per lb.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed
16,00,000	1,08,00,000	10,41,547	Allahabad Bank	362·00	100	18 00	18 00	18 00‡		12
14,50,000				181·00	50	9 00	9 00	9 00‡		
1,01,000	18,04,000	1,910	Andhra Bank	106·50xd	100	6 50	8 00	6 00		6, 12
39,75,595				88·87xd	85	4 54	5 59	5 10		
1,00,00,000	1,28,00,000	4,10,731	Bank of Baroda	121·00	50	6 00‡	7 00	7 00		12
50,00,000	25,00,000	7,900	Bank of Bikaner	21·52	25	0 87	1 12	1 25	3.00‡	12
2,50,00,000	3,10,00,000	16,02,881	Bank of India	139·25	50	8 00	8 00	8 00	3.00‡	6, 12
50,00,000 'A'				140·50	50 'A'	...	...	8 00	3.00‡	
15,30,375	29,00,000	52,270	Bank of Indore	63·00N	25	3 50	4 00	4 25		12
50,00,000	25,00,000	20,476	Bank of Jaipur	44 75	50	2 00	2 50	3 00		12
50,00,000	91,95,613	1,87,086	Bank of Mysore	306·00	100	16 00‡	16 00‡	16 00	8.00‡	12
15,00,000	40,00,000	44,788	Canara Bank Ltd.	80·00	50	5 00	5 00	5 00		12
7,50,000	13,55,000	5,870	Canara Banking Corporation Ltd.	77 00	50	5 50‡	5 00‡	5 00‡		12
5,82,930 'A'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	180 00	100 'A'	12 50	15 00	15 00		12
23,787 'C'				1 71	1'C'	12½%	15%	15%		
2,62,11,375	4,03,60,821	18,44,046	Central Bank of India Ltd.	58 00	25	3 00	3 50	3 50	1.50‡	12
52,42,375				59·00	25	3 00	3 50	3 50	1.50‡	
50,00,000	40,00,000	2,80,320	Devkaran Nanjee Banking Co.	45·75	50	2 50	3 00	3 00	1.25‡	12
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	29 12	5	0 87	1 37	1 00		12
1,25,00,000	6,93,000	21,046	Hindustan Commercial Bank	9 75	50	*Nil*	*Nil*			12
50,00,000	1,80,000	4,233	Hindustan Mercantile Bank	12 12	50	*Nil*	*Nil*	*Nil*		12
44,00,000	1,00,00,360	2,04,376	Indian Bank	218·50	100	12 00‡	13 00	15 00‡	6 50‡	6, 12
22,40,000				177·00	80	7 75	9 75	12 00‡	5 20‡	
56,23,350	46,36,300	2,32,067	Indian Overseas Bank	153·00	100	7 50	10 00	10 00		12
10,00,000	10,25,000	33,502	Pandyan Bank Ltd.	31·00	25	1 87	1 87	1 87		12
1,25,00,000	1,10 00,000	4,51,904	Punjab National Bank	58 30	25	3 50	4 00	5 00	2.50‡	12
1,00,00,000	29,17,000	5,628	Travancore Bank	25·40	25	1 00	1 00	1 25		12
40,00,000	40,00,000	1,50,332	Union Bank of India	7·48	5	0 37	0 44	0 44		12
2,00,00,000	1,34,00,000	49,432	United Commercial Bank	68·30	50	2 75	3 50	3 75		12

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£4,400,000	£5,700,000	£412,542	Chartered Bank	£2-5-0	£1	15†	15†	15†		12
H.K. $50,000,000	H.K. $128,000,000	H.K. $2,062,463	Hongkong and Shanghai Banking Corporation	£4 3‡	H.K. $125	5*	5*	12½*Z	1½*	12
£18,565,070	£18,000,000	£826,712	Lloyds Bank	£3-5-0	£1	12†	13†	13†		12
£2,940,000	£2,100,000	£231,452	Mercantile Bank Ltd.	£1-14-9	£1	14†	14†	18‡†		12
£2,851,563	£3,104,637	£355,589	National Overseas and Grindlays Bank Ltd.	£1-5-3	sh. 12‡	15†	15†	15†		12

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (I) Interim. * £ per share free of tax. xr—Z.—The final dividend of £1-12-6 is on the increased Capital.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	92.00	1st June 1963
4,00,000	6½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90.00	28th February 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.15	27th December 1952-6
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00	1st November 1959-6
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November 1959-6
COAL						
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June 1964
20,00,000	4½	30th June and 31st December	Jhurrakur Coal Co.	1947	87.00	30th June 1967 (a
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December 1969 (a
COTTON						
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	89.00	15th November 1966 (b
70,00,000	6	1st April and 1st October	Buckinzham and Carnatic	1952	98.00	1st March 1972 (a
40,00,000	6	1st April and 1st October	Gokak Mills	1957	100.25	1st April 1967-71
13,71,000	5½	30th June and 31st December	Jayshree Textiles	1949	90.00N	1st January 1956-5
39,00,000	5	1st June	Tata Mills	1951	93.00	15th November 1960
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	90.00	31st March 1965 (a
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		99.00	14th June 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98.75	1st October 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1940	90.00	31st December 1964 (a
£4,048,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.50	1st January 1970 (a
25,00,000	4	30th June and 31st December	Cooverjee Electric Supply Co., Ltd.	1945	84.00	31st December 1970
13,80,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co., Ltd.	1951	91.00	30th June 1976 (a
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April 1959-6
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September 1958-6
47,75,000	5	1st April and 1st October	Tata Power	1940	100.62	1st July 1970
2,50,00,000	4	1st April and 1st October	Tata Power		86.00	15th September 1965-7
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December 1969
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	97 00N	1st July 1957-6
10,01,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	80 00	31st May 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	97.50	1st October 1966-6
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	95.50	31st December 1960 (a
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	90 50	31st March 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	90 00	30th June 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	77 00	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90 00	30th June 1960
9,90,000	5	31st January and 31st July	Calcutta	1949	86.00	31st July 1969
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88 50	30th June 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90 00	31st March 1969 (a
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July 1968 (a
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	94 00	31st March 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90 00	31st December 1964 (a
25,00,000	5½	30th June and 31st December	Naihati	1952	90 00	31st March 1967 (a
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92 00	14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	80 00	31st December 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	85 00	5th September 1965 (a
12,00,000	5½	30th June and 31st December	Union	1937	90 00	31st March 1967
10,00,000	5½	31st January and 31st July	Waverley	1925	80.00	31st July 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£74.10N	1st October 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December 1960 (
£900,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	96 25	1st September 1968
PLANTING						
11,25,000	6	31st March and 30th September	Nilgiri Tea		99 50	1st April 1964
1,27,500	5½	31st March and 30th September	Teekoy	1944	100.00	31st March 1969
MISCELLANEOUS						
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December 1968
23,60,000	4½	1st January and 1st July	Associated Hotels of India	1948	85 00	31st December 1968
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	100 00	1st September 1964-8
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	101 75	1st October 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85 00	1st February 1964
19,29,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	82 00	1st July 1963
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	83 00	15th September 1968
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	83 00	1968
1,05,21,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	105 00	1st January 1971
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	100 50N	30th June 1964
15,00,000	5	2nd January and 2nd July	Mettur Chemical Industries	1949	88 00	30th September 1964
9,63,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	550 00	30th September 1970
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	465.00 (per note)	31st December 1972
						30th September 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	84 00N	1st April 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100 50	30th June 1965
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92 00	31st March 1967
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91 00	31st December 1968
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India Ltd.	1953	101 25	1st May 1968

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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NIBBLING AT THE TEXTILE PROBLEM

THE affairs of cotton mill industry came up for a fresh review at the first meeting of the Cotton Textile Consultative Board, inaugurated by the Union Minister for Commerce and Industry on Saturday the 22nd inst. No striking decisions were reached at this meeting to solve the pressing problem of disposal of the accumulated stocks of cloth with the industry. Only a sub-committee of three persons—Mr. Krishnaraj M. D. Thackersey, Mr. Madanmohan R. Ruia, and the Textile Commissioner, Mr. D. S. Joshi—was appointed to confer with the Indian Cotton Mills Federation on the subject of stocks and promotion of exports. The fact that these problems are receiving the continued attention of the Government and its advisory bodies cannot be a matter of comfort for the industry or the investors, for there has been no dearth of discussions on these problems. What is needed is a way out of the mire into which the industry has been pushed by the Government's fiscal, labour and employment policies. There is, of course, no denying the fact that the misdemeanours of the managements of certain mills, especially in the States of Bombay and Uttar Pradesh, have also been responsible for the difficulties of cotton mills, but Government controls and regulations have only helped them survive rather than expose them to the fire of competition implied in a healthy system of private enterprise. It is strange that, while arguing that uneconomic or badly managed mills deserve to be closed and refusing to effect any further reduction in the burden of taxation on that score, the Government should be prepared to take over those very mills, once they close down, and run them as unemployment relief agencies at almost half the wages. By doing so, the Government is only delaying, if not preventing, the restoration of normalcy through the economic law of supply and demand. How can the stocks of cloth go down, if an uneconomic or inefficient unit which closes down is revived by inducing workers to forgo a part of their wages, allowances and amenities?

In his speech at the inaugural meeting of the Consultative Board, Mr. Shastri gave statistics to show that, after declining a little in 1956 and 1957, demand and consumption of cloth have been going up once again. He took for this purpose deliveries of cloth by mills, handlooms and powerlooms for civil consumption. Here is his comparison:

(In million yards)

Year	Mill cloth	Handloom and powerloom cloth	Total deliveries
1951	3,385	1,085	4,470
1952	3,697	1,404	5,101
1953	3,877	1,501	5,378
1954	4,047	1,616	5,663
1955	4,470	1,719	6,189
1956	4,176	1,773	5,949
1957	4,084	1,956	6,040
1958*	4,456	2,075	6,531

*Figures for this year estimated on the basis of latest available data pertaining to deliveries.

These figures show, according to Mr. Shastri, that the offtake of cloth has kept pace with the trend of national income. It must, however, be borne in mind that the years 1951 and 1952 were years of restriction on cloth consumption and that, even in 1953, certain controls on production and distribution were maintained. 1954 was, therefore, the full year of free market for mill-made cloth. If that year were taken as the base, it would be seen that, whereas consumption of mill-made cloth has gone up by about 10 per cent., that of handloom and powerloom manufactures has jumped up by as much as 28.4 per cent. It is also interesting to note that the estimated consumption of mill-made cloth for 1958 is actually 14 million yards less than in 1955, while that of handloom and powerloom cloth is higher by no less than 356 million yards. Another difference is that, whereas there has been a progressive rise in the consumption of handloom and powerloom cloth, such has not been the case with mill-made cloth. The bulk of the increase in consumption of cloth has thus been accounted for by the decentralised sector. This is not surprising, because of the heavy increase in the burden of taxation imposed on mill-made cloth and the large concessions shown to the products of handlooms. The generous subsidy given to handlooms at the cost of mills has been the real prop of the decentralised sector. The mill-made *dhoti*, for instance, has now been nearly priced out of the market, thanks to the heavy incidence of excise duty on it, on the one hand, and the handsome rebate given on the handloom *dhoti*, on the other.

The difficulties of cotton mills have been aggravated by a recession in exports, too. Accordingly, stocks of cloth with mills have been growing. As at the end of October last, they were 601,800 bales of 1,500 yards each, an increase of 9,000 bales over the September-end figures and 47,729 bales above the average for 1957. They are also the highest for 1958 so far. Mr. Shastri observed in his speech to the Consultative Board that, "generally speaking, it can be said that the present production of the mills is actually being lifted and it is only the extra accumulated stock which is acting as a drag." This conclusion is more or less similar to the one arrived at in these columns three weeks ago. It is only on the remedy to be adopted that the Hon'ble Minister and this journal differ. The Minister feels that the best way of liquidating these stocks is to push up exports. If this could be done, it undoubtedly would be the best solution. But that does not seem to be a feasible one, having regard to the sluggish world trade in cotton textiles and the growing competition from Japan, China and Hong Kong, not to mention the U.K., the Western Continent and the East European countries. Again, it is a moot point whether, of the stocks lying unsold, the bulk represents exportable varieties. Accordingly, it is not quite realistic to contend that the solution to the big drag on the cloth market should be sought in terms of increased exports. While, of course, every effort should be made to increase exports, a quicker and more effective solution to the problem of excessive stocks is to encourage domestic consumption by effecting a substantial cut in the excise duty for a short period of four to five months. This will, as was pointed out by us on an earlier occasion, induce the wholesale trade in cloth to lift stocks from the mills. The Minister has reiterated on several occasions in recent months that very considerable reliefs in taxation have been given to the mills and that no further relief in this direction could be expected. But he seems to forget that these reliefs constitute only a mitigation, albeit in part, of the unwarranted doubling of the excise duties in September 1956, which themselves were unconscionably high.

Another not very useful suggestion of Mr. Shastri is that the banks should be requested to extend greater credit facilities to cloth trade, so that the latter may be enabled to increase its holdings to nearer normal levels. If the existing extremely easy money conditions are not a sufficient incentive to banks to provide more credit to cloth trade, we do not know what else can be. Further, it is for the banks themselves to decide to what extent they can take risks while advancing the funds belonging to their depositors. No responsible bank would care to follow a liberal policy of advances in respect of goods the outlook for which is uncertain, if not

bleak. Who would make good the losses, if the banks were to suffer any as a result of following the Government's advice? Will the Government pay? Even if banks are prepared to lend more against cloth on the advice of the Government, the remedy will not work if cloth traders are reluctant to avail themselves of these facilities to the fullest extent. So what is more important is to revive confidence among the traders about the consumption outlook for cloth. How is this confidence to be created so long as the fiscal policy of the Government is such as to restrain consumption of mill cloth to the barest minimum?

If the cotton mill industry is not to suffer from a perpetual vicious circle, it is necessary for the Government and the trade unions to revise their attitude towards modernisation of the mills. The impossible conditions that are attached to the introduction of automatic looms should be lifted. It is gratifying to hear that the Government is beginning to appreciate this point. "I am sure," said Mr. Shastri, "there will be closer co-operation between the Government and the industry, so that there is modernisation of mills and they are able to stand in competition with mills in foreign countries." But it is not enough if the Government merely appreciates the correct point. It is action that is important. By delaying modernisation of mills, the Government is steadily adding to the future troubles of the industry and is weakening its capacity to compete successfully in world markets.

ALUMINIUM INDUSTRY

FEW metals have earned a greater reputation for versatility than aluminium. Even in India where its use has for long been confined to domestic utensilware, the metal has succeeded in entering new fields; it now commands a wide range of industrial uses. Elsewhere, the metal has proved equal to the challenge of industrial demand. The ingenuity of research workers continues to discover new uses for aluminium, which has already invaded the aircraft, the automobile, the electrical and the building industries. In his stimulating address, delivered at the Executives Club at Chicago, Mr. Nathaniel V. Davis, President of Aluminium Ltd., refused to accept the view that the industry was a "mature" industry, if by that was meant that the industry had reached its full development. Maturity for the industry, he said, "lies a long way ahead."

Clearly, the metal is in a period of growth. There is no knowing what laurels it will not win for itself. Although its growth has undoubtedly been rapid in recent years, such development may be dwarfed by what it may well achieve in future. Among non-ferrous metals, the production of bauxite, the chief aluminium ore, has expanded between six and seven times the pre-war level, whereas the increase in other metals has been only of the order of 33 per cent. to 400 per cent. Aluminium, according to the *Commodity Survey*, published by the U.N.'s Commission on International Commodity Trade, has gained not only from the great expansion that has taken place in the aircraft industry but also from the displacement of heavier metals—tin and lead in foil, copper as a conductor, zinc in castings, and various iron and steel alloys in sheet and structural shapes. World production of aluminium aggregated 3.25 million tons in 1957, as against 3.11 million tons in 1956. Because the U.S. is not buying aluminium for stockpiling purposes, there has been some decline in production this year in the U.S. and Canada.

In many countries, there has been a tendency for aluminium consumption to double itself every ten years. Between 1946-48 and 1953-55, the consumption of aluminium in W. Germany, the U.K. and the U.S. expanded from 1.17 million tons to 2.25 million tons. Metal men have little fear of any reversal of this rising trend in aluminium consumption. There is, however, a certain element of uncertainty in the immediate future for aluminium prices. It would appear that Hungary, Yugoslavia, Czechoslovakia and Norway have been able to offer aluminium at prices lower than those which prevailed till recently. Further, the U.S.S.R. which has entered the world markets has announced a strange guarantee. It told the U.K. that it would supply aluminium at a price which was guaranteed to remain below the Canadian price. Canada, the important aluminium producer, has promptly asked the U.K. for an anti-dumping duty. The Russian "guaranteed price" offensive has induced the U.S. producers also to ask for a rise in the import duty on aluminium.

In India, the aluminium industry, for which the Government, following the report by the Tariff Commission on the industry, announced last week the extension of protection upto the end of 1960, is of relatively recent origin. Convinced of the importance of producing aluminium within the country, the Government of India announced, in 1940, that those who undertook its manufacture would be "given such measure of protection against unfair competition from outside India after the war as may be necessary to enable them to continue their existence." This assurance, which has been implemented by the Government, has been an important factor in the development of aluminium industry. The two main producers of aluminium in India, the Aluminium Corporation of India Ltd. and the Indian Aluminium Company, Ltd., were both incorporated in the immediate pre-war years. The Corporation, which has a composite and integrated factory with power-house, an aluminium plant, a smelter, a petroleum coke calcining plant and rolling mills at Jaykaynagar (Asansol), has an annual capacity of 4,400 tons of alumina and of 2,200 tons of aluminium ingots. The Indian Aluminium Company, Ltd., which has its power station at Muri (Bihar), aluminium smelter at Alipuram (Kerala) and rolling mills at Belur (near Calcutta), has a capacity for 18,000 tons of alumina and 5,500 tons of aluminium ingots.

The total ingot capacity at present is thus 7,700 tons. The Corporation has plans for increasing the ingot capacity to 7,200 tons a year, though this cannot materialise until additional power becomes available from the Durgapur project; this expansion is not likely to take place before 1960. The Indian Aluminium Company has plans for installing in Hirakud a smelter with an annual ingot capacity of 10,000 tons, capable of further extension to 20,000 tons. This plant is expected to go into production early next year. Birla (Gwalior) Private Ltd. has applied to the Government for a licence to install an aluminium smelter at Rihand, with an installed capacity of 10,000 tons, in technical collaboration with Kaiser Aluminium and Chemical Corporation of the U.S. Thus, the only additional ingot capacity which will come into production in the immediate future will be to the tune of 10,000 tons, thanks to the proposed Hirakud smelter of the Indian Aluminium Company Ltd. By 1960, the total ingot capacity may be expected to go up from 7,700 tons to 17,700 tons.

The Tariff Commission, in its report on the continuance of protection to the aluminium industry, has discussed the estimates of demand for aluminium. The estimates of current demand vary from 30,000 tons to 34,800 tons and those of demand in 1961 vary from 37,200 tons to 45,500 tons. The Commission estimates the current demand at 35,000 tons and the demand in 1961 at 44,000 tons. It may be mentioned here that the Indian Aluminium Company places the demand in 1961 at 45,500 tons, made up of requirements for utensils (10,500 tons), A.C.S.R. and A.A.C. (20,000 tons), transport (6,000 tons), building and construction (2,000 tons), food and farming (1,000 tons), canning and packing (3,500 tons) and other industries (2,500 tons). It would appear that there has been a fall in the popularity of aluminium utensils. But the decline in demand for utensils, according to the Commission, will be more than offset in the coming years by the increased requirements of aluminium for industrial uses. Assuming that the installed capacity will go up to 17,700 tons in the near future, the gap between supply and demand, which is now of the order of 20,000 tons, will widen to 27,000 tons by 1961. This gap has to be met by imports which, at Rs. 2,400 per ton, would involve a draft on foreign exchange of Rs. 5 to Rs. 7 crores per year.

There is thus a clear case for expediting the execution of plans for augmenting the production of aluminium. Nature has endowed India liberally in the matter of raw materials for the industry. The principal raw material is bauxite which is available in abundance in various parts of the country. Deposits are found in Ranchi and Palamedu districts in Bihar, Amarkantak and Bilaspur districts in Madhya Pradesh, Belgaum district in Mysore and Shevaroy Hills in Madras. Other raw materials like cryolite, aluminium fluoride and fluorspar have to be imported from abroad. Although petroleum coke and caustic soda which the industry needs are produced in India, domestic production is not sufficient to cover the entire demand, so that some imports of these are necessary.

By far the most important factor in the development of aluminium industry is the availability of electric power at low rates. Discussing the current position of the industry, Mr. Lakshmipat Singhania, Chairman of the Aluminium Corporation of India Ltd., in his speech at the annual meeting of the Corporation, held this week, said: "The inherent defects of the aluminium industry in India of high cost of power and small capacities still continue. Further, because of the expanding economy in the country, there are increases in wages, cost of raw materials and stores." The importance of cheap power has been emphasised by the Tariff Commission too. How vital is low-priced power to aluminium industry has been brought out by the Commission which points out that the power requirements of an integrated aluminium factory with an annual production of 10,000 tons are about 26,000 kw. and "a variation in the cost of electric power by one naya paisa per kw. gives rise to a variation in the price of aluminium metal by about Rs. 260 per ton." After calling attention to the expansion schemes of the Aluminium Corporation and the Indian Aluminium Company and Birlas' proposal for an aluminium factory at Rihand in the U.P., the Commission observes: "Considering the urgency of the matter, we hope that the Government will take steps to ensure that negotiations for the supply of power or its charges do not hold up the early establishment of these capacities." We commend the observation to the attention of the State Governments which may be called upon to negotiate appropriate agreements with those who intend putting up new aluminium units or expand their existing capacity.

Besides producing aluminium, the two major units, namely, the Aluminium Corporation and the Indian Aluminium Company, have installed some rolling plants. There are also six other producers with capacity for rolling flat products such as plates, sheets, strips and circles. The present rolling capacity, including that of the two primary producers, is about 17,800 tons per year, made up of 8,000-9,000 tons of industrial sheets and the rest in circles. Some of these producers have plans for increasing the rolling capacity, though actual expansion may not take place before the end of 1960. In this connection, the Commission points out that the demand for flat products (other than circles) is estimated to go up to about 15,000 tons by the end of 1961. It discounts the view that, since there is idle capacity in copper and brass rolling industry which could be switched over to aluminium sheets, there is no need for additional capacity for aluminium sheets and circles. This argument, according to the Commission, overlooks the fact that the manufacture of certain types of industrial sheets and strips of aluminium demand precision workmanship of a high order and that aluminium sheets and strips of thinner gauges cannot also be rolled in the existing mills. Accordingly, it has recommended that the Government should give early consideration to the establishment of some additional capacity for rolling, say, 5,000-6,000 tons per year, which will help produce the types of plates, sheets and strips now imported from abroad.

The Commission did not undertake an elaborate examination of the production costs in the industry on the lines it generally conducts in dealing with the demand for protection. It was represented to the Commission that, inasmuch as significant changes were taking place in the structure of the industry, which were likely to affect materially the production costs, the present inquiry might be limited to the determination of the adequacy or otherwise of the existing scheme of protection. The Commission has come to the conclusion that it will not be able to make a fair estimate of the future cost of production. It, however, proposes to hold a fresh inquiry into the industry in 1960. On the basis of the data made available to it, the Commission has found that the import duty required to equate the fair ex-works price of indigenous ingot with the landed cost, ex-duty, of imported product is 28.97 per cent. in the case of the Aluminium Corporation and 12.57 per cent. in the case of the Indian Aluminium Company. The existing rate of duty, namely, 35 per cent. *ad valorem*, is more than what the industry would need by way of protection. It must, however, be remembered that aluminium prices, as stated at the outset, are falling. This consideration has weighed with the Commission in recommending the continuance of the duty at existing levels—a well-reasoned view with which the Government has rightly concurred.

KERB TRADING IN SHARES DECLINES

AHMEDABAD ELECTRIC EPISODE—OPTIONS IN COTTON—SYNTHETIC FIBRES *VS.* COTTON

THURSDAY, 5 P.M.

A SOMEWHAT steady trend has come to prevail in the share market, there having been no fresh bearish developments. Turnover, however, has greatly shrunk. In fact, during the week under review, no business was transacted during the first two days and rates were not available even for the popular counters. This was due to an informal strike by the authorised clerks of Stock Exchange members as a protest against the sudden disciplinary action taken by the President against some of them found doing business on the kerb, despite his repeated warnings and appeals against such unauthorised transactions. Disciplinary action of this nature was long overdue, for the kerb business had become so rampant and regular that almost everyone took it to be a customary feature of the Stock Exchange. The badgeholders, however, had some cause for resentment against the action taken by the President, because the kerb trading had been allowed to go on for so long without inviting the wrath of the President. If the President had taken disciplinary action of the type he took early this week at frequent intervals, instead of once in a blue moon, not only would there have been less kerb trading, but those found guilty would have less justification for complaint. It is to be hoped that, at least in future, the President would regularly punish those who commit breaches of rules and regulations of the Exchange and not after intervals of years. Be that as it may, the action taken by him this week has had a salutary effect so far and, since Monday last, the kerbs of Dalal Street are quiet, less crowded and more easily negotiable by both vehicles and pedestrians after the closure of the Exchange officially at 2-30 p.m. Even the corridors of brokers' offices in Aga Khan Building, which used to be jammed with shouting clerks, are not crowded. The only way in which business can be done now after the closure of the market is by making calls on the offices of brokers, which is undoubtedly very cumbersome. But it remains to be seen how long this restraint will last. In the past, it used to disappear after a few days. If, however, the Stock Exchange authorities take it into their heads to enforce their rules and regulations strictly and ensure discipline, it can last much longer.

MARKET GOSSIP

Another important reason for the fall in the volume of business during both official and unofficial hours is the discontinuance of teleprinter facilities given to private parties by the Government. Quite a few operators had obtained this service between Bombay and Calcutta, despite the heavy charges for it, in order to get minute to minute quotations from Calcutta and put through straddle business not only in shares but also in bullion and commodities. As the Calcutta Stock Exchange works longer hours, the trend of that market after the closure of the Bombay market provides an incentive to do business on the kerb. Since that quick means of communication is no longer available, the scope for kerb trading has considerably narrowed. It is said that, when the contract for the renewal of teleprinter service fell due this month, the Government refused to renew it on the ground that the facility provided by it had been misused in several ways to the detriment of the other sections of post and telegraph departments.

The chief reasons for the fall in the volume of business are, of course, the absence of any new developments and the tendency among investors to wait, as values are high and yields are low. The feeling that it is risky to buy at current levels is gradually spreading among them.

In an otherwise steady market, Indian Irons have been ruling quiet, because the floating stocks are large, the *budli* rate for the scrip has gone up to 12-14 per cent. in Calcutta, and there are rumours that the Government has not given permission to the Company for capitalising the share premium account and issuing bonus shares. It is not known how these rumours have arisen. But rumours could be lies.

* * * *

The annual meeting of the Ahmedabad Electricity Company, Ltd., held in Bombay yesterday, was a sad and unpleasant affair. When we drew the attention of readers in this column a fortnight ago to an intriguing para in the Directors' report of the Company conveying the resignation of its popular Chairman, Mr. K. G. Milne, and Mr. E. D. Sheppard, an ex-officio Director of the Company, little did we expect that some serious charges would be levelled against them at the meeting. The contention of some shareholders was that these gentlemen did not take sufficient care to protect the interests of the Company while placing orders with a British Company (*I.C.L.*) for the boilers required for expanding the capacity of its power station at Ahmedabad. They argued that, but for the discovery of one of the Indian engineers of the Company that boilers at a much lower price than those for which orders had been placed by the aforesaid gentlemen could be had from Babcox and Wilcox, another British concern, the Company might have been loaded with capital equipment costing about £140,000 more than necessary. We do not have the space to describe in detail about the allegations made against them. In any case, they have been reported at some length in a section of the daily Press. Suffice it to say that the largely attended meeting was worked up by the few shareholders who spoke on this incident to such an emotional pitch that, despite the explanations given by Mr. Sheppard and Mr. Milne, two resolutions were adopted, with only three dissenting which almost amounted to a vote of censure on these two gentlemen.

Both the resolutions were adopted as an amendment to the Directors' report. One resolution demanded that even the mild eulogistic reference in the Directors' report to Mr. Milne and Mr. Sheppard, reading that "the Board have placed on record their appreciation of the services rendered by these two gentlemen to the Company" be deleted. The other amendment was to the effect that the shareholders greatly appreciated the services rendered by Mr. P. D. C. R. Clark, the new ex-officio Director and Chairman of the Company, and one Mr. J. A. Colaco, the Indian engineer of the Company, who claimed to have discovered the high cost of the boilers ordered and persisted, despite the lack of co-operation and even opposition from his bosses, Mr. Milne and Mr. Sheppard, in seeing that the order with the I.C.L. did not go through. It was Mr. Colaco's claim that, as his bosses did not listen to his "expert advice" and that as he thought that the Company, as also the country, was losing something like Rs. 20 lakhs, it was his duty to speak to one or two other directors of the Company, and that for this "service" he was suspended by Mr. Sheppard, in his capacity as the chief of the Managing Agency Company, though he was reinstated at the intervention of other directors after an interval of nearly a month, and that without a contract.

From all that passed at the meeting, it appeared that Mr. Colaco was supported by Mr. Clark, the present Chairman of the Company, and the Chief Accountant of the Managing Agency Company, namely, Killick Industries Ltd. It was also apparent that Mr. Clark did not agree with Messrs. Milne and Sheppard and that this was true of some of the other directors of Killick Industries Ltd.

Mr. Milne's statement was that an extremely complicated technical issue was being distorted and that grave harm had been done to him by some of the shareholders. He said that orders for the plant had been placed with the I.C.L. with the unanimous consent of the Board of Directors of the Company on the basis of the unanimous advice of its engineers, including that of Mr. Colaco. He denied some of the statements of Mr. Colaco as being baseless.

Mr. Sheppard observed that it was he who had sent Mr. Colaco to London in the company of a director of the Company to investigate into the reports of higher cost quoted by the British Company (*I.C.L.*) with which orders had been placed. He averred to the effect that it was not true to say that, if Mr. Colaco had not persisted in his efforts, the order for the high cost boilers would have gone through, for he had taken the matter in his hand and was investigating it. His reason for suspending Mr. Colaco was the need for ensuring discipline in the office; if every member of the staff were to take up matters directly to the Board of Directors over his head, he could not be expected to run the office efficiently and in an orderly fashion. Since his stand, which was supported by Mr. Milne, was not endorsed by the Board, he resigned from it and so also Mr. Milne. Both of them said that their resignations were voluntary and none had asked them to do so. But all this explanation failed to convince the shareholders present at the meeting.

It is, however, noteworthy that Mr. Colaco refused to question the *bona fides* of Mr. Milne and Mr. Sheppard. Although a few shareholders spoke against them in a disparaging manner, used harsh words and said many irrelevant things, no *mala fide* intentions were attributed to either of the two Directors who had resigned. It is also noteworthy that the Company has not lost a single naya paisa. Another important point to be noted is that the statement of Mr. Milne and Mr. Sheppard that the orders for boilers had been placed with the unanimous consent of the directors and the unanimous advice of the Company's engineers was not disputed. Their contention that the comparison of prices was not like with like and that there were differences in the quality and types of boilers taken for comparison was slurred over.

The issues involved were highly technical, while most of the shareholders present at the meeting were laymen. Both Mr. Milne and Mr. Sheppard have a creditable record of service in their favour. They are still directors of the Managing Agency Company and chairmen and directors of other managed companies. They were contending, albeit in a polite and perhaps ineffective manner, that great wrong had been done to them. Their points of view surely merit a better hearing than the cursory dismissal they have had at the meeting. It would have been in the fitness of things and in keeping with sense of justice if the shareholders had adopted a resolution asking for the appointment of an independent committee of distinguished persons to enquire into the issues raised and report to them.

Again, no shareholder cared to enquire at the meeting for more details of the types of boilers ordered from the I.C.L. and those of Babcox and Wilcox taken for comparison later on. Also, no one sought to find out as to what were the views of the Government on this matter of boilers. After all, in a public utility enterprise of this nature, nothing can be done without the consent of the Government. We reliably understand that the Chairman of the Central Water and Power Commission had written to the Company some 10 days before the annual meeting that the boilers of the types mentioned by Mr. Clark in his speech would not be suitable and in keeping with the power plans of the Government.

We further understand that, at a Board meeting of the Company held today, a resolution was adopted afresh placing on record the valuable services rendered by Mr. Milne and Mr. Sheppard and that Mr. Milne was requested not to issue a statement to the Press which he wanted to do explaining his position. All this suggests that there is in this affair more than meets the eye.

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Mr. Madanmohan Ruia's plea at the annual general meeting of the East India Cotton Association Ltd., Bombay, held this week, for legalising and regulating option business or *Teji Mandi* has thrown the issue again into the arena of controversy. Option business is at present prohibited. In spite of the serious warnings of the Forward Markets Commission against indulgence in it, option business continues to be rampant in all the principal commodity futures markets, as also on the Stock Exchange. Despite its illegality, it is popular because it has its own attractions. Since it gives the trader a right to deal in a commodity at a fixed price for a specified period against the payment of an agreed premium, the option is an insurance against the risk of wide and unpredicable fluctuations in price. The objection to it is based on the argument that it increased the volume of speculative business. It is pointed out that, because of the limited risks involved in them, options embolden the speculators to operate on a much larger scale than otherwise they would. The Forward Markets Commission has repeatedly held option business to be responsible, in a large measure, for the wide fluctuations in the cotton market in particular and has even blamed the East India Cotton Association for not taking stringent action to prevent it.

But option business, according to some, is not an unmixed evil. According to Mr. Ruia, it is permitted in the U.K. and the U.S.A. He feels that, if trading in such business is regulated through enactment of suitable Bye-laws, it will help *bona fide* trade as an insurance against risk and also prove helpful to export business. He is not unmindful of the difficulties of controlling options by law. But he is of the opinion that the way in which it is going on at present puts an honest trader at a disadvantage, as compared with the one who does not care to observe the law. Further, prohibition of option business, according to him, has led to other forms of unauthorised business which are a real menace to *bona fide* trade and which are more difficult to control. There is, however, so much opposition to option business in this country that anyone who pleads for recognition of this type of speculation is, we are afraid, knocking against granite.

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A stage appears to have come when cotton, if it should retain its position as the premier textile fibre of the world, should not only defend itself against the inroads of man-made and other competing fibres but be on the offensive too. It is at present facing a twofold threat. Not only has textiles in general fallen behind the rates of growth of many other consumer goods but cotton's share in the total world fibre consumption is steadily dwindling. If this trend is allowed to continue, a time may come when cotton will find itself relegated to a secondary position.

What is the reason for cotton lagging behind other fibres? It is obviously not because it is inferior in quality, for cotton still remains the most versatile natural fibre of the world, nor because it is costlier, for its price compares favourably with that of other competing fibres. The answer lies elsewhere. Cotton's chief rival, man-made fibre, aided by modern methods of publicity and propaganda, is rapidly establishing itself as an important textile fibre and steadily ousting the natural fibre from its unchallenged position. The amount of money and effort spent by the manufacturers of synthetic fibres on sales promotion is said to be out of all proportion to its share in the total world fibre consumption. In countries like the U.S. and the U.K., for instance, where cotton textiles face the most serious challenge from synthetic fibres, the market is flooded by a wide range of apparel material made out of the latter. Enticed by the novelty and the technical perfection of some of these, the increasingly polished presentation of some others, and influenced by high-pressure sales techniques which invariably precedes their initiation to the market, the consumer is persuaded to devote an ever larger proportion of his budget to them. In the result, cotton has found itself losing its position in the consumer's scale of preferences. It appears that the full blast of competition from man-made fibres is stirring the producers and manufacturers of cotton out of their slumbers.

It is only natural that the International Federation of Cotton and Allied Textiles Industries, whose members represent almost two-thirds of the world's cotton spindles and looms and who consume 80 per cent. of the raw cotton which moves in international trade, should have taken interest in the matter. The Federation recently examined the prospects for raw cotton *vis-a-vis* other fibres. It noted that, in 1958, cotton still accounted for 65 per cent. of all textile fibres consumed in the world. But its percentage was slowly declining and it was faced with increasing competition from other fibres. It was also noted that producers of competing fibres such as wool, man-made fibre, silk, linen, and jute were providing market research and promotion funds for their fibres which were five to ten times as great as those now being provided by the producers of cotton. Thus, "the producers of fibres for two-thirds of the world's textiles were being

(*Continued on page 900*)

EQUITIES RULE STEADY

TEXTILES LOOK UP

(From Our Own Correspondents)

BOMBAY, *27th November*

THE share market ruled steady during the week under review. There was a slight broadening of activity and prices gained ground, the rise in textile shares being somewhat marked, in refreshing contrast to the subdued trend noted last week. The market would have presented a distinctly brighter tone but for the easy trend in Indian Irons, which proved to be a drag on it. This speculative counter was subjected to some selling pressure. The Company's annual general meeting is scheduled to be held tomorrow and the absence of any news regarding Government's sanction for the proposed bonus issue induced caution among the operators. There were also reports that there were payment difficulties in Calcutta in respect of this share, though they were soon got over.

The better tone in textile shares, which provided the main prop for the whole market this week, was attributed to reports of good activity in the cloth market, thanks to a broadening of overseas enquiries, following the recent announcement of export incentives for cotton textiles by the Government. The announcement of a bonus issue by Guest, Keen, Williams and the abolition of export duty on manganese ore provided additional bullish factors.

In the steel section, Tata Ordinaries moved up from Rs. 176 to Rs. 177.75 and after a setback to Rs. 176 recovered to close at Rs. 177. The new shares gained over the week Re. 1.25 to Rs. 173.25. Indian Irons staged a recovery earlier in the week from Rs. 25.90 to Rs. 26.40, but selling by weak holders brought them down to Rs. 25.65 today. The closing was done at Rs. 25.80.

In the textile group, Bombay Dyeings gained ground from Rs. 56.80 to Rs. 57.40. After a short-lived setback to Rs. 56.80, the shares moved up to Rs. 57.20. A similar trend was noticed in Centurys, but over the week the shares displayed a gain of Rs. 5.75 at Rs. 432. Kohinoors moved within a narrow range between Rs. 248 and Rs. 250 and closed at Rs. 249. Central Indias picked up Re. 1 to Rs. 86 and Finlays Rs. 2 to Rs. 270, while Gokaks suffered a drop of Rs. 3 to Rs. 129. Indu Ordinaries were steady at Rs. 8.72. Indore Malwas gained Rs. 2 to Rs. 104, while Khataus shed Rs. 2.50 to Rs. 160. Models rose by Rs. 2.50 to Rs. 170, Morarjees by Rs. 3 to Rs. 238 and New Greats by Rs. 5 to Rs. 216. Osmanshahis were better by a rupee at Rs. 43.50. While Shree Niwas Cottons lost Rs. 3 to Rs. 145, Simplex advanced by Rs. 2.50 to Rs. 173 and Standards by Rs. 4 to Rs. 203. Swans recorded a decline of Rs. 5 to Rs. 346, but Tatas were unchanged at Rs. 35.

Bank shares were listless. Barodas lost a rupee to Rs. 120, while Centrals gained 30 nP to Rs. 58.50 and their new shares 50 nP to Rs. 59.50. Bank of Indias declined by Rs. 2.25 to Rs. 137 and their new shares by Re. 1 to Rs. 139.50. United Commercials were unchanged at Rs. 68 and Union Banks at Rs. 7.52.

Electricity shares showed a mixed trend. Ahmedabad Electrics were a fraction better at Rs. 99.10, while Bombay Suburbans lost 50 nP to Rs. 110 and Surat Electrics Re. 1 to Rs. 113. Amalgamated Electrics were quiet at Rs. 11.36. Tata Hydros were a fraction better at Rs. 122.50. Andhra Valleys jumped by Rs. 12.50 to Rs. 1,202.50 and Tata Powers by Rs. 32.50 to Rs. 1,230. The Tata group of hydro electric companies have maintained the *ad-interim* dividend for the half-year ended 30th September 1958 at 3 per cent. (without deduction of income-tax).

Sugar shares suffered a further recession. Following the drop of Rs. 10.50 in the previous weeks, Belapurs declined by Rs. 3 to Rs. 305.50 this week. Bhopals lost 40 nP to Rs. 27.10, while Changdeos were a fraction better at Rs. 33. Phaltans retreated by Rs. 6.50 to Rs. 173 and Walchandnagars by Rs. 2.50 to Rs. 280.50. Cement shares too were easy. Associated Cements lost over the week Re. 1.25 to Rs. 153.25 and Digvijays Rs. 4.50 to Rs. 129.50, while Ashoks and Jaipur Udyogs were steady at Rs. 7.56 and Rs. 10.36, respectively.

In the engineering and mining group, Alcocks advanced by Rs. 2.50 to Rs. 260. On heavy short covering by those who had sold earlier on fears of lower dividend, Premier Constructions jumped up by Rs. 11.50 to Rs. 247.50. Tata Locomotives moved up from Rs. 154.50 to Rs. 156.25, but slided back again to Rs. 154.50 at the close. Their rights were done Re. 1.50 lower at Rs. 41.50. Mahindras lost 24 nP to Rs. 18.52 and Larsen and Toubros shed a fraction to Rs. 16.92. Following the announcement of a bonus issue in the ratio of three shares for every 10 shares, Guest, Keen, Williams shot up from Rs. 34 to Rs. 38.75. The abolition of export duty on manganese ore boosted up Shivrajpurs from Rs. 86 to Rs. 91.20 and their rights by Re. 1.50 to Rs. 67.50. Indian Coppers were steady at Rs. 3.74 and B.B. Petrols at Rs. 2.02.

Scindias advanced from Rs. 21.16 to Rs. 21.60, but suffered a retreat, following the announcement that the dividend for the year ended 30th June 1958 would be maintained at Re. 1.50 per share, while a section of the market had anticipated a higher distribution. Great Easterns gained over the week 15 nP to Rs. 26.75. While Bharat Lines were lower by 16 nP at Rs. 13.44, Malabar Steamships attracted attention and gained Rs. 2 to Rs. 15.76. Premier Automobiles were unchanged at Rs. 86, while Hindustan Motors were a shade better at Rs. 7.24.

Among miscellaneous industrials, Bombay Burmahs (old) provided a feature with a rise of Rs. 12 to Rs. 497 on demand from dividend hunters, as the shares will be listed *ex*-dividend on Monday next, when the new settlement opens. National Rayons were erratic, moving between Rs. 244.50 and Rs. 239.50 before closing at Rs. 240.75. Gwalior Rayons were done 16 nP lower at Rs. 14. Tata Chemicals were better by 12 nP at Rs. 15.76 and Hindustan Levers by 60 nP at Rs. 26.60. Voltas had business Re. 1.25 higher at Rs. 135 and I.C.I.C. Rs. 3 lower at Rs. 78. Killick Industries were better by a rupee at Rs. 149. Wimcos were listless at Rs. 187.

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Calcutta Stock Exchange

CALCUTTA, *26th November*

Conditions on the Calcutta Stock Exchange during the week under review were depressed; however, a small recovery set in on Monday on unconfirmed reports of the imminent issue of bonus shares by the Indian Iron and Steel Company, Ltd., in the proportion of one to five existing shares. This recovery was short-lived as fresh selling emerged yesterday. The earlier bout of selling that developed in all sections followed the unloading of a huge block of shares of the speculative Indian Irons both on the Calcutta and Bombay markets by an investment company. Nervousness naturally developed, and pointers were raised as to the motive behind the release of the large block of Indian Irons. In the result, a healthier technical position resulted. The Indo-Pakistani border frictions caused anxiety and introduced caution. However, the earlier report to Parliament of the Finance Minister on foreign aid prospects was noted with satisfaction. The recovery in Indian Irons on Monday followed some investment support, as the share, at the currently quoted price, was considered undervalued, considering the possibility of not only the dividend of 10 per cent. being maintained in the future but also of a higher distribution when once the expansion plans were completed and the loans to the World Bank and the Government of India were repaid. Activity in the miscellaneous industrials section showed that the number of small investors was gradually increasing and the lightweights were becoming a growing attraction to this class of investors.

Coal shares recorded a significant drop in the number of transactions. Central Indias, for which a dividend of 5 per cent. has been maintained for the year ended March last, moved down to Rs. 8.09 from Rs. 8.19. Bengals were as low as Rs. 268, as against Rs. 270 earlier, before recovering to Rs. 270. New Beerbhooms, at Rs. 11.50, were lower by 50 nP. Burrakurs eased to Rs. 16.81 from Rs. 17.31.

In consonance with the general trend and reflective of the fall in jute goods prices, opportunity was taken to avail profits in the jute section. In the process, Anglo-Indias lost to Rs. 208 from Rs. 212, while Kamarhatties, after being pushed down to Rs. 167 from Rs. 170, improved to Rs. 174. Howrahs recovered to Rs. 20.44 after falling to Rs. 19.94 from Rs. 20.37.

Earlier, Indian Irons touched a low of Rs. 25.69, but soon resumed normalcy and the price recovered to Rs. 26.07. On the report of an imminent bonus share issue in the proportion of three to every ten existing shares, Guest Keen Williams shot up to Rs. 36.50 from Rs. 34.25. Texmacos, after recovering to Rs. 21.60 from Rs. 21.25, closed quiet at Rs. 21.30, while Jessop & Cos. were fully steady at Rs. 26.12.

Among miscellaneous industrials, India Steamships were noted for the improvement to Rs. 14.12 after being lower at Rs. 13.94. Indian Cables were on renewed offerings and declined to Rs. 29.69 from Rs. 30.19. On the recommendation of a dividend of 10 per cent. against 5-15/16 per cent. for the previous year, National Rollings were taken to Rs. 13.31 from Rs. 12.56, while Indian Oxygens were lower at Rs. 22.87. Dunlop Rubbers recovered to Rs. 29.56 from Rs. 28.75, while Martin Burns were quiet at Rs. 29.12.

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Madras Stock Exchange

MADRAS, *25th November*

Distinctly easy conditions prevailed on the Madras Stock Exchange during the week under review. Buying enquiries were at a low ebb, while operators were generally eager to reduce their commitments, thanks to uncertain Indo-Pakistani relations and apprehensions of fresh tax proposals. Values of equities, as a consequence, tended to move down. Plantation shares particularly encountered selling, on renewed reports of labour unrest in Kerala plantations and following the categorical statement of the Union Minister for Revenue and Civil Expenditure that there was no case for further relief to common teas. Textiles also encountered selling induced by unhelpful advices from yarn and cloth markets. Sugar and miscellaneous industrials ruled easy.

Among tea shares in the planting section, Talayars dropped 40 nP to Rs. 9. Nonsuch Teas receded by 35 nP to Rs. 24.50. Parksides declined by 30 nP to Rs. 21.80. Chembras, Kil Kotagiris and Nilgiris lost 10 nP each to Rs. 3.55, Rs. 6.46 and Rs. 7.60, respectively. Periakaramalais shed 8 nP to Rs. 3.87 and Chandramalais 7 nP to Rs. 3.30. Neelamalais eased by 5 nP to Rs. 4.90. Coonoors were neglected at Rs. 26.25, Devasholas at Rs. 22.25 and Peermades at Rs. 19.62.

Coffee shares were heavily marked down. Coffee Lands fell by Rs. 4.55 to Rs. 29. Consolidated Coffees slumped by Rs. 3 to Rs. 24.60. Mysore Coffees declined by 30 nP to Rs. 3.45 and Mysore Plantations by 20 nP to Rs. 1.60. Ouchterlonys shed 4 nP to Rs. 5.41 and Sheveroys 2 nP to Rs. 2.08.

In the rubber group, Midlands declined by 30 nP to Rs. 12.15. Vaikundams receded by 13 nP to Rs. 24.12. Kailas eased by 18 nP to Rs. 4.72. Be Bes, Nelliampathys and T. R. & Ts decreased by 10 nP each to Rs. 3.90, Rs. 3.15 and Rs. 6.90, respectively.

In the textile section, Vasantas were subjected to heavy selling and slumped by Rs. 17 to Rs. 203. Buckinghams, Radhakrishnas and Ranga Vilas declined by Rs. 4 each to Rs. 170, Rs. 137 and Rs. 51, respectively. Bangalore Woollens dropped Rs. 3 to Rs. 164. Lakshmis climbed down by Rs. 2.50 to Rs. 96. Coimbatore Spinnings decreased by Re. 1.50 to Rs. 45.50, Coimbatore Cottons by Rs. 2 to Rs. 147, Loyals by Re. 1.25 to Rs. 31 and Rajalakshmis by Re. 1 to Rs. 66.

T.I. CYCLES OF INDIA LTD.

The Tube Products of India Ltd., Madras, manufacturers of electric resistance welded (E.R.W.) steel tubes, in collaboration with Tube Investments Ltd., Birmingham, U.K. (through its subsidiary Tube Products Ltd., Birmingham), is to merge with the T.I. Cycles of India Ltd., Madras, manufacturers of the well-known "Hercules" brand cycles (in association with Tube Investments Ltd. and the Hercules Cycle and Motor Company, Ltd., U.K.) subject to the sanction of the Government. Under the scheme of arrangement and amalgamation, the shareholders of the Tube Products of India Ltd. will be issued shares of the T.I. Cycles of India Ltd. in lieu of their holdings in the amalgamating company and will later on be issued additional shares after the amalgamation becomes an accomplished fact.

Before the merger, the paid-up capital of the T.I. Cycles itself will be doubled by the issue of rights ordinary shares at par, thus raising it to Rs. 1.40 crore, made up of 140,000 ordinary shares of Rs. 100 each. Later on, when the merger scheme is sanctioned, the shareholders of the Tube Products of India Ltd. will receive four fully paid-up shares of the T.I. Cycles for every five fully paid shares of Tube Products and one fully paid share for every five partly paid shares. At present, the paid-up capital of the Tube Products of India stands at Rs. 77.5 lakhs and conversion of the shares of this Company on the above ratio will mean an addition of Rs. 62 lakhs to the paid-up capital of the T.I. Cycles, bringing it up (after the merger) to Rs. 2.02 crores. It is proposed to raise the paid-up capital of the T.I. Cycles ultimately to Rs. 2.50 crores. In other words, there will be a further issue of T.I. Cycles shares to the extent of Rs. 48 lakhs.

The Tube Products of India Ltd. commenced production last year and soon got into its stride in producing E.R.W. steel tubes of good quality. It is now operating to capacity. It is proposed to double its capacity by installing a second E.R.W. tube mill and to set up a mill for cold rolling steel strips, for which there is a growing demand. Extensions to the works of the T.I. Cycles are also on hand to double its capacity for production of cycles and cycle components, as also to undertake new industries like manufacture of chains, cycle saddles and lamps. These extensions and new projects will cost about £2 million, of which about £1.4 million will be needed in foreign currency for payment of imported equipment. In addition to taking up the agreed proportion of the additional equity capital, the Tube Investments Ltd., Birmingham, has agreed to provide a loan of £1 million, so that the combined company may have the requisite foreign exchange available to it to undertake these new projects.

The working of the two companies during the current year is said to be satisfactory. The working of the Tube Products of India Ltd. during the first nine months of 1958 indicates that the loss brought forward from the previous year will be wiped out and the full year's working will leave a surplus.

ALLOTMENT OF I.F.C. BONDS

Subscriptions to the 4½ per cent Industrial Finance Corporation Bonds, 1968, amount approximately to Rs. 8.39 crores. Applications up to and including Rs. 10,000 will receive full allotment. Subscribers for amounts over Rs. 10,000 will receive allotment at 51 per cent. with minimum allotment Rs. 10,000 and rounded off to nearest hundred. The subscription list opened on Monday, 24th inst., and was closed within an hour of its opening.

INDIAN ALUMINIUM CO., LTD.

The Indian Aluminium Company, Ltd., Calcutta, has set up an aluminium smelter at Hirakud. The factory has an installed capacity of 10,000 tons of aluminium ingots per year. Disclosing this in the Lok Sabha on the 25th inst. Mr. Manubhai Shah, Minister for Industry, said that the factory was expected to go into production in February 1959. The scheme had been approved by Government.

NEWS IN BRIEF

A RS. two-crore-factory for the manufacture of insulin is proposed to be set up by the Government of India in collaboration with the U.S.S.R.

The Government of India has decided to release a quota of 5,000 tons of sesame seed for export during the period November 1958 to April 1959 by exporters who will effect shipment of sesame seed oil.

The Ganga Barrage Scheme is under advanced technical examination and is expected to be submitted to financial scrutiny shortly. There is no proposal for reinvestigating the scheme, as the main field investigations have been completed.

The Central Government has abolished the export duty on all grades of manganese ore with effect from the 24th inst. The duty prevailing was Rs. 10 per ton on manganese ore content upto 44 per cent. and Rs. 30 for ores with manganese content exceeding 44 per cent.

It is reported that about 4.4 million acres of land have been collected under the *Bhoodan* movement during the last seven years, of which 655,000 acres have already been distributed to landless agriculturists. Bihar alone is said to have contributed about half the total area.

The production of *Ambar Charkha* yarn, during the first nine months of 1958, was about 1,430,000 lbs., which represents just 15 per cent. of the target of 7,000,000 lbs., proposed for the whole of 1958. The Government of India has so far spent Rs. 326.05 lakhs in the form of grants and loans.

A new scheme for granting subsidy to selected cottage and small-scale industrial units consuming electric power has been drawn up by the Government of Bombay. The subsidy will be the difference between the actual rate paid and 9 nP per kw.h. subject to a maximum of 6 nP per kw.h.

At its meeting recently held in Bhubaneswar, Orissa, the All-India Farmers' Council endorsed in principle the nationalisation of wholesale trade in foodgrains as recommended by the National Development Council. It also supported the Asoka Mehta Committee's suggestions for guaranteeing fair prices for agricultural products.

A sum of Rs. 266.31 crores has so far been invested in the Hindustan Steel Private Limited by the Government of India. Of this, the value of equity capital accounted for Rs. 245.81 crores and loan for Rs. 20.50 crores. The loan bears interest (on current balances) at a rate not exceeding one per cent. over the Bank rate.

The Chemicals and Allied Products Export Promotion Council, Calcutta, has sponsored a three-man trade delegation, with Mr. C. D. Thakkar as leader, to visit Kabul, Teheran, Baghdad, Cairo, Khartoum, Entebee, Nairobi, Dar-es-Salaam, Mombasa, Addis Ababa, Djibouti and Aden, in order to explore the possibilities of augmenting exports to these countries.

A convention of West Bengal businessmen will be held at Calcutta in the first week of February 1959, with a view to co-ordinating the work of big and small industries and encouraging business aptitude among people. Sponsored by the Indian and Bharat Chambers of Commerce, the convention will seek, in particular, to expand the scope for assisting small industries with credit and banking facilities.

As against the planned overall procurement of 3,816 B.G. passenger coaches during the period of the second Plan, a total of 1,822 coaches have been entrusted to the Integral Coach Factory, Perambur, for production. Out of these, 501 coaches had actually been turned out from this factory by the end of September this year, including 179 turned out during the first six months of the current year.

The Government of India issue price for wheat from Central stock has generally been Rs. 14 per maund and for common rice Rs. 16. The open market highest wholesale prices of coarse rice and of fair quality wheat in the country since April 1958 have ruled around Rs. 28.00 and Rs. 24.00 per maund, respectively, except in a few instances of isolated character. During 1957-58, 3,033,000 tons of wheat and 607,000 tons of rice were imported.

A three-man U.N. mission will arrive in New Delhi next week at the invitation of the Government of India to evaluate the working of the Community Development Programme. The mission, headed by Mr. J. Coldwell, until recently President of the Canadian Co-operative Commonwealth Federation, will study the basic objectives of the programme and examine the organisation and training arrangements. The report of the mission is expected to be submitted by March 1959.

In order to develop the manufacture of electric multiple unit coaches in India, Jessop & Co. Ltd., Calcutta, has been given an order for part manufacture of 104 coaches. This firm is expected to develop manufacturing capacity for 50 to 60 coaches per year. The manufacture of electric traction equipment for these coaches at the Heavy Electrical Project, Bhopal, is under consideration. No order was placed during 1957-58 for import of these coaches. Foreign exchange consumed in 1957-58 against orders placed earlier was Rs. 4.35 crores.

A cheque for Rs. 1.9 crore for the Rihand Valley Development Project was handed over to Mr. A. K. Roy, Secretary, Ministry of Finance, at New Delhi on the 24th inst., by Mr. Howard E. Houston, Director of the U.S. Technical Co-operation Mission in India. In all, a total of Rs. 7 crores by way of rupee contribution to the Project has been made by the U.S. It is a reimbursement of the expenditure already incurred for the period 1st April 1954 to 30th June 1957. In addition, the Technical Co-operation Mission has provided $6 million worth of heavy equipment as well as the services of two technicians.

The average yields of paddy in India under the Japanese method of cultivation are reported to be between 28.88 maunds and 38.73 maunds per acre and these are subject to correlation in the light of variation in the practices adopted, according to the Union Minister for Food and Agriculture. In the so-called Chinese method of rice cultivation, some of the principles are diametrically opposed to those involved in the Japanese method. Trials will be conducted to verify the yield under the Chinese system and hence it is not possible at this stage to compare the yield under the two methods of cultivation.

The number of villages electrified in the Punjab between 1st April 1956 and 31st July 1958 was 917. The second Plan target is to electrify 2,100 villages in the State. The remaining 1,183 villages are expected to be electrified by the end of the second Plan period. The target for 1958-59 is 400 villages. During the period 1955-56 to 1957-58, the Government of India sanctioned loans amounting to Rs. 4.5 crores to the Punjab for schemes relating to expansion of power facilities for increasing employment opportunities and for development activities. Under the second Plan, a total sum of Rs. 75 crores has been provided for electrification of small towns and rural areas in India.

The maximum wholesale prices of coarse I and II varieties of rice in Madhya Pradesh have been fixed by the Central Government at Rs. 15.50 and Rs. 15.00 per maund, respectively. These prices are exclusive of the cost of gunny bags. Sale in wholesale quantities has been explained as sale in quantities exceeding 10 maunds in any one transaction. The prices fixed are for fair average quality of rice conforming to the specifications prescribed in the order. For rice below the fair average quality, the maximum prices shall be determined by deducting the prices fixed by the amounts of cuts indicated in the specifications applicable to the respective varieties of rice.

The United States will be represented at a symposium on petroleum resources and development to be held in New Delhi from 3rd to 16th December next under the auspices of the U.N. Economic Commission for Asia and the Far East. It will be the first of its kind held in this region. Its purpose is to discuss technical aspects of various subjects, including the petroleum industry of the E.C.A.F.E. region, petroleum exploration status and methods, recent developments in the search for oil in the continental shelf and technical manpower and equipment for exploration, production and refining. Most of the E.C.A.F.E. members are expected to be represented at the symposium.

The Visakhapatnam Port development project consists of two parts—construction of four berths (two for general cargo and two for ore) and provision of belt conveyor system and auxiliary facilities such as railway sidings, plants, etc., for handling ore. The project will cost Rs. 4.50 crores as now estimated and the foreign exchange component of it is put at Rs. 2.10 crores. Estimates for the construction of the four berths have been received from the Port Administrative Officer, Visakhapatnam, and are under consideration of the Government. A portion of the dredging required for the construction of the berths has, however, already been carried out. The design for the belt conveyor system will be finalised upon receipt of certain particulars called for from the railways and the State Trading Corporation.

The Hindustan Shipyard has so far built 23 ships. This was revealed by Mr. Raj Bahadur, Minister of State in the Ministry of Transport and Communications, during the question hour in the Lok Sabha the other day. Nine more ships are planned to be built during the second Plan period. The amount of foreign exchange spent on ships built so far during the second Plan period and the further amount expected to be incurred on nine more ships planned to be built during the rest of the Plan period is Rs. 355 lakhs and Rs. 588 lakhs, respectively. The amount of foreign exchange incurred or likely to be incurred on purchase of engines and boilers is estimated at about 50 per cent. of the total foreign exchange expenditure involved.

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From Abroad

The U.S. national product is currently running at an annual rate of $450,000 million which surpasses the previous record of $445,600 million set in the third quarter of 1957.

A group of business and financial executives of New York held a meeting on the 21st inst. and decided to form a new organisation for facilitating private investment abroad. The proposed organisation will seek to assist the underdeveloped countries through free enterprise channels.

Ten thousand dollars apiece has been awarded to two steel workers in Indiana, the U.S.A., who worked out a method to drain molten iron from slag. Application of the new method is estimated to result in a saving of $100,000 a year to the U.S. Steel Corporation.

The latest estimates of crude oil output in the U.S.S.R. for 1960 is put at 135 million metric tons, as against the actual production of 98 million metric tons in 1957 and 37.6 million metric tons in 1950. Despite increase in production, the export of oil from the U.S.S.R. has been very small. It is stated that Russia uses more oil than any other country except the U.S.

The Indonesian Government has requested the U.S. Export-Import Bank for a loan of $30 million to set up a chemical fertiliser factory. Negotiations regarding the loan are said to be nearing completion. Besides this loan, Indonesia has sought financial assistance for several other projects—$12 million to buy three U.S. Lockheed Electra civil airliners for the Garuda Airlines, $10 million to finance a thermal power station, and $5-6 million for expanding a cement factory.

The American Federation of Labour Congress of Industrial Organisations (A.F.L.-C.I.O.) has appointed an Atomic Energy Technical Committee to deal with the problems of the introduction of nuclear science in industry. Announcing the move, the A.F.L.-C.I.O. has said that the introduction of this new technology and science raises many problems for the workers in such places. Mr. Benjamin C. Cigal, General Counsel of the International Union of Electrical Workers, will be the Chairman of the Committee.

A pipeline in plastics for the discharge of acid containing waste water, believed to be the biggest of its kind in Europe, has just been put into operation at the new cellulose plant at Monsteras, South Sweden, owned by the Swedish Forest Owners' Association. The pipes for this installation which is about one mile long, were manufactured in continuous production and delivered in lengths of 33 ft. Their diameter is 3½ ft. and the thickness of the walls is 1/5 inch. The pipes were manufactured by the Swedish Hoganas Billesholm Company by means of machinery having a capacity of about 40 m. per day, specially designed and built by the company's own engineers. The material is glass fibre reinforced polyester.

The demand for engineering products continues to decline in Sweden, according to a survey by the Swedish Institute of Industrial Investigations. For the engineering industry proper, excluding shipyards, orders on hand, on the basis of working hours, were 20 per cent. smaller in August this year than at the same time a year before. As compared with February this year, there was a decrease of 8 per cent. At the shipyards, orders on hand in August this year were over 20 per cent. smaller than a year before at an unchanged proportion of export orders of about 65 per cent. New orders in the period March-August 1958 were very few and amounted to only 8 per cent. of the figure for the same months of last year.

In a bid to overcome overproduction, the Japanese steel industry is making efforts to expand exports. During the first half of the current fiscal year, the industry concluded contracts for the export of about 800,000 tons of steel products. This figure represents more than 60 per cent. of the export target of 1,319,000 tons set for the year. The industry continues to receive new orders. The Japanese concerns are at present negotiating with India for the export of 50,000 tons of steel in exchange for an additional 200,000 tons of iron ore, besides the 1.4 million tons agreed to under a recent agreement between the two countries. Another consignment of about 35,000 tons of steel is also expected to be exported to India under the 18 million yen credit. In addition, sizable orders have been received from the U.S.S.R. and Brazil.

PERSONAL

THE Maharao of Cutch, India's Ambassador to Norway, arrived in Bombay on Monday last.

Mr. Rajeshwar Dayal, India's High Commissioner-designate for Pakistan, left New Delhi for Karachi on the 24th inst.

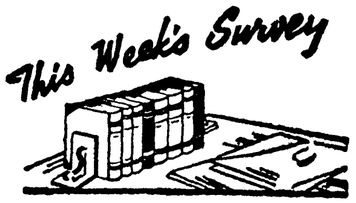
Mr. B. D. Garware, a noted industrialist, has been appointed Sheriff of Bombay for the ensuing year, *vice* Mr. J. C. Jain.

Mr. Justice Mohammad Hidayatullah, Chief Justice of Madhya Pradesh High Court, has been appointed a Judge of the Supreme Court.

Mr. B. R. Bhagat, Union Deputy Minister for Finance, who led the Indian delegation to the recent Colombo Plan meeting held at Seattle, U.S., returned to India last week-end.

Mr. C. V. Narasimhan, at present Executive Director of the Economic Commission for Asia and the Far East, has been appointed one of the two special Under-Secretaries for Political Affairs to the Secretary-General of the United Nations.

Mr. J. I. Jamieson, Chairman of the Indian Jute Mills Association and leader of the Indian delegation to the Far East, returned to Calcutta on the 22nd inst. after a five-week tour of Australia, New Zealand, Singapore, Manila, Saigon and Hong Kong.



FOREIGN AID

THE view that, as a result of the foreign aid secured so far, it would be possible for the country to "avoid any serious declines in our foreign exchange reserves" was expressed by Mr. Morarji Desai, the Union Finance Minister, in the Lok Sabha, last week. Mr. Desai, who was making a statement on foreign aid made available to India, emphasised that it was necessary not only to conserve these reserves, now standing at a level of about Rs. 180 crores, but, "if possible, to build them up again." In the course of his statement, Mr. Desai paid a just tribute to the countries which participated in the Conference organised by the World Bank in August last, which finally led to concrete measures of aid by the leading Western countries and Japan. "The friendliness shown at the Conference," he said, "was backed by concrete indications of the assistance to be extended to us for carrying forward the second Five-year Plan."

Giving specific details of the aid promised by the World Bank and Western countries, Mr. Desai said that the World Bank, which had agreed to give a loan of $25 million for the D.V.C. in July 1958, had also agreed to give another loan of $85 million for the railways. The Bank has promised to "give continuing consideration to our further requirements." The U.S. has agreed, in principle, to give a loan of $100 million from the Development Loan Fund. Negotiations are now in progress about the distribution of this sum among different development programmes. The U.S. has also indicated its willingness to defer the interest and amortisation payment due on the 1951 Wheat Loan over the next nine years. This will save the country some $7 million in foreign exchange every year. The latest P.L. 480 agreement with the U.S. enables India to purchase wheat and other agricultural commodities in the U.S. of a total value of $238 million against payment in rupees.

The U.K. has agreed to give India a credit of $108 million. The details of this loan, it is stated, are still under negotiation. The loan will be in two parts—$28 million by way of advance repayment of the amount due to India in lieu of the settlement of pension claims of the U.K. nationals who had served in India and $80 million which will be available for meeting the payment to the U.K. suppliers. Canada has announced an allotment of $17 million for assistance to India in the current fiscal year by way of Colombo Plan allocations; an agreement on the utilisation of this amount has already been reached. In addition, Canada has consented to grant a loan of $8.8 million for the purchase of Canadian wheat. West Germany has agreed to make available a sum of $40 million. The loan, the details of which are under negotiation, will be in two parts, the smaller part being of a shorter duration than the other. Japan, which had agreed to give a line of credit of $50 million through its Export-Import Bank, will give another loan of $10 million through the same agency. The details of the loan have not been settled yet.

As regards the foreign exchange requirements in the last two years of the Plan, namely, 1959-60 and 1960-61, Mr. Desai averred that the Government had advanced in its negotiations to a point "where our needs have been appreciated in general and where a proper forum exists for organising discussions with other countries and international institutions efficiently and expeditiously." Actual requirements of foreign exchange in the last two years of the Plan have been estimated to be of the order of $650 million, exclusive of assistance for the purchase of agricultural commodities. Mr. Desai said that several countries had indicated their readiness to participate in our developmental efforts constructively and on a continuing basis." In this connection, he cited the instance of W. Germany which had agreed to make available $60 million in the last two years of the Plan.

External assistance received by India is not confined only to the countries which are members of the Word Bank. India has received aid from other countries too. Besides the credit for the Bhilai steel plant, the U.S.S.R. has extended credit to the tune of Rs. 60 crores for certain industrial projects. India has concluded a deferred payment agreement with Rumania for the supply of an oil refinery at a cost of Rs. 5.2 crores and with Czechoslovakia for the forge foundry project at a cost of Rs. 8.5 crores. Negotiations for similar arrangements are under way at present with the U.S.S.R. for a new drugs project.

All this assistance is certainly commendable, in that it indicates how greatly other countries have given concrete proof of their willingness to assist India. Nevertheless, it must be admitted that if India pursues a more constructive and realistic economic policy, it will stimulate the flow of private foreign capital which will reduce, if not eliminate altogether, its dependence on foreign Governmental assistance. Again, to the extent the assistance now received, or promised to be given, includes loans, India has to be prepared to honour its commitments as and when they fall due. From this point of view, it is imperative that the loans received from abroad are put to most productive purposes and also export potential is continuously expanded, in order to ensure there is no recurrence of any foreign exchange crisis.

G.A.T.T.

After deliberating for well over five weeks, the 37 Contracting Parties to the General Agreement on Tariffs and Trade—G.A.T.T. for short—concluded their thirteenth session at Geneva on Saturday, the 22nd inst. The session was quite an eventful one, in that it marked the beginning of a new era in the history of world trade. At this session, the Contracting Parties drew up plans for an international programme to expand world trade (including the convening of a world tariff reduction conference in the summer of 1960), recognised the need for reducing restrictions on agricultural imports from the underdeveloped countries as well as for taking measures to promote the export trade of these countries, and approved the provisional admission of Cambodia and Switzerland. They also constituted three special committees to study the three main points discussed at the session: (1) proposals for a new round of tariff negotiations among the member-countries of the G.A.T.T.; (2) procedures under which the G.A.T.T. can overcome the obstacles to trade expansion inherent in national agricultural policies; and (3) measures for stimulating the export earnings of underdeveloped countries.

The aforesaid committees will commence work early next year and report to the fourteenth session of the G.A.T.T. to be held in Geneva from 11th to 30th May 1959. The deliberations of this session and the decisions taken thereat, as also at the fifteenth session to be held in Tokyo from 26th October to 14th November, will, perhaps, form the basis for the discussions at the proposed world tariff reduction conference in 1960. Meanwhile, it is reported that, at the conference, the U.S. will negotiate with other G.A.T.T. members 20 per cent. tariff cuts authorised under the extended Reciprocal Trade Agreement Act. The tariffs of Cambodia and Switzerland will also be negotiated at the conference prior to their admission as full members.

The recognition of the urgent necessity to help the underdeveloped countries is certainly a significant feature in the G.A.T.T.'s new programme. The growing need of these countries, as Mr. L. K. Jha, leader of the Indian delegation to the thirteenth session and Chairman of the session, very pertinently pointed out, is to have opportunities to expand, by trading with other countries, their export earnings and thus provide themselves with additional means to pay for imports "which are a matter of life and death for their hopes of economic expansion and a higher standard of living for their peoples." The success or failure of the new G.A.T.T. programme for trade expansion, as Mr. Jha rightly said, will largely depend on the leadership which is given by the principal trading nations; it is here that one looks to the U.S., the U.K. and the powerful economic entity taking shape as the European Economic Community. To quote him: "I am sure that, if these countries give us a strong lead in this enterprise .... a good many of the difficulties that threaten to divide us will be swallowed up in the general advancement which will then become a reality."

The call for more vigorous action on the part of the industrialised countries to help the underdeveloped countries to augment their foreign exchange earnings is not only timely but also very pertinent. This aspect must be stressed especially from the point of view of India. How India, an underdeveloped country, has been handicapped on account of import restrictions on its goods imposed by West Germany, a highly industrialised country, was described by Mr. Jha at the recent Geneva session of the G.A.T.T. Mr. Jha said:

"West Germany's import restrictions against Indian goods concern jute fibre, jute bags and sacks, leather goods, cotton yarn and cotton textiles. German imports of jute products aggregate 14 million Deutschemarks per year, but include only 3 million Deutschemarks from India. The remainder is imported mainly under bilateral trade agreements from Benelux countries, where jute products are manufactured with raw jute imported mainly from Pakistan. I am bewildered by West Germany's policy and think that it is designed to canalise trade in certain directions. I wonder whether it is possible that the European Common Market has something to do with it. I can find no explanation for the discrimination against India.

"West Germany's import restrictions strike at the root of the legal and moral obligations of the G.A.T.T. and reduce India's resources for the purchase of rice, machinery and capital equipment. Nevertheless, India has no intention of making use of G.A.T.T. provisions by imposing restrictions on Indian imports from Germany."

Mr. Jha has done well to highlight India's difficulties in the matter of exports to W. Germany. It is not India alone that is handicapped as a result of West Germany's import restrictions; a number of India's neighbours are also handicapped similarly. It is, however, comforting to be told by the West German delegate, Dr. Helmuth Klein, that his country is prepared to examine the Indian complaint "in a spirit of co-operation and will do everything possible to reach an understanding."

ASSAM REFINERY

A long-term credit to India and offer of training facilities to Indian technicians are features of the agreement which the Union Government has concluded with Rumania for purposes of setting up an oil refinery in Assam. Disclosing the details of the agreement, which followed the visit of a Rumanian technical team to India and the visit of an Indian team to Rumania, the Union Minister for Mines and Oil, Mr. K. D. Malaviya, stated in the Lok Sabha, last week, that Rumania had agreed to offer a long-term credit of Rs. 5.24 crores for building the refinery which, as is now well known, will be the first of its kind in the public sector; the next refinery in this sector will be set up at Baruni in Bihar. This long-term credit carries a low rate of interest, namely, 2.5 per cent. per annum, the same rate at which Russia gave credit for the Bhilai steel project. Under the agreement, 15 per cent. of the credit will be repaid in six instalments, the first one to commence 30 days after the signing of the agreement and the last 30 days after the refinery has been set up; the balance of the credit (that is, 85 per cent.) will be repaid in ten instalments, the first two instalments commencing on 31st December, 1961 and the last one ending on 31st December, 1965. The Rumanian Government has agreed to buy Indian goods as far as practicable against payment made under the agreement; the balance of credit not utilised in this manner will be converted into transferable free currency after 1st April 1961, if so desired.

Under the terms of the agreement, Rumania will supply the equipment and materials for the process units and auxiliary installations, ensure their erection by Rumanian engineers and technicians and train Indian technicians in Rumania. The Indian Government has undertaken to select the refinery site, furnish all temporary facilities for the construction and erection of the refinery, supply construction materials and provide the necessary transport for materials and equipment. Mr. Malaviya said: "I have no doubt that this collaboration with the Rumanian Government for the establishment of the first oil refinery in the public sector will pave the way for greater association with them in other projects as well."

The Assam oil refinery will have a capacity of 0.75 million tons per annum and the refinery in Bihar a capacity of two million tons. Mr. Malaviya said that the Assam oil refinery would be on stream by April 1961. He stated that the Government would soon take a decision on the offers of collaboration it had received for the construction of the Bihar refinery. The production and transport of crude oil to these two refineries in the public sector will be handled by Oil India Private Ltd. in which the Government of India holds one-third share of the capital, the rest being held by the Burma Oil Company and the Assam Oil Company. The operation of the two oil refineries depends upon the maintenance of crude oil supply and the construction of a pipe-line from the Assam oilfields to the Bihar refinery. It is to be hoped that Oil India Private Ltd. will ensure that the production of crude oil is maintained at the anticipated level of 2.5 million tons per annum and will also expedite the construction of the pipe-line.

TRADE UNIONS AND THE CODE OF CONDUCT

The President of the Indian National Trade Union Congress (I.N.T.U.C.), Mr. G. Ramanujam, has charged the All-India Trade Union Congress (A.I.T.U.C.) with having violated the code of conduct adopted at the Naini Tal Labour Conference. Addressing the General Council of the I.N.T.U.C. at Jamshedpur on the 22nd inst., Mr. Ramanujam pointed out that, from the very beginning, the A.I.T.U.C. and its affiliated unions were violating both the code of discipline in industry and the code governing inter-union relations. The latest example of such violation, according to him, was in Kerala, where communist unions had gone on a strike in the plantation estates of the High Ranges when the employers were prepared for adjudication. In utter disregard of the provisions of the code, the I.N.T.U.C. union's office in Munnar in Kerala was raided, furniture broken and trade union leaders assaulted. What was surprising, he pointed out, was the Kerala Labour Minister's declaration that the strike was justified and peaceful and that there was no breach of any code. All this showed, he added, that the Communists were paying scant respect for the code and it had become an object of mockery at the hands of their party, its trade unions and even its Government.

These charges should not be dismissed as the fulminations of one trade union leader against his rival union. For it raises issues which have a direct bearing on industrial peace in the country. There is no surer way of discrediting a law, a code or time-honoured practice than openly violating it. The Communists have found the code, which they themselves approved, probably to prove their apparent solicitude for maintaining industrial peace in the country, unsavoury and irritating. Presumably, they regard the code as an impediment to following their usual methods of gaining ascendancy in the labour field and dislodging rival unions. They do not appear to have ever taken the code very seriously, for even when it was being formulated, its spirit was violated by the A.I.T.U.C. in Jamshedpur. It is necessary to investigate the charges and, if found true, to condemn publicly violation of the code in unequivocal terms and take measures to ensure its observance.

Mr. Ramanujam did well to underline the need for trade union unity. He did not think it possible to unite on a sound footing organisations differing in purpose, direction and methods such as the I.N.T.U.C. and A.I.T.U.C. He suggested that organisations such as the Hind Mazdoor Sabha and the United Trade Union Congress should merge with a major organisation of their choice. The I.N.T.U.C. and the H.M.S. are both co-affiliated to the International Confederation of Free Trade Unions and the chances of their merger, according to him, should not be remote.

Defining the relation of the I.N.T.U.C. with the Congress, Mr. Ramanujam pointed out that, while ideologically the two organisations had considerable affinity, they were distinct entities and would not tolerate encroachment on each other's domain. He has done well to assert the independence of the I.N.T.U.C. for its identification in the public mind with the Congress Party has done much to weaken the organisation, at least in some States.

FAMILY PLANNING

The phenomenon of population growing faster than resources is now gaining recognition even in communist countries. Faced with the problem of a relentlessly rising population, communist China, for instance, was forced to do violence to Marxist theory, namely, that the "so-called" population problem was a capitalist fetish, and take effective measures to deal with it. Fortunately, in India, the need for population control through family planning does not seem to have been seriously questioned, barring, of course, a few intellectuals, to whom it was too much of an interference with marital privacy and individual liberty. Nor have there been any religious inhibitions against family planning. It is true that our womenfolk do not readily take to family planning, but available evidence shows that they welcome such planning. Their reluctance is due to shyness, and not to any conscientious objections. The reaction of the majority of rural mothers, the worst victims of improvident maternity, to family planning has been most encouraging. Given intelligent publicity and concerted efforts, the programme of family planning is sure to find general acceptance.

The surest way to ensure the success of the programme is to make the people family planning conscious. Planning one's family must become a habit, a way of life and a tradition. As Mr. D. P. Karmarkar, Union Minister for Health, pointed out in his address to the recent meeting of the Family Planning Board, it must take deep roots in the social fabric of our family life. The Minister rightly pointed out that the establishment of clinics and the like was important, but more important was the need for making every man and woman in the country conscious of the urgency of the programme in the interest of the community as a whole. In both the medical personnel carrying on the work of propagating family planning and the people in general, according to the Minister, there was a greater element of seriousness now than at the beginning of the programme.

In spite of the urgency of the problem and the presence of a number of official and non-official agencies to deal with it, it is regrettable that the second Plan provision of Rs. 4 crores for the Centre and Rs. 97 lakhs for the States has not been utilised to the extent one would have desired. Thus, the anticipated Central expenditure up to March 1959, the third year of the Plan, is Rs. 79.60 lakhs only. A provision for Rs. 320.40 lakhs is thus still available. Of late, however, there has been some improvement in the position. During last year, the whole amount allotted for family planning had been utilised and this year also it is expected that the money will not be allowed to lapse. The programme for the rest of the Plan period should, therefore, be drawn up, keeping in view the balance available out of the Plan provision. In view of the fact that there should be no interruption in the programme, more funds should be made available, if need be.

The progress of the programme, as judged by the number of family planning clinics opened, in the urban areas has been fairly satisfactory. The total number of clinics opened so far during the second Plan, according to the report of the Director-General of Health Services, is 578, which is four times those opened during the first Plan period. But in rural areas the record has been poor. A high priority should, therefore, be given to rural areas, where, after all, the need for family planning is most urgent. It appears that, apart from official and non-official agencies already in the field, private industrial employers can do much in popularising family planning by providing the necessary facilities at the disposal of their workers. Family planning clinics should be attached to hospitals meant for all workers, especially for those working in plantations, coal mines, sugar factories and other works situated in rural surroundings. Instruction in the benefits of family planning could be given to the workers, male or female, at these clinics. Once the fear of the idea of limitation of family, which might at first look new-fangled, is overcome, contraceptives should be distributed free of cost. The knowledge and experience gained by the worker or his wife would, by a natural process of diffusion, easily pass on to other members of the family and a larger number of people than receive direct advice would thus be benefited.

An aspect having a direction bearing on the success of the scheme, which Mr. Karmarkar particularly emphasised, is research on contraceptives. Attempts are being made to evolve a simple, effective, harmless and acceptable contraceptive. The Contraceptive Testing Unit of the Indian Cancer Research Centre, Bombay, is said to have developed a foam tablet. The All-India Institute of Hygiene and Public Health, Calcutta, claims a promising future for an oral contraceptive. While every effort should be made to accelerate the pace of research, it may be pointed out that the quest for satisfactory contraceptives need not be confined to the realm of modern medicine. It may extend to harmless indigenous medicine, too, provided, of course, its efficacy is not in doubt.

THE SOUTH INDIA
INSURANCE CO., LTD.
Incorporated in India
(Established 1934)
FIRE, MARINE, ACCIDENT
AND MISCELLANEOUS
INSURANCE BUSINESS
Head Office:
Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

INDIAN STANDARDS INSTITUTION

Economic progress can come only through conscious efforts of a community to put the given resources to the maximum use. This presupposes a rapid improvement in the national output, not only in quantitative terms, but in qualitative as well. It is this latter function, perhaps less spectacular, but no less significant than the former, that is being undertaken by the Indian Standards Institution which held its fourth convention at New Delhi on the 24th inst. The Institution can look back upon the short span of its existence of about 11 years with legitimate pride. It has produced about 1,100 standards for a wide range of goods in the primary, tertiary and manufacturing sectors. Its work will, in due course, help create and sustain the confidence of the average consumer in the goods manufactured in India.

Of the numerous standards devised by the Institution, mention may be made of the standard specifications set for the various stages in the handling, transportation and storage of foodgrains which are said to have reduced substantially the incidental losses in this process. Similarly, the formulation of standards relating to grading and specification of various types of sugar has been of great importance to the sugar trade, particularly for exports. Besides, the Institution is at present exploring the possibility of laying down objective methods of evaluation of colour in collaboration with the National Physical Laboratory of India and National Sugar Institute, Kanpur. A series of standards were also published for pest-control products.

Apart from evolving these national standards, the Institution has been working in collaboration with the International Organisation for Standardisation. For instance, the I.S.I. has been participating in the deliberations of the I.O.S. Technical Committee for regulating the quality of such export commodities as oilseeds, spices and condiments. In the sphere of engineering industry, it has recommended a large number of standards, particularly in machines and small tools, automobile vehicles and internal combustion engines, bicycles, sewing machines, pumps, etc.

The Institution has also played a significant role in smoothening the change-over to metric system in the country. In this connection, it has taken up the task of preparing dimensional and other standards based on metric system. The formulation of conversion factors and conversion tables, conversion tables for ordinary use, and code of practice for general engineering drawings have been outstanding contributions.

These efforts towards bringing about rationalisation, uniformity and co-ordination in the various spheres of agriculture, industry and trade will go a long way towards making the Indian producer more and more quality-conscious. This will eventually enable the indigenous products to attain higher levels of competitive capacity. Prime Minister Jawaharlal Nehru, who inaugurated the meeting, rightly stressed the need for standardisation as a primary condition for stepping up exports. No doubt, much remains to be done to extend the scope of standardisation to various other branches of economic life in India. It is to be hoped that producers, consumers and other interests will co-operate with the Institution in expediting its drive for evolving standards and implementing them on a wide scale.

THE AHMEDABAD ELECTRICITY COMPANY LTD.

FORTY-SIXTH ORDINARY GENERAL MEETING

MR. P. D. C. R. CLARK ON RATE OF REASONABLE RETURN

THE view that the overall financial position of the electricity supply industry would continue to be almost the same as under the set-up before the Act was amended despite the rise in the rate of reasonable return from 5½ per cent. to 6 per cent. was expressed by Mr. P. D. C. R. Clark, Chairman of the Ahmedabad Electricity Company Ltd., in the course of his speech at the Forty-sixth Ordinary General Meeting of the Company held in Bombay on Wednesday, 26th November 1958. Mr. Clark pointed out that interest on borrowings which was hitherto admissible as a charge in arriving at the clear profit ceased to be so admissible under the new amendments. He, therefore, stated that such interest would tend to neutralise the benefit of the increase in the rate of reasonable return. The Chairman also dwelt on the need for removing the anomalies in the existing provisions of Income-tax Law and simplifying tax credit procedures.

The following is the full text of Mr. Clark's speech at the meeting:

"GENTLEMEN,

"The Directors' report for the year ended 31st March 1958 and the audited statement of accounts for the same period have been in your hands for some time now, and I shall confine my remarks at this meeting to such aspects of your Company's affairs and other policy matters as have not been included in the report, or are not covered in detail therein.

"The periods for the comparison of performance data and financial results are again not equal in that the previous period was for six months, i.e., October 1956 to March 1957. I shall nevertheless make an attempt to give a brief review comparing the results of the year ended 31st March 1958, with those in respect of the corresponding period ended 31st March 1957.

"The overall sales of energy for the year ended 31st March 1958, at 630.63 million kilowatt-hours, have registered an increase of 10.78 per cent. over the corresponding previous twelve months. Upon a class-wise basis, notable increases have taken place in the sales to the North Gujerat Grid and the Municipal Corporation, the percentage increases over the corresponding previous twelve months being 23.84 and 14.71, respectively. From the cost angle, the average delivered cost of coal per ton for the year under review was Rs. 43.44, as against the average cost of Rs. 39.61 per ton for the corresponding previous twelve months, and for the current year, namely, 1958-59, we expect the average coal cost to increase still further to round about Rs. 46 per ton. The main causes of this trend in cost of coal have been successive increases in railway freight and labour awards in the coal industry. This ever-rising spiral of costs in general is a universal one and, while your Company has so far consistently absorbed them with its increasing growth and increasing efficiency, there is a limit to its ability to do so indefinitely.

Rate of Reasonable Return

"You were advised at the last annual general meeting of the implications of the linking of the rate of reasonable return with the Reserve Bank rate ruling on the 1st of April each year, which had been done under the Electricity (Supply) Amendment Act, 1956. The rate of reasonable return for the year ended 31st March 1958 was 5½ per cent., but, for the current year 1958-59, this will be 6 per cent., since the Reserve Bank rate has increased by ½ per cent. You would doubtless like to ask me as to the anticipated financial results with the 6 per cent. reasonable return. I must point out in this connection that the interest on borrowings which was hitherto admissible as a charge in arriving at the clear profit ceased to be so admissible under the new amendments. Therefore, even with the 6 per cent. reasonable return, the overall financial position will be almost the same as under the pre-amendment set-up, since interest on borrowings, which will not be admissible as a charge in computing the clear profit, will tend to neutralise the benefit of the increase in the rate of reasonable return.

"Coming now to the topic which has been the subject of much preoccupation for the electricity supply industry, namely, the subject of grossing up of dividends in the hands of shareholders for the purpose of tax credits, I would like to tell you that the Federation of Electricity Undertakings of India has recently submitted certain proposals to the Direct Taxes Administration Enquiry Committee, which proposals, if accepted by the Committee and implemented by Government, would remove once and for all the anomalies in the existing provisions of law, and, at the same time, simplify tax credit procedures. The proposals envisage a deduction of tax at the Company rate from the gross dividends and the distribution of net dividends to shareholders, the tax deducted to be paid to Government irrespective of the position of the Company *vis-a-vis* the total income under the Income-tax Act, and, to the extent it is in excess of the current tax liability of the Company, to be treated as a deposit for adjustment against the Company's future tax liabilities as and when they materialise. On the strength of the tax withholdings from gross dividends, the shareholders would currently receive the benefit of full tax credit—in other words, restore to you the right to 'gross-up' your dividends from this Company which right, as you are so painfully aware, has been denied you in recent years. The Electricity (Supply) Act, of course, would have to be amended so as to admit the tax on gross dividends as a charge in the computation of clear profit. It has been shown to the Direct Taxes Administration Enquiry Committee that the proposals would not operate to the disadvantage of any of the three parties involved, namely, the State, the shareholders and the companies.

New Generating Plant

"At the last general meeting, a reference was made to the proposed addition of 30,000 kw. of generating plant to your Company's Sabarmati Power Station forming the first stage of the projected 'C' Station second half development. Your Directors, at their meeting held on 30th October 1958, decided, subject to the receipt of the requisite import licence, to place on order one 30 M.W. turbo-alternator set and ancillaries with Messrs. British Thomson-Houston Export Company, Ltd., two 200,000 lbs./hr. spreader stoker boilers with Messrs. Babcock and Wilcox Limited and ancillary coal handling plant with Messrs. Strachan and Henshaw Ltd. The requisite applications have been forwarded to the authorities concerned and are being followed up.

"I would like, once again, to express our thanks to the Central Water and Power Commission and to its newly appointed Chairman, Mr. M. Hayath. As you are, doubtless, aware, we, as a public utility company, and as constituents of the Bombay Association of Electrical Undertakings and of the Federation of Electricity Undertakings of India, have frequent recourse to the guidance and assistance of this department of the Central Government, and this has always been readily forthcoming, despite the great difficulties of the present situation.

"During a recent visit to Delhi, Mr. Hayath told us that the country as a whole must be reconciled to delays in the implementation of even urgently needed power projects. This was said in no spirit of defeatism but with a sense of responsibility and a full knowledge of the realities of the situation.

Rationalisation of Power Capacity

"This brings me to the subject of what may be termed 'rationalisation of power capacity' already available in the country. It is well known that the ability of a public electric supply undertaking to serve its consumers is, among other things, limited by the maximum demand which it is capable of meeting. In most undertakings, this maximum demand or 'peak' is created by the super-imposition of the lighting load on to the industrial load shortly after lighting up time. It will be clear that, if a careful survey is carried out in industrial establishments, there will be found certain loads or machines, not required for continuous operation, and which could be kept off the peak period (which in your undertaking is only of half to one hour's duration), and worked exclusively during periods of low load—in other words, 'off peak.'

"In your own undertaking, there is a further possibility of reducing the peak demand by a judicious staggering of the half-hourly evening rest interval in mills.

"The full exploitation of these demand-saving measures will, on the one hand, reduce the consumer's bill by reducing his individual maximum demand and improving his load factor and, on the other, release valuable power capacity to serve extensions in his own establishment or for other consumers. It is hoped that, with the co-operation of the Millowners' Association, it will be possible to achieve the maximum amount of load release by the judicious adoption of these measures without any loss of production and the minimum of inconvenience to labour and management. What I have just stated should not be construed to mean that it is possible to defer by the slightest extent the implementation of the first 30 M.W. phase of the "C-2" extensions which is being pressed forward with the utmost vigour.

Import Licences

"Another matter which weighs heavily on the managements of public utility undertakings these days is the delay in obtaining import licences for even the most essential spare parts required in an emergency. We recently had the case of a relatively small item costing only a few hundred pounds where a delay of several weeks took place in receiving an import licence, although the material was already manufactured and was awaiting transport by air. This delay cost the Company many times the value of the spare part concerned. It may be contended that the spare part in question should have been in ready stock. It will be easily realised that no organisation can afford to lock up capital by having in stock every possible spare part of the plant which would mean practically duplicating its cost. While a reasonable stock of spares has been provided by us in consultation with manufacturers for all possible eventualities, there is always the possibility of an unexpected item giving way or of a repeat failure. In such cases, you can well appreciate the magnitude of the potential loss of production that would result from a single 15 M.W. machine being held up for a couple of months. It would, in fact, be equivalent to the loss in production from 15 mills working full blast over that period! In view of this, it is to be hoped that the authorities in the Central Government would allow a reasonable latitude to the Central Water and Power Commission or similar Directorates to be invested with powers, within certain limits, to grant ad hoc emergency licences for spare parts required by important industrial undertakings, and particularly public utility undertakings.

"Unfortunately, in the early part of the current financial year, the demand on your power station reached a level which necessitated, as a short-term stop-gap measure, pending the commissioning of the fourth 15 M.W. turbo-alternator set in the first half of "C" station, the introduction of a system of staggering of load releases. I am glad to advise you that the fourth 15 M.W. set was commissioned on 24th October 1958 and, with this adoption, it is expected the situation will ease considerably. In a few months from now, it is hoped that further substantial relief to the station would be afforded by the South Gujerat Grid taking over the Baroda load.

Municipal Taxation

"Another matter on which I am inclined to offer some remarks at this meeting from the policy aspect is the question of municipal taxation, the latest position in respect of which has been reported to you in the Directors' report for the year 1957-58. The 'profit method' of assessment, which has been turned down as inappropriate both by the Small Causes Court and the District Court, is a method involving financial implications of considerable magnitude, and, from this point of view, the pending reference before the High Court is of particular significance both for yourselves and for the consumers.

"You will have seen several Press reports during the last few months about the prospects of an atomic power plant being installed in India and of the likelihood that its site will be between Bombay and Ahmedabad. Whatever be the final outcome of this proposition, the proposed 30 M.W. extension forming the first phase of the second half of your "C" power station would in any case have to be implemented, since it is required to cater for the anticipated load growth long before any atomic power could come into existence.

"Your management has been considering the prospects of introducing two-monthly meter reading and billing system, in place of the existing monthly meter reading and billing. The proposal has potentialities for economies in consumer costs, but, unfortunately, its introduction is being delayed on account of some technical difficulties under the Electricity Duty Act and Rules.

Labour Relations

"Labour relations have during the last year been cordial, as usual. A new union under the banner of 'The Ahmedabad Miscellaneous Industrial Workers' Union' filed an application for registration as the representative and approved union in place of the Ahmedabad Electricity Employees' Union and, after conducting investigations, the Registrar of the Industrial Court accepted the application.

"Your Company has become an ordinary member of the Administrative Staff College of India at Hyderabad, and a senior engineering executive has been deputed to attend the October-December 1958 training session of the College. Your Company has also become a joint subscriber, with the agency company, of the Personnel and Productivity Services.

"A Long Service Award Scheme has been formulated in consultation with your sister companies and is in the course of being implemented. The awards take the form of a gift and a certificate.

Accounts

"Coming to the audited statement of accounts for the year ended 31st March 1958, I feel that these are already straightforward in the form in which they have been presented to you. You will have noticed that, after meeting the usual appropriations and after transferring a sum of Rs. 2,07,000 from the equalisation of dividends reserve, a final dividend of Rs. 4 per share, making 6½ per cent. for the year, has been recommended, leaving a balance of Rs. 857 to be carried forward to next year.

"You will have seen from the Directors' report that Mr. K. G. Milne and Mr. E. D. Sheppard resigned their seats on your Board in September last and the Board of Directors have recorded their appreciation of the services rendered to your Company by these two gentlemen.

"In conclusion, I must refer to the good work performed by your Company's staff who have carried out their duties with zeal and energy, and I am happy to take this opportunity to thank them on your behalf.

"I now propose that the Directors' report together with the audited statement of accounts for the year ended 31st March 1958 be, and the same are hereby, approved, adopted and confirmed."

Note.—This does not purport to be a record of the proceedings of the annual general meeting which will be sent separately to shareholders.

ATOMIC POWER IN RUSSIA

Mr. Vasili Emelyanov, head of the Central Administration for Utilisation of Atomic Energy under the Council of Ministers of the U.S.S.R., has contributed an article to the newspaper *Vechernyaya Moskva* on the construction of new atomic power stations in Russia and on the designing of various types of economical reactors by Soviet specialists. Two reactors will be installed at the atomic power station with a capacity of 420,000 kilowatts, now under construction in the Voronezh region. Another atomic power station of the same type is to be built in the Leningrad region. It can be expected, Mr. Emelyanov writes, that, in future, the steam generated by the reactors at such power stations will go directly to the turbines and make intermediate steam generators and other auxiliary equipment superfluous. The atomic power station of 400,000 kilowatt capacity now under construction in the Urals is based on the idea of obtaining steam directly in the atomic reactor. The four reactors to be installed at this station represent further development of the type of the reactor installed at the first atomic power station.

A very promising reactor on fast neutrons was launched last summer in the Soviet Union. The fuel in this reactor can be fully utilised for generating power. The fuller the physical deterioration of the fuel material, the cheaper becomes the electric power. This is so far the best way of rendering the atomic power stations more profitable. Work is also in progress to create mobile atomic power stations. The manufacture of a reactor and the rest of the equipment for such a station of two thousand kilowatt capacity is now nearing completion. The reactor of a mobile station is housed in a case about one metre in diameter and 2.2 metres high. Ordinary water under pressure of 120 atmospheres is used as a heat transfer agent and moderator. Experimental power reactors of various types are being built on the Volga for scientific and technical experiments in atomic power engineering. They will be tested in conditions of industrial use. Thus, a reactor with boiling water of a capacity upto 50,000 kilowatts is under construction in the Ulyanovsk region. Another reactor operating on heavy water with uranium in solution or suspension is also being built. An experimental reactor with molten sodium as heat transfer agent will be built in the same area. These experiments, Mr. Emelyanov concludes, will determine the scale of development of atomic power engineering in the U.S.S.R. for the next few years.



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BRITAIN CUTS BANK RATE AGAIN

ANXIETY TO AVERT RECESSION

FOR the fifth time in succession during the current year, the British Bank rate was cut last week (on 20th November 1958). As on the three immediately previous occasions, the latest cut was restricted to one half of one per cent., that is, from 4.5 per cent. to 4 per cent., bringing the cumulative reduction from the "crisis level" of 7 per cent. (established in September 1957) to 4 per cent. within a space of eight months. This has also taken the British rate to the lowest level since February 1955, when it was raised from 3.5 per cent. to 4.5 per cent. It is, however, noteworthy that, unlike on the previous occasions, the latest reduction was quite unanticipated and took the British public by surprise.

The following table shows the trend of British Bank rate since January 1955:

Effective date	*Rate (Per cent.)*
20th November 1958	4.0
14th August 1958	4.5
19th June 1958	5.0
22nd May 1958	5.5
20th March 1958	6.0
19th September 1957	7.0
7th February 1957	5.0
16th February 1956	5.5
24th February 1955	4.5
27th January 1955	3.5*

*Raised from 3 per cent.

The two main objects which the authorities might have had in mind when taking this quite unexpected step, are: (1) to help arrest the de-stocking trend in industry and to help facilitate investment in the private sector. It is expected to help local authorities to find the necessary funds to accelerate their housing and capital works programme; and (2) to help underpin the Gilt-edged market and facilitate the Government's proposed refinancing operation. It will be recalled that the reduction in Bank rate made in August last was itself something more than a technical correction. It was intended not only to arrest the increasing pace of decline in business activity in the country but to provide a stimulus. That a further cut in the Bank rate has come in a little over three months shows that this expectation has been belied and that the authorities are more worried about the prospect of a quick development of recession. The British Government would appear to be now convinced that the series of measures announced by it in recent months to stimulate business activity, namely, the cuts in Bank rate, the abolition of credit restrictions and of curbs on hire-purchase finance, the decision to provide more help to the Commonwealth nations, the new proposals for encouraging house purchase, and the lifting of the ceiling on local authority capital expenditure have not had the desired effect to the extent desired. On the contrary, there have been signs of renewed slackening in business activity. The slight slowing down of the recovery in the U.S. more recently has reduced the danger of inflation being imported into the U.K., as was feared by the Bank of England. It will thus be seen that the fear of a recession, more than the fear of an inflation, must have induced the Government to take the latest decision.

There are no doubt good reasons for the U.K. Government to view the outlook with some anxiety. For the index number of industrial production is now about 4½ per cent. below that a year ago. As the British economy is now mainly dependent on the prosperity of the motor-car and consumer durable industries, any setback in these two industries will result in a further marked fall in the general industrial production index. Both automobile trade and consumer durable goods trade are financed by hire-purchase system, in which British banks also have recently taken interest. The hire-purchase relaxations touched off a boom in both these cases, but it is feared that the boom may prove to be a short-lived affair and, with the approach of the Budget, hire-purchase business is expected to decline further in anticipation of a cut in purchase tax. Even otherwise, some decline can be expected after a few months, because consumers will not go on accumulating their hire-purchase debt. An indication of this is provided by the slight decline in production of automobiles during October.

A more disquieting aspect of the British economy at present is said to be the absence of any sign of improvement in the capital investment of private industries. In fact, it is stated that approvals for new factories during the third quarter of 1958 showed a drop of 30 per cent. as compared with that a year ago. Most of the industries are working below capacity and as such fresh private investments are not expected before the end of next year. The Government has, therefore, urged the local authorities to accelerate their own investment programmes in 1959.

So far as stocks are concerned, it is expected that the de-stocking movement, at least in steel and textile industries will come to an end. The Government probably feels that restocking should be carried further not only in the interests of the industries but also to benefit overseas sterling area economies and, therefore, the U.K. indirectly.

It is generally believed in Britain that there is a lot of concealed unemployment in British industries, and that unemployment would be on a larger scale next fear. The Government itself would appear to be worried that unemployment might rise above 3 per cent. this winter. So far as wages are concerned, the labour unions are on the defensive. They are worried more about the possibility of an increase in unemployment than about securing an increase in wages.

Following the cut in Bank rate, the London clearing bank rates have also been reduced by a corresponding extent. Thus, the rate of interest on deposits (seven days' notice) has been pruned from 2½ to 2 per cent. The rate for overdrafts for nationalised industries has been cut from 4½ to 4 per cent., for first class industries from 5 to 4½ per cent. and for other business concerns and private borrowers from 5½—6 per cent. to 5—5½ per cent. The rate on call money to the discount market has been reduced by only ⅜ per cent. to 2⅜ per cent. for what is known as "regular" money. For "non-regular" money the rates vary according to demand and supply.

The reduction in the Bank rate is expected to have its effect on interest rates charged by finance houses on loans for purchase of cars. While the maximum agreed rate of interest is 7½ per cent. on the total amount of the loan for a new car, the general level of rates has been 7 per cent. or slightly lower for some time. Following the abolition of Government control on hire purchase, two or three companies have been charging even as low as 5 to 6 per cent. and it is expected that the general rate will also move down to this level. The rate of interest charged by building societies on mortgages is not likely to go down below the present rate of 6 per cent. before the end of the year.

The fall in short-term money rates, following the cut in Bank rate, has so far had no effect on long-term rates. In view, however, of the fact that the former rates are well below the pre-crisis levels, it is considered probable that the long-term rates too will follow suit. It is argued in this connection, as "Lombard" does in the *Financial Times*, that, just as long-term rates did not move up to the same extent as short-term rates did last year, the downward movement in the short-term field since the middle of March has not hitherto had the effect of imposing any really pronounced downward pressure on long-term rates. "But now that returns in the short-term field are becoming very much more modest," "Lombard" goes on, "it seems likely that money will be diverted to an increasing extent to the long-term market, with the result that the tug on rates there will become more marked." Much, however, will depend upon the open market operations of the Government which have been holding the long-term rates at the present levels. It is suggested by London commentators that the Government should not be too anxious to check any downward trend in these rates. If it does so, they say, its borrowing for capital development, which is expected to be heavier in the period ahead, as well as for redeeming maturing issues, will be more expensive and that the present opportunity of letting the long-term rates too slide down should not be missed.

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U.S. DEVELOPMENT LOAN FUND

The U.S. Development Loan Fund (D.L.F.) has received so far applications for loans from 45 countries, the active applications being for an aggregate sum of $1,600 million, according to Mr. Dempster McIntosh, Managing Director of the Fund, who has just finished a two-month trip round the world. Since the Development Loan Fund began making loans in 1957 it has negotiated loans or made commitments amounting to $449 million as of 31st October. In addition, a total of $123 million has been earmarked for loans pending final negotiation. By the end of January 1959, Mr. McIntosh said, the D.L.F. expects to have committed a total of $700 million.

Up to the present time, the D.L.F. Managing Director said, a large percentage of the loans had been made to Governments, but in the future the organisation would prefer to make loans to private enterprise. Mr. McIntosh added that he found everywhere "a tremendous interests in the Development Loan Fund." The countries he visited were greatly gratified with what they were able to accomplish with the D.L.F. loans and expressed the hope that the organisation would continue.

In each country visited, Mr. McIntosh reported, he had met with top-ranking officials and these meetings had afforded him an opportunity to set forth the objective of the D.L.F. which is primarily "to help other countries." He pointed out that the D.L.F. is able to help nations when other credits might not be available. It provides loans on long-term credit, can accept local currency in repayment, and does not place restrictions on where equipment purchases are made. This trip around the world, Mr. McIntosh said, "confirmed more than ever the role the D.L.F. can play. But, we must 'raise our sights' to do a really good job," he added.

FOREIGN EXCHANGE HOLDINGS

In reply to a question in the Lok Sabha last week, whether the Reserve Bank of India had asked persons residing in India who had acquired foreign exchange to surrender it to the Exchange Control Department within one month of such acquisition, Mr. Morarji Desai, Union Finance Minister, said that, in accordance with the notification issued by the Ministry of Finance, every person in or resident in India who owned or held or who may in future own or hold any foreign exchange, whether in India or abroad, had to offer the same or have it offered for sale to an authorised dealer in foreign exchange against payments in rupees at the rate for the time being authorised by the Reserve Bank of India. This had to be done before the expiry of one month from the date of this notification or in the case of a person who in future owned or held such foreign exchange within one month of the date of his so owning or holding. This order does not apply to (i) such foreign exchange held by authorised dealers within the scope of their authority; (ii) persons authorised by the Reserve Bank of India to hold such foreign exchange for business or other purposes within the scope of the authorisation in their favour; (iii) maintenance of, and operation on, any account in foreign currency maintained outside India by persons in or resident in India but not domiciled therein; and (iv) any sum held in an account expressed in pound sterling, provided that such account was in existence prior to the 8th July 1947.

Exchange control statistics maintained by the Reserve Bank did not indicate separate accounts in respect of foreign exchange sold to authorised dealers in response to this notification and the information with regard to the total foreign exchange surrendered up to the end of October 1958 was not available, the Finance Minister added.

WHY NOT AUCTION IMPORT LICENCES?

PROMISING SOURCE OF REVENUE

By Prof. B. R. Shenoy
DIRECTOR, SCHOOL OF SOCIAL SCIENCES, GUJARAT UNIVERSITY

THE auctioning of import licences may bring to the national exchequer all the additional revenues we are looking for and much more; it may fetch sums of the order of Rs. 300-400 crores per year. These sums are being dissipated, today, into the hands of anti-social elements, or are distributed as concealed subsidies among industrialists. To begin with, we may appropriate, through auctioning, the first category of this phenomenal figure—the amounts now realised by private parties on the importation and sales of import goods which are sold in the open market; the returns on this may amount to an order of Rs. 200 crores per year. From the experience gained, we may extend the device of auctioning to import licences, which are, today, issued to actual users of import goods (mainly industrialists); industries which are truly in need of subsidies may be, then, directly subsidised to compensate for the loss of benefits they now derive from the issue to them of import licences, the necessary funds being drawn from the auction proceeds.

Import licences, today, are issued to established importers, actual users, and the Government or Governmental establishments. Apart from illegal payments made to corrupt officials, the licences are issued free of charge even to private parties. But, because of the wide disparities which exist between the internal prices of import goods and their landed costs (i.e., the external prices multiplied by the rate of exchange), import licences fetch phenomenal prices in the market; these prices may vary from 50 per cent. to 500 per cent. or more of the face value of the licences, depending upon commodities. The recent cut in imports has driven these prices up. You cannot get rich quicker today than by getting import licences issued in your favour. One of these documents may bring lakhs of rupees, literally, overnight. This operation, which is remarkably simple if we have the right men in the right places in the right Ministries, is even more profitable than gold smuggling (which yields a gross profit of 73 per cent. on each act of smuggling), involves much less work, and carries next to no risks.

Indian imports on private account averaged per year during the past two years Rs. 743 crores. Open General Licences being restricted to a few items of imports from Pakistan, virtually the whole of these imports came under specific import licences. If the auction were to fetch an average price of 45-55 per cent. of the face value of the licences, it may bring in a revenue of Rs. 300-400 crores. But, perhaps, rather than upset all vested interests at once, it may be expedient to invite tenders, in the first instance, for the licences, which are now issued to established importers. The market prices of these licences are among the highest and the returns on them may amount to Rs. 200 crores per year. The amount may as well be, larger, considering the accounts of the prices offered for the licences for certain commodities. From the experience gained, the area of auctioning may be extended to cover all private imports.

This device is vastly better than the extension of State trading to imports, which has been suggested by some. State trading here would involve a great deal of organisational difficulties, which had better be avoided, considering the scarcity of personnel with the necessary talent, knowledge, experience, and, above all, integrity. Auctioning will bring to the national exchequer the cream of profits, while leaving undisturbed the existing private enterprise machinery of import trade.

These windfall receipts would represent 60-80 per cent. of the annual average of the tax revenues of the Centre for the past two years; they may not cause any undue strain on the national economy. In so far as the proceeds of the sales of the first category of licences is concerned, it would amount to no more than a transfer to the national exchequer of the ill-merited earnings of the anti-social elements among the public and in the Administration. If care is taken to ensure that monopolist purchases of the licences do not take place—this may be done by inviting tenders for the licences and wide distribution of the accepted tenders—it may not amount to any new burden on the consumers and the users of import goods as the auction of the licences would affect neither the effective demand nor the market supply of import goods.

It would, however, put a stop to the concealed subsidies to the industrialists, as the cost of the import goods would now amount to not merely landed costs, as formerly, but landed costs *plus* the prices paid for the import licences. But subsidisation of industries should be done on a more rational basis than through the issue of import licences; it should not be mixed up with the adoption of corrective measures for the balance of payments difficulties of the country.

The crux of India's payments problem is, on the one hand, to bring about a shift-back, to production for exports, from production for the home market and, on the other, to eliminate the vast gaps between the landed costs *and* market prices of import goods and between the internal and the external prices of gold. Stabilisation of the economy is not possible without this two-dimensional desideratum. The auction of the import licences would equate domestic prices of import goods to their external prices; the shift-back in production, which is necessary on a considerable scale, may be achieved by drawing on the auction proceeds of import licences to subsidise exports. This would serve the *ends* of economic justice as the ill-merited gains of the import trade are acquired mainly at the expense of the export industries.

The money value to exporters of the export promotion measures we have so far adopted being moderate, these measures may not achieve noteworthy results. They involve, moreover, a sacrifice of national revenues. Subsidies in the form of issues of import licences to exporters (e.g., issue of import licences for art silk yarn to exporters of art silk fabrics) has resulted in the sales of export goods abroad at below cost of production to the detriment of the national economy: the import licences are issued on f.o.b. valuation of the exports and their sales abroad take place at fancy low prices, as the exporters are able to more than cover the difference by the sale of the import licences. This is, in effect, a queer case of a poor economy, struggling for developmental finance, subsidising its not so poor customers (of art silk fabrics) abroad under pressure of scarcity of (foreign exchange) finance for the Plan. It illustrates that deep-seated economic maladies cannot be corrected by patch-work remedies.

Any attempt to implement the suggestion for auctioning import licences is likely to be opposed by the powerful vested interests which have grown around the existing arrangement of currency overvaluation and import licensing. But there is no justification for dissipating such large sums into (unmerited) private hands, in face of acute shortages of rupee finance for the second Plan.

RAILWAY FREIGHT CONCESSION

In order to help the drive to stimulate exports, the Railway Board has decided to allow, with effect from 5th December 1958, a rebate of 50 per cent. on freight paid on consignments of nine different commodities when booked from certain specified stations to ports of exports. The commodities included are motor vehicle batteries, dry cells and batteries, oil pressure lamps, hurricane lanterns, steel files, bicycles, textile machinery and parts, wood-screws and fruit and vegetable preserves.

The freight concession will be in the form of a rebate and will be allowed subject to the prescribed procedure for booking the consignments being followed and satisfactory evidence being furnished in the prescribed manner to establish that the consignments in respect of which the rebate of freight is claimed have been actually exported out of the country. The claim in respect of the freight concession must be preferred within six months from the date of delivery of the goods for carriage by rail. Necessary instructions have been issued by the Railway Board to all the railways, and further particulars will be available from the Chief Commercial Superintendents of the respective Zonal Railways.

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NO MORE PROTECTION FOR ART SILK FABRICS AFTER DECEMBER

HIGHER EXCISE DUTY SUGGESTED

THE artificial silk and cotton and artificial silk mixed fabrics industry will not enjoy tariff protection after 31st December next. This is the result of the Central Government's acceptance of the recommendation made by the Tariff Commission. The recommendation is based on four important grounds. First, the industry has not produced any evidence to show that it would be at a disadvantage in regard to the weaving cost, if it could get adequate supply of raw material at reasonable cost; the real problem of the industry at present relates to the supply of the raw material. Secondly, the industry has nothing to fear about foreign competition. For there is no likelihood of art silk fabrics being imported so as to jeopardise the domestic industry until the foreign exchange position improves considerably, as these fabrics are considered to be a semi-luxury article. Thirdly, there is hardly any case to continue protection till such time as the supply and prices of raw materials are stabilised, so that it would be possible to ascertain accurately whether the industry requires any protection or not. Fourthly, the industry has been enjoying protection for nearly 25 years and the psychological effect of protection will only be to create a sort of complacency on the part of the industry.

Although protection for the art silk industry will be withdrawn, the import duties on fabrics will continue at the existing rates but as revenue duties. In other words, with severe restrictions on imports owing to balance of payments considerations and with no reduction in the level of import duties for considerations of revenue, the implementation of the Commission's recommendation only means abolition of protection only in principle.

The art silk industry was first granted protection in 1934 as incidental to the scheme of protection devised for the cotton textile industry. When protection for cotton fabrics was discontinued from 1st April 1947, the Government decided to continue protection received by the art silk fabrics industry, pending a detailed enquiry by the former Tariff Board. Since then, these fabrics have been the subject of three separate enquiries—in 1949, 1951 and 1955. Protection given on the basis of the recommendation in the report of 1955 is due to expire on 31st December 1958. The Tariff Commission undertook another enquiry early this year and it is this enquiry which reveals that there is no case for continuance of protection.

Improvement Remarkable

Thanks to the long period of tariff protection, the artificial silk industry has registered a remarkable improvement, both quantitatively and qualitatively, especially in the past four years. The total production of fabrics during the year 1957 was 366 million yards on the basis of six yards of fabrics per lb. of yarn, as against 300 million yards in 1955. As regards quality, the variety and designs of the fabrics particularly have made a striking stride and the industry is now said to be in a position to face its foreign competitors with confidence on these points. The machinery employed by some of the bigger units is of the latest type and corresponds to the progress in variety and designs of the fabrics.

The notable rise in the production of artificial silk fabrics in recent years has followed an expansion in the weaving capacity. The aggregate number of looms installed has gone up from 37,727 in 1955 to 44,500 at present. The expansion in loomage has been brought about by the establishment of a large number of new units. There are at present 3,883 mills producing art silk goods, as against 1,849 units in 1955. The striking growth in the number of units as compared with the slow rise in loomage indicates that there has been in operation a strong trend towards fragmentation, presumably to take advantage of exemption from excise duties to units with nine or less than nine looms. Drawing special attention to this, the Tariff Commission has made the following pertinent observations.

"... Fragmentation has serious consequences for the quality of the product, control of distribution of raw material, and enforcement of legal obligations regarding excise duties, protection of labour, etc. The magnitude of the problem will be appreciated when it is found that there has been over 100 per cent. increase in the number of units in this sector."

In addition to the aforesaid looms (these are called registered looms), there are at present 908 looms set apart by the cotton mills for the manufacture of art silk fabrics, 17,600 looms engaged in the handloom sector (11,300 looms for weaving art silk fabrics and 6,300 looms for mixed fabrics), and 8,000 unregistered looms. Altogether, there are thus 71,008 looms producing art silk and cotton and art silk mixed fabrics, with an aggregate capacity of 470 million yards. The capacity is assessed on the basis of an average output of 22 yards per loom shift, 300 working days and single shift.

Unregistered Looms

The number of looms which have escaped registration is, as already stated, 8,000. The non-registration is attributed partly to the failure to notify the authorities by the last date fixed for the purpose and partly to the practice in certain regions for ex-mill weavers to set up as new units scrapped and discarded looms obtained from textile mills. Alluding to this, the Tariff Commission has urged the Textile Commissioner to discourage the installation of discarded looms while taking appropriate steps to bring all powerlooms in legitimate operation to his register. The Government of India has taken note of this recommendation and steps, we are told, will be given to implement it "to the extent possible."

The Tariff Commission has not attempted to forecast the demand for art silk fabrics in the immediate future. In its last enquiry, the Commission had estimated the demand at 300 million yards. The estimates submitted at the latest enquiry were many, varying between 300 and 450 million yards which apparently left out the use of staple fibre for these manufactures. In view of the present trend of import restrictions and foreign exchange situation, it appears unlikely, says the Commission, that the acute raw material position of the industry can be relieved till sometime after 1960.

Yarn Supply

The principal raw material for the manufacture of artificial silk fabrics is viscose or acetate yarn. The total annual demand for yarn is placed at 80 million lbs. on the basis of six yards per lb. and for single-shift working. There are at present three units in India manufacturing viscose yarn, namely, the National Rayon Corporation, Century Rayon and Travancore Rayons and one unit, Sirsilk Ltd., which produces acetate yarn. The aggregate installed capacity (on single-shift basis) of the three producers of viscose yarn is 29.90 million lbs. and they have received licences for an increase of 10.4 million lbs. Century Rayon expects to achieve its increase of capacity (4.8 million lbs.) during the current year, while National Rayon (4.0 million lbs.), the expansion of which is meant exclusively for manufacture of tyre cord, expects to complete its expansion only in 1960. It is, however, understood that the expansion plan of Travancore Rayon (1.6 million lbs.) is not likely to be completed before the end of 1960. Four new units with an aggregate licensed capacity of 28 million lbs. are scheduled to commence production towards the end of 1959 or during 1960. As regards acetate yarn, the present installed capacity of Sirsilk Ltd. is 4 million lbs. Its plans to increase its capacity by another 4 million lbs. have not made any progress.

The actual production of viscose, acetate and staple fibre yarns in 1957 was only 60 million lbs. (single shift), as against the estimated requirements of 80 million lbs. (single shift). An addition of not more than 4.8 million lbs. is to be expected for purposes of fabric manufacture from existing units, while newly licensed units will go into operation only in 1960, perhaps even later. In view of this position regarding yarn, the manufacturers of yarn, it will be recalled, have, on the advice of the Textile Commissioner, agreed to an interim scheme of distribution. Under this scheme, the manufacturers deliver 70 per cent. of their output to actual users who are on the list of their customers on the basis of their purchases during recent years. The balance of 30 per cent. is allocated to dealers who have to sell 5 per cent. to new comers, that is, actual users whether members of associations or not, and the balance in proportion to their share in imported rayon yarn to handloom weavers and manufacturers of mantles, hosiery, etc. Manufacturers are not to charge for third, fourth and 'rejected' qualities more than the price fixed for the corresponding second quality and must ensure that the ultimate user has not to pay more than the price of the producer plus freight plus annas 3 per lb.

The Drawbacks

Commenting on the aforesaid scheme, the Tariff Commission has drawn pointed attention to certain drawbacks which, it urges, must be removed as early as circumstances permit. The drawbacks are as follows:

No account is taken of the import quotas already held by the users.

Past purchases do not offer a fair basis for distribution as compared with the genuine need as measured by loom-shift.

The extent to which staple fibre yarn is mixed with or substituted for other weaving yarn is another important consideration in the allocation of raw material.

It would be desirable to enquire into the extent to which yarn obtained by actual users finds its way into the open market for legitimate interchange of deniers and how far such activity leads to anti-social dumping.

Excise Duty

If, for any reason, it is not considered desirable to evolve a full scheme of controlled distribution, the Tariff Commission emphasises adoption of other measures. In this connection, it has suggested an enhancement of excise duty on art silk fabrics. For, according to the Commission, art silk fabrics are a luxury or semi-luxury -even for low-income classes. There is, therefore, no reason why a tax on consumption, which already exists in the form of excise duty, should not be suitably enhanced to mop up excessive profits which arise both at the yarn and fabric stages as indicated by market prices. Excise duty is already levied on art silk yarn (this varies from As. 2 to As. 8 per lb.), as well as art silk fabrics (six pies per square yard), but the scheme of levy on fabrics, the Commission says, leaves certain loopholes which enable nearly 76 per cent. of the units or 24 per cent of powerlooms to escape duty. The Government of India's resolution on the report of the Tariff Commission does not, however, make any mention about this suggestion.

The Government's silence on this subject is not surprising, for its attempt to impose a higher excise duty on art silk goods did not prove successful and had to be quietly modified. It would be recalled that there were strong protests and considerable resentment from the weavers of Surat and other places when the Government of India announced revision of the basis of levy of excise duty on rayon fabrics in December 1955. Scores of telegrams were sent to

(*Continued on page 900*)

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FURTHER UNCERTAINTIES IN COTTON TEXTILE INDUSTRY

WORKERS TO CLAIM HIGHER WAGES

From A Special Correspondent

MANCHESTER, *17th November*

NUMEROUS uncertainties which have caused buyers of cotton textiles to withhold purchases of Lancashire-made goods for some considerable time past have been increased during the past week. Foreign political developments, particularly those affecting the Sudan, have been responsible for further anxiety as regards raw cotton supplies, while, nearer home, the possibility of complications in the wage structure has arisen.

MANCHESTER LETTER

The Weavers' Amalgamation, the largest trade union in the industry, has been considering whether to propose to the spinning unions that a joint approach should be made to the employers for higher earnings. The last time a wage advance was secured was in August last year when a 5 per cent. increase was conceded on current earnings. Mr. Lewis Wright, Secretary of the Weavers' Amalgamation, said that one of the points which would be raised with the employers was the way in which workers' wages were being depressed by the attitude of millowners in making low grade cloths to compete with Eastern rivals.

Claim Renewed

In the meantime, the trade unions have renewed their claim for compensation to be paid to workers whose mills close down. A joint meeting has already taken place with the employers in Manchester and a reply has been promised before the end of this month. Four months ago, the employers rejected the unions' claim for a central compensation fund on the grounds that the protection of workers against the effects of unemployment was a matter for the State. A statement by the employers at that time said that the rejection of a compensation scheme for the industry as a whole did not rule out individual firms making their own private arrangements.

In their original claim, the trade unions suggested that each mill should set aside, for payment into a central fund, a sum equal to a quarter of one per cent. of the weekly wages bill. This would be distributed on the basis of 1,3 weeks' pay for redundant operatives with more than five and less than six years in the industry, with an extra week's wage for every additional year of service up to a maximum of 50 weeks' pay.

At that time, union leaders said that they would not be prepared to accept the employers' rejection as the final answer. Now, they take the view that the situation has deteriorated considerably since the summer and that the human problems involved have become far more acute. It has been estimated that more than 350 Lancashire mills have gone out of business and the industry's labour force has fallen by more than 40,000 in a period of two years to a total of little more than 200,000.

Developments in the raw cotton markets are to a large extent mirrored in the prevailing uncertainty regarding the disposal of the finished products. Hesitancy among buyers of cotton textile goods creates problems for those involved in each link of the productive chain. So it is that raw materials needs at the moment are relatively light and the cotton salesman is as idle as his opposite number in the manufacturing and merchanting branches.

Future of Liverpool Market

Speculation over the future of the Liverpool market has been growing ever since trading in spot and futures became virtually deadlocked. The volume of business is insufficient to keep traders busy and, in many sessions, only nominal transactions have been recorded in recent weeks. The action of most of the major combines in by-passing the market and obtaining supplies direct from shippers abroad has accentuated the prevailing slackness.

It is not surprising that the members have decided to desert their vast trading floor (and so save thousands of pounds on rates) for a smaller room which will undoubtedly be adequate for their current needs. Whether this retreat "to prepared positions" is the forerunner of a more drastic decision will depend on conditions in the industry as a whole during the next few months.

In the meantime, the stalemate in raw cotton activity is being intensified by the movement towards larger supplies in a world where consumption is declining through lack of confidence. The position in America is complicated by legislation which seems designed to frustrate and mystify even the most courageous. In the Sudan, too, the Government has taken a hand to try to dispose of the larger supplies now coming on the market. In addition to the public auctions of cotton, private sales can now be arranged at undisclosed prices, with a weekly variation in the reserve rates. The decision to barter cotton for other goods needed by the Sudan is a further complication which can have far-reaching effects on Lancashire trade with an old-established supplier.

Output and Manpower

Holidays continued to affect production of yarn and cloth in Lancashire during September, but, in comparison with the summer months a year ago, output was distinctly lower. This is hardly surprising, in view of the number of mills which have closed and operatives who have drifted from the trade in the past 12 months. In this instance at least, figures describe the situation more forcibly than words and we give below tables of yarn and cloth output, with suitable comparisons, showing the trend of recent events:

Weekly Average

1957	Yarn Output (in million lbs.)				Cloth Output (in million yds.)		
	Total	Cotton yarn	Cotton waste yarn	Man-made and mixtures	Total	Cotton	Man-made and mixtures
Sept.	16.39	11.68	2.01	2.70	41.26	29.31	11.95
Oct.	17.61	12.48	2.16	2.97	45.56	32.76	12.80
Nov.	18.31	13.00	2.19	3.12	47.82	34.27	13.55
Dec.	15.82	11.13	1.89	2.80	40.92	29.40	11.52
1958							
Jan.	17.23	12.09	2.09	3.05	44.07	21.36	12.71
Feb.	17.38	12.12	2.12	3.14	45.23	32.08	13.15
March	17.14	11.82	2.13	3.19	44.56	31.56	13.00
April	15.00	10.15	1.92	2.93	39.80	27.99	11.81
May	15.03	10.07	1.96	3.00	40.52	28.23	12.29
June	14.75	9.90	2.02	2.83	41.09	29.01	12.08
July	12.11	8.35	1.66	2.10	27.42	19.24	8.18
Aug.	11.68	7.72	1.56	2.40	35.48	25.23	10.26
Sept.	14.30	9.50	2.01	2.79	35.11	24.80	10.31

Since the end of February the number of operatives in spinning and weaving mills has been falling steadily at a rate of rather more than 3,000 a month. This drain on the industry's resources is perhaps inevitable when so many firms are closing down, but it presents a problem for the future as soon as demand revives. However doubtful traders may be at the moment, they all agree that a time will come when consumer interest will return and the remaining mills will be busy. Whether it will then be possible to regain some of the labour which has left the trade only time will show, but the prevailing drift of manpower creates anxiety among managements, who forsee distant problems.

The following figures show the number of operatives on the books of employers at the month-end in each section of the trade:

1957	Total	Spinning	Waste spinning	Doubling	Weaving
September	242,820	98,940	7,500	21,120	115,260
October	242,670	98,840	7,580	20,950	115,300
November	242,490	99,110	7,590	20,720	115,070
December	241,160	98,750	7,520	20,560	114,330
1958					
January	240,790	99,220	7,510	20,300	113,760
February	239,180	98,440	7,440	19,990	113,310
March	235,750	96,550	7,470	19,470	112,260
April	231,910	94,610	7,450	18,900	110,950
May	227,660	92,820	7,400	18,230	109,210
June	224,380	91,810	7,390	17,600	107,580
July	221,150	90,600	7,390	17,370	105,700
August	217,620	89,710	7,420	17,130	103,360
September	214,430	88,020	7,490	16,770	102,150

Whereas in 1957, weaving suffered most in loss of labour, the spinning and doubling branches have borne the brunt of the current year's setback. As compared with 12 months ago, doubling mills have lost one-fifth of their labour force, but it is remarkable that the manpower in waste spinning has been untouched by the depression.

Reduced earning power disclosed in figures issued by Lancashire textile firms since the beginning of last month have turned the spotlight on the situation even more brightly than the spate of words written about mill closures and the foreign cloth controversy earlier in the year. In what the Prime Minister has described as a "buoyant economy," the cotton trade along with a few others, is running contrary to the general trend.

Looking down the list of those companies which have released financial information in the past six weeks or so, the first thing that strikes the eye is that several firms, including some of

(*Continued on page 900*)

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EGYPTIAN COTTON—WHITHER?

By Mario Ludwig

DIRECTOR, INTERNATIONAL FEDERATION OF COTTON AND ALLIED TEXTILE INDUSTRIES

ONE of the most unexpected changes in the world's cotton situation since the Second World War is the completely different pattern of Egypt's foreign trade in raw cotton. For many decades, almost the whole of Egypt's raw cotton exports were absorbed by a few countries in the western world. These countries, led by the United Kingdom, were among the oldest cotton industrial countries and were, by tradition, spinners of long and extra-long staple cottons. Year after year, with clock-like regularity, they obtained their supplies from Egypt.

Today the situation is totally changed. The traditional customers for Egyptian cotton buy only a fraction of the crop. But more than 60 per cent. of the total cotton exports from Egypt go to Soviet Russia, China and countries in Eastern Europe.

There are two reasons for this change: certain political developments on the international scene had an influence on the foreign trade policy of Egypt, in general, and on its foreign exchange position and that of some of its traditional customers, in particular. However, the more important reason is the fact that today Egypt no longer has the virtual monopoly in long-staple cottons it previously enjoyed.

This fact is often overlooked when Egypt's cotton export potential is assessed. The change in the foreign trade pattern could and would not have taken place if it had not been possible for the traditional customers for Egypt's cotton to supply themselves with similar qualities elsewhere. One must also bear in mind that the substitution of Egyptian cotton by other growths had already begun before the Suez Crisis and was merely accelerated by the events which followed thereon.

What conclusion may be drawn from this fact? Today, it is of vital importance for Egyptian cotton to be more competitive than ever. Spinners throughout the world still consider Egyptian cotton as being one of the finest growths available, especially in its longer varieties; all those who used to process Egyptian cotton in their mills would like to continue to do so. But today a sale will no longer be made on considerations of quality and staple length alone. Price, relative stability of prices, the absence of arbitrary interference with price formation and regularity in supplies are equally important factors. Every cotton exporter must be able to satisfy his prospective customers on all these points, if he wants to make a sale. Otherwise, the spinners will turn to other growths or even to man-made fibres.

It is no doubt possible to maintain or increase the cotton export volume by barter deals, bilateral transactions or other measures of foreign economic policy. But, in the long run, Egypt's cotton exports will depend on those spinners who really want and need Egyptian cotton, who are qualified and equipped to process it and who are able to manufacture those types of exclusive textiles for which Egyptian cotton is the most suitable fibre.

It is, therefore, to be hoped that trade relations between Egypt and the traditional customers for its cotton will be resumed and strengthened at an early date. This may best be achieved by offering Egyptian cotton on world markets on purely commercial considerations. A competitive price, relative price stability and reasonable assurance of regularity of supplies will be decisive factors. With regard to quality, Egyptian cotton has always had a good record. The most urgent problem in this respect is, perhaps, the complete elimination of black specks. Buyers of Egyptian cotton also have the advantage of the use of the Egyptian Testing House at Alexandria and the new Spinning Test Laboratory at Smouha, two institutions which can be of real service to spinners abroad. Plans are now being made to reconstitute the Joint Egyptian Cotton Committee within the International Federation of Cotton and Allied Textile Industries, in order to provide an independent forum for the discussion of any commercial or technical aspects of Egyptian cotton. This Committee, incidentally, has been a powerful agent for the promotion of Egyptian cotton in the past. Another effective way of promoting exports of Egyptian cotton has been the financial assistance given by certain textile sales promotion campaigns in some of the leading consumer markets in Europe.

It is true that the position of Egyptian cotton in world trade does not only depend on Egypt; it depends in great measure on the world cotton situation in general, and on the policies adopted by the largest producing and exporting country of the world, the United States of America. In this respect, it may be interesting to recall that only recently, at its last annual meeting held at Stockholm on the 28th August 1958, the International Federation of Cotton and Allied Textile Industries unanimously adopted a "Statement on Raw Cotton Policy," which was later submitted to the Secretary of Agriculture of the United States Government. In this statement, the Federation reiterated that the continuance of any cotton marketing policy, even for a limited time, under which export selling prices can be arbitrarily changed at any time with or without notice, is detrimental to the free flow of cotton into consumption areas. It undermines confidence in forward buying and prevents traders throughout the world from reaching long-term dispositions regarding the importation and consumption of cotton and cotton goods.

Moreover, such policy renders it most difficult for futures markets to provide the traditional cover against price fluctuations. Unless there is a return at an early date to a one-price system and free marketing, the cotton futures markets in importing countries will cease to function, to the great detriment of the cotton merchanting and consuming world.

Therefore, in order to restore confidence in cotton and further to encourage a world-wide increase in consumption of cotton, the Federation urged the United States raw cotton industry, the administrative and legislative branches of Government to continue their efforts to eliminate the two-price system as soon as possible.

With regard to the raw cotton trade, in general, the statement stressed that "sudden arbitrary changes in export selling prices, changes in export taxes and abrupt alterations in rates of exchange in other producing countries also contribute to the prevailing uncertainty in the cotton consuming world. The Federation desires to impress upon the cotton interest groups and the Governments of these countries the widespread consequences of such actions and most emphatically urges upon them the necessity of adopting such policies as will remove these uncertainties."

What then should be done, in order to satisfy the mutual interests of the growers, exporters, spinners and manufacturers of Egyptian cotton? The aim should be to return to a complete normalisation of trade relations with all cotton consuming countries and to supply Egyptian cotton at a truly competitive price, to be formed in an open market, free from arbitrary interference with the laws of supply and demand. If these conditions are fulfilled, then the demand for Egyptian cotton will spring up again where it has fallen away and will increase elsewhere. Egypt will then again be able to serve its customers, old and new, who by the nature of their production would spin Egyptian cotton in preference to any other.—*The "Egyptian Cotton Gazette," Alexandria.*

TECHNOLOGICAL REPORT ON TRADE VARIETIES OF COTTON

Fibre and spinning tests carried out by the Indian Central Cotton Committee's Technological Laboratory at Matunga, on cotton samples belonging to the 1956-57 season, have now been made available for the benefit of the trade and industry in a publication entitled *Technological Reports on Trade Varieties of Indian Cottons*, 1957, by Dr. R. L. N. Iyengar, the Director of the Laboratory. The bulletin is priced at Rs. 2 per copy. The objects of the test are twofold: (1) to obtain reliable and accurate data regarding the waste losses and the spinning processes of the chief varieties of Indian cottons handled by the cotton trade and industry and to make them available for the benefit of consumers of Indian cotton in India and abroad, (2) to ascertain whether a particular trade variety of cotton maintains its quality or shows signs of deterioration from year to year in order to enable the breeder to take necessary steps to remedy this defect.

The present bulletin contains the test results obtained for the 1956-57 season cotton samples included in the list of trade varieties, along with those for the four preceding seasons. The data for each cotton are divided into the following categories: (1) ginning percentage, (2) fibre test results, (3) grader's valuation report, (4) spinning master's report, (5) spinning test results which comprise waste losses, number of end breakages in the ring frame, actual counts spun, lea strength and ballistic work of rupture of yarn, actual number of turns per inch inserted in the yarn, (6) estimation of yarn neppiness and evenness, and (7) details, such as front roller speeds, spindle speeds and drafts employed. The bulletin also contains the test results of three varieties of East African cottons, namely, A.R.B.P. 52, A.R. Busoga and A.R. Jinja as these cottons are consumed in large quantities by Indian mills.

SUDAN COTTON SALES POLICY

The Sudan Gezira Board has announced certain changes in the cotton sales policy it has followed hitherto. The changes became effective from 12th November. Under the changed policy, the present system of open and free public auction will continue as before. Auctions will be held four days a week, namely, Tuesdays, Wednesdays, Thursdays and Fridays. Reserve prices will be declared every Saturday morning and will be based on market fluctuations.

In order to facilitate sales to buyers who may wish to purchase large quantities of cotton, the Board is prepared to consider offers to buy such large quantities by private treaty. It will, however, have absolute discretion as to the extent to which it will make such private treaty sales. Such offers will be accepted for consideration every day before noon and a decision will be given as soon as possible.

Informed quarters believe that the change that has come over the set-up of the Government since the announcement, will not affect the cotton sales policy of the Board.

MILL CONSUMPTION OF COTTON

Statistics of raw cotton consumption by mills compiled by the Office of the Textile Commissioner indicate that during September 1958, the first month of the 1958-59 cotton season, consumption aggregated 382,499 bales (of 400 lbs.), as compared with 399,125 bales in the corresponding month of the previous season and 370,390 bales consumed in the previous month. It is noteworthy that the consumption during the month is the highest since February last. Foreign cotton consumption, however, showed a decline to 42,554 bales during the month, as against 44,873 bales in the preceding month and 49,310 bales in the corresponding month of the previous season.

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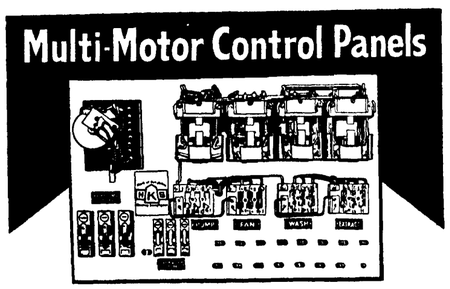

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SUGARCANE IN THE THIRD PLAN

NEW BODY SET UP TO FORMULATE DEVELOPMENT SCHEME

THE twenty-sixth session of the Indian Central Sugarcane Committtee held at Rampur (Uttar Pradesh) recently was a notable one. For, at this session, the Committee took some important decisions which have a vital bearing on cane research and development in the coming years. One such decision related to the appointment of an *ad hoc* Planning Sub-Committee to chalk out a proper plan for inclusion in the proposed third Plan. Tentatively, a sum of Rs. 3.60 crores on research and another sum of Rs. 3.00 crores on development were proposed to be spent under the Plan, and the target of white sugar output to be achieved at the completion of the Plan (1965-66) was fixed at 3.5 million tons. The Sugarcane Committee certainly struck a note of realism when it urged the Planning Sub-Committee to bear in mind, while formulating the cane development scheme, the present position of low acre yield and poor recovery of sugar, to fix practicable targets based on the available resources of material and technical personnel, and to keep in view the special needs of the different States.

The need for devoting utmost attention to augment not only the yield of sugarcane per acre but also its quality has been stressed too often to deserve repetition. The implementation of the cane development programme during the first Plan period and in the first two years of the second Plan has not been encouraging. Barring improvements here and there, the conditions obtaining in the cane economy continue to be unsatisfactory. The yield of cane per acre has not only not risen but actually suffered a setback, the all-India average for 1957-58 being 13.27 tons, as against 13.33 tons in 1950-51 (base year of the first Plan). Similarly, the all-India average recovery per cent. of sugar in cane is lower at 10.00, as against 10.03.

Trend of Cane Yields

It will be worthwhile to refer here to an analysis of the trends in sugarcane economy as contained in the article on agricultural productivity in India (1910-11 to 1956-57) contributed by Mr. V. S. Menon to the *Agricultural Situation in India*. This analysis shows that the period 1910-11 to 1945-46, especially the last 15 years, witnessed a steady increase in area under sugarcane in the States of Uttar Pradesh, the Punjab and Madras, as well as a rise in yield rates. In the next four years, both cane acreage and yield rates increased in Madras, while in the U.P. there was no perceptible change in area, but yield rates declined, and, in the Punjab, both area and yield rates suffered a setback. During the period 1949-50 to 1956-57, the Punjab, Madras and Andhra Pradesh reported an expansion of area, accompanied by improvement in yield rates. But, in the important cane-growing State of Uttar Pradesh, a rise in area was accompanied by a fall in yield rates. The table below gives the corrected estimates of average yield of sugarcane in terms of *gur* per acre in some States during the year 1956-57, as compared with 1949-50 and 1943-44:

(In lbs.—raw *gur*)

	1956-57	1949-50	1943-44
U.P.	2,554	2,810	2,852
Punjab	2,479	2,502	2,443
Madras	6,477	5,954	6,286
Andhra Pradesh ...	6,490	5,984	—

How vital is the importance of cane development was forcefully brought out by Mr. Mohanlal Gautam, Uttar Pradesh's Minister for Agriculture and Co-operation, while inaugurating the I.C.S.C. meeting. Mr. Gautam observed:

"A higher production of sugarcane has been achieved largely by increasing the cane acreage and this has adversely affected the production of foodcrops. There is an acute shortage of foodgrains in the country and we have, therefore, to achieve self-sufficiency in food, so that it may no longer be necessary to import foodgrains from other countries. I strongly plead for reducing the area under sugarcane and achieving higher per acre yield, thereby releasing land for growing food crops.

"There has been a steady increase in the consumption of sugar within the country. India is now emerging as a substantial exporter of sugar. We have, therefore, not only to achieve self-sufficiency for our own requirement but also provide for the export of sugar to foreign countries with a view to earning foreign exchange which is so badly needed for the implementation of our development plans. The export of even two lakh tons of sugar would earn 10 to 15 crores of rupees in terms of foreign exchange."

While it is doubtful whether India can compete successfully as a seller in the world sugar markets, there is no gainsaying the fact that, unless cane development is accorded the highest priority, the production of sugar cannot be expected to be economic. Mr. Gautam rightly emphasised that the problem of raising the yield per acre can be tackled by various means, the more important being varietal replacement, provision of adequate irrigation facilities, application of adequate quantities of fertilisers and manures, protection of cane crop against pests and diseases, and the like. On the subject of recovery of sugar, Mr. Gautam laid special emphasis on sowing better quality cane, protection of crop from pests and diseases, autumn planting, supply of sugarcane according to maturity, improvement in cane supply arrangements, better village communication, and renovation of machinery and equipment of factories.

Sugarcane in U.P.

In this connection, Mr. Gautam made a brief review of the trends in the sugarcane economy of his own State, Uttar Pradesh. The review reveals that the main impediments to the progress of cane cultivation are paucity of irrigation facilities, extensive waterlogging and lack of drainage. The yield per acre in some South Indian States is 25 tons, as against 10-12 tons in the U.P. This is due in large measure to better irrigation facilities in these States which have enabled the cane growers to make use of much larger quantities of fertilisers than in the U.P. Mr. Gautam stated that the U.P Government had no doubt taken up big irrigation projects, but it would take some time for them to come into operation. He, therefore, felt that the immediate solution to the problem lay in sinking a large number of masonry wells duly bored and fitted with Persian wheels.

Proceeding, Mr. Gautam gave some details. According to him, the requirements in the reserved areas of sugar factories in the U.P. are estimated at roughly 100,000 masonry wells together costing about Rs. 22 crores. This is not a small figure particularly when the resources of the State are very limited. The Central Government no doubt gives financial assistance through the I.C.S.C., but, in no case does it exceed 50 per cent. Once more irrigation facilities are provided, it will be possible to apply nitrogenous fertilisers in greater quantities to the sugarcane crop and this would undoubtedly increase the acre yield. Incidentally, this step would also help increasing the production of other crops, as it would enrich the soil. There is not likely to be much difficulty in providing adequate loans to the cultivators for purchasing fertilisers, as it is being contemplated to improve credit facilities by the organisation of large-sized credit societies in cane areas as well. The control of pests and disease is by no means a less important matter for sugarcane cultivation. Redrot disease has been playing havoc year after year in Uttar Pradesh, Bihar and to some extent in the Punjab. The High Power Committee, appointed by the Indian Central Sugarcane Committee at its meeting held in September 1957, devised a special scheme for co-ordinated campaign against this disease in the contiguous areas of Uttar Pradesh, Bihar and the Punjab.

To revert to the I.C.S.C.'s decisions. The Committee noted that most spectacular results all over the sugar world had been obtained through the introduction of improved varieties of sugarcane. It recommended the formation of State statutory bodies to register improved varieties which would satisfy rigid minimum standards and go a long way towards augmenting the yield per unit of land and improving the quality of cane. The Committee sanctioned four important schemes. They cover: (1) control of sugarcane borers by insecticides in the U.P., the Punjab and at one centre in South India; (2) research on application of phythormones and their role in relation to metabolism in cane at the Pusa research station; (3) establishment of a sugarcane research substation at Chittoor in Andhra Pradesh; and (4) intensification of *khandsari* research at Lucknow. Further, the Committee approved of participation in the World Agricultural Fair Exhibition 1959 to which the State Departments dealing with cane research and development will be fully associated. It also declared awards for the all-India cane crop competitions and decided to arrange the prize distribution function at the fifth Convention of Farmers' Forum to be held in New Delhi in February 1959.

COAL OUTPUT IN CHINA

LIKELY TO SURPASS THE U.K. LEVEL NEXT YEAR

THE rapid pace at which China's coal industry has been progressing ever since the Communists came to power shows that the country is set to become one of the largest coal producers in the world in the not distant future. In fact, the year 1958 marks the beginning of the "big leap" in this direction. The coal output this year, according to official sources in China, is expected to rise by more than 50 per cent., taking it to over 200 million tons, thus placing China nearly on par with Britain—the second largest producer in the capitalist world—which produced 227.2 million tons of coal in 1957. If the present pace of production is maintained next year, as it is expected to be, the Chinese coal production will far exceed the U.K. output.

An interesting account of the development of China's coal industry is provided by the Deputy Director of the Planning Department, Ministry of Coal Industry, in an article in a recent issue of *China Today*. In the first six months of the current year, China produced, according to him, 84.13 million tons of coal, which is 26.45 million tons or 46 per cent. more than that in the corresponding period of 1957. As more new mines are going into production and the potential of the existing mines are being exploited more fully, the expansion in production during the current half-year is expected to be much faster than in the first half. The aggregate increase during 1958 is estimated to be about 70 million tons over the production in 1957 placed at 130 million tons. It is stated, for the purpose of comparison, that it took Britain 22 years to raise its coal output by a similar extent, that is, from 132 million tons in 1875 to 202 million tons in 1897. Such a comparison may not be strictly correct, because mechanisation and technique of production were not as advanced 60 years ago, as they are now. It is, however, pointed out that Britain's coal production, which touched a peak of 292 million tons in 1913, declined steadily thereafter and was more or less stagnant at slightly over 200 million tons between 1931 and 1957, despite the vast progress in mechanisation and technique of production during this period. In the first five months of 1958, Britain's coal output was actually 3.6 per cent. below that in the corresponding period of 1957. Now that Britain is faced with the problem of surplus coal, it is unlikely that its output will rise much next year.

Main Factors

One of the important factors which have contributed to the rapid expansion in coal output in China is the introduction of modern techniques of mining and machinery. In fact, China has entered a new era of technical advance with the introduction of hydraulic mining. This is said to be the latest method of mining coal and only a few countries have adopted it. By using high pressure nozzles instead of coal-cutters or combines, production is made safer, productivity can be greatly increased and costs can be drastically reduced. Thanks to this innovation, China looks forward to an even faster rate of increase in coal production.

China is endowed with rich coal resources and coal deposits are said to be found in nearly 80 per cent. of China's 2,000 odd counties. Exploitation of these resources will naturally mean a substantial output. A more important factor is the human one and China, with its vast population, is fully exploiting this source of power. Many mines have revised their targets and workers of small mines have taken upon themselves the task of catching up with the bigger ones. Technical revolution with attention concentrated on extracting more coal from the working faces has also contributed to higher productivity. For instance, while less than one cycle of work, that is, from the cutting of coal to moving it away and removing props to let the roof fall, used to be completed in one day, now two cycles, three and sometimes even four cycles, are completed in a day. This has been made possible by improving the organisation of work and technique and shortening the time for subsidiary work.

Yet another factor which has contributed to the rise in coal production in China is the gradual modernisation of existing mines. Of the 70 million tons of coal to be added this year, it is estimated that 30 million tons or 42.8 per cent. will be accounted for by increase in productivity and fuller exploitation of existing mines.

(*Continued on page 900*)

INDIAN TEA FACING TOUGH COMPETITION

FALL IN LONDON AUCTION—EGYPT ASKS FOR CUT IN PRICES

THE failure of those members of Parliament who tried to get more relief for the tea industry by way of a further reduction in export duty does not mean that the hopes of obtaining some satisfaction in this direction are altogether lost. For the Minister for Revenue and Expenditure, Mr. B. Gopala Reddy, who piloted the Tea (Alteration in Duties of Customs and Excise) Bill assured, in the course of his reply to the debate on the Bill, that the Government would keep a close watch on the export position and would not hesitate to give more relief to the industry if necessary. In other words, the industry can hope to get relief in export duty only when the present upward trend in exports of Indian tea is reversed. The main reason why the Government does not want to reduce the export duty on tea is that Indian exports have not suffered on account of the present level of export duty; in fact, they have gone up and are "expected to be substantially higher than last year." The Government's contention is that the abolition or reduction of export duty would only benefit the foreign consumer and that the Government's revenue would diminish without any compensating increase in exports, as it feels that other competing countries like Ceylon are likely to adopt similar measures.

It is true that Indian tea has so far had a satisfactory season this year, with an expansion of exports and a rise in prices. But this should not lead one to take a complacent view of the outlook for Indian tea, as the aforesaid trends conceal some basic factors which have an important bearing on the future of the industry. The exports of North-east Indian tea during the first 10 months of the current calendar year have gone up by 11 million lbs. to 276 million lbs., but it should be remembered that they lag behind the exports during Jan.-Oct. 1956 by no less than 57 million lbs. Exports of tea from South India in the first eight months of 1959 are higher by 16 million lbs., at 65 million lbs., as compared with 49 million lbs. and 53 million lbs. in the corresponding period of 1957 and 1956, respectively. Though exports of tea from Ceylon during the seven months ended July are lower by 2 million lbs., at 226 million lbs., they are no less than 20 million lbs. above the level touched by the end of July 1956. Exports of Pakistan tea during the nine months ended September 1958 amounted to 31 million lbs., thus more or less maintaining the average level for the past three years. It will thus be seen that India has not fully covered the ground lost in 1957.

Even if one assumes that the present trend of exports will be maintained during the rest of the year, it must be remembered that it is not the only factor on which the fortunes of the industry has to be judged. The prices obtained in the local auctions for export and in the overseas market should also be taken into account. While the prices in the export auctions held in India have been higher than last year, the overseas prices are lower. Thanks to the rising trend in world production of tea—the current world crop so far shows an increase of 40 million lbs.—the prices obtained in London auctions have recorded a downward trend in recent months. During the year so far, the average price of plain teas has fallen by 25 per cent. Even better quality teas have been affected by the weight of supplies. Thus, plain teas have declined from an average of 4*s* per lb. in January last to a low of 2*s*. 6*d*. in the first week of November. The average price of quality teas, which had improved from less than 6*s*. per lb. to 7*s*. 9*d*. per lb. in the last week of April, has irregularly moved down to 5*s*. 9*d*. In view of the prospect of larger supplies, the demand from blenders has slackened. For this is the time of year when the weight of the North Indian tea comes forward. The stocks in London, including those awaiting customs clearance and afloat, have swelled by 26 million lbs. to 128 million lbs. in the course of the last one month Further, the peak quality season for North Indian teas is over and it is only exceptionally good quality teas that are able to obtain more than 6*s*. per lb.

Another important factor on which the fortunes of Indian tea depend is the competition from other producing countries, the latest competitor being China. It is stated that Chinese tea has just made its appearance in the London market, but it is too early to judge the prospects for Chinese tea. We have it on the authority of no less a person than the Tea Board Chairman, Mr. A. N. Chatterji, who has just returned from a tour of England, Ireland, Egypt and Iraq, that there is a variety of Chinese black tea now available in foreign markets that can be sold at a very low price, even at a price lower than the actual cost of production. Mr. Chatterji, who toured these countries on an export promotion drive, observed, in the course of a Press conference held in Calcutta last week, that Indian common tea was facing tough competition from African tea in the U.K. market. The Tea Board Chairman had suggested a survey of the U.K. market to ascertain how Indian common tea was faring in relation to the African tea. Although he said that Africa, with its annual production amounting to 70 million lbs., or 10 per cent. of the annual Indian output, had not yet become the principal competitor to India, it had all the potentialities of a big exporter. With cheap labour, a favourable elevation and climate, Africa could, he added, increase its production. Its only drawback, according to him, was that its tea labour was not so well organised or deft as Indian labour. It must, however, be noted that Africa started cultivation of tea only in 1948.

It will be noted with interest that British East Africa's (including Nyasaland) production during the first eight months of 1958 aggregated 41.7 million lbs., as against 40.1 million lbs. in the corresponding period of 1957. Of this, Kenya accounts for the largest output. In 1957, its total production amounted to 22 million lbs. having more than doubled from 10 million lbs. in 1948. What is more, Kenya bid fair to become one of the major producers of tea in the world, if its present experiment in converting forests into tea gardens succeeds. A team of research experts is now said to be on a seven-year experiment atop a mountain near Kenya's tea-growing centre to turn virgin forests into tea plantations, provided water catchment is not affected by this change-over. If the experiment succeeds, that is, if the forest can be cut down without dangerously changing the water balance and vital supplies to farmers and others, Kenya would make a big leap forward in tea production. In order to study the effects of converting forests into tea gardens, the research team has chosen two parallel valleys two miles long. In one, the great forest trees are being felled and tea bushes planted, while, in the other, the forest slopes are left untouched. So far, the forest reserves of Kenya have been left undisturbed, because of their value for water catchment. If the research work succeeds, then Kenya may reassess its forest reserves in order to allow them to be turned over to growing tea. It is, no doubt, a prolonged and painstaking study to ensure that no harm is done to the soil and the country's economy as a whole by the change-over Nevertheless, planters in India will keenly await the outcome of the experiment.

Mr. Chatterji was of the view that Indian tea would be more acceptable in the U.K. market if its quality was further improved, by better methods of planting and manufacturing, particularly in the Cachar, Dooars and Terai areas. He emphasised that the sales promotion drive in England should not be relaxed, though there was little chance of further increase in tea consumption there in the near future. The annual *per capita* consumption in the U.K. was 10.7 lbs., as against 0.5 lb. in India.

In Egypt and Iraq, Ceylon's black tea is said to be very popular. The Tea Board is collecting samples of this tea to see if that "black and bitter" variety can be produced in India. South India produces an almost similar variety. As the political climate in Iraq and Egypt, where Government controlled foreign trade, was extremely favourable for India, Mr. Chatterji suggested that efforts should be made to promote exports to these countries. The Tea Board has already undertaken measures to strengthen its sales drive. It would appear that some Egyptian Ministers whom Mr. Chatterji met pressed for reduction of Indian tea prices, on the ground that Egypt was passing through a period of austerity because of foreign exchange shortage. The Government of India would do well to take note of this. It should now consider whether it is not worthwhile to offer tea at a cheaper rate to a foreign consumer by a reduction of export duty and stabilise the ground (exports of North Indian tea to Egypt in the first 10 months of this year have gone up from 9.7 million lbs. to 17.3 million lbs.), rather than lose the market to another producer.

Speaking of the Irish market, Mr. Chatterji said that it had been consistently one of the best buyers of Indian tea and had been importing almost its entire annual requirement of 20 million lbs. from India.

The Tea Board Chairman drew attention to a chemical formula evolved recently in England, which would help producers standardise their products in respect of colour and strength. The research was financed by the Indian Tea Association in Britain. The Indian tea planters should take this opportunity to get the benefit of this research work, in order to improve their quality.

COFFEE GROWN AT MANGPOO

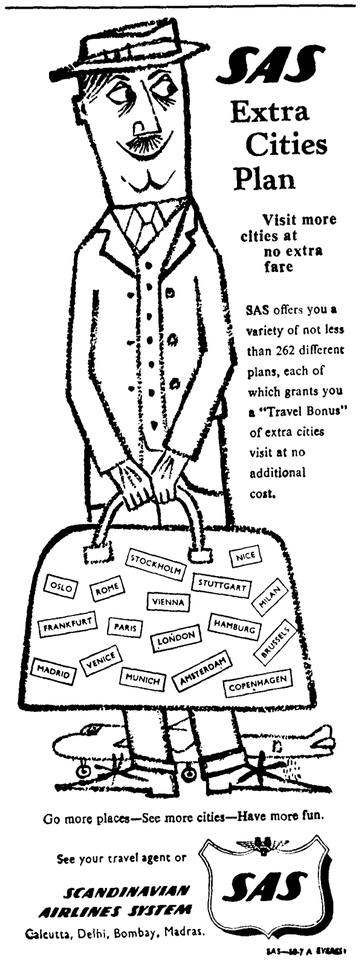
With the diminishing demand for quinine, the authorities of the Government Cinchona Plantation at Mangpoo in West Bengal are now experimenting on subsidiary crops, according to Mr. S. K. Chatterjee, Horticulturist, Mangpoo Experimental Wing.

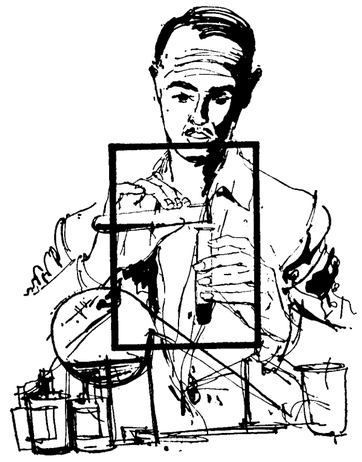
Coffee experts, who recently visited the experimental station, expressed satisfaction at the high quality coffee beans grown there. It is now envisaged substantially to extend cultivation. This, incidentally, is the first time coffee has been grown successfully in the hills. This might in future provide an alternative to the tea industry in the lower elevations.

Besides coffee, another new introduction is the small yellow variety of cardamom. This has a rich market all over India, and plants grown at the station have shown promising possibilities.

Cultivation of oil plants like lavender, patchouli, camphor, and eucalyptus, is also being tried with success. Experiments are simultaneously being carried out in growing sandalwood, clove, coco, vanilla, black pepper and nutmeg. The experimental stage in the cultivation of tung oil is over and extension is now planned.

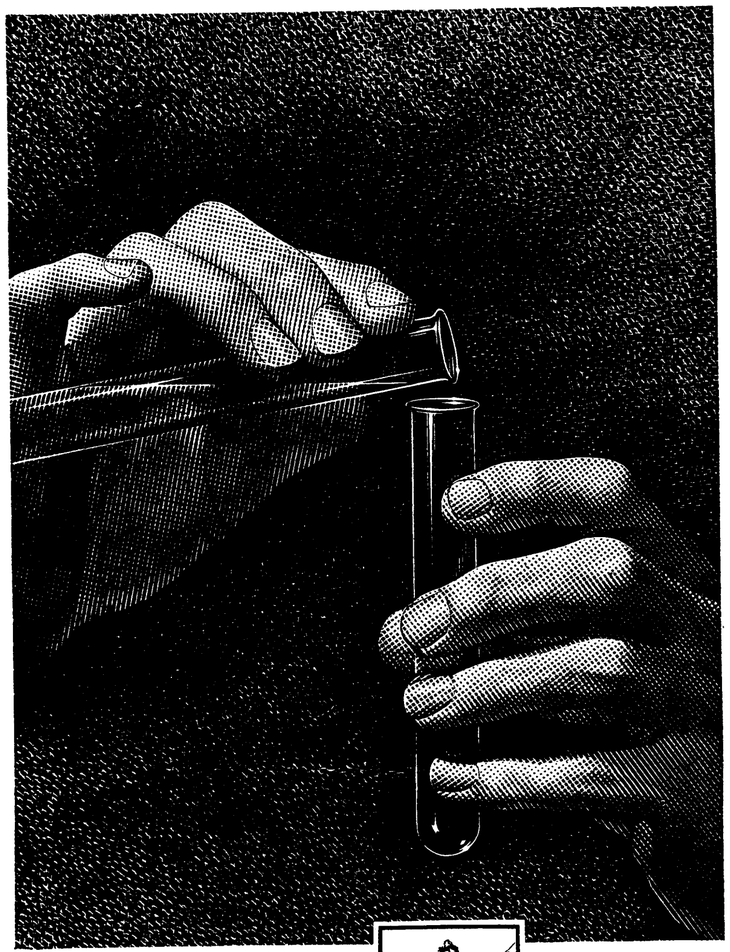
The Swedes are the world's leading coffee consumers per head of the population, according to a recent American survey. Consumption in Sweden amounts to 7.8 kg. per inhabitant per annum. Next follow the Danes with 7.3 kg. and the United States with 7.1 kg. Other large coffee consumers are the Finns with 6.1 kg., Norwegians 6 kg., Icelanders 5 kg., Belgians 4.6 kg., Swiss 3.9 kg. and the French with 3.8 kg.





Men and Oil No. 2

THE CHEMIST



In many ways, the oil industry is a pure application of chemical knowledge. From the earliest stages of exploring for new oil deposits, through to controlling the great refineries, the chemist is a key man.

He examines rocks and oil shows collected during exploration, helps in drilling and cementing operations and assists in the interpretation of electrical well logs to identify oil and gas bearing zones. He also analyses formation fluids and oil-bearing reservoirs in order to estimate the total amount of oil recoverable from an oilfield, and studies means for improving the recovery efficiency.

The chemist, again, controls the technical operation of the refinery. At Digboi, for example, chemists are responsible for the production on specification of more than 100 products. From the Assam crude oil, the main products are motor spirit, kerosines, diesel, lubricating oils, and various grades of waxes. The chemist is also concerned with other products such as mineral turpentine, jute batching oil, tea drier oil, bitumen—all these being vital to India's economy.

Chemists in the oil industry must, therefore, possess very high qualifications. Indian chemists play an important role in the working of the Assam Oil Company.



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TRAVANCORE SUGARS AND CHEMICALS LIMITED

CHAIRMAN'S SPEECH AT TWENTY-FIRST ANNUAL GENERAL MEETING

HIGHER PRICE TO CANE GROWERS CONCEDED

THE Twenty-first Annual Meeting of the Travancore Sugars and Chemicals Ltd. was held at Tiruvalla on 14th November 1958. In the absence of the Chairman, Mr. G. N. Noel-Tod, Mr. P. Hadfield presided over the meeting and read the Chairman's speech. In the course of his speech, the Chairman regretted that cane growers should have resorted to *satyagraha* and picketing, in order to get a higher price. When the State Government, too, supported the growers' demand, the Company did not seem it justified to fight both the Government and the growers and conceded an increase of Re. 1.30 per ton in the price of sugarcane.

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

"GENTLEMEN,

"The accounts and the Directors' report for the year ended 30th April 1958, have been in your hands for the statutory period and, with your permission, I shall take them as read.

"It will be observed that the net profit before taxation has dropped by about Rs. 1½ lakhs on last year, notwithstanding an increase in sales of approximately Rs. 15½ lakhs. The principal reasons for this are the lower tonnage of cane crushed—100,664 tons this year, as against 134,337 tons last year—and the drop in the recovery from 8.88 per cent. last year to 8.31 per cent. this year.

"However, the net profit after taxation shows a small increase, notwithstanding the increased provision which it has been necessary to make this year for taxation on current profits mainly because, as forecast last year, no transfer to taxation equalisation reserve has been necessary this year.

Provision for Taxation

"Provision for taxation on current profits has been made after allowing for tax relief on the full amount of book depreciation provided on fixed assets and the tax on the excess of book depreciation over the depreciation allowed for income-tax purposes has been provided by a transfer of Rs. 45,000 from taxation equalisation reserve.

"Provided that taxation on companies is not further increased in future, we propose to make similar transfers from taxation equalisation reserve in future years which will provide for the tax on differences between book depreciation and tax depreciation.

"This year a further step has been taken in building up our reserves to meet inevitable expenditure in replacement of machinery by the transfer of Rs. 50,000 to general reserve, which now stands at Rs. 3 lakhs

"The Company's cash position continues to be sound and it will be noted that there has been a substantial reduction in borrowings, which is, of course, reflected in the lower charge for interest against profit for the current year.

Sugar Production

"Turning to the operations of the Company during the year under review, and, in particular, to sugar production, the performance corresponds closely to the Chairman's forecast last year, when he told you that the cane crop might not exceed 1 lakh tons, from which 8,500 to 9,000 tons sugar might be produced. I have already referred to the lower rate of recovery and, in actual fact, 8,362 tons of sugar were produced. Despite the late start of the season, due to the threat of strike, all the available cane was taken in. Last year's late start resulted in late planting and this is partly responsible for the low recovery of less than 8 per cent. being obtained in the current season which started on 3rd September. The other reason for the poor recovery is that the cane has been subjected to heavy flooding. There are, however, signs of improvement which it is hoped will be maintained. We expect a crush of about 125,000 tons. Here, I must apologise for a printing error in the Directors' report under the heading 'sugar.' The last sentence of the first paragraph reads: 'This was also responsible for the late start of the season' which should have read: 'This was partly responsible for the late start of the season.' Floods were experienced and would have made the starting of the season difficult, but the factory could have worked, even if not at its full crushing capacity. The principal reason for the late start of the season, as I have just mentioned, and as was clearly stated by the Chairman in his speech last year, was the threat of a strike by the staff and labour, and it was not considered advisable to start the season until the question of bonus in respect of the year 1956-57 had been settled. Crushing was commenced immediately a settlement had been arrived at, by which time the floods had also subsided.

"Sugar prices remain steady and there was no shortage of supplies in Kerala. Releases were made uniformly throughout the twelve months. The price paid for cane was Rs. 40.38, which figure is composed of the minimum price of Rs. 39.20 *plus* the average Brix bonus of Re. 1.18, probably the highest price paid anywhere in India for cane of equivalent quality.

"In June 1958, the Indian Sugar Mills Association, of which your Company is a member, negotiated an agreement with the Government whereby the Association was entrusted with the export of 50,000 tons of sugar. The quantity represented approximately 2½ per cent. of the total production of the country, and each factory was required to deliver 2½ per cent. of its sugar production for export. The share of this Company was 211.9 tons. In actual fact, our allotment was not exported, but was sold in the local market on behalf of the Association. The difference between what the Association has paid us and the market rate at which it was sold was used to finance the purchase of sugar from factories more suited to export.

Export Policy

"The Government's export policy in respect of the 1958-59 season, which is now in progress, has not been declared at the time of writing this report. The policy of financing exports by enhancing the local price is one that can only apply where sales in the local market are freely possible at the rates necessary in order to provide for the loss on export and it will be obvious that the higher the quota exported the more must be the margin earned on the balance sold internally.

"The situation would be eased if the Government would consider a reduction of the high rate of taxation on sugar, currently Rs. 291.20 per ton.

"At the conclusion of the last season the growers agitated for an increased price for cane. All sight seems to have been lost of the fact that cane is a commodity which is offered for sale to a factory at a price that is either negotiated or fixed by the Government before the season commences, and there can be no justification for pressure to coerce the buyer to pay more after he has consumed and paid for the cane. In the case of this factory our offer to the growers was made on 27th September 1957 after the tripartite conference held on the 20th of that month. Consequently, the conditions of sale governing the cane tendered were known to the growers. Even if this principle did not exist, it would surely be unreasonable to ask it of the shareholders of this Company who, by reason of the paucity in the supply of cane coupled with the very low recovery that was possible by reason of the quality of the cane, enjoyed no ordinary dividend from 1948 to 1954 and who over the past 10 years have, in fact, only received a total of 37½ per cent. by way of dividend—an average of less than 4 per cent. per annum.

Sugarcane Price

"Your Directors are fully appreciative of the part the agriculturist plays in the affairs of this country, but it was their opinion that, as trustees for the shareholders' money, these demands which were pressed by means of *satyagraha* and picketing should be resisted and the Government urged to provide adequate provision for the protection of your Company's property. On 12th November the Government called a tripartite conference of concerned Ministers, the Company's representatives, and growers. At this conference all arguments were brushed aside and it was against the frequently repeated statement of the Ministers that our failure to come to an agreement would result in a very difficult law and order situation that the Company's representatives conceded Re. 1.30 per ton costing Rs. 1,31,000 in this year's accounts. I should explain that *satyagraha* was started on 13th October, and picketting resorted to on 8th November. Senior officers were interfered with in token rather than in an effective manner and the police were at hand. One can interpret the Ministers' words in many ways, but in deference to their responsibilities for the safety of persons and property concerned and in the face of the statement by the Minister that the Government holds the view that an additional Re. 1.30 per ton was reasonable, to concede rather than to fight both the Government and growers does seem justified, except perhaps on the grounds that some day, in some circumstances, private enterprise must take a firm stand and the concomitant risks; otherwise each company in turn will be stripped of its profits and finally of its capital. In return for this promised payment we hold the written assurance of the growers' representatives that at the conclusion of this season they will accept the method of price fixation laid down by the Government of India.

"May I express the hope that the extra money the growers will shortly receive will be spent on improved methods of cultivation which are demonstrated at no small cost by the Company's cane staff and which would result in added profit to the growers and to the Company.

"The output from the distillery continued to be satisfactory and sales of foreign liquor remained at a uniform high level. The Company retained the Abkhari contract for the districts of Alleppey, Quilon and Kottayam.

Pharmaceutical Products

"Last year, the Chairman commented at considerable length on the Company's contract with the Government for the supply of pharmaceutical products. During the year under review, the Government did place indents on the Company for all their requirements, but the quantity was less than might have been expected, consequent upon the incorporation in the State of the Malabar District, which previously formed part of the State of Madras. It is gathered, however, there was considerable difficulty in estimating actual requirements. Since the date of the balance-sheet, the Government has entered into a fresh agreement with the Company whereby it undertakes to purchase 50 per cent. of its total requirements for the enlarged State from the Company, for the next three years and the Company is free to tender for the remaining 50 per cent. Although this is not unreasonable and will ensure the continuation of the Company's pharmaceutical business for at least the next three years on a small profit-making business, it is less favourable than was hoped for.

"Sales to the public remained steady during the year under review and are now showing a tendency to rise.

"I regret to have to report that the assurances required by our American associates from the Government of Kerala in respect of the starting of the proposed starch factory at Pamba river, have not been received and consequently this scheme remains in cold storage.

Concessions to Staff and Labour

"Some progress has been made regarding a settlement with staff and labour, and since we met last, I am happy to be able to report that agreements have been signed with the unions representing both staff and labour covering terms of service, but so far unfortunately, we have been unable to persuade the unions to accept a formula governing the award of bonus, and as a result, the question of bonus for the year under review is still pending with the Government Labour Conciliation Officer. The cost of the concessions already given by the Company in revising the grading scheme and calculation of dearness allowance to labour is estimated to cost the Company about Rs. 1 lakh per year. It is hoped, therefore, that the unions will appreciate the gesture made by the Company and be prepared to settle the pending bonus dispute in a friendly and reasonable manner.

"We also have on our hands a dispute with the boatmen carrying cane to the factory, who claim they are employees of the Company and should be treated accordingly. The Company feels strongly that their case is completely unsustainable, but as the matter is pending before the Labour Tribunal, I can say no more at the present time.

"In April this year, the staff club was opened, providing facilities for reading, indoor games, as well as football and volley-ball, and as recently as yesterday a club was opened for the officers of the Company. The Board recognises that such amenities are most desirable in the case of a factory situated in a rural area, such as this, and hopes that all concerned will find relaxation and pleasure.

"In conclusion, I should like on your behalf, as well as my own, to thank the staff and labour of the Company for their efforts during the year. We have had our differences as usual, but I must record that work has not suffered on this account. As regards the staff, the complexity of modern Government rules and regulations has not made their task any easier and many have shouldered additional burdens cheerfully and capably."

The report and accounts for the year ended 30th April 1958 were unanimously adopted and dividends on the preference and ordinary share capital of the Company, at the rates of 5 per cent. and 10 per cent., respectively, both free of income-tax, were declared, payable on 15th November 1958.

The retiring Directors, Mr. S. Chattanatha Karayalar and Mr. P. Hadfield, were re-elected and the retiring auditors of the Company, Messrs. Lovelock and Lewes, were reappointed on the same remuneration as for the previous year.

N.B.—This does not purport to be a report of the proceedings of the general meeting.

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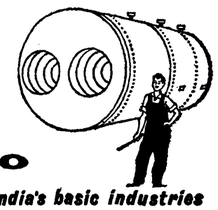

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PROTECTION TO STEEL FILE INDUSTRY EXTENDED

RASPS, HOWEVER, TO BE DEPROTECTED

THE Government of India has accepted the Tariff Commission's recommendation that the period of protection to engineers' steel files industry, which is due to expire on 31st December 1959, should be extended by another year, that is, up to 31st December 1960 and that the existing table of protective duties should be substituted by a new one. The existing rate of protective duty varies from Rs. 7 to Rs. 34 per dozen for steel files and rasps of lengths ranging from 4" to 18" both inclusive. The new schedule varies from Rs. 7 per dozen for files not less than 3.7/8" and upto and including 5½" to Rs. 34 per dozen for those exceeding 14" but not exceeding 18". In recommending this level of duty, the Commission has taken into consideration several factors. Thus, it notes that the threat of competition from low-priced Polish files has not disappeared completely but may at any time assume serious proportions. The benefit of any reduction in duty at the present stage when import is controlled, is unlikely to be passed on to the consumer. Again, there is still considerable prejudice against domestic products. Since the industry has made considerable progress and has also plans for further development, any reduction of duty at this stage might act as a disincentive. The Government has also accepted the recommendation of the Commission that there is no need for protection to rasps since at present it is not manufactured within the country.

It may be recalled that the first enquiry into the claim of the engineers' steel files industry for protection was undertaken in 1954. Protection was granted in 1955. Since then, the industry has made good progress. Its installed capacity on a single-shift basis was 288,000 dozen in 1957 as against 55,000 dozen in 1954. Actual production in 1957 aggregated 206,267 dozen, as against 29,351 dozen in 1954. The percentage of capacity utilised has thus improved from 53.37 in 1954 to 71.62 in 1957.

Capacity and Production

Indigenous production is not sufficient to meet the demand. In 1957, the demand for steel files within the country was estimated at 500,000 dozen, as against 300,000 dozen in 1954. Domestic production in 1957 could meet only 41.25 per cent. of the demand but it showed an improvement over the 1954 figure, which was only 9.78 per cent. of the demand. The installed capacity is expected to go up to 468,000 when the additional equipment imported by John Baker and Sons and Harbans Lal Malhotra and Sons Ltd. is installed. Additional capacities licensed are of the order of 144,000 dozen, comprising 24,000 dozen for the J. K. Engineers' Files, 60,000 dozen for Hindustan Files, and 60,000 dozen for John Baker and Sons. At present, there are five units licensed under the Industries (Development and Regulation) Act which are engaged in the manufacture of engineers' steel files. Out of these, three are branches of large public limited companies, one is a partnership concern and the fifth is a private limited company. One unit has entered into technical collaboration with a foreign firm while another has secured the right to manufacture in India well-known brand of engineers' steel files of the United Kingdom. Three units have engaged foreign experts to train their workers and to improve the quality of their product. Two units are well laid out with modern equipment while others are cramped for space and operate mostly with old machinery some of which need urgent replacement.

The internal consumption of engineers' steel files in 1956 aggregated 455,619 dozen out of which 143,191 dozen were indigenous files and 312,428 imports. Internal consumption during 1957 is estimated to have been 500,000 dozen. In 1958, the demand for engineers' steel files of the protected categories is expected to be of the order of 600,000 dozen and it is estimated to rise progressively by 20 per cent. every year during the next two years. As regards the pattern of demand, nearly 65 per cent. of the total demand in recent years were for sizes 4" to 8", about 25 per cent. for files of intermediate size between 8" and 14" while the demand for sizes 14" and above did not exceed 10 per cent. This pattern is not expected to differ materially in future.

The principal raw material for the manufacture of engineers' steel files is carbon steel or chromium steel of special sections. The consumable stores required are grinding wheels and chemicals for hardening. All the raw materials and stores required by the industry, with the exception of grinding wheels of 24" diameter and below, are not produced in the country and have, therefore, to be imported. There has been complaints by the industry about the delay in the issue of licences for import of file steel and grinding wheels. The Commission has pointed out that the Iron and Steel Controller should expedite the issue of import licences for steel sections to the producers of engineers' steel files.

Future Plans

The industry has plans to produce 548,000 dozen of engineers' steel files in 1958, 626,000 dozen in 1959 and 729,000 dozen in 1960. The raw material requirements can be estimated at the rate of 200 dozen of steel files per ton of steel which is considered a fair rate of conversion. On the basis of these figures, the demand for steel sections required by the engineers' steel files industry may be estimated at 2,740 tons in 1958, 3,130 tons in 1959 and 3,645 tons in 1960. The average price of such steel at present is £95 per ton. This level of prices is expected to be maintained for some time to come. The total foreign exchange involved in the import of steel sections would, therefore, be about Rs. 35 lakhs in 1958, Rs. 40 lakhs in 1959 and Rs. 46 lakhs in 1960. As regards grinding wheels, their imports by the industry during 1956 and 1957 were of the order of Rs. 2 lakhs to Rs. 3 lakhs a year. Imports in 1960 might be somewhat lower as Carborundum Universal, Madras, is understood to have a plan to install in the near future a bigger press and a new kiln for the manufacture of the special types of grinding wheels required by the engineers' steel files industry. The firm expects to commence production at the end of 1959.

Thus, taking the requirements of steel and grinding wheels together, the foreign exchange required would range from Rs. 37 lakhs in 1958 to about Rs. 50 lakhs in 1960. Since the engineers' steel files industry is of vital importance to the national economy, it should enjoy a high priority in the programme of development. The cost of raw materials being a fraction of the cost of production of a steel file, it would be cheaper to import raw materials than the finished file. The Commission feels that "it is in the national interests that the steel files industry should be encouraged to maximise production and steps should be taken to ensure that the shortage of raw materials does not hold up the achievement of its targets of production." It, therefore, recommends that the requirements of the engineers' steel files industry for carbon or chromium steel sections and grinding wheels should be licensed in full to enable them to work at least one shift. It also suggests that the Government may consider the feasibiliy of the manufacturers' request that, in order to enable them to obtain better terms from overseas suppliers, licences should be issued for 12 months' requirements at a time with the stipulation that not more than one-half of the value of a licence can be utilised for import in a six-monthly period. It also urges that the Development Wing of the Ministry of Commerce and Industry, in consultation with the Director General of Ordnance Factories, the Man Industrial Corporation Ltd., Jaipur, and the engineers' steel files industry, should try to develop, as quickly as possible, domestic production of file steel sections required by the steel files industry.

As regards quality of the product, the consensus of opinion at the time of the last enquiry was that it was fairly satisfactory. The manufacturers have taken various steps to improve the quality of their product by installing additional machinery and by making improved arrangements for quality control. Nevertheless, some institutional consumers, such as the Central Railway, the Western Railway and the Naval Dockyard have expressed dissatisfaction with the quality of indigenous files. From the evidence received by the Commission it has come to the conclusion that (1) although there has been an appreciable improvement in the quality of the product, there is still scope for further improvement; (2) there is considerable prejudice against the indigenous product and that such prejudice has been due, in no small measure, to the sale of sub-standard files along with the standard product; (3) there is scope for the further growth and development of the industry and that such development should, in so far as the existing units are concerned, be secured by improved lay out and adoption of better techniques of production and supervision and replacement of old machinery by modern equipment. It has urged that the steel files industry should take immediate steps to modernise its equipment and improve its technique of production.

Price

A comparison of the fair ex-works price of the several sizes and types of indigenous files with the landed cost of corresponding imported files indicated that the rates of duty required to equate the landed cost without duty of flat and hand files with the fair ex-works price of corresponding indigenous files are lower than the current rates of protective duty. Half-round files, however, appeared to be still in need of nearly the same quantum of protection as exists at present. The Commission received a representation from the British File Trade Export Association to the effect that the current rates, converted into *ad-valorem* rates, vary from 62 per cent. to 77 per cent. of the f.o.b. value of British files and were, therefore, "penal." After taking into account all relevant considerations, the Commission has come to the conclusion that a lowering of the present rates of duty would not be justified. At the same time, it has reminded the industry of its obligations to the consumers and of the supreme importance of ensuring that its selling prices bear a fair relation to the cost of production. These prices, it points out, must not be fixed on the basis of either the selling prices of imported files, which command a premium in the market, or their landed cost with duty. It is to be hoped that the industry will bear the Commission's advice on quality and prices in mind in its manufacturing and selling operations.

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INTERNATIONAL ASIAN HIGHWAY

The Sub-committee on Highways of the E.C.A.F.E., at its fourth session ended on 11th November 1958 at Bangkok, has recommended early action for the establishment of an international Asian highway system linking all the countries of the region between Viet Nam and Iran. The Sub-committee also adopted a series of recommendations for improving highway safety, stimulating construction of low-cost roads, setting up training facilities for the highway personnel and studying over-all problems of highway transportation. In adopting proposals for a special technical group, the Sub-committee suggested that the complex problems of international highway links in Asia could best be solved by area working groups or conferences. Thus, it was suggested that the first working group should meet in Bangkok to consider the road network of Viet Nam, Cambodia, Laos, Thailand, Malaya and Burma, the second group at New Delhi to study roads of Burma, East Pakistan, India, Ceylon, and Nepal and the third group at Lahore to cover the problems of West Pakistan, Afghanistan and Iran. The Zonal groups would make recommendations for the routes to be followed for international links, standards to be adopted, priorities to be sought and other pertinent factors. The Executive Secretary of the E.C.A.F.E. was asked to convene regional meetings and to seek financial and technical aid for the project as a whole and for the working groups from the United Nations Technical Assistance Administration or any other 'aid' agency.

All the delegates from 18 countries stressed the role of international highways which play an important part in economic development and the special importance road communications have for countries like Afghanistan, Laos and Nepal which are landlocked. They agreed that the establishment of the international highway network should be stimulated to promote trade and economic development and to strengthen regional co-operation.

According to the Chairman of the Sub-committee, Mr. H. P. Sinha, of India, the proposal for developing international highways network in Asia, will be of great significance for all the countries of the area. He hoped that the system could be completed in the not too distant future.

The special technical group of the Sub-committee was entrusted with the task of giving the project further study and with outlining the methods of collecting highway information from different countries as well as convening area conferences to discuss technical and other aspects of country-to-country links which need to be established within the proposed network.

NEW PRODUCTS AND PROCESSES

New Roofing Material

ONE of the most important new building products to be developed for a considerable time is announced by The Ruberoid Co. Ltd., London. The product is Ruberoid Copper Roofing, the development of which, it is said, represents a major step forward in roofing manufacture. The Ruberoid Company has succeeded in firmly laminating together copper sheeting and glass fibre based bitumen roofing. The result is a single sheet which combines all the outstanding weatherproofing qualities of bitumen roofing with the best features, including the characteristic appearance of the traditional copper roof. The new roofing now becomes available to architects and builders after exhaustive durability and weathering tests carried out in collaboration with the Copper Development Association. It will be used as the top layer of special built-up roofing specifications on all types of buildings requiring an economical, yet attractive, form of high quality roofing. Because it will normally be employed bonded with bitumen compound to an underlay of ruberoid reinforced glass fibre based roofing, all laps and roof details, such as flashings and aprons, will be fully sealed against water penetration. Side joints of sheets may be lapped flat or produced as standing seams or batten rolls as preferred. As with the conventional copper surface, Ruberoid Copper Roofing develops, as a result of natural processes, a surface film or patina forming a protection against atmospheric corrosion and eventually assumes the familiar colour of rich grey-green. A noteworthy feature of the surface is the pattern of small regular indentations which form a series of "built-in" expansion joints in the copper sheet. Ruberoid Built-up Roofs incorporating the use of their Copper Roofing will be fixed exclusively by the Company's own contract departments or contract agents overseas, as special techniques have been evolved for the application of this new material. Drumming is eliminated by the process employed in bedding the complete specification to the sub-structure.

New Model Conveyor Belt

A British firm, Distington Engineering Co., Ltd. which has specialised in making belt conveyors for many years, is now producing a new model. This has wire ropes and lightweight supporting stands instead of the more usual heavy structural framing. It uses chain-linked idlers instead of rigid idler assemblies. The new model, it is claimed, is quicker and easier to install and extend. Load-carrying is better because the hinged action of the linked idler rollers and spring action of the wire rope suspension allow the belt to "hug" the load and prevent it shifting when passing over idlers. This cuts down spillage; idlers can be spaced at greater intervals and, in many cases, a thinner ply belt can be used. The belt is given a longer life because there is more of a cushioning action than an anvil action at idler rollers. This considerably reduces impact damage to the belt as the load passes over. Belts can be supplied in widths up to 48 inches.

Plastic-lined Rubber Hose

A plastic-lined rubber hose for use in handling mineral acids has been developed by the Dunlop Rubber Company Ltd. The hose, which is lined with polyethylene, is said to be capable of withstanding attack from concentrated acids for long periods of time. Its flexibility is expected to give it a number of advantages over both rigid polyethylene plastic piping and stainless-steel piping for uses in the chemical and pharmaceutical industries. It is also claimed to be suitable for handling liquid foodstuffs and wines and spirits, as well as for the construction of temporary waste pipelines. The hose can be used at working temperatures of up to 60°C., and can withstand continuous pressures of up to 50 lbs. per square inch. It is being made available in diameters of from ¼ inch up to 3 inches, and in lengths of up to 60 ft.

New Synthetic Car Enamel

An entirely new synthetic car enamel, air-drying but having the superior qualities of baked enamel, has been produced by the Stockholm paint manufacturers, J. C. E. Gernandt. It is claimed to have 30 per cent. higher elasticity than other air-drying synthetic car enamels now in the market and four times greater resistance to chemical influence, sunlight, industrial atmosphere, etc. Called Gerylon, the new product was evolved by a team of Swedish engineers after more than 3½ years' work. It is in the first place intended for paint repair on cars but may as well be employed for first use in enamel baking ovens. Up to now the problem in repairing damage to synthetic enamels has been that the original baking enamel couldn't be used for the work, a completed car not being able to stand the heat of the oven. Thus workshops have been forced to employ special paint qualities lacking several properties of the baking enamel as regards strength and lustre. Reports from the major car-producing countries where tests have been made are unanimous in emphasising the notable properties of the new product.

"Rayescent Safety Light"

A new light bulb which emits a soft green light and lasts 10,000 hours has been developed in the U.S.A. by the Westinghouse Electric Corporation. The "rayescent safety light," flat in shape, gives off practically no heat and will burn for a year at a cost of less than a penny. The bulb is not intended for reading, but rather for use in hallways, bathrooms and stairways. It will be put on the market next year.

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DIFFERENTIAL BONUSES BY THE L.I.C.

SOME SUGGESTIONS FOR SOLVING THE PROBLEM

By G. S. Diwan, M.A., F.I.A.

SECTION 42(2) (*k*) of the Life Insurance Corporation Act, 1956, provides that "the Corporation may, with the previous approval of the Central Government, by notification in the *Gazette of India*, make regulations... for the classification of policies, whether issued by the Corporation or any insurer whose controlled business has been transferred to or vested in the Corporation, for the purpose of declaring differential bonuses, wherever necessary." The results of the first acturial valuation of the Corporation are expected to be published soon, and a report based on official sources, published in a section of the Press, said that "the Corporation has conducted an exhaustive investigation into the profit-earning capacity of the various insurers and would shortly forward to the Government for its approval suggestions for classification of policies for the purpose of declaring differential bonuses." An attempt is made in the following article to discuss the various points that arise in a consideration of the question of differential bonuses for the L.I.C., mainly with a view to stimulating thought on the subject in interested quarters.

Reasons for Differential Bonuses: Major Reasons

As pointed out officially, "the profit-earning capacity of the funds brought into the Life Insurance Corporation of India by the policyholders of the different insurers would vary from fund to fund and equity demands that the profits contributed by each group of policyholders should be utilised for their benefit." On 1st September 1956, the day the Corporation began its activities, each insurer brought in a fund which was, in a majority of cases, in excess of the *net* value of the *contractual* liabilities, that is, sums assured together with the existing bonuses, but the rate of bonus that could be supported on the basis of this excess was not just the same for each insurer. The working of the various insurers before 19th January 1956, the date on which Government took over their business, differed from insurer to insurer first as regards each of the three elements of this working, namely, mortality of the lives insured, interest earned and expenses of management.

Broadly, it may be said that this difference was relatively the largest under the head of expenses and probably larger under the head of interest than under the head of mortality. The rate of bonus would be higher if either the rate of mortality experienced was lower or the rate of interest earned was higher or the level of expenses was lower, other things being equal in each case. Secondly, the rates of premium charged by the different insurers were also different. As a result of these various differences in the past working, the funds on 19th January 1956 of the various insurers were such as would produce bonuses at different rates even on the assumption that all these differences were to disappear entirely all of a sudden from 19th January 1956 onwards. In point of fact, these differences did disappear to a large extent after 19th January 1956, but there was one important exception. Though one and the same rate of premium applies to similar policies issued on or after 19th January 1956, yet the rates at which premiums are payable by the policyholders under similar policies issued before 19th January 1956 may differ not only between two insurers but also between two policies issued at different times by the same insurer.

In Life insurance, the premium payable under a policy is determined once for all at the outset and ordinarily continues to be payable throughout the duration of the policy, irrespective of any subsequent changes in the rates of premium for new policies. Thus, under similar policies in force today with the Corporation, but issued before 19th January 1956, premiums may be payable at variously different rates; and a layman expects that, under these conditions, the rate of bonus to be given to the policyholder paying the premium at the higher rate should exceed the same for the policyholder to whom the lesser rate applies. This principle of layman's equity is also theoretically correct, *ceteris paribus* (other things being equal). The difference in the rates at which premiums are currently payable under similar policies assigns a relatively different *net* value to the contractual liabilities of the different insurers on 19th January 1956; and, as has already been pointed out above, as a cumulative result of the differences in the past working, the funds of the various insurers on 19th January 1956 had a different profit-earning capacity even in the absence of any relative difference in the net value of their contractual liabilities on that date. Broadly speaking, it may, therefore, be said that the differences in the profit-earning capacity of the various insurers on 19th January 1956 are due to (*a*) the combined effect of the various differences in working prior to 19th January 1956, and (*b*) the difference in the rates of premium for similar policies current today but issued before 19th January 1956; and these are the major reasons for differential bonuses.

Minor Reasons

The different groups of current policies, issued by different insurers before nationalisation, are at present managed by what are known as "existing business units"; and the entire business of the Corporation, including even this existing business, can now be regarded as *broadly* conforming to the same pattern of experience, though premiums under similar old policies are even now payable at various rates. It may be useful to note in what respects this conformity is only broadly, but not strictly, present. For instance, the existing business of the different units will be still showing the same old divergence in its present and future mortality experience, inasmuch as this divergence is the result of varying standards of selection formerly adopted by insurers for accepting lives for insurance.

Again, in the past, different insurers may have followed different investment policies within permissible limits, some specialising in mortgages, some in house property and some in ordinary shares; and it would not always be possible or desirable to change investments suddenly so as to fit them into a common pattern. The relative differences in the investment portfolios of the different insurers on 19th January 1956 might, therefore, continue for some more time to affect the interest-earning capacity of the various funds brought into the common pool. Such variations in the current and probable future experience of the different units will, however, be almost entirely absent as regards expenses, except perhaps to the insignificant extent, if any, to which the Corporation may have been required to give personal pay to its employees as a result of their salaries under private enterprise.

It may also be pointed out that the existing business in the units is probably subject to the old policy conditions of the respective insurers or to the present policy conditions of the L.I.C., whichever are more favourable to the policyholder. This circumstance also affects, though again in a very minor way, the present profit-earning capacity of the different units. The above differences in the present and the probable future working of the units are not only inappreciable by themselves singly, but, even in the aggregate, they are very probably so. Theoreticians may argue that all such minor differences in the present and probable future experience should be allowed for in arriving at a scale of differential bonuses. There can be no objection to this, provided a sufficiently practical method of measuring, and allowing for, these minor differences is possible. If it is decided to allow for them, then the *net* value of the liabilities of the different units on 19th January 1956 will have to be estimated with due regard to them. It is important from the policyholder's point of view to know whether the Corporation is calculating this *net* value on the *same* actuarial basis for all units without allowing for these minor differences or whether different bases are in effect adopted for different units and if so how exactly they are correlated to the ascertained differences in the current and probable future experience of the units.

Differential Bonuses for the Same Unit

It may be noted that the Act allows differential bonuses not only for different units but also for policies issued at different times in the same unit. Indeed one of the major reasons, namely, difference in the rates at which premiums are currently payable under similar policies in the units, applies not merely as between similar policies issued by different units, but also, as has already been stated, to similar policies issued by the same insurer at different times. Probably the variation in the rates of premium for similar policies is *on an average* larger for current policies issued by the same insurer at different times than what it is for policies issued by different insurers at more or less the same time; and, if the latter variation is considered as sufficient to justify differential bonuses, it would be difficult to maintain, purely from the point of view of mathematical equity, that the former does not require differential bonuses. However, equity need not be considered only from the mathematical point of view. Expectations of a policyholder can legitimately be made to affect considerations of equity. For instance, if a policyholder has insured himself with an old-established company which has changed its rates of premium many times but which has consistently granted bonuses at the same uniform rate at any one time for similar policies subject to different rates of premium, then this policyholder can, in a sense, be held to have tacitly consented to uniform, as against differential, bonuses. It would, however, be difficult to make this tacit consent applicable to the position of all the units taken together after nationalisation, which event could not reasonably have been anticipated by a policyholder when he took the policy. There is, therefore, a case for differtial bonuses as between different units only, though uniform bonuses are given for the same unit. Where, however, the previous practice of an insurer was of differential bonuses, it might perhaps be necessary to continue it even now.

Differential Bonuses How Long

It is reported that when the subject of differential bonuses was discussed at a meeting of the Actuarial Society of India, a suggestion was made that "it may not be necessary, even in theory, to continue the differentiation in bonuses beyond the third or the fourth valuation of the Corporation." It is not clear why this should be so except on account of any special circumstances affecting equity as between different policyholders of any one unit. In any case it should be made clear beyond doubt whether the relationship between the bonus now declared for a particular unit and that for the Corporation is going to continue for the entire future duration of the existing policies in the unit or only for a fixed shorter period from now. Unless this is known, it will not be possible to assess the justifiability or otherwise of any differential bonus now declared. It is obvious that, if differential bonuses are to hold good for the entire future duration of a policy, and not merely for a fixed shorter period, the differential bonuses higher (lower) than the Corporation bonus will be lower (higher) than what they otherwise would be. Again, it is not unlikely that some policyholders would like to convert their existing policies into paid-up-policies once they know where they stand in the matter of differential bonuses, which they would be able to do only if the period for which the differential bonuses are to continue is made known to them.

Bonuses Prior to Nationalisation no Guide

Some people appear to be under the impression that differential bonuses will be based on the last declared bonuses of the different units prior to 19th January 1956. This, however, does not appear to be theoretically correct, for the *net* liability of different units on 19th January 1956 is now to be ascertained on a *common* valuation basis, except for any allowance that may be made for the minor variations pointed out above. Even with this allowance there will be nothing like the former differences in the various valuation bases, especially in respect of the provision for future expenses. It is not unlikely that, in the case of some of the weaker units, where a relatively higher provision for future expenses was formerly required, the common valuation basis now, even with the necessary adjustments, may involve lesser provision for future expenses and might, therefore, show a higher differential bonus than the last declared bonus for it. On the whole, the past bonus history of a unit does not appear to have any decisive relevance to the differential bonus now to be declared for it, except, perhaps, in indicating whether one or more differential bonuses should be declared for different sections of business in it.

Grouping for Differential Bonuses

Though the profit-earning capacity may be estimated separately for each unit, yet practical considerations might, perhaps, require grouping of units according to certain successive ranges of the measures of this capacity and then declaring the same differential bonus for each group so formed. Classification of policies may, therefore, probably have to be made only in broad groups, and it will thus not be strict equity that can be achieved but only broad equity. However, two important considerations arise in this respect, namely, the lengths of the successive group ranges of the measures of the profit-earning capacity and the unique values of this measure taken as representing the successive groups. These may at first sight appear to be academic details of no import in practical matters. However, they vitally affect equity which is the main question at issue. *Prima facie* it appears that the mean value of a range should be the unique value to represent it and the length of a range should be such that its end-points do not differ from this mean by more than a certain suitable predetermined number. Classification of the policies is for the purposes of ensuring equity and the reverse process of grouping, therefore, necessarily involves an element of inequity. The suitable predetermined number mentioned above has, therefore, to be selected at the outset on the basis of the degree of inequity one is prepared to tolerate, in order to get the practical advantages of grouping. There may be very good reasons for not following the above method, though it appears to conform most to the objective of equity. However, whatever method, if any, may be adopted in this respect, the reasons for it should be made known to the policyholders, so that they should be in a position to judge for themselves its appropriateness under the circumstances.

A Tentative Suggestion

The Central Government has already decided to make good the deficit in the case of those units whose funds on 19th January 1956 were less than the net value of their contractual liabilities on that date. Possibly no bonus can be declared in respect of these units now or in future; since it is the deficiency only in respect of the contractual liabilities that is made good by the Government and since bonus does not become part of the contractual liability, unless and until it is declared. In the case of an old policy which is thus entitled to no bonus now or in future, it is not unlikely that the policyholder may find it profitable to convert his policy into a paid-up policy and take a new with-profit policy for a suitable amount with the Corporation. This will enable him to run away from the "no bonus" group to the group entitled to the Corporation's bonus, and this may happen in the case of all groups getting a differential bonus less than the Corporation's bonus. Of course, not all the policyholders in these "lower bonus" groups will find it profitable to do so. However, to the extent to which such shifting takes place to the advantage of the policyholder concerned, it must ultimately mean that the "Corporation bonus" group and therefore probably all other groups will suffer a loss. The degree of this loss may, for aught we know, be very insignificant.

A suggestion is, however, being made here tentatively to the effect that the Central Government may, in addition to making good the above deficit, guarantee a differential bonus at a certain minimum rate for all participating policies. This minimum rate should be low enough so that the total cost to the Government of first making good the above deficit and, secondly, of guaranteeing the minimum rate of bonus should be well within the 5 per cent. portion of the surplus emerging from time to time, during, say, the 10 to 12 years after 19th January 1956, which may be roughly taken as the average duration of the existing business in the units. Under Section 28 of the Life Insurance Corporation Act, 1956, the Central Government has power to utilise a portion, up to a maximum of 5 per cent. of the emerging surplus for any purpose they think fit; and it is, therefore, suggested here that this portion may be utilised to help the weaker units to come up to a certain minimum standard.

Obviously, the minimum rate of bonus to be guaranteed will be less than the rate of the Corporation's bonus and will have to be fixed as a percentage of the latter. It should, however, as far as possible be high enough to make it unprofitable for any with-profit policyholder in a weaker unit to shift from his old policy in the unit to a new policy in the Corporation; and also high enough to compensate the policyholder for such portion of the loss in his bonus as may reasonably be attributed to faulty management in these units in the past. In a sense there is some justification for Government to intervene in this manner, with a view to wiping out the

(*Continued on page 893*)

INDIAN TRADE AND GENERAL INSURANCE COMPANY

SUBSTANTIAL EXPANSION IN BUSINESS

1957 was yet another year of substantial expansion in the business of the Indian Trade and General Insurance Company, Ltd. (General Manager: Mr. T. M. Telang). The total net premium income in all the three departments of the Company increased from Rs. 68.02 lakhs in 1956 to Rs. 79.35 lakhs in 1957, a rise of Rs. 11.33 lakhs or 16.7 per cent. This constitutes a significant record in the Company's history during the 14 years of its existence.

All the three departments shared the improvement in premium income but particular mention may be made of the miscellaneous department in which, as a result of the reorganisation undertaken by the Company, the premium income advanced by Rs. 7.65 lakhs, or 52.61 per cent., as compared with the previous years' Net premium in this department stood at Rs. 22.20 lakhs, as against only Rs. 14.55 lakhs in 1956. Premium in the fire department increased by 7.93 per cent. and in the marine department by 5.28 per cent. The fire business continued to account for a major portion of the business of the Company. Premium in the fire department was 44.14 per cent. of the total premium. The marine and miscellaneous departments accounted for 27.87 per cent. and 27.99 per cent. of the premium income.

An expanding concern that it is, the Company continues to incur expenses on the development of business in new territories, particularly in foreign countries. This has resulted in a small increase in management expenses, by reason of which the overall expense ratio now stands at 42.4 per cent., as against 41.4 per cent. in the previous year. Commenting on the rise in expenses, Lala Karam Chand Thapar, the Chairman of the Company, in a statement to the shareholders circulated along with the annual report and accounts, observes:

"Your Company continues to incur expenses on the development of new territories, particularly in foreign countries where we have hitherto been unrepresented. This also continues to impose upon the Company a financial strain but you have now seen in small measure the benefits which have been derived from such expenditure incurred in the past, and I may assure you, there is ample reason to look forward with optimism to the greater benefits that the Company will derive in time to come from the expenditure which is being incurred today. Meanwhile, the expenses that are being incurred on the development of our foreign business has resulted in a small increase in our management expenses, by reason of which the overall expense ratio now stands at 42.4 per cent. The progress that is being made in the foreign markets is satisfactory and as our operations in these countries continue to expand we can be sure of a steady increase in the volume of business as well as in the contribution we are making towards the foreign exchange earnings of our country."

As regards the claims ratio, while the position showed an improvement in the marine department it deteriorated in the fire and miscellaneous departments. While the ratio declined from 76.4 per cent. in 1956 to 69.6 per cent. in 1957 in the marine department, in the fire and miscellaneous departments it increased from 35.7 per cent. and 48.1 per cent. in 1956 to 43.8 per cent. and 50 per cent. respectively in the year under review.

The year's working has resulted in a net profit of Rs. 41,016. The dividend has been halved to Re. 1 per share, without deduction of tax, as against Rs. 2 per share paid in the previous year.

The following table gives the salient features of the working of the Company during the three years ended 31st December 1957:

(In lakhs of rupees)

	Year ended 31st December		
	1957	1956	1955
Fire:			
Net premium	35.03	32.46	28.87
Claims	15.83	11.57	12.94
Commission and expenses	16.50	14.80	13.03
Fire fund	17.23	16.23	14.44
Marine:			
Net premium	22.12	21.01	19.77
Claims	16.89	16.06	15.27
Commission and expenses	8.10	6.90	5.96
Marine fund	20.87	19.75	18.98
Miscellaneous:			
Net premium	22.20	14.55	9.96
Claims	11.10	6.99	5.19
Commission and expenses	8.69	6.23	4.56
Miscellaneous fund	11.10	7.27	4.99

As regards departmental results, net premium in the fire section aggregated Rs. 35.03 lakhs, as against Rs. 32.46 lakhs in 1956. Net claims paid and outstanding amounted to Rs. 15.33 lakhs. The loss ratio works out to 43.8 per cent. as against 35.7 per cent. in 1956. Commission and expenses of management and foreign taxes amounted to Rs. 16.85 lakhs, being 48.1 per cent. of premium, as against 46.3 per cent. in 1956. After earmarking Rs. 1,00,185 to the reserve for unexpired risk, which now stands at Rs. 17.23 lakhs or 50 per cent. of premium, the balance of Rs. 2.37 lakhs has been transferred to the profit and loss account.

Since marine insurance all over the world has in the past few years been going through increasingly difficult times on account of uneconomic rates of premium, the Company showed the greatest care in controlling expansion of business in its marine department. It has also been making a concerted effort to weed out unprofitable accounts. The rise in premium income in the marine department has therefore been only small, from Rs. 21.01 lakhs in 1956 to Rs. 22.12 lakhs in 1957. But it is noteworthy that there has been a welcome fall in the claims ratio from 76.4 per cent. in 1956 to 69.6 per cent. in the year under review. Efforts to improve the claims ratio are continuing but the fact remains that the rates of premium in the marine market is sufficient to cover only partial loss and a single total loss or large general adverse claim can affect the account adversely. Net claims paid and outstanding in the marine section amounted to Rs. 15.39 lakhs. Commission and expenses aggregated Rs. 8.10 lakhs, representing 36.6 per cent. of premiums, as against 32.8 per cent. in 1956. After strengthening the reserves for unexpired risks by Rs. 1.12 lakh, which now stands at Rs. 20.87 lakhs (94.35 per cent. of premium), the account shows a deficit of Rs. 1.89 lakh.

The volume of business in the miscellaneous department sharply increased, the net premium rising from Rs. 14.55 lakhs in 1956 to Rs. 22.20 lakhs in 1957. This has imposed a heavy burden on the resources of the Company, the amount required for strengthening the reserves for unexpired risks being as much as Rs. 3.83 lakhs. The underwriting deficit in this account is entirely due to this factor. In other respects, however, the account discloses a satisfactory position. Net claims paid and outstanding amounted to Rs. 11.10 lakhs. The claims ratio has gone up from 48.1 per cent. in 1956 to 50 per cent. in 1957. This was mainly due to the steady increase in the number of accidents on roads, in cost of repairs, etc. The Company, however, is making efforts to improve the claims ratio by means of more careful underwriting and eliminating undesirable accounts. Commission and expenses of management and foreign taxes amounted to Rs. 8.69 lakhs, 39.2 per cent. of premium, as against 42.8 per cent. in 1956. After strengthening the reserves for unexpired risks by Rs. 3.83 lakhs, which stands at Rs. 11.10 lakhs, a loss of Rs. 1.26 lakh has been transferred to the profit and loss account.

After providing for expenses not chargeable to other accounts a balance of Rs. 41,016 has been transferred to the profit and loss account. This, together with the net balance of Rs. 8,952 brought forward from the previous year and Rs. 15,000 provided in the previous year for taxation, gives in all Rs. 64,768. The dividend of Re. 1 per share absorbs Rs. 60,000, leaving Rs. 4,768 to be carried forward. The sound financial position of the Company is reflected in its capital and reserve position. Besides a capital of Rs. 24 lakhs, the Company has funds and reserves aggregating about Rs. 53 lakhs, comprising a fire fund of Rs. 17.23 lakhs, marine fund of Rs. 20.87 lakhs and miscellaneous fund of Rs. 11.10 lakhs, and a reserve for depreciation in investments of Rs. 2.26 lakhs, reserve for bad and doubtful debts of Rs. 1.15 lakh and income-tax reserve of Rs. 37,576.

U.K. PENSION PAYMENT TO INDIA

Britain has decided to make an advance payment of £10 million to India in respect of pensions. The payment represents an advance of instalments due in 1962 and 1963, and part of that due in 1964 under the Pensions (India, Pakistan, and Burma) Act of 1955. The £10 million is part of the sum of about £38.5 million which the U.K. Government offered to contribute as financial aid to India up to 31st March 1959, following the meeting in Washington arranged by the World Bank last August. The balance of £28.5 million will be in the form of a credit under Section 3 of the Export Guarantees Act, 1949. Discussions with the Government of India regarding the operation of this credit are in progress.

PROMOTING EXPORTS OF SPICES

SUGGESTIONS OF CONFERENCE ON CO-OPERATIVE MARKETING

FROM time immemorial, India is known abroad as an exporter of spices. Even now, spices constitute a group of important export commodities for India. In 1957, the value of exports of spices and cashew kernels amounted to as much as Rs. 24 crores. Thus, their contribution to India's export earnings is not inconsiderable. It must also be noted that spices earn the hardest of all foreign exchange, namely, the U.S. dollar. There has, however, been much concern in the country over the growing threat of foreign competition in India's export market for spices. Integrated efforts are, therefore, called for towards reducing the cost of production of spices so that India may be able to quote competitive prices in world markets. The Conference on Co-operative Marketing of Spices, Cashewnut and Arecanut, which met in Trivandrum on the 13th and 14th inst., under the presidentship of Dr. Punjabrao Deshmukh, Union Minister for Co-operation, devoted some attention to the problems of marketing of spices. It recommended the establishment of a Central Spices Board to act as a promotional and developmental body on behalf of the co-operatives. It also decided that inter-State and export trade in spices should be undertaken by the All-India Co-operative Marketing Federation in liaison with the State Trading Corporation. It is not clear as to why the Conference found it necessary to make this recommendation, as we shall show presently.

The representative of the State Bank, who attended the Conference, assured the co-operatives that the Bank would be favourably inclined to consider the needs for production and marketing finances in areas where central financing agencies have not got the necessary resources. The Managing Director of the State Trading Corporation stated that the Corporation would try to use the co-operatives to the maximun. extent possible in export trade, consistent with the capacity of co-operatives to discharge their obligations in regard to quality and prices.

Must be Competitive

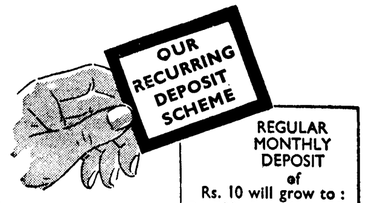
Dr. Deshmukh, in his presidential speech, stressed the need for co-operatives in expanding India's trade in spices with other countries. He held the view that producers' co-operatives, if organised properly, would be in a better position than private dealers to expand their foreign trade to the great advantage not only of producers but to the general economy of the country. India still had a monopoly in respect of most commodities. In order to increase India's exports to these markets, it was essential, he said, to control the quality and reduce the prices. Marketing was a part of the producing process and marketing costs formed a part of overall costs of production. He observed that the present production costs were high, owing to the existence of too many middlemen, which was a serious handicap to the development of trade with foreign markets. He felt that it would be advantageous, if farmers themselves, through their own associations, arranged for joint marketing of their produce in foreign countries without the intervention of middlemen.

Proceeding, Dr. Deshmukh referred to the important role of co-operative marketing societies. In the second Plan, provision was made for the establishment of 1,900 co-operative marketing societies to cover practically all important *mandis* in the country. The scheme was fast being implemented. The amount of loans advanced by the agricultural credit societies had gone up to Rs. 100 crores in 1957-58, as against Rs. 23 crores in 1950-51. This expansion of credit, however, had not brought about a corresponding improvement in the marketing side. The success of co-operative credit, according to him, would largely depend on the strength of its affiliated units and their capacity to ensure adequate volume of business to it. He urged the setting up of primary marketing societies in all assembling centres covering major producing areas. In this connection, he pointed out that the Central Government would always be prepared to help co-operatives in countering any unfair competition that they might face from vested interests. In order to secure maximum benefit to producers, he averred, co-operative societies would have to undertake, in due course, processing and direct exports of processed products.

A substantial part of the import business in arecanut, according to Dr. Deshmukh, could be entrusted to co-operatives handling arecanut. These co-operatives would be able to regulate selling prices of indigenous and imported products in such a way that, while producers stood to gain, the burden on consumers was not increased. To control prices and to ensure that producers in particular areas did not stand to lose by such regulation of prices, he said, the entire work connected with import and distribution might have to be centralised and entrusted to a single body.

Too Much for Co-operation

The successful functioning of co-operatives in the sphere of exports depends largely on the extent to which they can develop business relations in foreign countries. Hitherto, the entire export trade was handled by private individuals and shipping firms, who as Dr. Deshmukh said, have acquired long experience and established wide business contracts in world markets. It is not clear in what way a co-operative organisation can facilitate export trade. It is true that, in such an organisation, the profit margin would be somewhat less. But the expansion of export trade is not a mere problem in reducing profit margin. Exploration of market and maintenance of steady supplies require initiative and effort which a co-operative organisation, by its very nature, cannot supply. It must be remembered that each variety of spices, whether it is cardamom or pepper, or cashewnut, has its own individual problems. No co-operative organisation, even if it is strengthened by separate committees for different spices, can undertake successfully the marketing and export operations for all spices. Again, co-operative effort by itself cannot help reduce prices, an important factor in export trade. Any reduction in prices of spices, which would increase their competitive capacity abroad, could come only through increased production. This is an agricultural problem which depends for its solution on the supply of fertilisers and manure and adoption of improved agricultural practices. Finally, export trade can gain a fillip through exports of quality produce. Men in the entire marketing trade should become quality-conscious. From this point of view, Dr. Deshmukh did well to stress the need for framing standard grades and grade specifications under the Agricultural Produce (Grading) Act. Thus, increase in production of spices, improvement in their quality and institution of a grading system for spices, rather than any special assistance to co-operative organisations, should claim the immediate attention of the authorities.



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INDIA'S FOREIGN TRADE

India had a favourable balance of trade to the tune of Rs. 39 lakhs in September last, for the first time in any month since September 1955, according to the provisional official figures of foreign trade—by sea, air and land—on private and Government accounts. The consistent adverse balance of trade, recorded in the preceding months, turned into a favourable one, thanks mainly to increased exports, although imports too went up over the figure for the previous month. The value of total exports, including re-exports of merchandise, in September last, rose to Rs. 59.02 crores, the highest for any month of the current year, from Rs. 49.91 crores in the previous month. Of this, the value of re-exports actually fell by Rs. 46 lakhs to Rs. 68 lakhs. The value of imports of merchandise (exclusive of the value of certain consignments of Government stores awaiting adjustment) also increased from Rs. 55.92 crores to Rs. 58.60 crores, but was much less than the highest reached this year so far—Rs. 70.56 crores in March last. Imports of currency notes aggregated Rs. 3.70 crores. gold Rs. 3 lakhs and current coins (excluding gold coins) Rs. 1 lakh.

The following table shows the trend of trade, month by month, during the nine months ended September 1958, as compared with that in the corresponding period of 1957:

(Value: In crores of rupees)

	Imports	Exports (including re-exports)	Balance of trade
1957			
January	78.00	55.27	—22.73
February	70.60	54.44	—16.16
March	79.41	53.94	—25.47
April	89.40	47.85	—41.55
May	85.38	52.83	—32.55
June	86.23	48.34	—37.89
July	81.13	55.78	—25.35
August	80.98	60.25	—20.73
September	83.29	61.55	—21.74
1958			
January	66.05	54.77	—11.28
February	66.21	41.98	—24.28
March	70.56	46.68	—23.88
April	59.98	41.73	—18.25
May	63.29	44.71	—18.58
June	63.93	28.11	—35.82
July	66.79	54.31	—12.48
August	55.92	49.91	—6.01
*September	59.02	58.60	+0.42

* Provisional.

GLAXO'S NEW VITAMIN A VENTURE

Glaxo Laboratories are now manufacturing vitamin A palmitate in a separate factory at Worli, Bombay. In the initial stages, Glaxo vitamin A will be manufactured from imported chemicals, but, in time, it will be progressively manufactured from raw materials available in India. Vitamin A is a particularly suitable material for manufacture in India, as the basic raw material which is used by all foreign manufacturers is lemon-grass oil, large supplies of which are produced in this country. Glaxo will embark on a further stage in production from this starting raw material during 1959, and the process is expected to be complete by the end of 1960.

Vitamin A has not only valuable medicinal properties and is thus used extensively in pharmaceutical preparations, but is an important protective vitamin in foodstuffs. All *vanaspati* manufacturers add vitamin A to their product. The eventual completion of this project by Glaxo at the end of 1960 will not only save foreign exchange but may actually earn it also, by the export of an important intermediate called beta-ionone, which is produced from lemon-grass oil. Glaxo enterprise is thus making another important contribution to Indian economic advancement.

LEAD AND ZINC CONFERENCE

The United Nations Conference on Lead and Zinc, 1958, which was held at Geneva from 10th to 12th inst., with Sir Edwin McCarthy (Australia) as the Chairman, agreed unanimously that further inter-Governmental consideration of the problems affecting the two metals should be undertaken as a matter of urgency. The Conference was more or less a continuation of the exploratory meetings on lead and zinc held in London in September last. It may be recalled that certain suggestions were made at the London meeting regarding methods of dealing with both short-term and long-term problems of international trade in zinc and lead. As suggested at the meeting, the Secretary-General invited Governments to express their views on these problems. A Committee was also constituted to report to the Conference on the replies sent by the various Governments.

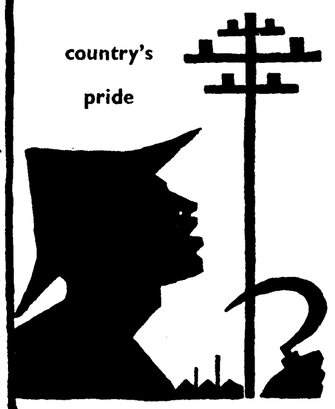
It is generally considered that, in the absence of any specific action, there might be surplus mine production in 1959 for both lead and zinc. With a view to taking steps to solve this problem of surplus, it was suggested that an inter-Governmental study-group should be established. While the majority of Governments were in favour of such a proposal, others did not agree to it. According to the latter group, the need for inter-Governmental consultation could be adequately met by the continuance of the Lead and Zinc Committee itself.

The general opinion of the Conference, however, was that the proposed study-group should be set up at an early date and that, pending the establishment of this body, the Lead and Zinc Committee should be continued to keep the position under review, to consider methods of dealing

(Continued on page 897)

He is the country's pride, the back-bone of our village—he is the Indian peasant.

He has observed in his village some over-head wires. He knows them as telephone, telegraph or electric wires, but knows no more. Surely, one day he will be more closely knit to the net-work of cables and wires and will learn all about these. Then, for millions like him, metals that go to make these cables and wires will have an increasing significance.



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KOTHARI GROUP OF PLANTATIONS

BLUE MOUNTAIN'S PROFIT HIGHER BUT WATERFALL'S LOWER

A DIVERGENT trend is again disclosed by two of the Kothari group of plantation companies, namely, the Blue Mountain Estates Ltd. and the Waterfall Estates Ltd., Madras, in their earnings for the year ended 30th June 1958. While the gross profit of Blue Mountain has sizably increased from Rs. 14.71 lakhs to Rs. 22.36 lakhs, that of the Waterfall Estates has declined from Rs. 23.76 lakhs to Rs. 15.67 lakhs. Both are composite estates, having large interests in tea and coffee. One great advantage in having composite estates to plantation companies is that, if the earnings from one commodity show some recession, the other may mitigate that setback.

The year in question was one in which the tea industry fared fairly well. There was an appreciable increase in the tea crop of both the companies. This is attributed to favourable weather conditions, intensive cultivation and heavier manuring. While this helped keep the cost of production per lb. down in both the Companies, the net price realised was lower than in the previous year, "owing to inactive market for medium quality teas." The trend of coffee output varied between the two estates. While the output of Blue Mountain exceeded the previous year's levels to create an all-time record, that of Waterfall sustained a substantial fall. It will thus be seen that, through higher production of tea, the latter Company was able to make up, at least to some extent, the unfavourable results from coffee.

The trend of the net profit in the case of both the Companies is in accordance with their gross profit. The net profit of Blue Mountain has increased to Rs. 14.94 lakhs from Rs. 6.23 lakhs but that of Waterfall has dropped to Rs. 8.76 lakhs from Rs. 10.74 lakhs. Blue Mountain has raised the provision for depreciation from Rs. 90,174 to Rs. 1.32 lakh but lowered that for taxation from Rs. 6.20 lakhs to Rs. 4 lakhs. Likewise, the Waterfall Estates has provided Rs. 93,991 for depreciation, as against Rs. 72,453 and Rs. 4.50 lakhs for taxation, as against Rs. 10 lakhs. The rise in profit has enabled Blue Mountain to transfer a sum of Rs. 6 lakhs to general reserve and another Rs. 47,000 to development rebate reserve, as against nothing made in the previous two years. Waterfall, however, has had to reduce the allocation from Rs. 6.75 lakhs to Rs. 4.27 lakhs. The reduced provision consists of Rs. 3 lakhs to general reserve, Rs. 1 lakh to dividend equalisation reserve and Rs. 27,000 to development rebate reserve. Both the Companies have proposed to maintain the dividend at the rate of 12½ per cent. per annum, to which level it was lowered last year from 15 per cent. paid in 1955-56.

The detailed comparative table published at the foot of this page will enable the reader to have a clear idea of the progress made by the two Companies during the past three years:

The tea crop in both the estates increased. The increase was from 1.06 million lbs. to 1.61 million lbs. in the case of Blue Mountain and from 960,059 lbs. to 1.2 million lbs. in the case of Waterfall. The cost of production per lb. worked out to Re. 1.62 for Blue Mountain and Re. 1.41 for Waterfall, a fall from Re. 1.86 and Re. 1.51 respectively in 1956-57. But, at the same time, the net price realised by the former declined from Rs 2.13 to Re. 1.93 and that by the latter from Re. 1.96 to Re. 1.64.

The coffee crop of Blue Mountain increased from 13,918 cwts. to 14,301 cwts. But the output of Waterfall fell sharply from 16,167 cwts. to 8,083 cwts. The cost of production per cwt. increased for both the Companies, with the average price realised per cwt. descending to further low levels.

Estimates for 1958-59 are as follows:

Blue Mountain Estate: Tea 1.28 million lbs. at an estimated all-in-cost of Re. 1.57 per lb. and coffee 11,480 cwts. at a cost of Rs. 143 per cwt. Of the estimated coffee crop, Santawerry estate is expected to contribute 8,000 cwts. and Santagherry estate 2,800 cwts. It is stated that these two estates have proved very useful assets, as they are high yielding with bright prospects of increasing yields.

Waterfall Estate: Tea 1.22 million lbs. at an estimated all-in-cost of Re. 1.34 per lb. and coffee 12,500 cwts. at approximately Rs. 120 per cwt. Out of this, Coovercolly estate is expected to yield 10,600 cwts. and Kesinvurthy estate 1,400 cwts.

On the factory side, the Glendale tea factory of Blue Mountain has been extended by six bays at a cost of Rs. 75,278. One 4 ft. "Sirocco" drier, two rollers, one green leaf sifter and one made tea sorter have been added to the Glendale factory along with the oil firing unit. An oil firing unit has been installed in the Guernsey tea factory also. The tea factory building of Waterfall Estates has been extended by seven bays and improvements in artifical withering have also been effected. One new six-foot drier has been installed during the year. Two rollers were also installed in the factory during the year. Out of the existing new clearings, 32 have come into partial bearing. Permit for the extension of 75 acres was received, out of which work on 25 acres clearing is in progress.

The Rs. 2 fully paid-up shares of both Blue Mountain and Waterfall are quoted at Rs. 3.72 *cum-div.* On an *ex-div.* basis and on the basis of the dividend for the year, the yield on them works out to 7.2 per cent. per annum.

The financial position of the two Companies is indicated in the following synopses of their latest balance-sheets:

(As at 30th June 1958)

	Blue Mountain	Waterfall
	Rs.	Rs.
Capital	52,50,000	36,50,000
Reserves and surplus	24,26,391	29,88,792
Provision for taxation	8,32,035	13,49,646
Current liabilities	13,00,080	8,83,838
	98,08,506	88,71,276
Gross block	73,46,387	57,57,727
Less—Depreciation	10,86,294	6,68,688
Net block	62,60,183	50,89,089
Stock-on-hand	4,36,364	2,53,416
Stores	1,44,013	3,54,718
Livestock		14,200
Debts, deposits and advances	17,42,934	12,05,317
Investments	12,773	26,060
Cash	12,11,239	10,27,961
	Rs. 98,08,506	88,71,276

WESTERN INDIA PLYWOODS

The accounts of the Western India Plywoods Ltd. (Managing Director: Mr. A. K. Kaderkutty, Baliapatam, Cannanore Dist., Kerala State), for the year ended 31st March 1958 show that the Company's working during the year was quite satisfactory. Both production and sales registered good progress over the previous years, resulting in a further steady increase in its profit. The gross profit at Rs. 15.70 lakhs has advanced by Rs. 3.27 lakhs from Rs. 12.43 lakhs for the previous year. It is also more than twice that (at Rs. 7.06 lakhs) for 1955-56. The net profit at Rs. 6.29 lakhs also stands higher, as compared with Rs. 4.36 lakhs for 1956-57 and Rs. 3.02 lakhs for 1955-56.

While the provision for depreciation has been slightly lowered from Rs. 2.65 lakhs to Rs. 2.41 lakhs, that for taxation has been raised from Rs. 5.42 lakhs to Rs. 7 lakhs. Out of the net profit, the Directors have transferred Rs. 3.78 lakhs to the reserves, as against Rs. 3.04 lakhs a year ago. A breakdown of the year's provisions shows that dividend equalisation reserve gets Rs. 65,000, reserve for repayment of loan from the Industrial Finance Corporation of India Rs. 2 lakhs, reserve for rehabilitation Rs. 50,000 and development rebate Rs. 62,639. The allocations in the previous year were: general reserve Rs. 25,000, gratuity reserve Rs. 30,000, dividend equalisation reserve Rs. 30,000, reserve for repayment of loan from the I.F.C. Rs. 2 lakhs and development rebate Rs. 18,590. The Directors have declared a dividend of 10 per cent. on ordinary shares which is the same as that paid for 1956-57 and 1955-56. The dividend on the ordinary shares absorbs Rs. 2.26 lakhs and on the 6 per cent. cumulative preference shares Rs. 24,149, leaving a sum of Rs. 20,286 to be carried forward, as against Rs. 18,706 brought in.

As stated earlier, the Company's sale proceeds of finished goods and raw materials showed good progress over the previous years. Thus, from Rs. 33.38 lakhs in 1955-56, they rose to Rs. 37.24 lakhs in 1956-57 and further to Rs. 56.64 lakhs in 1957-58. The Directors say that the policy followed by them in adding the latest types of machinery from year to year has been fully justified as they have not only been able to improve production but also to maintain a high standard of quality of all their products. The construction of buildings for the hardboard factory is fast progressing and shipments of machinery are expected to start shortly. Most of the formalities of foreign exchange requirements in this connection are now over and the delivery of the plant is expected to be completed in the next few months.

The Company has a paid-up capital of Rs. 33.17 lakhs, of which Rs. 27 lakhs are accounted for by ordinary shares of Rs. 100 each and the balance by 6 per cent. tax-free cumulative preference shares of Rs. 100 each. The reserves and surplus aggregate Rs. 11.02 lakhs. The current liabilities amount to Rs. 15.16 lakhs. The gross block of Rs. 32.27 lakhs stands written down at Rs. 10.10 lakhs. Miscellaneous expenditure and losses amount to Rs. 80,155. The current assets aggregate Rs. 48.46 lakhs.

The Rs. 100 fully paid-up ordinary shares are currently quoted at Rs. 135 *ex-div.* at which rate and on the basis of the dividend for the year, the yield is 7.4 per cent. per annum.

OTIS ELEVATOR COMPANY

A new Bombay elevator plant, in which a New York company is investing, will contribute substantially to the elevator manufacturing capacity of India and thus reduce the country's imports. The U.S. firm—the Otis Elevator Company of New York—has purchased a guaranty of convertibility of up to $460,000 from the International Co-operation Administration in connection with boosting its investment in the Otis Elevator Company Private Limited. The Otis Elevator Company of New York has long been associated with the Indian firm in the installation and maintenance of elevators and escalators throughout India.

The Indian firm has recently issued new capital stock for the purpose of establishing manufacturing capacity in a plant in Bombay and the New York firm now is purchasing with dollars an additional block in new stock. The I.C.A. guaranty covers the convertibility of its investment back into U.S. dollars in the event of its sales for Indian rupees and also assures the convertibility of long-term rupee earnings on the investment.

It is the intent of the American investor to supply the Bombay plant with the latest production techniques applicable to its industry.

The convertibility guaranty is in line with an investment guaranty agreement signed several months ago by the Indian and U.S. Governments. This agreement permits the International Co-operation Administration, under congressional authority, to sell investment guarantees for convertibility of local currency receipts to American private business wishing to invest in India.

(In lakhs of rupees)

	BLUE MOUNTAIN			WATERFALL		
	For the year ended 30th June					
	1958	1957	1956	1958	1957	1956
Proceeds of tea crop	35·77	24·58	27·99	23·96	22·68	24·49
,, ,, coffee crop	34·53	25·80	19·09	24·20	28·35	11·87
,, ,, cardamoms	—	—	—	—	0·02	0·02
Other income	0·41	0·80	0·99	0·41	0·28	0·77
Estate and other expenditure	46·18	34·86	28·37	30·82	24·89	20·95
Gross profit	22·36	14·71	15·65	15·67	23·76	13·33
Managing Agents' commission	2·10	1·38	1·47	1·47	2·30	1·23
Provision for—						
Depreciation	1·32	0·90	0·78	0·94	0·72	0·68
Taxation	4·00	6·20	4·40	4·50	10·00	4·70
Net profit	14·94	6·23	9·00	8·76	10·74	6·72
C. M. Kothari Trust Donation	—	—	2·00	—	—	2·00
Amounts written off	—	0·26	—	—	—	—
To reserves	6·47	—	—	4·27	6·75	—
,, dividend—						
6% cumulative preference	—	—	—	0·30	0·30	0·30
Ordinary	6·56 (12½%)	6·56* (12½%)	5·62 (15%)	3·94 (12½%)	3·94† (12½%)	3·15 (15%)
Carry forward	2·79	0·89	1·48	1·34	1·09	1·34
Tea crop (in lbs.)	1,615,095	1,062,072	1,079,741	1,200,000	960,059	1,125,100
Cost of tea per lb. Re.	1·62	1·86	1·57	1·41	1·51	1·27
Net price realised per lb. Rs.	1·93	2·13	2·01	1·64	1·96	1·90
Yield per acre (in lbs.)	1,020	862	956	1,280	987	1,156
Coffee crop (cwts.)	14,301	13,918	11,102	8,083	16,167	7,010
Cost per cwt. Re.	127	113	112	149	75	112
Price realised per cwt. Rs.	162	219·9	229·8	162·70	218	228·20

* On the increased capital of Rs. 52·50 lakhs. † On the increased capital of Rs. 31·50 lakhs.

CENTRAL INDIA COALFIELDS

PROGRESS MAINTAINED

THE results of Central India Coalfields Ltd. (Managing Agents: Hindusthan Investment Corporation Ltd., Calcutta) for the year ended 31st March 1958 are encouraging. Both production and turnover made rapid strides over those for the preceding year. As a natural corollary, the Company's profit also showed a further rise. The gross profit at Rs. 10.24 lakhs has advanced by Rs. 1.90 lakhs from Rs. 8.34 lakhs for the previous year, to which level it had increased from Rs. 7.32 lakhs for 1955-56 and Rs. 2.76 lakhs for 1954-55. It will be seen from these figures that the Company's progress in recent years has been quite steady. Indeed, in the context of unremunerative prices fixed by the Government of India for coal, against mounting costs of production, this performance of the Company is remarkable.

The net profit, at Rs. 3.34 lakhs, also stands higher, as compared with Rs. 2.48 lakhs for 1956-57. This has been arrived at after providing Rs. 4.80 lakhs for depreciation, as against Rs. 5 lakhs in the preceding year and Rs. 1.35 lakh for taxation (including Rs. 25,000 for wealth tax), as against Rs. 22,500 for wealth tax alone in the previous year. The Directors have created a new development reserve, with an initial contribution of Rs. 82,210 out of the year's profit, representing 75 per cent. of the estimated amount of development rebate in respect of additions to plant and machinery during the period from 1st January to 31st March 1958 in accordance with the provisions contained in the 1958 Finance Act. The dividend to shareholders is proposed to be maintained at 5 per cent. for the third year in succession, to which level it had been stepped up from 2½ per cent. for 1954-55.

The following comparative table provides a synoptical view of the Company's progress during the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds	57.28	26.45	22.73	17.19
Other income	0.28	17.95	2.55	0.22
Closing stock	1.90	1.16	1.56	1.86
Raising and establishment expenses	48.06	35.66	17.66	14.73
Gross profit	10.24	8.34	7.32	2.76
Managing Agents' remuneration	0.75	0.64	0.89	0.18
Provision for—depreciation	4.80	5.00	3.97	1.25
,, Taxation	1.35	0.22*	—	—
Net profit	3.34	2.48	2.46	1.33
Transfer of reserves	0.82	—	—	—
Dividend	2.50 (5%)	2.50 (5%)	2.50 (5%)	1.25 (2½%)
Carry forward	0.11	0.08	0.10	0.14

* Provision for wealth tax.

The Company's sale proceeds during the year under review at Rs. 57.28 lakhs is more than double that (Rs. 26.45 lakhs) in 1956-57. It is, again, more than thrice that (Rs. 17.19 lakhs) in 1954-55. This improvement in sales proceeds has, however, been neutralised to a great extent by the sharp increase in raising and establishment expenses from Rs. 35.66 lakhs in 1956-57 to Rs. 48.06 lakhs. The total raisings during the year increased from 156,342 tons in 1956-57 to 310,054 tons and despatches from 155,456 tons to 297,201 tons.

The Directors' report draws attention to the inordinate delay on the part of the Coal Price Revision Committee in submitting its findings. This Committee was appointed by the Government to suggest changes in coal prices to cover the enhanced cost of production. It was expected to submit its report within two months after its appointment in May 1957. But 18 months have passed and yet there are no signs of the Committee coming to any conclusion. The Directors observe that there is necessity for an immediate price increase to meet the increasing cost of almost all the items involved in the production of coal. They state that the Government's policy, in framing and executing its price control, has always been based on the direct wages cost only, ignoring the effects of all other important cost factors, thereby leaving the industry always in an unbalanced position.

According to the Company's balance-sheet as at 31st March 1958, its paid-up capital is unchanged at Rs. 49.98 lakhs, all in ordinary shares of Rs. 10 each. It has practically no reserves as the little that it has being only Rs. 92,979, of which Rs. 82,210 represent the amount transferred to development reserve out of the year's profit, the balance being the surplus carried from the profit and loss account. The gross block of Rs. 55.20 lakhs has been written down to Rs. 37.60 lakhs. Additions during the year were of the order of Rs. 8.86 lakhs. The current assets aggregate Rs. 27.51 lakhs, against which there are current liabilities amounting to Rs. 14.21 lakhs.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 7.94 *ex-div.*, at which rate the shares provide a yield of 6.3 per cent. per annum. The Company belongs to the Birla group. It was registered in 1944 and owns collieries in Madhya Pradesh, Bihar and Orissa. It started paying dividend at the modest rate of 2½ per cent. from 1953-54.

Points From The Chair

New Indian Projects

"OUR affairs in India continue to progress, to the satisfaction of ourselves and our Indian partners, Messrs. Murugappa and Sons. The works of Tube Products of India Ltd., opened last year, got well into their stride in producing electric resistance welded steel tubes of good quality, and are already operating to capacity. I visited the factory in February, and was impressed by the high standard of work and methods attained so quickly. In consultation with our Indian colleagues, we decided to install, as soon as possible, a second E.R.W. tube mill, to double present capacity, also, a mill for cold rolling strip for which there is a growing need as India's industrialisation gains pace. Extensions are also in hand at the works of T.I. Cycles of India Limited which when completed will double its capacity. A substantial degree of self-sufficiency is desirable in the production of bicycles, especially in countries where foreign exchange difficulties restrict imports. We are, accordingly, planning for the production in India of cycle saddles, chains and lamps. The extensions and new projects will cost nearly £2,000,000, of which some £1,400,000 will be needed in foreign currency for payment of imported equipment. In addition to taking up our agreed proportion of the additional equity capital to be issued, we have agreed to provide the balance of sterling necessary by way of a loan to the Indian company, until such time as India's foreign exchange position permits repayment."

SIR IVAN A. R. STEDEFORD,
Tube Investments Ltd., Birmingham.

Rise in Manufacturing Costs

"The continuous rise in manufacturing costs not only in our industry but in almost every industry in the country, is a symptom of a disturbing ailment which, if unchecked, may grievously hamper the further rapid development of the country's economy which forms the principal aim of our Five-year Plans. Apart from the increased cost of imported materials and machinery, one of the main causes of rising costs in India can be traced to a continuous increase in labour costs unaccompanied by a corresponding rise in labour productivity. Considering the low level of wages in the past, an increase in the earnings of workers is both welcome and essential to India's transformation into a modern industrial nation. Unless, however, such higher earnings are accompanied by increased labour productivity, the cost of materials and products made in our country will continue to rise until they are beyond the reach of the mass of consumers, and become totally uncompetitive in export markets. No industry can afford both high wages and an excessive labour force, particularly where expensive mechanical equipment has been installed. We have already begun to suffer in our country from an inadequate appreciation of this fundamental point. Until recent years India was a low-cost producer. It is now a high-cost producer or well on the way to becoming one, and the arrested growth in the consumption of such essential indigenous products as cloth, or soap, on the one hand, and our increasing inability to compete in foreign markets on the other, are both warning signals, which we can ignore only at our peril."

J. R. D. TATA,
Tata Chemicals Ltd.

Sugarcane Prices

"At the conclusion of the last season the growers agitated for an increased price for cane. All sight seems to have been lost of the fact that cane is a commodity which is offered for sale to a factory at a price that is either negotiated or fixed by the Government before the season commences, and there can be no justification for pressure to coerce the buyer to pay more after he has consumed and paid for the cane. In the case of this factory our offer to the growers was made on the 27th September 1957 after the tripartite conference held on the 20th of that month. Consequently, the conditions of sale governing the cane tendered were known to the growers. Even if this principle did not exist, it would surely be unreasonable to ask it of the shareholders of this Company who, by reason of the paucity in the supply of cane coupled with the very low recovery that was possible by reason of the quality of the cane, enjoyed no ordinary dividend from 1948 to 1954 and who over the past 10 years have in fact only received a total of 37½ per cent. by way of dividend—an average of less than 4 per cent. per annum."

G. N. NOEL-TOD,
Travancore Sugars and Chemicals Ltd.

COMPANY MEETINGS AND DIVIDENDS

INDIAN DYESTUFF INDUSTRIES LTD. Annual General Meeting, Bombay, 1st December 1958. Transfer books remain closed from 28th November to 12th December 1958, both days inclusive.

BLUE MOUNTAIN ESTATES LTD. Annual General Meeting, Madras, 5th December 1958. Dividend: 12½ per cent. or Re. 0.25 per share, free of tax, payable on 6th December 1958. Transfer books remain closed from 21st November to 5th December 1958, both days inclusive.

WATERFALL ESTATES LTD. Annual General Meeting, Madras, 5th December 1958. Dividend: 12½ per cent. or Re. 0.25 per share, free of tax, payable on 6th December 1958. Transfer books remain closed from 21st November to 5th December 1958, both days inclusive.

INDIAN MALLEABLE CASTINGS LTD. Annual General Meeting, Calcutta, 8th December 1958. Transfer books will remain closed from 1st to 8th December 1958, both days inclusive.

CENTRAL INDIA COAL FIELDS LTD. Annual General Meeting, Calcutta, 11th December 1958. Dividend: Re. 0.50 per share. Transfer books remain closed from 20th November to 11th December 1958, both days inclusive.

ANDERSON WRIGHT LTD. Annual General Meeting, Calcutta, 12th December 1958. Transfer books will remain closed from 1st to 12th December 1958, both days inclusive.

PARKSIDE (NEILGHERRY HILLS) ESTATES CO., LTD. Annual General Meeting, Belmont, Coonoor, Nilgiris, 13th December 1958. Final dividend of 17 per cent. or Re. 1.70 per share (making a total of 25 per cent. or Rs. 2.50 per share, for the year) for the year ended 30th June 1958. Transfer books will remain closed from 1st to 13th December 1958, both days inclusive.

VELLORE ELECTRIC CORPORATION LTD. Annual General Meeting, Madras, 15th December 1958. Dividend: 5 per cent. or Re. 0.50 per share (final), payable on or after 22nd December 1958. Transfer books will remain closed from 5th to 15th December 1958, both days inclusive.

WEST COAST ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Madras 15th December 1958. Dividend: 10 per cent. or Re. 1.00 per share. Transfer books will remain closed from 1st to 15th December 1958, both days inclusive.

NEW MANBHOOM COAL CO., LTD. Annual General Meeting, Calcutta, 16th December 1958. Transfer books will remain closed from 8th to 16th December 1958, both days inclusive.

MANAVARRIE TEA CO., LTD. Annual General Meeting, Calcutta, 17th December 1958. Transfer books will remain closed from 10th to 17th December 1958, both days inclusive.

BELAPUR CO., LTD. Annual General Meeting, Bombay, 17th December 1958. Dividend: Rs. 20.00 per share (includes bonus of Rs. 2.00 per share), for the year ended 30th September 1958. Transfer books remain closed from 18th November to 17th December 1958, both days inclusive.

MIDLAND RUBBER AND PRODUCE CO., LTD. (AND REDUCED). Annual General Meeting, Alleppey, Kerala State, 17th December 1958. Dividend: 10 per cent. or Re. 1.00 per share (including the bonus issue). Transfer books will remain closed from 4th to 17th December 1958, both days inclusive.

TITAGHUR PAPER MILLS CO., LTD. Annual General Meeting, Calcutta, 19th December 1958. Final dividend of Re. 1.25 per share (includes bonus of Re. 0.37 per share), on 'A' and 'B' ordinary shares, payable on or after 3rd January 1959. Transfer books remain closed from 28th November to 19th December 1958, both days inclusive.

DILARAM TEA CO., LTD. Annual General Meeting, Calcutta, 20th December 1958. Transfer books will remain closed from 12th to 20th December 1958, both days inclusive.

INDIAN STEEL AND WIRE PRODUCTS LTD. Annual General Meeting, Calcutta, 22nd December 1958. Transfer books will remain closed from 2nd to 22nd December 1958, both days inclusive.

INDIAN CABLE CO., LTD. Annual General Meeting, Calcutta, 22nd December 1958. Dividend: Re. 1.50 per share (includes a cash bonus of Re. 0.25 per share). Transfer books will remain closed from 8th to 22nd December 1958, both days inclusive.

INDIA STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 22nd December 1958. Transfer books will remain closed from 1st to 22nd December 1958, both days inclusive.

INDIA JUTE CO., LTD. Interim dividend of 62 nP per ordinary share, for the year ending 31st March 1959. Transfer books will remain closed from 1st to 15th December 1958, both days inclusive.

MEGNA JUTE MILLS CO., LTD. Interim dividend of 50 nP per ordinary share, for the year ending 31st March 1959. Transfer books will remain closed from 1st to 15th December 1958, both days inclusive.

PHILIPS INDIA LTD. Additional dividend of 1.4 per cent. free of income-tax, for the year ended 31st December 1957. Transfer books will remain closed from 1st to 13th December 1958, both days inclusive.

MYSORE TOBACCO CO., LTD. Dividend of 12½ per cent. or Re. 1.25 per share, for the year ended 31st March 1958. Transfer books will remain closed from 5th to 17th December 1958, both days inclusive.

DECCAN SUGAR AND ABKHARI CO., LTD. Final dividend of 13 per cent. or Re. 0.65 per share (includes a special dividend of 3 per cent. or Re. 0.15 per share), for the year ended 31st May 1958. Transfer books will remain closed from 2nd to 16th December 1958, both days inclusive.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD. Ad-interim dividend of 4½ per cent. on ordinary shares, for the year 1958-59. Transfer books remain closed from 22nd November to 6th December 1958, both days inclusive.

MIDLAND RUBBER'S PROFIT DECLINES

AMALGAMATED ELECTRIC STEPS UP DIVIDEND

Midland Rubber and Produce Co., Ltd., (and Reduced)

THE directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey) submit the audited accounts of the Company for the year ended 31st March 1958.

Crops: Against an estimate of 13,00,000 (11,80,000) pounds of tea, the crop obtained for the year 1957-58 was 16,71,400 (14,43,900) pounds of tea. The rubber crop amounted to 10,44,367 (10,92.140) pounds against an estimate of 10,35,000 (10,70,000) pounds. The above rubber crop was obtained from the Company's three estates, viz., Mukampala; Perinaad and Sittar.

Tea: It is satisfactory to report that the tea crop on Arnakal continues to be good. The average yield for the year works out at 1,482 lbs. per acre which compares very favourably with the district average. The cost of production ex-estate was Rs. 1.28 as against Re. 1.25 for the previous year. The average sale price realised during the year amounted to Re. 1.70 per lb. as against Rs. 2.08 per lb. in the previous year.

Rubber: The rubber crop secured amounted to 10,44,367 lbs. as against 10,35,000 lbs. estimated and 10,92.140 lbs. harvested last year. The decrease compared with last year's figure was due to the replanting programme on Perinaad and Sittar, resulting in a reduction in the tapping area. The cost of production for the year was 86 nP per lb. against an estimate of 84 nP per lb. (and 76 nP per lb. for the previous year). The average sale price realised during the year was Re. 1.53 per lb. as against Re. 1.52 per lb. in the previous year.

The net profit for the year after allowing for the usual depreciation and outgoings amounted to Rs. 9,18.532 (Rs. 15,84,836). Out of this, a sum of Rs. 5.28,000 (Rs. 9,00.000) has been provided for income-tax, and Rs. 39.282 (*nil*) to reserve for development rebate. With the amount brought forward from the previous year of Rs. 1,48,976 (Rs. 6.97,340), and Rs. 10,505 (*nil*) transferred from bad debts reserve being excess provision, makes a total of Rs. 5,10,731 (Rs. 7,92,176 after providing Rs. 50,000 to staff gratuity and pension fund and paying a dividend of 20 per cent. for the year 1955-56 absorbing Rs. 5,40,000) available for distribution. Out of this sum, the preference dividend for the year amounted to Rs. 1,03,200 (Rs. 1.03.200 and the balance is recommended for distribution as under:—

To payment of a dividend 10 (20) per cent. dividend for the year 1957-58 on equity shares of the value of Rs. 40,50,000 (Rs. 27,00,000), including the bonus issue Rs. 4,05,000 (Rs. 5,40,000) and to carry forward to next year Rs. 2,531 (Rs. 1,48,976).

Estimates for 1958-59 have been framed for a tea crop of 14,00,000 pounds at Re. 1.22 per pound and a rubber crop of 9,65,000 pounds at 90 nP per pound.

In accordance with the resolutions of the extraordinary general meeting on 30th May 1958, bonus shares have been issued and allotted to equity shareholders on the basis of their holdings as on 15th July 1958.

There has been a steep fall in the price of tea in auctions which accounts for the poor lower average price realised. The heavy expenditure and the continually increasing cost of wages and amenities to labour and staff on the estates have been responsible for the rise in cost of production in spite of the substantial additional crop.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	44,20,000	Gross block ...	86,11,082
Reserves ...	29,09,139	*Less*—Depreciation ...	10,30,522
Provision for taxation ...	8,03,043		
Liabilities ...	12,65,681	Net block ...	75,80,560
Profit and loss account ...	2,531	Stock-in-trade	6,44.945
		Stores, etc. ...	3,20,716
		Estate nurseries ...	1,64,796
		Debts, deposits and advances ...	2,50,076
		Investments	2,90,732
		Cash ...	1,48,569
Rs.	94,00,394	Rs.	94,00,394

Amalgamated Electricity Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. N. C. Javeri & Co., Bombay) submit the audited accounts of the Company for the year ended 31st March 1958.

The gross profit for the year amounts to Rs. 17.59.278 (Rs. 16,47,370). After appropriating Rs. 6.55,767 (Rs. 6,11,844) to depreciation, Rs. 18,346 (Rs. 10.920) to arrears of depreciation, Rs. 59.513 (Rs. 60.677) to contingencies reserve, Rs. 1,25,500 (Rs. 56.000) to staff retiring gratuity fund, Rs. 40,398 (*nil*) to development reserve, Rs. 61,716 (*nil*) to wealth tax and after writing off Rs. 19,963 (Rs. 19,963), Rs. 14.750 (Rs. 14,750), Rs. 9,523 (Rs. 6,266) from purchase consideration, electric license expenses, preliminary and amalgamation expenses respectively and loss of Rs. 12.223 (*nil*) on sale of investments and with the addition of Rs. 15.48.223 (Rs. 15,13,265) brought over from the last account and of Rs. 83,479 (Rs. 9.087) from tariffs and dividends control reserve there is a balance of Rs. 23,76.971 (Rs. 23.62.618). From this has to be deducted *ad interim* dividend, free of income-tax, of Rs. 2.75 nP per share on 5½ per cent. preference shares, Rs. 2.50 nP per share on 5 per cent. preference shares and 43 (37.5) nP per share on ordinary shares which together absorbed Rs. 4,28,948 (Rs. 3,89,072). The balance now available amounts to Rs. 19,48,023 (Rs. 19,73,546) which the directors recommend to appropriate as follows:—

To payment of a final dividend, free of income-tax for the second half year ended 31st March 1958:—At the rate of Rs. 2.75 nP per share on 24,150 preference shares (making 5½ per cent. for the year) Rs. 66.412 (Rs. 66,413), at the rate of Rs. 2.50 nP per share on 20,314 preference shares (making 5 per cent. for the year) Rs. 50.785 (Rs. 50,785) and at the rate of 42 (42.5) nP per share on 7,25,000 ordinary shares [making 8.5 (8) per cent. for the year] Rs. 3.04,500 (Rs. 3,08,125) leaving a balance to be carried forward of Rs. 15,26,326 (Rs. 15,48,223).

The following table indicates the development of the sale of energy since April 1955:

Year	Units generated	Total load in K W	Consumers
1955-56	3,32,15,557	24,123	51,006
1956-57	4,04,80,991	26,862	55,772
1957-58	4,35,88,561	28,576	62,455

The high rise in the cost of generation due to rise in the diesel oil rate and in the cost of purchase of energy has raised the expenditure by 5½ lakhs and there is a further rise of about 2½ lakhs in expenditure under various other heads, viz., depreciation, interest, provident fund, gratuity, etc., but with the rise of about 8 lakhs in the income, the Company has been able to meet the said rise in expenditure. The Company has made some reduction in prompt payment rebate at Jalgoan, Malegaon and Bhusawal branches.

As the clear profit fell short of the reasonable return allowed by the Electricity (Supply) Act, 1948, in respect of some branches, a total sum of Rs. 85,642 has been drawn from tariffs and dividends control reserve as permitted by the Act. In respect of some branches, provision of Rs. 40,398 has been made for development reserve. The writ petition filed in the Rajasthan High Court under Article 226 of the Constitution of India challenging the validity of the notice from the President of India to acquire Ajmer Undertaking with effect from the midnight of 18/19 January 1958, the date of exercising the option to purchase, was decided against the Company. The Company has since filed an appeal in the Supreme Court of India. which is pending hearing.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,16,96,400	Gross block	1,98,94,397
Reserves ...	14,67,106	*Less*—Depreciation ...	45,21,447
Provision for taxation ...	41,730		
Liabilities ...	47,01,815	Net block ...	1,53,72,950
Profit and loss account ...	15,26,326	Work-in-progress ...	1,51,900
		Stores, etc. ...	16,49,621
		Debts, deposits and advances ...	15,19,757
		Investments	1,70.890
		Cash ...	2,20,801
		Miscellaneous expenditure and losses	3,47,458
Rs.	1,94,33,377	Rs.	1,94,33,377

Karanpura Collieries, Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 28th February 1958.

Raisings and Despatches.—Raisings were 1,67,051 tons and despatches 1,64,095 tons compared with 1,45,448 tons and 1,45,991 tons respectively in the previous year. Permission to work the Lower Semana Seam was granted in October 1957, and this Seam was given a Selected 'B' grading.

Transport.—Wagon supplies showed a slight improvement on account of the 10 wagon increase in the capacity of the Patratu Pilot but they were nevertheless still irregular.

Labour.—Although there has been occasional agitation at this colliery generally inspired by the Communist element, the labour situation has on the whole been reasonably satisfactory.

The profit and loss account after providing for all charges and making a provision of Rs. 1,74,016 (Rs. 64,016) for taxation, Rs. 30.000 (*nil*) for wealth tax and Rs. 1,51,761 (Rs. 1.30.000) for depreciation shows a profit of Rs. 2,12.742 (Rs. 77.072) to which is added the balance brought forward from the previous year of Rs. 1,962 (Rs. 6,965) making a total of Rs. 2,14,704 (Rs. 84,037). From this amount is deducted the amount transferred to tax contingency reserve Rs. 32,600 (Rs. 18.200), to development rebate reserve Rs. 29,000 (Rs. 26,200) and to statutory development rebate reserve Rs. 4.200 (*nil*) leaving a balance available of Rs. 1,48,904 (Rs. 39,637). The directors propose to dispose of this amount as follows:—

By payment of a dividend on the cumulative (taxable) preference shares of 5½ per cent. per annum after deduction of income-tax payable by the Company Rs. 37.675 (Rs. 37,675) by payment of a dividend on the ordinary shares at the rate of 5 (*nil*) per cent. per annum without any deduction for income-tax payable by the Company Rs. 1,00,000 (*nil*) and by carrying forward Rs. 11,22 (Rs. 1,962).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	29,89,500	Gross block	35,11,943
Reserves ...	2,87,375	*Less*—Depreciation ...	7,18,220
Provision for taxation ...	1,51,203		
Provision for wealth tax	30,000	Net block ...	27,93,723
Liabilities ...	9,89,082	Work-in-progress ...	1,39,659
Profit and loss account ...	11,229	Stock-in-trade	1,00,227
		Stores, etc.	1,89,593
		Debts, deposits and advances ...	7,97,860
		Investments	1,994
		Cash ...	4,35,333
Rs.	44,58,389	Rs.	44,58,389

Asher Textiles Ltd.

The directors of the above Company (Managing Agents: Messrs. Setna & Co., Tirupur) present the audited accounts of the Company for the year ended 30th June 1958.

The year's trading has resulted in a net loss of Rs. 1,95,136 (net profit of Rs. 6,57,404 after providing Rs. 6,860 for donations) after providing Rs. 2,37,277 (Rs. 1,04,342) for depreciation, normal and extra-normal, at income-tax rates and deducting Rs. 15,000 (Rs. 74,809) as the managing agency remuneration, being the minimum payable to them. Out of a sum of Rs. 3,64.224, consisting of Rs. 3,48,211 (*nil*) withdrawn and transferred from the general reserve and a sum of Rs. 16,013 (Rs. 3,566), the surplus brought forward from the previous year, the following appropriations are recommended:—

Loss for the year written off Rs. 1,95,136 (*nil*), donations paid in the year Rs. 6,164, interim bonus paid to employees for the year ended 30th June 1957 Rs. 91,008 (*nil*) and the proposed dividend at 6 (12½) per cent. income-tax free absorbing Rs. 71,916. (From a net profit of Rs. 6,60,970 the directors paid dividend at 12½ per cent. absorbing Rs. 1,49.825; transferred Rs. 2,55,132 for extra depreciation and development rebate; provided Rs. 2,25,000 for income-tax; Rs. 15,000 for wealth tax and carried forward Rs. 16,013).

Due to the extremely adverse trading conditions in which textile mills and especially, mills spinning coarse and medium counts have been working, the year's trading has resulted in a loss. While the price of raw materials remained more or less steady at a high level, the price of yarn has been steady at low levels throughout the year. Besides, the production cost also went up as the Company had to meet heavier wages bill, and to pay surcharge on electric energy and compensation for lay-off to the workers due to power cut. The power cut which commenced with 15 per cent. was raised to 75 per cent. This is the first time when, in the history of electric power supply, the cut was imposed as early as January and not removed until after six months. This resulted in much dislocation of production and heavy labour charges. An additional sales-tax on cotton purchases from ½ to 1 per cent. also added to the cost. It is on account of these circumstances that the Company sustained loss in the year under report.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,98,600	Gross block	45,17,191
Reserves ...	2,17,093	*Less*—Depreciation ...	21,23,244
Provision for taxation ...	2,46,865		
Liabilities ...	32,11,203	Net block ...	23,93,947
		Debts, deposits and advances ...	19,94,520
		Stores, etc.	2,62,241
		Debts, deposits and advances ...	1,84,647
		Investments	25,171
		Cash ...	13,235
Rs.	48,73,761	Rs.	48,73,761

Kasthuri Mills Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. C. N. Venkatapathy Naidu & Co., Singanalur, Coimbatore) submitted the audited accounts of the Company for the year ended 31st March 1958.

The year's trading has resulted in a net loss of Rs. 2,54,551 (net profit of Rs. 3,08.541) after providing a sum of Rs. 30.000 (Rs. 50,370) towards remuneration payable to the managing agents in the case of absence or inadequacy of profits as sanctioned by the Central Government and a sum of Rs. 2,31,302 (Rs. 2,38,487) towards depreciation. Setting off the previous year's surplus carried forward amounting to Rs. 3,187 (Rs. 184) the balance of loss works out to Rs. 2,51,364 (profit of Rs. 3,08,725 from which the directors provided Rs. 1,51,938 for taxation; paid a dividend of 12 per cent. or at Rs. 3 per share, on the equity shares absorbing Rs. 93,600. Transferred Rs. 60,000 to contingencies reserve and carried forward Rs. 3,187) and this is proposed to be carried forward.

During the year under report the prices of raw materials ruled high and more or less steady and the prices of yarn showed a continuously declining tendency with the consequent accumulation of stocks in the absence of a regular and steady demand. The Company had to meet heavier wage and electricity bills than last year on account of an increase in the basic wages of operatives and the levy of a surcharge on electric energy consumed.

The production also suffered considerable dislocation on account of the imposition of a power cut for a period of nearly two months in the year. The textile industry as a whole suffered a severe setback in its profit earning capacity when compared with the previous year on account of circumstances beyond its control and this mill was no exception to the general trend of events. The directors regret that the heavy loss sustained by the Company could not be avoided. The directors report that the prospects for the current year are also not encouraging.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,80,000	Gross block	32,05,650
Reserves ...	3,11,400	*Less*—Depreciation ...	19,37,278
Liabilities ...	11,70,051		
		Net block ...	12,68,372
		Stock-in-trade	4,62,046
		Stores, etc. ...	1,49,434
		Debts, deposits and advances ...	1,03,865
		Investments	17.750
		Cash ...	8,620
		Miscellaneous expenditure and losses	2,51,264
Rs.	22,61,451	Rs.	22,61,451

Dishergarh Power Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st March 1958.

The accounts show a profit, after charging all expenses, of Rs. 8,19,095 (Rs. 5,92,878). Of this amount provision for taxation requires Rs. 2,88,581 (Rs. 1,80,000) *less* debited to contingencies reserve in accordance with the provisions of the Electricity (Supply) Act, 1948 Rs. 18,581 (*nil*) leaving a balance of Rs. 5,49,095 (Rs. 4,12,878). The balance brought forward from last year was Rs. 8,28,636 (Rs. 9,14,296) making a total available for appropriation of Rs. 13,77,731 (Rs. 13,94,933 including Rs. 67,759 transferred from contingencies reserve). The directors have transferred to contingencies reserve Rs. 24,501 (Rs. 23,239) and to general reserve Rs. 1,00,000 (Rs. 1,28,258). From the balance of Rs. 12,53,230 (Rs. 12,43,436) the directors recommend that the following dividends be paid:—Rs. 5.00 per share on "A" preference shares absorbing Rs. 80,000 (Rs. 80,000), Rs. 4.50 per share on "B" preference shares absorbing Rs. 54,000 (Rs. 54,000) and Rs. 7.00 (Rs. 6.50) per share on ordinary shares absorbing Rs. 3,02,400 (Rs. 2,80,800) leaving a balance to be carried forward of Rs. 8,16,830 (Rs. 8,28,636).

Units of energy sold during the year amounted to 91.20 million compared with 83.76 million during the previous year. This represents an increase of 8.9 per cent.

During the year the Company was notified by the Damodar Valley Corporation that the offtake was to be restricted in view of a shortage of generating capacity. All consumers were accordingly advised to limit their load to the maximum demand drawn during the previous 12 months. Subsequently the D.V.C. agreed to meet additional offtake to the extent of 4 M.V.A. over the Company's contract demand of 9 M.V.A., from June 1958, onwards. To utilise the maximum availability of power within the Contract K.V.A. demand by improving the system power factor, capacitors have been ordered from abroad which, it is hoped, will be installed during the current year., In view of the above, restrictions of power to the consumers have now been withdrawn.

In conformity with the Electricity (Supply) Act, 1948, as amended, the Undertaking's selling rates were increased with effect from 26th January 1958.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	71,20,000	Gross block	98,00,595
Reserves ...	16,40,106	*Less*—Depreciation ...	33,79,613
Provision for taxation ...	2,96,982		64,20,982
Liabilities ...	16,88,196	*Less*—Consumers' contribution ...	1,07,307
Profit and loss account ...	8,16,830		63,13,675
		Net block ...	
		Work-in-progress ...	1,439
		Stores, loose tools etc.,	9,11,503
		Debts, deposits and advances ...	7,21,416
		Investments	35,84.035
		Cash ...	30.046
Rs.	1,15,62,114	Rs.	1,15,62,114

Bharat Nidhi Ltd.

The directors of the above Company (Chairman: Mr. Shital Prasad Jain, Calcutta) presented the audited accounts of the Company for the year ended 31st December 1957..

There has been no improvement in respect of the Company's affairs in West Pakistan and due to non-receipt of their proper statements, it has again not been possible to incorporate the accounts of Lahore Office. Besides a sum of Rs. 4,88,888 (Rs. 2,32,807) credited to investment reserve, the year's working has resulted in a surplus of Rs. 18,99.359 (Rs. 16,97,949 including refund of income-tax of Rs. 7,086). Out of this amount is deducted payments against claims and bad debts written off (net) Rs. 42,312 (Rs. 11,530) leaving a net balance of Rs. 18,57,047 (Rs. 18,79,491 including Rs. 1,95,379 transferred from general reserve). The directors propose appropriation of this amount as follows:—

To provision for taxation Rs. 8,90,000 (Rs. 7,70,000), to dividends for the year 1957 on 53,572 preference shares at 6 per cent. (less income-tax), i.e., 4.11 (4.11) nP net per share absorbing Rs. 2,20,181 (Rs. 2,20,181), on ordinary shares at 5 per cent. free of income-tax on 8,06,844 fully paid ordinary shares at 50 (50) nP per share absorbing Rs. 4,03,422 (Rs. 4,03,422), on 26,83,262 partly-paid ordinary shares at 12.5 (12.5) nP per share absorbing Rs. 3,35,408 (Rs. 3,35,408) and on 338 ordinary shares to be issued in exchange of fractional share coupons Rs. 169 (Rs. 169) leaving a balance to be carried forward of Rs. 7,867 (*nil*).

The directors further propose that holders of ordinary shares be given the option to receive payment of aforesaid dividend in the form of old ordinary shares (cum-dividend) of Rs. 10 each in New Central Jute Mills Co., Ltd., at par value, i.e., one ordinary share in New Central Jute Mills Co., Ltd. as dividend for every 20 fully paid or 80 partly-paid ordinary shares in the Company provided, however, that if the dividend on ordinary shares, whether fully paid or partly-paid, or any portion thereof amounts to less than the equivalent of one ordinary share in New Central Jute Mills Co., Ltd. on the basis aforesaid, cash shall be paid for such dividend or portion thereof. Deficit arising out of distribution of ordinary shares in New Central Jute Mills Co., Ltd. valued at par is proposed to be adjusted out of investment reserve.

Downward trend in the share price has been reversed during the current year. Price index of variable dividend shares has improved to 142.6 at the end of August, 1958 as against 120.2 at the close of December, 1957 (base 1952-53=100). Appreciation in the Company's investments as at the end of August, 1958, amounts to over Rs. 70 lakhs. Dividends on the Company's investments also generally continue to be satisfactory and the directors expect that the working results for the current year should be still better.

During the current year the Company's shares have been admitted for dealings and quotation on the official quotation list of the Calcutta Stock Exchange Association Ltd.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,01,33,795	Gross block	70.860
Reserves ...	16,30,674	*Less*—Depreciation ...	39,727
Provision for taxation ...	18,55,800		
Liabilities ...	55,69,552	Net block ...	31,133
Profit and loss account ...	7,867	Stock-in-trade	5,96,213
		Debts, deposits and advances ...	1,25,78,703
		Investments	1,59,70.932
		Cash ...	20,707
Rs.	2,91,97,688	Rs.	2,91,97,688

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

HINDUSTHAN MERCANTILE BANK LIMITED

Head Office:

10, CLIVE ROW, CALCUTTA-1

Chairman: **SRI M. L. JALAN**

CAPITAL

Authorised ... ... **Rs. 2 Crores**
Issued and Subscribed ... **Rs. 1 Crore**
Paid-up ... ... **Rs. 50 Lakhs**

Interest on Savings Bank account raised to 3% from 1st January, 1958

All [types of Banking business] transacted. Branches and Agencies throughout India. Deposits received on various terms. Special concession on deposits from Widows and Orphans. Loans granted on approved securities. Terms on application.

P. H. KOTHARI, B.Com., LL.B.,
General Manager.

INSURANCE

(*Concluded from page 887, col. 1*)

adverse effects of this past faulty management. This intervention is not in favour of the former managers themselves of these weaker units, but in favour of their policyholders, who cannot, in any way, be held responsible for the past mismanagement. It must have been due to some such consideration that Government agreed to bear the initial deficiency in the case of deficit companies, and it would amount to just stretching this policy to its logical conclusion if a suitable minimum rate of bonus is guaranteed to all participating policyholders. Since groups showing differential bonuses higher than the minimum guaranteed bonus are not in any way to be affected by this guarantee, the cost of which is to be paid entirely out of what may be called Government's share of the surplus, there need be no objection on the part of the stronger units to this guarantee. It is needless to add that the with-profit policyholders in the weaker units have no claim to such a guarantee, and it is for Government alone to consider whether, on the whole, it would not be expedient to give it.

Plea for Publicity

The Life Insurance Act 1956, requires 'regulations' to be published in the *Gazette* for classifying policies for differential bonuses, and item 7 of the second part of the Fourth Schedule to the Insurance Act, 1938, requires a statement to be given of the 'general principles' adopted in the distribution of profits among policyholders. It is not certain whether these 'regulations' and 'general principles' will give enough information to a with-profit policyholder, in order to get himself satisfied about the reasonableness of the differential bonus granted to him; and, even if they were to give all the necessary information, it would be available at a very late stage. It is important to see that there is general satisfaction about the scale of differential bonuses adopted by the Corporation, which is going to affect its with-profit policyholders for a long time to come. The Corporation authorities would readily admit that equity should not merely be administered but should be shown as being administered; and this latter they would be able to do if any with-profit policyholder, if he so desires, can have access to a statement containing (i) the broad outline of the method adopted for the exhaustive investigation the Corporation has carried out into the profit-earning capacity of the different units, (ii) the results arrived at after this investigation and (iii) the conclusions reached from them. This exhaustive investigation is in the nature of so many supplementary valuations and, just as a policyholder could get a report of a valuation under. private enterprise, so also he should now get a report of these supplementary valuations. If such a statement or report could be published by, or under the directions of, the Central Government before it approves of the conclusions reached by the Corporation, it would be possible for interested members of the public to place before the Government, in time, certain suggestions regarding these conclusions to be considered by them before according their approval to the findings of the Corporation. Differential bonuses are one of the items, and, indeed, a very important item, of the scheme of amalgamation of the various different insurers into the L.I.C. consequent on nationalisation. Section 36(1) of the Insurance Act, 1938, ensured widest publicity for the details of any such scheme of amalgamation and also ample opportunity for any of the interested parties to be heard before sanction was accorded to the scheme. If the Corporation had come into existence by voluntary amalgamation on the part of all the insurers any scheme like that of differential bonuses would have come within the purview of this Section 36(1). Is it, therefore, too much to expect that what was guaranteed as a matter of right to every policyholder in respect of a scheme of amalgamation entered into by private parties will not now be denied to him when such a scheme is introduced as a Government decision?

PENSIONS IN W. GERMANY

Pension payments within W. German social insurance schemes (except miners' pensions) for non-self-employed increased by another 1,000 million DM. in the January-August 1958 period. Against 6,930 million DM. in the same period last year, they now have reached the remarkable total of 7,790 million DM. Simultaneously, contributions increased by 905 million DM.—or 135 million less than expenditure—and attained the 7,098 million DM. mark. The remaining gap between income and expenditure has mostly been filled by Federal Budget Funds.

Notices

THE AHMEDABAD ADVANCE MILLS LIMITED

NOTICE

THE FIFTY-SIXTH ANNUAL GENERAL MEETING of THE AHMEDABAD ADVANCE MILLS, LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Friday, the 26th December, 1958, at 4-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and the audited Profit and Loss Account of the Company for the year ended 30th June 1958, and the audited Balance Sheet as at 30th June 1958.
2. To declare Dividends.
3. To appoint a Director in place of Sir Fazal Rahimtoola, Kt., C.I.E., who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. Jaykrishna Harivallabhdas who retires by rotation and is eligible for reappointment.
5. To appoint Auditors for the current year and to fix their remuneration.
6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"RESOLVED that pursuant to Section 360 and other applicable provisions (if any) of the Companies Act, 1956, the Company hereby approves of, confirms and consents to the arrangement between the Company and The Associated Building Company Private Ltd. (associates of the Managing Agents, Tata Industries Private Ltd.) for letting to the Company, on a monthly tenancy, office space and storage space in Bombay House, 24, Bruce Street, Fort, Bombay, owned by the Associated Building Company Private Ltd. and for facilities of air-conditioning, Board and Conference rooms and general facilities and services appertaining to the said building or for the benefit of the Company at an inclusive rent and charges of Rs. 420 per month, plus a varying charge for air-conditioning facilities not exceeding Rs. 8,000 per annum, with liberty to the Directors of the Company to agree to any additions, reductions and alterations in office or storage space or in regard to such facilities and services as may be deemed necessary or desirable, subject to such increases and reductions in rent and service charges as may be agreed to between the Directors and the landlords."

To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"RESOLVED that subject to approval of the Central Government under the provisions of the Companies Act, 1956, the Company hereby reappoints Tata Industries Private Limited as the Managing Agents of the Company as from the 16th day of August, 1960, for the period, at the remuneration and upon the terms, provisions and conditions set out in the draft Agreement (with such modifications, if any, as may be agreed to at this meeting) proposed to be entered into between the Company of the first part, Tata Industries Private Limited of the second part and Tata Sons Private Limited (as guarantors for the observance and performance of the terms and conditions of the said Agreement by Tata Industries Private Limited as Managing Agents) of the third part and which draft Agreement is placed before this meeting and for the purpose of identification subscribed by the Chairman thereof with power to the Directors of the Company, subject to the provisions of the said Act, to vary or alter such of the terms provisions and conditions of the said draft Agreement before execution (other than the provision regarding the remuneration of the Managing Agents) as may be or become necessary in order to give effect to any conditions or requirements of the Central Government."

Notes:—(a) The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items 6 and 7 set out above, are being posted to all shareholders.

(b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(c) The Transfer Books of the Company will remain closed from Monday, the 24th November, 1958 to Tuesday, the 23rd December, 1958, both days inclusive.

(d) If dividends on shares, as recommended by the Directors, are passed at the meeting, payment will be made on and after Saturday, the 27th December, 1958, to those members whose names are on the Register of the Company on the 23rd December, 1958.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, *24th November*, 1958.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE TITAGHUR PAPER MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 3 p.m. on Friday the 19th day of December, 1958, for the following purposes:—

1. To consider and approve the Audited Accounts for the year ended 31st March, 1958, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of the retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 28th November, 1958 to 19th December, 1958, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *12th November*, 1958.

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

(b) The Dividends, if declared, will be paid on or after 3rd January, 1959, to those shareholders so entitled whose names appear in the Company's books on the 19th December, 1958, or to their mandatees. No application for Dividend Warrants will be necessary.

JARDINE HENDERSON, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twelfth Annual General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta 1, on Tuesday, the 30th December, 1958, at 12 noon, for the following purposes:—

(1) To receive and consider the Audited Accounts for the year ended 31st March, 1958, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.

(2) To confirm the Dividends already paid on the Preference Shares and to declare a Dividend on the Ordinary Shares of the Company.

(3) To appoint Directors in place of those retiring.

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

Notice is also given that the Transfer Books of the Ordinary Shares of the Company will be closed from the 15th December to the 30th December, 1958, both days inclusive.

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

By Order of the Board,
D. FORDWOOD,
Secretary.

4, CLIVE ROW, CALCUTTA-1,
20th November, 1958.

RADIO LAMP WORKS LIMITED

45-47, Veer Nariman Road, BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Nineteenth Annual General Meeting of the Company will be held on Monday, the 15th day of December 1958, at 4-30 p.m. at the Registered Office of the Company at 45/47, Veer Nariman Road, Fort, Bombay, to transact the business as per the Notice with the Explanatory Statement dated the 24th October 1958, separately sent to the Shareholders of the Company at their registered addresses.

By Order of the Board,
For JAMNALAL SONS PRIVATE LTD.,
RAMKRISHNA BAJAJ,
Chairman,
Managing Agents.

Dated 24th October, 1958.

Note: 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER.

2. The Transfer Books of the Company will be closed from the 5th December 1958 to 15th December 1958, both days inclusive.

3. Payment of Dividend, if sanctioned, will be made to those shareholders whose names are registered in the Company's books on 15th December 1958. The Payment will be made on or after the 22nd December, 1958.

THE BENGAL PAPER MILL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of the above Company has declared the following Interim Dividends on the undermentioned shares of the Company for the year ending 31st December, 1958, payable on or after 15th December, 1958, to those members whose names are registered in the Register of Members of the Company on 15th December, 1958. Dividend Warrants will be despatched to members and no application to the Company is necessary.

Cumulative Preference Shares ...	3½%
'A' Cumulative Preference Shares	3½%
'B' Cumulative Redeemable Preference Shares (subject to deduction of Indian Income-tax)	3%
Ordinary Shares	8%

Notice is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 1st December, 1958 to 15th December, 1958, both days inclusive.

By Order of the Board,
BALMER LAWRIE & CO., LTD.,
D. MANSON,
Secretary.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *18th November* 1958.

"OILSEEDS ANNUAL" 1956

The Bombay Oilseeds and Oils Exchange Ltd. has just brought out its fifth issue of *The Oilseeds Annual* pertaining to the year 1956. The publication provides a comprehensive account of the major developments in the field of oilseeds and oils trade in India in the year under review. Hedge-trading in Bombay had been permitted only in castorseeds in the beginning of the year. Subsequently, the year saw the commencement, after the lapse of about 13 years, of hedge-trading in groundnuts, linseed and cottonseed. This has naturally provided a new impetus to the expansion of trade in oilseeds. The *Annual* also contains statistics relating to area, production and exports and monthly price fluctuations. Graphs, representing fluctuations in the prices of four major oilseeds, namely, groundnuts, cottonseed, linseed and castorseed, constitute an additional feature of this issue. Because of its informative coverage, the *Annual Number* will be found useful. It is, however, to be hoped that the Exchange will not only continue this publication year after year, but also bring it out expeditiously, thereby reducing the time-lag between the close of a year and the publication of the *Annual* relating to that year.

MONEY EASY

(From Our Own Correspondent)

BOMBAY, *26th November*

Extremely comfortable conditions came to prevail in the short-term money market during the week under review. With no sign of any revival of seasonal demand for credit, banks had a surfeit of funds, which were unlendable. This is indicated by the fact that, deposits of banks with the Reserve Bank of India during the week ended 21st November 1958, swelled by no less than Rs. 22 crores. With a net rise of Rs. 6 crores in net deposits in the preceding week and a fall of over Rs. 3 crores in total advances, banks were able to reduce their inter-bank borrowings by nearly Rs. 10 crores.

The aforesaid conditions had their effect on inter-bank call money rates. The rate among the Exchange banks and big Indian banks, which had dropped from 2¾ to 1½ per cent. last week, declined further this week to 1 per cent., lenders over. The corresponding rate among the smaller Indian banks also moved down from 2¾ per cent. to 2-2½ per cent. Surprisingly enough, there was no fall in the rate on house money at seven days' notice, which was continued to be quoted at 3½ to 3¾ per cent. Similarly, short-term deposits also continued to fetch the self-same rate of 3½ to 4 per cent.

Consequent on the further easing of the money conditions, the response to this week's Treasury Bill tenders was more favourable than in the previous week. The total amount offered was Rs. 5.50 crores against an invitation for Rs. 3 crores, while in the previous week the offerings aggregated Rs. 5.02 crores, the amount invited being Rs. 4 crores. Tenders at Rs. 99.390 and above were accepted in full and those at Rs. 99.385 allotted approximately 35 per cent. The average rate of accepted tenders was 2.442 per cent. per annum, which represents a slight decline from last week's rate of 2.458 per cent. During the period 19th to 22nd November, the sales of intermediate Treasury Bills aggregated Rs. 63.75 lakhs. Tenders for next week's sales are unchanged at Rs. 3 crores. Intermediate sales are to be held between 26th and 29th November at the fixed rate of Rs. 99.406 per cent.

The Reserve Bank of India's statement for the week ended 21st November 1958 discloses a contraction of Rs. 23.24 crores in notes in circulation and a rise of Rs. 24.51 crores in notes held in the Banking Department. The consequent increase in total notes issued is covered by a corresponding rise in rupee coin. In the Banking Department, deposits of the Central Government have declined by Rs. 11.31 crores, while those of other Governments and banks have gone up by Rs. 6.31 crores and Rs. 22.05 crores, respectively. In contrast to the rise of Rs. 4.11 crores noted in the preceding week, balances held abroad have shrunk by Rs. 1.48 crores in the week under review.

The Scheduled banks' statement for the week ended 14th November 1958 shows a rise of Rs. 9.55 crores in demand deposits and a fall of Rs. 3.49 crores in time deposits. Inter-bank borrowings have declined by Rs. 9.72 crores. Advances and bills purchased and discounted are also lower by Rs. 3.46 crores. Cash balances have shrunk by Rs. 1.34 crore and money at call and short notice by Rs. 8.70 crores.

The Gilt-edged market ruled steady during the week under review. The easy money conditions, the Reserve Bank's action in stepping up its selling rates of some securities and the Life Insurance Corporation's continued support to select issues in State loans buoyed up the sentiment. There was also a good turnover of business. 3 per cent. 1986 Conversion Loan looked up by 5 nP to Rs. 73.20. Proximity of half-yearly interest payment attracted enquiries for 3 per cent. 1963-65, which as a result gained 10 nP to Rs. 96.75. 3 per cent. 1964 was marked up by 5 nP to Rs. 96.70. 3 per cent. 1966-68 was unchanged at Rs. 94, while 3 per cent. 1970-75 advanced by 15 nP to Rs. 90.35. 3½ per cent. 1962 moved up by 5 nP to Rs. 99.20 and 3½ per cent. 1961 by a similar extent to Rs. 100.15, the rise in the latter being due to proximity of interest payment. The Reserve Bank put up its selling price of 3½ per cent. 1967 by 10 nP to Rs. 100.60, while it continued to offer 3½ per cent. 1968 at Rs. 100.40. 4 per cent. 1960-70 gained 5 nP to Rs. 100.70. The Reserve Bank of India raised its selling price of 4 per cent. 1972 by 20 nP to Rs. 100.90 and of 4 per cent. 1973 by 5 nP to Rs. 100.65. Among State loans, 4 per cent. 1967 Bombay rose by 10 nP to Rs. 100 and 4½ per cent. 1971 by a like amount to Rs. 100.80. West Bengal 4 per cent. 1964 moved up by 5 nP to Rs. 100 and 4½ per cent. 1970 by 5 nP to Rs. 100.30. Madras 4 per cent. 1967 and 1968 put on 10 nP to Rs. 99.55 and Rs. 99.50, respectively. 4½ per cent. 1970 gained 5 nP to Rs. 100.30. Andhra 4 per cent. 1967 and 1968 rose by 5 nP each to Rs. 99.50 and Rs. 99.45, respectively. 4½ per cent. 1970 was marked by 10 nP to Rs. 100.25. U.P. 4 per cent. 1967 was higher by 10 nP at Rs. 99.50, 1968 by 5 nP at Rs. 99.40 and 4½ per cent. 1970 by 5 nP at Rs. 100.25.

Indicative of the extremely easy money conditions was the heavy rush for the 4½ per cent. 10-year bonds issued by the Industrial Finance Corporation of India for Rs. 4 crores at 99 per cent. This issue was heavily oversubscribed within an hour of the list opening on the 24th inst.

In contrast to the improvement noted last week, sterling suffered a setback this week. Thus, in New York, spot sterling gave way from $2.80.31.32-2.80.23/32 to $2.80¾-2.80.7/16 and three months' forward from $2.80¼-2.80.3/16 to $2.80-2.80.1/16. Transferable sterling declined from 279.55-279.65 cents to 279.25-279.35 cents before recovering to 279.40-279.50 cents. In consonance with this trend, the rupee also weakened, banks' selling rate of ready U.S. dollars having risen from Rs. 477 to Rs. 477.50 per $100. Their buying rate also rose by a similar extent to Rs. 474 per $100.

MARGINS IN BULLION

(From Our Own Correspondent)

BOMBAY, *26th November*

After presenting a distinctly firm trend on Thursday and early on Friday, the bullion market developed a sagging tendency thereafter which persisted till today when there was some improvement. The initial firmness was sustained by renewed speculative buying and nervous short-covering, while offerings were limited. There was also hectic buying by option dealers. Consequently, both gold and silver registered a handsome improvement. The yellow metal touched a high of Rs. 114-8 on the opening day. As the closing rate on that day was Rs. 5 above the starting rate of Rs. 108-5, margin at the rate of Rs. 7 per tola became operative in *Kartak* delivery (26th November settlement) in accordance with By-law 33 C (1) A. Despite the margin, gold continued to rise early on Friday due to persistent short-covering and buying by option dealers. In sympathy, silver also made a strident advance.

Higher levels, however, attracted realising pressure and prices tended to move down. The decline gathered further momentum in the subsequent sessions, following quieter advices from commodity markets and sales by option dealers. On Monday, there were reports of large arrivals of silver—estimated at 200 bars—from Kanpur and rumours of a possible payment of import duty on 250,000 Tibetan coins. Prices, therefore, suffered a setback. As the *badli* in favour of bears widened to Re. 1-2, as against As. 15 on Saturday, the bears in *Kartak* delivery (27th November settlement) were required to deposit a margin at the rate of Rs. 1,000 per bar as per the provisions of By-law 33 (1) (ii).

Today, however, the bullion market put on a steady appearance on account of replacement buying, and the closing rates of the two metals were higher than those at the end of last week.

Forward silver (27th November settlement) opened firm at Rs. 189-12, as against Rs. 189. After spurting to Rs. 190-13 on Friday, it receded to Rs. 189-2 yesterday, but recovered markedly to Rs. 190-15 today before finishing at Rs. 189-11. The net gain over the week was As. 11. The next settlement (29th December) rose from Rs. 189-15 last week-end to Rs. 191-12 on Friday. It declined to Rs. 190-4 yesterday, but recovered to Rs. 190-14 today. The net gain over the week was As. 15. The *badli*, which was As. 15 against bulls last week, widened in the course of the week to Re. 1-3 today.

Ready silver improved from Rs. 188-15 to Rs. 190-10 on the 21st inst. and, after declining to Rs. 189-5 yesterday, finished higher at Rs. 189-11 today. The daily average arrivals were of the order of 17 bars, while the offtake was nine bars per day on an average. The floating stocks of silver are reported to be 1,400 bars.

Gold for forward delivery (26th November settlement) met with excellent buying support induced by reports of large seizure of contraband gold and practically no arrival of smuggled metal. It forged ahead from Rs. 112-15 on Wednesday the 19th inst. to Rs. 114-14 on Friday. After easing to Rs. 113-2 yesterday, it tended to move up again and ran out today at Rs. 113-13. The second settlement (27th December) was quoted today at Rs. 114, as against Rs. 112-10 last week-end. The *badli*, which was As. 5 against bears last week, turned in favour of them in the course of the week and stood at As. 3 today.

Ready gold strengthened from Rs. 113-3 to Rs. 114-13 and, after declining to Rs. 113-4 on Monday, recovered subsequently to Rs. 114-5 today. The premium on first settlement widened from As. 4 last week to As. 9 today. The daily average arrivals and offtake were 4,400 tolas and 2,300 tolas, respectively. The floating stocks of gold are estimated at 30,000 tolas.

Spot silver in London, which stood at 77¼d. throughout the week, eased to 77⅛d. yesterday, while forward was unchanged at 76⅞d. Gold prices tended to move up from 250s. 1½d. to 250s. 4½d. The price of silver in New York was unchanged at 90½c.

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

	26-11-58	Highest	Lowest	19-11-58
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	114 6	114 13	113 4	113 3
Forward*	113 13	114 14	113 2	112 15
Sovereign	73 0	73 8	73 0	73 4
SILVER				
Ready (.996 fine Mint) ..	189 11	190 10	189 5	188 15
Forward†	189 11	190 15	189 2	189 0
London Silver Ready ..	77¼d.	77¼d.	77¼d.	77¼d.
London Forward	76⅞d.	—	—	76⅞d.
London Gold	250s. 4½d.	250s. 4½d.	250s. 1½d.	250s. 1½d.
New York Silver	90½c.	—	—	90½c.

*26th November settlement.
†27th November settlement.

COW HIDES IN GOOD DEMAND

(From Our Own Correspondent)

MADRAS, *22nd November*

There has been no change in the Madras kip market. U.K. importers seem to have realised that higher prices will have to be paid in view of the strength of the markets at origin. Trading continues to be patchy in F.A.Q. marks, but a fair volume of sales has been booked in cow hides—premium standards. Demand for cow calf and buff calf has been good, but sellers' quotations are frightening the buyers.

Prices of tanned goat skins are firm for lights, unchanged for mediums and weak for heavier averages. There has been brisk clearance of tanned sheep skins medium classes in the local market, and prices are firm.

FURTHER RISE IN COTTON FUTURES

(From Our Own Correspondent)

BOMBAY, *26th November*

Further rise in prices was recorded by the cotton futures market during the week under review. The market received fresh bull support prompted by reports of untimely rains in cotton-growing areas and optimism regarding the outcome of deliberations of the Cotton Textile Consultative Board. The Board, at its meeting on the 22nd inst., recommended, among other things, (1) the setting up of a three-man committee to examine the practical aspects of the question of each mill exporting a minimum quantity of its cloth production, (2) extension of liberal credit facilities to the textile industry, and (3) adoption of immediate measures for the disposal of the large accumulated cloth stocks. It also recommended that the prices of cotton should be kept under constant review so as to ensure that it did not fall below a certain level. The question of concluding special payments agreements with countries like Japan and France in order to speed up export of raw cotton was also commended as deserving active consideration. Traders noted these recommendations with satisfaction. In view of the active interest now being shown by the Government in solving the textile crisis and stepping up exports, operators were inclined to take an optimistic view of the fortunes of raw cotton. Steady support based on these considerations led to a smart rise in values. But the improvement would have been more marked but for poor export demand and the lack of encouraging news from the piecegoods market.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 626, as against the previous close of Rs. 620.75 and, after having improved to Rs. 629.50 on Friday, eased to Rs. 620 on Monday. The market was closed yesterday on account of the election to the Board of Directors of the East India Cotton Association. Commencing today's session at Rs. 627 the contract gathered Rs. 2.50 before finishing at Rs. 626. The net gain over the week was Rs. 5.25. The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

26-11-58	*High*	*Low*	19-11-58
I.C.C. Moglai Jarilla (March 1959) ...	626	629.50	620	620.75

In the spot section, demand for staple varieties of both new and old crop cotton was well maintained. Smaller arrivals in the wake of better demand led to a hardening of values. Good business was reported in popular styles like Digvijay, Vijay, Laxmi, CO2, Surti, finer quality Jarilla, Khandesh and Berar.

The export front was quiet. Foreign demand did not show any sign of improvement. The rise in price of exportable varieties following the duty reduction seemed to have offset the effect of the cut in duty.

The export licensing procedure for the latest quota of 650,000 bales has been notified. The broad features of this procedure are the following: (i) 15 per cent. of the quota released has been reserved for co-operative societies; (ii) provisions for bank guarantee and other forms of evidence remain unchanged; (iii) shipment period for Bengal *Deshi* and cotton stapling not above ¾" is between 1st April and 31st August 1959, even though sales can be registered now. If, however, the quotas for these two categories issued in October are fully utilised, the question of allowing shipments for the new quotas under these two categories before 1st April will be considered; (iv) in so far as export quota of 50,000 bales of cotton stapling below ¾" is concerned, allotment letters will be issued valid for shipment up to 31st August 1959.

The uncertainty regarding the cotton import policy was ended by the announcement of Mr. Lal Bahadur Shastri, at the meeting of the Cotton Textile Consultative Board on Saturday, that the Government would allow import of 95,000 bales of American cotton under P.L. 480.

The only regret is that, to begin with, only half of this allocation would be immediately available for distribution to mills on "quota" basis and the balance will be available at a later stage to exporting mills. A section of the trade points out that the entire allocation should have been made available for distribution instead of linking half of it with export of textiles. Importers are optimistic that the allocation under the quota basis would be quickly absorbed since no import allocation for East African cotton appears to be in sight in the near future. Large business had already been done in American cotton in the past few months subject to availability of import licences but since these were not available in time, business thus concluded has been, to a large extent, cancelled.

In the foreign section, spinners showed interest in Sudan cotton. Egyptian cotton lacked buyers while selected East African varieties were readily absorbed. The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week's closings:

Bengal *Deshi* 610 (600); Berar Jarilla 670 (665); Khandesh 645 (635); Vijay 845 (830). *Delivery Contracts*: Bengal 575 (572); Mathia 575 (568).

The recovery noted in the Karachi cotton futures market towards the close of last week gathered further momentum during the week under review and the market ruled firm. Foreign enquiries were better and local spinner demand encouraging. Hopes of a likely reduction in export

duty influenced some speculative support. Cotton futures values registered a smart rise. N.T.R.G. January improved from Rs. 63-12 last week-end to Rs. 65-8. The March position firmed up from last week's close of Rs. 64-14 to Rs. 65-12 on Monday but reacted to Rs. 64-14-6 yesterday. The spot section ruled steady. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi: Sind *Deshi* 54-4; Punjab *Deshi* 53-8; 4F Punjab Roller 63-3; S.G. 66-11; L.S.S. Punjab Roller 64-3; S.G. 68-3; N.T.R.G. (new) 67-3; S.G. (new) 77-11; 289F Punjab Roller (new) 71-11; S.G. (new) 81-3.

Alexandria cotton futures market ruled easy during the week. Values declined in slow dealings. Increased competition from Sudan, following the recent reduction in reserve prices of the Gezira Board, and lack of foreign demand imparted weakness to the market.

Sales and shipments of Egyptian cotton since 1st September this season are larger as compared with last season. Total sales during the first two months of the season, namely, September and October, aggregated 244,690 bales as against 198,114 bales during the same period last season. Shipments from 1st September to 4th November amounted to 101,555 bales, as against 158,056 bales in the same period last season. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: November 72.00; January 72.00; March 72.05.

Ashmouni: December 62.80; February 62.60.

Cotton futures in Liverpool scored further gains during the week on trade buying and some American support to near deliveries. Sudan cotton contracts were inactive, as traders were hesitant to enter into commitments in view of the unstable political situation in Sudan. The latest available quotations—in pence per lb.—are as under:

American Cotton One Inch Staple Contract: December-January 23.80; March-April 23.45; May-June 23.00; July-August 22.25. *American Cotton Mixed Growth Contract*: December-January 24.10; March-April 23.70; May-June 23.15; July-August 22.25. *Sudan*: November-December, January-February, May-June 26.75.

Easy conditions prevailed in the New York cotton futures market during the week. Increased hedge selling and long liquidation prompted by favourable harvesting weather met with only moderate trade buying. Values consequently sagged.

Entries into the 1958 cotton loan for the week ended 14th November aggregated 401,027 bales while repossessions were only 9,527 bales. Net loan stocks with the Commodity Credit Corporation aggregated 2,619,745 bales. Exports from the commencement of the season till 4th November were of the order of 790,617 bales which is 444,125 bales less than what it was during the same period last season.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	25-11-58	18-11-58	12-11-58
Spot	36.10	36.20	36.30
December	32.50	35.91	36.02
March	36.16	35.39	36.48
May	36.01	36.12	36.17

SUGAR RALLIES

(From Our Own Correspondent)

BOMBAY, *26th November*

There was a perceptible rally in the sugar market during the week under review. This was mainly due to the meagre monthly release for sale in the free market which amounts to 96,000 tons, as against the normal release of 160,000 to 170,000 tons. Although the Union Food Ministry has assured the public that it would issue further release orders shortly, sugar markets all over South India and Gujarat have been ruling distinctly firm, the ex-mill values having risen by Re. 1-8 per bag. The report that about 30,000 bags of sugar were being immediately despatched to the Bombay port for export before the month was out also imparted strength to the market.

The floating stocks of sugar in Bombay were slim, thanks to poor arrivals in the wake of heavy demand from the Malabar coast. Arrivals of sugar by rail into the city were no more than 7,000 bags, as against 11,400 bags in the previous week.

Small grain sugar spurted by Rs. 2 to Rs. 108 per bag. Medium grain advanced by a like amount to Rs. 109-Rs. 111. Large grain gained a rupee to Rs. 112-Rs. 118.

COTTON YARN STEADY

(From Our Own Correspondent)

BOMBAY, *26th November*

Easy conditions prevailed in the yarn market during the week under review. In particular, art silk yarns were weak, thanks to persistent selling of export promotion licences by manufacturers as well as dealers at a reduced premium of 40 per cent., as against 85 per cent. until recently. These sales led to fears of heavy imports of foreign yarns. Already, the arrivals of such yarns had gone up considerably. The total imports of art silk yarn into Bombay port during the month of October 1958 aggregated to as much as 4.29 million lbs., as against only 1.69 million lbs. in the previous month. In sympathy with rayon yarns and following poor enquiries from consuming centres, despite low and attractive prices, staple fibre yarns tended to move down. Cotton yarns, however, were fully steady, on firm advices from the cotton market.

Among art silk yarns, 120 Italy fell by 30 nP to Rs. 5.25. 150 Italy declined by 19 nP to Rs. 5.31. 120 Japan receded by 7 nP to Rs 4.68. 150 Japan, however, gained 6 nP to Rs. 5.31. Among indigenous yarns, National Rayons 150 bright cones first grade shed 3 nP to Rs. 4.47. 120 bright cones first grade lost a naya paisa to Rs. 4.49.

Staple fibre yarns (40×2) December delivery eased by Rs. 3 to Rs. 616. February delivery dropped Rs. 4 to Rs. 622. In the spot section, 40×2 Citys were neglected at Rs. 3.19, as also Kohinoors at Rs. 3.25, and Centurys at Rs. 3.19. Among foreign yarns, Paramounts declined by 16 nP to Rs. 9.50 and Fujis by 25 nP to Rs. 9.44.

In the cotton yarn section, finer counts were well supported. Sixty counts Finlays gained a rupee to Rs. 63.50. Among eighty counts, Moderns rallied Re. 1.25 to Rs. 72.50. Finlays put on a rupee to Rs. 80. Ten counts Moderns were fully maintained at Rs. 13.25 and Podars at Rs. 12.19. Twenty counts Moderns were done at Rs. 16.25. Among thirty counts Hinds were quoted a naya paisa lower at Rs. 18.75. Forty counts Moderns were steady at Rs. 25.25. But Minaxis lost 25 nP to Rs. 24.19.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those six days ago:

	26-11-1958	19-11-1958
	Rs.	Rs.
Art silk yarn **(per case of 200 lbs.)—**		
120 Japan (per lb.)	4.68	4.75
150 Japan (per lb.)	5.31	5.25
120 Italy (per lb.)	5.25	5.55
150 Italy (per lb.)	5.31	5.50
Staple fibre yarn **(per case of 200 lbs.)—**		
40 × 2 December	616.00	619.00
40 × 2 February	622.00	626.00
40 × 2 Kohinoor (per lb.)	3.25	3.25
40 × 2 Century (per lb.)	3.19	3.19
Cotton yarn **(per bundle of 10 lbs.)—**		
10s Podar	12.19	12.19
20s Modern	16.25	—
30s Hind	18.75	18.76
40s Minaxi	24.19	24.44
60s Finlay	63.50	63.50
80s Modern	72.50	71.25

SEEDS EASY

(From Our Own Correspondent)

BOMBAY, *26th November*

The oilseeds market, after remaining steady in the early part of the week, turned easier towards the close of the week under review. Groundnuts, castorseed and linseed lost considerable ground over the week, though cottonseed was relatively steady. On 22nd November, the Government of India announced the release of a further quota of 25,000 tons of H.P.S. groundnuts up to 31st March 1959, for exports to all destinations excluding the Portuguese possessions in India. A Press note issued by the Joint Chief Controller of Exports in Bombay stated that the quota would be allowed to established shippers or their authorised agents to the extent of 25 per cent. of their basic exports. Exports against this quota would be allowed in the form of kernels only. This announcement failed to enthuse the market, thanks to heavy arrivals; Gujerat interests continued to remain sellers.

The groundnut February 1959 contract opened on a cheerful note. Lower arrivals, reports of smaller crop, encouraging reports of uptrend in certain overseas markets and persistence of rumours regarding the release of a quota for H.P.S. groundnuts served to improve sentiment. There was good buying support. The February contract which stood at Rs. 164.37 last Wednesday, moved up to Rs. 165.50 on Friday. The margin system came into operation when prices rose above Rs. 165, at the rate of Rs. 15 per candy on open bull position. In later sessions, groundnut tended to be easy due to profit-taking. Favourable weather reports also induced speculative selling. It fell to close at Rs. 164.00, and still further to Rs. 162.50. Bold ready fell in sympathy to Rs. 33.00. Khandesh quality rallied by 37 nP to Rs. 34.62 on Friday, but closed today somewhat lower at Rs. 34.25. Groundnut oil, in the hope of a sizable foreign demand, moved up from Rs. 18.25 to Rs. 18.37 on Friday. It was quoted today at Rs. 18.00. Similarly, railway receipts declined by 12 nP to close today at Rs. 18.00.

Castorseeds section was characterised by firm trends in the earlier session. A bearish undertone, however, came to prevail in subsequent sessions. Castorseed May 1959 improved from Rs. 143.00 to Rs. 143.75 on Friday, on reports that export business of over 500 tons of oil with the U.S.A. had materialised. As later trends indicated, Brazil continues to be a competitor in castor oil. Its offerings were well below Indian prices. May contract, after fluctuating within a narrow range, closed today at Rs. 141.75. Ready Madras sagged by 12 nP to Rs. 28.62 over the week. Kanpur quality encountered narrow fluctuations and recovered today at Rs. 27.50. Castor oil B.S.S. closed at the same level of last week-end, i.e., Rs. 16.37. Commercial quality, however, lost 6 nP to touch Rs. 14.56 today.

Linseed section ruled listless in the absence of encouraging advices. Linseed May 1959 contract advanced from Rs. 30.44 to Rs. 30.56 on Friday, but relapsed in subsequent sessions. The contract closed today at Rs. 30.19. Bold ready, in contrast, moved by 75 nP to Rs. 34.50 over the week. Linseed oil closed today at Rs. 17.56 after presenting irregular trends throughout the week.

The distinctly firm trends in the cottonseed section provided a redeeming feature of the week. Good buying support by the Punjab and Akola operators, tight position in the spot section and brighter prospects for cottonseed oilcakes account for the substantial rise in values witnessed in this section. Under these conditions, cottonseed February 1959 contract which stood at Rs. 112.00 rallied to Rs. 114.00. Among other seeds, kardiseed remained unchanged at Rs 21.00. Nigerseed Madras quality receded by Re. 1 over the week to close today at Rs. 30.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	26-11-1958	19-11-1958	13-11-1958
	Rs.	Rs.	Rs.
Groundnut **—**			
Feb. 1959	162.50	164.37	159.25
Bold ready (per cwt.) ..	33.00	33.50	33.50
Linseed **—**			
May 1959	30.19	30.44	29.75
Bold ready (per cwt.) ..	34.50	33.75	34.00
Castorseed **—**			
May 1959	141.75	143.00	138.87
Madras (per cwt.) ..	28.50	28.50	27.62
Cottonseed **—**			
Feb. 1959	114.00	112.00	105.75
Groundnut oil* **—**			
Ex-mill ready (per quarter) ..	18.00	18.25	18.00
Castor oil† **—**			
Commercial (per quarter) ..	14.56	14.56	14.37
Linseed oil† **—**			
Ready	17.56	17.37	17.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

JUTE GOODS DECLINE

(From Our Own Correspondent)

CALCUTTA, *25th November*

Although fair business in jute goods was done for export during the week under review, prices moved down due to selling pressure in the futures market. Raw jute prices also sagged, in view of offerings having exceeded demand. Shipment figures in respect of jute goods also caused dissatisfaction. For, between 1st and 10th November, hessians shipped were only 10,000 tons, as against 13,000 tons in the same period in October, and sacking goods 9,000 tons, as against 13,000 tons. Earlier in the week, there was the good news that U.S. burlap consumption in the last month had increased to 78.7 million yards from 75.7 million yards in September. This report had its mark on the market for some time, but liquidation by bulls in hessian was so heavy that ready hessian prices fell in a marked way.

Trade circles noted with cheer the statement of Mr. J. I. Jamieson, Chairman of the Indian Jute Mills Association, who returned to Calcutta on Friday last after leading a jute delegation to New Zealand, Australia, Hongkong, the Philippines, Thailand, Vietnam, Indonesia and Singapore. Mr. Jamieson was confident that exports of jute goods to these countries would be increased substantially, if only the industry took a little more initiative. Indian jute goods did not face any competition in these countries, and with increasing industrial development, demand was also moving up. In the short talk with the Press at the airport, on his return, Mr. Jamieson could not naturally discuss details, but the jute delegation's report was awaited with interest. For, if only India could find a market for the surplus sacking goods, the jute industry would be placed on a better footing, averred trade circles. The South-East Asian region mainly consumed sacking goods, and in this view the delegation's detailed impressions were awaited in the market with interest.

In the same talk, Mr. Jamieson put forward the view of mills when he said that, although fibre production had increased, the country was not yet in a position to export raw jute. He added that this should not lead to any inference that the industry was reluctant to export raw jute. Until last year, India was dependent on Pakistan, and only this year fibre production reached a stage of self-sufficiency. Opinion in the market was that if only prices could be well maintained there was no need here for the suggestion to export. That this was not so was only clear from the movement of prices in recent weeks. Week after week, and with no exception during the week under review also, fibre prices have been touching new bottoms. Unless this state of affairs were remedied, the trade apprehended that this year's much-advertised self-sufficiency would prove a passing affair only. Production of the inferior varieties of raw jute had been so enormous that all these could not be consumed within the country. It was only under these circumstances, market circles pointed out, they had suggested the need to export.

On Tuesday last, although there was scattered business done with markets overseas, prices could not be maintained at opening levels, in view of limited activity in the futures market. Ready B. twills declined to Rs. 95.95 from Rs. 96, and hessian 40" 10 oz. to Rs. 43.70 from Rs. 43.75. At lower levels, speculative support was released, enabling hessian 40" 10 oz. to recover to Rs. 44 and B. twills to Rs. 96.40 on Wednesday. On the next day, conditions were affected by bull liquidation, and despite the news of higher burlap consumption in the United States, hessian 40" 10 oz. gave way to Rs. 42.35 and in sympathy B. twills lost to Rs. 95.40. It was now the turn of B. twills to be affected by selling pressure in futures. This had an effect on hessian prices too. On Friday, therefore, B. twills, at Rs. 94.10, touched the lowest rate for the week, recovering to Rs. 94.60 over the week-end and to Rs. 95 yesterday. Hessian 40" 10 oz. lost to Rs. 42.00, but recovered to Rs. 42.15 yesterday.

With fresh arrivals at the outstation agencies on the increase, and sellers pressing for business, fibre prices touched new low levels. Assam bottoms declined from Rs. 22.50 to Rs. 21.50 and Daissee bottoms from Rs. 24 to Rs. 22.50. Weakness in jute goods restrained mills from taking more interest in raw jute. The latest quotations for the different varieties of raw jute, November-January delivery are:

	Middles Rs.	*Bottoms* Rs.
Pakistan:		
District	29.50	26.50
Northern	29.50	26.50
Indian:		
Northern	23.25	20.75
Assam	24.00	21.50
Orissa	26.50	24.00
Desal	22.50	20.00
Murshidabad ...	21.50	19.00
Jungli	21.25	18.75
Daissee	25.00	22.50
Uttar Pradesh ...	21.25	18.75
Daissee mesta ...	21.50	19.00
Bimli f.a.q.	Rs. 19.25	
Pucca bales ...	Rs. 142.50 per bale.	

GOOD DEMAND FOR TEA—PRICES LOWER

(From Our Own Correspondent)

CALCUTTA, *25th November*

This week's trend in tea auctions was not different from last week's, as, although there was good demand, prices were easier. It looks as though, without a further reduction in excise and customs duties, trading conditions would not improve. Viewed thus, market circles consider it unfortunate that the Minister for Revenue and Civil Expenditure dismissed the recent demand, so ably put forward in the Lok Sabha, for the complete abolition of the export duty on tea as benefiting only the foreign consumer, particularly at a time, when in auctions, the duties were proving an unmistakable drag on sales.

Although world consumption is increasing, it is difficult to believe that this year's increase in world production, amounting to 40 million lbs. so far, can be absorbed fully. Market circles have noted with interest the tour impressions of Mr. A. N. Chatterjee, Chairman of the Tea Board, who recently visited the United Kingdom, Ireland, Egypt and Iraq, on a tea promotion drive. For he said here a week ago that, in the British market, competition from Africa against Indian common teas was growing. Africa commenced tea cultivation in 1948, and the present output was only 70 million lbs., as against India's 700 million lbs. But, with cheaper labour and more favourable climate, Mr. Chatterjee thought that Africa could become a significant competitor. While in Egypt, the Ministers there asked Mr. Chatterjee if it was not possible for India to cut down tea prices. Chinese competition was also slowly developing. Mr. Chatterjee added that Chinese black tea was available in Egypt and other foreign markets at rates lower than the cost of production. Ceylon's black tea was particularly popular in Egypt and Iraq, and the Tea Board would soon collect samples with a view to growing such tea in North India. There was the need for improvement in the quality of Indian tea to be made more acceptable in the U.K.

On offer yesterday were 71,375 chests. Despite good general demand, prices were lower. "Teas for price" gave way by 4-8 nP, plain fannings by 10 nP, medium B.Ps and P.Fs by 8 to 10 nP, orthodox medium Assam B.O.Ps by 10 to 20 nP, and O.Fs. by 10 to 15 nP. In the last-mentioned item there were withdrawals. C.T.Cs were irregularly lower. Medium C.T.Cs possessing ordinary liquors were subjected to heavy withdrawals. Leg-cut Dooars fell by 6-8 nP. Whole leaf grades shared the general trend, but tippy teas and Darjeelings, though irregular, were fully sold. The quotations were: Best Assam C.T.C. fannings Rs. 2.10 to 2.15 (nominal), best C.T.C. B.P. Rs. 2.00 to 2.05, clean black pekoe Re. 1.95 to 2.00, medium fannings Re. 1.78 to 1.82, plain B.P. Re. 1.58 to 1.62, plain fannings Re. 1.70 to 1.76, and medium B.P. Re. 1.72.

Export quota changed hands at 1¼ nP and the price soon improved to 1½ nP.

During the internal auctions held on Wednesday last, dusts offered amounted to 20,372 chests. The general demand was good, but prices were lower. Orthodox teas dropped by 2-4 nP. Darjeelings and C.T.Cs were irregular. Among the latter, the poorer teas fell by 10 nP and mediums and better varieties by 15 to 20 nP. The rates were: Best Assam C.T.C. Rs. 2.70 to Rs. 3.00 (nominal), Assam C.T.C. Re. 1.95, medium Dooars Re. 1.86, medium Assam grainy dust Re. 1.88, and medium Assam C.T.C. Re. 1.95.

Leaf on offer amounting to 1,374 chests met with fair general demand at irregularly lower rates.

A tea sale was held in Chittagong on Wednesday last. Leaf offerings were 14,348 chests and dusts 4,681 chests, in addition to a supplement of 225 chests. Prices for the cheaper-priced teas improved by As. 2 to 3 on expectations that the Government would fix retail price for tea in packets to enable some profit margin for the trade. In view of this, the costly teas were paid less attention, and after an initial easing tendency a small improvement was in evidence. The rates were: O.P. Rs. 2-1-6 to 2-2, O.F. Rs. 2 to 2-0-6, P.F. Re. 1-14 to 1-14-6, B.P. Re. 1-12, Pekoe Re. 1-14 to 1-15, B.O.P. Re. 1-14 to 1-14-6, and B.P.S. Re. 1-13.

DUST TEAS DECLINE

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, *20th November*

A little over 662,000 lbs. were on offer in Dust Sale 'X' which was held on Tuesday, 18th November. The larger selection of teas met with less demand than in previous weeks. Prices were irregularly lower for the milled and low medium dusts and these descriptions declined 15 to 20 nP. All other teas were irregularly 10 nP easier. Buyers' orders were limited and there were a number of withdrawals.

London Market: *Sale of 17th November 1958*:—Best liquoring strong to dearer. Others more enquiry and better market than at close last Wednesday.

Sale of 18th November 1958:—Good demand firm to dearer, though little irregular.

Colombo Market: *Sale of 17th November 1958*:—Strong demand. Highgrowns firm to dearer. Good mediums steady. Plainer mediums declined 5c. to 8c. Small leaf lowgrown brokens steady. Gulf types down 5c. to 10c.

Sale of 18th November 1958:—Strong demand. Useful liquoring, fannings and grainy dusts slightly dearer. Other sorts steady.

Calcutta Market: *Export*:—Good general demand at bottom commons 4 to 6 nP and low medium Assams 10 to 15 nP lower. C.T.Cs weakest features. Poorer kinds unwanted.

Internal:—Good general demand at slightly easier rates, orthodox 2 to 4 nP down, poorer C.T.Cs 10 nP down and better C.T.Cs 15 to 20 nP below last rates.

Export Quota:—The market continued to be quiet, but on easing the quota quotation resulted in a fair amount of business being done at 1½ nP. The latest quotation is sellers 2 nP buyers 1½ nP.

Forthcoming Auctions:—Dust Sale 'Y' will be held on Tuesday, 2nd December 1958.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:

"*Sale* 33:—1,900,000 lbs. Considerably less demand. Market opened 10 to 15 nP lower for low mediums and medium, but declined further towards close with heavy withdrawals. Fair demand for better liquoring sort at lower rates, following quality."

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, *25th November*

Steady conditions were in evidence in the metal market during the week under review, despite lower consumer demand. The steadiness was due to the delay in the issue of licences for import of virgin metals to actual users under the new import policy. The copper position in respect of industrial consumers was actually bad. Even when the import policy was announced, it was pointed out here that, although Government had stated that licences would be speedily issued, the time would apparently expire before the new system got into working. It was noted that, in both London and New York, copper was moving up, in view of keener demand.

Virgin lead opened here at Rs. 83.50 and, after being higher at Rs. 85, closed steady at Rs. 84.50. The rate in Bombay was even higher at Rs. 91, and, in view of this, Calcutta stockists were able to secure some orders which would have normally gone to Bombay. Locally, there was little demand even so. Electrolytic zinc opened at Rs. 90 and closed at Rs. 90.50. At one time, the quotation was higher at Rs. 91. Tin was quoted at Rs. 581, as against Rs. 586 earlier.



COMMERCE AND INDUSTRY

(*Concluded from page 888*)

with difficulties arising in international trade in these two metals, including the possibility of drafting a short-term multilateral arrangement and to prepare such material as it considered desirable. The membership of this Committee was expanded and includes at present Australia, Belgium, Belgian Congo, Canada, France, the Federal Republic of Germany, India, Italy, Japan, Mexico, Morocco, Peru, Poland, Spain, Sweden, Union of South Africa, U.S.S.R., the U.K., the U.S., and Yugoslavia.

The views of various Governments regarding reduction of exports and of production of lead and zinc were also considered by the Conference. As regards reduction of exports, some representatives felt that it would be necessary to take into account the situation arising from the reduction in imports made by the United States. Some Governments indicated that, in their cases, export reductions would not be practicable or appropriate. The principal producing exporters, after discussions amongst themselves, advised the Conference that, with the introduction of import quotas by the United States, consideration of the London proposals in regard to reduction of exports reduced itself to the question whether exporters should reduce or limit their shipments to markets other than the United States. They advised, however, that, while they were unable to agree as to what action might be appropriate in the present circumstances, the Governments concerned were keeping closely in touch with industries and would be aware of industrial adjustment to the changing situation. They noted with satisfaction that consultations would continue through the Lead and Zinc Committee.

As regards reduction in production, the Conference noted that although some Governments were, in principle, in favour of such reductions, others saw practical difficulties. It also noted that, in any event, consultation on the matter of short-term action relating to production or exports could, likewise, continue with the Lead and Zinc Committee. Discussion also took place on the possibility of multilateral action being taken to maintain long-term stability of prices and sound conditions in the world's markets, and it was suggested by a number of delegations that such action with participation by most of the exporting and importing countries was desirable.

NORWEGIAN-CANADIAN ALUMINIUM CONTRACT

A/S Aardal og Sunndal Verk, Norway's Government-owned aluminium works, has signed a N.Kr. 2 billion (U.S. $280 million) contract with a Canadian company, which will assure a major part of its basic raw material requirements until 1978. The four million tons of aluminium oxide to be supplied under the agreement will be processed in the firm's electrolytic furnaces to produce aluminium metal worth about N.Kr. 7 billion, at current prices.

Providing for payment in aluminium ingots, the 20-year contract was signed with Aluminium Union Limited, a subsidiary of the Canadian Corporation, Aluminium Limited. Most of the aluminium oxide will come from Jamaica. The Norwegian Company has a similar, though not as comprehensive, agreement with Aluminium Company of America.

The price to be paid for the raw material is pegged to the value of the finished product at the time of delivery of the raw material, thus providing substantial protection against any decrease in prices. For example, if the market quotation for aluminium metal should decline by 50 per cent., the price of aluminium oxide would be adjusted accordingly.

CHINESE EXPORT DRIVE

China is making every effort to establish a large 'economic' sphere of influence in the Asian-African regions, according to a recent *Economic Review* (weekly) published by the Japan Trade Association. The review points out that China has already extended about $840,000,000 in credits to the underdeveloped Asian-African nations, presumably to gain a financial foothold in this region. China has also entered into trade agreements with India, Ceylon, Indonesia, Cambodia, Nepal and Afghanistan. It has also been purchasing large quantities of local products, such as tin, palm oil and sugar in exchange for such Chinese products as textiles, bicycles, cement, plate glass and secondary iron and steel products. There has also been a rapid rise in Chinese exports to many Afro-Asian countries of such capital goods as textile mill equipment, rice polishing and oil extracting machinery, dynamos, diesel and petrol engines as well as radio valves.

CREDIT CURB IN PAKISTAN REMOVED

The State Bank of Pakistan has removed the restrictions on bank credits with effect from the 15th inst. All commercial banks in the country have been asked to liberalise their policy in regard to advances against goods. The step was taken following representations that Pakistani trade and industry were in need of temporary additional financing facilities. Commercial banks have been assured facilities for counter finance. Restrictions on credits were imposed last year.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 21st Nov., 1958

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	52,02,51,000
(2) Other Governments	24,48,57,000
(b) Banks	101,93,79,000
(c) Others	114,94,64,000
Bills Payable	15,49,27,000
Other Liabilities	21,26,09,000
Rupees	443,14,87,000

Assets	Rs.
Notes	31,83,73,000
Rupee Coin	2,71,000
Subsidiary Coin	2,94,000
Bills Purchased and Discounted—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	5,21,26,000
Balances held abroad*	16,84,71,000
Loans and Advances to Governments†	20,80,17,000
Other Loans and Advances	54,30,46,000
Investments	303,86,99,000
Other Assets	10,21,90,000
Rupees	443,14,87,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 70,00,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	31,83,73,000	
Notes in circulation	1562,68,73,000	
Total Notes issued		1594,52,46,000
Total Liabilities		1594,52,46,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,08,000	
(b) Held outside India	.....	
Foreign Securities	164,67,56,000	
Total of A		282,43,59,000
B. Rupee Coin		187,86,16,000
Government of India Rupee Securities		1174,72,71,000
Internal Bills of Exchange and other commercial paper		.....
Total Assets		1594,52,46,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	14th Nov., 1955	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1585.92	1572.56	1544.80	1487.04
Notes held in Banking Department	25.05	7.82	11.63	10.81	26.96
Foreign Securities	50.50	164.68	164.68	164.68	291.88
Rupee Securities	97.39	1174.73	1164.73	1184.37	970.65
Banking Department					
Deposits of :					
Government of India	14.89	63.38	62.21	51.32	51.63
Other Governments	..	18.17	19.39	26.13	8.19
Balances abroad	16.68	22.25	14.22	15.07	24.37
SCHEDULED BANKS					
Demand Liabilities	134.36	707.16	705.34	718.85	731.42
		(15.48)†	(23.20)†	(24.21)†	(17.54)†
Time Liabilities	102.24	921.13	926.62	888.00	659.19
		(87.58)†	(89.58)†	(87.66)†	(14.55)†
Borrowings from Reserve Bank	..	4.04	4.67	1.45	20.84
		(0.96)‡	(1.17)‡	(0.97)‡	(19.68)‡
Borrowings from State Bank	..	5.00	4.29	2.96	5.70
Cash in India	5.70	45.74	39.97	38.94	39.15
Balances with Reserve Bank	25.17	73.68	81.79	88.22	99.25
Excess over statutory limits	15.52	19.90	28.00	34.52	49.50
Balances with other banks in current account in India	..	13.40	12.94	13.22	11.77
Money at call and short notice in India	..	41.59	50.29	48.62	47.89
Investments (at book value)	169.60	641.31	640.46	594.90	407.63
Advances and bills		841.08	844.55	844.32	846.94
STATE BANK					
Deposits	27.76	480.18	475.84	491.74	361.08
Investments	51.99	286.29	284.51	253.19	168.89
Advances	39.35	165.96	164.94	162.67	158.94
Cash	14.69	34.71	41.18	60.36	52.11

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

State Bank of India

Statement of Affairs for the week ended 21st Nov., 1958

Capital and Liabilities	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5 62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		485,19,21,000
Borrowings from Other Banking Companies, Agents, etc.		33,00,000
Bills Payable		5,79,78,000
Bills for Collection being Bills Receivable as per contra		2,47,47,000
Acceptances, Endorsements and Other Obligations per contra		1,28,32,000
Other Liabilities (including Inter-Office Adjustments)		12,01,92,000
Total .. Rs.		519,34,70,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		45,25,70,000
Balances with other Banks		2,67,86,000
Money at Call and Short Notice		1,80,00,000
INVESTMENTS: Government and other Trustee Securities	274,04,04,000	
Other Authorised Investments	11,70,92,000	285,74,96,000
ADVANCES: Loans, Cash Credits, Overdrafts, etc.	148,90,42,000	
Bills Discounted and Purchased	12,62,12,000	
		161,52,54,000
Bills Receivable being Bills for Collection as per contra		2,47,47,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,28,32,000
Premises less Depreciation		1,24,77,000
Furniture and Fixtures less Depreciation		1,02,23,000
Other Assets (including Inter-Office Adjustments)		16,30,85,000
Total .. Rs.		519,34,70,000

Scheduled Banks*

Statement of Affairs for the week ended 14th Nov., 1958

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	15,48,04,000
(ii) Other demand liabilities	691,68,17,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	37,57,66,000
(ii) Other time liabilities	883,54,98,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	4,94,89,000
(ii) Time liabilities	5,00,000
Borrowings in India from the Reserve Bank of India‡	4,94,40,000 (96,00,000)
Cash in India	46,74,48,000
Balances with the Reserve Bank in India	73,67,64,000
Balances with other banks in current account in India	13,39,60,000
Money at call and short notice in India	41,58,64,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	641,31,16,000
Advances in India	716,99,42,000
Inland Bills purchased and discounted in India	81,86,84,000
Foreign Bills purchased and discounted in India	45,22,86,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupee) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
1958				Rs.	Per cent.
2nd September	3.00	4.01	3.00	2.518	99.370
9th September	3.00	5.95	3.00	2.523	99.365
15th September	2.00	2.75	2.00	2.524	99.365
22rd September	2.00	2.85	2.00	2.529	99.365
30th September	2.00	2.45	2.00	2.527	99.365
7th October	2.00	3.20	2.00	2.525	99.365
14th October	2.00	3.90	2.00	2.521	99.365
21st October	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
28th October	3.00	8.75	3.00	2.489	99.375
4th November	4.00	10.00	4.00	2.458	99.385
5th to 7th November*	3.50	—	3.50	2.396	99.401
10th November	4.00	7.20	4.00	2.430	99.390
18th November	4.00	5.03	4.00	2.458	99.385
19th to 22nd Nov.*,	0.64	—	0.64	2.396	99.401
25th November	3.00	5.50	3.00	2.443	99.385
Total amount outstanding	38.14	..	38.14	..	..

* Intermediate Bills sold

State Bank of Pakistan

Statement of Affairs for the week ended 14th November 1958

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :	
(a) Central Government	73,56,49,000
(b) Provincial Governments	3,76,32,000
(c) Banks	14,46,14,000
(d) Others	5,42,34,000
Bills Payable	33,83,000
Other Liabilities	10,01,61,000
Rupees	114,16,73,000

Assets	Rs.
Notes	6,93,66,000
Rupee Coin	43,000
Subsidiary Coin	40,000
Bills Purchased and Discounted :—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	35,13,000
Balances held outside Pakistan*	8,10,55,000
Loans and Advances to Governments	3,35,00,000
Provincial Governments' Debtor Balances	.....
Other Loans and Advances	17,79,81,000
Investments	68,97,95,000
Other Assets	8,63,86,000
Rupees	114,16,73,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	6,93,66,000	
Notes in circulation	342,98,24,000	
Total Notes issued	.....	349,91,90,000
Total Liabilities	.....	349,91,90,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	.....	
Approved Foreign Exchange	50,76,07,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	116,85,72,000
B. Rupee Coin	4,38,70,000	
Government of Pakistan Securities	222,77,42,000	
Internal bills of exchange and other commercial paper	.....	227,16,12,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	.....	349,91,90,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 35.00 per cent.

EXCHANGE RATES

		26th November, 1958	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	s.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	s.	1-4½	1-4½
Buyers T.T. 10 to 12 months	s.	1-4½	1-4½
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477.00	477.00
Buyers T.T.	Rs.	474.00	473.50
London on New York	$	2.80¼-2.80¼	2.80⅜-2.80⅜
London on Paris	Fcs.	1,176‡	1,176‡
London on Berne	Sw. Fcs.	12.23¼-12.24½	12.24¼-12.24½
New York on London	£	2.80¼-2.80¼	2.80⅜-2.80⅜

CLEARING HOUSE RETURNS

Centre	Week ended 21st November, 1958 Number of Cheques	Amount Rs.	Week ended 14th November, 1958 Number of Cheques	Amount Rs.
Bombay	3,26,184	76,71,38,000	2,10,626	45,87,94,000
Calcutta	1,76,000	72,43,00,000	1,40,000	48,42,00,000
Madras	94,505	10,49,23,228	77,208	8,43,19,605
All Centres— 1958-59	..	..	48,006,000	87,24,55,00,000
1957-58	..	..	41,671,000	89,54,56,00,000
July, 1958	..	..	3,815,000	8,31,97,00,000
Aug., "	..	..	3,482,000	7,52,06,00,000
Sept., "	..	..	3,527,000	8,03,05,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53= 100)

Particulars	Weight	8th Nov., 1958	1st Nov., 1958	9th Nov., 1957	September 1958	September 1957	Percentage of increase (+) or Decrease(−) in Sept., 1958 as compared with Sept., 1957	Financial Year Average 1957-58	1956-5
Food Articles	504	120.2	121.6 R	108.4	121.2	102.5	+11.7	106.4	102.3
Cereals	192	112.4	113.2	102.4	114.6R	120.6	— 5.0	101	96
Pulses	43	111.8	112.2 R	88.1	105.1	88.1	+26.5	85	81
Fruits and Vegetables	22	126.5	120.3 R	112.9	124.2	117.6	+ 6.2	114	119
Milk and Ghee	84	109.8	109.7	104.2	108.7	109.1	— 0.4	105	100
Edible Oils	47	124.0	128.2 R	182.1	132.7	128.8	+ 3.0	126	125
Fish, Eggs and Meat	17	110.9*	110.5 R	98.9	115.2	102.1	+12.8	98	97
Sugar and Gur	45	183.6	187.9	112.8	185.1	110.6	+22.4	108	98
Others	50	158.1	168.8*	134.2	157.2	129.2	+21.7	121	108
Liquor and Tobacco	21	94.0	96.5	90.0	93.7	— 3.0	94.0	84.3	
Tobacco	—	92.4	92.4	95.0	89.0	92.0	— 3.3	93	85
Fuel, Power, Light and Lubricants	39	115.0	115.3	116.0	116.0	116.0	— 3.3	104.2	104
Industrial Raw Materials	155	113.1	116.7 R	116.2	119.0	115.4	+ 3.1	116.5	116.9
Fibres	61	101.6	103.5	112.8	108.0	114.8	— 5.9	118	116
Oilseeds	32	126.8	132.6	122.0	137.3	120.6	+13.8	120	120
Minerals	2	105.2*	106.2*	107.1	106.3R	108.8	— 2.3	108	102
Others	60	107.9	107.9 R	106.6	106.4	107.0	— 0.6	108	109
Manufactures	296	108.8	108.6	108.2	108.9 R	108.7	+ 0.2	108.1	106
Intermediate Products	41	109.8	109.5	106.0	111.0	107.3	+ 3.4	107	110
Finished Products	249	108.0	108.4	109.2	108.5	109.0	— 0.5	108.2	105
Textiles	147	103.7	103.8	107.7	103.8	108.5	— 4.3	107	108
Cotton	—	111.1*	111.1*	116.4	111.8	117.0	— 4.4	116	115
Jute	—	88.9*	87.4*	98.2	87.2	99.3	—12.2	95	100
Woollen	—	105.9	105.9	103.0	105.9	103.0	+ 2.8	103	95
Silk and Rayon	—	95.1*	81.3*	98.0*	83.1*	+15.5	86	88	
Metal Products	12	143.1	143.1	143.4	143.8	143.8	— 0.3	141	120
Chemicals	20	107.3	107.3	98.9	108.4R	98.8	+ 9.7	98	93
Oil cakes	10	148.8	148.5	125.6	187.0	114.2	+20.0	115	108
Machinery and Transport Equipment	91	108.7	108.6	102.8	108.5	101.7	+ 1.8	102	99
Others	30	113.9	113.9 R	111.4	113.8	113.8	+ 0.0	110	101
All Commodities	1,000	118.1	118.1 R	109.7	116.5	109.5	+ 6.4	108.4	106.3

NOTE:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Nov., 1955	4.50	5
Belgium	Aug., 1958	3.75	3.50
Bolivia	30th Sept., 1949	5	6
Burma	Feb., 1948	3	2
Ceylon	11th June, 1956	2	2.50
Chile	Feb., 1957	4½	6
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1944	4	5
Denmark	15th Aug., 1958	5	4½
Equador	18th May, 1948	7	10
Egypt	15th May, 1947	3½	3
El Salvador	1st April, 1957	3	4
Finland	30th April, 1956	5	6½
France	16th Oct., 1958	5	4½
Greece	May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	June, 1958	5.50	5
Italy	7th June, 1958	4	3.50
Japan	June, 1958	8.40	7.67
Mexico	4th June, 1942	4	4½
Netherlands	14th Nov., 1958	3.50	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	1st July, 1948	..	3
Peru	12th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	3	2½
South Africa	22nd May, 1956	4	4½
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1956	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	14th Aug., 1958	5	4½
U.S.S.R.	1st July, 1956	3	4
U.S.A.	23rd Oct., 1958	2	2½
West Germany	27th June, 1958	3½	3

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series.

[1952-53 = 100]

Group and Sub-Group	Week ended 15th Nov., 1958	8th Nov., 1958	18th Oct., 1958	16th Nov., 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.4	100.4	100.4	98.3
2. Government of India	100.3	100.2	100.3	98.0
3. State Government	101.5	101.5	101.5	99.9
4. Municipal, Port Trust, etc.	99.0	99.0	98.9	99.1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.4	100.4	100.3	99.1
6. Plantations	100.1	100.1	100.1	100.0
7. Coal	99.6	99.6	99.6	99.6
8. Sugar	99.0	99.0	99.0	96.9
9. Cotton Textiles	98.2	98.2	98.1	100.3
10. Jute Textiles	91.5	91.5	91.5	93.0
11. General Engineering	100.4	100.4	99.8	95.6
12. Electricity Generation and Supply	97.1	97.1	97.1	96.6
13. Others	102.9	102.9	102.9	100.9
PREFERENCE SHARES—ALL INDIA.				
14. Total	88.2	88.1	88.2	87.7
15. Plantations	97.8	97.8	97.4	102.5
16. *Mining & Quarrying: Total*@	88.8	88.5	87.0	87.7
17. Coal	79.5	79.0	75.9	80.1
18. *Processing and Mfg.: Total**	88.1	88.0	88.2	87.9
19. Sugar	89.1	89.1	89.1	91.8
20. Cotton Textiles	78.7	78.6	78.9	88.0
21. Jute Textiles	79.1	79.4	79.6	74.6
22. Iron and Steel	90.3	90.1	90.7	87.2
23. General Engineering	102.2	102.2	100.3	102.4
24. Basic Industrial Chemicals	87.7	87.9	89.0	82.8
25. Cement	100.1	98.9	98.7	97.8
26. Paper	86.0	85.9	85.9	91.3
27. *Other Industries: Total**	85.8	85.7	85.5	83.4
28. Electricity Generation and Supply	87.4	87.5	87.4	85.6
29. Trading	80.9	80.6	80.3	76.7
30. Shipping and Other Transport	85.5	85.4	85.4	85.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	142.5	143.2	142.7	124.6
32. *Agriculture and Allied Activities : Total**	154.6	155.9	155.1	146.6
33. Tea Plantations	148.3	149.7	148.4	145.4
34. Coffee Plantations	215.6	215.4	215.4	184.9
35. Rubber Plantations	154.0	154.6	160.9	135.0
36. *Mining and Quarrying: Total*	144.4	145.5	146.9	121.4
37. Coal	112.9	113.3	115.4	89.9
38. Other Mining	166.0	167.6	168.5	143.0
39. *Processing and Manufacturing : Total*	141.1	141.7	141.2	123.6
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	128.6	129.1	128.3	118.9
41. Sugar	173.0	174.0	172.4	159.1
42. Cotton Textiles	112.9	113.7	114.9	118.3
43. Jute Textiles	98.2	91.3	84.8	69.4
44. Silk and Woollen	439.1	439.6	433.8	306.9
45. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	161.7	162.3	160.7	128.8
46. Iron and Steel	160.4	157.6	155.7	114.4
47. Transport Equipment	204.1	204.4	204.4	173.1
48. Electrical Machinery	162.4	163.6	159.6	165.2
49. Machinery other than Transport and Electrical	175.1	175.0	173.1	143.4
50. Basic Industrial Chemicals	128.6	128.6	128.4	106.1
51. *Processing and Mfg. (Others): Total**	141.1	142.0	144.4	127.9
52. Cement	125.1	125.9	129.7	122.3
53. Paper	194.4	195.5	197.0	162.6
54. *Other Industries: Total**	118.5	118.7	117.4	104.4
55. Electricity Generation and Supply	95.8	95.9	95.1	88.4
56. Trading	90.8	89.9	88.9	80.5
57. Shipping and Other Transport	141.8	142.0	142.2	124.4
58. Construction	257.4	258.0	244.7	201.4
59. *Financial: Total*	182.3	184.2	183.7	148.5
60. Banks	207.0	209.7	208.3	166.7
61. Insurance	126.8	126.3	126.5	108.6
62. Investment Trusts	95.5	94.6	92.5	83.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	145.2	145.7	145.4	121.8
64. Calcutta	139.7	140.6	139.8	121.8
65. Madras	154.0	154.9	155.1	146.7
66. Delhi	165.3	166.3	166.8	149.8

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,800	10,73,600	7,97,500
Do. 31st March, 1958	10,98,800	11,06,800	7,90,900
Aug., 1957	88,700	85,500	68,100
Sept., "	88,600	92,500	71,700
Oct., "	95,100	96,500	59,000
Aug., 1958	99,500	1,03,800	70,900
Sept., "	89,600	95,800	66,500
Oct., "	94,200	96,400	76,900
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,32,815	4,41,483
Do. 31st March, 1958	7,33,945	5,07,580	4,10,566
Three months ended Sept. 1957.	1,71,897	1,19,172	96,815
" " " Mar. 1958.	1,99,839	1,33,653	1,06,501
" " " June 1958.	2,14,469	1,21,988	1,01,014
" " " Sept. 1958.	2,30,436	1,48,516	1,05,608

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of Average Number of workers involved	Nmuber of man-days lost
1956	1,203	715,130	6,992,040
1957	1,630	889,871	6,429,819
January 1958	147	56,492	371,125
February "	152	99,482	447,586
March "	167	85,462	818,824
April "	170	61,489	5,30,162
May "	160	57,657‡	5,00,459‡
June "	151	156,229(a)	1,524,835(b)

† Not known in 16 cases. (a) Not known in 9 cases.
‡ In progress during the month. (b) Not known in 10 cases.

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'56-'57	387.68	..	11,010	284
Pakistan††	'56-'57	89.50	..	2,079	249
Burma	1956	19.80	Kyats 4,386	565	286
Ceylon	1955	8.38	..	478	567
Japan	1958	90.00	Y. 7,427,000	9,288	1,031
Philippines	1956	22.20	Ps. 8,355	1,986	894
New Zealand	1956	2.17	£ (N.Z.) 984	1,776	5,428
Australia	1957	9.60	£ (A.) 4,599	4,893	5,096
U.K.	1955	51.20	£ 16,465	21,953	4,287
U.S.A.	1956	168.09	$ 343,600	163,554	9,731
Canada	1956	16.00	$ 22,710	10,797	6,742
France	1956	43.60	F.Fr.13,990,000	17,640	4,046
W. Germany	1957	51.00	Dm. 188,000	18,057	3,513
Italy	1956	48.10	Lr. 11,476,000	8,795	1,821
Norway	1956	3.46	Kr. 20,990	1,408	4,358
Sweden	1956	7.36	Kr. 44,580	4,127	5,653
Netherlands	1956	10.80	Grs. 25,400	3,215	2,977
Denmark	1956	4.46	Kr. 24,950	2,791	5,799
Switzerland	1956	5.00	Sw. Fr. 25,630	2,807	5,614

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949 = 100)	Bombay Base June (1934 = 100)	Ahmedabad Base July (1927 = 100)	Sholapur Base January (1928 = 100)	Kanpur Base (1949 = 100)	Nagpur Base (1949 = 100)	Calcutta Base August (1939 = 100)	Madras City Base (1949 = 100)	Delhi Base (1949 = 100)	Ajmer Base (1949 = 100)	Gauhati Base (1949 = 100)	Jamshedpur Base (1949 = 100)	Jabalpur Base (1949 = 100)	Bangalore Base (1949 = 100)
1952 Average ..	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 " ..	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 " ..	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 " ..	96	338	217	246	78	96	321	99	92	83	87	98	88	103
1956 " ..	105	353	244	316	80	105	347	111	109	95	96	106	100	114
1957 " ..	111	369	250	339	94	112	364	116	114	99	103	115	107	126
May 1957 ..	110	376	263	345	96	111	352	114	114	96	103	113	108	126
June " ..	112	356	254	330	91	112	371	115	115	98	105	113	111	127
July " ..	112	356	256	333	89	112	371	116	115	98	106	119	109	129
August " ..	113	377	265	347	98	113	375	115	118	99	105	120	108	128
September " ..	114	375	262	338	97	113	378	115	113	100	106	121	106	128
May 1958 ..	113	387	263	295	93	117	371	120	108	97	101	119	107	129
June " ..	116	395	273	307	98	117	378	121	111	101	103	120	113	130
July " ..	119	407	285	317	101	118	392	125	116	105	103	122	114	130
August " ..	120†	404	288	322	103	118	403	126	117	108	106	125	111	132
September " ..	..	404	289	327	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Out-standings	7-Year B Out-standings	12-Year B Out-standings	12-Year National Plan Savings Certificates C Receipts	Out-standings	Post Office Savings Bank Deposits Receipts	Out-standings	10-Year National Plan Certificates D Out-standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Out-standings	Receipts	4% C Out-standings	15-Year Annuity Certificates G Receipts	Out-standings	Total Receipts	Out-standings H

MARKET GOSSIP

(*Concluded from page 867*)

seriously out-distanced by the producers of fibres for the remaining one-third."

At present, programmes of market research, sales promotion and public relations for cotton exist only in a few countries. In the U.S., the National Cotton Council operates such a programme and spends $1.4 million a year to stimulate cotton consumption. In addition, the U.S. cotton industry, with the help of the Department of Agriculture, supplies another $1 million annually for promotion of cotton through the Cotton Council International to cotton industry organisations in Austria, Belgium, Finland, France, Germany, Italy, Japan, the Netherlands, Spain, Switzerland and the U.K. The only other raw cotton producing countries supporting cotton promotion work outside their own borders, even in a limited way, are Egypt and Sudan.

This co-operation by the United States and other producing countries with the processing industries, according to the Federation, is having a beneficial effect on cotton and on all phases of the textile trade by stimulating a greater interest by consumers in apparel and household products. This in its opinion, is one of the forces which promises a bright future for all who produce, process and merchandise cotton.

It, however, feels that the present level of international cotton promotion is not adequate. In order to encourage the major cotton growing and exporting countries to give their support to the programme in market research and cotton textile promotion which are currently being carried out in various consumer markets throughout the world, the Federation has submitted a statement on cotton textile promotional activities to trade associations representing cotton growing and exporting interests and competent Government departments in various countries. The Federation points out that cotton textile promotion should be promptly initiated in many markets where such programmes do not exist. In addition, it suggests, the present co-operative programmes should be stronger and more effective. The Federation, therefore, recommends that all raw cotton producing and exporting countries should study the present programmes of cotton promotion and invites them to consider the possibility of participating, financially and otherwise, in these activities.

Producers of raw cotton all over the world have a direct interest and responsibility in these efforts to maintain and increase the consumption of cotton textiles. It is to be hoped that the Federation's suggestion and invitation will receive wide response. We commend them to the attention of the Government of India, the Indian Central Cotton Committee and the Indian Cotton Mills' Federation.

TEXTILES

(*Concluded from page 876*)

the Government urging it to drop the proposal, meetings were held condemning the move, processions of weavers were organised and *hartals* were held.

The Tariff Commission's observations on the art silk industry have evoked bitter comments from the Silk and Art Silk Mills Association. In the course of a statement issued to the Press, the Association has drawn attention to the several handicaps confronting the industry in which small units account for as much as 75 per cent. Special mention is made of shortage of yarn supply, high cost of yarn, excessive import duty on foreign yarn, scarcity in supplies and high cost of colours and chemicals, heavy burden of excise duty and high weaving cost. The Association points out that several units have already gone out of existence due to the uneconomic working and many units continue to operate despite losses because of their inability to pay the necessary retrenchment compensation to the labour force. It has, therefore, pleaded for a reconsideration of the whole issue. It wants the Government to continue protection to the industry, give priority to import of raw materials, completely ban imports of all finished goods and turn down the suggestion for enhancing excise duty.

MANCHESTER LETTER

(*Concluded from page 877*)

the larger groups, have been trading at a loss. Among these are Horrockses, Crewdson & Co., Ltd., whose net loss of £70,000 during the past year included a deficit of £57,000 arising from falls in raw cotton prices, and Crosses and Heatons Ltd., which has deferred payment of an interim dividend, reporting a "substantial loss" on the past half-year's trading.

Several other companies have lately passed their interim payments, presumably hoping that some ground may be regained in the second half of their trading periods. In this group are Slack Mills, Hartley Fabrics and the Eclipse Mill. Other interim or final payments have been reduced, indicating less favourable conditions in the case of the Falcon, Goyt and Shiloh Mills.

A deficit on trading has been announced by United Indigo and Chemical, amounting to £5,639, while a profit of over £35,000 earned by Fred Taylor & Co. last year has turned to a loss of £14,000. Indicative of the difficulties being encountered in the fine spinning trade, the Swan Lane group recorded a net loss of over £10,000 during the past half-year, bringing the total year's profit down from £78,500 to below £9,000.

Just in time for inclusion in this melancholy chronicle come the results of Combined English Mills, recording a loss of £186,462, as against a profit of £318,835. Throughout the list, not a single company has improved on its previous performance. Among the best attempts were those of the Iris Mill, whose net earnings, at nearly £49,000, were only £3,000 lower than in the previous year and Bury Ring Mill whose profit was within £2,000 of the 1957 figure at £18,734.

In many cases, however, net earnings have dropped to about half their previous level. In this category come Werneth Spinning, Haighton Holdings and the Barber Textile Corporation, while substantial reductions in profit have been announced by Yorkshire Dyeing and Proofing, Belgrave Mills and the merchanting firm of Paterson, Zochonis.

Fortunately for most companies, the reserves built up during a decade and more of prosperous trading have not been dissipated by the recessions which have been encountered since the end of 1951. Yet a continuation of such an adverse period as that through which the industry is now passing could sap its strength.—*All Rights Reserved.*

COAL

(*Concluded from page 879*)

The development of "local collieries," that is, medium and small mines built and run by the local authorities or by farm and handicraft co-operatives, is also one of the important factors responsible for the big rise in output during the current year. It is estimated that new local mines, with a total capacity of 50 million tons, will come into production. In the first six months of 1958, local coal mines with an annual capacity of 25.8 million tons came into being. The total production of all local mines this year will amount to 60 million tons, representing an increase of 24 million tons or 34.3 per cent. of the rise in total production of the country. China believes that the surest way of increasing production rapidly lies in building and exploiting small local mines, because these can be easily done. Moreover, many of the Chinese peasants are said to be experienced coal miners.

Alongside the development of small coal mines, the Central Ministry of Coal Industry is building up giant new mines. It is stated that a number of these giant mines have already gone into production this year; their output is estimated at 16 million tons, accounting for 22.9 per cent. of the increase in the country's total production.

During the first Five-year Plan, China's investment on construction of coal mines aggregated, 3,288 million yuan. During this period, 38 old mines with a capacity of 11.34 million tons are said to have been restored and 92 renovated, giving an increase in capacity of 26.8 million tons. Sixty new mines went into production during the first Five-year Plan, with a total annual capacity of 25.4 million tons. In 1958, new mines with an aggregate annual capacity of 50 to 60 million tons, nearly equal to that achieved in the whole of the first Plan period, will be set up. This, together with the new local mines, will give a national total of 100 million tons. This is claimed to be more than 4.5 times the total capacity added to Britain's coal industry in the first 10 years of its nationalisation (1947 to 1956), that is, 31 mines with a total capacity of 22 million tons.

Technical innovation is also one of the key factors underlying the phenomenal growth of coal mine construction. By improving organisational work and construction technique, the Chinese coal industry has been able to save a lot of time. The time required for building coal mines in China has been shortened by a third or more. While it took 10 years for Britain to build an inclined shaft of less than one million tons capacity, China has been able to build a mine with an annual capacity of 300,000 tons within a year and a 600,000 to 900,000 ton mine in two years. The time required for developing the new mines to their full capacity has been shortened considerably and the output, it is stated, can even be made to exceed the designed capacity by tapping the reserve capacity.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 27th November, 1958.

	Closing quotations 20-11-1958	High	Low	Closing quotations 27-11-1958
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	150.00	—	—	150.00
Apollo (2)	1.28	1.30	1.24	1.30
Bombay Dyeing (25)	56.80	57.40	56.00	57.20
Bradbury (50)	135.00	—	—	135.00
Central India (100)	85.00	88.00	85.20	86.00
Century Mills (100)	426.25	433.50	425.00	432.00
Colaba (100)	33.00	—	—	33.00
Edward Textile (200)	220.00	—	—	220.00
Elphinstone (50)	36.00	36.00	34.00	34.00
Finlay (100)	268.00	270.00	268.00	270.00
Gokak (100)	132.00	132.00	129.00	129.00
Ind. Untd. Defd. (1)	1.10	1.12	1.10	1.10
Ind. Untd. Ord. (10)	8.68	8.92	8.64	8.72
Indore Malwa (100)	102.00	104.00	102.00	104.00
Khatau (100)	162.50xd	162.50	160.00	160.00
Kohinoor (100)	248.00	250.00	248.00	249.00
Lakshmi (250)	420.00	—	—	420.00
Minerva Mills (100)	64.00	—	—	64.00
Model Nagpur (250)	167.50	171.25	166.50	170.00
Morarji (100)	235.00xd	240.00	235.00	238.00
Mysore (50)	91.00	—	—	91.00
National Rayons (100)	241.75	244.00	238.50	240.75
New City (100)	95.00	—	—	95.00
New Great (100)	211.00	216.00	211.00	216.00
Phoenix (100)	117.50	—	—	117.50
Podar Mills (100)	134.00	—	—	134.00
Sassoon Silk (10)	9.75	—	—	9.75
Sassoon Spg. (10)	40.30	40.30	40.00	40.00
Sholapur (1,000)	425.00	—	—	425.00
Shrinivas (100)	148.00	148.00	145.00	145.00
Simplex (50)	170.50	173.00	170.50	173.00
Standard (100)	395.00	399.50	395.00	399.00
Svadeshi (100)	189.00	204.00	187.75	203.00
Swan (100)	351.00	351.00	345.00	346.00
Tata Mill (25)	35.00	35.50	34.75	35.00
Vishnu (100)	98.00	—	—	98.00
Western India (1,000)	4,625.00	—	—	4,625.00
BANKS				
Bank of India (50)	139.25	139.25	137.00	137.00
Do. (New) (50)	140.50	140.50	139.00	139.50
Bank of Baroda (50)	121.00	121.00	119.50	120.00
Central (25)	58.20	58.80	58.20	58.50
Central 'A' (25)	59.00	59.50	59.00	59.50
Dena Bank (50)	45.75	45.50	45.50	45.50
Punjab National (25)	55.00	55.50	55.00	55.00
Union Bank (5)	7.52	7.52	7.44	7.52
United Com. (50)	68.00	68.30	68.00	68.00
ELECTRIC COS.				
Ahmedabad (100)	99.00	99.40	98.70	99.10
Amalgamated (10)	11.40	11.40	11.38	11.86
Andhra Valley (1,000)	1,190.00	1,207.50	1,190.00	1,202.50
Bom. Sub-El. (100)	110.50	110.50	109.50	110.00
Surat (100)	114.00	114.00	112.00	113.00
Tata Hydro (100)	122.00	122.75	121.50	122.50
Tata Power (1,000)	1,197.50	1,235.00	1,195.00	1,230.00
INSURANCE COS.				
British India (10)	14.00	—	—	14.00
Empire of India (100)	240.00	—	—	240.00
Ind. Mercantile (20)	47.25	—	—	47.25
Jupiter (15)	7.12	—	—	7.12
New India (15)	55.50	55.60	54.50	54.70
Oriental (200)	3,800.00	—	—	3,800.00
Universal (10)	13.00	—	—	13.00
Vulcan (10)	19.76	19.76	19.52	19.64
STEEL COS.				
Ind. Iron (10)	25.90	26.40	25.05	25.80
Tata Steel Ord. (75)	176.00	177.75	175.50	177.00
SUGAR COS.				
Belapur (50)	308.50	309.00	305.00	305.50
Bhopal (10)	27.50	27.50	27.00	27.10
Dhaliau (50)	166.50	174.00	166.50	173.00
Walchand Ind. (100)	283.00	283.00	280.00	280.50
CEMENT COS.				
Associated Cts. (100)	154.50	154.25	151.25	153.25
Digvijay (100)	134.00	134.00	127.25	129.50
MISCELLANEOUS				
Alcock Ashdown (100)	257.50	262.50	257.50	260.00
Bom. Burmah (125)	485.00	497.50	485.00	497.00
Do. (New) (50)	178.75	—	—	178.75
Br. D. Petrol (4 sh.)	2.04	2.06	1.98	2.02
Br. I. Corpn. (5)	3.70	3.70	3.64	3.80
C. P. Rly. (100)	57.30	—	—	57.30
Hindusthan Motors (10)	7.16	7.28	7.16	7.24
Indian Copper (5 sh.)	3.80	3.84	3.70	3.74
Ind. Inv. Tr. (100)	80.50	—	—	80.50
Killicks (100)	148.00	149.00	148.00	149.00
Polson (100)	163.00	163.00	161.00	161.00
Pres. Automobiles (100)	86.00	88.80	85.50	86.00
Premier Con. (80)	236.00	240.00	236.00	247.50
Scindia (20)	21.16	21.44	21.16	21.24
G. E. Shipping (10)	26.80	27.05	26.60	26.75
Shivrajpur (10)	96.80	97.00	96.60	91.20
Tata Chemicals (10)	15.64	15.84	15.64	15.76
Tata Locomotive (100)	154.50	156.25	153.50	154.50
Tata Oil (25)	37.25	38.50	37.25	38.00
W. I. Match (100)	187.50	188.00	187.00	187.00

GOVERNMENT SECURITIES	20-11-1958	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	27-11-1958
	Rs.			Rs.
2½% 1961	97.15	—	3.54	97.15
2½% 1960	99.00	—	3.31	99.00
2½% 1962	96.80	—	3.57	96.80
2½% 1976	88.20	—	4.08	88.20
3% 1959-61 2nd Viet.	99.70	3.34	3.10	99.70
3% 1964	96.75	—	3.58	96.80
3% 1963-65	96.70	3.78	3.48	96.80
3% 1966-68	94.05	3.88	3.71	94.05
3% 1970-75 1st Dev.	90.25	4.03	3.75	90.35
3% 1966 Con. Loan	78.15	—	4.10*	78 20
4% 1960-70	100.65	3.66	3.94	100.65
2½% 1961 N.P. Bonds	100.10	—	3.45	100.15
2½% 1964 N.P. Loan	99.90	—	3.52	99.90
2½% 1965 N.P. Bonds	99.70	—	3.54	99.75
2½% 1962	99.15	—	3.48	99.20
2½% 1967 N.P. Bonds	98.95	—	3.52	99.00
2½% 1974	98.80	—	3.89	98.80
2½% 1967 IN.P. Bonds	100.50	—	3.67	100.60
4% 1972 Loan	100.70	—	3.90	100.90
2½% 1968	98.70	—	3.65	98.75
2½% 1968 N.P. Bonds	100.00	—	3.50	100.00
2½% 1968 N.P. Bonds	100.40	—	3.69	100.40
4% 1973 Loan	100.65	—	3.94	100.70

BRITISH GOVERNMENT SECURITIES

	Closing quotations 18-11-1958 £			Closing quotations 25-11-1958 £
2½% Brit. Consols	50 7/8	—	—	51
3% Savings Bonds 1965-75	73⅜	—	—	73⅜
3% War Loan 1955-59	99⅛	—	—	99⅛
3½% War Loan	65 1/8	—	—	65⅛
4% Victory Bonds 1976	94⅛	—	—	96⅛
4% Funding 1960-90	87⅜	—	—	88⅜

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

COMMERCE

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

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SOCIAL JUSTICE THROUGH CEILING ON INCOMES?

THE general expectation, following the Hyderabad session of the All-India Congress Committee, that the approach of its Sub-Committee on agriculture would be informed by realism, has just been belied. The Sub-Committee has already met once or twice at New Delhi and drawn up a note for circulation to the State Chief Ministers and Presidents of Provincial Congress Committees. This note is of far-reaching importance, as it will form the basis of the final policy decision scheduled to be taken at the meeting of the All-India Congress Committee next month. This note falls into two parts, one pertaining to land reforms, under which comes the proposal to fix a ceiling on land-holdings, and another to ceiling on urban incomes. It is clear from this note that top Congress leaders have neither learned nor unlearned anything. It is also clear that the members of the Sub-Committee have forgotten the wise words spoken by Prime Minister Nehru in Parliament in the summer of 1956, on ceiling on incomes in general.

To take land reforms first. It was only in our issue of 1st November 1958 that we commented at some length on the subject of land reforms, with particular reference to ceiling on land-holdings. Nevertheless, a further reference to it has become necessary, because of certain misconceptions and serious implications of the proposals of the Sub-Committee to the community in general. For instance, at one place the note says that surplus lands derived from the imposition of ceilings should be farmed on a co-operative basis; at another place, it says that such surplus lands should be assigned to landless labour. These statements appear contradictory. If they are not, they can mean only one thing. And that is that what is contemplated is not individual peasant farming by the former landless labourers but joint farming of the surplus lands assigned to them. If distribution of lands to agricultural labour is accompanied by the condition that they should be farmed jointly, that would be tantamount to coercion. What difference is there then in this approach of the Congress Party pledged to democracy from the method followed by the Communists in China?

Whether the Sub-Committee's claim that land redistribution of that kind is conceived in the spirit of social justice can be substantiated is the next question. It passes one's comprehension why landless labour should have been suddenly brought into the picture, while the second Plan's land reform policy itself has not held out any hope for them. If landless labour is now to be promised land, what will happen to uneconomic holders and cultivating tenants who have been any day more land-hungry than landless labourers? How can redistribution of poverty be claimed to be in conformity with the spirit of social justice, when the just needs of sub-marginal holders and cultivating tenants cannot be satisfied by any such land distribution programme? It has only to be recalled, in this connection, that, according to one optimistic estimate, as yet unverified, even at a possible low ceiling of 20 acres, only about 65 million acres of surplus land can be released and even these would not be sufficient to go round all the sub-marginal holders and tenants.

It would be very advisable for the Congress agrarian reformers and Communist agitators, who have seized upon the phenomenon of "land hunger" to propagate the related slogans of "land to the tiller," "equitable redistribution of lands" and "land for the landless," to examine the nature of that phenomenon more closely. If they do, they may well realise that they have mistakenly taken land hunger as a purely economic phenomenon, in the sense of a uniformly prevalent economic desire on the part of tillers to own the land they till. The universal desire is not for land but for jobs at a living wage. And it is universally accepted that agriculture, carried out in whatever way one likes, cannot provide jobs for all those who are now landless. The reformers may also find that, while the land problem as such is an economic problem, its most prominent manifestation, namely, land hunger, is not a purely economic phenomenon. For, if there are tillers who intensely desire to own the land for the economic consideration of larger returns which, in their estimation, they are likely to get, there are also tillers, who, with equal intensity, desire to own the land for such non-economic considerations as pride of possessing land, equality in status with some landowning sections and psychological feeling of security associated with landed property.

There are, again, some tillers who quail from the responsibilities of ownership and who are interested only in securing cultivation of some land or other for a living. Besides, there are instances of tenant-cultivators who are more prosperous than peasant proprietors. There are also innumerable instances, of course, under the *ryotwari* system, where land-owners have become landless peasants and where landless labourers have become landlords not through any dishonest means but through hard work and diligence. There are, again, numerous sharecroppers and labourers without any tradition, sense or consciousness of landownership, most of whom are probably interested only in larger returns for work turned out on the farm. There may be exceptions, but they are mostly those who have been fortuitously led by agitators to entertain desires for land. What is more, if land hunger had been so real, so extensive and so intense, nothing could have prevented the landless peasants from launching out on any large-scale movement for land grabbing. While this does not rule out the possibility of some such movement in future, aided by the stimulus of organised agitation, at the moment, it certainly speaks for the pacific qualities of our landless peasants. It is on this pacific character of our peasantry that a democratic government should rely for weaning them away from the influence of agitators who mislead them into believing that an owned holding, however tiny it be, will raise the standard of living of the tiller. To kindle exaggerated aspirations in their minds, instead of so weaning them away, would be the height of folly, for, in the resulting "revolution of rising expectations" (to borrow Mr. Adlai Stevenson's pregnant phrase), a veritable Frankenstein's monster will have been created.

It is not realised as well as it should be that any kind of land reform aimed at equal distribution of lands after virtual expropriation cannot provide all those now cultivating them as owner-farmers, tenants, or permanent or temporary farm servants with peasant farms of an adequate economic size which is commonly suggested as five acres of wet or 10 acres of dry land. If the object of such redistribution is, as it ought to be if it is to be sound and rational, the creation of economic holdings owned by the tillers themselves, there would be no sense in a process of revolutionary expropriation which could only lead to chaos, without the saving merit of any rational objective being achieved. The A.-I.C.C. Sub-Committee's insistence on quick imposition of ceilings on future and existing landholders alike and distribution of surplus lands to resourceless labourers is by no means expedient or realistic in the present situation which demands a line of approach consistent with the supreme objective of maximising food production. The A.-I.C.C. has to be reminded of the sound opinion expressed in the First Plan document that "any large-scale and sudden attempt to break up existing holdings may give rise to such organised forces of disruption as may make it extremely difficult to bring about the very transformation in the organisation of agriculture which is needed."

The A.-I.C.C. Sub-Committee has also failed to look at the problem from the long-range point of view. India's population is rising at the rate of 5,000,000 per annum. The bulk of this increase—anything between 70 and 80 per cent.—is taking place in rural areas. After the proposed redistribution of land among the existing generation, how will social justice be done to the generation now growing and the ones that will follow? Assume, for instance, that a piece of five acres is given to a landless labourer with six children. From where will all his children get land when they grow up and need jobs? How will their land hunger be solved? How will further fragmentation of land be prevented, with all children enjoying equal right to property under the revised law of the land?

Another controversial statement in the A.-I.C.C. Sub-Committee note is that "the question of social justice is indivisible and must guide our actions in all spheres of the country's life and economy without distinction of urban and rural areas." The Sub-Committee, therefore, feels that "the question of social justice will have to be considered in respect of urban incomes also." It is also stated that, "for the first time, the Congress is moving in the direction of a policy of ceilings on urban incomes." This is most surprising, because even Mr. Jawaharlal Nehru has, up till now, discounted any such idea of limitation of urban incomes. The demand for a ceiling on urban incomes was vociferously voiced in 1955 and early 1956. Earlier, the Taxation Enquiry Commission (Chairman: Dr. John Matthai) had considered the idea and stated the practical difficulties involved in implementing the idea. The Commission was of the view that the upper limit to income should be related to the average income and that, in any case, there could not be

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a rigid formula, since "equality in the context of a socialist pattern of society must be dynamic as well as realistic." The then Finance Minister, Mr. C. D. Deshmukh, had said that a ceiling on incomes implied a ceiling on property and that a limit on incomes through a ceiling on property was not a "feasible proposition, since it would involve payment of compensation." The Planning Commission, for its part, regarded a ceiling on incomes as the end product of a process, rather than a beginning, and a floor for incomes, or a guarantee of certain minimum natural standard of the essentials of civilised life, as being "no less important than a ceiling at top levels." The pith of the Commission's conclusion was "a ceiling cannot be imposed merely by legislation."

The views expressed by Mr. Nehru in Parliament in the last week of May 1956, where resolutions were moved favouring the imposition of a ceiling on incomes, are worth recalling. Emphasising that, for an underdeveloped country like India, the most important thing was to increase production, he remarked:

"Socialism is not something which can be defined as a dead level of poverty. I do not think socialism can be equated with poverty. You may call it a dead level of poor people in the country. That is not an ideal to be aimed at. Socialism only becomes socialism, when there is something worthwhile to socialise, when the productive apparatus is functioning, so that it produces wealth which does not concentrate in the hands of a few. Therefore, it becomes quite essential for a country like ours where the level of living is low to produce more wealth and to see that more wealth is properly distributed. The most important thing is production of wealth. Everything else is secondary or tertiary."

He strongly deplored, it may be added, the use of the word socialism to justify all kinds of suggestions as if "socialism means cutting off of the head of everybody who is above a certain height."

As production of wealth is the most important task before the country, it would be unwise to talk of placing a ceiling on incomes, whether urban or rural, because such ceilings would adversely affect individual savings and undermine the drive for industrialisation which alone, in the final analysis, would absorb the vast mass of surplus labour from rural areas in gainful employment.

RICE ECONOMY

NO single commodity is of greater importance to Asian living standards than rice. This will become clear when it is realised that Asia accounts for nearly 93 per cent. of the world production of rice and also for 90 per cent. of its consumption. Many Asian countries are not only large rice-cultivating areas but also net rice importing regions. Rice is the staple diet of Asia's teeming millions. To an average Asian, its abundant supply signifies prosperity and peace, and its scarcity the worst of evils that can befall him. Rice is the fulcrum around which the simple economy of the Asian rural home revolves. It has thus more than a mere economic significance. It evokes endless emotional responses which may vary from blissful contentment in a period of abundance to sheer despair in periods of drought and famine.

Being an inveterate rice-eater—it is easier for a leopard to change his spots than for a rice-eater to change over to some other food—the Asian citizen found the war and the immediate post-war years, with their relative scarcity in rice, a period of great stress and strain. Although production has considerably expanded in several areas, the increase in population—there seems to be some biological relationship between rice-eating and fecundity—has prevented any significant improvement in *per capita* consumption. Nevertheless, in Asia, the *per capita* consumption of rice at 86 kilograms is only slightly below 88 kilograms, the pre-war average. But it is definitely higher than the low 73 kilograms to which consumption had receded in the early post-war period (1948-52). Perhaps, the picture will change when the efforts that are now being made for increasing the area under rice and improving the methods of cultivation bear fruit. Much will, however, depend upon the trends in population.

World rice output in 1957-58, according to the latest report on rice issued by the U.N. Food and Agriculture Organisation, aggregated 206.8 million tons in terms of paddy, as against 215.5 million tons in 1956-57. (It may be noted here that the yield of rice from paddy varies from country to country; the conversion factor ranges from 60 to 74 per cent.). Harvests were reduced by prolonged drought over a large area in South-East Asia, particularly in Burma, Thailand, India and Pakistan, as well as in countries such as British Guiana. In 1957-58, Asia accounted for 192 million tons, as against 203.1 million tons in 1956-57. These figures include the estimates of output in communist countries, China, North Korea and North Viet Nam, the production of which is placed at 88.2 million tons in 1957-58, or some 500,000 tons more than in 1956-57. China, which accounts for about 40 per cent. of the total world production, had an excellent crop of some 84 million tons. South America, as the table on the next page will show, comes far behind Asia, with 5.27 million tons to its credit. Africa produced some 4.78 million tons and North America 2.81 million tons. Europe accounted for 1.60 million tons.

An analysis of production trends in the leading exporting and importing countries shows some interesting trends. In ten leading exporting countries—Burma, Cambodia, Taiwan, Thailand, Viet Nam, Br. Guiana, the U.S., the U.A.R., Italy and Spain—the output of rice, in terms of paddy, in 1957-58 aggregated only 22.4 million tons, as against 26.93 million tons in 1956-57. The world's largest exporters, Burma and Thailand, were badly affected by drought. The harvest in Burma was estimated at 5.23 million tons, as against 6.46 million tons in 1956-57. Viet Nam's crop is placed at 3.17 million tons, or 200,000 tons less than in the previous year. Thailand's crop was officially estimated at only 5.7 million tons, as against the bumper 8.2 million tons produced in 1956-57. The U.S. accounted for only 1.95 million tons, as compared with 2.24 million tons in the previous year. This reflects the operation of the Soil Bank programme.

The fall in production of the chief exporting countries was also accompanied by a similar fall in production in the nine chief importing countries—India, Indonesia, Japan, Malaya, Pakistan, the Philippines, South Korea, Cuba, and West Africa. In these countries, rice production, in terms of paddy, was 83.69 million tons, as against 89.33 million tons in 1956-57. The largest decline, relatively and in absolute terms, was in India. The total Indian harvest was only 37 million tons, as against 43.1 million tons in the previous year. Indonesia's crop was somewhat higher at 11.8 million tons. Japan's crop rose by nearly 700,000 tons to 14.33 million tons, the wider use of new varieties which mature before the threat of typhoon damage, it is stated, has reduced fluctuations in production in this country. But, in Pakistan, it fell from 13.72 million tons to 12.5 million tons. Drought reduced the crop in the Philippines by 5 per cent. to 3.2 million tons.

It is too early to estimate the total world exports in 1958. In view of the smaller crops and low carryover stocks, there was a substantial decline in exports from Burma, Thailand and the U.S. in the first half of 1958. Exports from Burma fell sharply, dropping to only 800,000 tons during January-June 1958, as compared with over 1 million tons in the same period of 1957. Thailand exported 704,000 tons, as against 869,000 tons. Egypt's exports, however, rose from 180,000 tons in the first half of 1957 to 304,000 tons in the first half of 1958. Between the same periods, the U.S. exports fell from 475,000 tons to 258,000 tons. In view of the reduction in export supplies of rice, the larger import requirements this year have been met mainly by other foodgrains. So far as 1957 is concerned, world exports, as the relevant table on the next page shows, remained unchanged at 5.5 million tons. Generally speaking, world exports have continuously risen in post-war years; they were only 4.30 million tons in 1948-52 (av.) before they rose gradually to 4.6 million tons in 1955 and to 5.5 million tons in 1956. India became the world's largest importer of rice in 1957. At 748,000 tons, net imports were more than double the previous year's level.

World consumption of milled rice aggregated 140 million tons in 1956-57, or 30 per cent. above the pre-war level of 107 million tons; Asia alone accounted for 130.5 million tons, as compared with 101.21 million tons in 1934-38. In general, the world rice consumption has kept pace with the increase in population. This suggests that, on a *per capita* basis, the same amount of rice is eaten now as before the war. *Per capita* consumption in 1956-57, as the relevant table on the next page will show, was 55 kilograms in 1956-57 (the same as in 1934-38), as against 47 kilograms in 1948-52 (av.). In other words, *per capita* consumption, after an initial fall in early post-war years, has recovered its pre-war levels. Rice consumption per person varies from country to country. For Asia as a whole, it is 86 kilograms. But there are also regions of higher consumption. In Thailand, it is 176 kilograms and in Cambodia 168 kilograms. In India, it is only 74 kilograms, or somewhat lower than in 1934-38 when it was 78 kilograms. Japan's *per capita* consumption is larger at 110 kilograms, though it is lower than what it was in 1934-38 (146 kilograms).

Discussing the factors which influence consumption of rice, the report notes that the growth of population is probably the dominating factor, especially since it is growing relatively fast in the rice-growing regions. About 90 per cent. of the striking increase in total consumption over the last 20 years reflects the rise in population. Secondly, the impact of population growth, it is stated, will probably be accentuated by a tendency for consumers to spend more on rice as their incomes grow. An analysis of household surveys in India and Ceylon suggests that expenditure on rice rises roughly by 5 per cent. with a 10 per cent. increase in real incomes. In rice-eating countries where incomes are high, such as in Japan, the increase in expenditure on rice is smaller, about one or two per cent. Thirdly, in low-income countries, even relatively small changes in price can be an important influence on consumption. A fall in price, however, has a more direct effect on quantities purchased than a price increase. In many countries, when rice prices increase, consumers tend to purchase lower grades and there is a tendency to mix more brokens with the higher grades in order to reduce costs. As regards variations in the price of other foods relative to the price of rice, the short-term effect on demand is generally very small. This is because consumer preferences are strong among rice-eaters. But the purchasing policies of Governments, which frequently take the responsibility for supplementing domestic supplies through imports, are much more sensitive to changes in relative prices in international markets.

Finally, the pronounced effect on rice consumption of changes in population, incomes and prices has induced Governments in virtually all major rice-eating countries of Asia to adopt some form of direct or indirect control over distribution. Such schemes have, however, had only very limited effects in India and Pakistan. But, in Japan, the strict rationing of rice, together with the provision of free school lunches consisting of other cereals and complementary foods, has influenced the pattern of demand for rice. Thus, although population is 28 per cent. higher and real incomes well above pre-war levels, total rice consumption in Japan today is no higher than in 1934-38. Outside Asia, consumption habits have been influenced by war-time scarcity. Thus, for many years, in W. Europe, people had to substitute other food for rice. This has probably left a permanent effect on the demand for rice.

Discussing the crop prospects for 1958-59, the report points out that it is still too early to judge whether or not world production will recover from last season's decline. The U.S. crop is likely to be somewhat larger than last year. Early indications of crops for harvest are favourable in most Asian exporting countries. Despite reports of disastrous floods in the northern areas in China, the summer harvest has been estimated at an unprecedented 40 million tons. China has also ambitious plans for expanding paddy acreage by 10 million acres this season. Crop conditions in Asian importing countries also seem to be brighter. If the 1958-59 harvests turn out to be larger in importing countries, it will not necessarily mean a reduction in imports of rice. This is because total demand should continue to rise, reflecting increasing populations and, in several countries, incomes. However, stocks are high in many importing countries and severe balance of payments difficulties may limit imports. Nevertheless, the report predicts that the volume of international trade in rice is likely to be sustained in 1958-59 by a continuing high level of demand. An important factor is bound to remain the commercial export prices. Early indications are that these prices are likely to be subject to the pressure exerted by the overall improvement in world supplies. If these prices are attractive, they will be able to stimulate larger demand and exports.

L.I.C.'S INVESTMENT POLICY

INDIAN IRONS QUIET—RECORD RICE CROP EXPECTED

THURSDAY, 5 P.M.

A LISTLESS debate on the revised investment policy of the Life Insurance Corporation, announced in Parliament by Mr. Morarji Desai on 25th August 1958, took place in both Houses of Parliament this week. The policy statement was not put to vote, but it was apparent that it enjoyed the support of the vast majority of the members of both Houses. Excepting the Communists, who have been following a policy of criticising the Government for the sake of criticism, the others who spoke tried to make constructive suggestions. But they were so vague that Mr. Morarji Desai was right when he said that nothing specific was mentioned, so that the Government could give careful thought to it and profit by it.

MARKET GOSSIP

The following were some of the suggestions made in the course of the debate pertaining to the L.I.C.'s investments:

(1) A part of the L.I.C.'s funds should be utilised for financing agriculture. The requirements of small and cottage industries should not be neglected.

(2) Greater attention must be paid to meet the financial requirements of the relatively underdeveloped parts of India.

(3) There must be a wider diversification of investments, so that the latter might not be confined only to the industries concentrated in the already well developed parts of the country.

(4) The House must be given information about the investments of the L.I.C. at least once in six months, showing, among other things, particulars of investments on a regional basis.

The Government spokesmen agreed to consider the last mentioned point favourably. As regards the first three, Mr. Morarji Desai, Finance Minister, gave the fitting reply that, to the extent the Corporation invested in Government securities and approved investments in the public sector—this at present is 70 per cent. of the Corporation's funds—the Corporation was really helping agriculture, irrigation, power, small industries, etc. This surely is so obvious that it is surprising that some Members of Parliament found it necessary to stress it.

A few members felt that the Corporation should take renewed interest in mortgages. The Government's spokesmen answered that, as soon as the Corporation was free from its preoccupation with handling a large number of bad mortgages acquired in the past, the Government would ask the L.I.C. to give earnest consideration to revive this facility to the public and policyholders. According to Mr. B. R. Bhagat, the Deputy Minister for Finance, the L.I.C. has inherited bad mortgages, numbering 3,435, involving an aggregate loan of Rs. 30.50 crores. More than 400 suits have been filed for recovery of the dues under these mortgages and 200 more suits have to be filed. At present, the Corporation's hands are too full with all these suits.

Disclosing the position of the Corporation's investments as at the close of September last, Mr. Bhagat said that investments in the public sector amounted to Rs. 273.18 crores or 70.10 per cent., an increase of a mere 0.50 per cent. over the position before nationalisation. His contention was that the Corporation's investments in the private sector were being maintained at the same rate at which they used to be before.

There appeared to be general agreement with the thesis that, in investing the funds of the Corporation, the interests of policyholders should have first claim. Only the Communist members asserted that there was no contradiction between the interests of policyholders and the larger interests of the community. It is worthwhile recording here what exactly Mr. Morarji Desai said on this point. Here are his remarks:

"I agree with my friend, Mr. Asoka Mehta, that, whereas security of investment must be the primary consideration, it must not be made such a fetish that the whole activity becomes very static. Some risks have to be taken somewhere, but the risks ought to be reasonable and not as would land the Corporation and the Government in trouble. Therefore, that has got to be taken into consideration and safeguarded, and that has got to be done, and that will be done; but, consistent with that, the L.I.C. certainly will try to see that the investible funds are utilised in the best manner possible for the good of the community as a whole and not merely for a profit motive."

The aforesaid statement of the Finance Minister is rather vague and can be stretched like India-rubber. The term "good of the community" can be interpreted to cover investment in almost anything, from atomic power plants to Ambar Charka or from aircraft to handcart, from printing machinery to printing of school books. But Mr. Desai has stated that it is not possible "for the Corporation to invest its funds in different small sectors in different parts of the country" or to finance agriculture directly. It is, therefore, clear that he does not expect the Corporation to finance those lines of activities, such as Ambar Charka, handlooms and other cottage industries or irrigation and power projects, the return on which is either small or deliberately restricted for social considerations. The application of Section 27A to the Corporation limits the scope for investing its funds in uneconomic ventures. It is true, as Mr. P. V. Krishnamurthy pointed out in an article to this journal a fortnight ago, Section 27A is not so foolproof as to prevent a repetition of the Mundhra episode. One must, however, have faith in those who administer this country and the Corporation.

The Finance Minister's observations on the Corporation's investments in equities and fixed-yield securities quoted on the stock exchanges are as satisfactory as they can be. He said:

"What is wrong if the L.I.C. invests its funds in a company, if it finds that the shares are selling at a low rate? It can buy them and make profit for the policyholders. I do not see why there should be anything wrong in it. Of course, this should not be done in a careless manner or in a continuous manner as speculators do. There is no question of any speculation by the L.I.C., if it buys when the prices are low and sells when the prices are high. I do not agree that, once the L.I.C. purchases the shares, it should never part with them at any time; or, when it parts with them, it should never purchase them again. I do not see that is a proper business transaction at all. Several times it may be necessary for the L.I.C. to change its stock. If it is profitable to do so and, incidentally, if it helps in stabilising the stock market, it cannot be called speculation at all."

There is nothing objectionable in the aforesaid quotation. The L.I.C. has to buy and sell equities, preference shares and debentures in a judicious manner, without importing extraneous considerations. To be successful in this direction, it must equip itself with the right type of know-how, in which it seems to be sadly lacking at present.

On the subject of the L.I.C.'s role in stabilising share markets, Mr. Morarji Desai's views are distinctly less satisfactory. Let us first quote what he said:

"As a matter of fact, it is in the interest of the L.I.C. itself to see that the stock market is stabilised, because it is the largest holder of shares. By its very nature, it is bound to be the largest holder of shares. It is the L.I.C. which will suffer most if the stock market crashes. So, I am bound to see that the L.I.C.'s activities are such as to help in stabilising things rather than not stabilising them. But it is not the purpose of the L.I.C. to play on the stock market or to utilise its funds mainly for stabilising the stock market."

It is, in our view, none of the business of the L.I.C. to stabilise stock exchanges. If, as a result of its judicious investment operations, some stability comes to prevail in the markets, it is an incidental advantage. It will land itself and its owner—the Government of India—in trouble if the L.I.C. buys and sells shares and securities with the object of stabilising the market. There will be many Mundhra episodes in future, if the L.I.C. has this business as one of its objectives. This, however, does not mean that, if prices of any scrip in which it has investment go up to unmerited high levels as a result of cornering, the L.I.C. should not take advantage of that position. Similarly, if there is a bear raid purely as a result of speculative manipulations, the Corporation can enter the market as a buyer, provided the scrips involved are sound in all other respects. These operations, however, have to be conducted carefully and in a tactful manner. But, when market stability is disturbed as a result of either Government's policies or actions of God, or grave political developments, it will be a grave mistake if the L.I.C. takes upon itself the responsibility of ensuring stability.

Being the owner of the L.I.C., the Government must be more interested than before in seeing that stock exchanges function smoothly and efficiently. By following appropriate economic policies, the Government can minimise the scope for upsets and wide fluctuations. The Government should also regulate the working of stock exchanges on lines similar to those followed in the U.S. There is thus need for fresh thinking on this subject.

There is a view that the L.I.C. should invest less in the shares and securities of existing companies by buying them from the stock exchanges and divert more resources for encouraging establishment of new industries or for the expansion of existing industries. This question deserves to be examined carefully, with due regard, at the same time, for the interests of policyholders. Some notable suggestions were made by Mr. Krishnamurthy in the aforesaid article to this journal. Their adoption, however, presupposes certain changes in the Corporation's policy pertaining to the issue of various types of policies. But Mr. Desai, it is clear from his speech in the Lok Sabha, is not in favour of any such changes. He is all for the continuation of the *status quo*.

It is gratifying that Mr. Desai has reiterated that the Government will not resort to back-door nationalisation of industries by buying shares of companies through the L.I.C. He, of course, did say that, if any company in which the L.I.C. had investment was mismanaged, it would invite Government intervention, so that things might be set right. This is fair enough. If intervention is of the right type and at the right time, it will doubtless help others also who have invested their savings in the companies concerned, not to speak of those employed by them.

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The Press report from New Delhi to the effect that the Indian Iron and Steel Company, Ltd., has been given sanction to issue the proposed bonus shares in the ratio of 1 : 5 has not had any bullish effect on the Company's shares in today's trading. On the contrary, there was some selling pressure on Calcutta account and the shares dipped to a low of Rs. 25.90 before closing at Rs. 26, as compared with Rs. 26.45 touched on Monday this week when the new account opened. This may be attributed partly to the heavy floating stock of the scrip and partly to the fact that this news had been discounted in prices earlier and only confirms Mr. Biren Mookerjee's statement at the annual general meeting of the Company held on Friday last that he did not forsee any difficulty in obtaining the Government's permission for the issue of bonus shares. He added that it was expected in a few days' time.

The annual general meeting of the Company provided an opportunity to the shareholders to

(*Continued on page 947*)

WORLD RICE STATISTICS

World Rice (Paddy) Output
(In million tons)

	1948-52 (average)	1956-57	1957-58‡
World total*	164.43	215.54	206.89
Of which:			
Asia†	94.64	113.80	104.12
Of which:			
Burma	5.81	6.46	5.23
India	33.38	43.10	37.09
Indonesia	9.44	11.38	11.87
Japan	11.94	13.62	14.33
Pakistan	12.40	13.72	12.50
Thailand	6.64	8.22	5.72
China, N. Korea and N. Vietnam†	58.80	87.03	88.20
S. America	4.18	5.34	5.27
Of which:			
Brazil	3.02	4.07	3.78
N. America	2.51	3.14	2.80
Of which:			
U.S.	1.92	2.24	1.95
Africa	3.44	4.32	4.79
Of which:			
Egypt	0.97	1.57	1.71
Europe	1.20	1.54	1.59
Of which:			
Italy	0.72	0.64	0.63
Portugal	0.11	0.16	0.16
Spain	0.37	0.38	0.38
Oceania	0.02	1.02	1.23

* Excluding U.S.S.R.
† Excluding China, N. Korea and N. Vietnam.
‡ Estimated output.
§ Provisional.

Per Capita Consumption
(In kilograms)

	1934-38	1948-52	1956-57
World (average)	55	47	55
Asia (average)	88	73	86
Of which:			
Burma	95	120	140
Thailand	101	184	176
India	78	64	74
Japan	146	113	110
Pakistan	117	109	102
Malaya	167	143	126
Ceylon	136	108	101
China	87	70	87
Latin America	13	20	21
Africa	10	10	13
N. America	4.3	4.6	4.9
Europe	4.9	2.6	3.0
Oceania	5.5	3.0	4.5

Exports and Imports of Rice
(In million tons)

	1948-52	1956	1957
EXPORTS			
World	4.30	5.54	5.54
Of which:			
Asia	3.05	3.64	4.12
Of which:			
Burma	1.23	1.86	1.76
Thailand	1.29	1.26	1.57
Cambodia and Vietnam	0.38	0.03	0.19
China	..	0.34	0.27
W. Hemisphere	0.77	1.16	0.86
Of which:			
U.S.	0.53	0.92	0.74
Europe	0.20	0.45	0.22
Of which:			
Italy	0.18	0.35	0.14
Africa	0.25	0.26	0.43
Of which:			
Egypt	0.24	0.22	0.30
IMPORTS			
World total	3.85	4.93	5.00
Of which:			
Asia	2.95	3.78	3.72
Of which:			
India	0.76	0.28	0.75
Japan	0.52	0.76	0.85
Indonesia	0.38	0.76	0.58
Malaya	0.47	0.52	0.41
Pakistan	..	0.53	0.41
Ceylon	0.42	0.49	0.53
Europe	0.85	0.56	0.54
Africa	0.17	0.32	0.41

EQUITIES QUIET

SELLING PRESSURE AT CLOSE

(From Our Own Correspondents)

BOMBAY, *4th December*

TRADING on the Bombay Stock Exchange was dull during the week under review. The trend of prices was irregular, though the range of fluctuations was narrow. There was, however, a slight setback today over a wide front on heavy unloading in steel shares and weaker advices from Calcutta, despite the encouraging production by Tata Iron and Steel Company during the month of November. The output of saleable steel was substantially higher at 83,600 tons, as against 76,900 tons in the previous month and 65,600 tons in November 1957. This has brought the total production during the first eight months of the current financial year of the Company to 519,000 tons, as compared with 506,000 tons. One explanation for the incongruous trend in prices of Tata Ordinaries today is that it was generally expected that production would gradually go up, thanks to the modernisation and expansion programme, and the news had already been discounted in prices. The market did not also take note of a Press report from New Delhi that the Indian Iron and Steel Company, Ltd., had been granted permission to issue bonus shares in the proposed ratio of one share for five shares.

Normally, these two reports would have had a bullish effect on the market, but speculators and investors were inclined to be somewhat on the cautious side, anxiously awaiting the speech of Mr. Morarjee Desai, Union Finance Minister, at the annual meeting of the Associated Chambers of Commerce to be held tomorrow at Calcutta at which he is expected, as usual, to make an important pronouncement. The anxiety was greater because of the Finance Minister's recent statement that there would be no further reduction in taxation. Consequently, operators preferred to lighten their holdings on the eve of the meeting.

Tata Steel Ordinaries were marked up from Rs. 177 to Rs. 180 on Monday, when the new account opened, but thereafter they drifted lower. The downward trend was more pronounced today, taking the shares to a low of Rs. 176.50 at the close. The new shares closed at Rs. 173.25 after touching a high of Rs. 175.50 on Monday from last week's closing of Rs. 173.25. Indian Irons gained ground from Rs. 25.80 to Rs. 26.45 and, after reacting to Rs. 25.90 today, finished at Rs. 26.

Though there was no heavy selling pressure, textiles ruled quiet, in sympathy with steels. Bombay Dyeings advanced from Rs. 57.20 to Rs. 57.70 before giving way to Rs. 56.80. Centurys lost over the week Rs. 3 at Rs. 429, the highest and lowest levels touched being Rs. 436 and Rs. 427.25. Kohinoors moved between Rs. 253.50 and Rs. 249, before closing at Rs. 249.50. The Tata group of companies provided an exception to the general trend. Central Indias gained over the week Rs. 4 to Rs. 90, Svadeshis a like sum of Rs. 207 and Tata Mills Re. 1.75 to Rs. 36.75. Finlays were marked down by Rs. 3 to Rs. 267, while Gokaks were dull at Rs. 129.50 and Indu Ordinaries at Rs. 8.72. Indore Malwas disclosed a loss of Re. 1 at Rs. 103, whereas Khataus were unchanged at Rs. 160. Morarjees were lower by Rs. 2 at Rs. 236, as also Podars at Rs. 132. Shree Niwas Cottons shed Re. 1.50 to Rs. 143.50. Standards presented a firm front and recorded a rise of Rs. 12 to Rs. 411. Simplex finished with a loss of Re. 1 at Rs. 172.

Barring a few exceptions, bank shares were dull. Barodas were a fraction lower at Rs. 119.50, as also Centrals at Rs. 58. Centrals (new) were unchanged at Rs. 59.50 and Bank of Indias at Rs. 137. Bank of Indias (new) had business at Rs. 139. Bikaners were done at Rs. 24, as against Rs. 22.48 previously. Jaipurs gained Re. 1 to Rs. 46, as also Punjab Nationals to Rs. 56.

In the electricity section, Ahmedabad Electrics were done at Rs. 95 *ex-div.* (final dividend Rs. 4), as against Rs. 99.10 *cum-div.* Bombay Suburbans were a fraction better at Rs. 110.75, while Surat Electrics dropped a rupee to Rs. 112. Tata Hydros were unchanged at Rs. 122.50 and Andhra Valleys at Rs. 1,202.50, while Tata Powers shed Rs. 5 to Rs. 1,225.

Sugar shares suffered a further setback, Belapurs moving down from Rs. 305.50 to Rs. 300. Phaltans declined by Rs. 8 to Rs. 165 and Walchandnagars by Rs. 2 to Rs. 278.50. Changdeos were done a fraction lower at Rs. 32.75. Maharashtra Sugars were marked down by Re. 1.25 to Rs. 175.50. Cement shares presented a mixed pattern. Associated Cements, after moving up from Rs. 153.25 to Rs. 154.75, reacted to close at Rs. 151.75. Digvijays recorded a gain of Rs. 2 at Rs. 131.50 and Orissa Cements 12 nP at Rs. 12.12. Dalmia Cements were dull at Rs. 9.20. In the engineering and mining group, Alcocks receded from Rs. 260 to Rs. 256.25, while Tata Locomotives stood Rs. 3.50 higher at Rs. 158 and their Rights gained Rs. 3.50 to Rs. 45. Premier Constructions were lower by Rs. 4 at Rs. 243.50. Larsen and Toubros were a shade quiet at Rs. 16.88. Guest, Keen, Williams were unchanged at Rs. 38.75 and Mahindra and Mahindras at Rs. 18.52. Shivrajpurs shed Rs. 3.20 to Rs. 88, while Indian Coppers were steady at Rs. 3.78.

After moving up from Rs. 21.24 to Rs. 21.48, Scindias gave way to close at Rs. 20.96. Great Easterns, however, gained over the week 25 nP to Rs. 27. Bharat Lines shed 16 nP to Rs. 13.28 and Malabar Steamships 52 nP to Rs. 15.24. Premier Automobiles were a fraction lower at Rs. 85.50 and Hindustan Motors at Rs. 7.08.

Among miscellaneous industrials, Bombay Burmahs (old) moved up from Rs. 497 *cum-div.* (interim Rs. 7.50 per share) to Rs. 506 *ex-div.*, before reacting to Rs. 492.50 today. The partly paid-ups gained Re. 1.25 to Rs. 180. National Rayons gathered strength early in the week from Rs. 240.75 to Rs. 244, but subsequently lost ground to Rs. 239.50. Gwalior Rayons were dull at Rs. 13.90. Tata Chemicals were placed at Rs. 15 *ex-div.*, as against Rs. 15.76 *cum-div.* a week ago. Tata Oils spurted from Rs. 38 to Rs. 43.75 on rumours of a bonus issue. Voltas were done Rs. 2 higher at Rs. 137 and Killick Industries were steady at Rs. 149.25.

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Calcutta Stock Exchange

CALCUTTA, *3rd December*

Equities presented an irregular pattern on the Calcutta Stock Exchange during the week under review. On Wednesday last, settlement difficulties and the high carry-over charges for the speculative scrips depressed prices. These difficulties were soon got over and at lower levels, bear-covering developed, and by the week-end fresh support was in evidence. On Monday an all-round improvement was discernible following the annual meeting of the shareholders of the Indian Iron and Steel Company, Ltd., held on 28th November. Although information as to when the Company's 1 to 5 bonus issue would be made was not available, it was believed that the Government would soon sanction it, though the new shares would not, at any rate, be eligible for 1958-59 dividend. It was also understood that the investment company, which recently released a huge block of its holdings of Indian Irons in the market, did not propose to unload any more lots. In the absence of any incentive, the trend was again reversed downward yesterday. The Finance Minister's *Diwali* message that there was not likely to be any reduction of taxation is still ringing loud in the ears of investors and operators, and the market is not, therefore, anticipating any cheerful news from Mr. Morarjee Desai on 5th December when he addresses the Associated Chambers here.

In the meantime, advices from the commodity markets were depressing. Prices in tea auctions, despite the claim of Mr. Gopala Reddi, the Minister for Revenue and Civil Expenditure, that exportable types were being offered higher prices and that prices of common teas had gained by 10 nP per lb., continued to move down. Mr. Reddi also claimed that the recent revision of customs and export duties on tea had resulted in share prices improving. Market circles desired to know the premises for the Minister's inference. The table below giving latest quotations of scrips picked at random from the daily list of transactions and the rates that prevailed just prior to the revision is self-explanatory:

	Quotation as on or until 24-9-1958	*Quotation as on or until* 1-12-1958	*Difference*
	Rs.	Rs.	Rs.
Banarhat ..	321.00	283.00	—38.00
Bishnath ..	20.87	18.87	— 2.00
Dhelakhat ..	24.31	22.37	— 1.94
East India ..	21.12	21.44	+ 0.32
Gohpur ..	24.00	21.62	— 2.38
Grob 'A' ..	28.81	27.69	— 1.12
Hanscua ..	20.00	17.94	— 2.06
Hasimara ..	23.06	22.37	— 0.69
Hatilkhira ..	12.25	12.00	— 0.25
Huldibari ..	23.06	21.69	— 1.37
Methoni ..	19.06	19.50	+ 0.44
New Dooars ..	292.00	292.00	Nil
Teesta Valley ..	23.00	23.00	Nil
Terpore ..	15.25	15.87	+ 0.62

The fall in prices of jute goods retarded sentiment for some time, but since it was largely believed that the current accounting period of mills would show better results, selected counters continued to be bought at hardening rates. There would be a general meeting of the Calcutta Stock Exchange on 29th December 1958 to consider the question of recognition, but in the meantime the Government has granted one month's extension within which the Exchange should fulfil the conditions to qualify for recognition.

In common with the general trend, jutes gave way earlier in the week, but subsequently recovered. Thus, Anglo-Indias declined to Rs. 204 from Rs. 208 before improving to Rs. 216. Cheviots advanced to Rs. 221 from Rs. 207, and Dalhousies to Rs. 140.50 from Rs. 132. Aucklands were bought at Rs. 165, against Rs. 160 previously. Kamarhatties hardened to Rs. 177 from Rs. 174. Barnagores, after easing to Rs. 134, crossed the opening rate to quote Rs. 142. Nationals moved up to Rs. 23.37 from Rs. 22.25.

In an otherwise featureless coal section, New Beerbhooms, on investment support, rose to Rs. 19.44 from Rs. 19.12, and Central Indias recovered to Rs. 8.12 from Rs. 8.00. East Indias were quiet at Rs. 23.25. Bengals at Rs. 266 were lower by 4 points and Burrakurs eased to Rs. 16.62 from Rs. 17.

The star feature in the engineering section was the rise in Guest, Keen Williams to Rs. 39.97 from Rs. 38.37 following the confirmation that the Company would issue bonus shares in the ratio of 3 for 10. This would be done by capitalising Rs. 58.94 lakhs from the share premium account and Rs. 1.06 lakh from the general reserve. The settlement rate for Indian Irons on Wednesday last was Rs. 25.78. Thereafter, a small recovery set in and the rate improved to Rs. 26.40, but sagged yesterday to close at Rs. 26.05. From Rs. 20.90 Texmacos recovered to Rs. 21.20, but closed at Rs. 21.

Among miscellaneous industrials, India Steamships were featured with a rise to Rs. 14.91 from Rs. 14.12; subsequently they were quoted a shade lower at Rs. 14.84. Assam Saws were done at Rs 3, as against Rs. 2.87 previously, following the news of the offer of Messrs. Jalan Industries Private Ltd. to purchase these shares at the face value of Rs. 3 each. Orissa Cements at Rs. 12.06 were better with Indian Coppers recovering to Rs. 3.82 from Rs. 3.74 to close at Rs. 3.77. Indian Cables eased to Rs. 28.44 from Rs. 29.75, while National Rollings, at Rs. 13.25, were fractionally better and Dunlop Rubbers recovered to Rs. 30.50 from Rs. 29.62. Rohtas Industries were for a time lower at Rs. 19.94, but closed at Rs. 20.31.

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Madras Stock Exchange

MADRAS, *2nd December*

Barring coffee shares which elicited good buying enquiries, the Madras Stock Exchange ruled distinctly easy during the week under review. The operators were greatly disappointed at the Prime Minister's observations on the private sector made in the course of his public speech at Calcutta this week. Tea shares came in for selling induced by lower prices fetched at the London auctions and Mr. Gopala Reddy's statement in Parliament that there would not be any further revision in export duty on common teas in the immediate future. In sympathy, rubber shares also came in for selling. Coffee shares met with good support on better export prospects. Textiles continued to remain subdued, as offtake of both yarn and cloth was still low.

Among tea shares in the planting section, Nonsuch Teas dropped 50 nP to Rs. 24. Parksides receded by 30 nP to Rs. 21.50. Haileyburias retreated by 25 nP to Rs. 17.75, Twyfords by 15 nP to Rs. 17.25, Balanoors by 13 nP to Rs. 17.62 and United Nilgiris by 10 nP to Rs. 17.70. Kil Kotagiris, however, improved by 26 nP to Rs. 6.72 on special support. Devasholas advanced by 25 nP to Rs. 22.50.

In the rubber group, Vaikundams fell by 77 nP to Rs. 23.35. Malankaras moved down by 30 nP to Rs. 18. Midlands by 15 nP to Rs. 12 *cum-div.* and T.R. & Ts by 10 nP to Rs. 6.80. Thamaraparays, on the other hand, rallied 50 nP to Rs. 27.50. Mercaras strengthened by 25 nP to Rs. 8.80 *cum-div.* Cochin Malabars put on 5 nP to Rs. 5.52 and Thirumbadis 4 nP to Re. 1.62.

Among coffee shares, Consolidated Coffees and Coffee Lands were well fancied, spurting by 85 nP to Rs. 25.45 *cum-div.* and the latter by 50 nP to Rs. 29.50 *cum-div.* Rajendras advanced by a rupee to Rs. 14.25 *cum-div.* Anaparais gained 15 nP to Rs. 5.60 and Ouchterlonys 4 nP to Rs. 5.45.

Deals in textiles were put through at lower prices. Coimbatore Cottons fell by Rs. 7 to Rs. 140. K. Rajendras and Anglo-French dropped Rs. 3 each to Rs. 62 and Rs. 65, respectively. Rajalakshmis eased by Rs. 2 to Rs. 64. Rajapalayams lost a like amount to Rs. 119. Lakshmis shed Re. 1.50 to Rs. 94.50. Bangalore Woollens lost a rupee to Rs. 163.

A drop of Rs. 5 to Rs. 188 in the quotation for Textools was the feature of trading in the miscellaneous section. Rallis declined by Rs. 2 to Rs. 41. Mettur Chemicals receded by 28 nP to Rs. 11.22, Orissa Cements by 25 nP to Rs. 11.85, Parrys Confectioneries by 6 nP to Rs. 3.72 and F.A.C.Ts by 5 nP to Rs. 6.75.

ORDER TO WIND UP OSLER CO.

The Calcutta High Court has issued an order by consent that the respondent, F. & C. Osler (India) Ltd., be wound up by the Court. The order was in response to an application filed by the petitioner, the Indian Cable Co., Ltd., claiming a sum of Rs. 11.38 lakhs and odd against the respondent for the balance of the price of goods sold and delivered. The order of the Court was, however, not to have any operation till 15th January next. It was stated that, if, in the meantime, any scheme of settlement between the parties was arrived at for the payment of the respondent's debt to the petitioner, the terms of such settlement should be filed in Court, in which case the order for winding-up would stand vacated. The respondent's plea was that Mr. Haridas Mundhra and others were common directors of the respondent company and another company and that they had managed to put the burden of some of the latter company's liability on F. & C. Osler & Co. (India) Ltd.

RALLIWOLF PRIVATE LTD.

Rallis India Limited of Bombay and Wolf Electric Tools Limited of London announce the start of a new industry in India to manufacture portable electric tools. Rallis and Wolfs are collaborating in the manufacture of a representative range of twenty-five of the world-famous Wolf Electric Tools and for this purpose a new Company, styled Ralliwolf Private Limited, was registered recently. Freehold land has been acquired at Mulund near Bombay and building operations have been started. It is expected that the new factory will be ready for occupation in the middle of 1959, and it is planned that by 1962 the tools will be almost entirely manufactured in India.

NEWS IN BRIEF

THE U.P. Government has decided to take over and run the Atherton Cotton Mills, Kanpur, shortly. The mill employs about 3,000 workers.

The Government of Kerala is discussing with Birlas the question of speeding up the establishment of the rayon pulp factory at Nilampur, according to Mr. K. P. Gopalan, Minister for Industries.

The Finnish experts, who recently made a survey of the forests in the Beas river basin in the Punjab, have suggested the establishment of a newsprint mill and a sulphite cellulose mill, each with a capacity of 30,000 tons.

The diamond mines at Panna, Madhya Pradesh, will be nationalised as soon as adequate funds are available for the purpose, according to Mr. Shambunath Shukla, the State's Minister for Natural Resources.

The Government of India has accepted the Tariff Commission's recommendation to discontinue protection for bleaching powder after the 31st inst., but to continue protection for caustic soda for three more years, that is, till the end of 1961.

The aluminium smelter now being set up at Hirakud by the Indian Aluminium Company, Ltd., Calcutta, is expected to go into production in February 1959. The smelter has an installed capacity of 10,000 tons of aluminium ingots per year.

A fresh export quota of 2,000 tons of rice bran of Andhra origin has been released for export from ports in Andhra Pradesh to all permissible destinations upto the end of March next year, on the principle of first-come-first-served basis.

The Government of Australia supplied in October 1958 about 9,450 tons of wheat (c.i.f.) valued at about Rs. 31 lakhs to India as a gift under the Colombo Plan. The question of how the sale proceeds of this wheat are to be utilised is under the consideration of the Government of India.

The Central Committee on Community Development, which met at New Delhi on 27th November, decided that most of the welfare schemes under the Community Development programme should henceforth be carried out only through *panchayats* and other village institutions.

A proposal to set up a ten-ton plant in Mysore for extracting oil from rice bran, using alcohol as solvent, is under the consideration of the Council of Scientific and Industrial Research. The manufacture of activated carbon from paddy husk has already been undertaken in India.

A Swedish firm has submitted an outline of a scheme to manufacture paper and pulp machinery in India in collaboration with an Indian firm. Revealing this in the Lok Sabha last week Mr. Manubhai Shah, Union Minister of Industry, stated that the Indian firm was expected to apply for licence with full details of the scheme for the consideration of the Government.

Several major steel mills in Japan have concluded contracts with the India Supply Mission, Washington, for export of steel products. The amount of the steel products to be imported from Japan was 99,717.31 long tons. The contracts are subject to the India Supply Mission's standard conditions of contract and the regulations of the U.S. Government relating to foreign purchases.

Problems concerning employees in the public sector would be considered at a bipartite conference which the Central Government has decided to convene shortly. Disclosing this, Mr. Abid Ali, Union Deputy Labour Minister, stated in the Rajya Sabha, recently, that the Code of Discipline drawn up at the Naini Tal session of the Indian Labour Conference should be applicable to the public sector also. He added that the position of the railways *vis-a-vis* the code was under examination.

Approximately 3,100 wagons were built in India during 1947-48, 6,388 in 1952-53 and 17,390 in 1957-58, according to the Deputy Minister of Railways, Mr. Shah Nawaz Khan. The capacity of the fabricators of these wagons is assessed generally in accordance with their actual performance. The overall price of the wagons has gone up by approximately 20 per cent. to 25 per cent. from the year 1951 to 1957, on account of heavy increase in the price of steel and wages, in spite of increased production.

The validity of the schedules attached to the Indo-Swedish Trade Agreement concluded in May 1955 has been extended upto 31st December 1959. A few more commodities have been added to the list of items available for export from India. During the year 1957 and the first eight months of 1958, imports into India from Sweden amounted to Rs. 11.92 crores and Rs. 5.96 crores, respectively. During the same period, India's exports to that country amounted to Rs. 1.68 crore and Rs. 96 lakhs, respectively.

The Government of India has decided to grant rebate of excise duty on cotton scarves exported from India. The rebate is already applicable to ready-made apparel, tents, sugar products, cotton bags, umbrella cloth, chaddars, pillow cases, table covers, embroideries, laces, tarpaulins, mosquito nets, ground sheets, cotton sola hats, cotton flannel, motor car dusters and cotton quilts. The manufacturers of cotton scarves, who wish to export them out of India, are required to contact the Collector of Central Excise in whose jurisdiction their factory is situated for further detailed information.

The Government of India has decided to constitute a pool for temporary placement of well-qualified Indian scientists and technologists returning from abroad until they are absorbed in suitable posts. Persons with Indian qualifications having outstanding academic records will also be eligible for admission to the pool in not more than 25 per cent. of the total number of posts in the pool. Meanwhile, the Council of Scientific and Industrial Research has reviewed the terms and conditions of service of scientific officers and staff in the National Laboratories and has taken decisions governing the promotion of scientific workers to higher grades, special merit promotions, advance increments to scientific workers, etc.

In a written reply to a question by Mr. V. K. Dhage in the Rajya Sabha on the 1st inst., the Finance Minister, Mr. Morarji Desai, said that there was no proposal at present for a further credit from Japan, in addition to the 18-billion yen credit (about 50 million dollars), an agreement regarding which was concluded in February 1958 and the 10-million dollar credit offered by Japan later this year. Mr. Desai added that the Government had seen reports of an interview given by the President of the Bank of Tokyo in this matter. Mr. Dhage, in his question, had invited the attention of the Finance Minister to an interview given to the Press by the President of the Bank of Tokyo on or about 11th October at Bombay, in which he was reported to have said that the State-owned Export-Import Bank of Japan would advance a loan of 50 million U.S. dollars to India.

CORRECTION

It was stated in these columns a fortnight ago —*vide* page 825—that India had entered into a supplementary trade agreement with West Germany. This is incorrect. The agreement referred to was with East Germany.

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From Abroad

The U.S. maize farmers have voted in favour of ending Government controls on the planting of maize, which have been in force for the past 25 years.

The United Arab Republic proposes to launch a Five-year Plan next year for the rapid industrialisation of the country. The total outlay is estimated at 250 million Egyptian pounds.

The volume of shipping that has remained idle in U.K. ports as a result of unemployment is about 1.5 million gross tons, according to the British Chamber of Shipping.

An American firm, Dow Chemical Company, has agreed to buy 27 million tons of Russian benzene in 1959 and a similar quantity in 1960 at a price equal to 24 or 25 cents a gallon, as compared with the current U.S. price of 31 cents.

Venezuela has agreed to participate in the first Arab oil conference and exhibition proposed to be held at Cairo in April next. The other countries which have agreed to participate are the U.A.R., Libya, Lebanon, Iraq, Yemen, Jordan, Saudi Arabia, Qatar and Kuwait.

Exports of Japanese ships have touched 522,000 gross tons valued at $133 million since 1st April last. The figure exceeds the target of 500,000 tons originally set for the whole year 1958-59. Export authorisations for the year are expected to touch 800,000 tons.

An agreement has been signed between the U.S. and Pakistan Governments, under which the U.S. will supply to Pakistan farm products worth $69.75 million. The products include 850,000 tons of wheat and wheat products, 20,000 tons of soya beans and cottonseed oil, 50,000 tons rice and 5,000 bales extra long-staple cotton.

As a measure of economy, President Eisenhower has called on all U.S. Departments and agencies to observe both the spending limits ordered for the current year and those laid down for the next fiscal year beginning in July 1959. Accordingly cuts made by the Federal Budget Bureau for the current year are to be followed in the ensuing year also, except where they would "impair the security or welfare of the U.S."

The Irish Bank rate has been cut from 4½ per cent. to 4¼ per cent. with effect from 28th November 1958. This reduction follows the ½ per cent. cut made in September last from 5 per cent., a rate which had been in effect from the end of May 1958. This also brings the Bank rate in Ireland down by 1¾ per cent. within the last 14 months from the peak of 6 per cent. established at the end of September 1957. Following last week's cut in Bank rate, the Irish Banks Standing Committee announced a reduction in the rate of interest on deposit accounts in banks in the 26 counties of the country by ½ per cent. per annum. The new deposit rates are: 1 per cent. per annum on amounts under £25,000 and 2 per cent. on amounts of £25.000 and over. The ordinary lending rate for advances has also been pruned by ½ per cent. to 5¾ per cent. per annum, with similar changes in certain other lending rates.

The Government of Denmark proposes to provide 534,000 kroner (about Rs. 26,700) for a plan to send Danish agricultural experts to India as part of a U.N.E.S.C.O. project to strengthen links between East and West. The Danish agricultural team will give training in Mysore to young Indians who will later become farming teachers and consultants in India. The Danish team of five will include specialists in all aspects of agriculture, dairy work and gardening.

PERSONAL

MR. Rajeshwar Dayal, Indian High Commissioner in Pakistan, presented his credentials to the President, Gen. Ayub Khan, on 28th November, 1958.

Mr. F. K. Heller and Mr. A. B. Parakh have been elected President and Vice-President, respectively, of the Indo-German Chamber of Commerce.

Mr. R. B. Turakhia, a noted manufacturer of plastics, will represent the Plastics Export Promotion Council at the Economic Conference of Afro-Asian countries to be held at Cairo next week.

Mr. M. K. Mathullah, Managing Director of the Government-owned Hindustan Machine Tools, who was on a tour of European countries to explore the possibilities of new production lines, returned to India last week.

Mr. N. T. Mone, I.C.S., Secretary to the Bombay Government, Finance Department, has taken over the Chief Secretaryship of the Bombay Government from Mr. K. L. Panjabi, I.C.S., who has retired from service.

Mr. G. D. Birla has agreed to be the Chairman of the Rehabilitation Industries Corporation, proposed to be set up by the Government of India, to establish industries either in the public sector or in partnership with private enterprise, with a view to providing employment to displaced persons from East Pakistan.

Mr. C. A. Pitts, Commercial Director of I.C.I. (India) Ltd., has been appointed a Director of the Alkali and Chemical Corporation of India Ltd. After obtaining a first class Honours Degree in Classics in 1938 from Cambridge University, Mr. Pitts joined I.C.I., Billingham, the same year and came to India in 1940. After the war, he returned to the Company in 1946 and served again in Bombay and Madras before joining the I.C.I. (India) Board in 1956.

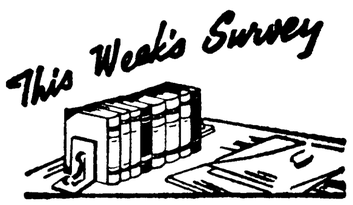
A three-man tribunal, appointed by the British Board of Trade, has rejected the plea of the plastics manufacturers for raising the existing import duty of 10 per cent. *ad valorem* on certain thermoplastic materials so as to bring into line with the 33⅓ per cent. key industry duty imposed on the imports of four polymers, namely, polythene, polyvinyl chloride, polystyrene and polymethyl methacrylate. The rejection is on the score that polymers are not synthetic organic chemicals and are therefore not entitled to the key industry duty.

The U.K.'s sterling debts to foreign countries and international organisations as on 30th September 1958 amounted to £3.902 million, precisely the same figure as at the end of June last, and £123 million less as compared with 30th September 1957. The aggregate sterling holdings of other sterling area countries fell by £44 million to £2,580 million in the third quarter of the year, of the colonies by £11 million and of other countries by £33 million. The holdings of non-sterling countries, however, rose by £39 million, as also those of the O.E.E.C. countries by £44 million.

Discussions are in progress regarding the offer of share exchange to be made by the Hongkong and Shanghai Banking Corporation for the capital of the Mercantile Bank. The Mercantile Bank, formerly known as the Mercantile Bank of India, has a paid-up capital of £2.94 million in shares of £1 each and the Hongkong and Shanghai Bank's authorised and issued capital is $50 million in shares of H.K. $125 each. Meanwhile, the Boards of Directors of both the Banks are meeting this week to discuss their intentions regarding the final dividends for the year 1958.

The U.K. has entered into a new trade agreement with New Zealand, under which the latter country will be allowed to lower substantially the preference margins enjoyed by the British exports in the New Zealand market. The new minimum preference margins will be 5 per cent. for such items as aircraft and engines, tractors, iron and steel products and uncompounded chemicals, 7½ per cent. on certain welfare and producer goods, including pharmaceuticals, a wide range of machinery and textile piecegoods and 10 per cent. on all other items. The U.K. will continue to enjoy preferences at the rate of 90 per cent. on the same volume of its trade as hitherto.

The U.K. Co-operatives' Special National Congress has approved of the setting up of a separate Co-operative Retail Development Society to establish national chains of specialist shops in certain dry goods trade, to provide expert technical services and advice on marketing techniques to retail societies, to act as a recognised channel of approach for societies needing capital for new large-scale development and to set up an economic "general staff" advising co-operative societies on where to enter new fields of trading. The capital expenditure involved is put at £200 million extending over a period of 10 years. The implementation of the measures is expected to double the share of co-operatives handling non-food trades and to raise its food trade by one-third during the next decade.



CONTRIBUTIONS TO POLITICAL PARTIES

DISCUSSION again took place last week in the Lok Sabha over the subject of contribution to political parties. A non-official Bill, which had been partly discussed at the last session and came up again for debate, stated that the contribution to political parties be limited to Rs. 5,000. Speaking on behalf of the Government, the Union Deputy Minister for Commerce and Industry, Mr. Satish Chandra Gupta, gave the assurance that, when the proposed comprehensive Bill on Company Law Amendment was brought before the House, suitable amendment would be included in it to ensure that contributions to political parties by companies should be shown in their profit and loss accounts. He recalled that the judgments of the Calcutta and Bombay High Courts had generally upheld the legality of the companies' contributions to political parties; only, they had stressed that no secrecy should be attached to these contributions and that they should be published. He further stated that the Viswanath Sastri Committee, to which the question had been specifically referred, had also expressed the view that companies should mention their contribution to political parties in their accounts.

The Minister's assurance that this recommendation would be implemented through a suitable amendment to the Company Law should allay the fears of some political parties that corporate enterprises might sway political opinion too far on their side. Actually, the private sector has little to be thankful for in the Government's present economic policy. It is idle to suggest that they have in any way tried to influence political parties. Indeed, it could be more justly argued that they could and should help develop a genuine rightist party, wedded to democratic and welfare ideals. However, the present move to restrict companies' contributions to political parties does not stem from any great devotion to democratic way of life, considering that it has been supported by political parties which have shown scant regard for democracy. Mr. Satish Chandra rightly suggested that the fact that a similar Bill had already been debated in Parliament on two previous occasions "would go to show that this subject matter is being utilised to the fullest extent to cast all sorts of aspersions on Government." He added: "I am sure that candidate for candidate the expenditure incurred by the Congress Party during the elections is much less than what was incurred by any other political party or independents. That is an unchallengeable statement."

There is no doubt that the Congress has never been influenced by its patrons. Its financial record, as the Minister pointed out, is a public document, whereas other parties have never disclosed their accounts. In fact, a public enquiry into the finances of all parties would throw much light on the way some of them are able to get the money they need. In particular, it would be interesting to know how a foreign country is able to publish attractively got-up literature at amazingly low prices and what happens to the sale proceeds of this well printed nonsense. The finances of some political parties in this country are still shrouded in mystery, or to vary the metaphor, hidden behind the most impervious of iron curtains.

TRACTORS

The Defence Ministry is busy beating the sword into the ploughshare. Under an agreement concluded between the Government of India and the Japanese firm, Kamatsu, the latter will enable the ordnance factories under the Defence Ministry to undertake the manufacture of tractors. Actual production is expected to start during the period 1959-62. According to a statement made by the Deputy Minister of Defence, Mr. K. Raghuramiah, in the Lok Sabha last week, the question of manufacturing various types of earthmoving equipment is under the consideration of the Government, though only tractors will be taken up in the first instance. The Japanese firm, he said, had agreed that tractors produced in India could be exported abroad, subject to payment of royalty. The Indian ordnance factories would need additional equipment valued at Rs. 40 lakhs for purposes of producing the tractors. The Minister envisaged a saving of Rs. 110 lakhs a year in the next four or five years as a result of the tractor manufacturing programme undertaken by the Defence Ministry.

Some interesting issues were raised in the Lok Sabha over the new agreement. The Government was asked why it had sent its team of engineers to Japan after (instead of before) the conclusion of the agreement. The Minister, in the course of his unconvincing reply, stated that an American firm with which it had negotiated for long finally broke away on the ground that it would not be able to work with Government-owned factories. This does not answer the question why the Government rushed into an agreement with Japan before undertaking an on-the-spot investigation in Japan by its own technical men. Again, the Government was asked whether the Food and Agriculture Ministry had been consulted. All that the Minister could say was that the Ministry concerned in this matter was the Commerce and Industry Ministry which had been consulted. It is not clear why the Agriculture and Irrigation and Power Ministries were not consulted, considering that they are also directly concerned in the manufacture of tractors.

A few important issues still remain to be settled. It is not clear what equipment other than tractors will be manufactured under the agreement. A report from New Delhi suggests that the ordnance factories will produce, besides tractors, bulldozers, scrapers and motor grader sets. Not all this machinery can be regarded as military equipment. In a larger sense, anything can be treated as of military value, from a pin to an atomic ship. There is no compelling reason why the Defence Ministry should spend its time, energy and resources on producing all it wants or may want in a time of emergency. It is no part of the Defence Ministry's job to carve out an economic empire for itself. It is true that the Industrial Policy Resolution reserves for the State sector the item entitled "arms and ammunition and allied items of defence equipment." But this item must be interpreted from a strategic, rather than an ideological, angle. Why should the Defence Ministry burden itself with industrial administration through extension of its activities into fields reserved for the private sector, such as motor transport and other equipment? The least the Government should do is to consult the private sector which has already some capacity and equipment for producing tractors and earthmoving equipment before it finalises the blue-print for its programme for manufacturing similar equipment. By dissipating its energies through undertaking an overambitious industrial programme, the Defence Ministry may conceivably find itself less able to perform its more legitimate functions.

MONOPOLY IN BUSINESS

It is regrettable that some politicians continue to take delight in urging the Government of India to adopt measures to restrict the powers and activities of "monopolistic concerns." They are not confined to the purely leftist parties but include also a few Congress men. Actually, a Communist member from Andhra Pradesh, Dr. R. B. Gour, moved in the Rajya Sabha on Saturday last a resolution pleading for the appointment of a committee of Members of Parliament to suggest measures for curbing monopolistic trends in the economy. The House did well to reject the resolution. The credit for this must go to Mr. B. M. Chinai, a Congress member from Bombay, and Mr. Manubhai Shah, Union Minister for Industry, who it was that ably and convincingly sought to explain as to why the resolution could not be accepted.

Moving the resolution, Dr. Gour declared that:

"Despite the directive principle of policy calling for prevention of concentration of wealth in a few hands and the adoption by the Government of a socialistic pattern of society as its goal, there is an unmistakable tendency towards concentration of the means of production in fewer hands. A tendency to eliminate competition at the marketing stage is also discernible. The existence of company law curbing managing agency does not materially change the situation. Such curbs are avoided by owners dividing assets among their family members. There is a strong case for the investigation of the whole matter."

The resolution was supported, as is only to be expected, by other Communist members. One of them pointed out, for instance, that 72 per cent. of Rs. 100 crores invested in the tea industry was held by a few non-Indian concerns. Another member cited the instance of cigarette manufacturers. He said that the bulk of virginia tobacco grown in Andhra was purchased by a foreign concern which dictated the price the cultivators must accept and that this concern was controlling supplies to tobacco manufacturing concerns.

The charge levelled by the Communist members that the problem of monopoly in business is very much there and that it will grow more serious in future is clearly exaggerated. In none of the major industries such as textiles, sugar or cement, as Mr. Chinai stated, is there domination of any unit by one particular group and the Government has powers to control and regulate prices and distribution of several commodities. If those who have exaggerated fears of monopoly in business were to peruse carefully the series of provisions in the Industries Development and Regulation Act, they would realise that the Act confers wide powers on the Government to regulate industrial activity.

The aforesaid Act and the series of legislative and executive instruments with which the Government has armed itself are actually hampering the progress of industries by scaring away capital and enterprise. In fact, private enterprise is groaning under the impact of official fiscal and economic policies based on highly ideological considerations. At any rate, the scope for monopolistic trends in business and industry is very limited. As Mr. Manubhai Shah pointed out, the Industries Development and Regulation Act enables the Government to take over concerns if they are found to be working to the detriment of the public; the Tariff Act vests the Government with power to control prices; the Indian Patents and Designs Act ensures proper utilisation of the best productive processes and prevents suppression of technological invention; the prices of consumer goods are kept under check by means of the Essential Commodities Act; and the Companies Act contains a whole string of provisions aimed at preventing anything like cartels. Mr. Shah revealed that, out of the 9,851 concerns, the number of companies managed by 17 managing agencies was just 270. "This shows," to quote him, "that the quantum of concentration is hardly 3 per cent. of the entire economic orbit. The Indian economy does not at all contain any large monopoly combines nor will Parliament or Government tolerate such combination."

The foregoing account will show that the fears regarding monopolistic trends in business and industry are exaggerated. If, however, there is a trend towards concentration of economic power, it is largely due to the defective economic policy pursued by the Government. Again, a considerable element of monopoly, as Mr. Chinai pertinently said, is prevailing in the public sector through institutions such as the Life Insurance and State Trading Corporations.

CO-OPERATIVE MOVEMENT

Some interesting and useful suggestions were put forward by the State Registrars of Co-operative Societies at a meeting convened recently by the Union Ministry of Food and Agriculture. One of them related to training. The Registrars urged the Reserve Bank of India and the All-India Co-operative Union to make arrangements for accelerating the pace of training and enlarging the number of trained co-operators. This is certainly a very important recommendation the implementation of which is particularly necessary, considering that many sections of opinion favour the Co-operative Movement being free from official control and supervision. If the Movement is to develop speedily and fulfil the objectives set before it, it is imperative that there should be an adequate number of people properly trained to carry out the co-operative development programme.

Another important recommendation made by the State Registrars was that the programme of co-operative marketing, processing and storage should be accelerated very considerably in the year 1959-60 itself. The recommendation assumes great significance in the context of the targets to raise the membership of primary societies and enlarge the supply of credit. The Registrars rightly stressed the need for additional allotment of funds, as well as simplification of the present procedure governing the registration of societies and grant of loans. It is the State Governments which should, as the Registrars aptly stated, decide for themselves how best the existing laws and procedures could be simplified to suit local conditions and needs.

The question of co-ordinating *taccavi* loans with co-operative credit figured prominently in the discussions at the meeting of the Registrars and three notable conclusions emerged from these discussions. First, distress *taccavi* should be given by Government and this should not come under the purview of co-operative credit. Secondly, the amount of production *taccavi* should be placed at the disposal of co-operative financing agencies. Thirdly, the loans should be issued by the co-operatives to cultivators as co-operative loans and the co-operatives should charge a uniform pooled rate of interest to all borrowers who must be recommended by the society.

The State Registrars noted the importance attached by the National Development Council to the role of co-operative marketing societies in stabilising prices and to the linking of marketing with credit in the expansion of credit facilities. The two specific proposals made in this regard cover appointment of the existing 1,000 co-operative marketing societies as procurement agents of the Government for the area in which they operate and extension of the programme of co-operative processing, particularly in the sphere of food crops. The Registrars urged that all future licensing of processing of food crops should be in favour of co-operatives. They recommended the grant of subsidies to co-operative processing societies (other than sugar co-operatives) for employment of managerial and technical staff, the subsidies being admissible to both marketing-*cum*-processing and separate processing societies.

As regards co-operative farming, the Registrars considered the requirements of societies such as short-term credit, provision of block capital, and assistance for technical and managerial staff. For purposes of short-term credit, it was felt that the co-operative farming societies should be treated on a par with the credit societies, while, in the case of medium-term loans for block capital, the State Governments might undertake to guarantee a certain percentage of the losses arising from loans advanced by the central co-operative banks. Alluding to the assistance for technical and managerial staff, the Registrars stated that such should be provided and, even in the initial stages, subsidies must be given to meet the full cost of the managerial staff and for training of personnel by the Government. In other words, they wanted more spoon-feeding for the Movement.

MYSORE LAND REFORMS BILL

In a spirit of out-heroding Herod, the Mysore Government has built in more "socialism" into its Land Reforms Bill than what its counterpart in neighbouring Andhra Pradesh has attempted. Thus, while the Andhra Pradesh Ceiling on Holdings Bill prescribes a ceiling of 4½ times "family holdings," giving a maximum net annual return of Rs. 5,400 to existing holders, the Mysore Bill seeks to fix the ceiling at a mere three family holdings, giving a net return of Rs. 3,600 for a family of five members. Land in excess of the ceiling shall be taken over by the Government on payment of compensation and distributed among the landless. While the ownership rights of about 2,500,000 acres will be transferred to the tenants under the provisions of the Bill, we are told that hardly 200,000 acres of surplus land under personal cultivation are expected to be available for distribution. Clearly, our rural areas are not afflicted by the disease of "giganticism" in the sphere of land holdings to the extent the politicians would have us believe it is.

The Mysore Land Reforms Bill, which was introduced in the Legislative Assembly by Mr. Kadilal Manjappa, the Revenue Minister, is generally modelled on the recommendations of the Mysore Tenancy and Agricultural Land Laws Committee, presided over by Mr. B. D. Jatti, the present Chief Minister, with some changes effected in the light of suggestions made by the central committee on land reforms constituted by the Planning Commission. The Bill seeks to fix the ceiling limit on land holdings at three "family holdings." A family holding is defined as an area which, on an average, fetches a net income of Rs. 1,200 annually. Where the family of an owner or tenant consisting of more than five members is engaged in personal cultivation for every additional member in excess of five, one family holding may be held in addition, subject to the condition that the total held shall not exceed nine family holdings in the case of an *Alia Santhana* family and six in the case of other families. The ceiling will not apply to plantations, orchards consisting of reasonably compact areas, specialised farms set apart for cattle-breeding, dairying, wool-raising, etc. Sugarcane farms owned by sugar factories, and efficiently managed farms which consist of blocks whose break up is likely to lead to a fall in production, are exempted from the ceiling. The ceiling will apply to future acquisitions also.

Land in excess of the ceiling shall be surrendered to the State. The total extent of land leased out to tenants is 6,140,000 acres. The ownership of about 2,500,000 acres will be transferred to the tenants under the provisions of the Bill. The compensation payable will amount to Rs. 37.50 crores at an average of Rs. 150 per acre. The Bill provides for the recovery of compensation from all tenants in 20 annual instalments with interest at 4½ per cent. per annum. Compensation to landowners is payable in instalments spread over 20 years or in the shape of negotiable bonds carrying interest at 4½ per cent. and redeemable over a period of 20 years. In the case of lands owned by religious and charitable trusts and institutions, universities, educational trusts, etc., the compensation recovered from the tenants will be retained by the Government and non-redeemable and non-negotiable bonds, carrying interest at 5 per cent. per annum, will be issued

Some of the other salient features of the Bill are as follows:

(1) In future, leases will be permitted only in respect of lands held by persons suffering from some disability or persons serving in the armed forces or persons whose holding does not exceed a basic holding; (2) in respect of lands leased out at the commencement of the Act, the right of resumption is generally regulated in such a way that a tenant is left with a part of the holding, except where the land leased out is itself less than a basic holding and cannot be sub-divided; (3) the rate of rent will be one-fourth of the gross produce in irrigated lands and one-fifth of the gross produce in the case of other lands, subject to the condition that the existing rents are not liable to enhancements; and (4) the extent of land which a landowner cannot resume for personal cultivation will vest in Government on a notified date and the tenants who are actually cultivating such lands will be given occupancy rights, subject to payment of 15 times the rent minus land revenue which amount will be paid to the owner as compensation.

According to the financial memorandum appended to the Bill, the Bill does not impose any additional burden on the finances of the State, except in respect of compensation payable to educational trusts and institutions, universities, religious and charitable trusts and institutions to which the State will have to pay interest at the rate of 5 per cent. on a sum of Rs. 37.50 lakhs which will work out to an annual recurring commitment of Rs. 1.87 lakhs.

The Bill contemplates the setting up of a Land Commission which will consist of a Judge of the High Court nominated by the State Government who shall be the Chairman of the Commission, two persons nominated by the State Government from among persons having special knowledge or practical experience in agriculture or land problems, one officer of the State Government having experience in land revenue administration and another officer of the State Government having expert knowledge in agriculture. The Commission shall determine the standard yield of each of the principal crops raised for each grade of each class of land in every local area specified. It is stated that 25 full-time land tribunals presided over by an officer of the status of Assistant Commissioner will be necessary for the entire State at the rate of one tribunal for each district, with the districts where the work is heavy having a second tribunal.

The foregoing account is an outline of the main provisions of the Bill. To take only one aspect for comment, namely, the compensation payable. It is common knowledge that, by an amendment to Article 32 of the Constitution, compensation has been made non-justiciable—that is, the Judiciary has no say in the matter. The Executive will determine what is fair compensation and get the sanction of Parliament or State Legislatures as the case may be. The pathetic condition of property owners in this country is that they have to look to the Government for justice in the fixation of compensation. The way the Congress Government purveys justice is evident from the Mysore Government's decision to fix the compensation for land in excess of the ceiling surrendered at about Rs. 150 per acre. This probably is the average of Rs. 100 per acre of dry land and Rs. 200 per acre of wet land. This is an absurdly low figure and bears no comparison with market rates. Can one get an acre of land for Rs. 150 in Mysore? Such arbitrary decision is nothing short of expropriation through legislation and will open the floodgates for Communism. The immediate result of the legislation will be a landslide in values with all the disastrous consequences it implies to the credit-worthiness of cultivators, on which hinges the whole of the Government's pet scheme of co-operative credit.

It would appear that, in their blind prejudice against all middlemen, irrespective of the economic functions they perform, the powers-that-be are not able, or unwilling, to distinguish between a *zamindar* and a landlord. The former might have acquired right over land by an accident of history. The tendency in vogue with the vast majority of populations is to equate the landlord with the *zamindar* and to think that his land dropped into his hand like the unexpected manna from fabled Olympus. The fact that it represents the savings of a lifetime of his father or of his grandfather, or of his own is conveniently overlooked. The Bill, if it comes into force, is sure to result in complete dislocation of rural economy. Production will certainly be the first casualty. It will aggravate the flow of savings and talent to urban centres to the detriment of agriculture.

Further, the Mysore Government's claim that the Bill does not involve any sizable financial outlay is a gross understatement. First, the Government itself has estimated that a total compensation of Rs. 37.5 crores will have to be paid in negotiable bonds, carrying interest at 4½ per cent. per annum. This straightaway adds to the indebtedness of the Government and reduces its capacity to borrow for other purposes. Secondly, it means, in effect, utilising current savings, of which there is no surplus, for implementing an unproductive ideological reform. Thirdly, since land is sought to be transferred to people of smaller or no resources at all, more agricultural credit will have to be created and channelled through institutional lenders. This, in turn, tantamounts to adding to inflationary forces in the country.

FRANCE AND FREE TRADE AREA

With barely three weeks for the Common Market of the Six in Western Europe to come into force, available indications suggest that the long-drawn-out negotiations for establishing a Free Trade Area have not been fruitful. France has rejected the concept of "Free Trade Area." It would appear that Germany has decided to follow the French lead. Last month (on 26th November) there was a meeting between General de Gaulle and the W. German Chancellor, Dr. Adenauer, at Bad Kreuznach, W. Germany. A *communique* issued after the meeting contained joint proposals for a "multilateral association," between the Common Market and other eleven members of the O.E.E.C. The cautious use of the word "multilateral association," instead of the Free Trade Area, apparently conveys, covertly or overtly, an impression that the latter concept, as upheld by the U.K. and others, has been conveniently set aside on the eve of the birth of a Common Market. The *communique*, at any rate, observed that co-operation between the "Six" (Common Market countries, namely, France, W. Germany, Italy and Benelux countries) in no way contradicted co-operation between themselves and other European States. At the time of writing, these proposals are under consideration by the other Common Market countries at their Ministerial Council meeting at Brussels. In all probability, the proposal for a new "association" is bound to find favour with the other countries of the Community.

It would appear that the Six, particularly France, feel reluctant to make any categorical declaration as to the setting up of an "association," with the express purpose of avoiding discriminatory commercial policies among O.E.E.C. countries. On the contrary, the French thesis is that the discrimination is inevitable between members and non-members of the Community and that there can be no firm undertaking to accept at this stage a multilateral association between the Six and their neighbours, as desired by the latter. This thesis is gaining ground, with Germany having been won over in its favour. Germany, it is understood, also accepted interim proposals, which represent France's maximum concessions. They include an overall 10 per cent. reduction in tariffs by the Six towards all members of the General Agreement on Tariffs and Trade, extension of the 20 per cent. increase in quotas agreed to under the Rome Treaty to all members of the O.E.E.C.—of course, applicable only to selected sectors of imports—and the restriction of the Rome Treaty obligation for increasing quotas to three per cent. of national production to the signatories of the Treaty alone. It is also learnt that France will agree to the liberalisation of tariffs by the Six to the extent of 50 per cent., and not 75 per cent. as required of France under the O.E.E.C. Code.

(*Continued on page 947*)

LONDON LETTERS

BRIDGING THE GAP

From Our Own Correspondent

LONDON, 24*th November*

THE British Government has been far more worried than appeared publicly about the complete breakdown of the negotiations for a Free Trade Area in Europe. The Common Market countries were accused of discrimination: they were tearing up G.A.T.T.—which requires countries to extend most-favoured-nation treatment to all its members, i.e., a tariff reduction to one should mean a tariff reduction to all. They were destroying N.A.T.O., in which many see an economic future overriding the military present. Above all, they were disintegrating the O.E.E.C., for it could not survive in two European camps. It was, in short, utterly selfish for the six countries to seek to improve their own position at such a cost to the whole European community.

These accusations fell on sympathetic ears in Belgium, Holland and West Germany, the most all-European minded of the Common Market countries. Indeed, had these countries been charged with the Free Trade Area negotiations, they would never have broken down in the dramatic way they did. But they would not let France down in her battle with Britain. Nevertheless, they would do their utmost to bring about a *rapprochement*.

Their spokesman, Western Germany, would discuss the problem with France at top level and seek somehow to bridge the gap between the Common Market and Britain's concept of a Free Trade Area, all in the interests of European unity. The Belgians had already suggested that the blow of the entry into force of the Common Market on 1st January should be softened by extending the first round of tariff reductions due that day to all the O.E.E.C. countries.

The position now looks as if it will develop as follows:

1. The Common Market will definitely come into operation on 1st January. On that day, a tariff reduction, expected to be 10 per cent., will be made by all the Common Market countries to each other on all goods crossing their common frontiers. Quotas, where they exist, will be increased mutually.

2. The Free Trade Area is for the time being dead. There will be none such on 1st January. The British Government's proposal for a Free Trade Area sharing all the tariff and quota benefits of the Common Market has been too well knocked down by the French to be stood up again just yet.

3. Behind the scenes negotiations will continue first among the Common Market countries themselves and later with Britain to see to what extent some sort of Free Trade Area concept can be reborn—in other words, to preserve some sort of common economic interest among the whole of the O.E.E.C. countries.

There is thus a year of grace in which negotiations can continue before the next round of Common Market tariff reductions is due. A year in which Britain also will be busy rethinking. Such re-thinking is most essential, since the Common Market can hardly go on extending its trade concessions to the other O.E.E.C. countries without a full measure of reciprocity.

(Delayed in Transit)

* * * *

CAPITALISTS ALL

LONDON, 29*th November*

The U.K. Government believes that the answer to Socialism is to make everybody capitalists. It is encouraging house-owning by offering unlimited money to the building societies at half per cent. less than the mortgage rate recommended by the Building Societies Association (this half per cent. will be their turn on re-lending) and requiring them to lend up to 95 per cent. of the purchase price of any properly constructed building no matter how old. So that even a house costing £3,000 can be bought by the working man for only £150 down.

But what the Government has been really after is offering industrial ownership to the working man. It has long been possible to buy Government stocks across the Post Office counter, but it is not so easy to extend such a simple principle to industrial stocks. The would-be small investor does not want to incur brokerage costs, even if he knew what a broker was, how to find one, what to ask him for, when to hold and when to sell.

The unit trusts which spread investment over a wide range of industrial securities are an excellent way of risk spreading for the small man, but, even then, only for the small man who has some idea of what small investment is all about and does not mind watching booms and slumps with comparative equanimity. They do not yet mean anything to the working man. Nevertheless the offering of unit trust shares by banks across their counters—one of the latest forms of competitive service in which the Banks are indulging—will enormously widen interest in such investment by anyone having a bank account.

But finance houses have now hit on a new idea to make share buying even more attractive. One can buy a house by instalments, a motor car on hire-purchase—then why not stocks and shares? The first of these new adventures requires the buyer to put down only 25 per cent. and spread the balance of the price over a period. But what is it going to be like paying off the instalments of equity shares if the market is taking a nose dive?

The development dearest to the heart of big industry is to get workers to invest in shares in their own businesses. The idea which two firms have just put into practice is to form "shop" companies attached to the firms concerned. These tame companies will buy up on the market shares in all the firms in the scheme. Against these shares, they will issue new bearer shares and sell these bearer shares (carrying less stamp duty and no transfer charges) to the workpeople across the counter—either for cash or by weekly deductions from the pay packet. They will be prepared to buy the bearer shares back at any time, but, of course, at current market prices. Opinion is divided among observers about the wisdom of this development and proverbs are brought in for and against: "Do not invest your savings where you have already invested your job," say some and others reply, "Put all your eggs in one basket and watch the basket."

Meanwhile, one big new unit trust has just been formed with units priced as low as 10*s*. Two more are on the way, and the hire-purchase of these units is also being arranged. There is no doubt that it is being made as easy as possible for anyone to become a little capitalist, though the message has yet to be carried to the working man who must become convinced that it is in his interest to use his money in this way and submit himself to the risks of a Stock Market slump at the very time his own job may be endangered.—*All Rights Reserved.*



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AMERICAN LETTER

NEW HORIZONS IN WORLD TRADE

MR. B. K. NEHRU'S ADVICE TO AMERICANS

From Our Special Correspondent

NEW YORK, 19*th November*

ONE of the outstanding events of the week was the forty-fifth annual National Foreign Trade Convention held here at the Waldorf Astoria. It was attended by some 2,000 persons, bankers, industrialists, traders.

One of the most thought-provoking speeches was delivered on Tuesday by Mr. B. K. Nehru, Commissioner-General for Economic Affairs of the Government of India, Washington, D.C. He spoke on "New Horizons in International Trade." Instead of dwelling on the minor irritations" of foreign trade, he suggested that "it should be possible to raise the volume of foreign trade to heights hitherto unprecedented and undreamt of." This should be done, he said, by capital exports to economically underdeveloped countries which would raise the standard of living and create vast new demands.

"The major trading nations of the earth," he said, "are the highly industrialised trading nations of Western Europe and North America. In area and in numbers, these are a fraction of the earth's surface and represent a fraction of its population which is 2,700 million. The population of Western Europe," he added, "and of North America is no more than 450 million. Excluding for the moment the Communist world, the population of the non-industrialised non-Communist world consists of 1,200 million people."

"It might interest you to know," he said, "that American trade with the countries of South Asia which contains one-fourth of the world's population is exactly 2 per cent. of America's total foreign trade."

"The basic proposition I have to put to you," Mr. Nehru declared, "is that these 1,200 million people form an enormous and inadequately developed market for the goods that are produced in this country and in Western Europe and that, if this market could be developed even to a small extent, the effect on the volume of international trade would be stupendous."

"I suggest to you," he added, "that, if the productive capacity of India could be increased and the consequent purchasing power of the people of India could be increased to even a respectable fraction of that of the people of the United States, the entire manufacturing capacity of the motor-car industry, the steel industry and undoubtedly a large number of other industries would be kept fully employed for many years to come."

Mr. Nehru also touched on the anomaly of commodity surpluses. "It seems to me that it is illogical and meaningless to talk of a surplus of wheat while there are millions of human beings on the earth surface who do not have enough to eat. There is not a pint of milk that is surplus, while mothers have to put their babies to bed at night—hungry." He contended that "the problem is not a problem of the surplus of commodities; it is a problem of the deficiency of purchasing power."

"The game of international trade, however, soon comes to an end, as the British Prime Minister remarked not so long ago, if all the chips get centered on one side of the table. And the reason why we have this phenomenon of encumbering surpluses, when so many countries of Asia and Africa are so short of these very commodities is that these countries have too few chips with which to play the game," according to Mr. Nehru.

So far as the development of India is concerned, he said the immediate, as well as ultimate, increase in world trade depends entirely on the extent to which capital flows into the country.

On the subject of foreign-aid programmes, Mr. Nehru acknowledged, in part, the give-away character of some of them. He added: "They are based partly on moral reasons, for the human conscience is no longer prepared to tolerate the incredible discrepancies in material standards of living that exist between one part of the earth's surface and another."

He also submitted that these programmes are motivated, in part, by political reasons, which, in the "modern world, turn asunder, as it is, into opposing factions, have very considerable justification. These other objectives, sometimes cause considerable distortions in the distribution of aid," he maintained.

He characterised aid programmes which are designed for economic development as "very directly fruitful for both their immediate and ultimate effect is an increase in foreign trade for the benefit not only of the recipient but also of the donor. I would suggest to all those who are interested in the growth of international trade, that these foreign aid programmes should have their unstinted support."

The second and very important method of developing markets in the underdeveloped countries, Mr. Nehru pointed out, is through the investment of private capital. "I would suggest," he said "that the leaders of the business community take a greater interest than they have done so far in examining the possibilities of developing markets by setting up manufacturing enterprises where conditions are favourable—to the great good of foreign trade in general."

Mr. Nehru then spoke of "the problem of the fluctuation in commodities prices which still remains with us." He characterised it as "a major threat to the development and growth of international trade on a stable basis. Some form of stabilisation of these prices through the creation of buffer stocks or otherwise, is an urgent need, if foreign trade and economic activity is to develop on an even keel."

In conclusion, Mr. Nehru addressed himself to the subject of closing markets to products of the underdeveloped countries by reason of tariffs, quotas to protect home industries. He also pointed out that immigration laws prohibit a better distribution of labour into areas where they could be economically useful.

So far as the "unfair competition from cheap labour" is concerned, he said "the solution seems to be not in refusing to buy the products of so-called cheap labour, but in enabling wage rates in these countries to move up through the injection of more and more capital."

One of the basic characteristics which has made the United States great, Mr. Nehru contended, "is that the American people have always pushed back the frontier, territorial or other, which tended to limit the sphere of their activity. What I have suggested is that they now push back the frontier of international trade and open up for themselves and the world vast, unlimited new horizons. It may be that I have looked a bit too far beyond the immediate present, but the future, it is said, belongs to him who prepares for it."

I have devoted almost the entire "American Letter" of this issue to Mr. Nehru's remarks, because not only I, but most of the 1,000 people who heard it, regarded the speech as "constructive" and "significant" as well as "farseeing" and "analytical." It undoubtedly did some good.

Another speaker, Ambassador Howard Beale of Australia to the U.S., supported Mr. Nehru's comments on commodities. He urged suitable "multi-lateral arrangements to protect against violent price fluctuations." Underlying his remarks was "the proposition that we are at this moment engaged in World War III." He cited the various open declarations of economic war which had been made by Russian leaders. "The outcome could be just as disastrous as a shooting war," he declared, and he called for preparedness and understanding of what is at stake.—*All Rights Reserved.*

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TREND OF BANKING AND MONEY IN BURMA

CREDIT RESTRICTIONS TIGHTENED BY RAISING RESERVE RATIO

THE Burmese economy is purely an agricultural one, depending, to a very large extent, on the production of rice, of which Burma was the world's largest exporter before the war. The fluctuations in the country's economy closely follow those in the rice crop from year to year. The partial failure of this crop due to drought conditions during the year 1957-58, for instance, caused a setback in the economy. The total outturn of paddy during the year suffered a drop of 19.1 per cent., that is, from 6.36 million tons to 5.15 million tons, with the result that exports of rice and rice products declined from 2.01 million tons to 1.65 million tons and foreign exchange earnings thereof from K.90.13 crores to K.71 crores, according to the annual report of the State Commercial Bank, Burma, for the year ended 30th June 1958.

The decline in rice exports brought in its wake an adverse trend in external payments position. This was accentuated by heavy payments which the country had to make for its imports during the year against licences issued previously. In order to arrest this trend and strengthen the foreign exchange reserves, the Government of Burma found it necessary to take various measures, including import restrictions. Fortunately, however, in spite of import restrictions, the State Commercial Bank's report adds, the prices of essential consumer goods, such as clothing and foodstuffs, continued to fall. This was partly due to the tightening of commercial bank credit by the Union Bank of Burma in the form of doubling the reserve ratios to be maintained by banks and partly on account of heavy arrivals of goods ordered abroad during the previous year. "In such ameliorating circumstances," the report goes on to point out, "the cost of living, as reflected in the consumers' average price index, showed some improvement."

Another step taken by the Government during the year to regulate the marketing of imported essential consumer goods and to check excess profiteering by private importers was the creation of more joint venture corporations to share with the existing corporations the monopoly for the import of essential consumer goods. The result was that the large body of one-time importers, now deprived of import licences, has had to adjust themselves to the new status of distributors and retailers. In short, commercial activity in Burma during 1957-58 was generally slack not only on account of the tight money conditions and restricted imports but also because of the fact that, with the advent of joint venture corporations, the business community was uncertain of their future and was, therefore, hesitant to part with its stocks.

In the monetary and banking field, there was an expansion in money supply and bank deposits during the year under review. The decline in money supply noted in the first half of 1957 persisted during the rest of the year, bringing it down from K.155.8 crores (as at the end of June 1957) to K.140.5 crores at the close of December. This decline was, however, confined to the private sector, where, due to heavy payments for imports, the money supply dropped substantially from K.135.1 crores in June 1957 to K.111.7 crores at the end of the year. The money supply in the Government sector, on the contrary, recorded an increase from K.20.7 crores to K.28.8 crores during this period. The general trend was reversed in the first half of 1958, the total money supply going up from K.140.5 crores to K.166.3 crores. There was expansion in both private and Government sectors, due to restrictive measures imposed on imports under O.G.L. towards the close of 1957 and curtailment of Government development expenditure abroad.

Deposits of commercial banks increased during the year from K.72.8 crores to K.85.8 crores, the greater part of this increase was accounted for by Public Law 480 funds transferred from the Union Bank of Burma to the State Commercial Bank. With a view to curbing further expansion of commercial bank credit, which was tending to exert an unhealthy influence on the money supply, the Union Bank of Burma required all commercial banks to maintain the minimum reserves with it at double the then existing rates. The new rates are 16 per cent. of demand deposits and 6 per cent. of time deposits. As these minimum reserve ratios became effective from 31st August 1957, this measure to curb bank credit had its desired effect, bringing bank advances down by K.70 lakhs to K.25.90 crores as at the end of June 1958. The commercial banks' investments in Government securities were raised during the year by 83 per cent. to K.43.8 crores. At the same time, the reserves held by the banks in excess of the statutory minimum amounted to K.9.6 crores.

With funds available in the money market restricted, there was a general hardening of interest rates during the year. Inter-bank call money rate, which had stood at 1 per cent. in July 1957, rose to 1½ per cent. in August. In December last, it advanced sharply to 2½ per cent. and February this year witnessed a peak of 3¼ per cent., the highest on record in the monetary history of Burma. By April 1958, however, the rate rapidly declined to 1½ per cent. The minimum rates allowed by commercial banks on 6-month and 12-month deposits rose by ¼ per cent. in each case to ½ per cent. and ¾ per cent., respectively. The rate on 9-month deposits was, however, unchanged over the year at ¾ per cent. The maximum rate on both 6-month and 9-month deposits was steady at 2½ per cent., but that on 12 month deposits hardened from 3½ per cent. to 4 per cent. The minimum rate on savings bank deposits was raised by ¼ per cent. to 1 per cent.

The Government's borrowing rates were, however, unchanged at 1 per cent. against three-month Treasury Bills, 2½ per cent. against three-year Treasury Bonds, 3 per cent. against five-year Treasury Bonds and 3½ per cent. (compound interest) on 12-year savings certificates.

The Union Bank of Burma raised its rate of interest on advances to banks against Government securities from 2 per cent. to 3 per cent. in November 1957. Its rate of interest on advances against Trustee securities and Commercial paper was, however, unchanged at 3 per cent. throughout the year.

While there was practically no change in the minimum and maximum rates of interest as shown below, the actual rates charged by most banks were either the maximum or close to the maximum, due to the tightness in the money market.

The rates of interest charged by commercial banks on loans and advances covered by various types of security were as follows:

(Per cent. per annum)

Security	*Minimum*	*Maximum*
Stock Exchange securities ...	4	6½
Government securities and bullion	4	7
Title deeds of immovable property	4	9
Stock-in-trade	4	12
Gold ornaments and precious stones	4	9-12*
Unsecured	4	12

* Reduced to 9 per cent. in the last quarter of 1957.

The banking system in Burma has undergone vast changes in recent years. State-owned and State-operated banks, assisted by new legislation and regulations, have taken over many fields from the old-established British and other foreign banking institutions. The most important change was the setting up of the State Commercial Bank in 1954. The Bank came into being, because it was felt that the then existing British banks would not even provide adequate domestic service. Further, foreign banks, hampered by their inability to accept immovable property as security, concentrated on the import-export side of the business, which meant, in practice, confining their activities to Rangoon.

As at the end of June 1958, the deposits of the State Commercial Bank aggregated K.40.91 crores, having risen from K.23.55 crores a year before, and represented 48 per cent. of the total deposits of all commercial banks. Total advances and bills purchased and discounted were, however, unchanged at K.7.55 crores. The decline in import business is reflected in the fall in acceptances, endorsements, etc. from K.25.49 crores to K.9.88 crores. Investments stand strengthened from K.15.16 crores to K.28.51 crores and cash balances from K.6.93 crores to K.10.22 crores. The capital of the Bank is unchanged at K.2 crores, as against which the reserves amount to K.50 lakhs. The profit of the Bank for the year under review is a shade higher at K.1.22 crores (as against K.1.17 crores). After providing for taxation and setting aside K.15 lakhs to reserves and contingencies, the dividend has been stepped up from 10 per cent. to 12 per cent., which absorbs K.24 lakhs, leaving to be carried forward K.24.86 lakhs, including K.22.48 lakhs brought in from the previous year.

I.M.F. MISSION IN INDIA

A three-man mission of the International Monetary Fund has arrived in India for the usual annual consultations on economic matters with the Government of India and the Reserve Bank. The mission is headed by Mr. Richard B. Goode, Assistant Director of the Fund's Asian Department. The other members of the mission are Mr. N. A. Sarma, Chief of the South Asian Division of the Asian Department of the International Monetary Fund and Mr. Roland Kalivoda, an economist of the Fund.

The mission is now holding discussions with the Reserve Bank of India at Bombay (from 1st to 6th December) and will thereafter visit New Delhi for consultations with the Government of India. During their 10 days' stay in the capital, members of the mission will hold discussions with officials of the various Ministries including Finance, Commerce and Industry, Food and Agriculture, Labour and Employment and officials of the Planning Commission.

Under the Articles of Agreement of the Fund, member-countries who maintain exchange restrictions on payments and transfers for current international transactions are required to hold annual consultations with the Fund either in Washington or in the country concerned. Last year, the consultations were held in India. This year again, these consultations with India are being held here.

CONVERSION OF HYDERABAD CURRENCY INTO INDIA GOVERNMENT CURRENCY

The facilities offered by the Government of India for the conversion of Hyderabad currency into Indian currency ceased on 31st December 1956. Since then, a number of applications have been received by the Central and State Governments and by the Reserve Bank of India and the State Bank of Hyderabad from the members of the public, especially belonging to the rural areas, for the exchange of Hyderabad currency on the ground that they were unaware of the time limit prescribed for the termination of the facilities. As the grievance appears to be genuine, the Government of India has decided to revive the exchange facilities on a selective basis for a further limited period. Under this scheme, which has come into effect on 1st December 1958, and will remain in force upto the 30th June 1959, holders of Hyderabad currency who desire to exchange their holdings will be required to submit their applications in triplicate, in the form prescribed for the purpose, to the nearest branch of the State Bank of Hyderabad. The application forms can be obtained from any branch of that Bank. The exchange will be effected by the State Bank of Hyderabad after obtaining the sanction of the Reserve Bank who will consider the applications on merits. As the facilities will be finally withdrawn on 30th June 1959, the holders should take advantage of this opportunity and get their holdings converted into Indian currency at the standard rate of exchange (India Government Rs. 100 equal to O.S. currency Rs. 116.10.8) as early as possible and within the prescribed time.

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PROTECTION TO SERICULTURE FOR FIVE MORE YEARS

PRODUCTION RISES, BUT QUALITY POOR

TO the long period of over 25 years' protection enjoyed by the sericulture industry, five more years have now been added. The Government of India has accepted the Tariff Commission's main recommendation to extend protection until the end of December 1963 at the existing rates of protective duty. (35 per cent. *ad valorem* plus a specific duty of Rs. 4 per lb. on raw silk and 35 per cent. *ad valorem* plus Rs. 5.28 per lb. on yarn spun from silk waste). On the face of it, the decision appears somewhat surprising. For, despite the protection for over a quarter of a century, the production of Indian raw silk has not increased to any significant extent and the quality has still not attained the grade of international standards, nor has the cost of production been brought down to the level at which foreign silk is imported in the country. The average fair ex-works price of raw silk produced in the country comes to Rs. 32 per lb., as against the landed cost (without duty) of Rs. 19.52 per lb. of white A grade raw silk imported from abroad. Moreover, the incidence of competition from imported raw silk is not much, thanks to quantitative regulation of imports and their controlled distribution. Nevertheless, the Tariff Commission points out that there is a *prima facie* case for continuance of protection so long as the main objectives of protection are not accomplished.

Two considerations have weighed with the Commission in recommending extension of protection to the sericulture industry. First, looking to the progress which other countries like Japan and China have achieved in the past, there is no reason why the industry in India should not succeed in its efforts to increase its output and thereby bring down the cost of production. The Commission is also of the opinion that the quality of Indian silk can be improved, with the financial and technical assistance now being made available to the industry in a large measure. It is estimated that a sum of Rs. 2 crores has been spent on implementing the various development schemes during the two years 1956-57 and 1957-58 and another Rs. 2.83 crores are to be spent in the subsequent three years. Secondly, the withdrawal of protection at this juncture will cause a setback to sericulture, especially when various schemes for its development are in progress.

Previous Enquiries

The sericulture industry was first granted protection in 1934 on the recommendation of the former Tariff Board. Subsequently, four tariff enquiries were undertaken—three by the Board in 1938, 1948 and 1951 and one by the Commission in 1953. In its report submitted to the Government on 4th July 1953, the Commission suggested continuance of protection for a further term of five years, that is, till 31st December 1958, and reduction in the rate of protective duty from the then existing levels to 30 per cent. *ad valorem* (exclusive of surcharge) on raw silk and silk cocoons, silk yarn (including thrown silk warps), yarn spun from silk waste, and silk fabrics. The Government accepted the former suggestion but rejected the latter.

Since the last enquiry in 1953, the sericulture industry, it is stated, has achieved a measure of progress. The total production of raw silk has gone up from 2,488,000 lbs. in 1953 to 3,138,000 lbs. in 1958, representing a rise of about 26 per cent. The improvement has been shared by both mulberry and non-mulberry silks, as the following table shows:

(In thousand lbs.)

	1957	1956	1953
Raw silk:			
Mulberry filature	296	320	285
Mulberry charkha	2,180	1,991	1,683
Total	2,476	2,311	1,968
Non-mulberry *Tassar*	315	284	276
Non-mulberry *Eri*	167	138	113
Non-mulberry *Muga*	190	185	159
Total	662	607	520
Total raw silk	3,138	2,918	2,488
Silk waste:			
Mulberry	1,168	1,142	955
Non-mulberry	567	597	493
Total	1,735	1,739	1,448
Spun silk yarn*	65	63	40
Noil yarn	59	46	61

* The Mysore Spun Silk Mills Ltd., Channapatna, is the only unit producing spun silk yarn.

It will be seen from the above figures that the output of filature raw silk has increased in absolute terms from 285,000 lbs. in 1953 to 296,000 lbs. in 1957, but the ratio of this silk to the total mulberry raw silk has dropped from 14 per cent. to 12 per cent. While on filature silk, the Tariff Commission has recommended that, so long as the present installed capacity of silk filatures in the States of Mysore and Kashmir are not fully utilised, no new capacity should be licensed. The trend of silk waste production has been more or less similar to that of raw silk. The percentage output of silk waste per lb. of mulberry raw silk, which had declined from 48.5 in 1953 to 46.6 in 1954, has since been moving up, the figure for 1957 being 47.2.

Raw Silk and Silk Waste

An idea of the production of raw silk and silk waste in the different States during the year 1957 can be had from the following statement:

	Mulberry sector		Non-mulberry silk	Silk waste
	Filature silk	Charkha silk		
Mysore	150	1,715	..	841*
Jammu and Kashmir	144	..	..	115*
W. Bengal	..	412	13	214*†
Punjab	..	21	..	..
Assam	..	28	315	409‡
Bihar	..	2	148	93‡
U.P.	2	..	..	..
Andhra Pradesh	..	2	..	..
Madhya Pradesh	..	..	150	50‡
Orissa	..	..	36	13‡
Total	296	2,180	662	1,735

* Mulberry silk waste.
† Includes 150,000 lbs. of non-mulberry silk waste.
‡ Non-mulberry silk waste.

Sericulture is at present carried on in 16 States, but, only in four States, namely, Mysore, West Bengal, Jammu and Kashmir and Assam, it forms a major occupation of a section of their population. Among them, Mysore State alone produces about 60 per cent. of the total output of raw silk in the country. In Mysore, West Bengal, Jammu and Kashmir, Madras, Punjab and Himachal Pradesh, production of silk is mainly of mulberry type, while in the States of Assam, Bihar, Manipur, Madhya Pradesh and Orissa, sericulture is largely of non-mulberry type. In Kerala, Tripura and Bombay, sericulture has been introduced only recently.

The total area under mulberry cultivation in Mysore State has risen steadily in recent years; it was 155,000 acres (including 25,000 acres in Kollegal area transferred from the former Madras State) in 1956-57, as against 110,000 acres in 1951-52. The average yield of mulberry leaves has also improved by 40 per cent. generally and by 50 per cent. from 14,000 lbs. to 21,000 lbs.) in Government institutions. The area under mulberry cultivation has increased in West Bengal also, from 11,850 acres in 1953 to 14,000 acres in 1957. The entire mulberry plantation in Jammu and Kashmir is of the tree type. The number of trees in 1956-57 was 2.20 million, which compares favourably with 1.75 million in 1952. The number of mulberry trees in the Punjab in 1957 was 150,000, the average yield in a well-matured tree being 60 lbs.

The cost of mulberry leaf, it may be noted here, accounts for about 60 per cent. of the cost of cocoons. Efforts have been directed to reduce the cost by improving the yield and quality of mulberry leaf through the introduction of improved grafts in the place of existing mulberry. The Tariff Commission has done well to urge the State Governments to take steps for better coordination between their Agricultural and Sericultural Departments in the work of replanting mulberry by improved grafts. The Commission has also done well to emphasise the need for giving constant attention and care to the rearing of silk-worms, including seed and cocoon production. Special mention is made of the importance of distributing only examined seeds for industrial rearing; maintaining improved stock of silkworm by selection of cocoons and moths used for seed production; and cross-breeding and selecting the silk-worm races which can be acclimatised in the temperate and tropical regions. In this connection, the Tariff Commission has put forward the following four notable suggestions:

(1) All sericultural States should give high priority to the setting up of necessary organisation for production and distribution of disease-free layings through Government and aided grainages to meet the full requirements of silk-worm seeds in their areas.

(2) The Central Silk Board should give the highest priority to its scheme for the organisation for silk-worm seed production and take appropriate steps for establishing the Central Foreign Race Seed Station as early as possible. The Board should also see that the State Governments establish matching organisations in their respective areas for the evolution of suitable cross-breed races and take appropriate steps for their rearing on a commercial scale.

(3) The suggestions of the Japanese experts, Dr. Y. Tazima and Mr. S. Karasawa, with regard to rearing of silk-worms with a view to producing cocoons of better quality should be carefully considered by the Central Silk Board and the State Governments concerned and implemented as far as possible, having regard to the local conditions of each sericultural region.

(4) The State Governments should take positive steps to encourage formation of rearers' co-operative societies for *chowki* rearing and for marketing of cocoons.

The Government of India has taken note of these suggestions and steps, we are told, will be taken to secure their implementation "to the extent possible." The Government has also accepted the Commission's proposal for continuing the present concession of duty-free imports of silk-worm seed.

Silk Weaving

A brief reference may now be made to the latest position regarding the silk weaving industry. There are at present 8,306 powerlooms and 106,146 handlooms engaged exclusively or mostly on weaving of silk fabrics. The actual production is at an annual rate of 23.4 million yards. The table below shows the State-wise distribution of looms and date of output:

	No. of looms		Annual production (thousand yards)		
	Power-looms	Hand-looms	Power-looms	Hand-looms	Total
Mysore*	8,000	7,634	3,600	4,000	7,600
W. Bengal	Nil	4,000	Nil	2,280	2,280
Jammu and Kashmir	150	912	400	1,150	1,550
Assam	Nil	34,000	Nil	1,600	1,600
Bihar	25	1,000	144	684	828
Madras	Nil	25,784	Nil	2,190	2,190
Bombay	109	N.A.	430	N.A.	430
U.P.	22	25,000	100	4,600	4,700
Orissa	Nil	4,000	Nil	528	528
Andhra Pradesh†	Nil	2,500	Nil	757	757
Madhya Pradesh‡	Nil	1,316	Nil	985	985
Total	8,306	106,146	4,674	18,774	23,448

* The looms are engaged in art silk also.
† Few of the looms use power.
‡ The looms weave *Tassar* silk fabrics.

The Tariff Commission has estimated the current demand for raw silk of all types at about 4.0 million lbs. per annum and for spun silk yarn at 200,000 lbs., as against 3.5 million lbs. and 150,000 lbs., respectively, in 1953. The Commission feels that, so long as the price of raw silk remains high at the prevailing level, the domestic demand will not exceed 4.0 million lbs. in the next three or four years. The demand, however, is likely to go up, if development schemes so far undertaken by the States tend to reduce the present high production cost and bring about a distinct improvement in the quality of filature raw silk. As regards silk fabrics, the Commission has not attempted to estimate either the current or the future demand; the demand had been estimated at 1.5 million lbs. in 1953.

The quality of raw silk produced, as stated at the outset, has not yet attained the grade of international standards. The average quality of the bulk of the raw silk produced in Mysore is said to be inferior, particularly in its evenness, when compared to the quality of imported silk. The quality of filature silk, it is stated, cannot be compared even to the D grade of imported raw silk. The silk can be used only for weft and not for warp, it contains slabs, and it is uneven in thickness and fluffy, resulting in the production of defective fabrics in more than one way. Indeed, it is said that consumers prefer imported silk even at a premium ranging from Rs. 2.80 to Rs. 10 per lb.

Drawing attention to these points, the Tariff Commission has called upon the Governments of Mysore and Kashmir to take appropriate steps to enforce compulsory testing of filature silk produced in their States. Further, it has asked the filature units to introduce immediately the system of grading cocoons and produce raw silk of different grades. According to the Commission, when new hybrid races are being produced, it is essential to standardise the cocoons by restricting industrial rearing to one or two races during one season so that silk of uniform quality can be produced. Unless these preparatory processes are brought up to a high standard of efficiency along with the modernisation of reeling equipment, the efforts for the improvement of quality of raw silk may not achieve the anticipated measure of success.

FALL IN TEXTILE EXPORT EARNINGS

MILLS TO SEEK OFFICIAL HELP TO SOLVE UNEMPLOYMENT PROBLEM

From A Special Correspondent

MANCHESTER, *25th November*

MANCHESTER LETTER

AFTER some months in which exports of Lancashire cotton goods have more than held their own against the rising tide of arrivals of similar products from foreign countries, October saw a sharp reversal of the situation. Fears have returned that the full figures for 1958 may barely show a balance in favour of Lancashire's exporters. For the 10 months, arrivals of all types of cotton cloth amounted to 314,530,000 square yards, as against shipments abroad of 323,259,000 square yards.

Imports during October exceeded comparable exports by more than 10,000,000 square yards, arrivals aggregating 37,933,000 square yards and outgoing cloth shipments 27,286,000 square yards. The main suppliers of grey cloth continue to be Hong Kong and India, each of which sent about 13,000,000 square yards. Over the ten-month period, Hong Kong has stepped up shipments from nearly 58,000,000 square yards to 89,346,000 square yards, while arrivals from India have dropped from almost 160,000,000 yards to 100,623,000 square yards.

Earnings from exports of cotton yarns and woven fabrics for the 10 months only just exceeded £60,000,000 and are now over £14,000,000 lower than at the same time a year ago. The cost of imports has declined slightly from £27,881,000 in the first 10 months last year to £26,306,000 in 1958. No substantial change has occurred in the sales to individual countries, although most of the major outlets show a slight decline in takings.

Cotton yarn exports in October reached the 2,000,000 lbs. mark, but, over the 10 months, they amounted to only 22,706,000 lbs., as against 32,037,000 lbs. in the same period last year. Australia and New Zealand have absorbed slightly larger quantities of Lancashire-made cotton yarn but much smaller supplies were sent to India, Nigeria and several European spinning centres.

Sudan Cotton Prices

Political and industrial developments often conflict in these days and almost invariably overlap. In the changed circumstances in the Sudan, there were doubts as to whether the new system of disposing of the local cotton crop by private as well as public auctions would be introduced as planned. In fact, the revised arrangements have proceeded relatively smoothly. Sharp cuts in the reserve prices at the outset of the readjustment were followed by similar reductions in spot rates in Liverpool and in the quotations for yarn spun from these qualities. Some of these amounted to as much as 5d. per lb. and, as has frequently been the case in the past, the finer counts were chiefly involved.

During the past 15 months or so, the price situation affecting Sudan cotton and equivalent yarns spun in Lancashire has undergone a marked change. The downward trend which has occurred since the beginning of the 1957-58 cotton season is portrayed in the following table:

(In *d.* per lb.)

Date	Liverpool spot: Sudan Sakel C6	Liverpool spot: Sudan Lambert 6	Yarn quotations: 60s Carded Twist	Yarn quotations: 80s Combed Twist	Yarn quotations: 2/100s Combed Bundles
1957					
Aug. 1..	44.25	41.75	87.75	120.50	208.75
Nov. 22..	37.00	34.00	78.75	110.75	196.50
1958					
Jan. 2..	36.50	34.00	79.00	110.75	196.00
Apr. 1..	34.00	32.00	77.75	106.25	188.25
July 1..	32.50	31.60	76.75	106.00	187.50
Sept. 1..	31.50	30.60	75.75	103.50	184.50
Oct. 1..	31.50	30.35	75.75	103.50	184.50
Nov. 3..	30.50	30.00	75.75	103.75	183.25
" 14..	30.50	29.25	75.75	103.75	183.25
" 21..	27.90	27.90	74.50	99.25	178.50

As usual in a falling market, the tendency has been for users to hold off in the hopes of obtaining even more favourable terms as time goes on. This has been the basic influence affecting the activities of customers for at least the period covered by the above figures. The experience of spinners and manufacturers of fine goods has been far less satisfactory than the state of trade encountered in other branches—bad as that has often been.

Aid for Jobless

More financial help from the Government to help to ease the growing problem of unemployment in Lancashire is to be sought by industry leaders. The General Council of the Lancashire and Merseyside Industrial Development Association decided in Manchester this week to urge the President of the Board of Trade, Sir David Eccles, to amend the Distribution of Industry (Industrial Finance) Act, 1958, so that firms in more Lancashire towns hard hit by unemployment can secure financial aid to build extensions or buy new machines. A spokesman said after the meeting that the present basis for financial aid was a figure of 4 per cent. wholly unemployed in an area for a period of 12 months. The Association wanted this altered, so that firms qualified in areas where the number of workers temporarily stopped brought the unemployed figure above 4 per cent.

Mr. G. F. S. Ritson, Director of the Association, said: "We want to see more help for towns like Bolton, Oldham, Rochdale, Blackburn and others in North-East Lancashire, where the employment situation is difficult and where the bulk of workers affected are only on short time. This means that firms in these areas just cannot get financial aid."

Lancashire M.Ps are to meet the Prime Minister next week to discuss the problems caused by the shrinkage of the cotton textile industry and the Association plans to ask them to raise the question of financial help with Mr. Macmillan. It is also intended to ask the new Parliamentary Secretary to the Board of Trade, Mr. J. C. Rodgers, to meet the Association to discuss Lancashire's employment problems.

Japanese Tour

Members of a Japanese trade mission now touring Europe met leaders of the Manchester Chamber of Commerce for an exchange of views on mutual trading problems when they visited the centre of the Lancashire cotton trade last week. Informal talks took place on topics connected with the textile industry and also the importation of canned food into the United Kingdom. The delegation's visit was brief and did not allow the Japanese to see a cotton mill, but trade problems were under review, including the operation of the Design Centre established by Japan in 1955. The visitors saw the British Cotton Board's Colour, Design and Style Centre and inspected an exhibition of men's wear fabrics on show there.

Mr. Kureo Sasabe, President of the Nagoya Chamber of Commerce and Industry, leader of the delegation, said: "In our talks with the President and members of the Manchester Chamber of Commerce, we agreed that there were many difficulties facing both countries in the textile field in the future. We felt that we should co-operate to help each other." Mr. Moriyuki Shirakawa, Director of the Toyo Spinning Company, said that the Japanese cotton industry was now working at only 70 per cent. of capacity. Severe cuts in output had been organised and competition was being met in South-East Asia, especially Indonesia. Chinese competition in Asiatic countries was growing and the Chinese cotton industry had the advantage of rapidly increasing production of raw cotton at its disposal whereas Japan had to import all her raw cotton supplies.

Trade Problems

The Economic Secretary to the Treasury, Mr. F. J. Erroll, spoke in Manchester last week about the problems facing British industries—not only the Lancashire cotton industry—as the newly developing countries expand their export trade. These problems will have to be faced, he said. To try to stop an increased flow of manufactured exports from the newly developing countries would have disastrous consequences for the free world in the long run.

Mr. Erroll was addressing the convocation of the Textile Institute. He said that the newly developing countries were claiming, and in many cases obtaining, an increasing share of world trade in textiles. That was a process that must go on; if these countries were to succeed in narrowing the wide gap between their standard of life and that of Western Europe or North America, they simply must be allowed to increase their export earnings.

Pointing out that the speeding up of technical change in the textile industry gave the more advanced industrial countries the opportunity of meeting the challenge of competition, Mr. Erroll said: "We in the United Kingdom should take the lead in this development as we did in the first technological revolution. So far as basic research in textiles is concerned we in Britain can, I think, reasonably claim that we lead the world.—*All Rights Reserved.*

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EXTRA-LONG STAPLE COTTON

LARGER SUPPLY IN PROSPECT

EXTRA-LONG staple cotton, that is, cotton of staple length over 1⅛", being a class by itself, does not generally move in step with other staples in respect of trends in acreage, production, exports, prices, etc. The marked decline in production of extra-long staple cotton in 1953-54, as against the marked increase in other staples, the failure of extra-long staples to share in the general expansion of cotton consumption in recent years, lower exports in 1956-57, as against high level of exports in other staples and the marked rise in extra-long staple prices in 1956-57 when cotton prices were generally declining, all go to show that the factors which engender these trends are different from those which influence other staples. Fundamentally, these divergent movements between extra-long staples and other cottons reflect differences in supply and demand but the influencing factors may be, to some extent, autonomous by virtue of the greater concentration of production and consumption of the former in a relatively small number of countries.

The present extra-long staple cotton situation is one of surplus supplies. According to the International Cotton Advisory Committee, Washington, stocks are likely to be accentuated this season. The Committee estimates the stocks in producing countries on 1st August 1958 at 685,000 bales (of 478 lbs. each), same as those a year ago, but still the highest level since 1953. Based on the present offtake, these stocks represent over seven months' supply. The restoration of a fair degree of balance between production and offtake last season was, to all intents and purposes, fortuitous and mainly the result of crop failure in the Sudan. This brief respite appears to have been short-lived, for, as far as the 1958-59 season is concerned, stocks are on the high side, while the prospects are for a marked increase in production.

The following table indicates the supply position of extra-long staple cotton:

Supply Position of Extra-long Staples

(In 1,000 bales of 478 lbs.)

Country	1958-59	1957-58	1956-57	1955-56
Stocks, 1st August—				
Egypt	305	160	100	190
Sudan	240	430	185	280
Peru	10	10	10	15
United States ..	115	82	107	140
Others	13	10	8	6
Total ..	683	692	410	631
Production—				
Egypt	1,184	848	614	552
Sudan	450	165	554	390
Peru	105	90	108	70
United States ..	78	80	49	42
Others	33	33	29	31
Total ..	1,850	1,216	1,354	1,085
Supply—				
Egypt	1,489	1,008	714	742
Sudan	690	595	739	670
Peru	115	100	118	85
United States ..	192	112	156	182
Others	46	43	37	37
Total ..	2,532	1,858	1,764	1,716

The excess supply at the beginning of the present season was found mainly in Egypt, where stocks were nearly double that a year ago, despite a relatively high level of exports. Conversely, stocks in the Sudan were nearly halved but were probably somewhat above average holdings for that time of the year. The improvement in stock situation in Sudan was brought about mainly by the much smaller crop and, to a lesser extent, by increased exports. Stocks of American-Egyptian cotton in the United States on 1st August aggregated about 117,000 bales. Of this amount, the C.C.C. held 81,500 bales, including 41,000 bales being the balance of the 50,000 bales transferred from the stockpile at the beginning of the 1957-58 season, and the balance of the loan programmes for 1957 and earlier years.

Variations in stocks in Peru and several smaller producing countries are of little significance to the global situation. Peru, however, invariably exports all its production. Much the same is true of other countries like Aden, British W. Indies, Italian Somaliland and Israel.

Stocks in importing countries have declined from over half a million bales in 1954 to under 300,000 bales in the last two years, with most of the reduction in the U.K. and India. In addition, on 1st August 1958, there were 59,000 bales of Egyptian cotton and 19,000 bales of Peruvian cotton awaiting entry into the U.S. under the quota system and some 219,000 bales, principally Egyptian, sealed off in the U.S. stockpile built up from purchases made several years ago.

There is every chance that the area planted to extra-long staples in the free world will exceed 2 million acres this season. In Egypt alone, area is up by nearly a quarter of a million acres. Area devoted to the Karnak and Menoufi varieties has more than doubled in the last five seasons. Also, the pattern of production, variety-wise, has undergone a significant change during this period. In 1954-55, extra-long staples comprised roughly 37 per cent. of the total acreage, whereas, at present, this percentage is 59, almost a complete reversal of the 1953-54 distribution. Finally, Karnak, until recently the main extra-long staple variety, has given way to Menoufi and, during the present season, significantly more acreage was planted to the latter than the former variety. To a large extent, this can be attributed to the fact that Menoufi yields are much higher than Karnak.

The acreage potential in the Sudan is increasing with the development of irrigation. However, extra-long staple acreage can vary significantly from year to year, depending on water-supply from the Gash and Tokar rivers. During the present season, with the completion of the first phase of the Managil extension scheme, acreage is expected to increase, though probably not to the record 1956-57 level.

In relation to the world supply, production of extra-long staples in other countries is small, amounting, in normal years, to about 200,000 bales or about 15 per cent. of world production. In recent years, however, irrigation developments in Peru have enabled growers to plant a fairly constant area to extra-long staples, whereas, previously, there were marked fluctuations in acreage, depending on the water-supply from the Piura/Chira rivers. There is little change in the 1958 acreage sown to these staples.

In 1957, extra-long staple acreage in the U.S. was about doubled in return for producers' accepting a lower rate of price support. This year, the acreage allotment was reduced slightly to 83,286 acres and, on 1st July 1958, 78,600 acres of American-Egyptian cotton were in cultivation, about 7 per cent. less than a year earlier.

As regards yield, no fixed trend is discernible. Karnak yields in Egypt are lower than what they were a few years ago, but this has been offset by greater concentration on the higher yielding Menoufi variety. After two years of very high yields, the yield per acre in the Sudan dropped last season to near an all-time low. Yields in Peru and the United States, too, were lower than for several seasons. It is difficult to reconcile such marked fluctuations in yield from one season to another with the fact that almost all the world supply of extra-long staples is grown under irrigation, but a key factor must be the susceptibility of this cotton to insects and disease.

The trend of production has been upwards in recent years and, given anything like normal yields, aggregate free world production of extra-long staples will set a new record this (1958-59) season. The first official report from Egypt estimates production of extra-long staples at 1,184,000 bales, as compared with 848,000 bales in 1957-58. This increase in production of 40 per cent., while acreage has increased by only 23 per cent., means that yield per acre is much higher than last season, an estimated 482 pounds as compared with 422 pounds in 1957-58. There has been a noticeable deterioration in the Menoufi crop, but early arrivals of Karnak are superior to last year's. According to the official report, Karnak yields are higher than for several seasons past but Menoufi yields are apparently lower than in 1957-58.

Early insect infestation is evident in several of the cotton-growing districts in the Sudan, but so far crop prospects are considered to be favourable. Ground preparation was done very thoroughly this year, following last season's disastrous crop. Although it is still too early to have any definite idea of production, the increased acreage, given average yields, would produce a crop somewhere in the region of 450,000 bales. The Pima/Karnak crop in Peru is tentatively placed at 105,000 bales. This is significantly higher than last year. Production of American-Egyptian types in the United States is estimated at 78,000 bales, a fraction lower than in 1957-58.

Aggregate free world production this season is estimated at 1,850,000 bales, which are over 600,000 bales, or 50 per cent., higher than the outturn in 1957-58. A combination of relatively high stocks and a marked increase in production assure a record supply of extra-long staples during the present season. On present estimates, supply in producing countries would be about 2.5 million bales, as against 1,858,000 bales in 1957-58. The main increase, as is evident from the above table, is in Egypt, where, on the basis of the official estimate, supply will be close to 1.5 million bales, as against one million bales last season. Available supply in this country alone, therefore, could be quite sufficient to cover world requirements this season.



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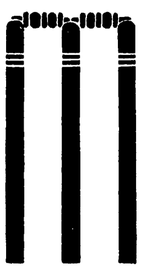

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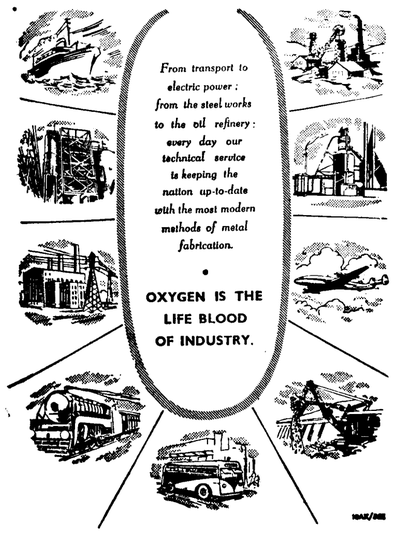

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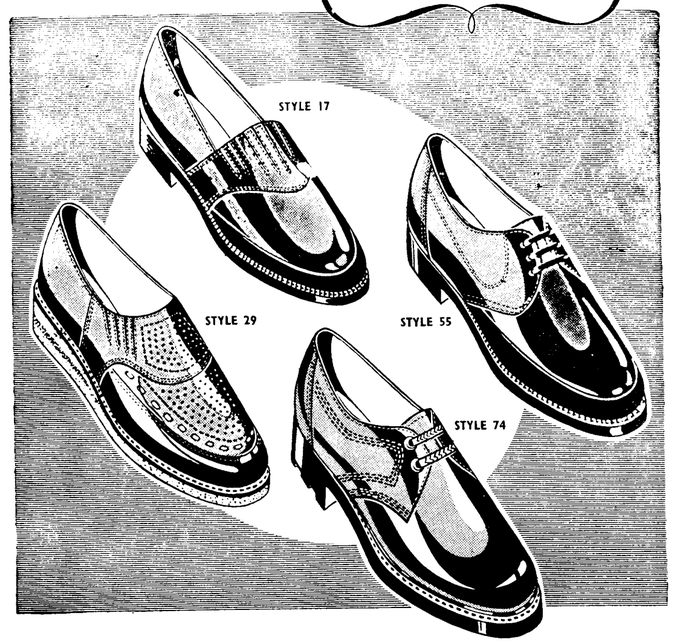

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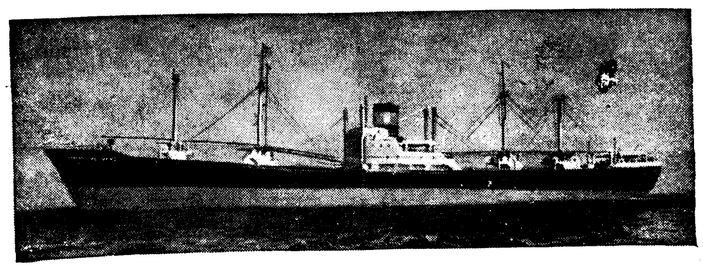

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FIXING MINIMUM PRICE FOR SUGARCANE

SUCROSE CONTENT SHOULD FORM THE BASIS

THE first meeting of the reconstituted Joint Sugarcane Board for Uttar Pradesh and Bihar was held in Lucknow recently, Dr. Sampurnand, U.P.'s Chief Minister, presiding. The Board reviewed the cane supply position in the sugar factory areas and examined the prospects of crushing in the current season, that is, 1958-59. It also discussed a number of issues having an important bearing on sugar production. They included sugar policy for 1958-59, minimum price for cane in 1959-60, Government of India's formula for linking the cane price with sugar content, measures for augmenting per-acre yield of better varieties of cane, and steps for fighting pests in cane-growing areas.

While details of the final decisions arrived at at the meeting are not available, it is reported that the Board failed to reach agreement on the question of minimum cane price, as also on the cane price evolved by the Expert Committee. It, however, decided to refer the two issues to the Indian Central Sugarcane Committee, with a special plea for the expansion of the Committee so as to include the Chief Ministers of the two States as well as the representatives of millowners and cane growers.

The lack of agreement on the question of cane price is not surprising, considering the marked divergence of views between the cultivators of cane and the sugar factories. The former continue to agitate for a steep upward revision in the existing minimum price (Re. 1.44 per maund for cane supplied at the mill gates and Re. 1.31 per maund at rail centres), whereas the latter point out that the price is unduly high having regard to the low sucrose content of sugarcane. The agitation on the part of cane growers for higher cane price is an old game that has gone on for several years in both Uttar Pradesh and Bihar in utter disregard of the economies of the sugar industry. What is worse, the game has all along been played not merely by the leftist groups but also by those in the Congress organisation. It will be recalled that, last year, the Bihar Legislative Assembly adopted a resolution urging the Centre to raise the cane price from Re. 1.44 to Re. 1.75 per maund. The State Government endorsed the resolution and conveyed it to the Centre for acceptance. This move was followed by the adoption of a similar resolution, moved by a Communist member, in the U.P. Vidhan Sabha in July this year, but the State Government did not support it.

Plea Unjustified

The plea for an increase in the minimum price of sugarcane is unjustified, especially in the present context when the sugar industry is suffering from a rigid cost-price structure and when India is trying to build up an export trade in sugar. The cost of cane per ton of sugar produced is already high in all conscience, being as much as Rs. 405, which represents over 88 per cent. of the total price of sugar realisable on export. This aspect has been brought out by Mr. P. Hadfield, President, Indian Sugar Mills Association, in an article on sugar export difficulties contributed to *The Hindu Survey of Indian Industries* supplement. Mr. Hadfield rightly emphasises that cane cost should be reduced, if India is to compete successfully with other sugar-producing countries. This, in his opinion, can be done only by the following two methods:

The first is a straight reduction in the price of sugarcane, but this can only be brought about when the yield per acre in North India, currently about the lowest in the world, has been increased by better methods of cultivation.

The second is to interest the cane grower in the production of higher quality cane, to reduce the number of tons of cane required to produce a ton of sugar and so reduce the cost of production.

The production of higher quality cane is essential from another point of view also, according to Mr. Hadfield. The length of the crushing season, which has been the most important single factor responsible for the increased production of sugar in the past three years, has now reached the limit in most factories and, in many cases, factories in recent years have continued crushing in periods where low recoveries made it unprofitable. "This explains," to quote Mr. Hadfield, "the reduced recoveries . . . no further increase in production can be expected from extension of the season. The number of factories working and the capacity of the factories cannot be expected to increase to any considerable extent, as long as present difficulties in importing machinery and low profit margin continue. The only way in which production can be substantially increased is by increasing the recovery in existing factories and this can only be done by interesting growers in the supply of better quality cane."

Present Method Defective

There is considerable force in the above observations of Mr. Hadfield. It was only last week that we drew attention in these columns to the fact that, notwithstanding all the stress laid on sugarcane development during the past several years, the quality of cane actually grown continues to be generally poor; the all-India average recovery per cent. of sugar in cane is not more than 10. What is this due to? The reason is not far too seek. The present method of paying for cane is defective, in that it is based only on the weight of cane without taking into account the quality of it. As Mr. Hadfield says, the cane grower is paid a flat price of Rs. 39.20 per ton for any cane he delivers to the factory regardless of whether it will yield a 5 per cent. recovery of sugar or a 12 per cent. recovery. Naturally, there is no enthusiasm on the part of the cultivator to grow superior quality cane. If the recovery of sugar is to be improved, it is imperative that the cane price should be linked to both quantity and quality, instead of to weight alone as at present. Moreover, such a system would be in the larger interest of the cane growers themselves. Stressing this point, Mr. Hadfield makes the following notable observations:

"In the North where, generally speaking, holdings are small and the cultivator is unable to invest heavily in fertilisers and irrigation, the standards of quality have remained reasonably high, but, in most southern factory areas where there is adequate water available for irrigation at a reasonable cost and where holdings are larger, the cultivator is able to invest large sums in fertilisers and produce high yields of cane of very mediocre quality. In some factory areas, yields of as much as 60 tons of cane to the acre, with recoveries of as low as 7 per cent., are not uncommon in the early part of the crushing season. The 4.2 tons of sugar per acre so produced could, without difficulty, be produced from a 42-ton crop with a 10 per cent. recovery and, if the grower was paid for sugar and not for cane, he would obviously prefer a system of cultivation which would produce this. Not only would his own saving in fertilisers, transport costs and labour costs for harvest be considerably reduced, but, from a national viewpoint, fertilisers, at present being used to produce increased tonnages of valueless vegetable matter, and fuel and materials being used to transport it would be available for more vital purposes.

"Again, if payment was based on the sugar content of the cane, the grower would be compensated for additional attention to the crop which, though it might not increase the yield, would improve quality. In the past, various methods of payment on profit-sharing principles have been used and, in these methods, the price per ton bore a direct relationship to the recovery of sugar obtained at the factory. The price so calculated, however, was an average for all cane delivered to the factory, and the individual grower obtained no direct return for efforts to improve the quality of his cane. The fruits of such an effort were shared by all cane suppliers. The higher price available to the grower as a result of such methods of calculating cane price has served only as an incentive to increase his profit by increasing the tonnage of cane produced."

The scheme for linking the price of cane to its quality in addition to weight no doubt bristles with difficulties, as it involves testing each grower's cane, especially in North India where holdings are very small and individual consignments are too small to test easily and successfully. But these difficulties are not unsurmountable.

MR. NEHRU ON SUGAR CO-OPERATIVES

Addressing the villagers in an open field surrounded by a lush sugarcane crop at Shukr Tal (Uttar Pradesh), Prime Minister Nehru observed:

"The time is past when the villagers can just look upon Government to solve their problems. The attitude of keeping their hands folded and waiting for somebody else to solve their problem will be disastrous. The villagers have to develop a spirit of self-reliance and learn to work in a co-operative way in every field. They should get together and even make a beginning in co-operative farming. I would like even sugar mills here to be run by co-operatives of *kisans* and the benefit from these mills should go to the *kisans*. I do not like any kind of middlemen taking away all the advantage. The middlemen should be abolished from every aspect of life of villagers. But the villagers must take the initiative in this respect and start a co-operative way of life. You must also increase the yield per acre. This can be done easily with a little initiative. The villagers should take rein of their affairs in their own hands. The Government can help here and there, but essentially you have to stand on your own feet. Community development projects are there for the purpose. But the villagers should not look upon them as agencies to do everything for them."



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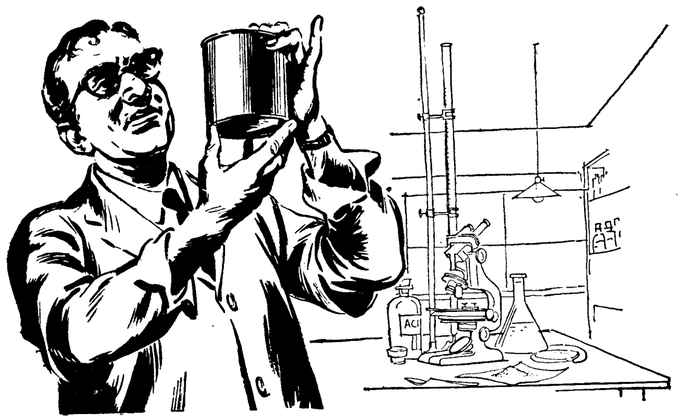

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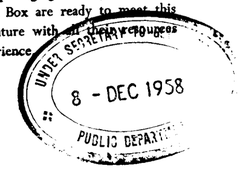

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EXPORT DUTY ON INDIAN TEA

MR. GOPALA REDDY'S STATEMENT IN RAJYA SABHA

THE Union Minister for Revenue and Civil Expenditure, Mr. B. Gopala Reddy, held out an assurance last week in the Rajya Sabha that the Government would not hesitate to take appropriate measures in the matter of giving relief to the tea industry to meet any changing situation, if its experience suggested that the matter required to be reconsidered in the larger interests of the industry. He, however, wanted to wait and see whether the present favourable indications as a result of the relief already granted continued and whether they had achieved the objective the Government had in view, namely, that of strengthening the competitive position of the common teas in foreign markets and speeding up their exports.

The Government was also considering measures, in consultation with the Reserve Bank, to finance the tea industry and hoped that a decision would be taken soon, so that the industry might get assistance in rehabilitating some of the estates. Disclosing this in reply to a member's demand that it was time for the Government to consider the establishment of a finance corporation to help the rehabilitation of common tea estates, the Minister said that the Government would also look into the question of affording relief to factories exclusively dealing with common tea which had been placed in another zone with a different quantum of relief.

Moving the Tea (Alteration in Duties of Customs and Excise) Bill, as passed by the Lok Sabha, Mr. Gopala Reddy said that the relief granted to the tea industry under the Bill had been in operation for only about two months now and already there were reports of better production, better clearances, better exports and better prices. It was, of course, too early to draw any conclusions or to attempt to gauge the effect of the proposed measures, but he added that there was unmistakable evidence that, during the month of October, anyway, the reaction of the market was clearly favourable. Exporters, he said, were reported to be offering higher prices for true exportable types from the Dooars and Assam and the prices of common and low teas were reported to have advanced in October by "as much as 10 nP per lb." He, however, assured the members that the Government would not stand on prestige, if further relief to the industry was justified.

Mr. Gopala Reddy went on to state that the Government was no less anxious than planters that the position of supremacy enjoyed by India in the tea export trade should be maintained. The figures of exports did not suggest to him that there was any reason for an alarmist view. "Our share in the U.K. market remains practically undiminished," he said, "and belies the fear expressed by some that we are being displaced from that market by other countries. The Government are constantly watching the trend of prices in foreign markets in respect of this important commodity and are also mindful of all other relevant factors, such as the interests of traders, consumers and workers."

Welcoming the Minister's assurance about further action to meet any changing situation, Mr. B. Shiva Rao said that the former's optimistic assessment of the present position did not seem justified. While there was some increase in tea exports, he added, there had been a fall in the prices of tea sold to the U.K. According to Mr. Shiva Rao, the foreign exchange through sales in the London market had registered a drop of £14 million in the first nine months of this year, as compared with the previous year. He suggested that tea producers would benefit more if the Central Government could get the Assam and West Bengal Governments to abolish the transit and octroi duties they levied at present in lieu of full compensation by the Centre to these two States, without sacrificing more revenue than it was doing at present under the Bill.

Mr. Gopala Reddy, however, denied that the earnings out of tea exports had decreased and said that the earnings this year were more by Rs. 5 crores over the same period last year. Judging from all figures available with the Government, there was no need to feel depressed about the future of the tea industry. It is not known what period of this year the Minister referred when he said that the foreign exchange earnings were higher by Rs. 5 crores.

A perusal of the Foreign Trade Statistics, published by the Department of Commercial Intelligence and Statistics, however, shows that, during the first eight months of 1958, India exported 280 million lbs. of tea valued at Rs. 73.5 crores, as against 256 million lbs. of the value of Rs. 71.6 crores in the corresponding period of 1957. It will thus be seen that, while the quantity of tea export up to the end of August was higher by no less than 24 million lbs., the value shows an increase of less than Rs. 2 crores. It is not strictly correct to go by the quantum of exports and foreign exchange earnings realised on it and judge the industry's competitive capacity. It is the earning per lb. of tea exported which is more important. This has, in fact, gone down from Rs. 2.79 to Rs. 2.62 per lb., as will be seen from the trade figures quoted above. This is obviously due to the lower prices fetched in London auctions, as was pointed out in these columns last week and referred to by Mr. Shiva Rao also. Again, it will be misleading to draw conclusions from a comparison with the previous year alone. As was pointed out in these columns, the export performance of tea so far in 1958 compares unfavourably with that in 1956.

Mr. Gopala Reddy's contention that India's share in the U.K. market has remained practically undiminished and that there is no reason to believe that it is being displaced from that market by other countries is not borne out by facts. His argument seems to be based on the trend of exports in recent months. But the competitive position of Indian tea should be judged from exports from various countries over a period of years. A recent study by the Indian Tea Planters' Association, Jalpaiguri, West Bengal, shows that not only India but Ceylon and Pakistan, which also levy export duties, are slowly giving place in the U.K. market to countries which do not levy export duties, as will be seen from the following table:

Imports of tea by U.K.

	Average of 8 years 1949-50		Average of 8 years 1950-57	
	Quantity (000's lbs.)	Percentage to total	Quantity (000's lbs.)	Percentage to total
India	276.55	65.9	310.84	58.1
Pakistan and Ceylon	126.17	30.1	144.05	26.8
		96.0		84.9
East Africa	11.74	2.8	86.93	6.9
Hongkong, Malaya, Singapore and other C'wealth countries ..	0.72	0.1	5.78	1.0
Formosa, Indonesia, Mozambique Netherlands and other countries	3.93	1.1	38.20	7.2
	419.11	4.0	535.80	15.1

It will be noted that, within a few years' time, exports to the U.K. from India, Ceylon and Pakistan have dropped by 11 per cent., of which India alone accounts for 8 per cent.

U.A.R'S OFFTAKE OF INDIAN TEA

The U.A.R. would like to increase its imports of Indian tea, provided the quality was good and the price reasonable. Disclosing this Mr. Kamal Diab, leader of a five-member United Arab Republic tea delegation, which arrived in Bombay last week, said that the U.A.R. Government had received complaints about the bad quality of Indian tea, and one of the tasks of the delegation would be to discuss this aspect with the Indian authorities. Mr. Diab, who was speaking at a reception by the Tea Centre, said that the delegation would next visit Ceylon, Indonesia and China which also exported tea to the U.A.R. He added that factory workers and farmers in Egypt drank tea all day, while the middle and upper classes drank coffee, with the result that more tea was drunk in the country. He disclosed that the U.A.R. would shortly open tea purchasing offices in Calcutta, Ceylon, Indonesia and China. The Tea Board of India, it is understood, will open a tea centre in Cairo early next year.

EXPORTS OF NORTH INDIAN TEA

The following table, showing the trend of exports of North Indian tea to various countries during the period 1st April to 15th November of the last three seasons, speaks for itself:

(In million lbs.)

	1958-59	1957-58	1956-57
U.K.	148.6	132.8	181.2
Eire	5.8	6.5	5.5
Russia	11.7	8.3	8.4
Europe	7.7	7.5	8.0
America	14.3	15.6	21.6
Middle East	32.3	22.5	24.1
Far East	0.5	0.6	1.4
Others	0.3	0.7	1.2
Total ...	221.2	194.5	251.4

RAW JUTE PRICES

I.C.J.C. RECOMMENDS FIXATION OF "FLOOR"

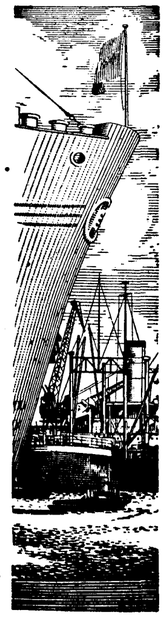
THE Indian Central Jute Committee, at its annual general meeting held on 29th November 1958, under the chairmanship of Dr. M. S. Randhawa, Vice-President of the Indian Council of Agricultural Research and Additional Secretary, Union Ministry of Food and Agriculture, has urged upon the Government of India to fix immediately a floor price for each grade of raw jute and mesta. It has also recommended the setting up of an appropriate machinery for the enforcement of the floor price which, in the opinion of the Committee, is of utmost urgency in the interest of jute growers. India had a good jute crop this year, but the decline in raw jute prices has rendered growing of the golden fibre uneconomic. It is, therefore, felt that, unless growers are ensured a reasonable price, production in the next season will be adversely affected and this, in its turn, will have adverse repercussions on jute goods.

Though India has attained near self-sufficiency this year in respect of its raw jute requirements, production during the last one decade has experienced wide variations from year to year, as a result of the combined influence of price and weather. This, as Dr. Randhawa pointed out in his presidential address, has rendered a planned approach to the problem of raising the production and improving the quality of raw jute difficult. "The matter is receiving the attention of the Government, which is concerned about the present position, particularly over the depressed prices prevailing in Bihar," he added. The position of the jute grower as a buyer of paddy had suffered considerably from unfavourable cost-price relationship between jute and paddy. The production cost of jute, he admitted, was rather high in relation to the price received for the fibre. The introduction of improved methods aimed at raising the technical levels of jute agriculture and reducing costs of production, which is sure to play a large part in jute development, can only supplement and not substitute measures of price stabilisation and support.

It is these considerations, in the context of a steep fall in prices of raw jute this year, that have prompted the I.C.J.C. to recommend to the Government of India the fixation of minimum prices. In accepting the I.C.J.C. recommendation, the Government of India should take into account all the relevant factors which have contributed to the fall in raw jute prices. It is not the bumper crop alone that has depressed the prices. The mills' buying policy is no less a contributory factor. It is common knowledge that, for a long time, mills have stopped buying raw jute for more than seven to eight weeks' consumption, while, in pre-war days, they used to have stocks equal to four months' "cut-up." This change in mills' buying policy has to a large extent been influenced by the offtake of jute goods from mills. Buyers of gunnies operate now on a hand-to-mouth basis and this has its unavoidable reaction on mills' purchases of raw jute, which are bought in very limited quantities on contract. Even the I.J.M.A.'s recent recommendation to mills, as a measure of support to the raw jute market, to extend their purchases to three months' requirements, does not seem to have had any good response. If mills have not done so, they have good reasons. A large part of their working capital is locked up in the excessive stocks of sackings. Though simultaneous business in raw jute and manufactured goods is disadvantageous to mills, they do not seem to have given up this practice, because, at the current prices of raw jute, mills have a larger margin of profit. In the ultimate analysis, it is the offtake of goods, particularly from overseas countries, which is influenced by business conditions, that determines, to a large extent, the trend of raw jute prices. It is needless to add that only a high level of economic activity will bring prosperity to the jute industry and jute growers.

Another aspect of the question which the Government should bear in mind, when it considers the I.C.J.C. recommendation, is the effect of minimum prices for raw jute on those of manufactured goods and their consequent consumption abroad. It is significant to note, in this connection, that the recent revival of business activity in the U.S. is tending to peter out. The problem is, therefore, one of finding out a *via media* and fixing a price at a level which will at the same time be remunerative to jute

(*Continued on page 947*)



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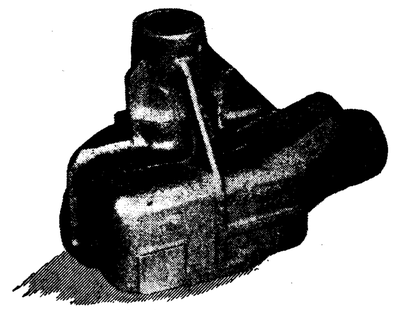

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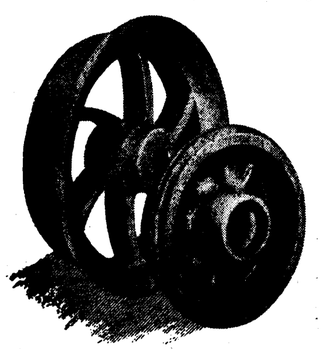

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MISMANAGEMENT IN EXECUTION OF STEEL PROJECTS ALLEGED

SARDAR SWARAN SINGH'S DEFENCE

ALLEGATIONS of waste and inefficiency against the Union Ministry of Iron and Steel in the matter of execution of the three public sector steel projects at Rourkela, Bhilai and Durgapur were made last week in the Lok Sabha. The execution of these projects was described as a "story of bungling, lack of vision, lack of vigour and lack of good and sound planning." The increase in estimates of the cost of these plants came in for sharp criticism. It was alleged that materials and stores meant for the steel projects were finding their way into the markets in towns situated near the steel towns. In his remarkably sober reply to the debate, Sardar Swaran Singh pointed out how the three projects were the biggest of their kind undertaken simultaneously anywhere in the world. He admitted that efforts should be made to eliminate delays and described the difficulties which the authorities had had to encounter in executing the projects.

In the course of the debate, the point was made that the estimates of the cost of these projects had risen by about Rs. 157 crores over the original estimates. The delay in the execution of the project, it was stated, was deplorable, since it would mean continued imports of steel by India for a much longer period than was originally envisaged. Other allegations were: (1) contractors had been paid more than what they were entitled to under the terms of their contracts; (2) in one case, equipment had been hired at a cost of Rs. 75 lakhs, whereas it would have been more economical to have purchased it; (3) training facilities for Indians were inadequate and (4) high wages had been paid to foreign technicians; the Government had imported 32 carpenters at a cost of Rs. 21 lakhs per year. Apart from these allegations, some suggestions were made for improving the administration of the projects. It was suggested that private investors should be allowed to participate in the capital of the projects and popular representatives should be associated with the management of the steel plants.

Estimates

By and large, it is true that the estimates of the cost of the three projects have gone up. Even so, the increase in cost is not as large as the critics made out. According to the original estimate, the cost of Rourkela, Bhilai and Durgapur steel plants was placed at Rs. 128 crores, Rs. 110 crores and Rs. 115 crores, respectively; it has now been revised, according to the Government, to Rs. 170 crores, Rs. 131 crores and Rs. 138 crores. The cost of townships, which had not been mentioned in the original estimates, is now placed at Rs. 120 crores for all the three projects put together. The authorities will do well to see that the cost of the plants does not exceed the estimates they have now given. The cost of building up a township is an unavoidable part of the project expenditure, considering that towns, with all necessary amenities, have to be created in inhospitable regions. But, even here, the Government should aim at minimum comfort necessary, rather than spend too lavishly on townships in the initial stages. The authorities should lay down a strict order of priorities for the development of townships.

It is, however, disappointing to note that the Government is uncertain as to when the steel plants will go into production. The Union Minister, Sardar Swaran Singh, said: "I cannot say exactly when we can start making iron but that day is not far off." He, however, added that he expected that there would be "substantial production and sale of steel before the end of the second Plan period." It would appear that the steel projects are now approaching the peak period of construction; there are 45,000 men at work in Rourkela, 60,000 at Bhilai and over 25,000 at Durgapur.

Giving details of the progress of the projects, the Minister revealed that, in Bhilai and Rourkela, more than two-thirds of the equipment was already at site. The first battery of the coke oven plant had been heated up at Rourkela and Bhilai and the actual production of coke would start in December 1958. He also expected that, by the end of December, the physical erection of the first blast furnace and other installations necessary for producing iron would be practically completed both at Rourkela and Bhilai. In this connection, it may be recalled that in September last, Sardar Swaran Singh, speaking in the Rajya Sabha, threw some light on the progress of the construction work in the three steel projects. According to the information then made available, the first blast furnace in Rourkela will be ready by the end of December 1958, the second by August 1959 and the third by November 1959. The open hearth furnaces will be ready between May and July 1959 and the L.D. convertors by October or November 1959. In the blooming and slabbing mill, there will be a delay of about three months; they will be ready by about September 1959. The plate mill, the strip mill and the cold rolling mill are to be ready in 1960. In Bhilai, it is expected that the first coke oven battery will be commissioned by the end of December 1958 with the first blast furnace closely following it. The second and third blast furnaces will be ready in the second and third quarters of 1959. The open hearth furnaces, the blooming mill and the rail and structural mill are scheduled to be commissioned towards the end of the third quarter of 1959. The continuous billet mill and the merchant mill are to be ready for operation by the end of December 1959. In Durgapur, the progress of work encourages the belief that the plant will be commissioned, according to schedule, the first blast furnace in October 1959 and the third blast furnace with the rolling mills by the end of April 1961.

Ore Mines

Satisfactory progress has been made in the work of construction of the Barsua iron ore mines for Rourkela. For the construction of the Rajhara mines for Bhilai, there has been difficulty in getting suitable contractors. Preliminary survey and layout of the mines in Bolani to supply Durgapur have been completed. Bolani Ores Ltd., a private limited company with Government having a controlling interest, have selected the plant and equipment. It does not appear that there will be any difficulty in getting ore in time for the Durgapur steel plant. In the limestone quarries, for Rourkela, nearly 35,000 c.ft. of overburden was removed. Blasting operations are going on and 2,700 tons of limestone has been raised. A number of samples were collected and analysed. The Ministry of Railways will construct a portion of the future Bondamunda-Ranchi line to connect the limestone quarries with Rourkela. Work on the limestone quarries in Nandini, for Bhilai, came to a temporary standstill due to the outbreak of cholera. For Durgapur, limestone will be obtained initially from Birmitrapur and Hathibari. The firm, which is now supplying the works in Jamshedpur and Burnpur, has agreed to supply enough limestone for the operation of the first blast furnace of Durgapur. Investigation of alternative sources of supply continues.

Contractors

To revert to Sardar Swaran Singh's reply to the debate last week. He explained that the contract for the civil engineering work of the rolling mills had to be entrusted to a firm which had the necessary resources and technical know-how. Open tenders had failed to secure the services of such a firm. The contract had been given on a "target price" basis to an Indian firm with German collaboration. He revealed that the technical consultants of the steel projects were not always suppliers of machinery. There were as many as 24 or 25 suppliers. Again, wherever the Government decided to place any orders with firms which had any connection with the consultants, the latter dissociated themselves from the examination of its quotations.

In conclusion, he admitted that foreign technicians were costly. He said: "Normally, any foreigner who comes here costs us a minimum of Rs. 3,000 a month." At the same time, he expressed gratitude for the training facilities provided by the Soviet Union, the U.S., the U.K., Canada, W. Germany and Australia. He said that in India, too, the private sector in the steel industry was rendering assistance in the matter of training personnel for the Government's steel plants. It is to be hoped that the Government will continue to explore new avenues for training Indian technicians both in India and abroad, so that a nucleus of highly trained men could be built up for use not only in the three steel projects but also in any new plant that may be set up in the third Plan.

ATOMIC POWER

In reply to a question on atomic power station in the Rajya Sabha, last week, Mr. Nehru stated that the Atomic Energy Commission had recommended that one million kilowatts of nuclear power should be installed by the end of the third Five-year Plan period and that this could be done by setting up two atomic power stations, each station consising of two units of a quarter million kilowatts each. It was estimated that each of these units would take about four years to build. The Government had decided that a minimum of 250,000 kilowatts of nuclear power should be included in the power programme of the third Plan. Exploratory talks with manufacturers of atomic power stations in other countries were in progress. As regards location, the matter was still under consideration. Asked about the cost of atomic power, Mr. Nehru said that, even now, the cost of atomic power would be comparable, provided it was away from the coalfields. Further, the cost of production of atomic plants was becoming cheaper now. He added:

"Apart from our need for atomic power, because we have not got, in the long run, enough coal power or water power, it is essential to have atomic power in the future. It is hoped that there are inexhaustible supplies and we may produce it even from such things as sea water, one of the elements but our main supply will come from thorium. We cannot build a plant straightaway from thorium. We have to remember that the first plant will be a little expensive but as soon as we shift over to thorium in the second or third stage, we will have a very large supply and it will also be cheaper."

LADEN WEIGHT OF VEHICLES

The restriction on the laden weight of transport vehicles has been relaxed so far as the Bombay-Poona and Bombay-Nasik National Highways are concerned. As a result, transport vehicles, the laden weight of which does not exceed 27,000 lbs. can now ply on these two roads provided the registered laden weight recorded in the certificate of registration is not exceeded. The limit of 19,000 lbs. of laden weight prescribed in respect of roads in the pre-reorganisation Bombay State will continue to be operative, except on these two roads, and the assignment in the certificate of registration of any higher registered laden weight to any transport vehicle will not entitle the owner to drive the same on these roads in excess of the laden weight permissible. Transport vehicles in respect of which the registered laden weight recommended by the manufacturers in Form 'F' exceeded 19,000 lbs. but which were assigned the registered laden weight of 19,000 lbs. only in view of restrictions of the laden weights prescribed by the Government, can be assigned on request for a higher registered laden weight in the certificate of registration for the purpose of plying on the Bombay-Poona and Bombay-Nasik National Highways. Owners of transport vehicles who do not get a higher registered laden weight assigned to their vehicles, will not be entitled to drive them on the Bombay-Poona and Bombay-Nasik roads with a laden weight exceeding the present registered laden weight recorded in the certificate of registration.

POWER IN S. ZONE

The Technical Committee which is engaged in the study of the co-ordinated development of power resources of Madras, Andhra, Kerala and Mysore, is expected to submit its report to the Southern Zonal Council next year. The Committee consists of representatives of the Union Ministries of Irrigation and Power and Commerce and Industry and the Chief Electrical Engineers and the Development commissions of the States. Similar technical committees are being appointed for the Northern, Eastern, Western and Central Zones.

The existing installed power generating capacity and the additional capacity to be created during the second Five-year Plan (in million watts) respectively in the four States are: Andhra: 178; 103.4; Madras: 287: 535.0: Kerala: 110; 83.0: and Mysore: 197; 67.2. The length of transmission lines and grid systems (in miles) respectively are: Andhra: 4,200; 1,100: Madras: 13,000; 3,000: Kerala: 2,750; 750 and Mysore: 4,200; 1,700. By the end of March 1961, about 93.5 per cent. of the installed generating capacity is expected to be connected to the grid system, as against 81.5 per cent. as at the end of 1955. An advantage of the grid system is that power distribution facilities can be speedily extended to small towns and villages within the grid region.

CONVENTION ON TRANSISTORS

In the decade since the invention of the transistor such rapid and spectacular advances have been made that the radio and telecommunication section of Britain's Institution of Electrical Engineers has planned an international convention on transistors and associated semiconductor devices, to be held in London from 25th to 29th May 1959. The holding of such a meeting is timely, in that it will enable the various techniques in production and the use of such devices to be discussed and assessed. It will also provide a basis on which future developments can be foreseen and planned. The convention will be the most comprehensive ever held on the subject, and will cover design, manufacture, basic theory, characteristics, measurements, applications and equivalent circuits. Now that the transistor has established its position and can cover the more obvious electronic applications, the main requirement of the industry is to consolidate past progress and introduce these developments into adjacent fields.

NEW PRODUCTS AND PROCESSES

A New Catalyst

A NEW spherical mineral kaolin cracking catalyst which is designed to decrease catalyst use and reduce equipment maintenance costs, has been developed by the Houdry Process Corporation of Philadelphia for use in chemical manufacturing and petroleum plants. The catalyst is said to provide maximum octaine value when petroleum chemicals are treated at low cost, with high activity, and sulphur resistance. It is also stated to have high thermal stability and excellent regeneration, or activation renewal properties. The spherical form sharply reduces catalyst chipping and loss in fines. Less maintenance is needed because the spherical catalyst material does not have sharp edges that may cause equipment erosion. The new spherical form is expected to provide refiners, especialty catalytic crackers, with a more economical method of operation while retaining all the advantages of the high-octaine low-cost Houdry mineral kaolin. The catalyst is expected to be especially effective for catalytic cracking units using Houdriflow, and other types of moving-bed catalytic cracking units.

New Man-Made Fibre

What is claimed to be a cheap new man-made fibre has been developed by Russian scientists. The fibre, which is called Saniv, is said to have exceptional resistance to attack by acids. It can also, it is claimed, be stretched out to an unusual extent under conditions of high temperature. The fibre is made by modifying a copolymer of acrylonitrile and vinylidene-chloride. Its relative cheapness is said to depend on the use of a novel production process which is far cheaper to operate than that involving the use of dimethyl-fomamide. The fibre is expected to find many important applications in chemical plants and in other types of industrial applications. Development work on the large-scale production of the fibre is now being undertaken.

Long-lasting Paper

By using radioactive carbon, a peaceful product of atomic energy, the life span of books, newspapers, magazines and other printed matter could be extended to as much as 20,000 years, reports Dr. Willard F. Libby of the U.S. Atomic Energy Commission. According to Dr. Libby, in recent experiments it was found that when a small fraction of radioactive carbon was added to alanine, an amino acid containing carbon that enters into plant structure, the extremely slow rate at which the alanine decomposes could be measured—about one part in 5,000,000 days. "We could do much the same experiment with a sheet of book paper," says Dr. Libby. "The technique would be to place a sheet of the paper in a closed container and collect the carbon dioxide liberated by oxidation due to the attack by air and compare this with similar tests on other sheets of paper treated with different additives." "By these techniques," according to him," "it probably would be possible to prepare a paper which would last however long one wanted, perhaps 20,000 years."

Gas From Oil Shale

Oil shale can be converted directly into heating and fuel gas by an efficient new process that has been laboratory tested, according to the Institute of Gas Technology in the United States. The process is described as one in which crushed oil shale is treated with hydrogen at high temperature and pressure. It produces gas that is about as efficient and economical as natural gas, and more efficient and economical than most manufactured gases. An important advantage of the new process is said to be that it by-passes the step of first converting the oil shale into liquid oil. In addition, the process converts between 90 and 100 per cent. of the active matter in oil shale into fuel. Existing oil extraction processes utilise only about 80 per cent. of the active organic matter in the shale.

A New Kind of Fastener for Clothes

After several years of research and experiment, carried out in collaboration with a Swiss firm which manufactures looms for the weaving of ribbons, a Swiss inventor, Mr. Georges de Mestral, of Nyon, has just completed a new kind of fastener for clothes, etc., which had already aroused enormous interest throughout the whole world and is bound to have a great future. The Velcro closure, which is somewhat similar to the well-known "zip" fasteners, will, it is said, prove very useful for clothes, furniture, packing and for a great many other things. It consists of two ribbons, one of which is furnished with a quantity of tiny hooks made out of nylon (there are about 60 per every cm. 2) whilst the other ribbon is covered with a kind of looped nylon velvet (which has something like 800 loops per cm. 2). When these two ribbons are placed so as to touch each other, the hooks enter into the loops and thus ensure a remarkable adhesion. The ribbons then seem as if they were glued fast to each other, and can resist a traction of about 14 pounds per square inch; in spite of this, they can be detached from each other very easily and without any effort, if one goes the right way about it. Tests have proved that the Velcro closure can be used 10,000 times, without suffering any apparent deterioration, which shows that its life expectancy is much greater than that of the articles to which it will be applied. Among the many advantages possessed by this new invention, particular mention may be made of the simplicity of its use and application, the absence of any rough places or bits of metal, and to the possibilities it offers for boiling, dry cleaning, sterilisation, ironing and dyeing. Moreover, Velcro ribbons can be cut to the required length, without any waste. Velcro is said to have aroused tremendous interest in the whole world, as soon as it was put on the market and new possibilities for its use are being found every day.

SINGARENI COLLIERIES COMPANY LIMITED

CHAIRMAN, MR. S. J. TARAPORE'S SPEECH

SPEAKING at the Thirty-seventh Ordinary General Meeting of the Singareni Collieries Company, Ltd., held in Hyderabad-Dn. on 24th November 1958, Mr. S. J. Tarapore, Chairman, disclosed that the terms of financial assistance from the Government of India for expansion purposes have almost been finalised and that the Company would, therefore, be in a position soon to order the plant and machinery required for raising output to catch up with the planned target.

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

"GENTLEMEN,

"This is the thirty-seventh ordinary general meeting of the shareholders of the Singareni Collieries Company, Ltd., and I have great pleasure in welcoming you, particularly because this is the last time that I shall be addressing you as Chairman. The annual report and accounts have been in your hands for some time and I take it that you have found time to peruse them carefully and I can consider them as read. I will, however, be glad to answer any questions that you may have to ask.

Higher Output

"During the year, our production increased by 14.1 per cent. over the production of the previous year, while the corresponding figure for the coal industry as a whole was 10.82 per cent. This increase in production has in turn reduced our overheads and narrowed the gap between the actual cost of implementing the Award of the All-India Industrial Tribunal (Colliery Disputes) and the inadequate increase in the selling price of coal granted by the Government. Although there has even been a slight increase in the profit per ton from Re. 0.99 in 1956 to Re. 1.08 in 1957, the margin of profit candidly is totally inadequate for a wasting asset like the coal mines. The Government of India have appointed a Coal Price Revision Committee to examine and report upon the costs of production of coal and coke and to take into account all relevant factors which have a bearing on the coal production programme envisaged in the second Five-year Plan, and to recommend changes in the present price structure. The relevant information has been placed before the Committee, and it has also investigated the production costs of some selected collieries. We now anxiously await the outcome of their finding and recommendation.

Expansion Scheme

"It is our aim to increase our annual production from 1.5 million tons in 1955 to 3 million tons in 1961. Our target for 1958 is 2.16 million tons and we are quite hopeful of achieving it. But it will be difficult to work to the planned programme the year after, although I have no doubt that we will catch up with the planned targets in the subsequent years. This perhaps needs an explanation. Because of lack of funds, we refrained from entering into commitments for some of the most essential, but expensive items required for achieving the planned target, such as sand stowing plant, coal cutting machines, mechanical loaders, without which it is not possible to do intensified mining, railway sidings, without which it is difficult to bring the increased output from the pit-head to the rail-head, and housing for the workers near the new mines. I am glad to be able to say that details of terms for the financial assistance by the Government of India have now been almost finalised and that we shall soon be in a position to go ahead both with ordering the plant and entering into contracts for the civil works and catch up with the planned targets as soon as the necessary plant is received, and civil works completed.

Labour-Management Relations

"I am happy to be able to record that during the tenure of my office as Chairman, the Company has shown a sustained progress. This is mainly due to co-operation between staff of all grades throughout our lines of management inborn of a realisation by all, of the basic fact, that their welfare is tied up with the welfare of the Company, and a conviction that their claim will not be overlooked at the time of apportioning the benefits. It may be relevant to mention here the impression that our President Dr. Rajendra Prasad got when he visited our mines at Kothagudium on 11th July 1958. While addressing the members of the Colliery Employees' Recreation Club, which I may mention is open to all grades of workers, he said:

"'I find that your collieries are making progress and that your activities are expanding.

"'The nation is going ahead rapidly and we are making all-round progress. Our country is going in for mechanisation. Where the work is turned out with hand, machines are now increasingly used. I find the same thing happening here. I have just paid a visit to your power house and I have also seen mining machinery and equipment. From what I have seen I could say that you are making progress and working hard and that you are also showing initiative in your work.

Industrial Peace

"'The industrial peace brought about in the collieries by improving the lot of the workmen and the resulting increase in the production of coal would enable the country to go ahead uninterruptedly with the programme of industrial expansion. I would advise all those connected with this premier and every-growing industry to continue to work with zeal and enthusiasm to reach the Plan targets. I am glad to see that you are all prosperous and happy.'

"As you must have noted, the result of the working of the Company for the year under review has been good, and your Directors are in a happy position to recommend to you to sanction a dividend of 15 per cent. I have no doubt that, with the progressive management, with the excellent team of officers, with understanding workers and with your co-operation, the results will continue to be better and better year after year.—*Jai Hind.*"

EXPORT OF METALLURGICAL COAL

The Government of India has decided to increase the export of metallurgical coal by 200,000 tons during 1958 and by 500,000 tons during each of the next three years. Disclosing this, in reply to a question in the Lok Sabha last week, Mr. Swaran Singh, Union Minister for Steel, Mines and Fuel, said that, during 1958, about 560,000 tons of metallurgical coal would be available for export. The expected foreign exchange earning from the export of metallurgical coal during the year was approximately Rs. 2.80 crores.

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HEALTH OF INDUSTRIAL LABOUR

REGIONAL APPROACH TO PROBLEM NECESSARY

ALTHOUGH countries which have recently started their industrial career have the advantage that they can freely draw from the vast reservoir of experience and knowledge accumulated over the past two centuries by the advanced nations of the West, they have certain handicaps too. In no other field is this disadvantage more glaring than in the field of industrial and occupational health. In countries of the West, where industrialisation progressed at a steady pace in the past, safety and other protective measures for industrial workers also proceeded apace. In Asian countries, which are trying to compress the industrial experience of two centuries into a few decades, there is the risk that the rising tempo of industrial development may quickly outgrow the organisation and facilities available in the sphere of industrial health. That the existing arrangements for ensuring industrial safety are not adequate to cope with the progress being made in the field of industry is evident from the high and rising trend of accident in industries. In India, the accident rate per 1,000 workers employed in industries increased from 20.56 in 1939 to 44.56 in 1956. This figure does not include the accidents in many of the more hazardous occupations such as dock work, building works, etc. The problems has, therefore, to be tackled in an intensive manner.

In the field of occupational health, conditions as near perfection as possible have been achieved in Western countries partly through continuous and intensive research and partly through the keen awareness on the part of management, organised labour and Government of the tremendous responsibilities which they have to share jointly and severally. Considerable knowledge is available today to deal with, in one way or another, almost every hazard that may be inherent in a process, equipment or material used in industry. There is no reason why, just as the many technological advances made in industrially advanced countries are imported in the form of men and equipment, underdeveloped countries should not draw as freely on the pool of knowledge and experience in occupational health too. But the real question, as Mr. G. L. Nanda, Union Minister for Labour, pointed out, in the course of his inaugural address to the South-East Asia Conference on Industrial and Occupational Health, which began its one-week session in Calcutta on 23rd November, is as to how much of that knowledge the underdeveloped countries can adopt straightaway and how much over a future period in a planned and orderly manner. The Conference, it may be noted here, is being held under the joint auspices of the I.L.O. and W.H.O. It is the first of its kind to be held in this region. As Mr. Nanda rightly emphasised, when the problems were vast, a system of priorities became inescapable.

A point which Mr. Nanda particularly stressed was that, however adequate the policy might be or however ideal the list of priorities laid down, that might founder on the rock of effective implementation. The existence of rigid regulations and even of machinery for inspection or enforcement might not amount to much, unless there was available in the countries concerned properly trained staff for carrying out occupational health measures. In other words, the limitations were not always in respect of finance alone. In India, for instance, the enactments relating to work in factories, mines and docks and the detailed rules framed thereunder are in themselves of adequately high standard and generally modelled on internationally accepted regulations. Measures relating to industrial hygiene health and safety are all provided for in adequate detail. The law relating to sickness and accident insurance, through a statutory corporation, namely, the Employees' State Insurance Corporation, has been a pioneering venture in South-East Asia. But the problem here is one of implementing the laws which had already been framed. Due to inadequate inspectorate staff and other reasons, implementation has not been satisfactory.

But neither the lack of finances nor of trained personnel, Mr. Nanda felt, were any excuse for not providing workers in hazardous occupations with the necessary protective equipment. For, a trained worker, according to him, was no less valuable an asset than the capital invested in an industry. In fact, every trained worker, he pointed out, was a planned investment. Further, industrialisation could be a success, only if accompanied by high productivity, and efficient working, leading to high productivity, could not be obtained if the worker was constantly exposed to risks which could be avoided.

Occupational safety and health are problems which should be tackled on a regional and co-operative basis. The I.L.O. and the W.H.O. have done well to impress this aspect on these countries. Co-operative endeavour can confer on every individual member far more advantages than is possible if each has to rely entirely on its own without any system of sharing of knowledge. The problem is of such magnitude and complexity that even the most advanced country with abundance of resources could not by itself attain all that is needed in the field. The need for co-ordinated endeavour is more pronounced in a region where the resources of individual countries are limited. Apart from being a free forum for exchange of ideas and knowledge, a conference of the kind now held in India can do a great deal in facilitating the solution of problems arising from the maintenance of occupational health.

GOVERNMENT ORDER IN BONUS DISPUTE UPHELD

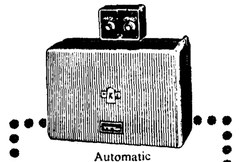
A petition filed by the National Engineering Employees' Union for directions against the State of Bombay to reconsider the report of the conciliation officer and make a reference of certain disputes between the workmen and their employer, Messrs. Sankey Electrical Stampings (Private) Ltd., to the Industrial Tribunal, was dismissed by Mr. Justice K. K. Desai at the Bombay High Court. On 22nd December 1956, the then existing union of the workmen of the factory made a demand for bonus for the year 1956. Thereafter, the petitioner union became a registered union and, in February 1957, it put up a demand for bonus for 1956. Without consulting the petitioner union, certain representatives of the workmen negotiated a settlement of the bonus claims. On 8th April 1957, a settlement was arrived at between the representatives of the workmen and the management.

The Union objected to the agreement and the matter was taken to the conciliation officer. No agreement was arrived at in the conciliation proceedings. The Government decided, under section 12 of the Industrial Disputes Act, that there was no case for reference of the dispute to the Tribunal on the ground that the question regarding the bonus for 1956 had already been settled by the agreement of April 1957 arrived at between the management and the elected representatives of workmen, which had also been approved by the works committees, and that about 80 per cent. of the workmen had accepted bonus in full and final settlement of their claims. The petitioner challenged the order of the Government contending that the reasons given were untrue and irrelevant.

In giving judgment, His Lordship observed that it was admitted by the parties that the agreement of 18th April 1957 was made on behalf of only 315 workmen out of a total of 633. But, for the purpose of this petition, it was conceded that 524 workmen out of 633 had accepted the bonus in accordance with the terms of the agreement.

His Lordship felt no doubt that an agreement was arrived at in April 1957 on behalf of 315 workmen. This was a binding agreement even in accordance with section 18 of the Industrial Disputes Act and was enforceable under the provisions of sections 29 and 33C of the Act. The question was, therefore, whether the Government was entitled to consider this agreement in arriving at its decision to refuse to make a reference to the Tribunal. His Lordship did not agree with the contention that the existence of the agreement was not germane to the dispute and held that the existence of the agreement was a fact which the Government was entitled to consider and mention as a ground for refusing reference to the Tribunal.

His Lordship held that, if 80 per cent. of the workmen had accepted bonus in full and final settlement of their claim, that must be, *prima facie*, a ground and relevant factor for the Government in deciding whether a reference should still be made to the Tribunal. The reasons mentioned in the Government's order had connection and bearing on the question whether the bonus dispute should be referred to the Tribunal or not. It was not for His Lordship to consider the weight or value or quality or adequacy of the reasons given by the Government. The petition was, therefore, dismissed with costs.



"UNFAIR LABOUR PRACTICE"

The practice indulged in by certain employers of hiring temporary workers for permanent jobs to avoid giving them the benefits of permanancy came in for severe stricture by Mr. Justice Dhavan of the Allahabad High Court. Dismissing a petition filed by J. K. Cotton Manufacturers, Ltd., Kanpur, for quashing the award of the Adjudicator holding the petitioner firm guilty of unfair labour practices and directing it to reinstate one of its workmen and pay him compensation for the period of unemployment, His Lordship observed that the Court would not permit Article 226 of the Constitution to be used as a weapon or licence for employers to inflict unfair labour practices on their workmen.

His Lordship, in his judgement, observed that the workman was given a job which was permanent but the company made him sign a contract limiting the period of his services to six months and extending this period from time to time. The Company was determined to deprive him of his claim to permanency. In other words, the company wanted to continue the unfair practice and decided that the workman must go. Consequently, they removed him on a trumped-up and vague charge of unsatisfactory work which had been held to be false, and the workman was victim of unfair labour practices.

His Lordship referred to a Supreme Court case in which Their Lordships of the Supreme Court had held that an industrial tribunal had the power to modify a contract in the interests of industrial peace, to protect legitimate trade union activities and to prevent unfair practices of victimisation and said that it was established law that an industrial court had the power to modify a contract and prevent an employer from dismissing his employee if it was of the opinion that such an act was in furtherance of or amounted to unfair labour practice.

His Lordship added that the petitioner company had been found guilty of a practice which must be considered reprehensible in the extreme.

"An employer who does not play fair with his workmen, is entitled to no consideration from this Court," His Lordship said. "He comes for relief which if granted would enable him to continue his unfair practice. If I were to grant relief demanded by the petitioner I would be virtually making this Court an accessory to the unfair labour practice of which the company has been found guilty." A suitor who seeks equity must do equity himself. Applying this principle to industrial disputes, an employer, who comes to this Court for relief against an award of an industrial court must not be guilty of unfair labour practices. The employer in the present case has been found to be so guilty in my opinion no relief should be granted. This Court will not permit Article 226 of the Constitution to become a weapon or licence for employers to inflict unfair labour practices on their workmen."

TRADE UNIONS OPPOSE MERGER OF COMPANIES

West German trade unions have denounced a move to merge six subsidiaries of the coal-steel-engineering concern, Mannesmann, into the parent company as an "enormous concentration of economic power." The unions fear that if the move to transform the subsidiaries into works departments of the parent company materialises, they will lose some 20 seats in the subsidiaries' supervisory boards and some labour directors' seats on the managing boards to which the unions are entitled under German co-determination laws. The trade union attack has been rejected as entirely unfounded by the management of Mannesmann which points out that the fusion, wholly legal under present laws and designed to streamline the concern's organisation will not add any outside company to the concern and thus not increase its economic power at all. The public, according to it, will henceforth be given an even better insight into the economic and financial status of the concern whose sales last year were valued at 2,700 million DM (of which 28 per cent. were to customers abroad), thus ranking high among big business in W. Germany. Mannesmann is owned by more than 66,000 shareholders of which 21 per cent. are housewives and widows and 34 per cent. employees. Out of about 72,500 people on the concern's pay roll, some 12,000 own shares of their company. After the merger, Mannesmann will again have a labour director and a supervisory board one half of which will consist of employees and trade union representatives.

The British Government has placed the services of Prof. J. H. Richardson, an expert in industrial relations, at the disposal of the Government of India under the United Nations expanded programme of technical assistance. Prof. Richardson, who has already arrived in India, will be in this country for about six months. He will advise the Government on various matters relating to industrial relations, particularly the programme of workers' participation in management. Prof. Richardson will also help in evolving concrete proposals for increased association of labour with management.



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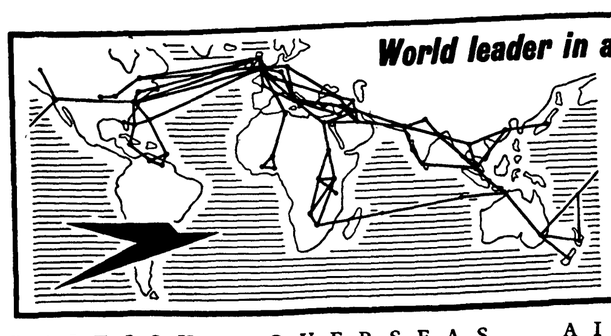

BRITISH OVERSEAS AIRWAYS CORPORATION

DELHI CLOTH AND GENERAL MILLS CO., LTD.

LALA BHARAT RAM FAVOURS HIGHER EXPORTS AT SOME SACRIFICE

FREEZING OF WAGES AND DIVIDENDS SUGGESTED

SPEAKING to the shareholders of the Delhi Cloth and General Mills Company, Ltd., at the Seventieth Annual General Meeting held on 27th November 1958, Lala Bharat Ram, Chairman of the Company, stated that the profits of the year were on the whole satisfactory, although the textile industry in India continued to face difficult conditions. The textile mills at Hissar and Lyallpur continued to improve, and the products of the silk factory were increasingly liked in the market. Keeping in mind the trends of economic development, plans of substantial expansion were under way in chemical units. The sugar units had also done better during the year, and the *vanaspati* section showed satisfactory results in spite of changing costs and prices.

Continuing, he said:

"I must refer in this context to the very high burden of excise and cane cess on the white sugar industry as compared to *khandsari* sugar. The production of *khandsari* is getting a benefit of Rs. 13 per maund which is payable as excise and cane cess on each maund of white sugar, the rate of which is controlled at Rs. 36 per maund, with some adjustments for different varieties of sugar.

"Unless the Government take immediate steps to remove this disparity the vacuum pan or white sugar industry is bound to suffer. The production of *khandsari* sugar is increasing at a rapid rate.

'Khandsari' Production

"The production of *khandsari* sugar is a dual loss to the State and Central Governments in the form of cess and excise not realised; and to the country on account of the waste of 30 per cent. precious food value involved in the inherently low recovery of sugar from cane by the process of *khandsari* manufacture. The argument that cane at places which are away from factories has to be used is not a good argument, as cane in these places can be turned into *gur*. By converting cane into *gur* there is no loss of food value. *Khandsari* is also not a labour-intensive industry, as has been sometimes claimed.

Sugar Exports

"A new welcome development which has taken place in the sugar industry in the year under review has been the Government's policy to export sugar under which every mill is required to export 2½ per cent. of its production, the individual contributions being pooled for sale abroad at whatever price is available. This element of compulsion in the matter of exports should be extended, I think, to many other industries in order to earn more foreign exchange.

"With your permission, I will offer some remarks on the economic situation in the country which naturally affects our Company as well. There are numerous problems facing the country, but I would like to highlight two problems which form the core of our economic difficulties. The two problems are the food situation and the shortage of foreign exchange resources.

"In my view sufficient attention has not been given to the increase in food production which has resulted in a whole chain of higher prices and costs extending to industrial wages where dearness allowance rates vary with the cost of living indices. Until food production is increased consistently and wastage of foodgrains in storage and transit avoided the economy will continue to be under strain, more so in a lean harvest year.

Exports Should be Raised

"While I do not underestimate the value of external help in the form of loans, grants and participation by foreign investors, it is necessary for us to realise that eventually we must stand on our own feet in the matter of earning foreign exchange adequate for needs of economic planning. It is a national task in which it is necessary for the Government, the manufacturer, the worker and the consumer all to make sacrifices. In fact, as is well known, in some countries, exports are being maintained and increased on the basis of prices which have no discernible relation to costs. Whatever the mechanics of the manner, it is my view that in any underdeveloped country like ours, engaged in a process of accelerating economic development, there is no alternative but to export—even at a sacrifice.

"I had earlier referred to the Government's policy with regard to export of sugar and it seems to me that unless a similar policy is followed also in the case of other industries we may not be able to increase our exports to the required extent or even to maintain at present low levels.

Textile Industry

"This applies as much to the textile industry which is passing, as you know, through very critical times. On the one hand, cloth is not moving in the internal market and, on the other hand, exports have been declining—on the basis of figures for the first half of the year, the exports during 1958 might not exceed 630 million yards, as compared to 854 million yards in 1957 and 1,000 million yards postulated in the second Plan. The Government have recently announced certain incentives for export. While I welcome the spirit behind these schemes, I doubt if these incentives will result in a substantial increase in the export of mill cloth. I am afraid that a substantial increase in our exports will come only if there is compulsion in the matter of exporting.

"I am glad to say that the exports by our organisation have been maintained—sometimes even at a sacrifice—in contrast to the sizable decline recorded for the country as a whole.

Wage Policy

"Before I conclude, ladies and gentlemen, I would like to invite your attention to some aspects of wage policy. As you all know, the greater part of the industrial worker's wage today changes with the cost of living index—it has no relation to the important question whether his productivity justifies a higher wage or not. It has also, very often, no relation to the wage levels generally prevalent in the same centres. In fact, I will present figures below to indicate that in recent years manufacturing wages have gone up at a rate that is almost two and a half times the rate of increase in *per capita* levels of income:

	Manufacturing wages per person Rs.	Increase Per cent.	*Per capita* income Rs.	Increase Per cent.
1948-49 ..	835		247	
1956-57 ..	1,213*	+45	294	+19

* Figures for 1956.

"This aspect of wage costs—their tendency to rise independently of boosts in productivity and at a rate substantially higher than the levels of national income—must be held in check in the larger interests of the country. I believe that for an underdeveloped and densely populated country like ours, we should follow a policy of low-cost and low-price economy. This policy will not only help our internal economy but will be the only permanent sustaining factor for maintaining and increasing our exports.

Freezing of Wages, etc.

Personally, I would suggest that emoluments of industrial labour be frozen at their current level for the next few years. This freeze on wages should be accompanied, in my opinion, by the imposition of a ceiling on dividends, and on managing agents' commissions. This policy will not only help our internal economy but will be the only permanent sustaining factor for maintaining and increasing our exports.

"To many of my friends, in industry and outside, these proposals might appear drastic. But I strongly feel that the alternative to old economic ills can only come from the conscious creation of a climate of all-round willingness to sacrifice in the larger, social interest.

"Ladies and gentlemen, as you are well aware, this is the first time I am addressing you as the Chairman of this Company. I am a successor—not without a very human measure of hesitancy—to a very distinguished predecessor, Sir Shri Ram, who has been the wise architect of this large organisation. I am glad, however, that some of our burdens will be less, because his counsel, as one of your Board of Directors, will still be available to us. On your behalf and mine, I would like to convey to him our gratitude and sincere good wishes. I am sure I will have your co-operation and goodwill to be able to maintain the high traditions of your Company.

"Before I conclude, ladies and gentlemen, let me convey my thanks to all my colleagues who form part of this organisation—the D.C.M. —whose efforts have been responsible for the satisfactory working of the Company even at such critical times."

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

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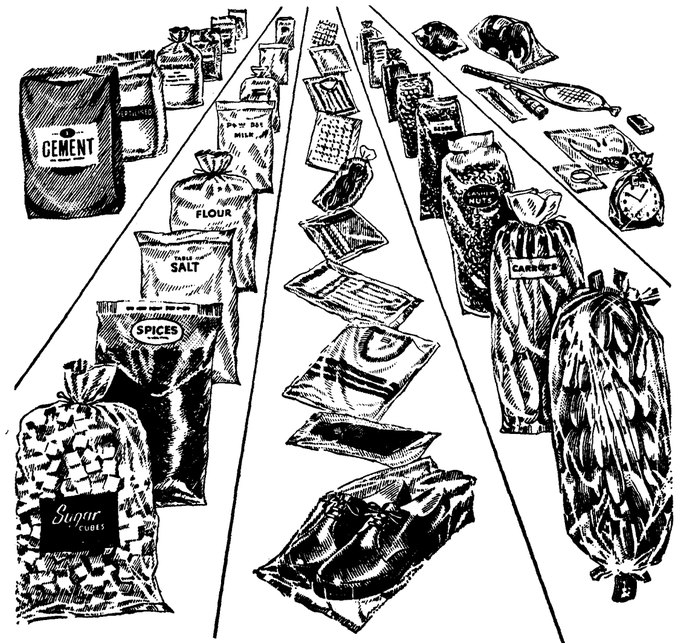

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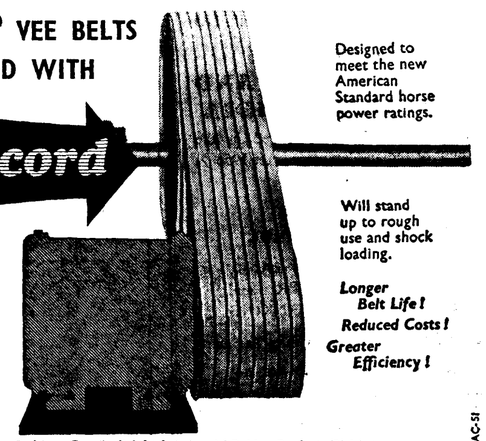

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DRAC-51

CENTRAL WAREHOUSING CORPORATION'S WORK REVIEWED

MR. DAMLE'S ADDRESS AT THE ANNUAL GENERAL MEETING

MR. K. R. Damle, Secretary, Ministry of Food and Agriculture and Chairman of the Central Warehousing Corporation, stated at the Corporation's annual general meeting in New Delhi on 17th November 1958, that storage capacity for about two lakh tons of agricultural produce was envisaged by the Central and State Warehousing Corporations by the end of the second Five-year Plan.

The Chairman described the year under review as "one of useful exploratory activity and of consolidating experience in the field." He said that, while the majority of the warehouses opened at seven centres, so far, in various States were in *kharif* areas, the experiment was now being extended to *rabi* States.

Inviting the Board of Directors to consider the report for the year 1957-58 as well as the annual accounts duly audited by two auditors appointed by the Central Government and the Auditor-General of India, the Chairman said: "You will no doubt have noticed from the annual accounts sent to you that, apart from the National Co-operative Development and Warehousing Board and the State Bank of India, the response to contributions to our share capital has been very encouraging from co-operative societies, and we are actively considering a proposal to augment the number of shares to which such societies may be held eligible. By the time we meet next year, the picture on this account may have recorded a great deal of improvement."

L.I.C. Takes Interest

"Our negotiations with the Life Insurance Corporation have also borne fruit and a substantial number of shares has been purchased by the Corporation and by one or two other insurance companies... The elimination of waste through scientific storage, enlargement of credit facilities through warehouse receipt and general improvement of trade, in particular of export trade, by the grading of produce and its scientific upkeep, are only a few of the obvious advantages of this enterprise and, as our business expands and the benefits of warehousing become more widely appreciated, the number of shareholders is bound to increase greatly from year to year."

Stating that "of the large amount of share capital received last year, more than half (i.e., Rs. 64 lakhs to be exact) had been contributed to the share capital of State Warehousing Corporations," the Chairman said that "the interest of State Governments in the success of the scheme is very great indeed, and linked as they are with the agriculturists, almost all of them are looking forward to the rapid and efficient functioning of warehouses. Latest indications about State Governments' undertaking wholesale trading in foodgrains seem to hold out further promise of custom to our warehouses."

The Chairman further said: "You will have seen from the report that the Corporation has undertaken no construction during the year under review but worked at a number of places by taking accommodation on hire. This is, indeed, as it should have been, because we had to make quite sure of the ground we were treading on at each centre, so that, if any was found unprofitable, it could be given up by terminating our lease and taking further steps to adjust our programme in the light of whatever experience we may have gained. Added to this was the need to evolve designs for our warehouses—both for bulk and bag storage—designs such as were most economical in the use of steel and also such as were most appropriate for the storage of agricultural commodities coming at the respective markets. I am glad to tell you that many of the hurdles have been cleared, and our construction engineer would soon be putting up our own structures not only for the storage of foodgrains but also for such patently important commodities like *gur*, cotton, groundnut, apple and potato."

Another feature of the report which may, perhaps, interest you, said the Chairman, was the step taken to bring the Corporations—Central and State, into closer contact with their respective Departments of Food and Civil Supplies. The discussions are continuing and the response from State Governments has been most encouraging.

Service Becoming Popular

"Our storage charge which was fixed at a rather high level in the beginning was also revised in February 1958, and has since remained unchanged. This change has apparently proved attractive to all classes of depositors and custom has steadily improved upto the end of the period under review. Another handicap from which we suffered in the beginning was the difficulty experienced by our depositors in obtaining credit from banking institutions. The availability of such credit has greatly tended to improve, and many of the delays which were encountered in the earlier days have now been greatly reduced. I have little doubt in my mind that a large number of storage agents are now availing themselves of this facility, because of the ready availability of credit on the basis of our receipt."

Concluding, the Chairman said: "I need hardly add that, if the scheme is to attract a large number of primary producers in equal measure, the marketing societies, wherever they exist, will need to be activated to a very great degree and their resources improved by adequate and timely credit from apex co-operative banks and their branches in the districts. Steps are being taken in this behalf in consultation with the State Bank and the Reserve Bank of India and I am very hopeful of their assistance."

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FOREIGN TRADE OF YUGOSLAVIA

EXPORTS MORE THAN DOUBLED IN PAST FOUR YEARS

By Milorad Konjovic

THE principles underlying Yugoslav foreign trade policy have their source in the decentralisation and liberalisation of the entire economy and in a series of fundamental principles of Yugoslavia's foreign policy, of a peaceful and friendly co-operation with the widest circle of countries on the basis of independence and equality and active coexistence. Contrary to the spirit of self-sufficiency, the Yugoslav foreign trade is an instrument of growing linking of exchange of goods with the world market and an ever closer co-operation, both trade and economic, in the broadest sense of the word, with all the countries willing to entertain such co-operation to mutual advantage.

The interest in, and the active contribution of Yugoslavia to, various international economic organisations, should be appraised from this viewpoint—in organisations which should contribute to closer and more intensive co-operation, to the removal of the still existing obstacles and impediments to a fruitful and all-embracing world trade.

In the domain of exchange of goods, Yugoslavia maintains bilateral trade relations with countries which apply this method in their commercial practice as well as multilateral agreements with a wide liberalisation of imports and the possibility of transferring her credit balances to various countries, for example, to the majority of E.P.U. countries on a complete or partial basis. On the other hand, within the limits of available foreign exchange—in volume and by pattern—Yugoslavia accepts in principle a liberalised foreign trade, reckoning, of course, with the foreign trade controls of her partners.

Powerful Expansion

Parallel with a powerful boom of her general economic development, particularly with the coming into production of new industrial plants, Yugoslav foreign trade in recent years lived to see a powerful expansion. The foreign trade during the period from 1953 to 1957 shows that Yugoslav exports during this period were more than doubled. The average rate of increase amounted to 21 per cent. per annum, while imports rose at an annual average rate of 16 per cent. In 1957, a record two-way trade was recorded totalling $1,055 million, exports amounting to 118,533 million dinars and imports to 198,354 million dinars. The most important rise, particularly in exports, was achieved in 1956 and 1957, amounting to 23 per cent. and 22 per cent., respectively, while, in 1957, imports too recorded a substantial increase.

The favourable pattern of Yugoslav exports facilitated easier overcoming of international market fluctuations and an easier compensation of high price oscillations of some products. The more important Yugoslav exports include nonferrous metal products, timber industry, livestock, tobacco, chemical industry products, nonmetallic minerals, etc., while, lately, the metal working industry, electrical industry, shipbuilding and food industry products have been gaining in importance.

Considered by production branches, industrial products contributed in recent years 70 per cent. to the Yugoslav aggregate exports, while the products of agriculture and forestry accounted for 30 per cent. In view of the perspective plan of development of agriculture, reduced imports of food products during the coming period, which accounted in the past for about one-fourth of the total imports, are anticipated together with a powerful strengthening of the raw materials basis as well as a gradual increase of participation of agricultural products in the exports.

In the imports, apart from the agricultural products already mentioned, the staple items are various machines and transport equipment (about one-fourth of the imports), mineral fuels and lubricants, raw material (wool, cotton, hides, rubber, synthetic fibres, etc.), chemical products, particularly fertilisers and various semi-manufactures for reproduction, particularly basic metals. In addition, various semi-manufactures for reproduction have been constantly growing, particularly basic metals. Various finished consumer goods have also been steadily rising.

The pattern of exports and imports in 1956 and 1957 by S.I.T.C. sectors is shown in the following table:

Area Pattern of Exports and Imports

(In million dinars)

Area	Exports		Imports	
	1956	1957	1956	1957
Europe	75,887	92,734	86,478	125,031
O.E.E.C. countries	42,713	61,210	54,983	82,158
East European countries	22,174	31,524	31,459	42,813
Asia	7,199	8,761	8,099	11,729
Africa	2,045	6,185	2,179	4,473
North America	8,525	10,191	40,501	53,130
South America	3,347	649	3,930	2,641
Oceania	8	11	1,056	1,390
Total	97,011	118,533	142,243	198,397

Exports and Imports by S.I.T.C. Sectors

(In million dinars)

Sectors	Exports		Imports	
	1956	1957	1956	1957
Food	24,886	29,236	45,265	44,043
Beverages and tobacco	7,896	8,044	14	311
Raw materials, except fuels	22,936	24,613	22,574	22,135
Mineral fuels and lubricants	1,287	1,966	14,077	19,600
Animal and vegetable oils and fats	14	20	1,692	3,885
Chemical products	4,344	5,818	9,913	14,505
Products classified by material	26,773	32,393	17,317	31,152
Machinery and transport equipment	4,471	8,025	28,321	50,372
Various manufactures	3,524	6,501	2,988	4,376
Various transactions and good n.e.s.	890	1,017	82	1,015
Total	97,011	118,533	142,243	198,394

A satisfactory development in respect of pattern of exports is manifested in the steady upward trend of manufactured products (sectors 5 to 8) which rose from 38.5 per cent. in 1955 to 46.1 per cent. in 1957, while the contribution of agricultural-raw products dropped in the same proportion. A similar tendency in the opposite sense or the increase of imports of primary products was manifested all along until last year when it was interrupted by high imports of capital equipment.

Exports Increase

Increased exports in 1957 were recorded in all the sectors, but they were particularly spectacular in the case of products classified by material: machinery and transport equipment and manufactures and in the food sector (livestock, maize, etc.). In the imports which likewise recorded a rise in all the sectors except food (drop of grain imports), the most prominent place is held by machinery and transport equipment, which recorded further efforts to expand the domestic industrial bases and communications. Here the imports under various credit arrangements and investment agreements played a prominent part. An import increase was also recorded by products classified chiefly by material: basic metals, textiles, and further by raw materials, mineral fuels and lubricants, and chemicals. The adverse trade balance was reduced in a commercial sense by deliveries under the long-term surplus credit arrangement and other products from the U.S.A. totalling about 35 million dinars.

In respect of area pattern, the number of countries—Yugoslav foreign trade partners—has been continuously growing. In 1957, again, Yugoslav goods were shipped to the markets of 80 countries, while goods were imported from 78 countries. However, by far the most important and trading area is that of Europe taken as a whole which accounts for approximately four-fifths of the total exports and approximately two-thirds of the total Yugoslav import. Geographical proximity, excellent transport facilities, complementary economies and traditional business contacts constitute the basic reasons of intense and naturally conditioned trade relations with this area. Approximately four-fifths of the total increase of exports and two-thirds of imports in 1957 were accounted for by Europe. Although the O.E.E.C. countries account for two-thirds of the total exports and imports, and the European and East European countries for one-third, it is nevertheless necessary to point to the extremely satisfactory development of trade between Yugoslavia and the East European countries which account for almost one-fourth (24 per cent.) of the total foreign trade of Yugoslavia. During the last two years, exports to these countries was trebled and imports from them quadrupled. In addition to the regular trade agreements with some of these countries, agreements governing trade for many years were signed as well as various investment agreements and credit arrangements and technical assistance agreements. In this way, the basis of economic relations was expanded to the mutual advantage of all concerned.

In addition to the regular commercial exports and imports, individual manufacturing co-operation contracts with a large number of producers made a considerable contribution to the augmented exchange of goods with the O.E.E.C. countries. In this way, Yugoslavia has obviously displayed a wish to strengthen her industrial basis by closer contacts with all the industrial countries who wish to co-operate on a basis of equality and mutual interests. Apart from this, the large degree of trade liberalisation with these countries and the possibility of transferability with some of them, have facilitated and acted stimulatingly on the increase of trade.

Trade With U.S.A.

In terms of volume and importance of trade next to European countries, the United States of America is the most important individual foreign trade partner of Yugoslavia. The exports to the dollar area last year recorded a considerable increase, thanks to the ever-growing range of Yugoslav export items which are finding a ready market in this area. Particularly satisfactory sales were recorded by iron and steel industry products, non-ferrous metallurgy products, metals, finished wooden products, tobacco, hops, etc. The U.S. participation in the imports was also very significant consisting of supplies of various goods under long-term credit arrangements.

The export trade with Asian and African countries is also showing a steady increase with an extending range of textile, metal, electrical industry, food and chemical industry products which are already well introduced on these markets. The increase of exports to India, China, Egypt and other Near Eastern countries is quite spectacular. The imports from this area have likewise undergone an incease, particularly raw rubber, copra, cotton, jute, phosphates, iron ore and spices which are items in growing demand among the Yugoslav importers.

Finally, although during the last two years the trade with South America fell to the lowest level as a result of the unsettled question of agreements with Brazil and Argentina, this year trade relations are expected to revive and increase to a considerable extent following the recently concluded trade agreement and a visit paid by Yugoslav trade delegations to these markets.

The most important countries in Yugoslav export and import trade during 1957 (exports and imports in million dinars) were:

Exports: Italy: 16,091; Western Germany: 15.755; Soviet Union: 14,675; U.S.A.: 10,022; Great Britain: 7,162; Austria: 5,748; Poland: 4,953; Switzerland: 4,495; Egypt: 3.958; and Greece: 3,890.

Imports: U.S.A.: 52,121; Italy: 23.640; Western Germany: 22.640; Soviet Union: 20.709; Great Britain: 12.560; Austria: 7,157; Hungary: 5,915; Poland: 5,762; Czechoslovakia: 5.685; and Switzerland: 3,326.

It is quite understandable that the predominant role in Yugoslav foreign trade is played by the neighbouring and industrially highly developed countries. But this fact in no way diminishes, as we have already seen, the importance and the role of less developed countries with which trade relations are being consolidated and developed from year to year.

EXPORTS OF MANGANESE ORE

Trade circles in Bombay have welcomed the abolition of export duty on all grades of manganese ore last week. This measure will naturally raise the competitive capacity of the indigenous ore leading to higher levels of export. It is gratifying that this relief has come at a time when sizable stocks are reported to have accumulated in the country. The present floating stocks are estimated to be about 600,000 tons, as against the estimated output of about 1.5 million tons. Besides, the State Trading Corporation and private interests have stocks on hand amounting to 150,000 tons.

It may be noted here that the value of exports of manganese ore have dropped by about 50 per cent. to Rs. 11.88 crores during the eight months ended August 1958, as against Rs. 21.62 crores during the corresponding period of 1957. India has received some orders for the low grade ore during the current year and it is expected that the U.S., Japan and Continental countries will increase their import of low grade ore from India, following the removal of duty. The prospects for the exports of high grade ore, however, do not seem to be bright, despite the abolition of export duty. The trade interests consider it unfortunate that the Government of India is yet in two minds on the issue of reducing railway freights to ports.

AGRICULTURAL POLICY OF THE COMMON MARKET

NO HARM IS INTENDED TO OTHERS

THE thirteenth session of the G.A.T.T. held at Geneva for over five weeks came to a close on 22nd November 1958. In retrospect, it is clear that the dominating theme in the deliberations of the session centred round the problems and prospects of world trade in agriculture. Trade in agricultural products, as is well known, is subjected to import restrictions and various measures of protection, which inhibits the free flow of trade in primary products. This problem has assumed greater significance in the context of the proposed establishment of a common market made up of six countries in Western Europe, from the beginning of next year. The agreement leading to this development is known as the Rome Treaty. There is much suspense and anxiety over the issue, particularly in the underdeveloped countries. In this connection, the views expressed by Dr. S. L. Mansholt, Vice-President of the Commission on the European Economic Community—otherwise known as Common Market—in the course of the plenary meeting of the Contracting Parties are of considerable importance.

It may be noted that a clear agricultural policy has not yet been evolved in the Rome Treaty. The Economic Commission is still engaged in the arduous task of laying down specifically the agricultural policy to be pursued by the Common Market countries in the light of the broad outlines provided for in the Treaty. Its proposals will be submitted not later than 1st January 1960. It may be recalled that an agricultural conference of the Six was held in Stresa, a few months back. This conference arrived at certain important decisions. Some of those decisions have a direct bearing on the question that was uppermost in the minds of various delegations that participated in the G.A.T.T. Conference, namely, "what will be the effects of the agricultural policy of the six on other countries, and especially, of course, on other exporting countries and what will be the effect, in general, on world trade in agricultural commodities?"

Structural Problems

It is said that the agricultural policies now being pursued by the various countries, consisting as they do of tariffs, quotas, subsidies, price guarantees, are not based on a realistic understanding of the structural problems of agriculture. Such extraneous means of assistance are nothing more than palliatives. The problem of farm incomes, in the ultimate analysis, arises from imbalance between production and consumption. According to Dr. Mansholt, the Common Market seeks to eliminate this imbalance and put agriculture on a strong and stable foundation. To quote him:

"What we want to develop in the Six countries is first of all that agriculture as a whole should be considered as a normal part of the economy and of social life. We want farm incomes not only to depend on the decisions of Ministers of Finance and Governments as to the rate of guarantees and subsidies and so on—we want to develop an agricultural policy that in itself gives the guarantees for a normal income in farming, for a normal trade, too, in farm commodities. What we want, too, is that production and consumption should, as far as possible, be in balance to avoid 'dirigisme,' to avoid a system of intervention and of agricultural aid. When I speak of that balance in production and consumption, we know that, on account of the various types of national intervention in agricultural commodities and agricultural policies, we do not always produce agricultural commodities, because there is a market demand for them, but because there are guarantees. And one thing we have learned up to now is that we cannot continue in this way, and so we have to develop an agricultural policy that is based on the reality and that stems from the nature of existing demand. And then we have to discover why, in which way, by which means and in what quantities we have to produce agricultural commodities."

There is no doubt that all these things can be achieved in a more or less protectionist policy by autarchy. Dr. Mansholt, however, stressed that the Common Market "cannot and will not be an autarchic community in the field of agriculture." No doubt, the Treaty sought to bring about a progressive development of trade within the community; but, he assured the delegates that the countries concerned would take into account the necessity of trade relations with third countries. He wanted them to note that "the Common Market envisages an expanding economy, with increasing population and increasing industrial power and that means the strengthening of trade with other countries." This, he said, would be impossible without imports of raw materials or agricultural products. "In other words, the best way to give a guarantee to farmers is," he remarked "to ensure industrial expansion."

Common Agricultural Policy

That is the first philosophy of the Common Market, according to Dr. Mansholt. The second philosophy is to establish a policy that leads to a balance between production and demand. This should take into account imports and exports. The first requisite for this purpose is to have a common agricultural policy. But how will such a policy affect other countries? Answering this poser, Dr. Mansholt said:

"First of all, we have to look at what the situation is now, what we now have in the Six countries. There are six national policies with a world market at this moment in agricultural commodities that has a burden of surpluses, together with low prices, where you find a very great difficulty in that there is no balance between production and demand. I do not say that there could not be a balance between production and demand. Demand is big enough but there is no balance between production and purchasing power and we all know that there is a very big demand for foodstuffs in the world. At this very moment there is a big struggle with this problem on a world-wide scale. We have in Europe six national policies with six ways and means of dealing with agricultural commodities, stabilisation schemes, guarantees, fixed prices, subsidies, monopolies and so on. What is the result in the Six countries? We see in the Six countries a production of commodities for which there is no real demand, and that creates surpluses. But the philosophy expressed in Stresa, aimed at a balanced production and a balanced agricultural policy. I think that we can make a step forward by creating a common agricultural policy. That will be a step forward for all of us not only on a world-wide scale but in all our interests. It will be a great benefit for all when there is a possibility of developing an agricultural policy that is placed on a sounder basis than it has been up to now. By the way, I would like to mention here, Mr. Chairman, quite clearly, that protectionism does not only take the form of import barriers, such as tariffs and quotas, but other ways and means, other ways and appearances, can give the same negative aspects as, for instance, subsidising the export of surpluses as practised by us all. We do it in Western Europe and it is done in North America. There are other systems of deficiency payments, but I will make it quite clear that all those methods of dealing with agricultural policy bring difficulties to trade in agricultural commodities. They all have negative effects."

The underlying cause for governmental interference with the market mechanism pertaining to agriculture is to be found in the structural problems of production and not elsewhere. These structural problems of agriculture in Western Europe, Dr. Mansholt averred, could be solved only by an increase in productivity, by productivity of soil, of capital, and, above all, of labour. How this increase in productivity will promote the cause of agriculture and call for more and more imports of primary products was explained by him in these words:

"What we have done up to now is to increase production without ascertaining that a corresponding demand existed. We have created surpluses. We will have to be very careful about this problem. On the other hand, there is the necessity of increasing the productivity of labour in agriculture and so we will have to do all we can, make every effort and concentrate on increasing productivity of labour by other means. When we follow this philosophy in our agricultural policy of expanding industry, of a balance in agricultural production and consumption, taking into account the relations with exporting and importing countries, and an increase in productivity of labour, then I am absolutely sure, Mr. Chairman, that, as the result of a common agricultural policy on a sound principle, there will be an expanding food market and there will be room for imports of basic products, primary products and food products, because we have an agricultural policy that is based on sound principles."

Alluding to the need for paying adequate attention to the plight of underdeveloped countries, Dr. Mansholt pointed out that a concentrated attack from various sides, such as economic and technical aid, is very essential, thereby enabling a greater flow of goods from those countries which are in unfavourable conditions to those who are in favourable conditions. He declared that the members of the Common Market were fully alive to the need for helping underdeveloped countries. But he maintained that an increase in the flow of trade could not be attained merely by breaking down tariff barriers. These barriers were only symptoms, and not the disease. What was needed was adjustment of the various economic policies. Free trade, according to him, would only drive out economic production. He contended that not all agricultural protectionist policies were wrong There was need for selectivity, for the formulat on of some sort of code of agricultural policy. Accordingly, he emphasised that what was necessary was moderation of agricultural protectionism, hand in hand with measures to facilitate sound reorganisation of agriculture, which would stabilise world trade in farm products. Admittedly, an increasing demand for industrial raw materials and foodstuffs will go a long way towards allaying the apprehensions of underdeveloped countries.

BANCO DI ROMA
HEAD OFFICE: ROME
PAID-UP CAPITAL AND RESERVE
L. 5,250,000,000
ESTABLISHED 1880
OVER 200 BRANCHES IN ITALY AND ABROAD.
REPRESENTATIVE OFFICES:
LONDON, FRANKFORT-ON-MAIN, NEW YORK
BUENOS AIRES.
FOREIGN AFFILIATED BANKS
BANCO DI ROMA (FRANCE)
BANCO DI ROMA PER LA SVIZZERA
BANCO DI ROMA (BELGIQUE)
BANCO ITALO-EGIZIANO
CORRESPONDENTS ALL OVER THE WORLD

LAC IMPROVES

The sharp fall in the price of lac and the slump that overtook the industry was brought out in an earlier issue, *vide Commerce* dated 22nd November 1958. Some of the recent reports, however, indicate a gradual improvement in the overall position of the industry of lac. According to a statement of the Indian Lac Exporters' Association, Calcutta, the slow-down in the manufacture of shellac, its sale and export since July last was yielding place to normal and satisfactory progress. The export demand for shellac, the statement said, being of a seasonal nature, usually slackens after the rains. Manufacturing operations gather momentum again after the rains, normalcy returning around the *Pooja* days.

The Association has further pointed out that internal prices of shellac are appreciably above the minimum export prices. The State Trading Corporation has, during the past few weeks, found it difficult to secure supplies at minimum prices against 1,000-ton order. A scheme for maintaining buffer stocks for shellac is said to have been approved by the trade and is now under the consideration of the Government. Meanwhile, members of the Association had voluntarily imposed upon themselves a cess of Rs. 2 per maund for carrying out overseas publicity and research in lac and a variable cess for financing buffer stocks.

WORLD REVIEW OF ECONOMIC CO-OPERATION

With a view to promoting international co-operative action, the Economic Committee of the U.N. General Assembly recommended, on 27th November, a country-by-country stock-taking of experience and plans in the field of economic development The resolution, approved by the Committee, calls for reports from nations "in a position to assist the economic development of underdeveloped countries" as well as the newly developing countries. The proposal was carried, with 55 countries voting in favour, none against, but Ceylon, Tunisia and the Communist countries, except Yugoslavia, abstaining. Speaking on the resolution, the Soviet representative, Mr. G. P. Arkadev, termed it an impractical exercise and an infringement of national sovereignty. He said some nations, such as the U.S.S.R., "are considering, weighing future programmes which do not have to be necessarily made public." Mr. Mohammed Sopiee of the Federation of Malaya replied that he could see no reason why any country would want to keep secret its plans for economic development especially if they concerned assistance to less developed nations. He felt that the resolution was "a promise of more effective international assistance." A second resolution of the Committee, accepted unanimously, seeks to invite member-nations to state their views on the desirability of formulating "a statement on the economic objectives of the United Nations" and the way to attain those objectives.

HIGHER COSTS TELL ON T.I. CYCLES' PROFIT

EXPANSION PROGRESSING—FINANCES SOUND

THE financial results of the T.I. Cycles of India Ltd. (Secretary: Mr. N. K. Aiyer, Madras) for the year ended 30th June 1958 show a setback from the highly encouraging performance witnessed in the previous year. Although the Company's production of bicycles during the year reached the sanctioned capacity and sales showed a further impressive rise over the preceding year, its profits have sustained a fall. This is due to a sharp increase in manufacturing and other expenses. The gross profit at Rs. 72.99 lakhs is Rs. 8.98 lakhs or 10.9 per cent. short of Rs. 81.97 lakhs earned in the previous year, to which level it had shot up by Rs. 51.92 lakhs or as much as 172 per cent. from Rs. 30.05 lakhs for 1955-56.

In keeping with the fall in gross profit, the net profit (after taxation and depreciation) at Rs. 32.38 lakhs, also stands lower, as compared with Rs. 36.90 lakhs for the previous year. The decline in profit has naturally meant a drop in the Government's share in the Company's earnings. Thus, the provision for taxation has been lowered from Rs. 35 lakhs to Rs. 33 lakhs. It will, however, be seen that, even after this cut, the Government is taking away more than the Company's net profit. The provision for depreciation has been raised from Rs. 5.95 lakhs to Rs. 7.61 lakhs. The Directors have continued to follow their commendable policy of ploughing in the major portion of the distributable profit, so that the Company may have sufficient resources for financing its expansion programmes. Accordingly, out of a net profit of Rs. 32.38 lakhs, a sum of Rs. 25.22 lakhs or 77.8 per cent. has been taken to the reserves. A breakdown of the additions made to the reserves during the year under review shows that Rs. 12.50 lakhs, as against Rs. 5.50 lakhs a year before, have been credited to general reserve, Rs. 3.50 lakhs as against Rs. 6 lakhs to dividend equalisation reserve, Rs. 4.50 lakhs as against Rs. 23.51 lakhs to development, replacement and research reserve and Rs. 4.72 lakhs as against *nil* to development rebate reserve. The dividend has been maintained at 10 per cent. paid for the previous year, to which level it had been stepped up in that year from 6 per cent. per annum for 1955-56 and 1954-55. The Company started paying a dividend only from the half-year ended 30th June 1954 at the self-same rate of 6 per cent. per annum.

The Company's progress during the past four years is brought out in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June			
	1958	1957	1956	1955
Sale proceeds	3,04.70	2,70.67	1,38.14	1,45.71
Stock of finished goods and work-in-progress	8.24	6.95	5.70	52.35
Expenses	2,35.24	1,91.46	1,08.74	1,44.94
Gross profit	72.99	81.97	30.05	29.80
Managing Agents' commission ..	..	4.12	1.88	1.25
Provision for—				
Depreciation	7.61	5.95	5.30	5.87
Taxation	33.00	35.00	7.50	2.50
Net profit	32.38	36.90	15.87	20.18
To reserves	25.22	30.01	9.23	10.69
,, goodwill	..	..	2.50	5.00
Dividend	7.00	7.00	4.20	4.20
	(10%)	(10%)	(6%)	(6%)
Carryforward	0.64	0.49	0.59	0.71

Sale proceeds during the year increased by Rs. 34.03 lakhs to Rs. 3.05 crores. As against this, expenses increased by as much as Rs. 43.78 lakhs to Rs. 2.35 crores, thus more than neutralising the rise in sale proceeds.

As stated at the outset, production of bicycles during the year reached the sanctioned capacity. It may be recalled that the Company was permitted by the Government to manufacture 200,000 bicycles and 100,000 sets of bicycle components. Although the Government has permitted the Company to expand its productive capacity further, the production could not be increased due to restricted import of essential raw materials. The Directors, however, report that extensions to factory buildings to facilitate increase in output are under completion and additional machinery are on order to implement the expansion programme. They add that necessary arrangements to secure foreign exchange to finance the project have already been concluded. The Company has completed country-wide arrangements for marketing its products through its sole selling agents, Messrs. T.I. of India Private Ltd. Another development that augurs well for the Company's future is the conclusion of arrangements with Messrs. J. A. Phillips Cycles Ltd., Birmingham, and Brampton Fittings Ltd., Birmingham, for manufacturing and selling some of their products.

The financial position of the Company appears to be quite sound. Although the Company is only nine years old, its reserves and surplus, aggregating Rs. 85.12 lakhs, exceed the paid-up capital of Rs. 70 lakhs (all in ordinary shares of Rs. 100 each) by a handsome margin of 21 per cent. The gross block of the value of Rs. 157.17 lakhs, including additions during the year amounting to Rs. 68.52 lakhs, stands written down to Rs. 124.43 lakhs. The goodwill (at cost) of Rs. 10 lakhs has been practically written off, the amount left over being tiny at Rs. 16. The current assets aggregate Rs. 134.43 lakhs and cover the current liabilities and the provision for taxation amounting to Rs. 103.74 lakhs by a comfortable margin. Of the current assets, cash and bank balances have fallen from Rs. 36.65 lakhs a year ago to Rs. 2.77 lakhs; this reflects the large expansion that has been in progress in the Company's manufacturing capacity.

The shares of the Company are closely held and are not quoted on any of the Stock Exchanges in India.

NEW COMPANIES IN EASTERN REGION

During the period from 1st April to 30th September 1958, 207 public and private companies were registered in the Eastern Region comprising West Bengal, Bihar, Assam and Orissa under the Companies Act. Of these, 15 were public companies with an authorised capital of Rs. 10.02 crores and 192 private companies with an authorised capital of Rs. 10.84 crores. During the period, 68 companies in the region went into liquidation.

The largest number of companies was registered in West Bengal, namely, 14 public companies with an authorised capital of Rs. 5.02 crores and 163 private companies with an authorised capital of Rs. 5.20 crores. In addition, eight companies limited by guarantee were also incorporated.

The number of companies, public and private, registered in Bihar and Assam was 11 each, while in Orissa it was eight.

COMPANY REGISTRATION IN THE NORTHERN REGION

During the three months ended September 1958, 54 companies—4 public and 50 private—were registered under the Companies Act 1956, in the Northern Region. In addition, one association, which is not for making profit, was registered under the Act in Uttar Pradesh. The total authorised capital of the companies was nearly Rs. 2 crores. The Northern Region comprises the Punjab and Himachal Pradesh, Delhi, Uttar Pradesh and Rajasthan. During the same period, 32 companies in the region went into liquidation and the names of 71 companies were struck off the register under section 560 of the Companies Act.

NEW BOARD OF DIRECTORS FOR B.I. CORPORATION

The Board of Directors of the British India Corporation Ltd., Kanpur, consisting of Mr. Haridas Mundhra and six others, was suspended by Mr. Justice Upadhyaya of the Allahabad High Court on 26th November, 1958. The Court ordered that the Board shall not function as such, until further orders, and further directed that this order shall remain in force during the pendency of the petition under sections 397 and 398 of the Indian Companies Act filed by the Life Insurance Corporation of India. The Court also ordered that no mill or factory belonging to the Corporation may, however, be sold or otherwise transferred by the Chairman of the Board of Directors, without obtaining the prior sanction of the High Court.

The above orders were a sequel to an application filed by the L.I.C. under Section 403 of the Indian Companies Act, praying for the appointment of a special officer to take charge of the affairs and assets of the British India Corporation.

His Lordship appointed another ten-member board in place of the present Board of Directors consisting of the following persons:

Mr. H. S. Chaturvedi, Chairman and Managing Director (Retired Judge of the Allahabad High Court), Mr. H. L. Khanna, Deputy Managing Director (a retired officer of the State Bank of India), Mr. R. L. Powell, Deputy Managing Director, Rai Bahadur Sri Ram Narain (Retired Treasurer of the State Bank of India, Kanpur), Mr. Narendrajit Singh (Member of the old Board), Mr. S. T. Thadani, Deputy Director-General of Supplies and Disposals, Government of India, Kanpur, Sir Padampat Singhania (Industrialist and Banker, Kanpur), an officer of the Commerce and Industries Department, nominated by the Minister of Commerce and Industry, Government of India, any person having experience in banking, nominated by the Reserve Bank of India, Bombay, and an officer of the L.I.C. nominated by the Chairman of the L.I.C.

MYSORE CHEMICALS AND FERTILISERS

DIVIDEND MAINTAINED

DESPITE a slight decline in sales proceeds and the shut-down of a few important units in the factory for repairs and scarcity of water, the profit of the Mysore Chemicals and Fertilisers Ltd. (Chairman and Managing Director: Mr. T. Shamanna, Mysore) for the year ended 31st March 1958 is a shade better than that for the previous year. The gross profit for the year under review, amounting to Rs. 4.62 lakhs, compares favourably with Rs. 4.51 lakhs for 1956-57 and Rs. 3.10 lakhs for 1955-56. The net profit after depreciation and taxation works out to Rs. 1.42 lakh; this shows practically no change, as compared with Rs. 1.43 lakh for the previous year. The provision for depreciation has been cut from Rs. 1.62 lakh to Rs. 1.32 lakh but that for taxation has been raised from Rs. 1.46 lakh to Rs. 1.88 lakh. The latter amount includes a sum of Rs. 13,448 for wealth tax, the corresponding amount in the previous year being Rs. 15,000. Barring a sum of Rs. 1,284 transferred to development rebate reserve, no amount has been allocated to the reserves except the usual contribution of Rs. 12,000 to employees' retiring gratuity fund. There is no change in the dividend to shareholders which has been maintained at the modest rate of 5 per cent. for the past few years.

The following comparative table discloses the progress of the Company's working during the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds	26.17	26.76	19.77	N.A.
Closing stock of finished goods..	4.07	1.70	5.25	N.A.
Raw materials consumed ..	11.15	7.35	6.38	N.A.
Other expenses	13.05	13.63	10.91	1.16*
Gross profit	4.62	4.51	3.10	3.87
Depreciation	1.32	1.62	1.27	1.20
Taxation	1.88	1.46	0.55	1.18
Net profit	1.42	1.43	1.28	1.49
To reserves	0.18	0.12	0.12	0.12
Dividend	1.24	1.24	1.24	1.24
	(5%)	(5%)	(5%)	(5%)
Carry forward	0.17	0.12	0.05	0.14

N.A.—Not available. * Incomplete.

It will be noted that sale proceeds during the year fell from Rs. 26.76 lakhs in 1956-57 to Rs. 26.17 lakhs. But cost of raw materials consumed increased from Rs. 7.35 lakhs to Rs. 11.15 lakhs, though other expenses declined slightly from Rs. 13.63 lakhs to Rs. 13.05 lakhs. The rise in the closing stock of finished goods from Rs. 1.70 lakh to Rs. 4.07 lakhs is a surprising feature of the accounts in the light of insatiable demand for chemicals and fertilisers reported during the year.

The following quotation from the Directors' report will enable readers to appreciate the financial results for 1957-58 in their proper perspective and to get an idea of the outlook for the Company.

"Irrespective of the shut-down of a few important units in the factory for brief periods due to the repairs to be undertaken to the hydrogen furnace boiler in the ammonia plant and stoppage of water-supply in the R.B.L.L. Channel by the Public Works Department for annual repairs and silt clearing of the channel, the working of the factory was satisfactory.

"The production of superphosphate in the factory is steadily increasing to meet the growing demand for phosphatic fertilisers. The Directors have, taking the present circumstances into consideration, decided to increase the production of superphosphate to a reasonable limit of 10,000 tons per annum and arrangements are already afoot in this direction. Production of mixed fertiliser and other chemicals, which the Company is already manufacturing on a small scale, is being stepped up as a result of good demand expected for these products.

"Both the new motor generator set and the cell plant have been commissioned into working successfully and they are working satisfactorily. As a result of this, it is anticipated that the production capacity of ammonia from the new cells will permit increased production of ammonium sulphate."

There is no change in the Company's paid-up capital as at 31st March 1958 which stands at Rs. 24.81 lakhs, all in ordinary shares of Rs. 10 each. As against this, the reserves and surplus aggregate only Rs. 6.88 lakhs. The current liabilities stand at Rs. 21.69 lakhs. The gross block of the value of Rs. 54.70 lakhs stands written down at Rs. 20.27 lakhs. The current assets aggregate Rs. 33.11 lakhs and cover the current liabilities and the provision for taxation by a wide enough margin.

The Rs. 10 paid-up shares of the Company are currently quoted at Rs. 8.30 *cum-div.* On an *ex-div.* basis, the yield works out to 6.4 per cent. per annum.

RADIO LAMPS FARE BETTER

DIVIDEND ALSO HIGHER

THE performance of Radio Lamp Works Ltd. (Managing Agents: Messrs. Jamnalal Sons Private Ltd., Bombay) during the year ended 31st March 1958 is heartening. There has been all-round improvement in its results. Production, sales, profit and dividend have all gone up. The gross profit for the year under review amounts to Rs. 8.07 lakhs and compares well with Rs. 7.18 lakhs for the previous year and Rs. 4.81 lakhs for 1955-56. The net profit has also increased, from Rs. 2.60 lakhs for 1956-57 to Rs. 3.19 lakhs. The provision for taxation is naturally higher at Rs. 3.28 lakhs. as against Rs. 3.00 lakhs, but that for depreciation has been slightly lowered from Rs. 93,645 to Rs. 88,969.

Out of the net profit, a sum of Rs. 10,000 has been transferred to development rebate reserve and another Rs. 10,000 to provision for doubtful debts. In view of the fact that all arrears of dividend on the 5 per cent. cumulative preference shares were paid off in the previous year, the Directors have thought it fit to make a modest upward revision in the rate of distribution to ordinary shareholders from 7½ per cent. paid for 1956-57 to 9 per cent. It must be noted further that this enhanced dividend is on a higher capital of Rs. 25 lakhs raised by the issue of 4,999 ordinary shares of Rs. 100 each which were fully subscribed. Likewise, the dividend on deferred shares has been raised from 11.8 per cent. to 20.46 per cent.

The following comparative table will give the reader some idea of the Company's progress during the past three years:

(In lakhs of rupees)

	For the year ended 31st March		
	1958	1957	1956
Sale proceeds	1,12.69	86.28	62.58
Closing stocks	43.01	21.12	18.89
Raw materials consumed ..	18.38	19.89	14.84
Other expenses	1,12.09	63.94	47.71
Gross profit	8.07	7.18	4.81
Managing Agents' commission ..	0.71	0.64	0.46
Provision for—			
Depreciation	0.89	0.94	0.58
Taxation	3.28	3.00	0.57
Net profit	3.19	2.60	3.20
Pakistan income-tax paid (1947-48)	0.37	..	..
Transfer to reserves	0.20	..	..
Dividends—			
5 per cent. cum. preference ..	0.37	1.11*	1.48†
Deferred shares	0.35	0.20	..
Ordinary, ...	2.25	1.50	..
	(9%)	(7½%)	
Carry forward	0.11	0.47	0.69

* For the years 1954-55, 1955-56 and 1956-57.
† For the years 1950-51, 1951-52, 1952-53 and 1953-54.

Sale proceeds during the year under review rose from Rs. 86.28 lakhs in 1956-57 to Rs. 112.69 lakhs. Cost of raw materials consumed was slightly lower at Rs. 18.38 lakhs, as compared with Rs. 19.89 lakhs in the previous year but other expenses shot up from Rs. 63.94 lakhs to Rs. 112.09 lakhs.

The Company has commenced manufacture of lighting fittings and chokes. They have also been appointed sole selling agents in India for Kassel's fans. In order to boost sales, three new sales offices have been opened at Bangalore, Wardha and Gauhati. The Company appears to have a bright future in view of the addition of new lines of manufacture and sales. The good progress that has been made, and the enterprise shown, in recent years suggests that the Company is in competent hands.

We are further told that Hind Lamps Private Ltd., in which the Company under review holds a 50 per cent. interest, has registered considerable increase in production in the various items of manufacture of lamps and components during the year ended December 1957 over those for the previous years. Hind Lamps have also obtained licences for the manufacture of 800,000 fluorescent tubes and an additional 2 million general lighting and 3 million miniature lamps and also for setting up an automatic bulb-blowing machine for glass shells. Incidentally, it may be noted here that this is the first plant of its kind in India. The expansion plans are expected to involve an outlay of over Rs. 50 lakhs for which Hind Lamps are negotiating for a loan of Rs. 35 lakhs, mainly in foreign currency, for machinery and plant. The balance will be met from their own resources. When the expansion scheme is completed, Radio Lamps will get its 50 per cent. share of the increased production of electric lamps and fluorescent tubes for sale.

The Company's paid-up capital as at 31st March 1958 stands raised from Rs. 29.10 lakhs at the end of 1956-57 to Rs. 34.11 lakhs, by the issue of new shares, as already stated. The reserves, including the surplus, are very small and amount to only Rs. 2.50 lakhs, of which Rs. 1.34 lakh represents the amount standing to the credit of the share premium account. The current liabilities stand at Rs. 93.08 lakhs of which secured loans from banks account for Rs. 38.95 lakhs and unsecured loans for Rs. 22.41 lakhs. The gross block at Rs. 12.62 lakhs has been written down to a book value of Rs. 9.16 lakhs. Miscellaneous expenditure amounts to Rs. 6,554. The current assets aggregate Rs. 120.47 lakhs, and exceed the current liabilities and the provision for taxation by a large margin.

The Rs. 100 fully paid-up shares are currently quoted at Rs. 121.75 *cum-div.* On an *ex-div.* basis, the year's dividend gives a yield of 7.9 per cent. per annum.

Points From The Chair

Aluminium Industry

"THE inherent defects of the aluminium industry in India of high cost of power and small capacities still continue. Further, because of the expanding economy in the country there are increases in wages, cost of raw materials and stores. But agricultural production has not kept pace with increase in population and rise in standard of living and, therefore, it is imposing new burdens on industries. Aluminium is a basic industry, highly capital and power intensive and involves complex technical know-how. Because of these characteristics, in aluminium industry one is limited to think of production in terms of thousands of tons whereas in other basic industries production is thought of in terms of million tons. Naturally the scope for absorbing the impositions of new burdens becomes limited. Further, the industry is protected and will have to remain protected as long as present-day conditions continue. Under these circumstances any rise in the price of aluminium will appear disproportionately high purely from the point of view of per ton price. But if one considers the effect of the increase quantitatively then it will be apparent that the increase in price is not high at all. The *per capita* consumption of aluminium in India is about 0.2 lb. while the *per capita* consumption of steel is about 15 lbs. In other words, a rise in price of steel of about Rs. 50 per ton imposes on the consumer a load 75 times heavier than that caused by an increase of Rs. 50 per ton in the price of aluminium."

LAKSHMIPAT SINGHANIA,
Aluminium Corporation of India Ltd.

Doubly Wasteful

"I must refer, in this context, to the very high burden of excise and cane cess on the white sugar industry as compared to *khandsari* sugar. The production of *khandsari* is getting a benefit of Rs. 13 per maund which is payable as excise and cane cess on each maund of white sugar, the rate of which is controlled at Rs. 36 per maund, with some adjustments for different varieties of sugar. Unless the Government take immediate steps to remove this disparity, the vacuum pan or white sugar industry is bound to suffer. The production of *khandsari* sugar is increasing at a rapid rate and is a dual loss—to the State and Central Governments in the form of cess and excise not realised; and to the country on account of the waste of 30 per cent. precious food value involved in the inherently low recovery of sugar from cane by the process of *khandsari* manufacture. The argument that cane at places which are away from factories has to be used is not a good argument as cane in these places can be turned into *gur* in which there is no loss of food value. *Khandsari* is also not a labour-intensive industry, as has been sometimes claimed."

LALA BHARAT RAM,
Delhi Cloth & General Mills Co., Ltd.

Import of Spare Parts

"Another matter which weighs heavily on the managements of public utility undertakings these days is the delay in obtaining import licences for even the most essential spare parts required in an emergency. We recently had the case of a relatively small item costing only a few hundred pounds where a delay of several weeks took place in receiving an import licence although the material was already manufactured and was awaiting transport by air. This delay cost the Company many times the value of the spare part concerned. It may be contended that the spare part in question should have been in ready stock. It will be easily realised that no organisation can afford to lock up capital by having in stock every possible spare part of the plant which would mean practically duplicating its cost. While a reasonable stock of spares has been provided by us in consultation with manufacturers for all possible eventualities, there is always the possibility of an unexpected item giving way or of a repeat failure. In such cases you can well appreciate the magnitude of the potential loss of production that would result from a single 15 M.W. machine being held up for a couple of months. It would, in fact, be equivalent to the loss in production from 15 mills working full blast over that period! In view of this it is to be hoped that the authorities in the Central Government would allow a reasonable latitude to the Central Water and Power Commission or similar Directorates to be invested with powers, within certain limits, to grant *ad hoc* emergency licences for spare parts required by important industrial undertakings, and particularly public utility undertakings."

P. D. C. R. CLARK,
Ahmedabad Electricity Co. Ltd.

COMPANY MEETINGS AND DIVIDENDS

KUMARDHUBI FIRECLAY AND SILICA WORKS LTD. Annual General Meeting, Calcutta, 12th December 1958. Dividend: Re. 1.25 per share, payable on or after 22nd December 1958. Transfer books remain closed from 28th November to 12th December 1958, both days inclusive.

INVESTMENT TRUST OF INDIA LTD. Annual General Meeting, Madras, 15th December 1958. Dividend: Rs. 5.00 per share. Transfer books will remain closed from 8th to 15th December 1958, both days inclusive.

GREAVES COTTON AND CO., LTD. Annual General Meeting, Bombay, 15th December 1958. Dividend: Rs. 10.00 per share, on old equity shares, payable on or after 22nd December 1958. Transfer books remain closed from 1st to 15th December 1958, both days inclusive.

EASTERN CACHAR TEA CO., LTD. Annual General Meeting, Calcutta, 16th December 1958. Dividend: *Nil*. Transfer books will remain closed from 10th to 16th December 1958, both days inclusive.

GROB TEA CO., LTD. Annual General Meeting, Calcutta, 16th December 1958. Dividend: Rs. 2.50 per 'A' ordinary share and Re. 1.25 per 'B' ordinary share. Transfer books will remain closed from 8th to 16th December 1958, both days inclusive.

BENGAL LUXMI COTTON MILLS LTD. Annual General Meeting, Calcutta, 16th December 1958. Dividend: *Nil*. Transfer books remain closed from 1st to 16th December 1958, both days inclusive.

KALPETTA ESTATES LTD. Annual General Meeting, Alleppey, Kerala State, 17th December 1958. Dividend: Re. 1.00 per share. Transfer books remain closed from 4th to 17th December 1958, both days inclusive.

BETJAN TEA CO., LTD. Annual General Meeting, Calcutta, 17th December 1958. Dividend: 15 per cent. or Re. 1.50 per share. Transfer books remain closed from 1st to 17th December 1958, both days inclusive.

GAIRKHATA TEA CO., LTD. Annual General Meeting, Calcutta, 17th December 1958. Dividend: *Nil*. Transfer books remain closed from 1st to 17th December 1958, both days inclusive.

SELIMBONG TEA CO., LTD. Annual General Meeting, Calcutta, 17th December 1958. Dividend: *Nil*. Transfer books remain closed from 1st to 17th December 1958, both days inclusive.

TAIPOO TEA ASSOCIATION LTD. Annual General Meeting, Calcutta, 17th December 1958. Dividend: *Nil*. Transfer books remain closed from 1st to 17th December 1958, both days inclusive.

MYSORE TOBACCO CO., LTD. Annual General Meeting, Bangalore City, 17th December 1958. Dividend: Re. 1.25 per share, payable on or after 24th December 1958. Transfer books remain closed from 5th to 17th December 1958, both days inclusive.

ANANDA-BAG TEA CO., LTD. Annual General Meeting, Calcutta, 18th December 1958. Dividend: 5 per cent. or Re. 0.50 per share. Transfer books remain closed from 1st to 18th December 1958, both days inclusive.

JUTLIBARI TEA CO., LTD. Annual General Meeting, Calcutta, 18th December 1958. Dividend: 17½ per cent. or Re. 1.75 per share. Transfer books remain closed from 1st to 18th December 1958, both days inclusive.

TENGPANI TEA CO., LTD. Annual General Meeting, Calcutta, 18th December 1958. Dividend: 15 per cent. or Re. 1.50 per share. Transfer books remain closed from 1st to 18th December 1958, both days inclusive.

AMALGAMATED ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 18th December 1958. Dividend: Re. 0.85 per share (includes interim dividend of Re. 0.43 per share). Transfer books will remain closed from 8th to 25th December 1958, both days inclusive.

JOGTA COAL CO., LTD. Annual General Meeting, Calcutta, 20th December 1958. Dividend: *Nil*. Transfer books remain closed from 2nd to 19th December 1958, both days inclusive.

BENGAL ELECTRIC LAMP WORKS LTD. Annual General Meeting, Calcutta, 20th December 1958. Transfer books remain closed from 1st to 20th December 1958, both days inclusive.

PATRAKOLA TEA CO., LTD. Annual General Meeting, Calcutta, 23rd December 1958. Dividend: Rs. 10.00 per share (subject to funds being available in India). Transfer books will remain closed from 15th to 23rd December 1958, both days inclusive.

MYSORE GLASS AND ENAMEL WORKS LTD. Annual General Meeting, Bangalore City, 24th December 1958. Dividend: *Nil*. Transfer books will remain closed from 12th to 25th December 1958, both days inclusive.

AHMEDABAD ADVANCE MILLS LTD. Annual General Meeting, Bombay, 26th December 1958. Dividend: Rs. 5.00 per share. Transfer books remain closed from 24th November to 23rd December 1958, both days inclusive.

MOZUFFERPORE ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 27th December 1958. Dividend: Re. 1.00 per share (includes interim dividend of Re. 0.35 per share). Transfer books will remain closed from 20th to 27th December 1958, both days inclusive.

JARDINE HENDERSON LTD. Annual General Meeting, Calcutta, 30th December 1958. Dividend: Rs. 2.50 per share. Transfer books will remain closed from 15th to 30th December 1958, both days inclusive.

BENGAL PAPER MILLS CO., LTD. Interim dividend of 8 per cent. on ordinary shares, for the year ending 31st December 1958, payable on or after 15th December 1958. Transfer books remain closed from 1st to 15th December 1958, both days inclusive.

FALL IN PROFITS OF MYSORE TOBACCO

NEW MANBHOOM COAL MAINTAINS DIVIDEND

Mysore Tobacco Co., Ltd.

THE directors of the above Company (Chairman and Managing Director: Mr. M. Malleshayya, Bangalore) present the audited accounts of the Company for the year ended 31st March 1958.

The Company has earned a net profit of Rs. 85,534 (Rs. 3,24,041) after providing Rs. 52,662 (Rs. 91,694) towards depreciation and Rs. 51,500 (Rs. 3,60,000) towards income-tax and super-tax. The directors wish to state that while reckoning the depreciation allowance for the year, they have taken into consideration the special provision made during the year 1955-56 and made adequate provision for the balance during the current year. With the amount brought forward of Rs. 43,554 (Rs. 44,513) from last year, the total sum available is Rs. 1,29,088 (Rs. 3,68,554) and the directors recommend the following appropriations to be made out of the same:—

To declare a dividend of 12½ (15) per cent. or at Re. 1.25 (Re. 1.50) per share absorbing Rs. 1,25,000 (Rs. 1,50,000) and to carry forward Rs. 4,088 (Rs. 43,554 after transferring Rs. 80,000 to reserve fund; Rs. 80,000 to dividend equalisation fund and Rs. 15,000 to employees' gratuity fund).

The production of tobacco in the Company's barns was maintained at almost last year's level. But there was a noticeable reduction in the quantity of cured leaf that came to the possession of the Company from the private curers due to a reduced output and also due to competition from other buyers. Further, the shortfall in the production of grades fetching higher prices, due to adverse seasonal conditions and high incidence of spot disease was responsible for a reduction in the sale proceeds of the year and consequently to a reduction in the gross profits. The directors are actively considering the measures to be adopted for improving the production of higher grades of tobacco. The expert opinion and services of the Officers of the Tobacco Research Station at Hunsur are being availed of in order to control the several diseases that confront the tobacco crop and improve the quality.

The Company embarked in a new line of business this year by undertaking to process the tobacco of other agencies whereby it was possible to obtain a realisation of Rs. 26.739 during the year. This has enabled the Company to use the *Redrying Plant* for a longer duration than before.

The Company has been continuing to consign some grades of tobacco to foreign countries. The relationship with the local and foreign buyers continues to be quite cordial and encouraging.

A comparative statement showing the area directly under the Company's control and the quantity of cured leaf produced therefrom is furnished below:

	Area under cultivation	*Quantity produced*
	Acres	Lbs.
1956-57	3,350	14,54,804
1957-58	2,935	14,51,712

The quantity of tobacco acquired from the private curers during the year under report was 12,32,324 lbs. as against 17,77,273 lbs. during the previous year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Gross block	18,04,172
Reserves ...	3,70,000	*Less*—Depreciation ...	10,70,792
Provision for taxation*	68,582		
Liabilities ...	4,57,050	Net block ...	7,33,380
Profit and loss account ...	4,088	Stock-in-trade	73,412
		Stores, etc.	2,65,123
		Debts, deposits and advances ...	3,98,950
		Investments	1,27,520
		Cash ...	3,01,335
Rs.	18,99,720	Rs.	18,99,720

* Includes provision for wealth-tax=Rs.6,000.

New Manbhoom Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The revenue and profit and loss accounts for the year ended 31st March 1958 show a profit of Rs. 29,232 (Rs. 1,03,489). After adding to this Rs. 1,43,499 (Rs. 70,222) being the balance brought forward from the previous year, and also Rs. 21,365 (debit Rs. 212) on account of sundry adjustments, and deducting therefrom Rs. 29,797 (*nil*), on account of additional salaries due as per decision of Labour Appellate Tribunal, and Rs. 77 (*nil*) for short provision of wealth tax for 1956-57, there is a balance of Rs. 1,64,222 (Rs. 1,73,499) at credit of the profit and loss account. The directors recommend that this balance should be disposed of as follows:—

To pay a dividend of 5 (5) per cent. for the year ended 31st March 1958, without any deduction for income-tax paid or payable by the Company Rs. 30,000 (Rs. 30,000) and carry forward Rs. 1,34,222 (Rs. 1,43,499).

Largely owing to the delay in installing the stowing equipment, referred to later in this report, raisings could not be maintained at the previous level. Another major factor contributing to the marked decline in profit during the year under review was the decision in May 1957 of the Labour Appellate Tribunal of India relating to the Award of the All India Industrial Tribunal (Colliery Disputes) involving the Company in extra expenditure on account of workmen and staff with retrospective effect from May 1956. The net effect of the Award is that the cost of coal raised increased by Rs. 3 per ton approximately whereas to meet the increased cost the Central Government sanctioned an increase in the price of coal of only Re. 1.50 per ton. A further burden came by way of the Coal Mines Regulations (1957) entailing appointment of extra staff and further expenses on safety precautions.

Raisings and Despatches:—The raisings for the year ended 31st March 1958 amounted to 1,25,845 tons, despatches being 1,07,733 tons. This compares with 1,43,485 tons and 1,20,744 tons respectively for the previous year.

Prospects:—The increased burden on the cost per ton of coal raised mentioned above has been offset to a great extent by introducing rigid economies at the Colliery and by raising the production target. As regards increased production through stowing referred to in the previous year's report, the directors regret that due to unavoidable circumstances the stowing equipment could not be installed as expected and this led to a temporary shortage of working places resulting in smaller output. The directors are glad to state that the stowing equipment has now been installed and production is increasing according to expectation. In view of this, the directors feel justified in recommending payment of a dividend of 5 (5) per cent. in respect of the past year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Gross block	33,16,076
Reserves ...	76,179	*Less*—Depreciation ...	22,81,014
Provision for taxation ...	1,800		
Liabilities ...	11,88,069	Net block ...	10,35,862
Profit and loss account ...	1,34,222	Stock-in-trade	2,25,628
		Stores and spare parts	3,06,976
		Debts, deposits and advances ...	3,40,167
		Investments	37,146
		Cash ...	54,491
Rs.	20,00,270	Rs.	20,00,270

Amluckie Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The season's working resulted in a profit, after providing for depreciation, of Rs. 2,39,468 (Rs. 6,58,644) from which must be deducted—adjustment account Rs. 24,617 (*nil*), amount written off stores in respect of obsolescence, etc. Rs. 2,591 (*nil*), provision for taxation Rs. 40,000 (Rs. 2,90,000) and provision for wealth tax Rs. 8,500 leaving a balance of Rs. 1,63,760 (Rs. 4,00,783) from which the directors have set aside to buildings and machinery reserve Rs. 99,083 (Rs. 98,400) leaving an available balance of Rs. 64,677 (Rs. 3,02,383) which, the directors recommend, should be distributed as follows:—

In payment of a dividend of 7 (106.044) per cent. for the year ended 31st December 1957, on 7,500 cumulative participating preference shares of Rs. 10 each, absorbing Rs. 5,250 (Rs. 79,533) together with an additional dividend of 19.8093 per cent. for the year ended 31st December 1957, on 7,500 cumulative participating preference shares of Rs. 10 each, absorbing Rs. 14,857 (*nil*) and in payment of a dividend of 10 (50) per cent. for the year ended 31st December 1957, on 44,570 ordinary shares of Rs. 10 each, absorbing Rs. 44,570 (Rs. 2,22,850).

The saleable crop weighed out at 9,106 (9,635) maunds against an estimate of 10,400 maunds and was disposed of at an average price of Rs. 2.23 (Rs. 2.71) per lb.

The usual comparative statement for previous seasons is given below:—

Season	*Crop*	*Average price per lb.*
	Mds.	Rs.
1956	9,635	2.71
1955	10,669	2.12
1954	7,632	3.41
1953	9,484	1.98

Estimate 1958:—The saleable crop for season 1958 is now expected to amount to 9,600 maunds. The smaller crop made in 1957 was due to adverse weather conditions.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,20,700	Gross block ...	18,89,035
Reserves ...	10,68,102	*Less*—Depreciation ...	6,45,732
Provision for taxation ...	4,09,060		
Liabilities ...	7,10,492	Net block ...	12,43,303
		Work-in-progress ...	3,484
		Stock of tea	6,38,762
		Stores, etc. ...	3,10,856
		Debts, deposits and advances ...	2,89,169
		Investments	16,274
		Cash ...	2,06,506
Rs.	27,08,354	Rs.	27,08,354

West Coast Electric Supply Corporation Ltd.

The directors of the above Corporation (Managing Agents: Chandrie & Co. Private Ltd., Madras) present the audited accounts of the Corporation for the year ended 31st March 1958.

Acquisition of Cannanore-Tellicherry Undertaking:—The directors have to report that the Government of Kerala have still not settled the amount of compensation payable for the acquisition of the Cannanore-Tellicherry undertaking in spite of the Accredited Representative having carried out all the duties cast on him under the Madras Electricity Undertakings (Acquisition) Act 1954. The Government of Kerala have not complied with the rules and procedure prescribed under the Act to settle the compensation. As the directors felt that the Government have been delaying the settlement of the claim too long, they have addressed the Government direct expressing their grave concern at the delay and requesting the Government to settle and pay the compensation without further delay.

Calicut Electric Licence:—The restrictions imposed till recently have been completely withdrawn and the required additional power was allotted by the Board. During the year under review 690 (443) new consumers of all classes and 508 (181) street lights were connected to the system thus bringing the total number of consumers to 7,582 (6,892) and the street lights to 3,133 (2,625). Special mention must be made of the extensions to certain village and panchayat areas. To effect the above extensions the Corporation had to erect 3.7 miles of high tension lines and 12.2 miles of low tension mains and 4 additional substations during the year. Besides, steps were taken to improve the voltages in certain areas by increasing the capacity of substations and by strengthening the mains. A third point of supply was taken to extend supply to Guruvayurappan College and surrounding areas.

Improvements:—The capacity of three substations were enhanced to meet the growing demand and the industrial loads. A number of single phase lines were converted into three phase mains and the existing conductors were strengthened for voltage improvement at various points in the distribution system.

Mahe Electric Licence:—During the year 0.65 miles of L.T. lines were extended and 42 (48) consumers and 23 (72) street lights were added to the system. The undertaking is steadily developing and shows an improvement and the net profit is Rs. 2,484 (Rs. 109) after providing for depreciation, development and contingency reserves.

The comparative statement of energy sold and revenue realised, etc., given below shows the workings of the two undertakings:—

	Calicut Area		Mahe Area	
	1957-58		1957-58	
Energy purchased in KWH.	1,37,61,800	(1,26,38,830)	64,590	(48,090)
Energy sold for:—				
Domestic purposes ...	33,97,131	(29,43,618)	31,993	(21,988)
Industrial purposes ...	78,22,561	(74,39,134)	1,518	(813)
Public lighting	5,81,060	(5,04,185)	26,368	(18,960)
Gross revenue in rupees.	13,19,378	(11,96,222)	16,215	(11,696
Total No. of consumers.	7,582	(6,892)	150	(108)
Maximum demand in KW	2,880	(2,800)	39	(36)

Extension Programme:—The directors look forward to extending the benefits of electricity to Kunnamangalam, Kadalundi, Chaliam and Ramanattukara and other villages immediately the Corporation receives the amounts due from the Government.

The balance brought forward from the last year's account is Rs. 1,84,641 (Rs. 2,24,015 including excess provision for taxation amounting to Rs. 59,610). The net profit of the Company for the year 1957-58 after providing for depreciation on assets Rs. 1,14,325 (Rs. 1,79,949), provision for taxes Rs. 85,000 (Rs. 1,47,500), contingencies reserve Rs. 14,461 (Rs. 17,549), writing off of intangible assets Rs. 6,970 (Rs. 10,308), donation and charities Rs. 1,250 (Rs. 250), development reserve Rs. 23,029 (*nil*) and reserve for staff gratuity Rs. 20,000 (*nil*) is Rs. 92,918 (Rs. 1,63,191). With the balance brought forward there is an available balance of Rs. 2,77,559 (Rs. 3,87,206). The directors propose dividends for 1957-58 as follows:—

On preference shares at 5½ per cent. less income-tax Rs. 9,189 (Rs. 9,347) and on ordinary shares at 10 (10) per cent. free of income-tax Rs. 1,00,000 (Rs. 1,00,000) leaving a balance to be carried forward of Rs. 1,68,370 (Rs. 1,84,641 after paying Rs. 54,861 being final dividend for 1955-56; transferring Rs. 18,787 to tariff and dividend control reserve and transferring Rs. 19,569 to reserve for rebate to consumers). Out of this Rs. 72,574 (Rs. 72,574) is from Cannanore-Tellicherry undertaking.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,50,000	Gross block	28,79,465
Reserves ...	8,84,211	*Less*—Depreciation ...	8,18,280
Provision for taxation ...	1,69,014		
Liabilities ...	15,67,121	Net block ...	20,61,185
Profit and loss account ...	95,795	Stores, tools, etc. ...	4,07,569
		Debts, deposits and advances ...	8,49,669
		Investments	4,06,664
		Cash ...	1,08,756
		Miscellaneous expenditure and losses ...	132,298
Rs.	39,66,141	Rs.	39,66,141

Amalgamated Coffee Estates Ltd.

The directors of the above Company (Managing Director: Mr. K. N. Neelakantan, Seetagundy Estate, Sitharkunda, Kerala State) submitted the audited accounts of the Company for the year ended 31st March 1958.

The result of the year's working after providing for the debenture interest and income-tax thereon and for depreciation on buildings, machinery, furniture, etc., is a net profit of Rs. 2,08,306 (Rs. 3,61,186) to which must be added Rs. 74,281 (Rs. 49,095) brought forward from last year's account, making a total of Rs. 2,82,587 (Rs. 4,10,281). Out of this, 6 per cent. dividend on preference shares amounting to Rs. 36,000 (Rs. 36,000) has been paid leaving a balance of Rs. 2,46,587 (Rs. 3,74,281) now available. The directors have appropriated this amount as follows:—

To provision for taxes for the year ended 31st March 1958 Rs. 84,655 (Rs. 2,82,000 for 1955-56 and 1956-57), to provision for dividend on equity shares at 6 (4) per cent. on Rs. 6,75,000 (Rs. 4,50,000) Rs. 40,500 (Rs. 18,000) and to carry forward to next year's account Rs. 1,21,432 (Rs. 74,281).

Crop and Price.—A total crop of 19,739 (22,529½) bushels of coffee which gave an outturn of cwts. 5,580-2-8 (5,969-3-18) cured coffee and 35,076 (37,918) pounds of cardamom were harvested during the year ended 31st March 1958. Coffee was produced at a cost of Rs. 156.41 (Rs. 126.59) per cwt. and cardamom at Rs. 5.86 (Rs. 3.80) per pound. Coffee realised an average of Rs. 196.87 (Rs. 163.24) per cwt. and cardamom Rs. 9.25 (Rs. 10.05) per pound.

The estimates for 1958-59 have been framed for a crop of 140 tons of coffee and 35,000 pounds of cardamom.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,75,000	Gross block	16,60,660
Debentures	4,75,000	*Less*—Depreciation ...	1,70,901
Reserves ...	10,527		
Provision for taxation ...	1,97,427	Net block	14,89,759
Liabilities ...	3,17,196	Stock of coffee and cardamom ...	5,55,635
Profit and loss account ...	1,21,432	Debts, deposits and advances ...	2,93,920
		Cash. ...	57,268
Rs.	23,96,582	Rs.	23,96,582

Teloijan Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1957.

The season's working resulted in a profit, after providing for depreciation, of Rs. 4,03,144 (Rs. 5,19,593) to which must be added the balance of profit brought forward from 1956 of Rs. 64,681 (Rs. 62,549) making a total of Rs. 4,67,825 (Rs. 5,82,142). From this amount must be deducted—Adjustment account Rs. 6,991 (Rs. 17,576), provision for taxation Rs. 1,45,000 (Rs. 2,05,500) and provision for wealth tax Rs. 8,000 (Rs. 5,000) leaving a balance of Rs. 3,07,834 (Rs. 3,98,981 after writing off stores to the extent of Rs. 85). From this amount the directors have set aside to buildings and machinery reserve Rs. 50,000 (Rs. 1,25,000) leaving an available balance of Rs. 2,57,834 (Rs. 2,73,981) which, the directors recommend, should be distributed as follows:—

In payment of a dividend for the year ended 31st December, 1957, at the rate of Rs. 3 (Rs. 3.50) per ordinary share on 59,800 ordinary shares, absorbing Rs. 1,79,400 (Rs. 2,09,300), leaving to be carried forward Rs. 78,434 (Rs. 64,681).

The saleable crop weighed out at 10,300 (9,653) maunds against an estimate of 9,750 (10,000) maunds and was disposed of at an average price of Rs. 2.25 (Rs. 2.53) per lb.

The usual comparative statement for previous seasons is given below:—

Season	*Crop*	*Average price per lb.*
	Mds.	Rs.
1956	9,653	2.53
1955	10,032	2.10
1954	10,467	3.11
1953	8,508	2.01

Estimate 1958.—The saleable crop for season 1958 is now expected to amount to 9,800 maunds.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,98,000	Gross block	15,39,500
Reserves ...	12,48,874	*Less*—Depreciation ...	4,94,783
Provision for taxation ...	4,41,357		
Liabilities ...	7,40,194	Net block ...	10,44,717
Profit and loss account	78,434	Capital work-in-progress	40,087
		Stock of tea	6,35,961
		Stores, spare parts, etc.	2,22,008
		Debts, deposits and advances ...	4,82,589
		Investments	61,497
		Cash ...	6,20,000
Rs.	31,06,859	Rs.	31,06,859

Pathemara Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

Crop.—A crop of 5,815 (5,100) maunds was manufactured and was disposed of for sale in Calcutta for export 5,202 maunds and for sale in Calcutta for internal consumption 613 maunds. The average price per lb. realised was Re. 1.66 as compared with Re. 1.75 per lb. obtained for the previous season's crop. The Company's export quota for season 1957 was 3,856 maunds.

The revenue account shows a loss of Rs. 35,535 (Rs. 88,025) and after adding to this:—Manager's planting commission Rs. 561 (*nil*), pension Rs. 10,000 (*nil*), managing agents' remuneration Rs. 20,000 (Rs. 19,469) and depreciation Rs. 14,738 (Rs. 16,780) there is a debit balance of Rs. 80,834 (Rs. 1,24,274). From this amount is deducted the managing agents' remuneration voluntarily surrendered Rs. 20,000 (Rs. 10,000) leaving a net loss for the year of Rs. 60,834 (Rs. 1,11,638 after deducting Rs. 2,636 being excess provision for liability in respect of previous year). After adding to this the adjusted debit balance of Rs. 95,975 (Rs. 18,440) brought forward from the previous year, there is a debit balance of Rs. 1,56,809 (Rs. 93,198) on profit and loss account, which is carried forward.

The estimates for season 1958 have been framed for a crop of 6,500 (6,000) maunds at a total cost of Rs. 8,39,990 (Rs. 7,53,307) which excludes Rs. 1,28,700 (Rs. 51,600) being estimated capital expenditure.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,59,050	Gross block	4,92,640
Liabilities ...	9,75,051	*Less*—Depreciation ...	68,988
		Net block ...	4,23,652
		Stock-in-trade	4,06,185
		Stores and supplies ...	1,62,902
		Debts, deposits and advances ...	81,644
		Investments	1,000
		Cash ...	1,909
		Profit and loss account ...	1,56,809
Rs.	12,34,101	Rs.	12,34,101

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

Geared to the NATION'S ECONOMY

J. K. Organization is not content to rest on its laurels in a spirit of complacency. It is striving with all its vast resources at its command to meet the possible requirements of the country through various sectors.

COTTON TEXTILES	Dhoties — Sarees — Shirting — Longcloth — Cooting—Mulls—Prints—Cotton Blankets in multi-check designs and colours and woollen finish — Mineral Khaki Drills — Tapestry — Canvas—Yarn, etc.
WOOLLEN TEXTILES	Woollen Worsted—Cord Suitings—Tweed—Flannel — Serge — Knitting Wool — Rugs — Blankets, etc.
JUTE TEXTILES	Canvas—Hessian—Bags—Twine—Chair cloth
RAYON	Viscose Filament
HOSIERY	Underwears—Shirts—Knickers—Socks, etc.
ALUMINIUM	Alloys—Sheets—Circles—Coil of Strips—Shots—Expanded Metal—Notched Bars, etc.
STEEL	Bars—Rods—Steel Castings for Sugar Mills, Oil Mills and Railways.
ENGINEERING	Engineers' Files—Baling Hoops of Jute and Cotton, Steel Wired Ropes and Box Strappings.
CHEMICALS	Heavy Acids, Chemicals, Disinfectants, Insecticides. Ayurvedic and Unani Medicines, etc.
PAINTS	Paints for Marine, Domestic and Industrial requirements, Enamels, Varnishes and Distempers.
MINES	Manganese—Soap Stone, etc.
SUGAR	Quality "Majholia" Sugar.
STRAWBOARDS	Strawboards, Mill Boards, Corrugated Boards and Duplex Boards.
PLASTICS	Electrical Fittings and other household utility materials, etc.
FOOD, OIL, SOAP, ICE	Industrial Oils, Mustard Oil, Soaps.

SERVICES:

COMMERCE - TRADE - INVESTMENT - BANKING - INSURANCE - IMPORT - EXPORT

J. K. ORGANIZATION

KANPUR • BOMBAY • CALCUTTA

Notices

THE CONSOLIDATED COFFEE ESTATES (1943) LTD.

NOTICE IS HEREBY GIVEN THAT THE Fifteenth Annual General Meeting of the Company will be held at the Registered Office of the Company, Pollibetta, at 10.30 a.m. on Tuesday the 30th December 1958, for the purposes stated below:—

1. To receive and consider the Balance Sheet and Profit and Loss Account for the year ended 30th June 1958.
2. To receive and consider the Report of the Directors on the working of the year ended 30th June 1958.
3. To declare a Dividend.
4. To elect Directors.
5. To appoint Auditors and fix their remuneration.
6. To transact any other competent business which may be brought before the meeting.

The Ordinary Share Transfer Books of the Company will be closed from 16th December 1958 to 30th December 1958, both days inclusive.

By Order of the Board,

For THE CONSOLIDATED COFFEE ESTATES (1943) LTD.,

C. I. MACHIA,
Secretary.

POLLIBETTA, 21*st November* 1958.

(*P.S.*—The Board of Directors has recommended a dividend of 20 per cent. free of Indian Income-tax on the Ordinary Shares.)

Note.—Any member of the Company entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself.

COFFEE LANDS AND INDUSTRIES (MYSORE) LTD.

NOTICE IS HEREBY GIVEN THAT THE Twelfth Annual General Meeting of the Company will be held at the Registered Office of the Company, Pollibetta, at 12 noon on Tuesday the 30th December 1958, for the purposes stated below:—

1. To receive and consider the Balance Sheet and Profit and Loss Account for the year ended 30th June 1958.
2. To receive and consider the Report of the Directors on the working of the year ended 30th June 1958.
3. To declare a Dividend.
4. To elect Directors.
5. To appoint Auditors and fix their remuneration.
6. To transact any other competent business which may be brought before the meeting.

The Ordinary Share Transfer Books of the Company will be closed from 16th December 1958 to 30th December 1958, both days inclusive.

By Order of the Board,

For COFFEE LANDS AND INDUSTRIES (MYSORE) LTD.,
THE CONSOLIDATED COFFEE ESTATES (1943) LTD.,

C. I. MACHIA,
Secretaries & Treasurers.

POLLIBETTA, 22*nd November* 1958.

(*P.S.*—The Board of Directors has recommended a dividend of 20 per cent. free of Indian Income-tax on the Ordinary Shares.)

Note.—Any member of the Company entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself.

Notices

ROHTAS INDUSTRIES LIMITED

THE TWENTY-FIFTH ANNUAL GENERAL Meeting of the Shareholders of Rohtas Industries Limited will be held at the Registered Office of the Company at Dalmianagar on Tuesday, the 30th December 1958, at 11.30 a.m., to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Accounts for the financial period ended 31st March 1958.

(2) To declare dividends.

(3) To elect a Director in place of Shri Nand Lall Poddar who retires by rotation but, being eligible, offers himself for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration. The retiring Auditors, Messrs. K. N. Gutgutia & Co., being eligible, offer themselves for re-appointment.

(5) As special business

(1) To consider and if thought fit to pass with or without modification the following Resolution which will be proposed as Special Resolution of which special notice has been received:

"RESOLVED that Shri S. P. Jain, Chairman and Director, and an associate of Messrs. Sahu Jain Limited, the Managing Agents of the Company, be and is hereby appointed a Director of the Company liable to retirement by rotation under Section 261 of the Companies Act, 1956."

(2) To be proposed as ordinary resolution:

"RESOLVED that remuneration of Messrs. K. N. Gutgutia & Co., Chartered Accountants and Auditors for the financial period of 17 months ended 31st March 1958, be and is hereby sanctioned at Rs. 20,000."

The Share Transfer Books of the Company will remain closed from 25th December to 30th December 1958, both days inclusive.

By Order of the Board,

For SAHU JAIN LIMITED,

A. P. JAIN,
Director,
Managing Agents.

CALCUTTA, *2nd December* 1958.

N.B.—A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

EXPLANATORY NOTE

Resolution No. 1

In accordance with the stipulations made by the Company with the Industrial Finance Corporation of India in respect of the loan of Rs. 1 crore obtained from them, the Corporation has nominated one Director as their nominee on the Board of Directors of the Company, whose office as such will not be liable to be determined by rotation. Shri S. P. Jain, Chairman, Sahu Jain Ltd., the Managing Agents of the Company, is already an ex-officio Director nominated by them on the Board of the Company, whose office as such is not liable to be determined by rotation under Section 261 of the Companies Act, 1956. The number of non-rotational Directors, however, cannot exceed one-third of the total strength of the Board of Directors. At the request of the Board of Directors, the Managing Agents have agreed to withdraw the nomination of Shri S. P. Jain as an ex-officio Director on the Board of the Company for the time being on his appointment as a Director. Under Section 261(1) of the Companies Act, Special Notice for the same has been duly received. Shri S. P. Jain, Chairman of Sahu Jain Ltd., is father of Shri A. K. Jain and Shri A. P. Jain who are Directors of Sahu Jain Limited. Approval of the shareholders is, therefore, solicited for the said appointment under the provisions of the Companies Act. Messrs. Sahu Jain Ltd., the Managing Agents, are interested in the said proposal.

Resolution No. 2

The Shareholders at the last Annual General Meeting appointed the Auditors on a remuneration of Rs. 15,000 for the year 1956-57. Since the financial period has been extended by 5 months and the Statements of Accounts have been now made and audited for the period of 17 months ended 31st March 1958, Auditors demanded an increase in their remuneration for the increased work which has been agreed to by your Board of Directors to Rs. 20,000 for the entire period subject to the consent and sanction of the shareholders which is hereby sought. The Managing Agents and/or the Directors have no interest.

FORT GLOSTER INDUSTRIES LTD.

ISSUE OF 42,000 ORDINARY SHARES OF Rs. 100 EACH AT PAR

(THIS IS NOT AN OFFER)

NOTICE IS HEREBY GIVEN THAT THE Board of Directors have decided to install a plant for the manufacture of electrical wires and cables and to implement this project they have determined to issue 42,000 new Ordinary Shares of Rs. 100 each at par. The new Ordinary Shares will rank *pari passu* with the existing Ordinary Shares in all respects save and except that they will proportionately participate to the extent of the amount paid on each share in any dividend which may be declared in respect of the financial year ending 31st March 1959, and will be offered for subscription at par (on payment of Rs. 50 on application and the balance as and when call or calls is or are made by the Board of Directors in this respect) to the Ordinary Shareholders whose names are entered in the Register of Members of the Company on December 27, 1958, in the proportion of two new Ordinary Shares for every one Ordinary Share held by the shareholder on that date (The holders of the fractional shares will also be entitled to such Rights) with the right to renounce all or any of the shares so offered in favour of third parties, and the right to apply for additional shares at par subject to the condition that those shareholders who renounce their rights would not be entitled to apply for additional shares.

The Register of Members of the Company will remain closed from December 15, 1958, to December 27, 1958 (both days inclusive).

Persons holding shares on blank transfer deeds are advised in their own interest to lodge properly completed transfer deeds with the relative share certificates at the Company's Registered Office, 21, Strand Road, Calcutta, for registration of the shares in their names before December 15, 1958, in default of which no claim by such persons shall lie against the Company. Circular Letters setting out the terms of the offer and detailing the procedure to be followed and Letters of Rights with forms of Renunciation, Acceptance and Request for additional shares will be issued to the aforementioned members on December 27, 1958, or as soon as practicable thereafter.

By Order of the Board,

KETTLEWELL BULLEN & CO. LTD.,
Managing Agents.

21 STRAND ROAD,
CALCUTTA-1,
Dated: November 25, 1958.

THE PUNJAB NATIONAL BANK LTD.

NOTICE

CONSEQUENT TO THE GENERAL MEETING of The Punjab National Bank Ltd., held on 29th October 1958, having resolved to sub-divide the existing 8 lac shares of Rs. 25 each, whether issued or not, comprised in the Bank's Authorised Capital of Rs. 2 crores into 20 lac shares of Rs. 10 each, members of the Bank are requested to send their existing share certificates to the Regisered Office of the Bank at Parliament Street, New Delhi-1, for exchange with new certificates.

R. L. TULI,
Secretary.

29th November, 1958.

HUKUMCHAND JUTE MILLS, LTD.

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE next Annual General Meeting of the Shareholders will be held at the Registered Office of the Company, 9, Brabourne Road, Calcutta, on Monday, the 29th December, 1958, at 4-30 p.m., for the following purposes:—

(1) To receive and pass the Directors' Report and Audited Accounts for the year ended 31st March, 1958.

(2) To declare Dividends.

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

(4) To appoint Auditors.

(5) To pass the following resolution as a Special Resolution:—

"Resolved that the draft Articles of Association of the Company submitted to this Meeting and signed by the Chairman for the purpose of identification be and are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of the Company."

(6) To transact any other business that may be brought before the Meeting.

Dividends, if declared, will be paid to Registered Shareholders only.

The Share Transfer Register of the Company will be closed from the 17th December 1958 to 29th December, 1958, both days inclusive

By Order of the Board,

RAMDUTT RAMKISSENDASS,
Managing Agents

CALCUTTA, *27th November*, 1958.

Resolution in item No. 5 of the above Notice is intended to bring about a number of changes in our existing Articles of Association in order to bring them in line with the provisions of the Companies Act 1956. A separate Explanatory Statement under Section 173 has been sent to all the Shareholders along with the Notice.

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

ORIENT PAPER MILLS LTD.

NOTICE IS HEREBY GIVEN THAT THE Fortieth Annual General Meeting of the ORIENT PAPER MILLS LIMITED will be held at the registered office of the Company at Brajrajnagar in the district of Sambalpur (Orissa) on Tuesday, the 30th December, 1958 at 11 a.m. for the following purposes:—

(*a*) To receive and consider the Report of Directors and to adopt the audited Accounts of the Company for the year ended 31st March, 1958.

(*b*) To declare Dividends on Preference and Ordinary Shares.

(*c*) To elect Directors.

(*d*) To appoint Auditors and to fix their remuneration.

(*e*) To transact any other business capable of being transacted at the Annual General Meeting.

The Register of Members and the Share Transfer Books will remain closed from the 8th to 30th December, 1958, both days inclusive.

By Order of the Board,

Per Pro. BIRLA BROTHERS PRIVATE LIMITED

G. D. MAKHARIA,
Managing Agents

8, INDIA EXCHANGE PLACE,
CALCUTTA, *25th November*, 1958.

N.B.—(i) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(ii) The dividends, when declared, will be payable to registered shareholders as on the 30th December, 1958, on or after the 20th January, 1959.

TREASURY BILL RATE DECLINES FURTHER

(From Our Own Correspondent)

BOMBAY, 3rd December

Activity in the short-term money section was sluggish during the week under review. While supply of funds continued to rise, there was no sign of the customary seasonal demand for bank credit picking up; there was, therefore, a predominance of lenders and the turnover was small. In the inter-bank call money section, lenders were over, but there was no further fall in the rate. It remained unchanged at 1 per cent. among the Exchange and large Indian banks and at 2-2½ per cent. among the smaller banks. House money at 7 days' notice was on offer at 3½ to 3⅞ per cent. and short-term deposits at 3½ to 4 per cent.

The easy money conditions are more fully reflected in the further decline in Treasury Bill rate this week from 2.442 per cent. to 2.423 per cent. per annum, notwithstanding a fall in the amount tendered. As against an invitation for Rs. 3 crores, the amount offered at this week's sales aggregated Rs. 4.55 crores, the corresponding amount tendered at the previous week's sales being Rs. 5.50 crores. This means that, though the number of applicants must have been small, those who applied must have been keener than last week in their desire to invest in these bills. Tenders at Rs. 99.395 were accepted in full and those at Rs. 99.390 allotted approximately 31 per cent. Tenders for next week's sales are unchanged at Rs. 3 crores. Sales of intermediate Treasury Bills held between 26th and 29th November amounted to Rs. 50 lakhs and sales of these bills will be held this week also at a slightly higher rate of Rs. 99.411 per cent. This will work out to a discount rate of 2.356 per cent. per annum, as against 2.376 per cent. per annum last week.

A drop of Rs. 7.51 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 28th November 1958. Notes held in the Banking Department are higher by Rs. 8.41 crores and the consequent small rise of Rs. 90 lakhs is covered by a similar increase in rupee coin. Deposits of the Central Government have gone up by Rs. 7.57 crores, while deposits of other Governments have declined by Rs. 34 lakhs and those of banks by Rs. 13.77 crores. While foreign securities are unchanged, balances held abroad have declined slightly by Rs. 89 lakhs. Loans and advances to Governments have risen by Rs. 1.12 crore. Investments are lower by Rs. 11.43 crores and Government Treasury Bills purchased and discounted by Rs. 3.79 crores.

The Scheduled banks' statement for the week ended 21st November 1958 shows a further substantial expansion in bank deposits, accompanied by a sizable drop in advances. Thus, demand deposits have gone up by Rs. 7.11 crores and time deposits by Rs. 5.82 crores. Advances and bills purchased and discounted are lower by Rs. 9.95 crores. With the rise in deposits and fall in advances, banks have been able to reduce their borrowings from the Reserve Bank by Rs. 3.59 crores and those from the State Bank by Rs. 1.60 crore. Investments are, however, lower by Rs. 1.93 crore, but cash balances have swelled by Rs. 19.71 crores.

The Gilt-edged market continued to rule steady during the week under review also. There was a further hardening of prices in select counters, thanks to persistent, albeit small, enquiries in the face of a shortage of floating stocks. 3 per cent. 1986 Conversion Loan was unchanged at Rs. 73.20, while 3 per cent. 1970-75 gained 10 nP to Rs. 90.45, on enquiries following the rise in Reserve Bank's selling price of 4 per cent. 1972 last week. 3 per cent. 1966-68 held its own at Rs. 94. 3 per cent. 1964 gathered 10 nP to Rs. 96.80. 3 per cent. 1963-65 was placed at Rs. 96.80 *ex*-voucher, as against Rs. 96.75 *cum*-voucher last week. 3½ per cent. 1961 was quoted at Rs. 100.10 *ex*-voucher, as against Rs. 100.15 before payment of interest. 3½ per cent. 1964 was maintained at Rs. 99.90. 3½ per cent. 1965 hardened by as much as 15 nP to Rs. 99.85. The Reserve Bank put up its selling rate for 3½ per cent. 1967 by 10 nP to Rs. 99.05 and that of 3½ per cent. 1968 by 5 nP to Rs. 98.75. 3½ per cent. 1967 and 1968 were maintained at Rs. 100.60 and Rs. 100.40, respectively. Among the State loans, 4 per cent. 1967 and 1968 and 4½ per cent. 1970 loans continued to meet with good enquiries. 4½ per cent. Bombay 1970 gained 5 nP to Rs. 100.95. While 4 per cent. Madras 1967 shed 25 nP to Rs. 99.70. 1968 put on 10 nP to Rs. 99.60 and 4½ per cent. 1970 5 nP to Rs. 100.35. Andhra 1967 gathered 10 nP to Rs. 99.60. 1968 5 nP to Rs. 99.50 and 4½ per cent. 1970 5 nP to Rs. 100.30. U.P. 1967 and 1968 gained 10 nP each to Rs. 99.60 and Rs. 99.50, respectively.

There was a further setback in sterling abroad this week. In New York, spot sterling shaded off from $2.803-2.80.7/16 to $2.80.9/32-2.80.11/32, while three months' forward gained from $2.80-2.80.1/16 to $2.80.1/32-2.80.3/32. Transferable sterling also moved up from 279.40-279.50 cents to 279.45-279.55 cents. During the major part of the week, the rupee displayed some strength in terms of dollars, but weakened at the close. Bankers' selling rate for ready dollars declined from Rs. 477.50 to Rs. 477.25 before moving up to Rs. 477.50 per $100. Their buying rate closed at Rs. 474 after dropping to Rs. 473.75 per $100.

BASE METALS MOVE UP

(From Our Own Correspondent)

CALCUTTA, 2nd December

Following the delay in the issue of import licences to actual users under the new import policy, base metals recorded significant gains during the week under review. Even after this delay, consumers were able to get licences to cover only two months' requirements. Naturally, consumers were found to follow too little material available in the bazar, and, despite weaker advices from abroad, prices of base metals were moving up. The market noted Mr. Lal Bahadur Sastri's statement at the meeting of the Indian Non-Ferrous Metals Manufacturers' Association in Calcutta on Sunday that enough foreign exchange was not available to finance essential purchases from abroad for the maintenance of the country's economy and for raising industrial output. It was, however, hoped that the Minister's promise to look into the demand for conversion of import licences for copper scrap into those for ingots and *vice versa* would yield fruitful results.

Electrolytic zinc opened at Rs. 92.50 and hardened steadily to close at Rs. 96.00. Supplies were hardly available and the news that a licence for 20,000 tons of Russian zinc was issued in favour of the State Trading Corporation did not affect the upward trend. For it would not be two to three months before supplies under this licence would reach Indian ports. The State Trading Corporation would import this under the new Indo-Soviet Trade Agreement according to which payment would be in rupees to be adjusted against exports to the U.S.S.R. On the other hand, on the London Metal Exchange, spot price sagged from £76½ to £77. However, at the hardened rate, there were only a few transactions here and there. Virgin lead closed at Rs. 88.50, after opening at Rs. 86.00. Consumers gave more attention to lead scrap, as it was cheaper to be got for alloy-making. Tin reached as high as Rs. 606 from Rs. 581. The rise was attributed to export restrictions enforced by the International Tin Council. It was noted that the settlement price on the L.M.E. for copper declined from £235 to £225½. Customs smelters in New York reduced their selling price for copper by ½ cent to 29 cents per lb.

SILVER FIRM, GOLD EASY

(From Our Own Correspondent)

BOMBAY, 3rd December

There was a smart rise in silver during the week under review, while gold suffered a setback, although some recovery was in evidence today. The buoyancy of the white metal was whipped up by fears of scarcity in supplies, following the reported imposition of a ban on exports of Tibetan silver to India by the Chinese authorities. The operators noted the Prime Minister's reference to the ban in the Rajya Sabha on Monday, as also his observation that India could not do anything in the matter. This report, coming as it did when the floating stocks of silver were low and when demand from upcountry was showing signs of improvement, encouraged heavy speculative buying in silver, with the result that prices registered, as already mentioned, a marked rise.

The yellow metal depicted a downward trend, except towards the close. It encountered a fair amount of selling induced by remours of heavy arrivals of smuggled gold into the city. Yesterday, an operator was reported to have sold 5,000 tolas of gold at a discount of As. 4 under the forward, on apprehensions that additional stocks, estimated at 25,000 tolas, might be sold in the market. Consequently, prices declined. Today, however, there was some improvement on account of short-covering.

Forward silver (29th December settlement) opened the week at Rs. 190-8 and forged ahead on bull support to touch a high of Rs. 193-11 today before finishing at Rs. 193-2. The net gain over the week was Rs. 2-10. Business in the second settlement (end of January) commenced yesterday, the starting rate being fixed at Rs. 193-8. Today's quotation for the metal was Rs. 193-15.

Ready silver jumped up from Rs. 189-11 last week-end to Rs. 192-13 today. The closing rate was, however, As. 11 lower at Rs. 192-1. The daily average arrivals were of the order of 22 bars, while the offtake was 10 bars per day on an average. The floating stocks of silver are reported to be 1,400 bars.

Gold for forward delivery (27th December settlement), which stood at Rs. 114 last week-end, receded in the earlier sessions of the week, the rate at one time yesterday having gone down to as low as Rs. 112-4. Today, the settlement opened firm at Rs. 113-5 and closed at the same rate.

Ready gold came in for selling and dropped from Rs. 114-6 on Wednesday last to Rs. 112 yesterday. The price, however, recovered to Rs. 113-11 today before finishing at Rs. 113-5. The premium on the 27th December settlement, which was as wide as As. 9 last week-end, was wiped out today when both ready and forward were quoted on par. The daily average arrivals and offtake were 5,600 tolas and 2,400 tolas, respectively. The floating stocks of gold are estimated at 30,000 tolas.

Spot silver in London moved down from 77¼*d.* to 76¾*d.* and forward from 76¾*d.* to 76¼*d.* Gold prices, after declining from 250*s.* 4½*d.* to 250*s.* 3½*d.*, recovered yesterday to 250*s.* 4¾*d.* The price of silver in New York was unchanged at 90½*c.*

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

	3-12-58	Highest	Lowest	26-11-58
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	113 5	113 11	112 0	114 6
Forward*	113 5	113 11	112 4	113 13
Sovereign	73 0	73 4	73 0	73 0
SILVER				
Ready (.996 fine Mint) ..	192 2	192 13	189 3	189 11
Forward†	193 2	193 11	190 2	189 11
London Silver Ready ..	76¾*d.*	77¼*d.*	76¾*d.*	77¼*d.*
London Forward ..	76¼*d.*	76¾*d.*	76¼*d.*	76¼*d.*
London Gold ..	250*s.* 4½*d.*	250*s.* 4¾*d.*	250*s.* 3¼*d.*	250*s.* 4¾*d.*
New York Silver ..	90½*c.*	—	—	90½*c.*

* 27th December settlement. † 29th December settlement.

COTTON FUTURES CHEERFUL

(From Our Own Correspondent)

BOMBAY, *3rd December*

Cheerful conditions prevailed in the cotton futures market during the week under review. Fresh support from Akola and Ahmedabad, extensive short covering and good Spot House buying led to smart rally in prices. The main influencing factors were encouraging news from the cloth market of better export and domestic sales, reports of untimely rains and cloudy weather in Khandesh, Vidarbha and Indore causing damage to the crop, and the firmness of the spot market. In fact, the adverse turn of the weather in some regions have necessitated a downward revision in the crop estimate. Latest private estimates place the crop at no more than 5.2 million bales, as compared with 5.4 million bales at the end of October. There was also fears that good quality cotton would get scarce as the season progressed. These factors prompted large-scale buying orders and prices firmed up. But for occasional technical setbacks, the market followed a steady upward trend.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 625.25, as against the previous close of Rs. 626 and steadily advanced to Rs. 639 yesterday. Opening at Rs. 637 today, the contract gathered Rs. 2 before finishing at Rs. 637.25. The net gain over the week was Rs. 11.25. The following table indicates the trend of prices of the contract:

(In rupees per candy of 784 lbs.)

	3-12-58	*High*	*Low*	26-11-58
I.C.C. Moglai Jarilla March 1959 ...	637.25	639	624	626

The spot section was active. Prominent mill groups re-entered the market and made purchases of staple varieties. With limited offering of staple styles and lower arrivals, prices firmed up. Khandesh cotton was in the limelight and business to the tune of two to three thousand bales was done in one day. Southern mills were keen buyers of Berar Jarilla. Other varieties which attracted attention were CO2, Rajapalayam 174, Vijay, Jayadhar, etc.

In the export section, prices of Bengal *Deshi*, especially superfine, were very firm. Rates of Bengal Fine also went up. This was attributed to local purchases and less arrivals. Foreign demand did not revive to any appreciable extent. Stray inquiries, however, were noted from Japan, Hong Kong and the Continental countries.

In the foreign section, mills made moderate purchases of Californians at reduced prices. Inquiries were also noted for Sudanese and East African styles. Egyptian cotton was neglected because of the high rates quoted.

The licensing procedure for the recent quota of 95 000 bales of American cotton stapling 1.1/16" and above is as follows: half of the quota has been earmarked for distribution under the "export promotion scheme." For the remaining half, the Textile Commissioner will issue allotment letters to actual users, i.e., mills, on the strength of the information already furnished by them previously. However, if any mills desire to submit additional relevant information which may not have been submitted so far, they may do so before 5th December. The contracting period begins from 5th November 1958 till 30th May 1959 whilst the shipment period is from 5th November 1958 to 30th June 1959 (inclusive). Contracts should be made on or before 30th May 1959 at a fixed price and should be registered with the Office of the Textile Commissioner. Mills which do not desire to import the quantity which may become due to them for allotment are advised to inform the Textile Commissioner accordingly not later than 5th December 1958.

According to an announcement made by the Joint Chief Controller of Imports, Bombay, the Government of India has decided to extend further the period of shipment for the import of 30,000 bales Sudan and Egyptian cotton and 40,000 bales of East African cotton up to 31st January 1959. These allocations had been permitted for import on 6th/7th August last with the shipment period up to 31st October which was subsequently extended up to 30th November 1958.

The following are the latest available quotations—in rupees per candy of 784 lbs.—the figures in brackets being last week-end quotations:

Bengal *Deshi* 610 (600); Berar Jarilla 680 (670); Khandesh 750 (740); Vijay 885 (840). *Delivery contracts*: Bengal 600 (575); Mathia 585 (575).

Cotton futures values in Karachi scored handsome gains during the week. Better foreign demand, especially from the U.K. and the Continent, and wider domestic inquiries were the influencing factors. The distant March contract, in particular, received speculative support and ruled firm. The quotation for the contract rose from Rs. 64-14-6 last week-end to Rs. 67-8-6. The January contract gathered As. 7 to Rs. 65-15.

Fully steady conditions prevailed in the Alexandria cotton futures market during the week. The steadiness was due mainly to firm advices from the spot market where premiums, especially for Ashmouni, hardened on active buying. Price fluctuations in futures market were narrow and turnover limited. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week-end quotations:

Karnak: January 72.08 (72.00); March 72.08 (72.05). *Ashmouni*: December 62.85 (62.80); February 62.50 (62.60).

Easy conditions prevailed in Liverpool. Prices declined on hedge sales against cheaper Mexican offers and local long liquidation. Offtake was mainly confined to trade covering. Lower New York advices and the absence of encouraging news from the yarn and cloth markets discouraged sup-

port. Values consequently gave way. The latest quotations—in pence per lb.—are given below:

American cotton one inch staple contract: December-January 22.95; March-April 22.60; May-June 22.19; July-August 21.40. *American cotton mixed growth contract*: December-January 23.90; March-April 22.80; May-June 22.29; July-August 21.35. *Sudan*: January-February, May-June, July-August 26.50.

Cotton futures in New York suffered a further setback during the week. Increased hedge offerings and lack of trade support led to a fall in prices. Lack of support, despite heavy entry into the Government loan, was attributed to fears that mill buying in the primary markets would slacken later in the season.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	2-12-58	25-11-58	18-11-58
Spot	36.00	36.10	36.20
December	34.96	32.50	35.91
March	35.53	36.16	35.39
May	35.46	36.01	36.12

YARNS IMPROVE

(From Our Own Correspondent)

BOMBAY, *3rd December*

For the first time in the history of the yarn market, forward trading in German Bamberg yarns (40, 60 and 80 deniers) and Japanese yarns (150 and 120 deniers) was started on the 1st inst. under the auspices of the Bombay Yarn Merchants' Association and Exchange Ltd. The delivery month for both the yarns is February 1959. No transactions, however, were reported to have been put through till the close today.

The yarn market depicted a distinctly firm trend during the week under review. Art silk yarns met with good buying support induced by enquiries from important upcountry consuming centres and bright prospects of art silk fabrics exports. The premium on export promotion licences which had gone down recently to 40 per cent. recovered this week to 60 per cent. Staple fibre yarns also attracted good attention of operators who feared that there might be a shortage of supplies in the coming weeks. It was reported that although the production capacity of staple fibre yarn had been increased to 60 tons per day, actual output was running at a rate of only 45 tons per day owing to inadequate supplies of raw staple fibre. Cotton yarns ruled steady, thanks to improvement in raw cotton prices. Sixty and eighty counts were particularly well favoured following the notification issued by the Import Trade Control authorities that any cotton yarns below 100 counts would not be allowed to be imported against licences for the current licensing period.

Among art silk yarns, 120 Japan advanced by 13 nP to Rs. 4.81. 150 Japan gained 6 nP to Rs. 5.37. 120 Italy climbed up by 19 nP to Rs. 5.44. 150 Italy gained 6 nP to Rs. 5.37. Among indigenous yarns, National Rayons 120 bright cones first grade strengthened by 13 nP to Rs. 4.62. 150 bright cones first grade, however, lost 3 nP to Rs. 4.44.

Staple fibre yarn (40 x 2) December delivery spurted by Rs. 14 to Rs. 630. February delivery rallied by Rs. 17 to Rs. 639. In the spot section, 40 x 2 Citys rose by 11 nP to Rs. 3.30. Kohinoors strengthened by 12 nP to Rs. 3.37 and Centurys by 15 nP to Rs. 3.34. Among foreign yarns Paramounts hardened by 6 nP to Rs. 9.56. Fujis put on a like amount to Rs. 9.50.

In the cotton yarn section, finer counts evoked excellent demand. Sixty counts Finlays picked up Rs. 3.50 to Rs. 67. Among eighty counts, Finlays increased by Rs. 3.50 to Rs. 83.50. Ten counts Moderns were firm at Rs. 13.25 and Podars at Rs. 12.19. Deals in twenty counts Moderns were put through 6 nP higher at Rs. 16.31. Thirty counts Hinds were fully maintained at Rs. 18.75. Among forty counts Minaxis rose by 12 nP to Rs. 24.31. Moderns gathered a like sum to Rs. 25.37.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those six days ago:

	3-12-1958	26-11-1958
Art silk yarn (per case of 200 lbs.)—	Rs.	Rs.
120 Japan (per lb.)	4.81	4.68
150 Japan (per lb.)	5.37	5.31
120 Italy (per lb.)	5.44	5.25
150 Italy (per lb.)	5.37	5.31
Staple fibre yarn (per case of 200 lbs.)—		
40 x 2 December	630.00	616.00
40 x 2 February	639.00	622.00
40 x 2 Kohinoor (per lb.)	3.37	3.25
40 x 2 Century (per lb.)	3.34	3.19
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
20s Modern	16.31	16.25
30s Hind	18.75	18.75
40s Minaxi	24.31	24.19
60s Finlay	67.00	63.50
80s Modern	—	72.50

LINSEED IN THE LIMELIGHT

(From Our Own Correspondent)

BOMBAY, *3rd December*

Firm trends prevailed in the Bombay oilseeds market during the week under review. Linseed, however, shot up considerably on reports of export demand from communist countries. There was sympathetic movement in other oilseeds.

The groundnut section ruled steady. Lower crop estimates and encouraging reports of foreign advices for oil, particularly from Hong Kong, provided the sustaining factors during the week under review. The rise in values would, indeed, have been slightly higher but for sizable offerings from Gujerat and Saurashtra. Despite the release of quotas, there were no sizable orders for exports of H.P.S. groundnuts, thanks to the lower prices quoted in world markets. The groundnut February 1959 contract which stood at Rs. 162.50, after fluctuating within narrow ranges, hardened to close today at Rs. 164.75. Ready prices improved in sympathy, bold ready, for instance, having gone up from Rs. 33.00 to Rs. 33.75. Oil ex-mill also advanced from Rs. 17.87 to Rs. 18.25.

Similar trends prevailed in the castorseed section. According to the U.S. Department of Agriculture, Brazil will have a bumper crop next year. If this forecast materialises, there is no doubt that India will face stiff competition from Brazil in castor oil. Be that as it may, the short-term immediate trends in the local market led to a notable gain in the prices of futures as well as ready. The outlook for exports of castor oil at any rate was not considered altogether unsatisfactory, although export enquiries were limited. The general steady undertone in the oilseeds market no less than the brisk activity in linseeds account for the marked improvement in the castorseed section. Thus castorseeds improved by Rs. 2.12 to Rs. 143.87. Ready Madras opening at Rs. 28.75 gradually picked up strength and closed today at Rs. 28.75. Oil B.S.S. moved up by 25 nP to Rs. 16.62.

The linseed section, as already pointed out, was characterised by distinctly bullish fervour. Its quotations spurted during the week under review, mainly owing to reports that about 400 tons of linseed oil were sold to Rumania. There are hopes of further foreign enquiries, particularly from the countries of the communist block. The gradual rise in prices of foreign linseed has further accelerated the tempo of activity. The scarcity of supplies and a virtual absence of stocks and the higher upcountry demands also pushed up prices. Linseed May 1959 contract shot up by Rs. 2.50 to Rs. 116.50 over the week. Bold ready moved up from Rs. 34.50 to Rs. 36 today. Linseed oil likewise, moved up from Rs. 33.25 to close today at Rs. 36.00. Cottonseed February 1959 contract, as a result of the firm trends in the cotton market, advanced from Rs 114.00 to Rs. 116.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	3-12-1958	26-11-1958	19-11-1958
Groundnut	Rs.	Rs.	Rs.
Groundnut February contract	164.75	162.50	164.37
Bold ready (per cwt.)	33.75	33.50	33.50
Coromandel ready	34.25	33.87	34.25
Khandesh quality	34.25	33.87	34.25
*Oil ex-mill ready (per quarter)	18.25	17.87	18.25
Railway receipts	18.00	17.81	18.12
Castorseed			
Castorseed May 1959	143.87	141.75	143.00
Ready Madras (per cwt.)	28.75	28.50	28.62
Ready Kanpur	27.75	27.37	27.50
†Oil B.S.S. (per quarter)	16.62	16.37	16.37
Oil commercial	14.62	14.50	14.62
Linseed			
Linseed May 1959	31.87	30.19	30.44
Bold ready (per cwt.)	36.00	34.50	33.75
Kanpur	36.00	33.25	32.50
†Oil ready	18.25	17.50	17.56
Cottonseed			
Cottonseed February 1959	116.50	114.00	112.00
Nigerseed	31.00	30.25	29.50
Kardi seed	20.50	21.00	21.00

*Rates include excise duty but exclude sales tax.
†Rates exclude both excise duty and sales tax.

BLACK PEPPER WEAK

(Messrs. Parekh and Co.)

BOMBAY, *3rd December*

Malabar black pepper developed an easier tone during the week under review. A substantial decline in prices was noticed, thanks to pressure of arrivals which averaged 300 candies per day at Alleppey and Cochin. Demand from the U.S. remained patchy. Lower offers from India scared away the prospective buyers in New York who continued to revise lower their every next bid. New York, after buying December and Jan-Feb-March shipments from $0.22½ to $0.22, was reported to be quoting at the time of writing $0.21 for December shipment. Spot in New York came down to $0.23½, with small interest.

Garbled at Cochin came down from Rs. 94 to Rs. 85 in ready, while December moved from Rs. 93.50 to Rs. 86.50. Ready ungarbled slipped from Rs. 537½ to Rs. 481¼. One of the bulls who was reported to be long in December at Cochin came out to liquidate, as his expectation of sizable buying by Russia during November failed to materialise. Calicut was quoting Rs. 550, with small arrivals of light berries.

News of China putting restrictions on trade with Singapore and the Bank of China to suspend business in Malaya proved a depressing factor for pepper and rubber in Singapore where black came down to Str.$70 and white to Str.$126, with paucity of buyers.

The total export during the last season has been estimated at about 13,000 tons, as compared with 14,600 tons in the previous year. The increased demand from Russia and other Communist countries has provided an outstanding feature for the last season's export. Russia bought as much as 4,670 tons, while East European countries bought about 1,400 tons, the principal buyers being Rumania, East Germany and Hungary. Total purchases by the Communist countries account for about 46 per cent. of the total export. The take-up by the U.S.A. has shrunk to 2,750 tons, as against 3,300 tons during 1956-57.

The overall future tendency is at the moment downward and it is likely to remain so until the bulk of the crop is marketed. However, at lower level, support from Russia and the U.S.A. is expected. The fall in the prices will, therefore, be gradual and will be resisted by bulls among traders and the growers.

Following is the statistical position of Malabar black as available from the data collected from knowledgeable sources:—

(In tons)

Estimated carryover from 1956-57	2,000	
Crop estimated during 1957-58 ...	24,000	26,000
Less estimated export during the season 1957-58	13,000	
Less estimated inland consumption	10,000	23,000
Estimated carry-forward for 1958-59		3,000
Add crop estimated during 1958-59		27,000
		30,000
Less usual quantity to be held over by the growers for the next season		4,000
Overall estimated supply available for export and consumption during 1958-59		26,000

In the delivery section, prices slumped from Rs. 503 to Rs. 462 for December, while February from Rs. 510 to Rs. 468. In a declining market inland demand remained poor.

Today's nominal quotations are: Ready Rs. 6[illegible] per Bengal maund; December Rs. 470.75 and February Rs. 475.80 per candy of 5¼ cwts.

SUGAR FIRM

(From Our Own Correspondents)

BOMBAY, *3rd December*

The sugar market continues to rule firm. Traders feel that the first release of sugar out of the current season's production, expected to be announced by the end of next week, may be meagre. This view is based on the fact that the mills in North and South India commenced crushing operations very late.

Only small quantities of sugar are arriving by rail in the city. The total of arrivals in the past week amounts to just 4,200 bags, as against 7,000 bags a week before and 11,400 bags in the week preceding it.

Large grain sugar has risen over the week by a rupee to Rs. 112-Rs. 119 per bag. Small grain is fully maintained at Rs. 108, as also medium grain at Rs. 109-Rs. 111.

Out of the 97,940 tons of sugar released on 24th November, U.P. alone accounts for 38,326 tons. The zone-wise supplies (in tons) in respect of other States are: Bombay 25,722; Andhra Pradesh 12,886; Bihar 6,094; Madras 4,580; Madhya Pradesh 2,869; Mysore 2,853; Punjab 2,615; Rajasthan 1,168; W. Bengal 472; Orissa 355. Commenting on the release, a sugar trader observes: "It is evident that adequate floating stocks in the free market must now be available, so that the normal demands of the different zones in the country may be met at reasonable price levels."

* * * *

HAPUR, *1st December*

Despite the release of 97,000 tons of sugar for free sale, the sugar market ruled quietly steady, as the sugar released is inadequate to meet the demand. Crushing for the new season is in full swing in all the factories in west U.P. and cane supplies are reported to be adequate.

Sugar prices were also steady in the Muzaffarnagar market. Business for 5,000 bags D29 quality Seohara Factory was done at the controlled price at Rs. 36 per maund. Besides, business for bold grain was done in a limited quantity for destinations in Gujerat. Stocks of dry sugar with most of the factories were reported to be exhausting. Almost all the factories have started crushing, but the recovery of sugar is reported to be below average. The latest prevailing ex-mill wholesale prices were:—Seohara D29: Rs. 36; Amroha D29: Rs. 35.87; Bijnore E29: Rs. 35.62; Bareilly E29: Rs. 35.81; Kashipur D28: Rs. 35; Shamli B29: Rs. 37.12.

The sugar market at Kanpur was inactive towards the week-end. The dealers were eager to sell at reduced rates. The latest prices were:—Ex-mill controlled Rs. 36-12 per maund; spot per bag (C29) Basti Rs. 104; Gola Rs. 102-8; D29 Gola Rs. 101; Burhwal Rs. 101-4; Waltergunj, Balrampur and Tulsipur Rs. 100-8, Haragaon and Lakhimpur Rs. 100.

Khandsari prices were quiet. Owing to fall in ready *gur* prices, *khandsari* production has started in most of the centres. New quality was quoted between Rs. 32 and Rs. 35 per maund.

A further fall of about Re. 1 per maund was recorded in the prices of *gur* during the week. Daily arrivals, which were modest earlier, improved later and were 8,000 maunds on Monday. Outside demand was fair. The fall in *gur* prices was due to heavy arrivals in all producing centres. About 200,000 maunds of *gur* were reported to have reached Hapur market since the beginning of the current season, as against 125,000 maunds in the corresponding period last year. Best quality was today lifted at Rs. 14.12, *dara* at Rs. 13.62 and *shakker* at Rs. 15 per maund.

Gur prices at Muzaffarnagar also were easy. Arrivals during the week were put at 85,000 maunds, making the total from the beginning of the season to about 300,000 maunds. Wagon supply position was reported to be satisfactory and the latest prices were:—*Chaku* Rs. 13.50 to Rs. 14.50; Khurpapar Rs. 13.50; Ladu Rs. 13.62; *shakker dara* Rs. 14 to Rs. 15; and *masala* Rs. 17 to Rs. 18.

Gur fagun delivery was depressed during the week in line with ready prices. Opening at Rs. 12.88 on last Monday, it touched the highest at Rs. 12.89 and the lowest at Rs. 12.61 during the week and was today quoted at Rs. 12.75.

DEMAND FOR TEA SLACKENS

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, *27th November*

Sale No. 33, with 1,944,557 lbs. on offer, was held on Tuesday, 25th November. Teas from the Nilgiris district showed a further seasonal decline, whilst teas from Travancore were disappointing, and showed a marked decline in leaf appearance. There was considerably less demand, and the market opened 10 to 15 nP lower for low medium and medium teas, but declined still further towards the close of the sale and there were heavy withdrawals. Good medium teas met with some support, but were generally easier by 10 to 15 nP. There was a fair demand for the better liquoring sorts at lower rates following quality. Whole leaf teas did not meet with the same competition as in previous weeks and were easier. Tippy teas were considerably lower and a few of these types had to be withdrawn. The quotations were: Low medium Re. 1.45 to 1.55; medium Re. 1.60 to 1.70; good medium Re. 1.90 to 2.20 and quality Rs. 2.50 to 3.90.

London Market: Sale of 24th November 1958:—Best liquoring several pence higher. Plain teas 1*d.* to 2*d.* dearer.

Sale of 25th November 1958:—Best firm. Others easier.

Colombo Market: Sale of 24th November 1958:—Quality declined. Best available highgrowns dearer. Below best 10 to 20c. lower. Best mediums steady. Below best 15c. lower. High and medium fannings below best down 30 to 40c. Gulf types slightly dearer. Small leaf lowgrowns barely steady.

Sale of 25th November 1958:—Good demand. Stalky and poor liquoring sorts 5 to 10c. lower. Better kinds steady.

Calcutta Market: Export.—With the exception of whole leaf grades, market irregularly lower.

Internal:—23,000 packages dust. Good general demand at easier rates. Orthodox 2 to 4 nP easier. Medium C.T.C. 10 to 15 nP easier. Better C.T.Cs. 20 to 25 nP easier. Few selected best grainy C.T.Cs. good demand.

Export Quota:—Very little business has been transacted at 1¼/1¾ nP. The latest quotation is sellers at 2 nP and buyers at 1½ nP.

Forthcoming Auctions:—Sale No. 34 will be held on Tuesday, 9th December 1958.

As we go to press Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire as follows:

"*Dust Sale Y*:—900,000 lbs. Fair demand, but price irregularly 10 to 15 nP lower; sometimes more."

TEA FETCHES LOWER PRICE

(From Our Own Correspondent)

CALCUTTA, *2nd December*

Tea trade circles were surprised to read the Union Minister for Revenue and Civil Expenditure, Mr. Gopala Reddi's statement in Parliament, while turning down the just demand for further duty relief to the tea industry, that since the excise and customs duties were revised—this was done towards the end of September just prior to the adjournment of the monsoon session of Parliament—the industry was picking up and that there was no ground for undue anxiety. He also added that tea prices improved in October and that exporters were offering higher prices for Dooars and Assams. The Minister further claimed that prices of common and low teas had advanced by "as much as 10 nP in October" and export varieties had gained. The following comparative table, giving the prices fetched at both export and internal auctions held here just prior to the above revision and afterwards, however, repudiates Mr. Reddi's claim:

	Quotations as on			
	22-9-1958	13-10-1958	24-11-1958	Difference
Export auctions	Rs.	Rs.	Rs.	
Best C.T.C. fannings	3.00 to 3.40	2.80 to 3.00	2.10 to 2.15	—90 nP to Re. 1.25
Best C.T.C. Assam BP	2.70 to 3.10	2.60 to 2.70	2.00 to 2.05	—70 nP to Re. 1.05
Clean black pekoe	2.00 to 2.10	2.00 to 2.04	1.95 to 2.00	— 5 nP to 10 nP
Medium BP	1.85 to 1.90	1.90 to 1.95	1.72	—18 nP
Medium fannings	1.98 to 2.10	1.95 to 2.05	1.78 to 1.82	—20 to 28 nP
Plain BP	1.70 to 1.74	1.73 to 1.78	1.58 to 1.62	—12 to 16 nP
Plain fannings	1.80 to 1.88	1.86 to 1.92	1.70 to 1.76	—10 to 12 nP

	Quotations as on			
	23-9-1958	15-10-1958	26-11-1958	Difference
Internal auctions	Rs.	Rs.	Rs.	
Best Assam C.T.C. dust	2.50 to 3.10	2.80 to 3.10	2.60 to 3.00	+10 to nil
Medium Assam C.T.C. dust	2.10 to 2.30	2.10 to 2.25	1.90 to 2.20	—20 to 10 nP
Medium Assam grainy dust	1.78 to 1.80	1.88	1.86	+6 nP
Medium Dooars dust	1.76 to 1.78	1.86	1.84	+6 nP

The Minister for Revenue and Civil Expenditure further claimed that there were reports of "better production." It was true that output in North Indian gardens had increased by 11.3 million lbs. in the month of October. The revision in the tea export and custom duties was announced by the end of September, and tea trade circles could hardly think how the higher output in October could be attributed to the revision announcement just a few days before the beginning of the month surprised market circles. The consensus of opinion is that the increase in October was just seasonal in character and that when output figures for November and December would be obtained for the whole of India, the year's output would not after all amount to even that of 1957.

There was good general demand at last week's internal auctions; but prices realised were lower. Dusts on offer amounted to 22,681 chests. Orthodox teas eased by 2 to 4 nP, with powdery types receiving less attention. Legg-cut Dooars were quiet. C.T.Cs. were irregular. While the brown grainy exportable teas rose above valuations, the poorer and medium teas eased by 10 to 15 nP, and the better sorts by 25 nP. The quotations were: Best Assam C.T.C. Rs. 2.60 to 3.00, medium Assam C.T.C. Re. 1.90 to 2.20, medium Dooars Re. 1.84, and medium Assams Re. 1.86.

Leaf on offer amounting to 1,865 chests realised irregularly easier rates, although there was a good general demand.

It was noted here that tea stocks in the United Kingdom in the week ended 21st November increased by 2 million lbs. to 139 million lbs.

Export offerings during yesterday's sale, amounting to 67,698 chests, met with good general demand at lower rates. "Teas for price" gave way by 4 to 6 nP, plain and medium brokens and fannings by 6 to 10 nP, and orthodox medium Assam B.O.Ps. by 10 to 20 nP. There were heavy withdrawals in C.T.Cs, prices of which declined by 10 to 15 nP. Legg-cut teas were lower by 6 to 10 nP, while whole leaf grades were about steady. Darjeelings sharing the general trend were quiet. The rates were: Best Assam C.T.C. fannings Rs. 2.80, best Assam C.T.C. B.P. Rs. 2.10, clean black pekoe Re. 1.95 to 2.00, medium fannings Re. 1.70 to 1.74, plain B.P. Re. 1.56, plain fannings Re. 1.62 to 1.66, and medium B.P. Re. 1.64.

Export quota changed hands at 1¾ nP, although sellers afterwards raised the quotation to 2 nP.

JUTE GOODS DULL

(From Our Own Correspondent)

CALCUTTA, *2nd December*

Prices of jute goods moved within narrow limits during the week under review, as demand was poor and shipping instructions were also small. The raw jute market was naturally affected, and to the distress of stockists and cultivators fibre prices did not show any sign of improvement thereby increasing the anxiety felt by mills and the State Government. In contrast to the trend in jute prices, paddy and rice prices are being maintained at high rates. Surely, the paddy cultivator's fortune is considerably better than his compatriot in jute cultivation. Raw jute prices have now declined considerably below cost of production. Average production costs in recent years have varied from Rs. 20 to Rs. 25 a maund, against which the current selling price in the market is Rs. 21, basis Assam bottoms. It is believed that a good portion of the jute has by now passed from cultivators' hands, and even after taking the then prevailing prices into consideration and trade expenses, most jute has been sold at a loss to the cultivators. If stockists now sell to mills at the existing rates, they will also incur losses.

Trade circles considered the present situation very serious, and it was natural that this problem received considerable attention at the annual meeting held here on Saturday last of the Indian Central Jute Committee under the chairmanship of Dr. M. S. Randhawa, Additional Secretary, Union Ministry of Food and Agriculture. The meeting urged the Government of India to fix immediately floor prices for each grade of jute and mesta, as in the event cultivators failing to get reasonable prices, there was a possibility of jute-land being turned over to paddy cultivation in the next season. In such an event the country would have again to depend on Pakistani jute prices of which, it should be noted, are higher than the indigenous jute in respect of the superior varieties. The meeting appointed a nine-man sub-committee to examine the question of fixing the floor price and to evolve a formula. The sub-committee was asked to submit its report within two months. Trade circles were of the view that, if no action was taken by Government either to fix floor prices or to permit immediately exports of such fibre varieties as are unwanted by mills and Government waited for a further period of two months, the position was bound to deteriorate further. As pointed out at the above meeting of the I.C.J.C., the position of the jute grower as a buyer of paddy suffered considerably from the unfavourable cost-price relationship between jute and paddy. A planned approach towards stabilising jute production continued to be as difficult as ever in view of the unreliability on weather. From all reports, Bihar appeared to have been worse hit, and the growers there had demanded of New Delhi to appoint a commission to inquire into the jute crisis there.

Early in the week bulls liquidated their holdings in hessian, as a result of which ready hessian 40" 10 oz. declined to Rs. 41.50 from Rs. 42.15. In sympathy, ready B. twills were lower at Rs. 94.30, as against Rs. 94.60 earlier. The market was closed on Wednesday last on account of the Central holiday for *Guru Nanakji's* birthday, but there was business done with the United States in hessian. Consequently, the price of hessian 40" 10 oz. improved to Rs. 41.65. Some export business was also done in B. twills, but, as the quantity involved was too small, there was not a visible change in the quotation at Rs. 94.25. At this stage, the Government showed some interest in sacking goods, and on Thursday the price for B. twills moved up to Rs. 95.25 and hessian 40" 10 oz. improved to Rs. 41.90. Shipment figures showed that for the month as a whole the quantity of hessian shipped would not be lower than in October, although in the week under review shipping instructions were poor. By the week-end, hessian 40" 10 oz. improved to Rs. 42.80. However, this expectation was not entertained in respect of sacking goods, and by the week-end B. twills declined to Rs. 95. Yesterday there was business done in near delivery hessian with Argentina, but the quantity being small, ready hessian 40" 10 oz. eased to Rs. 42.25; B. twills lost to Rs. 94.40 as there was no business.

For the first time during the last several weeks, indications were in evidence of growers' resistance to offer jute at the existing low rates. For fresh arrivals in up-country centres registered some decline. As a result, although quiet conditions prevailed in the fibre market here, prices were about maintained at last week's levels. While Assam bottoms improved to Rs. 22 from Rs. 21.50 northern bottoms declined to Rs. 21.25 from Rs. 21.50, and *daissee* bottoms were maintained for a time at Rs. 23.50, although according to the latest report there had been a fall to Rs. 22.75. The latest quotations are:

	Middles	*Bottoms*
	Rs.	Rs.
Pakistani:		
District	29.50	26.50
Northern	29.50	26.50
Indian:		
Northern	23.75	21.25
Assam	24.50	22.00
Orissa	26.50	24.00
Desal	23.00	20.50
Murshidabad	22.00	19.50
Jungli	21.75	19.25
Daissee	25.25	22.75
Uttar Pradesh ...	21.75	19.25
Daissee mesta	21.75	19.25
Bimli f.a.q.	...	Rs. 19.50

Pucca bales 1st marks Rs. 145.00 per bale ready.

BRISK TRADING IN KIPS

(From Our Own Correspondent)

MADRAS, *1st December*

Trading in East India kips and calves was very brisk and good volume of business was done during the week under review. Buff calf attracted buyers from the U.S.A. at 76 cents for 2/2½ lbs. run and U.K. bought 1½/2 lbs. run at 69*d.* to 70*d.* Demand for cow calf exceeded supply. Arrivals were small.

Superfine tanned goat skins lights and mediums were in good demand and also for ordinaries, but arrivals of ordinary qualities dwindled of late, as raw prices were unworkable. Medium quality tanned sheep skins had good call from the U.K., the Continent and Japan, and prices ruled firm throughout.

HIDES STRONG

(From Our Own Correspondent)

KANPUR, *1st December*

During the week under review, demand for upper grade buff and cow was strong. The Madras dealers were keen buyers of lighter cow and goat. The parties representing Calcutta exporters made considerable purchases of almost all categories of goat. The chief customers were, of course, the local tanners.

The latest available quotations are: Wet salted cow hides 1st grade Rs. 350 and 2nd grade Rs. 325 per score; wet salted buff 1st grade 1 lb. 14 ozs. and 2nd grade 2 ozs. per rupee; goat 1st grade Rs. 350 and 2nd grade Rs. 300 per 100 pieces; sheep 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces.

"KHARIF" GRAINS DEPRESSED

(From Our Own Correspondent)

HAPUR, *1st December*

Quiet conditions were witnessed in the foodgrains market during the past week. *Kharif* grains were depressed, thanks to good arrivals. The Union Food Ministry is believed to have urged the State Governments to procure about 1.5 million tons of foodgrains, including rice, wheat, *jowar*, *bajra* and maize, during the coming year and to aim at procurement of 2 to 3 million tons next year. Details of the scheme relating to State trading in foodgrains as recommended by the National Development Council is being worked out and it is understood that it will be implemented in two stages. The first would seek to license wholesale trade and regulate its functioning and the second would involve the setting up of a State-sponsored body to undertake large-scale purchase and sale operations.

Wheat at Hapur ruled quiet at almost unchanged level at Rs. 24 per maund for average quality and upto Rs. 25.25 for farm produce. Arrivals from the producing areas continued to be small and seasonal consumer demand, too, was slack, as it was being concentrated on maize and *bajra*. Sowings of *rabi* grains is finished and germination reports have been fairly good.

Rice registered a further fall of about Re. 1 per maund due to good supply position. Procurement operations for rice in the States of U.P., Madhya Pradesh, Orissa, Bombay and Bihar are to begin soon and prices on which the Government will purchase has been fixed. The prevailing prices of rice here were:—*Basmati sela* Rs. 28; *mainpuri* Rs. 20.50; inferior quality Rs. 18 per maund.

Gram ruled quiet, despite poor local stocks. For the demand was slack. The Union Government has rejected the U.P. Government's plea for imposing restrictions on the movement of peas and gram from U.P. Barley and *bejhar* prices were almost unchanged. Maize and *bajra* were depressed, thanks to heavy arrivals from outside and increasing stock position, despite brisk consumer demand. *Jowar* and *guwar* prices were quoted slightly lower. The week-end prices (in rupees per maund) were:—gram *punjabi* 19.37; *barley* 17.25; *bejhar* 17; maize 14.50 to 15; *bajra* 15.50; *jowar* 13.75; *guwar* white 15.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 28th Nov., 1958

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		25,00,00,000
National Agricultural Credit (Stabilisation) Fund		3,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		59,59,71,000
(2) Other Governments		24,14,90,000
(b) Banks		88,16,68,000
(c) Others		116,88,88,000
Bills Payable		15,10,35,000
Other Liabilities		20,02,11,000
	Rupees	436,92,63,000

ASSETS	Rs.	Rs.
Notes		40,24,49,000
Rupee Coin		2,00,000
Subsidiary Coin		3,19,000
Bills Purchased and Discounted—		
(a) internal		....
(b) External		....
(c) Government Treasury Bills		1,41,75,000
Balances held abroad*		15,95,39,000
Loans and Advances to Governments†		21,92,50,000
Other Loans and Advances		54,37,58,000
Investments		292,44,24,000
Other Assets		10,51,49,000
	Rupees	436,92,63,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item " Other Loans and Advances " includes Rs. 67,00,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	40,24,49,000	
Notes in circulation	1555,17,88,000	
Total Notes issued		1595,42,37,000
Total Liabilities		1595,42,37,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	164,67,56,000	
Total of A		282,43,59,000
B. Rupee Coin		138,26,07,000
Government of India Rupee Securities		1174,72,71,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1595,42,37,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	21st Nov., 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1562.69	1585.92	1544.70	1480.90
Notes held in Banking Department	35.05	31 84	7.32	11 27	34.07
Foreign Securities	89.50	164 68	164.68	164 68	280.19
Rupee Securities	27.39	1174.73	1174.73	1134.36	982.29
Banking Department					
Deposits of :					
Government of India	14.89	52.03	63.33	49.00	53.19
Other Governments		24.49	18.17	31 97	9.44
Balances held abroad	10.06	16.85	22.25	14.74	32.67
SCHEDULED BANKS					
Demand Liabilities	124.36	714.16 (15 37)†	707.16 (15 49)†	743.81 (24 33)†	726.26 (16.71)†
Time Liabilities	102.24	928 20 (38 83)†	921.13 (37.58)†	907.87 (38.55)†	670.85 (15.61)†
Borrowings from Reserve Bank	..	1.36 (0.70)‡	4.94 (0.96)‡	1.81 (0.97)‡	16.88 (15.10)‡
Borrowings from State Bank	..	3.40	5.00	3.39	5.79
Cash in India	6.70	41.73	46.74	42.33	38.52
Balances with Reserve Bank	25.17	98.41	73.68	134.15	106.19
Excess over statutory limits	15.52	44.14	19.90	78.80	56.46
Balances with other banks in current account in India	..	13.45	13.40	13.49	11.30
Money at call and short notice in India	..	41.76	41.59	50.34	47.83
Investments (at book value)	..	639.38	641 31	600 85	408.26
Advances and bills	106 09	813.14	841.08	840.32	841.67
STATE BANK					
Deposits	87.76	485.19	480 18	488 91	362.34
Investments	51 99	285.75	286 29	253.20	163 93
Advances	30 25	161 53	165 96	161 67	159.07
Cash	14 69	47.94	34 71	88.48	52.08

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

State Bank of India

Statement of Affairs for the week ended 28th Nov., 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up : 5 62,500 shares of Rs. 100 each	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		472,58,62,000
Borrowings from Other Banking Companies, Agents, etc.		58,00,000
Bills Payable		5,98,25,000
Bills for Collection being Bills Receivable as per contra		2,54,67,000
Acceptances, Endorsements and Other Obligations per contra		1,31,91,000
Other Liabilities (including Inter-Office Adjustments)		12,69,02,000
Total .. Rs.		507,95,47,000

PROPERTY AND ASSETS	Rs.	Rs
Cash in hand and with Reserve Bank		35,66,82,000
Balances with other Banks		2,57,47,000
Money at Call and Short Notice		1,80,00,000
INVESTMENTS : Rs.		
Government and other Trustee Securities 274,20,00,000		
Other Authorised Investments 11,70,91,000		285,91,00,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc. 149,71,83,000		
Bills Discounted and Purchased 13,59,18,000		163,31,01,000
Bills Receivable being Bills for Collection as per contra		2,54,67,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,31,91,000
Premises less Depreciation		1,24,76,000
Furniture and Fixtures less Depreciation		1,03,04,000
Other Assets (including Inter-Office Adjustments)		12,54,79,000
Total .. Rs.		507,95,47,000

Scheduled Banks*

Statement of Affairs for the week ended 21st Nov., 1958

	Rs.	Rs.
Demand Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		15,36,72,000
(ii) Other demand liabilities		698,79,53,000
Time Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		38,82,73,000
(ii) Other time liabilities		889,37,23,000
Borrowings in India from the State Bank and/or a notified bank :		
(i) Demand liabilities		3,12,23,000
(ii) Time liabilities		28,00,000
Borrowings in India from the Reserve Bank of India‡		1,35,75,000 (70,00,000)
Cash in India		41,72,59,000
Balances with the Reserve Bank in India		98,49,78,000
Balances with other banks in current account in India		13,44,82,000
Money at call and short notice in India		41,75,83,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		639,38,20,000
Advances in India		707,30,08,000
Inland Bills purchased and discounted in India		80,72,80,000
Foreign Bills purchased and discounted in India		43,10,82,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
1958				Rs.	Per cent.
9th September	3 00	8 95	3 00	2 522	99 365
15th September	2 00	2 75	2 00	2 524	99 365
23rd September	2 00	2 25	2 00	2 525	99 365
30th September	2 00	2 45	2 00	2 527	99 365
7th October	2 00	3 20	2 00	2 525	99 365
14th October	2 00	3 90	2 00	2 521	99 365
21st October	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
28th October	3 00	8 75	3 00	2 489	99 375
4th November	4.00	10.00	4.00	2.468	99.385
5th to 7th November	3.50	—	3.50	2 396	99 401
10th November	4 00	7.20	4 00	2 430	99 390
18th November	4 00	5.05	4 00	2 458	99 385
19th to 22nd Nov.*	0.64	—	0 64	2 396	99 401
25th November	3 00	5.50	3 00	2.442	99.385
6th to 29th Nov.*	0.50	—	0.50	2.376	99 406
2nd December	3.00	4.55	3.00	2.423	99.390
Total amount outstanding	38 64	..	38 64	..	..

* Intermediate Bills sold

State Bank of Pakistan

Statement of Affairs for the week ended 21st November 1958

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits :—		
(a) Central Government		78,72,01,000
(b) Provincial Governments		3,47,57,000
(c) Banks		14,48,49,000
(d) Others		5,40,68,000
Bills Payable		22,86,000
Other Liabilities		10,06,60,000
Rupees		118,38,21,000

ASSETS	Rs.	Rs.
Notes		6,79,70,000
Rupee Coin		40,000
Subsidiary Coin		27,000
Bills Purchased and Discounted :—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		35,24,000
Balances held outside Pakistan*		8,89,06,000
Loans and Advances to Governments		4,93,00,000
Provincial Governments' Debtor Balances		....
Other Loans and Advances		19,35,50,000
Investments		69,19,21,000
Other Assets		8,85,83,000
Rupees		118,38,21,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,79,70,000	
Notes in circulation	343,26,91,000	
Total Notes issued		350,06,61,000
Total Liabilities		350,06,61,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	50,76,07,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
	4,53,41,000	116,85,72,000
B. Rupee Coin		
Government of Pakistan Securities	222,77,42,000	
Internal bills of exchange and other commercial paper	....	227,30,83,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,61,000	
		5,90,06,000
Total Assets		350,06,61,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued : 34 98 per cent.

EXCHANGE RATES

	3rd December, 1958	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to within 3 months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	477.25	477.00
Buyers T.T. Rs.	474.00	474.50
London on New York $	2.80⅛-2.80⅜	2.80⅛ 2.80⅜
London on Paris Fcs.	1,176‡	1,176‡
London on Berne Sw. Fcs.	12 23⅛-12 23⅜	12 23⅛-12 24⅛
New York on London $	2.80⅛-2.80⅜	2.80⅛-2.80⅜

CLEARING HOUSE RETURNS

Centre	Week ended 28th November, 1958 Number of Cheques	Amount Rs.	Week ended 21st November, 1958 Number of Cheques	Amount Rs.
Bombay	3,27,264	81,02,48,000	3,26,134	76,71,38,000
Calcutta	1,69,000	63,21,00,000	1,76,000	72,48,00,000
Madras	88,232	9,99,25,310	94,505	10,49,23,228
All Centres—				
1958-57	..	..	49,008 000	87,24 35,00,000
1957-58	..	..	41,671 000	89 54 66,00 000
July, 1958	..	..	3,815 000	8 31 97 00 000
Aug., „	..	..	3,482 000	7 62 06 00 000
Sept., „	..	..	3,527,000	8,03,05,00,000

INDEX NUMBERS OF WHOLESALE PRICES (Base: 1952-53= 100)

Particulars	Weight	15th Nov., 1958	8th Nov., 1958	16th Nov., 1957	October 1958	October 1957	Percentage of increase (+) or Decrease(—)in Oct., 1958 as compared with Oct., 1957	Financial Year Average 1957-58	1956-57
Food Articles	504	118 2R	119 6 R	108 7	121 2R	107 3	+13 0	106 4	102 3 R
Cereals	122	111 0	112 5 R	102 1	113 6	102 2	+11 2	101	96
Pulses	43	111 4	112 2 R	84 1	109 2	82 8	+31 9	88	81
Fruits and Vegetables	22	123 8R	121 6 R	110 7	123 8R	109 2	+13 4	114	112
Milk and Ghee	84	104 3	107 2 R	105 9	109 7 R	105 2	+ 4 3	105	100
Edible Oils	47	121 5	124 0	132 8	131 3	128 7	+ 2 0	126	125
Fish, Eggs and Meat	17	111 3*	109 2 R	99 8	109 7R	97 1	+13 0	98	97
Sugar and Gur	48	128 1	133 6	110 9	136 0	111 1	+22 4	108	98
Others	50	159 8	159 3 R	136 3	159 0 R	129 9	+22 4	131	128
Liquor and Tobacco	21	96 6	95 1 R	88 5	93 0	85 2	— 2 3	94 0	84 3
Tobacco		96 1	93 5 R	95 0	91 3	93 6	— 2 5	93	83
Fuel, Power, Light and Lubricants	39	114 9	115 0	115 3	115 5	115 2	+ 0 3	115 6	104 2 R
Industrial Raw Materials	155	111 9	113 1	118 8	117 6	114 8	+ 1 9	116 5	116 9
Fibres	61	102 0	101 6	113 3	104 6	112 9	— 7 4	118	116
Oilseeds	60	124 1	127 8	125 5	135 3	121 0	+11 8	120	120
Minerals	2	107 3*	105 2*	107 1	105 2	109 1	— 3 6	108	102
Others	32	108 0	107 7 R	106 5	106 9 R	107 1	— 0 2	109	109
Manufactures	336	108 5	108 8 R	103 5	109 7	106 5	+ 3 0	103 1	106 3
Intermediate Products	61	109 6	110 0 R	106 3	110 2	106 5	+ 3 5	107 3	110 9
Finished Products	249	108 3	108 7 R	103 6	108 6	106 2	+ 2 3	103 2	105 5
Textiles	147	108 2	108 7	106 0	108 5	108 2	+ 0 3	107	108
Cotton	—	111 2*	111 1*	115 4	111 5	116 6	— 4 4	116	116
Jute	—	88 7*	88 9*	96 6	87 5	99 6	—12 1	95	98
Woollen	—	105 9	105 9	103 0	105 9	103 0	+ 2 8	86	88
Silk and Rayon	—	90 2*	95 1*	81 8*	95 5*	82 0	+15 6	80	88
Metal Products	12	143 1	143 1	143 4	143 1	143 8	— 0 1	141	93
Chemicals	20	107 5	107 3	98 9	107 7R	98 8	+ 9 0	98	108
Oils and Fats	10	142 1	143 9 R	128 2*	141 7	118 9	+19 2	115	108
Machinery and Transport Equipment	31	104 3	104 2 R	102 4	103 5	102 0	+ 1 5	110	101
Others	30	113 6	113 7 R	111 8	113 9R	111 1	+ 2 5	110	111
All Commodities	1,000	113 9	114 8 R	109 8	116 2 R	108 9	+ 6 7	108 4	106 3 R

NOTE:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	2 50	6
Austria	17th Nov., 1956	4 50	5
Belgium	Aug., 1958	3.75	3.50
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	2
Ceylon	11th June, 1954	3	2.50
Chile	Feb., 1957	4½	6
Colombia	18th July, 1933	5	4
Costa Rica	April, 1954	4	5
Denmark	15th Aug., 1958	5	4½
Equador	13th May, 1957	7	10
Egypt	15th Nov., 1957	2½	3
El Salvador	April, 1957	3	4
Finland	29th April, 1958	5	6½
France	16th Oct., 1958	5	4½
Greece	May, 1956	5	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	2
Ireland	28th Nov., 1958	4½	4
Italy	7th June, 1958	4	3.50
Japan	June, 1958	8.40	7.67
Mexico	4th June, 1942	4	4½
Netherlands	14th Nov., 1958	3.50	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1958	2.50	3.50
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	Sept., 1957	2	4½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1958	4	4½
Spain	22nd July, 1957	4½	5
Sweden	3rd May, 1958	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July, 1936	3	4
U.S.A.	23rd Oct., 1958	2	2½
West Germany	27th June, 1958	3½	3

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

Crop	Forecast	Acres (In thousand acres) 1957-58	Acres 1956-57	Tons (In thousand tons) 1957-58	Tons 1956-57
Cereals—					
Rice	final	79,027	79,320	24,821	28,282
Wheat	final	29,657	33,580	7,654	9,314
Jowar	final	41 411	40,367	8,056	7,249
Bajra	final	27,453	27 884	3,565	2 885
Barley	final	7 531	8 726	2,175	2 827
Maize	final	9,762	9,197	3,064	3,009
Ragi	final	5,897	5 831	1 716	1,715
Small millets	final	11,979	12,230	1 759	1,964
Total cereals	final	212,717	217 135	52,810	57,245
Pulses—					
Gram	final	22,405	24 265	4,754	6 264
Tur	final	5,598	5 686	1,396	1,954
Other Kharif pulses‡	final	15,632	16,484	1,401	1,515
Rabi pulses‡	final	10,820	11,780	1,665	1,770
Total pulses	final	54,655	58,215	9,216	11,503
Total foodgrains		267,372	275,350	62,026	68,748
Oilseeds—					
Groundnut	final	14,467	13,450	4,271	4,200
Castorseed	final	1,325	1,415	97	124
Sesamum	final	5,268	5,446	363	442
Rape and Mustard	final	6,050	6,311	905	1,026
Linseed	final	3 318	4,156	271	384
Total oilseeds	final	30,418	30,778	5,907	6,176
Fibres—					
Cotton*	final	20,158	19,893	4 753	4,735
Jute A.	final	1,754	1,908	4,068	4,288
Mesta A.	final	726	783	1,211	1,478
Other crops—					
Potato	final	702†	691††	1,674†	1,830††
Sugarcane	final	5,021	5,057	63 954	66 998
Ginger (Dry)	final	33	39	14	15
Pepper (Black)	final	229	221	26	27
Chillies (Dry)	final	1,534	1,476	355	342
Tobacco	final	1,022‡	1,013††	306‡	295††

Source : Ministry of Food and Agriculture. ‡ Excluding Tur.
* In thousand bales of 392 lbs. each. † Excluding Gram and Tur.
A. In thousand bales of 400 lbs. each. †† Refers to 1956-57.
†† Refers to 1955-56.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1957	Jan. to Dec. 1956	Jan. to August 1958	Jan. to August 1957
Exports	637.74	612,96	360,42	426,88
Re-exports	5.11	6,21	5,79	2,89
Total Exports	642,85	619,17	366,21	429,77
Imports	1025,82	821,46	512,77	659,11
Overall Balance of Trade	—382,97	—202,29	—146,56	—228,34
Exports—				
Tea	123,40	142,43	73,53	71,65
Jute-yarns and manufactures	114.48	112.52	68,38	77,05
Cotton yarns and manufactures	68.58	62,23	33,71	48,14
Metallic ores and metal scrap	49,80	28,80	22,23	34,78
Cotton, raw and waste	18,66	23,09	14,27	15,97
Oils—vegetable, mineral and animal	10,31	24,51	9,34	13,65
Fruits and Vegetables	18 60	18,03	12,83	12,24
Tobacco	12 33	13,90	14,21	10,94
Mica	8,67	8,75	6,11	5,97
Wool—Raw	11,73	10,64	6,36	9,17
Gums, resins and lac	8,39	11 19	5,15	6,02
Spices	8,43	9,56	5,62	6,06
Hides and skins, raw	6,99	6,07	4,82	5,38
Imports—				
Machinery of all kinds	232,97	150,13	126,42	144,71
Iron and Steel	146,98	122,49	62,46	107,31
Oils—vegetable, mineral and animal	113,38	74,69	51,51	70,05
Cotton raw and waste	48,62	53,61	23,36	37,80
Chemicals, drugs and medicines	76,77	43,14	40,45	54,23
Electrical goods and apparatus	61,14	29,15	33,71	37,75
Paper, pasteboard, etc.	15,11	15,99	5,15	9,28
Vehicles (excluding aircraft, ships and boats)	71,35	69,01	33,38	45,31
Fruits and vegetables	21 27	12,66	9,97	13,39
Spices	2,93	3,10	1,99	2,04
Dyes and colours	15,87	16,37	5,52	9,77
Woollen and worsted fabrics	1,31	2,18	21	84
Cotton fabrics	2,37	2,39	63	1,65

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During October, 1958	81.8
	Corresponding month, 1957	83.5
	Four months ended Oct., 1958	344.1
Stocks	At the end of October, 1958	337.3
	Corresponding month, 1957	107.1
		76.0
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1956-57	852 9
	1957-58	832.6
	Sept., 1957	80 6
	Sept., 1958	85 2
For Internal Consumption	1956-57	179 0
	1957-58	198 0
	Sept., 1957	14 5
	Sept., 1958	14.6
	RAW JUTE	(In 000 bales)
Consumption by Mills	October, 1958	474
	Corresponding month, 1957	484
	Four months ended Oct. 1958	1,972
	Corresponding period, 1957	1,929
	1956-57	6,072
	1957-58	6,134

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units Generated‡	Total Units Sold
1955-56	715	8,966 8	7,185 8
1956-57	769	9,877 3	8,102 1
1957-58	884	11,176 9	9,011 1
May 1957	793	932 2	756 7
June „ „	799	898 4	726 1
July „ „	809	928 3	743 9
May 1958	766	1,045 5	838 8
June „ „	773	1,014 3	810 7
July „ „	791	1,056.7	846.0

* Excluding railway, military and factory power stations. Chuk Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period. *Source:*—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	215	111	67	149	29	170	412	41	330	48	146
1956-57	13 586	2,285	1,023	219	108	58	207	24	196	427	30	389	52	180
1957-58	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
August 1957	5,781	957	539	84	39	25	67	8	103	183	13	177	19	81
September „	6 893	1,152	628	93	42	30	87	10	118	220	15	219	25	101
October „	8,056	1,366	735	107	46	34	109	13	135	263	19	261	31	139
November „	9,240	1,566	844	129	53	37	137	16	149	309	24	302	37	184
December „	10,506	1,766	941	152	64	40	162	18	163	360	28	350	42	146
January 1958	11 814	1,979	1,068	174	80	44	186	21	177	413	32	394	45	161
February „	13 011	2,172	1,123	191	93	49	202	23	194	455	36	435	46	174
March „	14,335	2,389	1,225	214	104	52	217	25	213	504	39	476	47	194
April „	1,238	220	111	23	9	4	15	2	15	45	2	40	1	15
May „	2,438	431	234	40	18	7	28	4	31	88	5	78	4	27
June „	3,541	628	355	56	25	9	39	5	46	127	7	112	7	32
July „	4,577	847	471	71	31	12	46	7	63	164	10	154	12	43
August „	5,823	1,077	581	83	37	15	58	8	77	202	12	200	17	56

Note.— figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.-2 M. G.) and incorporate revision in respect of earlier months. *Source* :—Ministry of Railways.

INDUSTRIAL PRODUCTION

Industries		1957	Jan. to Aug. 1958*	Jan. to Aug. 1957	July 1958	August 1958*	August 1957
Major Industries—							
Coal	million tons	43.50	29.88	30.12	3.75	3.54	3.37
Steel (Ingots and Metal for castings)	thousand tons	1,715	1,012†	988†	158	—	137
Yarn	million lbs.	1,780	1,104	1,113	145	140	144
Cloth	million yds.	5,317	3,278	3,331	419	408	421
Cement	million tons	5 60	3 72†	3 08†	0.48	—	0.45
Jute	thousand tons	1,030	709	676	90	85	82
Paper and paper boards	tons	210,132	142,081†	119,925†	21,658	—	18,015
Matches	cases	578,400	415,200	385,100†	58,400	57,800	48,200
Sugar	thousand tons	2,068	1,483	1,565	4	7	2
Engineering and Electrical Industries—							
Machine tools	Value in lakhs of Rs.	250 85	218 80†	126 62†	27 20	—	25 49
Electric lamps	millions	33 15	20 20	20 89	2 68	2 49	2 72
Dry cells	millions	195 50	107 72	118 14	14 08	14 48	15 82
Power transformers	k.v.a.	1,219,200	667,400†	680,600†	97,100	—	105,400
Electric Motors	h.p.	469,200	407,800	295,800	63,700	52,900	40,200
Electric fans	Nos.	524,400	419,400	339,600	54,900	50,400	44,300
Radio receivers	Nos.	190,692	131,239	122,232	18,171	15,853	14,517
Storage batteries	Nos.	324,000	227,100	244,400	28,700	29,900	25,900
Copper conductors	tons	8,556	5,443	5,707	708	631	631
Winding wires	tons	1,029	1,028	634	150	150	103
Rubber and plastic Ins. cables and flexibles	million yds.	103 80	77 09	70 02	11 25	10.67	9 24
Insulators—H.T.	Nos.	193,200	360,100†	58,000†	77,700	—	20,000
Insulators—L.T.	million Nos.	4 69	3 18†	2 35†	0 36	—	0 38
Diesel engines—Vehicular	Nos.	3,336	2,827	1,758	311	294	212
Do —Stationary	Nos.	10,644	13,442†	7,680†	1,948	—	1,887
Chemical Industries—							
Salt	million mds.	98 70	98 23†	83 40†	5 98	—	4 72
Caustic soda	tons	42,648	31,178†	24,422†	5,180	—	3,646
Soda ash	tons	91,920	55,083	61,180	4,748	7,520	5,036

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series.

[1952-53=100]

Group and Sub-Group	Week ended 22nd Nov., 1958	15th Nov., 1958	25th Oct., 1958‡	23rd Nov., 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.4	100.4	100.4	98.3
2. Government of India	100.3	100.3	100.3	98.0
3. State Government	101.6	101.5	101.5	100.0
4. Municipal, Port Trust, etc.	99.0	99.0	99.0	99.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.4	100.4	100.3	99.0
6. Plantations	100.1	100.1	100.1	100.0
7. Coal	99.6	99.6	99.6	99.6
8. Sugar	99.0	99.0	99.0	96.8
9. Cotton Textiles	98.2	98.2	98.2	100.3
10. Jute Textiles	91.5	91.5	91.5	93.0
11. *General Engineering*	100.8	100.4	99.8	95.9
12. Electricity Generation and Supply	97.1	97.1	97.1	96.6
13. Others	102.9	102.9	102.9	100.7
PREFERENCE SHARES—ALL INDIA.				
14. Total	88.2	88.2	88.3	87.6
15. Plantations	98.0	97.8	97.6	102.5
16. *Mining & Quarrying: Total@*	88.7	88.8	87.6	87.6
17. Coal	79.5	79.5	75.9	79.9
18. *Processing and Mfg.: Total**	88.1	88.1	88.4	87.5
19. Sugar	88.2	89.1	89.1	92.3
20. Cotton Textiles	78.5	78.7	78.9	87.9
21. Jute Textiles	79.7	79.1	79.6	74.4
22. Iron and Steel	90.4	90.3	91.3	86.9
23. General Engineering	102.2	102.2	101.3	102.4
24. Basic Industrial Chemicals	87.0	87.7	89.3	82.9
25. Cement	100.7	100.1	98.7	98.0
26. Paper	86.0	86.0	86.0	91.2
27. *Other Industries: Total**	85.8	85.8	85.7	83.5
28. Electricity Generation and Supply	87.4	87.4	87.5	85.6
29. Trading	81.0	80.9	80.3	76.7
30. Shipping and Other Transport	85.3	85.3	85.4	85.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	140.4	142.5	143.5	124.6
32. *Agriculture and Allied Activities: Total**	153.4	154.6	155.7	146.6
33. Tea Plantations	147.5	148.3	148.9	144.9
34. Coffee Plantations	213.3	215.6	216.0	186.9
35. Rubber Plantations	158.5	154.0	159.0	136.7
36. *Mining and Quarrying: Total*	141.9	144.4	148.4	121.5
37. Coal	112.2	112.9	115.4	90.7
38. Other Mining	162.2	166.0	171.1	142.6
39. *Processing and Manufacturing: Total*	138.7	141.1	142.1	123.4
40. *Processing and Mfg. (Food stuffs, Textiles, etc.): Total**	128.8	128.8	128.9	118.5
41. Sugar	170.1	173.0	173.2	158.1
42. Cotton Textiles	111.1	112.9	115.2	118.3
43. Jute Textiles	91.9	93.2	94.8	86.5
44. Silk and Woollen	429.3	439.1	441.7	304.7
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	158.4	161.7	162.5	128.1
46. Iron and Steel	151.8	156.4	158.2	115.3
47. Transport Equipment	197.4	204.1	205.4	174.0
48. Electrical Machinery	160.8	162.4	159.6	163.5
49. Machinery other than Transport and Electrical	173.7	175.1	174.3	144.9
50. Basic Industrial Chemicals	127.2	128.6	128.8	106 0
51. *Processing and Mfg. (Others): Total**	139.0	141.1	144.4	127.7
52. Cement	122.8	125.1	129.8	121.6
53. Paper	192.4	194.4	197.0	163.3
54. *Other Industries: Total**	117.6	118.5	118.1	104.8
55. Electricity Generation and Supply	95.1	95.8	95.3	88.8
56. Trading	89.5	90.3	89.4	80.8
57. Shipping and Other Transport	140.3	141.8	144.2	124.7
58. Construction	252.1	257.4	251.1	201.1
59. *Financial: Total*	180.3	182.3	183.9	158.6
60. Banks	202.6	207.0	209.3	169.4
61. Insurance	131.3	126 8	127.3	108.7
62. Investment Trusts	95.0	95.5	92.5	83.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	142.1	145.2	147.4	122.9
64. Calcutta	120.2	121.8	—	121.8
65. Madras	152 9	154.0	155.6	146.6
66. Delhi	161.0	165.3	167.8	149.8

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.' @ Including other mining. § Calcutta Stock Exchange—closed during the week.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,73,600	7,97,500
Do. 31st March, 1958	10,98,800	11,06,800	7,86,900
Sept., 1957	88,600	92,500	71,700
Oct., "	95,100	96,500	59,000
Nov., "	94,900	95,100	66,000
Sept., 1958	89,600	95,800	66,500
Oct., "	94,200	96,400	76,900
Nov., "	84,200	85,100	83,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,32,315	4,41,483
Do. 31st March, 1958	7,33,945	5,07,680	4,10,558
Three months ended Sept. 1957.	1,71,897	1,19,172	96,815
" " " Dec. 1957.	1,99,839	1,33,553	1,06,501
" " " June 1958.	1,73,489	1,21,983	1,01,014
" " " Sept. 1958.	2,30,436	1,43,516	1,05,603

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Nmuber of man-days lost
1956	1,208	715,180	6,992,040
1957	1,680	889,371	6,429,319
January 1958	147	56,492	371,125
February "	152	99,482	447,586
March "	167	57,462	818,324
April "	170	61,489	5,30,162
May "	160	57,657	5,50,459
June "	163	161,711	1,529,246
July "	104	98,592	484,155
August "	132	63,571(a)	613,682(a)

‡ In progress during the month. (a) Not known in 8 cases.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'56-'57	387.68	..	11,010	284
Pakistan††	'56-'57	83.50	..	2,079	249
Burma	1956	19.80	Kyats 4,336	585	295
Ceylon	1956	8.88	..	475	567
Japan	1956	90.00	Y. 7,427,000	9,283	1,031
Philippines	1956	22.20	Ps. 8,335	1,985	894
New Zealand	1956	2.17	£ (N.Z.) 884	1,178	5,429
Australia	1957	9.60	£ (A.) 4,599	4,893	5,096
U.K.	1956	51.20	£ 16,465	21,953	4,287
U.S.A.	1956	168.09	$ 383,600	165,554	9,731
Canada	1956	16.00	$ 22,710	10,787	6,742
France	1956	43.60	F.Fr.13,990,000	17,640	4,046
W. Germany	1957	51.40	Dm. 153,000	18,057	3,513
Italy	1956	48.10	Lr. 11,476,000	5,760	1,821
Norway	1956	3.46	Kr. 20,990	1,408	4,358
Sweden	1956	7.80	Kr. 44,580	4,127	5,653
Netherlands	1956	10.80	Grs. 25,540	2,515	2,977
Denmark	1956	4.40	Kr. 24,950	1,690	3,789
Switzerland	1956	5.00	Sw. Fr. 25,480	2,807	5,614

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.

Source: *International Financial Statistics*, June 1958.

† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.

†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	103	111	112	99	115
1953 "	106	363	275	323	95	103	340	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	108
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	250	339	94	112	364	116	114	99	103	115	107	125
June 1957	112	356	254	330	91	112	371	115	115	98	105	113	111	127
July "	112	356	256	333	89	112	371	116	115	98	106	119	109	129
August "	113	377	265	347	98	113	375	116	118	99	105	120	108	128
September "	114	375	262	338	97	113	378	115	113	100	108	121	108	128
October "	113	374	260	339	96	114	375	116	113	99	105	120	107	129
June 1958	116	395	273	307	98	117	378	121	111	101	103	120	113	130
July "	119	407	285	317	101	118	392	125	116	105	103	122	114	130
August "	120†	404	288	322	103	118	403	126	117	108	106	125	111	132
September "	..	404	289	327	..	..	..	..	..	..	..	..	..	..
October "	..	405	290	333	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	10-Year Treasury Savings Deposit Certificates 4% G Receipts	10-Year Treasury Savings Deposit Certificates 4% G Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,54	..	..	..	..	146,33	211,9
1953-54	5,91	4,26	104,38	..	..	117,97	115,29	..	—34,20	32,11	..	..	..	..	152,71	252,8
1954-55	4,73	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177,35	310,2
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,58	—37,86	41,25	..	..	45	95	203,53	380,0
1956-57	3,00	6,01	163,68	..	..	176,97	196,50	25,36	—38,33	44,28	..	..	1,22	225,68	440,1	
1957-58	2,22	4,73	143,49	71,45	71,45	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	264,84	509,7
1957 December	2,43	5,06	151,07	6,41	39,23	13,00	202,55	24,14	—39,47	43,89	46	3,47	2	1,50	19,90	478,5
1958 January	2,37	4,94	148,57	7,95	47,18	13,88	202,84	23,77	—39,55	43,80	68	4,08	18	1,68	22,68	478,9
February	2,31	4,83	146,14	10,24	57,42	14,22	208,12	23,45	—39,62	43,69	74	4,81	9	1,75	25,29	487,5
March	2,22	4,73	143,49	14,08	71,48	13,82	215,21	23,11	—39,73	43,58	70	5,47	12	1,87	42,20	509,7
April	2,15	4,65	141,35	9,56	77,99	15,27	214,24	22,85	—39,82	43,47	77	6,15	11	1,97	22,71	514,7
May	2,07	4,55	139,27	5,84	88,92	15,22	212,66	22,58	—39,90	43,37	57	6,72	5	2,01	21,68	517,0
June	2,01	4,47	137,48	5,03	88,80	14,51	213,05	22,39	—39,98	43,29	38	7,12	3	2,03	19,95	520,6
July	1,96	4,38	135,22	5,49	94,65	14,04	215,13	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,8
August	1,94	4,30	133,28	6,20	100,72	14,40	217,21	22,02	—40,13	43,08	45	8,11	5	2,10	21,10	532,7
September	..	..	..	..	..	..	..	..	..	42,99	41	8,55	5	2,15	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. E—Outstandings in respect of items in column 9 marked 'E' are not included.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bond	1926-33	68,30,26,000	1960-70	100.70
2½ % Loan	1938-39	116,17,46,000	1963-65	96.85
3 % Loan	1950	80,32,10,000	1964	96.80
2½ % Fg. Loan	1943	1,10,11,78,000	1966-68	94.05
2½ % Dev. Loan	1945	1,15,05,83,000	1970-75	90.40
2½ % 2nd V. Loan	1945	1,18,65,64,000	1959-61	99.70
2½ % Loan	1946	45,63,97,000	1960	99.05
2½ % Loan	1946	67,00,89,000	1961	97.15
2½ % Loan	1946	14,77,48,000	1976	88.20
2½ % Loan	1947	76,36,72,000	1962	96.10
2½ % N. P. Bonds	1953	1,29,09,00,000	1961	100.15
2½ % N. P. Loan	1954	1,58,17,90,000	1964	99.90
2½ % N. P. Bonds (2nd Series)	1955	1,03,87,92,000	1965	99.80
2½ % Loan	1955	87,27,86,000	1962	99.20
2¼ % N. P. Bonds	1956	88,81,88,000	1967	99.05
2½ % Loan	1956	66,63,53,000	1974	98.30
2½ % N.P. Bonds (4th Series)	1957	56,99,15,000	1967	100.60
4 % Loan	1957	49,17,27,000	1972	100.90
2½ % Loan	1958	56,06,00,000	1963	100.05
2½ % Loan N.P.B.	1958	34,84,00,000	1968	100.50
4 % Loan	1958	49,47,00,000	1973	100.70
NON-TERMINABLE LOANS				
3% Loan	1894-97	3,23,34,000	M.	73.00
3 % Loan	1946	2,48,91,57,000	K.	73.20
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	99.60
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	99.50
4½ % Andhra	1958	5,00,00,000	15th July 1970	100.30
3 % Bombay	1949	3,49,60,000	1st Aug. 1962	98.50
3 % Bombay	1950	2,88,50,000	31st July 1960	99.00
3½ % Bombay	1951	2,87,53,000	17th Sept. 1962	98.30
4 % Bombay	1952	3,19,35,000	15th July 1963	100.15
4 % Bombay	1952	3,45,85,000	1st Aug. 1964	100.15
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100.00
4 % Bombay	1956	7,04,78,000	3rd Sept. 1970	98.50
4½ % Bombay	1957	6,57,22,000	15th Sept. 1969	101.00
4½ % Bombay	1958	5,00,00,000	15th July 1970	100.95
4½ % Bombay	1958	5,00,00,000	15th July 1971	100.80
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	99.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	99.15
4½ % Bihar	1958	2,50,00,000	15th Oct. 1970	100.15
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99.00
3½ % Cochin	1946	1,00,00,000	1st June 1956-61	98.00
3½ % Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	99.50
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	99.40
3 % Madras	1939	1,23,96,000	21st June 1959	99.30
3 % Madras	1945	2,78,44,000	19th Sept. 1960	98.85
3½ % Madras	1946	3,31,77,200	1st Sept. 1961	97.75
4 % Madras	1950	4,38,25,400	31st July 1960	98.85
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	98.75
4 % Madras	1951	10,31,71,300	15th July 1963	100.05
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	99.70
4 % Madras	1956	13,58,56,000	3rd Sept. 1968	99.50
4 % Madras	1958	5,00,00,000	15th July 1970	100.35
4 % Mysore	1933	2,95,85,200	1st Dec. 1953-58	101.25
3 % Mysore	1938	5,99,79,000	30th Apr. 1958-61	99.50
3 % Mysore	1939	3,33,47,000	15th July 1958	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99.70
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	99.60
4 % Mysore	1957	5,35,78,000	16th Sept. 1969	100.50
4½ % Mysore	1958	5,00,00,000	15th July 1970	100.30
3 % M.P.	1948	2,08,28,800	15th Sept. 1964	98.65
3 % M.P.	1950	1,01,45,900	31st July 1960	98.80
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98.00
4 % M.P.	1953	1,10,18,000	15th July 1968	99.75
4 % M.P.	1955	1,53,12,000	1st Sept. 1967	99.20
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	99.15
4 % M.P.	1958	2,00,00,000	15th July 1970	100.15
4 % Saurashtra	1955	3,81,85,400	1st Sept. 1967	99.80
4 % Saurashtra	1956	2,76,54,000	3rd Sept. 1968	99.60
4 % Trav. Cochin	1953	3,25,51,000	15th July 1968	99.10
4½ Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	98.25
3½ % U.P.Z.A	1952	41,44,79,000Z		89.50
3 % U.P.	1926	1,55,59,000	15th Sept. 1961-66	91.00
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	98.80
3 % U.P.	1946	2,16,39,000	1st Sept. 1961	97.60
3 % U.P.	1951	1,87,96,000	17th Sept. 1962	98.15
4 % U.P.	1952	5,39,14,000	1st Aug. 1964	100.00
4 % U.P.	1955	5,58,25,000	15th July 1968	100.00
4 % U.P.	1955	9,89,14,000	1st Sept. 1967	99.00
4 % U.P.	1956	8,51,55,000	3rd Sept. 1968	99.50
4 % U.P.	1956	7,00,00,000	15th July 1970	100.25
4 % U.P.	1956	3,14,19,000	3rd Sept. 1968	99.15
4½ % Rajasthan	1958	2,50,00,000	15th July 1970	100.20
4½ % Orissa	1958	3,09,34,000	3rd Sept. 1968	99.15
4½ % Orissa	1958	3,00,00,000	15th July 1970	100.15

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
				Rs.
BOMBAY				
Rs.				
36,50,000	4	1904	1964	100.70
35,00,000	4	1905	1965	96.85
15,00,000	4	1906	1967	96.80
44,00,000	4	1907	1968	94.05
70,00,000	4	1908	1968	99.40
40,00,000	4	1909	1970	99.05
56,00,000	4	1910	1971	97.15
14,00,000	4	1911	1972	88.20
1,10,00,000	4	1912	1973	96.10
14,35,876	4	1913	1974	100.15
25,00,000	4	1914	1975	99.70
88,25,000	4	1914	1975	96.25
10,00,000	4	1915*	1960	
65,00,000	4	1915*	1961	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
1,25,00,000	4	1925*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
49,04,000	3½	1936*	1966	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	97.75
76,90,100	4	1915	1975	97.75
1,50,00,000C	5½†	1921	1961	82.05
68,02,900C	5½†	1921	1961	144.00N
60,00,000	4½	1931	1991	95.00
60,00,000	3½	1935	1965	98.50
25,00,000	3	1938	1965-68	92.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1978	84.75
50,00,000	3	1947	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	88.75
50,00,000	3	1949	1959	99.12
1,00,00,000	3	1949	1959	99.12
50,00,0000	3	1950	1980	82.00
1,00,00,000	3	1950	1980	98.00
1,00,00,000	3	1950	1960	98.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1981	99.00
50,00,000	3	1953	1983	98.00
50,00,000	4	1953	1983	97.50
50,00,000	4	1956	1986	97.25
77,00,0000	4	1956	1986	97.25
78,00,0000	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,80,00,000	4½	1958	1988	98.25
STERLING LOANS				
£892,600	5	1922	1953-58	£80.00
£901,000	5	1924	1954-84	£80.25
£885,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,45,275	3½	1947	1977	A
9,36,000,001‡	3	1947	1977	
1,80,000,000‡	4	1949	1979	
45,00,000‡	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100.0
30,00,000	4	1901	1961	
60,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.7
30,00,000	4	1906	1966	N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.5
25,00,000	4	1916	1976	N
40,00,000	5	1919	1957-79	116.0
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00
25,00,000	4	1927	1961-70	98.00
10,00,000	3	1936	1966	
STERLING LOANS				
£266,600		1909	1958	£95.5
£333,000		1910	1970	£95.5
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	102.0
50,00,000	4	1934	1964	90.0
35,00,000	3½	1935	1965	94.0
30,00,000	3	1936	1966	93.0
50,00,000	3	1937	1962	93.0
20,00,000	3	1938	1968-68	90.0
80,00,000	4	1952	1982	99.0
1,02,00,000	4	1956	1986	99.0
75,00,000	4½	1958	1968	100.0

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
20,00,000	4	1913-18	1974	97.0
10,00,000	5	1920	1980	113.0
25,00,000	5	1928	1958	101.0
29,21,500	5	1929	1959	101.0
8,25,00,000	3½	1947	1977	84.0
2,50,00,000	3½	1949	1979	84.0
4,00,00,000	3½	1950	1965	99.0
2,50,00,000	3	1952	1964	99.0
2,00,00,000	3½	1951	1966	97.0
1,80,00,000	4	1953	1963	98.0
1,00,00,000†	4	1953	1964	98.0
1,00,00,000†	4	1954	1966	98.0
2,50,00,000	4	1955	1967	98.0
1,50,00,000	4	1956	1968	98.0
50,00,000	4½	1957	1969	100.0
400,00,000	4½	1958	1970	100.0
CALCUTTA				
Rs.				Rs.
86,00,000	5	1928	1958	100.0
10,00,000	5½	1928	1962	108.0
88,91,000	3½	1935	1965	94.0
60,00,000	3	1936	1966	90.0
60,00,000	3	1937	1962	90.0
47,50,000	3	1938	1968	90.0
17,54,400	3½	1942	1968	92.0
31,10,000	3½	1942	1972	92.0
16,38,000	3½	1951	1961	97.0
66,88,000	3½	1951	1966	97.0
87,36,000	4	1952	1962	99.0
72,50,000	4½	1954	1979	100.0
2,22,72,000	4	1955	1985	
73,86,000	4½	1958	1970	
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.0
16,00,000	3½	1952	1

STOCK & SHARE QUOTATIONS

Abbreviations :—D. = Deferred shares. P.O. = Preferred Ordinary shares. Y. = Accounts published yearly. H. = Accounts published half-yearly. P. = Company has Preference shares. T. = Company has Debentures. N. = Nominal quotations. x.d. = Ex. Dividend. c.d. = Cum. Dividend. i = Interim Dividend. f = Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciations is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BOMBAY CITY AND ISLAND																
50,00,000	5,37,500	1,01,25,505	44,08,240	4,58,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1.30	2	0.19	0.19	*Nil*		12	Y.
40,00,000	24,00,000	1,49,93,494	78,99,655	17,302	M.	50,596	1,081	B. B. Cotton Mills	25.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T
2,50,00,000	3,42,88,483	7,95,30,951	3,03,39,819	35,706	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,23,484	3,646	Bombay Dyeing & Mfg. Co.	57.20	25	2.50*	2.50	3.50	0.75i	12	Y.
10,00,000	36,04,615	71,89,139	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	850	Bradbury Mills	133.55	50	12.50	20.00	23.00	8.00i	12	Y.
1,13,55,550	2,79,59,276	7,45,37,167	2,66,98,324	9,27,548	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg.	430.50	100	22.00	22.00	23.00			
49,00,800	25,42,326	1,19,99,766	65,07,085	—33,06,097	V. J. Pilani (Chairman and Managing Director)	50,596	698	Colaba Land & Mill	33.00	100	*Nil*				12	Y.
26,00,000	28,31,920	1 13 36 792	67 79 552	58,223	Cowasjee Jehangir & Co., Pvt. Ltd.	30,984	680	Coorla Spg. & Wvg.	137 50	100	7.50	12.50*	12.50*	12.50*	3	Y.
22,00,000	26,37 709	90 59 554	54,08,586	66,029	Ramnarain Sons Private Ltd.	43,960		Dawn Mills	81.00	50	15.00	—	7.50F	5.00	12	Y.
24 00,000	26,36,389	1 12 98,983	69,27,928	—11,15,096	Puranmal Bubna Sons	46,668	928	Edward Textiles	220 00	100	15.00	15.00	*Nil*		12	Y.P
29,98,050	15,72,144	1,51,76,951	81,20,935		M.	45,996	866	Elphinstone Spg. & Wvg.	84.00	50	5.00	15.00			12	Y.
50,00,000	65,54,875	1,67 54,064	89 06,207	37 158	James Finlay & Co., Ltd.	52,528	784	Finlay Mills	267 00	100	20 00	20 00	20 00		12	Y.
50,00,000	48,86,022	94,91,910	61,97,387	10,233	James Finlay & Co., Ltd.	45,768	1,018	Gold Mohur Mills Ltd.	182.00	100	15 00	15 00	15 00		12	Y.
11,84,000	1,23,22,269	1,89,27,232	1,29,07,094	—6,37,028	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills.	4,800 00	1,000	300 00	325 00	350 00*	350.00	3	Y.P.
16,000									992 50	250	75 00	81 25	87.50*	87.50		
2,50,00,000	56,39,672	4,90,61,219	3,54,00,000	1,29,969	Agarwal & Co.	2,44,150	6,278	India United Mills	8 68	0 100	0 94	0 92			12	Y.
									1.12	0 10	0 19	0 18				
8,85,000	1,09,49,981	1,69,80,792	1,17,58,604	—1,16,454	M.	56,784	1,152	Indian Mfg.	4,350 00	1,000	300 00	300 00	325 00*	325 00	3	Y.P.
35,000									—	500	150 00	150 00	162.50*	162 50		
59,55,900	47,84,646	3,32,60,641	2 39 44 870	30,411	Khatan Makanji & Co. (Pvt.) Ltd.	99,844	1,487	Khatan Makanji Spg. & Wvg.	160 00	100	12 00	10 00	10 00(c)	10 00	6	Y.P.
1,20,00,000	1,13,27,791	3,67 76,376	2,84,94 794	82 791	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	250 50	100	18 00	18 00	18 00	4 00i	12	Y.
33,18,800	46 27,870	1 28,33,753	67 99 178	43 271	N Sirur & Co. Private Ltd.	49,000	644	Modern Mills	46 00	50	8 00*	8 00*	5 00*c		12	Y.P.
51,75,000	42,39,896	2 75,32,728	2,00 41,588	21,603	Piramal Sons Private Ltd.	71,604	1,552	Morarjee Goculdas Spg.& Wvg.	240 00	100	14 00	15 00	14.00(c)	15.00	12	Y.
1,00,18,400	1,42,58 206	10,55,96,106	3,40,00,000	1,23,937	National Rayon Corporation	241 25	100	12 00	14 00*	14.00*	14.00				12	Y.P.
24 00,000	52,52,456	92,11,722	48 70 075	1,495	New City of Bombay Mfg.	97 00	100	10 00	10 00	5.00					12	Y.
20 00 000	11 72 134	101 88,002	63 37 034		W H Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	219 00	100	10 00	10.00	*Nil*		12	Y.P.
48,00,000	55,51,580	1,69,40,494	1,08,77,159	3,59 718	W H Brady & Co., Ltd.	69,232	1,190	Phœnix Mills	117 50	100	10 00		12 50F	10.00	3	Y.
40 00,000	45,84,554	53 92 841	28 34 581	1,68,546	Rahmanram Sons Private Ltd.	52,600	980	Podar Mills	134 00	100	12 00*	12 00*	10 00		12	Y.P.
10,00,000		23,94,122	18,44 733	—1,10,689	Podar Sons Private Ltd.			Sassoon & Alliance Silk Mill	9 76	10	0 50	0.25(c)	*Nil*		12	Y.
37,70,100	1,19,98,715	2,11,34 514	1,36 87 248	12 182	M.	94,884	2,127	Sassoon Spg. & Wvg.	40 00	10	2 00	2 00	2 00		12	Y.
50 00,000	44,70,061	1 27 66,700	67 78 552	58,530	M. G Investment Corp. Private Ltd.	77,486	1,620	Shree Niwas Cotton Mills	143 50	100	12 00	12 00	8 00		12	Y.P.
42 00,000	39,80,478	1,05,36,294	77,84,101	1,060	Marwar Textiles Agency) Pvt. Ltd.	48,840	1,274	Simplex Mills	172 50	50	10 00	12 00	8 50	8.50	3	Y.
87 80,000	2 50 26,472	2,96 16,751	1 37,99 317	1,55,962	Forbes F Campbell & Co. Pvt. Ltd.	97,588	2,409	Standard Mills	416 00	100	20 00	22 50*	22 50*		12	Y.P.
1,00,00,000	95,08,864	2,76,30,406	1,44,86,214	29,124	Mafatlal Gagalbhai & Sons	97,588	2,000	Svadeshi Mills	209.00	100	14 00*	9 00	12 00		12	Y.
36,00,000	65,13,445	1,52,27,488	90,52,715	36,062	Tata Industries Private Ltd.	60,332	549	Swan Mills	245.00	100	25 00	25 00	25 00		12	Y.
65,37,875	53,30,412	2,18,16,540	90,58,601	17,923	James Finlay & Co., Ltd.	70,832	1,800	Tata Mills	35.75	25	4 00	3.50*	2 00		12	Y.P.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,186	1,212	Western India Spg. & Mfg.	4,835.00	1,000	300.00	300.00	325.00*	325.00	3	Y.P
AHMEDABAD																
40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	150 50	100	7 00	12.00	5.00	5.00	6	Y.P.T
15 00,000	96 28,183	1,29 00,836	73,32,228		P. M. Hutheesing & Co., Ltd.	44,220	912	Arvna Mills	587 50	100	30.00	25 00	25.00		12	Y.P.
40,00,000	3,08,12,127	2,17,78,010	1,10,66,897	22 706	M.	46,412	1,216	Arvind Mills	972 00	100	35 00*	35.00*	35.00*		12	Y.P.
32,00,000	47 41,123	1,22,40,943	77 79 729	1,04,815	Manzaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	470.00	200	25 00	30 00	30 00		12	Y.P.
12,00,000	1,40 46 694	99 92 464	67,28 819	728	Lalbhai Dalpatbhai & Co	37,368	914	Asoka Mills	660 00	100	80 00	80 00	80 00	25 00	3	Y.P.
2,06 25 000	2,60,65 170	6,22,25,491	2,74,71 141	9,28,539	Karamchand Premchand Pvt Ltd.	1,39,192	2,404	Calico	514 50	125	30 00	30 00	30 00		12	Y.P.
62 00,000	28,51,680	1,44 37,907	1,02 61,822	20,815	Triumbal Bhoolia & Co., Ltd.	45,536	866	New Commercial Mills	451 25	250	40 00*	50 00	25.00*		12	Y.P.
32 00,000	91,54,187	1,55,49,668	1,07,88,296	92,673	Mafatlal Chandulal & Co., Ltd.	51,100	907	New Shorrock Spg. & Wvg.	792 00	125	35 00	40 00*	30 00		12	Y.P.
15 00 000	64,29,777	69,45 065	35,86,652		Jayabhai Bhogilal Nanavaty & Co.	26,220	572	Nutan Mills	897 50	100	30 00	30 00	30 00		12	Y.P.
20,00,800	1,06,87,182	1,07,38 484	66,60,480	105	Lalbhai Dalpatbhai & Co.	52,825	625	Raipur Mfg.	700 00XR	100	35 00*	35 00*	35 00*		12	Y.P.
48 75,000	22,45,880	1,33,74,914	73,50,111	9,963	M.	35,196	848	Rohit Mills	130 00	100	*Nil*	8 00*	8 00*		12	Y.P.
57 96,800	2,88,74,105	2,17,82,370	1,17,57 907	1,76,451	Harivallabhdas Kalidas & Co.	94,128	1,789	Shri Ambica Mills	648.00	50	27 00*	30 00*	25.00		12	Y.P.
29,25,800	69,60,833	1,00,70,063	78 48,512	18,846	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,648	720	Shorrock Spg. & Mfg.	455 00	100	25.00	30.00*	20.00		12	Y.
85,00,000	88,00,929	1,28,90,368	99,20,784	23,800	Haridas Achratlal & Co., Ltd.	41,056	780	Vijaya Mills	582.50	500	35.00*	50.50*	40.00*		12	Y.P
WEST BENGAL																
15,00,000	3,05,458	38,27,561	24,08,641	1,14,855	Calcutta Agency Private Ltd.	13,044	356	Bassuti Cotton Mills	6.12	10	0.50	0.60	0.60		12	Y.P.T.
7,11,280	3,63,200	33,50,977	59,15,024	22,143	D. N. Bhattacherjee Esq. (Mg. Director)	32,336	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	4.00	4.00	*Nil*	3	Y.P.
24 00 000	1,80,000	1,20 71,237	49 68,081	1,17,244	Kettlewell Bullen & Co., Ltd.	42,960	841	Bowreah Cotton Mills	105 00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
19,00,000	24,80,708	1 39 78 961	78 14,165	—1,88,242	Kettlewell Bullen & Co., Ltd.	42,944	523	Dunbar Mills	131 00	100	7 50	6 00	*Nil*		12	Y.P.
50,08,000	38,968	76,97,325	21,97,815	82,066	Birla Brothers Private Ltd.	43,852	806	Jay Shree Textiles Ltd.	8 00	10	*Nil*	0 87	0 50		12	Y.P.
1,80,00,000	2,29,91,350	4,09,62,885	1,46,10,478	4,94,772	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	11 12	10	0 87	1 00	0 75		3	Y.
19,47,7500	9,80,000	48,59,254	23,75,466	9,388	Hazaresmul Heeralal	23,086	795	Rampooria Cotton Mills	15 00N	10	1 00	1 00	1.00		6	Y.
5,00,0000									4.00N	10	0.34	0.36	0.15			
SOUTH INDIA AND OTHER CENTRES																
11,96,600	5,57,619	30,87,164	19,12,220	16,018	Setna & Co.	24,800		Asher Textiles Ltd.	217.00N	100	12.50	15.00	12.50		6	Y.
72,00,006	17,82,554	1,87,65,112	68,45,582	6,710	C. S. Tyabjee, Esq.	36,136	716	Asam Jahl Mills	26 25xdN	10	3 50(c)	5.00	3.50		9	Y.
1,21,50,000	1,47,74,679	3,67,98,866	2,76,43,043	2,90,471	Binny & Co (Madras), Ltd.	46,250	1,157	Bangalore Woollen, Cotton and Silk Mills	163 00	100	30.00	30.00	10.00*C	4.00	12	Y.P.
35 00,000	74,79 507	1,41,25,225	1 10 21,274	1,04,207	Birla Brothers Private Ltd.	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	26 25xdN	10	1 50	1 50	0 75	0	12	Y.P.T
1,78,47 800	2,99 20,000	6 98,67,943	4 19,97,472	1,92,471	Binny & Co (Madras), Ltd.	1,20,228	2,763	Buckingham & Carnatic	172 00	100	10 00	10 00	10 00	4 00	12	Y.P.T
20,00,000	15,37,935	50 23,440	26 18 943		Peirce Leslie & Co., Ltd.	37,536	4	Cambodia Mills	7 50	10	0 50	0 50	0 50(c)		12	Y.P.
15 00,000	5,11,590	63,88,579	29 91,389	1,08,342	Damodaran & Co.	20,600	591	Cannanore Spg & Wvg.	135.00	100	12 00	15 00	20 00	12 50	3	Y.
30,00,000	33,43,336	76,05,050	59 57,015	11,053	Begg, Sutherland & Co. Private Ltd.	27,924		Cauvery Text Inc	8	*Nil*	0 25	0 25	*Nil*		12	Y.
9,36,560	5 31,545	60,81,289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	30,864		Cauvery Spg. & Wvg. Mills Ltd.	10 80	10	0 62	0 75	0.90	0.90	3	Y.P.T.
23,21,362	22,09,767	69 79 022	31,91 696	698	R. Rheema Naidu & Co.	29,000	190	Coimbatore Cotton Mills	140 00	100	25 00	25.00	9 00*C		12	Y.
18,15,000	7,25,195	39,16,552	24,29 633		T A R Chettiar Sons & Co.	25 840		Coimbatore Murugan Mills	220 00	100	20 00	20 00	20 00		12	Y.P.
20,00,000	18 28,450	80,21,737	44,09 621	599	T R N Naidu & Co.	30,721	607	Coimbatore Spg. & Wvg.	250 00	100	20 00	20.00	20.00		12	Y.P.
30,76,900	5,076	1,37,90 104	88,52,983	—7,29,806	T R S Naidu & Co.	72 188	407	Coimbatore Spg. & Wvg.	45 50	50	8 00	10.00	*Nil*		6	Y.P.
46 87,500	27,54,785	2,42 10 703	1,54 86 354		Tata Industries Private Ltd.	67,452	1,620	Central India	90 00	100	5 00	*Nil*	*Nil*		6	Y.P.
26 90 661	19,55,000	1,04,60,142	44,86 815	21,830	R. Hanumanthappa & Son	28 816	300	Davangere Cotton Mills	113 00	100	5 00	5 00	9 00	9 00	6	Y.
3,38,36,225	3,59,53,968	12,81,26,690	7,47,89,681	4,80,599	B. R. Charat Ram & Co. Private Ltd.	1,41,180	2,852	Delhi Cloth & General Mills	29 10	{ 25	2 25	2.50	2 00	2 00	3	Y.P.T.
1,00,583										2½	0 22	0 25	0.16	0.16		
47 98,296	26,25,000	84,28,224	49,84,067	1 965	M N Chettiar & Sons	42,212	201	Dhanavalakshmi Mills	167 00	100	20 00	25 00	10.00*C		12	Y.
63,00,000	1 05,56 192	1,69,15,424	1,41,98 839	75,831	Begg, Sutherland & Co. Private Ltd.	48,252	1,198	Elgin Mills	130 00	100	15 00	15 00	8.00		12	Y.P.
48,81,000	43 55,161	1 36,06,642	77 13,982	4 172	Forbes, Forbes Campbell & Co., Ltd.	74,286		Gokak Mills	130 00	100	15 00	13 00	8.00		12	Y.P.
2,50,00,000	8,75,000	5,73,71,041	1,64,48 856	1,00,48,693	Birla Gwalior Private Ltd.			Gwalior Rayon	13 00	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
50,00 000	6 94 589	1,59,76 049	1,21 32 273	—11,77,284	K L. Seksaria, Esq. (Chairman)	51,180	1,856	Indore Malwa United	102 50	100	9 00	11 00	6.00		12	Y.
8,90,000	10,66,553	35 60 221	20,68,005		G V Naidu & Co., Ltd	23,784		Janardana Mills	69 00	50	10 00	10.00	3.00		12	Y.
15,84,000	15,02,899	57,18,987	33 98,096	7,012	Mr. Bhairuratan Damani (Managing Director)	30,212	512	Jam Shri Ranjitsinghji	1,450 00	1,000	50 00	60.00	40 00		6	Y.
4,68,56,800	3,05,67,516	4,59,43,795	3,29 32,899	3,47,483	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	9 76	10	4 00	0 55	0 25	0.25	3	Y.P.
42,00,000	19 25 000	1,06,81,587	38,28,076	91,772	Kothari & Sons	41 040	300	Kothari Textiles	10 00	10	1 00	1 00	1 00		6	Y.P.
82,00,000	63 39 487	1 84 50 574	1,25,78,615	2 294	M.	51,098	1,248	Lakhahmi Cotton Mfg.	94 50	50	12 50	12 50	15 00	12 50	12	Y.P.
71,00,000	66 88,960	2,25,46,381	1,29 69 687	86,376	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	45 50	25	6 25	6 25	8 00	8.00	3	Y.
1,75,02 480	4,24,40,278	5,90,89,121	3,96,10,817	6,02,368	A. & F. Harvey Ltd.	4,58 000		Madura Mills	28 75	15	3 00	2 62	2 25		12	Y.
12,00,000	3,67,363	29,08,352	18,76,700	213	V. K. Eradi (Chairman)	22 592	100	Malabar Spg & Wvg.	80 00N	200	*Nil*	8 00			12	Y.
60 00 000	69,00 000	66,60,298	47 39,940	876	W. A. Beardsell & Co. (Private) Ltd.	22,556	603	Mettur Industries Ltd.	334 00	100	35 00	42 50	20.00	20.00	3	Y.
29 37,584	12 88,081	93,11,180	51 89,457	19 738	N Sirur & Co. Private Ltd	39,896	704	Minerva Mills	60 00	100	6 00	6 00	*Nil*		12	Y.
94,91,850	21,56,146	1,71,94 769	78,81,528	1,85,008	M.	52 408	962	Model Mills (Nagpur)	175 00	250	7 50(c)	7 50			6	Y.
24 88,500	39 98,562	1 13,65,249	72 49,736	27,671	N Sirur & Co. Private Ltd.	50,492	800	Mysore Spun Silk Mills	51 00	100	5 00(c)	9 00*	9.00*	5.00	3	Y.
12 61,780		1,06,87,751	17,83,314	5,966	S. Tippeurdrish (Chairman)	6,000		Mysore Sugar & Mfg.	6 25N	10	*Nil*	*Nil*	*Nil*		3	Y.
37,87,500	39,29,98	1,78,83,244	67 86,663		M.	87,788	902	Osmanshahi Mills	48 50	100	2 50(c)	3 00(c)	*Nil*		9	Y.
4,00 000A	13,00,000	71,79,976	28,66,277	3,909	Bhaghyalakshmi & Co.	45,600		Palani Andavar Mills	125 00	50A	12 50	15 00	9 00		12	Y.P.
6,00 000B									180.00	75B	18 00	22.50	13 50			
15 000		35,52,644	19,72,687	—13,17,124	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	38 00	100	4 00(c)	*Nil*	*Nil*		12	Y.
16 81,200A	31,21,189	1,06,11,851	58,39,265	3,877	A. G. Gurusamy Naidu & Co.	59,264	800	Radhakrishna Mills	135 00	100A	20 00	20 00	12 00		12	Y.
8 40,000B									67 00	50B	10 00	10 00	6 00			
10 52 375	20 55 750	76,3 7 378	32 62 433		B. R. Naidu & Sons	37 096		Rajalakshmi Mills	64 00	50	10 00	7 50	4 50		12	Y.P
16,14,300	14,00,000	58 40,286	20,95,405		Ramco Agencies Private Ltd.	24,996		Rayalaseema Mills	119.00	100	10 00	10 00	12 00	8.00	3	Y.
27 32 000	11 50 000	53 72,976	23 15 892	5 786	Rayalaseema Development Co.	21,200		M.	105 00	100	10 00	10 00	10 00		12	Y.
15 90 000	2,69,01	3,15,04 564	2,05 50 750	—34,29,635	M.	96,232	2,232	Sholapoor Spg. & Wvg.	425.00	1,000	*Nil*	*Nil*	*Nil*		3	Y.P
10 000									62.00	500	5 00	7.00	7 00			
36,69 700	21,91,449	1,05,51,059	61 65,564	37 576	H N. Palsegar, Esq.	80,744	292	Sri Krishnarajendra Mills	81.00N	50	6 00	6 00	6 00	4.50	3	Y.
15 00,000	3 62 40 700	1 02 21 310	76 33 414	29 39 635	Birla Brothers Private Ltd.	96,212	1,244	Sutlej Cotton Mills	16 25	10	0 60	0 75	0 75			
12 50 000 O						1,13,216	2,096	Swadeshi Cotton (Kanpur)	16 25	100.	0 75	0.75	0 75		12	Y.P.
1,57,50,000 PO	2,36,28,071	5,28 86,193	1 97,31,347	2 64 970	M.			Travancore Rayons	16 25	10P.O.	1 15	1 15	1 15		12	Y.P.T.
1 00 00,000	60,00,000	3 88,81,393	1 96 12 492	1,78,216	Kmcote & Sons (Travancore) Ltd.	18,000		Trichinopoly Mills	16 05	10	0 75	1 00	1 00		12	Y.
12 96 720	9 45,940	19,58,289	13,60,120	794	Moolji Jaintee & Sons	44,424	270	Vasanta Mills	11 62	10	0 90	1 12	0 90		12	Y.
21 00 000	39 86 738	86,39,495	61,76,547	12,000	R. K. Chetty & Brothers	49,860	1,875	Vishnu Cotton	213 00	100	20 00	20 00	13 00		12	Y.P.
32 00 000	18 73 770	1 85,96 683	1 17 44 692	—9 85 589	The Bombay Co. (Private) Ltd.				98 00	100	8 00	8 00	*Nil*		12	Y.P.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.
Z—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. § On old capital. ‡ For Nine months ended 31st December 1957. 'C'—On increased Capital.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1955	1956	1957	1958	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
CEMENT														
72,59,940	13,33,764	1,00,14,799	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10.05	B. 10	1.00*	1.00			12	Y.P.
59,85,555	....	1,55,92,861	....	12,925	M.	Ashoka Cement Ltd.	7.56	10	..	..	*Nil*		3	Y.T.
13,71,80,070	9,62,91,062	20,81,74,705	11,29,17,763	2,58,821	Cement Agencies (Private) Ltd.	Associated Cement Companies	153.00	100	10.00	10.00	9.00		7	Y.T.
5,07,44,578							8.52	10	0.30	0.60	0.60		12	Y
84,562,646	68,460,286	83,40,407,122	32,12,230	810,381,162	Teadulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	9.20	O. 10	1.25	1.25	1.20		12	Y.P.
3,60,000	4,70,465	22,12,230	7,48,254	68 009	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	2.63	D. 1	0.12	0.12	0.12			
5,00,000	53,35,980	1,12,34,457	43,61,211	7,58,924			—	O. 25	1.87	2.00	3.06	2.25	3	Y.P.
1,09,79,135	30,37,736	2,18,27,299	78,38 865	71,092	Essen Private Ltd.		5.40xr	D. 5	0.37	0.41	0.41	0.45		
1,50,00,000	4,00,000	4,72,80,123	89,99,750	21,36,411	Sahu Jain Ltd.	Jaipur Udyog Ltd.	10.36	10	0.75	1.25	*Nil*		3	Y.P.
1,00,00,000	21 48,497	3,25,68,768	1,17,79,523	37,55 949	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	12.12	100	1.25	1.25	1.50		12	Y.P.
1,34,20,200	48,94,785	3,55,77,865	1,29,16 661	2,23,855	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	130.75	100	8.50	8.00	9.00		12	Y.P.
75,00,000	17,70,000	2,18 91 926	1,54,88,889	18 727	M.	Sone Valley Portland Cement	5.25	5	0.30	0.15	0.30		12	Y.
80,00,000	6,00,000	1,04,34,595	48,33,451	3,24,631	Essei (Private) Ltd.	Travancore Cements Ltd.	9.10	10	0.62	0.60	0.66		12	Y.
CERAMIC; MINING AND QUARRYING														
50,59,275	8,45,000	1,20,18,975	35,41 847	20,913	Bharat Ram Bhagat & Co.	Bengal Potteries	3.56	2½	0.25	0.25	0.25		12	Y.
10,00,000	30,51,407	62,21,713	35,31,132	18,440	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	32.00	10	1.75	0.87	1.75	0.87i	3	Y.
1,27,1,800	21,548,400	22,621,717	21,593,582	13,14,980	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3.70	Sh. 2	10.84*	4.84	4.82i		12	Y.
15,00,000	24,41,770	44,55,177	13,17,876	1,75,861	Bird & Co. Private Ltd.	Karanpura Development	11.25	10	1.00	*Nil*	*Nil

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
PAPER														
45,00,000	37,01,241	2,14,69,697	1,60,64,697	66,840	M.	Bengal Paper Mills	98.00	25	4.69	2.50	3.12	2.001	12	Y.P.T.
68,00,000	61,52,258	1,94,26,902	88,79,418	29,471	Andrew Yule & Co., Ltd. ..	India Paper Pulp	20.87xd	10	1.39-2/5	1.39-2/5	1.40	1.00	3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17 55	10	0.75*	1.00*	1.00*	1.00	3	Y.
1,46,82,500	2,46,75,045	6,04,16,697	1,37,53,042	2,53,477	Birla Brothers Private Ltd. ..	Orient Paper	31 25	10	1.12	0.62	1.50		3	Y.P.T.
1,25,49,570	74,23,277	1,35,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills ..	16 50	10	1.25	1.25	1.25		12	Y.P.T.
50,00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	12 87	O. 10	1.25	1.05	0.60		9	Y.P.
*A'10.00.000							12 87	A. 10	1.25	1.05	0.60			
2,18,55,240	48,48,060	2,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	12 40	10	5.00‡	0.50	0.50		6	Y.P.
84,00,000A.							42 87	A. 10	2.00*	1.12*	2.25*	2.38*		
84,04,800B.	3,55,66,722	6,68,99,634	3,73,32,529	1,16,856	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	42.87	B. 10	2.00*	1.12*	2.25*	2.28*	3	Y.P.
4,37,500P.O.							3.94	P.O. 2½	0.25	0.12	0.24	0.24		
SAW MILLS AND TIMBER														
12,99,998	[23,88,889	32,79,430	[18,61,671	—4,90,122	Bird &Co. (Private) Ltd.	Assam Saw Mills	2.81	2	*Nil*	*Nil*	*Nil*			
50,00,000	3,81,14,271	4,60,47,879	1,88,08,404	1,88,542	Wallace & Co.	Bombay-Burmah Trading Corpn.	496.50	Old125	37.50	40.00	40.00	7.50‡	9	Y.
42,00,000							180.00	New50	15.00	12.75	16.00	3.00‡	5	Y.
20,00,000	20,43,037	19,96,496	15,76,148	78,140	Gillanders Arbuthnot &Co., Ltd. ..	Indian Wood Products	44.12	10	3.00	3.00	2.75	1.00‡	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	0,406	42,92,220	31,12,074	57,702	M.	Balrampur Sugar	9.00	5	0.06	*Nil*	0.25			Y.
12,00,000A	29,80,260	55,40,881	36,82,485	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	180.00N	A. 100	10.00	10.00			4	Y.T.
3,00,000B.							11.50N	B. 10	1.00	1.00				
19,49,050	8,75,000	33,83,770	25,66,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	11 75	7½	0.75	1.00	1.00		9	Y.
15,00,000	18,51,518	19,28,777	13 40,540	7,553	Cotton Agents Private Ltd. ..	Bharat Sugar	13.50N	10	1.50	1.50	1.50		6	Y.P.
32,00,000	25,22,515	1,45,76,557	98,94,338	—2,23,014	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8.90	10	0.25	*Nil*	*Nil*		6	Y.P.
30,00,000	54,39,809	1,65,39,057	98,52,334	—8,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	12 06	10	0.75	0.75	*Nil*		10	Y.
18,00,000	34,56,103	84,72,400	59,12,695	—3,48,163	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	18 25	10	1.50	1.00	*Nil*		6	Y.
9,58,252	2,59,762	25,14,152	16,98,383	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	10 00N	10	0.50	0.50			8	Y.
18,00,000	12,51,626	79,38,731	49,95,047	1,05,564	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	50 00	10	3.25	4.00	7.00		7	Y.
7,59,100	22,50,288	48,60,619	25,90,922	79,225	Cotton Agents Private Ltd. ..	New India Sugar Mills ..	28.00	10	2.50	2.50	2.50		6	Y.
11,00,000	4,45,000	47,92,961	28 66,816	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	5.75	10	0.25	0.37	0.37		5	Y.
13,21,100	49,91,797	78,75,775	27,02,358	6,855	Cotton Agents Private Ltd. ..	New Swadeshi Sugar Mill ..	250.00	100	10.00	20.00	20.00		6	Y.
38,575							50.00N	25	5.00	5.00	5.00			
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd. ..	Oudh Sugar	147.50	100	11.00	11.00	12.50		7	Y.P.
12,00,000	12,69,374	31,96,494	21,49,459	24,662	Narang Bros. & Co. Private Ltd.	Punjab Sugar	77.00N	100	6.00				10	Y.
9,00,000	19,84,146	43,88,090	32,94,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	15 50	10	0.75	0.75	*Nil*		10	Y.P.
63,59,400	48,84,090	81,89,788	31,42,984	59,543	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	13.00	10	1.50	1.50	1.50		10	Y.
8,00,000	6,21,932	28,74,393	23,31,931	2,175	M.	Ryam Sugar	19 25	10	*Nil*	1.75	1.50		6	Y.P.
11,99,000	16,33,214	47,23,583	28,15,422	—2,20,853	M.	Samastipur Central Sugar ..	12 37	10	*Nil*	1.75	*Nil*		6	Y.
89,58,800	22,68,560	1,47,99,287	73,09,801	47,608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.21	10	1.75	1.00	1.00		7	Y.P.T.
10,02,115	24,660	29,48,606	14,85,401	—3,16,557	H. K. Ghosh, Esq., and B. N. Datta Esq. (Managing Directors) ..									
15,89,000	13,53,431	35,59,550	20,58,359	40,666	M.	Sitalpore Sugar	2.37	10	*Nil*	*Nil*	*Nil*		6	Y.
9,15,000.						Shri Bitaram Sugar	11.62	10	1.00	1.00	0.50		8	Y.
4,40,000D.	66,462	29,66,360	11,46,770	—16,37,907	M.	South Behar Sugar	0.75N	O. 10	*Nil*				10	Y.P.T.
8,00,000	24,74,348	1,27,80,247	80,57,754	9,663	Cotton Agents Private Ltd. ..	Upper Ganges Sugar	0.50N	D. 2½	*Nil*					
16,00,000	9,16,589	23,80,235	27,24,251	29,761	M.	United Provinces Sugar ..	35.00N	10	3.00	3.00	5.00		6	Y.
							14.00	10	1.50	0.50	0.75		9	Y.
Other Centres														
20,00,000	19,50,000	76,27,650	18,97,501	15,070	Rangarao & Co.	Andhra Sugars Ltd.	17.00	10	0.50	1.00	1.25		9	Y.
70,49,850	1,32,25,508	1,58,96,065	1,06,75,700	2,58,214	Belapur Company	W. H. Brady & Co., Ltd. ..	300.00	50	16.00	16 00	16.00	20.00*	9	Y.
17,50,000	12,58,285	41,35,701	23,96,315	20,827	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	27.10	10	1.00	1.50	2.00		9	Y.P.
37,50,000	16,15,171	76,19,408	50,40,255	31,529		Shree Chamdeo Sugar ..	32.75	12.50	2.00	5.00	2.25		9	Y.
39,84,000	47,43,760	1,15,18,224	62,58,314	1,16,220	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	11.00xd	5	0.50	0.75	0.85		5	Y.
4,849,950	£ 1,197,467	£ 1,387,940	£ 701,435	£ 52,719	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	30.37	£ 1	Sh. 4	Sh. 3	Sh. 3	Sh 11	9	Y.P.
15,93,900	15,86,419	45,30,767	25,77,714	6,691	Sir J. P. Srivastava & Sons (M.R.) Ltd.	Gwalior Sugar	80 00	100	*Nil*	6 00	10.00		6	Y.P.
68,98,200	11,02,869	78,71,515	18,88,286	46,085	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	19 25	10	1.40	1.12	1.00		9	Y.P.
23,17,770	15,75,875	94,06,432	12,97,810	6,611	K. S. Ind Corpn. Private Ltd.	Jaypore Sugar	15 00	10	1.00	0.60	0.50		6	Y.P.
10,52,2000.	88,00,000	2,48,46,158	41,94,129	28,068	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	120.00	O.100	7.50	7.50	7.50		9	Y.
2,87,190D.							184 00	D. 10	10.00	10.00	10.00			
67,50,000	38,21,978	1,22,47,683	57,37,087	36,423	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	177 00	50	..	100 00*	100 00*		9	Y.P.
21,79,280	36,24,043	1,54,89,102	99,25,545	2,10,465	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	43 00	10	2.00	2.00	2 00		6	Y.
50,00,000	58,21,430	1,16,88,154	67,80,841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	161 50	50	8.00	9 00	12 00*		9	Y.
16,59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright Ltd.	Ramnugger, Cane and Sugar ..	20.37	10	1.50	1.50	1.50		9	Y.P.T.
20,00,00,000.							137 00	O. 50	9.00	12.00	12 00		9	Y.P.T.
4,00,000D.	42,07,214	1,04,79,940	59,80,737	70,575	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	90 00N	D. 10	0.07	0.70	3.75			
80,00,000	23,85,000	65,43,339	27,52,833	1,07,287	Parry & Co., Ltd.	Travancore Sugars	10 40	10	0.75	0.75	0.75	1.00	7	Y.P.
1,01,00,000	1,16,37,178	2,71,48,027	1,06,46,128	1,72,966	Walchand & Co. Private Ltd. ..	Walchandnagar Industries ..	380.50	100	18.00	21.00	21.00		9	Y.P.T.
TRANSPORT														
20,00,000	99,30,970	1,22,58,916	19,44,277	[7,86,227	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co. ..	110.00	100	7.50	7.50	5.00		10	Y.P.
1,00,00,000	27,35,000	4,10,96,541	1,62,42,552	4,06,036	Dinabaw (Private) Ltd.	Bharat Line J.	18.40	10	5.00	6.00	12.00*		12	Y.
96,00,000	1,42,35,068	4,90,84,846	86,21,845	1,88,580	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	27.10	10	*Nil*	1.00	1.50		6	Y
£655,580	£997,739	£5,665,834	£3,428,088	—£106,393	Kilburn & Co. Private Ltd. ..	India General Navigation & Rly. Co.	55 00	£10	Sh. 10	*Nil*			12	
2,25 00,000	1,74,74,232	12,78,96,545	2,63,26,759	2,70,984	Lionel Edwards (Private) Ltd.	India Steamship Co.	80 00	10	*Nil*	1.00	1.00		3	
9,40,19,675	10,55,51,342	27,66,48,271	5,78,99,812	5,84,102	M.	Scindia Steam Navigation Co.	21 08	20	0.50	1.00	1.25		6	
6,40,8000.	£21,57,472	12,59,963	3,41,760	1,35,400	R. R. Aiyer Esq. (Manager) ..	Watford Transport Ltd.	2.00	O. 1	0.14	0.14	0.14		12	
3,10,250P.O.							1.75	P.O. 1	0.12	0.12	0.12			Y.P.T.
UNCLASSIFIED (Bombay)														
25,00,000	1,00,000	[26,18,548‡	....	....	M.	Devkaran Nanji Investment Co.	11.00	25	0.75	0.81	0.81		3	Y.P.
57,00,000	2,01,70,510	4,79,59,816	1,85,62,169	89,94,000	S. H. Turner (Chairman) ..	Hindustan Lever	28.45	10	..	1.25	1.40		12	Y.P.
31,07,000	16,29,510	1,09 45,989	67,14,407	14,986	Birla Brothers Private Ltd. ..	Hind Cycles	138.50	100	10.00	..	12.50‡		3	Y.T.
14,98,840	4,61,096	33,87,508	21,55,554	10,066	Choonilal Manilal Private Ltd.	Estrela Batteries	36.50	50	3.00	3.00	3.50*	3.00	12	Y.P.
99,99,950	20,18,147	1,25,51,966‡	....	1,74,582	Premchand Roychand & Sons	Industrial Investment Trust ..	80 50	100	4.50	5.00	5.50		12	Y.
1,00,00,000	28,08,446	38,85,170	11,25,734	2,758	K. G. Milne, Esq. (Mg. Director)	Killick Industries	149.25	100	11.00	11 00	11 00		6	Y.
20,25,325A.O.	68,14,265	3,42,78,824	1,69,08,078	6,31,752	Aero-Auto Private Ltd. ..	Premier Automobiles	80 00	100	*Nil*	6 00	6 00		6	
21,60,000	29,15,758	64,55,614	14,86,374	64,350	Poison Agencies Private Ltd. ..	Poison Ltd.	161.00	10	10 00	12 50	10 00		12	
10,21,200	4,88,147	8,06,102	5,85,506	2,481	.. ..	United Motors (India) Ltd. ..	15.00	20	2.00	2 00	1.20		12	
2,75,00,000	1,44,18,441	3,87,52,891	1,66,55,348	89,860	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	157.00	100	11.00*	11.00*	11.00*		12	
45,00,000	60,62,890	8,64,985	5,24,956	75,084	.. ..	W. H. Brady & Co., Ltd. ..	256.00	100	20.00	23.50	23.00		12	Y.
Other Centres														
87,50,000	1,99,56,713	3,81,21,462	36,96,8.1	2,33,759	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd.	11.06	O. 10	*Nil*	0.50	0.90		3	Y.P.T.
2,50,000							5.00	D. 2½	*Nil*	*Nil*	*Nil*			
79,95,653	84,25,000	1,05 40,087	24 37 767	49,715	Seshasayee Bros. (Trav.) Prv. Ltd. ..	Aluminium Industries Ltd. ..	17 40	10	1.25*	1.25	1.25	.25	3	Y.
30,00,000	36,20,717	34,97,377	23,60,332	2,61,289	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	20.50	10	2.00*	2.00*	1.80*		3	Y.
30,00,000	19,14,736	1,11,14,736	35,54,572	19,56,372	Mr. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	17.25	10	1.25*	1.25*	1.25*		3	Y.
20,00,000	35,94,600	1,05,12,033	39,58,423	2,39,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	7 50N	10	0 40	1 20	0 60		3	Y.P.T.
80,01,400	84,59,405	74,46,188	40,46,188	5,00,886	M.	Balmer Lawrie & Co., Ltd. ..	148 00	100	12 50	15 00	12 50		12	Y.P.
12,00,000	17,56,000	34,55,748	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd. ..	Benzal Flour Mills Co., Ltd. ..	30 35xd	10	2 25	2 50	2.50		12	Y.
80,00,000	8,05,000	1,07,22,492	61,28,492‡	37,612	Lyttel & Co.	Birla Investment Ltd.	12.44	10	1 25	1.00	1.00		12	Y.P.
45 97,020	38,11 814	1 15 02 202	42,22 212	2 18 164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	17.12	10	1.00	1.00	1.00	1.20	3	Y.P.
3,25,00,000	1,27,72,883	3,51 40,132	2,47,20 776	—11,38,910	M.	British India Corporation Ltd.	8 70	10	*Nil*	0.10	*Nil*		12	Y.P.
8,00,000	3,25,252	13,99,181	13,58,648	28,272	Andrew Yule & Co. Ltd. ..	Calcutta Hydraulic	48 00N	100	*Nil*	*Nil*	8 00		6	Y.
5,00,000	2,47,182	8,43,622	6,98,409	35,418	Andrew Yule & Co. Ltd. ..	Central Hydraulic	82 00N	100	5.00	6 00	10 00*		6	Y.
1,38,80,000	17,84,264	2,05,94,990‡	....	8,10,588	Andrew Yule & Co. Ltd. ..	Clive Row Investment	10 00	10	0.56	1.38	0.75	0.75	6	Y.
9,00,00,000	4,40,29,606	6,50,49,175	2,88,24,548	22,22,843	John Lockham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	30.44	10	1.50	1.50	1.62		12	Y.P.T.
1,20 00,000	20,75,014	29,35,961	16,23,422	38,786	Mr. K. G. Khanna	Dyer Meakin Breweries	12.12	5	0.56	0.56	..	..	3	Y.
51,26,000	54,81,635	1,64,12,908‡	....	2,42,272	Bird & Co. Private Ltd. ..	Eastern Investments Ltd. ..	148 00	100	9.00	9.00	9.00		12	Y.P.
14,94,575	....	22,64,862	91,311	5,110	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	10 00N	10	..	..	..		12	Y.P.
14,00,000	10,35,000	30,71,778	20,74,954	82,066	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	72 00	100	15.00	4.00	12.50	15.00	12	Y.
40,00,000	4,00,000	63,89,740	32,48,367	10,90,318	M.	Godirey Phillips India Ltd. ..	19 50N	10	2.00	2.00	1.50		12	Y.P.
65,00,000	24,20,910	29,25,478	10,66,888	1,68,398	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	12.44	10	1.40	1.50	1.00		3	Y.
30,00,000	15,17,354	83,08,821	36,24,688	74,215	B. P. R. Syndicate	Great Eastern Hotel	250 00	250	6.25	15.00	15.00		3	Y.
4,96,13,250	13,87,499	5,26,95,200	2,25,48,541	9,98,841	Birla Brothers Private Ltd. ..	Hindustan Motors	7 12	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
3,84,58,900	1,17,58,800	7,37,43,612	2,21,77,728	7,20,182	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd. ..	15 37	10	0.9	1.00	0.50		12	Y.P.
1,52,89,220	1,46,00,000	2,26,86,081	36,86,093	41,81,853	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	28.44	10	1.25*	1.50*	1.50*		3	Y.P.T.
89,58,800	22,68,560	1,47,99,287	73,09,801	47,608	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	17.00N	10	0.50	0.62			3	Y.P.
2,00,00,000	....	....	....	....	R. G. C. Stephenson, Esq. (Mg. Director)									
15,16,00,000	9,06,59,979	10,61,31,642	2,04,62,122	24,04,858	Mr. G. H. J. Clarke (Chairman)	Indian Oxygen Ltd.	23.37	10	..	..	1.00		9	Y.
2,00,00,000	76,27,615	39,02,397	12,08,982	4,71,170	J. D. K. Brown, Esq. (Mg. Director)	Imperial Tobacco Co. of India Ltd.	11.75	10	0.30	0.30	0.70	0.70	3	Y.
40,00,000O.	82,86,900	48,58,407	10,48,712	2,57,153	M.	Jardine Henderson	81 00	100	7.50	7.50	2.50		3	Y.P.
5,00,000D.						McLeod & Co.	300 00N	O. 100	22.50	8 00			12	Y.P.
1,45,25,500	90,58,581	25,54,434	14,97,332	2,35,312	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	29 50	D.0.10	1.75	0 30				
1,15,00,000	1,29,00,181	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	32.50	10	1 81*	2 12*	2.12*		9	Y.P.
6,56,250	6,92,500	11,29,680	5,97,382	8,349	Mr. J. L. D'Sa (Chairman) ..	Mysore Lamp Works	16.85xd	10	1 25	1.50	1.25	1.75	9	Y.P.
10,00,000	8,70,000	14,47,999	10,18,764	43,554	M. M. Mathews, Esq. (Chairman)	Travancore Chemicals	14 50xd	10	0.75	1.50	1.50	1.75	9	Y.
3,00,00,000	88,55,505	2,14,82,470	61,33,962	28,42,424	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	27.37	10	0.32	1.50	1.40		12	Y.
59,96,000	98,71,172	77,84,522	42,87,426	2,67,636	Associated Industrial Development Co. (Private) Ltd.									
40,00,000	20,00,000	86,22,809	17,66,013	24,266	Do.	National Insulated Cable Co. ..	23 25	10	1.50*	2 00*	2 00		3	Y.P.
8,00,000	6,00,000	50,21,760	28,60,528	1,80,392	K. N. Mookerjee (Mg. Director)	National Rolling & Steel Bopes ..	13.19	10	0.50	0.50	0 50		3	Y.
79,97,000	68,89,261	1,25,70,061	65,79,851	8,87,786	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	14 00	10	..	..	1.00		12	Y.
2,20,00,000	42,21 731	89 43,258	33 40 874	68 842	P. C. Vink, Esq. (Mg. Director)	National Tobacco Co.	12 50	10	0.80	0.70	0.90		12	Y.P.T.
2,25,00,000	4,58,498	1,22,26,543	60,08,534	—44,12,988	M. P. A. Pasnatti, Esq. ..	Phillips India Ltd.	16 00	10	..	..	0.50		12	Y.P.
2,25,00,000	1,37,70,209	10,60,39,211	3,98,22,768	49,402	Sahu Jain Ltd.	Rallis India Ltd.	42 50	100	*Nil*	*Nil*	*Nil*		3	Y.P.
4,73,200	51,886	31,11,557	6,29,199	19,106	Sathe Food Inds. (Private) Ltd.	Rohtas Industries	20.37	10	1.50	1.50			10	Y.P.T.
5,13,400							100 00N	100	..	5 00	6 00			
70,00,000	17,06,318	1,67,21,608	84,47,040	66,321	M.	Sen-Raleigh Industries	50 00N	50	..	2 50	3 00		3	Y.P.
40,00,000	58,41,163	1,21,59,272	72,08,599	9,02,978	C. W. Stephenson, Esq. ..	Spencer & Co., Ltd.	14 04	10	0.60	0 60	0 60		9	Y.P.
75,00,000	21,22,788	71,93,265	11,68,597	3,65,425	S. M. Smith Esq. (Mg. Director)	Shaw Wallace & Co., Ltd. ..	20 25	10	1.50	1.50	1.50		9	Y.P.
15,00,000	96,16,871	1,13,44,098	16,55,796	8 212	J. K. Agents Private Ltd. ..	Straw Products Ltd.	15 00	10	1.00	1.00	1 00		12	Y.
6,98,880	19 925	14,83,995	5,18,595	—7,432	Ogale Bros. (Private) Ltd. ..	Travancore Ogale Glass ..	10.00N	10	1.25	1.25	1.25		12	Y.
6,00 000	9,60 000	24 40,332	22 65 926	6 022	Vital Mallya, Esq. (Chairman)	United Breweries	4 12	10	*Nil*	*Nil*	*Nil*		12	Y.
							250 00cd	75	15 00	15 00	15 00		3	Y.

M.—Managed by Board of Directors.
† Subject to taxation.
Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each, into shares of Rs. 50 each in 1956. The dividends for 1956 and 1957 are on shares of Rs. 250.
F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957.
‡ On old capital.
§ Investments at cost.
* Includes bonus.
§ Rexonding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.
J.—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
ASSAM															
4,45,700	10,68,102	18,88,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	29.50N	10	18.00A	4.75	5.00	1.00	12	Y.P.
2,76,500	5,71,500	11,19,537	3,89,703	22,120	M.	312	Ananda (Assam) Tea	21.00	10	7.50	1.00	2.00		12	Y.
7,00,000	6,43,250	13,23,233	3,34,393	49,669	Gillanders Arbuthnot & Co., Ltd.	440	Ananda Bag	18.50	10	8.00*	1.00	1.25		12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Baghmari	20.50xd	10	3.50	1.00	2.50	1.50	12	Y.
5,10,000	12,33,171	13,89,143	5,88,737	44,923	Andrew Yule & Co., Ltd. ..	377	Basmatia	28.25	10	8.00	1.50	2.00	1.75	12	Y.
4,95,900	3,59,210	14,59,973	3,51,973	64,213	National Tea Corporation ..	579	Batell	18.12	5	4.00	2.50	3.00	1.50	12	Y.
6,40,000	7,40

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
3,00,000	2,10,000	3,92,505	34,197	15,000	Planting Agencies (Private) Ltd.	Balmadies Plantations	3.60	2	0.30	0.21	0.45		5	Y.P.
20,91,279	17,00,000	56,38,212	6,78,584	22,942	Peirce, Leslie & Co., Ltd.	Cochin Malabar	5.62	3	0.45	0.75	0.52	0.30°C°	2	Y.P.
22,50,000	21,00,000	29,79,848	3,05,541	1,21,826	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	29.50cd	10	1.80	2.50	4.00		6	Y.P.
71,55,000	56,13,036	1,25,54,765	53,995	8,519	R. C. Paterson, Esq.	Consolidated Coffee	25.45cd	10	2.25	2.00	4.00		8	Y.P.T.
4,00,000	5,87,423	10,43,962	93,995	48,584	Associated Planters Private Ltd.	Cottanad Plantations	15.25	10	1.75°	1.50	1.75		8	Y.P.
18,00,000	9,30,543	29,08,448	5,55,748	11,993	A. V. Thomas & Co., Ltd.	Highland Produce	11.15	10	2.00	2.00	0.75		12	Y.P.
8,00,000	6,92,899	19,66,900	3,05,819	..	A. V. Thomas & Co., Ltd.	Kalpetta Estates	11.50cd	10	2.75	2.00	2.00	1.00°C°	4	Y.P.
15,50,000	4,55,980	20,40,926	3,88,888	2,531	K. T. Thomas Kaithanar, Esq.	Malankara Rubber	18 60cd	10	2.50	3.25	2.25	1.70°C°	3	Y.
40,50,000	29,09,139	86,11,082	10,30,522	22,019	A. V. George & Co., Ltd.	Malankara Rubber	18 00	10	2.50	2.00	2.00	1.00°C°	3	Y.
3,35,000	4,06,000	15,42,851	2,50,134	2,487	Associated Planters Private Ltd.	Midland Rubber	12.00cd	10	1.50	1.50	0.75		12	Y.P.T.
2,00,000	3,95,500	9,44,297	1,14,755	53,863	Peirce, Leslie & Co., Ltd.	Nennery Rubber	15.75	10	1.50	1.50	1.50		12	Y.P.T.
18,45,980	23,79,615	45,25,952	14,74,565	12,299	A. V. Thomas & Co., Ltd.	Nilambur Rubber Co.	15.00	10	0.40	0.20	0.60		10	Y.P.T.
13,50,000	8,60,000	45,07,576	3,95,093	798	Peirce, Leslie & Co., Ltd.,	Ouchterlony Valley Estates	5.45	2	2.00	2.50	2.00		6	Y.
5,50,170	4,00,000	9,17,112	92,732	..	Patco Acencies	Rajagiri Rubber	18.50cd	10	1.00	1.50	0.80		11	Y.
12,00,000	1,00,000	17,43,085	35,695	..		Savannalai Estates Ltd.	3.67	2				0.18	3	Y.P.T.
10,00,000	3,01,600	22,44,528	1,59,659	9,949	East India Agencies Private Ltd.	Sanzameshwar Coffee Estates Ltd.	2.57	2					3	Y.P.T.
2,50,000	2,75,000	5,73,150	38,997	23,547	A. V. George & Co., Ltd.	Teekoy Rubber (India) Ltd.	7.80cd	10	0.90	0.90	0.60		12	Y.
9,15,300	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd.	Thamarapally Rubber	27.50	10	3.00	3.00	3.00		12	Y.T.
6,00,000	33,742	7,80,835	1,41,328	1,570	Espan Thomas, Esq. (Mg. Director)	Thirumbadi Rubber Co., Ltd.	1.62	1	0.12½	0.12½	0.06		12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,06,554	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber	17.40	10	3.00	2.00	1.50		12	Y.P.
20,00,000	26,000	30,13,528	7,73,966	167	Tropical Plantations Co.,	Travancore Rubber & Tea Co., Ltd.	6.80	10	1.25	0.75	0.40		12	Y.
2,30,000	4,29,000	9,26,785	88,552	.. 673	P. T. Thomas, Esq. (Mg. Director)	Travancore Rubber & Tea Co., Ltd.	21.50	25	4.00	3.00	1.00		12	Y.P.
8,80,010	5,90,569	9,56,500	27,217	10,289	A. V. George & Co., Ltd.	Tropical Plantations Co.,	11.15	10	0.60	0.75	0.60		12	Y.
6,95,000	1,47,259	13,88,336	39,744	..	M.	Udavagiri Rubber Co., Ltd.	23.35	10	2.50	3.50	3.50J	1.25i	12	Y.P.T.
					M. K. Thomas, Esq. (Mg. Director)	Vaikundam (Travancore) Rubber	8.62	10	2.00	1.25	1.00		3	
						Woodland Estates								

J—Final dividend of Re. 1.50 is on the increased capital. * Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	53,26,659	18,786	B. N. Ellias & Co. Private Ltd.	879	Agarpara	12.00	10	0.62	0.25	0.25		3	Y.T.
6,00,000	10,81,600	59,82,765	40,52,871	1,66,651	McLeod & Co., Ltd.	456	Alexandra	185.00	100	10.00	10.00	10.00		12	Y.P.T.
80,00,000	5,25,000	1,25,28,740	95,78,501	—5,74,381	McLeod & Co., Ltd.	1,284	Alliance	123 00	100	5.00	Nil	Nil		5	Y.P.
49,20,700	72,21,000	3,09,93,668	2,15,04,087	2,86,742	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	215.00	100	3.50	3.50	7.00	10.00	3	Y.P.T.
40,00,000	32,60,924	1,49,82,554	68,17,403	3,215	Bird & Co. Private Ltd.	810	Auckland	166 00	100	10.00	1.00	Nil	5.00	3	Y.P.
20,00,000	24,84,715	98,59,961	57,95,561	1,18,223	Birla Brothers Private Ltd.	959	Bally	201.00	100	nh.15	Nil	Nil	Nil	3	Y.P.
£275,000	£631,082	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman)	1,889	Barnagore	155.00	100	7.50	Nil	2.50		12	Y.P.
28,00,000	26,27,123	97,66,495	58,10,415	6,111	Andrew Yule & Co., Ltd.	820	Belvedere	11.62	10	1.12	1.00	Nil		6	Y.P.T.
45,00,000	29,71,745	89,94,901	55,47,933	—5,78,255	Soorajmull Nagarmull	1,373	Birla	19.25	100	7.50	Nil	Nil	1.00	3	Y.P.
91,26,000	2,26,05,254	4,09,60,115	1,66,74,127	24,155	Birla Brothers Private Ltd.	991	Budge-Budge	7.00	10	Nil	Nil			10	Y.P.
98,00,000	19,86,926	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd.	502	Calcutta Jute Mfg.	188.00	100	6.50	Nil	Nil	Nil	11	Y.P.
7,47,880		44,88,108	32,72,623	—2,12,291	Dayaram & Sons	616	Caledonian	182.00	100	10.00	2.00	Nil		3	Y.
18,00,000	26,21,284	67,77,057	46,40,856	529	Andrew Yule & Co., Ltd.	600	Champdany	221.00	100	10.00	2.00	Nil		11	Y.P.
80,15,400	75,85,462	2,31,96,782	1,27,96,666	—5,45,989	James Finlay & Co., Ltd.	520	Cheviot	16.31	10	1.87	0.621	1.10		7	Y.P.T.
16,95,000	21,56,282	85,02,301	58,78,175	5,857	Andrew Yule & Co., Ltd.	600	Chitavalsah	14.00	10	1.25i	0.50	Nil	Nil	3	Y.P.
80,15,000	33,75,000	77,94,316	51,54,250	73,099	McLeod & Co., Ltd.	969	Clive	140 00	100	4.00	Nil	Nil		3	Y.P.
24,00,000	9,00,000	81,05,325	67,18,337	25,935	Shree Krishna Investment Co., Ltd.	766	Dalhousie	170 00	100	10.00	5.00	Nil		11	Y.P.
21,49,200	45,61,566	1,39,75,669	56,06,213	—12,92,307	Bird & Co. Private Ltd.	779	Delta	20.52	10	1.25	0.50i	0.75		7	Y.P.T.
82,00,000	37,22,179	82,37,464	48,90,760	4,243	Andrew Yule & Co., Ltd.	800	Empire								
16,00,000	35,56,000	93,51,055	63,07,045	4,192	McLeod & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	450.00N	100	15.00	10.00	10.00	90.00	3	Y.P.T.
21,00,000	71,39,758	2,78,16,574	1,65,59,223	2,58,668	Kettlewell Bullen & Co., Ltd.			22.62	10	20.00	0.753	1.50	1.50	3	Y.P.
						1,014	Kinnison	77.00	100	2.50	Nil			3	H.P.
21,00,000	18,00,000	1,25,79,765	63,50,852	1,96,479	Bangur Bros., Ltd.	1,709	Ganges Mfg.	650.00	300	Nil	50.00	60.00		12	Y.P.
94,32,100		2,11,07,224	1,32,68,625	—2,67,452	M.	607	Gondalpara	361.00	100	15.00	2.50	2.50	20.00	3	Y.P.
10,80,000	28,00,000	76,64,785	55,99,505	39,411	M.	1,894	Gourepore	99.00	100	11.50	5.00	5.00	5.00	3	Y.P.
24,00,000	32,06,464	2,35,37,322	1,60,44,532	47,209	Mascneill & Barry Ltd.	1,078	Hastings	18.00	10	1.25	Nil	Nil	Nil	3	Y.P.T.
46,00,000	55,66,523	1,33,27,480	67,67,854	3,19,473	Bangur Bros., Ltd.	720	Hooghly	20.06	10	0.37	0.25	Nil		3	Y.P.T.
20,00,000	18,61,969	68,47,781	47,79,916	—2,95,258	Baijnath Bajoria	1,940	Howrah	22.75	7.50	2.00	2.00	1.50		3	Y.
85,62,500	28,09,105	2,34,85,488	1,24,24,441	32,775	Jardine Henderson Ltd.	2,272	Hukumchand	16 81	12.50	4.00	4.00	9.37	15.62½	10	Y.P.
82,50,000	28,87,124	2,93,21,907	1,57,51,907	1,14,396	Ramdutt Ramkissendas	790	India	177.00		2.50	Nil	Nil		12	Y.P.T.
87,80,000	19,39,967	1,41,58,695	87,84,013	84,575	M.	1,797	Kamarhatty	166.00	'B' 100	2.50	Nil	Nil		12	Y.P.T.
24,00,000	21,09,486	1,96,91,608	1,14,05,986	—18,02,112	Jardine Henderson Ltd.			105.00	'B' 100	1.00	Nil	Nil			
'B'19,20,000								98.00	'B' 100	1.00	Nil	Nil		3	Y.P.
90,00,000	9,73,967	1,76,13,612	97,39,167	—41,58,784	Jardine Henderson Ltd.	1,527	Kankinarrah	264.00	100	17.50	5.00i	9.00		3	Y.P.
'B'24,00,000						703	Kelvin	166.00	100	11.00	5.00	9.00	5.00	3	Y.P.T.
81,00,000	53,00,000	1,35,45,052	86,77,786	86,701	McLeod & Co., Ltd.	1,530	Khardah	166.00	100	18.00	6.00	Nil	5.00	3	Y.P.
84,00,000	22,32,375	1,96,60,992	1,32,09,770	27,027	Andrew Yule & Co., Ltd.	1,250	Kinnison	188.00	100	7.00	Nil	Nil	Nil	3	Y.P.T.
48,00,000	77,82,121	2,88,47,961	1,08,51,199	25,650	F. W. Heilgers & Co. Private Ltd.	931	Lansdowne	118.00	100	6.00	Nil	Nil		3	Y.
24,48,000	27,78,883	1,23,67,077	58,89,647	—9,32,635	Bird & Co. Private Ltd.	840	Lawrence	16 51	10	2.75	2.75	5.00	17.50§	3	Y.P.T.
22,00,000	40,49,600	1,48,98,886	66,75,920	—3,16,201	Bird & Co. Private Ltd.	1,294	Magna	85.00	100	Nil	Nil	Nil		10	Y.T.
21,85,200	25,29,291	2,22,28,973	1,88,72,189	4,00,000	M.	815	Nalhati	12.00	10	1.25	Nil			10	Y.P.
29,96,900	34,62,194	1,65,75,565	95,70,990	—13,06,719	M.	435	Naskarpara	28.37	10	1.75	0.75	0.75		7	Y.P.T.
28,00,000	15,50,000	36,02,850	21,34,037	—1,65,286	Howrah Trading Co., Ltd.	852	National	18.12	10	1.00	0.00	0.00		12	Y.
35,00,000	29,51,326	45,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	816	Nellimarla Jute	12.75	10	1.50	1.50	Nil		3	Y.
26,25,000	27,54,572	51,27,861	21,92,842	48,512	McLeod & Co., Ltd.	1,765	New Centralt	13.06	10	1.50	1.50	Nil	3.50	3	
88,50,000	2,56,31,171	4,68,32,342	1,06,43,534	3,35,601	Sahu Jain Ltd.	847	Northbrook	18.12	10	1.00	Nil	Nil		3	
16,79,880	43,88,845	1,35,66,574	61,41,213	—2 43,817	Bird & Co. Private Ltd.	1,002	Nuddea	160.25	100	9.00	3.00	Nil		11	Y.
66 79,500	17,81,396	2,26,00,780	1,19,72,961	79,161	Macneill & Barry Ltd.	601	Orient	158.00	100	9.00	9.00	Nil		7	Y.
24,91,900	22,04,049	76,55,428	52,45,690	5,981	Andrew Yule & Co., Ltd.	400	Presidency	6.69	5	0.81	0.50	Nil	Nil	3	Y.
25,00,000	7,83,178	86,18,358	67,97,872	7,049	McLeod & Co., Ltd.	306	Rameshwara	6.31	10	1.25	Nil	Nil	Nil	3	Y.
20,00,000	10,324	29,80,939	9,24,705	—7,07,157	Birla Brothers Private Ltd.	1,276	Reliance	8.37	10	1.50	Nil	Nil		3	Y.
49,50,000	2,00,000	1,24,61,121	66,68,109	—66,26,692	Jardine Henderson Ltd.	2,015	Ramnagar	12.00	41	8%21					
£869,000	£1,068,713	£1,545,244		£58,994	Thomas Duff & Co. (India) Ltd.	911	Shree Ambica	11.50N	41	8%21	0.25	0.50		3	
80,00,000	13,14,910	1,21,72,882	85,21,532	48,032	Bagaria More & Co., Ltd.	401	Soorah	18.50	10	1.50	1.50	Nil		3	
14,00,000	11,14,980	66,87,540	47,50,478	40,154	Hindustan Investment Corpn. Ltd.	680	Standard	122.00	100	1.00	Nil	Nil	5.00	12	
25,19,000	3,04,087	9,59,724	3,23,203	61,862	Bird & Co. Private Ltd.	1,750	Titaghur	11.12	41	8%21					
	£625,119	£1,137,660		£88,548	Thomas Duff & Co. (India) Ltd.	1,326	Union	221 00	100	10.00	1.00	Nil	15.00	3	
£600,000	48,33,581	1,05,58,316	42,51,894	50,837	Bird & Co. Private Ltd.	1,331	Victoria	12.37	41	8%21					
£400,000	£688,035	£1,154,819		£50,501	Thomas Duff & Co. (India) Ltd.	447	Waverley	4.87	1	0.37	Nil	Nil		3	
2,50,000	4,35,000	41,78,264	27,76,059	—4,15,325	McLeod & Co., Ltd.										

COAL COMPANIES

Paid-up Ordinary Capita Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Ref ence
25,50,000	27,26,689	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22.00	10	1.37	0.50	1.25	1.25	3	Y.
12,00,000	8,49,890	35,13,891	23,46,842	57,844	Jardine Henderson Ltd.	Bararee Coke	12.00	10	1.46	1.10	0.37	0.50	3	Y.
4,49,350	88,000	9,55,103	3,60,580	1,217	Kalyanji Mavji & Co.	Bengal-Bhaidee	12.00	10	0.62	0.75	17.50		12	Y.
1,00,00,000	1,02,18,187	6,98,15,765	4,41,80,843	11,48,068	Andrew Yule & Co., Ltd.	Bengal Coal	4.25N	100	35.00°P	Nil	Nil		10	Y.P.
2,50,000	3,76,706	24,82,078	22,49,086	—1,90,041	Andrew Yule & Co., Ltd.	Bengal-Nagpur	268.00	100	6.00	Nil	Nil		10	Y.
40,00,000	10,25,269	1,44,89,927	77,99,407	—4,92,356	Sahu Jain Ltd.	Bharat Collieries	12.50	10	Nil	Nil	0.62	0.00	6	Y.P.
7,15,000	10,15,172	49,80,946	24,84,101	26,931	M.	Bhulanbarree	0.75N	10	Nil	Nil			12	Y.
7,50,000	24,50,150	46,09,896	27,71,129	95,139	F. W. Heilgers & Co. Private Ltd.	Borrea	18.69	10	2.00	1.50	0.75		12	Y.
90,92,480	1,70,32,767	4,87,87,222	1,99,68,073	10,769	Hindustan Investment Corpn. Ltd.	Burrakur	16.62	10	0.62	0.62	0.37		6,12	H.P.
49,97,000	82,960	55,20,477	17,60,531	22,320	M.	Central India	8.06	10	0.25	0.50	0.50	0.50	3	Y.
3,00,000	13,90,190	49,56,443	35,71,858	10,537	F. W. Heilgers & Co. Private Ltd.	Central Kurkend	5.62	10	0.50	0.50			12	Y.
6,00,000	1,49,122	7,29,936(k)		1,55,888	Macneill & Barry Ltd.	Churlia	8.00	4	Nil	Nil	Nil		12	Y.
16,00,000		84,47,612	61,66,868	619,481	Jardine Henderson Ltd.	Dhemo Main	23 37	10	2.00	2.50	1.50	1.00	4	Y.P.
£240,000	£278,125	£1,070,037	£776,882	59,782	Macneill & Barry Ltd.	East Indian	29.75	61	3.00	1.50	1.50		12	Y.P.
99 62,750	99,25,027	4,84,54,587	3,12,99,700	49,296	Thatcher's Arencv Ltd.	Equitable	14.00N	10	0.25	0.25			12	Y.
10,00,000	1,40,469	14,24,422	4,83,296	—6,34,206	Killick Industries Ltd.	Ghusick and Mualia	19.00	10	2.25	2.25	Nil	Nil	6	Y.P.
12,00,000	65,000	43,00,791	26,55,359	163	Macneill & Barry Ltd.	Hingir-Rampur	15.00	50	2.50	1.50	Nil		12	Y.
8,00,000	2,50,000	24,57,668	19,66,774	—1,79,362	Andrew Yule & Co., Ltd.	Hurriladih	22.00	10	Nil	Nil	Nil	Nil	3	Y.
3,50,000	3,85,964	14,76,413	7,56,154	11,220	Bird & Co. Private Ltd.	Kalapahari	120.00	100	2.50	5.00	Nil	5.00	3	Y.P.
20,00,000	2,87,375	35,11,943	7,18,220	1,68,572	Andrew Yule & Co., Ltd.	Karanpura Collieries	71.00	10	4.50	6.50	6.56	6.56	1	
8,00,000	19,60,081	49,73,401	29,04,335	13,871	H. V. Low & Co. (Private) Ltd.	Katras Jherriah	7.31	10	0.12	0.10			3	Y.
11,00,240	68,356	16,86,967	10,94,168	3,668	H. V. Low & Co. (Private) Ltd.	Kuardi	2.75N	10	0.12	0.12	0.12		6	Y.
9,00,000	10,22,762	28,89,712	22,94,028	55,358	Tantia Brothers Private Ltd.	Laikura	15.50N	10	0.50	0.50	0.75		4	Y.
7,48,240	2,25,000	13,48,892	9,59,769	88,316	Andrew Yule & Co., Ltd.	New Beerbhoom	11.50	10	1.00	0.75	0.75		10	Y.
17,76,230	19,58,049	1,30,10,149	94,97,263	1,34,222	Octavius Steel & Co., Ltd.	New Manbhoom	20.50	10	1.87	1.50	0.50	0.50	3	Y.
6,00,000	76,179	33,16,876	22,81,014	....	Andrew Yule & Co., Ltd.	North West	15.87	7.50	1.03	1.12	1.12	1.50	3	Y.
1,15,000	3,85,824	13,05,939	9,24,131	25,543	F.W. Heilgers & Co. Private Ltd.	Ondal	12.00	10	1.00	0.75	0.50	1.12	12	Y.
1,87,500	15,69,648	3,97,666	2,77,666	41,041	Deepchand Kishenlal	Parasea	15.00	10	1.00	0.50			12	Y.
7,50,000		5,08,080	3,26,591	5,080	Shaw Wallace & Co., Ltd.	Pench Valley	24.25	10	1.50	0.70	2.00	2.00	3	Y.
8,34,000	20,000	22,49,367	9,36,581	36,465	F. N. Ellas & Co. Private Ltd.	Raneegunge	14.94	10	0.62	0.37	0.75		3	Y.
15,75,000	17,04,800	59,95,210	42,69,210	29,060	Shaw Wallace & Co., Ltd.	Rewa	17.50	10	2.07	1.50	1.00		12	Y.
23,99,900	25,56,561	1,37,28,021	91,88,662	32,31,916	M.	Samla Collieries	10.50	10	1.00	1.25	0.90		12	Y.
13,50,000	6,88,385	42,17,417	32,31,916	21,162	M.	Searsole	5.08N	2.50	0.75				12	Y.
37,50,000	37,12,000	95,06,524	26,37,721	21,070	Andrew Yule & Co., Ltd.	Seebpore	27.00	7	2.50	2.25	1.75		1	Y.
2,50,000	1,96,902	13,78,480	12,21,237	45,198	F. W. Heilgers & Co. Private Ltd.	Sendra	10.00	10	0.25	0.25	0.25		12	Y.
2,80,000	9,25,098	29,24,442	19,99,221	628	Industries (I. F.) Department.									
8,00,000	4,91,081	32,401	22,847	....	(Govt. of Andhra Pradesh)	Singareni	17.25cd	10	0.75	1.00	1.50		12	Y.
63,21,450	1,04,26,883	5,58,10,811	2,61,62,810	....	Bird & Co. Private Ltd.	South Karanpura	11.94	10	0.12	0.25	0.75		3	Y.
17,50,000	10,27,541	39,01,896	17,00,094	8,789	F. W. Heilgers & Co. Private Ltd.	Standard	14.06	10	1.00	1.00	1.00		6	Y.
3,00,000	13,76,745	1,69,170	28,510	9,790	M.	Talcher	1.62	2.50	Nil	Nil	Nil		3	Y.
10,00,000		31,92,694	15,43,502	—5 62,907	Williamson Magor & Co., Ltd.	Union	14.75	10	Nil	Nil	Nil		12	Y.
2,50,000	2,80,000	19,15,700	14,79,400	1,77,952	Hindustan Investment Corpn. Ltd.	Western Bengal	6.87	10	0.50	0.50	0.50		3	Y.
40,98,900	66,784	66,72,838	24,15,306	11,643	Macneill & Barry Ltd.	West Jamuria	7.50	10	Nil	Nil	Nil		12	Y.
7,00,000	....	58,61,405	27,57,669	—3,49,103										

M—Managed by the Board of Directors. ‡ Less income-tax. (a) Clive Mills have paid dividend at Rs. 10½ on bonus shares, for the year 1955. * Including bonus. (b) Investments
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian Jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954. § On old Capital
K—For William Jute Co. has sub-divided ordinary shares of Rs. 100 into shares of Rs. 10 each. Dividend for 1956 is on shares of Rs. 10 each. P.—Bengal Coal Co. Dividend for 1954 and 1955 are on shares of Rs. 500 each
For 1956 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 200 were split into shares of Rs. 100 each. 'C'—On increased capital.

MARKET GOSSIP

(*Concluded from page 903*)

seek some information from the Chairman about the reported sales in recent weeks of large blocks of the Company's shares held by the Dalhousie Holding Co. Private Ltd. Mr. Mookerjee confirmed that this holding Company had sold during November about 180,000 shares, in terms of the agreement with the Company's bankers who had provided the necessary credit for taking up the right shares of Indian Irons issued last year. He allayed the fears entertained in some quarters that further load of these shares would come on the market, by assuring that no further sales were contemplated for the present. He went on to add that the agreement with the bankers had provided for the repayment of the credit through a phased programme of sale of the right shares. This, he said, would be carried out in the course of 1959 and 1960. He, however, did not say, if the published reports are correct, as to when exactly the sales would be made in 1959. After all, 1959 is only 27 days ahead from now. Further, there is still a balance of 700,000 right shares to be sold. Even if they were to be sold in equal parts in the next two years, it would mean that 350,000 shares would be disposed of in 1959. This thought seems to be acting as a check on the market, especially because of reports of an already heavy overbought position and the high carryover charges in the recent settlements.

Be that as it may, here is a cheerful interpretation of the significance of the sale of the aforesaid holdings by Messrs. Chitra & Co., Madras, in the latest issue of their *Fortnightly Market Report*:

"The recent sale transaction is in effect an issue of capital at a premium, without the capital structure of the Indian Iron Company reflecting any such operation, because the issue has on paper been made already and held by the Dalhousie Holdings. The benefit of the added capital and premium are now available to the Company. The market has had bright second thoughts on this sale operation, as augmenting the Company's resources and treated it as a bull point—as revealed by the recovery in price observed."

To revert to Mr. Mookerjee's remarks at the Company's annual meeting. Referring to the current trend of production, he said that it was now running at the rate of 2,000 tons per day in terms of ingot and that the production in November was expected to be of the order of 60,000 tons. On the question of issue of fresh capital, he is reported to have said that the Company was not keen on issuing any right shares at present and that this would be decided only when the Company went in for further expansion.

* * * *

Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, must be the happiest man in the country at present. For, not long after his Ministry was made the target of a spate of criticism for the way it handled the food and agricultural problems, he could tell the very Members of Parliament who criticised him, in the Lok Sabha, the joyous news of a prospective bumper rice crop this winter. Whether it is the result of conscious efforts made by the Government to step up production or of the weather gods relenting, is immaterial. For, so long as the rice is there, irrespective of how it came, much of his headache, and of the country's, will vanish.

Members of Parliament, however, were not too enthusiastic at the news. Perhaps past experience has taught them to be more prudent by taking the Food Minister's words with a pinch of salt. But this time, it appears, Mr. Jain may not have to regret his optimism. For reports from the major rice-producing States in the country, such as Andhra, Bihar, Orissa, and West Bengal, indicate a markedly higher rice crop than last year. One estimate is that a record rice crop of more than 29 million tons will be harvested this year, as compared with the last year's crop of 24.8 million tons. The previous record was 28.2 million tons harvested in 1956-57. The output of other *kharif* cereal crops like *jowar*, *bajra*, maize and *ragi* is also expected to be higher.

This prospective bumper crop is already having its effect on the price trend for rice. For instance, the price of *Basmati* rice at Hapur, which was Rs. 33-35 per maund (of 82⅔ lbs.) at the beginning of last month, has come down to Rs. 26-27. The index number for rice (base: 1952-53=100) which had touched a peak of 118.9 in the week ended 20th September 1958, has come down to 102.6, as at the close of November 1958. In view of the fall in prices, the Government of India recently authorised the State Governments of Orissa and Madhya Pradesh to buy rice at Rs. 15 per maund for common rice. The U.P. Government also is to purchase 150,000 to 200,000 tons within the State. It is reported that the West Bengal Government proposes to purchase the entire surplus of rice from Orissa.

From Orissa, along with reports of "golden fields of paddy crop" promising a bumper crop, comes the disconcerting piece of news that the existing arrangements for dehusking the paddy and pounding the rice are hardly sufficient. For such a state of affairs, the Government has to thank only itself. It has been its avowed policy to encourage hand-pounding of rice through the co-operative organisation and ban establishment of new rice mills. About 95 such societies were formed in the State during the last three years. There are at present only 110 rice mills in Orissa, with a turnover of about 1,300 tons per mill annually. Not a single new mill could be established in the State during the last 12 years, because the Government did not want them to come into being. It preferred the co-oper

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000	1,08,00,000	10,41,547	Allahabad Bank	362.00	100	18.00	18.00	18.00‡		12	Y.P.
14,50,000				181.00	50	9.00	9.00	9.00‡			
1,01,000	17,84,000	3,83,732	Andhra Bank	106.50	100	6.50	8.00	6.00	2.50‡	6, 12	H.
40,78,300				88.87	85	4.54	5.59	5.10	1.12‡		
1,00,00,000	1,28,00,000	4,10,731	Bank of Baroda	119.50	50	6.00†	7.00	7.00	3.00‡	12	Y.
50,00,000	25,00,000	7,900	Bank of Bikaner	24.00	25	0.87	1.12	1.25		12	Y.
2,50,00,000	3,10,00,000	16,02,381	Bank of India	137.00	50	8.00	8.00	8.00	3.00‡	6, 12	R.L.Y.
50,00,000 'A'				139.00	50 'A'			8.00	3.00‡		
15,30,375	29,00,000	52,270	Bank of Indore	63.00N	25	3.50	4.00	*4.25		12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur	46.00	50	2.00	2.50	3.00		12	Y.
50,00,000	91,95,613	1,87,085	Bank of Mysore	306.00	100	16.00‡	16.00‡	16.00	8.00‡	12	Y.
15,00,000	40,00,000	44,768	Canara Bank Ltd.	80.00	50	5.00	5.00	5.00		12	Y.P.
7,50,000	13,55,000	5,670	Canara Banking Corporation Ltd.	77.00	50	5.50‡	5.00‡	5.00‡		12	Y.P.
5,82,930 'A'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	180.00	100 'A'	12.50	15.00	16.00		12	Y.
23,787 'C'				1.71	1 'C'	12½%	15%	15%			
2,62,11,375	4,03,60,821	18,44,046	Central Bank of India Ltd.	58.10	25	3.00	3.50	3.50	1.50‡	12	R.L.H.
52,42,375				59.00	25	3.00	3.50	3.50	1.50‡		
50,00,000	40,00,000	2,80,320	Devkaran Nanjee Banking Co.	45.75	50	2.50	3.00	3.00	1.25‡	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	29.12	5	0.87	1.37	1.06		12	Y.
1,25,00,000	6,93,000	21,046	Hindustan Commercial Bank	9.50	50	*Nil*	*Nil*			12	Y.
50,00,000	1,80,000	4,233	Hindustan Mercantile Bank	13.00	50	*Nil*	*Nil*	*Nil*		12	Y.
44,00,000	1,00,00,360	2,04,376	Indian Bank	216.00	100	12.00‡	13.00	15.00‡	6.50‡	6, 12	R.L.H.
22,40,000				177.00	80	7.75	9.75	12.00‡	5.20‡		
56,23,350	46,36,300	2,32,067	Indian Overseas Bank	163.00	100	7.50	10.00	10.00		12	Y.
10,00,000	10,25,000	33,502	Pandyan Bank Ltd.	31.00	25	1.87	1.87	1.87		12	Y.
1,25,00,000	1,10,00,000	4,51,904	Punjab National Bank	65.50	25	3.50	4.00	5.00	2.50‡	12	Y.
1,00,00,000	29,17,000	5,628	Travancore Bank	25.75	25	1.00	1.00	1.25		12	Y.
40,00,000	40,00,000	1,50,332	Union Bank of India	7.48	5	0.37	0.44	0.44		12	Y.
2,00,00,000	1,34,00,000	49,432	United Commercial Bank	68.20	50	2.75	3.50	3.75		12	H.
PRINCIPAL EXCHANGE BANKS						**Dividend (per cent.)**					
£2,000,000	£2,100,000	£171,884	British Bank of the Middle East	£2-7-6	£1	..	10	10	10§	3	Y.
£5,000,000	£5,500,000	£412,542	Chartered Bank	£2-5-9	£1	15†	15†	15†		12	Y.
H.K.$50,000,000	H.K.$128,000,000	H.K.$2,062,463	Hongkong and Shanghai Banking Corporation	£46½	H.K.$125	5*	5*	12½*Z	14*	12	Y.
£18,565,070	£18,000,000	£826,712	Lloyds Bank	£2-4-9	£1	12†	13†	13†		12	Y.
£2,940,000	£2,100,000	£231,452	Mercantile Bank Ltd.	£2-6-8	£1	14†	14†	18‡†		12	Y.
£2,851,563	£3,104,637	£355,589	National Overseas and Grindlays Bank Ltd.	£1-6-10½	sh. 12½	15†	15†	15†		12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (i) Interim. * £ per share free of tax. xr—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital. § 7½% interim for 1959.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	92.00	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	90.00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100.15	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November .. 1959-64
COAL						
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	87.00	30th June .. 1967 (a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December .. 1969 (a)‡
COTTON						
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	89.00	15th November .. 1966 (b)
70,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	98.00	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1937	100.25	1st April .. 1967-72
13,71,000	5½	30th June and 31st December	Jupiter Textiles	1949	90.00N	1st January .. 1956-59
39,90,000	5	1st June	Tata Mills	1951	93.00	15th November .. 1960
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	90.00	31st March .. 1965 (a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		99.00	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98.75	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£4,048,914	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	86.00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Goureepore Electric Supply Co., Ltd.	1945	84.00	31st December .. 1970
13,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	95.50	30th September .. 1958-63
47,73,000	5	1st April and 1st October	Tata Power	1940	100.62	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power		86.00	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	97.25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	82.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.25	1st October .. 1965-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	98.00	31st December .. 1960 (a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	90.50	31st December .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	77.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co. Ltd.	1945	90.00	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	86.00	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	94.00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	80.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	85.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	90.00	31st March .. 1967
10,00,000	5½	31st January and 31st July	Waverley	1925	80.00	31st July .. 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£74.10N	1st October .. 1974
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1959 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£64N	Any time on six months' notice (a)
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	97.00	1st September .. 1962
PLANTING						
11,25,000	6	31st March and 30th September	Nilgiri Tea		99.50	1st April .. 1958-62†
1,27,800	5½	31st March and 30th September	Teekoy	1944	100.00	31st March .. 1949-59
MISCELLANEOUS						
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1966
23,60,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	100.75	1st September .. 1964-69(a)§
2,00,00,000	5½	1st April and 1st October	Calter Oil Refining (India) Ltd.	1955	101.00	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85.00	1st February .. 1964
19,29,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	82.00	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78.00	15th September .. 1960
1,00,05,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	83.00	.. 1966
1,05,21,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	105.25	1st January .. 1971 (a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	100.50N	30th June .. 1969 (a)‡
15,00,000	5	2nd January and 2nd July	Mettur Chemical Industries	1949	93.00	30th September .. 1964
9,53,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	550.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	465.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	84.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1951	100.50	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92.00	31st March .. 1961 (a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91.00	31st December .. 1969
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	102.00	1st May .. 1968 (a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per c.nt. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice.
†† Option to repay at par on 6 months' notice, on or after at January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 4th December, 1958.

	Closing quotations 27-11-1958	High	Low	Closing quotations 4-12-1958
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	150.00	150.50	150.00	150.00
Apollo (2)	1.30	1.32	1.30	1.30
Bombay Dyeing (25)	57.20	57.70	56.70	56.80
Bradbury (50)	135.00	135.00	133.75	133.75
Central India (100)	86.00	92.00	86.50	90.00
Century Mills (100)	432.00	436.00	427.25	429.00
Colaba (100)	33.00	—	—	33.00
Edward Textile (200)	220.00	—	—	220.00
Elphinstone (50)	84.00	—	—	84.00
Finlay (100)	270.00	270.00	267.00	267.00
Gokak (100)	129.00	131.00	129.00	129.50
Ind. Untd. Defd. (1)	1.10	1.12	1.10	1.12
Ind. Untd. Ord. (10)	8.72	8.88	8.64	8.72
Indore Malwa (100)	104.00	104.00	102.00	103.00
Khatau (100)	160.00	161.25	160.00	160.00
Kohinoor (100)	249.00	253.50	249.00	249.50
Lakshmi (250)	420.00	420.00	412.50	412.50
Minerva Mills (100)	64.00	—	—	64.00
Model Nagpur (250)	170.00	175.00	168.75	175.00
Monarji (100)	238.00	240.00	235.00	236.00
Mysore (50)	91.00	—	—	91.00
National Rayons (100)	240.75	244.00	238.75	239.50
New City (100)	95.00	97.00	95.00	97.00
New Great (100)	216.00	219.00	218.00	219.00
Phœnix (100)	117.50	—	—	117.50
Podar Mills (100)	134.00	134.00	131.50	132.00
Sassoon Silk (10)	9.75	—	—	9.75
Sassoon Spg. (10)	40.00	—	—	40.00
Sholapur (1,000)	425.00	—	—	425.00
Shrinivas (100)	145.00	144.00	143.00	143.50
Simplex (50)	173.00	174.00	172.00	172.00
Standard (100)	399.00	424.00	399.00	411.00
Svadeshi (100)	203.00	210.50	202.50	207.00
Swan (100)	346.00	346.00	345.00	345.00
Tata Mill (25)	35.00	37.50	35.00	36.75
Vishnu (100)	98.00	—	—	98.00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	137.00	137.00	136.50	137.00
Do. (New) (50)	139.50	139.50	139.00	139.00
Bank of Baroda (50)	120.00	119.75	119.00	119.50
Central (25)	58.50	58.50	58.00	58.00
Central 'A' (25)	59.50	59.50	59.00	59.50
Dena Bank (50)	45.50	46.00	45.50	45.75
Punjab National (25)	55.00	56.50	55.50	56.00
Union Bank (5)	7.52	7.52	7.48	7.52
United Com. (50)	68.00	68.50	67.70	68.20
ELECTRIC COS.				
Ahmedabad (100)	99.10	99.00	94.50	95.00xd
Amalgamated (10)	11.36	11.36	10.36	10.36
Andhra Valley (1,000)	1,295.50	1,205.00	1,200.00	1,202.50
Bom. Sub-El. (100)	110.00	111.00	109.50	110.75
Surat (100)	113.00	113.00	112.00	112.00
Tata Hydro (100)	123.50	123.00	122.00	122.50
Tata Power (1,000)	1,230.00	1,232.50	1,222.50	1,225.00
INSURANCE COS.				
British India (10)	14.00	—	—	14.00
Empire of India (100)	240.00	—	—	240.00
Ind. Mercantile (20)	47.25	—	—	47.25
Jupiter (15)	7.12	—	—	7.12
New India (15)	54.70	55.00	54.50	54.70
Oriental (200)	3,800.00	—	—	3,800.00
Universal (10)	18.00	—	—	18.00
Vulcan (10)	19.64	19.64	19.60	19.64
STEEL COS.				
Ind. Iron (10)	25.80	26.45	25.75	25.90
Tata Steel Ord. (75)	177.00	180.00	176.00	176.50
SUGAR COS.				
Belapur (50)	305.50	310.00	299.00	300.00
Bhopal (10)	27.10	—	—	27.10
Phaltan (50)	173.00	176.50	162.00	165.00
Walchand Ind. (100)	280.50	281.25	278.00	278.50
CEMENT COS.				
Associated Cts. (100)	153.25	154.75	151.00	151.75
Digvijay (100)	129.50	131.50	129.50	131.50
MISCELLANEOUS				
Alcock Ashdown (100)	260.00	263.75	255.00	256.25
Bom. Burmah (125)	497.00	507.00	490.00	492.50
Do. (New) (50)	178.75	180.50	178.75	180.00
Br. B. Petrol (4 sh.)	2.02	2.20	2.00	2.12
Br. I. Corpn. (5)	3.60	3.70	3.60	3.68
C. P. Rly. (100)	57.30	57.30	56.30	56.80
Hindusthan Motors (10)	7.24	7.28	7.08	7.08
Indian Copper (2 sh.)	3.74	3.82	3.76	3.78
Ind. Inv. Tr. (100)	80.50	82.30	80.00	81.00
Killicks (100)	149.00	149.25	149.00	149.25
Polson (100)	161.00	161.00	155.00	155.00
Pre. Automobiles (100)	86.00	87.00	85.00	85.50
Premier Con. (50)	247.50	251.00	239.50	243.50
Scindia (20)	21.24	21.48	20.92	20.96
G. E. Shipping (10)	26.75	27.10	26.75	27.00
Shivrajpur (10)	15.50	92.00	88.00	88.00
Tata Chemicals (10)	15.76	15.76	14.92	15.00xd
Tata Locomotive (100)	154.50	159.25	154.50	158.00
Tata Oil (25)	38.00	44.00	37.75	43.75
W. I. Match (100)	187.00	187.50	186.50	186.50

GOVERNMENT SECURITIES	27-11-1958 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	4-12-1958 Rs.
2½% 1961	97.15	—	3.54	97.15
2½% 1960	99.00	—	3.31	99.00
2½% 1962	96.80	—	3.57	96.80
2½% 1976	88.20	—	4.08	88.20
3% 1959-61 2nd Vich.	99.70	3.84	3.10	99.70
3% 1964	96.80	—	3.58	96.80
3% 1963-65	96.80	3.71	3.47	96.85
3% 1966-68	94.05	3.88	3.71	94.05
3½% 1970-75 1st Dev.	90.35	4.02	4.78	90.40
3½% 1986 Con. Loan.	78.20	—	4.10*	78.20
4% 1960-70	100.85	3.66	3.92	100.70
3½% 1961 N.P. Bonds	100.15	—	3.45	100.15
3½% 1964 N.P. Loan	99.90	—	3.52	99.90
3½% 1965 N.P. Bonds	99.75	—	3.53	99.80
3½% 1962	99.20	—	3.48	99.20
3½% 1967 N.P. Bonds	99.05	—	3.62	99.05
3½% 1974	96.80	—	3.89	96.80
3½% 1967 N.P. Bonds	100.50	—	3.67	100.60
4% 1972 Loan	100.90	—	3.90	100.0
3½% 1968	98.75	—	3.65	99.75
3½% 1963 N.P. Bonds	100.00	—	3.49	100.05
3½% 1968 N.P. Bonds	100.50	—	3.69	100.60
4% 1978 Loan	100.70	—	3.94	100.70

BRITISH GOVERNMENT SECURITIES

	Closing quotations 25-11-1958 £			Closing quotations 2-12-1958 £
2½% Brit. Consols	51	—	—	50⅜
3% Savings Bonds 1965-75	73⅛	—	—	74⅛
3% War Loan 1955-59	99⅛	—	—	99⅛xd
3½% War Loan	65¼	—	—	65⅛
4% Victory Bonds 1976	95½	—	—	95½
4% Funding 1960-90	86⅛	—	—	89½

* Current Income. xd.—Ex-dividend. xr.—Ex-Right.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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TAX PROBLEMS

THE inhibitory effect of high taxation continues to be one of the factors that tend to retard the growth of Indian economy. It threatens to give rise to a "depression" psychology, curbing initiative and enterprise and placing a virtual ban on further growth of the private sector that provides the bulk of the resources for development. Before this movement gains momentum, the authorities will do well to see where the tax burden weighs heaviest and provide the necessary relief. The multiplicity of taxes, together with their high rates and vexatious character, has served to dampen that enthusiasm for dynamic expansion which must characterise a developing economy. Small wonder, then, that the deliberations of the Associated Chambers of Commerce of India, which held its annual meeting last week at Calcutta, were dominated by a consideration of the importance of, and the urgent need for, fiscal relief.

The Union Finance Minister, Mr. Morarji Desai, who addressed the meeting, was no doubt suave, urbane and conciliatory in his address. But he yielded no ground. He raised no hopes of tax relief. Nevertheless, he admitted that the Government "has got to see that the capacity of those who pay goes on increasing in paying the taxes, even if their willingness does not go on increasing, because it is difficult for Government to increase the willingness of anybody to pay taxes." It could be definitely shown that the capacity to pay taxes is not increasing as fast as the taxes. Discussing the resources position in the private sector, the Planning Commission, in its report on the Appraisal and Prospects of the Plan, observed: "It is, however, open to question whether, in face of the measures being taken by the Government to mobilise resources for expenditure in the public sector, the private sector will be able to raise funds so readily in future." This is a studied understatement of the real position which is far worse than what the Commission has conceded.

The fact is that, so long as resources cannot be found for expansion, tax laws will remain on the statute book without necessarily leading to a progressive and sustained increase in revenues. Mr. Morarji Desai was somewhat impatient on the question of revenues. He stated, in effect, that he was willing to consider tax relief, provided ways were indicated for making good the loss in revenue. It is not true that such concrete suggestions have not been made in the past. For one thing, tax relief is itself a revenue-yielding proposition, in that reduced taxes will promote all-round economic activity and thereby increase incomes and the revenue from taxes on such incomes. Mr. Desai was not right in suggesting that taxpayers all the world over clamoured for relief and the Governments concerned always wanted to recover more taxes. As a general statement, there may be a grain of truth in what he said. But it ignores the decisive trends towards tax relief which have manifested themselves in recent years. As the Federation of Indian Chambers of Commerce and Industry, in its latest brochure entitled *Direct Taxation* points out, there are a number of countries where taxes have been reduced. In West Germany, the corporation tax on distributed profits was lowered from 30 per cent. to 11 per cent. and that on undistributed profits raised from 45 per cent. to 47 per cent. Canada announced tax relief in the year 1957-58 costing the Exchequer $178 million a year. Tax concessions have been given, among other countries, in the U.K., New Zealand, Australia and the Netherlands.

Again, the argument that every plea for tax relief should be accompanied by a concrete suggestion for increasing the Government's revenue implies that such revenue must be maintained at all costs. It is wrong to contend that a high level of Governmental revenue should be maintained, irrespective of its consequences to the economy. In any case, before this argument is put forward, the Government should ensure that there is no leakage of revenue from its own end. Such leakage could occur through the inability of the State-owned projects to yield adequate and prompt returns. It is for the Union Finance Ministry to keep a watch over the Government's investments, to ensure that the country gets value for the money that is invested in State enterprises. If the Union Finance Ministry undertook such a check even in a broad and general way, it would be able to stop considerable wastage of public funds arising out of delay in execution of projects and/or their inefficient administration. Above all, the most fruitful source of revenue is economy in public expenditure. In this connection, Mr. H. L. Murray, who moved the resolution on corporate and personal taxation, rightly asked whether it was not possible for the Government "to reduce non-productive expenditure in the interest of the rapid development of productive resources in the country." Surely, the pursuit of economy in Governmental expenditure should release sufficient resources for profitable investment and also enable the Government to grant appropriate tax reliefs.

Not only are Indian taxes burdensome but the fiscal principles on which they are based essentially defective. Discussing the reasons which deter foreign private capital investment in India, Mr. J. D. K. Brown, the retiring President of the Associated Chambers of Commerce, said: "I believe that, in very many cases even more than the actual financial impact of various features of the tax structure and just as much as the admittedly high levels in relation to practically all other underdeveloped countries, it is the rationale underlying some of these provisions which gives potential investors cause to think, and think again, before entering into further commitments in India." This applies as much to Indian as to foreign, investments.

In recent years, several new features have been built into the Indian tax structure. Although Mr. Kaldor had something to do with the changes which have taken place, his suggestions have not been implemented in their entirety. As the Federation's pamphlet points out, Mr. Kaldor's suggestion that the combined rate of income-tax and super-tax on individuals should be reduced to 45 per cent. has not been accepted. Secondly, a wealth tax on companies has been imposed, although Mr. Kaldor did not recommend it. Thirdly, whereas Mr. Kaldor recommended a gift tax in place of the Estate Duty, the tax has been imposed in addition to that duty. India has borrowed its tax

resolution on taxation, asked whether "this comparatively small amount of revenue can possibly be justified when measured against the enormous amount of trouble it must cause to the officers of the Department in trying to verify them." The other tax, which Mr. Brown singled out for special comment, was wealth tax on companies. He rightly said that this tax was regressive in its nature and inappropriate in a developing economy. The removal of these two taxes would not mean any great loss to the Exchequer. On the other hand, the advantages to the economy by the withdrawal of these taxes, as Mr. Brown claimed, would seem to be substantial, both "immediately and prospectively, through the stimulus which would be given; first by the withdrawal of the wealth tax on companies which will otherwise become an increasingly serious cause of capital erosion and, consequently, a powerful deterrent to capital formation; secondly, by the elimination of a cause of waste of valuable time among a section of the community, to most of whom that is particularly a scarce commodity." The Finance Minister, however, would not concede the need for removing the taxes. He justified the expenditure tax on the ground that it was intended to stimulate savings. This explanation is unconvincing. No country has relied upon an expenditure tax to promote savings which respond not to the negative deterrent of a tax but to the positive incentives in the shape of attractive interest rates and scope for profitable investment.

Many specific suggestions for tax reform capable and worthy of implementation were made at the annual meeting of the Associated Chambers. Among these, mention deserves to be made of Mr. Gorer's plea for a standard rate of income-tax for companies and for the abolition of the differentiation in taxation on Indian and non-Indian companies. He also emphasised the need for exempting from super-tax intercompany dividends in the hands of the receiving company. He said: "It is, to my mind, quite illogical that a dividend paid to one company by another out of profits which have already been subjected to the rates of tax applicable to company profits should again be taxed." Emphasising the need for removing the tax on bonus shares, he said: "I believe that nothing in the present tax structure is more harmful to the creation of fresh capital than this tax, because one so often finds that, to ensure the success of an expansion of capital by means of a fresh issue for cash, it is necessary to rationalise a company's existing capital by means of a bonus issue."

In the sphere of personal taxation, Mr. Murray suggested that much clerical effort would be saved, if the rates structure were revised by the imposition of tax at uniform slab rates, without the addition of any surcharge and if relief were granted by direct deduction from the total income of appropriate amounts, as is the case under the U.K. Income-tax Act. Mr. Gorer stressed the need for relief in respect of education of children. From the overall national aspect, he felt it would be wrong if parents were prevented from giving an adequate education to their children because of heavy taxation. Again, he pleaded for such measures as would enable the professional and self-employed classes to save for retirement. Clearly, such assistance is particularly needed in a country like India, where the State has not instituted elaborate schemes of social security.

While these and other suggestions made at the meeting, deserve examination by the authorities, it seems necessary to emphasise that an enduring solution to the fiscal problem cannot come except through a thorough-going reform. India's tax system is now an ill-assorted mixture of a large variety of complex taxes, at the Central and State levels. The imposition of these taxes has been justified on the ground that India should evolve an "integrated" system of taxation. But such a system of taxes, as the Federation points out in its brochure, is not a virtue in itself. It must serve some definite purpose. An impartial study of these taxes and their effect on the country's economy will reveal that they serve no economic purpose whatever. As pieces of fiscal curiosity, they may have some value. As sources of some immediate gain to the State, they may have a certain relevance. They may help those in power to serve the cause of an ideology which is alluring to the have-nots but is unlikely to transform them into the haves. But it would be bankruptcy of economic statesmanship to continue a system of taxation merely on the ground that they yield some revenue or serve a political purpose, ignoring its long-term effects on national economy.

DEFENCE MINISTRY'S TRUCK VENTURE

THE Union Defence Ministry is developing a strange passion for economic self-sufficiency. Hitherto, one thought that "self-sufficiency" meant national self-sufficiency. But it would now appear that the Defence Ministry is interpreting it as departmental self-sufficiency. Mr. Nehru clearly said at a Press Conference on Wednesday the 10th inst. that it had always been the intention of the Government of India to make defence requirements independent of the private sector. "We want Defence to be self-dependent," he averred. This means that the Defence Ministry is seeking industrial isolation, free from contact with the wider industrial sphere. If it wants tractors, it will make them itself. If it wants trucks, it will have no truck with private manufacturers but will set up instead a factory of its own for their manufacture. Cost and national economic considerations obviously count for little so long as the Defence Ministry can satisfy its new desire for developing an industrial sector of its own.

Nobody, of course, suggests that the Defence Ministry should not undertake manufacture of equipment it needs. Only, strategic considerations, which should in fact determine the Defence Ministry's policy and programmes, demand that the country's entire productive effort is widely dispersed and ably organised in a way that will enable it to be geared to defence needs at the time of emergency. It is not clear what strategic value is to be gained by the Defence Ministry's move to set up an automobile manufacturing unit under its auspices.

In the course of his strong, though not necessarily convincing, defence of the move towards the establishment of a truck unit, the Union Deputy Defence Minister, Mr. K. Raghuramiah, threw some light on the events which led up to the Government's decision. He gave one the impression that the Defence Ministry was reluctantly compelled to undertake manufacture of trucks. The Army needed trucks. Private manufacturers were not helpful: the Hindustan Motors went out of truck production in 1957; there was a strike in the Premier Automobiles and the Tata Locomotive and Engineering Company increased its prices of trucks. The Ministry's experience in 1957-58, Mr. Raghuramiah said, made it clear that "they could not rely any more on manufacturers within the country producing army trucks at reasonable prices." Further, the "hopes which the Defence Ministry had of getting 100 per cent. indigenously produced military vehicles from the local manufacturers have not yet been realised." It was in these circumstances that the Defence Ministry entered, in September last, into an agreement with M.A.N. of Germany for producing trucks with multi-fuel engine; the trucks will have 30 per cent. indigenous content to begin with, which will progressively rise to 90 per cent. in a period of five years. The figure mentioned, be it noted, is 90 per cent. and not 100 per cent.

A study of the Minister's statement reveals that the Ministry has allowed itself to be stampeded into automobile manufacture by the temporary difficulties it seems to have encountered in getting its truck requirements. Another explanation seems to be that it has turned these difficulties into a convenient excuse for embarking upon an automobile manufacturing programme. The Minister revealed that this programme had been examined several times in the past. Perhaps, the Government thought it could execute it now. It could also solve the so-called surplus capacity problem in ordnance factories. According to the Minister, it would help write off Rs. 80 lakhs of overheads now incurred by the Ministry. Surely, this "surplus capacity" argument can be overdone. What really matters is not surplus capacity but competitive capacity. The Government will do well to take a census of its plant and machinery in order to find out how much of its equipment is modern. The real solution to the problem of idle capacity lies in rehabilitation of plant and machinery and a productive programme geared strictly to defence equipment. The Defence Department does not produce armour; nor does it produce highly mechanised guns it needs, let alone tanks. There are a hundred defence items which it could, and in fact, ought to produce. Instead, it has chosen to concentrate on automobiles.

Technical experts are unimpressed by the Minister's special praise for the multi-fuel engine of the M.A.N. vehicle. The Minister said that, since the "multi-fuel engine had many strategic and operational advantages over the conventional petrol or diesel engine, the Defence Services were interested in this new engine." Now the multi-fuel engine is not a technological marvel developed by M.A.N. alone. Actually, other manufacturers have also developed such an engine. In any case, it would appear that the Telco itself could supply multi-fuel engine with its trucks. This variety of engine is not an innovation inaccessible to other manufacturers. Be that as it may, the Minister averred that, when the Government wanted to place an order for 1,000 3-tonner trucks with Telco, the latter increased its price by Rs. 8,000 and, even after "protracted" negotiations, would not reduce it by more than Rs. 650. This would mean that it was Telco's intransigence over the issue of prices that proved a determining factor in the Government's decision to undertake the manufacture of automobiles. If this is so, the Government has thrown away its inherent right both as a Government and as a consumer to order an investigation of the prices charged by Telco. In any case, the increase in price quoted by Telco has been explained with sufficient arithmetical clarity by its Chairman, Mr. J. R. D. Tata. In 1957, Telco, it is stated, supplied 300 trucks at Rs. 23,827 each, on which it actually suffered a loss of Rs. 1,556. In May 1958, it quoted Rs. 31,958 each for 1,000 trucks partially manufactured in India. The increase of Rs. 6,215 in its price reflects (1) an increase of Rs. 806 in the German factory price, (2) an increase of Rs. 769 being the additional cost of locally purchased tyres, as against the previously imported German tyres, (3) an amount of Rs. 2,936 representing the extra cost of indigenously manufactured components and (4) a profit element of Rs. 1,704. This explanation does not suggest that the Telco effected an unjustified increase in its prices of trucks.

The Government's decision to enter the automobile field raises several issues of policy. In the first place, has it not gone back on its own solemn assurance that it will not permit the installation of new capacity in the automobile industry but prefer to see the existing manufacturers expand their production? This assurance stems from the realistic appraisal of the admittedly limited nature of the Indian market for automobiles. To abridge the market further by screening off the Defence demand is hardly calculated to serve the cause of the automobile industry. It is true that the Defence requirements amount only to 2,000 vehicles, as against the estimated Indian market for 40 000 vehicles. Even so, the Indian market is limited in scope, so that any further artificial diminution in the market may prove a loss to manufacturers without a corresponding gain to the Government. Secondly, since the economies of mass production cannot operate with a production programme limited to 2,000 vehicles a year, it will be extremely difficult for the Defence factory to keep down its production costs. And yet, the Minister claimed that the trucks produced by the factory will be "far cheaper than those now obtained from the private industry." How is one to believe this statement? Thirdly, one wonders whether the Government has been correctly informed on the practicability of implementing a scheme of rapid increase in indigenous content of the vehicles it proposes to manufacture. This requires examination at expert level, if only to avoid future disappointment. In this sphere, percentage figures relating to indigenous content could be very misleading, for much depends on whether they refer to value or components and also on the possible variations in the cost of components from year to year.

Finally, if the Government is irrevocably committed to truck manufacture, the least it should do is to give an assurance that no further encroachment on the private sector is intended and also take appropriate measures for expanding the market for automobiles. This is not to suggest that monopoly considerations should prevail, much less that the private sector should develop a morbid fear of competition from the public sector. The fact is that the Indian automobile market cannot afford the luxury of far too many producers. This is not something peculiar to India, for, even in the industrially advanced countries, the automobile industry is regarded as a field in which a minimum number of strong units, rather than a large number of units with less than optimum capacity, should be allowed to operate.

GILT-EDGEDS IN GOOD FORM

ONE BANK ALONE INVESTS RS. 10 CRORES

THURSDAY, 5 P.M.

MARKET GOSSIP

AN outstanding feature of the week in the city markets is the firmness of the Gilt-edged. For the past ten days or so, there has been heavy buying of both Central and State Government loans by the Life Insurance Corporation and banks. It is said that one of the big Indian joint-stock banks bought at one stroke Rs. 10 crores worth of Central Government loans. The deal was put through direct with the Reserve Bank of India; no brokers were employed, but the Reserve Bank, it is believed, sold the securities at a price inclusive of the usual brokerage, thereby making some extra profit for itself, which means for the Government of India.

Seeing no signs of abatement of the demand for Government securities, the Reserve Bank has put up the selling rates further for several loans, as will be seen from the money market review on page 983 of this issue. In effect, this means a further sliding down of long-term interest rates. Whether the Reserve Bank is wise in doing so in an economy where the demand for long-term capital is greater than the supply is a question on which we have our doubts.

It will be interesting to note, at this stage, the changes that have taken place in the position of banks over the month of November. Leaving aside inter-bank borrowings, net deposits of scheduled banks between 31st October 1958 and 28th November 1958 declined by Rs. 1.83 crore, from Rs. 1,577.30 crores to Rs. 1,575.47 crores. Advances and bills purchased also declined from Rs. 838.85 crores to Rs. 832.45 crores, a drop of Rs. 6.40 crores. In other words, the decline in bank credit was greater than that in deposits. The ratio of bank credit to deposits at the end of November was, therefore, lower at 52.84 per cent., as against 53.18 per cent. a month earlier. There was little variation in balances with other banks in current account, but money at call and short notice shrank from Rs. 48.17 crores to Rs. 43.53 crores, that is, by Rs. 4.64 crores. No worthwhile variations took place in borrowings from either the Reserve Bank or the State Bank. The biggest variations, however, took place in investments in Government securities and cash balances (including balances with the Reserve Bank); the investments rose by Rs. 24.57 crores to Rs. 643 crores, while cash balances fell by Rs. 20 crores to Rs. 126.79 crores. Consequently, the ratio of the former to deposits was up from 39.21 per cent. to 40.81 per cent. and that of the latter was down from 9.30 per cent. to 8.05 per cent. The bulk of the increase in investments must have been in the dated loans of the Central and State Governments, for the net absorption (sales *minus* maturities) by way of 91-day Central Government Treasury Bills in the whole of November was no more than Rs. 6.64 crores.

A comparison of the State Bank's position will give an idea of the trends in scheduled banks other than the State Bank. During the month under review, the deposits of the State Bank declined by Rs. 3.70 crores, but its advances went up by Rs. 1.25 crore. Its cash balances contracted by Rs. 18.28 crores, while its investments in Government securities rose by Rs. 17.07 crores. It is common knowledge that the biggest supporter of Treasury Bills has always been the State Bank.

Having regard to the aforesaid variations in the affairs of the State Bank, it can be stated that, on a rough estimate, the joint-stock scheduled banks must have invested about Rs. 8 crores in Government securities during the whole of November 1958. This estimate is somewhat on the liberal side. The report that one joint-stock bank alone invested Rs. 10 crores in Central Government securities in one week and that, too, when the year-end is not very far off is, therefore, astounding. Since the commencement of this month till today, it may be noted in passing, there has been no net absorption by way of Treasury Bills, for an issue of Rs. 6 crores of new bills has been neutralised by maturities amounting to a like amount. Accordingly, the sudden spurt in the inter-bank call rate this week from 1 per cent. to 1½ per cent. must be attributed, among other things, to the large-scale investment in Government securities.

Why are commercial banks so keen on taking up Government securities, including the long-dated 4 per cent. 1972 and 1973 loans at a premium even when their cash ratio is so low as 8 per cent.? Have they forgotten what happened to them in 1951-52, when the cheap money cycle ended and the period of not-so-cheap-money period began? Or do they think that that history will not repeat itself some day?

The reasons why commercial banks are going in heavily for Government securities are not far to seek. In the first place, their expectations about the demand for bank credit have not materialised. Secondly, the public sector's commercial activity is growing and that of the private sector is not expanding owing to several restrictions. Some banks think that, if the wholesale trade in foodgrains were to pass into the hands of the public sector, their business would decline further. And, thirdly, most of them have secured deposits by paying rates of interest which are in the neighbourhood of 4 per cent per annum; they must, therefore earn at least that much: otherwise, their profit-margin will decline further.

What, however, cannot be easily explained is the tendency for short-term money rates to stay at the self-same levels of 3½-4 per cent. The banks continue to pay this rate for seven-day money as well as for one to six months' deposits. Hitherto, some of them used to blame the Exchange banks for keeping up the rates at high levels. Others used to throw the blame on the finance brokers on the ground that they were bidding one bank against another. Now the Exchange banks cannot be held responsible, for interest rates in London have fallen. Nor can the finance brokers play any tricks, especially in a market with lenders over. Why are the banks, then, offering 3½-4 per cent. for term deposits? Apparently, each bank is anxious to see that its deposits do not go to the other. But they can ill afford to indulge in this luxury for long, if the Reserve Bank pursues its present policy of bringing down the long-term interest rates by steadily pushing up its selling rates for Government securities. Perhaps, the joint-stock bank, which invested Rs. 10 crores in these securities in one shot, as it were, has taken a bullish view of the Gilt-edged market.

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The falling yields on Government securities has had no effect on industrial equities. Ordinarily, this should have imparted an upward trend to them. On the contrary, most of the leading scrips have declined a little. The few that have staged a rise have had the benefit of support from the L.I.C. The T.E.L.Co.'s, in particular, were patronised by this single largest investor in the country. Although equities, in general, have thus not looked up, the selling pressure, which was fairly sizable early in the week, following Mr. Morarji Desai's hint at Calcutta that no relief in taxation could be justifiably expected, has almost ceased. "The market is well liquidated, especially in Indian Irons." This is the view held in knowledgeable circles. It is said that the *budli* on Indian Irons at Calcutta yesterday was perceptibly lower than that on the last two occasions.

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From gunny production to cable manufacturing may be a far cry, but that is what the Fort Gloster has been forced to do by circumstances. A few other jute companies, too, have taken interest in fields which are in no way connected with jute manufacture. The Fort Gloster Industries Ltd., formerly known as Fort Gloster Jute Manufacturing Company, Ltd., is one of the oldest concerns in Bengal, having been set up in 1890 under the managing agency of Messrs. Kettlewell Bullen & Co., Ltd. After nearly seven decades of jute manufacturing, the Company decided last year to spread its activities to other fields as well, because the markets for jute goods had shrunk, resulting in a surplus capacity. Hence a change in the name of the Company was effected in June 1957.

Perhaps, the first new venture to be undertaken by the Company is the manufacture of electrical wires and cables. In this venture, the Company has secured the technical collaboration of British Insulated Callenders Cables Ltd. It is stated that the necessary finance for the plant and machinery has been secured on deferred payments terms. The factory, which will be located near Calcutta at the premises of one of its old jute mills closed some time back, is expected to go into production in the first half of 1959. It is proposed to manufacture rubber insulated cables, weatherproof wares, bare copper, stranded and solid conductors.

In order to finance a part of the capital expenditure, the Company proposes to raise fresh capital by issuing 42,000 new ordinary shares of Rs. 100 each at par to the existing shareholders in the ratio of two new shares for every one share held. The present paid-up ordinary capital of the Company is Rs. 21 lakhs in shares of Rs. 100 each. The new shares will rank *pari passu* with the existing shares, except that they will not rank for dividend for the year ending March 1959. The Company paid a dividend of 20 per cent. for the year ended March last, having raised it from 10 per cent. for 1956-57.

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In recent years, there have been several instances of changes in managements of companies. Many of these are the result of foreign investors wanting to repatriate their capital from this country. Occasionally, companies change hands due to inability on the part of the existing management to carry on the business. In the last ten days, there have been two take-over bids belonging to both the categories. One is the offer of Jalan Industries Private Ltd. to purchase the entire share capital of Assam Saw Mills and Timber Company, Ltd. The other is the offer of Clive Row Investment Holding Company Ltd. to acquire Andrew Yule & Co., Ltd., one of the oldest British managing agency houses in India.

The Jalan Industries' offer to take over the Assam Saw Mills and Timber is the result of the present managing agents of the Company, Messrs. Bird and Company (Private) Ltd., wanting to dispose of it, as they feel that the Company is no longer a profitable proposition.

The Assam Saw Mills and Timber Company was established in 1918. It has a Veneer Mill at Namsoi in the North-East Frontier Area for the production of 3-ply tea chests and general timber produce. It was doing well until 1952, whereafter it has been experiencing losses. It had a debit balance of Rs. 4.95 lakhs by the end of September 1956. The management of the Company does not foresee bright prospects, unless orders for tea chests increase considerably. Messrs. Bird & Co. propose to give up their managing agency of the Company from 31st March 1959. The Jalan Industries Ltd. thinks that the Company could be made to yield a good return, though the present management feels otherwise. It is, therefore, prepared to buy any number of shares of the Assam Saw Mills and Timber Company at Rs. 3 per share, that is, at par. The last date for acceptance of this offer is 23rd December 1958. This offer compares favourably with the ruling market rate of Rs. 2.81. In a circular to the shareholders of the Company, the Directors say: "Messrs. Jalan Industries are of the opinion that, provided they have control of the Company's capital, they will be in a position to effect economies, secure orders and place the Company on a profit-earning basis once more. They are, however, unable to carry out their proposals, unless they acquire a sufficient number of shares to enable them to secure control of the Company's finance." Accordingly, the Directors are advising the shareholders to accept the offer of Jalans. It is said that the Assam Government which holds one-third of the issued capital has accepted this advice.

The offer of Clive Row to take over Andrew Yule is the result of the owners of Andrew Yule wanting to take back home a good part, if not the whole, of their investments in India. It thus falls under the category of repatriation of capital. The circular containing Clive Row's offer is signed by its Directors—Mr. N. Stenhouse, Mr. S. Chaudhuri and Mr. B. P. Singh Roy. The following are the salient features of the offer:

The Clive Row Investment Holding Company has offered to the holders of 90,000 ordinary shares (of Rs. 100 each) of Andrew Yule & Co., Ltd. to purchase their holdings at Rs. 135 per share. The offer is subject to two conditions. First, it should be accepted on or before 20th December 1958 by the holders of not less than 90 per cent. of Andrew Yule's ordinary capital or such lesser percentage (not being less than 51 per cent.) as will be notified to Andrew Yule & Co. on or before that date. Secondly, it is conditional upon the approval of the Government of India to the change in the constitution of the membership of Andrew Yule & Co. and the consent of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1947 being received on or before 15th January 1959 or such other date, not later than 4th April 1959.

The offer, if accepted by the shareholders of Andrew Yule, will involve payment of Rs. 121.50 lakhs and the Clive Row Investment has made arrangements for the necessary finance. The business of Andrew Yule & Co., Ltd., will continue as hitherto, but it will cease to be Secretaries of the Clive Row Investment. It will be noted here that Clive Row Investment Holding Company Ltd. was registered in November 1946 and took over the investments in companies chiefly under the managing agency of Andrew Yule & Co., Ltd. These investments still form the major part of the Company's portfolio and the Board of Directors of the Company feel that it is in the interest of shareholders that the Company should now acquire Andrew Yule & Co., Ltd.

It will be seen from the foregoing account that, when the offer goes through, Clive Row will have taken over its own managing company.

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It may seem rather unusual that, when cane crushing operations of sugar mills are in full swing, the sugar markets should be ruling firm. Over the past fortnight, prices of white sugar have registered a smart rise of Rs. 2 per bag in Bombay, the small grain sugar being quoted at Rs. 108.50, medium grain at Rs. 109-Rs. 112 and large grain at Rs. 113-Rs. 119. But this is not surprising, because the bullish fervour in the market has been fanned by two important factors, namely, dwindling floating stocks in the market and hopes of an upward revision in the controlled ex-factory price of North Indian sugar. The reduction in stocks is the result of better offtake and poor arrivals, thanks to the meagre monthly release by the Government two weeks ago; the quantity released was no more than 96,000 tons, as against the usual quota of 160,000 to 170,000 tons. Although the Union Food Ministry had told the public that it would issue further release orders shortly, no announcement has yet been made. It is reported that the first release of sugar out of the current season's production, expected to be announced in the course of next week, may also be too small to meet the normal demand.

Meanwhile, the sugar trade is awaiting the decision of the Central Government on the interim report of the Tariff Commission, believed to have been submitted to it last week. It will be recalled that, while referring the question of fixing a fair price for sugar to the Tariff Commission in September last, the Government requested the Commission to submit a preliminary report within three months (that is, before 20th December) on the allowances to be made for rehabilitation charges and profits while fixing the fair ex-mill price. The contents of the interim report are not known. It is, however, gathered that the report was considered by the Indian Sugar Mills Association on Saturday this week. The Association is understood to have urged the Union Food Ministry to enhance the control prices of North Indian sugar by at least 50 nP per maund. If the plea were to be accepted, the ex-factory price per maund of I.S.S. D29 grade sugar would be Rs. 36.50 for U.P. and North Bihar mills and Rs. 37.00 for mills in the Punjab.

Prices of sugar have improved in the world markets also. Spot Cuban raw sugar is now quoted in the New York market at 3.65 cents per lb. (f.o.b. Cuba), which compares favourably with 3.43 cents a fortnight ago. The rise is attributed largely to renewed rebel activity in Cuba, the biggest exporter of sugar in the world. If such activity continues unabated, deliveries of new crop sugar to the ports will be hampered or there will be an increase in the cost of deliveries. On either account, the world price of sugar will rise.

SHARE MARKET SLUGGISH

FURTHER SMALL SETBACK IN PRICES

(From Our Own Correspondents)

BOMBAY, 11*th December*

EQUITIES continued to rule quiet during the week under review also. Activity declined considerably. The Finance Minister's speech at the Associated Chambers of Commerce of India in Calcutta on Friday last, calling on business men and industrialists to bear in mind the limitations of the policy of participation of foreign private capital in India's development, and his indication that he could not hold out any hope of a reduction of wealth and expenditure taxes, was received with some disappointment. The business men's contention that it would be more profitable for India to rely on private foreign investment failed to convince the Finance Minister. Though the latter had ruled out, on prior occasions too, the possibility of a reduction in taxes, it was hoped that he might announce some concessions at the Associated Chambers' meeting. His reiteration of the Government's tax policy, therefore, chilled the enthusiasm of the operators in the market.

The official confirmation by the management of the Indian Iron and Steel Company, Ltd., that it had received sanction for the issue of bonus shares and the encouraging trend of the Company's production during November did not generate any great enthusiasm among operators. They, however, arrested the sharp decline in the price of this scrip. The Company's production of saleable steel last month aggregated 43,847 tons, as against 39,449 tons in October. Pig iron and steel ingot output also rose from 79,428 tons and 44,629 tons to 90,205 tons and 60,257 tons, respectively. Despatches of steel increased from 36,522 tons to 51,589 tons. Nevertheless, activity in this counter was subdued in view of the forthcoming holidays in Calcutta.

Tata Steel Ordinaries, after an initial rise from Rs. 176.50 to Rs. 177.25, drifted down to Rs. 173.75 on Tuesday. Subsequently, there was an improvement to Rs. 175 at the close today. The new shares were marked down over the week by Re. 1.75 to Rs. 171.50. Indian Irons slipped down from Rs. 26 to Rs. 25.50, but recovered to close at Rs. 25-70.

Textiles were featureless and the undertone was quiet, with an all-round modest drop in prices. Bombay Dyeings moved up early in the week from Rs. 56.80 to Rs. 57.30, but this improvement was not sustained on the subsequent days. On the contrary, there was a successive recession to Rs. 56 today. The closing was done at Rs. 56.20. Centurys gave way from Rs. 429 to Rs. 424, before closing at Rs. 425.75. Kohinoors suffered a sharp setback from Rs. 249.50 to Rs. 242 on heavy liquidation. Central Indias lost Rs. 2 to Rs. 88, Finlays Rs. 3.50 to Rs. 263.50 and Indu Ordinaries 16 nP to Rs. 8.56. Indore Malwas dropped by Re. 1 to Rs. 102 and Models by Rs. 2.50 to Rs. 172.50, while Morarjees gained Re. 1 to Rs. 237. New Greats were down by a rupee to Rs. 218 and Podars by Rs. 4.50 to Rs. 139.

Bank shares ruled steady, but business was few and far between. Barodas were a fraction better at Rs. 119. Centrals gained 40 nP to Rs. 58.40, while their new shares shed 30 nP to Rs. 59.20. Bank of Indias were done at Rs. 137.50 and their new shares at Rs. 139. Punjab Nationals were unchanged at Rs. 56, while United Commercials had business 20 nP lower at Rs. 68.

In the insurance section, New Indias declined by Re. 1.20 to Rs. 53.50, while Orientals were maintained at Rs. 3,800. British India Generals were better by 28 nP at Rs. 14.28, whereas All-India Generals lost 10 nP to Rs. 3. Indian Mercantiles shed Rs. 1 to Rs. 46.25, but Vulcans were a shade higher at Rs. 19.72.

Electricity shares were a shade easy. Ahmedabad Electrics declined by 30 nP to Rs. 94.70 and Bombay Suburbans by Re. 1.25 to Rs. 109.50. Surat Electrics were done at Rs. 111.75 and Tata Hydros at Rs. 122. Tata Powers lost Rs. 2.50 to Rs. 1.222.50, while Andhra Valleys were a shade better at Rs. 1,205.

There was a further recession in sugar shares. Belapurs recorded a rise from Rs. 300 to Rs. 302 earlier in the week, but subsequently they drifted lower to Rs. 296. The closing was, however, a shade better at Rs. 298. Phaltans lost Rs. 2.25 to Rs. 162.25 and Walchandnagars Rs. 6 to Rs. 272.50. In the cement group, Associated Cements were in request, due to proximity of dividend, and rose from Rs. 151.75 to Rs. 154.50, before closing at Rs. 153.75. Digvijays were, however, marked down by Re. 1.50 to Rs. 130. Jaipur Udyogs lost 44 nP to Rs. 9.92 and Ashoka Cements 76 nP to Rs. 6.80. Among engineering and mining shares, Alcock Ashdowns suffered a loss of Rs. 5 to Rs. 251.25, while Tata Locomotives were steady moving within a narrow range and closing at Rs. 158.75. Premier Constructions lost Re. 1.50 to Rs. 242. Larsen & Toubros 16 nP to Rs. 16.72 and Mahindras 28 nP to Rs. 18.24. Shivrajpurs were marked down by Rs. 2 to Rs. 86 and Indian Coppers by 18 nP to Rs. 3.60.

Scindias presented a steady front and gathered over the week 20 nP to Rs. 21.16. At one time during the week they touched Rs. 21.32. Great Easterns shed over the week 55 nP to Rs. 26.45. There was a sharp setback in Premier Automobiles from Rs. 85.50 to Rs. 81.70 and Hindustan Motors from Rs. 7.08 to Rs. 6.80.

In the miscellaneous group, Bombay Burmahs reacted from Rs. 492.50 to Rs. 485.50, before gaining ground to Rs. 490. National Rayons dipped from Rs. 239.50 to Rs. 235.75, before recouping to Rs. 239.25 at the close. Tata Chemicals shed 28 nP to Rs. 14.72 and their new shares 92 nP to Rs. 13.60. Tata Oils declined by Rs. 2.50 to Rs. 41.25 and Voltas by Rs. 2 to Rs. 135. Killick Industries recorded a rise of Re. 1.75 to Rs. 151 and W. H. Bradys Rs. 2.50 to Rs. 297.50.

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Calcutta Stock Exchange

CALCUTTA, 10*th December*

A dull and drab trend pervaded the Calcutta Stock Exchange during the week under review. Earlier, profit-taking had reduced prices, and it was at this stage that the Finance Minister, Mr. Morarjee Desai—who, it was remembered here, had told a New York audience in October that the Government's intention was to follow a more realistic taxation policy so that the country could attract more foreign capital—told the Associated Chambers of Commerce of India annual meeting on Friday last that more taxes, direct and indirect, were one of the principal sources of Government revenue. After this declaration, contradictory though it was, any expectation of tax relief in the coming budget was considered ruled out in market circles; on the other hand, the apprehension in the minds of operators and investors was the possibility of imposing further burdens on trade and industry.

In the present chill mood of New Delhi, as indicated by Mr. Desai on Friday last, it was difficult to hope the plea of Mr. J. D. K. Brown, who, as President of the Associated Chambers, in his reasoned speech, urged tax relief and all encouragement to the export industries—tea, jute, textiles and tobacco—on which the country must depend for foreign exchange earnings to pay for machinery and other essential imports, would be considered in the proper spirit. Further, Mr. Nehru's recent remarks at Calcutta on the expansion of the public sector were so soon followed by ordnance factories entering into competition with the private sector in the manufacture of trucks, lorries and tractors. Although the manufacture was intended to meet only Defence needs at present, the apprehension here was that expansion could always be done to compete in the commercial field also. The fear that the public sector could at any time enter into the private field had now come to stay. In the dull trend, some encouraging factors failed to produce any effect. They were the increased output in the Indian Iron and Steel Company's works in November following expansion, and the anticipated sanction by Government to the bonus issue. The fall in jute goods stocks as at the end of last month was also ignored, while the continued fall in prices during auctions lulled tea scrips, despite some good dividend announcements in the week. Miscellaneous industrials accounted for selected rises.

Transactions in the jute section dwindled and prices gave way. Agarparas moved down from Rs. 11.87 to Rs. 11.50 and Anglo-Indias from Rs. 216 to Rs. 208. At Rs. 136, Baranagores lost Rs. 6. Lack of interest drove down Kinnisons from Rs. 193 to Rs. 186, but Gourepores were unchanged at Rs. 360. Following maintenance of dividend at 2½ per cent., Belvederes were quiet at Rs. 150. Nationals, however, picked up to Rs. 25.25 from Rs. 23.37, but soon fell to Rs. 24.50. Ganges were quoted at Rs. 70.50, as against Rs. 77 earlier, and Alliances at Rs. 115, as against Rs. 124. It was announced during the week that, in technical collaboration with Messrs. British Insulated Callenders Cables Ltd., the Fort Gloster Industries Ltd. had decided to set up a cable factory to manufacture rubber insulated cables, bare copper, stranded and solid conductors, etc.

Coals exhibited the general trend. Burrakurs were unchanged at Rs. 17.12 for most part of the week, but declined subsequently to Rs. 16.56. East Indias recovered to Rs. 23.25 from Rs. 23.06, but Pench Valleys lost to Rs. 24.19 from Rs. 24.25, with Central Indias being lower at Rs. 7.87. At Rs. 19.37, New Beerbhooms were fractionally lower.

Among minings, Indian Coppers receded to touch Rs. 3.64 from Rs. 3.80. Orissa Minerals were unchanged at Rs. 7.25.

In the engineering section, Indian Irons opened at Rs. 26.22 and closed at Rs. 25.64. The floating stock has increased so suddenly with the recent release of a huge block of shares by an investment company that they are proving a strain to the market, despite good prospects and the issue of bonus shares. Jessop & Cos. were shaded to Rs. 25 from Rs. 26, with Texmacos being pushed down to Rs. 20.60 from Rs. 21.10.

Tea shares were neglected. Hasimaras moved down to Rs. 21.19 from Rs. 21.25 and East Indias to Rs. 20.75 from Rs. 22. Methonis at Rs. 19 lost 62 nP.

Clive Row Investments among miscellaneous industrials were the star feature this week, and the scrip improved to Rs. 11.94 from Rs. 10.12, following the proposal of this Company acquiring Andrew Yule & Co. Ltd. by purchasing the latter Company's 90,000 shares of Rs. 100 each at Rs. 135 each. Indian Cables lost further to Rs. 27.62 from Rs. 28.31. The dividend for Indian Cables has been maintained at 15 per cent., including a cash bonus of 2½ per cent., although profits for the year ended March last at Rs. 8.57 were lower by Rs. 43 lakhs, in view of expansion plans interfering with production. The capital was recently increased by a rights issue in the proportion of one to two and the anticipation was that the dividend would be maintained at 15 per cent. in future also.

AHMEDABAD ELECTRICITY EPISODE: MR. SHEPPARD'S REJOINDER

Apropos the statements made by some shareholders of the Ahmedabad Electricity Company, Ltd., at the last annual general meeting of the Company, regarding the orders for two boilers—*vide* page 867 of *Commerce* dated 29th November 1958, Mr. E. D. Sheppard, Chairman of Killick Industries Ltd., and a former Director of the Company, has issued the following rejoinder:

"Certain remarks made by some of the shareholders at the meeting of the Ahmedabad Electricity Company, Ltd., on 26th November 1958, were based on figures furnished to the Joint Honorary Secretary, Bombay Shareholders' Association, by the present Chairman of the Company comparing the price quoted for the boiler plant, etc., as between the International Combustion Ltd. and Babcock and Wilcox.

"Great emphasis was placed on the difference in price between the quotations received from the two boiler-makers and in the absence of any indication to the contrary one would naturally assume that the plant offered by both the parties were identical.

"This is not the case.

"The offer of the International Combustion Ltd. was for tri-drum boilers with forged drums, drainable super-heaters, etc.

"The offer of Babcock & Wilcox was for bi-drum boilers with welded drums and non-drainable super-heaters and there were many other differences.

"Therefore, the comparison given was misleading.

"Furthermore, the original estimated price for piping of £100,000 given by I.C.L. had long ago been substituted by a firm price of £73,500 but this information was withheld.

"One speaker made the point that Messrs. Merz & McLellan had confirmed that the I.C.L. price was higher by 25 per cent. which also is misleading as in a communication from Messrs. Merz & McLellan they had expressed their personal opinion that the price might have been high by the order of 10 per cent., although they would not have been surprised if it was as much as 15 per cent.

"It should, however, be noted that the protracted and diligent enquiry which has been made into this affair by the Company's own engineers has elicited factual evidence which establishes that the differential on a fully competitive and comparable basis and taking the most unfavourable view could not have been more than 4 per cent. or 5 per cent. This finding was by four out of the five engineers who took part in the enquiry. The fifth—Mr. Colaco—dissented. Pending the outcome of this enquiry steps were taken by the former Chairman to ensure that no final contractual obligations were incurred, as is fully known to the Government of India with whom full contact was maintained.

"It is surely a sad reflection on those concerned that they have found it necessary to rely on unfair comparisons and misleading figures and statements in an attempt to discredit others and elevate themselves in the public eye."

MINERVA MILLS LTD.

The Minerva Mills Ltd. (Managing Agents: Messrs. N. Sirur and Co., Private Ltd., Bombay) is raising additional funds through the issue of first mortgage debentures for an aggregate sum of Rs. 18 lakhs. The object of the issue is to finance a part of the Company's programme of renovation and modernisation. The debentures are repayable in 1967-70. They are in units of Rs. 500 each, carrying interest at the rate of 6½ per cent. per annum, taxable. They are secured by the fixed assets of the Company. The list will open for public subscription on the 15th inst., and close on or after the 29th inst.

The Company has no outstanding debentures at present. In 1932, however, it had issued a first mortgage debenture loan for Rs. 18 lakhs. This was renewed in 1938 for a sum of Rs. 15 lakhs and was finally repaid in 1945 from out of the profits made during the intervening years. The Company had made substantial additions to the plant, machinery and buildings to the tune of Rs. 52.79 lakhs during the twelve years 1945-56. Most of this expenditure was financed out of the reserves and profits made during this period, without calling for fresh capital. The Company is now launching on a programme of renovation and modernisation of plant and machinery involving large capital expenditure. The proceeds of the debenture issue will be utilised to meet a part of this capital expenditure and to replenish the working capital which has been locked up in the fixed assets of the Company.

The whole issue has been underwritten by the Canara Bank Ltd. For more details of this offer, readers may refer to pages 968 and 969 where the relevant announcement appears.

NEWS IN BRIEF

THE Andhra Pradesh Government has constituted an advisory board for small-scale industries to discuss all aspects relating to the promotion of such industries and to devise ways and means of assisting them generally.

The first coke oven battery at the Rourkela Steel Plant was formally inaugurated last week by Mr. G. Pande, Chairman of Hindustan Steel (Private) Ltd. Along with the battery, a portion of the by-product plant was also put into operation.

As a measure of export promotion, the Central Government has decided to allow drawback of customs duty paid on imported materials used in the manufacture of public address equipment exported from India. It has also authorised schemes for manufacture in bond of punch cards and ready-made garments from imported materials.

The U.S. authorities have conceded the request of the Government of India to waive the requirement of using of ships registered in the U.S. for the import of machine tools and machinery under the U.S. Export-Import Bank programme. Accordingly, this cargo can now be shipped in vessels registered in India but upto 50 per cent. of the total movement.

The Life Insurance Corporation completed Rs. 180.73 crores of life business upto 17th November 1958, as against the record business of Rs. 231 crores done in the whole of 1957. Disclosing this in the Lok Sabha recently, Mr. B. R. Bhagat, Union Deputy Minister for Finance, attributed the decline in business during the current year to adverse economic conditions.

A firm in Ernakulam, Kerala State, has entered into an agreement with a Japanese firm to start a cable manufacturing factory there, with a capital of Rs. 50 lakhs. Disclosing this in the State Assembly, Mr. K. P. Gopalan, Minister for Industries, stated the other day that the necessary licence for the establishment of the factory was issued by the Central Government in July last.

A small booklet entitled *Information for Small Industrialist* has been published by the Office of the Development Commissioner for Small Scale Industries, Ministry of Commerce and Industry. The booklet, besides describing the organisational set-up for the development of small industries, details a number of concessions and facilities offered by the Government to small industrialists.

A preliminary contour survey for India's fourth steel plant in the public sector at Bokaro has been done, according to Mr. Sardar Swaran Singh, Minister for Steel, Mines and Fuel. A sum of Rs. 5 lakhs is expected to be spent before the end of March 1959. Messrs. M. N. Dastur & Co. (Private) Limited, Calcutta, has been entrusted with the work of preparing a preliminary project report.

It has been decided to exempt Government companies from the requirements of section 13 of the Indian Companies Act 1956, under which companies registered as Private Limited Companies have to specify the nomenclature "Private" in their names. It will be remembered that Prime Minister Nehru strongly disagreed with State-owned companies being called as private limited companies.

In order to control the rise in price and to prevent hoarding of wheat in the States of Rajasthan and M.P., the Central Government has fixed, under Section 3 of the Essential Commodities Act 1955, the maximum price at which wheat shall be sold in any locality in these States at the average price of that commodity during the previous three months. The notification will remain in force for a period of three months.

A consortium of manufacturers is being set up in India to produce machinery required for sugar factories, according to Mr. A. P. Jain, Union Minister for Food and Agriculture. The projected consortium is expected to commence production in about two years. It has been decided that, instead of importing the bulk of machinery from abroad, sugar plants should be fabricated in the country by importing the minimum essential components and equipment that cannot be secured and manufactured indigenously.

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From Abroad

The U.S. Government has decided to stop its stockpiling programme for quicksilver with effect from the 31st inst.

The world demand for oil will grow by 6.3 per cent. a year during the ten years ending 1967, according to the Chase Manhattan Bank's petroleum department. The rate of increase is slightly lower than that achieved over the years since 1919.

The Japanese Government has approved of a 2,500 million yen loan from the Japan Export-Import Bank to the Arabian Oil Company to help it to commence drilling operations in the offshore area between Kuwait and Saudi Arabia next year.

The British Overseas Airways Corporation proposes to undertake sizable expansion in Comet jet airliner services in 1959. The provisional plans laid down at present provide for the operation of a service to Tokyo in April which will be followed by another service to Hong Kong in May.

For the first time in several years, the value of stocks held by the manufacturing industry in the U.K. declined significantly in the third quarter of the year. The total value of stocks at the end of September was £55 million or 1.2 per cent. less than at mid-year, according to a provisional estimate of the British Board of Trade.

W. Germany's balance of payments surplus has dropped considerably in spite of a growing export surplus. For the first nine months this year, it aggregated 3,000 million DM., or 2,000 million DM. less than in the corresponding period last year. This is mainly due to the fact that almost no short-term money (hot money) entered the country this year, while such an influx had amounted to 2,500 million DM. in the January-September 1957 period because of expected world currency changes.

West Germany has become the second largest producer of plastics in the world, the first place being held by the U.S. Its output rose by 13.5 per cent. in this year's first nine months, as against a 25 per cent. rise last year. Total production is expected to come close to the 630,000 metric tons, as against 561,000 metric tons in 1958. Plastics account for 11 per cent. of total sales of the W. German chemical industry, as compared with 9 per cent. three years ago.

A plea to the U.K. Government to abandon further experiments in nationalisation, unless some means of running the nationalised industries efficiently can be found, has been put forward in a pamphlet entitled *Nationalisation: A Great Dilemma*, published by the British Institute of Directors. The failure of nationalised industries is attributed to their monopoly position. The new scheme of the Government buying shares in public companies has also been criticised in the pamphlet on the ground that "there is no place for State in private enterprise boardroom."

After a three-hour visit to London to explain to the British Government the measures which the European Economic Community (the Common Market countries) propose to put into force on 1st January 1959, Dr. Ludwig Erhard, West German Minister for Economic Affairs, returned to Bonn on the 4th inst. Dr. Erhard, in his capacity as Chairman of the Council of Ministers of the European Economic Community, had a full discussion on the procedure for the Free Trade Area negotiations with the British Paymaster General, Chairman of the inter-Governmental Committee.

By amending its banking laws, the Government of Malaya has assumed powers to close down, after January 1959, banks operating in the country which are under the effective control of foreign Governments. Such banks will be given three months' notice. Under the previous law, the banks operating in the Federation had been required to have an issued capital of $M2 million, while those whose headquarters outside the Federation should have liquid assets aggregating $M2 million at least in the Federation, or an issued capital of $M5 million. The Bankers' Committee had agreed to this and the banks would be given 10 years to comply with necessary requirements.

PERSONAL

MR. A. C. Grover and Mr. Ralph Hiscox have been elected Chairman and Deputy Chairman, respectively, of Lloyds Bank Ltd.

Mr. M. C. Chagla, India's Ambassador to the U.S., presented his credentials to President Eisenhower at the White House on the 8th inst.

M. Andre Malraux, Personal Envoy of General de Gaulle, Prime Minister of France, left New Delhi for Tokyo on the 8th inst. after consultations with the Government of India.

Mr. Peter Thorneycroft, British M.P. and a former Chancellor of the Exchequer, arrived in New Delhi on the 4th inst. on a purely personal visit.

Dr. N. Das, I.C.S., until recently Secretary, Home (Anti-Corruption and Enforcement) Department, West Bengal Government, has been appointed Secretary-General of the Employers' Federation of India, Bombay.

Prof. Nicholas Kaldor, the noted British economist, will arrive in New Delhi on the 15th inst. After staying there for a few days, he will proceed to Ceylon to advise the Government of that country on the question of reorganising its tax structure. While in India, he is expected to tender evidence before the Tyagi Committee on Taxation.

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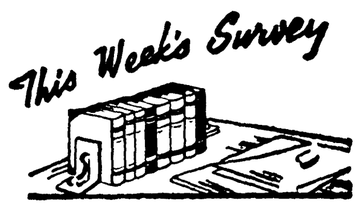

STATE TRADING IN GRAINS

FROM all accounts, the Government seems to be determined on introducing a system of State trading in foodgrains. This was one of the recommendations of the National Development Council which met in New Delhi in the first week of November. Since then, Mr. Nehru has reiterated the need for implementing this measure. The Union Food and Agriculture Minister, Mr. A. P. Jain, is reported to have stated, at a meeting of the All-Party Food Committee held last month, that the scheme of State trading in foodgrains was in a preparatory stage and that it would be ready within a few weeks. A few States have indicated their willingness to work the scheme, though it is not known whether all States favour it. Since Mr. Nehru has thrown the weight of his personality on the side of those who favour State trading in foodgrains, it is unlikely that the scheme will be shelved, though it may well be modified in the light of the many objections to any large assumption of responsibility by the State in the matter of foodgrains trade.

So far, little is known about the details of the scheme. Mr. Nehru has himself indicated that what is intended is not elimination of wholesale trade but the introduction of a system of licensed dealers who will function as agents of the Government. In the absence of details, it is difficult to visualise the shape of things in foodgrains trade under a system of State trading in foodgrains. There are many intricate problems which will demand solution. Will the free market in foodgrains be allowed to function? Is it possible for the State to take over procurement and distribution of foodgrains without creating an elaborate administrative machinery? In the absence of a free market, how will the Government fix the prices payable to producers? If prices are fixed arbitrarily or on the basis of *ad hoc* surveys of production costs, will it not mean the revival of all that agitation for higher prices which the authorities were compelled to face in the war years? These questions are suggestive, rather than exhaustive, of the intricate nature of the issues involved in State trading

It is not clear why the Government has developed a new sense of urgency about State trading in foodgrains. The rise in food prices is not a new phenomenon. It has been with us for over a year now. Till recently, the authorities seemed to be content with the success they obtained on the food prices front by measures such as credit control, the institution of a zonal system for foodgrains, building up of stocks and establishment of fair price shops. Is the Government's new enthusiasm for State trading an admission of the failure of the measures it has initiated? Again, if the price situation ever provided any particular justification for State trading, the latest trend of foodgrain prices should be said to have removed the justification, for prices have already begun to fall. Between January 1958 and October 1958, the index number of food articles (Base: 1952-53=100) rose from 102.5 to 121.2; by the middle of November, it had receded to 118.2. The index number of cereals advanced in the first ten months of the current year from 97 to 113.6; by the middle of November, it had declined to 111.0. A good rice crop is in prospect. The new crop is placed at a record high level of 29 million tons, as against the 24.8 million tons harvested last year. And when it moves into the market, prices are bound to recede further. To commence State trading in a period of falling prices might land the State in far too many difficulties.

Apart from these considerations, what should weigh with the Government is whether it is right for it to make a fundamental departure from its price and trade policy without having the whole question examined by an expert body. Only recently, the question was examined by the Asoka Mehta Committee which recommended State control and direction, rather than wholesale suppression of the wholesale trade in foodgrains. What the Committee advocated was a system of wise, directional control of food prices, analogous to the Reserve Bank's open market operations. It did not suggest that the Government should go the whole hog of State trading in foodgrains. It is not clear what new factors have emerged which justify the Government's move to take over the trading in foodgrains.

If the proposed State trading scheme does not go beyond licensing of wholesale dealers, it may not be unwelcome. Indeed, it may even be welcome in that it will put in the hands of the Government much valuable information about foodgrain movements. But if the Government assumes and puts into effect control over procurement, movement, distribution and prices, it will have taken upon itself more responsibility than it can discharge efficiently. As the Conference on State trading in foodgrains, convened recently by the Federation of Indian Chambers of Commerce and Industry, has pointed out, the State Trading move will "divert the attention of the Government and the public from policies and programmes to increase production, which is the real solution of the problem." The Conference has also rightly stressed that the abrupt displacement of traders in foodgrains will result in a "considerable disruption of channels of distribution which have been well organised for generations." The present situation, according to the Conference, does not demand anything more than "some regulatory provision pertaining to the operations of wholesale trade to enable the Government to have a physical check on available supplies." The Government's present move, if it signifies anything other than an acquisition of powers and creation of machinery for possible use in an emergency, is fraught with much real danger to the food economy. If a fraction of the time and energy now sought to be spent on perfecting a State trading system were utilised on the food production front, it may conceivably mean more food output, thereby eliminating any need for interference with the existing channels of supply and distribution.

STATE TRADING CORPORATION

The resolution, urging the Central Government to review the activities of the State Trading Corporation (S.T.C.) in such a way as to restrict them to well defined limits, adopted at the recent annual meeting of the Associated Chambers of Commerce of India, Calcutta, is not only quite timely but also very pertinent. Although it was generally believed that the S.T.C. would confine its trading activities to the Communist countries, it has made considerable encroachment into the trading sphere of the private sector. Indeed, within three years after its birth, the S.T.C. stands today as a "leviathan," with operations covering direct export and import of several commodities, distribution of goods imported directly by it as well as those imported by private parties, and distribution of cement produced within the country. That the working of the S.T.C. has already done incalculable harm to the country's trade was impressively described by Mr. P. Hadfield, who moved the resolution on the S.T.C. He said:

"It (the S.T.C.) has sought, often successfully, to obtain a monopoly of trade well established with a free country either by switching that trade to a communist country or itself dealing with the free country. In the process, it has unfortunately, encouraged undesirable and dangerous competition among all those involved in the export or import of these commodities. Not only are existing producers, traders and services being disrupted, the ever-expanding activities of the State Trading Corporation are deterring exporters from exploring new avenues of foreign trade. There is little incentive to build up a new export market, if the enterprising exporter has reason to fear that success will lead to elimination."

Apart from the disquieting effects of the S.T.C.'s activities on traders in general, the way in which this body has been conducting the transactions is disconcerting. To take the instance of cement. The S.T.C. has made a profit of several crores of rupees on cement distribution and the Government has stated that it is considering the question of using the profit for road development. Surely, this decision, as Mr. G. H. J. Clarke rightly pointed out in his speech while seconding the resolution, "would give the Corporation the aspect of a straightforward tax-gathering agency of Government." Moreover, why should the S.T.C. continue trading in cement, when there is plenty of indigenous supply and import is no longer necessary?

Another instance of the S.T.C.'s defective policy relates to the mining trade. While it is understandable that the S.T.C. should encourage newcomers in this trade, there has unfortunately been an increasing tendency to encourage newcomers among the exporters also. Such a tendency, Mr. Hadfield pointed out, not only meant inexperience and inefficiency but also cut-throat competition. The S.T.C. "appears," to quote him, "to be playing off the established miners, shippers and service contractors against each other and within unknown and inexperienced outsiders, which can well result in ruining those established in the trade and destroying the export demand for the commodity itself."

The position as regards imports is equally unhealthy. As was revealed by Mr. Hadfield, although adequate quantities of sulphur were being imported by established importers from the U.S., the S.T.C. aimed at monopolising this market by importing from China, but only the fact that the price was not competitive thwarted the move. The S.T.C. then turned its attention to rock phosphate which the established importers had imported from Egypt for many years with no complaints. "The result of this unwelcome intrusion," to quote Mr. Hadfield again, "are not yet clear; it (the S.T.C.) was, however, completely successful in obtaining a monopoly of the import of muriate of potash, a fertiliser ingredient, which had been traditionally imported by fertiliser manufacturing firms."

It is not simply a matter for complaint that established traders have suffered as a result of encroachment on their activities by the S.T.C. But the point is, as Mr. Clarke stated, there has been no corresponding gain to the consumer. In the case of commodities imported and distributed internally by the S.T.C., the consumer has suffered because supplies have been irregular and even prices higher as a result of inefficient procurement, ignorance of proper principles of distribution and lack of contact with consumers. Mr. Clarke was right when he declared that, even where it is desirable that the S.T.C. should import, the internal distribution should be left to those skilled traders of knowledge and experience, with built-up distribution systems, offices and trained staff available. After all, it will be recalled that the S.T.C. was formed not to supplant the private sector but to supplement it, in fact, to assist it, in expanding the foreign trade of the country. The Government of India will do well to take note of the Associated Chambers' recommendation and review the S.T.C.'s activities in order (1) to restrict its trading operations to well defined limits, namely, to transactions which are inaccessible or unsuited to private enterprise; and (2) to leave to the established and experienced traders the internal distribution of goods imported by the Corporation.

SALES TAX

What the Taxation Enquiry Commission said in respect of sales tax four years ago is as much true today as it was then. Referring to the lack of uniformity even in respect of definition of basic terms such as "dealer," "sales price," "turnover," "year" etc., the Commission had observed that this created unnecessary complications and hardships to trade and industry, particularly in regard to inter-State transactions and for dealers who had branches in more than one State. It had pointed out that, without conferring any advantage whatsoever, this diversity in regulation and procedure had led to many avoidable difficulties to trade, commerce and industry.

Not only has the situation not improved during the last four years but, if anything, it has only become worse. Every State now has at least one statute dealing with sales tax. The period of experiment with the basic structure of the tax does not seem to be over in most States and, consequently, the frequency of changes in legislation is disturbingly high. Rules under the various tax laws are varied and voluminous. The Government, in its anxiety to meet diverse points of view, tends to make them highly complicated and far from explicit. In addition, there is now the Central sales tax legislation, covering inter-State sales. Each State has issued its own rules under the Central statute and these, though substantially alike, are subject to varying interpretations by the State authorities. In short, the present picture of sales tax is one of "enormous complexity," frequent variations, conflicting interpretations and, of course, delayed assessments. No wonder, most people are baffled, consumers become irritated and dealers do not know what their tax liabilities are.

The Associated Chambers of Commerce of India have, therefore, done well to draw pointed attention to the fact that the variety and complexity of sales tax legislation continued to render the administration of this form of taxation an impediment to trade and industry. The present methods of assessment and collection severely curtailed the net revenue-earning capacity of the tax and disputes about the reimbursement of sales tax on purchases made by

Government still gave rise to a mass of unproductive correspondence and to financial loss. In a resolution passed at the annual general meeting held in Calcutta on the 5th and 6th inst., the Associated Chambers of Commerce have strongly urged the Government that these deficiencies should be removed by the introduction of a uniform and simplified Central sales tax legislation applicable throughout India. In effecting this reform, the resolution further adds, the Government should consider: (1) standardisation of collection, where appropriate, at the first point of sale, and (2) exemption of Government purchases from sales tax or automatic refund of the tax on such sales to the supplier.

Moving the resolution, Mr. K. Jowers, representing the Punjab and Delhi Chamber of Commerce, stressed the difficulties experienced by all those trades who deal primarily with the Government, both Central and States. All Government business, he pointed out, carried a relatively low margin of profits and, in order to avoid losses, it was essential that these transactions be speedily finalised. But this was rendered virtually impossible by the clause in Government contracts reading thus: "Prices are exclusive of sales tax, which, if legally leviable, will be in addition to the contract price." This simple clause, as any supplier knows, was most damaging both to himself and the indentor. Each and every contract carrying this clause meant that the formal acceptance of contract document must be submitted for amendment, first, to agree to the payment of sales tax and, secondly, to cover the exact amount of the tax. This led to unnecessary and avoidable delays. Since, in many cases, lakhs of rupees were involved, suppliers had to make provision to cover the cost of their money which had been paid in advance. This, according to Mr. Jowers, could well be avoided, if sales tax, where applicable, was included in the initial acceptance of contract. If this was not acceptable to the Government, he suggested that consideration should be given formally to exempt Government orders from the payment of sales tax. This would automatically reduce the need for the large staff engaged in effecting amendments in contracts to cover sales tax and allow suppliers to quote competitive rates.

Another feature which required immediate modification, according to him, was the requirement that suppliers in one State should send representatives, with their books, to another State for assessment. The position of a manufacturer or a dealer despatching goods to branches or agents in another State, Mr. Jowers added, was far from clear. Documents or title to goods were transferred many times while consignments were in transit which sometimes involved multiple levy of sales tax. Mr. Jowers made the following further points for the consideration of the Government: (1) incidence of taxation in various categories of goods should be uniform in all States, (2) appeals and revisions should be decided at district headquarters instead of at the State capital, (3) procedure for appeal should be simplified.

Seconding the resolution on behalf of the Bombay Chamber of Commerce, Mr. Vernon-Jones made a vigorous plea for uniformity in sales tax legislation. He suggested that, for this purpose, the Central Government should enact a law similar to the Indian Stamp Act, which should maintain uniformity throughout India in regard to the essential structure of the tax while leaving it to the States to change only the quantum, the classification for exemptions and such other matters which had to be adapted to regional needs. He did not deny the need for sales tax legislation by the States. But the structure of this legislation, he rightly suggested, should be generally uniform throughout India. Regional variations should not extend to the basic structure.

A uniform structure of tax, as Mr. Vernon-Jones pointed out, would indicate the stages at which tax was to be levied and the broad classification required for deciding the appropriate stage. It was now generally conceded that most articles should be taxed only at one stage, that this stage should be the first sale within the State in the case of most processed articles and the last stage in the case of goods which were inherently or largely ancillary to manufacture of other articles. Experience had shown that such a classification was both equitable to business and more efficient than other systems for the administration of the law and the collection of the maximum revenue. Mr. Jones added: "whether or not the residue of articles not falling into these two categories should be subject to tax only at one stage, as in some States, or at two stages, as suggested by the Bombay Sales Tax Enquiry Committee, is arguable." Whichever course was eventually adopted, he felt it should be valid throughout India for a definite period. These are by no means exacting demands and do not involve any loss of revenue. There should, therefore, be no difficulty in accepting the aforesaid suggestions and making the necessary changes in the laws, rules and procedures pertaining to sales tax. By doing so, the Governments themselves will derive considerable benefit.

CUSTOMS IN ASIA

An efficient and expeditious system of customs administration is a prerequisite for ensuring smooth flow of international trade. It is, therefore, a matter for some concern that customs procedures in some of the Asian and Far Eastern countries are cumbersome and involve irksome formalities. In view of the rapidly changing pattern of economic set-up and trade in the countries in this region, a judicious streamlining of the administration of customs has become a vital necessity. It is gratifying to note, in this connection, that, at a meeting held at Bangkok last month, the Working Party of the Economic Commission for Asia and the Far East (E.C.A.F.E.) on Customs Administration addressed itself to the task of examining, at some length, the scope for reorganising the entire system of customs. Participating in the conference were senior customs officials from 19 countries of the region. Besides, observers from Czechoslovakia, the Federal Republic of Germany as well as from the International Civil Aviation Organisation (I.C.A.O.), the Customs Co-operation Council (C.C.C.), the International Chamber of Commerce (I.C.C.) and the International Air Transport Association (I.A.T.A.) also attended the meeting. The final report of the Working Party, consisting of numerous practical recommendations to the customs authorities of the region, was unanimously adopted by the conference.

There has been a growing realisation in the countries in this region for bringing about improvements in the customs administration. The measures already taken range from increased participation in international conventions concerning customs matters to simplified examination of parcels sent by post. It must be admitted that still there are many avoidable customs formalities, which inhibit the free flow of imports and exports and tend to restrict the scope for developing tourist traffic. One of the principal recommendations of the Working Party, it may be noted, relates to the customs clearance of tourists as well as business men. It urged those countries which have not yet acceded to international conventions on this subject to do so. It also recommended that passengers should not be required to fill out forms for baggage clearance but verbal declarations should be accepted as far as possible. Among the other recommendations is the one that the examination of unaccompanied baggage be limited to the minimum and another that simplified forms and documents should be used

(*Continued on page 988*)

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FEDERATION'S ADVICE TO GOVERNMENT

DEFENCE AND AUTOMOBILES

From Our Special Correspondent

NEW DELHI, *9th December*

THE Federation of Indian Chambers of Commerce and Industry has been very active last week, expressing forthright and cogent opinions on some questions of immediate public importance. It convened a conference on State trading in foodgrains to focus the opinion of the business community on the question; and it has issued a statement on the problems of the automobile industry and on the Defence Ministry's recent contracts with some foreign firms for the manufacture of trucks, supply of auto parts, etc. In the statement adopted by the conference on State trading in foodgrains, the opinion is expressed that the Government's decision to introduce State trading has been taken in some haste without objectively going into the matter or realising the implications thereof, although these implications which are of very grave nature are still fresh in the memory of the public on account of the over-prolongation of controls on foodgrains that were introduced during the war years.

DELHI LETTER

The statement has made the relevant point that the present decision may well divert the attention of Government and the public from policies and programmes to increase production. The second Five-year Plan is already suffering from strains on account of the paucity of resources, and the shift in the allocation of resources which this decision regarding State trading involves may further upset the smooth progress of planned development.

After pointing out that the increase in foodgrain prices, especially in the last one year, has been due to the increased pace of development and that, therefore, it would be unreal to attribute it entirely to speculative activities, the statement has specifically described the part played by wholesale trade as follows:

> The wholesale trade is primarily concerned with the services of the transport and distribution of foodgrains and earns its remuneration for such specific and specialised services. It cannot do much when the marketable surplus from the producers is itself reduced in quantity. In fact, the trade considerably assists in preventing the fluctuations in prices from being far more severe than they usually could be without their mediation. It ensures a reliable agency for disposal to the producer as well as a reliable and smooth supply of foodgrains of the quality which the consumer needs. The sudden displacement of traders in foodgrain transactions will result in a considerable disruption of channels of distribution which have been well organised for generations. The experience of the severe unevenness of prices between food zones already proves the likely effects of disturbing systems of distribution without fully realising their importance. The question of the retention of food zones also requires a very careful scrutiny.

The statement has uttered the warning that when the normal, market operations are suspended and a Government agency emerges as the sole purchaser of food supplies, the price structure will be distorted. It will also be accompanied by a deterioration in the quality and smooth flow of supplies available for distribution. The present situation does not demand anything more than some regulatory provision pertaining to the operations of wholesale trade to enable Government to have a physical check on the available supplies. The present reports indicate that the forthcoming harvest in rice will yield between 29 and 30 million tons of rice. The production of millets is also much higher than last year. The indications from the sowing of wheat also are optimistic. At such a juncture, the statement concludes, the authorities should concern themselves with the acquisition of reserve stock, a policy which has been urged by a large number of commissions and committees.

Automobile Industry

The Federation's statement bearing on the automobile industry in the context of the Defence Ministry's recent contracts has controverted the Deputy Defence Minister's statement in the Lok Sabha in the course of which he expressed dissatisfaction at the part played by the industry. This statement deserves to be quoted *in extenso*:

> "The progress of the automobile industry in India and its price policy have been reviewed by the Tariff Commission as well as by Government from time to time during the recent years and both expressed satisfaction in this regard. It is, therefore, surprising to hear a different view now. Even if Government have suddenly changed their opinion, the question still remains as to why the Indian automobile industry has not come upto expectations and where the responsibility lies.
>
> "The requirements of the Defence Ministry are important and they deserve every priority. Even so, they form part and parcel of the total needs and potential of the nation. In this connection, reference may be made to the observations of the Tariff Commission in their Report on the Automobile Industry submitted in 1953: 'From the point of view of production, it is most essential that the army demand should be combined with the civilian demand, especially as the army is the biggest single customer in the country. From the strategic point of view also, it is important that the civilian and army types should be combined, so that a minimum number of chassis and major assemblies are required for the production of civilian as well as army vehicles. In times of emergency, the manufacturing capacity can be switched over as far as possible for army vehicles and many of the vehicles used by civilians can be requisitioned for army purposes. Spare parts and repair services of these vehicles can be efficiently handled only if the civilian vehicles correspond to army vehicles as much as possible.'
>
> "The Deputy Defence Minister, however, said, *inter alia*: 'The multiplicity of types of vehicles in the Defence Services which resulted from purchases from different manufacturers, in order to keep up competition has increased the army's problem of maintenance. Standardisation of army vehicles was, therefore, considered essential and this could be achieved only by undertaking manufacture of trucks in the Defence establishments.'
>
> "The policy of Government to 'keep up competition' at one time as between imported vehicles and indigenously manufactured ones, and lately as between various firms licensed to manufacture vehicles within the country, has resulted in the multiplicity of types of vehicles and the problem of spare parts and maintenance. The same policy has also resulted in increasing the cost of manufacture. If it is desirable and feasible, as it is made out by the Defence Ministry, to get a 100 per cent. indigenously produced vehicle at a lower price, it is equally desirable in the case of other consumers. But the automobile industry can operate efficiently and economically only on a fairly large-scale.
>
> "If the demand for automobiles in a country is limited as in India currently, and that limited demand itself is to be met by a number of manufacturers, the costs will necessarily be high, that is comparatively speaking. The Minister for Industry, Mr. Manubhai Shah, in his statement in the Lok Sabha on 13th November 1957, pointed out: 'No country with a turnover of less than one lakh vehicles per year can make it really economical and the House knows the present turnover of vehicles in this country is 32,000 annually.' Regarding the indigenous manufacture of components the Minister informed the Lok Sabha on 14th November 1957, that '... even in the highly advanced countries in the West and the United States of America, no firm can claim more than 85 to 87 per cent. of indigenous components because some of the equipment, carburittonattery instruments and some of the attachments are invented newly over and over again and they have necessarily got to be imported by every manufacturer in the world.' He also added that 'before the end of the second Plan period, almost 75 to 80 per cent. of the components and the entire material used in every car and truck in this country shall be made within the country.'"
>
> One is amazed, therefore, to learn from the statement of the Deputy Defence Minister that the Ordnance Factories can produce their trucks cheaper with a programme of manufacturing a mere 2,000 trucks and will be able to achieve 90 per cent. indigenous production in the fifth year. The Federation has accordingly requested Government to reconsider its policy even at this stage and forthwith appoint a technical committee composed of independent experts to examine the various aspects of the problem.

The Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, stated in the Rajya Sabha that, in future years, a larger surplus of more than 200,000 tons of cement might be available for export. During the current year, it had been decided to export 200,000 tons of cement to neighbouring countries like Ceylon, Pakistan, Persian Gulf ports, Aden and Cambodia. Mr. Shastri said that it was very difficult to estimate with any accuracy the surplus of cement available for export, as it was directly related to the trend of internal demand, which, in turn, influenced the actual production from time to time. He added that the cost of manufacture of cement in India was generally somewhat higher than that in countries with which it has to compete in export markets.

INDUSTRIAL DISPUTES IN BRITAIN

NO MORE COMPULSORY ARBITRATION

By John Walton

LONDON, *4th December*

COMPULSORY arbitration in industrial disputes in Britain is to end. The Minister of Labour and National Service has announced that the Government will revoke the Industrial Disputes Order, under which more than 1 000 legally-binding awards on pay and conditions have been made in the past seven years affecting some 12,000,000 workers. This step does not alter such arrangements, for voluntary arbitration exists in a number of industries like coal mining and the railways. In all, some 10,000,000 workers not covered by the Order remain unaffected. They include employees in the various Government services (with their own highly developed negotiating machinery) and in industries covered by wages councils, whose decisions on pay and conditions, once officially confirmed, have the law behind them.

LONDON LETTER

Another form of voluntary arbitration still available is through the Industrial Court. But both sides must assent before a dispute goes before it, and its awards are not binding in law. Furthermore, in disputes, the conciliation services of the Ministry of Labour are still available to both sides, and the Minister has power, where he so decides, to set up a court of inquiry or a committee of investigation to find out the facts and report with a view to promoting a settlement.

The independent tribunal which the Industrial Disputes Order created replaced an earlier body, which came into being in 1940 and continued for 11 years. This previous tribunal was part of an emergency arrangement during World War II under which strikes and lockouts became illegal and which introduced compulsory arbitration into British industry.

Talks with both the Trades Union Congress (T.U.C.) and the British Employers' Confederation led to a revision of this war-time Order in 1951. The new Order lifted the ban on strikes and lockouts and modified the arrangements for compulsory arbitration. But the change was not made a law; it remained an administrative measure under the Defence Regulations. For seven years, the Industrial Disputes Order has allowed either party to take the other to arbitration without its assent. And the tribunal's award has legally bound both the employers and the workpeople concerned.

The Order has, however, operated only under certain conditions. First, the party which referred the dispute to the Minister had either to take part "habitually" in the settlement of wages and working conditions or to organise a substantial proportion of the workers or employers in the industry. Secondly, to ensure that available collective bargaining machinery was fully used, the Minister could only refer the dispute to the tribunal after he was satisfied that all other practicable ways of finding a solution had been tried.

Another important feature of the Order has been its offer of an avenue for a trade union or an employers' organisation which habitually has been a party to settling pay and conditions to take an "issue" before the tribunal. Such an issue could arise when a union reported an employer who was not honouring the recognised wage levels or other conditions of employment in the industry. By an award, the tribunal could legally oblige him to do so.

T.U.C.'s Views

The recent decision to end the Order arose from a Government wish to wind up the Defence Regulations under which it was made. Asked by the Ministry of Labour for its views on the future of the Order, the T.U.C. said that it would like its provisions embodied in legislation. While the Order was not perfect, it had worked well for seven years and the facilities it provided should not be dismantled. In September, the 1958 Congress added its unanimous weight to these views by calling for the appropriate legislation. The British Employers' Confederation, however, did not agree with the T.U.C. Its view was that arbitration on the model of the Order should be open only to those

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AMERICAN LETTER

RECOVERY CONTINUING BUT AT A SLOWER PACE

LOSS OF GOLD CAUSING CONCERN

From Our Special Correspondent

NEW YORK, *4th December*

BUSINESS in the United States is increasing but at a somewhat slower pace than in preceding months following the low point of the recession. Management is still quite cautious. Production is being stepped up, but borrowings from banks, for example, early this month were only about $1,000 million above the July low. They still have about $2,000 million to go before they regain their September 1957 peak.

What is happening in the U.S. may be illustrated best by analysis of the component parts of the gross national product for the third quarter of the year. One of the sustaining forces during the recession was the item of personal consumption expenditures. They accounted for 55.5 per cent. of the gross national product in the third quarter of 1957 and they rose to 58 per cent. of the total in the third quarter of this year. The year-to-year gain was $7,600 million, or 2.7 per cent., although the G.N.P. fell $5,600 million, or 1.3 per cent. Personal expenditures show, of course, confidence.

Some explanation is also in order so far as the rising personal income figures are concerned. In the third quarter, they showed a gain of $5,800 million, or 1.6 per cent. over the corresponding period of 1958. It may be observed that this was more than accounted for by a $9,600 million, or 15.5 per cent. increase in Government wages and salaries and so-called "transfer payments." The latter represent chiefly veterans' insurance payments plus social security benefits.

In fact, personal income from non-Governmental sources showed a decline of $3,800 million.

The Government wage and transfer payment figure represented about 17.7 per cent. of total personal income in the third quarter of 1957, but jumped to 20.1 per cent. in the third 1958 quarter. It follows that spending by individuals could have hardly taken the course it did, had it not been for the increased Government participation in the economy of the country.

This shows up also in another component part of the G.N.P. The annual rate of Government expenditures for goods and services showed a year-to-year gain of $6,000 million, or 6.9 per cent. in the third quarter. They accounted for 21 per cent. of the gross national product, as compared with 19.6 per cent. in the like 1957 period.

There is no evidence or indication that the upward trend of Federal, State and Local Government expenditures will slacken. Indeed, with the increased strength of the Democratic Party, as a result of the last election, greater rather than lesser spending may be expected, if the past is any criterion. Economic activity and health, thus, is dependent, to a large degree, on Government expenditures, unemployment insurance payments and so on, which have played a large part in sustaining the non-durable goods and service industries during the recession.

Private spending is, of course, still the biggest factor. The most current figures suggest further recovery in personal consumption expenditures for durable goods. While there is a rising trend in this area, there seems little expectation that fourth quarter figures will rise to corresponding 1957 levels. It is possible, though, that some component parts in the private segment of the gross national product may show a gain over 1957 when the final tally for the year is in.

This is true particularly of building and construction which have been boosted by public projects, such as the Federal and State highway programme, school building and housing plans. Moreover, the construction award figures suggest that the annual rate of non-Government construction expenditures should score a further gain which, in all probability would raise the fourth quarter figure above that of a year ago.

Producers' equipment expenditures might also show a moderate improvement but no surveys of anticipated business capital expenditures would seem to indicate any great increase in this area either in the last quarter of 1958, or in the first three months of 1959.

There is one area of general concern among economists and bankers. It is the constant drain on U.S. gold stocks. There seems to be little ground for expecting any improvement in the U.S. foreign trade position. While the third quarter showed a favourable balance of trade of about $500 million, the fourth quarter may show an unfavourable balance.

This brings up a number of very broad questions—conditions in the United States, such as productivity, prices and earnings, *vis-a-vis* other industrial nations.

Many analysts seem agreed that some of the other industrially important nations of the world are likely too fare better than the U.S. Support has been provided for the statement that there has been a greater rate of increase in productivity in Western Europe and even in Russia than in the U.S. in recent years. Thus, industrial growth trends in Western Europe in, say, the next five years may be superior to those in the U.S. This might encourage foreign capital to leave the U.S. The same applies to American capital. It may mean a further reduction in U.S. gold reserves.

It's a very "hot" subject, both here and abroad. An English economist has published a pamphlet, entitled *The Coming Crisis* of 1959. He reflects the thinking of a wide group of foreigners who focus attention to more favourable growth trends in other countries than the U.S., to inflationary trends in the U.S. which may be accentuated by a Democratic Congress. In other words, questions are being raised whether dollar reserves are synonymous with gold reserves.

There is no question that inflation psychology is one of the main bullish factors on the New York Stock Exchange. The securities' markets are also influenced by the recovery trends in the economy and by better business and industrial earnings. It is also not subject to much dispute that retailers, generally, expect the biggest holiday business they ever did in terms of dollars.

As long as contrary forces are obscure, the elements may well continue to dominate Wall Street thinking and behaviour. Yet, sound investment managers do not ignore the fact that securities' prices are very high in relation to all conventional measurements and leave no elbow room for unexpected shocks which may come any day.

Forecasts for the ensuing year are beginning to make their appearance. The Departments of Commerce and Labour predicted that spending for new construction next year would cross the $50,000 million mark for the first time to reach a record of $52,300 million. Fourteen years ago, during the war, such spending amounted to only $5,259 million. As an aside, it may be mentioned that building costs, in recent years, have risen an average of about 3 per cent a year. Private family housing starts are now running at the annual rate of about 1,100,000 units, a considerable improvement over the 880,000 units earlier this year. For the time being, all seems well.

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A leading American industrialist says that, within ten years, automation equipment will be as familiar in daily life as the typewriter, the cash register and the telephone. Harvey S. Firestone, President of the Firestone Tyre and Rubber Company, told an awards dinner of the Thomas Alva Edison Foundation recently that automation would bring "priceless benefits of lower production and distribution costs, greater manufacturing accuracy, more leisure time for workers and higher standards of living."



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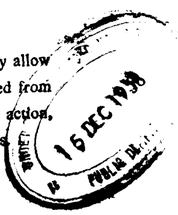

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FOREIGN AID AND INVESTMENT

ASSOCIATED CHAMBERS ADVOCATE MORE OF THE LATTER

A WELL-REASONED plea for attracting more foreign private capital investment in India, instead of depending increasingly on further loans and aids from friendly countries was made by Mr. L. D. Mudie, on behalf of the Bombay Chamber of Commerce and Industry, at the annual general meeting of the Associated Chambers of Commerce of India held last week in Calcutta. Mr. Mudie was speaking on the resolution on foreign aid, investment and co-operation. The climate for attracting foreign investment, it was contended, could be made conducive by simplifying the tax structure and allied policies. The resolution adopted by the A.C.C.I. on the subject runs as follows:

"The Associated Chambers of Commerce desire to welcome the generous measure of financial assistance recently negotiated with the World Bank and with certain friendly countries. This assistance does much to resolve India's immediate problems of foreign exchange; and the Chambers consider that the Government of India, in order to consolidate this temporary relief and to achieve a more permanent and stable balance in the country's international trade, should

(1) reassess economic resources, both now and at the end of the second Plan, in order to determine the targets which can be achieved within these resources;

(2) adopt taxation and allied policies which will create conditions favourable to private foreign investment and thus develop the country's economic potentialities, while lightening the burden of the servicing and repayment of foreign loans."

Mr. Mudie struck a note of caution against the danger of accepting more and more loans, though well-meant, from friendly countries without first consolidating the achievements made so far and considering "the most formidable problem of serving the debts which are *already* outstanding." The problem of loan repayment and amortisation, Mr. Mudie pointed out, would be with this country for most of the working lives of those who control commerce and industry in this country today, though the aid so far received or promised did not represent additional resources for additional development, but was meant only to meet current liabilities to March 1959.

The magnitude of the problem can be judged from the figures quoted by Mr. Mudie. The total outstanding foreign debt of India, in both the public and private sectors, as on 1st January 1959, is estimated to be of the order of $1,396 million, including interest due. This may be reduced to $1,271 million on 1st January 1961, that is, at the beginning of the third Plan, and further to $800 million at the end of the third Plan period. This calculation is based on the assumption that no further commitments are made as from 30th June 1958. The Planning Commission in its reappraisal of the second Five-year Plan, however, takes credit for Rs. 600 crores of external assistance during the last two years of the Plan. "I would frankly describe the prospect as somewhat daunting" Mr. Mudie added, "but that must be the better reason for an acute and realistic appraisal of what the past has taught and what the future plans must be."

According to Mr. Mudie, as hopes of an export surplus have to be ruled out, there are only two ways by which some progress can be achieved in the next few years. The first one is to cut the coat according to the cloth. Dilating on this point, he said:

"With the limited information at our disposal, we cannot hope to anticipate the third Plan estimates, but we must strongly emphasise the need to re-tailor the second Five-year Plan to the foreign exchange available and to aim at incurring the very smallest possible amount of foreign debt in the period of the third Plan. It appears that the commitment of foreign exchange at the end of the second Plan period will be such as to leave nothing for the third."

The second one is to promote foreign investment. Instead of borrowing money which has to be repaid, it is suggested that India must attract money in the form of plant, machinery, raw materials, etc., the foreign exchange charge on which is only the remission of profits. The trend of foreign investment in recent years does not show an encouraging picture. According to statistics collected by the Reserve Bank of India, the average annual inflow of non-banking, private foreign business investment during the period July 1948 to December 1953 aggregated about Rs. 25 crores per annum. In 1954 and 1955, it dropped to an average of Rs. 16 crores. In 1956, however, it rose to Rs. 24.3 crores, of which the oil refineries more than accounted for the difference. The foreign investor does not look to the short-term prospects, but he sees, as Mr. Mudie pointed out, a long way ahead. If the foreign investment is to be improved, some long-term conditions have to be satisfied. The three main conditions outlined by Mr. Mudie are: (1) reasonable political stability and maintenance of law and order, (2) prospect of a profitable and continuing market, and (3) certainty of being allowed to remit profits and repatriate capital.

In regard to the first condition, India is no doubt well placed insofar as Asia is concerned, but, even in respect of political stability, it is not without its competitors. "There is a large queue for foreign aid and foreign investment stretching from Australia to Nigeria and Rhodesia to South America." India can also provide a profitable and continuing market, if the *per capita* income can be sufficiently increased. The record of India in respect of remission profits and repatriation of capital is "admirable," but "this incentive," Mr. Mudie pointed out, "is at the mercy of that very foreign exchange shortage which the foreign investor is being asked to help to solve." While fulfilling the conditions for attracting foreign capital, India has certain deterrents which have to be removed. These are:

"An unsure policy for industry and the part which the private sector is to be allowed to play; the existence of what will always appear to the foreigner to be potential danger to his existence—a State Trading Corporation encroaching on the private sector, official interference in development, finance, and labour relations, harassment through the Companies Act, danger to capital through the Fourth Amendment to the Constitution and, not least, the disincentives of the taxation of personal and corporate wealth and income."

The subject of taxation, which provides one of the major obstacles in the way of foreign private investment, was dealt with at length by Mr. H. Mackay Tallack, representing the Bengal Chamber of Commerce and Industry, who seconded the resolution. He endorsed the views expressed in the report of the National Council of Applied Economic Research on Taxation and Foreign Investment. The most striking feature of India's tax structure is the multiplicity of taxes. "Many of these taxes," Mr. Tallack said, "are more frightening in prospect and in potentiality than in reality. It is surely their complexity and their number that constitute an ever greater deterrent to the potential foreign private investor than their content." The Associated Chambers' plea is, therefore, for simplification of the tax structure, particularly in its relation to corporate bodies, as also for modification and relaxation of many of these fiscal provisions. Mr. Tallack significantly pointed out, in this connection, that "in the post-war world, the exporter of capital is operating in a seller's market."

Mr. Tallack referred, in particular, to two of the tax measures which affect foreign capital investment. First, the limitations on corporate capital formation imposed by section 23A of the Income-tax Act go far beyond the practical necessity. For instance, the private subsidiary in India of a foreign company that wished to accumulate reserves for development, he added, might, nevertheless, be forced by the penal provisions of section 23A to distribute—and thus remit out of India—the major portion of its profits. Thus, any short-term gain to the country will be more than offset in the long run by the inability of such companies to expand in the only way which is often available to them, namely, through self-financing. Secondly, the rates of personal taxation have a great impact on the inflow of private foreign capital. The limited relaxation of personal taxation granted to certain foreign technicians is not considered the full solution to the problem of securing foreign technical assistance. For "the three-year limit placed on the concession often means that a technician has to leave the country just as he has acquired sufficient local experience to double his technical worth."

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STERLING AREA'S RESERVES

The sterling area's gold and dollar reserves recorded a rise of $41 million to $3,215 million during November 1958. This increase has been arrived at after taking into account the payment of $24.5 million to the European Payments Union (E.P.U.) in part settlement of the October deficit and of $2.5 million to creditors of the E.P.U. in bilateral settlements, as well as the repayment to Canada of the final instalment of $7.5 million on the interest-free loan of $700 million taken in 1942. Though the net rise in the reserves during last month is less than that of $54 million in October, it has kept up the upward trend in the sterling area's reserves for the fourteenth month in succession and taken the aggregate reserves to the highest level since September 1951, when they amounted to $3,269 million.

On the provisional figures for the month, the U.K. had a deficit of £6 million with the E.P.U. in November. This is due to be settled this month—75 per cent. in gold and dollars and 25 per cent. by addition to the debt to the Union. Britain's trade deficit with the U.P.U. in November was only half of that in the previous month. It is, however, to be noted that Britain has been having a trade deficit with E.P.U. every month since April last.

To revert to the sterling area's reserves. It is generally considered likely that the successive accumulation will be halted this month, as Britain will have to meet its annual commitment, amounting to about $180 million, on its U.S. and Canadian post-war loans. It is believed that Britain may not seek a further deferment of this annual repayment. Last year, following the monetary crisis, the annual repayment was postponed and Britain was given the right to defer payment again in seven other years during the rest of this century. In addition to this commitment, there is also the stand-by credit of $738 million from the I.M.F. due for renewal. This credit was first arranged in December 1956 and was renewed for a year in December 1957. An official statement is expected to be made shortly on these issues.

BRITISH LOAN TO PAKISTAN

In line with the policy of providing Commonwealth assistance loans, discussed at the Montreal Conference in September last, Britain will provide Pakistan with a loan of £10 million. An agreement between the two countries is expected to be signed shortly. Disclosing this in the course of his statement in the House of Commons last week, while presenting his first detailed report to the House on the outcome of the Montreal Conference and the New Delhi meetings of the I.M.F. and World Bank, the Chancellor of the Exchequer said that the amounts that could be lent (under the Commonwealth assistance loans) depended on the U.K.'s position and the borrowing situation of the Government concerned. There was, however, no intention of laying down fixed conditions. The rate of interest on such loans would be based on the rate at which the U.K. Government itself could borrow, *plus* a small management charge. These loans could be spent on U.K. exports, although they would not be negotiated in connection with any particular contract.

The U.K. Government was giving consideration to the announced proposal for a new system of Exchequer loans to the Colonies through the Commonwealth Finance Company. This, Mr. Amory added, however, depended on the further expansion of the resources of the Company. He expected that the resources would be expanded through the participation of Commonwealth central banks and other official sources and through a further contribution from the Bank of England. These were matters primarily for the Company, but the Government, the Chancellor assured, would be willing to help in any appropriate way. He gave an indication that the idea of a Commonwealth Bank had not been abandoned.

PERSONAL AND CORPORATE TAXATION

CASE FOR SIMPLIFICATION

By H. L. Murray

[This article is an adaptation of the speech made by the author at the annual general meeting of the Associated Chambers of Commerce, Calcutta, as the proposer of the resolution on personal and corporate taxation.—ED.]

NONE of us can have anything but sympathy with those whose task it is to face the dilemmas of taxation in an underdeveloped economy; the need to raise and channel resources as opposed to the necessity of encouraging personal initiative, broadbased investment and the creation of productive wealth; the need to do justice to the honest and to deal firmly with evasion; the need to create wealth and prosperity in a political atmosphere not altogether enamoured of the straightforward profit motive; the desire to increase employment without inflation or uneconomic sanctions; the inevitability of taxing those who not only are capable, monetarily and by education and training, of contributing most to the prosperity of the country by their own efforts, but who are also the only large source of direct revenue.

It may, therefore, be of service if I try to set out what canons of taxation ought to be observed when considering the need to simplify and rationalise the tax structure. The economic and political theories of the nineteenth century are, perhaps rightly, unfashionable in India just now; but I may be on safer ground if I cite Adam Smith whose thoughts are rooted in the eighteenth century—when the economy of the United Kingdom had a good deal in common (if only in miniature) with the Indian economy of today. I quote:

"Every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributor to pay it.

"The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other person.

"Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the State.

"The subjects of every State ought to contribute towards the support of the government, as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the State."

Admittedly, these canons of taxation are those of the assessee. But it is the assessees who have made vast contributions to revenue in the past, and who pay the piper, even though they have to scan the newspapers each morning for the latest tune the piper has decided to play.

Let me examine for a moment just how important the corporate assessees are as revenue earners.

For the fiscal year 1956-57, out of the aggregate income of Rs. 935 crores assessed to tax (excluding dividends), the income assessed in the hands of corporations amounted to Rs. 236 crores and the tax levied on corporations amounted to Rs. 108 crores out of the total tax demand of Rs. 216 crores. In the same year, the number of corporations assessed to tax was only 10,780. Those figures do not include wealth tax. My contention is that corporations have to contribute out of all proportion to their numbers and capacity and that taxes on corporations are levied in an uncertain and inconveniently complex manner. Will the revenue from wealth tax on companies, for example, at the present rates really warrant the cost of collection and compensate for the disincentive and deterrent effect of what amounts to an annual capital levy?

Having said this, I am at once on the horns of the dilemma described at the outset. If the resources do not come from corporations, where *are* they to come from? The answer can only be that the question assumes that taxation to raise the same amount of revenue from one source or another is inevitable. But must revenue from taxation be maintained at its present level? Is it not possible to reduce non-productive expenditure in the interest of the rapid development of *productive* resources in the country?

It is not, perhaps, widely known that the planned increase in tax receipts for the Plan will be exceeded by Rs. 500 crores. Of this enormous sum, the revenue resources available for financing the *Plan* outlays are, however, expected to show an improvement of only Rs. 45 crores, as compared with the Plan estimate. The major part of the balance has gone to the States, through the Finance Commission's award, and to defence expenditure. I quote from the *Appraisal and Prospects of the Second Five-Year Plan* published in May 1958. Of all the extra that has been paid, less than 10 per cent. has gone to the Plan itself.

I should like to make a few remarks on the particular subject of disincentives and investment. It would be naive to suppose that the tax saved as a result of concessions would immediately and necessarily find its way into productive investment. My contention is, however, that this is not the immediate or necessary purpose of such concessions. The immediate and necessary purpose is to provide confidence, and the key to confidence is prosperity.

Private enterprise is "like a delicate, exotic fruit, pluck it and the bloom is off."—I misquote Oscar Wilde. It needs careful breeding, sowing in a good soil, fertilisation and, occasionally, weeding out to preserve the best and most fruitful growth.

The soil of private enterprise is the initiative, energy and willingness to risk of individual citizens; but it is the air the plant breathes which conditions its growth. If that air is the fresh, pure, air of general prosperity, the plant will take confidence and grow. The money saved by tax concessions will not necessarily all go to productive investment, but it will certainly help create an impression of well-being and confidence out of all proportion to its value.

This confidence will be infectiously attractive both internally and overseas. But prosperity and investment must begin at home and here I should like to suggest that, in a free democracy such as India's, major producers of wealth are bound to be private individuals partnerships and companies in the private sector; that corporations in this country are the greatest providers of employment in urban areas and that they are the providers of the consumer goods which are going to give the people of India the *tangible* evidence of her economic progress.

There have been times when Indian commerce and industry have not shown themselves ready to accept the responsibilities of free incentives but times have changed a great deal. Speculation and chicanery have their profits (*and* their losses) no less than honest endeavour but the market for them diminishes as the chance of straightforward profit increases.

Morever, the honest profit is the more durable and the more likely to recur.

The capitalists of the U.K. moved on from the South Sea Bubble to become the most respected financiers in the world.

I believe that Government is perfectly capable of dealing with the diseases which may still persist in Indian commerce and industry. But I think the time for the next stage has been reached, that is, the time for the active and positive encouragement of private enterprise through savings and investment by means of tax concessions and reduced Government expenditure.

With this end in view, I strongly urge that Government consider the simplification and

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EXPORT TRADE IN COTTON TEXTILES

INSTALLATION OF 7,500 AUTOMATIC LOOMS IN THREE YEARS TO BE ALLOWED

IT is not surprising that every one who participated in the debate on the present trends in export trade and the state of the textile industry in the Lok Sabha last week expressed much concern over the marked setback to cotton textile exports of late. The estimated shipment of cloth—mill-made and handloom—during the current calendar year is placed at not more than 625 million yards, which compares very unfavourably with the actual export of 878 million yards in 1957, 956 million yards in 1954 and 1,120 million yards in 1950. This is certainly a depressing picture which must be set right, for, without a strong and secure export market, the expansion and development of the textile industry will not be smooth. While many members of the Lok Sabha recognised the importance of this aspect, it is deplorable that some members, not excluding the Congressites, sought to bring in politics into the debate.

Initiating the discussion, Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, explained the reasons for the drop in exports of textiles from India. According to him, there has been a shrinkage in world cotton textile trade; many countries are setting up their own textile mills; India has also to face competition in the shrinking field and some countries have to restrict their imports, because of foreign exchange difficulties. Whatever may be the external factors responsible for the downward trend in India's textile export trade, there is no gainsaying the fact that the competitive ability of the Indian cotton mill industry has itself deteriorated greatly, thanks to the compulsory cost inflation from which the industry is suffering, due, among others, to the low efficiency of equipment, most of which is old and outmoded, as well as direct and indirect labour costs. That there is no exaggeration whatever in this statement will be evident from the following remarks of Mr. M. M. Shah, Minister for Industry:

"In some cases, the situation is heart-rending. As one who has participated in the textile industry, I found that machinery as old as 1858 and 1898 is still being used in our country. One feels ashamed and even shocked at this. I would urge the industry to take a lesson from the industrial history of the rest of the world and to change and modernise wherever possible. No industry should have machinery older than 20 years. Today, the obsolescence is so fast growing that even machinery 10 years old is considered outmoded. So, having machinery which is 60 or 70 years old is something which cannot be understood nor tolerated by any section of the society."

It is thus obvious that, unless the industry is enabled to install latest machines and adopt modern techniques of production and management, it will have to struggle hard to maintain the markets it now has, let alone increasing them. Stressing, in particular, the imperative need for installing automatic looms, Mr. Shah said:

"Automatic loom has common relationship with all the three different types of political ideologies (capitalism, socialism and communism). Whether you go to China or Japan or U.K. or even America, automatic loom today has become one of the 'musts.' And I will give the House a few statistics to show what a big gap there is between where we stand today when compared to Japan or China or other countries in the field of automatic looms. In Japan, they have nine million spindles, less than three-fourths of our total spindles. Where we have 2,00,000, they have about 81,000 looms in the organised industry. They have reached a figure of 68 per cent. for automatic looms and we have only 6 per cent. automatic looms out of two lakh looms. . . . In China also, all the new installations as far as possible, for all these flawless cloth, are automatic looms.

"Therefore, I would urge that this is not a matter of politics. This is not a matter of trade unionism. This is not a matter in which political ideologies or philosophies are different. What we want is that our country should get a good name in the international market, our country should get a foothold for its products, and we should produce the best of cloth for our traditional markets in our spinning and weaving mills. The Dacca muslin and the Dacca mulmul were known throughout the world for the last 1,000 years. Therefore, we have got to retain that highest glory in the field of textile production in the whole world. So, I would urge that this matter of introduction of automatic looms should not be lost in the controversy of either trade union or industry and other disputes or one approach of the Government or the other."

Mr. Shah must, indeed, be congratulated for having presented the case for the installation of automatic looms in mills so well and in such a realistic way. It is gratifying to be informed by him that the Government of India has decided to permit, over and above the 3,000 automatic looms announced in the export promotion scheme, the installation of 7,500 automatic looms over the three-year period—at the rate of 2,500 looms per annum—as a pilot project. It is equally gratifying to be told that the top labour leaders in the country have accepted the principle of modernisation of the textile industry and agreed to discuss with the Government shortly the programme from the point of view of its effect on labour.

It is, however, not clear from Mr. Shah's speech whether the 7,500 automatic looms which the Government has decided to allow in the next three years will be in addition to the 18,000 looms covered under the existing scheme announced more than two years ago. It is also not clear what conditions the Government will impose on the industry for introducing automatic looms. As readers are aware, the conditions now attached to the licences issued to the mills for the installation of automatic looms are so onerous that even the mills which have been regularly exporting large quantities have not been able to benefit from the scheme. If the Government is really so earnest as Mr. Shah indicated about automatisation, it must at least relax these conditions to a considerable extent, if not totally abolish them.

Along with modernisation of equipment in mills, efforts must be diverted at making the uneconomic units more economic. Mr. Shah did well to emphasise this point. The Government, he said, considered that, if the textile units were to function economically, they should have 12,800

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OFFTAKE OF COTTON GOODS SLOW

MILLOWNERS REJECT LABOURERS' "COMPENSATION PLAN"

From A Special Correspondent

MANCHESTER, *2nd December*

MANY attempts have been made within the past few months to describe, as dispassionately and adequately as possible, the causes and developments which have resulted in the widespread inactivity among buyers of cotton textile goods. Among the most recent authors writing on this theme has been Sir Cuthbert Clegg, Chairman of Combined English Mills Ltd., whose acquaintance with the situation has been sharpened by his direct contacts with textile leaders abroad and his wide connections in industry generally. His statement accompanying the accounts of the Atherton Mill group he heads is no *apologia*. It is a bare statement of fact and provides an ideal summary of the position in which many Lancashire firms now find themselves.

MANCHESTER LETTER

Twelve months previously, Sir Cuthbert referred to recurrent uncertainties affecting business, mainly the problems of unrestricted duty-free cloth imports from Commonwealth countries, Government interference in some major cotton-producing countries, and the inability of the New York and Liverpool cotton futures markets to provide effective hedging facilities. As he now reports, none of these problems has been resolved during the succeeding 12 months, although the cloth importation obstacle is nearer settlement, following the acceptance in principle by the leaders of the Hong Kong textile industry of a voluntary ceiling on exports to this country.

Commenting that the political importance of this last problem had overshadowed another, Sir Cuthbert blames the hearing before the Restrictive Practices Court of the case of the spinners' price agreement as being largely responsible for dwindling trade. "Whatever the outcome, the past year's trading was seriously affected by the uncertainty in the minds of buyers as to the trend of future prices if the agreement were to be declared as contrary to public interest," he asserts.

Reasons for Recession

In addition to these longstanding problems, activity during the year was also affected by the trade recession in textiles, the uncertain future course of world commodity prices, a period of prolonged bad weather affecting retail sales for the second successive year and the continuing change in trade demand from the use of high quality twofold poplin made from fine counts to single poplin cloth of a considerably coarser count.

Always a vital factor is the trend of raw material rates and a falling market such as that encountered for many months past is the most difficult in which to operate. Sir Cuthbert has compared the prevailing prices at the end of September this year with those 12 months previously. The fall in quotations of the main marks of Sudan cotton used at the combine's mills ranged between 8*d.* and 19.75*d.* per lb. during the period. The reduction in prices for supplies from other countries ranged between 5.10*d.* and 10.75*d.* per lb. In the two months which have elapsed since the end of the combine's financial year, there has been a further marked drop in prices of most qualities of cotton, particularly in the finer range.

Compensation Plan Turned Down

Employers in the Lancashire textile industry have rejected a union claim for compensation to be paid to workers whose mills close down. Their refusal—the second in four months—was announced in Manchester at the end of a joint meeting with leaders of the industry's 200,000 workers. Afterwards, one of the union leaders, Sir Alfred Roberts, General Secretary of the Cardroom Workers, said: "We are not prepared to accept the situation. We shall submit it to the Minister of Labour as a dispute."

The spinning and weaving employers issued a joint statement explaining why they had rejected the demand. This said that they still took the view that protection against the consequences of unemployment was a national problem and a collective national responsibility through State Insurance and Assistance to which everyone—including employers—subscribed. It would not be suitable or practicable to enter into a joint agreement putting upon employers an obligation and responsibility to supplement State unemployment benefits through payment of compensation to redundant operatives.

The employers' statement added: "We wish to make it quite clear that we are not against the voluntary payment of compensation by any firm which is willing to do so, but this decision and the scale of any such payment must be determined entirely by the firm concerned."

Leaders of nine trade unions in the Lancashire weaving industry decided in Manchester last week to hold talks with the two big spinning industry unions with a view to joining forces in a new industry-wide pay claim covering 200,000 cotton workers. Last mill pay increase—of five per cent.—was in August last year.

International Cotton Promotion

Examining the prospects for raw cotton consumption, as the International Cotton Federation has lately done, must call for some heart-searching. First of all, any investigation soon makes it clear that cotton's share of the fibre used throughout the world is slowly declining, in the face of increasing competition, mainly from the newer synthetics. Moreover, as the Federation points out, textiles in general have fallen behind the rate of growth of many other consumer goods.

Nevertheless, cotton still accounts for 65 per cent. of all textile fibres consumed, but a warning note is contained in a statement circulated by the Federation to 24 cotton growing and exporting countries, urging that more market research and trade promotion for raw cotton should be carried out by the producing nations. The investigation has shown that producers of man-made fibres, wool, silk, linen and jute are providing up to 10 times as much in funds for their fibres to stimulate promotion schemes compared with cotton producers.

Exceptions to this rule are to be found in the United States, where the National Cotton Council is spending about 1,400,000 dollars a year to stimulate cotton consumption, and also in Egypt and the Sudan. In addition, the American cotton industry is supplying another 1,000,000 dollars annually for promotional schemes in 10 European countries, including the United Kingdom as well as Japan.

This, the Federation freely admits, is having a beneficial effect on the textile trade generally by stimulating greater interest among consumers in apparel and household products, but the present level of international cotton promotion is not adequate. Not only must such schemes be launched at once in many markets where programmes are not in existence, but the present co-operative programmes need to be made stronger and more effective.

Machinery Setback

Although exports of British textile machinery in September were higher than in the corresponding month during the past two years, a further setback was encountered in October. So far, the quantity of plant shipped abroad this year has been 933,213 cwts., a drop of over 200,000 cwts. as compared with last year and nearly 450,000 cwts. below the 1956 level. Earnings from this source have declined from £38,000,000 in the first 10 months of 1956 to £32,878,000 this year.

The major reason for this development has been the slump in textile machinery exports to India during the past two years. Shipments have fallen from 345,000 cwts. in the 10 months to the end of October 1956 to only 106,000 cwts. in 1958. The value of this trade has dropped from £8,300,000 to £3,075,000.

Several other countries are now taking much smaller supplies of British textile plant, including Pakistan, Canada, the Soviet Union, France, the United States and Mexico. Bigger shipments have been sent to Australia, the Philippines and several South American Republics, while Egypt has now returned to the list, having absorbed 42,000 cwts. so far this year.

Sales Are Down

Wholesale textile sales in September showed a seasonal expansion as compared with the previous month but a fall of 5½ per cent. was recorded on the September 1957 figures. Sales over the nine months dropped by 5 per cent. as compared with the same period last year. It is significant that the only section which showed an improvement—and a very minor one at that—was that devoted to floor coverings, furniture and hardware, in which the textile content is not usually high.

The level of stocks held in September was the highest for that month since 1951, according to the figures issued by the Wholesale Textile Association. As compared with the same month a year ago, supplies held rose by 3.2 per cent., the major increase being 17½ per cent. in stocks of women's hose and children's socks.—*All Rights Reserved.*

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OUTLOOK FOR LONGER STAPLE COTTON

CONSUMPTION FAILS TO KEEP PACE WITH PRODUCTION

ANALYSING the supply position of extra-long staple cotton, it was observed in these columns last week that the present situation was one of surplus supplies and that a prospective record crop in the current season 1958-59 was likely to swell supplies further. The surplus, it may be noted, has emerged mainly because of the failure of free world consumption to keep in step with production. It is true that the rise in consumption in communist countries during the last season more than offset the decline in the rest of the world, but world offtake was still below supplies. According to the estimates of the International Cotton Advisory Committee, Washington, from a high of 970,000 bales (of 478 lbs.) in 1955-56, free world consumption of extra-long staples declined to a little over three-quarters of a million bales, that is, 770,000 bales in 1957-58. The decline was general and virtually all importing countries were affected.

In the U.S. the decline in consumption of extra-long staples during the past two seasons has been more severe than in other staples. Consumption last season was more than 20 per cent. under the 1955-56 peak. Extra-long staple cotton faces competition from long-staple Upland cotton and synthetic fibres. With increased production and lower prices, domestic cotton represented 61 per cent. of total consumption of extra-long staples in the U.S. in 1956-57 but the proportion declined last season to 45 per cent., thanks to the comparative cheapness of imported cotton.

Consumption

The downward trend in consumption of extra-long staples in W. Europe became more obvious last season. The countries most affected were Italy, the United Kingdom, and Belgium but in many of the smaller countries, the decline was quite marked. France and the Federal Republic of Germany, where consumption seems to have been held stable along with Yugoslavia and Austria, were probably exceptions to the general trend. But the most serious decline in consumption in the last two seasons had taken place in Asia, mainly in India, the decline being as much as 40 per cent. Outside these main areas, consumption increased last season. This was mainly due to the fact that Egypt doubled its consumption of domestically produced cotton. The following table gives the trend of extra-long staple cotton consumption in the rest of the world.

Trend of Consumption

(In '000 bales)

Region	1957-58	1956-57	1955-56	1954-55
W. Europe	480	535	585	550
Asia	145	180	235	200
U.S.A.	95	110	120	110
Others	50	35	30	20
Total ..	770	860	970	880

Actual figures are not available for the communist countries, but on the basis of exports, the presumption is that there has been a marked increase in the consumption of Egyptian Karnak and Menoufi, particularly in Eastern Europe, which has more than offset the decline in the rest of the world.

Trade

Recent years have witnessed some rather significant developments in international trade in extra-long staples. During the last three seasons, aggregate exports have increased to an average of 1.1 million bales per year, as compared with about a million bales in the previous three seasons. But this has not been in response to any increase in free world consumption. The increase in demand has been from the communist countries. From only 10 per cent. a few years ago, these countries are now a market for nearly 30 per cent. of aggregate free world exports of these staples and this proportion is still growing. Last season, it is estimated that 330,000 bales of extra-long staples were shipped from Egypt and the Sudan to the communist countries. In contrast, trade between the free world countries is shrinking, reflecting lower consumption in Western Europe and Asia. In the last three seasons, exports have averaged about 825,000 bales per year, as against about 900,000 bales in the previous three-year period. Losses here, however, have been more than offset by gains in Eastern Europe and total world trade has been on a higher level.

The following table indicates the trend of exports.

Free-world Exports

(In '000 bales)

Region	1957-58	1956-57	1955-56	1954-55
Egypt	639	513	613	554
Sudan	356	304	476	262
U.S.A.	10	58	20	1
Peru	92	108	75	75
Others	32	29	36	26
Total ..	1,129	1,012	1,220	918

There have also been significant changes in the pattern of free world trade in extra-long staples. With an increasing share of exports from Egypt going to the communist countries (nearly 50 per cent. in 1957-58), the relative importance of this country in the trade with the rest of the world has declined significantly. In the early post-Korean period, between 60 and 70 per cent. of total free world consumption of extra-long staples came from Egypt but in recent years Egypt's share has fallen to under 40 per cent. Conversely, other countries, particularly the Sudan, have featured more prominently in free world trade. In the last three seasons, this country has become the largest supplier of extra-long staples to free-world consumers and aggregate exports from other producing countries have almost doubled recently.

In 1956-57, only a quarter of a million bales were shipped from Egypt to the free world and exports to the communist countries were actually larger than this. Total exports were slightly more than half a million bales. Recovered to 639,000 bales, last season exports, were about in line with the five-year average 1950-51 to 1954-55. Exports to the free world increased by 70,000 bales but were still much less than in previous years. Exports to the United States more than doubled and there were noticeable increases in shipments to France, Spain, Yugoslavia and Austria. On the other hand, trade with Belgium, Germany, Italy and the Netherlands continued at a very low level. Indian imports were about the same as in 1956-57 but considerably less than normal. Exports to Japan again dropped sharply. Eastern Europe has become an important market for Egyptian Karnak and Menoufi. Exports to the U.S.S.R. were much lower last season but China took considerably more. Total exports to the communist countries were a record 316,000 bales, or half the total trade in these cottons.

Exports from the Sudan last season were slow at first but picked up later to record a gain of over 50,000 bales, as compared with 1956-57. Increased interest from France, the Federal Republic of Germany and India resulted in larger exports from the Sudan last season which contributed to the return to more normal stock position on 1st August this year. The United Kingdom remains easily the most important single outlet for Sudan cotton with exports aggregating 154,000 bales last season. Prior to 1954-55, trade with the communist countries was negligible but since then it has averaged about 14,000 bales a year, still small in relation to total exports.

Price

As regards prices, there has been a sharp fall in extra-long staple prices during the last few seasons. Prices now are well under half what they were at the beginning of 1957 and the lowest for many years. Export taxes in most producing countries were sharply reduced. There have been successive reductions in reserve prices in Sudan. Guaranteed prices in Egypt remain unchanged but there have been modifications in exchange rates which have had the effect of lowering export prices. The following table shows the trend of extra long-staple prices during the past few seasons:

Trend of Prices

(In U.S. cents per lb.)

Season	Egyptian Karnak (F.G.)	Sudan Sakel (G. S. S.)	Peruvian Pima No. 1	U.S.A. Grade-2 (1⅛")
1951-52	104 47	87.88	71.98	103 73
1952-53	50 02	47 71	48 28	98 25
1953-54	54 80	53.46	47 80	71 79
1954-55	59 60	..	50 70	64 43
1955-56	64 65	54 41	53 49	59 35
1956-57	72 11	69 33	63 61	67 20
1957-58	40 57	48 51	40 19	64.40
1958-59*	38.73	39 60	36.81	..

* Average for first three months.

Last season, the surplus tendency in extra-long staples was relieved by crop failure in the Sudan and the restoration of equilibrium between production and offtake, therefore, was to a very large extent fortuitous. With anything like normal yields in the Sudan, the free world carryover on 1st August 1958 would have been close to a million bales. Actually, however, stocks were unchanged at roughly 700,000 bales but still on the high side, as compared with average holdings of less than half a million bales during the post-Korean period.

As things stand at the moment, the situation is doubtless one of surplus. Aggregate free world acreage is at a record 2 million acres, an increase of 15 per cent. from the 1957-58 level. Based on the official estimate from Egypt and assuming a return to more normal yields in the Sudan, production, presently estimated at over 1.8 million bales, is as much as 50 per cent. higher than last season, giving a record supply in producing countries of around 2.5 million bales.

In contrast to this, free world consumption of extra-long staples has declined by about 20 per cent. in the last two years and is now about three-quarters of a million bales annually. Offsetting this, however, has been the marked increase in exports (and presumably also consumption) to the communist countries. World offtake during the last three seasons has consequently been about 10 per cent. higher.

In the last three seasons, world exports have increased to an average of 1.1 million bales per season as against a million bales previously. As compared with this, production is of the order of 1.8 million bales. It is obvious, therefore, that there could be a large surplus of extra-long staples this season unless some way is found to stimulate demand.

From only 10 per cent. a few years ago, the communist countries are now taking nearly 30 per cent. of total exports. Last season, it is estimated that 330,000 bales of extra-long staples were shipped to these countries, mainly from Egypt. Egypt's share of trade with the rest of the world has fallen to under 40 per cent. as compared with the traditional 60 to 70 per cent. Conversely, the Sudan's share has increased and this country is presently the largest exporter to the free world.

Prospects

As regards the future, any assessment must take into consideration the simple fact, namely, the tendency at the moment for production to exceed consumption on a world basis, which has contributed to the weakness in extra-long staple prices. If an equilibrium is eventually to be reached, in the short run, the present rate of acreage expansion will have to be curbed while, at the same time, intensifying promotion campaigns to increase consumption. Since 1952, free world acreage has been expanding at a rate of 14 per cent. per year culminating in this season's record 2 million acres. The present rate of increase in world demand has been but a fraction of this—probably of the order of 3 to 4 per cent. per year.

WOOL RESEARCH IN AUSTRALIA

The Australian Government has made an allocation of £1,600,000 from the Wool Research Fund for sheep and wool research and extension working during the 1958-59 wool season. The allocation will be shared among the Australian Commonwealth Scientific and Industrial Research Organisation, the State Departments of Agriculture, the Universities and the Bureau of Agricultural Economics. The 1958-59 research budget is £100,000 more than the previous year. Benefits accruing annually to the wool industry and the nation as a result of past research amount to many times this year's budget. Wool is the mainstay of Australian economy, earning as it does about 50 per cent. of the country's export income. Wool sold in Australia during 1957-58 realised £336.8 million or £141.1 million less than in the 1956-57 season, a fall of 30.2 per cent. The quantity of wool sold was 4,374,694 bales, the second highest for any year. It was 511,867 bales less than the record for 1956-57.

"THE WOOL ANNUAL"

The All-India Wool Trade Federation has done well in bringing out a special annual number containing a review of the various aspects of wool and wool trade (Chief Editor: Mr. Manoobhai Doctursee). The *Annual* contains an interesting article on the virtues and value of wool in India's economy written by Mr. Saradchandra Maheshwari. There are three other interesting articles—"Wool, the wonder fibre" by Mr Rasik M. Mehta, "In search of an organised wool market" by Mr. Bassarmal Gokaldas, and "India's wool and woollen industry" by Mr. R. T. Sapra. A number of statistical tables relating to sheep population and wool production in different countries, sheep numbers in India, labourers engaged in wool cleaning, grading of wool, foreign trade in raw wool and woollen goods, trend of prices, etc., is also included.

ECONOMICS OF SUGAR PRODUCTION

NEED FOR RAISING YIELD PER ACRE

THERE are no two opinions on the view that, if the price of sugar is to be lowered from the present high level, the burden of taxation must be reduced and the heavy incidence of cane price brought down. The reduction in price, in turn, can be effected in two ways. First, the existing defective system of linking the cane price to the weight of cane alone without taking into account the quality of it must be replaced by a system which relates the cane price to both weight and quality. Secondly, highest priority must be accorded to the need for intensifying cane development with a view to enhancing both the yield of cane and the sucrose-content per acre.

The latter aspect is especially important to the State of Uttar Pradesh, which accounts for more than 50 per cent. of India's sugar production and where sugarcane cultivation is still being carried on in a primitive manner. The quantity of cane raised from one acre of land in this State is on an average only 25 per cent. of what it should be. The average yield per acre and the sucrose-content of cane compare very unfavourably with those of the Southern States, as the following figures will show:

States	Per acre yield of cane (Tons)	Recovery of gur from cane (Per cent.)
	1957-58	1957-58
Bombay	27 1	10 43
Madras	25.7	10.95
Mysore	24.1	10 01
Uttar Pradesh	10.1	9.99

Unless the disadvantages stemming from poor quality and yield of cane are removed in Uttar Pradesh, the sugar industry of the State is bound to remain in a difficult position. This aspect was ably stressed by Mr. V. H. Dalmia, Managing Director of the Managing Agents of Raza Buland Sugar Company, Ltd., Rampur, in the course of his welcome speech at the 26th meeting of the Indian Central Sugarcane Committee held in Rampur recently; a detailed reference to the proceedings of the meeting and the decisions taken thereat was made in these columns two weeks ago. Mr. Dalmia urged provision of adequate irrigation facilities by the State Government, evolving of requisite varieties of cane with high sugar-content and arrangements for bringing the results of research work pertaining to the improvement of cane crop to the door of the cultivator as early as possible. In this connection, he said:

"By improving both the quality and the yield of cane per acre, the acreage under cane can be considerably reduced without affecting sugar production. This would release lands for food crops so urgently needed at this time. It is estimated that, by bringing the quality and yield of cane per acre in Uttar Pradesh to the level of those obtaining in the Deccan States, 1,500,000 acres of the present 2,700,000 acres under cane can be released for other crops.

"It is conceded that improvements cost money. I am sure, however, that, having realised the important issues involved, the money can and will be found. The Uttar Pradesh Government collects cess from the sugar industry to the extent of about Rs. 5 crores per year. The amount spent on cane development work, however, has been only about 14 per cent. of this. This has proved entirely inadequate and it is to be hoped that the State will make available much larger amounts for cane development work in the interest of the sugar industry from whom the cess is earned. In doing so, gentlemen, they will merely be looking after the goose that lays the golden eggs."

These are, indeed, very pertinent observations. Did not the former Tariff Board specifically declare as early as in 1950 that either the major proceeds of the cane cess should be spent on intensive cane development or the rates of cess must be reduced to a more reasonable figure, consistent with the requirements of cane development programme? Incidentally, it may be suggested that the cane development work itself can as well be entrusted to the sugar factories. In fact, some factories are already taking active interest in such work. For instance, the Raza Buland Sugar Company, we are told by Mr. Dalmia, introduced, in 1955, a scheme for giving interest-free loans to the cane societies for construction of masonry wells and tube-wells. For various reasons, however, the progress of construction of new wells continued to be very poor; in 1955-56, only 26 masonry wells were constructed and 15 Persian wheels were installed; in 1956-57, the corresponding figures were 19 and 12. After much discussion with the Local Cane Development Council and the Cane Union, the Company evolved, as a temporary measure in June 1958, a scheme under which, if a cane grower having a borrowing capacity upto Rs. 2,000 deposits Rs. 200 with the Cane Union, the Company would undertake to construct masonry well in his cane area and the amount spent on this construction, after adjustment of subsidy, etc., would be debited free of interest to the Cane Union for realisation. In the five months that have elapsed since then, 22 masonry wells with complete Persian wheels have been completed, 14 more are under construction, and applications for a further 28 are being processed.

Although the results obtained lately are somewhat more encouraging than those in previous years, even this rate of construction of wells is not sufficient. It is assessed, according to Mr. Dalmia, that the minimum requirement for the Rampur area is 5,000 masonry wells and, at the present rate of construction, it may take well over a decade for the entire requirement to be met. "Time," to quote him, "is the essence of the situation and it is most important that the rate of construction of new wells is stepped up to at least 500 per year... the use of masonry wells is, perhaps, the only solution for the Rampur area, since the canals dry up from the second half of April until the outbreak of the monsoons. Tube-wells are very costly and the water-carrying strata have not been found encouraging for this purpose." Mr. Dalmia called upon the State Government to increase the allotment of Rs. 50 lakhs for new masonry wells, out of the outlay of Rs. 115 lakhs on minor irrigation schemes now being scrutinised, to not less than Rs. 75 lakhs.

Proceeding, Mr. Dalmia pointed out that the achievements of the cane development councils had not come up to expectations. Stating that there was still considerable scope for improvement, particularly in regard to the work on the yield and quality of cane, he observed:

"Sugar factories are vitally interested in the work of cane development... It might, perhaps, be conducive to more efficient functioning and better results if the chairmen of the development councils were to be factory representatives. Cane societies in Uttar Pradesh are paid a commission of nine pies per maund on cane supplied to the factory. Of this, however, only three pies are given to the development councils, while the balance is retained by the societies and, if I may say so, is utilised for purposes which do not benefit the sugarcane development. It is hoped that the authorities will kindly take steps to see that a greater part of the funds derived from this commission is utilised for the development work by increasing the council's share in these funds and by the societies ploughing back into development work their surplus funds derived from this source.

"Cane supplies are not arranged maturity-wise in the North and, for this reason, factories are losing in recovery. The growers are allowed to supply unripe and immature cane. If the maturity-wise supplies are arranged, the growers will become variety-conscious and would grow only those varieties in proportion which would give maximum performance from start to finish. The cane societies should be advised departmentally to prepare maturity-wise calendars for cane supplies. One of the reasons for better recovery in the South is maturity-wise cane supply."

Availing himself of the opportunity, Mr. Dalmia denounced the wasteful process of sugar production by *khandsari* manufacture. The total quantity of *khandsari* actually produced in Uttar Pradesh during the past season (1957-58) is estimated at as high as 300,000 tons, as against 125,000 tons in 1956-57. Mr. Dalmia did well to draw attention to the fact that, while the sugar factories have to bear a tax burden of Rs. 13.20 per maund—this represents as much as 38 per cent. of the total price of white sugar—*khandsari* is exempted from such taxes and that the *khandsari* industry enjoys the advantage of being free from the restrictions pertaining to minimum cane price and quota releases. What is worse, the manufacture of *khandsari* is a wasteful process, since recovery is about 3 per cent. lower than that of sugar manufacture. At the present recovery rate of 10 per cent. in the case of white sugar, crushing of sugarcane for producing *khandsari* implies a loss of about 30 per cent. of sugar equivalent. On this basis, the loss in terms of white sugar during 1957-58 was more than 100,000 tons. In view of this loss and of the necessity for ensuring adequate supply of cane for white sugar factories, the authorities should impose effective restrictions on the manufacture of *khandsari*, especially in and around the factory areas.

SUGARCANE PRICE

It is gratifying that the Central Government has categorically rejected the plea for an upward revision in the minimum price of sugarcane for the current season—Re. 1.44 per maund for gate deliveries and Re. 1.31 for deliveries at rail centres. Speaking on an adjournment motion brought forward by a Socialist Member in the Lok Sabha last week, Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, rightly declared that it would be a pity if any political party or anybody were to incite the cane growers for demanding a higher price. He even stated that anyone who incited the cane growers to agitate for a higher price was not doing any service to the growers or the community. He added: "The policy of the Government has been announced well in time... Even with the existing prices, the area under sugarcane is increasing at the cost of foodgrains. This shows that the prices are remunerative. The Government have no intention of revising the prices for 1958-59." As for the ensuing season, that is, 1959-60, the Minister revealed that the question of fixing cane prices would come up for consideration before the Government shortly.

Apparently, this explanation did not satisfy the critics. This is evident from the unsuccessful attempts made by some of the leftist members of the U.P. State legislature to censure Mr. Jain. An attempt was made to bring an adjournment motion seeking to discuss Mr. Jain's refusal to raise the cane price in the U.P. Vidhan Sabha on the 3rd inst. But this was ruled out by the Speaker. The Chief Minister of U.P., it is reported, stated that the State Government had unavailingly urged the Union Government to enhance the price of cane and had also conveyed the U.P. Vidhan Sabha's recommendation in this regard. Answering a question, the Chief Minister said that the State had taken several steps, besides communicating the Vidhan Sabha's resolution on the subject, to induce the Centre to raise the sugarcane price.

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BUMPER JUTE CROP IN INDIA AND PAKISTAN THIS YEAR

BIHAR SUPPORTS MINIMUM PRICE PLEA

THE trade estimates of a bumper jute crop during the current season (1958-59) have now been confirmed by an official announcement from New Delhi. The output of raw jute this year is estimated at about 5.2 million bales, the highest since Partition. This represents an increase of 1.1 million bales over the 1957-58 crop of 4.1 million bales, thus more than making good the fall of 200,000 bales in that year. But it falls short of the target of raw jute output of 5.5 million bales, albeit by only 300,000 bales. No estimate of the mesta output for the current year is available, but, even if one assumes that the 1957-58 crop of 1.2 million bales will be maintained, the total fibre production will be of the order of 6.4 million bales. In addition, India cannot altogether do away with Pakistani jute, as it still requires some of the top quality fibre grown in this neighbouring country.

The second estimate of the current season jute crop in Pakistan also shows a bumper harvest. While the area under jute cultivation is lower by 2.2 per cent., having shrunk from 1.56 million acres to 1.53 million acres, on account of drought and other climatic factors at the time of sowing, the production is estimated to have gone up from 5.75 million bales to 6 million bales, that is, by 4.3 per cent. This increase in crop is attributed to favourable weather conditions, timely rain and availability of sufficient steeping water. If the final estimate of crop does not show any notable variation, this year's harvest in Pakistan will prove to be the biggest since 1952-53, as will be seen from the following table:

Year	Area	Crop
	Acres	Bales
1951-52	1,779 000	6,331.000
1952-53	1.907,000	6,823.000
1953-54	1,760 000	2.503.000
1954-55	1,243.000	4.662 000
1955-56	1,635 000	5.592.000
1956-57	1,230.000	5,514 000
1957-58	1,563 000	5,701.000
1958-59	1,528,000*	6,000,000*

* Second estimate only.

To revert to India. The sharp increase in jute production is reflected in the higher arrivals of raw jute into Calcutta and at mill stations during the first four months of the current year, 1958-59. These aggregated 1.77 million bales, as compared with 1.67 million bales in the corresponding period of 1957-58. The rise is mainly accounted for by Indian crop, the arrivals of which have gone up from 1.44 million bales to 1.61 million bales, while those from Pakistan have actually dwindled from 230 000 bales to 160.000 bales. Member mills of the I.J.M.A. have stepped up their purchases of Indian jute during this period from 1 81 million bales to 2.19 million bales, while reducing the purchases of Pakistani jute from 308.000 bales to 147 000 bales. The total purchases of raw jute by I.J.M.A. mills during July-October 1958 thus come to 2 34 million bales, representing an increase of 220,000 bales over the year.

The consumption of raw jute by mills during the first four months of 1955-59 aggregates 1 97 million bales, having risen from 1.94 million bales in the corresponding period of 1957-58, reflecting the rise in production of gunnies from 337,300 tons to 344 100 tons. The stocks of raw jute with mills at the end of October amounted to 923.000 bales as compared with 776,000 bales a year before..

The substantially higher stocks with mills and the slackness in the offtake of jute goods by overseas countries are the main reasons why mills are not increasing their purchases of raw jute even at lower prices. Meanwhile, prices of jute are maintaining a somewhat steady tone, following the recommendation of the I.C.J.C. to fix a minimum price for raw jute. The case of jute growers in Bihar has also been taken up by the State Chief Minister, Dr. Srikrishna Sinha. After a tour of the Purnea District, he has assured the jute growers that he would prevail upon the Government of India to ensure a minimum remunerative price for raw jute grown in abundance in that part of the country. About one-fourth of the country's requirements of jute are being met by the northern districts of Bihar, the main share coming from Purnea. Expressing his concern over the depression in prices in Bihar, Dr. Srikrishna Sinha said that the peasantry, mostly raising jute, were now caught in an unenviable position. They could neither switch over to growing paddy or *rabi* nor feel enthused to risk another crop of jute next year. Unless jute growers in Bihar are assured of a remunerative price for their produce, it is feared that they may either switch over to growing paddy or even keep their land fallow rather than toiling and sweating over jute growing which has led them now to a blind alley.

In the pre-Partition year of 1946-47, the area under jute cultivation in Bihar amounted to 145,000 acres producing a crop of 451,000 bales. The area and crop steadily grew thereafter to a high of 487,000 acres and 956,000 bales in 1951-52. In 1954-55 again, these declined to 270.000 acres and 374.000 bales. In the 1956-57 season, the area under jute swelled to 665,000 acres producing a bumper crop of 1.38 million bales. Last year, there was again a setback, the area under jute shrinking to 477,000 acres and the crop to 778,000 bales. In fact, it was this huge decline in crop in Bihar that had contributed to the fall in the all-India crop. The current season, however, bids fair to yield another bumper crop. It will thus be seen that jute cultivation in this important district of Bihar has been widely fluctuating during the past several years. The yield per acre has also been varying from 2.80 bales per acre (in 1947-48) to a low of 1.39 bale (in 1954-55). It is felt that such wide variations can be reduced to some extent by assuring the growers a minimum remunerative price, though much depends on the weather.

Some indication of the Government of India's mind on this subject was given by Mr. Lal Bahadur Shastri, Minister for Commerce and Industry. He announced in the Rajya Sabha on the 4th inst. that the Government was considering steps for arresting the current slump in prices of raw jute. Earlier, however, Mr. Nityananda Kanungo, Minister for Commerce, had rejected the suggestion of a member for fixing floor prices for raw jute. He said that competent commissions, which had gone into the subject, had advised against fixation of floor prices, as they felt that it would be detrimental to the industry and the growers.

EXPERIMENTAL PLANTING OF RAMIE TO BE STARTED

The setting up of a research station at Sorbhog in Assam to start experimental cultivation of ramie, a perennial plant yielding the strongest and finest natural fibre known, was recommended by the standing Agricultural Research Sub-committee of the Indian Central Jute Committee, which met in Calcutta recently under the chairmanship of Dr. S. M. Sikka, Additional Agricultural Commissioner, Government of India. It was also decided to intensify the research on ramie at the Jute Agricultural Research Institute.

The Sub-committee felt that agro-climatic conditions in several parts of India were favourable for the development of ramie and a gradual increase in production of the crop on a commercial scale could largely remove the present shortage of long-staple cotton in the country by providing a far superior textile fibre, which could be used by the woollen industry as well as in the hand-spinning and weaving of specially strong decorative material. With ramie as the core mixed yarns with cotton, wool or silk could also be spun to yield a fabric that would excel both nylon and rayon in lustre, strength, absorbency, fineness, etc. At present China dominates the world trade in ramie. For many years decorticating and degumming difficulties have retarded industrial development of the fibre. Lately, these processing handicaps have been overcome by mechanical and chemical methods.

The Sub-committee recommended that the Jute Agricultural Research Institute should undertake varietal and manurial trials of jute in Tripura on the lines of those already in operation in other jute-growing States. A set of working papers projecting the picture of jute development over the next 15 years to guide planning and policy-making at the national level was accepted by the Sub-committee with slight modification. The Sub-committee also approved the extension of a research scheme on radiation mutation in jute under the Bose Institute, Calcutta, for another three years.

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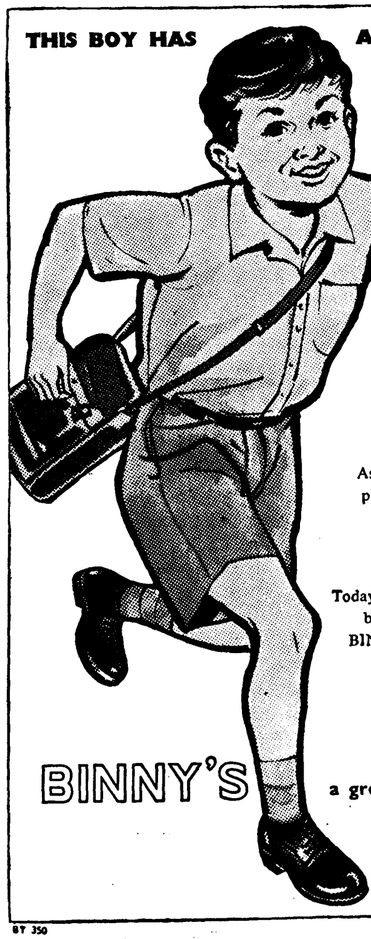

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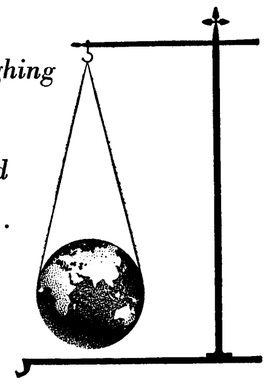

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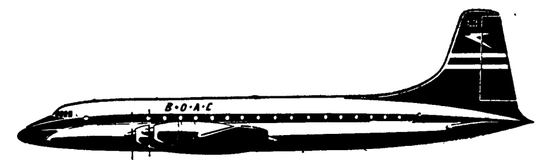

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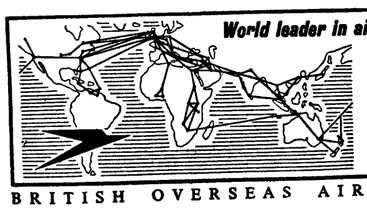

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ECONOMIC THEORY AND UNDER-DEVELOPED COUNTRIES

RELEVANCE OF WESTERN THINKING TO ASIA

By Hiroshi Kitamura

PROFESSOR OF ECONOMICS, METROPOLITAN UNIVERSITY, TOKYO.

IN his recent book,[1] Gunnar Myrdal, former Executive Secretary of the E.C.E., asks whether Western economic thought could be applied to the problems of the countries now engaged in laying the basis for industrialisation. He observes that Western thought is burdened by doctrinaire predilections, born of the historical conditions of the advanced countries in which it was formulated. As the direction of research is necessarily changed and economic problems are increasingly studied from the viewpoint of the underdeveloped countries, this "will imply the final liquidation of the old *laissez faire* predilections and, more specially, the free trade doctrine and the stable equilibrium approach."[2] Professor Myrdal sees here a historical challenge for young economists in the underdeveloped countries of today. In fact, he urges them not to be "led astray by the predilections of the economic thinking in the advanced countries" and to "have the courage to throw away large structures of meaningless, irrelevant and sometimes blatantly inadequate doctrines, and to start their thinking afresh from a study of their own needs and problems."[3] A bold statement—but, how right is Professor Myrdal!

A recent experience of mine in Bangkok gave a rather conclusive answer. I mean the fourth session of the E.C.A.F.E.'s Working Party on Economic Development and Planning, held from 2nd to 13th September 1958, which was attended by a considerable number of top-level economic planning experts from the countries within and outside the region. The composition of all E.C.A.F.E. meetings provides a unique forum, where the concepts of the advanced countries of the West and the experiences of the underdeveloped countries of Asia and the Far East meet with each other. In this particular case, there were, in fact, an especially fruitful two-way interactions of thought: questions were raised from the experiences of the actual development process, and, when views were exchanged, the Western economists were inclined to give some advice from their vantage points. But this process meant at the same time that the concepts were to be confronted with, and tested by, the facts of underdevelopment.

The difference in the economic outlook is, in many cases, reflected in different prescriptions of economic policy. In the countries, for example, where capital is in short supply, the profits of public enterprises tend to be regarded as one of the important sources for capital formation to be maximised. Such a policy would not be acceptable in principle for the public utilities in a society of the type of the United States. Whereas the majority of the Western economists, being concerned mainly with the problem of economic stability, take an alarming view of any inflation, some experts in the underdeveloped countries tend to recognise the inevitability of deficit financing. Major efforts are required to raise the economy out of the stable equilibrium of low income-low productivity, and, from this point of view, they say, a mild inflation is certainly better than stagnation.

From the theoretical point of view, there are largely three sets of problems on which concepts and facts clash against each other. First of all, the problem of factor proportions must be analysed afresh from the point of view of the underdeveloped countries. The wide discrepancy which exists between the economic concepts of the Western world and the economic facts of the underdeveloped regions became apparent at this session of the Working Party in connection with the discussion of two separate groups of problems.

One group of problems is related to the relative contribution of capital to economic growth. The recent tendency in the economic thinking in the advanced countries has been to reduce the relative importance of capital to economic growth, as opposed to such factors as technological changes, and to argue that the capital-output ratio, that is, the amount of capital required to produce a unit of output, has, in many cases, been grossly overestimated.[4] When applied to the industrialisation problem of the underdeveloped countries, the same reasoning would lead the Western economists to a denial that capital is the most important limiting factor for the development of these areas. Some of the economists from the West in fact argued that overall operational efficiency of the economy is more important than capital accumulation, and that much more in the way of economic growth could be gained by increased efficiency or employment than by changes in the availability of capital per head. However, in a different context of less industrialised economies, this argument proved entirely unconvincing. In order to raise the level of efficiency and employment, a large amount of capital must first be provided in this region, and the labour productivity is a function of capital used per head to a much greater degree than in the advanced countries. This complementarity of factors is one aspect of the problem which has largely been neglected in the Western economic theory in its traditional form of marginal productivity.

The theory of marginal productivity was also challenged in the context of another group of problems, the choice of labour-intensive or capital-intensive industrialisation. According to the traditional theory, the productivity of capital is relatively high and that of labour is relatively low, where capital is scarce and labour abundant. The relative factor endowments determine the relative factor prices, and it would seem more economical in such areas to use as much labour as possible and as little capital as possible. The theoretical choice would, therefore, be unequivocally for labour-intensive industrialisation. This prescription of the Western economic theory, however, was in flagrant conflict with the general policy approach adopted by the underdeveloped countries which seemed to put much more emphasis on capital intensity. The main reasons are as follows:

(1) There is a technological limit to the extent to which labour can be substituted for capital. The assumption of perfect divisibility and substitutability of the factors must be dropped.

(2) In so far as labour productivity is a function of capital used in the productive process, the adoption of labour-intensive processes means a low productivity and a disguised unemployment with its unfavourable social implications.

(3) Since a low productivity of labour means a small surplus over current consumption *per capita*, the further process of economic development is inhibited. Though possibly labour-displacing at the outset, capital-intensive industrialisation may increase employment in a relatively short time to a greater extent than labour-intensive low productivity approach.

The complementarity in the structure of capital itself, furthermore, has also led, in many cases, to the paradoxical situation that capital in the underdeveloped countries, though extremely scarce, has not always a high productivity and is not used with sufficient efficiency. On the contrary, the profitability of an investment depends to a large extent on the amount of capital already invested. This is also one of the reasons why capital does not seem to move in the natural direction, that is, from the capital-rich to the capital-poor countries. To the extent that the productivity of a factor does not depend upon its relative supply, the traditional theory of marginal productivity must be re-examined as to its validity in the underdeveloped regions.

Further, as applied to the conditions of the underdeveloped world, the free trade doctrine requires to be modified considerably. Although the merit of comparative advantages is theoretically recognised, the underdeveloped countries are not prepared to sacrifice economic development for the sake of international specialisation or to be bound to the traditional pattern of division of labour. Industrialisation is needed precisely to escape from the traditional reliance on unstable and inadequate export earnings. If, in addition, the opening up of the market for manufactures proves extremely difficult, the underdeveloped countries of Asia and the Far East will be faced with the imperative to foster consciously economic co-operation among themselves, especially in view of the increasing tendencies towards regional formations in other parts of the world.

It was one of the most important achievements of the Working Party just concluded that first signals have been given to some efforts in the direction of regional co-operation in trade and investment in the E.C.A.F.E. region. A further study was suggested into the possibilities along the line of the Central American and the Latin American schemes. Though less than in Europe, the intra-regional trade in Asia and the Far East occupies a relatively much more important place than in Latin America. Even if the lack of complementarity is felt in the economic structure of the underdeveloped countries of the region, this is, as one of their experts forcefully pointed out, exactly the justification for concerted efforts to create the complementary structures desired.

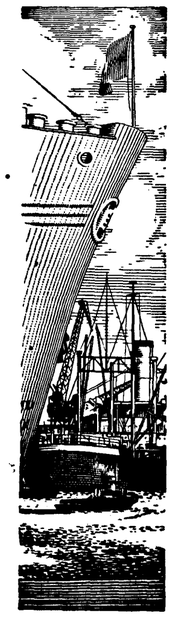
Last but not least, there is the concept of economic planning itself, which is one of the fundamental ideas underlying E.C.A.F.E's whole work programme. Reflecting largely the political awakening of Asia as it does, the concept of development planning finds virtually universal acceptance and support by the countries of Asia and the Far East. When Thailand ushers in a new era of the five-year Plan, there will be no major independent country in this region which has no economic plan or programme at all. In practically all countries, the State is taking over the major responsibility for promoting and planning for economic and industrial development.

Now, it is true that the idea of planning is today permeating into the major part of the Western world, the term being inceasingly interpreted in the generic sense as "an attempt at rational calculation and control in the use of scarce resources."[5] Economic planning does not necessarily mean a specific type of centrally planned society, but, especially in the underdeveloped countries, it does mean the end of the old *laissez faire* ideals. When an economist from one of the advanced countries reiterated at the Working Party session his personal *laissez faire* conviction and emphasised the importance of private initiative, the words fell largely on deaf ears. This could not be otherwise. The conviction expressed is exactly a kind of the predilections of the Western economic thinking, of which Professor Myrdal remarks that they are hampering the scholars in the advanced countries themselves in their efforts to be rational, but would be almost fatal to the intellectual strivings of those in the underdeveloped countries.

Theoretically speaking, the consistent free enterprise system is based on the assumption that the market fulfils perfectly its functions as a device of communication for allocation of resources. Where the price system is more or less elastic and efficient, a policy which makes the best use of this mechanism may be meaningful. But the markets in the underdeveloped countries are characterised by rigidities and imperfections. This is the basic reason why there can be no full or exclusive reliance on market forces and why programming and planning are needed. The actual market prices will, in many important cases, diverge from the equilibrium levels which would be reached under perfect competition. For the purpose of planning, therefore, conscious devices are required to correct the market prices correspondingly. "Accounting prices" and "shadow prices" are recognised as useful concepts in economic planning. In view of the existence of a wide range of external economies, the social productivity of an investment will differ considerably from its private profitability in the underdeveloped countries. Conceptual tools such as social cost need to be sharpened and utilised extensively in this context.

From this cursory survey of the salient points of discussion, it will be clear that the recent session of the E.C.A.F.E. Working Party fully vindicated Professor Myrdal's thesis. Here is, in the opinion of the experts of the underdeveloped countries in Asia and the Far East, an intellectual challenge of historical importance. It must be met.—*Exclusive to "Commerce."*

[1] Myrdal G., *Economic Theory and Underdeveloped Regions*, London 1957.
[2] Ibid., p. 100.
[3] Ibid., p. 101.
[4] See the econometric analysis of "Technical Change and the Aggregate Production Function" by Professor Solow in *Review of Economics and Statistics*. Vol. 39. No. 3 August 1957, pp. 312-320; Fellner W., *Trends and Cycles in Economic Activity*, New York 1956.
[5] Dahl, R.A. and Lindblom, C.E., *Politics, Economics and Welfare*, New York 1953, p. xxii.



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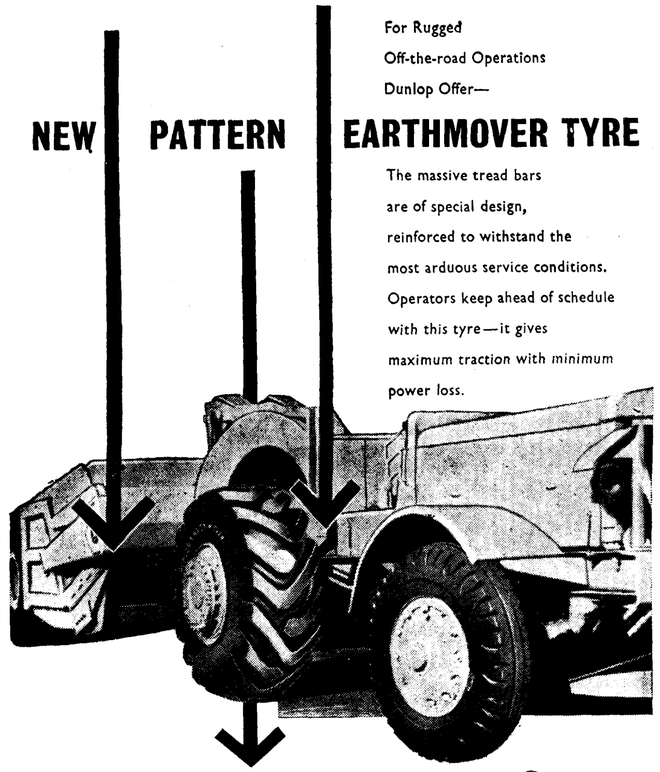

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Rs. 30,00,000 divided into 30,000 Equity Shares of Rs. 100 each.

ISSUED, SUBSCRIBED AND PAID UP

Rs. 29,59,700-0-0 divided into 29,597 Shares of Rs. 100 each fully paid.

Rs. 21,184-4-0 being the amount paid on 334 Shares forfeited.

Rs. 29,80,884-4-0 Total Subscribed Capital.

(Of the above 29,597 Shares fully paid, 4,931 Shares of Rs. 100 each were allotted in 1948 as Fully Paid Up by way of Bonus Shares.)

The Company has no Debentures or other Loan Capital outstanding, but has Overdraft from Banks, and Deposits from the Managing Agents and Public aggregating to Rs. 75,18,975/- as on 30th September 1958.

DIRECTORS

SIR VITHAL NARAYAN CHANDAVARKAR, 41, Pedder Road, Cumballa Hill, Bombay, 26, Merchant (*Chairman*).

PINGLE VENKAT RAMA REDDY, Esq., High Cliff, Begumpet, Hyderabad, Andhra Pradesh, Zamindar and Industrialist.

MANEKLAL PREMCHAND, Esq., Madhu Kunj, Narayan Dabholkar Road, Bombay, 6, Financier and Partner of Messrs. Premchand Roychand and Sons.

PRATAPSINH MATHURADAS, Esq., Sir Mathuradas Vissanji Road, Andheri, Bombay, Merchant.

NARAYAN DATTATRAYA SIRUR, Esq., 10, Mount Pleasant Road, Malabar Hill, Bombay, 6, Merchant.

BHAVANISHANKAR DIWAKAR KULKARNI, Esq., Shanti Sadan, French Bridge, Bombay, General Manager of The Modern Mills, Limited, Bombay (*Special Director*).

MANAGING AGENTS

MESSRS. N. SIRUR & COMPANY PRIVATE LTD., 70, Forbes Street, Fort, Bombay, 1.

HISTORY

The Company has been selling cotton textiles manufactured in its Mills at Bangalore.

The Mills commenced working in 1925 with 19,616 spindles. Further spindles were added from time to time and looms were also installed. By 1932, the Mill had 32,416 spindles and 440 looms working. In the year 1932, the Company found that the Capital Expenditure incurred exceeded the paid-up capital and a First Mortgage Debenture Loan of Rs. 18,00,000/- was issued. A Bleach and Dye House was also added for finishing the cloth produced at the Mills. The Debentures were renewed in 1938 for Rs. 15,00,000/- and were finally paid off in 1945 from out of the profits made during the intervening years. A Reserve Fund of Rs. 14,75,000/- was also built up.

During the 12 years from 1945 upto the end of 1956, further additions were made to Machinery and Buildings involving a Capital Expenditure of Rs. 49,19,000/-. After these additions, it was found that the old boilers did not have sufficient capacity to supply the required steam for the sizing and other processing departments and the new Humidification Plant. Hence a new Babcock & Wilcox Water Tube Boiler was purchased and is now almost ready for use. The cost of the Boiler was about Rs. 3,20,000/- and of the alteration to the Boiler House was about Rs. 40,000/-.

All the above Capital Expenditure to the tune of Rs. 52,79,000/- was financed mostly out of the reserves and profits of the Company made during the 12 years without calling fresh Capital.

SECURITY FOR THE DEBENTURES

The Company's immovable property at Bangalore consists of about 73 acres valuable freehold land, within the City limits of Bangalore close to the Bangalore City Railway Station, and of Mill Buildings, Godowns and Bungalows, all of pucca construction. The Mills have today 39,896 spindles, 704 looms and a Dyeing and Bleaching Plant. The book value of the 73 acres freehold land (including about 5 acres which were sold on 18th June 1958 for Rs. 27,510/-) as shown in the Balance Sheet as at 31st December 1957, stands at Rs. 1,75,915/21 nP. If the land is valued at even half the rates now prevailing in the neighbourhood, it should fetch about Rs. 25,00,000/-. The book value of the buildings as at the end of 31st December 1957 stood at Rs. 27,66,653/- and the depreciated value at Rs. 14,63,003/- (depreciation for the year ended 31st December 1957 is not provided for). The Gross Book Value of plant and other machinery including electrical machinery as at the end of 31st December 1957 stood at Rs. 62,99,613/- and the depreciated value at Rs. 24,40,316/- (depreciation for the year ended 31st December 1957 is not provided for).

OBJECT OF ISSUE

In addition to the Capital Expenditure incurred, the Company is launching on a programme of renovation and modernisation of plant and machinery which involves a large capital expenditure. To meet a part of such Capital Expenditure and to replenish the working capital which has been locked up in the fixed assets of the Company, this Debenture Loan of Rs. 18 lakhs is proposed to be issued. The balance of the Capital Expenditure required will have to be financed from future earnings or borrowings if necessary for the purpose.

FINANCIAL INFORMATION

Fixed Assets and Reserves: The written down value of the Fixed Assets as on 31st December 1957 is Rs. 41,21,724/-.

Note:—During the year 1957, the provision made for depreciation was only Rs. 3,931/- as against the normal and extra shift depreciation of Rs. 3,02,395/- estimated to be allowable for tax purposes. No adjustment has been made for this in the above figure of Fixed Assets.

As at 31st December, 1957, the Reserves of the Company amounted to Rs. 11,98,081/-.

Dividends paid for the last five years are:—

For the year ended	31-12-1953	..	Rs. 7* per share	not subject to deduction of tax,	Rs. 2,07,179
Do.	31-12-1954	..	Rs. 5	do. do.	Rs. 1,47,985
Do.	31-12-1955	..	Rs. 6	do. do.	Rs. 1,77,582
Do.	31-12-1956	..	Rs. 6	do. do.	Rs. 1,77,582
Do.	31-12-1957	..	Rs. NIL per share	.. ..	..Rs. NIL

* Including a Bonus of Re. 1/- per share.

UNDERWRITING

THE CANARA BANK, LIMITED, having its Registered Office at Lighthouse Hill, Mangalore, and its Administrative Office at 110-112, Silver Jubilee Park Road, Bangalore, 2, has agreed to underwrite the entire issue of Rs. 18 lakhs for an underwriting commission of 2½ per cent. on the entire issue.

Sub-Underwriters: The following three parties have agreed with The Canara Bank Ltd., to sub-underwrite the above issue to the extent indicated below:—

(a) Messrs. The New India Assurance Co., Ltd., to the extent of Rs. 5 lakhs.

(b) Messrs. Atlas Assurance Co., Ltd., to the extent of Rs. 1½ lakhs, and

(c) Messrs. N. Sirur & Co., Private Ltd., to the extent of Rs. 3 lakhs.

This Mill Company will not pay any commission to the Sub-Underwriters.

Brokerage: The Company will pay a brokerage of ½ per cent. to Brokers directly dealing with the Company on the nominal value of debentures allotted in respect of applications bearing their stamps.

APPLICATION

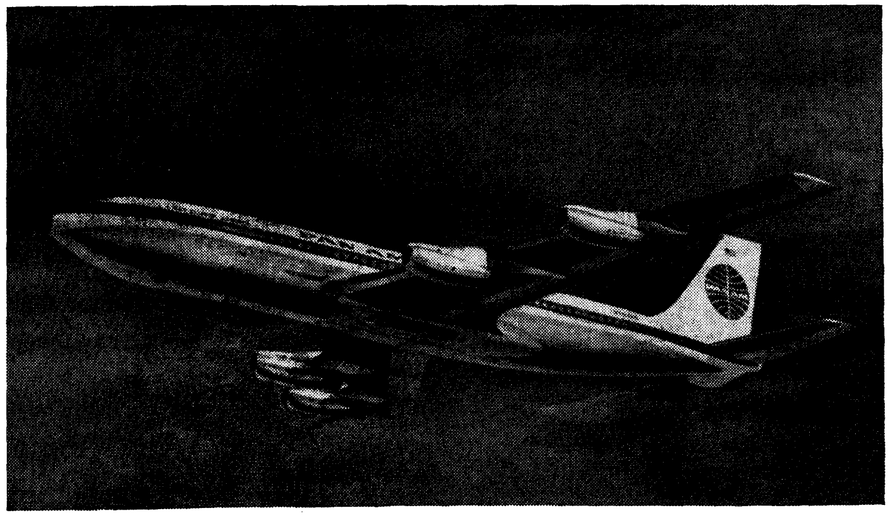
Application for the Debentures which must be for a minimum of Rs. 500/- or multiples thereof must be made on the official form and will be refused if not so made. The application form together with a remittance for the full amount payable on application must be sent to MINERVA MILLS, LTD., either at its Registered Office at Temple Bar Building, 70, Forbes Street, Bombay, 1, or at the Company's Mill Office at Venkatrangiengar Road, Malleswaram, Bangalore, 3, the remittance being made by cheque or draft which, if it is desired to avoid payment of bank charges must be drawn either upon a Bank in Bombay or at Bangalore, as the case may be. If drawn upon a Bank elsewhere the appropriate bank charges must be included in the remittance, otherwise the application will be refused.

Cheques or Drafts should be made payable to MINERVA MILLS LIMITED and should for the applicants' protection, be crossed "A/C Payee only." A separate cheque or draft must accompany each application form.

Copies of Prospectus and Forms of Application can be had from the Underwriters Sub-Underwriters, Recognised Stock Brokers, the Company's Head Office at 70, Forbes Street, Fort, Bombay, or the Company's Mill Office at Bangalore.

N. SIRUR & CO. PRIVATE LTD.,
Managing Agents.

BOMBAY, *5th December* 1958.



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PAA 2248

JAPAN'S TEXTILE INDUSTRY TODAY

ITS CONDITIONS AND PROBLEMS

FOR more than a year, the Japanese textile industry has been experiencing the worst business recession in its history. Although all possible ways of solving the problem—including production control—have been adopted, there is still no sign of recovery and many operators have either gone bankrupt or closed down their mills.

The manufacturers, made up mostly of small operators, were hardest hit by the depression, and major operators have been affected recently too. And the effects of the depression are spreading to associated industries. The depressed condition of the Japanese textile industry has affected the country's export picture, the balance of international payments and, as the situation has become prolonged, the national employment situation.

The main blame for the present situation is generally regarded as the enormous expansion in production capacity undertaken by the industry. This was the largest ever undertaken, but, just as it was completed, the supply and demand situation was thrown off balance by the decline in demand resulting from the tight money policy introduced by the Government in the spring of 1957.

In addition, recession conditions throughout the world have hit the textile trade very hard. In particular, Japan has been hit seriously by the shortage of foreign currency in such nations as Indonesia and other South-East Asian countries—a major market for Japanese textile goods.

This situation has been aggravated by the marked increase in exports of textile products by Communist China. All these factors have caused a conspicuous decline in the exports of Japanese textile goods.

The recent drops in the prices of imported raw materials—particularly wool—have caused a drop in the price of manufactured goods—not only those products produced from the materials affected, but the whole range of textile products. This has made a poor market situation even worse and has prevented the recovery of the textile industry.

Countermeasures Against Recession

Faced by the business recession, the Government and private enterprise has tried the following countermeasures:

1. *Production Control*:

In order to restore the balance between supply and demand, and as a means of adjusting stockpiles, the Government issued, in April last year, an administrative advice to big enterprises to enforce voluntary production controls. At the same time, it issued an order based on the Recession Cartel provided by the Anti-Monopoly Law (in the case of larger enterprises), and on the Smaller Enterprises Organisation Law (which will hereafter be referred to as the Organisation Law) in the case of small and medium-sized enterprises.

The suggested production controls were observed by the entire industry and were strengthened from time to time. In parallel with the imposition of production controls, imports of raw cotton and wool were reduced.

2. *Liquidation of Weaving Machinery*:

The liquidation of a number of looms has been enforced since 1956 in the silk, rayon, cotton and staple fibre industries—all of which have been particularly hard hit—and this programme has been speeded up to cope with the deteriorating situation. In addition, the number of looms to be liquidated was increased, thus causing a raise in the rate and overall amount of the subsidy paid by the Government to lighten the burden of liquidation. The necessary expenditures for this were included in the national budget.

3. *Creation of Purchasing Agency*:

In order to cut excessive inventories, the Japan Rayon Textile Export Promotion Company was established last March for the purpose of buying three types of rayon products and exporting them. Similar purchasing agencies for woollen and cotton products have been established and there is currently a plan to set up an agency covering staple fibre textiles. As one countermeasure, cotton textiles amounting to 50 million yards have been frozen since August.

4. *Funds for Production Control*:

All the necessary measures have been taken to secure the funds necessary for enforcing and strengthening production controls. A special fund has been set up in the Commerce and Industry Central Bank and in the Smaller Enterprise Financing Corporation to cover especially the weaving division of smaller enterprises.

5. *Regulating Exports*:

In order to prevent dumping caused by the excessive competition inevitably arising from a business recession, textile exports have been regulated under the Export and Import Transaction Law and the Trade Control Law.

Together with the above measures, spinning frames and tenters must be registered in accordance with the Textile Industry Facilities Temporary Measures Law (which will hereafter be referred to as the Measures Law), which was introduced in 1956 as a fundamental measure to counter the installation of excessive production facilities.

In addition to registration, the liquidation of excess machinery is also being enforced. Knitting machines for textiles and hosiery are also being registered and restrictions imposed on the installation of further equipment. In addition to these legal means of preventing further increases in capacity, the industry itself is carrying out voluntarily a variety of restrictive measures.

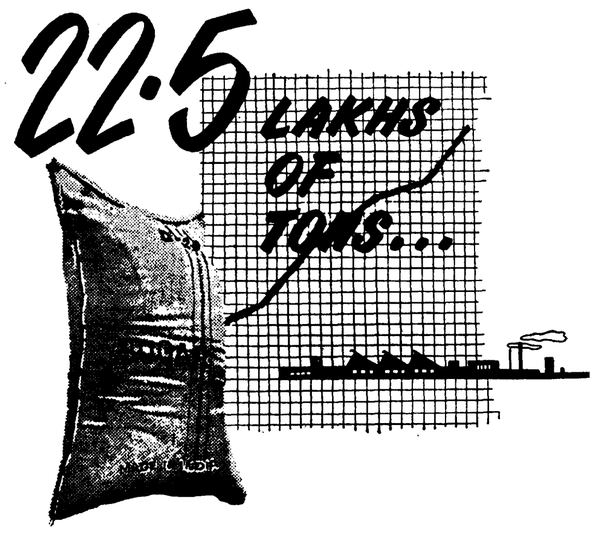
Future Problems

With the prolonged textile recession, it is obviously necessary to study countermeasures from a broader viewpoint, instead of from the narrow standpoint of countermeasures in the production field. The overall problems facing the industry can be summed up as follows:

(a) *Prospects for Textile Demand*:

It is obvious that larger expenditures on clothing are being hoped for in the domestic market. However, it can be assumed that the consumption structure is bound to change through the expanding output of synthetic textiles and the growing demand for higher grade products. This would make the quantitative

(*Continued on page* 981)



... target to be reached ahead of tim

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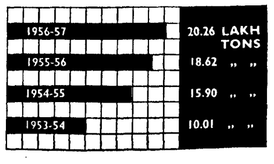
Today, the White Sugar Industry provides scope for Indian capital investment of more than 100 crores of rupees; it provides employment to over 1,40,000 skilled and unskilled workers and 3,600 university educated men, their total earning representing 5% of the national wages and salaries; it supports 20 million cultivators; it constitutes 12% of the total value of production of major Indian industries; it contributes over 65 crores of rupees (@ Rs. 13.19 per maund) in levies to the national exchequer.

It offers even brighter prospects for the country. With a lighter burden—with some of its present-day handicaps removed—this industry can contribute to achieving a more stable national economy. Its upward trend of production can continue to meet the needs of a growing home market and yet leave a surplus for export in order to earn foreign exchange.



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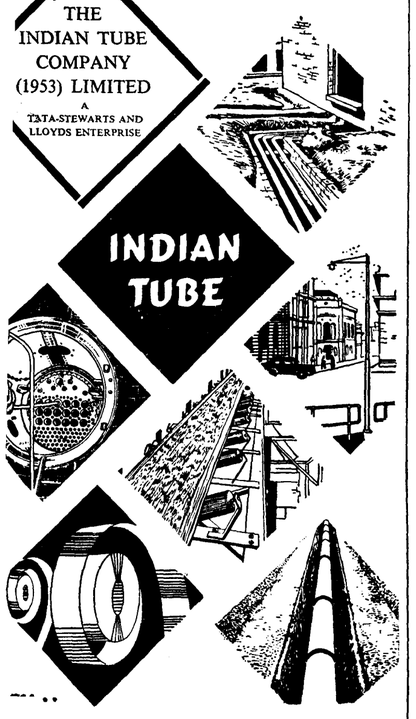
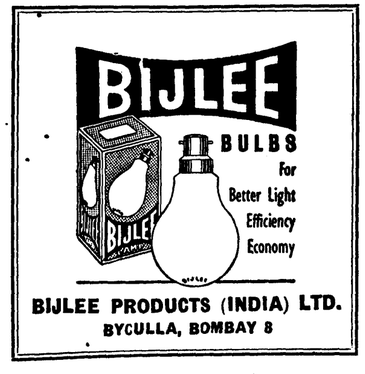
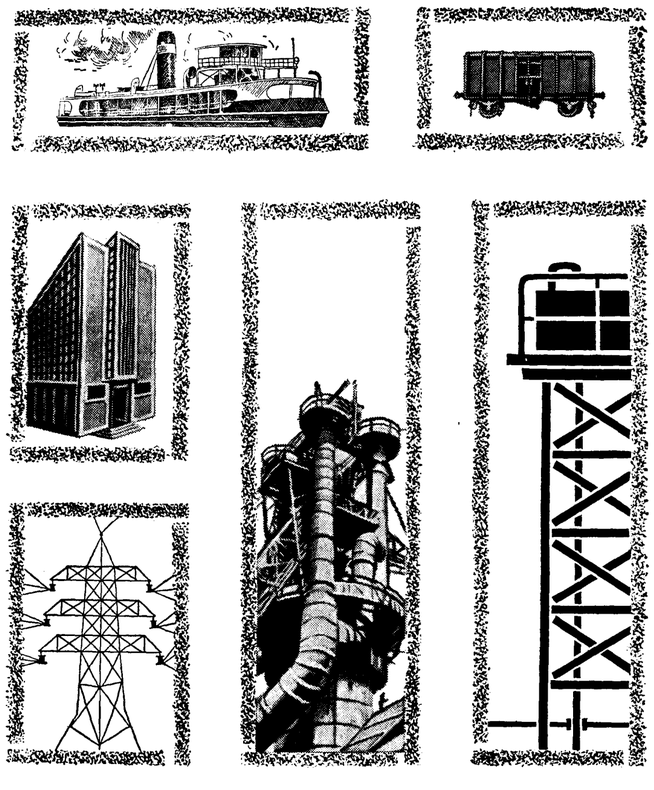






AIDING INDIA'S PROGRESS



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OVEREMPHASIS ON STEEL MAY DEFEAT PLAN'S OBJECTIVES

IMPORTANCE OF TRAINED PERSONNEL

A COMPREHENSIVE review of the growth and development of the Indian iron and steel industry was given by Mr. S. K. Nanavati in the course of his presidential address at the twelfth Annual Technical Meeting and Defence Metallurgical Conference, held in Delhi last week. Although Mr. Nanavati admitted that there could be "no question regarding the scope and need for continued expansion of the steel industry," he pointed out that "overemphasis" on the development of basic steel industry in future plans has rightly caused some misgivings, as to whether such emphasis would not defeat the primary object of planning which is to create more wealth in the immediate future. This is a point of view which is well worth considering by the authorities before they commit the country to an overambitious steel production programme in the third Plan. It must be remembered that, from the point of view of employment and diffusion of technical training and knowledge, more benefit will accrue to the country through the development of secondary and tertiary industries than through exclusive pre-occupation with the steel industry.

First Attempts

Mr. Nanavati traced the development of the iron and steel industry from ancient times and referred to the first recorded attempts at steel making in 1799 and the construction of the first blast furnace in 1875 at Kulti (Calcutta). The Tata Iron and Steel Company commenced operations in 1907 and the Indian Iron and Steel Company in 1918. Mr. Nanavati made particular reference to the difficulties which the industry had to face in the inter-war period, despite the grant of a modest protection in 1924. The 1931 slump hit the industry hard. But it survived and recovered "well enough to produce steel at competitive prices in the years that immediately followed and more than amply repaid its debt to the country." After referring to the expansion schemes of the Tata Iron and Steel Company and Indian Iron, he described the Government's efforts under the second Five-year Plan to raise the total ingot steel capacity to six million tons a year, yielding approximately 4.5 million tons and the setting up of three State-owned steel plants.

An important question which Mr. Nanavati discussed was the determination of the scale of expansion of steel. In this connection, he observed:

"When one plans to increase the scale of production in an industry about threefold in a period of five years, it is important for one to know whether the magnitude of expansion envisaged has been based on actual needs or not. Such estimates are extremely difficult to make without an adequate knowledge of the increased requirements of steel, consequent to an all-out attempt to increase the standards of living in the country by large-scale industrialisation. It is not enough to know by how much indigenous production falls short of supplies and plan for producing the difference that is imported, because the supplies available, due to restrictions of import and general conditions of scarcity that prevailed, never satisfied the demands. When large-scale economic planning is aimed at increasing the existing demands that have remained unsatisfied and creating new demands for steel, any estimate of future requirements needs careful appraisal of the plan as a whole and cannot be based merely on a market survey, as one might be tempted to do. If based only on a market survey, the estimates would prove low. The targets for every industry—machine tools, shipbuilding, locomotive, transport, textile machinery, etc.—have been fixed at almost twice the pre-Plan level at the end of the second Plan. All these industries would need more steel and so would the increased activity in agriculture and building. It is also not possible to make an accurate estimate from the backlog of orders with the steel producers or from the requests for allocations during a period of scarcity. Often such requests are very generous and misleading and are not based on real needs. Another way of arriving at an estimate would be to study a group of industries, such as the steel processing industry, and forecast the total demands by employing a certain ratio that obtains in another country. Whatever method is employed at arriving at a figure of future demands, it can be, at best, an approximation. How close such an approximation is, only future events can tell. It will largely depend on how well the rest of the Plan works out and how far it stimulates increased consumption."

As stated at the outset, Mr. Nanavati admitted that the scope and need for continued expansion of steel was beyond question. He recalled that the most important single weakness in the first Plan was the scarcity of steel. This was being made good in the second Plan. But overemphasis on steel might defeat the objective of the Plan. He added: "It should be remembered that, amongst all industries, it is the iron and steel industry that require the largest capital investment per worker and per unit of output." He, therefore, urged the shifting of emphasis to secondary and finishing industries.

Location

Discussing the location of steel plants, he said they must be sited at the economic centre of gravity of the three principal raw materials—iron ore, coal and limestone. Availability of labour was another consideration. Although wages in India were low by Western standards, more men were needed to do a given job. The result was that total labour costs in India represented the same fraction of the cost of steel as in other developed countries. In recent years, the labour cost in the Indian industry had been steadily mounting while productivity had remained static. He said: "Although progressive management cannot refuse to consider the just rights of labour, the leaders of the labour unions in turn have to realise that too many imposts on the industry are liable to raise the labour cost, to preclude steel being made in this country at an economical price level."

Turning to the raw materials situation, Mr. Nanavati expressed anxiety about coking coal reserves. He hoped that the National Coal Development Corporation would, with its larger resources, undertake a thorough survey of reserves and take adequate steps for the conservation of coking coal. He also called for further research on the blending of coking coals with those of non-coking varieties. Work in this direction was begun at Jamshedpur in 1941 when Government set up, jointly with Tatas, a coal blending and coking research station. Work done here had made it possible to use Jharia coal more extensively for metallurgical purposes. Some concern was also felt by the industry about another essential raw material, limestone. Although the supply was abundant, the quality was not suitable. Good quality limestone was available at Katni and Maihar in Madhya Pradesh, but high haulage costs prohibit economic use.

Processes

Discussing the various processes of steel making, Mr. Nanavati said that the Linz-Donawitz Oxygen process offered a number of technical and economical advantages, particularly in the production of flat rolled products like sheets and plates. With experience that would be gained at Rourkela, where this process was to be used, it might be possible to employ it for increasing the output at other steel plants. He also referred to the possibility of making iron using low-grade coal and lignite. A process which offered great promise was the use of a low-shaft furnace. Such a furnace, on a pilot plant scale, would shortly come into operation at the National Metallurgical Laboratory, Jamshedpur. Data collected here will be of great value for the future development of the Indian steel industry, particularly in regions like South India, distant from the Jharia coal belt.

Urging the early establishment of a plant to manufacture alloy and tool steels, Mr. Nanavati said that this was necessary for the development of the engineering industries in the country. India had, however, poor resources of the common ferro-alloys that are required for the production of alloy steels. Considerable research would, therefore, be necessary to evolve a rationalised series of special steels based on ferro-alloys available in the country. He recalled that the Tata Works at Jamshedpur had successfully produced 110 varieties of special steels, including those required for aircraft and ordnance, during World War II. It was, however, difficult and unremunerative to produce these special steels in a large, integrated plant.

In conclusion, Mr. Nanavati rightly stressed the importance of trained personnel for the industry. He said: "Andrew Carnegie is reported to have said that, if all his steel mills were taken away from him and he was allowed to keep his men, he would have mills better than what he had before, running within a short time." This statement shows how important trained men are to the industry. To meet the requirements of operatives, arrangements have been made to train 450 operatives a year. A programme of training for about 2,000 senior supervisors in steelworks in the U.S., the U.K., Germany, the U.S.S.R., Canada and Australia has already made considerable headway. All this goes to prove, as Mr. Nanavati himself pointed out, how steel making is no longer a strictly national industry but an international profession.

ELECTRIC MOTOR INDUSTRY

Accepting the recommendation of the Tariff Commission, the Government of India has decided to extend the protection to the electric motor industry, scheduled to end at the end of the year, by a period of three years—that is, upto 31st December 1961. The rate of protective duty will remain the same as at present—15 per cent. *ad valorem* on electric motors and 20 per cent. on component parts of electric motors, excluding control gear. The duty indicated for equating the fair ex-works price with landed cost without duty is assessed at 10.54 per cent. Nevertheless, the industry faces competition in respect of special motors and motors of high ratings. Accordingly, the Commission recommended the continuance of protection at the present rate of 15 per cent. for electric motors and 20 per cent. for spare parts. This recommendation has now been accepted by the Government.

During the 10 years of its "protected" existence—the industry was first granted tariff protection in 1948—the industry has increased its output and improved its quality. Appropriately enough, the Tariff Commission has paid a tribute to the electric motor manufacturers by recording that, in the last 10 years, the industry "has achieved considerable progress." There are at present 15 units manufacturing electric motors, with an annual capacity of 359,100 h.p. There are also 31 small-scale units with a combined annual capacity of about 130,000 h.p. Production in this sector is placed at about 50,000 h.p. A few more units are engaged in assembly of electric motors and manufacture of a few spare parts. Actual production by the organised units in the industry aggregated some 475,215 h.p. in 1957, as against 359,062 in 1956. In 1958, production is running at an annual rate of about 600,000 h.p. The bulk of the production is in the range upto 10 h.p. This class of motors accounted for 62 per cent. in 1957, followed by motors of between 10 h.p. and 30 h.p. which accounted for 30 per cent.; the rest is made up of motors of above 30 h.p. Many of the units in the industry have expansion programmes. When these schemes are implemented, there will be an annual capacity of the order of 1.13 million h.p. The present demand for electric motors in the country is estimated at about 750,000 h.p. which is expected to rise to about 800,000 to one million h.p. by 1960-61. Generally speaking, the projected increase in the capacity of the industry should be able to meet the anticipated increase in demand.

The principal raw materials required by the industry are electrical steel stampings, synthetic enamelled wire, ball bearings, insulating materials, steel rods and bars and paints and varnishes. Sankey Electrical Stampings Private Ltd., which supplies stampings to the electric motors manufacturers, is expanding its productive capacity. When its Bangalore factory goes into production, the supply of stampings to the manufacturers in the South will become more regular. Since there is a shortage of electrical steel sheets, the Commission has urged the Government to "plan production of this type of steel in one of the plants in the public sector, so that the progressively rising demand for this important raw material may be adequately met in future." The position regarding the supply of synthetic enamelled wire has improved considerably. There have also been no complaints in regard to the quality of the product. Electric motor manufacturers, however, complained against the short supply, quality and high prices of ball bearings. The Commission observes that, since the production of ball bearings has gone up, it should be possible for manufacturers to reduce their production costs. Electric motor manufacturers are, however, given licences to import such bearings as are not made in India. Insulating materials, except micanite sheets and cotton tape, have to be imported from abroad. Efforts are being made to manufacture Empire sleevings, Empire tape and leatheroid. At present, the requirements of C and D class steel for electric motors have, to some extent, to be met by imports.

There seems to be general agreement that the quality of indigenous electric motors is satisfactory; they are produced in accordance with Indian Standard Specification. As regards motors manufactured by small-scale sector, the Commission was informed that only some of the units have testing facilities and take care to ensure that their products are tested. It says: "However, many small producers have no testing equipment and their products do not give satisfactory service." The Commission has, therefore, suggested that the Small Industries Service Institute should render necessary technical assistance to enable the small producers to manufacture electric motors in conformity with Indian Standard Specifications.

Although the industry has the necessary capacity for producing motors of high ratings (100 h.p. and above), it undertakes their manufacture only against specific orders. Consumers sometimes import motors of high ratings. The Commission points out that positive steps should be taken to encourage the indigenous manufacture of motors of high ratings. Considerable leeway has also to be made up in the matter of meeting the requirements of the country for fractional motors of single phase type and special motors. The Commission has rightly stressed that, in view of the present balance of payment position, it is essential that manufacturers should diversify their pattern of production, so that the demand for those types and ratings of motors which are still being imported can be met from within the country.

NEW PRODUCTS AND PROCESSES

Sound-absorbing Tiles

ACOUSTIC, or sound-absorbing tiles, are becoming increasingly important in modern industrial architecture. A new range of acoustic tiles with several unique features is being introduced by the Armstrong Cork Company of London. The tiles are made from strong, tough pine fibres and have a washable, white painted finish. This enables them to be maintained easily and also ensures, it is claimed, that they have an attractive finish and a high light reflection coefficient of 79 per cent. The tiles are being made in three types of patterns. One of these types can be fitted by a new method which is extremely quick and therefore more economical. It is made possible by the use of ½-inch tongued and grooved units. This enables the tiles to be nailed, screwed or mechanically stapled to wood furring strips which thereby make the tiles self-levelling. Another of the types, with butt-edges, may be installed by cementing to a firm, hard surface or by using one of the several mechanical suspension methods.

Moon May be Used for Phone Calls

Within a few years the moon may be used as a reflector for intercontinental telephone calls as the result of a study recently completed by scientists at the University of Michigan in the United States. The scientists found that very short-wave radar or radio signals can be used to bounce telephone conversations against the moon and then back again to earth, to a receiver half-way around the world. Radar signals travel in a straight line and cannot, therefore, be ordinarily used over long distances or to communicate with places that are out of sight because of the curvature of the earth. Now, however, by using the moon as a reflector, the curvature of the earth need no longer limit long-distance communications. It is only necessary that both the transmitting and the receiving equipment can "see" the moon. Success in developing the moon-reflection theory was achieved when the scientists, checking reports by other research workers, found that certain incorrect conclusions had been drawn. One of these was the assumption that, because of the jagged mountains and craters on the moon, the moon would present a rough surface to a radar signal. A shortwave signal, however, is reflected from an area of only a few square feet. The moon has such areas that are smooth. As a result, radar signals can be reflected without a loss in quality.

A New Watch for the Medical Profession

Among the watches intended particularly for use in certain professions, there is one which has just been produced by the Swiss firm Doxa S.A., of Le Locle. It is of great interest to doctors, nurses and other persons who have to deal with sick people. The control of the counting unit on this watch is operated by a single push which functions very freely in a three-time movement. After having pressed the button and counted 20 pulsations, the doctor can read the number of the patient's pulsations per minute on the least encumbered part of the dial, namely, around the hour of 12. This pulsimeter is provided with a circular magnifying glass, which greatly facilitates its use.

Electronic Heart

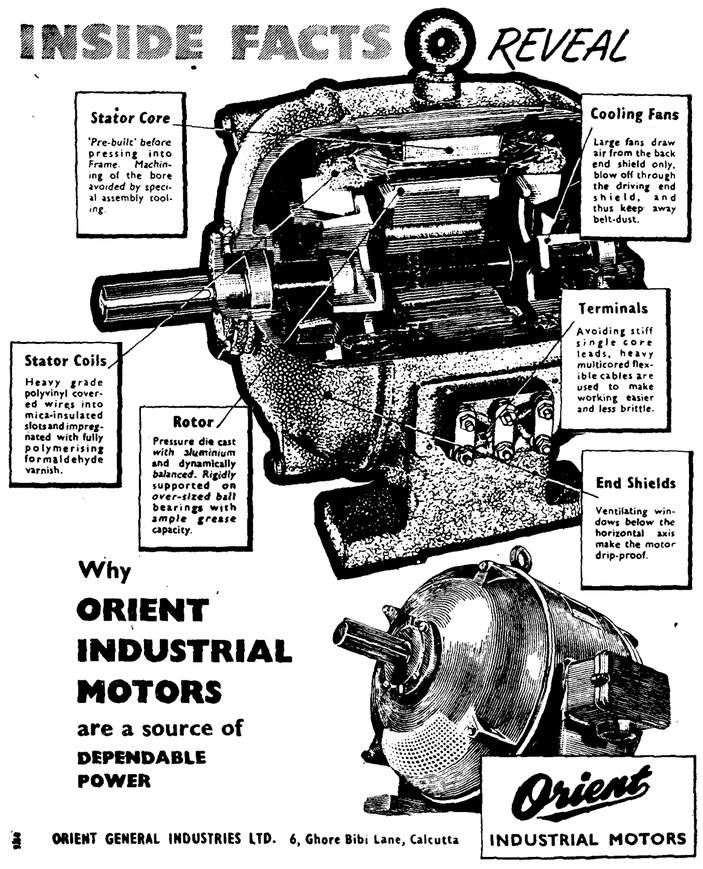
Electronic hearts may some day be as common as are hearing aids or false teeth today, according to Mr. David Sarnoff, Chairman of the Radio Corporation of America. In addition, according to him, defective kidneys, lungs, limbs and other bodily organs may be replaced by electronic devices. The probability that a man-made device would ever be able to perform the functions of a bodily organ would have seemed widly fantastic before the electronic age. But this goal has already been reached to a limited extent and has brought within the bounds of feasible surgery some operations that formerly were considered impossible. Electronic substitutes may be "the ordinary replacement for defective organs in future years," Mr. Sarnoff prophesied. In the future, he added "a man may walk around in apparent good health with several of his organs replaced by refined electronic devices."

Lightweight Concrete

A lightweight concrete building material that can be sawed, chopped and chiselled without losing its strength is now being marketed by the Continental Materials Corporation of Chicago, the United States. The Company says that the new product weighs only one-third as much as ordinary concrete and should enable builders to erect houses at 20 per cent. lower cost than with ordinary materials. The concrete, called Calsi-Crete, is made by blasting air through a wet mixture of concrete, silica, wood and asbestos fibres. The material then "rises," much like bread, and is moulded, baked, sawed to desired sizes and shapes, and polished. Calsi-Crete is easier and cheaper to ship and handle than ordinary concrete slabs because of its light weight. It is believed that it will be particularly useful for floors, walls and roof slabs.

New Process for Making Insecticides

The Regional Research Laboratory, Hyderabad, has developed a process for making insecticide by chlorinating turpentine, which compares favourably with D.D.T. as regards pesticidal action. The cost of production of this insecticide, is estimated to be about one rupee per lb. The present sale price for technical D.D.T. is Rs. 2.25 per lb. Arrangements for commercial development of the material are in hand. The raw material needed for the production of the insecticide is available in the country itself.



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MORE ON L.I.C. DEBATE

CASE FOR ABOLISHING WITH-PROFIT POLICIES

COMMENTING upon the Lok Sabha debate on the investment policy of the Life Insurance Corporation of India, we observed last week that it was a "listless" debate. This was as much true of the critical side of the debate as of the constructive. Criticisms there were, no doubt, but they cannot be said to have touched upon the fundamentals. As regards the constructive side, that is, suggestions for possible improvement in the policy, the performance was worse. Mr. Morarji Desai was, therefore, justified in saying that there were no new suggestions as such for incorporation in the policy and that the only ones made were on interpretation of the policy rather than on departure from it.

But certain issues emerged from the debate and the Minister's reply to it, which, though not directly concerned with the investment policy, have an intimate bearing on the efficient functioning of the Corporation. Among these, special mention may be made of the question of abolition of with-profit policies. The Minister's justification for its continuance is hardly convincing. If the issue is considered in the context of the nationalised set-up, it is evident that, whatever the justification for issuing with-profit policies in pre-nationalisation days, its *raison d'etre* at present is very much in doubt. The Minister said that with-profit policies should continue as an attraction to the public for taking out policies. This might have been true in pre-nationalisation days, when there was intense competition among the companies and each company was striving to show the best business possible. But now life insurance is the monopoly of the Corporation and there is no need for its retention. The objective of the Corporation should be to provide cover of a nature sufficient to serve the purpose of life insurance and not to sell savings schemes, for which there are other institutions and other methods. From this point of view, it would be better if the Corporation were to lower the premium rates. This would make insurance cheaper and bring it within reach of people of smaller incomes as well. In these days of declining purchasing power of the rupee, insurance would make a better appeal if it can be shown that premium rates are definitely cheaper than they used to be before. In the U.K., for instance, the premium rates for whole-life policies today are lower than even the pre-war rates.

Perpetual Headache

The with-profit policies issued by the former companies and which are now centralised in the Corporation have widely varying terms attached to them. The computation of bonus on each kind of policy will present a perpetual headache to the Corporation already burdened with enough problems. There should not be any difficulty in doing justice to the policyholders who had taken with-profit policies. This could be done, as Mr. P. V. Krishnamurthy had pointed out in his article "Life Insurance Investment Policy," contributed to this journal (*vide* page 831 of *Commerce* dated 22nd November 1958), by increasing the sum insured of existing with-profit policies in proportion to the difference between the with-profit premiums now being paid and the corresponding non-profit rates for the remaining term of the policy as at the last valuation. All possible care must, of course, be taken to ensure that the interests of those who have taken with-profit policies are not let down in any way. But this is no more than an actuarial problem.

Where there is a definite term for the policy, as for the relatively small number of whole-life policies, a notional term can be found which does adequate justice to the policyholders. The important thing to see is that all these policyholders get a once-for-all increase in the sum insured, commensurate with the excess premium they are paying, after allowing for the bonuses already declared on the policies. With the present with-profit policies adjusted thus, the existing distinction between with-profits and non-profits policies should be abolished and all policies, old and new, should be made eligible for participation in the profit that accrues to the Corporation in future by way of lower claims and expense ratios and interest yields higher than that assumed in the construction of premiums.

A reform of this nature is essential if one of the main objectives of nationalisation, namely, to find resources for implementing the projects included in the Plan, is to be fulfilled in the best possible manner. Under this reform, the profit-motive in investing the funds of the Corporation need not be given an unduly high place and funds can be diverted to new industrial projects. From this point of view, the suggestion made by Mr. Krishnamurthy for the creation of a special fund for financing the projects in the private sector deserves careful examination.

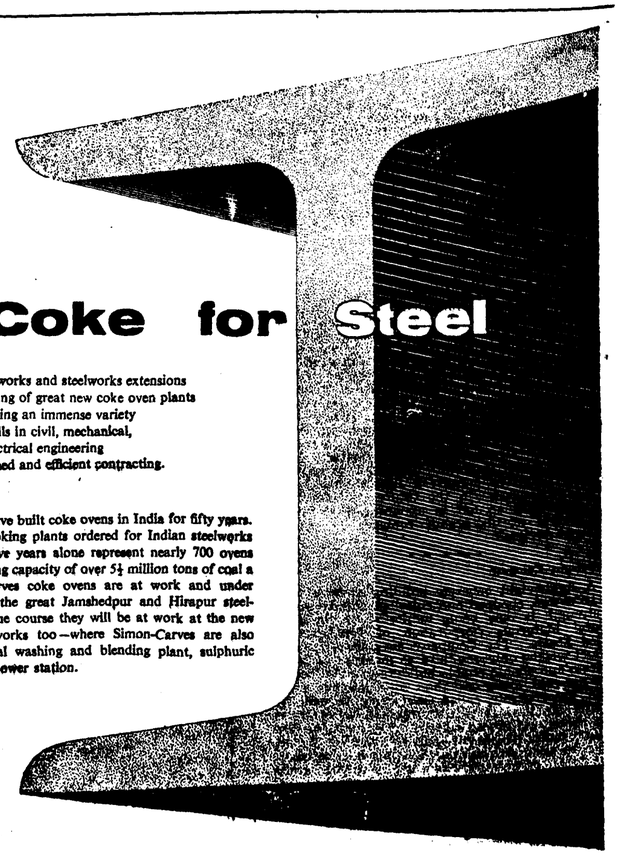
Splitting up the L.I.C.

Another subject raised at the Parliamentary debate related to the organisational set-up of the Corporation. It was suggested by some Members of Parliament that the Corporation should be split up into five different units or corporations. Mr. Morarji Desai turned down this suggestion and the reasons given by him are pertinent and convincing. First, the suggestion has come too late. The work of integrating the 240 and odd private companies into one organic unit, namely, the Life Insurance Corporation, has already advanced to such a stage that to retrace the steps and to undo the intensive work of more than two years, would be indulging in a ridiculous pastime. Secondly, if the plea for splitting up the Corporation is based on the argument that an organisation of the size of the L.I.C. cannot work efficiently, then it may be pointed out that there are other ways of ensuring efficiency than splitting it up. A degree of decentralisation will serve the purpose satisfactorily. As it is, the Corporation has been divided into five zones and steps are being taken to further decentralise the work in the different zones and in the different gradations of working. The monopolistic character of the Corporation is not going to be materially altered by dividing it into four or five units and letting each unit to compete with one another. As the Corporation is owned by the Centre, it is ridiculous to suggest that one of its units can offer better terms than another. The argument that a monolithic and monopolistic body such as the L.I.C. cannot function efficiently is very true indeed, but the answer to it lies in restoring life insurance to the private sector. But even a State-owned Corporation can function well, provided a large measure of competition from the private sector is permitted. Mr. Morarji Desai contended that there were examples in other countries of insurance companies bigger than the L.I.C. which have maintained the highest standards of efficiency. This is very true, indeed, but in the U.K., for instance, life insurance is a highly competitive business. Again, can it be seriously contended that the L.I.C. is being run on the same lines of efficiency as some of the biggest insurance companies in the U.K.? The latter are not run by persons who have no stake in them and who do not have to face the music before the annual general meetings of shareholders, or periodical meetings of policyholders. Nor are they managed with the help of honorary investment advisers.

Research Department

If the L.I.C. is to succeed, it must have a streamlined administrative machinery, manned by experienced staff of highest integrity and sense of responsibility. It must follow modern, up-to-date business methods in its dealings with the public. It must eschew bureaucratic attitudes. But we wonder how this will be possible in a Government-owned organisation, which has to please many masters. The least that the Corporation can and should do is to have its own investment research department, not merely to draw up charts of fluctuations in share markets or company profits, but also to be on the look-out for sound investments, to assess the prospects for the various shares which it has already bought and to follow developments in the

(*Continued on page 982*)



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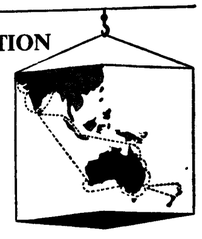

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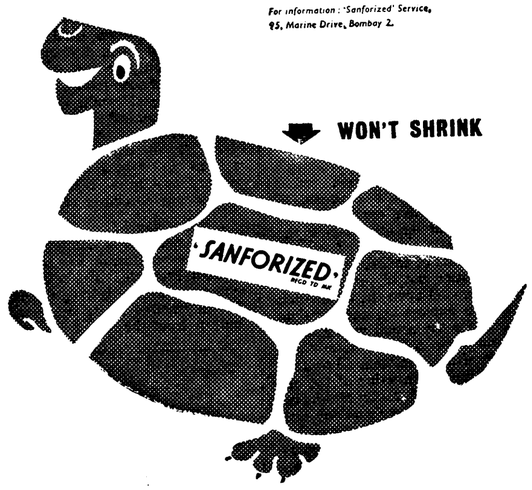



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DEPLETION ALLOWANCE FOR MINING AND OIL INDUSTRY

PROVISIONS IN U.K. AND U.S. TAX CODES

By S. S. Kothari, B.Com., A.T.I.I. (Lond.), F.C.A.

A RESUME of certain tax concessions agreed to be granted by the Government to a leading oil company operating in India, with the object of stepping up the pace of exploration and extraction of oil in this country, was recently given in Parliament by the Deputy Minister of Finance. It was stated that the necessary amending Bill to the Income-tax Act to implement the proposals would be introduced in Parliament in due course.

The principal concessions, according to Press reports, appear to be that a portion of the Company's losses, both revenue and capital, incurred in abortive exploration would be deductible from the Company's income; and that on the company achieving commercial production from its expansion projects, it would be granted as a deduction in the computation of its taxable net profits an additional annual allowance ranging from 25 per cent. to 45 per cent. of its net income obtained from production of oil. This is in the nature of depletion allowance for amortisation of capital expenditure on development, on what is known as the percentage depletion basis. The Company would not be entitled to the tax relief under Section 15C of the Income-tax Act.

That such concessions have been found necessary and the Government has agreed to grant them in a particular case, emphasises the real need for granting depletion allowance to the oil and mining industry in general. The computation of taxable profits of industries without providing for amortisation out of profits of the amount of capital expended upon the acquisition of wasting assets, their exploration and development, is inequitable; for the actual profits of oil and mining operations can only be determined after deducting therefrom depletion allowance in respect of the diminution in value of the oil-well or mine on account of exhaustion of mineral resources contained therein. Provision for such allowance in the income-tax structure would aid the expansion of these basic industries by enabling them to build up tax-free reserves for development of new oilfields and mines in replacement of the exhausted ones.

Depletion Allowance

The U.K. Income-tax Act and the U.S. Internal Revenue Code provide for substantial depletion allowance. It is significant that a large volume of British and U.S. capital has gravitated to the exploitation of mineral and oil resources, and rapid and extensive development of these industries in the home countries and overseas including the Middle East has taken place. Tax concessions have contributed to this development in no small measure.

The absence of allowance for amortisation of capital expenditure affects the finances of mining and oil companies in a detrimental manner; the capital invested in acquiring and developing a mineral property is virtually sunk and lost. The profits, arrived at after deducting current expenses and depreciation of tangible assets from current receipts, include an element of capital representing the value of portion of the mineral resources in the mine used up in earning that income. It follows that the dividend declared out of that income also includes that element of capital which in effect is being returned to the shareholders as a part of the dividend. Of course, it was laid down in *Lee* vs. *Neuchatel Asphalte Co., Ltd.*, that such a return is not prohibited by law. But, the effect is that when the mine or oil-well is exhausted, the shareholders' capital which was represented by the capital expenditure on acquisition and development of the mine or oilfield cannot be recovered, nor can it be replaced except with fresh capital. This emphasises the need for depletion allowance.

The present system of taxation of profits of the mineral industry in India is to tax revenue receipts after allowing revenue expenses, and usual depreciation allowances, including development rebate or initial allowance on plant and machinery. As regards mines worked purely on royalty on production basis, the royalty payable is allowed as an expense. Royalty paid as a share of profit earned, however, is not a deductible expense. Capital expenditure on acquisition of a mine or oilfield, its exploration and development, is not allowed to be amortised tax-free through depletion allowance, nor is expenditure on infructuous exploration allowable.

Output Formula

The U.K. Income-tax Act provides for annual allowance for amortisation of capital expenditure on exploration and development and on construction of works whose value would be reduced to practically *nil* when the mine is exhausted or the foreign concession comes to an end. Expenditure incurred on abortive exploration for mineral deposits is allowable as an expense when the exploration is abandoned. Besides, an investment allowance of 20 per cent. (or initial allowance at the taxpayer's option) is given in respect of capital expenditure on construction of works. Allowance for amortisation of the cost of acquiring a mineral area is, however, limited to such expenditure on mines developed overseas, i.e., outside the U.K. and only to the cost of the first British purchaser of such mines. The Royal Commission on Taxation of Profits and Incomes in the U.K. (1955) recommended that this restriction should be removed and the amortisation allowance be given for all expenditure made after the new system is brought into force for acquiring a mineral area in the U.K. or overseas by a first or subsequent purchaser on the residual value.

The calculation of allowance in the U.K. for amortisation of capital expenditure is in accordance with what has been described as the Output Formula. The allowance for a year is computed by multiplying the capital expenditure by the fraction whose "numerator represents the output from the source in question in the basis period for the year, and the denominator represents the sum of that output and the total potential future output of the source, estimated as at the end of that period." The fraction of any year is not to be less than one-twentieth. In other words, the allowance is taken to be a sum which bears the same proportion to the capital expenditure, as the output for the period in units of minerals produced bears to the sum of the output for the period and the reserves of ores in units in the mines, estimated to be recoverable, at the end of that period, or one-twentieth of the capital expenditure, whichever is greater. This formula enables the recovery of the cost over the total working life of the mine in an equitable manner. The same output formula is applicable for calculating allowance for amortisation of acquisition cost of overseas mines limited to the first U.K. purchaser. The Taxation Enquiry Commission in India considered this formula and has adopted it, while recommending the amortisation of the actual cost of acquiring mineral property and of the capital expenditure on exploration and development.

Cost Depletion Basis

The U.S. Internal Revenue Code, 1954, provides liberal depletion allowance in respect of capital expenditure on acquisition of mineral property. Two distinct methods of calculation of depletion allowance in respect of investment in mineral ore deposits including oil and gas wells, called the "cost depletion" and the "percentage depletion" bases, are laid down, and the assessee has the option each year of adopting the basis which gives him the greater relief.

A reasonable allowance for depletion of mineral resources of mines, their exploration and development, on the cost depletion basis is allowed as a deduction in the computation of taxable income of mines and oil and gas wells. Such depletion allowance is based upon the portion of the acquisition cost of the mine and development expenditure relating to the mineral deposit alone. This adjusted cost or investment (in dollars) is divided by the total number of estimated recoverable units (say tons) of the mineral in the mine at the beginning of the year, thereby giving the dollar amount or value of depletion for each unit sold. The number of units sold during the taxable year is then multiplied by the dollar value of depletion of each unit, and the total value arrived at gives the cost depletion of the assessee, which is the allowance he gets for that year.

Alternatively, the allowance may be a fixed percentage of gross income from the property after deducting rent or royalties paid. The percentage depletion rates vary from industry to industry and range from 27½ per cent. for oil and gas wells, 23 per cent. for sulphur and uranium to 5 per cent. for brick and tile clay, gravel, sand, shale and ordinary stone. It is 15 per cent. for other minerals not specifically mentioned. Such allowance, however, is subject to the proviso that it should not exceed 50 per cent. of the taxable net profits of the property before deducting depletion allowance. The allowance is granted over the full working life of the mine. The assessee may select the cost depletion method or this percentage depletion basis for the year.

Prior to 1st January 1954, when the current 1954 Code came into force, an alternative method of calculation of depletion allowance was in force, viz., "discovery depletion," according to which the fair market value (in place of acquisition cost) of the mine on or within 30 days of the date of discovery, as based on the reserve ore content of the mine, was allowed to be amortised or recouped by the original assessee, who discovered the mine, tax-free by annual allowance. Such allowance was to be calculated in the same manner as in the depletion cost basis, except that the value at discovery was to be substituted for acquisition cost.

Cost depletion method, which is more or less akin to the output formula, appears to be the most equitable, though difficulty may be experienced in calculating the total reserve ore deposits in units in the mine. Subsequent revision of the allowance based on revised estimates of reserve ore may be permitted. These methods enable amortisation free of tax of that portion of the development cost which represents the value of the mineral resources or units exhausted or used up for earning the taxed income during a year. The percentage depletion method is subject to the criticism that the allowance bears no relation to the acquisition cost, as the two limitations are on percentage of gross income and net profits. The result is that the aggregate of allowances over the full working life of the mine may exceed the cost. The discovery depletion method is more liberal than the depletion cost method, but is intended to be in the nature of a reward to the discoverer of a new mine or oil or gas well. This method is also not linked to cost, as it has the fair market value as the basis of calculation.

Revalorisation

Depletion allowance may also be calculated not on the acquisition or historic cost but on the basis of revalorised figures. By revalorisation is implied the adjustment of historic cost figures to reflect change in the purchasing power of money through change in price-level. It involves calculation of the depletion allowance on the basis of acquisition cost and then revising it in accordance with change in the price level—general or sectional; or in adjusting the historic cost on the basis of the price-level and calculating depletion allowance on the adjusted basis. The advantage of this is that the depletion allowance accumulated over the lifetime of the mine, calculated on the basis of revalorised figures, would at the end of the life of the mine, add up to an amount which would be equal to the replacement cost of similar mines. Under the cost depletion method, the accumulated allowance would add up only to the acquisition or historic cost and if the replacement cost of the mine has gone up, the amount would fall short. This method has been adopted to some extent in certain continental countries in granting depreciation allowance on capital assets after revalorisation.

There are, however, certain inherent difficulties in this method. The price-level index fluctuates widely from time to time and revalorisation of the figures of assets would involve changes in the basis of calculation year after year, and uncertainty in revenue estimates of tax would be introduced. Besides, the construction of an accurate and widely acceptable price-level index, and its frequent revision, would be a difficult task, and may hold up tax assessments. From the accounting point of view, the historic cost basis for preparation of accounts is far superior, inasmuch as it ensures consistency in

(*Continued on page 985*)

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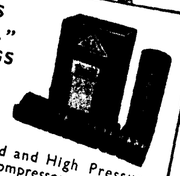

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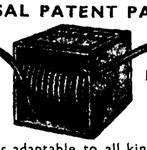

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MC-523

SETBACK IN INDIAN CABLES' PROFIT

MAJOR EXPANSION PROJECTS ALMOST COMPLETE—OUTLOOK FAIRLY BRIGHT

A DECLINE in sales and profit is disclosed by the accounts of the Indian Cable Company Ltd. (Chairman and Managing Director: Mr. B. J. Woodley, Calcutta) for the year ended 31st March 1958. The gross profit, for instance, has suffered a drop of Rs. 48.65 lakhs to Rs. 111.54 lakhs, thus reversing the upward trend noted in the previous three years, during which period the profit grew from a mere Rs. 35.47 lakhs (in 1953-54) to a record high of Rs. 160.19 lakhs in 1956-57. The profit for the year under review is even lower than Rs. 139.13 lakhs earned in 1955-56. The net profit, too, has declined over the year by Rs. 24.23 lakhs to Rs. 36.94 lakhs, the lowest level since 1953-54.

The setback in earnings has been due to (1) the fall in production on account of dislocation caused by resiting existing machinery and installing new plant for the expansion schemes, and (2) the continued steep fall in world price of copper which is the principal raw material required for the Company's production. The decline in profit has not, however, affected the distribution to shareholders, which is being maintained on the ordinary and participating preference shares for the third year in succession at 15 per cent., made up of a dividend of 12½ per cent. and a cash bonus of 2½ per cent. In recommending the same dividend for the year under review, the Directors have taken into consideration "the advisability of keeping a dividend level which can fairly be expected to be maintained on the increased capital which will require servicing in future."

A sum of Rs. 13 lakhs, being the excess provision for taxation made in earlier years, which is now no longer required, has been written back. At the same time, out of the net profit of Rs. 36.94 lakhs, the Directors have set aside Rs. 18.96 lakhs to the various reserves and provisions, leaving a disposable profit of only Rs. 17.98 lakhs. Even without writing back the excess tax provision, the dividend could have been maintained at the aforesaid level, but this would have meant a substantial drawing on the undistributed surplus brought in from previous years.

The writing back of excess tax provision has been rendered possible by the finalisation of the Company's position under Section 23A of the Indian Income-tax Act following the payment of a supplementary dividend of 4 per cent. on both the classes of shares in respect of the year ended 31st March 1956. Notwithstanding the steep fall in prices of copper in the world market, the Directors have not considered it necessary to draw any amount from the basic stock reserve of Rs. 30 lakhs which had been built up in earlier years to provide as a cover against any unduly adverse effect on trading from violent fluctuations in the copper market.

A synoptic view of the profit and loss accounts for the past four years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds	6,88.53	6,97.45	6,14.85	4,99.03
Closing stocks of finished goods and work-in-progress ..	48.48	60 59	46 29	38 74
Other income	9.77	11 19	4 50	0 06
Materials consumed ..	3,56.22	3,96.39	3,48 48	3,11 22
Other expenses including purchases of goods ..	2,80.28	1,66 83	1,40 69	81 92
Gross profit	1,11 54	1,60 19	1,39 13	90 10
Directors' commission ..	2 00	2 85	3 07	1 96
Depreciation	16 99	15 67	14 47	10 90
Taxation	55 00	79 50	68 00	33 02
Net profit	36 94	61 17	55 59	44 21
Debenture issue expenses ..	..	..	0 01	2 44
To reserves and provisions ..	18.96	26.53	25.66	11.76
Excess tax provision written back	13.00	..	..	..
Dividends—				
Preference	1 93	1 93	1 93	1 61
Ordinary	22 93 (D. 12½% +B. 2½%)	22 93 (D. 12½% +B. 2½%)	22 93 (D. 12½% +B. 2½%)	19 11 (D. 10% +B. 2½%)
Carry forward	41.30	35.19*	33.04	23.96

* After paying Rs. 6.68 lakhs as supplementary dividend at 4 per cent. on participating preference shares and ordinary shares in respect of the year 1955-56.

The shrinkage in production due to dislocation in works is fully reflected in the decline in sale proceeds, closing stocks and materials consumed during the year under review. The rise in expenses is accounted for mainly by purchases of goods which have gone up by Rs. 38.80 lakhs, duty, dock clearance and freight (Rs. 9.75 lakhs) and salaries, wages and bonus (Rs. 9.44 lakhs).

The decline in profit has naturally meant a cut in allocation to various reserves and provisions. The transfer to the general reserve has been pruned from Rs. 10 lakhs to Rs. 3.75 lakhs and the provision for bad and doubtful debts from Rs. 10 lakhs to Rs. 4 lakhs. The allocation to the latter has brought the total provision as at the end of the year to Rs. 20 lakhs, as against an outstanding sum of Rs. 38.42 lakhs under this head. Nevertheless, the Directors feel that this provision should be sufficient "to cover all contingencies under this head." It may be noted, in this connection, that a sum of Rs. 11.38 lakhs was due to this Company from F. & C. Osler (India) Ltd. In response to the Company's application claiming this sum from the latter, the Calcutta High Court has issued an order, by consent, for the winding-up of F. & C. Osler. The operation of the order has been kept in abeyance till 15th January 1959 to enable the parties to arrive at a settlement for the payment of the debt to the petitioner.

To revert to the allocations. A debenture redemption fund has been created with an initial transfer of Rs. 3 lakhs and, in accordance with the provisions of the Finance Act, 1958, a sum of Rs. 1.25 lakh has been set aside to the development rebate reserve. In consonance with the policy established two years ago, a further sum of Rs. 5 lakhs has been added to the reserve for replacement of fixed assets.

The Company's excellent financial position can be judged from the following synopsis of its latest balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital (paid-up) ...	1,65,76,970	Gross block	2,56,09,150
Reserves and surplus ...	2,00,30 205	*Less*—Depreciation ...	1,03,47,239
Secured loans	1,45,78,981	Net block ...	1,52,61,911
Current liabilities and provisions	2,04,29,625	Current assets	4,19,53,413
		Debts and deposits ...	1,22,13,247
		Cash ...	21.87,210
Rs.	7,16,15,781	Rs.	7,16,15,781

Since the close of the year (in June 1958) the Company has raised the capital by issuing 828,848 new ordinary shares of Rs. 10 each at par, in order to provide the necessary additional working capital required for the increased production resulting from the expansion projects. The additions to the fixed assets during the year amount to Rs. 29.96 lakhs.

The following main points from the Chairman's statement appended to the Directors' report will give an idea of the Company's growth prospects:

(1) The second phase of expansion of the rubber insulated cable factory has almost been completed. This factory has already passed the maximum level of production previously obtained and will achieve a considerable increase over that level by the middle of 1959, when the expansion should have been fully implemented; (2) the Company has earned the distinction of being the first one to make paper insulated power cable. This unit has now successfully produced paper insulated cables of 1 100 volts, 3.3 kv., 6.6 kv. and 11 kv. (working voltages) of an aggregated length of over 130,000 yards; (3) all the plant for the new engineering division has been installed and the Company is now equipped to carry out the complete maintenance of all its production machines, as also to manufacture certain spare parts and the smaller types of production machines: (4) the contract department has successfully completed the installation and commissioning of about 250 miles of tele-communication cables for the Eastern Railway Electrification Project and the complete electrical installation for the steel melting shop with its seven new furnaces for the T.I.S.Co. 2 million-ton project; (5) other contracts include the cabling of the 90 m.w. thermal station at Korba which is to feed the Bhilai steel project and the complete electrical installation for the Barsua iron mines feeding the Rourkela steel project; (6) the Company's order book is full and production of certain items is already earmarked for supply after the end of 1959; (7) provided that raw materials, particularly copper, continue to be made available to it in adequate quantities, there is no reason why the Company should not maintain good results.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 28 26 *cum-div.* On an *ex-div.* basis, the shares provide a yield of 5.6 per cent. per annum, free of tax.

TITAGHUR'S PROFIT LOWER

DISTRIBUTION ON SHARES MAINTAINED

DESPITE a smart rise in sale proceeds, following higher production and maintenance of cordial labour relations, the working of the Titaghur Paper Mills Company, Ltd. (Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta), during the year ended 31st March 1958 has resulted in a decline in profit. This is due to a sharp rise in manufacturing and other expenses unaccompanied by a corresponding rise in the selling price of paper. It is thus clear that the profit margin of the Company was narrower than in the previous year. The gross profit at Rs. 116.18 lakhs has dropped by Rs. 4.95 lakhs from Rs. 121.13 lakhs for 1956-57. It is, however, a shade better than Rs. 116.01 lakhs for 1955-56 and substantially higher than Rs. 91.21 lakhs for 1954-55. But these improvements must be attributed mainly to the steps taken by the Company to improve production through modernisation and expansion.

The net profit, after paying the Managing Agents' commission and after providing for depreciation and taxation, also stands lower at Rs. 34.43 lakhs, as compared with Rs. 41.11 lakhs earned a year ago. The decline here is greater (16 per cent.) than that (4 per cent.) in the gross profit. The sum available for distribution has, however, been strengthened by a sum of Rs. 9.72 lakhs, being the amount received from the Trustees of the pension funds on winding-up entirely the Indian clerical staff pension fund and in part the Indian workers' pension fund. From this amount, the Directors have set aside Rs. 15.21 lakhs to the various reserves. This is lower as compared with Rs. 29.25 lakhs conserved in the previous year. A breakdown of the year's provisions discloses that, reserve for taxation contingencies takes up Rs. 4.75 lakhs, statutory development reserve Rs. 3.46 lakhs and reserve for new mill project Rs. 7 lakhs. The Directors have proposed a dividend of 23¾ per cent. on the ordinary shares, which is the same as that in the previous year, consisting of a dividend of 17½ per cent. and a bonus of 6¼ per cent.

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

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds	8,10.43	7,03.92	6,44.86	4,89 68
Closing stocks	12.76	16.80	25.06	29 75
Other income	7.00	4.77	5.71	5.14
Manufacturing and other expenses	6,97.51	5,71.68	5,29 89	4,31 31
Gross profit	1,16.18	1,21.13	1,16 01	91 51
Managing Agents' commission..	9.08	9.81	8.02	6.29
Provision for—				
Depreciation	24.62	24.15	15.56	11.48
Taxation	48.05	45.06	32.50	22.00
Net profit	34.43	41.11	59.93	47.40
Provisions written back ..	9.77	33 84	..	..
Amounts written off ..	0.05	23.86	..	..
To general reserve ..	..	..	1.00	6.25
other reserves and funds ..	15.21	29.25	32.75	19.85
Dividends—				
Preference and preferred ordinary ..	2.03	2.03	2.03	2.03
Ordinary	26 67 (D. 17½% +B. 6¼%)	26 61 (D. 17½% +B. 6¼%)	23 80 (D. 15½% +B. 5%)	19 50 (D. 15% +B. 2½%)
Carry forward	1.17	0.93	1.23	0.89

Sales during the year under review fetched Rs. 8.10 crores, as compared with Rs. 7.04 crores for 1956-57. As stated earlier, the effect of this increase on profits was offset by a sharp advance in expenses from Rs. 5.72 crores to Rs. 6.97 crores. Of this, raw materials, chemicals and dyes consumed accounted for a rise from Rs. 176.91 lakhs to Rs. 221.02 lakhs and excise duty from Rs. 65.20 lakhs to Rs. 111.02 lakhs.

It will be seen that the provision for taxation has absorbed Rs. 2 lakhs more than it did in 1956-57. The transfer to depreciation also is a shade higher.

During the year under review, the mills continued to work to full capacity and a new peak in production was established.

The Directors report that, following the recommendations of an industrial tribunal, a workers' grading scheme was implemented on 1st April 1958. The Company will, therefore, have to meet an increased wage bill from the current year onwards. The increase in production during the year under review is attributed to the satisfactory progress made with renovations. It is stated that delivery periods from machinery manufacturers have shown a tendency to shorten. Stocks of bamboo and coal, however, fell to low levels on a few occasions, but, on the whole, conditions on the railways bringing supplies to the mills have recorded improvement. The land question for the Choudwar Mill still remains to be resolved. Nevertheless, it is reported, construction has continued. The Supreme Court is expected to take up the case at the end of 1958 or early in 1959. Advantage was taken of the closing down of the Standard Jute Mill to purchase the land and property in order to extend the mill area at Titaghur.

The financial position of the Company, as disclosed by the balance-sheet as at 31st March 1958, is strong. The reserves and surplus aggregate Rs. 386.84 lakhs, as against a paid-up capital of Rs. 142.92 lakhs. The current liabilities stand at Rs. 365.32 lakhs and include a provision of Rs. 80.59 lakhs for taxation. As against these, there are current assets aggregating Rs. 484.43 lakhs of which stocks at cost account for Rs. 243.47 lakhs, sundry debtors considered good for Rs. 79.46 lakhs and loans and advances for Rs. 147.10 lakhs. The gross block of the value of Rs. 669 lakhs, including an addition of Rs. 58.77 lakhs during the year, has been written down to a book value of Rs. 295.17 lakhs. Capital work in progress amounts to Rs. 111.03 lakhs and jobs completed but not in operation regarding Choudwar Mill Rs. 4.45 lakhs.

The Rs. 10 paid-up ordinary shares of the Company are currently quoted at Rs. 42.75 *ex-div.*, at which rate the yield works out to 5.5 per cent. per annum, free of tax.

COMPANY MEETINGS AND DIVIDENDS

INDIAN STEEL AND WIRE PRODUCTS LTD. Annual General Meeting, Calcutta, 22nd December 1958. Dividend: Rs. 4.00 per share, on ordinary shares of Rs. 10 each (includes cash bonus of Re. 1.00 per share) and Re. 0.40 per share, on ordinary partly-paid shares of Re. 1.00 each (includes cash bonus of Re. 0.10 per share), payable on or after 10th January 1959. Transfer books remain closed from 2nd to 22nd December 1958, both days inclusive.

GILLANDERS ARBUTHNOT AND CO., LTD. Annual General Meeting, Calcutta, 23rd December 1958. Dividend: 10 per cent. or Re. 1.00 per share. Transfer books will remain closed from 15th to 23rd December 1958, both days inclusive.

KINGSLEY GOLAGHAT ASSAM TEA CO., LTD. Annual General Meeting, Calcutta, 24th December 1958. Transfer books will remain closed from 17th to 24th December 1958, both days inclusive.

FERTILISERS AND CHEMICALS, TRAVANCORE LTD. Annual General Meeting, Eloor, Alwaye, Kerala State, 26th December 1958. Dividend: *Nil*. Transfer books will remain closed from 15th to 31st December 1958, both days inclusive.

HUKUMCHAND JUTE MILLS LTD. Annual General Meeting, Calcutta, 29th December 1958. Dividend: Re. 1.50 per share. Transfer books will remain closed from 17th to 29th December 1958, both days inclusive.

RAMPUR DISTILLERY AND CHEMICAL CO., LTD. Annual General Meeting, Rah-e-Raza, Rampur, 30th December 1958. Dividend: 3 per cent. or Re. 0.30 per share, payable on or after 14th January 1959. Transfer books will remain closed from 17th to 31st December 1958, both days inclusive.

BOKARO AND RAMGUR LTD. Annual General Meeting, Calcutta, 30th December 1958. Transfer books will remain closed from 19th to 30th December 1958, both days inclusive.

ORIENT PAPER MILLS LTD. Annual General Meeting, Calcutta, 30th December 1958. Dividend: Re. 1.50 per share, payable on or after 20th January 1958. Transfer books will remain closed from 8th to 30th December 1958, both days inclusive.

CONSOLIDATED COFFEE ESTATES (1943) LTD. Annual General Meeting, Pollibetta, 30th December 1968. Dividend: 20 per cent. or Rs. 2.00 per share, free of income-tax. Transfer books will remain closed from 16th to 30th December 1958, both days inclusive.

COFFEE LANDS AND INDUSTRIES (MYSORE) LTD. Annual General Meeting, Pollibetta, 30th December 1958. Dividend: 20 per cent. or Rs. 2.00 per share, free of income-tax. Transfer books will remain closed from 16th to 30th December 1958, both days inclusive.

ROHTAS INDUSTRIES LTD. Annual General Meeting, Dalmianagar, 30th December 1958. Dividend: Rs. 2.00 per share. Transfer books will remain closed from 25th to 30th December 1958, both days inclusive.

BALMER LAWRIE AND CO., LTD. Interim dividend of 5 per cent. or Rs. 5.00 per share, for the year ending 31st December 1958, payable on or after 23rd December 1958. Transfer books will remain closed from 17th to 23rd December 1958, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Interim dividend of Rs. 2.50 per share, for the year ending 31st December 1958. Transfer books remain closed from 10th to 19th December 1958, both days inclusive.

DELTA JUTE MILLS CO., LTD. Interim dividend of Rs. 2.00 per share, for the year ended 30th November 1958. Transfer books remain closed from 10th to 19th December 1958, both days inclusive.

CALEDONIAN JUTE MILLS CO., LTD. Interim dividend of Rs. 3.00 per share, for the year ended 30th November 1958. Transfer books remain closed from 10th to 19th December 1958, both days inclusive.

INDIA STEAMSHIP REPORTS IMPRESSIVE RESULTS

PROFIT AND FREIGHT EARNINGS A RECORD

YET another year of highly encouraging results has been annexed by the India Steamship Company, Ltd. (Managing Agents: Messrs. Lionel Edwards (Private) Ltd., Calcutta), to its record of innings. The year referred to is the one ended 31st March 1958. The results are excellent from every angle. The freight earnings have made a big stride over the record level reached in the previous year, thus taking them to a new impressive peak. Simultaneously with this and, despite the sharp rise in expenses, the profits have also gone up substantially and reserves have been considerably strengthened. It is true that, according to the Directors themselves, "the year under review was an exceptionally favourable one." Nevertheless, the highly gratifying results are, in a large measure, due to the Company's excellent management, for which the Directors can take full credit.

The Company's gross profit at Rs. 253.63 lakhs represents a striking increase of Rs. 86.55 lakhs or 51.8 per cent. over Rs. 167.08 lakhs for the previous year. It may be noted here that the previous year's profit itself was a record, having exceeded the erstwhile peak at Rs. 89.14 lakhs for 1955-56. The net profit at Rs. 162.97 lakhs has also gone up substantially from Rs. 92.22 lakhs for the previous year, the percentage of increase being 56.4. This increase is not as a result of any marked cuts in the essential provisions. It is true that the provision for taxation at Rs. 12 lakhs is Rs. 3 lakhs less than that in the previous year, but the transfer to depreciation has been raised by Rs. 11 lakhs. The low level of tax provision is apparently due to the high initial depreciation allowances and development rebate which for a shipping company is greater than that for other industrial enterprises.

The 1958 Finance Act requires companies eligible to development rebate to set aside at least 75 per cent. of the development rebate out of the profit, in case the profit is more than the rebate claimed. Accordingly, the Directors have set aside Rs. 53.37 lakhs, as against *nil* last year, to development rebate reserve. Notwithstanding this compulsory addition to the reserves, the Directors have made no reduction in the customary transfers to reserves. On the contrary, they have increased the allocations. Thus, they have credited the general reserve and dividend equalisation reserve with Rs. 40 lakhs and Rs. 28.25 lakhs, respectively, as compared with Rs. 35 lakhs and Rs. 23.75 lakhs, respectively a year ago. Further, they have raised the transfer to the fleet replacement reserve from Rs. 7.26 lakhs to Rs. 9.96 lakhs. The total amount ploughed back is no less than Rs. 131.58 lakhs, equal to 80.7 per cent. of the net profit.

Out of an increase of Rs. 70.75 lakhs in the net profit, the Directors have utilised no less than Rs. 65.57 lakhs for enhancing the transfers to reserves. This leaves Rs. 5.20 lakhs, which they could have used for raising the dividend to shareholders by, say, 2 per cent., that is, from 10 to 12 per cent. But they have resisted that temptation and only maintained it at 10 per cent. By doing so, they have abided by the Government's desire that shipping companies should conserve their profits rather than pay higher dividends, *vide* Mr. Lal Bahadur Shastri's speech at the last annual meeting of the Indian National Shipowners' Association. This is, indeed, a commendable action on the part of the Company's Directors, whose Chairman, Dr. A Ramaswami Mudaliar, has played a notable part in securing valuable concessions from the Government for shipping.

Although the dividend has only been maintained at 10 per cent., the sum required to meet it is higher by Rs. 2.25 lakhs at Rs. 24.75 lakhs owing to the capitalisation of the share premium account amounting to Rs. 22.50 lakhs by the issue of bonus shares in the proportion of one new ordinary share for every ten shares held. Nevertheless, the amount left to be carried forward is very much higher at Rs. 8.09 lakhs, as against Rs. 2.71 lakhs brought in.

The table below brings out the salient features of the Company's working during the year under review, against the background of those for the preceding three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1958	1957	1956	1955
Freight earned	7,75 04	6,00 17	5,26 12	4,01 00
Other income	12 63	4 87	2 22	1 72
Expenses	5,34 04	4,37 96	4,39 20	3,75 86
Gross profit	2,53 63	1,67 08	89 14	26 87
Managing Agents' commission..	19 29	11 50	8 91	2 69
Depreciation	59 37	48 36	41 50	22 88
Taxation	12 00	15 00	1 00	0 45
Net profit	1,62 97	92 22	37 73	0.85
Transfer to reserves ..	1,31 58	66 01	15 00	..
Dividends—				
5% cum. preference	1 25	1 25	1 25	1.25
Ordinary	24 75 (10%)	22 50 (10%)	22 50 (10%)	..
Carry forward	8.09	2.71	0.26	1.28

The Company's freight earnings during the year under review amounted to Rs. 775.04 lakhs. This is said to be the highest amount earned so far, having gone up by as much as Rs. 174.87 lakhs over Rs. 600.17 lakhs for the previous year. Income from other sources has also risen from Rs. 4.87 lakhs in 1956-57 to Rs. 12.63 lakhs. As against such larger incomes, expenses have sharply risen from Rs. 437.96 lakhs to Rs. 534.04 lakhs. Salaries, wages and other staff welfare expenses alone have advanced from Rs. 47.64 lakhs to Rs. 59.06 lakhs. Similarly, port expenses (including marine dues, light dues, customs, etc.), have moved up from Rs. 185.82 lakhs to Rs. 209 95 lakhs, bunkers from Rs. 64.44 lakhs to Rs. 88.93 lakhs and repairs and maintenance of fleet from Rs. 28.92 lakhs to Rs. 36.97 lakhs.

Referring to the Company's working during the year under review and the prospects for the current year, the Directors state thus:

"During the period under review, 13 vessels of the Company were employed in the liner service in the India/U.K./Continent run and the India/Black Sea route. S.S. *Indian Commerce* was also employed in the Coastal trade of India; besides coastal cargo was also carried in our overseas vessels. In pursuance of the policy of the Company for expansion of its fleet, one more new vessel, m.v. *Indian Security*, which was built and delivered by Messrs. Howaldtswerke, Hamburg, in March, 1958, was added to the fleet. The earning of this ship has not been reflected in the freight earned during the year under review. According to the present programme, two more new ships will be added to the fleet of the Company by the end of this year and another three in the course of the next year.

"The year under review was an exceptionally favourable one. The general recession in international trade from the beginning of 1958 has had its effect on the international freight market both in the volume of the trade and in its value. There are, however, indications that the trend towards less volume of trade and lower freights has been to some extent arrested. Your Directors, therefore, do not take a pessimistic view of freight earnings in the current year."

The paid-up capital of the Company as at 31st March 1958 stands at Rs. 272.50 lakhs, having gone up from Rs. 250 lakhs at the end of 1956 57 by the issue of bonus shares referred to earlier. This is made up of 25,000 five per cent. tax-free redeemable cumulative preference shares of Rs. 100 each and 2,475,000 ordinary shares of Rs. 10 each. The paid-up capital is supplemented by reserves and surplus aggregating Rs. 291.95 lakhs, of which the general reserve alone accounts for Rs. 140 lakhs. Besides this, there is a reserve for taxation of Rs. 35 lakhs. Loans secured from the Government of India by mortgage of ships included in fleet account have gone up from Rs. 7.98 crores to Rs. 8.21 crores. The current liabilities amount in all to Rs. 254.14 lakhs and are inclusive of incomplete voyages of Rs. 105.71 lakhs. There was an addition of Rs. 344.66 lakhs to the fleet account during the year, bringing it to a total gross value of Rs. 13.41 crores which, along with other assets, bring the total value of the block account to Rs. 15.19 crores. This has been written down to a book value of Rs. 11.86 crores. The current assets aggregate Rs. 4.89 crores.

The Rs. 10 fully paid-up ordinary shares of the Company are currently quoted at Rs. 14.69 *ex-div.*, at which rate, the shares provide a yield of 6.7 per cent. per annum.

AHMEDABAD ADVANCE MILL REPEATS DIVIDEND

RESULTS OF INDIAN STEEL AND WIRE PRODUCTS

Ahmedabad Advance Mills Ltd.

THE directors of the above Company (Managing Agents: Tata Industries Private Ltd., Bombay) present the audited accounts of the Company for the year ended 30th June 1958.

The gross profit for the year before providing for bonus, depreciation and development reserve amounted to Rs. 4.28,612 (Rs. 2 54,066). Deducting therefrom bonus provision Rs. 1,25,000 (Rs. 1,00 000), depreciation Rs. 1,50,000 (Rs. 1,50,000) and development reserve Rs. 1,00,000 (*nil*) the profit comes to Rs. 53,612 (Rs. 4.066). To this is added the balance brought forward from the previous year's accounts of Rs. 11,155 (Rs. 17,089), transfer from general reserve Rs. *Nil* (Rs. 2,50.000) and transfer from general reserve No. 1 for payment of the proposed dividends for 1957-58 Rs. 2,50,000 (*Nil*) making a total amount available for disposal of Rs. 3,14,767 (Rs. 2 71,155). From this sum the directors have made the following appropriations:

To general reserve No. 2 Rs. 28,612 (*nil*) and to gratuity reserve Rs. 25,000 (Rs. 10,000). The directors have also recommended the following dividends for the year ended 30th June 1958, to be paid if declared by the shareholders: On preference shares at Rs. 5 (Rs. 5) per share free of income-tax, absorbing Rs. 50.000 (Rs. 50,000) and on ordinary shares at Rs. 5 (Rs. 5) per share without deduction of income-tax, absorbing Rs. 2,00,000 (Rs. 2,00,000) leaving to be carried forward Rs. 11,155 (Rs. 11,155).

The directors regret that the result for the year has been a disappointing one, even though the gross profit at Rs. 4,28.612 shows some improvement over that of the previous year. The poor result is mainly attributable to continued depression in the cloth trade and the rise in the cost of production—especially due to substantial increase in the prices of fuel, colours, chemicals and other stores, without any compensating increase in the value of manufactured goods. During the first half of the year, demand for cloth was extremely poor and there was heavy accumulation of stocks. Realising the gravity of the situation, the Government, while levying the additional excise duty to replace sales tax, announced, as a temporary measure, a reduction of six pies per square yard in excise duty on medium cloth, from the middle of December 1957. This measure, though inadequate to counter the paralysing effect of the excessively high rate of excise duty imposed in September 1956, did give a fillip to demand, and mills were able, by the end of January 1958, to reduce to some extent the burden of excess stocks.

In the accounts of the year the directors have transferred a sum of Rs. 6,87,067 from the general reserve to general reserve No. 1 and the balance of Rs. 12.12.933 from the general reserve to general reserve No. 2. This splitting of the general reserve into two parts has been done with the object of segregating in general reserve No. 1 profits which have already been taxed and which are available (if required) for payment of non-taxable dividends. General reserve No. 2 consists of other profits of the Company, viz., profits which have either not been taxed or which for income-tax purposes have been deemed to have been utilised for payment of non-taxable dividends in the past.

The profit being inadequate, the managing agents have kindly agreed to forgo their minimum commission of Rs. 50,000. For the same reason, it has not been possible to provide full depreciation for the year.

The supplies of Indian cottons during the year were sufficient, but prices were comparatively higher and the quality poorer than in the previous year. This was particularly the case in the Bombay State from where the Mills get the bulk of its Indian cottons. The supplies of all foreign cottons were insufficient, because of restricted imports on a quota basis, owing to the acute shortage of foreign exchange.

The mills' reorganisation and modernisation programme was carried a stage further during the year, involving a capital expenditure of about Rs. 17,00.000 on buildings and machinery. The installed capacity of the mills is 49,144 spindles and 1,016 looms.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Gross block	1,89,92,976
Debentures	30.00 000	*Less*—Depreciation ...	69.55.118
Reserves ...	27,78.612		
Provision for taxation	75 486	Net block ...	1,20,37,858
Liabilities	1,36,22 688	Machinery uninstalled ...	26,698
Profit and loss account ...	11,155	Stock-in-trade	82,03,641
		Stores and loose tools	14,08,417
		Debts, deposits and advances ...	15.08 011
		Investments	8.40 388
		Cash ...	4.62.928
Rs.	2,44 87 941	Rs.	2,44 87 941

Indian Steel and Wire Products Ltd.

The directors of the above Company (Managing Agents: Messrs. Indra Singh and Sons Private Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st March 1958.

Following last year's pattern, the accounts have been drawn up to conform to the requirements of the Companies Act, 1956. The provision for payment of the wealth tax and the several increase in the manufacturing costs that have taken place during the year including increase in railway freight, wages and raw material costs have affected the results of the current year which show a further decline than what was reported last year. In particular, the increase of excise duty by the Government of India and of the cost of raw materials have materially contributed to those results. In addition, the increase in coal price and the consequent increase in power and fuel costs have also had their effects. Taking these factors into consideration, although the total sales figure is much higher, the actual tonnage of finished products is comparatively lower.

The net profit of the Company for the year, after providing for depreciation, taxes, bonus, managing agents' remuneration and also making provision for gratuities and development rebate amount to Rs. 18,40.630 (Rs. 24,12.799) to which is added the amount brought forward from last year's account of Rs. 9,45,363 (Rs. 9,71,508) making a total of Rs. 27,85.993 (Rs. 1,27.27,789 including Rs. 93,43,482 being excess provision made in respect of depreciation; taxation, etc., for previous year). The directors have made the following appropriation out of the above sum.

To proposed dividends Rs. 9,67,974 (Rs. 9,67,974) and to proposed cash bonus Rs. 3.22,658 (Rs. 3,22,658) leaving a balance to be carried forward of Rs. 14,95.361 (Rs. 9,45.363 after transferring Rs. 18.00,000 to general reserve; Rs. 38.16,794 to reserve for depreciation and Rs. 48,75,000 to deferred taxation reserve). The directors recommend the following dividends and also cash bonus for the year ended 31st March, 1958 to be paid, if declared by the shareholders at the annual general meeting, from the amounts set aside for the proposed dividends and cash bonus:—

A dividend at the rate of Rs. 3 (Rs. 3) per share, free of income-tax, on ordinary fully-paid shares and at the rate 30 (30) nP per share on ordinary partly-paid shares of the Company for the year ended 31st March 1958 absorbing Rs. 9 67,974 (Rs. 9,67,974) and a cash bonus at the rate of Re. 1 (Re. 1) per share, free of income-tax, on ordinary fully-paid shares and at the rate of 10 (10) nP per share on ordinary partly-paid shares of the Company absorbing Rs. 3,22,658 (Rs. 3,22,658).

Labour.—As already reported in last year's report, the Award of the Industrial Tribunal, Bihar in the Industrial Dispute referred to the said Tribunal has been implemented. In addition thereto, the administration, of its own accord, granted an *ad hoc* increment of annas four in the daily rates of employees whose daily rates were up to Rs. 3 and one slab of increment to the clerical staff. In terms of the Award of the Industrial Tribunal referred to above annual bonus is to be paid to the employees on the basis of four and a half months' basic wages as in the preceding two years. The directors have provided a sum of Rs. 6,02,080 for the year under report as annual bonus to be paid to the employees.

General.—With the Tata Iron and Steel Company's expansion programme nearing completion and the other major steel producing units racing against time to commence production and the numerous re-rolling mills that have been and are being installed at various vital centres it has become imperatively necessary for this Company not only to accelerate its expansion programmes with the least possible delay but also to devise ways and means whereby redundant operations could be eliminated as also to commission labour-saving devices so as to bring down the manufacturing costs within reasonable limits which will enable the Company to face successfully the growing competition in the line of its products. In this connection, Sardar Ajaib Singh, one of the directors, proceeded to the Continent during August 1957 to have preliminary discussions with the manufacturers of machinery necessary for modernising the Company's Works.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	32.26.580	Gross block	2,15,50,769
Reserves ...	3,11,02,205	*Less*—Depreciation ...	1,37.16,227
Provision for taxation ...	33.56 414	Net block ...	78,34,542
Liabilities ...	75.65,071	Stock-in-trade	29,74,086
Profit and loss account ...	14,95,361	Stores and spare parts	37,02,989
		Debts, deposits and advances ...	91,03,571
		Investments	51.66 530
		Cash ...	1,79.63,933
Rs.	4,67,45,631	Rs.	4,67,45,631

Vellore Electric Corporation Ltd.

The directors of the above Company [Managing Agents: Messrs. Chandrie and Co. (Private) Ltd., Madras] present the audited accounts of the Company for the year ended 31st March 1958.

Progress.—The working of the Corporation during the year under review has shown further progress in all directions. During the year under report the capital expenditure incurred on rural and other extensions and system improvements amounted to Rs. 4.9 lakhs. The Company's transmission and distribution systems were maintained well. Twenty miles of H.T. lines and 49 miles of L.T. lines were added to the system and 11 additional substations were erected and commissioned during the year. The following statement indicates the progress made during the last two years:—

	1956-57	1957-58
Total units purchased in K.W.H. ..	1,23,32,892	1,48,44,560
Total units sold in K.W.H. ..	1,07,82,055	1,31,81,511
Cost of units purchased in rupees ..	4,37,162	5,40,820
Gross revenue in rupees ..	10,91,677	13,05,080
No. of villages electrified ..	41	54
No. of consumers connected ..	9,702	10.610
H.T. Transmission lines:		
Overhead in miles	45.07	65.07
Underground in miles ..	1.50	1.50
L.T. Transmission lines:		
Overhead in miles	153.58	202.58
Underground in miles ..	8.31	8.31
Transformer substations ..	54	65
Maximum demand in K.Ws.:		
Vellore	1,580	1,690
Ranipet	1,500	1,680

The Company's tariff rates were slightly varied during the year owing to introduction of decimal coinage system.

The villages of Krishnavaram, Kaniambadi, Nelvoy, Pangalathu, Tengalatham, Puttuthakku, Kannikapuram, Narayanavaram and Kilminnal have been electrified during the year under review.

The profit and loss account shows a profit of Rs. 80,878 (Rs. 96,910) after providing for reserve for depreciation as per Supply Act Rs. 1,12,661 (Rs. 1,03,886), provision for income-tax, super-tax and wealth tax Rs. 40,000 (Rs. 30,000), provision for development reserve Rs. 41,440 (*nil*), provision for staff gratuity reserve Rs. 15.000 (Rs. 500) and provision for contingent reserve ½ per cent. Rs. 8,260 (Rs. 6,888). To this is added the profit brought forward from previous year after payment of dividends on ordinary and preference shares for 1956-57 of Rs. 2,39,655 (Rs. 1,45,068). After transferring to consumers' fund account Rs. 50,625 (*nil*) and taking into account the refund from Income-tax Department Rs. 3,171 (Rs. 45,177) there is a total available balance of Rs. 2,73,079 (Rs. 2,87,155). The interim dividend of 3 (*nil*) per cent. less tax on preference shares and 5 (*nil*) per cent. tax free on ordinary shares declared for 1957-58 absorbs Rs. 23,750 (*nil*). Out of the balance of Rs. 2,49,329 (Rs. 2.87,155) the directors now recommend the payment of a final dividend of 3 (6) per cent. less tax on preference shares and 5 (10) per cent. tax free on ordinary shares for the year ended 31st March 1958 which will absorb Rs. 23,750 (Rs. 47,500) leaving a balance to be carried forward of Rs. 2,25,579 (Rs. 2,39,655).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,25,000	Gross block	32,88,648
Reserves ...	7,51,747	*Less*—Depreciation ...	8,56,797
Provision for taxation ...	41,965	Net block ...	24,31,851
Liabilities ...	17,71,241	Stores, tools, etc. ...	2,82,734
Profit and loss account ...	2,25,579	Debts, deposits and advances ...	2,14,194
		Investments	63,453
		Cash ...	3,16,696
		Miscellaneous expenditure and losses	6,604
Rs.	33,15,532	Rs.	33,15,532

Grob Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1957.

The following table shows the total crop made and the quantities sold for export and internal consumption:—

Gardens			*In Calcutta for export* Maunds	*In Calcutta for internal consumption* Maunds	*Total* Maunds
Doyang ..	..	..	4,848	1,672	6,520
Desoke ..	..	..	5,312	544	5,856
Kanu ..	..	..	9,195	2,085	11,280
Total	..		19,255	4,401	23,656

The average price per lb. realised was Rs. 2.18 nP as compared with Rs. 2.40 nP per lb. obtained for the previous season's crop of 24,712 maunds.

The revenue account shows a profit of Rs. 8,42.127 (Rs. 15,96.573) and after deducting from this: gratuity and pension Rs. 3,627 (Rs. 5.257), staff commission and bonus Rs. 37,805 (Rs. 1,10,601), managing agents' remuneration Rs. 66,591 (Rs. 1,45.803), provision for taxation Rs. 2,35,000 (Rs. 4,75,000), depreciation Rs. 1,75,654 (Rs. 1,28,426), initial contribution to superannuation fund Rs. 18,315 (*nil*), short provision of labour bonus, 1953-54, 1955 and 1956 Rs. 4,795 (Rs. 18,380 for 1953-54), there is a balance of Rs. 3,00,340 (Rs. 6,55,640 after deducting loss on sale of machinery and other minor items). To this amount is added the profit on sale of machinery Rs. 3,950 (Rs. 3,500), adjustment of Managing Agents' commission Rs. 2,012 (*nil*), stores written off in earlier years, now written back Rs. 6,628 (*nil*) and excess provision of liabilities in respect of previous year, no longer required Rs. 5,282, making a total of Rs. 3,18,212 (Rs. 6,63,181 after adding interest on investments Rs. 3,046 and dividends forfeited Rs. 995). After adding to this the adjusted credit balance of Rs. 1,04,298 (Rs. 38,571) brought forward from the previous year, there is a credit balance of Rs. 4,22,510 (Rs. 7,01,752) on profit and loss account. An *ad-interim* dividend of 25 (10) per cent. for season 1957, without any deduction for income-tax paid by the Company was declared by the directors payable to the shareholders registered as on 6th October 1958, and after deducting the amount of this dividend, viz., Rs. 2,75,681 (Rs. 1,10,272) there remains a credit balance of Rs. 1,46,829 (Rs. 5,91,480) on profit and loss account which is proposed to be dealt with as follows:—

Place to buildings and machinery reserve account Rs. 50.000 (Rs. 2,50,000) and carry forward Rs. 96,829 (Rs. 93,367 after paying a final dividend of 22½ per cent. absorbing Rs. 2,48,113). The directors do not recommend payment of any further dividend in respect of 1957 and the above *ad-interim* dividend should be considered as final.

Teen Ali Tea Co., Ltd.—In accordance with resolutions passed at meetings of the shareholders of the two Companies held on the 1st day of September 1958, and by virtue of the order of the Calcutta High Court promulgated on the 15th day of September 1958, the entire undertaking of the Teen Ali Tea Co., Ltd. was amalgamated with that of the Grob Tea Co., Ltd. with effect from 1st January 1958. The financial effect of the amalgamation will be reflected in the Grob Company's accounts for 1958. For the purpose of this report it is sufficient to record the Teen Ali Tea Estate (531.70 acres) is now regarded as a division of the Grob Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11.02.725	Gross block	42,29,083
Reserves ...	20,32,810	*Less*—Depreciation ...	10.39.875
Provision for taxation ...	10,35,414		
Liabilities ...	17,27,787	Net block ...	31,89.208
Profit and loss account ...	96,829	Work-in-progress ...	63,290
		Stock-in-trade	14,58,096
		Stores and supplies ...	3,97,399
		Debts, deposits and advances ...	7,41.269
		Investments	5,000
		Cash ...	1,41.393
Rs.	59,95.565	Rs.	59,95,565

Kumardhubi Fireclay and Silica Works, Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] present the audited accounts of the Company for the year ended 31st December 1957.

The profit and loss account after providing for all charges and making provision of Rs. 5.71,727 (Rs. 3.70,821) for taxation on income, Rs. 1,16,738 for wealth tax and Rs. 4,68.676 (Rs. 1,93,258) for depreciation shows a profit of Rs. 8 82.121 (Rs. 7,40,020). To this amount is added the balance brought forward from the previous year of Rs. 41,098 (Rs. 49.404) making a total of Rs. 9 23,219 (Rs. 7 89,424). From this is deducted the amount transferred to reserve for tax contingency Rs. 87 000 (Rs. 55.000), to development rebate reserve Rs. 90.500 (Rs. 1 88,500), debenture redemption reserve Rs. 1 00.000 (*nil*) and to capital redemption reserve fund (under Section 80(1)(d) of the Companies Act, 1956) Rs. 2,00,000 (Rs. 1.75.000 to plant renovation reserve) leaving an available balance of Rs. 4 45.719 (Rs. 3.70.168). The directors propose to dispose of this amount as follows:—

By confirming the interim dividend upto 8th March, 1957, paid in March, 1957, on the preference shares of 7 per cent per annum without any deduction for income-tax payable by the Company Rs. 2 573 (Rs. 14.000), by payment of a dividend on the redeemable preference shares of 5½ per cent. per annum, after deduction of income-tax payable by the Company Rs. 15.070 (Rs. 15.070), by payment of a dividend on the ordinary shares at the rate of Re. 1.25 (Re. 1.00) per share without any deduction for income-tax payable by the Company Rs. 3 75,000 (Rs. 3 00.000) and by carrying forward Rs. 53,076 (Rs. 41,078).

General.—The second stage of the expansion in the Firebrick Section was completed at the end of 1957 which has increased the Company's firebrick manufacturing capacity to 72,000 tons per year. The silica and sillimanite brick production stands at about 24,000 tons per year and the Company's order book is very full.

At the same time competition has undoubtedly increased with the commissioning of several new refractory works during the course of the past year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	34 00.000	Gross block	1,59 89.144
Debentures	20.00 000	*Less*—Depreciation ...	48.82.827
Reserves ...	81,11.435		
Provision for taxation*	4.50.542	Net block ...	1,11,06.317
Liabilities	44,45.403	Work-in-progress ...	7.422
Profit and loss account ...	53,076	Stock-in-trade	18 09.287
		Stores and spare gear	14,57,420
		Debts, deposits and advances ...	38.41.043
		Investments	41.533
		Cash ...	1 97.434
Rs.	1.84.60.456	Rs.	1.84.60.456

*Includes provision for wealth tax=Rs. 57.214 for 1956 and Rs. 59,524 for 1957.

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

JAPAN'S TEXTILE INDUSTRY TODAY

(*Concluded from page 970*)

increase in consumption proportionately smaller than the increase in value. In short, the rate of consumption would decline.

In the export field, it is necessary to raise the unit price of textiles by improving quality to meet the growing industrialisation of less advanced nations and the larger exports of cotton textiles by Communist China. To this end, detailed studies should be made for the promotion of exports to the United States and Europe.

(b) *Synthetic Textiles*:

It is obvious that the importance of helping the development of synthetic textiles is something that cannot be argued over. This is important from the point of view of the place this industry occupies in the nation's industrial structure with regard to foreign exchange expenditures, export potential and the fine quality of the industry's products. The problem is how to help the industry develop in an orderly fashion.

(c) *Natural Textiles and Chemical Textiles*:

Two main views are currently being expressed on this matter. One side believes that it is important to check imports of natural fibres in order to foster the growth of the chemical textile industry. The other side argues that it should be left to the consumers to decide which they prefer.

The solution here might be the encouragement of more mixed products.

(d) *Problem of Production Facilities*:

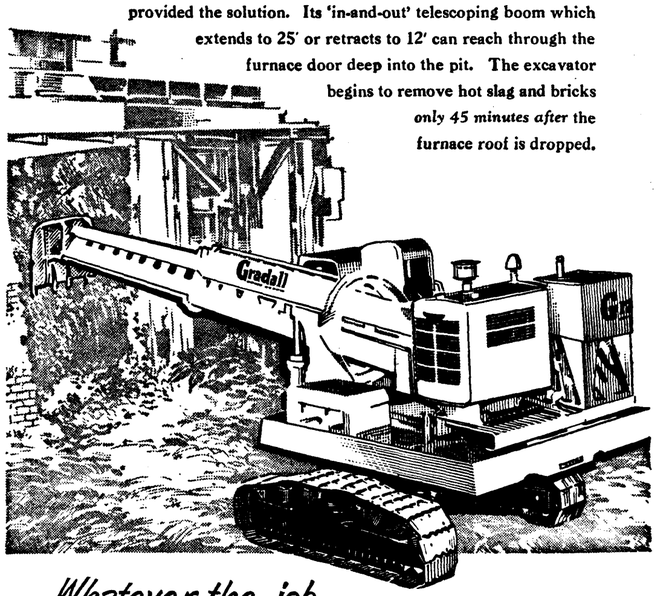
(1) At present, the installation of machinery is covered by extremely detailed legal regulations. However, it is considered necessary to ease these restrictions in order to give textile firms more "elbow room."

For example, the merger of cotton or rayon mills by the rational regrouping of existing "villages" (groups of mills specialising in cotton, wool, rayon, etc. are known as "villages" in the Japanese trade). In connection with this, there is also room left for restudying the application of the automatic approval system with regard to imports of raw materials.

(2) There is still the problem of whether to continue the existing method of production control or whether a completely new fundamental measure should be adopted. There is also the problem of how to regulate production facilities in different fields of the industry. Existing regulations must be extended and production controls on rayon yarn and staple cotton should be reconsidered if necessary. Again, the problem of how to rationalise production by concentrating output in the most modern mills must be solved. Together with this, there is still the question of how to liquidate excess facilities.—*Japan Trade Bulletin.*

Too hot to handle?

Quick cleaning of slag pits has always been a big problem for steel mill operators. Normally the pits must be allowed to get sufficiently cool before slag can be removed—this involves a waste of almost three hours of costly work-time. As on many other jobs the versatile GRADALL has now provided the solution. Its 'in-and-out' telescoping boom which extends to 25' or retracts to 12' can reach through the furnace door deep into the pit. The excavator begins to remove hot slag and bricks *only 45 minutes after* the furnace roof is dropped.



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Notices

THE PHALTAN SUGAR WORKS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-seventh Annual General Meeting of THE PHALTAN SUGAR WORKS LIMITED will be held on Friday, the 9th day of January, 1959 at 5 p.m. (S.T.), at the registered office of the Company, Sangli Bank Building, 296, Bazargate Street, Fort, Bombay-1, to transact the following business:—

1. To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1958.
2. To declare a Dividend.
3. To elect a Director in place of Shri Rasesh N. Mafatlal who retires by rotation but being eligible offers himself for re-election and to consider and if thought fit to pass the following resolution as a Special Resolution of which Special Notice has been received by the Company.

RESOLVED:

That pursuant to the provisions of Section 261 of the Companies' Act, 1956, Shri Rasesh N. Mafatlal who retires by rotation and who is an associate of the Managing Agents, be and is hereby reappointed a Director of the Company.

4. To elect a Director in place of Shri Himatlal Kantilal who retires by rotation but being eligible offers himself for re-election and to consider and if thought fit to pass the following resolution as a Special Resolution of which Special Notice has been received by the Company.

RESOLVED:

That pursuant to the provisions of Section 261 of the Companies' Act, 1956, Shri Himatlal Kantilal who retires by rotation and who is an associate of the Managing Agents, be and is hereby re-appointed a Director of the Company.

5. To appoint Auditors for the current year and fix their remuneration.

By Order of the Board of Directors,
A. Y. JOSHI,
Secretary.

BOMBAY, *Dated, 1st December,* 1958.

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

The Transfer Books of the Company will be closed from the 22nd of December, 1958 to the 6th of January, 1959, both days inclusive.

The Dividend when declared will be payable through the United Commercial Bank Ltd., Fort, Bombay, on and after the 16th day of January, 1959 Dividend Warrants will be posted to those shareholders whose names stand on the Company's Register on the 22nd of December, 1958.

ANNEXURE TO THE NOTICE DATED 1st DECEMBER, 1958.

(Explanatory Statement under Section 173 of the Companies' Act, 1956.)

To

The Shareholders of
The Phaltan Sugar Works Ltd.,
Bombay-1.

Dear Sirs/Madames

In conformity with the Companies' Act, 1956, the following Explanatory Statement as required under Section 173 of the said Act, sets out all material facts relating to the Special business mentioned in the accompanying notice dated 1st December, 1958.

In respect of item No. 3, it is notified that Shri Rasesh N. Mafatlal is an associate of the Managing Agents and hence under Section 261 of the Companies' Act. he cannot be re-appointed as a Director on retirement by rotation except by a 'SPECIAL RESOLUTION' passed by the Company and hence the necessity for passing the resolution set out in the aforesaid notice. A Special Notice to move the resolution has been received by the Company from a member as required by the said Section 261. As it is in the interest of the Company that the Board should continue to receive the benefits of his advice, it is desirable that Shri Rasesh N. Mafatlal be re-appointed as Director of the Company.

In respect of item No. 4 it is notified that Shri Himatlal Kantilal is also an associate of the Managing Agents and hence under Section 261 of the Companies' Act, he cannot be re-appointed as a Director on retirement by rotation except by a 'SPECIAL RESOLUTION' passed by the Company and hence the necessity for passing the resolution set out in the aforesaid notice. A Special Notice to move the resolution has been received by the Company from a member as required by the said Section 261. As it is in the interest of the Company that the Board should continue to receive the benefits of his advice, it is desirable that Shri Himatlal Kantilal be re-appointed as Director of the Company.

By Order of the Board of Directors,
A. Y. JOSHI,
Secretary.

BOMBAY, *Dated 1st December,* 1958.

THE DEHRI ROHTAS LIGHT RAILWAY COMPANY, LIMITED

NOTICE

THE ANNUAL GENERAL MEETING OF THE Shareholders of the Company will be held on Tuesday, the 30th December, 1958 at 11.00 a.m., at the Registered Office of the Company at Dalmianagar to transact the following business:

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 31st March, 1958.
2. To declare Dividend of Re. 1 per share free of Income-tax.
3. To elect a Director in place of Shri S. K. Bagla who retires by rotation but, being eligible, offers himself for re-election.
4. To appoint Auditors for the current year and to fix their remuneration. Messrs. Lovelock and Lewes, retiring Auditors, being eligible, offer themselves for re-appointment.

The Share Transfer Books of the Company will remain closed from 25th December, 1958 to 30th December, 1958, both days inclusive.

N.B.—A member entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself and the proxy need not be a member.

By Order of the Board,
FOR SAHU JAIN LTD.,
A. P. JAIN,
Director,
Managing Agents.

CALCUTTA, *3rd December,* 1958.

Payment of dividend when declared will be made to the registered shareholders as on the 30th December, 1958 or to their mandatees.

THE INDO-BURMA PETROLEUM COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Preference Register of Members of the Company will be closed from the 15th December, 1958, to 30th December, 1958, both days inclusive, for the purpose of payment of the dividend for the half-year ending 31st December, 1958, on the 2nd January, 1959.

By Order of the Board,
STEEL BROTHERS & COMPANY LIMITED,
Managing Agents.

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA, *26th November,* 1958.

THE BORREA COAL COMPANY LIMITED

NOTICE OF INTERIM DIVIDEND

THE BOARD OF DIRECTORS OF THE above Company has sanctioned payment of the following Interim Dividends in respect of the year ending 31st December, 1958, without any deduction for Income-tax payable by the Company

On Preference Shares for half-year at the rate of 6½ per cent. per annum.

On Ordinary Shares—50 nP per share,

payable on or after 29th December, 1958, to those shareholders (or their mandatees) whose names appear in the Company's books on 22nd December, 1958, as the registered holders of the above shares.

The Share Transfer Registers of the Company will be closed from 15th to 22nd December, 1958, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *27th November,* 1958.

STATE BANK OF INDIA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Principal Register and the Branch Registers of the State Bank of India will be closed for transfer of shares from Friday, the 2nd January 1959 to Saturday, the 24th January 1959, both days inclusive.

B. P. PATEL,
Managing Director.

STATE BANK OF INDIA,
BOMBAY, *19th November* 1958.

INSURANCE

(Concluded from page 974)

companies in which it has invested. It is needless to add that, if these functions are to be carried out satisfactorily, the department concerned should be composed of personnel having expert knowledge of company finance and the intricate working of the stock exchange mechanism. In order to obtain the right type of men, attractive terms should be offered and no sense of false economy should stand in the way of men with talent and training offering their services to the Corporation. So far the Corporation seemed to have pinned its faith on honorary advice. There is no harm in seeking disinterested advice got gratis on matters of broad policy but the Corporation should develop its own investment intelligence for guiding its investment operations.

How does the present-day cost of life insurance in Britain compare with that in pre-war days. One would naturally think that it must be much higher. But actually it is not so. According to Mr. C. F. Wood, the U.K. Manager of the Manufacturers Life Insurance Company, life insurance now is cheaper than in pre-war days. Presently, his company is offering a £1,000 whole-life no-profit policy to a male aged 30, for £14 2*s.* per annum, which rate is lower than the 1939 rate of £16 4*s.* The policy covers all risks, including aviation and war. The premium had been brought down in successive stages from a war-time high of £17 16*s.* 7*d.*

The tendency in the U.K., according to Mr. Wood, is to prefer endowment policy. He said that much greater cover could now be obtained for a comparatively small rise in premium on a whole-life policy with a guaranteed maximum protection.

At the extraordinary general body meetings of the Andhra Insurance Co., Ltd., and the Hindusthan Ideal Insurance Co., Ltd., held at Masulipatam, on 14th November 1958, resolutions were passed unanimously by the shareholders of both the Companies approving the amalgamation of the Andhra Insurance Co., Ltd., with the Hindusthan Ideal Insurance Co., Ltd. The main features of the scheme of amalgamation are that the Hindusthan Ideal Insurance Co., Ltd., will take over all the assets and liabilities of the Andhra Insurance Co., Ltd. In return, the Hindusthan Ideal Insurance Co., Ltd., will pay to the shareholders of the Andhra Insurance Co., Ltd., in exchange for their Rs. 50 paid-up share, one share of the Hindusthan Ideal Insurance Co., Ltd., fully paid-up share of Rs. 25 plus a cash of Rs. 27.50 nP.

DEMAND FOR MONEY PICKS UP

(From Our Own Correspondent)

BOMBAY, 10*th December*

The short-term money market experienced a slight pull during the week under review, thanks to a broadening of demand for bank credit. There were large investments in Government securities by some banks during the past few days. This, together, with subscriptions to Treasury Bills, had absorbed much of the surplus funds with banks, so that, when demand for credit picked up this week, banks stepped into the market as borrowers, while lenders were reserved. The result was that inter-bank call money rate hardened from 1 per cent. to 1½ per cent. among the Exchange and big Indian banks. There were some enquiries even at 1¾ per cent. The rate among the smaller Indian banks moved up to 2¼-2½ per cent. from 2-2¼ per cent. There was, however, no change in other rates. House money at seven days' notice continued to be bid at 3¼-3⅜ per cent. and short-term deposits at 3½-4 per cent.

The aforesaid conditions in the short-term money market are reflected in the response to this week's Treasury Bill sales. The total amount offered was Rs. 3.95 crores, as against Rs. 4.55 crores last week, the amount invited during both the weeks being the same, namely, Rs. 3 crores. Tenders at Rs. 99.395 and above were accepted in full and those at Rs. 99.390 allotted approximately 40 per cent. Lower tenders were rejected. The average rate of accepted tenders was Rs. 2.420 per cent. per annum, which was only 0.003 per cent. lower than that for the previous week. Maturities during the week aggregated Rs. 3 crores. Tenders for the next week are unchanged at Rs. 3 crores. Sales of intermediate Treasury Bills held between the 3rd and 6th inst., amounted to Rs. 65 lakhs and further sales will be held this week at Rs. 99.411 per cent., that is, at the same rate as in the previous week.

An expansion of Rs. 27.05 crores in notes in circulation is shown by the Reserve Bank of India statement for the week ended 5th December 1958. Notes held in the Banking Department are lower by Rs. 29.20 crores. The drop of Rs. 2.16 crores in total notes issued is covered by a similar shrinkage in rupee coin. While foreign securities are unchanged, balances held abroad (in the Banking Department) show an increase of Rs. 2.38 crores. The Central Government's deposits have gone up by Rs. 1.99 crore, while deposits of other Governments and banks have dwindled by Rs. 11.96 crores and Rs. 15.15 crores, respectively. There has been an increase of Rs. 3.04 crores in loans and advances to Governments, but investments are lower by Rs. 3.89 crores.

The Scheduled banks' statement for the week ended 28th November 1958 discloses a reversal of the upward trend in bank deposits noted for several weeks past. Thus, demand deposits have declined by Rs. 3.40 crores and time deposits by Rs. 9.29 crores. Inter-bank borrowings have gone up by Rs. 2.19 crores. There has been a rise of Rs. 2.55 crores in advances, while bills purchased and discounted are lower by Rs. 1.24 crore. Investments are higher by Rs. 3.62 crores. While cash balances have shrunk by Rs. 13.34 crores money at call and short notice shows an increase of Rs. 1.77 crore.

The Gilt-edged market ruled firm during the week under review, with an expansion in business too. There were good enquiries for all dated issues, mainly from the banks. This, together with the scarcity of stocks and the rise in the Reserve Bank's selling price (ranging from 5 nP to 30 nP) of several issues, imparted a bullish sentiment. The following table shows the securities and the prices thereof which were put up by the Bank during the week (from the 4th to 10th inst.):

Securities	*From*	*To*
	Rs.	Rs.
3½ per cent. 1967	99.05	99.15
3½ „ 1968	98.75	98.85
3½ „ 1967	100.60	100.80
3½ „ 1968	100.40	100.60
3½ „ 1974	98.30	98.35
4 „ 1972	100.90	101.20
4 „ 1973	100.65	100.90

3 per cent. 1986 Conversion Loan was unchanged at Rs. 73.20, while 3 per cent. 1970-75 hardened by 5 nP to Rs. 90.50. 3 per cent. 1966-68 held its own at Rs. 94, but proximity of interest payment attracted demand in 3 per cent. 1964, which moved up by 20 nP to Rs. 97. 3 per cent. 1963-65 was maintained at Rs. 96.80 and 3 per cent. 1959-61 at Rs. 99.70. 3½ per cent. 1961 showed no change at Rs. 100.10, while 3½ per cent. 1963 put on 5 nP to Rs. 100.05. 3½ per cent. 1965 shed 5 nP to Rs. 99.80. 4 per cent. 1960-70 gained 5 nP to Rs. 100.75, following the stepping up of the Reserve Bank's selling price of other 4 per cent. issues.

State loans, too, were in good shape. Almost all the 4 per cent. and 4½ per cent. issues were in good demand. The L.I.C. was said to have taken considerable interest in these loans. Bombay 4½ per cent. 1970 and 1971 each rose by 5 nP to Rs. 101 and Rs. 100.85, respectively. 4 per cent. 1970 added 5 nP to Rs. 98.75 and 1963 10 nP to Rs. 100.30. West Bengal 4½ per cent. 1970 gathered 10 nP to Rs. 100.40. 4 per cent. 1968 and 1967 rose by 30 nP each to Rs. 99.60 and Rs. 99.70, respectively. 4 per cent. 1964 was higher by 10 nP at Rs. 100.10 and 1963 by 20 nP at Rs. 100.25. Madras 4½ per cent. 1970 gained 15 nP to Rs. 100.50. 4 per cent. 1967 and 1968 each rose by 20 nP to Rs. 99.90 and Rs. 99.80, respectively. Among U.P. loans, 4½ per cent. 1970 was marked up by 25 nP to Rs. 100.50, 4 per cent. 1968 by 10 nP to Rs. 99.60 and 1967 by 10 nP to Rs. 99.70. 1964 also moved up by 10 nP to Rs. 100.10 and 1963 by 25 nP to Rs. 100.25.

In the foreign exchange section, the rupee was a bit erratic in terms of the U.S. dollar. Thus, the banks' selling rate of dollars, after moving up from Rs. 477.50 to Rs. 477.75, closed at Rs. 477.50 per $100, while their buying rate rose from Rs. 474 to Rs. 474.25 per $100. This is in consonance with the trend of sterling abroad. In New York, spot sterling moved between $2.80-5/16-2.80⅜ and $2.80.7/32-2.80.9/32, before closing at $2.80.9/32-2.80.11/32 with no change over the week. Three months' forward declined from $2.80.1/32-2.80.3/32 to $2.80-2.80.1/16, but gained again yesterday to $2.80.3/32-2.80.5/32. Transferable sterling fell over the week from 279.45-279.55 cents to 279.40-279.50 cents.

BULLION IRREGULAR

(From Our Own Correspondent)

BOMBAY, 10*th December*

The bullion market ruled irregular during the week under review. Thus, it opened the week on a firm note and, after ruling easy in the subsequent three sessions, staged a recovery yesterday. Today, however, the market developed a sagging tendency. The initial firmness was due to renewed speculative buying in silver on fears of scarcity in supplies following the ban on exports of Tibetan coins. Consequently, prices registered an improvement. The upward trend was checked on Friday when local and upcountry bulls were inclined to book profits. There was a further drop in prices on Saturday and Monday, owing to larger arrivals. But yesterday, silver met with good buying support induced by the virtual cessation of arrivals of Tibetan silver coin and expectations of better demand in the coming months. The white metal was somewhat subdued today, thanks to lack of follow-up support.

Gold ruled fully steady practically throughout the week. Despite rumours of large arrivals—estimated at 3,000 tolas—of contraband gold and reported sale of 4,000 tolas by a leading spot house, prices were held firm. For operators were generally inclined to believe that the long-term outlook was bullish. This view was based on the considerably reduced smuggling of gold from Pakistan side and prospects of good seasonal demand in the months ahead. Today, however, there was a slight decline in prices on technical considerations.

Backed by excellent bull support, forward silver (29th December settlement) spurted from Rs. 193-2 last week-end to Rs. 194-6 on the opening day. After gradually receding to Rs. 192-12 on Monday it recovered to Rs. 194-2 yesterday but finished easy at Rs. 193-8 today. The second settlement (end of January) opened the week at Rs. 194-11, as against Rs. 193-15, and advanced to Rs. 195-4. After declining to Rs. 193-10 on Monday, it recovered to Rs. 195-1 yesterday but moved down again today, the closing rate being Rs. 194-7.

Ready silver improved from Rs. 192-1 to Rs. 193-1 before closing at Rs. 192-6. The daily average arrivals were of the order of 25 bars, while the offtake was 12 bars per day on an average. The floating stocks of silver are reported to be 1,400 bars.

Gold for forward delivery (27th December settlement) firmed up from Rs. 113-5 to Rs. 114-2 yesterday. It, however, eased today, the closing rate being Rs. 113-12. The second settlement (end of January) opened at Rs. 113-9 and, after advancing to Rs. 114-6 yesterday, wound up the week lower at Rs. 114.

Ready gold was well supported, the quotation rising from Rs. 113-5 last week-end to Rs. 114 yesterday. Today, however, it encountered some selling and declined to Rs. 113-9. Ready was quoted at a discount of As. 3 under the 27th December settlement; on Wednesday last, it will be recalled, both ready and forward were quoted on par. The daily average arrivals and offtake were 3,800 tolas and 2,100 tolas, respectively. The floating stocks of gold are estimated at 36,000 tolas

Spot silver in London moved down further from 76¾*d.* to 76⅝*d.* and forward from 76½*d.* to 76⅛*d.* Gold prices, however, rose from 250*s.* 4½*d.* to 250*s.* 5¾*d.* The price of silver in New York was unchanged at 90½*c.*

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

	10-12-58	Highest	Lowest	3-12-58
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	113 9	114 0	112 12	113 5
Forward*	113 12	114 2	113 1	113 5
Sovereign	73 0	73 0	72 12	73 0
SILVER				
Ready (.996 fine Mint) ..	192 6	193 1	192 3	192 2
Forward†	193 8	194 6	192 12	193 2
London Silver Ready ..	76¾*d.*	76¾*d.*	76¾*d.*	76¾*d.*
London Forward	76¼*d.*	76¼*d.*	76¼*d.*	76¼*d.*
London Gold	250*s.* 5¾*d.*	250*s.* 5¾*d.*	250*s.* 4½*d.*	250*s.* 4½*d.*
New York Silver	90½*c.*	—	—	90½*c.*

* 27th December settlement. † 29th December settlement.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 8*th December*

During the week under review, the hides and skins market was rather stable. There was a rise in the volume of buff as well as dead sukti cows. The demand for these was evenly matched by new supplies. There was a particularly heavy demand for upper grade cow which is subject to chrome tanning. The Madras dealers were active in the sector of lighter cow and goat. The main transactions were faltered by the local tanners.

The latest quotations were: Wet salted cow, 1st grade Rs. 375 and 2nd grade Rs. 350 per score; wet salted buff, 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. per rupee; goat, 1st grade Rs. 350 and 2nd grade Rs. 300 per 100 pieces; sheep, 1st grade Rs. 375 and 2nd grade Rs. 350 per 100 pieces.

COTTON FUTURES EASY

(From Our Own Correspondent)

BOMBAY, 10*th December*

The firm trend witnessed in the cotton futures market last week was completely reversed during the week under review. The market in fact ruled distinctly easy. Reports of heavy arrivals of new crop cottons in the Punjab, C.P., and Berar prompted large-scale bear selling. There was also nervous bull liquidation. Prices consequently suffered a sharp setback. Rumours of a possible devaluation of the Pakistan rupee adversely affected sentiment. It was feared that, should this materialise, Pakistan cotton, which was already cheaper than comparable Indian growths, would be made still cheaper. Easier advices from the spot market and a slowing down of mill activity also imparted weakness to the market. Over the week, cotton futures prices came down by Rs. 10.75.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 639, and after making minor gains on short-covering, met with heavy selling and declined to Rs. 626.75 yesterday. Commencing today's session at Rs. 627.50, the contract improved fractionally before finishing at Rs. 626.50. The net loss over the week was Rs. 10.75. The following table indicates the trend of prices:

(In rupees per candy of 784 lbs.)

	10-12-58 *High*	*Low*	3-12-58
I.C.C. Moglai Jarilla (March 1959) ...	626.50	642.50	625.25 637.25

The spot section was active early in the week and prices of staple varieties were well maintained. Towards the close, however, there was a reaction. The mounting volume of new crop arrivals exerted a downward pressure on prices. Mills preferred to keep off the market in anticipation of a further fall in prices. The main varieties which attracted attention of mills were Vijay, Khamgaon, 197/3, 0394, Laxmi (old crop), Rajapalayam, Berar, Surti, etc.

In the export section, rumours of devaluation of the Pakistan rupee had a dampening effect. Some stray business were reported in Bengal *Deshi* with Japan. Prices of Indian exportable varieties were still out of parity with overseas buying ideas.

Of the 148,500 bales of 1957-58 or earlier crop allocated for export on a first-come-first-served basis, about 84,100 bales are reported to have been passed for shipment up to 2nd December. Of the new crop quota of 4,025,000 bales on the first-come-first-served basis and 75,000 bales to the co-operative societies, sales have been registered for only about 28,800 bales while only 2,569 bales have been passed for shipment.

The import section was thick with rumours of import quota for Sudanese and Egyptian cotton. It was reported that a sub-committee of the Cotton Textile Consultative Board had already urged the Government of India to permit additional imports of these qualities. The probable quantity of the quota was placed at round 30,000 bales. About half this quantity, it was said, would be earmarked for import under the export incentive scheme for cotton textiles and the balance on quota basis.

Meanwhile, certain mills in Ahmedabad are reported to have urged the Government to issue further quotas for the import of foreign cotton so as to check the rise in price of indigenous cotton and to augment supplies of foreign cotton. Stocks of foreign cotton with mills, as on 30th September 1958, were only 117,029 bales, as against 213,055 bales on the same date last season.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets being last week's closing rates:

Bengal *Deshi* 620 (610); Berar Jarilla 665 (680); Khandesh 750 (750); Vijay 865 (885); Jaydhar 850 (870). *Delivery contracts*: Bengal 600 (600); Mathia 578 (585).

The Karachi cotton futures market suffered a setback during the week under review. Easy upcountry advices, following larger arrivals, and slack foreign demand adversely affected sentiment. The recent withdrawal of the export incentive scheme also acted as a damper. Even rumours of devaluation failed to lift prices. N.T.R.G. January declined from Rs. 65-8 last week-end to Rs. 64-7-6 while the March position shed Re. 1-1-6 over the week to Rs. 63-3-6.

Since the beginning of the season till 27th November, export sales of old and current crop Pakistan cotton aggregated about 112,000 bales, as compared with 152,000 bales during the corresponding period in the last season, and about 300,000 bales two years ago. So far during this season, Far Eastern countries, principally Japan, China and Hong Kong are said to have taken 82,000 bales in all, as against 93,260 bales in the same period last season. European Continental countries accounted for 16,370 bales, as against 51,000 bales in the previous season. Of this season's sales, about 72,000 bales were staple varieties and 40,000 bales *Deshi* cotton, waste and linters.

Quiet conditions prevailed in the Alexandria cotton futures market. In the absence of any new development, trading interest was at a low ebb. Prices tended to decline in slow dealings. The following are the latest available quotations—in tallaries per lb.—from Alexandria:

Karnak: January 72.01; March 72.09. *Ashmouni*: December 62.25; March 62.70.

Cotton futures values in Liverpool tended to look down during the week. Commission House liquidation in the near deliveries and hedge selling in the more forward positions led to a slight easing of values. Buyers were keeping off the market in anticipation of lower prices. Both the American and American type contracts eased. Sudan contracts also declined on fresh selling. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closing quotation:

American cotton one inch staple contract: December-January 22.70 (22.95); March-April 22.65

(22.60); May-June 22.10 (22.19); July-August 21.30 (21.40). *American cotton mixed growths contracts*: December-January 23.75 (23.90); March-April 22.65 (22.80); May-June 22.10 (22.29); July-August 21.15 (21.35). *Sudan*: January-February, May-June, July-August 26.26 (26.50).

The Crop Reporting Board of the U.S. Department of Agriculture, in its sixth and preliminary final report, issued on the 8th inst., estimated the 1958-59 cotton crop as on 1st December at 11,581,000 bales (of 500 lbs.). This compares with last month's estimate of 11,764,000 bales and last season's final output of 10,964,000 bales. The yield per acre is put at 469 lbs. as against 476 lbs. last month and last season's final yield of 388 lbs. The area under cultivation, as on 1st July, is placed at 12,375,000 acres, as against last month's estimate of 12,402,000 acres and last season's actual figure of 14,066,000 acres. The area for harvest is estimated at 11,858,000 acres, as against 11,960,000 acres last month and last season's 13,558.000 acres. The acreage abandoned is estimated at 4.2 per cent., as against last month's estimate of 3.6 per cent. and last season's 3.4 per cent.

The official estimate was below trade estimates. The average of the estimate of 54 members of the New York Cotton Exchange was 11,725,000 bales. The lower crop forecast influenced some speculative buying which imparted strength to the New York cotton futures market, which was easy during the early part of the week. A part of the earlier losses was made good. The week's closing was still well below last week-end quotations.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	9-12-58	2-12-58	25-11-58
Spot	35.75	36.00	36.10
December	34.40	34.96	32.50
March	35.02	35.53	36.16
May	34.86	35.46	36.01

YARNS RECEDE

(From Our Own Correspondent)

BOMBAY, 10*th December*

In contrast to the firm trend noted last week, the yarn market ruled easy during the week under review. As fresh support was lacking, transactions put through were considerably restricted, and prices tended to move down. Art silk yarns were particularly depressed, thanks to selling pressure from indigenous manufacturers and reports regarding heavy arrivals of imported yarn. The upcountry consumers were inclined to postpone purchases on expectations of a further fall in prices. In sympathy with art silk yarn, staple fibre yarn also suffered a setback. The reports of encouraging offtake of 2/40s staple fibre fabrics received earlier in the week from important centres like Surat, Amritsar and Ludhiana were discounted later. Cotton yarns ruled dull with the exception of superfine counts which met with renewed buying support.

Among art silk yarns, 120 Italy fell by 19 nP to Rs. 5.25. 150 Italy dropped 12 nP to Rs. 5.25. 120 Japan receded by 6 nP to Rs. 4.75. 150 Japan lost a like amount to Rs. 5.31 Among indigenous yarns, National Rayons 120 bright cones first grade moved down by 9 nP to Rs. 4.53. 150 bright cones first grade were neglected at Rs. 4.44.

Staple fibre yarn (40×2) February delivery encountered heavy selling and slumped by Rs. 13 to Rs. 626. December delivery fell by Rs. 11 to Rs. 619. In the spot section, 40×2 Citys, Kohinoors, and Centurys eased by 6 nP each to Rs. 3.24, Rs. 3.31 and Rs. 3.28, respectively. Among foreign yarns, Fujis were marked down by 44 nP to Rs. 9.06. Paramounts were stagnant at Rs. 9.56.

In the cotton yarn section, sixty counts Finlays climbed up by a rupee to Rs. 68. Raghuvamshis were firm at Rs. 62. Ten counts, Podars were quiet at Rs. 12.19, as also twenty counts Moderns at Rs. 16.31. Thirty counts Hinds, however, went up by 25 nP to Rs. 19. Forty counts Moderns changed hands at Rs. 25.37, same as last week, while Minaxis shed 6 nP to Rs. 24.25.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those six days ago:

	10-12-1958	3-12-1958
	Rs.	Rs.
Art silk yarn (per case of 200 lbs.)—		
120 Japan (per lb.)	4.75	4.81
150 Japan (per lb.)	5.31	5.37
120 Italy (per lb.)	5.25	5.44
150 Italy (per lb.)	5.25	5.37
Staple fibre yarn (per case of 200 lbs.)—		
40×2 December	619.00	630.00
40×2 February	626.00	639.00
40×2 Kohinoor (per lb.)	3.31	3.37
60×3 Century (per lb.)	3.23	3.34
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	12.19	12.19
20s Modern	16.31	16.31
30s Hind	19.00	18.75
40s Minaxi	24.25	24.31
60s Finlay	68.00	67.00
80s Modern	—	—

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 10*th December*

The local oilseeds market, after presenting distinctly firm trends in the earlier part of the week under review, staged a perceptible relapse during the closing sessions. Buoyant conditions prevailed in all seeds and oils, particularly in the cottonseed section until Monday, when they started drifting towards lower levels. Over the week, all sections of the market lost ground.

In the course of a communication addressed to the Chief Commissioner of Exports, the Bombay Oilseeds and Oils Exchange has pointed out that since all quotas for groundnut oilcake expeller variety have been exhausted, further quantities can profitably be exported, if quotas are released immediately. It would appear that during these current winter months in the importing countries, large quantities of oilcake are needed as cattlefeed. At any rate, the world supply position is likely to improve by the end of January next. Therefore, an early decision on the matter will go a long way towards boosting India's exports of oilcake. By means of another communication, the Exchange has pleaded for extending the shipping period of H.P.S. groundnuts and groundnut oil at least upto June 1959.

After opening on a steady note, groundnuts and oils improved on reports of smaller crops, relatively low arrivals and good buying support from local interests. The increase in prices would have been more pronounced but for margin considerations. The market, however, encountered selling pressure subsequently and lost considerable ground. The hopes of a further export quota for expeller variety cakes prevented prices from dropping precipitously. Thus, after improving from Rs. 164.75 on last Wednesday to Rs. 165.12 on Thursday, the groundnut February 1959 contract receded on Saturday to Rs. 164.87 and Rs. 163.37 on Tuesday. Inspired by technical conditions, it recovered today to close at Rs. 163.62. Bold ready witnessed easy conditions, its quotation having lost one rupee over the week to Rs. 32.75. Oil ex-mills, which stood at Rs. 18.25 last week-end, finished on a weak note at Rs. 17.62.

The castorseed section also suffered marked setback over the week. There were rumours of demand for oil from countries of the communist bloc. Owing to lack of any definite orders from abroad, the earlier steady conditions gave way to easier trend. The castorseed May 1959 contract, after fluctuating between Rs. 143.00 and Rs. 144.50, eased today to Rs. 142.75. Ready Madras, in sympathy, rallied by 25 nP to Rs. 29.00 on Thursday, but later on, on heavy selling pressure, declined to Rs. 28.62 today. Oil B.S.S. moved down from Rs. 16.62 to Rs 16.50 on Saturday and recovered to Rs. 16.62 on Tuesday. The quotation declined to close at Rs. 16.37 today.

The tight supply position and good support from crushers lifted linseed prices in the initial sessions. Before the close of the week, the market, however, slumped on scattered selling and lack of fresh buying support. Linseed May 1959 delivery rallied from Rs. 31.37 to Rs. 31.62 on Friday but turned easy in subsequent sessions and sagged to touch Rs. 31.31 today. Bold ready hardened from Rs. 36 to Rs. 37 on Friday, but fell back to Rs. 36 before finishing today at Rs. 36.50. The value of oil, which was ruling at Rs. 18.25, moved irregularly between Rs. 18.00 and Rs. 18.06 and lost 19 nP over the week.

The cottonseed section also receded substantially, but not before witnessing distinctly cheerful conditions. The rally in prices was whipped up by sustained enquiries, both from local and foreign sources, for cakes. The reaction set in by Tuesday, presumably in sympathy with the cotton market. There was mounting selling pressure, particularly by Ahmedabad operators, during the close of the week. After spurting from Rs. 116.25 to Rs. 119.00, cottonseed February 1959, declined to Rs. 115.75 today.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	10-12-1958	3-12-1958	26-11-1958
Groundnut	Rs.	Rs.	Rs.
Groundnut February 1959 (per Khandy)	163 62	164 75	162 50
Bold ready (per cwt.)	32 75	33 75	33 50
Coromandel ready (,,)	33 50	34 25	33 87
Khandesh quality (,,)	33 75	34 25	33 87
*Oil ex-mill ready (per quarter)	17 62	18 25	17 87
Railway receipts (,,)	17.50	18.00	17.81
Castorseed			
Castorseed May 1959 (per Khandy)	142 75	143 87	141 75
Ready Madras (per cwt.)	28 62	29 75	28 50
Ready Kanpur (,,)	27 62	27 75	27 37
†Oil B.S.S (per quarter)	16 37	16 62	16 37
Oil commercial (,,)	14.50	14.62	14.50
Linseed			
Linseed May 1959 (per cwt.)	31 81	31 87	30.19
Bold ready (,,)	36 50	36 00	34 50
Kanpur (,,)	34.75	35 00	33 25
†Oil ready (per quarter)	18.06	18.25	17.50
Cottonseed			
Cottonseed February 1959 (per Khandy)	115.75	116.50	114 00
Nigerseed (per cwt.)	29 25	31 00	30 25
Kardi seed (,,)	20.00	20.50	21.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

SUGAR RISES FURTHER

(From Our Own Correspondents)

BOMBAY, 10*th December*

The firm trend noted in the sugar market last week continued unabated during the week under review and prices registered further improvement. Traders expect that the first release of sugar out of the current season's output to be announced shortly would not be sufficient to meet the normal demand. There are reports that, early this week, the Indian Sugar Mills Association considered the interim report of the Tariff Commission on sugar prices and decided to request the Union Food Ministry to raise the controlled ex-factory prices of North Indian sugar by 50 nP per maund. Meanwhile, the ex-mill values of sugar in the Bombay-Deccan area have gone up by about 50 nP per bag.

Arrivals of sugar by rail into the market were quite large during the week; they aggregated 15.300 bags, as against just 4,200 bags in the previous week.

Medium grain sugar spurted by a rupee to Rs. 109-Rs. 112 per bag. Large grain advanced by a like amount to Rs. 113-Rs. 119. Small grain gained 25 nP to Rs. 108.25.

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HAPUR, 8*th December*

Sugar prices ruled steady to firm during the past week, as the current quota of 97.000 tons was reported to have exhausted and stocks with the factories were almost nil. Only damaged stocks were being quoted with some of the factories

The next quota out of 1958-59 production is expected to be released shortly and the trade is keenly awaiting the same. Crushing for the season is in full swing and cane supplies are adequate.

The prices of sugar improved in the Muzaffarnagar market also, due to paucity of stocks. The latest prevailing wholesale mill delivery prices were:—Bijnore E29 Rs. 35.72; Kessar D29 Rs. 36; E29 Rs. 35.81; Seohara D29 Rs. 35.31; (damaged) Rs. 34.94.

Sugar prices at Kanpur ruled quiet towards the week-end for want of support. The latest prices were:—Ex-mill controlled Rs. 36-12 per maund; spot per bag C29 Basti Rs. 104; Gola Rs. 102-8; D29 Gola Rs. 101; Burhwal Rs. 101-4; Waletrgunj; Bulrampur and Tulsipur Rs. 100-8; Haragaon and Lakhimpur Rs. 100.

The *khandsari* production is gradually increasing. The producers are buying cane at Re. 1-Re. 1-25 per maund, as against the minimum prices of Re. 1.31 to Re. 1.44 per maund. New *khandsari* is quoted at Rs. 34 and inferior upto Rs. 29 per maund.

Gur ruled steady, due to brisk outside support. Daily arrivals averaged 6,000 to 7,000 maunds and the total from the beginning of the season is about 2.50 lakh maunds, as against 1.65 lakh maunds in the corresponding period last year. Loading facilities are adequate and entire arrivals have been lifted for outside despatch. *Balti* quality is much in request from Gujerat side and is being sold at about Re. 1.25 per maund higher than *dara* quality. The Centre has refused to increase the price of cane for the current season as urged by the State Governments of U.P. and Bihar and the price of cane for 1959-60 season will soon be announced. The prevailing prices of *gur* here on Monday were:—Superior quality Rs. 14.25; *dara* Rs. 14; *balti* Rs. 15.25; *shakker* Rs. 15.50 per maund.

Gur improved fractionally during the week in the Muzaffarnagar market, due to good demand from Gujerat and Madhya Pradesh. Arrivals were at an average of 15,000 maunds daily and prevailing prices were:—*Chaku* new Rs. 14.25 to Rs. 15; *Khurpapar* Rs. 14 to Rs. 14.50; *Panesera* Rs. 14.50 to Rs. 15; *Ladu* Rs. 14.50 to Rs. 16; *shakkar masala* Rs. 18.50 to Rs. 20; *dara* Rs. 14.50 to Rs. 16.25.

Future *gur* ruled firm during the week on vigorous bull support. *Fagun* opened at Rs. 12.75 on Monday last, improved in successive sessions to touch the highest at Rs. 13.72 and was today quoted at Rs. 13.58, due to profit-taking at highest levels.

DUST TEAS DECLINE

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, 4*th December*

Approximately 900.000 lbs. were on offer in dust Sale 'Y,' which was held on Tuesday, 2nd December. The larger, but nevertheless, fairly useful selection of teas met with only a fair demand. At the easier rates, fibrous sorts were the strongest feature of the sale, but these showed a decline of up to 10 nP. All other descriptions were irregularly 10 to 15nP lower and sometimes more.

London Market: *Sale of 1st December* 1958:—Good tea and plain tea generally 1*d.* to 2*d.* dearer. Others irregular, though prices unchanged.

Sale of 2nd December 1958:—Market steady.

Colombo Market: *Sale of 1st December* 1958: Best available highgrowns strong demand dearer. Best coloury mediums firm. Lowgrowns steady, but others lower following quality. Off grades good demand about 10 c. lower.

Calcutta Market: *Export*:—Fair general demand at continued easier rates. Slightly more enquiry for the few better liquoring C.T.Cs.

Internal:—21,300 packages. Met fair demand, weakening towards close. Orthodox types opened 4 to 6 nP. closed 10 to 12 nP easier. Medium C.T.C. 10 to 15 nP easier. Best about steady.

Export Quota:—With the quota quotation showing a slight upward trend, a fair volume of business was transacted at 2-2½ nP. The market has shown a slight decline and there are buyers at 2 nP.

Forthcoming Auctions:—Dust Sale 'Z' will be held on Tuesday, 16th December 1958.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:—

"*Sale* 34:—2.250,000 lbs. Useful demand at the bottom. but prices generally 10 to 15 nP lower. Medium irregular and up to 20 nP lower. Better liquoring considerably easy, following quality."

TEA PRICES GIVE WAY

(From Our Own Correspondent)

CALCUTTA, 9*th December*

If further evidence to the industry's claim for tax relief to tea is needed, it has been provided by the continued fall in prices in tea auctions. Appropriately, Mr. J. D. K. Brown, in his presidential address to the annual meeting of the Associated Chambers of Commerce of India held here on Friday last, presented the tea industry's just claim for tax relief, and emphasised the need to remember the history of the export duties on jute goods, with a view to ensuring that a tardy reduction in the duties on tea did not have similar effects. It will be remembered that the jute industry and trade had been representing to Government for nearly two years the need for cancellation of export duties; but the Government turned a deaf ear to these representations and it was not until the duties began to do permanent harm to India's export trade in jute goods that New Delhi acted.

This week's fall in tea prices at the auctions was attributed here to expectations of higher output. Already, in October production was higher by 11.3 million lbs. Pakistan's crop for 1958-59 is estimated to have increased by 20.2 per cent. to 53.5 million lbs. Supplies from other countries, such as China and Africa, are also on the increase in world markets. It should be noted that in the last auctions prices of commonest teas in Chittagong's sale improved.

During last week's auctions for domestic consumption, prices declined in such an alarming way that there were heavy withdrawals. Dusts on offer aggregated 21,096 chests and the general demand was only fair. Orthodox teas gave way by 4 to 6 nP. Best C.T.Cs rose above valuations, while plain and medium C.T.Cs declined by 10 to 15 nP. Darjeelings were irregular, and legg-cut Dooars eased by 6 nP. The quotations were: best Assam C.T.C. Rs. 2.40 to 2.80 (*nominal*), medium Assam C.T.C. Re. 1.90 to 2.15, medium Dooars Re. 1.78, and medium Assam grainy dust Re. 1.80.

Leaf on offer amounting to 3,596 chests met with an easier trend.

In the tea sale held in Chittagong on 3rd December, offerings amounted to 18,228 chests leaf and 4,767 chests dusts, in addition to a supplement of 104 chests. The demand for leaf was good. The strongest feature of the sale was the rise of As. 3 in commonest teas above invoiced prices. High B.O.Ps gained by As. 2, legg-cut fannings by As. 2½ to 3 and green teas by As. 4 to 5. The quotations were: P.F. Rs. 2-0 to 2-0-6; O.F. Rs. 2-3-6, Pek 2-0 to 2-0-6, B.P. Re. 1-14-6 to 1-15, B.P.S. Re. 1-15-6, and B.O.P. Rs. 2-0 to 2-0-6.

In the export auctions held yesterday, offerings amounted to 62,433 chests. At the beginning there was good demand, which weakened as the sales came to a close. Clean black fannings were a strong feature and the price improved. Medium B.Ps and P.Fs were firm at quoted rates. "Teas for price" rose by 2 to 6 nP. Orthodox B.O.Ps and O.Fs eased, but the clean black teas were in good demand and the tippy teas received good attention. Among C.T.Cs, the poorer lots were offered competition to realise higher prices. Legg-cut teas lost by 4 nP. Whole leaf grades were quiet, but the stylish lots were in better demand. Darjeelings were lower. The quotations were: best Assam C.T.C. fannings Rs. 2.20 (nominal), best Assam C.T.C. B.P. Rs. 2.10 (nominal), clean black pekoe Re. 1.95, medium fannings Re. 1.70 to 1.76, plain fannings Re. 1.66 to 1.72, plain B.P. Re. 1.56 to 1.60, and medium B.P. Re. 1.66. Rates include excise duty of 3.125 nP per lb.

SACKINGS IMPROVE SLIGHTLY

(From Our Own Correspondent)

CALCUTTA, 9*th December*

A feature of the jute goods market during the week under review was the fractional recovery in prices of heavy goods following the materialisation of an earlier rumour anticipating a Government order for a fair quantity of B. twills. Nevertheless, B. twills were below the floor, while hessian was throughout maintained above the ceiling. On the other hand, after an earlier recovery, raw jute receded, as bazar stockists showed only limited interest, although mills at one time purchased a fair quantity. Subsequently, the publication of the Government of India's *communique* also affected sentiment. For it claimed that this year's crop would amount to 5.2 million bales, a record production since partition, and only 300,000 bales below the second Plan's target of 5.5 million bales. However, trade circles were not at all optimistic about even this year's result being maintained in the next season, not to speak of realisation of the target, if action was not taken immediately to ensure that the grower got a fair return. For a time, after the Indian Central Jute Committee recommended the fixation of minimum prices for raw jute, prices improved. However, offerings also increased and the improvement could not be maintained. Also, it was believed that the Government of India would not take any immediate action on the Committee's recommendation. For a subcommittee would work out a formula, and it would not be before two months it could submit its report.

Subsequently, trade circles ruled out any possibility of Government fixing minimum prices. The Union Commerce Minister, Mr. Kanungo, in reply to a question in Parliament on the 4th inst., said that competent commissions were opposed to the fixation of floor prices, since such prices would be detrimental to the interests of industry and growers. At the same time, the Minister told his audience of Government's concern over the slump in fibre prices, and his promised statement was awaited with keen interest. Possible alternatives are export or improvement of marketing facilities for growers. Of the two, the first will not find ready acceptance in New Delhi. Co-operative societies might, it is thought here, be the answer. However, even if it is decided to set up co-operative societies and build warehouses in jute centres, it will take some time for these decisions to be implemented. These will not, therefore, affect the current season's marketing, and will mean the continuance of the slump with its possible disastrous consequences on the next season's crop. Market circles are fully appreciative of the Associated Chambers of Commerce of India resolution on export trade calling upon the Government to maintain the country's vital export industries, including jute, by promoting their prosperity. The resolution said that the country must depend upon the established export industries for foreign exchange earnings for years to come. The mover of the resolution emphasised the considerable scope for further expansion of the internal markets for jute goods.

On Tuesday last, the goods market ruled quiet with the U.S.A. purchasing in small lots only. Hessian 40" 10 oz. was lower at Rs. 42.10, as against Rs. 42.25 in the previous day. B. twills sagged to Rs. 94.20 from Rs. 94.40. There was covering demand for ready hessian, but the quantity involved was so small that it was not felt in the market. Thus, on the next day, hessian 40" 10 oz. gave way to Rs. 41.70 and B. twills to Rs. 94.00. However, anticipations of an imminent Government order for B. twills were so strong that B. twills improved to Rs. 94.50, but there being no activity in

hessian, the 40" 10 oz. closed at Rs. 41.50. This was on Thursday. On Friday, however, B. twills recovered to Rs. 95.10. This followed the announcement of Government's intention to buy 16,667 bales B. twills for delivery during this month and 10,000 bales for delivery during January. In the absence of any interest, hessian 40" 10 oz. lost to Rs. 41.15. Over the week-end, B. twills were maintained at Rs 95.10, but hessian 40" 10 oz. sagged further to Rs. 40.90. In the futures market, February B. twills opened at Rs. 95.80 and after moving down to Rs. 95.20 rose to close at Rs. 96.25. Hessian 40" 10 oz. February opened at Rs. 39.48 and declined to Rs. 39.04. Yesterday, B. twills were fractionally higher at Rs. 95.30, following the announcement of a decrease in sacking stocks by 2,000 tons to 75,500 tons at the end of last month. Miscellaneous stock, on the other hand, increased by 500 tons to 12.600 tons, but hessian declined by 500 tons to 17.300 tons. Yesterday, hessian 40" 10 oz. was lower at Rs. 40.45.

Although mills accorded fair support for a time and prices recovered, this was only a temporary feature. The bumper crop reports both in Pakistan and in India were such a heavy drag on the market that it was felt that, without some holding power, a recovery was difficult. Assam bottoms fell to Rs. 21.50 from Rs. 22.00, but recovered to Rs. 22. Mr. Lal Bahadur Shastri's statement in the Lok Sabha yesterday did not reveal anything new. He referred to the minimum prices fixed by the I.J.M.A. for jute goods, the fixation of margins in the futures market, and acceleration of purchases by mills. He thought that prices to cultivators had not moved down to below output-cost, in view of the higher outturn per acre. Further details are awaited in regard to the decision to export a limited quantity of raw jute through the State Trading Corporation. The latest quotations for the different varieties are:

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
District	29.50	26.50
Northern	29.50	26.50
Indian:		
Northern	23.50	21.00
Assam	24.50	22.00
Orissa	26.50	24.00
Desal	23.00	20.50
Murshidabad	22.00	19.50
Jungli	21.75	19.25
Daissee	25.25	22.75
Uttar Pradesh	21.75	19.25
Daissee Mesta	21.50	19.00
Bimli f.a.q.	Rs. 19.00	

LINSEED EASY AT CLOSE

(Messrs. A. Bradley & Co.)

CALCUTTA, 8*th December*

The linseed market showed some improvement in the early part of the week and gains were registered. Seed was higher by As. 4 per maund and oil by As. 8. Prices, however, began to recede towards the close and the undertone of the market at present is quiet. In the oil section, some interest was shown by shippers and a fair turnover was reported. Although Indian prices are still well above U.K. parities, there is some prospect of shipment to Australia.

The latest quotation for ready December is Rs. 26 per maund.

BASE METALS RECEDE

(From Our Own Correspondent)

CALCUTTA, 9*th December*

Thanks to the decline in consumer demand as well as to the fall in prices in foreign markets, prices of base metals in the Calcutta market receded during the week under review. In recent weeks, consumers had bought in a marked way, and hence they had built up a satisfactory stock position in order to carry on up to the time their supplies under the new import licences would be reaching them direct. On the London Metal Exchange, spot copper declined from £228 to £218 per ton and three months from £228 to £221. This was attributed to a fall in demand by buyers on account of Europe. In New York also, the price recorded a downward trend, spot declining to 27.50 cents per lb. from 28.25 cents. Following this, customs smelters reduced their selling price from 29 cents to 28½ cents.

Tin opened here at Rs. 607 and declined to close at Rs. 595. Consumer demand was insignificant, in view of the comfortable supply position with stockists as well as with consumers themselves. However, the fall in the price was made good use of by upcountry consumers who purchased their requirements from here. The price in Bombay fell so rapidly that it not only lost the difference with the Calcutta quotation but even went down lower than the latter. Electrolytic zinc receded from Rs. 97.60 to Rs. 94, and this fall was in consonance with the weakness in London and New York. Moreover, consumer demand was slack. For the same reason, virgin lead eased from Rs. 89.00 to Rs. 86.50.

POOR CLEARANCE IN HIDES

(From Our Own Correspondent)

MADRAS, 8*th December*

Arrivals of tanned cow hides were on the usual scale and clearance was poor, due to unworkable prices quoted by stockists. U.K. trading was small because of the high prices indicated by shippers. Inland demand continued for lower selections of cow hides, and sales to the U.K. were not possible. U.K. importers paid higher prices on cow calf top marks and U.S. buyers on buff calf.

There were several enquiries from the U.S. for tanned goat skins and the market was firmer as a consequence. U.K.-Continent buying was small, due to London auctions in progress. The tanned goat skins market was quiet.

In the December London auctions, prices of goat skins showed an advance of 3*d.* to 9*d.* on light weights and tapered off, as the average weight became heavier. Tanned sheep skins ruled firm.

Shipments during November 1958 were: To the U.K. 2,834 bales tanned cow hides, 212 tanned cow calf, 38 tanned buff hides, 168 tanned buff calf, 762 tanned goat and 393 bales tanned sheep skins; to the Continent: 9 bales tanned cow hides, 1 tanned cow calf, 556 tanned goat and 201 bales tanned sheep skins; to the U.S.: 5 bales tanned cow calf, 148 tanned buff hides, 77 tanned buff calf and 79 bales tanned goat skins; to Japan: 7 bales tanned sheep skins.

FOODGRAINS QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 8*th December*

Quietly steady conditions prevailed in the foodgrains market during the week under review. Barring *kharif* grains—maize, *bajra* and rice—the supply position of other grains is tight. Reports from all parts of the country, however, speak of a marked increase in production of all *kharif* grains during the current year and rice production is expected to touch the record figure of 29 million tons, as against 24.8 million tons last year and 28.2 million tons in 1956-57. Price of rice has slumped in many parts of the country. The Orissa and Madhya Pradesh Governments are to purchase rice on behalf of the Centre at Rs. 15 per maund and the U.P. Government is purchasing 1.5 to 2 lakh tons within the State. The Central Government aims at procuring 2 million tons of rice this year

Wheat prices at Hapur registered slight gains during the week to be quoted now at Rs. 24 37 per maund for *dara* quality and upto Rs. 25 50 for farm produce. The Union Government, under the Essential Commodities Act, has notified that the price at which wheat shall be sold in any locality in U.P. shall be the average for three months preceding notification. Such restriction already applies to Punjab. Wheat arrivals are small, but offtake is also slack, consumer demand having shifted to maize and *bajra*. *Rabi* germination report are satisfactory, but now winter rains are needed.

Rice prices ruled quietly easy, thanks to good supply position following ban on exports from the State. The latest prices were:—*Basmati sela* Rs. 28; *mainpuri* Rs. 20; coarse quality Rs. 17 per maund.

Gram ruled quiet. Barley and *bejhar* were unchanged Although the supply position of these grains is tight. demand is also slack. Maize and *bajra* are attracting good consumer demand due to comparative cheapness and favourable season for their consumption. *Jowar* and *guwar* prices were quiet and week-end prices were (in rupees per maund): Gram punjabi 19.37; barley 17.50; *bejhar* 17.25; maize 14.50 to 15; *bajra* 16; *jowar* 14.25; *guwar* white 15.25.

Pulses were depressed during the week. Peas stocks left were small, while *arhar* stocks are running down to be put at 54 *khatties* on Monday, as against 62 *khatties* on last Monday. *Urd* and *moong* prices had a sagging tendency, with arrivals of new crop in the markets and week-end prices (in rupees per maund) were:—Peas *dara* 18; farm 21; peas *dal* 20; *arhar* 22; *arhar dal* 26; *urd* 18.50; *moong* 21 to 22; *massor* 17.75.

DEPLETION ALLOWANCE FOR MINING AND OIL INDUSTRY

(*Concluded from page* 977)

the calculation of depletion allowance, and is opposed to adjustment of accounts on the basis of an uncertain fluctuating price-index, unanimity about the preparation of which would hardly be possible.

Basis for India

The foregoing consideration of the various prevalent methods of calculation of depletion allowance indicates that for this country, the advantage would lie in adopting (i) the output formula or the cost depletion basis and (ii) the percentage depletion basis, and giving the assessee choice of selection between these methods. If difficulty arises in the application of the first method in any case because the reserve ore deposits cannot be ascertained with accuracy, the percentage basis could be adopted, as has been done in the case of the oil company referred to earlier. If the first method is adopted, annual allowance should be given for amortisation of capital expenditure on acquisition of mines or oil wells, their exploration and development, and the construction of works whose utility would cease with the exhaustion of the mine. Expenditure on infructuous exploration should be allowed to be written off in the year in which exploration is abandoned. Capital expenditure on other assets would, of course, receive the usual depreciation and initial allowances. Depletion allowances, no doubt, would reduce revenue at first, but as development of the mineral industry takes place, revenue would be compensated and the best interest of the country served.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 5th Dec., 1958

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	61,58,54,000
(2) Other Governments	12,18,57,000
(b) Banks	73,01,91,000
(c) Others	116,81,54,000
Bills Payable	14,87,28,000
Other Liabilities	20,66,65,000
Rupees	412,14,49,000

Assets	Rs.
Notes	11,03,92,000
Rupee Coin	2,10,000
Subsidiary Coin	3,40,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	3,94,19,000
Balances held abroad*	18,33,88,000
Loans and Advances to Governments†	24,90,55,000
Other Loans and Advances	54,69,57,000
Investments	288,56,25,000
Other Assets	10,55,53,000
Rupees	412,14,49,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 67,36,000/- advanced to Scheduled banks against issues bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	11,03,92,000	
Notes in circulation	1582,22,91,000	
Total Notes issued		1593,26,83,000
Total Liabilities		1593,26,83,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	164,67,56,000	
Total of A		282,43,59,000
B. Rupee Coin		136,10,36,000
Government of India Rupee Securities		1174,72,88,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1593,26,83,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	28th Nov., 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1555.18	1562.69	1534.44	1478.66
Notes held in Banking Department	35.05	40.24	31.84	22.71	36.71
Foreign Securities	59.50	164.68	164.68	164.68	280.19
Rupee Securities	37.39	1174.73	1174.73	1184.70	982.29
Banking Department					
Deposits of :					
Government of India	14.89	59.60	52.03	71.75	50.94
Other Governments		24.15	24.49	32.12	11.31
Balances held abroad	10.66	15.95	16.85	13.75	29.30
SCHEDULED BANKS					
Demand Liabilities	124.36	712.46	714.16	712.35	715.00
		(17.07)†	(15.37)†	(23.16)†	(14.56)†
Time Liabilities	102.24	919.40	928.20	927.20	684.33
		(39.32)†	(38.83)†	(39.09)†	(17.86)†
Borrowings from Reserve Bank	..	1.56	1.36	2.26	16.25
		(0.67)‡	(0.70)‡	(0.92)‡	(14.12)‡
Borrowings from State Bank	..	3.38	3.40	2.87	5.90
Cash in India	6.70	40.29	41.73	40.01	38.20
Balances with Reserve Bank	25.17	86.50	98.41	106.73	106.38
Excess over statutory limits	15.52	32.49	44.14	52.57	56.95
Balances with other banks in current account in India	..	13.40	13.45	13.35	11.47
Money at call and short notice in India	..	48.53	41.76	48.17	46.84
Investments (at book value)	166.09	843.00	839.88	818.43	408.51
Advances and bills		832.45	813.14	838.85	839.96
STATE BANK					
Deposits	87.76	472.59	485.19	476.29	361.90
Investments	51.99	285.91	285.75	266.54	163.21
Advances	30.25	163.31	161.53	162.06	158.43
Cash	14.49	38.24	47.94	56.88	55.81

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3 50	6
Austria	17th Nov., 1958	4 50	5
Belgium	May, 1958	3 75	3 50
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Ceylon	11th June, 1954	3	2 50
Chile	Feb., 1957	4½	6
Colombia	18th July, 1923	5	4
Costa Rica	1st April, 1954	4	5
Denmark	18th Sept., 1958	5	4½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	20th April, 1956	5	4
Finland	20th April, 1956	5	4½
France	16th Oct., 1958	5	4½
Greece	15th May, 1956	9	10
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	4	3
Ireland	28th Nov., 1958	4	4½
Italy	7th June, 1958	4	3 50
Japan	Sept., 1953	7.67	7 30
Mexico	4th June, 1942	4	4½
Netherlands	14th Nov., 1958	3 50	3
New Zealand	19th Oct., 1956	6	7
Norway	14th Feb., 1955	2 50	3 50
Pakistan	1st July 1948	..	3
Peru	13th Nov., 1947	6	6
Philippines	Sept., 1957	3	4½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	22nd July, 1957	4½	4
Sweden	3rd May, 1956	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1942	..	7
Turkey	6th June 1956	4½	6
United Kingdom	20th Nov., 1958	4½	4
U.S.S.R.	1st July, 1936	2	4
U.S.A.	23rd Oct., 1958	3	3½
West Germany	27th June, 1958	3½	5

State Bank of India

Statement of Affairs for the week ended 5th Dec., 1958

Capital and Liabilities	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,02,50,000
Borrowings from Other Banking Companies, Agents, etc.		470,01,86,000
Bills Payable		62,00,000
Bills for Collection being Bills Receivable as per contra		6,02,54,000
Acceptances, Endorsements and Other Obligations per contra		2,59,34,000
Other Liabilities (including Inter-Office Adjustments)		1,23,78,000
		12,68,11,000
Total .. Rs.		505,32,63,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		26,50,80,000
Balances with other Banks		2,43,47,000
Money at Call and Short Notice		2,46,67,000
INVESTMENTS :	Rs.	
Government and other Trustee Securities	276,42,89,000	
Other Authorised Investments	11,70,91,000	
		288,13,80,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	150,73,12,000	
Bills Discounted and Purchased	14,46,68,000	
		165,19,80,000
Bills Receivable being Bills for Collection as per contra		2,59,34,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,23,78,000
Premises less Depreciation		1,21,81,000
Furniture and Fixtures less Depreciation		93,85,000
Other Assets (including Inter-Office Adjustments).		14,59,31,000
Total .. Rs.		505,32,63,000

Scheduled Banks*

Statement of Affairs for the week ended 28th Nov., 1958

	Rs.	Rs.
Demand Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		17,06,98,000
(ii) Other demand liabilities		695,39,00,000
Time Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		39,31,97,000
(ii) Other time liabilities		880,08,42,000
Borrowings in India from the State Bank and/or a notified bank :		
(i) Demand liabilities		3, [illegible],000
(ii) Time liabilities		5,00,000
Borrowings in India from the Reserve Bank of India		1,55,60,000 (67,00,000)
Cash in India		40,28,99,000
Balances with the Reserve Bank in India		86,50,34,000
Balances with other banks in current account in India		13,39,65,000
Money at call and short notice in India		43,53,12,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		642,99,96,000
Advances in India		709,85,05,000
Inland Bills purchased and discounted in India		61,38,23,000
Foreign Bills purchased and discounted in India		41,21,74,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 28th November 1958

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	88,16,78,000
(b) Provincial Governments	50,50,000
(c) Banks	14,85,08,000
(d) Others	5,41,05,000
Bills Payable	20,84,000
Other Liabilities	9,45,57,000
Rupees	124,59,78,000

Assets	Rs.
Notes	6,65,57,000
Rupee Coin	43,000
Subsidiary Coin	28,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	18,57,000
Balances held outside Pakistan*	10,24,78,000
Loans and Advances to Governments	5,66,00,000
Provincial Governments' Debtor Balances	3,48,66,000
Other Loans and Advances	20,09,00,000
Investments	69,19,21,000
Other Assets	9,04,28,000
Rupees	124,59,78,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	6,65,57,000	
Notes in circulation	843,58,64,000	
Total Notes issued	....	850,22,21,000
Total Liabilities	....	850,22,21,000

Assets	Rs.	Rs.
I. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	50,76,07,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	
		116,85,72,000
B. Rupee Coin	4,69,01,000	
Government of Pakistan Securities	222,77,42,000	
Internal bills of exchange and other commercial paper	....	
		227,46,43,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	....	5,90,06,000
		350,22,21,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued : 34 97 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
1958				Rs.	Per cent.
15th September	2 00	2 75	2.00	2.524	99 365
23rd September	2 00	2 35	2 00	2.529	99 365
30th September	2 00	2 45	2 00	2 527	99 365
7th October	2 00	3 20	2.00	2 525	99 365
14th October	2 00	3 90	2.00	2 521	99 365
21st October	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
28th October	3.00	3 75	3 00	2 489	99 375
4th November	4.00	10.00	4.00	2.458	99 385
5th to 7th November *	3 50	—	3.50	2 396	99 401
10th November	4.00	7.20	4 00	2 480	99 390
18th November	4.00	5.05	4 00	2 458	99 385
19th to 22nd Nov.*	0.54	—	0.54	2 396	99 401
25th November	3 00	5.50	3 00	2.442	99.385
6th to 29th Nov.*	0 50	—	0 50	2 376	99 406
2nd December	3 00	4.55	3 00	2 423	99 390
3rd to 6th Dec.*	0 65	—	0 65	2 356	99 411
9th December	3.00	3.95	3.00	2.420	99 390
Total amount outstanding	39 29		39 29		

* Intermediate Bills sold

CLEARING HOUSE RETURNS

Centre	Week ended 5th December, 1958 Number of Cheques	Amount Rs.	Week ended 28th November, 1958 Number of Cheques	Amount
Bombay	3,42,160	74,48,81,000	3,27,264	81,02,48,000
Calcutta	1,77,000	77,87,00,000	1,69,000	68,21,00,000
Madras	88,939	11,06,89,598	88,232	9,99,25,310
All Centres—				
1956-57	..	..	49,08,000	87,24,25,00,000
1957-58	..	..	41,67,000	89,54,66,00,000
Aug. 1958	..	..	3,432,000	7,52,06,00,000
Sept., "	..	..	3,537,000	8,05,99,00,000
Oct., "	..	..	3,922,000	7,96,89,00,000

EXCHANGE RATES

	10th December, 1958	Previous week
Bombay on London—		
Sellers T.T. D.D. 8pct.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	1-6 1/32	1-6 1/32
Bombay on New York—		
Sellers T.T. D.D.	475 50	477 25
Buyers T.T.	474 25	474 00
London on New York	2.80 2 80 1/2	2.80 1/2 2 80 3/4
London on Paris	1.170	1.1701
London on Berne, Sw. Fes.	12 24 12 24 1/2	12 23 3/4 12 23 1/2
New York on London	2.80 1/2-2.80 3/4	2.80 1/2-2.80 3/4

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	15th Nov., 1958	8th Nov., 1958	16th Nov., 1957	October 1958	October 1957	Percentage of Increase (+) or Decrease(−) in Oct., 1958 as compared with Oct., 1957	Financial Year Average 1957-58	1956-57
Food Articles	364	118 2R	119 0 R	108 7	121 2R	107 3	+13 0	106 4	102 3 R
Cereals	192	111 0	112 5 R	102 1	113 6	102 2	+11 2	101	96
Pulses	43	114 0	115 2 R	84 1	109 2	82 8	+31 9	88	81
Fruits and Vegetables	23	128 0	121 6 R	110 7	123 8 R	109 2	+13 4	114	112
Milk and Ghee	84	104 3	107 2 R	105 9	109 7 R	105 2	+ 4 3	105	100
Edible Oils	24	121 5	124 0	128 0	132 8	128 7	+ 2 0	126	125
Fish, Eggs and Meat	17	111 3*	109 2 R	99 8	109 7 R	97 1	+12 9	98	97
Sugar and Gur	48	128 1	133 6	110 9	136 0	111 1	+22 4	108	98
Others	50	159 8	159 3 R	136 3	159 0 R	129 9	+22 4	121	128
Liquor and Tobacco	10	96 6	96 6 R	93 0	96 6	96 6	— 2 3	96 6	94 3
Tobacco	..	95 1	93 5 R	95 0	91 3	93 0	— 2 5	93	83
Fuel, Power, Light and Lubricants	38	114 9	115 0	115 3	115 5	115 2	+ 0 3	112 6	104 2 R
Industrial Raw Materials	156	111 6	113 1	118 8	117 8	114 8	+ 1 9	116 5	110 0
Fibres	61	102 0	101 6	113 2	104 6	112 9	+ 7 4	113	106 1
Oilseeds	60	124 1	127 8	125 5	135 3	121 0	+11 8	120	120
Minerals	2	107 3*	105 2*	107 1	105 2	109 1	— 3 6	103	102
Others	33	108 8	107 2 R	108 1	106 9 R	107 1	— 0 2	108	109
Manufactures	290	108 5	108 9 R	106 6	108 6	106 2	— 0 1	106 1	106 2
Intermediate Products	41	109 6	110 0 R	106 3	110 2	106 5	+ 3 5	107 3	102 6
Finished Products	249	108 1	108 7 R	106 8	108 5	106 2	— 0 6	106 2	106 4
Textiles	147	103 2	103 7	106 0	103 6	108 5	— 4 5	107	108
Cotton	—	111 2*	111 1*	115 4	111 5	116 6	— 4 4	116	116
Jute	—	88 7*	88 9*	96 6	87 5	99 6	—12 1	95	95
Woollen	—	105 9	105 9	103 0	105 0	103 0	+ 2 0	103	98
Silk and Rayon	—	90 2*	97 1*	91 8*	95 5*	92 6	+15 6	88	88
Metal Products	12	143 1	143 1	143 4	143 1	143 3	— 0 1	141	80
Chemicals	20	107 5	107 3	98 9	107 7R	98 8	+ 9 0	98	98
Oil cakes	10	142 1	143 0 R	128 2*	141 7	118 9	+19 2	115	108
Machinery and Transport Equipment	31	104 3	104 2 R	102 4	103 5	102 0	+ 1 5	102	99
Others	30	113 6	113 7 R	111 8	113 9R	111 1	+ 2 5	110	101
All Commodities	1,000	113 9	114 0 R	109 8	116 2 R	108 9	+ 6 7	106 4	103 3 R

NOTE:—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series.

[1952-53=100]

Group and Sub-Group	Week ended 29th Nov., 1958	22nd Nov., 1958	1st Nov., 1958	30th Nov., 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.4	100.4	100.3	98.3
2. Government of India	100.3	100 3	100.2	98 0
3. State Government	101 8	101 6	101.5	100 0
4. Municipal, Port Trust, etc.	99 0	99 0	99.0	98.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100 6	100.4	100 4	98 8
6. Plantations	100.1	100.1	100.1	100 0
7. Coal	99.6	99.6	99.6	99 6
8. Sugar	99 0	99 0	99.0	96 3
9. Cotton Textiles	98.2	98.2	98.2	100 3
10. Jute Textiles	91.5	91.5	91.5	93.0
11. General Engineering	101.1	100.8	100.4	95.9
12. Electricity Generation and Supply	97.1	97.1	97.1	96.6
13. Others	103.1	102.9	102.9	100 5
PREFERENCE) SHARES—ALL INDIA.				
14. Total	88 1	88 2	88 4	87 2
15. Plantations	98 0	98 0	97 6	101 7
16. *Mining & Quarrying: Total@*	88 4	88 7	87 1	87 4
17. Coal	79 5	79 5	76 3	79 5
18. *Processing and Mfg.: Total**	88 0	88 1	88 4	87 2
19. Sugar	88 2	88 2	89.1	92 3
20. Cotton Textiles	78 5	78.5	78.7	87 8
21. Jute Textiles	79 8	79 7	79 4	73 4
22. Iron and Steel	90.4	90.4	91.6	86.7
23. General Engineering	102 3	102.2	101 8	102 9
24. Basic Industrial Chemicals	86 8	87.0	89 3	82 0
25. Cement	99 5	100.7	98.7	98 2
26. Paper	86 0	86.0	85.9	91 2
27. *Other Industries: Total**	85.5	85.8	85.9	82 6
28. Electricity Generation and Supply	86.9	87.4	87.6	84.8
29. Trading	81.0	81 0	80.7	75.7
30. Shipping and Other Transport	85.3	85.8	85.5	84.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	139.7	140.4	144.1	124.1
32. *Agriculture and Allied Activities : Total**	152 0	153 4	158-7	146 1
33. Tea Plantations	146 3	147 5	150 0	143.7
34. Coffee Plantations	203 1	213 3	215 9	190 7
35. Rubber Plantations	151 0	153 5	156 0	135 6
36. *Mining and Quarrying: Total*	141 1	141 9	146 9	120 1
37. Coal	110 9	112 2	114 4	90 9
38. Other Mining	161.8	162.2	169.2	140.1
39. *Processing and Manufacturing : Total*	137.9	138.7	142.7	122 8
40. *Processing and Mfg. (Food* stuffs, Textiles, etc.). Total**	126 0	126 6	129 4	117 9
41. Sugar	169 7	170.1	174 3	158 2
42. Cotton Textiles	110 6	111.1	114 6	117 3
43. Jute Textiles	90 8	91 9	87 5	67 4
44. Silk and Woollen	428 8	429.3	445 3	804.7
45. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	157 8	158.4	163 2	128 4
46. Iron and Steel	151 9	151.8	169.1	114 8
47. Transport Equipment	198.1	197 4	208.2	173 6
48. Electrical Machinery	149.5	150.8	162.4	161 0
49. Machinery other than Transport and Electrical	174 4	173.7	174 9	143 8
50. Basic Industrial Chemicals	126 2	127.2	129.1	105 7
51. *Processing and Mfg. (Others): Total**	137 4	139 0	144 8	127 1
52. Cement	121 1	122 8	129 1	120 6
53. Paper	187.3	138 2	140.5	121 1
54. *Other Industries: Total**	160 9	152 9	155 8	145 6
55. Electricity Generation and Supply	95.4	95.1	95.8	88 8
56. Trading	88 4	89 0	89.7	80 1
57. Shipping and Other Transport	141 1	140 3	144.9	124 0
58. Construction	256 8	252 1	260.7	200 4
59. *Financial: Total*	178.9	180 3	184 6	150 6
60. Banks	201.0	202.9	209 6	170 0
61. Insurance	131 8	131 3	127.7	106.1
62. Investment Trusts	94.4	95 0	94 4	83.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	142.0	142.1	147.5	121 8
64. Calcutta	127.3	128 3	140.5	121 1
65. Madras	160 9	152 9	155 8	145 6
66. Delhi	159 9	161 0	167.4	149 3

* Including 'Miscellaneous.' † Including ' Edible and Vegetable Oils.'
@ Including other mining.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,78,600	7,97,500
Do. 31st March, 1958	10,98,800	11,06,800	7,96,900
Sept., 1957	88,600	92,500	71,700
Oct., "	96,100	99,500	59,000
Nov., "	94,900	95,100	66,000
Dec., 1958	89,600	95,800	66,500
Jan., "	94,200	95,400	70,900
Feb., "	84,200	85,100	83,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	6,95,156	5,82,315	4,61,683
Do. 31st March, 1958	7,38,945	5,07,580	4,10,568
Three months ended Sept. 1957.	1,71,397	1,19,172	96,815
" " " Mar. 1958.	1,90,859	1,35,503	1,06,501
" " " June 1958.	2,14,469	1,21,988	1,01,014
" " " Sept. 1958.	2,30,436	1,48,516	1,05,603

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of Average Number of workers involved	Number of man-days lost
1956	1,208	715,180	6,998,040
1957	1,680	889,371	6,429,319
January 1958	147	56,492	371,125
February "	152	99,482	447,566
March "	167	85,462	818,824
April "	170	61,489	5,30,162
May "	160	57,657	5,60,459
June "	163	91,741	1,529,248
July "	164	98,502	464,165
August "	132	63,571(a)	613,682(a)

‡ In progress during the month. (a) Not known in 8 cases.

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita Income (Rs.)
India†	'56-'57	387.68	..	11,010	284
Pakistan††	'56-'57	88 50	..	2,079	249
Burma	1956	19 80	Kyats 4,336	565	285
Ceylon	1955	8.88	..	475	567
Japan	1956	90 00	Y. 7,427,000	9,283	1,081
Philippines	1956	22.20	Ps. 8,335	1,985	894
New Zealand	1956	2.17	£(N.Z.) 884	1,178	5,428
Australia	1957	9.60	£(A.) 4,599	4,898	5,096
U.K.	1956	51 20	£ 16,465	21,958	4,287
U.S.A.	1956	168.09	$ 343,600	163,554	9,731
Canada	1956	16.00	$ 22,710	10,787	6,742
France	1956	43.60	F.Fr.13,990,000	17,640	4,046
W. Germany	1957	51 40	Dm. 158,000	18,057	3,513
Italy	1956	49 60	Lr. 11,478,000	8,760	1,821
Norway	1956	3.46	Kr. 20,990	1,408	4,358
Sweden	1956	7.80	Kr. 44,580	4,127	5,653
Netherlands	1956	10.80	Grs. 25,400	3,215	2,977
Denmark	1956	4.46	Kr. 24,950	1,690	3,789
Switzerland	1956	5.00	Sw. Fr. 25,630	2,807	5,614

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, June 1958.
† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.
†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	98	338	217	246	78	96	321	96	99	85	87	98	88	103
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	250	339	94	112	364	116	114	99	103	115	107	126
June 1957	112	356	254	330	91	112	371	115	115	98	105	113	111	127
July "	112	356	256	333	89	112	371	116	115	98	106	119	109	130
August "	113	377	265	347	98	113	375	115	118	99	105	120	108	128
September "	114	375	262	338	97	113	378	115	118	100	106	121	106	128
October "	113	374	260	339	96	114	375	116	113	99	105	120	107	129
June 1958	116	395	273	307	98	117	378	121	111	101	103	120	113	130
July "	119	407	285	317	101	118	392	125	116	105	103	122	114	130
August "	120†	404	288	322	103	118	403	126	117	108	106	125	111	132
September "	121†	404	289	327	104	120	406	127	117	111	109	131	..	132
October "	..	405	290	333	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A	7-Year B	12-Year B	12-Year National Plan Savings Certificates C	Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits E	10-Year Treasury Savings Deposit Certificates 3½% F	4% G	15-Year Annuity Certificates G	Total
	Out-standings	Out

SURVEY

(*Concluded from page 955*)

for clearing commercial samples and advertising material.

The improvements in the customs procedures now suggested, it is needless to add, should be supplemented by adequate steps to promote intra-regional co-operation in all these matters. These countries stand to gain much by exchange of information on customs laws and procedures. Smuggling, which is rampant in this part of the world, can also be held in check if the various countries make a joint effort in this direction. In this connection it was recommended that the names of professional smugglers could be communicated to other Governments and one customs authority might warn another about the danger of a customs offence being committed at the other's end. An exhibition of photographs illustrating modes of smuggling could also be circulated among participating countries.

The Working Party was also alive to the need for, and the importance of, co-operative efforts among the countries of the region in the organisational matters of customs administration. The E.C.A.F.E. conference suggested that customs officials from neighbouring countries might meet periodically and that there should be an exchange of staff and facilities for training. It was also proposed that uniform customs terminology and procedures be evolved. Pointing to the importance of standard procedures, the conference drew attention to conventions already adopted in Western Europe to facilitate the movement of goods and passengers by road and rail, and to permit the temporary importation of commercial and private road vehicles. The Working Party suggested that contiguous E.C.A.F.E. countries might examine the possibility of entering into similar conventions to cover trade and travel among them. The E.C.A.F.E. secretariat has been asked to assist in the drawing up of such conventions, if specifically requested by member-countries to give such assistance. The E.C.A.F.E. Working Party considered problems in customs valuation but felt that this field was too complex to be dealt with adequately at that session.

LONDON LETTER

(*Concluded from page 956*)

industries where both sides agree in advance to contract into it. Such an agreement would, it was felt, put both parties under a moral obligation to honour the findings. Last January, talks at the Ministry of Labour failed to find a bridge between these different opinions. In face of this disagreement, between the two sides, the Minister had to take his decision.

In deciding to end the Order, the Minister acted on the grounds that it was out of keeping with the voluntary spirit of industrial relations in Britain to use, in normal times, a method by which one or other party could be coerced by law. Further, it had become plain that compulsory arbitration in its present form had features which did not command the support of many employers, and it had been understood at the outset in 1951 that the Order was an experiment to be reviewed at any time.

Protesting about the Minister's decision, the T.U.C. declared that, while trade unions always prefer joint agreement through collective bargaining and that while the vast majority of differences between managements and workers about wages were settled in this way, there is at times a need for arbitration; and, in the T.U.C.'s view, the Industrial Disputes Tribunal provided a method of arbitration which has given wide satisfaction for a long period, contributing much to industrial peace.

A particular feature of the Minister's decision which drew the fire of the T.U.C. was the loss of machinery to deal with "issues." It said: "The T.U.C. consider there were only minor differences between the British Employers' Confederation and themselves on the procedure for obliging all employers in an industry to abide by its jointly agreed conditions of work. But, even in this limited sphere, the good tradition of changing industrial relations legislation with the maximum agreement of two sides has been set aside on this occasion." Now, the T.U.C. is to make its own study of the problems of arbitration in industry through a special subcommittee which it has set up.

PERSONAL AND CORPORATE TAXATION

(*Concluded from page 959*)

rationalisation of the tax structure. In particular, the present method of calculating income-tax has been unnecessarily complicated by the imposition of a number of surcharges in addition to income-tax, super-tax and corporation tax, and the various grounds on which there are withdrawals of surcharges or withdrawals of reliefs. Thus, in the case of corporation tax, a basic rate of corporation tax is laid down and various deductions are allowed to various classes of companies. These reliefs are withdrawn to differing extents, if the companies have made an issue of bonus shares or have made distributions in excess of 6 per cent. of the capital employed, etc.

The situation is even more complicated in the case of assessments of individuals for the following reasons:

(1) Certain allowances are available only for the purpose of computing the rate of tax and others only for the purpose of income-tax and not for super-tax.

(2) The rates of tax applicable to income from salaries and from dividends are those applicable to one year and the rates applicable to all other income are those of the next year.

Much clerical effort would be saved if the rates structure were revised by the imposition of tax at uniform slab rates, without the addition of any surcharge and if relief were granted by direct deduction from the total income of appropriate amounts, as is the case under the U.K. Income-tax Acts. Again, wherever exemption from tax is granted, this should be available for all purposes including the determination of rates of tax. The rates applicable to all incomes other than unearned income should be uniform.

In general, I am opposed to the Kaldorian system which seems laborious and complex. I am certainly averse to grafting it on to an older, and perhaps more enduring growth.

The acquisition of wealth to which the income, expenditure, gift, and wealth tax laws apply is either through income or inheritance. The latter has its own legislation and it is suggested that the anti-evasion information obtained under the Kaldorian system could equally well have been provided for by a revision of returns to be made under the Income-tax Act, without the need to increase the number and types of taxes. The key to wealth is income and if income (in its broadest sense) is taxed, wealth, gifts and expenditure are taxed as well. This suggestion might still mean four returns—but only one assessment—and one set of appeals to follow.

A reconstruction on the lines suggested, for both corporate and personal taxation would also give an opportunity to revise rates and bring them to more reasonable levels. This undoubtedly would be the best method of controlling evasion. The principal cause of evasion is its profitability. The reconstruction would also assist in removing the second cause of evasion which is the delay, trouble and expense involved in assessment proceedings.

TEXTILES

(*Concluded from page 960*)

spindles and 300 looms. This specification is on the low side. A widely accepted conception of an economic mill is 25,000 spindles and 600 looms. A unit of the size mentioned by Mr. Shah will not be able to compete effectively with the big units in Japan and the U.K. having up-to-date plant and machinery and resorting to mass production. Mr. Shah was, however, right when he said that, since management was the kingpin of the textile industry, the millowners must see to it that it was put on a sound footing. Further, he called upon them to see that consumer preference was met. In this connection, he cited the example of American markets where psychological tests to ascertain consumer preference are commonly held and industrialists regulate production accordingly.

EXCISE DUTY ON ART SILK FABRICS

In the article on protection for art silk fabrics appearing in our issue dated 29th November 1958—*vide* page 876—it was stated that the excise duty levied on art silk fabrics was six pies per square yard. This is, however, exclusive of the handloom cess of three pies and the additional excise duty of 3 nP (in lieu of States' sales tax) per square yard. The combined excise duty on all three accounts is, therefore, 7½ nP per square yard.

WEEK'S STOCK EXCHANGE TRENDS

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 11th December, 1958.

	Closing quotations 4-12-1958	High	Low	Closing quotations 11-12-1958
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	150.50	—	—	150.50
Apollo (2)	1.30	1.32	1.26	1.26
Bombay Dyeing (25)	56.80	57.30	56.00	56.20
Bradbury (50)	133.75	—	—	133.75
Central India (100)	90.00	90.50	87.00	88.00
Century Mills (100)	429.00	430.50	424.50	425.75
Colaba (100)	33.00	38.75	36.00	36.75
Edward Textile (200)	220.00	—	—	220.00
Elphinstone (50)	34.00	35.00	34.00	35.00
Finlay (100)	267.00	268.00	263.00	263.50
Gokak (100)	129.50	130.00	129.00	129.00
Ind. Untd. Defd. (1)	1.10	1.12	1.08	1.08
Ind. Untd. Ord. (10)	8.72	8.76	8.52	8.56
Indore Malwa (100)	103.00	102.50	101.00	102.00
Khatau (100)	160.00	—	—	160.00
Kohinoor (100)	249.50	253.00	242.00	242.00
Lakshmi (250)	412.50	410.00	407.50	407.50
Minerva Mills (100)	64.00	—	—	64.00
Model Nagpur (250)	175.00	175.00	168.75	172.50
Morarji (100)	236.00	237.00	235.00	237.00
Mysore (50)	91.00	—	—	91.00
National Rayons (100)	239.50	240.25	235.75	239.25
New City (100)	97.00	95.00	93.00	93.00
New Great (100)	219.00	219.00	210.00	218.00
Phoenix (100)	117.50	—	—	117.50
Podar Mills (100)	132.00	132.00	129.50	129.50
Sassoon Silk (10)	9.76	—	—	9.76
Sassoon Spg. (10)	40.00	—	—	40.00
Sholapur (1,000)	425.00	—	—	425.00
Shrinivas (100)	143.50	143.50	138.00	139.00
Simplex (50)	172.00	172.00	171.00	171.00
Standard (100)	411.00	414.00	405.00	406.00
Swadeshi (100)	207.00	209.75	202.00	207.00
Swan (100)	345.00	—	—	341.00
Tata Mill (25)	36.75	37.00	35.25	35.25
Vishnu (100)	98.00	—	—	98.00
Western India (1,000)	4,525.00	—	—	4,525.00
BANKS				
Bank of India (50)	137.00	137.50	136.50	137.50
Do. (New) (50)	139.70	139.25	139.00	139.00
Bank of Baroda (50)	119.50	119.50	119.00	119.00
Central (25)	58.00	58.50	58.00	58.40
Central 'A' (25)	59.50	59.50	59.20	59.20
Dena Bank (50)	45.75	46.50	45.75	46.50
Punjab National (25)	56.00	56.50	55.50	56.00
Union Bank (5)	7.52	7.52	7.48	7.52
United Com. (50)	68.20	68.50	68.00	68.00
ELECTRIC COS.				
Ahmedabad (100)	95.00xd	94.90	94.20	94.70
Amalgamated (10)	11.36	11.44	11.36	11.44
Andhra Valley (1,000)	1,202.50	1,205.00	1,202.50	1,205.00
Bom. Sub-El. (100)	110.75	110.75	100.00	109.50
Surat (100)	112.00	112.25	111.75	111.75
Tata Hydro (100)	122.50	122.75	121.75	122.00
Tata Power (1,000)	1,225.00	1,222.50	1,212.50	1,222.50
INSURANCE COS.				
British India (10)	14.00	14.28	14.00	14.28
Empire of India (100)	240.00	—	—	240.00
Ind. Mercantile (20)	47.25	47.25	46.25	46.25
Jupiter (15)	7.12	—	—	7.12
New India (15)	54.70	54.70	53.50	53.50
Oriental (200)	3,800.00	—	—	3,800.00
Universal (10)	13.00	—	—	13.00
Vulcan (10)	19.64	19.72	19.60	19.72
STEEL COS.				
Ind. Iron (10)	26.00	26.10	25.50	25.70
Tata Steel Ord. (75)	176.50	177.25	173.75	175.00
SUGAR COS.				
Belapur (50)	300.00	302.00	296.00	298.00
Bhopal (10)	27.10	26.80	26.60	26.60
Dhalian (50)	165.00	165.50	162.00	162.25
Walchand Ind. (100)	278.50	278.50	272.50	272.50
CEMENT COS.				
Associated Cts. (100)	151.75	154.50	151.50	153.75
Digvijay (100)	131.50	130.50	130.00	130.00
MISCELLANEOUS				
Alcock Ashdown (100)	256.25	257.50	250.00	251.25
Bom. Burmah (125)	492.50xd	494.00	485.50	490.00
Do. (New) (50)	180.00	180.00	178.75	179.00
Br. B. Petrol (4 sh.)	2.14	2.16	2.04	2.04
Br. I. Corpn. (5)	3.70	3.70	3.66	3.70
C. P. Rly. (100)	56.50	57.00	56.20	57.00
Hindusthan Motors (10)	7.08	7.12	6.80	6.80
Indian Copper (2 sh.)	3.78	3.78	3.60	3.60
Ind. Inv. Tr. (100)	81.00	—	—	81.00
Killicks (100)	149.25	151.00	149.25	151.00
Polson (100)	155.00	155.50	155.00	155.00
Pre. Automobiles (100)	85.50	85.00	81.00	81.70
Premier Con. (80)	243.50	243.50	240.00	242.00
Scindia (20)	20.96	21.32	20.88	21.16
G. E. Shipping (10)	27.00	27.00	26.40	26.45
Shivrajpur (10)	88.00	88.00	86.00	86.00
Tata Chemicals (10)	15.00xd	15.04	14.42	14.72
Tata Locomotive (100)	158.00	160.75	156.50	158.75
Tata Oil (25)	43.75	43.75	41.00	41.25
W. I. Match (100)	186.50	187.00	184.00	184.75

GOVERNMENT SECURITIES	4-12-1958	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	11-12-1958
	Rs.			Rs.
2½% 1961	97.15	—	3.54	97.15
2½% 1960	99.00	—	3.31	99.00
2½% 1962	96.80	—	3.57	96.80
2½% 1976	83.20	—	4.08	83.20
3 % 1959-61 2nd Viet	99.70	3.34	3.16	99.70
3 % 1964	96.80	—	3.57	96.90
3 % 1963-65	96.85	3.70	3.47	96.85
3 % 1966-68	94.05	3.88	3.71	94.05
3 % 1970-75 1st Dev.	90.40	4.02	3.78	90.40
3 % 1966 Con. Loan.	73.20	—	4 10*	73.20
4 % 1960-70	100.70	3.40	3.92	100.70
3½% 1961 N.P. Bonds	100.15	—	3.45	100.15
3½% 1964 N.P. Loan.	99.90	—	3.52	99.90
3½% 1965 N.P. Bonds	99.80	—	3.53	99.80
3½% 1962	99.20	—	3.48	99.20
3½% 1967 N.P. Bonds	99.05	—	3.61	99.15
3½% 1974	98.30	—	3.80	98.25
3½% 1967 N.P. Bonds	100.60	—	3.65	100.80
4 % 1972 Loan	100.90	—	3.80	101.20
3½% 1968	98.75	—	3.64	98.85
3½% 1963 N.P. Bonds	100.05	—	3.49	100.05
3½% 1968 N.P. Bonds	100.50	—	3.68	100.60
4 % 1973 Loan	100.70	—	3.92	100.90

BRITISH GOVERNMENT SECURITIES

	Closing quotations 2-12-1958			Closing quotations 9-12-1958
	£			£
2½% Brit. Consols	50⅜	—	—	50⅜
3 % Savings Bonds 1965-75	74⅞	—	—	74⅞
3 % War Loan 1955-59	99⅜	—	—	99⅜
3½% War Loan	65¼	—	—	65¼
4 % Victory Bonds 1976	95½	—	—	95½
4 % Funding 1960-90	89⅛	—	—	89⅛

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

COMMERCE

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

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CONGRESS HIGH COMMAND ON THIRD PLAN

THE draft resolution of the Congress Working Committee on planning and development reflects the same confused thinking that has characterised the second Plan. Its authors can, therefore, proudly claim that they are consistent in their approach. They have thereby made it easy for us also to be consistent in our comments. If this approach is maintained, the course of the third Plan is almost certain. The coming Plan will be conceived on a large scale. It will be overambitious. It will be flexible enough to permit frequent chopping and changing, with all the economic waste that is involved in such adjustments. It will lay more emphasis on the public sector. Despite ten years of economic development, the private sector will still be told that it is incapable of taking up heavy industries. The cost of the Plan will be put at a disproportionately low level in relation to the physical targets aimed at. It will ask the people to work harder and the only incentive it will offer will be the prospect of the next generation being happy and contented. The words that will be spoken by our leaders in the coming months are already ringing in our ears. "Eat and drink less. Tighten your belts. Consume less cloth. Use less cement and steel. Produce less children but more food and almost everything else. Save more and lend more to Government. But do not expect big profits or larger salaries or wages. Cut imports. Boost exports." The result will be, according to the planners in the Congress Party, more comforts for the next generation and more jobs for those who are jobless at present.

Some may say that these words sound familiar. Of course, they do, for they have been preached before and have also been listened to by the people, at least partly. It cannot be seriously contended that the people of this country have not been leading an austere life. There is not enough food to go round. There is plenty of cloth, but the people have not the means to buy it. There is a surplus of cement, but its consumption is restricted by non-availability of steel and funds. Taxes are high. Industrial profits are severely limited. They are either controlled by the Government or kept down by unfavourable market conditions and fiscal policies. The fact is that the techniques, principles and policies mentioned in the draft resolution have already been in force for at least three years, if not more, but the results have not been satisfactory. And yet the High Command of the Congress Party does not seem to have profited by this experience. On the contrary, it is planning to limit further the scope for individual initiative and enterprise by advocating co-operatives, having all the features of collectivisation, for the rural areas and by stressing the importance of the public sector for the urban areas.

There are, of course, some passages in the long-winded resolution which, taken by themselves, are quite pertinent. Thus, the need for a rapid increase in agricultural production and for attaining self-sufficiency in food is rightly stressed. Equally right is the suggestion that the Government should avail itself of the opportunity offered by the increase in the current season's rice and wheat crops to build up reserve stocks. Nor can one disagree with the proposition that the agriculturist must get a reasonable return for his labour; this can and should be ensured without detriment to the consumer. That prices of essential commodities such as cloth, foodgrains and some others should be kept within reasonable bounds is also a condition which cannot be disputed. Another indisputable statement in the resolution is that "wages and salaries should be dependent on work done and on production." The wording of this prerequisite may be imperfect, but the meaning is clear, that is, wages and salaries should be related to productivity. But the question of all questions is: How are these conditions to be ensured, if investments in projects, which yield dividends after long intervals, as also in projects which do not yield anything at all, are kept up at a rate far in excess of the available resources? Invariably, the answer will be: "Controls and self-restraint." These are, however, highly imperfect, if not theoretical, remedies. The country has had enough experience of them. Appeals for self-restraint have evoked only verbal sympathy. Controls have not prevented prices and wages from going up. Nor have they restrained claims from workers for more wages. There are no new signs to believe that, in future, the response will be different from what it has been hitherto.

The resolution says that the present rate of investment is too small in relation to the needs of the country and is not adequate to ensure the solution of the problem of unemployment. This is only partly true for three reasons. First, not all the investments under the first two Plans have been wisely made. The heavy expenditure on certain cottage industries have actually made a substantial contribution to unemployment and restrained the growth of capital formation. Secondly, the priority given to certain heavy industries has been faulty. And, thirdly, a wrong fiscal policy has been followed, with the result that the rate of development has been well below the optimum which this country could have easily had. The wrong fiscal policy is the result of (*a*) the adoption of an ideology that is inimical to the rapid growth of a democratic economy and (*b*) the belief that the heavier the taxation, the larger will be the resources and that excessive taxation does not lead to inflation. The neo-theory that, in an expanding economy, the law of diminishing returns cannot operate has already been effectively disproved. But, unfortunately, the policy-makers are either unable to see it or refuse to believe it. The simple truth that taxation does not create resources but only transfers them from the hands of the people to the State does not seem to have dawned on them yet. There are at least no signs in the draft resolution to suggest that they are fully aware of it. On the contrary, the resolution reiterates the current policy of the Government by saying that "public savings are the most effective method of stepping up domestic savings." Here, the words "public savings" are used to mean savings by the public sector, which, in turn, means that more and more resources must be concentrated in the hands of the State. The assumption that the public sector is more efficient than the private sector is not borne out by the progress of State-owned enterprises so far.

The resolution also betrays another lack of understanding of the fundamentals of the economic growth of underdeveloped countries, when it stresses that "a high rate of capital formation is the main determinant of the rate of economic development, apart from the population growth and the return by way of additional output on the investment undertaken." The availability of technical skill and know-how and the ability and willingness to absorb them are also vital determinants of progress. Failure to take note of this condition will bring the Plan to grief.

The Congress High Command says that "a very great part of the total investment must necessarily be financed from domestic savings, as too much dependence on foreign assistance is neither possible nor desirable." At the same time, it does not minimise the value of foreign loans and assistance. It regards them as essential for supplementing the efforts of underdeveloped countries to raise themselves economically. It then goes on to add that "foreign credits should not be tied up with any political or economic conditions." Hitherto, the stress was on political strings, and it was widely understood and respected. The addition of economic strings seems to be a new condition. Apparently, the proceedings of the annual meetings of the World Bank, the I.M.F. and the I.F.C. in October last at New Delhi must have provoked the High Command to include this condition. If by economic conditions it is meant that a country giving credit has no business even to tender advice as a friend, the High Command is surely placing one more impediment in the way of foreign credit. If foreign credits and assistance are to be obtained on economic considerations, there has to be closest understanding between the lender and the borrower, for credit can flow only on the basis of confidence and confidence can be created only if the lender is satisfied that the borrower is following the right economic policies and methods. The reference to "economic conditions" is, therefore, unwarranted and may even hamper the negotiations that will shortly begin under the auspices of the World Bank for finalising the terms of credit promised for the remaining two years of the second Plan. Indeed, there is no need for referring to any strings at all, political or economic, because none of the countries which have helped India so far has sought to interfere with the political affairs of this country. The inclusion of this condition in a policy resolution smacks of inferiority complex.

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INDIAN SHIPPING

INDIAN shipowners and the Government of India have come closer to each other for more than a decade now. And, as the Union Minister for Transport and Communications, Mr. S. K. Patil, observed at the annual meeting of the Indian National Steamship Owners' Association, held at Bombay last week, there is a virtual identity of interests between the Government and the shipowners. The Government itself, it may be noted, is a shipowner. This, of course, does not mean that all that the shipowners want has been or should be, conceded by the Government. But it does

mean that there is agreement over a wide front, particularly over the importance of a rapid rate of progress in shipping. Broadly speaking, the Governmental thinking on the subject of Indian shipping reflects a lively sense of awareness of the fact that all past neglect should be replaced by a dynamic shipping policy which will ensure maximum acquisition of new tonnage, the only limiting factor being availability of resources.

The year 1958 will be long remembered as the period in which many significant developments took place in the sphere of Indian shipping. The enactment of the Merchant Shipping Act, the establishment of the Indian Register and the setting up of the National Shipping Board and the Shipping Development Fund are among the notable measures adopted by the Government, with a view to advancing the interests of the Indian merchant marine. Again, as Mrs. Sumati Morarjee, President of the Association, pointed out, the year has witnessed "splendid" progress in the expansion of Indian shipping. At the beginning of the current year, the Indian fleet consisted of 131 vessels with a total gross registered tonnage of 576,500. During the first 11 months of 1958, 13 vessels, aggregating 65,500 g.r.t., have been added to the fleet. After allowing for the obsolescence of three ships, the total number of ships stands at 141, with a total of 630,000 g.r.t. At present, there are under construction 20 vessels, with a total of 137,000 g.r.t. When these ships become part of the Indian mercantile fleet, the latter will swell to 767,000 g.r.t. The gap between the present tonnage and the 900,000-ton target under the second Five-year Plan is thus of the order of 133,000 g.r.t. Mr. Patil, on his part, expressed his confidence in India's ability to reach the target. He calculated that, in order to reach it, India would need some 30 ships—10 new and 20 "near-new" ships—estimated to cost about Rs. 27 crores. To begin with, some Rs. 5½ crores worth of foreign exchange may be needed in order to buy the ships; for the balance, deferred payment agreements could be negotiated. In any case, the difficulties in the way of acquiring the additional tonnage are not insurmountable.

In one sense, it should be particularly easy to reach the 900,000-ton target, because conditions are now favourable to buyers. Mrs. Morarjee said that "now is the most propitious period for tonnage expansion and we cannot afford to miss the opportunity." She added: "There has been a slight recession in international trade and the overdeveloped fleets of the leading shipowning countries are faced with the necessity of laying up a part of their fleet and even cancelling some of their orders for new ships placed when the freight rates were booming at the time of the Suez crisis." It would appear that the world's shipyards, in order to attract customers, are quoting fixed prices and offering credit facilities in a larger measure than before; in the second-hand and near-new tonnage markets, prices have fallen to attractively low levels.

Shipowners, according to Mrs. Sumati Morarjee, have experienced two difficulties in taking advantage of these favourable conditions. In the first place, the new Merchant Shipping Act provides that the mortgagee of an Indian ship must move the Indian High Court for sale of the ship in the event of the mortgagor failing to pay the amount secured. This condition is not generally acceptable to foreign sellers of ships. Secondly, the Government is averse to guaranteeing the foreign exchange deficit which might arise when a ship, bought on "pay-as-you-earn" basis, does not earn sufficient foreign exchange in a year to pay that year's instalment. It is clear that the first difficulty about the mortgage of a ship can be removed only through an amendment of the Merchant Shipping Act on the lines of the British law under which the mortgagee is free to sell the ship without approaching the court to realise the amount secured. The second difficulty could be overcome through suitable guarantees which it should not be difficult for the Government to give. But it would not be in the interests of shipowners to multiply their demands too fast. The demand for a 50 per cent. development rebate, as against the present 40 per cent., to which it was raised this year, may provoke some men to retort that shipowners have an insatiable thirst for aid. It must be remembered that excessive assistance from the Government may prove too much of a good thing, for it may well engender in certain quarters the feeling that, since the shipowners can do nothing by themselves, the industry is best developed by the State.

There is a great deal to be said in favour of giving the highest priority to shipping development and devoting attention to the programme for such development in the third Five-year Plan. Mr. Patil said that a practicable target for the third Plan would be 1.5 million tons. This is a modest target. If efforts are made from now, it should be easy to reach it. The position could be reviewed at a later date in order to determine whether a higher target could be aimed at. In the immediate future, what is needed is to see that shipping gets included in the "core" of the Plan. In the course of his speech at the annual meeting of the Great Eastern Shipping Company, the Chairman, Mr. A. H. Bhiwandiwalla, urging the inclusion of shipping in the "hard core" of the Plan, rightly argued that the development of shipping was as vital to national economy as the setting up of steel plants. It is gratifying to note that Mr. Patil has promised to do his "level best" to get shipping included in the "core" of the Plan. This should ensure for shipping prompt flow of internal and external resources required for its development.

Tramp shipping, as an adjunct to a regular mercantile marine, has great value. It should be possible to develop tramp ships which have the advantage of freedom from the restrictions which conference lines have necessarily to observe. Now that the Government has declared its faith in tramp shipping, it will do well to give a practical shape to its faith. Mr. Bhiwandiwalla, as the Chairman of the Company which has done much to develop tramping on its own, pleaded for freedom for adjusting the movement of tramps which would enable Indian tramp ships to compete with their foreign rivals who enjoy such freedom. He also reiterated the point he made last year, namely, that the Government should not discriminate against private shipowners in the distribution of State-owned cargo. It is a pity that the Government should have created the impression that it not only favours, but favours with a vengeance, the ships it owns when it comes to carriage of cargo over the transport of which it has control. The Government's aim should be to enlarge continually the opportunities for the carriage of goods in Indian bottoms rather than use its position to beat its rivals in what must necessarily be an unequal competition.

ELECTRICITY INDUSTRY

THERE is a certain inconsistency in the public, and even in Parliament's, attitude towards the electric supply industry. Whereas loud protests greet the emergence of power shortage, there is seldom a genuine appreciation of the fact that the industry is compelled to adhere to a charging policy which prevents it from raising sufficient resources for rapid expansion. In his address at the annual meeting of the Federation of Electricity Undertakings, its Chairman, Mr. K. G. Milne, rightly drew attention to the ideologically ambivalent role the industry has to play. When the question of the industry's "profit" comes up for discussion, the critics urge the industry to adopt "welfare" and "service" ideals. And yet the plain fact is that the industry has to function in an economy where investments respond not to the inviting voice of a social philosopher but to the more mundane considerations of adequacy of return. Nor does this consideration disappear in the event of nationalisation of the industry—not that there is any justification for it—for, as Mr. Milne pointed out, "whichever agency is entrusted with the task of power development in a given area, the rate should be so just and reasonable as to cover all operating costs, including a fair return on the capital invested in the power facilities, be that capital invested by the individual or by the community." There is little room—at least, there ought not to be any room—for ideological controversy over what constitutes an appropriate policy for fixing the rates to be charged to consumers.

Another important consideration that must be borne in mind in arriving at an economically correct charging policy for the industry is that its sources of funds for expansion are strictly limited. As Mr. Milne emphasised, the industry cannot turn to banks which, after all, cannot afford to tie up their short-term lendings with the long-term needs of this basic industry. Nor are the specialised industrial credit institutions of much use to it, for their lending rates are generally higher than the limit set by the electricity legislation. Even debenture loans are difficult to be raised, for they often carry rates above the standard rate of return allowed to the industry. This means the industry has necessarily to fall back upon self-financing or induce the investor to risk his savings. It cannot possibly do so, unless it is enabled to earn a profit which will facilitate the building up of reserves or pay steady dividends by which investors are attracted. It must be remembered that the investment in the industry, which aggregated Rs. 115 crores in 1956, is supposed to go up to Rs. 140 crores by the end of the current year. On this basis, the industry would need at least Rs. 15 crores every year for new development. It cannot possibly raise amounts of this order, unless the Government and the consumer do not grudge the industry the reasonable return it needs for development.

It must, however, be admitted that, more recently, there has been a welcome change in the attitude of the authorities towards the industry. This is reflected in the amending legislation for the industry which has sought to link the standard rate of return to the Bank rate and effect certain other favourable changes. But it would appear that the establishment of a relationship between the rate of return on the investments in the industry and the Bank rate "has not been able to absorb the shocks incidental to an inflationary situation, more especially as the mechanism of the Bank rate does not fully influence the interest rate in the money market at large." This development naturally calls for a further review of the position.

On behalf of the industry, Mr. Milne referred to the problem of tax savings arising from accelerated depreciation allowances. Since the Government has not conceded the industry's demand for appropriating these savings to a deferred tax reserve, it is now trying to find an administrative solution of the problem. The suggested solution takes the form of an adaptation of "the formula already formulated by the Taxation Enquiry Commission, so that 'gross-up' of dividends for tax relief once more becomes regularly available to shareholders." Mr. Milne explained that this suggestion amounted, in short, to ensuring that consumers of electricity make a proper and immediate contribution to Government's tax revenue, which "they are at present escaping at the wrongful expense of the investors." It is to be hoped that the suggestion will receive the attention of the Direct Taxes Administration Enquiry Committee which is engaged in the study of the tax administrative problems.

Another issue to which Mr. Milne referred was nationalisation. Fortunately, here too, the Government's policy has been expressed in a manner which gives the impression that there will be no nationalisation for the sake of nationalisation. This is welcome so far as it goes. It is gratifying to note that the Union Deputy Minister for Irrigation and Power, Mr. Jaisukhlal Hathi, in the course of his reply to Mr. Milne's address, reiterated the point that the "Government's policy in regard to acquisition of private licensee undertakings will be carefully considered on the merits of each individual case, having regard to all important factors associated with it." Although he did not commit himself on the specific fiscal and other issues raised by Mr. Milne, he gave the assurance that the Government would consider proposals for protecting the "legitimate interests" of the industry if occasions arose which demanded such protection. He said: "The Ministry of Irrigation and Power will earnestly safeguard your legitimate rights and extend to you such assistance as would be required for the proper discharge of your responsibility and for the protection of your legitimate rights." He also assured the industry that the Government was trying its best to see that the power supply industry was least affected by the shortage of foreign exchange. It is to be hoped that these assurances will be fully implemented in their right spirit. For one thing, it cannot be denied that the industry's long-term future is tied up with the provision of adequate capital which can come only through self-financing and/or investors' savings. Unless realistic decisions are taken on this issue, the electricity undertakings will find it extremely difficult to provide the motive power without which industrial progress will be held up. Secondly, in the immediate future, the implementation of the industry's expansion schemes will depend upon the allocation of foreign exchange. The basic character of the electricity supply industry justifies its demand for a high priority in the allocation of the admittedly limited quantum of foreign exchange at the country's disposal.

CONFIDENCE UPSET AGAIN

WORLD LOADED WITH SURPLUS COFFEE

THURSDAY, 5 P.M.

MARKET GOSSIP

AFTER the rude shock given by the Congress Working Committee's draft resolution on the third Plan to be moved at the Nagpur session of the All-India Congress Committee in the second week of next month, the share markets have steadied a little, albeit at substantially lower levels. Almost all the counters have wound up the week with a loss, but the closing rates are perceptibly above the lowest levels touched on Monday, when the Working Committee's resolution was made public. Mr. Morarji Desai's speech at the Associated Chambers of Commerce, making it clear beyond doubt that there could be no relief in taxation, had reconciled the operators to the view that, at the worst, the budget for 1959-60 at the end of February next would not lighten the tax burden. It is true that Mr. Desai had spoken of the need for augmenting resources for the Plan. But it was thought that he was mentioning this only to buttress his stand against reduction in taxes. The Working Committee's resolution, however, has moved a step further to the left from Mr. Desai's stand and has created fresh misgivings. The fear is that taxes may actually be increased. Naturally, confidence is at a low ebb, once again.

Between March and October 1958, speculators had cleverly played up the theory that the attitude of the Government towards the private sector had changed for the better. There was, of course, not much substance in this theory, but the small reliefs reluctantly given by the Government in excise duties and export levies were quoted as instances to support their theory. The fact that the reliefs were given not because of any love for private sector but because of the desperate need for boosting exports and arresting the increase in unemployment was ignored. Nor was the fact that profit-margins of most industries were narrowing down, thanks to the relentless rise in the cost of production, adequately recognised. The trend of the money market was also in favour of a rise in the value of shares and securities.

Now the Congress Working Committee's resolution has exploded the myth that there has been a change of heart in the party in power towards the private sector. If there are still any doubts on this point, one has only to read the speeches of Mr. Nehru in the past three weeks. He has stated that the public sector must grow and hold a dominant position in the economy. He has also stated that he will not be content with anything less than "full socialism." Is there any difference between "socialist pattern of society" and "full socialism"? The Working Committee's draft resolution provides the answer. More elucidation will surely be forthcoming at the meeting of the A.-I.C.C. at Nagpur, scheduled to be held from 6th to 9th January next.

Most people seem to think that what has upset the market is the Working Committee's statement that "the profits in the private sector should also be controlled." On the face of it, this statement as such is not so bad as the general approach of the Committee to the third Plan and the private sector. The statement on profits in the private sector is a natural corollary to the Committee's observation that wages and salaries should be linked to production and work done and is evidently intended to show that it is not partial to capitalists. It may, therefore, turn out to be a pious statement.

But profits of most industries today are already controlled and restricted in various ways. Surely, the Working Committee must be aware of this state of affairs. Why then does it speak of controlling the profits in the private sector as though such control does not exist? For an answer to this question, one must examine the motive of the Congress Party. It is the popular belief in this country that the surest way to win elections is to attack the rich and decry the desire to own property. It is no secret that Mr. Nehru himself has been saying for the past four years that the acquisitive tendency among the people is not a desirable one and must be curbed.

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Addressing a gathering of business men in New York only three months ago, Mr. Morarji Desai declared that the Government of India's attack was not on wealth but on poverty. Today there is heavy pressure on State Governments from the Congress High Command, of which Mr. Desai is a respected member, to introduce a ceiling on incomes from land and to take over the surplus land at rates of compensation which amounts to virtual expropriation. Is this an attack on poverty or wealth? It has been conceded even by top level Congress men that redistribution of land will not touch even the fringe of the problem of poverty and that the reform is being undertaken only to satisfy an ideological urge, which Rajaji has aptly described as a device for getting votes through mass bribery.

The victims of land legislation have already started a campaign against property-ownership in urban areas. A ceiling on urban incomes and ownership of industrial assets has been demanded. This clamour has not yet won the support of the Congress High Command, though the Sub-Committee which went into the question of land reforms had a sneaking sympathy for it. But there are reports that there is an opinion in the High Command itself that unearned incomes could be penalised further. It is not known how this cry for a ceiling on urban incomes and urban ownership also will end.

It is, of course, absurd to talk of a ceiling on incomes, whether they be rural or urban. It has been argued that a ceiling on landholdings is necessary as the supply of land cannot be increased. There is, however, no such limitation to investment and ownership in non-agricultural assets. If one has savings, one can buy any amount of shares and securities. There is unlimited scope for the creation of such assets by establishing industrial and commercial enterprises. But this scope will get limited, if a ceiling is imposed on urban incomes. This is not to say that at present there is no ceiling at all on non-agricultural incomes. The heavy taxes—both direct and indirect—on incomes as well as wealth are siphoning off the major portion of such incomes after a particular level. The adverse effects of this excessive taxation are already being felt by the country in the form of a slowing down in the provision of gainful employment opportunities. The position will definitely worsen if the levels of taxation are raised.

Although the demand for a ceiling on urban incomes is thus meaningless, one cannot say categorically that the Congress Party will not entertain it at some stage or other. Did anyone think, say, at the time of the Avadi session of the A.-I.C.C., at which the innocuous-looking resolution on the socialist pattern of society was adopted, that the Congress Party would introduce the penal tax on dividends, the capital gains tax, the wealth tax, the expenditure tax and the gifts tax on top of Estate Duty? It looks as though Mr. Nehru is bent on completing his programme of economic revolution by consent as quickly as possible. If assets in rural areas were to be pooled and held by the co-operatives and/or *panchayats*, it might not be long before a similar system of collective ownership comes to prevail in urban areas, too. The rural areas, it is pertinent to note in this connection, account for the majority of members elected to Parliament and State legislatures.

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Coffee is one of the very few commodities which have suffered from overproduction in recent years. World output of coffee, which was 42.2 million bags (of 132.276 lbs. each) in 1954-55, rose to 51.9 million bags in 1957-58, representing an increase of 9.7 million bags within a short span of three years. This is not all. The 1958-59 crop, according to the U.S. Department of Agriculture, bids fair to be yet another bumper one, at 58.6 million bags. If this estimate proves correct, the expansion in world output during 1958-59 would be equal to that in the previous year and would represent 69 per cent. of the rise in output during the three years 1954-58.

Brazilian output in 1957-58 amounted to 24 million bags, an increase of 6 million bags over the previous year. A further addition of 5 million bags to 29 million bags is expected in 1958-59. During the five years immediately following the war, Brazil accounted for more than 50 per cent. of the world total, but this proportion has of late been reduced a little on account of the rise in output in other countries. Thus, Colombian output has gone up by more than 50 per cent. since the beginning of the Second World War. Larger crops are reported from Central American countries. African output has risen at an average rate of 10 per cent. per annum during the last seven years. The expansion in the crop of the various African countries is traced back to the high prices of coffee prevalent in 1950, which attracted larger plantings. The Governments of the countries concerned also gave considerable support through provision of expert advice and distribution of high-yielding seedlings. Drought in French West Africa and Uganda and heavy rains in Ethiopia caused a

(*Continued on page 1040*)

OUR NEXT ISSUE

The Annual Number of "Commerce" will be published in the first week of January 1959. Despite scarcity of paper and high cost of printing, we have endeavoured to maintain the standard of our previous Annual Numbers. The 1958 Number includes, besides our customary review of the developments during the year now drawing to a close, a large number of special articles on a variety of economic subjects of topical importance by eminent contributors. The Number is free to subscribers. But a limited number of copies are available to others at Rs. 10 per copy.

There will be no regular issue of "Commerce" in the weeks ending 27th December 1958 and 3rd January 1959, in view of our preoccupation with the aforesaid Number and the Christmas and New Year holidays. Our next regular issue will be the one dated 10th January 1959.

We take this opportunity of wishing all our readers a Merry Christmas and a Happy and Prosperous New Year.

EDITOR

AS OTHERS SEE US

EXPORTS IMPROVE FURTHER

From Our Own Correspondent

LONDON, 12*th December*

THE Organisation for European Economic Co-operation has just produced its report covering 18 months to the end of June this year and it is, perhaps, a tribute to the closeness with which economic affairs have been studied and commented upon in this country that the outlook as seen from Paris does not look very much different from that seen from London. The first impression which the O.E.E.C. has is that the British recession would get worse. But that impression dates back to six months ago and has already been justified by evidence. In other words, it is perhaps largely a terror that has passed or at least to which the worst weight has been felt. Production is now running at 4 per cent. below that of a year ago and unemployment in mid-November at 536,000 is double what it was a year ago.

It is a relief to find that the impression of the Economic Secretariat of the O.E.E.C. is that the situation in Great Britain is not likely to become a serious depression and, indeed, there will be some recovery in 1959. This hope is shared by British statesmen who will also derive encouragement from the advice that the economy can stand a further dose of re-inflation without endangering the pound. The O.E.E.C. see no prospect for an era of really cheap money.

As for the Government measures, the abolition of restrictions on hire purchase and the cuts in Bank rate are agreed as having helped to stimulate some consumer demand. But it is noted that these measures have had very little effect on production of capital goods or on investment.

The failure of this country to use its growing productive resources is noted and the fears expressed that production will continue stagnant as exports tend to fall. The improvement in the balance of payments is dismissed bluntly with the comment that it is due to the fall in import prices with their bad effect on the lowest developed countries supplying materials.

With this background, it is encouraging to notice the actual development of the country's external trade in the last quarter of this year. In November, imports c.i.f. dropped to £313 million, while exports *jumped* up to a total, including re-exports, of £304 million, the highest monthly figure for 18 months. This leaves a visible adverse balance of only £9 million and, when it is realised that this is the figure, after allowing for the shipping charges on imports but not allowing shipping charges for exports, it is obvious that the month has shown a very substantial real surplus on visible trade.

The following table shows the trends of imports and exports since the middle of the year, as compared with the same period a year ago:

(In million £s)

Monthly average	Imports c.i.f.	Exports and Re-exports f.o.b.	Visible deficit
1957			
3rd Quarter	332	275	57
4th Quarter	327	292	35
1958			
3rd Quarter	315	274	41
Oct./Nov.	321	292	29

The other gratifying feature is the buoyancy of exports to North America. Shipments to the United States and Canada were maintained in the third quarter of this year, as compared with the third quarter of last. But, whereas the fourth quarter of 1957 showed exports to the United States of £20 million per month and to Canada £15¼ million a month, for the nearest comparable period, that is the three months September/November 1958 the average has been £25 million to the United States and just over £15 million to Canada. So, while exports to Canada have only been held, those to the United States were 29 per cent. higher in October and November alone than in the corresponding period. And, for the whole of North America, the two months showed an improvement of 16 per cent. This is good dollar earning news.

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EQUITIES TUMBLE DOWN

MILD RECOVERY TOWARDS CLOSE

(From Our Own Correspondents)

BOMBAY, 18*th December*

THE notable feature of the week's trading on the Stock Exchange was the severe shake-out on Monday last, the opening day of the new account. Values tumbled on heavy nervous selling and losses over the day were substantial. The morale of the market was shaken by the Congress Working Committee's recommendations in its draft resolution on planning for raising additional internal resources for financing the Plan, particularly the proposal to control profits in the private sector. These proposals, coming as they did hardly two weeks after the Finance Minister's speech at the Associated Chambers' annual meeting ruling out the prospect of a cut in corporate taxes, gave rise to fears of a more unhelpful attitude on the part of the Government towards the private sector. The Prime Minister's warning in the Rajya Sabha on Monday that any kind of aggression on Jammu and Kashmir would have to be met, as well as the possibility of extension of State trading, unnerved operators.

During the last two days, however, there was a mild recovery on short-covering, which trimmed to some extent the losses, but fresh buying enthusiasm even at attractively low prices was conspicuous by its absence. Though the technical position of the market is considered to be healthy, the undertone is still hesitant.

Tata Steel Ordinaries slumped from Rs. 175 to Rs. 168.75 on Monday, but subsequently recovered to Rs. 171.75 on Wednesday. The closing today was, however, a shade lower at Rs. 170.75, the loss over the week being Rs. 4.25. The new shares also suffered a decline of Rs. 4.25 to Rs. 167.25. Indian Irons, after an early rise from Rs. 25.70 to Rs. 25.95, drifted down to Rs. 25. In the subsequent recovery they came up to Rs. 25.40, before closing at Rs. 25.25.

Textile shares, which had already been lagging behind, could not escape the onslaught. Bombay Dyeings were marked down from Rs. 56.20 to Rs. 54.10, before they closed a shade better at Rs. 54.50. Centurys retreated from Rs. 425.75 to Rs. 410, but regained partially to close at Rs. 414.25. Kohinoors gave way from Rs. 242 to Rs. 230.50, but this loss was made good to some extent when the shares closed at Rs. 235. Central Indias lost no more than a rupee to Rs. 87, while Finlays shed Rs. 4.50 to Rs. 259 and Gokaks Rs. 2 to Rs. 127. Indu Ordinaries were only a fraction lower at Rs. 8.48. Indore Malwas declined by Rs. 2 to Rs. 100, Khataus by Rs. 2.50 to Rs. 157.50 and Morarjees by Rs. 2 to Rs. 235. Mysore Spinnings were marked down by Rs. 9.50 to Rs. 81.50 and New Greats by Rs. 6 to Rs. 212. Shree Niwas Cottons shed Rs. 4 to Rs. 135, Simplex Rs. 3 to Rs. 168 and Standards Re. 1 to Rs. 405. Svadeshis were done Rs. 2.50 lower at Rs. 204.50, while Tata Mills showed a gain of 75 nP at Rs. 36.

Bank shares were relatively steady, though the volume of business was low. Barodas provided a feature with a rise of Rs. 3 to Rs. 122. Central Banks were done 40 nP lower at Rs. 58, while their new shares were a fraction better at Rs. 59.30. Bank of Indias had business at Rs. 136.75 and Punjab Nationals at Rs. 56. United Commercials declined by Re. 1.50 to Rs. 66.50.

In the insurance group, New Indias reacted from Rs. 53.50 to Rs. 52.30 and their new shares came to be done at Rs. 52.80. British India Generals declined by 48 nP to Rs. 13.80.

Among electricity shares, Ahmedabad Electrics changed hands 20 nP lower at Rs. 94.50, while Bombay Suburbans recorded a gain of 50 nP to Rs. 110 and Surat Electrics rose by 75 nP to Rs. 112. Tata Hydros gained a similar extent to Rs. 122.50. Tata Powers declined by Rs. 5 to Rs. 1,217.50 and Andhra Valleys by Rs. 10 to Rs. 1.195.

The downward trend in sugar shares gathered further momentum this week. Belapurs dropped from Rs. 298 to Rs. 290, but improved to Rs. 295 at the close. Phaltans shed Rs. 3.25 to Rs. 159 and Walchandnagars Re. 1 to Rs. 271.50. Maharashtra Sugars had business Rs. 3.25 lower at Rs. 166.50 and Oudh Sugars Rs. 3 down at Rs. 148. The disappointment caused by the cut in dividend from Rs. 9 to Rs. 8.50 per share and general downward trend of the market pushed down Associated Cements from Rs. 153.75 to Rs. 147, but covering at lower levels lifted them up to Rs. 150.25 at the close. Digvijays shed on balance Rs. 2.25 to Rs. 127.75 and Orissa Cements 16 nP to Rs. 11.72. In the engineering and mining group, Alcock Ashdowns were marked down by Rs. 10 to Rs. 241.25. After a setback from Rs. 158.75 to Rs. 151.50, Tata Locomotives gained ground to Rs. 155.75. Their Rights were down Rs. 2 lower at Rs. 47. Premier Constructions suffered a drop of Rs. 9.50 to Rs. 232.50. Larsen & Toubros lost 56 nP to Rs. 16.16, while Mahindras were on balance 16 nP higher at Rs. 18.40. Shivrajpurs were a fraction down at Rs. 85.50, as also Indian Coppers at Rs. 3.52.

Scindias drifted lower from Rs. 21.16 to Rs. 20.56, but regained a part of this loss when they closed at Rs. 21. Great Easterns moved down from Rs. 26.45 to Rs. 25.05. Malabar Steamships were done at Rs. 15. Hindustan Motors lost 36 nP to Rs 6.44 and Premier Automobiles Rs. 2 to Rs 79.70.

In the miscellaneous group, Bombay Burmahs (old) moved down from Rs. 490 to Rs. 471. After a recovery to Rs. 479.50, they came down to Rs. 475.50 at the close. The partly paid-ups shed Rs. 4 to Rs. 175. National Rayons receded from Rs. 239.25 to Rs. 227.50, but gained ground to close at Rs. 231. Gwalior Rayons lost 48 nP to Rs. 13.52. Tata Chemicals shed 56 nP to Rs. 14.16, while Tata Oils, on expectations of a bonus issue, spurted from Rs. 41.25 to Rs. 43.75. Hindustan Levers dropped 20 nP to Rs. 26.25 and Killick Industries Re. 1 to Rs. 150. Ceat Tyres were done Rs. 2 lower at Rs. 63.50 and Wimcos Re. 1.25 down at Rs. 183.50.

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Calcutta Stock Exchange

CALCUTTA, 17*th December*

Although the Calcutta Stock Exchange opened on a cheerful note, lack of follow-up demand and dull Bombay advices reduced turnover subsequently, causing a recession in values. The conditions worsened on Monday following rumours of a possible ceiling on the profits of joint-stock companies, thus indirectly limiting dividends. Memories of trading, when the dividends were statutorily limited to 6½ per cent. immediately after 1947, were soon recalled, and there was a wave of selling in an attempt to lessen commitments. The wild rumour followed the Congress Working Committee meeting. It was believed that, if there was any substance, something would be heard at the forthcoming Nagpur session of the Congress. Operators and investors had commenced preparing themselves for any budget surprises, and until the budget was out of the Finance Minister's bag, no visible improvement in sentiment was anticipated.

The market circles' emotion has now been worked up, and it is argued here that, if the Government were to contemplate any such measure, abolition of the private sector would be the straight method. A decline in activity in the private sector in view of limitation on profits, it is argued, would naturally reduce tax collection. Considering past experience and the Government's oft-repeated declaration of policy for a mixed economy, it is to be hoped that no serious thoughts are given in New Delhi for a measure of this type. However, the rumours have gained currency, and these are capable of causing irreparable harm, if an authoritative denial is not issued. It is particularly noted that this week's rumour closely followed the Working Committee's preference for land ceilings and the recent decision of the Government to take over the wholesale trade in foodgrains. Also, there is news of a plan for compulsory savings. All these appear to the market to be rather going much beyond the accepted "socialist pattern of society."

Earlier, the announcement of Government sanction for issue of bonus shares by the Indian Iron and Steel Company, Ltd., failed to develop a recovery since the announcement had long been anticipated and already discounted for even prior to the unloading of a huge block of Irons by an investment company recently. For the purpose of the bonus issue, the Company has announced that the ordinary share registers and transfer books would remain closed from 12th to 22nd January, both days inclusive.

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Madras Stock Exchange

MADRAS, 16*th December*

A bearish trend was in evidence on the Madras Stock Exchange during the week under review. The Prime Minister's recent observations on the role of public sector *vs.* private sector, the Congress Working Committee's suggestion to curb undue profits in industries and the statement of the Union Minister for Commerce, Mr. N. Kanungo, in the Lok Sabha last week regarding the enlargement of the scope and functions of the State Trading Corporation, greatly depressed the sentiment of operators. There was selling pressure and prices moved down. Tea shares ruled easy, as a result of lower prices fetched for both common and medium teas at the Cochin auctions. In sympathy, coffee and rubber shares also gave way. Textiles encountered selling. Sugar and electrics followed the general trend.

Among tea shares in the planting section, Haileyburias declined by 50 nP to Rs. 16.75. Nonsuch Teas retreated by 38 nP to Rs. 23.37. Twyfords receded by 25 nP to Rs. 16.75. Nilgiris and Kil Kotagiris shed 10 nP each to Rs. 7.40 and Rs. 6.65, respectively. United Nilgiris lost a like amount to Rs. 17.60. Chembras eased by 7 nP to Rs. 3.40 and Kalasas by 5 nP to Rs. 3.40. Woodlands were neglected at Rs. 8.62 *cum-div.*, reflecting disappointment of operators over the cut in dividend to 5 per cent. for the year ended 31st March 1958, as against 10 per cent in the previous year. Devasholas, however, spurted by 40 nP to Rs. 24.40, on special support.

In the rubber group, Kalpettas came down by 20 nP to Rs. 12.90 *cum-div.* Malabar Industrials receded by 15 nP to Rs. 15.60 *cum-div.* Cochin Malabars and T.R. & Ts softened by 5 nP each, the former to Rs. 5.42 and the latter to Rs. 6.70. Pullangodes eased by 3 nP to Re. 1.52 and Thirumbadis by 1 nP to Re. 1.59

Deals in coffee shares were put through at lower prices. Coffee Lands were marked down by a rupee to Rs. 27 *cum-div.* Kumergodes dropped 48 nP to Rs. 6.62. Cowcoodys climbed down by 35 nP to Rs. 6.85. Rajendras shed 10 nP to Rs. 14.55 *cum-div.* Consolidated Coffees, however, gained 15 nP to Rs. 24.40 *cum-div.*

In the textile section, Metturs slumped by Rs. 6 to Rs. 328. Lakshmis, Bangalore Woollens and Coimbatore Cottons eased by a rupee each to Rs. 93, Rs. 158 and Rs. 136, respectively. K. Rajendras moved down by 50 nP to Rs. 61.50. Loyals decreased by a like amount to Rs. 29.50. Maduras were quoted 15 nP lower at Rs. 28.60. Kotharis lost 10 nP to Rs. 9.90. Coimbatore Pioneers, however, proved an exception and rallied Rs. 8 to Rs. 273.

A PROMISING NEW ISSUE

The Sundatta Foods and Fibres Ltd. has announced the issue of fresh capital to the tune of Rs. 5.50 lakhs, made up of 6,000 equity shares of Rs. 50 each and 5,000 8 per cent., taxable but participating, preference shares of Rs. 50 each. Both the classes of shares are being offered at par to the public, with the concurrence of the existing equity shareholders of the Company. The issue will open for public subscription on 2nd January 1959 and will remain open until it is fully subscribed, but not earlier than 7th January. A sum of Rs. 25 per share is payable on application and the balance on allotment. Full details of the issue can be had from the prospectus published on pages 1014-1016 of this issue.

The new shares will rank *pari passu* with the existing shares and will be entitled for dividend from the date of allotment. The participating preference shares will be entitled to an extra dividend of 1 per cent., if the dividend on equity shares is 10 per cent. or more but less than 15 per cent., and an extra dividend of 2 per cent., if the dividend on equity shares is 15 per cent. or more. They are redeemable on or after 1st October 1971.

The objects of the issue are: (1) to bring the paid-up capital more in line with the fixed assets; (2) to provide adequate working capital for the Company's expansion, as also to provide funds for repaying, in due course, the short-term loans obtained through the U.S. Export-Import Bank; and (3) to enlarge public holding in the Company.

The Company's progress during the last few years of its existence has been satisfactory, though there was a setback in 1957. The working of the Company last year was adversely affected by the complete failure of the American variety of cotton in the area of the Company's mills, which is normally a rare occurrence. Consequently, the Company, after paying a dividend of 6 per cent. for each of the years 1955 and 1956, had to skip over the dividend on ordinary shares; even the preference dividend had to be held over. During the current year, however, the working of the cottonseed plant is said to be satisfactory and the Directors are confident of resuming payment of dividends when the accounts for the 15 months ended 31st March 1959 are finalised. It will also be noted from the prospectus that steps have been taken to ensure work for the Company's factory throughout the year, so that there can be no repetition of the type of failure witnessed in 1957.

The Company, formerly known as the Sundatta Cotton-Seed Utilisation Ltd., is the leading producer in India of cotton linters, which constitute the only indigenous cellulosic raw material commercially available and used in the manufacture of high-grade rayon. It owns a cottonseed mill at Hubli, with a capacity of over 100 tons of seed per day. It has recently installed an American-type continuous solvent extraction plant, the first of its kind in India, with a capacity of 100 tons per day.

The outlook for the Company is fairly bright, as the economics of cottonseed processing has been greatly improved with the setting up of the solvent extraction plant. The Government of India is also taking keen interest on the development of cottonseed industry and has provided all the incentives necessary. Export of cottonseed products is allowed freely and there is no export duty on the same. So far as internal market is concerned, the cottonseed oil is exempt from the excise duty of Rs. 112 per ton levied on other vegetable oils. The *vanaspati* industry has agreed to consume 5 per cent. cottonseed oil on a unit-wise basis from 1959 onwards.

TWO USEFUL CHARTS

Two charts, which must prove useful to investors and traders, have been published by Mr. Mukund Guruji, Mapla Mahal, 273, Girgaum Road, Bombay. The *Investors' Chart* depicts the trend of prices of a few important shares transacted on the Bombay Stock Exchange, from the beginning of 1952 up to 4th October 1958. The shares included are: Tata Steel, Indian Iron, Bombay Dyeing, Century, Kohinoor, Associated Cement, Bombay Burmah and Scindia.

The *Commercial Chart* indicates the fluctuations in the prices of cotton (Jarilla), gold (ready), silver (ready), groundnut (ready and forward), linseed, castorseed and cottonseed during the aforesaid period. A welcome addition to this chart this year is the statistics relating to cotton and oilseeds —area and production, consumption, export and import—for the last seven years.

The charts are attractively printed in two distinguishing colours and are priced at Rs. 5.50 each, excluding postage of 80 nP by V.P.P. and of 70 nP by registered post.

NEWS IN BRIEF

LEMON grass seed and roots are now being licensed for export on an *ad-hoc* basis.

The Central Government has already opened 49,000 fair price shops all over the country, which have distributed, since January last, 3.4 million tons of foodgrains.

The Government of U.P. has "frozen" 65 per cent. of rice stocks held by licensed millers as well as wholesale dealers in 23 surplus districts spread over its four food regions.

Under an agreement signed between India and the U.S.S.R. last week, the latter will supply various kinds of equipment required for the Technological Institute set up in Bombay.

The validity period of the unutilised licences issued for the export of sea salt in the current financial year has been extended upto the end of June 1959.

The report that additional gold reserves have been located in the Kolar area of Mysore State recently was confirmed by Mr. K. D. Malaviya, Union Minister for Mines and Oil, in Parliament this week.

A 6,000-ton (dwt.) vessel built in the Hindustan Shipyard, Visakhapatnam, was launched on the 12th inst., by Mr. B. P. Singh Roy, Director, Indian Steamship Company. This is the 25th vessel built in the shipyard.

The Government of India, on the recommendation of the Forward Markets Commission, has granted recognition to the Saurashtra Oil and Oilseeds Association Ltd., Rajkot, for a period of three years in respect of forward contracts in cottonseed.

The Integral Coach Factory, Perambur, has manufactured 212 shells for third class coaches up to the end of October 1958. The factory is expected to reach the target production of 350 coaches in the fourth year of its production ending September 1959.

The Bharat Electronics Ltd., Bangalore, has decided in principle to manufacture radio valves, according to the Deputy Minister for Defence. Negotiations with a foreign firm for collaboration have reached an advanced stage.

A State Warehousing Corporation has been set up at Jullundur in the Punjab. This will run a chain of 26 warehouses to be opened shortly in different towns in the State. The Punjab Government will hold half the share capital of the Corporation. The rest will be contributed by the Central Government.

Production of Indian razor blades at the three factories in Bombay and Calcutta is running at an average monthly rate of 25 million. The number of blades manufactured in India in 1957 aggregated 336.4 million. About 25 per cent. of India's production is being exported to Pakistan, Singapore, Malaya, Afghanistan, Nepal, Kenya and Ethiopia.

In order to facilitate quicker lifting of Indian tea for Alexandria port, the United Arab Republic will operate four of its fast freighters between its ports and Calcutta via Bombay and Colombo. These ships are already plying between Bombay and Alexandria. Out of the 40.32 million pounds of tea imported annually by Egypt, Indian tea alone accounts for 25 million pounds.

The Canada-India reactor at Trombay, Bombay, is expected to commence production early in 1960. The reactor building, including the pressure containment shell and the annulus, is already completed. Equipment erection, including the reactor core, is in progress. It is claimed that the reactor, which is bigger than the "Apsara," will be of tremendous help in furthering research for medical and other purposes.

India's purchase of American cotton under P.L. 480 was justified by Mr. Manubhai Shah, Minister of Industry, in the Lok Sabha on the 15th inst. The deal, the Minister said, was beneficial to both the countries. The cotton imported from the U.S. was medium staple, whereas cotton grown in Egypt, the Sudan and other East African countries was of somewhat higher staple.

The Government of India has decided to set up one central advisory committee for sailing vessels industry in Bombay and four regional committees, one each at the four regional headquarters of the sailing vessels organisations. The main function of the proposed central committee will be to recommend measures designed to stop anti-social practices on the highseas such as jettisoning of cargo.

The process of pre-heating the coke oven batteries at Durgapur started last week. The heating will be over by March 1959, when the plant will commence full production. Two main projects are under construction, namely, the steel project and a composite coke oven project undertaken by the Central Government and the Government of West Bengal, respectively. The Central Government also proposes to install a mining instruments factory and an optical glass factory in Durgapur.

The Union Government proposes to amend the memorandum of association of the State Trading Corporation with a view to enlarging its scope and functions, so that the Corporation may undertake the purchase, sale and transport of, and general trade in, goods and commodities in India or anywhere else in the world. The amendment will also enable the Corporation "to subscribe for, take, or otherwise acquire, and hold shares, stock, debentures or other securities of any other company."

No customs duty is levied by India on goods imported from or exported to Nepal. The Government of Nepal is free to have its own customs tariff. Such a course has been considered desirable for commercial, economic and political considerations. This information was given in the Lok Sabha by the Deputy Minister for Finance, Mr. B. R. Bhagat, on the 15th inst. He added that customs duty at the same rates as were prevailing in India was collected on foreign goods going to Nepal and credited to the Government of Nepal. There was, therefore, no likelihood of unfavourable competition to Indian goods in Nepal from goods of foreign origin.

The National Coal Development Corporation is considering a proposal to purchase heavy earth-moving machinery, spares and workshop equipment under the United States Defence Excess Property Scheme at five per cent. of their book value, according to Mr. Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel. The book value of these items amounted to $4 million. The purchase of these items, which will be through the Indian Supply Mission in Washington, will be conditional on the equipment being found suitable for Indian conditions. The Corporation is expected to send one of its technical officers shortly to the U.S. in this connection.

The sanctions to enforce the code of discipline in industry that have already been laid down will be imposed by the central organisation of employers and employees themselves in keeping with the voluntary character of the code. The central organisations have been asked by the Union Labour Ministry to bring the sanctions to the notice of their constituent units. It is stipulated that the central organisations to which the unit is affiliated will give notice to it in case of any infringement on its part. In cases of serious defaults, the organisation will warn and censure the unit concerned or impose any other penalty. Where there is persistent violation of the code, it will disaffiliate the unit from its membership.

A comprehensive scheme for reorganising the agricultural sector has been submitted to the Madras Government by its Registrar of Co-operative Societies. The scheme seeks to bring into the co-operative fold not only all the villages in the State, but also a larger section of the agricultural community, including cultivating families, by the end of the second Plan period. It is designed to improve agricultural production and to give increased attention to the agriculturists in the villages. It also seeks to provide the cultivating families with all the necessary facilities like implements, seeds, manure, etc., for better farming. Co-operative societies at present cover 83 per cent. of the villages in the State and provide credit to the extent of 20 per cent. of the total requirements. The proposal is to step up provision of credit to at least 50 per cent. by the end of the Plan period, covering all the villages in the State.

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From Abroad

It is understood that the U.K. has offered a loan of £3 million to Yugoslavia, as against £10-15 million asked for.

Canada has offered three tons of natural uranium to the International Atomic Energy Agency as a free gift.

The South African Government has decided to introduce decimal coinage in the country; this will probably be in 1961.

Japan has been requested by the Australian Government to restrict its exports of toys to Australia. It is reported that imports of Japanese-made toys into Australia have reached a level which may threaten the indigenous industry. Sales of local manufactures have fallen by about 6 per cent. since the Japanese-Australian trade agreement was signed.

The prices of a few thinner grades of tinplate in the U.K. have been reduced with effect from Monday last, following the revision of the industry's price structure by the Iron and Steel Board. The move is designed to encourage a more economic use of tin. Following this reduction the tinplate industry hopes to strengthen its position in the competitive container and packaging market.

LLOYDS BANK LTD.

A Correction

It was stated in our "Personal" column last week that Mr. A. C. Grover and Mr. Ralph Hiscox had been elected Chairman and Deputy Chairman, respectively, of Lloyds Bank Ltd. This is incorrect. Mr. Grover and Mr. Hiscox became the Chairman and Deputy Chairman of Lloyd's, London, the world-famous organisation of insurance underwriters, following their election to these posts at a preliminary meeting of the Committee of Lloyd's held at London on 2nd December, 1958.

The error is regretted.—EDITOR.

PERSONAL

MR. Mangalyn Dugersuren has been appointed Ambassador Extraordinary and Plenipotentiary of Mongolia in India *vice* Mr. Puntsagyn, who has been recalled.

Mr. B. V. Vagh, Executive Vice-President of the Indian Roads and Transport Development Association, has been appointed a member of the Inter-State Transport Commission.

Mr. I. J. Bahadur Singh, Commissioner-designate of India in British East Africa, has been concurrently accredited as Consul-General of India in Belgian Congo and Ruanda-Urundi.

Mr. Surendra Kumar Jain, Executive Assistant to the Director General of the International Labour Organisation, has been appointed Director of the I.L.O.'s Near and Middle East Field Office at Istanbul, Turkey.

Mr. R. G. Rajwade, till recently India's *Charge d'Affaires* at Morocco, has been appointed India's Ambassador to Sudan. He arrived in Bombay on the 16th inst. from Genoa.

Mr. William T. Turner, the U.S. Consul-General in Bombay, returned from the U.S. after four months' home leave. During the absence of Mr. Turner, Mr. Leslie C. Tihany was the U.S. Consul-in-charge in Bombay.

Mr. C. V. Narasimhan, Under-Secretary-designate for Special Political Affairs to the Secretary General of the United Nations, will take up his new duties at the U.N. headquarters on 26th January 1959.

Mr. Leland Barrows, who has been associated with U.S. mutual security programmes since their inception, has assumed his duties as Regional Director of the International Co-operation Administration for South Asia and the Near East, in place of Mr. John O. Bell, who is now Special Assistant for Mutual Security Co-ordination, Department of State.

The U.S. Post Office says that the flying time for domestic air mail will be halved by the jet planes now coming into use on U.S. airlines. In some instances, a letter sent from a major city early in the day will be delivered in another city far away from it the same day. The officials do not expect airlines to be paid higher fees for the improved service.

The leaders of the British cotton industry discussed with the Prime Minister, Mr. Macmillan, last week the details regarding the voluntary ceiling on imports of cotton goods from Hong Kong into the U.K. Meanwhile, the Labour Members of Parliament have presented petitions in the Commons calling for official action to protect the cotton industry against competition from the Commonwealth countries.

The rate of increase in unemployment in the U.K. fell significantly between mid-October and mid-November last. The number of registered unemployed rose over the month by 22,000 to 536,000, as against the increase of 38,000 in the preceding month. In percentage terms, unemployment in November was 2.4, as against 2.3 in the previous month and 1.5 in November 1957.

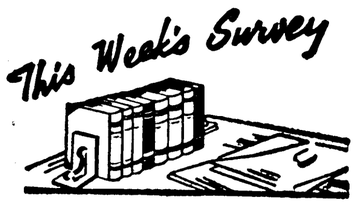
Japanese manufacturers of electronics products are receiving sizable orders from the U.S. Some of the U.S. concerns have recently ordered 7 million vacuum tubes from Hitachi, 8.2 million from Toshiba Electric and 3 million from Shin Nippon Electric. These Japanese firms have also received large orders from the U.S. for transistors, of which they were importers from the U.S. ere now.

The U.S. Department of Agriculture has announced issuance of an authorisation to India to finance the purchase of $69,363,000 worth of wheat and wheat flour from U.S. supplies. It provides for the purchase of 1,120,000 metric tons of wheat or wheat flour. The authorisation is part of an agreement signed in Washington in September to finance the sale to India of $238,800,000 worth of U.S. reserve agricultural commodities. That agreement provided for financing the sale, for Indian rupees, of 2,800,000 metric tons of wheat, 100,000 metric tons of maize and 200,000 metric tons of grain sorghums.

Life insurance policies in Sweden at the beginning of this year aggregated five million for an aggregate amount of Kr. 20,100 million (£1,386,207,000). After a drop in 1939, new life insurance in Sweden has shown a constant increase. Sweden's 20 life insurance companies received over Kr. 1,000 million by way of premiums in 1957. Their total advances to housing amounted to Kr. 4,100 million, while credits to trade and industry came to Kr. 2,700 million. Credits to the Government, primarily in the form of holdings of Government bonds, stood at Kr. 2,000 million and municipal credits for Kr. 1,900 million.

CORRECTION

It was stated in these columns a fortnight ago —*vide* page 905—that the Government of Denmark proposed to provide 534,000 kroners under a U.N.E.S.CO. project to give training in Mysore to young Indians as farming teachers and consultants. The rupee equivalent of 534,000 kroners was erroneously given as Rs. 26,700; the correct figure is about Rs. 3,70,200.



SYMPOSIUM ON OIL

MUCH interest attaches to the symposium on oil, held last week at New Delhi, under the auspices of the Economic Commission for Asia and the Far East (E.C.A.F.E.). The fragmentary Press notes issued by the Government do little justice to the importance of the issues discussed, though it must be admitted that the highly technical nature of the discussions on the subject does not permit extensive publicity. Perhaps, the E.C.A.F.E. will do well to undertake the publication of the full text of the papers contributed to the symposium for the benefit of the growing number of men interested in oil exploration.

Among the subjects discussed at the symposium, mention must be made of the suitability of the Tanjore basin in South India for exploration of mineral oil. Another topic was the "offshore potentialities on the continental shelves." It was pointed out that many basins in the E.C.A.F.E. regions extended beyond the land areas and beneath the adjoining seas. Exploration in such areas, it was stated, could be conducted by both geologic and geophysical survey methods; drilling could be undertaken from either fixed or mobile platforms. The scope for the utilisation of atomic energy for increasing the productivity of oil wells was another subject discussed at the symposium. It was explained that experience in Russia indicated that, although the wells where atomic energy was used might be lost, the production of oil in other wells in the area was stimulated.

Appropriately enough, the participants in the symposium devoted their attention to what was likely to prove practicable and beneficial in exploration of oil in the E.C.A.F.E. region. It would appear that spectacular results have been obtained by the use of hydraulic fracturing in Sumatra and Japan. In the U.S., the injection of gas has helped to produce oil at a very rapid rate; the same result has been obtained in Russia through water-flooding. At the symposium, the injection of solvent into the reservoir, as practised in Assam, was recommended for trial in other parts of the E.C.A.F.E. region. For reconnaissance work, wider use of aerial photography was suggested. This method, it was pointed out, was the best for purposes of preliminary exploration. But it was emphasised that photo-geology should be considered as an aid to field-geology.

A welcome disclosure was made by Mr. W. B. Metre of the Assam Oil Company. He revealed that they had discovered additional reserves of natural gas in the oilfields of Naharkatiya and Moran in Assam. In addition to the estimated output of 2.5 million tons of crude oil per year, there is a potential gas production estimated at 100 million cubic feet per day; in terms of heat value, it is equal to one million tons of oil per year. If this gas were utilised, it would help save Rs. 10 crores in foreign exchange now spent on imported oil. It is to be hoped that the utilisation of this newly discovered gas will receive high priority.

India, as is well known, will be compelled to spend increasingly larger amounts of foreign exchange on oil imports—it now spends about Rs. 100 crores every year—unless it locates and exploits new reserves of oil. Its requirements, according to Mr. Metre, will increase to about 50 million tons by 1975-76. But the attempt to reach self-sufficiency in oil involves heavy expenditure. Mr. Metre placed it at Rs. 3,000 crores in the next 15 to 20 years, made up of Rs. 1,500 crores on exploration and an equal amount on the creation of facilities for transport, refining, distribution and marketing.

Clearly, it would be difficult, if not impossible, for the Government alone to undertake an expenditure of the order of Rs. 3,000 crores. It should be possible to reduce the pressure on India's finances through agreements with foreign oil interests which are designed to promote oil exploration. Mr. Metre said: "The discussions at the E.C.A.F.E. symposium have shown that oil companies with world-wide experience are willing to assist in the development of the oil resources of the underdeveloped countries and to do so in close co-operation with the governments of those countries if reasonable terms are offered to them, and I am confident that foreign participation can be obtained on terms beneficial to the countries." It would be folly on the part of the E.C.A.F.E. region to spurn the offer of a mutually advantageous co-operation by the traditional oil interests. From this point of view, it is gratifying to note that, so far as this country is concerned, the Union Minister for Oil and Mines, Mr. K. D. Malaviya, emphasised that the Government's oil policy was neither inelastic nor doctrinaire but is connected with the integrated and overall economy of the country. Nevertheless, he was perhaps overstating the case for the public sector, when he said: "But the fact that we are emphasising more on the public sector so far as oil is concerned is mainly because we are convinced there is no other way of producing oil in the interests of one's economy and welfare." This argument ignores the fact that in nearly all oil-producing countries in the non-Communist world, it is the private sector which has been chiefly responsible for the discovery and exploitation of oil.

OILSEEDS

Mr. M. V. Krishnappa, Union Deputy Minister for Agriculture, certainly struck a note of urgency when he stressed, in his speech at the annual meeting of the Indian Central Oilseeds Committee held at Chandigarh the other day, that the Departments of Agriculture in the States should pay immediate attention to stepping up oilseeds production through intensive cultivation. Evidently, Mr. Krishnappa was prompted by the slow progress made in the implementation of the oilseeds development programme. The actual output of 5.91 million tons in 1957-58 (second year of the second Plan), though it is higher by 270,000 tons as compared with 1955-56—the base year—falls considerably short of the target of 7.55 million tons set for 1960-61. The gap that is left to be covered is, indeed, wide, being as much as 1.64 million tons, though there are two more years to go.

If the gap is to be covered, it is imperative that utmost stress must be laid on the adoption of various scientific practices for raising the per-acre yield. This is especially important in the case of groundnut which, as Mr. Krishnappa said, is an agricultural commodity with an ever-increasing demand. The all-India average yield of groundnut per acre is not more than 662 lbs., which compares very unfavourably with 1,613 lbs. in China, 983 lbs. in Brazil, 947 lbs. in Uganda, 919 lbs. in Indonesia and 895 lbs. in the U.S. To the extent the per-acre yields of groundnut and other oilseeds are stepped up, a large part of the land will be released for the cultivation of other crops and cost of production reduced. Further, it must be remembered that vegetable oils constitute a very important earner of foreign exchange; they are capable of earning between Rs. 20 and Rs. 30 crores a year.

The importance of the aforesaid aspect would be fully appreciated if one were to recognise the magnitude of the problem that has to be faced in the coming years. An idea of this magnitude was given by Mr. Krishnappa. His analysis reveals that the total oil requirements of the country at the end of the third Plan are estimated to be over 3.22 million tons—2,267,000 tons for internal edible purposes, 661,000 tons for domestic non-edible use and 293,000 tons for export. In terms of seed, the production in 1965-66 will have to be 12.60 million tons, which represents an increase of as much as 67 per cent. over the second Plan target of 7.55 million tons.

In addition to expanding production of the five major oilseeds—groundnut, castorseed, linseed, sesamum, and rape and mustard—it is also necessary to exploit the potential resources of non-edible oil-bearing trees growing in the plains such as *neem*, *mahua* and *karanj*. For, according to Mr. Krishnappa, while the demand for oils for edible purposes is steadily moving up, some edible oils are now being used for non-edible industrial purposes like manufacture of soaps, paints and varnishes. If these potential resources of non-edible oilseeds are exploited through economic collection and utilisation, they could be utilised for industrial purposes, which would help release more oil for edible purposes. Be that as it may, it is gratifying to be informed by the Minister that the Central Government, as recommended by the Oilseeds Committee, has sanctioned the scheme for exploratory trials to establish plantations of the African red oil palm in Kerala. The scheme is estimated to cost about Rs. 81,000 spread over a period of five years. The cultivation of the oil palm, we are told, will save foreign exchange to the tune of Rs. 2.5 crores annually, provide highly nutritive edible oil, and be useful in the manufacture of high grade soap.

INDIANISATION

Politicians are not wanting who take delight in decrying foreign-owned or controlled industrial and commercial enterprises in India, on the ground that they still retain their top executive posts as the exclusive preserve of non-Indians. It must, however, be noted that, since Independence, the process of Indianisation of the concerns in respect of personnel employed has steadily gathered momentum. The details of the latest position of employment of Indians and non-Indians in foreign-owned concerns have just been made available by the Government. An analysis of returns supplied by foreign concerns regarding their employment position as on 1st January 1958 shows that, as compared with the position in 1957, the employment of Indians in these concerns on salaries of Rs. 1,000 and above further increased both in absolute numbers and in terms of percentages. The table below indicates the position of Indians and non-Indians in the pay groups of Rs. 1,000 and above since 1947:

Year	Indians	Percentage	Non-Indians	Percentage
1947	504	7·9	5,844	92·0
1948	742	10·4	6,360	89·6
1949	1,085	13·9	6,709	86·1
1950	1,406	17·0	6,871	83·0
1951	1,784	20·4	6,953	79·6
1952	2,290	24·4	7,104	75·6
1954	3,346	32·3	7,008	67·7
1955	3,995	37·0	6,810	63·0
1956	4,685	41·6	6,566	58·4
1957	5,614	48·2	6,025	51·8
1958	6,704	54·3	5,652	45·7

The analysis reveals that the proportion of foreigners has registered a decline in all categories of companies while that of Indians has recorded a continuous rise since 1947. The total number of Indians has increased more than thirteen times in the last eleven years.

In the salary group of Rs. 1,000 to Rs. 1,500, Indians occupied 84.2 per cent. of the posts in 1958, as against 77.7 per cent. in 1957 and 67.9 per cent. in 1956. In the next salary group of Rs. 1,501 to Rs. 2,000, 62.2 per cent. of the posts were held by Indians, as against 54.2 per cent. in 1957. In the salary group of Rs. 2,001 to Rs. 3,000, 36.5 per cent. of the posts were filled by Indians, as compared with 29.4 per cent. in 1957. In the next higher salary group of Rs. 3,001 to Rs. 5,000, the Indians occupied 16.4 per cent. of the total number of posts, as against 13.7 per cent. in the preceding year. In the highest salary group of Rs. 5,001 and above, Indians held 6.0 per cent. of the posts, as against 5.1 per cent. in the last year.

The total monthly wage-bill for the 12,356 persons employed in the foreign owned/controlled firms in posts carrying salaries of Rs. 1,000 and above per mensem works out to about Rs. 2.85 crores. Out of this, about Rs. 1.08 crore is being paid to Indians, who account for 54.3 per cent. of the total employment, as against Rs. 1.77 crore to non-Indians forming 45.7 per cent. It may be noted that the salary group of Rs. 3,001 to Rs. 5,000 accounts for the largest part, that is, 26.5 per cent. of this total wage-bill, the salary group of Rs. 2,001 to Rs. 3,000 coming next with a share of 22.7 per cent.

The proportion of non-Indians in the salary groups of Rs. 1,000 and above has declined in all the groups of companies during the current year. In 1958, none of the groups of firms had three-fourths or more of the staff earning Rs. 1,000 and above, as foreigners. In 1957, there were two such groups of firms.

Foreigners held more than half but less than three-fourths of the posts in the following six groups of foreign companies as on 1st January 1958: (i) plantation and allied companies (74.4 per cent.), (ii) jute mills and presses (72.9 per cent.), (iii) banking (68.3 per cent.), (iv) transit and transport (55.2 per cent.), (v) other minerals, building materials, etc. (53.0 per cent.) and (vi) managing agency companies (51.0 per cent.). The proportion of foreigners is less than half in the remaining 14 groups of companies.

Of the total of 5,652 foreigners employed in foreign-controlled concerns in 1958, 4,027 (87.2 per cent.) are British. Americans constitute 3.5 per cent., their number being 200 in 1958. Italians, Germans, Australians, Chinese, Norwegians and Ceylonese have recorded small increases in their number, as against a diminution in the number of Britishers, Americans, Swiss, Greeks, Danish, French, New Zealanders, Dutch, Swedish, Austrians, Czechs, Japanese and Pakistanis.

It may be noted that the question of Indianisation of staff in foreign firms should be looked at from a realistic standpoint. Those who invest money in foreign countries certainly have a right to decide as to who should be put in charge of their concerns. Only, this right should not be exercised in a way that denies all opportunities of advancement to the nationals of the country where the capital is invested. The right of the country in which the investment is made for a fair representation of its nationals in these concerns should not be disputed. Indeed, wherever indigenous talent of the right type is available, it should be the policy of foreign investors to give priority to such talent over their nationals. It must, however, be conceded that foreign investors will prefer to keep a certain number of their nationals in key posts in order to ensure that their system of administration and standard of efficiency are kept up. That it is possible and desirable to reconcile these two rights is evident from the trend witnessed in this country.

UNEMPLOYMENT

It looks as though the problem of unemployment is becoming more and more acute. How else is one to explain the steadily rising number of applicants registered in the employment exchanges? The number in August 1958 stood at 1,128,741, as against 828,653 in the corresponding period of 1957, 647,100 in 1955 and 338,402 in 1951. A part of this increase reflects the rise in the number of exchanges, but much of it must be attributed to the fact that, while the number of persons seeking jobs is increasing fast along with the population in the country which itself is rising at an annual rate of 4.75-5.00 million, the pace at which new jobs are being created is rather slow. Unless the problem of unemployment is tackled effectively, it is bound to become intractable in the not too distant future. The whole question, as Mr. D. N. Jalan, President of the Indian Chamber of Commerce, Calcutta, stressed at a recent meeting of the Chamber, has to be considered from the point of view of augmenting the resources of the country so as to raise incomes and enlarge the demand for goods which alone can create more employment.

How can resources be raised? This is an issue that needs serious thinking, not academic discussion. It does not require an elaborate thesis to prove that the rising cost structure and the impact of the growing burden of taxation—direct and indirect—coupled with rising food prices, have adversely reacted on the savings of the people, leaving little for investment and development of new enterprises in the country. Mr. Jalan did well to make a pointed reference to this aspect. The basic problem, he declared, was one of capital formation, of augmenting the financial resources of industry and reducing the rigours of labour laws, company legislation and other restrictions. At the same time, attention should be paid to the problem of controlling the growth of population. The main solution to this latter problem, as Mr. Jalan said, lies in educating the people through effective propaganda, instruction in family planning and distribution of contraceptives on a mass scale.

Mr. Jalan put his finger on the right spot when he pointed out that the process of strengthening the labour-intensive industries, while it helps to a certain extent in providing employment, weakens the industrial structure; from the point of view of the earning capacity of the larger industries, it will react ultimately on the capacity of the country to increase employment opportunities. Considering that the unemployment problem is largely connected with the rural population which is not only unemployed but also underemployed, the need for strengthening the agricultural base of the country's economy cannot be overemphasised. What is wanted is, as Mr. Jalan averred, development of subsidiary industries, mechanisation of agriculture, and setting up of new fertiliser plants. It is these measures which would help increase agricultural production, create more purchasing power for the large population living in the villages, and widen employment opportunities, not measures designed to hoist the small-scale and village industries on the economically more efficient large industries.

T.C.M. PERSONNEL

When Mr. G. L. Mehta, the erstwhile Indian Ambassador to the United States, paid a well-deserved tribute to the Technical Co-operation Mission personnel working in India for the "spirit of dedication" displayed by them in their task, in the course of his address to the annual general conference of the T.C.M. held this week in New Delhi, he was not merely expressing a personal opinion. He was expressing the feeling of entire nation towards these silent men who, like hundreds of others from friendly countries, are helpmates in what the Prime Minister aptly terms as "the great adventure of building a new India." Their task in India, as Mr. Morarji Desai pointed out to them, was not only important for economic development but also for fostering mutual relations between the two countries. For this, they have to be not only experts in their specialised fields, but also shrewd students of men and matters, because, as Mr. Mehta pointed out, it is important to understand the attitudes of the people with whom they are working. The success of their work also depended upon the attitude and the capacity of the people to absorb willingly the technical knowledge imparted by the experts.

Mr. Mehta had a word of advice for the foreign experts and the recipients of their knowledge. The former, according to him, should take a human approach to the problems. They should be understanding without being patronising and be critical without being destructive. The recipients, on their part, should not be unnecessarily sensitive. Nor should they be overawed or subservient. He suggested that the technical co-operation programme, to be suitable to the needs of India, should be adapted to the conditions in the country. Mr. Mehta rightly emphasised that there should be selective borrowing to suit the needs of the country. From his own personal observations and those of others, Mr. Mehta came to the conclusion that Indo-U.S. technical co-operation had struck a right balance in this regard and had been operating smoothly and efficiently.

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CALCUTTA STOCK EXCHANGE

FIFTY YEARS OF USEFUL SERVICE

INDUSTRIAL booms and slumps are common in a nation's economy. They may come and go in a cyclical manner, but the Stock Exchanges, which faithfully reflect these changes, go on for ever, because their functions are not to bear the imprint of these changes. They have a more important role to play in the economic progress of the nation by assisting in the mobilisation of savings and in channeling them into productive spheres. The Calcutta Stock Exchange has had the distinction of carrying on this function for half a century now.

It was in 1908, when Calcutta was the capital of India, that the stockbrokers of that city clubbed together to form what came to be known as the Calcutta Stock Exchange Association. It was the first time when they "organised themselves into a closely knit body to move indoors for protecting themselves from the perils and indignity of trading in public" and began to function under a constitution and set of rules framed by themselves. The very fact that there were stockbrokers at that time to form an association shows that the history of stockbroking dates back still earlier.

It is on record that transactions in the securities of the East India Company used to take place towards the end of the eighteenth century and business in corporate securities came to be done in the thirties of the last century. Though the number of shares traded in Calcutta went on multiplying during the last three decades of the nineteenth century, business was not done in an organised way, nor was there any code of rules for the guidance of brokers. The venue of their activity was under the shade of a *neem* tree, on the site where now stands the building of the Chartered Bank. The leading scrip of the time was the 4 per cent. Government Paper (converted into 3½ per cent. Paper in 1901), while the leading industrial securities were teas, jutes and coals. Among the miscellaneous shares, the blue chip of the day was India General, and transactions in them were as brisk as those in Indian Irons today. Business was done on a cash basis and "unhappy incidents were said to be few and far between."

Ups and Downs

Over the past 50 years, the business world has seen many ups and downs and the Calcutta Stock Exchange has experienced no less than six booms—the coal boom of 1904-08, the war boom of 1916-19, the world boom of 1929, the Indian Iron boom of 1937, the post-war boom of 1946 and the National Plan boom of 1955. The intervening periods were punctuated with slumps, the depressions of 1910, early 1920's and 1930's, the war-time slump of the early 1940's, and the most disastrous ones following the Liaquat Ali Khan Budget of 1947 and the Krishnamachari Budget of 1956-57.

The story of the Calcutta Stock Exchange is not merely that of alternating booms and slumps. The latter brought in their wake long periods of anxiety to and greater responsibilities on the authorities of the Exchange. An eternal vigilance for keeping the market going on efficient lines and thus serving the public interest was called for. In other words, the booms and slumps proved to be the testing periods and it must be said to the credit of the Calcutta Stock Exchange that it did not invite any official interference, enquiry or legislative control over its activities. Its efforts during the last five decades to help the development of industries by providing a free market for their securities did not show any sign of waning at any time.

Though the Calcutta Stock Exchange Association was formed in May 1908. with a membership of 150, it was in June 1923 that it was registered as a limited liability company, with an authorised capital of Rs. 3 lakhs, made up of 300 shares of Rs. 1,000 each. From June to August 1908, members were admitted free. but thereafter an admission fee of Rs. 50 was charged. At the time of its inception shares of no less than 236 companies used to be traded on the Exchange. On the eve of its incorporation as a registered body in 1922, the Association had a membership of 210 firms. with 442 individual members. In 1928, the Association moved into its own building, with a trading hall claimed to be the best in Asia. Even during the 1920's. the Association began to discipline its members by imposing a better code of ethical standards on them. It reprimanded its members for the "unprofessional conduct of publishing in newspapers under their names the quotations of transactions daily done in the market." In November 1928, the Association passed a by-law prohibiting members from advertising for business purposes or issuing circulars or business communications to persons other than their own principals.

Year Book

With a view to serving the investing public by presenting them with unbiased information relating to all stocks and shares known to the Stock Exchange, the Association decided in 1936 to publish an official year book of its own and the first issue of the same came out in 1937, thus earning the distinction of being the first stock exchange to the east of Suez to bring out such a publication. For many years it was the only one of its kind in this country. The only other association which followed suit—albeit after an interval of 17 years—is the Madras Stock Exchange Association.

The year 1944 witnessed a profound change in the mode of doing business on the Calcutta Stock Exchange. Till then, all business used to be done on the Exchange on a cash basis, which implied that any share bought in the market had to be taken delivery of against payment of value in full on or after the second day after the date of transaction. In the autumn of 1944, a system of periodic settlement of transactions in certain specified shares through the Clearing House was introduced. For a time after the debacle of 1946, the clearing system was suspended, but it was subsequently revived in April 1949. Since then, the clearing system has continued unbroken. In the first instance, when the clearing system was introduced, it was confined only to three scrips, namely, Indian Iron, Steel Corporation of Bengal and Howrah Jute. Today, transactions in equity shares of some eight companies are settled fortnightly through the Clearing House.

The year 1957 was one of "grave moment" in the life of the Association. For it was in that year, it first came under the control of the Central Government, following the enactment in Parliament of the Securities Contracts (Regulation) Act. The Act came into force on 20th February 1957 and, under it, the Calcutta Stock Exchange came to be licensed on and from 10th October 1957. Since then, a new set of rules and regulations has come into force and two representatives of the Central Government have also taken their seats on the Committee of the Association.

Biggest Exchange in the East

The magnitude of the role which the Calcutta Stock Exchange plays is indicated by the following facts:

It is perhaps the biggest in the East. It has over 1,000 members representing some 278 firms which employ a clerical staff of several thousands. For well over four decades, it has supported the securities of over 500 companies. It has on its official list 969 securities of 620 companies; the total nominal value of these is over Rs. 300 crores. In addition, it quotes 23 securities of the Central Government, 39 State Government Loans and 54 Municipal, Port Trust and Improvement Trust loans of an aggregate value of Rs. 1,800 crores. The companies quoted on the Calcutta Stock Exchange account for a major portion of India's national income in the corporate industrial sector of the economy.

To commemorate the historic occasion of its Golden Jubilee, the Stock Exchange Association has brought out, in a beautifully styled slim volume, a symposium on "The Stock Exchange." This publication contains interesting articles on the role of stock exchanges written by some of the leading financial journalists of India. Edited by Mr. A. K. Sur, the economist of the Exchange and author of quite a few publications on the capital markets in India, it is priced at Rs. 5.

HONGKONG AND MERCANTILE BANK DIVIDENDS

The Directors of the Hongkong and Shanghai Banking Corporation have announced their intention, subject to unforeseen circumstances, of recommending a final dividend of £1 17s. 6d. per share, in due course, making a total of £3 per share for 1958. For the year 1957, the Bank had paid an interim dividend of £2 per share, followed by a scrip bonus issue, and a final dividend of £1 12s. 6d. on the increased capital.

The Directors of the Mercantile Bank also have decided, subject to unforeseen circumstances, to recommend, in due course, a final dividend of 6¼ per cent. for the current year (same as that paid for 1957). The interim distribution for the current year was also 6¼ per cent. equivalent to the 1957 interim paid prior to the capital reorganisation.

The talks between the two banks regarding the possibility of a share exchange offer are still going on.

ROADWAYS FOR HEAVY TRANSPORT

AN EXERCISE IN CIVIL ENGINEERING

From Our Own Correspondent

LONDON, *5th December*

LONDON LETTER

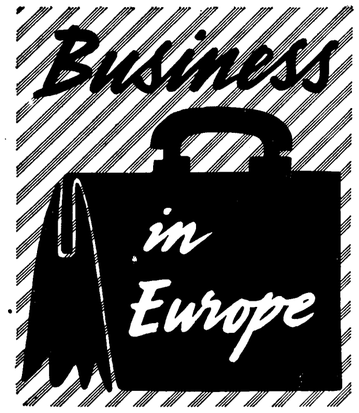
IN the past two years, a new industry has grown up in this country which will, in time, revolutionise, though belatedly, road transport, particularly the carriage of heavy goods in this country, and provide a great body of experience and skill for carrying the same benefits into Commonwealth countries. It was nine years ago that the Government of the day authorised the consideration of special motorways, but it was only this week that the first of these was completed after being more than two years in building.

In itself, this week's achievement is a small thing; a mere eight miles of modern roadway have been completed in Lancashire, just enough to enable the Lancastrians to stick to their boast that what they do today the rest of Britain does tomorrow! The new roadway by-passes the cotton machinery-making town of Preston and is a stage in what will ultimately be a roadway from London through the great industrial conurbations of Birmingham and Manchester, and so up towards Glasgow.

A further seventy miles between London and Birmingham will be completed next year but the significance of this first little eight-mile stretch is that it has been the proving ground of new ideas in design and construction. Other countries who visualise the building of motorways of this new type, i.e., exclusively for motor vehicles, and who think not in terms of the few hundred miles which would satisfy Britain's transport requirements, but in terms of thousands of miles, would be appalled at the cost of this first stretch of no less than £500,000 per mile. But then the first stretch has had to tackle very difficult country and in eight miles there are no less than twenty-three bridges, since every existing road which the motorway has had to traverse is entitled to be continued either under or over the new road. So the twenty-three bridges include five rivers and streams in the eight miles, two railways and the rest roads or tracks; the latter normally taken at a high level over the new road. For the motorway must have no side roads coming into it whatsoever, except where there is what is known as the clover-leaf junction, that is, an arrangement whereby traffic can turn off the road or come on to it, without crossing existing traffic streams or impinging on them, and there is only one of these on the new road. Needless to say the new motorways are in effect two parallel roads so that all traffic on any one road is going the same way.

Of course, the building of modern roads and bridges is no new thing to British civil engineering firms, but what is new is the combination of the different skills involved in building the different types of bridges and culverts and using reinforced concrete and precast pretensioned beams and slabs. The whole thing is, indeed, an exercise in land clearance and reinforced concrete. But, in building a highway, there is a combination of firms engaged on different jobs and the successful completion of the project requires a civil engineering team effort—much more than the work of the main contractor.

Yet what this country has not yet learnt is the need, when such a team has been assembled, to keep it together and let it carry on some other section of the transport project. But Britain being divided into counties each with their local responsibilities for roads—even though the motorway projects are financed by the Central Government—it is for the local authorities to appoint their contractors and a team which has done work in one part of the country may, as in this case, be disbanded instead of being sent on to another part. However, the constructional lessons are being learnt and the much greater length of roadway to be opened next year will have its cost cut to £300,000 per mile. There is no reason why even allowing for difficult terrain this figure should not be further reduced with experience.—*All Rights Reserved.*



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SOME FEATURES OF AMERICAN BANKING

IMPRESSIONS OF AN INDIAN BANKER

IT will be recalled that a team of sixteen high level representatives of Indian banking visited the United States for three months last autumn under the scheme sponsored by the International Co-operation Administration for a study of industrial finance in the United States of America. Most of the members of the team have returned to India. The latest to arrive is Mr. Pravinchandra V. Gandhi, one of the youngest bankers and the Managing Director of Devkaran Nanjee Banking Company, Ltd. Mr. Gandhi said that the tour was very interesting and the team was greatly benefited by it. The objects of the I.C.A.-sponsored scheme were: observation and study of banking methods and techniques practised in America, with particular attention to the processes by which sound industrial loans are made. More specifically, the study included the following:

(1) methods used to determine credit-worthiness of borrowers;

(2) operating statements and balance-sheets acceptable to lending institutions;

(3) arrangements by the banking institutions for exchange of information regarding the credit-worthiness of potential borrower;

(4) working relationships between branches and their headquarters;

(5) periodic follow-up and routine checking of utilisation of extended loan funds, the general economic condition of the borrower and the rate of his progress; and

(6) additional financial and technical services made available to private industry, generally, and the borrower, particularly.

The participants in this scheme were given opportunities to observe the working of the commodity and stock exchanges, to become acquainted with the warehousing, merchandising, and other allied activities in support of industry, opportunities for informative contacts with appropriate U.S. agencies, small business associations and international banking institutions and lastly the day-to-day operations and policy formations of the banks and bankers most concerned with loans directly to medium-size enterprises.

After an initial week's stay in New York, the team was divided into groups of two, three and four and sent round in rotation to all the twelve Federal Reserve Banks and other banking institutions. Along with two others, Mr. Gandhi first went to Chase Manhatten Bank where he spent one week. He ended his tour with a visit to the Bank of America in San Francisco.

The members discussed with the American bankers mostly the subject of handling of commercial and industrial loans. They met leaders in the field of commerce, industry, and banking. They also toured the industrial area to observe and appraise the results of the local redevelopment activity.

Close Co-operation Between Banks

Mr. Gandhi stated that what struck him most was the existence of close co-operation between banks, though they were competing with one another for the available business. This co-operation was noticeable, particularly in regard to exchange of credit information prior to the sanction of loans and also in the participation of more than one bank in certain term loans. Bankers in India will do well to take special note of this feature of American banking, because it is one way of ensuring that the banking system as a whole does not overlend to any one particular party. for instance, as in the case of Mr. Haridas Mundhra. It is regrettable that, when a suggestion to this effect was made by the present Governor of the Reserve Bank of India, Mr. H. V. R. Iengar, about a year and a half ago, bankers paid no heed to it, on the ground that it would amount to violating the principle of secrecy and privacy in a bank's dealings with its client. Now that as many as 16 bankers of this country have seen for themselves how these matters are handled by their confreres in the U.S., they will, it is to be hoped, realise the value of Mr. Iengar's advice and take appropriate steps to implement it.

Another feature of the American credit system that impressed Mr. Gandhi was the fact that, notwithstanding the rather comprehensive role played by commercial banks in financing diverse kinds of economic activity, the U.S. Government has found it necessary to establish certain special financial agencies, such as (S.B.A.) Small Business Association, the Export-Import Bank, the Development Loan Fund, etc., to operate in areas of credit, where the risk elements are so large as to preclude the private agencies from operating and to close the gaps in the financial structure, particularly in the sphere of term credit to small business concerns and the promotion of the U.S.'s exports of durable producer goods and the import of essential metals and raw materials. Small Business Investment Corporations provide a good deal of scope for a large number of banks to participate in the financing of medium and long-term loans to small business enterprises.

Deposit Insurance

Mr. Gandhi was also very much impressed with the activities of the Federal Deposit Insurance Corporation which, at a negligible cost to the participating banks, has safeguarded the safety of deposits with the innumerable banks in the country, thus providing a good deal of stimulus to the phenomenal growth of bank deposits. This is also a feature of American banking which the Indian banks can emulate. *Commerce* has been advocating this step for long. A convincing case was made out by Mr. B. K. Dutt, Managing Director of the United Bank of India, in the report of the Shroff Committee of which he was an active member. But nothing has happened so far. If Mr. Gandhi and his colleagues take energetic steps for bringing into force insurance for deposits, they will have done a great service for the development of banking in this country.

Mr. Gandhi saw no overdraft system in America. Instead, there were fixed loans, term loans, secured and unsecured loans. The big banks have on their staff experts who have studied every industry very carefully. These experts know more about the industry than the industrialists themselves and are an asset to the banks, because they help the banks to study the scope for the industries wanting credit and to decide whether it would pay in the long run if loans were made to them.

American banks extend credit to both the industrialist and the consumer. An industrialist approaches a bank with a proposal to launch a venture. The bank studies the scope and the prospects for the industry. If necessary, it takes the assistance of experts from other banks in order to make a thorough study. If it is satisfied that there are reasonable chances of success, it extends credit facilities to the industrialist to go ahead with his venture. If the amount is too big, then the bank with which the industrialist is negotiating invites two or three other banks to participate in the arrangement, thus granting fullest facility to the client. The loan is broadbased and is divided between three or four banks.

If a consumer wanted to buy a particular article, he informs the bank with which he has an account. The bank makes the payment to the dealer who delivers the article to the consumer in question. The bank recovers the amount in instalments from its client. Thus, the citizen gets all the articles needed for leading a comfortable life. The dealer clears his wares, the bank gets its money back with interest in instalments and the consumer is happy. The American nation has thus been able to raise the standard of living through the credit system. The citizen exerts his best to honour the credit extended.

There are, according to Mr. Gandhi, two million small business enterprises which take advantage of the technical assistance and advice offered by the Small Business Association which employs experts to study the problems. The American Bankers Association has 17,000 members. This Association supplies information to every bank on every conceivable subject on earth. It is a highly democratic body. However big a bank might be, it has only one vote, like the smallest bank in the country.

Then Mr. Gandhi referred to a new feature, called Account Receivable Loans. Advances are made by banks on contracts obtained by business men. For instance, contractors who secure contracts from established parties, local bodies or the Defence department get credit from the banks on a guarantee of these parties. Similarly, small business men get advances from banks on the guarantee of the S.B.A.

Other features of American banking to which Mr. Gandhi referred to are the following:

Unlike in India, the board of a bank in America never sanctions loans. The officer-in-charge of loans is given full authority to extend credits upto the limits prescribed by the board. American banks do not insist on personal signatures of directors for loans in the case of public limited companies. They take personal signatures only when money is advanced to private limited companies.

The Bank of America has introduced school savings accounts to inculcate in children banking habits from early age. School children, even though they are minors, are allowed to operate this account and even a small sum of 10 cents is allowed to be drawn or deposited by these youngsters.

I.M.F. CREDIT TO PAKISTAN

Pakistan has arranged to draw the equivalent of $25 million from the International Monetary Fund during the next twelve months. This is said to be essentially a stand-by arrangement and it is not known when Pakistan would actually draw the money. The country's balance of payments position has been worsening for some time past, due to declining exports—both in volume and price—in staple commodities, such as jute and cotton, and to rising prices for imports of capital equipment and materials for economic development.

With a view to strengthening the country's economy, the Pakistan Government has invited Dr. W. Vocke, a former President of the Central Bank of Germany, to advise it on economic, financial and currency problems. Dr. Vocke is preparing a programme of practical measures, which will involve: (1) measures to strengthen productivity in Pakistan, especially food; (2) measures on import and export policy, including the adjustment of imports to the means of the country by establishing a list of import requirements and encouraging exports with all reasonable incentives; (3) measures to strengthen confidence in the national currency; and (4) measures to restore budgetary equilibrium and to stop the former practice of misusing the State Bank for fiscal borrowing.

If this programme is followed, according to Dr. Vocke, Pakistan has a good chance of regaining and strengthening its economic position.

WORLD BANK LOANS

The World Bank and an investment banking group headed by Kuhn Loeb & Co. and Ladenburg, Thalmann and Co., are joining hands in a combined operation to provide a sum of $50 million for various projects in Austria. The World Bank will lend the equivalent of $25 million to two Austrian public power corporations, while the investment banking group will raise a similar sum by offering for public subscription Republic of Austria 5¼ per cent. external sinking fund dollar bonds. The bonds have an average life of 9¼ years.

About half the net sale proceeds of the bonds will be utilised for financing some capital expenditure programmes and the balance will be relent by the Republic to the two power Corporations. The bonds are direct obligations of the Republic of Austria, the principal and interest on which are payable at the option of the bond holder in New York City in U.S. currency, in Vienna in Austrian schillings, in London in British pounds and in Frankfurt a/M in West German marks—in all cases at fixed exchange rates.

The World Bank loan is for a term of 25 years and will carry interest at 5¾ per cent. per annum, including 1 per cent. commission. Amortisation will commence on 15th March 1964 and will end on 15th September 1983. The loan is guaranteed by the Government of Austria.

By yet another combined operation, the World Bank and Dillon, Read & Co., Inc., as head of an underwriting syndicate in the U.S., have lent the equivalent of $50 million to the Union of South Africa. The transaction consists of a 25-million-dollar public issue of external loan bonds and a World Bank loan of $25 million in various currencies. The proceeds of the bond issue, which have different maturities at different prices and carry interest from 5—5¼ per cent., will be used to meet a part of South Africa's overall capital needs. The World Bank loan is for a term of ten years, with semi-annual amortisation beginning on 1st June 1961, and carries interest at 5¾ per cent. per annum, including a commission of 1 per cent.

WORLD BANK TO BORROW IN GERMANY

The International Bank for Reconstruction and Development has arranged to borrow $58 million in U.S. dollars from the Central Bank of Germany (the Deutsche Bundesbank). Of this sum, $25 million will replace the $25 million maturity due 16th January 1959 on a previous loan by the Bundesbank to the World Bank.

As evidence of its indebtedness, the World Bank will place with the Bundesbank an issue of three-year 3-7/8 per cent. Notes, dated 16th January 1959 and maturing on 16th January 1962. The new notes will be denominated in U.S. dollars.

Net borrowings by the World Bank from the Bundesbank, on completion of the current transaction, will amount to the equivalent of $348 million. Of this sum $300 million will be denominated in United States dollars and $48 million in Deutsche Marks (DM. 200 million).

The Malayan Bank rate has been reduced from 5¼ per cent. to 5 per cent. with retrospective effect from 1st December 1959. This is the lowest rate since early 1955.



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CHINESE COMPETITION IN TEXTILES

PRODUCTION OF YARN AND CLOTH EXPANDS MARKEDLY

AT no time in the history of the Indian cotton textile industry was the need for installing latest machines and adopting modern techniques of production and management so urgent as it is today. For competition in the world textile markets is becoming more and more acute. It is clear that, unless suitable steps are taken to ensure manufacture of quality cloth at an economic price, the country will be completely edged out of its export markets by other textile-producing countries like Japan, Hong Kong and Communist China, in the coming years. In particular, competition from China is tending to be very severe. This country has already expanded its exports of cotton cloth to world markets, especially to the Asian countries, through attractive terms of credit for long periods, extremely low prices—the prices of cloth exported by China are said to be 15 per cent. lower than those of India—and energetic drive by emigrant merchants. Even a predominantly textile exporting country like Hong Kong is said to have been meeting with keen competition from China To quote a recent report from Hong Kong:

"One of the products at a local department store specialising in the sale of goods from Communist China is perfumed cotton cloth for women's clothing. The gaily coloured fabric, salesmen assure customers, will keep its heavy scent through five washings in cold water. The cloth is selling in large quantities, and its popularity is duplicated with a growing variety of other goods from mainland China now being marketed here. China is disposing of an increasing amount of its products in Hong Kong offered at prices 5 to 30 per cent. below those for similar articles made in Hong Kong or imported here from other parts of the world."

How China has been able to compete successfully in export markets has been well brought out by Mr. Takashi Murayama, Director of Research, All Japan Cotton Spinners' Association, in the course of a study on the present and future position of China's cotton industry published in the latest issue of the *International Review of Cotton and Allied Textile Industries*. According to the author, the Chinese cotton textile industry is highly profitable and operated by the State. Export business of cotton textiles is in the sole hands of the State-owned organisation. Under such a structure, it is quite easy to cut down the export price to a competitive level and meet the loss by reducing to a fraction the enormous profit that is earned in this monopolistic domestic business.

First Five-year Plan

The highly competitive character of Chinese textile exports has also been rendered possible by the notable expansion and development that took place under the first Five-year Plan, started in 1953. The Plan envisaged a rise of 47 per cent. and 38 per cent. in the production of cloth and yarn, respectively, as compared with the record output of 1952; the production target fixed for 1957 was 163.72 million bolts (1 bolt=40 yards) of cloth and 5 million bales of yarn (of 400 lbs. each). The targets were exceeded even before the Plan was completed, the actual output of cloth in 1956 being 174.89 million bolts and the production of yarn was 5.23 million bales.

The total production of cloth and yarn in 1957 was, however, lower at 149.00 million bolts and 4.6 million bales, respectively. The setback is attributed to shortage of raw cotton. Mr. Takashi Murayama says that, while importing a certain quantity of raw cotton, Red China depends on home-grown cotton to a predominant degree. Production of yarn and cloth is decisively influenced by the size of its own cotton crop. The production target for cotton yarn fixed for 1958 is 5.2 million bales. It may be noted here that the average count of yarn spun in China in the first half of 1957 was 23.6s., while it was 22.2s. in 1952.

The upward trend in cotton textile output has followed the marked expansion in the spinning and weaving capacity of the industry. The total number of operable spindles in place at present is estimated at as high as 8.0 million, as against 7.53 million at the end of 1957 and 6.81 million in 1952. Similarly, the weaving capacity has gone up, the number of looms rising from about 60 000 in 1952 to 180.000 at the close of 1956. It is, however, believed that nearly three-quarters of the cotton mills in China represent old type units. This is confirmed by the fact that, in determining the first Five-year Plan, China had decided on a policy under which existing equipment would be utilised in full in order to make the best use of the existing productive capacity.

Alongside of improvement in the capacity of the cotton textile industry, China has laid great emphasis on the manufacture of machinery. By July 1957, it is stated, China's ability had reached a level of 800.000 spindles and 20,000 looms a year. The production of spindles in 1958 is put at 2.0 million. Alluding to the progress in this sphere, Mr. Takashi Murayama observes: "China seems to be expanding at a rapid rate, and it may be that China has now established the ability to undertake large-scale new installation and replacement of cotton spinning and weaving machinery, although it would be affected by the requirements for other fibre sections."

Raw Cotton

China has also laid equal emphasis on the need for augmenting production of raw cotton. The efforts made in this direction have met with considerable success. Thus, the total cotton crop actually harvested in 1957 was 32.8 million piculs (1 picul=110.23 lbs.) which compares very favourably with 20.61 million piculs in 1951 and 8.89 million piculs in 1949. The target for 1957 fixed in the first Plan was 32.7 million piculs. China has been importing raw cotton at the rate of 150,000-350.000 bales (of 478 lbs. each) per annum, but it has never imported a sufficient quantity to supplement the shortage of domestic supply even in the years of poor crop. The main suppliers of cotton to China are Egypt, Pakistan, Brazil, Burma, Mexico, Sudan and Syria.

The Government of China has enforced control measures in the purchase and distribution of cotton textiles. Under this system, purchase and sales of cotton cloth is administered by the State agency or designated sub-agencies. Private wholesalers have been eliminated, whereas private retailers are permitted to survive, but this private business was confined to sales of cotton goods as supplied by the official organ to the general consumer at official prices. On the other hand, the Government is undertaking the controlled distribution of cotton goods for private, industrial and official use and the general public buys cotton goods by means of the ration card.

Cloth Ration

Over 85 per cent. of the total production of cloth in China has been allocated for civilian use in recent years, the quantity actually earmarked in 1957 being 127 million bolts out of the production of 149 million bolts. It is assumed that, under the distribution programme for 1957 (the cotton cloth distribution year is 12 months from September to August), some 22 million bolts (about 880 million yards at 1 bolt=40 yards) were set aside for the purpose of industrial use, army use, State stockpiling as well as export use, apart from civilian use as cited above. The national average *per capita* ration of cotton cloth was 6.8 metres in 1957. But, owing to the reduction in cotton cloth production, the Government took action, in August 1957, to cut down its distribution programme for 1958 to 5.33 metres per head, subject to an increase of the ration up to 6 metres, if the crop proved to be good. Since then, as an increased ration appeared possible, the cotton cloth ration seems to have been increased to the level of 6 metres a year since January 1958.

Mr. Takashi Murayama points out that China is offering in South-East Asia many types of cotton cloth that are competitive with similar Japanese cloth at a price lower by about 10-15 per cent. But he says that a definite answer cannot be given at the present moment as to whether cheapness is due to its export policy in

(*Continued on page* 1039)



TRENDS IN WORLD TEXTILE ECONOMY

COTTON GOODS OFFTAKE LOW

From A Special Correspondent

MANCHESTER, *9th December*

MANCHESTER LETTER

STATE of trade returns quoted in the latest review published by the International Cotton Federation from its headquarters in Manchester indicate that conditions in the third quarter of 1958 in many cotton textile manufacturing areas were far from satisfactory. In Britain, the position in the spinning industry continued to deteriorate, although output of yarn was affected by the annual summer holidays. Production was 16 per cent. below the level in the corresponding period in 1957. Yarn sales declined as compared with the previous quarter and were approximately 30 per cent. less than during the third quarter last year.

The order book position worsened as a result of this trend and cotton yarn exports were over 33 per cent. down on the similar period in 1957. Further contraction occurred in the number of spindles installed, the figure at the end of September being 25,810.000 mule equivalent spindles. For those weeks which were unaffected by holidays, only 65 per cent. of the spindles in place was actually running on average.

Continental Advices

Continental advices received by the Federation were equally discouraging. In Austria, the cotton industry was said to be suffering from severe pressure on prices and it had been found impossible to avoid more dismissals or the closing down of mill departments. Shortening of order books, for both domestic sales and exports, were reported from Belgium, together with short-time working. Uncertainty was said to be having a most unfavourable effect on prices.

The usual September business revival did not occur in the Federal Republic of Germany. Hand-to-mouth buying of yarns prevented spinners from making long-term plans for their production. Pressure on prices continued during the third quarter and imports at very low prices added to the uncertainty and reluctance to operate on the part of buyers.

The Italian cotton industry continued to produce only to a limited extent in relation to its manufacturing capacity, the report stated. Difficulties were encountered in selling yarns, and weavers were again uncertain in taking up supplies.

Assessing the prospects for the Japanese cotton mill industry, the report said that, although exports of cotton textiles were expected to increase seasonally during the fourth quarter, no material revival in export trade could be anticipated, because of the continued scarcity of foreign exchange in South-East Asia. Domestic sales were expected to decline seasonally.

Last month, the further sharp decline in prices of Sudan cotton prompted the compilation of figures showing the continued downward trend in the cost of supplies of long-staple cotton and the equivalent fall which has taken place in yarn quotations. In the second half of the current year, a similar movement, though not so drastic, has taken place in prices of American cotton. This trend has become intensified in the Liverpool futures market over the past few weeks and persistent selling pressure on the near positions has developed. Switching operations to distant contracts have been partly responsible for this adjustment in values but there is no mistaking the bearish sentiment which still persists in many quarters.

Irrespective of the outstanding problems which have played such a considerable role in deterring customers from making purchases except on a retail scale for more than 12 months back, the easier movement in cotton prices would in any case have acted as a brake on business. Belief that a surplus of raw cotton was again building up in world markets is a fundamental argument in restraining consumers from operating freely.

The Situation at a Glance

The following table illustrates the situation at a glance, indicating the steady downward trend in values, which has not as yet been halted:

(In *d.* per lb.)

	Liverpool futures		Spot American Onc-inch	American cotton yarns		
	American Dec.-Jan.	Mixed Dec.-Jan.		16s Cop Twist	36s Ring Beam	42s Cop Weft
1958						
June 2 ..	26.40	26.97	26.05	42.33	63.54	60.21
„ 16 ..	25.97	26.50	26.20	42.33	63.54	60.21
July 1 ..	25.95	26.43	26.20	43.17	63.65	60.04
„ 15 ..	25.40	25.95	25.85	43.17	63.65	60.04
Aug. 1 ..	25.23	25.60	25.85	42.78	63.02	59.32
„ 15 ..	24.20	24.80	25.85	42.78	63.02	59.32
Sept. 1 ..	23.87	24.37	25.50	42.56	62.23	58.60
„ 15 ..	24.00	24.30	25.40	42.56	62.23	58.60
Oct. 1 ..	24.05	24.65	25.25	42.30	61.72	58.43
„ 15 ..	24.50	24.73	25.25	42.28	61.75	58.27
Nov. 3 ..	23.76	23.80	25.00	42.22	61.66	57.99
„ 17 ..	23.35	23.80	24.95	42.11	61.55	57.88
Dec. 1 ..	22.20	23.75	24.60	41.94	61.26	57.71
„ 5 ..	22.60	23.70	24.35	41.94	61.26	57.71

Differential changes in American type yarn quotations have resulted in irregular adjustments to prices over the period, but it should be noted that the fall has not been as marked in the lower range of counts as in other qualities. In comparison with price movements in the Egyptian type section, however, the reduction has been relatively small.

"A Faithful Servant"

Part of a barrister's job is to create a picture of his clients to impress the jury when presenting his case. Whether the members of the Restrictive Practices Court were touched by the description of the cotton industry provided by its advocate, Sir Andrew Clark, Q.C., it is impossible to judge, but to cap all the depressing talk which has gone on in Lancashire for many months past, the story he told was indeed a melancholy one. After recounting the early post-war years of prosperity, Sir Andrew described the industry today as "sick and ailing." It would not be in the interests of the public, he said, "suddenly to snatch away the patient's crutch in order to see whether he can walk, regardless of the risk that he might break his leg in the process." Reaching out perhaps for the headlines, his final plea was:

"The cotton industry today is an old man who for 200 years has been a faithful servant to the public. Upon him depends the future of 150,000 men and women in Lancashire. Both he and they deserve better and more considerate treatment than that."

Most people would say that considerably more than 150,000 are vitally concerned with the future activities of the cotton trade. In any case the importance of keeping mills in correct running order is vital, in the event of any emergency requiring a sudden overwhelming call for supplies of cotton textiles. This, however, is an age of "gimmicks." Speakers constantly search for the telling phrase which will stick in the minds of readers or listeners. If they are sufficiently attractive to catch the attention of the public in the cotton industry's favour, so much the better, but sometimes the near-defamation of the industry by numerous commentators has done a great deal of harm in discouraging prospective entrants from taking jobs in the mills.

No "Jubilation"

As Lancashire still awaited a final announcement on the outcome of the negotiations with *Hong Kong on the* limitation of textile shipments to this country, Mr. Charles Schofield, General Secretary of the Operatives Spinners' Amalgamation, warned that it was not expected there would be any "jubilation" in Lancashire. In a report to members, he, however, said that, provided the figure agreed upon was unreasonable, the industry would benefit from knowing the volume of textiles which could be imported from Asia during the period of the contemplated agreement. "Without any limitation on the amount to be imported the industry would be in a vulnerable position and completely at the mercy of the three Commonwealth members concerned—Hong Kong, India and Pakistan."

Mr. Schofield welcomed the increasing concern shown by the Government about the present plight of the Lancashire cotton industry. But he said that, had that interest and concern been displayed during the early period of increasing imports four years ago, many thousands of textile workers, who were now out of work or in other less remunerative jobs, would still be engaged in cotton.

Pay Claim Rejected

Employers in the spinning and weaving sections of the Lancashire cotton industry have turned down an application for a wage increase of 3*d.* an hour for mechanics and electricians in about 1,000 mills. In refusing the claim, they pointed to the industry's present difficulties and the marginal increase in the cost of living since the last wage award.—*All Rights Reserved.*

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PROSPECTS FOR WORLD COTTON

U.S. EXPORT OUTLOOK BLEAKER

THERE are clear indications that cotton is again moving in the direction of oversupply, as evidenced by the divergent trend in production and consumption. A significantly larger crop is in prospect and the opportunity for a marked expansion of acreage in the U.S. under the new Agricultural Act increases enormously the production potential for 1959-60. In contrast to this trend in production, consumption is declining and no marked improvement is likely in the immediate future.

The tendency of world cotton production to exceed consumption is likely to persist in the current season also, according to the International Cotton Advisory Committee, Washington. The Committee estimates that world production including that of communist countries in 1958-59 will increase by 2,100,000 bales to 42.3 million bales, while world consumption will probably level off or decrease to 41.7 million bales. Consequently, there will be a net addition to stocks of the order of 600,000 bales at the end of the current season.

Stocks Decline

Last season, free world cotton stocks declined by about 1.7 million bales. The decline took place chiefly in the United States where it was as much as about 2.7 million bales. This was offset to some extent by the increase in stocks in other free world countries. Most of the stock increases this season is expected to be in extra-long staples. Free world production of this type of cotton this season is estimated to be 60 per cent. higher than in 1957-58.

Importing countries as a whole are likely to reduce stocks this season because of large inventories of textiles and weaker consumer demand as well as the prospect of larger world supplies of cotton in the current and the next seasons. Stocks in most net importing countries are either adequate or slightly excessive in relation to normal needs.

Free world consumption of cotton is still declining. According to a report of the U.K. Cotton Board, aggregate cotton yarn output in the world during the second quarter of 1958 was about six per cent. less than that in the comparable period of 1957. The decline was general for all the major consuming countries except France. The report also indicates that cotton textile exports during the same quarter were running below the 1957 level. Consumption of cotton in the United States this season is expected to be about the same or slightly higher than the 1957-58 figure of 8 million bales. Domestic mill consumption in the U.S during the first two months of the present season was slightly lower than in the same period last season. Consumption during the first thirteen weeks of the current season aggregated 2,120,000 bales, as compared with 2,145,000 bales in the same period last season. Consumption in importing countries in the rest of the free world is likely to decline to 15.4 million bales, as compared with 15.9 million bales in 1957-58. Cutbacks in textile production are in prospect in such major consuming countries as Japan, the United Kingdom, India, France, etc., due mainly to lower domestic and export demand and larger stocks of textiles.

The depressed conditions evident almost throughout the textile industry thus far in the calendar year 1958 are, however, expected to show some improvement in 1959. Industrial activity and gold and dollar reserves appear to be strengthening and recent reports indicate that some improvement in consumer demand may be expected in the coming months. Despite some unfavourable features, consumption in a number of net importing countries might perhaps remain steady or decline only slightly for the season as a whole.

Exports From U.S.

The export outlook for the United States during this season, according to the Committee, is not as favourable as it was during the previous season, thanks to larger exportable surplus with net exporting countries in the rest of the free world, reduced consumption, large inventories of textiles, and continued weakness in prices. Further, about two-thirds of the increase in free world production this season is in the countries producing a large proportion of the relatively higher-priced extra-long staples. The bulk of U.S. exports is not directly competitive with the longer staple styles that are now in a surplus position. Nevertheless, it is expected that the U.S. exports this season will be of the order of 4 million bales, about 1.7 million bales below the 1957-58 level.

Exports from the rest of the free world countries, on the other hand, are expected to increase from 6.9 million bales in 1957-58 to about 7.5 million bales this season, an increase of 600,000 bales or 10 per cent. Thus the aggregate free world exports will be of the order of about 11.5 million bales, about 1 million bales lower than last season's figure of 12.5 million bales. Despite this increased trade, exportable surplus in these countries is likely to increase, thanks to higher production.

COTTON IN U.S.S.R.

Until recently, only limited statistical information was available concerning raw cotton and cotton industry in the U.S.S.R. Last year, however, there has been a general relaxation of the ban on this information and a considerable amount of data, including comparisons with earlier years, was released by the Soviet Government. The publication named *U.S.S.R. Industry* issued by the Central Statistical Administration, Council of Ministers, U.S.S.R., contains much useful information on cotton. In addition, the Soviet Government supplied the International Cotton Advisory Committee, Washington, detailed statistics on Soviet cotton trade since 1947.

From these materials the Committee estimates that cotton production in the U.S.S.R. has now reached a level of about 1.5 million metric tons or about 7 million bales per year. This estimate is based on official production figures in seed cotton converted to cotton fibre at lint yield ratios as published.

According to official statistics, there were 10,002,000 cotton spindles and 215,100 looms in the U.S.S.R. at the end of 1955, as compared with 8,592.000 spindles and 184,500 looms in 1950—an increase in each case of nearly 17 per cent. Production of cotton textiles has increased steadily each year since the end of the war, reaching a peak of 5.9 million metres in 1955. Production declined somewhat in 1956, reflecting the reduced cotton crop of 1955.

The most common textiles produced are linens, calico, gauze, and dress and clothing fabrics. Together, these items accounted for 62 per cent. of the entire cotton textile output in 1955.

From statistics on exports and imports of cotton, it is clear that the principal customers for Russian cotton are Poland, Czechoslovakia, and East Germany, with Hungary and Rumania also important users. In recent years, a number of West European countries have become rather substantial markets for this cotton, particularly Finland, West Germany, United Kingdom, and France. Total annual exports of cotton from the U.S.S.R. now average about 1.5 million bales per year.

Annual imports of cotton into the U.S.S.R. fluctuate considerably, but have increased substantially in recent years, even exceeding the high levels of 1948 and 1949. The chief source of imports has been Egypt, including, more recently, the Syrian region of the United Arab Republic. Increasing quantities are also being imported from Afghanistan through trade agreements concluded with that country.

A surprising feature of the official import statistics is the reported importation of 264,000 bales of United States cotton during the three years 1948 to 1950. Official export statistics of the United States show only 26,000 bales shipped to the U.S.S.R. in that period. Similarly, during the same three years, the U.S.S.R. imported 530,000 bales from Egypt. Official statistics of Egypt shows that exports to the U.S.S.R. amounted to less than 400,000 bales. A possible explanation is that there is re-export of substantial quantities of U.S. and Egyptian cotton from other importing countries to the U.S.S.R. in those years.

IMPORT QUOTA FOR COTTON

The import allocation for 195,000 bales of soft currency area cotton, comprising 55,000 bales of Sudan and Egyptian cottons of staple length of 1.3/16" and above and 140,000 bales of East African cotton of staple length 1.1/16" and above, announced by the Government of India on the 11th inst., has been greatly welcomed by the trade. The present quota brings the total so far issued during the season to 320,000 bales. This compares with 208,000 bales permitted last season.

Variety-wise, the quota issued during the current season comprises 150,000 bales of East African cotton of stapling 1.1/16" and above, 95,000 bales of U.S. cotton of stapling 1.1/16" and above under Public Law 480 and 75,000 bales of Sudan and Egyptian cotton of stapling 1.3/16" and above. Half the quantity of the present allocation has been earmarked for import under the export incentive scheme for cotton textiles.



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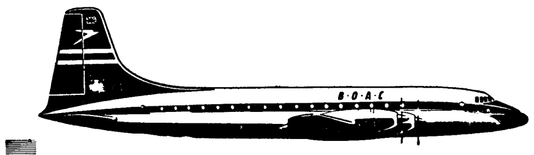

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PRODUCTION TOUCHES NEW RECORD

CHAIRMAN, MR. B. L. JALAN'S REVIEW

THE Annual General Meeting of the Bombay Gas Company, Ltd., was held at Bombay on 17th December 1958. The following are extracts from the speech of Mr. B. L. Jalan, Chairman of the Company. In the absence of Mr. B. L. Jalan, the speech was read by Mr. N. K. Jalan.

"You are aware that our country has been faced with food shortage for quite some time now. It has been officially estimated that the total production of food grains in 1957-58 declined by about 6 million tons. This has to be put against an increase of population of about five million within a year. The obvious result was an increase in prices of food articles, and indeed, of all other commodities. While a more rational and realistic solution of the problem lies in increased and steady production, primarily through short-term minor irrigation schemes on self-help pattern, the Government have recently announced their decision to introduce State trading in food grains. In the light of our past experience of price controls and rationing in the country, one does not feel optimistic about the results of such a venture. Moreover, while this does not solve the basic problem, State trading would become redundant if, as is hoped, we are going to have a bumper crop this year. At the same time, it will create a lot of unemployment and reduction in the incomes of large numbers of middle class people. I will only reiterate that apart from the efforts to increase food production, what the Government should do is to maintain adequate buffer stocks. It is through such stocks alone that the Government can hold the price line. We should welcome our Prime Minister's statement that the Government have decided to maintain, and not merely build up, stocks of two million tons of food grains and to operate in the market to prevent fluctuations in food prices.

Foreign Exchange Problem

"The increase in prices has been caused also by severe import cuts imposed during the last few quarters as a result of the dwindling of our foreign exchange reserves. It is, however, a matter of gratification that the Government have been trying to adopt all legitimate measures to improve the situation. As you are aware, a Creditors Conference was convened in Washington at the instance of the World Bank, and the friendly countries and the Bank promised further loan accommodation to help India tide over her difficult foreign exchange situation. It would not be out of place to mention here that the visit abroad of our distinguished Finance Minister, Shri Morarji Desai, proved a great success in this context.

"While it is likely that we have already arrested the unfavourable trend, the situation is yet far from being satisfactory. Our exports continue to maintain a low level, if not a downward trend. In 1957, our exports amounted to Rs. 643 crores, showing a monthly average of Rs. 54 crores. The average for the first eight months of the current year works out at Rs. 46 crores only.

U.S. Recession

"This unhappy feature in our export trade has been explained by various factors such as the recession in the United States in the early part of this year and economic war being waged by China by quoting below the lowest global prices. The economic climate in America, however, has greatly improved of late. The index of industrial production which had declined to 126 in July 1958 (base 1947=100) rose to 138 according to latest figures available for mid-November. The various fiscal and monetary measures undertaken in that country have enabled her to make up a large part of the lost ground. But the planned and extra-market competition offered by the Chinese shall have to be reckoned with. Government assistance in adequate measure can play a great role in maintaining our competitive position especially in the field of cotton textiles provided that in the meantime the textile industry is fully renovated and modernised.

"While it is true that our exchange position has improved it must be clear that this has been secured at great sacrifices. Such sacrifices have been made primarily in three directions. First, it has caused a considerable shortage of consumer articles in the country, which has also accentuated the rise in prices and general cost of living. Secondly, it has affected industrial production as a result of the shortage of raw materials and rise in the cost structure. This has also resulted in the growth of unemployment in certain important sections of the economy. Thirdly, it has greatly checked the growth of industry. A stage has been reached when several industrial projects have been or are being abandoned simply for want of Government permission, and such permission could not be given because it involves some foreign exchange expenditure. You are aware that sometime past the deferred payment system was invoked. It acted as a great deterrent to industrial expansion. Now even deferred payment system is not enough. It is generally required that a project should not involve any foreign exchange payment at all at least until 1961. Even after that date, expenditure of foreign exchange will be permitted in cases where it has been proved to the satisfaction of the authorities that the new unit will be able to save corresponding amount of foreign exchange. To say the least, this is an unenviable position for any country which has launched a programme of rapid industrialisation. I should make it clear at this stage that I am not commenting on such measures initiated by the Government. I am only trying to draw a factual picture of our present conditions and to state that instead of encouraging industrial expansion we have to abandon otherwise very fruitful and profitable industrial projects only because of our foreign exchange situation. This is just the opposite of what we sought all these years since we embarked on our planned development. If we are to achieve only a moderate rate of growth, let alone ambitious, we shall have to create a situation that no industrial project is abandoned simply because it does not save as much foreign exchange as it spends.

"One very effective way of solving this problem is to encourage flow of foreign capital into the Country. At this stage, we should distinguish between foreign assistance on loan basis obtained on Government account and equity capital. Our long-term exchange problem will be effectively solved only if we can encourage the flow of the latter.

Capital Limited

"On the occasion of the annual meetings of the International Monetary Fund, the World Bank and the International Finance Corporation in October in New Delhi, I met several financial experts from other countries. If I found any unanimity in their views on any matter it was that the fund of available international capital is limited and that the flow of private foreign capital would depend greatly on the investment climate of the recipient countries. A country which could present a welcome climate for such flow, would not, however, face a shortage of capital.

"The factors which constitute a favourable investment climate are quite well known: a fair return on capital, guarantee against risks of expropriation and non-convertibility, a reasonable level of taxation, an assurance against discriminating treatment, and an absence of restrictive labour laws. It is for us to see how far our economic policies conform to the international expectations in this regard. It is very clear, however, that imposition of taxes such as wealth tax on companies, which could not be justified on any plausible consideration, and like expenditure tax, which is not levied in any other country in the world, and the collection in respect of which would hardly compensate the expenditure and efforts involved in such collection, do not constitute factors which create the desired climate.

Internal Capital Resources

"While the problems of foreign capital and foreign exchange continue to be what they are, taxation, large Government expenditures and high level of spending as a result of rise in prices have greatly affected domestic savings and investments. The general investment climate in the country is reflected in the index of prices of variable dividend industrial securities, which declined from an average of 123.8 in 1956 (base: 1949-50=100) to 113.7 in January 1957, and to 97.2 in December of the same year. During the course of this year, the prices have advanced once again but this is reflective of the easy money market conditions caused by shrinkage in international trade and more particularly in imports and very much slackened industrial expansion. This is evident also from the rise in deposits of banks as against the fall in advances. Thus during the course of a year since the third week of November 1957, deposits of Scheduled banks rose from Rs. 1,359 crores to Rs. 1,575 crores and the advances and bills discounted actually declined from Rs. 847 crores to Rs. 841 crores. There was, however, a sizable gain in the case of investment in Government securities of these banks, from Rs. 407 crores to Rs. 641 crores. This clearly indicates that banks have invested more in Government securities and less in business and industry while expansion of industry and business is the burning need of the country. We should, in fact, follow the liberal Japanese method of providing credit facilities through which she has built up her disintegrated economy from scratch.

Rising Costs

"Coming to the affairs of our Company, the year under review has shown a balance of Rs. 1,61,466 in net revenue account. It was considered by your Board that such a small balance must result in a reduction in the rate of dividend payable this year as compared with the last, and accordingly a dividend of 4 per cent. free of tax is recommended. This will absorb a sum of Rs. 1,60,000, leaving only Rs. 1,466 as the amount to be carried forward to the next year. I cannot, therefore, say that the revenue position of the Company is satisfactory, but it is beyond the control of the management. The cost of coal, the main raw material required for our gas production and the freight thereon has been mounting and is a matter of serious concern to our industry. An increase of over Rs. 6.12 per ton came into effect in 1956 when the Company immediately approached the Government for revision of the price of gas. As a result of our representation made in September 1956, the Government of Bombay appointed an Advisory Committee to go into the matter, and after some hearings they submitted a report to the Government probably in July 1958. This report is under the consideration of the Authorities and the Company is not aware if any suitable increase in gas price to offset these mounting costs will be authorised. In the meantime, the ex-works cost of coal has increased again in 1957 and 1958, and we now have to pay Rs. 10.70 per ton more than we were paying in 1955. The financial position of the Company can only improve if a fair and reasonable rate is allowed to cover the increase in costs.

Increased Production

"The Company on its part has been making every effort to increase the production of gas to make it available to as many consumers as possible. The demand for additional gas continues and applications are received daily by the Company from now potential consumers. During 1957, 750 new gas connections were installed.

"On the production side, the volume of gas produced was again a record, and the following table sets out the comparative figures of gas produced in the years 1946, 1955, 1956 and 1957.

Year	*Total Gas Productions* (Cu. Ft.)	*Increase over 1946* (Per cent.)
1946 ..	1,115,949,000	..
1955 ..	1,511,849,000	35.5
1956 ..	1,529,221,000	37.0
1957 ..	1,581,389,000	41.7

"The gas production in 1958 upto October was 1,374,683,000 cu. ft. which was 5.2 per cent. higher than that of the corresponding period of 1957.

Expansion Programme

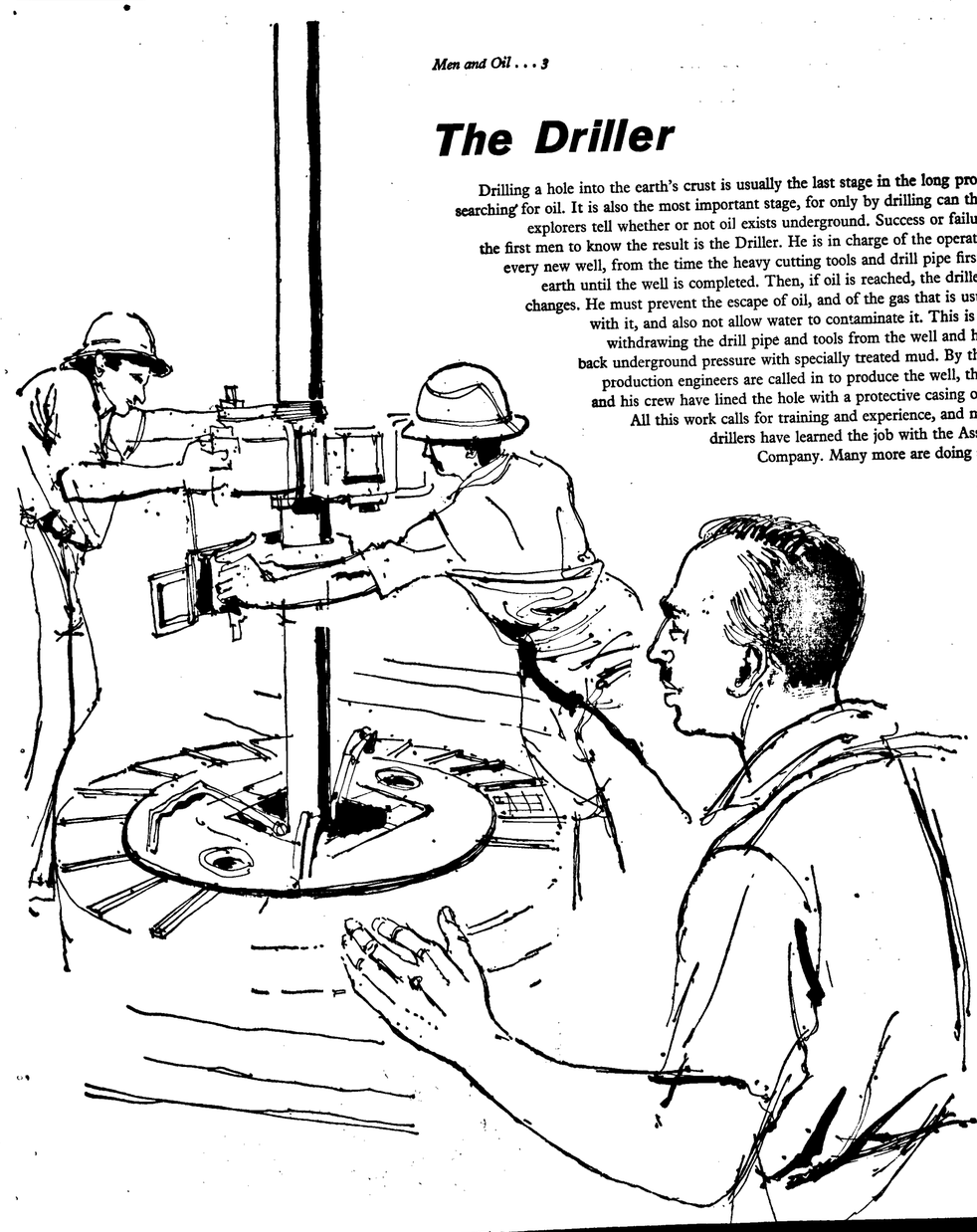
"New plant installed in 1957 included a third coal elevator, complete with overhead coal storage hopper and coal crusher, and a third retort charging machine. To deal with the increased coke produced from the retort house, which, you will recall was extended in 1956 by the addition of five new beds of retorts, a second coke quenching station and coke discharging ramp was put into commission. A fourth Lancashire boiler and a battery of three induced draught water coolers were also put into commission during the year.

(*Continued on page* 1039)

Men and Oil . . . 3

The Driller

Drilling a hole into the earth's crust is usually the last stage in the long process of searching for oil. It is also the most important stage, for only by drilling can the explorers tell whether or not oil exists underground. Success or failure, one of the first men to know the result is the Driller. He is in charge of the operation at every new well, from the time the heavy cutting tools and drill pipe first enter the earth until the well is completed. Then, if oil is reached, the driller's task changes. He must prevent the escape of oil, and of the gas that is usually associated with it, and also not allow water to contaminate it. This is done by withdrawing the drill pipe and tools from the well and holding back underground pressure with specially treated mud. By the time production engineers are called in to produce the well, the driller and his crew have lined the hole with a protective casing of steel. All this work calls for training and experience, and many Indian drillers have learned the job with the Assam Oil Company. Many more are doing so today.



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RAW JUTE TO BE EXPORTED

CENTRE'S JUTE POLICY FAILS TO ARREST DECLINE IN PRICES

THE Government of India is reported to have permitted the West Bengal Government to export raw jute. The quantity allowed to be exported is, however, not known at the time of writing, as no official *communique* has been issued on the subject. Nor is it clear why the State Government has been brought into the picture of export trade. In the absence of full details, comment on this aspect has to be deferred. Meanwhile, the Central Government's decision to allow exports of jute was first made known in the Lok Sabha last week. Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, told the House that a limited quantity of raw jute would be exported through the State Trading Corporation, with a view to arresting the present recession and stabilising the prices of the raw material.

The Union Minister made the statement in reply to a "call-attention" motion by 10 members on the plight of jute growers in the country due to the sharp fall in prices. He did not take an alarmist view of the situation. For he said that, though there had been some decline in jute prices in recent months, the return to the cultivator taken as a whole could not be deemed to be unduly low, because of the increased production per acre. In support of this contention, he pointed out that the production of jute and mesta had shown an appreciable increase during recent years. In 1953-54, the output amounted to 3,747,000 bales and the area under cultivation of jute and mesta was about 1,884,000 acres. The production in 1958-59 was estimated at 6.2 million to 6.5 million bales, while the area under cultivation was only 1,894,000 acres. Thus, on almost the same acreage, the production had, the Minister argued, shown a steep increase, due to the "special efforts made by the cultivator, coupled with the assistance rendered by the Government under the 'grow-more-jute' programme."

Alluding to the trend of prices, Mr. Shastri observed that the average price of Assam middle was Rs. 29.5 per maund in 1953-54. The price which prevailed in recent months for the same quality ranged between Rs. 24 and Rs. 27 per maund. The Minister did not regard this price as unduly low having regard to the increased production from the same acreage. Nevertheless, in view of the need for sustained rise in production and maintaining steadiness in price, certain measures were taken by the trade and the industry, namely, fixation by the East India Jute and Hessian Exchange of margins which would be payable if prices went below certain level and the fixation of the minimum prices for hessian and sacking by the I.J.M.A. The Association had also asked the member-mills to increase their purchase of raw jute up to three months' consumption. Mr. Shastri disclosed that mills were now being persuaded to purchase and hold stocks up to four months' consumption. The mills' purchases during the first four months of the current jute year, that is, July-October 1958, aggregated 2,194,000 bales, as compared with 1,814,000 bales during the corresponding period of 1957. The mills' consumption of jute during this period, it may be noted in passing, aggregated 1,973,000 bales, as compared with 1,944,000 bales in the period July-October 1957.

Mr. Lal Bahadur Shastri also referred to the drastic cut in import of raw jute introduced with the twofold objective of safeguarding domestic producers and conserving foreign exchange. "For a short period from the end of May up to the middle of July," the Minister said, "licensing was practically suspended. During the period 15th July to 15th November 1958, licences have been issued for the import of only 405,000 maunds, as against 1,500,000 maunds licensed during the same period in 1957. It has also been decided that import of raw jute should be restricted to qualities not produced in India, but needed essentially to meet the requirements of the foreign market."

The Minister informed the House that special measures were being taken to provide adequate wagons for the movement of jute from the producing areas to Calcutta. From a long-term point of view, consideration was also being given to the question of increasing the holding power of the cultivator by measures, such as acceleration of the programme for the establishment of co-operative marketing societies, warehouses and godowns. Mr. Shastri gave the assurance that the position was being closely watched by the Government and further measures would be taken, if found necessary.

The Minister's statement did not seem to have convinced all the members of the Lok Sabha. Mr. A. C. Guha, for instance, said that the position was very unsatisfactory. As the matter involved the rural economy of three eastern States, he wanted a discussion on the matter. The Speaker said that he would consider whether a debate on the subject was necessary. Nor has the Minister's announcement about the export of raw jute brought any cheer to the market. On the contrary there has been a further setback in prices, as will be seen from the following table:

(Rs. per maund)

	8-12-58	13-12-58
Assam bottoms	21.75	20.75
Northern bottoms	21.25	20.00
Daisee bottoms	23.25	22.50

This further recession in prices is explained by the fact that barring the decision to export limited quantities of raw jute, the Minister did not announce any new measure. Even the decision to export small quantities of jute, which had been demanded by the growers, has disappointed market circles, as the export business is to be handled by the State Trading Corporation. The Bengal Jute Dealers' Association, in the course of a statement on the Government's policy in respect of Jute, has called for a "more practical and streamlined jute policy," if the Government were to achieve its objective of helping growers and traders. The announcement regarding export of jute is considered as too vague at it does not specify the quantity and quality to be exported, whether the quantity would really help boost up prices. The Secretary of the Bihar Jute Growers' Association, Mr. P. D. Khaitan, is of the view that jute growers of Bihar cannot be saved until and unless a drastic measure is taken like "free export of jute with subsidy through an internal production tax on finished goods."

The West Bengal Government, too, is doubtful about the success of the export policy, as it feels that permission has been received too late. This may cause difficulty in securing a good market abroad. A spokesman of the West Bengal Government has made it clear that it is not considering the fixation of floor prices for jute as by so doing it will have to buy large quantities to enforce the minimum price.

OUTPUT OF JUTE GOODS RISES—STOCKS DECLINE FURTHER

Notwithstanding a sizable rise in production of gunnies during November, the stocks of goods with mills at the end of the month were lower. This shows that mills must have sold during the month more than what they produced.

The output of jute goods went up by 5,200 tons to 87,000 tons, thus nearly making good the fall in the previous month. Nevertheless, it is 4,900 tons less than that in the corresponding month of 1957.

The rise in production is shared by the three main groups. Hessian output, at 35,800 tons, is up

(*Continued on page* 1026)

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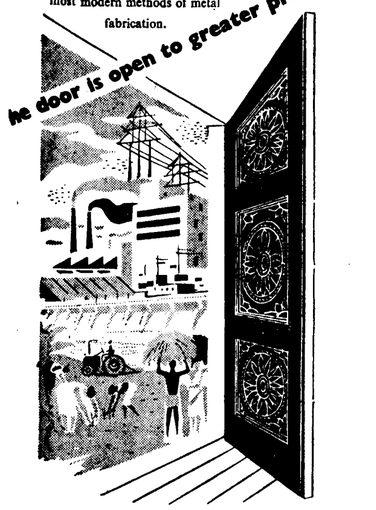

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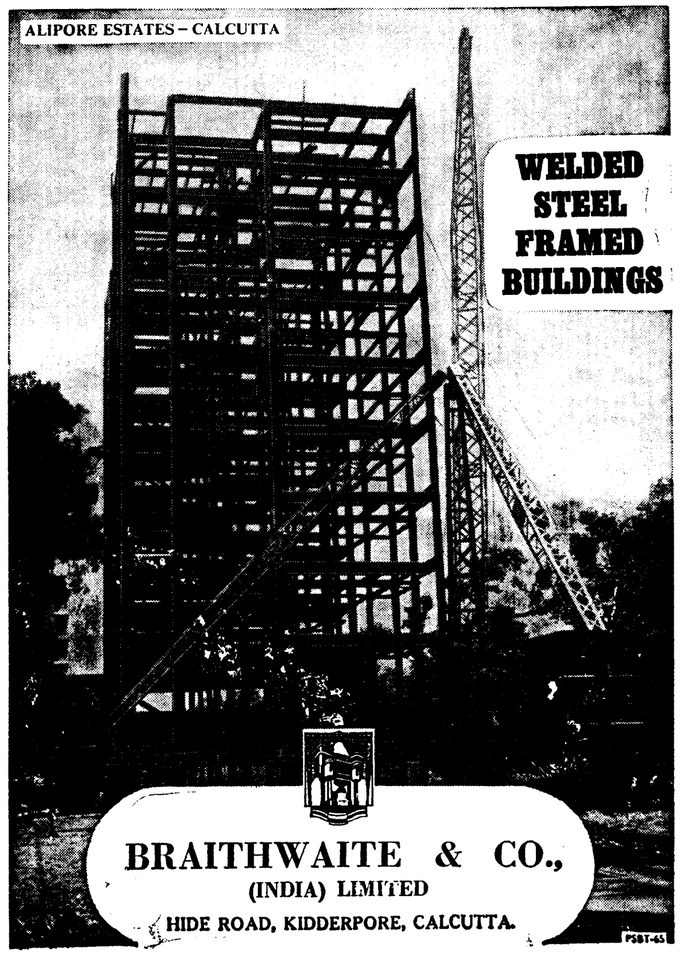

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PLACE OF OIL IN ASIAN ECONOMY

NEED FOR AUGMENTING PETROLEUM SUPPLIES

THE production and consumption of oil in Asian countries are both strictly limited, especially when they are considered in relation to the size of this region and its production. Thus, in 1954, out of a world production of 940 million tons (coal equivalent) of petroleum, shale oil and natural gasoline, the share of the Far East (excluding China) was only 22.7 million tons, the respective figures for consumption being 842 million tons and 31.2 million tons. Proved reserves of oil in the region of the Economic Commission for Asia and the Far East (E.C.A.F.E.) are estimated "to be of the order of 40,000 million barrels, plus or minus about 3,000 million barrels." As industrialisation gains momentum in this region and living standards rise, the consumption of petroleum and petroleum products is also bound to move up. In all countries of this region, there is a general realisation of the importance of oil supply. This is reflected in the E.C.A.F.E.'s symposium on Development of Petroleum Resources in the Asian region, held at New Delhi last week. Over 100 oil experts from 29 Asian countries participated in it. In the course of his inaugural address, the Union Minister for Mines and Oil, Mr. K. D. Malaviya, rightly stressed that oil was bound to play a vital part in the industrial progress of the E.C.A.F.E. countries. Stressing the importance of oil in modern economy, Mr. Malaviya emphasised that not only as a fuel material, but also as a product used in hundreds of ways, for lubrication and chemical and petro-chemical industries, oil had assumed a significance in the modern world which was not likely to be replaced by any other substance for a very long time yet.

The expansion of existing facilities and establishment of new refineries has been among the notable developments in the E.C.A.F.E. region in the post-war period. The total capacity of oil refineries in the region was estimated at 1.35 million barrels a day at the end of 1957. More than one-third of this capacity is concentrated at Abadan refinery, another one-third in the 20 refineries in Japan and the balance in some other countries of the region, of which Indonesia and India have the largest capacity. The average daily consumption of petroleum products in the region in 1957 was about 1.07 million barrels, or about 6 per cent. of the world daily consumption. Japan and India are leading consumers of oil, whereas Iran, Indonesia and British Borneo are the principal producing countries, and also the chief exporters of crude oil and refined products. In 1957, production, in terms of barrels per day, in each of the chief oil producing countries of the region was: Iran 723,700; Indonesia 314,700; British Borneo 116,900; China (Mainland) 30,800; India 9,100; Burma 8,900; Japan 6,200 and Pakistan 6,000.

Iran

Iran ranks first among the countries of the E.C.A.F.E. region as a producer of petroleum. In 1957, it produced 263 million barrels, against 196 million barrels in 1956. Last year, less than half of the production was processed at the Abadan refinery for local use and export. Indonesia is second only to Iran as a producer of oil. Last year, it produced 114.1 million barrels, as compared with 56 million barrels in 1938 and 48 million barrels in 1951. It consumes about 13 per cent. of its production and exports the rest. In China, petroleum is still being produced from the large deposits of oil shale which were originally developed by Japan in Northern China before the Second World War; the present production from this source is estimated at 6,300 barrels per day. Discoveries of oil in various countries in the Tsaidam basin of Tsinghai province in Kansu province and in Sinkiang province have been made. It is claimed that these and other discoveries of oil may change the petroleum situation greatly in the near future.

Burma's present production of crude oil and its refining capacity are stated to be sufficient to meet its current requirements of petroleum products. In 1957, production of crude oil was estimated at 8.7 million barrels. Some of the crude oil is processed at the field refinery (capacity about 3,000 barrels daily) and the remainder is transported down the Irrawady river and processed in the new refinery at Syrian, with a daily capacity of about 3,500 barrels. Japan has developed its refining capacity very rapidly. Its own production of crude oil, however, meets only 3 per cent. of its consumption which was estimated at 100.6 million barrels in 1957. Japan's refining capacity, which is placed at more than 402,000 barrels per day, is now more than enough to satisfy the country's present requirements. In Pakistan, production of crude oil was 2.2 million tons in 1957. The crude oil is processed at a refinery near Rawalpindi which has a capacity of 5,500 barrels per day. The large Sui gas field, discovered in 1952, went into production in 1955; the output aggregates some one million cubic metres per day.

India

The present annual consumption of petroleum in India is about 5 million tons, of which it produces about 0.40 million tons, mainly from the Digboi oilfield in Assam. By 1961, the production of crude oil is expected to go up to 3 million tons, including the production from the newly discovered oilfields of Nahorkatiya, Hugrijan and Moran in Assam. The pattern of energy consumption in India indicates that domestic demand is likely to reach 7 million tons by the end of the second Five-year Plan and 14 million tons by the end of the third Plan. The main task of the Government of India is to narrow the gap between the demand for, and the production of, oil. An important consideration is that India, if it locates new oil sources, can save a great deal of foreign exchange, which must otherwise be spent on imports; it may have to import some Rs. 500 crores worth of oil by 1976 if it fails to discover oil wells.

Much attention has, therefore, been devoted in recent years to the discovery of oil in India. Technical experts believe that nearly 400,000 square miles, consisting of parts of the Punjab, the Ganga valley, Assam, W. Bengal, Gujerat, Cutch, Rajasthan and the East and West coasts, deserve to be explored for purposes of locating possible sources of oil. A great deal of planning is obviously necessary before exploration is undertaken. Prospecting and exploration are a costly process; a test well alone may cost upto Rs. 50 lakhs. In order to ensure that exploration is carried out by an expert body, the Government set up in 1955 the Oil and Natural Gas Commission which now consists of 1,600 personnel in its technical and non-technical sections. The Commission consists of three directorates, one for Geology, one for Geophysics and one for Engineering.

In the public sector, some initial success has been achieved through the strike of natural gas at Jwalamukhi at a depth of 2,500 feet and of petroleum at Lunej, near Cambay, at a depth of 5,000-6,000 feet. At a shallow well at Vadser, near Baroda, some gas and oil were found at a depth of about 500 feet. Oil sands near Sundernagar, south of Mandi, and at Muradpur in Jammu were also discovered in 1956. This was the first authentic occurrence of oil outside Assam. Referring to these developments, Mr. A. M. N. Ghosh, member, Oil and Natural Gas Commission, strikes a note of caution. He says: "It is too early to say whether these discoveries will lead to oil and gas fields of great commercial importance, as similar strikes in other parts of the world have not always had long lives."

Public Sector

The progress of oil exploration in the public sector in the different parts of the country is summed up below:

Punjab, Himachal Pradesh and Jammu: This region is thought to be an extension of West Punjab oilfield belt. Some of the structures resemble those of the Iranian oilfields. Two favourable structures which have been geologically mapped in the sub-Himalayas and another deciphered by geophysical methods in the Punjab plains near Hoshiarpur have been considered for drilling. One of them, namely, the Jwalamukhi structure, the been drilled to a depth of nearly 6,500 feet. One horizon interpreted as gas bearing in this well has been tested. The test proved successful and large quantities of gas, with probable industrial potentialities, have been discovered. Further drilling is being continued to its objective depth of about 10,500 feet. The test well near Hoshiarpur has reached a depth of over 10,000 feet. The third structure at Januari is expected to be drilled as soon as a drill is available.

Ganga Valley: Aero-magnetic surveys have indicated sediments of great thickness in these areas. Geological surveys have been undertaken in the sub-Himalayan region. Recourse has been made to geophysical methods for finding hidden underground structures. Exploration activities will be continued in this area.

Jaisalmer: Aero-magnetic surveys have indicated considerable thickness of sediments in western and south-western portion. On account of the inaccessibility, and extremely difficult working conditions, geological and geophysical investigations have so far been confined only to the more accessible areas. These surveys will be continued.

Cambay-Cutch: Geophysical investigations in Gogha and Cambay regions and the alluvial tracts of Gujerat indicated a good thickness of possible oil-bearing sediments, which are expected to occur at a comparatively shallow depth. A favourable structure near Cambay, outlined by geophysical means, is being drilled now. Oil has been struck at more than one horizon. The economic potentialities of this region have to be tested in detail.

Sibsagar, Assam: Seismic surveys have located two structures at a great depth near Sibsagar. Arrangements are being made to test one of these structures by deep drilling.

West Bengal: The Commission is maintaining liaison with the Standard-Vacuum Oil Company on behalf of the Government of India which is a co-partner in the Indo-Stanvac Project. Four holes have been drilled. The results have confirmed the existence of marine rocks. So far no commercial quantities of oil or gas have been obtained.

East and West Coasts: Good thicknesses of sediments are known to occur along certain coastal patches of the East and West coasts of India. Gas shows are reported from parts of the Cauvery basin and Kerala. The Commission proposes to undertake reconnaissance geological and gravity surveys in these parts in the near future.

The Oil and Natural Gas Commission has been at some pains to ensure that its personnel are properly trained. It employs foreign technicians and specialists who, in their turn, train Indian technicians under their charge. It has opened a technical school at Jwalamukhi which imparts to its students theoretical knowledge and practical training relating to oil-well drilling and maintenance and repair of drilling equipment. Officers of all categories, after they have received the necessary training in different subjects, are sent for higher training under the American Technical Co-operation Mission, the U.N. Technical Assistance Administration, the Colombo Plan and other technical aid schemes. Clearly, the progress of the Commission's operations will depend upon the ability of the technical men who work under it.

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CONSTRUCTION CORPORATION

The National Projects Construction Corporation (Private) Ltd.—a State enterprise, sponsored by the Union Ministry of Irrigation and Power—has during the first year of its existence (1957-58) completed works costing Rs. 40.43 lakhs. The Corporation which was set up in 1957 with an authorised capital of Rs. 2 crores and a paid-up capital of Rs. 64 lakhs, undertakes construction of large-scale works which private contracting firms do not accept, either because of the risks involved or due to the inadequacy of resources available with them. In 1957-58, the Corporation earned a net profit of Rs. 3.29 lakhs. A dividend of 2½ per cent. has been declared in favour of the Government of India and the State Governments which have jointly contributed to its capital. It is estimated that the project authorities will save 8.3 per cent. of the value of the work done by the Corporation, inasmuch as the Corporation's rates are lower than those tendered by the contractors.

In 1957-58, the Corporation's major work was connected with a part of the Chambal project in Rajasthan and Madhya Pradesh. Work in Rajasthan, estimated at Rs. 91 lakhs, consists of the construction of seven miles of the right canal of the Chambal project. In the Madhya Pradesh, the work allotted to the Corporation, estimated at Rs. 118 lakhs, includes construction of 27 drainage and communication works. About 40 per cent. of the works in these two States has been completed. The programme of work for 1958-59 includes construction of the Waziabad barrage, which will ensure the supply of water to Delhi throughout the year; the cost of the work is over Rs. 60 lakhs. Other works which have been undertaken by the Corporation are the construction of the Kosi barrage and two head regulators of the canals in Bihar, which cost over Rs. 5 crores, of the Badua dam in Bihar, costing Rs. 63 lakhs and of additional masonry works on the Chambal right main canal in Madhya Pradesh.

Problems relating to the indigenous manufacture of stores required by Indian railways were discussed at the fourth meeting of the Indian Railway Equipment Committee, held recently at New Delhi. Inaugurating the meeting, the Deputy Railway Minister, Mr. S. V. Ramaswamy, pointed out that the purchases made by the railways from Indian manufacturers had gone up from Rs. 88 crores in 1951-52 to Rs. 130 crores in 1957-58. But, in 1957-58, Indian railways had to import stores worth Rs. 45 crores from abroad because they were not manufactured in India.

NEW PRODUCTS AND PROCESSES

Measuring Soil Density

"THE measurement of soil density is often an important factor in civil engineering. A device for measuring the density of soil down to a depth of 1,000 feet has been developed in the U.K. by Dynatron Radio, St. Peter's Road, Furge Platt, Maidenhead, Berks. The unit, which has been used to test the suitability of land reclaimed from the sea for airfield construction, is said to have an accuracy of about 1 per cent. The device depends on the use of a source of radioactive gamma rays, in the form of a quantity of caesium 137. This is separated by a cylindrical lead shield from a Geiger counter which detects the gamma radiation scattered by the soil. A unit for measuring the counting rate—which records the incidence of gamma rays—is connected to the Geiger counter by a cable. The source and Geiger counter unit are sunk in the soil whose density is to be determined. The same method, it is claimed, could be used for measuring the bulk density of other materials of industrial importance such as grain, silage, or sugar.

Cheque-signing Machine

Up to 500 cheques or other documents can be signed in an hour, it is claimed, with the Todd cheque signer, model 94, which has just been put on the market by Halsby and Co., of 53, Dean Street, Shaftesbury Avenue, London, W.1. Every signature printed by the machine is counted by a non-resettable counting mechanism and signatures can be controlled since two keys are required to unlock the machine for use, the executive responsible for signing the document holding one key and the operator the other. The signature plates are made to carry one or two signatures and they can be removed from the machine for safe keeping. Plates can also be supplied for printing single-colour signatures alone or for printing a multi-coloured background design as well. Trade-marks, monograms and other markings can be incorporated if desired. Halsby & Co. states that an important feature of the machine is that signatures are dry-printed on to the document from ribbon and they cannot smudge. Adjustment of a guide-plate at the side of the machine enables documents of various sizes to be signed and the signatures to be printed in any position.

New Type of Gramophone Record

A new type of gramophone record, being hailed as a revolution in the record industry, has been developed by a Düsseldorf firm. The flexible, unbreakable plastic disc is said to be impervious to damage so that even the most careless handling will not affect the tone. Produced at the rate of 50,000 a day, they sell for DM. 1,50. While production now includes only records with 45 r.p.ms. the firm plans to bring out long-playing records in 1959.

Electric Eye in New Camera

An automatic still camera, employing the electric eye principle to set automatically the lens for correct exposure, has been introduced by the Bell and Howell Company, Chicago. After setting the camera for black and white or colour film, all that is needed is proper sighting and pressing a button. Solar or light energy striking the photocell produces the electric current to set the lens opening.

New Nitrate Fertiliser

A new type of ammonium nitrate fertiliser which reportedly can be stored indefinitely, does not cake and is dust-free, has been developed by the Monsanto Chemical Company of St. Louis, Missouri, U.S.A. The new product has a higher density and, therefore, requires 20 per cent. less storage space than regular ammonium nitrate fertiliser.

Chlorinated Water Keeps Fish Cleaner

The value of chlorinated sea water in preserving the high quality of fish aboard fishing craft has been demonstrated by a series of tests in the North Atlantic fishery. It was found that fish rinsed in a spray of chlorinated sea water immediately after evisceration and transported in holds which had been thoroughly washed by a similar solution, were cleaner and fresher than fish coming from trawlers using only ordinary sea water. The trawler using chlorinated sea water left port at the same time, fished the same waters, and returned at the same time as other fishing vessels; therefore, comparisons between the old and new techniques were readily made. Owners of more than a dozen New England, U.S.A., fishing vessels are already interested in chlorinating equipment which is inexpensive and easily installed. It consists of a hypochlorinator metering pump and an electric motor which readily introduces chlorinated sea water into the vessel's existing wash-down system. Chlorine is provided by an eight per cent. solution of sodium hypochlorite which is metered into the wash-down system at the rate of 50 to 80 parts per million parts of water for washing the holds and pen boards. By regulating the metering pump, a solution of 10 to 20 parts per million can be used in rinsing the eviscerated fish.

New Heat-withstanding Material

A new material called Astrolite, which consists of a plastic reinforced with "fibres of sand," can withstand extreme heat much better than steel. It may be of value for use in rocket nose cones, which are heated to very high temperatures when they re-enter the earth's atmosphere. The material may also be used for other rocket parts and in space ships of the future. It is expected that it will be possible to use the new material at temperatures up to 10,000 degrees Fahrenheit. Astrolite is made by the H. I. Thomson Fibre Glass Company at Los Angeles, California. It is composed of a phenolic resin plastic and, fibres of pure silica. Silica, or silicon dioxide, in varying degrees of purity, is ordinary sand.

RADIO LAMP WORKS LIMITED

MR. KAMALNAYAN BAJAJ FORESEES A BRIGHT OUTLOOK FOR THE COMPANY

THE Nineteenth Annual General Meeting of the Radio Lamp Works Limited was held in Bombay on 15th December 1958. Addressing the shareholders on the occasion, Mr. Kamalnayan Bajaj, Chairman, said that, with the growing industrialisation and the need for greater efficiency and comfort the future demand for the Company's products should be very vast. He was also confident that the working of the Company in the coming years would continue to be satisfactory.

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

"FRIENDS,

"My cordial welcome to you all, particularly the new shareholders, to the Nineteenth Annual General Meeting of the Company. The accounts and Directors' report for the year ended 31st March 1958 have been in your hands for some time. With your permission, I shall take them as read.

"The sales and profits before taxation for the last four years are:

Year	*Sales in Rupees*	*Profits in Rupees*
1954-55 ..	43,99,961	1,81,073
1955-56 ..	62,57,952	3,77,491
1956-57 ..	86,27,848	5,59,756
1957-58 ..	1,12,68,913	6,36,594

The demand for various products handled by the Company, except transformers, continues to increase rapidly. In fact, the sales of lamps, fluorescent tubes and instruments are now limited only by the sanctioned manufacturing capacities. With the coming into production of additional capacities for which licences have been granted, the sales and profits should further increase.

"The production figures of general lighting service and other similar lamps in India during the last ten years indicate a rapid increase in demand for lamps:—

Year	*Pieces in lakhs*	*Year*	*Pieces in lakhs*
1947 ..	74·14	1953 ..	197·79
1949 ..	136·55	1955 ..	235·87
1951 ..	154·47	1957 ..	320·33

"The Planning Commission has estimated that by the end of the second Five-year Plan in March 1961 the demand for G.L.S. and other similar lamps will be about 500 lakhs and for fluorescent tubes 20 lakh pieces per year. The consumption of lamps in India is at present hardly one-tenth of a lamp per person per year, as against about five lamps per person in Western Europe and ten in the United States. With the completion of the many electrification schemes all over the country, the future demand for our products should be very vast.

"With the growing industrialisation and need for greater efficiency and comfort, there is an ever-increasing light consciousness among the people. Progress is linked with good lighting. Better lighting is needed everywhere—in towns and villages, in factories and streets, in offices and shops, and in schools, hospitals and homes. The Company has started a lighting advisory service to serve this need.

"Hind Lamps Private Ltd., in which the Company has a 50 per cent. interest, commenced operations in 1952 as a result of technical collaboration and financial participation with Messrs. N. V. Philips of Holland and four British electrical companies. This new venture took over the Company's factory at Shikohabad and has since made a block investment of about Rs. 40 lakhs. Further expansion, for which licences are already received, is estimated to cost over Rs. 50 lakhs. Their negotiations are almost complete for a loan of about Rs. 35 lakhs to enable them to import plant and machinery, and provision is made to meet the balance of Rs. 15 lakhs from their own resources.

"Your Company will then receive its share of about 10 lakhs of G.L.S. lamps, 15 lakhs of miniature lamps and 3 lakhs of fluorescent tubes additionally per annum for sale. The expansion programme should also help in reducing the costs of production.

"Consequent on the curtailment of funds for the second Five-year Plan, the transformer factories in the country have been adversely affected, and we too had to curtail our production. This is obviously a temporary phase. Our progress in other lines should more than compensate us for the temporary drop in transformer business. I am confident that the working for the coming years will continue to be satisfactory.

"During the year, we have acquired the sole selling agency in India for Kassels fans. We have also put in the market chokes and lighting fittings for which manufacturing licence was granted to us last year.

"To achieve closer contacts with customers and wider distribution of our products we have recently opened offices at Bangalore, Wardha and Gauhati, and are shortly opening one at Patna.

"The progress made last year has been possible with the co-operation of the executives, staff and workers, and I express my appreciation for their efforts.

"The working of the current year so far shows that, when we meet next year, we should be able to record further progress."

Geared to the NATION'S ECONOMY

J. K. Organization is not content to rest on its laurels in a spirit of complacency. It is striving with all its vast resources at its command to meet the possible requirements of the country through various sectors.

COTTON TEXTILES	Dhoties — Sarees — Shirting — Longcloth — Coating—Mulls—Prints—Cotton Blankets in multi-check designs and colours and woollen finish — Mineral Khaki Drills — Tapestry—Canvas—Yarn, etc;	ENGINEERING	Engineers' Files—Baling Hoops for Jute and Cotton. Steel Wired Ropes and Box Strappings.
		CHEMICALS	Heavy Acids, Chemicals, Disinfectants, Insecticides. Ayurvedic and Unani Medicines, etc.
WOOLLEN TEXTILES	Woollen Worsted—Cord Suitings—Tweed—Flannel — Serge — Knitting Wool — Rugs—Blankets, etc.	PAINTS	Paints for Marine, Domestic and Industrial requirements, Enamels, Varnishes and Distempers.
JUTE TEXTILES	Canvas—Hessian—Bags—Twine—Chair cloth	MINES	Manganese—Soap Stone, etc.
RAYON	Viscose Filament	SUGAR	Quality "Majholia" Sugar.
HOSIERY	Underwears—Shirts—Knickers—Socks, etc.	STRAWBOARDS	Strawboards, Mill Boards, Corrugated Boards and Duplex Boards.
ALUMINIUM	Alloys—Sheets—Circles—Coil of Strips—Shots—Expanded Metal—Notched Bars, etc.	PLASTICS	Electrical Fittings and other household utility materials, etc.
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GREAT EASTERN SHIPPING COMPANY LIMITED

FURTHER EXPANSION OF FLEET PLANNED

CHAIRMAN, MR. A. H. BHIWANDIWALLA, PLEADS FOR A DYNAMIC SHIPPING POLICY

ADDRESSING the shareholders of the Great Eastern Shipping Company Ltd., at their Tenth Annual General Meeting held in Bombay on 12th December 1958, Mr. A. H. Bhiwandiwalla, Chairman of the Company, expressed his hope that world trade would improve. He disclosed that the Company had decided upon a Rs. 4.5-crore plan to add over 50,000 deadweight tons to its fleet before 1960-61. He was confident that the foreign exchange difficulties would be solved to enable the Company to undertake this expansion scheme.

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

GENTLEMEN,

"It gives me great pleasure to welcome you at this tenth annual general meeting of your Company.

"We all miss today the inspiring presence of Mr. Manmohandas M. Amersey who passed away on 31st October 1958. Mr. Amersey was a stalwart in the commercial and industrial life of the country. His association with our Company dated right from its inception and his great business acumen and experience were highly valued by all of us—his colleagues on the Board. In Mr. Amersey we have lost a sincere friend and a valued adviser whose guidance often helped the Company in many of its major decisions and deliberations. You will, therefore, wish me to place on record our profound grief and a feeling of loss at the sad demise of Mr. Amersey.

Decade of Progress

"Your Company has completed ten years of its existence, a period, if I may say so, of all-round progress and development. You will recall that it was only a decade ago that, with a ship of about Rs. 23 lakhs as its sole asset, the Company took its first initiating step. Today, your Company owns fourteen ships worth almost Rs. 6 crores. By early 1959 two more ships will have been delivered by the shipyards where they are being built, and the fleet investment will be in the neighbourhood of Rs. 8.50 crores. This rapid rate of growth must be a source of envy even to the advocates of totalitarian planning. It should serve to strengthen our faith in the economic advancement of the country under democracy.

"In 1948-49, the total cargo lifted by your fleet was 152,763 tons and the freight earned was Rs. 39,99,366. During the year under review, the total cargo lifted was 843,278 tons in the coastal and overseas trades and the revenue amounted to Rs. 3,75,00,000. The gross profit rose from Rs. 5,50,000 in 1948-49 to Rs. 1,21,00,000 in 1957-58. This record gross profit has enabled your Board to recommend a 3 per cent. higher dividend on completion of ten years of its service in the field of shipping.

"In passing I would just list some of the firsts to the credit of your Company. Your line was the first to have two built-to-order ships in Japan in 1950-51, and the first to acquire an oil tanker. You were also the first to have a 13,000-ton dry-cargo ship, namely, m.v. *Jag Laxmi*, the largest dry-cargo ship on the Indian Registry. The motor ship *Jag Jiwan*, a still bigger dry-cargo ship of about 14,000 tons under construction in a German yard, will be delivered to your Company in February 1959. Under conditions of acute foreign exchange shortage confronting the country your Company was the first to initiate the self-financing scheme and acquire ships under it.

Self-financed Vessels

"Your Company was not only the first to acquire a ship under the self-financed scheme but also to purchase the largest number of ships under this scheme. In all, we have bought five ships under the self-financed scheme. We have raised overdrafts in London and paid the purchase price of the ships from the proceeds of these sterling overdrafts. With the Bombay Branch of our London creditors we have deposited rupee equivalent of the overdrafts granted by them in sterling and we are repaying the overdrafts out of the net foreign exchange earnings of the ships purchased by us. It gives me great pleasure to state that without drawing on our country's foreign exchange resources we have been able to add tonnage to our national mercantile marine.

"Incidentally, you will recall that a couple of years ago we were the only shipping company in India to have endeavoured in the United States for the release of U.S. war-built 'Liberties' for augmenting coastal tonnage and relieving the railways of the burden on their system anticipated as a result of the progressive execution and fulfilment of the second Five-year Plan. Although our efforts in the United States have not been so successful, we have almost achieved our target by purchasing five second-hand ships under the self-financing scheme. Before the country embarked on the second Five-year Plan your Company had seven ships with a total deadweight tonnage of about 50,000. At that time we formulated our expansion scheme under the second Five-year Plan. We had laid down the target of 70,000 tons deadweight which was to be achieved by the end of the second Five-year Plan, i.e., 31st March 1961. It is a matter of great pride to us that we have fulfilled our Plan two years in advance by reaching 120,000 tons deadweight and with the deliveries of further two ships in February 1959, we would have sixteen ships with a total deadweight of about 140,000 tons. We would have thus added nine ships with a total deadweight of about 90,000 tons.

Further Expansion

"With the international freight market in the doldrums and shipowners in the advanced maritime countries laying up part of their tonnage for lack of suitable employment, the decision of your Company to purchase five second-hand ships under the self-financing scheme and place them in international tramp trades for repayment of sterling overdrafts was a bold step. It is said that out of the estimated total world tramp tonnage of about 20 million gross tons, 5.2 million gross tons, i.e., over one-fourth of the total dry-cargo tramp tonnage, is laid up. The present estimated total world tanker tonnage is about 33 million gross tons of which, according to estimate, nearly one-fourteenth, i.e., about 2.4 million gross tons, is laid up. These statistics are merely guestimates. However, they would serve the purpose of giving you an indication of the depressed state of the freight market at present.

"In spite of these discouraging conditions your Company did not take a pessimistic attitude. During the last ten years the world trade has made great strides. Although for some time past there has been stagnation in the world trade, the underdeveloped countries cannot afford to vegetate. The world trade is bound to improve. More than that, underdeveloped countries must either take rapid strides and develop or face disaster. Our next-door neighbour, China, has been formulating ambitious plans and achieving phenomenal results. We must also prove equal to the enormous task that lies ahead and help accelerate the phase of shipping development. Whilst there have been second thoughts on the wisdom of building so many steel plants, there has always been unanimity of agreement concerning the targets to be reached in shipping under the third Plan. This underlines the importance of shipping in the economic advancement of the country. Therefore, a conscientious company like yours, as a part of its duty, must strive hard to expand even under difficult foreign exchange circumstances.

"Your Directors, therefore, as an act of faith, have decided on a rupee four-and-a-half crore expansion plan under which four dry-cargo ships of over 50,000 tons aggregate deadweight are to be built to order for delivery in 1960-61. There are great foreign exchange hurdles. It is, however, hoped that, with the assistance of the Government, the overseas yards, and the world financiers, we would be able to overcome these difficulties and be able to undertake the implementation of the expansion scheme. Let us hope that the rewards to be reaped will be in keeping with our sincerity of faith in this bold and glorious venture.

Future

"I do not wish to make a detailed review of the accounts for the year ended 30th June 1958. Our annual report contains a mass of statistics and it is not necessary for me to go over the field again. International freight rates today are below the operating costs and shipowners are laying up their own tonnage for the obvious reason that it cannot be operated without sustaining losses. Tramp shipping is, therefore, facing the great crisis. As part of your fleet is engaged in tramp activities, we cannot escape these repercussions. At the same time we have now a much bigger fleet. Three second-hand ships were secured almost by the end of the year under review and further brand new ships will be delivered in February 1959. It is difficult to foresee the financial results for the financial year 1958-59.

"Having dealt with the affairs of your Company, I would like to dwell upon some of the aspects concerning Government policy which condition the growth of shipping in this country.

Include Shipping in the Core of the Plan

"It is most disturbing to find that the Planning Commission and the Government have not included the development of shipping in the hard core of the Plan. It is admitted by all that shipping plays a great role in the development and enrichment of national economy. A national mercantile marine of an adequate size maintains and safeguards the flow of vital supplies like foodgrains, strategic materials and munitions in emergencies, such as famines and wars. In fact, shipping serves as a second line of defence. The navy of defence can function effectively only if there is an adequate navy of supply. Shipping has always played a very important part in earning precious foreign exchange which is sorely needed by a country in connection with the execution of its development plans. It is because of these reasons that the Western and other countries have given topmost priority to the development of shipping. However, we find that the Planning Commission and the Government have not given due weight to these elementary facts and the development of shipping has been denied the assignment of due priority. May I respectively suggest that development of shipping is as vital as the setting up of steel plants and other top-priority economic projects already included in the core of the Plan. It is earnestly hoped that the Planning Commission and the Government will reconsider the matter and include development of shipping in the core of the Plan without any further delay.

Formulate and Follow an Appropriate Shipping Policy

"It is observed with regret that, in spite of their best intentions the Government have still not been able to formulate a dynamic shipping policy conducive to the speedy growth of shipping. Although official spokesmen frequently talk of development of shipping, the issues that arise in connection with the growth of shipping are dealt with piecemeal as they come up. The minds of officialdom still move in the old grooves. It is essential that they study the post-war development of shipping in other countries and find out as to why countries like Norway have made such rapid progress in the field of shipping. Formulation of a long-term vigorous shipping policy is urgently necessary to accelerate development of shipping.

"I would broadly define some of the important considerations that must be taken into account in shaping and executing a dynamic shipping policy. All cargoes moving on account of the Government must be carried in Indian ships as far as possible. A directive should be issued to all the Government departments, Government-owned commercial and industrial corporations in the public sector, such as the State Trading Corporation and other statutory bodies, to arrange their shipments through Indian ships whenever they are available. Adequate finance and foreign exchange should be made available for building and purchase of ships according to the requirements of shipping companies. In fact, the present is the opportune time for building and purchase of as many ships as possible due to the present fall in the tonnage prices. The importance of development of tramp shipping must be fully appreciated and the special requirements of tramp shipping for modification of the Government licensing procedure and rules must be taken into account. Least of all there should be no discrimination between the Government-owned shipping corporations in the public sector and shipping companies in the private sector.

Importance and Special Procedural Requirements of Tramp Shipping

"I am going to deal at some length with the requirement for the development of tramp shipping and also with the question of discrimination between the public sector and the private sector in shipping, not only because of their bearing on the development of Indian shipping but also because of their relevance to the contribution your Company can make to the development of shipping.

"Although the importance of developing tramp shipping in India has been recognised by the Government, the policies followed by them do not show that there is an adequate appreciation of the vital role that tramp shipping can play in the economic development of the country. Development of tramp shipping is the quickest way of increasing our participation in the overseas trade. If we wait till the main Conferences admit us as members with substantial tonnage, we shall have to wait indefinitely. Growth of tramp tonnage is also the quickest way of building up of our overseas tonnage which is an essential prerequisite for admission to the various Conferences. Tramping offers much better opportunity for fuller employment of the available tonnage because of the unrestricted freedom which tramps enjoy for carrying bulk cargoes from one port to another all over the world. The Study Group of the consultative Committee of Shipowners appointed to examine the shipping target for the Second Plan estimated that, excluding the substantial oil trade, over a crore of tons are being carried as bulk commodities in the international trade of India and observed that 'there is a wide field for Indian tramp tonnage to participate in this trade.' Finally, development of tramp shipping would ensure a recurring big saving or earning of precious foreign exchange involved in payment of freight bills year after year.

"As the liner companies constitute the majority interest in Indian shipping and we perhaps are the only tramp shipping company, the Government thinking and policy is influenced and conditioned by the liner companies. There is lack of an adequate appreciation on the part of the Government of the peculiar problems posed by tramp shipping and its actual operational requirements. In fact, we submitted a memorandum in April 1955 to the Director General of Shipping on the subject of special requirements of a tramp shipping company and the need for procedural and other changes. However, up to now the matter has not received due attention from the Government.

Control Over Employment of Ships

"It is difficult to believe that even now in peace-time the Government exercises a rigid licensing control over the employment of ships under the Control of Shipping Act in much the same way as is exercised in times of war. For every voyage or fixture we must have the licence of the Government. I am unable to find a single valid reason for the exercise of this war-time control in peace-time. The officials merely continue to exercise control and powers to which they have become accustomed. Our liner friends who have set and scheduled services can easily comply with such a procedure. It is, however, next to impossible for tramp operators to function efficiently within the framework of the present licensing procedure.

"Efficient tramping postulates that there must be unrestricted freedom of operation. Tramp operators all the world over carry on their business on the basis of either (1) voyage fixtures, i.e., on a short-term voyage basis or (2) long-term fixtures with a commitment to carry several shiploads of cargo. Long-term fixtures may comprise contracts for the carriage of a particular quantity of cargo in a number of shiploads or charters on time basis. The tramp shipping companies in other countries also enjoy the full operational flexibility under which they not only employ their own vessels on voyage charters and time charters to others but also sometimes take vessels of others on voyage or time charter basis to fulfil their own commitments efficiently. Further tramping requires that the best opportunity for employment is seized without delay. Frequently, sudden enquiries are received over the telephone or by cablegram from our agents on the Baltic Exchange in London or from a shipper requiring a ship at a particular port on a particular day either on voyage charter or time charter basis. Generally, these offers are open for acceptance within 12 or 24 hours. On the Baltic Exchange there is international competition and if decision is not communicated promptly the business would be lost to tramp operators of other countries who are well placed to give quick decisions since they are not governed by licensing procedure. We are, therefore, frequently placed between the horns of a most uncomfortable dilemma: to abide by the prescribed official procedure and lose our legitimate business or to by-pass the procedure in the interest of securing the business.

Critical Situation

"At present the situation for tramp operators is critical. For want of employment opportunities many tramp operators are laying up their tonnage. If an employment opportunity is lost for want of receipt of Government approval in time, the tramp operator would be probably faced with the question of idling or laying up of the vessel involving him in heavy financial losses and the country in foreign exchange losses. We had, therefore, to take the liberty of informing the Government and closing the business before receiving their approval which takes some time, in the confident hope that the Government would indulgently consider such technical breaches, if any, arising out of the exigencies of tramp operation. The more so as the Government has unequivocally declared itself in favour of developing tramp shipping, which, however, cannot be fostered if the rules, as they now stand, are to be literally followed in every single case.

"As tramping involves international competition we cannot compete with foreign tramp operators, unless we possess the same unrestricted freedom for adjusting the movements of our vessels, as is enjoyed by our foreign competitors. If tramp shipping is to be developed in this country it is most essential that Government should modify, if not abolish, its licensing procedure and rules so as to suit the peculiar requirements of tramp shipping. In fact, some time ago the Government was considering the issue of global licences to ships. I suggest that Government introduce the system of global licences for tramp operators' ships and give the tramp operators full freedom to give on voyage or time charter their own vessels to others and take on voyage or time charter others' vessels according to their requirements. As there is foreign exchange scarcity at present, the question of release of foreign exchange to Indian operators chartering foreign vessels will have to be considered. I would suggest that the Indian tramp operators should be allowed to charter foreign vessels and the necessary foreign exchange be released to them if they have reasonable expectations that the business for which this chartering is done will not result in a net foreign exchange loss to the country. Subject to this condition applicable only in respect of chartering of foreign vessels by tramp operators, the Government must allow full freedom of operation to tramp operators. I submit that the existing Government rules and procedure which are not compatible with development of tramp shipping and which act as a restraining influence on the growth of tramp shipping be modified and adjusted, so as to suit the special requirements of tramp shipping.

Carriage of Burma Rice in 1958

"I would mention below one striking illustration of the vacillating policy followed by the Government. When the carriage of rice from Burma to India for the calendar year 1958 was under negotiation with the Government, our other shipowner friends were not in agreement with us in regard to allotment of quotas. Therefore, after notifying our shipowner friends we decided to negotiate the carriage of Burma rice independently with the Government. The Government, in view of the reluctance of the lines to charge reduced freight rates at the joint negotiations, made a separate approach to each of the carriers for reduction in the freight rates. Other carriers, however, refused to accept reduction in the freight rates as desired by the Government. When the Government approached us and inquired whether we would be able to carry the rice at the reduced freight rates we told them that we would do so. We felt that, in view of the international freight market and the fact that vital foodgrains were to be imported for our country, we should co-operate and charge reduced freight rates. The Government, thereafter, invited us to Delhi for finalising this carriage of rice. The Government decided to give us for carriage 250,000 tons out of the quantity of 350,000 tons Burma rice. After this arrangement was finalised the other three carriers in the field had an after-thought and made a representation to the Government that they would carry the rice cargo at the reduced freight rate agreed to by us, which at one stage was totally refused by them. Although the arrangement with us, because of our initiative in agreeing to the reduction in the freight has resulted in the saving of about Rs. 50,00,000 for the country by way of freight charges and the arrangement had been finalised in the presence of responsible and senior officers of more than one Ministry of the Government, the same was set aside and we were told that we would have to participate in this movement under a quota system along with others. We are glad that as a result of our initiative in agreeing to reduction in freight rates there would be considerable saving in the freight bill on Burma rice. The going back on the arrangement entered into with us by the Government can, however, only lead to euthanasia to initiative and enterprise showed by us in agreeing to co-operate with the Government by voluntarily accepting a reduction in the freight rate. I would only say that some of the vested interests and a few Government officials were disturbed by our bold action and gross injustice was done to us by depriving us of the agreed carriage.

Discrimination Between the Public Sector and the Private Sector

"Last year from this platform I had occasion to refer to the fact that there was discrimination in the allotment of Government cargoes in favour of a Government Shipping Corporation. I had also quoted a case in which our owned ship which was ready to load the railway cargo in Japan and which was first offered to the Indian Embassy, was not given this cargo. Instead the Government Shipping Corporation was allowed to charter a foreign ship and precious foreign exchange was unjustifiably released for this charter by the Government. The Chairman of the Corporation in his speech at the Annual Meeting misrepresented the matter and stated that 'as the tramp vessel failed to arrive on the due date and our vessel became available the Embassy naturally and rightly transferred the cargo to our vessel.' I would state here that our vessel was ready for loading on the dates required by the shippers. However, although we were the first in the field to offer our vessel to the Indian Embassy for the carriage of the cargo, the Embassy allotted this cargo to the vessel of the Government Shipping Corporation, which was chartered from foreigners after we had offered our own vessel to the Indian Embassy. We had, therefore, to idle our vessel for a long time and utilise this time for carrying out special survey repairs about three months in advance. A part cargo of 3,000 tons loaded by our vessel, to which a reference was made by the Chairman of the Government Shipping Corporation, was loaded after inordinate delay, because its original full cargo was wrongfully allotted to the chartered vessel of the Corporation and our vessel had to wait for a month to get this further cargo, which was beyond the capacity of the Corporation's chartered vessel to take it.

"In fact, the Chairman of the Corporation is not averse to this discrimination. In the same speech he publicly advocated that discrimination. He stated: 'It should also, I suggest, be recognised that, whenever possible, Government cargoes will be carried in Government vessels. Government is fully entitled to channelise its exports through its own shipping so as to ensure the optimum utilisation of its fleet.' In our opinion, if this completely erroneous principle espoused by the Chairman of the Corporation is accepted, there would not be any scope for development of tramp shipping in the private sector, because the majority movement of bulk cargoes nowadays is on Government account. The Corporation being essentially a liner company is not only not entitled to carriage of these tramp cargoes when ships of a tramp Indian shipping company are available but also it is beyond its capacity to cater to any large-scale movement of tramp cargoes. Indian shipping's share of carriage in our international trade is too small and I believe that there is

scope for both the private sector and the public sector in shipping to play their due role in the development of shipping. It is unfortunate that, instead of presenting a united front to foreign operators, the Government Shipping Corporation should advocate reservation of Government cargoes for ships of the Government Shipping Corporation and endeavour to achieve their expansion at the cost of shipping in the private sector.

Vesting of Control in Hands of Government Shipping Corporation

"The Government Shipping Corporation and ourselves jointly contracted in the proportion of 70 per cent. and 30 per cent., respectively for the carriage of about 175,000 tons wooden sleepers cargo from Australia to India on account of railways. The berthing of ships was to be co-ordinated by mutual consultation between the Government Corporation and ourselves. The Government Shipping Corporation went on booking cargoes out of this quantity and lifting the same from Australia in their ships without prior reference to us. In this way they lifted this cargo in two or three of their vessels. Thereafter we also booked a full shipload of cargo and ballasted our s.s. *Jag Vijay* from Calcutta to Australia. However, when the vessel was about to reach Australia the Government Corporation made the Railway Ministry issue instructions to the Australian shippers that the cargo that was booked for s.s. *Jag Vijay* should not be loaded in the ship, but should be held back for a ship of the Government Shipping Corporation which was calling at the Australia ports at a later date. Our s.s. *Jag Vijay* idled in Australia for a few days and then we were compelled to send the vessel away from Australia without any cargo for another employment. This unfortunate affair involved your Company in financial losses and the country in waste of national tonnage and loss of foreign exchange. Instead of the previously agreed joint control of both the Government Shipping Corporation and ourselves the Railway Ministry have left the entire control over the contracted cargo including that to be carried by us in the hands of the Corporation.

"Gentlemen, anyone can appreciate that when two companies have contracted jointly for carriage of a cargo, vesting of control in the hands of one interested company is bound to harm the interest of the other company. In fact, one of the main reasons for our entering into the arrangement for the carriage of this cargo was the need for evenly spread out employment for our overseas tramp ships. In view of the Government's vesting of control over the transport of this cargo in the hands of the Corporation it is not possible for us to secure employment when it is needed by our ships. In fact, the Corporation had the audacity to tell us that we can only get the overflow of the cargoes lifted by their ships. Had we known that we would have to work under such one-sided arangements, we would not have undertaken this carriage. The recent occurrences vividly brought out the dangers of interference of senior Government officials with autonomous Government-owned Corporations. It is, however, not realised that there is an equally serious danger of the Government-owned autonomous Corporation influencing the Ministries and Departments and preventing their competitors in the private sector from getting equal treatment from the Government. This is because senior officers of the Government are placed in charge of these Corporations and these officials are in a position to influence the Government Departments and Ministries. When the country is to advance economically through development of both the public and private sectors, it is most essential to realise the gravity of this danger and to ensure that the Corporations in the public sector do not develop at the cost of the companies in the private sector.

Director-General of Shipping

"We hold in very high esteem the present incumbent of the office of the Director-General of Shipping and Joint Secretary in the Ministry of Transport, who is a very impartial and hard-working Government official of high ability. However, it must be pointed out that it is against all canons of public policy to appoint the Director-General of Shipping and Joint Secretary in the Ministry of Transport as Chairman and Managing Director of one Government Shipping Corporation and Special Director of another Shipping Corporation. It is well known that the Director-General of Shipping has under his jurisdiction all the shipping companies. He exercises control not only over the purchase of ships, grants of loans to shipping companies for the purchase of ships, allotment of Government cargoes to shipping companies but also on the day-to-day operations of ships of all the shipping companies, because any employment of the ships has to be fixed after obtaining licence from him. He thus exercises great control and authority over the operations and working of the shipping companies. Whenever there is a conflict of interest between the Government Corporation and any shipping company in the private sector and the decision lies with the Director General of Shipping, he would be faced with a very awkward and embarassing position. However impartial the person holding the office of the Director-General of Shipping may be and however sincere may be his desire to act in an impartial way, his close connection with the Government Shipping Corporations would bias his outlook. It may also be pointed out here that it is unfair even to the person who has to do the whole-time and very onerous job of the Director-General of Shipping that he should be burdened with the additional responsibilities of managing and looking after the day-to-day working of the Government Shipping Corporations. It is hoped that the Government will see that the Director-General of Shipping is not burdened with the responsibility of being in charge of the Government Shipping Corporations or even being on the Board of the Government Shipping Corporations.

S.T.C. Ore Delegation to Japan

"The State Trading Corporation in 1956 contracted with the Japanese steel mills for the sale of 7.2 million tons of iron ore without consulting the shipping interests whether they would be interested in carrying part of this cargo. The entire sale was effected on f.o.b. basis and the control over the carriage of the cargo was transferred to Japanese hands. It was a God-sent opportunity for promoting Indian shipping by giving part of the movement to it and also earning or saving considerable foreign exchange to the extent of the carriage of the cargo in Indian ships. In spite of the S.T.C.'s failure to protect the interests of Indian shipping, we contacted the Japanese steel mills and secured a contract for the carriage of 60,000 tons of ore from India to Japan. We successfully fulfilled this contract.

"Another opportunity arose this year when the Union Ministry of Commerce and Industry decided to depute a delegation to Japan for negotiating the quantity of iron ore to be supplied to the Japanese steel mills in the year 1958-59 out of the overall contract and fixing the f.o.b. price for this quantity and trying and securing a definite commitment from the steel mills for the carriage of a specific quantity of iron ore in Indian ships. As this was tramp cargo and we were the only tramp shipping company in India and we had succesfully completed the contract of carriage during the previous year we were the obvious choice for representation of Indian shipping on this delegation. However, our claim for representation was turned down and the Government Shipping Corporation was given representation on this delegation. This delegation went to Japan and entered into an agreement with the Japanese steel mills. However, no commitment from the Japanese steel mills that they would give a specific quantity for carriage to Indian ships was obtained. They were only asked to make best endeavours and use Indian ships for the purpose. In view of lack of employment for Japanese ships themselves, the Japanese steel mills are not willing to give preference to Indian ships. The Indian delegation could have obtained a specific commitment from the Japanese before they entered into an agreement on other matters. The case of Indian shipping has, therefore, now gone by default and Indian ships have to approach the Japanese for the carriage of Indian iron ore cargoes to Japan. As the Japanese themselves are hard pressed for employment of their ships, there is no prospect of Indian ships getting ore cargoes according to their requirements at equitable freight rates during the year 1958-59. Another golden opportunity of promoting Indian shipping and earning valuable foreign exchange has been thrown away.

Shipping Co-ordination Committee

"About a year ago a Shipping Co-ordination Committee was formed by the Government to channel the country's international trade as far as possible through Indian ships. The object for which this Shipping Co-ordination Committee was formed is a very laudable one. The Government decided that the two overseas liner companies in the private sector should be represented on the Committee in addition to one representative of the Indian National Steamship Owners' Association. The latter seat also went to a liner company. In view of the large volume of cargo we carry in the international trade we should have been obviously and rightly given representation on this Committee. In fact, the subject of tramp cargoes loomed large during the discussions at the meetings of the Committee, and appeared to account for the greater part of the cargo movement. We were, therefore, specially invited to such meetings and I am pleased to say that among private enterprise we seem to be the largest contractor with the Government for the carriage of their overseas cargo. We contracted for nearly 52,000 tons of Australian wooden sleepers, 30,000 tons of fertilisers from Europe and about a similar quantity of fertilisers from Japan and China. The facts reveal that we are needed more than anybody else, but continue to be ignored and are asked not even to press for tramp representation. It also shows how the Government policies are under the influence of liner interests. Gentlemen, you will realise that facts are being ignored at the cost of the country. Our faith is, however, strengthened by the facts. Winston Churchill once said, 'Facts are better than dreams.' The shippers who comprise both Government Departments as well as private parties are well aware that they are able to secure the best services from us at most competitive rates. May we, therefore, even at this stage earnestly request the Government to recognise our claim for representation on the Shipping Co-ordination Committee.

Clear-cut Policy Needed

"Gentlemen, I have cited some examples from experience to show how it is most essential for the Government to eliminate friction between the public sector and the private sector and lay down a definite clear-cut policy which would hold the scales even between the public sector and the private sector and enable both these wings of shipping to make their rightful contribution to the development of shipping. Time and again the official spokesmen have said that the Government Shipping Corporations are there not to compete with but to supplement the efforts of the private sector towards development of shipping. However, in practice these assurances are not observed. There is a mistaken notion that Corporations are part of the Government and are, therefore, entitled to use of authority and backing of Government in their management and day-to-day operations. I would make bold to say that by giving Government backing and support in season and out of season they are adversely affecting the ability of the Corporations to grow up on their own and mature into virile, self-contained and prosperous business units. At the same time, such policies prevent the shipping companies in the private sector which have been the main pillars of strength of Indian shipping from attaining further strength and expansion in the interests of the country. It is hoped that the Government would carefully examine the position and clearly lay down principles which would be conducive to co-operation and co-ordination between the public sector and the private sector in the interests of development of Indian shipping.

"Gentlemen, let me now express my thanks to the Transport Ministry, the Director-General of Shipping and their staff for their co-operation and assistance. It has been my unpleasant duty to speak plainly on questions of policy and principle and where I have felt that the Government policy is wrong and harmful to the development of shipping, I have said so frankly without mincing matters. However, there are a number of ways in which the shipping companies are being assisted by the Government for the development of the national mercantile marine and it would be ungrateful on my part if I do not express the appreciation that is due to the Government Departments and Officers. You will no doubt wish me to express our appreciation of the loyal and devoted work put in by the shore as well as the floating staff. Our valued shippers and our precious network of agents have also done a mighty lot and we must express our gratitude to them.

"Thank you, gentlemen, for having given me a patient hearing. May I now move for the adoption of the Annual Report and Accounts for the year ended 30th June 1958?"

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

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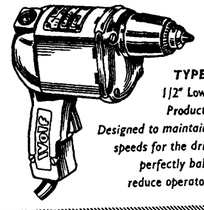
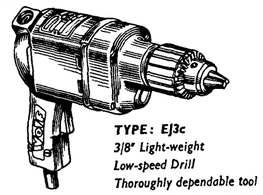
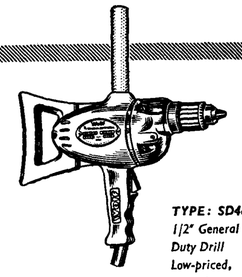
A FINE PRODUCTION TEAM



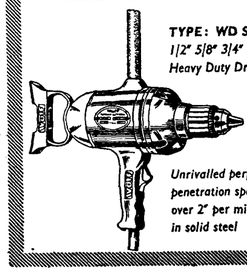
TYPE: EG2c 1/2" Low-Weight Production Drill
Designed to maintain correct speeds for the drill bits—perfectly balanced to reduce operator fatigue



TYPE: EJ3c 3/8" Light-weight Low-speed Drill
Thoroughly dependable tool combining immense power and stamina with extra lightness and portability



TYPE: SD4c 1/2" General Duty Drill
Low-priced, rugged, versatile



TYPE: WD Series 1/2" 5/8" 3/4" SUPER Heavy Duty Drills
Unrivalled performance—penetration speeds of over 2" per minute in solid steel

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State Bank of Hyderabad
(Incorporated in India under the Hyderabad State Bank Act XIX of 1350 F. Renamed and capital transferred to the Reserve Bank of India, with limited liability, under the State Bank of Hyderabad Act, 1956.)

Authorised Capital - - - Rs. 1,00,00,000
Issued and Paid-up Capital - - Rs. 50,00,000

OFFERS COMPLETE BANKING SERVICE THROUGH A NETWORK OF 50 OFFICES SPREAD OVER ANDHRA PRADESH, BOMBAY, MADRAS AND MYSORE STATES

Head Office: HYDERABAD (Andhra Pradesh)

Our 3-Year Cash Certificates available in denominations of Rs. 100/-, Rs. 500/-, Rs. 1,000/- and Rs. 5,000/- (issue price Rs. 90.50 nP. for Rs. 100/-) offer attractive yield of 3½ per cent. per annum and constitute a safe and profitable investment for all.

Our Thrift Deposit Plan offers a systematic savings scheme, and can be subscribed in small monthly instalments of Rs. 5/- or multiples thereof.

Safe Deposit Locker facilities for protecting valuables from Fire, Theft and Burglary are available in air-conditioned vaults at our Main Office; also in our Branches at City Branch (Fathergatti, Hyderabad), Sultan Bazaar (Hyderabad), Mahbubgunj (Hyderabad), Aurangabad, Bhir, Bidar, Dharmabad, Gulbarga, Jalna, Khammameth, Kothagudium, Latur, Nizamabad, Nalgonda, Nanded, Parbhani, Raichur, Tandur, Warangal and Yadagiri.

Foreign Exchange Business of all types undertaken.

PARTICULARS OF OTHER SERVICES AND RATES FOR DEPOSITS MAY BE ASCERTAINED FROM ANY OFFICE OF THE BANK.

PROSPECTUS

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

A Licence has been obtained from the Central Government for effecting a substantial expansion to this industrial undertaking of which a copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in granting this Licence the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

A copy of this Prospectus having attached to it the documents required by Section 60 of the Companies Act, 1956, and specified below has been delivered for registration to the Registrar of Companies, Bombay.

THE EQUITY AND PREFERENCE SHARES OF THE COMPANY ARE NOW BEING QUOTED ON THE BOMBAY STOCK EXCHANGE, AND HENCE SCHEDULE II OF THE COMPANIES ACT, 1956, DOES NOT APPLY TO THIS PROSPECTUS UNDER THE PROVISIONS OF SUB-SECTION 5(b) OF SECTION 56, SINCE THE SHARES OFFERED UNDER THIS PROSPECTUS ARE IN ALL RESPECTS UNIFORM WITH SHARES OF THE COMPANY PREVIOUSLY ISSUED.

The Subscription List will open at 10-30 a.m. on 2nd January 1959, and will remain open until closed, at the discretion of the Directors, but not earlier than 7th January 1959.

SUNDATTA FOODS & FIBRES LIMITED

(INCORPORATED ON 1ST MAY 1951 UNDER THE INDIAN COMPANIES ACT, 1913)

SHARE CAPITAL

AUTHORISED

30,000 Equity Shares of Rs. 50 each	Rs. 15,00,000	
20,000 8% Taxable Participating Redeemable 1971-76 Cumulative Preference Shares of Rs. 50 each	Rs. 10,00,000	
		Rs. 25,00,000

SUBSCRIBED AND PAID-UP

SUBSCRIBED CAPITAL		
24,000 Equity Shares of Rs. 50 each	Rs. 12,00,000	
10,000 8% Taxable Participating Redeemable 1971-76 Cumulative Preference Shares of Rs. 50 each	Rs. 5,00,000	
	Rs. 17,00,000	
Less : Calls in arrears	Rs. 825	
PAID-UP CAPITAL		Rs. 16,99,175
Add : Amount received on forfeited shares		Rs. 2,250

PRESENT OFFER OF Rs. 5,50,000 DIVIDED INTO 6,000 EQUITY SHARES OF Rs. 50 EACH AND 5,000 8% TAXABLE PARTICIPATING PREFERENCE SHARES OF Rs. 50 EACH OFFERED AT PAR TO THE PUBLIC, WITH THE CONCURRENCE OF THE EQUITY SHAREHOLDERS OF THE COMPANY.

PAYABLE AS FOLLOWS

(a) On Application	Rs. 25 per share
(b) On Allotment	Rs. 25 per share

Applications for shares by members of the public must be for a minimum of five shares or multiples of five shares. The application, together with the remittance of the Application Money of Rs. 25 per share, must be sent to either of the Company's Bankers—the Central Bank of India Ltd., or the Eastern Bank Ltd. at any of their branches in India, or to the Registered Office of the Company at New Citizen Bank House, Palton Road, Bombay - 1.

Allotment will be notified by the issue of Allotment Letters, but the Directors reserve the full and uncontrolled right to reject any application in whole or in part, and, where an application is rejected, the Application Money will be refunded to the applicant forthwith without interest.

Share Certificates in respect of the shares offered under this Prospectus will be ready for delivery in exchange for the Letters of Allotment within three months from the date of allotment.

The Equity and Preference Shares now being offered will rank *part passu* in all respects with the existing Equity and Preference Shares respectively, and will rank for dividend as from the date of allotment for the apportioned amount of such dividend as may be declared in respect of the Company's financial year in which the allotment is made.

The Preference Shares will confer on the holders thereof the right to a fixed cumulative Preferential dividend at the rate of 8% Taxable, on the capital for the time being paid thereon, and an extra dividend of 1% will be payable on such Preference Shares, if the dividend paid on Equity Shares of the Company is 10% or more but less than 15%, and an extra dividend of 2% will be payable on such Preference Shares, if the dividend paid on the Equity Shares of the Company is 15% or more. The said Preference Shares shall also have the right, in a winding-up, to payment off of such capital and all arrears of dividend accrued up to the commencement of the winding-up (whether earned or declared or not) in priority to the Equity Shares.

Subject to the provisions of Section 80 of the Companies Act, 1956, the Company shall be entitled on or at any time after the 1st day of October 1971 to redeem the whole or any part of the Preference Shares for the time being issued and outstanding out of any moneys which may lawfully be applied for the purpose at par together with a sum equal to the dividend thereon down to the due date for redemption thereof upon giving to the holder of the Preference Shares to be redeemed not less than three months' previous notice in writing. In the event of the Company determining to redeem a part only of the Preference Shares for the time being outstanding, the particular shares to be redeemed shall be selected by a drawing which the Company shall cause to be made by one of its officers at the Registered Office in the presence of a representative of the Auditors of the Company for the time being. Every such drawing shall be made in such manner as the Company shall (subject to the approval of the Auditors) determine is convenient for selecting the number of shares required to be drawn. Any of the Preference Shares not previously redeemed under the foregoing provision shall be redeemable on the 1st day of October 1976 at par together with all arrears of the dividend thereon (whether earned or declared or not) to that date.

LOAN CAPITAL—Rs. 9,56,992

Apart from temporary borrowings in the ordinary course of business, the Company had borrowed from the Industrial Finance Corporation of India three long-term loans aggregating Rs. 8,50,000 out of which Rs. 1,50,000 has been repaid by the Company, leaving a balance of Rs. 7,00,000 outstanding. The said loans are secured by a charge on the Fixed Assets of the Company aggregating in written-down value over Rs. 21,00,000, and are fully repayable by March 1969 in instalments which have been guaranteed jointly and severally by the Managing Director and Joint Managing Director in their personal capacities.

There are also two outstanding unsecured short-term loans aggregating Rs. 2,56,992 ($53,328) out of a total of Rs. 3,85,600 ($80,000) received from the Export-Import Bank of Washington and the French Oil Mill Machinery Co., U.S.A. These loans are fully repayable in instalments by November 1960.

DIRECTORS

N. D. SIRUR, 10 Mount Pleasant Road, Malabar Hill, Bombay - 6	Company Executive (*Managing Director*)
RAMESH R. SARAIYA, "Vasant Vihar," 85 Nepean Sea Road, Bombay - 6	Merchant
R. R. HATTIANGADI, "Gool Villa," Laburnum Road, Gamdevi, Bombay - 7	Company Executive
JYOTENDRA L. MEHTA, "Mehta House," Apollo Street, Bombay - 1	Company Director
N. P. CHANDAVARKAR, Palace Cross Road, High Grounds, Bangalore - 1	Architect and Structural Engineer
CHARANDAS V. MARIWALA, "Sudha Kunj," 3 Tardeo Road, Bombay - 7	Merchant
GOPICHAND V. SIRUR, Karwar Road, Hubli	Chemical Engineer (*Joint Managing Director*)

BANKERS

THE CENTRAL BANK OF INDIA LTD., Bombay and Hubli
THE EASTERN BANK LTD., Bombay

SOLICITORS

MESSRS. LITTLE & CO., Central Bank Buildings, Fort, Bombay - 1.

AUDITORS

MESSRS. K. S. AIYAR & CO., 89 Apollo Street, Bombay - 1.

MANAGING BROKERS

MESSRS. S. RAMDAS, Dalal Street, Bombay - 1.

REGISTERED OFFICE

NEW CITIZEN BANK HOUSE, PALTON ROAD, FORT, BOMBAY - 1

HISTORY AND DEVELOPMENT OF BUSINESS

The Company was incorporated on 1st May 1951 under the name and style of Sundatta Cotton-Seed Utilisation Limited which was later changed in December 1957 to Sundatta Foods & Fibres Limited. The certificate for commencement of business was received on 22nd September 1951, and the Company has been in continuous business since that date. The Company started manufacturing operations in February 1953 at Hubli, now in Mysore State, making a modest beginning by processing cottonseed on a small scale at the rate of 12 tons per day.

In the course of the past five years, the growth of the Company has been rapid. It is now the leading producer in India of cotton linters, which constitute the only indigenous cellulosic raw material commercially available and used for manufacture of high-grade rayon. The Company's cottonseed mill at Hubli is capable of handling over 100 tons of seed per day, and is equipped with up-to-date American machinery for cleaning, delinting, hulling, cooking and expelling cottonseed. In addition, the mills have a complete locally-built refinery to fully refine cottonseed as well as other oils and an English compound milling plant, the only one of its kind in India, for producing balanced cattle-feed rations from the residual oilcakes and other ingredients.

The Company's mills are located in one of the major cotton and groundnut producing areas in the country. Recently, the Company installed the first American Continuous Solvent Extraction Plant in India for direct extraction of pre-treated cottonseed, with a capacity of 100 tons per day, to work in conjunction with the Cottonseed Plant between April and October, when cottonseed of high quality is available in quantity in the local area. During the slack season for cottonseed, the Solvent Extraction Plant will work on the de-oiling of groundnut cake between November and March, when the groundnut crushing season in the area is in full swing. It is also proposed to process cottonseed on a restricted basis during this period.

With the installation of the Solvent Extraction Plant which has now gone into production, the Company's mills at Hubli have attained the stature of a full-fledged industry, working throughout the year. In the past four years, the crushing of cottonseed has averaged 10,000 tons per annum, on a largely seasonal basis, which is expected to be nearly doubled from 1959 onwards. In addition, the Company's mills propose to extract about 10,000 to 15,000 tons of groundnut cake each year. The staff and overheads, other than interest charges, will, however, remain substantially the same.

The Company's net block of Fixed Assets, at present, stands well over Rs. 21,00,000 of which roughly half represents the investment on the new Solvent Extraction Plant. The gross block of fixed assets now aggregates nearly Rs. 25,00,000 and "normal" depreciation at 10% has been more than fully provided for in the published accounts up to 31st December 1957, as will be seen from the Auditors' Report forming part of this Prospectus. The Directors would like to point out, in this context, that whereas there has been a considerable increase in the price of imported machinery during the past five years, the Company has made no revaluation of its assets, nor is any such revaluation contemplated.

OBJECTS OF THE ISSUE

The main objects of the issue are :

(1) To raise the subscribed capital of the Company to Rs. 22,50,000, so as to bring it more or less in line with the fixed assets of the Company.

(2) To ensure adequate working capital for the Company's expanded operations, and to provide funds for liquidation, in due course, of the short-term dollar loans obtained through the Export-Import Bank of Washington, U.S.A.

(3) To increase the public holding in the Company's Share Capital.

DIVIDENDS

The Company has paid a dividend of 6% on its Equity Shares in respect of 1955 and 1956 for which years the ratio of untaxed earnings to paid-up capital was 19.4% and 30.5% respectively, after allowing for "normal" depreciation for the respective years. Owing to a complete failure of the American variety of cotton in the area of the Company's mills, which is normally a rare occurrence, the results for 1957 were adversely affected, and the payment of dividend on Equity Shares had to be passed over, and that on Preference Shares postponed. During 1958, the working of the Cottonseed Plant has been satisfactory, particularly after the commissioning of the Solvent Extraction Plant. In November 1958, the Solvent Extraction Plant was diverted to the de-oiling of groundnut cake, and by the beginning of December, a daily production rate of nearly 100 tons of groundnut cake had been achieved, and is being maintained.

The Company proposes to close its accounts henceforth on 31st March every year so that the accounting year will coincide with the Income-tax year, with the added advantage of being able to close the accounts before the commencement of the new cottonseed season in April. On the basis of the approximate working during 1958 and the anticipated results for the first three months of 1959, the Directors are hopeful of declaring dividends in respect of the period of fifteen months ending 31st March 1959.

FUTURE PROSPECTS

Cottonseed Processing : The economics of the Company's cottonseed processing has greatly improved with the introduction of the Solvent Extraction Plant, because of a 25% increase in oil recovery, coupled with reduced cost of manufacture due to a 100% increase in quantity of raw material processed. The Company need no longer restrict itself to processing only the American-type cottonseed, available on a large scale in the local area, and on which the Company was concentrating before, because of its high oil and linter content. It can also take up for processing the *Desi* variety of cottonseed, which is available in equally large quantities in the local market. This is of considerable significance to the Company's operations because there has never been a cotton season in the Karnatak, when both the *Desi* and the American variety of cotton have experienced a simultaneous crop failure.

Another important advantage of solvent extraction of cottonseed is the enhanced value and marketability, in the domestic fertiliser market, of the residual cottonseed meal after solvent extraction, because of its higher nitrogen content as compared with that of the residual cottonseed cake obtained from mechanical expulsion of the oil. In fact, the vast organic fertiliser market in India, which hitherto was closed to cottonseed cake because of its high price in comparison to its nitrogen content, is now wide open to solvent extracted cottonseed meal with a nitrogen guarantee of 7% (equivalent to that of groundnut cake) of which the Company's mills will be the sole producers in India for some time to come. Furthermore, the Company's compound mill, which is able to sell its entire annual output of compound cattle feed cubes in the local area, is another fruitful outlet for solvent extracted cottonseed meal in the production of a balanced animal diet.

To sum up, solvent extraction of cottonseed, apart from radically improving the scope, range and profitability of cottonseed processing, provides an adequate solution to the problem of internal marketing of the residual cottonseed cake. There is, of course, always the substantial export market for solvent extracted cottonseed meal, one of the few commodities that can be freely exported even without licensing. As for cottonseed oil and cotton linters, the other two major products of cottonseed processing, there has never been any marketing problem at all, in so far as the Company's mills are concerned, because of the high quality of its products and the ready demand for them in the domestic market.

De-oiling of Groundnut Cake : In regard to the de-oiling of groundnut cake which the Solvent Extraction Plant will be engaged in during the slack season for cottonseed from November to March, the Company's mills are particularly favourably situated. With the emphasis now placed by the Government on export of de-oiled groundnut meal to augment foreign exchange earnings, the margin on this operation is at present attractive, in view of the comparatively few such plants in India at present, and also due to the proximity of the Company's mills to the port of Karwar from which exports are expected to be made. However, even from the standpoint of internal markets, there is a lot to be said for the strategic location of the Company's Solvent Extraction Plant, as it is in the heart of one of the major groundnut producing areas and also close to the consuming centres for organic fertilisers which are principally in South India.

The majority of the Solvent Extraction Plants in India are at present working profitably even on the basis of an annual extraction of about ten to fifteen thousand tons of groundnut cake, which the Company's large-capacity Solvent Extraction Plant should be able to process within a period of five months during the groundnut crushing season in the area from November to March. The Company's mills are, however, in the favourable position of also being able to process cottonseeds which are locally available on a large scale during an exactly complementary season to groundnuts, i.e., from April to October. This latter operation by itself, as stated earlier, is fully capable of justifying the investment made on the Solvent Extraction Plant.

In the circumstances explained above, the Directors feel that, even after making due allowance for the present boom period for solvent extraction, the integrated and now diversified nature of the Company's activities should ensure a steady and fair return to the shareholders on the increased capital of the Company. The Company's annual sales turnover, which has averaged more than five times the paid-up capital in 1955 and 1956, should henceforth bear the same ratio to the increased capital; and is expected to aggregate well over one crore of rupees in 1959, of which approximately half should represent foreign exchange earnings.

GOVERNMENT ENCOURAGEMENT TO COTTONSEED INDUSTRY

The Government of India recently appointed an Ad-Hoc Committee on Cottonseed Industry, with the following terms of reference :—

(a) To examine the immediate problems of the industry and suggest ways and means for its speedy development.

(b) To examine the present position of the industry, e.g., installed capacity, annual production, etc., and suggest suitable locations for new units.

(c) To suggest fiscal measures which could give necessary incentive for crushing of cottonseed and the consumption of cottonseed oil as cooking oil and in the manufacture of Vanaspati.

(d) To suggest measures for developing the use of Decorticated Cottonseed Cake.

It is noteworthy that the Government of India is taking great interest in promoting the development of the Cottonseed Industry. Indeed, although the Committee's report is yet to be published, practically all the incentives necessary to the Industry have already been given. At present, there is free export of all cottonseed products without any export duty. And as far as internal consumption is concerned, cottonseed oil has been exempted from the excise duty of Rs. 112 per ton leviable on other vegetable oils. The Vanaspati industry has also voluntarily agreed to consume 5% cottonseed oil on a unit-wise basis from 1959 onwards, irrespective of price considerations.

FINANCIAL INFORMATION

AUDITORS' REPORT

The following is a copy of the Report of the Company's Auditors, Messrs. K. S. Aiyar & Co., Chartered Accountants:—

The Directors,
Sundatta Foods & Fibres Ltd.,
New Citizen Bank House, Palton Road,
BOMBAY - 1.

Dear Sirs,

We have examined the books and accounts of the above Company for the five years ending 31st December 1957 and report that the profits or losses of the Company are as set out below. These profits or losses have been arrived at after charging all the expenses of working and management, including provision for the amount of "normal" depreciation as allowable for taxation, subject to the notes below :

Year ended 31st December :	1953 Rs.	1954 Rs.	1955 Rs.	1956 Rs.	1957 Rs.
I. Profits or Loss before Depreciation and Taxation (as per audited Profit and Loss Account)	(7,173)	(59,463)	2,04,634	2,80,877	(26,057)
II. "Normal" Depreciation as allowed for tax purposes	38,276	74,274	60,355	50,976	49,793*
	(45,449)	(1,33,737)	1,44,279	2,29,901	(75,850)
				*Subject to assessment	
III. Rates of Dividend declared on Equity Shares (subject to deduction of Tax)	*Nil*	*Nil*	6%	6%	*Nil*
IV. TURNOVER : SALES	8,47,485	14,28,031	40,10,903	38,53,170	32,45,217
V. PAID-UP CAPITAL	7,02,280	7,43,430	7,43,430	7,52,330	12,49,150

NOTES :

1. The provisions of Schedule II relating to the Prospectus under the Companies Act, 1956, have been taken not to apply by the Company and hence this certificate is not given in accordance therewith.

2. No dividend has yet been declared on the Preference Shares of the Company which were first issued in 1956. The accrued dividend on these shares as on 31st December 1957 is Rs. 14,796.

3. Figures in brackets are losses.

4. Figures for 1953 are for the ten months ended 31st December 1953 as regular production started only from 1st March 1953.

5. Wealth Tax came into force from the assessment year 1957-58. No deduction has been made for this tax in the above figures. For that assessment year Rs. 1,822.84 nP has been determined as payable. The Company has appealed against this assessment.

6. Only "Normal" Depreciation of 10%, as defined in Section 350 of the Companies Act, 1956, has been deducted in arriving at the above figures.

7. Depreciation allowances and development rebate allowable under the Income-tax Act, but not deducted in arriving at the above figures are as under :

	1953 Rs.	1954 Rs.	1955 Rs.	1956 Rs.	1957* Rs.
(a) Initial Depreciation	1,36,067	32,994	..	..	491
(b) Development Rebate	..	..	3,286	3,657	34,381
(c) Additional Depreciation	37,432	71,430	58,031	48,921	44,992
(d) Multiple Shift Allowance	10,788	27,770	27,318	19,210	17,036

* Subject to assessment

8. Because of the unabsorbed depreciation allowances and development rebate referred to in 7 above, and allowed to be carried over, no income-tax has been actually paid or is expected to be paid for these five years. The unabsorbed development rebate and depreciation carried forward in the assessment for the year 1957 has been determined at Rs. 4,85,601.

9. The accounts for the year ended 31st December, 1957 being the last date to which the Company's accounts have been made up prior to the date of this report, as approved by the Board of Directors, have been audited by us and were adopted at the annual General Meeting of the Company held on 30th September 1958. Throughout the years under review, we have acted as the auditors of the Company.

The following are the Assets and Liabilities of the Company as on 31st December, 1957, subject to notes below :

	Rs.	Rs.
(1) FIXED ASSETS (Gross Block) :		
Land and Buildings	1,77,447	
Plant and Machinery (including Solvent Extraction Plant awaiting installation)	18,89,777	
Other Assets	44,119	
	21,11,343	
Less : Normal Depreciation to 31st December 1957	2,73,674	
		18,37,669
(2) INVESTMENTS		4,992
(3) CURRENT ASSETS, LOANS AND CASH AND BANK BALANCES		11,27,988
		29,70,649
Less		
LIABILITIES		
Secured Loans	7,41,355	
Unsecured Loans	6,10,683	
Current Liabilities and Provisions	3,59,048	
		17,11,086
NET ASSETS	Rs.	12,59,563
representing		
Share Capital	Rs.	12,49,150
Surplus	"	10,413 (See note 2 below)

NOTES :

1. There is a contingent liability of Rs. 19,400 not admitted by the Company.

2. For the five years under report, the total amount of normal depreciation debited in the above figures is Rs. 2,73,674 but the total amount of depreciation actually written off in the published accounts for the five years is Rs. 3,08,967, and hence the audited accounts for the year ended 31st December 1957 show a deficit of Rs. 24,880 whereas the above figures yield a surplus of Rs. 10,413.

Yours faithfully,
K. S. AIYAR & CO.,
Chartered Accountants.

BOMBAY : *16th December, 1958.*

EXPENSES OF ISSUE

Expenses of this issue, including brokerage, are estimated to amount to Rs. 50,000 and are payable by the Company.

UNDERWRITING

The shares now offered have not been underwritten.

COMMISSION

A commission of 2% was paid to the Life Insurance Corporation of India for subscribing or agreeing to subscribe or procure subscriptions for 3,000 Equity Shares of Rs. 50 each of the aggregate value of Rs. 1,50,000 during the year 1957. A commission of 2½% was paid to the New India Assurance Company Ltd., Bombay, for subscribing or agreeing to subscribe or procure subscriptions for 4,000 Preference Shares of Rs. 50 each of the aggregate value of Rs. 2,00,000 during the year 1958. Messrs. N. D. Sirur and R. R. Saraiya, Directors of the Company, are shareholders of the New India Assurance Company Ltd., and as such deemed to be interested in the above commission paid to the New India Assurance Company, Ltd. No other sum has been paid by the Company during the last two years by way of commission for subscribing or agreeing to subscribe or procuring subscription for any shares of the Company.

NUMBER AND CLASSES OF SHARES

Equity Shares

In the year 1951, a public issue of Rs. 5,00,000 was made by the Company when 10,000 Equity Shares of Rs. 50 each were offered to the public and were fully subscribed. Subsequently, a private offer of another 10,000 Equity Shares was made in February 1953 to the then existing shareholders of the Company or their nominees and 5,000 shares from the above were allotted and fully paid up prior to 31st October 1956 on which date the Paid-up Equity capital stood at Rs. 7,50,000, excluding a sum of Rs. 2,330 received on account of forfeited shares. The balance of 5,000 Equity Shares from the above issue was later allotted and Rs. 2,50,000 has been fully paid thereon.

A further 5,000 Equity Shares of Rs. 50 each totalling in value Rs. 2,50,000 were issued on 1st February 1958, and were offered, in the first instance, to the shareholders of the Company or their nominees as required by Section 81 of the Companies Act 1956. 4,000 shares out of the said issue have since been allotted. The majority of the Directors refrained from subscribing to their right shares, forming part of the said issue, with a view to permitting the remaining shares being included in the present offer to the public together with the new issue of 5,000 Equity Shares which the Directors have now made so as to reach the figure of the authorised Equity Capital of the Company of Rs. 15,00,000.

Preference Shares

The authorised Preference capital of the Company is Rs. 10,00,000 made up of 20,000 shares of Rs. 50 each. The Company issued on 31st October 1956 15,000 Preference Shares of Rs. 50 each at par, carrying a fixed cumulative dividend rate of 6% tax free, to the then Equity shareholders of the Company of which 5,000 Preference Shares were allotted during 1957. A further 5,000 Preference Shares have since been allotted during 1958, after the rate of dividend on the entire authorised Preference Capital was changed by the Company from 6% tax free to 8% taxable with participation rights. The remaining 5,000 Preference Shares in the above issue are being included in the present offer to the public.

CONSENT OF SHAREHOLDERS

The new issue of 5,000 Equity Shares made by the Directors is being included in the present offer to the public in pursuance of a resolution passed at the Extra-ordinary General Meeting of the Company held on 17th July 1958 whereby the Company approved of the said issue being disposed of by the Directors in such manner as they think most beneficial to the Company without the need to offer the same, in the first instance, to the Equity Share-holders of the Company, as would have been otherwise necessary under the provisions of Section 81(1) *(a)* of the Companies Act, 1956.

VOTING RIGHTS

Subject to the provisions of Section 89 and sub-section (2) of Section 92 of Companies Act, 1956,

(*a*) every member of the Company holding any Equity Share capital therein shall have a right to vote, in respect of such capital, on every resolution placed before the Company ; and

(*b*) his voting right on a poll shall be in proportion to his share of paid-up Equity capital of the Company.

The holders of Preference Shares shall have no right to be present or to vote either in person or by proxy at any General Meeting of the Company in respect of their holdings of Preference Shares except in the circumstances and to the extent provided in sub-section (2) of Section 87 of the Companies Act, 1956.

TRANSFER OF SHARES—RESTRICTION ON TRANSFER

The Directors may at their own absolute and uncontrolled discretion and without showing any reason decline to register or acknowledge any transfer of shares, but in such case they shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee or transferor notice of refusal to register the transfer.

DIRECTORS

Number of Directors

The Articles of Association of the Company provide that during such time as the Industrial Finance Corporation of India have a right by virtue of Article 101-A to appoint not more than two ex-officio Directors on the Board, the maximum number of Directors shall be twelve, and when such right of representation ceases, the maximum number of Directors on the Board shall not exceed nine.

Share Qualification and Remuneration of the Directors

The Articles provide that the qualification of a Director other than a Debenture Director or an Ex-Officio Director shall be the holding in his own name of Equity Shares of the Company of the nominal value of at least Rs. 1,000.

Subject to the provisions of the Companies Act, 1956, the remuneration payable to the Directors under the Articles of the Company is as follows : The remuneration of the Directors for their services shall not exceed Rs. 50 per meeting of the Board. Additional remuneration may be fixed by the Directors to any one or more of them for services rendered in signing the Share Certificates of the Company. The Directors who are not *bona fide* residents of Bombay may be paid such sums as the Directors may consider fair for travelling expenses in addition to their fees for attending the meeting. The Directors also may be paid such remuneration as may be fixed from time to time to any of them appointed as a member or members of a Sub-Committee constituted by the Directors in terms of the Articles. The Directors called upon to do or perform any extra services for the Company may be paid such special remuneration either by way of a fixed sum or a percentage of profit as may be determined by the Board.

Management

The management of the Company is vested in and exercised by the Directors. The Company has no Managing Agents nor Secretaries and Treasurers. Subject to the control and supervision of the Board of Directors, the business of the Company is administered by the Managing Director, Mr. N. D. Sirur, and the Joint Managing Director, Mr. Gopichand V. Sirur, who have been associated with the Company from its inception.

Interest of the Directors

Mr. N. P. Chandavarkar, a Director of the Company, has, by a special Resolution of the Company in General Meeting, been permitted to act as the Consulting Architect of the Company, and receives remuneration at standard rates in respect of each item of work entrusted to him. Mr. Chandavarkar also attends part-time to the Company's business in Bangalore, which is the capital of Mysore State where the Company's mills are located. For the latter services, he receives a fixed remuneration of Rs. 250 per month which has been approved by the Central Government as well as by the Company in General Meeting.

Mr. N. D. Sirur is the Managing Director of the Company, and receives remuneration for his services as such under a service agreement with the Company dated 16th August 1957 which provides for his appointment for a period of five years from the 1st of January 1957 upon a remuneration of 5% of the net profits of the Company computed in the manner referred to in Sections 198(1), 349 and 350 of the Companies Act, 1956, subject to a minimum remuneration of Rs. 1,500 per month. The Managing Director is also entitled to join the Company's Provident Fund Scheme that may be in force from time to time.

Mr. Gopichand V. Sirur is the Joint Managing Director of the Company and receives remuneration for his services as such under a service agreement with the Company dated 16th April 1957 which provides for his appointment for a period of five years from 1st January 1957, upon a remuneration of 3½% of the net profits of the Company computed in the manner referred to in Sections 198(1), 349 and 350 of the Companies Act, 1956, subject to a minimum remuneration of Rs. 1,000 per month, together with the use of a rent-free and unfurnished house and the free use of the Company's car at Hubli. The Joint Managing Director is also entitled to join the Company's Provident Fund Scheme that may be in force from time to time.

The remunerations payable to the Managing Director and the Joint Managing Director have been approved by the Central Government, *vide* their letter No. 41(68)-CL/56 dated 19th February 1957, as well as by the Company in General Meeting.

Subject to the restrictions in this regard placed by the Industrial Finance Corporation of India, requiring their prior approval, so long as the aforesaid loans granted by them to the Company remain outstanding and unpaid, both the service agreements between the Company and the Managing Director and the Joint Managing Director, respectively, provide that either party will be entitled to terminate the agreement at any time on giving to the other not less than twelve calendar months' notice. Subject to the provisions contained in Section 318 of the Companies Act, 1956, in the event of such termination of the agreement by the Company before the expiry of the period of five years, being the tenure of the respective agreements, the Company shall pay to the Managing Director or to the Joint Managing Director, as the case may be, by way of compensation for loss of office, a sum equivalent to the remuneration which would have been earned if he had been in office for the unexpired residue of his said term, or for three years, whichever is shorter, calculated on the basis of the average remuneration actually earned by him during a period of three years, immediately preceding the date on which he ceased to hold office as aforesaid, or if he held office for a period lesser than three years, during such period ; Provided that no such payments shall be made in the event of the commencement of the winding-up of the Company, whether before, or at any time within twelve months after the date on which he ceased to hold office as aforesaid, if the assets of the Company on the winding-up, after deducting the expenses thereof, are not sufficient to repay to the shareholders the share capital (including the premiums, if any) contributed by them.

MATERIAL CONTRACTS

Apart from the two agreements referred to in the preceding paragraph, entered into by the Company with the Managing Director and the Joint Managing Director respectively, the Company has, within the two years preceding the date hereof, entered into the following contract not being a contract entered into in the ordinary course of business, and which is or may be material :

Contract dated 8th August 1957 with Messrs. N. A. Sirur, Hubli, a partnership firm in which one of the Directors, Mr. Gopichand V. Sirur, is a partner holding 1/7th Share. The contract was for the purchase of immovable property comprising of the land and factory buildings which were previously held by the Company under a long lease, as well as additional adjoining land required for the Company's purposes. The purchase price of Rs. 1,56,000 was paid in cash to the Vendors on the basis of a valuation of the property in question made in that year by Messrs. Kapadia & Baria, Architects, Engineers and Surveyors of Bombay.

MAIN OBJECTS OF THE COMPANY

The main objects of the Company as set out in sub-clauses (1), (2), (2a) and (4) of clause 3 of the Memorandum of Association are as follows :

(1) To carry on the business of industrial utilisation of cottonseed, particularly the manufacturing and selling of linters through delinting, processing and converting cottonseed, the manufacturing, processing, bleaching and selling of chemical cotton, the manufacturing, processing, bleaching, dyeing, printing and selling of rayon yarn, cloth and other rayon fabrics, the decortication of delinted cottonseed and the manufacturing, processing, refining, hydrogenation and selling of oil, soap and other saleable articles capable of being manufactured out of the kernels and the utilisation, conversion, processing, disposing and selling of the "hulls" and "Seed-Cakes" and generally to carry on the business of utilisation, conversion, processing and manufacture out of cottonseeds every variety of useful and saleable merchandise.

(2) To carry on the business of crushing, manufacturing, refining, hydrogenating, preparing, buying and selling all kinds of oils, out of groundnuts, safflower, castor, linseed and all other oil-bearing seeds and generally deal in all kinds of oils and oleaginous and saponaceous substances and all kinds of unguents and ingredients.

(2a) To acquire, take over, promote, establish and carry on all or any of the business of seed crushers and manufacturers of linseed, cotton and other cakes, oil extractors by crushing, chemical or any other processes, including solvent extraction, cake and oil manufacturers, oil refiners, soap boilers, manufacturers of floor cloths and floor coverings of every description, makers and manufacturers of cattle food and feeding and fattening preparations of every description, makers and manufacturers of artificial manures and fertilisers of every description, meal manufacturers, manufacturers of foods and food products of all kinds and description whatsoever, grain and seed merchants, flax and cotton merchants, oil merchants, cake and corn merchants, millers and flour merchants, bakers, biscuit makers, hay, straw and fodder merchants, ice and ice-cream makers, nurserymen, shipowners, lightermen, carriers by sea and land, dock owners, wharfingers, warehousemen, manufacturing chemists and druggists, varnish makers, candlemakers and stearine and fatty acid and saccharine manufacturers.

(4) To carry on the business of manufacturing, bleaching, dyeing, printing and selling yarn, cloth and other fabrics made from raw cotton, jute, wool and other suitable materials ; and to carry on the business of cotton and spinning and weaving mill proprietors in all their branches.

DOCUMENTS

The consent in writing of the above-mentioned Bankers, Solicitors, Auditors and Managing Brokers to act in their respective capacities has been obtained. Messrs. K. S. Aiyar and Company, the Auditors of the Company, have also given and have not withdrawn their written consent to the issue of this Prospectus with their Report included in the form and context in which it is included.

The foregoing written consents have been attached to the copy of the Prospectus which has been delivered to the Registrar of Companies, Bombay, for registration.

INSPECTION OF DOCUMENTS

A printed copy of the Memorandum and Articles of Association of the Company, an Order of the Central Government giving consent to the issue, the Licence from the Central Government granting substantial expansion of the undertaking, copies of agreements with the Managing Director and the Joint Managing Director, the letter of approval of the Central Government in regard to the remuneration payable to them and to Mr. N. P. Chandavarkar, Director, the contract dated 8th August 1957 with Messrs. N. A. Sirur, Hubli, the report of the Auditors, and the audited accounts on which the report is made, may be inspected at the registered office of the Company, New Citizen Bank House, Palton Road, Bombay-1, during usual business hours, Saturday excepted, until the list has been closed.

BROKERAGE

Brokerage at the rate of 2% will be paid by the Company on allotments made in respect of applications bearing the stamp of a Bank or of a member broker of a recognised Stock Exchange. In addition, a brokerage of 1% will be paid by the Company to the Managing Brokers in respect of all acceptances of applications for the aforesaid Shares offered to the public.

PROSPECTUS AND FORMS OF APPLICATION

Copies of the Prospectus and Forms of Application may be obtained from the Managing Brokers at the address given above and from the Bankers named above at any of their Branches in India on and from 30th December 1958.

DIRECTORS : N. D. SIRUR
RAMESH R. SARAIYA
R. R. HATTIANGADI
JYOTENDRA L. MEHTA
N. P. CHANDAVARKAR
(By his authorised Agent : K. M. Shirali)
CHARANDAS V. MARIWALA
GOPICHAND V. SIRUR

BOMBAY, *dated 18th December*, 1958.

INDUSTRIAL GLYCERINE · WHEEL BRAND · HINDUSTAN LEVER LTD. · MADE IN INDIA BY HINDUSTAN VEGETABLE PRODUCTS

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Extremely versatile, glycerine combines properties that are essential in every vital industry. In textile mills, WHEEL Brand Glycerine is put to over fifty uses.

WHEEL Brand Glycerine is also essential for dyeing and printing processes; also, for the manufacture of paints, varnishes and lacquers. Of uniformly high quality, WHEEL Brand contains 98% Glycerol.



Made by
HINDUSTAN LEVER LIMITED

Distributed by Imperial Chemical Industries (India) Private Ltd. Bombay, Calcutta, Delhi, Madras.

A PRODUCT OF HINDUSTAN LEVER LTD. WG. 14-153

THE BRITISH BANK OF THE MIDDLE EAST

(Incorporated in England by Royal Charter 1889 with limited liability)

CAPITAL:

Authorised	£2,500,000
Issued and Fully Paid	£2,000,000
Published Reserves	£2,271,884

Head Office: **LONDON**

WITH BRANCHES AT

ADEN — ADEN (Crater)
INDIA — BOMBAY
IRAQ — BAGHDAD, BASRA, MOSUL
JORDAN — AMMAN, JERUSALEM
LEBANON — BEIRUT, TRIPOLI
LIBYA — BENGHAZI, TRIPOLI
PERSIAN GULF — BAHRAIN, DUBAI, KUWAIT, LAND AHMADI, MUSCAT, QATAR (DOHA), SHARJAH
SAUDI ARABIA — ALKHOBAR (for DHAHRAN), JEDDAH
TUNISIA — TUNIS
UNITED ARAB REPUBLIC — Syrian Region: ALEPPO, DAMASCUS

BOMBAY OFFICE:
314, Dr. Dadabhai Navroji Road, Fort

Telephone No: 25-2247
Cable Add:— BACTRIA

Bombay Manager:
P. L. Sandeman.

ASK

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- SEMI-VITRIFIED BRICKS & CEMENT
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- ALKACID BRICKS & CEMENT
- FIREBRICKS, FIRECLAYS AND CEMENT

Manufacturers of
FIRST CLASS BRICKS
for
Nearly Half a Century

RELIANCE FIREBRICK AND POTTERY CO., LTD.
4, LYONS RANGE, CALCUTTA 1.

Bombay Branch :
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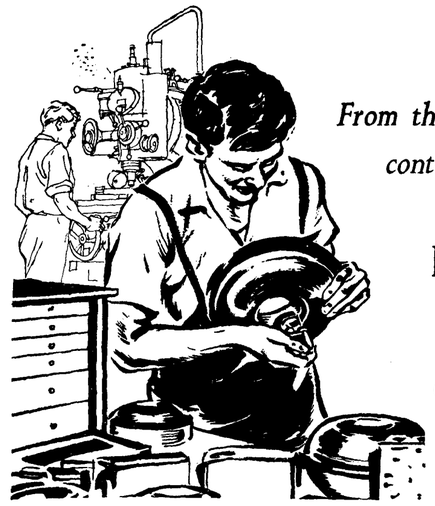

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pressed metal industrial components !

The Metal Box Company of India Ltd have become the leading container manufacturers in India in the short span of 25 years. Today, over a thousand packers and bottlers are using Metal Box products to package Rs 100 crore worth of consumer goods every year !

But that is not all. The manufacture of decorative containers and closures calls for specialisation in the forming of metal sheets to various shapes and within narrow tolerances. The experience gained by Metal Box in the pressing of steel, aluminium, tinplate, brass and other alloys, as well as in the impact extrusion of pure tin, lead alloy and aluminium is now proving useful in the production of deep drawn and shallow stamped as well as extruded industrial components. Covers for fan regulators and house meters, hub caps for automobiles, chassis and transformer cans for radios, lead capsules for insulators, parts for duplicators—these are but a few of the many components regularly supplied by Metal Box. Scrupulous attention paid to the quality of metals used and stringent quality control to ensure precision fitting, have been largely responsible for the components made by Metal Box gaining acceptance as the finest made in India.

India's programme of industrialization places a heavy and complex burden on ancillary industries, and Metal Box, the leaders in the packaging field, are ready to meet this challenge with all their resources and all their experience.

MB 25 YEARS

The Metal Box Company of India Ltd

Barlow House, 59C Chowringhee, Calcutta

Factories and Sales Offices at :

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MB 2034

THE INDIAN BANK LTD.

(ESTD. 1907)

Indian Bank Buildings, North Beach Road, MADRAS-1

23 LOCAL OFFICES

Branches covering the whole of South India

Branches also at : **Bombay, Poona, New Delhi, Calcutta, Colombo, Penang, Kuala Lumpur, Malacca and Singapore.**

Authorised Capital	Rs. 1,00,00,000
Issued and Subscribed Capital	Rs. 72,00,000
Paid-up Capital	Rs. 66,19,625
Reserve and Other Funds (including share premium)	Rs. 91,61,883
Deposits as on 30-6-1958	Rs. 38,00,96,415
Total Working Funds	Rs. 46,05,11,811

All types of banking business including foreign exchange transacted.

LONDON AGENTS : WESTMINSTER BANK LIMITED.

NEW YORK AGENTS : FIRST NATIONAL CITY BANK OF NEW YORK.

D. P. PARTHASARATHY,
Secretary.

ANNUAL MEETING OF BELAPUR COMPANY LIMITED

INDIA MUST PRODUCE MORE SUGAR PER ACRE IF IT IS TO EXPORT PROFITABLY

SPEECH OF MR. F. EDWARDS

IF India is to export sugar successfully and at a profit to itself, it must produce more sugar per acre than it is doing now. This view was expressed by Mr. F. Edwards, Chairman of the Belapur Company, Ltd., in his speech at the Thirty-ninth Annual General Meeting of the Company held in Bombay on Wednesday, 17th December 1958. He hoped that the Ministers of the Government would realise the urgency of the situation, because work done in this direction, even if begun today, would not bring full reward for some years to come.

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

"GENTLEMEN,

"Before I deal in my speech with matters concerning the main purpose of the meeting, I cannot let this occasion pass without first referring to the death in October last of your Chairman, Sir Joseph Kay, K.B.E. This sad event has been referred to by the Directors in their report to you but I should like to add a few more words to what has been said. I think I am right in saying that, of all the companies under the management of W. H. Brady and Company Limited, of which Sir Joseph Kay was the Managing Director, this Company, The Belapur Company Limited, he considered one of his major achievements; the one which showed the greatest reward for the efforts he put into it in its earliest days, when the Company was, to say the least, faced with a very uncertain future. Having been Chairman of the Company for thirty-four years until his death, Sir Joseph saw the progress of the organisation through many phases and in the latter years of his life was able to take great and justifiable pride in seeing your concern develop as it has done in recent times. Those who knew Sir Joseph well, will recall how on many occasions he referred to the development of The Belapur Company as a 'Commercial Romance.' His passing leaves a gap which it will be difficult, if not impossible, to fill. But you may be assured that those who are left behind will diligently and forcefully endeavour to continue the development of your Company, with the ultimate aim of reaching still greater heights, inspired by the achievements of the late Chairman in its darker days, and which brought the Company to its present-day strength and stability. Before proceeding further, I would ask you to stand with me for a few moments in silence in memory of the late Sir Joseph Kay.

Fall in Profit Explained

"And now, before I propose a formal resolution for the adoption of the accounts, there are a few points I wish to make in connection with the year's results. As you will see, the nett profit for the year does not in itself, when compared with the results for the previous year, warrant an increase in the dividend to be paid to shareholders, but I will deal with this later when I refer to the proposed dividend. It is mentioned in the Directors' report that a combination of adverse conditions during the past year has been mainly responsible for the lower profits, and I should like to explain what is meant by that remark.

"In the first place, the Company's farms experienced one of the hottest pre-monsoon periods for several years, with the temperature on occasions reaching 110° F. To aggravate this situation, the rainfall, which was only just over 16 inches, was some 10 inches below normal. Further, we were experiencing difficulties with the Irrigation Department of the Bombay Government in getting sufficient supplies of canal water to meet our requirements, and, despite a recent arbitration award in our favour, so far as supplies are concerned, we are still not getting the water-supply we would like. All these circumstances resulted in a lower yield of cane per acre and a lower percentage recovery of sugar from cane, the final result being that our production of finished sugar for the year was about 20,000 bags lower than last year.

"On the other side of the picture, costs of cultivating and manufacture have risen quite steeply. Fertilisers of all kinds are much higher in price than they were at any time during the past two years and other expenses have also gone up, including wages and dearness allowance paid to workers. So sharply have overall expenses increased that the total amount spent during the past year for an output which was about 10 per cent. lower, was approximately the same as in the previous year when we were able to report a record nett profit.

"Still another factor contributing to the lower profit was the export of just over 500 tons of sugar under the Government Scheme. The considerable loss on this shipment, which of course had to be sold at the prevailing world market rate—a rate far less than that which could have been obtained in the domestic market—has had to be borne by the Company. I shall refer again to this question of exporting sugar in a few moments.

"I hope the explanations I have given will satisfy the queries which must have arisen in your minds, but, despite all our troubles and difficulties, I think we should not lose sight of the fact that the results as shown in the accounts now before you, suffer only by comparison with last year and cannot by any means be considered unsatisfactory. In fact, the nett profit compares not unfavourably with the results in any year prior to 1957, and I suggest it would not be fair to compare our present results only with record-breaking achievements, especially when Mother Nature plays such an important part in an organisation like ours. If she chooses to smile on us, as she did in 1956-57, then all is well, and the way is paved for new records; but, when she frowns, as she did in the past year, then no human effort can retrieve the situation. However, for those people interested only in records, another one will be created at this meeting if you pass the proposal to pay the dividend, as suggested by your Directors, and which is the highest ever in the history of your Company.

Shareholers Deserve the Bonus

"As I have already said, the nett profit does not appear to warrant any increase over last year's dividend, but, after due consideration, your Board feel that the financial stability of the Company is now so strong that they are justified in proposing that last year's dividend be maintained at Rs. 18 per share and that, in addition, a bonus dividend of Rs. 2 per share be paid out to the shareholders. A further factor which influenced your Directors in their recommendation is that more than eight lakh rupees, representing previous excess provisions for taxation, have been brought back into the accounts for appropriation. I might explain here that, for some time, I have been trying to get the Income-tax Authorities to bring our Company assessments more up-to-date and I am glad to say that, since the last annual general meeting, assessments have been finalised for four complete accounting years, leaving at this moment only the accounts for 1956-57 and 1957-58 to be dealt with. Under the provisions of the Companies Act, the amounts left over after final tax settlements cannot be retained in the account but must be brought back, hence the transfer of rupees eight lakhs odd to which I refer.

"One other matter to which I should call your attention is that, before presenting the past year's accounts to you, your Directors have thought it advisable to reduce the number of reserve accounts by transferring the balances standing in the 'Reserve against Investments,' 'Reserve for Contingencies' and 'Reserve for Housing' accounts, to the 'General Reserve' account.

Affairs of Sugar Industry

"Now to turn to the sugar industry in general. The 1957-58 season witnessed a slight break in the upward curve of all-India white sugar production. After successively rising from a little over one million tons in 1953-54 to 2,026,000 tons in the 1956-57 season, production fell by about 3 per cent. to 1,976,000 tons in the 1957-58 season. This fall was due mainly to two factors: (1) a drop in sugarcane production in U.P. and Bihar occasioned by adverse weather and excessive floods and (2) diversion of sugarcane to the manufacture of *khandsari* and *gur*, both of which pay neither excise duty nor sugarcane cess and, therefore, have a distinct advantage of about Rs. 13 per maund over white sugar. *Khandsari*, because of its closer resemblance to white sugar than *gur*, turned out to be a keen competitor of white sugar and its production rose from an average of 100,000 tons per annum to an estimated total of a little over 300,000 tons in the season just ended. *Gur* enjoyed attractive prices almost throughout the year and this enabled *gur* producers to offer stiffer competition with mills for cane supplies. Further, neither *khandsari* nor *gur* is subject to controls on price and distribution, whereas, in the case of white sugar, there is a 'gentleman's agreement' on ex-mill prices since July last and the stock releases from mills for free sale in the market are still strictly regulated by the Government. It is interesting to note that, over the year ended September 1958, the wholesale price of *gur* rose by as much as 29 per cent., while the increase in white sugar was no more than 10 per cent., the bulk of which was due to the levy of additional excise duty in lieu of sales tax.

Price Control

"Despite this modest, indeed negligible, rise in prices of white sugar, the Central Government has thought fit to subject the North Indian sugar factories to a control on ex-mill prices. It is true that, between May and July, prices of sugar went up a little, owing to some speculative activity prompted by expectations of a large quantity of sugar being earmarked for export, but this increase was by no means so excessive as to merit official control. Fortunately, the factories in the Deccan and the South were not brought under this price control, as the Government was apparently satisfied that they did not commit any breach of the "gentleman's agreement' on fair ex-mill prices informally reached between the Indian Sugar Mills Association and the Food Ministry.

"The question of fair price for sugar has now been referred to the Tariff Commission. The enquiry will cover the sugar industry as a whole and the future profits of your Company may be influenced, to a considerable extent, by the verdict of the Commission.

Place of Bombay State

"While the production of white sugar in the whole of India declined fractionally, there was actually an increase in the Bombay State of about 33 per cent. from 240,000 tons in 1956-57 to 320,000 tons in 1957-58. This increase was due partly to a substantial rise in the production of sugarcane and partly to further growth in crushing capacity, mainly in the co-operative sector. More co-operative factories worked in the season under review than in the preceding season, and, out of the 320,000 tons of white sugar produced in the Bombay-Deccan, the share of co-operatives was no less than 114,750 tons. Many more co-operative factories are expected to start crushing in the current year and in the following two years, so that by March 1961, these factories are expected to be producing 200,000 tons, that is, nearly as much as the company-managed factories. These are, of course, estimated figures but I venture to suggest that expectations will not be realised unless there is a considerable improvement, in the co-operative sector, in the standard of efficiency and general administration.

"With the substantial increase in sugar production during the season under review, Bombay State has attained the status of the second largest white sugar producer in the Indian Union, pushing down Bihar State, which has held that distinction all these years, to third place. In the 1957-58 season, the Bombay State's lead over Bihar was by about 45,000 tons, but, when the expansion plans now in hand are completed, in the next two years or so, this figure should increase to more than 100,000 tons.

Heavy Taxation

"No article of food is taxed as much as white sugar in India. On every rupee's worth of sugar (a little over two pounds) which one buys, excise duty and other levies on production account for 38 per cent. To be more specific, one pound of sugar costing about 44 nP bears an ordinary excise duty of 10 nP, a special excise duty in lieu of sales tax of 3 nP and a cess on sugarcane of 2 nP. Besides these taxes, a sugar

(*Continued on page* 1039)

THE
CHARTERED BANK
(Incorporated in England by Royal Charter 1853)
(Liability of Stockholders Limited)
Capital (Paid up) - - - £5,000,000
Reserve Fund - - - £5,500,000
Branches throughout India, Pakistan and the East
Branches of
THE EASTERN BANK LTD.
a wholly owned subsidiary of the Chartered Bank are established in Iraq, Bahrain, in the Persian Gulf at Qatar and Sharjah, Lebanon and Hadramaut and in India, Pakistan, Ceylon, Aden, Singapore and Malaya.)
AFFILIATED BANK IN INDIA:
THE ALLAHABAD BANK LTD.
with over 70 offices in India
The Bank offers a complete Overseas Banking Service and provides exceptional facilities for financing very description of trade with the East.
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Branch: 28, Charles II St., Haymarket London S. W. 1.
Manchester Branch: 52, Mosley Street.
Liverpool Branch: 28, Derby House, Exchange Buildings, Liverpool, 2.
Hamburg Agency: Borsenbrucke 2A Hamburg 11.
New York Agency: 65, Broadway, New York 6
Branches in Japan: Kobe, Osaka, Tokyo and Yokohama.
Branches in Cyprus: Famagusta, Kyrenia, Larnaca, Limassol, Nicosia and Paphos.
Bombay Branch:
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THE
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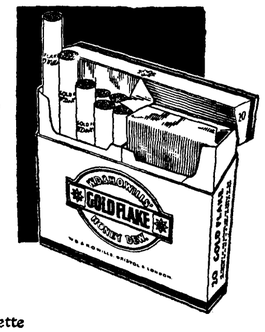
20's!



▶ The pack fits your pocket just like a cigarette case.
▶ The crush-proof box keeps each cigarette in perfect condition.
▶ The flip-top lid opens easily, snaps close to keep cigarettes fresher.
▶ The foil-wrapped twin-tens avoid unnecessary exposure.
▶ The easy-access foil slips off gently, keeps pack always looking neat.
MLP/1

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SOCIAL FACTORS AFFECTING PRODUCTIVITY

A U.N.E.S.C.O. RESEARCH STUDY

THE swelling current of migration of workers from the countryside to urban areas is a feature of industrialisation in Asian countries. In addition to making the cities congested and creating problems of transport and accommodation, this large-scale influx of people to the cities gives rise to many other social and economic problems. The worker who leaves his rural community to enter industrial employment has to face many difficulties in his urban environment. In the majority of cases, he still retains his attachments to his native village and does not entirely break with familiar ways of life all at once. This ambivalent attitude renders adjustment to urban conditions all the more difficult. His attitude to work, which has been conditioned by a flexible routine characteristic of village life, has to change. The regular cadence of factory work, where one man's job is a motion co-ordinated with those of hundreds, perhaps thousands, of others and of little use by itself, alone calls for quite a different attitude. His responses to these requirements are influenced, to a large extent, by his social and cultural background. The way he reacts to the new environment has an important bearing on his work attitudes and his work turnover. This is a subject in which there is need and scope for useful research.

The U.N.E.S.C.O. Research Centre at Calcutta deserves to be complimented for undertaking a study of the influence of social and cultural factors on productivity of industrial labour as its first research project. Some of the other projects at various states of progress include (1) small-scale industries, (2) inquiry into the growth of steel towns in India, (3) case study of balanced social and economic development in the D.V.C. area and (4) rural electrification scheme in Burma.

The results and conclusions of the study have been embodied in a report on Social and Cultural Factors Affecting Productivity of Industrial Labour to be published shortly. The objective of this study has been to ascertain the way in which several social and cultural factors affect the working capacity of industrial workers in India, and to examine whether they help in increasing their efficiency or in hindering the same.

Methodology

For the purpose of the study, workers having an industrial experience of ten years or more were selected from two cotton textile mills located in Calcutta and Bombay and from three culture-groups, namely, Bengalee, U.P. (part of the sample from Calcutta and a part from Bombay) and Maharashtrian and were divided according to level of productivity into high and low productivity workers. The main part of the study consisted of an inquiry among workers regarding their opinions and attitudes. The staff of the Centre also interviewed managers, personnel officers, supervisors, doctors and trade union officials of the two mills in order to obtain similar or additional information about workers. Besides, memoranda were obtained from experts regarding the social and industrial life in the two cities to give a proper focus to the study.

Although detailed data were collected by means of the schedule, some of the information obtained was not sufficiently significant to allow conclusions to be drawn according to culture-groups or levels of productivity. On several major matters, differences according to culture-groups and levels of productivity were too small or too unsystematic to enable any conclusions to be drawn according to these criteria. On some major issues, however, there were clear differences noticeable between workers in Calcutta and those in Bombay and between U.P. workers in Calcutta and those in Bombay under the influence of the indigenous culture-groups in each city. Within these culture-groups, differences were also noticeable according to the level of productivity of workers. It was also found that, in some matters, there were no differences among workers according to culture-groups or levels of productivity.

Workers in Calcutta and Bombay

The difference in the social and cultural background of the two cities had its impact on the workers. For instance, in social matters, workers in Calcutta tended to be more progressive. Workers in Bombay, however, were liberal in outlook and did not exhibit a feeling of being discriminated against. Workers in Calcutta had favourable expectations regarding their first factory job. They also had no difficulty in adjusting to the inherent aspects of factory life like congested atmosphere and noise of mills. More workers in Bombay were satisfied with their existing factory job than in Calcutta; fewer of them had difficulty in adjusting to discipline of work and supervision than in Calcutta. Economic attitudes and condition of workers also differed. Workers in Calcutta earned less and were anxious to supplement their income by working overtime. On the other hand, workers in Bombay had higher earnings and also higher debt. Bombay workers had a favourable opinion about changes in life brought about by the economic and social conditions and considered themselves better off than their forefathers; workers in Calcutta were more optimistic about the future and hoped to realise their aspirations regarding salary and status.

In India, as is common knowledge, workers in different places have different food habits and outlook. When labourers migrate from one State to another, they would be subject to the influence of the new places. This was the case with workers from Uttar Pradesh working in the two cities. Despite this, however, they were able to maintain their identity in several respects. Nevertheless, the influence of the city and the indigenous culture-groups were constantly operating on the U.P. workers, with the result that their responses tended in some respects to be similar to those of workers in the indigenous group in each city. Since the workers in all the four culture groups had been working in factory for ten years or more, the city and the factory influences had been sufficiently strong to bring about uniformity in their responses. For example, in their attitude to working with people of other castes and in their reading habits, workers did not differ according to city or culture-groups. About the same proportion of workers in each group in each city had knowledge of the machine they worked on and considered education to be useful.

In each group, the workers were divided according to the level of productivity into high and low productivity workers. In some respects, the responses of workers in each group differed according to their level of productivity. High productivity workers generally were those who had brought about a change in their personal and social life to suit the requirements of factory life; their ideas as regards traditional customs, their relationship with family members and their food habits had changed; their observance of religious practices had declined; they spent time on reading books and newspapers. As regards their attitude to factory organisation and work, they had been able to adjust to various inherent features of mill life like noise of mills. Economically, they were anxious to improve their condition by working overtime and had savings out of income. At the same time, they had more debts. They preferred urban life. On the other hand, low productivity workers did not appear to suffer from a feeling of discrimination on the ground of caste, group or State. In the factory, they preferred jobs requiring skill and ingenuity. They preferred piece-rate wages and were conscious of the advantages of the industrial age and of mechanisation.

On many matters, however, irrespective of the level of their productivity, workers gave the same response or their responses were in conflict according to the level of their productivity. Workers were not differentiated according to the level of their productivity in social matters, like following caste restrictions relating to marriage, preferring their company from their own caste or superior caste or own State, expenditure on rituals and the change in their religious practices. As regards their attitude to factory organisation and work, their opinions about the dangerous character of the machine, the suitability of shift, the factory discipline, the effect of their labour on factory production, and their feelings about changes in output, did not vary according to the level of their productivity. Their response did not differ with the level of their productivity in economic matters like their opinion about their economic condition, their desire for overtime and their preference for payment entirely in cash. Their hopes regarding the realisation of their aspirations also did not vary according to the level of their productivity.

Significant Results

The study has yielded some significant results both according to culture-groups and according to productivity. It should serve as a guide to methods and approaches for future research work on the subject. It is worth mentioning, in this connection, that the Centre has organised a regional seminar on techniques of social research; this is being held at Calcutta now. The purpose of the seminar is to bring together a group of social scientists of varying background who have carried out research in Asian countries, so that they can exchange their experiences and, in particular, to examine how far research techniques developed mostly in Western countries are suitable to conditions in Southern Asia. The participants in the seminar have been selected from various disciplines and from different countries. The U.N.E.S.C.O. Centre, together with the University of Calcutta, has also organised a series of lectures on social research, with a view to enabling the wider public to get acquainted with the purposes and possibilities of social research.

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PROTECTION FOR CAUSTIC SODA TO STAY

BLEACHING POWDER, HOWEVER, LOSES IT

THE Government of India has accepted the Tariff Commission's recommendation that protection to caustic soda industry should be continued at the existing rates of duty for a further period of three years from the end of this year, while that for the bleaching powder industry should be discontinued. Accordingly, the protective duties on caustic soda, both solid and other sorts, will be retained at existing rates of 30 per cent. *ad valorem* (preferential) and 40 per cent. *ad valorem* (standard) till 31st December 1961. In case the present tariff value of Rs. 28 per cwt. on solid caustic soda and Rs. 45 per cwt. on caustic soda of other sorts is modified, the rates of duties will also be subject to corresponding adjustments. The bleaching powder industry will, however, cease to receive protection after 31st December 1958 and the quantum of revenue duty on the products may be fixed according to fiscal considerations. The predominant consideration which weighed with the Tariff Commission in arriving at these decisions appears to be that while the fair exworks price of indigenous caustic soda is substantially higher than the imported products, the indigenous bleaching powder industry is in a position to sell its products at competitive prices.

It would be useful to have a glance at the recent trends of both the industries with regard to installed capacity, production, consumption and imports. There has been a consistent rise in the rated capacity and production of caustic soda in the country during the past few years. There are, at present, fifteen units with an annual rated capacity of 67,185 tons, as against twelve units with a capacity of 39,317 tons in 1954, at the time of last enquiry. Production of caustic soda in all forms (solid, liquid and flakes) also went up from 28 993 tons in 1954 to 43,032 tons in 1957 and 26,291 tons during the first six months of the current year.

Schemes for Expansion

It is also gratifying to hear that there are schemes for a sizable expansion of the existing units as well as for the installation of new ones. The Tata Chemicals, the only unit producing chemical caustic soda, has definite plans to raise its capacity from 6,600 tons to 9,900 tons by the end of 1961. A new unit, namely, Saurashtra Chemicals Ltd., which has been licensed to produce chemical caustic soda to the extent of 20,400 tons, is expected to begin production by the second half of 1959. Many of the existing units manufacturing electrolytic caustic soda propose to expand their capacity for production. Three new units are also expected to commence production by 1961. They are: The Dhrangadhra Chemical Works Ltd., Tuticorin, with an installed capacity of 30.000 tons; J.K. Chemicals Ltd., Bombay (1,000 tons) and Atul Products, Bulsar (3,300 tons of sodium hydrosulphite). By 1961, the aggregate annual rated capacity for all types of caustic soda is expected to go up to 145,970 tons, of which 30,000 tons will be chemical caustic soda and 115,600 tons electrolytic caustic soda.

The domestic demand is expected to rise at a faster pace than production. The present demand is put at 124,000 tons and the anticipated demand in 1961 is placed at over 159,000 tons. The breakdown of the demand for caustic soda for the various industries is as follows:

(In tons)

	1958	1961
Soap	23,000	28.000
Textiles	34,000	38,000
Paper	26,500	30,000
Rayon	28,000	46 000
Vanaspati	1,800	2,500
Petroleum refining	3.000	2.700
Chemicals and dyestuffs ...	2,000	4,000
Aluminium	1 600	3,500
Rare earths and miscellaneous	4,100	4,300
Total ...	124,000	159.000

In addition, another 10,000 tons of caustic soda will be in demand for ensuring that pipeline and shelf requirements are taken care of. Thus, a shortfall in production of about 25,000 tons of caustic soda in 1961 is estimated by the Tariff Commission.

Imports

Imports of caustic soda, it may be noted, have continued to be at a relatively high level. In the year 1954, India imported 52,638 tons valued at about Rs. 3.18 crores; by 1957, they rose to 66,042 tons (Rs. 3.88 crores). During the four months ended April 1958, they amounted to 20,194 tons (Rs. 1.11 crore). The total availability of caustic soda during the past four years was as follows:

(In tons)

	1954	1955	1956	1957
Production ...	28.993	34,531	39,634	43,032
Imports ...	52,638	54,881	93,574	66,042
Total supply ...	81,631	89,462	133,228	109,074

To take up the bleaching powder industry now. This industry has made great strides. Production has gone up and there has been greater utilisation of installed capacity. The number of units engaged in this industry is unchanged, as it was in 1954, at three, namely, Mettur Chemical and Industrial Corporation Ltd. Rohtas Industries Ltd., and Tata Chemicals. It may be noted that Mettur Chemicals commenced production of stable bleaching powder in addition to unstable variety in 1955. The rated capacity of all these units stood at 10,020 tons in September 1958, as against 8,170 tons in 1954. Production, which was running at about 2,923 tons in 1954, moved up to 5,347 tons in 1957 and to 2.936 tons during the six months ended June 1958. The expansion envisaged is confined only to Mettur Chemicals. The present annual capacity of the units at 4,950 tons will be stepped up to 9,900 tons by 1961.

It is rather difficult, however, to estimate the future domestic demand for bleaching powder in view of the many substitutes for it, such as hydrogen peroxide, liquid chlorine and bleach liquor. The Tariff Commission, however, has estimated the likely demand for bleaching powder in 1961 at 12,000 tons, as against the current demand of about 8,000 tons. The total availability—including domestic production and imports—of bleaching powder is given below:

(In tons)

Year	*Production*	*Imports*	*Availability*
1954 ...	2,923	5.010	7.933
1955 ...	2,642	4,393	7,035
1956 ...	4.657	4,343	9,000
1957 ...	5,347	1,805	7,152

It is said that some of the units are making efforts to so diversify production as to raise their consumption of chlorine. Thus, there has been considerable increase in the output of liquid chlorine and hydrochloric acid. The overall consumption of chlorine was about 91 per cent. during the first half of 1958, as against 88 per cent. in 1957 and 72 per cent. in 1954. It is estimated that the internal demand for chlorine will be about 95,000 tons in 1961, as against a production of about 102,000 tons.

Quality

The quality of the indigenous products is stated to be generally satisfactory. In the course of the Commission's enquiry, some consumers, however, drew its attention to certain defects. These are: Low content of NaOH in caustic soda, high proportion of impurities in the products of certain producers, low availability of chlorine in bleaching powder (unstable) and defective packing of both products. The manufacturers, we are told, have agreed to take note of these complaints and strive to eradicate them, though they had contended that both caustic soda and bleaching powder were being produced to I.S.I. standards and that the quality of packing had greatly improved.

The principal raw materials required for the manufacture of caustic soda are soda ash and lime. As already stated, Tata Chemicals is the only producer of chemical caustic soda at present. It has no difficulty in getting these two materials. It uses its own soda ash, which, as a raw material for caustic soda, is expensive. Common salt is the principal raw material required for the manufacture of electrolytic caustic soda. While the supply of salt is plentiful, the cost of transport is heavy, as most of the existing units are located at considerable distance from salt-producing centres (Saurashtra, Kutch and Sambhar in Rajasthan).

Again, the marine salt available in the country contains much impurities. In this connection, the Commission has recommended that the large-scale salt works should undertake production of salt acceptable to the chemical industry. The other recommendations made by the Commission are: (1) an examination of the question relating to open wagon movement of salt, after taking into account the steps accepted in other countries for the purpose, should be undertaken by the Railway Administration in consultation with the representatives of the industries concerned; (2) the Railway Administration may take steps to provide an increasing number of tank wagons for the transport of caustic soda in liquid form and also consider the question of providing a few tank wagons on an experimental basis for the transport of liquid chlorine, and (3) the question of developing the manufacture of a dicalcium phosphate fertiliser should be kept in view when any fresh licence is issued for augmenting the production of electrolytic caustic soda.

UNILEVER INDIAN STAFF

Indian employees of Hindustan Lever Ltd. are being appointed to the parent company in Britain under a new work-while-you-learn training scheme. From January 1959, three members of the Bombay staff will take up posts with Unilever Ltd. They are Messrs. R. Subrahmanyam, P. G. Ramachandran, and B. Mahey. These new appointments are planned as the first of many. Mr. Subrahmanyan is being posted to the commercial side of Batchelors Foods Ltd., Sheffield; Mr. Ramachandran to the advertising side of Lever Bros., Ltd., London; and Mr. Mahey to that of Van den Berghs Ltd., London.

As a world-wide organisation, Unilever has long given training in Britain to many of its oversea staff, lasting from a few weeks to a few months. Now, for the first time, staff appointments of at least a year are being made. This is part of what Unilever calls its "-ization" policy—that is, the training of oversea staff so that they can eventually take over senior positions in their own countries. "-Ization" is a two-way process, with Asians and Africans contributing ideas and local knowledge as part of the international team, as well as themselves receiving training.

In India, Indianisation of the Company is already well advanced. Lord Heyworth, Unilever's Chairman, said in Delhi last year after an extensive tour of the country: "We have faith in India and her future, and we are interested in playing our part in her further development in those fields where we have skills to contribute."

COMMODITY PRICES

In a fresh bid to solve the problem of commodity prices, 11 members of the United Nations, including the U.K., Canada, Australia and the Federation of Malaya, introduced a draft resolution in the Economic Committee of the United Nations General Assembly, on the 9th inst., urging member-Governments to consider, commodity by commodity, what steps could be taken to solve particular commodity problems. The resolution appeals to all member-Governments to increase their efforts to promote conditions favourable to the expansion of international trade and to take into account, in their commercial policies and trade practices, any possible harmful repercussions which they might have, particularly on the trade of underdeveloped countries. The draft also expresses the hope that countries which do not adhere to, or co-operate with, established international trade arrangements will refrain from the use of unfair trade practices that would impede or prevent the satisfactory working of these arrangements. Mr. David Scott Fox of the U.K. said that Britain was ready to discuss problems on a commodity-by-commodity basis in the proper forum. Britain also looked forward hopefully to the meeting of the Commission on International Commodity Trade early in 1959. It would be difficult, he said, for the Economic Committee to go into all the intricate problems of commodity prices, but there were other United Nations' organs which could examine them more fully.

COTTAGE INDUSTRIES

Goods worth over Rs. 226 lakhs were produced in the 24 pilot projects for cottage and small-scale industries during the two years ended 31st March 1958. The projects today cover 12,300 villages, with an area of 16,800 sq. miles and a population of six million. The most significant performances were of Kakinada-Peddapuram (Andhra Pradesh) with Rs. 95.8 lakhs, Neyyattinkara (Kerala State) with Rs. 39.5 lakhs and Bihar Sharif with Rs. 25.3 lakhs. The growth of industrial co-operative societies in the pilot projects has been a marked feature of the programme. On 31st March 1958, there were 936 industrial co-operative societies, with a membership of 31,000 and a paid-up share capital of Rs. 9.6 lakhs. In addition, there were also 1,599 multi-purpose co-operatives functioning in the project areas, with a membership of 117.000 and paid-up share capital of Rs. 33.6 lakhs. The total amount of loans advanced by the co-operatives was about Rs. 20.6 lakhs, as against a paid-up share capital of Rs. 43.2 lakhs. Under the various schemes started in the project areas, nearly 25.000 persons secured full-time employment and 52,000 part-time employment.

BAKELITE

Imperial Chemical Industries (I.C.I.), the U.K., will shortly cease production of phenolic moulding powders—commonly known as bakelite—and, instead, concentrate on newer lines, particularly polythene. James Ferguson and Sons, a subsidiary of Wall Paper Manufacturers, is however, expected to take over production and marketing of the same grades of phenolic powders.

Phenolic powders, it is common knowledge, are one of the oldest synthetic moulding materials used in the manufacture of a wide range of products from ash trays to electrical fittings. It may be noted that production of this powder is still on a relatively large scale. But there has, of late, been a slowing down in the rate of growth in output, thanks to growing competition from newer thermoplastic materials which are more versatile and have other technical advantages.

GREAT EASTERN SHIPPING COMPLETES ITS FIRST DECADE

GROSS PROFIT TOUCHES FRESH RECORD

THE year ended 30th June 1958 marks the end of a decade of useful service and strident progress for the Great Eastern Shipping Company, Ltd. (Managing Agents: Messrs. A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd., Bombay). During these ten years, the Company has come to own 14 vessels with a total deadweight tonnage of 120,918 and the investment thereon has grown from Rs. 22.78 lakhs (in 1948-49) to Rs. 583.58 lakhs. The cargo lifted (both coastal and overseas) recorded an increase from 152,763 tons in the first year of the Company's existence to 843,278 tons and the freight and charter hire earnings from Rs. 39.82 lakhs to Rs. 359.68 lakhs, though the latest year's earnings are slightly lower than the previous year's record. As if to crown these efforts, the Company has earned during 1957-58 a record gross profit of Rs. 121.66 lakhs, which represents an increase of Rs. 19.07 lakhs over the year. With this rise, the gross profit has gone up four-fold within the last three years. A more detailed picture of the Company's progress during the last ten years is presented in the table given below.

The net profit for the year under review, however, shows a decline of Rs. 2.65 lakhs to Rs. 64.97 lakhs from the previous year's high of Rs. 67.62 lakhs, thus reversing the upward trend for the first time in the last six years. This is due to (1) the increase in the managing agency commission from Rs. 8.31 lakhs to Rs. 9.28 lakhs, (2) the larger provision of Rs. 36.91 lakhs for depreciation, as against Rs. 26.66 lakhs set aside last year, and (3) the provision of Rs. 10.50 lakhs for taxation, for which no allocation had been made in the previous three years. However, a sum of Rs. 8.40 lakhs, being the excess provision for taxation made in the preceding years, has been written back; the corresponding amount in the previous year was Rs. 3.60 lakhs. After bringing this amount into account, the Directors have set aside Rs. 3.39 lakhs being the under-provision for taxation on income at foreign ports in respect of the previous year and made the following allocations to the various reserves, as compared with those a year ago:

(In lakhs of Rs.)

	1957-58	1956-57
Deferred taxation reserve ...	*Nil*	11.59
Development rebate reserve ...	28.65	*Nil*
General reserve	14.00	46.00
Dividend equalisation reserve	10.00	*Nil*

After strengthening the reserves thus, the Directors have recommended a dividend of 18 per cent. on the fully paid and partly-paid shares for the year under review, as against 15 per cent. paid for 1956-57. At the annual general meeting of the shareholders held on the 12th inst., the resolutions relating to the accounts and the declaration of dividends on the preference and equity capital were not adopted. The Directors were requested to reconsider the appropriation of profit, with a view to enabling the shareholders to get the benefit of maximum tax relief by meeting the dividends as much as possible from the tax-free portion of the profit and only the balance from the taxable part of the profit. As it is, the Directors have covered the dividend by taking a sum of Rs. 12.07 lakhs which is exempt from tax under Section 15c and another Rs. 5.50 lakhs from the sum of Rs. 9.15 lakhs which are assessable to tax. It was the contention of some shareholders that, under this procedure, they would find it difficult to get the dividend tax-free in their hands, as they feared that the tax authorities would consider the dividends to have been paid directly out of the net profit. The Company was, accordingly, advised to create two new reserves, one representing the exempted profit under Section 15c and the other representing taxable profit, and to meet the dividend amount from these two reserves in the proportion mentioned above. This advice was accepted and the accounts, as amended above, will be adopted at the adjourned meeting of the shareholders to be held on the 19th inst.

The operating earnings of the Company for the year under review have suffered a slight setback from Rs. 364.44 lakhs to Rs. 361.01 lakhs, mainly due to the fall in freight earnings from Rs. 299.21 lakhs to Rs. 286.93 lakhs, following the rapid decline in international freight rates, with the recession in world trade. "In spite of the international tramp freight rates ruling low during the second half of the year under report," the Directors observe, "the favourable conditions encountered in the first half of the year and advance booking of part of the freight even for the second half of the year under report ensured these good results." The earnings from charter hire show a sizable rise from Rs. 63.82 lakhs to Rs. 72.76 lakhs and interest earned on deposits from Rs. 3.20 lakhs to Rs. 8.94 lakhs. On the expenditure side, operating expenses have declined from Rs. 252.24 lakhs to Rs. 229.95 lakhs, thanks to the drop of Rs. 53 lakhs on hire of chartered steamers and of Rs. 5.58 lakhs in coal, fuel oil and water consumed.

During the year, the Company added four second-hand vessels to its fleet, bringing the total number at the close of the year to 14, with a deadweight of 120,918 tons. These vessels were bought at a cost of Rs. 1 crore under the self-financed scheme approved by the Government. The purchase prices of these vessels have been paid by arranging an overdraft facility with a London bank and by depositing an equivalent amount in rupees with their Bombay branch. The overdraft in London is repayable out of the net foreign exchange earnings of these vessels or their substitutes. This arrangement has been necessitated by the Government's inability to release any foreign exchange for the purchase of ships at present. The Company has so far bought five ships under this scheme. It is interesting to note that the Company is the first not only to acquire a ship under the self-financed scheme but also to purchase the largest number of ships under this arrangement. In addition to the four ships bought during 1957-58, two more are being built, one of which, with a deadweight of 14,500 tons, the largest ship on the Indian registry, is being built in W. Germany. It is expected to be delivered ahead of schedule, in February next. The other is being constructed at the Visakhapatnam yard; it is also expected to be ready for delivery in February 1959. This ship will be accepted by the Company, provided the important questions relating to price and stability of ship, which are under dispute, are settled. These two ships will bring the total deadweight of the Company's fleet to about 140,000 tons, representing an increase of 90,000 tons since the beginning of the second Five-year Plan, as against the target of 70,000 tons the Company had programmed to add during the Plan period.

Undaunted by the present slump in the international freight market which has caused a good part of the world tonnage being laid up, the Company has decided on a Rs. 4.5-crore expansion plan, under which four dry-cargo ships of an aggregate deadweight of over 50,000 tons are to be built for delivery in 1960-61. Though the Company is aware of the great foreign exchange hurdles, it proposes to go ahead with its plan as an act of faith in the importance of shipping in the economic development of the country. It is hopeful that, with the assistance of the Government, the overseas yards and the world financiers, it would be able to overcome these difficulties.

The outlook for the current year is uncertain, as will be seen from the following extracts from the Chairman's speech (published on pages 1010-12 of this issue).

"International freight rates today are below the operating costs and shipowners are laying up their own tonnage for the obvious reason that it cannot be operated without sustaining losses. Tramp shipping is, therefore, facing a great crisis. As part of your fleet is engaged in tramp activities, we cannot escape these repercussions. At the same time we have now a much bigger fleet. Three second-hand ships were secured almost by the end of the year under review and further brand new ships will be delivered in February 1959. It is difficult to foresee the financial results for the financial year 1958-59."

A broad idea of the Company's financial position can be had from the salient features of the balance-sheet relating to the year under review given in the table mentioned above.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 26.45 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 7.3 per cent. per annum, free of income-tax.

	For the year ended 30th June									
	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
Cargo lifted .. .. .. (Tons)	152,763	259,276	295,050	217,524	440,128	515,594	553,910	461,987	752,851	843,278
Freight and charter hire earned .. (Lakhs of Rs.)	39.82	82.86	94.15	93.45	1,70.28	1,71.20	2,29.64	2,22.30	3,68.08	3,59.68
Gross profit .. .. .. "	5.58	22.74	24.72	25.14	25.06	40.29	80.84	46.89	1,02.59	1,21.66
Net profit .. .. .. "	3.02	10.95	7.06	6.10	6.71	8.84	10.88	24.95	67.62	64.97
Net addition to reserves .. .. "	0.59	10.00	5.00	4.00	3.00	3.00	10.00	15.00	58.99	44.25
Dividend on ordinary shares .. .. "	1.00 (5%)	2.00 (10%)	2.00 (10%)	2.00 (10%)	3.50 (10%)*	5.20 (10%)†	‡	9.00 (15%)	11.25 (15%)	16.20 (18%)
	As at the end of the year							(In lakhs of rupees)		
Ships owned .. .. No.	1	2	5	4	5	6	7	8	10	14
Personnel .. .. "	79	140	166	255	303	414	490	517	646	840
Paid-up capital	20.00	20.00	20.00	30.00	40.00	50.00	50.37	85.00	1,15.00	1,15.00
Reserves and surplus	1.85	10.80	24.80	18.90	22.12	25.45	35.84	80.84	1,39.44	1,91.79
Loan liabilities	..	..	..	54.83	18.40	31.61	66.27	1,41.91	2,62.47	3,62.22
Fleet investment	22.78	31.41	56.27	56.70	1,21.17	1,33.20	2,47.46	3,27.97	4,87.48	5,83.58
Fleet depreciation	2.26	5.57	13.13	28.53	39.29	63.44	81.90	58.70	85.10	1,21.71
Cash and bank balances	3.11	18.18	12.08	29.32	16.84	1.56	2.13	46.99	1,40.71	2,13.41

* On the increased capital raised by the capitalisation of Rs. 10 lakhs, as well as by the issue of 200,000 new shares of Rs. 10 each (Rs. 5 paid-up). The new shares were entitled for dividend from 1st January 1958.
† On the increased capital of Rs. 50 lakhs consequent on the new shares becoming fully paid-up.
‡ No dividend was paid, and in lieu of this a scrip bonus of one share for every five shares was given.

AHMEDABAD ELECTRICITY EPISODE : MR. CLARK'S STATEMENT

The following is the statement issued by Mr. P. D. C. Clark, Chairman, Ahmedabad Electricity Company, Ltd., in reply to Mr. Sheppard's rejoinder:

"My attention has been drawn to a Press statement issued on 8th December by Mr. E. D. Sheppard, an ex-Director of the Ahmedabad Electricity Company, Ltd., on matters arising out of the annual general meeting of that Company held on 26th November 1958.

"It is unfortunate that Mr. Sheppard should resort to statements in the Press to deal with the affairs of the Company. The question of boilers has been finally examined and analysed by Messrs. Merz and McLellan, leading firm of Consulting Engineers in the U.K., to whom the matter was referred by the Board of Messrs. Killick Industries Limited, of which Mr. Sheppard is the Chairman. In their report, Messrs. Merz and McLellan have upheld the opinion of Mr. Colaco, both in respect of price and performance of the equipment.

"Mr. Sheppard and Mr. Milne were present and spoke at the annual general meeting, but failed to carry conviction to the shareholders. In the light of this and of the report of Messrs. Merz and McLellan, I do not intend to join public issue with Mr. Sheppard."

INVESTMENT IN PETROLEUM INDUSTRY

The total investment in India in the petroleum industry is approximately Rs. 244 crores, out of which Rs. 214 crores represented foreign investment, while Rs. 30 crores represented the Indian capital invested. Disclosing this, in reply to a question in the Lok Sabha, Mr. K. D. Malaviya, Minister for Mines and Oil, said that the investment included working capital in the companies distributing major petroleum products and the refineries in the country including the Assam Oil Company, which has exploration and production activities also. The Standard-Vacuum Oil Company's estimate included the participatory scheme for exploration in West Bengal area.

Referring to the steps taken or proposed to be taken to increase Indian capital investment in the industry, the Minister said that the Government had already gone in for investment. They were taking action to set up two new refineries in the public sector and had made considerable investment in the oil exploration programme through the Oil and Natural Gas Commission. The Government had a 25 per cent. share with the Standard-Vacuum Oil Company, added Mr. Malaviya, in the participatory scheme for oil exploration in West Bengal. The Government would also have 33⅓ per cent. share in the rupee company to be incorporated with the Burmah Oil Company/Assam Oil Company as partners for production and transportation of crude oil from the Nahorkatiya oilfields in Assam.

GOVERNMENT COMPANIES TO DROP USE OF "PRIVATE"

It has been decided to exempt Government companies from the requirements of Section 13 of the Companies Act, 1956, under which companies registered as private limited companies have to use the word "Private" in their names. This was stated in the Lok Sabha during question time on the 3rd inst., by the Deputy Minister for Commerce and Industry, Mr. Satish Chandra. He drew the attention of the members to a draft notification laid on the table of the House on 17th November in accordance with Section 620 of the Act.

RESULTS OF RAGHUVANSHI MILLS

ALL-ROUND FALL

THERE is an all-round fall in the results of the Raghuvanshi Mills Ltd. (Managing Agents: Messrs. Ravindra Maganlal & Co. Private Ltd., Bombay) for the year ended 31st March 1958. There was a fall in sale proceeds, as compared with those for 1956-57. Expenses were higher. Consequently the profit is down and so also the dividend to ordinary shareholders which is no more than 3¼ per cent., as against 6 per cent. for the previous year. The adverse results of the Company for 1957-58 are not surprising, in view of the depression in yarn and cloth markets. The following quotation from the Directors' report will enable readers to view the Company's results for the year under review in their proper perspective:

"During the year under report, the Company suffered due to decline in the offtake of yarn coupled with a serious fall in yarn rates. The Company also suffered due to the higher rates it had to pay for its imports of cotton. It may be noted that yarn has been the principal product of your Company. In these circumstances, the Directors feel that the results achieved are quite satisfactory.

"In the last year's report, a reference was made about the Company having been granted a licence for the manufacture of art silk fabrics. The Directors are pleased to report that installation of all the 144 looms on art silk was completed by the end of the year under review and they have since been put into commission.

"Late during the year under report signs of deterioration of the foreign exchange position of our country were visible and, in fact, the position has now become acute, affecting the import of long-staple cotton and art silk yarn which are the principal raw materials required by the Company. With a view to meeting this contingency, the Government has introduced Export Promotion Schemes to promote export sales of cotton fabrics and art silk fabrics and they have announced facilities for the import of raw materials against such exports. The Company is trying to take advantage of these facilities, but it is feared that, in spite of all efforts, if the conditions of shortage of raw materials persists, the future working of your Company may be affected."

The gross profit for 1957-58 at Rs. 7.99 lakhs is less than half of Rs. 16.56 lakhs for the previous year. It may be noted that the latter amount, namely, Rs. 16.56 lakhs, is exactly 100 per cent. more than Rs. 8.28 lakhs earned in 1955-56. The net profit, on the other hand, stands appreciably higher at Rs. 5.05 lakhs, as against a mere Rs. 1.01 lakh for 1956-57. But this is due to a heavy cut in the provision for depreciation from Rs. 15.20 lakhs to Rs. 2.33 lakhs. The Auditors are of the opinion that the total amount of depreciation provided in the accounts is short by approximately Rs. 3,60,000 as compared with the total amount of depreciation calculated at the rate specified in the Income-tax Act, 1922. But the Directors do not agree with this view.

Out of the net profit, the Directors have set aside Rs. 43,313 to development rebate and Rs. 3.06 lakhs to capital redemption reserve fund. No amount has been transferred to gratuity fund which was the recipient of Rs. 1 lakh in the previous year. The capital redemption reserve fund now stands at Rs. 4 lakhs—equivalent to the Company's preference share capital—and the Directors have decided to redeem at par the entire lot of the 4 per cent. redeemable cumulative preference shares of the Company by 31st December 1958. The dividend to ordinary shareholders has been reduced to 3¼ per cent. from 6 per cent. for 1956-57, to which level it had been doubled from 3 per cent. paid for 1955-56.

The Company's results for the past three years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st March		
	1958	1957	1956
Sale proceeds of yarn, cloth and waste	1,21.98	1,26.42	1,17.91
Closing stocks of yarn, cloth and waste ..	14.09	18.62	10.31
Cotton and staple fibre consumed..	66.18	67.16	70.08
Art silk yarn consumed	7.53	5.51	0.41
Other expenses	40.75	39.70	38.68
Gross profit	7.99	16.56	8.28
Manufg. Agents' remuneration..	0.89	0.25	0.61
Depreciation†	2.33	15.20	4.85
Taxation	0.22	0.10	..
Net profit	5.05	1.01	3.32
Transfer from reserves	..	2.56	..
" to gratuity fund	..	1.00	..
" to reserves	3.49	..	..
To dividend—			
4% red. cum. preference ..	0.16	0.16	0.64*
Ordinary	1.40	3.40	1.20
	(3½%)	(6%)	(3%)
Carry forward	0.02	0.03	0.02

* For the four years ending 31st March, 1956.

The sale proceeds of yarn, cloth and waste declined from Rs. 126.42 lakhs in 1956-57 to Rs. 121.98 lakhs. Cost of cotton and staple fibre consumed was lower at Rs. 66.18 lakhs, as against Rs. 67.16 lakhs in the previous year but that of art silk yarn consumed increased from Rs. 5.51 lakhs to Rs. 7.53 lakhs. Other expenses also rose from Rs. 39.70 lakhs to Rs. 40.78 lakhs.

The Company's paid-up capital, as on 31st March 1958, is unchanged at Rs. 44 lakhs, of which Rs. 40 lakhs are accounted for by ordinary shares of Rs. 100 each and the balance by 4 per cent. redeemable cumulative preference shares of Rs. 50 each. Half of the ordinary capital amounting to Rs. 20 lakhs and the entire preference capital represent the issue of bonus shares by capitalisation of reserves in the past. Reserves and surplus are no more than Rs. 4.47 lakhs. The gross block of Rs. 80.70 lakhs stands depreciated at Rs. 35.58 lakhs. Machinery in stock and under erection amounts to Rs. 5.62 lakhs. The current liabilities are of the order of Rs. 38.31 lakhs, against which the current assets aggregate Rs. 45.58 lakhs.

B.I.C.C. TELCON LINK-UP

There has over the last few years been a small but growing co-operation between British Insulated Callender's Cables Limited (B.I.C.C.) and the Telegraph Construction and Maintenance Company Limited (Telcon) particularly in certain overseas countries and on specific technical problems, which has been of mutual benefit. As a result of this experience and having full regard to the conditions now applying and likely to apply in their respective fields of activities, the Directors of both companies are convinced that a unification of their interests is desirable. Accordingly, at the request of both parties, an independent firm of chartered accountants, Messrs. Thomson McLintock & Co., were asked to investigate the position and suggest a basis upon which the respective interests might be merged. As a result, it is now proposed that B.I.C.C. should make an offer to acquire the entire share capital of Telcon on an exchange of shares basis and that Telcon with its fine name and long tradition should continue as a separate entity within the B.I.C.C. group.

From an overall aspect there is undoubtedly a need for some form of integration and rationalisation within the cable-making industry to meet the problems of over-equipment and the substantial costs of keeping abreast of modern technical developments. The main potential benefits to both companies are the broadening of their base on the metals side, their respective interests in these fields being complementary to each other; the benefits which can accrue through a co-ordination of research and development effort and the rationalisation of production and sales in fields in which both companies are interested, and the complete co-ordination of their interests in overseas investments. It will also give B.I.C.C. an interest in long continuous lengths of submarine telephone cables in which field B.I.C.C. can, through its wide telecommunications and submarine power cable interests, make a valuable contribution.

Both companies are convinced that their most effective approach to present and likely conditions in the industry is the achievement of maximum efficiency in the broadest meaning of that word and the sale of their products and services at a reasonable return. Both Boards believe that the coming together of the two companies will assist in the achievement of these objectives and thus be beneficial to shareholders, customers and personnel.

(Concluded from next column)

standing to the credit of debenture redemption fund to the general reserve. The gross block of Rs. 45.96 lakhs stands depreciated at Rs. 36.45 lakhs. Additions to the gross block during the year were of the order of Rs. 6.45 lakhs. The current assets aggregate Rs. 50.77 lakhs, of which cash and bank balances alone amount to Rs. 14.23 lakhs. The current liabilities and provision for taxation are no more than Rs. 24.79 lakhs.

The Rs. 10 fully paid-up ordinary shares are being currently quoted at Rs. 27.70 *cum-div.* On an *ex-div.* basis and on the basis of the dividend for the year, the shares provide a yield of 7.78 per cent. per annum.

ASHOK LEYLAND LTD.

There is a persistent demand from leading public transport operators in India for Leyland buses manufactured by Ashok Leyland Ltd. of Madras. The latest orders have been received from Delhi and Ahmedabad. The Delhi Transport Undertaking, which has always favoured British vehicles, has placed a further order for 39 Leyland Comet and 8 Leyland Royal Tiger Worldmaster passenger chassis. The order will bring their total Comet strength to 328 and that of their Worldmasters to 144.

Serving a population of over 750,000, the Ahmedabad Municipal Transport Service has ordered 10 Leyland Tiger Cub low-weight single-deckers with 351 cu. in. underfloor diesel engines and 2-pedal controls. This is also a repeat order, the A.M.T.S. already operating Tiger Cubs of the same specification as well as over 150 Comets.

MARKED FALL IN COFFEE LANDS' PROFIT

DIVIDEND REDUCED—FINANCES SOUND

THE performance of Coffee Lands and Industries (Mysore) Ltd. (Chairman: Mr. R. C. Paterson, Pollibetta, Coorg) for the year ended 30th June 1958 is disappointing. The output of coffee has fallen from the record level reached in the previous year and, with lower price realisation, the Company's profit has dwindled substantially. The decline in coffee production is understandable, as a bumper crop is usually accompanied by a lower output in the following year. But what is discouraging is the rather disproportionately big fall in the profit. This is due to factors beyond the control of the management. Thus, while the crop suffered a setback, there was an appreciable increase in expenses; at the same time, prices of coffee also declined.

The slump in profit has resulted in a drastic cut in the amount allocated to the reserves and also in the distribution to the shareholders. The latter will get a return of only 20 per cent. as against 40 per cent. in the previous year. It must, however, be mentioned that the proposed dividend is on a slightly higher capital following capitalisation of reserves to the tune of Rs. 4.50 lakhs.

The gross profit at Rs. 15.86 lakhs for 1957-58 has dropped by Rs. 13.39 lakhs or 45.7 per cent. from that for 1956-57. It is also Rs. 3.23 lakhs lower than Rs. 19.09 lakhs earned in 1955-56. The net profit (after taxation and depreciation) has touched a low of Rs. 6.82 lakhs, and compares adversely with Rs. 16.57 lakhs and Rs. 11.68 lakhs for 1956-57 and 1955-56 respectively. The provision for depreciation has been slightly raised from Rs. 1.18 lakh to Rs. 1.59 lakh but that for taxation has been lowered from Rs. 9.33 lakhs to Rs. 6.27 lakhs. Of this provision, agricultural income-tax and wealth tax take up Rs. 4.22 lakhs, as against Rs. 7 lakhs, and Union income-tax Rs. 2.05 lakhs, as against Rs. 2.33 lakhs. The transfer to general reserve at Rs. 1.50 lakh is Rs. 8 lakhs lower than that (Rs. 9.50 lakhs) set aside a year ago. The dividend, as stated earlier, has been halved to 20 per cent. from 40 per cent. for the previous year, to which level it had been raised from 18 per cent. and 25 per cent. respectively for 1954-55 and 1955-56.

A glance at the following table will clearly show why there has been a heavy fall in profits:

(In lakhs of rupees)

	For the year ended 30th June			
	1958	1957	1956	1955
Sale proceeds	64.91	71.60	51.49*	22.18
Closing stock	2.65	3.24	3.26	N.A.
Other income	10.86	10.06	6.57	4.14
Expenses	59.32	52.39	39.77	16.35
Gross profit	15.86	22.25	19.09	9.97
Commission to covenanted staff..	1.16	2.17	1.42	0.74
Provision for—				
Depreciation	1.59	1.18	1.27	0.96
Taxation	6.27	9.33	4.72	2.37
Net profit	6.82	16.57	11.68	5.40
Transfer to reserves	1.50	9.50	6.00	2.02
Dividends—				
5% cum. preference	0.52	0.52	0.52	0.52
Ordinary	4.50 (20%)*	7.20 (40%)	4.50 (25%)	2.24 (15%)
Carry forward	1.52	1.32	1.97	1.21
Coffee crop :				
Arabica .. .. Tons	785	856	712	536
Robusta .. .. "	112	91	83	62
Total .. .. "	897	947	795	598
Cardamoms .. .. Mds.	34	264	48	26

* On a higher capital of Rs. 22.50 lakhs.

The Company's estate covers an area of 3,725 acres. Of this, the area under coffee is 2,720 acres (arabica 2,324 acres and robusta 396 acres). Of the balance, nine acres are devoted to oranges, and 16 acres to cardamoms.

The Company's works at Hunsur cured 3,360 tons of coffee during the season, as against 3,343 tons in the previous season.

A satisfactory financial position is disclosed by the Company's balance-sheet as at 30th June 1958. Its paid-up capital stands at Rs. 32.91 lakhs, having been raised from Rs. 28.41 lakhs a year before by the capitalisation of reserves as mentioned at the outset. This is made up of 225,000 ordinary shares of Rs. 10 each and 10,406 five per cent. tax-free cumulative preference shares of Rs. 100 each. Even after capitalisation, the reserves and surplus aggregate Rs. 29.52 lakhs at which level it is only slightly lower than the total paid-up capital. During the year, the Company redeemed its debenture liability amounting to Rs. 3 lakhs in full and, therefore, transferred an equivalent amount

(Continued in previous column)

ROHTAS INDUSTRIES FARE WELL

ORIENT PAPER MAINTAINS DIVIDEND

Rohtas Industries Ltd.

THE directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) present the audited accounts of the Company for the period of 17 months ended 31st March 1958.

After providing all overheads and interest charges, working results of the period show a surplus of Rs. 1 99,69,262 (Rs. 1,51,72,301 for the 12 months ended 31st October 1956). To this amount is added excess provision written back of Rs. 1,45,361 (*nil*) and the balance brought forward from the previous year of Rs. 49,402 (Rs. 4,91,624) making a total of Rs. 2,01,64,025 (Rs. 1,56,63,925). Out of this amount, the following appropriations have been made:—

To development rebate reserve Rs. 13,15,000 (*nil*), to depreciation Rs. 83,31,132 (Rs. 48,41,784), to provision for taxation (wealth tax and arrears) Rs. 10,00,000 (Rs. 32,00,000), to directors' and managing agents' commission Rs. 8,08,157 (Rs. 8,31,608), to sundry adjustments (donations, write offs, etc.) Rs. 3,04,175 (Rs. 22,79,681 including provision for bonus Rs. 13,00,000) and transfer to general reserve No. 2 Rs. 83,12,054 (Rs. 5,00,000) leaving to be carried forward a balance of Rs. 93,507 (Rs. 49,402). Since the Company's profit for the year under review is not liable to income-tax, the same has been put into a separate general reserve styled No. 2 in order to distinguish it from reserves constituted of accumulated profits subjected to tax in previous years. The directors propose payment of dividends as under (without deduction of income-tax) for the period ended 31st March 1958 out of general reserve No. 1. This should enable the shareholders to get under Section 49B of the Income-tax Act the benefit of the income-tax paid by the Company on such profits.

On 20,000 7-9 per cent. cumulative preference shares at 9 (9) per cent. per annum absorbing Rs. 2,55,000 (Rs. 1,80,000), on 85,047 cumulative preference shares at 4¼ (4¼) per cent. per annum absorbing Rs. 5,12,054 (Rs. 3,61,450) and on 22,80,000 ordinary shares at Rs. 2 (Re. 1) per share [i.e. 20 (15) per cent.] absorbing Rs. 45,60,000 (Rs. 34,20,000). The figures mentioned in brackets relate to the period of 12 months ended 31st October 1956. The Company's accounting year has been changed from October to March.

The Company's paper factory modernisation and expansion programme was almost completed by the close of the year under review. With the commissioning into production of the fine paper machine, manufacture of high quality papers hitherto imported or not adequately manufactured has commenced in the paper factory. A number of processing machines for making special varieties of papers and boards have been installed. The new coating plant makes air-finish quality art and chromo boards and coated papers. The vulcanised fibre plant of the Company has undertaken manufacture of seamless cans, tubes, rods and press-pahn insulating sheets for the first time in this country. During the current year machinery has been installed to manufacture for the first time in India stereo boards required for rotary printing machines. The new mercury cells caustic soda plant with mechanical rectifier is also now on full output. Full effects of production on all these units will be reflected in the current year, as most of them were completed only towards the close of the period. Production during the period was also adversely affected by the month old strike in September 1957.

The output of the different factories during the period as compared to the previous year and first half of the current year, is as under:—

	November 1955 to October 1956 (12 months)	November 1956 to March 1958 (17 months)	April 1958 to September 1958 (6 months)
	Tons	Tons	Tons
Paper and Boards	22,225	42,303	22,421
Cement	3,30,276	3,95,178	1,47,367
Clinker	3,19,938	4,19,709	1,50,496
Asbestos cement	7,626	14,553	5,032
	Mds.	Mds.	Mds.
Sugar	3,22,704	6,92,458	
	Tons	Tons	Tons
Caustic soda	1,774	2,575	2,352
Vanaspati	8,758	11,407	4,398
	Lakh KWH	Lakh KWH	Lakh KWH
Power	921	1,366	482

There has been a steady increase in the production of this Company's paper factory during the current year. Notwithstanding the increase in the paper and boards production capacity, the total output in the country, it appears, would continue to be short of demand.

The Company's new research laboratory has started functioning in its modern building with up-to-date equipment and constant attention is paid to quality control and improvement in production techniques.

The Tariff Commission has submitted its report on Cement Industry and the Central Government has allowed an increase of Re. 1 per ton in the retention price of the Company's cement with effect from 1st July 1958. The offtake of cement during the last few months has been poor. A reduction in the tax burden on the commodity might help the manufacturers' effort to improve the offtake.

The Company continues to experience severe handicap as regards production on its different units due to non-availability of the required supply of power from D.V.C. imposing severe strain on the Company's power and steam plant.

During the current year, the Company capitalised Rs. 16,20,209 being the amount of share premium and Rs. 6,59,791 from general reserve No. 2 and utilised same for issue of ordinary fully paid bonus shares of Rs. 10 each to the existing holders of ordinary shares in the proportion of one ordinary share for every ten ordinary shares held.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	3,32,76,170	Gross block	13,84,94,825
Share premium account	16,20,209	*Less*—Depreciation	4,66,67,580
Reserves	1,64,50,000	Net block	9,18,27,245
Debentures	1,22,00,000	Buildings-in-progress	17,67,661
Provision for taxation	28,19,890	Stock-in-trade	2,51,20,059
Liabilities	8,59,60,096	Stores, loose tools, etc.	1,15,85,049
Profit and loss account	93,507	Debts, deposits and advances	1,56,04,900
		Investments	55,99,950
		Cash	9,15,008
Rs.	15,24,19,872	Rs.	15,24,19,872

Orient Paper Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers Private Ltd., Calcutta) present the accounts of the Company for the year ended 31st March 1958.

The profit and loss account shows a profit on the year's working of Rs. 1,26,80,391 (Rs. 1,23,66,400). Out of this amount provision has been made for depreciation of Rs. 50,00,000 (Rs. 30,00,000), development rebate reserve Rs. 12,00,000 (*nil*) and provision for taxation Rs. 38,00,000 (Rs. 40,00,000) leaving a sum of Rs. 26,80,391 (Rs. 28,66,400 after placing Rs. 10,00,000 to dividend equalisation reserve and Rs. 15,00,000 to deferred taxation reserve). To this amount is added the balance brought forward from the previous year of Rs. 2,63,477 (Rs. 2,12,453) making a total balance available for disposal of Rs. 29,43,868 (Rs. 30,78,835). The directors recommend payment of dividend on 20,000 preference shares at 5½ per cent. per annum, free of income-tax absorbing Rs. 1,10,000 (Rs. 1,10,000, on 60,000 preference shares at 5½ per cent. per annum. subject to income-tax absorbing Rs. 2,26,050 (Rs. 2,26,050), on 51,856 (51,844) preference shares at 5½ per cent. per annum, free of income-tax, absorbing Rs. 2,85,117 (Rs. 2,76,933) and on 14,68,250 ordinary shares at Re. 1.50 (Re. 1.50) per share. free of income-tax absorbing Rs 22,02,375 (Rs. 22,02,375) leaving to be carried forward a balance of Rs. 1,20,326 (Rs. 2,63,477).

The mills worked satisfactorily during the period under review and the production showed an improvement over that of the previous year. There was further rise in the cost of raw materials, chemicals, railway freight and salaries and wages, etc., as a result of which the production cost went up further. However, in accordance with the policy of the Company the selling rates were not correspondingly increased with a view to maintaining the prices as far as possible. The result is that today the selling prices of this Company are the lowest as compared to other mills for the same quality of production. The question of fixing the fair selling prices for paper and board has recently been referred by the Government of India to the Tariff Commission.

The second paper machine was commissioned towards the end of the financial year and is now working satisfactorily. The programme for modernisation and extension of the board manufacturing plant is also progressing satisfactorily and it is expected that the plant would go into production during the current financial year. Since the close of the financial year under review, the second tomlinson plant, causticising plant, digesters and some other subsidiary pulp and paper machinery have been commissioned.

The Amlai Project in the State of Madhya Pradesh is progressing. The Company has already executed an agreement for having a part of the land acquired through the State Government. It is expected that the Company would get possession of the land and would be able to start construction work on the site at an early date. Negotiations are also in progress with the foreign suppliers for the import of machinery required for the said Project on deferred payment basis. Necessary application has been made to the Government and as soon as the approval of the Government of India is received, the Company would finalise these orders.

The entire paid-up share capital as at 31st March 1958 in the Orient General Industries Limited, Air Conditioning Corporation Private Limited and Hindusthan Cellulose and Paper Mills Limited was held by this Company and that in Motolite Limited by the Orient General Industries Ltd., a wholly subsidiery of the Company. The entire profits of the subsidiary companies except that of the Air Conditioning Corporation Private Limited and the Motolite Limited for the financial year as well as previous financial years which have not been dealt with in or for the purpose of the accounts of the Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	2,78,69,350	Gross block	8,20,10,763
Debentures	1,00,00,000	*Less*—Depreciation	1,87,17,832
Reserves	2,58,74,724	Net block	6,32,92,931
Provision for taxation	81,13,333	Stores, chemicals, etc.	93,80,217
Liabilities	2,84,95,097	Stock	1,13,75,452
Profit and loss account	1,20,326	Debts, deposits and advances	1,27,19,405
		Investments	23,97,327
		Cash	13,07,498
Rs.	10,04,72,830	Rs.	10,04,72,830

Jardine Henderson, Ltd.

The directors of the above Company (Managing Director: J. D. K. Brown, Esq., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1958.

The profit and loss account shows a balance of profit of Rs. 15,24,739 (Rs. 27,75,341) to which has to be added the amount of unclaimed dividends forfeited, less paid Rs. 7,308 (Rs. 6,223), provision for taxation no longer required Rs. 2,00,000 (*nil*) and the balance brought forward from the previous year, viz., Rs. 4,71,170 (Rs. 5,11,852) making a total of Rs. 22,03,217 (Rs. 35,74,414 including Rs. 2,80,998 being profit on realisation of investments). Out of this sum there has been provided for taxation Rs. 6,20,000 (Rs. 14,00,000), transferred to general reserve account Rs. 2,50,000 (Rs. 5,00,000), transferred to development rebate reserve account Rs. 2,100 (*nil*) and transferred to superannuation fund account Rs. 1,50,000 (*nil*) leaving a balance available for disposal of Rs. 11,81,117 (Rs. 11,73,983 after placing Rs. 5,00,000 to dividend equalisation reserve and Rs. 431 to loss on realisation of investments). The directors on the 29th August, 1957 declared an interim dividend in respect of the year ended 31st March, 1958, on the preference shares at the rate of 2½ (2½) per cent. absorbing Rs. 1,37,500 (Rs. 1,37,500) [*less*: income-tax thereon Rs. 43.312 (Rs. 36,093)] and on the 27th February, 1958, declared a second interim dividend at the rate of 2½ (2½) per cent. in respect of the above year, absorbing Rs. 1,37,500 (Rs. 1,37,500) [*less*: income-tax thereon Rs. 43.313 (Rs. 36.094)]. The directors now recommend the payment of a dividend on the ordinary shares of the Company at the rate of 2½ (2½) per cent. without any deduction for income-tax payable by the Company, absorbing Rs. 5,00,000 (Rs. 5,00,000) leaving a balance at the credit of profit and loss account of Rs. 4,92,742 (Rs. 4,71,170) to be carried forward to the next account.

As was indicated in the last previous report dated 28th November, 1957, the working of the Jute mill companies under the Company's management showed a satisfactory improvement, which has been fully maintained during the current year. It has continued to be necessary, however, to give substantial financial assistance to certain of these companies and, by reason of the earlier losses sustained, the Company this year again received no dividends from its very large investments in the mill companies while, having regard to the provisions of Section 349(4)(*l*) of the Companies Act, 1956, the management remuneration received therefrom was generally restricted to the minimum payable in terms of the managing agency agreements.

Earnings in the form of commissions and dividends from Tea Companies under the Company's management show a substantial reduction as compared with the previous year and reflect the uneconomic levels to which prices for plain teas have dropped, particularly those produced by estates in the Cachar and Dooars Districts in which the producing companies in the group have substantial interests. It is not anticipated that the earnings from these companies will show any material improvement in the current year.

The trading activities of the Company, as was foreshadowed in the last previous report, recorded a substantial reduction both in volume and in profits as the result of the tighter money conditions which prevailed during the year. While there has been some recovery during the current year to date earnings for the year as a whole under this head are unlikely to return to the level of the year ended 31st March, 1957.

The net result of the working of the Company's subsidiaries for the year was a small profit. The investment-holding subsidiaries suffered like the parent company on account of the absence of dividends from their jute mill holdings. The trading results of the other subsidiaries were satisfactory with the exception of The Behubor Company Limited, which encountered difficulties due to the shortfall in the crop and heavy interest charges.

Despite the diversification of the Company's activities which has been achieved in recent years its prosperity still depends in the main on the performance of the Jute mill companies under its management. As already stated, improvement in the working of the mills has been fully maintained but the necessity for the mill companies themselves to build up their liquid resources, which had been severely depleted through the implementation of large-scale modernisation programmes coincident with and followed by a period of trading losses during 1956 and the early part of 1957, is bound to have the effect of delaying the resumption of dividends from these companies at rates which will represent a reasonable return on this Company's capital invested in their shares. The directors, however, continue to have faith in the future of the units of the jute mill industry operating under its management.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	2,50,00,000	Gross block	40,05,018
Reserves	69,52,100	*Less*—Depreciation	13,40,678
Provision for taxation	1,89,322		26,64,340
Liabilities	4,56,92,970	Goodwill	25,00,100
Profit and loss account	4,92,742	Stock-in-trade	37,63,777
		Debts, deposits and advances	2,35,41,291
		Investments	4,56,09,048
		Cash	2,48,878
Rs.	7,83,27,134	Rs.	7,83,27,134

Gillanders Arbuthnot and Co., Ltd.

The directors of the above Company (Managing Director and Chairman: Mr P. E. G. W. Parish, Calcutta) submit the audited accounts of the Company for the year ended the 31st March 1958.

Despite the severe restrictions imposed on imports during the year, the Company's revenue from sales was maintained at much the same level as in the previous year. As indicated in the directors' report last year, however, as a result of these import restrictions, the pattern of the Company's trading activities in India is changing from a predominantly import business to one of trading in indigenous products for which the Company now holds a substantial number of valuable agencies. Under the circumstances, it is pleasing to note that the gross trading profit has recorded a small, but nonetheless welcome improvement. Trading conditions in Burma are also suffering from import control and with much less scope for internal expansion, it is feared that the activities of the Company's branch there will be adversely affected.

Commission and allowances again record a decrease which, as was the case last year, is mainly attributable to the cessation of income from those managing agencies for jute and tea relinquished during the previous year and to the effect of the provisions of the Companies Act, 1956. In addition, the income earned from the tea companies under the Company's management has dropped considerably in consequence of the decline in prosperity of the tea industry as a result of the recession in tea prices generally during 1957 and particularly the uneconomic prices paid for common teas. During the period under review the Company's position in relation to each of its managed companies was reviewed and brought into line with the requirements of the Companies Act and unless there are further restrictive measures incorporated in the Act or there is a drastic and unexpected slump in trading conditions, the directors do not anticipate any further substantial contractions in the earnings from these sources.

The income from investments records a substantial improvement over the previous year's figure, the increase being traceable to the better rates of dividend distribution as well as to increases in the Company's investment portfolio.

The profit and loss account shows a credit balance of Rs. 20,37,524 which compares with Rs. 24,05,483 for the previous year. After providing for income-tax, super-tax, wealth tax and agricultural income-tax and including a sum for the additional tax payable on account of the proposed dividend on the ordinary shares and adding the balance brought forward from the previous year, the amount available for disposal is Rs. 11,93,373 (Rs. 12,43,398) arrived at as follows:—

The profit and loss account shows a balance of profit of Rs. 20,37,524 (Rs. 24,05,483) to which has to be added the balance brought forward from the previous year of Rs. 1,68,398 (Rs. 89,541) making a total of Rs. 22,05,922 (Rs. 24,95,024). Out of this amount provision for taxation requires Rs. 10,12,549 (Rs. 12,51,626) leaving a balance for disposal of Rs. 11,93,373 (Rs. 12,43,398). Of this balance the following amounts have been utilised in paying in full the dividends for the year ended 31st March 1958, on the preference share capital:—

On 4th October 1957 Rs. 62,500 (Rs. 62,500) and on 1st April 1958 Rs. 62,500 (Rs. 62,500). The directors now recommend that the remaining balance of Rs. 10,68,373 (Rs. 11,18,398) be disposed of as follows:—

In paying a dividend on the 6,50,000 ordinary shares of Rs. 10 each at the rate of 10 (10) per cent. without any deduction in respect of income-tax payable by the Company absorbing Rs. 6,50,000 (Rs. 6,50,000), transfer to general reserve Rs. 1,00,000 (Rs. 2,00,000), transfer to contingencies reserve Rs. 72,003 (*nil*) and transfer to superannuation fund Rs. 1,00,000 (Rs. 1,00,000) leaving to be carried forward to next year Rs. 1,46,370 (Rs. 1,68,398).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	90,00,000	Gross block	29,50,904
Reserves	36,00,000	*Less*—Depreciation	12,41,168
Provision for taxation*	25,14,925	Net block	17,09,736
Liabilities	2,00,56,094	Goodwill	18,00,000
Profit and loss account	1,46,370	Stock-in-trade	30,17,409
		Stock of stationery, stores, tools, etc.	2,46,618
		Debts, deposits and advances	1,58,11,267
		Investments	1,07,57,301
		Cash	19,75,058
Rs.	3,53,17,389	Rs.	3,53,17,389

*Includes provision for wealth-tax Rs. 8,968.

Swinton Estates Co., Ltd.

The directors of the above Company (Madras) present their first report to shareholders, for the year ended 31st March 1958.

The Company's properties consist of 216 acres fully planted with *Arabica* coffee and 220 acres, partially fit for cultivation.

The Company was incorporated on 23rd August 1957 and certificate of commencement of business was obtained on 11th September 1957. The statutory meeting was held on 5th March 1958. The Company's estates are situated in Sheveroy Hills, Salem district, Madras State. The Company took possession of the estates on 14th September 1957. In terms of the agreement with the Vendors, they worked the estates from 1st April 1957 to the date of taking over, and for this period were paid the actual working expenses.

Crop: The crop secured is 46½ tons. against the prospectus estimate of 35 tons. The crop has been value at Rs. 165 per cwt.

After meeting all expenses and providing Rs. 2,574 for depreciation, the profit amounts to Rs. 62,938 on which provision for taxation comes to Rs. 35,000 leaving a net profit available for allocation of Rs. 27,938 out of which the following appropriations have been made or are recommended:

Transfer to general reserve Rs. 12,000; to payment of an interim dividend of 5 per cent. Rs. 6,250; and to payment of a final dividend of 2½ per cent. (proposed) Rs. 3,125 leaving a surplus to be carried forward to next year of Rs. 6,563.

General: A programme of intensive cultivation and manuring has been initiated, in furtherance of which capital expenditure amounting to Rs. 9,033 has been incurred in the purchase of power sprayers, pipes, fittings, etc.

While the 1957-58 crop has been well above estimates, the crop for 1958-59 which is now being harvested is expected to be in the region of 22 tons against the estimate of 30 tons. The shortfall is due to the unexpected damage caused by showers of hail. However, the directors are glad to report that as a result of intensified cultivation and favourable rainfall, the bushes are in excellent condition and that subject to timely blossom showers, prospects for next year may be considered promising.

In view of the unexpected shortfall in crop for 1958-59, the directors consider it prudent to conserve the resources of the Company and therefore regret that they are unable to recommend a final dividend of more than 2½ per cent. for the period 1957-58.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	1,25,000	Gross block	1,84,387
Debentures	75,000	*Less*—Depreciation	2,574
Reserves	12,000		1,81,813
Provision for taxation	35,000	Net block	19,458
Liabilities	69,914	Stores and spare parts	96,469
Profit and loss account	6,563	Loans and advances	1,577
		Cash	24,160
		Miscellaneous expenditure	
Rs.	3,23,477	Rs.	3,23,477

Nelliampathy Tea and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey) present the audited accounts of the Company for the year ended 30th June 1958.

The tea crop harvested was 11,36,900 (9,28,200) pounds against an estimate of 8,50,000 pounds. The cost per pound of tea produced was Re. 1.05 (Re. 1.07). It is very satisfactory to report that the tea crop on Manalaroo was 2,86,900 lbs. more than the estimate, the yield per acre being 1,756 lbs. The average sale price realised during the year, however, was only Rs. 1.72 per lb. as against Rs. 2.10 per lb. in the previous year.

The rubber harvested was 84,500 (75,300) pounds against an estimate of 65,000 pounds. The cost per lb. 77 nP. The rubber crop secured was satisfactory, being 19,500 lbs. more than estimate —the yield being 604 (602) lbs. per acre.

The coffee crop amounted to 222.78 (174.42) cwts. (cured Wt.) against an estimate of 200 cwts. The cardamom crop secured was 24,625 (26,257) pounds against an estimate of 20,000 pounds. Tea seed crop harvested was 30½ (38) maunds against an estimate of 35 maunds.

After providing for income-tax and agricultural income-tax amounting to Rs. 2,40,000 (Rs. 4,40,000) and payment of 6 per cent. preference dividend for 1957-58 amounting to Rs. 27,000 (Rs. 27,000), the net profit including the previous year's balance brought forward of Rs. 77,635 (Rs. 4,624) amounts to Rs. 2,63,439 (Rs. 3,17,635), available for distribution, which the directors recommend be disposed of as under:

To pay of a dividend of 15 (20) per cent. on equity shares absorbing Rs. 1,80,000 (Rs. 2,40,000), to transfer to dividend equalisation fund Rs. 50,000 (*nil*) and to carry forward a balance of Rs. 33,439 (Rs. 77,635).

Estimates for 1958-59 include a tea crop of 9,00,000 pounds at a cost of Re. 1.11 per pound; a rubber crop of 75,000 pounds at Re. 0.88 per pound; a cardamom crop of 30,000 pounds at Rs. 3.87 per pound; a coffee crop of 400 cwts. at Rs. 326.95 per cwt. and a crop of tea seed of 40 maunds at Rs. 132.68 per maund.

In spite of the increased crop and the consequent reduction in production cost for the year under report, the net profits of the Company are low on account of the poor sale prices realised during the year. There has been a steep fall in prices realised for tea, generally during the year under report. Rubber and cardamom production have been good and the prices realised for them have been satisfactory. Production of coffee has exceeded the estimate. The Company's estates have been regularly visited and are reported to be in satisfactory order and condition.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	16,50,000	Gross block	27,04,888
Reserves	4,90,000	*Less*—Depreciation	5,01,002
Provision for taxation	6,33,274		22,03,886
Liabilities	5,80,407	Net block	4,15,248
Profit and loss account	33,439	Stock-in-trade	84,066
		Stores etc.	36,833
		Estate nurseries	2,66,759
		Debts, deposits and advances	12,450
		Investments	3,67,878
		Cash	
Rs.	33,87,120	Rs.	33,87,120

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

COMPANY MEETINGS AND DIVIDENDS

BISRA STONE LIME CO., LTD. Annual General Meeting, Calcutta, 29th December 1958. Dividend: Re. 0.88 per share, final (making a total of Re. 1.75 for the year). Transfer books remain closed from 15th to 29th December 1958, both days inclusive.

RAJENDRA COFFEES LTD. Annual General Meeting, Balehonnur, 29th December 1958. Dividend: Rs. 2.00 per share or 40 per cent. Transfer books will remain closed from 22nd to 29th December 1958, both days inclusive.

WESTERN BENGAL COALFIELDS LTD. Annual General Meeting, Calcutta, 29th December 1958. Dividend: Re. 0.40 per share. Transfer books remain closed from 11th to 29th December 1958, both days inclusive.

TINNEVELLY-TUTICORIN ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 29th December 1958. Dividend: Re. 1.00 per share. Transfer books will remain closed from 22nd to 29th December 1958, both days inclusive.

MERCARA RUBBERS LTD. Annual General Meeting, Tamaracherry, Pudupadi P.O., Kerala State, 30th December 1958. Dividend: Re. 1.00 per share or 20 per cent. Transfer books will remain closed from 23rd to 30th December 1958, both days inclusive.

DEHRI-ROHTAS LIGHT RAILWAY CO., LTD. Annual General Meeting, Dalmianagar, 30th December 1958. Dividend: 10 per cent. or Re. 1.00 per share. Transfer books will remain closed from 25th to 30th December 1958, both days inclusive.

WOODLAND ESTATES LTD. Annual General Meeting, Trivandrum, 30th December 1958. Dividend: 5 per cent. or Re. 0.50 per share. Transfer books remain closed from 20th to 31st December 1958, both days inclusive.

MIRZAPUR ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 30th December 1958. Dividend: Re. 0.72 per share or 8 per cent. Transfer books will remain closed from 22nd to 30th December 1958, both days inclusive.

PATNA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 30th December 1958. Dividend: 7½ per cent. or Re. 0.75 per share. Transfer books remain closed from 15th to 30th December 1959, both days inclusive.

SHAHJAHANPUR ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 30th December 1958. Dividend: 5 per cent. or Re. 0.50 per share. Transfer books will remain closed from 22nd to 30th December 1958, both days inclusive.

BISHNAUTH TEA CO., LTD. Annual General Meeting, Calcutta, 30th December 1958. Dividend: 10 per cent. or Re. 1.00 per share. Transfer books will remain closed from 22nd to 30th December 1958, both days inclusive.

EAST INDIAN TEA CO., LTD. Annual General Meeting, Calcutta, 30th December 1958. Dividend: 5 per cent or Re. 0.50 per share. Transfer books will remain closed from 22nd to 30th December 1958, both days inclusive.

HYDERABAD CONSTRUCTION CO., LTD. Annual General Meeting, Hyderabad, Andhra Pradesh, 30th December 1958. Dividend: O.S. Rs. 5.00 per share of Rs. 100 fully paid and O.S. Rs. 3.75 per share of Rs. 75 each. Transfer books remain closed from 15th to 30th December 1958, both days inclusive.

BRITANNIA ENGINEERING CO., LTD. Annual General Meeting, Calcutta, 30th December 1958. Dividend: 6 per cent. or Rs. 0.60 per share, payable on or after 15th January 1959. Transfer books remain closed from 16th to 30th December 1958, both days inclusive.

SWINTON ESTATES CO., LTD. Annual General Meeting, Madras, 30th December 1958. Final dividend of 2½ per cent. (making a total of 7½ per cent. for the period ended 31st March 1958). Transfer books will remain closed from 23rd to 30th December 1958, both days inclusive.

ROHTAS INDUSTRIES LTD. Annual General Meeting, Dalmianagar, 30th December 1958. Dividend: Rs. 2.00 per share for the period 17 months ended 31st March 1958. Transfer books will remain closed from 25th to 30th December 1958, both days inclusive.

Estimates for 1958-59 include a tea crop of 9,00,000 pounds at a cost of Re. 1.11 per pound; a rubber crop of 75,000 pounds at Re. 0.88 per pound; a cardamom crop of 30,000 pounds at Rs. 3.87 per pound; a coffee crop of 400 cwts. at Rs. 326.95 per cwt. and a crop of tea seed of 40 maunds at Rs. 132.68 per maund.

SUTLEJ COTTON MILLS LTD. Annual General Meeting, Amritsar, 30th December 1958. Dividend: Rs. 6.00 per share, payable on or after 30th December 1958. Transfer books remain closed from 15th to 30th December 1958, both days inclusive.

JHANSI ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Jhansi, 31st December 1958. Dividend: Re. 0.62½ per share. Transfer books remain closed from 20th December 1958 to 2nd January 1959, both days inclusive.

CENTRAL PROVINCES RAILWAY CO., LTD. Annual General Meeting, Bombay, 6th January 1959. Dividend; 4½ per cent. per annum, less income-tax (final), payable on and after 9th January 1959. Transfer books remain closed from 19th December 1958 to 6th January 1959, both days inclusive.

NELLIAMPATHY TEA AND PRODUCE CO., LTD. Annual General Meeting, Ernakulam, Kerala State, 8th January 1959. Dividend: Re. 0.30 per share or 15 per cent. Transfer books will remain closed from 25th December to 8th January 1959, both days inclusive.

PHALTAN SUGAR WORKS LTD. Annual General Meeting, Bombay, 9th January 1959. Dividend: Rs. 10.00 per share, payable on and after 16th January 1959. Transfer books will remain closed from 22nd December 1958 to 6th January 1959, both days inclusive.

BORREA COAL CO., LTD. Interim dividend of 50 nP per ordinary share, for the year ending 31st December 1958, payable on or after 29th December 1958. Transfer books remain closed from 15th to 22nd December 1958, both days inclusive.

NEELAMALAI TEA AND COFFEE ESTATES LTD. Dividend of 7½ per cent. for the year ended 30th June 1958. Transfer books will remain closed from 21st to 29th January 1959, both days inclusive.

Notices

This is an Announcement only and not a Prospectus

NOTICE

NOTICE IS HEREBY GIVEN TO THE members of the Company and the public that the Company has filed with the Registrar of Companies in Mysore, Bangalore, on the 4th December, 1958, the Prospectus for the issue of capital of Rs. 15 Lacs divided into 15,000 equity shares of Rs. 100 each issued for cash at par.

The subscription list will be open at 10-30 a.m. on the 2nd day of January 1959 and will close at 3-00 p.m. on the 9th day of January 1959 or later at the discretion of the Directors.

Copies of the Prospectus together with the share application forms will be available at the Registered Office of the Company and also with the Underwriters, Messrs. R. R. Nabar and Company, Share and Stock Brokers, 31, Dalal Street, Fort, Bombay.

The shares under the new issue are offered to the existing shareholders in the first instance and shares not taken by them will be available for subscription by the public.

FOR THE MYSORE KIRLOSKAR LTD.,
(Sd.) M. S VARTAK,
Secretary.

HARIHAR, *15th December*, 1958.

THE INDIAN IRON AND STEEL COMPANY, LIMITED
12, Mission Row, Calcutta

NOTICE

NOTICE IS HEREBY GIVEN THAT CONSENT has been accorded by the Controller of Capital Issues to an issue of Bonus Ordinary Shares in the proportion of One Bonus Share for every five existing Ordinary Shares by capitalisation of the major portion of the amount standing to the credit of the Share Premium Account.

Since some of the Ordinary shareholders of the Company are non-resident it is necessary now to await the consent of the Reserve Bank of India to the issue of Bonus Shares to such non-resident shareholders. As soon as this consent has been received a further notification covering procedural arrangements in connection with the Bonus will be issued.

THE INDIAN IRON & STEEL CO., LTD.,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

CALCUTTA, *9th December*, 1958.

DYER MEAKIN BREWERIES LTD.

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Registers of the Company will be closed from 29th December 1958 to 12th January 1959, both days inclusive, for the forthcoming Annual General Meeting. Transfer Deeds awaiting registration should therefore be sent to the Company promptly.

K. G. KHANNA,
Secretary.

SOLAN BREWERY,
8th December 1958.

THE CALCUTTA TRAMWAYS CO., LTD.
(Incorporated in England)

NOTICE IS HEREBY GIVEN THAT THE Preference Share Transfer Books will be closed from the 18th to the 31st December, 1958, both days inclusive) for the preparation of Dividend Warrants in respect of the Final Dividend of 2½ per cent., less Income-tax payable on the 1st January, 1959, on account of the profits for the year ending 31st December, 1958.

By Order of the Board,
A. C. T. BLEASE,
Agent.

4, MISSION ROW EXTENSION,
CALCUTTA-1, *11th December*, 1958.

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of Members of the Company will be held at its Registered Office, 63, Netaji Subhas Road, Calcutta, on Friday, the 9th of January, 1959, at 11-00 a.m., to consider and to pass the following, with or without modification, as a special resolution:—

"That the borrowing powers of the Board of Management be raised to Rs. 300 lakhs."

Explanatory Statement.—The New Coach Works and other extensions of the Company's manufacturing facilities are now in operation and will be reaching full capacity within the next few months. The orders already in hand and anticipated are such that the Company's greatly increased manufacturing resources will be fully utilised. This very large increase in the Company's business will require substantial additional finance, much of which it is proposed to find by borrowing from the Company's Bankers and other sources if necessary.

Consent of the Shareholders in a General Meeting is required in terms of Section 293(d) of the Companies' Act, 1956 to the Board of Management borrowing money in excess of the statutory limit. None of the members of the Board of Management is in any way interested in the proposed resolution.

By Order of the Board of Management,
D. D. MARKAN,
Secretary.

CALCUTTA, *11th December*, 1958.

Note.—A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT CONSENT has been accorded by the Controller of Capital Issues and the Reserve Bank of India to an issue of Bonus Ordinary Shares in the proportion of One Bonus Share for every five existing Ordinary Shares by capitalisation of the major portion of the amount standing to the credit of the Share Premium Account.

The Ordinary Share Registers and Transfer Books of the Company will be closed for the purpose of this Bonus Issue from the 12th to the 22nd January 1959, both days inclusive, and the issue of Bonus Shares if sanctioned at the General Meeting of the Company to be convened in due course for the 24th February 1959, will be made to those persons who are registered as holders of Ordinary Shares on the 22nd day of January 1959.

It is the intention that individual allotments of Bonus Shares shall be of whole numbers of shares only and that certificates covering such shares will be issued to the Shareholders promptly following the date of the General Meeting. It is further the intention that fractional entitlements shall be compensated in cash by distribution of the sale proceeds of the shares constituting the total of such fractions. Shareholders desirous of receiving their entire bonus entitlement in shares are accordingly advised that it will be necessary that the holdings in respect of which they are registered on the 22nd January 1959, shall represent exact multiples of five.

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, *15th December*, 1958.

THE ASSOCIATED CEMENT COMPANIES, LIMITED

DIVIDEND NOTICE

THE MANAGING AGENTS ARE AUTHORised to announce that the Board of Directors of the above Company have resolved to recommend payment of a dividend, free of income-tax, for the year ended 31st July, 1958, at the rate of Rs. 8.50 on each fully paid-up share of Rs. 100/- and at the rate of Rs. 6.375 on each share of the New Issue of Rs. 100/- becoming fully paid from 1st February, 1958.

The said dividend, when sanctioned at the Annual General Meeting of the Company to be held on Thursday, the 29th January, 1959, will be made payable at The Bank of India, Ltd., Bombay, on and after Monday, the 9th February, 1959, to those shareholders whose names stood on the Register of Members on 29th November, 1958, to whom or to whose mandatees Dividend Warrants will be posted at their registered addresses.

INTIMATION OF ANY CHANGE IN ADDRESS SHOULD BE GIVEN TO THE COMPANY IMMEDIATELY.

FOR CEMENT AGENCIES (PRIVATE) LTD.,
N. DANDEKER,
Managing Director.

BOMBAY, *12th December*, 1958.

BURN AND COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has sanctioned payment of the dividend on 6 per cent. and 7 per cent. Preference Shares of the Company for the half-year ending 31st December, 1958. Payment will be made on or after the 10th January, 1959, to those shareholders whose names appear on the Company's respective Preference Registers on the 31st December, 1958, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LTD.,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 16th December, 1958.

JUTE

(Concluded from page 1006)

by 2,500 tons; sacking (at 44,900 tons) accounts for a rise of 1,900 tons and "other manufactures" (at 6,300 tons) for 800 tons. Over the year, while sacking output has dropped by 8,300 tons, hessian is higher by 2,400 tons and "other varieties" by 1,000 tons.

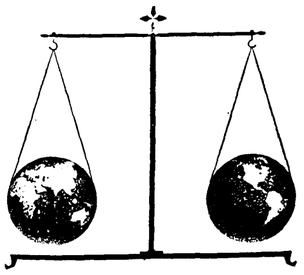
For the fifth month in succession, stocks of gunnies have declined and, with the fall of 2,000 tons in November, the aggregate shrinkage since June last is of the order of 28,600 tons. Despite this reduction, they are higher over the year by 34,400 tons, as the following table shows:

Stocks of Jute Goods

In tons

	As on 30th Nov., 1958	As on 31st Oct., 1958	As on 30th Sept., 1958	As on 30th Nov., 1957
Hessian ..	17,300	17,800	17,000	26,000
Sacking ..	75,500	77,500	80,200	25,200
Others ..	12,600	12,100	11,800	9,800
Total ..	105,400	107,400	109,000	71,000

The stocks of hessian have gone down by 500 tons to 17,300 tons, but this is offset by a corresponding rise in "other varieties" to 12,600 tons. The downward trend in stocks of sacking noted in the previous three months is maintained with a further fall of 2,000 tons to 75,500 tons during November. The statistical position of hessian has thus considerably improved, as their stocks represent less than half a month's production, while that of sacking is still far from encouraging. their stocks standing at well over six weeks' output. The position is expected to improve further during the current month if the present trend of Government purchases of heavy goods continues.



In both hemispheres...

. . . there are businessmen, and in both hemispheres there are banks. This is all very well as far as it goes, but contact between east and west is a different matter, and one of great and growing importance. That is where The Hongkong and Shanghai Banking Corporation comes in. Providing a complete banking service throughout south and east Asia, we also enable the businessman in that half of the world to contact his opposite number in the other. In both hemispheres you will receive excellent service from the biggest bank established by the Far East for the Far East.

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HEAD OFFICE:
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★

D. R. VEDAMUTHU
General Manager.

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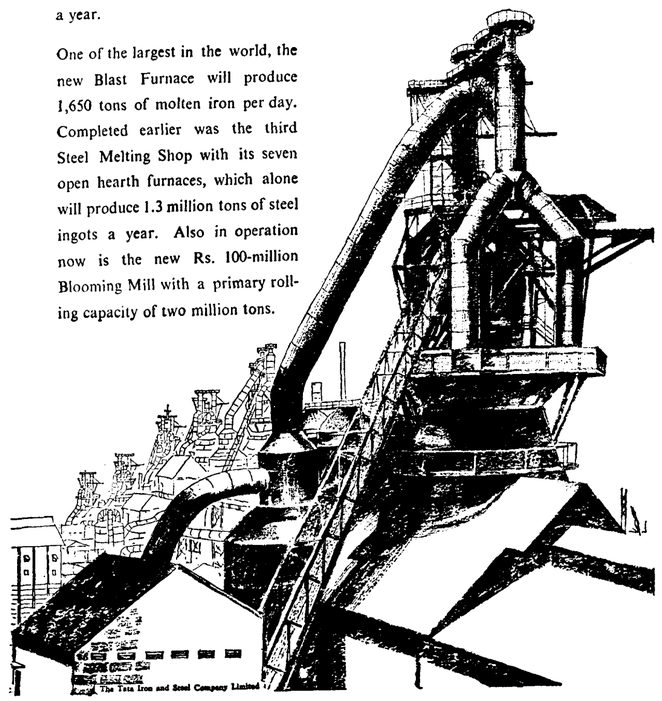
The Last Phase

THE COMMISSIONING OF THE NEW Rs. 70-million Blast Furnace in Jamshedpur in October marks the beginning of the end of the expansion programme started in December 1955 to double Tata Steel's capacity to two million tons a year.

One of the largest in the world, the new Blast Furnace will produce 1,650 tons of molten iron per day. Completed earlier was the third Steel Melting Shop with its seven open hearth furnaces, which alone will produce 1.3 million tons of steel ingots a year. Also in operation now is the new Rs. 100-million Blooming Mill with a primary rolling capacity of two million tons.

Covering every phase of operation from the winning of ore to the rolling of finished steel, the expansion will be virtually completed by the end of 1958. The capital investment on expansion and annual replacements by Tata Steel over the five years 1955-60 is estimated at Rs. 1,330 million—more than one-fifth of the total outlay by organised industries in the private sector.

TATA STEEL
ON TO TWO MILLION TONS

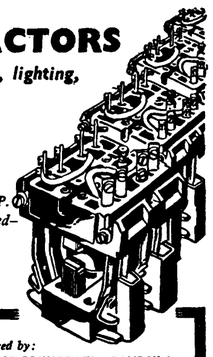


The Tata Iron and Steel Company Limited

A. C. CONTACTORS

for the control of heating, lighting, distribution and motors

ALL STANDARD VOLTAGES



- *Type DI: 10 amps, 15 amps, 30 amps—Air break, T.P. and D.P.*
- *Type D10 15: 15 amps, oil immersed—T.P. and D.P.*
- *Type D10 60: 60 amps—Heavy duty, 4 pole, T.P. and D.P.*

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MONEY RATES HARDEN

(From Our Own Correspondent)

BOMBAY, *17th December*

Conditions in the short-term money market during the week under review were rather stringent, thanks to the keen demand for funds to meet the seasonal trade and year-end requirements. Banks were, therefore, keen borrowers in the market, but they were not able to get their needs in full even at higher rates of interest. Inter-bank call money rate, among the Exchange banks and big Indian banks, hardened from 1½ per cent. to 2½ per cent. The rate among the smaller Indian banks rose from 2-2½ per cent. to 3 per cent. House money at seven days' notice was, however, unchanged at 3¼-3½ per cent. and short-term deposits for one to six months at 3½-4 per cent.

Reflective of this trend in interest rates is the rise in the discount rate on 91-day Treasury Bills from 2.420 per cent. to 2.445 per cent. per annum, the highest rate for the last four weeks. The total amount tendered was Rs. 3.60 crores, as against Rs. 3.95 crores in the previous week, the amount invited being the same as in both the weeks. Tenders at Rs. 99.390 were accepted in full and those at Rs. 99.385 allotted approximately 58 per cent. There will be no further regular weekly sales of Treasury Bills for the rest of the year. The next tenders for Rs. 3 crores will be received on 5th January 1959. There will, however, be sales of intermediate Treasury Bills from 17th December 1958 to 3rd January 1959 at a somewhat better rate for the lender of Rs. 99.486 per cent., as against Rs. 99.411 per cent., though they may be stopped at any time without notice, if the Government thinks it necessary. Because of the good demand for money, there were no sales of these bills during the period from 10th to 13th December 1958.

A further expansion of Rs. 13.40 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 12th December 1958. Notes held in the Banking Department are lower by Rs. 3.68 crores. The consequent increase of Rs. 9.72 crores in total notes issued is covered by a rise of Rs. 10.01 crores in rupee securities and a small shrinkage of Rs. 29 lakhs in rupee coin. Deposits of the Central Government are higher by Rs. 4.66 crores, while those of other Governments have declined by Rs. 2.80 crores. Although there is no change in foreign securities, there has been a further rise of Rs. 1.61 crores in balances held abroad, bringing the total foreign assets to Rs. 184.62 crores. Loans and advances other than to Governments have gone up by Rs. 9.13 crores, while investments have shrunk by Rs. 8.29 crores. Government Treasury Bills purchased and discounted disclose a rise of Rs. 5.57 crores.

The Scheduled banks' statement for the week ended 5th December 1958 shows a sharp fall of Rs. 12.64 crores in demand deposits and a rise of Rs. 10.19 crores in time deposits. Inter-bank borrowings, too, have risen by Rs. 3.94 crores. Advances and bills purchased and discounted are higher by Rs. 8.48 crores, as also investments by Rs. 6.63 crores. Cash balances have swelled by Rs. 16.65 crores and money at call and short notice by Rs. 4.31 crores.

The Gilt-edged market ruled dull, with the volume of business at a low ebb. The demand from institutional investors declined, reflecting the year-end conditions and the reappearance of stringency in the money market. There was no further rise in the Reserve Bank's selling prices during the week. The State loans, however, continued to attract enquiries, especially from the Life Insurance Corporation. 3 per cent. 1986 Conversion Loan rose from Rs. 73.20 to Rs. 73.25 before dropping to Rs. 73.15, even at which price there were some sellers. 3 per cent. 1970-75, however, was further marked up by 15 nP to Rs. 90.65. 3 per cent. 1966-68 had sellers at Rs. 94, but there was no change in price over the week. 3 per cent. 1964 was placed at Rs. 96.90 ex-voucher, as against Rs. 97 cum-voucher. 3½ per cent. 1961 was unchanged at Rs. 100.10. 3½ per cent. 1963 at Rs. 100.05. 3½ per cent. 1964 at Rs. 99.90 and 3½ per cent. 1965 at Rs. 99.80. The Reserve Bank of India continued to be a seller of 3½ per cent. 1967 and 1968. 3½ per cent. 1967 and 1968, 3½ per cent. 1974 and 4 per cent. 1972 and 1973 at the prices indicated in this column last week. Among State loans, Bombay loans were in the limelight. 4 per cent. 1963 hardened by 20 nP to Rs. 100.50, 1964 by 35 nP to Rs. 100.50 and 1967 by 50 nP to Rs. 100.50. 4 per cent. 1970 put on 25 nP to Rs. 99. 4½ per cent. 1969 and 1970 picked up 10 nP each to Rs. 101.10 and 4½ per cent. 1971 5 nP to Rs. 100.90. West Bengal 4 per cent. 1963 rose by 5 nP to Rs. 100.30, 1967 by 5 nP to Rs. 99.75 and 1968 by 10 nP to Rs. 99.70. 4½ per cent. 1970 gained 20 nP to Rs. 100.60. Madras 4½ per cent. 1970 moved up by 20 nP to Rs. 100.70. Andhra 4½ per cent. 1970 by 15 nP to Rs. 100.55 and U.P. 4½ per cent. 1970 by 15 nP to Rs. 100.65.

In the foreign exchange section, the rupee displayed a hardening tendency in terms of the U.S. dollar. Banks' selling rate declined from Rs. 477.50 to Rs. 477 per $100 and their buying rate from Rs. 474.25 to Rs. 473.75 per $100. This is in consonance with the improvement in sterling abroad. Thus, in New York, spot sterling advanced from 2.80 9/32-2.80.11/32 to $2.80¼-2 80.9/16 and three months' forward from $2.80.3/32-2.80.5/32 to 2.80.15/32-2.80.17/32. Transferable sterling moved up from 279.40-279.50 cents to 279.60-279.70 cents before declining to 279.40-279.50 cents.

BASE METALS HARDEN

(From Our Own Correspondent)

CALCUTTA, *16th December*

Prices of base metals hardened during the week under review, as supplies were short. It was noted that, on the London Metal Exchange, ready copper recovered from £220¼ to £222 as a result of Continental interest and more activity in New York. Reports from New York indicate that American consumption is expected to rise by 200,000 tons next year. Consumption in other countries, as in India, is also bound to increase. As such, the view that the estimated excess in world production in copper by 400,000 tons may not prove, after all, a drag on supplies is based on logical premises.

In the local market, there was good buying interest shown in tin, which opened at Rs. 599 and recovered to Rs. 606. The closing rate, however, was lower at Rs. 602. Electrolytic zinc opened at Rs. 95.50 and gradually improved to close at Rs. 98.50, in view of the tight supply position and higher demand. Lead was, on the other hand, quiet at Rs. 85.50, as against Rs. 86.00 earlier.

MARGIN IN SILVER

(From Our Own Correspondent)

BOMBAY, *17th December*

Easy conditions prevailed in the bullion market during the major part of the week under review. On the opening day, both gold and silver encountered selling on fears of a possible ban on trading in futures. The fears followed the Press version of the Union Commerce Minister's statement in Parliament on Thursday that the Government had refused to accept the Forward Markets Commission's recommendation for forward trading. The statement was, of course, clarified the same day. What the Minister had said was that, while the F.M.C. had suggested the bringing in of forward trading in bullion under the Forward Contracts (Regulation) Act, the Government rejected the suggestion and decided to maintain the status quo, that is, trading in Bombay would continue to be controlled by the Bombay Act. The clarification, however, failed to undo the damage done earlier, for, after a short-lived minor spurt, the market became quiet again. It was only yesterday that some recovery was in evidence, mainly because of better advices from Calcutta. As the carry forward charge in silver stood at Re. 1 against the buyer, the bears were called upon to pay a margin at the rate of Rs. 1,000 per bar, according to the newly amended by-law 33 D (1) (ii). Despite the margin, the carry forward charge widened today to Re. 1-1.

Forward silver (29th December settlement) opened the week easy at Rs. 193-2, as against Rs. 193-8 last week-end and came down on selling pressure to Rs. 192-3 on Monday. After recovering to Rs. 193-10 yesterday, it receded to Rs. 193 today before finishing at Rs. 193-5. The net loss over the week was As. 3. The second settlement (end of January) declined from Rs. 194-7 to Rs. 193-2 on the 15th inst. It, however, improved to Rs. 194-6 today.

Ready silver, which stood at Rs. 192-6 on Wednesday last, eased to Rs. 192 on Monday. After spurting to Rs. 193-2 yesterday on account of bull support induced by the Congress Working Committee's resolution on planning, it drifted lower subsequently on scattered profit-taking. Today, it finished at Rs. 192-13. It was quoted at a discount of As. 8 under the first settlement. The daily average arrivals were of the order of 25 bars, while the offtake was 12 bars per day on an average. The floating stocks of silver are reported to be 1,400 bars.

Gold for forward delivery (27th December settlement) was subjected to selling pressure on the opening day and the quotation came down from Rs. 113-12 to Rs. 112-15. After recovering to Rs. 113-15-6, it relapsed again in the subsequent sessions, today's closing rate being Rs. 113-8. The second settlement (end of January) fluctuated between Rs. 114-2-6 and Rs. 113 before finishing at Rs. 113-13. The carry forward charge, which was As. 3 against the bulls last week-end, widened to As. 5 today. Reports that the Congress Party was in favour of placing a ceiling on urban incomes also had a mildly bullish effect but only for a while.

Ready gold opened at Rs. 113-7, as against Rs. 113-9, and dropped to Rs. 112-11, owing to heavy selling. After recovering to Rs. 113-10 on Friday, it declined subsequently to touch Rs. 112-15 on Monday. It firmed up to Rs. 113-7 yesterday. A further gain of an anna was added today. Both ready and forward were quoted today on par. Daily average arrivals and offtake were 3,200 tolas and 2,200 tolas, respectively. The floating stocks of gold are estimated at 36,000 tolas.

The downward trend in silver prices in London continued unabated during the week. Spot declined from 76¾d. to 75⅞d. and forward from 76¾d. to 75¾d. Gold prices also receded from 250s. 5¼d. to 250s. 2¼d. on the 15th inst. Yesterday, however, the rate was higher by ¾d. The price of silver in New York, which was firm at 90¼ cents for many weeks, eased to 89.625 cents per fine ounce.

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

	17-12-58	Highest	Lowest	10-12-58
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	113 8	113 13†	112 11	113 9
Forward*	113 8	113 15†	112 15	113 12
Sovereign	73 0	—	—	73 0
SILVER				
Ready (.996 fine Mint) ..	192 13	193 2	192 0	192 6
Forward†	193 5	193 11	192 3	193 8
London Silver Ready ..	75¾d.	76¾d.	75¼d.	76¼d.
London Forward	76¼d.	76⅛d.	75⅝d.	76⅛d.
London Gold	250s. 5d.	250s. 5¼d.	250s. 2¼d.	250s. 5¼d.
New York Silver	89.625c.	90¼c.	89.625c.	90¼c.

* 27th December settlement. † 29th December settlement.

COTTON FUTURES STEADY AT CLOSE

(From Our Own Correspondent)

BOMBAY, *17th December*

The cotton futures market, after having ruled firm during the first half of the week under review, staged a sharp reaction on Monday. There was, however, a slight recovery yesterday which gathered momentum today on fresh support. The market closed steady. The earlier firmness was due to renewed bull support and large-scale short covering prompted by news of improvement in cloth offtake and firm upcountry advices, following a slackening of new crop arrivals. Monday's reaction was influenced by the precipitous fall in share values on the local stock exchange which turned bearish on reports of the A.I.C.C.'s move in favour of controlling profits of private companies. Nervous bulls rushed to liquidate their holdings and bears sold heavily. Prices consequently slumped. A slackening of mill activity in the spot section and the bright prospect for import of large quantities of foreign cotton as a result of the release of an import quota for 195,000 bales of cotton released on the 12th inst. imparted further weakness to the market. Towards the close, the market recovered partially, thanks to short covering and better spot advices.

I.C.C. Moglai Jarilla March 1959 opened the week at Rs. 629, as against the previous day's close of Rs. 626.50, and improved to Rs. 636.25 on Saturday. The contract declined sharply to Rs. 629.50 on Monday. It again recovered to Rs. 630.50 yesterday. Commencing today's session at Rs. 629, the contract rose to Rs. 632 before finishing at Rs. 631.75

The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	17-12-58	High	Low	10-12-58
I.C.C. Moglai Jarilla (March 1959) ...	631.75	637	626.25	626.50

The brisk buying of new crop noted in the spot market last week slackened during the week under review. Since most mills had covered their immediate requirements they were not inclined to make large purchases. Moderate business was, however, done in staple styles like Khamgaon, Punjab 320F, 216F 197/3. Southern mills were interested in Vijay. Today, however, there was renewed mill purchases and prices hardened.

The export front was devoid of much activity. Since the export quota for cotton stapling 25/32" is due to expire at the end of the month, there was some interest in 320F. The price of this variety improved as a consequence. Hong Kong was said to be interested in this cotton.

In the foreign section, mill buying of East African cotton was noted. The import quota for 195,000 bales of longer staple cotton was greatly welcomed by the trade and mills.

The present quota has some unique features. Import is allowed from any country, including the dollar area, so long as the cotton imported is within the prescribed staple limits. In other words, global imports of cotton are permitted. The general belief, however, is that the entire quota of 140,000 bales for cotton stapling 1.1/16" may be absorbed by East African cotton in view of its extremely cheap prices. It is felt that, since a separate quota of 95,000 bales has earlier been announced for American cotton, no mill will prefer to go in for this cotton out of the latest quota announced against payment in dollars. Half of the quota announced for cotton stapling 1.1/16" and above and below 1-3/16" and cotton stapling 1.3/16" and above is earmarked for distribution under the export incentive scheme. The remaining half will be distributed to mills on quota basis. It has also been decided to distribute a portion of cotton stapling 1.1/16" and above but below 1.3/16" on the basis of consumption of Egyptian and Sudanese group of cottons. This is evidently intended to compensate those consumers who obtain considerably less quota of Egyptian and Sudan cotton with extra supplies of cotton of 1.1/16" and above provided they can go a little coarser.

Imports of Egyptian cotton would continue to be paid for in rupees. The registration of contracts with the State Bank of India, which was necessary in the past, has been done away with. Import licences covering both these quotas would be valid for shipment till 30th April 1959.

The latest available quotations—in rupees per candy of 784 lbs.—from Sewri, are as follows, the figures in brackets being last week's closing rates:

Bengal Deshi 630 (620); Berar Jarilla 670 (665); Khandesh 760 (750); Vijay 885 (865); Jayadhar 840 (850).

The Karachi cotton futures market continued to rule easy during the week under review also. The mounting volume of new crop arrivals in the wake of poor export demand and domestic mill offtake exerted a downward pressure on prices. N.T.R.G. January declined from Rs. 64-7-6 last week-end to Rs. 63-10. The March position receded from Rs. 63-10. The March position receded from Rs. 63-3-6 to Rs. 65-7. The spot values also eased. The following are the latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi: Sind Deshi 62-8; Punjab Deshi 57-4; 4F Punjab Roller 61-2; S.G. 64-10; L.S.S. Punjab Roller 66-10; S.G. 69-10. N.T. Roller 66-6; S.G. 75-2; 289F Punjab Roller 69-10; S.G. 78-10.

Quiet steady conditions prevailed in the Alexandria cotton futures market during the week under review. The pressure on prices of new crop arrivals was offset to a large extent by a fair volume of export business. Prices, consequently, tended to rule steady. In the spot market, premiums for Menofi hardened on good buying. But Karnak and Ashmouni were neglected.

Exports from the commencement of the season till 3rd December aggregated 195,476 bales which was 70,378 bales more than the quantity shipped during the same time last season.

The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: January 72.05; March 72.30. *Ashmouni*: January 62.10; March 62.50.

A mixed trend was witnessed on the Liverpool Cotton Exchange during the week. While the American cotton contracts registered improvement on short covering and trade buying, the mixed growths contracts declined. The weakness of the latter was prompted by reports that cotton crop in all the producing countries of the Northern Hemisphere was making good progress. The reluctance of spinners to replenish stocks in view of the bleak textile outlook also adversely affected the market. Sudan contracts were neglected. Values ruled unchanged. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one-inch staple contract: December-January 22.85; March-April 22.80; May-June 22.20; July-August 21.20. *American cotton mixed growths contract*: December-January 23.70; March-April 22.50; May-June 22.10; July-August 21.05. *Sudan*: January-February, May-June, July-August 26.25.

Cotton futures values in New York looked down during the week. Uncertainties about the new crop developments and the prospect of a large crop in the next season prompted selling in the more distant positions. There were also some liquidation and hedging in near months. The fall would have been more marked but for scattered Commission House support influenced by reports of heavy Soil Bank sign-ups.

The following are the latest available quotations from New York, as compared with those a week and a fortnight before:

(In cents per lb.)

	16-12-58	9-12-58	2-12-58
Spot	35.70	35.75	36.00
December	34.22	34.40	34.96
March	34.14	35.02	35.53
May	33.29	34.86	35.46

YARNS LISTLESS

(From Our Own Correspondent)

BOMBAY, *17th December*

The yarn market ruled listless during the week under review, in the absence of any fresh development. Turnover was greatly restricted and prices moved narrowly, the general tendency being downward. Rayon yarns were subjected to selling on reports that offtake at consuming centres like Sirat, Ludhiana, Amritsar, Calcutta and Bhagalpur was at a low ebb, resulting in accumulation of stocks. Staple fibre yarns came in for selling. It was said that some mills were trying to liquidate their stocks at reduced prices. The earlier fears regarding shortage of staple fibre supplies were discounted, following reports that the indigenous production of staple fibre was being stepped up. Cotton yarns continued to rule dull, thanks to slackness in demand from internal markets and uncertain export outlook.

Among art silk yarns, 150 Japan climbed down by 12 nP to Rs. 5.19. 120 Japan receded by 6 nP to Rs. 4.69. 150 Italy lost a like amount to Rs. 5.19. 120 Italy were neglected at Rs. 5.25. Among indigenous yarns, National Rayons 120 bright cones first grade retreated by 12 nP to Rs. 4.41. 150 bright cones first grade, however, gained 6 nP to Rs. 4.50.

Staple fibre yarn (40 x 2) December delivery eased by Rs. 2 to Rs. 617. February delivery, on the other hand, gathered a rupee to Rs. 627. In the spot section, 40x2 Citys shed 2 nP to Rs. 3.22. Kohinoors were dull at Rs. 3.31. But Centurys advanced by 6 nP to Rs. 3.34. Among foreign yarns, Paramounts fell by 44 nP to Rs. 9.12. Fujis dropped 18 nP to Rs. 3.67.

In the cotton yarn section, sixty counts Finlays were marked down by Rs. 3 to Rs. 65, while Raghuvanshis gathered Rs. 2 to Rs. 64. Among forty counts, Moderns were stagnant at Rs 25.37. But Minaxis rose by 33 nP to Rs. 24.58. Thirty counts Hinds were unchanged at Rs. 19. Among twenty counts, Moderns changed hands at Rs. 16.31, same as last week. Ten counts Podars, however, added 6 nP to Rs. 12.25.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today, as compared with those six days ago:

	17-12-1958	10-12-1958
	Rs.	Rs.
Art silk yarns (per case of 200 lbs.)—		
150 Japan (per lb.)	4.69	4 75
150 Japan (per lb.)	5.19	5 31
120 Italy (per lb.)	5.25	5 25
150 Italy (per lb.)	5.19	5 25
Staple fibre yarns (per case of 200 lbs.)—		
40 x 2 December	617 00	619 00
40 x 2 February	627 00	626 00
40 x 2 Kohinoor (per lb.)	3.31	3 31
40 x 2 Century (per lb.)	3.34	3 28
Cotton yarns (per bundle of 10 lbs.)—		
10s Podar	12 25	12 19
20s Modern	16 31	16 31
20s Hind	19 00	19 00
40s Minaxi	24 58	24 22
60s Finlay	65 00	68 00
60s Modern	—	—

GROUNDNUTS EASY

(From Our Own Correspondent)

BOMBAY, *17th December*

The local oilseeds market witnessed mixed trends during the week under review. While castor, cottonseed and linseed were more or less steady on active bull support, groundnuts lost ground.

The groundnut section which staged a relapse during the close of last week, reversed that trend in the initial sessions of the week under review. Subsequently, however, the market eased once again. The smaller receipts of new crop and good buying support from crushers account for the earlier strength. The tables were turned around Monday on lack of fresh buying support. The hopes of release of export quota for oilcakes, expeller variety have not yet materialised. This further depressed the market. Groundnut February 1959 contract, which stood at Rs. 163.62 last Wednesday, rallied by about Re. 1.25 on the following day. Thereafter, it fluctuated within a narrow grove, with the undertone remaining bearish. It moved down to Rs. 162.50 today. Bold ready dropped 13 nP to touch Rs. 32.62 today. Oil ex-mill remained more or less steady and after experiencing minor fluctuations wound up the week at Rs. 17.62, the same closing rate as on Wednesday last.

The castorseed section began the week on a steady note on reports of pest damage to new crop in Gujerat and on encouraging developments in the export section. During the close of the week, the market developed dull conditions, thanks to selling pressure induced by reports of larger arrivals and lack of any overseas enquiries. Castorseed May 1959 contract spurted from Rs. 142.75 to Rs. 144.62 on Friday. The contract gradually receded to close at Rs. 142.87 today. Ready Madras hardened to Rs. 29.00 on Friday, but fell to Rs. 28.50 yesterday. It recovered today to Rs. 28.75. Oil B.S.S. forged ahead from Rs. 16.37 to Rs. 16.75 on Friday. But it gradually gave way to close at Rs. 16.37 today.

Distinctly buoyant conditions were witnessed in the linseed market. This trend was aided by the continued paucity of stocks and bright prospects for exports. Traders expect to receive sizable orders for oil from Australia. Prospects for export of oil to the U.K. and the Continent, however, still seem to be bleak. Linseed May 1959 spurted from Rs. 31.31 to Rs. 31.87, before closing today on a steady note at Rs. 31.75. Bold ready gained by Re. 1 over the week to touch Rs. 37.50 today.

Cottonseed ruled cheerful during the earlier part of the week, owing primarily to the strength in the raw cotton market and support from Akola operators and covering by Ahmedabad operators. In sympathy with the reaction in the raw cotton market on Monday, cottonseed lost strength. Cottonseed February 1959 contract rallied from Rs. 115.75 to Rs. 118.25 on Saturday and gradually drifted lower to touch Rs. 116.75 today.

The following table shows the closing prices of oils and oilseeds today, as compared with those of the two previous weeks:

	17-12-1958	10-12-1958	3-12-1958
Groundnut	Rs.	Rs.	Rs.
Groundnut February 1959 (per Khandy)	162 50	163 62	164 75
Bold ready (per cwt.)	32 62	32 75	33 75
Cwtmandel ready (..)	33 50	33 50	34 25
Khandesh quality (..)	33 50	33 75	34 25
†Oil ex-mill ready (per quarter) ..	17 62	17 62	18 25
Railway receipts (..) ..	17 37	17 50	18 00
Castorseed			
Castorseed May 1959 (per Khandy)	142 87	142 75	148.87
Ready Madras (per cwt.) ..	28 75	28 62	28 75
Ready Kanpur (..) ..	27 75	27 62	27 75
†Oil B.S.S (per quarter)	16 37	16 37	16 62
Oil commercial (..) ..	14 62	14 50	14.62
Linseed			
Linseed May 1959 (per cwt.) ..	31 75	31 31	31.37
Bold ready (..) ..	37 50	36 50	36.00
Kanpur (..) ..	35 75	34 75	35.00
†Oil ready (per quarter)	18.62	18.06	18.25
Cottonseed			
Cottonseed February 1959 (per Khandy)	116 75	115 75	116.50
Wagerseed (per cwt.)	28 00	29 25	31.00
Kardi seed (..)	19.75	20.00	20.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.

SUGAR FULLY STEADY

(From Our Own Correspondents)

BOMBAY, *17th December*

The sugar market ruled fully steady during the week under review. Stocks in the city were very slim, thanks to continued poor arrivals. The total of these arrivals was no more than 9,700 bags, as against 15,300 bags in the previous week. The Union Food Ministry has still not announced the first release of sugar out of the current season's output.

Small grain sugar gained 25 nP to Rs. 108.25 per bag. Medium grain was firm at Rs. 109-Rs. 112, as also large grain at Rs. 113-Rs. 119.

The plea of the Indian Sugar Mills Association for an increase of As. 8 per maund in the ex-mill control price of North Indian sugar has been criticised by a section of the trade on two grounds. First, the acceptance of the plea will strengthen the cane growers' case for an upward revision in the price of cane from Re. 1.44 to Re. 1.75 per maund. Secondly, a rise in sugar prices will raise the cost of living further. This section also believes that the Government should release substantial quantities of new season's production and abolish the control on prices.

* * * *

HAPUR, *15th December*

Sugar prices ruled quietly steady. The saleable stocks with factories was almost nil, as fresh quota had not yet been released. Crushing operations at mills are in full swing, but there has been a growing propaganda to stop cane supplies to factories with a view to getting an increase in price.

Sugar prices ruled steady in the Muzaffarnagar market also, owing to paucity of dry stocks with factories and tight supply position due to the delay in the release of new sugar quota by the Government. The latest prevailing ex-mill delivery prices were:—Bijnore E29 Rs. 35.75; Kesar E29 Rs. 35.81; Seohara D29 damaged Rs. 34.44; Moist Rs. 35.37; Iqbalpur A29 damaged Rs. 37.19. In the absence of fresh urges, the Kanpur sugar market experienced generally dormant conditions and prices appeared to show little change as the ex-mill section was completely devoid of activity. The trade was following a "wait and watch" attitude in regard to its purchases, as the Government's policy about new crop sugar in regard to its price and export had yet to be announced. The latest prevailing prices were:—Ex-mill controlled Rs. 36-12 per maund; spot (per bag) C29 Basti Rs. 104; Gola Rs. 102-8; D29 Gola Rs. 101; Burhwal Rs. 101-4; Waltergunj, Balrampur and Tulsipur Rs. 100-8; Hargaon and Lakhimpur Rs. 100.

Khandsari ruled quiet, with an easy trend in prices of inferior quality with increasing new production. Prices ranged between Rs. 34 and Rs. 27 per maund. Cane crushers were buying cane upto Re. 1.12 per maund and were manufacturing gur as well as khandsari.

Ready *gur* ruled quietly firm, with a good demand from consuming centres. Arrivals averaged 5,000 to 6,000 maunds. The total arrivals since the beginning of the season were put at 275,000 maunds. Loading facilities were easy and the entire arrivals were sent to outside destinations. The latest prices on Monday were:—*gur pansera* Rs. 14.75 to Rs. 15; *balti* Rs. 15.75; *shakker* Rs. 16.50.

Gur also improved in the Muzaffarnagar market where arrivals averaged 15,000 maunds daily. The latest prices were—*Chaku* Rs. 15 to Rs. 15.50; khaurpapar Rs. 14 to Rs. 14.50; *pansera* Rs. 14.25 to Rs. 15.62; *ladu* Rs. 14.50 to Rs. 15; *shakker dara* Rs. 14.50 to Rs. 16.25; *masala* Rs. 17.50 to Rs. 19, khandsari Rs. 26 to Rs. 34.50.

Gur future prices continued perfectly bullish on vigorous support by almost all big operators. Fagun opened at Rs. 13.58 on Monday last, improved in successive sessions to Rs. 15.20 on Friday, but eased on profit-taking to Rs. 14.63. It was quoted today at Rs. 14.84.

HEAVY OFFERINGS OF TEA

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.)]

COCHIN, *11th December*

This was the largest sale of the year and the catalogues aggregated 2,257,431 lbs. Teas from the lower elevation estates were of a poor appearance, due to the strike in October, whilst teas from the Nilgiris showed a further seasonal decline. In spite of the larger offerings, the sale opened to a useful demand. This demand was particularly noticeable at the lower end of the scale, where internal buyers showed interest at prices which were generally 10 to 15 nP easier. Medium descriptions were irregular and up to 20 nP lower. Good mediums met with fair support, but were 10 nP easier on last rates. The better liquoring highgrowns were considerably easier, following quality. Whole leaf teas continued to meet with less support, and were lower. Tippy teas met with some enquiry and were about steady. The quotations are: Low medium Re. 1.35 to 1.50; medium Re. 1.50 to 1.70; good medium Re. 1.80 to 2.10; and quality Rs. 2.20 to 3.65.

London Market—Sale of 8th December 1958.—Best liquoring often 1d. to 3d. dearer. Others fully firm, although a little irregular. Orthodox B.P. a weak feature.

Sale of 9th December 1958.—Best strong, others steady.

Colombo Market—Sale of 8th December 1958.—Strong demand. Better liquoring highgrowns and best coloury medium brokens firm. Plainer sorts lower. Lowgrowns steady.

Sale of 9th December 1958. Strong demand. All descriptions firm.

Calcutta Market—Export.—Stronger general demand for most descriptions, but weakening towards close. Teas for price and plain B.P 2 to 6 nP dearer. Clean black fannings strong feature. Medium Assams brokens and fannings about steady. C.T.Cs and whole leaf fairly well supported.

Internal.—22,500 packages dust. Fair general demand. Clean orthodox 6 to 8 nP easier. Fibrous orthodox often neglected. Poor and medium C.T.C. 10 to 15 nP easier, grainy C.T.C. firm to slightly dearer.

Export Quota.—The market has been fairly quiet throughout the week, and only a small amount of business has been transacted at 1¾ nP. The latest quotation is sellers 2 nP, buyers 1½ nP.

Forthcoming Auctions.—Sale No. 35 will be held on Tuesday, 23rd December 1958.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"Dust Sale Z.—800,000 lbs. Good demand, but prices irregular. Low mediums and mediums firm and occasionally dearer. Highgrowns irregularly easier."

TEA PRICES DECLINE

(From Our Own Correspondent)

CALCUTTA, *16th December*

Tea prices in export, as well as internal, auctions continued to decline. Common teas were the worst affected, as their supply far exceeded demand. The higher output in October was repeated in November, and this has raised North-east Indian production by 22 million lbs. There is little hope now of a fall in output in December, and market circles feel that this year's production would be 30 million lbs. more than 1957. For reports from districts have been very satisfactory.

In spite of recent Government declaration that the changes in export and excise duties are benefiting the tea industry gradually, the marketing of common teas continues to be difficult, as, the trend of prices in auctions shows. The industry has time

and again represented this matter to the Government. During the week, the representatives of the Tripura Tea and the Surma Valley Tea Associations met and urged the West Bengal Premier for tax relief to meet the desperate position of the gardens in the Tripura and Cachar areas. Dr. B. C. Roy told the deputationists that he could consider exempting teas from Tripura and Cachar from the West Bengal entry tax, if Assam and New Delhi agreed to grant relief from their levies. The Associations have already taken up the matter with the Governments of Assam and India. The average yield in Tripura is 4½ maunds per acre and that in Cachar 7 maunds, as against 13 maunds in Assam Valley and 12 maunds in Dooars.

Market circles are of the view that the quantity of exports would show an increase, but value realised would be lower, in view of the decline in prices. Further purchases by Russia is thought here to be in the offing. The Russians are said to have been satisfied with the quality of Indian teas. This later view was voiced by Mr. Nicolai Roinichvili, the leader of the Soviet tea delegation, who met last week the Committee of the Calcutta Tea Merchants' Association here. He, however, said that the packing was unsatisfactory, and that if handling in warehouses and in ports while loading could only be done mechanically and tea chests were covered with hessian, chances of losses by holes caused by hooks would be eliminated. The U.S.S.R. has already purchased 20 million lbs. of Indian tea this season.

The United Arab Republic is also likely to lift more tea from India. Trade circles have got this impression following the recent visit to India of a U.A.R. tea delegation. The delegation, in an attempt to accelerate movements of tea from Indian ports to Alexandria, has, on return home, arranged for U.A.R. ships also to carry tea from India.

Export figures fully supported the trade belief that the quantity exported this year would exceed last year's figure, although earnings from exports would not record such a trend. For, in the eight months to November tea exported aggregated 275 million lbs., representing an increase of 58 million lbs.

It was noted here that, despite increased offerings, there was keen competition in the auctions in Mincing Lane last week.

In the internal auctions held here on Wednesday last, dusts offered amounted to 22,328 chests. Demand was less leading to withdrawals. Prices of clean leaf orthodox teas lost by 6 to 8 nP, with legg-cut teas following suit. In C.T.Cs, the poorer and medium lots eased by 10 to 15 nP, but the better liquorings and the brown grainy exportables realised invoiced prices. Among Darjeelings, the poorer teas received little attention while the flavoury teas were about steady. The quotations, including export duty of 3.125 nP per lb., were: best Assam C.T.C. Rs. 2.40 to Rs. 2.80 (nominal), medium Assam C.T.C. Re. 1.85 to Rs. 2.05, medium Dooars Re. 1.72, and medium Assam grainy dust Re. 1.74 to Re. 1.76.

Leaf on offer amounted to 1.549 chests. C.T.C. teas were shaded, but orthodox teas realised valuations.

Export offerings during yesterday's sale consisted of 61 267 chests. Despite good general demand, prices eased. "Teas for price" gave away markedly, and plain brokens by 2 to 4 nP. The feature was the more support accorded to C.T.Cs, as a result of which the cheapest varieties were sold at higher rates and the few best liquoring teas tended steady. Clean black teas were on good demand at firm rates and the tippiest rates were keenly competed for. Orthodox O.Fs were irregular, but similar B.O.Ps lost by 20 nP. Medium P.Fs were firm, but similar B.Ps were pushed down by 4 nP. Although Darjeelings were in good demand, prices tended to be lower in accord with the general trend. Stylish whole leaf grades also recorded a similar trend. The rates including excise duty of 3.125 nP per lb. are: best Assam C.T.C. fannings Rs. 2.20 (nominal), best Assam C.T.C. B.P. Rs. 2.10 (nominal), clean black pekoe Re. 1.95, medium B.P. Re. 1.62, plain B.P. Re. 1.54 to Re. 1.58, medium fannings Re. 1.70 to Re. 1.76, and plain fannings Re. 1.64 to Re. 1.70.

Export quota was 1¼ nP buyers and 2 nP sellers. No business was, however, done.

JUTES STEADY AT CLOSE

(From Our Own Correspondent)

CALCUTTA, *16th December*

The outstanding event during the week was the permission accorded to the West Bengal Government by the Union Government to export raw jute. However, no information as to the quantity involved or the export procedure could be had in Calcutta. All the same, immediately the news of permission was available—and this was on Saturday last—raw jute prices began gaining strength, and latest quotations for the different varieties, given below and as could be had up to last night, were the best levels for the week under study. A week ago, i.e., on 8th December, making his statement on raw jute prices in Parliament, the Commerce and Industry Minister, Mr. Lal Bahadur Sastry, declared that Government had decided to permit raw jute exports in limited quantities through the State Trading Corporation. This declaration was so vague that prices not only failed to gain strength but were receding. The other measures which he announced were only steps the industry and market, on their own, had taken to prevent further fall in prices. When prior to the Minister's statement on the 8th, it was indicated by his Deputy that the matter was being looked into by the Government, the expectation here was that Mr. Sastry's statement would contain concrete action proposed to prevent prices from falling further. However, that was not to be, and even now it is not known whether the permission accorded to the West Bengal Government is in addition to the limited exports permitted through the State Trading Corporation.

Opinion in market circles was that the decision to export had been arrived at very late and that, if only a timely decision had been taken, better prices than now possible could have been realised from export. The help which growers may now get is also limited, since in view of their cash needs for the *Poojas* and afterwards and nervousness at the falling prices, those cultivators who have no holding power have already parted with their produce to middlemen and bazar dealers. Better late than never; the decision is welcomed, but the delay at working out the details awed market circles. There is no knowing as to why Government alone should participate in exporting. If only the normal trade channels can do this, they can obtain competitive prices. Perhaps, the Government is apprehending that, if the trade is permitted to export, there is the danger of the superior varieties also leaving the country. The feeling in the market is that by simple checking at customs and the adoption of other procedural measures, the Government can see to it that the higher varieties do not get mixed up in export. If exports are only proposed to the Communist countries then perhaps handling by the S.T.C. and other Governmental agencies would be in order. But most of the exports will actually be to mills in Dundee, and market circles state that there is no reason why private traders and farmers' agricultural co-operative societies should not directly export. If the export authorities can check quantity, then there is no reason why the Indian Jute Mills Association, whose member mills are most interested to see that the good quality fibre is all consumed within the country, cannot be asked to check quality and certify shipments. Such a procedure would mean quicker exports and better results than through Governmental agencies, and this would ensure relief, immediate and concrete, to the markets.

During the week the Committee of the I.J.M.A. met and considered the present discouraging trend in the jute markets. It then re-affirmed its decision to maintain the minimum selling prices for goods as fixed in February last. Opportunity was taken to fix minimum prices for constructions, which were not included in the minimum prices in February last. In the beginning of the week, the heavy selling pressure in futures affected the ready market, where, on Tuesday last, B. twills declined to Rs. 94.25 from Rs. 95.30, and hessian 40" 10 oz. to Rs. 40.00 from Rs. 40.45. Wednesday was officially closed. However, nominal quotations showed a downward trend, despite Australian interest in sacking goods. B. twills sagged to Rs. 93.20 and hessian 40" 10 oz. to Rs. 39.60. The information that business had been done earlier on Government account in respect of 44,000 bales of B. twills was available. At this stage, a recovery was made possible by export business. Business was also done in hessian with the United States, and in sacking with Australia. As a result, closing levels on Thursday, at Rs. 93.50 and Rs. 39.90, respectively, were higher on balance. These rates were unchanged on Friday, although more business was done with the U.S.A.

The output of jute goods in November, at 87,000 tons, was higher by 5,200 tons, as compared to the previous month. Hessian was higher by 2,500 tons, sacking by 1,900 tons, and other goods by 800 tons. Stocks at the end of October being 107,400 tons, total availability in November was 194,400 tons. Stocks at the end of November were 105,400 tons, and hence sales in November should have aggregated 89,000 tons or 2,000 tons more than output for the month. It was this consideration, along with the I.J.M.A.'s reaffirmation of minimum prices that made a significant recovery in the week-end possible. B. twills picked up to Rs. 95.00 and hessian 40" 10 oz. to Rs. 40.25. However, business was lacking, and yesterday B. twills sagged to Rs. 94.80 and hessian 40" 10 oz. to Rs. 40.15, although the undertone was steady.

Expectations of official measures to stabilise fibre prices contributed to a fractional hardening in prices early in the week. This was only short-lived, as the Ministerial announcement to permit export through the S.T.C. was vague. Thus, Assam bottoms sagged to Rs. 20.75 from Rs. 21.75, but recovered to Rs. 21.50 subsequently, following the permission accorded to the West Bengal Government to participate in fibre exports. The latest quotations for December-January delivery are:

	Middles Rs.	Bottoms Rs.
Pakistani:		
District	29.50	26.50
Northern	29.50	26.50
Indian:		
Northern	23.25	20.75
Assam	24.00	21.50
Orissa	26.50	24.00
Desal	22.50	20.00
Murshidabad	21.75	19.25
Jungil	21.50	19.00
Daisee	24.50	22.00
Uttar Pradesh ...	21.50	19.00
Daisee mesta ...	20.50	18.00
Bimli f.a.q.	...	Rs. 18.75

Pucca bales 1st mark 144.00 per bale ready.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, *15th December*

A generally firm undertone prevails in the linseed market. Although trading is very limited, prices are well maintained. Supply of seeds and oil is poor; both buyers and sellers are reserved. The oil market is rather inactive, with buyers pausing.

The latest quotation for Ready-December is Rs. 26.12 per maund.

GOOD EXPORT DEMAND FOR HIDES

(From Our Own Correspondent)

MADRAS, *15th December*

The E.I. tanned hides and calves market remained firm during the week. Some U.K. factors probably took a view and paid penny advance in price, and this lent additional support. Sales to the U.K. were moderate, as some shippers booked orders at current rates in the belief that prices had touched top levels. Tanned cow calf was in short supply. Tanned buff hides and calves ruled firm due to good U.S. support.

The tanned goat skins market was firmer for light weights and steady for other averages. Tanned sheep skins was unchanged.

In the London auctions, prices of sheep skins were reported to be mostly unchanged on October levels, except on rejections which were 6d. to 12d. dearer. Only 50 per cent. of the total offerings was sold.

HIDES RALLY

(From Our Own Correspondent)

KANPUR, *12th December*

Thanks to heavy demand, there was a rally in the prices of wet salted cow. Fresh arrivals were not as considerable during the week as during the week previous. The Madras dealers were lukewarm. The main purchasers were the local tanners.

The latest quotations are: Wet salted cow, 1st grade Rs. 400, 2nd grade Rs. 360 and 3rd grade Rs. 300 per score; wet salted buff, 1st grade 2 lbs. 1 oz. and 2nd grade 2 lbs. 3 ozs. per *rupee*. Goat 1st grade Rs. 375 and 2nd grade Rs. 350 per 100 pieces; sheep 1st grade Rs. 350 and 2nd grade Rs. 325 per 100 pieces.

WHEAT PRICES RISE

(From Our Own Correspondent)

HAPUR, *15th December*

Quietly steady conditions prevailed in the food-grains market during the past week. *Kharif* grain supply position continues to be comfortable, while grain arrivals are scanty. The rice crop all over the country has been fairly good and, in U.P., the production is expected to mount to 2.6 million tons, of which at least 500,000 tons would be marketable surplus. The State Government is procuring 150,000 tons of rice at a price ranging between Rs. 14.50 and Rs. 18.25 per maund according to quality and 65 per cent. of rice stocks held on a specified date in 23 surplus U.P. districts will have to be sold to the Government at controlled price; such stocks have already been acquired in five east U.P. districts.

Wheat prices at Hapur registered modest gains during the week, due to tight supply position. *Dara* quality was quoted at Rs. 25 per maund and farm produce at Rs. 26. Arrivals continued to be scanty. *Rabi* sowings have been completed and germination reports are satisfactory, but winter rains are now needed.

Rice ruled quiet with better supply position. The week-end prices here were: *Basmati sela* Rs. 28; *mainpuri* Rs. 21.50; coarse quality Rs. 17 per maund.

Gram and other coarse grains ruled quiet. With a view to controlling the rise in prices and preventing the hoarding of gram, gram *dal* and barley in Madhya Pradesh, U.P., Punjab and Rajasthan, the Government of India has issued a notification, under the Essential Commodities Act, the effect of which will be that, when the Government requisition these stocks, the price at which they will be sold will be the average price prevailing during the last three months.

Maize was still reaching here in heavy quantities and, despite brisk consumer demand, local stock had swelled and was put at about 200,000 maunds. *Bajra* arrivals were below the requirements and prices improved further during the week. *Jowar* and *guwar* were steady. The week-end prices (in rupees per maund) were: *Gram punjabi* 19.50; barley 17; *bejhar* 18; maize 14.50 to 15; *bajra* 16.50; *guwar* 15.75; *jowar* 14.50.

Peas stocks left were very meagre and demand too was slack. *Arhar* ruled quiet and local stock was put at 49 *khatties*. Other pulses were quietly depressed, thanks to new crop arrivals in the markets. The week-end prevailing prices were: Peas *dara* Rs. 21; peas *dal* Rs. 22.75; *arhar* Rs.21.50; *arhar dal* Rs. 25.75; *urd* Rs. 18.50; *moong* Rs. 20.50 to Rs. 22; *massor* Rs. 18 per maund.

TEA COUNCIL OF U.S.

The Tea Council of the U.S.A., Inc., is planning to open a Tea Centre in New York City next year to further an industry-wide promotion effort. The new centre will provide facilities for food industry exhibits and seminars, product and cultural displays from the tea producing nations, and demonstrations and films for educational and social groups and clubs. The Tea Council, which was founded in 1950, is jointly owned by the Governments of India, Ceylon and Indonesia and the U.S. Tea Association. According to Mr. R. Smallwood, Chairman of the Council, more than 100 million pounds of tea are consumed in the U.S. annually and the 1958 consumption is expected to reach 108 million pounds, while 1959 would be up by 6 per cent. He added that 56 per cent. of the U.S. use is in tea bags, 41 per cent. loose tea and 3 per cent. instant tea.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 12th Dec., 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	3,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	66,24,52,000
(2) Other Governments	9,38,74,000
(b) Banks	73,44,81,000
(c) Others	118,12,33,000
Bills Payable	17,78,59,000
Other Liabilities	21,30,73,000
Rupees	417,29,72,000

ASSETS	Rs.
Notes	7,35,43,000
Rupee Coin	2,22,000
Subsidiary Coin	3,77,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	9,51,70,000
Balances held abroad*	19,95,01,000
Loans and Advances to Governments†	25,73,21,000
Other Loans and Advances	63,67,77,000
Investments	280,25,74,000
Other Assets	10,59,87,000
Rupees	417,29,72,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 67,50,00,000/- advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,35,43,000	
Notes in circulation	1595,63,20,000	
Total Notes issued		1602,98,63,000
Total Liabilities		1602,98,63,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	164,67,56,000	
Foreign Securities		
Total of A		282,43,59,000
B. Rupee Coin		135,81,29,000
Government of India Rupee Securities		1184,73,75,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1602,98,63,000

COMPARATIVE BANKING STATISTICS *

(In crores of rupees)

	1st Sept., 1939 (pre-war)	5th Dec., 1958	A week ago	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Note circulation	173.37	1582.23	1555.18	1572.56	1509.25
Notes held in Banking Department	25.05	11.04	40.24	11.63	13.63
Foreign Securities	59.50	164.68	164.68	164.68	280.19
Rupee Securities	87.99	1174.73	1174.73	1164.75	992.89
Banking Department					
Deposits of:					
Government of India	14.89	61.50	59.60	82.21	56.63
Other Governments		13.19	24.15	19.39	8.74
Balances held abroad	10.06	18.34	16.05	14.22	23.33
SCHEDULED BANKS					
Demand Liabilities	124.36	705.02	712.46	705.34	714.66
		(22 27)†	(17 07)†	(23 20)†	(17 73)†
Time Liabilities	102.24	928 54	919 40	926 62	679.66
		(38.04)†	(39.32)†	(39.55)†	(16.13)†
Borrowings from Reserve Bank	..	1 85 (0.67)‡	1 56 (0.67)‡	4.67 (1.17)‡	13.75 (12.41)‡
Borrowings from State Bank	..	4.07	3.88	4 29	6.47
Cash in India	6.70	89.45	40.29	39.97	39.35
Balances with Reserve Bank	25.17	70.09	86.50	81.79	77.73
Excess over statutory limits	15.52	16.88	33.69	28.00	25.40
Balances with other banks in current account in India	..	13.57	13.40	12.94	10.97
Money at call and short notice in India	..	47.84	43.83	50.29	49.86
Investments (at book value)	106.09	640.63 840.93	648.00 832 45	640.46 844.85	427.66 542.93
Advances and bills					
STATE BANK					
Deposits	27.76	470.09	472 59	475 84	380.72
Investments	20.55	238.14	285 91	284.51	183 44
Advances	30.35	165 20	163 31	164 94	161 25
Cash	14.66	28.94	35 24	41 13	29.48

† Borrowings from Banks excluding the Reserve Bank and the State Bank. * Figures are provisional. R—Revised.
‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	8 50	6
Austria	17th Nov., 1958	6 50	5
Belgium	Aug., 1958	3.75	3.50
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	2.50
Ceylon	11th June, 1954	3½	4
Chile	Feb., 1957	5	6
Colombia	18th July, 1958	5	6
Costa Rica	1st April, 1954	4	4½
Denmark	15th Oct., 1958	5	4½
Equador	13th May, 1948	7	10
Egypt	16th Nov., 1957	3½	4
El Salvador	Dec., 1957	3	4
Finland	20th April, 1956	5	4½
France	16th Oct., 1958	5	10
Greece	May, 1956	9	8
India	16th May, 1957	3½	4
Indonesia	1st April, 1946	2	2½
Ireland	20th Nov., 1958	4½	4½
Italy	7th June, 1958	3	3.50
Japan	Sept., 1957	7.67	7.30
Mexico	4th June, 1958	4	4½
Netherlands	14th Nov., 1958	3.50	3
New Zealand	10th Oct., 1955	4	7
Norway	14th Feb., 1958	3.50	3.50
Pakistan	1st July, 1948	3	2
Peru	15th Nov., 1947	6	6
Philippines	Sept., 1957	3	4½
Portugal	12th Jan., 1950	3½	4
South Africa	17th July, 1958	4½	5
Spain	22nd July, 1957	4	4½
Sweden	3rd May, 1956	5	4½
Switzerland	15th May, 1957	1½	2½
Thailand	Feb., 1945	3	7
Turkey	6th June, 1956	4½	6
United Kingdom	25th Oct., 1951	4	4½
U.S.S.R.	1st July, 1950	2	2
U.A.R.	25th Oct., 1949	3½	5
West Germany	27th June, 1958	3½	5

State Bank of India

Statement of Affairs for the week ended 12th Dec., 1958

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		465,58,09,000
Borrowings from Other Banking Companies, Agents, etc.		7,87,25,000
Bills Payable		5,78,42,000
Bills for Collection being Bills Receivable as per contra		2,62,19,000
Acceptances, Endorsements and Other Obligations per contra		1,22,71,000
Other Liabilities (including Inter-Office Adjustments)		12,90,85,000
Total Rs.		511,24,61,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		28,63,01,000
Balances with other Banks		2,67,55,000
Money at Call and Short Notice		2,46,67,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	273,72,38,000	
Other Authorised Investments	11,70,91,000	285,43,29,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	154,29,29,000	
Bills Discounted and Purchased	14,15,80,000	168,45,09,000
Bills Receivable being Bills for Collection as per contra		2,62,19,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,22,71,000
Premises less Depreciation		1,21,88,000
Furniture and Fixtures less Depreciation		94,14,000
Other Assets (including Inter-Office Adjustments)		17,56,88,000
Total Rs.		511,24,61,000

Scheduled Banks*

Statement of Affairs for the week ended 5th Dec., 1958

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank	22,27,14,000
(ii) Other demand liabilities	682,74,36,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank	88,06,21,000
(ii) Other time liabilities	890,27,33,000
Borrowings in India from the State Bank and/or a notified bank:	3,91,82,000
(i) Demand liabilities	15,00,000
(ii) Time liabilities	1,84,96,000
Borrowings in India from the Reserve Bank of India†	(87,35,000)
Cash in India	32,45,16,000
Balances with the Reserve Bank in India	70,68,74,000
Balances with other banks in current account in India	13,57,11,000
Money at call and short notice in India	47,84,01,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	649,63,20,000
Advances in India	716,00,54,000
Inland Bills purchased and discounted in India	83,02,19,000
Foreign Bills purchased and discounted in India	41,30,45,000

* Provisional.
† Excluding borrowings from the Reserve Bank also.
‡ The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount	Average rate of allotment
				Rs.	Per cent.
1958					
22rd September	2.00	2.85	2.00	2.529	99 365
29th September	2.00	2.45	2.00	2.527	99 365
7th October	2.00	3.20	2.00	2.525	99 365
14th October	2.00	2.90	2.00	2.521	99 365
21st October	Nil	Nil	Nil	Nil	Nil
28th October	2.00	3.75	2.00	2.489	99 375
4th November	4.00	10.00	4.00	2.458	99 385
5th to 7th November *	2.50	—	2.50	2.396	99 401
10th November	4.00	7.20	4.00	2.430	99 390
18th November	4.00	5.05	4.00	2.459	99 385
19th to 22nd Nov.*	0.64	—	0.84	2.396	99 401
25th November	3.00	5.50	3.00	2.442	99 385
5th to 29th Nov.*	0.50	—	0.50	2.378	99 406
2nd December	2.00	4.55	2.00	2.423	99 390
3rd to 6th Dec.*	0.65	—	0.65	2.356	99 411
9th December	3.00	3.95	3.00	2.420	99 390
16th December	3.00	3.60	3.00	2.445	99 385
Total amount outstanding	40.29	..	40.29	..	..

* Intermediate Bills sold.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	29th Nov., 1958	22nd Nov., 1958	30th Nov., 1957	October 1958	October 1957	Percentage of Increase (+) or Decrease (—) in Oct., 1958 as compared with Oct., 1957	Financial Year Average 1957-58	1956-57
Food Articles	684	115 1	116 5 R	106 7	121 2E	107 3	+13 0	106 6	102 3 R
Cereals	192	107 1	108.7	101 0	113 6	102 2	+11 2	101	96
Pulses	46	112 1	113 7 R	82 9	109 7	82 8	+32 4	82	81
Fruits and Vegetables	46	117 7	117 5 R	108 7	123 8 R	109 2	+13 4	114	112
Milk and Ghee	84	106 8	105 8	100 9	109 7 R	105 2	+ 4 3	105	100
Edible Oils	47	121 7	122.8	129 5	131 3	125 7	+ 4 5	128	125
Eggs, Meat and Fish	97	108 9	109 7 R	97 1	110 7 R	97 1	+14 0	98	97
Sugar and Gur	117	119 3	120 2	109.9*	130 0	111 1	+22 4	108	98
Spices	50	153 3	159 6	139 0	156 0 R	129 9	+22 4	131	128
Others	21	97 2	97 8	98 5	97 9	98 2	— 0 3	98 5	94 3
Liquor and Tobacco		95 7	95 5	95 0	91 3	93 6	— 2 5	93	83
Tobacco	46	115 9	116 1 R	118 4	115 5	118 2	+ 0 3	113 6	104 2 R
Fuel, Power, Light and Lubricants	98	112 2	112 5	118 4	117 8	118 8	+ 1 0	114 8	114 8
Industrial Raw Materials		101 8*	101 9	119 9	104 6	119	— 12 4	116	116
Fibres	61	101 8*	102 0	121 3	135 3	121 0	+11 8	120	120
Oilseeds	22	125 2	125 6	108 1	108 2	108 1	+ 0 1	108	102
Minerals	6	107 3*	107 3	107 1	107 1	107 1	....	108	109
Others	32	108 1*	108 4 R	108 9	108 9 R	108 1	— 0 7	108	109
Manufactures	270	109 8	109 8 E	107 5	108 E	108 7	— 0 7	108 1	106 3
Intermediate Products	169	109 2	109 4	106 5	110 2	108 5	+ 1 5	107 1	105 5
Finished Products	249	106 3	106 7 R	108 4	106 8	108 2	— 0 8	106 2	105 3
Textiles	147	102 4	103 2	106 4	105 6	106 5	— 0 8	107	106
Cotton	74	112 2*	115 4	111 5	116 6	111 4	+ 4 6	110	110
Jute	11	85 8	89 0	95 2	87 5	99 6	—12 1	95	96
Wool	14	105 0	105 9	103 9	105 9	103 0	+ 2 8	103	96
Woollens	3	90 2*	90 2	81 5	85 5*	81 5	+16 3	86	86
Silk and Rayon	15	143 1	143 4	143 1	143 1	143 1	....	141	93
Metal Products	33	111 1	111 1 R	98 7	107 7E	98 8	+ 9 0	98	93
Chemicals	20	148 5	148 9	128 5	141 7	118 9	+19 2	115	108
Oils and Paints	22	104 5	104 5	103 5	102 0	101 3	+ 1 2	101	99
Machinery and Transport Equipment	20	114 2	113 6	111 4	113 9E	111 1	+ 2 5	110	101
Others	20	....	....	....	....	....	....	....	....
All Commodities	1,000	113 3	113 3 R	106 7	* 116 2 E	106 9	+ 8 7	106 6	102 3 R

NOTE—Weights shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Provisional. — Not available.

State Bank of Pakistan

Statement of Affairs for the week ended 5th Dece., 1958

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	83,34,35,000
(b) Provincial Governments	50,55,000
(c) Banks	14,49,28,000
(d) Others	5,37,64,000
Bills Payable	20,61,000
Other Liabilities	10,76,35,000
Rupees	120,68,78,000

ASSETS	Rs.
Notes	4,30,55,000
Rupee Coin	44,000
Subsidiary Coin	81,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	12,97,000
Balances held outside Pakistan*	9,15,56,000
Loans and Advances to Governments	9,21,90,000
Provincial Governments' Debtor Balances	4,98,30,000
Other Loans and Advances	19,29,48,000
Investments	64,37,21,000
Other Assets	9,12,96,000
Rupees	120,68,78,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	4,30,55,000	
Notes in circulation	350,60,59,000	
Total Notes issued	....	354,91,14,000
Total Liabilities	....	354,91,14,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	23,07,35,000	
Silver Bullion	....	
Approved Foreign Exchange	50,76,07,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,30,000	116,85,72,000
B. Rupee Coin	4,37,94,000	
Government of Pakistan Securities	227,77,42,000	
Internal bills of exchange and other commercial paper	....	232,15,36,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	354,91,14,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 34.51 per cent.

EXCHANGE RATES

		17th December, 1958	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	s.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	s.	1-6⅛	1-6⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477 25	477.50
Buyers T.T.	Rs.	473 75	474 25
London on New York	$	2.80½ 2.80⅝	2.80½ 2.80⅝
London on Paris	Fcs.	1,179	1,179
London on Berne	Sw. Fcs.	12 24-12 24½	12 24 12 24½
New York on London	$	2.80½-2.80⅝	2.80½ 2.80⅝

CLEARING HOUSE RETURNS

Centre	Week ended 5th December, 1958 Number of Cheques	Amount Rs.	Week ended 28th November, 1958 Number of Cheques	Amount Rs.
Bombay	3,42,160	74,48,81,000	3,27,264	81,02,48,000
Calcutta	2,77,000	77,87,00,000	1,69,000	83,21,00,000
Madras	88,939	11,06,39,598	88,232	9,99,25,310
All Centres—				
1958-59	..	..	49,06,000	87,24,25,00,000
1957-58	..	..	41,671,000	89,54,66,00,000
Aug., 1958	..	..	3,432,000	7,52,04,00,000
Sept., "	..	..	3,537,000	7,53,89,00,000
Oct., "	..	..	3,922,000	7,96,89,00,000

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES—Revised Series.

[1952-53 = 100]

Group and Sub-Group	Week ended 29th Nov., 1958	22nd Nov., 1958	1st Nov., 1958	30th Nov., 1957
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100 4	100 4	100 3	98 3
2. Government of India	100 3	100 3	100 2	98 0
3. State Government	101 8	101 6	101 5	100 0
4. Municipal Port Trust, etc.	99 0	99 0	99 0	98 9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA				
5. Total	100 6	100 4	100 4	98 8
6. Plantations	100 1	100 1	100 1	100 0
7. Coal	99 6	99 6	99 6	99 6
8. Sugar	99 0	99 0	99 0	98 3
9. Cotton Textiles	98 2	98 2	98 2	100 3
10. Jute Textiles	91 5	91 5	91 5	93 0
11. General Engineering	101 1	100 8	100 4	95 9
12. Electricity Generation and Supply	97 1	97 1	97 1	96 6
13. Others	103 1	102 9	102.9	100 5
PREFERENCE SHARES—ALL INDIA.				
14. Total	88 1	88 2	88 4	87 2
15. Plantations	98 0	98 0	97 6	101 7
16. *Mining & Quarrying: Total@*	88 4	88 7	87 1	87 4
17. Coal	79 5	79 5	76 3	79 5
18. *Processing and Mfg.: Total**	88 0	88 1	88 4	87 2
19. Sugar	88 2	88 2	89 1	92 3
20. Cotton Textiles	78 5	78 5	78 7	87 8
21. Jute Textiles	79 8	79 7	79 4	73 4
22. Iron and Steel	90 4	90 4	91 6	86 7
23. General Engineering	102 3	102 2	101 8	102 9
24. Basic Industrial Chemicals	86 8	87 0	89 3	82 0
25. Cement	99 5	100 7	98 7	98 2
26. Paper	86 0	86 0	85 9	91 2
27. *Other Industries: Total**	85 5	85 8	85 9	82 6
28. Electricity Generation and Supply	86 9	87 4	87 6	84 8
29. Trading	81 0	81 0	80 7	75 7
30. Shipping and Other Transport	85 3	85 3	85 5	84 6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
31. Total	139 7	140 4	144 1	124 1
32. *Agriculture and Allied Activities Total**	152 0	153 4	156 7	146 1
33. Tea Plantations	146 3	147 5	150 0	143 7
34. Coffee Plantations	203 1	213 3	215 9	190 7
35. Rubber Plantations	151 0	153 5	156 0	185 6
36. *Mining and Quarrying: Total*	141 1	141 9	146 9	120 1
37. Coal	110 9	112 2	114 4	90 9
38. Other Mining	161 8	162 2	169 2	140 1
39. *Processing and Manufacturing: Total*	137 9	138 7	142 7	122 8
40. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	126 0	126 8	129 4	117 9
41. Sugar	169 7	170 1	174 3	158 2
42. Cotton Textiles	110 6	111 1	114 6	117 3
43. Jute Textiles	90 8	91 0	87 5	67 3
44. Silk and Woollen	423 8	429 3	445 3	304 7
45. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	157 8	158 4	163 2	128 4
46. Iron and Steel	151 9	151 8	159 1	114 8
47. Transport Equipment	196 4	197 4	206 2	173 6
48. Electrical Machinery	149 5	150 8	162 4	161 0
49. Machinery other than Transport and Electrical	174 4	173 7	174 9	143 8
50. Basic Industrial Chemicals	126 2	127 2	129 1	105 7
51. *Processing and Mfg. (Others): Total**	137 4	139 0	144 8	127 1
52. Cement	121 1	122 8	129 1	120 6
53. Paper	191 2	192 4	197 1	163 5
54. *Other Industries: Total**	118 0	117 6	119 0	104 1
55. Electricity Generation and Supply	95 4	95 1	95 8	88 8
56. Trading	88 4	89 5	89 7	80 1
57. Shipping and Other Transport	141 1	140 3	144 9	124 0
58. Construction	256 8	252 1	260 7	200 4
59. *Financial: Total*	180 3	180 5	184 4	150 4
60. Banks	201 0	202 9	209 6	170 0
61. Insurance	131 8	131 3	127 7	106 1
62. Investment Trusts	94 4	95 0	94 4	83 0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
63. Bombay	142 0	142 1	147 8	121 8
64. Calcutta	137 5	138 2	138 7	121 1
65. Madras	150 9	152 9	155 8	145 6
66. Delhi	159 9	161 0	167 4	149 3

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.' @ Including other mining.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	11,55,500	10,73,600	7,97,500
Do. 31st March, 1958	10,98,300	11,06,800	7,86,900
Sept., 1957	88,600	92,500	71,700
Oct., ,,	95,100	96,500	59,900
Nov., ,,	94,900	95,100	66,000
Sept., 1958	89,600	95,800	66,500
Oct., ,,	94,200	96,400	76,900
Nov., ,,	94,200	85,100	83,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March 1957	6,95,156	5,32,315	4,41,483
Do. 31st March 1958	7,33,945	5,07,580	4,10,558
Three months ended Sept. 1957.	1,71,397	1,19,172	96,815
,, ,, ,, Mar. 1958.	1,99,939	1,33,563	1,06,501
,, ,, ,, June 1958.	2,14,466	1,21,988	1,01,014
,, ,, ,, Sept. 1958	2,30,436	1,43,516	1,05,603

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes†	Total of Average Number of workers involved	Number of man-days lost
1956	1,203	715,130	6,992,040
1957	1,680	889,371	6,429,319
January 1958	147	56,492	371,125
February ,,	152	99,482	447,586
March ,,	187	85,462	818,824
April ,,	170	61,489	5,30,162
May ,,	160	57,657	5,60,459
June ,,	163	161,711	1,629,248
July ,,	184	98,559	464,165
August ,,	132	63,571(a)	613,682(a)

† In progress during the month. (a) Not known in 8 cases.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'56-'57	387 68	..	11,010	284
Pakistan††	'56-'57	83 50	..	2,079	249
Burma	1957	20 90	Kyats 4,450	446	223
Ceylon	1956	8 38	..	475	567
Japan	1957	90 90	Y. 8,252,000	10,915	10,023
Philippines	1957	22 60	Ps. 8,799	2,095	927
New Zealand	1957	2 22	£(N.Z.) 928	1,237	5,570
Australia	1957	9 60	£(A.) 4,678	3,979	5,177
U.K.	1957	51 40	£ 17,418	23,220	4,520
U.S.A.	1956	168 09	$ 343,890	163,554	9,731
Canada	1957	16 80	$ 28,830	11,660	7,035
France	1957	44 00	F Fr. 15,680,000	17,880	4,063
W. Germany	1957	51 40	Dm. 158,000	18,057	3,513
Italy	1957	48 30	Lr. 12,231,000	9,412	1,949
Norway	1957	3 49	Kr. 23,200	1,560	4,470
Sweden	1957	7 30	Kr. 48,290	4,490	6,150
Netherlands	1957	11 00	Grs. 28,240	3,574	3,250
Denmark	1957	4 50	Kr. 25,440	1,760	3,910
Switzerland	1957	5 10	Sw. Fr 26,000	2,956	5,796

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: *International Financial Statistics*, October 1958.

† Preliminary estimates (at 1948-49 prices) are based on the fifth issue of the annual paper on national income issued by the Central Statistical Organisation.

†† According to budget-speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949 = 100)	Bombay Base June (1934-35 = 100)	Ahmedabad Base July (1927 = 100)	Sholapur Base January (1928 = 100)	Kanpur Base (1949 = 100)	Nagpur Base (1949 = 100)	Calcutta Base August (1939 = 100)	Madras City Base (1949 = 100)	Delhi Base (1949 = 100)	Ajmer Base (1949 = 100)	Gauhati Base (1949 = 100)	Jamshedpur Base (1949 = 100)	Jabalpur Base (1949 = 100)	Bangalore Base (1949 = 100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 ,,	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 ,,	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 ,,	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 ,,	105	353	244	316	80	105	347	111	109	95	96	106	100	114
1957 ,,	111	369	259	339	94	112	364	116	114	99	103	115	107	126
June 1957	112	356	254	330	91	112	371	115	115	98	105	113	111	127
July ,,	112	356	256	333	89	112	371	116	115	98	106	119	109	129
August ,,	113	377	265	347	98	113	375	115	118	99	105	120	108	128
September ,,	114	375	262*	338	97	113	378	115	113	100	106	121	106	128
October ,,	113	374	260	339	96	114	375	116	113	99	105	120	107	129
June 1958	116	395	273	307	98	117	378	121	111	101	103	120	113	130
July ,,	119	407	285	317	101	118	392	125	116	105	103	122	114	130
August ,,	120†	404	288	322	103	118	403	126	117	108	106	125	111	132
September ,,	121†	404	289	327	104	120	406	127	117	111	109	131	..	132
October ,,	..	405	290	333	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Out-standings	7-Year B Out-standings	12-Year B Out-standings	12-Year National Plan Savings Certificates C Receipts	C Out-standings	Post Office Savings Bank Deposits Receipts	Out-standings	10-Year National Plan Certificates D Out-standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Out-standings	4% C Receipts	Out-standings	15-Year Annuity Certificates G Receipts	Out-standings	Total Receipts	Total Out-standings H
1952-53	6,83	3,26	84,17	..	..	113,35	92,03	..	—31,07	25,64	..	..	..	..	146,83	211,96
1953-54	5,91	4,26	104,38	..	..	117,37	106,39	..	—44,20	32,11	..	..	..	..	152,71	252,95
1954-55	4,70	4,99	124,64	..	..	134,94	130,88	7,38	—36,35	37,15	..	..	55	54	177,35	310,29
1955-56	3,76	5,48	144,37	..	..	158,11	167,85	16,38	—37,68	41,25	..	..	45	95	208,53	380,04
1956-57	3,00	6,01	163,68	..	..	176,97	196,56	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958																
January	2,37	4,94	148,57	7,95	47,18	13,88	202,54	23,77	—39,55	43,80	68	4,08	18	1,68	22,68	478,93
February	2,31	4,83	146 14	10,24	57,42	14,22	203,12	23,45	—39,62	43,69	74	4,81	9	1,75	25,29	487,52
March	2,22	4,73	143,45	14,03	71,43	27,35	213,91	23,11	—39,73	43,58	70	5,47	12	1,87	42,20	509,77
April	2,15	4,65	141,31	6,56	77,99	15,27	214,24	22,86	—39,82	43,47	77	6,15	11	1,97	22,71	514,78
May	2,07	4,55	139,23	5,84	83,82	15 22	212,66	22,58	—39,90	43,37	57	6,72	5	2,01	21,68	517,01
June	2,01	4,47	137,44	5,03	88,80	14,51	213,05	22,39	—39,98	43,29	38	7,12	3	2,03	19,95	520,60
July	1,96	4,38	135,18	5,49	94,25	16,04	213,13	22,19	—40,06	43,17	47	7,63	5	2,07	22,49	526,36
Aug.	1,94	4,30	133,28	6,29	100,72	14,40	217,21	22,02	—40,13	43,07	45	8,11	5	2,10	21,10	532,75
September	1,92	4,23	131,32	5,92	106,45	14,06	218,35	21,86	—40,22	42,99	41	8,55	5	2,15	20,44	537,82
October	..	..	..	..	..	..	..	..	..	42,91	53	9,05	4	2,17	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bond	1926-33	63,39,26,000	1960-70	100 75
3 % Loan	1938-39	116,17,46,000	1963-65	96 85
3 % Fe. Loan	1950	30,32,10,000	1964	96 90
3 % Fe. Loan	1943	1,10,11,78,000	1966-68	94 95
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90 60
3 % 2nd V Loan	1945	1,13,65,64,000	1959-61	99 70
2½% Loan	1946	45,63,07,000	1960	99 00
2½% Loan	1946	57,00,69,000	1961	97 15
2½% Loan	1946	14,77,48,000	1976	83 20
2½% Loan	1947	75,86,72,000	1962	96 85
3½% N. P. Bonds	1953	1,29,00,000	1961	98 15
3½% N. P. Loan	1954	1,58,17,90,000	1964	99 90
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	100 05
3½% Loan	1956	87,27,36,000	1962	99 20
3½% N. P. Bonds	1956	33,81,83,000	1967	99 15
3½% Loan	1956	66,63,53,000	1974	98 35
3½% N.P. Bonds (4th. Series)	1957	56,99,15,000	1967	100 80
4 % Loan	1957	49,17,27,000	1972	101 20
3½% Loan	1958	58,06,00,000	1963	100 10
3½% Loan N.P.B.	1958	74,34,00,000	1968	100 60
4 % Loan	1958	49,47,00,000	1973	100 90
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,34,000	M.	72.50
2% Loan	1946	2,48,91,37,000	K.	73.20
STATE LOANS				
4 % Andhra	1955	6,00,16,000	1st Sept. 1967	99 80
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	99 75
4½% Andhra	1958	5,00,00,000	15th July 1970	100 55
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	99 50
3 % Bombay	1950	2,85,50,000	31st Jan. 1963	99 00
3½% Bombay	1951	2,87,53,000	17th Sept. 1962	98 30
4 % Bombay	1953	5,19,35,000	15th July 1963	100 50
4 % Bombay	1954	3,45,85,000	1st Aug. 1964	100 50
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100 50
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	99 00
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	101 10
4½% Bombay	1958	5,00,00,000	15th July 1970	101 10
4½% Bombay	1958	5,00,00,000	15th July 1971	100 90
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	99 35
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	99 50
4½% Bihar	1958	2,50,00,000	13th Oct. 1970	100 55
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99 00
3½% Cochin	1936	30,00,000	1st June 1956-61	98 00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94 12
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	99 70
4 % Hyderabad	1956	4,18,02,000	3rd Sept. 1968	99 50
3 % Madras	1939	1,23,96,000	21st June 1959	99 30
3 % Madras	1945	2,78,44,000	14th Sept. 1960	98 85
3 % Madras	1946	3,31,77,200	1st Sept. 1960	97 75
2½% Madras	1950	4,38,25,400	31st July 1960	98 85
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98 75
4 % Madras	1953	10,33,71,000	15th July 1963	100 25
4 % Madras	1954	7,24,81,200	1st Aug. 1964	100 00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	99 90
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	99 80
4½% Madras	1958	5,00,00,000	15th July 1970	100 70
3 % Mysore(*f*)	1933	2,95,85,200	1st Dec. 1953-63	101 25
3 % Mysore(*f*)	1936	5,99,73,000	30th Apr. 1956-61	99 50
3 % Mysore	1953	3,33,17,000	15th July 1963	100 25
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	99 80
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	99 75
4½% Mysore	1957	3,33,78,000	16th Sept. 1969	100 70
4½% Mysore	1958	5,00,00,000	15th July 1970	100 70
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93 65
3 % M.P.	1950	1,01,45,000	31st July 1960	98 60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 00
3½% M.P.	1953	1,10,18,000	15th July 1963	100 00
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	99 20
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	99 15
4½% M.P.	1958	2,00,00,000	15th July 1970	100 55
4 % Saurashtra	1955	3,61,65,500	1st Sept. 1967	99 80
4 % Saurashtra	1956	2,74,84,600	3rd Sept. 1968	99 80
3 % Trav. Cochin	1953	3,25,61,000	15th July 1963	99 10
4½% Trav. Cochin	1956	2,22,08,000	3rd Sept. 1968	98 25
2½% U.P.Z.A.	1962	41,44,79,000‡		48 25
3 % U.P.	1936	1,55,50,000	15th Sept. 1961-66	91 00
3 % U.P.	1945	4,17,06,000	14th Sept. 1965	98 25
3 % U.P.	1946	2,16,39,000	1st Sept. 1961	97 75
4 % U.P.	1951	1,87,98,000	17th Sept. 1962	98 25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100 70
4 % U.P.	1953	5,58,25,000	15th July 1963	100 30
4 % U.P.	1955	9,39,16,000	1st Sept. 1967	99 70
4 % U.P.	1956	8,61,55,000	3rd Sept. 1968	99 65
4½% U.P.	1958	7,00,00,000	15th July 1970	100 65
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	99 50
4½% Rajasthan	1958	2,50,00,000	15th July 1970	100 55
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	99 15
4½% Orissa	1958	3,00,00,000	15th July 1970	100 55

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
		BOMBAY		
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	96.50
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	96 25
88,25,000	4	1914	1975	96 25
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1916*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1960	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1960	
7,00,000	3½	1941	1971	
		CALCUTTA		
Rs.				Rs.
99,24,300	4	1914	1974	97 75
78,00,100	4	1915	1975	97 75
1,50,00,0000	3½†	1921	1981	82 00
66,02,3000	6‡	1931	1981	144 00N
60,00,000	4‡	1931	1991	95 00
60,00,000	3½	1935	1965	98 50
25,00,000	3	1938	1963-68	92 00
50,00,000	3	1945	2005	74 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84 75
50,00,000	3	1946	2006	74 00
50,00,000	3½	1947	1977	79 50
50,00,000	3	1948	1978	83 75
50,00,000	3	1949	1959	99 12
100,00,000	3	1949	1959	99 12
50,00,0000	3	1950	1980	82 00
1,00,00,000	3	1950	1960	98 00
1,00,00,000	3	1950	1960	98 00
50,00,000	3	1951	1981	81 75
1,50,00,000	3½	1953	1961	99 00
50,00,000	4	1953	1963	100 00
50,00,000	4	1954	1964	97 50
90,00,000	4	1955	1985	97 25
77,00,000	4	1956	1986	97 25
78,09,0000	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99 50
1,30,00,000	4½	1958	1988	98 25
		STERLING LOANS		
£892,600	5	1923	1953-83	£80 00
£901 000	5	1924	1954-84	£80 25
£835,100	5½	1932	1962	£91.00
		MADRAS		
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,0001‡	3	1947	1977	A
3,00,0001‡	3	1949	1979	
45,00,0001‡	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
		BOMBAY		
Rs.				Rs.
50,00,000	4	1899	1959	100.00
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	3	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75
20,00,000	4	1906	1966	N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968*	
25,00,000	4	1912	1972	
30,00,000	3½	1913	1973	
50,00,000	4	1914	1974	97.50
25,00,000	4	1916	1976	N
40,00,000	4	1919	1957 79	118 90
66,00,000	6	1920	1955 80	
25,00,000	5	1926	1956 86	115.00N
25,00,000	5	1927	1961 70	98.00N
10,00,000	3	1928	1966	
		STERLING LOANS		
£566,600		1909	1968	£95.50N
£338,000		1910	1970	£95 50N
Rs.		**CALCUTTA**		Rs
25,00,000	5½	1929	1959	102 00
50,00,000	4	1934	1964	99 06
35,00,000	3½	1935	1965	94 00
30,00,000	3	1936	1966	90 00
50,00,000	3	1937	1962	93 50
50,00,000	3	1938	1963-68	90 00
80,00,000	4	1952	1962	99 25
1,02,00,000	4	1956	1968	99 00
75,00,000	4½	1958	1968	100 00

MUNICIPAL LOANS

Rs.		BOMBAY		Rs
20,00,000	4	1913 18	1974	97 00
10,00,000	5	1920	1980	113.00N
25,00,000	5	1928	1958	101 00
26,21,500	5	1929	1959	101 00
8,25,00,000	3½	1947	1977	84 00
2,50,00,000	3½	1949	1979	84 00
4,00,00,000	3½	1950	1965	93 00
2,50,00,000	4	1952	1964	99 00
1,00,00,000	3½	1951	1966	97 40
1,30,00,000	4	1952	1963	99 60
1,00,00,000‡		1952	1964	98 50
1,00,00,000‡	4	1954	1966	98 00
2,50,00,000	4½	1955	1967	98 50
1,50,00,000	4	1956	1968	98 50
2,00,00,000	4½	1957	1969	100 55
400,00,000	4½	1958	1970	100 55
Rs.		CALCUTTA		Rs.
36,00,000	5	1928	1958	100 00
10,00,000	5½	1932	1962	108 00
50,00,000	3	1926	1965	94 00
60,00,000	3	1936	1966	90 00
47,50,000	3	1938	1963	90 00
17,64,400	3½	1942	1959	96 50
21,10,000	3½	1942	1972	92 00
16,33,000	3½	1951	1961	97 50
66,88,000	3½	1951	1966	97 50
87,36,000	4	1952	1962	99 25
2,22,75,000	4½	1954	1979	100 00
2,22,75,000	4	1955	1985	—
73,86,000	4½	1958	1970	—
Rs.		MADRAS		Rs
15,00,000	3½	1951	1961	107 00N
15,00,000	3½	1952	1962	107 50N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % M. Bharat	1958	1,04,77,000	15th July 1968	100 00
3½% W. Bengal	1951	1,11,26,000	3rd Sept. 1968	99 50
4 % W. Bengal

STOCK & SHARE QUOTATIONS

Abbreviations :—D. = Deferred shares. P.O. = Preferred Ordinary shares. Y. = Accounts published yearly. H. = Accounts published half-yearly. P. = Company has Preference shares. T. = Company has Debentures. N. = Nominal quotations. x.d. = Ex. Dividend. c.d. = Cum. Dividend. i = Interim Dividend. f = Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciations is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share: 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
50,00,000	5,27,500	1,01,25,505	44,08,340	4,56,855	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	Apollo Mills	1·22	2	0·19	0·19			12	Y.
48,80,000	24,80,000	1,40,93,494	78,99,035	17,302	M.	50,596	1,031	B. B. Cotton Mills	25·00	100	*Nil*	*Nil*			12	Y.
2,50,98,000	3,42,88,488	7,95,80,951	3,03,59,819	59,706	Nowrojee Wadia & Sons (Pvt.) Ltd.	2,23,486	5,546	Bombay Dyeing & Mfg. Co.	54·60	25	2·50•	2·50	2·50	0·75i	12	Y.P.T
10,00,000	36,04,615	71,89,130	45,08,521	4,831	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	133·75	50	12·50	20·00	15·00	7·50	3	Y.P
1,13,85,650	2,79,59,276	7,45,37,167	2,69,98,324	9,27,648	Birla Brothers Private Ltd.	1,26,752	2,752	Century Spg. & Mfg. ..	415·25	100	22·00	22·00	22·00	8·00i	12	Y.
25,00,000	28,81,920	1,13,36,702	67,79,552	58,223	Cowasjee Jehangir & Co., Pvt. Ltd.	30,984	680	Coorla Spg. & Wvg. ..	137·50	100	*Nil*				12	Y.
28,00,000	26,37,779	90,59,554	54,08,586	66,029	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	81·00	50	7·50	12·50•	12·50•	12·50•	3	Y.
34,00,000	26,36,389	1,12,98,988	69,27,928	—11,15,096	Puranmal Bubna Sons ..	44,668	928	Edward Textiles	135·00	100	2·50	5·00	5·00	5·00	12	Y.
29,98,050	15,72,144	1,31,76,951	81,20,935	..	M.	45,996	886	Elphinstone Spg. & Wvg.	32·00	50	5·00	15·00	*Nil*		12	Y.
50,00,000	65,54,875	1,67,84,064	89,06,207	87,155	James Finlay & Co., Ltd. ..	52,528	784	Finlay Mills	259·00	100	5·00	15·00	*Nil*		12	Y.P
50,00,000	48,98,022	94,91,910	61,57,387	1,10,233	James Finlay & Co., Ltd. ..	45,768	1,018	Gold Mohur Mills Ltd. ..	182·00	100	15·00	15·00	20·00		12	Y.
11,84,000										100	15·00	15·00	15·00		12	Y.
16,000	1,28,22,269	1,89,27,232	1,29,07,094	—6,87,028	M.	43,080	1,020	Hindoostan Spg. & Wvg. Mills.	4,800·00	1,000	300·00	325·00	350·00•	350·00	3	Y.P.
2,50,98,000	56,29,672	4,90,61,819	5,54,00,000	1,29,969	Agarwal & Co.	2,44,150	6,278	India United Mills	992·50	250	75·00	81·25	87·50•	87·50		
									8·48	0·100	0·94	0·92			12	Y.
8,65,000	1,09,49,981	1,69,80,792	1,17,58,604	—1,16,454	M.	56,784	1,153	Indian Mfg.	1·08	0·10	0·19	0·18				
35,000									4,350·00	1,000	300·00	300·00	325·00•	325·00	3	Y.P.
59,85,000	47,84,646	3,32,60,641	2,39,44,370	30,411	Khatau Makanji & Co. (Pvt.) Ltd...	99,844	1,487	Khatau Makanji Spg. & Wvg..	——	500	150·00	150·00	162·50•	162·50	3	Y.P.
1,90,80,000	1,13,27,791	3,67,76,376	2,84,94,794	52,791	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	157·50	100	12·00	10·00	10·00(c)	10·00	6	Y.P.
33,18,800	46,27,870	1,28,83,753	67,99,178	43,271	N. Sirur & Co. Private Ltd. ..	49,000	644	Modern Mills	234·50	100	18·00	18·00	18·00	4·00i	12	Y.
51,75,000	42,39,890	2,75,32,726	2,00,41,588	21,603	Piramal Sons Private Ltd. ..	71,604	1,652	Morarjee Goculdas Spg. & Wvg..	46·00	50	8·00•	8·00•	5·00(c)		12	Y.T.
1,60,83,400	1,42,58,205	10,55,96,105	3,40,00,000	1,22,937	Chimal & Co. Private Ltd. ..	1,39,120	2,409	National Rayon Corporation ..	232·25	100	14·00	15·00	14·00(c)	15·00	12	Y.P.
24,00,000	25,62,456	82,11,723	48,70,075	1,495	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	237·00	100	12·00	14·00•	14·00		12	Y.P.
30,00,000	11,72,134	101,83,402	63,37,034	..	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	93·00	100	10·00	10·00	5·00		12	Y.
48,00,000	55,51,580	1,69,40,494	1,08,77,159	8,59,718	Ramnarain Sons Private Ltd.	69,232	1,193	Phoenix Mills	212·00	100	10·00	10·00	*Nil*		12	Y.P.
46,00,000	45,84,554	53,92,841	25,84,581	1,63,546	Podar Sons Private Ltd. ..	32,600	980	Podar Mills	117·50	100	10·00		12·50•	10·00	12	Y.
10,80,000	....	23,94,122	18,44,733	—1,10,689	M.			Sassoon & Alliance Silk Mill	128·00	100	12·00•	12·00•	10·00		12	Y.P.
27,78,100	1,19,98,715	2,11,34,514	1,30,87,248	12,182	M. G. Investment Corp. Private Ltd.	94,884	2,127	Sassoon Spg. & Wvg. ..	9·76	10	0·50	0·25(c)	*Nil*		12	Y.
80,00,000	44,70,061	1,27,66,700	67,73,552	58,580	Marwar Textiles Agency) Pvt. Ltd.	77,496	1,620	Shree Niwas Cotton Mills ..	40·00	10	2·00	2·00	₹ 80		12	Y.
42,00,000	39,80,478	1,95,86,294	79,84,101	8,089	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,274	Simplex Mills	135·00	100	12·00	12·00	8·00		12	Y.P.
87,98,000	2,50,26,472	2,96,16,751	1,87,99,817	1,65,642	Mafatlal (Gazalbhai & Sons ..	97,588	2,409	Standard Mills	169·00	50	10·00	12·00	8·50	8·50	3	Y.
1,00,00,000	95,03,854	2,79,30,400	1,44,86,214	29,124	Tata Industries Private Ltd. ..	72,236	2,000	Svadeshi Mills	404·00	100	20·00	22·50•	22·50•		12	Y.
36,00,000	65,13,486	1,52,27,488	96,52,715	26,062	James Finlay & Co., Ltd. ..	40,328	549	Swan Mills	204·50	100	12·00	14·00•	9·00		12	Y.P.
65,57,875	53,20,412	2,18,16,540	90,58,601	17,925	Tata Industries Private Ltd. ..	70,832	1,800	Tata Mills	245·00	100	25·00	25·00	25·00		12	Y.
13,00,000	1,04,98,944	1,72,88,864	1,08,61,776	—20,69,771	M.	54,136	1,212	Western India Spg. & Mfg.	35·50	25	4·00	3·50•	2·00		12	Y.
									4,525·00	1,000	300·00	300·00	325·00•	325·00	3	Y.P

AHMEDABAD

40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	150·50	100	7·00	12·00	5·00	5·00	6	Y.P.T
15,00,000	98,23,183	1,29,00,836	78,32,228	..	P. M. Hutheesing & Co. Ltd. ..	44,220	912	Aruna Mills	590·00	100	30·00	30·00	25·00		12	Y.P.
40,00,000	3,03,12,127	2,17,78,010	1,10,66,997	28,706	M.	66,412	1,216	Arvind Mills	952·00	100	35·00•	35·00•	35·00•		12	Y.P.
22,00,000	47,41,123	1,22,40,943	77,79,729	1,04,815	Manualdas & Brother (Pvt.) Ltd.	35,908	892	Arvindya Ginning & Mfg.	470·00	200	25·00•	30·00•	*Nil*		12	Y.P.
12,00,000	1,40,46,694	99,92,464	67,28,919	..	Lalbhai Dalpatbhai & Co. ..	57,368	914	Asoka Mills	625·00	100	30·00	30·00	30·00		12	Y.P.
2,06,25,000	2,60,65,170	6,22,25,491	2,74,71,141	9,28,539	Kamdhenu Premchand Pvt. Ltd.	1,39,120	2,409	Calico	503·50	125			30·00		12	Y.P.
63,00,000	28,51,630	1,44,37,967	1,02,61,820	20,815	Tricumlal Bhoolia & Co., Ltd.	45,856	866	New Commercial Mills ..	451·25	250	80·00	100·00•	25·00•	25·00	3	Y.P.
63,00,000	91,84,177	1,58,49,668	1,07,88,189	25,673	Mafatlal Chandulal & Co., Ltd.	57,100	907	New Shorrock Spg. & Wvg.	785·00	125	35·00	40·00•	30·00		12	Y.P.
15,00,000	64,29,771	69,45,065	35,66,552	..	Jagabhai Bhoolai Nanavaty & Co.	26,000	572	Nutan Mills	397·50	100	25·00	20·00	20·00		12	Y.
20,00,000	1,08,87,182	1,07,28,484	66,60,460	105	Lalbhai Dalpatbhai & Co. ..	32,828	636	Raipur Mfg.	670·00XR	100	35·00•	35·00•	20·00	20·00	12	Y.P.
48,75,000	28,84,545	1,33,74,474	78,50,111	9,883	M.	35,196	648	Rohit Mills	130·00	100	*Nil*	8·00•	8·00•		12	Y.P.
87,96,800	2,88,74,106	2,17,82,370	1,17,57,907	1,76,451	Harivallabhdas Kalidas & Co.	94,128	1,789	Shri Ambica Mills	632·50	50	27·00•	30·00•	25·00		12	Y.P.
29,25,000	69,60,633	1,00,70,063	72,48,312	18,346	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	41,056	780	Vijaya Mills	582·50	500	35·00•	50·50•	40·00•		12	Y.P
35,00,000	33,00,929	1,28,90,368	99,20,784	23,800	Haridas Ashratlal & Co., Ltd.	41,056	780	Shorrock Spg. & Mfg. ..	462·50	500	25·00	30·00•	20·00		12	Y.

WEST BENGAL

15,00,000	2,05,458	23,27,581	24,08,641	1,14,856	Calcutta Agency Private Ltd. ..	13,044	356	Basanti Cotton Mills	6·25	10	0·50	0·60	0·60		12	Y.P.T.
7,11,280																
3,00,620	3,63,200	83,50,977	59,15,024	22,143	D. N. Bhattacherjee Esq. (Mg. Director)	23,336	935	Bengal Luxmi Cotton Mill ..	35·00N	40	4·00	4·00	4·00	*Nil*	3	Y.P.
24,00,000	1,80,000	1,20,71,237	49,68,051	1,17,244	Kettlewell Bullen & Co., Ltd. ..	42,960	841	Bowreah Cotton Mills	100·00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
19,00,000	24,80,708	1,39,78,961	78,14,165	—1,86,242	Kettlewell Bullen & Co., Ltd. ..	42,944	523	Dunbar Mills	125·00	100	2·50	6·00	*Nil*		12	Y.P.
50,08,000	85,966	76,97,325	21,97,845	82,386	Birla Brothers Private Ltd. ..	4,852	206	Jay Shree Textiles Ltd. ..	7·87	10	*Nil*	0·87	*Nil*		12	Y.T.
1,50,00,000	2,29,91,250	4,00,62,885	1,46,10,478	4,94,772	Birla Brothers Private Ltd. ..	75,040	1,992	Kesoram Cotton Mills ..	11·37	10	0·87	0·87	0·50		12	Y.T.
19,47,7800									15·00N	10	1·00	1·00	0·75		3	Y.P.
5,00,000D	9,80,000	48,59,254	28,75,466	9,888	Hazareemull Heeralal	23,036	795	Rampooria Cotton Mill	4·00N	1D	0·34	0·36	0·15		6	Y.

SOUTH INDIA AND OTHER CENTRES

11,98,600	5,57,619	89,87,104	19,12,220	16,013	Setna & Co.	24,800	..	Asher Textiles Ltd.	217·00N	100	12·50	15·00	12·50		6	Y.
72,00,000	17,82,554	1,87,56,112	68,45,582	9,710	S. Trabjee, Esq.	36,186	716	Azam Jahi Mills	60·00	100	3·50(c)	5·00	3·50		9	Y.
1,21,50,000	1,47,74,679	3,67,98,866	2,76,43,043	2,96,471	Binny & Co (Madras), Ltd. ..	46,250	1,157	Bangalore Woollen, Cotton and Silk Mills ..	158·00	100	30·00	30·00	10·00(C)	4·00i	12	Y.P.
35,00,000	74,79,507	1,41,25,225	1,10,21,274	1,04,207	Birla Brothers Private Ltd. ..	39,896	1,088	Birla Cotton Spg. & Wvg., Delhi	26·25dN	10	3·00	1·50	1·50	0·75	3	Y.P.
1,78,47,800	2,99,20,000	6,98,67,943	4,19,97,472	1,92,471	Binny & Co. (Madras) Ltd. ..	1,20,288	2,762	Buckingham & Carnatic ..	171·00	100	15·00	15·00	15·00	6·00i	12	Y.
20,00,000	15,87,935	50,23,440	26,18,648	..	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	7·90	10	0·50	0·50	0·50		3	Y.P.T
15,00,000	5,11,580	53,38,570	29,91,389	1,08,342	Damodaram & Co.	20,000	..	Cannanore Spg. & Wvg. ..	135·00	100	12·00	10·00	0·50(c)		12	Y.
30,00,000	33,43,336	76,05,050	52,91,916	11,053	Begg, Sutherland & Co. Private Ltd.	27,624	591	Cawnpore Text Ins	1·12	5	*Nil*	0·25	0·25	12·50	12	C
9,36,560	5,31,645	60,81,289	25,97,117	20,645	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg Mills Ltd.	10·80	5	*Nil*	0·25	0·25	*Nil*	12	C
35,21,362	22,09,767	80,79,002	31,91,699	698	R. Bheema Naidu & Co. ..	30,864	..	Coimbatore Cotton Mills ..	136·00	10	0·62	0·75	0·90	0·90	3	Y.P.T.
18,15,000	2,25,195	19,16,056	14,25,583	..	T. A. R. Chettiar Sons & Co.	23,940	180	Coimbatore Murugan Mills ..	92·00	100	25·00	20·00	9·00•		3	Y.P.
20,00,000	18,28,450	80,21,737	44,00,621	590	T. R. N Naidu & Co.	38,226	..	Coimbatore Pioneer Mills ..	273·00	100	20·00	12·00	9·00		12	Y.P.
20,76,900	5,076	1,37,90,104	88,52,968	—2,39,31,446	R. G. S. Naidu & Co. ..	72,188	407	Coimbatore Spg. & Wvg. ..	45·00	50	20·00	20·00	20·00		12	Y.P.
46,87,500	27,24,735	2,42,10,192	1,54,85,354	..	Tata Industries Private Ltd. ..	67,452	1,620	Combodia India	87·00	100	8·00	8·00	10·00	*Nil*	12	Y.
26,90,661	19,55,000	1,04,60,142	44,85,815	21,830	R. Hanumantharappa & Son	28,816	390	Davangere Cotton Mills ..	113·00	100	9·00	*Nil*	*Nil*	*Nil*	3	Y.P.
3,38,36,225										100	9·00	9·00	9·00		12	Y.
1,00,563	3,59,53,968	12,81,26,690	7,47,89,631	4,80,599	B. R. Charat Ram & Co. Private Ltd.	1,41,180	2,852	Delhi Cloth & General Mills ..	28·75	25·00	2·25	2·50	2·00	2·00	6	Y.P.T.
47,98,296	26,25,000	84,28,224	49,84,057	1,965	M. N. Chettiar & Sons ..	42,212	201	Dhanalakshmi Mills	24	2·22	2·50	2·00	2·00			
63,00,000	1,05,56,192	1,69,12,424	1,41,93,838	75,531	Begg, Sutherland & Co. Private Ltd.	48,452	1,198	Elgin Mills	167·00	100	30·00	25·00	10·00(C)	0·16	12	Y.
48,81,000	43,55,161	1,36,06,642	77,13,982	4,172	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	127·50	100	11·00	12·50	11·00		9	Y.P.
2,50,00,000	8,75,000	5,72,71,041	1,64,46,850	1,00,48,893	Birla Gwalior Private Ltd. ..	....	..	Gwalior Rayon	13·25	10	15·00	18·00	8·00		12	Y.P.
50,00,000	6,94,589	1,59,76,049	1,21,32,273	—11,77,234	K. L. Sekaaria, Esq. (Chairman)	51,180	1,356	Indore Malwa United	10·00	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
8,90,000	10,66,553	35,60,221	20,68,005	..	G. V. Naidu & Co., Ltd. ..	23,784	..	Janardana Mills	69·00	50	9·00	11·00	6·00		12	Y.
15,54,000	15,02,599	57,18,987	33,88,095	7,012	Mr. Bhairuratan Damani (Managing Director)	20,212	512	Jam Shri Ranjitsinhji ..	69·00	100	10·00	10·00	3·00		12	Y.
4,63,65,300	3,05,67,516	4,59,48,795	3,29,32,899	3,47,483	Birla Gwalior Private Ltd. ..	54,876	1,680	Jiyajeerao Cotton	1,450·00	1,000	50·00	60·00	40·00		6	Y.
42,00,000	19,25,000	1,05,81,557	38,28,076	91,772	Kothari & Sons	41,040	800	Kothari Textiles	9·76	10	4·00i	0·55	0·35	0·25	3	Y.P.
32,00,000	63,39,487	1,84,50,574	1,25,78,615	2,994	M.	51,068	1,248	Lakhamni Cotton Mfg. ..	9·90	10	1·00	1·00	1·00		12	Y.P.
71,00,000	66,88,966	2,25,46,381	1,29,69,687	86,870	G. K. Naidu & Co.	1,06,600	201	Lakshmi Mills	405·00	250	42·50	42·50	15·00		12	Y.P.
1,75,02,480	4,24,40,278	5,90,89,121	3,06,10,817	6,92,368	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	193·00	50	12·50	12·50	10·00	6·00		
12,00,000	3,67,363	29,03,352	18,76,700	218	V. K. Eradi (Chairman) ..	22,592	100	Malabar Spg. & Wvg. ..	44·50	25	6·25	6·25	5·00	3·00	3	Y.
60,00,000	69,00,000	66,50,298	47,59,040	876	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd. ..	80·00N	200	*Nil*	8·00		2·25	12	Y.
29,80,884	12,88,081	93,11,180	51,89,467	19,738	N. Sirur & Co. Private Ltd ..	39,896	704	Minerva Mills	328·00	100	35·00	40·00	20·00	20·00	12	Y.
94,21,850	21,56,146	1,71,94,769	78,81,528	1,85,008	M.	52,408	952	Model Mills (Nagpur)	60·00	100	6·00	8·00	*Nil*		12	Y.
24,83,500	39,98,562	1,13,65,249	72,49,736	27,671	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	175·00	250	7·50(c)	7·50	2·50		6	Y.
17,61,780	....	29,12,641	17,88,314	3,966	K. Tipperudrish (Chairman)	6,000	..	Mysore Spun Silk Mills ..	81·50	50	6·00(c)	9·00•	9·00•	5·00	3	Y.P.
87,32,200	39,29,981	1,75,83,344	67,86,683	..	M.	87,788	902	Osmanshahi Mills	6·25N	5	*Nil*	*Nil*	*Nil*		3	Y.
4,00,000A	13,00,000	71,70,976	28,66,277	8,909	Bhaghyalakshmi & Co. ..	45,600	..	Palani Andavar Mills	42·25	100	2·50(c)	3·00(c)	*Nil*		9	Y.
6,00,000B									126·00	50A	12·00	15·00	9·00			
15,00,000	....	35,52,644	19,72,637	—18,17,124	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	180·00	75B	18·00	22·50	13·50		12	Y.P.
10,81,200A									38·00	100	4·00(c)	*Nil*	*Nil*			
8,40,600B	31,21,189	1,06,11,851	58,39,266	3,877	A. G. Gurusamy Naidu & Co.	59,264	300	Radhakrishna Mills	136·00	100A	20·00		12·00		12	Y.
10,93,275	30,58,750	76,37,378	32,62,433	....	B. R. Naidu & Sons ..	27,092	..	Rajalakshmi Mills	67·00	100B	10·00	20·00	6·00			
16,14,300	14,00,000	58,40,286	29,95,405	....	Rasoo Agencies Private Ltd.	24,995	..	Rajapalayam Mills	65·50	50	10·00	7·50	4·50		12	Y.
7,35,000	11,50,000	58,72,976	23,15,892	5,986	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	117·00	100	10·00	10·00	6·00		12	Y.P
15,00,000									108·00	100	10·00	10·00	8·00		12	Y.
10,000	2,69,01	3,15,04,564	2,05,50,750	—34,29,685	M.	96,232	2,232	Sholapoor Spg. & Wvg. ..	425·00	1,000	*Nil*	*Nil*	*Nil*		3	Y.P
26,79,700	21,91,449	1,05,57,359	61,65,564	87,576	B. N. Palegar, Esq.	80,744	292	Sri Krishnarajendra Mills ..	61·50	500	5·00	7·00	7·00	4·50	3	Y.
15,00,000	3,63,33,415	1,16,70,186	80,23,012	30,16,282	Birla Brothers Private Ltd. ..	86,212	1,244	Sutlej Cotton Mills	81·00N	50	6·00	6·00	6·00	6·00	3	Y.
17,50,000,0	2,36,28,071	5,38,86,193	1,97,81,347	2,64,970	M.	1,12,216	2,098	Swadeshi Cotton (Kanpur)	10·25	100·	0·75	0·75	0·75			
1,57,50,000 PO									10·25	10P·O.	1·15	1·15	1·15		12	Y.P.
1,00,00,000	60,00,000	3,86,81,893	1,95,13,492	1,78,216	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons ..	15·85	10	0·75	1·00	1·00			
18,98,780	9,45,940	19,58,289	13,60,120	794	Mooljl Ramjee & Sons ..	18,000	..	Trichinopoly Mills	11·62	10	0·90	1·12	0·90		12	Y.P.T.
21,00,000	39,86,738	86,30,795	51,76,507	12,000	R. K. Chetty & Brothers ..	44,424	270	Vasanta Mills	203·00	100	20·00	20·00	12·00		12	Y.
82,00,000	18,73,770	1,85,96,983	1,17,44,692	—9,85,569	The Bombay Co (Private) Ltd.	49,880	1,375	Vishnu Cotton	98·00	100	8·00	8·00	8·00		12	Y.P.

* Includes bonus. † Subject to taxation. M = Managed by Board of Directors. X.R. = Ex-Right. (c) Paid out of Reserves. F = For fifteen months ended 31st March 1957.
Z = Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. § On old capital. ‡ For Nine months ended 31st December 1957. 'C' = On Increased Capital.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.		Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
72,59,940	13,83,764	1,00,14,799	47,17,446	5,752	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	10·05	B.	10	1·00•	1·00			12	Y.P.
59,85,555	....	1,56,92,861	....	12,923	M.	Ashoka Cement Ltd.	6·72		10	..	..	*Nil*		3	Y.T.
3,71,40,070	9,62,91,082	30,81,74,705	11,29,17,763	2,58,821	Cement Agencies (Private) Ltd.	Associated Cement Companies ..	149·75		100	10·00	10·00	9·00		7	H.T.
2,07,44,575															
83,92,587	....	1,23,58,448	16,77,717	779	Tesdulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd. ..	8 52		10	0·30	0·60	0·60		12	Y
1,44,10,795	63 35,980	1,12,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd. ..	Dalmia Cement (Bharat) ..	9·15	O.	10	1·25	1·25	1·20		12	Y.
5,00,000							2·63	D.	1	0·12	0·12	0·12			A.P.
1,09,79,135	30,37,736	2,18,27,299	73,38,865	71,092	Essen Private Ltd.	India Cements Ltd.	—	O.	10	1·87	2·06	2·06	2·25	3	Y.P.
1,50,00,000	4,00,000	4,72,60,133	89,99,750	21,36,411	Sahu Jain Ltd.		5·20xr	D.	5	0·37	0·41	0·41	0·45		
1,00,00,000	31 43,497	3,25,68,763	1,17,79,423	37,55,949	Dalmia Agencies Private Ltd. ..	Jaipur Udyog Ltd.	9·34		10	0·75	1·25	*Nil*		3	Y.P.
1,84,20,200	48,94,733	3,55,77,865	1,29,16•661	2,23,855	Shree Laxmi Agents Private Ltd.	Orissa Cement Ltd.	11·72		10	1

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
						PAPER								
45,00,000	87,01,841	2,14,69,597	1,60,54,697	66,840	M.	Bengal Paper Mills	91.00	25	4.50	2.50	3.12	2.00‡	12	Y.P.T.
68,00,000	61,52,258	1,94,26,902	98,79,418	29,471	Andrew Yule & Co., Ltd. ..	India Paper Pulp	19.50	10	1.39-2/5	1.39-2/5	1.40	1.00	3	Y.
25,00,000	30,54,597	1,49,62,955	87,38,459	27,136	T. Shamanna, Esq. (Chairman)	Mysore Paper Mills	17 55	10	0.75*	1.00*	1.00*	1 00	3	Y.P.Z.
1,46,82,500	2,58,74,724	8,20,10,763	1,87,17,832	1,20,326	Birla Brothers Private Ltd. ..	Orient Paper	29.40	10	1.12	0.62	1.50	1.50	3	Y.
1,20,00,000	74,28,277	1,86,10,228	1,11,41,634	20,477	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills ..	15 06	10	1.25	1.25	1.25		12	Y.P.T.
80,00,000							{ 12.69	O. 10	1.25	1.05	0 60		} 9	
4,10,00,000	7,29,123	71,98,586	36,86,550	4,828	Bajoria & Co.	Star Paper Mills	{ 12 69	A. 10	1.25	1 05	0 60			Y.P.
2,18,55,240	48,43,060	3,85,20,949	75,56,130	5,497	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	{ 12 26	10	5 00‡	0.50	0.50		6	Y.P.
56,00,000A							{ 42.00	A. 10	2.00*	1.12*	2.38*	2.38*	} 3	
30,04,800B.	3,85,66,722	6,68,99,634	3,73,82,529	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	{ 42.00	B. 10	2.00*	1.12*	2.38*	2.38		Y.P.
4,87,500P.O.							{ 3.94	P.O. 2½	0.25	0.12	0.24	0.24	} 12	
						SAW MILLS AND TIMBER								
13,99,998	{22,88,839	32,79,430	{13,61,671	—4,90,122	Bird & Co. (Private) Ltd. ..	Assam Saw Mills	3.10	3	*Nil*	*Nil*	*Nil*		9	Y.
50,00,000	3,81,14,271	4,60,47,879	1,88,08,404	1,83,542	Wallace & Co.	Bombay-Burmah Trading Corpn.	{ 477.50	Old125	37.50	40.00	40.00	7.50‡	} 5	Y.
42,00,000							{ 176.00	New50	15.00	13.75	16.00	3.00‡		
20,00,000	20,43,037	19,96,436	15,76,148	78,140	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	44.12	10	3.00	3.00	2.75	1.00‡	9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	0,406	42,92,220	31,12,074	57,702	M.	Balrampur Sugar	9.00	5	0.06	*Nil*	0.25			Y.
12,00,000A	29,80,260	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	{ 130.00N	A. 100	10 00	10 00			} 4	
9,00,000B.							{ 11.50N	B. 10	1.00	1 00				V.T.
19,49,050	8,75,000	33,83,770	25,68,270	74,946	Bangur Bros., Ltd.	Belsund Sugar	11.19	7½	0.75	1 00	1.00		9	Y.
18,00,000	13,51,513	19,28,777	13,40,540	7,653	Cotton Agents Private Ltd. ..	Bharat Sugar	{ 12.50N	10	1.50	1.50	1.50		6	Y.P.
2,00,00,000	25,22,515	1,45,76,657	98,94,338	—2,23,014	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8 81	10	0.25	*Nil*	*Nil*		6	Y.P.T.
2,00,00,000	54,39,509	1,65,39,057	93,52,334	—8,35,790	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	12.06	10	0.75	0.75	*Nil*		10	Y.P.
18,00,000	34,56,103	84,72,400	59,12,695	—8,43,163	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	18 25	10	1.50	1.50	*Nil*		6	Y.
9,58,252	2,59,762	25,14,152	16,98,388	5,464	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	{ 10 00N	10	0 50	0 50			6	Y.T.
18,00,000	12,51,628	79,38,731	49,86,047	1,05,664	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	59.00	40	2.25	4 00	7 00		7	Y.P.
7,89,100	22,50,288	48,69,619	26,90,926	70,525	Cotton Agents Private Ltd. ..	Champarun Sugar Mills ..	28 00	10	2.50	2 50	2 50		6	Y.P.
11,00,000	4,45,000	47,92,961	28,66,316	4,549	K. C. Thapar & Bros. Private Ltd.	New Savan	59.00	40	2.25	4 00	7 00		7	Y.P.
18,21,109	49,91,797	73,75,775	37,25,063	6,855	Cotton Agents Private Ltd. ..	New Swadeshi Sugar Mill ..	{ 250 50	100	20.00	20 00	20 00		} 6	Y.
38,275							{ 50 00N	25	5 00	5 00	5 00			
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd. ..	Oudh Sugar	151 00	100	11 00	11 00	12.50		7	Y.P.
9,00,000	19,64,146	43,88,090	32,92,228	15,962	Begg, Sutherland & Co. Private Ltd.	Purtabpore Co.	14.50	10	0.75	0 75	*Nil*		10	Y.P.
63,59,400	48,34,090	81,89,788	31,42,934	89,543	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	12 25	10	1.50	1 50	1.50		10	Y.
8,00,000	6,21,932	28,74,393	23,31,931	2,175	M.	Ryam Sugar	17.00	10	*Nil*	1 75	1.50		6	Y.P.
11,99,000	16,35,214	47,23,583	25,13,422	—2,20,853	M.	Samastipur Central Sugar ..	12 37	10	*Nil*	1 75	*Nil*		6	Y.
39,98,800	22,68,560	1,47,99,287	73,09,801	47,608	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.25	10	1.75	1 00	1.00		7	Y.P.T.
10,02,115	24,660	29,48,608	14,85,401	—3,16,557	H. K. Ghosh, Esq., and R. N. Datta Esq. (Managing Directors) ..	Sitalpore Sugar	2 37	10	*Nil*	*Nil*	*Nil*		6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	11 62	10	1.00	1 00	0 50		8	Y.
8,00,000	34,74,348	1,27,80,247	80,57,754	9,663	Cotton Agents Private Ltd. ..	Upper Ganges Sugar	35.00N	10	2.50	3.00	5.00		6	Y.P.
16,00,000	9,16,589	33,80,335	27,24,251	29,751	M.	United Provinces Sugar ..	14.50	10	1.50	0.60	0.75		9	Y.
						Other Centres								
80,00,000	19,50,000	76,27,620	18,97,501	15,070	Rangarao & Co.	Andhra Sugars Ltd.	17.00	10	0.60	1.00	1.25		9	Y.
70,49,650	1,33,26,508	1,53,99,065	1,08,78,700	2,88,214	W. H. Brady & Co., Ltd. ..	Belapur Company	292.00	50	16 00	16 00	18 00	20.00*	9	Y.
17,50,000	12,58,285	41,35,701	23,96,315	80,827	A. H. Bhiwandiwalla & Co. (Bombay)	{ Bhopal Sugar Industries Ltd.	28.00	10	1 00	1 50	2 00		9	Y.P.
37,50,000	16,15,171	76,19,408	50,40,255	31,529	Private Ltd.	{ Shree Changdeo Sugar ..	32.75	12.50	2 00	5 00	2 25		9	Y.
39,84,000	47,43,760	1,16,18,224	62,38,314	1,16,220	Parry & Co. Ltd.	Deccan Sugar & Abkhari ..	10 720cd	5	0 50	0 75	0 85		5	Y.P.
£ 549,950	£ 1,197,467	£ 1,387,940	£ 701,435	£ 52,719	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	29 50	£1	Sh. 4	Sh. 3	Sh. 3	Sh 11	6	Y.P.
15,93,900	15,86,419	43,30,767	25,77,714	5,691	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80 00	100	*Nil*	6 00	10 00		6	Y.P.
63,98,200	11,02,669	78,71,615	18,88,285	46,085	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	12 30	10	1 40	1 12	1 00		6	Y.P.
23,17,770	15,75,871	94,06,432	12,67,310	6,611	R. S. Ind Corpn. Private Ltd.	Jeypore Sugar	15 00	10	1 00	0 60	0 60		6	Y.P.
10,52,2000	88,00,000	2,48,45,158	41,94,129	28,068	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	{ 120 00	Q.100	7 50	7 50	7 50		} 6	Y.P.
2,87,100D.							{ 134 00	D. 10	10.00	10 00	10 00			
67,50,000	88,21,978	1,22,47,683	57,87,087	36,423	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q ..	106 00	50	..	..	100 00*	100 00*	9	Y.P.
21,79,280	86,24,043	1,54,89,192	89,25,545	2,10,465	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	43 00	10	2.00	2 00	2 00		6	Y.
50,00,000	53,21,430	1,16,88,154	67,30,841	1,47,239	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	159 50	50	8 00	9 00	12 00*		9	Y.
19,59,820	40,00,000	59,42,584	33,62,920	2,28,300	Anderson Wright Ltd. ..	Ramnuggar, Cane and Sugar ..	19.00	10	2 00	2 00	1 50		8	Y.P.T.
20,00,00000.	42,07,214	1,04,79,940	59,30,787	70,575	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	{ 137.00	Q. 50	9 00	12 00	12 00		} 9	Y.P.T.
4,00,000D.							{ 80 00N	D. 10	0 07	0 75	8 75			
30,00,000	23,85,000	65,43,339	27,52,833	1,07,287	Parry & Co. Ltd.	Travancore Sugars	10 25	10	0 75	1 00	1 00	1.00	7	Y.P.
1,01,00,000	1,16,37,178	2,71,48,027	1,06,46,123	1,72,956	Walchand & Co. Private Ltd.	Walchandnagar Industries ..	280.50	100	18.00	21.00	21.00		9	Y.P.T.
						TRANSPORT								
20,00,000	62,80,870	1,22,58,916	19,44,277	86,887	Andrew Yule & Co., Ltd. ..	Bengal-Assam Steamship Co. ..	107.00	100	7.50	7.50	7.50		10	Y.P.
1,00,00,000	27,28,000	4,10,06,541	1,62,42,552	4,06,036	Dinshaw (Private) Ltd. ..	Bharat Line J.	13 12	10	5.00	6.00	12 00*		12	Y.
60,00,900					A. H. Bhiwandiwalla & Co. (Bombay)		25 62	5	0.50	0 75	1 00	1 50		
30,00,000	1,98,50,067	5,87,36,543	1,23,12,203	1,54,433	Private Ltd.	Great Eastern Shipping Co. ..	52 00	£10	Sh. 10	*Nil*			6	Y.P.
£655,880	£997 739	£5,666,834	£3,428,088	—£106,993	Kilburn & Co. Private Ltd. ..	India General Navigation & Rly. Co.	14 52	10	*Nil*	1 00	1.00	1.00	12	Y.P.
2,47,50,000	2,83,86,232	15,10,10,777	3,23,97,310	8,09,413	Lionel Edwards (Private) Ltd.	India Steamship Co.	21 04	20	0 50	1 00	1 25		3	Y.P.
9,40,19,673	10,85,51,342	27,66,48,271	5,78,99,812	5,84,102	M.	Scindia Steam Navigation Co. ..	59 00	£1	Sh. 2	Sh. 2	Sh. 2		6	Y.T.
8,40,8000.	21,67,472	12,59,963	8,41,760	1,35,400	R. R. Alyer Esq. (Manager) ..	Walford Transport Ltd.	{ 1.87	O. 1	0.14	0 14	0 14		} 12	Y.
3,10,200P.O.							{ 1.75	P.O. 1	0.12	0.12	0.12			
						UNCLASSIFIED (Bombay)								
25,00,000	1,00,000	26,18,5458§	....	58,589†	M.	Devkaran Nanji Investment Co.	11.00	25	0.75	0.81	0.81	W	3	Y.
57,00,000	2,01,70,510	4,79,59,818	1,35,62,169	89,94,000	S. H. Turner (Chairman) ..	Hindustan Lever	26.25	10	..	..	1.25	1 40	12	Y.
31,07,900	16,29,510	1,09 45,989	67,14,407	14,986	Birla Brothers Private Ltd. ..	Hind Cycles	110.00	100	10 00	10 00		12 50‡	3	Y.P.T.
14,98,840	4,61,996	33,87,566	21,55,554	10,066	Choonilal Manilal Private Ltd.	Estrela Batteries	86.50	50	2 00	3 00	3 50*	3.00	3	Y.P.
99,99,250	20,13,147	1,25,61,3985§		1,74,689	Premchand Roychand & Sons ..	Industrial Investment Trust ..	81.00	100	4 50	5 00	5 50		12	Y.
1,00,00,000	28,08,446	38,85,170	11,25,734	2,758	K. G. Milne, Esq. (Mg. Director)	Killick Industries	149.00	100	11 00	11 00	11 00		6	Y.
80,25,325A. O.	63,14,205	3,42,78,324	1,69,98,078	6,31,752	Aero-Auto Private Ltd. ..	Premier Automobiles	89 50	100	*Nil*	*Nil*	6 00		6	Y.
21,60,900	29,17,738	64,65,614	14,68,374	64,880	Polson Agencies Private Ltd. ..	Polson Ltd.	155.00	10	10 00	12 50	10 00		6	Y.P.
10,21,200	4,83,147	8,09,102	5,85,506	2,481	.. ..	United Motors (India) Ltd. ..	15.00	20	2 00	2 00	1 20		12	Y.
2,75,00,000	1,44,13,441	3,87,52,891	1,68,58,348	89,860	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	183.00	100	11 00*	11 00*	11 00*		12	Y.
45,00,000	60,62,390	8,64,985	5,24,958	75,054	.. ..	W. H. Brady & Co., Ltd. ..	297.50	150	20.00	22.50	25.00		12	Y
						Other Centres								
57,50,000	1,99,56,718	3,81,21,462	36,95,3 1	2,33,759	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	{ 10.50	O. 10	*Nil*	*Nil*	0.50	0.90	} 3	
2,50,000							{ 5 00	D. 2½	*Nil*	*Nil*	*Nil*	*Nil*		
29,95,653	34,25,000	1 05 40,087	34,37,767	49,715	Seshasayee Bros. (Trav.) Prv. Ltd.	Aluminium Industries Ltd. ..	17 20	10	1 25*	1 25	1 25	1.25	3	
30,00,000	36,20,717	34,97,377	23,60,332	3,61,289	Turner Morrison & Co. Private Ltd.	Angerlo Bros., Ltd.	29 12	10	2 00*	2 00*	2 80*		8	
30,00,000	17,14,736	98,54,272	19,66,572	1,83,354	M. A. Hydari & Mr. S. Gothberg	Assam Match Co., Ltd.	17.25	10	1 25*	1 25*	1 25*		12	
30,00,000	35,04,600	1,05,12,033	39,58,423	3,29,986	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	7 75P	10	0 40	1 20	0 60		3	Y.P.
20,01,400	84,59,465	74,46,138	40,46,138	5,00,886	M.	Balmer Lawrie & Co., Ltd. ..	142 00	100	12 50	15 00	12 50	5.00‡	12	Y.
12,00,000	17,56,000	34,55,743	27,24,743	2,01,787	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	30.25%d	10	2.25	2 50	2.50	1.25‡	12	Y.
20,00,000	8,05,715	62 28 4958§	....	37 612	Lovelock & Lewis	Birds Investment Ltd.	14.75	10	1.25	1 00	..		9	Y.P.
40,97,250	38,11,814	1 15 02 262	42,92,212	2 18 164	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	17 00xd	10	1 00	1 00	1.00	1.20	3	Y.P.T.
3,25,00,000	1,27 72,883	3,51 40 132	2,47,20 776	—11,35,546	M.	British India Corporation Ltd.	3 56	5	*Nil*	*Nil*	*Nil*		12	Y.P.
8,00,000	3,26,572	13,08l	18,958	28,272	Andrew Yule & Co. Ltd. ..	Calcutta Hydraulic	48 00N	100	*Nil*	*Nil*	3 00		6	Y.
8,00,000	2,47,132	8,43,622	6,08,409	35,418	Andrew Yule & Co. Ltd. ..	Central Hydraulic	82 00N	100	5 00	6 00	10 00*		6	Y.
1,88,80,000	17,34,264	2,05,94,990§§	....	8,10,588	Andrew Yule & Co. Ltd. ..	Clive Jute Investment	11 50	10	0 50	0 50	0 75	0.75	3	Y.
3,00,00,000	4,40 29,606	6,50,49,175	2,68,24,548	22,22,643	Jain Lucknam, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	30.00	10	1 50	1 50	1.62		12	Y.P.T.
16,20,000	26,15,014	79,73,561	16,23,422	38,736	Mr. K. G. Khanna	Dyer Meakin Breweries	12 25xr	5	0 56	0 56	..	..	8	Y.
61,26,000	54,81,635	1,64 12 9085§	....	2,42,272	Bird & Co. Private Ltd. ..	Eastern Investments Ltd. ..	149.00	100	9.00	9.00	9.00		12	Y.P.
14,94,675		22 64 862	....	1,30,811	S. Sankaran Esq. (Mg. Director)	Enfield India Ltd.	10 00	10	..	..	..		12	Y.P.
14,00,000	10,35,000	36,71 778	20,74,954	32,966	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	166 00	100	15 00	4 00	12 50	15.00	3	Y.
40,00,000	4,00,000	69 80 740	32,43,367	10,90 318	M.	Godfrey Phillips India Ltd. ..	19 75N	10	2 00	2 00	1 50		12	Y.P.
65,00,000	26,00,000	22,50,004	12,41,168	1,46,370	Gillanders Arbuthnot & Co., Ltd.	P. E. G. Woodhine Parish, Esq.	12 37	10	1 40	1 60	1 00	1.00	3	Y.P.
80,00,000	15,17,354	83,08,821	36,24,688	74,215	B. P. R. Syndicate	Great Eastern Hotel	250 00	250	6.25	15 00	15 00		3	Y.
4,96,13,250	13 37,499	5,26,95,200	2,25,48,541	9,88,841	Birla Brothers Private Ltd. ..	Hindustan Motors	6 56	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
3,84,58,000	1,17 58,800	7 37 45,612	2,21,77 728	7,20,182	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd. ..	15 56	10	0 9	1 00	0 60		12	Y.P.
1,53,89,220	1,59,00,000	2,56,09,150	1,03,47,220	41,30,915	H. J. Woodley, Esq. (Mg. Director)	Indian Cables	26 56	10	1 25*	1 50*	1 50*	1.50*	12	Y.P.
8,27,970	6,03,000	16,74,908	9,50,306	62,722	G. S. Mouiton & Co. (India) Ltd.	Indian Rubber Manufacturers	17.00N	10	0.50	0.62			3	Y.P.T.
2,00,00,000	....	....	....	....	R. G. C. Stephenson, Esq. (Mg. Director)	Indian Oxygen Ltd.	23 25	10	..	..	1.00		9	Y.
15,16,00,000	9,66,59,979	10,61,31,642	2,04,62,122	24,04,558	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	11 62	10	0.30	0.30	0.70	0.70	3	Y.
2,50,00,000	65,52,100	40,05,018	13,40,878	4,92,742	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	75 00	100	7.50	7 50	2.50	2.50	3	Y.P.
3,00,00,000	82,86,900	48,58,407	10,43,712	2,57,153	M.	McLeod & Co.	{ 300 00N	O. 100	22 50	8 00			} 12	Y.P.
3,00,00,000							{ —	D.O.10	1.75	0 30				
1,45,23,500	90,58,531	25,54,434	14,97,333	2,35,312	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	28 87	10	1 81*	2 12*	2 12*		9	Y.P.
1,15,00,000	1,29,00,151	2,84,27,676	1,01,16,457	16,62,798	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	32.12	10	1 25	1 62	1.75	1.75	3	Y.P.
6,56,250	6,92,500	11 29,680	5,97,362	8,949	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	16 85xd	10	0 75	0 75	1 25		3	Y.
10,00,000	3,70,000	34,04,172	10,70,784	4,088	M. Malleshayya, Esq. (Chairman)	Mysore Tobacco	14 25cd	10	1 00	1 50	1 50	1.25	3	Y.
2,00,00,000	85,55,408	2,14,82,470	61,33,962	25,42,424	J. R. Galloway, Esq. (Mg. Director)	National Carbon Co. (India) Ltd.	29.00	10	0.32	1 50	1.40		12	Y.
2,00,00,000	59,71,172	77,84,523	42,87,426	2,67,636	Associated Industrial Development Co. (Private) Ltd.	National Insulated Cable Co. ..	32.87	10	1.50*	2 00*	2 00*		3	Y.T.
....	....	....	....	....	Do.	National Rolling & Steel Ropes	13.75	10	0.60	0.60	0 60		3	Y.P.
40,00,000	20,00,000	86 22,809	17,56,013	24,266	.. ..	National Rubber Manufacturers Ltd.	{ 13.25	10	..	..	1.00		12	
8,00,000	6,00,000	50,21,760	28,60,528	1,80,392	K. N. Mookerjee (Mg. Director)	National Tobacco Co.	12 25	10	0.80	0.70	0 90		12	Y.
79,97,000	68,89,261	1,25,70,061	65,79,851	8,87,736	B. N. Elias & Co. Private Ltd.	Phillips India Ltd.	15 62	10	..	..	0.34		12	Y.P.T.
2,20,00,000	42,21 731	1,09 43,225	33,40,874	63,842	P. C. Vink, Esq. (Mg. Director)	Rallia India Ltd.	40.50	100	*Nil*	*Nil*	*Nil*		3	Y.
2,25,00,000	....	1,22,26,543	60,08,534	—44,12,938	M. P. A. Paspatti, Esq. ..	Rohtas Industries	29.25	10	1.50	1 50	..		3	Y.P.
2,50,00,000	1,57,90,209	13,34,94,825	4,66,67,580	93,507	Sahu Jain Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	{ 100 00N	100	..	5 00	6.00	2.00††	3	Y.P.T.
4,73,200	51,836	31,11,057	6,29,199	19,106	Sathe Food Inds. (Private) Ltd.		{ 50 00N	50	..	2 50	3 00		} 3	Y.P.
5,13,400							{ 14 20	10	0 60	0 60	0 60			
70,00,000	17,66,318	1,67,21,608	84,47,040	66,321	M.	Sen-Raleigh Industries	19 85	10	1 50	1 50	1 50		9	Y.P.
40,00,000	88,41,163	1,21,89,272	72,08,599	9,02,978	C. W. Stephenson, Esq. ..	Spencer & Co., Ltd.	15 22	10	1 00	1 00	1 00		9	Y.P.
75,00,000	21,22,788	71,93,265	11,65,597	3,55,825	S. M. Smith Esq. (Mg. Director)	Shaw Wallace & Co., Ltd. ..	10.00N	10	1 00	1 25	1 25		12	Y.P.
15,00,000	95,15,571	1,13,44,098	16,55,796	3 212	J. K. Agents Private Ltd. ..	Straw Products Ltd.	4 15	10	*Nil*	*Nil*	*Nil*		12	Y.
15,00,000	19,925	14,83,995	5,18,593	—7,432	Ogale Glass (Private) Ltd.	Travancore Ogale Glass	270 00cd	75	15 00	15 00	15 00	45 00R	12	Y.
9,88,380	9,80,100	20,85,103	20,85,097	9,488	Vital Mallya, Esq. (Chairman)	United Breweries							3	Y.

* Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co., Ltd.

M.—Managed by Board of Directors. J—Bharat Line has sub-divided shares of Rs. 100 each into shares of Rs. 10 in 1958.

† Subject to taxation. F.—Hind Cycles. The latest dividend of Rs. 12-8 per share, is for fifteen months ended 31st March 1957. The dividends for 1956 and 1957 are on shares of Rs. 250. †† Rohtas Industries—Latest dividend is for seventeen months ended 31st March 1958.

Q.—Maharashtra Sugar has sub-divided its shares of Rs. 250 each into shares of Rs. 50 each in 1958.

§§ Investments at cost.

R—United Breweries—The final dividend of Rs. 37.50 for the year 1958 consists of Rs. 12.50 to be paid in cash, Rs. 25 per share by the allotment of one newly created share.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1954 Rs. nP	1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	Accounts Closed	Reference
							ASSAM								
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co., Ltd.	325	Amluckie	27.50xd	10	18.00A	4.75	5.00	1.00	12	Y.P.
2,76,500	5,71,500	11,19,587	3,89,763	22,120	M.	312	Ananda (Assam) Tea ..	20.00xd	10	7.50	1.00	2.00		12	Y.
7,00,000	6,43,250	12,60,883	3,51,119	56,268	Gillanders Arbuthnot & Co., Ltd.	400	Ananda Bag	18 50	10	8 00*	1 00	1 25	0.50	12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	49,886	McLeod & Co., Ltd.	573	Bazhmari	20 00	10	3 50	1 00	2 50	1.50	12	Y.
5,10,000	12,33,171	13,89,143	5,88,787	44,923	Andrew Yule & Co. Ltd.	377	Banmatia	22.25	10	8 00	1 50	2 00

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
3,00,000	2,19,000	3,92,505	84,197	15,099	Planting Agencies (Private) Ltd.	Baimadies Plantations	3.50	2	0.30	0.21	0.45		5	Y.P.
42,91,270	17,00,000	56,38,212	6,78,384	29,944	Peirce, Leslie & Co., Ltd.	Central Travancore Industries	5 42	3	0 45	0 75	0 52	0.50*C*	2	Y.P.
25,50,000	28,00,000	45,96,849	9,51,058	1,52,236	Parry & Co., Ltd. (Secretaries)	Cinnamon Estates	24 40cd	10	2 25	2 00	4 00	2.00	6	Y.P.
71,55,000	57,00,000	1,42,78,181	30,95,427	75,345	R. C. Paterson, Esq.	R. C. Paterson & Co.	15 25	10	1 75*	1 50	1 75		3	Y.P.T.
4,00,000	9,87,422	10,48,962	52,995	8,519	Associated Planters Private Ltd.	Cottamalai Estates	11 37	10	2 00	2 00	0 75		12	Y.T.
*15,00,000	9,30,543	29,06,448	5,36,748	48,884	A. V. Thomas & Co., Ltd.	Highland Produce	12 25cd	10	2 75	2 00	2 00	1.00'C'	3	Y.P.
8,00,000	6,92,899	19,66,900	3,05,819	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	12 25cd	10	2 25	2 25	2 25	1.70'C'	3	Y.
18,50,000	4,55,880	20,40,935	3,32,988	..	A. V. Thomas & Co., Ltd.	Mahakara Rubber	18 12	10	2 25	2 00	2 00	1.00'C'	3	Y.
40,50,000	29,09,139	55,11,082	10,30,522	2,831	A. V. George & Co., Ltd.	Midland Rubber	11 50cd	10	2 50	2 00	2 00		3	Y.
9,35,000	4,98,000	18,43,851	2,26,184	22,019	A. V. George & Co., Ltd.	Mummany Rubber	18 75	10	1 75	1 75	1 75		12	Y.P.T.
2,00,000	3,05,000	9,44,977	1,14,755	2,427	Associated Planters Private Ltd.	Nilambur Rubber Co.	15 00	10	1 00	1 00	1 00		12	Y.P.T.
19,45,000	23,79,615	45,25,952	14,74,565	53,868	Peirce, Leslie & Co., Ltd.	Cochin and Valley Estates	5 43	2	0 40	0 20	0 60		10	Y.P.T.
18,50,000	8,36,102	46,47,820	4,23,094	40,664	A. V. Thomas & Co., Ltd.	Ramaputty Rubber	18 50cd	10	2 00	2 50	2 00	2.00	6	Y.P.
5,50,170	4,00,000	9,17,112	92,732	798	Peirce, Leslie & Co., Ltd.,	Savumalai Estates Ltd.	8 47	2	1 00	1 50	0 80		11	Y.
12,00,000	1,70,000	17,43,035	35,695	..	Parry Agencies	Sannamalai Coffee Estates Ltd.	2 50	2				0.18	3	Y.P.T.
10,00,000	3,01,600	22,44,528	1,59,659	9,940	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	7 30cd	10	0 90	0 90	0 60		3	Y.P.T.
2,50,000	2,75,000	5,73,150	88,399	25,647	A. V. George & Co. Ltd.	Thamaraparly Rubber	27 00	10	3 00	3 00	3 00		12	Y.P.
9,15,300	4,00,000	22,40,057	1,37,436	23,927	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd. ..	1 59	1	0 12½	0 12½	0 06		9	Y.T.
6,00,000	33,742	7,80,895	1,41,328	1,270	Kapen Thomas Esq. (Mg. Director)	Travancore Rubber	17 40	10	3 00	2 00	1 50		12	Y.
41,00,000	12,79,221	84,25,080	14,56,643	1,06,654	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	6 70	10	1 25	0 75	0 40		12	Y.P.
20,00,000	35,000	30,13,828	7,75,065	167	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	21 75	25	4 00	3 00	1 00		12	Y.
2,20,000	4,29,600	9,26,785	83,552	..	A. V. George & Co., Ltd... ..	Udamalpet Rubber Co. Ltd. ..	11 15	10	0 60	0 75	0 60		12	Y.P.
8,80,010	5,90,669	9,56,599	27,217	872	M.	Valkundam (Travancore) Rubber ..	28 35	10	2 50	3 50	3 50	1 25‡	12	Y.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8 62cd	10	2 00	1 25	1 00	0 50	3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital. * Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts Closed	Reference
60,00,000	44,25,000	1,20,25,991	83,26,489	18,786	B. N. Ellias & Co. Private Ltd.	879	Agarpara	10 44	10	0 62	0 25	0 25		3	Y.T.
6,00,000	10,81,600	59,82,784	40,82,871	1,66,851	McLeod & Co., Ltd.	456	Alexandra	185 00	100	10 00	10 00	10 00		12	Y.P.T.
20,00,000	5,25,000	1,25,28,740	95,78,601	—5,74,381	McLeod & Co., Ltd.	1,264	Alliance	116 00	100	6 00	*Nil*	*Nil*		5	Y.P.
49,20,700	72,21,000	3,09,93,668	2,15,04,087	2,36,742	Duncan Brothers & Co., Ltd. ..	2,841	Anglo-India	207 50	100	8 50	8 50	7 00	10 00	3	Y.P.
40,00,000	32,60,924	1,49,82,554	68,17,403	3,215	Andrew Yule & Co., Ltd.	819	Auckland	160 00	100	10 00	1 00	*Nil*	5 00	3	Y.P.T.
20,00,000	24,94,715	98,59,961	67,35,461	1,18,223	Birla Brothers Private Ltd. ..	959	Bally	200 00	100	3 50	*Nil*	2 00	6 00	3	Y.P.
42,75,000	£631,032	£1,640,294	£987,467	—£175,567	Sir John H. Burder (Chairman) ..	1,589	Barnagore	130 00	55	sh 15	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	26,27,128	97,66,495	58,10,415	6,111	Andrew Yule & Co. Ltd.	839	Belvedere	153 00	100	7 50	*Nil*	4 50		12	Y.P.
44,00,000	29,71,745	88,94,991	55,42,935	—5,78,255	Somarmull Nagarmull	600	Benaal	11 62	10	1 12	1 00	*Nil*		6	Y.P.T.
10,00,000	2,26,05,284	4,09,60,115	1,66,74,127	24,155	Birla Brothers Private Ltd. ..	1,373	Birla	18 75	10	1 00	1 00	1 00	1.00	3	Y.P.
2,50,000	2,75,000	1,22,32,479	71,78,657	2,799	Andrew Yule & Co., Ltd.	991	Budge-Budge	124 00	100	7 50	*Nil*	*Nil*		10	Y.P.
9,15,300	4,00,000	49,56,445	33,71,353	23,320	M.	572	Calcutta Jute Mfg.	7 00	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
6,00,000	1,49,122	7,29,936(k)	10,337	F. W. Heitners & Co. Private Ltd.	Churia	2 87	4	0 06	0 06	0 20				12	Y.
16,00,000		54,47,612	31,84,398	—67,135	Macneill & Barry Ltd.	616	Dhanno Main	8 62	10	*Nil*	*Nil*	*Nil*		12	Y.
£240,000	£273,123	£1,070,637	£776,882	£19,431	Jardine Henderson Ltd.	600	East Indian	23 37	£1	2 00	2 50	1 50	1 00	12	Y.
29,52,780	98,25,027	4,34,54,587	3,12,09,709	59,732	Macneill & Barry Ltd.	2,189	Equitable	28 87	10	1 50	1 50	1 50		4	Y.
10,00,000	1,40,469	14,24,422	4,83,296	48,869	Shaw Wallace & Co. Ltd.	600	Ghusick and Mualia	14 00N	10	0 25	0 25			12	Y.P.T.
12,00,000	65,000	43,00,791	25,55,359	—6,34,205	Killick Industries Ltd.	1,000	Hastings	19 00	50	2 25	2 25	*Nil*	*Nil*	3	Y.
8,00,000	2,50,000	21,57,988	19,66,774	162	Macneill & Barry Ltd.	600	Hurrtladih	15 00	10	2 50	1 50	*Nil*		6	Y.P.
5,50,000	3,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd.	600	Kalapahari	22 00	10	*Nil*	*Nil*	*Nil*		12	Y.
20,00,000	2,87,375	35,11,943	7,18,259	11,239	Bird & Co. Private Ltd.	1,000	Karanpura Collieries	120 00	100	2 50	5 00	*Nil*	5.00	3	Y.P.T.
5,00,000	10,66,181	49,73,491	30,04,336	1,68,572	Andrew Yule & Co., Ltd.	779	Kattras Jharriah	71.00	10	0 50	0 50	0 50	0.50	2	Y.P.
11,00,240	68,356	16,66,967	10,94,163	12,871	H. V. Low & Co. (Private) Ltd.	500	Lakurka	10 50N	10	0 12	0 19			1	Y.
9,00,000	10,22,762	22,89,712	12,94,028	5,588	H. V. Low & Co. (Private) Ltd.	600	Nasira	7 81	10	0 12	0 12	0 12		6	Y.
7,48,740	2,25,000	18,44,892	9,89,769	53,358	Tantia Brothers Private Ltd.	600	New Beerbhoom	10 50	10	0 50	0 50	0 75		12	Y.
17,75,230	19,68,049	1,30,10,149	94,97,263	83,316	Andrew Yule & Co. Ltd.	1,824	New Manbhoom	10 06	10	1 00	0 75	0 75		12	Y.
6,00,000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd.		Oriental	11 50	10	*Nil*	*Nil*	0 50	0.50	10	Y.P.
1,15,000	3,85,824	13 05 939	9,24,131	25,543	Andrew Yule & Co., Ltd.		North West	18 00	7.50	1 37	1 50	1 50	1.50	3	Y.
1,87,500					F. W. Heitgers & Co. Private Ltd.			12 00	10	1 03	1 12	1 12	1.12		
7,50,000	15,69,648	3,97,666	2,77,666	41,941	Inspiration Kirkenhd		Ondal	12 00	10	1 00	0 75	0 50		3	Y.
8,34,000	26,000	22,40,367	9,36,591	3,080	Shaw Wallace & Co. Ltd.		Parsara	15 00	10	1 00	0 50			12	Y.P.
15,75,000	17,04,800	59,95,210	45,99,210	26,465	B. N. Elias & Co. Private Ltd.		Panch Valley	24 00	10	1 00	0 75	2 00	2 00	12	Y.P.T.
22,49,400	25,05,801	1,37,28,021	91,38,662	29,080	Shaw Wallace & Co. Ltd.		Rawas	14 50	10	0 62	0 87	0 75		3	Y.
13,50,000	6,38,345	42,17,417	32,31,916	24,549	Samla Collieries		Samla Collieries	17 25cd	10	2 07	1 50	1 00		3	Y.
37,50,000	37,12,000	96,06,524	26,37,721	21,162	M.		Searsole	10 50	10	1 00	1 25	0 90		12	Y.
2,50,000	1,98,872	13,78,490	15,21,237	21,000	M.		Seebpore	5.06N	2 50	0 75				12	Y.
2,40,000	9,25,098	29,24,442	19,99,221	48,188	Andrew Yule & Co. Ltd.		Sendra	26.25xd	7	2 50	2 25	1 75		1	Y.
8,00,000	4,91,081	52,471	28,867	628	F. W. Heitners & Co. Private Ltd.			9 44	10	0 25	0 25	0 25		12	Y.P.
63,21,450	1,04,26,883	5,58,10,811	2,61,62,810	.....	Industries (P.F.) Department, Govt. of Andhra Pradesh		Singareni	17 25cd	10	0 75	1 00	1 50		12	Y.
17,50,000	10,87,841	39,01,896	17,00,004	3,729	Bird & Co. Private Ltd.		South Karanpura	11 25	10	0 12	0 25	0 75		12	Y.T.
5,00,000	14,76,745	1,09,870	29,841	9,790	F. W. Heitners & Co. Private Ltd.		Standard	13 81	10	1 00	1 00	1 00		6	Y.
25,00,000		23,00,604	15,45,502	—5,62,907	M.		Tascher	1 62	2 50	*Nil*	*Nil*	*Nil*		12	Y.
10,00,000		2,00,000	19,15,700	14,70,400	1,77,962	Williamson Magor & Co. Ltd. ..		Union	14 75	10	*Nil*	*Nil*		12	Y.
9,50,000	2,00,000	70,81,123	27,21,423	7,961	Hindustan Investment Corpn. Ltd.		Western Bengal	9 44	10	0 50	0 50	0 37		12	Y.
49,98,000	89,284	86,61,905	27,57,669	—3,46,103	Macneill & Barry Ltd.		West Jamuria	7 00	10	*Nil*	*Nil*	0 50	0 40	3	Y.
7,50,000	.....	.....	.....	.....	.....		.....	.....	.....	.....	.....	.....		.....	.....

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1955 Rs. nP.	1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	Accounts closed	Reference
25,50,000	27,26,689	1,04,15,686	75,57,686	40,639	Shaw Wallace & Co. Ltd. ..	Amalgamated Coalfields ..	20 94	10	1 37	0 50	1 25	1 25	3	Y.
12,00,000	8,49,890	35 18 891	33,46 842	57,344	Jardine Henderson Ltd.	Bararee Coke	12 12	10	1 46	1 10	0 37	0.50	3	Y.
4,49,350	98,000	9 26 142	8 60 530	1,317	Kanoria Mahabir & Co.	Benarsi-Bhatdee	4 25N	10	0 62	0 75			3	Y.
1,00,00,000	1,65,13,787	6,38,12,785	4,41,60,343	11,48,068	Andrew Yule & Co., Ltd.	Bengal Coal	260 00	100	35 00*P*	17 50	17 50		12	Y.
2,25,000	3,76,706	24,82,075	22,49,060	—1,39,041	Andrew Yule & Co., Ltd.	Bengal Nagpur	12 50	10	*Nil*	*Nil*	*Nil*		10	Y.P.
40,00,000	10,28,269	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	9 50	10	0 62	0 62	0 60		3	Y.
7,15,000	10,15,173	49,80,946	34,64,101	—4,92,886	M.	Bhuinsbararee	9 75N	10	*Nil*	*Nil*			6	Y.P.T.
7,50,000	24,50,150	46,69,896	27,71,129	26,931	F. W. Heitgers & Co. Private Ltd.	Borrea	18 00	10	2 00	1 50	0 75		12	Y.T.
90,22,480	1,70,32,767	4,37,67,222	1,99,68,073	96,139	Bird & Co. Private Ltd.	Burrakur	16 12	10	0 62	0 68	0 37		3	Y.P.
49,97,000	82,960	55,20,477	10,79,531	1,03,291	Hindustan Investment Corpn. Ltd.	Central India	7 25	10	0 25	0 50	0 50	0.50	6, 12	H.P.T.
1,00,000	49,97,000	49,56,445	33,71,353	23,320	M.	Central Kurkend	10 00xd	10	0 50	0 50			3	Y.
6,00,000	1,49,122	7,29,936(k)	10,337	F. W. Heitners & Co. Private Ltd.	Churia	2 87	4	0 06	0 06	0 20			12	Y.
16,00,000		54,47,612	31,84,398	—67,135	Macneill & Barry Ltd.	Dhanno Main	8 62	10	*Nil*	*Nil*	*Nil*		12	Y.
£240,000	£273,123	£1,070,637	£776,882	£19,431	Jardine Henderson Ltd.	East Indian	23 37	£1	2 00	2 50	1 50	1 00	12	Y.
29,52,780	98,25,027	4,34,54,587	3,12,09,709	59,732	Macneill & Barry Ltd.	Equitable	28 87	10	1 50	1 50	1 50		4	Y.
10,00,000	1,40,469	14,24,422	4,83,296	48,869	Shaw Wallace & Co. Ltd.	Ghusick and Mualia	14 00N	10	0 25	0 25			12	Y.P.T.
12,00,000	65,000	43,00,791	25,55,359	—6,34,205	Killick Industries Ltd.	Hingir Rampur	19 00	50	2 25	2 25	*Nil*	*Nil*	3	Y.
8,00,000	2,50,000	21,57,988	19,66,774	162	Macneill & Barry Ltd.	Hurrtladih	15 00	10	2 50	1 50	*Nil*		6	Y.P.
5,50,000	3,85,964	14,76,413	7,56,154	—1,79,352	Andrew Yule & Co., Ltd.	Kalapahari	22 00	10	*Nil*	*Nil*	*Nil*		12	Y.
20,00,000	2,87,375	35,11,943	7,18,259	11,239	Bird & Co. Private Ltd.	Karanpura Collieries	120 00	100	2 50	5 00	*Nil*	5.00	3	Y.P.T.
5,00,000	10,66,181	49,73,491	30,04,336	1,68,572	Andrew Yule & Co., Ltd.	Kattras Jharriah	71.00	10	0 50	0 50	0 50	0.50	2	Y.P.
11,00,240	68,356	16,66,967	10,94,163	12,871	H. V. Low & Co. (Private) Ltd.	Lakurka	10 50N	10	0 12	0 19			1	Y.
9,00,000	10,22,762	22,89,712	12,94,028	5,588	H. V. Low & Co. (Private) Ltd.	Nasira	7 81	10	0 12	0 12	0 12		6	Y.
7,48,740	2,25,000	18,44,892	9,89,769	53,358	Tantia Brothers Private Ltd.	New Beerbhoom	10 50	10	0 50	0 50	0 75		12	Y.
17,75,230	19,68,049	1,30,10,149	94,97,263	83,316	Andrew Yule & Co. Ltd.	New Manbhoom	10 06	10	1 00	0 75	0 75		12	Y.
6,00,000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd.	Oriental	11 50	10	*Nil*	*Nil*	0 50	0.50	10	Y.P.
1,15,000	3,85,824	13 05 939	9,24 131	25,543	Andrew Yule & Co., Ltd.	North West	18 00	7.50	1 37	1 50	1 50	1.50	3	Y.
1,87,500					F. W. Heitgers & Co. Private Ltd.		12 00	10	1 03	1 12	1 12	1.12		
7,50,000	15,69,648	3,97,666	2,77,666	41,941	Inspiration Kirkenhd	Ondal	12 00	10	1 00	0 75	0 50		3	Y.
8,34,000	26,000	22,40,367	9,36,591	3,080	Shaw Wallace & Co. Ltd.	Parsara	15 00	10	1 00	0 50			12	Y.P.
15,75,000	17,04,800	59,95,210	45,99,210	26,465	Killick Industries Ltd.	Panch Valley	24 00	10	1 00	0 75	2 00	2 00	12	Y.P.T.
22,49,400	25,05,801	1,37,28,021	91,38,662	29,080	B. N. Elias & Co. Private Ltd.	Rawas	14 50	10	0 62	0 87	0 75		3	Y.
13,50,000	6,38,345	42,17,417	32,31,916	24,549	Shaw Wallace & Co. Ltd.	Samla Collieries	17 25cd	10	2 07	1 50	1 00		3	Y.
37,50,000	37,12,000	96,06,524	26,37,721	21,162	M.	Searsole	10 50	10	1 00	1 25	0 90		12	Y.
2,50,000	1,98,872	13,78,490	15,21,237	21,000	M.	Seebpore	5.06N	2 50	0 75				12	Y.
2,40,000	9,25,098	29,24,442	19,99,221	48,188	Andrew Yule & Co. Ltd.	Sendra	26.25xd	7	2 50	2 25	1 75		1	Y.
8,00,000	4,91,081	52,471	28,867	628	F. W. Heitners & Co. Private Ltd.		9 44	10	0 25	0 25	0 25		12	Y.P.
63,21,450	1,04,26,883	5,58,10,811	2,61,62,810	.....	Industries (P.F.) Department, Govt. of Andhra Pradesh	Singareni	17 25cd	10	0 75	1 00	1 50		12	Y.
17,50,000	10,87,841	39,01,896	17,00,004	3,729	Bird & Co. Private Ltd.	South Karanpura	11 25	10	0 12	0 25	0 75		12	Y.T.
5,00,000	14,76,745	1,09,870	29,841	9,790	F. W. Heitners & Co. Private Ltd.	Standard	13 81	10	1 00	1 00	1 00		6	Y.
25,00,000		23,00,604	15,45,502	—5,62,907	M.	Tascher	1 62	2 50	*Nil*	*Nil*	*Nil*		12	Y.
10,00,000		2,00,000	19,15,700	14,70,400	1,77,962	Union	14 75	10	*Nil*	*Nil*			12	Y.
9,50,000	2,00,000	70,81,123	27,21,423	7,961	Hindustan Investment Corpn. Ltd.	Western Bengal	9 44	10	0 50	0 50	0 37		12	Y.
49,98,000	89,284	86,61,905	27,57,669	—3,46,103	Macneill & Barry Ltd.	West Jamuria	7 00	10	*Nil*	*Nil*	0 50	0 40	3	Y.
7,50,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....		.....	.....

M—Managed by the Board of Directors. † Less income-tax. (g) Cum M shares paid dividend at Rs. 104 per share on the year 1955. * Issued per annum.
‡ New Cen ra Jute Mills—1 holder of 100 ordinary shares o Rs. 10 each. The Affiliee and Lothian Jute Companies have been amalgamated with New Central Jute Co. with effect from 1st December 1954. k Investments.
K—Fort William Jute Co. has sub-divided ordinary shares o Rs. 100 into shares o Rs. 10 each. Dividend on 1956 is on shares of Rs. 10 each. † — Bengal Coal Co. Dividend for 1954 and 195 are on shs. o Rs. 500 each. $ On and Capital.
For 1954 the dividend of Rs. 17-8 includes an interim dividend of Rs. 7-8 per share. In 1956 the shares of Rs. 500 were split into shares of Rs. 100 each. *C*—On increased capital.

TEXTILES

(*Concluded from page 1000*)

which costs of production are disregarded, whether the price of raw cotton grown in China is lower than the world price, whether the manufacturing cost of Chinese goods is much lower than the world level or whether it can sell at much reduced export prices on account of its unique system of a State-controlled cotton industry.

Mr. Takashi Murayama has, however, tried to give a rough idea regarding raw cotton price, manufacturing costs and profit rate. His study reveals that cotton is purchased by the State at fixed official prices. Raw cotton grown in Red China is in no way lower than international prices. It may be that the official rate of 2.617 yuan to one dollar represents an overvaluation of Chinese currency and the value of the yuan is actually much lower. If conversion is made in real value, raw cotton price in China may be cheaper. We have no knowledge as to the price actually paid by the cotton mill, for the above prices are those at which the State collects raw cotton from farmers.

No data are available to show the composition of manufacturing costs in the Chinese cotton mills. The only information available is that the average wage of clerks and workers in mills was raised in 1956 by 77.5 per cent. as compared with 1949. The labour norm in terms of the number of machines assigned is: Ring operative 1½-2 frames; weaving operative (ordinary loom) 8-10-12; weaving operative (automatic) 24-28-32. In order to promote the piece-rate system the number of machines assigned to workers is: Ring machine (26s, 21s and 23s) 600-800 spindles; ordinary loom 8; automatic loom 24. Commenting on these figures, Mr. Takashi Murayama says:

"Needless to say, the above figures do not reflect the labour productivity in the Chinese cotton industry. They merely indicate a wage schedule for the operatives. Nevertheless, these figures suggest that the productivity of cotton textile workers in China is much lower than in Japan. It seems that the cotton industry in China is making greater efforts to increase production per spindle than to reduce the number of workers. In this connection, it is to be noted that, in Red China, although the operative works eight hours, the mill is running on a three-shift operation."

In the opinion of Mr. Takashi Murayama, cotton spinning and weaving are extremely profitable enterprises in China. According to information released in 1956, the State can build a cotton mill of 100,000 spindles and 3,500 looms at an estimated construction cost of 35 million yuan. It is said that some 13 months would be required to erect such a mill and the sum invested could be redeemed in full after 12 months' operation. Thereafter, the mill could save and contribute to the State treasury 35 million yuan annually. According to a publication issued in 1958, it is stated that, when a cotton mill of 15,000 spindles is newly constructed in China, they can expect an annual output of 16,500 bales of cotton yarn (average 20s) which could be sold for 11.9 million yuan and leave a handsome profit of 5.9 million yuan (before taxation).

The Second Five-year Plan of China as adopted at the Eighth National People's Congress held in September 1956 envisages a further notable expansion of the cotton textile industry. The production targets fixed for 1962 are: cotton yarn 8-9 million bales; cloth 235-260 million bolts; raw cotton 43 million piculs (Li Fu-Chun Report). It is believed that the textile machinery industry has a programme to produce during the five-year period 12-13 million spindles, of which one million spindles are to be exported.

THE BOMBAY GAS COMPANY LIMITED

(*Concluded from page 1004*)

"Work was commenced in May 1957 upon the new 15" trunk main, almost three miles long, from the Gas Works to the Opera House. Using imported pipes with specially designed joint rings, the work was completed in about seven months, despite delays caused during the monsoon period. The main was commissioned in December 1957 and has been most beneficial in improving gas pressure in the central areas of the City.

"Gas works and district plant were maintained in good condition during the year, four beds of retorts being re-built and twelve beds let down for maintenance repairs.

"This year your Company also carried out the lighting of Netaji Subhas Road and Bombay Road No. 1 in front of the Sachivalaya. ... the Director. Shri N. K. Jalan was also present on the occasion of the final inspection. The Municipal Commissioner was much satisfied and had written to us that the 'improvement has given relief to both motorists and pedestrians' and the Company had provided 'the much needed improvement very expeditiously.' The glareless light being provided by your Company compares favourably even with fluorescent lamps. We hope all lovers of the City of Bombay find the charms of the 'Queen's Necklace' doubly enhanced by the improved lighting."

THE BELAPUR COMPANY LIMITED

(*Concluded from page 1018*)

manufacturer has to pay income-tax, corporation tax, wealth tax and dividend tax as well as a tax on capitalisation of reserves if and when such adjustment is made.

"Such heavy taxation is restraining consumption of white sugar and encouraging production of *gur* and *khandsari*, both of which involve wasteful methods of extracting sucrose from sugarcane. Even the Karve Committee, which was entrusted with the specific task of recommending measures for encouraging cottage industries, recognised this point and did not recommend placing a handicap on white sugar making, as it did in regard to other large-scale industries run by power.

"In the budget for 1958-59, the Government of India mercifully spared white sugar from any further taxation, but it was only on 14th December 1957, that is, 2½ months before the presentation of the budget, that it had enhanced the tax burden by As. 3 per maund of sugar while imposing a special excise (at the rate of Rs. 3.31 per cwt.) in lieu of sales taxes levied by State Governments.

"The effect of heavy taxation on the sugar industry is clearly reflected in the financial results of your Company. From Rs. 18.23 lakhs in 1953-54, excise duty and sugarcane cess paid by the Company has gone up to Rs. 69.13 lakhs in 1957-58. The latter amount, it may be interesting to note, is equal to nearly a third of the Company's sale proceeds.

Sugar Exports

"An outstanding development of the year was the Government's decision that the industry should export 50,000 tons of sugar. It is outstanding not because of the quantity involved —in 1956-57 India had exported 150,000 tons—but because of the sacrifice involved to the country in terms of rupee resources. If, in the previous season, India exported at a profit three times the

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1955 Rs. nP	1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	Accounts Closed	Reference
16,00,000	1,08,00,000	10,41,547	Allahabad Bank	862.00	100	18.00	18.00	18.00‡		12	Y.P.
50,000				181.00	50	9.00	9.00	9.00‡			
1,01,000	17,84,000	3,68,732	Andhra Bank	106.50	100	6.50	8.00	6.00	2.50‡	6, 12	H.
40,78,300				88.75	85	4.50	5.59	5.10	1.12‡		
1,00,00,000	4,10,731		Bank of Baroda	121.00	50	6.00‡	7.00	7.00	3.00	12	Y.
50,00,000	2,00,000	7,900	Bank of Bikaner	24.00	25	0.87	1.12	1.25		12	Y.
	50,00,000			196.75	50	8.00	8.00	8.00	3.00‡	6, 12	R.L.Y.
2,50,00,000	3,10,00,000	16,02,381	Bank of India	339.50	50 'A'			8.00	3.00‡		
50,00,000 'A'				68.00N	25	2.50	4.00	4.25		12	Y.
15,30,375	29,00,000	52,270	Bank of Indore	46.00	50	2.00	2.50*	3.00		12	Y.
50,00,000	25,00,000	20,476	Bank of Jaipur	300.00	100	16.00‡	16.00‡	16.00	8.00‡	12	Y.
50,00,000	91,95,612	1,87,085	Bank of Mysore	80.00	50	5.00	5.00	5.00		12	Y.P.
15,00,000	40,00,000	44,768	Canara Bank Ltd.	77.00	50	5.50‡	5.00‡	5.00‡		12	Y.P.
7,50,000	12,55,000	5,670	Canara Banking Corporation Ltd.	132.00	100 'A'	12.50	15.00	15.00		12	Y.
5,82,980 'A'	22,00,000	18,765	Canara Ind. & Bkg. Syndicate Ltd.	1.71	1'C'	12½%	15%	15%			
23,787 'C'				58.00	25	3.00	3.50	3.50	1.50‡	12	R.L.H.
2,62,11,375	4,03,50,821	18,44,046	Central Bank of India Ltd.	59.00	25	3.00	3.50	3.50	1.50‡		
52,42,375				46.50	50	2.50	3.00	3.00	1.25‡	12	Y.
50,00,000	40,00,000	2,80,320	Devkaran Nanjee Banking Co.	29.12	5	0.87	1.37	1.06		12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	9.50	50	Nil	Nil			12	Y.
1,25,00,000	6,93,000	21,046	Hindustan Commercial Bank	13.00	50	Nil	Nil	Nil		12	Y.
50,00,000	1,80,000	4,233	Hindustan Mercantile Bank	217.00	100	12.00‡	13.00	15.00‡	6.50‡	6, 12	R.L.H.
44,00,000	1,00,00,350	2,04,376	Indian Bank	177.00	80	7.75	9.75	12.00‡	5.20‡	12	Y.
22,40,000				160.00	100	7.50	10.00	10.00		12	Y.
56,23,350	46,86,300	2,32,067	Indian Overseas Bank	31.00	25	1.87	1.87	1.87		12	Y.
10,00,000	10,25,000	32,502	Pandyan Bank Ltd.	56.00	25	3.50	4.00	5.00	2.50‡	12	Y.
1,25,00,000	1,10,00,000	4,51,904	Punjab National Bank	28.55	25	1.00	1.00	1.25		12	Y.
1,00,00,000	29,17,000	5,628	Travancore Bank	7.48	5	0.37	0.44	0.44		12	Y.
40,00,000	40,00,000	1,50,332	Union Bank of India	67.80	50	2.75	3.50	3.75		12	H.
2,00,00,000	1,84,00,000	49,482	United Commercial Bank								

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£2,000,000	£2,100,000	£171,884	British Bank of the Middle East‡	£2-8-3	£1	10	10	10	10	3	Y.
£5,000,000	£5,500,000	£412,542	Chartered Bank	£2-5-6	£1	15†	15†	15†		12	Y.
H.K. $50,000,000	H.K. $128,000,000	H.K. $2,062,463	Hongkong and Shanghai Banking Corporation	£48‡	H.K. $125	5*	5*	12½*Σ	1½*	12	Y.
£18,565,070	£18,000,000	£826,712	Lloyds Bank	£2-4-6	£1	12†	15†	13†		12	Y.
£2,940,000	£2,100,000	£221,452	Mercantile Bank Ltd.	£2-6-0	£1	14†	14†	18‡†		12	Y.
£2,851,563	£3,104,637	£355,589	National Overseas and Grindlays Bank Ltd.	£1-9-0	sh. 12½	15†	15†	15†		12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. (I) Interim. * £ per share free of tax. XI—Ex-Right.
Σ—The final dividend of £1-12-6 is on the increased Capital. § 7½% interim dividend for 1959 declared.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £		Principal Repayable
BREWERIES AND SUGAR							
19,50,000	6	1st December and 1st June	Carew & Co.	1938	92.00	1st June	1963
4,00,000	6½	1st March and 19th September	Carew & Co. (2nd mortgage)	1941	90 00	28th February	1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	100 25	27th December	1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	87.00	1st November	1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	94.00	1st November	1959-64
COAL							
80,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00‡	30th June	1964
30,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	87.00	30th June	1967 (d)
50,00,000	4½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December	1969 (d)‡
COTTON							
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April	1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur Cotton	1937	99 00	15th November	1956 (b)‡
70,00,000	5	1st April and 1st October	Buckingham and Carnatic	1953	98.00	1st March	1972 (d)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	100 25	1st April	1967-72
18,71,000	5½	30th June and 31st December	Jayshree Textiles	1956	90 00N	1st January	1966-69
89,90,000	5	1st June	Tata Mills	1955	93.00	15th November	1960
ELECTRICITY							
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	90.00	31st March	1965 (a)
95,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		99 00	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	99 50	1st October	1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90 00	31st December	1964 (a)
£4,048,314	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98 00	1st January	1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	84 00	31st December	1970 (a)
13,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91 00	30th June	1976 (a)
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	95 00	1st April	1959-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	98 50	30th September	1955-63
47,73,000	5	1st April and 1st October	Tata Power	1940	100 62	1st July	1970
2,50,00,000	4	1st April and 1st October	Tata Power	[illegible]	86.00	15th September	1965-70‡
ENGINEERING							
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December	1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	104.50	1st January	1971
80,00,000	6½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	97.25	1st July	1957-62
20,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	82.00	31st May	1971
1,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.25	1st October	1966-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	96.00	31st December	1980 (a)
JUTE							
12,00,000	5½	1st October and 1st April	Agarpara	1939	90.50	31st March	1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June	1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	77.00	31st December	1964‡
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90 00	30th June	1960
9,00,000	5	31st January and 31st July	Calcutta	1949	386 00	31st July	1959
10,89,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88 50	30th June	1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90 00	31st March	1969 (a)‡
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July	1966 (a)‡
$0,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	94 00	31st March	1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90 00	31st December	1964 (d)
25,00,000	5½	30th June and 31st December	Naihati	1952	90 00	31st March	1967 (a)
25,00,000	5½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92 00	14th May	1959
5,00,000	4½	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	80 00	31st December	1964
20,00,000	6	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	85 00	30th September	1965 (a)
25,00,000	5½	30th June and 31st December	Union	1937	95 00	31st March	1967
12,00,000	5½	31st January and 31st July	Waverley	1925	80.00	31st July	1966
RAILWAYS; STEAMSHIP AND TRAMWAYS							
£380,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter	
	5	1st April and 1st October		1938	£74.10N	1st October 1974	
£189 865			Katakhal-Lalabazar Railway	1945	85.00	31st December 1959 (a)	
6,80,000	5½	30th June and 31st December				Any time on six months' notice (a)	
£800 000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	1st September 1963	
4,14,15,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	97.00		
PLANTING							
11,25,000	6	31st March and 30th September	Nilgiri Tea	1944	99.50	1st April	1966-69†
1,27,600	5½	31st March and 30th September	Teekoy		100.00	31st March	1949-50
MISCELLANEOUS							
₹10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98.00	31st December	1965
23,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	85 00	31st December	1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	101 00	1st September	1964-69(c)†
5,00,00,000	5½	1st April and 1st October	Calter Oil Refining (India) Ltd.	1955	101 75	1st October	1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85 00	1st February	1964
19 29,600	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	82 00	1st July	1966
30,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78 00	15th September	1960
1,00,00,000	5½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	82 00		1966
1,05 21,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	105 25	1st January	1971 (c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co. Ltd	1954	100.50N	30th June	1960 (c)‡
15,00,000	5	2nd January and 2nd July	Mettur Chemical Industries	1949	88 00	30th September	1964
9 88,000	4	31st March and 30th September	Martin Burn Ltd (Convertible Notes)	1946	600 00	30th September	1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	495 00 (per note)	31st December	1972 (d)
					85.50N	1st April	1971
75,00,000	6	1st April and 1st October	Macneill and Barry Ltd.	1951	100 75	30th June	1965-70
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	102 00	31st March	1961 (a)
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	91 00	31st December	1956
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	101 75	1st May	1968 (a)††
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India Ltd.	1953			

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
‡ With option to redeem at Rs 101 per cent after 10 years or at Rs 100.8 per cent after 18 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures a 101 per cent on 1-6-1964. †† Rs. 80 lakhs will be redeemed annually by drawings. The Company has option to redeem a debenture at 101 per cent. on 1st May 1963, on six months' notice. from 1st May 1964 onwards.
†† Option to repay at par on 6 months' notice on or after 1st January 1961.

MARKET GOSSIP

(Concluded from page 991)

decline in 1957-58, from 8.8 million bags (in 1956-57) to 8.4 million bags. Estimates for 1958-59, however, indicate an increase to 9.7 million bags for the whole of Africa.

As a result of the increase in production, the exportable surplus had risen by 25 per cent. during 1957-58, that is, from 34.4 million bags to 43.2 million bags. Naturally, Brazil accounted for the bulk of this increase. In 1958-59, the exportable quantity is estimated to go up further to 50 million bags, which would be nearly 50 per cent. more than in 1956-57. Despite the [illegible] of world consumption is estimated at 35 million bags, [illegible] does not show any sign of increase.

Thus, coffee producers are again confronted with a huge exportable surplus and the problem has so far evaded solution. There has been a substantial fall in prices during the last one year but they have not yet found their bottom. In London, for instance, Coffee Uganda Robusta—grade 10 unwashed January shipment—was quoted last week-end at 189s. per cwt., as against 221s. a month before. The two separate agreements, one by the Latin American producers and the other by the African growers, together cover 90 per cent. of the world production. Brazil, the largest producer in the world, is holding back 40 per cent. of its output under the agreement. These agreements have no doubt prevented an utter collapse of prices though they have not restored confidence, because of the growing surplus.

There are only two remedies to correct the imbalance. The one is to cut production drastically and the other to raise consumption substantially. The second one will be more welcome than the first, but it is not an easy one. The cuts in retail prices of coffee during the last one year or so have not brought about any significant increase in consumption, as coffee prices, despite the cuts are considered to be very high from the consumers' point of view. The evolution of soluble coffee is no doubt a promising development, but the sales of coffee in this form are not expected to continue to rise at the same rate as they did a few years ago when it was introduced.

Continued expansion of production and holding back of surplus from the market cannot go on for ever, when the prices maintain their downward trend. The sharp decline in prices will normally bring about a cut in production, but there is also a tendency for growers to raise their output in order to maintain their earnings. The policy of the Latin American countries has not done anything to reduce production. On the contrary, their policy of keeping up prices has only helped African producers to gain a foothold in the traditional markets of Latin American producers. It must also be noted that nearly 80 per cent. of the total African coffee is of the Robusta variety, a type which has been in growing demand, because of its suitability for the making of instant coffee. It is much cheaper than South American coffee. It not only constitutes a good part of the world supplies to West European markets but has even entered the U.S.

Against this background of world coffee situation, the outlook for Indian coffee is getting dimmer, particularly in view of the rising output in this country too. Despite the untimely and unhealthy weather during November and December, the earlier estimate of the current season's crop at 44,810 tons is expected to be fully realised. The crop represents an increase of 3,200 tons over that for 1956-57 and of nearly 10,800 tons over the 1955-56 crop. The picking of the 1958-59 crop has commenced in several estates. Planters expect yet another bumper crop of well over 50,000 tons, the highest on record.

Export sales out of the 1957-58 crop up to 4th December aggregated 14,126 tons (made up of 9,563 tons of Plantation, 3,910 tons of Arabica Cherry and 1,413 tons of Robusta). Tenders for another 481 tons have been invited this week. The sales made so far compare well with 12,978 tons sold during 1957 and exceed the export allotment by 1,470 tons. The upward trend in internal offtake continues, but its pace is slow as compared with that of production. The total releases up to the end of November amounted to 24,902 tons. This quantity is ahead of last year's offtake in the corresponding period by 800 tons. The total releases during the whole of 1957 amounted to 26,230 tons. Unless the internal consumption is pushed up substantially, India will be faced with the problem of a substantial surplus next year and the chances are that it may have to export this surplus at considerably lower prices.

I.F.C. TO INVEST IN BRAZIL

The International Financial Corporation has decided to invest $1.2 million in a private Brazilian cement manufacturing company. The investment will be in U.S. dollar notes bearing interest at the rate of 7 per cent. per annum, maturing in instalments over 10 years and will be redeemable at any time without premium. The I.F.C. will also receive *Partes Beneficiarias*, a type of security in use in Brazil, which, in this case, gives the holder the right to receive a portion of the annual net profits of the Company *plus* an option to redeem the *Partes Beneficiarias* into cash or to convert them into common stock. The I.F.C. commitment is subject to completion of the necessary legal formalities.

The I.F.C. investment is to finance the construction of a new cement plant, with an annual capacity of about 200,000 metric tons. It is expected to commence by the end

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